

# Policy Options for Rural Living Development in the Metropolitan Region



## Technical Report 11

PLANNING MELBOURNE FOR THE 21ST CENTURY

## Message from the Ministers

By world standards Melbourne is a great city. The Bracks Government is committed to maintaining Melbourne's reputation as a highly liveable city and an attractive investment destination. The Government has embarked on the preparation of a Metropolitan Strategy to set a clear vision for Melbourne's future liveability, prosperity and, importantly, its long-term sustainability.

The preparation of the Metropolitan Strategy is drawing on inputs from a wide range of sources. It is vital that the strategy has a sound research and information basis. It is also especially vital that community aspirations for the city's future be well understood. The key inputs to the strategy, therefore, include both a wide ranging public consultation program as well as a series of research or technical papers on issues that may have an impact on Melbourne's future.

The Bracks Government has given an undertaking to make as much of this background information, as possible, widely available to stimulate discussion about the future of Melbourne. In order for the community, at large, to access this material, the Government has commissioned summaries of the technical reports.

This document is one of the technical reports commissioned by the Department of Infrastructure, which we hope will stimulate feedback. At this stage its content and recommendations are only the views of its authors and not necessarily the views of the Government. The Strategy is still being developed, and we remain open to hearing what the broader community would like it to encompass.

Copies of the full reports are held at the Department of Infrastructure library and all municipal and university libraries or may be purchased from the Information Victoria Bookshop, located at 365 Collins Street, Melbourne.

We encourage you to read this and other technical reports and, should you wish, to make your views known about the future of Melbourne by contacting us on:

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This Technical Report 11 entitled, *Policy Options for Rural Living Development in the Metropolitan Regions*, was written for the Department of Infrastructure by Research Planning Design Group (RPD) in association with the Centre for Land Protection Research, Bendigo

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# **Policy Options for Rural Living Development in the Metropolitan Region**

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**A Research Project for the Department of Infrastructure**

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*with*

**Centre for Land Protection  
Research**

**July 2001**



## **Contents**

<b>1. Introduction</b>	<b>3</b>
<b>2. Process</b>	<b>5</b>
<b>3. Findings from the Consultation with Local Government</b>	<b>6</b>
<b>4. Analysis of Mapped Information</b>	<b>8</b>
<b>5. Process</b>	<b>9</b>
<b>5. Findings</b>	<b>17</b>
<b>6. Policy Options</b>	<b>20</b>
<b>Appendix I: Interview Findings</b>	<b>23</b>
<b>Appendix II: Study Maps</b>	<b>30</b>

# 1. Introduction

In June 2001, the Department of Infrastructure engaged Research Planning Design Group with the Centre for Land Protection Research to undertake a study of rural living development in the metropolitan region.

The Study is a contributory project to the development of a Metropolitan Strategy. The work seeks to build upon the 1997 Trevor Budge and Associates study of "Rural Living Development" that sought to:

- quantify rural living development focused on the areas around the State's largest regional centres, those with a population of over 20,000 persons, and the fringe of the Melbourne metropolitan area
- examine the impact in respect of land of productive natural resource value, land of high intrinsic value and infrastructure services.

The implications of rural living developments brought out in that study have been echoed recently in other work, for example, the draft Port Phillip and Westernport Native Vegetation Plan (NRE - 2000) that identifies the negative impacts on native vegetation of such developments.

In October 1997 revisions to the Victoria Planning Provisions removed the excision provisions in the Rural Living and the Environmental Rural Zones. There is some evidence that this has enabled significant increases in the number of rural living dwellings without the need to obtain a planning permit to subdivide allotments.

The metropolitan strategy project is examining the appropriate policy response to the issues identified in the 1997 study and recent developments.

The current Study is designed to:

- confirm the broad analysis done in 1997 of the trends and drivers of rural living development and the implications for natural resources and related industries, infrastructure and service provision, and the environment;
- extend the analysis to a determination of the implications for natural resources and related industries, infrastructure and service provision, and the environment that would be likely to occur if all allotments were fully developed and used for rural living;
- generally identify areas in the broad metropolitan region where rural living:
  - should be prohibited
  - should be restricted or limited
  - might be encouraged subject to specified criteria;
  - discuss possible policy options for the metropolitan strategy and associated policy implementation tools to meet each of the three cases above.

In this report, "rural living" is defined as residential development on lots of between 0.4 to 8 ha in area in a rural setting. The term therefore refers to land that is:

- zoned Low Density Residential which is set aside for development on lots of 0.4 to 2 ha. Lots in the Low Density Residential zone are usually developed at the smaller size so as to maximise yield and at these sizes (0.4 ha) are a reflection of "residential" demand rather than "rural living". Usually such lots are part of a comprehensive subdivision. They almost always have reticulated water and sometimes sewerage.
- set aside for development and zoned Rural Living. Rural Living lots are generally 2 ha and above and represent purchasers seeking the potential for some rural use or development in association with a residential purpose.
- zoned Rural but separate titles are held for lots of rural living scale. Rural living can also be associated with larger lot sizes than 8 ha. Where there is a limited supply of rural living lots, at smaller lot sizes, the market will utilise larger lot sizes for this purpose. There can be demand for these to be sold separately with applications for houses on each lot. The provisions of the Rural Zone provide for the reconfiguration of lots that are below the minimum subdivision size for the zone in order to avoid current inappropriate or poorly serviced lots. Lots in the Rural Zone can add considerably to the potential rural living lot supply.

The Study Area was defined as the area embraced by a number of local government areas of on the fringes of metropolitan Melbourne. It includes the total area of the following municipalities:

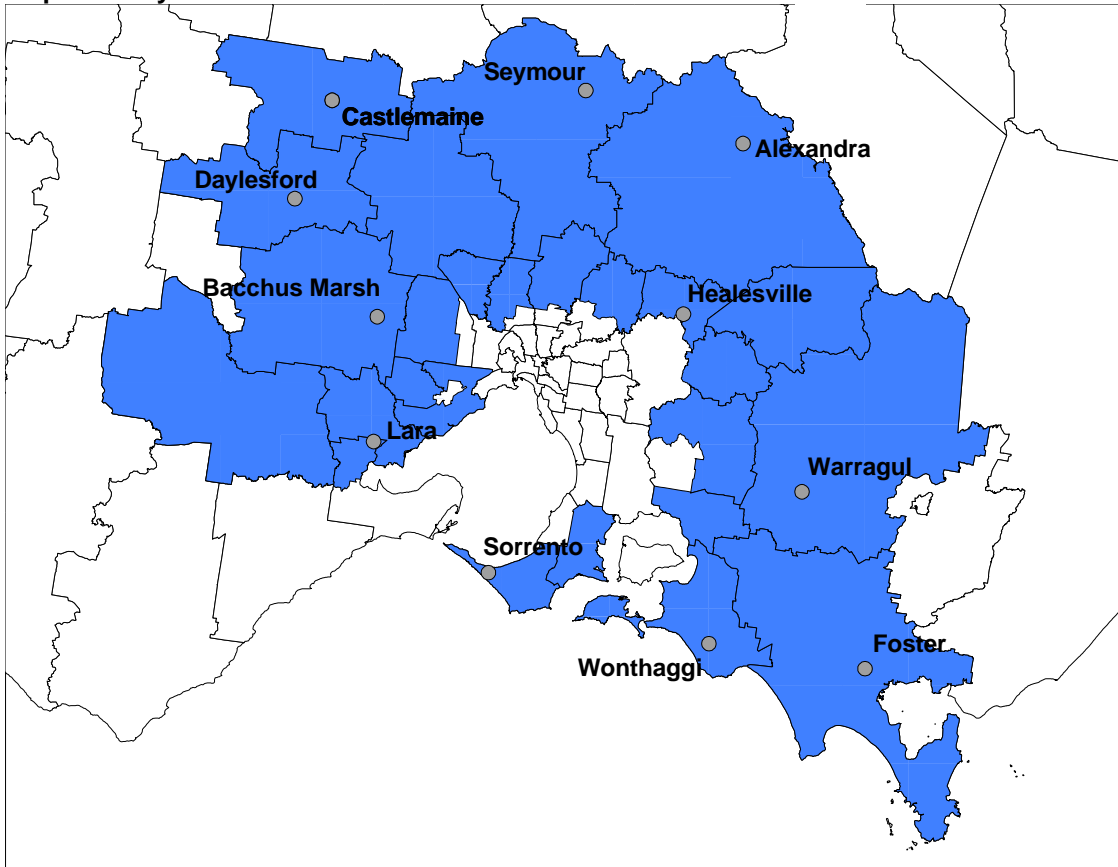
- Moorabool
- Hepburn
- Macedon Ranges
- Mount Alexander
- Mitchell
- Baw Baw
- South Gippsland
- Bass Coast

It also includes the non-urban areas of the local government areas of:

- Melton
- Hume
- Whittlesea
- Wyndham
- Yarra Ranges
- Mornington Peninsula
- Nillumbik
- and the northern area of Greater Geelong.

The Study Area is shown on Map 1.

**Map 1: Study Area**



## **2. Process**

The research was undertaken in two parallel processes:

- Review of the 1997 Study results. This was largely undertaken through a comprehensive interview/discussion program with relevant staff from each Council and a comparison of results with the 1997 findings.
- A comprehensive mapping exercise to identify physical constraints and the provision of land for rural living development

### **Interviews**

In order to facilitate the interview process a letter was sent to each Council outlining the information that would form the basis of interviews. The information covered:

- (i) Trends (in the past 4-5years) in rural living (0.4ha to 8ha) developments
- (ii) Overall perspectives on supply levels, including supply and demand in sub-markets such as serviced lots, hobby farms, bushland blocks, larger and smaller lots etc.
- (iii) Recent or proposed planning scheme amendments to facilitate (or limit) new development of this type
- (iv) Policy approaches to excisions and the development of small lots in the Rural Zone
- (v) The approach of Councils to assessing applications for subdivision and development, including the use of environmental assessment (and the detail of this assessment)
- (vi) Details of current and proposed strategy and policy relating to this style of development
- (vii) Council perspectives on service and infrastructure costs and policies regarding cost distribution
- (viii) Perspectives on the role of full-time and part-time agriculture in rural living areas

### 3. Findings from the Consultation with Local Government

The interviews were conducted during June 2001, usually by telephone. In some instances only one individual was contacted, at other Councils a number of people were available for the discussion, bringing a broad perspective to the interview. A detailed outline on the interview outcomes is included as appendix 1 to this report.

The general findings of the interviews are:

- That the trends and characteristics of rural living development are largely localised or relate to specific regions and as such it is difficult to draw broad conclusions for the study area;
- The general demographic and economic trends have a strong influence on this style of development in different areas (for example .....);
- That the new VPP planning scheme (specifically the policy framework and zone provisions) has resulted in Councils tightening their approach to new subdivision and development in rural living areas;
- Greater attention is being given to natural resource management issues than before, although some municipalities felt ill equipped to effectively address these issues;
- There was significant divergence between Councils in relation to approaches to assessment of rural living development, and preparation of policy and strategy. While most had committed to strategic research and policy development, some municipalities were well advanced, while others had failed to undertake work.;
- There was continued land use conflict between agricultural activity and rural living in many areas, and many Councils identified the increasing expectations of newer residents as a significant issue.

More specific findings provide some indication of the relationship between corridors, or the differences within regions in relation to this type of development. Some specific findings include:

- **Supply:** Those municipalities on the immediate fringe of metropolitan Melbourne had little or no oversupply of land in this category. Further from Melbourne, a number of localities continued to record a significant over supply of land. This general pattern is largely reflected in the map data provided in the following section.
- **Trends:** Levels and characteristics of demand varied across the study area. Particularly on the Melbourne fringe, demand appeared highest for small blocks, often in serviced areas. Demand on the coast was seen to be on the increase, especially compared to non-coastal areas within those municipalities.
- **Environmental Issues:** There was an almost universal recognition that resource and environmental management was a more significant component of the planning process for rural living development since the introduction of the VPPs. Generally, those municipalities closer to Melbourne felt more adequately resourced to assess these issues. On the northern and eastern fringes of Melbourne these issues had resulted in a considerable increase in the quality and sophistication of planning applications.
- **Agriculture:** Generally it was recognised that structural change in agriculture had contributed to patterns of rural living supply. On the eastern and south-eastern fringes of Melbourne it was considered that high land values for quality agricultural sites had prevented fragmentation more successfully than the planning process. Conflicts between rural living and agricultural activity were noted in the outer municipalities of the study area. In the Western, Hume and Calder corridors it was noted that about 50% of all rural living development will involve some form of agriculture, with a much smaller proportion involved in agriculture that requires significant investment and management, such as viticulture.
- **Infrastructure:** There was a generally mixed response with regard to levels of servicing, and approaches to apportioning costs. Many Councils (especially smaller rural Councils) recognised the significant cost burden of dispersed development, although they had not taken specific steps to address this. Some (especially fringe urban) Councils were able to provide a range of services (almost to an urban standard) reflecting the urban nature of many low density and rural living areas. In rural areas, it was considered that "new" communities had higher expectations than traditional residents.



- **Policy Approaches and Strategic Planning:** Again, the level, detail and success of policy and strategy was mixed. A number of respondent Councils had undertaken significant work in the area, while others (while committing within their MSS) had not. Some Councils, notably Geelong and Whittlesea, appeared genuinely tough on excisions and small lot development outside of areas provided. Others retained a more laissez-faire approach, regardless of the tightened provisions of the VPPs. The house lot excision capacity of the VPPs was considered to be a signal that scope remained to facilitate de facto rural living development.

## **4. Analysis of Mapped Information**

In order to meet the requirements of the brief the study area was comprehensively mapped using the following technique.

1. Areas were identified that provided an environmental constraint to rural living development:
  - Land in public ownership
  - Land with existing vegetation cover
  - Land with threatened flora and fauna
  - Land in a salinity discharge area
  - Land in a proclaimed water supply catchment (this was clarified to land which is covered with a Land Use Determination
  - Land with a slope in excess of 20%
2. Areas were identified where the Rural Living Zone had been applied
3. Areas were identified where lot sizes were between 0.4ha and 8ha in area

[Initially it was considered that areas subject to flooding and land with quantified sand and stone resources would be included. However due to the inadequacies in the base information for these elements it was not possible to map these at a consistent information and presentation standard. This does not detract however from the importance of mapping these constraints for the purpose of analysis]

## 5. Process

All areas identified with environmental constraints were removed from the theoretical rural living supply area. Then all areas zoned Rural Living were identified together with all lots of between 0.4ha and 8ha. Lots in this size range on private land outside of the Rural Living Zone are within the Low Density Residential Zone or within the Rural Zone. The geographical area actually covered by the Low Density Residential zone is small. Some areas are within the Environmental Rural Zone. Given the provisions of the Rural Zone it is possible that existing small lot areas could be developed for rural living purposes with a permit for a dwelling. Developed on any scale this could represent a form of rural living development without the land being formally zoned for the purpose.

The following section is an analysis of geographic information produced by the Centre for Land Protection Research. A series of three maps has been produced for each of the seven corridors displaying;

- Existing coverage of the Rural Living Zone
- Environmental constraints
- Land parcels between 0.4ha and 8ha.

A one-page summary details the results of the analysis of each Corridor, discussing the extent of the Rural Living Zone and lots sizes in the range of 0.4ha to 8ha together with the mapped environmental constraints.

In order to refine this process further and distinguish between residential style development at the smaller end of the lot size range and rural living style development at the larger end of the lot size range, lot numbers were calculated for those between 0.4 ha and 1.0 ha in size and for those from 1 ha to 8ha. As discussed earlier almost all development within the Low Density Residential Zone is at the minimum lot size possible, usually 0.4 ha because that is generally the minimum lot size for a septic tank approval. Setting the cut off size at 1.0ha will almost embrace all land developed within the Low Density Residential Zone. The remaining numbers of lots in the size range 1.0 ha to 8.0 ha will be either land already subdivided for Rural Living purposes or lots within the Environmental Rural or Rural Zone in that size range that could be developed under permit with a house for rural living.

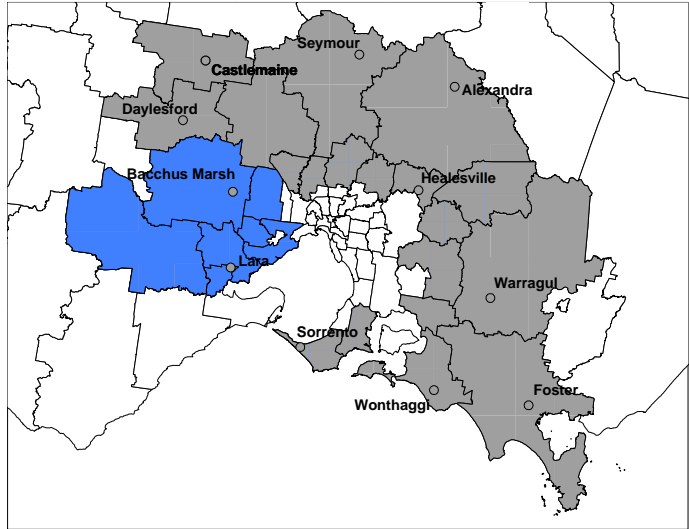
The lot size analysis has shown that in the total study area there are some 115,969 lots in the size range 0.4ha to 8ha. However, of these 37,397 are between 0.4 and 1.0ha and are more properly termed residential. Of the total lots between 1.0ha and 8.0ha (78,572) only 42,166 are lots in land zoned Rural Living, therefore nearly half the lots in this size range are in either the Environmental Rural Zone (there are few areas in this zone), or the Rural Zone.

The seven corridors identified with their respective local government areas were:

1. **Western:** Geelong, Greater Geelong Golden Plains, Melton, Moorabool and Wyndham
2. **Calder:** Hepburn, Hume, Macedon Ranges and Mount Alexander
3. **Hume:** Mitchell and Whittlesea
4. **Maroondah:** Murrindindi, Nillumbik and Yarra Ranges
5. **South Eastern:** Baw Baw, Cardinia and Casey
6. **South Gippsland:** Bass Coast and South Gippsland
7. **Nepean:** Mornington Peninsula

## Western Corridor

Use of the Rural Living Zone is scattered throughout the Western Corridor, with concentrations around the boundaries of the City of Ballarat, around Lara and along sections of the Western Highway. A Total of 8,235 lots are zoned Rural Living in the Western Corridor, the majority of these being in Golden Plains (3,503) and Geelong (2,726). Only about 20% of all lots in the size range 0.4 to 8 ha are less than 1ha in size. Almost all of land within the Rural Living Zone has environmental constraints, including salinity discharge (especially in the north), proclaimed catchments (in Moorabool and Wyndham), and vegetation remnants connected with significant areas of public land such as the Brisbane Ranges and Central Highland Forestry region.



While close to three-quarters (74.7%) of land zoned Rural Living across the Western Corridor is of the size 0.4 to 8ha a little under a quarter (24.3%) of lots sized 0.4 to 8ha are zoned Rural Living. Clearly there is a large number of land parcels of the size 0.4 to 8ha which are not currently zoned Rural Living. In the individual shires this figure ranges from 30.3% in Golden Plains to 1.6% in Melton. (It is worth noting however that Melton has a total of 89 lots zoned Rural Living compared to 3,503 in Golden Plains.)

Lots of the size 0.4 to 8ha makes up a total of 12.8% of all lots across the Western Corridor. Golden Plains and Moorabool have a much larger percentage of both lots in the size 0.4 to 8ha and lots zoned Rural Living.

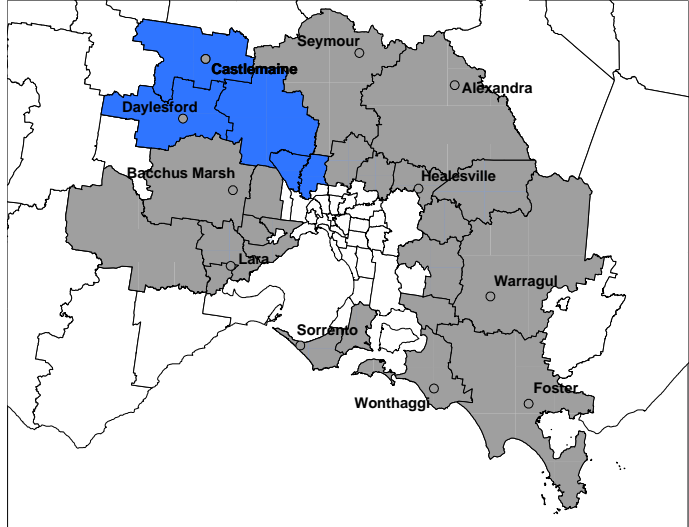
There are a high number of land parcels in the range 0.4ha to 8ha in the north western part of the Golden Plains Shire close to the boundary of the City of Ballarat, however much of this land is affected by salt.

### Summary Table: Western Corridor

	RLZ Lots	Lots Between 0.4 - 8ha (0.4-1ha) % of total	Both RLZ & 0.4-8ha	Total Lots	% of RLZ	% of 0.4-8ha	RLZ lots 0.4 - 0.8ha	0.4 - 0.8ha in RLZ
Geelong	2,726	7,952 (631)	2,197	102,446	2.7%	7.8%	80.6%	27.6%
Golden Plains	3,503	8,218 (1572)	2,493	17,318	20.2%	47.5%	71.2%	30.3%
Melton	89	1,455 (749)	23	23,146	0.4%	6.3%	25.8%	1.6%
Moorabool	1,756	5,749 (1510)	1,307	18,652	9.4%	30.8%	74.4%	22.7%
Wyndham	161	1,969 (901)	129	36,242	0.4%	5.4%	80.1%	6.6%
		<b>25,343</b>						
<b>Totals</b>	<b>8,235</b>	<b>(5363) 21.2%</b>	<b>6,149</b>	<b>197,804</b>	<b>4.2%</b>	<b>12.8%</b>	<b>74.7%</b>	<b>24.3%</b>

## Calder Corridor

Use of the Rural Living Zone is scattered throughout the Calder Corridor, with concentrations around Creswick, close to the boundaries of the City of Ballarat, Clunes (995 lots), Kyneton (1,701 lots), Castlemaine (1,733 lots), land surrounding Daylesford (1866 lots), Lancefield and along the Calder Highway.



A total of 6,411 lots are within the Rural Living Zone, the majority of these are in the Macedon Ranges Shire (2,616 lots) and Hepburn Shire (2,034 lots). Over 30% of all lots in the size range 0.4 to 8 ha are less than 1ha in size. Large areas of this land have constraints, including salinity issues and the proclaimed water supply for Lake Eppalock, and the Cairn Curran and Tullaroop Reservoirs. Significant areas of private land in the Macedon Ranges, the Wombat/Daylesford area and around Castlemaine adjoin Crown land and contain important vegetation remnants and linkages.

Significant areas of private land in the Macedon Ranges, the Wombat/Daylesford area and around Castlemaine adjoin Crown land and contain important vegetation remnants and linkages.

Of the land zoned Rural Living in the Calder Corridor 71.4 % of the land parcels are of the size 0.4 to 8ha. However of the lots sized 0.4 – 8 ha only 17.9% are zoned Rural Living. In the individual shires the percentage of lots 0.4 to 8ha zoned Rural Living ranges from 22% in Macedon Ranges to 7.9% in Mount Alexander. The historical patterns of subdivision (dating to the gold rushes of the nineteenth century) provide a considerable bank of small parcels for development.

Lots of the size 0.4 to 8ha make up a total of 22.1% of all lots across the Calder Corridor. Lots 0.4 – 8ha are concentrated along both the Calder Highway and the Midland Highway around the townships of Macedon, Kyneton, Malmsbury, Castlemaine, Daylesford and Creswick.

### Summary Table: Calder Corridor

L.G.A	RLZ Lots	Between 0.4 - 8ha (0.4-1ha)	Both RLZ & 0.4- 8ha	Total Lots	% of RLZ	% of 0.4- 8ha	RLZ lots 0.4 – 8ha	0.4 - 8ha in RLZ
% of total								
Hepburn	2,034	6,841(1885)	1,478	19,168	10.6%	72.7%	35.7%	21.6%
Hume	934	3,535 (1432)	726	52,168	1.8%	77.7%	6.8%	20.5%
Macedon Ranges	2,616	8,083 (2434)	1,782	23,284	11.2%	68.1%	34.7%	22.0%
Mt. Alexander	827	7,454 (2494)	589	22,681	3.6%	71.2%	32.9%	7.9%
<b>25,913 (8245)</b> <b>31.8%</b>								
<b>Totals</b>	<b>6,411</b>		<b>4,575</b>	<b>117,301</b>	<b>5.5%</b>	<b>71.4%</b>	<b>22.1%</b>	<b>17.7%</b>

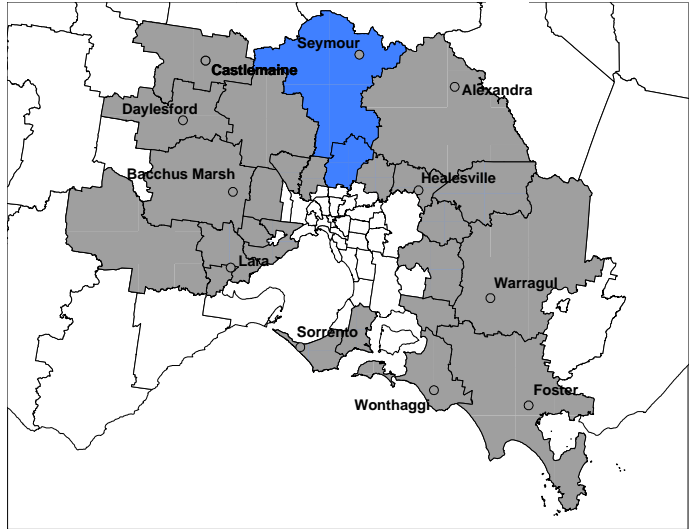
## Hume Corridor

A total of 1,093 lots are zoned Rural Living in the Hume Corridor. Use of the Rural Living zone is concentrated in five areas of the Corridor:

- Along the Northern Highway at Pyalong and Kilmore
- Along the Hume Freeway South of Broadford and at Wandong
- The northern edges of Whittlesea.

Almost all of land within the Rural Living zone has environmental constraints, particularly vegetation cover and land within the catchment of Lake Eppalock.

In the Shire of Mitchell 80% of land that is zoned Rural Living is of the size 0.4 to 8ha, compared to Whittlesea where only 30.6% of the lots are of this size. In the Hume Corridor the largest concentration of the Rural Living zone is along the northern Edges of the town of Whittlesea and does not correspond to a large area of lots in the size 0.4 – 8ha. Nearly 43% of all lots in the size range 0.4 to 8 ha are less than 1ha in size.



Of the lots of the size 0.4 – 8ha only 9.9% are zoned Rural Living in Mitchell and 4.9% in Whittlesea. Clearly there is a large number of land parcels of the size 0.4 to 8ha which are not currently zoned rural living. Lots of the size 0.4 to .8 ha make up a total of 26.1% of all lots in Mitchell, with only 3.2% of lots being under the Rural Living zone. In Whittlesea and 6.6% of all lots in Whittlesea and appear to be concentrated around townships, along both the Northern Highway and Hume Freeway.

**Summary Table: Hume Corridor**

	RLZ Lots	Between 0.4 - 8ha (0.4-1ha) % of total	Both RLZ & 0.4- 8ha	Total Lots	% of RLZ	% of 0.4- 8ha	RLZ lots 0.4 - 8ha in	0.4 - 8ha in RLZ
Mitchell	625	5,057(1843)	500	19,411	3.2%	80.0%	26.1%	9.9%
Whittlesea	468	2,897(1538)	143	44,214	1.1%	30.6%	6.6%	4.9%
		7,954 (3481)						
Totals	1,093	43.8%	643	63,625	1.7%	58.8%	12.5%	8.1%

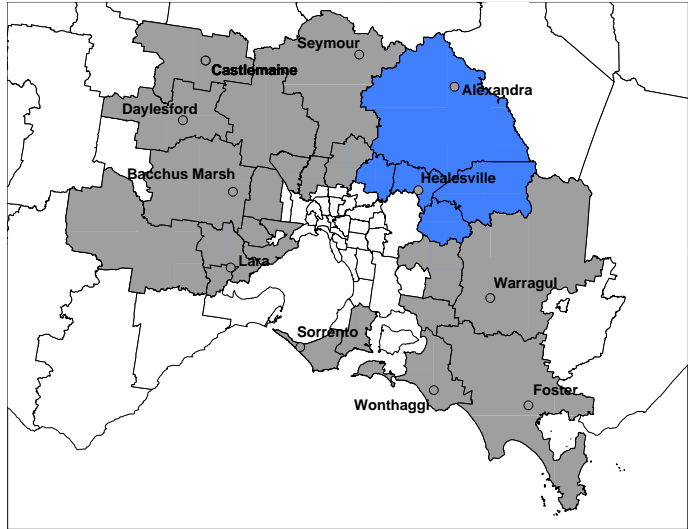
## Maroondah Corridor

Currently only Nillumbik and Yarra Ranges use the Rural Living zone in the Maroondah Corridor. The Rural Living Zone applies to the following areas in the Maroondah corridor:

- The outer reaches of Melbourne's suburbs, around Lilydale and Mt. Dandenong
- Healesville,
- Buxton, Alexandra and Eildon
- Yarra Junction and Warburton.

A Total of 13,276 lots are zoned Rural Living in the Maroondah Corridor, the majority of these being in Yarra Ranges (13,053), with the remainder 241 lots in Murrindindi. Nearly 40% of all lots in the size range 0.4 to 8 ha are less than 1ha in size. Some of the land zoned Rural Living has environmental

constraints. The major environmental constraints in the Maroondah Corridor are the Proclaimed Water Supply and Vegetation Cover which apply to much of the Eastern side of the corridor.



In Murrindindi Shire 69.3% of the land zoned rural living is of the size 0.4 to 8ha, the corresponding figure for the Yarra Ranges is 23.7%. No land is zoned Rural Living in Nillumbik, although significant areas of land within the Environmental Rural Zone have similar settlement characteristics. Lots of the size 0.4 to 8ha make up a total of 20.5% of all lots across the Maroondah Corridor. The concentration of lots of this size is evident around the suburbs of Hurstbridge and Eltham (4337 lots), and parts of Lilydale and Mt Dandenong (3080 lots).

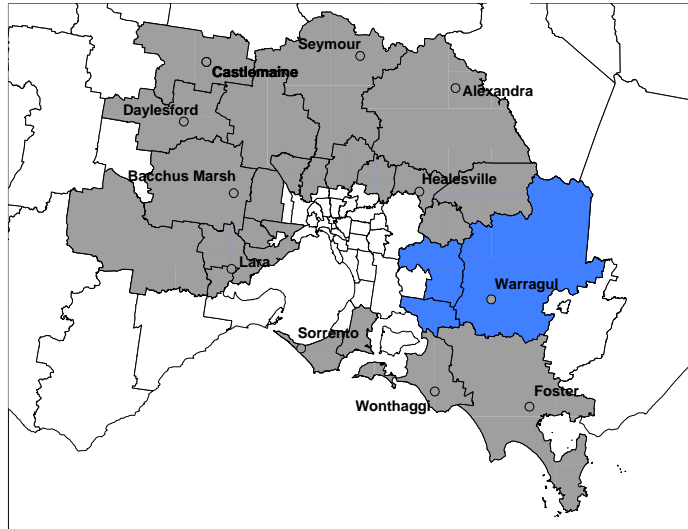
### Summary Table: Maroondah Corridor

	RLZ Lots	Between 0.4 - 8ha	Both RLZ & 0.4-8ha	Total Lots	% of RLZ	% of 0.4-8ha	RLZ lots 0.4 - 8ha in	
		(0.4 -1ha)					- 8ha	RLZ
		% of total						
Murrindindi	241	4,584 (1468)	167	14,868	1.6%	69.3%	30.8%	3.6%
Nillumbik	0	5,176 (1911)	0	23,201	0.0%	0.0%	22.3%	0.0%
Yarra Ranges	13,035	11,219 (4525)	3,085	64,244	20.3%	23.7%	17.5%	27.5%
		<b>20,979 (7904)</b>						
<b>Totals</b>	<b>13,276</b>	<b>37.7%</b>	<b>3,252</b>	<b>102,313</b>	<b>13.0%</b>	<b>24.5%</b>	<b>20.5%</b>	<b>15.5%</b>

## South Eastern Corridor

Use of the Rural Living zone is scattered throughout the South Eastern Corridor, with concentrations around Melbourne's fringe suburbs of Narre Warren and Cranbourne. Smaller areas of the Rural Living zone occur along the Princes Highway. A total of 3,094 lots are zoned Rural Living in the South Eastern Corridor, the majority of these being in Cardinia (1,678 lots) and Casey (1,326 lots). Nearly 40% of all lots in the size range 0.4 to 8 ha are less than 1ha in size.

While close to two thirds (67.67%) of land zoned Rural Living across the South Eastern Corridor is of the size 0.4 to 8ha only 11% of lots sized 0.4 to 8ha are zoned Rural Living. Clearly there are a large number of land parcels of the size 0.4 to 8ha which are not currently zoned Rural Living. In the individual shires this figure ranges from 15.8% in Cardinia to 0.8% in Baw Baw.



Lots of the size 0.4 to 8ha make up a total of 15.7% of all lots across the South Eastern Corridor. Baw Baw and Cardinia have a much larger percentage of lots in the size 0.4 – 8ha.

Much of the northern edge of the corridor forms part of the Maroondah catchment. The other major environmental constraint in the South Eastern Corridor is vegetation cover.

**Summary Table: South-Eastern Corridor**

	RLZ Lots	Between 0.4 - 8ha	Both RLZ & 0.4-8ha	Total Lots	% of RLZ	% of 0.4-8ha	RLZ lots 0.4 - 8ha	0.4 - 8ha in RLZ
		(0.4-1ha)						
Baw Baw	100	6,584 (2320)	50	25,592	0.4%	50.0%	25.7%	0.8%
Cardinia	1,678	6,648 (2329)	1,048	23,939	7.0%	62.5%	27.8%	15.8%
Casey	1,316	5,834 (2795)	995	72,240	1.8%	75.6%	8.1%	17.1%
		<b>19,066 (5977)</b>						
<b>Totals</b>	<b>3,094</b>	<b>39.0%</b>	<b>2,093</b>	<b>121,771</b>	<b>2.5%</b>	<b>67.6%</b>	<b>15.7%</b>	<b>11.0%</b>

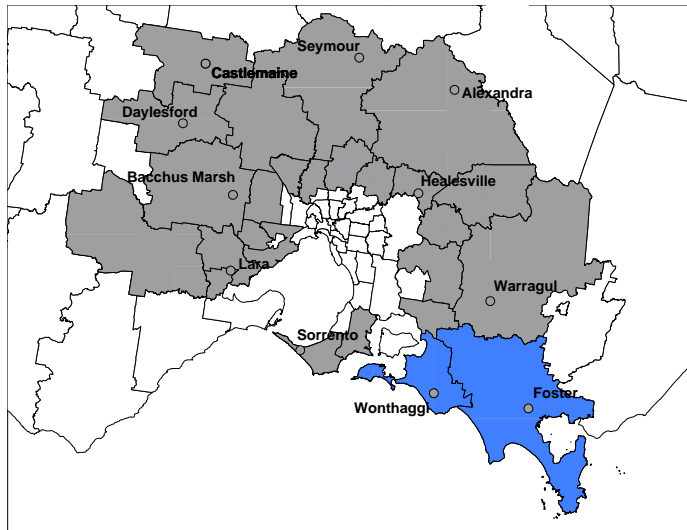


## South Gippsland Region

There is little application of the Rural Living zone in this area. Some limited use of the Rural Living zone has been made near Nyora, Korumburra and land north of Inverloch as well as some other locations. However, concentrations of small lots are evident across the area, especially near larger centres. Over 30% of all lots in the size range 0.4 to 8 ha are less than 1ha in size.

Evidence from the interviews suggests that there is significant demand for growth along the coast, and there are a number of areas with high concentrations of small lots in the coastal zone.

Coastal environments, as well as remnant vegetation and some areas with significant drainage limitations are constraints to sustainable development in this area.



**Summary Table: South Gippsland**

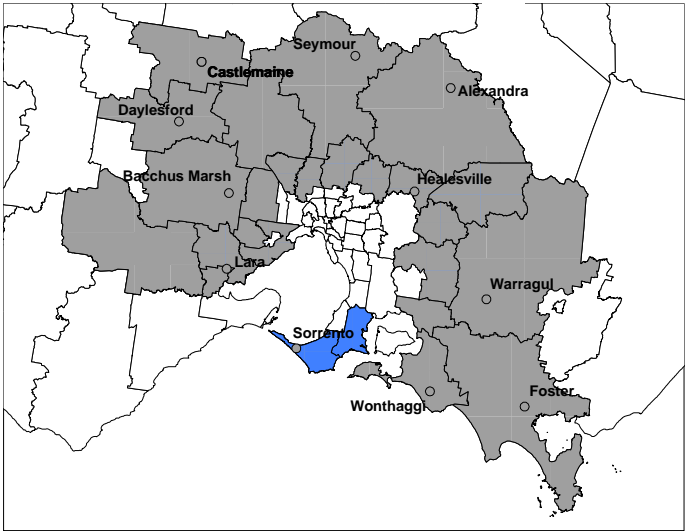
	RLZ Lots	Between 0.4 - 8ha (0.4-1ha)	Both RLZ & 0.4- 8ha	Total Lots	% of RLZ	% of 0.4- 8ha	RLZ lots 0.4 - 8ha	0.4 - 8ha in RLZ
Bass Coast	322	2,503 (853)	165	30,221	1.1%	51.2%	8.3%	6.6%
South		6,563						
Gippsland	735	(2104)	612	27,376	2.7%	83.3%	24.0%	9.3%
		9,066						
		(2957)						
<b>Totals</b>	<b>1,057</b>	<b>32.6%</b>	<b>777</b>	<b>57,597</b>	<b>1.8%</b>	<b>73.5%</b>	<b>15.7%</b>	<b>8.6%</b>

Nepean Corridor

There is only one Local Government Area in the Nepean Corridor, Mornington Peninsula. No land in the Mornington Peninsula is within the Rural Living Zone. There are a total of 7,648 lots that are of the size 0.4 to 8ha. Over 45% of all lots in the size range 0.4 to 8 ha are less than 1ha in size.

Environmental Constraints in the Nepean Corridor include:

- The foreshore and immediate coastal hinterland
- Small parcels of public land and remnant vegetation linking these (and on roadsides and streamsides)



RLZ Lots		Lots 0.4 -8ha	Total number of	% of lots 0.4-8ha
		(0.4-1ha)	Lots	
		7,648 (3470)		
Mornington Peninsula	None	45.4%	89,779	8.5%

## 5. Findings

### The 1997 Review

The broad analysis and findings of the 1997 review are generally confirmed. It should be noted that the 1997 review included the geographical area around the eight major regional centres. These areas have been excluded except where those areas are part of the corridor between Melbourne and the respective regional centre. Some of the trends and drivers of rural living development and the implications are now more evident and provide a sharper focus and input for policy development. Specifically the findings of the 1997 are set out below. Comments in respect to the findings from the current review are set out in italics.

- Demand for rural living lots is a consistent and significant component of new residential development, with about one in five new dwellings in the study area being for rural living purposes - about 1200 new dwellings each year.

*The number of rural living dwellings per year cannot be confirmed largely because of the inadequate data collection systems of Councils.*

- Over 40% of all dwellings can be termed rural living development in some local government areas with particular concentrations around some regional centres and to the west and north-west of Melbourne.

*Rural living is still a significant component of growth, with levels of development a result of demand or restrictive policy by Council.*

- The notional supply of rural living areas is extensive with an estimated potential of up to 60,000 lots available in existing zoned areas in the study area. The likely supply is in the order of 30,000 lots. This figure does not include provision made through planning schemes for excisions and use of existing titles.

*The 2001 study has revised the estimated supply of lots upwards, however this may represent better data gathering rather than any actual increase in numbers.*

- The greatest potential supply of rural living lots in accordance with existing planning provisions is around Bendigo and to the north west of Melbourne, which is also a high demand area.

*Further information using actual lot patterns rather than relying only on rural living zoning has revised this pattern of supply which is more dispersed than previously reported.*

- The study area, and rural living localities in particular, display distinctive lifestyle and life-cycle characteristics relating to age structure, housing tenure and income.

*Generally confirmed.*

- A number of factors contribute to a preference for rural living development, these include: an attractive lifestyle alternative to conventional residential development; increased personal mobility; and the apparent attraction of relatively low prices in some areas which is usually associated with few services or limited infrastructure.

*Generally confirmed.*

- In total about \$1.6 billion (or about a quarter of the State's agricultural production) comes from the total study area with important concentrations in milk, grapes, orchard fruits and some vegetables.

*The 2001 Study has not specifically addressed this issue. For some municipalities lack of clear policy at the State level on this issue is significant.*

- An important finding of the study was that there is no clear direct evidence that the demand for and use of land for rural living in the last decade has resulted in a loss of agricultural production, as distinct from a loss of productive land<sup>1</sup>.

*This still appears to be an issue. Water authorities are coming together to develop policy on a range of issues.*

---

<sup>1</sup> From an analysis of agricultural production levels it appears that considerable areas of highly productive land are not being fully utilised to their potential. The impacts of rural living development may be contributors to this situation.

- ☐ There is increasing conflict at the local level between the long term management of finite natural resources particularly productive agricultural land and the use of land for rural living development. This conflict is occurring on the metropolitan fringe and around some regional centres. This conflict is of concern to some farmers and to food processing companies.

*This is still an issue and appears to have heightened in regard to horticulture – particularly vineyards, intensive animal industries and the use of water and the proliferation of farm dams.*

- ☐ The survey undertaken of local governments and water authorities indicated that there was no consistent policy approach in the study area for the provision and costing of infrastructure and services sought and delivered to rural living development.

*This still appears to be an issue. Water authorities are coming together to develop policy on a range of issues.*

- ☐ There is an overall higher cost in servicing rural living residents with road maintenance being the highest and longest term issue. The Councils in the study area have 'side stepped' the issue of establishing a Development Contribution Plan for rural living development.

*This is still the case.*

## **General Findings of this Review**

Assessing Rural Living zoned areas or areas zoned Rural currently held in lot sizes of between 0.4ha and 8ha has identified that most areas have large numbers of existing undeveloped lots that could be developed for rural living purposes. For example, in Hepburn Shire less than a third of all lots in the 2-8ha range have houses on them<sup>2</sup>, leaving a significant balance for potential future development, even when the likely constraints on many lots are recognised.

Major concentrations of supply of Rural Living zoned land is found in the following local government areas:

- |                                       |  |
|---------------------------------------|--|
| <input type="checkbox"/> Yarra Ranges | <input type="checkbox"/> Golden Plains |
| <input type="checkbox"/> Baw Baw      | <input type="checkbox"/> Hepburn       |

Major concentrations of supply of lots between 0.4 and 8ha outside of Rural Living zones are to be found in the following local government areas:

- |   |                                       |
|---|---------------------------------------|
| <input type="checkbox"/> Mitchell       | <input type="checkbox"/> Nillumbik    |
| <input type="checkbox"/> Macedon Ranges | <input type="checkbox"/> Yarra Ranges |

The recognition of a range of environmental/natural resource constraints could significantly constrain this growth, especially as these matters are increasingly incorporated into planning at a local level. These factors which can be readily mapped are areas:

- ☐ covered with extant native vegetation;
- ☐ possessing rare or threatened flora and or fauna;
- ☐ water catchments with a Land Use Determination;
- ☐ land with a slope greater than 20%;
- ☐ salinity discharge areas.

Based on estimates of the likely number of lots already developed with housing the overall theoretical supply of lots for future housing development could be in the order of 60,000-80,000<sup>3</sup>. (This figure would need further work to confirm.) If the constraints are considered, then potential lot supply is decreased significantly. In some areas overall supply may be reduced, while in a more likely outcome, the costs of compliance with more rigorous standards (such as more sophisticated waste treatment, or lower subdivision yields) may reduce the affordability and comparative attractiveness of this style of development in some areas.

In summary, the observations on trends and drivers indicate:

<sup>2</sup> RPD Group (1998) *Hepburn Shire Land Use Strategy: Rural Land Review*

<sup>3</sup> This is based on a calculated RLZ lot number of 33,166, a small lot supply well in excess of this and the indication of supply provided within the interviews.

## **Demand**

- Increased demand in coastal areas
- Ongoing demand in other areas
- Little evidence of demand for high-quality, serviced rural residential development of the type evidenced by developments such as 'Hidden Valley' at Wallan.

## **Supply**

- Oversupply in lower quality areas
- Most Councils are limiting the supply of RLZ and LDRZ land through not supporting any further amendment proposals and through the general tenor of the planning scheme, in anticipation of undertaking research into demand and supply
- Supply in many areas is provided by turn over of existing properties

## **Demographic Profile**

- Unclear as to whether any specific characteristics are emergent beyond those identified in other literature, but it is evident that many retirement-aged people are looking at moving, especially in coastal areas and this is resulting in increased demand for both urban and rural residential areas in the coastal zone

## **Reasons for Rural Living Development**

- General demand and trends in development remain split between those seeking small holdings for agriculture and horticulture, those seeking bushland and rural landscape settings and those seeking large urban style settings, including blocks with some or all urban style services.

## **Policy and Planning Framework**

- Increasingly sophisticated approach since the introduction of the new planning schemes with a greater recognition of the need to address the broad range of impacts associated with rural living development.
- Most have a requirement to undertake research into issues associated with rural residential development built into their MSS, although to date not all have undertaken this work

## **Impact on Highly Productive Agricultural Land**

- Ongoing impact in many areas (Yarra Valley, Gippsland) but recognition that land price is maintaining some agriculture (esp. horticulture, viticulture) in some areas. If the lot supply is limited against demand a market based "regulation" may not be sustainable. Rural living presents opportunities for lifestyle development to be combined with productive agriculture, especially in emerging industry sectors.
- The implementation of larger municipal areas, following the local government restructure, has highlighted for some Councils that a diverse agricultural base is a major economic strength. There has been a significant investment in agriculture/horticulture in some municipalities which has strengthened some Councils resolve to ensure it is protected and managed.

## **Impact on Productive Natural Resource Values**

- Councils identified that they have an increased capacity for natural resource management through increased requirements and broader provisions of the VPPs
- While it was clear that this affects individual applications by increasing the quality of applications, however, it may not affect change over broader issues such as general impacts on resources at a regional level.

## **Impact on Land of High Intrinsic Value**

- A number of municipalities mentioned the issue of landscapes, especially along the coast.

## **Infrastructure and Services**

- Increased recognition of costs among Councils, yet very few seriously undertaking development contributions work.

## 6. Policy Options

The development of areas fringing the metropolitan area, along the major transport corridors linking Melbourne and the regional centres and in the major tourism-recreation areas frequented by Melbourne residents has implications for the Metropolitan Strategy. The use of extensive areas of land for rural living purposes has the potential to limit other land use options such as future urban development, large scale agricultural or horticultural uses and site specific uses requiring large buffer areas. Significantly rural living development can compromise or impact on the capacity and integrity of renewable and non-renewable resources and limit further other development options. This is particularly the case in respect to water catchment areas for domestic supplies, high quality agricultural land, forestry resources, and sand, stone and gravel deposits. Rural living development can also have significant impacts on environmental and natural resource qualities such as habitat for rare and endangered flora and fauna, wetlands, remnant native vegetation and biodiversity values. Poor land management which can be associated with rural living development, has led to the spread of environmental weeds, pest plants and animals, soil erosion and increases in dry land salinity.

In examining policy options that are likely to flow to the metropolitan strategy from the findings of this review it is evident that decisions to change the planning regime that currently applies to rural living development will have significant implications. Extensive consultation with a wide range of interests would need to be undertaken before major changes were made.

The policy options range from a stricter regime in terms of the criteria or basis for the rezoning of further land for rural living purposes to limiting further development of land already zoned Rural Living. Policy options also need to consider the implications of further rural living development using the provisions of the Rural zone.

This study has taken a wide strategic view and followed the approach that areas that have high level environmental values or possess natural resource attributes that are of net community benefit should be excluded from consideration as future rural living areas regardless of their current zoning. Most of these areas are zoned Rural. These areas should be identified as unsuitable for rural living development. The simplest way of achieving this is to amend the Minister's Rural Residential Development Direction that has been in place for about a decade. The Direction could be amended to include land to be rezoned for development to 8 ha. and to reference a wider range of matters that would limit rezoning. Also at the policy level the State Planning Policy Framework could be strengthened to reflect the following:

- Rural living development is to be generally discouraged unless in areas that
  - do not impact on natural resources and environmental values,
  - are able to be serviced efficiently and economically,
  - are not identified for future urban development,
  - are not within water catchments.

At the zone level controls, the purpose of the Rural Living zone could be strengthened to provide a stronger statement along the lines suggested for the SPPF. In the Rural zone the purpose could be strengthened to preclude the use of the land in the Rural zone to provide for rural living development and this would be referenced in the decision guidelines and in the re-subdivision provisions. The clear intent being that the alternative to the use (misuse) of the Rural zone provisions would be the need to have the land zoned Rural Living.

Other options in the Rural zone include raising the minimum lot size for the excision of an existing house from 0.4 ha to a larger figure – this is unlikely to curb the demand for such excisions.

The impending review of the Rural zones provides an opportunity to develop a new suite of zones that reflect the reality of the multiple uses and demands on rural land.

This could include:

- A new and much stricter Environmental Rural zone which clearly distinguishes between land of "general" environmental value as against areas with significant assets and limitations.
- A Rural Resource zone which could be applied to land where the resource value is high (water catchment, forestry, high quality soils, stone, sand and gravel deposits) which clearly identifies that the resource value takes precedence.

- An Environmental Hazard zone where changes to land use and management are likely to lead to natural resource management issues such as land subject to erosion, landslip or salinity discharge or recharge.
- A Rural Industrial zone for land uses that are effectively open air industries such as intensive animal industries, quarries, intensive horticulture, mushroom composting plants and waste disposal areas.

Many of these matters could be addressed through overlays, however overlays have the disadvantage that the underlying use established by the zone still prevails and in the Rural zone as it is currently structured, it is an open ended zone where almost any use imaginable can be applied for. The zone establishes the parameters of use – overlays only deal with development.

The application of a different set of planning provisions that would limit rural living development on land zoned Rural Living or Rural would lead to some level of discontent and calls for some form of compensation. The Planning and Environment Act does not provide for compensation based on a zoning change unless the land is rezoned for a public purpose. There is no provision in the Victoria Planning Provisions for tenement provisions or for a transfer of development right. Generally a transfer of development right provision is based on an assumption that a landowner has an inherent “right to development”. Planning provisions do not establish a right to subdivision – subdivision in all cases requires a permission to develop – even where land is zoned for that purpose. To introduce a transfer of development right provision would have considerable implications across the planning system. A more appropriate “solution” would be to utilise the re-subdivision provisions of the Rural zone on a case by case basis with a Practice Note on how this is to be allowed. Many councils are finding that they are having to rework their Local Policy provisions in regards to resubdivision, Rural Houses and House Lot Excisions in the Rural zone given the provisions of the new format planning schemes. Subdivision approved by former municipalities under previous planning schemes is no longer consistent with the new zone provisions. Councils are addressing this by providing a sunset period within which subdivisions have to be implemented and residential development proceed. Similar approaches could be useful in areas zoned Rural Living where development has been held over for considerable periods of time.

## 7. Implications for Change

The implications of the existing situation together with current trends and drivers is that:

- At an overall metropolitan scale there is no basis for zoning further land for rural living purposes. There may be specific circumstances in some high demand/low supply areas but this should be balanced against ‘backzoning’ of unsuitable / high impact areas;
- Policy development and implementation tools should be strengthened to pursue/achieve the following outcomes:
  - Better protect and ensure long term sustainable use and management of existing natural resource attributes – such as agricultural production;
  - Better protect existing environmental qualities – such as water quality, native vegetation, biodiversity and habitat;
  - Lower short and long term property servicing costs carried by the local, regional and State community as distinct to costs met by the property developer;
  - More clearly direct opportunities for rural living development to locations that do not compromise environmental values, natural resource assets or demand community funded infrastructure.

Councils should be encouraged to undertake strategic policy development with respect to the supply and demand for rural living development and the long term protection and management of resources, environment and infrastructure servicing. In order to do this, Councils will also need to implement data gathering that ensures that the number and location of new rural living lots and the use of such lots for residential development is recorded and kept up to date.

At the State and metropolitan policy level the key implications are consistent with the 1997 findings if there is a requirement to ensure that

- natural resources are better protected and managed in a more sustainable way;
- the environmental qualities of areas are not lessened;
- service and infrastructure costs are constrained.

## Tools for Addressing These Issues

Within the planning system there are a number of tools to address and implement these policy directions:

1. The SPPF can be strengthened to indicate and set down that:
  - Rural Living Development is to be managed and regulated so as to require higher 'standards' for the future rezoning of any land for rural living purposes,
  - The development of existing rural living zoned areas and the development of lots between 0.4 and 8ha is required to demonstrate that the sustainability and future use of existing natural resources is not compromised,
  - That existing environmental qualities or attributes are not lessened and that service and infrastructure costs have been met as part of the development.
2. That Ministerial Direction No 6 (rural residential development) is to be amended so as to require compliance for all proposals for rezoning of land that would create lot sizes greater than 2ha and less than 8.0ha (at present it relates to 0.4 to 2ha.), and to reference a wider range of matters.
3. That the Rural Living zone provisions be strengthened so as to require all proposals for subdivision of all land to require an impact assessment and environmental management plan in terms of the natural resource attributes, the environmental attributes and the servicing/infrastructure requirements. Proposals for dwellings on existing lots will require these elements to be addressed. (*This could be the equivalent in general terms with the neighbourhood character and site assessment in ResCode*). Some Councils have already attempted to initiate similar requirements
4. That the Rural zone provisions be strengthened so as to require the use and development of existing lots for dwellings between 0.4 and 8.0ha including excisions of existing houses be required to provide an impact assessment and environmental management plan as per the Rural Living zone in (3.) above.
5. That the Rural Review seriously address the need to address the conflicting roles of the Rural zone as:
  - An agricultural zone
  - A development "holding" zone
  - A de facto Rural Living Zone



## Appendix I: Interview Findings

The following table summarises the perspectives from each of the Councils that were interviewed against a range of topics as outlined in Section 2 of the report.

### Trends in Rural Living

Nillumbik	<ul style="list-style-type: none"> <li>Most rural residential growth is within ERZ, follows from previous schemes (70% of Nillumbik is zoned ERZ)</li> <li>Strong demand for larger (8ha) lots rather than small rural residential lots</li> </ul>
Yarra Ranges	<ul style="list-style-type: none"> <li>Very flat market, large greenfield development constrained by UYV&amp;DR Strategy</li> <li>Most new lots through excisions where minimum subdivision can be met</li> </ul>
Wyndham	<ul style="list-style-type: none"> <li>No discernible trends over past 5 years. Council does not generally favour RL rezonings and prefers to focus on retaining the longer-term option for conventional residential development.</li> <li>Council receives rezoning requests fairly regularly but generally doesn't proceed with them. Main issue is that many owners of RL lots want to subdivide them</li> </ul>
Mornington Peninsula	<ul style="list-style-type: none"> <li>Significant price increases, driven by increased overall demand for residential development in the area, both coast and hinterland</li> <li>All lots in RUZ, between 0.4ha and 8ha</li> </ul>
Melton	<ul style="list-style-type: none"> <li>Steady demand and daily request for rezoning</li> <li>Larger lots being developed within residential subdivisions, perhaps meeting some demand</li> </ul>
Whittlesea	<ul style="list-style-type: none"> <li>The trend within Whittlesea has been towards smaller LDRZ lots that are serviced. A majority of the RLZ is between 8-12 ha in size, being a legacy of the former planning scheme. There is an excess of supply of both RLZ and LDRZ.</li> <li>A Rural land Study was undertaken in the absence of any direction from Dol with regard to urban fringe and rural land issues.</li> </ul>
Geelong	<ul style="list-style-type: none"> <li>Geelong has adopted the strong policies of the Geelong Regional Commission on Rural Living and Rural Residential development.</li> <li>The Rural Living Zone has been applied to the former Rural Residential areas, with a 2ha subdivision size. The LDRZ has been applied to areas with lot sizes of 0.4 ha. The translation of the former planning scheme to the new VPP scheme resulted in no new areas being identified.</li> <li>The GRC and Council policy on RLZ has been to focus them into 5 main nodes being, Lara, Lovely Banks, Batesford, Wallington, Drysdale/Clifton Springs</li> </ul>
Hume	<ul style="list-style-type: none"> <li>The trend for development within Hume has been to smaller lots generally between 0.4 to 1.0 hectares (LDRZ) in area and supplied with water infrastructure and close to urban services – Sunbury and Greenvale have been the two most popular areas for LDRZ development.</li> <li>An urban break has developed at Mount Ridley (1999), where fully serviced Rural Living lots sizes of 2ha have been created – more a function of providing a break between rural and residential areas, than a demand for this style of development.</li> </ul>
Hepburn	<ul style="list-style-type: none"> <li>Significant growth in development rates in established areas and scattered rural areas (like most goldfields areas small lots in abundance)</li> <li>Strongly clustered in areas close to Daylesford and Trentham.</li> </ul>

	<ul style="list-style-type: none"> <li>• Little movement on smaller and clustered lots, some general discussion of high quality development with tourism and residential components</li> <li>• Increased recognition of environmental constraints and values (including landscapes)</li> <li>• Increased permanency in housing originally for weekenders</li> </ul>
Mt Alexander	<ul style="list-style-type: none"> <li>• Growing rates of development in isolated and town fringe locations.</li> <li>• Scattered and occurring on old lots</li> </ul>
Mitchell	<ul style="list-style-type: none"> <li>• In areas closer to Melbourne most growth clustered, linked to towns and transport routes, (smaller lots)</li> <li>• Some fragmented development on older lots and subdivisions</li> <li>• One "themed" development at Hidden Valley</li> </ul>
Bass Coast	<ul style="list-style-type: none"> <li>• Coastal demand forms the majority of all growth</li> <li>• largely small lots (up to 1ha or 2ha) less in hobby farm range</li> </ul>
South Gippsland	<ul style="list-style-type: none"> <li>• Significant numbers of small lots in hobby farm range in inland areas</li> <li>• Large growth along coast including close to coastal townships</li> </ul>
Macedon	<ul style="list-style-type: none"> <li>• Significant growth linked to towns, close to highway and Melbourne</li> <li>• Scattered growth on old titles throughout Shire, strong growth near Kyneton and bush blocks</li> </ul>

### **Perspectives on Supply and Demand**

Nillumbik	<ul style="list-style-type: none"> <li>• While some demand for grapes and olives on better land, most demand for rural residential and bushland residential</li> <li>• Very few rezonings since new scheme, environmental constraints significant</li> <li>• No data maintained (but is available through GIS)</li> </ul>
Yarra Ranges	<ul style="list-style-type: none"> <li>• Trickle of lots through excisions (50-100/year)</li> <li>• Bank of undeveloped land in 0.1-2ha range in the Dandenong Ranges</li> <li>• Don't monitor supply but have the figures</li> </ul>
Wyndham	<ul style="list-style-type: none"> <li>• Market and developer preference seems to be for smaller 0.4ha lots. Not many available and Council is reluctant to create more.</li> <li>• Council prefers RL development in Little River area, away from current and future residential development.</li> <li>• Eynesbury (theme/cluster) development does not seem to be proceeding</li> </ul>
Mornington Peninsula	<ul style="list-style-type: none"> <li>• Diminishing supply and Council reluctant to create new lots, although there is increasing demand for resubdivision of exiting rural residential lots</li> </ul>
Melton	<ul style="list-style-type: none"> <li>• Two main estates providing lots at 0.8ha-4ha</li> <li>• Pressure for rezoning of land taken out of the rural residential pool by new Scheme</li> </ul>
Whittlesea	<ul style="list-style-type: none"> <li>• Wide variety of sub-markets from bush land to open rural landscape. There is also a significant supply of land that has never been developed or subdivided. The reasons for this are unknown. (The Rural land Study identified that for both forms of development (RLZ and LDRZ) that the Shire had in excess of 10 years supply.)</li> </ul>
Geelong	<ul style="list-style-type: none"> <li>• No increase in land supply due to no new areas being proposed or identified</li> </ul>

Hume	<ul style="list-style-type: none"> <li>Large supply of Rural Living areas within the Calder Corridor that extends from the Thunderdome to Diggers Rest and through to Sunbury. In 30 years only 60% of this area has been developed. The lot size within this area is 6ha and was developed due to the small lot size of the Rural Zone for the Bulla Planning Scheme.</li> </ul>
Hepburn	<ul style="list-style-type: none"> <li>High levels of overall supply, significant constraints on many existing lots due to access, location and environmental issues. Many lots unsuitable.</li> </ul>
Mt Alexander	<ul style="list-style-type: none"> <li>High levels of overall supply, significant constraints on many existing lots due to access, location and environmental issues. Many lots unsuitable in inappropriate subdivisions (including old townships)</li> </ul>
Mitchell	<ul style="list-style-type: none"> <li>Overall oversupply, market slow in north of the Shire, capacity for further subdivision in some areas in the south, apparent demand for serviced larger lots.</li> </ul>
Bass Coast	<ul style="list-style-type: none"> <li>Known oversupply, significant areas where development is undesirable (generally inland)</li> </ul>
South Gippsland	<ul style="list-style-type: none"> <li>High levels of supply in small rural (hobby) range, under supply in smaller lots especially in coastal areas</li> </ul>
Macedon	<ul style="list-style-type: none"> <li>Numeric oversupply, many inappropriate due to environment, potential conflict with agriculture</li> </ul>

### Recent or Proposed Planning Changes

Nillumbik	<ul style="list-style-type: none"> <li>Some pressure in Hurstbridge area, no current proposals</li> <li>Plan to undertake rural review with focus on agricultural uses</li> <li>Review the broad application of ERZ (required by Ministerial Panel)</li> </ul>
Yarra Ranges	<ul style="list-style-type: none"> <li>No plans for additional work, a key focus of MSS and strategy is to protect rural land</li> </ul>
Wyndham	<ul style="list-style-type: none"> <li>No recent amendments although Council has prepared a draft concept plan for the area that makes provision for limited RL development</li> <li>Rural Land Strategy commenced in 1998, not finalised</li> </ul>
Mornington Peninsula	<ul style="list-style-type: none"> <li>No recent amendments as MSS is strong on maintaining rural land holdings as viable agricultural holdings</li> </ul>
Melton	<ul style="list-style-type: none"> <li>Current amendment to allow 4ha subdivision subject to EMP/site analysis/sealed roads</li> </ul>
Whittlesea	<ul style="list-style-type: none"> <li>No planning scheme amendments are proposed to create more RLZ or LDRZ. T</li> <li>The <i>Rural Review Study</i> (2000) has recommended back zoning of RLZ to ERZ. These amendments are to be placed on exhibition in the next 2 months.</li> </ul>
Geelong	<ul style="list-style-type: none"> <li>No planning scheme amendments – supply is limited to the 5 areas identified above</li> </ul>
Hume	<ul style="list-style-type: none"> <li>No new rezoning is proposed at this stage. No new developments are to be assessed until the current <i>Rural Living/ Rural Residential Land Supply and Demand Study</i> is finalized. This study found high levels of oversupply in many areas.</li> </ul>
Hepburn	<ul style="list-style-type: none"> <li>No specific Amendments</li> </ul>

	<ul style="list-style-type: none"> <li>Review of controls in small townships and surrounds (current)</li> <li>Catchment-based environmental data for assessing potential impacts (proposed)</li> <li>Agricultural data and suitability (proposed)</li> <li>Rural Land Study (1999)</li> </ul>
Mt Alexander	<ul style="list-style-type: none"> <li>No specific Amendments</li> <li>Rural Living Study (proposed 2001)</li> </ul>
Mitchell	<ul style="list-style-type: none"> <li>No specific Amendments</li> <li>Hume corridor growth strategy (current)</li> <li>Towns/fringe supply and demand studies (1998-99)</li> </ul>
Bass Coast	<ul style="list-style-type: none"> <li>No specific Amendments</li> <li>Supply-demand analysis undertaken on Phillip Is, proposed for Wonthaggi and Inverloch fringe</li> </ul>
South Gippsland	<ul style="list-style-type: none"> <li>No specific Amendments</li> <li>Rural Strategy in place, current MSS amendment addresses demand for small holdings for commercial/sub-commercial farming</li> </ul>
Macedon Ranges	<ul style="list-style-type: none"> <li>Some growth corridor issues emerged from Residential and Town review (2000)</li> <li>Rural Land Strategy to be completed by late 2001</li> </ul>

### Policy Approaches to Excisions and Small Lots

Nillumbik	<ul style="list-style-type: none"> <li>Strong application of excision policy, a number of appeals in the pipeline.</li> <li>Strong environmental focus from Council</li> </ul>
Yarra Ranges	<ul style="list-style-type: none"> <li>Virtually no scope for additional large-scale subdivisions. Excisions/resubdivisions only allowed where minimum lot size can be met. Usually where there are two house on the lot.</li> </ul>
Wyndham	<ul style="list-style-type: none"> <li>Main demand for excisions in Werribee South Area (market garden area) where specific policy exists to enable small lot from properties over 5ha (and s173 agreement)</li> </ul>
Mornington Peninsula	<ul style="list-style-type: none"> <li>No specific policy, some details in MSS</li> <li>Council prefers to negotiate outcomes to minimise the number of small lots</li> </ul>
Melton	<ul style="list-style-type: none"> <li>Require sealed roads, reticulated water, s173 agreement (major disincentive)</li> </ul>
Whittlesea	<ul style="list-style-type: none"> <li>Whittlesea tends to refuse house lot excisions. Applications are always considered to be opportunistic and never related to farming.</li> </ul>
Geelong	<ul style="list-style-type: none"> <li>Very hard on excisions – Councils <i>Rural Land Strategy</i> completed in 1996 is based on land capability and the schedule to the Rural Zone identifies a range of lot sizes between 30-80 hectares in area for subdivision. The emphasis on subdivision and excision is the same, very hard to complete – The former planning scheme also required people to demonstrate how an excision was related to farming practice. This emphasis continues today.</li> </ul>
Hume	<ul style="list-style-type: none"> <li>The MSS provides for strong policy statement on rural land excisions. Councils estimate that only 6 excisions have been sought since the introduction of the new planning scheme and most have been refused.</li> </ul>

Hepburn	<ul style="list-style-type: none"> <li>• Few excisions, most holdings in multi-lots</li> <li>• Tend to require rural activities, difficult to justify in many areas already "lost" to agriculture</li> </ul>
Mt Alexander	<ul style="list-style-type: none"> <li>• Few excisions, most holdings in multi-lots</li> <li>• Tend to require rural activities, difficult to justify in many areas already "lost" to agriculture</li> </ul>
Bass Coast	<ul style="list-style-type: none"> <li>• Limited information to constrain development, often difficult to discuss agricultural use on small lots</li> </ul>
South Gippsland	<ul style="list-style-type: none"> <li>• Focus on lots &lt;10ha in rural areas on potential conflict/impact rather than agricultural use</li> <li>• High numbers of excisions, especially in ageing farming areas, seen to enable effective land transfers</li> </ul>
Macedon Ranges	Council has recently commissioned a major review of its rural areas.

### Details and Information for Assessment

Nillumbik	<ul style="list-style-type: none"> <li>• Management Plan required with applications</li> <li>• Looking at land capability report requirement, 70% of current applications have inadequate information.</li> </ul>
Yarra Ranges	<ul style="list-style-type: none"> <li>• Considered to not be relevant given limited scope</li> </ul>
Wyndham	<ul style="list-style-type: none"> <li>• Comprehensive requirements for rezonings or land within DPO. Less rigorous for other areas.</li> </ul>
Mornington Peninsula	<ul style="list-style-type: none"> <li>• ESO/LSO cover most areas, application requirements reflect the requirements of these overlays</li> </ul>
Melton	<ul style="list-style-type: none"> <li>• Council requires EMP</li> </ul>
Whittlesea	<ul style="list-style-type: none"> <li>• The Rural Review has recommended new decision guidelines that are based on site analysis and design guidelines along with Environmental assessment. Land management plans will also have to be prepared.</li> </ul>
Geelong	<ul style="list-style-type: none"> <li>• Environmental assessment is used, as Council has an environmental unit that can deal with subdivision and development issues where required.</li> <li>• The decision guidelines for the rural and residential zones are quite specific about what information needs to be supplied and this is followed.</li> </ul>
Hume	<ul style="list-style-type: none"> <li>• Council undertakes stringent assessment with respect to this issue. However current farm and lot size may also work against excisions and subdivision, given the high level of fragmentation that has occurred within the former Bulla Shire prior to the introduction of the new VPP scheme.</li> </ul>
Hepburn	<ul style="list-style-type: none"> <li>• Improving quality of applications, hoping that catchment and land suitability work will provide better tool for Council</li> </ul>
Mt Alexander	<ul style="list-style-type: none"> <li>• Improving quality of applications, generally demand that rural zone objectives are met in applications</li> </ul>
Bass Coast	<ul style="list-style-type: none"> <li>• Mixed quality of applications. Extensive work in some areas where land capability is required</li> </ul>
South Gippsland	<ul style="list-style-type: none"> <li>• Good quality where demanded (especially areas such as coastal areas), no culture of high quality planning applications</li> </ul>

## Costs and Contributions

Nillumbik	<ul style="list-style-type: none"> <li>Not considered a major or disproportionate costs to Council (all lots serviced with garbage and road grading)</li> </ul>
Yarra Ranges	<ul style="list-style-type: none"> <li>No major infrastructure concerns except for backlog sewerage in the Dandenong's on small lots zoned Rural Living.</li> </ul>
Wyndham	<ul style="list-style-type: none"> <li>No major cost/infrastructure issues. Conscious of the need to provide open space and transport corridors</li> </ul>
Mornington Peninsula	<ul style="list-style-type: none"> <li>No infrastructure cost issues</li> </ul>
Melton	<ul style="list-style-type: none"> <li>Water and roads major limitation and requirement of new developments;</li> <li>Costs to continuing agriculture</li> </ul>
Whittlesea	<ul style="list-style-type: none"> <li>The reality has been that RLZ and LDRZ is not a bargain, either from developers or from purchases perspective. Council considers it an <i>urban housing</i> opportunity and as such this form of development needs to provide the same levels of infrastructure as residential development.</li> </ul>
Geelong	<ul style="list-style-type: none"> <li>It is because of the cost of infrastructure for RLZ and LDRZ that Council has limited the application of these zones – they are expensive to service and they also consume vast quantities of land that could be used for other forms of development.</li> </ul>
Hume	<ul style="list-style-type: none"> <li>No policy as yet on the issue of infrastructure. However the trend has been towards the creation of small lots (2000-4000m2), such as LDR development, which supplies all infrastructure, even sewerage.</li> </ul>
Hepburn	<ul style="list-style-type: none"> <li>No cost requirements, data felt to be deficient. "new" community is expecting more services</li> </ul>
Mt Alexander	<ul style="list-style-type: none"> <li>Some road costs increased pressure from newcomers</li> </ul>
Bass Coast	<ul style="list-style-type: none"> <li>No real movement to requiring contributions, new ethos in some areas with new population may drive change to this.</li> </ul>
South Gippsland	<ul style="list-style-type: none"> <li>No real contribution scheme, except roads on some cases</li> </ul>
Macedon	<ul style="list-style-type: none"> <li>Increased pressure from those expecting better services, no current plans for significant contributions</li> </ul>

## The Role of Part/Full Time Agriculture

Nillumbik	<ul style="list-style-type: none"> <li>Increasing use of larger rural living lots for horticulture and viticulture.</li> </ul>
Yarra Ranges	<ul style="list-style-type: none"> <li>Most larger lots used for horticulture</li> </ul>
Wyndham	<ul style="list-style-type: none"> <li>Almost no agriculture of Rural Living blocks</li> </ul>
Mornington Peninsula	<ul style="list-style-type: none"> <li>Some horticulture/viticulture, although most of this is on established market garden sites, little agriculture overall on rural living blocks</li> </ul>
Whittlesea	<ul style="list-style-type: none"> <li>The land capability of RLZ areas is very limited and as such agriculture plays a minor to insignificant role.</li> </ul>
Geelong	<ul style="list-style-type: none"> <li>All RLZ zones are characterised by small lot sizes, therefore there is no agriculture</li> </ul>
Hume	<ul style="list-style-type: none"> <li>Use of RLZ for agriculture in Hume is limited due to the lack of water and limitations to land versatility. Basically land can only be used (and traditionally has been) for very limited grazing.</li> </ul>

Hepburn	• Important component, especially in conjunction with tourism
Mt Alexander	• Strong factor in many areas with development such as wineries/vineyards occurring, some tourism associated with "new" agriculture
Mitchell	• Decreasing importance, especially in areas influenced by Melbourne, most growth extension of residential function
Bass Coast	• Some inland, very little in high growth coastal areas
South Gippsland	• Some agricultural activity (boutique) little in coastal areas
Macedon Ranges	• Tourism, viticulture and similar activities important in many areas on suitable holdings

\*Despite numerous attempts no response was available from Moorabool Shire or Golden Plains Shire. Through the consultant's own project work in these municipalities the following observations can be made:

- Both are participating in an exercise being undertaken with the Corangamite CMA and DNRE to identify land capability and to utilise this information to explore socio-economic outcomes.
- Moorabool is currently undertaking an amendment to include a local policy to address isolated and poorly serviced development areas that have remained since the previous planning provisions
- Golden Plains has undertaken a comprehensive review of development issues in the North-West (near Ballarat) where growth and significant salinity and erosion issues coincide.
- Golden Plains is under significant pressure from land uses such as poultry sheds, hot houses and vines that conflict with rural living values.
- Rural living development forms the majority of all new housing in Golden Plains.

## **Appendix II: Study Maps**

**(Rural Living Zones, Small Lots and Constraints)**