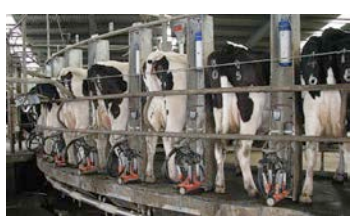


BASS COAST RURAL LAND USE STRATEGY
Part 1: Rural Land Analysis and Investigations
Final Report for Implementation



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Executive Summary

Introduction

In 2010 Bass Coast initiated the preparation of a Rural Land Use Strategy triggered by the translation of the new suite of rural zones to the Bass Coast Planning Scheme in 2006 and completion of a number of Council studies.

To inform development of the Rural Land Strategy, Council undertook preparation of a Rural Strategy Background Paper in 2010 and in 2012 consultation on a Directions Paper.

This Rural Land Strategy builds on strategic planning and consultation completed to date, reviews the current rural land use and development circumstances, including issues, opportunities and trends and sets out a long term vision for the Shire's rural areas. Objectives, strategies, policy and planning controls to achieve this vision are also detailed.

The Rural Land Use Strategy comprises two reports:

Part 1 Rural Land Analysis and Investigations

Part 2 Bass Coast Rural Land Use Strategy

The key findings of **Part 1** are summarised here.

Current planning and strategic context

The current planning and strategic context for Bass Coast sets out a strong position to ensure:

- Land use and development is managed to promote agriculture
- Tourism is encouraged in appropriate locations in rural areas
- That the landscape, coastal and environmental values of Bass Coast are recognised and protected.

The current suite of rural zones was introduced to the Bass Coast Planning Scheme in 2006 by direct translation. The preparation of the Rural Land Use Strategy provides an opportunity to review the application of the zones, as well as incorporate directions from a number of State Government and local strategies. State Government is currently reviewing all zones within the Victoria Planning Provisions. The preparation of this Strategy will provide for consideration of any changes to rural zones when they are announced.

Agriculture

Agriculture is an important part of the local economy generating around 7% of total economic output and 8% of all jobs. The largest commodity groups by value of production are dairy (\$52million) and meat (\$28million).

Much of the rural land in Bass Coast is considered productive agricultural land with areas west of the Bass Highway considered land of strategic significance due to its contribution to the nationally significant Gippsland dairy industry.

The future outlook for agriculture is strong, however, land affordability and urban encroachment are issues for agriculture in some areas of Bass Coast.

Tourism

Tourism is the pillar of the Bass Coast economy with internationally recognised tourism attractions particularly on Phillip Island. Tourism is annually estimated to generate around \$620million in direct expenditure, over \$1billion in value added and support around 1,400 jobs.

There is potential for further development of tourism in the Shire's rural areas, but this should not come at the expense of the landscape, amenity, environmental, agricultural values and liveability of the Shire.

Environment and landscape

Bass Coast has environmental and landscape values of regional and national significance, including Ramsar listed wetlands, marine parks and remnant native vegetation. Land hazards such as erosion and coastal acid sulphate soils are issues in some locations. The Rural Land Use Strategy provides an opportunity to recognise and protect environmental assets and minimise the impacts of hazards on future development and values.

Part 2: of the **Bass Coast Rural Land Use Strategy** responds to the analysis and investigations documented in **Part 1**, and sets out the new rural strategy. Key elements of the strategy are summarised here.

Vision for Bass Coast rural areas

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

- Protect the opportunity for agriculture
- Protect rural landscape and maintain green breaks between towns
- Provide for rural based tourism
- Ensure that environmental values are protected and enhanced
- Protect the livability of Bass Coasts' rural areas.

Key strategic directions

The key strategic directions of the Rural Land Use Strategy are to:

- Detail planning controls that will provide clear direction for use and development in the rural areas of the Shire
- Support agriculture and not prejudice the ability of future generations to productively farm the land
- Support agricultural activities and associated rural industries that will maintain and build on the economic base of the Shire
- Balance demand for rural lifestyle and protection of agricultural values by discouraging fragmentation of land in rural areas as well as additional dwellings unrelated to the agricultural use of the land
- Encourage the use of existing small lots for innovative uses or niche production activities that are not dependent upon or associated with the development of a dwelling on the lot
- Broaden the basis for establishing minimum lot sizes from a consideration of land units to support agriculture to include protection of the rural farmed landscape
- Protect and maintain the existing rural character of the Shire by providing clear definitions and distinctions between rural and urban areas

- Protect and maintain areas of environmental and landscape significance by strongly discouraging inappropriate development and uses
- Provide for a range of tourism uses in appropriate areas.

Implementation

The desired future rural land use outcomes vary across the Shire. Therefore implementation of the vision and strategic objectives is achieved by segmenting the rural areas of the Shire into a number of Rural Precincts (Figure E1) and tailoring planning policy to the specific land use outcomes desired in each precinct. The identification of Bass Coast's rural precincts included consideration of:

- Current land use and settlement patterns
- Productive agricultural land
- Land of strategic significance for agriculture
- Logical and easily identifiable boundaries.

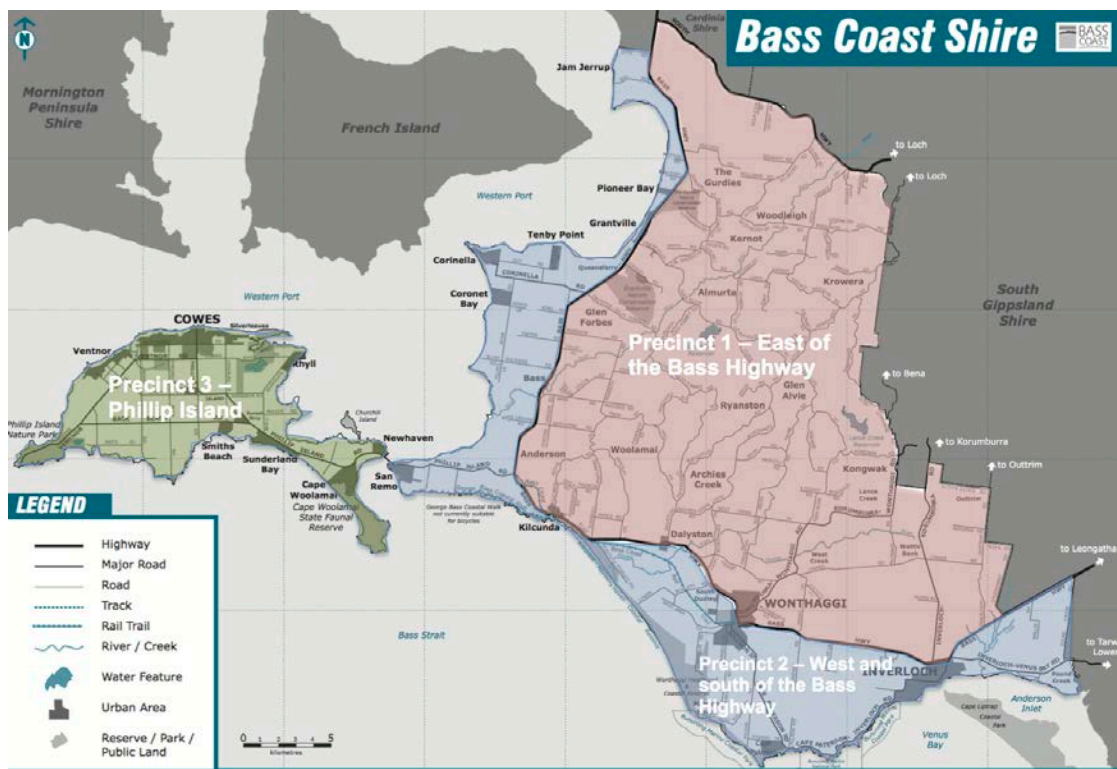


Figure E1 Bass Coast Rural Precincts

Implementation of the vision and strategic objectives will be achieved by the adoption of the following recommendations for planning policy.

Farming Zone

It is recommended that:

- The Farming Zone be retained in the rural areas of the Shire currently zoned Farming
- A revised minimum lot size schedule for the Farming Zone is tailored to the three rural precincts as set out in Table E1.
- A local policy be prepared to provide additional guidance on subdivision and dwellings in the Farming Zone

Table E1 Recommended Farming Zone minimum lot size schedule

Rural precinct	Minimum lot size for subdivision	Minimum area for which no permit is required for a dwelling
Precinct 1. East of the Bass Highway	80ha	40ha
Precinct 2. West and south of the Bass Highway to the coast	80ha	40ha
Precinct 3. Phillip Island	40ha	40ha

Rural Activity Zone

It is recommended that the:

- Rural Activity Zone is retained in locations where it currently applies.
- Rural Activity Zone be applied to land in Coronet-Bay / Corinella (Figure E2), The Gurdies (Figure E3), Newhaven (Figure E4) and Cape-Paterson / Inverloch (Figure E5) to provide for agriculture and rural based tourism.
- Lot size minima for subdivision within proposed Rural Activity Zone vary by locality:
 - Coronet Bay – Corinella 40 ha
 - The Gurdies 40 ha
 - Newhaven 40 ha
 - Inverloch to Cape Paterson 260ha
- A local policy be prepared to provide additional guidance on subdivision, dwellings and tourism facilities and activities in the Rural Activity Zone



Figure E2 Proposed Corinella- Coronet Bay Rural Activity Zone

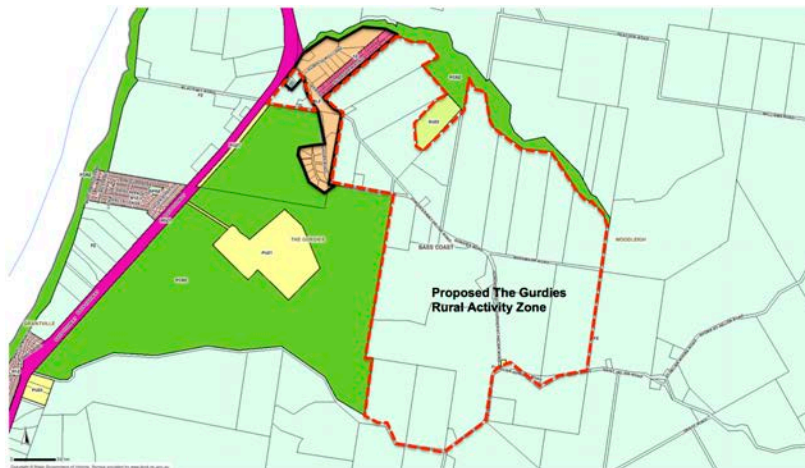


Figure E3 Proposed The Gurdies Rural Activity Zone



Figure E4 Proposed Newhaven Rural Activity Zone

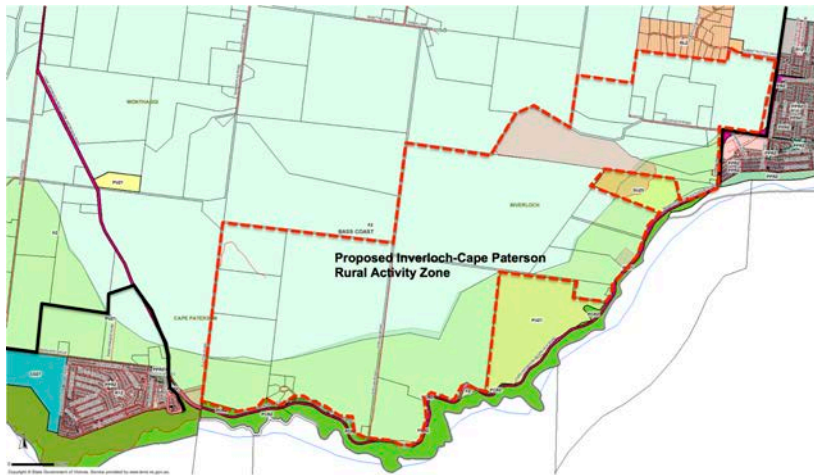


Figure E5 Proposed Inverloch-Cape Paterson Rural Activity Zone

Rural Conservation Zone

It is recommended that the Rural Conservation Zone be retained in locations currently zoned Rural Conservation.

Further Strategic Work

The Rural Land Use Strategy identified further strategic work including:

1. Areas for Rural Activity Zone from submissions

Submissions to the draft Rural Land Use Strategy nominated additional locations for application of the Rural Activity Zone during exhibition of the draft Rural Land Use Strategy. It is recommended that these locations be assessed and considered as part of preparation of the planning scheme amendment arising from this Rural Land Use Strategy. Locations included: Anderson, Bass, Cowes, Ventnor, Corinella, Kernot as well as land adjacent to or near the proposed Rural Activity Zone at Corinella – Coronet Bay, The Gurdies, Newhaven and Inverloch – Cape Paterson.

2. Rhyll Inlet Ramsar Wetland

The Rhyll Inlet is a Ramsar listed wetland providing important habitat for migratory wading birds. The inlet is also identified in the Victoria Coastal Inundation Dataset, as an area at risk of inundation due to climate change. It is recommended that Council undertake further investigation to determine if the Rural Conservation Zone is appropriate for land abutting the Rhyll Inlet.

3. Housing and Settlement Strategy

Submissions to the draft Rural Land Use Strategy raised a number of issues and opportunities that would be more appropriately addressed through a Housing and Settlement Strategy. These include:

- Historic villages - There are a number of rural villages across the Shire, some of these exist only as a subdivision and a cluster of houses, others such as Kernot, has a store, CFA shed, hall, church and houses. The land is currently zoned Farming meaning that owners of vacant lots would need to get a permit for a dwelling, which would be difficult to achieve due to the small size of the lots and the need to demonstrate the need for the dwelling for an agricultural purpose. Some submitters wanted land considered for application of the Rural Activity Zone for rural industry and tourism, particularly towns along the Wonthaggi – Nyora railway line.

Future directions for these villages should be considered as part of a Housing and Settlement Strategy for the Shire.

- Rural living - The desire to live in a rural location and a lack of land zoned for rural residential purposes was noted by a number of submitters. A supply and demand analysis of land zoned Rural Living, as part of a Housing and Settlement Strategy will establish whether additional land should be identified for this use.
- Small rural lots - Across the Shire, there is a substantial supply of small rural lots (less than 1.25 ha). These are 'legacy' lots created through excisions, road realignments etc. A number of submitters sought clarification as to how Council would view a permit application for a dwelling on such lots, given the need to demonstrate the need for the dwelling for an agricultural purpose. It is recommended that Bass Coast undertake further analysis of the number and location of vacant small lots and prepare a local policy to provide clarity on future use and development of small rural lots.

4. Landscape assessment

The landscape values and amenity of the Shire are consistently recognised as important to the liveability and tourism industry of Bass Coast. Landscape assessment of the coastal areas was completed as part of the Coastal Spaces Landscape Assessment Study. It is recommended that an assessment of the Shire rural areas, not covered by the Coastal Spaces Landscape Assessment Study be undertaken to ensure that important views and landscapes are appropriately protected.

5. Extractive industries

Quarrying and extractive industries is an important local industry with the sand resources around Grantville and Nyora of state significance. The Bass Coast Planning Scheme supports development of the industry. It was noted in part 1 of this Strategy that there is no policy guidance for management of spoil, site rehabilitation and landscape impact. Community concern was expressed during exhibition of the draft Strategy as to the impacts of extractive industries. It is recommended that a local policy be prepared to provide guidance on development of extractive industries including consideration of site rehabilitation, management of spoil, dust and noise mitigation and landscape impacts.

1 Introduction

The rural areas of the Bass Coast Shire are diverse with attractive rural and coastal landscapes, significant biodiversity and environmental values, productive agricultural industries and a network of rural settlements. The Shire covers 864 square kilometres and in 2011 had a permanent population of 30,000, though this can triple during peak holiday periods. Wonthaggi is the main service centre.

In 2010 Bass Coast initiated the preparation of a Rural Land Use Strategy, triggered by the translation of the new suite of rural zones to the Bass Coast Planning Scheme in 2006 and completion of a number of Council studies. In 2010 Council undertook preparation of a Rural Strategy Background Paper and in 2012 consultation on a Directions Paper.

Preparation of the Rural Land Use Strategy was to build on the strategic planning and consultations completed to date and review the current rural land use and development circumstances, including issues, opportunities and trends. The Rural Land Use Strategy was required to:

- Sets out a long term vision for the Shire's rural areas
- Responds to the changes in the Rural Zones
- Recommends objectives, strategies, policy and planning controls to achieve Council's vision for the Shire's rural areas.

The development of the Rural Land Use Strategy included the following key steps:

1. Review of planning and policy context and current rural land circumstances
2. Targeted consultation with key stakeholders including agencies, authorities, rural industries, key rural businesses
3. Prepare a draft Rural Land Use Strategy
4. Public exhibition and comment on the draft Rural Land Use Strategy
5. Final Rural Land Use Strategy.

2 Bass Coast Overview

Bass Coast Shire is situated around 1.5 hours south of Melbourne. The major service centre is Wonthaggi and other key towns include Cowes and Inverloch (Figure 2-1).



Figure 2-1 Bass Coast Shire¹

A recent study by Essential Economics² provides the following summary of the Bass Coast economy and population trends.

The three largest sectors of the economy in Bass Coast Shire, in terms of output, are Manufacturing (\$367 million); Construction (\$314 million); and Rental, Hiring and Real Estate Services (\$267 million). The combined product of these sectors, worth \$948 million, accounts for approximately 46% of the Shire's total economic output of \$2.1 billion. Within these sectors, the following key industries generate the majority of production by value.

- *Manufacturing – Transport equipment and parts manufacturing; food product manufacturing; metal and metal product manufacturing.*
- *Construction – Residential building construction; construction services (e.g. concreting, bricklaying, roofing); heavy and civil engineering construction.*
- *Rental, Hiring and Real Estate Services – Residential property services; real estate services.*

The contribution of tourism and events (which comprises several industries including retail, accommodation, food, hospitality and recreation) is of unique importance to Bass Coast, with visitor spending contributing some \$1.05 billion to the Shire's economy. The underlying

¹ <http://www.basscoast.vic.gov.au> accessed 11.4.2012

² Essential Economics (2012) Bass Coast Economic Outlook 2012 - 2017

strength of Bass Coast tourism and of the wider economy has been supported by strong levels of business confidence, business investment and employment growth.

Over the long-term, economic growth and security in Bass Coast can be achieved by focusing on the Shire's main sources of competitive advantage, which are its location close to Melbourne, its economic diversity, and its economic resilience. Economic opportunities for the Shire and its residents can be maximised by creating better economic linkages with Melbourne, achieving higher worker productivity, and making strategic capital investments in transport and tourism infrastructure.

Bass Coast Shire has a current (2012) estimated resident population of approximately 32,000 persons, having increased at an average annual rate of 2.7% since 2006. This represents one of the fastest rates of growth in regional Victoria over the period. Forecasts indicate that the total population of the Shire will increase to 48,000 persons in 2031 at an average annual rate of 2.1%.

2.1 Strategic considerations

Bass Coast's situation, within one hours commuting distance from employment hubs in south east Melbourne and projected growth rate has the potential for increased demand for conversion of rural land to residential, industrial and commercial purposes.

3 Planning Policy Context

The key purpose of this study is to update the Bass Coast Planning Scheme with respect to rural land use and development. This section of the report provides a summary of the planning policy context for Bass Coast comprising the State Planning Policy Framework and the Local Planning Policy Framework and a review of the effectiveness of Council in implementing current rural policies.

3.1 Bass Coast Planning Scheme

The Bass Coast Planning Scheme comprises two major sections. The State Planning Policy Framework (SPPF) outlines objectives and strategies and applies to all private land in the State. The Local Planning Policy Framework (LPPF) is specific to each individual municipality and provides an opportunity for the scheme to respond to local circumstances. The LPPF must implement State Policy.

3.2 State Planning Policy Framework

There are a number of State planning policies that apply to rural land that are of relevance to this project. These are summarised below.

Rural productivity

Manage land use change and development in rural areas to promote agriculture and rural production including preventing inappropriately dispersed urban activities in rural areas and limiting new housing development in rural areas.

Coastal settlement

Plan for sustainable coastal development providing clear settlement boundaries around coastal settlements protecting rural landscapes and areas between settlements for non-urban use.

Coastal areas

Recognise and enhance the value of the coastal areas to the community and ensure sustainable use of natural coastal resources.

Ensure development conserves, protects and seeks to enhance coastal biodiversity and ecological values.

Ensure development provides an environmental, social and economic balance.

Encourage suitably located and designed coastal and marine tourism opportunities.

Improve the environmental health of the bays and their catchments.

Planning must consider as relevant the Victorian Coastal Strategy (2008), the Coastal Spaces Landscape Assessment Study (2006) Port Phillip and Westernport Regional Catchment Strategy.

Significant environments and landscapes

Protect and conserve environmentally sensitive areas.

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

Climate change impacts

Plan for and manage the potential coastal impacts of climate change.

Protection of agricultural land

Protect productive farmland, which is of strategic significance in the local or regional context.

Sustainable agricultural land use

Encourage sustainable agricultural land use.

Facilitating tourism

Encourage tourism development to maximise the employment and long-term economic, social and cultural benefits of developing the State as a competitive domestic and international tourist destination.

3.3 Local Planning Policy Framework

3.3.1 Vision

The overarching land use planning vision for the Shire's rural areas includes the following statements:

- A positive investment climate for rural activities home based business, tourist development and other commercial enterprises
- Innovative and sustainable rural activities contributing to a diversified rural economy, supporting the economic viability of local and regional produce, and promoting sustainable land management practices
- Quality tourist development responding to tourism market demand, the coastal experience, landscape character and the environment in identified locations throughout the municipality
- Well designed tourism developments without residential components for permanent accommodation
- National and international recognition as a location for nature-based attractions, as well as for sporting and cultural events
- The 'right to farm' recognised and agricultural industry protected
- A high quality built environment enhancing the surrounding natural environment and landscape values
- An ecologically sustainable and biologically diverse environment
- An extensive network of natural bushland reserves, wildlife corridors and vegetation areas, both on private and public land
- Development responsive to the effects of climate change
- The coastal and hinterland areas between activity nodes remaining as areas with views, landscape, environmental or rural values
- Aboriginal and post European settlement cultural heritage sites recognised and protected
- Improved quality of water and the surrounding catchment environment.

3.3.2 Key rural land issues

The LPPF notes the following land use and development issues in the Shire's rural areas that it seeks to address through appropriate strategies and policies:

- Managing expectations regarding future residential or rural residential development of rural land, and promote sustainable rural land use
- Maintaining a separation between townships and avoiding extending residential development in a linear form along the coast
- Protecting areas of environmental, landscape, agricultural, cultural or recreational significance
- Managing significant pressure from population growth and visitors
- Avoiding development in inappropriate locations
- Rural areas
 - Protecting productive agricultural land
 - Diversifying agricultural industry
 - Developing value adding rural industries in the Shire
- Environment values
 - Managing the coastline, which contains the main proportion of significant habitat
 - Protecting areas subject to future impacts as a result of climate change
 - Halting the decline and fragmentation of indigenous vegetation
 - Conserving and enhancing the municipality's biodiversity
 - Balancing the competing interests of protecting existing habitat and development pressures
 - Maintaining water quality (avoiding increased concentrations of nutrients and suspended sediments) by better managing erosion, agriculture, forestry and urban uses
 - Protecting estuarine, river and coastal environments, from pollution, high nutrient run off and flash flooding
 - Managing environmental hazards including: the effects of climate change, increased areas affected by salinity, erosion and landslip, acid sulphate soils
- Landscape and Built form
 - Maintaining individual settlement identity
 - Protecting coastal and hinterland landscapes and views
 - Managing the pressures to develop land in locations of high scenic value
 - Seeking high quality design outcomes that incorporate Environmentally Sustainable Design principles.

The strategic position on rural land is outlined in the Municipal Strategic Statement. There are no planning studies that support this position.

3.3.3 Objectives and strategies

The Bass Coast Planning Scheme outlines the following objectives and strategies relevant to rural land in the Shire:

Growth of towns

- Ensure that residential development and related urban uses are restricted to existing or identified settlements.
 - Discourage urban growth beyond existing settlement boundaries of towns not identified in the Settlement Hierarchy

- Strongly discourage expansion of isolated residential, low density residential, and rural living estates
- Ensure that development within old and inappropriate subdivisions only occurs in accordance with an approved restructure plan
- Restructure existing rural living and low density residential development within identified settlement boundaries, in accordance with an approved restructure or development plan
- Encourage sustainable development, minimise impacts on the natural systems, increase natural reserves and vegetation in urban areas and improve the quality of life for the community
- Manage climate change impacts by:
 - Identifying areas subject to future impacts of climate change
 - Preparing a strategy to deal with the possible impacts of climate change for developments located within existing urban boundaries
 - Avoiding development in areas outside of town boundaries where there are possible impacts as a result of climate change
 - Ensure that development is set back from the coast to accommodate coastal features, vegetation and climate change impacts.

Rural Living and Low Density Residential Development

- Provide for rural living and low density residential development in identified areas
 - Discourage rural living and low density residential development outside of areas identified for this use
- Minimise the impact of development on the landscape and the environment
 - Avoid rural living and low density residential development in areas that are of high scenic quality
 - Avoid linear development between settlements, particularly along the coast
 - Strongly discourage the establishment of rural living or lifestyle development outside of areas identified for this use
- Restructure old and inappropriate residential subdivisions into low density residential lots
 - Encourage the restructuring of old and inappropriate subdivisions where Restructure Plans exist
- Retain viable rural holdings located on productive agricultural land and restrict inappropriate development within agricultural areas
 - Ensure that rural living and low density residential development does not locate in areas that will impact on productive agricultural land
 - Ensure dwellings in rural areas do not adversely affect the use of the land for agriculture and are consistent with sustainable land management practices. Ensure a clear link between the need for a dwelling and the agricultural use of the land.

Small rural lots

- Retain and protect viable rural holdings
 - Strongly discourage the fragmentation of the rural land through the creation of small rural lots within the Farming Zone and the Rural Conservation Zone

- Discourage small rural lots in areas of agricultural production
- Discourage boundary realignments and the creation of additional lots, unless they result in a consolidated parcel of land being retained for agricultural use, and it can be demonstrated that there is a clear improvement in farming efficiency
- Provide opportunities to consolidate or increase the size of land holdings in the Farming Zone and the Rural Conservation Zone in order to increase economies of scale and create more viable farming systems
- Support, where appropriate, the creation of small lots as parts of re-subdivision where it provides for the ongoing protection and viability of agricultural landholdings
- Prevent land use conflicts in agricultural areas
 - Ensure that dwellings are not excised from land within the Farming Zone and the Rural Conservation Zone, unless it can be demonstrated that there is a clear improvement in farming efficiency
 - Encourage the use of existing small lots for innovative or niche productive activities
 - Discourage subdivision that is likely to lead to a concentration of lots that changes the general use or development of the area
- Ensure small rural lots do not occur in environmentally sensitive areas
 - Discourage small rural lots within Proclaimed Water Supply Catchment Areas zoned Rural Conservation
 - Discourage small rural lots where there is likely to be an impact on landscape values, significant environmental features such as remnant vegetation, wetlands, coastal reserves and waterways
 - Discourage small rural lots in areas where there are unsealed roads and remote from physical and community infrastructure
 - Support, where appropriate, the creation of small lots as parts of re-subdivision where it enables the protection of significant environmental features of a particular site.

Tourism

- Encourage new tourist development in appropriate locations.
 - Support new tourist development in identified tourist areas
 - Discourage tourist developments from establishing intermittently along major tourist routes
 - Discourage ad hoc tourist development along tourist routes outside identified tourist precincts, distant from existing tourist and urban infrastructure
 - Discourage tourist developments on high quality agricultural land and in areas of high environmental and landscape quality
 - Discourage tourist or recreation-based resorts such as golf courses from establishing on productive agricultural land
 - Encourage new tourist development to be sited and designed to minimise its impact on the natural environment and landscapes
 - Ensure tourism related developments is planned, located and integrated with existing settlements consistent within the coastal planning policy context

- To provide diversity in tourist accommodation
- Encourage tourist accommodation in appropriately zoned rural areas
- Provide diversity in tourist attractions and eating establishments
 - Facilitate the development of integrated recreation, cultural heritage or nature based tourist developments at locations identified for these uses
 - Promote local art and craft people to establish home-based cottage industries with either direct sale to the public, through local retail outlets, at community markets, or at major tourist destinations
 - Encourage tourist facilities and services that are compatible with and add value to the existing built and natural attractions of the municipality
 - Encourage tourist, recreational activities, primary produce sales and tasting, linked or dependent upon agricultural activities, to establish in appropriately zoned rural areas
- Encourage sustainable year-round tourism
 - Actively promote tourist development that will contribute and reinforce the municipality as an all-year round tourist destination
 - Encourage development which is innovative, attracts visitors throughout the year, is conducive to overnight stays or which leads to new tourist products or promotions
 - Provide the necessary infrastructure needed to host major sporting and cultural events
 - Support the provision of temporary camping and accommodation premises to satisfy demand beyond the capacity of established premises for major events attracting over 50,000 people.

Agriculture

- Establish a strong and vibrant rural agricultural community comprising a range of diversified enterprises that is efficiently managed and ecologically sustainable
 - Diversification of agricultural practices including introduction of new crops and animals, use of energy efficient technology, and ecologically sustainable farming techniques will be encouraged
 - Strongly encourage farmers to prepare and implement Farm Management Plans for their properties, particularly as part of a planning permit application for a change in land use or development
 - Encourage the planting of locally indigenous vegetation to provide shelter for livestock, minimise soil erosion and salinity, enhance landscape quality, and provide further opportunities for wildlife corridors
- Retain viable rural holdings, particularly on productive agricultural land
 - Strongly discourage the subdivision of productive agricultural land
 - Encourage restructuring of existing titles to more adequately respond to sustainable farming operations and environmental objectives
 - Encourage use, development and management of land that is conducive to maintaining options and opportunities for future farming activities
- Prevent land use conflicts in agricultural areas
 - Limit development in rural areas that is not associated with an agricultural land use

- Encourage a range of value-adding rural industries to establish in the Shire
 - Encourage rural industries which package and/or process local primary products in proximity to their raw product.

Forestry and timber production

- Minimise the impact of timber plantations and forestry on the environment and significant landscape
 - Ensure indigenous vegetation is not removed for the establishment of timber plantations
 - Strongly discourage timber plantations from locating in areas of high landscape and environmental quality
 - Ensure that extensive buffer zones of indigenous vegetation are planted around timber plantations
- Minimise the impact of timber plantations and forestry on infrastructure
 - Minimise the impact of timber plantations and forestry on infrastructure, including the surrounding road networks and water supply.

Extractive Industry

- Ensure the long term protection of known and potential sand resources
 - Discourage incompatible use or development from within or adjacent to buffers of known stone and sand resources
- Effectively manage extractive industry in response to surrounding land uses and the natural environment
 - Ensure that extraction of stone is carried out in accordance with high environmental standards and does not have a detrimental impact on the environment or significant landscape areas
 - Ensure that extensive buffer zones of indigenous vegetation are planted around quarries
 - Minimise the impact of extractive industries on the infrastructure capacity of the surrounding area
 - Ensure quarries are located or designed so as to minimise impacts on areas of high landscape and environmental quality.

Note that there is no policy to guide rehabilitation of areas used for extractive industries.

3.3.4 Local Policy

The Bass Coast Planning Scheme has one local policy applicable to rural areas: the Hilltop, Ridgeline and Prominent Coastal Landform Protection Policy. This policy applies to all land located on and adjacent to significant hilltops, ridgelines and prominent coastal landforms found within Farming, Rural Activity and Rural Conservation Zones in the Shire and has the following objectives:

- Protect the environmental, landscape and visual significance of hilltops, ridgelines and prominent coastal landforms
- Maintain panoramic roadside views of the scenic natural landscape along hilltops, ridgelines and prominent coastal landforms of the Shire.

3.3.5 Zones

The Zones that apply to rural land in Bass Coast include:

Farming Zone: The main zone for agricultural areas aimed at encouraging retention of productive agricultural land and discouraging uses that may have adverse impacts on agriculture. This has been applied to the majority of rural land in Bass Coast.

Rural Conservation Zone: aims to protect land with significant environmental, heritage or cultural values.

Rural Activity Zone: aims to provide for agriculture and other uses that are compatible with agriculture, environmental and landscape values of an area. There are a number of individual sites where the Rural Activity Zone has been applied in Bass Coast primarily to provide for tourism.

The following table outlines the minimum lot schedules for the rural zones.

Zone	Minimum subdivision area (ha)	Minimum area for which no permit is required to use land for a dwelling (ha)
Farming Zone	40ha	40ha
Rural Activity Zone	40ha	A permit is required for all dwellings in the RAZ
Rural Conservation Zone	40ha	A permit is required for all dwellings in the RCZ

3.3.6 Overlays

A number of overlays apply to rural areas of the Shire including:

- Significant Landscape Overlay
- Environmental Significance Overlay
- Wildfire Management Overlay
- Land Subject to Inundation Overlay
- Erosion Management Overlay
- Vegetation Management Overlay.

3.4 Planning scheme performance and implementation issues

3.4.1 Direct translation of the new rural zones

The current suite of rural zones was introduced into the Bass Coast Planning Scheme by direct translation in 2006. This resulted in the Farming Zone being applied to land previously zoned Rural without ensuring that the Farming Zone was appropriate to all rural areas of the Shire.

A number of locations have been identified through this review that are inconsistent with the Farming Zone.

Lot or Plan No.	Address	Current Use / Comment
Lot 1 TP704622	Cowes-Rhyll Rd, Rhyll	Recreation Oval
Lot 21 LP13097	493 Berrys Beach Road	Farming - 17 lots, around 2ha in size
Lot 334 LP54996	Grevillea Grove Surf Beach	Farming / vegetation/ very swampy Numerous very small lots.
Lot 4 PS 422683	1 Veterans Drive Newhaven	Veterans museum and airport

The lot size minima included in the schedule to the rural zones in the Bass Coast Planning Scheme are the default setting and are not based on an analysis of the land attributes and the promotion of particular land use outcomes.

The Rural Land Use Strategy provides an opportunity to review the zones and lot size minima and provide tailored responses to promote and support the desired land use and development outcomes across the Shire.

3.4.2 Subdivisions and dwellings in the Farming Zone

Since 2008, a total of 52 planning permits have been issued for subdivisions in the Farming Zone. Most of these were two or three lot subdivisions. During the same period, 212 permits were issued for dwellings in the Farming Zone. Dwellings constructed for which a planning permit was not required are not included. This level of dwelling development is likely to be primarily for rural lifestyle given the trends in agriculture noted in Section 5.

The level of dwelling development is significant and suggests that either there are areas in the Farming Zone that are not zoned appropriately or that in the absence of clear policy guidance, permits for dwellings are being approved contrary to the intent of the zone.

Table 3-1 Planning permits approvals for subdivision and dwellings in Bass Coast.

Year	Planning permits for Subdivisions	Planning permits for Dwellings
2008	6	26
2009	10	56
2010	8	51
2011	13	44
2012	11	27
2013	3	8
Totals	51	212

3.4.3 VCAT decisions

Few appeals against Council decisions have been made to the Victorian Civil and Administrative Tribunal (VCAT). Four recent cases are summarised in the following table.

Of note was the permit for a golf course and group accommodation adjacent to the Grand Prix Circuit. This highlights the need for additional direction, such as scale, design and siting, of future tourism development.

Year	Issue	Outcome
2013	Permit to construct a private chapel in the Farming Zone	Permit granted
2009	Permit for subdivision in the Farming Zone	Permit granted
2008	Permit for a golf course and group accommodation adjoining the Phillip Island Grand Prix Circuit.	Permit not granted
2007	Permit for a dwelling on 15ha in the Farming Zone	Permit not granted

3.5 Strategic considerations

The key strategic issues for the Shire's rural areas are:

- To provide for a mix of rural land uses as identified by the community while protecting the environmental, agricultural and landscape of the Shire's rural areas
- The selection and application of the appropriate zone from the suite of rural zones to more accurately reflect the desired land use and development outcomes
- Outlining in policy appropriate guidance for decision making to allow for an appropriate level of flexibility as desired by the community while being consistent with State Policy.

This RLUS offers an opportunity to synthesise the function, values and prospects of the various locations in the rural areas of Bass Coast and to match these with planning controls that are responsive to the local and regional context. This process should recognise that land use, landscapes and functions are not homogenous across the Shire and that a differentiated policy response may be required.

4 Strategic context

There are a number of strategies and plans developed by State Government and Bass Coast that provide direction for rural land use and will need to be considered in development of recommendations for planning policy as part of this RLUS. These are summarised here.

4.1 State planning strategies

Coastal Spaces³

Coastal Spaces provides recommendations that seek to improve and clarify strategic planning and tools for managing sustainable coastal development in non-metropolitan coastal areas including clarifying the role and function of coastal settlements, protecting spaces between settlements and managing significant coastal issues including acid sulphate soils.

Bass Coast has implemented a number of the recommendation detailed in the study, which is a reference document in the Bass Coast Planning Scheme.

Coastal Spaces Landscape Assessment Study⁴

The Coastal Spaces Landscape Assessment Study identifies and maps individual landscape characteristics and provides recommendations for protection of significant landscapes of the Victorian coast. A set of best practice policies are recommended to protect and manage visual qualities of the coastal landscape in Victoria, including:

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

The study recommends the inclusion of a local policy for the 'Management of Coastal Landscapes'. The recommended Significant Landscape Overlays (SLO) have been introduced to the Bass Coast Planning Scheme to ensure protection of coastal landscapes at:

- Phillip Island Western and Southern coast
- Phillip Island Eastern coast
- San Remo to Kilcunda coast
- Bass Hills and Strzelecki Foothills
- Kilcunda to Cape Paterson coast.

Future Coasts⁵

The Future Coasts Program provides analysis and mapping to understand and plan for the risks associated with sea level rise and storm surge. The program has developed Coastal Inundation Datasets that model locations at risk of inundation from sea level rise and storm surge.

Bass Coast is currently updating the Land Subject to Inundation Overlay to identify locations at risk from sea level rise and storm surge. The mapping was considered in this study.

³ Department of Sustainability and Environment (2006) Coastal Spaces

⁴ Department of Sustainability and Environment (2006) Coastal Landscape Assessment Study

⁵ Department of Sustainability and Environment (2012) Future Coasts

2009 Victorian Bushfires Royal Commission Report and the State Government Response

Following the Royal Commission and State Government response, Amendment VC 83 introduced a suite of bushfire planning provisions into all Victorian Planning Schemes, including:

- The State Planning Policy Framework (SPPF) (clause 13.05 – Bushfire)
- The Local Planning Policy Framework (Municipal Strategic Statement (MSS) and local planning policy where relevant)
- The Bushfire Management Overlay (BMO) (clause 44.06)
- Bushfire protection: planning requirements (clause 52.47)
- Bushfire protection: exemptions (clause 52.48), native vegetation (clauses 52.16 and 52.17) and overlays that seek to manage vegetation.

The Bushfire Management Overlay has been introduced into the Bass Coast Planning Scheme.

Gippsland Regional Growth Plan

The Gippsland Regional Growth Plan, also known as the Gippsland Integrated Land Use Plan will provide the means to implement the strategic land use and infrastructure directions set out in the Gippsland Regional Strategic Plan and will:

- Identify important economic, environmental, social and cultural resources to be preserved, maintained or developed
- Provide direction for accommodating growth and change including residential, employment, industrial, commercial, agricultural and other rural activities
- Show broadly which areas of land can accommodate growth and which are to be maintained, including consideration of the infrastructure needed to support growth or change.

The Draft GILUP was released for public comment in June 2013. Implementation of the recommendations of this Rural land Use Strategy will need to consider the directions of the final GILUP.

4.2 Agricultural strategies

National Food Plan

The Australian Government is developing a national food plan.

The aim of the national food plan is to foster a sustainable, globally competitive, resilient food supply that supports access to nutritious and affordable food. To achieve this outcome the plan focuses on biosecurity, trade arrangements and research and development.

Public consultation on the National Food Plan green paper concluded on 30 September 2012. The government is currently considering all stakeholder feedback in developing the National Food Plan white paper.

Gippsland Food Plan

Regional Development Australia Gippsland is preparing a Gippsland Food Plan to identify opportunities to enhance the current performance and build opportunities for innovation within the Gippsland food system.

The Gippsland Food Plan is still to be finalised.

4.3 State tourism strategies

10 Year Tourism and Events Industry Strategy⁶

This strategy noted the importance of tourism to regional economies and employment:

Tourism is a major creator of businesses, jobs and prosperity in regional Victoria. In 2003/04, Tourism contributed \$3.4 billion to the regional Victorian economy – 31% of the State's total tourism output – and employed 61,000 people – 39% of the State's total tourism employment.

Intrastate tourists spend 85% of visitor nights in regional Victoria, providing a steady stream of income to regional tourism operators. New developments, however, are reducing the market share of regional tourism. Low cost carriers, for instance, are making it easier and less expensive for tourists to travel interstate and even overseas for their holidays.

A key initiative of this strategy for regional tourism has been the preparation of Regional Tourism Development Plans to promote a Destination Management approach to regional tourism. The plans contain recommendations to improve local tourism marketing, infrastructure and industry development.

Regional Tourism Action Plan, 2009 – 2012⁷

The Regional Tourism Action Plan consolidates and refines Tourism Victoria's activities in regional Victoria and outlines actions to respond to the various challenges impacting on tourism growth in regional Victoria.

For the Gippsland Region, the Strategy notes:

Gippsland has diverse economic drivers with agriculture, manufacturing and energy sectors making significant contributions to the local economy. Tourism has not traditionally had a major focus in the region, however it is gaining an increasing profile as it is viewed as a sector with the potential for economic growth

The major opportunity for tourism development in Gippsland is supporting investment that enhances nature-based experiences.

Of relevance to Bass Coast, the strategy notes that Tourism Victoria will facilitate the Sydney–Melbourne Coastal Drive as a nationally significant touring route.

Victoria's Cycle Tourism Action Plan, 2011-2015⁸

Participation in cycle tourism is growing domestically and internationally. Tourists are increasingly seeking to improve their health and wellbeing and to undertake environmentally sustainable tourism experiences and modes of transport. Priority tourism trails have been selected on the basis of their potential to attract interstate and intrastate visitation and increase length of stay.

No priority trails were identified in Bass Coast.

⁶ Tourism Victoria (2006) 10 Year Tourism and Events Industry Strategy

⁷ Tourism Victoria (2009) Regional Tourism Action Plan

⁸ Tourism Victoria (2011) Victoria's Cycle Tourism Action Plan

Victoria's Spa and Wellbeing Tourism Action Plan, 2011-2015⁹

This plan identifies the actions that Tourism Victoria will deliver on behalf of industry to capitalise on Victoria's competitive position. Tourism Victoria has identified three key directions:

- Facilitating investment in spa and wellbeing product
- Strengthening the professionalism of the industry
- Increasing consumer demand for spa and wellbeing experiences.

No spa facilities were identified in Bass Coast during the development of this RLUS.

Villages of Victoria Campaign¹⁰

The four-year Villages of Victoria campaign combines new and traditional media to showcase unique characteristics of Victoria's villages such as food and wine, nature-based and spa experiences in regional Victoria. In 2011, new areas in Gippsland to be included in the campaign included Phillip Island and Inverloch.

Victoria's Nature-Based Tourism Strategy, 2008 – 2012¹¹

Nature-based tourism is a relatively new and emerging sector of the tourism market. The *Nature-based Tourism Strategy 2008–2012* provides a long-term, coordinated approach to policy, planning, sustainable development and marketing of the nature-based tourism sector.

Key directions relevant to this study include:

- Initially focus and phase resources for Nature Based Tourism on the following tourism campaign regions: Phase 2: Phillip Island and Gippsland.
- Encourage destinations to commence planning, development and management of nature-based tourism at a regional level within the framework of this strategy
- Target opportunities and increase involvement and consultation with Aboriginal communities across Victoria in relation to nature based tourism
- Develop a small range of identified experiences with a focus on those matched to international market demands in key nature based tourism destinations, including:
 - Phillip Island Nature Parks public reinvestment to upgrade facilities
 - Identify, improve and develop Aboriginal tourism products in the natural environment in the Gippsland.

Victoria's Food and Wine Action Plan, 2004-2007¹²,

The Food and Wine Action Plan notes:

Although Gippsland has a good percentage of visitors partaking in food and wine activities (43%), the region is currently below the regional Victoria figure of 48%. Gippsland needs to develop a stronger point of difference in food and wine.

While Gippsland can promote strengths in local farm gate and seafood produce, the region has issues with accessibility to and reliability of delivery of these products.

The 70km Gourmet Deli Trail has been established for 15 years but requires some analysis to ensure it meets consumer needs.

⁹ Tourism Victoria (2011) Victoria's Spa and Wellbeing Tourism Action Plan, 2011-2015

¹⁰ Tourism Victoria website <http://www.tourism.vic.gov.au> accessed 27.4.2012

¹¹ Tourism Victoria (2008) Victoria's Nature-Based Tourism Strategy, 2008 – 2012

¹² Tourism Victoria (2004) Victoria's Food and Wine Action Plan, 2004-2007

The Gippsland region does not have a significant strength in a range of quality wineries, with a relatively immature wine industry and the lack of a signature grape for the region.

A number of wineries are located in Bass Coast, some of which provide cellar door sales.

Victorian Trails Strategy 2005 - 2010¹³

The Victorian Trails Strategy highlights the value of trails as a tourism product and makes a range of recommendations to achieve an *“integrated and sustainable trail network that meets community and trail user needs.”*

The Nyora to Wonthaggi Rail Trail was identified as a medium priority for upgrade and marketing.

Backpacker Tourism Action Plan, 2009 – 2013¹⁴

The Backpacker Tourism Action Plan noted a strong potential for regional Victoria to grow its share of backpacker tourism. However, the plan noted a number of issues to be addressed before the potential can be realised. These include accessibility, suitability of product and improving consumer awareness of regional experiences and destinations.

There are two backpacker hostels in Bass Coast: one in Cowes and another in Newhaven.

Victoria’s Aboriginal Tourism Development Plan, 2006 – 2009¹⁵

This plan focuses primarily on research, marketing and issues of Aboriginal tourism in Victoria as a basis for development of the industry sector. There are no directions in terms of particular assets or locations.

4.4 Regional tourism strategies

Regional Marketing and Development Plan 2011-2012 - Gippsland¹⁶

Tourism Victoria will work with State Government agencies, the Regional Tourism Board, Local Government, investors and industry to facilitate the following priority projects:

- High priority nature-based tourism product opportunities associated with long distance trails such as Wild Walks, including eco-cabins in Crown land locations
- Accommodation integrated with conference and meeting facilities
- Improved planning outcomes to facilitate tourism development in nature-based locations.

Specific actions included:

- Working with the Department of Planning and Community Development (DPCD) and local governments (Baw Baw, South Gippsland and Bass Coast) to develop tourism planning facilitation outcomes.

Destination Gippsland Strategic Plan, 2012-2015¹⁷

Destination Gippsland Ltd operates as the peak tourism organisation for Gippsland. The primary task is to be the face of tourism and to provide leadership and to work in partnership with the tourism industry in Gippsland to drive the development of tourism infrastructure, tourism product and marketing.

¹³ Tourism Victoria (2005) Victorian Trails Strategy 2005 – 2010

¹⁴ Tourism Victoria (2009) Backpacker Tourism Action Plan, 2009 – 2013

¹⁵ Tourism Victoria (2006) Victoria’s Aboriginal Tourism Development Plan

¹⁶ Tourism Victoria (2011) Regional Marketing and Development Plan 2011-2012 - Gippsland

¹⁷ Destination Gippsland Ltd (2009) Destination Gippsland Strategic Plan, 2009-2012

In addition to other marketing and policy initiatives, Destination Gippsland outlined the following priorities relevant to this study:

- Support the development and marketing of new high quality nature based tourism products such as those identified in the Tourism Victoria Regional Action Plan, Victorian Nature-Based Tourism Strategy and National Landscapes Tourism Master Plans
- Facilitate and support public and private investment in tourism infrastructure focusing on projects such as those identified in the Tourism Victoria Regional Action Plan, Victorian Nature-Based Tourism Strategy and National Landscapes Tourism Master Plans
 - Cowes-Stony Point Passenger- Car Ferry project.

Regional Marketing and Development Plan, Phillip Island 2011 - 2012¹⁸

Tourism Victoria will work with the State Government, the Regional Tourism Board, Local government, investors and industry to facilitate the following priority projects:

- Ongoing development of high quality accommodation facilities linked to Phillip Island's key attractions including world championship golf facilities and the racetrack
- Infrastructure upgrades for Phillip Island Nature Parks and associated private sector investment opportunities
- Cowes-Stony Point Passenger- Car Ferry project.

Specific actions included:

- Work with key investors to facilitate various regional accommodation investments
- Assist the Department of Sustainability and Environment and Phillip Island Nature Parks with investment and feasibility issues
- Assist Bass Coast Shire Council on identification of new site for ferry at Phillip Island and with the scoping and process to achieve relevant approvals.

Gippsland Sustainable Tourism Project: Part C Tourism Business Opportunities / Investment Opportunities¹⁹

The six municipalities undertook this project to identify new tourism opportunities and infrastructure needs for a sustainable Gippsland Tourism industry. There were no actions specific to Bass Coast.

4.5 Relevant Bass Coast strategies

Rural Tourism Development Study²⁰

The purpose of the Rural Tourism Development Study was to:

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

Rural tourism investigation precincts included: Coronet Bay-Corinella, The Gurdies, Inverloch-Cape Paterson, Phillip Island and Anderson. Recommended strategies included:

¹⁸ Tourism Victoria (2011) Regional Marketing and Development Plan, Phillip Island 2011 - 2012

¹⁹ Urban Enterprise (2007) Gippsland Sustainable Tourism Project: Part C Tourism Business Opportunities / Investment Opportunities

²⁰ Urban Enterprise (2009) Bass Coast Shire Rural Tourism Development Study

- Identify and incorporate tourist uses to be encouraged in Bass Coast Shire into the Local Planning Policy Framework to provide direction for tourism use and development within the Shire
- Identify the principles for land within the Rural Tourism Investigation Precincts which should be rezoned to Rural Activity Zone
- Provide a policy basis for existing tourism businesses in the Farming Zone who may need to seek a rezoning to an alternate zone (e.g. Rural Activity Zone) in order to expand their existing product
- Future tourism developments, which cannot locate within the Rural Tourism Investigation Precincts and large scale integrated resort developments should apply for Rezoning to a more appropriate zone (e.g. Rural Activity Zone, Special Use Zone) in order to allow the potential for a range of uses unrelated to agricultural activities
- Provide policy direction in the Local Planning Policy Framework to assist planners when assessing planning applications for tourism uses in rural areas.

Bass Coast Environmental Sustainability Plan²¹

The Environmental Sustainability plan focuses on the natural environment and services, actions and localities that Council can clearly influence by legislation, planning, management, funding or education. The Plan outlines actions within this scope around the following themes: biodiversity, managing beaches and bushlands reserves, clean productive agriculture, climate change impacts and adaptation, efficient resource use, minimising and recovery of waste, managing pollution, litter and stormwater quality, urban environment and land use. Relevant to this study are the following recommendations:

- Implement a program to prepare Planning Policies to incorporate the Policy Statements relative to development applications in this Plan into the Planning Scheme
- Develop a Local Planning Policy and incorporate overlays into the Planning Scheme for areas subject to risk from climate change e.g. coastal inundation and fire risk
- Prepare guidelines for Council planners to ensure that any land use, development or activity adjacent to the coast or natural reserve or in environmentally sensitive areas do not have a detrimental impact on the natural values in those areas including the marine environment
- Provide protective overlays for identified links between fragmented habitat areas and wildlife corridors.

4.6 Strategic considerations

The review of state and local strategies has identified a number of directions for the Bass Coast Planning Scheme including:

- Consider Coastal Spaces, Coastal Spaces Landscape Assessment Study, Future Coasts and the Bushfire Management Overlay when considering or recommending changes to land use and development in the Shire's rural areas
- There is strong support for agriculture both at the national and regional level
- Consider the Sydney-Melbourne Coastal Drive, development of the Nyora Wonthaggi Rail Trail and the Cowes Stony Point car-passenger ferry as well as general opportunities for tourism in the rural areas including cycling, spas and wellbeing and nature based facilities

²¹ Environment Sustainability plan 2008 – 2013 (Bass Coast Council 2008)

- As part of this Rural Land Use Strategy, assess land identified in the Rural Tourism Development Study for application of the Rural Activity Zone to provide for rural based tourism
- Incorporate policies recommended in the Bass Coast Environmental Sustainability Plan as part of this Rural Land Use Strategy.

This RLUS provides an opportunity to incorporate these as objectives and strategies into the scheme.

5 Agriculture

5.1 Overview

The agriculture sector in Bass Coast generates 7% of the Shire's total economic output and provides 8% of total jobs²². In 2011, gross value of agricultural production in Bass Coast was estimated at \$88million (Figure 5-1) that represents around 1% of the total value of Victorian agricultural production. The majority of agricultural production in Bass Coast comes from mainland farms (Figure 5-2) and milk and meat are the most significant commodities by value of production (Figure 5-3).

The industry employs around 638 people on farm equivalent to 8% of total employment²². Food product manufacturing is the second largest manufacturing industry sector in Bass Coast generating around \$65million providing additional local employment.

The total value of agricultural production fluctuated between \$75million and \$105 million between 2006 and 2011 (Figure 5-1). The fluctuation reflects the effects of the drought on production and commodity prices. The number of farm businesses in the Shire has remained relatively steady in the same period. A considerable number of businesses generate less than \$100k per annum and would include a large number of lifestyle properties (Figure 5-4).

These trends in Bass Coast are consistent with those observed in agriculture nationwide²³, including:

- Average farm size is increasing in respect to both physical and economic size, however, small farms continue to dominate the count of farms
- Increased concentration of farm output on larger farms i.e. fewer farms account for a larger proportion of total farm output.

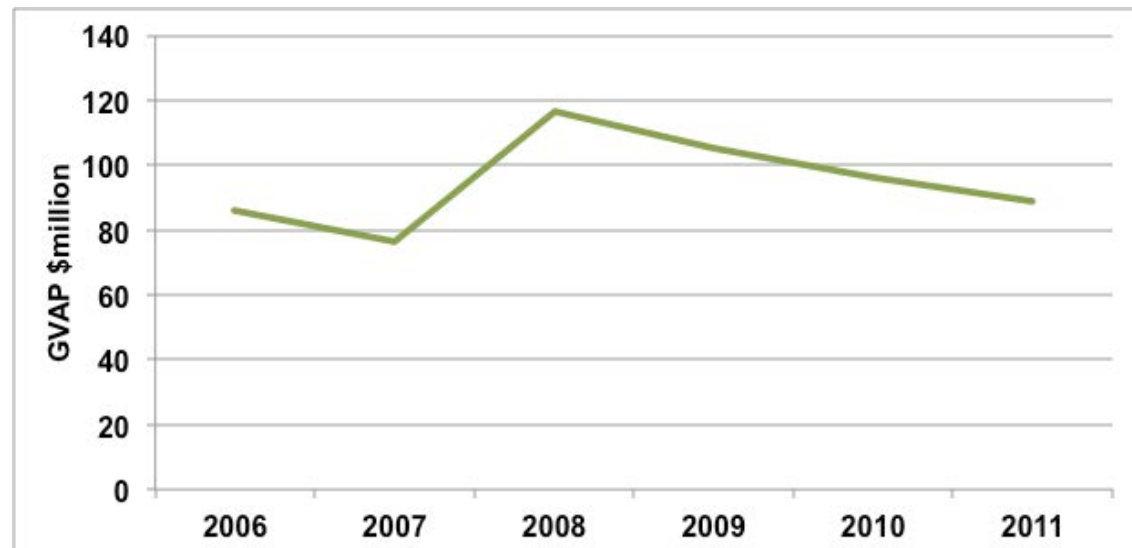


Figure 5-1 Trend in gross value of agricultural production

²² REMPLAN (2012) Bass Coast Economic Outlook 2012 – 2017

²³ Productivity Commission (2005) Trends in Australian Agriculture

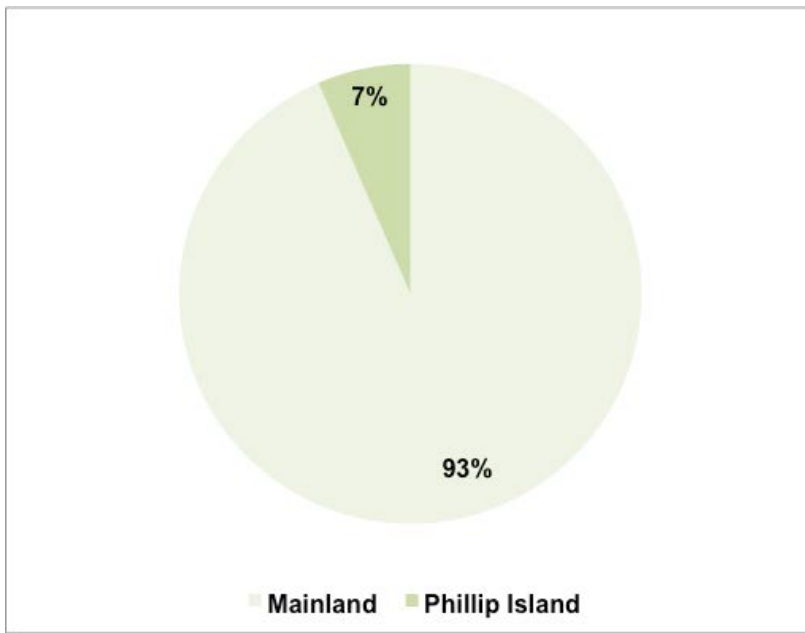


Figure 5-2 Gross value of production on mainland Bass Coast and Phillip Island

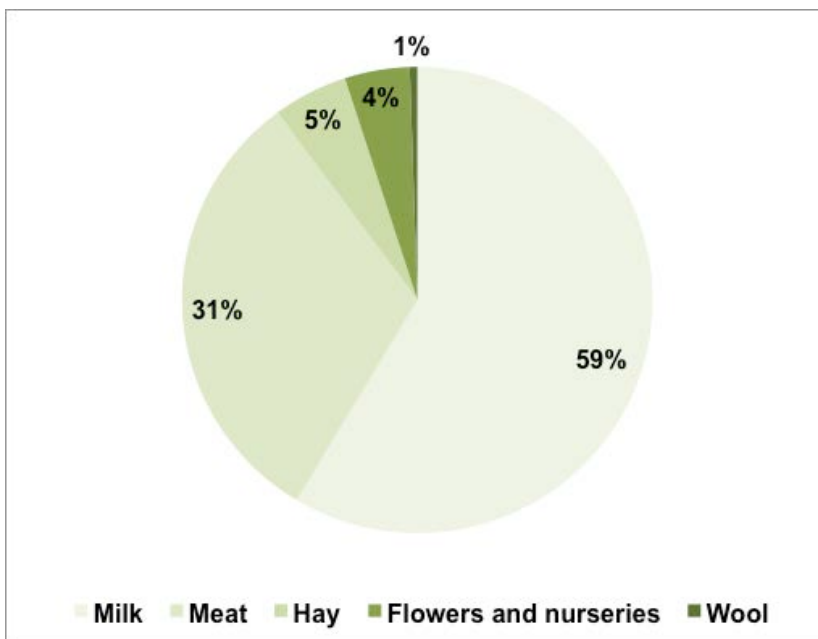


Figure 5-3 Gross value of production of commodities in Bass Coast (2011)²⁴

²⁴ Australian Bureau of Statistics (2011) Agricultural Census

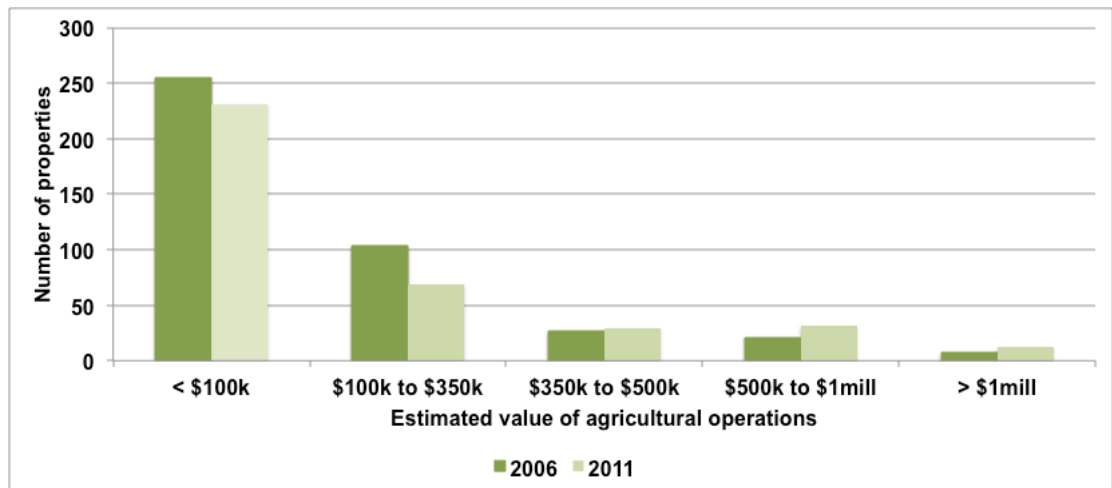


Figure 5-4 Distribution of property size by estimated value of agricultural operations

5.2 Commodities

Milk

Gross value of milk production was valued at around \$52million in 2011 and makes up 59% of the total value of agricultural output in Bass Coast. Most of this production is undertaken on mainland Bass Coast farms around Wonthaggi, Kongwak, Glen Alvie and Bass.

Dairy in Bass Coast is part of the wider Gippsland Dairy region, which is the biggest agricultural contributor in the region and produces 22% of national milk. Bass Coast has around 7% of the 1,523 dairy farms that make up the Gippsland dairy region²⁵. Milk in Bass Coast is manufactured into a range of dairy products by a number of processors including those based at Leongatha, Korumburra, Longwarry and Poowong.

Dairy production remained steady between 2006 and 2011 in terms of number of dairy properties, value of production and cow numbers (Figure 5-5). Fluctuations during this period would be associated with the drought and milk pricing. There has been a shift in the economic size of dairy businesses (Figure 5-6) in Bass Coast with a reduction in smaller businesses (<\$350k) and increase in larger businesses (>\$500K). This suggests that private investment is occurring in the industry and dairy businesses and expanding.

The recent *Dairy 2012: Situation and Outlook* (Dairy Australia, May 2012) states that competition for milk collections between dairy product manufacturers remains intense in southern production regions. This is due to the persistent demand from export markets and the generally slow growth in milk supply volumes. Entry and/or expansion by a number of smaller processors and manufacturers have added to this pressure. For example, Longwarry Food Park commissioned a new UHT plant in late-2011, for products aimed at both domestic and international markets. Longwarry are also investing in infrastructure for additional drying capacity. At full capacity the plant will require some 20 to 30 million litres, about 10 to 15% more milk than currently purchased from farmers.

²⁵ GippsDairy (2012) Snapshot of the Gippsland Dairy Industry

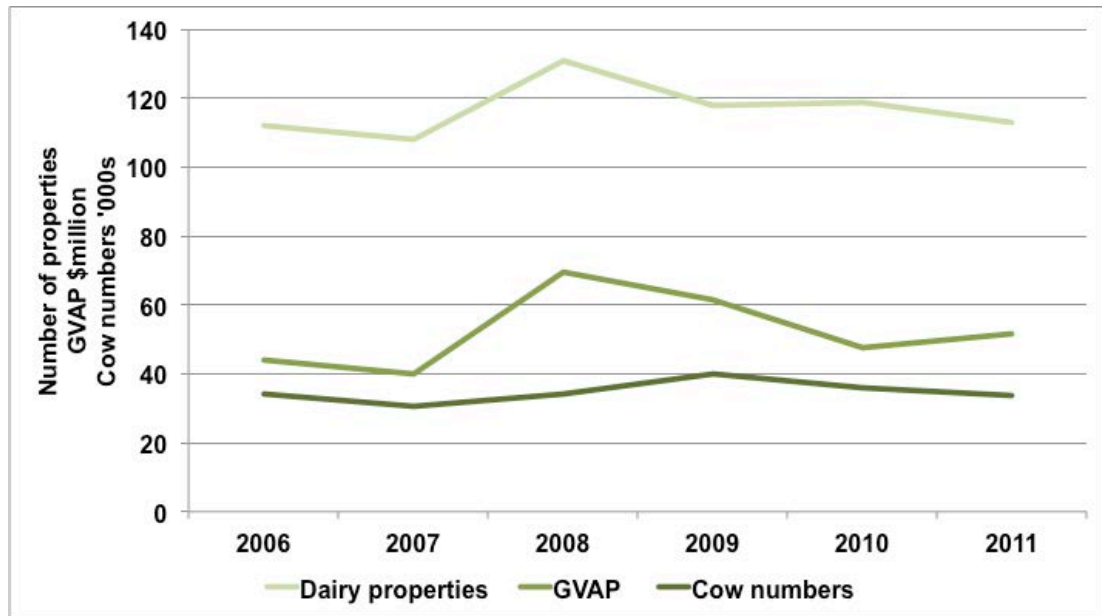


Figure 5-5 Trends in dairy properties, value of milk production and cow numbers

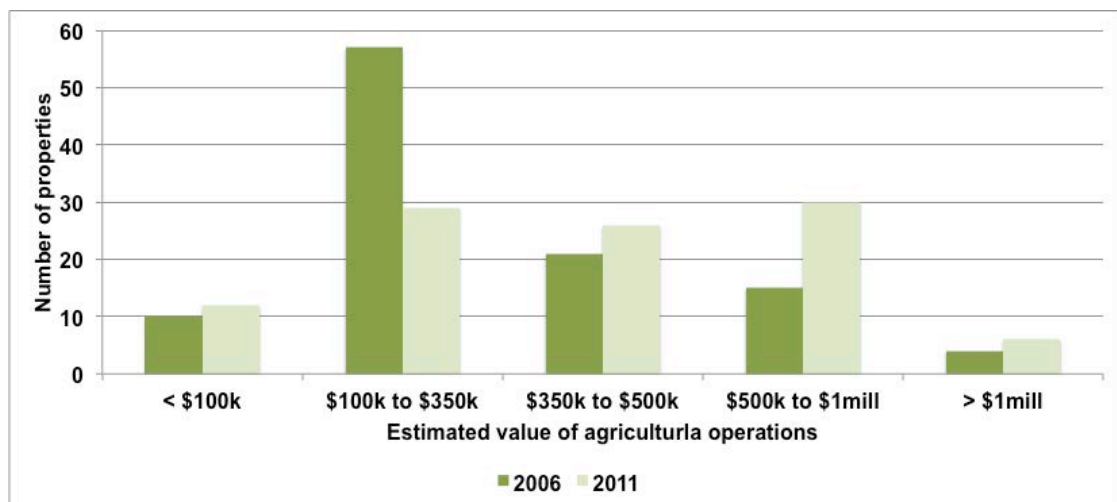


Figure 5-6 Distribution of dairy properties by estimated value of agricultural operations

Meat

Meat production, measured as livestock slaughtering, was worth around \$28million in 2011 (Figure 5-7), with most of this from beef cattle (

Figure 5-8). Livestock production is spread across the Shire. Livestock numbers declined around 2007, due to the drought and have since steadied. Value of production has remained steady at around \$30 to \$35million. The economic size of the majority of livestock business is relatively small, generating less than \$350k per annum and would include a large number of lifestyle farms. Meat is sold through saleyards including those at Pakenham and Koonwarra and processors are located in nearby Warragul and Dandenong. Meat products are sold into the domestic and export markets.

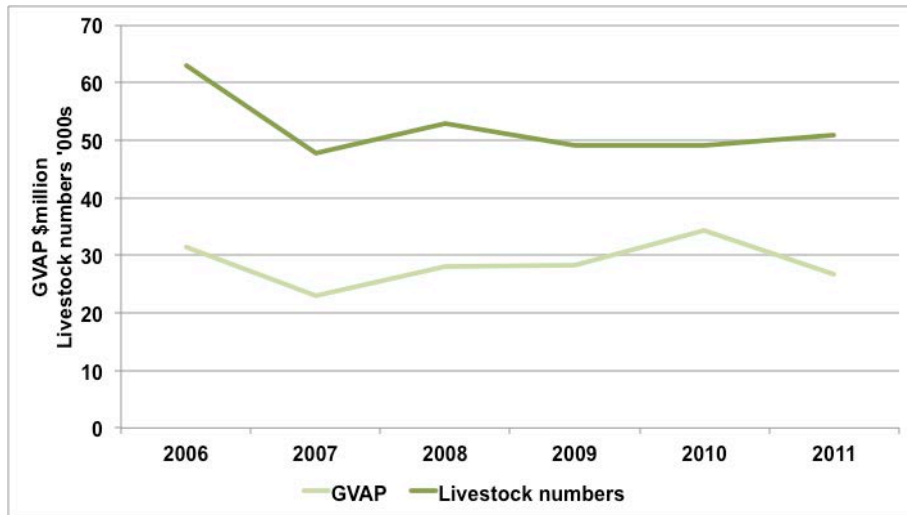


Figure 5-7 Trends in gross value of meat production and livestock numbers

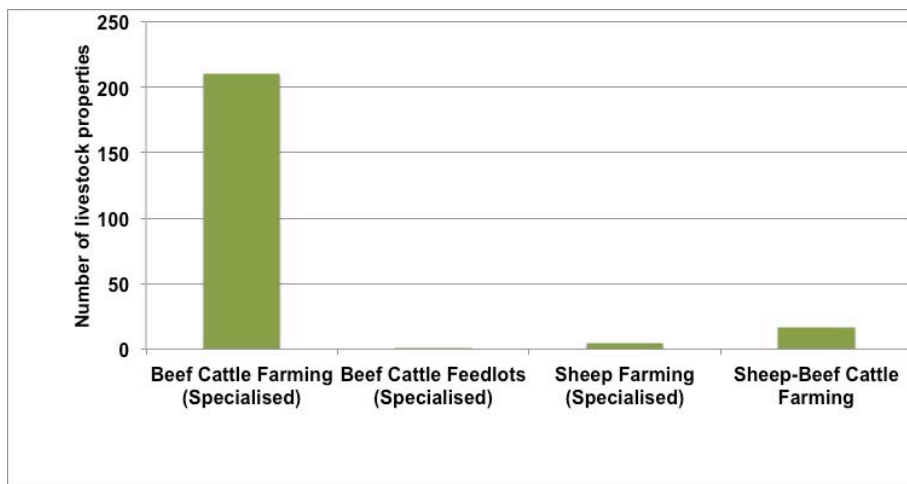


Figure 5-8 Livestock properties in 2011

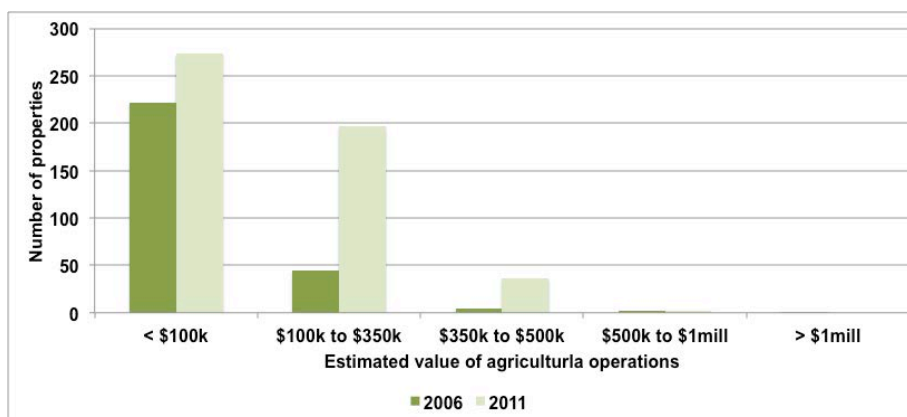


Figure 5-9 Trend in distribution of livestock properties by estimated value of agricultural operations

Horticulture –cut flowers, vegetables, nursery products

Horticulture in Bass Coast comprises a small number (less than 30) of businesses producing a range of products including grapes, olives, vegetables (outdoors and in glasshouses) and plants and flowers. The total value of horticulture was around \$4million in 2011. The most significant from a value of production perspective are vegetables and nursery production. Vegetable production in Bass Coast includes snow peas, which are an important local industry with most of Australia's snow peas grown in West Gippsland²⁶.

5.3 Identifying farming land of strategic significance

The State Planning Policy Framework at Clause 14-01 - Protection of agricultural land, sets out the following objectives and strategies:

*To protect productive farmland which is of **strategic significance** in the local or regional context.*

- *Ensure that the State's agricultural base is protected from the unplanned loss of **productive agricultural land** due to permanent changes of land use.*
- *Consult with the Department of Primary Industries and utilise available information to identify areas of productive agricultural land.*
- *Take into consideration regional, state and local, issues and characteristics in the assessment of agricultural quality and productivity.*
- *Permanent removal of productive agricultural land from the State's agricultural base must not be undertaken without consideration of its economic importance for the agricultural production and processing sectors.*

This section of the report identify land within Bass Coast that is:

- Productive agricultural land
- Land of strategic significance.

5.4 Productive agricultural land

The Planning Practice Note: Applying the Rural Zones²⁷ recommends that Councils seek to protect productive land for agriculture and prevent unplanned loss due to permanent changes in land use. Productive agricultural land is defined in the Practice Note as land that has one or more of the following characteristics:

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

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

Soil Types and Climate

The agricultural quality of land within Bass Coast has been assessed and mapped at 1:250,000 scale by Swan and Volum²⁸. The key factors used to determine the agricultural

²⁶ ABS (2009)

²⁷ Department of Sustainability and Environment (2007) Planning Practice Note: Applying the Rural Zones

²⁸ Swan, I and Volum, A (1984) Assessment of agricultural quality of land in Gippsland

quality were soil types (arability, moisture status, fertility, effective rooting depth, rockiness, erodibility), topography and climate.

The agricultural quality of the land was divided into 5 land versatility classes (Table 5-1). The agricultural quality of land in Bass Coast ranges from Class 2 through to Class 4a (there are no areas of Class 1 or Class 5 land within Bass Coast).

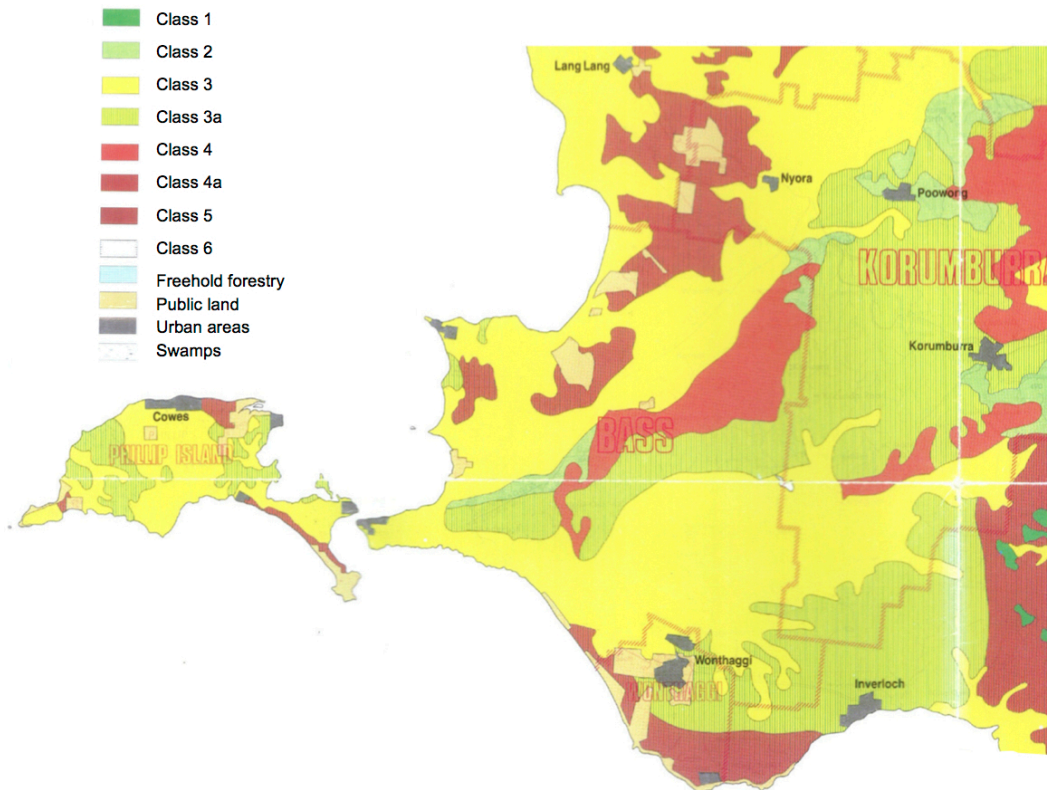


Figure 5-10 Agricultural land quality

Table 5-1 Agricultural quality of land ratings

Class 1	The most versatile land with the highest inherent productivity and capable of supporting the majority of agricultural uses
Class 2	Highly versatile land but has a lower inherent productivity than Class 1. Is capable of supporting the majority of agricultural uses but will require greater inputs than Class 1 to achieve high production.
Class 3 and Class 3a	Limited versatility but very good dairying and grazing land. May be suitable for orchards and extensive area cropping in some locations but generally not suited to intensive uses such as vegetable growing. Class 3a is suitable for more intensive uses providing particular care is taken to prevent soil erosion or supplementary irrigation is available during summer.
Class 4 and Class 4a	Land capable of extensive grazing but generally not suited to cropping. Class 4a is suitable for intensive market gardening but supplementary irrigation, high levels of fertilizer and erosion prevention measure may be necessary.
Class 5	Marginal agricultural land due to steep slopes and thin skeletal soils.

The Bass Coast climate is influenced by its coastal location with mild summers and winters and few frosts or days of extreme heat. Rainfall varies quite considerably with Phillip Island averaging around 740mm per annum and Wonthaggi 940 mm (Table 5-2). The high rainfall and mild weather contribute to the area's capacity for pasture production and horticulture and its competitive advantage for dairy.

Table 5-2 Bass Coast long term weather observations²⁹

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Mean max temp °C	24	24	22	20	17	14	14	14	16	18	20	22	19
Mean min temp °C	14	14	13	11	9	8	7	7	8	9	10	12	10
Rainfall (mm)													
Phillip Is	32	35	50	65	70	79	75	80	69	68	61	50	743
Wonthaggi	48	47	61	79	98	96	99	102	89	87	70	61	937

Agricultural infrastructure

Supplementary water for agriculture comes from a number of sources

- Groundwater – the Koo Wee Rup Groundwater Management Plan, groundwater extraction volumes vary from year to year but have not exceeded 40% of total current licensed entitlement in the last decade. Around 30 groundwater licenses have been issued in Bass Coast³⁰.
- Recycled water – around 20% of Class A recycled wastewater is used for productive purposes with the balance disposed to the sea.
- Surface water – Surface water licenses allow for the diversion of water from streams and rivers for irrigation. No surface water licenses have been issued in Bass Coast³⁰.

Other infrastructure important for agriculture includes roads and power (electricity and gas). Power to rural areas is generally single phase and suited mainly to low demand domestic uses. Domestic air conditioning, dairies, cooling and packing sheds, intensive animal facilities, wineries etc. require three phase power and connection will require upgrade of the transmission infrastructure.

The availability of reliable and cost effective energy is critical for business, particularly for certain energy intensive types of industry. Converting from electricity energy to gas can provide significant costs savings and improve business competitiveness. The South Gippsland Natural Gas Project connected the towns of Lang Lang, Korumburra, Leongatha, Wonthaggi and Inverloch to gas. Development of intensive agricultural industries, both production of commodities and processing outside of these locations will be constrained by lack of access to gas.

Road infrastructure is important for milk pick up and delivery of other fresh produce to Melbourne markets. The trend in freight transport is towards larger trucks, such as B-doubles to increase efficiency. The road network through some parts of the Shire is inadequate for these larger trucks. Transport movement on to and off Phillip Island is

²⁹ <http://www.bom.gov.au> accessed 15 April 2013.

³⁰ Data provided by Southern Rural Water

constrained by one access at San Remo. During peak seasons and major events, traffic numbers are significant and can cause significant delay in moving produce off the island.

Pattern of subdivision

The pattern of subdivision across Bass Coast's rural areas is similar to that of other areas of Victoria with a range of sizes (Figure 5-11) suited to various forms of agriculture.

Productive agricultural land in Bass Coast

The majority of rural land in the Shire can be considered highly productive agricultural land based on the assessment of agricultural quality, climate and subdivision pattern. There are some areas of very steep slopes associated with the Bass Hills and Strzelecki Ranges that are less productive. These are suited to grazing, but require careful management to avoid landslips and erosion.

While lack of access to gas and constrained transport infrastructure poses difficulties for intensive agricultural businesses on Phillip Island, targeted consultation revealed that businesses were generally meeting these challenges. However, in the long term, the competitive advantage of Philip Island for intensive agriculture such as horticulture is likely to decrease without investment in infrastructure.

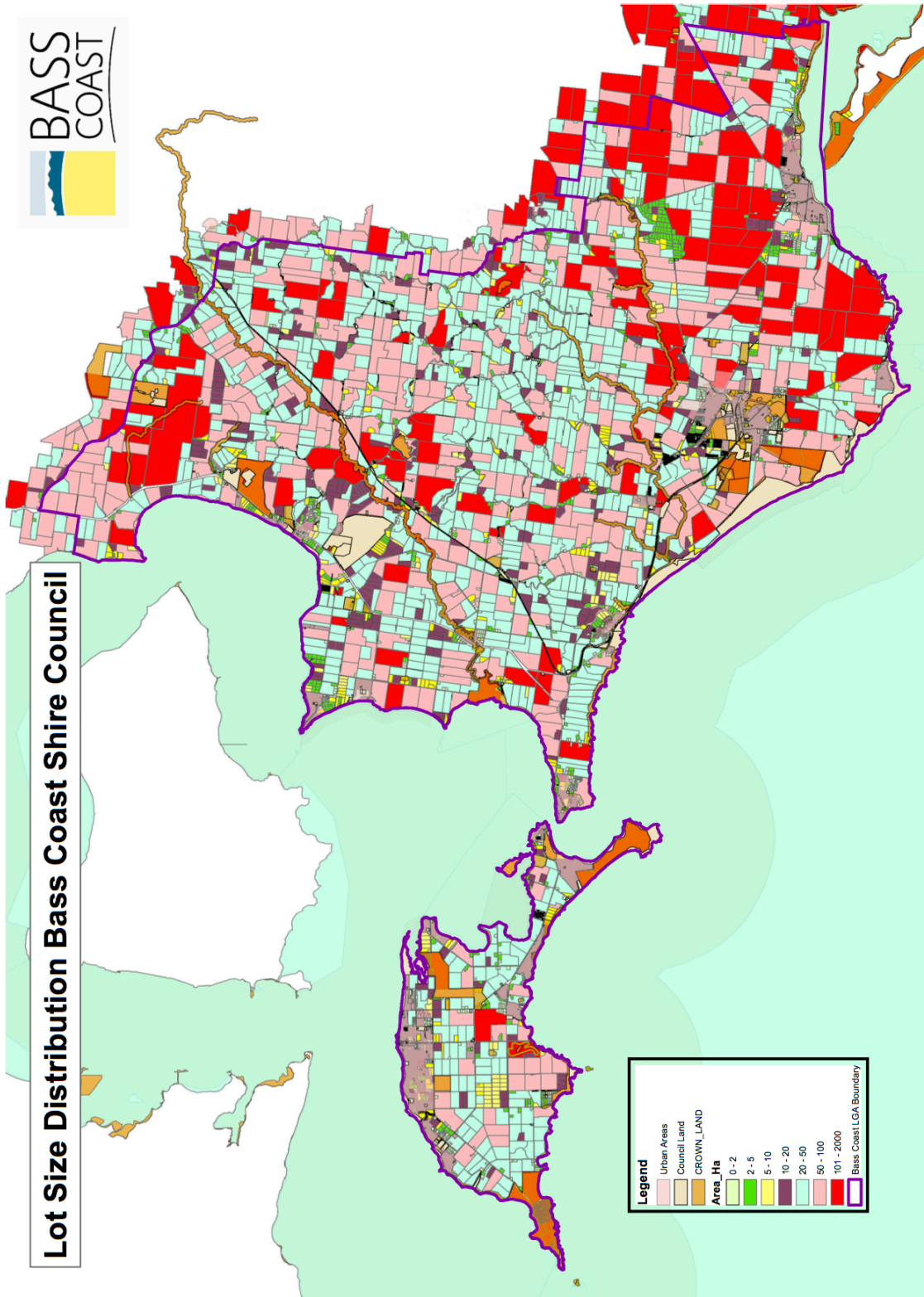


Figure 5-11 Lot distribution in Bass Coast

5.4.1 Land of strategic significance

Strategic significance in the local or regional context requires consideration of economic and social benefits that industries may bring to a region. To incorporate economic and social benefits, a further analysis of the Shire was undertaken to:

- Identify concentrations of enterprises supporting an industry of national or state or regional significance
- Identify significant public and private sector investment in industry
- Establish the economic scale of primary production and secondary processing, and employment opportunities that these provide
- Areas that are limited in area and have specific land qualities for the production of a crop type that is required to maintain the viability of a processing industry
- Areas that are significant for the continuity of supply of a product to domestic and export markets.

Concentrations of enterprises

Beef production is undertaken across the Shire. Dairy production was also once quite widespread but is now concentrated around mainland areas of the Shire east and north of the Bass Highway (Table 5-3). Snow peas are grown across the mainland areas of the Shire. The spring/summer crop is grown on heavier clay soils e.g. flats around Bass, and the autumn/winter crop on lighter soils on slopes north on Wonthaggi. The crop also requires a 3 to 5 year rotation to prevent disease and the crop is therefore commonly grown on leased land.

Table 5-3 Bass Coast concentration of dairy farms by post code³¹

Post code	Town	Number of farms (2011)
3945	Loch	35
3951	Kongwak	44
3995	Wonthaggi	36
3979	Glen Alvie	17
3984	Lang Lang	20
3991	Bass	12

Public and private investment in industry

The Gippsland Dairy Product Manufacturing Sector contributes \$761.7 million (8.4%) of total regional exports and generates 265.5 million (3.7%) of the region's imports³². 16 dairy companies source Gippsland milk for processing and manufacturing³³.

Processing of Bass Coast milk occurs mainly outside the Shire at nearby centres such as Leongatha, Darnum, Korumburra, Poowong and Longwarry Food Park. Milk from the region is also supplied to manufacturers outside the region such as Parmalat in Rowville, and Bead Foods (manufacturers of the Gippsland Dairy brand) in Dandenong South.

Most meat processing is undertaken outside the Shire. Select Produce in Korumburra and Coastal Fresh Peas in Wonthaggi process fresh peas.

³¹ Farms by post code sourced from GippsDairy

³² Remplan 2011 data accessed from *Gippsland Food Plan: Vision and Strategic Framework*, Draft v2, March 2012

³³ GippsDairy website www.gippsdairy.com.au accessed 25 May 2012

While most processing of local product occurs outside the Shire, there is significant private investment in processing and manufacturing in nearby municipalities. Bass Coast continues to provide product to these processor, with milk particularly important.

Value of primary production and employment

Milk and milk processing is the largest commodity sector in Bass Coast and in the Gippsland region. It employs around 240 on farms in Bass Coast and over 6,000 regionally on farms and in processing. Total value add for milk is estimated at over \$2.5 billion (Table 5-4).

Table 5-4 Gross value of production, on farm employment and the value of food processing in Bass Coast and Gippsland

Commodity	Bass Coast GVAP \$million	Gippsland GVAP \$million	Processing
Dairy	\$52 million Employs 240 on farm	Regional GVAP of \$915 million	Value of regional dairy products is around \$1billion ³⁴ Processing is mainly outside Shire in adjoining municipalities value add over \$2.5 billion Regionally employs over 6,000 ³⁵
Meat	\$28million Employs 320 on farm	Regional GVAP of \$384 million	Mainly outside Shire in adjoining municipalities. ³⁶ Regional value of meat and meat product around \$150million and employs around 340 regionally
Horticulture	\$4million Employs 40 (doesn't include seasonal workers)	Regional GVAP of \$200 million	Regional value of fruit and vegetable product manufacturing around \$141million Mix of on farm processing (washing, packing) and secondary processing

Areas that are limited in area and have specific land qualities for the production of a crop type that is required to maintain the viability of a processing industry

The Gippsland dairy industry accounts for 20% of the national dairy industry. International competitiveness of the industry is based predominantly on the pasture based production system, which enables production of high quality milk at low cost. The combination of topography, soil types and high rainfall is well suited for pasture based systems and a competitive dairy industry. The Gippsland dairy industries competitive advantage comes from the ability to grow pasture and produce high quality milk at a relatively low cost.

³⁴ Gippsland Food Plan Discussion Paper (2012)

³⁵ Horticulture and total VACP taken from McKinna et al was altered to include non-food components (eg. nurseries and cut flowers). Details were obtained from the same original data source – ABS (2008) *Agricultural Commodities: Small Area Data, Australia, 2005-06 (Reissue)*.

³⁶ Horticulture and total VACP taken from McKinna et al was altered to include non-food components (eg. nurseries and cut flowers). Details were obtained from the same original data source – ABS (2008) *Agricultural Commodities: Small Area Data, Australia, 2005-06 (Reissue)*.

Of the \$37million dollars worth of snow peas grown nationally, just over half is grown in west Gippsland. Two crops are grown per year and the region has the right mix of soil types and climate.

Areas that are significant for the continuity of supply of a product to domestic and export markets

Milk produced in Gippsland supports sixteen dairy factories manufacturing products for the domestic and export market. A secure supply of raw milk product is critical to maintaining the secondary sector. There is opportunity for further growth in the industry with likely growth in herd size and processing facilities operating below capacity.

Land of strategic significance

It is the finding of this review that within Bass Coast there is land of national strategic significance for its importance to the dairy industry (Figure 5-12).

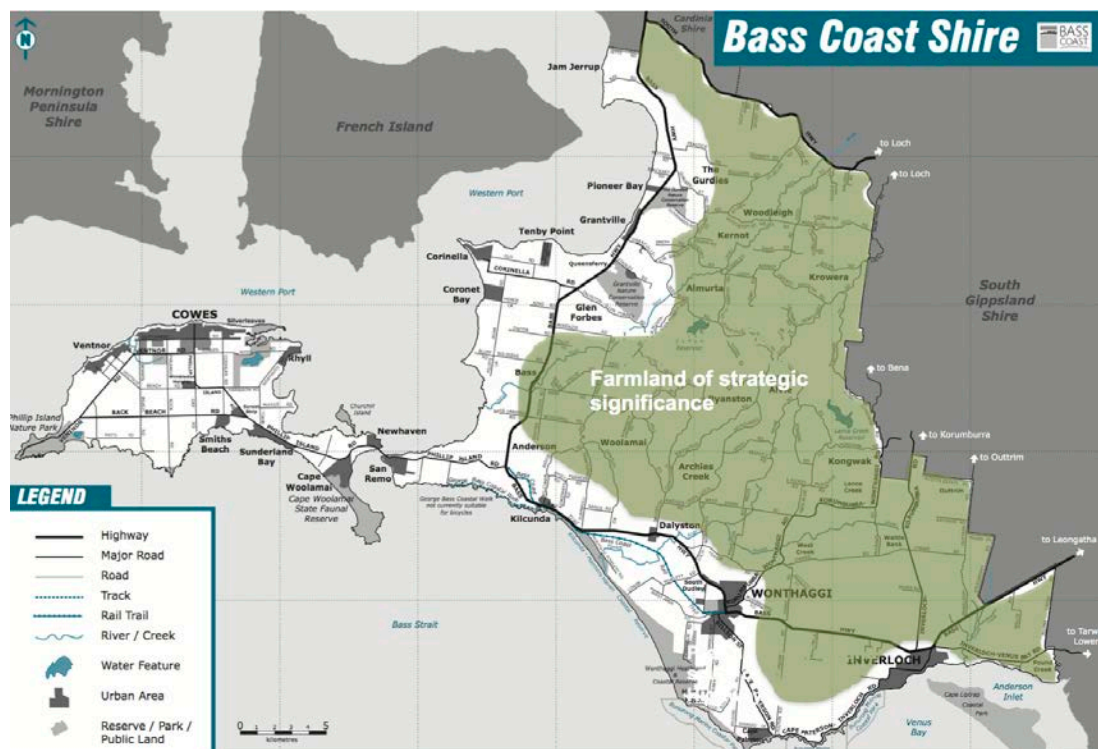


Figure 5-12 Bass Coast farmland of strategic significance

5.5 Challenges for agriculture

Farm affordability

A comparison of median sales prices for rural land in Bass Coast, South Gippsland and Wellington indicates that significantly higher prices are paid for rural land in Bass Coast (Table 5-5). Anecdotally, rural land prices on Phillip Island are substantially higher than land in mainland Bass Coast.

Land that is valued substantially above its agricultural value has a significant impact on investment in agriculture. For example, around 75% of the farm capital of a beef grazing business is the land value. For a business to grow by investing in profit (as opposed to

capital growth) high land values will pose a significant risk as only highly profitable businesses will be able to generate sufficient return on capital to service debt.

Adaptation strategies used by farmers to high address high land prices in the Shire include intensification of agricultural businesses, diversification and land leasing to grow the farm as an alternative to land purchase. In the long term, businesses looking to invest in agriculture may look outside the municipality for more affordable land.

During the consultation undertaken in the development of this Strategy, a number of farm owners discussed diversification into tourism to address high land values and high cost of business growth. The consultation revealed that:

- For a broadacre grazing business, the tourism operation would need to generate up to 80% of income
- Running a tourism business required a completely different skill set to that of running a farm for which they were not prepared

Table 5-5 Comparison of median sales prices³⁷

LGA	Range in median prices of rural land (\$/ha)	Range in block sizes (Ha)
Bass Coast	\$156,000 to \$60million	0.8ha to 60ha
South Gippsland	\$4,700 to \$24,200	23ha to 70 ha
Wellington	\$2,700 to \$33,900	40ha to 72ha

Urban encroachment and non-agricultural uses

Bass Coast continues to experience significant sustained growth. This has been accommodated with expansion of urban areas, particularly in Wonthaggi and Inverloch and conversion of holiday homes to permanent residences across the Shire. Council has prepared structure plans for all settlements, which provide clear boundaries around townships.

The proximity of the Shire to Melbourne and upgrade of the Bass Highway places the northern parts of the Shire within 50 minutes of significant industry and employment in south-east Melbourne. There is strong demand for rural and coastal lifestyle development. The demand is particularly strong due to the high amenity and proximity to the coast. The large number of planning permits issued for dwellings (Table 3-1) also suggests that this demand is resulting in rural lifestyle properties being developed in the Farming Zone.

A review of lot sizes in the Shire's rural areas found that there are over 3,000 lots less than 4ha and over 1,600 lots between 4 ha and 40 ha (Table 5-6). Further development on these smaller lots will:

- Continue to place upward pressure on agricultural land prices
- Constrain farm operations e.g. stock and machinery movement
- Introduce conflict between urban and rural neighbours arising from farm activities
- Create and reinforce expectation of future land use change.

³⁷ Valuer General Victoria (2011) A guide to property values.

Table 5-6 Lot sizes in the rural zones

	Farming Zone	Rural Activity Zone	Rural Conservation Zone
Total number of lots	5,944	31	226
< 4ha	3,126	17	90
4ha to 40 ha	1,617	8	61
40 and 100 ha	1,023	5	69
100ha to 500 ha	173	1	6
500 to 1000 ha	3	0	0
> 1000 ha	2	0	0

5.6 Opportunities for agriculture

Intensive agriculture

The proximity of the Shire to Melbourne and its accessibility via the Bass Highway, positions it well for intensive agriculture such as intensive animal husbandry, hydroponics and other shedded horticulture. Intensive agriculture requires:

- Access to appropriate infrastructure including water and power, particularly gas with increased electricity costs an efficient freight network
- Separation distances or buffers so that in the event of unexpected odour emission or noise, there is sufficient separation to minimise the adverse impacts on sensitive land users (e.g. residents).

Gas is available at Wonthaggi and Inverloch, but not on Phillip Island.

Westernport Water noted that 20% of Class A treated wastewater is used for productive purposes with the balance disposed to the sea. At half the cost of potable water, there is an opportunity for businesses to offset potable use with recycled water or new business investment based on this resource.

Dairy and horticulture

The outlook for dairy and horticulture in Bass Coast is strong, particularly in areas east of the Bass Hills with the right combination of soils and climate. This area is also part of the wider Gippsland dairy region and there is unmet demand for milk to meet capacity in milk processing facilities.

5.7 Strategic considerations

Agriculture plays an important role in the identity and economy of Bass Coast. Dairy in Bass Coast is part of the nationally significant Gippsland dairy region supporting dairy product processing and manufacturing with a strong future outlook.

Meat production is undertaken across the Shire and the industry comprises a mix of a few larger commercial businesses and many small, lifestyle grazing businesses. High land values in the Shire are a barrier to growth however; land leasing provides a strategy for adaptation within the industry.

Horticulture in Bass Coast is a relatively small industry, but its proximity to Melbourne, soils and climate make it very attractive for industry growth.

Planning policy is neither a cause nor solution to some of the forces acting upon farming and agricultural land use noted in this report. However, this strategy can maintain strong support for agriculture through rigorous planning controls to retain a pattern of subdivision and development in the Shire's rural areas and confirming a mindset that offers a strong future for agriculture in Bass Coast.

This review of agriculture has identified land of strategic significance and it is recommended that this be used as the basis for tailoring planning policy to support agriculture.

6 Tourism

The visitor economy in Bass Coast, comprising tourism, business travel, visiting family and friends and major events, is estimated to generate around \$627million in direct expenditure and supports around 1,400 jobs annually. The sector includes a number of iconic attractions such as the Penguin Parade, Moto GP and Pyramid Rock Festival as well as other smaller community, family, arts and recreational-related activities. Recent studies into the economic impact of tourism and the economic value of events conclude that:

- Tourism spending contributes \$1.05 billion dollars to the Shire's economy, including \$627million in direct expenditures
- Events, supported by Bass Coast Shire Council, have a total financial impact of \$132m on the municipal economy, suggesting that they account for 12.5% of the total visitor economy
- Tourism supports more than 1,400 direct jobs in the Shire across all industries and a further 950 indirectly, suggesting that up to 3 in 10 jobs located in the Shire are wholly or partly dependent on tourism.

6.1 Phillip Island

Phillip Island is widely acknowledged as one of Victoria's premier tourist destinations with significant domestic and international tourism visitation and is the focus of national and state tourism strategies. The Island has over 1.7million visitors per annum and the industry is estimated to represent 19% of the Phillip Island economy³⁸. It is a well-established tourism area based on family beach holidays, the Phillip Island Nature parks and Grand Prix circuit. The key tourism products on Phillip Island include:

- Nature based - boating, swimming sailing, surfing and beachcombing, Phillip Island Nature Parks: Penguin Parade, Koala Conservation Centre, Churchill Island Heritage Farm, Nobbies Centre (seals), wineries
- Accommodation - Holiday homes, camping and caravanning, hotels, cabins.

Phillip Island experiences significant seasonal fluctuations in population posing challenges for service and infrastructure provision. During peak periods, traffic congestion on the island is common. The San Remo Bridge can be a significant bottleneck for traffic accessing and leaving the island, particularly during large events held at the Grand Prix circuit. A car ferry connecting Stony Point and Cowes is proposed to provide an alternative route to access the Island as well as providing linkages to the Mornington Peninsula tourism region and the Melbourne Sydney Coastal Drive.

There is a mix of accommodation on the Island including hotels, motels, serviced apartments, caravan parks, and bed and breakfasts. The ABS survey of tourism establishments in 2010, found that for establishments of 15 or more rooms, the peak occupancy rate was 57% and the average annual room occupancy rate was 48%³⁹. This suggests that additional accommodation is not required.

³⁸ Tourism Victoria (2012) Phillip Island Market Profile Year Ending December 2011.

6.2 Mainland tourism

Inverloch and the smaller coastal towns of Kilcunda, and Cape Patterson have long histories as locations for family beach holidays. Inverloch is located at the mouth of Anderson Inlet providing opportunities for boating and fishing. The proximity of these locations to Melbourne has seen an increase in visitors, and Inverloch particularly has experienced significant growth.

Other tourism attractions include the Maru Koala and Animal Park and wineries along the Bass Highway.

6.3 Issues for Phillip Island tourism

Phillip Island's main tourism attractions are the subject of National and State tourism strategies and marketing. Currently, Bass Coast does not have a tourism strategy for the entire Shire and there is not a clearly articulated long term vision for Phillip Island to assist in balancing the needs of potentially competing interests: tourism, residents, other industry including agriculture and the environment.

In the absence of such a vision and agreed strategies for its achievement, additional development has the potential to have negative impacts on environmental values, amenity and livability of the Island, unless carefully planned and having regard to the Island's ecological and sustainable capacity limits. It is considered important to establish a threshold for population and development beyond which there are irreversible and negative impacts on the island.

Future investment should focus mainly on increasing the return from existing product through replacement and rejuvenation of existing infrastructure or investment that value-adds to existing infrastructure (e.g. car ferry between Phillip Island and Mornington Peninsula).

6.4 Rural tourism opportunities

Inverloch and the smaller coastal towns of Kilcunda, and Cape Patterson have long histories as locations for family beach holidays. Inverloch is located at the mouth of Anderson Inlet providing opportunities for boating and fishing. The Bass Coast Rail Trail links Wonthaggi and Kilcunda.

Until recently, the role of tourism has been low key and quite seasonal focusing on family coastal holidays. More recently there has been significant development in and around Inverloch including the RACV resort, holiday homes and cafes. The trend has also been experienced, though to lesser extent, in the surrounding small settlements such as Cape Paterson. The proximity of these locations to Melbourne has seen an increase in visitors, and Inverloch particularly has experienced significant growth.

The key tourism assets are the coasts, which provides for:

- Nature based - boating, swimming, sailing, surfing, fishing and beachcombing
- Accommodation - camping and caravanning, cabins, motels, holiday homes and holiday rentals.

As the availability of affordable coastal holiday homes close (between one and two hours) to Melbourne declines, demand for holiday homes in the area is likely to increase.

The Phillip Island Marketing and Development Plan⁴⁰ identified the need for 'high quality' accommodation facilities linked to Phillip Island's key attractions including the golf facilities and racetrack. This was confirmed through the consultation with key stakeholders. Upgrade of existing accommodation and a gap in 'high end' accommodation were considered key needs.

The Bass Coast Rail Trail links Wonthaggi and Kilcunda and its future extension through to Nyora is being promoted. There are a number of small hamlets along this route, such as Woolamai, Glen Alvie, and Kernot that would be well positioned to provide outlets for local produce and accommodation, linked to the Rail Trail.

The Bass Coast Rural Tourism Development Strategy identified Rural Tourism Investigation Precincts for investigation for application of the Rural Activity Zone. The precincts are:

- Coronet Bay – Corinella
- The Gurdies
- Inverloch – Cape Paterson
- Phillip Island
- Anderson.

Assessment of these Tourism Investigation Precincts is detailed in Appendix A.

6.5 Key findings and strategic implications

Tourism in Bass Coast is the most significant economic driver based on its coastal and natural values. There is potential for further development of tourism in the Shire's rural areas, but this must not come at the expense of the landscape, amenity, environmental and agricultural values of the Shire or the livability for residents.

⁴⁰Tourism Victoria Regional Marketing and Development plan 2011-2012

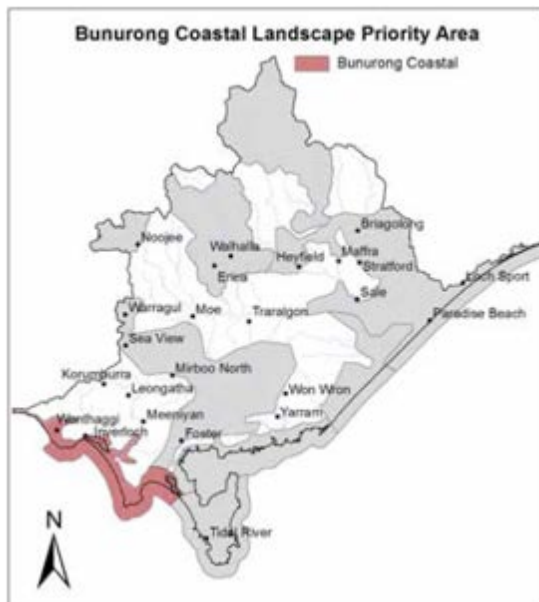
7 Environment and landscape

There are a number of environmental plans and strategies that provide information and recommendations on management of environmental assets and threats in Bass Coast. These strategies have been briefly reviewed to identify opportunities to strengthen the Planning Scheme with regard to environmental management.

7.1.1 West Gippsland Regional Catchment Strategy

Within Bass Coast, the West Gippsland Regional Catchment Strategy identifies the Bunurong landscape priority area as a group of significant natural assets, which includes biodiversity, coastal, estuary, marine, soil and land and wetland thematic asset classes.

The Bunurong Coastal landscape priority area is characterised by estuarine and coastal environments containing extensive intertidal rock platforms and subtidal rocky reefs, which are home to diverse ecological communities. It contains fossil sites of international and national significance and areas of cultural heritage sensitivity.



The seagrass and saltmarsh communities found within the landscape priority area provide habitat for migratory waders, resident birds and native fish. The coastal and marine parks and reserves are valued for the recreational opportunities they provide and the threatened species they support. The landscape priority area is surrounded by a largely cleared environment, with fertile and productive soils underpinning a vigorous and varied agricultural sector (WGCMA 2011).

Figure 7-1: Bunurong Coastal Landscape priority area

Biodiversity

The Fragmented Habitat - Bunurong Coast biodiversity asset supports endangered, rare and vulnerable Ecological Vegetation Classes (EVCs). NaturePrint v2.0 indicates this landscape area as containing habitat of Statewide importance for at least 15 threatened fauna species. It also supports multiple threatened flora species. This asset covers a fragmented natural landscape with large patches of remnant native vegetation. Remnant vegetation patches are moderately connected and the modeled vegetation quality is moderate to high. Key threats to the asset are vegetation clearing; invasive plants and animals and extreme events (fire and flood).



Figure 7-2: Bunurong biodiversity asset

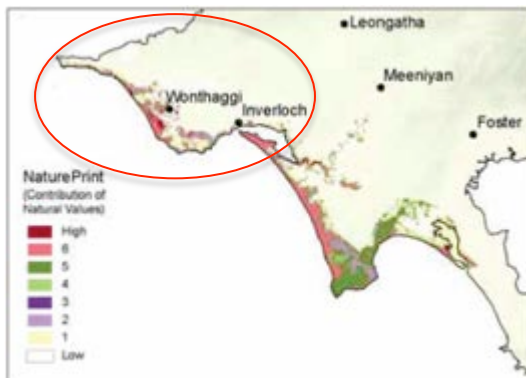


Figure 7-3 Bunurong biodiversity asset value

Coastal

The Bunurong Coast asset within the Bass Coast Shire contains the Bunurong Coastal Reserve, Cape Paterson Coastal Reserve and a portion of the Kilcunda-Harmers Haven Coastal Reserve. It has very complex geology exposed as cliffs and shore platforms and is the best dated sequence of uplifted marine terraces in eastern Australia. Megafauna trackways can be found within dune limestone.



The Bunurong Coast supports a number of EVCs including Wet Heathland, Coast Banksia Woodland, Coastal Saltmarsh and Mangrove Shrubland. It contains important shorebird roosting sites and areas of cultural heritage sensitivity. The key threats to the asset are recreational activities; urban expansion and development; invasive plants and animals; and climate variability impacts (storm surge, sea level rise, fire and flood).

Figure 7-4: Bunurong coastal assets

Estuary

The mouth of the Powlett River is a Wetland of National Importance and site of cultural and historical significance. The estuary supports important saltmarsh and coastal woodland vegetation and provides habitat for a range of fish and bird species including Estuary Perch and Silver Trevally, Hooded Plover, Eastern Great Egret and Orange-bellied Parrot. The



Figure 7-5: Bunurong estuary assets

estuary is valued for its visual amenity and is a popular recreational fishing location. Key threats to the asset are poor water quality from upstream sources (including urban and agricultural runoff); recreational use impacts and artificial opening of the Powlett River mouth (potentially leading to fish kills).

Marine

The Bunurong marine asset falls within the Central Victoria marine bioregion and contains the Bunurong Marine Park and Bunurong Marine National Park, which provides habitat for the *Amphibolis antarctica* seagrass and a number of threatened marine species. The area is a known migratory path for Blue and Southern Right Whales and is an area of cultural sensitivity and heritage significance. Sites of geological significance include cliffs, shore platforms, stranded beaches and fossil sites. It is a popular location for diving and surfing.



Key threats to the asset are excess nutrients and sediments entering the system (via urban and agricultural run off, stormwater, sewage and desalination outlets/outfalls); oil/shipping traffic spills and ballast discharge (commercial and recreational); invasive plants and animals (e.g. Northern Pacific Sea Star) and climate variability impacts (rising sea level, temperature, acidity).

Figure 7-6: Bunurong marine assets

Soil and Land

The entire Powlett Catchment soil and land asset is highly valued for supporting agricultural production. The soil and land asset supports a number of threatened ecological vegetation classes. Whilst the soil is susceptible to acidity, it is largely intact and meets desired land use requirements under appropriate management. Upper reaches of the catchment can be erosive. Key threats to the asset are overgrazing; erosion (water and wind) in the upper catchment and extreme events (fire and flood).



Figure 7-7: Bunurong soil and land asset

Wetlands

The Bunurong Coast Wetlands incorporates rare wetland types that provide habitat connectivity with the marine and estuarine systems of South Gippsland. These wetlands support a range of bird species and indigenous vegetation and are remnants of a once



extensive wetland complex. Key threats to the assets are livestock access; changed water regime (due to draining); industrial and urban development; and invasive plants and animals.

Figure 7-8: Bunurong wetland assets

Table 7-1: Summary of key threats to significant natural assets within the Bunurong Coastal landscape priority area

	Biodiversity	Coast	Estuaries	Marine	Soil & Land	Wetlands
Altered flow or hydrological regimes			✓			✓
Climate variability related extreme events (e.g. wildfire, flood, storm surge, sea level rise)	✓	✓		✓	✓	
Disturbance of potential acid sulphate soils					✓	
Erosion					✓	
Invasive plants and animals	✓	✓	✓	✓		✓
Land use pressure (includes timber harvesting, land and livestock management practices)			✓			✓
Poor water quality (as the result of excess nutrients, sedimentation, oil spills and other pollutants)			✓	✓		✓
Recreational use and visitation impacts (includes activities and access)		✓	✓			
Urban or industrial development		✓	✓			
Vegetation clearing	✓					

7.1.2 Port Phillip and Westernport Regional Catchment Strategy

Within the Bass Coast Shire Council, the Port Phillip and Westernport Regional Catchment Strategy identifies a number of significant natural assets including native vegetation, coastal, marine and wetland thematic asset classes.

The Port Phillip and Westernport Regional Catchment Strategy is an interactive web based tool. Further information about the condition of significant assets as well as assigned targets can be access through the website www.ppwrcs.vic.gov.au.

Native vegetation

Figure 7-9 highlights patches of Permanent Native Vegetation and Potential Nature Links in the Bass Coast Shire. Permanent Native Vegetation makes an important contribution to the health and resilience of natural systems. Potential Nature Links are indicative parts of the landscape considered to offer major, realistic and highly valuable opportunities for creating large-scale vegetation corridors and improving landscape connectivity.

Identified threats to Permanent Native Vegetation and Potential Nature Links include clearing for development, invasive weeds and disease, changed fire regimes and frequency, climate change and sea-level rise and incremental damage.



Figure 7-9: Permanent Native Vegetation and Potential Nature Links

Coastal

Figure 7-10 highlights areas of significant coast in the Bass Coast Shire. Coasts make a significant contribution to the health and resilience of both marine and terrestrial ecosystems, and their capacity to be productive and beneficial. They are the interface between marine and terrestrial systems, providing unique local environments and ecosystem processes.

Identified threats to coastal areas include native vegetation loss and decline due to coastal development, climate change and coastal inundation and invasive plants and animals.



Figure 7-10: Significant coastal areas

Marine

Figure 7-11 highlights significant marine areas in the Bass Coast Shire. The Bass Coast Shire lies adjacent to Western Port Bay. From an environmental perspective it contains extensive intertidal mudflats and several islands including French, Churchill and Quail Islands. The whole of Western Port is an internationally recognised wetland under the RAMSAR convention, particularly renowned for its role in supporting migratory bird species. There are three marine national parks Churchill Island, French Island and Yaringa and the Mushroom Reef marine sanctuary is located just off the open coast of Flinders on the Mornington Peninsula.

Identified threats to significant marine areas include catchment inflows, coastal erosion, coastal infrastructure and climate change.



Figure 7-11: Significant marine areas

Waterways and Wetlands

Figure 7-12 highlights significant wetlands and Healthy Waterways Strategy priority areas in the Bass Coast Shire. The region's waterways are highly valued for their ecological importance and provide water for drinking, industry, agriculture and critical ecosystem services such as carbon storage. Significant wetlands include Western Port Bay, Fishers Wetland, Settlement Road Wetland and Kitty Miller Road Wetland. Healthy Waterways Strategy priority areas include the Bass River around Tennent Creek confluence, Bass River estuary and Rhyll Inlet.

Identified threats to significant waterways and wetlands include changes to natural water flows, poor water quality, vegetation clearing, pest plants and animals, urbanisation and climate change.

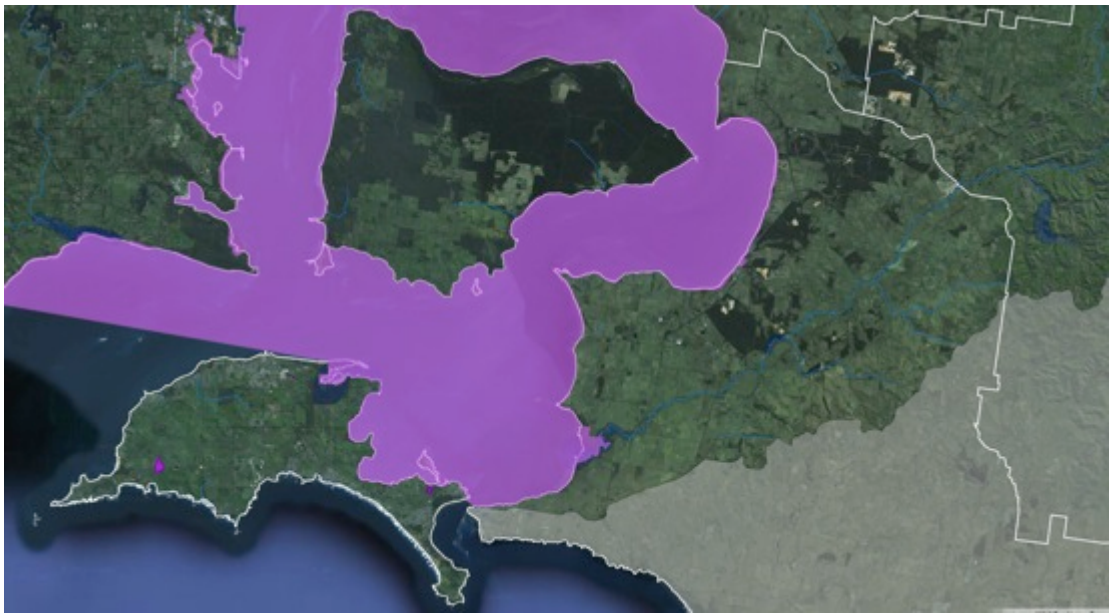


Figure 7-12: Significant wetlands and Healthy Waterways Strategy priority areas

7.1.3 West Gippsland and Port Phillip and Westernport Native Vegetation Plans and Biodiversity Action Plans

The West Gippsland Native Vegetation Plan provides a framework for protecting and enhancing native vegetation communities and species in the West Gippsland region. It also contains actions and measures that help protect and re-create their habitat as well as reduce the problem of habitat fragmentation.

At the next spatial scale down from regional native vegetation plans, Biodiversity Action Plans (BAPs) use a structured approach to identifying priorities and mapping significant areas for biodiversity conservation at the landscape scale. Biodiversity Action Planning seeks to summarise the key biodiversity assets of the bioregion and the actions and tools that are required to achieve statewide biodiversity goals.

Biodiversity Action Planning involves a number of elements, including:

- Bioregional Strategic Overview
- Landscape Plans
- Local area Plans

- A mechanism to engage public and landholders.

The Bioregional Strategic Overview provides details of the framework and methodology used in developing bioregional Biodiversity Action Planning (BAP) and an overview of the features and assets of the bioregion and divides the landscape into Landcare Zones.

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

7.1.4 West Gippsland River Health Strategy

The River Health Strategy provides a detailed assessment of river and wetland values and the threats to these values. The strategy aims to protect or improve the health of rivers, streams, floodplains, wetlands, terminal lakes and estuaries.

Bass Coast Shire falls within the South Gippsland Basin. Values to be protected include supply of water for consumptive and irrigation from the major threats of water quality decline, increasing demand for coastal development and altered flow regimes.

The Bass Coast Shire is comprised of three sub-catchments; Upper Powlett River, Lower Powlett River and Screw Creek, Pound Creek and Anderson Inlet.

The Upper Powlett River sub-catchment and Screw Creek, Pound Creek and Anderson Inlet sub-catchment were identified as priority sub-catchments for protection and overall environmental improvement.

Upper Powlett River

The Upper Powlett River sub-catchment drains from the Strzelecki Ranges downstream to the Bass Highway. There are significant values identified within one of the reaches, which need to be protected from further degradation or impact. The upper reach of the Powlett River supports a number of endangered Ecological Vegetation Classes, a number of significant fauna species including the AROT listed Warty Bell Frog and the VROT listed Australasian Shoveler. The Outtrim Bushland Reserve is a state policy listed landscape of significance. Key risks include the extensive artificial levees, which have impacted on the old course wetlands of the broad floodplains.

Screw Creek, Pound Creek and Anderson Inlet

The Screw Creek, Pound Creek and Anderson Inlet sub-catchment extends from Harmers Haven to Anderson Inlet and includes the catchment areas of Wreck, Ayr, Screw, Pound and Cherry Tree Creeks. Included within the sub-catchment is the Bunurong Marine and Coastal Park. The sub-catchment has been identified as one of the highest social value sub-catchments across the West Gippsland region. The most intense recreation zone exists between Ayr Creek and Screw Creek car park, with motor boat, non-motor boats, fishing, camping and swimming all high value recreational activities throughout the year. Anderson Inlet is one of the largest estuaries in the state and is probably one of the most dynamic. Of state significance is the mobile sand delta within Anderson Inlet. The sub-catchment supports a number of endangered Ecological Vegetation Classes and water bird species. At Screw Creek the vegetation of sandy shoreline changes to one of the largest remaining stands of native woodlands and associated riparian vegetation in the Anderson Inlet

planning area. The impact of catchment land use throughout the sub-catchment is a key risk to the health of the high value lower reaches of Screw Creek and Anderson Inlet.

7.1.5 West Gippsland Wetlands Plan

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

Again, the Bass Coast Shire is comprised of three sub-catchments; Upper Powlett River, Lower Powlett River and Screw Creek, Pound Creek and Anderson Inlet.

Wetlands within these sub-catchments are threatened by loss of connectivity and native vegetation decline, altered hydrology, urban development, physical alteration, invasive plants and animals, land use, erosion, stock access and salinity.

7.1.6 Melbourne Water Healthy Waterways Strategy (Draft)

The Healthy Waterways Strategy provides a detailed assessment of river and wetland values and the threats to these values. The strategy aims to protect or improve the health of rivers, streams, floodplains, wetlands, terminal lakes and estuaries.

The vision for healthy waterways is:

Healthy and valued waterways are integrates with the broader landscape and enhance life and liveability. They:

- Connect diverse and thriving communities of native plants and animals
- Provide amenity to urban and rural areas and engage communities with their environment
- Are managed sustainable to balance environmental, economic and social values.

Bass Coast Shire falls within the Westernport Catchment and is comprised to two sub-catchments; Lower Bunyip, Lang Lang and Bass and the French and Phillip Islands system.

Areas of the Bass River and Rhyll Inlet are identified as priority areas for protection and overall environmental improvement.

Lower Bunyip, Lang Lang and Bass system

The major waterways in this system are the lower Bunyip River, Lang Lang River and Bass River; smaller tributaries include Little Lang Lang River, Yallock, Pheasant and O'Mahoneys creeks. Floodplain and wetland habitat exists along these waterways. Several small waterways are spring-fed. Candowie Reservoir and two other small reservoirs are located high in the Bass catchment.

Westernport estuaries include the Bunyip, Lang Lang and Bass estuaries. These support internationally recognized wetland habitat and animals, such as shore and seabirds, and contain important vegetation types such as saltmarsh and mangroves. These habitats are valued by the community and are vital for marshbirds and the southern brown bandicoot.

These primarily rural waterways support multiple and varied values and uses including water supply, flood mitigation, townships, adjacent primary production and lifestyle, recreational use such as fishing and picnicking, and significant plant and animal species (including platypus and Australian grayling). These waterways also incorporate significant Indigenous and European heritage values. Challenges for waterway health in this system include

balancing multiple waterway management objectives such as flood mitigation, habitat protection and rural community access and use.

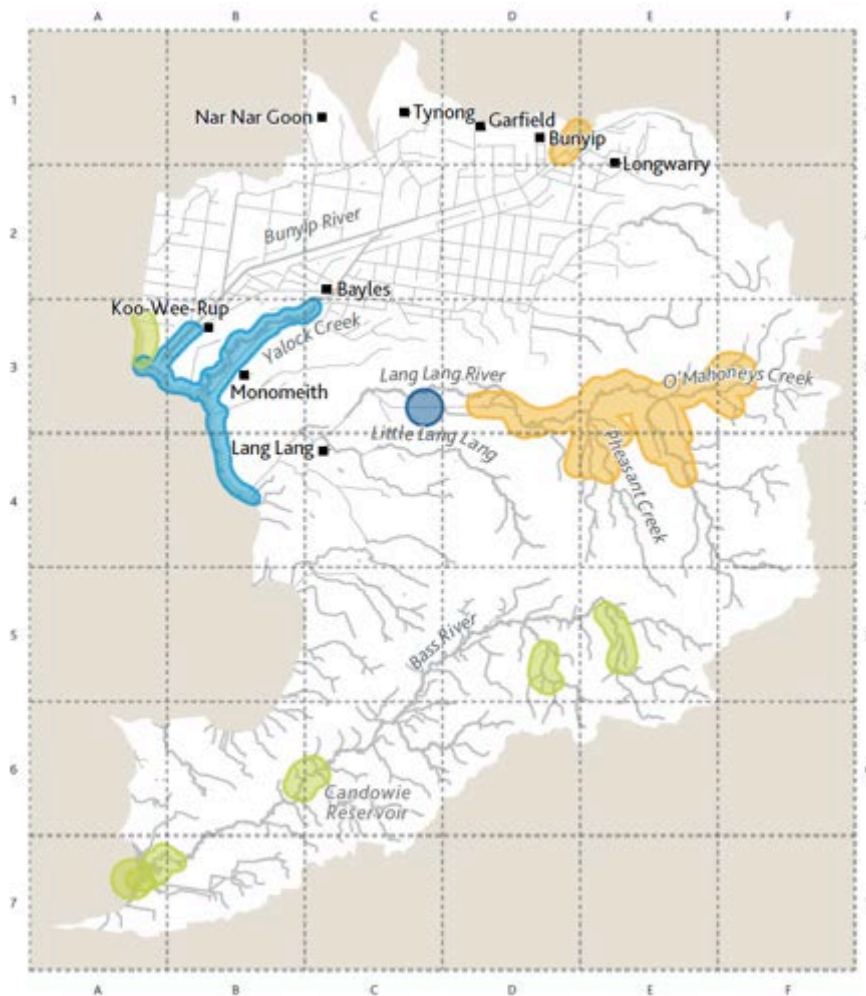


Figure 7-13: Lower Bunyip, Lang Lang and Bass system priority areas

French and Phillip Islands system

The major waterways within French Island are Tankerton, Redbill and Mosquito creeks. Waterways on Phillip Island include Saltwater Creek and Swan Lake Drain. Swan Lake is a permanent freshwater lake that provides habitat for numerous species of waterbirds. Rhyll Inlet and other estuaries support internationally listed wetlands, habitat and animals, especially migratory wading birds.

These small waterways support multiple and varied uses and values including townships, farming, recreation, and some significant plant and animal species. They also incorporate significant indigenous and European heritage values.

Challenges for waterway health in this system include managing urbanisation impacts, protecting important existing environmental values, and enabling social access and use.



Figure 7-14: French and Phillip Islands system priority areas

7.1.7 West Gippsland Soil Erosion Management Plan

The Soil Erosion Management Plan was developed to identify areas most prone to soil erosion and areas at risk from erosion under current management practices (note that land use categories were entirely agricultural). The Soil Erosion Management Plan produces three maps for the region for each type of erosion:

- Susceptibility: inherent susceptibility of a soil to erosion
- Likelihood: combination of the susceptibility assessments with land management information. The likelihood maps differentiate between areas susceptible to erosion that are being management in ways that minimise erosion and susceptible areas that are being inappropriately managed. The likelihood amps can be used to inform natural resource managers of the potential extent of erosion under current land management across the region.

Risk: incorporate a measure of the consequence of erosion based on the environmental, social and economic value of the asset. The risk maps enable prioritisation of areas based on their economic, environmental and social value.

Erosion

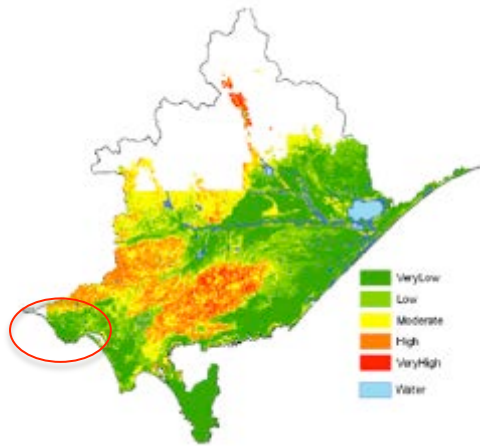


Figure 7-15: Sheet/rill susceptibility

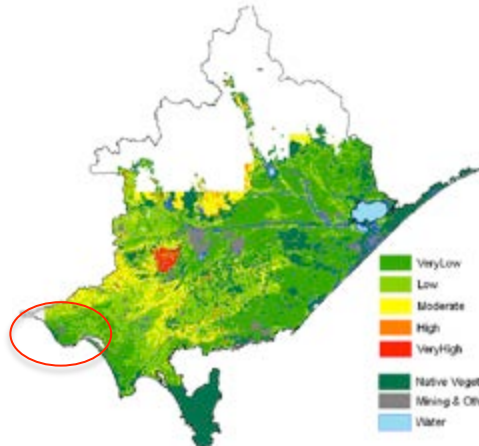


Figure 7-16: Sheet/rill likelihood

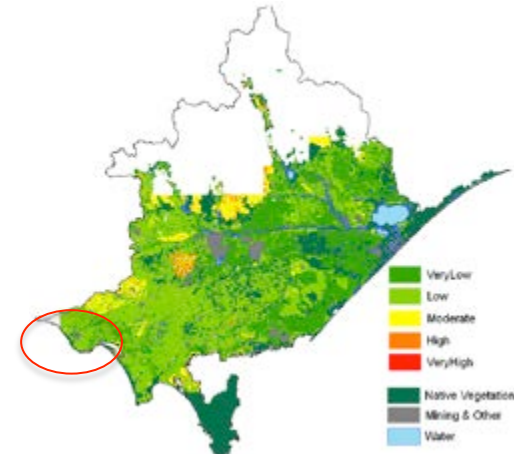


Figure 7-17: Sheet/rill risk

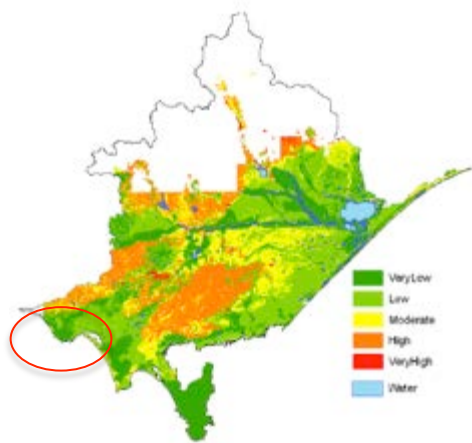


Figure 7-18: Gully/tunnel susceptibility

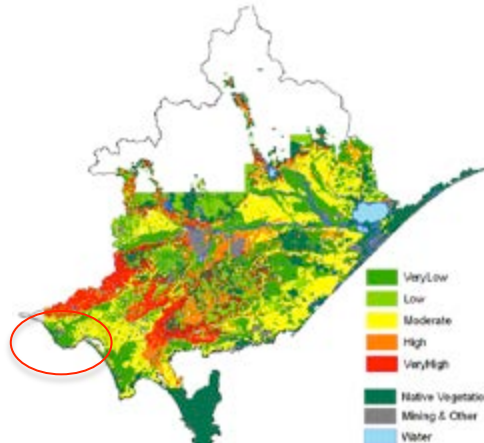


Figure 7-19: Gully/tunnel likelihood

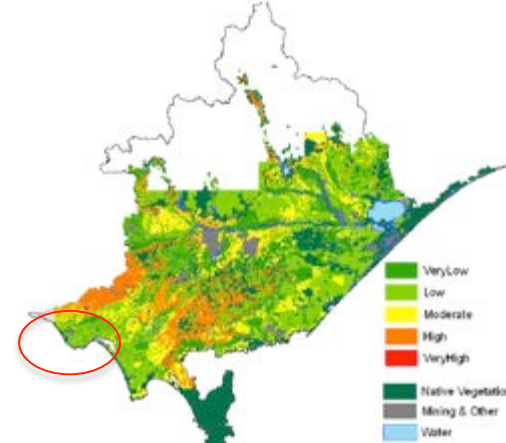


Figure 7-20: Gully/tunnel risk

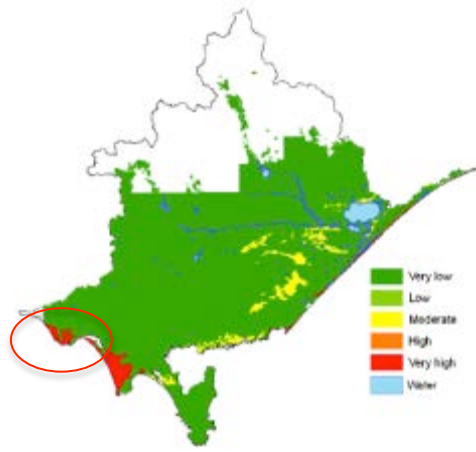


Figure 7-21: Slumping susceptibility

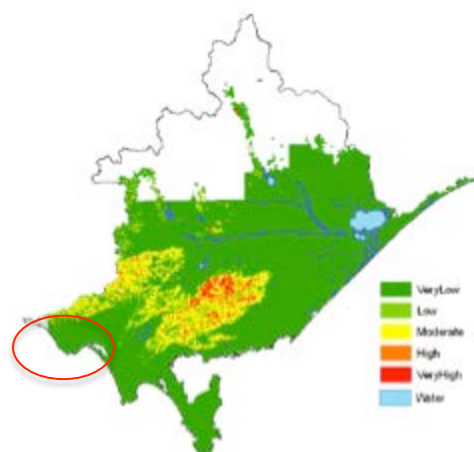


Figure 7-22: Slumping likelihood

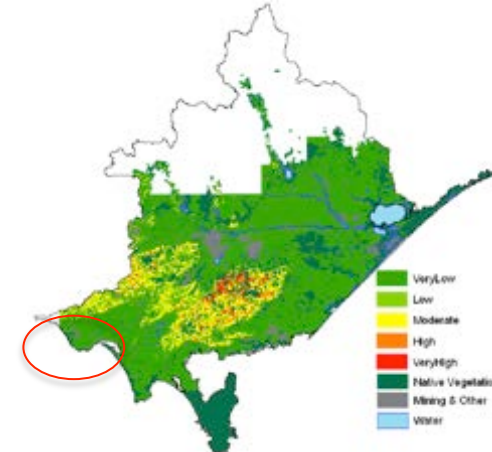


Figure 7-23: Slumping risk

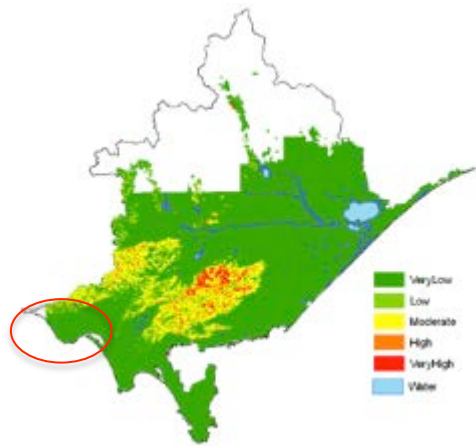


Figure 7-24: Wind susceptibility

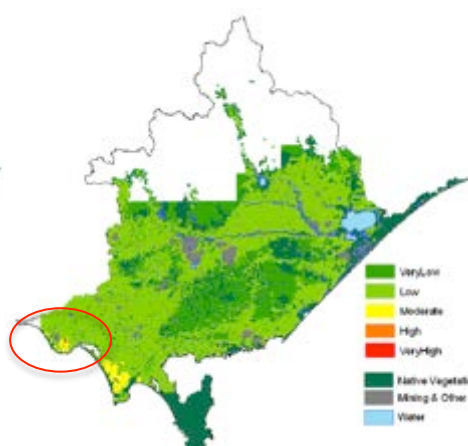


Figure 7-25: Wind likelihood

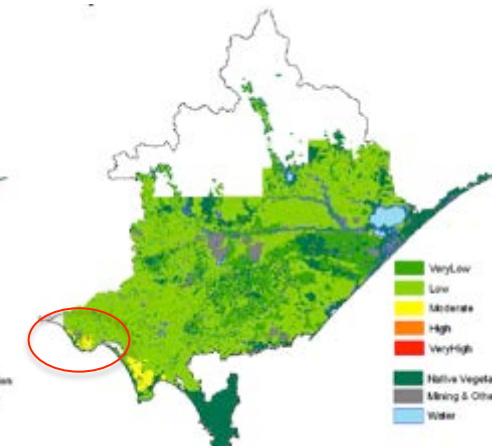


Figure 7-26 : Wind risk

7.1.8 Bass Coast Shire Environment Sustainability Plan

The Bass Coast Environment Sustainability Plan sets out policy and action statements for the sustainable management of the natural environment and heritage assets of the Shire.

The plan focuses on services, action and localities that the Council can clearly influence by legislation, planning, management, funding or education and awareness raising.

The plan sets out key action statements, policy statements and tasks for eleven priority issues including:

- Biodiversity
- Managing our coastland and bushland reserves
- Clean productive agriculture
- Climate change impacts and adaptation
- Efficient use of resources
- Minimising and recovery of waste
- Managing pollution, litter and stormwater quality
- The urban environment and land use
- The economy
- Community involvement
- Council procedures and implementing the plan.

The Environment Sustainability Plan clearly articulates the contribution that planning policy can make towards achieving environmental sustainability in the Bass Coast Shire. The policy statements and tasks contained within the plan should be used as a starting point for incorporating these as objectives and strategies into the scheme.

7.1.9 Phillip Island Nature Parks Environment Plan

The purpose of the Environment Plan 2012–2017 is to provide a five-year planning framework, identifying specific goals and actions the Nature Parks will undertake in planning, conservation and community partnerships in the medium to long term.

The Strategy identifies a number of Park-wide issues, opportunities and goals relating to planning, conservation and community partnerships, including actions relating to fauna, flora, pests, heritage conservation and risk management affecting many parts of the Nature Parks.

The Strategy also identifies a number of Key Areas based on their environmental social and economic values. For each of these Key Areas, strategic management plans will be developed which articulate their environmental, social and economic values and goals for their management. A total of seven key areas have been identified on Phillip Island, which is displayed below in Figure 7-27.



Figure 7-27: Phillip Island Nature Parks Key Areas

7.1.10 Landscape assessment

Significant landscape values in the Bass Coast Shire were identified as part of the Coastal Spaces Landscape Assessment Study. Coastal landscapes of state and regional significance have been recognised and protected in the Bass Coast planning scheme through the application of significant landscape overlays.

7.1.11 Integrated Coastal Planning for Gippsland Coastal Action Plan

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

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

7.1.12 Acid Sulphate Soil Hazard Maps: Guidelines for Coastal Victoria

Disturbance of acid sulphate soils can result in degradation of lowland environments, including acidification of agricultural soils, corrosion of concrete and steel infrastructure and degradation of estuarine water quality. Mapping of the distribution of acid sulphate soils in Victoria has been undertaken to indicate to land managers where caution is needed or where further investigation is required prior to any land disturbance. Figure 7-28 shows the location of acid sulphate soils in the Bass Coast Shire.

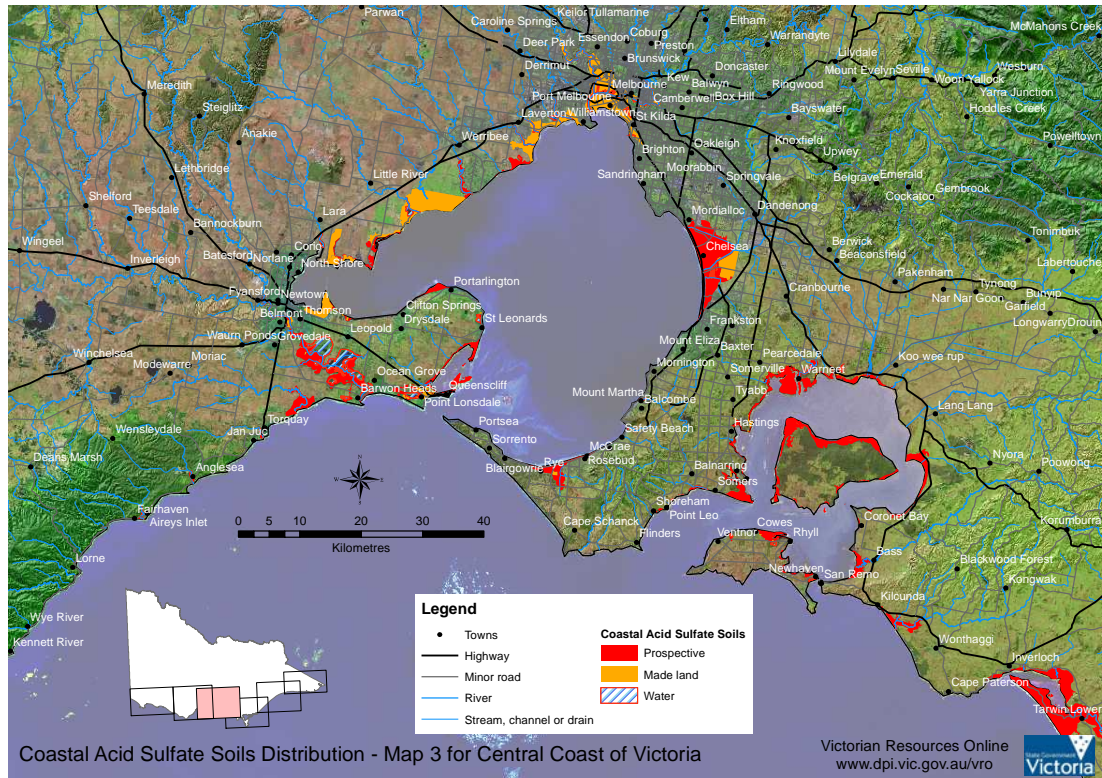


Figure 7-28: Estimated extent of acid sulphate soils in Bass Coast Shire

7.1.13 Climate Change in Bass Coast

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

West Gippsland has mild to warm summers with average maximum temperatures of around 21°C to 23°C near the coast and in elevated area, and 23°C to 25°C inland. In winter, average maximum temperatures are mostly around 12°C to 14°C, but less than 10°C in the mountains in the north of the region. Frosts occur but are rare near the coast. Annual rainfall averaged across the region is 926mm, but is locally much less in the low-lying eastern areas and highest in the mountains.

From 1998-2007, average annual temperatures in the region were 0.4°C warmer than the 30 year (1961 to 1990) average. Average daily maximum temperatures increased by 0.5°C, while the average daily minimum decreased slightly less (0.4°C). Summer shows the greatest increase in average temperature (0.6°C), as well as average daily maximum and minimums (0.6°C and 0.7°C respectively). Over this same period the average annual number of days over 30°C increased (by 3 days) as did the number of days over 35°C (by 1

day). There were 6 fewer cold nights (minimum temperature below 5°C) and 5 fewer frosts per year.

During 1998-2007, there was also a marked decline in the region's rainfall. The region's average rainfall was 13% below the 1961 to 1990 average. Decreases were greatest in autumn (25%), while summer rainfall actually showed a small increase (3%). There were 13 fewer rainy days each year. Regional rainfall is subject to significant natural variability, independent of the effects of climate change due to the enhanced greenhouse effect. However, the dry conditions of the recent drought are unusual, and represent the driest period on record.

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

Temperature and Rainfall

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

Drought

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

Water Resources and Fire

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

Winds, Storms and Sea Level Rise

- Winds are likely to intensify in coastal regions of Victoria, particularly in winter as a result of more intense low-pressure systems. Low-pressure systems off the east coast of Australia may become more frequent
- Sea level rise of 7cm to 55cm by 2070 (0.8cm to 8cm per decade).

7.1.14 Future Coasts

The Victorian Government has released the Victorian Coastal Inundation Dataset which provides a high level assessment of the potential risks from sea level rise and storm surge at a state-wide to regional scale for four different time periods (2009, 2040, 2070 and 2100).

It can be used as an indicative assessment of which areas are likely to be at risk over different timeframes where a more detailed local assessment is not available.

The Victorian Coastal Inundation Dataset is intended to be used at a regional scale to assist strategic planning and risk management.

The Victorian Coastal Inundation Dataset provides two maps for the Bass Coast Shire region:

- Inundation from sea level rise (Figure 7-29)
- Inundation from sea level rise combined with inundation from storm tide (Figure 7-30).

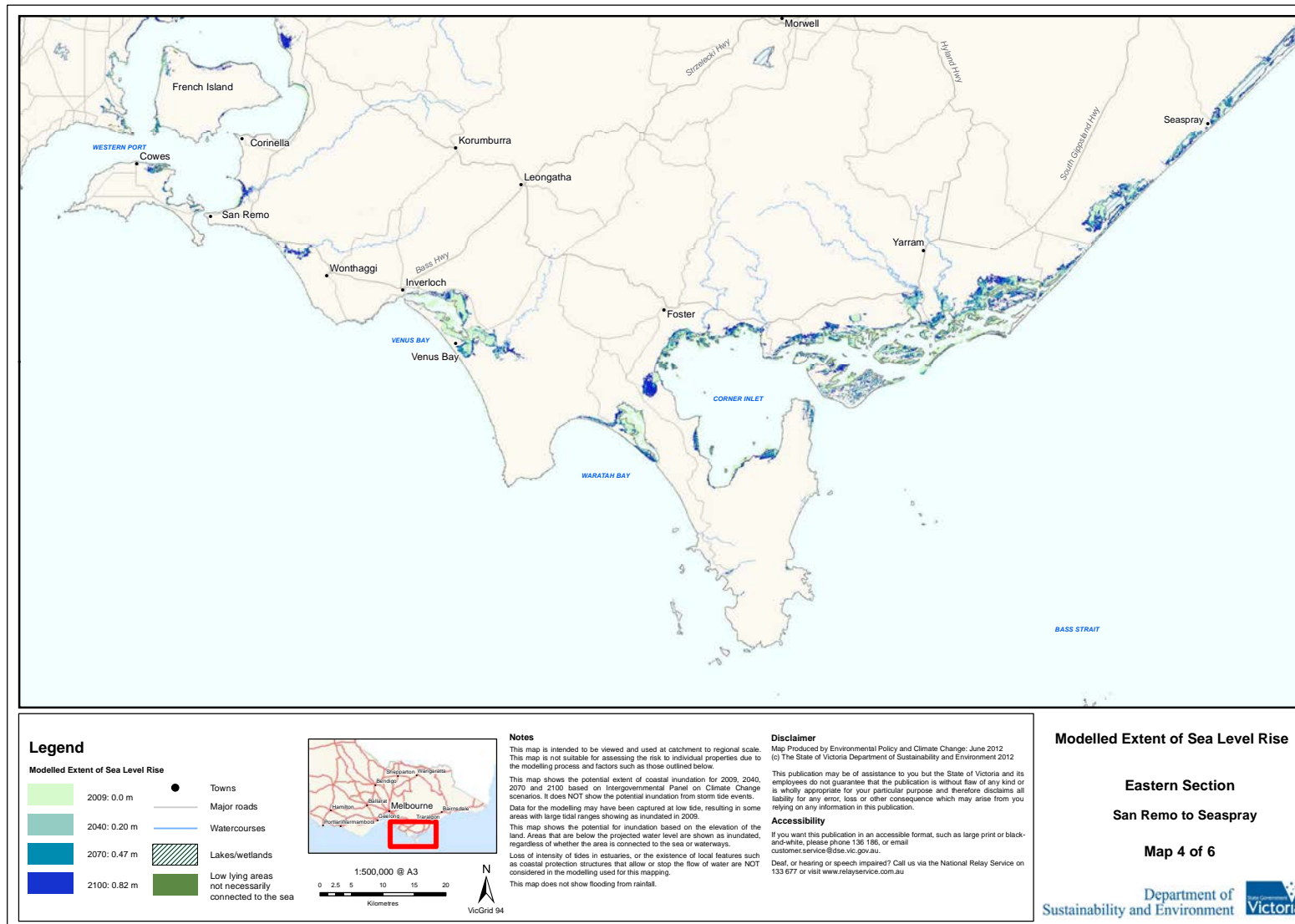


Figure 7-29: Modelled extent of sea level rise

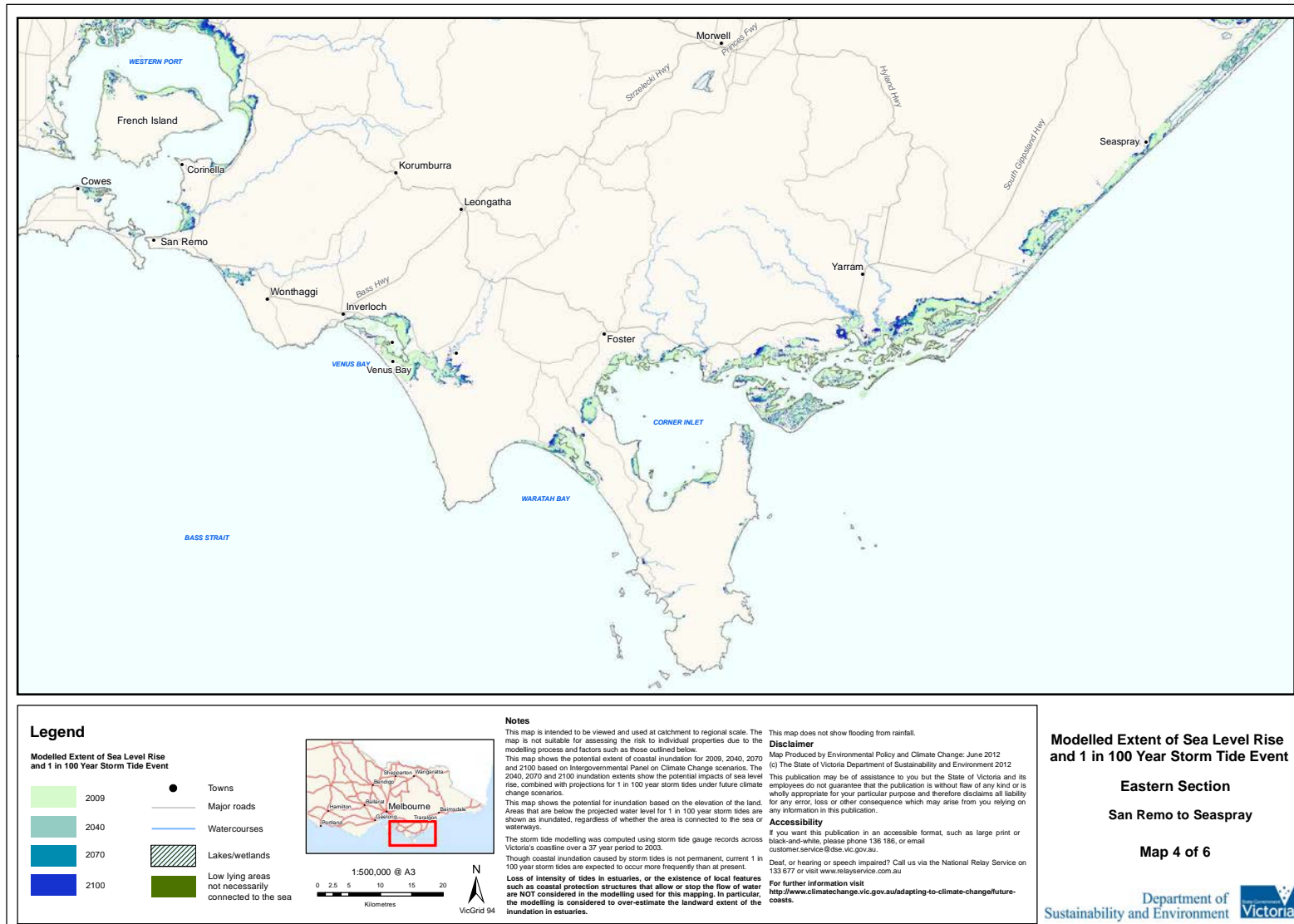


Figure 7-30: Modelled extent of sea level rise and 1 in 100 year storm tide event

7.2 Key findings and strategic implications

The review of state and local strategies has identified a number of directions for the Bass Coast Planning Scheme. This RLUS provides an opportunity to incorporate these as objectives and strategies into the scheme.

The Environment Sustainability Plan clearly articulates the contribution that planning policy can make towards achieving environmental sustainability in the Bass Coast Shire. The policy statements and tasks contained within the plan should be used as a starting point for incorporating these as objectives and strategies into the scheme.

8 Consultation

8.1 Background and Directions Paper

Community engagement has been a strong focus in the development of the Rural Land Use Strategy. In earlier stages of the project, Council undertook engagement with the community in developing the Background Paper and testing the Directions Paper. The intent of the engagement was to develop strong relationships with the rural community to enable their input into the development of the strategy. During the consultation on the Background Report and the ‘checking in’ on the Directions Paper the following consultation was undertaken.

Project component	Consultation undertaken
Background Paper (Consultation Event 1 & 2)	1,200 letters advising to agricultural based businesses of online surveys. 58 follow up survey sent to previous to respondees 58 people registered their interest for future consultation
Directions Paper Consultation	Comments were sought from registered interested people (58) Council officer address VFF and Landcare meetings Three week public exhibition Three community information sessions (approximately 50 attendees) Received 18 formal submissions

The clear messages from the community these consultation activities, has been that the rural areas are changing, that agriculture is under pressure and there is uncertainty about the future of agriculture but a desire to provide for it.

The local community is passionate about their rural areas and the value of these areas in terms of their agricultural function, landscape character, biodiversity and as a place to live. While urban townships across the municipality are developing as a vibrant centres there is a strong affinity with agriculture. Rural productivity and ongoing viability is considered by the community to be a key part of the Council’s economy and character.

Central to the messages from the consultation is the importance of the final Rural Land Use Strategy to support the “right to farm” of local land owners, preserving non urban breaks between towns, and managing the location and scale of tourist facilities so that they do not undermine the rural character of land beyond the towns.

In the first round of community consultation, survey respondents were asked to rate some of these issues in terms of their importance to them. Of the survey respondents:

- 96% rated Protection of Agricultural Land as “somewhat to very important”
- 75% rated Sustainable Agricultural Practices as “very important”
- 96% rated Protection of the Rural Landscape as “somewhat to very important”
- 88% rated Agricultural tourism as “somewhat to very important”.

8.1.1 Directions Paper Consultation

The feedback on the Directions Paper is summarised here.

Protection of agricultural land

- Recognition that protection of agricultural land is important to farmers and that the quality of the land and the farming practices is vital to ensure their future
- A need have planning controls that are flexible and allow further diversity of activity to produce additional income from the land. There was support for the alternative uses to be undertaken on marginal agricultural land located in agricultural areas
- Strong support was shown for the introduction of flexible planning controls that would allow intensive agriculture on small lots. These comments were qualified by some people who were concerned by the compliance aspects of allowing small lot subdivision for intensive agriculture
- A key theme in the responses is that good quality agricultural land should not be used for rural living or residential living.

Supporting sustainability and encouraging diversity in the agricultural sector

- Small lot intensive farming to support sustainability and diversity. This view was qualified by concerns about compliance with a permit that may allow a subdivision
- Diversification and non traditional forms of farming including wind farming, hot houses and bio energy
- Bass Coast could be recognised as an area where organic farming is supported.

Protection of rural amenity

- Clear recognition of the role that amenity plays in supporting business and farming. Views were also expressed that the farmers maintain the amenity
- This theme did not attract the same level of interest as other topics. The theme that the rural amenity needs to be protected was largely a given and not much further comment was forthcoming.

Protection of environmental assets located in rural areas

- There is strong support for the protection of environment .as an important aspect of conducting sustainable farming
- Conversations around biodiversity corridors also recognised the need for them to be maintained.

Facilitating rural tourism development

- Strong support for tourism development in rural areas
- For many farmers this is a way to diversify income from the land. Suggestions included using marginal agricultural land for diversification of farming activities including farm stays, fishing, cottages, caravan parks, music/art festivals, cheese tasting and wine tasting
- Isolated comment also suggested allowing rural tourism developments in exchange for handing over land of value to the community i.e. Coastal, river, wildlife corridors.

8.2 Targeted consultation

As part of the current project, developing this Rural Land Use Strategy, a range of stakeholders and agencies were interviewed by the Consultant Team to gain particular perspectives on agriculture across a range of industries, rural tourism, environmental assets

and threats, water and wastewater management. The results of these interviews are summarised here.

Agriculture generally was found to have the following strengths, weaknesses, opportunities and challenges:

Strengths

- Have made good gains in improving cost-effectiveness

Weaknesses

- Competing with imported products – global competition
- Disconnected from consumers due to large supermarkets

Opportunities

- Increasing agri-tourism and food tourism
- Farm stays
- Carbon credits
- Non-permanent tourism/events e.g. weddings

Challenges

- Agriculture is at a turning point in Bass Coast Shire - as it gets harder and harder more will move out
- Input costs – rates, power, gas, water, labour
- Ageing farmers.

The following opportunities and challenges were noted for Phillip Island:

Opportunities

- Class A recycled water available on the island and there is good potential for growth in utilisation of this resource
- Potential to access desalination plant water into the future
- Migrating from traditional broadacre farming to more intensive farming

Challenges

- Difficult to expand by purchasing land - land prices and rates are very high – it would take 3 generations to pay off a farm. Land leasing is being used for farm growth
- Infrastructure for intensive farming limited – transport (difficult during peak season), water, gas, waste
- Impact of native wildlife on agriculture – damaging crops, fencing and pastures
- Urban areas are a harbour for rabbits
- More neighbours (residential and the Phillip Island Nature Park) and increasing issues with noise, odours, spraying and livestock.

The following comments were made in regard to planning policy:

- Farm infrastructure needs to increase to support better productivity. Planning policy needs to support this change
- Farmers don't want to have too many small lots but many depend on selling a portion of their land for their superannuation
- Issues with being limited to one house as it limits the opportunity for family members or employees to live on the property

- Allowing small industry (e.g. welding) to occur on farm would be a positive change to allow for some off-farm income generation
- The impact of zone changes on rates are concerning. If Farming Zone was changed to Rural Activity Zone and rates increased accordingly, it would create pressure to establish a rural activity to realise the value
- Council needs to protect the visual amenity and those who provide it i.e. reduce rates
- Town boundaries should not get any bigger and ridgelines and cliff tops should be protected from development
- Support the protection of significant natural assets on private land or adjacent to private land e.g. saltmarsh and mangrove.

Role for Local Government:

- Support for farmers to shift to more intensive farming
- Development of local consumer markets
- Support for farmers to connect and network across the Shire. Agriculture is very fragmented and farmers can be quite isolated.

These consultation findings provided clear guidance for development of the RLUS.

8.3 Draft Rural Land Use Strategy Public Comment

The draft Rural Land Use Strategy was exhibited for public comment from the 29th April to the 24th of May 2013. The two reports comprising the Draft Rural Land Use Strategy and a summary document were available for inspection at:

- Wonthaggi Customer Service Centre 76 McBride Avenue Wonthaggi
- Grantville Transaction Centre 1405-1410 Bass Hwy Grantville
- Cowes Customer Service Centre 91-97 Thompson Avenue Cowes
- Inverloch Community Hub 16 A'Beckett Street Inverloch

Or could downloaded from the Council website www.basscoast.vic.gov.au

Information sessions were held in eleven locations (Inverloch, Newhaven, Glen Alvie, Kernot, Wonthaggi, Dalystn, Rhyll, Grantville, Krowera, Kongwak, Bass) across the Shire attended by members of the Consultant Team and Council staff. 197 people attended these sessions.

Two hundred and sixty nine written submissions were lodged by mail, email or via Council's website on the Draft Rural land Use Strategy and were summarised and evaluated against the draft Strategy and the State Planning Policy Framework in a report to Councillors: *Bass Coast Shire Draft Rural Land Strategy: Review of Submissions* (Appendix 1).

Appendix 1 Review of Submissions

BASS COAST RURAL LAND USE STRATEGY

Part 2: Rural Land Use Strategy

Final Report For Implementation

July 2014



RMCG

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Executive Summary

Introduction

In 2010 Bass Coast initiated the preparation of a Rural Land Use Strategy triggered by the translation of the new suite of rural zones to the Bass Coast Planning Scheme in 2006 and completion of a number of Council studies.

To inform development of the Rural Land Strategy, Council undertook preparation of a Rural Strategy Background Paper in 2010 and in 2012 consultation on a Directions Paper.

This Rural Land Strategy builds on strategic planning and consultation completed to date, reviews the current rural land use and development circumstances, including issues, opportunities and trends and sets out a long term vision for the Shire's rural areas. Objectives, strategies, policy and planning controls to achieve this vision are also detailed.

The Rural Land Use Strategy comprises two reports:

Part 1 Rural Land Analysis and Investigations

Part 2 Bass Coast Rural Land Use Strategy

The key findings of **Part 1** are summarised here.

Current planning and strategic context

The current planning and strategic context for Bass Coast sets out a strong position to ensure:

- Land use and development is managed to promote agriculture
- Tourism is encouraged in appropriate locations in rural areas
- That the landscape, coastal and environmental values of Bass Coast are recognised and protected.

The current suite of rural zones was introduced to the Bass Coast Planning Scheme in 2006 by direct translation. The preparation of the Rural Land Use Strategy provides an opportunity to review the application of the zones, as well as incorporate directions from a number of State Government and local strategies. State Government is currently reviewing all zones within the Victoria Planning Provisions. The preparation of this Strategy will provide for consideration of any changes to rural zones when they are announced.

Agriculture

Agriculture is an important part of the local economy generating around 7% of total economic output and 8% of all jobs. The largest commodity groups by value of production are dairy (\$52million) and meat (\$28million).

Much of the rural land in Bass Coast is considered productive agricultural land with areas west of the Bass Highway considered land of strategic significance due to its contribution to the nationally significant Gippsland dairy industry.

The future outlook for agriculture is strong, however, land affordability and urban encroachment are issues for agriculture in some areas of Bass Coast.

Tourism

Tourism is the pillar of the Bass Coast economy with internationally recognised tourism attractions particularly on Phillip Island. Tourism is annually estimated to generate around \$620million in direct expenditure, over \$1billion in value added and support around 1,400 jobs.

There is potential for further development of tourism in the Shire's rural areas, but this should not come at the expense of the landscape, amenity, environmental, agricultural values and liveability of the Shire.

Environment and landscape

Bass Coast has environmental and landscape values of regional and national significance, including Ramsar listed wetlands, marine parks and remnant native vegetation. Land hazards such as erosion and coastal acid sulphate soils are issues in some locations. The Rural Land Use Strategy provides an opportunity to recognise and protect environmental assets and minimise the impacts of hazards on future development and values.

Part 2: of the **Bass Coast Rural Land Use Strategy** responds to the analysis and investigations documented in **Part 1**, and sets out the new rural strategy. Key elements of the strategy are summarised here.

Vision for Bass Coast rural areas

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

- Protect the opportunity for agriculture
- Protect rural landscape and maintain green breaks between towns
- Provide for rural based tourism
- Ensure that environmental values are protected and enhanced
- Protect the livability of Bass Coasts' rural areas.

Key strategic directions

The key strategic directions of the Rural Land Use Strategy are to:

- Detail planning controls that will provide clear direction for use and development in the rural areas of the Shire
- Support agriculture and not prejudice the ability of future generations to productively farm the land
- Support agricultural activities and associated rural industries that will maintain and build on the economic base of the Shire
- Balance demand for rural lifestyle and protection of agricultural values by discouraging fragmentation of land in rural areas as well as additional dwellings unrelated to the agricultural use of the land
- Encourage the use of existing small lots for innovative uses or niche production activities that are not dependent upon or associated with the development of a dwelling on the lot
- Broaden the basis for establishing minimum lot sizes from a consideration of land units to support agriculture to include protection of the rural farmed landscape
- Protect and maintain the existing rural character of the Shire by providing clear definitions and distinctions between rural and urban areas

- Protect and maintain areas of environmental and landscape significance by strongly discouraging inappropriate development and uses
- Provide for a range of tourism uses in appropriate areas.

Implementation

The desired future rural land use outcomes vary across the Shire. Therefore implementation of the vision and strategic objectives is achieved by segmenting the rural areas of the Shire into a number of Rural Precincts (Figure E1) and tailoring planning policy to the specific land use outcomes desired in each precinct. The identification of Bass Coast's rural precincts included consideration of:

- Current land use and settlement patterns
- Productive agricultural land
- Land of strategic significance for agriculture
- Logical and easily identifiable boundaries.

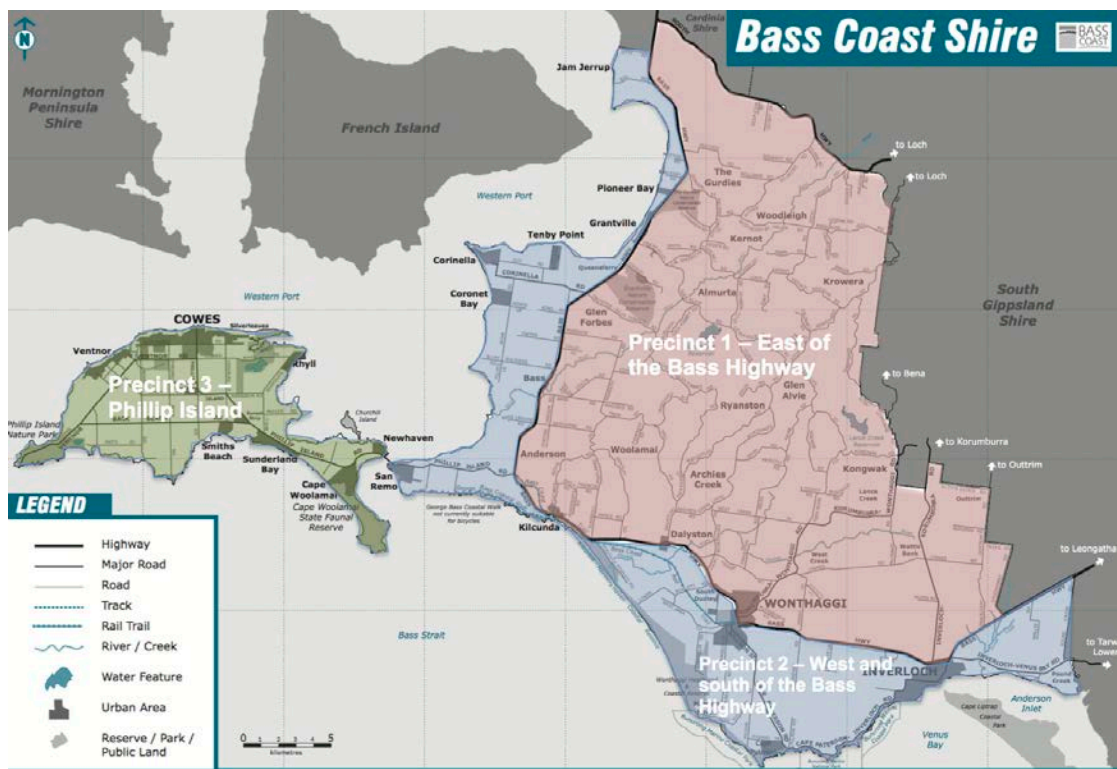


Figure E1 Bass Coast Rural Precincts

Implementation of the vision and strategic objectives will be achieved by the adoption of the following recommendations for planning policy.

Farming Zone

It is recommended that:

- The Farming Zone be retained in the rural areas of the Shire currently zoned Farming
- A revised minimum lot size schedule for the Farming Zone is tailored to the three rural precincts as set out in Table E1.
- A local policy be prepared to provide additional guidance on subdivision and dwellings in the Farming Zone

Table E1 Recommended Farming Zone minimum lot size schedule

Rural precinct	Minimum lot size for subdivision	Minimum area for which no permit is required for a dwelling
Precinct 1. East of the Bass Highway	80ha	40ha
Precinct 2. West and south of the Bass Highway to the coast	80ha	40ha
Precinct 3. Phillip Island	40ha	40ha

Rural Activity Zone

It is recommended that the:

- Rural Activity Zone is retained in locations where it currently applies.
- Rural Activity Zone be applied to land in Coronet-Bay / Corinella (Figure E2), The Gurdies (Figure E3), Newhaven (Figure E4) and Cape-Paterson / Inverloch (Figure E5) to provide for agriculture and rural based tourism.
- Lot size minima for subdivision within proposed Rural Activity Zone vary by locality:
 - Coronet Bay – Corinella 40 ha
 - The Gurdies 40 ha
 - Newhaven 40 ha
 - Inverloch to Cape Paterson 260ha
- A local policy is prepared to provide additional guidance on subdivision, dwellings and tourism facilities and activities in the Rural Activity Zone.

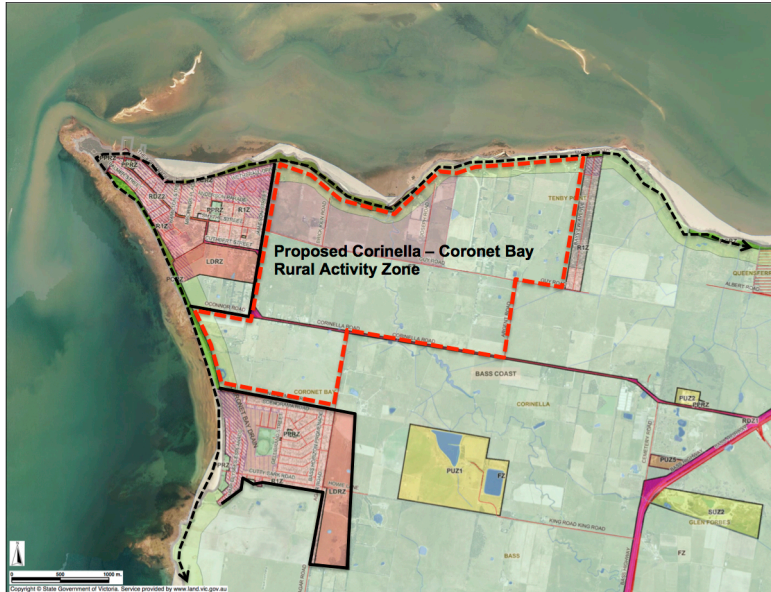


Figure E2 Proposed Corinella- Coronet Bay Rural Activity Zone

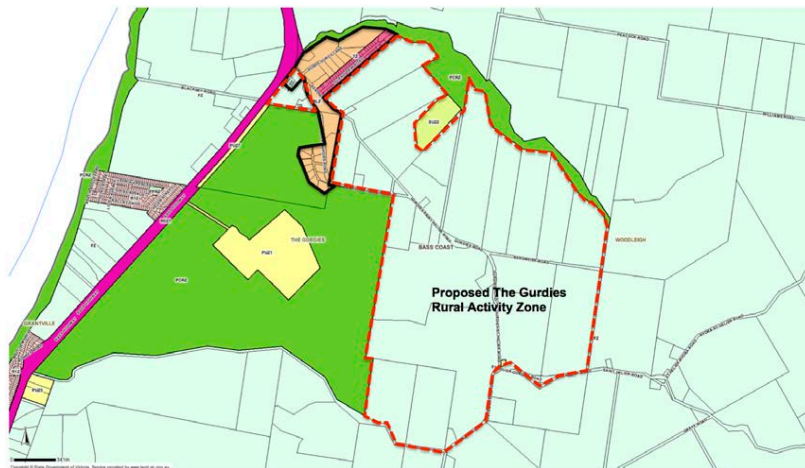


Figure E3 Proposed The Gurdies Rural Activity Zone

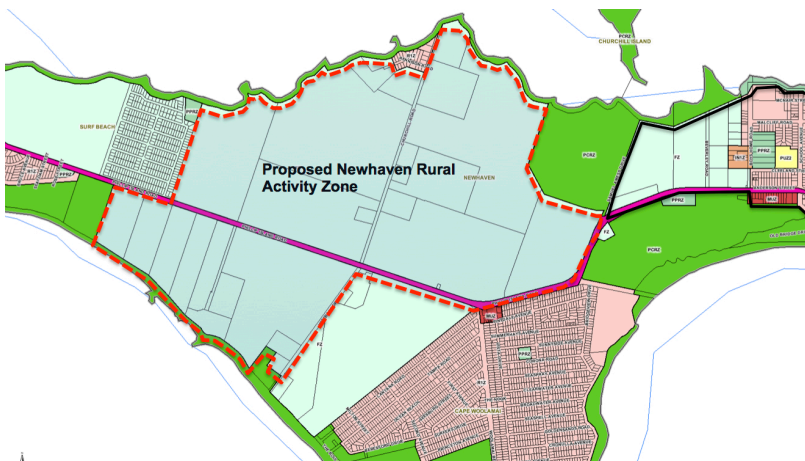


Figure E4 Proposed Newhaven Rural Activity Zone

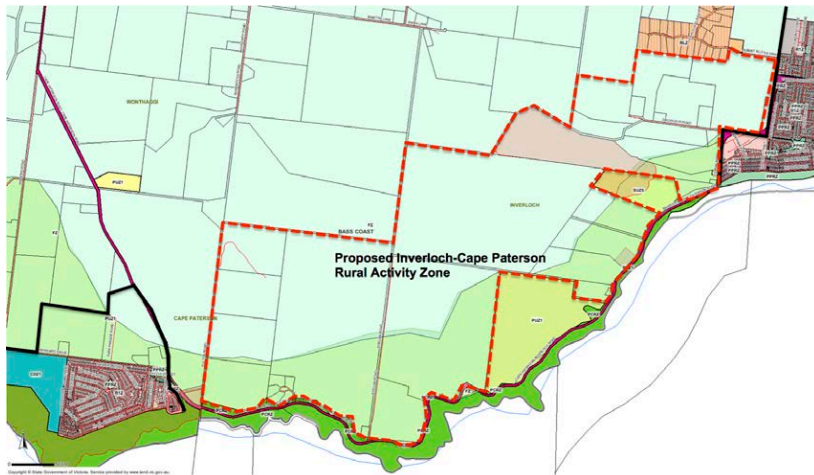


Figure E5 Proposed Inverloch-Cape Paterson Rural Activity Zone

Rural Conservation Zone

It is recommended that the Rural Conservation Zone be retained in locations currently zoned Rural Conservation.

Further Strategic Work

The Rural Land Use Strategy identified further strategic work including:

1. Areas for Rural Activity Zone from submissions

Submissions to the draft Rural Land Use Strategy nominated additional locations for application of the Rural Activity Zone during exhibition of the draft Rural Land Use Strategy. It is recommended that these locations be assessed and considered as part of preparation of the planning scheme amendment arising from this Rural Land Use Strategy. Locations included: Anderson, Bass, Cowes, Ventnor, Corinella, Kernot as well as land adjacent to or near the proposed Rural Activity Zone at Corinella – Coronet Bay, The Gurdies, Newhaven and Inverloch – Cape Paterson.

2. Rhyll Inlet Ramsar Wetland

The Rhyll Inlet is a Ramsar listed wetland providing important habitat for migratory wading birds. The inlet is also identified in the Victoria Coastal Inundation Dataset, as an area at risk of inundation due to climate change. It is recommended that Council undertake further investigation to determine if the Rural Conservation Zone is appropriate for land abutting the Rhyll Inlet.

3. Housing and Settlement Strategy

Submissions to the draft Rural Land Use Strategy raised a number of issues and opportunities that would be more appropriately addressed through a Housing and Settlement Strategy. These include:

- **Historic villages** - There are a number of rural villages across the Shire, some of these exist only as a subdivision and a cluster of houses, others such as Kernot, has a store, CFA shed, hall, church and houses. The land is currently zoned Farming meaning that owners of vacant lots would need to get a permit for a dwelling, which would be difficult to achieve due to the small size of the lots and the need to demonstrate the need for the dwelling for an agricultural purpose. Some submitters wanted land considered for application of the Rural Activity Zone for rural industry and tourism, particularly towns along the Wonthaggi – Nyora railway line.

Future directions for these villages should be considered as part of a Housing and Settlement Strategy for the Shire.

- Rural living - The desire to live in a rural location and a lack of land zoned for rural residential purposes was noted by a number of submitters. A supply and demand analysis of land zoned Rural Living, as part of a Housing and Settlement Strategy will establish whether additional land should be identified for this use.
- Small rural lots - Across the Shire, there is a substantial supply of small rural lots (less than 1.25 ha). These are 'legacy' lots created through excisions, road realignments etc. A number of submitters sought clarification as to how Council would view a permit application for a dwelling on such lots, given the need to demonstrate the need for the dwelling for an agricultural purpose. It is recommended that Bass Coast undertake further analysis of the number and location of vacant small lots and prepare a local policy to provide clarity on future use and development of small rural lots.

4. Landscape assessment

The landscape values and amenity of the Shire are consistently recognised as important to the liveability and tourism industry of Bass Coast. Landscape assessment of the coastal areas was completed as part of the Coastal Spaces Landscape Assessment Study. It is recommended that an assessment of the Shire rural areas, not covered by the Coastal Spaces Landscape Assessment Study be undertaken to ensure that important views and landscapes are appropriately protected.

5. Extractive industries

Quarrying and extractive industries is an important local industry with the sand resources around Grantville and Nyora of state significance. The Bass Coast Planning Scheme supports development of the industry. It was noted in part 1 of this Strategy that there is no policy guidance for management of spoil, site rehabilitation and landscape impact. Community concern was expressed during exhibition of the draft Strategy as to the impacts of extractive industries. It is recommended that a local policy be prepared to provide guidance on development of extractive industries including consideration of site rehabilitation, management of spoil, dust and noise mitigation and landscape impacts.

1 Introduction

The rural areas of the Bass Coast Shire are diverse with attractive rural and coastal landscapes, significant biodiversity and environmental values, productive agricultural industries and a network of rural settlements. The Shire covers 864 square kilometres and in 2011 had a permanent population of 30,000, though this can triple during peak holiday periods. Wonthaggi is the main service centre.

In 2010 Bass Coast initiated the preparation of a Rural Land Use Strategy, triggered by the translation of the new suite of rural zones to the Bass Coast Planning Scheme in 2006 and completion of a number of Council studies. In 2010 Council undertook preparation of a Rural Strategy Background Paper and in 2012 consultation on a Directions Paper.

Preparation of the Rural Land Use Strategy was to build on the strategic planning and consultations completed to date and review the current rural land use and development circumstances, including issues, opportunities and trends. The Rural Land Use Strategy was required to:

- Set out a long term vision for the Shire's rural areas
- Respond to the automatic translation of the 2006 suite of Rural Zones
- Recommend objectives, strategies, policy and planning controls to achieve Council's vision for the Shire's rural areas.

The development of the Rural Land Use Strategy included the following key steps:

1. Review of the planning and policy context and current rural land circumstances
2. Targeted consultation with key stakeholders including agencies, authorities, rural industries, key rural businesses
3. Preparation of a draft Rural Land Use Strategy
4. Public exhibition and comment on the draft Rural Land Use Strategy
5. Preparation of a Final Rural Land Use Strategy.

2 Bass Coast Rural Land Use Strategy

Based on the findings of the rural strategy review investigations, detailed in *Part 1: Rural Land Analysis and Investigations*, including community and stakeholder consultation, it is recommended that the following elements be embraced as the Shire's Rural Land Use Strategy.

2.1 Key strategic elements

The review of rural land in Bass Coast concluded the following:

- Tourism is a significant economic driver in Bass Coast which has nationally significant tourism attractions and the industry is important to the regional and local economy and employment
- There are opportunities for rural areas of the Shire to benefit from tourism, however this should not come at the expense of environmental, landscape, social and agricultural values
- Agriculture is also a significant economic driver and the dairy industry is part of the nationally significant Gippsland dairy region comprising producers, processors and manufacturers of dairy products
- The rural farmed landscape combined with coastal views and beach access is a significant element in the identity, image and liveability of Bass Coast
- Agriculture and rural landscapes establish non-urban breaks and are a critical element in the settlement strategy, tourism role and lifestyle of the Shire
- The Shire's rural areas contain important environmental assets that contribute to the amenity and landscape of the Shire and are important to Bass Coast tourism.

2.2 Vision

The Bass Coast Rural Land Use Strategy sets out a long term vision for the Shire's rural areas that aims to:

- Protect the opportunity for agriculture
- Protect rural landscape and maintain green breaks between towns
- Provide for rural based tourism
- Ensure that environmental values are protected and enhanced
- Protect the livability of Bass Coasts' rural areas.

The rural areas of Bass Coast are highly valued as a place to live, work and for recreation. The Bass Coast rural communities are diverse and include people involved in commercial agriculture and tourism or living in the rural areas for the lifestyle and amenity. Further complexity is added by the seasonal influx of holiday makers to a number of locations.

Tourism and agriculture make a significant contribution to the local and state economy and employment. Agriculture has defined the rural landscape and the character of many of the Shire's communities. The rural, farmed landscape together with the natural attractions, underpin the tourism industry. Supporting a diverse agricultural sector will contribute to the growth and prosperity of rural communities as well as protecting and maintain the landscape and liveability of the Shire.

2.3 Key strategic directions

The key strategic directions of the Rural Land Use Strategy include:

- Detail planning controls that will provide clear direction for use and development in the rural areas of the Shire
- Support agriculture and not prejudice the ability of future generations to productively farm the land
- Support agricultural activities and associated rural industries that will maintain and build on the economic base of the Shire
- Balance demand for rural lifestyle and protection of agricultural values by discouraging fragmentation of land in rural areas as well as additional dwellings unrelated to the agricultural use of the land
- Encourage the use of existing small lots for innovative uses or niche production activities that are not dependent upon or associated with the development of a dwelling on the lot
- Broaden the basis for establishing minimum lot sizes from a consideration of land units to support agriculture to include protection of the rural farmed landscape
- Protect and maintain the existing rural character of the Shire by providing clear definitions and distinctions between rural and urban areas
- Protect and maintain areas of environmental and landscape significance by strongly discouraging inappropriate development and uses
- Provide for a range of tourism uses in appropriate areas.

2.4 Tourism

Tourism is a major economic sector in Bass Coast with the main focus being Phillip Island and the coastal areas. Tourism in Bass Coast is broadening its focus and seeks to capitalize on established visitation and offer a wider tourism product based around the agricultural, environmental and landscape values of the rural hinterland for nature based and rural based tourism.

The Rural Tourism Development Strategy identifies Tourism Investigation Precincts for consideration of rural based tourism. These Tourism Investigation Precincts were assessed and appropriate locations for the application of the Rural Activity Zone were identified at:

- Coronet Bay – Corinella
- The Gurdies
- Inverloch-Cape Paterson
- Phillip Island.

Chapter 4 details the approach to the assessment of the Tourism Investigation Precincts and identification of locations for the application of the Rural Activity Zone.

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

- Agriculture
- Tourist and recreational activities
- Accommodation.

All development should be:

- Of modest scale, relevant to the land size, surrounding uses and the ability to nestle into the landscape

- Subservient to the landscape so as not to detract from the quality of the landscape
- Capable of net gain environmental outcomes
- Self-sufficient in the provision of relevant infrastructure and associated development costs.

Uses that would not be supported include a convenience shop, equestrian supplies, motor racing track, hotel, landscape gardening supplies, tavern and similar uses.

While this section of the Strategy has clearly articulated the preferred approach to tourism in rural areas of the municipality, it is acknowledged that there may be one-off proposals of a substantial size not associated with agriculture that may have significant regional benefits. Such proposals would be subject to a rezoning proposal.

It is recommended that Council investigate:

- Whether any large-scale one-off proposals are appropriate in the Shire and particularly on Phillip Island?
- How such proposals link with the townships?
- Develop appropriate policy around these issues including guidelines for large scale development such as:
 - Why such development requires a rural location and why it cannot be located within a town?
 - What are the site selection criteria that would make a site suitable for tourist development?
 - What are the necessary or minimum benefits any proposal should be capable of demonstrating to warrant consideration of a non-urban location?

2.5 Agriculture

Agriculture has maintained its economic contribution to the Shire. In terms of commodities, dairy is the most significant sector, with production focused in the Bass Valley, on the Strzelecki Ranges and in the Powlett River valley north of Wonthaggi. This area is part of the wider, nationally important Gippsland dairy industry supporting significant investment in milk processing and manufacturing. Future outlook for the industry is strong. Meat production and horticulture are also locally important and takes place across the Shire.

The rural farmed landscape is important to the Shire's identity and amenity and is a major attraction for visitors. This is especially so along the Bass Highway, the gateway and major thoroughfare through the Shire and on Phillip Island. Demand for rural lifestyle and tourism development in these areas has driven up land values above productive value.

In recognition of the strategic setting, agricultural opportunities, aspirations to reside in rural areas and to provide for rural based tourism, a differentiated policy position is recommended. A land use planning framework is required that will provide flexibility for appropriate development in some locations balanced against the need to protect opportunities for rural industries and environmental values.

2.6 Environment and landscape

Bass Coast has significant environmental and landscape assets. These make a significant contribution to the liveability of the Shire and its attractiveness for tourism. Planning policy should be clearly focused on ensuring that development is in accordance with the principles

of Ecologically Sustainable Development and that environmental and landscape values are protected.

2.7 Minimum lot size

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

2.7.1 Farming Zone

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

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

The findings of the review found that in terms of supporting agriculture the lot size minima in the Farming Zone should aim to:

- Facilitate farm growth and expansion
- Prevent proliferation of dwellings not associated with agriculture
- Maintain land in parcels with productive and management potential
- Recognise that most farm units are comprised of multiple lots.

In order to break the nexus between subdivision and dwellings and in recognition of dot point 4, it is recommended that different lot size minima be specified for subdivision and dwellings. In most cases, the minimum lot size below which a permit is required for a dwelling will be substantially higher than the minimum lot size for subdivision.

This review has also found that in some parts of the Shire, the past regime of lot size has left a legacy of rural-farmed landscapes that are highly valued by the community and visitors. The Bass Valley, Phillip Island, Bass Highway and Bunurong Coastal Drive are locations and corridors where the rural farmed landscape and coastal views are key elements of the landscape character. Preventing ribbon development between towns, development at township and landscape edges, along corridors were identified by the Coastal Spaces Landscape Assessment Study as critical to maintaining landscape character and values. Reducing the minimum lot size has the potential to have significant negative impacts on landscape character. Therefore, it is recommended that in these locations, the basis for establishing minimum lot sizes be broadened from a consideration of land units to support agriculture, to include consideration and protection of the rural farmed landscape.

The minimum lot size schedule was therefore tested against a lot size required to:

- Facilitate farm growth and expansion
- Prevent proliferation of dwellings not associated with agriculture and prevent rural land use conflict
- Maintain land in parcels with productive and management potential

- Maintain the rural farmed landscape.

Subdivision

This review has found that there is a considerable supply of lots at a range of sizes such that further subdivision for genuine agricultural purposes will be rarely required. In areas that have been substantially fragmented, consolidation of lots should be encouraged. Re-subdivision that results in creation of rural residential size lots should be strongly discouraged.

There are a small number of very large lots in the eastern part of the Shire that due to their size may be less attractive for sale or transfer between farm businesses.

The draft Rural Land Use Strategy proposed that the minimum subdivision size for the Farming Zone be set at 80ha and further guidance is provided in a rural subdivision policy. Following public comment on the draft Strategy and review of submissions, the Council adopted the Rural Land Use Strategy subject to the following minimum lot sizes for subdivision:

- Precinct 1: East of the Bass Highway 80 ha
- Precinct 2: West and south of the Bass Highway 80 ha
- Precinct 3 40 ha

Dwellings

Fragmentation of the existing pattern of subdivision and reducing the minimum lot size, particularly in relation to dwellings, would have a significant negative impact on landscape character. Likewise the issue of tenement holdings and their critical role in providing for sustainable agricultural practices and contribution to the open farmed landscape needs to be recognised.

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

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

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

In line with the land use outcomes outlined for the rural areas of the Shire, the draft Rural Land Use Strategy recommended the following minimum lot sized schedule for the Farming Zone to afford Council the opportunity to ensure that dwellings in the Farming Zone are genuinely required for agriculture.

- Precinct 1: East of the Bass Highway 250ha
- Precinct 2: West and south of the Bass Highway 100ha
- Precinct 3: Phillip Island 100ha.

Following public comment on the draft Strategy and review of submissions, the Council adopted the Rural Land Use Strategy subject to the following minimum lot sizes below which a permit is required for a dwelling:

- Precinct 1: East of the Bass Highway 40 ha
- Precinct 2: West and south of the Bass Highway 40 ha
- Precinct 3 40 ha

It was also recommended that a rural dwellings local policy be developed to detail decision making guidelines.

2.7.2 Rural Activity Zone

The VPP Planning Practice Note: Applying the rural zones notes with respect to the Rural Activity Zone notes that:

The main feature of the Rural Activity Zone is the flexibility that it provides for farming and other land uses to co-exist. The schedule to the Rural Activity Zone requires the planning authority to nominate an appropriate minimum lot size. This will vary depending on the physical attributes of the land, the type of agricultural activities being encouraged and the mix of non-farming land uses being sought. The minimum lot size should promote effective land management practices and infrastructure provision and could be large or small.

As noted in the assessment of the Rural Tourism Investigation Precincts (Section 4), there is generally a mix of lot sizes within the areas proposed for the Rural Activity Zone. Further, the landscape values, comprising the rural landscape and coastal views, of these areas underpin the value of these areas for tourism and maintaining the current density of lots and dwellings will be important to the protection of these values.

Therefore the minimum lot size for subdivision in the Rural Activity Zone will be set such that further subdivision will be strongly discouraged.

- Coronet Bay – Corinella 40ha
- The Gurdies 40ha
- Newhaven 40ha
- Inverloch-Cape Paterson 260ha

2.8 Excisions

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

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

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

Small lot subdivisions, including facilitating housing excision, based solely on hardship, personal circumstances, retirement or superannuation grounds, are not relevant matters for Council to consider. It is recommended that a rural subdivision policy be developed that will include consideration of excisions.

3 Planning Policy Recommendations

This section of the report identifies the implementation measures to deliver the vision and strategic directions of Bass Coast. This Rural Land Use Strategy review found that the current Planning Scheme lacks policy and a strong justification for its current suite of planning controls that apply to rural land. It has however, consistently applied the objectives and directions provided by the Municipal Strategic Statement, Zones, Overlays and Schedules. Therefore the implementation measures proposed in this Rural Land Use Strategy are aimed at providing clear policy underpinned by a robust strategic position.

3.1 Municipal Strategic Statement

The Municipal Strategic Statement (MSS) will need to be updated with material from this report including relevant explanatory text, objectives and strategies.

3.2 Bass Coast Planning Scheme

To implement the vision and strategic objectives, the rural areas of the Shire have been segmented into a number of Rural Precincts to reflect the diversity of landscape and agricultural values.

The future rural land use outcomes being sought by Council and the community vary across the Shire. Precincts allow for the planning controls to be tailored to meet the specific land use outcomes desired within each precinct rather than a 'one-size-fits all' approach.

The review of the Bass Coast rural areas recommended that a differentiated policy position be developed in recognition of the strategic setting, agricultural opportunities, aspiration to reside in rural areas and to provide for rural based tourism. A land use planning framework is required that will provide flexibility for appropriate development in some locations, protect opportunities for agriculture into the future in others and ensure that all development is in accordance with the principles of Ecologically Sustainable Development.

The identification of Bass Coast's rural precincts (Figure 3-1) included consideration of:

- Current land use and settlement patterns
- Productive agricultural land
- Land of strategic significance for agriculture.

The land within each precinct has common characteristics that will influence application of the planning controls. The characteristics that were considered in defining the precincts include:

- Current land use
- Settlement patterns and urban development
- Allotment and tenements sizes
- Agricultural quality
- Environmental and landscape values.

Each precinct has been described with respect to each attribute. The land use considerations, strategic directions and planning controls to implement the strategic objectives for each precinct are detailed in sections 3.6, 3.7 and 3.8.

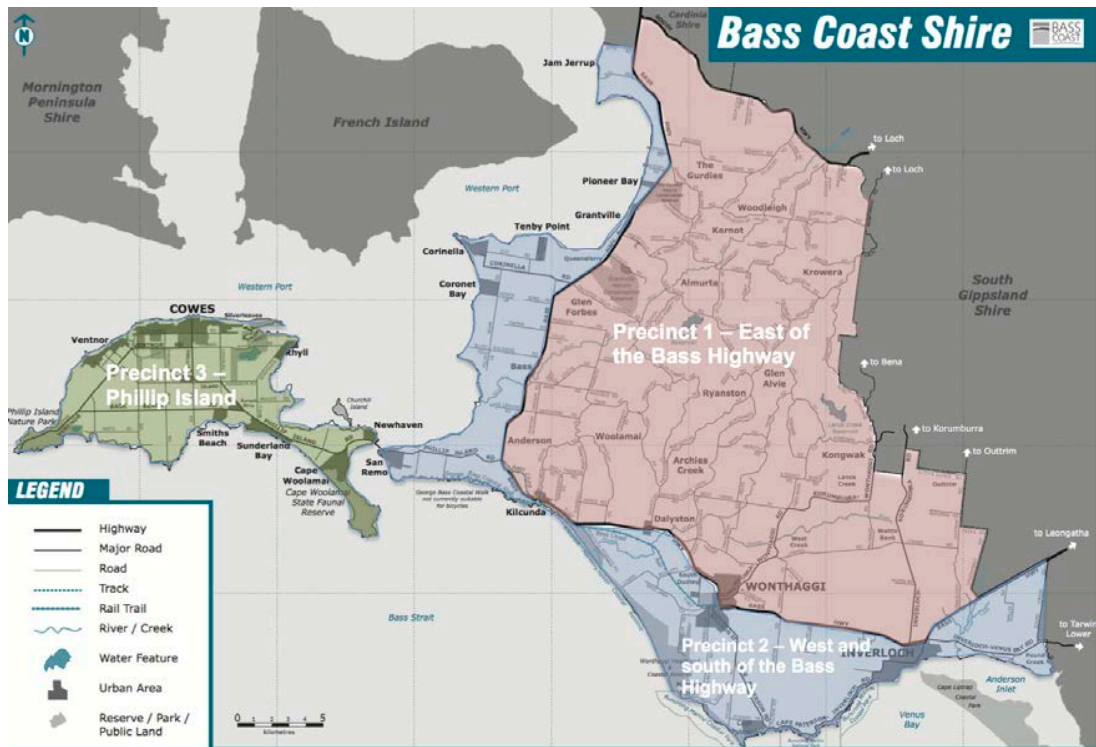


Figure 3-1 Bass Coast rural precincts

3.3 Rural zones

3.3.1 Farming Zone

It is recommended that the Farming Zone be applied where the primary land use outcome will be agriculture both now and in the future and to maintain rural farmed landscapes.

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

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

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

- Farmers require certainty about undertaking normal farming practices and need the flexibility to change farming practices in the future
- Farming is the primary activity in the area and the protection of productive farmland is of primary strategic importance
- The farmland is of State, regional or local significance in terms of agricultural production or employment

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

3.3.2 Rural Activity Zone

It is recommended that the existing areas of Rural Activity Zone be retained. It is also recommended that the Rural Activity Zone will be applied to the areas shown in Figure 4-1, Figure 4-2, Figure 4-3, and Figure 4-4 to provide for rural based tourism.

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

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

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

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

3.4 Rural Conservation Zone

It is recommended that the existing areas of Rural Conservation Zone will be retained

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

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

- To conserve and enhance cultural significance and character of open rural and scenic non-urban landscapes.

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

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

3.5 Local Policy

3.5.1 Rural dwellings

Within the Farming Zone dwellings are required to be associated with the agricultural use of the land. A Local Planning Policy will be prepared to guide decision making on lots below the minimum size for which a permit is required for a dwelling to:

- Discourage the proliferation of dwellings not associated with agriculture
- Ensure that the development of dwellings on rural land does not prejudice existing agricultural activities on surrounding land
- Ensure that agricultural land is maintained for the cost-effective production of food and raw materials
- Retain the open farmed landscape as the defining visual characteristic of the Shire
- Provide a consistent basis for considering planning permit applications for the use and development of dwellings in rural areas.

3.5.2 Subdivision in the Farming Zone

There is a large number of small lots in the Farming Zone in Bass Coast. Therefore, subdivision for genuine agricultural reasons will rarely be necessary. However, to ensure clarity on permit applications for subdivision in the Farming Zone a Local Planning Policy will be prepared to:

- 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 lots
- Limit the cumulative impact of house lot excisions, including serial small lot subdivisions
- Ensure that house lot excisions are undertaken for legitimate reasons related to agriculture
- Provide a consistent basis for considering planning permit applications for the subdivision of rural land
- Incorporate conditions that ensure good land management practices are carried out including the preparation of farm plans, fencing of waterways, revegetation of degraded areas, enhancement of remnant vegetation, weed control, nutrient management and preparation of vegetation management plans.

3.5.3 Rural Activity Zone – Rural Based Tourism

The Bass Coast Rural Tourism Development Study recommended that proposed tourism developments would need to meet the following principles to ensure the desired land use and tourism outcomes were achieved. These principles could be incorporated into a local policy to apply to land zoned Rural Activity: The principles include:

Tourism use

- Meet an identified tourism need, consistent with relevant local and regional tourism strategies endorsed by Council
- Clearly demonstrate that the proposed visitor experience to be achieved is consistent with visitor expectations
- Demonstrate a strong relationship between the proposed tourism use and development and the region's tourism product strengths.

Rural and environmental impact

- Protect and rehabilitate the natural environment and biodiversity
- Protect remnant and rehabilitate vegetation
- Improve environmental, social and economic values
- Respect the character of rural and coastal areas
- Protect and complement visually significant landscapes, views and vistas
- Be set back from the coast to accommodate both upper limit predictions of sea level rise and provide a buffer to protect biodiversity
- Identify and avoid impacts on predictable adverse environmental processes and effects including storm surges, river and coastal flooding, erosion, landslip, salinity, sea level rise, disturbance of acid sulphate soils, wildfire or geotechnical risk
- Provide site densities that reflect the rural character of the site.

Design

- Demonstrate sustainable building practices
- Demonstrate that design, siting, use of materials, colours and landscaping minimise the impact on the visual and environmental qualities of the site and the locality
- Demonstrate that the footprint of the development and the use of setbacks minimises visual impact, particularly from key tourist destinations, viewing points and touring routes
- Maintain the rural character of the area including the expansive views to rolling hills, pasture and coast.

Services

- Meets best practice environmentally sustainable design standards
- Provides adequate services such as water, sewerage, power, communications to support the development
- Demonstrate that it minimises its impact on water catchments and water quality, with use of wastewater treatment systems
- Access road to development is sealed.

In addition, the Bass Coast Environmental Sustainability Plan outlines the following policy recommendations. These should be incorporated into the local policy.

Biodiversity

- All development proposals shall consider habitat protection and enhancement as a high priority including the minimising of alterations in drainage, controls for the minimisation of soil disturbance and the retention of top soil wherever practical, the retention of habitat trees with hollows (both dead and living) and a reasonable cover of fallen logs and branches.
- All development proposals shall consider opportunities to consolidate and link existing fragmented habitat areas and identified wildlife corridors and, where possible, creates new blocks of habitat and corridors.
- All revegetation projects on large scale development sites shall use plants that are locally indigenous species sourced from local seed stocks of the appropriate Environmental Vegetation Classification (EVC) for the area. A full range of species should be used to replicate the EVC including large canopy trees, understorey vegetation and ground covers.

Rivers, creeks and wetlands

- All development applications shall protect and enhance waterways, creeks and wetlands including considering the provision for buffer zones, enlargement of reserves fencing discouraging new access points, improvements to existing access points and revegetation of riparian zones.

Coast

- All development applications shall protect the coastal foreshore reserve including discouraging new access points, improvements to existing access points, protection of flora and fauna and protection from storm surge or wave action.

Climate Change

- All development applications shall include consideration of issues associated with climate change including potential sea level rise, storm surge, increased fire risk and rain intensity and development will be strongly discouraged in areas that may be affected.

3.6 Precinct 1 – East of the Bass Highway

3.6.1 Description

The land in Eastern Bass is generally used for broadacre farming including dairy, horticulture and grazing. The area is relatively sparsely settled with limited proximity to neighbours and farms are generally well buffered from residential, large scale tourism and industrial activities

Agriculture

Land within the area was identified in this review as being productive agricultural land (insert reference) and land of strategic significance for agriculture (insert reference). There is a pattern of larger allotments.

Landscape values

The Coastal Spaces Landscape Assessment Study provided the following description and directions for the landscape character areas in eastern Bass:

Bunurong Coast and Hinterland

The Character Area will continue to be characterised by an open rural hinterland and an undeveloped coastal edge offering outviews to scenic coastal features free of built development. Development in the near-coastal hinterland will be restricted to the settlement of Cape Paterson or set a sufficient distance back from the coast to be nestled in topography

and screened from views by landscaping and increased vegetation on the inland side of coastal viewpoints.

An open and uncluttered hinterland offering occasional outviews to the Bass Hills, Mt Liptrap, Mt Hoddle and the Venus Bay dunes will be interspersed with native vegetation corridors. Extensions to existing urban areas will be sensitive to views from key viewing corridors, maintenance of open rural character and protection and enhancement of the wild, natural coastline.

Bass Hills

The Bass Hills will retain an undeveloped cultural landscape character in which built form is sparsely located and does not dominate the rural character. Development of the western face viewed from the Bass Highway, settlements and other key viewing locations on the eastern side of Westernport Bay will continue to be restricted and carefully managed to retain the built character. Cultural vegetation patterns and native vegetation corridors will create contrasts with the historic cleared landscape character. Inland of the coastal viewshed, an open rural character will be maintained by ensuring built form is carefully sited low in slopes and native vegetation and exotic feature planting are used to soften buildings. Increased rural living and lifestyle developments as well as the majority of rural structures will be sited low on inland slopes out of the coastal viewshed.

Environmental values

The West Gippsland Regional Catchment Strategy identifies land within Powlett River catchment as a significant soil and land asset highly valued for supporting agricultural production. Erosion in the upper catchment and changes to flow and hydrological regimes are key threat to this asset.

Current planning position

Land is zoned Farming and an Environmental Significance, Significant Landscape, Erosion Management and Land Subject to Inundation Overlay has been applied to various parts of the area and a Hilltop, Ridgelines and Prominent Coastal Landform Protection Local Policy.

The schedule to the Farming Zone specifies a minimum lot size for subdivision and dwellings of 40ha.

Rural Land Use Observations

Agriculture in the precinct is a significant contributor to the overall agricultural economy in Bass Coast. The future for agriculture in the precinct is strong. The current settlement pattern, allotment sizes and agricultural capability are conducive to agriculture and this is reflected in the use of the land for dairy, horticulture and grazing.

Conversion of farms to rural lifestyle properties has begun to make in roads in the area, particularly near the coast.

The majority of the native vegetation as been removed and what remains has high environmental values and needs to be protected.

3.6.2 Objectives

The objectives for Precinct 1 include:

- To recognise that land the precinct is land of strategic significance for agriculture
- To foster and encourage agriculture in the area both now and into the future
- To protect, restore and enhance the environmental values of the area.

3.6.3 Strategies

- Strongly discourage subdivision of land to preserve long term farming opportunities
- Prevent the proliferation of housing on small lots and housing unrelated to agriculture
- Discourage uses not directly related to, or that may have an adverse impact on agriculture and future agricultural opportunities
- Protect the environmental assets of the area, particularly the soils of the Powlett River catchment
- Encourage the enhancement of environmental assets, particularly native vegetation and riparian areas that impact marine, coastal and wetlands in the Bunorong priority landscape area.

3.6.4 Implementation

To implement the strategic direction, the following planning controls are recommended:

- Retain the Farming Zone
- Revise the Farming Zone minimum lot size schedule to:
 - Minimum lot size for subdivision of 80ha
 - Minimum area for which no permit is required for a dwelling of 40ha
- Introduce Local Policy to guide subdivision and dwelling development to protect land for agriculture
- Expand application of the Vegetation Protection Overlay and Environmental Significance Overlay drawing on mapping from West Gippsland CMA
- Review the boundaries of the Erosion Management Overlay to ensure it reflects current appreciation of areas of risk of erosion and land slips
- Retain the Hilltop, Ridgelines and Prominent Coastal Landform Protection Local Policy.

3.7 Precinct 2 West and south of the Bass Highway

3.7.1 Description

Precinct 2 is used primarily for agriculture including dairy and grazing. The precinct is the gateway to Bass Coast for visitors from Melbourne. It is characterised by a series of small hamlets along the highway separated by farmland and views to Westernport Bay and the ocean. Between settlements the area is relatively sparsely settled with a number of tourism attractions such as the Maru Koala and Animal Park.

Agriculture

Land within the precinct was identified as productive agricultural land. There is a pattern of larger allotments suited for the ongoing use of the land for agriculture.

Landscape values

The Coastal Spaces Landscape Assessment Study provided the following description and directions for the landscape character areas in this precinct:

Westernport Lowlands

The northern half of this Character Area will become increasingly vegetated with local vegetation communities extending from bushland reserves along roadsides and

watercourses into open rural land. In the south, open views will be protected and enhanced and development will be set long distances back from the Bass Highway. The integrity of the coastal edge will be maintained by containing development to existing settlements and restricting built form and structures from visually intruding into natural coastal edges, particularly south of Grantville.

Bunurong Coast and Hinterland

The Character Area will continue to be characterised by an open rural hinterland and an undeveloped coastal edge offering outviews to scenic coastal features free of built development. Development in the near-coastal hinterland will be restricted to the settlement of Cape Paterson or set a sufficient distance back from the coast to be nestled in topography and screened from views by landscaping and increased vegetation on the inland side of coastal viewpoints.

An open and uncluttered hinterland offering occasional outviews to the Bass Hills, Mt Liptrap, Mt Hoddle and the Venus Bay dunes will be interspersed with native vegetation corridors. Extensions to existing urban areas will be sensitive to views from key viewing corridors, maintenance of open rural character and protection and enhancement of the wild, natural coastline.

Anderson Peninsula

A rural character will dominate the Character Area outside the settlement of San Remo. The edges of this Character Area that are visible from outside the Area (including off shore) will continue to provide a rural backdrop in which development and landscape disturbance is avoided or sited and landscaped in such a way to retain a dominant undeveloped character. The coastal edge will become increasingly vegetated in character and continue to provide extensive scenic viewing opportunities largely free of development. Development will be sited low on inland slopes out of the viewshed from key viewing corridors and settlements.

Environmental values

The Bunurong landscape priority area is recognised by the West Gippsland CMA Regional Catchment Strategy as a group of significant assets including biodiversity, coastal, estuary, marine, soil and land and wetlands. Key threats that can be addressed by this Draft RLUS include: altered flow or hydrological regimes, disturbance of potential acid sulphate soils, erosion, recreational use and visitation impacts and urban or industrial development.

Current planning position

Land is zoned Farming and an Environmental Significance, Significant Landscape, and Land Subject to Inundation Overlay has been applied to various parts of the area and a Hilltop, Ridgelines and Prominent Coastal Landform Protection Local Policy.

The schedule to the Farming Zone specifies a minimum lot size for subdivision and dwellings of 40ha.

The Bass Coast Rural Based Tourism Development Strategy identified investigation precincts for rural based tourism at Coronet Bay-Corinella, The Gurdies, Anderson and Inverloch-Cape Paterson. The assessment of these areas is detailed in Chapter 4.

Rural land use observations

Precinct 2 is the main gateway and thoroughfare in the Shire. It therefore can provide a strong statement of the character and identity of Bass Coast. The Highway carries a significant amount of traffic, particularly during peak holiday periods and associated with major events on Phillip Island.

The main land use in the precinct is farming and is undertaken for a mix of purposes including: tourism, lifestyle and commercial. The allotment sizes and agricultural capability are conducive to agriculture. Established tourism and boutique-type uses are indicative of the attractiveness of the area for tourism.

There are significant landscape and environmental values in the precinct that underpin the areas attractions significant tourism and lifestyle. These values need to be protected, and if alternative uses are permitted to establish, it should be based on a pre-requisite of enhancing these values.

3.7.2 Objectives

The objectives for the Precinct 2 include:

- To foster and encourage agriculture within the precinct
- To value and enhance the landscape values
- To ensure development is compatible with the landscape values and farming land uses in the precinct
- To provide for rural based tourism within appropriate locations
- To protect, restore and enhance the environmental and landscape values.

3.7.3 Strategies

- Prevent subdivision of agricultural land to maintain land in productive parcels
- Avoid housing unrelated to farming
- Implement the findings of the assessment of land for rural based tourism at:
 - Coronet Bay-Corinella
 - The Gurdies
 - Inverloch-Cape Paterson
- Discourage uses not directly related to, or that may have an adverse impact on agriculture and future agricultural opportunities
- Protect the environmental assets of the area, particularly the soils of the Powlett River catchment
- Encourage the enhancement of environmental assets, particularly native vegetation and riparian areas that impact marine, coastal and wetlands in the Bunorong priority landscape area.

3.7.4 Implementation

To implement the strategic direction, the following planning controls are recommended:

- Retain the Farming Zone
- Revise the Farming Zone minimum lot size schedule to:
 - Minimum lot size for subdivision of 80ha
 - Minimum area for which no permit is required for a dwelling of 40ha
- Introduce Local Policy to guide subdivision and dwelling development to protect land for agriculture
- Rezone land from Farming to Rural Activity as proposed at:
 - Coronet Bay – Corinella (Figure 4-1)
 - The Gurdies (Figure 4-2)

- Inverloch-Cape Paterson (Figure 4-3)
- Expand application of the Vegetation Protection Overlay and Environmental Significance Overlay drawing on mapping from West Gippsland CMA
- Expand application of the Land Subject to Inundation Overlay drawing on mapping from DSE Future Coasts
- Introduce a Local Policy for management of Coastal Landscapes as recommended by the Coastal Spaces Landscape Assessment Study, Bass Coast Toolkit
- Retain the Hilltop, Ridgelines and Prominent Coastal Landform Protection Local Policy.

3.8 Phillip Island Precinct

3.8.1 Description

Precinct is located off the Bass Highway and includes the main commercial centre of Cowes and a number of smaller villages providing a mix of permanent residences, holiday accommodation, some retail services, cafes and restaurants.

Agriculture

Agricultural quality of the land varies from Class 3 to Class 3a and lot sizes range from less than 2ha up to 180ha. Agriculture has a long history on the Island and in the past supported chicory production, dairy and grazing. Currently, there are a number of horticultural businesses producing flowers and herbs and some large scale grazing properties. There is also land being farmed for lifestyle purposes.

Landscape values

The Coastal Spaces Landscape Assessment Study provided the following description and directions for the landscape character areas in this precinct:

Phillip Island Northern Coast

The majority of this Character Area will retain open rolling rural character with cultural vegetation patterns associated with rural land uses and a few scattered homesteads and tourism facilities set among landscaped grounds. The settlements will be characterised by indigenous vegetation that extends in corridors between inland reserves and the natural coastal edge. Existing rural breaks between residential developments will be retained and development at the coastal edge will remain subordinate to vegetation and landform to a dominant natural coastal character and reduce distant visibility.

Phillip Island Southern Coast

This Character Area will be characterised by contained coastal settlements set amongst indigenous vegetation, separated by extensive open rural landscapes and areas of native vegetation providing a wild and natural character at the coastal edge. Rural breaks between settlements that provide a landscape of undeveloped coastal cliffs and headlands will be strictly maintained, and become increasingly vegetated with appropriate indigenous coastal species. West of Smiths Beach will be an open, undeveloped and increasingly vegetated rural landscape with a scattering of built elements set long distances back from the coast on lower slopes of inland topography and amongst substantial landscaping.

Environmental values

The Port Phillip and Westernport Regional Catchment Strategy identifies a number of significant natural assets including native vegetation, coastal, marine and wetland thematic asset classes. Key threats that can be address by this RLUS include: changes to natural water flows, poor water quality, vegetation clearing and urban and industrial development.

Current planning position

Land is mainly zoned Farming, with areas of Rural Activity Zone adjacent to the Grand Prix track and Newhaven.

Environmental Significance, Significant Landscape and Vegetation Protection Overlay have been applied to various parts of the area and a Hilltop, Ridgelines and Prominent Coastal Landform Protection Local Policy.

The schedule to the Farming Zone specifies a minimum lot size for subdivision and dwellings of 40ha.

Then schedule to the Rural Activity Zone specific a minimum lot size for subdivision of 40ha.

The Bass Coast Rural Based Tourism Development Strategy identified Phillip Island as an investigation precinct for rural based tourism. The assessment of these areas is detailed in Chapter 4.

Rural land use observations

The review has noted in Part 1, Section 6.3, issues of sustainable development Phillip Island - A Masterplan based on an agreed vision is considered important to ensure that future development on Phillip Island appropriately balances tourism, the needs of residents and protection of environmental and landscape values.

3.8.2 Objectives

- To maintain agriculture within the precinct
- Recognise the cultural value of agriculture and the rural farmed landscape
- To value and enhance the landscape values
- To ensure development is compatible with the landscape values and farming land uses in the precinct
- To provide for rural based tourism within appropriate locations
- To protect, restore and enhance the environmental and landscape values.

3.8.3 Strategies

- Prevent subdivision of agricultural land to maintain land in productive parcels and protect the rural landscape
- Avoid housing unrelated to farming
- Implement the findings of the assessment of land for rural based tourism for:
 - Newhaven
 - Cowes
- Discourage uses not directly related to, or that may have an adverse impact on agriculture and the rural farmed landscape
- Protect the environmental assets of the area, particularly the wetlands and coastal areas
- Encourage the enhancement of environmental assets, particularly native vegetation and riparian areas that impact marine, coastal and wetlands.

3.8.4 Implementation

To implement the strategic direction, the following planning controls are recommended:

- Retain the Farming Zone
- Revise the Farming Zone minimum lot size schedule to:

- Minimum lot size for subdivision of 40ha
 - Minimum area for which no permit is required for a dwelling of 40ha
- Introduce Local Policy to guide subdivision and dwelling development to protect land for agriculture
- Rezone land from Farming to Rural Activity as proposed at:
 - Newhaven (Figure 4-4)
- Apply the Rural Conservation Zone to land adjacent to the Rhyll inlet and Conservation Hill Reserve.
- Expand application of the Vegetation Protection Overlay and Environmental Significance Overlay drawing on mapping from West Gippsland CMA to identify priority environmental assets including the Kitty Miller Road Wetland
- Expand application of the Land Subject to Inundation Overlay drawing on mapping from DSE Future Coasts
- Apply a restructure overlay to facilitate the consolidation of lots in the same ownership at:
 - 493 Berrys Beach Road
 - Grevillea Grove, Surf Beach
- Introduce a Local Policy for management of Coastal Landscapes as recommended by the Coastal Spaces Landscape Assessment Study, Bass Coast Toolkit
- Retain the Hilltop, Ridgelines and Prominent Coastal Landform Protection Local Policy.

3.8.5 Environmental values

The Environment Sustainability Plan clearly articulates the contribution that planning policy can make towards achieving environmental sustainability in the Bass Coast Shire. The policy statements and tasks contained within the plan should be used as a starting point for incorporating these as objectives and strategies into the scheme.

3.9 Further strategic work

3.9.1 Areas for Rural Activity Zone from submissions

Submissions to the draft Rural Land Use Strategy nominated additional locations for application of the Rural Activity Zone during exhibition of the draft Rural Land Use Strategy. It is recommended that these locations be assessed and considered as part of preparation of the planning scheme amendment arising from this Rural Land Use Strategy. Locations included: Anderson, Bass, Cowes, Ventnor, Corinella, Kernot as well as land adjacent to or near the proposed Rural Activity Zone at Corinella – Coronet Bay, The Gurdies, Newhaven and Inverloch – Cape Paterson.

3.9.2 Rhyll Inlet Ramsar Wetland

The Rhyll Inlet is a Ramsar listed wetland providing important habitat for migratory wading birds. The inlet is also identified in the Victoria Coastal Inundation Dataset, as an area at risk of inundation due to climate change. It is recommended that Council undertake further investigation to determine if the Rural Conservation Zone is appropriate for land abutting the Rhyll Inlet (Figure 3-2).

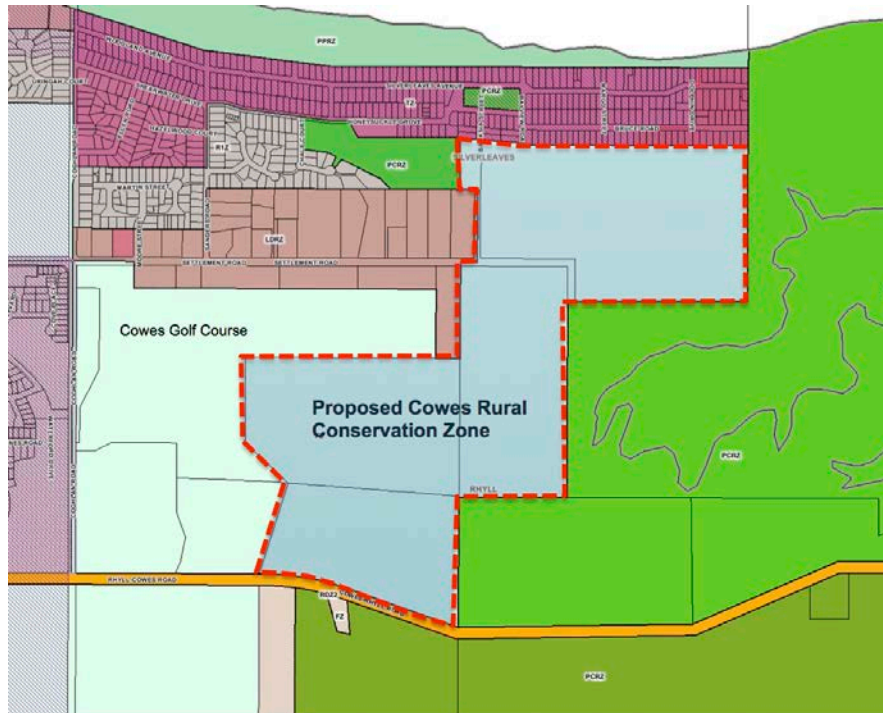


Figure 3-2 Proposed area of Rural Conservation abutting the Rhyll Inlet

3.9.3 Housing and Settlement Strategy

Submissions to the draft Rural Land Use Strategy raised a number of issues and opportunities that would be more appropriately addressed through a Housing and Settlement Strategy. These include:

Historic villages.

There are a number of rural villages across the Shire, some of these exist only as a subdivision and a cluster of houses, others such as Kernot, has a store, CFA shed, hall, church and houses. The land is currently zoned Farming meaning that owners of vacant lots would need to get a permit for a dwelling, which would be difficult to achieve due to the small size of the lots and the need to demonstrate the need for the dwelling for an agricultural purpose. Some submitters wanted land considered for application of the Rural Activity Zone for rural industry and tourism, particularly towns along the Wonthaggi – Nyora railway line.

Future directions for these villages should be considered as part of a Housing and Settlement Strategy for the Shire.

Rural living

The desire to live in a rural location and a lack of land zoned for rural residential purposes was noted by a number of submitters. A supply and demand analysis of land zoned Rural Living, as part of a Housing and Settlement Strategy will establish whether additional land should be identified for this use.

Small rural lots

Across the Shire, there is a substantial supply of small rural lots (less than 1.25 ha). There are 'legacy' lots created through excisions, road realignments etc. A number of submitters sought clarification as to how Council would view a permit application for a dwelling on such lots, given the need to demonstrate the need for the dwelling for an agricultural purpose. It is

recommended that Bass Coast undertake further analysis of the number and location of vacant small lots and prepare a local policy to provide clarity on future use and development of small rural lots.

3.9.4 Landscape assessment

The landscape values and amenity of the Shire are consistently recognised as important to the liveability and tourism industry of Bass Coast. Landscape assessment of the coastal areas was completed as part of the Coastal Spaces Landscape Assessment Study. It is recommended that an assessment of the Shire rural areas, not covered by the Coastal Spaces Landscape Assessment Study be undertaken to ensure that important views and landscapes are appropriately protected.

3.9.5 Extractive industries

Quarrying and extractive industries is an important local industry with the sand resources around Grantville and Nyora of state significance. The Bass Coast Planning Scheme supports development of the industry. It was noted in part 1 of this Strategy that there is no policy guidance for management of spoil, site rehabilitation and landscape impact. Community concern was expressed during exhibition of draft Strategy as to the impacts of extractive industries. It is recommended that a local policy be prepared to provide guidance on development of extractive industries including consideration of site rehabilitation, management of spoil, dust and noise mitigation and landscape impacts.

4 Rural tourism precincts investigation

4.1 Background

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

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

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

4.2 Approach

The assessment Bass Coast’s rural land to identify land suitable for application of the Rural Activity Zone, was guided by the findings of the:

- Review of state and regional tourism strategies
- Rural Tourism Development Strategy
- Rural Activity Zone purpose and objectives
- Rural Planning Practice note: Applying the rural zones.

Review of state and regional tourism strategies

State and regional tourism strategies provide strong support for tourism in Bass Coast and provides the following specific directions:

- Accommodation integrated with conference and meeting facilities and high quality accommodation linked to Phillip Island’s key attractions
- Upgrade of the Phillip Island Nature Park
- Realise the Sydney-Melbourne Coastal Drive
- Inclusion of Phillip Island and Inverloch in the Villages on Victoria campaign
- Nature-based tourism on Phillip Island
- Nyora to Wonthaggi Rail Trail is a medium priority in the Victoria Trails Strategy
- Cowes-Stony Point Passenger-Car Ferry project.

Bass Coast Shire Rural Tourism Development Strategy

The strategy identified five Tourism Investigation Precincts, and recommended using the following principles to identify land within the precincts for rezoning to Rural Activity Zone.

- Impact on agriculture
 - Avoids high quality agricultural land except where significant fragmentation into smaller allotments has already occurred
 - Minimises impact on agricultural production by focusing on areas of low to moderate agricultural quality and/or areas where lot fragmentation has already occurred
- Relationship to existing tourism product strengths

- Is in close proximity to existing tourism product and infrastructure nodes or in a location which exhibits tourism development potential: i.e.: undeveloped high quality natural attractions
- Is in an area exhibiting existing tourist visitation and opportunity for increased tourism activity through further tourism product development
- Site attributes
 - Provides an attractive setting, either rural or coastal, and provides the opportunity for tourism development to capture significant rural or coastal views and vistas
 - Should be elevated more than 5 metres above sea level with preference to areas that are not subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding or landslip
- Access
 - Is easily accessible to or located along a major road, highway or touring route
- Environmental impact
 - Avoids impact on predictable adverse environmental processes and effects including storm surges, river and coastal flooding, erosion, landslip, salinity, sea level rise, disturbance of acid sulphate soils, wildfire or geotechnical risk

Rural Tourism Investigation Precincts were identified at:

- Coronet Bay – Corinella
- The Gurdies
- Inverloch – Cape Paterson
- Phillip Island
- Anderson.

Rural Activity Zone definition

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

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

Planning Practice Note: Applying the rural zones

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

- Farming is a primary activity in the area but the planning objectives identified for the land support the establishment of other land uses

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

Possible Rural Activity Zone areas include:

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

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

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

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

4.3 Assessment of the Rural Tourism Investigation Precincts

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

- A desktop analysis of land attributes (agricultural quality and slope)
- Ground survey of the precincts.

The outcomes of the assessment are documented here.

4.4 Coronet Bay – Corinella

Description

The Coronet Bay – Corinella Tourism Investigation Precinct is located off the Bass Highway, the main gateway to the Shire from Melbourne. The precinct is at the “gateway” to the Shire for visitors from Melbourne and includes the two small settlements of Coronet Bay and Corinella providing basic services. The land is gently undulating and is mostly cleared. Dwellings in these towns are generally a mix of modest permanent and holiday homes. Land use is predominantly grazing. A thoroughbred horse training complex and Westernport Water wastewater management facility are located within the precinct.

Agriculture

The land topography is flat to undulating. Lots range in size from as small as 3ha up to 70 ha that may provide for a mix of agriculture and associated tourism. The agricultural quality of land is mainly Class 3 and is used primarily for grazing and beef production. The main land use is grazing and a thoroughbred horse training complex is located within the precinct.

Existing tourism products

The French Island - Corinella ferry / vehicle barge operates from Corinella foreshore jetty for passengers across the bay with or without your car, to visit French Island and Elizabeth Island. Corinella also has a caravan Park, boating facilities including launching ramp and jetty and a number of walking trails.

The precinct provides a rural and coastal setting with an outlook over Westernport Bay. There are opportunities for tourism development linked to agriculture and the rural landscape.

Current policy position

Land in the precinct is zoned Farming. The Structure Plan for Coronet Bay and Corinella provides a clear boundary to both settlements and opportunities for future growth, walking trails and pedestrian linkages. A Significant Landscape Overlay applies to the foreshore and a Heritage Overlay to land between Guy Road and the foreshore.

Issues

Safe ingress and egress from the Bass Highway to the precinct will be important as the Bass highway carries a significant amount of traffic particularly during peak seasons and associated with major events on Phillip Island.

The character of the precinct is currently of modest seaside villages and a surrounding pastoral landscape. The amount, siting and scale of development need to be carefully managed to preserve the character and landscape.

Any future tourism development should ensure that the future operation of the wastewater treatment facility and horse training complex are not compromised.

Directions

The Rural Tourism Development Strategy articulated the following direction for the Coronet Bay – Corinella Rural Tourism Investigation Precinct:

The two townships of Corinella and Coronet Bay are predominantly holiday home and boating destinations. The land identified as a tourism development precinct could be utilised for a caravan park, camping facility or outdoor education/ recreation facility.

As a caravan park is currently located in Corinella, careful consideration would need to be given to development of another park in the precinct.

Evaluation for Rural Activity Zone

Assessment of the precinct against the criteria for allocation of the Rural Activity Zone shows there is strong support for rezoning to RAZ to provide for rural based tourism.

Criteria	Comment	Support for RAZ
Avoids high quality agricultural land except where significant fragmentation into smaller allotments has already occurred.	Land is of moderate agricultural quality. Some fragmentation of land.	✓✓✓
Minimises impact on agricultural production by focusing on areas of low to moderate agricultural quality and/or areas where lot fragmentation has already occurred	Land is of moderate agricultural quality. Some fragmentation of land. Avoid adverse impacts on existing horse training facility	✓✓✓
Is in close proximity to existing tourism product and infrastructure nodes or in a location which exhibits tourism development potential: i.e.: undeveloped high quality natural attractions.	Caravan Park and boating facilities in Coronet Bay and Corinella. Other tourism facilities are located nearby along the Bass Highway and the area is a 15 minute drive to Phillip Island and the Bunurong Coast Drive.	✓✓✓
Is in an area exhibiting existing tourist visitation and opportunity for increased tourism activity through further tourism product development.	Family holiday, boating and fishing destination.	✓✓
Provides an attractive setting, either rural or coastal, and provides the opportunity for tourism development to capture significant rural or coastal views and vistas.	Has an attractive coastal and rural setting with significant views across Westernport Bay and back to the Bass Hills	✓✓
Should be elevated more than 5 metres above sea level with preference to areas that are not subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding or landslip.	Avoid areas at risk from predicted 2100 sea level rise and storm surge	✓✓✓
Is easily accessible to or located along a major road, highway or touring route.	Is located just off the Bass Highway	✓✓✓
Avoids impact on predictable adverse environmental processes and effects including storm surges, river and coastal flooding, erosion, landslip, salinity, sea level rise, disturbance of acid sulphate soils, wildfire or geotechnical risk.	Modeled areas for coastal inundation and storm surge have been considered. CAS will need to be assessed prior to development.	✓✓

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

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

- Avoid areas where commercial agriculture is still a key land use
- Ensure links between existing townships and tourism products .

Conclusions and recommendations

1. That the Rural Activity Zone be applied to land within the Coronet Bay – Corinella Tourism Investigation Precinct to provide for a mix of agriculture and rural based tourism
2. That the schedule to the Rural Activity Zone specify a minimum lot size of 40ha to discourage further subdivision and maintain the current lot density
3. That the rezoning of land to Rural Activity Zone be accompanied by planning controls to achieve the following objectives:
 - To enhance environmental values increase indigenous vegetation
 - To achieve net gain outcomes
 - To retain the dominance of the undulating pastoral landscape and coastal views
 - To ensure development is ‘tucked into’ the landform, and not visually dominant of ridges and hilltops, particularly from key viewing locations
 - To improve the outlook from main corridors by minimising the visibility of buildings and structures. Large buildings should be avoided
 - To maintain the dominance of the natural landscape from main road corridors outside townships
 - To maintain the green break between Coronet Bay and Corinella
 - To ensure development is small scale with a rural / coastal appearance to complement the character of Coronet Bay and Corinella and reflecting the limited services available in the area
 - To ensure that any development is compatible with the existing overlay controls, particularly the Wildfire Management Overlay, Significant Landscape Overlay and minimises conflict with adjoining land uses such as the wastewater treatment plant and horse training complex
4. That the types of tourism development to be supported in this area include:
 - Accommodation such as farm stays, host farms
 - Tourism facilities in association with or that complement agriculture e.g. wine tasting, farm gate sales
5. That given the small scale and predominantly agricultural use of the land in the area, tourism uses should also be of small scale such as farm stays, bed and breakfasts. Larger scale uses that should be avoided include caravan parks, convenience shops and residential hotels. Uses that would not be supported include:
 - Convenience shop
 - Equestrian supplies
 - Motor racing track
 - Hotel
 - Landscape gardening supplies
 - Store, tavern and similar uses
 - Intensive animal husbandry, cattle feedlot
 - Residential hotel
 - Service station.

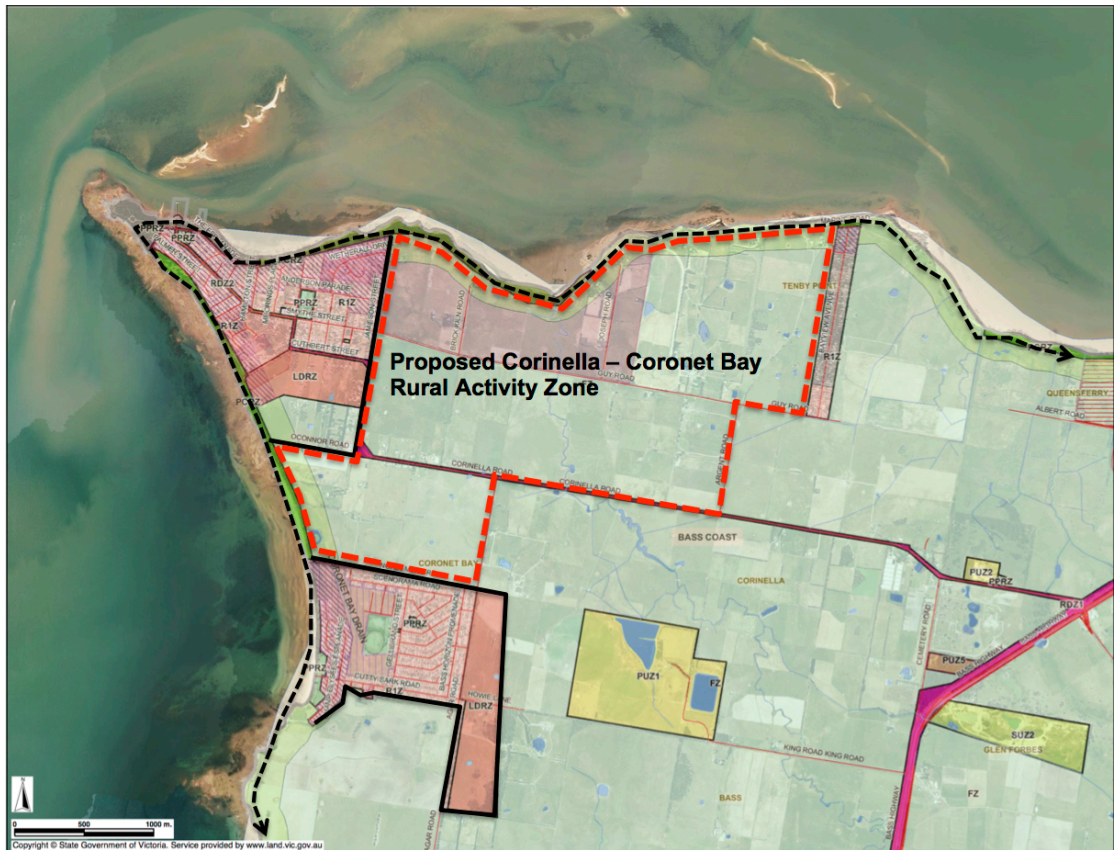


Figure 4-1 Proposed Coronet Bay-Coronella Rural Activity Zone

4.5 The Gurdies

Description

The Gurdies is located just off the Bass Highway in the northern part of the Shire. The precinct is at the “gateway” to the Shire for visitors from Melbourne. There is no township or associated services. The topography of the land is undulating to steeply undulating with some land heavily vegetated. There is not township and associated services in the precinct.

Agriculture

Lot sizes range from 1 ha to 20 ha and the agricultural quality of the land is a mix of Class 3 and Class 4 and is used for viticulture and grazing.

Existing tourism product

The existing tourism product includes a winery / cellar door and bed and breakfast. The location of the precinct on the Bass Highway provides an opportunity for tourism development that builds visitors passing through the precinct to Phillip Island and beyond.

Current policy position

The Structure Plan for the Gurdies provides a clear boundary for the settlement and recommends that a number of small lots within the settlement boundary currently zoned Farming is rezoned to Rural Activity. A Wildfire Management Overlay applies to the area.

Issues

Safe ingress and egress from the Bass Highway to the precinct will be important as the Bass highway carries a significant amount of traffic particularly during peak seasons and associated with major events on Phillip Island.

Directions

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

It is envisaged that the precinct would be suited to a high quality boutique accommodation and restaurant/café linked to cellar doors and winery and other food produce. There is opportunity for a nature based focused tourism development with the State Park in close proximity.

The assessment of land within the precinct support these directions for tourism development.

Evaluation for Rural Activity Zone

Assessment of the precinct against the criteria for allocation of the Rural Activity Zone shows there is strong support for rezoning to RAZ to provide for rural based tourism.

Criteria	Comment	Support for RAZ
Avoids high quality agricultural land except where significant fragmentation into smaller allotments has already occurred.	Land is of Class 3 and Class 4 agricultural quality. The area is mainly fragmented with small lots and dwellings.	✓✓✓
Minimises impact on agricultural production by focusing on areas of low to moderate agricultural quality and/or areas where lot fragmentation has already occurred	Land is of Class 3 and Class 4 agricultural quality. Some fragmentation of land. Avoid adverse impacts on existing viticulture.	✓✓✓
Is in close proximity to existing tourism product and infrastructure nodes or in a location which exhibits tourism development potential:	Cellar door and accommodation. Other tourism facilities are located nearby along the Bass Highway and the area is a 20 minute drive to Phillip Island and the Bunurong Coast Drive.	✓✓✓
Is in an area exhibiting existing tourist visitation and opportunity for increased tourism activity through further tourism product development.	Visitation is mainly to existing viticulture cellar door and accommodation.	✓✓
Provides an attractive setting, either rural or coastal, and provides the opportunity for tourism development to capture significant rural or coastal views and vistas.	Has an attractive rural setting with significant views across Westernport Bay.	✓✓
Should be elevated more than 5 metres above sea level with preference to areas that are not subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding or landslip.	Avoid areas at risk from predicted 2100 sea level rise and storm surge	✓✓✓
Is easily accessible to or located along a major road, highway or touring route.	Is located just off the Bass Highway	✓✓✓
Avoids impact on predictable adverse environmental processes and effects including storm surges, river and coastal flooding, erosion, landslip, salinity, sea level rise, disturbance of acid sulphate soils, wildfire or geotechnical risk.	Modeled areas for coastal inundation and storm surge have been considered. CAS will need to be assessed prior to development.	✓✓

Conclusions and recommendations

1. That the Rural Activity Zone be applied to land within The Gurdies Tourism Investigation Precinct to provide for a mix of agriculture and rural based tourism
2. That the schedule to the Rural Activity Zone set a minimum subdivision size of 40ha to discourage further subdivision and maintain the current lot density
3. That the rezoning of land to Rural Activity Zone be accompanied by planning controls to achieve the following objectives:
 - To enhance environmental values
 - To achieve net gain outcomes
 - To retain the dominance of the undulating pastoral landscape and coastal views
 - To ensure development is 'tucked into' the landform, and not visually dominant of ridges and hilltops, particularly from key viewing locations
 - To improve the outlook from main corridors by minimising the visibility of buildings and structures. Large buildings should be avoided
 - To maintain the dominance of the natural landscape from main road corridors outside townships
 - To ensure development is small scale with a rural / coastal appearance to complement the character of The Gurdies and reflecting the limited services available in the area
 - To ensure that any development is compatible with the existing overlay controls, particularly the Wildfire Management Overlay, Significant Landscape Overlay and minimises conflict with adjoining land uses such as the established viticulture
4. That the types of tourism development to be supported in this area include:
 - Accommodation such as farm stays, host farms
 - Tourism facilities in association with or that complement agriculture e.g. wine tasting, farm gate sales
5. That given the small scale and predominantly agricultural use of the land in the area, tourism uses should also be of small scale such as farm stays, bed and breakfasts. Larger scale uses that should be avoided include caravan parks, convenience shops and residential hotels. Uses that would not be supported include:
 - Convenience shop
 - Equestrian supplies
 - Motor racing track
 - Hotel
 - Landscape gardening supplies
 - Store, tavern and similar uses
 - Intensive animal husbandry, cattle feedlot
 - Residential hotel
 - Service station.

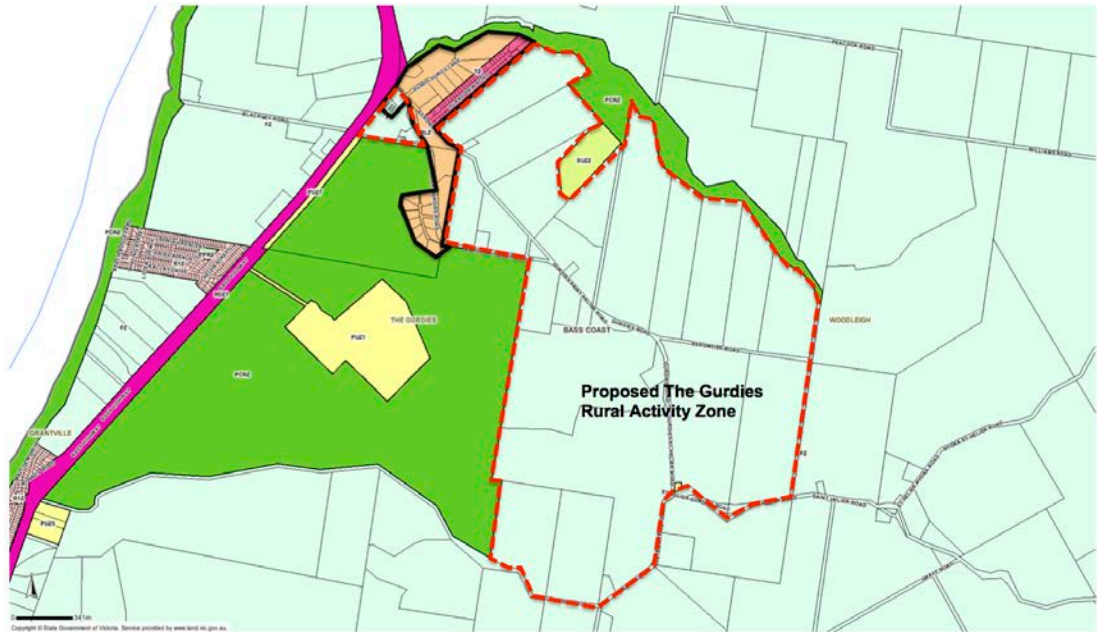


Figure 4-2 Proposed The Gurdies Rural Activity Zone

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

- Avoid areas where commercial agriculture is still a key land use
- Ensure links between existing townships and tourism products.

4.6 Inverloch-Cape Paterson

Description

The Inverloch-Cape Paterson Tourism Investigation Precinct is located between Inverloch and Cape Paterson on the Bunurong Coastal Route and on the Sydney-Melbourne Coastal Drive. The precinct has gently undulating topography, open farmed landscape and significant coastal views.

Agriculture

The agricultural quality of the land is Class 3a - very good dairying and grazing land and lot sizes range from 1ha through over 200ha. The main land use is currently grazing.

Existing tourism product

The RACV Inverloch Resort is located within the precinct providing a range of accommodation options from motel style rooms, luxury villas and a caravan park. Any tourism development should complement this existing facility.

Inverloch offers a range of accommodation (caravan parks, apartments, holiday homes, motels) and retail options as well as opportunities for water sports, bushwalking and walking as well as a range of cafes and restaurants. Cape Paterson, by comparison, has more of a family, beachside holiday hamlet feel. There are limited retail options, a caravan park and other accommodation is primarily holiday homes.

Current policy position

Land is currently zoned Farming and a Significant Landscape Overlay applies to land along the foreshore that is considered to be landscape of regional significance¹. The structure plan for Inverloch provides a clear boundary to the settlement.

Issues

The precinct has significant landscape values with long views along the coast. The amount and scale of development needs to be carefully managed to preserve the landscape. Development should be focused in areas where there will be minimal impact on the landscape.

A significant wastewater management facility, managed by South Gippsland Water, is located west of Inverloch. It will be important to ensure that future development does not impact the ongoing operation of the facility.

Directions

The Rural Tourism Development Strategy articulated the following direction for Inverloch-Cape Paterson Rural Tourism Investigation Precinct:

The precinct offers a high quality coastal environment suited to a range of large accommodation, recreation activities such as trail rides and golf course. It is envisaged that the precinct would have high demand from developers, however the focus should be tourism development only, residential development should be directed within the townships.

The assessment of land supports tourism development in the precinct. However, given that large, resort style accommodation is already available within the precinct, further large scale development will need to be carefully considered.

¹ Coastal Spaces Landscape Assessment Study (2006) Municipal Toolkit

Evaluation for Rural Activity Zone

Assessment of the precinct against the criteria for allocation of the Rural Activity Zone shows there is strong support for rezoning to RAZ to provide for rural based tourism.

Criteria	Comment	Support for RAZ
Avoids high quality agricultural land except where significant fragmentation into smaller allotments has already occurred.	Class 3a agricultural quality land and some larger lots.	✓✓
Minimises impact on agricultural production by focusing on areas of low to moderate agricultural quality and/or areas where lot fragmentation has already occurred	Class 3a agricultural quality land and some larger lots. Uses should be of a scale and type to minimise impacts on adjoining uses.	✓✓
Is in close proximity to existing tourism product and infrastructure nodes or in a location which exhibits tourism development potential: i.e.: undeveloped high quality natural attractions.	Between Inverloch and Cape Paterson and adjacent to the Inverloch RACV Resort.	✓✓✓
Is in an area exhibiting existing tourist visitation and opportunity for increased tourism activity through further tourism product development.	Inverloch has experienced significant growth in tourism visitation.	✓✓✓
Provides an attractive setting, either rural or coastal, and provides the opportunity for tourism development to capture significant rural or coastal views and vistas.	Adjacent to the Bunurong Coast and has significant coastal and rural views.	✓✓
Should be elevated more than 5 metres above sea level with preference to areas that are not subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding or landslip.	Future Coasts mapping indicates some localised risk of inundation and development should be avoided in these areas.	✓✓
Is easily accessible to or located along a major road, highway or touring route.	Located on the Bunurong Touring Route and a deviation from the Sydney-Melbourne Coastal Touring Route.	✓✓✓
Avoids impact on predictable adverse environmental processes and effects including storm surges, river and coastal flooding, erosion, landslip, salinity, sea level rise, disturbance of acid sulphate soils, wildfire or geotechnical risk.	Modeled areas for coastal inundation and storm surge have been considered. CAS will need to be assessed prior to development.	✓✓

Conclusions and Recommendations

1. That the Rural Activity Zone be applied to land within the Inverloch-Cape Paterson Tourism Investigation Precinct to provide for a mix of agriculture and rural based tourism.
2. That the schedule to Rural Activity Zone specify a minimum lot size of 260ha to discourage further subdivision and maintain the current lot density
3. That the rezoning of land to Rural Activity Zone be accompanied by planning controls to achieve the following objectives:
 - To enhance environmental values
 - To achieve net gain outcomes
 - To retain the dominance of the undulating pastoral landscape and coastal views
 - To ensure development is 'tucked into' the landform, and not visually dominant of ridges and hilltops, particularly from key viewing locations
 - To improve the outlook from main corridors by minimising the visibility of buildings and structures. Large buildings should be avoided
 - To maintain the dominance of the natural landscape from main road corridors outside townships
 - To ensure development is small scale with a rural / coastal appearance to complement the character of the precinct
 - To ensure that any development is compatible with the existing overlay controls, particularly Significant Landscape Overlay and minimises conflict with adjoining land uses
4. That the schedule to the Rural Activity Zones
5. That the types of tourism development to be supported in this area include:
 - Accommodation such as farm stays, host farms, larger scale accommodation
 - Tourism facilities in association with or that complement agriculture e.g. wine tasting, farm gate sales
 - Recreation activities such as trail rides, golf courses
6. That the types of uses that would not be supported include:
 - Caravan parks
 - Convenience shop
 - Equestrian supplies
 - Motor racing track
 - Hotel
 - Landscape gardening supplies
 - Store, tavern and similar uses
 - Intensive animal husbandry, cattle feedlot
 - Residential hotel
 - Service station.

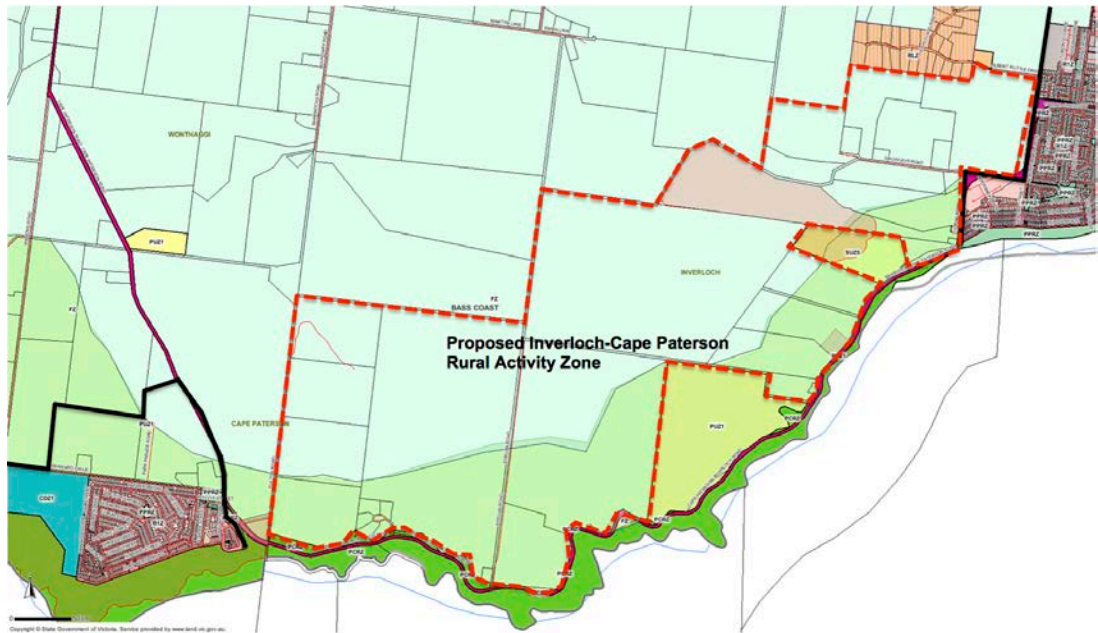


Figure 4-3 Inverloch-Cape Paterson proposed Rural Activity Zone

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

- Avoid areas where commercial agriculture is still a key land use
- Ensure links between existing townships and tourism products.

4.7 Phillip Island

Description

It is located off the Bass Highway and includes the main commercial centre of Cowes and a number of smaller villages providing a mix of permanent residences, holiday accommodation, some retail services, cafes and restaurants.

Agriculture

Agricultural quality of the land varies from Class 3 to Class 3a and lot sizes range from less than 2 ha up to 180 ha. Agriculture has a long history on the Island and in the past supported chicory production, dairy and grazing. Currently, there are a number of horticultural businesses producing flowers and herbs and some large scale grazing properties.

Existing tourism product

Phillip Island has a long history of tourism based around family beach holidays and the Penguin Parade. Now, it is one of Australia's top tourism destinations and attracts over one million visitors annually to the Island. Tourism attractions include the Phillip Island Nature Park, Grand Prix Track and beaches.

There is a substantial supply of accommodation and options include caravan parks, bed and breakfast, apartments, motels and hostels. Some of this stock is old and would benefit from rejuvenation. An identified gap in the accommodation market is high end quality accommodation for international visitors.

Issues

Phillip Island's main tourism attractions are the subject of National and State tourism strategies and marketing. These provide strong direction for tourism on the Island. However, there is not a clearly articulated long term vision for Phillip Island to assist in balancing the needs of potentially competing interests: tourism, residents, other industry including agriculture and the environment.

In the absence of such as vision and agreed strategies for its achievement, additional development has the potential to have negative impacts on environmental values, amenity and livability on the Island. Future development must be carefully planned and having regard to the Island's ecological and sustainable capacity limits. It is considered important to establish a threshold for population and development beyond which there are irreversible and negative impacts on the island.

Future investment should focus mainly on increasing the return from existing product through replacement and rejuvenation of existing infrastructure or investment that value-adds to existing infrastructure (e.g. car ferry between Phillip Island and Mornington Peninsula).

Traffic on the Island and the Bass Highway can become gridlocked during major events and peak holiday seasons. This unpleasant for visitors, inconvenient for residents and businesses and could present a significant safety hazard. While the Cowes-Stony Point car ferry will provide another options for entering and leaving the Island, it will not be a solution to the traffic loads. Other transport options need to be considered for movement of visitors on to and around the Island, such as 'park and ride' or 'park and cycle.'

Directions

The structure plan for Newhaven identified Farming Zone land for rezoning to Rural Activity on Phillip Island Road.

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

The Tourism Development Precinct could support a range of uses including resort, conference centre development, farm gate and local produce sales, recreation, tours and activities businesses.

The assessment of land within the precinct support these directions for tourism development.

Evaluation for Rural Activity Zone

Assessment of the precinct against the criteria for allocation of the Rural Activity Zone shows there is strong support for rezoning to RAZ to provide for rural based tourism.

Criteria	Comment	Support for RAZ
Avoids high quality agricultural land except where significant fragmentation into smaller allotments has already occurred.	Land is of moderate agricultural quality. Some fragmentation of land.	✓✓
Minimises impact on agricultural production by focusing on areas of low to moderate agricultural quality and/or areas where lot fragmentation has already occurred	Land is of moderate agricultural quality. Some fragmentation of land.	✓✓
Is in close proximity to existing tourism product and infrastructure nodes or in a location which exhibits tourism development potential: i.e.: undeveloped high quality natural attractions.	Significant tourism attractions are located on Phillip Island	✓✓✓
Is in an area exhibiting existing tourist visitation and opportunity for increased tourism activity through further tourism product development.	Family holiday, boating and fishing destination.	✓✓✓
Provides an attractive setting, either rural or coastal, and provides the opportunity for tourism development to capture significant rural or coastal views and vistas.	Has an attractive coastal and rural setting with significant views across Westernport Bay and back to the Bass Hills	✓✓✓
Should be elevated more than 5 metres above sea level with preference to areas that are not subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding or landslip.	Future Coasts mapping indicates some localised risk of inundation and development should be avoided in these areas.	✓✓
Is easily accessible to or located along a major road, highway or touring route.	Is located just off the Bass Highway	✓✓✓
Avoids impact on predictable adverse environmental processes and effects including storm surges, river and coastal flooding, erosion, landslip, salinity, sea level rise, disturbance of acid sulphate soils, wildfire or geotechnical risk.	Modeled areas for coastal inundation and storm surge have been considered. CAS will need to be assessed prior to development.	✓✓

Conclusions and recommendations

1. That the Rural Activity Zone be applied to land within the Phillip Island Tourism Investigation Precinct to provide for a mix of agriculture and rural based tourism
2. That a schedule to the Rural Activity Zone specify a minimum lot size for subdivision in the Newhaven RAZ of 40ha
3. That the rezoning of land to Rural Activity Zone be accompanied by planning controls to achieve the following objectives:
 - Monitor cumulative impacts of new tourism development
 - Promote development based on Ecological Sustainable Development principles
 - Promotes development that is consistent with the directions of the Victorian Coastal Strategy, Coastal Landscape Assessment Study and Integrated Coastal Planning for Gippsland - Coastal Action Plan
 - Preserves and enhances coastal values and landscapes
 - Protects the rural farmed landscapes and long views
 - Maintains green breaks between towns
 - Provides and maintains buffers between important environmental assets, urban settlement and tourism facilities
 - Considers infrastructure and service provision
 - Enhance environmental values
 - To achieve net gain outcomes
 - To retain the dominance of the undulating pastoral landscape and coastal views
 - To ensure development is 'tucked into' the landform, and not visually dominant of ridges and hilltops, particularly from key viewing locations
 - To improve the outlook from main corridors by minimising the visibility of buildings and structures. Large buildings should be avoided
 - To maintain the dominance of the natural landscape from main road corridors outside townships
 - To ensure development is small scale with a rural / coastal appearance to complement the character of the precinct
 - To ensure that any development is compatible with the existing overlay controls, particularly Significant Landscape Overlay and minimises conflict with adjoining land uses
4. That the types of tourism development to be supported in this area include:
 - Accommodation such as farm stays, host farms, larger scale accommodation
 - Tourism facilities in association with or that complement agriculture e.g. wine tasting, farm gate sales
 - Nature based activities
5. That the types of uses that would not be supported include:
 - Caravan parks
 - Convenience shop
 - Equestrian supplies
 - Motor racing track
 - Hotel

- Landscape gardening supplies
- Store, tavern and similar uses
- Intensive animal husbandry, cattle feedlot
- Residential hotel
- Service stations.

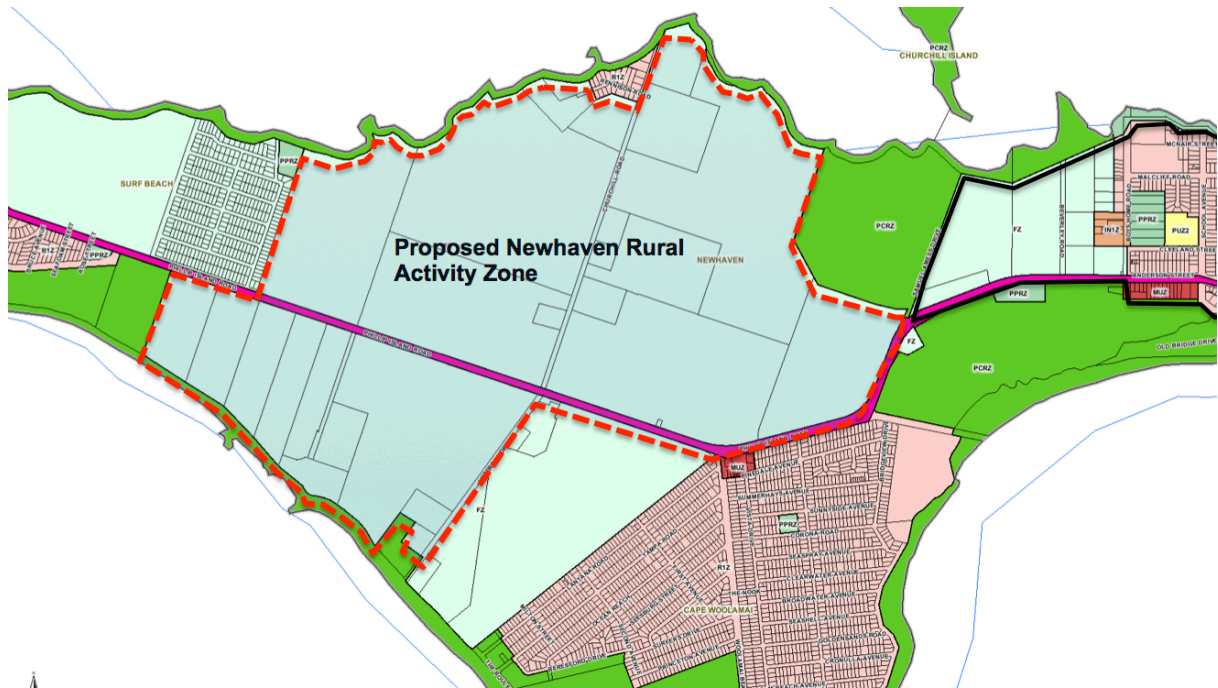


Figure 4-4 Proposed Newhaven Rural Activity Zone

4.8 Anderson

Anderson is located on the Bass Highway at the Junction with the Phillip Island road. There is some grazing within the precinct and the agricultural quality of the land Class 2 and Class 3. Lots range in size from less than 1 ha up to 20 ha.

The main feature of the area is a major intersection carrying large amounts of traffic. A new link road connecting the Bass Highway and Phillip Island Road, separating the Phillip Island and Wonthaggi-bound traffic, is currently under construction and should reduce traffic volumes and congestion in Anderson. There is a car park and bus stop and for V-line bus passengers and users of the Bass Coast Rail Trail. A trash and treasure business is located on the Bass Highway.

Conclusions and recommendations

While the Rural Tourism Development Strategy recommended this area as a Tourism Investigation Precinct, this review found that the amount of traffic through the precinct and the locations importance as a major traffic intersection makes it unsuited to rural based tourism.



**Bass Coast Planning Scheme
Amendment CI40
Rural Land Use Strategy Implementation**

**Position Paper
February 2016
Bass Coast Shire Council**

SUMMARY

This Position Paper has been prepared to provide clarity regarding Council's current position on the form and content of Bass Coast Planning Scheme Amendment C140.

During the exhibition of the amendment Council received feedback from affected property owners, community groups, businesses and referral authorities.

This paper outlines the general issues raised in the submissions and how Council proposes to respond to them. This will inform the position that Council will take to the upcoming Planning Panel Hearing in April.

Through the Planning Panel Hearing process, Council and Submitters will have an opportunity to speak to their submissions. The Independent Planning Panel will then make recommendations regarding Amendment C140.

INTRODUCTION

Council resolved to prepare and exhibit Bass Coast Amendment C140, Rural Land Use Strategy Implementation on 24 June 2015.

Primarily, the planning scheme amendment proposes to implement the findings of the Bass Coast Rural Land Use Strategy Part 1 (2013) and Part 2 (2014). The key changes are;

- Extensively modify the Municipal Strategic Statement at Clauses 21.02, 21.03, 21.04, 21.05, 21.06, 21.08, 21.11, 21.12 and 21.13 to implement the recommendations of the Bass Coast Rural Land Use Strategy (2013) and the Bass Coast Shire Review of Rhyll Wetland May 2015.
- Include the Bass Coast Rural Land Use Strategy (2013) and the Bass Coast Shire Review of Rhyll Wetland (2015) as Reference Documents at Clause 21.12.
- Introduce four new local policies at Clause 22 to address Rural subdivision (22.05); Rural dwellings (22.06); Non-agricultural uses in the Farming Zone (22.07); and Rural Activity Zone (22.08).
- Rezone three areas from the Farming Zone to the Rural Activity Zone at Coronet Bay/Corinella; The Gurdies; and Inverloch/Cape Paterson in accordance with the attached maps.
- Update the schedule to the Rural Activity Zone.
- Update the schedule to the Farming Zone, identifying three new precincts in accordance with the attached map within which there are tailored subdivision and dwelling provisions.
- Rezone an area west of the Rhyll Wetland from the Farming Zone to the Rural Conservation Zone.
- Apply the Environmental Significance Overlay – Schedule 1 (Coastal Wetland Areas) to an area west of the Rhyll Wetland.

Amendment C140 was exhibited from 8 October 2015 to 9 November 2015. A total of 2127 affected land owners and 23 referral authorities were directly notified of the amendment via mail out. Four community drop-in sessions were held throughout the shire and advertising ran for four weeks in two local newspapers. Council received 44 submissions, with 39 being from affected landowners, businesses and community groups and five from referral authorities. Nine of the submissions support the amendment and one is neutral.

This Position Paper discusses the issues raised by the submissions and Council's response and position.

I. RURAL ACTIVITY ZONE ISSUES

Issue I.1: Difference between Farming Zone and Rural Activity Zone

Submissions 9, 11, 29

The Issue and Submissions

Amendment C140 proposes rezoning three areas from Farming Zone to Rural Activity Zone. Three submitters seek clarification as to the differences between the two zonings.

Response

It is agreed that the Rural Activity Zone and Farming Zone are similar. The table of uses and several provisions such as the decision guidelines are nearly identical. The key difference between the two zonings is the purpose which allows for greater consideration of tourism uses that are compatible with agriculture, landscape and environment in the Rural Activity Zone.

The relevant purpose of the Rural Activity Zone is *“To provide for other uses and development, in appropriate locations, which are compatible with agriculture and the environmental and landscape characteristics of the area”* whereas the relevant purposes of the Farming Zone are to *“Encourage the retention of agricultural land”* and *“To ensure that non-agricultural uses, including dwellings, do not adversely affect the use of land for agriculture”*. This difference in purpose allows for greater consideration of tourism uses on agricultural land.

Council Response

That Council has addressed submitters concerns regarding differences between the Rural Activity Zone and the Farming Zone.

Issue 1.2: Inverloch/Cape Paterson Rural Activity Rezone and 260ha lot size minimum

Submissions 1, 15, 17, 21, 22, 32 & 39

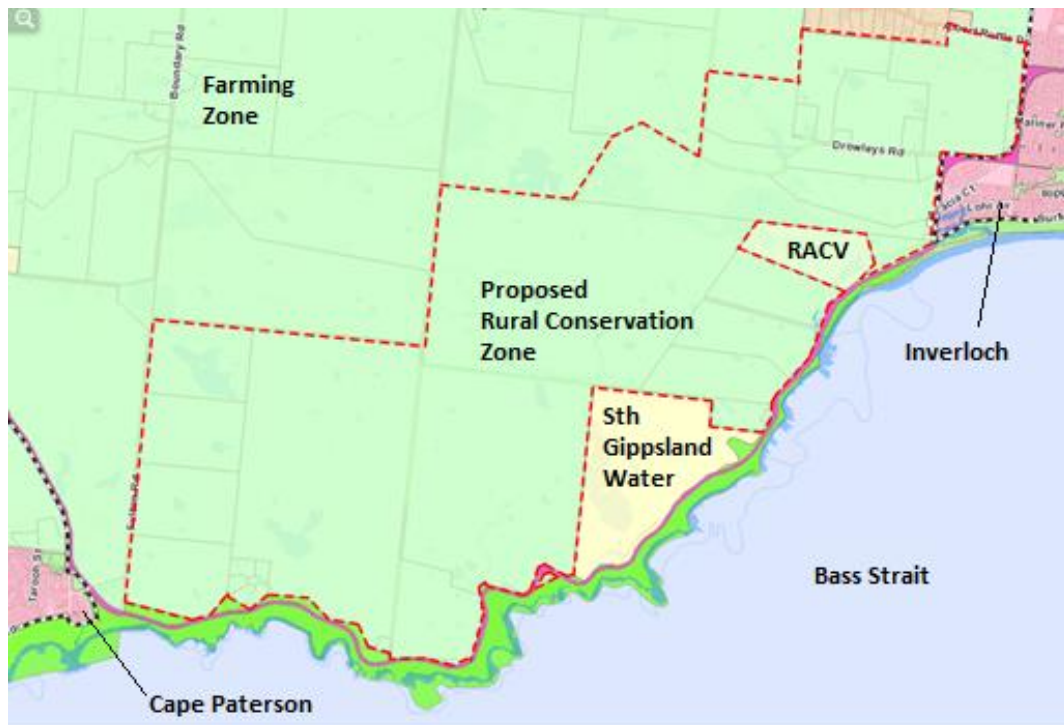


Figure 1: Proposed Rural Activity Rezone area between Inverloch and Cape Paterson. The two excluded areas are the RACV Club (Special Use Zone) and a South Gippsland Water wastewater treatment facility (Public Use Zone)

The Issue

The issue is the proposed rezoning from Farming Zone to Rural Activity Zone between Cape Paterson and Inverloch (Figure 1), the proposed 260 hectare lot size subdivision minimum for the rezone area and the proposed local Rural Activity Zone policy that would apply to the rezoned land.

Community Group Submissions

Three local community groups broadly supported the proposed amendment, provided concerns about Rural Activity Zone policy are addressed. One local community group supported the lot size minimum as it will have environmental benefits though controlling further subdivision.

Two of the community groups had concerns regarding the proposed Rural Activity Zone policy as they were concerned encouraging tourism use through the Rural Activity Zone would lead to overdevelopment of the area. One community group also raised a concern that the Rural Activity Zone policy is not compatible with the Significant Landscape Overlay that applies to a large portion of the proposed Rural Activity Zone between Cape Paterson and Inverloch.

One community group submission suggested using the road reserves north of the proposed Rural Activity Zone for a bike path.

Response

The proposed lot size minimum of 260ha will protect the area from overdevelopment and the proposed Rural Activity Zone local policy discourages inappropriate use and built form. Any applications that are within both the Rural Activity Zone and Significant Landscape Overlay will need to address provisions of both policies when applying for a Planning Permit.

The submission regarding using road reserves as a bike path is considered not relevant to Amendment C140 however it has been noted and can be referred to when Council examines its overall pathways strategy.

Landowner and Business Operator Objections

The remaining objections are from three local land owners and one business operator. Their objections are:

- There is no justification for the proposed 260ha minimum lot size and Rural Activity Rezoning;
- The 260ha lot size minimum will reduce development opportunities and restrict job creation;
- Proposed local Rural Activity Zone planning policy will restrict tourism uses in the area;
- Over-development of the area.

Response

The Rural Land Use Strategy Part 2 (2014) recommended rezoning the area from Farming Zone to Rural Activity Zone for several reasons. This assessment found that the land is of moderate agricultural quality, is in close proximity to existing tourism products, is located near the growth town of Inverloch, has a highly attractive setting and good accessibility.

The 260ha lot size minimum will reduce opportunities for further subdivision of the area, thus reducing opportunities to construct additional buildings. The Rural Land Use Strategy Part 1 (2013) found that there is a large supply of smaller lots within the Bass Coast Shire's Farming Zone and that further subdivision will rarely be required for genuine agricultural reasons.

The lot size minimum will not restrict job creation. The aim of the proposed rezoning, lot size minimum and policies is to increase tourism activity, and therefore ongoing employment, while restricting residential overdevelopment.

The local Rural Activity Zone planning policy will provide clarity regarding the tourism uses that Council will encourage in the proposed rezone area. The proposed Rural Activity Zone local policy clearly states the encouraged uses in the Rural Activity Zone. The policy does not preclude planning permit applications for the discouraged uses listed within the proposed Rural Activity Zone local policy and does not represent a restriction on tourism uses in the area.

The purpose of the 260ha minimum lot size is to discourage further subdivision and maintain current lot density. This will lead to positive outcomes including protecting the

viability of the area as a tourist destination by enhancing environmental values, retaining the pastoral landscape and coastal views and maintaining the dominance of the natural landscape from Cape Paterson – Inverloch Road and key viewing locations.

Council Response

That Council confirms its position to rezone land between Inverloch and Cape Paterson from Farming Zone to Rural Activity Zone and schedule a minimum lot size of 260ha for the rezoned area.

Issue 1.3: The Gurdies Rural Activity Rezone

Submissions 9, 10, 11, 14, 19, 20, 23, 28, 29 & 42

The Issue

This issue is the proposed rezoning of land south of The Gurdies from Farming Zone to Rural Activity Zone (Figure 2).



Figure 2: Proposed Gurdies Rural Activity Zone

Submissions

Ten submissions were received from land owners within the proposed rezone area or adjoining it. Their objections are;

- Farming Zone allows for tourism uses;
- There is no business case for rezoning to Rural Activity Zone as several businesses in the area have closed in the last three years;
- Rezoning may lead to unwanted increased development in area;
- Increased development will have negative environmental impacts on the area;
- Increased development will lead to increased traffic in the area.

Five of the ten submissions support rezoning the Fantasia site located on the Bass Highway to Rural Activity Zone in order to encourage redevelopment of the site.

Response

The Rural Activity Zone allows for tourism uses, however this Amendment is proposing a new local planning policy; Rural Activity Zone Policy. Any Rural Activity Zone Section 2 uses requiring a planning permit will have to address the provisions of the Rural Activity Zone Policy which seeks to ensure all applications for development are modest in scale and blend with the landscape.

Several businesses operating in the proposed rezone area have closed within the last three years. A site visit conducted by officers in November 2015 found that there is one winery operating in the proposed rezone area. Some submitters feel that as businesses have been closing in the area, there is no economic justification for applying the Rural Activity Zone. There can be several reasons for the closure of a business, and it is reasonable to assume that businesses that closed in the area within the last three years did not close simply due to location.

The Rural Land Use Strategy Part 2 (2014) provided strong justification for rezoning the area to Rural Activity Zone. The rezone area mainly consists of smaller lots, there is some existing tourism product in the area that is 20 minutes away from Phillip Island, is an attractive, highly amenable area and has excellent access being located just off the Bass Highway.

Rezoning will not lead to overdevelopment or negative environmental impacts in the area. The proposed Rural Activity Zone local policy has application requirements that ensures all planning permit application must consider environmental and design impacts. The purpose of the rezoning is to encourage low scale tourism uses that complement agriculture.

Council Response

That Council confirms its position to rezone Gurdies land from Farming to Rural Activity Zone.

Issue 1.4: Not proceeding with Rural Activity Rezoning west of Newhaven

Submissions 4 & 31

The Issue

The Rural Land Use Strategy Part 2 (2014) recommended rezoning land west of Newhaven from Farming Zone to Rural Activity Zone (Figure 3). Due to changing circumstances in the area Council, when resolving to proceed with Amendment C140, resolved to not rezone at this time.

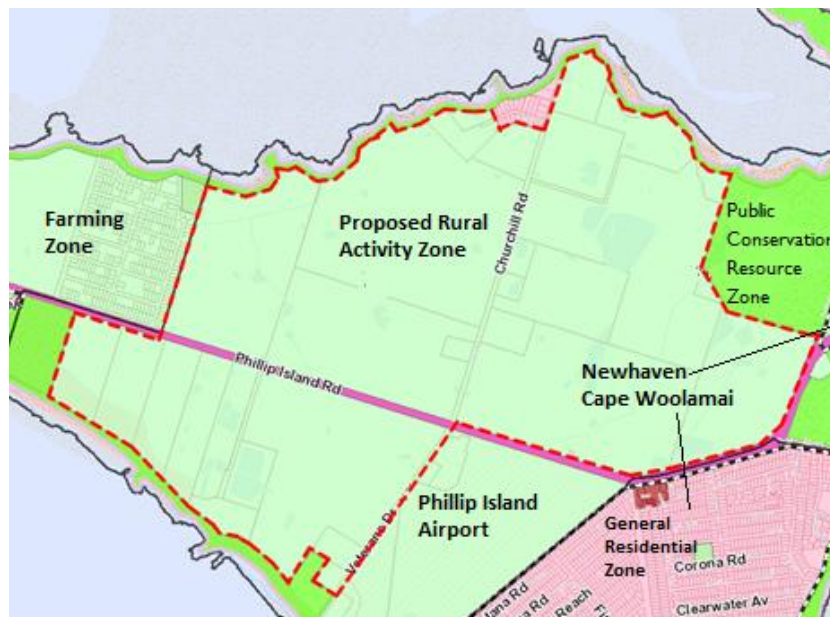


Figure 3: Proposed Newhaven Rural Activity Rezone area

Submissions

Two submitters objected to Amendment C140 not proceeding with the Rural Activity Rezoning west of Newhaven. The submitters concern is that if their land remains Farming Zone the proposed Non-Agricultural Uses in the Farming Zone local policy will further restrict commercial accommodation opportunities within the Farming Zone. One submitter notes that their land is not of high agricultural quality and is more suited for tourism purposes.

Response

Since adoption of the Rural Land Use Strategy Part 1 in 2013 there has been a range of initiatives and changes with regards to Phillip Island and Newhaven;

- Commencement of the Phillip Island Tourism Strategy 2035 (due for completion July 2016);
- Completion of the review of the Newhaven, Cape Woolamai and San Remo structure plan;
- Closure of the Phillip Island Airport runways by the site owners;
- Planning approval for a Hot Springs tourism facility within the area.

Due to timing, the Rural Land Use Strategy Parts 1 and 2 have not taken these initiatives and changes into account. As per the June 2015 Council resolution to proceed with Amendment C140, any rezoning to Rural Activity Zone on Phillip Island should occur at the completion of and based on the recommendations of the Phillip Island Tourism Strategy 2035.

The Non Agricultural Uses policy does not preclude planning permit applications, and the only accommodation uses it discourages are hotels and caravan parks. The Non Agricultural Uses policy also encourages appropriate tourism uses such as “*Tourism facilities in association with or that complement agriculture such as wine tasting, farm gate sales*”.

Council Response

That Council confirms their position to not proceed with rezoning of the Rural Activity Zone on Phillip Island (Newhaven) at this time. Any rezoning should occur at the completion and based on the recommendations of the Phillip Island Tourism Strategy 2035.

Issue 1.5: Rural Activity Zone Schedule amendment and new Rural Activity Zone Local Planning Policy

Submissions 7, 13 & 15

The Issue

Amendment C140 proposes to amend the Schedule to the Rural Activity Zone and introduces new Rural Activity Zone local planning policy.

Submissions

One submitter objected to the removal of the Phillip Island Grand Prix Circuit from the Purpose section of the Schedule to the Rural Activity Zone. The submitter has requested that Council reinstate the Phillip Island Grand Prix Circuit wording, taking into account the introduction of the three new Rural Activity Zone areas.

One submitter has proposed including the Phillip Island Grand Prix Circuit in the Rural Activity Zone Policy. One community group supports the discouraged uses within the Rural Activity Zone policy.

The Department of Environment Land Water and Planning (DELWP) commented that it is not clear within the proposed “Purpose” of the Rural Activity Zone local planning policy what “to achieve net gain outcomes” means or relates to and that “net gain outcomes” is undefined within the Planning Scheme. DELWP have suggested replacing “net gain outcomes” with “no net loss” which was introduced into Clause 12.01 Environmental and Landscape Values of the Planning Scheme in 2013.

Response

The importance of the Grand Prix Circuit to Bass Coast Shire is recognised and it is agreed that the Grand Prix Circuit wording be kept within the Schedule to the Rural Activity Zone and added to the proposed Rural Activity Zone local planning policy.

It is agreed to replace “net gain outcomes” with “no net loss” as it is defined within the Planning Scheme.

Council Response

That Council includes reference to the Phillip Island Grand Prix Circuit in the Schedule to the Rural Activity Zone and Rural Activity Zone Local Policy as detailed at attachments 1 and 2.

That Council replace “net gain outcomes” with “no net loss” within the Rural Activity Zone Local Policy as detailed at attachment 2.

2. Rural Conservation Zone

Issue 2.1: Rural Conservation Rezone

Submissions 3, 15, 35, 24, 25, 26, 27, 30, 34 & 37

The Issue

The Rural Land Use Strategy Part I (2013) recommended the area west of the Rhyll wetland be further investigated as it is an important habitat for migratory wading birds and highlighted that it is at risk of inundation due to climate change. Since adoption of the Rural Land Use Strategy the “Review of the Rhyll Inlet 2015” has been completed. This report recommended the Municipal Strategic Statement include relevant text highlighting the ecological importance of the Rhyll Inlet and the land shown in Figure 4 be rezoned from Farming Zone to Rural Conservation Zone, with the Environmental Significance Overlay Schedule I extended to include the rezone area.

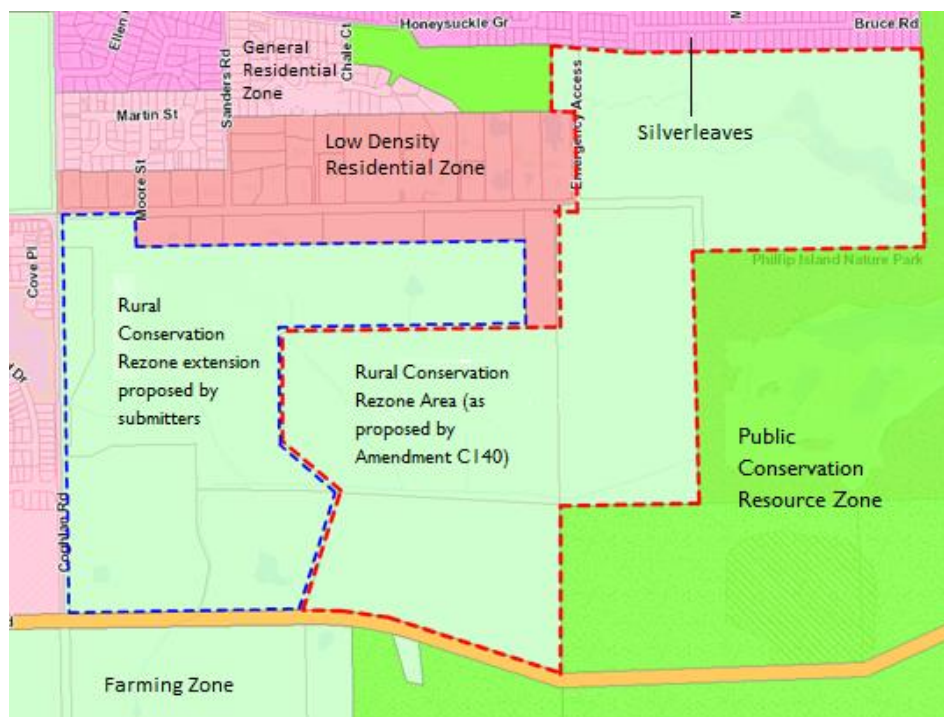


Figure 4: Rhyll Rural Conservation Rezone area

Submissions

Ten submissions were received concerning the Rural Conservation Rezone. Nine were supportive as the rezoning will have a positive environmental impact on the area. Four of the supportive submissions requested an extension of the rezone area to Coughlan Road (blue outline, figure 4). The four submitters have given several reasons for this request:

- A large area of land between Coughlan Road and the rezone area has been identified as at risk from coastal inundation;
- To increase the buffer between Cowes and the Rhyll Inlet;
- To move the Cowes township boundary to Coughlan Road.

One objection to the Rural Conservation Rezone was received. The single objector submitted that the rezone will limit use and development of the land, the Review of the Rhyll Wetland (2015) was based only on a desktop assessment of the subject land and the rezoning represents an expansion of the adjoining Public Conservation Resource Zone.

Response

Extending the Rural Conservation Rezone is not recommended for several reasons; The proposed rezone area is in line with the Cowes township boundary, the Cowes Golf Course is located between the rezone area and Coughlan Road, and the Review of the Rhyll Wetlands (2015) did not recommend extending the rezone area beyond its initial scope.

The Rural Conservation Zone is more restrictive than the currently applied Farming Zone, however the Review of the Rhyll Wetland (2015) justified the rezoning as the land provides a buffer between Cowes and the Rhyll Inlet, contains saltmarsh vegetation that is potential habitat for critically endangered birds, is located within the Westernport Ramsar site and has high environmental value. The Review also notes the Land Subject to Inundation Overlay, proposed via Amendment C82, as approved by Council and currently with the Planning Minister for approval, covers most to the rezone area (Figure 5).



Figure 5: Blue colour shows extent of proposed Land Subject to Inundation Overlay over proposed Rural Conservation rezone area

Council's Review of the Rhyll Wetland 2015 included a site visit in addition to a review of planning policy and planning permits relevant to the area. The Rural Conservation Zone is not an extension of the neighbouring Public Conservation Resource Zone. All land owners within the proposed Rural Conservation Zone will be able to apply for Planning Permits to use and develop their land, subject to the provisions of the Rural Conservation Zone and Environmental Significance Overlay Schedule 1.

Council Response

That Council adopt a position to proceed with the Rhyll Inlet Rural Conservation Rezone as recommended by the "Review of the Rhyll Wetland 2015".

3. FARMING ZONE POLICY SUBMISSIONS

Issue 3.1: Objection to the proposed minimum subdivision of 80 hectares on the mainland

Submissions 2, 6, 8, 16, 21, 22, 33 & 40

The Issue

Amendment C140 proposes a lot size minimum of 80 hectares for subdivision within mainland Farming Zone. Phillip Island's Farming Zone land will retain the current 40 hectare lot size minimum.

Submissions

Seven submissions have been received objecting to the proposed 80 hectare mainland lot size minimum. The objectors have several concerns;

- Land should be available for those seeking a rural lifestyle;
- Limits entry options for younger farmers;
- New intensive farming practices make it possible to profitably farm smaller lots;
- Phillip Island is retaining the 40 hectare lot size minimum;
- Increasing the lot size minimum will devalue land;
- Additional lots will aid the economy though increased development.

Response

There is strong justification for the 80 hectare lot size minimum on the mainland within the Council's Rural Land Use Strategy, State Planning Policy Framework, Farming Zone provisions and the Victorian Government's Gippsland Regional Growth Plan (2013).

The Rural Land Use Strategy Part 1 (2013) found that of the 5,944 Farming Zone lots within Bass Coast Shire, 3,126 were less than 4 hectares in size and a further 1,617 were between 4 hectares and 40 hectares (Figure 6). The Strategy concluded that as there is a large number of existing small lots in the Farming Zone within Bass Coast, further subdivision for genuine agricultural reasons will rarely be necessary.

Table 5-6 Lot sizes in the rural zones

	Farming Zone	Rural Activity Zone	Rural Conservation Zone
Total number of lots	5,944	31	226
< 4ha	3,126	17	90
4ha to 40 ha	1,617	8	61
40 and 100 ha	1,023	5	69
100ha to 500 ha	173	1	6
500 to 1000 ha	3	0	0
> 1000 ha	2	0	0

Figure 6: Lot sizes in the rural zones as at 2013, Rural Land Use Strategy Part I (2013)

These existing smaller Farming Zone lots can be utilised by younger farmers or those seeking to farm intensively. There is sufficient land available within Bass Coast Shire for those seeking a rural residential lifestyle. Aside from the 3,126 Farming Zone lots that are less than 4 hectares, Bass Coast Shire has Wattlebank, a large Rural Living Zoned area located north east of Wonthaggi and Low Density Residential Zoned land within most Bass Coast Shire township boundaries.

The Rural Land Use Strategy considered most rural land in Bass Coast to be productive agricultural land, however the Strategy recognises that the rural land on Phillip Island is less productive than the mainland.

Land valuation is not a planning consideration. Farm and regional lifestyle property values are set by the market and are influenced by many different variables such as topography, soil grading, amenity and the age, quality and orientation of any improvements on the land, in addition to many other factors. These many factors make it difficult to determine how property values will be affected by the proposed minimum subdivision of 80ha.

The lot size minimum will prevent larger land holdings from being further subdivided and turned over to rural lifestyle living purposes that will provide little economic benefit in the future. Farming is important to the Bass Coast Shire economy, and contributes approximately 7% of total economic output and 8% of all jobs (Rural Land Use Strategy Part I, 2013).

The Farming Zone, Settlement and Natural Resource Management State Planning Policy recognises the need to protect productive agricultural land from further fragmentation.

The relevant purposes of Clause 35.07 Farming Zone are:

- *“To provide for the use of land for agriculture*
- *To encourage the retention of productive agricultural land.*
- *To ensure that non-agricultural uses, including dwellings, do not adversely affect the use of the land for agriculture.*
- *To encourage the retention of employment and population to support rural communities.*
- *To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.”*

The relevant objectives and strategies of Clause 11.05-3, Settlement, Regional development, Rural productivity are:

“Objective:

To manage land use change and development in rural areas to promote agriculture and rural production.

Strategies

Prevent inappropriately dispersed urban activities in rural area.

Limit new housing development in rural areas, including;

- *Directing housing growth into existing settlements.*
- *Discouraging development of isolated small lots in the rural zones from use for single dwellings, rural living or other incompatible uses.*
- *Encouraging consolidation of existing isolated small lots in rural zones”.*

The relevant objectives and strategies of Clause 14.01-1 Natural resource management, Agriculture, Protection of agricultural land are:

“Objective:

To protect productive farmland which is of strategic significance in the local and regional context.

Strategies:

- *Ensure that the State’s agricultural base is protected from the unplanned loss of productive agricultural land due to permanent changes of land use.*
- *Take into consideration regional, state and local, issues and characteristics in the assessment of agricultural quality and productivity.*
- *Permanent removal of productive agricultural land from the State’s agricultural base must not be undertaken without consideration of its economic importance for the agricultural production and processing sectors.”*

It is considered that the proposed lot size minimum fulfills all listed purposes, objectives and strategies. The lot size minimum will encourage the retention and protection of productive agricultural land and is based on a comprehensive review of land use within Bass Coast Shire. The lot size minimum will discourage further housing development in rural areas.

The Rural Land Use Strategy Part 2 (2014) has taken into account local characteristics in the assessment of agricultural quality and productivity. As per the findings of the Rural Land Use Strategy Parts 1, further subdivision for genuine agricultural reasons on the mainland will rarely be necessary.

The Gippsland Regional Growth Plan (2014), the Victorian government’s high level economic plan for the region, strongly supports retention of productive agricultural land within Melbourne’s peri-urban hinterland. As stated within the Growth Plan, if not managed properly, development pressures and sprawling growth can lead to loss of productive agricultural land and protecting and maintaining Gippsland’s strategic productive agricultural land is essential for the continued growth of the food manufacturing sector.

The high level regional growth plan shows the future direction for the economy of Bass Coast Shire's mainland is to "Protect key agriculture and forestry land and support food production for export markets". Two key agricultural strategies for future land use listed by the Gippsland Regional Growth Plan are:

- "Ensure rural housing and subdivision is for an agricultural or forestry purpose, and critically assess other proposals for non-agricultural uses within the areas of strategic significance (agriculture and forestry) for their comparative economic, social and environmental benefits"
- When considering development applications, recognise the importance that preservation and management of productive agricultural and forestry land make to the rural character of Gippsland".

The Rural Land Use Strategies recommendation of a Farming Zone lot size minimum of 80 hectares on the mainland is strongly aligned with the Victorian State Governments economic vision for the region.

Council Response

That Council confirms their position to proceed with the lot size minimum of 80 hectares on the mainland and retaining the 40 hectare lot size minimum on Phillip Island.

3.2: Objection to new Non Agricultural Uses in the Farming Zone and New Dwellings in Farming Zone Local Policies

Submissions 4, 12 & 31

The Issue

Amendment C140 proposes to introduce a new Local Planning Policy that applies to Farming Zone land; Non Agricultural Uses in the Farming Zone.

Submissions

Three submissions oppose the Non Agricultural Uses in the Farming Zone Policy. The objections raised are restricting development, in particular development of tourism facilities on Phillip Island and San Remo, objection to the list of discouraged uses, the policy is not aligned with the San Remo Strategic Framework Plan, and the policy is in conflict with the provisions of the Farming Zone.

Response

The Non-Agricultural Uses Policy will provide certainty as to the types of Planning Permit applications that Council will support within the Farming Zone and lists encouraged uses, for example "Tourism facilities in association with or that complement agriculture such as wine tasting, farm gate sales". Examples of the discouraged uses listed include Caravan Parks, Taverns, Residential Hotels and Trade Supplies.

The discouraged uses are those that are not directly related to or that have an adverse impact on agriculture and future agriculture opportunities. The Non-Agricultural Uses Policy does not preclude planning permit applications for the discouraged uses.

None of the discouraged uses listed within the Non Agricultural Uses Policy are in conflict with the provisions of the Farming Zone. All discouraged uses are Section 2 use and require a planning permit before use can commence. The relevant purposes of Clause 35.07 Farming Zone are:

- *“To provide for the use of land for agriculture*
- *To encourage the retention of productive agricultural land.*
- *To ensure that non-agricultural uses, including dwellings, do not adversely affect the use of the land for agriculture.*
- *To encourage the retention of employment and population to support rural communities.*
- *To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.”*

None of the discouraged uses listed within the Non Agricultural Uses Policy are compliant with the purpose of the Farming Zone. While planning permits for Section 2 uses can be applied for, as stated in the Planning Scheme’s Decision Guidelines (Clause 65), *“Because a permit can be granted does not imply that a permit should or will be granted”*.

San Remo’s Strategic Framework Plan (Clause 21.10-2) identifies Farming Zone land south of the township boundary as suitable for recreation and tourism and under Land Uses states *“Facilitating the development of tourism related activities in designated areas promoting commercial tourism in identified locations, with main road frontage and recreational based tourism to the south of the Anderson Peninsula ridgeline”*.

The San Remo Strategic Framework Plan is the only settlement framework within the Bass Coast Planning Scheme to identify land suitable for tourism uses outside of a township boundary. It is agreed to clarify within the Non Agricultural Uses Policy that where a settlement framework supports tourism development in the Farming Zone, it is to take precedence.

Council Response

That Council adopt a position to update the proposed “Non Agricultural Uses in the Farming Zone Policy” to clarify that where a local strategic framework supports tourism development in the Farming Zone, it is to take precedence.

3.3 Objection to Rural Dwellings Policy

Submission 30

The Issue

Amendment C140 proposes to introduce a new Local Planning Policy that applies to Farming Zone land; Rural Dwellings Policy. In summary this policy discourages dwellings on Farming Zone land under 40ha unless genuinely required for agricultural purposes.

Submission

The submission requests that the Dwellings in Farming Zone policy include provisions allowing for consideration of dwellings on Farming Zone land that are within legacy rural lifestyle subdivisions, is of high environmental quality and unsuitable for agricultural production.

Response

The Rural Land Use Strategy Part I (2013) identified further strategic work including a Housing and Settlement Strategy to address the number of rural historic villages that are zoned as Farming across the Shire. Some of these villages exist only as a subdivision and cluster of houses and others have a store, CFA shed, hall, church and houses. The submitters land is part of a rural residential lifestyle subdivision located in an area of high amenity and environmental value.

It is agreed that the Rural Dwellings Policy does not include clear considerations for rural dwellings on Farming Zoned land that is not suitable for agriculture and located within legacy rural lifestyle subdivisions. Council agrees to update the Rural Dwellings Policy to allow for consideration of dwellings on legacy small lot subdivisions within areas of high environmental value.

The updated provisions will only support new dwellings in the Farming Zone where there is no or limited native vegetation removal required to facilitate the construction of a dwelling. This includes any bushfire protection measures, such as defendable space and vehicle access requirements.

The updated provisions will also include a requirement for landowners to enter into a section 173 agreement or similar binding agreement for the development and implementation of a land management plan to provide for the ongoing protection and management of native vegetation and biodiversity onsite.

Council Response

That Council adopt a position to update the proposed “Rural Dwellings Policy” to allow for consideration of dwellings on legacy small lot subdivisions and historic townships.

3.4 Objection to Farming Zone policies for Phillip Island

Submission 31

The Issue

The proposed Farming Zone policies have been tailored to take into account the different circumstances of the mainland and Phillip Island, such as retaining the 40 hectare lot size subdivision minimum. However several of the policies will apply uniformly to both Phillip Island and the mainland, such as the Rural Subdivision and Non-Agricultural Uses in the Farming Zone local policies and changes to the Municipal Strategic Statement.

Submission

The submitter requests that two proposed new local planning policies, Rural Subdivision Policy and Non-agricultural Uses in the Farming Zone Policy and the amendments to Clause 21.06-5 (Land Uses, Agriculture) be amended to expressly exclude Phillip Island. The submitter is requesting the exclusion as they feel the proposed policies will restrict opportunities for tourism development on Phillip Island.

Response

Phillip Island is not to be excluded from the Non Agricultural Uses and Rural Subdivision policies or the amendments to Clause 21.06-5. The Rural Land Use Strategy considered the different circumstances between Phillip Island and the mainland and recommended tailored policies in consideration of these differences.

The proposed Rural Subdivision Policy should apply to Phillip Island as the lot size minimums proposed have taken into consideration the different circumstances on Phillip Island. For mainland Farming Zone, Amendment C140 is proposing a lot size minimum of 80 hectares. Amendment C140 proposes retaining the 40 hectare lot size minimum for Farming Zoned land on Phillip Island as it is recognised that agricultural land on the Island is used for a variety of intensive uses. The Rural Subdivision Policy will remain in place to guide subdivision applications and ensure the subdivision is for genuine agricultural purposes.

The Non Agricultural Use policy is discussed in greater detail in section 3.2 of this report. In summary, it is considered that the policy is in keeping with the relevant purposes of the Farming Zone and State Policy and allows for appropriate tourism development and uses on Farming Zoned land.

The amendments to clause 21.06-5 (Land Uses, Agriculture) are to ensure the Municipal Strategic Statement is consistent with the proposed Non-Agricultural Uses and Rural Subdivision policies and insert relevant objectives and strategies from the adopted Rural Land Use Strategy into the Bass Coast Shire Planning Scheme. Amending the proposed changes to exclude Phillip Island would make the Municipal Strategic Statement inconsistent with the proposed new planning scheme policy and would go against Council's adopted position on rural land use within the Shire.

Council is currently preparing the Phillip Island Tourism Strategy 2035, due for completion July 2016, which will provide tourism based land use recommendations for Phillip Island.

Council Response

That Council confirms their position to proceed with applying the Non Agricultural Uses in the Farming Zone, Rural Subdivision Policy and amendments to Clause 21.06-5 to Phillip Island.

4. GENERAL SUBMISSIONS

4.1: Country Fire Authority submission

Submission 41

The Issue & Submission

The Country Fire Authorities (CFA) submission is generally supportive of Amendment C140 and requested several changes to the Municipal Strategic Statement to include vegetation not currently covered by the Bushfire Management Overlay.

Response

The CFA's submission is noted, however it is considered not relevant to this Amendment as the current bushfire prevention provisions within the Bass Coast Planning Scheme adequately address the issue. It is also noted that bushfire prevention provisions are currently under review by Department of Environment Land Water and Planning.

Council Response

That Council adopt a position that bushfire prevention is considered not relevant to Amendment C140.

4.2: San Remo

Submissions 8 and 36

The Issue

Two submissions have been received that are directly related to land near or adjoining the San Remo township boundary.

Submissions

One submitter claims their land located near San Remo has been rezoned from residential to Farming Zone without their knowledge.

One submitter has proposed a watercourse and plantings, a future recreation area, government school and lifestyle 40 acre (16 hectare) rural lifestyle lots north of San Remo. To the south of San Remo the submitter is proposing to allow "township farms" fronting Bass Strait.

Response

Council officers investigated the land rezoning claim and requested further information from the submitter to clarify the land referred to. The submitter has not been able to clarify the lot locations they are referring to, or supplied evidence to support their claim. The approximate area the submitter refers to has been Farming Zone since the introduction of the new format planning scheme in 1999.

As Bass Coast Shire received a relatively straightforward rural zoning changeover with the new format planning scheme, it can be reasonably assumed the approximate area of land referred to in the submission was, prior to 1999, zoned for farming purposes. A search of Council's rates database for properties held under the submitters family and business names shows that the land they own is located some distance from the San Remo township centre and most likely was never zoned for residential use.

The submission regarding changes to the north and south of San Remo are considered not relevant to Amendment C140. The Rural Land Use Strategy focuses on Farming Zone land use and is not a strategic document for San Remo. The matters raised by the submitter relate to infrastructure projects and rural residential rezoning. In May 2015 Council completed a review of the San Remo, Newhaven and Cape Woolamai Structure Plan (2010). The review was adopted at the June 2015 Council meeting. This review recommended no changes to zoning within or near to the San Remo township boundary at this point in time as there is an adequate supply of residential land.

Council Response

That Council adopt a position that the claimed land rezoning and other issues raised by submissions 8 and 36 in relation to the San Remo area are considered not relevant to Amendment C140.

4.3: Bambrook Road/Leggetts Lane Inverloch Rezoning

Submission 44

The Issue & Submission

The Bambrook Road/Leggetts Lane area comprises a number of smaller rural lifestyle sized lots of between 2.5 hectares to 6.4 hectares (Figure 7). These lots are within the Farming Zone. The submitter states that the lots were created in the late 1970's and early 1980's and are used for hobby farming purposes. Land to the south was zoned for rural lifestyle living by the former Woorayl Council in 1993. The Bambrook Road/Leggett's Lane area was part of the former Bass Shire.

The submitter wishes to rezone Bambrook Road/Leggetts Lane area from Farming Zone to Rural Living Zone. This request is based on the lot sizes in the area, the current use of land for hobby farming and a concern regarding the intensive animal husbandry uses allowable as of right under the Farming Zone potentially reducing amenity and causing conflict in the area.



Figure 7: Bambrook Road/Leggetts Lane area, lot sizes shown are approximate

Response

The submitter wishes to rezone the area from Farming to Rural Living Zone in order to reduce land use conflict as they believe intensive animal husbandry is an allowable use under the provisions of the Farming Zone, which is not entirely correct. Intensive animal husbandry requires a use permit unless it is a small broiler farm or cattle feedlot. It is noted that this land has been zoned for farming purposes for over 25 years and any current land owners within the area will be aware of the potential for the land to be used for farming.

In 2014 the State Government reduced the lot size minimum from 4 hectares to 2 hectares in the Rural Living Zone. As most lots in the area are above 4 hectares (Figure 7) this could potentially lead to further subdivision and dwellings in the area which may reduce amenity.

In regards to rural lifestyle living the Rural Land Use Strategy identified further strategic work, including a rural housing and settlement strategy to provide future direction for legacy subdivisions. Therefore the request to rezone Bambrook Road/Leggetts Lane area should be considered as part of this future work and is considered not relevant to Amendment C140.

Council Response

That Council adopt a position that the proposed land rezoning from Farming Zone to Rural Living Zone in the Bambrook Road/Leggetts Lane area is considered not appropriate at this time.

4.4: Objection to the Amendment based on a perceived lack of notification

Submission 32

The Issue & Submission

One community group was concerned about the level of notification for Amendment CI40 as they were not directly mailed the notification materials.

Response

In addition to the notification requirements set out under Section 19 of the *Planning and Environment Act 1987*, which included a direct mail out to 2137 ratepayers and residents, Council's Strategic Planning team undertook the following additional consultation;

An Information Sheet which simplified the Amendment material was sent out with all notification letters. Newspaper advertising was placed in four Council weekly bulletins in two local newspapers. All proposed policy changes and relevant strategies were exhibited on Council's website during the exhibition period.

Strategic Planning Officers met with the Rural Engagement Group, a community group that Council meets with regularly to discuss rural issues and held four community drop-in sessions across Bass Coast Shire. Where interested parties could not attend a drop-in session, they were able to see a Planner at Wonthaggi Civic Centre.

Council officers responded to at least 42 phone, email and counter enquiries during the exhibition of the amendment. It is noted that through the above efforts, the community group that lodged the concern regarding notification was able to lodge their submission within the exhibition period.

Council Response

That Council adopt a position that no further notification was required as the consultation undertaken for Amendment CI40 exceeded statutory requirements.

Planning and Environment Act 1987

Panel Report

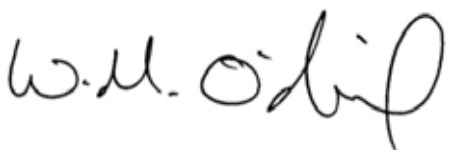
Bass Coast Planning Scheme Amendment C140
Rural Land Use Strategy Implementation

14 June 2016

Planning and Environment Act 1987

Panel Report pursuant to Section 25 of the Act
Bass Coast Planning Scheme Amendment C140
Rural Land Use Strategy Implementation

14 June 2016

A handwritten signature in black ink, appearing to read 'W. O'Neil'.

William O'Neil, Chair

A handwritten signature in blue ink, appearing to read 'Natasha Reifschneider'.

Natasha Reifschneider, Member

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List of Abbreviations

DELWP	Department of Environment, Land, Water and Planning
FZ	Farming Zone
LPPF	Local Planning Policy Framework
MSS	Municipal Strategic Statement
RAZ	Rural Activity Zone
RCZ	Rural Conservation Zone
RLUS	Rural Land Use Strategy

Overview

Amendment Summary

The Amendment	Bass Coast Planning Scheme Amendment C140
Common Name	Rural Land Use Strategy Implementation
Subject Site	All land in the Farming Zone and Rural Activity Zone within the Bass Coast Shire. It also applies to four specific sites: <ul style="list-style-type: none"> • Land between Corinella-Coronet Bay • Land south-east of The Gurdies • Land between Inverloch and Cape Paterson • Land west of Rhyll wetland
Planning Authority	Bass Coast Shire Council
Authorisation	June 2015; via letter from Regional Planning Services
Exhibition	The Amendment was exhibited between 8 October and 9 November 2015
Submissions	47 submissions were considered by the Panel, including 3 late submissions. A list of submitters is provided in Appendix A of this report.

Panel Process

The Panel	William O'Neil (Chairperson) and Natasha Reifschneider (Member).
Directions Hearing	The Directions Hearing was held in the Wonthaggi Town Hall Foyer of Bass Coast Shire Council on 15 March 2016.
Panel Hearing	The first two days of the Panel Hearing were held in the Wonthaggi Town Hall Foyer of Bass Coast Shire Council on 4 and 5 April 2016. The final day of the Panel Hearing, was held at Wonthaggi Centennial Centre on 13 April 2016.
Site Inspections	Accompanied site inspections occurred on 4 and 13 April 2016.
Appearances	A list of the submitters that appeared at the Hearing is provided in Appendix B of this Report.
Date of this Report	14 June 2016

Executive Summary

(i) Summary and Conclusions

Amendment C140 to the Bass Coast Planning Scheme seeks to implement the findings and recommendations of the *Bass Coast Rural Land Use Strategy, Final Report for Implementation, July 2014* (the Rural Land Use Strategy) and the findings and recommendations of the *Review of Rhyll Wetland, Final Report, May 2015* by:

- Updating the schedule to the Farming Zone, identifying three new precincts with revised minimum subdivision lot sizes.
- Rezoning land in a number of locations from the Farming Zone to Rural Activity Zone and updating the Rural Activity Zone schedule.
- Rezoning the land adjacent to the Rhyll Inlet from the Farming Zone to Rural Conservation Zone and apply the Environmental Significance Overlay to the land.
- Modify the Municipal Strategic Statement to implement the recommendations of the Rural Land Use Strategy and the Bass Coast Shire Review of Rhyll Wetland.
- Introducing four new local policies to address Rural Subdivision, Rural Dwellings, Rural Activity Zone and Non Agricultural Uses in the Farming Zone.
- Correcting a number of mapping anomalies.

The Bass Coast Shire Council prepared the Amendment.

Council commenced the preparation of the Rural Land Use Strategy in 2010 in accordance with the strategic ambitions articulated in the 2009-2013 Council Plan. The development of the rural strategy followed the implementation by the State Government of the Rural Zones Review which provided a new suite of zones for rural areas.

Over 5 years of strategic planning was undertaken prior to Council's adoption of the Rural Land Use Strategy. The Amendment was placed on public exhibition between 8 October and 9 November, 2015 with 47 submissions received, including 3 late submissions.

Key issues raised in submissions are identified in Section 2 of this Report.

The Panel has considered all submissions lodged in response to the exhibition of the Amendment.

The Panel concludes that the Rural Land Use Strategy and Amendment C140 have been through an extensive consultation process. As a result of the Hearing process, a number of changes have been proposed by Council in response to submissions. The Panel acknowledges and appreciates the responsive nature of Council's consideration of submissions. The Panel considers the resultant modifications strengthen the Amendment and provide a planning framework that delivers on Council's vision for the future of its rural agricultural land.

The Panel supports Council's submission that the development of new local planning policies for Rural Subdivision (22.05), Rural Dwellings (22.06), Non Agricultural Uses in the Farming

Zone (22.07) and Rural Activity Zone (22.08), will provide certainty for land owners, applicants, the community and importantly decision makers.

The Panel is satisfied that the Amendment, as proposed to be amended, balances the competing interests of the environment, rural amenity, the tourism and agricultural sector and residents. The Panel also considers that it will contribute to securing a positive environmental and economic future for the Shire.

(ii) Recommendations

Based on the reasons set out in this Report, the Panel recommends:

Bass Coast Planning Scheme Amendment C140 be adopted as exhibited subject to the following changes:

- 1. Abandon the proposed application of the Rural Activity Zone at the Gurdies for all areas other than the 'Fantasia Site'.**
- 2. Retain the Farming Zone on the balance of land at the Gurdies that was proposed by Amendment C140 to be rezoned to the Rural Activity Zone. Consistent with all other land within *Precinct 1 – East of the Bass Coast Highway* apply an 80 hectare minimum subdivision area via the Schedule to the Farming Zone.**
- 3. Replace the exhibited version of Rural Activity Zone Schedule (Clause 35.08) with the Panel Recommended Version provided in Appendix D of this report.**
- 4. Amend the exhibited version of Clause 21 to reflect the policy neutral changes given effect via the Gazettal of Amendment C134 as reflected in '*Amendment C140: Amendment C134 Policy Neutral Changes*' (Hearing Document 52) and to reflect Council's revised Clause 21.03 and Clause 21.05 '*Post C134 Position Paper and Submitter Changes*' (Hearing Document 57).**
- 5. Replace the exhibited version of the Rural Dwellings Policy at Clause 22.06 with the Panel Recommended Version provided in Appendix E of this report.**
- 6. Amend the exhibited version of the Non Agricultural Uses in the Farming Zone Policy at Clause 22.07 by:**
 - Replacing the words '*Bass Coast Rural Land Use Strategy 2013*' with '*Bass Coast Rural Land Use Strategy, 2014*'.**
 - Including the following as a fourth bullet point at Clause 22.07-2 – Policy Objectives and as a third bullet point at Clause 22.07-4 – Policy Decision Guidelines: "*Where tourism uses are specifically supported within a strategic framework, the strategic framework is to take precedence.*"**
- 7. Replace the exhibited version of the Rural Activity Zone Policy at Clause 22.08 with the Panel Recommended Version provided in Appendix F of this report.**
- 8. Amend the Exhibited Planning Scheme Maps to correct the mapping anomalies identified by Council consistent with the plans contained in Hearing Document 55 provided in Council's Right of Reply submission.**

Other Recommendations:

- 9. Consider the merits of applying the Rural Conservation Zone to the land that was proposed for rezoning to the Rural Activity Zone, as part of the next planning scheme review, having regard to the outcomes and recommendations of the *Natural Environment Strategy* and *Biodiversity Plan for the Municipality* once completed, and with further consultation with residents at the Gurdies.**
- 10. Commence the preparation of a *Rural Housing and Settlement Strategy* to update planning policy and land use zoning responses regarding; development within historic villages; appropriate locations for rural living development; and small rural lot development as soon as resources (time and financial) are available.**
- 11. Review the minimum subdivision area of land within the existing Rural Conservation Zone at Glen Alvie and surrounding areas to determine if it should be increased to 80ha consistent with the surrounding Farming Zone minimum subdivision size and consider the merits of applying Clause 22.05, Clause 22.06 and Clause 22.07 to the land as part of Council's next planning scheme review.**

1 Introduction

1.1 Panel process

Bass Coast Planning Scheme Amendment C140 (the Amendment) was prepared by the Bass Coast Shire Council as Planning Authority. The Amendment seeks to implement the findings and recommendations of the *Bass Coast Rural Land Use Strategy, Final Report for Implementation, July 2014* (the Rural Land Use Strategy) and the findings and recommendations of the *Review of Rhyll Wetland, Final Report, May 2015*.

The Amendment was prepared by the Bass Coast Shire Council (the Planning Authority) and was authorised by the Department of Environment, Land, Water and Planning (DELWP) in June 2015 via letter from Regional Planning Services.

The Amendment was placed on public exhibition between 8 October and 9 November, with 47 submissions received, including 3 late submissions.

At its meeting of 17 February 2016 Council considered a comprehensive 'position paper' articulating its response to the submissions received to the exhibition of the Amendment. Council resolved to *endorse the 'Amendment C140 Position Paper' as its position to be presented to the independent Planning Panel appointed to consider Amendment C140*.

A Panel to consider the Amendment was appointed under delegation from the Minister for Planning on 2 December 2015 and comprised William O'Neil (Chair), Natasha Reifschneider (Member).

A Directions Hearing was held in relation to the Amendment on 15 March 2016. Following the Directions Hearing, the Panel undertook an inspection of various sites. Further accompanied site inspections occurred on 4 and 13 April 2016.

The Panel met in the offices of Bass Coast Shire Council on 4, 5, and 13 April 2016 to hear submissions about the Amendment. Those that presented at the Panel Hearing are listed in Appendix B.

1.2 The proposal

(i) The subject area

The Amendment applies to land shown in Figure 1 overleaf.

(ii) Amendment Description

The Amendment proposes to:

- Update the schedule to the Farming Zone, identifying three new precincts with revised minimum subdivision lot sizes in accordance with Figure 1.
 - Precinct 1 Minimum subdivision area = 80 hectares
 - Precinct 2 Minimum subdivision area = 80 hectares
 - Precinct 3 Minimum subdivision area = 40 hectares
- Rezone land shown in Figures 2, 3, and 4 from Farming Zone to Rural Activity Zone.

- Rezone the land shown on Figure 5 from Farming Zone to Rural Conservation Zone and apply the Environmental Significance Overlay to the land.
- Modify the Municipal Strategic Statement to implement the recommendations of the Rural Land Use Strategy and the Bass Coast Shire Review of Rhyll Wetland.
- Update the schedule to the Rural Activity Zone.
- Introduce four new local policies to address Rural Subdivision, Rural Dwellings, Rural Activity Zone and Non Agricultural Uses in the Farming Zone.

The Amendment also makes administrative changes and seeks to correct mapping errors.



Figure 1 Proposed Farming Zone Precincts

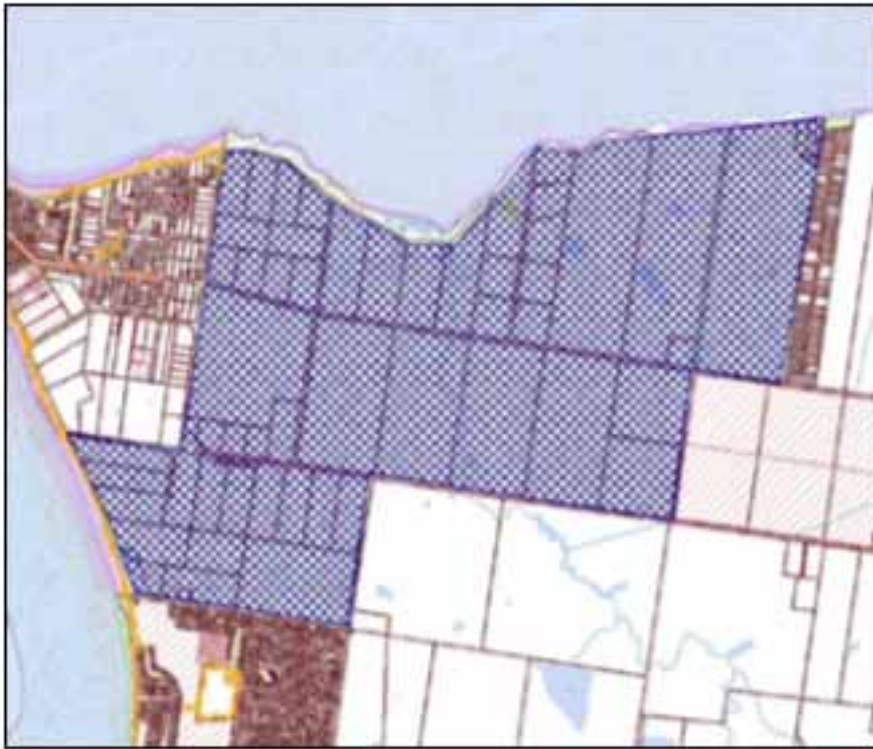


Figure 2 Proposed Corinella-Coronet Bay Rural Activity Zone

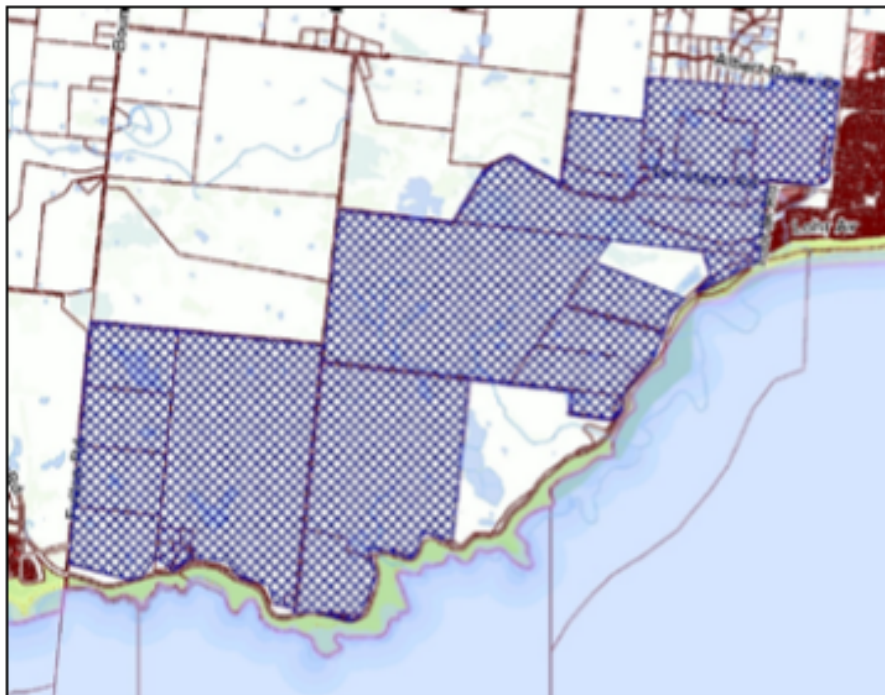


Figure 3 Proposed Cape Paterson-Inverloch Rural Activity Zone

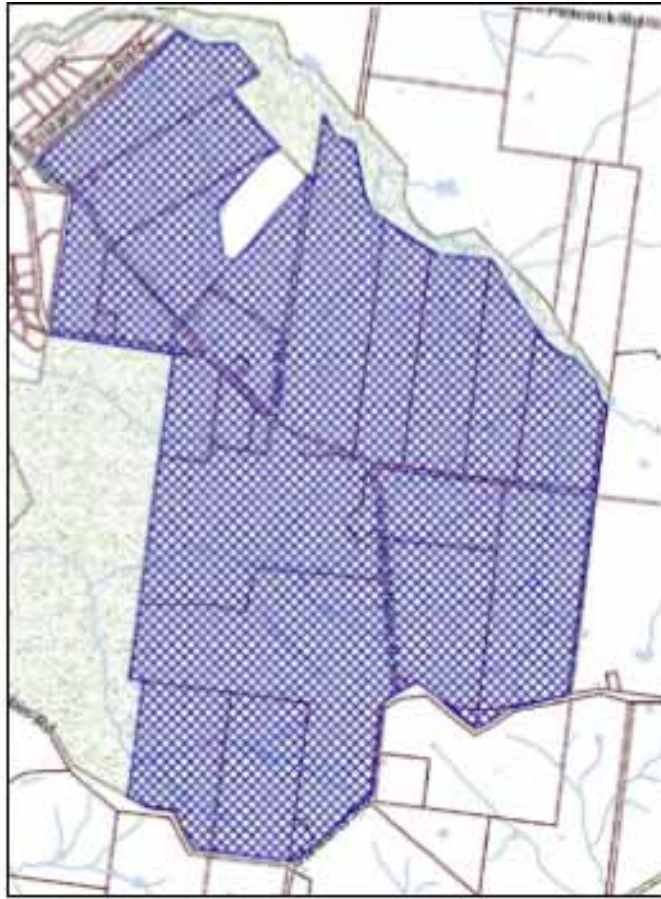


Figure 4 Proposed 'The Gurdies' Rural Activity Zone

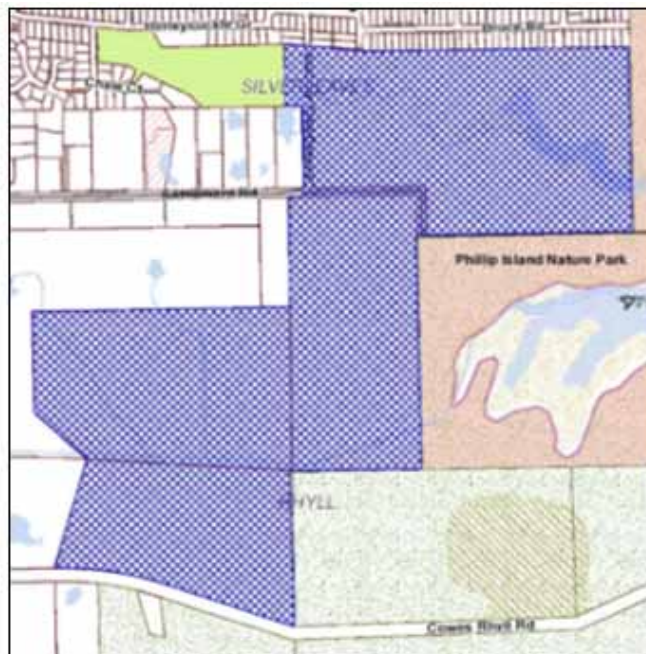


Figure 5 Proposed Rhyll Wetland Rural Conservation Zone

1.3 Background to the Amendment

Bass Coast Shire Council commenced the preparation of the Rural Land Use Strategy in 2010 in accordance with the strategic ambitions articulated in the 2009-2013 Council Plan. The development of the rural strategy followed the implementation by the State Government of the Rural Zones Review which provided a new suite of zones for rural areas.

The new suite of rural zones was implemented into the Bass Coast Planning Scheme by the Minister for Planning in July 2006 via Amendment C58. All land within the then existing Rural Zone was translated to Farming Zone with the exception of land adjacent to the Grand Prix Circuit which was translated to Rural Activity Zone.

Over 5 years of strategic planning was undertaken prior to Council's adoption of the Rural Land Use Strategy, Final Report for Implementation, in July 2014. The key steps in the process included:

- Initial rural strategy research in October 2010
- Initial community consultation during 2011 and 2012
- Preparation of a Rural Land Use Strategy Directions Paper in July 2012
- Consultation on the Rural Land Use Strategy Directions Paper between September and November in 2012
- Appointment of consultant to prepare Rural Land Use Strategy in March 2013
- Exhibition of the Draft Rural Land Use Strategy during April and May 2013
- Consideration of Draft Strategy submissions during June and July 2013 (a total of 272 submissions were received)
- Council Adoption of the Rural Land Use Strategy, with modifications to minimum lot size, subdivision and dwelling provisions in August 2013
- Draft Local Planning Policy development during September 2013 – March 2014
- Rural Land Use Strategy, Final Report for Implementation, completed in July 2014
- Delay in implementation due to the State Government review of the State Planning Policy Framework
- Completion of the Review of Rhyll Wetland in May 2015
- Council resolution to implement the majority of the Rural Land Use Strategy recommendations via a Planning Scheme Amendment and adopt and implement the Review of the Rhyll Wetland (Note: Council resolved not to implement a recommendation of the Rural Land Use Strategy that sought to rezone an area west of Newhaven on Phillip Island from Farming Zone to the Rural Activity Zone as it was in the process of preparing a Tourism Strategy for Phillip Island).
- Authorisation to Implement the Rural Land Use Strategy June 2015.

The Rural Land Use Strategy, Final Report for Implementation, July 2014 sets out a long term vision for the Shire's rural areas that aims to:

- *Protect the opportunity for agriculture.*
- *Protect rural landscape and maintain green breaks between towns.*
- *Provide for rural based tourism.*

- *Ensure that environmental values are protected and enhanced.*
- *Protect the liveability of Bass Coasts' rural areas.*

The Rural Land Use Strategy identifies the following key strategic directions in support of its rural land use vision:

- *Detail planning controls that will provide clear direction for use and development in the rural areas of the Shire*
- *Support agriculture and not prejudice the ability of future generations to productively farm the land*
- *Support agricultural activities and associated rural industries that will maintain and build on the economic base of the Shire*
- *Balance demand for rural lifestyle and protection of agricultural values by discouraging fragmentation of land in rural areas as well as additional dwelling unrelated to the agricultural use of the land*
- *Encourage the use of existing small lots for innovative uses or niche production activities that are not dependent upon or associated with the development of a dwelling on the lot*
- *Broaden the basis for establishing minimum lot sizes from a consideration of land units to support agriculture to include protection of the rural farmed landscape*
- *Protect and maintain the existing rural character of the Shire by providing clear definitions and distinction between rural and urban areas*
- *Protect and maintain areas of environmental and landscape significance by strongly discouraging inappropriate development and uses*
- *Provide for a range of tourism uses in appropriate areas.*

In order to implement Council's vision and key strategic directions for the rural areas of the Shire, its rural areas were segmented into a number of rural precincts. Tailored planning policy was then identified for each precinct which specifies land use outcomes. The identification of the rural precincts included consideration of:

- *Current land use and settlement patterns*
- *Productive agricultural land*
- *Land of strategic significance for agriculture*
- *Logical and easily identifiable boundaries.*

The three Farming Zone precincts are identified in Figure 1 (refer page 5).

The Strategy recommends different minimum subdivision area sizes within the precincts. Council noted that the proposed minimum lot sizes for the various precincts are not solely based on the area needed to support agriculture, but are also based on protecting the rural farmed landscape which is a critical issue for Council. The Rural Land Use Strategy rationale for the minimum lot sizes for subdivision are based on an analysis of the lot size being able to:

- *Facilitate farm growth and expansion.*
- *Prevent proliferation of dwellings not associated with agriculture and prevent rural land use conflict.*

- *Maintain land parcels with productive and management potential.*
- *Maintain the rural farmed landscape.*

The three identified precincts are:

Precinct 1 – East of Bass Highway which is the main commercial agriculture area with a strong future for agriculture. A minimum subdivision lot size of 80ha is recommended and a permit will be required for a dwelling on any lot less than 40ha in area.

Precinct 2 – West and South of Bass Highway which is a mix of commercial agriculture and lifestyle farming. A minimum subdivision lot size of 80ha is recommended and a permit will be required for a dwelling on any lot less than 40ha in area.

Precinct 3 – Phillip Island which is a mixture of commercial agriculture, growing tourism demand and lifestyle farming. A minimum subdivision lot size of 40ha is recommended and a permit will be required for a dwelling on any lot less than 40ha in area.

In addition to the above lot sizes being incorporated into new Farm Zone Schedules, the Rural Land Use Strategy recommended the inclusion in the Planning Scheme of local policies to provide additional guidance on rural subdivision; rural dwellings; and Non Agricultural Uses in the Farming Zone.

The Rural Land Use Strategy also developed criteria for the application of the Rural Activity Zone to support rural based tourism supporting its application in situations where:

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

Based on the above criteria, the Rural Land Use Strategy identified new appropriate locations for the application of the Rural Activity Zone at:

- *Coronet Bay/Corinella*
- *The Gurdies*
- *Inverloch/Cape Paterson.*

The three areas are identified in Figures 2 – 4 (refer pages 6 and 7). The Rural Land Use Strategy also recommended the inclusion in the Planning Scheme of a new local policy to provide guidance to achieve a preferred mix of land uses in the Rural Activity Zone including those associated with agriculture, tourism, recreation and accommodation.

The Rural Land Use Strategy highlights the need to undertake a Housing and Settlement Strategy for the Shire's historic villages as well as determining preferred outcomes for Rural Living and Small Rural Lots. These issues are not addressed in the Amendment.

Council's Part A submission to the Panel observed that the Rural Land Use Strategy and policies contained in the Amendment strike an appropriate and progressive balance to the challenging environmental, social and economic issues and opportunities associated with the Shire's rural communities.

The other key strategic review that provided the background to the Amendment is the *Bass Coast Shire Review of Rhyll Wetland, May 2015* that assessed the environmental values and threats on land west of the wetland. The Review found strong support for the protection of the land abutting the Rhyll Wetland and recommended that the land be rezoned to the Rural Conservation Zone complemented by the Environmental Significance Overlay (Schedule 1). This area is identified in Figure 5 (refer page 7).

2 Identification of issues

2.1 Summary of issues raised in submissions

The key issues raised in the submissions of the various parties are briefly summarised as follows:

(i) Planning Authority

The Bass Coast Shire Council support the adoption of the Amendment subject to a number of modifications that it considers should be made arising from the consideration of submissions. Council does not consider its proposed changes to the Amendment alter the purpose of the Amendment nor materially impact on submitters.

Council considers the Amendment to be soundly based and founded on extensive strategic work and community consultation. It believes that the proposed rezoning's, lot size minimums and new and amended local policies *'will provide clarity to land owners and decision makers regarding rural land use within Bass Coast Shire's Farming and Rural Activity Zoned land.'*

Council considers that the Amendment *'balances competing interests and will contribute to securing a positive environmental and economic future for the municipality'*.

(ii) Relevant agencies

The West Gippsland Catchment Management Authority have no objection to the proposed Planning Scheme changes.

DELWP and Parks Victoria support the Amendment and suggested a number of minor changes to the Local Planning Policy content that have been agreed by the Bass Coast Shire Council.

The Country Fire Authority (CFA) submission is generally supportive of the Amendment while noting a number of possible modifications to the Local Planning Policy Framework.

(iii) Individual submitters

The key issues raised by submitters can be summarised as follows:

- Concerns regarding the different land use and amenity outcomes between the Farming Zone and the Rural Activity Zone.
- Concerns regarding the proposed rezoning from the Farm Zone to Rural Activity Zone between Inverloch and Cape Paterson, the proposed 260ha lot size minimum and the proposed Rural Activity Zone Policy to be applied to rezoned land in this locality.
- Support and opposition to the proposed rezoning of land south of The Gurdies from Farm Zone to Rural Activity Zone.
- Concern regarding unresolved issues relating to Newhaven until completion of the Tourism Strategy for Phillip Island is completed.
- Concern regarding the Rural Activity Zone Schedule and Rural Activity Zone local policy details.

- Submissions both in support and opposition to the implementation of the Rural Conservation Zone west of Rhyll wetlands and further extension to Coghlan Road.
- Submissions in support and opposition to the increase in minimum lot size from 40ha to 80ha for subdivision in the Farming Zone on the mainland.
- Concerns regarding the list of discouraged and encouraged uses in the Non Agricultural Uses in the Farming Zone Policy.
- Concerns regarding the new Local Planning Policy proposed to discourage dwellings in the Farming Zone on lots under 40ha unless genuinely required for agricultural purposes.
- Concerns regarding notification and consultation during the development and exhibition of the Amendment.
- A number of other submission, or site specific, issues.

2.2 Issues dealt with in this Report

The Panel has considered all written submissions, as well as submissions presented to it during the Hearing. In addressing the issues raised in those submissions, the Panel has been assisted by the information provided to it as well as its observations from inspections of specific sites.

This report deals with the issues under the following headings:

- Planning context
- Farming Zone Schedule and Rural Subdivision Policy (Clause 22.05)
- Rural Activity Zone and Schedule
- Rural Conservation Zone – Rhyll Inlet
- Municipal Strategic Statement (Clause 21)
- Rural Dwellings Policy (Clause 22.06)
- Non Agricultural Uses in the Farming Zone Policy (Clause 22.07)
- Rural Activity Zone Policy (Clause 22.08)
- Other Issues
 - Minimum lots size in existing Rural Conservation Zone
 - Tenby Point Urban/ Rural land use conflicts
 - Adequacy of consultation and notification
 - Mapping anomalies
 - Feed lots
 - Phillip Island.

3 Planning Context

Council provided a response to the Strategic Assessment Guidelines as part of the Explanatory Report and as part of its Part A submission to the Hearing.

The Panel has reviewed the policy context of the Amendment and made a brief appraisal of relevant planning strategies.

3.1 Policy framework

Section 4 of the Planning and Environment Act 1987 states the objectives for planning in Victoria as follows:

- (a) to provide for the fair, orderly, economic and sustainable use and development of land;*
- (b) to provide for the protection of natural and man-made resources and the maintenance of ecological processes and genetic diversity;*
- (c) To secure a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria;*
- (d) to conserve and enhance those buildings, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value;*
- (e) to protect public utilities and other assets and enable the orderly provision and co-ordination of public utilities and other facilities for the benefit of the community;*
- (f) to facilitate development in accordance with the objectives set out in paragraphs (a), (b), (c), (d) and (e); and*
- (g) to balance the present and future interests of all Victorians.*

Council submitted that the Amendment is consistent with the objectives of planning in Victoria. Further, Council submitted that the Amendment will provide:

a planning framework in the rural areas to ensure that land is used, developed and subdivided in a fair, orderly, economic and sustainable way.

The amendment is expected to provide a pleasant, efficient and safe working, living and recreational environment and will provide a net benefit to the community.

The Panel generally agrees with Council's above submission.

(i) State Planning Policy Framework (SPPF)

Council submitted, and the Panel generally agrees, that the Amendment is supported by the following clauses in the SPPF:

Clause 11.05-3 'Rural Productivity' *has an objective 'to manage land use change and development in rural areas to promote agriculture and rural production'.*

Strategies at this clause are:

- *Prevent inappropriately dispersed urban activities in rural areas.*
- *Limit new housing development in rural areas, including:*

- *Directing housing growth into existing settlements.*
- *Discouraging development of isolated small lots in the rural zones from use for single dwellings, rural living or other incompatible uses.*
- *Encouraging consolidation of existing isolated small lots in rural zones.*
- *Restructure old and inappropriate subdivisions.*

Clause 11.08 ‘Gippsland Regional Growth’ has an objective ‘to strengthen economic resilience by growing a more diverse economy and building on the region’s traditional strengths through new investment, innovation and value-adding’.

Clause 12 ‘Environmental and landscape values’ states:

‘Planning should help to protect the health of ecological systems and the biodiversity they support (including ecosystems, habitats, species and genetic diversity) and conserve areas with identified environmental and landscape values.

Planning must implement environmental principles for ecologically sustainable development that have been established by international and national agreements. Foremost amongst the national agreements is the Intergovernmental Agreement on the Environment, which sets out key principles for environmental policy in Australia. Other agreements include the National Strategy for Ecologically Sustainable Development, National Greenhouse Strategy, the National Water Quality Management Strategy, the National Strategy for the Conservation of Australia’s Biological Diversity, the National Forest Policy Statement and National Environment Protection Measures.

Planning should protect sites and features of nature conservation, biodiversity, geological or landscape value.’

Clause 12.01-1 ‘Protection of Biodiversity’ states:

Objective

To assist the protection and conservation of Victoria’s biodiversity, including important habitat for Victoria’s flora and fauna and other strategically valuable biodiversity sites.

Strategies

Use statewide biodiversity information to identify high value biodiversity and consider the impact of land use and development on these values.

Ensure strategic planning:

- *Avoids and minimises significant impacts, including cumulative impacts, of land use and development on Victoria’s biodiversity.*
- *Considers impacts of any change in land-use or development that may affect the biodiversity value of adjoining national parks and conservation reserves or nationally and internationally significant sites including wetlands and wetland wildlife habitat designated under the*

Convention on Wetlands of International Importance (the Ramsar Convention), and sites utilised by species designated under the Japan-Australia Migratory Birds Agreement (JAMBA) or the China-Australia Migratory Birds Agreement (CAMBA).

- *Assists in the protection and management of sites containing high value biodiversity.*
- *Assists in the re-establishment of links between isolated habitat remnants that contain high value biodiversity.*

Ensure that decision making takes into account the impacts of land use and development on Victoria's high value biodiversity.

Clause 12.04-2 'Landscapes' states:

Objective

To protect landscapes and significant open spaces that contribute to character, identity and sustainable environments.

Strategies

- *Ensure sensitive landscape areas such as the bays and coastlines are protected and that new development does not detract from their natural quality.*
- *Improve the landscape qualities, open space linkages and environmental performance in green wedges and conservation areas and non-urban areas.*
- *Recognise the natural landscape for its aesthetic value and as a fully functioning system.*
- *Ensure natural key features are protected and enhanced.*

Clause 14.01-1 'Protection of Agricultural Land'

Objective

To protect productive farmland which is of strategic significance in the local or regional context.

Strategies

Ensure that the State's agricultural base is protected from the unplanned loss of productive agricultural land due to permanent changes of land use.

Consult with the Department of Economic Development, Jobs, Transport and Resources and utilise available information to identify areas of productive agricultural land.

Take into consideration regional, state and local, issues and characteristics in the assessment of agricultural quality and productivity.

Permanent removal of productive agricultural land from the State's agricultural base must not be undertaken without consideration of its economic importance for the agricultural production and processing sectors.

In considering a proposal to subdivide or develop agricultural land, the following factors must be considered:

- *The desirability and impacts of removing the land from primary production, given its agricultural productivity.*
- *The impacts of the proposed subdivision or development on the continuation of primary production on adjacent land, with particular regard to land values and to the viability of infrastructure for such production.*
- *The compatibility between the proposed or likely development and the existing uses of the surrounding land.*
- *Assessment of the land capability.*

Subdivision of productive agricultural land should not detract from the long-term productive capacity of the land.

Where inappropriate subdivisions exist on productive agricultural land, priority should be given by planning authorities to their re-structure.

In assessing rural development proposals, planning and responsible authorities must balance the potential off-site effects of rural land use proposals (such as degradation of soil or water quality and land salinisation) which might affect productive agricultural land against the benefits of the proposals.

Planning for rural land use should consider:

- *land capability; and*
- *the potential impacts of land use and development on the spread of plant and animal pests from areas of known infestation into agricultural areas.*

Clause 17.03-1 Facilitating Tourism

Objective

To encourage tourism development to maximise the employment and long-term economic, social and cultural benefits of developing the State as a competitive domestic and international tourist destination.

Strategies

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

Seek to ensure that tourism facilities have access to suitable transport and be compatible with and build upon the assets and qualities of surrounding urban or rural activities and cultural and natural attractions.

(ii) Local Planning Policy Framework

Council submitted that the key provisions of the Municipal Strategic Statement that are advanced by the Amendment include:

Clause 21.03-4 'Tourism' which contains the following objectives:

- *To encourage new tourist development in appropriate locations*
- *To provide diversity in tourist accommodation*
- *To provide diversity in tourist attractions and eating establishments*
- *To encourage sustainable year-round tourism*
- *To encourage appropriate tourism developments and tourism signage.*

Clause 21.03-5 'Agriculture' which contains the following objectives:

- *To establish a strong and vibrant rural agricultural community comprising a range of diversified enterprises that is efficiently managed and ecologically sustainable*
- *To retain viable rural holdings, particularly on productive agricultural land*
- *To prevent land use conflicts in agricultural areas*
- *To encourage a range of value-adding rural industries to establish in the Shire.*

Clause 21.04-3 'Biodiversity Conservation and Habitat Protection' which contains the following objectives:

- *To effectively manage and conserve the Shire's biologically diverse natural environment as an ecologically sustainable resource for present and future generations*
- *To discourage development in locations, which impacts or conflicts with the quality and sensitivity of the natural environment*
- *To minimise impacts on areas with high habitat value*
- *To identify and protect good quality vegetation stands throughout the municipality*
- *To control pest plants and animals throughout the municipality*
- *To protect the Western Port Ramsar listed wetland, Anderson Inlet and the Marine National Parks.*

Clause 21.05 'Landscape' which contains the following objectives:

- *To ensure that development is subordinate to the natural, visual and environmental landscape character and significance*
- *To protect the undeveloped character of the coastal strip*
- *To protect locally significant views and vistas that contributes to the character of the coastal and coastal hinterland region*
- *To minimise the impact of infrastructure on the landscape and viewpoints.*

Council concluded that the Amendment supports and is consistent with the Municipal Strategic Statement. The Panel generally agrees.

(iii) Other planning strategies or policies used in formulating the Amendment

Bass Coast Rural Land Use Strategy, Final Report for Implementation, July 2014

The Amendment seeks to implement the Planning Policy recommendations of the July 2014 iteration of its Rural Land Use Strategy. As noted in Section 1.3 of this Report, the Rural Land Use Strategy reviewed rural land use and development circumstances, including issues, opportunities and trends in Bass Coast Shire's rural areas. The document sets out the long term vision for rural areas and details objectives, strategies, policy and planning controls to achieve the vision.

Gippsland Regional Growth Plan 2014

The Gippsland Regional Growth Plan provides a long term view and strategic land use direction for the region to 2041 and beyond. The Plan envisages that by 2030 the Gippsland region will be a major contributor to achieving the aim of doubling food production in Victoria. The Plan promotes the need when considering development applications, to recognise the importance that preservation and management of productive agricultural and forestry land makes to the rural character of Gippsland. The Plan also identifies tourism as a key driver of the Gippsland economy. Accordingly, Council considers the Rural Land Use Strategy and the Amendment are strongly supported by the Regional Growth Plan.

3.2 Ministerial Directions and Practice Notes

(i) Ministerial Directions

Council submitted that the Amendment meets the relevant requirements of the following Ministerial Directions:

Ministerial Direction 11 - Strategic Assessment of Amendments

The Amendment is consistent with Ministerial Direction 11 (Strategic Assessment of Amendments)

The Form and Content of Planning Schemes (s7(5))

The amendment is consistent with the Ministerial Direction on the Form and Content of Planning Schemes under Section 7(5) of the Act.

(ii) Planning Practice Notes

Planning Practice Note PPN42 – Applying the Rural Zones

This Practice note provides guidance to planning authorities about the strategic work required to apply the Farming Zone, Rural Activity Zone, Rural Conservation Zone; and the purpose and features of each zone and where they may be applied to ensure the most appropriate use of the zones to achieve the planning authority's rural strategic planning objectives.

3.3 Discussion

As an overarching observation, having considered submissions and evidence presented and tested during the Panel Hearing process, the Panel concludes that the Amendment is generally supported by, and implements, the relevant sections of the State and Local Planning Policy Framework.

4 Farming Zone Schedule and Rural Subdivision Policy (Clause 22.05)

4.1 The issues

Consistent with the Rural Land Use Strategy recommendations, the Amendment proposes to modify the Schedule to the Farming Zone by:

- applying a 80 hectare minimum subdivision area for Precinct 1 – East of the Bass Highway
- applying a 80 hectare minimum subdivision area for Precinct 2 – West and South of the Bass Highway
- applying a 40 hectare minimum subdivision area for all other Farming zoned land including land identified as Precinct 3 – Phillip Island.

The Amendment retains the 40 hectares minimum area for which no permit is required to use land for a dwelling across all farming zone precincts. This outcome is also reflected in the proposed Rural Subdivision Policy at Clause 22.05.

A number of submitters oppose the proposed changes to the minimum subdivision areas within the Farming Zone.

4.2 Evidence and submissions

Precinct 1 (East of Bass Highway) and Precinct 2 (West/South Bass Highway)

Council provided the following rationale for the increase in minimum lot size on the mainland:

Amendment C140 proposes to increase the minimum lot size for subdivision on the mainland in order to retain larger productive agricultural land holdings. The new local policies also seek to ensure new dwellings, uses and subdivision are required for agricultural purposes and/or are of environmental benefit. These new policies recognise the importance and preservation of productive agricultural land and include provisions to ensure that rural amenity is not affected.

Agriculture is an important part of the Bass Coast Shire economy generating approximately 9% of total economic output and 5% of all jobs.

Much of the rural land in Bass Coast is considered productive agricultural land with areas east of the Bass Highway considered land of strategic significance due to its contribution to the nationally significant Gippsland dairy industry.

Council's Part B submission states:

The Rural Land Use Strategy found that of the 5,944 Farming Zone lots within Bass Coast Shire, 3,126 were less than 4ha in size and a further 1,617 were between 4ha and 40ha. The Strategy concluded that as there are a large number of existing small lots in the Farming Zone within Bass Coast, further subdivision for genuine agricultural reasons will rarely be necessary.

There is sufficient land available within Bass Coast Shire for those seeking a rural residential lifestyle.

Council reiterated that the Farming Zone Schedule modifications seek to advance State and Regional Planning Policy. Council cited the objective and strategy listed at Clause 14.01-1 of the State Planning Policy Framework:

Objective

To protect productive farmland which is of strategic significance in the local or regional context.

Strategies

Ensure that the State's agricultural base is protected from the unplanned loss of productive agricultural land due to permanent changes of land use.

Council submitted:

The lot size minimum will encourage the retention and protection of productive agricultural land and is based on a comprehensive review of land use within Bass Coast Shire.

Council noted that the Gippsland Regional Growth Plan, also strongly supports retention of productive agricultural land. Council's Part B submission references page 12 of the Growth Plan:

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

The Gippsland Regional Growth Plan's future direction of the economy of Bass Coast Shire's mainland is stated as follows:

Protect key agriculture and forestry land and support food production for export markets.

Two key agricultural strategies contained in the Gippsland Regional Growth Plan highlighted by Council as supporting its modifications to the Schedule to the Farming Zone and its suite of rural planning policies include:

- *Ensure rural housing and subdivision is for an agricultural or forestry purpose, and critically assess other proposals for non-agricultural uses within the areas of strategic significance (agriculture and forestry) for their comparative economic, social and environmental benefits.*
- *When considering development applications, recognise the importance that preservation and management of productive agricultural land and forestry make to the rural character of Gippsland.*

With reference to the above elements of State and Regional Planning Policy, Council submitted *'the proposed Farming Zone lot size minimum of 80ha on the mainland is strongly aligned with the Victorian State Governments economic vision for the region'*.

Submitters 2, 4, 6, 8, 16, 21, 22, 33 & 40 oppose the proposed 80ha minimum lot size. Contrary to these, Submitter 9 supports the intention of the policy framework to *'preserve land for farming and food production for the future.'*

The key issues raised by submitters opposing the 80ha minimum included:

- Land should be available for those seeking a rural lifestyle
- Limits entry options for younger farmers
- New intensive farming practices make it possible to profitably farm smaller lots
- Increasing the lot size minimum will devalue land
- Additional lots will aid the economy though increased development.

Submitter 2 stated *'subdivisions should be judged fairly and considered on ones own merit based on its potential to growth (sic) and developments (sic) which would widely consider to be a beneficially (sic) to the community as a whole.'*

Submitter 4 stated that the *'subdivision minimum of 40 hectares fails to acknowledge the forecast changes in agricultural production which will no longer rely on broad acre agricultural and horticultural processes.'*

Submitter 8 disagreed with the proposed minimum lot size in Precincts 1 and 2 being greater than Precinct 3.

Submitters 21 and 22 said that increasing the minimum lot size in the Farming Zone from 40ha to 80ha *'will cause hardship for farmers though the devaluation of properties greater than 80ha'*.

Submitter 33 objected to the proposed minimum lot size. Mr Peake of Counsel represented the submitter at the Panel Hearing. Mr Peake called Economic Evidence from Mr Henshall of the firm Essential Economics.

The submission by Mr Peake noted that the submitter owns approximately 252ha of agricultural land at Glen Forbes which is used for grazing. He submitted that the proposal to double the minimum lot size for which a permit can be granted for subdivision:

- *Is not supported by any proper strategic study or report;*
- *Will not result in a good planning outcome;*
- *Will not have net community benefit.*

The submission argued that there is no strategic basis for the new minimum lot size:

The proposed minimum lot size is a blunt tool that will remove the discretion to consider an application that will create lots of between 40ha and 79.9ha on the merits. It is proposed without an examination of the agricultural need to double the minimum lot size and without any examination of any negative impacts on agriculture, the farming community and the community general.

Mr Peake provided a review of the Rural Land Use Strategy. He was critical of the document stating that it cannot be regarded as a strategic study that supports increasing the minimum lot size. Further, he considers there is no study that provides such justification:

...the Planning Authority has not identified any strategic study that identifies a need to increase the minimum lot size ... and the Rural Land Use Strategy (RLUS) is not a suitable document to be incorporated into the Planning Scheme.

A fundamental failing of the RLUS is that whilst it refers to 'completion of a number of Council studies', there is no council study that has considered the need for, or the implications arising from, the proposed increase in the minimum lot size.

The submission acknowledges that the subdivision of rural land into small lifestyle lots is undesirable *'for a wide range of reasons, including increasing farming land values'*. However, Mr Peake is critical of the Rural Land Use Strategy stating it *dodges around the question of what is a 'small lot'*. On this issue the submission asserts the Rural Land Use Strategy:

makes an assumption that the subdivision of and into 40ha lots amounts to 'fragmentation of land in rural areas' and will encourage additional dwellings unrelated to the agricultural use of the land'. To suggest 40ha lots represent fragmentation of rural land is unsupported.

The submission also examines the questions of whether a mandatory minimum lot size of 80 hectares is required to support farming practices and agricultural productivity, and whether it is appropriate to specify a minimum lot size to protect the rural landscape and maintain green breaks between towns. On both questions, Mr Peake submitted that there is no apparent or reasonable basis to support these findings.

Without repeating the evidence of Mr Henshall verbatim, he advanced the opinion:

- Small farms are operating in a productive manner – Therefore why 'is it necessary to increase the minimum lot size from 40ha to 80ha?'
- Dairy production remained steady between 2006 and 2011 – Therefore *'why increase the lot size if the dairy industry is operating in a satisfactory manner?'*
- Farmers seeking to expand their existing land holdings by say 40ha will be forced to buy 80ha or twice what the need at a price higher than they can afford.
- Lack of data is provided in the Rural Land Use Strategy to indicate a proliferation of 40ha lots and need to increase the minimum lot size to 80ha.
- The market is focused primarily on smaller lot sales noting:

...my review of property sales in Bass Coast Shire in the period 2011 to 2014 involving land in primary production indicates only 14 sales or 11% of all sales over the five-year period involved lots of 80ha and above. Thus, market interest is focused on lots that are smaller than 80ha as reflected in the statistics showing 88% of all sales are for smaller lots.'

The witness statement referenced sections of the 'North East Regional Land Use Panel Report' and the Mount Alexander Rural Study that questions the relationship between lot sizes and agricultural production. Mr Henshall also provided some observations from a number of Council Officers and Consultants (unidentified) that informed his view that defining minimum subdivision size in the Farming Zone is 'not a precise science'.

Mr Henshall concluded '*my review of available material indicates that a case for increasing the minimum lot size in Bass Coast Farming Zone from 40ha to 80ha is not supported by the assessments presented in the Bass Coast Rural Land Use Strategy (2013)*'.

In concluding his submission, Mr Peake noted that his client generally supports the thrust of the Rural Land Use Strategy, to support agriculture in the Farming Zone and to discourage incompatible land uses. However, he noted that his client opposes the proposed removal of the discretion to consider applications to subdivide land into lots of between 40ha and 79.9 hectare, on their individual merits. The submission concluded:

It is submitted that this panel should recommend that the amendment be adopted with changes. It is submitted that the changes should be:

- *That the schedule to the FZ not be amended to increase the minimum lot size;*
- *That the vision for the FZ should not be amended to include retaining the valued rural landscape. That is a function for another control, if appropriate, consequent on an(d) assessment of the landscape;*
- *That there be consequential changes to the proposed policy.*

Council's Part B submission addressed the evidence of Mr Henshall:

Small Farms

It is agreed that smaller land holdings have the ability to and do operate viable agricultural businesses. However, Bass Coast Shire needs to maintain a diversity of lot sizes in order to ensure that different agricultural enterprises can be accommodated. As of 2013, there was 1,617 lots within the municipalities Farming Zoned land sized between 4 and 40ha that can be utilised for intensive agriculture.

Dairies

The Rural Land Use Strategy acknowledges the importance of dairy farming for Bass Coast Shire and the Gippsland region, however the Rural Land Use Strategy is not a document that is specific to the dairy industry. The planning control changes proposed by Amendment C140, including the lot size minimum, seeks to balance the competing needs of maintaining productive agricultural land, protecting environmental and rural amenity, providing for tourism and maintaining liveability in Bass Coast's rural areas.

Amendment C140 applies to all rural land owners and business operators, not just the dairy sector. The remaining larger lots within the shire are utilised for a variety of agricultural uses that will be of economic benefit to the Gippsland region. Therefore the comments regarding the dairy industry in isolation are considered not relevant to Amendment C140.

Land Purchase

In 2013 the shire had 1,617 lots sized between 4 – 40ha within the Farming zone. The proposed minimum lots size will not prohibit farmers from purchasing these existing smaller lots in order to increase their land holdings a lower cost.

Land Values

As of 2013 there was 5,944 lots in the shires farming zone of which 178, or 2.9%, of the total lots were sized 100ha or above. If 11% of primary production land sales occurred on 2.9% of the primary production properties within the shire then this indicates a healthy market interest in larger lots, even accounting for the 20ha difference that the data available requires.

Reference to North East Regional Land Use Panel Report

The witness statement has examined a Panel Report that applies to rural land in Victoria's far north. Both Campaspe and Moira Shires are located on the Murray River and Greater Shepparton is located on the southern border of Moira Shire. Bass Coast Shire is located on the Gippsland Coastline, is in much closer proximity to the Melbourne metropolitan area and is thus facing significantly different rural land use issues than Councils located in the Victoria's far north.

While the North East Regional Panel Report does question the relationship between lot size and agricultural productivity, Campaspe raised the minimum lot size for subdivision to 60ha in some areas and Moira to 60ha on all Farming Zone land.

All three shires also raised their minimum area for which no permit is required to use land for a dwelling to 60ha on some Farming Zone land (Greater Shepparton and Campaspe) or 80ha on all Farming Zone land (Moira).

Reference to Mount Alexander Rural Study

The Bass Coast Rural Land Use Study does not dispute that smaller Farming Zone lots can be productive and contribute to the agricultural economy. One of the key reasons for the recommendation to retain the 80ha lot size minimum is based on the analysis of the existing lots in the Bass Coast Shire.

As Bass Coast Shire's Farming Zone land is already highly fragmented further subdivision for genuine agricultural reasons will rarely be required. Those seeking smaller lots for innovate farming use have sufficient choice with 1,617 lots sized between 4 and 40ha within the shire.

Retention and protection of the remaining 176 lots sized over 100ha from further subdivision is important in order to maintain a variety of lot sizes for different agricultural uses.

It is considered more useful to examine the proposed 80ha lot size minimum for the Farming Zone against the Farming Zone provisions of similar rural

Councils. Neighbouring South Gippsland Shire Council has an 80ha subdivision minimum. In the west the coastal Geelong City Council, Surf Coast Shire and Colac Otway Shire all have areas with an 80ha subdivision minimum.

Council's Part B submission also referenced two recent subdivision permit refusals by Council that were based on there being no agricultural benefit to the subdivision sought. Both decisions cited were upheld by VCAT on appeal. One of the cases related to Mr Peake's client application for a six lot subdivision of his property at Glen Forbes (VCAT Reference P844/2014).

Council noted that the VCAT member in providing their reasons for refusal found that the six lot subdivision at Glen Forbes did not meet relevant State and Local Planning Policies and provisions of the Farming Zone and had major shortcomings:

...the proposed creation of six new lots and hence up to six new dwellings will ... lead to the future removal of the relevant land from its current productive agricultural use, contrary to the purposes of the Farming Zone

I do not share Mr Pitt's (who provided agricultural evidence in support of the proposal) optimism that we should simply assume that the future owners of the proposed six new lots will 'roll up their sleeves' and invest substantial time, energy and capital in the active farming of these lots

I accept that the creation of a larger number of smaller lots typically drives up the value of these smaller lots, at least where a house can be built on same as-of-right. This in turn makes it more difficult for genuine farmers wishing to expand their land holdings to be able to afford to do so.

Council cited this VCAT decision to demonstrate the need to strengthen the subdivision provisions of the Farming Zone as is being advanced by the Amendment.

Precinct 3 – Phillip Island

Submitter 31 submits that the Rural Subdivision Policy restricts opportunities for tourism development on Phillip Island and that Phillip Island should be excluded from the Schedule as Phillip Island is being dealt with through a separate strategic planning process and the 40ha minimum currently applies. This submission requested that the policy be amended to exclude Phillip Island.

Council's Part B submission responds:

Amendment C140 proposes retaining the 40ha lot size minimum for Farming Zoned land on Phillip Island as it is recognised that agricultural land on the Island is used for a variety of uses due to poorer quality of the soils as compared to the mainland. The Rural Subdivision Policy will be applied to Phillip Island to guide subdivision applications and ensure the subdivision is for genuine agricultural purposes and provides clear policy direction for subdivision applicants and decision makers.

Council is currently preparing the Phillip Island Tourism Strategy 2035, due for completion July 2016, which will provide tourism based land use recommendations for Phillip Island.

4.3 Discussion

Contrary to the submission put by Mr Peake on behalf of submitter 33, the Panel considers that the Rural Land Use Strategy and its background investigations provides significant support for the introduction of an 80ha minimum lot size on the mainland in the Farming Zone. The Panel considers the increase in the minimum lot size to 80ha will assist in preserving the retention of valuable agricultural land for future productive land use which is fully consistent with the objectives and strategies articulated in both State and Regional Planning Policy.

The analysis in the Rural Land Use Strategy highlights the existence of a wide range of lot sizes in the Farming Zone. Of the approximate 6,000 lots, over half are under 4ha, approximately 1,600 between 4ha and 40ha, and approximately 1,000 between 40ha and 100ha. There are only approximately 180 lots in the Farming Zone greater than 100ha in size. The figures highlight to the Panel that there are a significant number of smaller land holdings in the Farming Zone that can adequately provide for a wide range of small and medium sized productive agricultural operations. The range of lots sizes also will not compromise farm consolidation.

Based on the analysis provided in the Rural Land Use Strategy the Panel considers it highly appropriate for Council to seek to avoid further fragmentation of the remaining larger farm parcels and the development of housing not linked to productive agricultural use. Maintenance of a variety of lot sizes, and avoiding further fragmentation of the Shire's productive agricultural land resource is considered by the Panel to be highly appropriate based on the analysis of opportunities and constraints, and consideration of net community benefit.

The Panel accepts Council's submission that both State and Regional Planning Policy provide significant support for the suggested modifications to the Farming Zone Schedule and local planning policy.

The Panel supports Council's concluding comments in relation to the Rural Land Use Strategy background analysis and rationale for the increase in minimum lot size:

Mr Peake questioned the basis for the change and claimed that there was no strategic justification 'to amend the VPPs (Victoria Planning Provisions) for Bass Coast'. We submit there is plenty. The Bass Coast Rural Land Use Strategy – Part 1: Rural Land Analysis and investigations clearly addresses this claim.

Further Mr Peake argued that Council's position is "bigger is better". I cannot find that anywhere in Council's submission or indeed the Bass Coast Rural Land Use Strategy. Mr Peake and indeed the expert witness Mr John Henshall seemed to be of the view that you could only have 40 or 80ha lots and did not acknowledge there is a range of lots already in the municipality. They argued that 'planning cannot dictate the economics of farming'.

They seem to have missed the point – we are not saying it is one or the other. In fact there approximately 1,617 lots in the range from 4 - 40ha and indeed there is also a considerable number of lots (1,023) between 40 – 100ha.

The intent of the proposed changes are to maintain a range of lot sizes, and to ensure going forward Council protects its agricultural land and ensures it can sustain a viable agricultural sector based on a range of lot sizes to meet the diversity in agricultural practises.

We submit the position put forward in Council's Part B Submission clearly justifies the proposal to increase the minimum lot size for subdivision from 40ha to 80ha on the mainland. In particular the analysis of other like Councils' (ie. South Gippsland, Surf Coast and Geelong) indicates a similar minimum subdivision size for the Farming Zone. And the analysis of recent VCAT decisions regarding proposed subdivisions which Council submitted demonstrates that the 40ha minimum in these locations (mainland) is not appropriate (Panel emphasis).

As noted above Council is not breaking new ground by applying an 80ha minimum subdivision size in its Farming Zone. The structure of the Victoria Planning Provisions clearly contemplate and provide for the application of higher (or lower) minimum subdivision sizes than the default 40ha minimum in the Farming Zone based on local and regional circumstance. The Panel is satisfied that, Council's Rural Land Use Strategy background report and subsequent Final Report validates the appropriateness of increasing the minimum lot size of the Farming Zone to 80ha on the mainland, while retaining 40ha on Phillip Island.

4.4 Conclusions

The Panel supports the proposed modifications to the Farming Zone Schedule and Rural Subdivision Policy, as exhibited.

5 Rural Activity Zone and Schedule

5.1 The issues

The Amendment proposes to apply the Rural Activity Zone to land at Coronet Bay – Corinella, land at the Gurdies and to land between Inverloch and Cape Paterson consistent with the findings of the Rural Land Use Strategy. No opposing submissions were lodged concerning the Coronet Bay rezoning and accordingly it is not subject of further discussion in this report. Land at Newhaven was identified in the Rural Land Use Strategy as a candidate location for rezoning to the Rural Activity Zone, however Council choose not to pursue such a rezoning at this time due to a Tourism Strategy currently being prepared for Phillip Island. A number of submitters oppose the application of the Rural Activity Zone in the other locations proposed via Amendment C140. Each of these are discussed in turn.

5.2 The Gurdies

(i) Submissions

Submitter 9 stated that ten out of twenty landholders in the Gurdies area lodged objections to the proposed Rural Activity Zoning.

Submitter 9 questioned the justification of the Rural Activity Zone:

The existing RAZs within Bass Coast Shire are the three on Phillip Island (the areas by the Koala Park and A Maze 'n' Things, and the Grand Prix circuit), and on the mainland the Worm and the service station in Bass on the corner of Soldiers Road.

Submitters 10, 11, 19, 23 and 29 consider that sufficient, clear and accurate information and justification for this amendment has not been provided to residents to enable them to consider the implications of the proposed Rural Activity Zone and for them to be able to fully understand the underlying basis of the rezoning.

Submitter 19 stated 'Amendment C140 does not provide any indication of the business case/commercial sustainability' for potential tourism focused developments such as high quality boutique accommodation, restaurant/café, nature based tourism.

Submitters 10, 11, 20 and 32 stated that 'The Gurdies' has no public amenities, narrow roads and is poorly serviced by internet reception.

Submitter 11 and 19 sought clarification on the difference between the Farming Zone and Rural Activity Zone.

Submitter 20 was concerned that the proposed Rural Activity Zone would limit the potential to build a house on his 20.69ha site.

Submitter 11, 19, 20, 42 submitted that allowing tourism into 'The Gurdies' will have an impact on bushfire risk.

Submitter 9 provided information on the environmental values of 'The Gurdies' and stated:

... nowhere is there any recognition or understanding in any of the documents of the unique and sensitive environment we as landholders at the Gurdies share with the two nature reserves to the north and south of our hillside.

Our land is a wedge between the Gurdies Nature Conservation Reserve and the Hurdy Gurdy Creek Reserve.

Most of the large properties on the hill abut one of these two reserves, and the wildlife movement is substantial. The area is recognised as a significant bio-link in the Western Port Biosphere Biodiversity Plan prepared by the Western Port Biosphere Reserve Foundation.

St Heliers Road crosses a vital animal corridor. This wildlife corridor links all the reserves from the Bass River, Grantville Reserve, The Gurdies Nature Conservation Reserve, Hurdy Gurdy Creek reserve, Peacock Road and the Holden Proving Ground.

I understand that Council is working on a bioline and biodiversity plan. And separately the Federal Minister for the Environment and our local Member is planning a major Western Port study. It makes no sense to invite tourist-related activities into an area which will be a crucial ingredient in both these studies.

Submitter's 9, 19, 28, 32, 42, 45 consider that any tourism development permitted by the Rural Activity Zone would impact on the surrounding nature reserves environmental and wildlife values. Submitter 45 stated that the Gurdies *'should be protected at the very least as a Rural Conservation Zone' as it forms part of a significant wildlife corridor'.*

Submitter 23 objected to the Rural Activity Zone and advised that no study of the environmental significance of the Gurdies locality has been completed to assess impact of the proposed Rural Activity Zone.

Submitter 45 provided statements from a number of qualified and experienced individuals with relevant environmental backgrounds that highlighted some of the unique environmental values of the Bass Coast and the Gurdies.

Submission 9, 11, 14, 19, and 28 provided support of development of the 'Fantasia Site'. Submitter 9 stating *'We want Fantasia developed, no matter what its zoning.'* Submitter 23 stated *'The Fantasia building and surrounding land would be an ideal spot for further development'.* Submitter 28 stated *'Fantasia has great highway exposure, it will attract a lot of passers by and minimise any additional impact on flora and fauna'.*

Council's Part B submission provided clarification of the differences between the RAZ and FZ:

The relevant purpose of the Rural Activity Zone is "To provide for other uses and development, in appropriate locations, which are compatible with agriculture and the environmental and landscape characteristics of the area" whereas the relevant purposes of the Farming Zone are to "Encourage the retention of agricultural land" and "To ensure that non-agricultural uses, including dwellings, do not adversely affect the use of land for agriculture". This difference in purpose allows for greater consideration of tourism uses on agricultural land in the Rural Activity Zone.

Council also submitted:

Amendment C140 acknowledges that while there is potential for further development of tourism in the Shire's rural areas, this must not come at the expense of the landscape, amenity, environmental and agricultural values of the Shire or the liveability for residents.

Council's Part B submission concludes:

The Rural Land Use Strategy provides strong justification for rezoning the area to Rural Activity Zone:

- *The rezone area mainly consists of smaller lots*
- *There is some existing tourism product in the area or near the area*
- *Is an attractive, high amenity area*
- *Excellent access being located just off the Bass Highway.*

It is considered the proposed rezoning will not lead to overdevelopment or negative environmental impacts in the area. The proposed Rural Activity Zone local policy has application requirements that ensures all planning permit applications must consider environmental, amenity and design impacts. The purpose of the rezoning is to encourage low scale tourism uses that complement existing agricultural uses in the area.

Council's right of reply submission further elaborated on its rationale and background that guided it in proposing the application of the Rural Activity Zone to the Gurdies:

The Draft Rural Land Use Strategy was placed on exhibition throughout April and May 2013. During this time only one submission was received from a landowner in the Gurdies. This submitter has also submitted (No 45) to Amendment C140. The issues raised in their submission are not discussed in detail here but can be summarised as follows:

- *Protection of food security*
- *Vision for the long term, particularly around the Shire's environmental assets*
- *The need for a Westernport National Park*
- *Application of the Rural Conservation Zone should be extended throughout the municipality.*

Page 31 of the Bass Coast Rural Land Use Strategy – Part 2, provides a summary of assessment for why the Gurdies were recommended for a Rural Activity Zone. In particular the following is important:

- *The Gurdies is identified as a 'gateway' to the municipality.*
- *The Rural Tourism Strategy identified the following for the Gurdies: 'It is envisaged that the precinct would be suited to a high quality boutique accommodation and restaurant/café linked to cellar doors and winery and other food produce. There is opportunity for a nature based focused tourism development with the State Park in close proximity.'*

Based on the Rural Tourism Strategy and the assessment of the precinct against the criteria for allocation of the Rural Activity Zone there was strong justification for this area being included.

Amendment C140 proposed to apply the Rural Activity Zone at the Gurdies based on the recommendations of the Rural Land Use Strategy and the fact that there were no objections from landowners (only one submitter). Given this position Council resolved to proceed to include the Gurdies in the Rural Activity Zone.

On this issue Council's right of reply submissions concluded that:

Whilst we can understand the submitters concerns regarding protecting their natural asset and surrounding landscape and biodiversity of the area, we submit that the Rural Activity Zone provides greater protection for the environment (than the existing Farming Zone).

We can also confirm that Council will be considering the draft Natural Environment Strategy at the April 2016 Ordinary Council meeting. Council's Sustainable Environment Team is also commencing the Biodiversity Plan for the municipality which would address some of the concerns raised by submitters regarding bio- links and protection of the two important reserves being the Hurdy Gurdy Creek Reserve and The Gurdies Conservation Reserve.

Therefore the Rural Activity Zone is considered the appropriate zone for this area.

(ii) Discussion

The Panel has found the consideration of the opposing views expressed between Council and submissions by residents regarding the proposed rezoning of land at the Gurdies to the Rural Activity Zone to be a particularly difficult to reconcile.

Based on the background and history provided by Council (and significantly the fact that no opposing submissions were lodged to the proposed rezoning at the time of exhibition of the Draft Land Use Strategy in 2013), the Panel can appreciate why the Rural Land Use Strategy and the Amendment recommended the rezoning of the land to the Rural Activity Zone. Arguably the area does present as a 'gateway' to the Shire. The environmental features of the Gurdies are unique and 'tourism worthy'. There is also an existing tourism asset (the winery) upon which '*other land uses and development, in appropriate locations, which are compatible with agriculture and the environmental and landscape characteristics of the area*' could build. This last quote being an extract from the 'Purpose' of the Rural Activity Zone.

Having noted the above, there is not one submission that is before the Panel that supports the proposed rezoning. To the contrary, over half of the affected land owners have actively lodged submissions to the exhibition of the Amendment opposing the Rezoning. The Panel considers the opposition to the rezoning compelling. The Panel considers that there is little likelihood of realising compatible development outcomes given the opposition to the rezoning. Of greater importance to the Panel however, is the environmental qualities of the subject land and adjoining land. The Panel is concerned to ensure that the environmental

qualities of the land are not compromised. It is concerned that the environment 'may' be unduly compromised should the rezoning proceed. The Panel is also concerned that the road infrastructure serving the Gurdies may be insufficient to accommodate large increases in traffic that may result due to increased tourism activity.

For these reasons and having considered the sum of the background material and the content of submissions presented during the hearing, the Panel has determined that the proposed Rural Activity rezoning should be abandoned at this time for all areas in the Gurdies other than the 'Fantasia Site'.

In relation to the 'Fantasia Site' the Panel acknowledges the strong basis for the rezoning, and the general wide level of local support for the redevelopment of the site. There are no opposing submissions before the Panel opposing this outcome.

In relation to what should occur with the balance of the Gurdies area that was proposed to be rezoned to the Rural Activity Zone, the Panel is less clear. Based on the submissions before it, and importantly including that submitted by Council verbally in its right of reply response, the Panel considers that there 'may' be merit in considering the application of the Rural Conservation Zone to the land in recognition of its environmental context. Having observed this, such an outcome is not possible via this Amendment process as landowners have not been consulted. Further, the full implications and justification for such an outcome have not been thoroughly analysed. It is understood that a number of studies are either planned or are currently being undertaken that may shed further light on the environmental qualities of the area, such being the *Natural Environment Strategy* and *Biodiversity Plan for the Municipality*.

At this time the Panel considers that the existing Farming Zone should be retained on the balance of land at the Gurdies that was proposed by the Amendment to be rezoned to the Rural Activity Zone. However, consistent with all other land within *Precinct 1 – East of the Bass Coast Highway* an 80 hectare minimum subdivision area should apply via the Schedule to the Farming Zone. The Panel notes that this outcome will not materially affect any land owner as all lots to be retained in the Farming Zone are less than 80 hectare in size.

Once the *Natural Environment Strategy* and the *Biodiversity Plan for the Municipality* are completed the Panel recommends that Council undertake further consultation with residents at the Gurdies as part of the next planning scheme review, in order to consider the merits of applying the Rural Conservation Zone to the balance of the land.

(iii) Conclusions

The Panel concludes that:

- the Fantasia Site should be rezoned to the Rural Activity Zone as exhibited
- the balance of the land at the Gurdies should be retained in the Farming Zone
- a 80 minimum subdivision size should be applied to the lots to be retained in Farming Zone consistent with all other Farming Zoned land within *Precinct 1 – East of the Bass Highway*
- further consideration should be given to rezoning the balance of the land to the Rural Conservation Zone, subject to further consultation with residents pending the outcome of current and planned environmental investigations.

5.3 Land between Inverloch and Cape Paterson

(i) Submissions

Submitter 1 objected to the Rural Activity Zone on the grounds that *'it will permanently and detrimentally change a 10km long pristine coastline.'* The submitter commented that the proposed Cape Paterson Rural Activity Zone is not supported by *Clause 21.06-5 (Agriculture)* as the proposed Rural Activity Zone *'reduces the total area of Farming Zone'*, *'allows the rural landscape and green breaks to be built on'* and allow the environment to be *'permanently changed by potential development'*.

Submitter 17 said they support the 260ha minimum subdivision lot size. This submission noted there is a contradiction between the Significant Landscape Overlay and the encouraged uses under the Rural Activity Zone, and that the Rural Activity Zone will increase traffic and potentially result in overdevelopment. In the presentation of the submission to the Panel, Submitter 17 stated *'we believe the proposed Rural Activity Zone is less about supporting agriculture, farm stays or vineyards or horse riding and more about the tourism potential of the views. The challenge is managing the conflicting needs.'*

Submitter 17 panel presentation mentioned that in 2010 Bass Coast Shire Council prepared the *Cape Paterson Community Plan* which the submitter reports has not been considered as part of the strategy development.

Submitters 21 and 22 felt that the minimum lot size was excessive and inconsistent with other Rural Activity Zone locations within Bass Coast Shire. The submitter considers that minimum lot size should be consistently 40ha across all Rural Activity Zone localities.

Submitter 32 supported the Rural Activity Zone, noting that it contains *'some good policy direction that will go some way to protecting our precious coast and has the potential to achieve some significant environment and biodiversity gains'*. The submission however suggests the existing Rural Activity Zone schedule should be strengthened to protect the coast from large scale inappropriate development.

Council's *'Tabled Submitter Changes – Council Right of Reply'* (Hearing Document 57) summarised the requested changes to the Schedule of the Rural Activity Zone by submitter 32 and Council's response as follows:

Clause	Suggested Change	Council Response
Clause 35.08s	Amend Purpose to add words <i>small scale, low key and vital</i>	Agree
Clause 35.08s	Amend dot points 8 and 9 under Specific purposes subheading as highlighted: <i>'To enhance environmental values and increase the extent and diversity of indigenous vegetation'</i> and <i>'To achieve net gain outcomes that contributes improved biodiversity values and linkages'</i>	<i>'Net gain'</i> is not defined within the Planning Scheme, as per DELWP submission. Reword statement to read <i>'To achieve no net loss environmental outcomes that contributes to improved biodiversity values and linkages'</i> .

Submitter 39’s Panel presentation stated that the RACV objected to the proposed RAZ and the Special Use Zone 5 that currently applies to the RACV Resort is the most appropriate zone for the RACV intended use. Submitter 39 proposed a number of changes to the Schedule to the Rural Activity Zone.

Council’s ‘*Tabled Submitter Changes – Council Right of Reply*’ (Hearing Document 57) summarised the requested changes by submitter 39 to the Schedule of the Rural Activity Zone and Council’s response as follows:

Clause	Suggested Change	Council Response
Clause 35.08s	Add Schedule Number	Disagree, the Bass Coast Planning Scheme typically does not provide a schedule number where there is only one schedule to a zone
Clause 35.08s	Delete paragraph referencing Rural Land Use Strategy under Purpose	Disagree, paragraph provides policy context for dot points below
Clause 35.08s	Add new dot point under Purpose ‘ <i>To support rural-based tourism</i> ’	Agree
Clause 35.08s	Delete ‘ <i>To avoid large buildings</i> ’	Disagree not in accordance with endorsed Rural Land Use Strategy
Clause 35.08s	Amend dot point eight to read ‘ <i>To ensure development is of a scale that complements the character of the area</i> ’.	
Clause 35.08s	Amend final dot point to read ‘ <i>To ensure that any development is compatible with the existing overlay controls and minimises conflict with existing land uses on adjoining sites such as the wastewater treatment plant and horse training complex</i> ’.	Disagree
Clause 35.08s	Add reference numbers for maps	Agree
Clause 35.08s	Identify location of wastewater treatment plant and horse training complex referred to in final dot point	Disagree, not necessary to put into schedule

In its Part B submission, Council stated:

The proposed lot size minimum of 260ha will protect the area from further fragmentation and the proposed Rural Activity Zone local policy discourages inappropriate use and built form. Any applications that are within both the Rural Activity Zone and Significant Landscape Overlay will need to address provisions of both policies when applying for a Planning Permit. These provisions include the need to consider the natural environment and

demonstrate the design is of a modest scale and will not detract from the quality of the landscape.

The proposed lot size minimum is in recognition of the high amenity values of the area and agricultural quality of the land which is classified as class 4 and 4a, which is land capable of extensive grazing but generally not suited to cropping.

The purpose of the 260ha minimum lot size is to discourage further subdivision and maintain current lot configuration. This will lead to positive outcomes including protecting the viability of the area as a tourist destination by enhancing environmental values, retaining the pastoral landscape and coastal views and maintaining the dominance of the natural landscape from Cape Paterson – Inverloch Road and key viewing locations.

The Rural Land Use Strategy found that there is a large supply of smaller lots within Bass Coast Shire’s Farming Zone and that further subdivision will rarely be required for genuine agricultural reasons.

The lot size minimum will not restrict job creation. The aim of the proposed rezoning, lot size minimum and policies is to allow for appropriate tourism development, and therefore ongoing employment, while restricting residential overdevelopment encroaching into farming areas.

The proposed local Rural Activity Zone planning policy provides clarity regarding the tourism uses that Council will encourage in the proposed rezone area. The policy does not preclude planning permit applications for the discouraged uses listed within the proposed Rural Activity Zone local policy. The proposed local Rural Activity Zone planning policy provides clarity as to the types of development and uses that Council will support in the proposed Rural Activity Zones.’

Submitter 45 has concerns that the proposed RAZ could be used to exploit land for inappropriate development opportunities, for example intensive cattle feedlot farming.

Council’s Part B submission responded to this concern:

“The Rural Land Use Strategy provides a strategic context for the implementation of appropriate rural zones and land use policies across the municipality. The Strategy seeks to strike an appropriate balance between environmental, social and economic considerations and makes recommendations for the long term sustainable use of rural land.

These recommendations acknowledge that specific zones within the Victorian Planning Provisions allow for a range of permitted land uses, as well as land uses that require a planning permit (or are prohibited). In this regard it is important to acknowledge that planning permits are required for the land uses raised by the submitter and that as set out at Clause 65 of the Planning Scheme: “Because a permit can be granted does not imply that a permit should or will be granted”.

(ii) Discussion

The Panel supports the application of the Rural Activity Zone for the area between Inverloch and Cape Paterson as proposed in the Amendment. The Panel also supports the retention of the proposed 260ha lot size minimum in the Schedule to the zone.

Combined with provisions contained in the Rural Activity Zone Policy, the Panel considers that zone and schedule provision that will apply to the land will create a robust and strategically sound planning framework for this remarkable area of the municipality.

The Panel agrees with Council that rezoning of this part of the municipality represents an appropriate outcome that balances environmental, social and economic considerations and will not compromise the long term sustainable use of the land.

As discussed in Section 10 of this report, the Panel considers that the Rural Activity Zone Policy is robust and provides appropriate guidance on the land use and development outcomes envisaged in the Rural Land Use Strategy and supported by Council.

With regard to the proposed modifications to the Schedule of the Rural Activity Zone, the Panel agrees with Council's consideration of the detailed edits suggested in submissions and their translation into the modified policy provided in its right of reply submissions.

The Panel dismisses submitter 39's request for the application of the Special Use Zone (Schedule 5) to the RACV's future development site rather than the Rural Activity Zone as proposed in the Amendment. The Special Use Zone was not exhibited and Council, nor the community, have had the opportunity to adequately assess the implications of this outcome. Should the RACV club determine that a rezoning is required and justified in order to realise their future development ambitions on the site, a thorough and fully transparent exhibition and rezoning process should be undertaken.

(iii) Conclusions

The Panel supports the application of the Rural Activity Zone with a minimum subdivision lot size of 260ha for the area between Inverloch and Cape Paterson as proposed in the Amendment.

5.4 Newhaven

(i) Submissions

In its Part A submission, Council submitted:

The exhibited policies have also taken into consideration recent Council projects. The Rural Land Use Strategy recommended rezoning an area west of Newhaven on Phillip Island from Farming Zone to Rural Activity Zone, however Council is currently preparing a Tourism Strategy for all of Phillip Island and San Remo. Any planning control changes proposed on Phillip Island will occur on completion of the Tourism Strategy to ensure a consistent policy approach.

Submitter 4 provided commentary on the Newhaven Rural Activity Zone and stated the Rural Activity Zone 'is entirely appropriate and suitable for the Newhaven area and subject sites.' The submission continues to demonstrate how the Newhaven area meets the criteria

for the Rural Activity Zone in accordance with the Planning Practice Note ‘*Applying the Rural Zones.*’ The submitter concluded that the Rural Activity Zone should be added to the Amendment.

(ii) Discussion

The Panel has considered the submission to include the Newhaven RAZ as part of the Amendment and acknowledges the benefits of the Rural Activity Zone being applied to the Newhaven area given its locality and recommendation in the Rural Land Use Strategy.

However, the Panel agrees with Council’s submission that it is appropriate to delay the implementation of the Newhaven Rural Activity Zone until the Tourism Strategy for Phillip Island is completed. The Tourism Strategy will either validate or reject the need for and benefits of the Rural Activity Zone at Newhaven, or on other parts of the Island.

The Panel also notes that Newhaven Rural Activity Zone cannot be introduced as part of the Amendment as it has not been exhibited as part of the Amendment.

(iii) Conclusions

Submissions which respond to the proposed Rural Activity Zone in Newhaven should be considered as part of the review of planning controls following the completion of the Phillip Island Tourism Strategy.

5.5 Existing RAZ Schedule – Phillip Island

(i) Submissions

Submitter 13 objected to the removal of the Phillip Island Grand Prix Circuit (PIGPC) from the Purpose section of the Schedule to the Rural Activity Zone:

When the Rural Activity zone was introduced into the scheme for this site in 2006, it contained a purpose statement in the zone schedule providing for the use and development of land associated with the PIGPC, however we note that this wording has been deleted in the C140 documentation.

This is the only real policy direction in the planning scheme for PIGPC and we understand that its omission was unintended and we therefore request that it be reinstated.

Submitter 13 also requested the Rural Activity Zone Policy be amended to reflect the purpose statement of the Rural Activity Zone relating to the Phillip Island Grand Prix Circuit.

Council’s Part B submission response to this request:

The importance of the Grand Prix Circuit to Bass Coast Shire is recognised and it is agreed that the Grand Prix Circuit wording be kept within the Schedule to the Rural Activity Zone and added to the proposed Rural Activity Zone local planning policy.

(ii) Discussion

The Panel has considered the objection to the removal of the Phillip Island Grand Prix Circuit from the purpose section of the Rural Activity Zone Schedule. Council has acknowledged the

importance of the Phillip Island Grand Prix Circuit in its Part B submission to the Panel and its response to resolve this issue by retaining the wording in the schedule.

Submitter 13 confirmed during the Panel hearing that they were satisfied with the proposed wording to be retained to acknowledge the Circuit.

(iii) Conclusions

The Panel supports the inclusion of text referring to the Phillip Island Grand Prix Circuit in the Rural Activity Zone schedule, as proposed in Council's right of reply submission.

5.6 Recommendations

The Panel recommends:

Abandon the proposed application of the Rural Activity Zone at the Gurdies for all areas other than the 'Fantasia Site'.

Retain the Farming Zone on the balance of land at the Gurdies that was proposed by Amendment C140 to be rezoned to the Rural Activity Zone. Consistent with all other land within *Precinct 1 – East of the Bass Coast Highway* apply an 80 hectare minimum subdivision area via the Schedule to the Farming Zone.

Replace the exhibited version of Rural Activity Zone Schedule (Clause 35.08) with the Panel Recommended Version provided in Appendix D of this report.

Other Recommendation:

Consider the merits of applying the Rural Conservation Zone to the land that was proposed for rezoning to the Rural Activity Zone, as part of the next planning scheme review, having regard to the outcomes and recommendations of the *Natural Environment Strategy* and *Biodiversity Plan for the Municipality* once completed, and with further consultation with residents at the Gurdies.

6 Rural Conservation Zone – Rhyll Inlet

6.1 The issues

The Amendment proposes to rezone a number of private land parcels adjoining Rhyll Inlet from the Farming Zone to the Rural Conservation Zone, and also apply the Environmental Significance Overlay (Schedule 1) to the land. One of the land owners opposes the rezoning. A number of submitters support the rezoning and seek it to be extended to adjoining land.

6.2 Noonan land

(i) Submissions

Eleven submissions were received concerning the Rural Conservation rezoning. Nine were supportive (submissions 3, 15, 25, 26, 27, 30, 34, 35 and 37) of the rezoning. They consider it will have a positive environmental impact on the area. Five of the supportive submissions (15, 26, 27, 34 and 35) requested an extension of the rezoning area to include land fronting Coghlan Road. The remaining four supportive submitters have given several reasons for this request, including:

- A large area of land between Coghlan Road and the rezoning area has been identified as at risk from coastal inundation
- To increase the buffer between Cowes and the Rhyll Inlet
- To move the Cowes township boundary to Coghlan Road.

Submitter 34 panel presentation cited the *'Draft Western Port Ramsar Site Management Plan'* prepared by DELWP. Section 4.6 *Theme 3: Protecting flora and fauna* states the following management strategy which they consider supports the proposed application of the Rural Conservation Zone:

- 3.6 *Develop and implement a strategic approach to development in areas adjacent to the Ramsar site that consider the cumulative impact of multiple actions on ecological character.*

Two objections to the proposed Rural Conservation rezoning were lodged. Submitter 24, owner of one of the land parcels objects to the proposal as they are concerned the rezoning will limit use of the land for farming purposes. This submission states that the *Review of the Rhyll Wetland* was based only on a desktop assessment of the subject land and the rezoning represents an expansion of the adjoining Public Conservation and Resource Zone. The submission states that the Rural Conservation Zone will do nothing to ameliorate environmental threats as the land is grazed and has existing use rights to continue to do so.

Submitter 24 presented to the Panel and concluded with the following summary:

The proposal to introduce the Rural Conservation Zone fails the fundamental test of achieving a net community benefit under Clause 10.04 of the planning scheme as the existing Farming Zone, the proposed overlay controls and other planning scheme controls and legislation effectively provide for protection of the Rhyll Inlet environmental values. The introduction of the Rural Conservation Zone will not ameliorate the perceived threats to the

environmental values of the Rhyll Inlet and is an unnecessary duplication of the planning and other controls that already exist.

Council's submission explains that the Rural Conservation Zone is more restrictive than the currently applied Farming Zone and the Review of the Rhyll Wetland justifies the rezoning as follows:

The land provides a buffer between Cowes and the Rhyll Inlet, contains saltmarsh vegetation that is potential habitat for critically endangered birds, is located within the Westernport Ramsar site and has high environmental value. The Review also notes the Land Subject to Inundation Overlay, proposed via Amendment C82, as approved by Council and currently with the Planning Minister for approval, covers most of the rezone area.

Council's Part B submission explained that the Rural Conservation Zone is not an extension of the neighbouring Public Conservation Resource Zone. In respect of submitter concerns regarding future development potential Council noted that land owners within the proposed RCZ:

... can apply for planning permits to use and develop their land, subject to meeting the provisions of the Rural Conservation Zone and Environmental Significance Overlay Schedule 1 in conjunction with other relevant Planning Scheme controls.

Council acknowledged that on submitters 24's land there may be space suitable for development due to the higher topography as compared to the rest of their site. The proposed RCZ does not prohibit planning permits of commonly sought after uses and development, such as for dwellings.

In relation to the submissions that requested an extension of the Rural Conservation Zone further to the West, Council's Part B submission states that this outcome is not supported for several reasons:

- *The proposed rezone area is in line with the Cowes township boundary*
- *Part of the Cowes Golf Course is located between the rezone area and Coghlan Road*
- *The Review of the Rhyll Wetlands did not recommend extending the rezone area beyond its initial scope.*

(ii) Discussion and conclusion

On balance, the Panel supports the application of the Rural Conservation Zone and the Environmental Significance Overlay (Schedule 1) to submitter 24's land (Noonan Land) as exhibited. The Panel however considers it appropriate to further consider the merits of incorporating the environmentally significant proportion of the land into the Rhyll Wetland via reaching a pragmatic, equitable and balanced outcome via negotiation with the State Government. In reaching this finding the Panel acknowledges that there appears to be a portion of the land that may be suitable for the construction of a dwelling above the floodplain.

The Panel does not support the extension of the proposed Rural Conservation Zone to the west to Coghlan Road in Cowes via this Amendment process given the area has not been investigated for its conservation values and is currently in the Cowes settlement boundary (Clause 21.08-5). Any further consideration of the extension of the Rural Conservation West of Coghlan Road should be addressed as part of the review of the Cowes, Silverleaves, Ventnor, and Wimbleton Heights Structure Plan.

6.3 Nicholls Land

(i) Submissions

Submitter 46 lodged a late objection to the Amendment objecting to the proposed application of the Rural Conservation Zone to their land. The objection noted:

- The proposed RCZ is '*clearly based on property boundaries and has no clear regard to the topography and environmental features of the land*'. It is submitted that conservation values do not apply to the entire property proposed for RCZ.
- There is no justification why a more restrictive zone be applied.
- Options are being investigated to reach an equitable outcome that may result in the transfer of land that is of conservation significance to the Crown.

The submission noted that they would like to further subdivide their land and would like the rezoning to reflect efforts made to transfer ownership of the environmentally significant portion of their land to State ownership.

Council Part B submission concluded in relation to submitter 46's land:

Further subdivision of submitter 46's land is prohibited under the provisions of the existing Farming Zone as neither of their two lots are above the minimum lot size for a Farming Zone subdivision. Rezoning the land to Rural Conservation Zone will not affect future efforts by land owners in this area to transfer land to State ownership.

(ii) Discussion and conclusion

The Panel supports the application of the Rural Conservation Zone and the Environmental Significance Overlay (Schedule 1) to submitter 46's land (Nicholls Land) as exhibited. The Panel acknowledges advice that the land owner is in discussions with the State Government regarding the possible transfer of the environmentally significant proportion of the land into the Rhyll Wetland.

7 Municipal Strategic Statement (Clause 21)

7.1 The issue

A number of submitters sought modifications to the exhibited version of Clause 21.

7.2 Submissions

Submitter 39 considers a number of changes to Clause 21 are required to strengthen the policy for rural tourism. Council's *'Tabled Submitter Changes – Council Right of Reply'* (Hearing Document 57) summarised the requested changes and Council's response as follows:

Clause	Suggested Change	Council Response
Clause 21.05-2	Under specific implementation fixup clause reference numbers	Specific Implementation subheading removed by Amendment C134
Clause 21.06-4	Shift paragraphs 4 and 5 under overview to become introductory statement	Disagree
Clause 21.06-4	Delete "On the basis of these criteria the Bass Coast Rural Land Use Study identified appropriate locations for the application of the Rural Activity Zone including at: -Coronet Bay -The Gurdies -Inverloch-Cape Paterson"	Agree, wording superfluous if Amendment C140 approved. Post C134: This policy now Clause 21.03-4.
Clause 21.06-4	Delete "Strategy 1.2 Discourage tourist development from establishing along major tourist routes"	Disagree, not in accordance with adopted Rural Land Use Strategy
Clause 21.06-4	Delete under Specific Implementation: "Apply the Rural Activity Zone to the following locations: -Coronet Bay -The Gurdies -Inverloch-Cape Paterson"	Specific Implementation sections have been removed from Bass Coast Planning Scheme via C134. It is agreed this text does not need to be re-included into the scheme.

Clause	Suggested Change	Council Response
Clause 21.08-6	Amend Strategy 1.1 "Discourage ad-hoc (delete) <i>proliferation</i> establishment of advertising signage in rural areas, in locations with high scenic values and along major tourist routes"	Agree, ad-hoc wording inappropriate, proliferation more appropriate. Post C134: This policy now Clause 21.05-8
Clause 21.13	Add Phillip Island Tourism Strategy to Future Strategic Work	Clause 21.13 removed via Amendment C134

Submitter 31 requests that the changes to Clause 21.06-5 be amended to exclude Phillip Island as the amendment will restrict tourism opportunities.

Council's Part B submission states in response to Submitter 31:

The amendments to clause 21.06-5 (Land Uses, Agriculture) are to ensure the Municipal Strategic Statement is consistent with the proposed Non-Agricultural Uses and Rural Subdivision policies and insert relevant objectives and strategies from the adopted Rural Land Use Strategy into the Bass Coast Shire Planning Scheme. Amending the proposed changes to exclude Phillip Island would make the Municipal Strategic Statement inconsistent with the proposed new planning scheme policy and would go against Council's adopted position on rural land use within the Shire.

Submitter 41 was generally supportive of the Amendment and requested several changes to the Municipal Strategic Statement to include vegetation not currently covered by the Bushfire Management Overlay. The following changes to the MSS were suggested in the submission:

- *Clause 21.02-6 include bushfire as a consideration under 'environmental hazards' as well as in the discussion around climate change*
- *Clause 21.03-3 – include 'bushfire' under 'managing environmental hazards'*
- *Clause 21.04-2 – include bushfire considerations/strengthening community resilience to bushfire under 'Environment'*
- *Clause 21.05-1 include an objective and/or strategy about considering bushfire and/or avoiding development in locations of higher bushfire risk and directing new development away from hazard.*

Council's Part B submission responds to this submission:

The CFA's submission is noted, however it is considered that the current bushfire prevention provisions within the Bass Coast Planning Scheme adequately address the issue. It is also noted that bushfire prevention provisions are currently under review by Department of Environment Land Water and Planning.

7.3 Discussion

The Panel considers the modifications to Clause 21 as advanced by the Amendment strengthen the Local Planning Policy Framework and represent worthwhile additions that are reflective of the strategic intentions of the Bass Coast Rural Land Use Strategy.

Panel agrees with Council's consideration of the detailed edits suggested in submissions and their translation into the modified Clause 21 in its right of reply submissions. In the opinion of the Panel the majority of the proposed edits are either unnecessary, as they duplicate other planning provisions in the scheme, or do not reflect the strategic direction articulated in the Rural Land Use Strategy, or are inconsistent with the use of planning policy within the Victoria Planning Provision.

The Panel notes that Council's right of reply submission noted that Amendment C134 to the Bass Coast Planning Scheme has been Gazetted. Amendment C134 was a policy neutral Amendment that corrected a number of grammatical errors, removed duplication and redundant information, and reorganised several clauses within the Local Planning Policy Framework (LPPF) and changed nearly all Municipal Strategic Statement (MSS) Clause 21 numbers.

The Panel agrees with Council that as the Amendment includes changes Clauses 21.02, 21.03, 21.04, 21.05, 21.06, 21.08, 21.11, 21.12 and 21.13, prior to the adoption of the Amendment, it will be important to reconcile the policy neutral changes between Amendments C134 and C140.

Council provided the Panel with a table outlining the Amendment C134 changes and new track changes version for all exhibited LPPF Clauses. The Panel has noted the adoption of Amendment C134 and concludes that the changes as a result of Amendment C134 are policy neutral and do not impact on the content of the Amendment other than a change to Clause numbers.

7.4 Conclusion

The Panel concludes that the proposed edits to Clause 21 advanced by the Amendment, as further modified by Council are appropriate.

7.5 Recommendations

The Panel recommends:

Amend the exhibited version of Clause 21 to reflect the policy neutral changes given effect via the Gazettal of Amendment C134 as reflected in '*Amendment C140: Amendment C134 Policy Neutral Changes*' (Hearing Document 52) and to reflect Council's revised Clause 21.03 and Clause 21.05 '*Post C134 Position Paper and Submitter Changes*' (Hearing Document 57).

8 Rural Dwellings Policy (Clause 22.06)

8.1 The issue

A number of changes are proposed to the exhibited Rural Dwellings Policy to provide greater discretion and guidance for circumstances which a dwelling will be approved in the Farming Zone on small vacant lots.

8.2 Submissions

Submitter 30 submitted that the current wording of Clause 22.06 Rural Dwelling Policy *'does not reflect my situation where I have a parcel of land that is unsuitable for agriculture. The property is too small to farm, cropping is unviable due to salt spray and cattle cause erosion of the fragile sandy soil.'* Submitter 30 requested the proposed Rural Dwellings Policy include provision for consideration of new dwellings in the Farming Zone that are legacy rural lifestyle subdivisions unsuitable for agricultural production. Specific modifications sought to the policy included:

- Consolidate the Policy Objective to read: *'To allow for consideration of dwelling permit applications on land within historic settlement subdivisions, such as Kernot, Leggetts Lane Inverloch, Kitty Miller Bay and other locations where the use and development of a dwelling will not impact on surrounding agricultural land uses, the environment and amenity of the area.'*
- Consolidate the Policy statement to read: *'Dwelling applications for new or replacement dwellings in historic small settlement subdivisions and other locations where the use and development of a dwelling will not impact on surrounding agricultural uses or the environment and amenity of the area, are exempt from demonstrating agricultural use of the land or entering a s173 agreement requiring the dwelling to be only used in conjunction with agricultural production'*

Council's Part B submission responds to Submitter 30 as follows:

It is agreed that the Rural Dwellings Policy does not include clear consideration for rural dwellings on Farming Zoned lots that are not suitable for agriculture due to being smaller lots located within legacy rural lifestyle subdivisions. Council considers it appropriate to update the Rural Dwellings Policy to allow for consideration of dwellings on smaller lots that are within areas of high environmental value and are of little agricultural value.

The updated provisions will only support new dwellings in the Farming Zone where there is no or limited native vegetation removal required to facilitate the construction of a dwelling and the new dwelling does not impact on adjoining agricultural uses. This includes any bushfire protection measures, such as defendable space and vehicle access requirements.

The updated provisions will also include a requirement for landowners to enter into a section 173 or similar binding agreement for the development and implementation of a land management plan to provide for the ongoing protection and management of native vegetation and biodiversity onsite.

The change to Clause 21.06 allows for new dwellings to be considered where there is evidence that a previous planning permit for subdivision had considered the future development of a dwelling.

8.3 Discussion

Kitty Miller Bay area was developed in the 1970s with nine parcels of land of similar size averaging 2.5ha. The land was originally zoned Rural Residential with the clear intention to allow residential development on these allotments. At some point, the zoning of the land was changed to the Farming Zone.

The Panel has inspected Submitter 30's land and the Kitty Miller Bay subdivision and noted that character, size and layout of the lots. Lots address the Kitty Miller Bay coastline and dune system. It was evident that the purpose of the subdivision was not related to advancing productive agricultural outcome, but rather to facilitate a limited number of additional opportunities for rural lifestyle housing within the Shire.

The purpose of the Rural Dwellings Policy is to guide decision making on whether a permit should be granted for dwellings on lots less than 40 hectares in the Farming Zone. The draft Policy Basis for Clause 22.06-1 states *'the unplanned incursion of residential land uses into rural areas results in agricultural land being taken out of production. While a rural dwelling will often be needed to properly farm the land, new dwellings must be limited to those that genuinely relate to agricultural production.'* It is clear that that Kitty Miller Bay legacy rural lifestyle subdivision was not designed with the intention of being utilised for farming purposes and the original intent of the subdivision was to allow residential development in this subdivision.

It could be argued that the Farming Zone which applies to the Kitty Miller Bay subdivision is inappropriate given the size of the lots and purpose for which they were subdivided was never intended to be for farming purposes. Review of the appropriateness of the Farming Zone in this location should occur as part of Council's future planned review of historic villages, rural living areas and small rural lots via a *Housing and Settlement Strategy*.

The Panel supports Council proposed update of the Rural Dwellings Policy to allow for consideration of dwellings on smaller lots that are of little agricultural value where exceptional circumstances can be demonstrated, such as in Kitty Miller Bay. Council's revised wording to allow consideration of a dwelling where a previous planning permit for subdivision had considered the future development of a dwelling or where the use and development of land for a dwelling will result in positive demonstrable environmental benefits is supported.

The Panel considers the following wording should be reflected in the Policy Objective (as opposed to that advance by submitter 30):

- *To allow for consideration of planning permit applications for the use and development of land for a dwelling not associated with the agricultural use of the land where exceptional circumstances can be demonstrated, including:*
 - *Land where a previous planning permit for subdivision had considered the future development of a dwelling.*

- *Land with established environmental qualities where the use and development of land for a dwelling will result in positive demonstrable environmental benefits.*

The Panel considers this more generic wording, without reference to some but not all of historic settlement subdivisions in the Shire will assist in avoiding confusion. Similarly, the Panel prefers the wording of the more generic Policy provision as follows:

- *Ensure applications for new dwellings not associated with the use of land for agriculture can demonstrate exceptional circumstances, including:*
 - *Evidence that a previous planning permit for subdivision had considered the future development of a dwelling.*
 - *Demonstrable environmental benefits.*

The Panel notes that the new policy will only support new dwellings in the Farming Zone on lots less than 40 hectares where there is no or limited native vegetation removal required to facilitate the construction of a dwelling and the new dwelling does not impact on adjoining agricultural uses. This includes any bushfire protection measures, such as defensible space and vehicle access requirements.

Council's right of reply submission reiterated the policy should 'honour' the approval of dwellings on small vacant lots in circumstances where Council has previously approved the creation of the lot.

8.4 Conclusions

The Panel concludes the exhibited Rural Dwellings Policy, as modified by Council during the Panel Hearing process in response to submissions, is strategically justified and robust.

The Policy will be an important statutory planning tool, particularly until such time as Council commissions and then implements the recommendations arising from its proposed *Rural Housing and Settlement Strategy* which will address planning frameworks for its historic villages, rural living land and small rural lots.

8.5 Recommendation

The Panel recommends:

Replace the exhibited version of the Rural Dwellings Policy at Clause 22.06 with the Panel Recommended Version provided in Appendix E of this report.

Other Recommendation

Commence the preparation of a *Rural Housing and Settlement Strategy* to update planning policy and land use zoning responses regarding; development within historic villages; appropriate locations for rural living development; and small rural lot development as soon as resources (time and financial) are available.

9 Non Agricultural Uses in Farming Zone Policy (Clause 22.07)

9.1 The issue

A number of submissions opposed or sought modifications to the Non Agricultural Uses in the Farming Zone Policy proposed for inclusion at Clause 22.07.

9.2 Submissions

Submitters 4, 12 & 31 oppose the Non Agricultural Uses in the Farming Zone Policy. The submitters concerns can be summarised as:

- The policy will restrict development
- The list of discouraged uses in this policy are too extensive
- The policy is in conflict with the provisions of the Farming Zone
- The policy is not aligned with the San Remo Strategic Framework Plan.

Submitter 12 noted that the exhibited policy appears to relate solely to the consideration of the Rural Land Use Strategy and does not appear to have taken into account relevant parts of the existing scheme. The submitter suggested that the proposed policy should be *'amended to better reflect the overall intent of the Planning Scheme in relation to lands included within the Recreation and Tourism area of the Strategic Framework Plan of clause 21.10-2.'* Specific changes sought include the addition of the following text to two dot points within the Policy:

... or where they are specifically supported in other policy within this Planning Scheme.

Submitter 4 does not support the content of Clause 22.07 as *'it contradicts the purpose and intent of Clause 35.07. Clause 22.07 lists land uses which should be discouraged that could reasonably be considered through planning application process, and either allowed or disallowed on their merits.'*

Submitter 31 stated *'this policy would unfairly discriminate against Farming Zoned land on Phillip Island that is appropriate for tourism development but will not benefit from concurrent rezoning through Amendment C140.'*

Council's Part B submission responds to the issue of development restrictions as follows:

The Non Agricultural Uses policy does not preclude planning permit applications, and the only accommodation uses it discourages are hotels and caravan parks. The Non Agricultural Uses policy also encourages appropriate tourism uses such as 'Tourism facilities in association with or that complement agriculture such as wine tasting, farm gate sales' and does not expressly encourage or discourage bed and breakfast or group accommodation' (paragraph 42).

Council's Part B submission responds to the objections to the list of discouraged uses as follows:

None of the discouraged uses listed within the Non Agricultural Uses Policy are in conflict with the provisions of the Farming Zone. All discouraged uses are Section 2 uses and require a planning permit before use can commence.

The discouraged uses listed within the Non Agricultural Uses Policy are considered to be consistent with the purpose of the Farming Zone.

In response to the submission relating to San Remo, Council's Part B submission responds:

The San Remo Strategic Framework Plan is the only settlement framework within the Bass Coast Planning Scheme to identify land suitable for tourism uses outside of a township boundary. It is agreed to clarify within the Non Agricultural Uses Policy that where a settlement framework supports tourism development in the Farming Zone, it is also to be considered in the decision making process.

9.3 Discussion

The Panel is satisfied that the proposed Non Agricultural Land Uses Policy is strategically based on the findings of the Rural Land Use Strategy and that the Policy will provide an additional and acceptable degree of additional guidance in Council's future consideration of land use and development applications in the Farming Zone. The Panel notes that the 'discouraged uses' are those that are not directly related to or that could have an adverse impact on agriculture and future agricultural opportunities, use and development. Importantly, the policy does not seek to preclude planning permit applications for the discouraged uses.

In respect of proposed modification to the text advanced by submitter 12, the Panel prefers Council's proposed post exhibition modification to give effect to submission, as follows:

- *Where tourism uses are specifically supported within a strategic framework, the strategic framework is to take precedence.*

The Panel notes that the Policy references the Bass Coast Rural Land Use Strategy (2013) in a number of places. These references need to be updated to read (2014).

9.4 Conclusion

The Panel supports the inclusion in the Non Agricultural Land Use Policy at Clause 22.07 of the Bass Coast Planning Scheme, subject to the inclusion of the Council's recommended modifications.

9.5 Recommendations

The Panel recommends:

Amend the exhibited version of the Non Agricultural Uses in the Farming Zone Policy at Clause 22.07 by:

- **Replacing the words 'Bass Coast Rural Land Use Strategy 2013' with 'Bass Coast Rural Land Use Strategy, 2014'.**
- **Including the following as a fourth bullet point at Clause 22.07-2 – Policy Objectives and as a third bullet point at Clause 22.07-4 – Policy Decision Guidelines: "Where tourism uses are specifically supported within a strategic framework, the strategic framework is to take precedence."**

10 Rural Activity Zone Policy (Clause 22.08)

10.1 The issue

The Amendment proposes to introduce a Rural Activity Zone Policy to provide direction regarding land use and development within the Rural Activity Zone consistent with the findings of the Rural Land Use Strategy. Submissions were lodged opposing elements of the policy.

10.2 Submissions

A number of submitters proposed modifications to the policy in order to prohibit, discourage or limit the scale of a range of uses; particularly accommodation and recreational uses. For example, Submitter 17 proposed the following modifications:

- Remove all accommodation types from the list of uses to be *'Encouraged'*.
- Remove Golf Courses from *'Encouraged'* uses. Alternatively, add *'without associated accommodations'* if Golf Courses are to remain within the policy.
- Amend *'Encouraged'* land uses:
 - a) Delete *"recreation activities such as trail rides and golf courses"* and replace with *"nature based activities that enhance biodiversity"*
 - b) To *'Farm stays and host farms'* (add) that demonstrate enhanced environmental values
- Amend *'Discouraged Land Uses'* to add:
 - a) Camping and caravan park
 - b) Backpackers lodge
 - c) Dwelling not in association with agriculture or tourism or of a scale not justified by on-site activities
 - c) Group accommodation (add) unless of a minor scale and directly associated with on-site activities.

Submitter 17's presentation to the Panel stated that their preference is for a specific bed or person limit to be included in the policy to *'limit the scale'* of accommodation.

In response to the above suggested modifications to the policy Council's submission in reply stated that they do not support the proposed changes as they *'are not in accordance with the Rural Land Use Strategy which allows for small scale rural tourism development'*.

Submitter 32 recommended a number of change including that the Policy and Rural Activity Zone Schedule be modified to require *'that any development proposals in the RAZ for 'Rural Activity' be limited to farming and restricted to small scale farm stay accommodation'*.

The submission stated that any decision for development should have regard to wider catchment management issues and require significant gains of biodiversity and environment protection.

Council's submission in reply responded to the suggested specific modifications as follows:

Clause	Suggested Change	Council Response
Clause 22.08-1	Reword 4 th last bullet on page one of the policy that reads ' <i>Able to nestle into the landscape</i> ' to add ' <i>to protect the visual amenity of the adjoining landscape</i> '.	Change statement to read ' <i>Able to nestle into the landscape to protect visual amenity</i> '.
Clause 22.08-1	Add line ' <i>Require no net loss and a net gain of environmental and re-vegetation outcomes</i> '.	No change, as no net loss is defined within the Planning Scheme, as per DELWP submission.
Clause 22.08-2	Amend: ' <i>To ensure development is designed and located to blend with the surrounding landform, and not be visually dominant on ridges and hilltops, particularly from key offsite viewing locations and adjoining land</i> '.	No change as addressed in Clause 22.02.
Clause 22.08-2	Amend 3 rd bullet of Policy Objective to read: ' <i>To retain the dominance of the undulating pastoral landscape and maintain coastal views from the coast and surrounding key vantage points</i> '.	Agree.
Clause 22.08-3	Amend: ' <i>It is policy to encourage 'subject to a permit', the following uses in the Rural Activity Zone:</i> '	Disagree. Clause 22.08-3 is only considered when a use permit is triggered, additional wording superfluous.
Clause 22.08-3	Amend: ' <i>Passive recreation activities such as trail rides and golf courses</i> '.	Disagree, these activities are not passive.
Clause 22.08-3	Amend: ' <i>It is policy to discourage prohibit the following uses in the Rural Activity Zone;</i> '	Council cannot prohibit Section 2 Uses, permit applications for dwellings or subdivisions.
Clause 22.08-3	Amend: ' <i>Prohibit Discourage small lot subdivisions</i> '.	
Clause 22.08-3	Amend: ' <i>Prohibit Discourage dwellings not associated with or required for the agricultural or tourism use of the land</i> '.	

Clause	Suggested Change	Council Response
Clause 22.08-3	Amend: <i>'Capable of no net loss and a net gain of environmental and re-vegetation outcomes'</i> .	Disagree. <i>'Net gain'</i> is not defined within the Planning Scheme, as per DELWP submission.
Clause 22.08-4	Add new second dot point under Rural environmental impact subheading: <i>'Increases the extent of indigenous vegetation with the correct EVC (Ecological Vegetation Class) to provide linkages and resilience to the existing coastal and remnant hinterland vegetation'</i> .	
Clause 22.08-4	Amend first dot point under Design subheading: <i>'Demonstrates and incorporates sustainable building practices'</i> .	Change statement to read: <i>'Achieves sustainable building outcomes'</i> .
Clause 22.08-4	Amend second dot point under Services subheading: <i>'Demonstrates that it minimises its impact on water catchments and water quality, with use of wastewater treatment systems and appropriate management of stormwater runoff from hard surfaces.'</i>	No change required. Rural wastewater issues are considered against the Bass Coast Infrastructure Design Manual. Lots within FZ and RAZ are typically over 2ha and have sufficient space to provide for stormwater runoff.

Submissions were also advanced that the Rural Activity Zone Policy should be amendment to be more supportive of tourism based uses within the proposed Rural Activity Zone areas. For instance, Submitter 39 submitted that the policy should not discourage uses and *'could be amended to include clearer policy directions for land use and built form in the RAZ'*. They submitted that the listing of encouraged and discouraged uses were unnecessarily restrictive and should not include *'residential hotel'* and *'camping and caravan park'* as discouraged uses without qualification.

Council's submission in reply responded to the suggested specific modifications as follows:

Clause	Suggested Change	Council Response
Clause 22.08	Amend <i>'This policy applies to all land within a Rural Activity Zone (RAZ) and is to be considered in accordance(delete) tandem OR concert with the specific purposes of Schedule 1 to the zone'</i>	Disagree.
Clause 22.08-1	Amend under Inverloch-Cape Paterson subheading to remove wording <i>'small scale'</i> and replace with <i>'visitor'</i> .	Disagree not in accordance with adopted Rural Land Use Strategy.
Clause 22.08-3	Amend first dot point <i>'Accommodation uses such as farm stays and host farms and other forms of visitor accommodation'</i> .	
Clause 22.08-3	Delete third dot point <i>'Farm stays and host farms'</i> .	Agree, repeated in first dot point.
Clause 22.08-3	Delete second last dot point <i>'Residential Hotels'</i> .	Disagree not in accordance with endorsed Rural Land Use Strategy.
Clause 22.08-3	Clarify <i>'Self-sufficient in the provision of relevant infrastructure and associated development costs'</i> .	Developer must provide necessary infrastructure upgrades to service any new business.
Clause 22.08-4	Fix up spelling and grammar.	Agree.

Submitter 31 also suggested the policy should be amended to be more supportive of tourism development. Comments on the policy included:

- *the proposed policy wording that seeks to guide built form outcome is unclear and open to interpretation*
- The policy focusses too strongly on *'small scale'* tourism accommodation and will constraint the development of high quality larger tourism accommodation
- The policy discourages use of land for Residential hotel. This is inconsistent with the purpose of the RAZ
- The *'policy is limiting and discouraging of innovation in tourism'*.

Submitter 13 submitted that Phillip Island Grand Prix Circuit should be referred to in the Policy as an existing use within the Rural Activity Zone Policy. Council's Part B submission agreed that the Phillip Island Grand Prix Circuit should be *'added to the proposed Rural Activity Zone local planning policy.'*

Submitter 45 felt that listing some of the uses that might be possible in the RAZ was an oversight.

10.3 Discussion

As discussed in Section 5 of this Panel Report the Panel recommends that the proposed application of the Rural Activity Zone at the Gurdies should be abandoned other than on the Fantasia Site. Accordingly, the Rural Activity Zone Policy requires modification to reflect this change. The Panel's suggested additions and deletions to the Policy text to give effect to this change are reflected in the Panel Recommended Version of the Policy contained in Appendix F.

Having noted the above change, the Panel considers that the balance of proposed Rural Activity Zone Policy is robust and provides appropriate guidance on the land use and development outcomes envisaged in the Rural Land Use Strategy and supported by Council.

Panel agrees with Council's consideration of the detailed edits suggested in submissions and their translation into the modified policy provided in its right of reply submissions. In the opinion of the Panel the majority of the proposed edits were contrary to the strategic direction articulated in the Rural Land Use Strategy or inconsistent with the use of planning policy within the Victoria Planning Provisions.

10.4 Conclusions

The Panel concludes that the Council's revised version of the Rural Activity Zone Policy for inclusion at Clause 22.08, as presented in its right of reply, appropriately responds to submissions. The Panel supports the inclusion of the revised Policy at Clause 22.08, subject to the further revisions being incorporated as recommended by the Panel to have regard to the reduced area of the application of the Rural Activity Zone at the Gurdies.

10.5 Recommendation

The Panel recommends:

Replace the exhibited version of the Rural Activity Zone Policy at Clause 22.08 with the Panel Recommended Version provided in Appendix F of this report.

11 Other issues

11.1 Minimum lot size in existing Rural Conservation Zone

(i) Submissions

In its right of reply submission, Council responded to the Panel's query regarding the appropriateness of the Rural Conservation Zone (RCZ) minimum subdivision size of 40ha in Glen Alvie and surrounding area. The Panel questioned whether the minimum subdivision size was appropriate given that the Farming Zone Schedule applicable to all surrounding land will increase the minimum subdivision size to 80ha. The area within the Rural Conservation Zone is shown within the green boundary highlighted in Figure 6 below.



Figure 6 Rural Conservation Zone - Glen Alvie and Surrounding Areas

(ii) Discussion

Council advised that the Rural Conservation Zone area, which falls in parts of Almurta, Krowera and Glen Alvie, was identified with the New Format Planning Scheme in 1999. The former Department of Infrastructure recommended applying the then titled 'Environmental Rural Zone' to this area to protect water catchments.

Further, Council submitted:

The Rural Land Use Strategy did not consider land uses within the existing Rural Conservation Zone. Therefore, the proposed policies relating to rural dwellings, rural subdivision and rural land use will not apply to this area, nor will the proposed lot size minimum of 80ha for the Farming Zone.

A review of the lot sizes in the Rural Conservation Zone shows that if the 40ha lot size minimum remains in place then an additional 7 new lots (approximately) could be applied for. Given the provisions and decision guidelines of the Rural Conservation Zone it is unlikely that all potential lots

would be approved. However we submit that this is an issue that will need to be addressed.

It is considered not appropriate to address this as part of Amendment C140. Instead it would be considered appropriate to include a review of this area in the next planning scheme review (under Section 12B of the Planning & Environment Act 1987).

The Panel agrees with Council's proposed approach given that the landowners who will potentially be impacted have not been consulted.

(iii) Conclusion

It is appropriate to review the minimum subdivision size and other planning policy controls within the existing Rural Conservation Zone at Glen Alvie and surrounding areas as part of Council's next planning scheme review.

(iv) Recommendation

The Panel recommends:

Review the minimum subdivision area of land within the existing Rural Conservation Zone at Glen Alvie and surrounding areas to determine if it should be increased to 80ha consistent with the surrounding Farming Zone minimum subdivision size and consider the merits of applying Clause 22.05, Clause 22.06 and Clause 22.07 to the land as part of Council's next planning scheme review.

11.2 Tenby Point Urban / Rural land use conflicts

(i) Submissions

Submitter 18 submitted that the Amendment '*fails to apply best practice enabling correction of inappropriate zoning applied by Bass Shire 42 years ago.*' The submission refers to the current land use conflict between 60 residential allotments on Bayview Avenue, Tenby Point adjoining a beef cattle farm.

In their presentation to the Panel, Submitter 18 stated:

Coryule understands that the purpose of the Strategy is to provide strategic guidance on future rural land use within the Shire. The Strategy should also refer to, and assist in managing interface issues between rural and residential land uses. Council has been made aware of these issues and, in previous decades, has acknowledged that a better zoning outcome for Bayview Avenue and our Land could have been achieved. We consider that the Strategy and its rezoning recommendations provide Council with an opportunity to address these issues.

We request Council consider amending the Strategy to rezone all or part of our Land. Given the extent of impact created by the intense residential uses along Bayview Avenue, the Residential Zone is an inappropriate zone to separate the proposed Rural Activity Zone to the west and our Land (currently located within the Farming Zone).

We submit that the creation of compatible zones between the rural and residential uses would assist in addressing the drainage and amenity issues and would provide an improved planning outcome for all land users in the Shire.

(ii) Discussion

The Panel acknowledges the information provided by Submitter 18 that demonstrates the conflicts that exist between the farming operation abutting the urban residential subdivision at Tenby Point.

The Panel agrees that provision of rural living allotments as an interface between productive farmland and conventional residential development is an outcome that could reduce land use conflicts in this area.

The Amendment has been developed to implement the Rural Land Use Strategy and did not turn its mind specifically to urban - rural residential interface issues such as those occurring in Tenby Point.

As outlined in Section 8 of this report, the Panel has recommended that Council should commence the preparation of a *Rural Housing and Settlement Strategy* to update planning policy and land use zoning responses regarding appropriate locations for rural living development, among other issues. It would be appropriate for this study to specifically turn its mind to the desired long term settlement pattern at Tenby Point.

(iii) Conclusion

It is appropriate to review the settlement pattern at Tenby Point as part of a future Rural Housing and Settlement Strategy for the Bass Coast Shire.

11.3 Adequacy of consultation and notification

(i) Submissions

Submitter 32 stated that they were not notified by Council that the amendment was on public exhibition.

Submitter 20 felt that the consultation process was inadequate and *'the Shire should have done more to involve to the community'*.

In its Part B submission, Council stated:

In addition to the notification requirements set out under Section 19 of the Planning and Environment Act 1987, which included a direct mail out to 2137 ratepayers and residents, Council's Strategic Planning team undertook the following additional consultation;

- *An Information Sheet which summarised the Amendment material was sent out with all notification letters*
- *Newspaper advertising was placed in four Council weekly bulletins and in two local newspapers for four weeks*
- *All proposed policy changes and relevant strategies were exhibited on Council's website during the exhibition period*

- *Council Officers met with the Rural Engagement Group, a community group that Council meets with regularly to discuss rural issues*
- *Held four community drop-in sessions across Bass Coast Shire; Where interested parties could not attend a drop-in session, they were able to see a Council Officer at Wonthaggi Civic Centre*
- *Council officers responded to at least 42 phone, email and counter enquiries during the exhibition of the amendment.*

Council advised that following endorsement of the Amendment Position Paper by Council at the February 2016 Council meeting, the Position Paper was made available for public access on Council's website.

(ii) Discussion

Section 19 of the *Planning and Environment Act 1987* details the notice requirements for a Planning Authority must give for a Planning Scheme Amendment. This requirement includes notification:

(b) to the owners and occupiers of land that it believes may be materially affected by the amendment;...

Section 19 of the *Planning and Environment Act 1987* Act requires the Responsible Authority (Council) to take 'reasonable steps' to ensure that:

(a) public notice of the proposed amendment is given in the area affected by the amendment; and

(b) that notice states that owners and occupiers of land ...are entitled to make submissions in accordance with sections 21 and 21A.

The Panel notes that Council undertook the following to meet its notification requirements under Section 19 of the *Planning and Environment Act 1987* by undertaking the following notification:

- Direct mail out to 2137 ratepayers and residents
- Advertising the Amendment in four Council weekly bulletins and in two local newspapers for four weeks
- Exhibiting proposed policy changes and relevant strategies on Council's website during the exhibition period
- Meeting with the Rural Engagement Group, a community group that Council meets with regularly to discuss rural issues
- Facilitated four community drop-in sessions across Bass Coast Shire
- Publishing the Amendment Position Paper on Council's website.

(iii) Conclusion

The Panel has no concerns with the public consultation process undertaken in the preparation and exhibition of the Amendment.

11.4 Mapping anomalies

(i) Submissions

Council's Right of Reply provided more detailed explanation of the existing mapping anomalies that the Amendment seeks to correct.

Council explained that during the development of the Rural Land Use Strategy, zoning and overlay anomalies were brought to Council's attention along Cape Paterson-Inverloch Road. Review of the zoning and overlay plans abutting the road, determined that land within the same title was zoned both Public Conservation and Recreation Zone and Farming Zone, and one area of Parks Victoria land on the southern side of Cape Paterson-Inverloch Road was incorrectly zoned Farming Zone.

Council has submitted that the zoning and overlay anomalies for this area should be corrected at this time.

(ii) Discussion

The Panel agrees the zoning and overlay anomalies should be corrected as submitted to update the current planning scheme maps.

(iii) Conclusion

The Panel supports the adoption of mapping corrections as proposed by Council's Right of Reply.

(iv) Recommendation

The Panel Recommends:

Amend the Exhibited Planning Scheme Maps to correct the mapping anomalies identified by Council consistent with the plans contained in Hearing Document 55 provided in Council's Right of Reply submission.

11.5 Feed lots

(i) Submissions

Throughout the Hearing a number of submitters located in the Gurdies expressed concern that the Amendment was being progressed to facilitate the creation of cattle feedlots. Submitter 45 states that the introduction of the RAZ *'could also be used to unlock parts of (the land) for exploitation'*. The submission states that *'cattle feedlots are of particular concern'*.

Submitter 23 in their Panel presentation stated that *'feedlots up to 1000 beasts are permitted without a permit in the RAZ'* and goes further to say *'the guidelines of the RAZ could therefore lead to a resident farming with a whopping 1000 head of cattle on a mere 2.23 acres of land without any need for a Council permit'*.

(ii) Discussion

Under the provisions of the Farming Zone (Clause 37.05), cattle feed lots are currently a Section 1 Use (permit not required) provided the use can meet the following requirement:

Must meet the requirements of Clause 52.26. The total number of cattle to be housed in the cattle feedlot must be 1000 or less. The site must be located outside a special water supply catchment under the Catchment and Land Protection Act 1994. The site must be located outside a catchment area listed in Appendix 2 of the Victorian Code for Cattle Feedlots – August 1995.

With regard to the first condition that ‘must be met’, the Purpose specified at Clause 52.26 reads:

To facilitate the establishment and expansion of cattle feedlots in Victoria in a manner which is consistent with orderly and proper planning and the protection of the environment.

The corresponding ‘Requirements to be met’ specified in Clause 52.36 are:

All use and development of cattle feedlots must comply with the Victorian Code for Cattle Feedlots – August 1995.

The Code must be complied with to the satisfaction of the responsible authority.

The proposed Rural Activity Zone includes exactly the same reference to the above provisions for cattle feed lots as the Farming Zone. The Panel is unaware of any proposal for a feedlot in the Shire.

The Panel notes that the *Victorian Code for Cattle Feedlots – August 1995* provides the following requirements in relation to site selection and assessment for a feedlot comprising greater than 50 cattle:

The selection of a site and the size of a proposed feedlot must be determined having regard to the likely off-site effects which may be generated by the operation of the feedlot, the soil conditions and topography of the proposed site, and the availability of appropriate transport routes to and from the site.

Critical factors in the selection of the site will include the following:

- *Distance to farmhouses or other scattered residential development;*
- *Distance from rural residential areas, towns, urban centres and other sensitive uses;*
- *Environmental constraints including significant landscapes, aboriginal archaeological sites, vegetation clearance and location of water supply catchments;*
- *Topography;*
- *Identification of 1 in 100 year flood level or areas of flood prone land (feedlot works area to be above this level);*
- *Water supply;*
- *Soil types;*

- *Location of surface streams, aquifers, aquifer re-charge areas and depth to water table; and Road access.*

When a site has been identified as a potential feedlot site, it must be assessed against the approved measures in Element 1 of the Code to identify the possible capacity and class of the feedlot. The Class will be selected based on the separation distances, cattle density and cattle numbers proposed.

(iii) Conclusion

The proposed introduction of the Rural Activity Zone on land currently zoned Farming Zone does not introduce new provisions which allow for cattle feed lot as of right. The provisions of the Rural Activity Zone and Farming Zone are identical when dealing with cattle feed lots.

11.6 Phillip Island

(i) Submissions

Submitter 47 provided a late submission to the exhibition of the Amendment and appeared before the Panel. The written and verbal submissions highlighted what the submitter considered was repeated town planning failings and missed opportunities of successive State and Local Governments relating to the development of Phillip Island, specifically, and more broadly across the Shire.

The submission advanced a number of suggested actions or outcomes and specifically sought a number of recommendations including:

1. *Ensure that Final Report is consistent with the Phillip Island and San Remo Tourism Strategy*
2. *Develop a Phillip Island Futures Authority*
3. *Comply with M. Guy Farming (Aug 2013) (the Rural Zone use as defined by Minister Guy in August 2013)*
4. *Introduce Tourism Transition Zone*
5. *Restrictive Controls on Tourism Facilities*
6. *Every property has a role in delivering a Whole of Island Reserve*
7. *Introduce a 5m strip zoning – 99 year lease*
8. *Tinker with Town Boundaries*
9. *Introduce Uses that Have not Been Considered including a ‘Natural Cemetery’ ‘Dog Running Areas’ and ‘Parking’*
10. *Group Accommodation including ‘Small Communes’ located on marginal farm land encouraging Permaculture Principles.*

(ii) Discussion

The majority of issues raised by the submitter are beyond the scope of the Amendment are best advanced by the current *Phillip Island Tourism Strategy 2035*, or by Council’s future *Rural Housing and Settlement Strategy* which the Panel has recommended be undertaken as soon as financial and human resources can be secured.

In relation to ‘Recommendation 1’ advanced by the submitter, the Panel notes that this has been given effect by the Shire not progressing with the proposed Rural Activity Zone for

Newhaven until the findings and implications of the *'Phillip Island Tourism Strategy 2035'* are known.

The development of a Phillip Island Futures Authority is a matter for State and Local Government.

The submitter's urging to comply with M. Guy Farming (Aug 2013) is entirely consistent with the Rural Land Use Strategy and the suite of rural zones and local policies being implemented via this Amendment which aim to provide clarity to applicants and decision makers regarding the types of use and development that are encouraged within the municipalities Farming and Rural Activity Zones.

In relation to the submitter's suggestion to introduce a Tourism Transition Zone, Council does not have the capacity to introduce a new zone into the Victoria Planning Provisions.

All other issues advanced in the submission are best addressed by the *Phillip Island Tourism Strategy 2035*, or via Council's future *Rural Housing and Settlement Strategy*.

(iii) Conclusion

The submission is noted.

Appendix A Submitters to the Amendment

No.	Submitter
1	M Ditchfield
2	H Luong
3	West Gippsland Catchment Management Authority
4	Planning Consultants Australia
5	Parks Victoria
6	D Blum
7	Department of Environment, Land, Water and Planning
8	Torakina Nominees P/L
9	E McDonald
10	N Kim
11	R Parsons
12	Unity Pacific
13	Phillip Island Grand Prix Circuit
14	D Painter
15	Birdlife Bass Coast
16	C Strong
17	Cape Paterson Residents & Ratepayers Association
18	Coryule Pty Ltd
19	The Gurdies Winery
20	T Morgan
21	Strathbrae Equity P/L
22	Hilden P/L
23	Tara Hill Farm
24	W T Noonan
25	M Schinkel
26	Philip Island Conservation Society
27	P Taylor
28	W Heaney & B Preston
29	E Coon
30	L Cuttriss

31	Vogt Property P/L
32	South Gippsland Conservation Society Inc & Inverloch Residents and Ratepayers Association
33	Roger Bailey
34	Friends of Koalas Inc
35	R Ashbury
36	Westernport Pastoral P/L
37	Phillip Island Nature Park
38	Silverleaves Conservation Society Inc
39	RACV
40	R Newnham
41	CFA South East Region Headquarters
42	R Kemp
43	Withdrawn – Davis
44	Andy Forster
45	M & H Tobin
46	C Nicholls
47	P Wright

Appendix B Parties to the Panel Hearing

Submitter	Represented by
Bass Coast Shire Council	Jodi Kennedy and Justin Harding
Roger Bailey	Graeme Peak, of Counsel
Cape Paterson Resident and Ratepayers Association	John Coulter
South Gippsland Conservation Society Inc/ Inverloch Residents & Ratepayers Association Inc	David Sutton
Birdlife Bass Coast	Bessie Tyers
Friends of the Koalas Inc.	Patricia Hunt
Elizabeth McDonald	
Rob Parsons	
Richard Wettenhall	
Meryl Tobin	
Linda Cuttriss	
Unity Pacific Group	Jeff Bennett
Phillip Island Operations	Jeff Bennett
Mr W T Noonan	Jeff Bennett
RACV	Katie Murphy
Phillip Island Conservation Society	Margaret Hancock and Penny Manning
Trevor Morgan	
Carmel Byrne	
Phil Wright	
Coryule Pty Ltd	Geoffrey Reid
Nola Kim	
Richard Kemp	

Appendix C Document list

No.	Date	Description	Presented by
1	4 April, 2016	BCSC Amendment C140 – Rural Land Use Strategy Planning Panel Report Part B Submission – 4 April 2016	BCSC
2	4 April, 2016	BCSC Amendment C140 Submissions Map	BCSC
3	4 April, 2016	VCAT Decision Lot 8 PS208175V Cape Paterson Road, Inverloch VCAT Reference P1833/2014	BCSC
4	4 April, 2016	VCAT Decision 30 Watson Road & Almurta-Glen Forbes Road, Glen Forbes VCAT Reference P844/2014	BCSC
5	4 April, 2016	Proposed Clause 22.06 – Rural Dwellings Policy	BCSC
6	4 April, 2016	Submissions to the Panel on behalf of Roger Bailey Prepared by Graeme Peak 4/4/2016	Graeme Peak
7	4 April, 2016	Applying the Rural Zones – Planning Practice Note 42 June 2015	Graeme Peak
8	4 April, 2016	VC103 Explanatory Report	Graeme Peak
9	4 April, 2016	Reformed Zones for Victoria. Reformed Rural Zones 15 August 2013	Graeme Peak
10	4 April, 2016	Small Farms. Valued contributors to healthy rural communities. Australian Government – Rural Industries Research and Development Corporation	Graeme Peak
11	4 April, 2016	Rural Land in Australia. Spatial Patterns of Ownership Change: Aggregation and Fragmentation November 2012	Graeme Peak
12	4 April, 2016	Rural Land in Victoria. A Framework for the measurement and analysis of nationwide patterns of ownership change, aggregation and fragmentation November 2012	Graeme Peak
13	4 April, 2016	Campaspe Planning Scheme Amendment C59, Greater Shepparton Planning Scheme Amendment C121, Moira, Planning Scheme Amendment C51, North East Regional Rural Land use Panel Report – 26 March, 2012	Graeme Peak

No.	Date	Description	Presented by
14	4 April, 2016	Mount Alexander Shire Council – Rural Land Study EnPlan, 21 January 2014	Graeme Peak
15	4 April, 2016	Campaspe Rural Land Use Strategy	Graeme Peak
16	4 April, 2016	Wellington Shire Rural Zones Review – Final Report Page 29	Graeme Peak
17	5 April, 2016	Cape Paterson Residents and Ratepayers Association – Submission	John Coulter
18	5 April, 2016	South Gippsland Conservation Society Inc – Submission	David Sutton
19	5 April, 2016	Birdlife Bass Coast - Submission	Bessie Tyers
20	5 April, 2016	Friends of the Koalas Inc - Submission	Patricia Hunt
21	5 April, 2016	Draft Western Port Ramsar Site Management Plan Summary - DELWP	Patricia Hunt
22	5 April, 2016	Submission	Elizabeth McDonald
23	5 April, 2016	Submission	Rob Parsons
24	5 April, 2016	Submission	Richard Wettenhall
25	5 April, 2016	Submission	Meryl Tobin
26	5 April, 2016	Submission	Linda Cuttriss
27	5 April, 2016	Rural Land in Victoria. A Framework for the measurement and analysis of nationwide patterns of ownership change, aggregation and fragmentation November 2012 (Replacement colour version of item 12)	BCSC
28	5 April, 2016	Speaking Notes	Richard Wettenhall
29	5 April, 2016	Campaspe, Greater Shepparton and Moira Regional Rural Land Use Strategy Final Report – October 2008 (Replacement Copy of item 15)	BCSC

No.	Date	Description	Presented by
30	5 April, 2016	Clause 21.10 Local Areas of the Bass Coast Planning Scheme	BCSC
31	5 April, 2016	Consolidated Plan of all Strategic Framework Plans	BCSC
32	5 April, 2016	Location maps of all individual submitters in The Gurdies area	BCSC
33	5 April, 2016	Copy of all Amendment C140 Planning Panel display material – Bass Coast Shire Planning Zones; Bass Coast Shire Orth photography; and Bass Coast Shire Lot Size Distribution	BCSC
34	5 April, 2016	South Gippsland Shire Council – Schedule to the Farming Zone and Rural Activity Zone	BCSC
35	5 April, 2016	Site Plans and proposed plan of subdivision for VCAT Reference P844/2014	BCSC
36	5 April, 2016	Site Plan and proposed plan of subdivision for VCAT Reference P1833/2014	BCSC
37	5 April, 2016	Submission on behalf of the Unity Pacific Group	Jeff Bennett
38	5 April, 2016	Submission on behalf of Phillip Island Operations Pty Ltd	Jeff Bennett
39a	5 April, 2016	Submission on behalf of Mr W T Noonan	Jeff Bennett
39b	5 April, 2016	Submission on behalf of Mr W T Noonan – Attachment 1-4	Jeff Bennett
40	5 April, 2016	Submission on behalf of RACV	Katie Murphy
41	5 April, 2016	Phillip Island Conservation Society - Submission	Margaret Hancock & Penny Manning
42	5 April, 2016	Phillip Island Conservation Society – Speaking Notes	Margaret Hancock & Penny Manning
43	5 April, 2016	Submission	Trevor Morgan
44	5 April, 2016	Google map of The Gurdies	Carmel Byrne
45	5 April, 2016	Submission	Carmel Byrne
46	13 April, 2016	Photos provided onsite inspection of Barry Noonan property	Barry Noonan

No.	Date	Description	Presented by
47	13 April, 2016	Submission	Phil Wright
48	13 April, 2016	Submission	Geoffrey Reid
49	13 April, 2016	Submission	Nola Kim
50	13 April, 2016	Submission	Richard Kemp
51	13 April, 2016	Council Right of Reply submission	Jodi Kennedy
52	13 April, 2016	Amendment C140: Amendment C134 Policy Neutral Changes	Jodi Kennedy
53	13 April, 2016	Updated Map of Submitter Property Locations	Jodi Kennedy
54	13 April, 2016	Extract from the Bass Coast Strategic Coastal Planning Framework June 2011 - The Gurdies	Jodi Kennedy
55	13 April, 2016	C140 Cape Paterson- Inverloch Road Mapping Anomalies	Jodi Kennedy
56	13 April, 2016	Lot Size Distribution Bass Coast Shire Council	Jodi Kennedy
57	13 April, 2016	Tabled Submitter Changes – Council Right of Reply	Jodi Kennedy
58	13 April, 2016	Revised Rural Dwellings policy	Jodi Kennedy

Appendix D Panel Recommended Version of Rural Activity Zone Schedule (Clause 35.08)

Panel additions = blue text with underlining

Panel deletions = ~~red text with strikethrough~~

SCHEDULE TO THE RURAL ACTIVITY ZONE

XX/XX/XXXX
Proposed C140

own on the planning scheme map as **RAZ**.

Purpose

Rural Land Use Strategy 2014

The *Bass Coast Rural Land Use Strategy 2014* noted that there is strong support for small scale, low key rural-based tourism that builds on existing tourism activities and takes advantage of the natural attributes of the region including the rural landscape. The Strategy notes that there is already a mixture of lot sizes in the Rural Activity Zone and the landscape attributes of these areas underpin the value of them for tourism. In that context, maintaining the current density of lots and dwellings is considered vital to protecting these values.

Specific purposes for the zone as identified in the Strategy include:

- To support rural based tourism.
- To retain the dominance of the undulating pastoral landscape and coastal views.
- To ensure development is ‘tucked into’ the landform, and not visually dominant on ridges and hilltops, particularly from key viewing locations.
- To improve the outlook from main corridors by minimising the visibility of buildings and structures.
- To avoid large buildings.
- To maintain the dominance of the natural landscape from main road corridors outside townships.
- To maintain the green break between settlements.
- To ensure development is small scale with a rural/coastal appearance to complement the character of the area.
- To enhance environmental values and increase indigenous vegetation.
- To achieve environmental outcomes that contributes to improved biodiversity values and linkages.
- To ensure that any development is compatible with the existing overlay controls and minimises conflict with adjoining land uses such as the wastewater treatment plant and horse training complex.

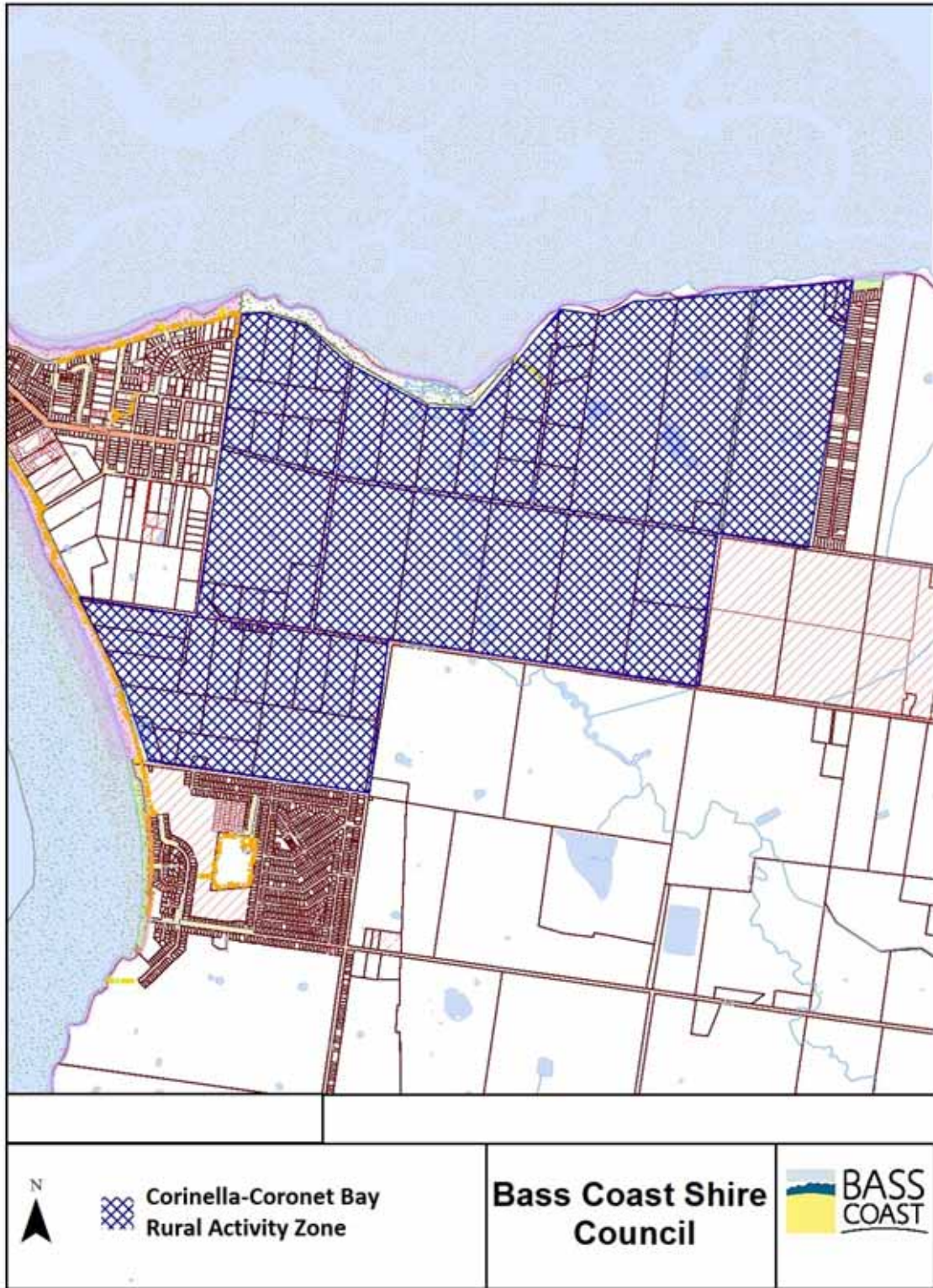
Phillip Island Grand Prix Circuit

To enable the use and development of land associated with the Phillip Island Grand Prix Circuit to be considered in an integrated manner taking into account agriculture and the environmental and landscape characteristics of the area.

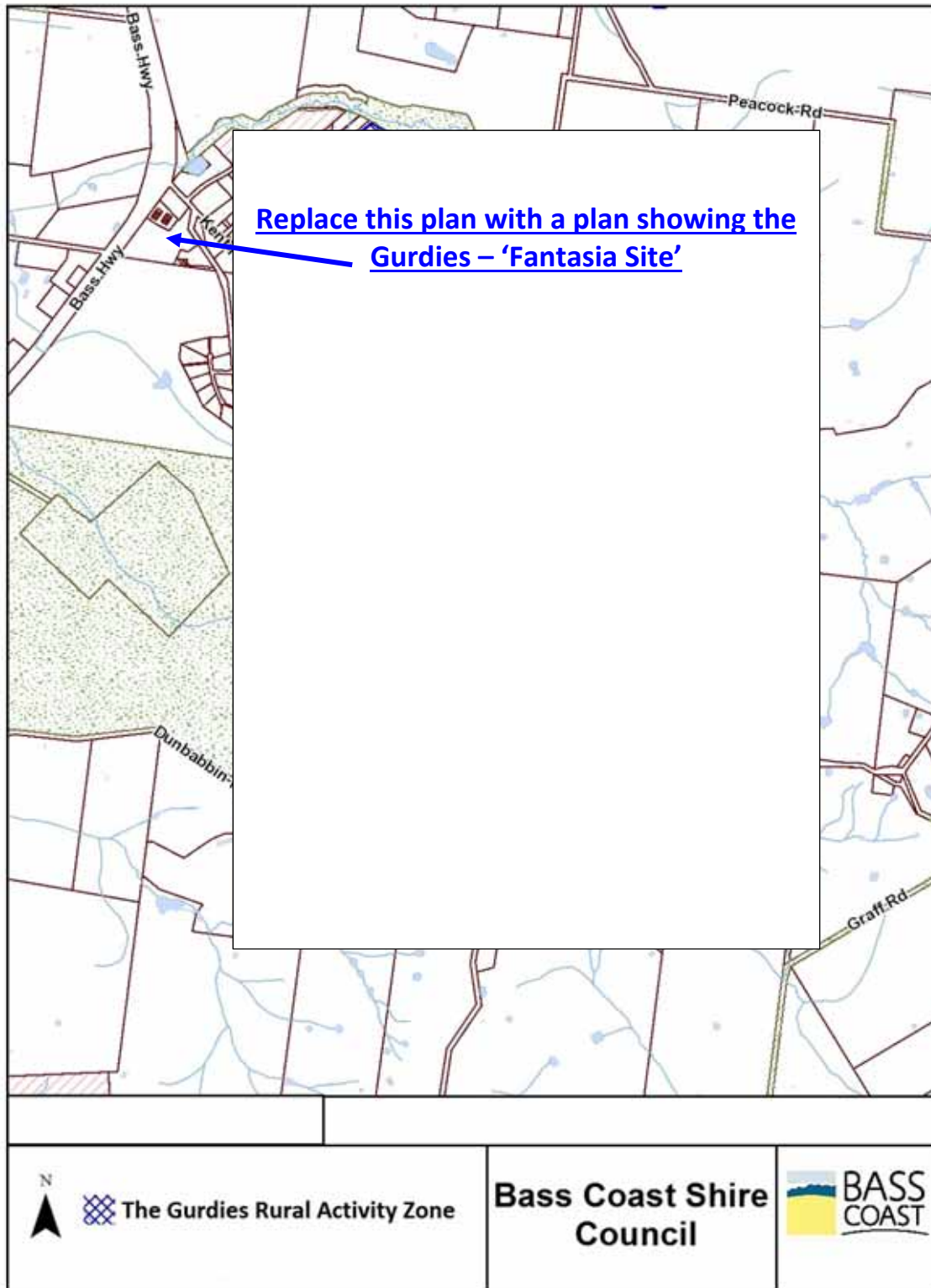
	Land	Area/Dimensions/Distance
Minimum subdivision area (hectares).	Coronet Bay – Corinella	40ha (Map 1)
	The Gurdies – ‘Fantasia Site’	40ha (Map 2)
	Inverloch-Cape Paterson	260ha (Map 3)
	All other land	40ha
Minimum area for which no permit is required to use land for timber production (hectares).	All land	None specified
Maximum floor area for which no permit is required to alter or extend an existing dwelling (square metres).	All land	100 square metres

Maximum floor area for which no permit is required to construct an out-building associated with an existing dwelling (square metres)	All land	100 square metres
Maximum floor area for which no permit is required to alter or extend an existing building used for agriculture (square metres).	All land	100 square metres
Minimum setback from a road (metres).	A Road Zone Category 1 or land in a Public Acquisition Overlay to be acquired for a road, Category 1	100 metres
	A Road Zone Category 2 or land in a Public Acquisition Overlay to be acquired for a road, Category 2	40 metres
	Any other road	20 metres
Minimum setback from a boundary (metres).	Any other boundary	5 metres
Minimum setback from a dwelling not in the same ownership (metres).	All land	100 metres

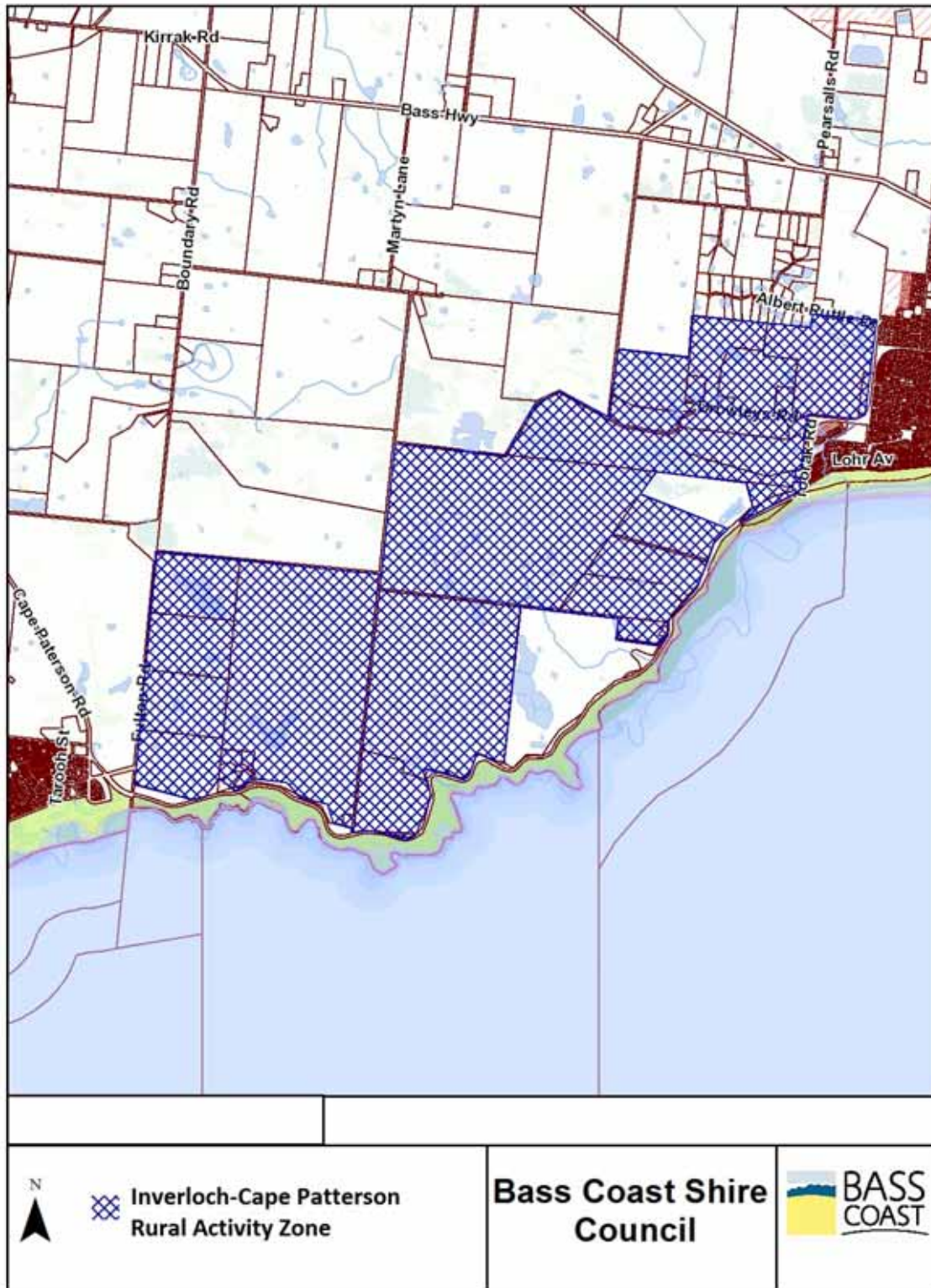
Permit requirement for earthworks	Land
Earthworks which change the rate of flow or the discharge point of water across a property boundary.	None specified
Earthworks which increase the discharge of saline groundwater.	None specified



Map 1: Coronet Bay-Corinella Rural Activity Zone



Map 2: The Gurdies ‘Fantasia Site’ - Rural Activity Zone



Map 3: Inverloch-Cape Patterson Rural Activity Zone

Appendix E Panel Recommended Version of Rural Dwellings Policy (Clause 22.06)

22.06 RURAL DWELLINGS POLICY

XXXXXXXXXX
C140

This policy applies to all land within a Farming Zone (FZ).

22.06-1 Policy Basis

XXXXXXXXXX
C140

This policy will guide decision making on whether a permit should be granted for a dwelling on lots less than 40 hectares. A planning permit is required for a dwelling on any existing or new lot with an area of less than 40ha.

Council acknowledges that there is a demand for living opportunities in the rural areas of the Shire. The unplanned incursion of residential land uses into rural areas results in agricultural land being taken out of production. While a rural dwelling will often be needed to properly farm the land, new dwellings must be limited to those that genuinely relate to agricultural production.

There should be no expectation that a dwelling may be constructed on every lot in the Farming Zone. The primary justification for a house on a rural lot must be that it complements and improves the agricultural use of the land. While a permit may be granted for a dwelling on lots of less than 40ha, Council will ensure that the dwelling is needed for the operation of the rural activity conducted on the land.

Applications for rural dwellings that rely solely on personal hardship or family reasons as the basis for a request are unlikely to be supported by Council.

22.06-2 Policy Objectives

XXXXXXXXXX
C140

- To provide a consistent basis for considering planning permit applications for the use and development of dwellings in rural areas.
- To ensure that dwellings in the Farming Zone are genuinely required to support agricultural activities.
- To discourage new dwellings unless it can be demonstrated that it is required for the agricultural use of the land.
- To ensure that the development of dwellings on rural land does not prejudice existing agricultural activities on surrounding land.
- To ensure that agricultural land is maintained for the cost-effective production of food and raw materials.
- To allow for consideration of planning permit applications for the use and development of land for a dwelling not associated with the agricultural use of the land where exceptional circumstances can be demonstrated, including:
 - Land where a previous planning permit for subdivision had considered the future development of a dwelling.
 - Land with established environmental qualities where the use and development of land for a dwelling will result in positive demonstrable environmental benefits.

22.06-3 Policy

XXXXXXXXXX
C140

It is policy to:

- Discourage dwellings not associated with or required for the agricultural use of the land.
- Ensure that prior to the construction of a dwelling, the agricultural use must have been established on the land (or an Integrated Land Management Plan under Clause 35.07-6 must be in place).
- Discourage dwellings on existing lots less than 2ha in area.
- Ensure that the dwelling lot is large enough to buffer itself from any adjoining agricultural activities.

- Ensure that the landowner enters into an agreement under section 173 of the Act to:
 - Require that the dwelling only be used in conjunction with agricultural production; and
 - Acknowledges there may be impacts from nearby agricultural activities.
- Ensure applications for new dwellings not associated with the use of land for agriculture can demonstrate exceptional circumstances, including:
 - Evidence that a previous planning permit for subdivision had considered the future development of a dwelling.
 - Demonstrable environmental benefits.

22.06-4 Application Requirements

XX/XX/XXXX

C140

An application for a dwelling must be supported by the following information that justifies the dwelling on the basis that it addresses:

- Any expected impacts on the residential use of the land by surrounding agricultural activities, and
- Any expected impacts the siting of the dwelling may have on current or future agricultural activities on adjoining land.
- Any exceptional circumstances to support the use and development of land for a dwelling not associated with the agricultural use of the land.

22.06-5 Policy Decision Guidelines

XX/XX/XXXX

C140

When considering an application for a dwelling in the Farming Zone, the responsible authority will consider the following matters, in addition to the decision guidelines in the zone:

- The relationship between the proposed dwelling and the agricultural activity on the land.
- The proposed siting of the dwelling and whether it minimises impacts on existing and potential agricultural operations on nearby land and on the rural landscape.
- Whether the proposed dwelling is necessary for the operation of the agricultural activity conducted on the land.
- Evidence of an Integrated Land Management Plan under Clause 35.07-6 or similar, addressing the relationship between agricultural activities on the land and the proposed dwelling.
- The agricultural productive capacity or the agricultural potential of the land.
- The nature of the existing agricultural infrastructure and activity on the land and any proposed agricultural infrastructure and activity on the land.
- The nature of the agricultural activities on the land and whether they require permanent and continuous care, supervision or security.
- The lot size, context and physical characteristics of the land.
- Whether the dwelling will result in a rural living or rural residential outcome in the area.
- Whether the proposed new dwelling has:
 - Suitable two way vehicle access via an all-weather road.
 - Legal frontage to a road.
 - Adequate buffers to protect residential amenity from the impacts of agricultural activity.
- The exceptional circumstances to support the use and development of land for a dwelling not associated with the agricultural use of the land, including:
 - How the lot was created.
 - Environmental qualities of the land.

Appendix F Panel Recommended Version of Rural Activity Zone Policy (Clause 22.08)

Panel additions = blue text with underlining

Panel deletions = ~~red text with strikethrough~~

22.08 RURAL ACTIVITY ZONE POLICY

XX/XX/XXXX

Proposed C140

This policy applies to all land within a Rural Activity Zone (RAZ) and is to be considered in accordance with the specific purposes of Schedule 1 to the zone.

22.08-1 Policy Basis

XX/XX/XXXX

Proposed C140

This policy primarily provides direction in terms of land use and development in the Rural Activity Zone. Direction is also provided for subdivision and dwellings, consistent with the outcomes of the *Bass Coast Rural Land Use Strategy (2014)*.

The *Bass Coast Rural Land Use Strategy (2014)* details the criteria for the identification of locations for the Rural Activity Zone. Based on these criteria [and the recommendations arising from the C140 Panel Hearing](#), the Rural Activity Zone has been applied to the following areas:

- Coronet Bay – Corinella

The Coronet Bay – Corinella precinct is the ‘gateway’ to the Shire for visitors from Melbourne and includes the two small settlements of Coronet Bay and Corinella providing basic services. It is considered appropriate to encourage tourism development uses that include accommodation and small scale tourism uses that support agriculture.

- The Gurdies [‘Fantasia Site’](#)

The Gurdies [‘Fantasia Site’](#) is located just off the Bass Highway in the northern part of the shire; ~~there is no township or associated services~~. The location ~~of the precinct on the Bass Highway~~ provides an opportunity for tourism development that maximises its exposure to visitors passing through the precinct en-route to Phillip Island and beyond. It is envisaged that the ~~precinct~~ site would be suited to a high quality boutique accommodation and restaurant/café linked to cellar doors, wineries and other food produce. There is an opportunity for a nature based tourism development with the State Park in close proximity.

- Inverloch-Cape Paterson

The Inverloch- Cape Paterson precinct is located on the Bunurong Coastal Route. It offers a high quality coastal environment suited to a range of accommodation uses and recreation activities such as trail rides and golf course. In this location there is an opportunity for small scale accommodation and nature based tourism developments that are respectful of the surrounding high quality environment.

The preferred mix of land uses in the Rural Activity Zone includes agriculture, tourist and recreational activities, and some accommodation.

The Rural Activity Zone also provides for the use and development of land associated with the Phillip Island Grand Prix Circuit to be considered in an integrated manner taking into account agriculture and the environmental and landscape characteristics of the area.

The *Rural Land Use Strategy* provides that all development in the Rural Activity Zone should be:

- Of modest scale, relevant to the land size and surrounding uses.
- Able to ‘nestle’ into the landscape to protect visual amenity.
- Subservient to the landscape so as not to detract from the quality of the landscape.
- Capable of no net loss environmental outcomes.
- Self-sufficient in the provision of relevant infrastructure and associated development costs.

22.08-2 Policy Objectives

XX/XX/XXXX

Proposed C140

- To identify a preferred mix of land uses in the zone.
- To ensure development is designed and located to blend with the surrounding landform, and not be visually dominant on ridges and hilltops, particularly from key viewing locations
- To retain the dominance of the undulating pastoral landscape and maintain coastal views from the coast and surrounding key vantage points
- To improve the natural landscape and outlook from main corridors by minimising the visibility of buildings and structures.
- To maintain green breaks between settlements.
- To ensure development is small scale with a rural/coastal appearance to complement the character of each precinct.
- To ensure that any development is compatible with the existing overlay controls and minimises conflict with adjoining land uses.

22.08-3 Policy

XX/XX/XXXX

Proposed C140

Land Use

It is policy to encourage the following uses in the Rural Activity Zone:

- Accommodation such as farm stays and host farms
- Tourism facilities in association with or that complement agriculture such as wine tasting and farm gate supplies
- Bed and breakfast
- Recreation activities such as trail rides and golf courses
- Uses associated with the operation of the Phillip Island Grand Prix Circuit.

It is policy to discourage the following uses in the Rural Activity Zone;

- Convenience shop
- Dwelling not in association with agriculture or tourism
- Equestrian supplies
- Motor racing track unless associated with the Phillip Island Grand Prix Circuit
- Intensive animal husbandry
- Hotel
- Landscape gardening supplies
- Store
- Tavern
- Trade supplies
- Residential hotel
- Service station

Subdivision

It is policy to:

- Discourage small lot subdivisions (other than those that promote farm consolidation) so as to avoid rural residential outcomes and non-agricultural neighbours.
- Incorporate a condition on any permit for a small lot subdivision that requires a legal agreement under section 173 of the Act which ensures that the land will not be further subdivided except to consolidate with adjoining land or in accordance with the minimum lot size in the zone.

Dwellings

It is policy to:

- Discourage dwellings not associated with or required for the agricultural or tourism use of the land.

- Ensure that when granting an application for the construction of a dwelling, the landowner enters into an agreement under section 173 of the Act to prevent the subdivision of the lot containing the new dwelling.

Development

It is policy to:

- Ensure that all applications for development are:
 - Of modest scale, designed to blend in with the landscape so as not to detract from the visual qualities of the landscape.
 - Capable of no net loss environmental outcomes.
 - Self-sufficient in the provision of relevant infrastructure and associated development costs.

22.08-4 Application requirements

XX/XX/XXXX
Proposed C140

An application must be accompanied by evidence that the following development principles have been satisfied (as appropriate):

Tourism use

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

Rural and environmental impact

- Protects and rehabilitates the natural environment and biodiversity, including remnant vegetation.
- Respects the existing and desired future character of rural and coastal areas.
- Protects and complements visually significant landscapes, views and vistas.
- Setback from the coast to accommodate both upper limit predictions of sea level rise and provides a buffer to protect biodiversity.
- Identifies and avoids impacts on predictable adverse environmental processes and effects including storm surges, river and coastal flooding, erosion, landslip, salinity, sea level rise, disturbance of acid sulphate soils, wildfire or geotechnical risk.
- Provides site densities which reflect the rural character of the site.

Design

- Achieves sustainable building outcomes.
- Demonstrates that design, siting, use of materials, colours and landscaping minimise the impact on the visual and environmental qualities of the site and the locality.
- Demonstrates that the footprint of the development and the use of setbacks minimises visual impact, particularly from key tourist destinations, viewing points and touring routes.
- Maintains the rural character of the area including the expansive views to rolling hills, pasture and coast.
- Carefully manages the scale of development between Inverloch and Cape Paterson.

Services

- Meets best practice environmentally sustainable design standards.
- Demonstrates that it minimises its impact on water catchments and water quality, with use of wastewater treatment systems.

22.08-5 Policy Decision Guidelines

XX/XX/XXXX
Proposed C140

All applications for use, subdivision or buildings and works will be assessed according to the purposes of Schedule 1 to the Rural Activity Zone and to the policy objectives and policy provisions of this clause.

Amendment C140: State and Local Planning Policy provisions regarding Implementation of the Rural Land Use Strategy

State Planning Policy

The proposed amendment is supported by numerous parts of the State Planning Policy Framework (SPPF) including Clause 11 (Settlement), Clause 12 (Environmental and Landscape Values) and Clause 14 (Natural Resource Management) of the SPPF. In particular, the proposed amendment addresses the following key state directions:

- Clause 11.05-3 (Rural Productivity) which seeks to prevent inappropriately dispersed urban activities in rural areas. Limit new housing development in rural areas, including directing housing growth into existing settlements. Discouraging development of isolated small lots in the rural zones from use for single dwellings, rural living or other incompatible uses.
- Clause 12.01 (Biodiversity), which aims to assist the conservation of the habitats of threatened and endangered species including communities under-represented in conservation reserves such as native grasslands. The amendment will support this policy by providing direction about how native grasslands and other vegetation of medium, high and very high conservation significance should be protected at the local level.
- Clause 14.01-1 (Protection of Agricultural Land) which seeks to protect productive farmland. Removal of productive agricultural land must consider the economic importance of agricultural production. Amendment C140 seeks to protect land from being removed from agricultural production.

Local Planning Policy

The proposed amendment is supported by numerous parts of the Municipal Strategic Statement (Clause 21), in particular, the proposed amendment addresses the following key local directions:

- Clause 21.03-4 (Tourism) which seeks the further development of tourism in the Shire's rural areas subject to landscape, amenity, environmental and agricultural considerations.
- Clause 21.03-5 (Agriculture), which sets out a long term vision for the Shire's rural areas that:
 - Protect the opportunity for agriculture
 - Protect rural landscape and maintain green breaks between towns
 - Provide for rural based tourism
 - Ensure that environmental values are protected and enhanced
 - Protect the livability of Bass Coasts' rural areas
- Clause 21.05-1 (Landscape) notes that the rural farmed landscape is important to the identity, amenity and the attraction of the Shire to visitors. The amendment seeks to prevent ribbon development between towns and along corridors as these assets are critical to maintaining landscape character and values.