

Rural Residential Development

Planning Practice Note | 37

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The purpose of this practice note is to provide guidance when planning for, or assessing proposals for rural residential use and development.

What is 'rural residential' development?

Rural residential development refers to land in a rural setting, used and developed for dwellings that are not primarily associated with agriculture. Some agriculture may take place on the land however it will be ancillary to the use for a dwelling. It is likely to be carried on for 'lifestyle' reasons and is unlikely to provide a significant source of household income. Rural residential land is typically also used for non-agricultural home occupations or for large gardens. These lots are larger than typical residential lots, but are usually too small for agricultural use.

Because of its primarily residential function, rural residential development requires access to most of the normal services and infrastructure provided in urban settlements. Typically it also generates urban residential amenity expectations.

The zones usually applied to rural residential land are:

- **The Low Density Residential Zone (LDRZ)** is a 'residential' zone. It specifies a lot size of at least 0.4 hectares in areas where reticulated sewerage is not connected or 0.2 hectares for each lot connected to reticulated sewerage. A different lot size can be specified in a schedule to the zone.
- **The Rural Living Zone (RLZ)** is a 'rural' zone. It specifies a lot size of at least 2 hectares and provides opportunities for some rural uses to occur. A different lot size can be specified in a schedule to the zone.
- **The Green Wedge A Zone (GWAZ)** is a 'rural' zone. It provides for lot sizes of 8 hectares and above. It applies to non-urban land outside the Urban Growth Boundary to protect and recognise the area's agricultural, environmental, historic, landscape, infrastructure, natural resource and rural living attributes.

Limited residential development can occur in other rural zones, but generally, land proposed for rural residential development should be included in the Low Density Residential Zone or the Rural Living Zone.

Farm dwellings

Farm workers and their families may need to live in farm dwellings, close to stock, crops or plants that require regular supervision. Farm dwellings that are genuinely required to support an agricultural use are not a form of rural residential development.

Small lot agriculture

High value crops, such as grapes, olives, flowers, fruit or tobacco, can be cultivated on small lots. Some intensive agricultural uses can also take place on small lots. Dwellings on these lots will normally be farm dwellings. However, new small lot agriculture proposals need to be considered carefully, to ensure that they do not become unplanned rural residential development.

Why does rural residential development require special consideration?

The planning scheme should ensure that reasonable opportunities are found for rural residential development, as part of providing for housing diversity and choice.

However, rural residential development can have environmental, social and economic costs that are significantly higher than those of standard residential development.

Land use conflicts between agricultural activities and the amenity expectations of rural residential dwellers should be minimised. Significant impacts to primary production or to the environmental or cultural values of a rural area should be avoided. Finite and valuable natural resources present on the land should not be lost.

The local environment and landscape should have the capacity to absorb more intensive use and development without significant or irreversible harm to its values or to the new use and development. Demand for costly or inefficient community services or infrastructure should not be generated.

These considerations mean that the following broad questions should be answered in sequence:

- **Strategy:** Does rural residential development align with the overall strategic planning of the municipality?
- **Housing need:** How much rural residential development is required to provide appropriate housing diversity and choice to meet housing needs?
- **Location:** Where should new rural residential development take place?
- **Subdivision and design:** Is the new rural residential development subdivided and designed in an attractive setting offering high amenity and efficient infrastructure?

These broad questions should be taken into account when considering a proposed amendment.

Generally, final detailed subdivision and design matters can be considered as part of the permit application process.

All proposals must be accompanied by a site and context description.

Site and context description

The site analysis should document the opportunities and constraints of the site in terms of landform, vegetation coverage and surrounding land uses and an explanation of how the proposal responds to the site analysis.

A site analysis should include where relevant:

- topography of the land (including ridgelines, landscape, geography, slope gradients and erosion areas)
- road access
- fire hazard
- land liable to inundation by floodwaters
- drainage lines and dams
- any significant environmental features including habitat corridors, threatened species, wetlands and watercourses
- vegetation category (scattered or patch, extent, risk status and ecological vegetation class), quality (habitat hectare assessment) and location

- waterway values
- land degradation (for example, salinity), land stability (land slip) or other erosion related hazards
- soil capability
- soil contamination with regard to past uses of the land
- views
- weather conditions including wind patterns
- available infrastructure including power, water and telecommunications
- existing buildings and works
- adjoining land uses and neighbouring buildings and works
- any other matter relevant to the site and its environment.

Strategy

Does rural residential development fit into the overall strategic directions and planning of the municipality?

It is important to consider a proposal for rural residential development as part of the broader strategic context.

A proposal for rural residential development must be considered against the state, regional and local strategic planning policies and objectives for the area.

These include:

- The State Planning Policy Framework (SPPF) and the need to protect agricultural land and natural resources and the encouragement of urban consolidation
- Regional plans such as Plan Melbourne and the Regional Growth Plans
- other regional planning and land management strategies such as the *Great Ocean Road Region Strategy 2004*, the *Victorian Coastal Strategy 2004* (as revised), *Coastal Spaces Recommendations Report 2006*, regional catchment management strategies and regional waterway strategies.

The objectives and strategies in the Municipal Strategic Statement (MSS), and any adopted land use strategy such as a housing strategy or rural land use strategy. A rural residential development should be capable of broad strategic support across all relevant policy areas.

Housing need

How much rural residential development is required to provide appropriate housing diversity and choice to meet housing needs?

A planning authority must be able to show that a rural residential rezoning is part of its strategy to provide appropriate housing for forecast increases in population and changes in household structure and composition.

A rural residential rezoning must be supported with evidence that the proposed use and development supports and implements the housing needs of the municipality as identified in the MSS. This includes understanding the demographic and housing needs of the area and likely future trends.

The department provides useful demographic analysis such as 'Regional Victoria – Trends and Prospects', 'Towns in Time' 'Regional Matters – An Atlas of Regional Victoria' and related interim and updated population projections.

Generally, the municipal area will form the best and simplest area on which to base the analysis of local housing need. However if there are several service catchments in one municipality, smaller strategy areas might be appropriate.

A local housing analysis should:

- identify demographic trends, including changes in household structure and composition
- identify housing market trends, including dwelling type
- identify projected population and household increases and housing needs over a 10 year period for the area
- identify the number and types of additional houses required including the proportion of new housing that would be in the form of rural residential development

- What is council’s projected population for the next 10 years?
- How many new households will be required?
- Given the existing number of dwellings, how many additional dwellings will be required to meet population and household projections?
- How many of these additional dwellings will be in the form of rural residential?

It is important to demonstrate that the proposed rural residential development meets the housing needs of the municipality and takes into account the need to maintain housing choice and diversity including a realistic mix of lot sizes.

Location

Having established that there is a basic need for additional rural residential development to serve strategic objectives, an appropriate site or sites must be identified. Alternatively, it must be determined whether specific sites brought forward by private proponents are appropriate. A broad range of location-specific criteria provides a framework for identifying land suitable for rural residential development and eliminating unsuitable land from further consideration.

Integration with existing urban areas

Rural residential development must be planned to show how it relates to, or is supported by, existing urban development.

It must not impede the proper long-term growth of an urban area based on fully serviced residential development at normal urban densities. Where there is an adopted settlement strategy (such as a local structure plan), it is clearly preferable that rural residential development should not compromise its implementation.

Where there is no adopted settlement strategy, or it is proposed that an existing strategy be changed, the likely future growth and structure of the urban area, based on analysis of physical and social infrastructure and service provision must be considered.

Rural residential development is inappropriate on land that is suitable and required for present or future residential use at usual urban densities. For example, if a town has limited supplies of development land at urban densities, but has unused town water and waste water treatment capacity, land that can easily be served by this infrastructure should normally be considered first as a candidate for development at urban densities.

Protection of natural resources

The protection of natural resources is a State Planning Policy and is of fundamental importance to local and state economies. It is important to ensure that the location of rural residential use and development does not prejudice the long-term availability and management of Victoria’s natural resources, of land, water, energy, wind, stone and minerals.

Rural residential development is not appropriate on land that:

- is productive agricultural land
- is in a special water supply catchment area under the *Catchment and Land Protection Act 1994*
- has identified potential to be used for commercial forestry
- has identified potential for mineral and stone production
- is close to a major industrial facility such as a gas plant or wind energy facility.

Productive agricultural land generally has one or more of the following characteristics:

- a present pattern of subdivision favourable for sustainable agricultural production
- can be used for a variety of agricultural pursuits
- suitable soil type
- suitable climatic conditions
- suitable water supply
- suitable agricultural infrastructure, in particular irrigation and drainage systems.

Issues such as tenure and infrastructure may change to support agricultural use in the future.

The proposal must include an assessment of the locality's natural resources, the impact of the proposal on these resources and the measures to be taken to protect the resources, including a description of:

- agricultural quality
- geology
- earth and energy resources (as governed by the *Mineral Resources (Sustainable Development) Act 1990*)
- soil types
- water resources (including groundwater).

Land resource information and various land capability studies are available for parts of Victoria.

Check with state government departments such as the Department of Environment, Land, Water and Planning, the Department of Economic Development, Jobs, Transport and Resources (Energy & Earth Resources Division) and with Catchment Management Authorities and councils about what information is available.

If the proposal is to use agricultural land, the SPPF requires consideration of the following issues:

- the desirability and impacts of removing the land from primary production, given its agricultural quality and 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.

Protection of environmental areas and biodiversity

Rural residential development should be located in areas to avoid or minimise any adverse impact on the environment, native vegetation and biodiversity.

Where a proposal affects native vegetation, consideration must be given to *Permitted clearing of native vegetation – Biodiversity assessment guidelines, September 2013*. The document sets out

how impacts on Victoria's biodiversity are assessed when a planning permit application is made to remove native vegetation.

Consideration should also be given to the likelihood of whether a planning permit would be granted under Clause 52.17 of the planning scheme for the removal of native vegetation.

The proposal must include an assessment of the locality's environmental features and how these features could affect, or be affected by, rural residential development. The assessment of the environmental features must include native vegetation, significant wildlife and associated habitat or corridors, and any other biodiversity assets. Natural physical features including topography, slope, waterways, drainage lines and wetlands must also be identified.

Relevant public authorities may have mapping of natural hazards such as fire and flooding, and biodiversity values (see the Native Vegetation Information Management System (NVIM), Department of Environment, Land, Water and Planning).

Planning schemes may indicate areas of environmental significance such as salinity, wetlands, or areas of conservation significance.

In some cases, the preparation of a land management plan may be appropriate to show how the impact can be remediated or minimised and protected.

A land management plan should address the environmental and natural resource issues relevant to the site and may include:

- fire protection measures
- responses to flood hazards
- protection and enhancement of native vegetation
- protection and enhancement of waterways
- protection and stabilisation of soil
- pest plants and domestic feral animal control
- protection of areas of environmental significance.

A land management plan can be implemented through the use of a section 173 agreement, a requirement on an appropriate overlay or through a combined amendment-permit process.

Landscape and heritage values

The proposal must include an adequate assessment of the locality's landscape and heritage values and the potential impacts of rural residential development on those values including:

- areas or features of aesthetic, archaeological, architectural, historical, scientific, social or other special cultural value
- areas of natural scenic beauty or importance, areas of valued landscape character and any significant views.

Areas and places of cultural and landscape significance are identified in planning schemes.

A proposal must demonstrate that it will not impact on the cultural or natural heritage values of the land. Landscapes or places classified by the National Trust of Australia or included in the Victorian Heritage Register, or registers maintained by the Office of Aboriginal Affairs Victoria or the Australian Heritage Council must not be proposed for rural residential use or development without consultation with those organisations.

Provision of social and physical infrastructure

As rural residential development is a type of residential land use, it must be provided with certain community infrastructure and services normally expected for residential areas. If those services are not provided by the developer from the outset, the expectations and future requirements of residents can lead to cost and disruption for communities as services are provided at a later time.

A proposal for rural residential development must be efficiently serviced by social and physical infrastructure at an acceptable and sustainable community cost.

The proposal must include an assessment of the public costs of providing social services, community facilities and physical infrastructure for the proposed rural residential development.

The assessment must adequately describe and discuss:

- the availability of existing infrastructure (that is, social facilities and services, schools, public transport, roads and waste disposal)

- the level and range of services which will need to be supplied or upgraded to meet the needs of the proposed population
- the costs of additional services and infrastructure and the options for meeting those costs, services or infrastructure.

Land use compatibility

The proposed rural residential land use and development must be compatible with the existing and likely land uses of the locality.

Consideration should be given to the availability of alternative sites that could meet the same housing demand. Consideration of suitable alternative sites should also include those in the neighbouring local municipalities.

The nature of existing and possible uses of land adjacent to the land proposed to be rezoned must be documented in an assessment accompanying the proposal report. A map showing site context must be provided.

The assessment must also include consideration of the potential impacts of the proposal on adjoining and nearby land.

Rural residential development should not be provided on land that is:

- within the separation requirements of an amenity reducing land use as described in the Environment Protection Authority's *Recommended Separation Distances for Industrial Residual Air Emissions*, and is a 'sensitive' land use in applying the EPA guidelines
- within the separation requirements of other offensive uses such as intensive animal husbandry and sewage treatment plants and certain agricultural activities, such as poultry farming, piggeries and feedlots. Codes of practice for certain activities have separation distances from sensitive land uses that must be complied with.
- adversely affected by noise levels generated by adjoining land uses including wind energy facilities
- within the 25 Australian Noise Exposure Forecast (ANEF) contour of an airport and careful consideration given to building requirements within the 20-25 ANEF affected by agricultural spraying and aerial spraying of neighbouring agricultural land

- adversely affected by land or groundwater contamination
- within 500 metres of a national park, reference area, wilderness, marine park or state park unless the Department of Environment, Land, Water and Planning agrees to a lesser distance
- located in close proximity to public land that is of environmental significance, including land that is fire prone, unless a suitable buffer zone and/or a land management plan are provided in consultation with the public land manager. The width and nature of the buffer zone will vary depending on local circumstances. The buffer zone and/or land management plan should address issues such as fire, amenity, pest plants and animals, drainage and access
- located in close proximity to land that uses treated wastewater from sewerage for agricultural and horticultural irrigation
- within the separation distance prescribed in the Industrial 1 Zone, Industrial 2 Zone and Industrial 3 Zone between industrial activity and a sensitive use.

Land servicing capability

The proposal must include an assessment of the land's physical capability to sustain rural residential development, and where appropriate a land capability assessment, addressing:

- whether the land has been found to have satisfactory physical characteristics for sustainable on-site wastewater management and can meet the *Guidelines for Environmental Management – Code of Practice Onsite Wastewater Management* or can be connected to a reticulated sewerage system
- whether the land can be provided with an adequate water supply of an acceptable quality to service the development
- whether the land is accessible by properly formed and constructed roads
- whether the land can be connected to or provided with drainage that effectively removes storm water from each house and lot, prevents inundation of effluent disposal fields, and is designed to handle the one in 100 year storm event where required

- the availability and provision of other normal residential services (electricity, telephone).

Where the land can easily be connected to existing infrastructure and services, it may be suitable for development at standard urban densities.

The cost of providing the services to the land must be at the developer's cost.

Subdivision and lot design

How can new rural residential development be subdivided and designed in an attractive setting to offer high amenity and efficient infrastructure?

Subdivision layouts should respond to the physical features of the land and the environmental, landscape, infrastructure and servicing features and constraints of the land.

In designing subdivisions and the location of buildings and works, consideration should include:

- identifying remnant native vegetation and any fauna habitat for protection
- retaining and providing riparian corridors along waterways and providing riparian corridor links to other areas of local and regional significance
- identifying and controlling existing and potential erosion prone areas
- identifying land liable to inundation by floodwaters
- identifying fire protection measures
- locating buildings off ridgelines to protect sensitive landscapes and preserve views from roads and other land
- including building and effluent disposal envelopes or building exclusion zones to guide the location of buildings and works within subdivisions
- avoiding buildings and works on slopes greater than 15 per cent or when buildings and works would protrude above significant ridgelines
- establishing landscaping with subdivision, buildings and works to protect and restore rural landscapes and significant ridgelines
- using building materials that do not visually impact on the rural landscape

- providing public road access in preference to the creation of carriageway easements or common property
 - providing adequate supply of domestic and stock water to individual properties and ensuring that existing water entitlements are not impacted upon by dams
 - implementing policies of the relevant water or drainage authority
 - any other matter relevant to the site and its environment.
- demonstrate that each lot is capable of treating and retaining all waste water in accordance with the State Environment Protection Policy (Waters of Victoria) under the *Environment Protection Act 1970*
 - show for each lot:
 - a building envelope and driveway to the envelope
 - existing vegetation
 - areas of active vegetation management or re-vegetation or other environmental improvement works such as soil stabilisation and erosion management
 - an area suitable for the location of any future dam
 - an effluent disposal area.

The proposal must:

- show the layout of the proposed subdivision, how the subdivision relates to the landform and vegetation and how it responds to the site analysis
- show how the proposed subdivision relates to the existing or likely use and development of adjoining and nearby land

Who should be consulted?

Consultation should occur with relevant agencies, including the following where appropriate:

Agency	Issue
Road Corporation (VicRoads)	Where the site gains access from a Road Zone or a declared road under the <i>Road Management Act 2004</i>
Relevant Catchment Management Authority or water authority	Where the land is in a special water supply catchment area. Where land is liable to inundation or flooding.
Department of Economic Development, Jobs, Transport and Resources	Where the land is currently used for agriculture.
Department of Economic Development, Jobs, Transport and Resources	Where the land is: <ul style="list-style-type: none"> • within 500m of an existing extractive industry work authority • within an Extractive Industry Interest Area • within an area that has been identified with potential for mineral production.
Department of Environment, Land, Water and Planning	Where the removal of native vegetation may be required, where there may be an impact on fauna habitat, where the land is prone to erosion or the land adjoins Crown land.
Servicing agencies (for example, water authorities)	Servicing of land for water supply, sewerage, drainage, electricity and telephone.
Water authorities	Where the use can impact on ground or surface water resources and infrastructure (including irrigation channels or drains, waterways or storages). Where the land is located within an irrigation district.
Environment Protection Authority	Where the land is within the recommended buffer distance for an industrial residual air emission.
Country Fire Authority	Where the land is fire prone.
Airport operator	Where the land is affected by an Airport Environs Overlay.
Adjoining municipal councils	Where land is close to an adjoining municipality.

Consultation with peak interest groups, for example key farming groups, should also be considered as well as neighbouring property owners and occupiers.

Documenting a proposal

An amendment proposal for a rural residential development must be supported by the following information:

1. A site and context description.
2. A report explaining:
 - the proposal
 - how the proposal supports the strategic framework
 - how the proposal meets housing needs and the housing objectives of the area
 - why the proposed location is suitable for rural residential development. This should include an assessment, where appropriate, of:
 - how the proposal is supported by existing urban development
 - the land's capability for agricultural use and how the proposal will impact the long term continuation of agriculture in the area
 - the locality's natural resources and the measures that may be taken to protect those resources
 - the locality's environmental features and biodiversity and how these could be protected and enhanced
 - the locality's landscape and heritage values and how these could be protected
 - the proposal's social and physical infrastructure requirements and the community cost of providing these services
 - the proposal's compatibility or impact on the surrounding land uses
 - the land's servicing capability.
3. A summary of relevant agency comments and any other comments from peak groups or known affected persons.

A planning application for subdivision for rural residential development must be supported by:

1. A site and context description.
2. A development plan responding to the site and context description and showing details of the proposal. This should show and provide a description of how the proposal has been designed to avoid or minimise any adverse impacts on the environment (including native vegetation, natural physical features, fire or flood hazards and landscape character, where appropriate).

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