

TOWONG PLANNING SCHEME

AMENDMENT C025

EXPLANATORY REPORT

Who is the planning authority?

This amendment has been prepared by the Towong Shire Council, which is the planning authority for this amendment.

Land affected by the Amendment

The Amendment applies to areas of Towong Shire where the dominant land use is rural residential, north of Bellbridge and near Bethanga.

A mapping reference table is included at Attachment 1 to this Explanatory Report.

What the Amendment does

The Amendment implements key recommendations of the *Towong Shire Settlement Strategy 2010* and *Towong Shire Rural Land Use Study 2010* by rezoning land, applying overlays, amending the Local Planning Policy Framework.

The Amendment makes the following changes to the Towong Planning Scheme:

- Amends Clause 21.03 Settlement
- Deletes Clause 22.07 Rural Living
- Inserts Schedule 3 to Clause 35.03 Rural Living Zone
- Amends Schedule 1 to Clause 43.02 Design and Development Overlay
- Inserts Schedule 6 to Clause 43.04 Development Plan Overlay
- Amends the Schedule to Clause 72.03 What does this scheme consist of?
- Amends Planning Scheme Zoning Map Nos. 1, 2 and 10.
- Amends Planning Scheme Overlay Map No. 10DDO.
- Inserts new Planning Scheme Map Nos. 1DPO and 10DPO

Strategic assessment of the Amendment

Why is the Amendment required?

The amendment is required to implement the recommendations of the *Towong Shire Settlement Strategy, 2010*, *Towong Shire Rural Land Use Study, 2010* and to implement actions of the Council Plan.

The central purpose of the amendment is to formalise within the Planning Scheme existing areas of rural living. Amendment C14 commenced this process in 2007. Amendment C14 translated Rural Zone land into the revised suite of rural zones (Farming Zone, Rural Activity Zone, Rural Living Zone, Rural Conservation Zone) when the Rural Zone was removed from the Victorian Planning Provisions. Amendment C25 seeks to apply the Rural Living Zone to some 'de facto' rural living areas that were not addressed in the earlier amendment.

Historically the rural residential segment of the residential market has not been well catered for within Towong Shire. This has resulted in relatively large rural lots being used and developed for rural living purposes, creating inefficient land use planning outcomes. Amendment C25 will allow rural residential development to be undertaken in appropriate areas already dominated by this land use type. This will help to provide a broader range of options to the residential land market. The amendment will do this in areas close to existing settlements that are not strategically important for agriculture, largely away from identified natural hazards.

An emphasis of Amendment C25 is the rezoning of land in the western part of Towong Shire from Rural Activity Zone to Rural Living. This area is in proximity to Albury/Wodonga. It is essentially an 'amenity' landscape located within 'peri urban' hinterland of Albury Wodonga where the areas proposed for rezoning are characterised by:

- An absence of high-quality agricultural land;
- An absence of agriculture as a land use;
- A highly desirable rural residential environment characterised by high levels of residential amenity afforded by the Lake Hume environs and varied topography;
- Existing high rates of commuting by residents to Albury / Wodonga;
- Heavy fragmentation of rural land holdings particularly in the Bellbridge and Bethanga areas and around the margins of Lake Hume;
- Strong demand for rural residential development.

Rural living is the dominant land use in lakeside areas around Bellbridge and in the Bethanga Creek catchment around Bethanga. These areas are dominated by rural residential development and contain few, if any viable agricultural enterprises. The higher land values in these areas driven by lifestyle residents and people paying a higher price for the amenity of the landscape has made increasing operational scale impossible for farming enterprises and is a clear indication that the true value of the land in such areas lies in its amenity value rather than its productive value. In these areas it is evident that the market is prepared to purchase larger properties for the purpose of rural living, and if genuine rural living type development is not permitted, relatively large land parcels will continue to be traded essentially just for rural residential purposes. Nearby Albury and Wodonga do not cater well for rural residential development.

Amendment C25 will help to provide for ordered rural residential development in appropriate locations with safeguards for landscape, amenity and the environment.

How does the Amendment implement the objectives of planning in Victoria?

The amendment implements the objectives of planning in Victoria as outlined in Section 4 of the *Planning and Environment Act 1987* through:

- Providing for the fair, orderly, economic and sustainable use and development of land.
- Providing for the protection of natural and man-made resources.
- Securing a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria.
- Enhancing employment, community and residential living opportunities for the land and area.
- Protecting public utilities and other assets and enable the orderly provision and coordination of public utilities and other facilities for the benefit of the community.
- Balancing the present and future interests of all Victorians.

The amendment achieves this by enabling use and development of land that achieves the objectives of planning in Victoria by providing rural living zoned land in suitable locations to meet long term demand for rural residential living.

How does the Amendment address any environmental, social and economic effects?

Environmental effects

A landscape scale land capability assessment of each area to be rezoned has been undertaken as part of the process of preparing Amendment C25. These assessments provide advice about the broad capability of each proposed rural living area to sustainably manage wastewater in accordance with

statutory requirements and seek to minimise the environmental and public health risks by ensuring that future unsewered rural residential development only proceeds on land that has an acceptable capacity for on-site waste water management. The land capability assessment process suggests that each area to be rezoned contains land where on-site wastewater management can occur in accordance with statutory requirements with minimal residual risk to public health or the environment.

Further to land capability, areas to be rezoned have been assessed as having lower risk from bushfire, as detailed below in 'Does the amendment address relevant bushfire risk?'

Amendment C25 will provide positive environmental outcomes and has been framed to protect and enhance environmental values. Applying the Schedule 6 to the Development Plan Overlay and the Schedule 1 to the Design and Development Overlay will ensure that development:

- responds to site opportunities and constraints
- has regard for landscape values
- avoids steep land
- protects water quality and remnant native vegetation.

These overlays will require all rural living development to be undertaken in a manner that ensures enhanced environmental outcomes, particularly in relation to the protection of water quality.

Social and Economic effects:

The amendment is expected provide positive social and economic benefits. These benefits will accrue through enhancement and protection of lifestyle, environment, landscape and through provision of a broader range of residential options within the municipality.

Anticipated social benefits include:

- Population growth;
- Increased social diversity;
- Increased diversity in community skills, ideas and values;
- Increased membership of community groups (local voluntary, community institutions);
- Additional social networks and improved community services;
- Possible provision of new services as a consequence of skills and professional capabilities; and
- New community leadership.

Within western Towong Shire it is increasingly evident that grazing at the scale traditionally undertaken has become comparatively less viable than it has been in the past. Response to decreasing viability has, in part, been offset by growth in demand for rural residential development. The retreat of agriculture as a land use from western Towong shire and particularly in the areas proposed for rezoning has been significant, sustained and appears unavoidable. There is a clear, progressive shift away from traditional full-time farming and associated production-based dominant land uses to a rural residential dominated land use pattern with residents that commute to the nearby urban centre for employment.

Western Towong Shire is an area of significant economic change. In western Towong Shire, particularly in Towong Statistical Local Area 'A' (SLA 'A') the decoupling from the agriculture sector is advanced and gathering pace. This is evidenced by the following:

- 51% reduction in the number of beef cattle (1997 - 2011);
- 88% reduction of dairy cattle (1997-2011);
- 67% reduction in the sheep population (1997-2011);
- 28% reduction in agricultural employment over the period 1991-2006;
- A significant reduction in the number of farm enterprises over the period 1997 – 2011 including:
 - 91% reduction in the number of dairy enterprises.
 - 39% reduction in the number of beef enterprises.
 - 74% reduction in the number of beef / sheep enterprises; and
 - 91% of all farm businesses within Towong SLA 'A' have annual Estimated Value of Agricultural Operations (EVAO) of less than \$350K meaning that these enterprises are under significant economic pressure if they are simply relying on income from the farm business alone.

The amendment recognises and acknowledges these fundamental economic changes and the land use implications of these changes. It seeks to plan for these changes in an orderly and coordinated manner.

It is also expected that applying the Rural Living Zone in these areas will reduce the expectation that other rural parts of the Shire, such as areas of higher quality agricultural land will be able to be used for rural residential purposes. The areas nominated for rezoning do not contain farmland of strategic significance and they contribute little to overall agricultural output from the Shire.

Positive economic effects and benefits will accrue from the amendment as it will allow more efficient development of existing rural residential areas. It will also allow additional settlement to be directed to areas where rural living is already the dominant land use and take advantage of existing infrastructure. The development of these areas, generally located near towns and settlements, will assist in supporting the social infrastructure within the Shire and the ongoing viability and sustainability of adjacent settlements.

Does the Amendment address relevant bushfire risk?

Amendment C25 meets the objectives of Clause 13.02-1S by directing population growth to areas at lower risk of bushfire; the land being rezoned to Rural Living is outside the Bushfire Management Overlay.

Desktop assessments conducted by the Country Fire Authority and DELWP have indicated that areas to be rezoned under Amendment C25 meet the objectives of Clause 13.02-1S.

Does the Amendment comply with the requirements of any Minister's Direction applicable to the amendment?

The Amendment complies with the requirements of the *Ministerial Direction on The Form and Content of Planning Schemes*, and *Ministerial Direction – Strategic Assessment of Amendments*.

Ministerial Direction 1 Potentially Contaminated Land has been considered in the preparation of the amendment. Based on past and current land uses, it is unlikely that there is contamination of the nature regulated by Ministerial Direction 1.

How does the Amendment support or implement the Planning Policy Framework and any adopted State policy?

- Clause 11 - *Settlement*.

The amendment will help to provide residential diversity and choice. In line with direction provided by State Planning Policy, the amendment uses existing settlement patterns by directing future rural residential development into areas where this is already the dominant land use. Also, in line with the direction of the State Planning Policy, Amendment C25 seeks to foster the sustainability of small rural settlements and avoid encroachment from rural residential settlement on land of strategic importance for agriculture. The Hume Regional Growth Plan recognises that western Towong Shire is an area where there will be on-going demand for rural living and Amendment C25 caters to that demand.

- Clause 12.01-1 *Protection of habitat* and 12.01-2 *Native vegetation management*.

The amendment includes robust measures to ensure the protection and enhancement of environmental values. DPO6 includes in its decision guidelines the following design principles:

- Enhancement of existing biodiversity values including riparian and road reserve linkages.
- Environmentally sustainable stormwater and drainage design and treatment.
- Protection of significant ridgelines and landscapes.

DDO1 includes requirements for siting, design and construction of buildings and works including a requirement for the siting and design to respond to the environmental values and constraints of the site; building envelopes must be set back from waterways and adjoining Crown or vegetated land; tracks and building envelopes are to be sited so that minimal earthworks are required and excessive site cuts are avoided. A key decision guideline is that the responsible authority must consider the impact of the development on environmental and landscape values.

- Clause 12.05-2S – Landscapes.

The proposed DDO1, together with the DPO6 and the existing Significant Landscape Overlay offers protection of landscape values.

- Clause 13 Environmental Risks and amenity.

All land included for rezoning as part of the amendment are located outside areas identified as being of high environmental risk.

- Clause 14.01-1S Protection of agricultural land.

The nominated rural living areas have been selected because they contain little or no agriculture and are outside areas of high-quality agricultural land as identified by the Towong Shire Rural Land Use Study. No agricultural land of local or regional significance is included in the areas to be rezoned.

- Clauses 14.02-1S *Catchment planning and management* and 14.02-2S *Water quality*.

Landscape scale land capability assessments have been undertaken to identify the broad scale suitability of the proposed areas to be rezoned including the identification of any hazards within these areas. The DPO6 and the requirements for additional land capability assessment prior to development will ensure development can only occur where the attributes of the land enable the management of domestic waste water in accordance statutory requirements, thereby ensuring water resource protection. Towong Shire's Domestic Waste Water Management Plan satisfies the requirements of the Minister for Water's *Guidelines for planning permit applications in Open Potable Water Supply Catchments*. Goulburn Murray Water is satisfied that the amendment adequately protects the catchment.

- Clause 16.01-3S *Housing diversity*.

The market has shown a preference for rural residential development in the areas included as part of this amendment. Rezoning of these areas will better allow the Planning Scheme to continue to provide this type of product to the market in an orderly and coordinated manner.

- Clause 16.01-5S *Rural Residential Development*.

In line with the policy direction, the amendment seeks to rezone land for rural residential development in areas that have been identified by previous settlement planning and external to high quality productive agricultural land, close to existing towns and settlements and in areas that can be supplied with electricity and good road access. It will also help to consolidate future rural residential settlement in areas where this is already the dominant land use.

How does the Amendment support or implement the Local Planning Policy Framework, and specifically the Municipal Strategic Statement?

- Clause 21.03 (Settlement)

This clause highlights that rural living is the dominant land use in lakeside areas around Bellbridge and in the Bethanga Creek catchment. It is increasingly evident that grazing at the scale traditionally undertaken in these areas has become less viable than it has been in the past. According to the Municipal Strategic Statement (MSS), this has resulted in a growth in demand for rural lifestyle options. It also highlights that the retreat of agriculture as a land use from western Towong shire and particularly in the areas proposed for rezoning has been significant, sustained and appears unavoidable. There is a clear, progressive shift away from traditional full-time farming and associated production-based dominant land uses to a rural residential dominated land use pattern with residents that commute to the nearby urban centre for employment. This part of the MSS suggests that much of western Towong Shire is closer to the central business districts of Albury and Wodonga than the established Albury-Wodonga commuter towns of Barnawartha, Chiltern, Howlong, Rutherglen, Yackandandah, Beechworth and Kiewa-Tangambalanga and affords excellent scope for additional rural living opportunities.

This clause makes reference to the Towong Shire Settlement Strategy and notes that it represents a study of the future needs for residential and rural based living in the Towong Shire. The Strategy identifies residential and rural living opportunities within the Shire and recommends the provision of additional residential and rural living opportunities adjacent to existing towns and further rural living opportunities, particularly in the western part of the Shire.

Clause 21.03 also considers that the areas proposed for rezoning in the western part of the shire are characterised by:

- An absence of high-quality agricultural land.
- High levels of residential amenity afforded by the Lake Hume environs and varied topography.
- A high proportion of residents commuting to Albury/Wodonga.
- Heavy fragmentation of rural land holdings particularly in the Bellbridge/Bethanga area and around the margins of Lake Hume.
- A decoupling from the agriculture sector that is advanced and gathering pace.

The Municipal Strategic Statement specifically recommends:

- formalising through appropriate rezoning of areas where rural living is the dominant land use.
- encouraging residential and rural living opportunities in areas nominated by the Towong Shire Settlement Strategy, areas adjacent to existing towns, in the western part of Towong Shire and in areas where rural living is the dominant land use.

Amendment C25 explicitly delivers on the strategic direction provided by Clause 21.03 of the Municipal Strategic Statement.

- Clauses 21.04 (Environment) and 21.05 (Economy)

Both clauses seek to implement the recommendations of the *Towong Shire Settlement Strategy* and *Towong Shire Rural Land Use Study*. Consistent with other parts of the MSS, Clause 21.05 highlights the development pressures on land uses in the western part of the Shire associated with the proximity of Albury/Wodonga and the general retreat of agriculture from this part of Towong Shire. Once again, it seeks to encourage residential and rural living opportunities in areas adjacent to existing towns, in the western part of Towong Shire; in areas where rural living is the dominant land use and where the risk from bushfire is lower.

Amendment C25 explicitly delivers on the strategic direction provided by these parts of the Municipal Strategic Statement.

Does the Amendment make proper use of the Victoria Planning Provisions?

The amendment makes proper use of the Victoria Planning Provisions through the application of the Rural Living Zone in line with the direction provided by VPP Practice Note 42 '*Applying the Rural Zones*'. Consistent with the guidance of the Practice Note, Amendment C25(Part 1) will ensure that the RLZ3 is applied to areas where:

- The rural land has a mainly a rural residential function;
- Farming may take place on the land but this is subordinate to the residential use;
- Farming is of a nature or scale that will not conflict with housing; and
- Residents will have access to most of the normal services and infrastructure provided in urban areas.

In accordance with the guidance provided by this Practice Note, Amendment C25 seeks to rezone rural areas that have already been substantially subdivided and developed for dwellings and areas in proximity to existing settlements with a range of urban services and infrastructure.

How does the Amendment address the views of any relevant agency?

This amendment implements the recommendations of the *Towong Shire Settlement Strategy* and *Towong Shire Rural Land Use Study*. As part of the preparation of the strategies, relevant agency views were sought and included in the framing of the recommendations. Goulburn Murray Water has also been consulted about Amendment C25 given the proximity of areas to be rezoned to Lake Hume and given the declared potable water supply status of Towong Shire.

Country Fire Authority and DELWP undertook desktop assessments of bushfire risk following the adoption of the amendment by council and subsequent revision of Bushfire Management Overlays across the State and changes to State planning policy. Some areas originally included in the exhibited Amendment C25 were deleted from the amendment. Those areas may be further investigated by council in terms of bushfire risk in the future.

Does the Amendment address relevant requirements of the Transport Integration Act 2010?

The amendment will not have significant impacts on the transport system. The DPO6 includes provision, where appropriate, for a Transport Impact Assessment Report to accompany an application to develop land in order to determine the extent of mitigating works required on arterial roads. The DPO6 also seeks to minimise the number of new entrances to major roads.

Resource and administrative costs

- **What impact will the new planning provisions have on the resource and administrative costs of the responsible authority?**

An increase in administrative costs arising from the amendment has been considered by the responsible authority, such as an increased number of planning permit applications and capacity to consider applications within the prescribed time.

Council considers that the benefits from the amendment justify the possible increased administrative costs.

Where you may inspect this Amendment

The amendment is available for public inspection, free of charge, during office hours at the following places:

Towong Shire Council 32 Towong Street Tallangatta 3700

Towong Shire Library and Offices 76 Hanson Street Corryong 3707

The amendment can also be inspected free of charge at the Department of Environment, Land, Water and Planning website at www.planning.vic.gov.au/public-inspection.

ATTACHMENT 1 - Mapping reference table

Location	Land /Area Affected	Mapping Reference
Bellbridge	North of Bellbridge and up the peninsula	Map Nos 1, 1DPO
Bethanga	Areas surrounding township	Map Nos 10, 10DDO, 10DPO

