



**RMCG**

MACEDON RANGES  
**Rural Land Use Strategy**

DRAFT FOR CONSULTATION

SEPTEMBER 2020

## **ACKNOWLEDGEMENT OF TRADITIONAL OWNERS**

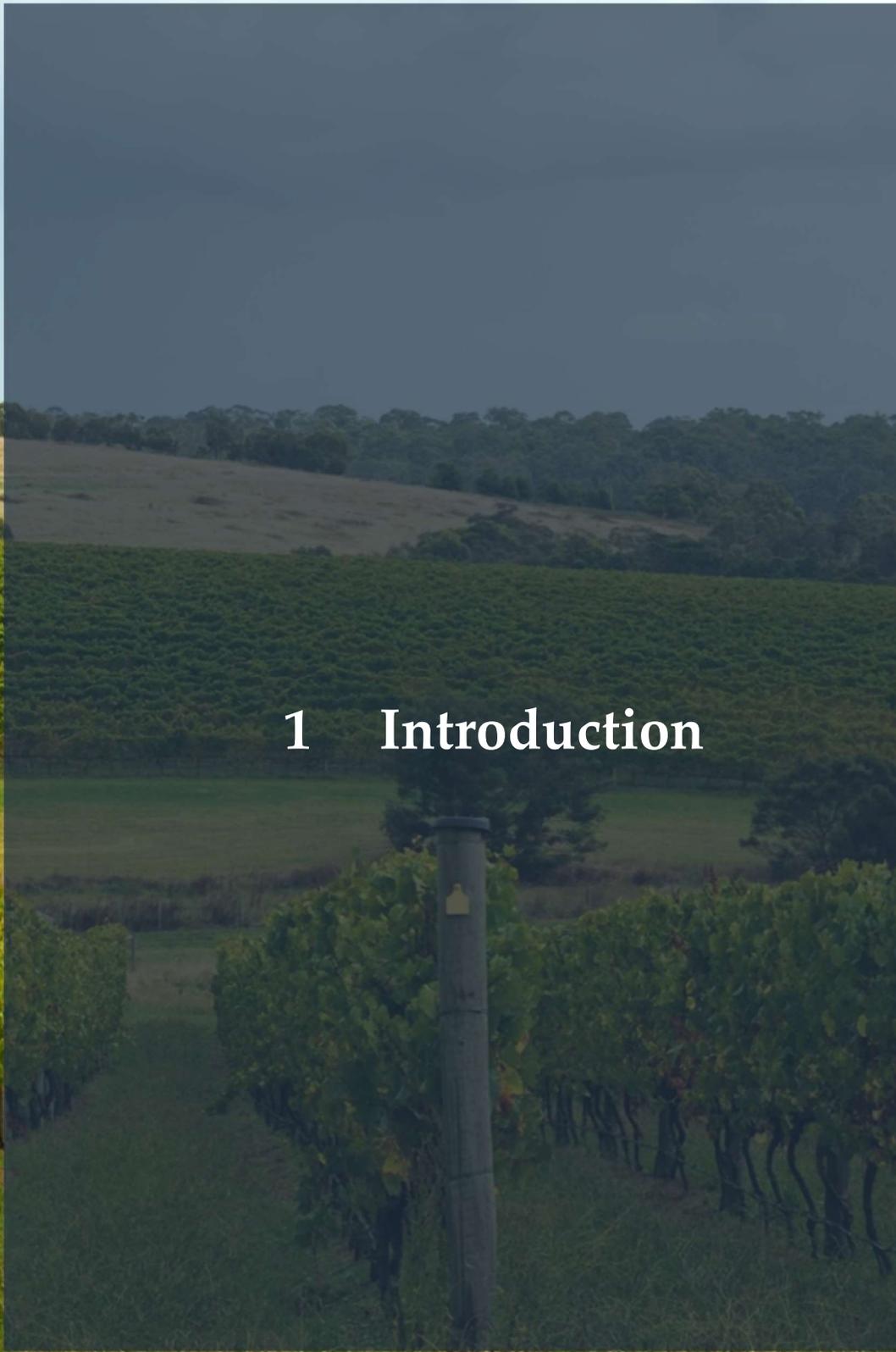
Macedon Ranges Shire Council acknowledges the Australian Aboriginal and Torres Strait Islander peoples of this nation.

We acknowledge the Dja Dja Wurrung, Taungurung and Wurundjeri Peoples the traditional owners and custodians of the land, and along with the Wathaurung and Boon Wurrung, make up the federation of the Kulin Nation. We pay our respects to ancestors and Elders, past and present.

Macedon Ranges Shire Council is committed to honouring Australian Aboriginal and Torres Strait Islander people's unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.

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# 1 Introduction

# MACEDON RANGES RURAL LAND USE STRATEGY

In 2006, Macedon Ranges Shire Council introduced a planning scheme amendment to implement the key recommendations of the shire's inaugural 2002 Rural Land Strategy. The Strategy identified critical issues facing the shire arising from growing competition for rural land. The strategic directions articulated by the 2002 Rural Land Strategy underpin the current suite of rural planning policies. Since 2006 there have been changes in the shire's rural areas, a raft of state and local strategies have been adopted and Ministerial amendments to the suite of rural zones have been gazetted, all of which have implications for rural land use and development.

## THIS STRATEGY

This draft Rural Land Use Strategy updates the rural framework plan and policy directions for rural land having regard to the changing nature of rural land use, the strategic and policy context and the unique circumstances associated with Macedon Ranges Shire's peri-urban location.

The key components of this draft Rural Land Use Strategy comprise:

- Vision and Principles
- Rural framework plan
- Strategic Objectives
- Implementation

## STUDY AREA

The study area incorporates all private rural land within the Farming Zone and Rural Conservation Zone in Macedon Ranges Shire. Land use on public, urban and rural living zoned land is considered where it impacts use and development of land within the scope of this study. Council recently completed a review of rural residential development and the Rural Living Zone. Identification of additional land for rural living is therefore not considered by this Strategy.

## APPROACH

Preparation of the draft Rural Land Use Strategy commenced in 2017 with the *In the Farming Zone* project which produced a Research and Investigations Report, incorporating comprehensive stakeholder engagement, an extensive landholder survey and a draft *In the Farming Zone Strategy*. It was acknowledged at the time, that the review would ideally encompass all land in the Farming Zone and Rural Conservation Zone, however there was not the resources available at the time to do so.

Since 2017, Macedon Ranges Shire Council has completed strategic work including a planning scheme review, Biodiversity Strategy and Landscape Assessment Study. In 2019, in response to this strategic work and review of the draft Farming Zone Strategy, Council widened the scope of the Farming Zone review to include land within the Rural Conservation Zone. A Rural Conservation Zone Research and Investigations Report, including further stakeholder engagement and landholder survey, was produced prior to preparing this draft Rural Land Use Strategy.

The key stages and deliverables in the development of the draft Rural Land Use Strategy include:

### STAGE 1

- Farming Zone Research and Investigation Report
- Farming Zone Landholder Survey
- Farming Zone Macedon Ranges Community Survey
- Farming Zone Stakeholder engagement
- Rural Conservation Zone Research and Investigation Report
- Rural Conservation Zone Landholder Survey
- Rural Conservation Zone Macedon Ranges Community Survey
- Rural Conservation Zone Stakeholder engagement

### STAGE 2

- Draft Rural Land Use Strategy
- Public Exhibition
- Draft Rural Land Use Strategy

## MACEDON RANGES

Macedon Ranges Shire is located around 75 kilometres west of Melbourne and marks the transition from peri-urban Melbourne to north west regional Victoria. 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 (Figure 1).

The shire's current population is around 49,388 of which, around 35% live outside a town boundary in a rural setting. Around half the shire's residents commute to other centres such as Melbourne, Geelong and Bendigo for work. Population and employment growth in nearby settlements within the Metropolitan Urban Growth Boundary and increased accessibility arising from the proposed Outer Melbourne Ring Road will have significant flow-on effects into Macedon Ranges Shire.

The importance of agriculture to the Shire's economy has diminished, and provided 5% of employment and 5% of output in 2016. The main employment sectors now include health care, retail trade and education and the main economic sectors are manufacturing, rental and real estate services and construction.

Macedon Ranges Shire rural areas 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 Rossllynne reservoirs supplying water to towns from Gisborne through to Bendigo and the Calder Freeway and VLine railway line connecting Melbourne to north-west Victoria.

## ENGAGEMENT

Stakeholders and the Macedon Ranges Shire community have informed the development of the draft Rural Land Use Strategy. During Stage 1, a comprehensive program of consultation was undertaken comprising small group meetings and interviews with stakeholders, surveys of landowners in the Farming Zone and Rural Conservation Zone and the wider Macedon Ranges Shire community.

Stakeholders, including government agencies and industry representatives that contributed to the project included: Country Fire Authority, Western Water, Coliban Water, Upper Deep Creek Landcare Network, Clarkefield and District Landcare Group, Upper Campaspe Landcare Network, Newham & District Landcare Group, Taungurung

Registered Aboriginal Party, Wurundjeri Registered Aboriginal Party, Macedon Ranges Agribusiness Forum, Macedon Ranges Equine Industry Network, North Central Catchment Management Authority, Macedon Ranges Council including representatives from the Strategy Planning, Statutory Planning, Economic Development, and Environmental departments.

The overarching messages from the community and stakeholders regarding rural land in Macedon Ranges Shire included:

The rural areas are host to highly valued and important environmental and landscape values and potable water supply catchments, and protection and enhancement of these values is widely supported.

Landholders are attracted to the Macedon Ranges for the rural lifestyle it affords and by its proximity to Melbourne. Their motivation for living in the rural areas varies. Some are seeking a rural retreat, others to live in bush setting, to run a hobby farm or conduct a commercial scale agricultural or equine business or tourism business.

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.

As more people reside in and visit the rural areas, there is increasing conflict between land uses and landholder expectations and aspirations.

Over 1,200 people responded to the landholder surveys and contributed their thoughts on: the performance of the planning scheme as it relates to rural land; the values of rural land that are important and warrant protection; and; their aspirations for the future of rural land.

Key findings from the surveys of landholders in the Farming Zone include:

Land was purchased for rural lifestyle

Most owners of vacant land intend to build a dwelling in the future

The property is the primary place of residence for 80% of landholders that own a property with a dwelling

50% of landholders earn income from the land

70% earn less than \$70,000 per annum or less than 30% of household income

High land values inhibit farm expansion

Future business opportunities includes produce sales and accommodation.

Key findings from the surveys of landholders in the Rural Conservation Zone include:

Land was purchased for a rural lifestyle on a 'bush block'

Most owners of vacant land want to build a dwelling in the future

The property is the primary place of residence for 88% of landholders that own a property with a dwelling

20% of landholders earn income from the land, primarily from agriculture

Future business opportunities include agriculture and tourism

Strong agreement with the importance of protecting the environment.

The draft Rural Land Use Strategy will need to provide a framework to:

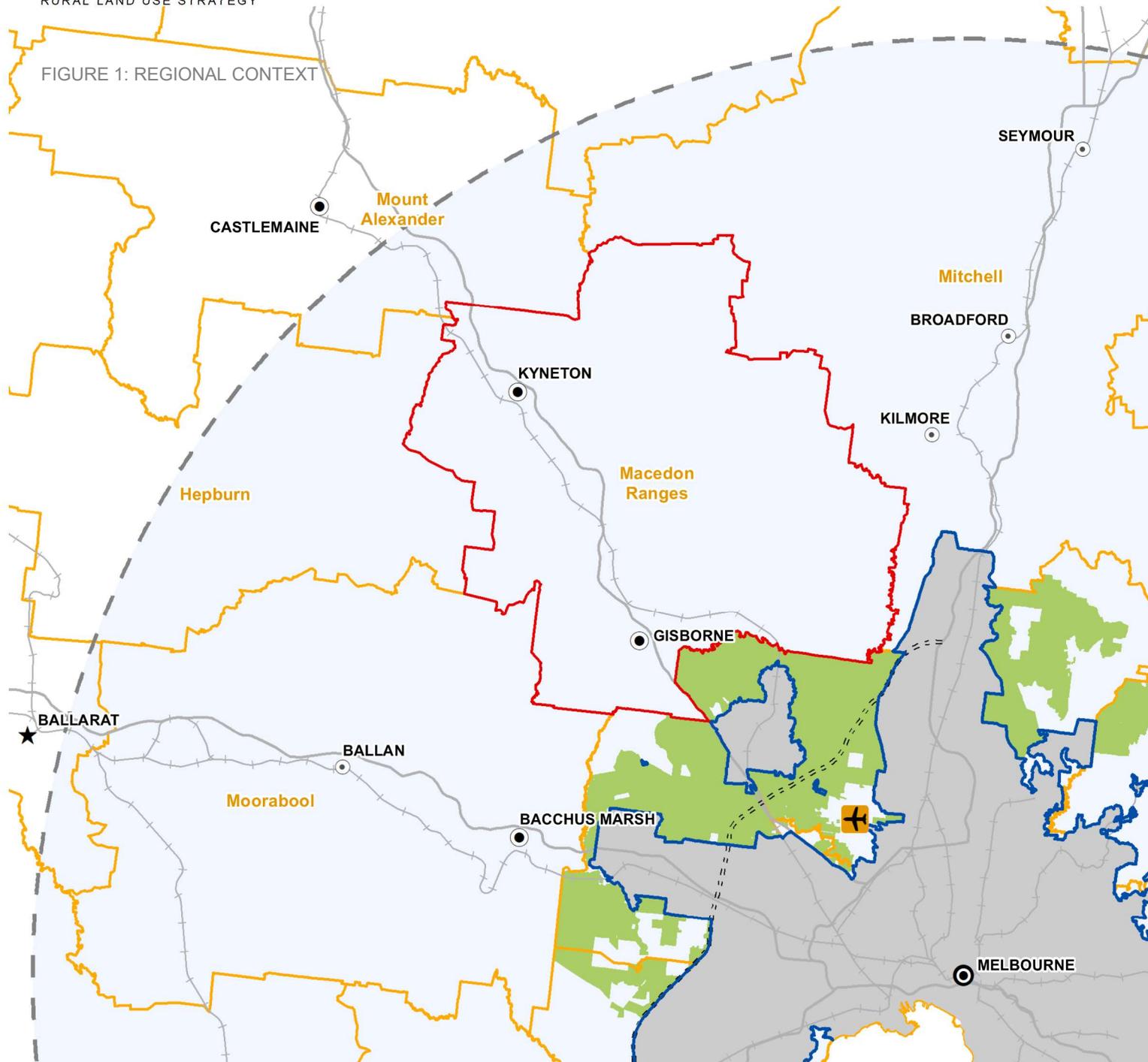
Prioritise and balance rural land use aspirations

Respond to local circumstances and communities

Clarify the land use and development opportunities for rural land.

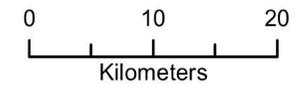


FIGURE 1: REGIONAL CONTEXT



**Legend**

- Capital City
- ★ Regional City
- Regional Centre
- Peri-urban Town
- ✈ Melbourne Airport
- Road Network
- +—+—+—+—+—+ Rail Network
- - - - - 100km radius from central Melbourne
- Urban Growth Boundary
- LGA Boundary
- Green Wedge Zone
- Urban Area
- Peri-urban area



## CURRENT PLANNING STRATEGIES

This section of the report provides an overview of the current policy, zone and overlay controls that apply to rural land in the Macedon Ranges Shire. It also documents the key findings of a review of the performance of the current rural planning policies and controls undertaken in Stage 1 and documented in the Farming Zone and Rural Conservation Research and Investigation Reports.

### 2002 RURAL LAND 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 principles underpinning the 2002 Strategy remain highly relevant to Macedon Ranges rural areas. These include:

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.

### MACEDON RANGES STATEMENT OF PLANNING POLICY

In 2019, the State Government introduced the Statement of Planning Policy for Macedon Ranges<sup>1</sup>. The Macedon Ranges 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 will be embedded into the Macedon Ranges Planning Scheme and embedded in the Planning Policy Framework. The Statement includes a Framework Plan (Figure 2) and objectives and strategies for land use and development that guide this Rural Land Use Strategy. Objectives include:

Ensure the declared area's natural and cultural landscapes are conserved and enhanced.

Ensure the significant biodiversity, ecological and environmental values of the declared area are conserved and enhanced.

Prioritise the conservation and use of the declared area's water catchments to ensure a sustainable local, regional and state water supply, and healthy environment.

Recognise, protect, conserve and enhance the declared area's Aboriginal cultural and spiritual heritage values and work in partnership with Traditional Owners in caring for Country.

Recognise, conserve and enhance the declared area's significant post-contact cultural heritage values.

Support and encourage agricultural land uses that strengthen the declared area's economy and contribute to the rural landscape.

Provide for a diverse and sustainable visitor economy compatible with the natural and cultural values of the area.

Plan and manage growth of settlements in the declared area consistent with protection of the area's significant landscapes, protection of catchments, biodiversity, ecological and environmental values, and consistent with the unique character, role and function of each settlement.

Manage the provision of infrastructure consistent with protection of the area's significant landscapes and protection of environmental values to support the social and economic needs of communities and increase resilience to climate change effects.

Respond to the challenges and threats of climate change and natural hazards with careful planning and mitigation strategies.

In decision making the, Statement requires that the highest priority is given to the significant landscapes, biodiversity and the environment and water catchments and supply.

## PLANNING POLICY FRAMEWORK

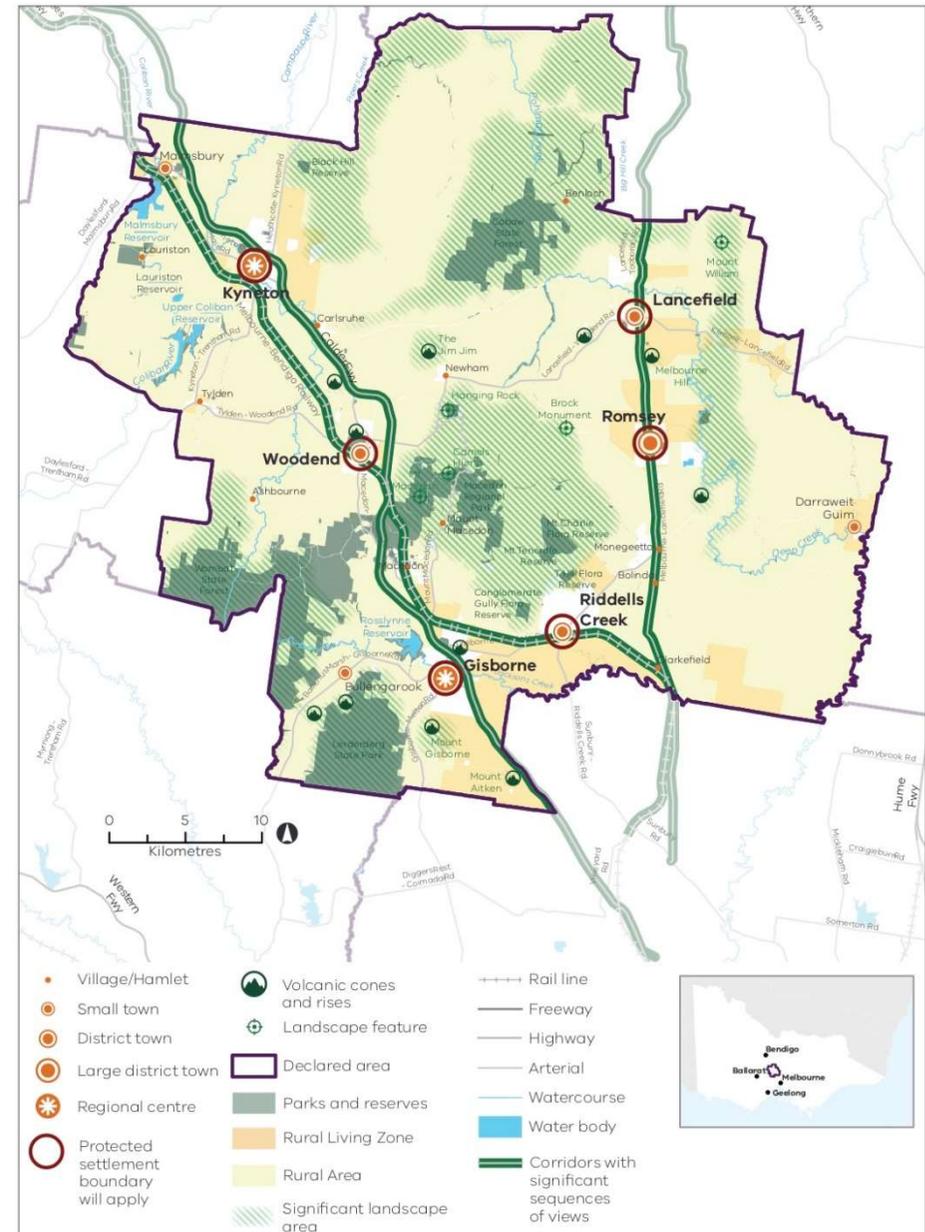
Macedon Ranges’ rural areas are recognised in State Policy for their:

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

State policy principles and strategic objectives relevant to the Shire’s rural areas 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 and enhance water supply catchments, native vegetation and other biodiversity values and rural landscapes
- Prevent dispersed settlement and maintain separation between settlements by providing non-urban breaks between urban areas
- Minimise risk to life, property and the environment from natural hazards
- Establish town growth boundaries to avoid urban sprawl and protect agricultural land and environmental assets.

FIGURE 2: MACEDON RANGES PLANNING STATEMENT FRAMEWORK PLAN



## MUNICIPAL STRATEGIC STATEMENT

The Local Planning Policy Framework aligns with State policy and includes the following Land Use 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 demographic. Growth is generally directed to the transport corridors, in-line with infrastructure provision and cognisant of constraints.*

*Economic growth and development are 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.*

This land use vision, tested through Stage 1, continues to reflect the aspirations of the Shire's community and policy directions, and will be retained.

## RURAL FRAMEWORK PLAN

The rural framework plan identifies five policy areas that respond to the variation in the rural areas and preferred land use outcomes. The Stage 1 review found that the rural framework plan needs updating to incorporate recent and additional information including:

- Changes and trends in rural land use in some parts of the rural areas particularly agriculture and tourism
- Identification of Strategic Agricultural Land
- Revised boundaries to the Rural Conservation Zone and Farming Zone
- Removal of duplicative policy tools
- Identification of additional biolinks
- Identification of significant landscapes.

## LOCAL POLICIES

Three local policies provide additional guidance for decision making in the rural areas. The Stage 1 review found that the Macedon Ranges Statement of Planning Policy, gazetted in 2019, supersedes Clause 22.01 Macedon Ranges and Surrounds. Clause 22.03 Intensive Animal Husbandry is redundant as it duplicates policy guidance provided by the Farming Zone and does not reflect recent changes to agricultural and intensive animal husbandry definitions and land use terms introduced via Amendment VC50. The Stage 1 review of agriculture found that new investment in intensive animal husbandry in Macedon Ranges is highly unlikely due to the risk of encroachment by sensitive uses.

It is recommended that Clause 22.01 Macedon Ranges and Surrounds and Clause 22.03 Intensive Animal Husbandry be deleted from the planning scheme.

The 2019 Planning Scheme Review recommended that the availability and currency of the Reference Documents in Clause 22.02 Dams 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 can be found at [https://www.water.vic.gov.au/\\_\\_data/assets/pdf\\_file/0017/54251/Your-dam-Your-Responsibility-2018-05-19-digital-version-.pdf](https://www.water.vic.gov.au/__data/assets/pdf_file/0017/54251/Your-dam-Your-Responsibility-2018-05-19-digital-version-.pdf), however, as it is not required to

implement the local policy, it is recommended it be removed from the list of Reference Documents.

## ZONES

The zones that apply to rural land (Figure 3) include:

**Farming Zone (FZ):** The main zone for agricultural areas aimed at encouraging retention of productive agricultural land.

**Rural Conservation Zone (RCZ):** Aims to protect land with significant environmental, heritage or cultural values.

**Rural Living Zone (RLZ):** Provides for residential use in a rural environment<sup>#</sup>.

The Farming Zone and Rural Conservation Zone were introduced to the Macedon Ranges Planning via direct translation of the Rural Zone and Environmental Rural Zone respectively in 2006. Direct translation means that there was no strategic assessment to test the appropriateness of the new Farming Zone and Rural Conservation Zone or whether any of the other new rural zones may be more appropriate. In 2013, Amendment VC103 removed the prohibition on some uses and made more uses discretionary in the Farming Zone and Rural Conservation Zone.

The minimum lot sizes associated with the Farming Zone and Rural Conservation Zone include:

**Farming Zone:**

- Minimum lot sizes for subdivision: 40ha in the east of the Shire; and 100ha in the west of the Shire
- Minimum area for which no permit is required for a dwelling is 40ha.

**Rural Conservation Zone:**

- Minimum lot size of 40ha for subdivision
- All dwellings require a planning permit.

The Stage 1 Research and Investigation Reports made a number of recommendations to improve the performance of the current rural zones.

Farming Zone recommendations included:

Confirm that the Farming Zone and zone schedules reflect the land capability, range of agricultural uses and the scale of farming in Macedon Ranges including minimum lot sizes

Utilise land identified as Strategic Agricultural Land to inform review of zone boundaries, zone schedules and local policy.

Appropriateness of zone and local policy for areas under development pressure including the Calder corridor and the south east corner of the Shire.

Prepare policy guidance, additional to that provided in the Farming Zone for assessment of planning permit applications for dwellings, non-discretionary uses, two lot subdivision and dwelling excisions.

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

Rural Conservation Zone recommendations included:

Review the boundaries of the Cobaw Biolink and Rural Conservation Zone Schedule 2

Prepare policy guidance, additional to that provided in the Farming Zone and Rural Conservation, for assessment of planning permit applications for dwellings, non-discretionary uses, two lot subdivision and dwelling excisions.

Introduce additional planning policy to recognise and protect environmental and biodiversity values.

## OVERLAYS

The overlays in the planning scheme impose planning permit requirements in addition to the zone. They affect subdivision, buildings and works and generally address environmental and built form matters. The overlays that apply to rural land are described and shown in Appendix 1 along with an explanation of their impact on development on rural land. The Stage 1 Research and Investigation Reports and consultation made a number of recommendations regarding the current suite of overlays.

Remove the Environmental Significance Overlay Schedule 2: Monegetta Piggery

<sup>#</sup> Note that in 2015, Council adopted *In the Rural Living Zone: Strategic Directions for the Rural Living Zone*, a review of rural residential development and the Rural Living Zone. Identification of additional land for rural living is therefore not be considered by this strategy.

Review the application of the Development Contributions Overlay to land in the Rural Conservation Zone.

The Review also found that there is a lack of planning policy, including overlays, to recognise, protect and enhance environmental and biodiversity values.

## VCAT HEARINGS AND PANEL REPORTS

The 2019 Planning Scheme Review analysed the findings of VCAT hearings and reports from Planning Panels and found dwellings in the Farming Zone and water supply catchments to be consistent themes relevant to the rural areas. Regarding dwellings in the Farming Zone, the report notes:

*The consideration of this policy requirement (dwellings in agricultural areas must establish a nexus between the agricultural enterprises and the use of the land for a dwelling) 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.*

Regarding 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 policy:

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.

Delete ESO2 as the Monegeetta Piggery

Review the application of the Development Contribution Plan Overlay to the Rural Conservation Zone.

## STRATEGIC IMPLICATIONS

The current policy position for rural land seeks to implement a land use vision and rural framework plan to respond to competing demands for rural land including agriculture, rural residential use, resource use, environmental values, and tourism development. Agriculture is provided for in the Farming Zone. The Rural Conservation Zone has been applied to support environmental living and protection and enhancement of biodiversity and water supply catchments. Overlays recognise land hazards such as bushfire and land subject to inundation as well as important assets such as potable water supply catchments, and amenity buffers. The review of planning scheme performance identified a number of opportunities for improvement as listed below including:

The Rural Land Use Strategy should be consistent with the 2002 Rural Land Strategy principles and the Statement of Planning Policy for Macedon Ranges

Updating the rural framework plan to respond to recent trends and changes in land use and identification of Strategic Agricultural Land

Reviewing the boundaries to the Rural Conservation Zone and Farming Zone to ensure that the zones objectives align with land use and development outcomes

Removal of duplicative or redundant policy tools including Clause 22.03 Intensive Animal Husbandry and Environmental Significance Overlay Schedule 2: Monegeetta Piggery

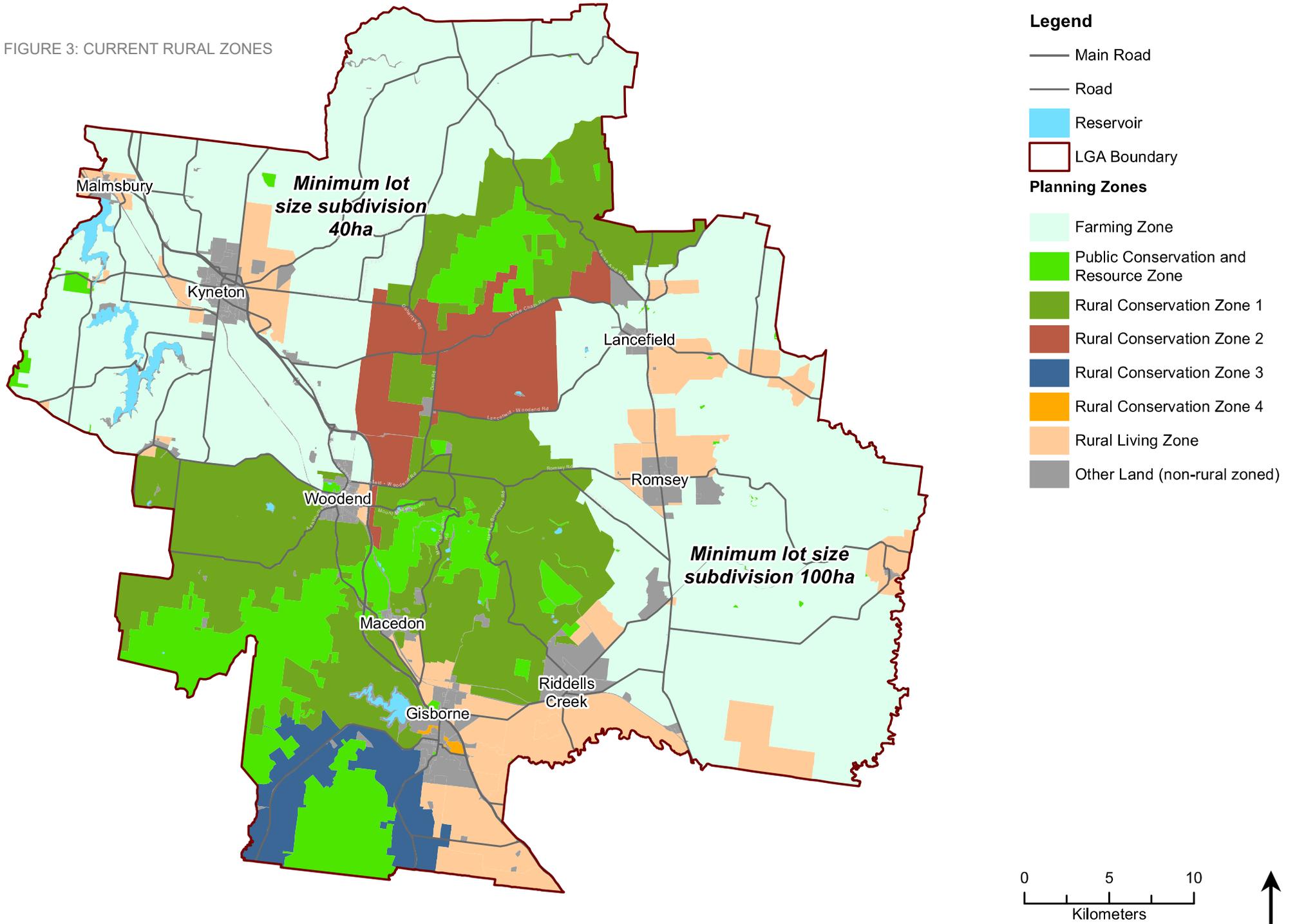
Addressing planning legacies, particularly small lots in the Farming Zone.

Providing additional guidance to assess planning permit applications for dwellings, subdivision and non-discretionary uses in the Farming Zone and Rural Conservation Zone

Review the application of the Development Contribution Plan Overlay in the Rural Conservation Zone.

This Rural Land Use Strategy seeks to address these issues and provide a long term framework to guide rural land use and development in the future.

FIGURE 3: CURRENT RURAL ZONES



# MAJOR DRIVERS

## PLANNING CONTEXT

Land use and development in Macedon Ranges is heavily influenced by state government growth strategies and plans including **Plan Melbourne 2017 – 2050**<sup>2</sup>, the **Loddon Mallee Regional Strategic Plan** and **Loddon Mallee South Regional Growth Plan**. These plans 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.

These plans set out high level principles and strategic objectives to guide the formulation of responses to drivers of change in the Shire's rural areas:

- 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.

## COMPETITION FOR RURAL LAND

The 2002 Rural Land Strategy and 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 2002 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 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. Plan Melbourne 2017 - 2050 identifies Urban Growth Boundaries (UGB) just outside the eastern and southern boundaries of the Shire. Along with the proposed Outer Metropolitan Ring (E6 Transport Corridor) this will result in significant population growth and employment opportunities in nearby towns such as Sunbury, Wallan, Donnybrook and Beveridge as well growth pressures within the Shire. The Stage 1 Research and Investigations found development pressure is leading to land banking, contraction of commercial scale farming, increased rural lifestyle development and land use conflict, particularly in the south-east of the Shire and Calder corridor.

The Loddon Mallee South Regional Growth Plan highlighted the risks and implications arising from development pressures in the peri-urban area of the region:

*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.*

## RURAL LAND USE TRENDS

The trends in rural land use observed in the 2002 Rural Land Strategy are still evident. Commercial scale agriculture has contracted to the northern and north-eastern parts the Shire where land holdings are of sufficient scale, the land is less fragmented and there is less demand for rural lifestyle. Elsewhere, land use is a mix of viticulture, hobby farming, rural lifestyle, environmental living and tourism. The equine industry, including thoroughbred training, quarantine facilities, leisure horse agistment and riding facilities has emerged as a significant and growing sector, particularly in the eastern parts of the Shire and between Kyneton and Trentham.

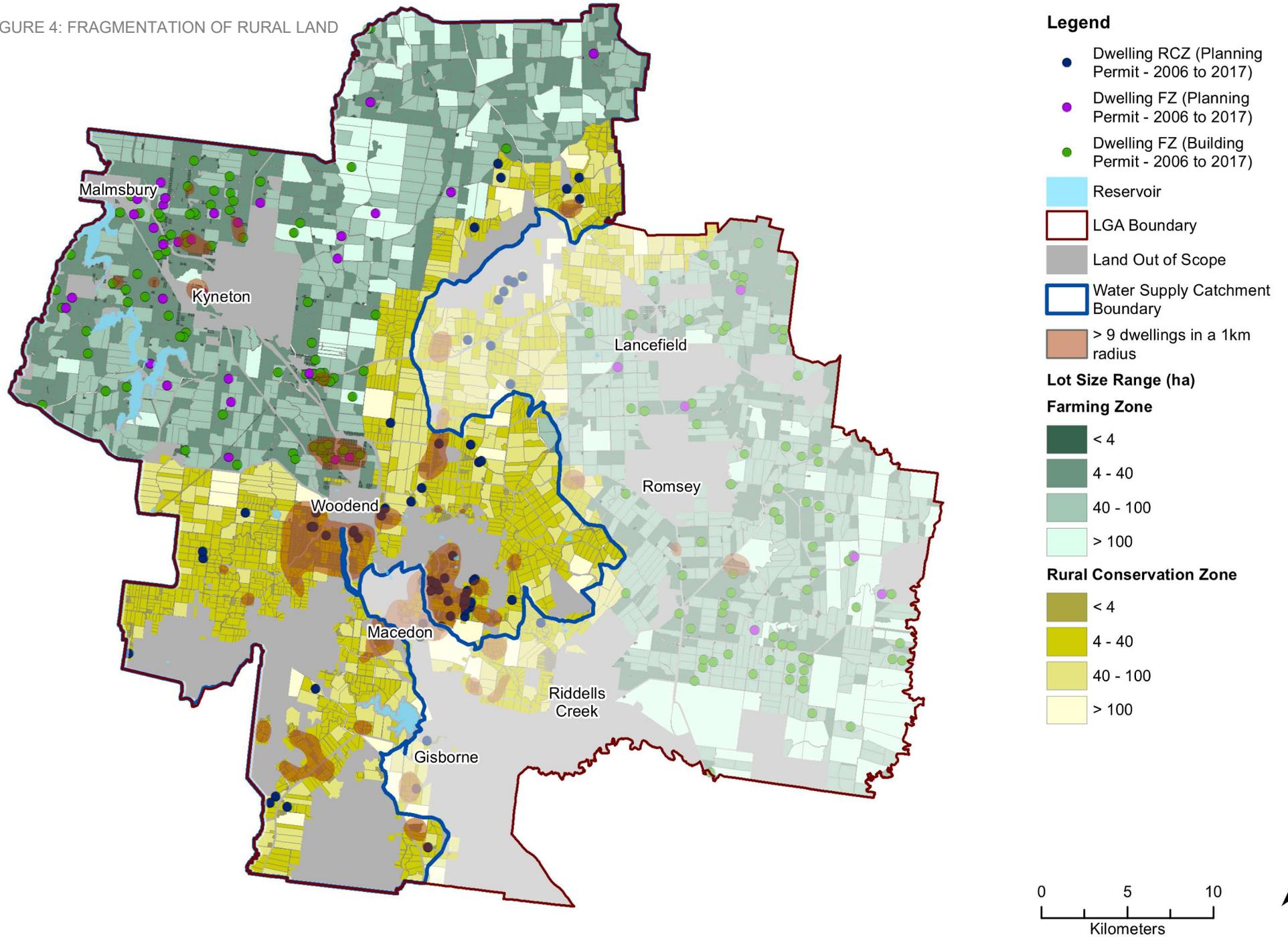
The diversity of land uses in the Farming and Rural Conservation Zones reflect a diverse rural community. Landholders have a range of motivations for living in the rural areas and aspirations for using their land which is leading to increased land use conflict. There is a role for planning policy to clearly articulate preferred land use and development outcomes that respond to local circumstances. Non-policy measures are also required to support rural landholders achieve best practice land management and resolve land use conflict.

Land between Woodend and Malmsbury is significantly fragmented (Figure 4) and since 2006, experienced the highest concentration of new dwelling development in the rural areas. Broadacre agricultural enterprises have largely left the area and have been replaced by a mix of equine and small scale specialist agricultural enterprises as well as hobby farming and rural lifestyle. There are many small vacant parcels of land in this area of the Shire and Council officers noted that most landholder enquiries regarding new dwellings in the Farming Zone come from this area. The area lies within potable water supply catchments. Together, these findings indicate the Farming Zone may no longer be the most appropriate zone and a different policy response for this area is justified. The Macedon Ranges Protection Advisory Committee reached a similar conclusion and noted:

*There are clear tensions between existing rural zones and rural land use activities, in particular as they relate to viability of farming enterprises. There is a gap in policy and the absence of guidelines to assist with these tensions. In suitable locations, alternative planning controls that permit a greater range of on-farm business activities may assist with farm business viability. Investigating the possible application of the Rural Activity Zone as a means of addressing some of these tensions was supported<sup>3</sup>.*

*Any policy changes, however, must retain as fundamental, the protection of water supply catchments.*

FIGURE 4: FRAGMENTATION OF RURAL LAND



## RURAL DWELLINGS

There is a substantial supply of small lots in the Farming Zone and Rural Conservation Zone. Thirty-four percent of lots in the Farming Zone and 56% of lots in the Rural Conservation Zone are less than 4ha in size. Landholders commonly have expectations that they will be able to construct a dwelling on a small rural lot. However, dwelling development in Macedon Ranges' rural areas needs to be carefully planned to protect water supply catchments, avoid bushfire risk, minimise risk of land use conflict, reinforce urban boundaries and support timely and efficient development of the supply of zoned rural residential land.

Prior to the changes to the Farming Zone in 2013, assessing planning permits for dwellings generally required the proponent to demonstrate that the dwelling was required for the operation of an agricultural activity. Now, proponents are no longer required to demonstrate a nexus between the dwelling and an intention to the farm. 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'*.

The 2019 Planning Scheme Review noted regarding dwellings in the Farming Zone:

*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.*

The Review included a recommendation to 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.

## STRATEGIC IMPLICATIONS

There are two dominant forces driving land use change in Macedon Ranges. Population growth within the Shire's rural areas is exacerbating competition for and between rural land uses including rural lifestyle, tourism agriculture, natural resources and the environment. The Shire's proximity to the Urban Growth Boundary and increased accessibility to metropolitan Melbourne is having significant flow-on impacts on land use in Macedon Ranges and further escalating competing demand for rural land. Application of high level principles and strategic objectives set out on state and regional plans will assist in addressing these drivers and providing a clear and consistent rural land use and development policy framework.

There are areas of the Shire that have experienced significant land use change since the 2002 Rural Land Strategy, such that there is a mismatch in land use and the policy directions. The rural framework plan and policies should be updated to respond to the current rural land use and development circumstances and the preferred, future land use outcomes. Additional policy guidance is required to clarify the assessment requirements for rural dwellings, as well as the preferred locations and assessment requirements for discretionary uses such as rural tourism.

# STRUCTURE OF THE RURAL LAND USE STRATEGY

The Rural Land Use Strategy (RLUS) consists of four parts:

## VISION AND PRINCIPLES

## RURAL FRAMEWORK PLAN

## STRATEGIC OBJECTIVES

Containing the objectives and strategies for:

- Agriculture
- Environment and Landscape
- Equine
- Rural tourism

## IMPLEMENTATION

Actions to deliver the RLUS



## 2 Vision and Principles

## 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 in the rural areas delivers high quality environmental and contributes to improved habitat and ecological connectivity through good design and on-site environmental improvement works.*

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

*Economic growth and development are 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.*

## PRINCIPLES

The Farming Zone and Rural Conservation Zone Research and Investigations Reports identified principles and key directions to inform development of the Rural Land Use Strategy. Overarching principles and policy directions include:

Housing, rural living and employment will be accommodated in established towns within clearly defined settlement boundaries and non-urban breaks will be maintained between settlements.

Support and encourage agricultural land uses that strengthen the economy and contribute to the rural landscape.

Provide for a diverse and sustainable visitor economy compatible with the natural and cultural values of the area.

Respond to the challenges and threats of climate change and natural hazards with careful planning and mitigation strategies.

The highest priority in decision making is given to significant landscapes, biodiversity, the environment and water catchments and protecting life and property from bushfire.

# STRATEGIC OBJECTIVES

This Strategy establishes the following objectives for rural land across Macedon Ranges to be implemented by the Rural Framework Plan (Figure 5) presented on the following page. The subsequent chapters provide a detailed discussion and identify key actions to implement these objectives.

## STRATEGIC OBJECTIVE 1 – AGRICULTURE

### **Support and promote agriculture and protect productive agricultural land**

Agriculture is a comparatively small, locally important economic sector that plays a significant role in the landscape and identity of Macedon Ranges and its attraction as a tourism destination. The industry comprises a mix of commercial scale business and small scale, niche agriculture and hobby farming. In the future, commercial scale businesses will be largely contained to mapped areas of strategic agricultural land that are least constrained by fragmentation. Protection of strategic agricultural land is important to give businesses confidence to invest for the long term. Elsewhere, agriculture will be more diverse both in scale and type as farm businesses adapt to the challenges, particularly land use conflict and farm viability, of operating in a fragmented landscape. Policy will be tailored to respond to the diversity of agricultural uses and protect strategic agricultural land.

## STRATEGIC OBJECTIVE 2 – ENVIRONMENT, LANDSCAPE, HAZARDS AND CATCHMENTS

### **Protect and enhance significant environmental and landscape values, protect water supply catchments**

The environment and landscape values of Macedon Ranges contribute greatly to its attraction as a place to live and work. The rural farmed landscape is an important element of the Shire's liveability and tourism attraction. Environmental and landscape values will be clearly identified and recognised in policy. There are opportunities to strengthen policy and controls in order to recognise and protect these diverse and significant natural values and support the establishment of biolinks and restoration of ecological connectivity.

A large proportion of Macedon Ranges falls within declared water supply catchments which provide water resources for the region's communities and economy. Development within these catchments will be carefully managed to ensure a sustainable water supply into the future.

## STRATEGIC OBJECTIVE 3 – EQUINE

### **Support and promote the equine industry**

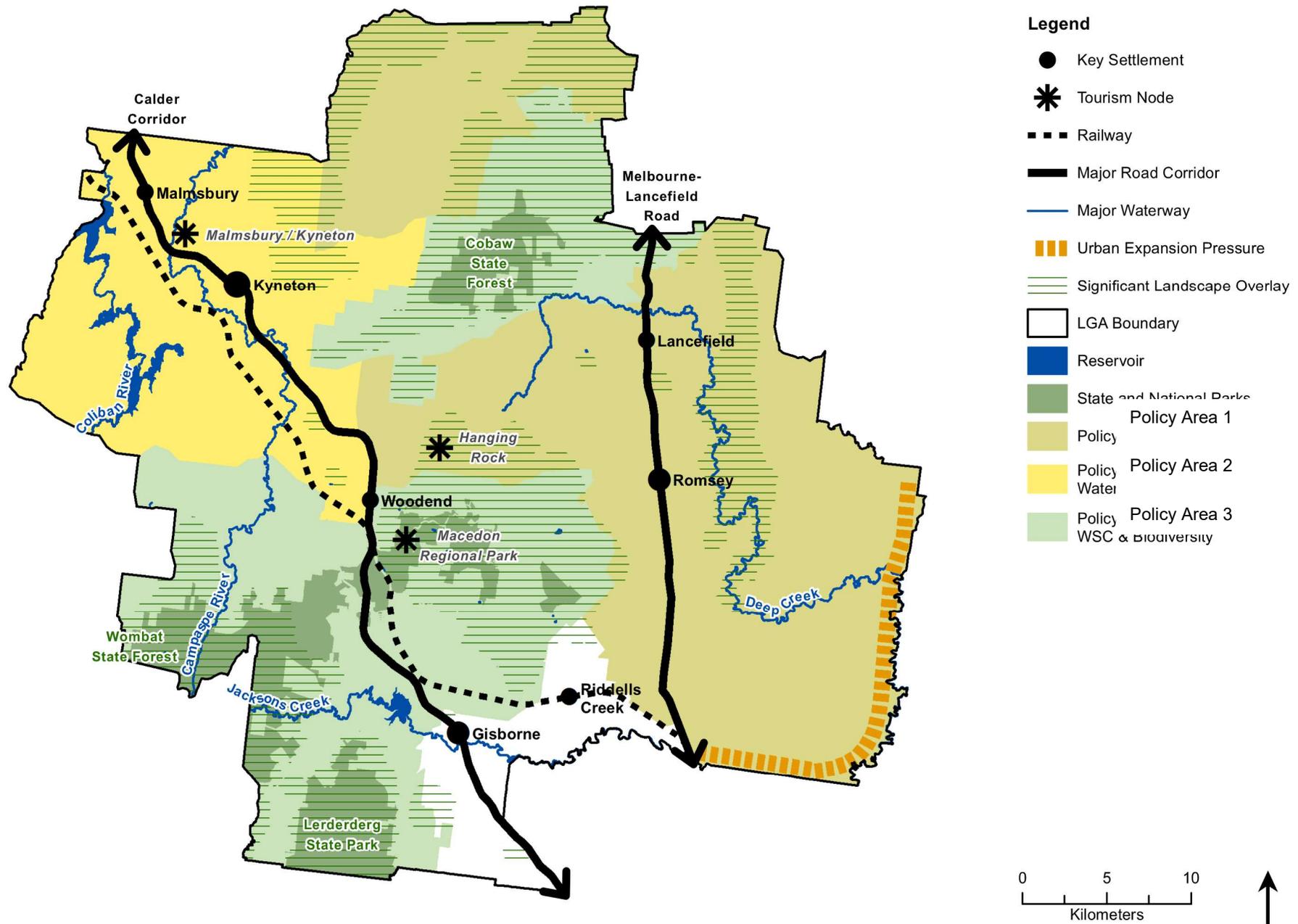
The equine industry is an economically important industry in Macedon Ranges. There is strong potential for further growth leveraging significant comparative advantages including: proximity and accessibility to metropolitan racetracks and Melbourne Airport; suitable land types; and; an established industry cluster of equine businesses and services. Industry opportunities range from thoroughbred breeding and training through to the leisure and tourism industry. Similar to agriculture, fragmentation and land use conflict are significant challenges to further industry investment. Larger scale thoroughbred businesses will therefore be largely contained to mapped areas of strategic agricultural land and protection of strategic agricultural land is important to give businesses confidence to invest for the long term.

## STRATEGIC OBJECTIVE 4 - RURAL TOURISM

### **Support and promote rural tourism in appropriate locations**

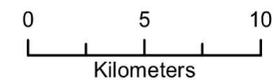
Tourism is an important economic sector in Macedon Ranges based primarily on the areas attractions including Mount Macedon, Hanging Rock, rural landscapes, outdoor recreation and paddock to plate experiences. Tourism in conjunction with agriculture in appropriate locations, presents opportunities to assist with farm business viability. Tourism in conjunction with environmental values presents opportunities to diversify the tourism offer and leverage visitation to established natural attractions. It will be important that tourism developments are of a scale and type that is suited to the prevailing directions for land use and development and minimise the risk of introducing land use conflict.

FIGURE 5: RURAL FRAMEWORK PLAN



**Legend**

- Key Settlement
- ✱ Tourism Node
- - - Railway
- Major Road Corridor
- Major Waterway
- ▨ Urban Expansion Pressure
- Significant Landscape Overlay
- LGA Boundary
- Reservoir
- State and National Parks
- Policy Area 1
- Policy Area 2
- Policy Area 3
- WSC & Biodiversity





# Strategic Objective 1 Agriculture

## AGRICULTURE

Agriculture and associated agribusiness are a small, locally important sector of the Macedon Ranges economy. In 2015 the sector generated around 5% of local jobs and 5% of economic output<sup>4</sup>. The predominant agricultural land use is livestock grazing for beef, lamb and wool. 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 while the Shire's proportion of State GVAP has remained steady at around 0.4%. Meat (beef and lamb) was the largest sector followed by grain, wool and horticulture (Figure 6) Pork and poultry were locally important industries in the 1990s, but now make very small contribution to the value of agricultural production. The Stage 1 analysis of agriculture in Macedon Ranges found that there is a relatively small number of commercial-scale livestock and cropping enterprises found mostly in the eastern and northern parts of the Shire. The majority of farms are hobby farms or lifestyle enterprises and average less than 100ha in size, have an estimated value of operations of less than \$100,000 per annum and rely on off farm income.

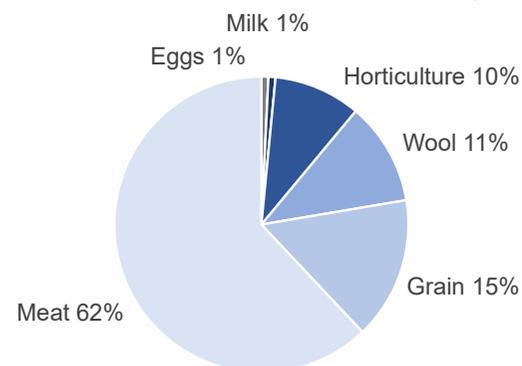
The Macedon Ranges is one of the coolest climate wine growing regions in Australia. There are around 40 vineyards, mainly in the northern parts the Shire. The vineyards are small scale and low yielding, producing premium fruit for high end retail markets. Growing conditions can be harsh, and, in some 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. Value adding, such as cellar door sales are important for vigneroners operating in this market as are other value add opportunities. This is discussed further under Strategic Objective 3: Rural Tourism (page 34).

New investment in large scale intensive animal husbandry in Macedon Ranges is unlikely due to the risk of encroachment by sensitive uses. However, 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. A number of reforms to planning policy and industry codes of practice have been introduced in response to the Animal Industries Advisory Committee<sup>5</sup> report.

The outlook for the livestock and grain industries is positive and there has been a sustained period of strong meat and wool prices. Due to fragmentation and dominance of sub-commercial scale or hobby farms in the south west of the Shire, the industry in Macedon Ranges will comprise a small number of commercial scale enterprise in the

northern and western parts of the Shire. Operation of commercial scale enterprises is increasingly challenged by high land prices, land use conflict and lack of an agribusinesses sector that supports their needs.

FIGURE 6: PROPORTION OF 2015 GVAP BY COMMODITY, MACEDON RANGES



The Planning Policy Framework at Clause 14- 01S - 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. Strategic agricultural land in Macedon Ranges was identified in Stage 1. Productive agricultural land included land with the following attributes:

- Land capability Class 2 and Class 3 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, areas supporting concentrations of enterprises that are part of an industry of state or local significance were identified from the economic contribution of various agricultural sectors in Macedon Ranges and land use mapping. Productive agricultural land and Industry clusters (Figure 7) was combined to identify Strategic Agricultural Land (Figure 8). To support commercial scale agriculture and the equine sector (Equine industry is discussed further under Strategic Objective 2, it will be important that Strategic Agricultural Land is protected, and further fragmentation is avoided.

FIGURE 7: PRODUCTIVE AGRICULTURAL LAND AND INDUSTRY CLUSTERS

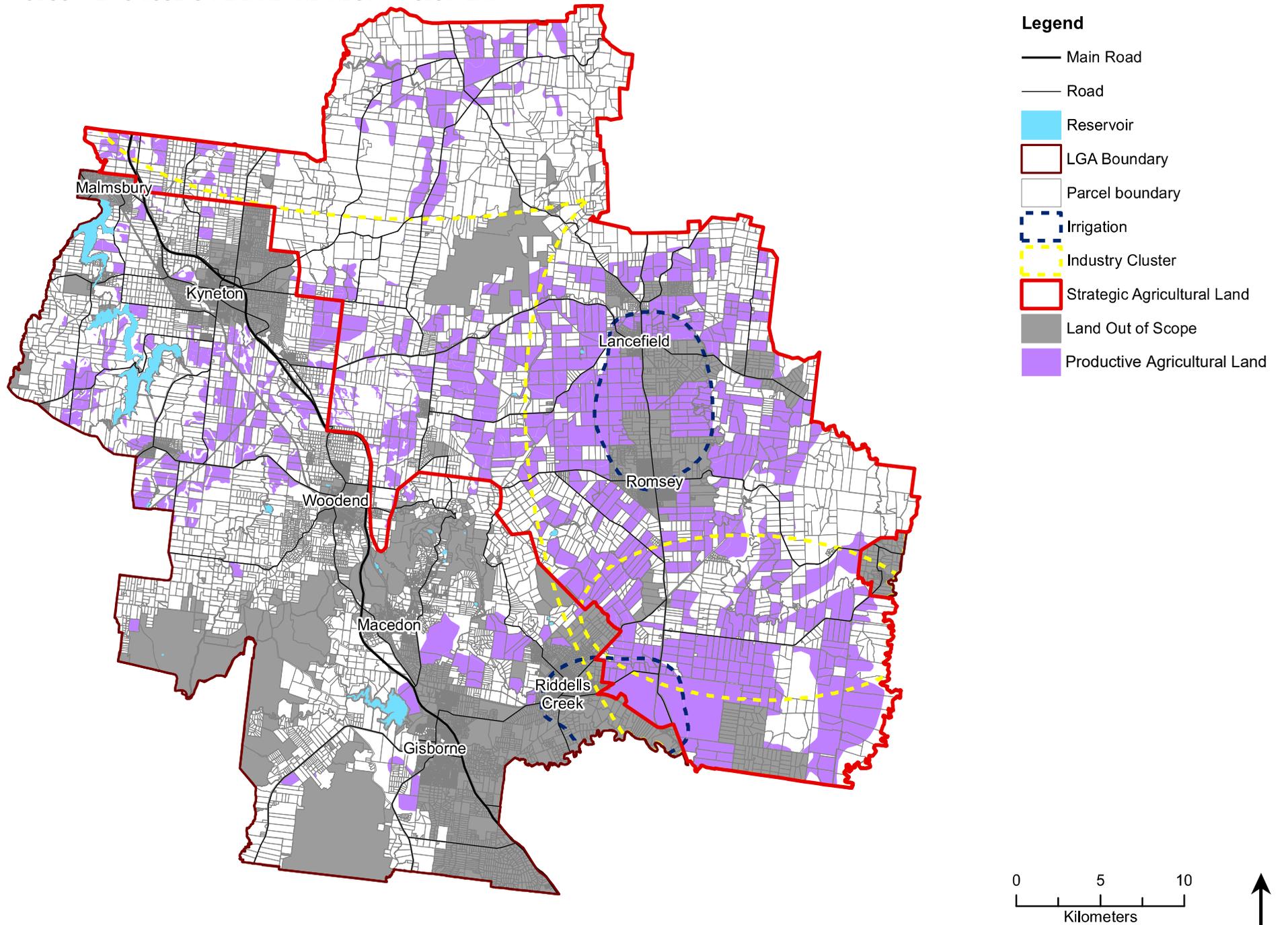
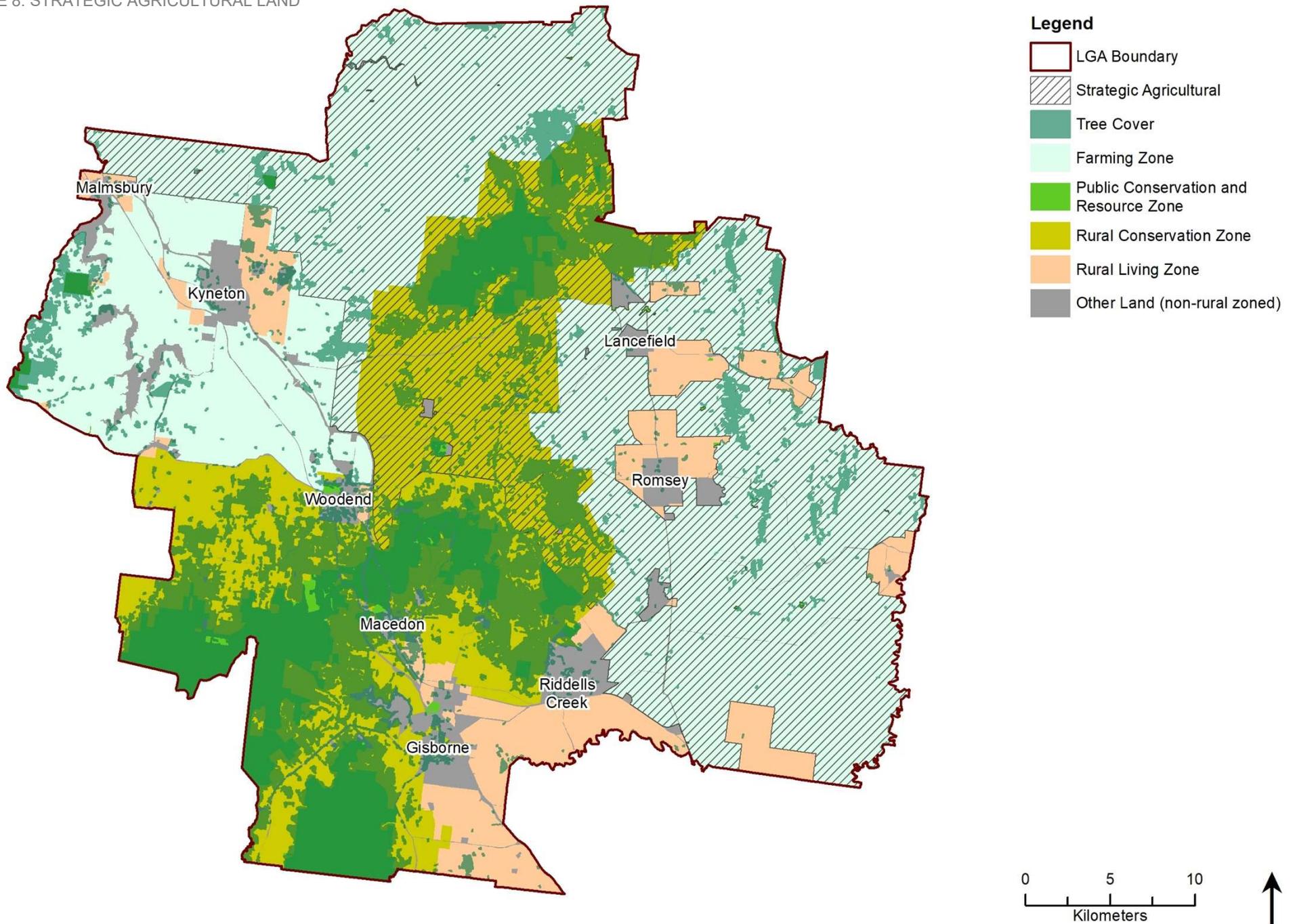


FIGURE 8: STRATEGIC AGRICULTURAL LAND



## ISSUES AND OPPORTUNITIES

### FRAGMENTATION

There are over 8,563 lots in the Farming Zone and Rural Conservation Zone and around 68% of these are under 40ha. Forty seven percent of lots under 40ha have a dwelling. Building and planning permit data shows that most new houses in the rural areas were constructed between Riddells Creel and Malmsbury and 78% of new houses in the Farming Zone were constructed on lots above minimum lot size threshold.

In areas that are still relatively unfragmented, planning policy should support agriculture by protecting productive agricultural land from further fragmentation and uses that would introduce land use conflict with agriculture.

In the west of the Shire and along the Calder corridor, a change of policy direction is required to reflect the high level of fragmentation, respond to significant values including water supply catchments and biodiversity and the Loddon Mallee South Regional Growth Plan directions for growth.

### LAND USE CONFLICT

The Stage 1 consultation identified land use conflict as the key issue constraining farming operations and reducing the viability of commercial scale agriculture. The conflict is arising from Shire-wide rural land competition and also between neighbours.

Shire-wide rural land competition is being driven by demand for rural lifestyle, rural tourism, recreation and land banking. Land competition conflicts with commercial scale agriculture as it inflates land values which deters farmers from investing in their operations as they anticipate the conversion of their land out of commercial agriculture and makes smaller farms less attractive purchases for farm expansion. As commercial agriculture is out-competed in the land market, it is replaced by sub-commercial agriculture, rural lifestyle or other non-agricultural activities. Shire-wide rural land competition in Macedon Ranges is exacerbating the decline in commercial scale agriculture and expansion of non-agricultural uses of rural land.

Local land use conflicts is caused by differences in the expectation and aspirations of landholders, lack of understanding of agricultural practices and poor standards of land management. Examples of the impacts of rural land use on agriculture raised in Stage 1 consultation included:

- Farm operations are not undertaken at the optimal time or in the most efficient manner

- Agricultural producers incur crop or stock loss or lose industry accreditation (e.g. organic accreditation), due to poor biosecurity measures or stock containment practices of neighbours

- Domestic dog attacks on livestock

- Complaints regarding noise from agricultural operations such as scare guns, agricultural airplanes and frost fans or loss of visual amenity from orchard or vineyard netting.

- Large farm machinery and trucks are sharing narrow country roads with commuters, cycling groups and touring visitors.

There are documented cases in Macedon Ranges where land use conflict has resulted in physical violence. Some farmers and their families no longer feel safe on their properties and have become professionally and socially isolated.

Agriculture in Macedon Ranges is operating in an increasingly contested landscape. 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 the needs of a range of users
- Education and capacity building of rural landholders
- Incentives to encourage optimal and productive land management.

### CLIMATE CHANGE

Macedon Ranges currently experiences cool and relatively wet winters and warm, dry summers. By the 2050s the climate of the greater Melbourne region could be more like the current climate of Wangaratta<sup>6</sup> with:

- Increase in maximum and minimum daily temperatures
- Continued variable rainfall over time, but over the long term it is expected to continue to decline in winter, spring and autumn
- Extreme rainfall events are expected to become more intense on average through the century but remain very variable in space and time.

Reduced rainfall, increased evaporation and temperatures will result in a shorter growing season for crops and pastures and a reduced productive potential. Farm business located on land with access to irrigation water and in higher rainfall areas of the Shire, will be more resilient to the future climate.

Groundwater irrigation development between Romsey and Lancefield enables production of a range of higher value products including summer and winter crops and vegetables. There is significant capacity for further irrigation development utilising treated wastewater<sup>7</sup> from the Gisborne South, Romsey and Riddells Creek wastewater treatment plants. The main barrier to further development is the lack of delivery infrastructure and high water costs.

Protected cropping may become a viable option in some parts of the Shire given the areas access to the required services and labour supply. Protected cropping enables production of very high value horticultural products under stringently managed and controlled growing conditions.

Planning policy should support diversification and adaptation to climate change.

## STRATEGIC IMPLICATIONS

Agriculture is a small economic sector that plays a significant role in the landscape and identity of Macedon Ranges and its attraction as a tourism destination. Commercial scale farming has largely contracted to the northern and eastern parts of the Shire. Elsewhere, fragmentation and rural land use conflict has constrained commercial scale agriculture such that small scale, niche agriculture and hobby farming has largely replaced traditional broadacre farming.

In the future, commercial scale businesses will be largely contained to Strategic Agricultural Land. Protection of Strategic Agricultural Land is important to give businesses confidence to invest for the long term. Elsewhere, agriculture will be more diverse both in scale and type as farm businesses adapt to the challenges, particularly land use conflict and farm viability, of operating in a fragmented landscape.

It is recommended that the revised Rural framework identifies where commercial agriculture is to be the primary land use. It is recommended that the Farming Zone be applied to Strategic Agricultural Land and that Local Planning Policies be developed to inform the assessment of applications for dwellings and subdivision as well as clarifying discretionary uses to be considered or discouraged in the Farming Zone.

The revised Rural framework plan should also recognise areas that have undergone substantial land use change where agriculture, including niche agriculture and hobby farming, will continue along with other complementary uses such as tourism. It is recommended that the Rural Activity Zone be applied to this mixed use area. Further detail on the rationale and content for the zone is provided in the Chapter 3, Implementation.

**OBJECTIVE**

Support and promote agriculture and protect productive agricultural land

**Actions:**

Include the RLUS as a reference document to the Macedon Ranges Planning Scheme.

Update the MSS with relevant text from this RLUS

Apply the Farming Zone to Policy Area 1.

Review the Farming Zone minimum lot size to afford Council the opportunity to assess all new dwellings in the Farming Zone and ensure there is no nexus between subdivision and dwellings

Introduce local policy or MSS to guide assessment of planning permits for subdivision, dwellings and other discretionary uses in the Farming Zone

Further detail on the rationale and content for the zone schedules is provided in the Implementation chapter.

Prepare a Farm Management Plan template setting out the information required to support planning permit applications

Prepare an Environmental Management Plan template setting out the information required to support planning permit applications

Apply the Rural Activity Zone to Policy Area 2.

Set out clear objectives and prepare a purpose statement for the zone. Further detail on the rationale and content for the zone schedules is provided in the Implementation chapter.

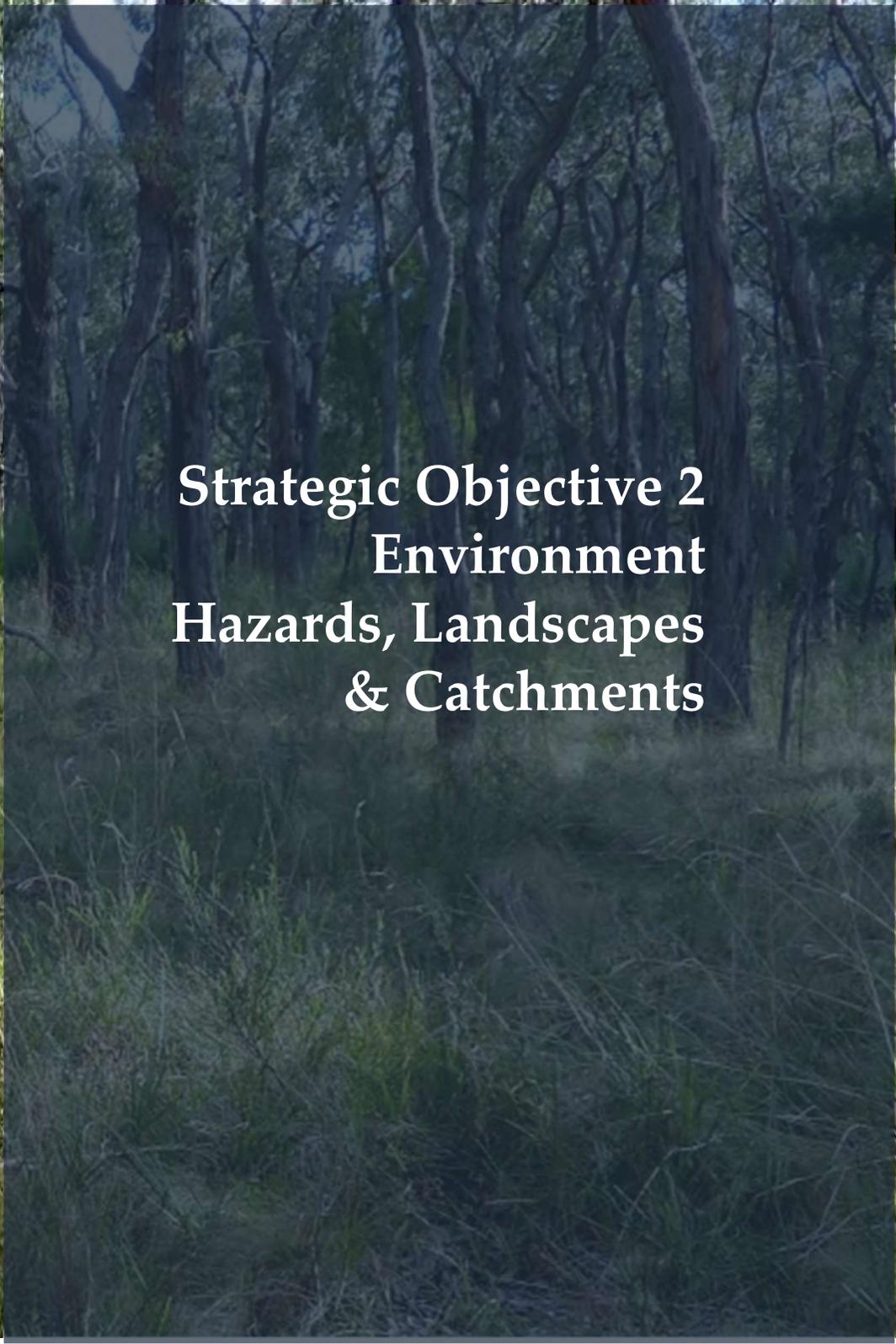
Introduce local policy or MSS to guide assessment of planning permits for subdivision, dwellings, and discretionary uses in the Rural Activity Zone.

Council continue to implement education, incentives and capacity building programs for rural landholders to encourage optimal and productive land management and reduce land use conflict.

Council will also need to undertake an assessment of key local heavy vehicle routes and visitor touring routes and identify any changes required to improve safety for all road users



**Strategic Objective 2  
Environment  
Hazards, Landscapes  
& Catchments**



# ENVIRONMENT, HAZARDS LANDSCAPE AND CATCHMENTS

## ENVIRONMENTAL VALUES

Macedon Ranges is host to internationally and nationally significant environmental values. There are 33 Ecological Vegetation Classes (EVCs) represented across two main bioregions, the Victorian Volcanic Plains and the Central Victorian Uplands. Of these:

- 13 EVCs are endangered (less than 10% of pre-settlement coverage)

- 9 EVCs are vulnerable (between 10 to 30% of coverage compared to pre-European settlement, or meeting other criteria regarding threats of degradation)

At the species level, several flora species listed under the *Flora and Fauna Guarantee Act 1988* are known to occur, including the indigenous Black Gum (*Eucalyptus aggregata*). The Shire is also rich in fauna species, many of which are threatened or endangered, such as the brushtailed phascogale (*Phascogale tapoatafa*).

Threats to biodiversity range from generic threats like climate change to more site specific threats like vegetation clearance, grazing and compaction by stock, and the impacts of weeds and pest animals. Council has a number of initiatives in place to protect and enhance environmental values including:

- Kyneton Woodlands Project (2017)

- A rate rebate on land protected by a Trust For Nature Conservation Covenant.

- Encouraging landholder participation in programs such as Protect Your Patch, Land for Wildlife, Melbourne Water Stream Frontage Management Program, Melbourne Water Rural Land Program.

A review of Macedon Ranges' environmental values was recently completed with the adoption of a Biodiversity Strategy<sup>8</sup>. The strategy set out a suite of objectives, strategies and actions to further enhance and protect the Shire's biodiversity. Of particular relevance to this review is a recommendation to undertake a detailed assessment of four high value conservation areas where it is considered that there is a mismatch between the land's environmental values and its inclusion in the Farming Zone. The assessment was undertaken by RMCG in conjunction with this rural review<sup>9</sup>. The assessment identified three areas with significant biodiversity values that warranted rezoning from Farming Zone to Rural Conservation Zone (Figure 9).

Landcare groups are working on two major biolink projects; the Cobaw to Campaspe Action Plan and the Coliban Connections Action Plan, that will ultimately promote

ecological connectivity between the Cobaw State Forest and the Mount Macedon Regional Park. The projects are focusing on riparian land protection and restoration. There is an opportunity for Council to support community based projects by aligning council investment with community environmental works.

Poor management of pest plant and animals was identified during stakeholder consultation as a major threat to environmental values. Some weeds are proving very difficult to control once established with Chilean Needle Grass, Texas Needle Grass and Serrated Tussock Weeds of particular concern. These and other weeds are spreading into new areas because of poor land management practices such as over grazing and lack of weed identification and control skills. Rabbits and deer are pest animals causing significant environmental damage

The Stage 1 consultation highlighted poor land management as a particular issue amongst properties managed by absentee landholders, some equine businesses and new residents that lack land management skills.

It is recommended that Council:

- Continue to implement education and capacity building programs for rural landholders and incentive programs to support good land management and environmental protection and enhancement

- Encourage landholders to take up Trust for Nature covenants

- Facilitate establishment of specialist landcare groups or other engagement forums focused on equine industry, small landholdings, absentee landholders.

- Support the establishment of major biolinks and enhancement of ecological connectivity by aligning council investment in environmental actions with community based projects.

## COBAW BIOLINK

The Cobaw Biolink first appeared in the 2002 Rural Land Review as a broad area between the Macedon Ranges and Cobaw Ranges. The Biolink was identified on the basis of broadscale mapping of native vegetation and the Review stated that the boundaries of the biolink and the Environmental Rural Zone that was to be applied to the biolink, would be refined through a more detailed mapping process.

The 2004 Planning Panel report recommended that, while the Cobaw Biolink concept was strongly supported, 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. Neither of these recommendations were undertaken.

The Stage 1 review of the Rural Conservation Zone included a detailed assessment of the Cobaw Biolink and the boundaries of the Rural Conservation Zone. The assessment found that there is land within the Cobaw Biolink that is predominantly cleared, being used for livestock grazing, held in larger lots and tenements and falls within land identified as Strategic Agricultural Land. The Vegetation Protection Overlay and the Environmental Significance Overlay seek to ensure that new development is consistent with the environmental objectives of the area, in particular protection of native vegetation and water supply catchments. Clause 21.05-1 Biodiversity and native vegetation management, incorporates objectives, strategies, application requirements and decision guidelines to ensure development contributes to enhancement of native vegetation and ecological connectivity.

The Stage 1 review recommended that the area shown in Figure 9, currently zoned Rural Conservation be zoned Farming. The objectives of the Farming Zone better align with the land use, attributes and land use outcomes for this area. Rezoning should be accompanied by introduction of an Environmental Significance Overlay that incorporates objectives, strategies, application requirements and decision guidelines set out in Clause 21.05-1 Biodiversity and Native Vegetation Management, to ensure development contributes to enhancement of native vegetation and ecological connectivity.

## BUSHFIRE

Bushfires are not uncommon in Macedon Ranges, particularly the vegetated areas in the south and west. 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. The Country Fire Authority noted that the Bushfire Management Overlay is working effectively, and no additional policy response is currently required.

They did however express concern regarding the increase in the population of rural areas and lack of land management and fire prevention knowledge and skills, particularly amongst newer rural residents. Preventative practices are critical for reducing fire risk.

New landowners to rural areas do not necessarily understand the role of land management and property planning in fire prevention.

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

Climate change will also increase the frequency and intensity of extreme weather events such as the heatwaves and drought.<sup>10,11</sup> These changes will increase the bushfire risk to homes, farms and infrastructure in rural areas and should be a consideration in assessment of new uses and development.

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

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

## LANDSCAPE

The rural landscapes are important to the identity and attraction of Macedon Ranges. The rural landscapes include natural landscapes such as Macedon Regional 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, Council recently completed a review of landscape areas and Significant Landscape Overlays and will be the subject of a separate planning scheme amendment.

## WATER SUPPLY CATCHMENTS

Macedon Ranges straddles the Dividing Range and is the headwaters of many streams and rivers that supply water for urban, industrial and agricultural uses. Consequently, a large proportion of the Macedon Ranges' rural areas lie within Designated Water Supply Catchments. These catchments are protected under the *Catchment and Land Protection Act 1994*. Land use and development poses a number of risks to potable water supply catchments:

- Nutrients and pathogens from septic tanks and catchment runoff pose risks to human health and the environment
- Proliferation of farm dams and reduced inflows to waterways.

Planning permit applications for development within potable water supply catchments are referred to state government catchment management and water authorities. The water authorities apply the precautionary principle and prefer new development to be focused in areas serviced by water and wastewater infrastructure. For development outside of serviced townships, authorities generally require that risks to water supply be mitigated through appropriate setbacks from waterways and drainage lines and establishment of vegetation buffers and that intensive land uses such as intensive animal husbandry are avoided.

Water authorities consulted during Stage 1 considered that the current suite of measures was providing an appropriate level of guidance for decision making in potable water supply catchments.

Macedon Ranges has a Domestic Wastewater Management Plan which provides Council with a strategic planning tool for long term strategies to be developed for wastewater system management and a framework for making decisions about individual Domestic Wastewater Systems

Clause 21.07-3 of the Macedon Ranges Planning Scheme sets out objectives, strategies, application requirements and decision guidelines for assessment of planning permit applications within water supply catchments. A Dams Policy at Clause 22.02 seeks to ensure that new dams are for agriculture and firefighting purposes only and aesthetic dams are strongly discouraged. Land use and development within potable water supply catchment is also guided by the following suite of planning controls:

Farming Zone and Environmental Significance Overlay Schedule 4 – Eppalock Proclaimed Catchment

Rural Conservation Zone Schedule 1 and Environmental Significance Overlay Schedule 4 – Eppalock Proclaimed Catchment

Rural Conservation Zone Schedule 2 and Environmental Significance Overlays Schedule 4 – Eppalock Proclaimed Catchment and Schedule 5 – Other Water Supply Catchments.

Rural Conservation Zone Schedule 3 and Environmental Significance Overlays Schedule 5 – Other Water Supply Catchments.

Coliban Water has signalled an intention to introduce further guidance via an Environmental Significance Overlay for assessing planning permit applications for land within the Upper Coliban catchment as well as providing assistance to landholders to undertake works to protect waterways.

## STRATEGIC IMPLICATIONS

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 environment. Development in rural areas can impact water quality and stream inflows. Water authorities have highlighted the need for development in the water supply catchments to continue to be carefully managed to ensure risks to water quality and human health and environmental values are mitigated.

Significant environmental values have been identified that warrant rezoning from the Farming Zone to the Rural Conservation Zone.

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 to promote best practice land management.

**OBJECTIVE**

Protect water supply catchments

**Actions**

Ensure that all new dwellings in potable water supply catchments are assessed against environmental objectives, permit requirements, referrals and decision guidelines of the Environmental Significance Overlays that apply to open drinking water catchment areas.

**OBJECTIVE**

Protect and enhance significant environmental values

**Actions**

Apply the Rural Conservation Zone to Policy Area 3

Prepare and apply an Environmental Significance Overlay that incorporates objectives, strategies, application requirements and decision guidelines as set out in Clause 21.05-1 Biodiversity and Native Vegetation, to ensure development contributes to enhancement of native vegetation and biodiversity. The overlay will be applied to rural land identified for native vegetation enhancement and development of biolinks.

Prepare an Environmental Management Plan template setting out the information required to support planning permit applications

Implement the Macedon Ranges Biodiversity Strategy actions

**Objective**

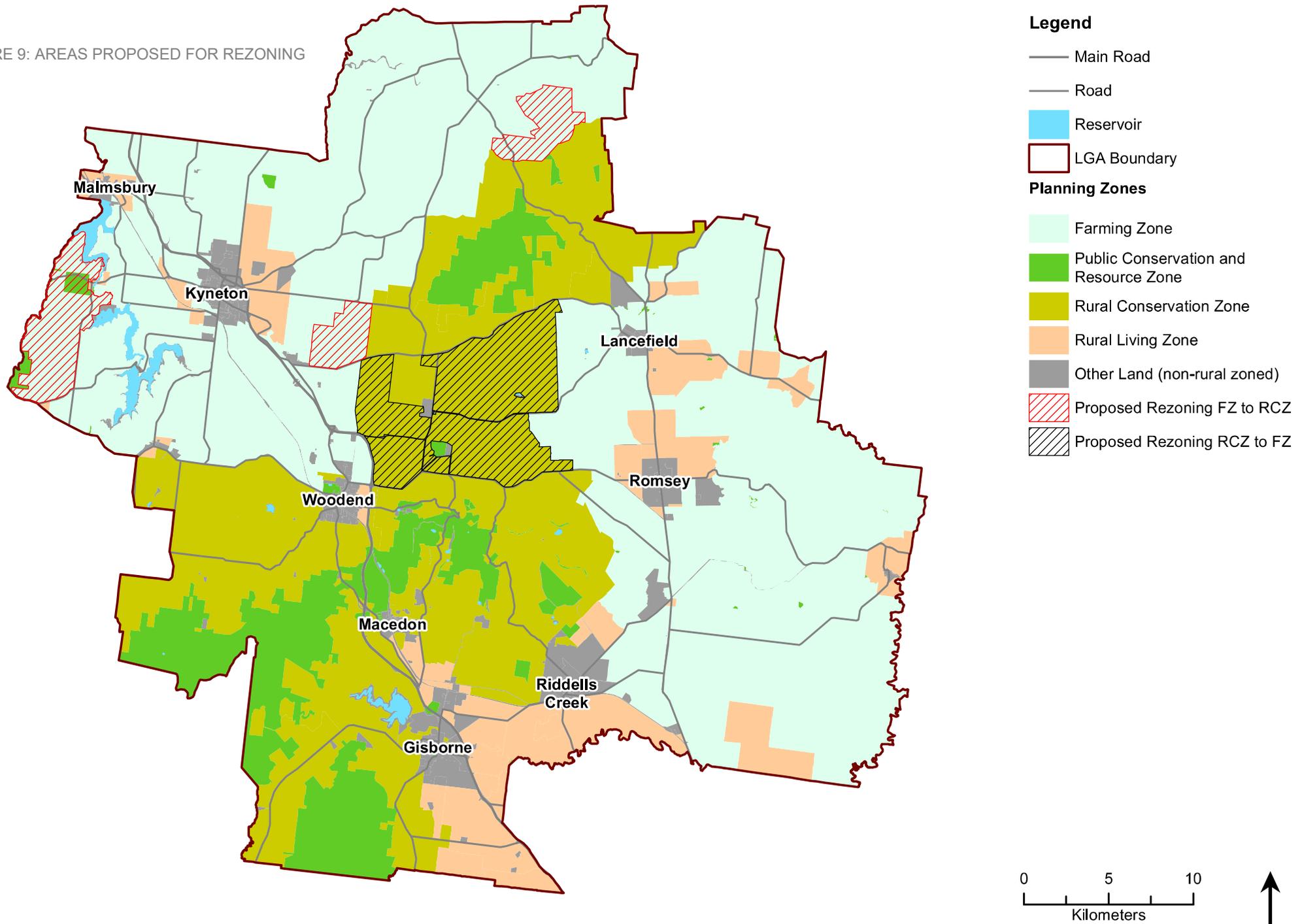
Promote and support best practice rural land management

**Actions**

Continue to implement education and capacity building programs for rural landholders such as incentive programs promoting good land management, environmental protection and enhancement and bushfire prevention management practices

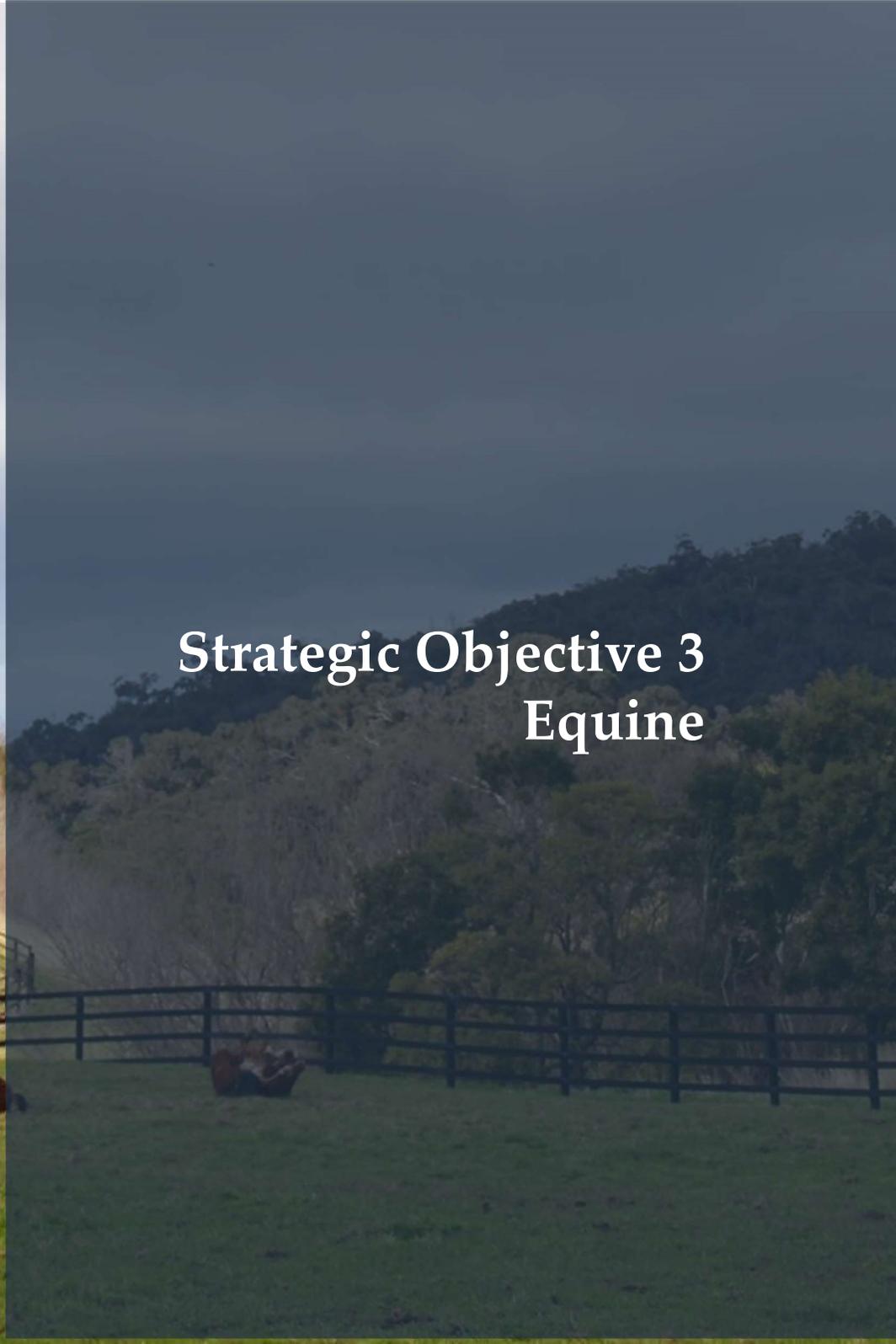
Facilitate establishment of specialist landcare groups or other engagement forums focused on equine industry, small landholdings, absentee landholders.

FIGURE 9: AREAS PROPOSED FOR REZONING





## Strategic Objective 3 Equine



## EQUINE

The equine industry includes 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 such as quarantine and specialised equine veterinary services. Most equine businesses are clustered between Romsey and Monegetta 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 year<sup>12</sup>. Anecdotally, the Shire's equine industry has experienced substantial growth in the breeding and training of horses for the leisure and racing markets. This has been driven by the closure of facilities in Melbourne, the high cost of suitable property in metropolitan areas and the areas proximity to Melbourne, the Flemington, Moonee Valley and Caulfield racecourses and Tullamarine Airport. Recent development includes an equine quarantine facility near Bolinda and investment in a new training facility by an internationally renowned horse trainer.

## ISSUES AND OPPORTUNITIES

### INDUSTRY GROWTH

There is opportunity for equine industry growth due to the Shire's proximity to Melbourne, major racecourses and Tullamarine airport. Demand comes from the thoroughbred sector that are seeking large scale properties as well as the leisure industry that can be accommodated on smaller properties. A New South Wales Department of Primary Industry study of the Upper Hunter equine industry<sup>13</sup> noted 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."*

There is also opportunity for value chain development such as education and training facilities, veterinary services and feed supplies.

### LAND MANAGEMENT

Standards of land management amongst equine landholders varies considerably. While there are examples of optimal land management, overgrazing and poor weed control by equine landholders are common complaints to Council. To improve management standards Council has prepared Guidelines for Equine Businesses<sup>14</sup> to provide an understanding of the level of infrastructure and investment required to seriously pursue an equine business proposal as well as information required for Council officers to assess proposals for the establishment of an equine facility. This has improved the standard of planning permit applications.

## STRATEGIC IMPLICATIONS

The equine industry is an economically important industry in Macedon Ranges with potential for further growth. The Shire has significant comparative advantages due its proximity to metropolitan racetracks and Melbourne Airport as well as land types suited to the equine industry. Industry opportunities range from thoroughbred breeding and training through the leisure and tourism industry. Similar to agriculture, fragmentation and land use conflict are significant challenges to further industry investment. This rural land use strategy will clearly identify locations where the equine industry will be supported over other non-agricultural rural uses.

It is also recommended that Council continue to implement education, incentives and capacity building programs for rural landholders, with a focus on the equine industry, to encourage optimal and productive land management and reduce land use conflict.

**OBJECTIVE**

Support and promote the equine industry

**Actions**

Include the RLUS as a reference document to the Macedon Ranges Planning Scheme.

Update the MSS with relevant text from this RLUS

Apply the Farming Zone to Policy Area 1.

Review the Farming Zone minimum lot size to afford Council the opportunity to assess all new dwellings in the Farming Zone and ensure there is no nexus between subdivision and dwellings

Introduce local policy or MSS to guide assessment of planning permits for subdivision, dwellings and other discretionary uses in the Farming Zone

Further detail on the rationale and content for the zone schedules is provided in the Implementation chapter.

Apply the Rural Activity Zone to Policy Area 2

Set out clear objectives and prepare a purpose statement for the zone.

Further detail on the rationale and content for the zone schedules is provided in the Implementation chapter.

Introduce to the Local Planning Policy Framework, additional guidance for assessment of planning permits for subdivision, dwellings, and discretionary uses in the Rural Activity Zone.

Council continue to implement education, incentives and capacity building programs for rural landholders to encourage optimal and productive land management and reduce land use conflict.



Photo Visit Macedon Ranges

## Strategic Objective 4 Rural tourism



## RURAL TOURISM

Tourism in Macedon Ranges is a well-established and growing sector. In 2016, the Macedon Ranges attracted 1.6 million visitors, up from 1 million visitors in 2009. Total visitor expenditure in the Macedon Ranges in 2016 was estimated at \$273 million, a 56% increase from 2009<sup>15</sup>. Most visits are day trips to the Woodend – Macedon and Kyneton - Malmsbury sub-regions.

Key tourism attractions in the Macedon Ranges rural areas include wineries, cycling, horse riding, accommodation 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. The majority of visitors to Macedon Ranges are self-drive utilising designated touring routes. Road cycling and mountain bike riding are popular leisure activities. Most planning permit approvals for tourism developments have been for properties between Woodend and Malmsbury.

### ISSUES AND OPPORTUNITIES

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

- Cafes, restaurants and quality cellar door destinations

- Farm gate and boutique produce opportunities including paddock to plate experiences, cooking and food growing schools

- Outdoor recreation such as cycling, bushwalking and horse riding.

Macedon Ranges wine producers are particularly well positioned for direct retail sales being 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 vigneron's 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. Other value adding, such as accommodation, weddings, restaurants will become more important for vigneron's operating in this environment.

The Stage 1 consultation identified rural land use conflict and Shire-wide land competition as major issues for planning. The Farming Zone and Rural Conservation Zone provide for a range of tourism opportunities. The Farming Zone will be applied to areas where agriculture and equine uses will be the primary land use and Rural Conservation Zone to

areas where protection of environmental values is the priority. Policy guidance will assist in assessing permit applications for discretionary tourism uses to ensure that they are compatible with these primary objectives. Policy guidance will assist in assessing permit applications for discretionary tourism uses that are ancillary or in conjunction with an agricultural use or environmental benefits. Policy guidance will also clarify uses compatible with agriculture or the environment as well as uses that are considered inappropriate for a rural area.

A comparison of the table of tourism uses in the Farming Zone, Rural Conservation Zone and the Rural Activity Zone (Table 1) shows that:

- The range of uses and the permit requirements in the Farming Zone and Rural Activity Zone are identical apart from hotel, which is prohibited in the Farming Zone and requires a permit in the Rural Activity Zone.

- The range of uses and the permit requirements in the Rural Conservation Zone is also very similar to the Farming Zone and Rural Activity Zone apart from place of assembly and camping and caravan park being prohibited uses in the Rural Conservation Zone

Operators of wineries and other rural enterprises reported that their value add opportunities are constrained by Rural Conservation Zone, particularly the Place of Assembly which is prohibited in the zone. Tourism development that is captured by Place of Assembly includes cooking classes, horse riding schools, conference centres, wedding venues, galleries, concerts and music festivals. The Place of Assembly definition and prohibited uses in the rural zones are mandated by State Government and cannot be changed by Council. There is also potential for larger developments such as residential hotel and camping and caravan park that would be inconsistent with the provisions of the Farming Zone and Rural Conservation Zone.

Large scale tourism uses and place of assembly will be provided for through the rezoning of land to Rural Activity Zone. The RLUS will recommend policy guidance and requirements for assessment of large scale "one-off" tourism developments and Place of Assembly within the rural areas as part of a strategic rezoning proposal.

TABLE 1: COMPARISON OF PLANNING PERMIT REQUIREMENTS FOR TOURISM USES

	Permit not required	Permit required	Prohibited
	FARMING ZONE	RURAL ACTIVITY ZONE	RURAL CONSERVATION ZONE
Bed and breakfast	<10 people	<10 people	<10 people
Camping and caravan park			
Group accommodation			
Host farm			
Hotel			
Leisure and recreation			
Market			
Motel			
Place of assembly			
Primary produce sales			
Residential hotel			
Restaurant			
Rural store	If not in conjunction with agriculture	If not in conjunction with agriculture	
Winery			
Any other use not in Section 1 or 2			

## STRATEGIC IMPLICATIONS

Tourism is an important economic sector in Macedon Ranges based primarily on the areas natural attractions including Mount Macedon, Hanging Rock, attractive rural landscapes, outdoor recreation and paddock to plate experiences.

There is an opportunity to grow the rural tourism sector and diversify the tourism offer and value add to agriculture and established attractions such as Mount Macedon and Hanging Rock. Opportunities include nature-based tourism, agri-food experiences, glamping, farm stays, bed and breakfasts and cellar door in appropriate locations.

This Rural Land Use Strategy proposes that the Rural Activity Zone be applied to areas where commercial scale agriculture has contracted and there is potential to leverage tourism strengths and a Rural Tourism local planning policy be prepared in order to assist in balancing agricultural, environmental and amenity values in the assessment of tourism-related planning permit applications.

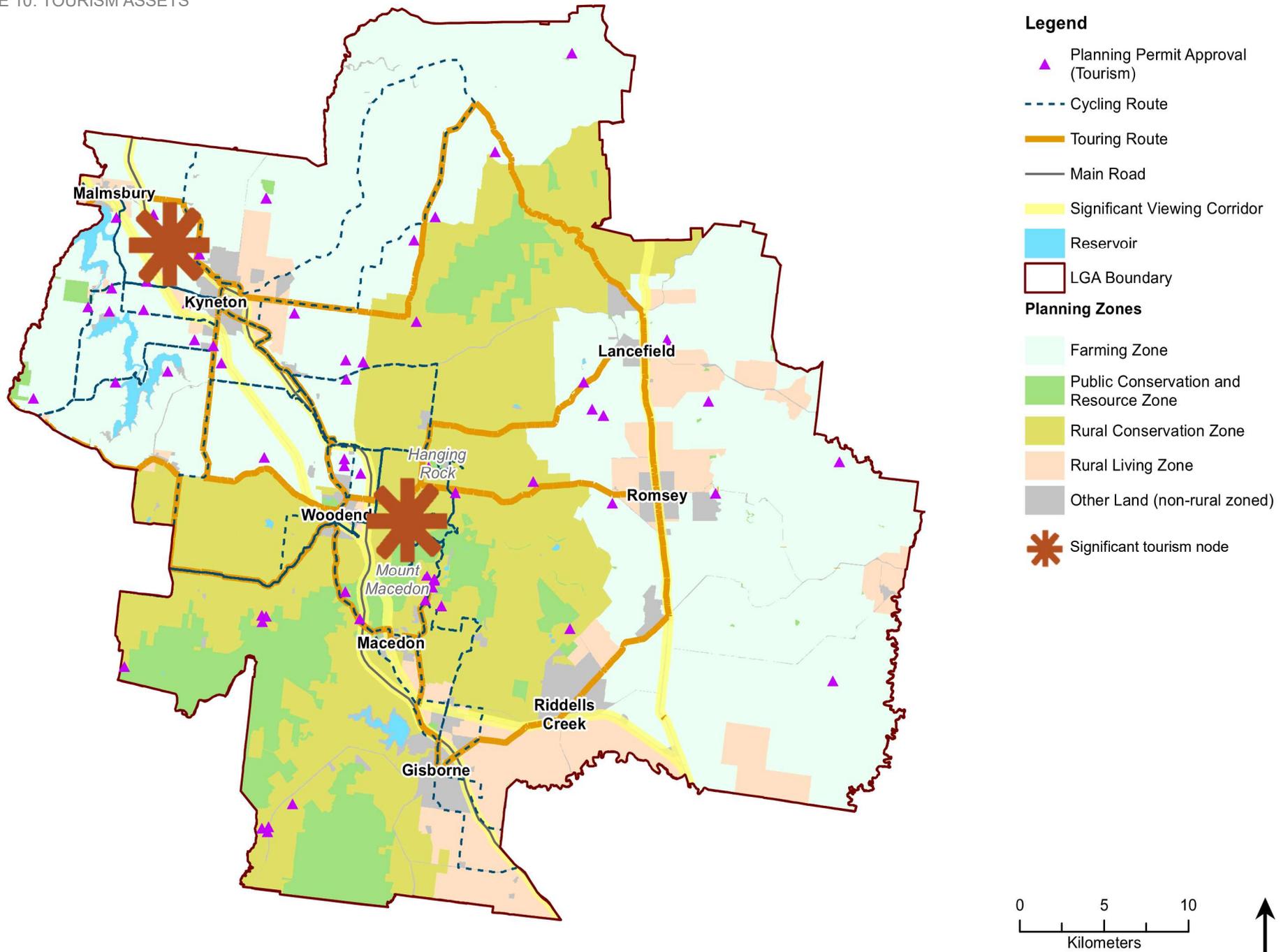
**OBJECTIVE**

Encourage rural tourism in appropriate locations

**Actions:**

- Include the RLUS as a reference document to the Macedon Ranges Planning Scheme.
- Update the MSS with relevant text from this RLUS
- Introduce local policy or MSS to clarify the range of tourism uses appropriate for the rural areas and guide assessment of planning permits for tourism uses.

FIGURE 10: TOURISM ASSETS



- Legend**
- ▲ Planning Permit Approval (Tourism)
  - - - Cycling Route
  - Touring Route
  - Main Road
  - Significant Viewing Corridor
  - Reservoir
  - LGA Boundary
- Planning Zones**
- Farming Zone
  - Public Conservation and Resource Zone
  - Rural Conservation Zone
  - Rural Living Zone
  - Other Land (non-rural zoned)
  - ★ Significant tourism node



### 3 Implementation

This chapter presents the key changes to the zone controls proposed by this Rural Land Use Strategy. The policies will be further refined as part of the preparation of the planning scheme amendment.

## LOCAL POLICIES

It is recommended that local policies or MSS be prepared to provide further guidance on assessment of planning permit applications.

### SUBDIVISION – FARMING ZONE

Suggested policy objectives, strategies and decision guidelines are presented below to guide the assessment of applications for subdivision in Farming Zone 1.

#### OBJECTIVES:

Limit the further fragmentation of rural land by subdivision.

Ensure that lots resulting from subdivision are of a sufficient size to be of benefit to agricultural production.

Encourage the consolidation of rural land.

Provide for the incremental growth of farming enterprises.

Ensure that small lot subdivisions do not prejudice surrounding agricultural activities.

Prevent small lot subdivision to meet personal and financial circumstances or to create lots for 'rural lifestyle' purposes.

Prevent the creation of irregular shaped lots. Prevent "serial" small lot subdivisions from the one lot.

#### STRATEGIES / POLICY

Strongly discourage "small lot" subdivision unless the balance lot is at least the minimum lot size

Require that the excision of a dwelling be through the re-subdivision of existing lots such that the number of lots is not increased. Excision through subdivision that increases the number of lots will be strongly discouraged.

Require the landowner to enter into an agreement under Section 173 of the Act, which prevents the construction of a dwelling on the residual lot and prevents further subdivision of any lot so as to create another lot for an existing or future dwelling.

#### DECISION GUIDELINES

An application for subdivision must include:

A report that addresses this policy

A site plan showing proposed use and development including:

- The nature of the existing agricultural infrastructure and activity on the land and any new proposed agricultural infrastructure and activity on the land.
- The lot size, context and physical characteristics of the land.

A site analysis outlining notable features of the site and surrounding area including topography, orientation, slope, vegetation, existing buildings and works, roads (made and unmade), adjoining land uses and developments, utility services, easements, soil type, any planning history of the site and other relevant features.

Any proposal for the subdivision of land to accommodate an existing dwelling must demonstrate that:

The existing dwelling is no longer reasonably required for the carrying out of agricultural activities in the long term.

The dwelling must have established use rights under the planning scheme.

There are beneficial agricultural outcomes for the land by excising the dwelling.

The balance lot is at least the minimum specified in the schedule to the Farming Zone.

The excision of the dwelling is compatible with and will not reduce the potential for farming or other legitimate rural land uses on the land, adjoining land and the general area.

The dwelling is at the front of the property. Long narrow lots, 'axe-handle' or island style lots will be strongly discouraged.

The excised lot should not include significant farm infrastructure

Where a dwelling has been excised from the land further subdivision (by any method) to accommodate another existing dwelling from that land will be strongly discouraged.

An application proposing an area of greater than 2 hectares for the dwelling lot will be strongly discouraged.

## DWELLINGS – FARMING ZONE

Suggested policy objectives, strategies and decision guidelines are presented below to guide the assessment of applications for the development of a dwelling in Farming Zone.

### OBJECTIVES:

Discourage the proliferation of dwellings not associated with agriculture

Ensure that the development of dwellings does not prejudice existing and future agricultural or forestry activities on surrounding land

Ensure that agricultural land is maintained for the cost-effective production of food and raw materials

Ensure the cost-effective servicing of towns and communities by avoiding the impacts of a dispersed population base

Provide a consistent basis for considering planning permit applications for the use and development of dwellings in rural areas.

### STRATEGIES / POLICY

Discourage a dwelling not associated with or required for the agricultural use of the land.

Discourage more than one dwelling unless it can be demonstrated that the additional dwelling is required for a caretaker, farm manager or farm worker for the operation of the agricultural use and is located on the same lot as the existing dwelling and the agricultural use.

Encourage dwellings where permitted and associated development to be located away from ridgelines and hilltops to ensure that the buildings blend into the landscape.

Ensure the siting of a dwelling does not compromise the operation of nearby agricultural enterprises, including an assessment on how impacts can be managed and will not encroach on existing industry buffer and separation distances.

Discourage a dwelling within 100 metres of agricultural production infrastructure, activity nodes (such as effluent ponds, stock yards etc), or intensive animal production, or within the buffer distances for any as-of-right animal production land uses.

### DECISION GUIDELINES

The construction of a new dwelling will be discouraged unless it meets all of the following requirements:

Whether the proposed new dwelling is located on a lot that has:

Legal frontage to a road.

The potential for land to be consolidated with other land to enhance agricultural productivity.

Will not result in a rural residential outcome in the area.

An application for a dwelling must include:

The nature of the agricultural activities on the land and whether they require permanent and continuous care, supervision or security.

The nature of the existing agricultural infrastructure and activity on the land and any new proposed agricultural infrastructure and activity on the land.

The proposed siting of the dwelling and whether it minimises impacts on existing and potential agricultural operations on nearby land.

The lot size, context and physical characteristics of the land.

Whether the dwelling will be located away from ridgelines or hill tops and the impact on the local landscape.

Whether the dwelling will have a negative impact on surrounding agricultural activity

Whether the proposed development, including access and fence lines will require the removal of existing native vegetation.

New dwellings or other buildings requiring a BAL, should demonstrate that they comply with AS 3959 Construction of buildings in bushfire prone areas.

That risk from bushfire is reduced to an acceptable level and any bushfire protection measures can be adequately implemented.

For a proposed dwelling, whether a section 173 agreement pursuant to the Planning and Environment Act 1987 is required to prevent the future excision of the dwelling from the parent lot.

### DEVELOPMENT OF SECOND AND SUBSEQUENT DWELLINGS

The construction of two or more dwellings on a lot will generally be discouraged unless it can be demonstrated that following requirements can be met:

The additional dwelling/s is/are required for a caretaker assisting in the operation of the farm, such as a farm manager and farm workers.

The dwelling/s will not inhibit the rights of existing agricultural enterprises to continue operations.

Dwellings to be located as to have minimal impact on agricultural land (near existing infrastructure).

In assessing an application for a second or subsequent dwelling on a lot in addition to the requirements above it is policy that:

Second and subsequent dwellings on lots less than the minimum lot size will be strongly discouraged

Consideration is given to the need for consolidation of existing lots in order to ensure that the dwelling(s) remain connected to the agricultural use of the land.

If a permit is granted for two or more dwellings on a lot, the applicant will be required to enter an agreement under Section 173 of the Planning and Environment Act to prevent the excision of the dwelling from the parent lot.

## RURAL TOURISM

Suggested policy objectives, strategies and decision guidelines are presented below to inform preparation of a local policy that will guide the assessment of applications for rural tourism in the Farming Zone, Rural Activity Zone and Rural Conservation Zone.

### OBJECTIVES

Facilitate land uses that complement and enhance the viability of agricultural activity through small scale rural based tourism.

Facilitate the development of low impact rural tourism and related activities within the Farming Zone where it is consistent with settlement patterns, landscape, amenity and environmental values.

### STRATEGIES / POLICY

Encourage all buildings, including dwellings and associated development, to be located away from ridgelines and hilltops to ensure that the buildings blend into the landscape.

Ensure that the siting of all buildings, including dwellings and associated development, does not compromise the operation of nearby commercial agricultural enterprises by encroaching on existing industry buffer and separation distances.

Support rural tourism proposals that:

Are ancillary to and associated with an existing farming activity undertaken on the property, and that the agricultural activity remains the primary land use.

Will economically assist, promote, and form part of the productive agricultural enterprise (or rural use) to avoid potential land use incompatibilities.

Preserve and where possible enhance the productive capacity of the land.

Ensure the mix of uses will not be out of balance with, nor change the character and nature of the agricultural land use or result in an unreasonable loss of productive agricultural land.

Strongly discourage a dwelling or accommodation within 100 metres of agricultural production infrastructure

Rural tourism opportunities that will be supported include small scale, agriculture-related or nature based activities such as bed and breakfasts, cabins, farm stays, pick-your-own, cellar door and restaurants.

Discourage tourism uses that would introduce conflict with commercial agriculture and are more suited to an urban location. This includes Camping and caravan parks, Backpacker hostels, Market and Residential hotels.

### Decision guidelines

Before deciding on an application, in addition to the decision guidelines in the Zone the responsible authority will consider as appropriate:

Whether the proposed development, including access, will require the removal of existing native vegetation or likely result in significant vegetation disturbance.

Likely benefits to the local and regional tourism economy.

Whether the proposal will generate a substantial increase in traffic or require road improvements or signage likely to adversely affect the rural character of the road(s) serving the localities.

The impact of the proposed use or development on the surrounding agriculture, natural environment or rural amenity of the area.

Where there is an identified bushfire risk, whether the submitted emergency management plan is adequate to reduce the bushfire risk to an acceptable level.

For large scale tourism developments within rural areas whether:

The proposed tourism enterprise requires a rural location.

The development will contribute to the urbanisation of the area.

The land use is compatible with the use of adjoining and surrounding land for agriculture and complimentary to the rural setting.

The facility will significantly contribute to the tourism economy of the region.

The site is strategically located with respect to tourist routes, tourist attractions and other infrastructure.

The site has access to all relevant servicing infrastructure and the development will meet all costs for infrastructure provision to the site.

If deemed necessary, whether the proposal is to be undertaken by way of combined land rezoning and planning permit application to apply the Rural Activity Zone.

The bushfire risk can be reduced to an acceptable level.

Support the establishment of small scale rural tourism opportunities, including agriculture related or nature based activities, bed and breakfasts, host farms, wineries and restaurants.

Discourage tourism uses, including caravan parks, backpacker hostels, market or residential hotels that would likely introduce conflict with adjoining agriculture uses, land conservation outcomes or rural amenity values.

Encourage buildings and ancillary infrastructure to be clustered together where site conditions enable this to be achieved and that screening from view from neighbouring dwellings is provided.

## **DWELLINGS - RURAL ACTIVITY ZONE AND RURAL CONSERVATION ZONE**

Suggested policy objectives, strategies and decision guidelines are presented below a local policy to guide the assessment of applications for dwellings in the Rural Activity Zone

### **OBJECTIVES**

Provide for the orderly and complimentary use of land for agriculture, tourism, niche and mixed farming and related purposes in attractive rural landscapes.

Discourage dwellings in locations that will limit the operation of surrounding commercial agriculture enterprises – including buffers required by industry codes of practice.

Ensure buildings are suitably designed and sited to protect the landscape characteristics of the area.

### **STRATEGIES / POLICY**

Encourage dwellings where permitted and associated development to be located away from ridgelines and hilltops to ensure that the buildings blend into the landscape.

Ensure the siting of a dwelling does not compromise the operation of nearby commercial agricultural enterprises, including an assessment on how impacts can be managed and will not encroach on existing industry buffer and separation distances.

Discourage a dwelling within 100 metres of agricultural production infrastructure, activity nodes (such as effluent ponds, stock yards etc), or intensive animal production, or within the buffer distances for any as-of-right animal production land uses.

Encourage mixed use and niche farming enterprises, rural tourism, accommodation and produce sales.

Discourage tourism uses not related to or that would likely introduce conflict with agriculture uses or rural amenity including camping, caravan park, backpacker hostels, market or residential hotel.

Subject to site conditions, encourage dwellings and associated development to be clustered together in the landscape by requiring similar setbacks from road frontages.

Support the use of land for a dwelling, including accommodation, provided all of the following requirements are met:

No detriment is likely to result to adjoining agricultural activities.

It can be demonstrated that improved land management and or rehabilitation for conservation purposes, or improvements to degraded land will result.

All wastewater can be treated retained onsite.

That any risk from bushfire is reduced to an acceptable level and any bushfire protection measures can be adequately implemented.

### **DECISION GUIDELINES**

Before deciding on an application, in addition to the decision guidelines in the Zone, the responsible authority will consider as appropriate:

Whether the dwelling will be located away from ridgelines or hill tops and the impact on the local landscape.

Whether the dwelling will have a negative impact on surrounding commercial agricultural activity

Whether the proposed development, including access and fence lines will require the removal of existing native vegetation.

That risk from bushfire is reduced to an acceptable level and any bushfire protection measures can be adequately implemented.

For a proposed dwelling required in association with improved land management or conservation outcome, whether the environmental management plan is satisfactory; and whether a section 173 agreement is required, to ensure an environmental management or rehabilitation plan is enacted in perpetuity.

## ZONES

The zones in the planning scheme identify land for particular uses and may reflect existing patterns of land use or the new strategic land use direction for an area. Zones control the use and development of land. Three of the rural zones are relevant to this Rural Land Use Strategy:

**Farming Zone** – primarily concerned with keeping land in agricultural production and avoiding land uses that could limit future farming or constrain agricultural activities.

**Rural Conservation Zone** - primarily concerned with protecting and conserving rural land for its environmental features or attributes

**Rural Activity Zone** - is a mixed use zone that provides for agriculture and a wider suite of uses, including tourism and commercial uses, compatible with agriculture, environmental and landscape characteristics of an area

A table summarising the table of uses for each zone is provided in Table 2. Key differences to note between the zones include:

A planning permit is required for agriculture in the Rural Conservation Zone and not in the Farming Zone and Rural Activity Zone

Camping and caravan park and place of assembly are prohibited in the Rural Conservation Zone and require a planning permit in the Farming Zone and Rural Activity Zone.

TABLE 2: COMPARISON OF RURAL ZONE PERMIT REQUIREMENTS

	Permit not required	Permit required	Prohibited
	FZ	RAZ	RCZ
Primary purpose			
Agriculture			
Animal production#			
Bed and breakfast			
Piggery			
Poultry farm*	(>100 poultry)	(>100 poultry)	(>100 poultry)
Camping and caravan park			
Cattle feedlot*t	(>1,000 animals)	(>1,000 animals)	(>1,000 animals)
Domestic animal husbandry*	>5 animals	>5 animals	> 2 animals
Dwelling	> minimum lot size	All dwellings	All dwellings
Group accommodation			
Host farm			
Market			
Place of assembly			
Primary produce sales			
Racing dog husbandry*	>5 animals	>5 animals	> 2 animals
Residential hotel			
Restaurant			
Rural industry			
Rural store	If not in conjunction with agriculture	If not in conjunction with agriculture	
Winery			
Any other use not in Section 1 or 2			

\* permit required if animal numbers exceed thresholds

# Land used to keep or breed farm animals for the production of livestock, eggs, fibre, meat, milk or other animal products – includes grazing animal production and intensive animal production

## FARMING ZONE

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

Farming is the dominant land use and all other land uses are subordinate to farming

Farming uses are encouraged to establish and expand with as little restriction as possible, subject to proper safeguards for the environment

Non-farm dwellings and land uses not related to farming may be considered but should not limit the operation and expansion of agricultural uses

Farm-related tourism and retailing uses may be considered

Uses that could lead to the loss or fragmentation of productive agricultural land, or which could be adversely affected by farming activities, are prohibited

Land subdivision that could take farmland out of production or limit future farming productivity is discouraged

The minimum lot size for subdivision may be tailored to suit the farming practices and productivity of the land.

This Strategy recommends that the Farming Zone be applied to Strategic Agricultural Land. Planning will seek to ensure that commercial scale agriculture, including livestock grazing and cropping, horticulture and the equine industry are encouraged and supported. Rezoning from Rural Conservation Zone to Farming Zone associated with the Cobaw Biolink, should be accompanied by introduction of an Environmental Significance Overlay to ensure development contributes to enhancement of native vegetation and biodiversity.

The overarching objective for land in the Farming Zone in Macedon Ranges is to:

*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.*

To test whether a new dwelling in the Farming Zone is consistent with this objective, Council currently requires that a Farm Management Plan be prepared and submitted with an application for a planning permit application.

Between 2011 and 2016, eleven planning permits were approved for new dwellings in the Farming Zone. Over the same period, 148 new dwellings were constructed on lots

that were larger than 40ha, the minimum lot size for which a planning permit is not required for a dwelling. Given the downward trend in the number of farm business and the relatively low number of planning permits approved for dwellings, it is concluded that the assessment of planning permits for dwellings is achieving the desired outcomes.

However, the relatively large number of dwellings constructed without the need for a planning permit, against a reducing trend in farm numbers suggests that the current lot size minimum for dwellings is too low. There is currently opportunity for a further 419 dwellings to be constructed in the Farming Zone without a planning permit. The Farming Zone minimum lot schedule will seek to ensure that Council has the opportunity to assess *all* new dwellings in the Farming Zone against the planning scheme objectives and break the nexus between subdivision and housing in the Farming Zone.

### Minimum Lot Size Subdivision

It is proposed that the minimum lot size for subdivision be retained at 100ha.

The Stage 1 Research and Investigations Report found that there is a considerable supply of lots at a range of sizes such that further subdivision for genuine agricultural purposes will be rarely required. Re-subdivision that results in creation of rural residential size lots and house lot excisions should be strongly discouraged.

There are a small number of very large lots in the northern and eastern part of the Shire. Any future subdivision should seek to provide lots that are suited to the predominant agricultural activity in proposed for this area including broadacre grazing and cropping and to break the nexus between subdivision and dwellings.

### Minimum Lot Size Dwellings

It is proposed that the minimum lot size for a dwelling without a permit requirement be set at 0ha.

To enable the agricultural industry to grow and accommodate industry trends, it needs access to land unencumbered by unwanted infrastructure, particularly dwellings. This Strategy will therefore seek to ensure that Council has the opportunity to assess whether all new dwellings are genuinely required in areas where agriculture is the desired land use outcome.

In seeking to minimise fragmentation of productive agricultural, there is a need to achieve a cultural change in the expectation that a dwelling may be constructed on every rural lot. This review found that commercial agricultural businesses are increasing in physical size and business scale. This, along with a trend in farm amalgamation, means that there will

be limited circumstances when a new dwelling is genuinely required to undertake an agricultural enterprise.

It is therefore recommended that the minimum lot size is set, not to reflect the size of an average farm enterprise, but to break the nexus between subdivision and dwellings and afford Council the opportunity to ensure that a new dwelling in the Farming Zone is genuinely required for an agricultural purpose.

## RURAL ACTIVITY ZONE

The Rural Activity Zone is a mixed use zone that provides for agriculture and a wider suite of uses, including tourism and commercial uses, compatible with agriculture, environmental and landscape characteristics of an area. Council can specify preferred land uses in a schedule to the Rural Activity Zone, subject to proper safeguards for environmental and amenity considerations.

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

Farming is an important activity in the area, but the planning objectives identified for the land support the establishment of other land uses

A mixed-use function would support farming activities in the area, assist in preventing the unplanned loss of productive agricultural land elsewhere

The use of land in the area for non-farming purposes would not compromise the long term productivity of surrounding farmland

Appropriate buffers can be provided between different land uses so that land use conflicts are avoided.

Possible Rural Activity Zone areas include:

An existing mixed use rural area where the mix of uses complements the agricultural, environmental and landscape values of the area and supports the council's urban settlement objectives

Rural areas where commercial, tourism or recreational development will complement and benefit the particular agricultural pursuits, landscape features or natural attractions of the area

Farming areas where complementary rural industry, agribusiness uses, and rural research facilities are encouraged.

This zone is particularly suited to areas of the Macedon Ranges with a complex mix of environmental values diverse land uses, fragmentation by subdivision and dwellings and is under significant pressure for further development. Detailed land analysis undertaken

during this rural review identified land in the north east of the Shire between Woodend, Malmesbury and Tylden with a unique combination of attributes:

Land use is a mix of some commercial scale agriculture but predominantly niche agriculture, rural lifestyle, equine and tourism uses.

The area lies within the Eppalock Declared Water Supply Catchment

Land is significantly fragmented by dwellings and subdivision

The Calder road and rail corridor, a significant viewing corridor bisects the area and is the main connection to natural attractions such as Mount Macedon and Hanging Rock

The area experiences significant demand for rural residential development.

The Farming Zone is no longer considered the most appropriate Zone for this area as agriculture, while a dominant land use, is mostly ancillary to the primary land uses including rural lifestyle and tourism. The Stage 1 Research and Investigation report and landholder surveys found that while the agricultural capability of the land is mainly Class 2 and Class 4, commercial scale agriculture is limited by land fragmentation, high land prices and rural land use conflict. Agricultural viability of commercial enterprises is increasingly reliant on value adding such as tourism. Agriculture is increasingly undertaken for lifestyle purposes and not the primary source of family income. The area is well positioned to leverage the tourism opportunities afforded by its proximity to Mount Macedon, Hanging Rock, Kyneton, Trentham, Daylesford and Hepburn Springs.

The main feature of the Rural Activity Zone is the flexibility that it provides for agriculture and other land uses to co-exist. The Planning Practice Note 42: Applying the Rural Zones provides the following examples of the mix of uses that a Council may want to encourage in the Rural Activity Zone:

Farming, rural industry and associated agribusiness

Farming and tourist facilities

Nature-based tourism and recreation facilities

Agricultural and environmental education and research facilities.

The application of the Rural Activity Zone does not mean that protecting or maintaining farming activities will be of low importance. The zone caters for a wide range of farming activities and non-farming uses that complement farming. The needs of farmers will continue to be an important consideration for planning in the area.

It should also be emphasised that the zone is *not* a quasi-rural residential zone. All dwellings in the Rural Activity Zone require a planning permit which will enable Council to assess all dwellings against relevant overlays. This provides an effective mechanism to ensure that the impacts of new dwellings in areas of environmental significance, such as potable water supply catchments can be minimised and / or mitigated. A local policy will also guide assessment of planning permits for dwellings and discretionary uses. It is also recommended that a Land Management Plan is a requirement of a planning permit application for a dwelling or tourism development.

It is envisaged that the Rural Activity Zone may also be used to support and provide for a small number of “one off” high quality, regionally important development within the rural areas as part of a strategic rezoning proposal. A local policy will also guide assessment of any such proposals.

To ensure that environmental values are protected and the potential for land use conflict is minimised, further subdivision should be strongly discouraged. The minimum lot size will therefore be set at 100ha. This, in effect, will mean retaining the status quo as the minimum lot size for subdivision in the Farming Zone is currently 100ha where it is proposed that the Rural Activity Zone be applied.

## RURAL CONSERVATION ZONE

The Rural Conservation Zone is primarily concerned with protecting and conserving rural land for its environmental features or attributes. It is designed to be applied to rural areas where:

The protection of the environmental features of the land is of primary strategic importance including, for example, native vegetation, flora and fauna, significant habitats, or they could relate to the visual qualities of the land

The environmental features of the land are scarce and strict controls are required to prevent the further loss or decline of those features

Land use and development could directly or indirectly threaten the environmental values of the land and strict controls are required to manage this.

Possible Rural Conservation Zone areas include:

Relatively intact natural areas where land use and development could result in the loss of important environmental features or values

Areas of biodiversity or ecological significance

Rural areas that contain threatened species habitat, such as wetlands, water catchments and grasslands

Rural areas of high scenic or landscape value

Environmentally degraded areas where a cautious approach to land use and development is required to avoid further environmental damage

Rural areas that are unstable or prone to erosion or salinity

Open, potable water supply catchment areas.

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

The Rural Conservation Zone will be retained where it currently applies and to identified biolinks.

## OVERLAYS

It is recommended that:

An Environmental Significance Overlay is prepared that incorporates objectives, strategies, application requirements and decision guidelines as set out in Clause 21.05-1 Biodiversity and Native Vegetation, to ensure development contributes to enhancement of native vegetation and biodiversity within the Cobaw Biolink.

The Environmental Significance Overlay Schedule 2 – Monegeetta Piggery be deleted from the Planning Scheme.

## OTHER ACTIONS

Delete from the planning scheme, Clause 22.01 Macedon Ranges and Surrounds and Clause 22.03 Intensive Animal Husbandry

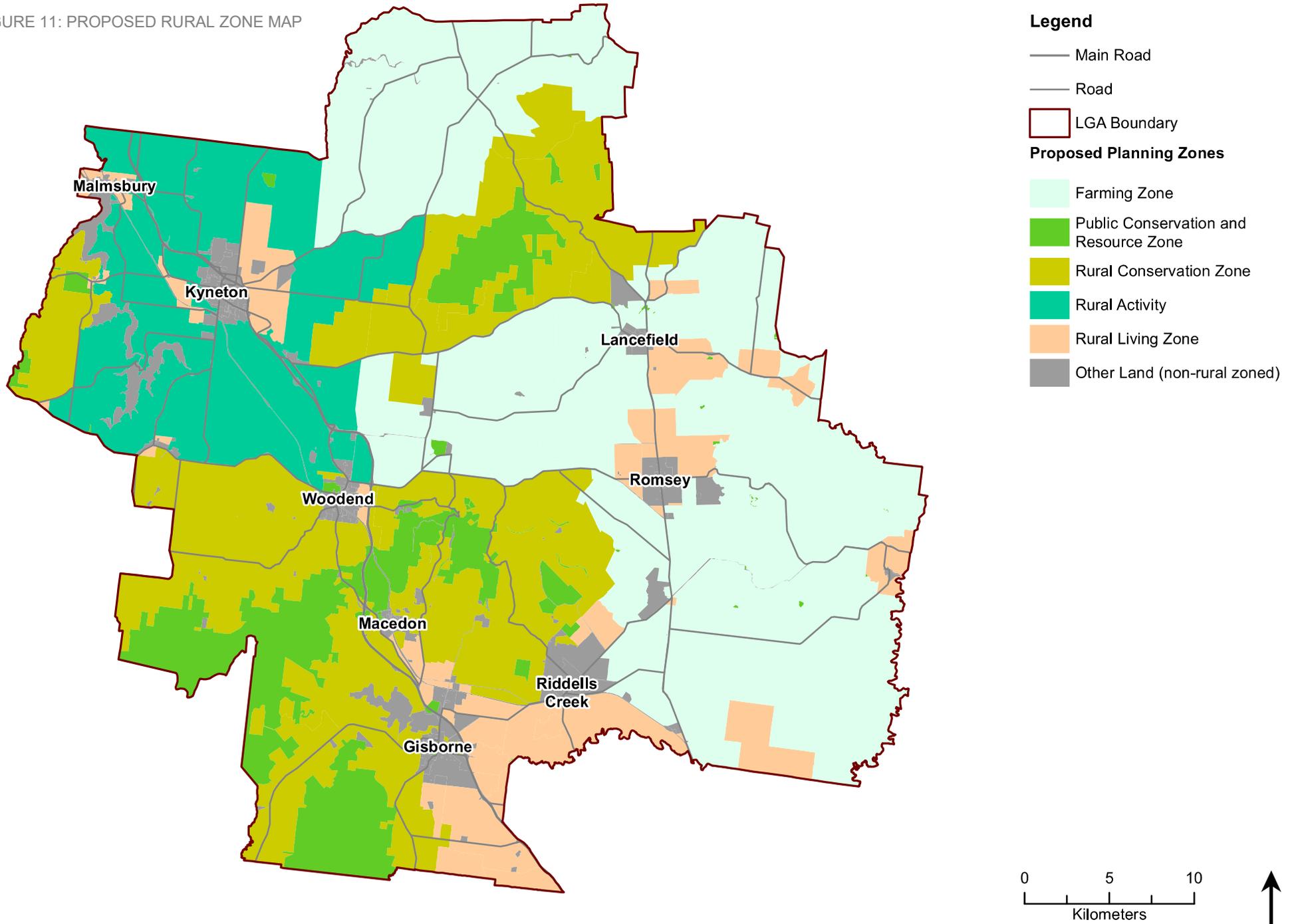
Prepare templates setting out the information required to support planning permit applications.

Continue to implement education, incentives and capacity building programs for rural landholders to encourage optimal and productive land management and reduce land use conflict

Facilitate establishment of specialist landscape groups or other engagement forums focused on the equine industry, small landholdings and absentee landholders

Implement the actions of the Macedon Ranges Biodiversity Strategy.

FIGURE 11: PROPOSED RURAL ZONE MAP



# Appendix 1: Overlays

OVERLAY	PURPOSE	IMPACT
Bushfire Management Overlay	Identifies areas that are at a risk from bushfire hazard and seeks to ensure that development of land prioritises the protection of human life and strengthens community resilience to bushfire.	Identifies areas where the bushfire hazard warrants bushfire protection measures to be implemented and ensures development is only permitted where the risk to life and property from bushfire can be reduced to an acceptable level.
Land Subject to Inundation Overlay	Identifies land in a flood storage or fringe area affected by a 1 in 100 year flood or any other area determined by a floodplain management authority	Limits the location and form of development to minimise impacts from flooding on property and the natural environment.
Environmental Significance Overlay, Schedule 1 – Lancefield North	Identifies land unsuitable for development that requires on site effluent disposal	Identifies land where poor drainage and lack of sewerage warrants measures to incorporate drainage and effluent disposal measures.
Schedule 2 – Monegeetta Piggery	Identifies a buffer area around the piggery and protects it from inappropriate development	Limits the location of development in the buffer area to ensure that it does not prejudice the ongoing operation of the piggery
Schedule 3 – Mineral Springs Kyneton –	Identifies a buffer around the mineral springs and seeks to ensure that development does not impact the landscape character and water quality of the springs	Identifies where development within the mineral springs catchment warrants assessment to ensure that the landscape character and water quality of the springs are protected.
Schedule 4 – Eppalock Proclaimed Catchment	Identifies land within the Eppalock Water Supply Catchment Area and seeks to maintain the catchment water quality and water yield	Limits the location of development and assesses whether measures are required to protect and maintain catchment yield and quality of surface and groundwater systems
Schedule 5 – Other Water Supply Catchments	Identifies land within the other Supply Catchment Areas and seeks to maintain the catchment water quality and water yield	Limits the location of development and assesses whether measures are required to protect and maintain catchment yield and quality of surface and groundwater systems
Significant Landscape Overlay, Schedule 1 – Mountain Ridges and Features	Identifies landscape features and seeks to ensure that development responds to landscape character	Limits the siting and design of buildings and native vegetation clearance to minimise impacts on visually prominent areas
Schedule 2 – Ridges and Escarpments	Identifies ridges and escarpments to ensure that development responds to landscape character	Limits the siting and design of buildings and native vegetation clearance to minimise impacts on visually prominent areas
Vegetation Protection Overlay, Schedule 1 – Black Gum Areas	Identifies areas with remnant Black Gums to ensure its protection	Limits vegetation clearance
Schedule 2 – Roadside Vegetation	Identifies significant remnant roadside vegetation to ensure its protection	Limits vegetation clearance
Schedule 3 – Native Grassland Areas	Identifies significant native grassland vegetation to ensure its protection	Limits vegetation clearance

Schedule 4 – Karlsruhe Cemetery	Identifies significant native grassland vegetation located within the Karlsruhe Cemetery to ensure its protection	Limits vegetation clearance
Schedule 5 – Narrow Leafed Peppermint Gums Areas	Identifies areas with remnant Narrow Leafed Peppermint Gums to ensure its protection	Limits vegetation clearance
Schedule 6 – Wildlife Corridors	Identifies significant remnant roadside vegetation and wildlife corridors to ensure its protection	Limits vegetation clearance
Schedule 7 – Yarra Gums	Identifies areas with remnant Yarra Gums to ensure its protection	Limits vegetation clearance
Schedule 8 – Cobaw Biolink	Identifies areas with remnant vegetation to ensure its protection and contribution to the establishment of the biolink	Identifies areas with remnant vegetation to ensure its protection and contribution to the establishment of the biolink
Schedule 9 – Living Forest	Identifies areas with remnant vegetation to ensure its protection and contribution to the landscape, natural resource management biodiversity and character	Identifies areas with remnant vegetation to ensure its protection and contribution to the establishment of the biolink

FIGURE 12: OVERLAYS

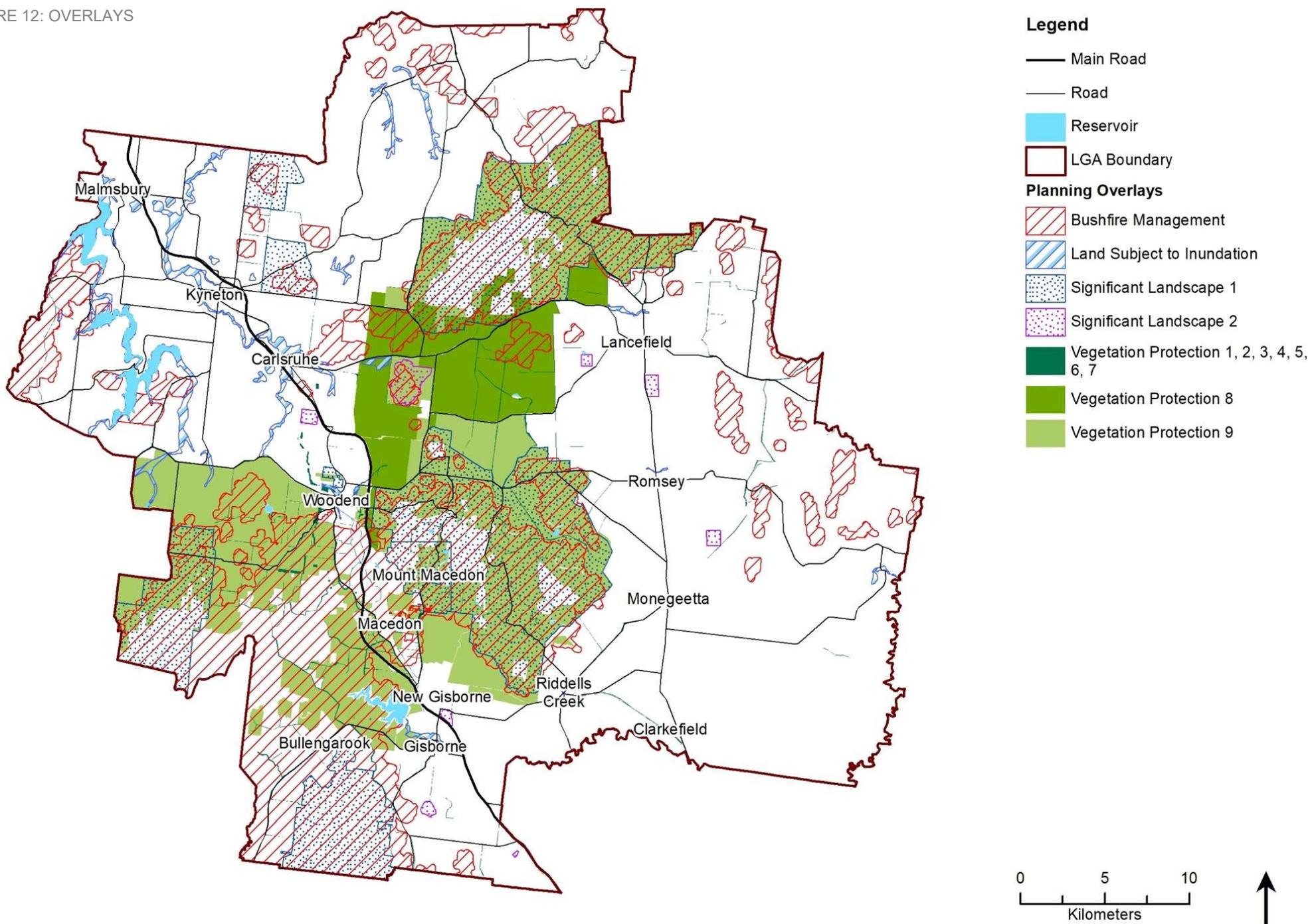
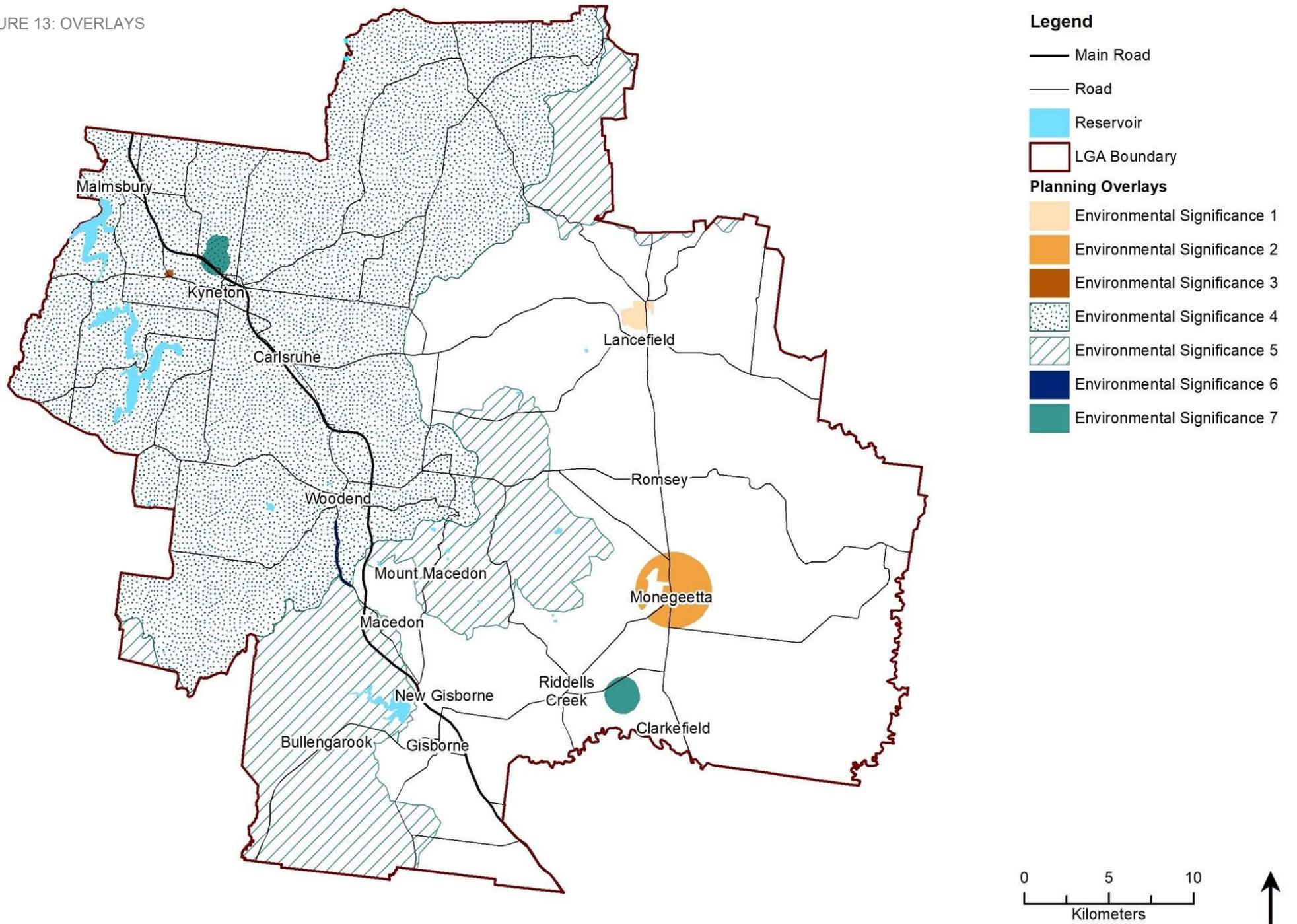


FIGURE 13: OVERLAYS



## Appendix 2: Strategic Context

State and Local plans and strategies relevant to use and development in the Farming Zone in Macedon Ranges.

### LAND USE AND DEVELOPMENT

#### Plan Melbourne 2017 - 2050<sup>16</sup>

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 that 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 – 18<sup>17</sup>

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

### **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 Regional Growth Plan strategic framework identifies areas in Macedon Ranges where agricultural productivity will be facilitated (Figure 14). This review of the Farming Zone will need to consider and align with these strategic principles and directions and mapping of land for agriculture.

## **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.

### **Animal Industries Advisory Committee (2016) Report**

The Committee appointed by the Minister for Planning to provide advice on how the planning system can support the establishment and expansion of animal industries. The advice was sought in recognition of a number of issues that are impeding growth of the intensive animal industries including: The Farming Zone and other rural zones do not adequately manage competing uses; uncertainty as to when a planning permit is required; out of date Codes of Practice, not all intensive animal uses are captured by the Victoria Planning Provisions. State Government is currently undertaking work to respond to the Committee recommendations including preparation of new definitions to be incorporated into planning schemes and a new suite of industry Codes of Practice.

### **Macedon Ranges Agribusiness Plan 2013-2018<sup>18</sup>**

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.

FIGURE 14: LODDON MALLEE SOUTH REGIONAL GROWTH PLAN STRATEGIC FRAMEWORK



## EQUINE

The Macedon Ranges Equine Strategy<sup>19</sup> 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. Macedon Ranges Sport and Active Recreation Strategy<sup>20</sup> makes a number of recommendations for improvements to Council facilities used by community based equestrian clubs and groups.

## 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
- Better tourism infrastructure
- Improved access into and around Victoria

### 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 region<sup>21</sup>. 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 Tourism Industry Strategic Plan<sup>22</sup>

The strategic plan provides a comprehensive analysis of the tourism industry strategic and policy context as well as strategic issues and opportunities for the Shire tourism industry. Relevant to the rural areas of the Shire, the Plan provides the following directions:

- Increased accommodation in the rural areas to take advantage of the natural settings that are on offer in Macedon Ranges Shire. These opportunities include: A Farm Stay north of Mount Macedon around the Hanging Rock district; Self Contained accommodation at wineries. Large Internationally Branded Resort or Conference Facility in proximity of Hanging Rock or Mt Macedon.

- Maximise the strong tourism potential of the Shire’s wineries and cellar doors by actively investigating the potential for cafes, restaurants, quality cellar door destinations and accommodation at well located winery sites;
- There is an opportunity to investigate farm gate and boutique produce opportunities.
- Better cater for the nature based market and increase the percentage of nature/ outdoor oriented visitors by improving the product on offer. E.g. nature-based accommodation (such as eco- cabins) and outdoor education (school visits);
- Support the development of recreational cycling trails: Kyneton - Gisborne Trail (via Old Calder Highway); Woodend - Hanging Rock Trail; Romsey - Hanging Rock Trail; Riddells Creek - New Gisborne.

Planning issues impacting tourism growth were also noted, including the Farming Zone being too restrictive in terms of the types of tourism uses that have been identified as “gaps” in the Macedon Ranges Shire. These issues have been addressed to some extent, by changes to the Farming Zone in 2013 (see section 4.2.1 for more detail).

The Plan recommends consideration of the Rural Activity Zone to encourage accommodation and tourism product development or for larger tourism developments, which have specific masterplans in place, a Special Use Zone or Comprehensive Development Zone.

### Draft Tourism Industry Master Plan (2017)<sup>23</sup>

Council is currently reviewing strategic directions for tourism and has completed a Macedon Ranges Tourism Impact Study and prepared a Draft Tourism Industry Master Plan. Strategic directions and actions relevant to this study include:

- Continue to support and grow initiatives such as the Macedon Ranges Art Trail.
- Investigate opportunities to collaborate with Bendigo Regional Tourism on wine and beer touring.
  - Explore the opportunity for a multi destination wine touring route that links the Macedon Ranges, Heathcote and Bendigo wine regions. This would provide a unique tour that matches some of Australia’s best cool climate and Mediterranean climate wines.
  - Support the establishment of a craft beer touring route that links craft breweries along the Calder Corridor.
- Promote the development of scenic short walks and trails targeted to hikers and trail runners.

- Undertake a review of the condition of existing paths across the Macedon Ranges, including signage, path condition, water taps, public toilets and online mapping.
- Endorse new paths and expand the existing network for horse riding and hiking.
- Further develop new trails for the region: Woodend to Hanging Rock, Daylesford to Woodend.
- Further develop the mountain biking sector through investment in quality trail development.
- Promote and expand the diversity of outdoor activities available within the Macedon Ranges.
  - Maintain quality collateral for outdoor activities (cycling, horse riding, hiking) including maps, campsites, accommodation and path etiquette.
  - Investigate further nature based tourism product opportunities in the Macedon Ranges.

## ENVIRONMENT

### Central West Investigation<sup>24</sup>

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.

### Macedon Ranges Biodiversity Strategy 2018<sup>25</sup>

The Macedon Ranges Biodiversity Strategy establishes a shared vision between Council, the community and other stakeholders for the protection and enhancement of biodiversity values across the shire. Major initiative relevant to this strategy include:

Investigate rezoning identified areas with significant native vegetation currently in the Farming Zone to ensure their protection.

### Macedon Ranges Environment Strategy<sup>26</sup>

The Macedon Ranges Environment Strategy is Council's key environmental policy document, guiding work across Council to achieve objectives for climate change, biodiversity, catchment management and resource efficiency. Key actions relevant to this study include:

- Develop a biodiversity strategy for the Macedon Ranges Shire
- Support, promote, and where possible participate in, community and agency initiatives for biodiversity protection at a regional scale.
- Promote and facilitate the application of existing guidelines and codes of practice for sustainable land and water management in a targeted manner to landowners and residents across the Shire.

### 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.

## SETTLEMENT AND RURAL LIVING

### Macedon Ranges Settlement Strategy<sup>27</sup>

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 Zone<sup>28</sup>**

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

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 Region<sup>29</sup> and Northern Region<sup>30</sup> 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 (Lerderberg River), Lancefield (Deep Creek), Macedon (Bawden Creek), Mollison Creek (Pyalong), Monument Creek, Romsey (Upper Bolinda Creek), Rosslyn Reservoir (Jackson Creek), Sunbury (Charlies 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 DIRECTIONS

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.

These plans set out high level principles and strategic objectives relevant to this review of the Farming Zone, including:

- 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.

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- 28 Macedon Ranges Council (2015) In the Rural Living Zone
- 29 Department of Sustainability and Environment (2006) Central Region Sustainable Water Strategy
- 30 Department of Sustainability and Environment (2009) Northern Region Sustainable Water Strategy