

The logo graphic consists of two thin, intersecting lines forming an 'X' shape. The lines are a light brown color. Each line has a short, thicker segment of the same color at the intersection point.

CROSSROADS

TOWN PLANNING

Settlement and Rural Living

Issues and Options Discussion Paper

Buloke Shire Council

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Introduction and Background

We understand that Council has undertaken a number of strategic planning projects over the last 13 years that have broadly reviewed settlement and residential land, as well as rural land. These projects produced the *Residential Land Use Review 2009*, *Draft Rural Living Development Study 2009*, and *Rural Land Use Settlements Strategy 2019*.

Council has identified a need to look more deeply at rural-residential land supply as a means of broadening the range of accommodation and/or housing choices available in the Shire.

This *Issues and Options Discussion Paper* has been prepared for the purpose of facilitating discussion with Town Forum Stakeholders. The objective is to unpack the problem, look more deeply into the identified solution and consider options for implementation or delivery.

The results of this consultation will be presented to Councillors along with recommendations for the next steps in the process.

The issue

Like many rural shires, Buloke Shire has an ageing population and has suffered population decline in recent times. Unfortunately information summaries can unfairly become descriptions or labels of places and they don't have any regard for the communities and people within them that call them home.

Council has identified a need to broaden the range of accommodation and/or housing choices available in the Shire to respond to population and demographic changes. Expanding accommodation options is seen as a mechanism to encourage younger people to stay in the Shire, or attract new people to move to Shire and become part of the community.

The **Buloke Council Plan 2021-2025** identifies the Rural Land Use and Settlements Strategy as a current guiding strategy under two of the four pillars 'Our Built and Natural Environment', and 'Our Economy'.

Under the pillar *Our Built and Natural Environment*, Strategy 1.2 Suitable Housing Options includes:

- 1.2.1 Building on the Wimmera Southern Mallee Housing Study to identify opportunities for Council and the community to enhance diversity in housing stock.
- 1.2.4 Encourage housing development and investment suitable to community needs and professional housing options.

Indicators of change or improvement would be measured by:

- Real Estate indications on housing waitlists and uptake of housing options.

We highlight that the Wimmera Southern Mallee Housing Study challenges the directions proposed in the Rural Land Use and Settlement Strategy by providing alternative assumptions that rely on change and intervention influencing the future of Buloke’s key towns, rather than relying entirely on population projections that are based on historical data. It warns that an over-reliance on Victoria in Future projections could be self-fulfilling unless more ambitious targets are set along with community, government and other interventions in the housing market.

Returning to the Council Plan, the pillar *Our Economy* also includes strategies that would be supported by the Rural Land Use and Settlements Strategy.

Indicators of change or improvement would be measured by:

- Outcomes of population growth/decline against projections
- Planning and Building development data across the Shire

Building on the Council Plan, the *Future Population and Housing Demand* section of **Interim Economic Development and Tourism Strategy 2022-2023** makes the following statements:

“There is evidence of Buloke’s population moving towards stability after more than 50 years of decline.”

and

“Moving towards population stability in Buloke will generate new housing demand. Reducing household sizes creates demand for additional residential dwellings, offsetting the effect of slightly declining populations. During the decade between 2006 and 2016, our residential housing stock decreased by 80 dwellings. Buloke towns have surplus infrastructure and affordable properties (compared with metropolitan and regional city markets), but with

limited choice and poor return-on-investment incentives to develop new houses.”

The fact that housing values are well below those in metropolitan and regional city markets has brought new people to Buloke; and affordability choice rather than a lifestyle or career choice. At the same time there is a shortage of quality housing for employees (especially in professional and technical service sectors), and retirees or semi-retirees looking to locate in the Shire.

Higher quality housing and rural residential allotments are needed for professional and technical workers, and people seeking a tree change lifestyle and/or an affordable active retirement. Anecdotally, many in the business community think this is an opportunity and should be assessed as an economic development project.” [emphasis added]

The IEDTS appears to be influenced more by the Wimmera Southern Mallee Housing Study than the Rural Land Use and Settlement Strategy.

The identified solution

Create rural-residential land by rezoning some land around Birchip, Wycheproof, Charlton and Donald to Rural Living Zone to expand the range of land options available to the property market.

What is rural-residential development?

The Department Transport and Planning (DTP) produces planning practice notes that inform Councils, planning practitioners and communities about different types of planning issues and how to plan for them.

Practice Note 37 *Rural Residential Development* (refer Appendix A) defines this type of use and development as follows:

“Rural residential development refers to land in a rural setting, used and developed for dwellings that are not primarily associated with agriculture. Some agriculture may take place on the land however it will be ancillary to the use for a dwelling. It is likely to be carried on for ‘lifestyle’ reasons and is unlikely to provide a significant source of household income.

Rural residential land is typically also used for non-agricultural home occupations or for large gardens. These lots are larger than typical residential lots, but are usually too small for agricultural use.

Due to the primary residential function, rural residential development requires access to most of the normal services and infrastructure provided in urban settlements. Typically, it also generates urban residential amenity expectations.”

What is the Rural Living Zone?

All zones have a purpose that is defined by the State Government. It cannot be changed by Council. The purpose of the Rural Living Zone is:

- *“To implement the Municipal Planning Strategy and the Planning Policy Framework.*
- *To provide for residential use in a rural environment.*
- *To provide for agricultural land uses which do not adversely affect the amenity of surrounding land uses.*
- *To protect and enhance the natural resources, biodiversity and landscape and heritage values of the area.*
- *To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.”*

The default lot size is 2 hectares, however a schedule or schedules to the zone can require a lot size greater than 2 hectares. Smaller lots would be considered de facto large residential lots which would preclude farming activities and would need to be rezoned to Low Density Residential Zone.

A copy of the Rural Living Zone provisions is attached at Appendix B.

Where should rural-residential land be located?

The *Wimmera Southern Mallee Housing Study* provides some justification for consideration of rural-residential rezoning, however it lacks the detail that supports specific rezoning proposals. Further work is required to support this high-level housing study.

While Section 12 of the *Rural Land Use and Settlements Strategy* discusses township strategies for Birchip, Donald, Wycheproof and Charlton and section 13 identifies areas that could be considered for rural-residential development, it lacks the necessary in-depth supporting material to justify a rezoning.

In order to answer the question “*Where should it go*”, it is important to understand the context of planning for rural zones.

DTP Practice Note 42 *Applying the Rural Zones* (refer Appendix C) identifies the changing nature of farming and recognises that it is becoming more diverse and more industrialised, it is intensifying, it is aggregating, and it is undergoing social change. However it also recognises that:

“At the same time, more people are seeking to live in rural areas for a range of social, environmental and economic reasons. As a result, in some rural areas:

- *there is more competition for rural land, which is affecting rural land prices and the capacity of farmers to expand their businesses and maintain productivity*
- *there is renewed interest in part-time small-scale farming*
- *more people are living in rural areas for lifestyle reasons not related to farming increasing the potential for land use conflicts because people pursuing a rural lifestyle often have amenity expectations that conflict with modern farming practices*
- *local rural economies are diversifying, as rural land is used for more diverse purposes (such as tourism and recreation).”*

It considers that:

“Sound strategic planning for rural areas is essential to ensuring that land use and development achieves the planning authority’s vision, objectives and desired outcomes for an area. It can help ensure that:

- *use and development in rural areas fits into the overall strategic planning of the municipality*
- *farmland and farming industries of state, regional or local significance are protected*
- *housing development in rural areas is consistent with the housing needs and settlement strategy of an area*

- *future use of existing natural resources, including productive agricultural land, water and mineral and energy resources, is sustainable*
- *scarce resources, such as water, are protected*
- *social networks and infrastructure essential to rural communities are maintained*
- *existing visual and environmental qualities of rural areas are protected*
- *conflicts between farming and other land uses are avoided*
- *the most appropriate planning scheme tools (for example, the right rural zone) are used to achieve strategic planning objectives.”*

The Rural Living Zone provides for residential use in a rural environment. According to the practice note:

“It is designed to cater for lots in a rural setting that are large enough to accommodate a dwelling and farming use. The farming use is likely to be carried on for reasons other than the need to provide a significant source of household income.

In this zone:

- *it is not essential that a dwelling be genuinely associated with a farming use of the land.*
- *some farming may take place on the land, however this will not always be the case.*
- *residents have a reasonable expectation that their amenity will be protected.*
- *a wider range of tourism, commercial and retail uses may be considered in the zone.”*

Because of the zone’s primarily residential function, a planning authority must be able to show that using the Rural Living Zone is part of its strategy to provide appropriate housing diversity and choice to meet housing needs.

“The Rural Living Zone is designed to be applied to areas where:

- *the rural land has a mainly residential function*
- *farming may take place on the land but this is subordinate to the residential use*

- *residents require certainty about the residential amenity of the area and are protected from potentially incompatible land uses*
- *farming is of a nature or scale that will not conflict with housing*
- *residents will have access to most of the normal services and infrastructure provided in urban areas.*

Possible Rural Living Zone areas include rural areas that have been substantially subdivided and developed for dwellings in proximity to an urban area or township with a range of urban services and infrastructure.”

Practice Note 37 *Rural Residential Development* recognises that the planning scheme should ensure that reasonable opportunities are found for rural-residential development as part of providing for housing diversity and choice, however it can have environmental, social and economic costs that are higher than those of standard residential development. The practice note provides the following questions that should be answered in sequence:

Strategy: *Does rural residential development align with the overall strategic planning of the municipality?*

Housing need: *How much rural residential development is required to provide appropriate housing diversity and choice?*

Location: *Where should new rural residential development take place?*

While the following question can be considered as part of the permit application process, it is a relevant consideration at the strategic planning level.

Subdivision and design: *Is the new rural residential development subdivided and designed in an attractive setting offering high amenity and efficient infrastructure?*

A site analysis approach should be undertaken when choosing land for future rural-residential development. It should document the opportunities and constraints of the site in terms of land form, vegetation coverage and surrounding land uses and an explanation of how the proposal responds to the site analysis.

According to Practice Note 37, a site analysis should consider (for example):

- Topography of the land

- Road access
- Fire hazard
- Land liable to inundation by floodwaters
- Drainage lines and dams
- Any significant environmental features including habitat corridors, threatened species, wetland and watercourses
- Vegetation category, extent, quality and location
- Waterway values
- Land degradation, stability or other hazards
- Soil capability
- Soil contamination with regard to past uses of the land
- Views
- Weather conditions including wind patterns
- Existing buildings and works
- Adjoining land uses and neighbouring buildings and works

Other matters for consideration according to Practice Note 37 include:

- Does rural residential development fit into the overall strategic directions and planning of the municipality? A proposal for rural residential development must be considered against the state, regional and local strategic planning policies and objectives for the area. This requires consideration of all land uses: residential, commercial, industrial and rural; to ensure that the proposed rezoning is compatible with the future needs of, and strategic direction for the settlement. Importantly, rural-residential rezoning should only be considered for locations that are unsuitable for township expansion to prevent the need to “leap-frog” a rural-residential area in future.
- A planning authority must be able to show that a rural-residential rezoning is part of its strategy to provide appropriate housing for forecast increases in population and changes in household structure and composition.
- A rural-residential rezoning must be supported with evidence that the proposed use and development supports and implements the housing needs of the municipality as identified in the municipal planning strategy. This includes understanding the demographic and housing needs of the area and likely housing trends.
- A local housing analysis should identify:

- demographic trends, including changes in household structure and composition
 - housing market trends, including dwelling type
 - projected population and household increases and housing needs over a 10 year period for the area
 - identify the number and types of additional houses required including the proportion of new housing that would be in the form of rural-residential development.
- Council’s projected population for the next 10 years.

Taking into account all of the guidelines detailed in this section of the *Issues and Options Paper*, **Where should rural-residential land be located?**

- Should the locations suggested in the Rural Land Use and Settlements Strategy be pursued?
- Is other land more suitable?
- Do all of the towns have land that is suitable for this type of rezoning?

The obstacles to change

While the planning system appears to be an obstacle, it is there to ensure that the problem is fully understood and the solution is properly researched and justified. A land rezoning has financial implications for the affected landowner, as well as Council and other Authorities.

If “making” rural-residential or more specifically *Rural Living Zoned land* is one of Council’s goals, the most important issue to understand and overcome is that rezoning any land requires a planning scheme amendment which can only commence with the approval of the Minister for Planning. Even if the Minister allows the amendment to proceed, final approval of the amendment at the conclusion of the process also rests with the Minister.

An important consideration in this regard is the current regional (state-based) policy setting that Buloke Shire exists within. The Loddon Mallee North Regional Growth Plan 2014 sees the Shire as an agricultural area and does not identify any towns within the Shire for growth. In fact it suggests the Shire needs to plan for population decline. Census data shows population decline has occurred and projections indicate this trend will continue.

How does Council convince the Minister for Planning that rural-residential land should be created when a) it has the potential to impact on the supply of productive agricultural land which is an important asset to the region's economy, and b) population decline does not create an obvious demand for more land?

The planning system is not the only obstacle. There are other issues to consider.

Rezoning land to Rural Living Zone creates opportunity, however the owner needs to be motivated to either subdivide the land into smaller lots and sell them individually; or sell the land as a whole for someone else to subdivide when they are willing and able to.

Even when the land is subdivided, the purchaser chooses when it will develop the land with a dwelling, and no-one knows when that might occur. The form of residential development also depends on the individual landowner. Consistent with the aspirations of the IEDTS, rural-residential lots might be sold to professional or technical workers as high-amenity lifestyle properties. Alternatively they may be sold to people seeking land with less residential neighbours where they can construct a modest dwelling and use the balance of the land to store their collection of old cars and equipment. This is a common reality with rural-residential lots, and Council has little-to-no control over the development outcome without placing caveats on titles, or design guidelines via overlay controls.

Another obstacle may be the new **Windfall Gains Tax (WGT)** which will apply to a rezoning from Farming Zone to Rural Living Zone from 1 July 2023. Information about the WGT can be found on this State Revenue Office website <https://www.sro.vic.gov.au/windfall-gains-tax-exemptions-and-exclusions>

Some exemptions apply, however land that is not exempt that experiences a post-rezoning value uplift greater than \$100,000 will trigger the tax. The implications of this tax will need to be considered as it may delay lots being brought to the market.

Council will need to seek separate advice from a valuer about the possible impact of WGT, and how it might influence the outcome of the rezoning and achieving its fundamental purpose.

As the WGT is a new tax that landowners may not be aware of, Council should consider notifying landowners who may be affected by any future rezoning proposals.

WGT liabilities can be deferred until the next dutiable transaction or until 30 years elapses, whichever occurs first. A subdivision of land will not cease deferral arrangements, but the deferral would cease if the land was then sold.

Discussion: the pathways to change

Stopping population decline, stabilising the population or even facilitating its growth are understandably outcomes Council wishes to pursue, and the Wimmera Southern Mallee Housing Study presents a solution, however the following questions need to be considered and answered to develop the pathways to change, particularly the planning scheme.

- How will creating rural-residential land resolve the issue?
- What sort of rural-residential land does Council want to create?
- How much land/how many lots would be needed?
- Do all of the key towns need rural-residential land?
- Is rural-residential land the answer?

There may be other options to consider, such as:

- Rather than rezoning land, Council could identify locations where existing Farming Zone lots could be developed and used for rural-residential purposes.
- Council could encourage owners of undeveloped Township Zoned land to release their land to the market which would allow new infill development to occur.
- Council could incentivise owners to realise and capture the value of vacant Township Zoned land by increasing rates. This could facilitate the release of undeveloped land into the market and allow new infill development to occur.
- Council could explore grant opportunities for community and/or economic development projects, for example streetscape improvements, events and other interventions that refresh and rejuvenate communities, and attract new people.



Appendix A

Practice Note 37 Rural Residential Development

Rural Residential Development

May 2023

The purpose of this practice note is to provide guidance on rural residential use and development planning.

What is 'rural residential' development?

Rural residential development refers to land in a rural setting, used and developed for dwellings that are not primarily associated with agriculture. Some agriculture may take place on the land, however it will be ancillary to the use for a dwelling. It is likely to be carried out for 'lifestyle' reasons and is unlikely to provide a significant source of household income.

Rural residential land is typically also used for non-agricultural home occupations or for large gardens. These lots are larger than typical residential lots but are usually too small for agricultural use.

Due to the primary residential function, rural residential development requires access to most of the normal services and infrastructure provided in urban settlements. Typically, it also generates urban residential amenity expectations.

The zones usually applied to rural residential land are:

- **Low Density Residential Zone (LDRZ).** The LDRZ is a 'residential' zone. It specifies a lot size of at least 0.4 hectares in areas where reticulated sewerage is not connected or 0.2 hectares for each lot connected to reticulated sewerage. A different lot size can be specified in a schedule to the zone.
- **Rural Living Zone (RLZ).** The RLZ is a 'rural' zone. It specifies a lot size of at least 2 hectares and provides opportunities for some rural uses to occur. A different lot size can be specified in a schedule to the zone.
- **Green Wedge A Zone (GWAZ).** The GWAZ is a 'rural' zone. It provides for lot sizes of 8 hectares and above. It applies to non-urban land outside the Urban Growth Boundary to protect and recognise the area's agricultural, environmental, historic, landscape, infrastructure, natural resource and rural living attributes.

Limited residential development can occur in other rural zones, but generally, land proposed for rural residential development should be included in the LDRZ or the RLZ.

Farm dwellings

Farm workers and their families may need to live in farm dwellings, close to stock, crops or plants that require regular supervision. Farm dwellings that are genuinely required to support an agricultural use are not a form of rural residential development.

Small lot agriculture

High value crops, such as grapes, olives, flowers, fruit or tobacco, can be cultivated on small lots. Some intensive agricultural uses can also take place on small lots. Dwellings on these lots will normally be farm dwellings, however, new small-lot agriculture proposals need to be considered carefully, to ensure they do not become unplanned rural residential development.

Why does rural residential development require special consideration?

Planning policy aims to facilitate diversity and choice in housing, including opportunities for rural residential development. However, rural residential development can have environmental, social and economic costs that are significantly higher than those of standard residential development.

Rural residential development should be planned to:

- minimise land use conflicts between agricultural activities and the amenity expectations of rural residential dwellers
- avoid significant impacts to primary production or to the environmental or cultural values of a rural area
- preserve finite and valuable natural resources present on the land
- avoid generating demand for costly or inefficient social or physical infrastructure
- ensure growth and development is directed to locations with a low risk of natural hazards and will not increase the risk of natural hazards.

When planning for rural residential development the following broad questions should be answered in sequence:

Strategy: Does rural residential development align with the overall strategic planning of the municipality?

Housing need: How much rural residential development is required to provide appropriate housing diversity and choice?

Location: Where should rural residential development take place?

Natural hazards: How do we protect life and property from natural hazards?

Subdivision: Has the subdivision layout been designed to provide an attractive setting, high amenity efficient infrastructure and natural hazard mitigation measures?

These questions are explored further below.

Strategy

Does rural residential development fit into the overall strategic directions and planning of the municipality?

It is important to consider a proposal for rural residential development as part of the broader strategic context.

A proposal for rural residential development must be considered against relevant state, regional and local strategic planning policies for the area. These include:

- The Municipal Planning Strategy (MPS)
- The Planning Policy Framework (PPF), including clauses:
 - 11.03 (Planning for Places)
 - 12.02 (Marine and Coastal Environment)
 - 13.01 (Climate Change Impacts)
 - 13.02 (Bushfire)
 - 13.03 (Floodplains)

- 13.04 (Soil Degradation)
- 16.01-3 (Rural Residential Development)
- Regional plans such as [Plan Melbourne](#) and the regional growth plans
- Other regional planning and land management strategies such as the *Marine and Coastal Policy* (Department of Environment, Land, Water and Planning 2020), regional catchment management strategies and regional waterway strategies
- Any adopted land use strategy such as a housing strategy or rural land use strategy.

A rural residential development should be capable of broad strategic support across all relevant policy areas.

Housing need

How much rural residential development is required to provide appropriate housing diversity and choice?

A planning authority must be able to demonstrate that a rural residential rezoning is part of its strategy to provide appropriate housing for forecast increases in population and changes in household structure and composition. Planning should maintain housing choice and diversity, including a realistic mix of lot sizes.

A rural residential rezoning must be supported with evidence that the proposed use and development responds to the housing needs of the municipality as identified in the MPS and PPF.

The municipal area will generally form the best and simplest area on which to base the analysis of local housing need. However, if there are several service catchments in one municipality, smaller strategy areas might be appropriate.

A local housing analysis should identify:

- demographic trends, including changes in household structure and composition
- housing market trends, including dwelling type
- projected population and household increases and housing needs over a 15 year period for the area
- the number and types of additional houses required, including the proportion of new housing that would be in the form of rural residential development.

Read more about regional demographic trends and population projections on the [Regional Insights webpage](http://planning.vic.gov.au) at planning.vic.gov.au.

Location

Where should rural residential development take place?

Having established that there is a basic need for additional rural residential development to serve strategic objectives, an appropriate site or sites must be identified. Alternatively, an assessment of the appropriateness of any sites brought forward by private proponents can be considered. A broad range of location-specific criteria provides a framework for identifying land suitable for rural residential development and eliminating unsuitable land from further consideration.

The locational matters to consider include:

- integration with existing urban areas
- protection of natural resources
- protection of environmental areas and biodiversity
- landscape and heritage values
- provision of social and physical infrastructure
- land use compatibility
- land servicing capability.

Integration with existing urban areas

Rural residential development must be planned to show how it relates to, or is supported by, existing urban development.

It must not impede the proper long-term growth of an urban area based on fully serviced residential development at normal urban densities. Where there is an adopted settlement strategy, rural residential development should not compromise its implementation.

Where there is no adopted settlement strategy, or it is proposed that an existing strategy be changed, the likely future growth and structure of the urban area must be considered, based on analysis of physical and social infrastructure and service provision.

Rural residential development is inappropriate on land that is suitable and required for present or future residential use at usual urban densities. For example, if a town has a limited supply of land at urban densities, but has unused town water and wastewater treatment capacity, land that can easily be served by this infrastructure should normally be considered first as a candidate for development at urban densities.

Protection of natural resources

The PPF includes policies for the protection of natural resources recognising they are of fundamental importance to local and state economies. It is important to ensure that the location of rural residential use and development does not prejudice the long-term availability and management of Victoria's natural resources, of land, water, energy, wind, stone and minerals.

Rural residential development is not appropriate on land that:

- is productive agricultural land
- is in a special water supply catchment area under the [Catchment and Land Protection Act 1994](#)
- has identified potential to be used for commercial forestry
- has identified potential for mineral and stone production
- is close to a major industrial facility such as a gas plant or wind energy facility.

What is productive agricultural land?

Productive agricultural land generally has one or more of the following characteristics:

- a present pattern of subdivision favourable for sustainable agricultural production
- can be used for a variety of agricultural pursuits
- suitable soil type
- suitable climatic conditions
- suitable water supply
- suitable agricultural infrastructure, in particular irrigation and drainage systems.

If existing agricultural land is proposed for rural residential development, clause 14.01-1S of the PPF requires consideration of various issues including the desirability and impacts of removing the land from primary production.

Land resource information and various land capability studies are available for parts of Victoria.

Check with relevant state government departments, catchment management authorities and the local council about what information is available.

Protection of environmental areas and biodiversity

Rural residential development should be located to avoid or minimise any adverse impact on the environment, native vegetation and biodiversity.

Where a proposal affects native vegetation, consideration must be given to [Guidelines for the Removal, Destruction or Lopping of Native Vegetation](#) (Department of Environment, Land, Water and Planning, 2017). The document sets out how impacts on Victoria's biodiversity are assessed when a planning permit application is made to remove native vegetation.

Consideration should also be given to the likelihood of whether a planning permit would be granted under Clause 52.17 of the planning scheme for the removal of native vegetation.

Public authorities may have mapping of natural hazards such as fire and flooding, and biodiversity values, see the Department Energy, Environment and Climate Action's [Native Vegetation Information Management System](#).

Planning schemes may indicate areas of environmental significance such as salinity, wetlands, or areas of conservation significance.

In some cases, the preparation of a land management plan may be appropriate to show how the impact can be remediated or minimised and protected. A land management plan should address the environmental and natural resource issues relevant to the site and may include:

- fire protection measures
- responses to flood hazards
- protection and enhancement of native vegetation
- protection and enhancement of waterways
- protection and stabilisation of soil
- pest plants and domestic feral animal control
- protection of areas of environmental significance.

A land management plan can be implemented through a requirement in an appropriate overlay or through a combined permit and amendment process under section 96A of the *Planning and Environment Act 1987* (the PE Act).

Landscape and heritage values

A proposal for rural residential development must preserve the locality's landscape and heritage values and limit potential impacts on those values, including:

- areas of valued landscape character, natural scenic beauty or importance, or significant views
- areas or features of heritage value including aesthetic, archaeological, architectural, historical, scientific, social or other special cultural value.

Areas and places of landscape and heritage significance are identified in planning schemes.

Where a rural residential development is proposed in a classified landscape or place, the relevant agency must be consulted, including:

- [National Trust of Australia](#)
- [Victorian Heritage Register](#)
- [First Peoples - State Relations](#)
- [Australian Heritage Council](#).

Provision of social and physical infrastructure

Rural residential development communities should have access to infrastructure and services normally expected for a residential area. If that infrastructure is not provided by the developer from the outset, the expectations and future requirements of residents can lead to costs and disruption for communities as infrastructure is provided at a later time.

A proposal for rural residential development must be efficiently serviced by social and physical infrastructure at an acceptable and sustainable community cost.

Land use compatibility

Rural residential land use and development must be compatible with the existing and likely land uses of the locality.

When assessing a particular site, consideration should be given to the availability and comparative suitability of alternative sites that could meet the same housing demand, including those in the neighbouring local municipalities.

Rural residential development should be avoided on land that is:

- within the separation distance of an industry that could result in adverse human health or amenity impacts as described in [Publication 1518: Recommended Separation Distances for Industrial Residual Air Emissions](#) (EPA, 2013)
- within the threshold distance referred to in clause 53.10 (uses and activities with potential adverse impacts) of the planning scheme
- within the buffer of a landfill as outlined in [Publication 788.3 - Best Practice Environmental Management Publication - Siting, Design, Operation and Rehabilitation of Landfills](#) (EPA, 2015)
- within the separation requirements of other offensive uses such as intensive animal husbandry and certain agricultural activities, such as poultry farming, piggeries and feedlots. Codes of practice for certain activities have separation distances from sensitive

land uses that must be complied with. See clause 72.04 of the planning scheme to identify relevant codes

- adversely affected by noise emissions generated by adjoining land uses including wind energy facilities
- within the 25 Australian Noise Exposure Forecast (ANEF) contour or higher of an airport with careful consideration given to building requirements within the 20-25 ANEF
- located where it will pose risks to the safety and efficiency of an airport or airfield or where it will prejudice future airport or airfield operations or expansions in accordance with an approved strategy or master plan. See clause 18.02-7s (Airports and airfields) of the planning scheme for relevant considerations
- affected by agricultural spraying and aerial spraying of neighbouring agricultural land
- adversely affected by land or groundwater contamination
- within 500 metres of a national park, reference area, wilderness, marine park or state park unless the Department of Energy, Environment and Climate Action agrees to a lesser distance
- located in close proximity to public land that is of environmental significance, including land that is fire prone, unless a suitable buffer zone or land management plan is provided in consultation with the public land manager. The width and nature of the buffer zone will vary depending on local circumstances. The buffer zone or land management plan should address issues such as fire, amenity, pest plants and animals, drainage and access
- located in close proximity to land that uses treated wastewater from sewerage for agricultural and horticultural irrigation
- within the separation distance prescribed by a schedule to a Buffer Area Overlay and does not meet the requirements of the schedule
- within the separation distance prescribed in the Industrial 1 Zone, Industrial 2 Zone and Industrial 3 Zone between industrial activity and a sensitive use.

Land servicing capability

Land for rural residential development must have the physical capability to sustain the use by providing for:

- sustainable on-site wastewater management or a connection to a reticulated sewerage system
- adequate water supply of an acceptable quality
- access by properly formed and constructed roads
- effective drainage and stormwater management
- other normal residential services, such as electricity and telephone.

Where the land can easily be connected to existing infrastructure and services, it may be more suitable for development at standard urban densities. The cost of providing the services to the land must be at the developer's expense.

FURTHER INFORMATION**DEECA** - deeca.vic.gov.au

- [Managing Onsite Domestic Wastewater Systems](#) webpage

DTP - dtp.vic.gov.au

- [Planning Practice Note 30 - Potentially Contaminated Land](#)
- [Planning Practice Note 39 - Using the Integrated Water Management Provisions of Clause 56 - Residential Subdivision](#)

EPA - epa.vic.gov.au

- [About Wastewater](#) webpage
- [Publication 1974 - Regulating Onsite Wastewater Management Systems: Local Government Toolkit \(EPA, 2021\)](#)
- [Publication 1518 - Recommended Separation Distances for Industrial Residual Air Emissions - Guideline \(EPA, 2013\)](#)
- [Environment Protection Regulations 2021](#)

Municipal Association of Victoria (MAV) - mav.asn.au

- [Victorian Land Capability Assessment Framework \(MAV, DEPI and EPA, 2014\)](#).

Natural hazards**How do we protect life and property from natural hazards?**

Rural residential development must be planned in locations that avoid or are at low risk of natural hazards such as bushfire, flood, coastal inundation, erosion and landslide. Areas subject to natural hazard should be identified and assessed to determine the risks to occupants. Strategic planning proposals should ensure that hazard mitigation, including prevention, is addressed proactively at the earliest opportunity rather than deferring to statutory planning processes.

Hazard assessments, where required, should be completed by qualified professionals taking in a spatial area that adequately identifies risks and potential mitigation measures. For some locations the risks may be too high or the necessary mitigation measures may be incompatible with other objectives and development should not occur.

Rural residential development should be planned to avoid:

- bushfire radiant heat exposure that exceeds 12.5 kilowatt/square metre in bushfire prone areas (including the bushfire management overlay), where subject to a planning scheme amendment
- intensifying the impact of flood
- coastal inundation and sea level rise by planning for no less than 0.8 metres by the year 2100.

The planning scheme directs that life safety prevails over other policy objectives in bushfire affected areas.

The following Ministerial Directions, practice notes and guidelines provide instructions and guidance for planning in areas subject to natural hazards:

- *Direction No. 11 - Strategic Assessment of Amendments*
- *Direction No. 13 - Managing Coastal Hazards and the Coastal Impacts of Climate Change*
- *PPN11 - Applying for a Planning Permit Under the Flood Provisions*
- *PPN12 - Apply the Flood Provisions in Planning Schemes*
- *PPN46 - Strategic Assessment Guidelines*
- *PPN53 - Managing Coastal Hazards and the Coastal Impacts of Climate Change*
- *PPN64 - Local Planning for Bushfire Protection*
- *Settlement Planning at the Bushfire Interface Design Guidelines (DELWP, July 2020)*
- *Guideline for Effective Stakeholder Engagement - Planning for Settlements Exposed to Natural Hazards and Climate Change Risk (DELWP, March 2022).*

Subdivision

Has the subdivision layout been designed to provide an attractive setting, high amenity, efficient infrastructure and natural hazard mitigation measures?

Subdivision layouts should respond to the environmental, landscape and infrastructure features and constraints of the land.

In designing subdivisions and the location of buildings and works, consideration should include:

- identifying remnant native vegetation and any fauna habitat for protection
- retaining and providing riparian corridors along waterways and providing riparian corridor links to other areas of local and regional significance
- locating future buildings that will be occupied for any purpose away from areas prone to natural hazards where the risk to life and property are unacceptable
- measures to reduce natural hazard risks
- ensuring access and roads are suitable for emergency vehicles and reliable for the movement of occupants during an emergency
- ensuring lot size, dimensions and configuration supports implementation and maintenance of onsite natural hazard risk reduction measures. For bushfire, a proposal for lot sizes between 02ha – 4ha needs particular consideration as they may create new areas of unmanaged vegetation
- locating buildings off ridgelines to protect sensitive landscapes and preserve views from roads and other land
- including building and effluent disposal envelopes or building exclusion zones to guide the location of buildings and works within subdivisions
- avoiding buildings and works on slopes greater than 15 per cent or when buildings and works would protrude above significant ridgelines
- establishing landscaping to protect and restore rural landscapes and significant ridgelines
- using building materials that complement the rural landscape
- providing public road access in preference to the creation of carriageway easements or common property

- providing adequate supply of domestic and stock water to individual properties and ensuring that existing water entitlements are not impacted upon by dams
- implementing policies of the relevant water or drainage authority
- any other matter relevant to the site and its environment.

Further information on subdivision design in bushfire prone areas can be found in the [Design Guidelines - Settlement Planning at the Bushfire Interface](#) (DELWP, July 2020)

Who should be consulted?

Notice and referral of a planning permit application must be given in accordance with the requirements of Clause 66 of the planning scheme.

Notice of an amendment to a planning scheme must be given to prescribed Ministers and any other owner, occupier, Minister, public authority or municipal council that it believes may be materially affected by the amendment (See section 19 of the PE Act).

To facilitate the best possible outcomes, consultation should also occur with relevant agencies, including the following where appropriate:

| Agency | Issue |
|---|---|
| Adjoining municipal councils | Where land is close to an adjoining municipality. |
| Roads Corporation (VicRoads) | Where the site gains access from a Transport Zone 2, Transport Zone 3 or a declared road under the Road Management Act 2004 |
| Relevant Catchment Management Authority or water authority | Where the land is: <ul style="list-style-type: none"> • in a special water supply catchment area • liable to inundation or flooding. |
| Department of Jobs, Precincts and Regions | Where the land is currently used for agriculture. |
| Department of Jobs, Precincts and Regions | Where the land is within: <ul style="list-style-type: none"> • 500m of an existing extractive industry work authority • an Extractive Industry Interest Area • an area that has been identified with potential for mineral production. |
| Department of Energy, Environment and Climate Action | Where the removal of native vegetation may be required. Where there may be an impact on fauna habitat. Where the land is prone to erosion or the land adjoins Crown land. |
| Servicing agencies (for example, water authorities) | Servicing of land for water supply, sewerage, drainage, electricity and telephone. |
| Water authorities | Where the use can impact on ground or surface water resources and infrastructure (including irrigation channels or drains, waterways or storages). Where the land is located within an irrigation district. |
| Environment Protection Authority | Where the land is within the recommended buffer distance for an industrial residual air emission. |
| Relevant fire authority (Country Fire Authority or Fire Rescue Victoria) | Where the land is fire prone. |

| Agency | Issue |
|---|--|
| Airport operator, Airservices Australia, the Civil Aviation Safety Authority and the Department of Infrastructure, Transport, Regional Development Communications and the Arts (DITRDCA) | Where the land is affected by an Airport Environs Overlay, Melbourne Airport Environs Overlay or the land is within proximity of an airport or airfield. |

Consultation with peak interest groups, for example key farming groups, should also be considered as well as neighbouring property owners and occupiers.

Documenting a proposal

A planning permit or planning scheme amendment proposal for a rural residential development must be supported by a site analysis and various assessments.

Site analysis

The site analysis must include a site context map. It should document the opportunities and constraints of the site and surrounds in terms of landform, landscape character and land uses, including where relevant:

- topography of the land (including ridgelines, landscape, geography, slope gradients and erosion areas)
- road access
- drainage lines and dams
- any significant environmental features including habitat corridors, threatened species, flood plains, wetlands and watercourses
- vegetation coverage and information on the vegetation:
 - category – scattered or patch, extent, risk status and ecological vegetation class
 - quality – habitat hectare assessment.
- proximity to groundwater bores
- waterway values
- soil capability
- soil contamination in regard to past use of the land
- views
- weather conditions, including wind patterns
- available infrastructure including power, water and telecommunications
- existing buildings and works on the land
- adjoining land uses
- neighbouring buildings and works
- any other matter relevant to the site and its environment.

Natural resources assessment

A proposal must include an assessment of the locality's natural resources, the impact of the proposal on these resources and the measures to be taken to protect the resources, including a description of:

- agricultural quality
- geology
- earth and energy resources, governed by the Mineral Resources (Sustainable Development) Act 1990
- soil types
- water resources (including groundwater).

Environmental features assessment

A proposal must include an assessment of the locality's environmental features and how these features could affect or be affected by rural residential development.

The assessment must include native vegetation, significant wildlife and associated habitat or corridors, and any other biodiversity assets. Natural physical features, including topography, slope, waterways, drainage lines and wetlands, must also be identified.

Landscape and heritage assessment

A proposal for rural residential development must include an assessment of the locality's landscape and heritage values. The assessment must demonstrate that the proposal will not detrimentally impact on those values.

Social and physical infrastructure assessment

A proposal for rural residential development must include an assessment of the public costs of providing social and physical infrastructure to serve the development.

The assessment must address:

- the availability of existing social and physical infrastructure including:
 - recreational and cultural facilities
 - schools
 - public transport
 - roads
 - waste disposal
- the level and range of social and physical infrastructure that will need to be supplied or upgraded to meet the needs of the proposed population
- the costs of additional social and physical infrastructure and the options for meeting those costs.

Land servicing capability assessment

A proposal must include an assessment of the land's physical capability to sustain rural residential development, addressing:

- whether the land:
 - has the physical characteristics for sustainable on-site wastewater management and can meet the requirements of the Environment Protection Regulations for an on-site wastewater management system, or

- can be connected to a reticulated sewerage system.
- whether the land can be provided with an adequate water supply of an acceptable quality to service the development
- whether the land is accessible by properly formed and constructed roads
- whether the land can be connected to or provided with drainage that effectively removes stormwater from each house and lot, prevents inundation of effluent disposal fields and is designed to handle a one in 100 year storm event where required
- the availability and provision of other normal residential services (electricity, telephone).

Natural hazard assessment

A proposal in a location where natural hazards are identified or are likely, should provide an assessment of the relevant hazards addressing:

- location of the hazard on the site, subsurface, within the immediate surrounds and wider area including hazards that may be temporary, as relevant to the hazard
- risk to life and property, including the potential for neighbourhood scale destruction
- new hazards and the risk created by the proposal
- planning scheme hazard metrics or benchmarks relevant to the type of decision and form of hazard
- whether risk can be reduced to an acceptable level
- hazard mitigation measures including temporary and ongoing measures
- environmental impact of implementing hazard mitigation measures.

Amendment proposal

In addition to the above assessments, an amendment proposal for a rural residential development must be supported by a report explaining:

- the proposal
- how the proposal responds to the site analysis
- how the proposal supports the strategic framework
- how the proposal meets housing needs and the housing objectives of the area
- how the proposal responds to the relevant planning scheme hazard policies including metrics or benchmarks
- why the proposed location is suitable for rural residential development. This should include an assessment, where appropriate, of:
 - how the proposal is supported by existing urban development
 - the land's capability for agricultural use and how the proposal will impact the long-term continuation of agriculture in the area
 - the locality's natural resources and the measures that may be taken to protect those resources
 - the locality's environmental features and biodiversity; and how these could be protected and enhanced
 - the locality's landscape and heritage values and how these could be protected
 - the proposal's social and physical infrastructure requirements and the community cost of providing these services

- the proposal's compatibility with or impact on the existing or likely surrounding land uses
 - the land's servicing capability
 - details of the natural hazard within the surrounds, risks to the proposal and the likelihood of neighbourhood scale destruction
 - hazard mitigation measures to reduce the risk to an acceptable level and how these will be delivered with certainty rather than through a discretion in subsequent planning decisions
 - whether existing local planning policy and provisions should be amended to remove objectives or requirements that conflict with hazard mitigation.
- relevant agency comments and any other comments from peak groups or known affected persons.

Permit proposal

In addition to the above assessments, a planning application for subdivision for rural residential development must be supported by:

- plans that show the layout of the proposed subdivision including the following information for each lot:
 - lot boundaries and lot sizes
 - a dimensioned building envelope and driveway to the envelope
 - bushfire mitigation measures
 - existing vegetation to be retained including dimensioned Tree Protection Zones and vegetation to be removed
 - areas of active vegetation management or re-vegetation
 - other areas of environmental improvement works, such as soil stabilisation and erosion management
 - a dimensioned area suitable for the location of any future dam and boundary setbacks
 - a dimensioned effluent disposal area and associated trenching
 - location of any proposed roads
 - details of any proposed works to construct roads, site benching, earthworks (excavation, fill and trenches) and retaining walls
 - site contours shown and labelled
 - details of fences.
- information that explains:
 - how the development responds to the site analysis
 - how the subdivision relates to the landform and vegetation
 - how the proposed subdivision relates to the existing or likely use and development of adjoining and nearby land
 - how each lot is capable of treating and retaining all wastewater as outlined in clause 19.03-3 and 56.07-3 of the planning scheme and in accordance with the requirements of the Environment Protection Regulations under the *Environment Protection Act 2017* for an on-site wastewater management system.



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Appendix B

Rural Living Zone

35.03
31/07/2018
VC148

RURAL LIVING ZONE

Shown on the planning scheme map as **RLZ** with a number (if shown).

Purpose

To implement the Municipal Planning Strategy and the Planning Policy Framework.

To provide for residential use in a rural environment.

To provide for agricultural land uses which do not adversely affect the amenity of surrounding land uses.

To protect and enhance the natural resources, biodiversity and landscape and heritage values of the area.

To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.

35.03-1
14/11/2022
VC227

Table of uses Section 1 - Permit not required

| Use | Condition |
|--|--|
| Automated collection point | <p>Must meet the requirements of Clause 52.13-3 and 52.13-5.</p> <p>The gross floor area of all buildings must not exceed 50 square metres.</p> |
| Bed and breakfast | <p>No more than 10 persons may be accommodated away from their normal place of residence.</p> <p>At least 1 car parking space must be provided for each 2 persons able to be accommodated away from their normal place of residence.</p> <p>Must be located more than 500 metres from the nearest title boundary of land on which a work authority has been applied for or granted under the <i>Mineral Resources (Sustainable Development) Act 1990</i> .</p> |
| Community care accommodation | <p>Must meet the requirements of Clause 52.22-2.</p> <p>Must be located more than 500 metres from the nearest title boundary of land on which a work authority has been applied for or granted under the <i>Mineral Resources (Sustainable Development) Act 1990</i> .</p> |
| Dependent person's unit | <p>Must be the only dependent person's unit on the lot.</p> <p>Must meet the requirements of Clause 35.03-2.</p> <p>Must be located more than 500 metres from the nearest title boundary of land on which a work authority has been applied for or granted under the <i>Mineral Resources (Sustainable Development) Act 1990</i> .</p> |
| Domestic animal husbandry (other than Domestic animal boarding) | <p>Must be no more than 2 animals.</p> |
| Dwelling (other than Bed and breakfast) | <p>The lot must be at least the area specified in a schedule to this zone. If no area is specified, the lot must be at least 2 hectares.</p> <p>Must be the only dwelling on the lot.</p> |

| Use | Condition |
|---|--|
| | <p>Must meet the requirements of Clause 35.03-2.</p> <p>Must be located more than 500 metres from the nearest title boundary of land on which a work authority has been applied for or granted under the <i>Mineral Resources (Sustainable Development) Act 1990</i> .</p> |
| <p>Home based business</p> <p>Informal outdoor recreation</p> | |
| <p>Poultry farm</p> | <p>Must be no more than 100 poultry (not including emus or ostriches).</p> <p>Must be no more than 10 emus and ostriches.</p> |
| <p>Racing dog husbandry</p> | <p>Must be no more than 2 animals.</p> |
| <p>Railway</p> <p>Tramway</p> | |
| <p>Any use listed in Clause 62.01</p> | <p>Must meet the requirements of Clause 62.01.</p> |
| <p>Section 2 - Permit required</p> | |
| Use | Condition |
| <p>Accommodation (other than Community care accommodation, Dependent person's unit and Dwelling)</p> <p>Agriculture (other than Domestic animal husbandry, Apiculture, Intensive animal production, Poultry farm, Racing dog husbandry and Timber production)</p> | |
| <p>Bar</p> | <p>The site must not have direct access to a rural freeway.</p> |
| <p>Broiler farm - if the Section 1 condition to Poultry farm is not met</p> | <p>Must be no more than 10,000 chickens.</p> |
| <p>Car park</p> | <p>Must be used in conjunction with another use in Section 1 or 2.</p> |
| <p>Convenience shop</p> | <p>The leasable floor area must not exceed 80 square metres.</p> <p>The site must not have direct access to a rural freeway.</p> |

| Use | Condition |
|---|---|
| Dependent person's unit - if the Section 1 condition is not met | Must meet the requirements of Clause 35.03-2. |
| Domestic animal boarding | |
| Dwelling (other than Bed and breakfast) - if the Section 1 condition is not met | Must meet the requirements of Clause 35.03-2. |
| Freeway service centre | Must meet the requirements of Clause 53.05. |
| Hotel | The site must not have direct access to a rural freeway. |
| Leisure and recreation (other than Informal outdoor recreation and Motor racing track) Market Medical centre Place of assembly (other than Amusement parlour, Carnival, Cinema based entertainment facility, Circus and Nightclub) Plant nursery Postal agency Primary produce sales | |
| Racing dog husbandry – if the Section 1 condition is not met | Must meet the requirements of Clause 53.12. |
| Restaurant | The site must not have direct access to a rural freeway. |
| Rural industry (other than Abattoir and Sawmill) | |
| Service station | The site must either: <ul style="list-style-type: none"> ▪ Adjoin a commercial zone or industrial zone. ▪ Adjoin, or have access to, a road in a Transport Zone 2 or a Transport Zone 3. The site must not exceed either: <ul style="list-style-type: none"> ▪ 3000 square metres. ▪ 3600 square metres if it adjoins on two boundaries a road in a Transport Zone 2 or a Transport Zone 3. |

| Use | Condition |
|---|--|
| | The site must not have direct access to a rural freeway. |
| Store | Must be in a building, not a dwelling, and used to store equipment, goods, or motor vehicles used in conjunction with the occupation of a resident of a dwelling on the lot. |
| Timber production | Must meet the requirements of Clause 53.11. |
| Utility installation (other than Minor utility installation and Telecommunications facility) Any other use not in Section 1 or 3 | |

Section 3 - Prohibited

| Use |
|--|
| Abattoir |
| Amusement parlour |
| Brothel |
| Cinema based entertainment facility |
| Industry (other than Automated collection point and Rural Industry) |
| Intensive animal production |
| Motor racing track |
| Nightclub |
| Office (other than Medical centre) |
| Retail premises (other than Bar, Convenience shop, Hotel, Market, Plant nursery, Postal agency, Primary produce sales and Restaurant) |
| Saleyard |
| Sawmill |
| Transport terminal |
| Warehouse (other than Store) |

35.03-2 Use of land for a dwelling

01/07/2021
VC203

A lot used for a dwelling must meet the following requirements:

- Access to the dwelling must be provided via an all-weather road with dimensions adequate to accommodate emergency vehicles.
- Each dwelling must be connected to reticulated sewerage, if available. If reticulated sewerage is not available, all wastewater from each dwelling must be treated and retained within the lot in accordance with the requirements of the Environment Protection Regulations under the *Environment Protection Act 2017* for an on-site wastewater

management system.

- The dwelling must be connected to a reticulated potable water supply or have an alternative potable water supply with adequate storage for domestic use as well as for fire fighting purposes.
- The dwelling must be connected to a reticulated electricity supply or have an alternative energy source.

These requirements also apply to a dependent person’s unit.

35.03-3 Subdivision

31/07/2018
VC148

A permit is required to subdivide land.

Each lot must be at least the area specified for the land in a schedule to this zone. If no area is specified, each lot must be at least 2 hectares.

A permit may be granted to create smaller lots if any of the following apply:

- The subdivision is the re-subdivision of existing lots and the number of lots is not increased.
- The number of lots is no more than the number the land could be subdivided into in accordance with a schedule to this zone.
- The subdivision is by a public authority or utility service provider to create a lot for a utility installation.

VicSmart applications

Subject to Clause 71.06, an application under this clause for a development specified in Column 1 is a class of VicSmart application and must be assessed against the provision specified in Column 2.

| Class of application | Information requirements and decision guidelines |
|--|--|
| Subdivide land to realign the common boundary between 2 lots where: <ul style="list-style-type: none"> ▪ Each new lot is at least the area specified for the land in the zone or the schedule to the zone. ▪ The area of either lot is reduced by less than 15 percent. ▪ The general direction of the common boundary does not change. | Clause 59.01 |
| Subdivide land into 2 lots where each new lot is at least the area specified for the land in the zone or the schedule to the zone. | Clause 59.12 |

35.03-4 Buildings and works

06/04/2023
VC231

A permit is required to construct or carry out any of the following:

- A building or works associated with a use in Section 2 of Clause 35.03-1. This does not apply to:
 - An alteration or extension to an existing dwelling provided the floor area of the alteration or extension is not more than the area specified in a schedule to this zone or, if no area is specified, 200 square metres. Any area specified must be more than 200 square metres.
 - An out-building associated with an existing dwelling provided the floor area of the out-building is not more than the area specified in a schedule to this zone or, if no area is specified, 250 square metres. Any area specified must be more than 250 square metres.

- An alteration or extension to an existing building used for agriculture provided the floor area of the alteration or extension is not more than the area specified in the schedule to this zone or, if no area is specified, 250 square metres. Any area specified must be more than 250 square metres. The building must not be used to keep, board, breed or train animals.
- A rainwater tank.
- Earthworks specified in a schedule to this zone, if on land specified in a schedule.
- A building which is within any of the following setbacks:
 - The setback from a Transport Zone 2 or land in a Public Acquisition Overlay if the Head, Transport for Victoria is the acquiring authority and the purpose of the acquisition is for a road, specified in the schedule to this zone or, if no setback is specified, 30 metres.
 - The setback from any other road or boundary specified in the schedule to this zone.
 - The distance from a dwelling not in the same ownership specified in the schedule to this zone.
 - 100 metres from a waterway, wetlands or designated flood plain or, the distance specified in the schedule to this zone. Any distance specified must be less than 100 metres.
- A building or works associated with accommodation located within 500 metres from the nearest title boundary of land on which a work authority has been applied for or granted under the *Mineral Resources (Sustainable Development) Act 1990*.

VicSmart applications

Subject to Clause 71.06, an application under this clause for a development specified in Column 1 is a class of VicSmart application and must be assessed against the provision specified in Column 2.

| Class of application | Information requirements and decision guidelines |
|--|--|
| Construct a building or construct or carry out works with an estimated cost of up to \$250,000 where: <ul style="list-style-type: none"> ▪ The land is not used for Domestic animal husbandry, Pig farm, Poultry farm, Poultry hatchery, Racing dog husbandry or Rural industry. ▪ The land is not within 30 metres of land (not a road) which is in a residential zone. ▪ The building or works are not associated with accommodation located within 500 metres from the nearest title boundary of land on which a work authority has been applied for or granted under the <i>Mineral Resources (Sustainable Development) Act 1990</i>. Any works must not be earthworks specified in the schedule to the zone. | Clause 59.13 |

35.03-5
22/03/2022
VC219

Decision guidelines

Before deciding on an application to use or subdivide land, construct a building or construct or carry out works, in addition to the decision guidelines in Clause 65, the responsible authority must consider, as appropriate:

General issues

- The Municipal Planning Strategy and the Planning Policy Framework.
- Any Regional Catchment Strategy and associated plan applying to the land.

- The capability of the land to accommodate the proposed use or development.
- Whether the site is suitable for the use or development and whether the proposal is compatible with adjoining and nearby land uses.
- The potential for accommodation to be adversely affected by vehicular traffic, noise, blasting, dust and vibration from an existing or proposed extractive industry operation if it is located within 500 metres from the nearest title boundary of land on which a work authority has been applied for or granted under the *Mineral Resources (Sustainable Development) Act 1990*.

Agricultural issues

- The capacity of the site to sustain the agricultural use.
- Any integrated land management plan prepared for the site.
- The potential for the future expansion of the use or development and the impact of this on adjoining and nearby agricultural and other land uses.

Environmental issues

- The impact on the natural physical features and resources of the area and in particular any impact caused by the proposal on soil and water quality and by the emission of noise, dust and odours.
- The impact of the use or development on the flora, fauna and landscape features of the locality.
- The need to protect and enhance the biodiversity of the area, including the need to retain vegetation and faunal habitat and the need to revegetate land including riparian buffers along waterways, gullies, ridgelines, property boundaries and saline discharge and recharge area.
- The location of on-site effluent disposal areas to minimise the impact of nutrient loads on waterways and native vegetation.

Design and siting issues

- The impact of the siting, design, height, bulk, colours and materials to be used, on the natural environment, major roads, vistas and water features and the measures to be undertaken to minimise any adverse impacts.
- The impact on the character and appearance of the area or features of architectural, historic or scientific significance or of natural scenic beauty or importance.
- The location and design of existing and proposed infrastructure including roads, gas, water, drainage, telecommunications and sewerage facilities.
- Whether the use or development will require traffic management measures.
- The need to locate and design buildings used for accommodation to avoid or reduce the impact from vehicular traffic, noise, blasting, dust and vibration from an existing or proposed extractive industry operation if it is located within 500 metres from the nearest title boundary of land on which a work authority has been applied for or granted under the *Mineral Resources (Sustainable Development) Act 1990*.

35.03-6 Signs

31/07/2018
VC148

Sign requirements are at Clause 52.05. This zone is in Category 3.



Appendix C

Practice Note 42 Applying the Rural Zones

Applying the rural zones

Planning Practice Note 42

December 2022

The purpose of this practice note is to provide guidance to planning authorities about:

- the strategic work required to apply the Farming Zone, Rural Activity Zone, Rural Conservation Zone, Green Wedge Zone, Green Wedge A Zone and Rural Living Zone
- the purposes and features of each zone and where they may be applied.

The practice note seeks to ensure that the most appropriate rural zones are used to achieve a planning authority's rural strategic planning objectives.

The suite of rural zones for Victoria

The rural areas of Victoria accommodate a range of farming, residential, industrial and commercial uses and contain many of the state's significant natural resources, such as native vegetation, minerals and water. They also provide important resources for recreation, tourism and timber production.

The suite of rural zones for Victoria:

- recognise the state, regional and local importance of farming as an industry and provide greater protection for productive agricultural land
- provide a wide choice of zones with clear purposes and controls to match
- discourage ad hoc and incompatible use and development
- recognise the changing nature of farming and reduce the potential for conflict between farming and other land uses
- recognise that rural areas are places where people live and work
- recognise and protect rural areas that are environmentally sensitive.

The changing nature of farming

The nature of farming in Victoria is changing in ways that require careful consideration. It is:

- Becoming more diverse - Farming in Victoria is constantly changing and expanding in response to changing world and domestic consumption patterns and the need to remain profitable and sustainable.
- Becoming more industrialised - Modern farming practices may involve the use of heavy machinery and large-scale irrigation and plant equipment, all-hours operation, and the application of chemicals and fertilisers.
- Intensifying - Intensive farming enterprises, such as aquaculture, poultry farms and horticulture are growing in numbers and in their contribution to the economy.



- Aggregating – In western Victoria particularly, farms are becoming bigger to achieve the economies of scale for farm investment and to maintain productivity.
- Undergoing social change – More farmers are taking on off-farm work, the economic value of off-farm work is increasing, and there is a shift from full-time to part-time farming in some rural areas.

More changes in farming structures and practices are expected due to changing climatic conditions and growing community pressure for more environmentally responsive practices by all industries.

At the same time, more people are seeking to live in rural areas for a range of social, environmental and economic reasons. As a result, in some rural areas:

- there is more competition for rural land, which is affecting rural land prices and the capacity of farmers to expand their businesses and maintain productivity
- there is renewed interest in part-time small-scale farming
- more people are living in rural areas for lifestyle reasons not related to farming, increasing the potential for land use conflicts because people pursuing a rural lifestyle often have amenity expectations that conflict with modern farming practices
- local rural economies are diversifying, as rural land is used for more diverse purposes (such as tourism or recreation).

Victoria's changing rural landscape requires planning authorities to think strategically about their farming areas and rural settlement patterns, so that sustainable farming is promoted and potential conflicts between farming and other land uses are avoided.

Strategic planning for rural areas

Sound strategic planning for rural areas is essential to ensuring that land use and development achieves the planning authority's vision and strategic objectives for an area. It can help ensure that:

- use and development in rural areas fits into the overall strategic planning of the municipality
- farmland and farming industries of state, regional or local significance are protected
- housing development in rural areas is consistent with the housing needs and settlement strategy of an area
- future use of existing natural resources, including productive agricultural land, water, and mineral and energy resources, is sustainable
- scarce resources, such as water, are protected
- social networks and infrastructure essential to rural communities are maintained
- existing visual and environmental qualities of rural areas are protected
- conflicts between farming and other land uses are avoided
- the most appropriate planning scheme tools (for example, the right rural zone) are used to achieve strategic planning objectives.

Applying a new rural zone or making amendments to a schedule to an existing rural zone should be underpinned by clearly expressed planning policies in the planning scheme. If a proposed amendment is at odds with the existing policy framework, either a different planning tool or approach should be used or the policy framework itself might need re-assessment.

The existing Planning Policy Framework (PPF) and MPS in the planning scheme should be the starting point for deciding whether the council's strategic objectives are still sound. If existing PPF and MPS policies are no longer relevant, they do not provide clear guidance for decision-making, or there are strategic gaps, new strategic work may be required.

Before commencing new strategic work, the council should review the policy components of its planning scheme, past and present council strategic work, relevant studies prepared by government departments and agencies, relevant recommendations of planning panels and past planning scheme review recommendations. This will help to establish whether new strategic work is



required, the scope of the strategic work and the main issues to be focussed on.

There is no prescribed content or format for a rural strategy or study, however it should:

- develop a vision, role and purpose for the rural area
- identify the values and features within the rural area
- identify the key opportunities and constraints
- establish a strategic direction for land use and development within the rural area
- articulate how the strategic vision for the rural area is to be implemented through the planning scheme.

The information used to develop the strategy should be tailored to suit the area. In general, it should include an assessment of:

- the state, regional and local strategic planning policies and objectives for the area, including relevant regional growth plans or strategies
- the housing needs of the municipality and likely future trends which is particularly relevant if one of the aims of the strategy is to provide for rural living development
- the physical attributes of the land and its capacity to support productive agricultural uses including soil type, climate, vegetation cover, access to water, slope and drainage
- agricultural trends in the area, including agricultural productivity, changes in farming practices and processes, and farm investment patterns
- the natural resources and environmental features in the area and their importance including flora and fauna, significant habitats, wetlands, scenic landscapes and sites of archaeological or cultural significance
- environmental hazards that could affect how the land is used and developed, such as erosion, salinity, flooding and wildfire risk
- the existing lot size and land use patterns
- infrastructure available for agriculture and other relevant land uses
- settlement patterns in the area.

Implementing rural strategic objectives

After completing the necessary strategic work, a planning authority may use a number of tools from the Victoria Planning Provisions (VPP) to successfully implement its rural strategic objectives. There are circumstances where a zone and one or more overlays may be needed to deliver the desired outcome. Councils should think laterally about the mix of policies and controls required to achieve their objectives and be prepared to consider using a range of tools to achieve the desired strategic outcomes.

In deciding which rural zone should apply, the following principles should be considered:

- The zone should support and give effect to the PPF.
- The zone should broadly support relevant policies of the MPS (for example, economic, housing, environment and infrastructure policy).
- The rationale for applying the zone should be clearly discernible in local planning policy.
- The zone should be consistent with the recommendations of any relevant rural strategy.
- The zone should be applied in a way that is consistent with its purpose.
- The requirements of any applicable Ministerial Direction must be met.

Many factors should be considered deciding the suitable rural zones. The existing size or pattern of lots in an area should not be the sole basis for deciding to apply a particular zone. For example, it is not appropriate to decide that the Rural Living Zone should be applied to an area simply because it comprises small lots. These areas can still be used productively and can be included in a zone that supports and protects farming. Many factors will determine the suitability of an area for farming, rural living, rural industry, rural conservation or green wedge land.

Local planning policy

Wide discretion is available in the rural zones, particularly the Farming Zone, Rural Activity Zone and Rural Living Zone. To guide the exercise of this discretion and fully implement their strategic objectives, the planning authority should consider whether a local planning policy is necessary. A local planning policy can help to establish realistic expectations about how land in an area may be



used and developed, and provide the responsible authority with a sound basis for making consistent, strategic decisions. Refer to the *Practitioner's Guide to Victoria's Planning Schemes* for more guidance on using local planning policies.

The zones in detail

The six zones are summarised as follows:

- Farming Zone – a zone that is predominantly focussed on protecting and promoting farming and agriculture
- Rural Activity Zone – a mixed use rural zone that caters for farming and other compatible land uses
- Rural Conservation Zone – a conservation zone that caters for rural areas with special environmental characteristics
- Green Wedge Zone – a zone that provides for all agricultural uses and limits non-rural uses to those that either support agriculture or tourism, or that are essential for urban development but cannot locate in urban areas for amenity or other reasons
- Green Wedge A Zone – a zone that provides for all agricultural uses and limits non-rural uses to those that support agriculture, tourism, schools, major infrastructure and rural living
- Rural Living Zone – a zone that caters for residential use in a rural setting.

The zone purposes

All of the rural zones implement the MPS and the PPF and provide for the use of land for agriculture, however, the role of farming differs in the zones:

- Farming is a primary land use activity in the Farming Zone, Rural Activity Zone, Green Wedge Zone and Green Wedge A Zone.
- Farming is subordinate to other land uses or the environmental values of the land in the Rural Conservation Zone and Rural Living Zone.

Farming Zone Purpose

- To provide for the use of land for agriculture.
- To encourage the retention of productive agricultural land.
- To ensure that non-agricultural uses, including dwellings, do not adversely affect the use of land for agriculture.

- To encourage the retention of employment and population to support rural communities.
- To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.
- To provide for the use and development of land for the specific purposes identified in a schedule to this zone.

Rural Activity Zone Purpose

- 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 provide for the use and development of land for the specific purposes identified in a schedule to this zone.
- 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.

Green Wedge Zone Purpose

- To provide for the use of land for agriculture.
- To recognise, protect and conserve green wedge land for its agricultural, environmental, historic, landscape, recreational and tourism opportunities, and mineral and stone resources.
- To encourage use and development that is consistent with sustainable land management practices.
- To encourage sustainable farming activities and provide opportunity for a variety of productive agricultural uses.
- To protect, conserve and enhance the cultural heritage significance and the character of open rural and scenic non-urban landscapes.
- To protect and enhance the biodiversity of the area.



Green Wedge A Zone Purpose

- To provide for the use of land for agriculture.
- To protect, conserve and enhance the biodiversity, natural resources, scenic landscapes and heritage values of the area.
- To ensure that use and development promotes sustainable land management practices and infrastructure provision.
- To protect, conserve and enhance the cultural heritage significance and the character of rural and scenic non-urban landscapes.
- To recognise and protect the amenity of existing rural living areas.

Rural Conservation Zone Purpose

- To conserve the values specified in a schedule to the zone.
- To protect and enhance the natural environment and natural processes for their historic, archaeological and scientific interest, landscape, faunal habitat and cultural values.
- To protect and enhance natural resources and the biodiversity of the area.
- To 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.
- To provide for agricultural use consistent with the conservation of environmental and landscape values of the area.
- To conserve and enhance the cultural significance and character of open rural and scenic non-urban landscapes.

Rural Living Zone Purpose

- To provide for residential use in a rural environment.
- To provide for agricultural uses which do not adversely affect the amenity of surrounding land uses.
- To protect and enhance the natural resources, biodiversity and landscape and heritage values of the area.
- To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.

What are the main features of each zone?

Farming Zone

The Farming Zone is primarily concerned with keeping land in agricultural production and avoiding land uses that could limit future farming or constrain agricultural activities. In this zone:

- farming is the dominant land use and all other land uses are subordinate to farming
- farming uses are encouraged to establish and expand with as little restriction as possible, subject to proper safeguards for the environment
- non-farm dwellings and land uses not related to farming may be considered but should not limit the operation and expansion of agricultural uses
- farm-related tourism and retailing uses may be considered
- uses that could lead to the loss or fragmentation of productive agricultural land, or which could be adversely affected by farming activities, are prohibited
- land subdivision that could take farmland out of production or limit future farming productivity is discouraged
- the minimum lot size for subdivision may be tailored to suit the farming practices and productivity of the land.

This zone provides a minimum lot size of 40 hectares unless an alternative is specified in a schedule to the zone. The creation of smaller lots is prohibited unless the subdivision is for an existing dwelling, is the re-subdivision of existing lots or the creation of a small lot for a utility installation.

Productive agricultural land

Productive agricultural land generally 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.

The basic physical characteristics of the land, such as soil type and climate, access to water, and infrastructure are critical to determining the agricultural use of land and whether agricultural



productivity can be sustained in the future. However, productivity is also affected by many other factors, including market demand, access to suitable storage and transport facilities, access to efficient processing and value adding capability, availability of technology, the skills of the farmer, research and development, access to capital, marketing, effective industry support, availability of land for expansion and farm labour costs.

Productive agricultural land is a finite resource that makes a significant contribution to the economy of the state and individual municipalities. Its significance is recognised in the PPF.

Productive agricultural land should be clearly identified and protected in the planning scheme. If the protection and retention of this land for agricultural production is of primary strategic importance, then it should be included in the Farming Zone.

The Farming Zone is designed to encourage diverse farming practices, some of which can have significant off-site impacts. For this reason, the level of amenity that can be expected in this zone will usually not be compatible with sensitive uses, particularly housing.

Decision guidelines

In reaching a decision on a proposal in this zone, the responsible authority must give significant weight to the farming productivity of the land and the relevance of the proposal to farming. There is an expectation that decisions will be made in favour of protecting and supporting farming.

The zone's focus on farming does not mean that there should be little or no consideration of the impact of farming on the environment. The zone encourages farming based on comprehensive and sustainable land management practices and a planning permit is required to establish or expand certain farming enterprises. However, in these cases, the focus of the responsible authority's decision will usually be on whether off-site impacts that may result from the proposal are reasonable for a farming area.

Rural Activity Zone

The main feature of the Rural Activity Zone is the flexibility that it provides for farming and other land uses to co-exist. In this zone:

- the purpose and provisions support the continuation and growth of farming but provide

the opportunity for non-farming uses to be considered in appropriate locations

- a wide range of tourism, commercial and retail uses are supported
- farming uses are encouraged to establish and expand, subject to proper safeguards for the environment and amenity considerations
- a planning permit is always required to use land for a dwelling.

Because the mix of uses that is supported in the Rural Activity Zone is wide-ranging, the planning scheme should be clear about:

- what the planning authority wants to achieve for the area
- how discretion in the zone will be exercised.

This can be done by:

- including a local purpose statement in the schedule to the zone. The schedule purposes should be more specific than the purposes in the head provision.
- setting out clear objectives and strategies for the area in a local planning policy.

If the planning scheme is clear about what is to be achieved in the zone, this will enable the responsible authority to make decisions on a consistent, strategic basis and avoid land use conflicts in the future.

A purpose statement in the schedule to the zone may describe:

- desired or preferred mix of land uses
- desired or preferred locations for particular land uses
- preferred approaches for managing off-site land use impacts
- a specific need that a proposal should meet.

A good purpose statement should be tailored to local conditions, be grounded in reality, and help the responsible authority to make planning decisions, for example:

To achieve a mix of nature-based recreation facilities and tourist accommodation that complements the wilderness values of Gumnut National Park and is compatible with organic food production activities in the area.

The mix of uses that a planning authority may want



to encourage in the zone could include:

- farming, rural industry and associated agribusiness
- farming and tourist facilities
- intensive animal husbandry and associated rural processing industries
- nature-based tourism and recreation facilities
- agricultural and environmental education and research facilities.

The application of the Rural Activity Zone does not mean that protecting or maintaining farming activities will be of low importance. The zone caters for a wide range of farming activities, including intensive animal husbandry, rural processing industries and timber production, and a planning authority may want to apply the zone to encourage a particular mix of farming and non-farming activities. However, the needs of farmers will need to be balanced with the council's other planning objectives for the area.

The mix of uses that is encouraged in the zone should complement the environmental and landscape values of the land, and support the council's overall urban and rural settlement strategies. It would be inappropriate to apply the zone to encourage a rural mixed use area if the land is required for urban development in the future, or if the particular uses would be better located in an existing town, where there is access to a wider range of urban services and infrastructure.

The zone should not be mistaken for a quasi-rural residential zone. Housing is only one of a number of uses that may be considered in the zone, and, in some circumstances, it may be incompatible with the particular mix of uses that the planning authority is seeking to achieve.

Tourism

Rural Victoria is home to many trails, transport routes and nature-based attractions that have strong tourist appeal and create demand for recreation and tourism facilities and services. Tourism can promote and facilitate economic activity that supports aspects of regional and rural life. For example, farm stays, cellar door sales and the sales of local produce support agriculture.

A range of farming-related tourism uses may be considered in the Farming Zone (such as farm stays, group accommodation, market, residential hotel,

restaurants, and primary produce sales). However, if a planning authority is keen to facilitate the establishment of larger scale tourism uses or a more diverse mix of tourism and recreation uses, the Rural Activity Zone may be a more appropriate zone to apply as hotel and tavern are permit required uses.

In deciding to apply the Rural Activity Zone 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.

In reaching a decision on proposals in the Rural Activity Zone, the responsible authority must consider whether the use or development will support and enhance agricultural production and other matters relating to protecting and enhancing farming. However, the weight that is given to these considerations will need to be balanced with other social, environmental or economic objectives and policies identified for the land in the scheme.

The schedule to the Rural Activity Zone requires the planning authority to nominate an appropriate minimum lot size and subdivision of land must be at least the area specified in the schedule to the zone (subject to certain exceptions). This will vary depending on the physical attributes of the land, the type of agricultural activities being encouraged and the mix of non-farming land uses being sought. The minimum lot size should promote effective land management practices and infrastructure provision and could be large or small.

Rural Conservation Zone

The Rural Conservation Zone is primarily concerned with protecting and conserving rural land for its environmental features or attributes. The conservation values of the land must be identified in the schedule to the zone and could be historic, archaeological, landscape, ecological, cultural or scientific values. In this zone:



- all uses are subordinate to the environmental values of the land
- farming is allowed provided that it is consistent with the environmental values of the area
- the minimum lot size for subdivision is tailored to suit the environmental features and values of the land.

Land use and development is controlled in the zone to safeguard the natural environment and conserve the identified environmental qualities of the land. Most agricultural uses require a planning permit. In general, there is an expectation that a proposal will only be permitted if it conserves the values identified for the land, the site is environmentally capable of sustaining the proposal, and it is compatible with surrounding land uses.

The zone provides a minimum lot size of 40 hectares unless an alternative is specified in a schedule to the zone. The creation of smaller lots is prohibited unless the subdivision is the re-subdivision of existing lots or the creation of a smaller lot for a utility installation.

A permit is required to lease or license a portion of a lot for a period of more than 10 years for the purpose of Accommodation and must be on land of at least 40 hectares in area or as specified in a schedule to the zone.

Green Wedge Zone

The Green Wedge Zone is primarily concerned with protecting and conserving non-urban land outside of the Urban Growth Boundary (UGB) for its agricultural, environmental, historic, landscape, or recreational values, or mineral and stone resource attributes.

The zone provides opportunity for all agricultural uses and most farming uses and limits non-rural uses to those that either support agriculture or tourism, or that are essential for urban development but cannot locate in urban areas for amenity and other reasons (such as airports, schools, waste treatment plants, land fills and reservoirs). A dwelling requires a permit and is restricted to one dwelling per lot.

The zone provides a minimum lot size of 40 hectares unless an alternative is specified in a schedule to the zone. The creation of smaller lots is prohibited unless the subdivision is the re-subdivision of existing lots or the creation of a small lot for a utility installation.

A permit is required to lease or license a portion of land for a period of more than 10 years for the

purpose of Accommodation and must be on land of at least 40 hectares in area or as specified in a schedule to the zone.

Green Wedge A Zone

The Green Wedge A Zone is primarily concerned with protecting and conserving non-urban land outside of the Urban Growth Boundary (UGB) for its agricultural, environmental, historic, landscape, infrastructure, natural resource or rural living attributes.

The zone provides opportunity for all agricultural uses and limits non-rural uses to those that either support agriculture or tourism, schools, major infrastructure and rural living. A dwelling requires a permit and is restricted to one dwelling per lot.

The zone provides a minimum lot size of eight hectares unless an alternative is specified in a schedule to the zone. The creation of smaller lots is prohibited unless the subdivision is the re-subdivision of existing lots or the creation of a small lot for a utility installation.

A permit is required to lease or license a portion of a lot for a period of more than 10 years for the purpose of accommodation and must be on land of at least 8 hectares in area or as specified in a schedule to the zone.

Rural Living Zone

This zone provides for residential use in a rural environment. It is designed to cater for lots in a rural setting that are large enough to accommodate a dwelling and a farming use. The farming use is likely to be carried on for reasons other than the need to provide a significant source of household income.

In this zone:

- it is not essential that a dwelling be genuinely associated with a farming use of the land
- some farming may take place on the land, however this will not always be the case
- residents have a reasonable expectation that their amenity will be protected
- a wider range of tourism, commercial and retail uses may be considered in the zone.

Although the Rural Living Zone is catering primarily for residential use, the allotment size and subdivision layout should provide the opportunity for farming activities to occur, without adversely affecting the natural environment or the amenity of surrounding



land uses. This means that the minimum lot size could be quite large.

The zone provides a minimum lot size of 2 hectares unless an alternative is specified in a schedule to the zone. The creation of smaller lots is prohibited unless the subdivision is the re-subdivision of existing lots, creating lot sizes consistent with the schedule or the creation of a smaller lot for a utility installation.

If the planning authority's objective is to encourage rural residential development at densities that are defacto large residential lots or that would preclude farming activities, then it should consider applying the Low Density Residential Zone.

Because of the zone's primarily residential function, a planning authority must be able to show that using the Rural Living Zone is part of its strategy to provide appropriate housing diversity and choice to meet housing needs.

In the Rural Living Zone, development must be provided with certain community infrastructure and services normally expected for residential areas. This is why land uses that are normally located in urban areas may be considered in the zone. These uses need to be considered carefully, to ensure that the zone does not become an unplanned urban area and farming on adjacent land is not compromised.

For more information about the key strategic and land capability requirements that a proposed Rural Living rezoning must meet refer to Planning Practice Note 37: *Rural Residential Development*

Potable water supply catchment areas

A potable water supply catchment provides water resources to a reservoir used primarily for domestic water supply purposes. Special water supply catchment areas are listed in Schedule 5 of the *Catchment and Land Protection Act 1994*.

There are two types of potable water supply catchments:

- An 'open' catchment is where part or all of the catchment area is in private ownership and access to the catchment is unrestricted.
- A 'closed' catchment means that the whole of the catchment area is publicly owned and public access is prohibited.

Water authorities do not have direct control over land use and development in open, potable water supply catchments. However, because of the risks to public health, all use and development should be sited and managed to protect the quality of water collected from the catchment. Residential development and agriculture particularly have the potential to impact adversely on water quality through the discharge of contaminated runoff and wastes, nutrient contributions or sediment to waterways.

To protect water quality in open, potable water supply catchments, the preferred approach is to apply the Rural Conservation Zone. However, in deciding to apply this zone to these areas, a planning authority should carefully consider the type and extent of development expected in the area, the potential sources of pollutants, and the conditions or standards that new use and development would be required to meet to maintain an acceptable water quality.

For further information about potable water supply catchments, refer to *Planning Practice Note 55 - Planning in Open Drinking Water Catchments* and the guidelines for *Planning Permit Applications in Open, Potable Water Supply Catchment Areas* (Department of Sustainability and Environment, 2012).



Where should the zones be applied?

Each zone's purpose and provisions determine where the zone should be applied. Examples of candidate areas for each zone are provided below, however these are indicative only. The decision about which zone is applied should be driven by the strategic objectives in the scheme.

The **Farming Zone** is designed to be applied to rural areas where:

- farmers require certainty about undertaking normal farming practices and need the flexibility to change farming practices in the future
- farming is the principal 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 maximised.

Possible Farming Zone areas include:

- horticulture areas
- intensive animal husbandry areas
- irrigated areas
- dairying areas
- forestry plantation areas
- other broad hectare cropping areas
- areas where the consolidation, intensification or aggregation of farming activities is encouraged
- areas where non-farming uses and development need to be strictly controlled so that potential land use conflicts can be avoided.

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

- farming is an important 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 activities in the area, assist in preventing the unplanned loss of productive agricultural land elsewhere, or allow for 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 planning authority has developed a clear policy about how discretion in the zone will be exercised.

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 the council's urban settlement objectives
- rural areas where commercial, tourism or recreational development will complement and benefit the particular agricultural pursuits, landscape features or natural attractions of the area
- farming areas where complementary rural industry, intensive animal husbandry, agribusiness uses, and rural research facilities are encouraged.

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 including, for example, 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 further 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.



If the environmental or landscape features cover a large rural area, the Rural Conservation Zone is likely to be suitable. However, if the features are widely dispersed or fragmented and the surrounding land has been substantially altered (for example, broadacre farming areas with wildlife corridors), the other rural zones may be more appropriate supplemented with overlays.

Possible Rural Conservation Zone areas include:

- relatively intact natural areas where land use and development could result in the loss of important environmental features or values
- areas of biodiversity or ecological significance
- rural areas that contain threatened species habitat, such as wetlands, water catchments and grasslands
- rural areas of high scenic or landscape value
- environmentally degraded areas where a cautious approach to land use and development is required to avoid further environmental damage
- rural areas that are unstable or prone to erosion or salinity
- open, potable water supply catchment areas.

The **Green Wedge Zone** is designed to be applied to green wedge land where:

- agriculture and farming is an important activity in the area, complemented by other land uses
- a mixed-use function would support farming activities in the area, assist in preventing the unplanned loss of productive agricultural land elsewhere, or allow for the logical and efficient provision of infrastructure to service urban areas
- the use of land in the area for non-farming purposes, such as tourism uses, would support the long-term productivity of surrounding farmland
- the protection of the environmental features of the land is important including, for example, native vegetation, flora and fauna, cultural heritage, significant habitats, or they could relate to the landscape and visual qualities of the land
- significant mineral and stone resources are located in the area.

Possible Green Wedge Zone areas include:

- rural land defined as green wedge land

- areas of agricultural and farming land
- relatively intact natural areas where land use and development could result in the loss of important environmental features or values
- areas of biodiversity significance
- rural areas more remote from townships and township areas supporting a variety of land uses and lot sizes of around 40 hectares or greater
- rural areas of high scenic or landscape value
- areas for infrastructure provision or stone and mineral resources.

The Green Wedge A Zone is designed to be applied to green wedge land where:

- agriculture and farming is an important 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 and tourism activities in the area, assist in preventing the unplanned loss of productive agricultural land elsewhere, or allow for the logical and efficient provision of infrastructure to service urban areas
- the use of land in the area for non-farming purposes, such as tourism uses, would support the long-term productivity of surrounding farmland
- the protection of the environmental features of the land is important including, for example, native vegetation, flora and fauna, cultural heritage, significant habitats, or they could relate to the landscape and visual qualities of the land
- significant natural resources are located in the area
- rural living areas with lot sizes of around eight hectares or greater located on the periphery of, or between, townships.

Possible Green Wedge A Zone areas include:

- rural land defined as green wedge land
- relatively intact natural areas where land use and development could result in the loss of important environmental features or values
- areas of biodiversity significance
- rural areas surrounding townships supporting a variety of land uses with lot sizes of around eight hectares or greater
- rural areas of high scenic or landscape value



- areas with significant natural resources.

The **Rural Living Zone** is designed to be applied to areas where:

- the rural land has a mainly residential function
- farming may take place on the land but this is subordinate to the residential use
- residents require certainty about the residential amenity of the area and are protected from potentially incompatible land uses
- farming is of a nature or scale that will not conflict with housing
- residents will have access to most of the normal services and infrastructure provided in urban areas.

Possible Rural Living Zone areas include:

- rural areas that have been substantially subdivided and developed for dwellings in proximity to an urban area or township with a range of urban services and infrastructure.

Further information

More information is available on the department's website at planning.vic.gov.au:

Other planning practice notes:

- *PPN62: Green Wedge Planning Provisions*
- *PPN31: Preparing a Green Wedge Management Plan*
- *PPN37: Rural Residential Development*
- *PPN55: Planning in Open Drinking Water Catchments*



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