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E.5 SOUTH GIPPSLAND RURAL LAND USE STRATEGY

APPENDIX 1



*South
Gippsland
Shire*

Rural Land Use Strategy

Final Report

December 2010



RMCG

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Executive Summary

Introduction

In 2008, South Gippsland commenced a comprehensive review of the Shire's rural strategy. RM Consulting Group undertook the review, which was completed in two stages:

Stage 1 Preparation of an Issues Paper culminating in a Rural Land Use Report to document the rural land use circumstances and issues. The report was used along with stakeholder and community feedback as the basis for Council to articulate a vision and strategic objectives for the Shire's rural areas.

Stage 2 Preparation of Draft Rural Land Use Strategy detailing the planning controls to be implemented in the Planning Scheme. The Draft Strategy was placed on public exhibition for community and stakeholder feedback.

This report is the culmination of Stage 1 and Stage 2 of the project.

The development of this Rural Land Use Strategy offers the opportunity to review the function, values and prospects of the varied rural areas of South Gippsland Shire and to align these with planning controls that are responsive to local and regional requirements. This recognises that the land uses, landscapes, locations and functions of the varying rural areas of the Shire are deserving of a responsive and where appropriate differentiated policy position. The key statutory implementation tool is the selection and application of an appropriate zone from the suite of new rural zones provided in the Victoria Planning Provisions.

Agriculture

The South Gippsland economy is underpinned by the dairy industry. The soils and climate of South Gippsland provide ideal conditions for pasture-based milk production enabling producers to be globally competitive. Gippsland produces around a third of Victoria's milk and is the focus of regional milk processing with the Murray Goulburn facility at Leongatha. The natural attributes of South Gippsland also make it attractive for production of other agricultural products including beef and vegetables and a number of emerging industries.

A key outcome of this review is to ensure that the strategic direction of the rural strategy supports the continued development of dairy and traditional agricultural industries and provide for diversification into new industries.

There are a large number of small farms in the Shire, representative of the growing rural lifestyle sector. While this sector brings some benefits such as cultural diversity, planning policy should provide clear direction so that rural lifestyle development it does not compromise major agricultural industries.

The rural land of South Gippsland has been substantially subdivided, the legacy of past subdivision and settlement patterns. As a result most commercial farms in South Gippsland are multi-lot tenements. The large number of small to medium lots adequately addresses the demand for lots for land transfer as part of farm growth and succession. These circumstances should be maintained through clear planning policy for subdivision and dwellings.

There are areas of the Shire that are less suited to agriculture due to steep slopes and vegetation cover. Planning policy should be tailored to reflect land use outcomes for these areas to provide for a mix of agriculture, land restoration and acknowledgement of its native vegetation cover.

Wind energy generation provides an opportunity to diversify rural land use while maintaining agricultural production.

Population and Settlement

In reviewing the population trends and future growth for South Gippsland it is concluded that:

- The Shire has experienced modest growth in the last ten years and this trend is expected to continue.
- Nearly half the residents live in the Shire's rural areas.
- Due to its proximity to Melbourne and amenity, there is potential for growth to accelerate as people pursue a sea or tree change. It is important that the Shire plan appropriately to avoid the negative impacts of coastal and rural lifestyle development experienced in other municipalities.

In addition to planned areas for rural residential development, there is a supply of small lots within the Farming Zone that, in the absence of sound policy and practice, represent the potential for a significant increase in rural residential outcomes in the Farming Zone. Amendment C51 has provided clear direction for the treatment of these small vacant lots.

There are also areas of clustered small lots that are now partially developed and are compromised to such a degree that the return of these to commercial farming is unlikely. It is beyond the scope of this study to assess and make recommendations as to the most appropriate uses and planning policy for these areas.

It is recommended that the areas noted in the following table be reviewed in detail as part of a Housing and Settlement Strategy for the Shire.

Crown townships, crown settlements and cluster subdivisions

Crown township	Crown settlement	Cluster subdivision
Agnes Jumbunna Mirboo Darlmurla Whitelaw Hoddle Hedley Port Frankin Bennison Outtrim	Kardella Grip Road	Korumburra South Yanakie Whitelaw Meikle Road Savages Road Mathers Road

Environment

The Shire has significant environmental and landscape assets and these have been documented and mapped in a number of strategies and action plans. There is an opportunity to update the planning scheme to include relevant mapping and land use and development controls to reflect these environmental and landscape values.

There is a suite of overlay controls in the Victoria Planning Provisions, including Environmental Significance, Erosion Management and Vegetation Protection overlays. A review of the current overlays is required, to ensure that the correct overlays are currently being applied to achieve the best land management outcomes.

Consultation

An integrated process of consultation was developed to inform the development of the Rural Land Use Strategy through its various stages and included engagement with the community, agencies and industry representatives.

Revised South Gippsland Rural Land Use Strategy

Based on the findings of the rural strategy review investigations, including community and stakeholder consultation undertaken to date and the findings of the Rural Strategy Reference Group (Appendix A), it is recommended that the following elements be embraced as the Shire's revised Rural Land Use Strategy

Key strategic elements

The review of rural land in South Gippsland has concluded the following:

- A long history of agricultural production has left a legacy of rural communities and townships and rural landscapes valued by the South Gippsland community and significant to the Shire's identity and livability.
- Agriculture underpins the economy of the Shire producing fresh and processed commodities for the national and international markets. Rain-fed dairy is of particular significance with beef and vegetable production also important industries based on areas of high quality agricultural soils, comparatively high rainfall and a temperate climate. Industries such as grapes for wine production are emerging.
- Agriculture also supports a significant manufacturing sector including food processing and associated service industries. Around one third of the employment in the Shire is associated with agriculture either directly on farm or in associated manufacturing and service industries.
- The long-term impacts of climate change on agriculture in South Gippsland are largely unknown but low-lying coastal areas are at risk from storm surges, changes to tidal patterns and sea-level rise. The combination of good soils and high rainfall provide scope for farmers to change and adapt production systems to meet the challenges of climate change.
- There are significant environmental assets that contribute to the amenity and landscape of the Shire. Of particular significance are the coastal areas from Venus Bay to Cape Liptrap, Waratah Bay and Corner Inlet and the rural hinterland. Farming and the rural landscape provide non-urban breaks between townships and coastal settlements. Other areas of the Shire, including parts of the Strzelecki Ranges, are prone to erosion due to steep slopes and clearing of native vegetation.
- The proximity of the Shire to Melbourne is enhanced by improvements to the road network, providing opportunities for population growth. The Shire will seek to accommodate this growth and where appropriate, provide for growth in rural areas where it will maintain and build community capital in the rural towns and communities. Future development will be focused on seweraged settlements and should not come at the expense of agricultural, environmental, landscape and social values.

- Tourism is focused on Wilson's Promontory National Park and surrounds. However, there are opportunities for a variety of tourism new developments capitalizing on the open rural-farmed landscape and vegetated areas.

Vision

The South Gippsland Shire Rural Land Use Strategy sets out a long term vision for the Shire's rural areas that:

- Strongly supports the growth of sustainable agricultural industries
- Provides for maintenance and consolidation of existing rural towns and communities
- Protects productive agriculture.
- Protects and enhances environmental and landscape values
- Provides for growth of tourism.

Key strategic directions

The key strategic directions of the Rural Land Use Strategy are to provide a planning framework that will:

- Detail planning controls that will provide clear direction for use and development in rural areas
- Support agriculture and protect the rural farmed landscape and not prejudice the ability of future generations to productively farm the land.
- Support agricultural activities and associated rural industries that will maintain and build on the Shire's economic base
- Balance demand for rural lifestyle and protection of agricultural values by discouraging fragmentation of land in rural areas as well as additional dwellings unrelated to the agricultural use of the land.
- Protect and maintain the existing rural character of the Shire by providing clear definitions and distinctions between rural and urban areas.
- Protect and maintain areas of environmental and landscape significance by strongly discouraging inappropriate development and uses.
- Provide for uses that will encourage restoration of degraded land.
- Provide for a range of tourism uses in appropriate areas.

Implementation

This review has found that the current Planning Scheme does not have strong and robust suite of implementation measures to achieve the objectives for rural land. Therefore the implementation measures proposed in this Rural Land Use Strategy are aimed at providing clear and robust policy.

The current policy position places a strong emphasis on protecting land for agricultural purposes but provides little direction for tourism development in rural areas. The revised rural strategy will seek to maintain and support agriculture and provide appropriate opportunities for tourism in rural areas.

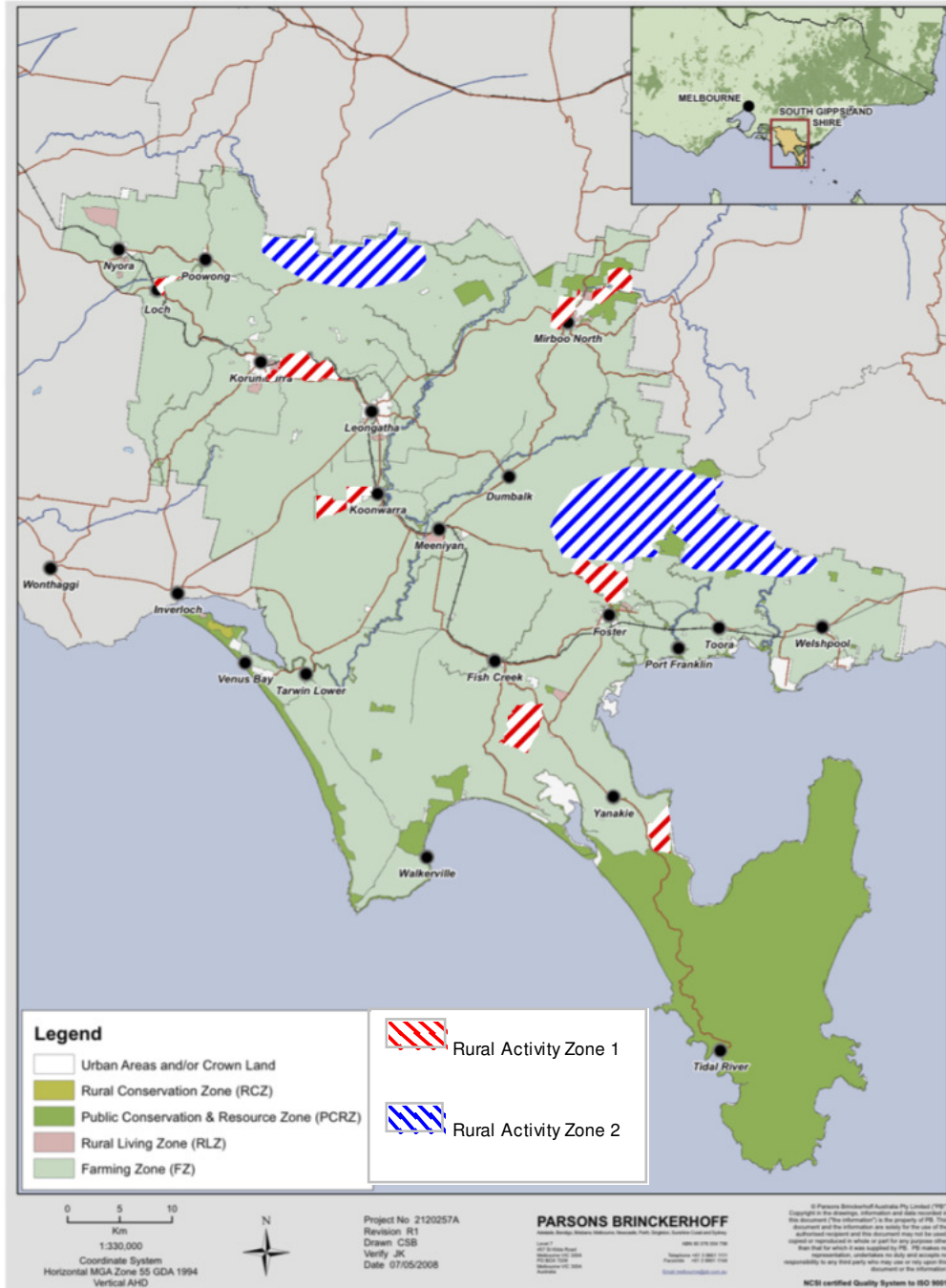
Ministerial Amendments C48 and C51

Following public exhibition of the Draft Rural Land Use Strategy, the Minister for Planning introduced Amendments C48 followed by C51 to the South Gippsland Planning Scheme. This had the effect of superseding some of the recommendations of the Draft Rural Land Use Strategy.

Implementation of Councils vision for the Shire's rural areas will be achieved by:

- Updating the Municipal Strategic Statement with relevant material from this report.
- Possible revision of Farming Zone Schedule to include C51 Shire of South Gippsland Incorporated Document, 2010 Rural Areas provisions for Dwellings.
- Retaining the Farming Zone and revised minimum lot size schedule and accompanying policy as per Amendment C51
- Introducing the Rural Activity Zone to areas:
 1. Identified as appropriate for tourism development at Loch, Kardella, Koonwarra, Waratah North, Foster North, Yanakie and Mirboo North.
 2. Identified as areas with a mixed use function at Dollar-Gunyah-Toora North and between Poowong East and Trida.
- Retaining existing areas zoned for Rural Conservation.
- Introducing a new local policy to support decision making and tourism development in areas zoned Rural Activity Zone 1 and for a one-off development at Cape Liptrap.
- Introducing a new local policy to support decision making and development in areas zoned Rural Activity Zone 2 (mixed use areas)

The spatial application of rural zones proposed by this Rural Land Use Strategy are depicted in the following map.



1 Introduction

The South Gippsland Shire is a diverse municipality with highly productive agricultural areas, attractive rural landscapes and coastal areas. The Shire covers a geographical area of 3,305km² and has a population of around 27,000. The two largest towns are Leongatha and Korumburra. There are a number of smaller townships in the rural areas including Poowong, Mirboo, Dumbalk, Meenyan, Tarwin, and Foster.

The Municipal Strategic Statement recognises the importance of agriculture to the economy and the need to protect high quality agricultural land, to provide for tourism growth and a diversity of housing choices to ensure that the Shire continues to grow. It is important that growth is managed sustainably and that the agricultural, environmental and landscape assets that attract businesses, tourists and residents are protected.

In 2008, South Gippsland commenced a comprehensive review of the Shire's rural strategy. This report details the outcomes of the review of rural land. RM Consulting Group was engaged to undertake the review, which was completed in two stages:

Stage 1 Preparation of an Issues Paper culminating in a Rural Land Use Report to document the rural land use circumstances and issues and seek community and stakeholder feedback to validate the report findings. The report and consultation feedback were used as the basis for Council to articulate a vision and strategic objectives for the Shire's rural areas.

Stage 2 Preparation of Draft Rural Land Use Strategy detailing the planning controls to be implemented in the Planning Scheme and seeking community and stakeholder feedback through public exhibition.

This report is the culmination of Stage 1 and Stage 2 of the project.

2 Planning Policy

2.1 South Gippsland Planning Scheme

Each municipality in Victoria is covered by a Planning Scheme, which guides and regulates land use and development. Planning Schemes are legal documents, which Councils are responsible for administering and for preparing local content where relevant.

The key purpose of this study is to update the South Gippsland Planning Scheme with respect to rural land use and development. This section of the report presents the current State and Local policy position for rural land.

2.2 State Planning Policy Framework

The South Gippsland Planning Scheme is required to implement State Planning Policy. There is a number of State planning policies that apply to rural land and are relevant to this project.

Protect productive agricultural land

Protect the State's agricultural base. Ensure productive agricultural land is not lost due to permanent changes to land use.

Intensive animal industries

Support their establishment and expansion provided they are consistent with relevant Codes of Practice and protection of the environment.

Forestry and timber production

Councils should identify appropriate areas for this use. Forestry and timber production uses are required to be consistent with the National Forest Policy Statement and relevant Codes of Practice.

Rural residential development

Control development in rural areas to protect agriculture and the natural resource base. Encourage further development in existing settlements and discourage isolated small lots in rural zones.

Coastal areas

Plan coastal resources and settlements to ensure that the environment is protected and settlement boundaries are defined.

2.3 Local Planning Policy Framework

The South Gippsland Planning Scheme contains Council's Municipal Strategic Statement and a suite of policies prepared by Council to guide decision making on issues specific to the Shire.

The Shire's overarching land use planning vision is to develop a vibrant, prosperous community that respects the unique character, lifestyles and future of South Gippsland. Key issues include protecting the region's biodiversity, protecting and promoting the strong agricultural base in the Shire and promoting high quality and diverse lifestyle opportunities.

The strategic position on agriculture, rural land and rural living arises from the existing South Gippsland Rural Strategy and town framework plans (or township strategies). The position presented in these studies is implemented through the South Gippsland Planning Scheme.

2.3.1 Municipal Strategic Statement (MSS)

In respect to rural land use and development, the South Gippsland Municipal Strategic Statement identifies the following key issues and objectives:

Environment and Cultural Heritage

- *Conserve the region's biological diversity*
- *Protection of the natural resource base of soil, waterways and wetlands, remnant vegetation and threatened flora and fauna*
- *Pressures for development and subdivision along the coast and other environmentally sensitive areas and the associated impacts of vegetation clearing, introduction of pest animals and weeds, erosion and decrease in water quality.*
- *The incidence of landslip and erosion, particularly within the steep areas of the Strzelecki Ranges, flooding and drainage problems affecting certain areas of the Shire and the potential risk to population and property from fire hazard in certain areas.*
- *The negative impacts of pest plants and animals on the ecology of the area.*
- *The need to closely regulate industry and farming practices to ensure environmental standards are maintained.*
- *Insufficient integration of the management of public and private land to provide a diversity of flora and wildlife refuge areas.*

Economy

- *The need to protect and promote the importance of a strong agricultural base to the Shire's economy*
- *Diversification and restructuring of the agricultural industry through more intensive farming, value-adding opportunities and the decline of traditional forms of agricultural employment*
- *Increasing interest in developing timber plantations on cleared farmland*

Specific objectives include:

- *To continue to support traditional forms of agriculture such as dairying, beef cattle and sheep.*
- *Promote the region as a food bowl that supplies premium "green" products.*
- *To encourage the development of farm forestry in appropriate locations.*

- *To attract and develop value adding opportunities to diversify the industry base and maximise employment opportunities.*
- *To encourage the location of industries within existing industrial precincts.*
- *To ensure that industries in rural areas specifically support the agricultural sector.*

Specific strategies and actions identified in the Scheme to achieve these objectives are as follows:

- *Protect high quality agricultural land for primary production.*
- *Discourage rural living in high quality agricultural areas*
- *Limit the impact of house lot excisions by generally encouraging: minimum lot size of 0.4ha and a maximum lot size of 1ha for a house lot, the residual lot to generally be a minimum of 40 hectares.*
- *Consider subdivision of rural land that will facilitate more intensive agricultural land uses with reference to the recommendations of the South Gippsland Rural Strategy.*
- *Discourage the development of houses in old Crown township areas except where such lots form part of a sustainable farm or are adjacent to existing urban/serviced areas.*
- *Provide essential services to support agricultural production and economic development.*
- *Promote effective land management and the integration of economic and environmental needs.*
- *Ensure that the road network is capable of serving the transport needs of the farming community on an equitable basis.*
- *Consider land capability when assessing applications for the use and development of rural land.*
- *Protect the area identified in the Lang Lang to Grantville Regional Sand Extraction Strategy in the north west of the Shire for its significant regional sand resource.*
- *Consider land capability when assessing applications for the use and development of rural land.*

Settlement

- *The need to raise the awareness of people who chose to live in rural areas that they must expect rural land uses and infrastructure levels as well as rural amenity and lifestyle opportunities.*
- *Provide diversity in housing types to accommodate decreasing household sizes and an ageing population.*
- *Increasing pressure for housing development along the coastal areas.*
- *The need to plan for housing and facilities to cater for anticipated population growth in the north-west of the Shire.*

Transport and Infrastructure

The potential for an increase in truck traffic throughout the municipality as timber harvesting activities increase and the impact this will have on the road network.

2.3.2 Local Planning Policies

The following two local planning policies are specifically relevant to the rural areas of the Shire:

22.02 Alternative Domestic Energy Supply

Encourage the use of alternative energy technology, ensure the use of alternative, renewable energy technology does not detrimentally affect the surrounding environment, ensure the design and siting of structures associated with energy production does not detrimentally affect the character of the area and to discourage tall structures on ridgelines or in view corridors.

22.03 Dams

The siting, design and construction of dams should be undertaken to minimise the impact on land, roads and waterways, with particular emphasis on maintaining environmental flows in rivers and streams of the water catchment.

2.4 New rural zones

The State Government introduced new rural zones in June 2004 through Amendment VC24 to the Victorian Planning Provisions. The new rural zones consist of the:

- *Farming Zone* that replaces the Rural Zone and is the main zone for agricultural areas. The purpose of the Farming Zone is to encourage retention of productive agricultural land and discourage uses that may have adverse impacts on agriculture.
- *Rural Activity Zone*, a new zone that provides for agriculture and other uses. The purpose of the Rural Activity Zone is to provide for agriculture and other uses that are compatible with the agricultural, environmental and landscape values of the area.
- *Rural Conservation Zone* that replaces the Environmental Rural Zone for land with significant environmental values.
- *Rural Living Zone* that upgrades the existing Rural Living Zone and provides for rural residential areas.

The new rural zones were incorporated into the South Gippsland Planning Scheme in June 2007 via a direct translation of Rural Zoned land to the Farming Zone, Environmental Rural Zoned land to Rural Conservation Zone and land previously zoned Rural Living was retained as Rural Living.

The preparation of this rural strategy will seek to confirm the outcomes of the direct translation and resolve the allocation and land use issues relating to the application of the other new Rural Zones.

Figure 2-1 shows how the zones are currently applied to the municipality. The majority of the Shire is currently zoned Farming by virtue of the direct translation from the Rural Use Zone. At present the Rural Activity Zone is not applied to any land in South Gippsland Shire. There are Rural Living Zone areas located throughout the Shire, predominately on the periphery of townships.

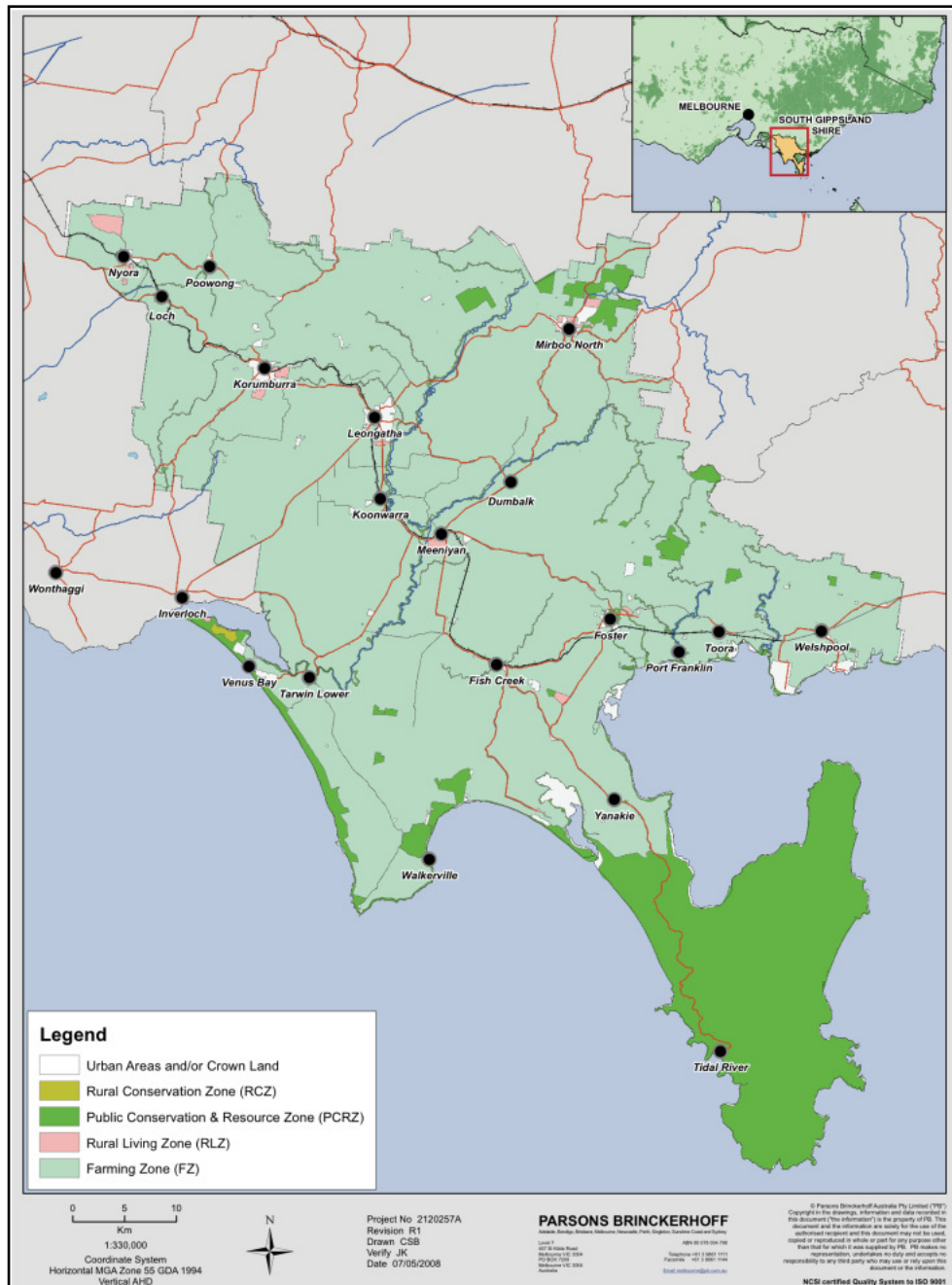


Figure 2-1 Rural Zones in South Gippsland

Existing and proposed rural living areas are identified in several Framework Plans including plans for Leongatha, Mirboo North, Korumburra and Foster. A number of Township Strategies are completed or are currently in progress.

There is a small area of Rural Conservation Zoned land located in the Venus Bay and Point Smythe area. This zone has been applied to protect and enhance the area's environmental values.

2.4.1 Overlay controls

The South Gippsland Planning Scheme contains a variety of environment, landscape, heritage, built form and land management overlays that guide sustainable development in the Shire. Relevant to the rural areas, the Scheme includes specific overlay controls to protect and manage water catchments and recognise significant biodiversity or coastal areas, areas susceptible to erosion, flooding and wildfire.

The Environmental Significance Overlay covers a large proportion of the Shire via six schedules – areas of natural significance; water catchments; coastal areas; sewerage treatment plant and environs; areas susceptible to erosion; and areas susceptible to flooding.

2.5 South Gippsland Rural Strategy (2001)

The current South Gippsland Rural Strategy discusses the Shire in five policy areas. A policy area has been 'defined as a unit that shares certain environmental and socio-economic characteristics within which particular interventions can be expected to have similar impacts.' The five policy areas are:

- Bass/Powlett
- Upper Tarwin
- Agnes/Franklin
- Lower Tarwin
- Coastal - Coastal Wilsons Promontory Precinct.

Each area is discussed in detail including broad objectives and more detailed discussion relating to: desirable, conditional and undesirable uses in each of the previous rural zones (Rural Use Zone, Environmental Rural Zone and Rural Living Zone). Further planning and guidance measures are also discussed.

The existing Rural Land Use Strategy is referred to in the MSS of the South Gippsland Planning Scheme. The existing strategy is a detailed technical analysis of rural land and agriculture in the Shire. The strategy was reviewed as part of this study and it was found that the directives of the strategy are too broad to be adequately translated into clear directions for statutory planning.

2.6 Council Strategies

Council has prepared a number of strategies providing direction across a range of issues that are relevant to this Rural Land Use Strategy.

2.6.1 Vision 2020

A look into the future as predicted by residents of the South Gippsland Shire:

- By 2020 the population in South Gippsland Shire will have reached approximately 27,000 with an increase in the ageing population and decrease in younger people.
- Strong regional service-centre as well as decentralised sustainable townships; high grade transport links to Melbourne and other areas; reliable and consistent supply of environmentally friendly power with gas a major component; environmentally responsible wastewater treatment.
- Natural environment is preserved with the impact of development on natural assets minimised; no coastal strip development or massive development that could damage the environment.
- The Shire is renowned for its: clean green farming – providing organic products for domestic and overseas markets; pristine waters and beaches; wide open spaces encouraging people to visit or settle.
- Urban development has not been allowed to spread and encroach onto farming land.
- Rural holdings are a mixture of larger farms, which maximise the most efficient methods of agricultural production and more intensive small farms, which focus on natural and organic products.
- Up to date with environmentally-friendly sources of power and also attuned to global developments; strong support for industry groups in turn supporting organic beef and milk production; successful value adding processing of traditional products and diversification to new crops (including grapes, flowers, hemp, bushfoods and snow peas).

2.6.2 Economic Development Plan South Gippsland Shire, 2007

Seven economic platforms have been identified in the Economic Development Plan as the basis for building a growing and sustainable community. Relevant to this study, 'Agri-food' is one of these platforms:

- To protect and grow farming as the backbone of the South Gippsland economy in harmony with other businesses and residents.

Some of the key objectives outlined to achieve this are:

- Enable diversity within the agricultural industry.
- Encourage value-adding activities in the region.

A key strategic component highlighted to achieve this platform is:

- Introduce planning laws appropriate for key agricultural precincts to ensure their viability.

2.6.3 Areas Between Settlements¹

The Areas Between Settlements report details the landscape qualities, values, pressures and proposes planning outcomes for several regions between settlements in the South Gippsland Shire:

¹ Connell Wagner (2006) Area Between Settlements Strategy

- Between Tarwin Lower and Venus Bay
- Between Tarwin Lower and Waratah Bay
- Between Waratah Bay and Sandy Point

The report undertakes an assessment of where development is appropriate through an analysis of existing Planning Scheme controls. Several threats are identified for each area:

- Between Tarwin Lower and Venus Bay – spread of residential hobby farms and resort style development between towns along the coast; subdivision of rural land to create low density residential and very small lifestyle farms.
- Between Tarwin Lower and Waratah Bay – spread of residential hobby farms and resort style development between towns along the coast; use of rural land for very small lifestyle farms; wind farm developments.
- Between Waratah Bay and Sandy Point – urban sprawl outside town boundaries creating strip or ribbon development between towns; development of residential resort style development between towns along the coast.

The issues raised in this study are yet to be addressed in the planning scheme.

2.6.4 Coastal Spaces Landscape Assessment Study²

The Coastal Spaces Landscape Assessment Study details each part of the Victorian coast and its different elements and considerations. A set of best practice policies are recommended to protect and manage visual qualities of the coastal landscape in Victoria, including:

Coastal Locations

- Retain the natural and undeveloped character of the coastal strip between settlements by avoiding or carefully siting and designing development.
- Prevent ribbon development along main roads and key touring routes.

Hinterland Locations

- Prevent ribbon development along main roads and key touring routes.

The study recommends the inclusion of a local policy for the 'Management of Coastal Landscapes'. It also recommends that several Significant Landscape Overlays (SLO) be introduced into the South Gippsland Planning Scheme to ensure adequate protection of the coast at:

- Venus Bay Peninsula and Anderson Inlet
- Cape Liptrap to Waratah Bay
- Corner Inlet Amphitheatre

These overlays are yet to be incorporated into the planning scheme.

² Department of Sustainability and Environment (2006) Coastal Spaces Landscape Assessment Study

2.6.5 Creating Better Coastal Places and Spaces in Gippsland

The Creating Better Coastal Places and Spaces project relates to the incorporation of the key components of Urban Design Frameworks (UDFs) for Tarwin Lower, Venus Bay, Sandy Point and Waratah Bay, as well as recommendations of the Coastal Spaces Landscape Assessment Study into the South Gippsland Planning Scheme. Regional Development Victoria (RDV) has substantially funded the project.

The Department of Planning and Community Development are coordinating the wider project across the four Gippsland Coastal Councils. The project will enable:

- The development of Design and Development Overlays for the four coastal townships
- The removal of the Environmental Significance Overlay – Coastal Areas from the four coastal townships
- The addition of Significant Landscape Overlay (SLO) over areas identified by the Coastal Spaces Landscape Assessment Study
- Rezoning of land recommended by the Coastal UDFs (not including growth areas)
- Amendments to the Municipal Strategic Statement recommended by the Coastal Spaces Landscape Assessment Study

2.6.6 Audit of the planning scheme

In 2006, Coomes Consulting³ undertook an audit of the South Gippsland Planning Scheme. The report noted the following issues:

- The profile and themes of the MSS draw attention to many of the planning challenges facing South Gippsland but the scheme provides limited direction or detail to assist decision-making.
- South Gippsland's economy and attraction is based strongly on its agricultural land resources and series of coastal towns and is subject to numerous proposals for use, development and subdivision of agricultural land. However, there is a relative absence of strategies and policies to provide direction and assist in consistent decision-making.
- While there is reference to the South Gippsland Rural Strategy (Clause 21.04), the strategies and actions lack substance.
- The absence of clear direction is resulting in most matters being considered on their individual merits and inconsistent assessment of applications.
- The audit also noted a lack of support or inconsistent political commitment to the adopted policies of the scheme.
- There has been a rapid increase in the number of matters becoming the subject of appeal at VCAT. Council's performance at VCAT will be hindered if policy is not clearly articulated and consistently applied.
- The report concluded that the South Gippsland Planning Scheme is not operating as intended and has the potential to result in outcomes, which will progressively compromise coastal and agricultural assets and resources.

³ Coomes Consulting (2006) Planning Scheme Audit Project

The audit recommended that priority be given to preparation of a rural strategy with specific guidelines on rural subdivision and development through appropriate local policies.

Subsequently, Council has embarked on this review of the rural strategy to address the issues raised in the audit report as well as revise the rural strategy to reflect the current rural circumstances.

2.7 Rural tourism

In 2010, South Gippsland adopted a Rural Tourism Development Strategy⁴. The purpose of the strategy was to:

- Identify the range and future locations of sustainable tourism activities on agricultural land.
- Develop the policy basis for tourism uses in the rural areas of the Shires for inclusion in the Planning Scheme.
- Provide guidance and recommendations on tourism uses on rural land to direct the transition from the Farming Zone to Rural Activity Zone and Special Use Zone.

The strategy found that the blanket introduction of the Farming Zone in the rural areas of South Gippsland had reduced opportunities for new investment in rural tourism industry due to restrictions on tourism use and development when compared with the previous Rural Zone. It was found that there was a range of tourism uses that required a rural setting, links to an agricultural activity and/or large allotments in order to be viable and that these could not be accommodated in the Farming Zone.

The rural farmed landscape was found to be a key attraction for tourism, and it is therefore important to provide for tourism development while maintaining agriculture and the rural farmed landscape

A number of strategies were recommended for development of rural tourism. The following are the most relevant to this study.

Strategy 1 Rural Tourism Investigation Areas

Facilitate future tourism development in rural areas through rezoning of rural land. Areas for consideration were identified in a number of Rural Tourism Investigation Precincts.

Strategy 2 Identify and incorporate tourist uses to be encouraged in South Gippsland into the Local Planning Policy Framework to provide direction for tourism use and development within the Shire.

Strategy 3. Identify the principles for land use within the Rural Tourism Investigation Precincts that should be rezoned to Rural Activity Zone

Strategy 4 Provide a policy basis for existing tourism businesses in the Farming Zone who may need to seek a rezoning to an alternate zone (e.g. Rural Activity Zone) in order to expand their existing product.

⁴ Urban Enterprise (2009) Rural Tourism Development Strategy

Strategy 5. Future tourism developments, which cannot locate within the Rural Tourism Investigation Precincts and large scale integrated resort developments should apply for rezoning to a more appropriate zone (e.g. Rural Activity Zone, Special use Zone) in order to allow the potential for a range of uses unrelated to agricultural activities.

Strategy 7 Provide policy direction in the Local Planning Policy Framework to assist assessment of planning applications for tourism uses in rural areas.

2.8 Audit of Permit Approvals

An audit of permit approvals for dwellings and subdivisions in the Farming Zone (previously Rural Zone) in South Gippsland between 2003 and 2006 was undertaken as part of this study to test administration of the scheme. Table 2-1 provides a breakdown of subdivision approvals in the Farming Zone between 2003 and 2006.

A total of 185 permits for subdivision were approved resulting in an additional 252 lots of 40ha or less and 80% were less than 10ha. Many of the applications noted that the reason for the subdivision was for the creation of a residential lot with no link to agriculture. This is contrary and inconsistent with the purpose of the Farming Zone, which seeks to protect productive agricultural land for agriculture.

Table 2-2 provides a breakdown of dwelling permit approvals in the Farming Zone between 2003 and 2006. A total of 432 dwelling permits were approved representing a 10% increase across the Shire on the 4,500 dwellings currently in the Farming Zone. Eighty eight per cent of these permits were issued on properties less than 20ha suggesting that they were mostly for rural lifestyle purposes.

It is clear from the permit approvals data that in the majority of cases, in the absence of clear policy and guidelines, permits for dwellings and subdivision are being approved contrary to the intent of the Farming Zone, which is aimed at protecting land for agricultural purposes.

Table 2-1 Subdivision approvals in the Farming Zone 2003 – 2009⁵

Year	Number of subdivisions approved	Lots created <10ha	Lots created <40ha
2003	51	62	75
2004	59	65	83
2005	55	55	71
2006	20	21	23
Total	185	203	252

⁵ Data provided by South Gippsland

Table 2-2 Dwelling permit approvals in the Farming Zone, 2003-2009⁶

Year	Allotment size					Total number of dwelling approvals
	< 1ha	1 to 5 ha	5 to 10 ha	10 to 20 ha	<20ha	
2003	1	50	12	17	14	105
2004	18	76	17	15	24	150
2005	14	38	12	11	11	86
2006	26	34	18	13	0	91
Total	70	198	59	86	49	432

2.9 Review of Victorian and Civil Arbitration Tribunal cases

A review of relevant VCAT cases relating to proposals in the rural areas of South Gippsland was undertaken. Key findings of this review include:

- The Tribunal attempted to protect agricultural land for agricultural purposes where the land was not already compromised in some way – therefore refusing some subdivisions, re-subdivisions and proposed uses.
- The Tribunal approved dwellings in cases where they were the most suitable use for a site given the already fragmented nature of an area, or where they were seen to add to the ability to use the land for agriculture / did not compromise the agricultural future of the site.
- The use of Section 173 Agreements to limit subdivision was criticised in cases where there was adequate protection in the planning scheme, or the planning scheme was in some way due for / under review.
- The Tribunal showed some support for appropriate tourism developments in rural areas.

2.10 Municipal Association of Victoria Rural Planning Project

On the introduction of the new rural zones in 2004, the Department of Sustainability and Environment provided resources to the Municipal Association of Victoria to assist Councils to implement the new rural zones through the Rural Planning Project.

The Rural Planning Project was a two-stage program, which sought to develop a clear process to apply the new rural zones by:

- Developing guidelines for strategic planning in rural areas.
- Identifying the range of matters that should be considered in a strategic review of rural areas.
- Identifying information available to Councils to assist in rural strategic planning.
- Improving access to land-use planning information for strategic policy development held by agencies.

⁶ Data provided by South Gippsland

The project included four case studies investigating different issues associated with rural strategic planning and had strategic relevance across the State. The four case studies included:

- Case Study 1: Strategic Planning for Gippsland Rural Areas
- Case Study 2: Rural Strategy Review – G21
- Case Study 3: Planning for wineries and tourism
- Case Study 4: Planning for intensive agriculture and irrigated area

The Gippsland Rural Areas Project⁷ (GRAP) case study focused on analyzing the quality of existing studies and technical information relevant to the six participating municipalities, including Bass Coast, Baw Baw, East Gippsland, Latrobe City, South Gippsland and Wellington. The project sought to identify a standard strategic process to provide guidance and support to assist Council decision making in relation to rural land use planning.

A number of factors at both a State and regional level were found to have influenced the need to establish a strategic planning framework to review the application of the new rural zones and the ongoing management of rural lands. The key drivers found to be affecting the Gippsland Region included:

- The need to protect agricultural land from permanent unplanned loss.
- Different land use pressures experienced across the region.
- Confusion in regards to the purpose of the new rural zones.
- Restrictions on existing uses and development resulting from the direct translation of the Farming Zone.
- A real or perceived lack of strategic information available to support a strategic review.
- Regional agricultural influences identified as part of the study include the:
 - Significance of agricultural production, where dairying is a significant contributor to the region and the State
 - Capability of the Gippsland region to support a range of agricultural commodities, including intensive primary industries, private forestry and agriculture value-added industries
 - Fragmentation of agricultural land
 - Protection of natural resources such as sand and coal
 - An increased demand for rural living
 - Sensitivity of landscapes and environmental assets, including the land's capability to accommodate an intensification of use
 - Broadening demand for tourism expansion and development.

The GRAP found that the municipalities of the Gippsland Region have adequate access to relevant strategic and technical information that provides a sound basis for undertaking a strategic review of rural land uses within the municipalities. There are opportunities to

⁷ Maunsell Aecom (2007) Strategic Planning for Gippsland Rural Areas

improve individual Councils capability and capacity to undertake a comprehensive review through undertaking additional work and this was identified as part of the study.

A "Model Framework" and generic set of criteria was developed to guide the strategic assessment, review and application of new rural zones across the Gippsland Region. The GRAP has been useful in the development of this Rural Land Use Strategy.

2.11 Overall strategic considerations

This strategy offers the opportunity to review the function, values and prospects of the varied rural areas of South Gippsland Shire and to align these with planning controls that are responsive to local and regional requirements. This should recognise that the land uses, landscapes, locations and functions of the varying rural areas of the Shire are deserving of a responsive and where appropriate differentiated policy position. The key statutory implementation tool is the selection and application of an appropriate zone from the suite of new rural zones provided in the Victoria Planning Provisions.

3 Agriculture

3.1 Overview

The South Gippsland Shire has a high annual rainfall ranging from 600 mm/yr to over 1000 mm/yr and productive soils, supporting a range of agricultural industries. Agriculture and associated manufacturing of agricultural produce and agricultural services underpin the South Gippsland economy. Around 48% of output and 37% of employment is directly attributable to agriculture (Figure 3-1).

In 2007, the gross value of production in South Gippsland totaled \$470million and directly and indirectly employed around 2,500 people. The manufacturing sector was valued at \$550million in 2006 with 60% of this associated with processing of milk.

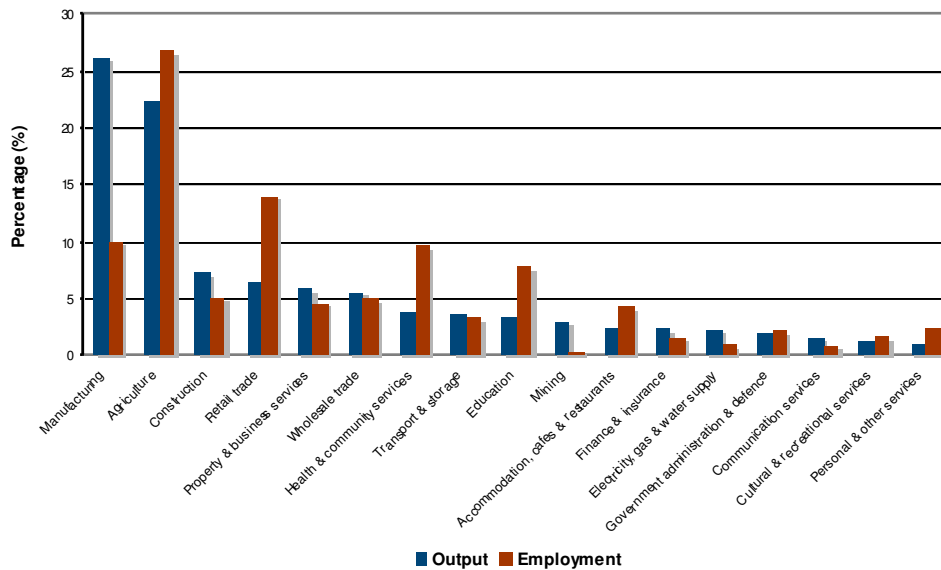


Figure 3-1 Percentage output and employment of industry sectors in South Gippsland⁸

The dairy industry is the most important agricultural industry in South Gippsland. Production on farm combined with the output from milk processing was valued at \$580 million in 2007. The beef industry, including processing was valued at \$100million in 2006 (Figure 3-2).

Trend data from the Australian Bureau of Statistics shows that apart from fodder crops that were impacted by drought in 2006, the value of production across all industries grew between 1997 and 2006.

⁸ Data supplied to South Gippsland from Compelling Economics 2008

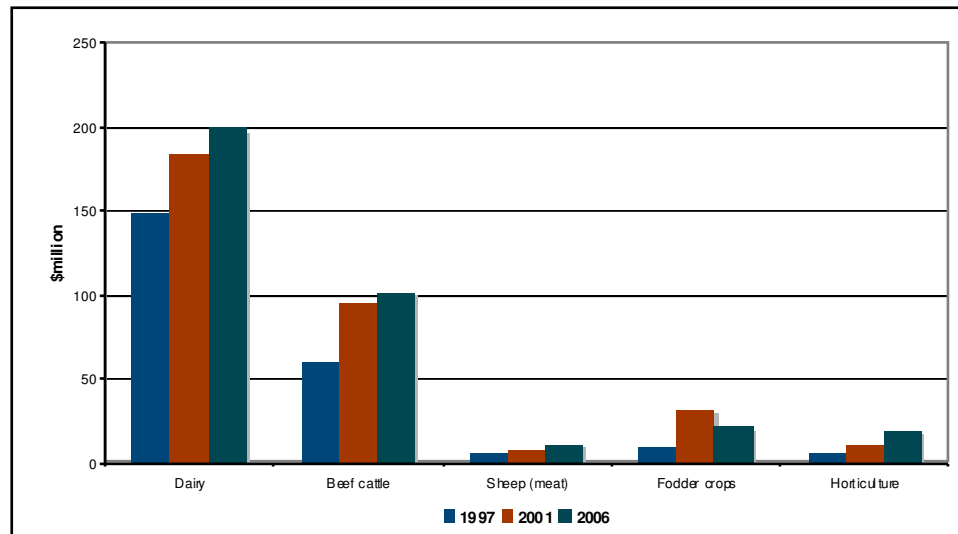


Figure 3-2 Value of production of agricultural commodities in South Gippsland⁹

3.2 Dairy industry

3.2.1 National and regional context

As outlined in Section 3.1, the dairy industry represents the largest and most important industry in the Shire. The topography, soil types and reliable rainfall make it a very attractive area for dairy investment.

The Gippsland region produced around 2.1 billion litres of milk in 2008-09 from 1,714 farms¹⁰. This represents 23% of Australia's milk production making it one of the largest milk producing regions in the country.

The value of production from the Gippsland region at the farm gate for 2008-09 was \$790 million with dairy exports from the region valued at \$690 million. It is estimated that the industry employs 3,700 people directly on farm with a further 3,000 people employed in the processing sector¹⁰.

Production is spread over nine shires in the Gippsland region and South Gippsland has the largest number of farms representing 28% of the total dairy farm numbers in the region. Therefore, milk production in South Gippsland is not only important at a local level but is also important to the regional and national economy.

3.2.2 Farming systems

Milk prices in Australia are closely correlated to international prices as nearly 50% of milk goes towards manufactured product for export, such as milk powders, cheese and butter.

⁹ 2006 Australian Bureau of Statistics. Data sourced 2009

¹⁰ Dairy in Gippsland (2009) Dairy Australia

The industry is deregulated and therefore Australian dairy farmers need to operate highly cost-effective production systems to remain globally competitive.

International competitiveness of the industry is based predominantly on the pasture based production system, which enables production of high quality milk at low cost. South Gippsland with its combination of topography, soil types and high rainfall is well suited for pasture based systems and enables the Shire to support a world competitive dairy industry.

Much of the land area used for dairy production in the Shire is in the higher rainfall zone (1,000mm/year) supporting greater pasture growth and higher stocking rates than the average Gippsland farm. A drought impact report by GippsDairy¹¹ describes a typical farm in the high rainfall areas as supporting 250 cows at a stocking rate of 2 cows/ha producing 107,138 kg of butterfat from 125 ha. Approximately 70% of the feed required by the herd is produced on farm with grain making up the majority of the 30% of feed imported into the farming operation. In 2009, the average dairy farm milked 289 cows produced 1.7 million litres of milk and had an average dairy land area of 155ha.

3.2.3 Milk processing

Milk produced in the Gippsland region supports 15 dairy factories including dairy product manufacture and milk collection and processing plants. The major companies include Murray Goulburn Cooperative, Burra Foods, Fonterra Milk Australia, Dairy Farmers, Parmalat, Bega Cheese and National Foods¹². Smaller processors include Jindi Cheese and Tarago River.

One of the largest dairy manufacturing plants within Australia is the Murray Goulburn factory located in Leongatha. The factory collects milk from within the Shire and across the region to maintain factory production. The plant processes approximately 700 million litres per annum producing a range of dairy products.

The factory is a major employer in the region with 440 permanent and temporary employees with a wages bill in excess of \$20 million a year. The company has a ten-year development plan that will see a \$200 million investment in the site indicating the importance the company places on milk production in the region.

Burra Foods has also recently announced proposals for expansion and diversification of its milk processing facilities in Korumburra.

3.3 Beef industry

Beef is produced from three different industry sectors in Australia: the large farms of northern Australia, the feedlot sector and the small beef farm sector. Most beef production in Victoria is in the small farm sector. Victoria produces 20% of Australia's beef and Gippsland is one of Victoria's three main beef producing regions. The beef industry in South Gippsland produced around 28% or \$101 million in gross value of agricultural production in 2006¹³.

¹¹ GippsDairy and Dairy Australia (2007) Season 2006-07 Drought impact on dairying in Gippsland

¹² Dairy Australia (2007) Situation and Outlook

¹³ Australian Bureau of Statistics

Nearly 90% of Victoria's beef farms have a turnover of less than \$100,000¹⁴. This trend is reflected in South Gippsland beef properties with 81% of producers generating less than \$100,000 per annum. As a consequence, many producers rely to some extent on off-farm income, a trend reflected in high rainfall beef farms in southeast Australia. Off farm income on these farms has more than doubled since 1980¹⁴ and averages around \$27,000 per annum. The reasons for this vary but include farming for lifestyle, financial pressure with declining terms of trade and fluctuating prices for cattle. It is likely in the future that beef production in South Gippsland will include mainly part time businesses and a few commercial-scale businesses.

3.4 Other industries

In 2006, South Gippsland produced around \$18million¹³ gross value of agricultural production from vegetables, primarily snow peas and potatoes. Timber production in 2001 generated around \$4 million representing a small fraction of the \$175million of log value generated across Gippsland.

Just 6% of Gippsland plantations are contained within South Gippsland and a large proportion of these are small-scale woodlots rather than the large-scale company plantations (timber.gippsland.com/).

3.5 Farm business size

The trends in farm size in the Shire are similar to trends observed in other regions of Australia with increases in the number of small and large farms and a decline in medium sized farms. In South Gippsland, trends in farm business size as measured by income (Figure 3-3) and holding size (Figure 3-4) in South Gippsland show:

- An increase in the number of small business or lifestyle farms – those generating less than \$100,000 per annum and less than 50ha
- A reduction in the medium size farms – those generating \$100,000 to \$500,000 and a holding size of between 100 to 500ha
- An increase in large farm businesses – those generating more than \$500,000 or more than 500ha in size

It is anticipated that these trends will continue into the future. It is therefore important that there is affordable land unencumbered by unnecessary infrastructure such as housing for the continued expansion of farm businesses

¹⁴ Barr (2005) Changing social landscapes of rural Victoria

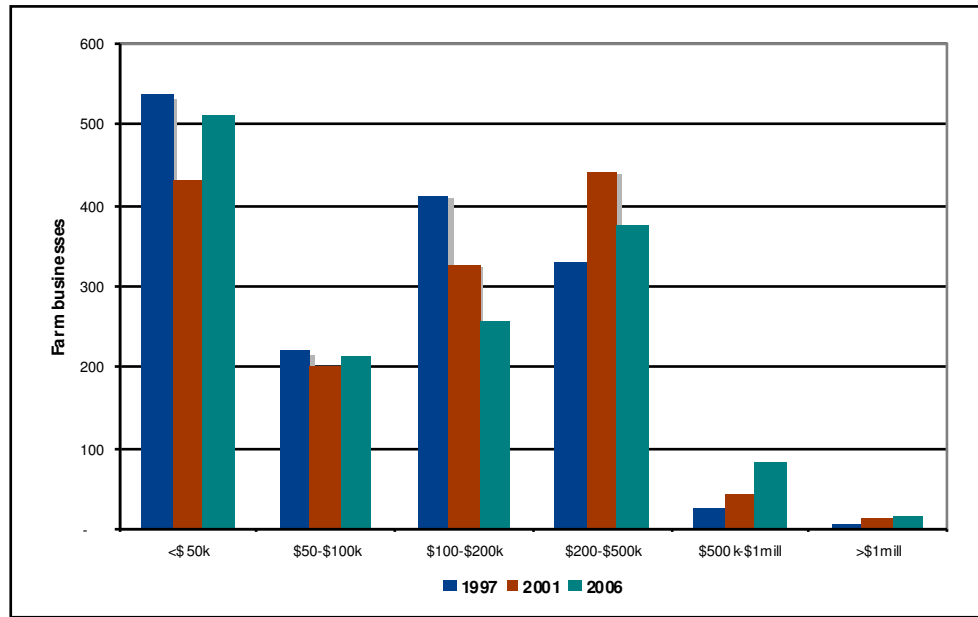


Figure 3-3 Income ranges of South Gippsland farm businesses 1997 to 2006¹⁵

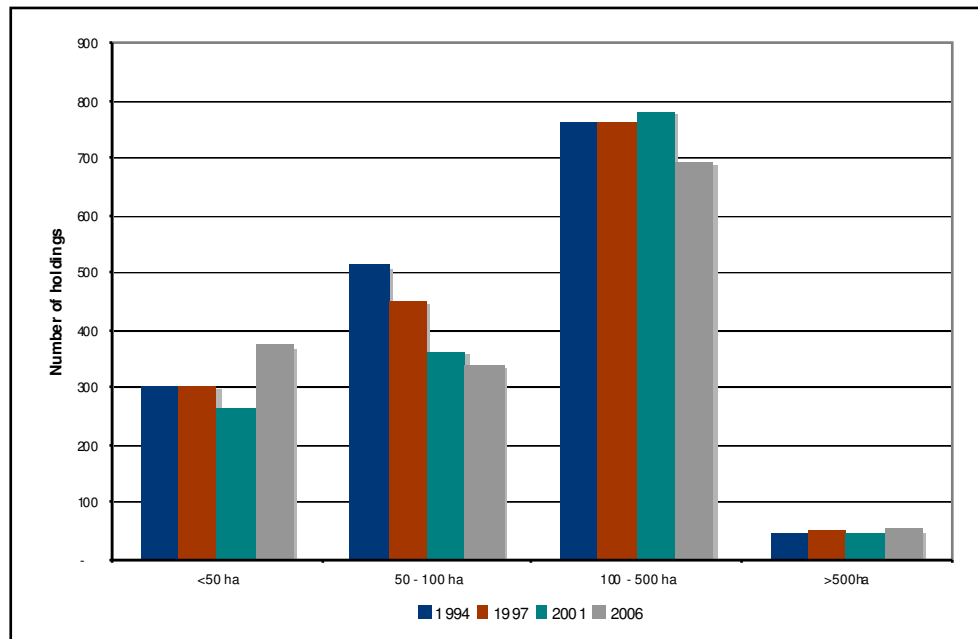


Figure 3-4 Holding size of South Gippsland farms 1994 to 2006¹⁵

¹⁵ Australian Bureau of Statistics

3.6 Productive agricultural land

The Planning Practice Note: Applying the Rural Zones¹⁶ recommends that Councils seek to protect productive land for agriculture and prevent unplanned loss due to permanent changes in land use. Productive agricultural land is defined in the Practice Note as land that has one or more of the following characteristics:

- Suitable soil type
- Suitable climatic conditions
- Suitable agricultural infrastructure, in particular irrigation and drainage systems
- A present pattern of subdivision favourable for sustainable agricultural production

This section of the report provides an analysis of these attributes of land in South Gippsland and an assessment of productive agricultural land.

3.6.1 Soil Types and Climate

The agricultural quality of land within South Gippsland has been assessed and mapped at 1:250,000 scale by Swan and Volum¹⁷ (Figure 3-5). The key factors in determining agricultural quality were soil types (arability, moisture status, fertility effective rooting depth, rockiness, erodibility), topography and climate.

The agricultural quality of the land was divided into 5 land versatility ratings:

Table 3-1 Agricultural quality of land versatility ratings

Very high	Can sustain a wide range of agricultural uses including an intensive cropping regime; i.e. market gardening or continuous broad-acre cropping. Very high levels of production possible with standard management levels.
High	Can sustain a wide range of agricultural uses including near to continuous broadacre cropping but not intensive cropping. High levels of production possible with standard management levels.
Moderate	Can sustain agricultural uses with low to moderate levels of land disturbance such as broadacre cultivation in rotation with improved pastures. Moderate to high levels of production possible with specialist management practices such as minimum tillage.
Low	Low capacity to withstand land disturbance such as cultivation. Recommended for low disturbance agriculture such as grazing or perennial horticulture. Moderate production levels possible with specialist management such as improved pasture establishment with minimum tillage techniques.
Very low	Very low capability to withstand disturbance. Minimal grazing levels or non-agricultural uses recommended. Areas of low productive capacity.

Figure 3-5 shows that large areas of the Shire have moderate to high and very high agricultural quality indicating that much of it has high to very high versatility and is capable of producing a wide range of commodities. Land of lower versatility has either steep slopes or is low-lying and swampy.

North of Foster between Dollar, Guryah and Toora North and Korumburra between Poowong East and Trida, are areas of the Strzelecki Range that have very steep slopes, land of very low to low agricultural quality and in some parts is heavily vegetated with native

¹⁶ Department of Sustainability and Environment (2007) Planning Practice Note: Applying the Rural Zones

¹⁷ Swan, I and Volum, A (1984) Assessment of agricultural quality of land in Gippsland

forests (Figure 3-6, Figure 3-7). The vegetated land cannot be developed for agriculture due to vegetation clearance controls and the cleared land has proved difficult to farm due to the steep slopes and poor soil types. As a result, some areas have become degraded through erosion and weed infestation. Opportunity for further or new agricultural development in these areas is limited.

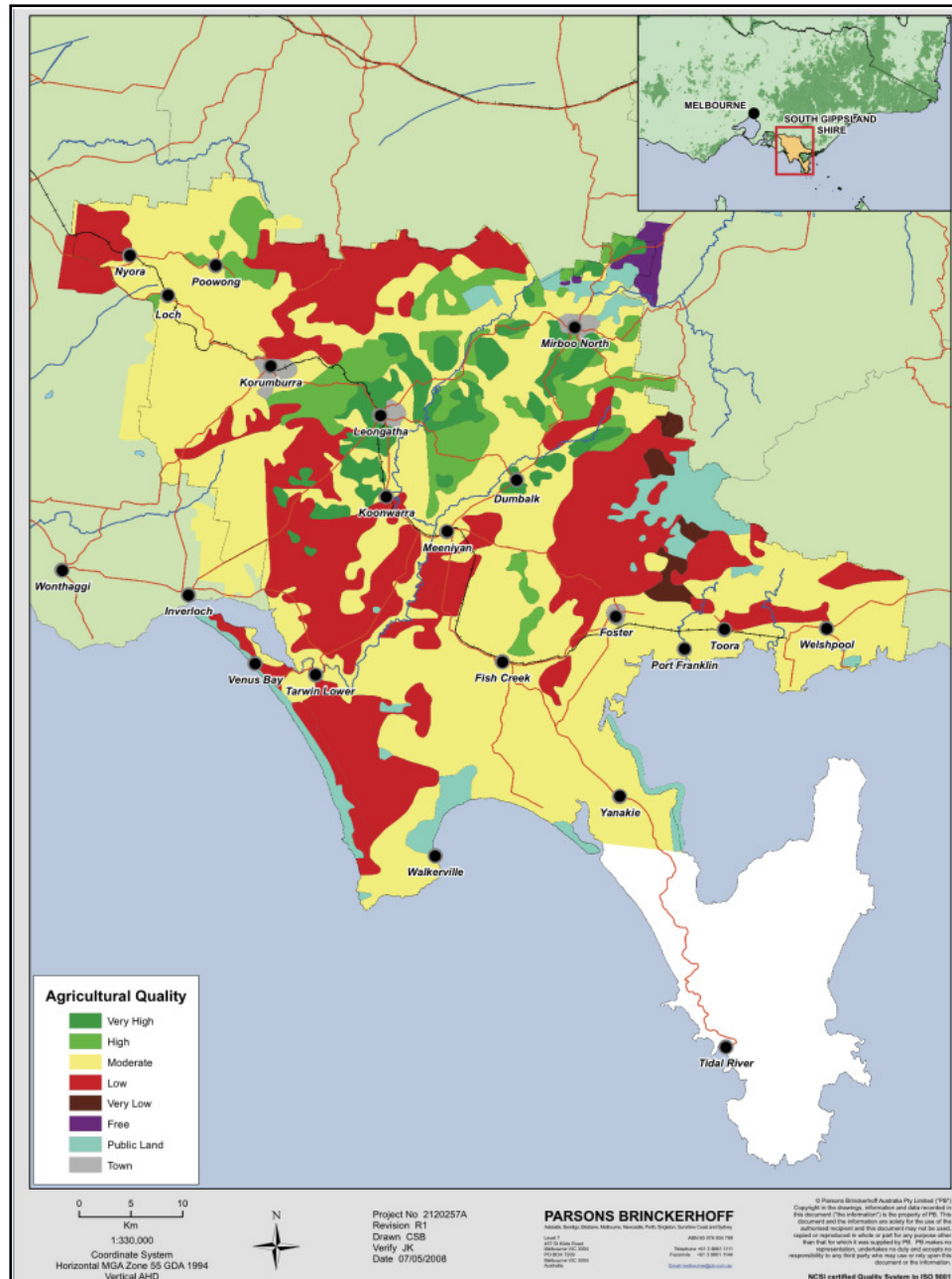


Figure 3-5 Agricultural quality

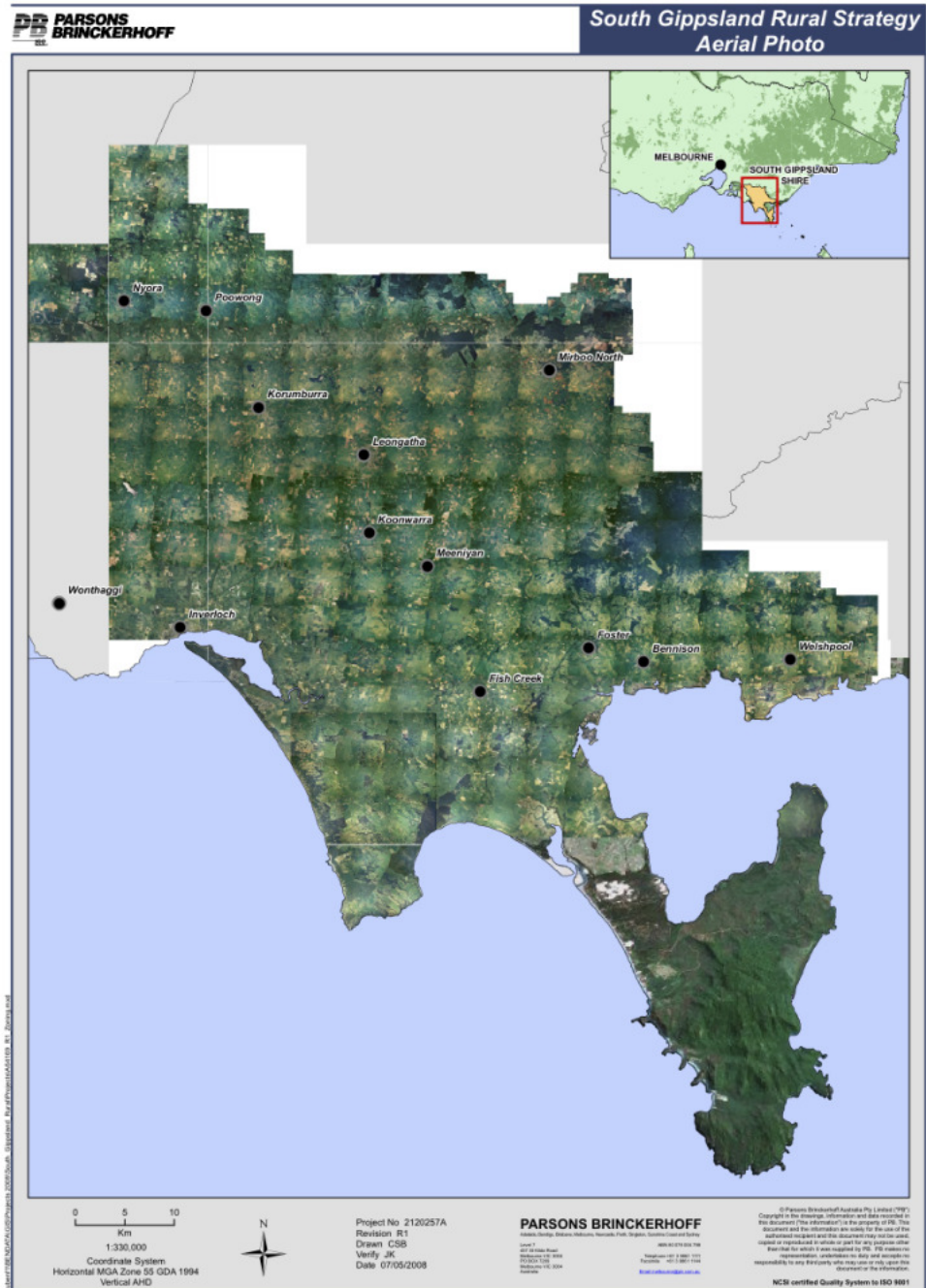


Figure 3-6 Aerial photo of South Gippsland showing vegetative cover

3.6.2 Rural subdivision pattern

There are around 10,000 lots in the Farming Zone in South Gippsland, of which, more than half are 20 ha or less. Figure 3-8 shows that there is a trend to larger lots in the southern end of the Shire, and elsewhere there is a mosaic of lots between 20 and 80 ha.

On their own, smaller lots (<20ha) lots are generally only suited to more intensive forms of agriculture such as horticulture (but not intensive animal keeping due to off site issues). However, in combination with other lots, these can be readily farmed for most purposes as a larger tenement.

Most farms in South Gippsland are in the form of a 'tenement' or similar where the total size of the farm is formed by the aggregate of a number of lots. Table 3-3 shows the breakdown of property structure in the Farming Zone. A significant proportion of the one-lot properties would be small rural lifestyle blocks. Putting these aside, the data demonstrates that most commercial farm properties would comprise more than one lot and average between 5 and 6 lots. Overall the subdivision pattern is one conducive to agricultural production.

Table 3-2 Lots size range in the Farming Zone¹⁸

0 – 5 ha	5 to 10 ha	10 – 20 ha	20 to 40 ha	40 to 80 ha	80 to 160 ha	>160 ha
4,565	732	1,047	1,559	1,797	455	91

Table 3-3 Property structure in South Gippsland¹⁸

1 lot	2 lots	3 lots	4 lots	5 lots	6 lots	7 lots	8 lots	9 lots	10 lots	>10 lots
4,959	1,016	496	196	138	102	51	43	34	16	46

3.6.3 Productive agricultural land conclusions

The majority of rural land in the Shire can be considered highly productive agricultural land based on the assessment of agricultural quality and the subdivision pattern and property structure. There are some areas of land that are not considered productive agricultural land due to steep slopes and extent of vegetation cover by native forest.

¹⁸ Data supplied by South Gippsland

3.7 Rural land values

The price of land can reflect land use changes and can also be a trigger for land use change. It has been noted that South Gippsland has become an attractive area for rural lifestyle and weekenders due to its close proximity to Melbourne and its amenity. Prices paid for rural land purchased for lifestyle purposes are commonly higher than the agricultural value of the land. This can be a barrier to farmers purchasing land for growth and expansion.

An analysis of prices paid for rural land was undertaken drawing on sales information for 2008 and through discussion with local estate agents (Table 3-4). The data indicates a trend to higher land prices for hobby/lifestyle properties compared to beef and dairy properties. The high prices paid for beef properties may indicate that some of these are being purchased for lifestyle purposes.

Discussions with local estate agents revealed that prices paid for land reflects a number of factors:

- Proximity to Melbourne – properties within 1.5 hours of Melbourne are selling for a higher price than more distant properties
- Land capability/practicality – undulating and hilly country is selling at a lower price than more accessible, flat agricultural land
- Presence of a dwelling – vacant land sells for less than properties with a dwelling
- Type of dwelling - new brick houses will sell for more than older weatherboard houses
- Views – properties with an ocean view have a substantially higher value

The agents also noted that:

- Purchasing beef properties for \$12,350 - \$14,830 per hectare is not economically viable if the farm continues to be managed as a beef enterprise alone. These properties are more than likely being converted to hobby farms and supported by off-farm income.
- Beef and dairy property interest had increased in recent times due to the drought and farmers selling their properties in the north of the State. Some properties were also being purchased in the area as additional properties to those owned in the north.

The overall trend indicates that the price paid for lifestyle properties is higher than its productive value. This trend is common in other municipalities within a 1.5 hour distance of Melbourne. If land prices are driven beyond their agricultural value through the demand for lifestyle properties then the ability for commercial dairy farms to grow will be restricted. This would put the long-term future of the dairy industry at risk and have major implications for the Shire economy.

Table 3-4 Land prices in South Gippsland

Category	Median price ¹⁹ (\$/ha)	Mean price ¹⁹ (\$/ha)	Real estate agents
Hobby farm with dwelling	\$120,000	\$92,000	\$20,000 - \$150,000
Hobby farm without dwelling	\$170,000	\$41,000	\$12,000 - \$70,000
Beef farm	\$13,000	\$12,000	\$7,000 - \$15,000
Dairy farm	\$13,000	\$18,000	\$13,000 - \$20,000

3.8 Emerging industries

Use of rural land for non-agricultural uses such as renewable energy generation is of increasing interest.

3.8.1 Renewable energy

At this stage, opportunities for large-scale renewable energy generation are largely driven by the cost of producing the energy. Currently, coal costs about \$50/MWh, gas about \$55/MWh, wind \$120/MWh and solar \$200-220/MWh. Consequently, most investment in renewable energy generation is currently focused on wind energy.

Wind energy capture

The wind conditions in South Gippsland (Figure 3-9) have seen the establishment of turbines at Toora and Wonthaggi with potential for further development. Wind energy facilities are subject to planning approval within the Farming Zone. They can be supported in farming areas where the impact on the environment, amenity and landscape is not considered to be significant.

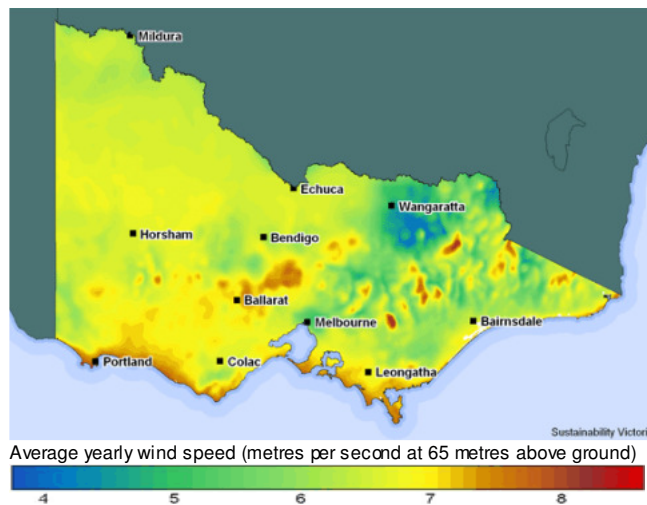


Figure 3-9 Average wind speed in Victoria²⁰

¹⁹ Department of Sustainability and Environment (2008) A Guide to Property Values

²⁰ Average wind speed Sustainability Victoria, <http://www.sustainability.vic.gov.au/www/html/2111-wind.asp> (accessed May 2010)

Solar energy capture

Solar energy can be converted to electricity in one of two ways:

- Solar photovoltaic - this type of technology generates electricity from light
- Solar thermal - this type of technology generates electricity from heat

The suitability of an area for solar energy capture will depend on:

- Quality of the sun and minimum energy levels generated. This includes factors like pollution, clarity and consistency. Photovoltaic needs clarity of sunlight while thermal just needs heat. The energy levels generated are important financially as anything above a certain percentage is straight profit.
- Access to, and capacity of, the grid. Access is not so much an issue (almost every one has access) but size of the grid and the capacity to take extra electricity at that location may be. Most projects are normally looking at between 50-100 MWh, which is unlikely to exceed the capacity of the grid in many places.
- Regulatory. In solar there is obviously the choice between utility size developments or distributed (on houses). At the moment the feed-in tariff is only allowed for up to 1.5 kWh of energy so effectively restricts it to households and small businesses.

Figure 7-1 shows the annual average annual solar exposure in Victoria and the proximity to the electricity and gas grid by local government areas. This indicates that South Gippsland has limited opportunity for large-scale solar energy capture.

The use and development of land for a solar energy facility within the Farming Zone until recently was prohibited. Amendment VC60, gazetted on 21 September 2009, states that Renewable Energy facilities are subject to planning approval within the Farming Zone. They can be supported in farming areas where the impact on the environment, amenity and landscape is not considered to be significant.



Figure 7-1 Average annual solar exposure and proximity to the electricity grid (Sustainability Victoria 2009)

3.8.2 Carbon sequestration

Carbon sequestration is a geoengineering technique for long-term storage of carbon dioxide or other forms of carbon to mitigate global warming. It has been proposed as a way to mitigate accumulation of greenhouse gases in the atmosphere, which are released by burning fossil fuels.

Carbon dioxide is usually captured from the atmosphere through biological, chemical or physical processes and sequestered in reservoirs, ocean water, aging oil fields, or other carbon sinks. The opportunity that this presents to South Gippsland will not be clear until carbon markets become established.

3.9 Summary

The South Gippsland economy is underpinned by the dairy industry. The soils and climate of South Gippsland provide ideal conditions for pasture-based milk production enabling producers to be globally competitive. Gippsland produces around a third of Victoria's milk and is the focus of milk processing, including the Murray Goulburn facility at Leongatha. The natural attributes of South Gippsland also make it attractive for production of other agricultural products including beef and vegetables and a number of emerging industries.

A key outcome of this review is to ensure that the strategic direction of the rural strategy supports the continued development of dairy and traditional agricultural industries as well as diversification into new industries.

There are a large number of small farms representative of the growing rural lifestyle sector. While the rural lifestyle sector brings some benefits such as cultural diversity, planning policy should provide clear direction to accommodate this sector so that it does not compromise major agricultural industries.

The rural land of South Gippsland has been substantially subdivided, the legacy of past subdivision and settlement patterns. As a result most commercial farms in South Gippsland are multi-lot tenements. The large number of small to medium lots adequately addresses the demand for lots for land transfer as part of farm growth and succession. These circumstances should be maintained through clear planning policy for subdivision and dwellings.

There are areas of the Shire that are less suited to agriculture due to steep slopes and vegetation cover. Planning policy should be tailored to reflect land use outcomes for these areas to include a mix of agriculture, land restoration and acknowledge native vegetation.

Wind energy generation provides an opportunity to diversify rural land use while maintaining agricultural production, however Council does not currently wish to identify sites for wind generation facilities.

4 Population and settlement

4.1 Population trends

The population of South Gippsland in 2006 was 26,672 and between 1996 and 2006 had shown modest growth of 0.7%. The population of the rural areas in 2006 was 11,634 (or around 43% of the total population) and remained unchanged between 1996 and 2006²¹.

Population projections undertaken by the Department of Planning and Community Development²² indicate that moderate growth of around 1.9% per annum is expected for at least the next 20 years. This predicted growth path might be influenced by 'sea change' and increased accessibility from Melbourne.

The National Sea Change Taskforce has produced a report addressing the sea change phenomenon across Australia. The Report characterises the South Gippsland Shire as a Coastal Getaway community i.e. a local government area comprising small to medium towns and settlements within three hours drive of a capital city.

The proximity to a capital city makes Coastal Getaway communities attractive for domestic tourism (day trips and weekend "escapes") and to "telecommuters" and those whose work does not require them to be permanently based in the city. The report also notes that a high proportion of property owners in these communities tend to be absentee landlords who own holiday homes or weekenders.

Growth in Coastal Getaway regions has been significantly higher than the national and State rates, for instance Surf Coast Shire had a growth rate of 2.5% and Bass Coast Shire 3.6% in 2002-03. Recent data indicates that the trend will continue in these areas. It is inevitable that some of this growth will spill over into South Gippsland, particularly the northern, western and coastal parts of the Shire. The completion of the Pakenham Bypass and East Link will see an additional one million people in Melbourne within one hour or commuting distance of South Gippsland.

The Sea Change Taskforce report noted the following implications of significant population growth associated with sea change:

- Environmental & Land Use Issues.
 - Habitat loss and fragmentation due to urban development and tourism.
 - Loss and degradation of coastal wetlands and change in hydrological systems and marine habitats.
 - Introduction of exotic species and erosion.
 - Global climate change and associated sea level rise.
 - Need to effectively protect attributes of conservation areas and development on conservation values.

²¹ Department of Sustainability and Environment, <http://www.dse.vic.gov.au/DSE/dsenres.nsf/LinkView/E05D934749B13CE2CA256D3B005539F5D8E38B915AE5AA1CA256D1A0022BDE9>, accessed April 2010

²² Department of Planning and Community Development (2009) Estimated Regional Populations. Supplied by South Gippsland

- Pressure to rezone valuable farmland as smaller farms become less viable in comparison to values associated with urban development, or are squeezed out through land use conflicts with neighbouring urban uses.
- Development may have visual impact on local character and scenic views.
- Economy/Tourism
 - Coastal Getaway communities in particular experience distortion in the local economy due to ongoing connections with metropolitan areas e.g. from commuters, retirees and second homebuyers.
 - Sea change communities have experienced a decline in the traditional resource based industries, e.g. agriculture, fisheries and forestry.

Council is in a strong position with this rural strategy to consider the consequences of future growth on the rural areas of the Shire and put in place appropriate measure to manage growth without compromising agriculture, local economy and natural assets.

4.2 Rural settlement

The Department of Planning and Community Development requires rural living to be addressed via a housing and population strategy. Therefore it is not an objective of this study to identify land for rural living purposes. However, a legacy of past policy and practices with regard to subdivision and dwelling development has resulted in a substantial supply of small rural lots in the Farming Zone with a presumed 'right' to a dwelling. This study has sought to quantify the number of rural residential type lots in the Farming Zone and provide strategic recommendations for their use and development.

4.2.1 Current circumstances

South Gippsland currently does not have a rural residential or housing and settlement strategy. Rural lifestyle opportunities are provided in planned estates via the Rural Living Zone and Low Density Residential Zone in Nyora, Mirboo North, Korumburra, Leongatha, Koonwarra, Meenyan, Dumbalk, Venus Bay, Tarwin Lower and Foster.

Along with land currently zoned for rural living, there are several areas identified in structure plans adopted by Council proposed for Rural Living development. These plans earmark approximately 596ha of vacant, un-subdivided land for rural living land development. The location of this land is as follows:

- Leongatha – 257ha
- Korumburra – 201ha
- Foster – 138ha

The schedule to the existing Rural Living Zone currently states that the minimum lot size for subdivision is 1ha. There is therefore potential for more than 500 additional rural living lots.

In addition to this zoned land, *ad hoc* rural residential outcomes have occurred on historic small lots, cluster subdivisions, Crown Townships and Crown Subdivisions as well as lifestyle residents acquiring larger lots in agricultural areas.

4.2.2 Dwellings and vacant lots in the Farming Zone

As of August 2009, there were 5,043 dwellings in the Farming Zone (including 119 in old Crown Townships such as Jumbunna and Outtrim). Most (78%) of these dwellings are on lots less than the zone minimum of 40ha and 49% of dwellings are on lots less than 5 ha (Table 4-1). With around 1,500 farm businesses in South Gippsland²³, many of these dwellings, particularly those on small lots, will be for rural lifestyle purposes. Census data on dwelling occupancy also indicates a high level of rural lifestyle with around 25% of dwellings owned by absentee owners⁵.

Table 4-1 Dwellings by lot size in the Farming Zone (outside Crown Townships)⁵

0 to 5 ha	5 to 10 ha	10 – 40 ha	40 – 80 ha	>80 ha
2,430	342	1064	793	295
49%	7%	22%	16%	6%

There are 6,958 vacant lots within South Gippsland. Around 75% of vacant lots are below the minimum lot size for which no permit is required for a dwelling. The majority (40%) of these are in the 0 to 5ha size range (Table 4-2).

Table 4-2 Vacant lots by size in the Farming Zone (outside Crown Townships)⁵

0 to 5 ha	5 to 10 ha	10 – 40 ha	40 – 80 ha	>80 ha
2,135	390	1542	1,004	251
40%	7%	29%	19%	5%

The impact of past subdivision practices and dwelling development has:

- The potential to create a significant level of rural lifestyle properties across the Shire.
- The effect of creating an expectation that land will be granted approval for subdivision or dwelling development leading to speculative land purchases and artificially inflating the land prices to reflect its development value not its agricultural value.
- The potential to escalate rural land use conflicts.

4.2.3 Crown townships, crown settlements and cluster subdivisions

Within the Farming Zone in South Gippsland, there are areas with varying levels of development and subdivision that give the appearance or intention that they are for rural residential development.

Here, a *cluster subdivision* refers to an area of small lots, including ribbon subdivision, created from the 1960s onwards through policies such as the '10% rule' in the previous Shire of Foster Planning Scheme. Cluster subdivisions have been noted at Korumburra South, Yanakie, Whitelaw, Mekle Road, Mathers Road and Savages Road.

A *crown settlement* refers to an area of lots, larger than those in a crown township, often established as part of a scheme during depression years such as the 1890's and 1930's. These schemes attempted to facilitate small scale agriculture, however, they were generally not successful and ultimately abandoned. There are crown settlements in Kardella and Grip Road near Toora.

²³ Australian Bureau of Statistics

A *crown township* refers to an area of small lots, intended for development as a township, which never eventuated or existed at one point in time but is now non-existent. There are a number of these throughout South Gippsland. An assessment of the level of development within these crown townships is detailed in Table 4-3.

It is common for lots in cluster subdivisions, crown townships and settlements to be held in single ownership as a tenement.

Table 4-3 Dwellings and vacant lots in crown townships²⁴

Crown township	Vacant Lots	Lots with dwellings
Agnes	7	8
Darmurla	14	9
Hedley	148	7
Hoddle	77	2
Jeetho	78	0
Jumbunna	255	16
Mirboo	23	23
Outtrim	686	30
Port Franklin	175	2
Tarwin	151	21
Whitelaw	22	1
Total	1,636	119

4.2.4 Council practice and policy

As noted in Section 2.6.6, Council practice in the absence of clear policy guidance, has generally been to approve planning permit applications for a dwelling in the Farming Zone, regardless of lot size. The large supply of small residential type lots in the Farming Zone represents a significant supply of rural residential land (2,135 lots under 5ha and 1,636 lots in Crown Townships).

With regard to crown townships, South Gippsland has adopted a policy of refusing planning permit applications for dwellings where planning officers recommend that they be refused. This agreed resolution relates to all crown township areas except for the Grip Road area south of Toora.

The old Crown Township at Grip Road is very low lying and the surrounding area is protected by a sea wall to prevent inundation during extreme high tides and storms. As noted in Section 5.3 the area is subject to investigation as part of the Future Coasts Initiative, which will identify coastal areas at risk from rising sea levels associated with climate change. It is prudent that no further development take place at Grip Road until the outcomes of this investigation are available.

In 2008 VCAT, in a red dot decision noted the following with regard to residential development at Grip Road:

²⁴ Data supplied by South Gippsland

“ the land is unsuitable for residential development. The overwhelming weight of planning policy discourages residential development in this area. The dwellings are not reasonably required for the operation of agricultural activities conducted on the subject land and consequently are contrary to the purpose of the Farming Zone. The cumulative impact of the development will adversely affect the ongoing use of the area for productive agriculture and detract from the visual quality of the landscape contrary to policy and the Environmental Significance Overlay affecting the land. The construction of dwellings on land subject to inundation is contrary to policy and not a good planning outcome.

The case is of particular interest because of potential sea level rises due to the effects of climate change. We conclude that sea level rise and risk of coastal inundation are relevant matters to consider in appropriate circumstances. We accept the general consensus that some level of climate change will result in extreme weather conditions beyond the historical record that planners and others rely on in assessing future potential impact. The relevance of climate change to the planning decision making process is still in an evolutionary phase. Each case concerning the possible impacts of climate change will turn on its own facts and circumstances. However, in the present case, applying the precautionary principle, we consider that increases in the severity of storm events coupled with rising sea levels create a reasonably foreseeable risk of inundation of the subject land and the proposed dwellings, which is unacceptable.²⁵”

4.2.5 Amendment C51

A number of changes to the South Gippsland Planning Scheme were made by Ministerial Amendment during preparation of the Rural Land Use Strategy. Amendment C51, resolved issues of dwellings on single small lots in the Farming Zone, through the introduction of a Rural Dwellings Policy. This is discussed in further detail in Appendix A and Appendix C.

4.3 Conclusion and recommendations

In reviewing the population trends and future growth for South Gippsland it is concluded that:

- The Shire has experienced modest growth in the last ten years and this trend is expected to continue.
- Nearly half the residents live in the Shire's rural areas.
- Due to its proximity to Melbourne and the amenity of the Shire, there is potential for growth to accelerate as people pursue a sea or tree change. It is important that the Shire plan appropriately to avoid the negative impacts experienced in other municipalities.

In addition to planned areas for rural residential development, there is a supply of small lots within the Farming Zone that, in the absence of sound policy and practice, represent the potential for a significant increase in rural residential outcomes in the Farming Zone. Amendment C51 has provided clear direction for the treatment of these small vacant lots.

There are also areas of clustered small lots that are now partially developed and are compromised to such a degree that the return of these to commercial farming is unlikely. It is beyond the scope of this study to assess and make recommendations as to the most appropriate uses and planning policy for these areas.

²⁵ Victorian Civil and Administrative Tribunal (2008) Gippsland Coastal Board v South Gippsland Shire Council

It is recommended that the areas noted in Table 4-4 be reviewed in detail as part of a Housing and Settlement Strategy for the Shire.

Table 4-4 Crown townships, crown settlements and cluster subdivisions

Crown township	Crown settlement	Cluster subdivision
Agnes Jumbunna Mirboo Darlmurla Whitelaw Hoddle Hedley Port Franklin Bennison Outtrim	Kardella Grip Road	Korumburra South Yanakie Whitelaw Meikle Road Savages Road Mathers Road

5 Environment and landscape

5.1 Environmental actions plans and strategies

There are a number of environmental plans and strategies that provide information and recommendations on management of environmental assets and threats in South Gippsland. These strategies have been briefly reviewed to identify opportunities to strengthen the Planning Scheme with regard to environmental management. It should be noted that Council does not have an Environmental Management Strategy.

5.1.1 West Gippsland Regional Catchment Strategy

The West Gippsland Regional Catchment Strategy (RCS) provides a comprehensive overview of the region under seven asset classes: water, land, biodiversity, atmosphere and climate, people and communities, infrastructure and production and for the use and management of the natural resources in an integrated way.

Identified threats include:

- Inappropriate land use planning impacting on nature, production and landscape amenity
- Impact on nature and society of poor water quality and over allocation of water resources
- Resource depletion and unsustainable use of resources
- Agricultural practices leading to off site impacts and changes in landscape
- Lack of awareness, concern, education and knowledge
- Inability to form and/or work in effective partnerships and duplicity of effort or cross-purposes
- Overuse of resources, overconsumption, lifestyle complacency or ignorance
- Pest plant and animals impacting on nature and production
- Provision of resource based benefits outside of the region without full cost of managing and utilising the resources
- Events such as bushfires, drought and flood.
- Global climate change
- Inaction on the part of any one of the users or managers of natural resource assets

Strategic interventions include:

- Protect and enhance the coastal assets of the west Gippsland region
- Protect and improve water quality
- Protect and improve coverage of native vegetation
- Develop local and regional future land use plans
- Protect and improve river health
- Protect assets from the damaging effects of flooding
- Protect and enhance the region's biodiversity

- Protect assets from the damaging effects of fire
- Review and improve planning regulations regarding sustainable management practices on the local level.

5.1.2 Biodiversity action plans

Biodiversity Action Planning seeks to summarise the key biodiversity assets of the bioregion and the actions and tools that are required to achieve statewide biodiversity goals. Biodiversity Action Planning involves a number of elements, including:

- Bioregional Strategic Overview
- Landscape Plans
- Local Area Plans
- A mechanism to engage public and landholders

The Bioregional Strategic Overview provides details of the framework and methodology used in developing bioregional biodiversity action planning (BAP) and an overview of the features and assets of the bioregion and divides the landscape into Landscape Zones (see diagram opposite).

South Gippsland Shire falls into two biodiversity regions: Strzelecki Ranges and Gippsland Plain. For each biodiversity region, Landscape Plans provide specific information on assets and priorities for actions within parts of the bioregions and identify the best options for restoring native vegetation to recover biodiversity at a more detailed scale than is possible in the Native Vegetation Management Plans.

5.1.3 West Gippsland River Health Strategy²⁶

The River Health Strategy provides detailed assessment of river and wetland values and the threats to these values. The strategy aims to protect or improve the health of rivers, streams, floodplains, wetlands, terminal lakes and estuaries. In the South Gippsland Basin, values to be protected include supply of water for consumptive use and irrigation from the major threats of water quality decline, increasing demand for coastal development and altered flow regimes. The Plan highlights the important connection between the South Gippsland River Basin and the Corner Inlet and Nooramunga Marine and Coastal Parks that include wetlands recognised by RAMSAR and have significant social values and amenity. The Lower Agnes River has been identified as a high priority based on its environmental values. The Franklin River and Tarwin River are recognised for their economic values and Waratah Bay and Screw Creek, Pound Creek and Anderson Inlet for their social values.

5.1.4 Draft West Gippsland Wetlands Plan²⁷

The Wetlands Plan provides a detailed assessment of wetland values and the threats to these values. The plan is a framework for the protection, restoration and enhancement of wetlands across the CMA region.

Corner Inlet, Shallow Inlet, Anderson Inlet and Bald Hills Wetlands are identified as high priorities within South Gippsland based on their environmental, social and economic values.

²⁶ West Gippsland Catchment Management Authority 2005

²⁷ West Gippsland Catchment Management Authority 2007

These wetlands are threatened by urbanisation, grazing of wetland fringes, poor water quality, infestation of exotic flora, and recreational activities.

5.1.5 Integrated Coastal Planning for Gippsland Coastal Action Plan²⁸

The Coastal Action Plan provides the basis for achieving integrated decisions and consistent planning outcomes by outlining a Coastal Policy for local government across Gippsland. The Policy seeks to:

- Prevent coastal strip development and manage development within existing defined settlements.
- Protect coastal natural, cultural and landscape values.
- Provide for new development (tourism, recreation, aquaculture, wind farms, commercial transport, recreational boat hire) consistent with some criteria.
- Prevent inappropriate small lot subdivisions and address existing small lot subdivisions in inappropriate locations.
- Introduce siting and design guidelines to protect the coastal landscape. It should be noted that none of the Victorian municipalities covered by the Coastal Action Plan have introduced the suggested Coastal Policy into their planning schemes.

5.1.6 Acid Sulphate Soil Hazard Maps: Guidelines for Coastal Victoria²⁹

Disturbance of acid sulphate soils can result in degradation of lowland environments, including acidification of agricultural soils, corrosion of concrete and steel infrastructure and degradation of estuarine water quality. Mapping of the distribution of acid sulphate soils in Victoria has been undertaken to indicate to land managers where caution is needed or where further investigation is required prior to any land disturbance. Figure 5-1 shows the location of acid sulphate soils in South Gippsland.

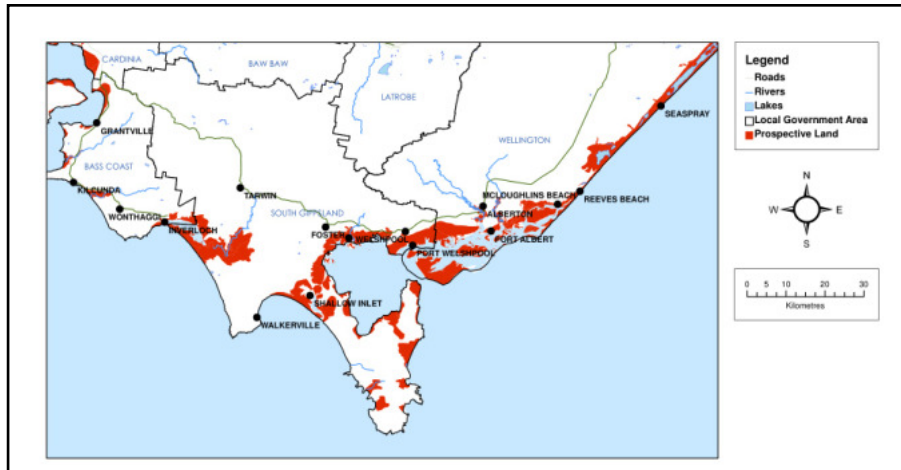


Figure 5-1 Estimated extent of acid sulphate soils in South Gippsland Shire (Department of Primary Industry accessed February 2011)

²⁸ Gippsland Coastal Board (2002)

²⁹ Department of Primary Industry http://www.dpi.vic.gov.au/dpi/vro/vrosite.nsf/pages/soil_acid_sulfate_soils

5.1.7 West Gippsland Region Soil Erosion Management Plan³⁰

The Soil Erosion Management Plan was developed to identify areas most prone to soil erosion and areas at risk from erosion under current management practices. Note that land use categories were entirely agricultural.

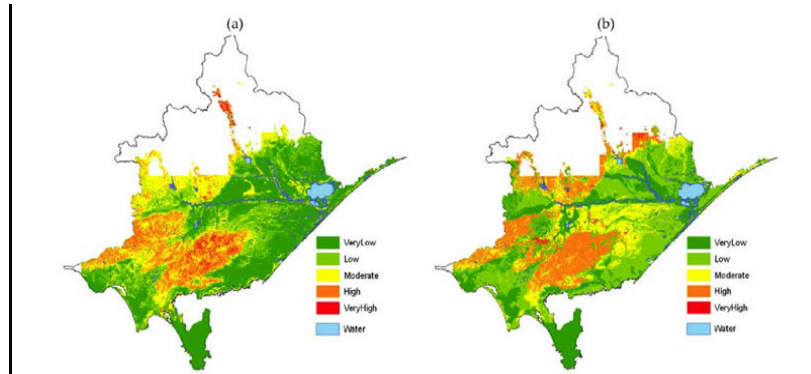


Figure 5-2 Susceptibility of land to (a) sheet or rill erosion and (b) to gully or tunnel erosion

5.2 Landscape assessment

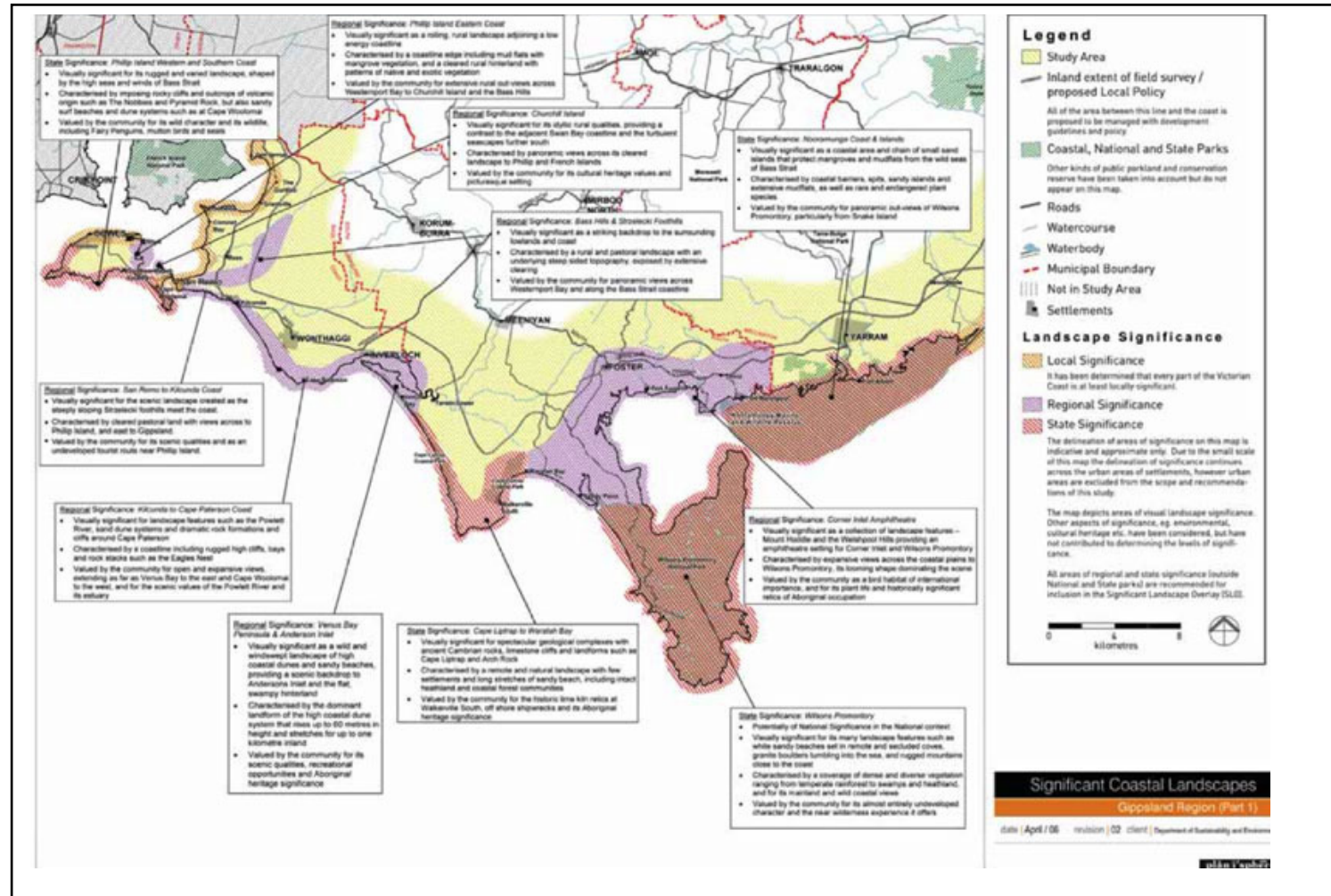
Significant landscape values in the Shire were identified as part of the Coastal Spaces Landscape Assessment Study³¹. The planning scheme recommendations were reviewed in Section 3 of this report and as can be seen from Figure 5-3, the landscape assessment study did not provide an assessment of landscape across the entire municipality.

Other strategies and reports have noted that the amenity of the South Gippsland Shire is a key attraction for tourism and also the livability and amenity of the area. Council could consider undertaking a landscape study to address the landscape values for the areas of the Shire not covered by the Coastal Spaces Landscape Assessment Study.

³⁰ West Gippsland Catchment Management Authority

³¹ DES (2006) Coastal Spaces Landscape Assessment Study

Figure 5-3 Extent of Coastal Spaces Landscape Assessment Study, DSE 2006



5.3 Climate change

5.3.1 Climate change in South Gippsland

The impacts of climate change on the West Gippsland region have been modeled and the findings are presented below (<http://www.greenhouse.vic.gov.au>).

West Gippsland has mild to warm summers with average maximum temperatures of around 21 to 23°C near the coast and in elevated areas, and 23 to 25°C inland. In winter, average maximum temperatures are mostly around 12 to 14°C, but less than 10°C in the mountains in the north of the region. Frosts occur but are rare near the coast. Annual rainfall averaged across the region is 1000mm, but is locally much less in the low-lying eastern areas and highest in the mountains.

Since 1950 the region has experienced a warming trend of around 0.1°C per decade in mean temperatures, but with a tendency for maximum temperatures to increase faster than minimum temperatures. These trends are apparent in all seasons, and are likely to be at least partly related to the effect of climate change.

Regional rainfall is subject to significant natural variability, independent of the effects of climate change due to the enhanced greenhouse effect. However, the dry conditions of the past seven years are unusual, and represent the driest period on record.

Future climate in West Gippsland is expected to be warmer and drier than it is presently. A summary of projected climate changes for West Gippsland is detailed below.

Temperature

- Annual warming of 0.2 to 1.4°C by 2030 and 0.7 to 4.3°C by 2070.
- Daytime maximum temperatures and nighttime minimum temperatures will rise at a similar rate.
- Warming will be similar throughout the seasons.
- A 10 to 100% increase in the number of hot summer days (over 35°C) by 2030 and a 30 to 400% increase by 2070.
- A substantial reduction in the number of frost days by 2030 and a 40 to 100% decrease in frost days by 2070.
- Annual precipitation decreases likely (+3 to -10% by 2030 and +10 to -25% by 2070).
- Extreme heavy rainfall events may become more intense.

Drought

- Droughts are likely to become more frequent and longer, particularly in winter-spring.
- Dry conditions that currently occur on average one in every five winter-springs may increase to up to one in three years by 2030.
- Due to hotter conditions, droughts are also likely to become more intense.

Water resources and fire

- Increased evaporation rates
- Drier soil likely, even if precipitation increases
- Hotter, drier conditions likely to increase bushfire risk
- Decreased average run-off in streams

Winds, storms and sea level rise

- Winds are likely to intensify in coastal regions of Victoria, particularly in winter as a result of more intense low-pressure systems. Low-pressure systems off the east coast of Australia may become more frequent.
- Sea level rise of 7 to 55cm by 2070 (0.8 to 8.0cm per decade)

In terms of land use planning, predicted change in climate and weather patterns may require consideration of:

- Coastal development and the consequences of sea level rise and increased frequency and severity of coastal storms.
- Development in heavily vegetated areas where there is likely to be increased fire risk.
- Flexibility for agricultural activities to change with the change climate.

5.3.2 Future Coasts: Preparing Victoria's coast for climate change

DPCD have launched the Future Coasts Initiative: Preparing Victoria's coast for climate change. The project aims to identify types of threats to the coast, adaptation strategies and inform planning, decision-making and strategy development.

The South Gippsland coastline to be assessed as part of this study includes Corner Inlet, Waratah Bay and Anderson Inlet. It would be prudent to await the outcomes of this study before proceeding with development in these areas.

5.4 Conclusions

The Shire has significant environmental and landscape assets and these have been documented and mapped in a number of strategies and action plans. There is an opportunity to update the planning scheme to include relevant mapping and land use and development controls to reflect these environmental and landscape values.

There is a suite of overlay controls in the Victoria Planning Provisions, including Environmental Significance, Erosion Management and Vegetation Protection overlays. A review of the current overlays is required, to ensure that the correct overlays are currently being applied to achieve the best land management outcomes.

6 Consultation

An integrated process of consultation was developed to inform the development of the Rural Land Use Strategy through its various stages. The consultation activities in Stage 2 of the project are a progression from previous consultation activities conducted in Stage 1.

This section of the report outlines the various phases of consultation and key feedback and issues that arose from the consultation activities in Stage 1 and Stage 2. This section also outlines how submissions and issues raised throughout the consultation are addressed through the Rural Land Use Strategy.

6.1 Consultation objectives

The main objectives of the consultation were to:

- Inform, educate and share information with the local community.
- Engage in cooperative decision making between Councilors and Council staff.
- Collaborate with key stakeholders (specifically other land management authorities and agencies) to identify key issues and ensure consistency in planning and policy development.
- Ensure representative feedback was gathered and addressed where appropriate.

6.2 Methods of engagement

The methodology for consultation activities was developed on the basis of the objectives above and designed to meet the type of information required and level of participation sought. Key consultation activities in the project included facilitated discussion and workshops with Councilors and Council staff, targeted meetings with government agencies relating to rural land management and community drop in sessions in various towns throughout the region.

6.3 Consultation activities

6.3.1 Councilor briefings

A series of Councilor Briefings were conducted throughout the stages of the development of the Rural Land Use Strategy. The South Gippsland Councilors have played an important role in cooperative decision making on the vision for the rural areas of South Gippsland Shire and the strategic directions for how its future form and function should be managed.

6.3.2 Stage 1 – Issues identification

Consultation with the community and stakeholders sought to inform the need for managing rural land use and to discuss the preliminary findings of the Issues Paper and provide feedback on rural land use issues.

A series of consultation activities were held in December 2006 including community open days, farmer workshops, agency workshop, agricultural industry workshop and a workshop with Council staff. It is estimated that 64 people attended the consultation workshops.

Consultation activity	Date
Agency workshop	8 November 2007
Agricultural industry workshop	8 November 2007
Council staff workshop	8 November 2007
Community Open Days	4 December 2007
	5 December 2007
	6 December 2007
Farmers Workshop	4 December 2007
	5 December 2007
	6 December 2007

The workshops provided an overview of the project and tested the key findings of the Issues Paper through discussions with workshop participants. Members of the Consultant Team and Council staff attended all workshops and at least one Councilor attended each workshop.

Issues Paper

The Issues Paper was made available for public comment prior to the consultation activities at a number of locations throughout the Shire including Council offices and libraries. The Paper was also available on Council's website. Feedback forms were also provided at the community open days and farmer's workshops for attendees to put their thoughts on paper. The feedback forms posed a number of questions relating to the rural area of the Shire:

- What are South Gippsland's rural areas important for?
- What should South Gippsland's rural areas look like in the future?
- What should South Gippsland's rural areas be used for in the future?
- Are there special places that should be protected?
- What are the particular land use issues facing agriculture in South Gippsland?

Seventeen written submissions were received on the Issues Paper.

Agency Workshop

The agency workshop was held at the Council offices and provided an opportunity for key stakeholders, identified by Council, to discuss issues of particular relevance to each agency and that may have an influence on rural land use and development into the future. Agencies represented at the workshop included the Department of Planning and Community Development, Department of Primary Industry, South Gippsland Water, West Gippsland Catchment Management Authority and Southern Rural Water.

Agricultural Industry Workshop

Representatives of the Shire's agricultural industries met with the project team at Council's offices. The focus of the discussion was to validate the findings of the Issues Paper and identify issues not addressed in the paper and to discuss the particular issues facing agriculture in the Shire. Industries and industry groups represented at the workshop included

Murray Goulburn, GippsDairy, UDV, Cattle Council of Australia, Victorian Farmers Federation, Viticulture, and Plantation Industry.

Council Staff Workshop

A workshop with Council staff included representatives from the Planning Engineering/Assets, Economic Development, Tourism, Rates and Valuations, Wastewater management and Local Laws. The discussion focused on the day-to-day issues that Council staff address in the rural area of the Shire.

Community Open Days

The community open days were run in a semi-formal fashion with the presentation on the key findings of the Issues Paper used as a conversation starter and focused discussion around current issues and future direction for rural land use and development. The questions listed in the feedback form were also posed to the workshop group to provide an opportunity for attendees to discuss the future of rural areas in South Gippsland.

Farmer's Workshops

The consultation program specifically targeted South Gippsland farmers to ensure that the day-to-day issues facing farmers were reflected in the Issues Paper and that their need for the ongoing operation of farming businesses was understood.

The workshops were held during the day at Poowong, Mirboo North and Fish Creek. The key findings of the Issues Paper were used as a conversation starter to confirm the findings and to discuss the implications for farmers.

Prevailing Community Position

The consultations conducted highlighted the key issues facing the Shire's rural areas. A clear message was that the future of agriculture is very strong and that agriculture is critical to the economic future of the Shire.

A common issue was the how to balance the desire to accommodate new people within the Shire, particularly in the rural areas, without compromising the agricultural values and landscape values that make the Shire attractive to newcomers and a driver of local employment.

Common responses to the key questions posed during the consultation are summarized:

What are SGS rural areas important for?

Great place to live - country lifestyle, beautiful area, beautiful environment Agriculture - economy, employment, living Landscape and environmental values, particularly coastal areas and rising country Tourism

What should the rural areas look like in the future?

Landscape amenity needs to be protected

Accommodate growth but provide it in a way that doesn't compromise agriculture, the environment, and landscape

Encourage planned, clustered development not scattered or haphazard

Accommodate diversity.

What should be rural areas be used for in the future?

Important for agriculture to be primary land use.

Some areas are better for agriculture than others

Provide for different uses such as tourism and rural lifestyle

Small towns need revitalising.

Are there special places that should be protected?

'Good' agricultural land Coasts Attractive landscapes Steep land

What are the particular land use issues facing agriculture in SGS?

Right to farm Rural residential development Want to have confidence to make investment for the long term Agricultural future is excellent, need to ensure that it is realised.

6.4 Draft Rural Land Use Strategy Consultation

The Draft Rural Land Use Strategy (DRLUS) was placed on public exhibition from August 25th to October 27th 2008. A range of consultation activities took place during the exhibition period to assist the community and stakeholders to understand the changes to the planning scheme proposed by the DRLUS and to gather feedback. These are outlined in the table below.

One hundred and four written submissions were received in response to the DRLUS and approximately 300 people attended the consultation activities. Submitters were asked to nominate their interest in rural land and the majority of submitters were full time farmers (42%) and part time/hobby farmers (29%).

While there was a wide range of views, there was consistent and overwhelming support for Council's adopted vision for the rural areas. Views diverged on the proposed planning framework to implement the vision. However, the strategic assessment of the feedback found that the DRLUS and the proposed planning framework were fundamentally robust and defensible.

The feedback identified aspects of the Strategy that required refinement e.g. the area of Rural Conservation Zone north of Foster, but also aspects that would benefit from expert advice e.g. lot size minima; the potential impacts of the DRLUS on land values.

The Executive Summary of the submissions report presented to Council in January 2009 is included at Appendix B.

Consultation activity	Date
Council staff workshop	22 September 2008
State agencies	22 September 2008
Agricultural industries	23 September 2008
Developers, planning consultants, estate agents	23 September 2008
Farmers workshop	24 September 2008
Tourism	24 September 2008
Poo Wong community	22 September 2008
Tarwin Lower community	23 September 2008
Foster community	24 September 2008
Meeniyan community	30 September 2008
Mirboo North community	30 September 2008
Gipps Dairy	23 September 2008

7 Revised South Gippsland Rural Land Use Strategy

Based on the findings of the rural strategy review investigations, including community and stakeholder consultation undertaken to date and the findings of the Rural Strategy Reference Group (Appendix A), it is recommended that the following elements be embraced as the Shire's revised Rural Land Use Strategy.

7.1 Key strategic elements

The review of rural land in South Gippsland has concluded the following:

- A long history of agricultural production has left a legacy of rural communities and townships and rural landscapes valued by the South Gippsland community and significant to the Shire's identity and livability.
- Agriculture underpins the economy of the Shire producing fresh and processed commodities for the national and international markets. Rain-fed dairy is of particular significance with beef and vegetable production also important industries based on areas of high quality agricultural soils, comparatively high rainfall and temperate climate. Industries such as grapes for wine production are emerging.
- Agriculture also supports a significant manufacturing sector including food processing and associated service industries. Around one third of the employment in the Shire is associated with agriculture either directly on farm or in associated manufacturing and service industries.
- The long-term impacts of climate change on agriculture in South Gippsland are largely unknown but low-lying coastal areas are at risk from storm surges, changes to tidal patterns and sea-level rise. The combination of good soils and high rainfall provides scope for farmers to change and adapt production systems to meet the challenges of climate change.
- The Shire has significant environmental assets that contribute to the amenity and landscape of the Shire. Of particular significance are the coastal areas from Venus Bay to Cape Liptrap, Waratah Bay and Corner Inlet and the rural hinterland. Farming and the rural landscape provide non-urban breaks between townships and coastal settlements. Other areas of the Shire, including parts of the Strzelecki Ranges, are prone to erosion due to steep slopes and clearing of native vegetation.
- The proximity of the Shire to Melbourne is enhanced by improvements to the road network, providing opportunities for population growth. The Shire will seek to accommodate this growth and where appropriate, provide for growth in rural areas where it will maintain and build community capital in the rural towns and communities. Future development will be focused on sewerage settlements and should not come at the expense of agricultural, environmental, landscape and social values.
- Tourism is focused on Wilson's Promontory National Park and surrounds. However, there are opportunities for a variety of tourism new developments capitalising on the open rural-farmed landscape and vegetated areas.

7.2 Vision

The South Gippsland Shire Rural Strategy will set out a long term vision for the Shire's rural areas that:

- Strongly supports the growth of sustainable agricultural industries
- Provides for maintenance and consolidation of existing rural towns and communities
- Protects productive agriculture
- Protects and enhances environmental and landscape values
- Provides for growth of tourism

The rural areas of South Gippsland make a significant contribution to the Shire economy. Maintaining and supporting agricultural uses is important for the continued economic prosperity of the Shire. Agriculture is important regionally with multipliers in processing and manufacturing and generates significant local employment. Supporting a diverse agricultural sector will contribute to the growth and prosperity of rural communities in South Gippsland.

The rural areas are highly valued for their contribution to the livability and amenity of the municipality. The opportunity to live in a high quality, attractive environment in close proximity to metropolitan Melbourne will be a key factor in attracting people to the Shire. A planned approach to accommodating growth in the rural areas of the Shire will ensure that this does not come at the expense of agricultural, environmental and landscape values and is consistent with Council policy of focusing development around existing seweraged settlements.

The environment and landscape are highly valued for their contribution to the amenity and livability of the Shire as well as contributing to tourism and recreation.

Wilson's Promontory plays a key role in defining the Shire's tourism product. There is an opportunity to develop tourism further capitalising on the open rural-farmed landscape, vegetated land and other coastal areas.

7.3 Key strategic directions

The key strategic directions of the Rural Land Use Strategy are to provide a planning framework that will:

- Detail planning controls that will provide clear direction for use and development in the rural areas of the Shire.
- Support agriculture and protect the rural farmed landscape and not prejudice the ability of future generations to productively farm the land.
- Support agricultural activities and associated rural industries that will maintain and build on the economic base of the Shire.
- Balance demand for rural lifestyle and protection of agricultural values by discouraging fragmentation of land in rural areas as well as additional dwellings unrelated to the agricultural use of the land.
- Protect and maintain the existing rural character of the Shire by providing clear definitions and distinctions between rural and urban areas.

- Protect and maintain areas of environmental and landscape significance by strongly discouraging inappropriate development and uses.
- Provide for uses that will encourage restoration of degraded land.
- Provide for a range of tourism uses in appropriate areas.

7.4 Agriculture

Agricultural production and associated processing and servicing underpin the Shire economy. Dairy production in particular is nationally significant with 20% of Australia's milk production coming from the Gippsland region including South Gippsland. The Shire's workforce is heavily dependent on the agricultural sector on farm, in product processing and in agricultural service industries. The future outlook for agriculture in the Shire is strong with the advantages of high rainfall, soil and land types suited to producing a wide range of agricultural commodities.

Planning Policy should support the ongoing use of the land for agriculture by maintaining land in productive parcels and minimising the potential for conflict between agriculture and other uses. This will ensure South Gippsland can capitalise on opportunities in agriculture in the future, important for the future economy, character and livability of the Shire.

7.5 Tourism

Tourism is an important industry in South Gippsland. The varied landscapes, environmental values and urban settlements of the Shire offer a diverse range of tourism opportunities. Tourism is currently focused primarily on Wilson's Promontory and small-scale accommodation in the farm areas.

The South Gippsland Rural Tourism Development Strategy provides direction for further development of tourism in the Shire's rural areas. Any Planning Scheme changes to assist with the facilitation of tourism development in the rural areas of South Gippsland should be guided by the recommendations of the Strategy.

Tourist facilities in the farming areas of the Shire should generally be of a small-scale that does not compromise the agricultural use of the land. They should also be of a nature and sited to avoid conflict with existing rural uses, preserve the rural landscapes and environmental values, avoid loss of high quality agricultural land, and be in close proximity to existing townships. Tourism facilities should generally be discouraged from areas of high agricultural quality and versatility, where commercial farming is the dominant use and areas with an open rural landscape.

It is the recommendation of this rural strategy that there is an opportunity to accommodate modest scale tourism in appropriate rural locations and facilitated via the application of Rural Activity Zone. In this context, the review identifies appropriate locations for the application of the Rural Activity Zone in the vicinities of:

- Loch
- Kardella
- Koonwarra

- Foster Yanakie
- Mirboo North

Details of the identification of areas for application of the Rural Activity Zone for tourism are outlined in Appendix D. Planning policy is required to ensure that tourism development does not compromise agriculture, the environment and the landscape.

7.6 Rural living

South Gippsland Shire contains many varied, attractive environments that are popular to people seeking a rural lifestyle. Rural living is most appropriate where it has been strategically planned and suitable zones applied. Loss of agricultural land through subdivision to rural residential or minimum forms of agriculture, such as hobby farms, is a significant issue.

There is a large supply of land zoned for rural living as well as a vast supply of small lots in the Farming Zone. Council currently does not have a housing and settlement strategy that documents supply and demand for housing, including rural residential supply and demand. Provision of additional land zoned for rural living must be strategically justified, therefore in order to justify the conversion of any more rural land to Rural Living Zone, a Housing and Settlement Strategy needs to be completed. There are several cluster subdivisions, crown townships and settlements in the rural areas of South Gippsland that may be candidates for the Rural Living Zone. These have been identified as part of this strategy and require further investigation through a Housing and Settlement Strategy.

7.7 Environment and landscape

The Shire has significant environmental and landscape assets. These make a significant contribution to the livability of the Shire and its attractiveness for tourism. Planning policy should be clearly focused on ensuring that the environmental and landscape values of the Shire are protected and that future development will not compromise these values.

Within the Strzelecki Ranges, north of Foster and Korumburra, are areas that are a mix of heavily vegetated and cleared lands with very steep slopes. Existing agriculture is limited to grazing. Further agricultural development in these areas is constrained by the land attributes. Planning policy needs to acknowledge the mix of agricultural and vegetated land and land management constraints posed by steep slopes and seek to achieve land restoration and vegetation protection.

7.8 Minimum lot size

The Victoria Planning Provisions (VPP) requires Councils to set a minimum lot size for subdivision and a minimum lot size for dwellings below which a planning permit is required in the Farming Zone. If Councils choose not to specify a minimum lot size then a default setting of 40ha applies to both subdivision and dwellings. In the Rural Activity Zone and Rural Conservation Zone all dwellings require a permit and Council can specify a minimum lot size for subdivision.

Farming Zone

Before seeking to determine what is an appropriate minimum lot size it is worth clarifying the objectives of setting minimum lot sizes.

The purpose of setting a *minimum subdivision size* is:

- To provide land parcels for farm growth and succession.
- For land parcels to be easily transferred between farm businesses
- To allow for adoption of efficient management and production practices.
- To avoid fragmentation of rural land to ensure that the landscape remains viable for farming.

The purpose of setting a *minimum lot size below which a permit is required for a dwelling* is to afford Council the opportunity to assess whether a dwelling is genuinely required for the agricultural use of the land and to ensure that dwelling development does not compromise the agricultural future of the land.

The VPP Planning Practice Note: Applying the rural zones notes with respect to the Farming Zone that *"the minimum lot size for subdivision may be tailored to suit the farming practices and productivity of the land."* The schedule to the Farming Zone allows municipalities to set a minimum lot size for subdivision and dwellings that reflects the agricultural uses of the land.

There is no established methodology for determining the minimum lot size in rural areas and in reality the minimum lot size is often a translation of former outdated controls or is the State default of 40ha.

In the absence of guidance on determining a minimum lot size, the following considerations were used for this strategy:

- An analysis of farm size and productive land units
- Current pattern of lot and property sizes
- Land use outcomes to be achieved through the use of lot size minima

Amendment C51 addressed minimum lot size in the Farming Zone and is discussed in further detail in Appendix A.

7.9 Dwellings

In seeking to minimise the fragmentation of rural land, there is a need to achieve a cultural change in the expectation that a dwelling may be constructed on every lot. The primary justifications for a house on a rural lot must be that it complements and improves the agricultural use of the land and preserves the existing rural character of the area.

In the Farming Zone a permit is not required to use land for a dwelling provided it meets the minimum lot size specified in the zone schedule. On smaller lots a permit may be granted, provided (amongst other things) that the dwelling is reasonably required for the operation of the rural activity conducted on the land.

This provision allows for a wide interpretation of what is “reasonably” required for a rural activity and, indeed, what is considered to be a *bona fide* rural activity. Without clear guidelines it will be very difficult to make effective and consistent decisions, particularly if an applicant uses personal hardship or family reasons to reinforce the planning grounds. This rural strategy review has highlighted the need for clear policy and guidelines to assist decision-making.

7.10 Subdivision

This rural strategy review has found that there is a considerable supply of lots at a range of sizes such that further subdivision for genuine agricultural purposes will be rarely required. In areas that have been substantially fragmented, consolidation of lots should be encouraged.

7.10.1 Excisions

Past experience shows that the excision provisions in planning schemes have been abused, with excised lots being unrelated to the farm operation and the opportunity to excise being used on two, three and more occasions.

Generally, small lot excisions (with or without houses) are inappropriate in rural areas. They are usually used as a way of circumventing the minimum lot size in the zone. The additional house entitlement created is rarely necessary to improve the farm operation on the land from which it was excised. Excisions have contributed to rural land being progressively lost to hobby farming or rural residential uses, which is in direct conflict with the aims and objectives of this strategy.

House lot excisions that involve excision of an existing dwelling can be a legitimate requirement of farming, particularly associated with farm expansion. It should therefore be provided for where it can be reasonably demonstrated that it is required for the development of the agricultural business and does not increase the density of lots and dwellings.

Small lot subdivisions, including facilitating housing excision, based solely on hardship, personal circumstances, retirement or superannuation grounds, are not relevant matters for Council to consider.

7.10.2 Re-subdivision of existing lots

The use of averaging provisions and re-subdivision has left a legacy of small rural-residential lots across South Gippsland. As already noted, lots created more recently through Council supported subdivisions have been done with the clear expectation of being able to develop the land with a dwelling with no agricultural purpose intended. Re-subdivision that results in creation of rural residential size lots should be strongly discouraged.

8 Implementation

This section of the report identifies the implementation measures to deliver the vision and strategic directions for South Gippsland. This review has found that the current Planning Scheme does not have a strong and robust suite of implementation measures to achieve the objectives for rural land. Therefore the implementation measures proposed in this Rural Land Use Strategy are aimed at providing clear and robust policy.

The current policy position places a strong emphasis on protecting land for agricultural purposes but provides little direction for tourism development in rural areas. The revised rural strategy will seek to maintain and support agriculture and provide appropriate opportunities for tourism in rural areas.

8.1 Ministerial Amendments C48 and C51

Following public exhibition of the Draft Rural Land Use Strategy, the Minister for Planning introduced Amendments C48 followed by C51 to the South Gippsland Planning Scheme. This had the effect of superseding some of the recommendations of the Draft Rural Land Use Strategy. A more detailed account is provided at Appendix A.

8.2 Municipal Strategic Statement

The Municipal Strategic Statement (MSS) will need to be updated with material from this report.

8.3 Zones

8.3.1 Farming Zone

The stated purposes of the **Farming Zone** as set out in the Victorian Planning Provisions are:

- To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies
- To provide for the use of land for agriculture
- To encourage the retention of productive agricultural land
- To ensure that non-agricultural uses, particularly dwellings, do not adversely affect the use of land for agriculture
- To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision
- To protect and enhance natural resources and the biodiversity of the area

The Farming Zone is appropriate, and will be considered, in situations where:

- Farmers require certainty about undertaking normal farming practices and need the flexibility to change farming practices in the future
- Farming is the primary activity in the area and the protection of productive farmland is of primary strategic importance

- The farmland is of State, regional or local significance in terms of agricultural production or employment
- The farmland has physical attributes that are scarce or essential to sustaining particular agricultural activities
- Pressures to use and develop land for non-farming purposes pose a significant threat to the supply and productivity of farmland in the area
- The scale, nature and intensity of farming uses in the area have the potential to significantly impact upon sensitive land uses, such as housing
- The efficient and effective use of agricultural infrastructure will be minimised

With regard to the Farming Zone, the Draft Rural Land Use Strategy recommended that the:

- Farming Zone be retained for most areas of the Shire currently zoned Farming
- Minimum lot size for which no permit is required for a dwelling be set at 100ha
- Minimum lot size for subdivision be set at 80ha
- A set of criteria be developed to guide Council decision-making on dwellings in the Farming Zone

Amendment C51 introduced a new schedule to the Farming Zone in South Gippsland. This included:

- An increase in the minimum lot size for subdivision from 40ha to 80 ha
- Retention of the minimum lot size for which no permit is required for a dwelling of 40ha but a recommendation that lot size minima for dwellings be considered on a regional basis

The minimum lot size for subdivision introduced via C51 is consistent with the directions of the Draft Rural Land Use Strategy. Council has directed that this Rural Land Use Strategy note the change to the Schedule and that further refinement or consideration of a minimum lot size for subdivision is not required.

The minimum lot size for a dwelling is not consistent with the recommendation of the Draft Rural Land Use Strategy. Council has directed that this Rural Land Use Strategy note the change to the Schedule and that further refinement or consideration of the minimum lot size for which a permit is not required for a dwelling will not take place through this study.

This Rural Land Use Strategy has clearly identified the need for stronger direction for management of dwellings in order to achieve Council's vision and objectives for the Shire's rural areas. This Rural Land Use Strategy strongly supports the recommendation of Council that a lot size minimum for dwellings is considered on a regional basis and that this is undertaken as soon as possible.

8.3.2 Rural Activity Zone

The stated purposes of the **Rural Activity Zone** as set out in the Victorian Planning Provisions are:

- To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies
- To provide for other uses and development, in appropriate locations, which are compatible with agriculture and the environmental and landscape characteristics of the area
- To ensure that use and development does not adversely affect surrounding land uses
- To protect and enhance natural resources and the biodiversity of the area
- To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision

The Rural Activity Zone will be considered, in situations where:

- Farming is a primary activity in the area but the planning objectives identified for the land support the establishment of other land uses, particularly tourism
- A mixed use function would support farming in the area, assist in preventing the unplanned loss of productive agricultural land elsewhere, or allow the logical and efficient provision of infrastructure
- The use of land in the area for non-farming purposes would not compromise the long term productivity of surrounding farmland
- Appropriate buffers can be provided between different land uses so that land use conflicts are avoided

The Rural Activity Zone will be applied to areas:

1. Identified as appropriate for tourism development at Loch, Kardella, Koonwarra, Waratah North, Foster North, Yanakie and Mirboo North (Appendix D) – Rural Activity Zone 1.
2. Identified as areas with a mixed use function at Dollar-Gunyah-Toora North and between Poowong East and Trida. (Appendix E) – Rural Activity Zone 2.

The areas identified for Rural Activity Zone are shown in Figure 8-1.

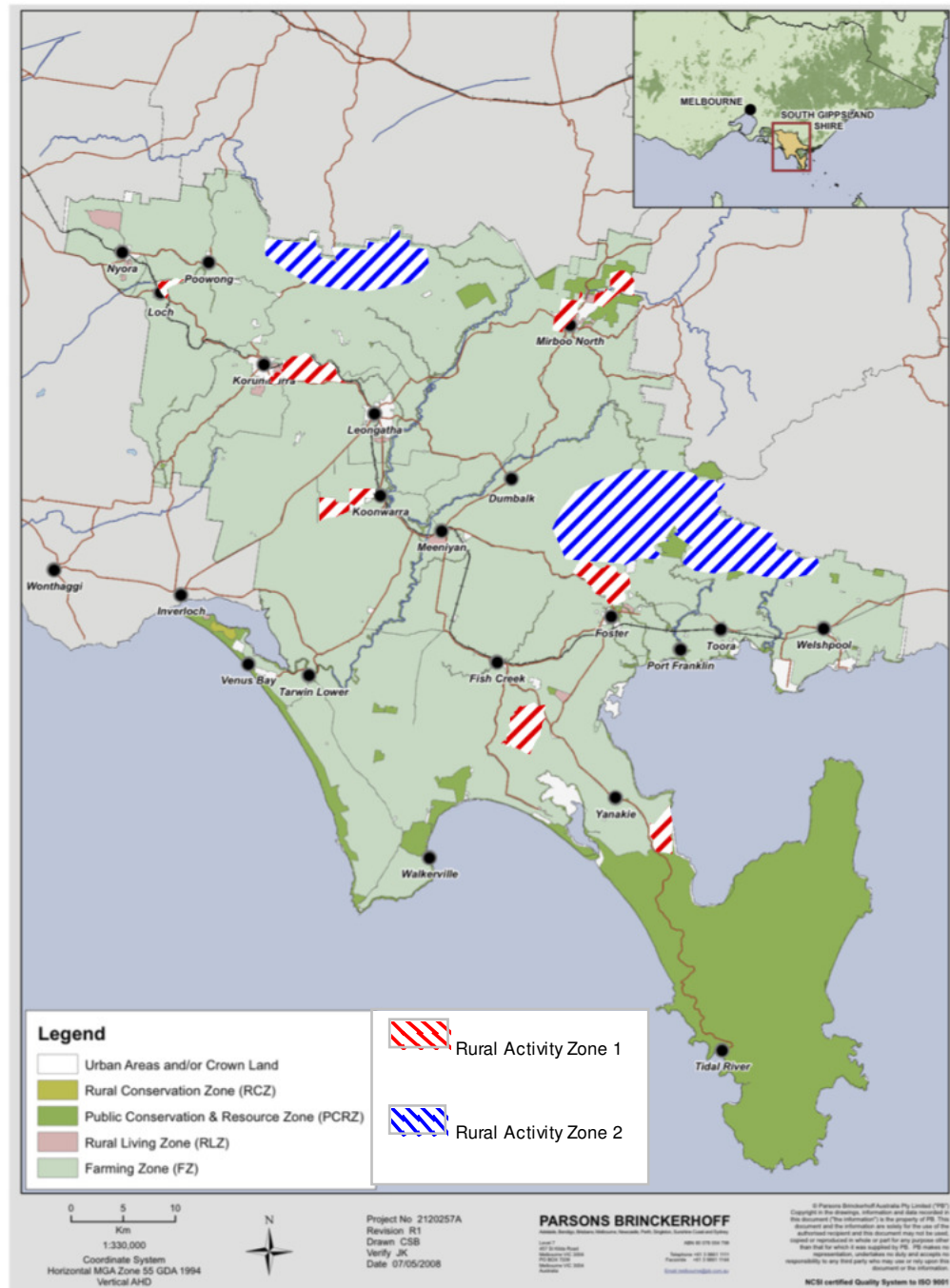


Figure 8-1 Areas identified for Rural Activity Zone

8.3.3 Rural Conservation Zone

The stated purpose of the Rural Conservation Zone as set out in the Victorian planning Provisions include:

- To implement the SPPF and LPPF, including the MSS and planning policies
- To provide for agricultural use consistent with the conservation of environmental and landscape values of the area
- To protect and enhance natural resources and the biodiversity of the area
- To protect and enhance the natural environment and natural processes for their historic, archaeological and scientific interest, landscape, faunal habitat and cultural values
- To conserve and enhance cultural significance and character of open rural and scenic non-urban landscapes

The Rural Conservation Zone is designed to be applied to rural areas where:

- The protection of the environmental features of the land is of primary strategic importance. These features could include native vegetation, flora and fauna, significant habitats, or they could relate to the visual qualities of the land.
- The environmental features of the land are scarce and strict controls are required to prevent the future loss or decline of those features.
- Land use and development could directly or indirectly threaten the environmental values of the land and strict controls are required to manage this.

The existing areas zoned for Rural Conservation purposes should remain in the Rural Conservation Zone.

8.4 Local policy

8.4.1 Rural dwellings and subdivision

On 29 April 2010, Amendment C51 introduced local policy at CI 22.08 and CI 22.09 to provide direction and guidance on dwellings and subdivision in the Farming Zone. These policies are generally consistent with the directions of policy as set out in the Draft Rural Land Use Strategy.

Amendment C51 also introduced an incorporated document to provide specific guidance for planning permit applications for dwellings on lots in the farming Zone subdivided for rural residential purposes. It is recommended that the provisions of the incorporated document be incorporated into the Rural Dwellings policy as outlined in Appendix C.

It is the recommendation of this Rural Land Use Strategy that CI 22.08 be used to guide dwelling development in the Rural Activity Zone and Rural Conservation Zone.

8.4.2 Tourism

Rezoning of land to Rural Activity Zone 1 within rural tourism precincts, should be accompanied by introduction of local policy and other planning controls that:

- Supports tourism development
- Provides clear guidance as to siting and buildform
- Details preferred Section 2 uses
- Provides for one-off tourism development at Cape Liptrap where it can be demonstrated that:
 - Development will not compromise the vision for the area of preserving the rural farmed landscape.
 - The development is high quality.
 - There is a regional demonstrated demand for such as facility.
 - There is a net environmental benefit.
 - The site has access to all servicing infrastructure and that development will meet all costs of infrastructure provision to the site.

8.4.3 Mixed Use Areas

Rezoning of land to Rural Activity Zone 2 to mixed use areas should be accompanied by introduction of local policy and other planning controls that:

- Provide clear objectives for land use outcomes
- Details preferred Section 2 uses
- Provides for limited tourism development

8.5 Other matters

8.5.1 Housing and settlement strategy

It is recommended that the areas noted in Table 8-1 be reviewed in detail as part of a Housing and Settlement Strategy for the Shire.

Table 8-1 Crown townships, crown settlements and cluster subdivisions

Crown township	Crown settlement	Cluster subdivision
Agnes Jumbunna Mirboo Darl murla Whitelaw Hoddle Hedley Port Franklin Bennison Outtrim	Kardella Grip Road	Korumburra South Yanake Whitelaw Meikle Road Savages Road Mathers Road

8.5.2 Landscape assessment

It is recommended that a landscape assessment of rural land in South Gippsland be undertaken covering areas not included in the Coastal Spaces Landscape Assessment Project.

8.5.3 Regional minimum lot size dwellings

As a matter of urgency, undertake a review of lot size minima for dwellings on a regional basis.

Appendix A: Rural strategy development

The South Gippsland Rural Land Use Strategy was undertaken in three stages. It was intended that Stage 3 would result in exhibition of a Final Strategy and amendment documentation. However, during the project, Ministerial Amendments to the South Gippsland Planning Scheme resulted in some deviation from this process. It is the purpose of this section of the report to document the development of the strategy.

The following table provides a summary of key milestones in the project.

	Date		Outputs
1	August – Dec 2007	Stage 1 Land use issues report and consultation	Land use issues report Community and stakeholder consultation
2	Feb 2008	Council vision and directions workshop	Agreed Council vision Rural Strategy Stage 1 – Rural Land Use Report
3	April – Nov 2008	Stage 2 – Draft Rural Land Use Strategy and consultation	Draft Rural Land Use Strategy Consultation Submissions report
4	Nov 2008	New Council elected	
5	March 2009	Briefing and workshop of new Council	
6	May 2009	Amendment C48	Removal of Council discretion to approve permits for dwellings in the Farming Zone
7	August 2009	Rural Strategy Reference Group established to progress the Rural Strategy	
8	Feb 2020	Ministerial deputation to present initiatives to progress development of the Rural Strategy	In principle support from the Minister for initiatives
9	April 2010	Amendment C51	Restore Council discretion to approve permits for dwellings in the Farming Zone based Introduction of Local Policy for dwellings and subdivision in Rural Areas Revised schedule to the Farming Zone
10	Jul - Nov 2010	Stage 3 – finalise Rural Land Use Strategy	

1. Stage 1

The project commenced in August 2007. Stage 1 involved desktop analysis of rural land circumstances in South Gippsland and an initial round of consultation resulting in an Issues Paper. The consultation findings are summarised in Section 6.3.2 of this report. The findings included:

- A long history of agricultural production has left a legacy of rural communities and townships and rural landscapes valued by the South Gippsland community and significant to the Shire's identity and livability.
- Agriculture underpins the economy of the Shire producing fresh and processed commodities for the national and international markets. Rain-fed dairy is of particular significance with beef and vegetable production also important industries based on areas of high quality agricultural soils, comparatively high rainfall and temperate climate. Niche industries such as grapes for wine production are emerging.
- The longer term impacts of climate change on agriculture in South Gippsland are largely unknown but low-lying coastal areas are at risk from storm surges, changes to tidal patterns and sea-level rise. The combination of good soils and high rainfall provides scope for farmers to change and adapt production systems to meet the challenges of climate change.
- Agriculture also supports a significant manufacturing sector including food processing and associated service industries. Around one third of the employment in the Shire is associated with agriculture either directly on farm or in associated manufacturing and service industries.
- The Shire has significant environmental assets that contribute to the amenity and landscape of the Shire. Of particular significance are the coastal areas from Venus Bay to Cape Liptrap, Waratah Bay and Corner Inlet and the rural hinterland. Farming and the rural landscape provide non-urban breaks between townships and coastal settlements. Other areas of the Shire, including parts of the Strzelecki Ranges, are prone to erosion due to steep slopes and clearing of native vegetation.
- The proximity of the Shire to Melbourne is enhanced by improvements to the road network, providing opportunities for population growth. The Shire will seek to accommodate this growth and where appropriate, provide for growth in rural areas where it will maintain and build community capital in the rural towns and communities. Future development will be focussed on sewered settlements and should not come at the expense of agricultural, environmental, landscape and social values.
- Tourism is focused on Wilson Promontory National Park and surrounds; however, there are opportunities for a variety of new tourism developments in the wider famed rural areas.

2. Council vision and direction workshop

In February 2008, a workshop with Councillors resulted in agreement to the following vision and directions for rural land use and development in South Gippsland.

Vision

The South Gippsland Shire Rural Strategy will set out a long term vision for the Shire's rural areas that:

- Strongly supports the growth of sustainable agricultural industries
- Provides for growth, maintenance and consolidation of existing rural towns and communities
- Protects productive agriculture

- Protects and enhances environmental and landscape values
- Provides for growth of tourism

Strategic Directions

The key strategic directions of the Rural Land Use Strategy are to provide a planning framework that will:

- Detail planning controls that will provide clear direction for use and development in the rural areas of the Shire
- Support agriculture and protect the rural farmed landscape and not prejudice the ability of future generations to productively farm the land
- Support agricultural activities and associated rural industries that will maintain and build on the economic base of the Shire
- Balance demand for rural lifestyle and protection of agricultural values by providing for a diversity of rural lifestyle choices in appropriate locations by:
 - Identifying candidate rural living areas
 - Discouraging fragmentation of land in rural areas as well as additional dwellings unrelated to the agricultural use of the land
- Protect and maintain the existing rural character of the Shire by providing clear definitions and distinctions between rural and urban areas
- Protect and maintain areas of environmental and landscape significance by strongly discouraging inappropriate development and uses
- Provide for uses that will encourage restoration of degraded land
- Provide for a range of tourism uses in appropriate areas

3. Stage 2 – Draft Rural Land Use Strategy

Based on the findings of the Stage 1 Rural Land Use Report, a Draft Rural Land Use Strategy was prepared. The Draft strategy provided a more detailed assessment of

- Planning policy
- Agriculture
- Drivers of land use change
- Population trends and growth
- Tourism
- Environment and landscape

The strategy outlined the following recommendations to achieve Council's vision for the Shire's rural areas:

- Apply the **Farming Zone** to all farming areas of the Shire to protect the long term farming future of the Shire.
 - Proposed minimum subdivision size of 80 hectares and dwelling lot size of 100 hectares in all **Farming Zone** areas.

- Apply the **Rural Conservation Zone** to the steep, vegetated hills to the north of Foster, in recognition of the significant conservation status and need for ongoing environmental and landscape protection. Also continue to apply the RCZ to the Venus Bay and Point Smythe area.
- Proposed minimum subdivision lot size of 100ha in the **Rural Conservation Zone**, no minimum lot size for dwellings with dwelling applications required to demonstrate how the dwelling will relate to the conservation purpose of the zone
- Apply the **Rural Activity Zone** to land around some townships in the Gateway precinct. It was not proposed to apply the RAZ to any other areas, based on the requirement for further strategic work to be completed.
- Undertaken strategic work to assess the economic and social requirements for rural industries / value adding enterprises, with the potential for some land around key townships to be nominated RAZ for this purpose.
- Following the completion of a Shire wide tourism strategy, dependent on the findings, the need for RAZ application is reviewed.
- It is identified that there may be one-off uses that prove appropriate for RAZ zoning and this will be identified in a Local Planning Policy.
- Proposed no further subdivision for the **Rural Activity Zone** based on the variety of lot sizes presently available, no minimum lot size for dwellings with dwelling applications required to demonstrate how the dwelling will relate to the purpose of the zone (tourism / niche agricultural activity / rural industry).
- Retain the **Rural Living Zone** where it currently applies. It is not proposed at this time to zone any additional land RLZ, based on the requirement for further strategic work to be completed.
- There are several areas of existing small lots in the rural areas that may merit the RLZ pending further investigation as part of a 'Housing & Settlement Strategy' including old crown townships, crown settlements and cluster subdivision.
- Several new local planning policies to manage the rural land use issues of: Dwellings & subdivision in rural areas; Prom corridor; and Tourism.

Council did not adopt the Draft Rural Land Use Strategy. Council recommended that it undergo further refinement through public exhibition. As outlined in Section 6.4, an extensive program of meetings was undertaken to explain the recommendations of the Strategy.

One hundred and four submissions were received. The submission findings were summarised in a Submissions Report to Council. The Executive Summary of this report is included at Appendix B.

4. Council elections

Local government elections took place in November 2009. The submissions report was not presented to Council due to the restrictions on Council activities in the lead up to the election. The election resulted in five new Councillors.

5. New Council - briefing and workshop

A briefing of the 'new' Council was undertaken to provide them with a full history of the project, its development and key findings, including the findings of the Submissions to the Draft Rural Land Use Strategy.

This was followed by a workshop with Councillors to discuss and resolve outstanding issues in the Draft Rural Land Use Strategy.

The following revised Zone and schedule regime was presented as a response to the feedback from the consultation and previous Councillor workshop.

Planning Controls	Farming Zone	Rural Activity Zone 1	Rural Activity Zone 2
Minimum lot size subdivision	80ha	60ha	60ha
Minimum lot size for which no permit is required for a dwelling	100ha	All dwellings require a permit	All dwellings require a permit
Local policy for house lot excisions	✓		
Local policy for re-subdivisions	✓		
Local policy for dwellings on lots less than the lot size minimum	✓	Not applicable	
Local policy for dwelling in the RAZ	Not applicable		✓
Local policy for dwellings on small lots	✓		
Local policy for plantations	✓	No	No

While not seeking endorsement, the Project Team were seeking direction from the Council that the responses adequately addressed concerns and provided a path for further progression of the DRLUS.

The Zoning responses were generally considered to reflect the consultation feedback but there were mixed views on the revised Farming Zone schedules, particularly minimum lot size for dwellings. Other policy revisions around excisions and re-subdivision were generally found to respond to feedback.

The DRLUS proposed a number of policy changes to rural land use planning and these cannot be considered in isolation from each other. Discussion was constrained to some degree, as there was still further data pending relating to lot sizes and dwelling development. It was intended to provide this data to Council in the near future to provide better context for Council in understanding the consequences of particular policy positions, primarily in regard to dwellings in rural areas.

6. Ministerial Amendment C48

On the 29th of May 2009, the Minister for Planning introduced amendment C48 to the South Gippsland Planning Scheme. This inserted an Incorporated Document into the scheme affecting all land in the Farming Zone and limited dwellings and creation of a lot for an existing dwelling in the zone, specifically:

- A permit may not be granted to use land for a dwelling under Section 2 of the Table of uses to Clause 35.07-1.
- A permit may not be granted to create a smaller lot for an existing dwelling under Clause 35.07-3.

7. Rural Strategy Reference Group

To respond to the concerns raised by the Minister and to progress development of the Rural Land Use Strategy, a Rural Strategy Reference Group was established comprising:

Jim Fawcett, - Mayor, South Gippsland

Cr Kieran Kennedy

Cr David Lewis

Cr Warren Raabe

Dirk Holwerda – Acting Chief Executive Officer

Andrew McEwen – Director Sustainability

Alex Arbuthnot – Chair, Agribusiness Gippsland

Angus Hume – Community Relationships Manager, Department of Primary Industry

Alan Freitag – Planning and Development Manager, Department of Planning and Community Development

Ann Kirwan – Director Planning Policy, Department of Planning and Community Development.

The Reference Group was to provide an advisory role reviewing only key areas of contention in order to determine whether an alternative or modified position ought to be put forward. Council Officers were of the view that much of the Draft Strategy was sound from a planning standpoint, and in this regard there was no intention of abandoning or revisiting those areas that have received general support.

A number of reports were prepared for consideration by the Reference Group:

- Update and analysis of the agricultural profile of the Shire using 2006 Agricultural Census data
- Update and analysis of subdivision and dwelling statistics
- Update and analysis of lot size and property ownership statistics
- Position paper – reviewed the recommendations of the Draft Rural Land Use Strategy in light of the additional information

8. Delegation to the Minister

In February 2010, a delegation from Council met with the Minister for Planning seeking in-principle support for a number of initiatives to progress development of the Rural Strategy these included:

Immediate responses:

- Replacement of C48 with alternative provisions:
 - Support for dwellings on small lots 0-8ha where specifically created by Council for such purpose
 - Support for dwellings on lots 8-40ha genuinely for agriculture – strict criteria to apply
 - Very limited support for second and subsequent dwellings for agriculture
 - No support for dwellings on Crown Allotments and dwellings in association with general grazing
 - Minimum lot size for subdivision to increase to 80ha
 - Excision to be principally undertaken by re-subdivision – no net lot increase
 - No support for creation of new small vacant lots
- Administration
 - Delegation to Officers
 - Review decision making for consistency
 - Review policy operation

Medium term responses:

- Adoption of the Rural Strategy
- Apply the Rural Activity Zone for tourism and to areas of biodiversity/environmental risk
- Review the 40ha dwelling permit trigger in the Farming Zone on a regional basis

Longer term responses

- Implementation of the Rural Strategy via planning scheme amendment
- Housing and Settlement Strategy

9. Ministerial Amendment C51

On 29 April 2010, Ministerial Amendment C51 was introduced to the South Gippsland Planning Scheme. The amendment included:

- Local Policy at CI 22.08 Rural Dwellings Policy
- Local Policy at CI 22.09 Rural Subdivision Policy
- New schedule to the Farming Zone specifying that 80ha is the minimum lot size for subdivision and that 40ha is the minimum lot for which no permit is required for a dwelling.

10. Prepare Final Rural Land Use Strategy

In July 2010, work commenced to finalise the Rural Land Use Strategy. This included:

- Incorporation of new or updated data on agriculture, lot size and property data.
- Inclusion of the findings of consultation on the Draft Rural Land Use Strategy.
- Acknowledgment that the work of the Rural Strategy Reference had resolved some of the issues associated with the dwellings, subdivision and minimum lots in the Farming Zone. This would therefore not be revisited in the finalisation of the Rural Land Use Strategy.
- Further analysis of land for consideration for the Rural Activity Zone as per the direction of the Rural Tourism Development Strategy.
- Further review and analysis of land recommended for Rural Conservation Zone in the Draft Rural Land Use Strategy.

Appendix B: Draft Rural Land Use Strategy Submissions

The following is the Executive Summary of a Submissions Report to Council (January 2009) on submissions received on the Draft Rural Land Use Strategy.

Draft Rural Land Use Strategy

The South Gippsland Draft Rural Land Use Strategy (DRLUS) was placed on public exhibition from August 25th to October 27th 2008. A range of consultation activities took place during the exhibition period to assist the community and stakeholders to understand the changes to the planning scheme proposed by the DRLUS and to gather feedback.

This report documents the findings of the consultation activities and written submissions prepared in response to the DRLUS.

Submissions

One hundred and four written submissions were received in response to the DRLUS and approximately 300 people attended the consultation activities. Submitters were asked to nominate their interest in rural land and the majority of submitters were full time farmers (42%) and part time/hobby farmers (29%).

The feedback and written submissions have been compiled, summarised and assessed against the:

- Objectives of Planning as set out in the Planning and Environment Act, 1987.
- State Planning Policy Framework.
- Local Planning Policy Framework.
- DRLUS.

The submissions to the DRLUS indicate that there is general support for Council's adopted vision for rural areas. Opinions diverge however on the proposed tools to achieve the vision. A Feedback Response Form distributed to assist preparing written submissions provided opportunity for general comments and included three questions:

Question 1	Do you believe the planning scheme changes proposed in the DRLUS will achieve Council's agreed new vision for the Shire's rural areas?	38% said Yes 62% said No
Question 2	Will the proposed changes to the planning scheme be beneficial to the Shire's rural areas in the long term?	33% said Yes 67% said No
Question 3	Will the proposed changes to the planning scheme impact on your interest in rural land?	89% said yes 11% said No

Those that did not agree with the proposed changes were in the majority amongst those that attended the consultation forums or lodged a written submission. The following reasons were the most commonly noted for not supporting the DRLUS:

- The need for flexibility to subdivide or develop rural land primarily for financial reasons including superannuation and servicing farm debt.

- Concern that the proposed changes will cause land values to drop with consequent impacts on equity and borrowing capacity.
- Concern that there is no provision for development of small/niche industry farms and that the changes will impact upon young farmers entering farming.

Those that agreed with the DRLUS were in the minority amongst those that attended the consultation forums or lodged a written submission. The majority of industry representatives supported the vision and changes proposed by the DRLUS. The following reasons were the most commonly noted for supporting the DRLUS:

- Preventing ad hoc rural residential development.
- Protection of agriculture and prime agricultural land.
- Recognition of a lack of a strong decision making framework.
- The need for the planning scheme to reflect contemporary trends in farming.

Strategic assessment

The table below summarises the strategic assessment of the submissions. The table notes:

- The issues or key reasons submitters did or did not support the planning scheme changes proposed by the DRLUS.
- A strategic assessment against the Objectives of Planning, the State Planning Policy framework (SPPF), the Local Planning Policy Framework (LPPF) and the DRLUS.
- A conclusion as to whether modification of the DRLUS is required as a result of the strategic assessment of the issue.

Note that the Strategic Assessment is to determine whether the issues raised provide *strategic justification* for amending the DRLUS or highlights deficiencies or errors in the DRLUS. It does not mean that the DRLUS can not or will not be further refined to consider some of the issues raised through the public exhibition process.

Issues/Reasons raised in the submissions	Strategic Assessment against the Objectives of Planning, SPPF, LPPF and the DRLUS	Conclusions
There should be a flexible approach to decision making, not fixed rules and each case should be assessed on its merits.	Inconsistent with the Objectives of Planning. Inconsistent with the SPPF. Inconsistent with the vision and objectives of the DRLUS.	No strategic justification for modification of the DRLUS.
No provision for small farms, or niche agricultural businesses and will restrict young farmers entering farming.	The FZ seeks to discourage dwellings unrelated to agriculture The DRLUS focuses on broadscale farming, the mainstay of the Shire economy however does not preclude the development of smaller scale niche agricultural activities. Sufficient supply of small lots for small farms Limited evidence of trend in growth of niche industries. The DRLUS seeks to prevent unjustified fragmentation of rural land.	No strategic justification for modification of the DRLUS. Small farm development and niche agricultural activities are already addressed by the DRLUS
Allow small titles for rural residential development for	Facilitating individual financial outcomes is not an Objective of Planning.	No strategic justification for modification of the DRLUS.

Issues/Reasons raised in the submissions	Strategic Assessment against the Objectives of Planning, SPPF, LPPF and the DRLUS	Conclusions
There should be a flexible approach to decision making, not fixed rules and each case should be assessed on its merits.	Inconsistent with the Objectives of Planning. Inconsistent with the SPPF. Inconsistent with the vision and objectives of the DRLUS.	No strategic justification for modification of the DRLUS.
No provision for small farms, or niche agricultural businesses and will restrict young farmers entering farming.	The FZ seeks to discourage dwellings unrelated to agriculture The DRLUS focuses on broadscale farming, the mainstay of the Shire economy however does not preclude the development of smaller scale niche agricultural activities. Sufficient supply of small lots for small farms Limited evidence of trend in growth of niche industries. The DRLUS seeks to prevent unjustified fragmentation of rural land.	No strategic justification for modification of the DRLUS. Small farm development and niche agricultural activities are already addressed by the DRLUS
Financial reasons (superannuation, succession, fund farm expansion, repay debt).	Inconsistent with the SPPF. Inconsistent with the DRLUS.	
Land values will drop impacting on equity, loan capacity and debt servicing.	Land values have been impacted by past practice amongst successive Councils in South Gippsland with the granting of permits for dwellings not required for agriculture resulting in strong competition for land from both the farming and lifestyle sectors. Agricultural land valuations for borrowing are based on the planning framework as it currently applies to the land and the extent to which the land has been developed, not on any future or anticipated development.	The strategic assessment of this issue is inconclusive, as detailed modelling of the impacts of the proposed changes on the values of agricultural land has not been undertaken. It is recommended that specialist advice be sought to clarify this matter.
Growth will be stifled.	DRLUS seeks to provide for sustainable growth consistent with the Objectives of Planning and the SPPF.	No strategic justification for modification of the DRLUS.
Want a retirement or lifestyle property.	Inconsistent with the Objectives of Planning Inconsistent with the SPPF. Inconsistent with the vision and objectives of the DRLUS.	No strategic justification for modification of the DRLUS.
Difficult to get a second house for succession or workers.	A permit for a second dwelling can be applied for and will be assessed against the decision guidelines of the FZ.	No strategic justification for modification of the DRLUS.
40ha lot size minimum are working fine and the State government rules should be retained.	A minimum lot size for subdivision has not been specified in the schedule to the FZ in South Gippsland (it therefore reverts to a 40ha default). The DRLUS found the 40ha minimum subdivision size was not appropriate for South Gippsland. Instead an 80ha minimum lot size was proposed.	The lot sizes recommended in the DRLUS should be reviewed with input from local farming experts to ensure consistency with current and future farming trends.
60ha would be more suitable as it reflects a viable dairy farm size.	The DRLUS recommended minimum lot size that facilitates farm growth, maintain land in productive, usable parcels and maintaining the rural farmed landscape. 60ha is currently considered the minimum size for a dairy farm to be viable.	The lot sizes recommended in the DRLUS should be reviewed with input from local farming experts to ensure consistency with current and future farming

Issues/Reasons raised in the submissions	Strategic Assessment against the Objectives of Planning, SPPF, LPPF and the DRLUS	Conclusions
There should be a flexible approach to decision making, not fixed rules and each case should be assessed on its merits.	Inconsistent with the Objectives of Planning. Inconsistent with the SPPF. Inconsistent with the vision and objectives of the DRLUS.	No strategic justification for modification of the DRLUS.
No provision for small farms, or niche agricultural businesses and will restrict young farmers entering farming.	The FZ seeks to discourage dwellings unrelated to agriculture The DRLUS focuses on broadscale farming, the mainstay of the Shire economy however does not preclude the development of smaller scale niche agricultural activities. Sufficient supply of small lots for small farms Limited evidence of trend in growth of niche industries. The DRLUS seeks to prevent unjustified fragmentation of rural land.	No strategic justification for modification of the DRLUS. Small farm development and niche agricultural activities are already addressed by the DRLUS
	The DRLUS recommended minimum lot size for now and the future and to provide for all forms of farming.	trends.
100ha permit trigger for a dwelling is not suited to South Gippsland.	The current 40ha permit trigger for a dwelling had not been previously tested. The 100ha permit trigger is consistent with the DRLUS vision and objectives.	The lot sizes recommended in the DRLUS should be reviewed to ensure consistency with current and future farming trends.
Should be able to build dwellings on small vacant lots.	The DRLUS provides for permits for dwellings to be considered on some small lots (where these lots were created for future residential use since the introduction of the new format Planning Scheme).	Further analysis of lot size data will be undertaken prior to finalising the DRLUS to develop criteria for where dwellings are acceptable and to provide greater certainty to landholders.
Need different rules for steep land.	RCZ will restrict agricultural uses. Steep land has a different agricultural future to other land in the Shire.	Review RCZ as part of preparation of Final Rural Land Use Strategy.

The table below summarises the key reasons submitters did support the planning scheme changes proposed by the DRLUS.

Issues/Reasons	Strategic Assessment	Conclusions
Prevent fragmentation of rural land and ad hoc rural residential development.	Consistent with the Objectives of Planning. Consistent with the SPPF. Consistent with the LPPF. Consistent with the DRLUS.	Agree.
Protect agriculture	Consistent with the Objectives of Planning. Consistent with the SPPF. Consistent with the LPPF. Consistent with the DRLUS.	Agree
Prevent land use conflicts	Consistent with the Objectives of Planning. Consistent with the SPPF. Consistent with the LPPF. Consistent with the DRLUS.	Agree

The public exhibition also highlighted aspects of the DRLUS that are confusing or have been misinterpreted. It is therefore recommended that:

- That the DRLUS be amended at Section 11.4.1 to clarify the relevance of tenements and to clearly state that a tenement clause is not proposed.
- That Section 10.4.4 of the DRLUS is modified to provide a plain English explanation of lot size minima to address the perceptions that:
 - 80ha is required for a farm.
 - 100ha is prohibition on dwellings on smaller lots.
 - The DRLUS will result in the restructure of the Shire into parcels of 80ha.
- That Section 11.4.1 of the DRLUS is revised to address ambiguity in the explanation of house lot excisions via boundary realignment.
- That officers and the project consultants utilise up to date ABS data (not available at the time of drafting) and review data on lot numbers as the project moves forward.

Conclusion

The Public Exhibition of the DRLUS provided a range of opportunities for discussion and feedback. The consultation process was accompanied by widespread media coverage, particularly local newspapers, which generated additional discussion and awareness of the DRLUS in the community.

Approximately 300 individuals attended the consultation forums and workshops and 104 written submissions were received which collectively captured a wide range views in the community.

While there was a wide range of views, there was consistent and overwhelming support for Council's adopted vision for the rural areas.

Views diverged on the proposed planning framework to implement the vision. However, the strategic assessment of the feedback found that the DRLUS and the proposed planning framework are fundamentally robust and defensible.

The feedback identified aspects of the Strategy that require refinement e.g. the boundary of RCZ north of Foster, but also aspects that would benefit from expert advice e.g. lot size minima; the potential impacts of the DRLUS on land values.

The exhibition of the DRLUS will result in improvements to the policy approach for land use and development of rural land in South Gippsland.

Appendix C: Rural dwelling and rural subdivision policy

22.08 RURAL DWELLINGS POLICY

This policy applies to applications for the use and development of dwellings in the Farming Zone.

Policy basis

The South Gippsland Shire contains some of the most productive agricultural areas in Victoria and provides a substantial proportion of Victoria's milk as well as beef, prime lamb and vegetables. Agriculture and its associated processing and service industry underpin the Shire's economy. The future outlook for agriculture in the Shire is strong with the advantages of high rainfall, soil and land types suited to producing a wide range of agricultural commodities. With issues of climate change and water scarcity at hand, there is likely to be increasing demand for the Shire's high quality agricultural land from producers in less fertile areas. Existing farming activities in the Shire will need to have the capacity to grow and expand and will require access to affordable land unencumbered by unwanted infrastructure.

The settlement and subdivision history of the Shire has left a legacy of small lots scattered amongst larger farming lots. There are approximately 12,000 lots in the Farming Zone, including a large number of small lots in old Crown Townships and remnant vacant lots arising from early subdivisions. These lots are often isolated, or in strips along road sides and surrounded by agricultural uses. Multi-lot farms (tenements) are the most common structure of land tenure in the Shire, with commercially viable production areas being formed by the aggregation of smaller lots.

The Shire's significant environmental and landscape assets make the area attractive for rural residential lifestyles. The northern and western areas of the Shire are particularly popular for rural living, primarily due to the proximity to Melbourne and the area's attractive pastoral and forested landscapes. There is a significant level of *ad hoc* rural lifestyle development already in the rural areas of the Shire. The conversion of agricultural land into rural residential land use activities results in a net loss to agriculture due to permanent land use changes. In the absence of a planned approach to rural residential development, detrimental impacts on the landscape, environmental and agricultural values of the Shire may arise.

Objectives

- To discourage the proliferation of dwellings not associated with agriculture.
- To ensure that the development of dwellings on rural land does not prejudice existing agricultural activities on surrounding land.
- To ensure that agricultural land is maintained for the cost-effective production of food and raw materials.
- To retain the open farmed landscape as the defining visual characteristic of the Shire.
- To ensure the cost-effective servicing of towns and communities across the Shire by avoiding the impacts of a dispersed population base.
- To provide a consistent basis for considering planning permit applications for the use and development of dwellings in rural areas.

Policy

Development of dwellings on lots in association with agriculture

The use and development of dwellings where not genuinely required for the ongoing operation of a commercial agricultural activity can have adverse implications on agricultural output through the conversion of land to residential or hobby-farm use. Policy will therefore require substantial demonstration that any new dwelling is genuinely required for the enhancement and ongoing growth of agricultural production in South Gippsland.

It is policy that:

- It must be clearly demonstrated that the dwelling is genuinely required to carry out a long-term agricultural activity on the land. New dwellings in rural areas will only be approved in order to support rural activities and production and are not to meet rural lifestyle objectives that may be in conflict with the rural use of the land.

- There is a demonstrated net benefit to agricultural productivity on the land.
- Development of the land must not lead to a localised concentration of dwellings so as to change the land uses and / or character of the rural locality .
- Development of the land for the purposes of a dwelling should be compatible with and not adversely impact upon:
 - Any existing agricultural activities on surrounding land
 - The environmental characteristics of the surrounding area
 - The rural character and landscape values of the area, including visual impact
 - Natural systems, water quality or water quantity in the locality .
 - Dwellings in association with Extensive Animal Husbandry (grazing), **and** calf rearing, on lots less than the minimum area for which no permit is required to use land for a dwelling (refer to the schedule to the Farming Zone) will generally not be supported.
- Dwellings in association with agricultural activities other than extensive animal husbandry will be assessed taking into account the following:
 - Whether a dwelling is reasonably required on the land having regard to the size, intensity and ongoing nature of the proposed agricultural activity .
 - Whether the dwelling is secondary to the use of the land for agriculture (as opposed to the agricultural activity being secondary to the use of the land for a dwelling.)
 - Whether the land requirements of the proposed agricultural activities compromise the commercial agricultural activities of the existing farm through a reduction in the size of the existing farm, which may include a tenement or multi-lot holding .
 - Whether the agricultural activity can be reasonably managed from an off-site location.
 - Whether the objectives of planning will be assisted by the use of permit conditions or s.173 Agreements to require the construction of supporting agricultural infrastructure.

Development of dwellings on specific lots in the Farming Zone

It is policy that:

A permit should not be granted to use land for a dwelling under Section 2 of the Table of uses to Clause 35.07-1 unless any of the following apply:

1. The dwelling is proposed for rural-residential purposes on a lot:
 - greater than 0.4 hectare and less than 2.1 hectares; or
 - greater than 0.4 hectare and less than 8 hectare where the lot has been specifically created by a planning permit after 4 December 1994
 - the lot is a lot from 0.4 ha to 2.1 ha created by the consolidation of vacant smaller lots that were not in a tenement with lots other than those used in the consolidation.

provided that all of the following provisions are met:

- The lot is not
 - A small lot created through the closure or realignment of roads or road reserves
 - A small lot created under the *Subdivision Act* 1988 by a consolidation or subdivision process that did not require a planning permit
 - A lot within an old Crown township
- The lot must have been in single ownership and not otherwise for part of a tenement (or multi lot holdings affected by a road reserve or river) on or prior to 29 May 2009, except where the lot has been specifically created by a planning permit issued on or after December 1999 or by consolidation of lots not otherwise held in a tenement to create a lot of between 0.4 to 2.1 ha.

2. The dwelling is proposed in association with agriculture on a lot greater than 8 hectares in area. Applications must satisfy the policy provisions of Clause 22.08.
3. The dwelling is proposed on a lot that is predominantly (remnant vegetation or regrowth over 30 years old and at least 50% cover) occupied by remnant Native Vegetation. Applications must satisfy the policy provisions of Clause 22.08. Lots under 40 ha relying on an association with native vegetation and biodiversity outcomes that were formed as part of the closure of a road or road reserve may be considered as they are not restricted by the Incorporated Document but rather under policy at Clause 22.08.
4. Lots that otherwise meet these provisions, that once contained a road or road reservation that was created by a means *other* than realignment of the road reservation boundary alone, or procedurally, may be considered.

A permit should not be granted to create a lot less than the area specific in the schedule to the Farming Zone for an existing dwelling under Clause 35.07-3 unless the application satisfies the policy provisions of Clause 22.09.

Development of second and subsequent dwellings

In assessing an application for a second or subsequent dwelling on a lot or in connection with a multi-lot farming property, in addition to the requirements above it is policy that:

- Second and subsequent dwellings on lots less than the minimum lot area for which no permit is required to use land as a dwelling (refer to the schedule to the Farming Zone) will be strongly discouraged.
- Second and subsequent dwellings on multi-lot farming properties should be located on the same lot as the existing dwelling.
- Consideration be given to the need for consolidation of existing lots in order to ensure that the dwelling(s) remain connected to the agricultural use of the land.
- Consideration be given to the need for a s.173 Agreement to prevent the excision of the dwelling from the land through subdivision.

Development of dwellings in association with native vegetation and biodiversity outcomes

It is policy that:

- Dwellings in association with the management of biodiversity and native vegetation on lots less than the minimum lot area for which no permit is required to use land as a dwelling (refer to the schedule to the Farming Zone) will only be supported where all of the following circumstances apply:
 - The lot is predominantly occupied by remnant native vegetation (or regrowth at least 30 years old), where there is no or highly limited potential for an agricultural activity to occur; and
 - There is no or limited vegetation removal required to facilitate the construction of a dwelling; and
 - The lot must have been in single ownership and not have formed part of a tenement (or multi lot holding affected by a road reserve or river) on or prior to 29 May 2009; and
 - The lot is not:
 - a small lot created through the closure or realignment of roads or road reserves; or
 - a small lot created under the Subdivision Act 1988 by a consolidation or subdivision process that did not require a planning permit; or
 - a historic lot within an old Crown township; and
 - Wildfire protection outcomes on the site can be demonstrated to the satisfaction of the responsible authority in consultation with the Country Fire Authority
- Where a permit is granted, a condition of the permit will require that the landowner enter into a s.173 Agreement or similar binding mechanism for the development and implementation of a land management plan which provides for the ongoing protection and management of the native vegetation and biodiversity on site.

Application Requirements

An application for a dwelling must include:

- A site analysis outlining notable features of the site and surrounding area including topography, vegetation, existing buildings and works, roads (made and unmade), utility services, easements, soil type and other relevant features.
- A Whole Farm Plan with any application to use and develop a lot for a dwelling in association with an agricultural activity.
- A report that addresses this policy.
- A detailed set of plans, drawn to scale, showing:
 - Site layout, including property access
 - Floor plans and elevations
 - External building materials and colours
 - Location of wastewater system and effluent fields

Policy reference

Draft South Gippsland Rural Land Use Strategy, 2008

22.09 RURAL SUBDIVISION POLICY

This policy applies to applications to subdivide and re-subdivide land in the Farming Zone.

Policy basis

The rural areas of South Gippsland have experienced a high level of land fragmentation, arising from both historical settlement patterns and less stringent planning policies under earlier planning schemes. Left unchecked, further fragmentation through land subdivision could have considerable implications for agricultural production, landscape, and the servicing of populations in outlying areas.

The agricultural sector dominates the economy of South Gippsland, with food production and processing accounting for significant employment. With high quality soils and generous rainfall relative to other parts of the State, this sector is likely to continue to dominate the local economy and further expand as farmers and processors seek secure land for the production of food and materials. It is necessary that farmers have access to sufficient areas of land to carry out food and fibre production in a cost-effective manner. The subdivision of land into smaller lots, including house lot excisions, can have ongoing implications for the supply of affordable agricultural lots by driving up land prices beyond the productive value of the land.

South Gippsland already has a considerable supply of lots at a range of sizes, such that further subdivision for genuine agricultural reasons will rarely be necessary. Many areas that have experienced high levels of fragmentation may require consolidation or re-structure through boundary realignments in order to create economically competitive land units. Likewise, expanding farming businesses may find it necessary to remove surplus dwellings from the land through house lot excisions. There is a compelling need for clear and robust planning criteria around such practices in order to ensure the fair, sustainable and economic use and development of rural land.

Objectives

- To limit the further fragmentation of rural land by subdivision.
- To ensure that lots resulting from subdivision are of a sufficient size to be of benefit to agricultural production.
- To encourage the consolidation of rural lots.
- To limit the cumulative impact of house lot excisions, including serial small lot subdivisions.
- To ensure that house lot excisions are undertaken for legitimate reasons related to agriculture.
- To provide a consistent basis for considering planning permit applications for the subdivision of rural land.

Policy

Subdivision of land to accommodate an existing dwelling

The following policy identifies that the excision of a dwelling through subdivision can take place by either of two methods. Firstly, through the re-subdivision of existing lots such that the number of lots does not increase, or secondly through the creation of an additional lot on the land such that the number of lots is increased.

It is policy that:

- Any proposal for the subdivision of land to accommodate an existing dwelling must demonstrate that:
 - the existing dwelling is no longer reasonably required for the carrying out of agricultural activities in the long term; and
 - there are beneficial agricultural outcomes for the land by excising the dwelling; and
 - the excision of the dwelling is compatible with and will not reduce the potential for farming or other legitimate rural land uses on the land, adjoining land and the general area.
- Any proposal for the excision of an existing dwelling must be undertaken by the re-subdivision of existing land titles where that potential exists. This provision specifically seeks to exclude the use of the following lot types for such purposes:
 - A small lot created through the closure or realignment of roads or road reserves
 - A small lot created under the Subdivision Act 1988 by a consolidation or subdivision process

that did not require a planning permit.

- A historic lot within an old Crown township

A permit that approves the excision of an existing dwelling by re-subdivision where the balance (remaining) lot is less than 40 hectares in area will contain a condition requiring that the land owner enter into an Agreement under s.173 of the Act that prevents the development of any additional dwelling on the balance lot.

- Where the application seeks to excise a dwelling by increasing the number of lots:
 - there must be no opportunity available for re-subdivision of the balance lot(s); and
 - the subject dwelling proposed for excision must have existed on the land on or before 16 December 1999; and
 - the balance (remaining) lot must be greater than 40 hectares in area; and
 - a permit that approves a house lot excision under such circumstances will contain a condition requiring that the land owner enter into an Agreement under s.173 of the Act that prevents the development of any additional dwelling on the balance lot.
- Where a dwelling has been excised from the land since 16 December 1999, further subdivision (by any method) to accommodate another existing dwelling from that land will **generally be discouraged**.
- An application proposing an area of greater than 2 hectares for the dwelling lot will be strongly discouraged.
- Excisions that result in 'axe-handle' or island style lots will be strongly discouraged.
- A house lot excision that is likely to lead to a concentration of lots that would change the general use and character of the rural area will be strongly discouraged.
- An adequate distance must be maintained around dwellings to limit impacts on agricultural activities.

Re-subdivision of existing lots without a dwelling

Applications to re-subdivide land for purposes other than house lot excisions will be assessed in accordance with the criteria below.

It is policy that:

- An application to re-subdivide existing lots must demonstrate that the proposal enhances existing or proposed agricultural activities.
- An application that seeks to create opportunities for new dwelling development, including the creation of small vacant lots for potential future rural-residential purposes, will be strongly discouraged.

Application Requirements

An application to subdivide land must include:

- A site analysis outlining notable features of the site and surrounding area including topography, orientation, slope, vegetation, existing buildings and works, roads (made and unmade), utility services, easements, soil type and other relevant features.
- A report that addresses this policy.
- A proposed plan of subdivision drawn to scale showing proposed boundaries, lot sizes and dimensions.

Policy reference

Draft South Gippsland Rural Land Use Strategy, 2008

Appendix D: Tourism precincts investigation

D.1 Background

The Rural Tourism Development Strategy recommended that tourism development in rural areas be facilitated by rezoning land to the Rural Activity Zone. The Strategy identified a number of Rural Tourism Investigation Precincts suited to tourism development. The report notes:

"It is not envisaged that all land within the Rural Tourism Investigation Precincts would be rezoned to Rural Activity Zone to support tourism uses. The precincts have been identified to guide the location of future tourism development in rural areas in order to protect productive agricultural land and provide synergies with existing tourism product and infrastructure."

This section of the report details the approach and findings of the assessment of the Rural Tourism Investigation Precincts.

D.2 Approach

The assessment of the Tourism Investigation Precincts, to identify land suitable for application of the Rural Activity Zone, was guided by the findings of the:

- Rural Tourism Development Strategy.
- Rural Activity Zone purpose and objectives.
- Rural Planning Practice note: Applying the rural zones.
- Draft Position Statement of the Rural Strategy Reference Group.

D.2.1 Draft South Gippsland Shire Rural Tourism Development Strategy

The locations and extent of the Rural Tourism Investigation Precincts were identified through application of the following principles:

Impact on agriculture

- Avoids high quality agricultural land except where significant fragmentation into smaller allotments has already occurred.
- Minimises impact on agricultural production by focusing on areas of low to moderate agricultural quality and/or areas where lot fragmentation has already occurred.
- Relationship to existing tourism product strengths.
- Is in close proximity to existing tourism product and infrastructure nodes or in a location which exhibits tourism development potential: i.e.: undeveloped high quality natural attractions.
- Is in an area exhibiting existing tourist visitation and opportunity for increased tourism activity through further tourism product development.

Site attributes

- Provides an attractive setting, either rural or coastal, and provides the opportunity for tourism development to capture significant rural or coastal views and vistas.
- Should be elevated more than 5 metres above sea level with preference to areas that are not subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding or landslip.

Access

- Is easily accessible to or located along a major road, highway or touring route.

Environmental impact

- Avoids impact on predictable adverse environmental processes and effects including storm surges, river and coastal flooding, erosion, landslip, salinity, sea level rise, disturbance of acid sulphate soils, wildfire or geotechnical risk

Rural Tourism Investigation Precincts were identified at (Figure D-1).

- Korumburra-Leongatha-Loch
- Koonwarra-Meenyan Hinterland
- Waratah North Hinterland
- Foster North Hinterland
- Yarakie
- Cape Liptrap
- Mirboo North

The Strategy goes on to recommend principles for identifying land within the Investigation Precincts for application of the Rural Activity Zone. These principles include:

Impact on agriculture

- Avoids high quality agricultural land except where significant fragmentation into smaller allotments has already occurred.
- Minimizes impact on agricultural production by focusing on areas of low to moderate agricultural quality and/or areas where lot fragmentation has already occurred.

Relationship to existing tourism product strengths

- Is located in close proximity to existing tourism product and infrastructure nodes or in a location, which exhibits tourism development potential i.e. undeveloped high quality natural attractions.
- Provides opportunity to link to existing major tourism product e.g. ability to provide direct access to National or State Parks, coastal park or ocean beaches or is linked to a touring route or major access route.

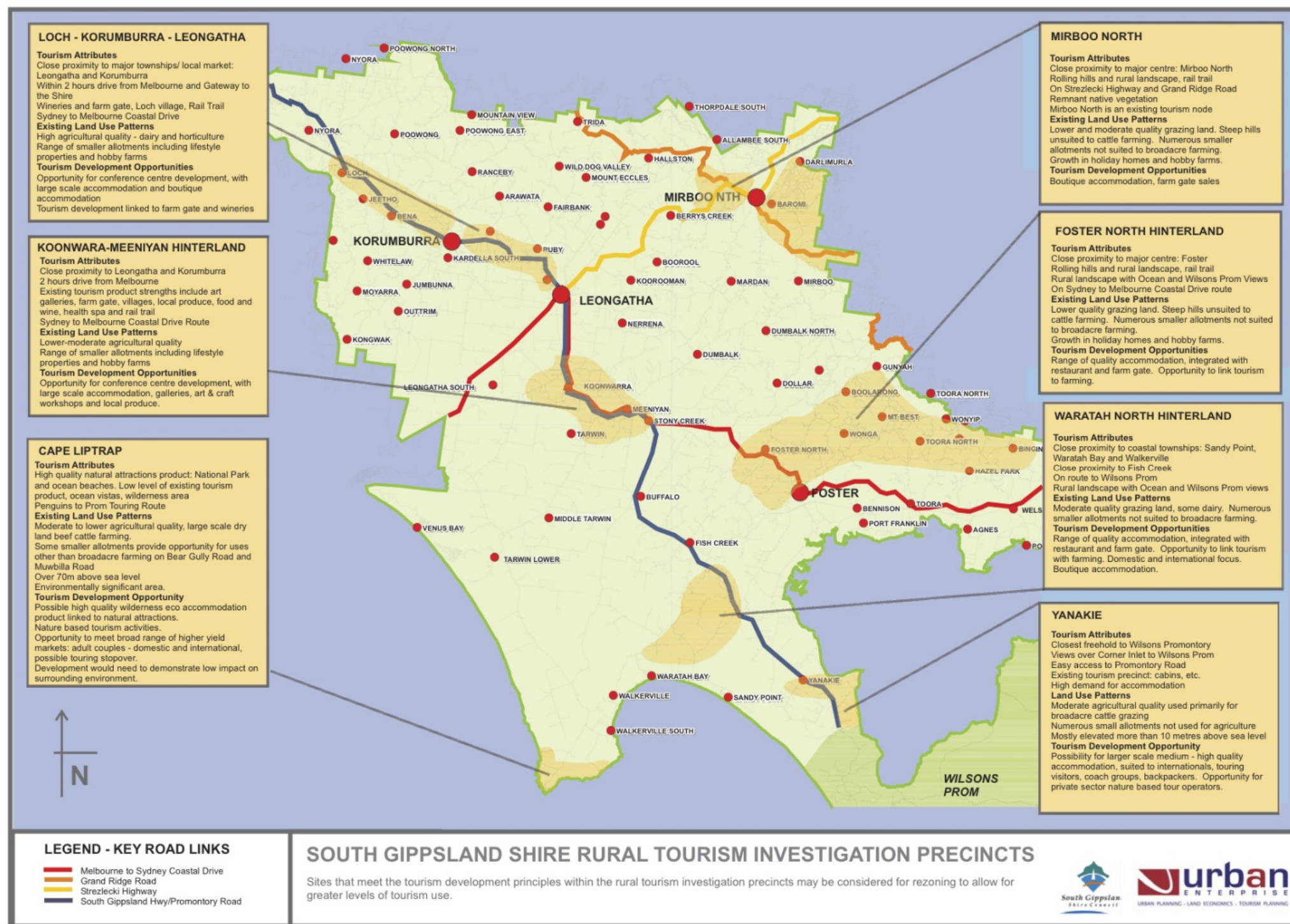
Access

- Provides easy access to a major road, highway or touring route.

Physical Attributes

- Provide an attractive setting, either rural or coastal, with significant views of natural landmarks and landforms.
- Should be elevated more than 5 metres above sea level, with preference to sites that are not subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding, landslip or geotechnical risk.
- Setting offers of a competitive advantage and exclusivity over other locations.
- Services in close proximity to the site would be an advantage, however the site should be able to demonstrate sustainable localised servicing solutions can be used.
- The land should be predominantly clear of vegetation.
- The land would need to contain level areas in order to have the physical capacity for development.

Figure D-1 South Gippsland Rural Tourism Investigation Precincts³²



³² Urban Enterprise (2010) South Gippsland Shire Rural Tourism Development Strategy

D.2.2 Rural Activity Zone definition

The stated purposes of the Rural Activity Zone as set out in the Victoria Planning Provisions are:

- To implement the SPPF and the LPPF, including the MSS and local planning policies
- To provide for the use of land for agriculture
- To provide for other uses and development, in appropriate locations, which are compatible with agriculture and the environmental and landscape characteristics of the area
- To ensure that use and development does not adversely affect surrounding land uses
- To protect and enhance natural resources and the biodiversity of the area
- To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision

D.2.3 Planning Practice Note: Applying the rural zones

The Planning Practice Note: Applying the rural zones (2006), notes that the Rural Activity Zone is designed to be applied to areas where:

- Farming is a primary activity in the area but the planning objectives identified for the land support the establishment of other land uses.
- A mixed use function would support farming in the area, assist in preventing the unplanned loss of productive agricultural land elsewhere, or allow the logical and efficient provision of infrastructure.
- The use of land in the area for non-farming purposes would not compromise the long term productivity of surrounding farmland.
- Appropriate buffers can be provided between different land uses so that land use conflicts are avoided.

Possible Rural Activity Zone areas include:

- An existing mixed use rural area where the mix of uses complements the agricultural, environmental and landscape values of the area and supports Council's urban settlement objectives.
- Rural areas where commercial, tourism or recreation development will complement and benefit the particular agricultural pursuits, landscape features or natural attractions of the area.
- Farming areas where use and complementary rural industry, agribusiness uses, and rural research facilities are encouraged.
- Areas where use and development needs to be strictly controlled so that potential land use conflicts can be avoided.

In deciding to apply the RAZ to facilitate tourism in an area, matters to be considered include:

- The need to protect the agricultural, environmental and cultural values of the area

- The scale and mix of tourism and recreation uses to be encouraged
- Whether there are opportunities to build alliances between tourism business operators, farmers, food and wine producers and trail network managers
- The product and infrastructure needs of tourists and the local community
- Requirements for the siting, planning and design of tourism facilities

D.2.4 Draft Position Paper Statement, 2009

Rural Strategy Reference Group

As part of the considerations of the Rural Strategy Reference Group, criteria for allocation of the Rural Activity Zone were discussed. These criteria are noted here.

Land for Rural Activity Zone 1 is to have all or the overwhelming majority of the following characteristics, and is to be examined within the context of the Investigation Areas identified in the Rural Tourism report undertaken by Urban Enterprise. To be examined on a nodal basis (not site-specific rezoning).

- Agricultural land at Class 3 and below (low to very low).
- Land is located in close proximity to existing tourism product and infrastructure nodes or in a location, which exhibits tourism development potential: i.e. undeveloped high quality natural attractions.
- Land that provides an opportunity to link to existing major tourism product. e.g.: Ability to provide direct access to National or State Parks, coastal park or ocean beaches or is linked to a touring route or major access route.
- Land that provides easy access to a major road, highway or touring route.
- Land that provides an attractive setting, either rural or coastal, with significant views of natural landmarks and landforms.
- Land elevated more than 5 metres above sea level, with preference to sites, which are not subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding, landslip or geotechnical risk.
- Land consolidation opportunities are limited by prevalence of fragmentation of lot ownership (less tenements) and existing densities of development.
- Areas that demonstrate an existing mix of land uses.

D.3 Assessment of the Rural Tourism Investigation Precincts

The assessment of the Rural Tourism Investigation areas was undertaken in two steps.

1. A GIS analysis of land attributes (agricultural quality and slope) and land tenure (property ownership) (Figures D-2 to D-6).
2. Survey of the precincts by South Gippsland Strategic Planner, South Gippsland Tourism Coordinator and RMCG.

The outcomes of the assessment are documented here.

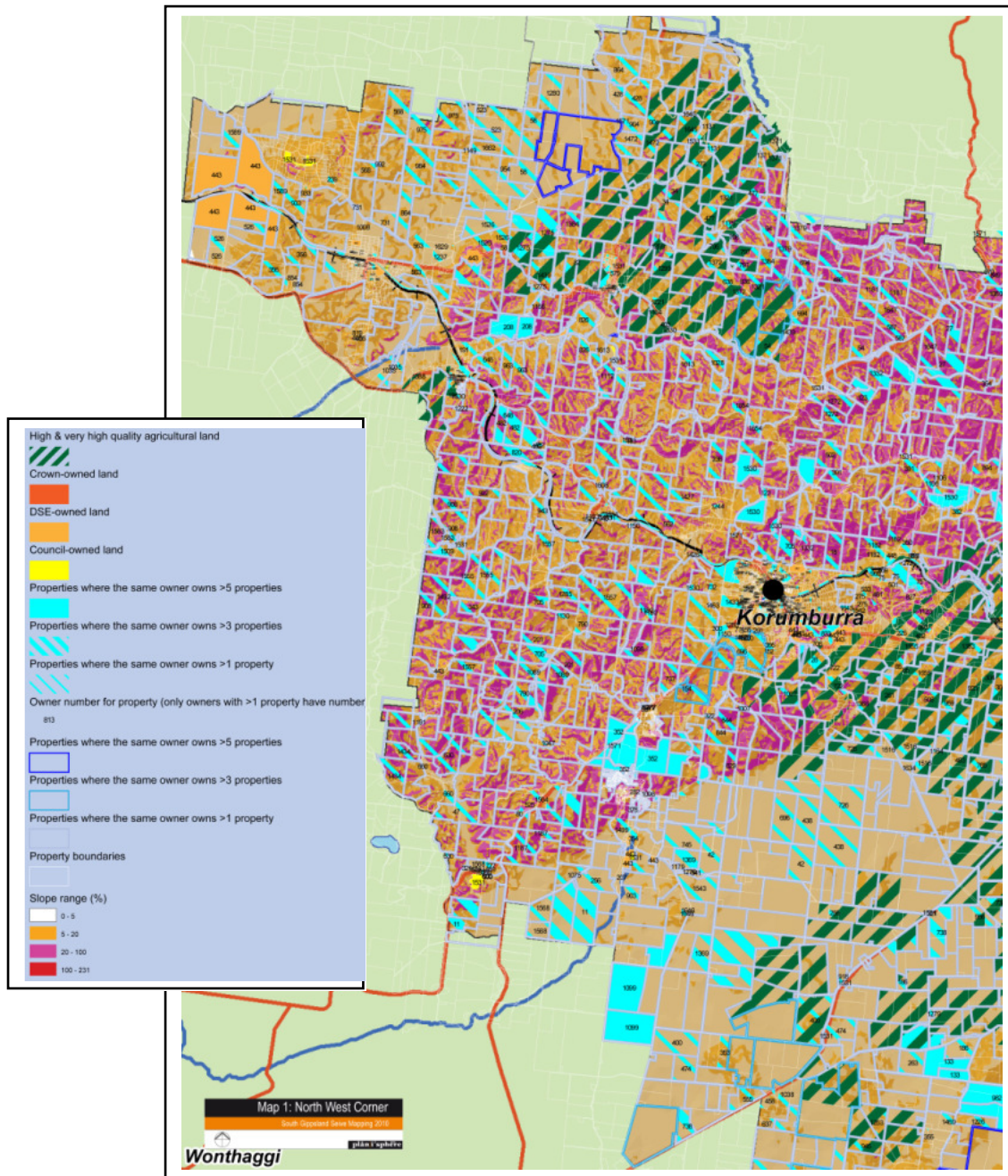


Figure D-2 Slope and land tenure – north west

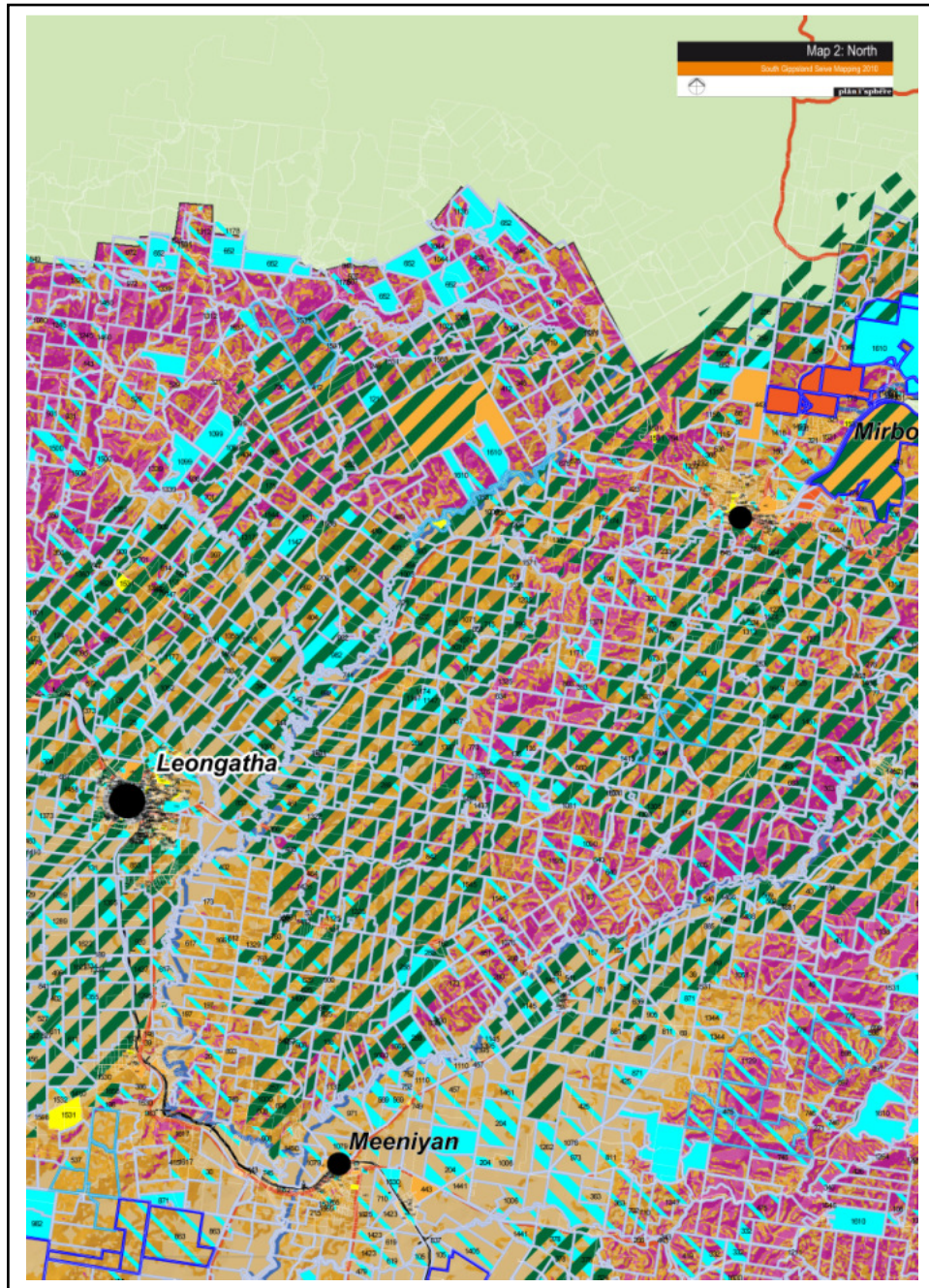


Figure D-3 Slope and land tenure - north

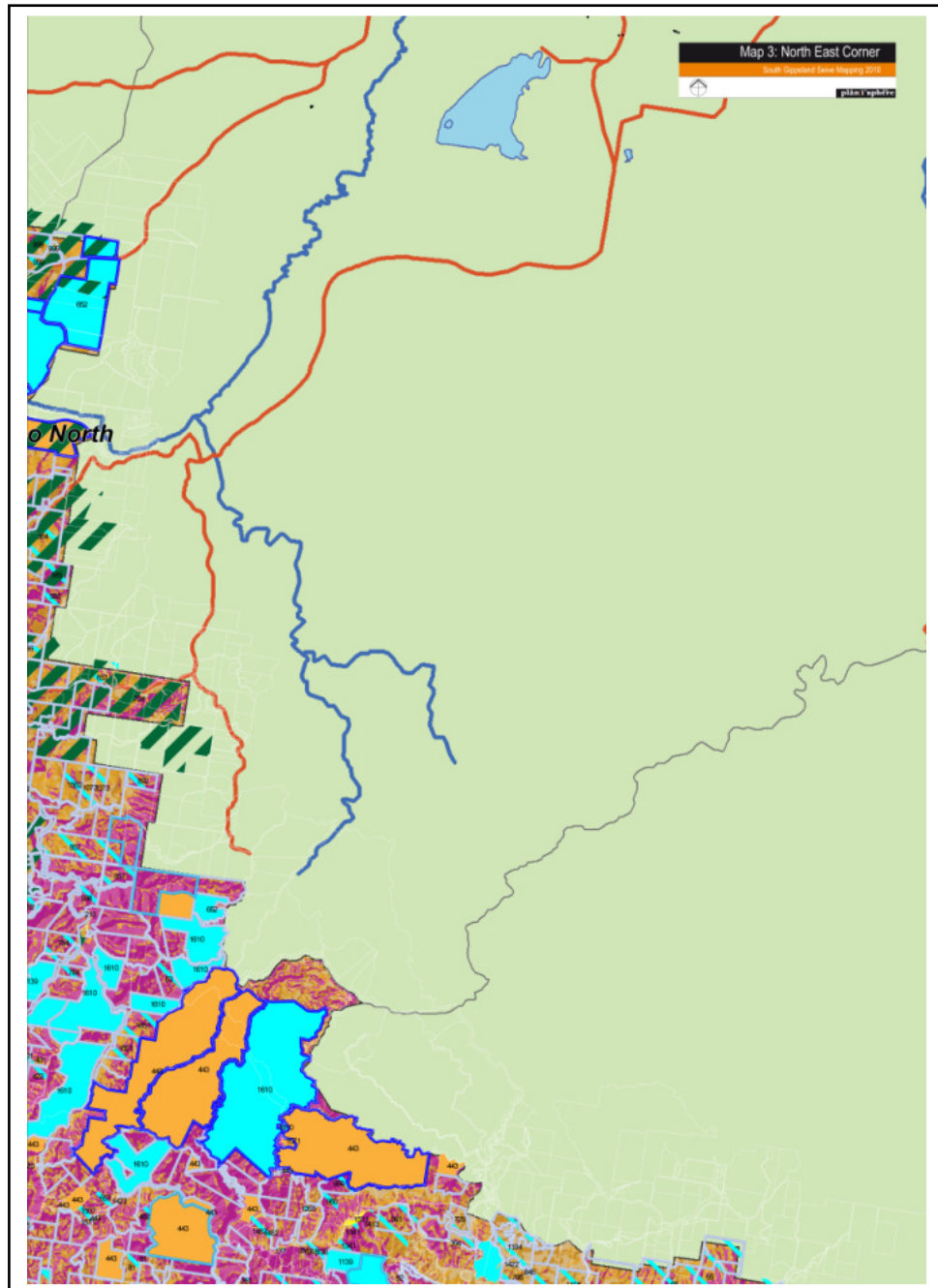


Figure D-4 Slope and land tenure –north east

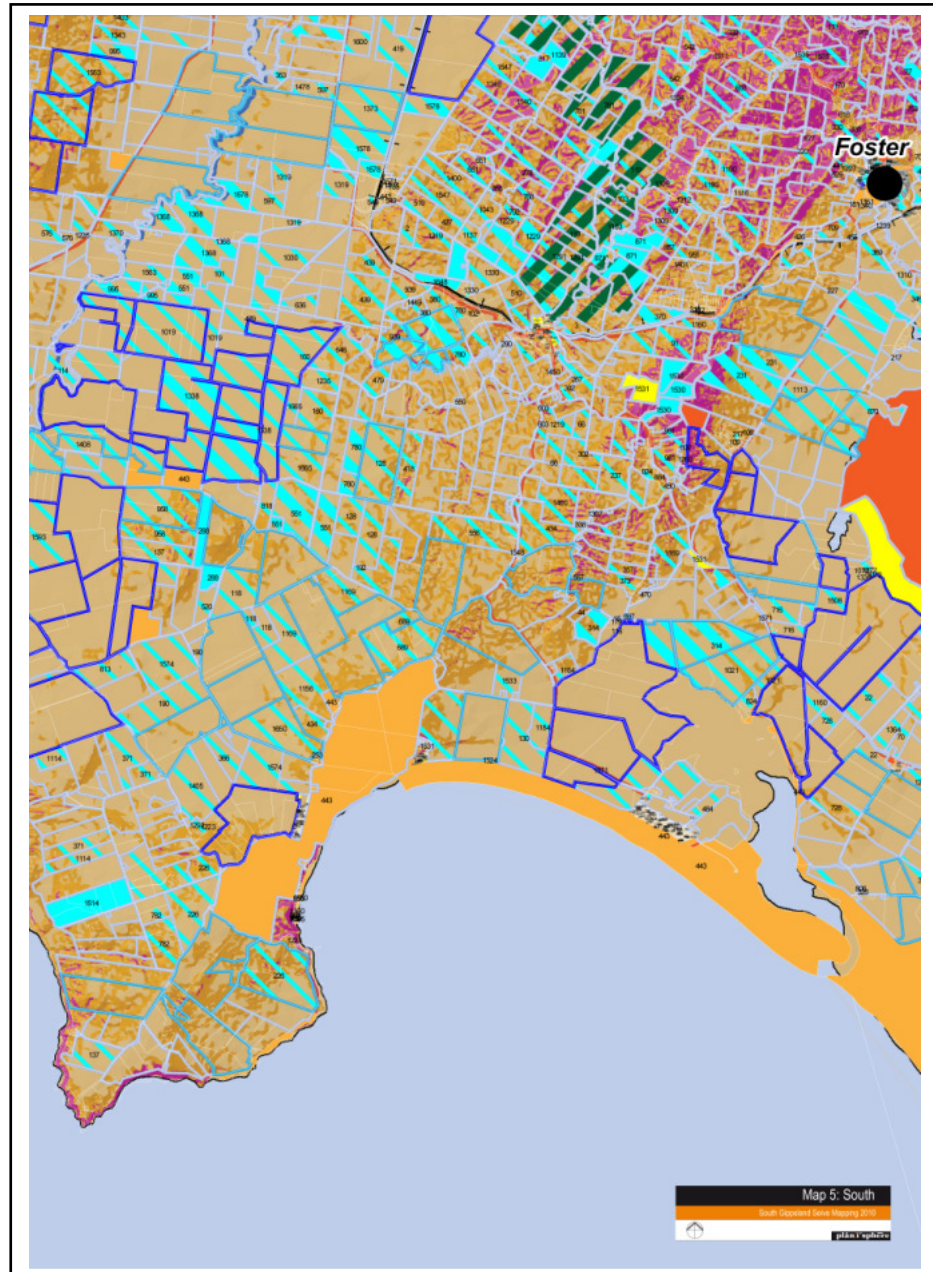
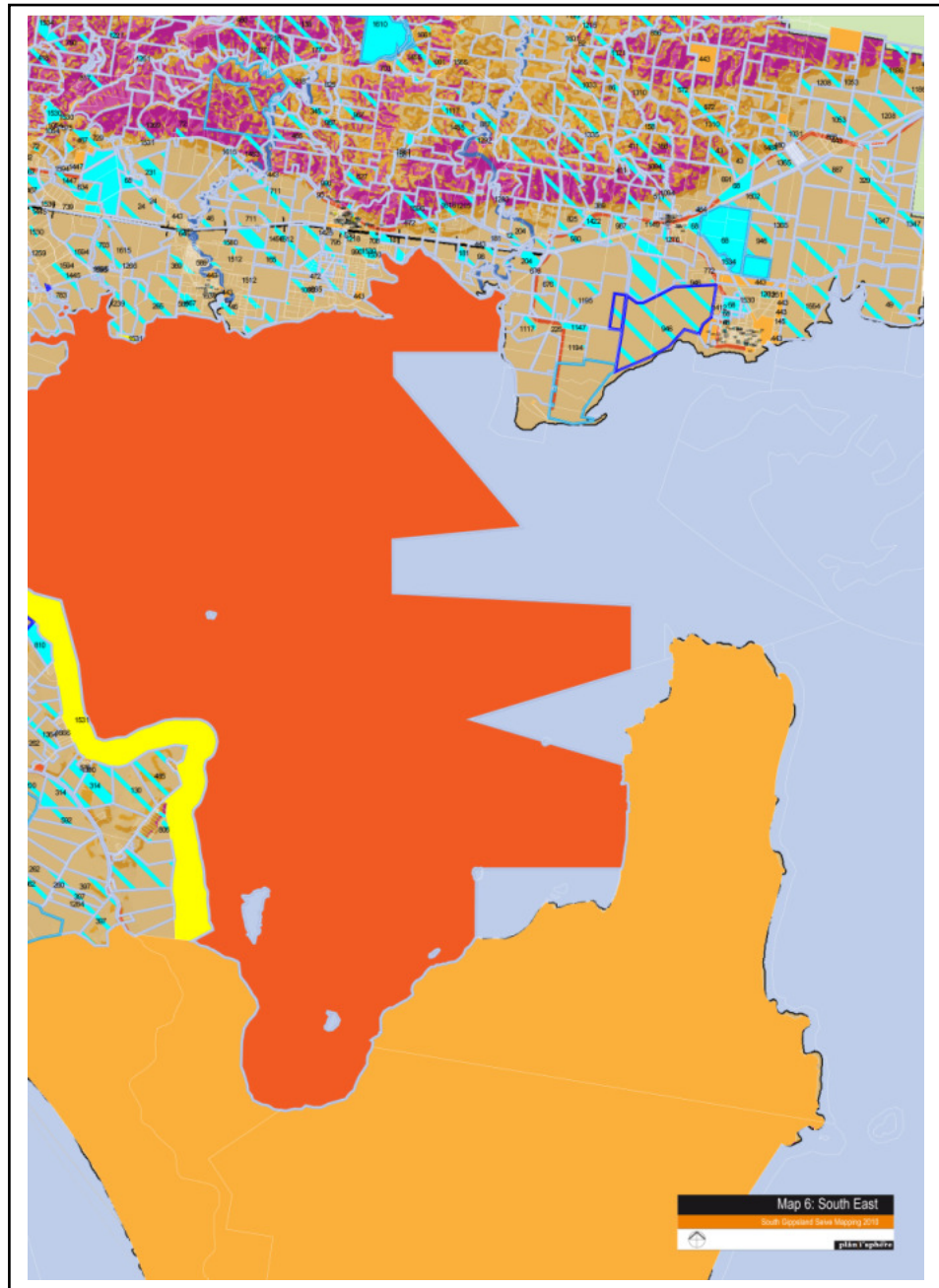


Figure D-5 Slope and land tenure - south



FigureD-6 Slope and land tenure – south east

D.6 Loch-Korumburra-Leongatha

Description

The Loch-Korumburra-Leongatha Tourism Investigation Precinct includes land adjoining the South Gippsland Highway from Loch through to Leongatha. The precinct is the main gateway to the Shire and the rural farmed landscape provides a strong statement of the overall amenity of the rural areas of the Shire. The highway bypasses the smaller towns of Loch and Bena.

Land topography adjacent to the highway is generally steep to very steep. Most land is in larger allotments greater than 20ha (Figure D-7). However there is some lot fragmentation around Kardella and on the northern side of the highway at Loch that may be attractive for small scale agriculture and associated tourism.

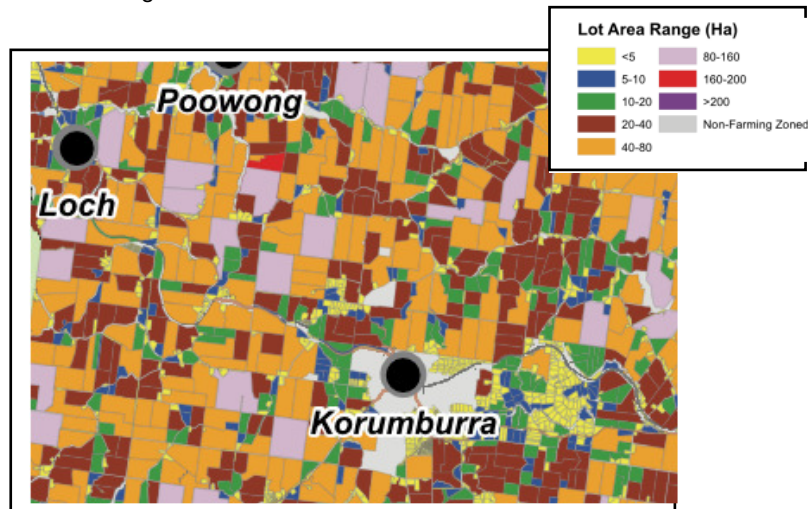


Figure D-7 Lot size

Agriculture

The agricultural quality in this precinct varies from very high to moderate (Figure D-8). The main agricultural use is dairy, beef and snow peas. There has been a small amount of horticultural development in the form of grapes for wine production. Some small lot subdivision and associated housing around the towns makes these areas less attractive for commercial scale agricultural development.

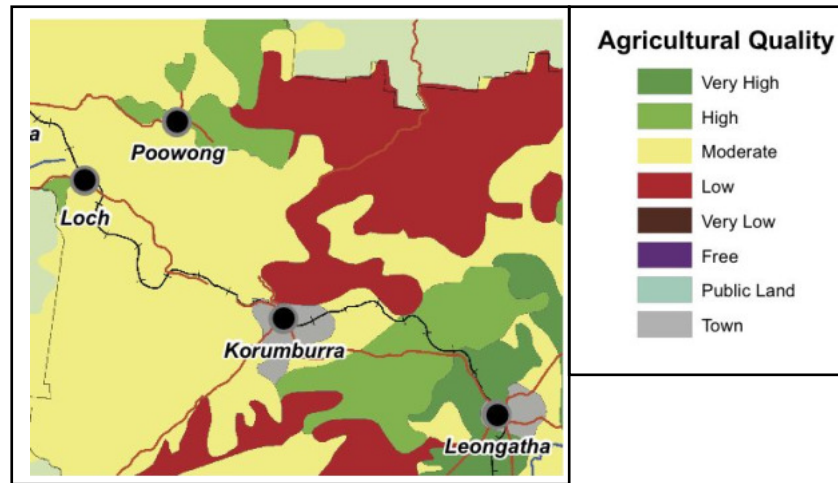


Figure D-8 Agricultural quality

Existing tourism products

The precinct is situated amongst the two regional centres in South Gippsland, Korumburra and Leongatha. These two centres have services to support large scale tourism development. The precinct is around two hours drive from Melbourne and two and a half hours from Tullamarine Airport.

The existing tourism products in the precinct include art and craft, the Coal Creek Historical Village, boutique accommodation, local produce and a number of wineries with cellar door and cafés/restaurants.

The precinct includes Leongatha, which is situated on the Sydney to Melbourne Coastal Drive, which is gathering strength as an important touring link between the two capital cities.

The township of Loch has existing tourism products including: heritage buildings, regular Sunday market, antique shops, hotel serving meals, cafés. The town is also one of the stops on the South Gippsland Tourist Railway, which runs between Nyora and Leongatha.

The hamlet of Kardella is located on an unmade road between Korumburra and Leongatha and there is limited tourism development (pottery gallery). Further infrastructure development, particularly the road through to Leongatha, may be required to facilitate tourism development.

The precinct receives a significant amount of domestic and international visitors on route to Wilson's Promontory and is growing in international touring with the continued development of the Sydney to Melbourne Coastal Drive.

The precinct provides a rural setting with an outlook over the rolling hills of South Gippsland. There are opportunities for tourism development to link with agriculture and provide vistas over pasture, fields of horticulture or vineyards.

Current planning policy position

The rural land within the precinct is zoned Farming and an Environmental Significance Overlay (ESO 5 – areas susceptible to erosion) applies to steeper land.

Issues

This precinct gives a strong statement of the farmed rural landscape and provides long corridor views. The amount and scale of development needs to be carefully managed to preserve this landscape, particularly views from the South Gippsland Highway. Signage for tourism facilities should be carefully controlled with respect to size and type. Development should be focused in areas where there will be minimal impact on the landscape.

Vegetable growing is an established use in the precinct. Disease and pest control in some crops, particularly snow peas is achieved by short term land leasing or contract arrangements with owners of suitable land. Vegetable growing therefore rotates through the district on the better soil types with land returned to pastures to provide a disease/pest break. Vegetable growing also includes intensive land management practices that may have amenity impacts, although generally short term, on neighbouring properties. Tourism development on and adjacent to areas of high quality agricultural land should be avoided.

Safe ingress and egress is compromised along some sections of the highway, particularly where the highway narrows to a single lane in both directions or the winding road impedes driver vision. The section of highway between Korumburra and Leongatha carries a significant amount of traffic on a daily basis and this can increase substantially during holidays. Location of tourism development should therefore take in to consideration traffic safety.

Development between Korumburra and Leongatha should be minimised so as to maintain the distinction and 'green break' between the towns.

Directions

The Rural Tourism Development Strategy articulated the following direction for the Loch-Korumburra-Leongatha Rural Tourism Investigation Precinct:

"...provides opportunity for conference centre development with large-scale accommodation. The precinct's proximity within 2 hours from Melbourne and large regional centres of Leongatha and Korumburra provide rationale for a conference centre within this precinct, providing access to both Melbourne and local markets.

The precinct also provides further opportunity for the development of food produce sales linked to wineries and horticultural activities and boutique accommodation."

This assessment of land within the precinct supports the directions for tourism development.

Evaluation for Rural Activity Zone

Assessment of the precinct against the criteria for allocation of the Rural Activity Zone recommended by the Rural Strategy Reference Group, shows there is strong support for

rezoning to RAZ to provide for rural based tourism (**Error! Reference source not found.**D-1).

Table D-1 Assessment against RAZ criteria

RAZ criteria	Assessment against criteria*
Agricultural land at Class 3 and below (<u>low</u> to <u>very low</u>)	✓
Land is located in close proximity to existing tourism product and infrastructure nodes or in a location, which exhibits tourism development potential: i.e. undeveloped high quality natural attractions.	✓✓✓
Land that provides an opportunity to link to existing major tourism product. e.g.: Ability to provide direct access to National or State Parks, coastal park or ocean beaches or is linked to a touring route or major access route	✓✓✓
Land that provides easy access to a major road, highway or touring route.	✓✓✓
Land that provides an attractive setting, either rural or coastal, with significant views of natural landmarks and landforms.	✓✓✓
Land elevated more than 5 metres above sea level, with preference to sites which are not subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding, landslip or geotechnical risk	✓✓✓
Land consolidation opportunities are limited by prevalence of fragmentation of lot ownership (less tenements) and existing densities of development	✓✓✓
Areas that demonstrate an existing mix of land uses.	✓✓✓

* ✓ - little support for RAZ; ✓✓ - moderate support for RAZ; ✓✓✓ - strong support for RAZ

The boundaries of the areas recommended for RAZ were informed by the need to:

- Avoid areas where commercial agriculture is still a key land use
- Ensure links between existing townships and tourism products
- Avoid significant viewscales
- Maintain the green break between Korumburra and Leongatha

Conclusions and recommendations

1. That land identified in Figure D-9 and Figure D-10 is rezoned to Rural Activity Zone.
2. That the rezoning of the land to Rural Activity Zone be accompanied by planning controls to achieve the following objectives:
 - To retain the dominance of the rural farmed landscape
 - To ensure development is 'tucked into' the landform and is not visually dominant of ridges, hilltops, particularly from key viewing locations
 - To maintain the outlook from main corridors by minimising the visibility of buildings and structures
 - To ensure development has an appearance that complements the rural feel of the precinct
 - To ensure access and traffic movement is considered for safe ingress and egress to land adjacent to the South Gippsland Highway

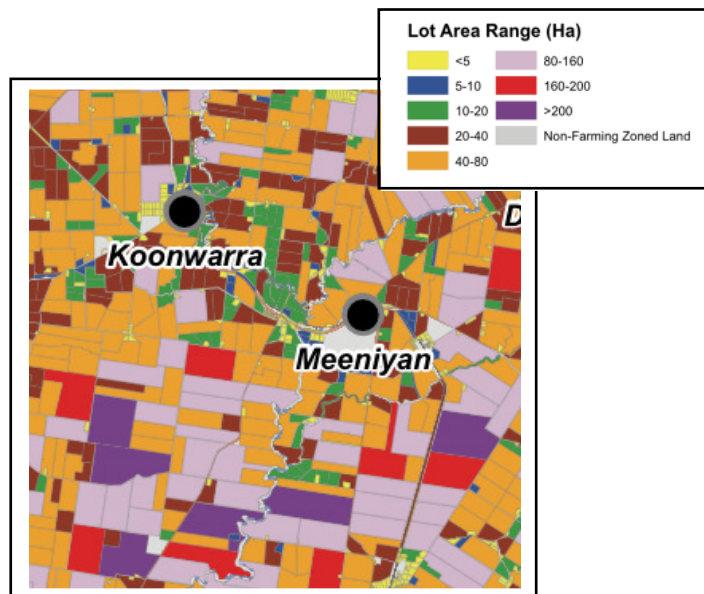
FigureD-10 Proposed Kardella Rural Activity Zone

D.7 Koonwarra – Meeniyan Hinterland

Description

The Koonwarra–Meeniyan Hinterland Tourism Investigation Precinct is centred on the South Gippsland Highway and the main access from Melbourne to Wilsons Promontory. The precinct includes a range of land types from open farmed undulating land to undulating vegetated land.

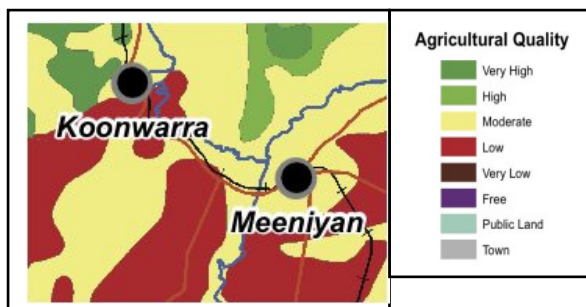
Most land is in larger allotments (Figure D-11) with some smaller lots close to both towns.



FigureD-11 Lot size

Agriculture

The agricultural quality in the precinct is diverse ranging from very high quality on river flats to low quality (FigureD-12). The main agricultural use is beef and dairy.



FigureD-12 Agricultural quality

Existing tourism product

The precinct is situated on the main access route from Melbourne to Wilsons Promontory and includes the townships of Koonwarra and Meenyan. These two towns are 'stop off' points on this major tourism route and have a number of attractive heritage buildings.

The existing tourism product includes cafes, crafts, restaurants, organic food cooking school, accommodation (bed and breakfast), health spa, wineries and associated accommodation and farmers market. The Great Southern Rail Trail, which runs from Leongatha to Foster passes through Koonwarra and Meenyan.

The precinct receives a significant number of domestic and international visitors on route to Wilson's Promontory and is growing in international touring with the continued development of the Sydney to Melbourne Coastal Drive.

The precinct provides a rural setting tucked into the Tarwin River valley, surrounded by open farmed landscapes and areas of native vegetation. There are opportunities for further development of tourism linkages with local food production, accommodation and health spas.

Current planning policy position

The rural land within the precinct is zoned Farming and Environmental Significance Overlays (ESO 5 – Areas Susceptible to Erosion, ESO 6 – Areas susceptible to flooding) and a Wildfire Management Overlay have been applied some parts of the precinct.

Issues

The precinct provides a varying landscape with some long views from the highway. The amount and scale of development needs to be carefully managed to preserve the landscape. Signage for tourism facilities should be carefully controlled with respect to size and type. Development should be focused in areas where there will be minimal impact on the landscape.

Safe ingress and egress is compromised along some sections of the highway, particularly where the highway narrows to a single lane in both directions or driver vision is impeded by the winding road. Location of tourism development should therefore take in to consideration traffic safety.

The area most suited to tourism development in Meenyan is currently zoned Rural Living/Low Density Residential to provide for future growth of the town.

Directions

The Rural Tourism Development Strategy articulated the following direction for the Koonwarra – Meenyan Hinterland Precinct:

“ provides opportunity for conference centre development with large scale accommodation. The precinct’s proximity within 2 hours from Melbourne and large regional centres of Leongatha and Foster provide rationale for a conference centre within this precinct, providing access to both Melbourne and local markets.

There is also opportunity to further develop boutique tourism attractions within the precinct including art galleries, local produce linked to existing agricultural activities and high quality boutique accommodation. Koonwarra in particular is gaining a reputation along this theme and further enhancement would be considered a positive outcome.

Events may also be suited to the precinct given its central location in the Shire in location such as Stony Creek Racecourse.”

This assessment of land within the precinct supports these directions for tourism development.

Evaluation for Rural Activity Zone

Assessment of the precinct against the criteria for allocation of the Rural Activity Zone recommended by the Rural Strategy Reference Group, shows there is strong support for rezoning to RAZ to provide for rural based tourism (Table D-2).

Table D-2 Assessment against RAZ criteria

RAZ criteria	Assessment against criteria*
Agricultural land at Class 3 and below (<u>low</u> to <u>very low</u>)	✓✓
Land is located in close proximity to existing tourism product and infrastructure nodes or in a location which exhibits tourism development potential: i.e.: undeveloped high quality natural attractions.	✓✓✓
Land that provides an opportunity to link to existing major tourism product. e.g.: Ability to provide direct access to National or State Parks, coastal park or ocean beaches or is linked to a touring route or major access route	✓✓✓
Land that provides easy access to a major road, highway or touring route.	✓✓✓
Land that provides an attractive setting, either rural or coastal, with significant views of natural landmarks and landscapes.	✓✓✓
Land elevated more than 5 metres above sea level, with preference to sites which are not subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding, landslip or geotechnical risk	✓✓✓
Land consolidation opportunities are limited by prevalence of fragmentation of lot ownership (less tenements) and existing densities of development	✓✓
Areas that demonstrate an existing mix of land uses.	✓✓✓

* ✓ - little support for RAZ; ✓✓ - moderate support for RAZ; ✓✓✓ - strong support for RAZ

The boundaries of the areas recommended for RAZ were informed by the need to:

- Avoid areas where commercial agriculture is still a key land use
- Ensure links between existing townships and tourism products
- Avoid significant viewsapes
- Avoid areas identified for future township growth

Conclusions and recommendations

1. That land identified in Figure D-13 is rezoned to Rural Activity Zone.
2. That the rezoning of the land to Rural Activity Zone be accompanied by planning controls to achieve the following objectives:
 - To retain the dominance of the rural farmed landscape
 - To ensure development is 'tucked into' the landform and is not visually dominant of ridges, hilltops, particularly from key viewing locations
 - To maintain the outlook from main corridors by minimising the visibility of buildings and structures
 - To ensure development has an appearance that complements the rural feel of the precinct
 - To ensure access and traffic movement is considered for safe ingress and egress to land adjacent to the South Gippsland Highway
3. The types of tourism development envisaged for Koonwarra includes:
 - A conference facility and accommodation
 - Fam stays
 - Boutique agricultural activities
 - Tourism facilities in association with or that complement agriculture e.g. wine tasting, fam gate sales, arts and crafts

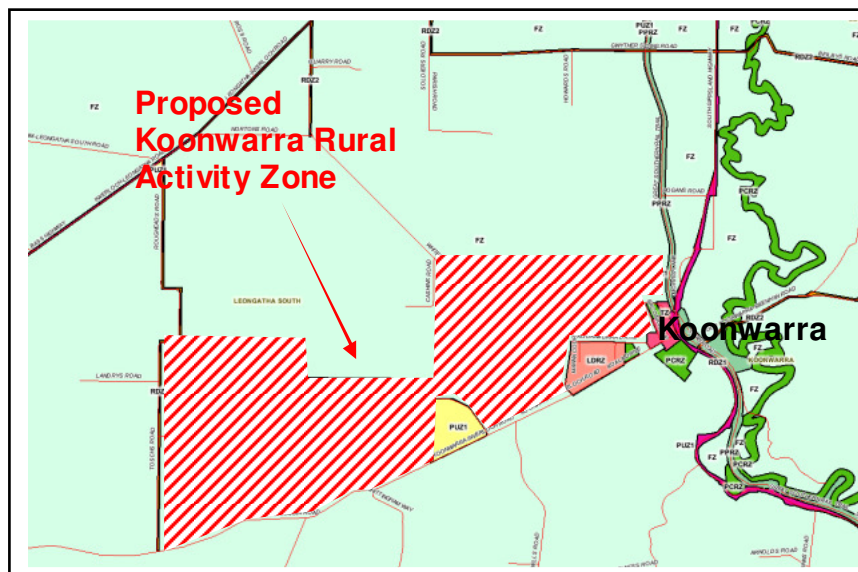


Figure D-13 Proposed Koonwarra Rural Activity Zone

D.8 Waratah North Hinterland

Description

The Waratah North Hinterland precinct is located north of Waratah Bay. The area has a mix of land uses ranging from broadacre grazing, dairy, rural residential and rural tourism. The precinct is centred on an area off the Fish Creek – Wilsons Promontory Road and does not include a township or major settlement. The nearest services are located in Fish Creek and Foster.

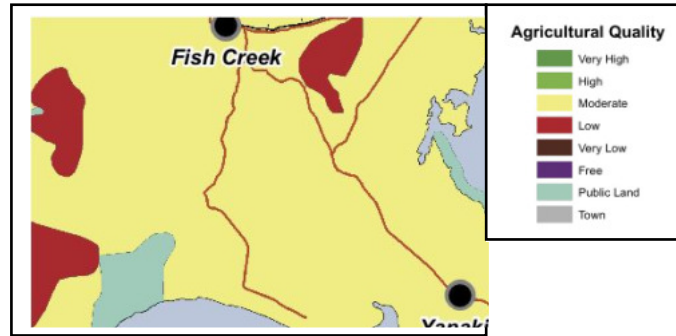
The lot sizes in the precinct range from small rural residential/hobby farming blocks under 5ha up to very large lots over 200ha (Figure D-14).



Figure D-14 Lot sizes in the Waratah North Hinterland Precinct

Agriculture

The agricultural quality in the precinct is generally moderate (Figure D-15) with the topography undulating to steeply undulating. Most of the small lots have a dwelling and it is unlikely that they will return to commercial agricultural production.



FigureD-15 Agricultural quality

Existing tourism product

The precinct is located in close proximity to existing beachside tourism nodes (Waratah Bay, Wakerville and Sandy Point). Part of the precinct is also located on route to Wilsons Promontory. There are a number of existing tourism facilities such as wineries and accommodation, bed and breakfasts.

Current planning policy position

The land in the precinct is zoned Farming and Environmental Significance Overlays (ESO 1 - Areas of Natural Significance, ESO 3 – Coastal Settlements, ESO 5 – Areas Susceptible to Erosion) and Wildfire Management Overlay

Issues

The area currently has famed landscapes with long views over Waratah Bay and to Wilsons Promontory. Development will need to be sited and of a scale so that the open farmed landscape and long views are retained.

The area has very limited services and other than the Fish Creek to Wilson Promontory Road, most roads within the precinct are gravel roads. Development will need to be consistent with the current level of services and undertaken understanding that service provision such as road sealing are unlikely to be provided in the future.

Directions

The Rural Tourism Development Strategy articulated the following direction for the Waratah North Hinterland Investigation Precinct:

The Waratah North Hinterland Rural Tourism Investigation Precinct is suited to a range of accommodation as well as farming activities integrated with local produce sales, restaurant or café. The key markets are domestic however international touring visitors on route to Wilsons Promontory should also be considered.

This assessment of land within the precinct supports these directions for tourism development.

Evaluation for Rural Activity Zone

Assessment of the precinct against the criteria for allocation of the Rural Activity Zone recommended by the Rural Strategy Reference Group, shows there is strong support for rezoning to RAZ to provide for rural based tourism (Table D-3).

Table D3 Assessment against RAZ criteria

RAZ criteria	Assessment against criteria*
Agricultural land at Class 3 and below (<u>low</u> to <u>very low</u>)	✓
Land is located in close proximity to existing tourism product and infrastructure nodes or in a location which exhibits tourism development potential: i.e.: undeveloped high quality natural attractions.	✓✓
Land that provides an opportunity to link to existing major tourism product. e.g.: Ability to provide direct access to National or State Parks, coastal park or ocean beaches or is linked to a touring route or major access route	✓✓
Land that provides easy access to a major road, highway or touring route.	✓✓✓
Land that provides an attractive setting, either rural or coastal, with significant views of natural landmarks and landforms.	✓✓✓
Land elevated more than 5 metres above sea level, with preference to sites which are not subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding, landslip or geotechnical risk	✓✓✓
Land consolidation opportunities are limited by prevalence of fragmentation of lot ownership (less tenements) and existing densities of development	✓
Areas that demonstrate an existing mix of land uses.	✓✓

* ✓ - little support for RAZ; ✓✓ - moderate support for RAZ; ✓✓✓ - strong support for RAZ

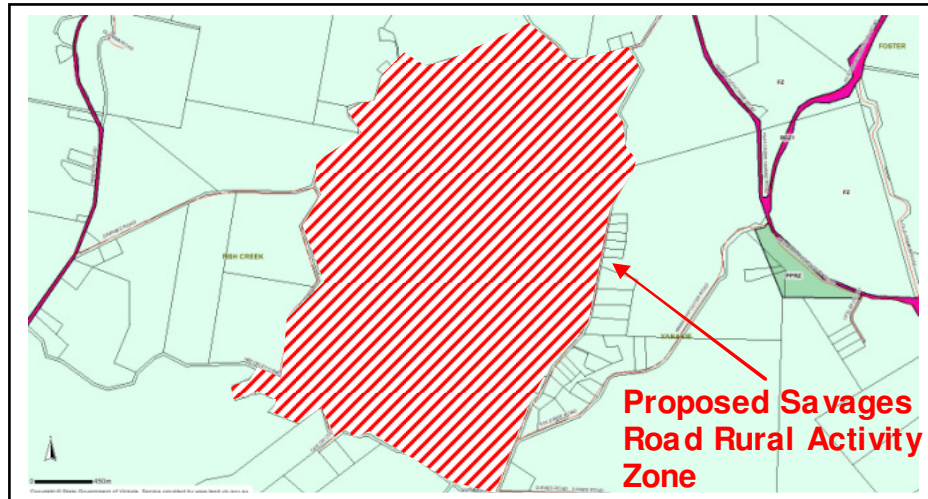
The boundaries of the areas recommended for RAZ were informed by the need to:

- Avoid areas where commercial agriculture is still a key land use
- Ensure that landscape impacts are minimised
- Build on existing tourism uses
- Avoid areas that are not fragmented

Conclusions and recommendations

1. That land identified in Figure D-16 is rezoned to Rural Activity Zone.
2. That the rezoning of the land to Rural Activity Zone be accompanied by planning controls to achieve the following objectives:
 - To retain the dominance of the rural farmed landscape
 - To ensure development is 'tucked into' the landform and is not visually dominant of ridges, hilltops, particularly from key viewing locations
 - To maintain the outlook from main corridors by minimising the visibility of buildings and structures
 - To ensure development has an appearance that complements the rural feel of the precinct
3. The types of tourism development envisaged for Waratah North include:

- Fam stays, high quality accommodation
- Boutique agricultural activities
- Tourism facilities in association with or that complement agriculture e.g. wine tasting, fam gatesales

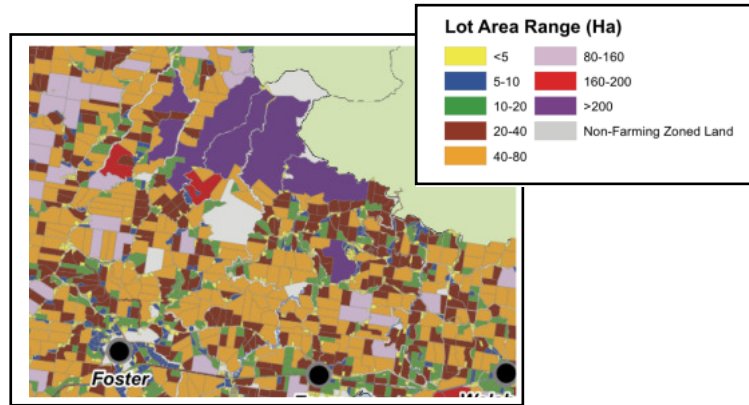


FigureD-16 Proposed Savages Road Rural Activity Zone

D.9 Foster North Hinterland

Description

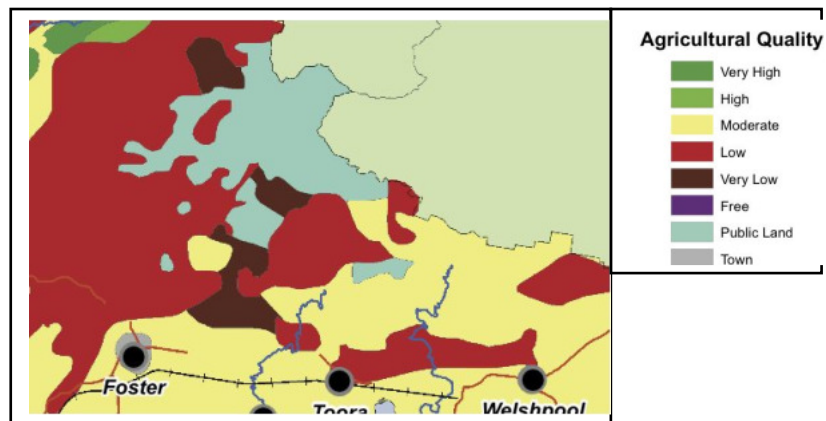
The Foster North Hinterland Tourism Investigation Precinct is located on and north of the South Gippsland Highway. The topography varies from gently to steeply undulating. Foster is the main service centre for the southern part of the municipality providing retail and business services. Lot sizes within the precinct are predominantly in the 40 to 80 ha range with scattered small lots (Figure D-17).



FigureD-17 Lot size

Agriculture

The agricultural quality in the precinct ranges from moderate to very low (Figure D-18). The very low agricultural quality is due to very steep slopes and associated poorer soil types. The main agricultural uses are plantations and grazing. Plantation development is focused on public land and some private land in the northern part of the precinct.



FigureD-18 Agricultural quality

Current planning policy position

The rural land within the precinct is zoned Farming and Environmental Significance Overlays (ESO 2 – Water catchments, ESO 5 – Areas Susceptible to Erosion, ESO 6 – Areas susceptible to flooding) and a Wildfire Management Overlay have been applied to parts of the precinct.

Issues

Beyond Ameys Track, the area north of Foster becomes increasingly isolated with mainly gravel roads and dispersed settlement. The extent of plantation development also increases in this area. The isolation, poor road quality and plantation development makes these areas less attractive for tourism.

There is land east of Foster within the precinct that could provide excellent views over Corner Inlet and Wilsons Promontory but lack appropriate road access.

Existing tourism product

The precinct is located on the Sydney to Melbourne Coastal Drive and on route to Wilsons Promontory via Foster. Existing tourism facilities are focused on the Ameys Track area and include bed and breakfast accommodation and a school camp. Foster is one end of the Great Southern Rail Trail, has a number of heritage buildings linked to its gold mining past and also has a caravan park.

Directions

The Rural Tourism Development Strategy articulated the following direction for the Foster North Rural Tourism Investigation Precinct:

The precinct offers opportunity for boutique and medium-scale accommodation, with the opportunity to link tourism with non-traditional agricultural activities such as the development of vineyards and olive groves. Farm gate and cellar doors would be suited to the precinct, with opportunity to capitalise on the international touring market. Larger scale activities might be appropriate within proximity to Foster.

This assessment of land within the precinct supports these directions for tourism development.

Evaluation for Rural Activity Zone

Assessment of the precinct against the criteria for allocation of the Rural Activity Zone recommended by the Rural Strategy Reference Group, shows there is strong support for rezoning to RAZ to provide for rural based tourism (Table D-4).

Table D-4 Assessment against RAZ criteria

RAZ criteria	Assessment against criteria*
Agricultural land at Class 3 and below (<u>low</u> to <u>very low</u>)	✓✓✓
Land is located in close proximity to existing tourism product and infrastructure nodes or in a location which exhibits tourism development potential: i.e.: undeveloped high quality natural attractions.	✓✓✓
Land that provides an opportunity to link to existing major tourism product. e.g.: Ability to provide direct access to National or State Parks, coastal park or ocean beaches or is linked to a touring route or major access route	✓✓✓
Land that provides easy access to a major road, highway or touring route.	✓✓✓
Land that provides an attractive setting, either rural or coastal, with significant views of natural landmarks and landforms.	✓✓✓
Land elevated more than 5 metres above sea level, with preference to sites which are not subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding, landslip or geotechnical risk	✓✓✓
Land consolidation opportunities are limited by prevalence of fragmentation of lot ownership (less tenements) and existing densities of development	✓✓✓
Areas that demonstrate an existing mix of land uses.	✓✓✓

* ✓ - little support for RAZ; ✓✓ - moderate support for RAZ; ✓✓✓ - strong support for RAZ

The boundaries of the areas recommended for RAZ were informed by the need to:

- Avoid areas where commercial agriculture is still a key land use
- Avoid areas isolated from services and in close proximity to plantations
- Ensure links between existing townships and tourism products
- Have existing road access

Conclusions and recommendations

1. That land identified in Figure D-19 is rezoned to Rural Activity Zone.
2. That the rezoning of the land to Rural Activity Zone be accompanied by planning controls to achieve the following objectives:
 - To retain the dominance of the rural farmed landscape
 - To ensure development is 'tucked into' the landform and is not visually dominant of ridges, hilltops, particularly from key viewing locations
 - To maintain the outlook from main corridors by minimising the visibility of buildings and structures
 - To ensure development has an appearance that complements the rural feel of the precinct
 - To ensure access and traffic movement is considered for safe ingress and egress to land adjacent to the South Gippsland Highway

D.10 Yanakie

Description

The Yanakie Rural Tourism Investigation Precinct is located to the east of Promontory Road and west of Corner Inlet and borders the Wilsons Promontory National Park. The area is generally flat to gently undulating and elevated areas provide views over Corner Inlet. Lot sizes range from small, less than 5ha through to very large over 200ha (Figure D-20). There are also a number of very small allotments along the coast, most of which have a dwelling that are less attractive for commercial agriculture.

Services in Yanakie are very limited with just a general store and service station. Nearest services are in Fish Creek.

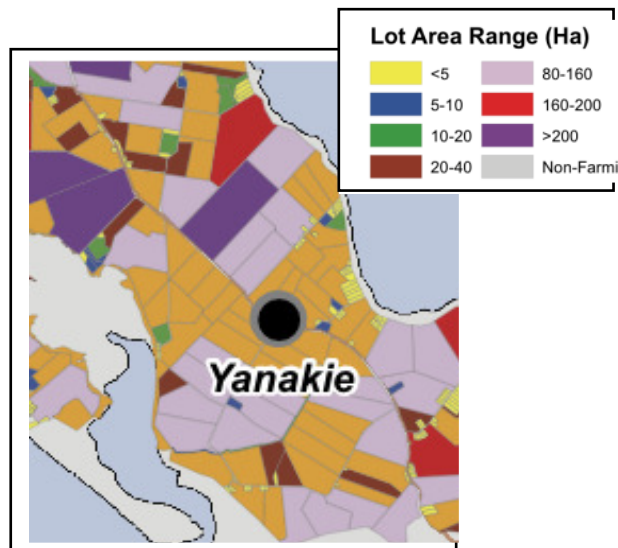


Figure D-20 Lot size

Agriculture

The precinct has land of moderate agricultural quality (Figure D-21) and is predominantly used for broadacre grazing.

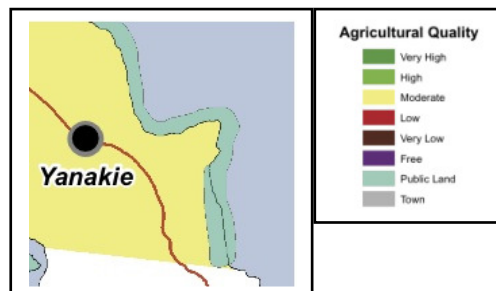


Figure D-21 Agricultural quality

Current planning policy

The land in the Yanakie Tourism Investigation Precinct is currently zoned Farming and an Environmental Significance Overlay (ESO 3 – Coastal Settlements) and Wildfire Management Overlay applies to some land.

Issues

The area has very high environmental and landscape significance. The gently undulating to flat topography means that any development will need to be carefully sited and planned to ensure that the landscape values are protected. Any tourism development should be able to demonstrate a net benefit to the environment.

Existing tourism products

Tourism in the area is mainly accommodation such as farm stays and bed and breakfasts. The precinct comprises the closest freehold land to Wilsons Promontory, which is the key destination in South Gippsland Shire.

Directions

The Rural Tourism Development Strategy articulated the following direction for the Yanakie Rural Investigation Precinct:

It is envisaged that the Yanakie Rural Tourism Investigation Precinct would provide for large scale accommodation, suited to a range of tourism markets. The precinct has high environmental significance being located in close proximity to Wilsons Promontory National Park. Any development would need to consider and enhance the natural setting. Environmentally Sustainable development is essential for this location. Any tourism development would need to consider a product offer that suits the key markets to Wilsons Promontory including internationals, touring visitors, backpackers, family groups and recreational groups.

This assessment of land within the precinct supports these directions for tourism development. However, it is recommended that only one 'large scale accommodation facility can be accommodated in the precinct due to its scale of the precinct and environmental and landscape sensitivity.

Evaluation for Rural Activity Zone

Assessment of the precinct against the criteria for allocation of the Rural Activity Zone recommended by the Rural Strategy Reference Group, shows there is strong support for rezoning to RAZ to provide for rural based tourism (Table D-5).

Table D-5 Assessment against RAZ criteria

RAZ criteria	Assessment against criteria*
Agricultural land at Class 3 and below (low to very low)	✓✓✓
Land is located in close proximity to existing tourism product and infrastructure nodes or in a location which exhibits tourism development potential: i.e.: undeveloped high quality natural attractions.	✓✓✓
Land that provides an opportunity to link to existing major tourism product. e.g.: Ability to provide direct access to National or State Parks, coastal park or ocean beaches or is linked to a touring route or major access route	✓✓✓
Land that provides easy access to a major road, highway or touring route.	✓✓✓
Land that provides an attractive setting, either rural or coastal, with significant views of natural landmarks and landforms.	✓✓✓
Land elevated more than 5 metres above sea level, with preference to sites which are not subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding, landslip or geotechnical risk	✓✓✓
Land consolidation opportunities are limited by prevalence of fragmentation of lot ownership (less tenements) and existing densities of development	✓
Areas that demonstrate an existing mix of land uses.	✓✓

* ✓ - little support for RAZ; ✓✓ - moderate support for RAZ; ✓✓✓ - strong support for RAZ

The boundaries of the areas recommended for RAZ were informed by the need to:

- Avoid areas where commercial agriculture is still a key land use;
- Ensure links between existing townships and tourism products;
- Ensure that landscape impacts are minimised

Conclusions and recommendations

1. That land identified in Figure D-22 is rezoned to Rural Activity Zone.
2. That the rezoning of the land to Rural Activity Zone be accompanied by planning controls to achieve the following objectives:
 - To retain the dominance of the rural farmed landscape
 - To ensure development is 'tucked into' the landform and is not visually dominant of ridges, hilltops, particularly from key viewing locations
 - To maintain the outlook from main corridors by minimising the visibility of buildings and structures
 - To ensure development has an appearance that complements the rural feel of the precinct
 - To ensure that environmental values are protected and enhanced
3. The types of tourism development envisaged for Yanakie includes:
 - Farm stays; bed and breakfasts
 - One large scale accommodation facility
 - Boutique agricultural activities

D.11 Cape Liptrap

Description

The Cape Liptrap Tourism Investigation Precinct is located on the southern tip of the municipality with views out to Bass Strait. The land within the precinct is flat to gently undulating. Lot sizes range from 20ha through to over 200ha (Figure D23).

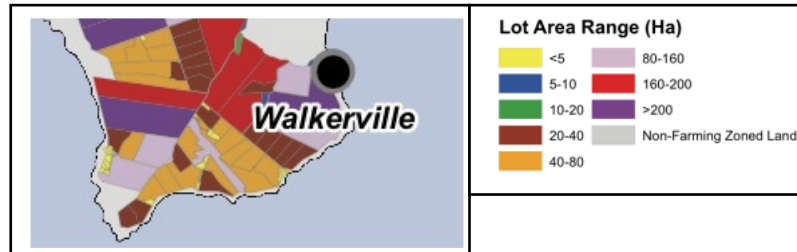


Figure D-23 Lot size

Agriculture

The agricultural quality of the land in the precinct varies from moderate to low (Figure D-24). Cattle and sheep grazing is the predominant agricultural land use.

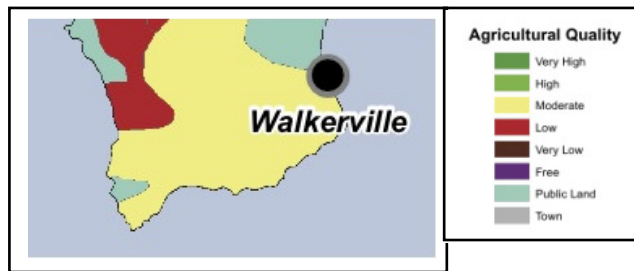


Figure D-24 Agricultural quality

Existing tourism products

There is little tourism development in the precinct. Existing tourism businesses include cabins and bed and breakfasts.

Current planning policy

Land within the precinct is currently zoned Farming and Environmental Significance Overlays (ESO3 – Coastal Settlements, ESO 5 – Areas Subject to Erosion), and a Wildfire Management and Significant Landscape Overlay have been applied to the area.

Issues

The area has very high environmental and landscape significance. The gently undulating to flat topography means that any development will need to be carefully sited and planned to

ensure that the landscape values are protected. Any tourism development should be able to demonstrate a net benefit to the environment.

The precinct has no services with the nearest retail services located in Fish Creek.

Directions

The Rural Tourism Development Strategy articulated the following direction for the Cape Liptap Rural Investigation Precinct:

The precinct provides opportunity for high quality sensitively designed eco or wilderness accommodation. There is opportunity for accommodation to capture coastal views and link to the Cape Liptap Coastal Park. Any development would need to provide the highest level of environmental consideration be targeted to higher yielding international and domestic markets.

This assessment of land within the precinct supports these directions for tourism development. However, this Draft Rural Strategy finds that further tourism development in the precinct should be very limited and managed by way of site specific rezoning and accompanying policy to ensure that the environmental and landscape sensitivity are protected and to maintain the key tourism attribute, the undeveloped and isolated feel of the area.

Evaluation for Rural Activity Zone

Assessment of the precinct against the criteria for allocation of the Rural Activity Zone recommended by the Rural Strategy Reference Group, shows there is moderate support for rezoning to RAZ to provide for rural based tourism (Table D-6).

Table D-6 Assessment against RAZ criteria

RAZ criteria	Assessment against criteria*
Agricultural land at Class 3 and below (<u>low</u> to <u>very low</u>)	✓✓✓
Land is located in close proximity to existing tourism product and infrastructure nodes or in a location which exhibits tourism development potential: i.e.: undeveloped high quality natural attractions.	✓
Land that provides an opportunity to link to existing major tourism product. e.g.: Ability to provide direct access to National or State Parks, coastal park or ocean beaches or is linked to a touring route or major access route	✓✓
Land that provides easy access to a major road, highway or touring route.	✓
Land that provides an attractive setting, either rural or coastal, with significant views of natural landmarks and landforms.	✓✓✓
Land elevated more than 5 metres above sea level, with preference to sites which are not subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding, landslip or geotechnical risk	✓✓✓
Land consolidation opportunities are limited by prevalence of fragmentation of lot ownership (less tenements) and existing densities of development	✓
Areas that demonstrate an existing mix of land uses.	✓

* ✓ - little support for RAZ; ✓✓ - moderate support for RAZ; ✓✓✓ - strong support for RAZ

Conclusions and recommendations

1. That land within the precinct not be rezoned to Rural Activity Zone.
2. That a one-off very high quality tourism development be supported by way of site specific rezoning to Rural Activity Zone and supporting policy.

D.12 Mirboo North

Description

The Mirboo North Tourism Investigation Precinct includes two areas: One to the east and one to the west of Mirboo North. These two areas traverse the Grand Ridge Road to the east and the Strzelecki Highway and Grand Ridge Road to the west of the Mirboo North. Land topography within the precinct is a mix of gently undulating to more steeply undulating. Lot sizes are generally between 20ha and 80ha (Figure D-25).

Mirboo North provides retail and some limited business services to the northern parts of the municipality.

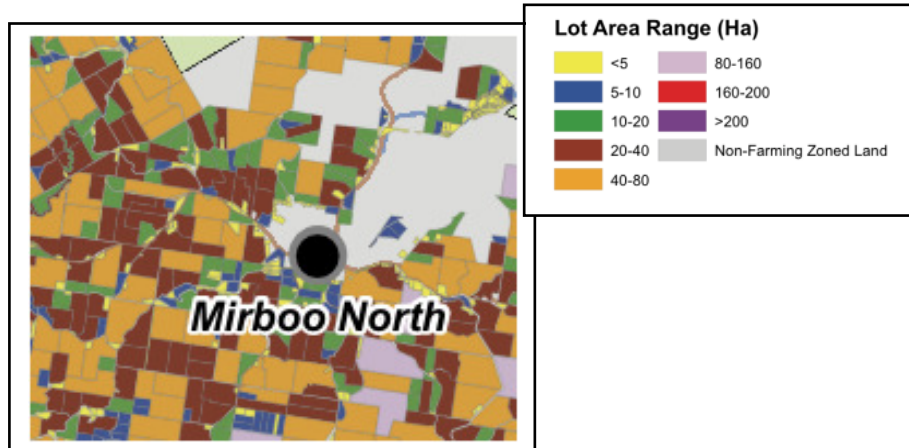


Figure D-25 Lot sizes in Mirboo North Tourism Investigation Precinct

Agriculture

The agricultural quality of land in the precinct ranges from moderate to very high (Figure D-26) and agricultural land use includes dairy, vegetable production, particularly potatoes and beef grazing.

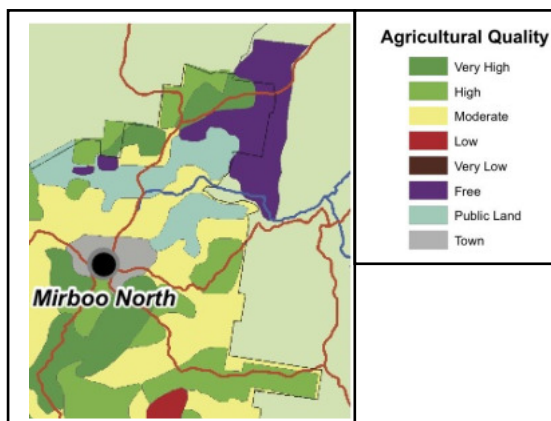


Figure D-26 Agricultural quality

Relationship to existing tourism products

The precinct is situated at the junction of the Grand Ridge Road and the Boolarra Rail Trail. The Grand Ridge Road is a noted touring route through the Strzelecki Ranges. The Boolarra Rail Trail is popular with cyclists.

There are a number of established tourism businesses in Mirboo North, such as the Grand Ridge Brewery, Lyrebird Walk, caravan park and cafes. There is also some farm stay/bed and breakfast accommodation in the surrounding hinterland.

Current planning policy position

The land within the precinct is zoned Farming and Environmental Significance Overlays (ESO 1 - Areas of Natural Significance, ESO 2 - Water Catchments, ESO 5 – Areas Susceptible to Erosion) an Erosion Management Overlay and Wildfire Management Overlay have also been applied to some land within the precinct.

Issues

Vegetable growing is an established use in the precinct. Disease and pest control in some crops, particularly potatoes and snow peas is achieved by short term land leasing or contract arrangements with owners of suitable land. Vegetable growing therefore rotates through the district on the better soil types with land returned to pastures to provide a disease/pest break. Vegetable growing also includes intensive land management practices that may have amenity impacts, although generally short term, on neighbouring properties. Tourism development on and adjacent to areas of high quality agricultural land should be avoided.

The Grand Ridge Road is currently unsealed. The Rural Tourism Development Strategy noted that *whilst the Grand Ridge Road requires significant infrastructure improvements for it to be developed into a high quality touring route, the identification of land along the route for tourism use will ensure that when the Grand Ridge Road is sealed and improved, there will be immediate opportunity for private sector investment.*

Directions

The Rural Tourism Development Strategy outlined the following directions for the Mirboo North Investigation Precinct:

There is opportunity to develop boutique accommodation and local produce sales in the precinct. Tourism Development which takes advantage of the natural setting would provide a point of difference from tourism product within the Mirboo North Township.

Areas of high agricultural quality should be avoided unless substantially affected by lot fragmentation and multiple-ownership. Any tourism development would also need to consider the impact of the logging industry to the North East.

This assessment of land within the precinct supports these directions for tourism development.

Evaluation for Rural Activity Zone

Assessment of the precinct against the criteria for allocation of the Rural Activity Zone recommended by the Rural Strategy Reference Group, shows there is strong support for rezoning to RAZ to provide for rural based tourism (Table D-7).

Table D-7 Assessment against RAZ criteria

RAZ criteria	Assessment against criteria*
Agricultural land at Class 3 and below (<u>low</u> to <u>very low</u>)	✓
Land is located in close proximity to existing tourism product and infrastructure nodes or in a location which exhibits tourism development potential: i.e.: undeveloped high quality natural attractions.	✓✓✓
Land that provides an opportunity to link to existing major tourism product. e.g.: Ability to provide direct access to National or State Parks, coastal park or ocean beaches or is linked to a touring route or major access route	✓✓✓
Land that provides easy access to a major road, highway or touring route.	✓✓✓
Land that provides an attractive setting, either rural or coastal, with significant views of natural landmarks and landforms.	✓✓✓
Land elevated more than 5 metres above sea level, with preference to sites which are not subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding, landslip or geotechnical risk	✓✓✓
Land consolidation opportunities are limited by prevalence of fragmentation of lot ownership (less tenements) and existing densities of development	✓
Areas that demonstrate an existing mix of land uses.	✓✓

* ✓ - little support for RAZ; ✓✓ - moderate support for RAZ; ✓✓✓ - strong support for RAZ

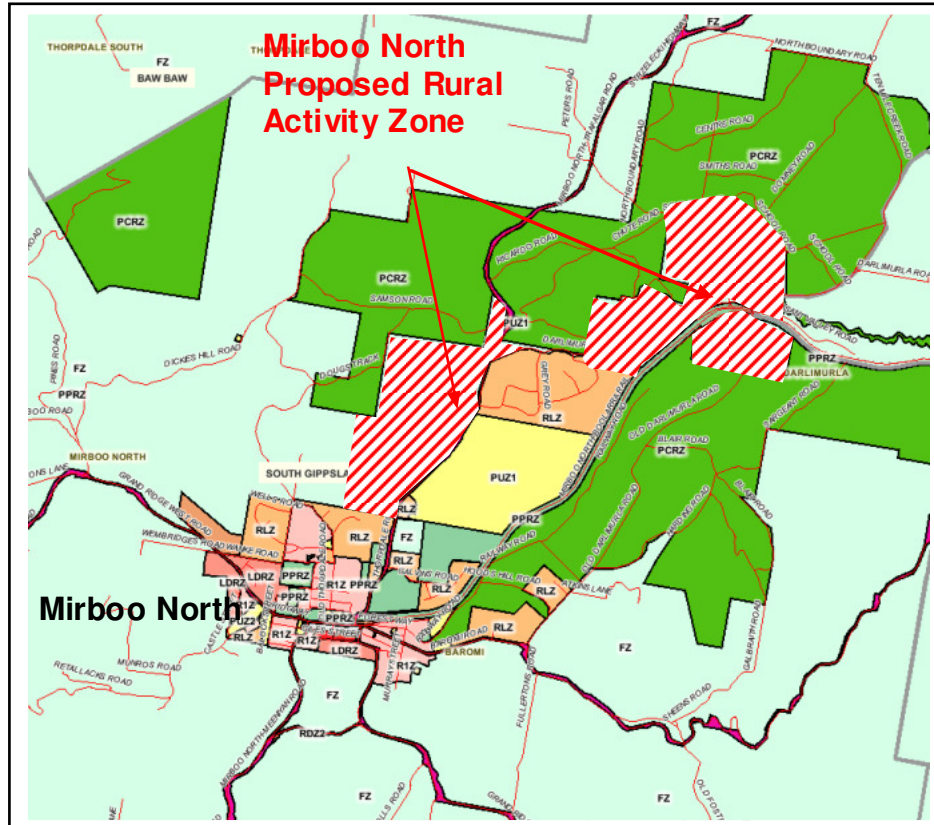
The boundaries of the areas recommended for RAZ were informed by the need to:

- Avoid areas where commercial agriculture is still a key land use
- Ensure that landscape impacts are minimised
- Build on existing tourism uses
- Avoid areas that are not fragmented
- Avoid areas of high and very quality agricultural land

Conclusions and recommendations

1. That land identified in Figure D-27 is rezoned to Rural Activity Zone.
2. That the rezoning of the land to Rural Activity Zone be accompanied by planning controls to achieve the following objectives:
 - To retain the dominance of the rural farmed landscape
 - To ensure development is 'tucked into' the landform and is not visually dominant of ridges, hilltops, particularly from key viewing locations
 - To maintain the outlook from main corridors by minimising the visibility of buildings and structures
 - To ensure development has an appearance that complements the rural feel of the precinct

- To ensure tourism development avoids areas of high and very high quality agricultural land
3. The types of tourism development envisaged for Mirboo North includes:
- Fam stays; bed and breakfasts
 - Boutique agricultural activities
 - Tourism facilities in association with or that complement agriculture e.g. wine tasting, farm gatesales, arts and crafts



FigureD-27 Proposed Mirboo North Rural Activity Zone

Appendix E Mixed use areas

E.1 Background

The Draft Rural Land Use Strategy identified areas north of Foster taking in Gunyah, Dollar and Toora North and north of Korumburra, between Poowong East and Trida, currently within the Farming Zone, that had a limited agricultural future due to the combination of steep slopes contributing to a high erosion risk and vegetation cover, with some areas heavily vegetated by native forests (Section 7.7). These areas were found to be not appropriate for the Farming Zone. A more appropriate suite of planning policy is required to reflect the mix of land uses and future outcomes sought for these areas. The purpose of this Appendix is to determine the most appropriate planning policy for these areas.

E.2 Approach

The assessment of the mixed-use areas was guided by the findings of:

- Comparison of the Rural Zones
- Rural Planning Practice Note
- Draft Position Statement of the Rural Strategy Reference Group

E2.1 Comparison of rural zones

A comparison of the purposes of the rural zones was undertaken to determine the most appropriate zone for these mixed use areas (Table E-1). Based on this initial assessment, the Rural Activity Zone is the most appropriate zone for these mixed use areas followed by the Rural Conservation Zone. The Rural Activity Zone purpose provides for agriculture, protection of natural resources and biodiversity. The Rural Conservation Zone provides for agriculture where it is consistent with the environmental and landscape values of the area. It is considered that the low conservation status of the vegetation does not warrant the level of protection afforded by the Rural Conservation Zone.

Table E-1 Comparison of rural zone purposes

Farming Zone	Consistency with objectives*	Rural Activity Zone	Consistency with objectives	Rural Conservation Zone	Consistency with objectives
Provide for the use of land for agriculture.	✓✓✓	Provide for the use of land for agriculture.	✓✓✓	Conserve the values specified in the schedule to this zone.	✓
Encourage the retention of productive agricultural land.	✓	Provide for other uses and development, in appropriate locations, which are compatible with agriculture and the environmental and landscape characteristics of the area.	✓✓✓	Protect and enhance the natural environment and natural processes for their historic, archaeological and scientific interest, landscape, faunal habitat and cultural values.	✓
Ensure that non-agricultural uses, particularly dwellings, do not adversely affect the use of land for agriculture.	✓	Ensure that use and development does not adversely affect surrounding land uses.	✓✓✓	Protect and enhance natural resources and the biodiversity of the area.	✓✓✓
Encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.	✓✓✓	Encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.	✓✓✓	Encourage development and use of land which is consistent with sustainable land management and land capability practices, and which takes into account the conservation values and environmental sensitivity of the locality.	✓✓✓
Protect and enhance natural resources and the biodiversity of the area.	✓✓✓	Protect and enhance natural resources and the biodiversity of the area.	✓✓✓	Provide for agricultural use consistent with the conservation of environmental and landscape values of the area.	✓✓✓
				Conserve and enhance the cultural significance and character of open rural and scenic non urban landscapes.	✓

- * ✓ Some consistency with land use outcomes
- ✓✓ Moderate consistency with land use outcomes
- ✓✓✓ Strong consistency with land use outcomes

A comparison of Section 1 (permit not required) and Section 2 (permit required) uses in the Rural Activity Zone and Rural Conservation Zone (Table E-2) suggests that the Rural Activity Zone is more appropriate with regard to achieving the land use outcomes desired in the areas. The Rural Activity Zone will allow agriculture and timber production, both established land uses, to continue without the requirement for a permit. Dwellings are a Section 2 use in both Zones and accompanying policy will enable land restoration and biodiversity protection outcomes to be achieved in association with future dwelling development.

Table E-2 Comparison of permit requirements in the Rural Activity Zone and Rural Conservation Zone

	RAZ	RCZ
Agriculture	Section 1	Section 2
Timber production	Section 1	Section 1 (<40ha) Section 2
Dwellings	Section 2	Section 2
Bed and breakfast	Section 1	Section 1
Group accommodation	Section 2 –not required to meet in conjunction with test	Section 2 – must be in conjunction with agriculture, winery, rural industry

E2.2 Planning Practice Note: Applying the rural zones

The Planning Practice Note: Applying the rural zones (2006), notes that the RAZ is designed to be applied to areas where:

- Farming is a primary activity in the area but the planning objectives identified for the land support the establishment of other land uses.
- A mixed use function would support farming in the area, assist in preventing the unplanned loss of productive agricultural land elsewhere, or allow the logical and efficient provision of infrastructure.
- The use of land in the area for non-farming purposes would not compromise the long term productivity of surrounding farmland.
- Appropriate buffers can be provided between different land uses so that land use conflicts are avoided.

Possible RAZ areas include:

- An existing mixed use rural area where the mix of uses complements the agricultural, environmental and landscape values of the area and supports Council's urban settlement objectives.
- Rural areas where commercial, tourism or recreation development will complement and benefit the particular agricultural pursuits, landscape features or natural attractions of the area.
- Farming areas where use and complementary rural industry, agribusiness uses, and rural research facilities are encouraged.
- Areas where use and development needs to be strictly controlled so that potential land use conflicts can be avoided.

E.2.3 Draft Position Paper Statement, 2009

Rural Strategy Reference Group

As part of the considerations of the Rural Strategy Reference Group, criteria for allocation of the Rural Activity Zone were discussed. These criteria are noted here:

Land for Rural Activity Zone 2 is to have all or the overwhelming majority of the following characteristics, and is to be examined on a broad area basis (not site-specific re-zoning).

- Land identified as being at risk of erosion (EMO, ESO5)
- Commercial farming is not the leading land use or is in decline as leading land use
- Land constrained by slope or topography with a concentration of slopes greater than 20%
- Agricultural land at Class 3 and below (low to very low)
- Land that contains significant tracts of vegetation (either native vegetation or plantations)
- Land that contains significant tracts of EVC's (Ecological Vegetation Class) with status of Endangered, Vulnerable or Depleted
- Land consolidation opportunities are limited by a prevalence of fragmentation of lot ownership (less tenements)
- Areas that demonstrate an existing mix of land uses

E.3 Assessment of mixed use areas

The assessment of the mixed use areas was undertaken in two steps:

1. A GIS analysis of land attributes (agricultural quality and slope) (Figures D-2 to D-6) and vegetative cover using images from Google Earth.
2. Survey of the areas by South Gippsland Strategic Planner and RMCG.

E.4 Poowong East – Trida

The assessment of the mixed use area between Poowong East and Trida noted:

- The ESO 5 – areas susceptible to erosion covers the area.
- Commercial farming is declining as a major land use in the area.
- Most of the area has slopes of 20% or greater.
- The agricultural quality of land is mainly low quality agricultural land (Figure E.1).
- The area has been partially cleared. Regrowth of native vegetation is occurring on some land.
- The cleared areas are mainly used for low input grazing.

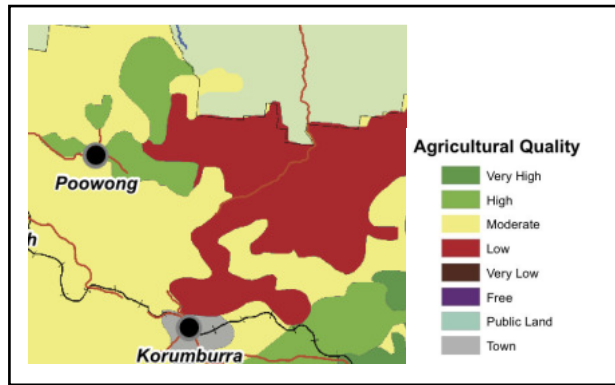


Figure E.1 Agricultural quality in the Poowong West – Trida mixed use area

Evaluation for the Rural Activity Zone

Assessment of the mixed use area against the criteria for allocation of the Rural Activity Zone recommended by the Rural Strategy Reference Group is outlined in Table E.3

Table E.3 Assessment against RAZ 2 criteria

RAZ criteria	Assessment against criteria*
Land identified as being at risk of erosion (EMO, ES05)	✓✓✓
Commercial farming is not the leading land use or is in decline as leading land use	✓
Land constrained by slope or topography with a concentration of slopes greater than 20%	✓✓✓
Agricultural land at Class 3 and below (<u>low</u> to <u>very low</u>)	✓✓✓
Land that contains significant tracts of vegetation (either native vegetation or plantations)	✓
Land that contains significant tracts of EVC's (Ecological Vegetation Class) with status of Endangered, Vulnerable or Depleted	✓
Land consolidation opportunities are limited by prevalence of fragmentation of lot ownership (less tenements) and existing densities of development	✓
Areas that demonstrate an existing mix of land uses.	✓✓

* ✓ - little support for RAZ; ✓✓ - moderate support for RAZ; ✓✓✓ - strong support for RAZ

Conclusions and recommendations

1. That land identified in Figure E.2 is rezoned to Rural Activity Zone.
2. That the rezoning of the land to Rural Activity Zone be accompanied by planning controls to achieve the following objectives:
 - To provide for the continuation of agriculture.
 - To provide for restoration of a degraded land
 - To retain the dominance of the rural farmed or vegetated landscape

- To ensure development is 'tucked into' the landform and is not visually dominant of ridges, hilltops, particularly from key viewing locations
- To maintain the outlook from main corridors by minimising the visibility of buildings and structures
- To ensure development has an appearance that complements the rural feel of the precinct
- To ensure development respects the land and wild fire risks associated with these areas
- To ensure development results in a net environmental gain

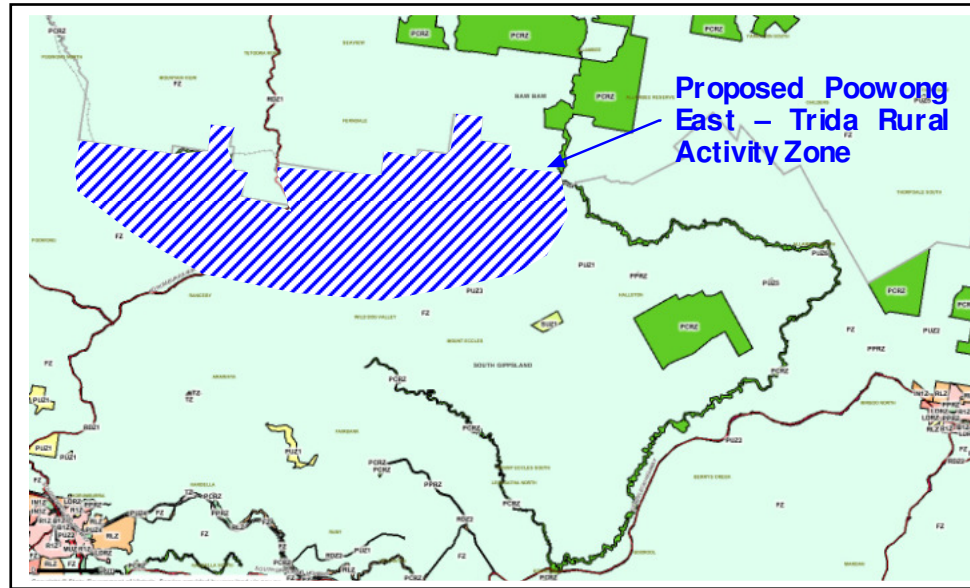


Figure E.2 Proposed Rural Activity Zone between Poowong East and Trida

E.5 Gunya – Toora mixed use area

The assessment of the mixed use area between Gunya and Toora noted:

- The ESO 5 – areas susceptible to erosion covers the area.
- There is active soil erosion in the area.
- Commercial farming is declining as a major land use in the area.
- Most of the area has slopes of 20% or greater.
- The agricultural quality of land is mainly low to very low quality agricultural land (Figure E.3).
- The area is substantially vegetated. Regrowth of native vegetation is occurring on some cleared land.
- The cleared areas are mainly used for low input grazing.

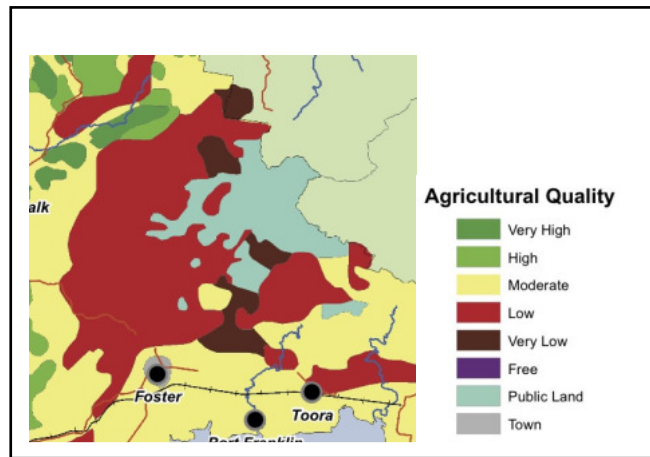


Figure E.3 Agricultural quality in the Gunya – Toora mixed use area

Evaluation for the Rural Activity Zone

Assessment of the mixed use area against the criteria for allocation of the Rural Activity Zone recommended by the Rural Strategy Reference Group is outlined in Table E.4.

Table E.4 Assessment against RAZ 2 criteria

RAZ criteria	Assessment against criteria*
Land identified as being at risk of erosion (EMO, ES05)	✓✓✓
Commercial farming is not the leading land use or is in decline as leading land use	✓✓
Land constrained by slope or topography with a concentration of slopes greater than 20%	✓✓✓
Agricultural land at Class 3 and below (<u>low</u> to <u>very low</u>)	✓✓✓
Land that contains significant tracts of vegetation (either native vegetation or plantations)	✓✓
Land that contains significant tracts of EVC's (Ecological Vegetation Class) with status of Endangered, Vulnerable or Depleted	✓
Land consolidation opportunities are limited by prevalence of fragmentation of lot ownership (less tenements) and existing densities of development	✓
Areas that demonstrate an existing mix of land uses.	✓✓

* ✓ - little support for RAZ; ✓✓ - moderate support for RAZ; ✓✓✓ - strong support for RAZ

It is the recommendation of the Draft Rural Strategy that the Rural Activity Zone be applied to areas identified in Figure E.4 in recognition of the mix of uses envisaged for the area including agriculture, restoration of degraded land and acknowledgment of the extent of vegetated land.

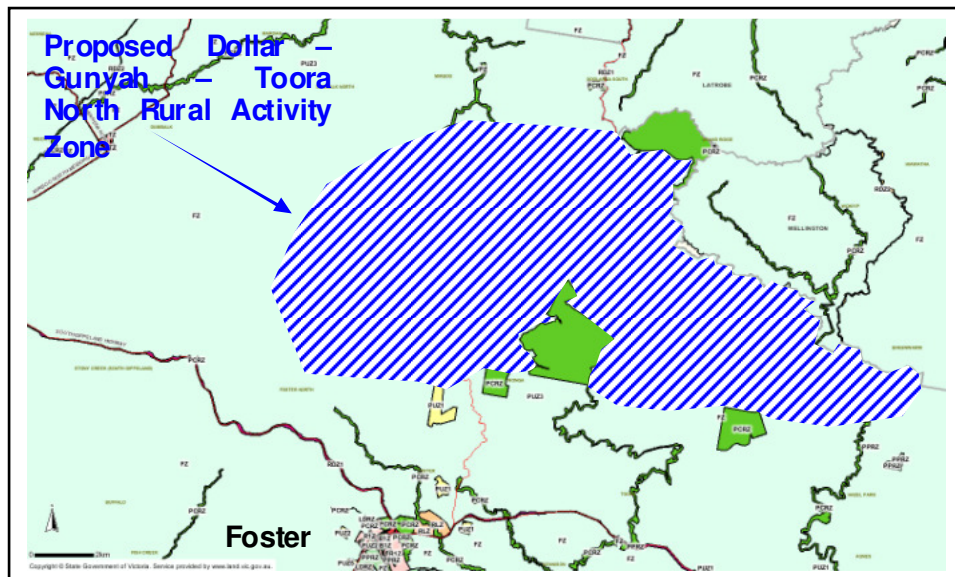


Figure E.4 Proposed Dollar – Gonyah – Toora North Rural Activity Zone

Conclusions and recommendations

1. That land identified in Figure E.4 is rezoned to Rural Activity Zone.
2. That the rezoning of the land to Rural Activity Zone be accompanied by planning controls to achieve the following objectives:
 - To provide for the continuation of agriculture.
 - To provide for restoration of a degraded land.
 - To retain the dominance of the rural farmed or vegetated landscape.
 - To ensure development is 'tucked into' the landform and is not visually dominant of ridges, hilltops, particularly from key viewing locations.
 - To maintain the outlook from main corridors by minimising the visibility of buildings and structures.
 - To ensure development has an appearance that complements the rural feel of the precinct.
 - To ensure development respects the land and wildfire risks associated with these areas.
 - To ensure development results in a net environmental gain.

E6 Comparison of Rural Activity Zone 1 and Rural Activity Zone 2

The following table compares Rural Activity Zone 1 and Rural Activity Zone 2. Differences in the objectives are highlighted in bold.

	Rural Activity Zone 1	Rural Activity Zone 2
Objective	<p>To provide for the use of land for agriculture.</p> <p>To provide for tourism uses and development, in appropriate locations, which are compatible with agriculture and the environmental and landscape characteristics of the area.</p> <p>To ensure that use and development does not adversely affect surrounding land uses.</p> <p>To provide for the use and development of land for tourism as identified in a schedule to this zone.</p> <p>To protect and enhance natural resources and the biodiversity of the area.</p> <p>To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.</p>	<p>To provide for the use of land for agriculture.</p> <p>To provide for a limited range of uses and development, in appropriate locations, which are compatible with agriculture and the environmental and landscape characteristics of the area.</p> <p>To ensure that use and development does not adversely affect surrounding land uses.</p> <p>To provide for the use and development of land that results in net environmental gain</p> <p>To protect and enhance natural resources and the biodiversity of the area.</p> <p>To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.</p>
Permit uses that would be considered/encouraged	<ul style="list-style-type: none"> Group accommodation Host farm Leisure and recreation Primary produce sales Residential hotel Rural industry Residential hotel Dwellings Restaurant Winery 	<ul style="list-style-type: none"> Dwellings Host farm Leisure and recreation Group accommodation
Permit uses that would be discouraged	<ul style="list-style-type: none"> Camping and caravan park Cattle feedlot Convenience shop Intensive animal husbandry Landscape and gardening supplies Manufacturing sales Place of assembly Hotel Store Tavern Timber production 	<ul style="list-style-type: none"> Primary produce sales Residential hotel Rural industry Residential hotel Restaurant Winery Camping and caravan park Cattle feedlot Convenience shop Intensive animal husbandry Landscape and gardening supplies Manufacturing sales Place of assembly Hotel Store Tavern