

RMCG

JUNE 2020

Farming Zone Review

Research and Investigation Paper

Macedon Ranges Shire

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Table of Contents

Executive Summary	i
1 Introduction	1
2 Macedon Ranges	4
3 Strategic Context	7
4 Policy Context	15
5 Agriculture	41
6 Drivers of Land Use Change	51
7 Farmland of Strategic Significance	54
8 Tourism in the Farming Zone	64
9 Natural Resources and Hazards	69
10 Landscape and Environment	74
Appendix 1: Planning Policy Framework	79
Appendix 2: Local Planning Policy Framework	83

Executive Summary

INTRODUCTION

In 2017, Macedon Ranges commenced a review of land in the Farming Zone. At the time it was acknowledged that ideally, the review would encompass all land in the Farming Zone and Rural Conservation Zone, however there was not the resources available at the time to do so. An initial version of this Farming Zone Research and Investigation Report was prepared in 2017. In 2019 Macedon Ranges widened the scope of the Farming Zone review to include land within the Rural Conservation Zone. A companion Rural Conservation Zone Research and Investigation Report has been prepared and the Farming Zone Research and Investigation Report updated.

The objectives of the review of the Farming Zone are to:

- Develop a vision, role and purpose for rural land within the Farming Zone
- Identify the values and features of rural land within the Farming Zone to be protected and enhanced
- Identify key opportunities and constraints of rural land use and development within the Farming Zone
- Respond to land use changes occurring because of social and economic pressures including the decline in traditional agriculture and increased interest in residential development and emerging rural industries
- Improve the quality of land management activities and water conservation while encouraging rural farming activities
- Articulate how the strategic vision for rural land within the Farming Zone will be implemented through the planning scheme by:

The scope of the review includes all land within the Farming Zone. The purpose of this Research and Investigation Paper is to establish the current Farming Zone land use and development circumstances in Macedon Ranges. The paper was informed by a desktop review of strategies, plans and data, targeted consultation and a landholder survey. The key findings from this background research and consultation will inform preparation of the Rural Land Use Strategy

The key findings are summarised here.

MACEDON RANGES

Macedon Ranges Shire is located in the rural peri-urban region of Melbourne and on the main transport corridor to north-west Victoria. The Shire's population and economy is strongly influenced by metropolitan Melbourne. While historically a farming area, the Shire's economy and employment is now primarily focused on services, manufacturing and construction with agriculture less than 5% of local output and employment.

The rural areas of the Shire comprise valued natural assets such as the Macedon Regional Park and Hanging Rock, important community infrastructure, biodiversity and recreation values. Private rural land covers around 132,500ha or 75% of the Shire and the Farming Zone covers 85,000 hectares or 49% of the Shire. Macedon Ranges' rural areas are attracting new migrants seeking a rural lifestyle and increasing visitor numbers.

Rapid population growth within the Shire and the proximity of the Shire to significant population growth within the Urban Growth Boundary is escalating pressure for rural land use change. This will have implications for the character of the rural areas as well as environmental values and natural resources.

STRATEGIC CONTEXT

Land use and development in Macedon Ranges rural areas is influenced by federal, state and local government strategies and plans. These strategies highlight population growth, the desire to live in a rural area and the Shire's proximity and commutability to Melbourne and surrounding regional centres as key drivers of rural land use change within Macedon Ranges. The Rural Land Use Strategy will need to align with strategic plans including the Plan Melbourne and the Loddon Mallee South Regional Growth Plan Planning principles and strategic objectives relevant to the review of the Farming Zone and preparation of the Rural Land Use Strategy include:

Settlement and population growth

- Maintain non-urban breaks between urban areas
- Accommodate housing and employment in established towns
- Manage settlement and rural living to avoid negative impacts on agriculture, biodiversity, landscape, infrastructure and service delivery
- Clearly define settlement boundaries within which settlement and rural living are contained

- Ensuring people and property are protected from natural hazards and the impacts of climate change.

Agriculture

- Ensure settlement avoids areas of productive agricultural land or land with potential for agricultural production
- Protection of productive agricultural land and promotion of agriculture and other rural industries
- Facilitate investment in new opportunities and high value agriculture
- Facilitate industry adaptation to climate change

Landscape

- Protect landscape qualities
- Maintain non-urban breaks between settlements

Environment

- Protection and restoration of environmental values and landscape qualities
- Protect and improve the condition of environmental assets
- Protect water quality and quantity as an important environmental and economic asset
- Identify and support re-establishment of ecological connectivity and biolinks

Tourism

- Support for tourism that takes advantage of the Shire's natural settings and value adds to agriculture such as nature based accommodation, cycling and walking trails, farm gate sales.

Economy

- Encourage economic diversification such as tourism and new energy opportunities
- Protect declared water supply catchments

Cultural heritage

- Acknowledgement and consideration of cultural heritage

POLICY CONTEXT

Macedon Ranges' rural areas are recognised in State Policy for their:

- Geographic and landscape qualities
- Importance as a tourist destination
- Contribution to food production
- Environmental and cultural heritage qualities

State policy principles and objectives for land in the Farming Zone include:

Protect strategically important areas for the environment, landscape, water, cultural heritage and agriculture

Protect productive farmland of strategic significance in the local or regional context

Encourage tourism

Protect water supply catchments

Prevent dispersed settlement and provide for 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

The 2002 Rural Land Strategy, which underpins the current Macedon Ranges Planning Scheme rural policies, found that competing forces for rural land were growing and that:

The Shire is at a critical turning point because there are few large decisions that come along that set directions, the Shire is at the state where the cumulative impact of a whole host of individual decisions is setting the direction..... Each contribute to an overall direction which very largely runs counter to the overall goals and values.

The competing forces for rural land have not abated. The Shire's location within the peri-urban region of metropolitan Melbourne and the Calder corridor between Melbourne and Bendigo has, and will continue to have, a significant influence on its population and economy. Population and employment growth in nearby settlements within the Urban Growth Boundary and increased accessibility arising from the proposed Outer Melbourne Ring Road will have significant flow-on effects into Macedon Ranges. The Loddon Mallee South Regional Growth Plan noted with regard the peri-urban area of the region that:

If not managed, development pressures and sprawling growth can increase risks from bushfire, sea level rise and flood, add to infrastructure costs and lead to a loss of important non-urban assets including productive farmland, water catchments, earth resources, biodiversity and natural ecosystems. Retaining the economic and community value of these assets is a key consideration in planning for this area.

The 2004 Planning Panel report that reviewed submissions to Amendment C21 supported the overall direction proposed by the 2002 Rural Land Strategy and this is largely reflected in the current Planning Scheme. The Panel Report recommended a review of the Cobaw Biolink boundaries to respond to the variety of land uses, lot sizes, extent of existing vegetation, preferred area for revegetation and potential impacts on the productive use of agricultural land and potential wildfire implications and threat and that a Cobaw Biolink Implementation Strategy be prepared as a supporting action. It is

understood that no review of the zone boundaries was undertaken or that a Cobaw Biolink Implementation Strategy was prepared. A review of the extent of the Cobaw Biolink is documented in the Rural Conservation Zone Research and Investigation Report. A review of land capability and identification of Farmland of Strategic Significance is provided in Chapter 7.

The Local Planning Policy Framework aligns with State policy and sets out a vision and directions for land in the Farming Zone to ensure:

The rural areas are attractive and productive rural landscapes

Agriculture is an important part of the local character and economy

Development is managed to ensure that water supply catchments, environmental values, landscapes are protected and separation between settlements is maintained

Rural living is planned and provided for in appropriately serviced areas

The vision and objectives are spatially represented in strategic and rural framework plans. The vision is consistent with state policy objectives and community aspirations for Macedon Ranges rural areas and should be retained. The strategic and rural framework plans should be revised to reflect the findings of this review.

The Rural Land Use Strategy will inform the preparation of the Municipal Planning Strategy and identify opportunities for decision guidelines, application requirements, exercise of discretion and policy guidelines currently within the MSS to be included as overlay schedules or the PPF.

A review of the planning scheme performance relevant to the Farming Zone identified issues that require further consideration in the preparation of the Rural Land Use Strategy:

The need to tailor policy to reflect the variation in land use and development and respond to areas under development pressure including the Calder corridor and the south east corner of the Shire.

Policy should also consider land use drivers in adjoining municipalities

Delete from the Macedon Ranges Planning Scheme redundant local policies Clause 22.01 Macedon Ranges and Surrounds and Clause 22.03 Intensive Animal Husbandry.

Review minimum lot size schedules to ensure that Council has the opportunity to test all new dwellings against zone objectives and decision guidelines

Additional policy guidance to assess planning permit applications for dwellings including:

- Circumstances when a dwelling will or won't be supported
- Clarification of the circumstances and locations where demonstrating a nexus between a dwelling and agriculture will be required.

Further policy guidance for assessing planning permit applications for re-subdivision, boundary realignments and two-lot subdivision

Consideration of the range of non-discretionary uses and clarification of the circumstances and locations where these uses may or may not be supported.

Introduce a requirement for a Farm Management Plan to accompany a planning permit application for a dwelling or other discretionary use.

Lack of recognition of significant environmental values

AGRICULTURE

Agriculture is small economic sector that plays a significant role in the landscape, character and identity of Macedon Ranges and its attraction as a tourism destination. While the sector contracted up until 2006, it has steadied with stronger livestock prices. Operators of livestock businesses are optimistic about the industries future in the Shire and are investing in business improvements. Viticulture and the equine industry have increased in importance over the last 15 years. While expansion of vineyard plantations is likely to be limited, there is opportunity for value add in the form of tourism activities. The equine industry is also optimistic that there is opportunity for further industry growth in breeding and husbandry, as well as horse education, training and equine services.

The future of the industry in Macedon Ranges faces a number of challenges:

Rapid change in land use and the flow on effect on land prices has and will constrain industry investment and expansion

Along with fragmentation, land use change and increase in rural lifestyle has resulted in traditional broadacre farming contracting to the northern and eastern parts of the Shire

Rural land use conflict at the neighbour and landscape scale is hampering farm operation and increasing farm running costs

Investment in industry infrastructure, particularly has not kept pace with industry needs or increased in visitor traffic and recreational users.

There is industry optimism and opportunity for growth through:

Value adding to primary production

Alternative farming models such as land leasing, production of high value, specialised products, diversification and intensification of production.

There is an opportunity to support agriculture with additional policy support by clearly identifying locations where commercial scale agriculture will be supported over rural lifestyle or hobby farming. Policy should also:

Facilitating farm expansion

Support adoption of new technology

Support adoption of alternative farming practices and production of commodities to meet new or niche markets

Provide for value adding such as on farm processing or tourism.

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

Infrastructure planning to accommodate a range of users

Education and capacity building of rural landholders

Incentives to encourage optimal and productive land management.

DRIVERS OF LAND USE CHANGE

Population pressures, increasing land prices, fragmentation, land use conflict and climate change have been, and will continue to drive land use change in the Farming Zone in Macedon Ranges. There is a role for the planning system to clearly identify where agriculture will be privileged over other land uses. However, there are circumstances where the 'horse has already bolted' and the continuation or resumption of traditional forms of agriculture is highly unlikely. Formulating appropriate policy responses for areas that have experienced significant land use change will be a key challenge for the Rural Land Use strategy.

FARMLAND OF STRATEGIC SIGNIFICANCE

Farmland of Strategic Significance has been identified based on an assessment of productive agricultural land and identification of locations supporting concentrations of enterprises that are part of a locally significant industry. Farmland of Strategic Significance should inform refinement of the rural framework, zone boundaries, zone schedules and local policy.

TOURISM

Tourism is an important economic sector in Macedon Ranges. Visitors are attracted by natural features including Mount Macedon, Hanging Rock, attractive rural landscapes, outdoor recreation, cellar door and paddock to plate experiences. There is an opportunity to grow and diversify the rural tourism sector and value add to agriculture and established attractions. Tourism development should generally be focused in areas that align with established tourism attractions and nodes and will need to be carefully located and sited to avoid land use conflict.

NATURAL RESOURCES AND HAZARDS

A large proportion of Macedon Ranges falls within declared water supply catchments. These catchments are important water sources for the region's people, economy and risks posed by development to water quality, human health and environmental values

should be avoided. The current policies within the Macedon Ranges contain clear support for water quality protection.

There is a long history of bushfire in Macedon Ranges and high risk areas are identified in regional bushfire assessment and the Bushfire Management Overlay. While these are operating effectively from a planning perspective, bushfire prevention practices of rural landholders are not uniformly optimal. Absentee landholders and inexperienced rural landholders, anecdotally do not understand their responsibilities or have the skills and knowledge to ensure adequate standards of fire prevention. Council will need to consider non-policy responses such as:

Education and capacity building of rural landholders

Incentives to encourage optimal land management for fire prevention

ENVIRONMENT AND LANDSCAPE

In 2019 Macedon Ranges completed a Biodiversity Strategy and Landscape Strategy with recommendations for changes to the planning scheme. The Biodiversity Strategy is discussed in further detail in the Rural Conservation Zone Research and Investigation Report.

Landscape Strategy recommendations are being progressed through a separate planning scheme amendment. The Rural Land Use Strategy will need to align with these recommendations.

1 Introduction

BACKGROUND

The rural areas of Macedon Ranges Shire are diverse with attractive rural landscapes, significant environmental values, productive agricultural industries and a network of rural settlements. The Shires rural landscapes are a strong attractor for new residents, businesses and tourists alike.

Since 2010, Council has undertaken strategic planning work to better manage planning for townships and rural living, including preparation of the Macedon Ranges Settlement Strategy; plans providing direction for the development of Romsey, Gisborne, Woodend, Kyneton and Riddells Creek; and a Rural Living Strategy.

Currently the planning scheme policy direction for land in the Farming Zone is to maintain agricultural land, protect non-urban breaks and require land management plans for farming activities. Overlay controls guide development in areas with significant environmental or landscape values or areas prone to natural hazards such as flooding and bushfire.

However, Council has identified that current policy does not provide clear direction on a range of rural uses such as: hobby or lifestyle farming, new and emerging farming enterprises, value adding to agricultural production and farm-based tourism. In addition, while the Farming Zone aims to protect land for farming related purposes, not all land currently within the Farming Zone has the same attributes to support a similar level of agricultural activity.

There is also recognition that the Shire's location in the peri-urban region of Melbourne and the Calder Corridor to Bendigo is driving change in land use and the social and economic make up of the rural areas. Macedon Ranges rural areas, like other rural areas in the peri-urban region, are highly contested landscapes due to¹:

- Rapidly changing population within the Shire
- Spill over effects from population and economic growth in Melbourne and Bendigo
- Improved infrastructure increasing commutability for peri-urban residents and accessibility as a tourism destination
- Significant areas of environmental assets and water supply catchments
- Encroachment of primary production by urban development.
- Personal preferences for lifestyle locations based on amenity landscapes.

Strategic planning is required to understand and differentiate between areas of rural land and tailor planning policy accordingly.

The State Government amended the rural zones in 2013 to introduce a number of discretionary uses as part of Amendment VC103. The changes to the Farming Zone included modifying the zone provisions to remove the requirements for proponents to demonstrate 'whether the dwelling is reasonably required for the agricultural activity conducted on the land' as and introducing additional discretionary uses.

OBJECTIVES

Macedon Ranges Council believes it is therefore timely to undertake a review of the Farming Zone. The review will:

- Articulate a vision, role and purpose for rural land within the Farming Zone
- Identify the values and features of rural land within the Farming Zone to be protected and enhanced
- Identify key opportunities and constraints of rural land use and development within the Farming Zone
- Respond to land use changes occurring because of social and economic pressures including the decline in traditional agriculture and increased interest in residential development and emerging rural industries
- Identify options to improve the quality of land management activities and water conservation while encouraging rural farming activities
- Articulate how the strategic vision for rural land within the Farming Zone will be implemented through the planning scheme. Implementation measures may include consideration of:
 - Identifying sub regions in the municipality that require different strategies to support and promote appropriate and sustainable agricultural enterprises
 - A set of policies, zone and overlay provisions that prevent the fragmentation of agricultural land as appropriate to the sub regions
 - A set of policies, zone and overlay provisions that protect the significant environmental values and attributes of rural land in the sub regions

¹ Peri urban group of Councils (2017) Supporting agriculture in the peri urban region.

SCOPE

The scope of this report is land within the Farming Zone. In 2019, a review of the Rural Conservation Zone was undertaken with the intention that the two review would inform preparation of a Rural Land Use Strategy. The strategy will set out recommendations for development of new or amended policies, zones and overlay provisions

Council has recently completed a review of the Rural Living Zone and therefore is not within the scope of the Rural Land Use strategy.

ENGAGEMENT

Between May and July 2017 consultation was undertaken with government agencies, Council forums and industry representatives to gather information and test and validate early research findings. Consultation was undertaken in small group and one-on-one meetings. Targeted consultation was undertaken with the following stakeholders:

- Macedon Ranges Agribusiness Forum
- Macedon Ranges Equine Industry Network
- Coliban Water
- Western Water
- North Central Catchment Management Authority
- Taungurung Clans Aboriginal Corporation
- Country Fire Authority
- Landcare Network representatives
- Macedon Ranges staff: Strategic and Statutory Planning; Economic Development; Environment
- Operators of agricultural enterprises
- Department of Environment Water Land and Planning (DEWLP).
- Stakeholders contacted but not available to participate included:
 - Southern Rural Water
 - Melbourne Water
 - Dja Dja Wurrung Aboriginal Corporation
 - Wurundjeri Aboriginal Corporation
 - Port Phillip Catchment Management Authority

A Farming Zone Landowners Survey was designed to give Council a better understanding of the farming activities undertaken within the Farming Zone and highlight issues that require analysis as part of the development of the draft strategy. The survey was mailed to every landholder in the Farming Zone. A total of 488 of the 1,876 surveys mailed to landowners were returned. This provides a response rate of 26.0% which is a very solid response rate for a voluntary mail out and online survey of this size and type.

To engage a broad cross section of the Macedon Ranges community, Council also prepared an online community survey, open to all members of the Macedon Ranges community, to better understand what community members value about agriculture and land within the Farming Zone. Both surveys were promoted in all local newspapers and key community newsletters.

The feedback from targeted stakeholder consultation and the surveys has been incorporated into this final Research and Investigation Paper. The first version of the report was prepared in 2017. This updated version was prepared in 2020.

Overarching messages from all the consultation activities regarding future aspirations and land use and development in the Farming Zone for Macedon Ranges include:

Landholders are attracted to the Farming Zone in the Macedon Ranges for the rural lifestyle, agricultural opportunity and proximity to Melbourne.

Traditional, large scale farming has contracted to the northern and north-eastern areas of the Shire. The equine industry has emerged as a significant and growing sector. Elsewhere, land use is a mix of viticulture, high-value niche agricultural enterprises, hobby farming, rural lifestyle and agri-tourism.

The diversity of land uses in the Farming Zone is reflective of a diverse rural community. Landholders in the Farming Zone have a range of motivations for living in the Farming Zone and aspirations for using their land. This diversity brings challenges in terms of land use conflict and land management abilities.

The changing land use and development circumstances in Macedon Ranges are not well served by the 'one-size-fits-all' Farming Zone. Greater clarity of the desired land use outcomes that reflect and respond to local circumstances will assist Macedon Ranges Shire to determine planning applications and for land owners to make optimal use of rural land.

The Farming Zone supports highly valued and important environmental and landscape values and potable water supply catchments and protection and enhancement of these values is universally supported.

Figure 1 provides a summary of the survey findings by survey reporting district.

FIGURE 1: SUMMARY OF FARMING ZONE SURVEY FINDINGS BY SURVEY REPORTING DISTRICT

On average, most landholders in the Farming Zone in Area 5:

Purchased farming land for retirement and the availability of infrastructure

Own properties mostly less than 10ha

Agribusiness turnover was less than \$20,000 last financial year

Earn less than 30% of household income from agriculture

Earn agribusiness income from hay and silage and rural tourism

On average, most landholders in the Farming Zone in Area 4:

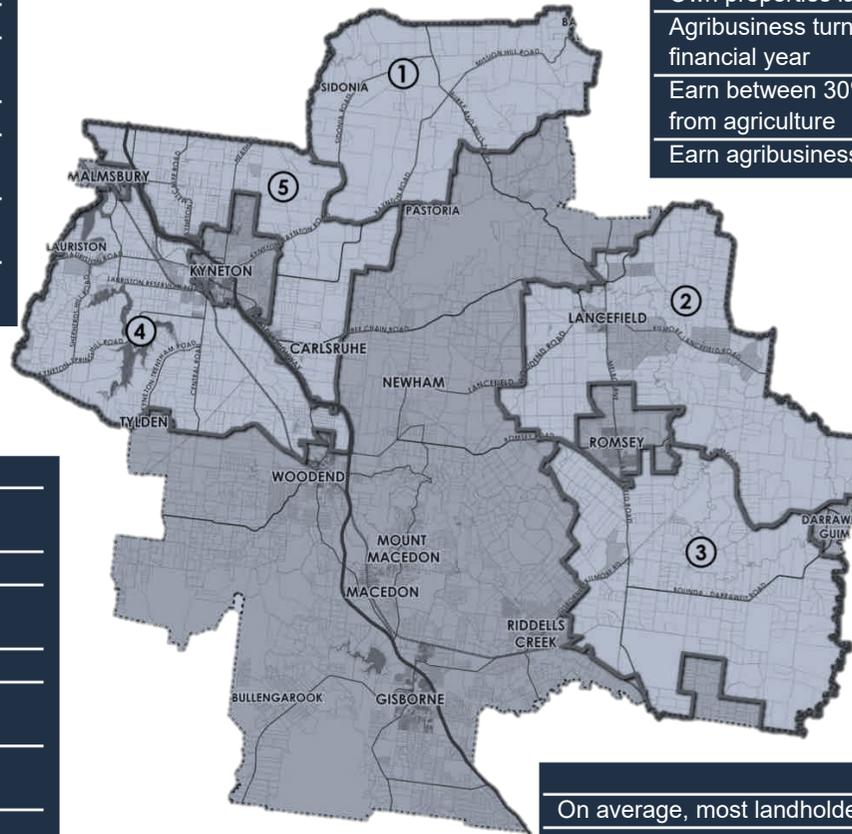
Purchased farming land for rural lifestyle and retirement

Own properties less than 10ha

Earn less than 30% of household income from agriculture

Agribusiness turnover was less than \$20,000 last financial year

Earn agribusiness income from horticulture



On average, most landholders in the Farming Zone in Area 1:

Purchased land to farm

Own properties larger than 100ha

Agribusiness turnover was more than \$100,000 last financial year

Earn between 30% and 50% of household income from agriculture

Earn agribusiness income from livestock

On average, most landholders in the Farming Zone in Area 2:

Purchased land to farm

Own properties mostly between 10ha and 100ha

Agribusiness turnover was between \$20,000 and \$100,000 last financial year

Earn agribusiness income from hay and silage

On average, most landholders in the Farming Zone in Area 3:

Purchased land to farm and because of its proximity to Melbourne

Own properties mostly between 10ha and 100ha

Agribusiness turnover was less than \$50,000 last financial year

Earn agribusiness income from equine industry

2 Macedon Ranges

OVERVIEW

Macedon Ranges Shire is situated in Central Victoria, about 60 kilometres north-west of Melbourne and covers an area of 1,747 square kilometres. Aboriginal people have lived in the Macedon Ranges area for at least 26,000 years and the Wurundjeri, Dja Dja Wurrung and Taungurung communities are still active.

Settlement by pastoralists in the 1830s, timber milling and the discovery of gold in and around Bendigo in the 1850's were significant influences on the Shire's early development. Mount Macedon became a popular summer retreat for Melbourne families and subsequently a popular tourist resort. The Shire's rural landscapes, network of towns and villages and proximity to Melbourne are highly valued by today's residents and visitors.

In 2016, Macedon Ranges had an estimated residential population of around 46,000 up from nearly 40,000 in 2006. The population is forecast to grow by another 8,500 people to reach 64,500 by 20362. There are nine major townships within the Shire, namely Gisborne (including New Gisborne), Kyneton, Woodend, Romsey, Riddells Creek, Macedon, Lancefield, Mount Macedon, and Malmsbury. Of these, Gisborne, Kyneton, Woodend and Romsey are the main service centres.

The three main industry sectors by employment (2011 Census) are (Figure 2):

- Retail Trade (13%)
- Health Care & Social Assistance (12%)
- Education and training (11%)

The three main industry sectors by output (2014 National Input Output Tables) are:

- Manufacturing (16%)
- Rental hiring and real estate services (15%)
- Construction (14%).

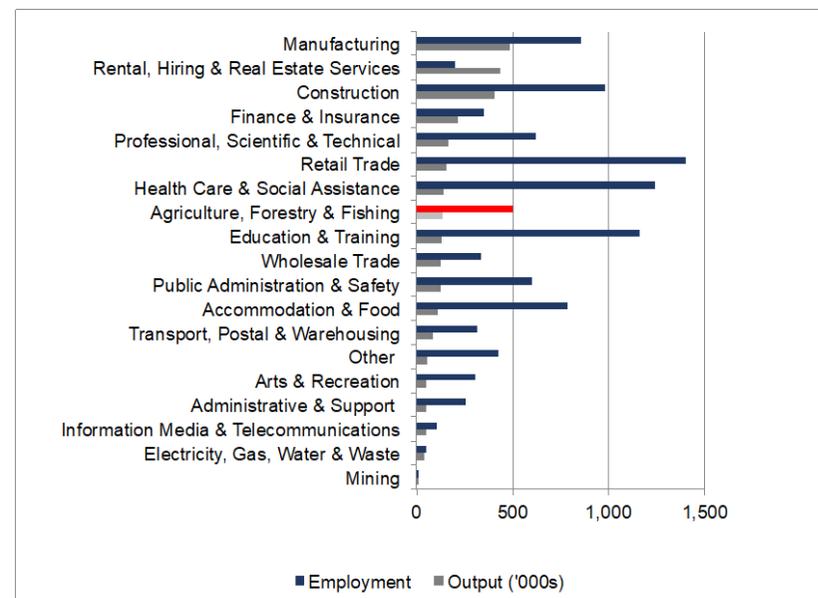
By comparison, Agriculture Forestry and Fishing generated 5% of employment and 5% of output.

Macedon Ranges rural areas (land outside townships) include a diversity of landscapes and extensive areas of public land such as the Macedon Regional Park, Hanging Rock Reserve and the Cobaw State Forest. These areas are extensively vegetated and are

valued for their biodiversity values, as well as recreation and tourism opportunities. Important community infrastructure in the rural areas of the Shire include the Malmsbury, Lauriston, Upper Coliban and Rosslynne reservoirs supplying water to towns from Gisborne through to Bendigo and the Calder Freeway and VLine railway line connecting Melbourne to north-west Victoria.

Private rural land covers around 132,500 hectares or 75% of the Shire. The Farming Zone covers 85,000 hectares or 49% of the Shire and the Rural Conservation Zone covers an area of 47,500 hectares or 27% of the Shire. Rural private land has been extensively cleared, apart from areas surrounding the major reserves, and is used predominantly for agriculture. Around 35% of the Shire's population live outside a town boundary in a rural setting³.

FIGURE 2: MACEDON RANGES EMPLOYMENT AND OUTPUT BY INDUSTRY SECTOR⁴



² <http://forecast.id.com.au/macedon-ranges> accessed 4.5.2017
³ <http://www.mrsc.vic.gov.au/See-Do/Our-Region/Population-Profile> accessed 30.8.2017

⁴ <http://www.economyprofile.com.au/loddonmallee/industries/output>

The Shire's location within the peri-urban region of metropolitan Melbourne (Figure 3) and the Calder corridor between Melbourne and Bendigo has, and will continue to have, a significant influence on its population and economy. For example, 47% of the Shire's working residents travel outside of the area to work due to the proximity of and excellent transport networks into Melbourne and other centres such as Geelong and Bendigo². Further population pressures will arise from the proximity of Macedon Ranges to the Urban Growth Boundary and proposed Outer Metropolitan Ring.

KEY FINDINGS

Macedon Ranges Shire is located in the rural peri-urban region of Melbourne and on the main transport corridor to north-west Victoria. The Shire's population and economy is strongly influenced by metropolitan Melbourne. While historically a farming area, the Shire's economy and employment is now primarily focused on services, manufacturing and construction with agriculture less than 5% of local output and employment.

The rural areas of the Shire comprise valued natural assets such as the Macedon Regional Park and Hanging Rock, important community infrastructure, biodiversity and recreation values. Private rural land covers around 132,500ha or 75% of the Shire and the Farming Zone covers 85,000 hectares or 49% of the Shire. Macedon Ranges' rural areas are attracting new migrants seeking a rural lifestyle and increasing visitor numbers.

Rapid population growth within the Shire and the proximity of the Shire to significant population growth within the Urban Growth Boundary is escalating pressure for rural land use change. This will have implications for the character of the rural areas as well as environmental values and natural resources.

LANDHOLDER SURVEY

64% purchased land for rural lifestyle

64% have holdings that are less than 40 ha

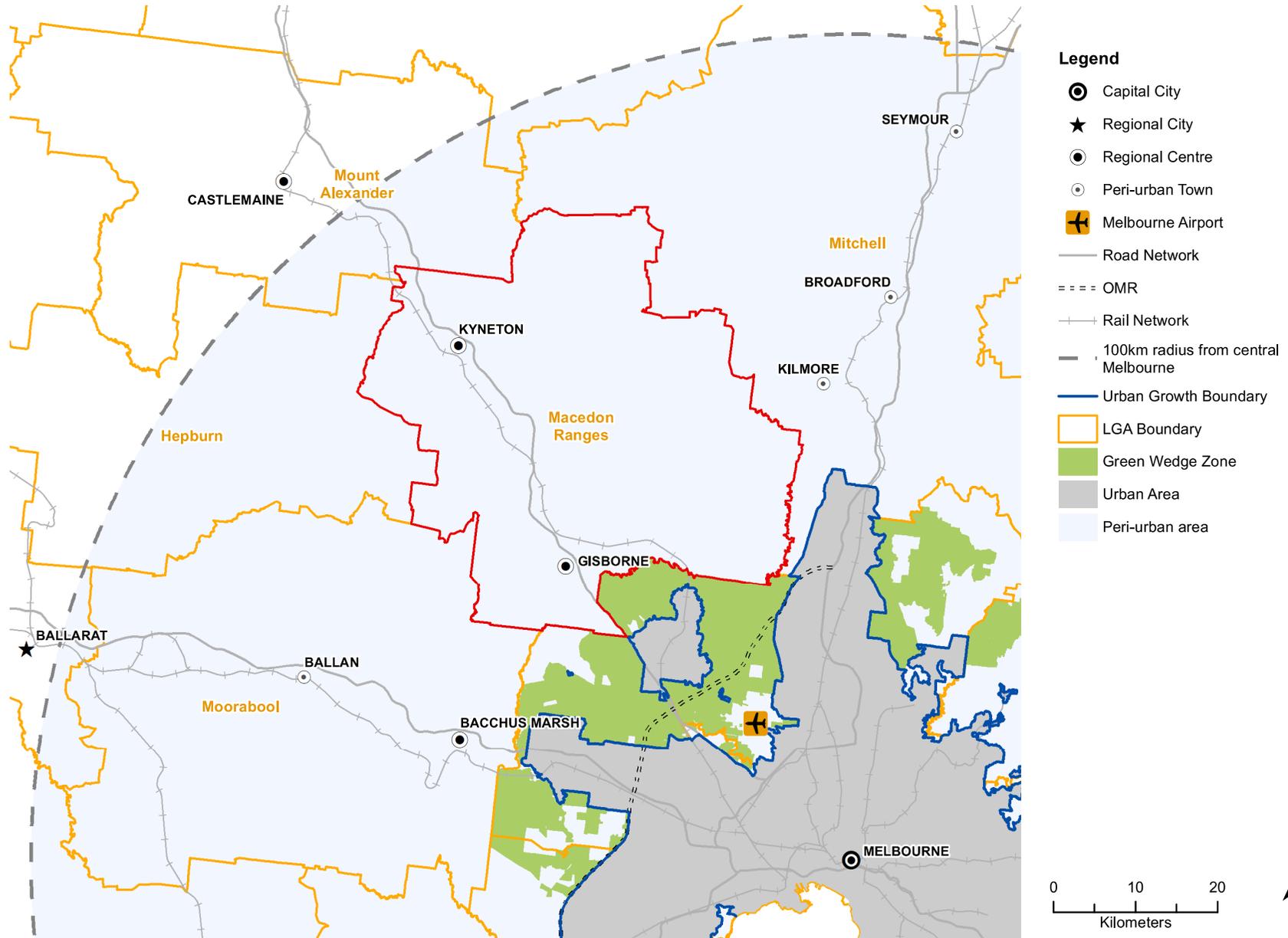
54% of those that purchased land in the last 5 years had not previously managed farmland

79% of respondents have a dwelling on their property and for 81% of this group, it is their primary place of residence.

50% of respondents that have lived for less than five years on their property, previously lived in metropolitan Melbourne

21% have no dwelling on their land and just under half of these live in Metropolitan Melbourne

FIGURE 3: PERI URBAN MELBOURNE AND MELBOURNE'S GROWTH BOUNDARY



3 Strategic Context

This section of the report details the strategic context set out in State and Local plans and strategies relevant to land use and development in the Farming Zone in Macedon Ranges.

LAND USE AND DEVELOPMENT

Plan Melbourne 2017 - 2050⁵

Plan Melbourne is the State Government's planning strategy for metropolitan Melbourne. The Plan sets out a vision for Melbourne's growth to 2050, and integrates with planning for Victoria's regional and peri-urban areas, including Macedon Ranges.

Direction 4.5 of Plan Melbourne sets out objectives and strategies for Melbourne's green wedges and peri-urban areas:

Future growth in the green wedges and peri-urban areas will be managed to protect productive land, strategic economic resources, heritage and biodiversity assets, while accommodating additional housing and employment in established towns in the outer peri-urban areas that have the capacity for growth. Many towns in green wedges have limited growth potential. Consistent with Plan Melbourne and the Regional Growth Plans, planning for green wedge and peri-urban areas should:

- Define and protect areas that are strategically important to the metropolitan area and the state, for the environment, biodiversity, landscape, open space, water, agriculture, energy, recreation, tourism, environment, cultural heritage, infrastructure, extractive and other natural resources
- Protect and manage the value of green wedges consistent with green wedge management plans
- Avoid development in locations where there is risk to life, property, the natural environment and infrastructure from natural hazards such as bushfire and flooding
- Accommodate additional housing and employment in established towns that have the capacity for growth

Policy 4.5.2: of the Plan requires

Valued attributes of distinctive areas and landscapes be protected and enhanced. Planning for identified distinctive areas within green wedges and peri-

urban areas needs to identify the valued attributes of these areas and ensure they are protected and enhanced for ongoing use by present and future generations.

The Plan sets out desired planning outcomes for peri urban areas. Outcomes particularly relevant to this study include:

Protect significant views, maintain non-urban breaks between urban areas, and conserve the cultural significance, tourism appeal and character of scenic rural landscapes.

Manage and protect catchments (including Special Water Supply Catchments), groundwater, water infrastructure and storages, and waterways to improve water quality, protect the environment and provide a reliable and secure water supply.

Protect agricultural land from incompatible uses, maintain farm size, promote the continuation of farming and provide a secure long-term future for productive and sustainable agriculture.

Facilitate sustainable year- round tourism, and new tourism development (including diverse attractions, accommodation and eating establishments) that maintains the integrity of the natural environment, provides social benefits for communities and visitors and contributes to local economies.

Plan and manage sustainable urban growth that is concentrated in and around major towns within Melbourne's peri-urban area to provide employment, infrastructure, services and community facilities to new and established urban areas in an equitable manner.

Manage rural living to prevent negative impacts on agriculture, biodiversity and landscape values.

LODDON MALLEE REGIONAL STRATEGIC PLAN 2015 - 18⁶

The Loddon Mallee Regional Strategic Plan is a prospectus detailing investment actions to leverage the Region's comparative advantages and address community needs. Priority areas and actions relevant to this study include:

- Invest in high value agriculture
- Increase regional food manufacturing
- Invest in tourism product, assets and related infrastructure

⁵ Department of Environment, Land, Water and Planning (2017) Plan Melbourne 2017 - 2050

⁶ Regional Development Australia (2015) Loddon Mallee Regional Strategic Plan 2015 - 18

LODDON MALLEE SOUTH REGIONAL GROWTH PLAN

The Loddon Mallee South Regional Growth Plan is the strategic land use plan for the region to guide growth and change for the next 30 years. The Plan has identified the region's strategic assets, drivers of change and challenges for growth and sets out a vision and principles and future directions to achieve the vision. Principles and directions relevant to this study include:

Manage our population growth and settlements

- Focus growth to the region's existing settlements with capacity for growth
- Target new growth to settlements including Gisborne and Kyneton
- Manage settlement growth to limit the impact on agricultural productivity, natural resources and ecological values.

Strengthen our communities, especially in our small towns

- Support the ongoing role of the region's small towns and settlements

Strengthen and diversify our economy

- Enable residents to work and participate in the region by continuing to expand the region's diverse economy
- Support and develop emerging and potential growth sectors such as tourism, renewable energy, resource recovery and other green industries

Improve our infrastructure

- Protect water quality and quantity
- Provide for the future of waste management and resource recovery

Protect and enhance our natural and built environment

- Protect and improve the condition of the region's important environmental assets such as the forests, wetlands and rivers
- Protect identified visually important landscapes, and cultural and built heritage places
- Manage settlement growth to limit the impact on agricultural productivity, natural resources and environmental assets
- Maintain the non-urban breaks between settlements
- Minimise the impacts of land use change and development on areas with significant environmental assets

Ensure our food, water and energy security

- Facilitate ongoing agricultural productivity and investment in high value agriculture
- Support ongoing adaptation and flexibility for the agricultural sector

- Facilitate ongoing agricultural productivity and new opportunities that respond to the potential impacts of climate change
- Encourage and facilitate development in renewable energy, waste to energy, carbon sequestration and other new energy opportunities
- Protect water quality and quantity.

The Rural Land Use Strategy will need to align with the Regional Growth Plan strategic framework (Figure 4).

FIGURE 4: LODDON MALLEE SOUTH REGIONAL GROWTH PLAN STRATEGIC FRAMEWORK



SETTLEMENT NETWORK

- Bendigo - Regional city - Significant growth**
Promote growth of Bendigo as the regional city. Significant population growth with major residential development. It will be the major population and economic growth hub for the region.
- Regional centres/towns - Manage and support growth**
Manage and support growth in these settlements, reinforcing the network of communities within the region. These settlements will be employment and service hubs. Growth consistent with structure plans, comprising infill and some targeted expansion.
- Encourage sustainable growth in Bendigo's hinterland towns**
Potential growth and expansion to capitalise on excellent access to Bendigo. Facilitate the growth of Marong as a residential and industrial/business location.
- Designated identified growth centre in Plan Melbourne**
Plan Melbourne (Chapter 6 – State of Cities) identifies Gisborne as a peri-urban town with potential to attract housing and population growth out of Melbourne.
- Towns and rural centres
- Maintain settlement break
- Areas within 100 km of central Melbourne
- Bendigo hinterland

CONNECTIVITY

- Strategically direct growth to locations with good existing infrastructure and infrastructure with the capacity for enhancement.
 - Explore further opportunities to develop freight-related activities in Marong and Maryborough.
 - Maintain and strengthen key transport networks, both road and rail for the transporting of freight and people.
- Freeway
 Road
 Rail

ECONOMIC

- Facilitate ongoing agricultural productivity and new opportunities that respond to climate change through ongoing adaptation and flexibility.

ENVIRONMENT

- Protect and improve the condition of the region's high value terrestrial habitat.
- Public land
- Lakes
- Rivers

0 20 40
Kilometres

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AGRICULTURE

The Australian Government's National Food Plan and the Victorian Government's Growing Food and Fibre and Food to Asia Action Plan provide strong support for growth of the Australian and Victorian agriculture sector. These are high level strategies focusing on international market development. Other strategies and plans of direct relevance to Macedon Ranges' farming land are summarised briefly here.

Macedon Ranges Agribusiness Plan 2013-2018⁷

The Macedon Ranges Agribusiness Plan was prepared to support the agribusiness sector to overcome its challenges and make the most of emergent opportunities. The Plan recommends:

- Establishing a Macedon Ranges agribusiness network
- Updating the type and nature of information available to the agribusiness sector
- Assisting agricultural industries to invest in sustainable new developments with consideration to limiting impacts on residents, landscape quality and the general environment
- Supporting value adding to local agricultural produce where possible
- Assisting agricultural industries meet their employment and training needs.

EQUINE

The Macedon Ranges Equine Strategy⁸ expired in 2016. While the Strategy will no longer be referred to for strategic direction, the importance of the industry to the economic interests of the Macedon Ranges is acknowledged. Opportunities for the industry are being considered as part of development of Council's Leisure Strategy.

TOURISM

Victorian Visitor Economy Strategy

This Strategy sets a goal of increasing visitor spending to \$36.5 billion by 2025 and identifies nine priorities to achieve this ambitious goal:

- More private sector investment
- Build on the potential of regional and rural Victoria
- Improved branding and marketing
- Maximising the benefits of events
- Improved experiences for visitors from Asia
- Better tourism infrastructure

⁷ Macedon Ranges Shire Council (2013) Agribusiness Plan

⁸ Urban Enterprise (2012) Macedon Ranges Equine Strategy 2012 - 2016

- Improved access into and around Victoria
- Skilled and capable sector
- More effective coordination.

Daylesford and Macedon Ranges Destination Management Plan

A destination management plan, comprising a product development plan, tourism action plan and regional marketing plan is currently under development for the region⁹. The region is currently positioned as a "wellness region" with Spa & Wellbeing; Food & Wine; and Boutique Accommodation product strengths. Emerging strengths are Nature-based experiences (especially walking and cycling); and Arts & Culture/Festivals and Events.

Macedon Ranges Visitor Economy Strategy 2019-2029

The Macedon Ranges Visitor Economy Strategy sets the long-term vision and strategic direction to support the sustainable growth of the future visitor economy. The Strategy noted the following challenges and opportunities relevant to the Rural Land Use Strategy to support development of the emerging tourism products and experiences (weddings, Aboriginal cultural heritage experiences, wellness, mineral springs, agritourism and accommodation). An overarching recommendation was to review local planning policies related to tourism and consider amendments that provide clearer tourism objectives and decision guidelines for appropriate tourism experiences aligned with this strategy.

Challenges

The rural zones (Farming Zone and Rural Conservation Zones) are restrictive and do not consider modern farming practices, including production of alternative crops (flowers, hemp) or opportunity for innovative tourism related activities such as open days, workshops, farm gate sales, experiential and immersive getaways, accommodation and weddings.

All events/workshops are currently interpreted as Place of Assembly and achieving the permit is both onerous and costly.

Planning regulations can be a limiting factor in the development of the wine industry and cellar doors.

Opportunities

Identify current policy issues and potential solutions through Council's review of the Farming Zone and Rural Conservation Zone.

Consider an amendment to the Macedon Ranges Planning Scheme to include guidelines on the appropriate location and design for tourism uses in rural areas of the Shire.

⁹ <http://dmrtourism.com.au/destination-management/> accessed 15.5.2017

Collaborate with surrounding shires and regional tourism boards to establish food and beverage touring routes, e.g. craft beer, gin or whisky.

Establish clear guidelines on planning controls and processes relevant to the food and wine industry to educate on possibilities for development.

Investigate options for accommodation in the Farm Zone to support diversification and sustainability of the farming sector.

ENVIRONMENT

Central West Investigation¹⁰

The Victorian Environmental Assessment Council has commenced an investigation of environmental values of public land in the vicinity of the Wombat State Forest. The purpose of the investigation is to: identify and evaluate the condition, natural and biodiversity values and cultural, social and economic values and the current uses of public land and make recommendations for the balanced use and appropriate management arrangements to conserve and enhance the natural and cultural values. The report will be available in 2019

Port Phillip and Westernport and North Central Regional Catchment Strategies 2013-2019

The Regional Catchment Strategies sets regional priorities for the management of natural assets, sets overall direction for investment and coordination of effort by landholders, partner organisations and the wider community. The Strategies identifies local government as a key implementation partner. While specific actions for local government are not detailed, the planning schemes are recognized as a tool to ensure that significant environmental assets are identified and where appropriate planning policy prepared to support their protection and enhancement.

North Central Waterway Strategy 2014-2022

The North Central Waterway Strategy 2014-2022 provides a framework for the CMA in partnership with other stakeholders to manage rivers and wetlands and delivers key elements of the state-wide management approach outlined in the Victorian Waterway Management Strategy.

Upper Coliban Integrated Catchment Management Plan

The Upper Coliban catchment is a designated open water supply catchment in the southwest portion of the Campaspe River basin. The catchment contains the Lauriston, Malmsbury and Upper Coliban Reservoirs and supplies raw water for distribution and treatment to the townships of Trentham and Tylden and the major regional centres beyond the catchment including Kyneton, Bendigo, Castlemaine and associated townships. These reservoirs provide potable water for around 130,000 people, a figure

expected to grow significantly over the life of the Integrated Catchment Management Plan. Additionally, they supply water for other domestic and commercial purposes both within and downstream of the catchment. The catchment faces a range of threats from existing and future developments, uncontrolled livestock access to waterways and riparian areas and from climate change.

The three goals underpinning the Integrated Catchment Management Plan are:

Future development: From 2018 all proposed developments in the catchment require the implementation of appropriate actions to mitigate risks to the supply of high quality raw water for the drinking water supply, through offsetting impacts from stormwater runoff quality and quantity in rural living and town zones. This goal can only be achieved through amendments to the Municipal Planning scheme recommended as an additional Environmental Significance Overlay.

Waterway protection: By 2037 there is no uncontrolled livestock access to Kangaroo Creek, Upper Coliban River and Little Coliban Rivers as well as additional nominated waterways and the Malmsbury, Lauriston and Upper Coliban Reservoirs.

Connectivity: By 2037 there is a continuous vegetated riparian corridor of at least an average of 20m wide each side of Kangaroo Creek, Upper Coliban River and Little Coliban Rivers where land availability permits and for the Malmsbury, Lauriston and Upper Coliban Reservoirs. Other nominated unnamed waterways will be revegetated to 10m each side.

Coliban Water will lead preparation of the Environmental Significance Overlay, in conjunction with Macedon Ranges Shire and Hepburn Shire.

Biodiversity Strategy 2018¹¹

The Biodiversity Strategy considers the natural values of biodiversity in the Macedon Ranges Shire, the threats to these values, and actions Council can take to protect and enhance biodiversity (both directly and by working with others).

The purpose of the Biodiversity Strategy is to establish a shared vision between Council, community, Traditional Owners and other stakeholders for the protection and enhancement of biodiversity values across the shire. The strategy identifies a number of policy and planning initiatives as well as priorities for community engagement, on ground action and monitoring change.

To achieve this vision, the Macedon Ranges Biodiversity Strategy has the following objectives:

Objective 1: protect existing biodiversity and native vegetation

¹⁰ veac.vic.gov.au/investigation/central-west-investigation accessed 21.06.2017

¹¹ Macedon Ranges Shire Council (2018) Biodiversity Strategy 2018

Objective 2: improve existing biodiversity and native vegetation across public and private land

Objective 3: increase the extent of native vegetation cover for connectivity

Objective 4: improve Council and the community's understanding and connection to biodiversity

Objective 5: enhance the capacity of community groups to undertake conservation activities

Objective 6: develop a shire-wide biodiversity monitoring program that assesses the health of the broader ecosystem.

Landcare Strategies

Local land networks and groups have prepared strategies to guide investment in landcare activities, including the Cobaw Campaspe Connections Action Plan and the Coliban Connections Action Plan.

LANDSCAPE

Macedon Ranges Landscape Assessment 2019

The Macedon Ranges Landscape Assessment report, adopted by Council in 2019, provides a comprehensive assessment of landscapes. The assessment included a number of recommendations that are relevant to this review including:

Introducing a new local policy titled: 'Protection of Significant Views from Road Corridors' to apply to the 'Newham Rises' landscape area, bound by the Calder Freeway, Three Chain Road, Melbourne-Lancefield Road and Hamilton Road/Kilmore Road, as well as development within 100 metres of the following designated roads within the 'Spring Hill and Reservoirs' landscape area:

- Springhill Road between Coliban Road and Kyneton-Trentham Road
- Kyneton-Springhill Road between Shepherds Hill Road and Harts Lane
- Keegan Road between Lauriston Road and Lauriston Reservoir Road
- Lauriston Reservoir Road between Keegan Road and Harts Lane
- Shepherds Hill Road between Lauriston Road and Springhill Road

Including a requirement in the existing schedule to the Farming Zone that triggers a permit for a building within 100 metres of the aforementioned roads in the 'Spring Hill and Reservoirs' landscape area.

Other measures relevant to the Rural Conservation Zone are discussed in the Rural Conservation Zone Research and Investigation Report.

SETTLEMENT AND RURAL LIVING

Macedon Ranges Settlement Strategy¹²

The Strategy provides the overall direction for urban growth – consistent with environmental constraints, community aspirations and government policy – until 2036. Key principles of the Strategy relevant to this study include:

Facilitate intensification of residential development within a 400m radius of town centres, while respecting heritage and town character

Make a clear distinction between urban and semi-urban areas and land used for agriculture involving dwellings associated with farming activities

Facilitate appropriate economic development in areas of the Shire that have tourism, recreation or environmental attractions.

Protect land used for agriculture activities which remains a significant land use and economic function in the Shire.

Ensure residential development is directed away from locations of higher quality productive agricultural land

Provide protection to declared water supply catchments through guiding development to settlements where reticulated sewer systems are available.

In the Rural Living Zone: Strategic Directions for the Rural Living Zone¹³

The Rural Living Zone is Council's preferred location for rural residential style development and hobby/small farm activities. In 2015, Council adopted the In the Rural Living Zone strategy which provides a strategic basis for planning the future use and development of land within the Zone and for managing different areas of rural living zoned land across the shire. The key objective of the Strategy is to provide for a finite 30 years supply of rural living zoned land across the Shire. The Strategy is being implemented in two parts. Part 1 of Amendment C110 was approved by the Minister for Planning on 9 April 2017 and Gazetted on 27 April 2017. Council is currently undertaking further work to investigate the issues raised through the Panel process regarding C110 (Part 2). Additional supply of land for rural living will not be a consideration of this Farming Zone review.

The Rural Living study was informed by factors and principles relevant to this study. These are included here to ensure strategic alignment between the two strategies:

While rural living is a legitimate lifestyle option, the qualities of the Shire's rural areas (in terms of their economic, natural and cultural attributes) and the character of the Shire's townships and rural areas must be protected from the negative impacts of uncontrolled development in rural areas; and

¹² CPG (2011) Macedon Ranges Settlement Strategy

¹³

Strategic principles that guided development of the strategy that are also relevant to this study include:

Contain rural living areas: Focus rural living development within or adjacent to the existing Rural Living Zone where potential exists and manage supply of rural living opportunities accordingly.

Agriculture: Protect productive agricultural land across the Shire.

Social infrastructure: Locate new rural living development within proximity and accessibility 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 residential amenity.

Environmental Hazards: Minimise the risk to people and property from environmental hazards such as flood and fire.

OTHER

Central Region¹⁴ and Northern Region¹⁵ Sustainable Water Strategies

Macedon Ranges contains significant water catchment areas, including open potable water catchments supplying communities north and south of the Great Dividing Range and major water catchment storages are also located in the western part of the Shire. In total, there are 24 proclaimed open potable water supply catchments in the area, including the headwaters of the Campaspe, Coliban, Maribyrnong and Werribee Rivers. Special Water Supply Catchments wholly or partly within the area include Djerrivarrh, Eppalock, Lake Merrimu, Lake Merrimu (Goodmans Creek), Lake Merrimu (Lerderderg River), Lancefield (Deep Creek), Macedon (Bawden Creek), Mollison Creek (Pyalong), Monument Creek, Romsey (Upper Bolinda Creek), Rosslyn Reservoir (Jackson Creek), Sunbury (Cherlies Creek and Main Creek). The Macedon Ranges Planning Scheme contains policy and overlays for the protection of these water supply catchments.

The Central and Northern Region Sustainable Water Strategies set out strategies to secure regional water supplies for 50 years. Most of the strategies have been implemented. Of significance to this strategy is the requirement that property owners in rural residential areas register with their rural water corporation any new aesthetic dam,

domestic and stock dam, or plans to significantly alter existing dams before starting any works. This applies to any property that is located within the rural living zone, green wedge zones and any residential zone; and that is 8 hectares (20 acres) or smaller

KEY FINDINGS

Land use and development in Macedon Ranges rural areas is influenced by federal, state and local government strategies and plans. These reports highlight population growth, the desire to live in a rural area and the Shire's proximity and commutability to Melbourne and regional centres as key drivers of rural land use change within Macedon Ranges. The Rural Land Use Strategy will need to align with strategic plans including the Plan Melbourne and the Loddon Mallee South Regional Growth Plan. Planning principles and strategic objectives relevant to the review of the Farming Zone and preparation of the Rural Land Use Strategy include:

Settlement and population growth

- Maintain non-urban breaks between urban areas

- Accommodate housing and employment in established towns

- Manage settlement and rural living to avoid negative impacts on agriculture, biodiversity, landscape, infrastructure and service delivery

- Clearly define settlement boundaries within which settlement and rural living are contained

- Ensuring people and property are protected from natural hazards and the impacts of climate change.

Agriculture

- Ensure settlement avoids areas of productive agricultural land or land with potential for agricultural production

- Protection of productive agricultural land and promotion of agriculture and other rural industries

- Facilitate investment in new opportunities and high value agriculture

- Facilitate industry adaptation to climate change

Landscape

- Protect landscape qualities

- Maintain non-urban breaks between settlements

Environment

- Protection and restoration of environmental values and landscape qualities

- Protect and improve the condition of environmental assets

¹⁴ Department of Sustainability and Environment (2006) Central Region Sustainable Water Strategy

¹⁵ Department of Sustainability and Environment (2009) Northern Region Sustainable Water Strategy

Protect water quality and quantity as an important environmental and economic asset

Identify and support re-establishment of ecological connectivity and biolinks

Tourism

Support for tourism that takes advantage of the Shire's natural settings and value adds to agriculture such as nature based accommodation, cycling and walking trails, farm gate sales.

Economy

Encourage economic diversification such as tourism and new energy opportunities

Protect declared water supply catchments

Cultural heritage

Acknowledgement and consideration of cultural heritage.

4 Policy Context

This section of the report summarises the current policy context for Macedon Ranges and includes a review of the planning scheme performance. The Macedon Ranges Planning Scheme comprises the Planning Policy Framework, common to all planning schemes and the Local Planning Policy Framework.

PLANNING POLICY FRAMEWORK

The following objectives are relevant to land use and development in the rural areas of Macedon Ranges. A more detailed summary is provided in Appendix

Promote the sustainable growth and development of Victoria and deliver choice and opportunity for all Victorians through a network of settlements by:

Manage growth in peri-urban areas to protect and enhance their identified valued attributes.

Protect and enhance the valued attributes of identified distinctive areas and landscapes.

Recognise the significant geographic and physical features of these areas.

Assist the protection and conservation of Victoria's biodiversity

Protect and enhance river corridors, waterways, lakes and wetlands

Protect and conserve environmentally sensitive areas

Protect and enhance significant landscapes and open spaces that contribute to character, identity and sustainable environments.

Minimise the impacts of natural hazards and adapt to the impacts of climate change through risk-based planning

Strengthen the resilience of settlements and communities to bushfire through risk-based planning that prioritises the protection of human life

Assist the protection of: Life, property and community infrastructure from flood hazard; The natural flood carrying capacity of rivers, streams and floodways; The flood storage function of floodplains and waterways; Floodplain areas of environmental significance or of importance to river health

Protect the state's agricultural base by preserving productive farmland

Encourage sustainable agricultural land use

Assist the protection and restoration of catchments, water bodies, groundwater, and the marine environment

Protect water quality

Ensure development respects valued areas of rural character

Encourage tourism development to maximise the economic, social and cultural benefits of developing the state as a competitive domestic and international tourist destination

Facilitate tourism opportunities in appropriate locations near heritage places and natural environments.

Macedon Ranges Statement of Planning Policy (2019)

The Statement of Planning Policy provides a framework to ensure outstanding landscapes, settlement history, significant landforms, and natural environment of Macedon Ranges are protected and conserved. The Statement includes a Framework (Figure 5) and objectives and strategies to achieve the following outcomes:

Conservation and enhancement of natural and cultural landscapes, significant biodiversity, ecological and environmental values

Conservation and sustainable use of water catchments

Recognition, protection, conservation and enhancement of Aboriginal cultural and spiritual heritage values and significant post-contact cultural heritage values.

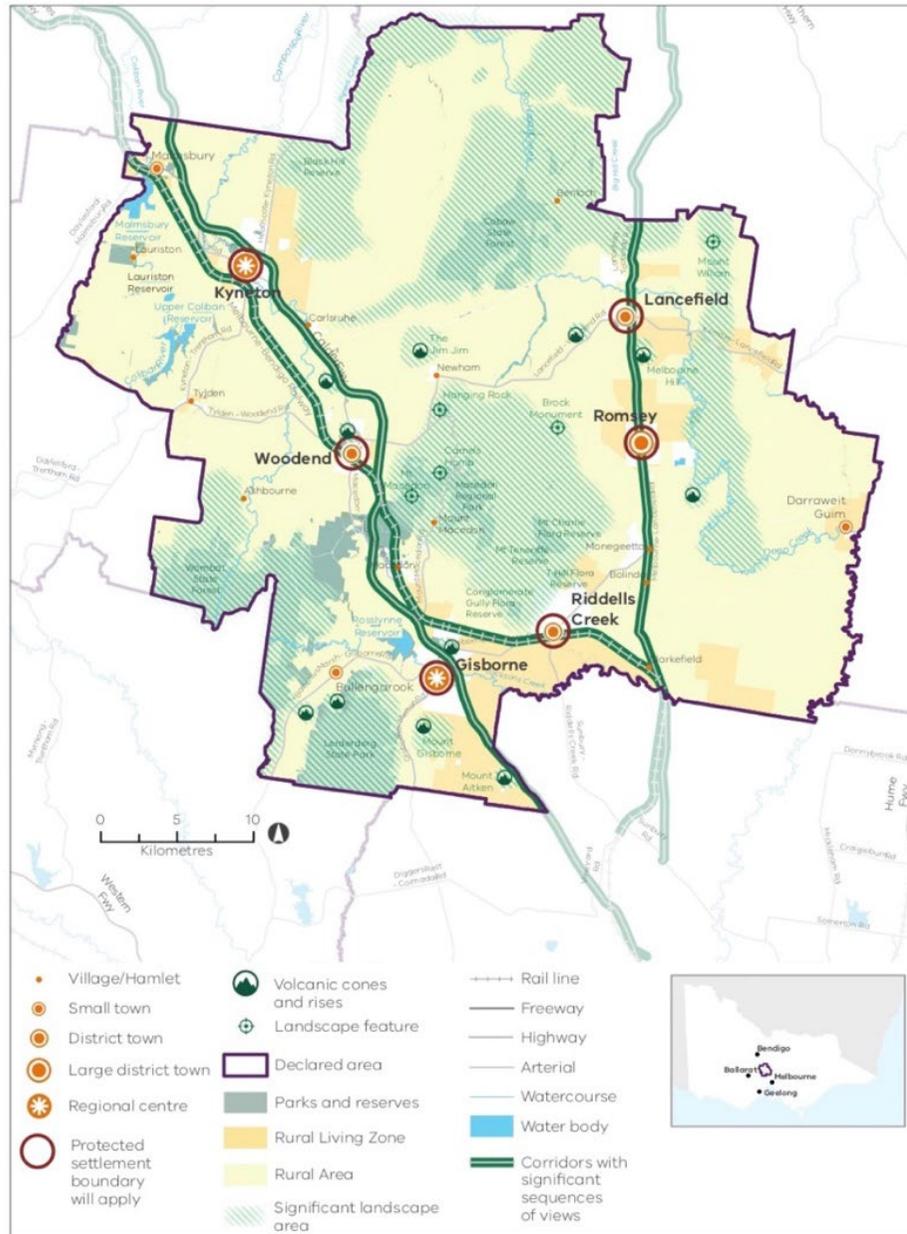
Agricultural land uses and tourism uses, compatible with the natural and cultural values of the area, that strengthen the economy and contribute to the rural landscape

Settlement growth planned to be consistent with the outcomes above and the unique character, role and function of each settlement

Planning and mitigation strategies have been put in place to respond to the challenges and threats of climate change and natural hazards.

The Statement of Planning Policy is an incorporated document in the Macedon Ranges Planning Scheme and embedded in the State Planning Policy Framework. Existing state and local planning policies, zones, overlays and particular provisions continuing to apply to land within the declared area. The Rural Land Use Strategy will need to align with the Statement of Planning Policy, including the strategic framework (Figure 2).

FIGURE 5: MACEDON RANGES STATEMENT OF PLANNING POLICY FRAMEWORK



LOCAL PLANNING POLICY FRAMEWORK

2002 RURAL LAND USE STRATEGY

The 2002 Rural Land Strategy underpins the current directions for rural land including the vision statement, objectives and strategies incorporated in the Macedon Ranges Planning Scheme at Clause 21.03-2 – Land use vision, 21.03-3 Strategic framework plans and 21.05 - Environment and landscape values.

The 2002 Rural Land Strategy included the following situation statement:

It is not an overstatement to suggest that much of the rural area and many of the towns in the Macedon Ranges Shire are at a critical turning point. The competing forces for land: for urban and residential uses, resource use, environmental values, and tourism and recreation development are growing. These trends and demands have existing for some time. What is now critical is the direction that is set for the future of the Shire in terms of land use, development and protection. As this review sets out the current trends and values are essentially to approve a wide range of uses and developments in the rural areas and at the same time have a widely supported goal to keep and preserve the inherent values of the Shire's rural areas. The actions are incompatible with the goal.

The pressure on the Shire for new and increased development are considerable. The quality of the Shire's rural areas both in their natural and cultural values and assets and the character of the Shire's towns ensure that there will be strong attraction for new residents and for existing residents to seek to retain these qualities. The metropolitan area is getting closer and the improvements to transport links are reducing travel times. The appeal of the Shire as a recreational and tourist resource is increasing while the demands for the area to act as a water catchment and a high quality environment are major considerations.

The strategy goes on to state:

The Shire is at a critical turning point because there are few large decisions that come along that set directions, the Shire is at the state where the cumulative impact of a whole host of individual decision is setting the direction.

The Strategy recommended a package of measures based on the following four principles:

Create an urban growth boundary around each town. Inside is urban and outside is rural

Rural does not necessarily mean agricultural. Rural means it is for non-urban uses. Much of the rural area will function as non-commercial farms or rural living

areas. Residential uses will be secondary to the maintenance and enhancement of a cultural and environmental rural landscape.

Changes of land use and new developments in the rural areas are supported only where they are consistent with the above two principles but only if they can also demonstrate and deliver a net gain in condition of the Shire's land and water environment. Developments that do not deliver such gains will not be supported. But there is no presumption to support a development simply because it does achieve a net gain in the condition of the environment.

The Shire's planning scheme needs to spell out clearly what it is trying to achieve in respect of its rural areas.

Gazettal of Amendment C21, the initial amendment that sought to implement the recommendations of the 2002 Rural Land Strategy, was refused by the Minister for Planning. The recommendations were subsequently introduced to the Macedon Ranges Planning Scheme via Amendment C48 in 2006.

The report¹⁶ prepared by the Panel hearing submissions to Amendment C21 made the following comments regarding the Rural framework plan:

While the Panel supports the general intent of the Review and acknowledges the research and analysis that underpins its recommendations, it found the Review difficult to navigate and is not entirely satisfied that it adequately analysed and documented all of the matters that led to the development of the key land use themes, and ultimately to the definition of zone and overlay provisions and boundaries.

In particular, the Panel considers that the Review would have benefited from a more detailed analysis of the Shire's physiographic land units or land systems, as a basis for overlaying and considering other issues.

.....By considering more issues, in greater detail, the Review could have provided a more considered basis for the subsequent definition of preferred land uses and planning tools.

The report went on to make a number of conclusions and recommendations relevant to this strategy:

General support for the application and extent of the Environmental Rural Zone to the Living Forests Policy Area

Strong support for the Cobaw Biolink concept but that the zone boundaries be modified to respond to the variety of land uses, lot sizes, extent of existing vegetation, preferred area for revegetation and potential impacts on the productive use of agricultural land and potential wildfire implications and threat

and that a Cobaw Biolink Implementation Strategy be prepared as a supporting action.

It is understood that no review of the zone boundaries was undertaken or that a Cobaw Biolink Implementation Strategy was prepared. A review of the extent of the Cobaw Biolink is documented in the Rural Conservation Zone Research and Investigation Report. A review of land capability and identification of Farmland of Strategic Significance is provided in Chapter 7.

MUNICIPAL STRATEGIC STATEMENT

21.03 Vision – Strategic Framework Plan

We aspire to provide leadership in this inspiring region by providing the opportunity for all to live a fulfilling life, while continuing to protect our heritage, environment and sense of community through our shared commitment to a sustainable Macedon Ranges.

21.03-2 Land use vision

Development and land use planning will be guided by the following vision:

The Shire remains predominantly rural, with a hierarchy of settlements set in an attractive and productive rural environment.

Agriculture remains an important part of the character and economy of the Shire, especially the high quality soils in the east of the Shire and in the north where there has been less land fragmentation. Effective land management is a key priority.

Protection of water quality, especially potable water supply, is fundamental. Land use and development, particularly un-serviced development in open water supply catchments, is minimised and managed to ensure water quality is not compromised.

Native vegetation is retained and enhanced, balanced with fire protection considerations. Native vegetation is vital for the environmental health of the Shire and is a significant component of the Shire's character.

Development complements the nature and character of the rural landscapes of the Shire. Landscapes, in particular the landscapes around Mount Macedon and Woodend, are highly valued by residents and visitors and facilitate tourism which plays a key economic role in the Shire.

Development occurs in an orderly and sustainable manner, maintaining clear distinctions and separations between settlements. A diverse range of residential and commercial opportunities are provided in appropriate locations, including appropriately zoned and serviced land to meet the needs of the Shire's changing

¹⁶ Report of a Panel (2004) Macedon Ranges Planning Scheme Amendment C21 Rural Areas Review

demographic. Growth is generally directed to the transport corridors, in-line with infrastructure provision and cognisant of constraints.

Economic growth and development is encouraged to deliver jobs and reduce escape expenditure. This occurs in appropriate locations within the settlement boundaries, apart from agriculture based business.

Rural living areas will be planned for well in advance and areas will be identified to achieve a fixed supply up to 2045 in well serviced areas with good internal connectivity and integration with external road and path networks.

21.03-3 Strategic framework plans

The Macedon Ranges strategic framework plan (Figure 6) interprets the land use vision and identifies the vision's key elements influencing land use planning up to 2036. This plan indicates high quality agricultural land, key transport infrastructure, significant landscapes; land at risk of bushfire, water courses and a settlement hierarchy. The strategic framework plan is out of date and provides limited direction for rural areas. The high quality agricultural land was drawn from the 2010 Macedon Ranges Settlement Strategy.

Rural framework plan

The vision and strategic direction for the identified rural area types shown on the rural framework plan (Figure 7) is:

Agricultural landscapes: Continue to use agricultural landscapes for stock raising (including sheep, cattle and horses) and intensive and extensive cropping. Development should not prejudice these agricultural activities because they contribute to the character and economy of the Shire.

Living forests: Enhance the significant and sensitive environmental assets - including Mount Macedon, forested areas around Woodend, the Cobaw Ranges and special water supply catchments. Limit residential development on existing lots where positive environmental outcomes are achieved and existing vegetation will not be compromised by requirements for dwelling sites, fire protection buffers and other associated infrastructure.

Cobaw biolink: Establish a biolink between the areas of significant vegetation of the Macedon and Cobaw Ranges. Housing that provides revegetation and environmental improvement works will be permitted in these areas to achieve this environmental goal.

Northern and southern catchments: Protect water quality and quantity, agricultural productivity in the northern catchment and encourage rural residential only in the more fragmented southern catchment where detailed land capability studies demonstrate there is no negative impact on water quality or agricultural uses.

Rural living area: Encourage and support rural living development in Rural Living Zone areas. The vision for these areas is a rural area with a range of property sizes offering different lifestyle opportunities and landscapes from low density residential to part time farming. Any new development including housing, subdivision or re- subdivision is to preserve the existing rural character. These areas are not mutually exclusive and overlap; where conflicts are present, the catchment provisions prevail.

The strategic framework plan and rural framework are out of date and provide limited direction for the rural areas and should be revised in light of the findings of this review.

FIGURE 6: STRATEGIC FRAMEWORK

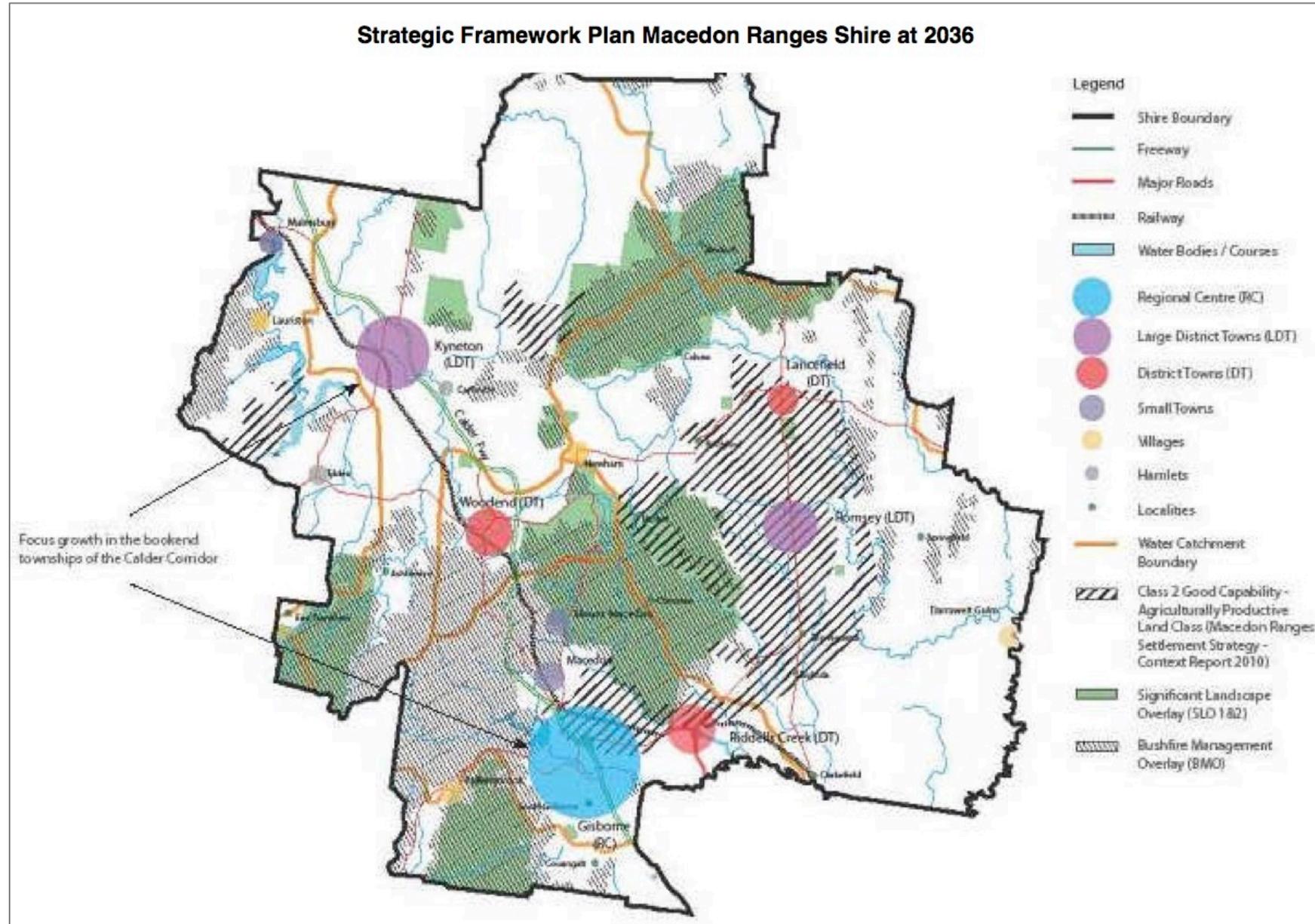
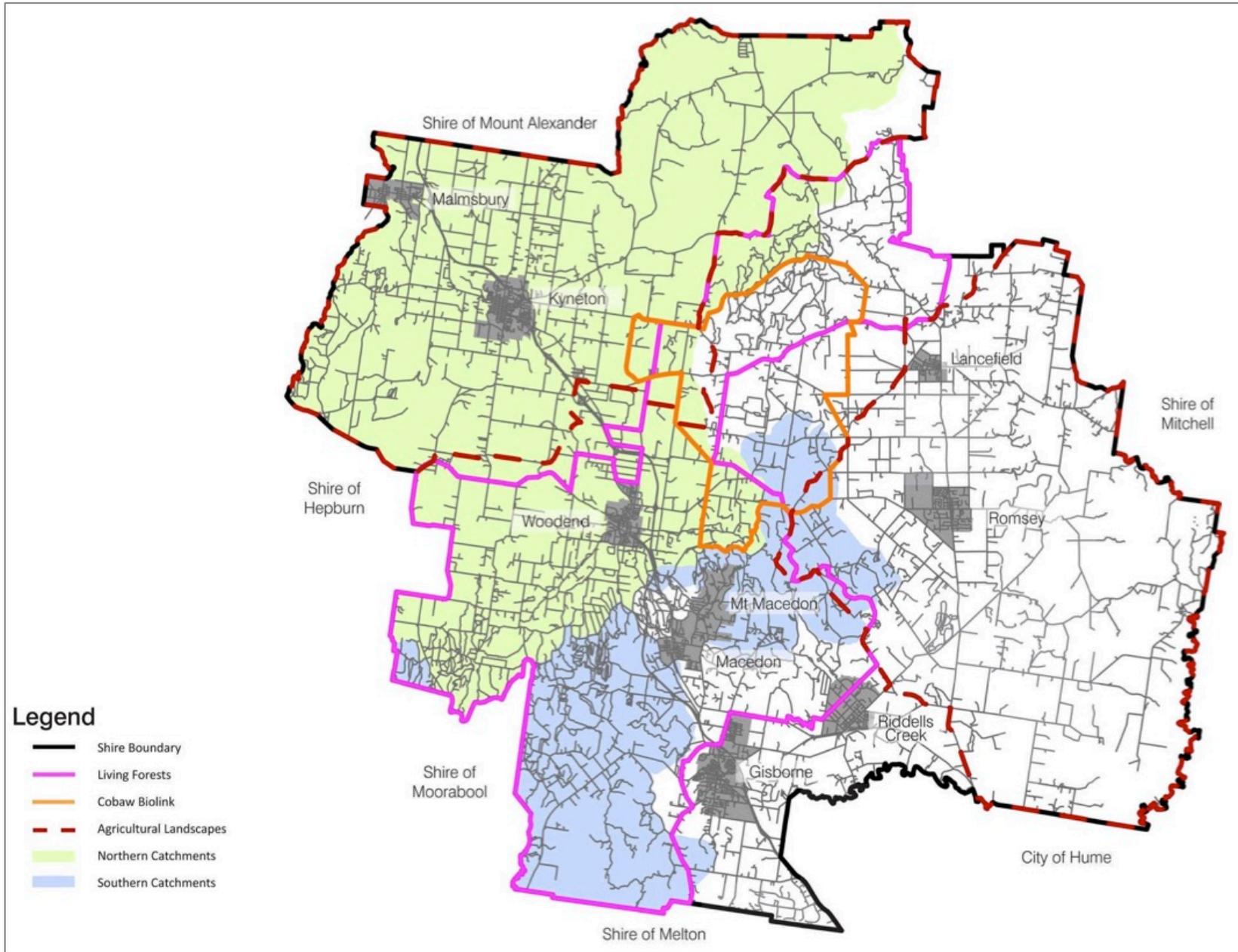


FIGURE 7: RURAL FRAMEWORK PLAN



Clauses 21.05, 21.06, 21.07 and 21.10 provide additional support to the PPF. A detailed summary of these clauses is provided in Appendix 2. Clause objectives relevant to rural land are listed here:

21.05-1: Biodiversity and native vegetation management

Conserve the biodiversity values of the Shire by protecting, enhancing, managing and restoring indigenous vegetation and fauna habitat by:

Develop a substantial biolink between the Macedon and Cobaw Ranges in the area identified as 'Cobaw biolink' in Clause 21.03-3 Rural Framework Plan and protect the character and landscapes of the area

Protect and enhance the existing forest mosaic in the Living Forest area identified on the Rural Framework Plan in Clause 21.03-3 for its environmental, character and landscape values by

21.05-2 Significant environments and landscapes

Maintain and enhance the existing rural landscapes

Maintain and enhance the open character of the plains area of the south east of the Shire

Protect and enhance the farming character of the Agricultural Landscapes area identified in the Rural Framework Plan in Clause 21.03-3

Maintain and enhance the ranges, major hills and ridges as significant visual backdrops to the Shire

Protect and enhance sites of geological significance

Preserve significant exotic and native vegetation as a fundamental component of the Shire's character and landscape

21.06-2 Soil degradation and contamination

Avoid significant land disturbance

Reduce the occurrence and impact of soil erosion and salinity in the Shire and the region

21.06-3 Bushfire

Prioritise fire risk in planning decisions, avoid increasing bushfire risk and minimise exposure of people to bushfire risk

Ensure that where development opportunities already exist, development in rural areas and on the fringes of urban areas is sited and designed to minimise risk from bushfire

21.06-4 Flooding

Ensure the future use and development of land prone to flooding minimises the consequences of inundation

Maintain the role of floodways in the environment

21.07-1 Agriculture

Protect agricultural land

Provide for sustainable, productive agriculture within the Northern Catchments and Agricultural Landscapes areas identified on the Rural Framework Plan in Clause 21.03, discourage land use and development that is contrary to the vision for these areas and limit expectations of land use change and speculation

Protect the quality soils of land with high capability for agriculture

Maximise benefit from high value agriculture

Encourage the development of alternative agricultural activities in appropriate parts of the Shire

Facilitate productive agricultural activity and ensure new development is related to the ongoing, productive use of the land for agriculture by:

Recommendations for further strategic work include work to understand productive farm sizes in Macedon Ranges Shire and provide appropriate planning provisions to support the equine industry in the Shire.

21.07-2 Sustainable rural land management

Ensure land in rural areas is managed in a sustainable manner to improve the condition of the environment by:

Recommendations for further strategic work include work to locate high quality agricultural land in partnership with Department of Environment and Primary Industries.

21.07-3 Water

Retain and improve water quality and yield in the Special Water Supply Catchments, waterways and groundwater

Ensure the development and use of agricultural land does not adversely impact water quality in the catchments

21.10-2 Tourism

Enhance the tourism potential of towns within the municipality

Encourage sustainable tourism growth compatible with the cultural and natural values of the Shire.

The 2019 Planning Scheme Review noted that at present there is an inconsistent structure within the MSS, with some clauses having an overview, while others have an overview and issues. The inclusion of decision guidelines, application requirements, exercise of discretion and policy guidelines varies between clauses. Some of this content could be better included within relevant overlay schedules, and possibly the PPF when Council translates the MSS and local policies to the Municipal Planning Strategy and PPF.

The Rural Land Use Strategy will inform the preparation of the Municipal Planning Strategy and identify opportunities for decision guidelines, application requirements, exercise of discretion and policy guidelines currently within the MSS to be included as overlay schedules or the PPF

LOCAL POLICIES

There are three local policies relevant to land in the Farming Zone.

Clause 22.01 Macedon Ranges and Surrounds

The policy is directed primarily to the planning and management necessary for the conservation and utilisation of the policy area both as a water catchment for urban and local supply and as a location of State, metropolitan and local importance for leisure activities and nature conservation. (Note that this Policy is a restatement of "Statement of Planning Policy No. 8 – Macedon Ranges and Surrounds" as approved by the Victorian Government in 1975.

The 2019 Planning Scheme Review suggested, and this review agrees that this policy may become redundant as the Statement of Planning Policy for the Macedon Ranges is gazetted.

It is recognised that the State Government will be releasing a Statement of Planning Policy for the Macedon Ranges in the near future. Liaison with DELWP will be required in order to understand the future role of Clause 22.01 within the PPF structure and having regard to the Statement of Planning Policy.

It is recommended that this local policy be deleted from the Planning Scheme

Clause 22.02 Dams

This policy applies to the construction of dams and aims to:

- Maintain environmental flows in streams and waterways.
- Ensure that dams are designed and constructed in such a manner that dam failure is minimised.
- Ensure that dams are constructed by people familiar with dam construction and soil conservation techniques.

Ensure that dam sizes relate to the suitability and capability of the catchment, the site and the intended use.

Minimise tree removal and to maximise retention and use of top soil.

Minimise land disturbance.

Ensure appropriate revegetation.

Prevent construction of dams in environmentally sensitive areas, such as bush gullies. To avoid the creation of new dams to serve rural living lots of less than 4 hectares.

The 2019 Planning Scheme Review recommended that the availability and the currency of the Reference Documents in Clause 22.02 be confirmed. Digital versions of the land capability studies of Woodend, Romsey and Kyneton are available on line (<http://vro.agriculture.vic.gov>) and are considered to be current for their intended use. The farms dams reference document could not be located.

Clause 22.03 Intensive Animal Husbandry

This policy applies to applications for the use and development of land for intensive animal husbandry, except for cattle feedlots, piggeries or broiler farms. The 2019 Planning Scheme Review found:

It is unclear if there is any need for this policy, notwithstanding that it does provide a mechanism for discretion in decision-making for other industries that are uncommon within the Shire. This policy should be reviewed in light of VC150, to give regard to terminology changes, including animal production.

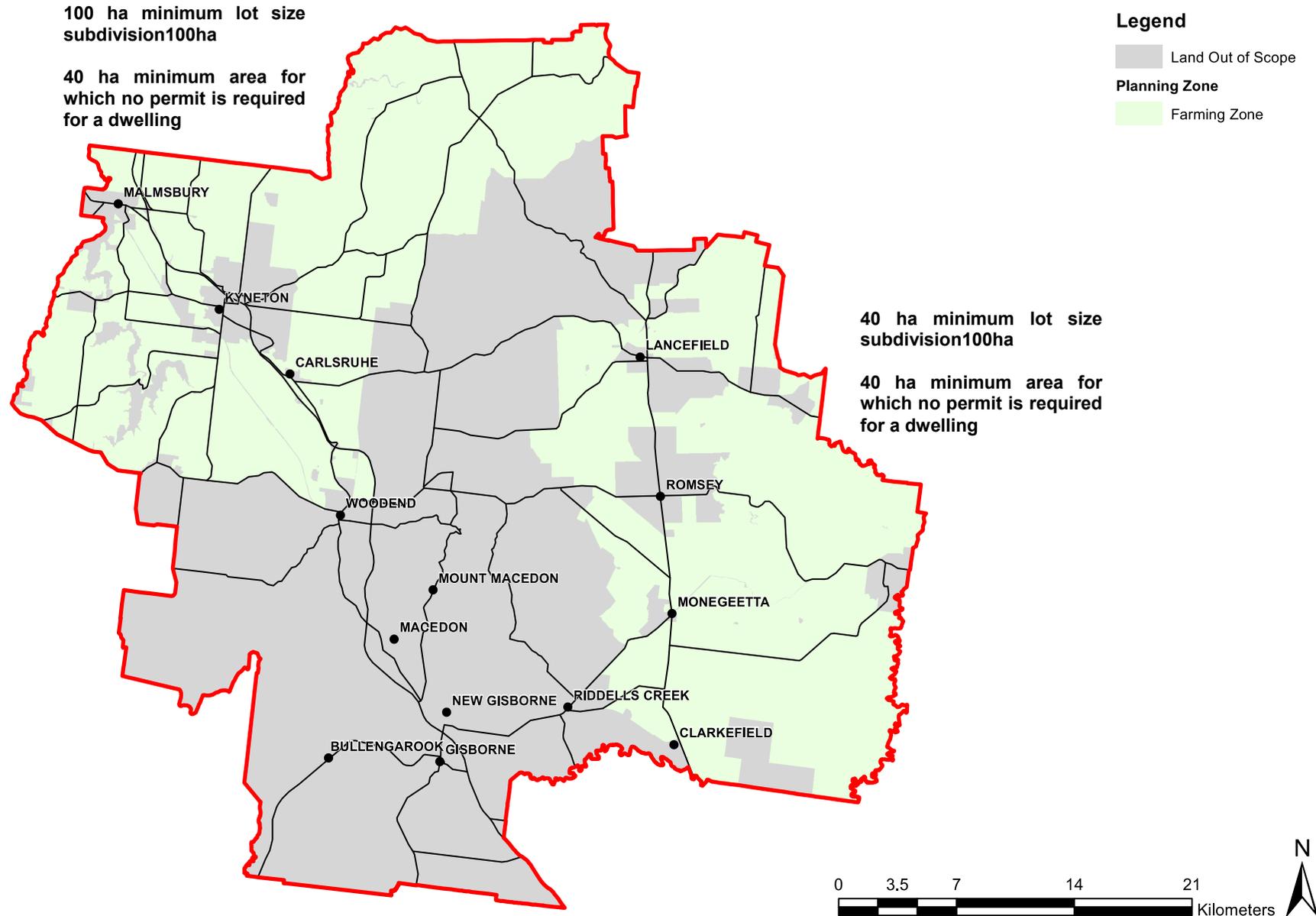
In light of this recommendation, the changes and improvements to assessment of intensive animal husbandry achieved through VC 150 and the review of agriculture in Macedon Ranges in Chapter 5, it is recommended that this local policy be deleted from the Macedon Ranges Planning Scheme.

ZONES

The Farming Zone is the main zone for agricultural areas and aims to encourage retention of productive agricultural land and discourage uses that may have adverse impacts on agriculture. The Farming Zone covers 85,000 hectares or 49% of private land in the Shire.

The schedule to the Farming Zone sets out 40 ha minimum lot size for subdivision and the minimum area for which no permit is required for a dwelling apart from land indicated in which has a minimum subdivision area of 100ha (Figure 8).

FIGURE 8: FARMING ZONE



MINISTERIAL AMENDMENT OF THE FARMING ZONE

In September 2013, Amendment VC103 introduced changes to the Farming Zone including:

A new purpose statement promoting the retention of employment and population to support existing rural communities

Reducing the restrictions for alterations and extensions to dwellings and farm buildings

Removing the requirement for a mandatory Section 173 agreement which restricts future subdivision after an initial subdivision is approved

Making less uses prohibited and more uses discretionary including some accommodation, retail and commercial uses (Table 1)

Removing the prohibition on group accommodation, landscape gardening supplies, market, trade supplies, warehouse and primary and secondary schools

Increasing the threshold for persons that can be accommodated in a bed and breakfast from six to 10 without a permit

Removing the 'in conjunction' requirement which restricts uses such as group accommodation, residential hotel and restaurant

Removing other conditions which restrict uses such as group accommodation, place of assembly, store and transfer station

Removing permit requirements for uses such as primary produce sales, rural industry and rural store

Deleting the requirement and long standing test to consider 'whether the dwelling is reasonably required for the agricultural activity conducted on the land'

Modifying the purpose of the Farming Zone to reduce the emphasis on dwellings adversely affecting the use of land for agriculture ('particularly dwellings' was changed to 'including dwellings')

Adding a purpose to 'encourage the retention of employment and population to support rural communities'

Removing the restriction on further subdivision following the creation of a lot for an existing dwelling.

Removing the prohibition on some uses and making more uses discretionary provides scope for a wider range of uses that may or may not be appropriate in the Farming Zone depending on the location. In deleting the requirement for an applicant to prove 'whether the dwelling is reasonably required for the agricultural activity conducted on the land' the key remaining decision guideline regarding the nexus between dwellings and agriculture is 'the 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'.

More specifically, the Farming Zone provides for tourism type accommodation. A permit is not required for a bed and breakfast for up to 10 people. A planning permit is required for other forms of accommodation including, caravan and camping park, group accommodation, host farm, residential hotel and restaurants. Providing facilities for school groups and educational experiences requires a permit as these activities fall within the definition of Place of Assembly, which is a Section 2 use in the Farming Zone. Currently there is no policy guidance on the types of tourism activities to be supported in the Farming Zone or for assessment of planning permit applications.

Farm gate sales or sale of primary produce can be undertaken in the Farming Zone without a permit if: the produce has been grown on the land or adjacent land; any processed goods are made substantially from the primary produce e.g. jams; the sale of primary produce is further than 100 metres of a dwelling in separate ownership and the area used for the display and sale of primary produce does not exceed 50 square metres.

There is need for better policy guidance to provide landholders and Council with greater clarity around the circumstances when and where Section 2 uses will or won't be supported in the Farming Zone.

In 2018, State Government introduced new land use definitions to provide greater clarity on the interpretation of intensive animal production and grazing animal production. The other key change is a planning permit is no longer required to use land for a poultry farm with less than 100 poultry. Otherwise, the main policies regarding intensive animal production have not changed:

All pig farms, regardless of size, will require a planning permit

Piggeries, poultry farms, cattle feedlots, and intensive dairy farms must comply with the relevant code of practice or industry guideline

Intensive animal production continues to be prohibited in the Rural Conservation Zone.

TABLE 1: LAND USES DISCRETIONARY IN THE FARMING ZONE (VC103)

LAND USE	
Camping and caravan park	Earth and energy resources
Group accommodation	Pleasure boat facility
Residential hotel	Transport terminal
Restaurant	Display home
Landscape gardening supplies	Helicopter landing
Trade supplies	Hospital
Market	Natural systems
Industry	Research centre
Warehouse	Service station
Primary and secondary school	Saleyard
Place of assembly	Veterinary centre

VCAT HEARINGS AND PANEL REPORTS

The 2019 Planning Scheme Review included analysis of the outcomes of planning permit decisions made by VCAT and planning reports from Planning Panels. The review found dwellings in the Farming Zone and water quality to be consistent themes relevant to the rural areas review (Table 2). With regard to dwellings in the Farming Zone, the report notes:

The consideration of this policy requirement, along with the provisions of the Farming Zone, have been heavily contested in applications before the Tribunal. In the cases that have come before the Tribunal, there have been instances where permits have been granted for dwellings (against Council's refusal to grant a permit) and cases where the Council's refusal to grant a permit have been upheld. Core to the consideration of these matters has been the nature of the agricultural activities which is necessary to support a dwelling on the land.

These decisions illustrate the importance of the assessment of the proposed agricultural operation including the scale and intensity of the operation, and whether agricultural activities are likely to remain the primary use of the land with an accompanying residential use. These expectations could be made clearer in the planning scheme in order to facilitate a more consistent approach to decision-making for dwellings in farming areas. These are matters which should be considered by Council

as part of the In the Farming Zone Strategy (now the Rural Land Use Strategy), which is a current project in Council's strategic work program.

With regard dwellings in water supply catchments, the report notes:

The Macedon Ranges Planning Scheme seeks to regulate activities within catchment areas to protect water quality. The need to limit dwelling densities within catchments has been supported by the Tribunal that has considered applications for development within catchment areas.

These decisions demonstrate that the current policies within the Macedon Ranges contain clear support for water quality protection. The importance of ensuring the cumulative impact of development proposals does not compromise the quality of potable water is contained in Clause 21.07 and ESOs which seeks to reinforce the importance of limiting development which poses a risk to catchments.

The Review included the following recommendations for rural zones:

Further define the expectations in relation to the nature and intensity of agricultural activities required to support dwellings on the land in the planning scheme, to provide a more consistent approach to decision making for dwellings in farming areas.

TABLE 2: SUMMARY OF VCAT CASES

	COUNCIL DECISION	COUNCIL DECISION AFFIRMED	REASONS
Farming Zone			
P86/2006 Dwelling in the Farming Zone below the minimum lot size; ESO4	Permit refused	Yes	Four dwellings proposed for four allotments of 18ha each. Council decision affirmed due to cumulative risk to water quality.
P1163/2007 Dwelling in the Farming Zone below the minimum lot size; ESO4	Permit refused	Yes	Dwelling on a small lot (2ha); Adjoining rural residential development; Council decision affirmed due to cumulative risk to water quality, not on the proposed agricultural use (pony breeding).
P1421/2013 Dwelling in the Farming Zone; ;ESO4; SLO1; BMO	Permit refused	Yes	31ha site for calving. Insufficient justification that a dwelling was required for the proposed use
P792/2013 Dwelling on the Farming Zone; ESO4	Permit refused	Yes	25ha site for thoroughbred horse breeding and training. Cumulative impacts of housing; Insufficient justification for a dwelling.
P2337/2016 Dwelling in a Farming Zone	Permit refused	Yes	28ha Insufficient justification for a dwelling.
P1671/2009 Two lot Subdivision (House Lot Excision) in the Farming Zone	Permit refused	Yes	Parent lot is 16ha. Subdivision is inconsistent with policy direction and introduce a rural residential outcome.
P1573/2016 Subdivide 384 ha into 7 lots each over 40ha	Permit refused	Yes	Proponent was not able to demonstrate how the proposed lots can be used for productive agriculture.
P2284/2012 Conditions on permit for a dwelling were unnecessarily onerous.	-	Yes	Conditions on permit requiring that prior to occupation of the dwelling, the works required to implement the WFP and businesses plan namely are completed and the dwelling be decommissioned 3 months after cessation of the activity.
P1016/2010 Dwelling in the Farming Zone below the minimum lot size; ESO2	Permit refused	Yes	Proposal not consistent with the FZ and lack of justification provided by the farm plan.
P2687/2009 Dwelling in the Farming Zone (8ha)	Permit refused	Yes	Proposal not consistent with the FZ and policy directions. Lack of justification provided by the farm plan.
P118/2017 Dwelling in the Farming Zone below the minimum lot size; ESO4, LSIO	Permit refused	No	Permit granted with conditions on the basis of consistency with surrounding lifestyle properties and lack of viable agricultural options.
P81/2018 Dwelling in the Farming Zone below the minimum lot size; ESO4, LSIO	Permit refused	Yes	A dwelling is not required to implement the farm plan, and a dwelling on this small property may generate unacceptable outcomes for farming in the area.

OVERLAYS

The overlays that apply to land in the Farming Zone (Figure 9) include:

Bushfire Management Overlay

Heritage Overlay

Land Subject to Inundation Overlay

Significant Landscape Overlay

Environmental Significance Overlay

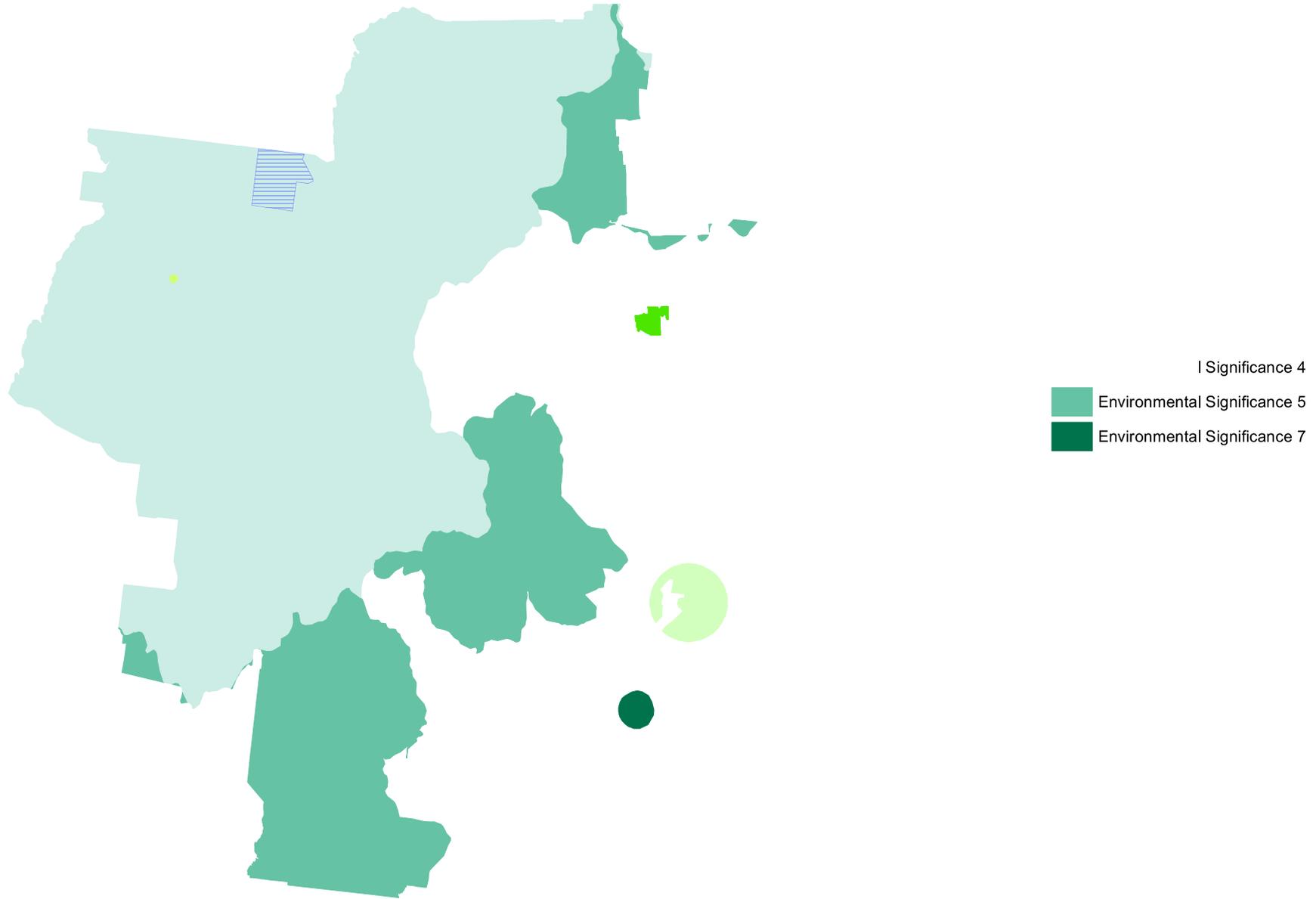
- Schedule 1 – Lancefield North- identifies land unsuitable for development that requires on site effluent disposal
- Schedule 2 – Monegetta Piggery - protects the piggery and buffer area from inappropriate development
- Schedule 3 – Mineral Springs Kyneton – protects the mineral springs from development that may impact the water quality of the springs
- Schedule 4 – Eppalock Proclaimed Catchment - protect and maintain the water quality and water yield within the Eppalock Water Supply Catchment Area as listed under Section 5 of the Catchment and Land Protection Act 1994.
- Schedule 5 – Other Water Supply Catchments - protect and utilise the resources of the area as a water catchment for urban and local supply; ensure the protection and maintenance of water quality and water yield within the catchment areas; ensure that land use activities and land management practices are consistent with the conservation of natural resources; control land use and development adjacent to water courses and water storages; maintain and enhance the quantity and quality of water produced within the catchment; minimise the threat of pest plants and pest animals to agricultural land and to water catchment areas.

The 2019 Planning Scheme Review included the following recommendations regarding overlays

- Delete ESO2 as the Monegetta Piggery no longer exists.
- Review the application of the Development Contribution Plan Overlay in the Rural Conservation Zone.

Environmental values are not recognised by overlays. There is a reliance on the Rural Conservation Zone schedules and MSS Clause 21.05-1: Biodiversity and native vegetation management to achieve environmental protection and enhancement outcomes.

FIGURE 9: OVERLAYS



SMALL LOTS IN THE FARMING ZONE

An analysis of lot sizes, planning and building permit data was undertaken to test the performance of the Farming Zone and relevant policies.

There are around 3,700 lots in the Farming Zone. Of these, there are 2,089 vacant lots, most are under 4ha or between 4ha and 40ha in size (Table 3) and found between Woodend and Kyneton (Figure 12, Figure 13).

Under current policy:

Another 419 dwellings could be constructed in the Farming Zone, without the need for a planning permit (i.e. are larger than the minimum lot size below which a permit is required for a planning permit).

There are 70 lots with potential for subdivision in areas where the 40ha lot size minimum applies

There are 4 lots with potential for subdivision in areas where the 100ha lot size minimum applies

TABLE 3: LOT SIZES

Lot size	<4ha	4ha to 40 ha	40ha to 100ha	>100ha
Vacant lots	675	995	360	59
Total lots	1,266	1,769	616	89

Vacant lots that would not require a planning permit for a dwelling are mainly in the northern and eastern parts of the Shire. As will be shown later in this review, these vacant lots are concentrated in the more established and productive agricultural areas of the Shire.

Figure 10 provides a breakdown of dwelling approvals since introduction of the Farming Zone in 2006. The graph shows approvals for dwellings on lots less than the minimum lot size for which a planning permit is required and building approvals on lots above the lot size minimum. Since 2006, 280 dwellings have been constructed in the farming zone, 216 were constructed on lots greater than 40ha and therefore did not require a planning permit. Sixty-two dwellings were constructed on lots below the lot size minimum and therefore required a planning permit.

Figure 14 shows that new dwellings in the Farming Zone were concentrated in the corridor between Woodend and Malmsbury and between Clarkefield and Monegeetta. Council staff also noted that most requests for permission to

construct a dwelling in the Farming Zone are for lots close to or on the edge of townships.

Over the same period, 71 permits were approved for two lot subdivisions (otherwise known as dwelling or house lot excisions). Just under half of these approved in 2006, the year of the translation to the new rural zones (Figure 11).

Most permits for two-lot subdivisions were in the area between Clarkefield and Lancefield (Figure 15).

Mapping of permit approvals for tourism (Figure 16) and other rural uses (Figure 17) in the Farming Zone found:

Most permits for tourism uses were for accommodation between Woodend and Kyneton.

Permits for equine facilities are concentrated around Monegeetta and between Woodend and Kyneton.

Most permits for viticulture and cellar door facilities are for lots around Kyneton.

Council Officers in discussion on the current performance of the planning scheme noted that guidance, additional to that in the scheme would improve decision making particularly in regard to determining whether a new dwelling was genuinely required for an agricultural use and two lot subdivision.

The analysis suggests that:

Further policy guidance is required for assessing planning permit applications for dwellings including:

- Circumstances when a dwelling will or won't be supported
- Clarification of the circumstances and locations where demonstrating a nexus between a dwelling and agriculture will be required

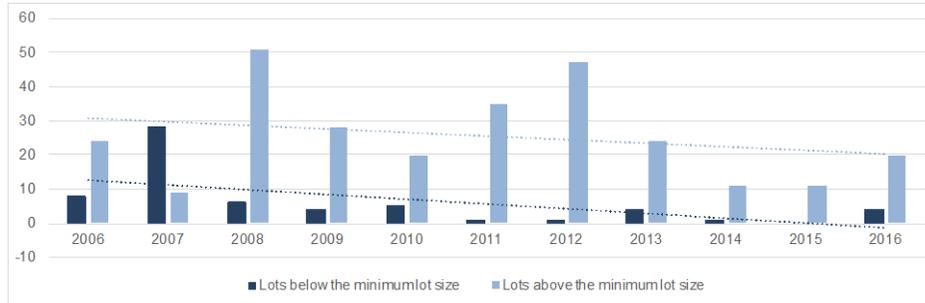
Further policy guidance for assessing planning permit applications for re-subdivision and boundary realignments and two-lot subdivision

The need to tailor policy to reflect the variation in land use and development and respond to areas under development pressure including the Calder corridor and the south east corner of the Shire.

Review of minimum lot size schedules to ensure that new dwellings are tested against zone objectives and decision guidelines

Consideration of the range of non-discretionary uses and clarification of the circumstances and locations where these uses may or may not be supported.

FIGURE 10: PLANNING PERMIT APPROVALS: DWELLINGS



Amongst surveyed owners of vacant land in the Farming Zone:

- 54% intend to build a house on the property in the next 10 years
- 47% currently live in metropolitan Melbourne

61% of survey respondents *disagreed* and 25% *strongly agreed* that dwellings should not be allowed on agricultural land unless required to support agriculture⁵.

FIGURE 11: PLANNING PERMIT APPROVALS: TWO LOT SUBDIVISION

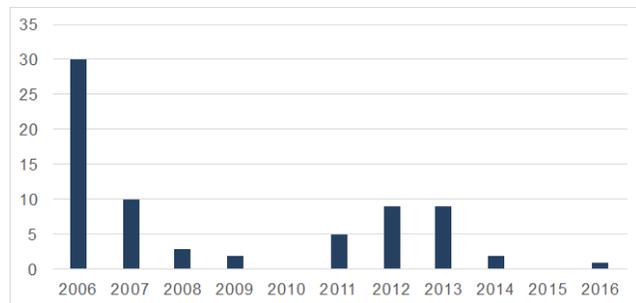


FIGURE 12: LOT SIZES IN THE FARMING ZONE

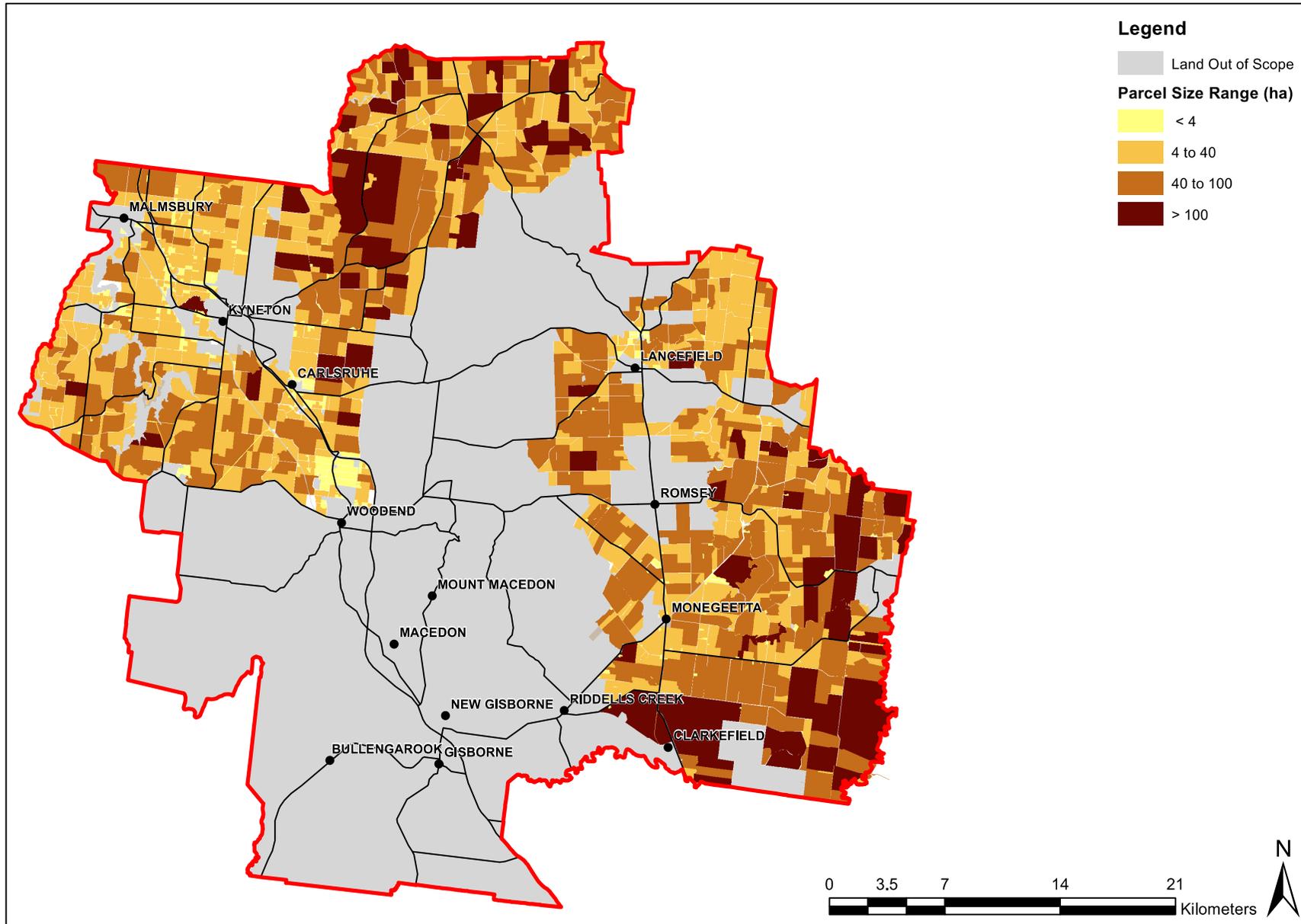


FIGURE 13: VACANT LOTS

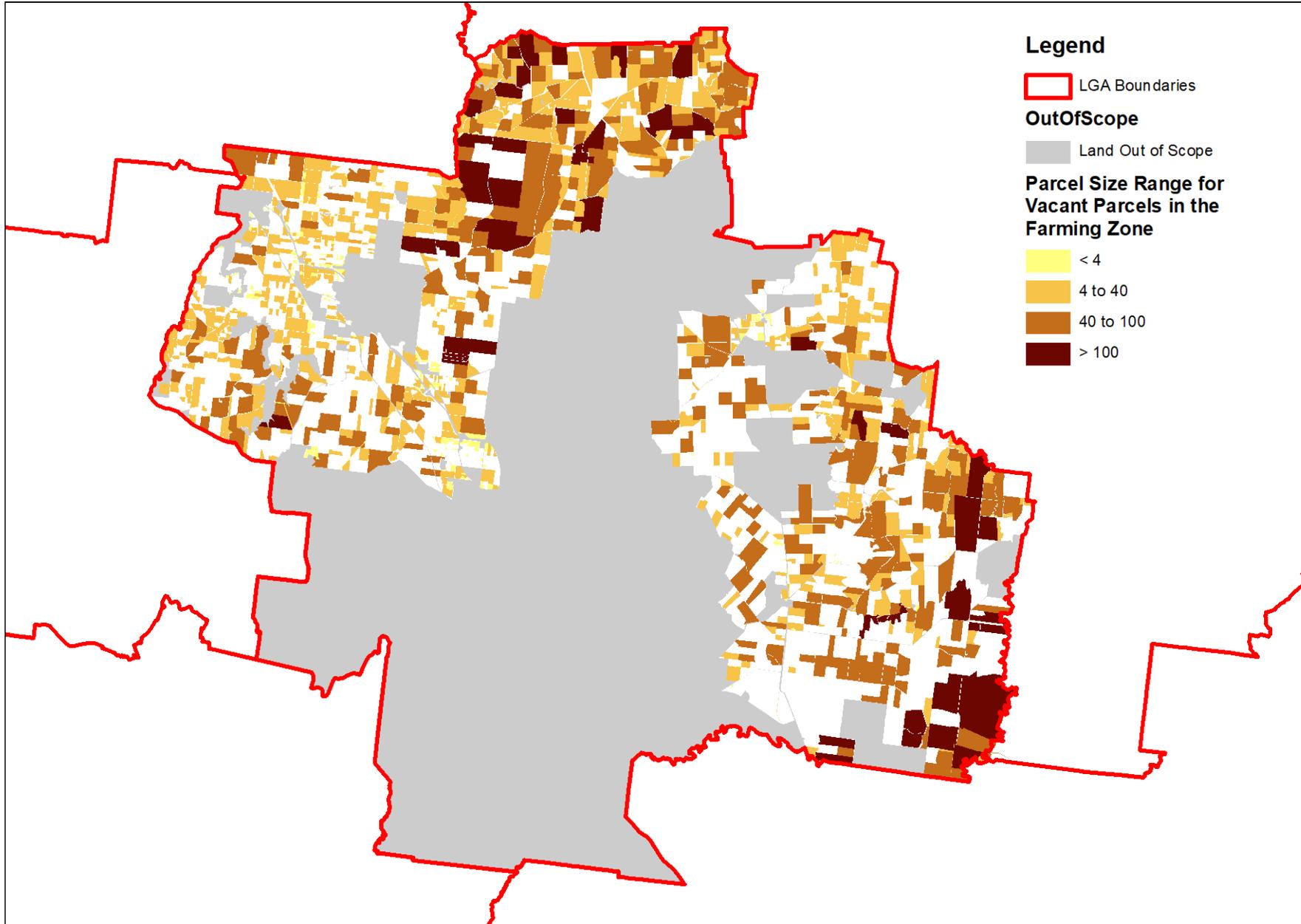


FIGURE 14: BUILDING AND PLANNING PERMIT APPROVALS DWELLINGS 2006 – 2017

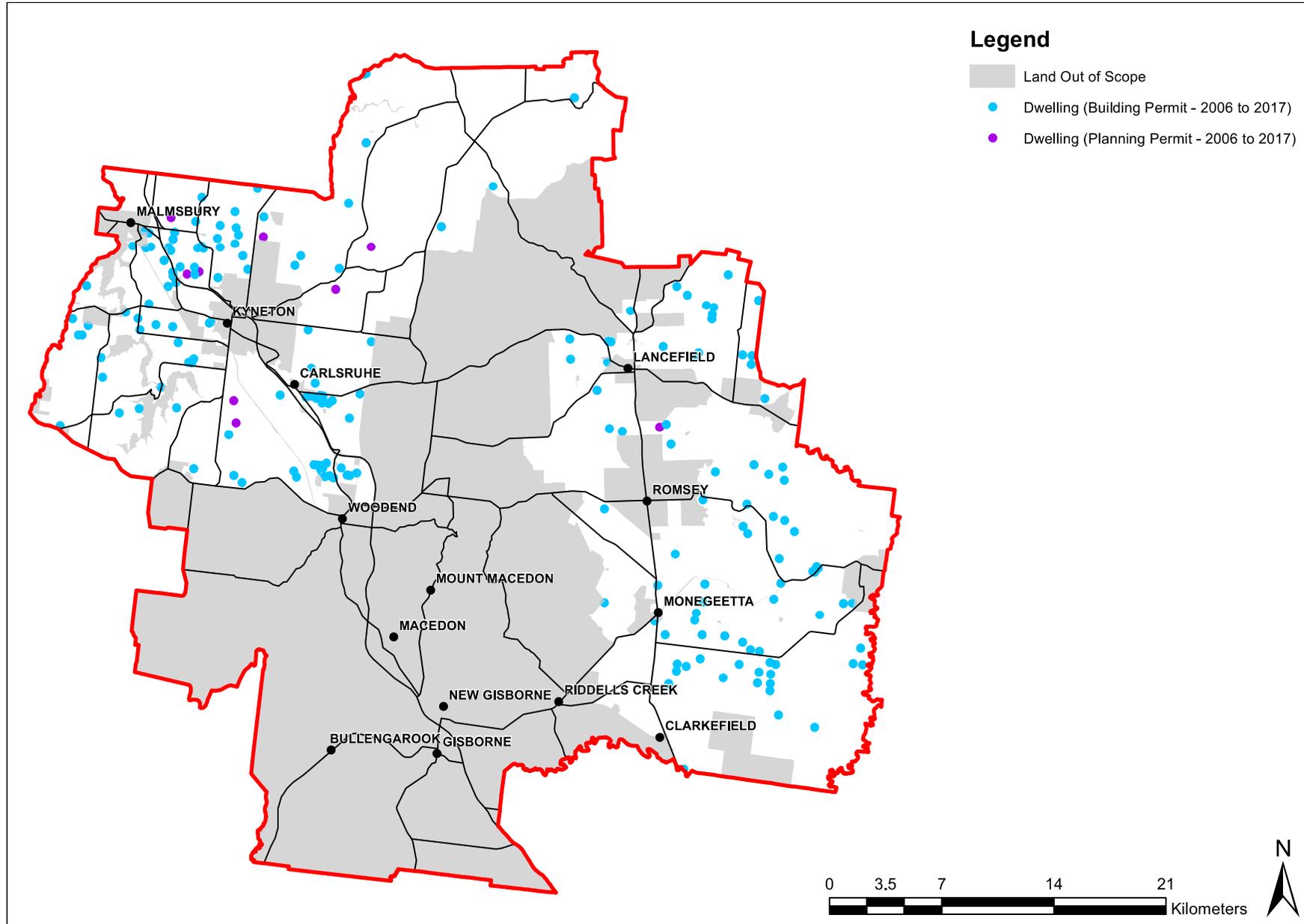


FIGURE 15: PLANNING PERMIT APPROVALS: DWELLINGS AND SUBDIVISION 2006 - 2017

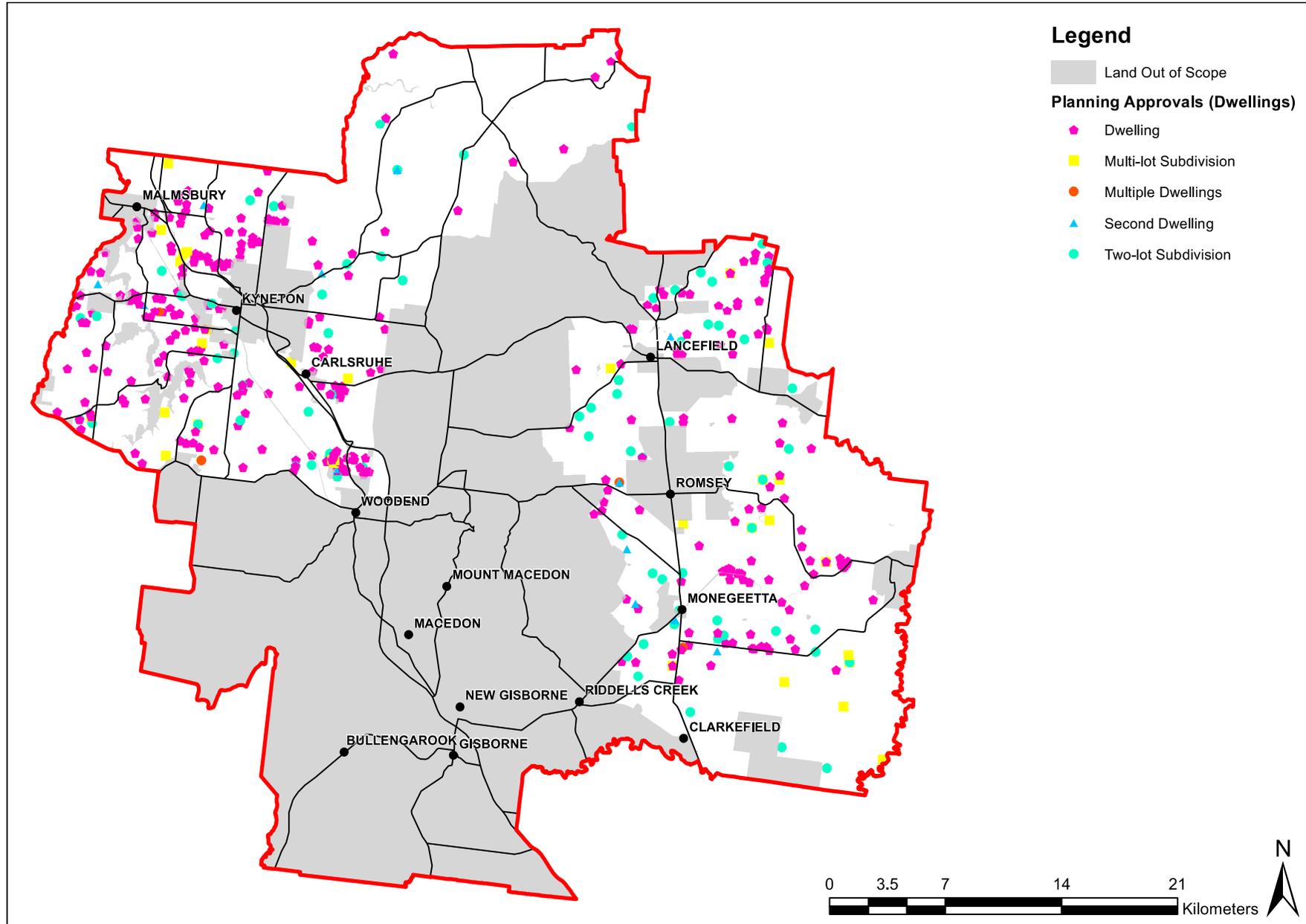


FIGURE 16: PLANNING PERMIT APPROVALS: TOURISM 2006 - 2017

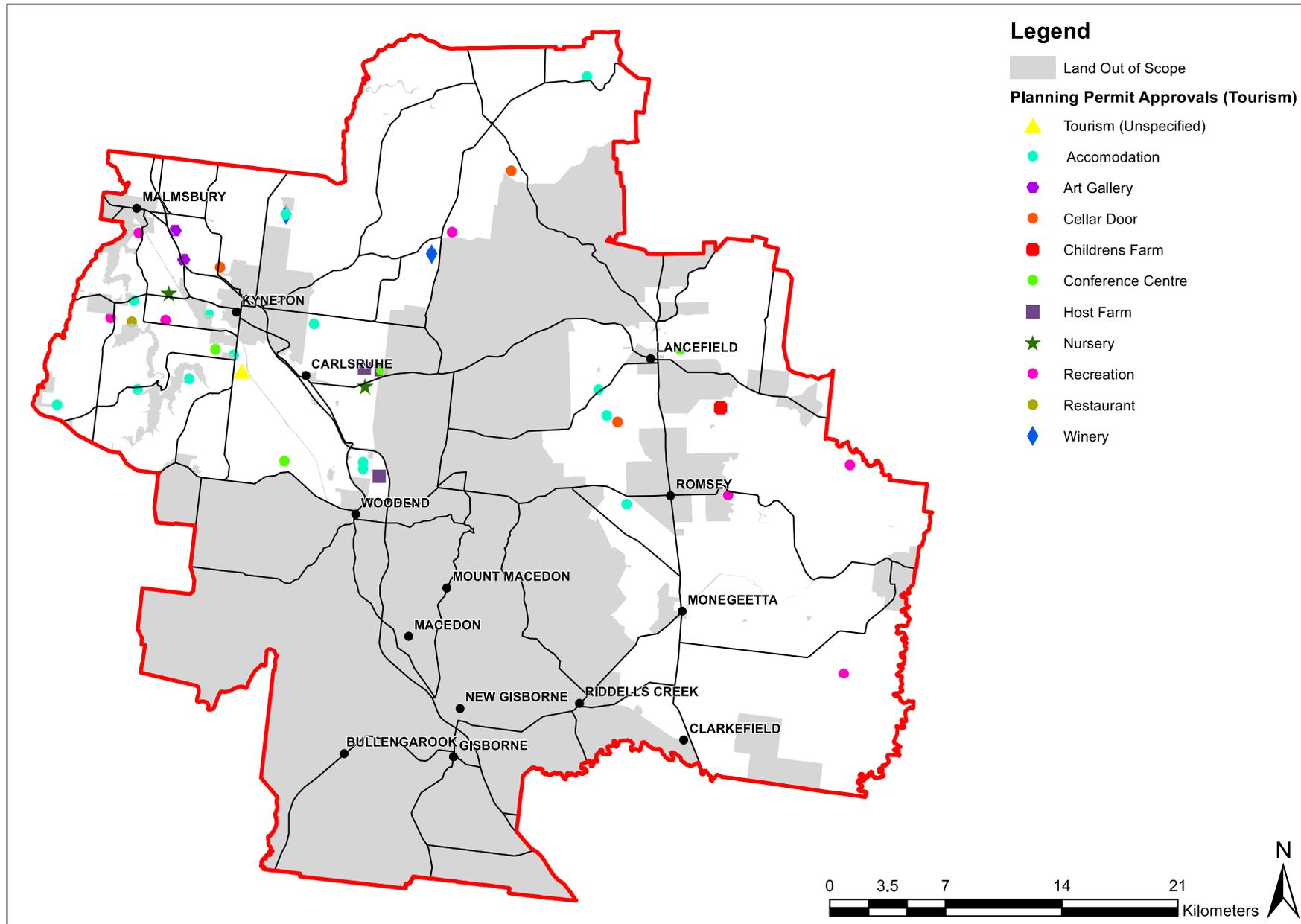
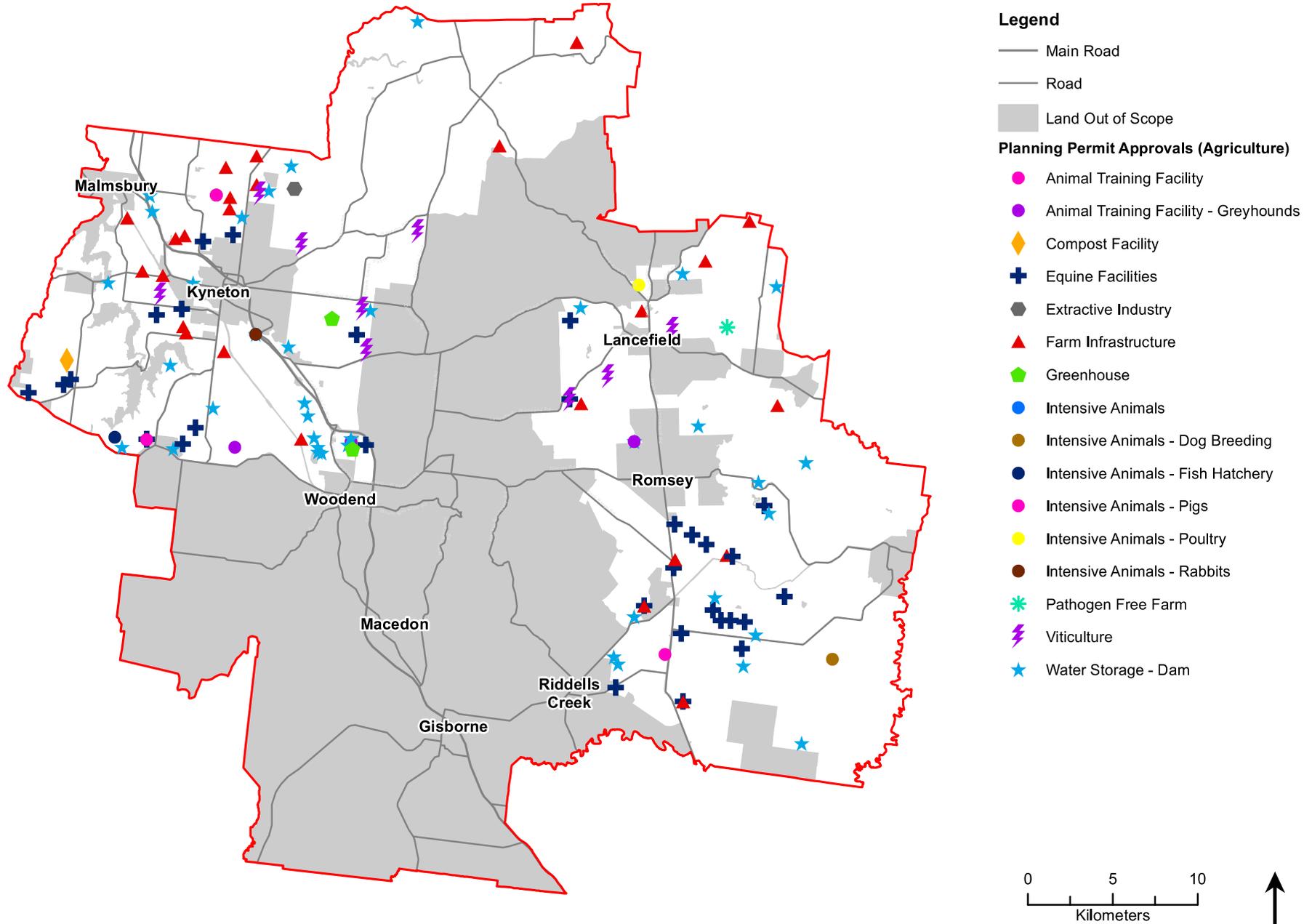


FIGURE 17: PLANNING PERMIT APPROVALS: OTHER USES IN THE FARMING ZONE 2006 - 2017



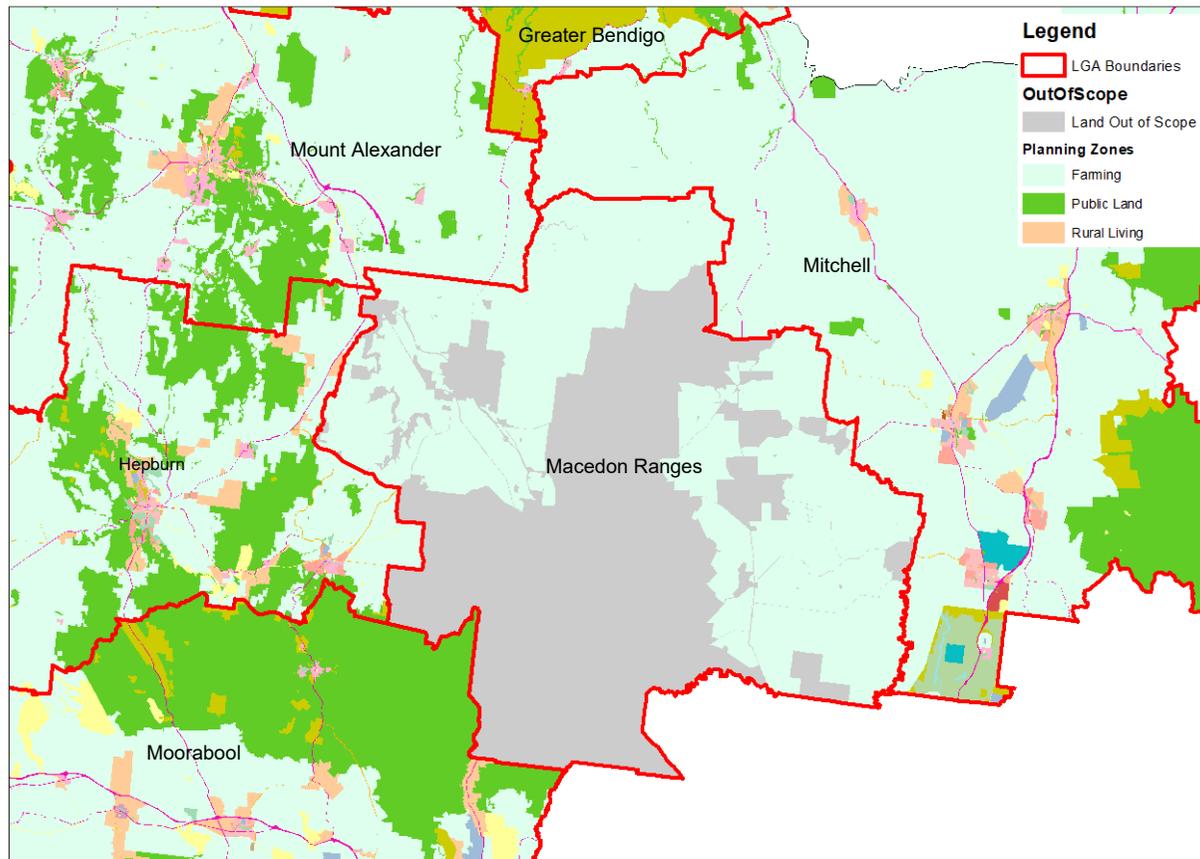
INTERFACE WITH SURROUNDING COUNCILS

Macedon Ranges adjoins five other regional LGAs (Figure 18) and the Farming Zone is the main zone on either side of the shared boundary. Three of the LGAs have a 40ha minimum lot size planning permit trigger for both subdivision and dwellings; Hepburn has 20ha for both and Moorabool has a 100ha minimum lot size for subdivision and 40 ha for dwellings (Table 2). These policy differences can be confusing to landholders with land on municipal boundaries and suggests different land use outcomes are being sought in the Farming Zone.

TABLE 4: FARMING ZONE MINIMUM LOT SIZE SCHEDULES

LGA	Minimum lot size (ha)	
	Subdivision	Dwellings
Macedon Ranges	40 100	40
Greater Bendigo	40	40
Hepburn	20	20
Mitchell	40	40
Moorabool	100	40
Mount Alexander	40	40

FIGURE 18: LAND ZONING MACEDON RANGES AND SURROUNDING LOCAL GOVERNMENT AREAS



CONSULTATION

Stakeholder consultation feedback on the current performance of the planning scheme noted the following:

Farming Zone

The current policy does not provide guidance regarding the wide range of discretionary Section 2 uses. Further guidance is required to identify uses that will or won't be supported in the Farming Zone, under what circumstances they will or won't be supported and whether this may be applied to different precincts within the Farming Zone.

The zone has been applied uniformly, however, land use and development density varies across the Farming Zone. For example, land in the northern parts of the Shire is relatively un-fragmented, development density is low, properties are generally large, multi-lot tenements and are being used for broadacre grazing. By comparison, density of development in the Farming Zone around Kyneton is relatively high, properties are smaller and frequently comprise a single lot.

Dwellings

Most frequently, demand for houses in the Farming Zone is for land on the outskirts of towns. Additional policy guidance is required to achieve better siting of dwellings in relation to businesses and houses on adjoining properties

Better documentation is required to support an application for a dwelling in the Farming Zone to reduce subjectivity and 'dodgy' consultant reports and provide greater certainty for those applying for or assessing planning permits for dwellings. The conditions under which a dwelling will be allowed need to be very clear, and the information that proponents need to provide must also be clear.

Overlays

The CFA advised that they are satisfied that the Bushfire Management Overlay is achieving the desired outcomes

Water Authorities are referral authorities for planning permit applications, primarily dwelling applications, for land covered by the Environmental Significance Overlay. Some authorities have a very conservative approach and object to planning permits for dwellings. Other authorities will approve a planning permit for a dwelling if standard conditions, such as setbacks from waterways are met. A consistent response to planning permit applications within designated water supply catchment would reduce costs and time for determinations on planning permits as well as providing clarity for rural landholders.

There are areas of significant environmental values that are not recognised in policy.

LANDHOLDER SURVEY

50% of respondents that do not currently have a dwelling on the property intend to build within the next 10 years. Of these:

- **Most have land around Kyneton**
- **Just under half currently reside in metropolitan Melbourne**

However, overall, most respondents have holdings that are below the minimum area above which a permit is not required for a dwelling.

There was mild agreement that:

- **Respondents are familiar with planning controls in the Farming Zone**
- **Dwellings should only be allowed if they don't prejudice continuation or expansion of agriculture**

Overall there was mild disagreement that subdivision of land in rural areas should not be allowed unless required to support agriculture. However, respondents from Area 1 or with their agribusiness in an expansion stage were significantly more in agreement with this statement.

Overall there was moderate disagreement that dwellings should not be allowed on agricultural land unless required to support agriculture. However, respondents from Area 1, with larger landholders (>100ha) or with agribusiness in the expansion or steady stage were in more agreement that dwellings should not be allowed on agricultural land unless required to support agriculture

- **There was strong agreement with the following statements:**
- **Support for rural based tourism in appropriate locations**
- **It is important that farm management plans address land management matters**
- **Support for innovative or niche uses**
- **Protect the opportunity for agriculture**
- **Facilitate farm growth and expansion**

KEY FINDINGS

Macedon Ranges' rural areas are recognised in State Policy for its:

- Geographic and landscape qualities
- Importance as a tourist destination
- Contribution to food production
- Environmental and cultural heritage qualities

State policy principles and strategic objectives for land in the Farming Zone include:

- Protect strategically important areas for the environment, landscape, water, cultural heritage and agriculture
- Protect productive farmland of strategic significance in the local or regional context
- Encourage tourism
- Protect water supply catchments
- Prevent dispersed settlement and provide for 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

The 2002 Rural Land Strategy, which underpins the current rural policies, found that competing forces for rural land were growing and that:

The Shire is at a critical turning point because there are few large decisions that come along that set directions, the Shire is at the state where the cumulative impact of a whole host of individual decisions is setting the direction.

The competing forces for rural land have not abated. The Shire's location within the peri-urban region of metropolitan Melbourne and the Calder corridor between Melbourne and Bendigo has, and will continue to have, a significant influence on its population and economy. Population and employment growth in nearby settlements within the Urban Growth Boundary and increased accessibility arising from the proposed Outer Melbourne Ring Road will have significant flow-on effects into Macedon Ranges. The Loddon Mallee South Regional Growth Plan noted with regard the peri-urban area of the region that:

If not managed, development pressures and sprawling growth can increase risks from bushfire, sea level rise and flood, add to infrastructure costs and lead to a loss of important non-urban assets including productive farmland, water catchments, earth resources, biodiversity and

natural ecosystems. Retaining the economic and community value of these assets is a key consideration in planning for this area.

The 2004 Planning Panel report that reviewed submissions to Amendment C21 and implementation of the 2020 Rural Land Strategy report recommended a review of the Cobaw Biolink boundaries to respond to the variety of land uses, lot sizes, extent of existing vegetation, preferred area for revegetation and potential impacts on the productive use of agricultural land and potential wildfire implications and threat and that a Cobaw Biolink Implementation Strategy be prepared as a supporting action. It is understood that no review of the zone boundaries was undertaken or that a Cobaw Biolink Implementation Strategy was prepared. A review of the extent of the Cobaw Biolink is documented in the Rural Conservation Zone Research and Investigation Report. A review of land capability and identification of Farmland of Strategic Significance is provided in Chapter 7.

The Local Planning Policy Framework aligns with State policy and sets out a vision and directions for land in the Farming Zone to ensure:

- The rural areas are attractive and productive rural landscapes
- Agriculture is an important part of the local character and economy
- Development is managed to ensure that water supply catchments, environmental values, landscapes are protected and separation between settlements is maintained
- Rural living is planned and provided for in appropriately serviced areas

The vision and objectives are spatially represented in strategic and rural framework plans. The vision is consistent with state policy objectives and community aspirations for Macedon Ranges rural areas and should be retained. The strategic and rural framework plans should be revised to reflect the findings of this review.

The Rural Land Use Strategy will inform the preparation of the Municipal Planning Strategy and identify opportunities for decision guidelines, application requirements, exercise of discretion and policy guidelines currently within the MSS to be included as overlay schedules or the PPF.

A review of the planning scheme performance relevant to the Farming Zone identified issues that require further consideration in the preparation of the Rural Land Use Strategy:

- The need to tailor policy to reflect the variation in land use and development and respond to areas under development pressure including the Calder corridor and the south east corner of the Shire.
- Policy should also consider land use drivers in adjoining municipalities
- Delete from the Macedon Ranges Planning Scheme redundant local policies Clause 22.01 Macedon Ranges and Surrounds and Clause 22.03 Intensive Animal Husbandry.

Review minimum lot size schedules to ensure that Council has the opportunity to test all new dwellings against zone objectives and decision guidelines

Additional policy guidance to assess planning permit applications for dwellings including:

- Circumstances when a dwelling will or won't be supported
- Clarification of the circumstances and locations where demonstrating a nexus between a dwelling and agriculture will be required.

Further policy guidance for assessing planning permit applications for re-subdivision, boundary realignments and two-lot subdivision

Consideration of the range of non-discretionary uses and clarification of the circumstances and locations where these uses may or may not be supported.

Introduce a requirement for a Farm Management Plan to accompany a planning permit application for a dwelling or other discretionary use.

Lack of recognition of significant environmental values

5 Agriculture

Note on ABS Data use in this report

ABS data for Macedon Ranges between 1996 and 2015 was collected and reported by Statistical Area Level 2. Agricultural businesses with an estimated value of agricultural operations (turnover) of \$5,000 are invited to participate in the census conducted every 5 years by the ABS. A smaller group of large businesses that are the main contributors to an industry sector were surveyed in the inter-census years. Note that the data presented in this analysis of Macedon Ranges agriculture is for all businesses within the Shire, including agricultural businesses in the Farming Zone and Rural Conservation Zone.

OVERVIEW

Agriculture and associated agribusiness is a locally important economic sector in the Macedon Ranges. Over 500 people are employed directly in agricultural related industries contributing more than \$73 million in gross regional product (GRP). The predominant agricultural land use is livestock grazing for cattle and sheep production and a comparatively smaller area of land is used for production of broad acre crops, hay making and viticulture.

The gross value of agricultural production (GVAP) in the Macedon Ranges was \$49million in 2015, up 100% from 1996 (Figure 19). The Shire's proportion of State GVAP has remained steady at around 0.4%. Around 400 farm businesses in Macedon Ranges were reported in the Australian Bureau of Statistics agricultural census, down from 470 in 2006¹⁷.

Figure 21 provides a breakdown of the 2015 GVAP by sector. Meat was the largest sector by GVAP, generating \$30million and accounting for 62% of the total GVAP. This was followed by grain, wool and horticulture. The equine sector (having some relationship with the agriculture but reported separately in the ABS statistics) generated a direct economic impact of \$140 million in the Macedon Ranges Shire in 2009-10 which was reported to be equivalent to an employment impact of 900 full time equivalent jobs per year¹⁸.

The proportions of the main sectors have remained relatively stable over time (Figure 19). The recent increase in total GVAP reflects buoyant meat prices, particularly beef and lamb. The proportion of GVAP produced in the Melbourne-North West Statistical

Area compared to the Kyneton Statistical Area has increased over time (Figure 20) and the spike in GVAP in 2012 was mainly experienced in this area.

Most farms Macedon Ranges participating in the ABS census are less than 100ha in size (Figure 22), have a turnover less than \$100,000 per annum (Figure 23) averaging around \$28,000 (Figure 24).

This accords with the findings of a Council conducted survey of agribusiness owners in 2013¹⁹ that found that the average land holding of respondents was around 140 hectares. Less than 10 per cent of respondents had properties larger than 200 hectares and almost two thirds were running livestock. Two thirds of respondents relied on off farm income and of these around one third drew more than 90 per cent of their income from non-farm activities.

Recent research undertaken by the Peri-urban Group of Rural Councils (comprising the Shire's of Surf Coast, Golden Plains, Moorabool, Macedon Ranges, Murrindindi, Baw Baw and Bass Coast)²⁰ found that the region is characterised by many small holdings, both physically and in terms of production scale and value, and many farms rely on off-farm income. Seventy one per cent of farm businesses have a turnover of less than \$100,000 per annum and provide 16 per cent of the region's value of agricultural output. Grazing is the dominant activity on these properties, although many exist largely as non-productive rural lifestyle holdings.

¹⁷ Note: Only agricultural businesses with an estimated value of agricultural operations greater than \$5,000 are included in the agricultural census reports

¹⁸ Macedon Ranges Equine Centre – Feasibility Study (2015) AECOM

¹⁹ Survey was undertaken as part of development of the Agribusiness Plan

²⁰ Peri-urban Group of Rural Councils (2017) Supporting agriculture in the peri-urban region

FIGURE 19: TREND IN TOTAL GVAP AND SECTOR GVAP²¹

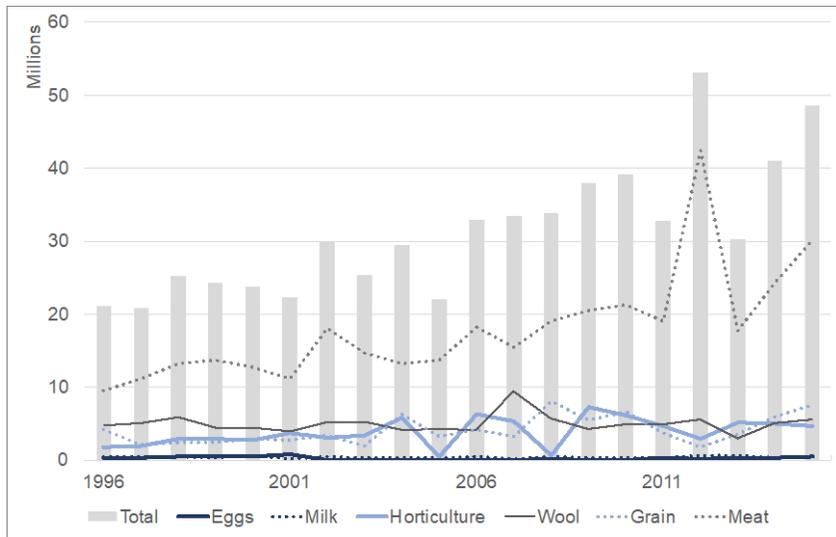


FIGURE 21: PROPORTION OF GVAP BY COMMODITY (2015)²¹

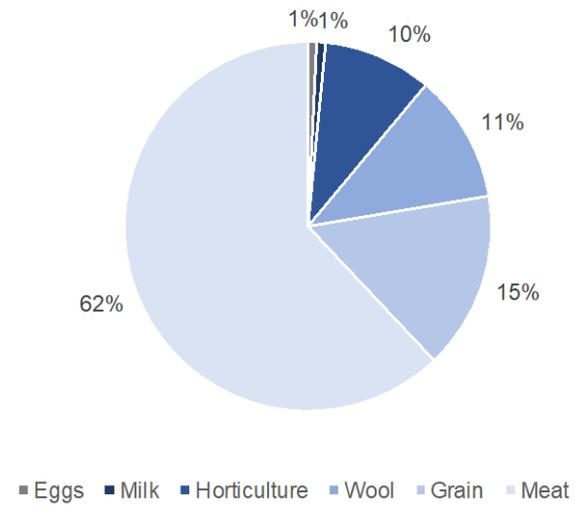


FIGURE 20: TREND IN GVAP BY STATISTICAL AREA LEVEL 2²¹

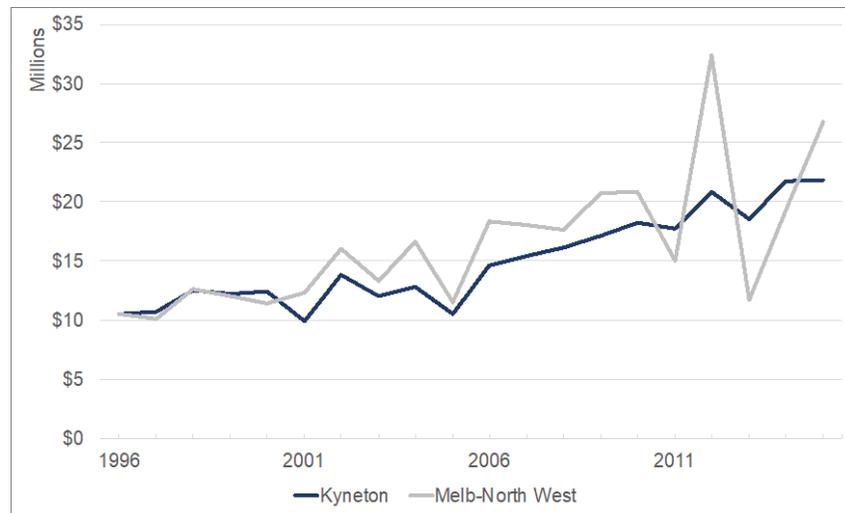
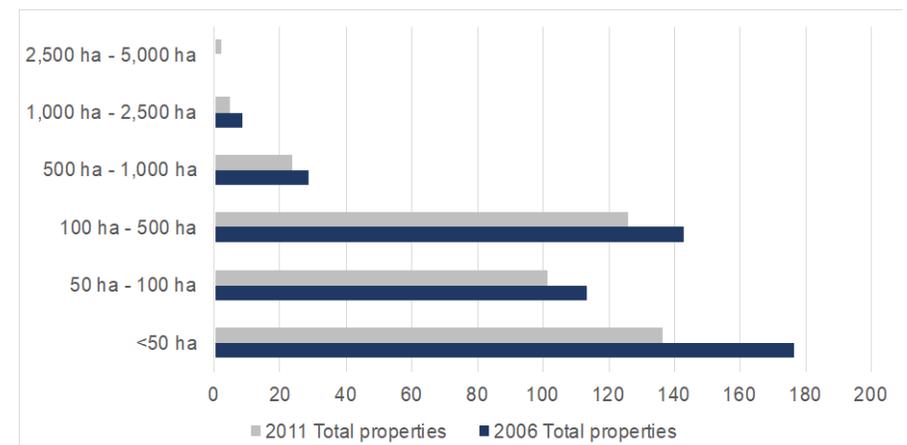


FIGURE 22: TREND IN PROPERTY SIZE RANGE²¹



²¹ ABS statistics provided by Neil Clarke and Associates

FIGURE 23: TREND IN BUSINESS SIZE RANGE²¹

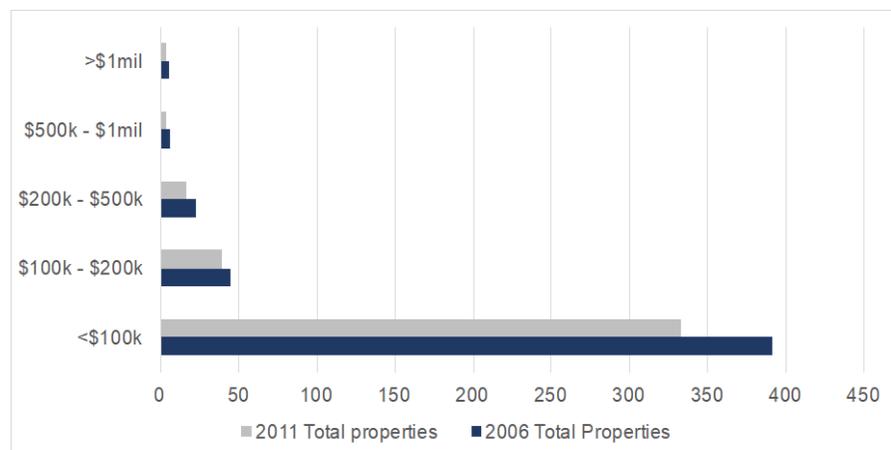
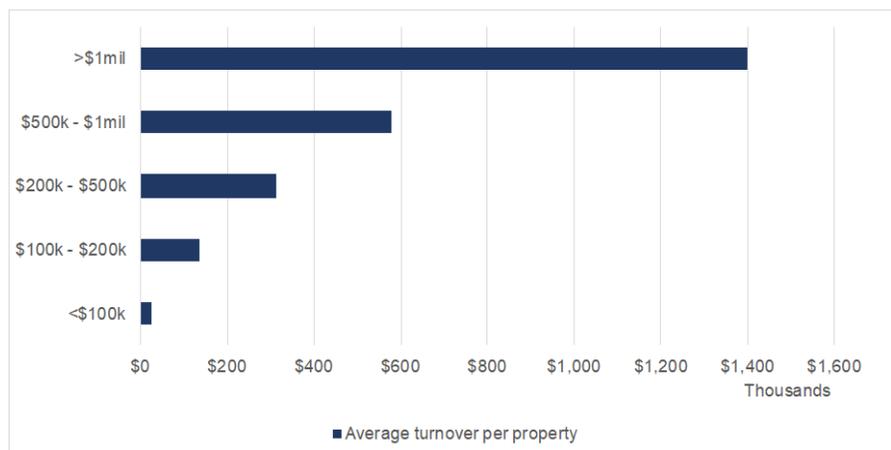


FIGURE 24: AVERAGE TURNOVER BY BUSINESS SIZE²¹



LIVESTOCK

While the number of cattle properties has remained steady there has been a small decrease in the number of sheep properties between 1996 and 2015. Over the same period, the gross value of beef and lamb climbed steadily, sheep numbers decreased and beef numbers remained steady (Figure 25, Figure 26).

Livestock prices, for both beef and sheep meat, are currently at an all time high which explains the trend in gross value against decreasing or steady livestock numbers. Wool value made only modest gains and there may have been some substitution of primarily wool based sheep enterprises for prime lamb production.

Most livestock properties are small: under 100 ha in size (Figure 27); and generating less than \$100,000 gross turnover Figure 28. The gross turnover of livestock businesses indicates that most property owners are likely to have off farm income and that these are part time farming operations. This was confirmed by the 2013 survey of agribusinesses and the more recent survey of Farming Zone landholders. There is also likely to be a considerable number of additional small lot farms that are not captured in the data given that farms with an EVAO of less than \$5,000 per annum are not part of the survey.

ISSUES AND OPPORTUNITIES

Livestock grazing, in terms of farm business and production management systems, has remained relatively static for a long time. Limitations due to poorer soils, steep terrain and pressure on land prices from subdivision and growth in and around the main towns has seen the industry contract to the northern and eastern parts of the Shire. These pressures will limit opportunities for producers to achieve the scale of operation to take on livestock handling and genetics innovations, for example, that could lead to the levels of productivity that will ensure livestock as a profitable land use in Macedon Ranges.

A Council conducted survey of agribusiness owners in 2013²² identified land prices as the dominant issue in constraining their capacity to expand their agribusiness. They also identified water access and being able to achieve productivity gains by increasing stocking rates or other technical practice improvements, as central to their viability. Livestock producers need to be able to better manage a high seasonal feedbase by increasing pasture utilisation. Pasture varieties (and suitable management) that will provide feed when it is presently scarce are needed to increase the productivity of farms. The current 5-year payback period for establishing new perennial pastures which can extend the seasonal feed base is too long for many producers to warrant higher adoption. Climate change could place additional pressure on both water access and available feed for livestock enterprises in this area.

While global demand for food is expected to increase and demand for Australian beef is very high, smaller livestock producers will require large productivity gains to stay

²² Macedon Ranges Agribusiness Plan 2013- 18 Prepared for Macedon Ranges Shire Council by Geografia

profitable under the prevailing circumstances. These types of market, peri-urban pressures and biophysical constraints will continue to make it difficult for grazing enterprises to restructure, scale up their operations and stay competitive. As acknowledged in the Kyneton Saleyards Plan²³, smaller farms are increasingly reliant on off-farm income and stock numbers in the region may be at risk of decreasing.

Strong policy that retains buffers to separate rural and urban residential and preserves the most productive soils for farming by limiting subdivision and new dwellings, will assist the viability of livestock farming.

FIGURE 25: TREND IN GVAP LIVESTOCK²¹

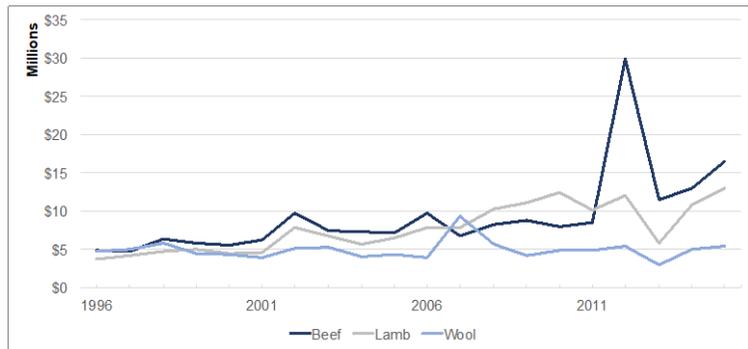


FIGURE 26: TREND IN CATTLE AND SHEEP NUMBERS²¹

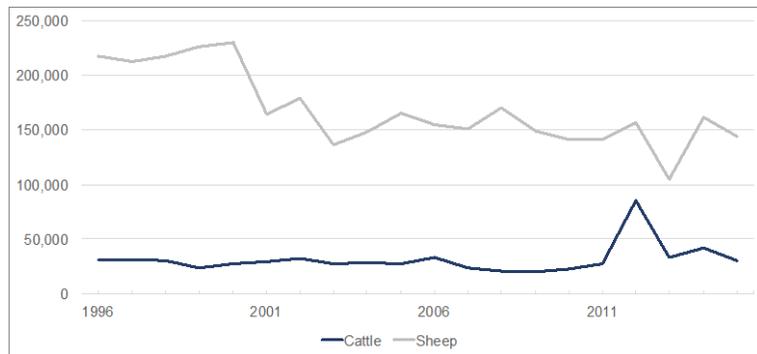


FIGURE 27: TREND IN LIVESTOCK PROPERTY NUMBERS BY AREA OF HOLDING²¹

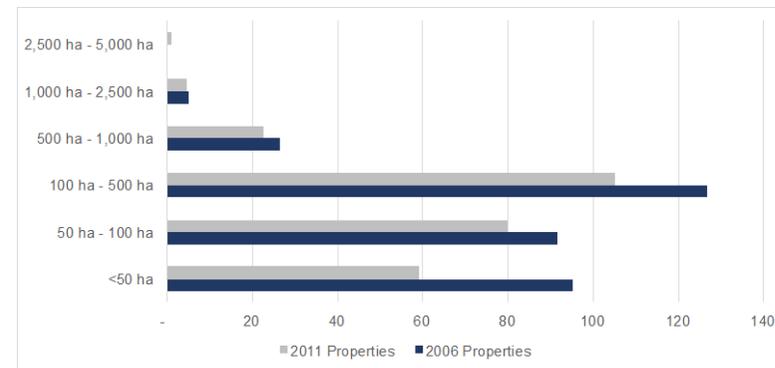
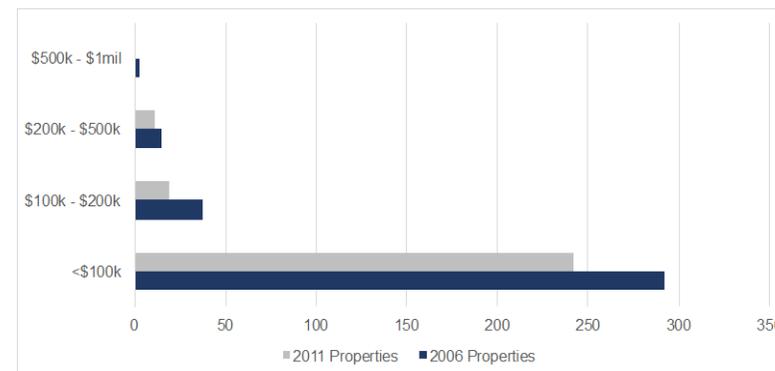


FIGURE 28: TREND IN LIVESTOCK PROPERTY NUMBERS BY TURNOVER²¹



²³ Macedon Ranges Saleyards Plan (2016)

INTENSIVE ANIMALS

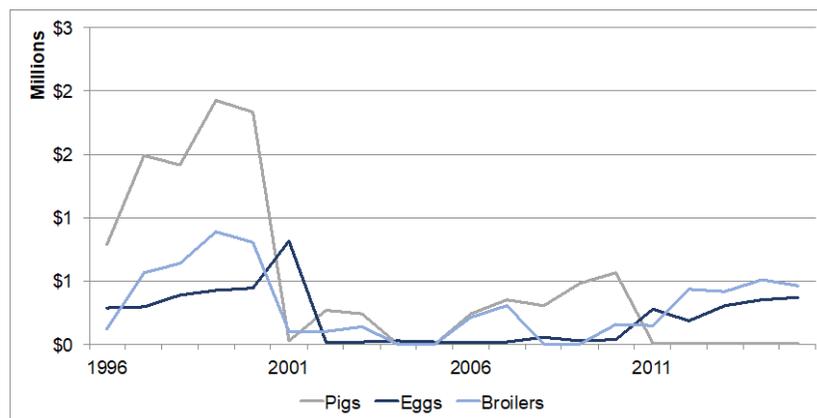
In the late 1990's pig meat was the highest gross value agricultural sector accounting for over \$5m of GVAP. However, pig meat production has largely left the Shire. Egg and broiler production have remained relatively minor industries (Figure 29). New investment in large scale intensive animal husbandry in Macedon Ranges is unlikely due to the risk of encroachment by sensitive uses.

ISSUES AND OPPORTUNITIES

There is increasing interest in small scale animal husbandry of pigs and poultry, such as specialty breeds and alternative production systems such as free range and permaculture, that are not currently captured by Industry Codes of Practice. Well managed enterprises can minimise the environmental risks (odour, noise, pollution) of these enterprises. However, there is potential for environmental risks if land management standards are not maintained or the number of animals exceeds the carrying capacity of the land.

DEDJTR, in its response to the recommendations of the Animal Industry Advisory Committee is currently preparing new land use definitions that will address some of these concerns. A new suite of Codes of Practice and guidelines are also in preparation. It is understood that they will be released for public comment in the near future and will need to be considered in the preparation of the Farming Strategy.

FIGURE 29: TREND IN PIG, EGG AND BROILER GVAP²¹



²⁴ Geographical Indications (GI) identify wines as originating in a region or locality. All ratified GIs are listed on a Register of Protected Geographical Indications, which is maintained by Wine Australia

VITICULTURE

Wine grapes in the Macedon Ranges are grown on a range of soil types along either side of the Great Dividing Range at altitudes between 350 and 700 metres above sea level. The Macedon Ranges Geographical Indication (GI)²⁴ is one of the coolest climate wine growing regions in Australia, supporting 40 vineyards producing very low yielding high quality fruit. Most production is undertaken in the northern areas of the Shire. The GI Macedon Ranges is also one of the youngest regions, ratified in 2002 (Figure 30). Its boundary broadly approximates the Shire boundary with the addition of an area extending west as far as Daylesford.

During the late 1960's and into the early 1970's, a boutique wine industry was established in the Macedon Ranges, following vineyard plantings at Virgin Hills at Lauriston and Granite Hills, Baynton. The area of vineyards has grown incrementally with some hastened growth during the nationwide rapid expansion in vineyard plantings in the 1990s into the 2000's.

A cyclical downturn in the Australian wine industry occurred in conjunction with the worldwide financial crisis in 2008; this meant a dramatic reduction in wine exports and wine industry profitability, and a considerable contraction in planted area in all wine producing regions over the past five to eight years. Like other wine regions there has been a significant contraction in vineyard area in the Macedon Ranges (Figure 31).

The Macedon Ranges wine sector includes grape growing, wine making and wine related tourism. Locally and regionally it makes an unquantified but likely to be significant contribution to gross regional product and employment.

The vineyard area in the Macedon Ranges GI region is relatively small. In 2015, the total vineyard area was 142 hectares, which accounted for 0.1 per cent of the national vineyard area. The region comprises two thirds red and one third white wine grape varieties. Wine grape production was 554 tonnes in 2015 (with an average yield of around 4 tonnes/hectare (or less than 2 tonnes/acre) (Table 5).

The Macedon Ranges vineyards are very small scale and low yielding, producing premium fruit for high end retail markets. Growing conditions can be harsh, and, in some seasons, it can be difficult to ripen fruit sufficiently to make premium wines. This brings elevated cost of production factors, making Macedon Ranges amongst the highest cost fruit in Victoria. Equally, however, the 2016 Australian Wine Grape Dispersion Report²⁵ noted that the weighted average price paid for Macedon Ranges fruit was \$2,200 per tonne which is the highest average price paid in Australia, other than in the Mornington Peninsula and Tasmania GI regions. A 2014 nationwide production profitability analysis, indicated growing costs of between \$1500 and \$1800 per tonne, for the Mornington

²⁵ Wine Federation of Australia 2016 Australian Wine Grape Dispersion Report

Peninsula GI, with average yields of around 5 t/ha²⁶. Growing costs in the Macedon Region are likely to be comparable or even higher, given the exceptionally low yields.

Given this business cost structure, Macedon Ranges vignerons will need to make high end quality wines and sell directly into retail markets to be profitable. It is therefore likely that most fruit grown in the region would be processed locally, made into wine and sold via cellar door or mail order to maximise the value add and returns to vignerons.

Almost half of all wine grapes grown are Pinot Noir followed by Chardonnay and then Shiraz (Figure 32).

The Australian wine industry experienced a rapid decline in profitability from 2008 and following a protracted flat cycle, there are now signs that the nationwide “wine and grape glut” is easing. The outlook for the period to 2021 is for a return to modest growth²⁷. Exports of Macedon Ranges produced wines decreased 22% in 2016 (from the previous year) to 20,000 litres, comprising 10,000 litres of bottled wine with an export value of \$160,000 (\$Aus average wholesale value of \$13.33/litre)²⁸. The majority of wine was exported to Hong Kong.

FIGURE 30: MACEDON RANGES GEOGRAPHIC INDICATION (GI) REGION²⁹

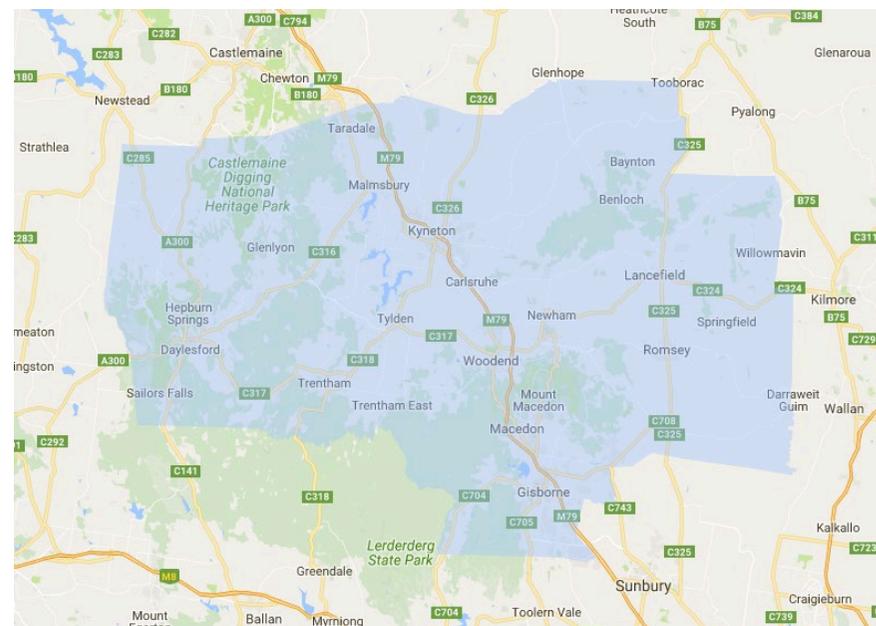


TABLE 5: MACEDON RANGES WINE GRAPE PRODUCTION (2015)³⁰

Wine grapes	Vineyard area (ha)	Production (T)	Yield (T/ha)
Red	94	361	3.8
White	48	193	4.0
Total	142	554	3.9

²⁶ Wine Federation of Australia 2015 Production profitability analysis: an update from the Expert Review.

²⁷ AgEconPlus (2015) Economic contribution of the Australian wine sector. Report prepared by AgEconPlus and Gillespie Economics for the Australian Grape and Wine Authority

²⁸ Wine Australia (2016) Winefacts – Macedon Ranges regional snapshot

²⁹ Wine Australia website: <https://www.wineaustralia.com/au/labelling/register-of-protected-gis-and-other-terms/geographical-indications>

³⁰ ABS Vineyards Estimates 2014-15 by GI region

FIGURE 31: TRENDS IN MACEDON RANGES VINEYARD AREA³¹

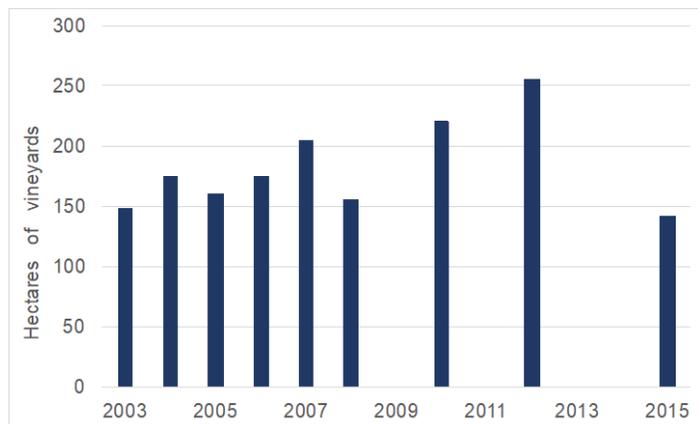
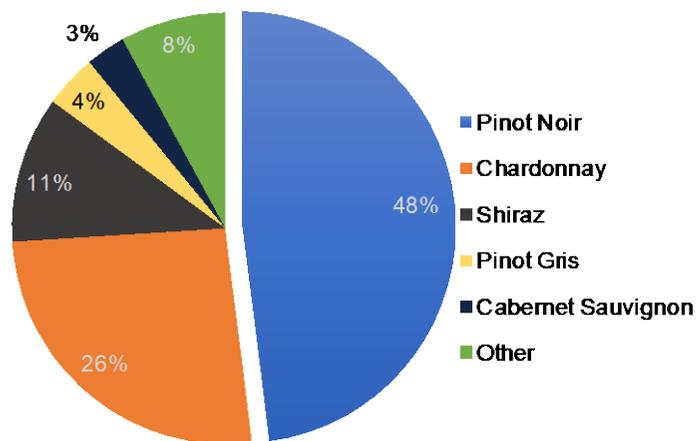


FIGURE 32: MACEDON RANGES WINE GRAPE VARIETIES³²



³¹ Wine Australia (2016) Winefacts – Macedon Ranges regional snapshot

³² ABS Vineyards Estimates 2014-15 by GI region

³³ Wine Australia 2017 Small winemaker production and sales survey conducted in 2016.

ISSUES AND OPPORTUNITIES

Supermarkets now purchase bulk wine and have their own labels so have become large players in retailing wine. This has meant independent wine producers are increasingly reliant on direct cellar door sales. Cellar door and mail order channels for small wine making businesses across Australia showed strong growth of over 7 per cent over the past 12 months³³.

Macedon Ranges producers are particularly well positioned for direct retail sales being so favourably located only one hour north of Melbourne and the amenity of the region makes it a highly valued weekend destination for wine tourism. Macedon vignerons’ business model is likely to be increasingly based on selling a substantial proportion of their wine at retail outlets which helps buffer them from increasing market concentration in the wine sector.

Given the high cost of wine grape growing in this region and prevailing seasonal and climate challenges it seems unlikely in the current operating environment that there will be any substantive increase in vineyard area in the short to medium term. Notwithstanding the seemingly low potential for substantial growth in this sector, it will be important that strong planning policy manages the additional pressures posed by incompatible land uses neighbouring vineyards as well as providing for appropriate value adding opportunities.

EQUINE

The equine industry includes core activities such as horse breeding, equine education, horse training/equestrian coaching, private leisure horses, equestrian clubs and associations as well as ancillary services such as equine health, husbandry services, fodder and other suppliers. In Macedon Ranges, the industry is comprised predominantly of leisure horse breeding, training/equestrian coaching and thoroughbred training and ancillary services. Most equine businesses are clustered around Monegeetta and between Trentham and Kyneton. The industry was estimated to have generated a direct economic impact of \$140 million in Macedon Ranges in 2009-10 equivalent to an employment impact of 900 full time equivalent jobs per year³⁴.

Anecdotally, the equine industry has experienced substantial growth in the breeding and training of horses for the leisure and racing markets. This is, in part, due to the closure of facilities in Melbourne, the high cost of suitable property in metropolitan areas and the areas proximity to Melbourne, Flemington, Moonee Valley and Caulfield racecourse and Tullamarine Airport.

³⁴ Macedon Ranges Equine Centre – feasibility study. Prepared for the Macedon Shire Council by AECOM Australia Pty. Ltd May 2015.

The opportunity for expansion of the thoroughbred breeding sector may be limited by the lack of land in Macedon Ranges that meets specific industry requirements particularly³⁵:

More than 900mm rainfall or within 2km of a regulated river system for a reliable water source to meet equine needs and irrigation

Well-drained alluvial soils and highly productive pastures for lactating mares and their foals (Class 1 to 3 Land and soil capability and moderate to high soil fertility).

The DPI study also notes that *“industry economies of scale and critical mass is also necessary to justify the level of investment in facilities and provide a range of bloodlines and equine environments. Whilst equine properties can vary greatly in size, most of the successful internationally recognised studs are between 1,000 and 3,000 ha in size. Managing land use around equine studs is important to minimise land use conflict risks such as noise or vehicle movements that can spook highly strung horses. Stud properties are a long term land use that can take many decades to establish and involve high levels of capital investment in fixed facilities with a long lifespan of more than 25 years. Investment surety and compatible development of surrounding lands are consequently critical.”*

Equine stakeholders noted:

- **Attractiveness of the area for thoroughbred breeding and training**
- **Proximity to Tullamarine airport is a significant comparative advantage**
- **Significant industry growth between Clarkefield and Romsey**

ISSUES AND OPPORTUNITIES

Standards of land management amongst equine landholders varies considerably. While there are examples of optimal land management, overgrazing and poor weed control are common complaints of equine landholders. To improve management standards Council has prepared Guidelines for Equine Businesses³⁶ to provide an understanding of the needs of the equine industry and the level of infrastructure and investment required to seriously pursue a business proposal as well as information required for Council officers to assess proposals for the establishment of an equine facility.

³⁵ Department of Primary Industry (2013) Upper Hunter Region Equine Profile

High nutrition value feeds enable relatively high stocking rates, which, depending on the quantity of feed imported on to the property may result in some enterprises falling into the definition of intensive animal husbandry, which is a Section 2, permit required use in the Farming Zone. Some established equine enterprises may require a planning permit.

There is opportunity for equine industry growth due to the Shire's proximity to Melbourne and major racecourses. Demand comes from the thoroughbred looking for large scale properties as well as the leisure industry that can be accommodated on smaller properties. There is also opportunity for value chain development such as education and training facilities, veterinary services and feed supplies.

POLICY ISSUES FOR AGRICULTURE

Most agricultural businesses use farm expansion to address declining terms of trade and provide for family succession. Stakeholder consultation on the Agribusiness Plan⁷ and this review found a significant constraint to industry expansion derives from the rapid change in land use in the Shire and the flow-on effect, particularly on land prices. The relatively high value of farm land in Macedon Ranges means that growing the business by acquiring more land is a less widely used. Commercial scale agricultural enterprises have adopted alternative strategies to maintain viability. These include:

Expanding the farm operation by purchasing land in other regions where the price of land is lower

Leasing land from other land owners.

Production of high value commodities e.g. breeding of rare and specialised breeds, ultra-fine wool.

Intensifying production by importing feed to increase livestock stocking rates

Diversifying the range of commodities such as adding a vineyard to a traditional broadacre agriculture enterprise

Value adding to the agricultural enterprise such as developing a tourism facility e.g. farm stays, winery, food education and experiences and accommodation

Alternative production systems such as free range animal husbandry

A number of issues for planning may emerge from these alternative farming models.

Under the VPPs an intensive animal husbandry enterprise requires a planning permit under the following circumstances:

Land used to keep or breed farm animals, including birds, by importing most food from outside the enclosures. It does not include: an abattoir or sale yard; emergency and supplementary feeding if incidental to the use of land for extensive animal husbandry; or c) the penning and housing of animals, including

³⁶ Macedon Ranges (2014) Guidelines: Assessing Equine Business Applications

birds, for brooding, weaning, dipping or other husbandry purposes if incidental to the use of land for extensive animal husbandry.

The permit is required to ensure that potential impacts of intensive animal production are adequately addressed, particularly animal welfare and biosecurity, environment values, water quality and residential amenity. As farm enterprises intensify production and increase reliance on imported food, they may, unknowingly, require a planning permit. In some circumstances, a permit may not be granted due to proximity of neighbours or the inability to mitigate against offsite impacts on a small property. Equine and specialized livestock enterprises on small properties in particular are at risk of contravening policy.

CONSULTATION

A summary of consultation with representatives of the Agribusiness and Equine Forums is provided here:

Resurgence in meat and fine wool prices has restored confidence in the traditional farming sectors.

Issues for operating an agricultural enterprise include:

- Road infrastructure is not suitable or maintained for large trucks, including B-doubles
- Competing uses e.g. agricultural trucks sharing roads with cycling groups
- Pest plants and animal management, including managing large number of native animals
- Multiple neighbours, particularly non-farming neighbours and resulting land use conflict and need to spend time engage and negotiate over farm operations. Clear separation between housing and rural land is required and a mechanism to ensure that where an agricultural enterprise is used to justify a dwelling in the Farming Zone, that the enterprise is established and operated
- A buffer between farms and houses is important.
- Education of new residents to understand what it means for a resident to live in a rural area to manage expectations
- Lack of internet access means that farmers cannot conduct business online which has become increasingly the norm.

Other issues include:

- Balancing protection of remnant vegetation on roadsides with managing fuel loads to reduce fire risk
- Clarification of why water authorities are looking to fence water storages to prevent pollution from stock manure when stocking rates in the catchment are historically low.

Opportunities for the industry include:

- Farm outlets and farmgate sales
- Accommodation such as farm stays, school group
- Horse agistment, stabling and educational clinics

LANDHOLDER SURVEY

48% of owners of land in the Farming Zone earn income from agriculture. Of these:

- **72% turned over less than \$50,000**
- **68% earned less than 30% of household income from agriculture**
- **44% had increased agricultural income in the last 5 years**
- **30% were not considering purchasing/leasing land within the next 10 years**
- **46% identified land price as a barrier to operation/expansion of their agribusiness**

40% of owners of land in the Farming Zone that earn agricultural income from agriculture identified diversification opportunities including produce sales (24%) and accommodation (13%)

Survey respondents strongly agreed with the following statements:

- **Farming land should be used for innovative or niche production activities**
- **It is important to protect the opportunity for agriculture**
- **It is important to facilitate farm activity, growth and expansion**
- **It is important to use land with high quality soils for agriculture**

KEY FINDINGS

Agriculture is small economic sector that plays a significant role in the landscape, character and identity of Macedon Ranges and its attraction as a tourism destination. While the sector contracted up until 2006, it has steadied with stronger livestock prices. Operators of livestock businesses are optimistic about the industries future in the Shire

and are investing in business improvements. Viticulture and the equine industry have increased in importance over the last 15 years. While expansion of vineyard plantations is likely to be limited, there is opportunity for value add in the form of tourism activities. The equine industry is also optimistic that there is opportunity for further industry growth in breeding and husbandry, as well as horse education, training and equine services.

The future of the industry in Macedon Ranges faces a number of challenges:

- Rapid change in land use and the flow on effect on land prices has and will constrain industry investment and expansion

- Along with fragmentation, land use change and increase in rural lifestyle has resulted in traditional broadacre farming contracting to the northern and eastern parts of the Shire

- Rural land use conflict at the neighbour and landscape scale is hampering farm operation and increasing farm running costs

- Investment in industry infrastructure, particularly has not kept pace with industry needs or increased in visitor traffic and recreational users.

There is industry optimism and opportunity for growth through:

- Value adding to primary production

- Alternative farming models such as land leasing, production of high value, specialised products, diversification and intensification of production.

There is an opportunity to support agriculture with additional policy support by clearly identifying locations where commercial scale agriculture will be supported over rural lifestyle or hobby farming. Policy should also:

- Facilitating farm expansion

- Support adoption of new technology

- Support adoption of alternative farming practices and production of commodities to meet new or niche markets

- Provide for value adding such as on farm processing or tourism.

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

- Infrastructure planning to accommodate a range of users

- Education and capacity building of rural landholders

- Incentives to encourage optimal and productive land management.

6 Drivers of Land Use Change

This section of the report documents some of the key drivers of land use change in Macedon Ranges, how it is impacting agriculture.

POPULATION PRESSURES

The Peri Urban Group of Councils²⁰ highlighted the issue of population growth as a key driver of land use change in the region. It was noted that the region is growing more rapidly than other regional areas in Victoria. Currently the population of the region is around 204,000 persons and growing at a rate of 2.5%, significantly higher than the rate of growth for Victoria (1.9%) and regional Victoria (0.8%). Investment in new infrastructure for a growing population, such as schools, health facilities and public transport has followed on the back of this growth. New migrants will be attracted by Macedon Ranges' amenity, commutability and proximity to Melbourne. A proportion of new migrants will also be attracted by the opportunity to pursue a rural lifestyle, increasing competition with agriculture as well as demand for rural residential opportunities, either in planned estates or within the Farming Zone.

LAND PRICES

Growth in the peri-urban region has been a key driver land price increase. In Macedon Ranges, the median price paid for rural land (includes all rural land scales) in 2016 was between \$10,000/ha to \$50,000/ha³⁷. This has occurred in a context of diminished agricultural profit margins in which farm amalgamation has been the major mechanism to ensure economic viability. High land prices will be a disincentive for farm expansion through amalgamation.

Alternatives to buying up the neighbour to maintain viability include intensifying production systems, switching to higher value commodities or vertical integration or value adding to primary production. Selling the farm is another option, and the reduction in the number of farm businesses indicates that has been occurring in Macedon Ranges.

FRAGMENTATION

As farm businesses leave, rural land becomes increasingly fragmented. The impacts of land fragmentation on an agriculture industry include:

An 'impermanence syndrome' for commercial agriculture as fragmentation results in:

- Driving up the price of land and facilitating speculation.
- Isolating tracts of farmland.
- Deterring local farmers from investing in their operations as they anticipate the conversion of their land out of commercial agriculture resulting in an absence or certainty in their industry.
- Higher capitalisation of smaller farms makes them less attractive purchases for farm expansion.

Loss of critical mass of commercial farms and farmers to sustain an agricultural industry and value chain as higher land prices act as an inducement to sell or commercial agriculture is substituted for sub-commercial agricultural activities. This places a strain on remaining farmers to survive and reduces opportunities for commercial farmers to expand businesses, further exacerbating conversion of agricultural land to non-agricultural uses.

Increase in land value above productive value means that there is a reduced ability to sustain a standard of living or provide for retirement such that farmers speculate in their land rather than farming it.

Speculative behaviour based on a perception of development rights.

Rural land use conflict as new migrants in an agricultural landscape have an expectation of a benign rural environment.

Fragmentation inevitably leads to loss of land from commercial agricultural production. This is evident in some parts of Macedon Ranges where land in the Farming Zone is being used primarily for rural lifestyle and hobby farming. The current rural framework plan does acknowledge the different role and aspirations for rural areas of the Shire. There is, however, an opportunity to better reflect the variation in the rural landscape in the Farming Zone and respond with policy tailored to particular circumstances and objectives for rural land.

LAND USE CONFLICT

Land use conflict can take a number of forms. In some cases, it is due to direct conflict between adjoining landholders or it can be at a landscape scale where agriculture is conflicting with other land uses such as tourism.

Operating a commercial agricultural enterprise amongst non-farming neighbours can present challenges that can have a material impact on farm profitability. Engaging with

³⁷ A Guide to Property Values (2016) Victorian Valuer General

multiple neighbours and timing farm activities to minimise unintended offsite impacts requires time and may mean farm operations are not undertaken at the optimal time. Stock trespass due to poor fencing may lead to loss of production and loss of accreditation under some farm produce accreditation schemes. Other issues arise from dog attacks on livestock, complaints in relation to noise from scare guns and frost fans or loss of visual amenity from orchard or vineyard netting.

Poor land management, particularly in relation to weed, pest and fire safety compliance, places pressure on the agricultural sector. Poor land management may be due to factors such as new landholders with little experience in farm management, absentee landholders or landholders that are no longer interested in farming and are essentially speculating in the land market.

Agriculture in Macedon Ranges is operating in an increasingly contested landscape. For example, large machinery and trucks are sharing country roads with commuters, cycling groups and touring visitors. Road infrastructure investment is focused on population growth areas and standards have not kept pace with the needs of agriculture with B-double and articulated semi-trailers commonly transporting goods to or from farms.

Some of these issues can be addressed through better policy such as clearly identifying locations where commercial scale agriculture will be supported over rural lifestyle or hobby farming. However, Council will need to consider non-policy response to manage land use conflict including:

- Infrastructure planning to accommodate a range of users
- Education and capacity building of rural landholders
- Incentives to encourage optimal and productive land management

CLIMATE CHANGE

The Macedon Ranges region experiences cool and relatively wet winters and warm, dry summers. The current annual average temperature in the Macedon Ranges region is 14.8°C with an observed warming of 0.7°C over the last century. The average rainfall for the region is between 750mm and 800mm per year. There has been an observed trend of approximately 3mm reduction in rainfall per decade over the last 110 years.

Under a medium emissions growth scenario (IPCC A1B) climate change is likely to change the frequency and intensity of extreme weather events such as the heatwaves, drought, floods and storms (Table 6). The number of extreme hot days and heavy precipitation has increased since 1950. These changes will increase the bushfire risk to homes, businesses and infrastructure in rural areas. Reduced rainfall, increased evaporation and temperatures will result in a shorter growing season for crops and pastures and potentially reduce productivity. Any changes in extreme events, rainfall and temperature affects water supplies, erosion risk, fire risk and the level of pest animal and

weed burden. This also indicates that the climate of Macedon Ranges will be similar hotter and drier and a reduced productivity and agricultural suitability.

KEY

LANDHOLDER SURVEY

46% of respondents earning income from agriculture considered the price of surrounding land as a significant barrier to expansion of the farm business, particularly in Area 1

29% also noted internet access as a significant barrier, particularly in Area 1 and Area 2

25% of respondents earning income from agriculture reported that their agribusiness is in the expansion stage and

- **Respondents from Area 1 were more likely than average to report that their agribusiness is in the expansion stage**

30% of respondents earning income from agriculture were considering purchasing or leasing more agricultural land in the next 10 years

Respondents from Area 1 were more likely than average to be definitely considering purchasing or leasing more agricultural land in the next 10 years

Respondents that earn income from agriculture engaged in more land management practices than people not earning income from agriculture

Cost and amount of time were the most significant challenges to implementing best practice management for all respondents

FINDINGS

Population pressures, increasing land prices, fragmentation, land use conflict and climate change have been, and will continue to drive land use change in the Farming Zone in Macedon Ranges. There is a role for the planning system to clearly identify where agriculture will be privileged over other land uses. However, there are circumstances where the 'horse has already bolted' and the continuation or resumption of traditional forms of agriculture is highly unlikely. Formulating appropriate policy responses for areas that have experienced significant land use change will be a key challenge for the Rural Land Use strategy.

TABLE 6: CHANGE IN CLIMATE VARIABLES IN THE MACEDON RANGES REGION UNDER A MEDIAN CLIMATE CHANGE SCENARIO TO 2030

		NORTHERN MACEDON RANGES ³⁸		SOUTHERN MACEDON RANGES ³⁹		CLIMATE WILL BE SIMILAR TO
		Average	Range	Average	Range	
Temperature (°C)		+0.9	0.6 to 1.2	+0.8	0.6 to 1.1	Ouyen
Rainfall (%)						
	Annual	-4	-9 to +1	-4	-8 to no change	Charlton
	Spring	-7	-15 to +1	-7	-17 to no change	Charlton
	Summer	-1	-11 to +10	-2	-10 to +7	Charlton
	Autumn	-1	-9 to +6	-2	-8 to +5	Charlton
	Winter	-4	-14 to +2	-4	-11 to +1	Charlton
Rainfall intensity		+1.1	-7.2 to +15.9	+0.9	-7.7 to +15.2	Southern coastal NSW
Number of rainy days (%)		-5	-17 to -1	-6	-17 to -1	Charlton
Potential evaporation (%)		+2	no change to +5	+3	+1 to +5	Northern Loddon Mallee
Relative humidity (%)		-0.7	-1.5 to -0.1	-0.6	-1.2 to -0.1	Northern Loddon Mallee
Solar radiation (%)		+0.7	no change to +1.6	+0.9	+0.2 to +1.7	Northern Loddon Mallee
Frosts⁴⁰ (no.)		26	29 to 22	2	20 to 1	Northern Loddon Mallee
Hot days (no.)						
	Over 30°C	52	50 to 57	34	33 to 37	Ouyen
	Over 35°C	14	13 to 16	11	10 to 13	Ouyen
	Over 40°C	2	1 to 2	2	2 to 2	Ouyen

³⁸ DSE (2008) Climate Change in the North Central Region, Victorian Climate Change Adaptation Program, Melbourne

³⁹ DSE (2008) Climate Change in the Port Phillip and Westport, Victorian Climate Change Adaptation Program, Melbourne

⁴⁰ Days where the minimum temperature falls to 2°C or less

7 Farmland of Strategic Significance

APPROACH

The Macedon Ranges Protection Advisory Committee included the following recommendation:

Direct Macedon Ranges Shire Council to ensure the settlement boundaries avoid or minimise the following areas:

d) areas identified as having potential for agricultural productivity.

The State Planning Policy Framework at Clause 14- 01 - Protection of agricultural land requires that farmland of strategic significance consider the productive capacity of the land as well as the economic importance of agricultural production and processing sectors.

This section of the report details the approach taken to identify productive agricultural land and farmland of strategic significance. For this study, farmland of strategic significance is defined as productive agricultural land supporting industries of state or local significance.



PRODUCTIVE AGRICULTURAL LAND

The Planning Practice Note: Applying the Rural Zones defines productive agricultural land as generally having one or more of the following characteristics: suitable soil type, suitable climate, suitable agricultural infrastructure and present pattern of subdivision favourable for sustainable agricultural production.

Data sets were compiled to map and assess:

- Agricultural quality
- Lot and property sizes
- Dwelling development
- Irrigation development

These were combined to map areas of productive agricultural land.

The agricultural capability of land in Macedon Ranges varies from Class 2 through to Class 5 according to the following definitions. Land most capable for agricultural production is located between Clarkefield and Lancefield and in the valleys around Baynton and Sidonia (Figure 33).

CLASS	CAPABILITY	DEGREE OF LIMITATION
Class 1	Very good	Can sustain a wide range of uses including an intensive cropping regime. Very high levels of production possible with standard management levels.
Class 2	Good	Moderate limitations to agricultural productivity, overcome by readily available management practices.
Class 3	Fair	Can sustain agricultural uses with low to moderate levels of land disturbance such as broadacre cultivation in rotation with improved pastures. Moderate to high levels of production possible with specialist management practices such as minimum tillage.
Class 4	Poor	Low capacity to resist land disturbance such as cultivation. Moderate production levels possible with specialist management such as improved pasture establishment with minimum tillage techniques. Recommended for low disturbance agriculture such as grazing or perennial horticulture.
Class 5	Very poor	Very low capability to resist land disturbance. Areas of low productive capacity. Minimal grazing levels or non-agricultural uses recommended.

Figure 33 to Figure 38 show the various inputs that informed the identification of Strategic Agricultural Land.

Mapping of lot sizes (Figure 34) across the Farming Zone show that a concentration of lots below 40 ha between Woodend and Malmsbury. Mapping of properties (Figure 35) shows that most lots are held as part of larger properties. This is particularly evident in the north and east of the Shire. Heat mapping of dwellings on lots under 50ha in the Farming Zone further identifies locations where farmland may be compromised by fragmentation (Figure 36). There is little opportunity for surface water diversion for irrigation in the Shire. However, groundwater development for irrigation has been developed between Lancefield and Romsey (Figure 37).

Productive agricultural land was mapped by identifying land with applying the combination of attributes:

Land capability Class 2 and Class 3 and access to irrigation supply

Land capability Class 2 and Class 3 and property size greater than 40ha

Land capability Class 2 and Class 3 and access to irrigation supply and property size greater than 40ha

INDUSTRY CLUSTERS

Industry clusters are areas supporting concentrations of enterprises that are part of an industry of state or local significance. The analysis of Macedon Ranges agricultural industries in Chapter 1 found that from an economic perspective, there no industries of state significance. However, livestock grazing, and the equine industry are important at the local level.

KEY FINDINGS

Mapping of Productive agricultural land and Industry clusters was combined (Figure 39) to identify Farmland of Strategic Significance (Figure 40)

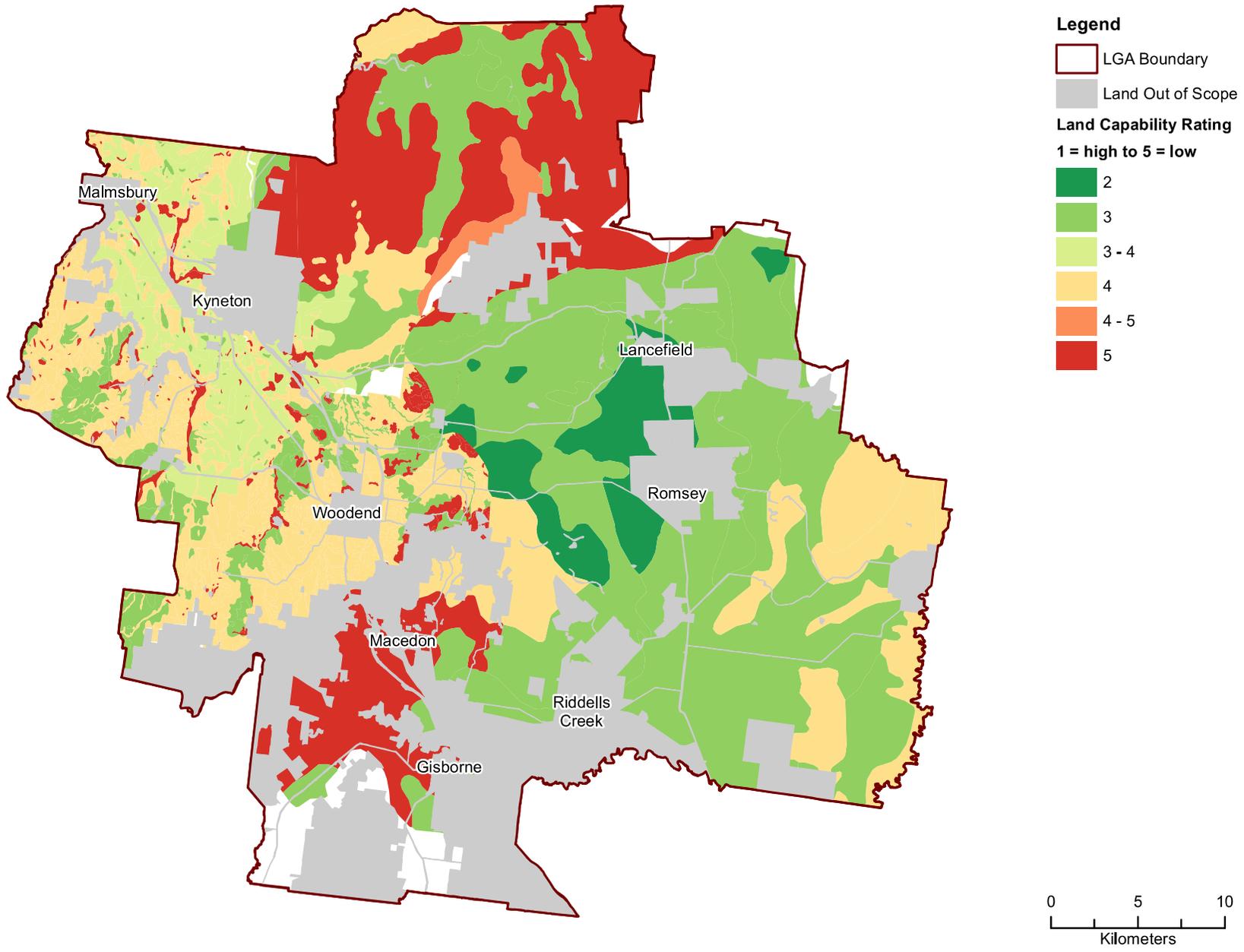
Farmland of strategic significance) was identified based on an assessment of productive agricultural land and identification of locations supporting concentrations of enterprises that are part of a locally significant industry. Farmland of strategic significance should inform refinement of zone boundaries, zone schedules and local policy.

LANDHOLDER SURVEY

Most respondents to the landholder survey were in moderate agreement with the statement that high quality agricultural soils for should only be used for agriculture.

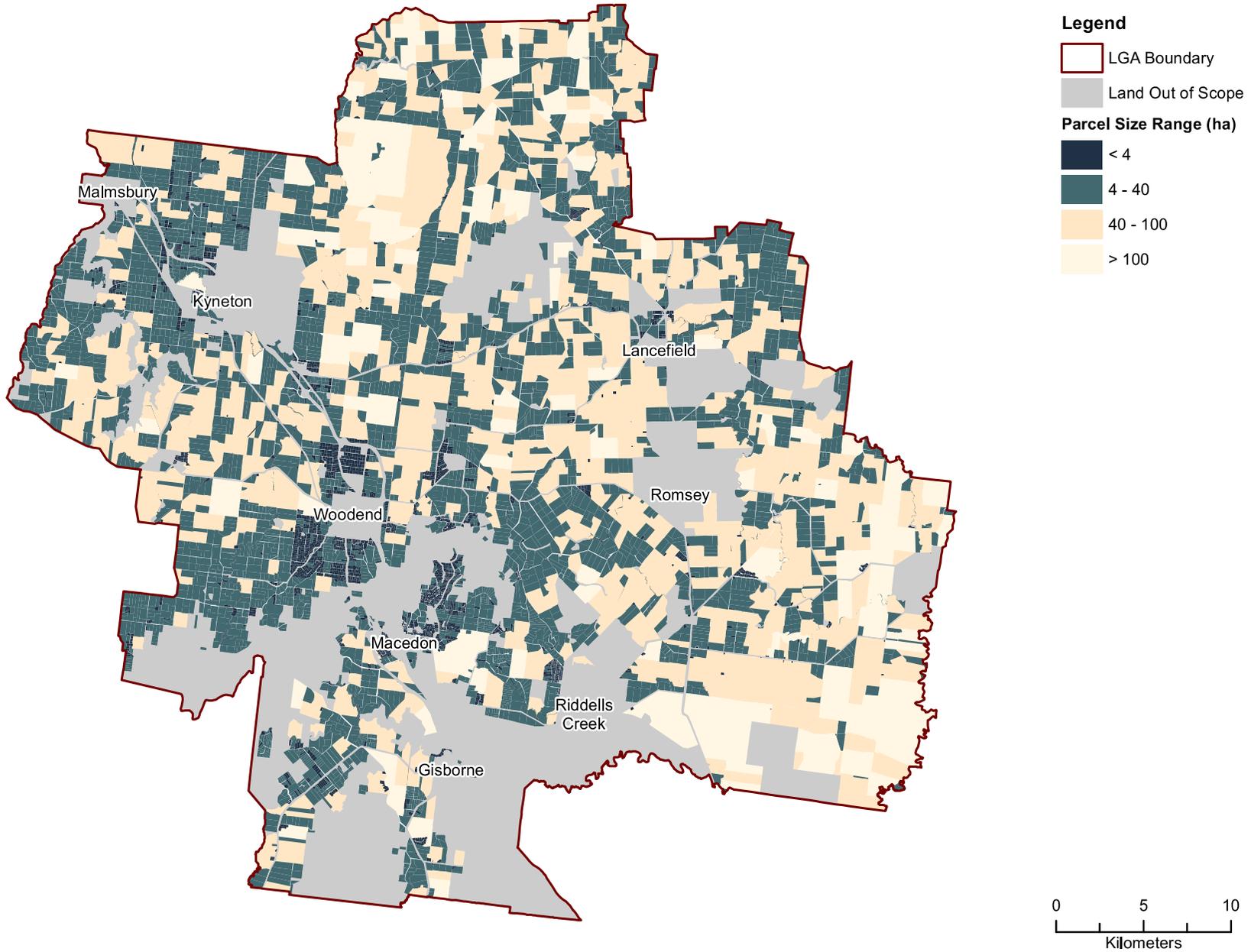
Respondents with an agribusiness in expansion stage or with larger holdings (>100ha) were in more agreement with the statement that it is important to use land with high quality soils only for agriculture

FIGURE 33: AGRICULTURAL CAPABILITY⁴¹



⁴¹ Compiled from A Land Capability Study of the Former Shire of Kyneton, 1996; A Land Capability Study of the Shire of Newham and Woodend, 1992; and A Study of Land in the Catchments to the North of Melbourne, 1981.

FIGURE 34: LOT SIZE⁴²



⁴² Data provided by Macedon Ranges

FIGURE 35: PROPERTY SIZE⁴²

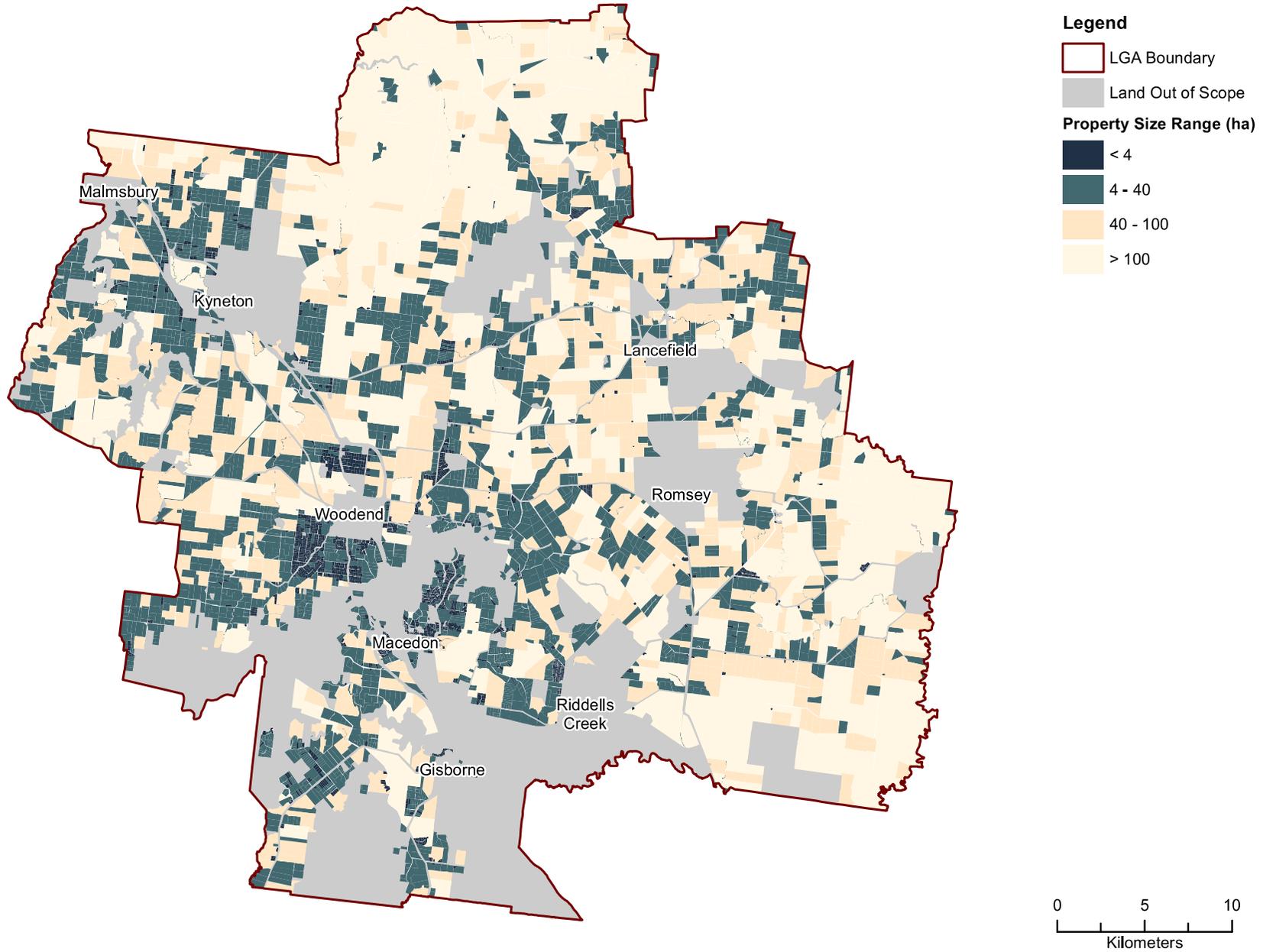


FIGURE 36: DWELLING CLUSTERS

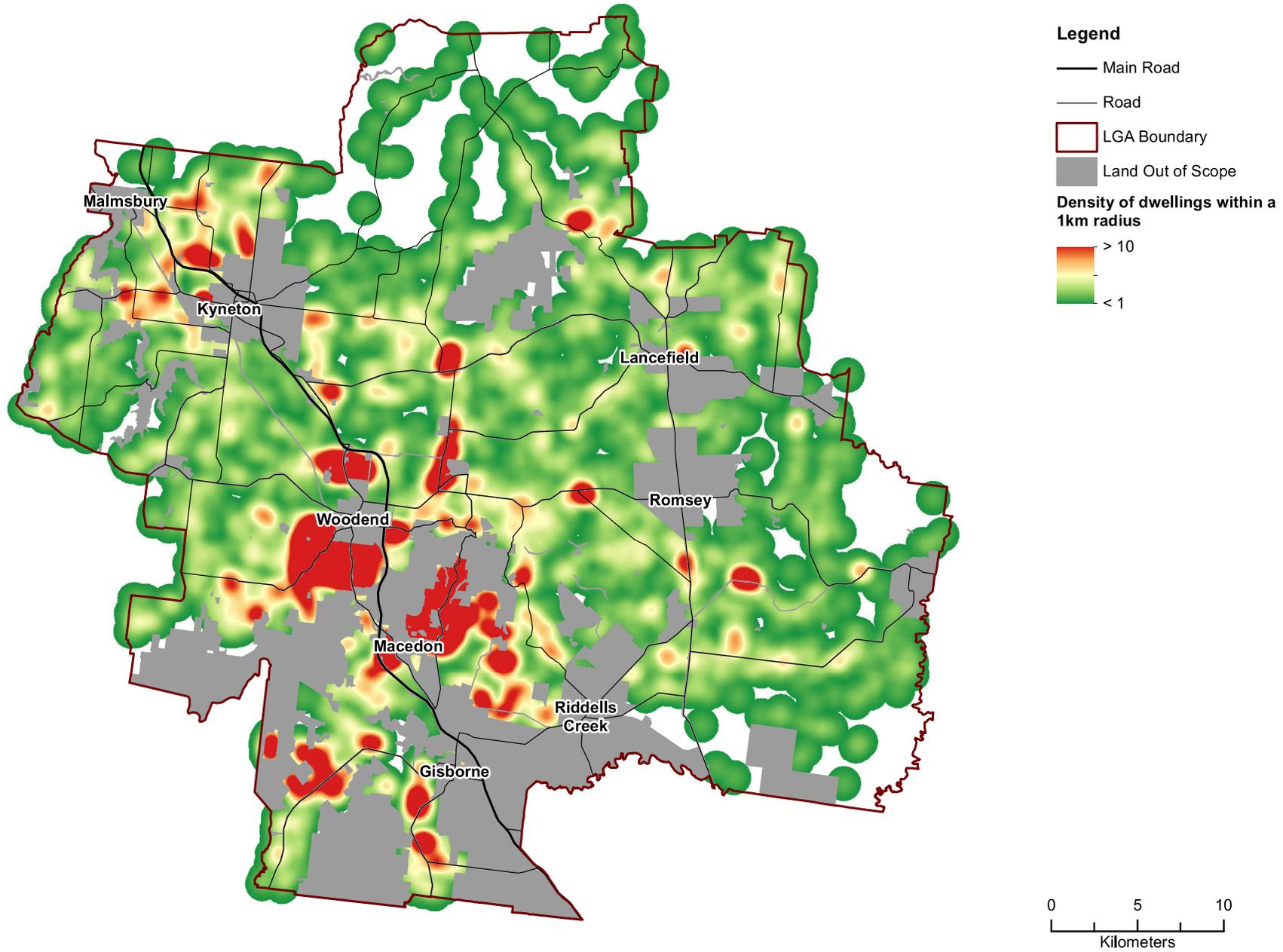
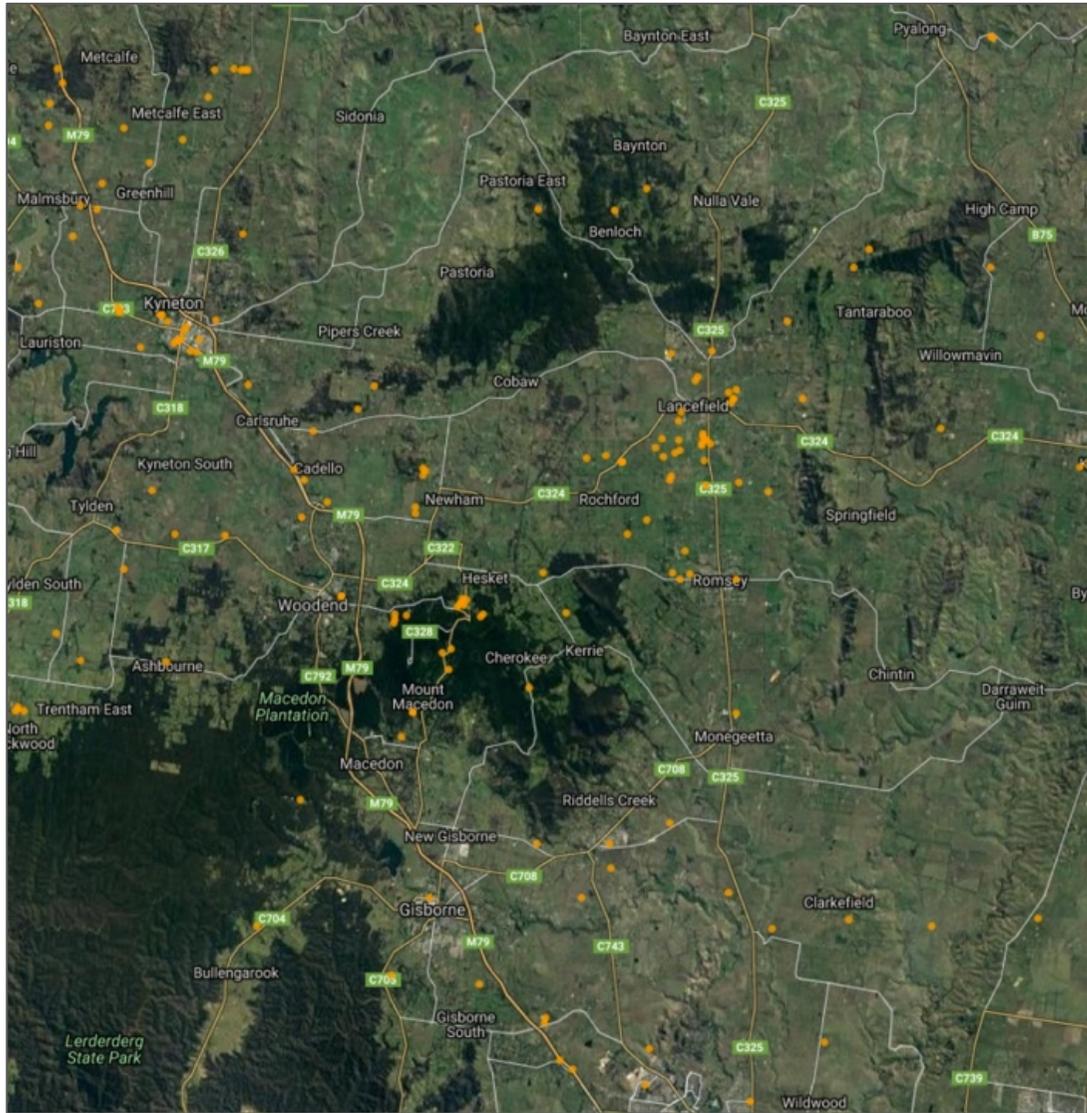


FIGURE 37: LICENSED GROUNDWATER BORES⁴³



⁴³ <http://data.water.vic.gov.au/monitoring.htm> accessed 16.6.2017

FIGURE 38: INDUSTRY CLUSTERS

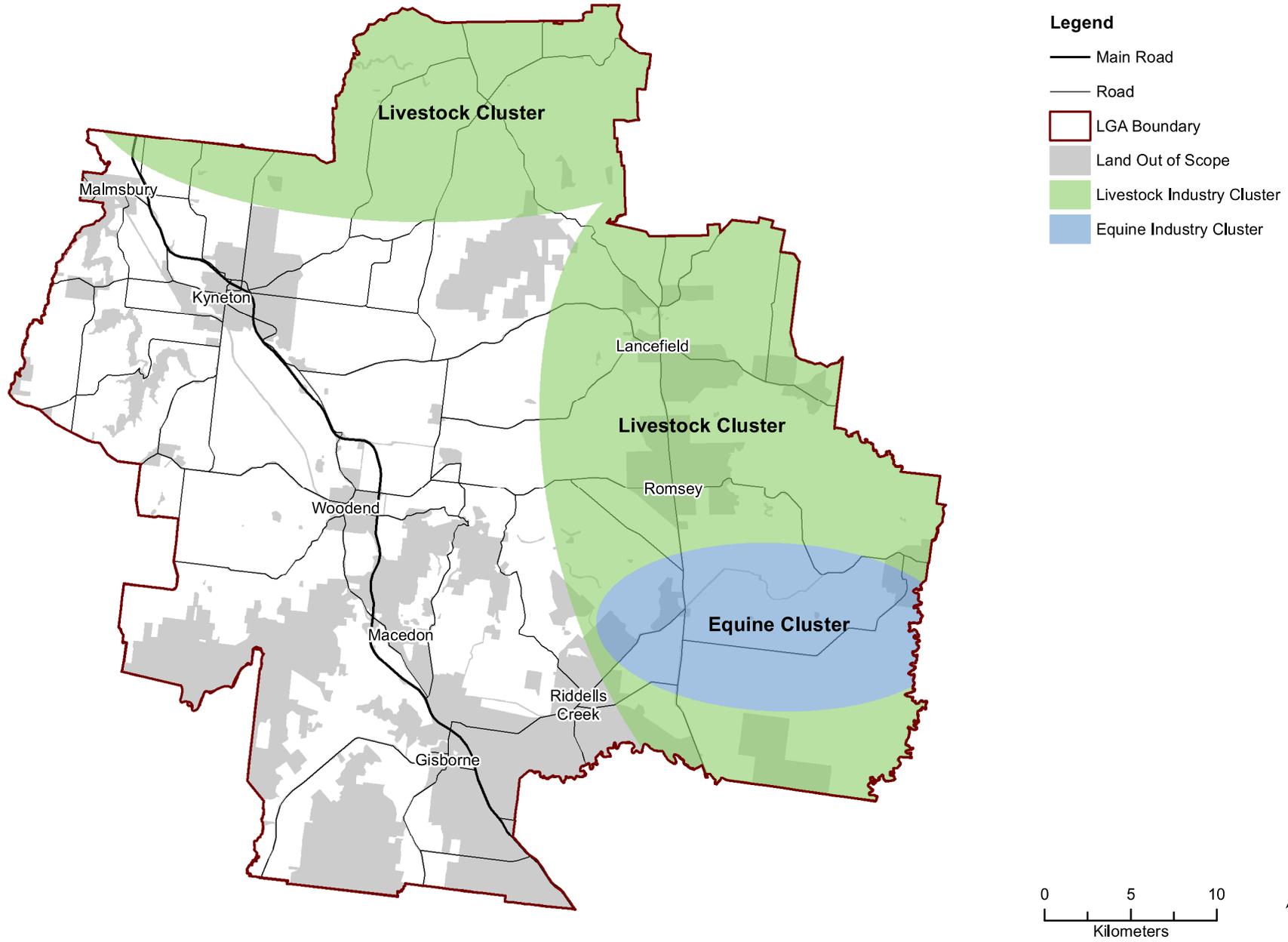


FIGURE 39: FARMLAND OF STRATEGIC SIGNIFICANCE APPLICATION OF THRESHOLDS

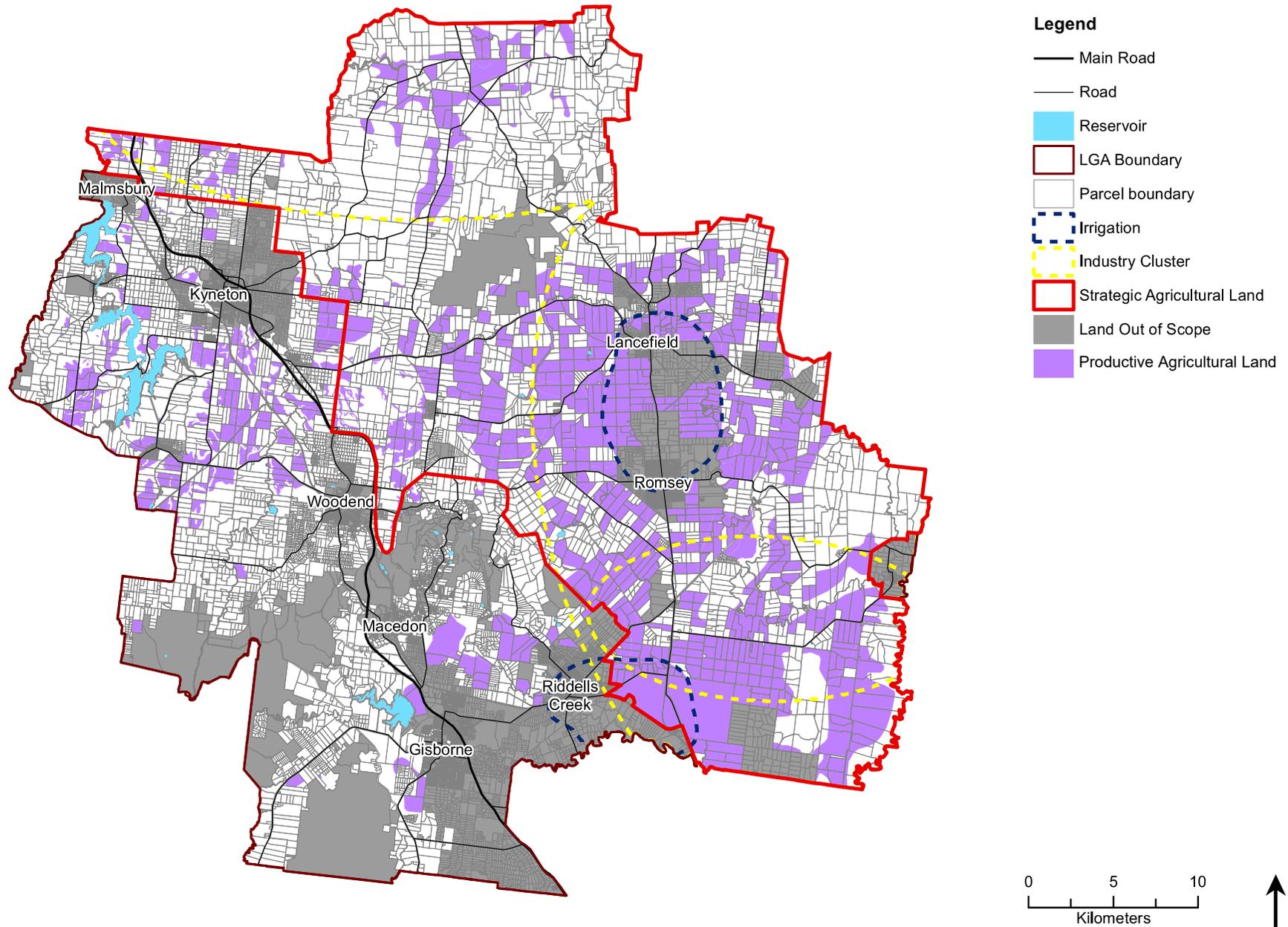
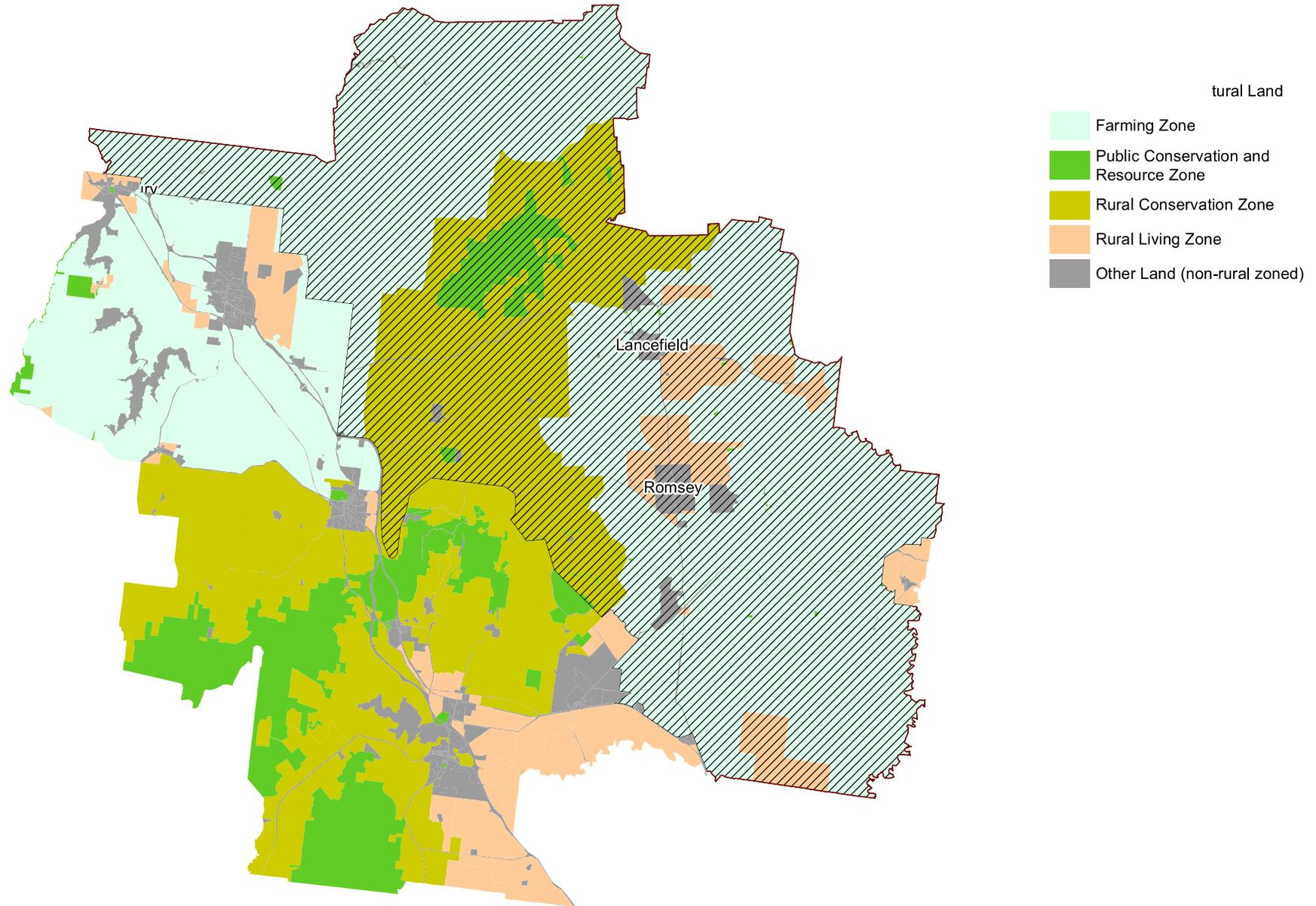


FIGURE 40: FARMLAND OF STRATEGIC SIGNIFICANCE



8 Tourism in the Farming Zone

TOURISM

In 2016, the Macedon Ranges attracted 1.6 million visitors, up from 1 million visitors in 2009. Most visits are day trips to the Woodend – Macedon and Kyneton - Malmesbury sub-regions⁴⁴ (Figure 41).

Total visitor expenditure in the Macedon Ranges in 2016 was estimated at \$273 million, a 56% increase from 2009.

The Woodend – Macedon Sub Region has attracted the highest level of visitor expenditure (\$92 Million), closely followed by Kyneton – Malmesbury Sub Region (\$85 Million). The industry is estimated to employ around 2,400 people up from 1,500 in 2009. Mapping of planning permit approvals shows most tourism development has occurred between Woodend and Malmesbury (Figure 42).

Key tourism attractions in the Farming Zone include wineries, cycling, horse riding and fishing that link to other key attractions such as Mount Macedon and Hanging Rock, artisan villages, township retail and restaurants and the spa and wellness experiences offered in nearby Daylesford.

There is opportunity for further rural based tourism development including:

Increased accommodation in the rural areas to take advantage of the natural settings such farm stays and self-contained accommodation in conjunction with wineries.

Cafes, restaurants, quality cellar door destinations, accommodation and wineries.

Farm gate and boutique produce opportunities.

Outdoor recreation such as cycling, bushwalking and horse riding.

A number of tourism routes (Figure 43) and road and mountain bike rides (Figure 44) have been established and the Macedon Ranges Walking and Cycling Strategy (2014) includes mention of three further cycling trails that could be developed: Kyneton - Gisborne Trail (via Old Calder Highway); Romsey - Hanging Rock Trail; and Riddells Creek - New Gisborne (Figure 44) and

Submitters to the Macedon Ranges Protection Advisory Committee noted that Rural Activity Zone may be an appropriate way of providing opportunities of enhancing the

viability of agricultural tourism based activities. This will be considered in the drafting of the Farming Zone Strategy.

KEY FINDINGS

Tourism is an important economic sector in Macedon Ranges. Visitors are attracted by natural features including Mount Macedon, Hanging Rock, attractive rural landscapes, outdoor recreation, cellar door and paddock to plate experiences. There is an opportunity to grow and diversify the rural tourism sector and value add to agriculture and established attractions. Tourism development should generally be focused in areas that align with established tourism attractions and nodes and will need to be carefully located and sited to avoid land use conflict.

LANDHOLDER SURVEY

40% of survey respondents earning income from agriculture identified potential to diversify their agribusiness with produce sales (24%) and accommodation (14%) the most common.

- Respondents from Area 4 were somewhat more likely than average to potentially diversify into accommodation
- Respondents from Area 5 were somewhat more likely than average to potentially diversify into produce sales, intensive animal industry, and place of assembly.

⁴⁴ Urban Enterprise (2017) Macedon Ranges Tourism Impact Study

FIGURE 41: TOTAL VISITORS AND PROPORTION OF TOTAL VISITATION BY TOURISM SUB-REGIONS⁴⁴

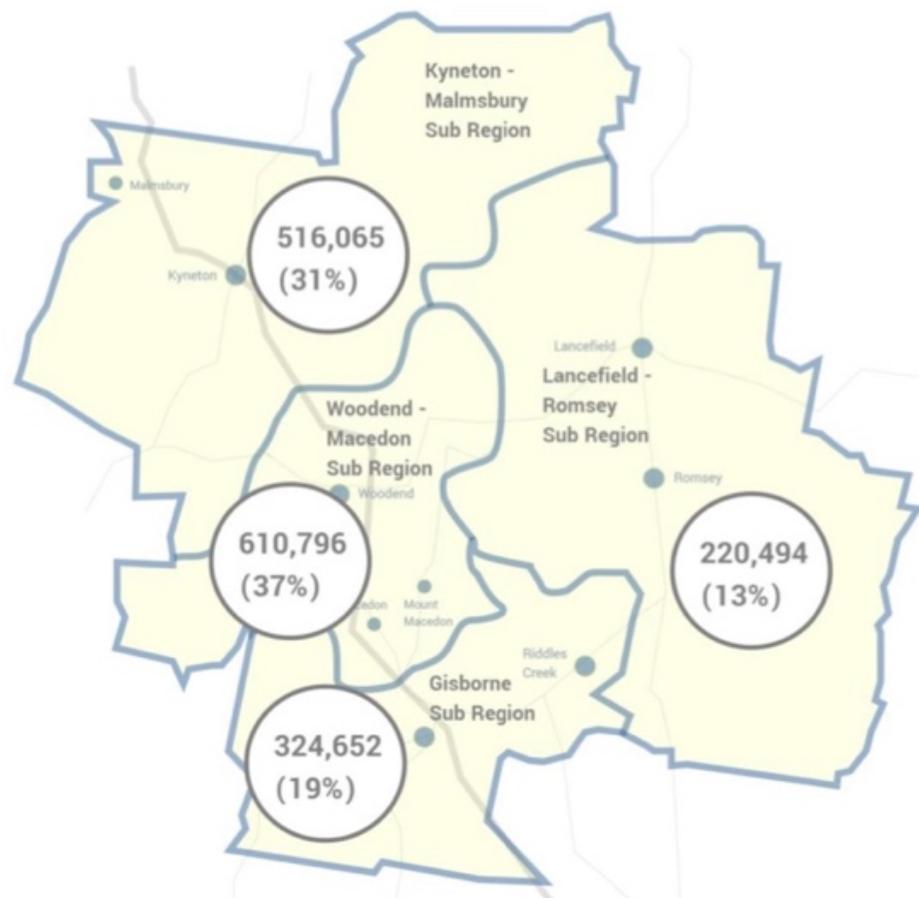


FIGURE 42: PLANNING PERMIT APPROVALS: TOURISM USE AND DEVELOPMENT

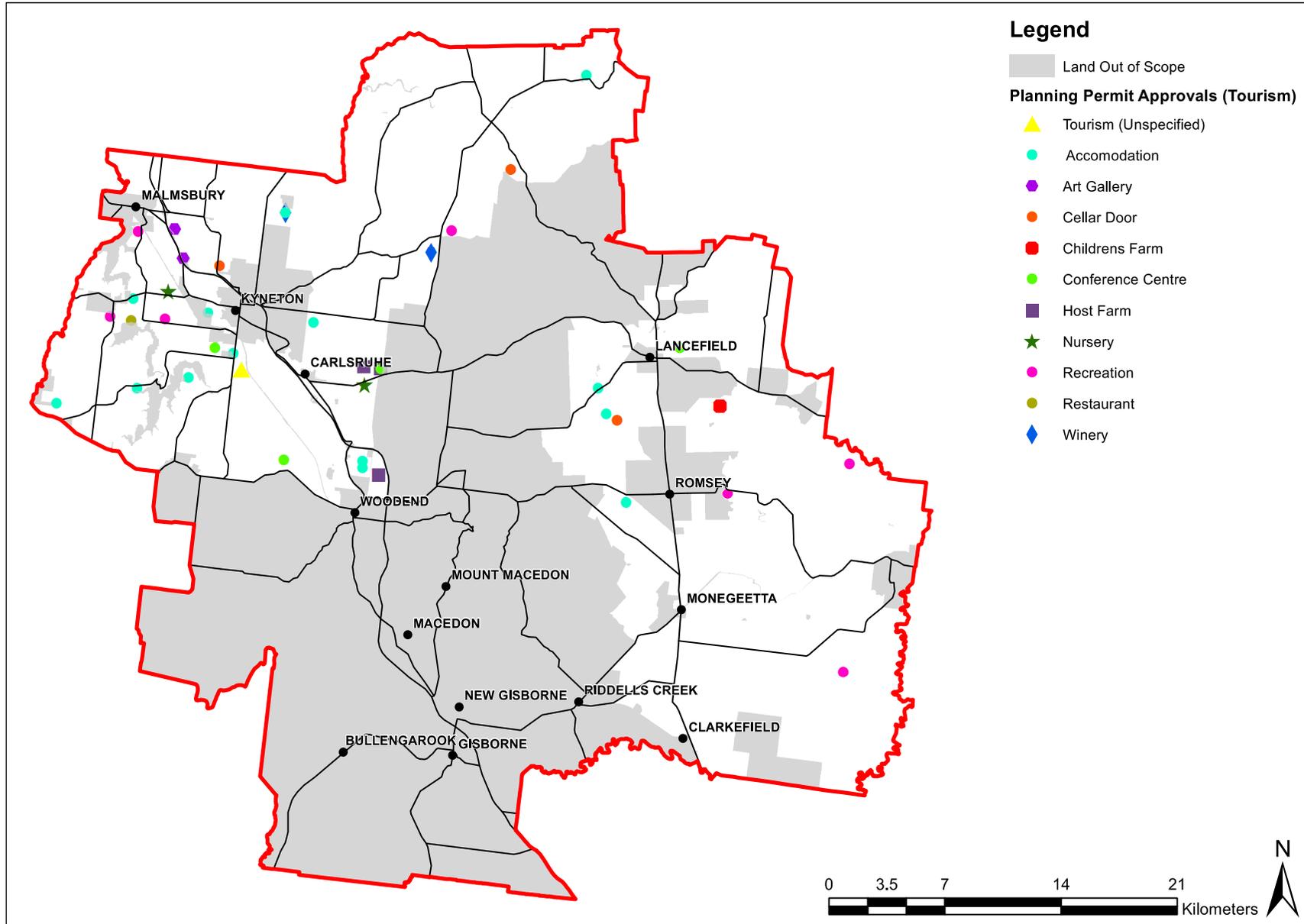


FIGURE 43: TOURING ROUTES

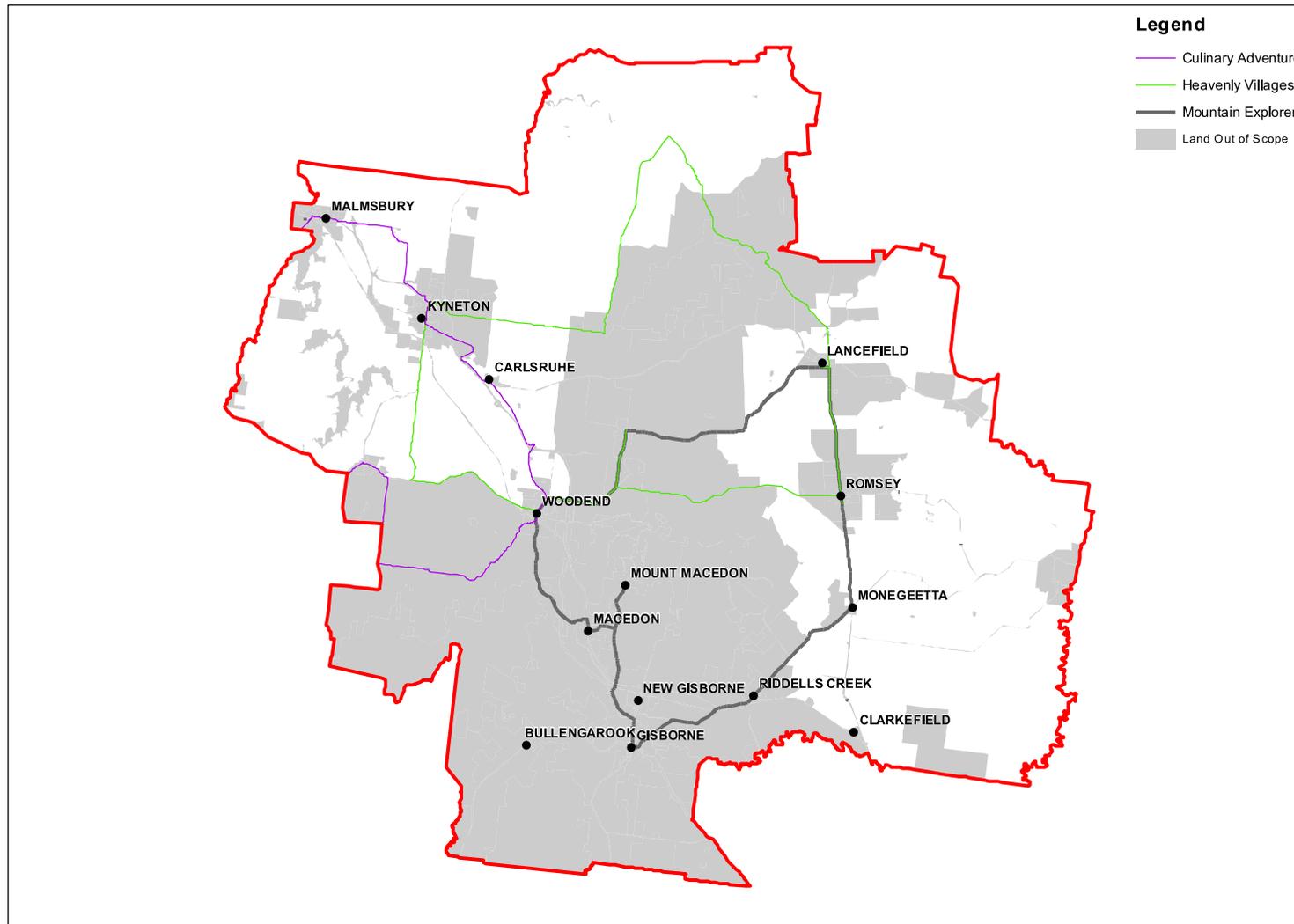
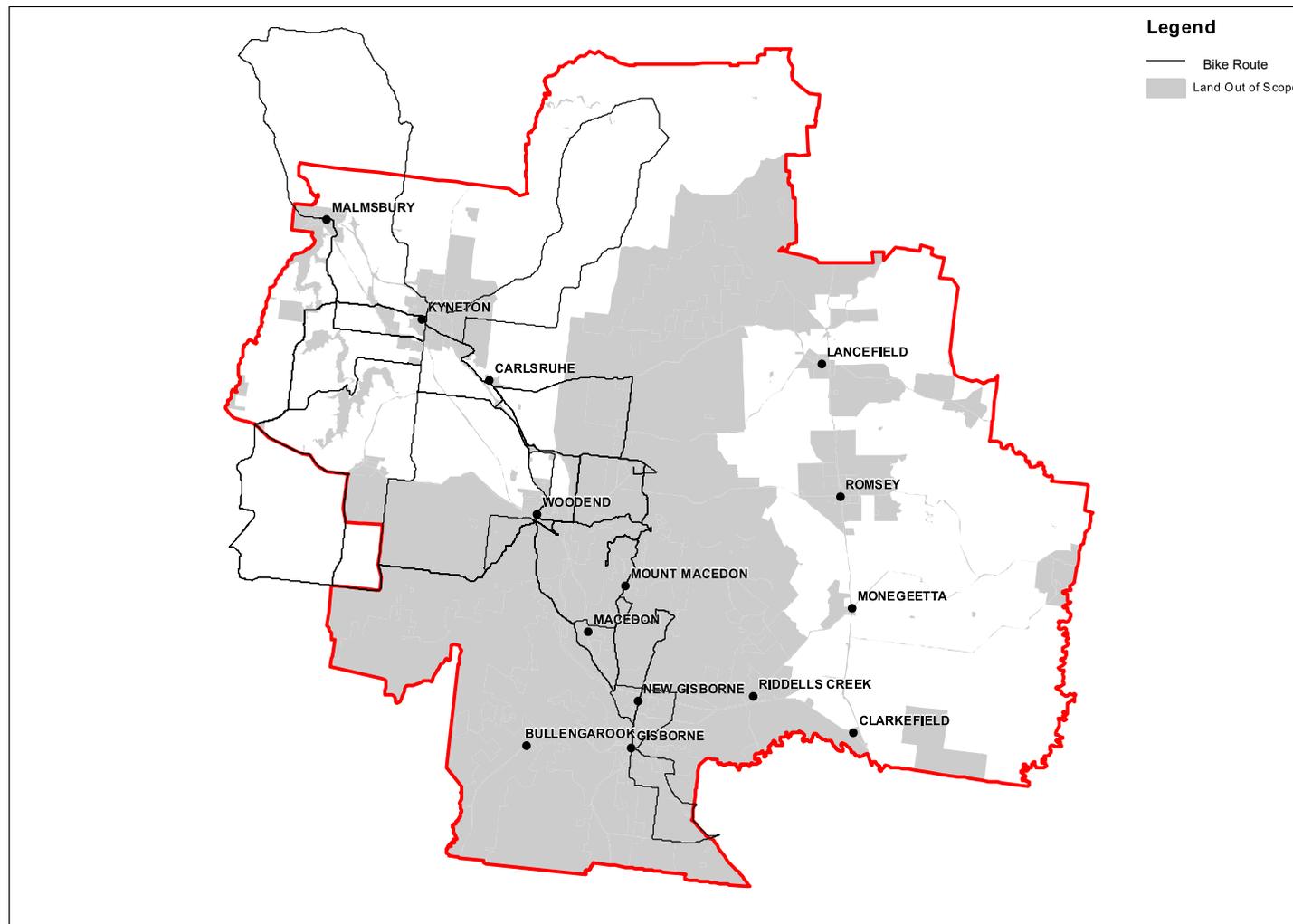


FIGURE 44: BIKE TOURING ROUTES



9 Natural Resources and Hazards

WATER

Macedon Ranges straddles the top of Dividing Range and the headwaters of many streams and rivers that supply water for urban uses, irrigation and stock and domestic uses are located within the municipality. Consequently, a large proportion of Macedon Ranges' rural areas lie within Designated Water Supply Catchments (Figure 45). These catchments are protected under the *Catchment and Land Protection Act 1994*. Planning permit applications in rural areas are commonly referred to the responsible land management authority. Referral authorities include: Western Water, Goulburn Murray Water, Southern Rural Water, Coliban Water, Melbourne Water, Port Phillip and Westernport Catchment Management Authority and North Central Catchment Management Authority.

The main rural land use and development issues for water and catchment management authorities are:

- Impacts of nutrients and pathogens from septic tanks and catchment runoff on waterways and water storages and risks to human health and the environment
- Proliferation of farm dams and reduced inflows to waterways.

From a planning perspective, the authorities apply the precautionary principle and prefer new development to be focused in areas serviced by water and wastewater infrastructure. Risks posed by development outside of serviced townships should be mitigated through appropriate setbacks from waterways and drainage lines and establishment of vegetation buffers. Intensive land uses such as intensive animal husbandry should be avoided. The current policies within the Macedon Ranges contain clear support for water quality protection, particularly the use of Environmental Significance Overlays to provide guidance for development in water supply catchments.

Water authorities are also implementing land management programs to encourage landholders to vegetate riparian areas and exclude livestock from waterways.

NATURAL HAZARDS

BUSHFIRE

Bushfires are not uncommon in Macedon Ranges, particularly the vegetated areas in the south and west. The Regional Bushfire Planning Assessment (RBPA) identifies locations where the bushfire hazard increases the potential bushfire risk to life and property. The Assessment is intended to inform strategic and settlement planning before

specific development proposals are considered. The RBPA notes a number of areas of higher bushfire risk in the Shire (Figure 46):

Central and southern areas: The central and southern areas of the Shire are located close to Melbourne's urban fringe, providing attractive rural living environments and containing many scattered rural settlements. Small lots in bushfire hazard areas on sloping land and accessed by single roads are widespread across the area. Some rural residential lots are developed close to the boundaries of the Wombat State Forest in hilly areas that are difficult to access. Bushfire hazards also exist on the fringes of larger settlements, which are projected to grow in the future, bounded by the foothills of the Macedon Ranges.

North area - Land uses in the northern area of the municipality have a rural living focus, with dispersed rural settlements and cleared farmland. This region includes the Cobaw State Forest, Lauriston State Forest and Black and Bald Hill Reserves. Clusters of small properties are located on the fringes of large areas of public land, particularly around the Cobaw State Forest. These areas include some older housing stock vulnerable to bushfire. Dwellings on small lots are located between Mount Macedon and the Cobaw State Forest in areas of vegetation mapped as high and very high conservation significance and affected in parts by a Vegetation Protection Overlay. Further, rural living opportunities exist in smaller parcels of land located in the Farming Zone, some of which are developed.

Eastern area - Quality agricultural land dominates the eastern area of the Shire. It is largely devoid of vegetation and therefore bushfire hazard areas are less extensive. Identified bushfire hazard areas exist in the vegetated corridor of Deep Creek and other small areas with vegetation of high conservation significance. Clusters of dwellings exist on smaller lots adjacent to these bushfire hazard areas.

Specific bushfire construction standards apply in designated bushfire prone areas in Victoria. The Bushfire Prone Area Map for Victoria was reviewed and updated on 2 June 2017 and other than some urban areas, all of Macedon Ranges is identified as bushfire prone (Figure 47).

CONSULTATION

Issues identified during discussion with the Country Fire Authority noted the following:

The Bushfire Management Overlay is working effectively, and no additional policy response is required.

There has been an increase in the population of rural areas and there is a wide range of land management and fire prevention knowledge and skills. Preventative practices are critical for reducing fire risk. New migrants to rural areas do not necessarily understand the role of land management and property planning (e.g. grazing of pastures to manage fuel loads) in fire prevention.

Land management practices that can reduce fire risk include preparing fire breaks, managing grass levels, good weed management and stock management. Property planning is also important and can provide safe and easy access and (good road condition and wide gates wide) for fires trucks and emergency vehicles as well as adequate water supply for fire-fighting.

KEY FINDINGS

A large proportion of Macedon Ranges falls within declared water supply catchments. These catchments are important water sources for the region's people, economy and risks posed by development to water quality, human health and environmental values should be avoided. The current policies within the Macedon Ranges contain clear support for water quality protection.

There is a long history of bushfire in Macedon Ranges and high risk areas are identified in regional bushfire assessment and the Bushfire Management Overlay. While these are operating effectively from a planning perspective, bushfire prevention practices of rural landholders are not uniformly optimal. Absentee landholders and inexperienced rural landholders, anecdotally do not understand their responsibilities or have the skills and knowledge to ensure adequate standards of fire prevention. Council will need to consider non-policy responses such as:

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

FIGURE 45: DESIGNATED WATER SUPPLY CATCHMENTS

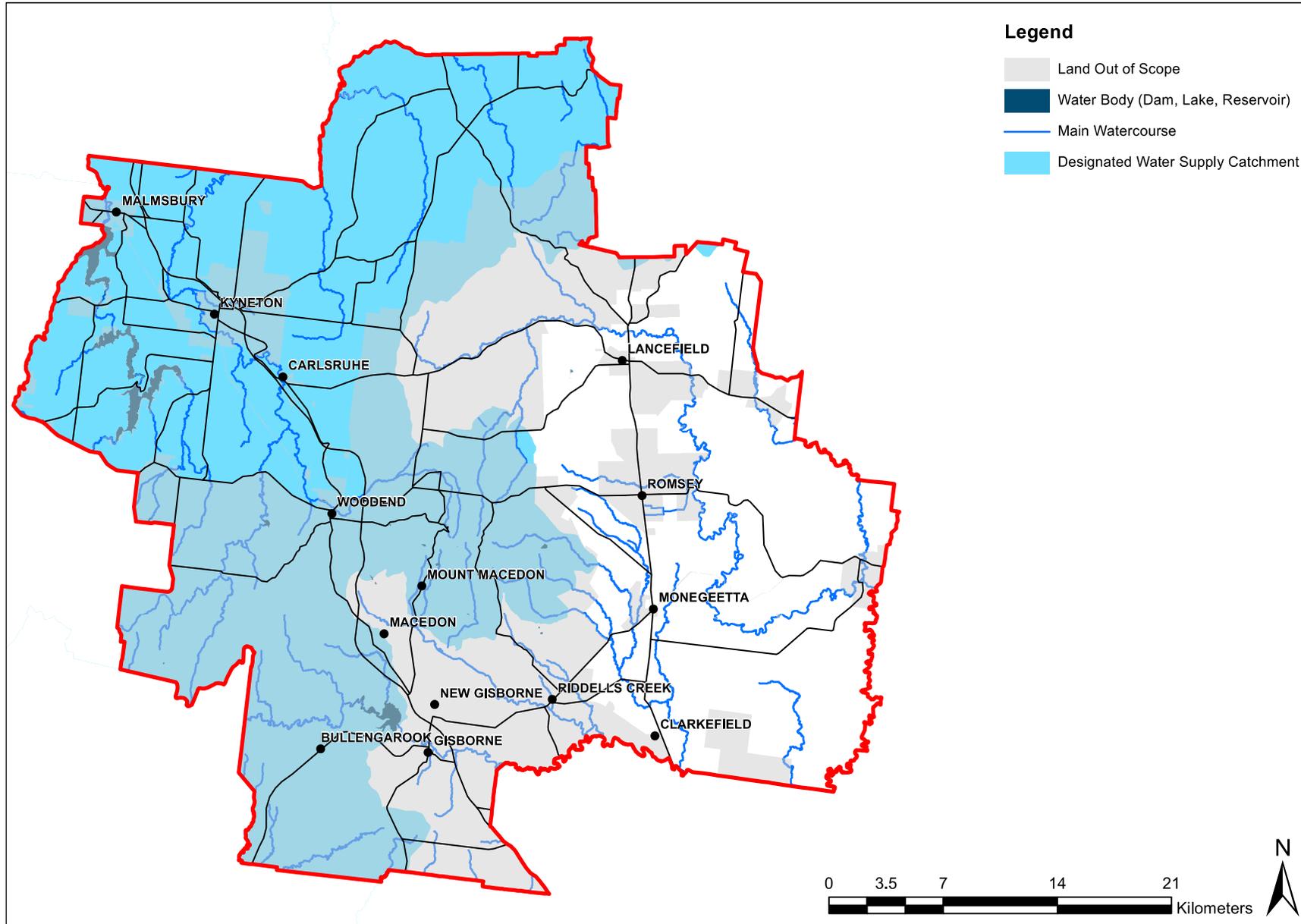
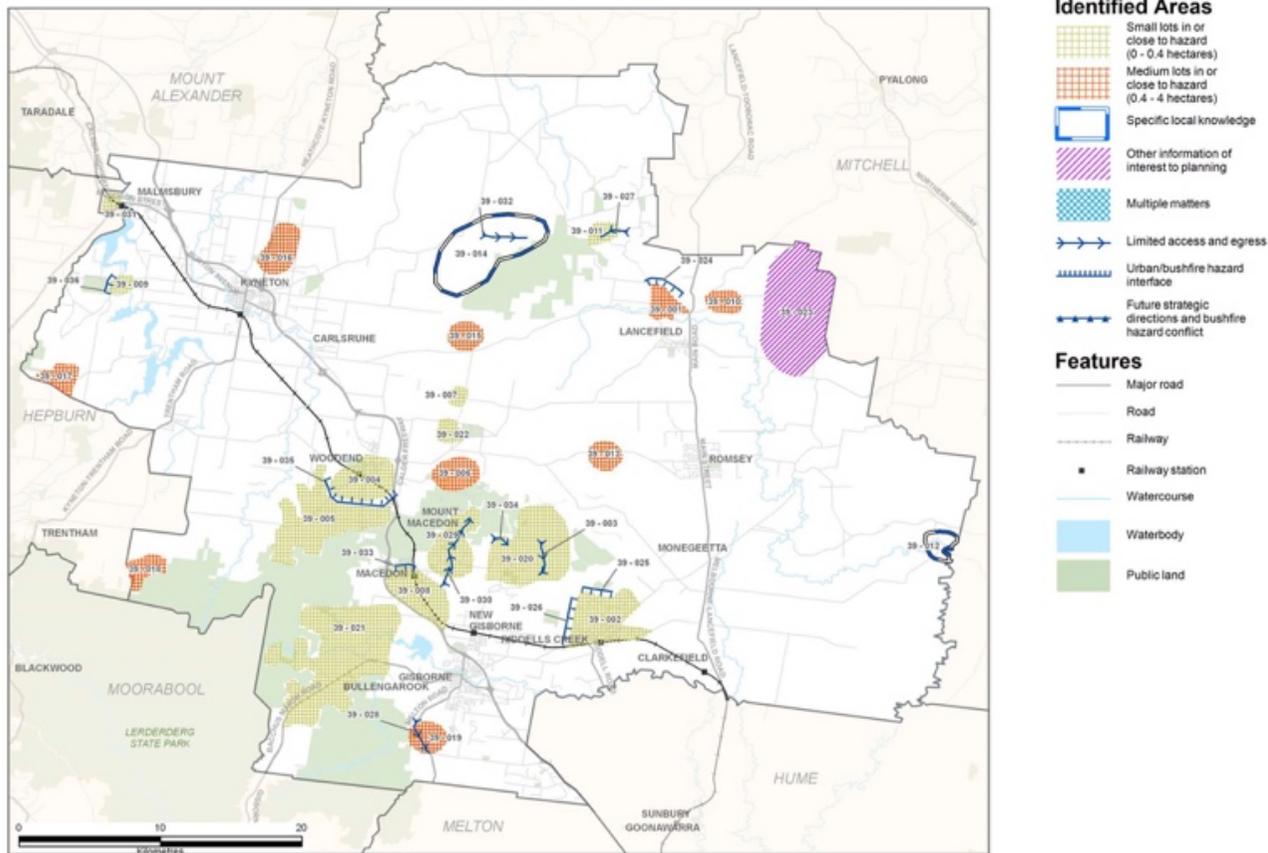
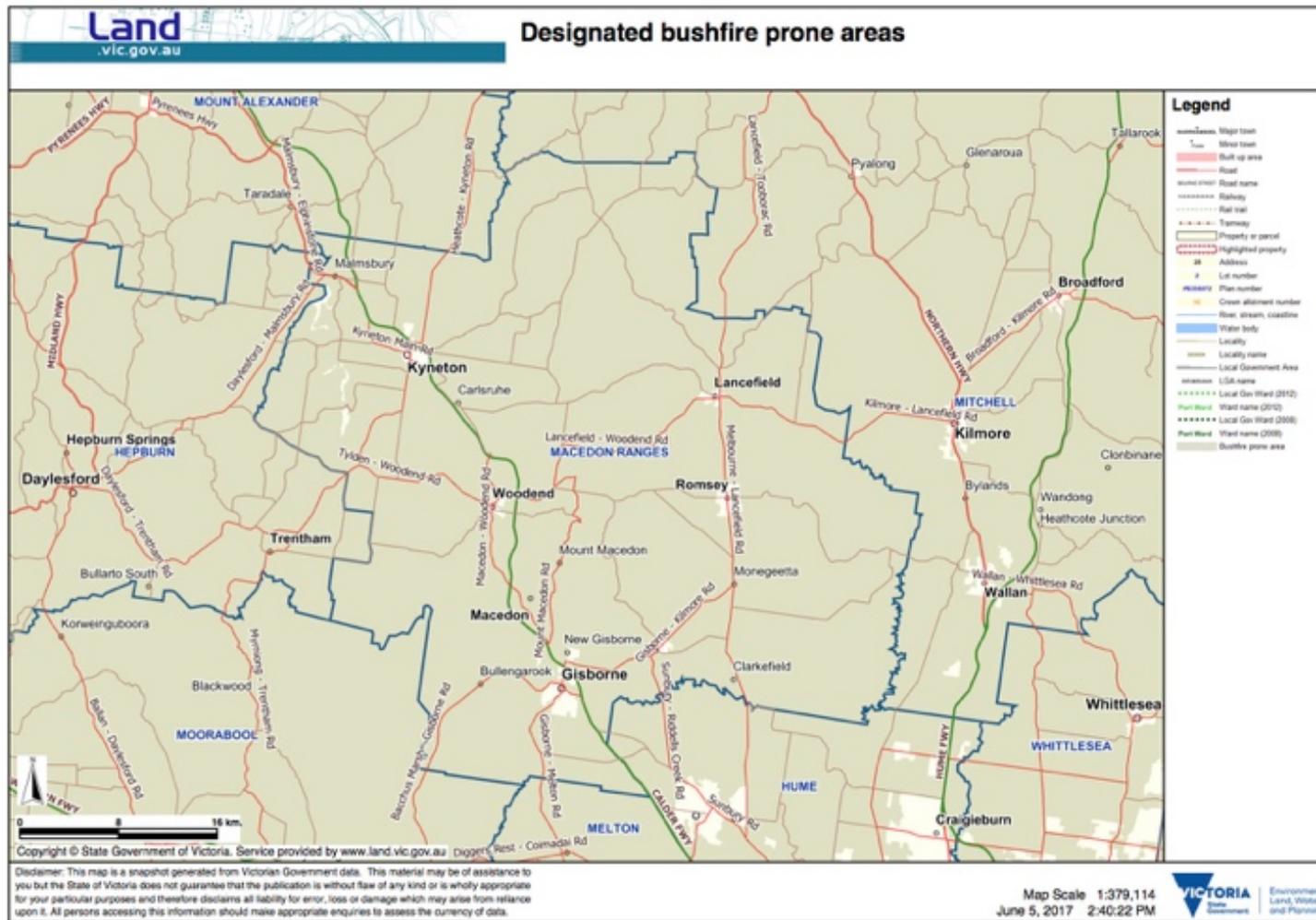


FIGURE 46: BUSHFIRE HAZARD IDENTIFIED AREAS⁴⁵



⁴⁵ Department of Planning and Community Development (2012) Regional Bushfire Planning Assessment; Loddon Mallee Region

FIGURE 47: DESIGNATED BUSHFIRE PRONE AREAS⁴⁶



⁴⁶ <http://services.land.vic.gov.au/maps/bushfire.jsp> accessed 5 June 2017

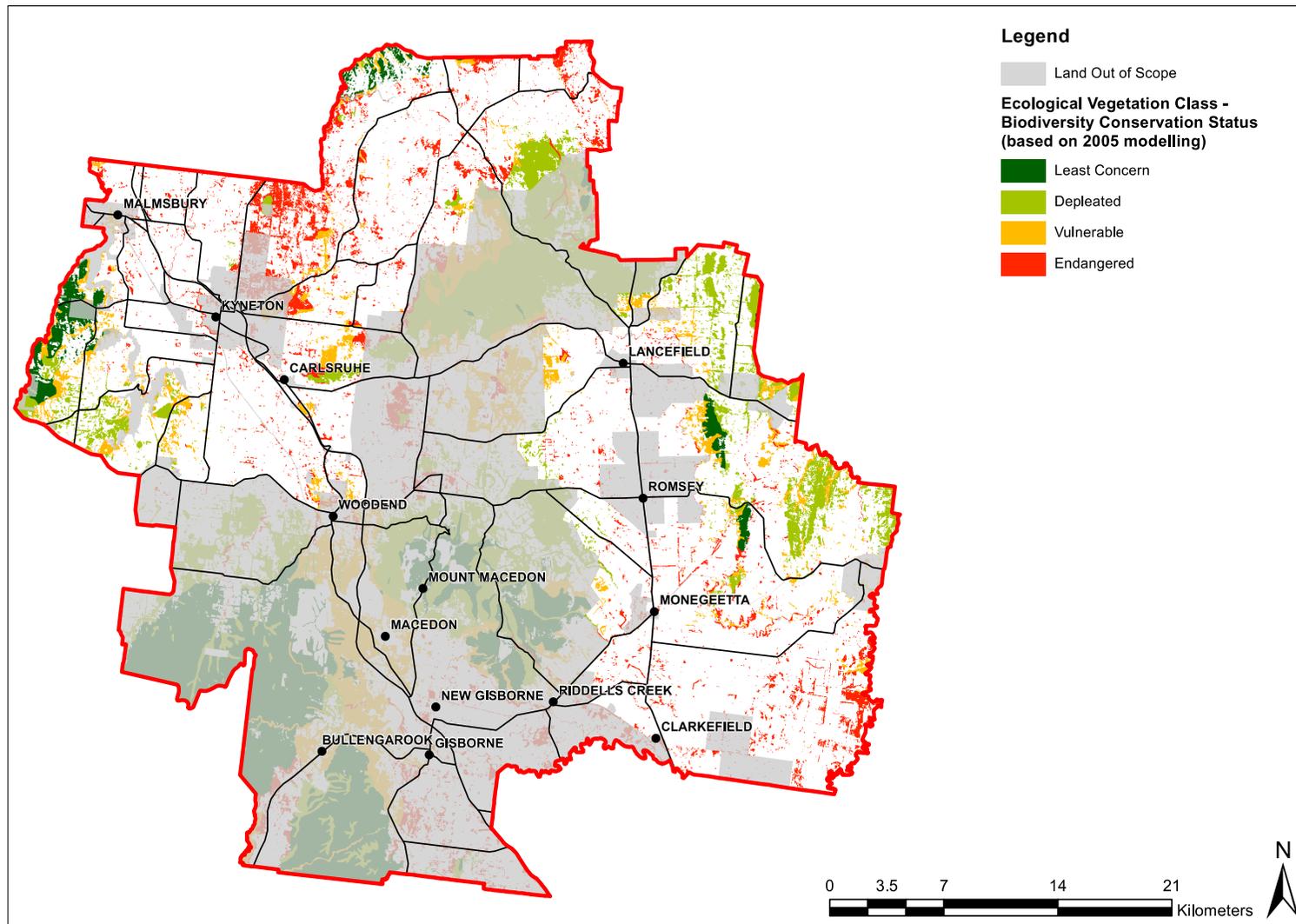
10 Landscape and Environment

The rural landscapes are important to the identity and attraction of Macedon Ranges. The rural landscapes include natural landscapes such as Macedon Ranges National Park, Hanging Rock, Cobaw Ranges, Lerderderg State Park, Mt William and Wombat State Forest. The rural farmed landscape is also an important feature providing long views across the Shire, with scattered vegetation and rural housing.

In 2019 Macedon Ranges completed a Biodiversity Strategy and Landscape Strategy with recommendations for changes to the planning scheme. The Biodiversity Strategy is discussed in further detail in the Rural Conservation Zone Research and Investigation Report.

Landscape Strategy recommendations are being progressed through a separate planning scheme amendment. The Rural Land Use Strategy will need to align with these recommendations.

FIGURE 48: ECOLOGICAL VEGETATION CLASSES⁴⁷



⁴⁷ Department of Environment Water Land and Planning

FIGURE 49: AREAS FOR FURTHER ENVIRONMENTAL ASSESSMENT

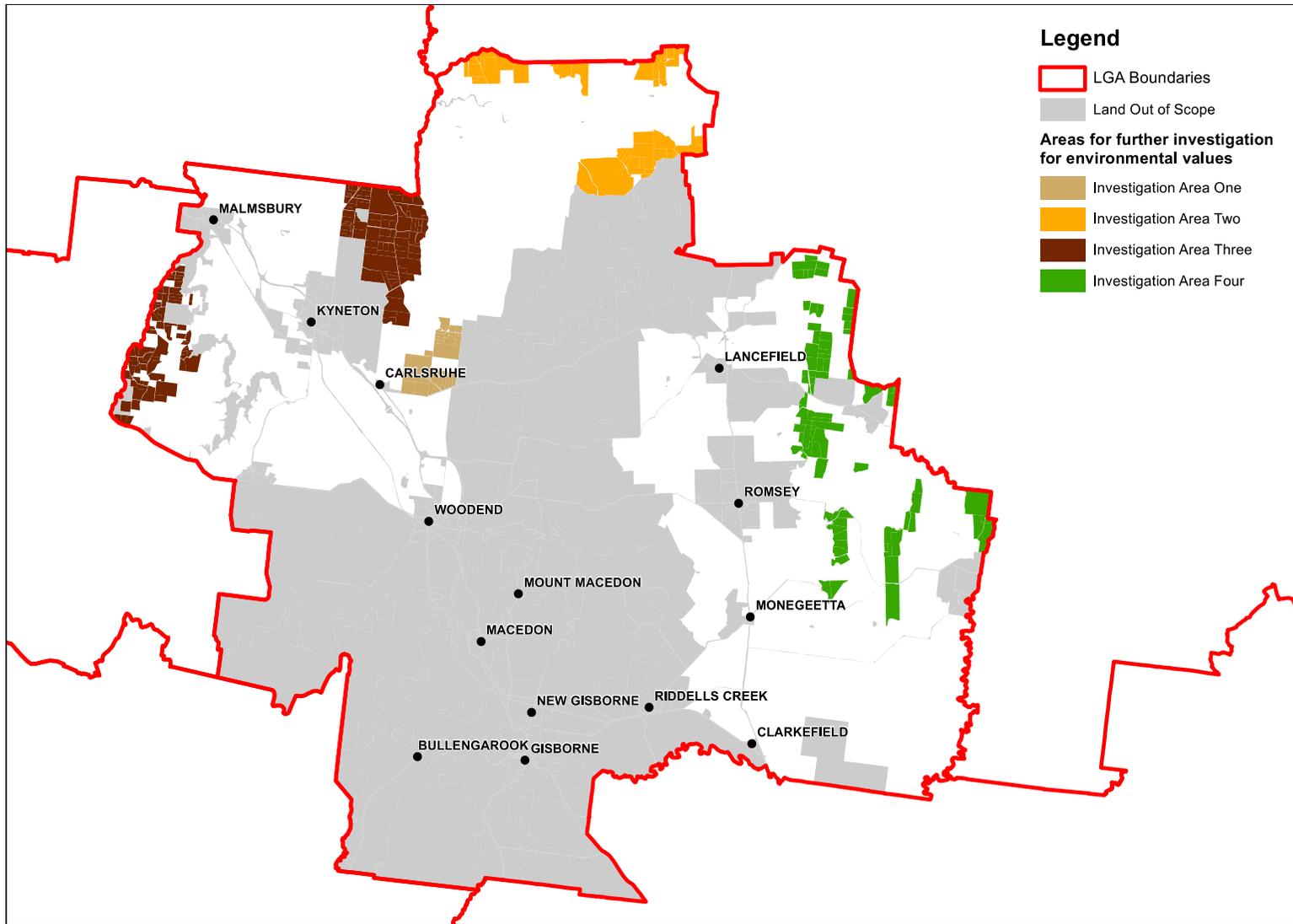
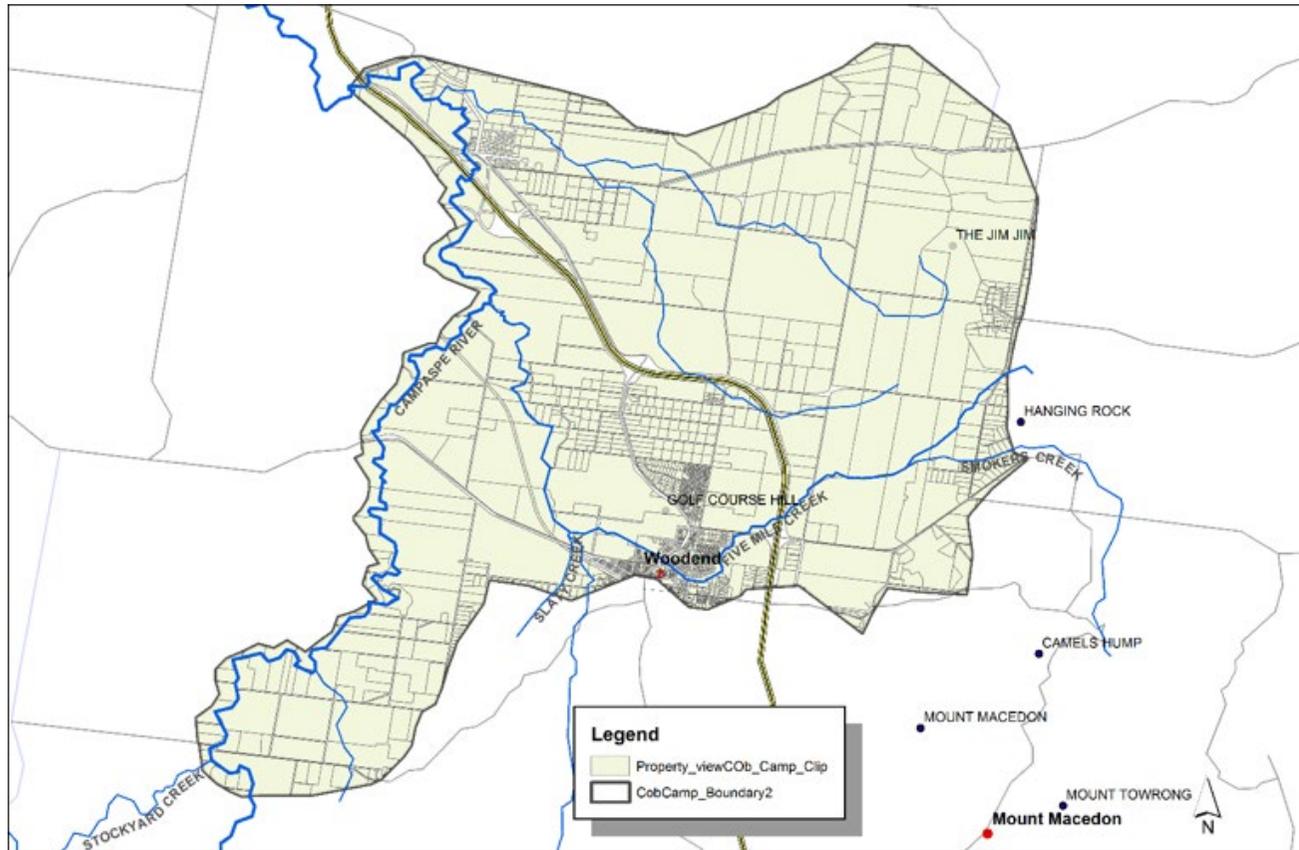


FIGURE 50: COBAW TO CAMPASPE PROJECT AREA⁴⁸



⁴⁸ Cobaw to Campaspe Connections Action Plan (2016) Upper Campaspe Landcare Network

Appendix 1: Planning Policy Framework

Clause 11.01-1S Settlement

Promote the sustainable growth and development of Victoria and deliver choice and opportunity for all Victorians through a network of settlements by:

Support sustainable development of the regional centres of Ararat, Bacchus Marsh, Bairnsdale, Benalla, Castlemaine, Colac, Echuca, Gisborne, Hamilton, Kyneton, Leongatha, Maryborough, Portland, Sale, Swan Hill, Warragul/Drouin and Wonthaggi.

Ensure regions and their settlements are planned in accordance with their relevant regional growth plan.

Create and reinforce settlement boundaries.

Clause 11.01-1R Settlement - Loddon Mallee South

Manage and support growth in Castlemaine, Gisborne, Kyneton and Maryborough as employment and service hubs that reinforce the network of communities in the region.

Maintain non-urban breaks between settlements.

Clause 11.03-3S Peri-urban areas

Manage growth in peri-urban areas to protect and enhance their identified valued attributes.

Identify and protect areas that are strategically important for the environment, biodiversity, landscape, open space, water, agriculture, energy, recreation, tourism, environment, cultural heritage, infrastructure, extractive and other natural resources.

Provide for development in established settlements that have capacity for growth having regard to complex ecosystems, landscapes, agricultural and recreational activities including in Warragul-Drouin, Bacchus Marsh, Torquay-Jan Juc, Gisborne, Kyneton, Wonthaggi, Kilmore, Broadford, Seymour and Ballan and other towns identified by Regional Growth Plans as having potential for growth.

Establish growth boundaries for peri-urban towns to avoid urban sprawl and protect agricultural land and environmental assets.

Enhance the character, identity, attractiveness and amenity of peri-urban towns.

Prevent dispersed settlement and provide for non-urban breaks between urban areas.

Clause 11.03-5S Distinctive areas of state significance

Protect and enhance the valued attributes of identified distinctive areas and landscapes.

Recognise the significant geographic and physical features of these areas.

Protect the identified key values and activities of these areas.

Support use and development where it enhances the valued characteristics of these areas.

Recognise the important role these areas play in the state as tourist destinations.

Avoid use and development that could undermine the long-term natural or non-urban use of land in these areas.

Protect areas that are important for food production.

Develop Localised Planning Statements for the Bellarine Peninsula, Macedon Ranges, Mornington Peninsula and the Yarra Valley and Dandenong Ranges.

Clause 12.01-1S Protection of biodiversity

Assist the protection and conservation of Victoria's biodiversity by:

Use biodiversity information to identify important areas of biodiversity, including key habitat for rare or threatened species and communities, and strategically valuable biodiversity sites.

Strategically plan for the protection and conservation of Victoria's important areas of biodiversity.

Ensure that decision making takes into account the impacts of land use and development on Victoria's biodiversity, including consideration of:

- Cumulative impacts.
- Fragmentation of habitat.
- The spread of pest plants, animals and pathogens into natural ecosystems.

Avoid impacts of land use and development on important areas of biodiversity.

Consider impacts of any change in land use or development that may affect the biodiversity value of national parks and conservation reserves or nationally and internationally significant sites; including wetlands and wetland wildlife habitat designated under the Convention on Wetlands of International Importance (the Ramsar Convention) and sites utilised by species listed under the Japan-Australia Migratory Birds Agreement (JAMBA), the China-Australia Migratory Birds Agreement (CAMBA), or the Republic of Korea-Australia Migratory Bird Agreement (ROKAMBA).

Assist in the identification, protection and management of important areas of biodiversity.

Assist in the establishment, protection and re-establishment of links between important areas of biodiversity, including through a network of green spaces and large-scale native vegetation corridor projects.

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

Protect and enhance river corridors, waterways, lakes and wetlands by:

Protect the environmental, cultural and landscape values of all water bodies and wetlands.

Ensure development responds to and respects the significant environmental, conservation, cultural, aesthetic, open space, recreation and tourism assets of water bodies and wetlands.

Ensure development is sensitively designed and sited to maintain and enhance environmental assets, significant views and landscapes along river corridors and waterways and adjacent to lakes and wetlands.

Ensure development does not compromise bank stability, increase erosion or impact on a water body or wetland's natural capacity to manage flood flow.

Facilitate growth in established settlements where water and wastewater can be managed.

Clause 12.05-1S Environmentally sensitive areas

Protect and conserve environmentally sensitive areas by:

Protect environmentally sensitive areas with significant recreational value from development that would diminish their environmental conservation or recreational values. These areas include the Dandenong and Macedon Ranges, the Upper Yarra Valley, Western Port and Port Phillip Bay and their foreshores, the Mornington Peninsula, the Yarra and Maribyrnong Rivers and the Merri Creek, the Grampians, the Gippsland Lakes and its foreshore, the coastal areas and their foreshores, Alpine areas and nominated urban conservation areas, historic buildings and precincts.

Clause 12.05-2S Landscapes

Protect and enhance significant landscapes and open spaces that contribute to character, identity and sustainable environments.

Ensure significant landscape areas such as forests, the bays and coastlines are protected. Ensure development does not detract from the natural qualities of significant landscape areas.

Improve the landscape qualities, open space linkages and environmental performance in significant landscapes and open spaces, including green wedges, conservation areas and non-urban areas.

Recognise the natural landscape for its aesthetic value and as a fully functioning system. Ensure important natural features are protected and enhanced.

Clause 13.01-1S Natural hazards and climate change

Minimise the impacts of natural hazards and adapt to the impacts of climate change through risk-based planning by

Consider the risks associated with climate change in planning and management decision making processes.

Identify at risk areas using the best available data and climate change science.

Integrate strategic land use planning with emergency management decision making.

Direct population growth and development to low risk locations.

Develop adaptation response strategies for existing settlements in risk areas to accommodate change over time.

Ensure planning controls allow for risk mitigation or risk adaptation strategies to be implemented.

Site and design development to minimise risk to life, property, the natural environment and community infrastructure from natural hazards.

Clause 13.02-1S Bushfire planning Policy application

Strengthen the resilience of settlements and communities to bushfire through risk-based planning that prioritises the protection of human life by

Give priority to the protection of human life by:

Prioritising the protection of human life over all other policy considerations.

Directing population growth and development to low risk locations and ensuring the availability of, and safe access to, areas where human life can be better protected from the effects of bushfire.

Reducing the vulnerability of communities to bushfire through the consideration of bushfire risk in decision making at all stages of the planning process.

Clause 13.01-S Floodplain Management

Assist the protection of: Life, property and community infrastructure from flood hazard; The natural flood carrying capacity of rivers, streams and floodways; The flood storage function of floodplains and waterways; Floodplain areas of environmental significance or of importance to river health by:

Avoid intensifying the impact of flooding through inappropriately located use and development.

Clause 14.01-1S Protection of agricultural land

Protect the state's agricultural base by preserving productive farmland by:

Identify areas of productive agricultural land, including land for primary production and intensive agriculture.

Consider state, regional and local, issues and characteristics when assessing agricultural quality and productivity.

Avoid permanent removal of productive agricultural land from the state's agricultural base without consideration of the economic importance of the land for the agricultural production and processing sectors.

Protect productive farmland that is of strategic significance in the local or regional context. Protect productive agricultural land from unplanned loss due to permanent changes in land use. Prevent inappropriately dispersed urban activities in rural areas.

Protect strategically important agricultural and primary production land from incompatible uses. Limit new housing development in rural areas by:

- Directing housing growth into existing settlements.
- Discouraging development of isolated small lots in the rural zones from use for dwellings or other incompatible uses.

Encouraging consolidation of existing isolated small lots in rural zones.

Identify areas of productive agricultural land by consulting with the Department of Economic Development, Jobs, Transport and Resources and using available information.

In considering a proposal to use, subdivide or develop agricultural land, consider the:

- Desirability and impacts of removing the land from primary production, given its agricultural productivity.
- Impacts on the continuation of primary production on adjacent land, with particular regard to land values and the viability of infrastructure for such production.
- Compatibility between the proposed or likely development and the existing use of the surrounding land.
- The potential impacts of land use and development on the spread of plant and animal pests from areas of known infestation into agricultural areas.
- Land capability.

Avoid the subdivision of productive agricultural land from diminishing the long-term productive capacity of the land.

Give priority to the re-structure of inappropriate subdivisions where they exist on productive agricultural land.

Balance the potential off-site effects of a use or development proposal (such as degradation of soil or water quality and land salinisation) against the benefits of the proposal.

Clause 14.01-2S Sustainable agricultural land use

Encourage sustainable agricultural land use by:

Ensure agricultural and productive rural land use activities are managed to maintain the long-term sustainable use and management of existing natural resources.

Support the development of innovative and sustainable approaches to agricultural and associated rural land use practices.

Support adaptation of the agricultural sector to respond to the potential risks arising from climate change.

Encourage diversification and value-adding of agriculture through effective agricultural production and processing, rural industry and farm-related retailing.

Assist genuine farming enterprises to embrace opportunities and adjust flexibly to market changes.

Support agricultural investment through the protection and enhancement of appropriate infrastructure.

Facilitate ongoing productivity and investment in high value agriculture.

Facilitate the establishment and expansion of cattle feedlots, pig farms, poultry farms and other intensive animal industries in a manner consistent with orderly and proper planning and protection of the environment.

Ensure that the use and development of land for animal keeping or training is appropriately located and does not detrimentally impact the environment, the operation of surrounding land uses and the amenity of the surrounding area.

Clause 14.02-1S Catchment planning and management

Assist the protection and restoration of catchments, water bodies, groundwater, and the marine environment by:

Ensure the continued availability of clean, high-quality drinking water by protecting water catchments and water supply facilities.

Consider the impacts of catchment management on downstream water quality and freshwater, coastal and marine environments.

Retain natural drainage corridors with vegetated buffer zones at least 30 metres wide along each side of a waterway to:

Maintain the natural drainage function, stream habitat and wildlife corridors and landscape values,

Minimise erosion of stream banks and verges, and

Reduce polluted surface runoff from adjacent land uses.

Undertake measures to minimise the quantity and retard the flow of stormwater from developed areas.

Require appropriate measures to filter sediment and wastes from stormwater prior to its discharge into waterways, including the preservation of floodplain or other land for wetlands and retention basins.

Ensure that development at or near waterways provide for the protection and enhancement of the environmental qualities of waterways and their instream uses.

Ensure land use and development minimises nutrient contributions to water bodies and the potential for the development of algal blooms.

Require appropriate measures to restrict sediment discharges from construction sites.

Ensure planning is coordinated with the activities of catchment management authorities.

Clause 14.02-2S Water quality

Protect water quality by:

Protect reservoirs, water mains and local storage facilities from potential contamination.

Ensure that land use activities potentially discharging contaminated runoff or wastes to waterways are sited and managed to minimise such discharges and to protect the quality of surface water and groundwater resources, rivers, streams, wetlands, estuaries and marine environments.

Discourage incompatible land use activities in areas subject to flooding, severe soil degradation, groundwater salinity or geotechnical hazards where the land cannot be sustainably managed to ensure minimum impact on downstream water quality or flow volumes.

Prevent the establishment of incompatible land uses in aquifer recharge or saline discharge areas and in potable water catchments.

Encourage the siting, design, operation and rehabilitation of landfills to reduce impact on groundwater and surface water.

Use the mapped information available from the Department of Environment, Land, Water and Planning to identify the beneficial uses of groundwater resources and have regard to potential impacts on these resources from proposed land use or development.

Clause 15.01-6S Design for rural areas

Ensure development respects valued areas of rural character by:

Ensure that the siting, scale and appearance of development protects and enhances rural character.

Protect the visual amenity of valued rural landscapes and character areas along township approaches and sensitive tourist routes by ensuring new development is sympathetically located.

Site and design development to minimise visual impacts on surrounding natural scenery and landscape features including ridgelines, hill tops, waterways, lakes and wetlands.

Clause 17.01-1R Diversified economy - Loddon Mallee South

Support the ongoing role and contribution of the region's small towns, settlements and non-urban areas through investment and diversification of their economies.

Support and develop emerging and potential growth sectors such as tourism, renewable energy, resource recovery and other green industries.

Facilitate new manufacturing and food processing industries that build on supply chains and take advantage of well-located and affordable land.

Facilitate access to natural resources where appropriate, including sand and stone, minerals, timber and renewable energy potential.

Clause 17.04-1S Facilitating tourism

Encourage tourism development to maximise the economic, social and cultural benefits of developing the state as a competitive domestic and international tourist destination by:

Encourage the development of a range of well-designed and sited tourist facilities, including integrated resorts, accommodation, host farm, bed and breakfast and retail opportunities.

Seek to ensure that tourism facilities have access to suitable transport.

Promote tourism facilities that preserve, are compatible with and build on the assets and qualities of surrounding activities and attractions.

Create innovative tourism experiences.

Encourage investment that meets demand and supports growth in tourism.

Clause 17.04-1R Tourism - Loddon Mallee South Strategies

Facilitate tourism opportunities in appropriate locations near heritage places and natural environments.

Appendix 2: Local Planning Policy Framework

Clause 21.05 – Environment and Landscapes

21.05-1: Biodiversity and native vegetation management

Conserve the biodiversity values of the Shire by protecting, enhancing, managing and restoring indigenous vegetation and fauna habitat by:

Avoid the removal of remnant vegetation with high ecological values.

Maintain biodiversity through the protection of remnant vegetation by diligently applying the Permitted clearing of native vegetation – Biodiversity assessment guidelines to the removal of all native vegetation on public and private land.

Ensure applications for permits demonstrate existing native vegetation will not be compromised.

Protect and facilitate appropriate management of indigenous vegetation on privately owned land to ensure its biodiversity values, including indigenous fauna values, continue into the future.

Improve biodiversity values in rural areas by actively managing vegetation within land use and development proposals.

Enhance vegetation links, habitat corridors and stabilise waterways through encouraging revegetation.

Enhance and restore the ecological viability of significant areas of vegetation through the creation and maintenance of biolinks.

Encourage larger lots in areas where there is significant remnant native vegetation.

Protect areas of high ecological value from further fragmentation of existing lots.

Encourage re-subdivision and consolidation of lots where such development will better support the vision for the area identified in Clause 21.03-3 than the existing lot pattern.

Develop a substantial biolink between the Macedon and Cobaw Ranges in the area identified as 'Cobaw biolink' in Clause 21.03-3 Rural Framework Plan and protect the character and landscapes of the area by:

Encourage revegetation in locations where it can best contribute to the Cobaw biolink.

Protect and enhance the existing forest mosaic in the Living Forest area identified on the Rural Framework Plan in Clause 21.03-3 for its environmental, character and landscape values by

Enhance and maintain the mosaic of the area by encouraging appropriate revegetation and discouraging inappropriate development.

Application requirements

An application to use, develop or subdivide land or carry works must be accompanied by the following information, as appropriate:

- A comprehensive assessment demonstrating that the lot can support a dwelling, associated infrastructure and appropriate fire protection buffers without requiring the removal or destruction of existing native vegetation.
- An environmental management plan for new use and development. This may be registered by the responsible authority as part of an application for subdivision, use or development of land.

An application to use, develop or subdivide land or carry out works in the Cobaw biolink area must be accompanied by the following information, as appropriate:

- Proposals for a dwelling must include plans for revegetation of an area of 1 hectare or 10 per cent of the property area, up to 5 hectares, whichever is greater. This requirement may not apply if the property already contains 5 hectares of remnant native vegetation that can be incorporated into the biolink.
- Revegetation species to the satisfaction of responsible authority.
- An ongoing management plan for revegetated areas or areas of remnant native vegetation. This ongoing management plan may provide for weed management and fencing. This management plan may be tied to the property through a Section 173 Agreement.

Decision guideline

When deciding on an application to use, develop or subdivide land, the responsible authority may consider whether on-property works are required to enhance existing native vegetation, as appropriate. These works may include fencing of remnant vegetation, revegetation of critical areas such as contributing to vegetation links or enhancing the sustainability of existing stands.

21.05-2 Significant environments and landscapes

Maintain and enhance the existing rural landscapes by:

Ensure development and works complement the Shire's rural landscape character.

Protect the landscape, environmental and scenic qualities of the Macedon Ranges.

Encourage sensitive subdivisions designs with use of larger lots and building envelopes to minimise landscape and environmental impacts for land supporting areas of vegetation or adjacent to waterways or the Calder Freeway.

Maintain and enhance the open character of the plains area of the south east of the Shire by:

Ensure development is a subservient visual element into the open plain areas.

Discourage urban development within the non-urban buffer to the south east of the Shire between Mount Macedon and metropolitan Melbourne.

Enhance the rural open character of the area by requiring significant landscaping of development.

Protect and enhance the farming character of the Agricultural Landscapes area identified in the Rural Framework Plan in Clause 21.03-3 by:

Discourage new buildings from siting proximate to prominent ridgelines and landscape features and ensure appropriate siting and design of buildings and works.

Maintain and enhance the ranges, major hills and ridges as significant visual backdrops to the Shire by:

Protect the rural landscapes and bushland setting of the Shire's towns by preserving non-urban breaks between towns.

Ensure rural living subdivisions are designed to promote the rural character of the area, protect existing remnant native vegetation, provide for productive use of higher quality soils and minimise impact on significant landscapes and viewsheds, such as to and of Mount Gisborne, Mount Aitken, the Macedon Ranges and creek escarpments such as Jacksons and Riddells Creeks.

Avoid development on prominent ridgelines and hilltops and ensure development within view sheds to the Shire's backdrop of ranges, hills and ridges does not detract from their significance as a land range feature.

Protect and enhance sites of geological significance by:

Preserve sites of geological significance by minimising impacts of land use and development.

Recognise the landscape importance of the Shire's volcanic cones and peaks.

Discourage new buildings from siting proximate to sites of geological significance that are prominent landscape features.

Preserve significant exotic and native vegetation as a fundamental component of the Shire's character and landscape by:

Encourage the retention and enhancement of all remnant vegetation and exotic vegetation which contributes to the landscape quality or character of the area.

Recommendations for further strategic work relevant to this study includes:

Undertake a landscape assessment of the Shire, which includes a review of the application of the Significant Landscape Overlay and schedules.

Clause 21.06 – Environmental Risks

21.06-2 Soil degradation and contamination

Avoid significant land disturbance by:

Ensure waste water management systems are only located on land with appropriate capability.

Avoid development on slopes over 20 per cent or land subject to subsidence or landslip.

Ensure any development of land on slopes of over 20 per cent minimises soil disturbance and vegetation removal.

Ensure that new dams do not add to environmental and landscape degradation issues.

Reduce the occurrence and impact of soil erosion and salinity in the Shire and the region by:

Promote the use of deep rooted species in the revegetation of areas, including recharge areas, where appropriate.

Promote the planting of vegetation windbreaks to reduce wind erosion.

Promote the fencing of waterways to avoid erosion from animal activities.

Encourage the use of appropriate erosion control techniques and measures.

Ensure development does not add to existing issues in the plains to the north of the Shire.

Application requirements

An application to use, develop or subdivide land must be accompanied by the following information where the responsible authority considers that erosion risk may exist:

- A land capability assessment of the site, prepared by an appropriately experienced or qualified land management specialist, identifying those areas

which may be subject to erosion and how development, including, access and servicing, will be located and managed to prevent erosion or landslip.

- A detailed environmental management plan, which includes proposal for the ongoing maintenance of soil stability.

Decision guidelines

When deciding on an application to use, develop or subdivide land, the responsible authority may consider, as appropriate:

- Whether to impose conditions for land at risk from erosion requiring works to be undertaken to minimise this risk, such as revegetation of gullies and steep slopes.
- Land capability studies and the advice of any relevant land management agency.

21.06-3 Bushfire

Prioritise fire risk in planning decisions, avoid increasing bushfire risk and minimise exposure of people to bushfire risk by:

Prioritise fire risk as a critical consideration.

Use a risk management framework when considering fire risk.

Ensure that where development opportunities already exist, development in rural areas and on the fringes of urban areas is sited and designed to minimise risk from bushfire by:

Direct residential development opportunities to parts of settlements where the threat to people and property from fire is limited.

Ensure development is sited to avoid steep slopes, highly vegetated areas and other areas identified as being at high risk from bushfire.

Ensure access to properties in areas considered to be at high risk from bushfire is sited and designed to provide for safe egress and ingress of residents and emergency vehicles.

21.06-4 Flooding

Ensure the future use and development of land prone to flooding minimises the consequences of inundation by:

Discourage new use and development on land prone to flooding.

Ensure that appropriate drainage and flood protection standards are met in use and development.

Require development to appropriately respond to flood mapping.

Maintain the role of floodways in the environment by:

Ensure the natural drainage functions are retained in the development of land for residential purposes.

Clause 21.07 Natural Resource Management

21.07-1 Agriculture

Protect agricultural land by:

Support the continuation of agricultural activity.

Encourage the use and management of land for agriculture to address the potential impacts of climate change, including the likelihood of more frequent and more extreme droughts, flooding and bushfires.

Discourage conversion of productive agricultural land to non-productive uses.

Ensure proposed development demonstrates how it relates to the ongoing productive use of the land for agricultural purposes and does not promote rural lifestyle development.

Provide for sustainable, productive agriculture within the Northern Catchments and Agricultural Landscapes areas identified on the Rural Framework Plan in Clause 21.03, discourage land use and development that is contrary to the vision for these areas and limit expectations of land use change and speculation by:

Discourage the creation of additional lots in the area as fragmentation of existing lots and an increased density of lots would threaten the vision for these areas to maintain agricultural productivity.

Avoid subdivision, excision of a house lot or construction of a dwelling that does not support the continued use of the land for productive, sustainable agriculture.

Ensure development, including dwellings, relates to agricultural production and is supported by land capability assessments.

Protect the quality soils of land with high capability for agriculture by:

Direct residential development away from locations of higher quality productive agricultural land.

Ensure development considers land capability characteristics and does not degrade the quality of the soils.

Ensure high quality and highly adaptable agricultural land is protected for agricultural use by encouraging best practice land use management including the use of deep ripping, minimum tillage and pasture rotation to restore fragile soil.

Maximise benefit from high value agriculture by:

Maintain productive farm sizes.

Evaluate agricultural land uses relative to suitability of soil type, climatic conditions and protection of land and water resources.

Encourage the development of alternative agricultural activities in appropriate parts of the Shire by:

Support the productive potential of the agricultural and horticultural industry and actively encourage sustainable management of land and water resources.

Facilitate productive agricultural activity and ensure new development is related to the ongoing, productive use of the land for agriculture by:

Discourage re-subdivision, excision of a house lot or construction of a dwelling unless it can be demonstrated it is required to facilitate or enhance the ongoing primary use of the land for productive, sustainable agriculture.

Ensure new use or development relate to the productive use of the land for agriculture.

Ensure any use of the land for residential activity is secondary or ancillary to the primary agricultural use of the land.

Encourage any dwelling and/or outbuildings to be located on poorer quality land where it will not compromise efficient agricultural use of the land.

Application requirement

An application for agricultural industries must provide an assessment of the sustainability of the proposed development and how the impact on residents, landscape quality and the general environment is limited.

An application to use or develop land must be accompanied by the following information, as appropriate:

- A report that comprehensively justifies the proposed development is required for the continuation or enhancement of the agricultural use of the land. This justification must include how the land is to be used for sustainable, productive agriculture, including details of the proposed stock or crop, stocking rates, type and location of fencing, paddock rotations, pasture species, weed control and other management activities, as appropriate.
- A 'whole farm plan'. This plan must demonstrate how the land is to support sustainable agriculture as the primary land use. The plan must include such initiatives as fencing that relates to land units, fencing of remnant vegetation, fencing of gullies and waterways, revegetation of hill tops, gullies and waterways, revegetation of areas prone to erosion and revegetation of areas prone to groundwater discharge, as appropriate.

Decision guideline

When deciding on an application for rural residential development, the following matter will be considered, as appropriate:

- An impact assessment of the proposed development in terms of implications for existing and proposed infrastructure and continued rural land use.

Specific implementation

Apply the Farming Zone to appropriate areas to support agricultural activities and protect productive agricultural land.

Apply Clause 22.02 (Dams) local planning policy when considering an application to construct a dam or carry out works to a dam to prevent construction of dams in environmentally sensitive areas, and to prevent obstruction to environmental flows from streams and waterways.

Apply Clause 22.03 (Intensive animal husbandry) local planning policy when considering applications for intensive animal husbandry to ensure developments are suitably located and will not have a negative impact on the environment.

Initiate programs to encourage best practice land use management.

Support value adding to local agricultural produce where possible.

Assist agricultural industries to meet their employment and training needs.

Build strong partnerships with government agencies, industry associations/organisations and education providers to assist in growing business.

Encourage good environmental and farm management practices through working with community groups such as Landcare.

Undertake projects that manage environmental weeds in conjunction with landholders, Landcare and other community groups, the Department of Environment and Primary Industries and Catchment Management Authorities.

Further strategic work

Undertake further work to understand productive farm sizes in Macedon Ranges Shire.

Undertake further work to provide appropriate planning provisions to support the equine industry in the Shire.

21.07-2 Sustainable rural land management

Ensure land in rural areas is managed in a sustainable manner to improve the condition of the environment by:

Encourage use and development that enhances the condition of the natural resource base and provides positive environmental outcomes.

Encourage and facilitate the eradication of pest, plants and environmental weeds throughout the Shire.

Further strategic work

Investigate the location of high quality agricultural land in partnership with Department of Environment and Primary Industries.

21.07-3 Water

Retain and improve water quality and yield in the Special Water Supply Catchments, waterways and groundwater by:

Promote the development of reticulated sewerage systems for towns within the Special Water Supply Catchments.

Direct development to settlements where reticulated sewer systems are available.

Discourage uses and development in Special Water Supply Catchments and elevated areas that have the potential to reduce water quality.

Ensure use and development, including dwellings, on land which cannot be serviced by a reticulated sewerage system is designed, sited, managed and maintained to prevent the contamination of water supplies in the catchment.

Ensure the design of effluent disposal systems is suitable to the soil type and topography of the site and land capability assessments demonstrate development and use will not compromise water quality.

Encourage larger lots where there are drainage lines, waterways and steep slopes.

Require on site property works that enhance water quality. These works may include fencing of gullies and waterways and revegetation of gullies and waterways.

Ensure the natural drainage functions are retained in the development of land for residential purposes.

Protect waterways from erosion and other water pollution sources, such as intensive animal husbandry, by the provision of appropriate buffers.

Require commercial, residential or industrial uses to demonstrate the activity will provide a net benefit to the health of the waterway.

Ensure the development and use of agricultural land does not adversely impact water quality in the catchments by:

Consider agricultural land use and development proposals relative to land capability.

Require a land capability assessment to support development proposals.

Application requirement

An application to use or develop land in a Special Water Supply Catchment must be accompanied by the following information, as appropriate:

- A report prepared by an appropriately qualified person that conclusively demonstrates that the proposal will not compromise water quality and is consistent with any land use determination applicable to the land.

It is policy to:

Not support the clearance of vegetation within 20 metres of a watercourse without the consent of the relevant water authority.

Decision guidelines

When deciding on an application to use or develop land in a Special Water Supply Catchment, the following matter will be considered, as appropriate:

Any relevant catchment management strategy for the area.

Clause 21.10 Economic Development and Tourism

21.10-2 Tourism

Enhance the tourism potential of towns within the municipality by:

Facilitate appropriate economic development in areas of the Shire that have tourism, recreation or environmental attractions.

Facilitate improvements to the function, design and presentation of town centres and entrances to enhance the area's tourism appeal.

Encourage extended retail and hospitality opening hours to coincide with events, festivals and public holidays.

Facilitate provision of some 200 guest rooms out to 2021.

Encourage accommodation facilities within Kyneton and Woodend.

Encourage development of a range of well-designed and sited tourist facilities including integrated resorts, motel accommodation and smaller scale operations such as host farm, bed and breakfast and retail opportunities which have regard for environmental and character constraints.

Encourage tourism developments related to food and wine, holistic well-being, arts and crafts, viticulture and other agriculturally based tourism.

Encourage sustainable tourism growth compatible with the cultural and natural values of the Shire by:

Ensure tourism facilities are compatible with and build upon the assets and qualities of surrounding urban or rural activities and natural attractions.

Ensure tourism development does not adversely impact on water quality in Special Water Supply Catchments.

Encourage accommodation, tourism developments tourist related industries that protect the natural environment, heritage and town character.

Enable accommodation and tourism developments outside settlement that enhance environmental values, protect significant landscapes and support the achievement of the visions for non-urban areas in Clause 21.03-3.

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22-M-12

Doc Version	Final/Draft	Date	Author	Reviewed by	Quality checked	Release approved by	Issued to
1.0	Working Draft	18.6.2017	S McGuinness J McRobert	S McGuinness	S McGuinness	S McGuinness	Macedon Ranges
2.0	Draft	13.9.2017	S McGuinness	S McGuinness	S McGuinness	S McGuinness	Macedon Ranges
3.0	Final	6.4.2020	S McGuinness	S McGuinness	S McGuinness	S McGuinness	Macedon Ranges
4.0	Final	21.6.2020	S McGuinness	S McGuinness	S McGuinness	S McGuinness	Macedon Ranges