

RURAL LAND USE STRATEGY

EAST GIPPSLAND SHIRE

July 2023



ACKNOWLEDGEMENT

East Gippsland Shire Council acknowledges the traditional custodians of this land, the Gunaikurnai, Monero and Bidawel people and their enduring relationship with country. Council aspires to strengthen our partnerships and supports Aboriginal participation in management processes for land and natural resources. We recognise Australia's rich cultural heritage and aim to encourage integrated decision making now and in the future.

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Executive Summary

INTRODUCTION

This Rural Land Use Strategy (RLUS) is the first of its kind for East Gippsland. The Strategy supports a diversity of agricultural enterprises of various scales, promotes emerging opportunities for rural industries, boutique farming, rural tourism, and recognises and protects important environmental and landscape values. The Strategy acknowledges the important contribution that rural communities make to the economic, social and environmental fabric of East Gippsland and provides support for the ongoing viability of rural settlements.

The key components of the Strategy are:

- A Strategic Framework comprising a vision, principles, framework plan and strategic directions for rural land.
- An Implementation Plan including recommendations for changes to the East Gippsland Planning Scheme and further strategic work.

STUDY AREA

The study area incorporates all private rural land within the Farming Zone and Rural Conservation Zone (Figure 2) in East Gippsland. Land use on public, urban and Rural Living zoned land is considered where it impacts use and development of land within the scope of this study.

A separate review of rural residential opportunities associated with the Rural Living Zone forms part of the East Gippsland Housing and Settlement Strategy.

MAJOR DRIVERS

The RLUS responds to the major drivers affecting use and development of rural land. These drivers include:

- A planning policy context that seeks to protect productive agricultural land, natural and cultural heritage values and minimise risks to life, property and the environment from natural hazards.
- A strategic context that seeks to support population retention/growth and job creation by promoting rural industry development and diversification.

- Opportunities to grow the rural economy, leveraging the Shire's competitive strengths in agriculture and rural tourism.
- The need to protect productive agricultural land and farmland of strategic significance that underpin the Shire's agricultural economy.
- The need to address fragmentation of rural land and to achieve a cultural change in the expectation that a dwelling may be constructed on every rural lot.
- Supporting agriculture to adapt to the future climate.
- Balancing the economic and social benefits arising from new rural industries including mining and renewable energy generation with the protection of productive agricultural land, landscape and environmental values and the amenity of the rural areas.

VISION

The RLUS establishes the following vision for the rural areas of East Gippsland.

East Gippsland's rural land is integral to the economy, identity and social fabric of the Shire. A unique mix of natural resources, wilderness, lakes and coast supports diverse farming activities, rural industries, unparalleled rural lifestyle and visitor destinations and experiences.

STRATEGIC DIRECTIONS

To achieve this vision, the RLUS establishes the following directions for rural land across East Gippsland, to be implemented by the Rural Framework Plan and policy recommendations.

STRATEGIC DIRECTION 1 – FOOD AND FIBRE

Agriculture underpins the economy of East Gippsland. In 2020, the value of agricultural production in East Gippsland was \$295m. Planning must support agriculture to adapt to changing technology, markets and climate change to be a thriving and efficient industry. Leveraging strengths in food and fibre production will attract supporting service industries, manufacturing and processing businesses. Protection of productive agricultural land is important to give agricultural businesses confidence to invest for

the long term. Farmland of strategic significance continues to support production and processing of high value crops.

The rural areas of East Gippsland also host a variety of smaller scale farming operations that make a valuable contribution to food and fibre production at a local level and complement larger scale commercial farming activities. Planning will continue to support these opportunities to drive innovation and diversity in the agricultural sector.

Objective

Support growth of food and fibre production, processing and manufacturing that adds value to primary production by protecting productive farmland and farmland of strategic significance.

Strategies

Facilitate innovation and adoption of new technology in the agricultural sector and adaptation to a changing climate.

Discourage uses and development, including dwellings, in the Farming Zone which are not required to support commercial agricultural activities and that may have an adverse impact on agricultural operations or introduce conflict with agriculture.

Provide rural infrastructure that specifically supports the agricultural sector and adds value to primary produce.

Identify and respond to significant fragmentation of rural land.

STRATEGIC DIRECTION 2 – RURAL TOURISM

Tourism is a well-established industry in East Gippsland based on its natural assets including the Gippsland Lakes, High Country extensive coasts and wilderness areas, Lakes Entrance, Mallacoota, Coastal Wilderness Walk, National Parks, major touring routes and active recreation facilities. There is potential to diversify East Gippsland's rural tourism offer to include wider choice in nature-based and agri-tourism tourism and associated experiences. This includes opportunities such as high-end eco-tourism development (glamping and wilderness lodges), facilities that service the growing interest in hiking, cycling, mountain biking, and agri-food services such as cellar door and farm gate sales. There are also opportunities to leverage the region's significant cultural heritage.

Objective

Encourage agri-tourism and nature-based tourism opportunities in appropriate locations across the Shire.

Strategies

Encourage tourism development that leverages environmental, landscape and cultural values.

Encourage agri-tourism and nature-based tourism building on the Shire's strengths in agriculture and environmental values.

Allow for low impact rural tourist-based land uses (including tourist accommodation) which are of an appropriate scale and nature, and do not impact the ordinary operation of agriculture or other rural industry.

Avoid rural tourism development that may have an adverse impact on environmental values, landscape qualities and farmland of strategic significance.

Discourage further fragmentation of land by further subdivision, including dwelling excisions, within the proposed Rural Activity Zone (RAZ).

STRATEGIC DIRECTION 3 – RURAL INDUSTRIES

East Gippsland's strengths and competitive advantages in food and fibre production provide the opportunity to attract service industries, manufacturing and processing businesses in appropriate locations.

Rural industries such as timber harvesting, extractive industries, mining and renewable energy generation present further economic and employment opportunities. Ensuring that rural industry land and assets are not encroached by sensitive uses, including dwellings, will protect their long term viability. It will be important, however, to balance the economic and social benefits arising from new rural industries with the protection of productive farmland, farmland of strategic significance, significant landscape and environmental values and the amenity of the Shire's rural areas.

Objective

Encourage sustainable development of rural industries in appropriate locations.

Strategies

Encourage food and fibre processing and manufacturing that has the potential to generate local employment both on farm and across the value chain.

Encourage rural industries that leverage strengths in renewable energy generation and extractive industries.

Encourage high quality, low volume native timber harvesting that supports communities and protects the multiple uses and biodiversity of forests.

Discourage uses and development that may have an adverse impact on the legitimate operation of rural industries.

Avoid development of rural industries including extractive industries, that may have negative impacts on farmland of strategic significance, productive farmland, irrigation assets, significant landscapes and rural tourism assets.

Ensure adequate buffer distances are identified and maintained between rural industries and urban development and sensitive uses.

STRATEGIC DIRECTION 4 – ENVIRONMENT, LANDSCAPE, CATCHMENTS AND NATURAL HAZARDS

The natural environment and landscapes of East Gippsland contribute to its identity and attractiveness as a place to live, work and visit.

The Shire is host to flora and fauna protected by Federal and State legislation as well as significant wetlands, and waterways. East Gippsland also has a number of declared special water supply catchments that are a critical source of potable water, irrigation and feed the Gippsland Lakes National Park.

East Gippsland offers a diverse range of rural landscapes from The High Country to coastal areas and the Gippsland Lakes. Many of these areas are classified by the National Trust as landscapes of special or regional significance and require recognition and protection.

The natural values of East Gippsland also present challenges in relation to the management of environmental hazards including bushfire, flood and erosion. Risks associated with these hazards are exacerbated by the changing climate and require careful consideration as part of the appropriate and sustainable use of rural land.

There are opportunities to strengthen policy and controls in order to recognise and protect these diverse and significant natural values and associated risks.

Objective

Recognise, protect and enhance East Gippsland's environmental and landscape values.

Appropriately manage natural hazards in rural areas and prioritise the protection of human life in relation to use and development of rural land.

Strategies

Protect rural landscapes and ensure that new development complements the established rural character.

Encourage use and development to deliver high quality environmental outcomes and contribute to improved habitat and ecological connectivity through good design and on-site environmental improvement.

Discourage use and development that fails to appropriately address natural hazards and the need to protect human life.

Recognise the need for rural industry and rural tourism development, e.g. agricultural structures, tourism development, renewable energy generation facilities, while ensuring that in areas of high landscape value they are sensitively designed and located.

Identify, protect and enhance significant environmental values.

Discourage inappropriate use and development within Proclaimed Water Supply Catchment Areas.

STRATEGIC DIRECTION 5 – RURAL HOUSING

Dwelling development has been identified as the major issue for planning in the Rural Zones in East Gippsland.

The RLUS acknowledges that 'rural residential' living and lifestyle opportunities comprise an important component of the East Gippsland housing market and offer economic benefits and support population retention in more remote rural communities. It is critical, however, that these opportunities are balanced against the need to protect productive farm land for agricultural activities that are unencumbered by sensitive land uses such as rural residential dwellings. In this context, the RLUS seeks to identify a balanced approach to rural housing.

The key focus of this RLUS is to support agriculture and the rural economy and therefore recommends policy that will seek to ensure that new rural dwellings in the Farming Zone are only supported when genuinely required for an agricultural purpose.

Rural residential dwellings should be directed to the Rural Living Zone which is intended to provide for residential use in a rural environment. A separate review of rural residential opportunities associated with the Rural Living Zone is being undertaken as part of the East Gippsland Housing and Settlement Strategy. This work will ensure an adequate supply of appropriately located rural residential land. The RLUS also identifies other circumstances where development of a dwelling on a small

lot in the Farming Zone may be an appropriate outcome, subject to proper assessment, including:

- To support rural settlements. There are a number of rural settlements in East Gippsland that, whilst providing limited services, are extremely important to the surrounding rural population. Maintaining the population in these settlements is constrained by the lack of supply of suitable housing and very low demand for new housing.
- To respect historic subdivision for rural residential purposes. There are a number of legacy or historic small lot subdivisions in the Farming Zone that were created under former Planning Schemes for the purpose of 'rural- residential' living, without a zoning change.
- To protect and enhance established environmental values. Some rural areas of East Gippsland have environmental qualities (e.g. established native vegetation) that is not compatible with commercial agricultural operations. The environmental values of these locations may benefit from the use and development of a dwelling that is not associated with agriculture.

Objectives

Protect rural areas from inappropriate subdivision and dwelling development.

Support population retention in rural settlements and address legacy subdivisions.

Strategies

Discourage uses and development, including subdivision and dwellings which are not directly related to agriculture, that may have an adverse impact on agricultural operations or introduce conflict with agricultural activities.

Strongly discourage inappropriate development, including dwellings, on Crown Allotments.

Provide for residential development in the Farming Zone within or within reasonable proximity to rural settlements subject to consideration of hazards, particularly bushfire, environmental constraints and accessibility.

Provide for dwelling development in the Farming Zone where previous subdivision of land was intended to facilitate the development of a dwelling subject to consideration of hazards, particularly bushfire, environmental constraints and accessibility.

Provide for dwelling development in the Farming Zone that is not associated with agricultural activities where it can be demonstrated that the dwelling will protect and enhance established environmental values.

IMPLEMENTATION

It is recommended that the RLUS be introduced as a reference document to the East Gippsland Planning Scheme. Implementation of the vision and strategic directions will be achieved by the adoption of the following recommendations for planning policy.

STRATEGIC DIRECTION 1 – FOOD AND FIBRE

Retain the Farming Zone Schedules 1, 3 and 4 where they currently apply (except where land is identified for future Rural Activity Zone).

Apply Farming Zone Schedule 1 to land currently zoned Farming Zone Schedule 2 to protect productive agricultural land on the periphery of the Lindenow Valley.

Introduce local planning policy to minimise the risk of land use conflict arising from the use and development of land within 500m of farmland of strategic significance.

Update the Environmental Significance Overlay 2 (ESO2) – High Quality Agricultural Land and extend the scope of this control to cover farmland of strategic significance identified in the Lindenow Valley, Tambo River and Snowy River areas.

Undertake a 5 year review of the RLUS, including the farmland of strategic significance and emergence of new areas of farmland of strategic significance.

Introduce additional guidance for assessment of planning permit applications for subdivision, dwelling excisions, dwellings, rural workers accommodation and other discretionary uses in the Farming Zone.

STRATEGIC DIRECTION 2 – RURAL TOURISM

Apply the RAZ to the Twin Rivers and Bruthen rural hinterland area.

Introduce additional policy guidance for assessment of planning permits for tourism uses in the Farming Zone and proposed Rural Activity Zone.

Introduce policy guidance in the planning scheme for assessment of planning permits for subdivision, dwellings and other discretionary uses in the proposed Rural Activity Zone.

Introduce policy guidance that clearly identifies and strongly discourages any Section 2 uses considered unsuitable for the proposed Rural Activity Zone.

Introduce policy guidance for large scale tourism development in rural areas.

Consider the directions for future growth recommended by structure plans as well as the findings of the Housing and Settlement Strategy when determining the boundaries of the proposed Rural Activity Zone.

STRATEGIC DIRECTION 3 – RURAL INDUSTRIES

Encourage high quality, low volume native timber harvesting that supports communities and protects the multiple uses and biodiversity of forests.

Encourage food and fibre processing and manufacturing that has the potential to generate local employment both on farm and across the value chain.

Encourage rural industries that leverage strengths in renewable energy generation and extractive industries.

STRATEGIC DIRECTION 4 – ENVIRONMENT, LANDSCAPE, CATCHMENTS AND NATURAL HAZARDS

Advocate to the Victorian Government for assistance to review the mapping of Environmental Significance Overlay Schedule 1 - Sites of biological significance.

Advocate to East Gippsland Catchment Management Authority, West Gippsland Catchment Management Authority and the Victorian Government for assistance to identify and map sites of environmental significance for consideration of inclusion in the Environmental Significance Overlay.

STRATEGIC DIRECTION 5 – RURAL HOUSING

Introduce guidance for assessment of planning permits for dwellings in the Farming Zone around rural settlements.

Introduce guidance for assessment of planning permits for dwellings in the Farming Zone in historic subdivisions.

Introduce guidance for assessment of planning permits for subdivision, dwelling excisions and dwellings in the Rural Activity Zone.

1. Introduction

This Rural Land Use Strategy (RLUS) is the first of its kind for East Gippsland. East Gippsland Shire Council through the RLUS aims to:

- Ensure the East Gippsland Planning Scheme responds to the changing nature of agriculture and recognition of its importance to the local economy.
- Encourage diversification of the rural economy and support opportunities for a range of farming activities and rural industry such as value adding to agricultural produce, tourism and sustainable development of natural resources.
- Balance competing demands including the desire to live in rural areas of the Shire and agriculture and other rural industries.
- Protect environmental values and rural landscapes and minimise risks associated with natural hazards.
- Support the agricultural industry to adapt to changing technology, markets and climate change to be thriving and efficient industries.

The key components of the Strategy are:

- A Strategic Framework comprising a vision, principles, framework plan and strategic objectives for rural land.
- An Implementation plan including recommendations for changes to the East Gippsland Planning Scheme and further strategic work.

STUDY AREA

The study area incorporates all private rural land within the Farming Zone and Rural Conservation Zone (Figure 2) in East Gippsland. Land use on public, urban and Rural Living zoned land is considered where it impacts use and development of land within the scope of this study.

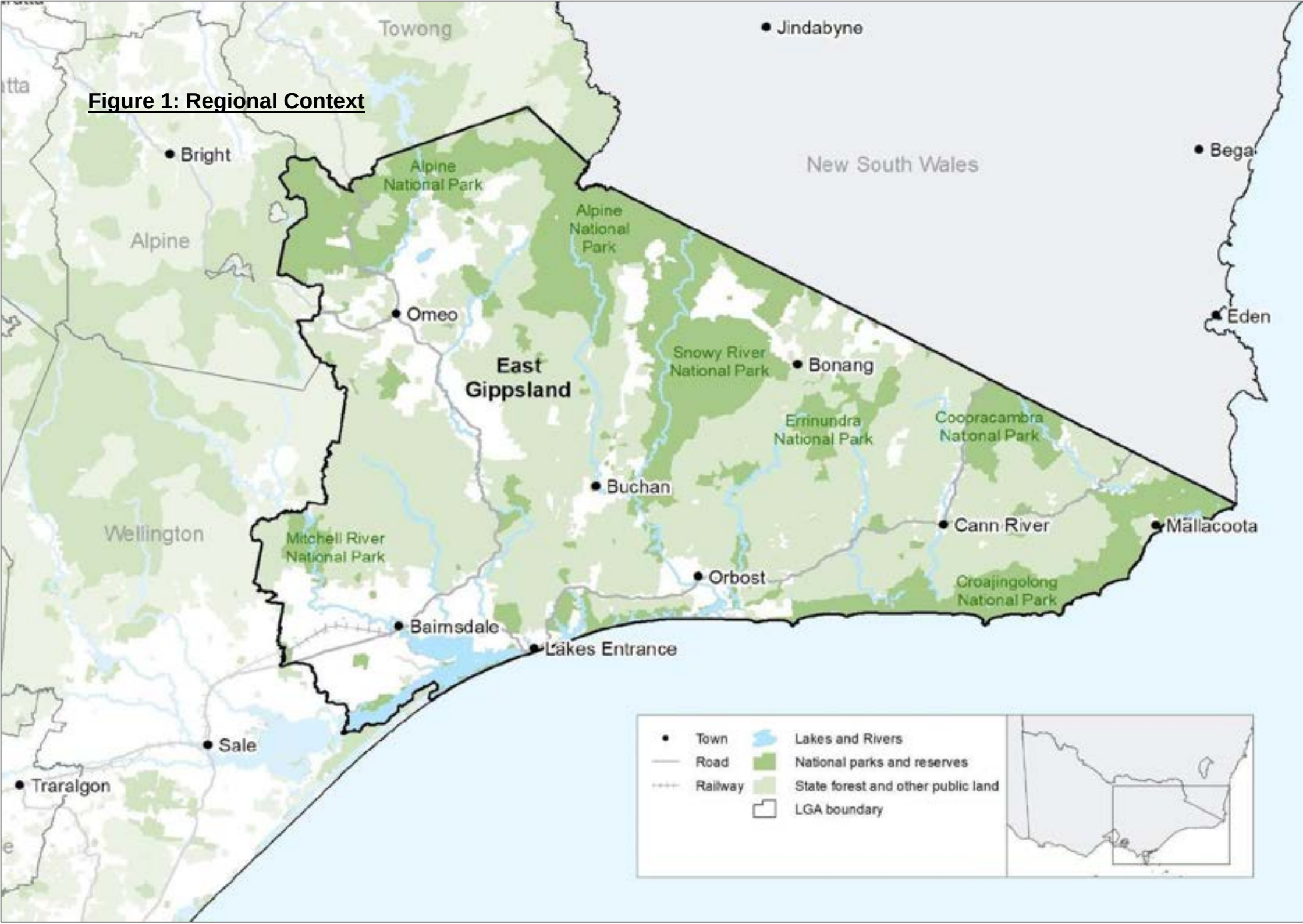
A separate review of Rural Living Zone is being undertaken concurrently with the RLUS as part of preparation of a Housing and Settlement Strategy.

APPROACH

The project timelines and stages are summarised here:

September 2015	Stage 1: Desk top research and analysis culminating in preparation of a Background Report
October 2015	Stage 2: Targeted stakeholder consultation to validate and augment the findings of the Background Report
May 2016	Stage 3: Preparation of the draft RLUS. The project was suspended between 2016 and 2020.
March 2021	Stage 4: Revision of the draft RLUS to re-structure and simplify the document
May 2021	Stage 5: Targeted consultation with key stakeholders on the draft Strategy following presentation to Council
July 2021	Stage 6: Public exhibition
Oct 2022	Stage 7: Revised draft RLUS and Background Report - The draft RLUS was revised to respond to the consultation findings and changes to the structure of the Victoria Planning Provisions (VPP) and incorporate data and information from the updated Background Report
November 2022	Stage 8: Public exhibition – The revised draft RLUS was placed on Public Exhibition for 8 weeks
2023/24	Stage 9: Implementation. Amendment of the East Gippsland Planning Scheme to incorporate the recommendations of the Rural Land Use Strategy.

Figure 1: Regional Context



EAST GIPPSLAND

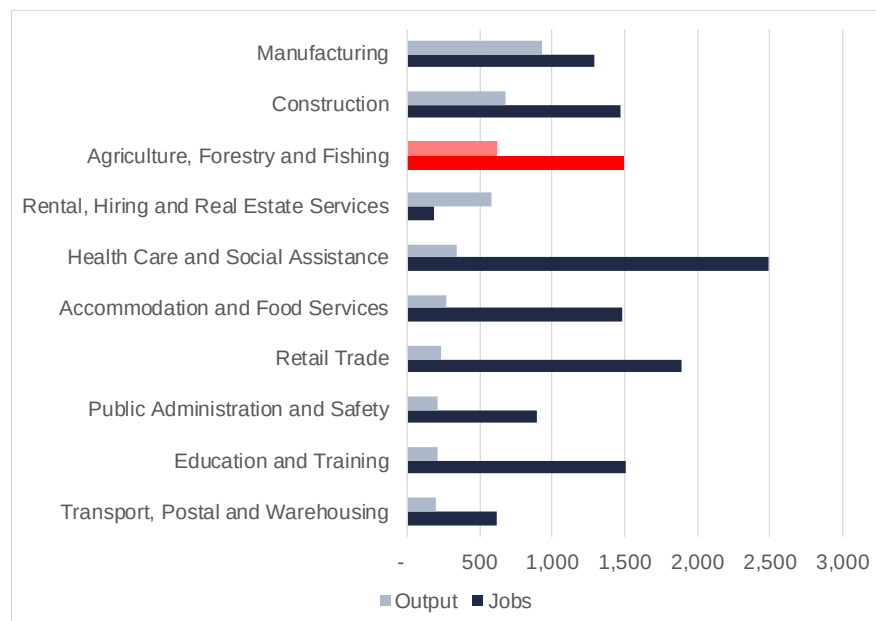
East Gippsland Shire is located in eastern Victoria stretching from Bairnsdale to the NSW border and covering over 21,000 square kilometres. Around 83% of the Shire is public land as National Parks, State forest or other Crown land (Figure 1).

The rural areas of the Shire are important to the East Gippsland economy. Agriculture generates significant local employment both directly on farm and in the food processing (manufacturing) sector as (Figure 2) as well as generating significant output.

The main service centres include Bairnsdale, Lakes Entrance, Orbost and Omeo. Dispersed towns, such as Benambra, Cann River and Swifts Creek are a unique feature of East Gippsland. These settlements are located in beautiful natural settings but remoteness poses challenges for service delivery and economic development. The population of East Gippsland was 47,771 people on 30 June 2021. The population grew at an annual rate between 0.9% and 1.5% over the 10 years to 2021 and is forecast to grow at around 1% and reach 58,000 by 2041¹

The Shire has an abundance of natural and environmental resources including a temperate climate, Australia's largest navigable inland lake system, an extensive coastline and areas of significant natural beauty. These attributes, as well as productive agricultural land, are a significant component of the Shire's competitive advantages and combine to make the Shire an attractive location to live work and visit.

Figure 2: Key economic sectors²



¹ <http://www.economicprofile.com.au/eastgippsland> accessed November 2021

² <http://www.economicprofile.com.au/eastgippsland> accessed November 2021

2. Policy and Strategic Context

CURRENT PLANNING CONTROLS

This section of the report provides an overview of the current policy, zone and overlay controls that apply to rural land in East Gippsland. It also documents the findings and recommendations arising from a review of the performance of the planning controls documented in the Background Report.

PLANNING POLICY FRAMEWORK

The RLUS must be consistent with State policy objectives relevant to the Shire's rural areas, which include:

- Protect strategically important areas of the environment, landscape, water, cultural heritage and agriculture.
- Protect productive farmland and farmland of strategic significance in the local or regional context.
- Encourage rural tourism in appropriate locations.
- Protect and enhance water supply catchments, native vegetation and other biodiversity values and rural landscapes.
- Prevent dispersed settlement and maintain separation between settlements by providing non-urban breaks between urban areas.
- Minimise risk to life, property and the environment from natural hazards.
- Establish town growth boundaries to avoid urban sprawl and protect agricultural land and environmental assets.

A number of amendments to the East Gippsland Planning Scheme have occurred since 2016. The amendments most consequential for rural land use and development include:

- GC13: Introduced updated mapping and schedules detailing requirements for bushfire protection measures.
- VC148: Introduced the Planning Policy Framework and changes the format of planning schemes.
- VC150: Introduces definitions and planning permit thresholds for low density mobile outdoor pig farms and low density mobile outdoor poultry farms as well as introducing an amended Victorian Code for Broiler Farms.

- VC219: Introduced permit requirement for sensitive uses (e.g. dwellings) within 500m of land licensed or proposed to be used for mineral and stone extraction
- VC212: Introduced permit requirement for sensitive uses (e.g. dwellings) within 1 km of an established or proposed wind energy facility
- VC202: Introduced a definition for 'Rural worker accommodation' and permit requirements to facilitate this type of accommodation in the Farming Zone.

The RLUS needs to align with the new planning scheme format including the following Planning Policy Framework (PPF) clauses:

PLANNING POLICY FRAMEWORK

11.01-1S Settlement

11.03-4S Coastal settlement

12.01-1S Protection of biodiversity

12.02-1S Protection of the marine and coastal environment

12.03-1S River corridors, waterways, lakes and wetlands

12.03-1R High value water body assets – Gippsland

12.05-1S Environmentally sensitive areas

12.05-2S Landscapes

13.01-1S Natural hazards and climate change

13.02-1S Bushfire planning

13.03-1S Floodplain management

14.01-1S Protection of agricultural land

14.02-1S Catchment planning and management

14.03-1S Resource exploration and extraction

15.01-6S Design for rural areas

15.03-2S Aboriginal cultural heritage

17.04-1S Facilitating tourism

17.04-1R Tourism - Gippsland

17.04-2S Coastal and maritime tourism and recreation

19.01-2S Renewable energy

MUNICIPAL PLANNING STRATEGY

The current policy context for East Gippsland's rural areas supports economic development based on the Shire's natural resources and ensuring environmental and amenity values are protected and enhanced. There is strong support in state and local policy to:

- Promote primary production including agriculture and forestry.
- Protect natural and environmental values and minimise risks associated with natural hazards.
- Promote rural industries and rural based tourism in appropriate locations.

ZONES

A planning scheme identifies zones to designate land for particular uses, such as farming, residential or industrial. Each zone has its own purpose, identifies if a planning permit is required for use and/or development of land and the matters that must be considered before deciding to grant a planning permit.

The zones (Figure 3 and 4) that currently apply to rural land in private ownership in East Gippsland are:

- Farming Zone: The main zone for agricultural areas aimed at encouraging retention of productive agricultural land.
- Rural Conservation Zone: This zone aims to protect land with significant environmental, heritage or cultural values.

The rural zones were introduced by direct translation in 2006 resulting in all land in the former Rural Zone being rezoned to the Farming Zone and the former Environmental Rural to the Rural Conservation Zone. Direct translation means that there was no strategic assessment to test the appropriateness of the new Farming Zone and Rural Conservation Zone or whether any of the other new rural zones may be more appropriate.

The Planning Scheme rural zones include a schedule that offers Council the opportunity to specify certain performance requirements to be achieved in each zone. Importantly this includes minimum lot size thresholds relating to the subdivision of land and the construction of dwellings. The minimum lot sizes that apply in current rural zones ranges from 1ha to 100 ha, as set out in Table 1 below.

Table 1: Rural zone minimum lot schedules

ZONE	MINIMUM SUBDIVISION AREA (HA)	MINIMUM AREA FOR WHICH NO PERMIT IS REQUIRED FOR A DWELLING (HA)
Rural Conservation Zone		
Schedule 1	10	All dwellings require a permit
Schedule 2	50	All dwellings require a permit
Schedule 3	100	All dwellings require a permit
Farming Zone		
Schedule 1	40	40
Schedule 2	30	30
Schedule 3	15	15
Schedule 4	1	10

OVERLAYS

Overlays address particular issues such as heritage, bushfire or flooding. An overlay will set out requirements for development of the land, if a planning permit is required and the matters that must be considered before deciding to grant a permit. The requirements of an overlay apply in addition to the requirements of the zone.

The overlays that apply to the rural areas of the Shire are described in Appendix 1 along with an explanation of their impact on rural land use and development in the Shire.

Figure 5 shows how these overlays are applied across East Gippsland.

Council is currently separately reviewing flooding and erosion management controls.

PLANNING SCHEME REVIEW

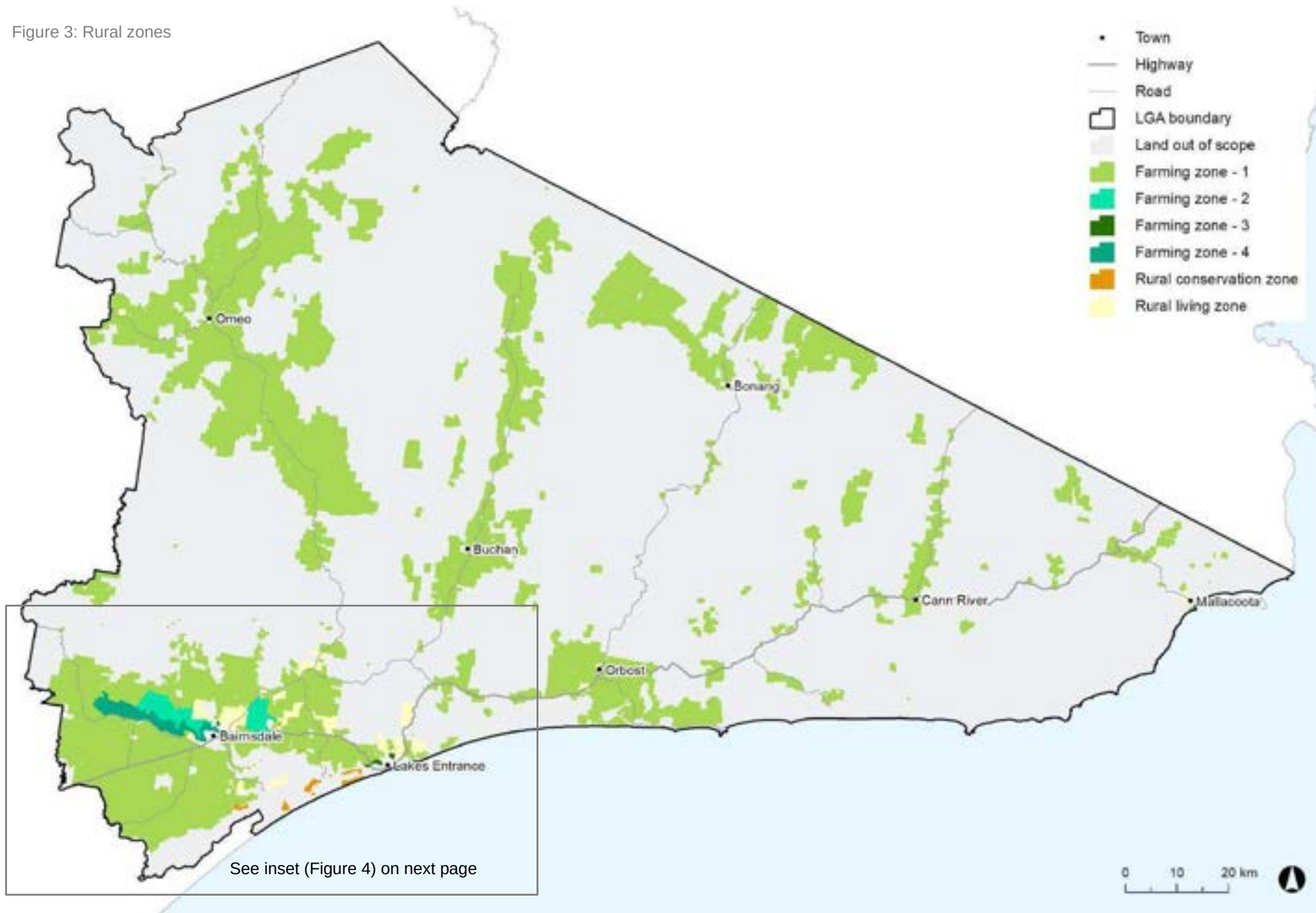
An independent review of the East Gippsland Planning Scheme³ in 2022 made a number of findings relevant to rural land and noted that the RLUS provided an opportunity to address these issues, which include:

- Potential conflicts with rural area policies including protection of productive agricultural land, managing demand for rural lifestyle properties, providing opportunities for tourism related development and other economic development opportunities.
- While very few small lot/rural dwelling decisions have been reviewed by the Victorian Civil and Administrative Tribunal over the last decade, an earlier decision noted that the 'collective' result of repeated approvals is the inevitable loss of rural land.
- Legacy zoning issues in rural areas and in some of the settlements arising from the 'carry over' from old planning schemes dating back 25 years or more. It is apparent that there is a need to re-assess elements of the zoning regime.
- The objectives of the Environmental Significance Overlay Schedule 2 apply to high quality agricultural land in the Shire along the Mitchell River floodplain. The schedule includes four objectives, three of which relate to matters of subdivision, use and excisions, none of which are controlled by the overlay.
- Specific recommendations in relation to rural land in the Shire include:
 - Clause 14: review the Local Planning Policy Framework reference to agriculture.
 - Clause 14: simplify the existing suite of rural zones and include clearer direction on the recurrent themes of dwellings on small lots and rural excisions.
 - Clause 17: include contemporary and relevant economic development material from the RLUS.
 - Clause 21.02: revise the framework plan to clearly identify important Shire assets, including productive agricultural land.
 - Clause 21.09: include contemporary and relevant material from the RLUS regarding the importance of agriculture.

The Independent Review of the East Gippsland Planning Scheme was endorsed by Council at the Ordinary Meeting on 26 July 2022.

³ Independent Review East Gippsland Planning Scheme Final Report (2022)

Figure 3: Rural zones



See inset (Figure 4) on next page

Figure 4: Rural zones

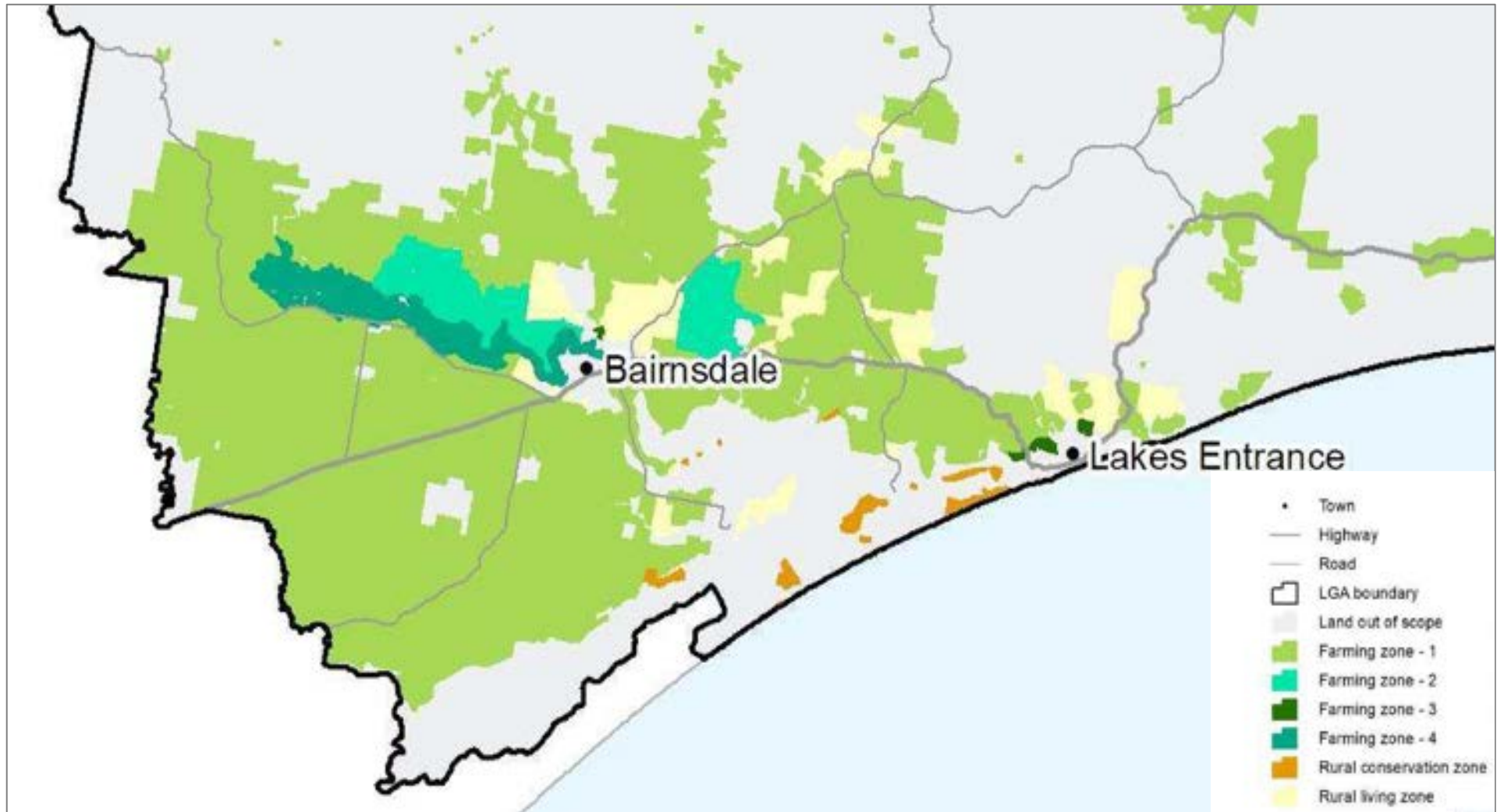
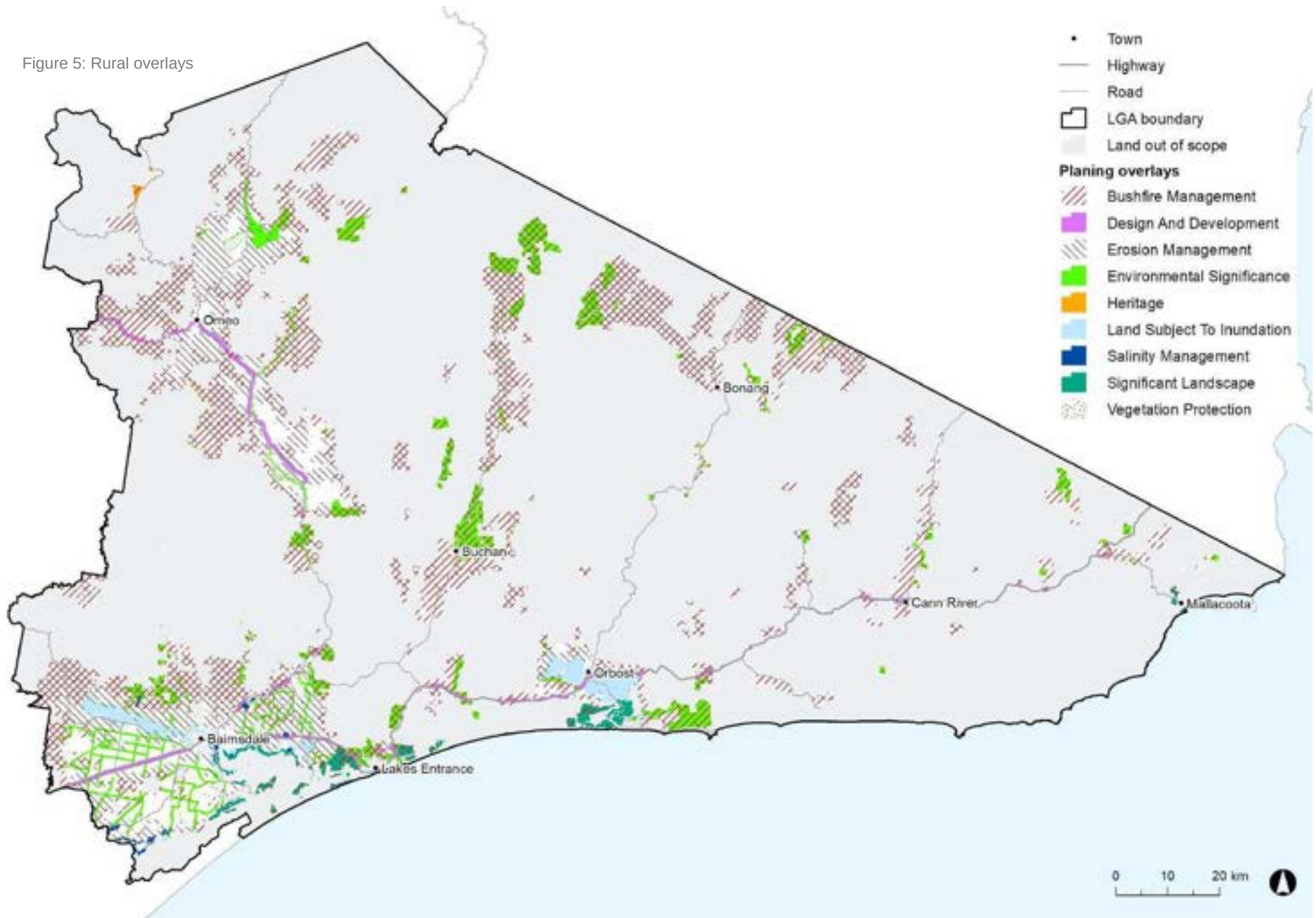


Figure 5: Rural overlays

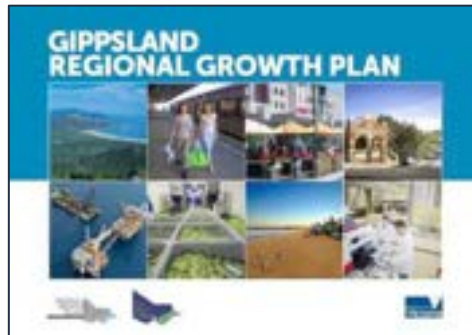


3. Key considerations

This section of the RLUS summarises the key considerations and drivers of land use change that will inform the preparation of a revised strategic framework for East Gippsland's rural areas and planning scheme changes.

PLANNING CONTEXT

State Planning Policy seeks to strengthen the economy of the Gippsland region, by supporting production of food and fibre, value-adding and diversification, tourism, alternative energy and natural resource development. State planning also seeks to ensure that the regions environmental, cultural heritage and landscape values are enhanced and protected, and development considers the risks posed by natural hazards and climate change.



The Gippsland Regional Growth Plan sets the following directions relevant to the rural areas of Gippsland:

- Further diversify Gippsland's service and manufacturing industries to support job creation and investment, and value-add to local products.
- Advance productive and innovative agriculture, forestry and fisheries sectors with a focus on export markets and local food processing.
- Strengthen the energy sector, including renewables, subject to best practice environmental standards, and identify, protect, extract and process valued earth resources
- Facilitate the rejuvenation, expansion and development of regional tourism based on Gippsland's environmental and cultural heritage assets and identified strategic tourism investment areas.
- Manage risks to Gippsland's communities and economy from natural hazards.
- Manage Gippsland's environmental and heritage assets to achieve the best outcomes for the region's environment, economy and community.

⁴ East Gippsland Economic Development Strategy, 2022 – 2032, DRAFT, JUNE 2022

- Plan for potential impacts and opportunities arising from climate change and initiatives that support national and global action to reduce greenhouse gas emissions.

These directions are reflected in East Gippsland's Council Plan 2021-26, Environmental Sustainability Strategy 2022-2032, Economic Development Strategy 2022-32 and have informed this RLUS.

The RLUS may also assist the development of implementation of the proposed program of strategic work including:

- Eagle Point Structure Plan
- East Bairnsdale/Lucknow Structure Plan
- Lakes Entrance Northern Growth Area – implementation
- Landfills – buffer protection
- Bairnsdale Growth Strategy review
- Omeo Land Supply Review

POPULATION AND ECONOMY

The population of East Gippsland has shown modest, around 1%, sustained growth over the last 10 years, which is forecast to continue. The economy, however, is smaller now than it was a decade ago⁴. Economic growth and diversification are critical to sustaining population growth, maintaining a labour force and a diverse demographic profile.

The economy and population of East Gippsland has experienced significant shocks from an extended drought leading up to the 2019/20 bushfires. The bushfires destroyed approximately 350 homes, as well as commercial properties and farm infrastructure.



Loss of visitor expenditure for Gippsland was estimated at \$170-180m⁵. Added to this was the downturn in the visitor economy caused by COVID-19.

A core aim of Council's Economic Development Strategy is to leverage existing strengths and increase the value of exports while reducing leakage out of the Shire. The Strategy recommends that the RLUS is adopted and implemented to support development of local food processing and manufacturing that adds value to a greater share of agriculture products and creates local employment.

The geographic circumstances of East Gippsland's rural communities are unique with many rural settlements separated by extensive tracts of public land. The distance from Bairnsdale to Mallacoota, the Shire's eastern most settlement is the same distance from Bairnsdale to Melbourne. It is a two to three hour drive from Bairnsdale to reach some rural settlements such as Omeo, Benambra and Bendoc. Maintaining the population in rural settlements is critical to the retention of the limited but vital services offered to the resident and surrounding rural population.

Tourism Research Australia⁶ anticipates that domestic tourism is likely to lead recovery of the tourism industry. East Gippsland's tourism offer is well positioned to increase its share of the domestic travel market, particularly the touring and nature-based market segments.

Rural industry development and diversification that support's population retention and job creation provide the overarching context for the following key drivers of change underpinning this RLUS.

FOOD AND FIBRE

The agriculture and forestry industries are a key element of Council's plan for stimulating growth, attracting investment and retaining population. Planning should consider major trends and industry needs including:

- Protecting productive agricultural land and farmland of strategic significance to provide confidence for industry to invest in new technology and respond to market trends.
- Industry trends such as increased farm size and output concentration with most production generated by the small cohort of larger producers.

⁵ East Gippsland Fires 2019-20 Summary of Impacts

⁶ Tourism Research Australia (2020) Moving forward: The role of domestic travel in Australia's tourism recovery

⁷ <https://www.oneharvest.com.au>

- Enabling the industry to diversify and respond to opportunities and issues such as the impacts of climate change and the potential for small-scale farming activities.

Most agricultural and forestry products leave East Gippsland in a raw state. An opportunity for economic diversification by value adding to primary production such as food and fibre processing and manufacturing has the potential to generate local employment both on farm and across the value chain.

A number of very successful East Gippsland businesses are value adding to local, specialised produce that generates employment and supports a significant value chain, including:

- Vegco / One Harvest⁷ is the largest salad fresh cuts factory in Australia and sources produce directly from the Lindenow Valley.
- The Bonaccord⁸ Group is a long established horticultural business that supplies and delivers fresh produce via its freight business into Melbourne.
- Bulmer Farms⁹ operate nine different properties totalling around 400 hectares in the Lindenow Valley producing a range of fresh produce.
- Busch Organics is an Australian Certified Organic farm on the Mitchell River Flats near Lindenow and produces a variety of seasonal vegetables and lucerne.

The agriculture sector has driven the East Gippsland economy for decades. Innovation, growth, and new industry opportunities can be grasped to drive the economy for decades to come¹⁰

A survey of East Gippsland farmers¹¹ (2021) highlighted challenges for planning in rural areas, including:

- The impact of subdivision and dwelling development on agricultural land values vs a desire to subdivide and develop because the farm is no longer considered viable.
- The need for farm businesses to evolve and adapt to maintain profitability and sustainability.

⁸ <https://bonaccordingram.com.au>

⁹ <https://bulmerfarms.com.au>

¹⁰ East Gippsland Draft Economic Development Strategy 2022-32

¹¹ EGSC Farmer Survey 2021: SURVEY RESPONSE REPORT 08 December 2014 - 23 November 2021

- The needs of commercial agricultural business are different and sometimes in conflict with the needs of hobby farmers.

Broadacre farms in East Gippsland, such as livestock and cropping farms, comprise multiple lots and are typically between 100ha and 500 ha with some larger than 1,000ha (Figure 6). Farm sizes have been increasing over time.

Economies of scale are critical in agriculture and broadacre farms achieve this by purchasing land over time to expand the business and adopting new technology and equipment to manage larger land areas with the same or less labour inputs. Generally, there is a reliance on family members for labour with specialists contracted to undertake specific tasks such as shearing.

Similar to broadacre farms, horticultural farms in East Gippsland comprise multiple lots, and are between 100ha and 500ha in size. There is also a clear trend in increasing scale. Critical for horticulture is access to high quality soils, an irrigation supply, labour, and processing infrastructure. Economies of scale are also important for vegetable producers as they invest in water efficient irrigation systems, mechanisation of farm operations and vertical integration to produce large volumes of food of consistent quality.

The timber industry was once a significant driver of the East Gippsland economy. In 2016, there was around 1 million hectares of State Forest available for timber production; a significant reduction compared to historical harvesting levels, that has led to mill closures. A number of timber mills are processing hardwood timber across East Gippsland and are particularly important for local employment and economic activity within the more remote parts of the Shire.

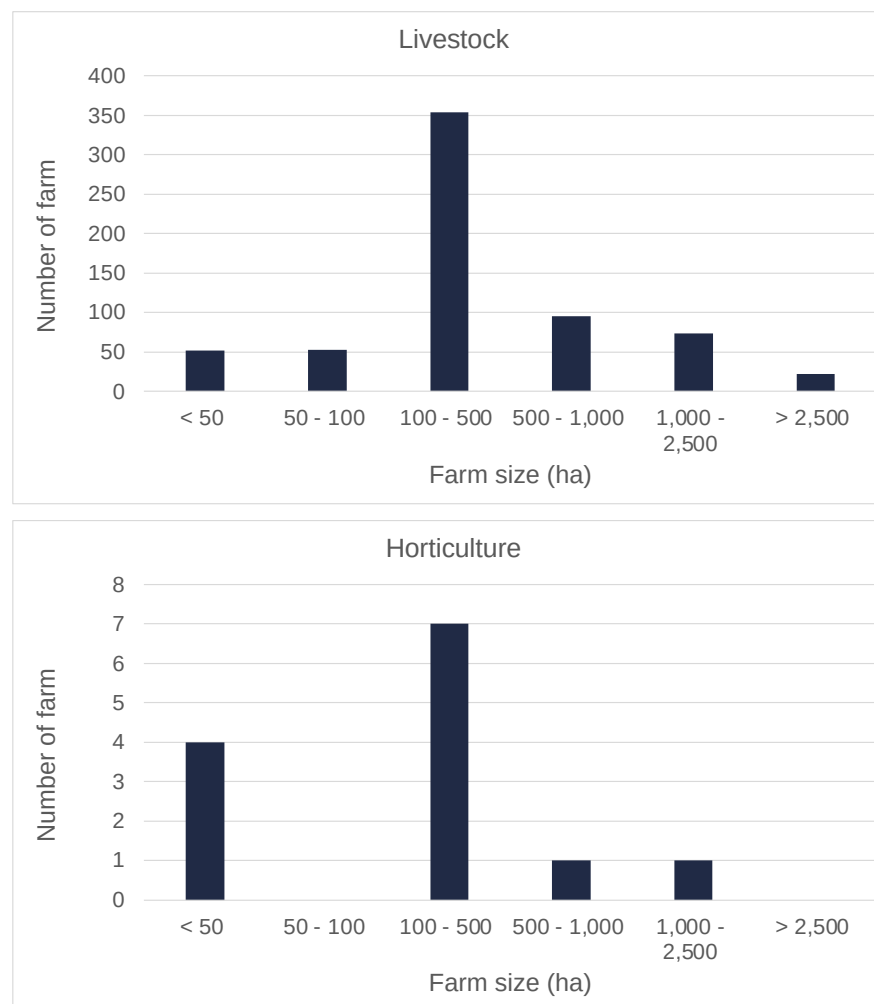
The Victorian Government made a commitment¹² in 2019 to phase out native timber harvesting on public land from 2030 and increase production of plantation timber. In response to the announcement and the implications for East Gippsland communities, Council adopted a Native Timber Harvesting in East Gippsland Position Paper¹³. The paper summarises Council's position as follows:

The East Gippsland Shire Council supports a high quality, low volume native timber harvesting industry where our communities continue to thrive, forests have multiple uses and biodiversity is protected.

¹² Victorian State Government (2019) Victoria Forestry Plan

¹³ East Gippsland Council Meeting Agenda 16.8.2022

Figure 6: Number of livestock and horticulture farms* by farm size in East Gippsland (2016)¹⁴ NB Farm business with an estimated value of agricultural operations less than \$40,000 are not included in the agricultural census



¹⁴ ABS agricultural census 2016. Industry data from the 2020/21 census data was not available at the time of preparing this report).

While recognising there are a wide range of views in relation to native timber harvesting, Council is concerned about the impact of the Victorian Government's decision to cease native timber harvesting by 2030 on businesses, workers and the communities of East Gippsland.

Council advocates that the practice of clear-fell native timber harvesting be replaced as soon as practical with a new approach to silviculture (utilising thinning and select harvest) that maintains or improves forest health and reduces vulnerability to the impacts of bushfire, while also providing sawlogs for timber processing and supports the use of forest resources by a range of other forest users, including tourism and recreation. The Victorian Government has since announced that native timber harvesting on public land will cease by the end of 2023. The regulatory framework for native timber harvesting on private land remains unchanged by this decision.

RURAL TOURISM

East Gippsland has long been a destination for family holidays with the Gippsland Lakes, Lakes Entrance, Metung, Paynesville and Mallacoota popular destinations. National Parks and extensive river systems are also strong attractions providing visitors with opportunities for camping, 4 wheel driving, fishing and kayaking. The State and local government strategic direction for rural tourism focuses on promoting nature-based tourism and experiences, accommodation including high-end eco-tourism developments such as wilderness lodges and 'glamping' sites and indigenous culture tourism offering experiences linked to the region's significant cultural heritage.

The Gippsland Regional Growth Plan identified strategic tourism investment areas in East Gippsland with potential for growth of rural based tourism, including the Gippsland Lakes, Lakes Entrance, Mallacoota, Coastal Wilderness Walk and Croajingolong National Park. Aligning tourism with natural assets, townships and touring routes, such as the Sydney to Melbourne and the Great Alpine touring routes will maximise infrastructure efficiency, encourage increased length of stay and promote population growth.



¹⁵ Data provided by East Gippsland Shire

LAND FRAGMENTATION

Historic subdivision and settlement policies (including soldier settlements and crown allotments) have resulted in fragmentation of rural land and a significant legacy of small rural lots across the Shire.

There are nearly 6,500 lots in the Farming and Rural Conservation Zone and nearly 90% of these are in the Farming Zone Schedule 1 (Table 2). Around 30% (1,500) of all lots in Farming Zone Schedule 1 are less than 4ha in size. Small lots are scattered across the Shire with clusters east of Bairnsdale and in the Tambo Valley (Figure 7).

Most farm enterprises comprise multiple lots as evidenced by the scale of farm business as well as the area of land in single ownership Table 3, Figure 8, Figure 9).

Table 2: Lot sizes in the Farming Zone and Rural Conservation Zone

	SIZE RANGE (HA)						TOTAL
	0-4	4-40	40-100	100-500	500-1,000	>1,000	
FZ1	1,505	1,833	1,091	1,138	99	21	5,687
FZ2	74	151	46	10	-	-	281
FZ3	112	9	2	-	-	-	123
FZ4	43	156	30	-	-	-	229
Total	1,734	2,149	1,169	1,148	99	21	6,320
RCZ1	5	-	-	-	-	-	5
RCZ2	3	2	-	-	-	-	5
RCZ3	90	24	23	2	-	-	139
Total	98	26	23	2	-	-	149

Table 3: Land ownership size in the Farming Zone¹⁵

	SIZE RANGE (HA)						TOTAL
	0-4	4-40	40-100	100-500	500	>1,000	
FZ1	1,227	1302	656	674	108	69	4,036
FZ2	62	109	31	31	0	4	237
FZ3	104	6	4	1	0	1	116
FZ4	31	27	20	25	5	3	111
Total	1,424	1,444	711	731	113	77	4,500

Figure 7: Lot size, Farming Zone and Rural Conservation Zone

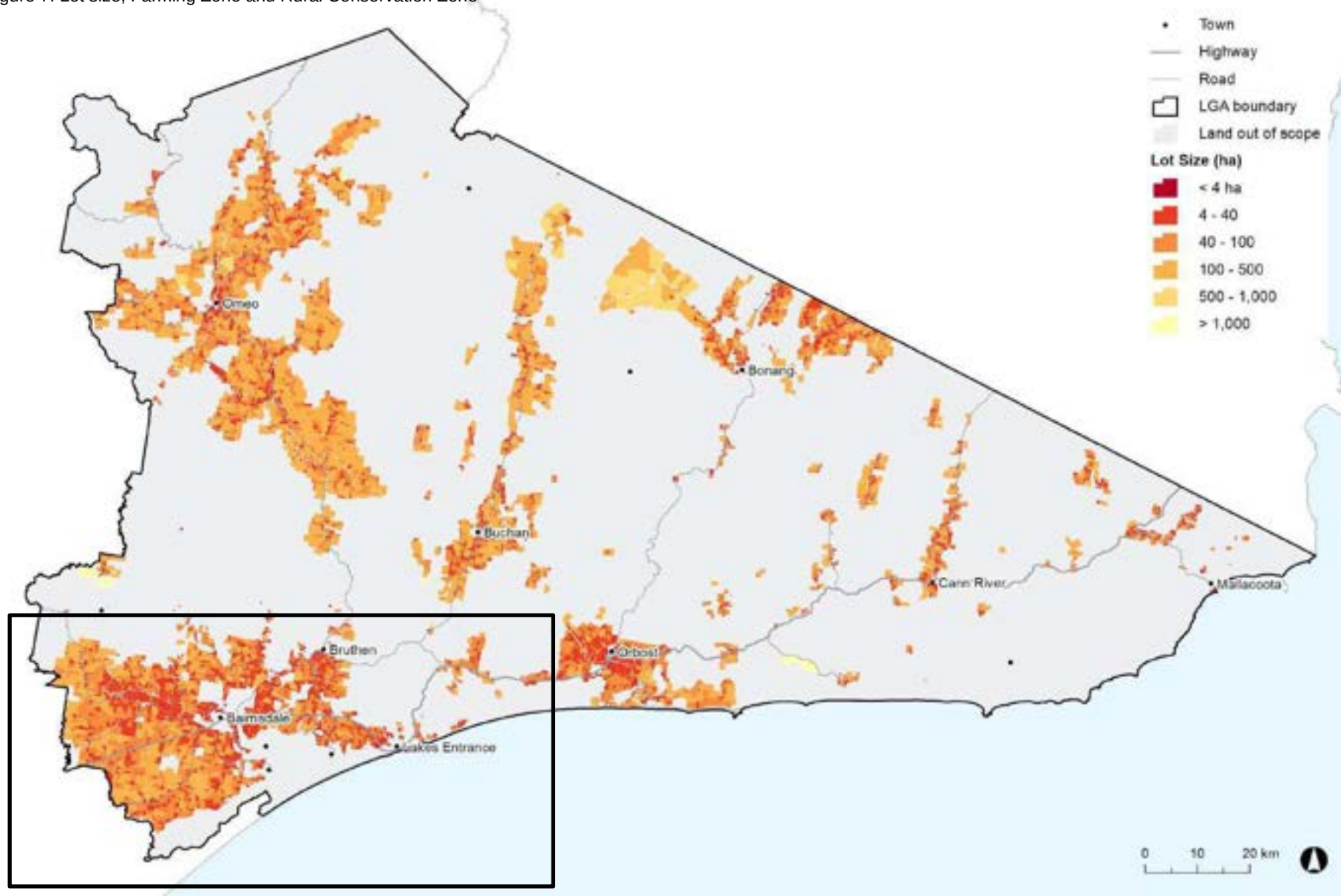


Figure 8: Land ownership size, Farming Zone and Rural Conservation Zone

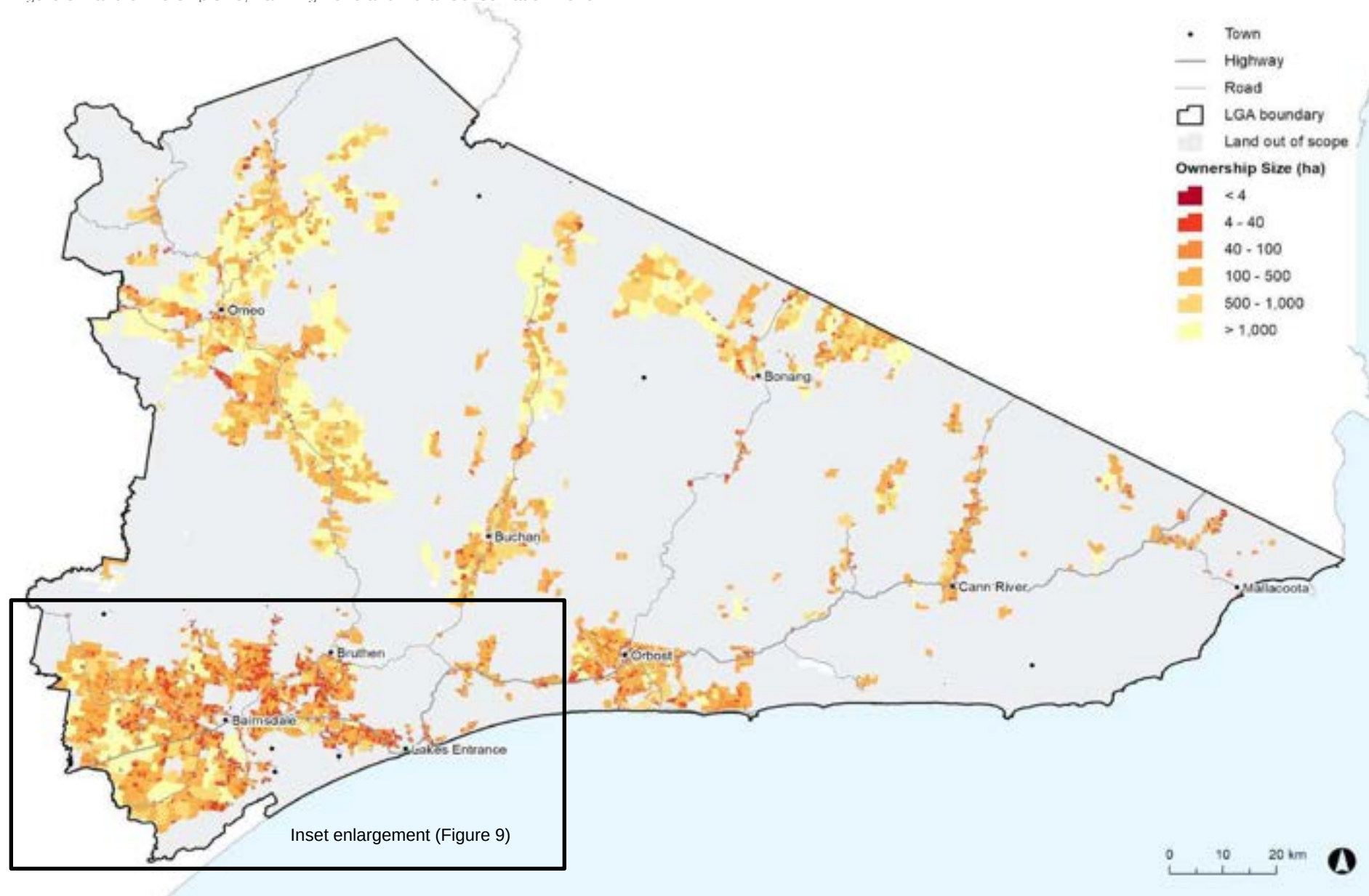
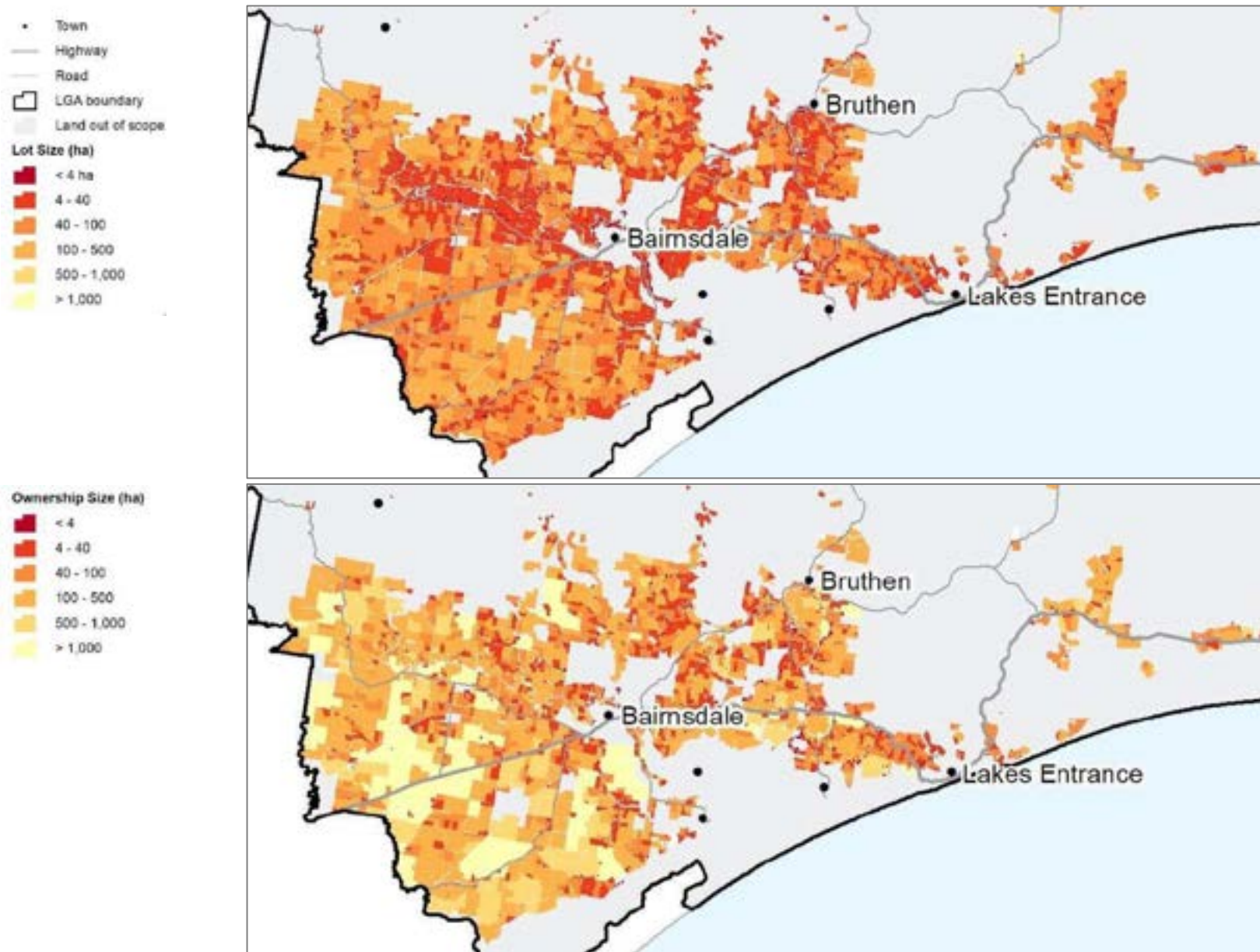


Figure 9: Lot and ownership size inset enlargements



An analysis of planning permit applications in the Farming Zone (Figure 10) found that nearly all applications for subdivision and dwellings were approved over the last six years resulting in an additional 251 dwellings and 56 subdivisions primarily in Farming Zone Schedule 1 (Figure 11).

While some of the dwellings and lots would have been required for agriculture, the high number of dwelling approvals runs counter to a decreasing trend in the number of farm enterprises and increasing farm size. It is also noted that the higher number of dwelling approvals in 2021 is partly due to bushfire rebuilds.

Mapping of planning permits for dwellings (Figure 12) shows 'hot spots' indicating demand around Bairnsdale, along the Great Alpine Road to Omeo and around Buchan and Orbost.

Fragmentation of agricultural land has a number of negative impacts on commercial agriculture including:

- Increasing land value above productive value such that farmers speculate in their land rather than farming it.
- Isolating tracts of farmland.
- Deterring farmers from investing in their operations as they anticipate the conversion of their land out of commercial agriculture.
- Higher capitalisation (via construction of a dwelling) of smaller farms making them less attractive purchases for farm expansion.
- Loss of critical mass of commercial farms and farmers to sustain an agricultural industry and value chain.
- Rural land use conflict as new migrants in an agricultural landscape have an expectation of a benign rural environment.

Productive agricultural land unencumbered by dwellings not relating to farming activities is essential to encourage ongoing investment in agriculture and prevent rural land use conflict.

Figure 10: Approved planning permits 2016-2022¹⁶

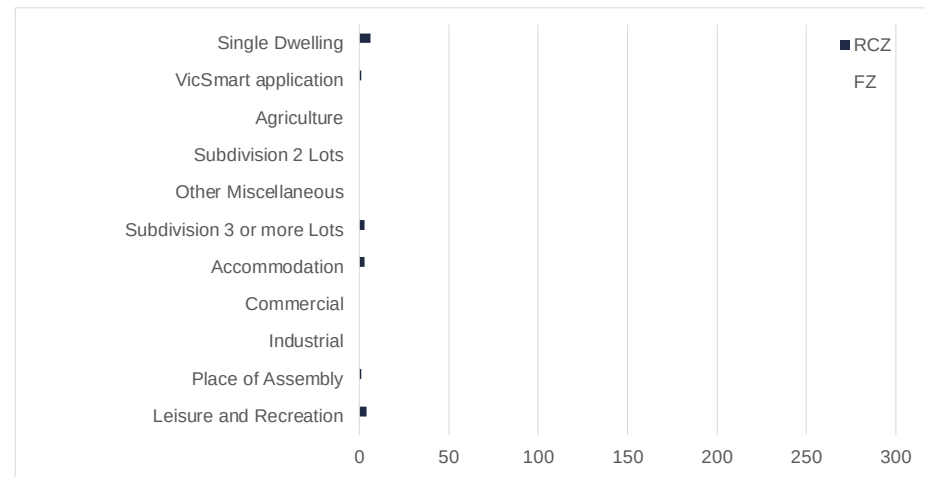
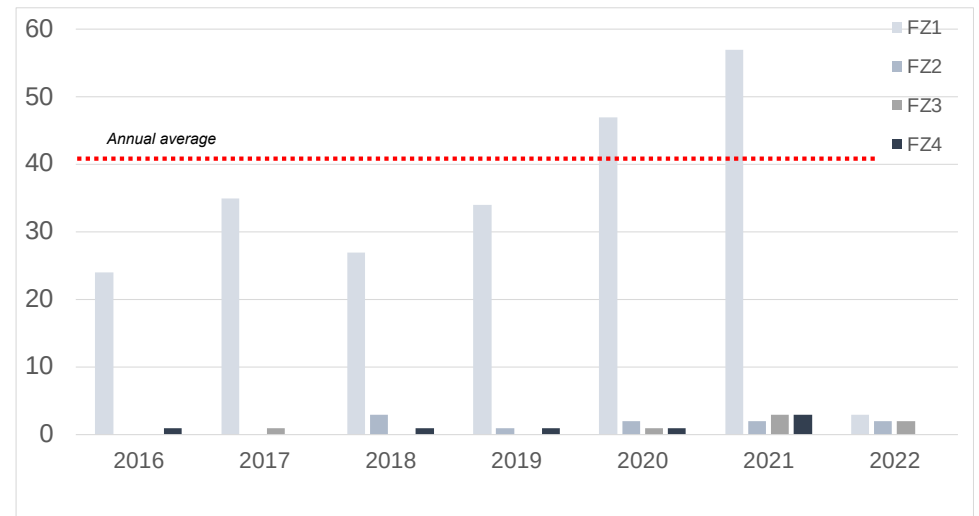


Figure 11: Planning permits approved for dwellings in the Farming Zone (2016-2022)



¹⁶ Data provided by East Gippsland. Includes permits approved up to February 2022

Figure 12: Approved planning permits for dwellings

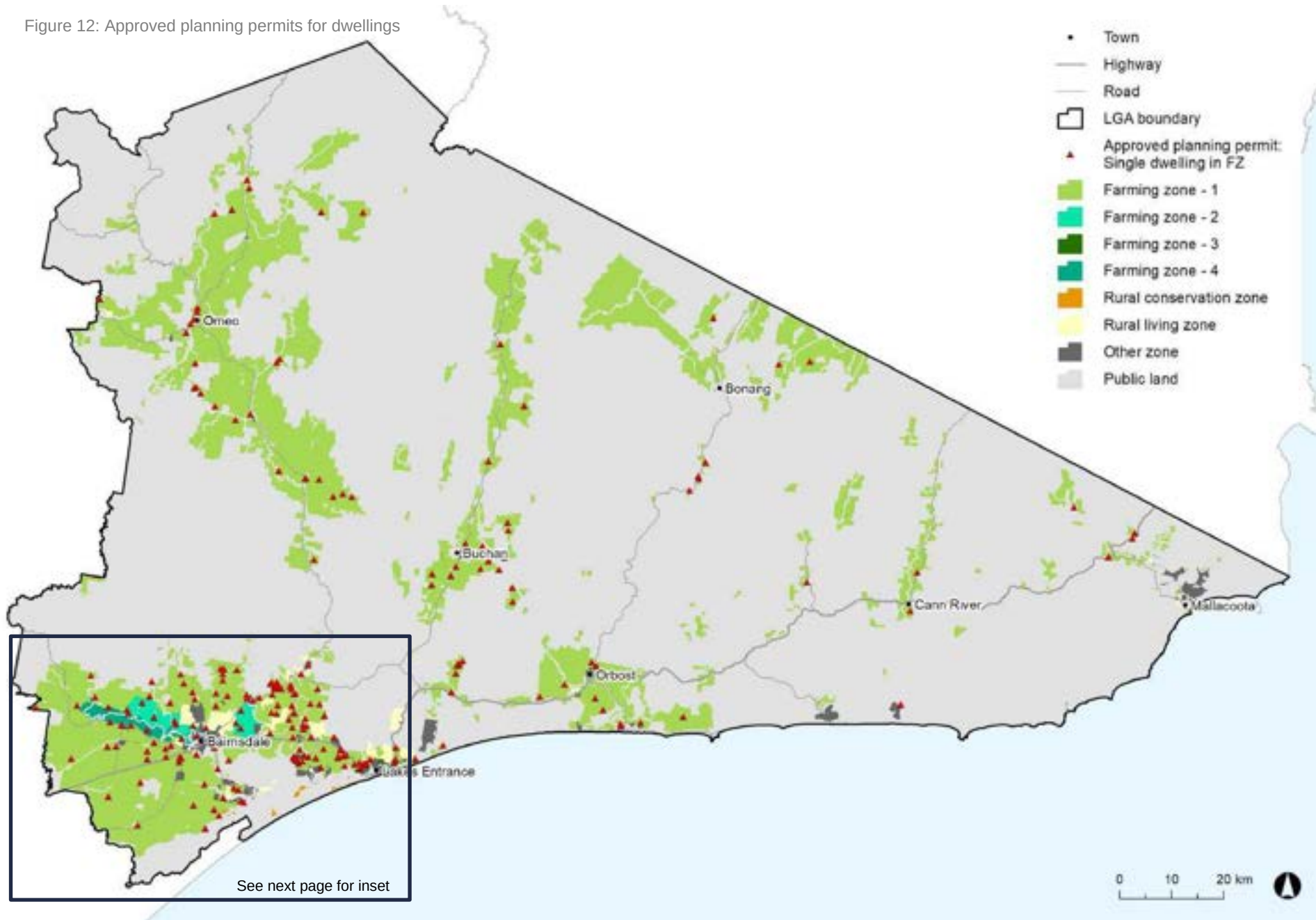
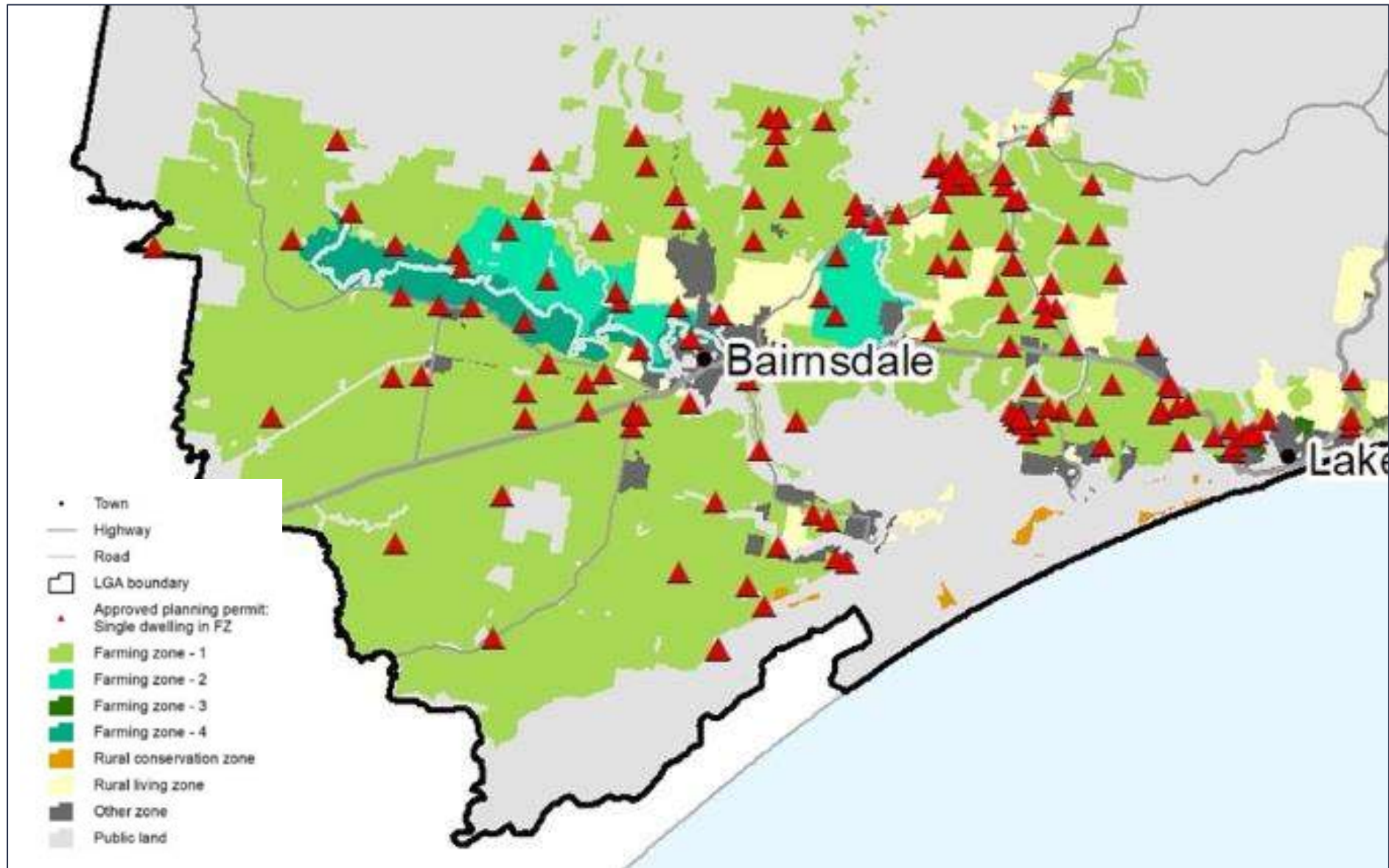


Figure 13: Approved planning permits for dwellings, inset enlargement



FARMLAND OF STRATEGIC SIGNIFICANCE

Farmland of state, regional or local strategic significance is a limited resource and requires protection under the Planning Policy Framework of the Planning Scheme.

The Gippsland Regional Growth Plan identifies land within East Gippsland as farmland of strategic significance. In conjunction with this, the Background Report and the 2016 draft RLUS assessed the biophysical attributes and economic importance of agriculture to refine the regional scale mapping provided in the Regional Growth Plan.

The review found the majority of rural land in the Shire is productive agricultural land. There are some areas, including the Lindenow Valley, Snowy River and Tambo River valleys that due to the combination of soil types and access to irrigation are considered to be highly productive agricultural land.

The Lindenow Valley has high quality soils, access to an irrigation supply and supports the regionally significant horticulture and dairy industries. These industries underpin a regionally important food processing sector. Lindenow Valley is therefore considered farmland of strategic significance. Irrigation development is expanding, and horticultural production is occurring on the slopes to the north and south of the Mitchell River floodplain.

The rich floodplains of the Snowy River and Tambo River valleys have access to irrigation. Agriculture in the valleys is transitioning to high value horticultural and fodder products. These areas have also been identified as farmland of strategic significance (Figure 14).

There are areas of East Gippsland, such as Wairewa and Cann River with the biophysical attributes and where agricultural investment and development is occurring such that there is potential for these areas to meet the definition of Farmland of Strategic Significance in the future. It is recommended that as part of a periodic review of the RLUS, Farmland of Strategic Significance be reviewed to assess:

- Whether has been any change to the extent of existing farmland of strategic significance.
- Whether new areas meet the definition of farmland of strategic significance.

FARMLAND OF STRATEGIC SIGNIFICANCE

Productive agricultural land is defined in Planning Practice Note 42: Applying the Rural Zones as generally having one or more of the following characteristics:

- Suitable soil type including consideration of soil structure, texture, drainage, topography, fertility
- Suitable climatic conditions such as rainfall, temperature and evaporation
- Suitable agricultural infrastructure, in particular irrigation and drainage systems
- A present pattern of subdivision favourable for sustainable agricultural production.

Industry clusters identify areas that make a significant economic contribution based on an assessment of where:

- Concentrations of enterprises supporting an industry of national or state or regional significance
- Significant public and private sector investment in industry
- Economic scale of primary production and secondary processing, and employment opportunities that these provide.

Farmland of strategic significance is farmland where productive agricultural land and land supporting industry clusters intersect.

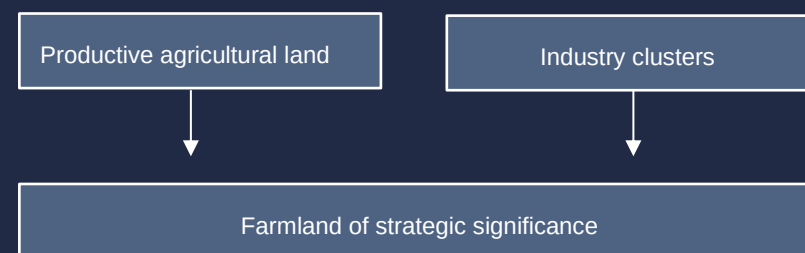
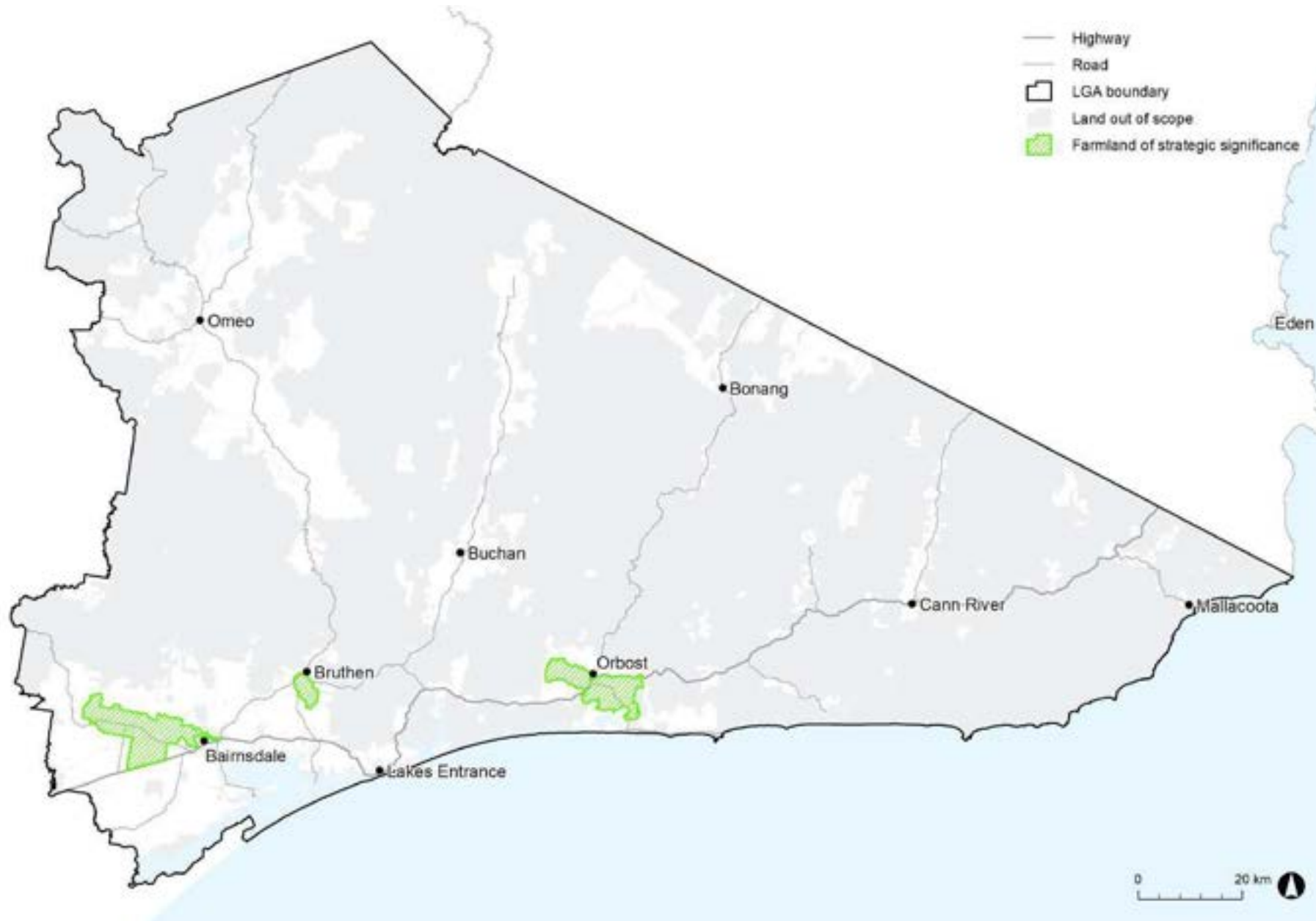


Figure 14: Farmland of strategic significance



RURAL INDUSTRIES

Mining and extractive industries are currently not extensive users of rural land. Extractive industries such as quarries are important regional assets providing a local source of material for road construction and maintenance. There are mineral resources and opportunities for renewable energy within the Shire that if developed, could bring significant local economic benefits.

It will be important to seek to balance the economic and social benefits arising from new rural industries with the protection of significant landscape, cultural and environmental values and the amenity of the rural areas. Appropriate separation should therefore be maintained between mineral resource development and other significant rural assets including farmland of strategic significance and important tourism assets, rural landscapes and environmental values.

East Gippsland's strengths and competitive advantages in food and fibre production also provide the opportunity to attract service industries, manufacturing and processing businesses. Value adding to primary production has the potential to generate local employment both on farm and across the value chain.

ENVIRONMENT AND LANDSCAPE

East Gippsland has significant environmental and cultural assets that make an important contribution to the liveability of the Shire and its attractiveness for visitors. While this Rural Land Use Strategy is not primarily intended as a tool for resolving challenges associated with the management of environmental and cultural values and hazards, it has sought to identify the key gaps in the Planning Scheme.

The *Coastal Spaces Landscape Assessment Study*¹⁷ provides a comprehensive understanding of the Shire's landscape values. The study policy recommendations have been in the East Gippsland Planning Scheme in the East Gippsland Planning Scheme for over a decade and are strongly supported for providing control over some of the most sensitive landscape areas in the Shire, especially the Ninety Mile Beach, Gippsland Lakes and rivers and coastal settlements. No further landscape protection measures are proposed at this point in time.

ESO1 applies to Sites of Biological Significance which maps and lists 94 sites derived from the East Gippsland Sites of Biological Significance Report, (Department of Natural Resources and Environment, 1997). The ESO extends over public and private land, roads, watercourses and parts of townships. The Planning Scheme Review³ found that

the overlays and schedules require further work, including possible deletion, exemptions, decision guidelines, map changes and the like, especially given the new Ministerial Direction on Form and Content of Planning Schemes.

The Background Report found that a number of environmental assets including Ramsar listed wetlands, wetlands list in the Directory of Important Wetlands, Heritage rivers and ecological communities and species listed in the *Environment Protection and Biodiversity Conservation Act 1999* are not recognised in the Planning Scheme. A review of environmental and vegetation overlays is warranted as part of further strategic work.

CLIMATE CHANGE AND HAZARDS

The projected climate of East Gippsland is forecast to include increased frequency and intensity of bushfires, droughts and flood events. Coastal land is also forecast to be impacted by sea level rise and storm surge. It will therefore be important to regularly update the Land Subject to Inundation Overlay to consider the projected impacts of coastal inundation and flooding in the event of a 1 in 100 year storm.

Council is separately reviewing flooding and erosion management controls in partnership with the Victorian Government.

A number of changes have been made to the planning scheme with regard bushfire planning, including:

- Bushfire Management Overlay (BMO) mapping was updated across Victorian in 2017 via Amendment GC13.
- Introduction of revised Bushfire Planning Policy at Clause 13 in 2017 via Amendment VC140.
- Designated Bushfire Prone Area (BPA) mapping for East Gippsland was reviewed and updated in 2019.

These changes have significantly raised the threshold that must be met when undertaking strategic planning and land rezoning, including this RLUS, in bushfire risk areas. Continual review of the Bushfire Management Overlay and Bushfire Prone Area mapping is warranted to ensure the bushfire risk to settlements are appropriately identified and assessed.

¹⁷ Victorian Government (2006) The Coastal Spaces Landscape Assessment Study: State Overview Report

Extensive parts of the East Gippsland coastline are affected by coastal acid sulfate soils (CASS) including large tracts of Farming Zone and Rural Conservation Zone land, particularly around Marlo and Orbost and around the shorelines of the Gippsland Lakes. Coastal acid sulfate soils occur naturally along many parts of Victoria's coastal zone and, if left undisturbed, are largely benign. However, if disturbed, i.e., water drains from the soil and air enters, they can react with oxygen and produce sulfuric acid with significant environmental impacts.

Clause 12.02-1S Protection of coastal areas includes a strategy: 'Avoid disturbance of coastal acid sulphate soils', however there is no recognition of the location of coastal acid sulphate soils in the East Gippsland Planning Scheme. This requires consideration as part of future strategic work for Council.

KEY FINDINGS

The strategic directions and major drivers summarised in this chapter, along with the vision for rural land will underpin preparation of planning policy and controls to guide use and management of rural land into the future. The strategic directions and implications are summarised as:

- Enable differentiated policy positions to be developed in recognition of diverse rural areas by:
 - Identifying and acknowledging in policy, areas where development pressure has resulted in conversion from commercial agriculture to predominantly rural residential or other non-agricultural uses.
 - Identifying remote rural townships and settlements where policy can support retention of employment and maintain population.
- Promote agriculture and protect agricultural land by:
 - Protecting farmland of strategic significance, productive agricultural land and land with potential for irrigation development.
 - Providing policy guidance to assist Council assess planning permits for subdivision, dwellings, rural workers accommodation and on-farm agricultural infrastructure.
 - Providing policy guidance on the types of tourism uses to be promoted in the Farming Zone and Rural Activity Zone.
- Promote rural tourism and experiences by:
 - Supporting tourism that builds on the existing tourism product.
 - Supporting Indigenous tourism and experiences linked to Indigenous cultural heritage.
- Providing policy guidance on the appropriate scale and types of tourism developments to ensure productive agricultural land, landscape and environmental values are protected and to maximise the efficient use of infrastructure.
- Promote rural industry by:
 - Maintaining appropriate separation between rural industries and sensitive uses.
 - Maintaining the current policy position for timber production and harvesting.
 - Provide suitable locations for agricultural workers accommodation and agricultural infrastructure such as secondary processing, packaging and logistics.
- Protect environmental values and reduce threats posed by environmental hazards by:
 - Recognising and protecting significant environmental values including Ramsar listed wetlands, Directory of Important Wetlands, Heritage rivers and ecological communities listed in the *Environment Protection and Biodiversity Conservation Act. 1999*.
 - Ensuring development on floodplains does not introduce impediments to movement of floodwater and does not negatively impact floodplain wetlands.
 - Protecting and enhancing areas of landscape significance by discouraging inappropriate development and uses.
 - Ensuring that the threats to human safety and development posed by natural hazards are minimised.
 - Avoiding the disturbance of coastal acid sulfate soils.
 - Discourage inappropriate use and development within Proclaimed Water Supply Catchment Areas.

4. Consultation and Strategy Revisions

The community and stakeholders informed the development of the RLUS through a number of engagement activities, including:

- Targeted stakeholder consultation to validate and augment the findings of the Background Report in 2015
- Targeted consultation with key stakeholders on the initial draft Strategy in 2021
- Public exhibition of the initial draft Strategy 2021.

The key themes and issues provided in submissions to the 2021 draft included:

- General support for the vision but views diverged on the proposed recommendations to achieve the visions.
- Broad support for protecting agricultural land and agriculture.
- Small number of submissions suggesting agriculture has no future and is not important to the local economy.
- Numerous requests for submitters land to be rezoned to rural living.
- Supporting data is out of date and requires a refresh.
- Varying views on optimum lot size for agriculture.
- Greater flexibility is required in areas where fragmentation of rural land exists.

The preparation of the draft RLUS commenced in 2015 with a Background Report and Draft Strategy completed in 2016. For a number of reasons the project then lapsed until 2021 when Council undertook a range of formal and informal consultation. In 2022, the Background Report and Draft Strategy were both updated to include current ABS data, consider strategic studies recently completed by Council and the consultation findings.

The key changes made to the strategy in response to the updates and consultation include:

- Restructure of the RLUS report to improve readability and alignment with the new planning scheme format.
- Include land currently zoned Farming Zone 2 into Farming Zone 1 (west of Bairnsdale) and into Rural Activity Zone (east of Bairnsdale).
- Abandon proposed RAZ for land fronting Lake King due to the use and large lot configuration of land in this precinct being compatible with future commercial farming activities. Land in this precinct will remain within the Farming Zone 1 which will afford greater protection to commercial farming activities and landscape values fronting Lake King.

- Abandon proposed RAZ for the Boole Poole Peninsula due to natural hazard risks associated with bushfire and flooding. Retention of the Farming Zone 1 will ensure potential future land use and development has regard to natural hazard risks in this location.
- Introduce new local policy to protect farmland within a 500m buffer of land identified as farmland of strategic significance.
- Update and extend the Environmental Significance Overlay Schedule 2 – High Quality Agricultural Land to all areas identified as farmland of strategic significance.

The feedback was considered in the preparation of the 2022 version of the Draft RLUS which was placed on public exhibition for eight weeks in December and January 2023. In total, 29 responses were received via an online survey, 21 written submissions were received from community members and businesses and two from State agencies. The key themes and issues raised in the feedback included:

- A number of submissions provided general support for the strategy.
- Concern that the proposal to introduce the RAZ to the Banksia Peninsula will weaken policy that protects the environmental values.
- Clarification of the intent and benefit of applying the RAZ to the Bairnsdale-Paynesville hinterland.
- Around half the submissions were from landholders seeking land to be considered for an alternative zone, clarification of the implications of policy changes or had concerns regarding the impact of the strategy on personal circumstances.
- A number of submitters sought stronger support for nature-based tourism particularly associated with rural settlements along touring routes and the extensive river systems.
- A small number of submissions were not supportive of the strategy and disagreed with the research analysis and findings.

Council's Agricultural Sector Advisory Committee (ASAC) comprises representatives of a diverse range of companies, business and families actively engaged in the agriculture sectors and provides advice, guidance and recommendations to Council on matters that affect the agriculture sector in East Gippsland. The ASAC supported the Strategy policy directions and included recommendations to strengthen policy including identification of additional areas of FSS and information to be included in Farm Management Plans.

The main changes made to the strategy in response to submission include:

- Expansion of Farmland of Strategic Significance in the Lindenow Valley.
- Abandon proposal to rezone land on the Banksia Peninsula and in the Bairnsdale-Paynesville hinterland from FZ to RAZ.
- Inclusion of a recommendation to introduce the Buffer Overlay to important community assets within the Bairnsdale-Paynesville hinterland including the landfill and quarry.
- Additional commentary to expand on strategic direction for nature-based tourism, environmental values and climate change.
- Refinement of text to clarify or expand on the Strategy response to issues such as succession, old Crown Allotments and details regarding the content of Farm Management Plans.

It is acknowledged that during the development of the RLUS East Gippsland was devastated by the Black Summer bushfires of 2019-20. Over a million hectares were burnt with hundreds of houses destroyed and properties left without fencing, sheds and other basic needs. Communities and farm businesses are still recovering and rebuilding and this will process is likely to continue for some time. As part of the recovery process, communities are re-evaluating their future, and seeking to build resilience into local economies. This was evident in some submissions, particularly in relation to support for nature-based tourism. The RLUS acknowledges the unique circumstances of East Gippsland with rural settlements separated by extensive areas of public land, the desire to retain population and a high bushfire risk environment. The Strategy has sufficient flexibility to respond to local aspirations as it recovers from bushfire and provide an enduring framework for the Shire's rural lands.

5. East Gippsland Rural Land Use Strategy

THE EAST GIPPSLAND RURAL LAND USE STRATEGY COMPRISES

- **VISION AND PRINCIPLES**

- **STRATEGIC DIRECTIONS**

Containing the objectives, strategies and actions for:

- Food and Fibre
- Rural Tourism
- Rural industries
- Environment and Landscape
- Rural housing

- **RURAL FRAMEWORK PLAN**

- **IMPLEMENTATION**

Actions to deliver the RLUS

Vision and Principles

The RLUS vision is nested within East Gippsland's Council Plan vision:

East Gippsland is an inclusive and innovative community that values our natural environment, puts community at the centre of Council decision-making, and creates the conditions in which communities can thrive

VISION

East Gippsland's rural land is integral to the economy, identity and social fabric of the Shire. A unique mix of natural resources, wilderness, lakes and coasts supports diverse farming activities, rural industries, unparalleled rural lifestyle and visitor destinations and experiences.

PRINCIPLES

Preparation of this draft Rural Land Use Strategy is underpinned by the following principles.

- Protect and enhance productive farmland and farmland of strategic significance to support food and fibre production.
- Facilitate innovation and growth of the agricultural sector to leverage competitive advantages and strengthen the economy.
- Encourage rural and nature-based tourism to augment and diversify the Shire's agricultural and environmental values.
- Protect and enhance environmental values including biodiversity, landscapes and water quality.
- Respond to the challenges and threats associated with a changing climate and natural hazards.
- Address the legacy of dwelling development and fragmentation of land in productive farming areas.
- Support population retention for a sustainable and prosperous future in rural communities.

6. Strategic Directions

This Strategy establishes the following directions for rural land across East Gippsland, to be implemented by the Rural Framework Plan. The subsequent chapters provide further discussion and identify key actions to implement these directions.

STRATEGIC DIRECTION 1: FOOD AND FIBRE

Support and promote production of food and fibre and value add industries

Agriculture underpins the economy of East Gippsland. Planning must support agriculture to adapt to changing technology, markets and climate change to be a thriving and efficient industry. Leveraging strengths in food and fibre production will attract supporting service industries, manufacturing and processing businesses. Protection of productive agricultural land is important to give agricultural businesses confidence to invest for the long term. Farmland of strategic significance continues to support production and processing of high value crops.

The rural areas of East Gippsland also host a variety of small -scale farming operations that make a valuable contribution to food and fibre production at a local level and complement larger scale commercial farming activities. Planning will continue to support these opportunities to drive innovation and diversity in the agricultural sector.

STRATEGIC DIRECTION 2: RURAL TOURISM

Encourage rural tourism opportunities in appropriate locations

Tourism is a well-established industry in East Gippsland based on its natural assets including the Gippsland Lakes, High Country, extensive coasts and wilderness areas, Lakes Entrance, Mallacoota, Coastal Wilderness Walk, National Parks, major touring routes and active recreation facilities. There is potential to diversify East Gippsland's rural tourism offer to include wider choice in nature-based tourism, agri-tourism and associated experiences. This includes opportunities such as high-end eco-tourism development (glamping and wilderness lodges), facilities that service the growing interest in hiking, cycling, mountain biking and agri-food services such as cellar door and farm gate sales. There are also opportunities to leverage the region's significant cultural heritage.

STRATEGIC DIRECTION 3: RURAL INDUSTRIES

Support sustainable development of rural industries

East Gippsland's strengths and competitive advantages in food and fibre production provide the opportunity to attract service industries, manufacturing and processing businesses in appropriate locations.

Rural industries such as timber harvesting, extractive industries, mining and renewable energy generation present further economic and employment opportunities. Ensuring that rural industry land and assets are not encroached by sensitive uses, including dwellings, will protect their long term viability. It will be important, however, to seek to balance the economic and social benefits arising from new rural industries with the protection of productive farmland and farmland of strategic significance, significant landscape and environmental values and the amenity of the Shire's rural areas.

STRATEGIC DIRECTION 4: ENVIRONMENT, LANDSCAPE, CATCHMENTS AND NATURAL HAZARDS

Protect and enhance environmental and landscape values

The natural environment and landscapes of East Gippsland contribute to its identity and its attractiveness as a place to live, work and visit. The Shire is host to flora and fauna protected by Federal and State legislation as well as significant catchments, wetlands, and waterways.

East Gippsland offers diverse range of rural landscapes from The High Country to coastal areas and the Gippsland Lakes. Many of these areas are classified by the National Trust as landscapes of special or regional significance and require recognition and protection.

The natural values of East Gippsland also present challenges in relation to the management of environmental hazards including bushfire, flood and erosion. Risks associated with these hazards are exacerbated by the changing climate and require careful consideration as part of the appropriate and sustainable use of rural land.

There are opportunities to strengthen policy and controls in order to recognise and protect these diverse and significant natural values and associated risks.

STRATEGIC DIRECTION 5: RURAL HOUSING

Support population retention in rural settlements and address legacy subdivisions

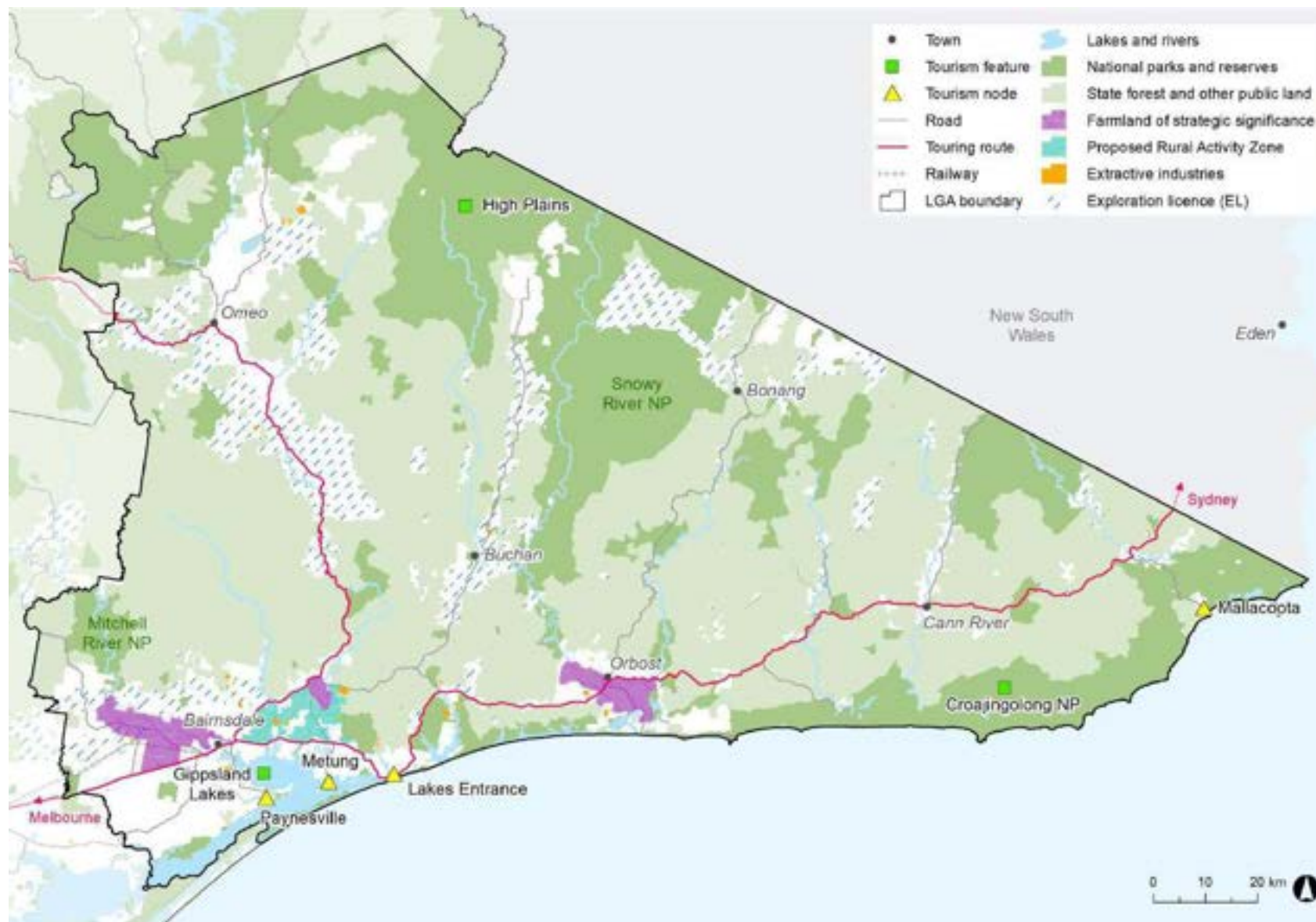
Dwelling development has been identified as the major issue for planning in the Rural Zones in East Gippsland.

The key focus of this RLUS is to support agriculture and the rural economy and therefore recommends policy that will seek to ensure that new rural dwellings in the Farming Zone are only supported when genuinely required for an agricultural purpose.

The RLUS acknowledges that 'rural residential' living and lifestyle opportunities comprise an important component of the East Gippsland housing market, can offer economic benefits and support population retention in more remote rural communities. It is critical, however, that these opportunities are balanced against the need to protect productive farm land for agricultural activities that are unencumbered by sensitive land uses such as rural residential dwellings. In this context, the RLUS seeks to identify a balanced approach to rural housing, including the identification of circumstances where dwelling development may be appropriate.

RURAL FRAMEWORK PLAN

Figure 15: Rural Framework Plan



Strategic Direction 1: Food and Fibre

Agriculture plays a significant role in the economy of East Gippsland. Primary produce, including meat, vegetables and milk supports a significant local and regional food processing sector and supplies national and international markets (Figure 15).

In 2020, the gross value of agricultural production (GVAP) in East Gippsland was \$295m, nearly double the 2006 GVAP, and comprised mostly meat, milk and vegetables (Figure 17). The growth in GVAP is attributed mostly to improved prices for meat and wool. These trends are consistent with the findings of the recent Livestock Farm Monitor Project¹⁸, a survey of 124 Victorian sheep, beef and mixed farming, including cropping, farmers with detailed financial and production performance information. The Project found in relation to Gippsland farmers:

- Beef sales made up 73 per cent of cash income for LFMP farms in Gippsland.
- Highest average price received for beef cattle in 18 years.
- Highest average gross farm income recorded in 18 years.
- Highest return on assets since 2016-17.

Horticultural production is focused on the Lindenow Valley where the combination of high capability soils and irrigation enables production of a range of vegetables for the fresh market and local processing. Expansion of horticulture from the river flats on to surrounding land is being driven by a positive industry outlook and adoption of advanced irrigation technology. Increasingly, producers of fresh food on the metropolitan fringe are seeking high quality affordable land with few neighbours, such as that available in the Lindenow Valley. Improved freight and logistics mean that fresh produce can be readily delivered from East Gippsland into wholesale markets and supermarkets in Melbourne. Industry expansion will increase demand for workers accommodation and secondary processing and logistics infrastructure near the Lindenow Valley.

Livestock production is the most widespread agricultural industry in East Gippsland. The industry is strongly segmented with a few very large enterprises and a large number of smaller operations. East Gippsland milk producers are part of the wider Gippsland dairy region that produces around one quarter of the nation's milk, primarily for processing and export markets. Dairy farms are focussed on the Lindenow Valley and around Orbost

Figure 16: Jobs by industry sector¹⁹

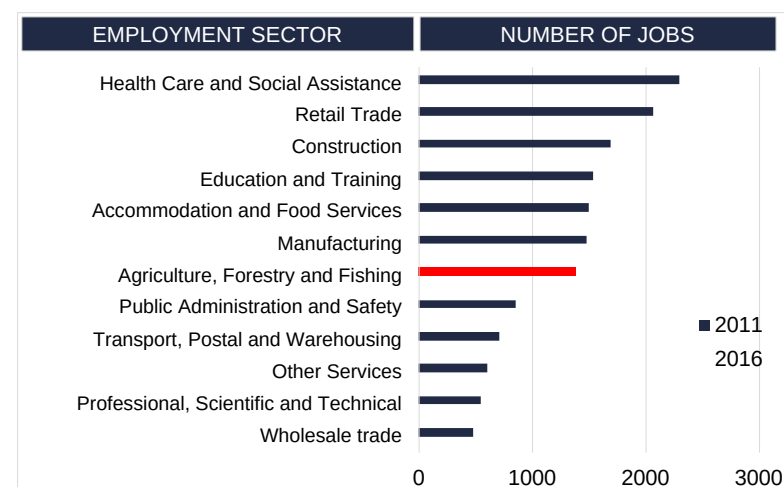
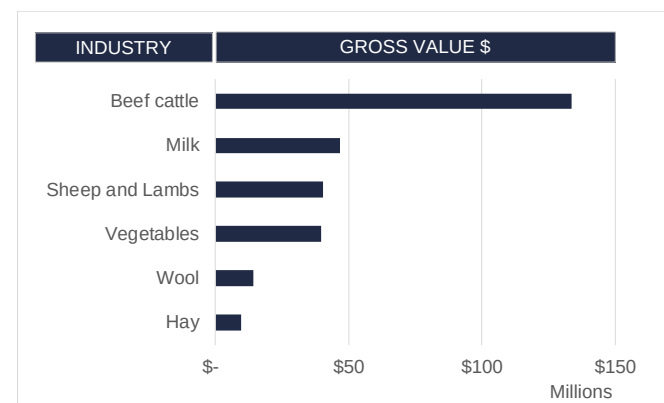


Figure 17: Gross value of agricultural production, 2020¹⁴



¹⁸ https://agriculture.vic.gov.au/__data/assets/pdf_file/0010/907498/2021-22-LFMP-report.pdf

¹⁹ Industry data from the ABS 2020/21 survey is anticipated to be released in the second half of 2022 and the final strategy will be updated accordingly.

where there is access to irrigation. Protection of agricultural land with access to water for irrigation is important to promote development and growth of high value industries such as milk and vegetable production.

Analysis of agricultural industry and business trends documented in the Background Report found that farm size and business scale is increasing with greater production per unit area to maintain productivity and profitability and spread business risk. The industry is also more concentrated with a small proportion of farms generating most of the agricultural output.

Value adding and vertical integration is an increasing feature, particularly in the horticulture sector. Facilitating farm growth and expansion and vertical integration will promote industry investment.

The food and fibre industries are supported by infrastructure such as the Princes Highway providing access to Melbourne markets and ports. The Fenning Internodal Freight Terminal in Bairnsdale announced in May 2022 will increase rail freight services to the Port of Melbourne.

The Shire's location, accessibility and agricultural infrastructure are significant competitive advantages for producers in East Gippsland. Better mobile phone coverage and wireless access would enable farmers to continue to innovate and adopt new technology. There is an opportunity to expand established food and fibre processing industries to create new employment opportunities.

East Gippsland is blessed with extensive areas of productive agricultural land. An assessment of land capability and land fragmentation in Stage 1, found that most rural land has moderate to high agricultural capability and is held in land parcels suited to broadacre agriculture and forestry. Based on a combination of productive agricultural land and the economic contribution to the agricultural industry and food processing, land in the Lindenow Valley, Snowy Valley and Tambo Valley has been identified as farmland of strategic significance.

Commercial agriculture requires the flexibility to respond to market and consumer changes, adopt new technology and more intensive production systems and adapt to the impacts of climate change. Planning policy can promote flexibility and industry growth by:

- Clearly identifying locations where commercial agriculture will be the primary land use and providing supporting policy to prevent fragmentation.
- Protecting Farmland of Strategic Significance and productive agricultural land.
- Facilitating parcel sizes suited to contemporary agricultural management practices and unencumbered by unwanted infrastructure, particularly dwellings.

- Maintaining separation between commercial agriculture and sensitive uses, such as urban and rural residential settlement, to minimise risk of offsite impacts and support efficient and optimal agricultural operations.
- Providing for on-farm agricultural infrastructure associated with vertical integration and value adding and suitable locations for larger scale infrastructure and workers accommodation.

Council's current policy position supports timber production on private land. Planning should continue to acknowledge the importance of the industry however additional policy guidance is currently not required.

Whilst the majority of food and fibre output is derived from large scale, commercial farming activities, rural areas of East Gippsland also host a variety of smaller scale farming operations that make a valuable contribution to local food and fibre production and complements larger scale commercial farming activities. This includes niche or boutique farming activities such as vineyards and associated wine making, fruit growing, cut flowers etc.

The Farming Zone currently supports smaller scale farming activities in locations with the appropriate climatic and soil conditions. This is complemented by opportunities for small scale farming activities in within the proposed Rural Activity Zone and existing Rural Living Zone. The use of land for smaller scale farming activities can often take place without the need for a planning permit (although some development, for example shedding, may require a planning permit). If it can be demonstrated that there is a genuine need for a dwelling to be constructed to undertake the farming activity, regardless of scale, a planning permit will likely be issued. Given the large number of small lots across the rural areas, it is unlikely that further fragmentation of land via subdivision will be required to facilitate small scale farming activities.

ISSUES AND OPPORTUNITIES

CLIMATE CHANGE

The climate in East Gippsland is temperate, with patterns of precipitation and temperature influenced by geography, topography, altitude and proximity to the coast. The plains and coastal areas are subject to mild temperature compared to the cooler climate of the ranges. Rain shadows caused by the ranges occur in the Mitchell and Tambo River valleys, and on the plains. Rain shadow effects are evident when comparing average annual rainfall of 659 mm at Tabberabbera in the Mitchell River valley with Bullumwaal in the bordering high country which receives an average of 1,080 mm. Mean annual rainfall at Bairnsdale is 716 mm and at Cann River is 1,008 mm.

The future climate of East Gippsland is expected to be hotter and drier. In general, the region can expect more hot days and warm spells, with fewer frosts, less rainfall in winter and spring with harsher fire weather and longer fire seasons. Although rainfall is predicted to decline on average, an increase in intense rainfall events is likely to result in more flooding.

Climate analogues give an indication of the potential impacts of these changes on agriculture. By 2070, under a higher emissions growth scenario, Orbost's temperatures would resemble those of Nowra in New South Wales, while annual rainfall would be similar to present day Bairnsdale. By 2070, under a higher emissions growth scenario, annual rainfall at Lakes Entrance would be similar to present day Melbourne²⁰. This suggests that the agricultural virility, the range of commodities suited to the area, is not likely to change significantly. Areas with access to an irrigation supply will have advantages over dryland areas, through the reliability of the irrigation water supply, particularly stream diversion, may be more variable.

By comparison, climate change in Northern Victoria will also result in hotter and drier conditions, however the climate analogues show that the future will be significantly hotter and drier than East Gippsland. By 2070, under a higher emissions growth scenario, both temperature and annual rainfall in Tatura would resemble those of West Wyalong in New South Wales. By 2070, under a higher emissions growth scenario, Benalla's temperatures would resemble those of Hay, while annual rainfall would be similar to present day Rutherglen²¹.

The forecast climate in East Gippsland will be less extreme compared to the northern regions of Victoria. This will be a significant attractor for agricultural businesses looking to reduce their climate risk exposure. The mix of agricultural industries may change as the land suitability changes with climate however, it will continue to be dominated by broadacre industries and horticulture where there is access to irrigation.

Access to irrigation for horticulture and increased capture of rainfall will be critical to manage increased risks to agricultural business from the future climate. Planning policy should support diversification and adaptation to climate change and promote investment in irrigation efficiency and upgrade by maintaining the agricultural credentials of areas with access to irrigation.

FRAGMENTATION

There are around 6,300 lots in the Farming Zone and nearly 62% (3,883) of these are under 40ha. Given the scale of farming and range of lots sizes there will be few

circumstances where further subdivision, including dwelling excisions, will be required. Planning policy should support agriculture by retaining land in parcels suited the scale and types of farming and agricultural industries in East Gippsland. Re-subdivision that results in creation of rural residential size lots and house lot excisions should be strongly discouraged.

Considerable pressure for the creation and development of small lots or new dwellings is often placed on Councils by farmers citing the value of the land for residential purposes as their retirement plan or a desire to retire on the farm. In other cases, Councils are urged to allow small lots to be sold or excised for residential purposes as part of debt structuring for superannuation purposes. Farm succession will generally not be sufficient justification for a subdivision, a dwelling excision or new dwelling. Planning policy should not be used to solve issues that are the domain of business planning and management, including succession planning. Second dwellings and rural workers accommodation will be considered subject to demonstrating that they are genuinely required to support an agricultural enterprise.

Fragmentation of agricultural land has a number of negative impacts on commercial agriculture including:

- Increasing land value above productive value such that farmers speculate in their land rather than farming it.
- Isolating tracts of farmland.
- Deterring farmers from investing in their operations as they anticipate the conversion of their land out of commercial agriculture.
- Higher capitalisation of smaller farms making them less attractive purchases for farm expansion.
- Loss of critical mass of commercial farms and farmers to sustain an agricultural industry and value chain.
- Rural land use conflict as new migrants in an agricultural landscape have an expectation of a benign rural environment.

Productive agricultural land unencumbered by dwellings is essential to encourage ongoing investment in agriculture and prevent rural land use conflict. Planning permit applications for new dwellings in the Farming Zone should be required to clearly demonstrate that the dwelling is genuinely required to support a commercial agricultural enterprise.

²⁰ <https://vgls.sdp.sirsidynix.net.au/client/search/asset/1012484>

²¹ https://www.gbcma.vic.gov.au/downloads/ClimateChange/Climate_Change_in_Goulburn_Broken.pdf

FARM SCALE

This RLUS has found an increasing trend in farm scale which is consistent with the national trend driven by the declining terms of trade for agriculture products (price of product falls relative to the cost of inputs). The main mechanism available to agricultural businesses to respond to declining terms of trade and remain viable is to increase scale. If a farming business cannot increase the area of land farmed then the enterprise must change to generate more income from the same area e.g. change production to higher value crops or value add. For livestock enterprises on moderate capability land, intensive enterprises could include intensive animal husbandry such as a feedlot. For a horticultural enterprise, this might include protected cropping (glasshouse) production or processing of fresh produce.

Increased farm size has supported improved productivity and economies of scale and facilitated investment in technology. This in turn allows for better and more flexible labour management, better knowledge management and adoption of better farm management practices. The higher productivity of larger farms highlights the importance of structural change (which enables farms to grow) for industry-level competitiveness.

Land use planning plays an important role in supporting productivity improvements and structural changes by ensuring that agricultural land remains available in suitably sized parcels, unencumbered by unnecessary infrastructure and priced to reflect its productive value not its development potential.

Most commercial agricultural businesses, both livestock grazing and horticulture businesses, in East Gippsland are between 100ha and 500ha in size. Farm business scale will be an important consideration in the assessment of planning permits for dwellings and rural workers accommodation in the Farming Zone.

The Farming Zone currently supports smaller scale farming activities in locations with the appropriate climatic and soil conditions. This is complemented by opportunities for small scale farming activities in the proposed Rural Activity Zone and existing Rural Living Zone. The use of land for smaller scale farming activities can often take place without the need for a planning permit (although some development, for example shedding, may require a planning permit). If it can be demonstrated that there is a genuine need for a dwelling to be constructed to undertake the farming activity, regardless of scale, a planning permit will likely be issued. Given the large number of small lots across the rural areas, it is unlikely that further fragmentation of land via subdivision will be required to facilitate small scale farming activities.

FARM DWELLING JUSTIFICATION

Dwelling development has been identified as the major issue for planning in the Farming Zone in East Gippsland. The trend in increasing farm scale, which occurs primarily through farm amalgamation, runs counter to the rate of approvals for new dwellings in the Farming Zone, currently averaging 40 dwellings per annum.

Determining whether an applicant has demonstrated that a dwelling is genuinely required for the operation of an agricultural enterprise is the main challenge for council in assessing planning permits for dwellings in the Farming Zone. The Victorian Planning Provisions (VPP) makes it clear that the viability of an agricultural enterprise and the impact of development on the viability of agriculture and the agricultural processing sector are key considerations.

Clause 14.01-1 Protection of agricultural land states *permanent removal of productive agricultural land from the State's agricultural base must not be undertaken without consideration of its **economic importance** for the agricultural production and processing sectors*. Clause 14.01-2 encourages sustainable agricultural land use, sustainable agriculture being defined as *the use of farming practices and systems which maintain or enhance the economic viability of agricultural production*.

This RLUS seeks to support and encourage *commercial* agricultural enterprises which contribute to the region's agriculture industries and processing sectors consistent with State Policy. Commercial agricultural enterprises generally have the following attributes:

- The enterprise is the primary source of income for the business owner (acknowledging that many farm businesses have some off farm income or income derived from secondary on-farm business operations).
- The primary purpose of the business is to raise crops and livestock to sell into the market (retail, wholesale, processors) with the aim of making a profit.
- Is compliant with industry regulatory and quality assurance requirements.
- Invests in technology, technical advice and information to achieve productivity improvements and efficiency gains.
- Undertakes market analysis to produce products that are in demand and meet consumer preferences.
- Have risk management plans to address economic risks such as market downturn or natural risks such as drought and climate change.

Sub-commercial farms or hobby farms can be used productively to grow crops and livestock. However, they do not produce the critical mass of commodities required to support the agricultural value chain or secondary processing sector. For example, secondary processors typically require large volumes of product that meet specific

standards and sub-commercial producers generally cannot produce the volume required by the secondary sector. For many sub-commercial producers, the primary motivation for undertaking agriculture is lifestyle.

Sub-commercial farming such as artisan agriculture, micro-agriculture or agri-tourism are legitimate land uses and can play a role in local food networks. Opportunities for small scale agriculture enterprises exist in the Rural Living Zones, the proposed Rural Activity Zone and the current supply of small farms in the Farming Zone of East Gippsland. The RLUS recognises the contribution of these small farms and does not compromise these legitimate and ongoing activities. Small scale, sub-commercial agriculture will not be justification however, for a dwelling in the Farming Zone.

SEPARATING AGRICULTURE AND SENSITIVE USES

Introducing sensitive uses, such as residential uses, in proximity of agriculture can give rise to land use conflict and have adverse impacts on agriculture, including:

- Agricultural operators having to undertake measures to mitigate or minimise the risk of harm to sensitive receptors.
- Constraints on the ability of an agricultural operator to comply with legislation or regulations or an increase in the costs to an agricultural operator of complying with legislation or regulations.
- Nuisance complaints regarding agricultural operations that comply with the general environmental duty or considered 'normal' or 'acceptable' farm activities.
- Increased stress to an agricultural operator associated with undertaking 'normal' or 'acceptable' farm activities.

The risk of land use conflict tends to increase with the intensity of the agricultural enterprise and can arise from impacts on air quality, noise, biosecurity and amenity.

The Lindenow Valley horticultural area is adjacent to Bairnsdale and the Lindenow township. In a number of locations, it immediately adjoins land zoned General Residential Zone and Low Density Residential Zone which introduces significant risk of land use conflict.

It is recommended that policy be introduced to identify where new development may introduce land use conflict with agriculture on farmland of strategic significance. Where practical and appropriate, new land use and development, including development of land zoned for residential and rural residential purposes, within 500m of farmland of strategic significance should be sited to minimise the potential for land use conflict with agricultural activities. A land use conflict risk assessment may be required as part of a planning permit application for new use and development within 500m of farmland of strategic significance. The assessment should identify and assess risks that the development may

pose to normal agricultural operations and nominate measures to mitigate significant risks. Mitigation measures may include improved siting of development and/or vegetation screens.

PLANNING SCHEME

The Background Report identified a number of opportunities to improve the performance of the East Gippsland Planning Scheme as it relates to food and fibre. Measures to improve the performance of the planning scheme include:

- Review the Farming Zone minimum lot size schedules for subdivision and dwellings to reflect the scale and nature of the food and fibre industry.
- Clearly distinguish farmland of strategic significance where food and fibre production will have primacy of all other uses.
- Update the MPS to reflect trends and contemporary agriculture practices.
- Policy guidance, additional to that provided in the Farming Zone, for assessment of planning permits for:
 - Dwellings, rural workers accommodation and other discretionary non-agricultural uses
 - Subdivision including dwelling excisions.

The Planning Scheme Review³ noted the following with regard the Farming Zone:

It is understood that the current Rural Land Use Strategy introduces the concept of 'land of strategic significance' and there appears considerable scope to rationalise the four schedules to the Farming Zone into one focussed on the most productive land and another dealing with all other rural land.

Like nearly every other rural planning scheme in the State, there is local direction in the EGPS (at Clauses 21.06 and 21.08) on subdivision and housing in rural areas to accompany the FZ. Consultations suggest that there is an urgent need for revised local policy direction to address recurrent discretionary issues and to clarify Council's attitude to matters such as rural dwellings, small lot rural subdivision (like excisions) and non-rural uses in rural areas which evidently are rarely denied, other than in the FZ4 area. There is also a need for local policy direction to ensure there is some connection between any industry and the agricultural production on the land.

ESO2 High Quality Agricultural Land currently applies to land within the Farming Zone Schedule 4 (Lindenow Valley). The schedule includes the following objectives:

- Preserve areas of high inherent agricultural productivity and versatility for agricultural production.
- Ensure that areas of sufficient size for sustainable agricultural production are maintained.
- Discourage other uses, housing and buildings and works, even if associated with agriculture, that removes prime agricultural land from agricultural production.
- Allow small lot subdivision for agricultural purposes provided no house entitlement is created.

The Planning Scheme review notes that three of the objectives relate to matters of subdivision, use and excisions, none of which are controlled by the overlay. It is recommended that the ESO2 be updated with an appropriate statement of environmental significance and environmental objectives. This should include recommendations for setbacks to ensure that new dwellings and rural residential development do not introduce constraints on legitimate agricultural operations. It is also recommended that the ESO2 be extended to cover farmland of strategic significance identified in the Tambo River and Snowy River areas. Farmland of strategic significance and proposed extent are shown in Figure 18, Figure 19 and Figure 20.

Figure 18: Farmland of strategic significance - Lindenow Valley

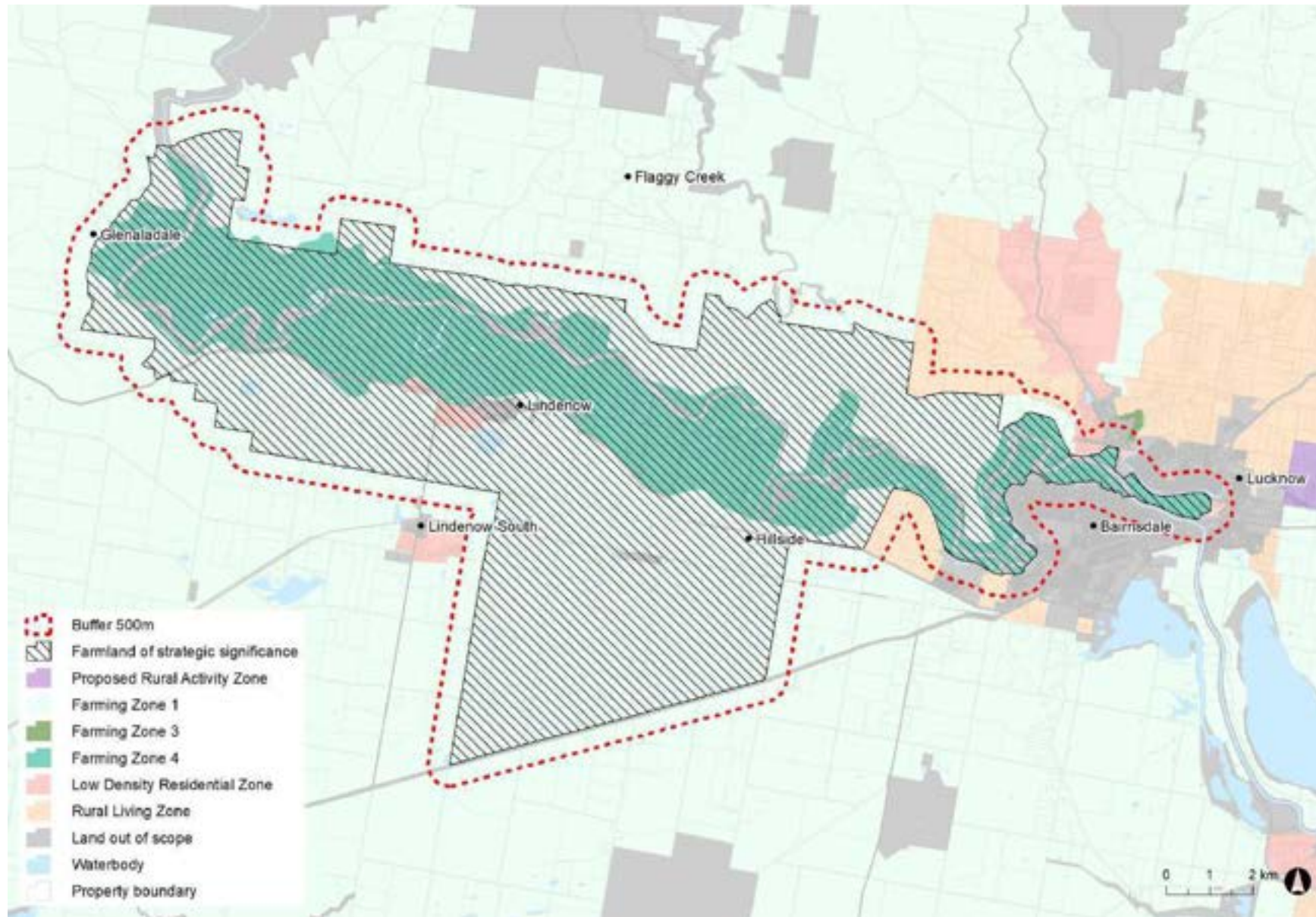


Figure 19: Farmland of strategic significance - Tambo Valley

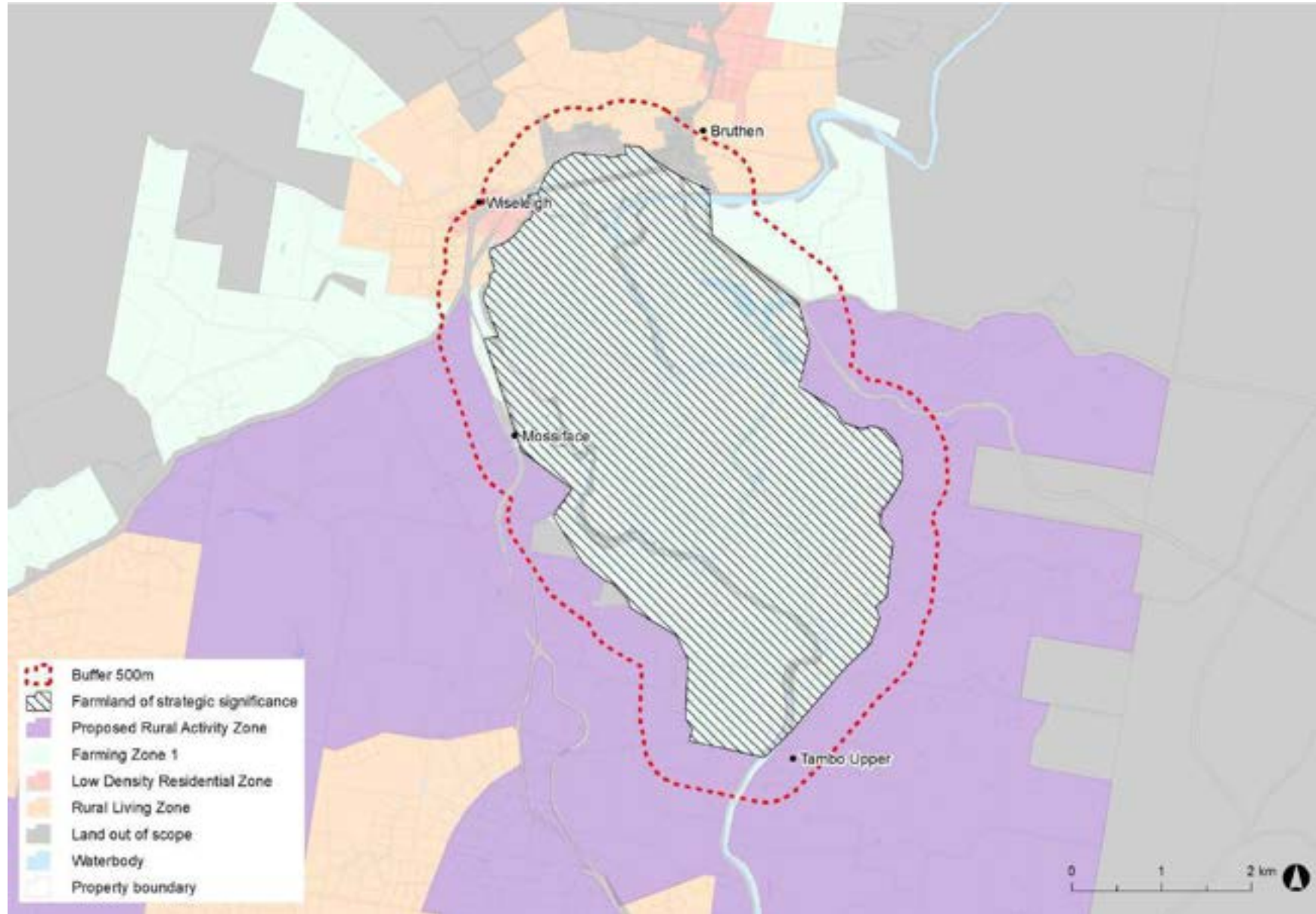
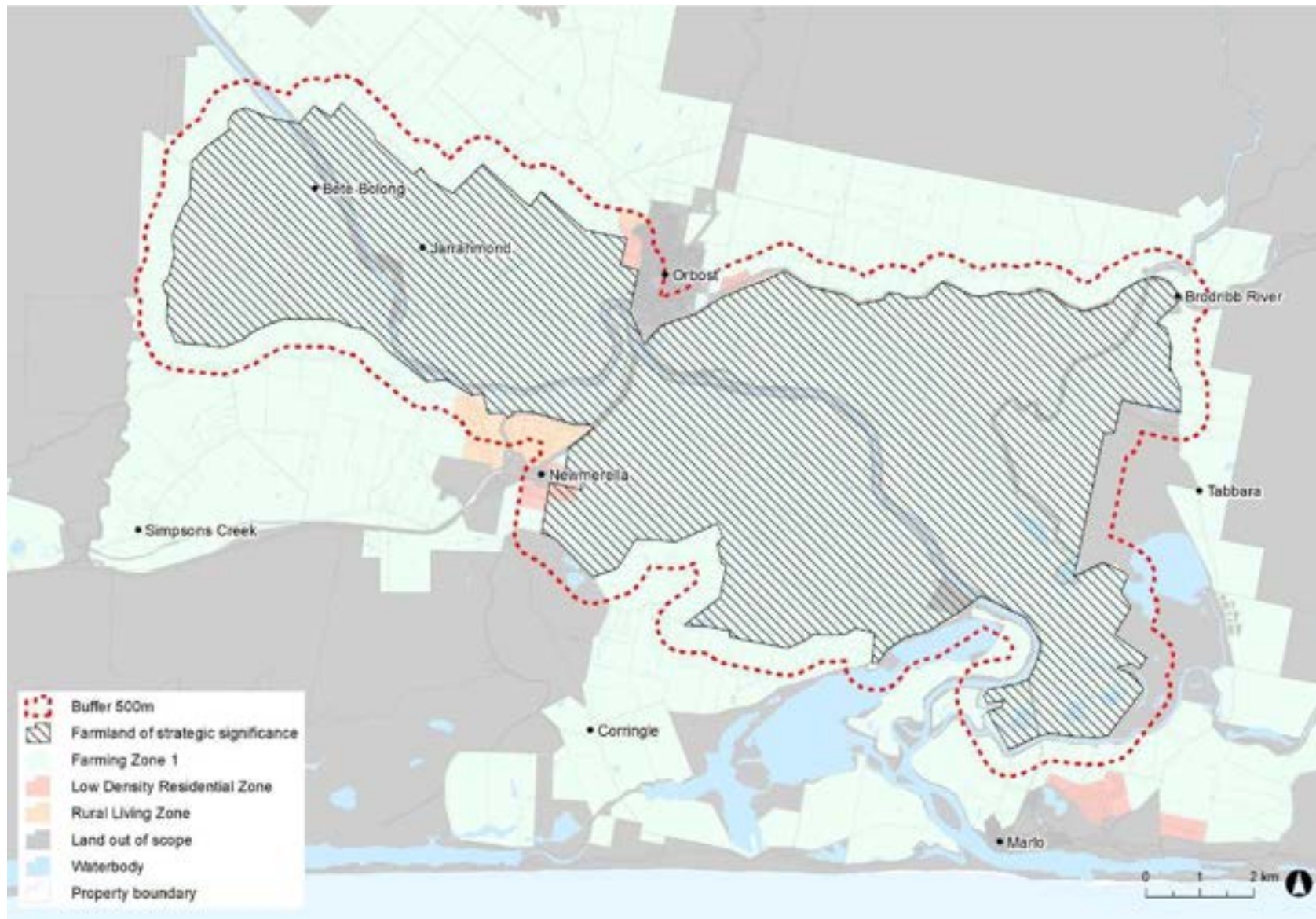


Figure 20: Farmland of strategic significance - Snowy River Valley



MINIMUM LOT SIZE

The Farming Zone currently applies to most rural land in the Shire and will be retained where agriculture is the predominant land use now and into the future. The legacy of the minimum lot size schedules and planning decisions has resulted in varying agricultural prospects. The Farming Zone schedules will therefore be tailored to respond to the current and future agricultural prospects.

This review found that Council approves most planning permits for dwellings in Farming Zone Schedule 1. To minimise further fragmentation of productive agricultural and forestry land, there is a need to achieve a cultural change in the expectation that a dwelling may be constructed on every rural lot. Agricultural businesses are generally increasing in physical size and business scale. This, along with a trend in farm amalgamation, means that there will be limited circumstances when a new dwelling is genuinely required to undertake an agricultural enterprise.

A range of lot sizes in a variety of locations are available in the Farming Zone that may accommodate smaller scale farming activities. Where a planning permit for a dwelling is required, this will be assessed on its merits based on whether the dwelling is genuinely required to support the agricultural activity.

Farming Zone Schedule 1 - Commercial broad acre agriculture

Agriculture in Farming Zone Schedule 1 comprises mainly broadacre agriculture such as livestock grazing and cropping. Analysis of farm businesses found that commercial broad acre enterprises are considerably larger than 100ha, comprise multiple lots and there is a clear trend towards increasing scale. With regard to minimum lot size for subdivision and dwelling the following will be key considerations:

- Further subdivision will be rarely required given the large supply of lots at a range of sizes.
- Lots should be maintained in sizes suited to broad acre agriculture and creation of small lots will be strongly discouraged.
- Provide for subdivision, subject to meeting decision guidelines, of a small number of very large lots (>500ha) that due to their size are less attractive for sale or transfer between farm businesses.
- Given that most commercial broad acre holdings comprise multiple lots, construction of a dwelling on every lot can no longer be expected and the nexus between subdivision and dwellings will be broken. This will be achieved by specifying different lot size minima for subdivision and dwellings.

The current minimum lot size for subdivision is 40ha and this will be retained.

To ensure Council has the opportunity to test whether a dwelling is genuinely required for an agricultural purpose, to break the nexus between subdivision and dwellings and respond to trends in farm scale and intensification, the minimum lot size below which a permit is required for a dwelling will be increased to 80ha. This does not mean that dwellings are prohibited on lots under 80 ha. A planning permit will be required and tested against Farming Zone guidelines and local policy to ensure that the dwelling is genuinely required to carry out an agricultural enterprise.

Farming Zone Schedule 2

Land use in Farming Zone Schedule 2 to the west of Bairnsdale comprises a mix of commercial farms and hobby farms. The proximity of Bairnsdale makes the area attractive for rural lifestyle purposes. The area is adjacent to the Mitchell River and there is evidence of horticultural development occurring within the Farming Zone Schedule 2. While more undulating than the river flats, there is suitable land that could be developed for horticulture. The land ownership analysis shows that most land is held in multi-lot tenements over 100ha in size.

To provide for the ongoing use of established commercial agriculture, to retain the opportunity for expansion of horticulture and to maximize the efficient development of Rural Living Zone and Low Density Residential Zone estates, it is recommended that the Farming Zone Schedule 2 land to the west of Bairnsdale be included in the Farming Zone Schedule 1. Given the large supply of lots at a range of sizes, further subdivision will be rarely required. A strong position should be taken to avoid creation of additional lots through dwelling excisions.

Land in the Farming Zone Schedule 2 to the east of Bairnsdale is recommended to be included in the Rural Activity Zone (see Strategic Direction 2: Rural Tourism for further discussion).

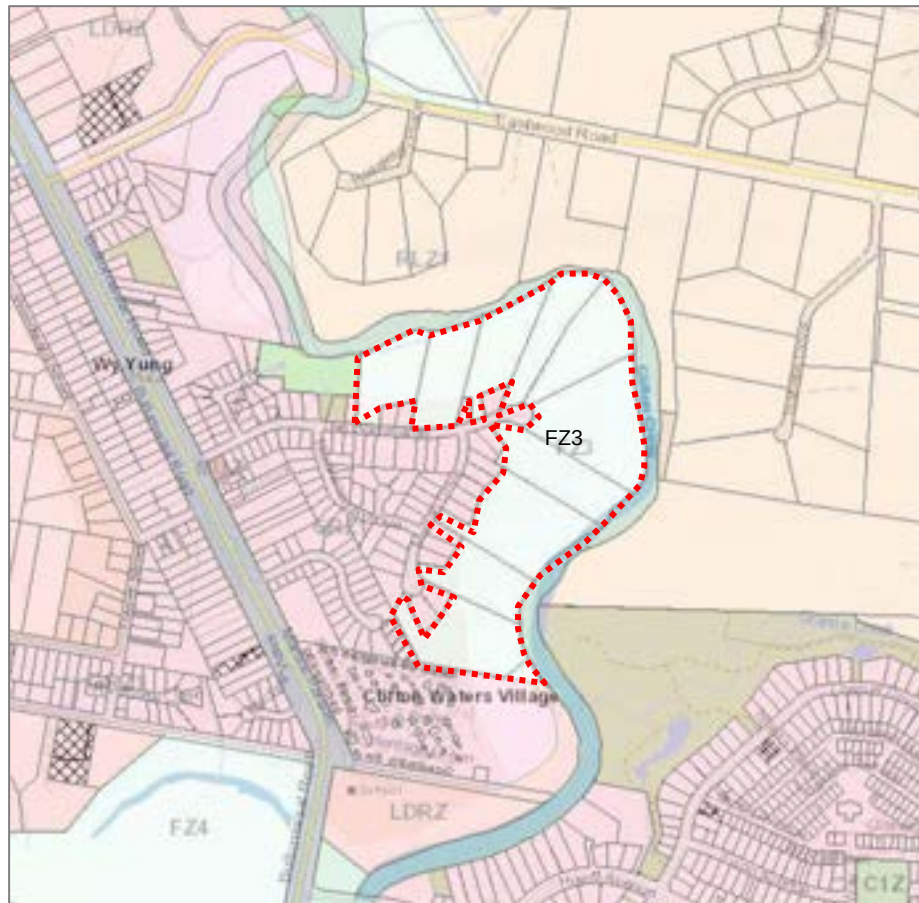
Farming Zone Schedule 3

Farming Zone Schedule 3 was introduced to hold the configuration of lots around Lakes Entrance (Figure 21). The land is nominated in the Lakes Entrance Strategy Plan of the East Gippsland Planning Scheme as having potential for future growth, though topography and vegetation retention may constrain residential development yield. Farming Zone Schedule 3 also applies to around 11 lots east of Wy Yung. (Figure 22). The lots vary in size between 10ha and 30 ha and some lots have a dwelling. It appears that holding the configuration of lots is also the purpose of the Farming Zone Schedule 3 in Wy Yung. It is recommended that the Farming Zone Schedule 3 be retained to maintain this position.

Figure 21: Farming Zone Schedule 3 Lakes Entrance



Figure 22: Farming Zone 3 Wy Yung



Farming Zone Schedule 4 - Commercial horticulture

Whilst heavily subdivided with many small lots, there has been little dwelling development in the highly productive Lindenow Valley, zoned Farming Zone Schedule 4. It is critical that this position be retained to support the horticultural industry and ensure that the highly productive soils of the river valley are retained for agriculture. Analysis of horticultural business in East Gippsland found that most are over 50ha in size, with many between 100ha and 500ha in size and comprise multiple lots. There is a trend in horticulture towards increasing scale, intensification of the production system and vertical integration such that further dwelling development increases risk of land use conflict and constrains legitimate agricultural operations. It is therefore recommended that the lot size triggers for subdivision and dwellings be increased, to align with the scale of agricultural enterprises and to protect farmland of strategic significance. With regard minimum lot size for subdivision and dwelling the following are key considerations:

- Further subdivision will be rarely required given the large supply of lots at a range of sizes, particularly small lots sizes, and will be strongly discouraged.
- Given the limited extent of land suited to horticulture and farmland of strategic significance and the intensive nature of the production systems and risk of off-site impacts, dwellings will be strongly discouraged and a limited range of ancillary development for first stage processing of farm produce will be supported.

The current minimum lot size for subdivision is 1ha. Given the scale of horticultural enterprises, efficiencies of long row lengths for mechanical activities such as planting, harvesting and irrigation, it is recommended that the minimum lot size for subdivision be increased to 10ha.

The current minimum lot size below which a planning permit is required for a dwelling is 10ha. To ensure Council has the opportunity to ensure that dwellings are genuinely required for an agricultural purpose and to break the nexus between subdivision and dwellings, the minimum lot size below which a permit is required for a dwelling will be increased to 40ha.

Table 4 summarises the current and proposed minimum lot size for each schedule to the Farming Zone.

Table 4: Current and proposed Farming Zone lot size schedules

FZ SCHEDULE	MINIMUM AREA FOR WHICH A PERMIT IS NOT REQUIRED FOR A DWELLING		MINIMUM LOT SIZE SUBDIVISION	
	Current	Proposed	Current	Proposed
FZ1	40	80	40	40
FZ2 west of Bairnsdale rezoned to FZ1	30	80	30	40
FZ3	15	15	15	15
FZ4	10	40	1	10

FOOD AND FIBRE OBJECTIVES, STRATEGIES AND ACTIONS

OBJECTIVES

Support growth of food and fibre production across all agricultural activities, processing and manufacturing, that adds value to primary production by protecting productive farmland and farmland of strategic significance.

STRATEGIES

Facilitate innovation and adoption of new technology in the agricultural sector and adaptation to a changing climate.

Discourage uses and development, including dwellings, which are not directly related to agriculture, that may have an adverse impact on agricultural operations or introduce conflict with agriculture.

Provide rural infrastructure that specifically supports the agricultural sector and adds value to primary produce.

Identify and respond to significant fragmentation of rural land.

ACTIONS

Include the RLUS as a reference document to the East Gippsland Planning Scheme.

Update the Municipal Planning Strategy (MPS) and Planning Policy Framework (PPF) with relevant recommendations from this RLUS.

Retain the Farming Zone Schedules 1, 3 and 4 where they currently apply.

Apply Farming Zone Schedule 1 to land currently zoned Farming Zone Schedule 2, west of Bairnsdale, to protect productive agricultural land on the periphery of the Lindenow Valley.

Introduce local planning policy to guide development of land within 500m of farmland for strategic significance to minimise the risk of land use conflict.

Update the ESO2 – High Quality Agricultural Land and extend the scope of this control to cover farmland of strategic significance identified in the Lindenow Valley, Tambo River and Snowy River areas.

Undertake a 5 year review of the RLUS including the extent of existing farmland of strategic significance and emergence of new areas of farmland of strategic significance.

Introduce additional guidance for assessment of planning permits for subdivision, dwelling excisions, dwellings, rural workers accommodation and other discretionary uses in the Farming Zone including:

- Assessing planning permits for subdivision, including dwelling excisions, dwellings and rural workers accommodation in the Farming Zone based on demonstration of benefits to agricultural productivity, productive capacity and the scale of farming in East Gippsland and consideration of farmland of strategic significance.
- Limiting encroachment of non-agricultural or incompatible land uses which may conflict with agriculture.
- Require applicants to prepare a Farm Management Plan that responds to the Farming Zone decision guidelines and local policy.

Appendix 3 contains draft policy guidelines in relation to dwelling and subdivision in rural areas and information that could be provided in Farm Management Plans.

Strategic Direction 2: Rural Tourism

TOURISM IN EAST GIPPSLAND

East Gippsland has long been a destination for family holidays with the Gippsland Lakes, Lakes Entrance, Metung, Paynesville, and Mallacoota popular destinations. In 2019, 1.4million people visited the Shire equating to 2.5million visitor nights and expenditure of \$321million²². In 2018, the East Gippsland, tourism output was estimated at \$215 million, or 4.1% of total output. The largest sub-sector of East Gippsland economy is Accommodation & Food Services with tourist expenditure supporting \$116 million²³.

The State and local government strategic direction for rural tourism focuses on promoting nature-based tourism and experiences, accommodation including high-end eco-tourism developments such as wilderness lodges and 'glamping' sites and indigenous culture tourism offering experiences linked to the region's significant cultural heritage. The Gippsland Regional Growth Plan identified Strategic Tourism Investment Areas. In East Gippsland this includes the Alps, Gippsland Lakes and the Croajingolong National Park.

Most visitors to East Gippsland are self-drive visitors who are heading to destinations within East Gippsland such as the Gippsland Lakes, the coast and the high plains or passing through on the scenic route between Melbourne and Sydney. Rural towns such as Buchan, Omeo, Swifts Creek, Cann River are ideally situated on tourist routes and provide an attractive base for exploring attractions associated with the Shire's history, agriculture and environment. There is opportunity for further rural based tourism development including:

- Increased accommodation in the rural areas to take advantage of the natural settings such as farm stays and self-contained accommodation.
- Agri-food outlets such as farm produce, wineries and cellar door.
- Boutique produce opportunities including paddock to plate experiences, cooking and food growing schools.
- Experiences associated with cultural heritage, environment and art clusters.

²² <https://www.tra.gov.au/Regional/local-government-area-profiles> accessed 29.7.202

The RLUS will support rural tourism by promoting uses and experiences that build on established tourism and agricultural strengths and providing guidance on the type and scale of tourism uses suited to the Shire's rural areas and preferred locations.

ISSUES AND OPPORTUNITIES

NEW RURAL TOURISM

Rural tourism in East Gippsland is currently confined to the opportunities afforded by the Farming Zone. As discussed under Strategic Direction 1, the Farming Zone will be applied to areas where food and fibre production will be the primary land use. Policy guidance will assist in assessing permit applications for discretionary tourism uses that are ancillary or in conjunction with an agricultural use such as bed and breakfast, host farms and group accommodation.

There is clear potential for larger developments such as residential hotel, camping and caravan park and restaurant, that may introduce conflict with agriculture. Subject to meeting local policy requirements, large scale tourism developments will be provided through the rezoning of land to an alternative zone such as the Special Use Zone. The Planning Practice Note: Applying the rural zones (2013) states that in the Rural Activity Zone:

"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."

The preferred approach is for proponent-led planning scheme amendments which enable proponents to choose locations suited to the proposed development and the tourism market they are seeking to attract.

The RLUS will therefore recommend policy guidance and requirements for assessment of large scale 'one-off' tourism developments within the rural areas as part of a strategic rezoning proposal.

²³

<https://app.remplan.com.au/eastgippsland/economy/tourism/output?state=wpvyhr!z3oOIAxLIFWm4e0hN ew8McZijHoqnt72g2rHP5G5mHPH3bhwH9UeDLET7wa> accessed 29.7.2022

RURAL ACTIVITY ZONE – TWIN RIVERS AND BRUTHEN RURAL HINTERLAND

In the Twin Rivers region between Swan Reach, Nicholson and Bruthen, land use is predominantly hobby farming with dwelling development in some areas occurring at a density more akin to a rural living zone. This area has also experienced an increase in rural tourism development and rural activities such as farm stays, B&Bs and wineries. The area is in close proximity of Bairnsdale and key touring routes. The extent of land fragmentation and tourism development, and potential for further tourism development, suggests that an alternative zone, such as the RAZ is warranted.

The benefit of the RAZ for this area is the opportunity to prepare objectives and schedules to the zone that respond directly to the land use and particular issues and opportunities of each area, which is not afforded by the Farming Zone.

The RAZ will not be applied to an area of commercial agriculture on the Nicholson and Tambo River flats, identified as farmland of strategic significance where flood risk has acted to minimise encroachment of dwellings.

See Appendix 2 for detailed analysis.

It is recommended that additional policy guidance be included in the planning scheme for assessment of planning permits for subdivision, dwellings and other discretionary uses in the RAZ. Further subdivision, including dwelling excisions, within the proposed RAZ should be strongly discouraged to prevent further fragmentation.

Applications for new dwellings in the proposed Rural Activity Zones will be required to demonstrate how they will support agriculture, including both commercial and sub-commercial farms and tourism particularly agri-tourism and nature-based tourism. It is also recommended that policy clearly identify Section 2 uses considered unsuitable for the proposed Rural Activity Zone.

The boundaries of the proposed RAZ will need to take into consideration directions for future growth recommended by structure plans as well as the findings of the Housing and Settlement Strategy.

TOURISM OBJECTIVES, STRATEGIES AND ACTIONS

Objective

Encourage agri-tourism and nature-based tourism opportunities in appropriate locations across the Shire.

Strategies

Encourage tourism development that leverages environmental, landscape and cultural values.

Encourage agri-tourism building on the Shire's strengths in agriculture.

Allow for low impact tourist-based land uses (including tourist accommodation) which are of an appropriate scale and nature, and do not impact the ordinary operation of agriculture or other rural industry.

Avoid tourism development that may have an adverse impact on environmental values, landscape qualities and farmland of strategic significance.

Discourage further fragmentation of land due to further subdivision, including dwelling excisions, within the proposed RAZ.

Actions

Update the Municipal Planning Strategy (MPS) and Planning Policy Framework (PPF) with relevant recommendations from this RLUS.

Introduce additional guidance for assessment of planning permits for tourism uses in the Farming Zone including:

- Provide for low impact farm-stay/agri-tourism developments in suitable areas, particularly areas of prevailing natural beauty or cultural values.
- Support the diversification of traditional forms of agriculture in appropriate locations, to incorporate tourism and recreation development, where synergies with agriculture can be demonstrated.
- Ensure tourism related developments and land use are supported by or are self-sufficient in services, particularly with respect to water supply, effluent disposal and transport infrastructure.
- Ensure tourism related developments and land uses do not have an adverse impact on agriculture or introduce conflict with agriculture.

Introduce policy guidance for large scale tourism development in rural areas including:

- Only consider large scale tourism development if:
 - The proposed tourism enterprise is of regional significance and requires a rural location.
 - The development will significantly contribute to the tourism economy of the region.
 - The site is strategically located with respect to tourist routes, tourist attractions and other infrastructure.

- The site has access to all relevant servicing infrastructure and the development will meet all costs for infrastructure provision to the site.
- The development will not contribute to the urbanisation of the area.
- The land use is compatible with the use of adjoining and surrounding land for agriculture or forestry and complementary to the rural setting.
- If deemed necessary, consider the application of an alternative zone to facilitate large scale tourism development.

Introduce policy guidance in the planning scheme for assessment of planning permits for subdivision, dwellings and other discretionary uses in the RAZ including:

- A requirement for applications for new dwellings to demonstrate how they will support agriculture, including both commercial and sub-commercial farms and tourism, particularly agri-tourism and nature-based tourism.

Introduce policy guidance that clearly identifies and strongly discourages any Section 2 uses considered unsuitable for the proposed Rural Activity Zone e.g. camping and caravan parks, and hotels.

Consider the directions for future growth recommended by structure plans as well as the findings of the Housing and Settlement Strategy when determining the boundaries of the proposed RAZ.

Apply the RAZ to the Twin Rivers and Bruthen rural hinterland to provide for the current mix of uses (agriculture, rural lifestyle and hobby farming, rural based tourism), protection of environmental values and further development of rural based tourism (Figure 24).

Figure 23: Tourism assets

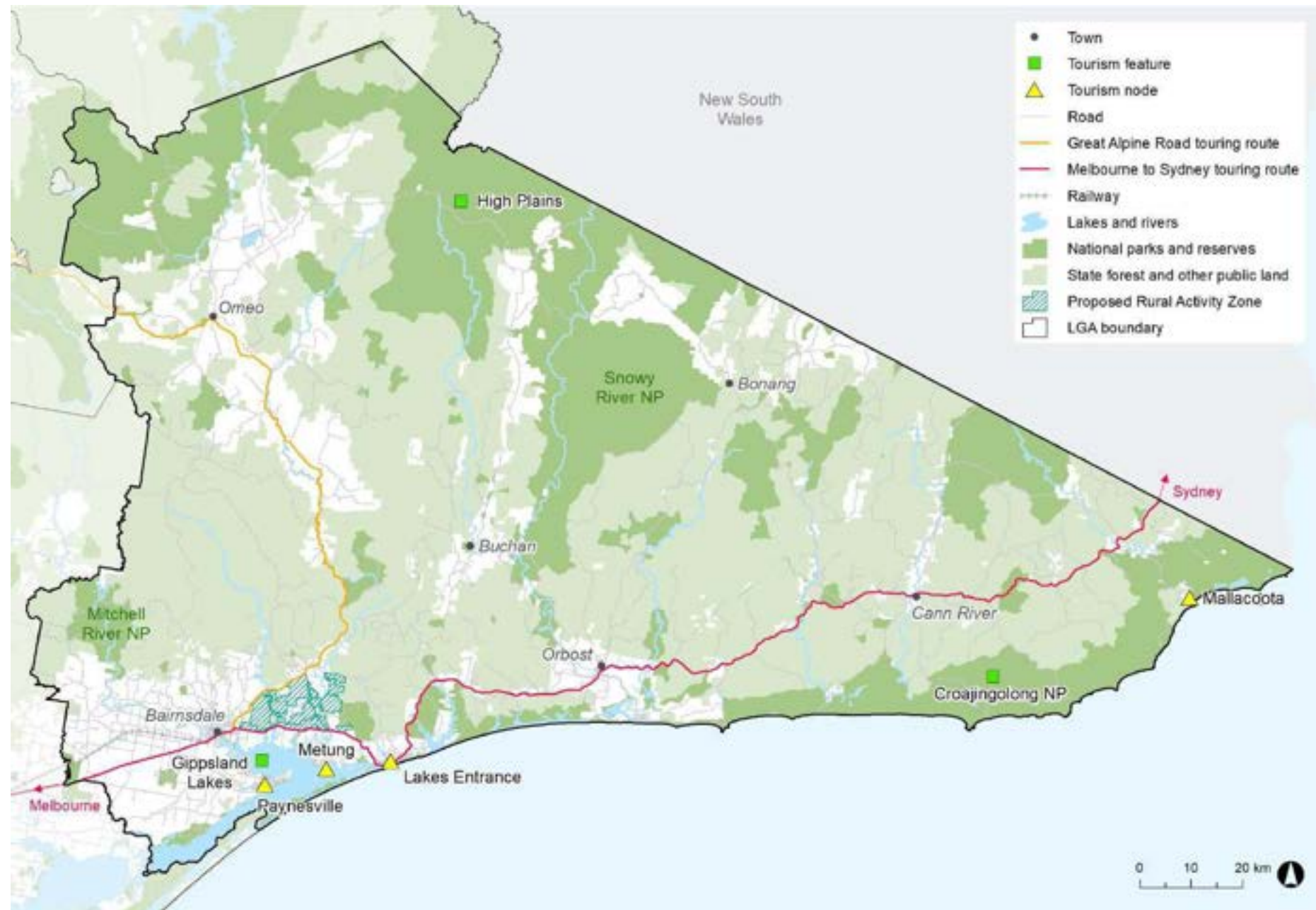
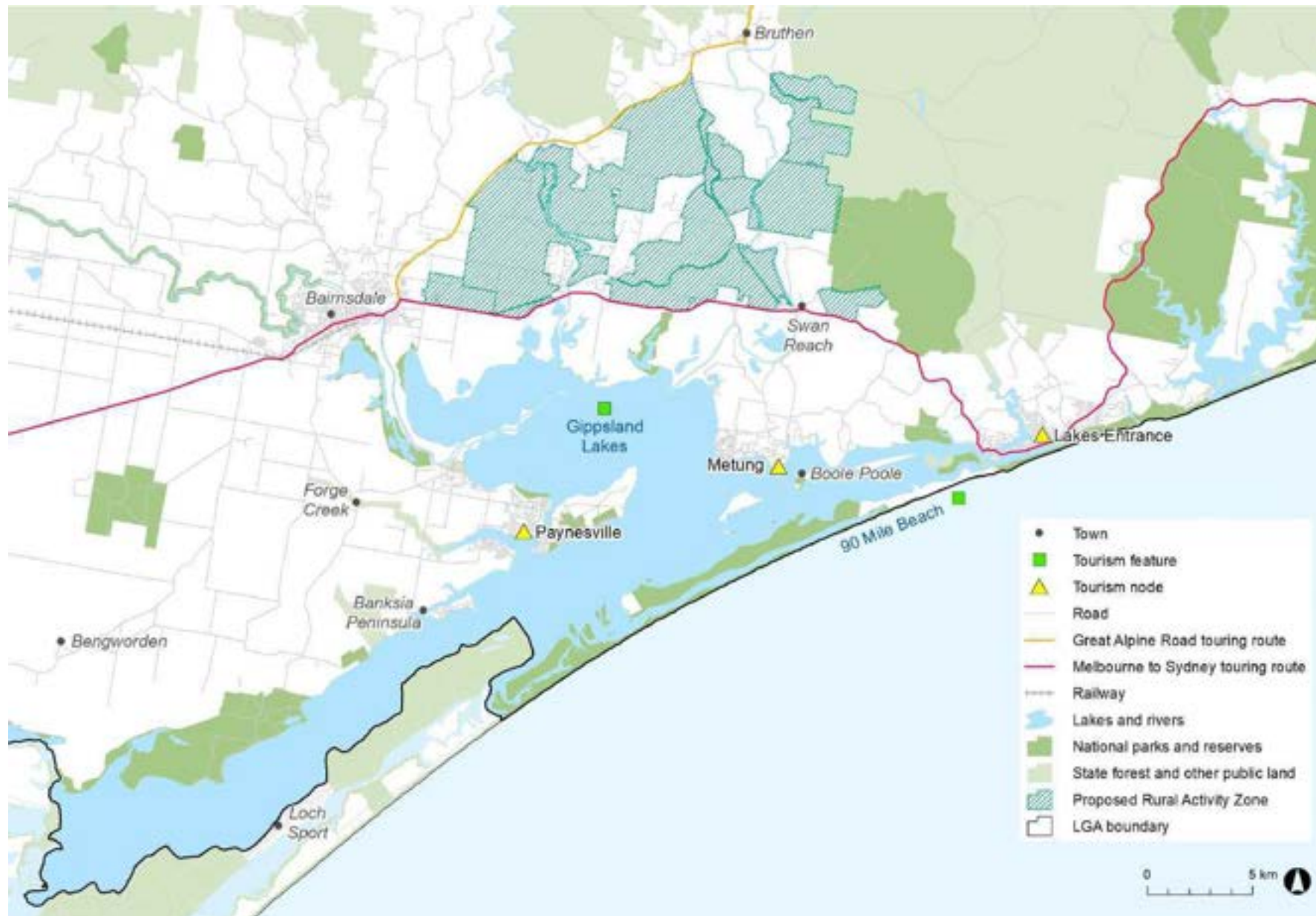


Figure 24: Proposed Rural Activity Zone Twin Towns



Strategic Direction 3: Rural Industries

RURAL INDUSTRIES IN EAST GIPPSLAND

East Gippsland's strengths and competitive advantages in food and fibre production also provide the opportunity to attract service industries, manufacturing and processing businesses. Value adding to primary production has the potential to generate local employment both on farm and across the value chain.

Mining and renewable energy provide opportunities for employment and diversification of the local economy. Extractive industries are important sources of affordable construction and road base material. A number of work authorities for extractive industries (quarries) have been issued in East Gippsland and mineral exploration licences have also been granted (Figure 25). Mining development has the potential to grow the local economy, providing new employment opportunities and revitalise some areas of East Gippsland.

Between Bairnsdale, Eagle Point and Paynesville, land uses include a number of active quarries and a landfill. It is important that the operation of these assets is not compromised by encroachment of sensitive uses through inappropriate development such as dwellings.

Council is also exploring long-term renewable energy solutions for the Shire, such as community-owned renewable energy or community energy. The Star of the South is a major off-shore renewable energy project, in Gippsland, which while outside the Shire, is an example of large-scale renewable energy initiatives. Renewable energy has the potential to provide local businesses and communities with a more affordable, reliable and sustainable energy supply as well as increase local employment.

The native timber industry has been an integral part of the history and identity of many East Gippsland communities. In remote areas of the Shire it has often been one of the largest sources of employment. The Victorian Forestry Plan, and its commitment to phase out native timber harvesting on public land from 2030, has implications for businesses and communities in East Gippsland. In response Council has developed a position paper which advocates that the practice of clear-fell native timber harvesting be replaced as soon as practical with a new approach to silviculture (utilising thinning

and select harvest) that maintains or improves forest health and reduces vulnerability to the impacts of bushfire, while also providing sawlogs for timber processing and supports the use of forest resources by a range of other forest users, including tourism and recreation²⁴. The cessation of native timber harvesting on public land has now been brought forward to the end of 2023 by the Victorian Government.

ISSUES AND OPPORTUNITIES

Rural industries such as mining, forestry and quarrying can generate impacts (ground and air vibration, dust, noise etc.) and changes to the environment and landscape. State Government is largely responsible for assessment of potential environmental impacts or effects of new mining, extractive industry and renewable energy facilities through an Environment Effects Statement (EES) process.

The Department of Jobs, Precincts and Regions administers approval of Work Plans for a mineral exploration licence or extractive industry under the *Mineral Resources (Sustainable Development) Act 1990*. Extractive industries also require a planning permit which is assessed by local government. Preparation of a Work Plan requires consideration of any relevant planning controls and impacts arising from mining activities on sensitive receptors, such as the environment, cultural heritage and amenity required under various Federal and State legislation.

In 2019, the Minister for Planning was made the responsible authority for all new permit applications for a wind energy facility, and for power lines and substations required to connect the facility to the electricity network. The Policy and Planning Guidelines for Development of Wind Energy Facilities²⁵ set out criteria for assessment of planning permits including consideration of siting and landscape impacts. With regard landscape the Guidelines note:

Relevant local strategic studies may also be referenced in the PPF, and significant landscapes may be recognised in overlays, such as the Environmental Significance Overlay, Vegetation Protection Overlay or the Significant Landscape Overlay.

²⁴ Position Paper – Native Timber Harvesting in East Gippsland (2022)

²⁵ Department of Environment, Land, Water & Planning (2018) Policy and Planning Guidelines for Development of Wind Energy Facilities in Victoria

To help guide appropriate site selection, design and layout of individual wind turbines, consideration should be given to the significance of the landscape as described in relevant planning scheme objectives, including relevant overlays and strategic studies referenced in the planning scheme.

Encroachment by sensitive receptors such as dwellings, can lead to land use conflict with established rural industry or sterilisation of areas with development potential. Recent amendments to the Victoria Planning Provisions now require planning permits for dwellings and other sensitive uses within 500m of extractive industry and 1km of a wind energy facility.

The East Gippsland Planning Scheme should seek to balance the economic and social benefits arising from new rural industries with the protection of agriculture, significant landscapes and environmental values and the amenity of rural areas. This will require a number of enhancements to the East Gippsland Planning Scheme including:

- Acknowledgement of the importance of agriculture, forestry, rural tourism, mining and extractive industries and renewable energy generation to the East Gippsland economy, employment and growth prospects.
- Identification of key rural assets, including farmland of strategic significance, irrigation assets, significant landscapes, environmental values and tourism assets that should be considered in the assessment of proposed mining, renewable energy or other rural industry developments.

RURAL INDUSTRY OBJECTIVES, STRATEGIES AND ACTIONS

OBJECTIVE

Encourage sustainable development of rural industries.

STRATEGIES

Encourage food and fibre processing and manufacturing that has the potential to generate local employment both on farm and across the value chain.

Encourage rural industries that leverage strengths in renewable energy generation and extractive industries.

Discourage uses and development that may have an adverse impact on the legitimate operation of rural industries.

Ensure adequate buffer distances are identified and maintained between rural industries and urban development and sensitive uses.

Avoid development that may compromise the operation of important community assets such as landfills, waste transfers stations, wastewater treatment plants and quarries.

ACTIONS

Update the Municipal Planning Strategy (MPS) and Planning Policy Framework (PPF) with relevant recommendations from this RLUS.

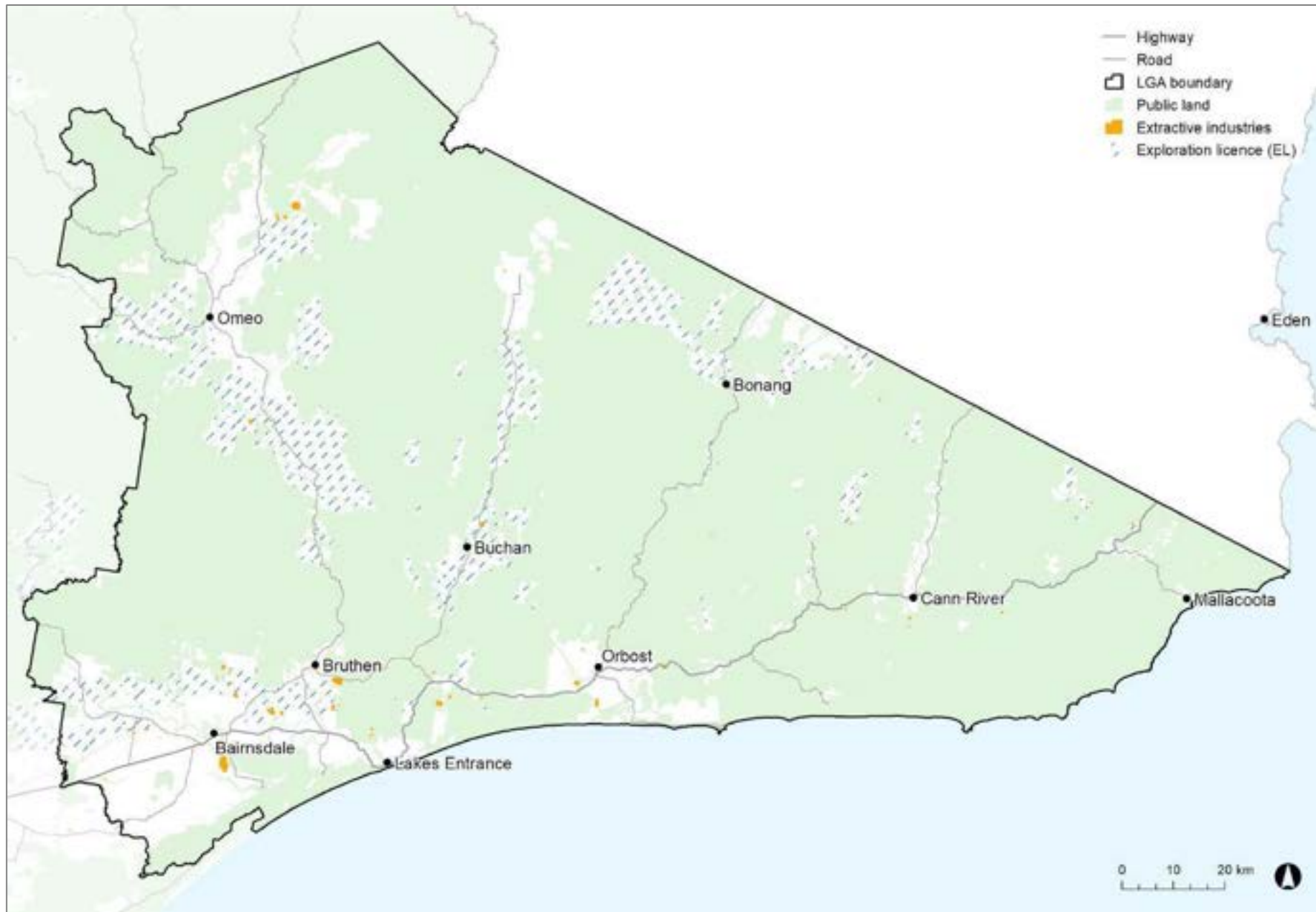
Encourage high quality, low volume native timber harvesting that supports communities and protects the multiple uses and biodiversity of forests.

Encourage food and fibre service industries, manufacturing, and processing businesses in appropriate locations.

Discourage development of rural industries including extractive industries, that may have negative impacts on farmland of strategic significance, irrigation assets, significant landscapes, environmental values and tourism assets.

In collaboration with relevant agencies, consider application of the Buffer Area Overlay to community assets such as landfills, waste transfers stations, wastewater treatment plants and quarries.

Figure 25: Rural industries



Strategic Direction 4: Environment, Landscape, Catchments and Natural Hazards

East Gippsland is host to significant environmental assets that make an important contribution to the economy and liveability of the Shire and its attractiveness for tourism.

ENVIRONMENT AND LANDSCAPE

East Gippsland's environmental values include:

- Ramsar listed wetlands: Gippsland Lakes and its fringing wetlands
- Wetlands listed in the Directory of Important Wetlands: Lake King wetlands, Lake Victoria Wetlands, Lindenow Wildlife Sanctuary, Macleod Morass, Tambo River and Lake Bunga
- The lower reaches of major tributary river systems.
- Heritage listed Mitchell River
- Critically endangered ecological communities listed under the *Environment Protection and Biodiversity Conservation Act 1999*:
 - Red Gum Grassy Woodland and Associated Native Grassland
 - Littoral Rainforest and Coastal Vine Thickets ecological communities.

There are a number of fauna species in the Shire with significant conservation status²⁶. Critically endangered and endangered terrestrial and aquatic species are listed in Table 5.

Principal threats to these values include degraded water quality from stormwater runoff and erosion, clearing and grazing of riparian vegetation, disturbance of acid sulfate soils and changes to stream flows. Climate change is also projected to have a significant impact on environmental values. Sea level rise and storm surge will eventually lead to inundation of estuarine wetlands and increased frequency and intensity of flood events will increase soil erosion on the floodplains and reduced water quality. Freshwater wetlands upstream of estuaries will become disproportionately important over the coming decades as the sea level rises.

Table 5: Fauna conservation status

Critically endangered	Endangered
Brush-tailed Rock-wallaby	Eastern Horseshoe Bat
Common Bent-wing Bat	Eastern Wallaroo
Leadbeater's Possum	Long-footed Potoroo
Mountain Pygmy-possum	New Holland Mouse
Bluenose Cod	Smoky Mouse
East Gippsland Galaxias	Southern Brown Bandicoot
Empire Gudgeon	Spot-tailed Quoll
McGowalls Galaxias	Australian Grayling
Roundsnout Galaxias	Coxs Gudgeon
Alpine She-oak Skink	Dwarf Galaxias
Alpine Tree Frog	Freshwater Catfish
Diamond Python	Macquarie Perch
Eastern She-oak Skink	Murray Cod
Giant Burrowing Frog	Murray River Rainbowfish
Large Brown Tree Frog	Alpine Bog Skink
Leathery Turtle	Alpine Water Skink
Martin's Toadlet	Glossy Grass Skink
Southern Barred Frog	Southern Toadlet
	Swamp Skink
	Tree Goanna (Lace Monitor)
	Tussock Skink

²⁶ https://www.swifft.net.au/cb_pages/threatened_fauna_east_gippsland_shire.php

East Gippsland offers a diverse range of rural landscapes from The High Country to coastal areas and the Gippsland Lakes. Many of these areas are classified by the National Trust as landscapes of special or regional significance and require recognition and protection.

The *Coastal Spaces Landscape Assessment Study*²⁷ provides a comprehensive understanding of the Shire's more significant landscape values. The study policy recommendations have been in the East Gippsland Planning Scheme for over a decade and are strongly supported for providing control over some of the most sensitive landscape areas in the Shire, especially the Ninety Mile Beach, Gippsland Lakes and rivers and coastal settlements. No further landscape protection measures are proposed at this time.

BUSHFIRE

Challenges exist in the Gippsland region given the number of high bushfire hazard areas that intersect with settlements as well as areas experiencing rural residential and tourism expansion. Regional and localised planning considers bushfire risk in detail, with the assistance of planning tools such as the Bushfire Management Overlay, Regional Bushfire Planning Assessments and Bushfire Prone Areas, as well as input from key stakeholders such as the Country Fire Authority/

Future planning for rural residential development will need to consider the potential for changes in landscape bushfire risk. Changes to landscape can occur over time with the introduction of land uses permitted by planning schemes.

Fire risk can be reduced by preparing fire breaks, managing grass levels, good weed and stock management. Property planning is also important to provide safe and easy access (e.g. good road condition and wide gates) for fire trucks and emergency vehicles as well as adequate water supply for fire-fighting.

Climate change will increase the frequency and intensity of extreme weather events such as the heatwaves and drought. These changes will increase the bushfire risk to homes, farms and infrastructure in rural areas and should be a consideration in assessment of new uses and development.

The Planning Policy Framework of the East Gippsland Planning Scheme prioritises the protection of human life over all other policy considerations (Clause 13.02-1S Bushfire planning). This will be an important consideration for Council in the assessment of

planning applications for use and development in rural areas, including dwelling development.

Council will also need to consider non-policy responses such as:

- Education and capacity building of rural landholders
- Incentives to encourage optimal fire prevention and land management practices.

ISSUES AND OPPORTUNITIES

SIGNIFICANT BIODIVERSITY VALUES

Environmental Significance Overlay Schedule 1 applies to Sites of Biological Significance and maps and lists 94 sites derived from the East Gippsland Sites of Biological Significance Report, (Department of Natural Resources and Environment, 1997). The Background Report identified environmental values not recognised by the planning scheme including:

- Ramsar listed wetlands
- Directory of Important Wetlands
- Heritage rivers
- EPBC listed ecological communities.

Further strategic work is required to provide appropriately scaled mapping as the basis for preparing overlays to identify, protect and enhance these environmental assets.

The Planning Scheme Review made a number of recommendations to improve the performance of the East Gippsland Planning Scheme in relation to environmental values. This includes:

- Clause 12 Environmental and landscape values - update the PPF by including more contemporary 'environmental' material.
- Review the mapping of Environmental Significance Overlay Schedule 1 - Sites of biological significance to address mapping anomalies (the Environmental Significance Overlay extends over public and private land, roads, watercourses and parts of townships) and the overlay schedule to ensure that planning permits are not being triggered unnecessarily.

As an important element of planning, it will be necessary for Council to undertake this environmental mapping review as a key consideration in delivering sound land management and environmental outcomes.

²⁷ Victorian Government (2006) The Coastal Spaces Landscape Assessment Study: State Overview Report

BANKSIA PENINSULA

The Banksia Peninsula is an area of high environmental values and in the 1960s, the Barton-Crees Family who owned the land, established a Trust that oversaw subdivision of the land. Any organisation of Christian belief was able to apply for a lease to operate camps for youth to enjoy the environment of the Gippsland Lakes. A number of schools and religious orders have established camps in accordance with the requirements of the Trust. There are also a number of residential properties on the Peninsula.

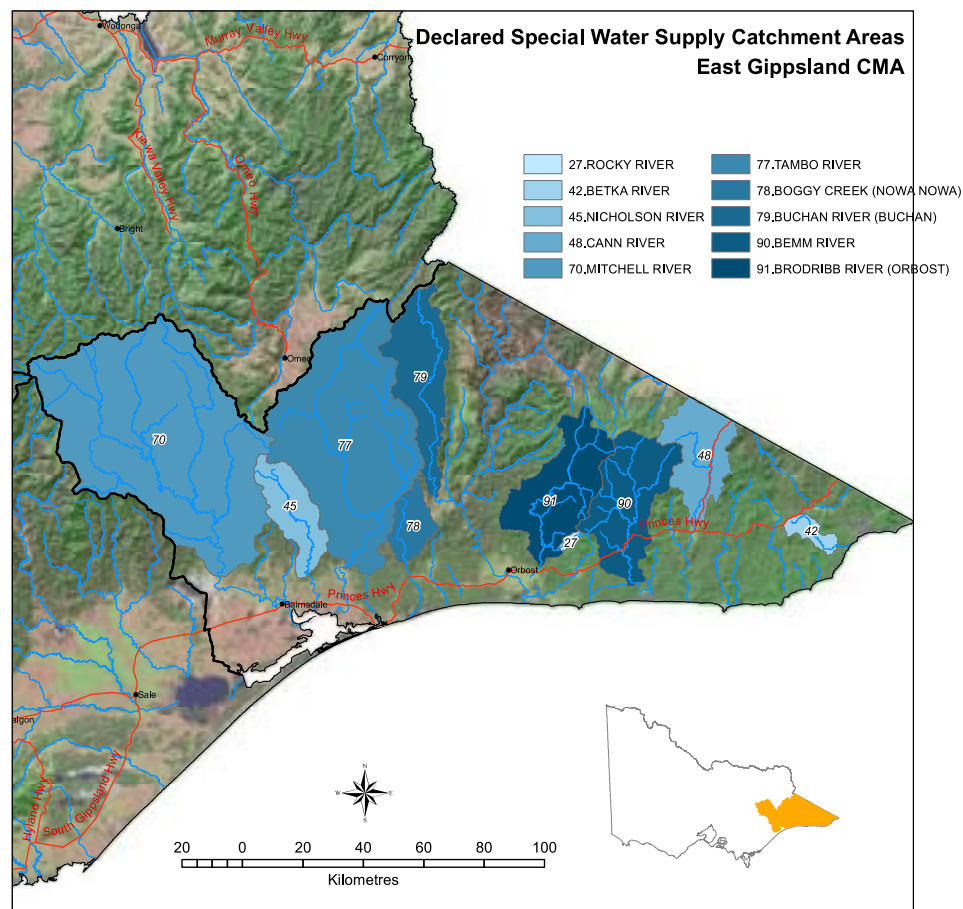
The East Gippsland Planning Scheme supports this existing role and provides for group accommodation and environmental/outdoor education. The land is currently zoned Rural Conservation Zone. School camps fall within the land use term 'Place of Assembly', which is a prohibited use in the Rural Conservation Zone. This anomaly has arisen because land on Banksia Peninsula was previously zoned Environmental Rural Zone which was translated to the Rural Conservation Zone as part of the introduction of the new rural zones in 2006. This has resulted in administrative issues when operators of the existing camps have made applications to upgrade camp facilities.

Planning permits for development and upgrade of camp facilities have been assessed under Planning Scheme Clause 63 - Existing Uses, which relates mainly to amenity considerations. The application of an appropriate zone for the Banksia Peninsula has been carefully considered. The existing Rural Conservation Zone is considered to be the most appropriate to protect the environmental values of the Banksia Peninsula. In this context it will be necessary for Council to continue the existing practice for the assessment of planning applications relating to the school camps under Clause 63 – Existing uses.

WATER SUPPLY CATCHMENTS

A number of water supply catchments in East Gippsland are protected under the *Catchment and Land Protection Act 1994*. These catchments have significant values as a source of water supply, both for stock and domestic use. The land use determination for each catchment sets out to assist in determining the suitability of proposed activities within these catchment areas. Once a catchment is 'Declared', approvals for activities conducted under other statutes and statutory planning schemes must be referred to the responsible land management authority (water authority, catchment management authority or relevant Victorian Government department).

Figure 26: Declared water supply catchments, East Gippsland²⁸



²⁸ [https://vro.agriculture.vic.gov.au/dpi/vro/egimages.nsf/Images/DWSC/\\$File/EG_DSWSA.pdf](https://vro.agriculture.vic.gov.au/dpi/vro/egimages.nsf/Images/DWSC/$File/EG_DSWSA.pdf)

ENVIRONMENT OBJECTIVES, STRATEGIES AND ACTIONS

OBJECTIVES

Recognise, protect and enhance East Gippsland's environmental and landscape values.

Appropriately manage natural hazards in rural areas and prioritise the protection of human life in relation to use and development of rural land.

STRATEGIES

Protect rural landscapes and ensure that new development complements the established character of rural landscapes.

Encourage use and development to deliver high quality environmental outcomes and contribute to improved habitat and ecological connectivity through good design and on-site environmental improvement.

Discourage use and development that fails to appropriately address natural hazards and the need to protect human life.

Recognise the need for rural industry and rural tourism development, e.g. agricultural structures, tourism development, renewable energy generation facilities, while ensuring that in areas of high landscape value they are sensitively designed and located.

Identify, protect and enhance significant environmental values.

Discourage inappropriate use and development within Proclaimed Water Supply Catchment Areas.

ACTIONS

Update the Municipal Planning Strategy (MPS) and Planning Policy Framework (PPF) with relevant recommendations from this RLUS.

Undertake further strategic work including:

- Advocate to the Victorian Government for assistance to review the mapping of Environmental Significance Overlay Schedule 1 - Sites of biological significance to address mapping anomalies.
- Advocate to East Gippsland Catchment Management Authority, West Gippsland Catchment Management Authority and Victorian Government for assistance to identify and map sites of environmental significance for consideration of inclusion in the Environmental Significance Overlay including:

- Ramsar listed wetlands
- Wetlands listed in the Directory of Important Wetlands
- Heritage rivers
- Listed vegetation
- Habitat of threatened species.

Figure 27 Ecological Vegetation Communities and RAMSAR wetlands

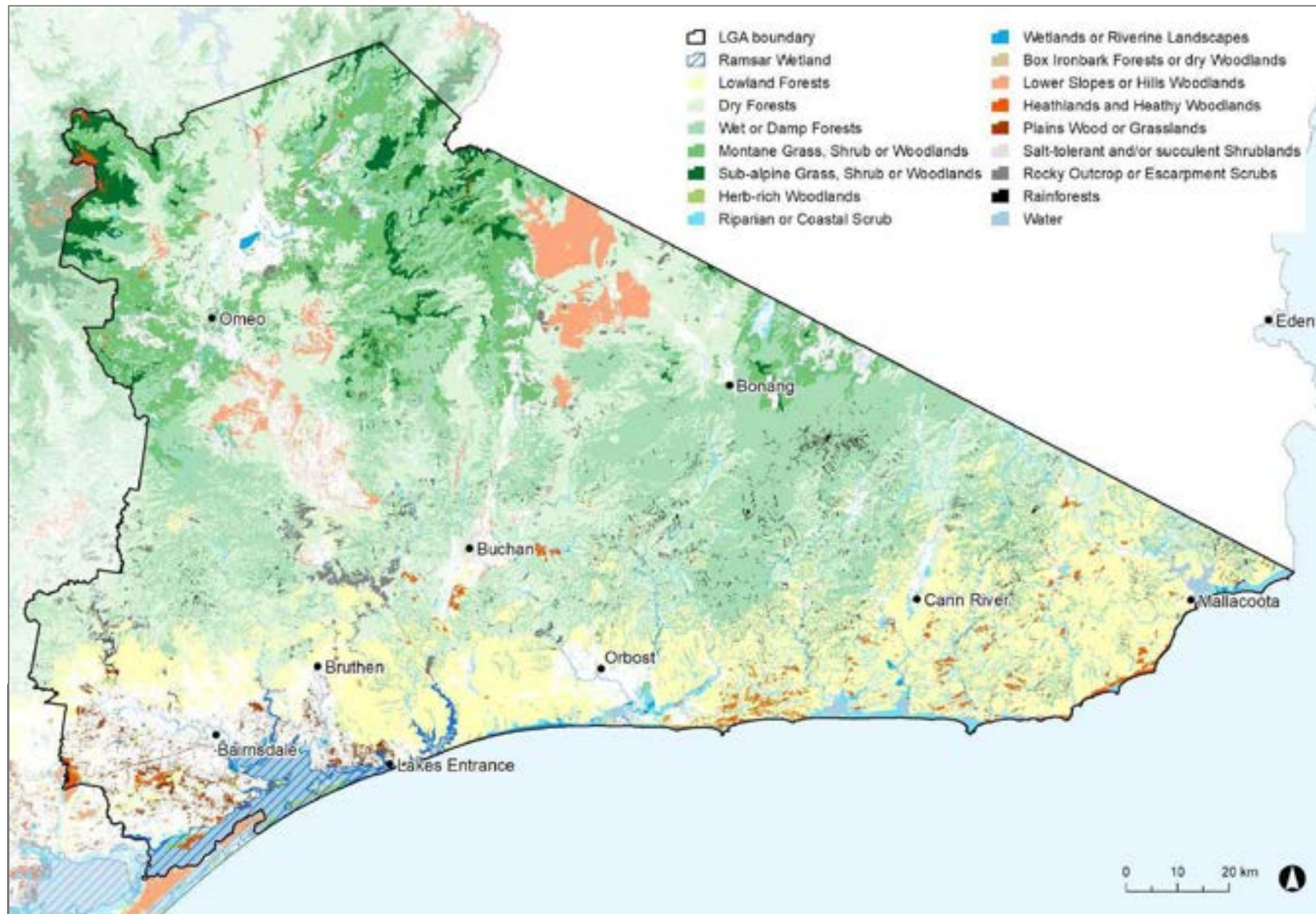
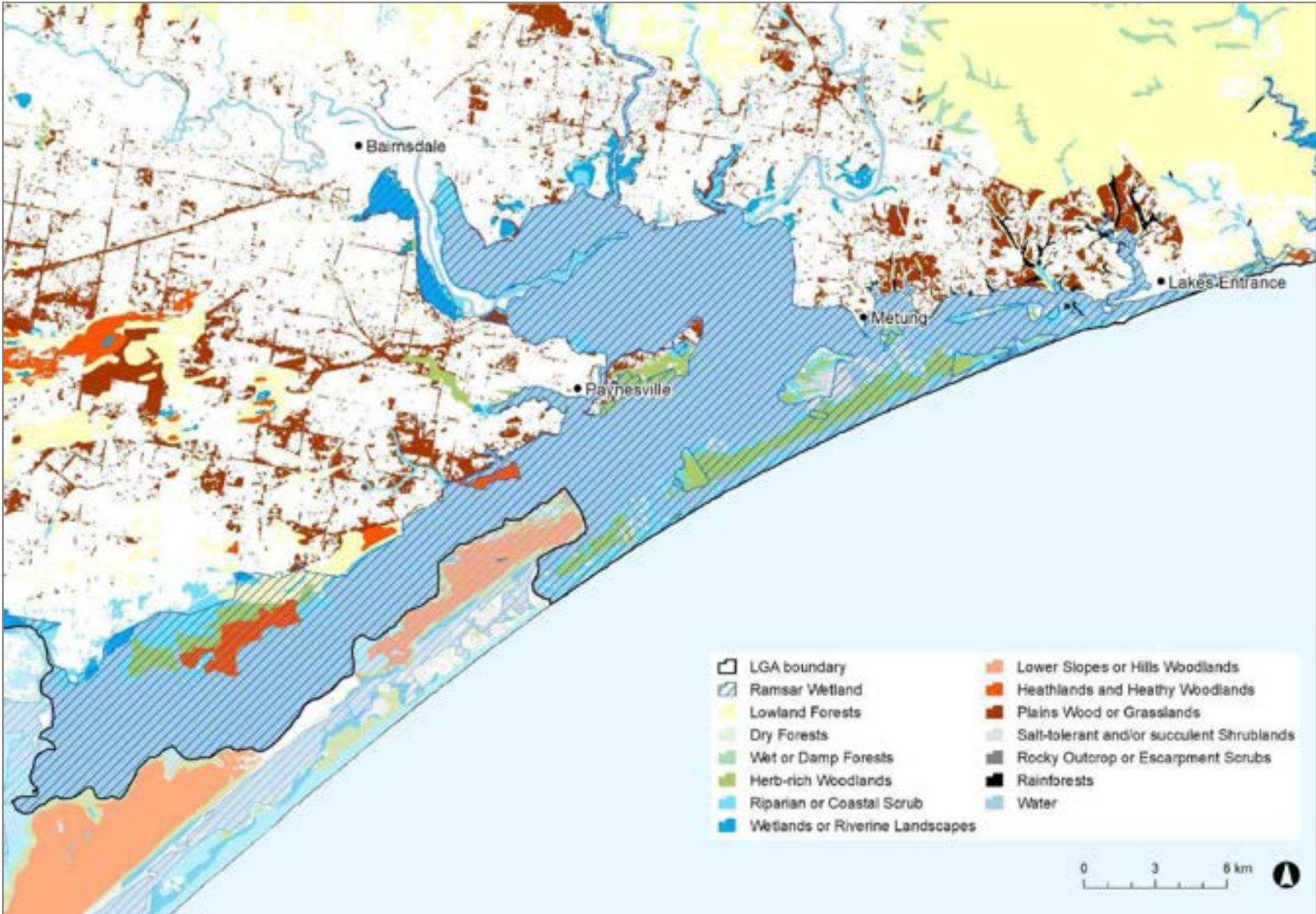


Figure 28: Ecological Vegetation Communities and RAMSAR wetlands



Strategic Direction 5: Rural housing

Rural strategic planning has only relatively recently emerged as a discipline and requirement to underpin orderly planning of rural land. Historically, rural land was generally used for agricultural activities not suited to an urban settlement and the expectations of rural landholders to subdivide and develop rural land were generally met in the absence of policy. As a result, there is a widespread perception amongst rural landholders that they have a 'right' to subdivide and develop land.

The impacts of an absence of rural policy have begun to become apparent as productive agricultural land has become fragmented, lost from agricultural production and increasingly affected by land use conflict. This has been exacerbated by the increasing scale, intensification and mechanisation of agriculture, emergence of new rural industries such as renewable energy generation and a population of rural landholders that have expectations of a bucolic rural lifestyle.

Attempts to influence landholder expectations, implement state policy and introduce local policies to address rural land use planning issues often elicit anxiety and frustration, as landholders perceive a loss of rights. This is further compounded by the following factors:

- Evidence of residential development on rural land in the Farming Zone provides precedence in the eyes of landholders for further development of this type.
- Land use planning decisions being made on a basis outside of planning consideration including economic or social factors such as farm superannuation or succession planning.
- Contrasting growth forecasts in rural areas with some areas experiencing declining population while other areas are growing. In areas seen to be declining there is pressure to provide dwellings to try and halt the population trend. Areas with significant pressures for growth on the other hand may view further dwelling development as a threat to the agricultural industry.
- Viability of an agricultural enterprise is often the critical issue in the assessment of development and use applications for small rural lots. The opportunity for interpretation of viability creates significant challenges for Council to evaluate planning permits, particularly given the changing nature of farming practices.

This RLUS has recommended that in the future, approval of a planning permits for dwellings in the Farming Zone will be subject to number of tests, including whether the dwelling is genuinely required to support an agricultural activity. Legacies of past

planning decisions are not justification for maintaining inappropriate planning policy or provide precedence for future decisions. Planning policy will also not be used to solve issues that are the domain of business planning and management, including succession planning and farm viability.

Opportunities to reside in a rural area will be provided in areas zoned for Rural Living. Farming Zone dwelling policy will support efficient development and take up of land within the Rural Living Zone. Identification of additional land for Rural Living should be guided by the following strategic principles:

- Contain rural living areas: Focus rural living development within the existing Rural Living Zone where potential exists to manage the supply of rural living opportunities accordingly.
- Agriculture: Protect productive agricultural land and Farmland of Strategic Significance
- Social infrastructure: Locate new rural living development within proximity to existing community facilities and services.
- Viable Rural living areas: Protect residential amenity in the Rural Living Zone.
- Sustainable Towns: Protect the potential for townships to expand.
- Natural Environment: Ensure there is no or limited impact on the natural environment such as biodiversity and habitat; water catchments and water quality.
- Infrastructure Needs: Minimise the costs to Council of providing and maintaining infrastructure such as roads, drainage, waste treatment, etc.
- Tourism and Business: Support the operation and development of tourism and business uses that are compatible with the local environment and existing rural residential amenity.
- Environmental Hazards: Minimise the risk to life and property from environmental hazards such as flooding and fire.

However, there are circumstances, where a dwelling on a small lot in the Farming Zone may be entertained including:

- Small lots within historic subdivisions
- Farming Zone lots within reasonable proximity to rural settlements.

HISTORIC SUBDIVISIONS

There are small lots in the Farming Zone created by subdivisions approved under former Planning Schemes for the purpose of 'rural-residential' living, without a zoning change to reflect the change of use.

The provisions of the Farming Zone require that a number of decision guidelines be taken into account when considering development proposals including whether the dwelling is reasonably required for the agricultural use of the land. The development of a small e.g. 2 - 4 hectare lot in a rural zone is unlikely to contribute to the ongoing agricultural use of land. Consequently, proposals to use the land for a dwelling need to be considered in a different light, especially if the lot concerned is no longer owned or held as part of a larger rural property.

Policy is required to address the legacy of small lots created by subdivision in the Farming Zone to ensure that the development of existing rural allotments does not prejudice any existing surrounding agricultural activities or the potential for future agricultural activity.

There are also small Crown allotments in the Farming Zone which were created by the Crown, some dating back to the 1800s to facilitate early settlement of the Shire. These allotments are often located in areas without services and development would potentially have significant impacts on agriculture and the orderly take up of residential land. Council frequently receives planning permit applications for dwellings on Crown allotments in the Farming Zone, which are generally refused. It is important that Council continue to hold this position with regard dwellings on Crown allotments.

RURAL SETTLEMENTS

The geographic circumstances of East Gippsland's rural communities are unique with many rural settlements separated by extensive tracts of National Park land. The distance from Bairnsdale to Mallacoota, the Shire's eastern most settlement is the same distance from Bairnsdale to Melbourne. It is a two to three hour drive from Bairnsdale to reach some settlements such as Benambra and Bendoc. The services offered by rural settlements are limited, but extremely important to the residents and surrounding rural population. Maintaining the population in these settlements is constrained by the lack of supply of suitable housing, very low demand for housing, the high cost of rezoning land and providing reticulated services for residential purposes.

Providing opportunity for residential development in the Farming Zone within some rural settlements may assist with population retention. A rural housing policy will provide some opportunity for residential development in the Farming Zone for rural settlements

that are located more than 50km from the service centres of Bairnsdale, Lakes Entrance and Orbost where it can be demonstrated that the construction of a dwelling will support the long term viability of the settlement

RURAL HOUSING OBJECTIVES, STRATEGIES AND ACTIONS

Objective

Support population retention in rural settlements and address legacy subdivisions.

Protect rural areas from inappropriate subdivision and dwelling development.

STRATEGIES

Discourage uses and development, including subdivision and dwellings which are not directly related to agriculture, that may have an adverse impact on agricultural operations or introduce conflict with agriculture.

Strongly discourage inappropriate development, including dwellings on Crown allotments.

Provide for residential development in the Farming Zone within or within reasonable proximity to rural settlements subject to consideration of hazards, particularly bushfire, environmental constraints and accessibility.

Provide for residential development in the Farming Zone where previous subdivision of land was intended to facilitate the development of a dwelling subject to consideration of hazards, particularly bushfire, environmental constraints and accessibility.

Provide for dwelling development in the Farming Zone that is not associated with agricultural activities where it can be demonstrated that the dwelling will protect and enhance established environmental values.

ACTIONS

Update the Municipal Planning Strategy (MPS) and Planning Policy Framework (PPF) with relevant recommendations from this RLUS.

Introduce guidance for assessment of planning permits for dwellings in the Farming Zone around rural settlements.

Introduce guidance for assessment of planning permits for dwellings in the Farming Zone in historic subdivisions.

Introduce guidance for assessment of planning permits for dwellings on land in the Farming Zone with established environmental values.

Appendix 3 contains draft decision guidelines in relation to dwelling and subdivision in rural areas.

7. Implementation

The RLUS Strategic Directions will be delivered via changes to the East Gippsland Planning Scheme and further strategic work.

The recommendations to deliver the RLUS are summarised below.

PLANNING SCHEME CHANGES

Include the RLUS as a reference document to the East Gippsland Planning Scheme.

Include relevant recommendations from the RLUS to update the Municipal Planning Strategy and Planning Policy Framework

STRATEGIC DIRECTION 1 – FOOD AND FIBRE

Retain the Farming Zone Schedules 1, 3 and 4 where they currently apply.

Apply Farming Zone Schedule 1 to land currently zoned Farming Zone Schedule 2 to protect productive agricultural land on the periphery of the Lindenow Valley.

Introduce local policy to minimise the risk of land use conflict arising from development of land within 500m of farmland for strategic significance.

Update the ESO2 – High Quality Agricultural Land and extend the scope of this control to cover farmland of strategic significance identified in the Tambo River and Snowy River areas.

Undertake a 5 year review of the RLUS including the extent of existing farmland of strategic significance and emergence of new areas of farmland of strategic significance.

Introduce additional guidance for assessment of planning permits for subdivision, dwelling excisions, dwellings, rural workers accommodation and other discretionary uses in the Farming Zone including:

- Assessing planning permits for subdivision, including dwelling excisions, and dwellings and rural workers accommodation in the Farming Zone based on demonstration of benefits to agricultural productivity, productive capacity and the scale of farming in East Gippsland and consideration of farmland of strategic significance.
- Limiting encroachment of non-agricultural or incompatible land uses which may conflict with agriculture.
- Require applicants to prepare a Farm Management Plan that responds to the Farming Zone decision guidelines and local policy.

Appendix 3 contains draft decision guidelines in relation to dwelling and subdivision in rural areas and information on the requirements of Farm Management Plans.

STRATEGIC DIRECTION 2 – RURAL TOURISM

Introduce additional guidance for assessment of planning permits for tourism uses in the Farming Zone including:

- Provide for low impact farm-stay/agri-tourism developments in suitable areas, particularly areas of prevailing natural beauty or cultural values.
- Support the diversification of traditional forms of agriculture in appropriate locations, to incorporate tourism and recreation development, where synergies with agriculture can be demonstrated.
- Ensure tourism related developments and land use are supported by or are self-sufficient in services, particularly with respect to water supply, effluent disposal and transport infrastructure.
- Ensure tourism related developments and land uses do not have an adverse impact on agriculture or introduce conflict with agriculture

Introduce policy guidance for large scale tourism development in rural areas including:

- Only consider large scale tourism development if:
 - The proposed tourism enterprise is of regional significance and requires a rural location.
 - The development will significantly contribute to the tourism economy of the region.
 - The site is strategically located with respect to tourist routes, tourist attractions and other infrastructure.
 - The site has access to all relevant servicing infrastructure and the development will meet all costs for infrastructure provision to the site.
 - The development will not contribute to the urbanisation of the area.
 - The land use is compatible with the use of adjoining and surrounding land for agriculture or forestry and complimentary to the rural setting.
- If deemed necessary, consider the application of an alternative zone to facilitate large scale tourism development.

Introduce policy guidance in the planning scheme for assessment of planning permits for subdivision, dwellings and other discretionary uses in the RAZ including:

- A requirement for applications for new dwellings to demonstrate how they will support agriculture, including both commercial and sub-commercial farms and tourism particularly agri-tourism and nature-based tourism.

Introduce policy guidance that clearly identifies and strongly discourages any Section 2 uses considered unsuitable for the proposed Rural Activity Zone e.g. camping and caravan parks, and hotels.

Consider the directions for future growth recommended by structure plans as well as the findings of the Housing and Settlement Strategy when determining the boundaries of the proposed RAZ.

Apply the RAZ to:

- The Twin Rivers area to provide for the current mix of uses (agriculture, rural lifestyle and hobby farming, rural based tourism), protection of environmental values and further development of rural based tourism (Figure 24).

STRATEGIC DIRECTION 3 – RURAL INDUSTRIES

Encourage high quality, low volume native timber harvesting that supports communities and protects the multiple uses and biodiversity of forests. (*Extract from Native Timber Harvesting Position Paper*).

Encourage food and fibre service industries, manufacturing, and processing businesses in appropriate locations.

Discourage development of rural industries including extractive industries, that may have negative impacts on farmland of strategic significance, irrigation assets, significant landscapes, environmental values and tourism assets.

In collaboration with relevant agencies, consider application of the Buffer Area Overlay to community assets such as landfills, waste transfers stations, wastewater treatment plants and quarries

STRATEGIC DIRECTION 5 – RURAL HOUSING

Introduce guidance for assessment of planning permits for dwellings in the Farming Zone in reasonable proximity to rural settlements.

Introduce guidance for assessment of planning permits for dwellings in the Farming Zone in historic subdivisions.

Introduce guidance for assessment of planning permits for dwellings on land in the Farming Zone with established environmental values.

FURTHER STRATEGIC WORK

This RLUS identified further strategic work including:

- Advocate to the Victorian Government for support to identify coastal acid sulphate soils.
- Advocate to the Victorian Government for assistance to review the mapping of Environmental Significance Overlay Schedule 1 - Sites of biological significance to address mapping anomalies.
- Advocate to East Gippsland Catchment Management Authority, West Gippsland Catchment Management Authority and Victorian Government for assistance to identify and map sites of environmental significance for consideration of inclusion in the Environmental Significance Overlay including:
 - Ramsar listed wetlands
 - Wetlands listed in the Directory of Important Wetlands
 - Heritage rivers
 - Listed vegetation
 - Habitat of threatened species.

Appendix 1: Overlays

OVERLAY	PURPOSE
Environmental Significance Overlay Schedule 1 – 94 – Sites of biological significance	Ensure that development occurs so as not to adversely impact upon the environmental values of the site or any other value that may be identified within the overlay area Conserve and enhance the environmental sustainability and ecological integrity of these values.
Environmental Significance Overlay Schedule 95 – High quality agricultural land	Preserve areas of high inherent agricultural productivity and versatility for agricultural production. Ensure that areas of sufficient size for sustainable agricultural production are maintained. Discourage other uses, housing and buildings and works, even if associated with agriculture, which removes prime agricultural land from agricultural production. Allow small lot subdivision for agricultural purposes provided no house entitlement is created.
Environmental Significance Overlay Schedule 96 – Conservation covenanted land	Ensure protection of ecological values on land covered by a conservation covenant. Ensure that development occurs in accordance with the requirements of the conservation covenant.
Vegetation Protection Overlay Schedule 1 – Tambo-Bairnsdale roadside vegetation protection framework Schedule 2 – Raymond Island vegetation protection area Schedule 3 – Nungurner-Metung vegetation protection area Schedule 4 – Mosquito Point vegetation protection area Schedule 5 – Flanagan Island and Fraser Island vegetation protection area Schedule 6 – Outer Barrier vegetation protection area Schedule 7 – Kalimna vegetation protection area Schedule 8 – Mallacoota vegetation protection area	Protect areas of vegetation significance
Significant Landscape Overlay	Identify and conserve significant landscapes

OVERLAY	PURPOSE
Schedule 1 – Ninety Mile Beach and Surrounds Schedule 2 – Gippsland Lakes Schedule 3 – Metung and Lakes Entrance Hills Schedule 4 – Lake Tyers and Surrounds Schedule 5 – Snowy River Estuary and Surrounds Schedule 6 – Mallacoota Inlet and Surrounds	
Design and Development Overlays Schedule 7 – Highway Corridors, Princes Highway and Great Alpine Road	Ensure that development in the Highway corridors in non-urban areas is managed to minimise adverse effects on the safe and efficient flow of traffic along the highways. Prevent linear or ribbon development along the Highway corridors.
Erosion Management Overlay Schedule 1 – Management of geotechnical hazard	Protect areas prone to erosion or other land degradation processes
Salinity Management Overlay	Identify areas subject to groundwater discharge and recharge and prevent damage to buildings and infrastructure
Land Subject to Inundation Overlay	Identify land in a flood storage or flood fringe area affected by the 1 in 100 year flood and ensure that development maintains the free passage and temporary storage of floodwaters, minimises flood damage, is compatible with the flood hazard and local drainage conditions and will not cause any significant rise in flood level or flow velocity.
Bushfire Management Overlay	Ensure that development of land prioritises the protection of human life and strengthens community resilience to bushfire, identify areas where the bushfire hazard warrants bushfire protection measures to be implemented and ensure development is only permitted where the risk to life and property from bushfire can be reduced to an acceptable level.

Appendix 2: RAZ Area

BRUTHEN AND GIPPSLAND LAKES HINTERLAND

OVERVIEW

This area is located east of Bairnsdale and includes the rural land surrounding the settlements of Nicholson, Johnsonville, Sarsfield, and Bruthen.

Land use is mixed ranging from commercial agriculture through to extensive rural lifestyle and rural tourism. Zoned rural living and low density residential estates are located on the edges of settlements as well as being interspersed throughout the precinct.

Commercial agriculture is largely confined to flood prone river flats on Tambo and Nicholson Rivers. The main agricultural use of the land is broadacre grazing with some dairy and horticulture (wineries, floriculture and orchards) also represented. Agricultural and nature-based tourism accommodation and hospitality businesses are also found within the precinct.

SETTLEMENT, LOT AND PROPERTY SIZES

Between the Great Alpine Road and the Princes Highway, other than on the river flats, the majority of the area is settled. Apart from a few commercial agriculture properties, land use is a mix of hobby farming, rural lifestyle, 'boutique' agriculture, agri-tourism and value adding in the form of 'pick-your-own' and roadside stalls. The proximity of the area to Bairnsdale and appealing rural amenity makes this area attractive for rural lifestyle.

Lot sizes range from 5ha to over 100ha and the mapping of properties shows a mix of property sizes with multi-lot holdings (e.g. around Nicholson) as well as single-lot holdings (e.g. west of Sarsfield). There are a number of zoned rural residential estates including land zoned Rural Living and Low Density Residential.

A large proportion of the planning permits approved for dwellings and subdivision in the Farming Zone have been for land in this area.

ENVIRONMENTAL VALUES AND HAZARDS

Environmental values in the precinct include endangered riparian vegetation associated with the Nicholson River and Tambo River as well as wetlands and swamps that are part of the broader Ramsar listed Gippsland Lakes system.

Climate modelling to the year 2070 indicates that land south of the Princes Highway between Lucknow and Johnsonville and the Tambo River flats south of Bruthen and the Nicholson River between Lake King and Sarsfield is at risk from sea level rise and storm surge. Extensive areas of native vegetation are found within and surrounding the precinct in national and state reserves posing significant bushfire hazard.

AGRICULTURE

The agricultural capability of land is Class 3 (medium quality) with land identified as Farmland of Strategic Significance south of Bruthen township on the Tambo River. Direct diversion from the Tambo River is used for irrigation between Bruthen and Swan Reach. This area should remain in the Farming Zone.

TOURISM

The Gippsland Regional Growth Plan identified land south of the Princes Highway as a Strategic Tourism Investment Area. The outlook over Jones Bay and Lake King makes this a very attractive location for tourism development. However, due to the significant environmental and landscape values, the risks associated with flood and management requirements relating to coastal acid sulfate soils, the area is not considered suitable for large scale or extensive tourism development.

Lakes Entrance, the East Gippsland Rail Trail, Gippsland Lakes Discovery Trail, Great Alpine Road and Sydney to Melbourne Coastal Drive are significant tourism assets. Metung is an identified tourism town providing holiday accommodation, boating and fishing facilities. Swan Reach and Johnsonville on the Princes Highway provide some retail and caravan park facilities. Nungurner is a small hamlet providing boating facilities and some holiday accommodation on Lake King in a bush setting. Nowa Nowa has a burgeoning art community and local nature trails.

There is an opportunity to grow the tourism offer in the precinct by encouraging tourism facilities associated with the agricultural, landscape and environmental values. It is therefore recommended that the Rural Activity Zone replace the Farming Zone between the Great Alpine Road and the Princes Highway to provide for the current mix of uses (agriculture, rural lifestyle and hobby farming, rural based tourism), protection of the environmental values and provide for further development of rural based tourism. It is recommended to apply a minimum lot size for subdivision of 30ha.

Appendix 3 – Draft Policy Guidelines

Implementation of recommendations from the RLUS includes the introduction of policy guidelines for the assessment of planning permit applications for subdivision, dwelling excisions and dwellings in the Farming Zone and Rural Activity Zone.

The policy guidelines provide transparency of how the proposed objectives, strategies and actions will translate into Planning Scheme. These policy guidelines are intended to complement the strategies and actions set out above and reflect Strategic Direction 1: Food and Fibre and Strategic Direction 5: Rural Dwellings.

Farming Zone

Policy guidelines for land in the Farming Zone could include:

Discourage dwellings and subdivisions including house lot excisions and boundary realignments to create small rural lots unless:

- It supports the ongoing protection agricultural landholdings.
- It facilitates a clear improvement in farming efficiency and sustainable land management practices.
- It does not prejudice existing or potential agricultural activities on surrounding land.

Strongly discourage uses and development that would reduce the area of Farmland of Strategic Significance available for agricultural production including: dwellings, rural workers accommodation, second stage processing of food including transport, logistics, storage, refrigeration.

Minimise impacts on existing and potential agricultural operations on nearby land and on the rural landscape through appropriate siting and design.

Support the use and development of land for a dwelling only subject to the preparation of a satisfactory Farm Management Plan.

Support the use and development of land for a dwelling only if any risk from bushfire is reduced to an acceptable level and any bushfire protection measures can be implemented.

Provide for the use and development of land for a dwelling that is not associated with the agricultural use of the land only where either:

- A previous planning permit for subdivision has expressly facilitated the future development of a dwelling, or,

- The land is within reasonable proximity to a settlement that is more than 50km from Bairnsdale, Lakes Entrance or Orbost and it can be demonstrated that the construction of a dwelling will support the long term viability of the settlement and all bushfire and domestic wastewater requirements can be met. or
- The land has established environmental values that would be supported by the development of a dwelling.

Discourage the creation of small rural lots and/or dwelling development:

- In areas of agricultural production.
- Within Proclaimed Water Supply Catchment Areas.
- In environmentally sensitive areas, where there is likely to be an impact on landscape values or significant environmental features such as remnant vegetation, wetlands, coastal reserves and waterways.
- In areas with poor road infrastructure (such as unsealed roads).
- In areas remote from physical and community infrastructure
- On old Crown Allotments
- To address farm succession or farm viability issues.

Ensure that where land is subdivided to excise an existing dwelling, the residual lot is at least the area specified for the land in a schedule to the relevant zone.

Discourage subdivision that is likely to lead to a concentration of small lots and change the use or character of the area.

Encourage good land management practices such as the fencing of waterways, revegetation of degraded areas, enhancement of remnant vegetation, weed control and nutrient management.

Ensure that where land is subdivided, a legal agreement under Section 173 of the Planning and Environment Act 1987 is applied that prevents:

- The construction of a dwelling on a residual lot.
- The further subdivision of any lot created other than for consolidation purposes or in accordance with the minimum lot size for subdivision in the zone.

The policy guidelines will be refined as part of the preparation of the Planning Scheme Amendment to implement the RLUS into the East Gippsland Planning Scheme.

Rural Activity Zone

The Rural Activity Zone supports the continuation of farming but provides the opportunity for non-farming uses to be considered as well as other non-agricultural objectives such as environmental protection and enhancement and tourism.

The preferred mix of uses in the Rural Activity Zone includes:

- farming, rural industry and associated agribusiness uses
- farming and tourist facilities
- nature-based tourism and recreation facilities.

This may include:

- Accommodation such as farm stays and host farms
- Tourism facilities in association with, or that complement agriculture such as wine tasting and farm gate supplies
- Bed and breakfast
- Paddock to plate experiences.

Uses that will be discouraged in the Rural Activity Zone include:

- Convenience shop
- Dwelling not in association with agriculture or tourism
- Equestrian supplies
- Intensive animal husbandry
- Hotel
- Landscape gardening supplies
- Store
- Tavern
- Trade supplies
- Residential hotel
- Service station.

Policy guidelines for land in the Rural Activity Zone could include:

- Agriculture
 - Demonstrate that a productive agricultural use of the land will be conducted commensurate with the scale of the property.
 - Demonstrate that the site has the capacity to sustain the agricultural use including consideration of land capability, water supply.
 - Whether the proposal is compatible with adjoining and nearby uses.

Tourism Use

- Address where possible an identified tourism need that is consistent with relevant local and regional tourism strategies endorsed by Council.
- Demonstrates a strong relationship between the proposed tourism use and development and the region's tourism product strengths or agriculture.

Design

- Demonstrates that design, siting, use of materials, colours and landscaping minimise the impact on the visual and environmental qualities of the site and the locality.
- Demonstrates that the footprint of the development and the use of setbacks minimises visual impact, particularly from key tourist destinations, viewing points and touring routes.
- Demonstrates that the footprint of the development and the use of setbacks minimises impacts on adjoining agricultural enterprises.

FARM MANAGEMENT PLANS

To improve decision making and assessment of planning permits for development within the Farming Zone, Council may require that proponents prepare a Farm Management Plan (FMP).

It is not automatically the case that a farmer must live on the land that is being farmed. Farmers must therefore demonstrate why a dwelling is required and whether the dwelling a detrimental impact on adjoining properties. The purpose of the FMP is to provide an appropriate level of information to assist Council whether the development is justified and the potential for the dwelling to have negative impacts.

Information that will assist Council to assess a planning permit for a new dwelling or rural workers accommodation includes:

- A description of the current or proposed farm business including:
 - business goals
 - the enterprises (livestock, cropping, hay making, horticulture etc) including the scale of the enterprise (land area, number or livestock)
 - farm labour, including owner/manager(s), full time and part time employees and seasonal labour
 - Ten year financial projections.

- Property description including:
 - Proposed and existing structures (dwellings, sheds for shearing, machinery etc, livestock yards,
 - Waterways
 - Native vegetation
 - Local road network
 - Dwellings and other development on adjoining properties
 - Location of wind energy or extractive industry facilities within 1km of the property boundary
 - Location of intensive animal husbandry within 1km of the property boundary
 - Land capability
 - Water supply for stock and cropping
 - Risk assessment - Undertake and land use conflict risk assessment to assess:
 - The risk the development will be impacted by surrounding land uses
 - The risk the development will be impact operation of surrounding land uses.
 - Provide details on why a dwelling/rural farm worker accommodation required including:
 - Why a 24 hour presence is required
 - Explain why the development will not result in the loss or fragmentation of productive agricultural land?
 - Will the development be adversely affected by agricultural activities on adjacent and nearby land due to dust, noise, odour, use of chemicals and farm machinery, traffic and hours of operation?
 - Will the development adversely affect the operation and expansion of adjoining and nearby agricultural uses?
 - Is there potential for the proposal to lead to a concentration or proliferation of dwellings in the area and the impact of this on the use of the land for agriculture.
 - Is there potential for the development to be adversely affected by an established or proposed wind energy facility?
 - Is there potential for development to be adversely affected by an established or proposed extractive industry (e.g. quarry)?
- Is rural workers accommodation necessary having regard to:
 - The nature and scale of the agricultural use.
 - The accessibility to residential areas and existing accommodation, and the remoteness of the location.
 - The duration of the use of the land for rural worker accommodation.

Glossary

Zone - the planning scheme zones land for particular uses, for example, residential, industrial, business or other. The zone describes if a planning permit is required, and the matters that the council must consider before deciding to grant a permit. The zone also contains information relating to land uses, subdivision of land, construction of new buildings and other changes to the land.

Overlay – overlays identify land with special feature such as a heritage building, significant vegetation or flood risk. The overlay information will indicate if a planning permit is required for the construction of a building or other changes to the land.

Farmland of strategic significance is identified based on an assessment of productive agricultural land that support clusters of enterprises that are part of a locally significant industry.

Productive agricultural land is defined in Planning Practice Note 42: Applying the Rural Zones as generally having one or more of the following characteristics:

- Suitable soil type including consideration of soil structure, texture, drainage, topography and fertility
- Suitable climatic conditions such as rainfall, temperature and evaporation
- Suitable agricultural infrastructure, in particular irrigation and drainage systems
- A present pattern of subdivision favourable for sustainable agricultural production.

Industry clusters are areas that make a significant economic contribution based on an assessment of:

- Concentrations of enterprises supporting an industry of national or state or regional significance
- Significant public and private sector investment in industry
- Economic scale of primary production and secondary processing, and employment opportunities that these provide.

Vertical integration – an arrangement in which the supply chain of a company is integrated and owned by that company. For an agricultural business this may include owning for example the production, storage, processing, freight and logistics and marketing of primary produce.

Economies of scale - a proportionate saving in costs gained by an increased level of production. For an agricultural business, productivity needs to increase as inputs costs rise.

Value chain – the agricultural value chain describes the full chain of activities and services in the creation of an agricultural commodity from the initial inputs through to the consumer.

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Project Number: #1379

Version	Final/Draft	Date	Author	Director	QA Review	Approved	Issued
1.0	Draft	23.8.2022	S McGuinness	S McGuinness	-	S McGuinness	East Gippsland
2.0	Draft	29.8.2022	S McGuinness	S McGuinness	-	S McGuinness	East Gippsland
3.0	Draft	2.2.2022	S McGuinness	S McGuinness		S McGuinness	East Gippsland
4.0	Draft	4.10.2022	S McGuinness	S McGuinness	B. Gravenor		East Gippsland
5.0	Final draft	2.11.2022	S McGuinness	S McGuinness		S McGuinness	East Gippsland
6.0	Final	15.3.2023	S McGuinness	S McGuinness		S McGuinness	East Gippsland
7.0	Final	21.4.2023	S McGuinness	S McGuinness		S McGuinness	East Gippsland
8.0	Final	5.7.2023	S McGuinness	S McGuinness		S McGuinness	East Gippsland