

Hepburn Shire Council
Shire Wide Agriculture and Rural Settlement Strategy 2023-2043

Project overview and key directions

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Project Aim

To provide the Hepburn Shire Council with a strategy that safeguards agricultural productivity and biodiversity of rural land from inappropriate development in the Shire to 2043.

Objectives

- To recognise the connection and stewardship of the Traditional Owners in relation to all agricultural land in the Shire.
- To limit ongoing fragmentation and inappropriate land uses in the Shire's rural zones.
- To identify if and where residential growth can occur on the edge of key townships (depending on the value of agricultural land.)
- To understand the significant climate change risks in the shire and how land use planning can respond to these risks.
- To identify and protect significant cultural heritage sites in the Shire's rural areas.
- To identify and protect significant agricultural land and recognise its role in food production for the state of Victoria.
- To identify and protect significant landscapes and environmental features in the Shire's rural areas.
- To strengthen the Hepburn Planning Scheme and protect the Shire's rural zones.
- articulate how the strategic vision for the rural area is to be implemented through the planning scheme.

Key documents

Key documents that will inform rural land use outcomes in the Shire are listed below. Refer to Participate Hepburn website to access these documents. <https://participate.hepburn.vic.gov.au>.

Table 1: Key documents and their implications for rural Hepburn

Document	Key messages	Implications for rural Hepburn
Hepburn Council Plan 2021-2025¹	<p>Priority statement 3.2 is to “Protect and enhance the existing character of our towns and rural settings through community inclusive strategic planning to strengthen planning controls on growth and development”</p> <p>3.2.4 “Develop an agricultural land use and settlement strategy”</p> <p>4.3.6 “Develop and implement an HSC shire wide agricultural and rural settlement strategy”</p>	<p>An agricultural land use and settlement strategy is a key priority of Council.</p> <p>There are rural land use conflicts which must be identified and resolved through planning controls and policies.</p>
2020 Hepburn planning scheme review, Data and evidence review report (Final) Feb 2020 (Plan2Place consulting)²	<p>Threats to agriculture and loss of productive land were identified as:</p> <ul style="list-style-type: none"> Decline in broadscale grazing and cropping in the peri urban area. Impacts of people wanting to live in the peri urban but not farm. Raising land values mean that agriculture is not profitable. Small lot subdivisions escalate property prices. Land fragmentation and loss of productive land. Too many very small lots zoned FZ comprising 1054 lots between 20 and 40ha; 466 lots between 40 and 80ha and 80 lots great than 80ha. There are approximately 8552 lots of between 1 and 20ha. 	<p>Ensuring agricultural land in the Shire can continue to be productive and stopping the ongoing subdivision of rural land holdings will be a key direction for rural Hepburn.</p> <p>The challenge for Hepburn will be to maintain a distinct urban break between Ballarat and metropolitan Melbourne with a strong control over non rural land uses.</p>
Amendment C80hepb (Gazetted 10 Feb 2022)³	<p>The amendment included key rural local policies including Clause 14.01-1L Protection of agricultural land which seeks to ensure further fragmentation is limited.</p> <p>Clause 74.02 identified further strategic work to be undertaken</p>	<p>The work identified in Clause 72.04 encompasses this study</p>

¹ Go to <https://www.hepburn.vic.gov.au/Council/Plans-and-publications/Council-plan-and-vision>.

² Go to <<https://participate.hepburn.vic.gov.au>>.

³ <https://planning-schemes.app.planning.vic.gov.au/Hepburn/amendments/C80hepb>.

Document	Key messages	Implications for rural Hepburn
<i>Sustainable Hepburn 2022-2026</i>	<p>A key strategic outcome is to protect natural resources and to prioritise environmental management, protection and generation.</p> <p>A key theme is to protect and enhance biodiversity and the natural environment through restoring the natural environment and appropriate land uses.</p>	<p>In building climate change resilience, a key direction is to protect biodiversity, maintain and re-establish ecosystem function and connectivity and reduce the threats to climate change.</p> <p>There is a need to respond to biodiversity, climate change and sustainability priorities through careful land use planning (Biodiversity support and rehabilitation, risk of bushfires, storms and droughts and protection of waterway and ground water reserves).</p>
<i>Fertile Ground Hepburn Shire Economic Development Strategy 2016-2021</i>	This document outlines Council's economic development strategy for the period 2016-2021. The vision for economic development is to "Make Hepburn Shire a desirable location for people to produce, trade, live, grow and visit". Based on an assessment of the strengths, challenges, opportunities and risks facing the municipality, a range of actions have been identified to be delivered over five years.	These are under the themes of: Produce, Trade, Live, Grow and Visit.
<i>Hepburn Shire Land Use Strategy Settlement Review Prepared by TBA Planners February 1999⁴</i>	Provides an analysis of all our towns and identifies relevant issues and examines some key factors likely to influence the future physical, social and cultural development of the Shire's town and rural settlements.	Covers all townships, including the smaller hamlets in the shire. This document will be reviewed in this project
<i>Climate Cognisant Hepburn: Rural Land Use Review, Centre for Regional and Rural Futures 2016⁵</i>	This Review provides information on the impacts of climate change on agricultural land of the municipality to 2050 highlighting the continuing high value of this land. The report also tries to link Council's biodiversity goals with the agricultural land story in suggesting different minimum lot sizes for farming land.	Key messages need to be reviewed in this project.
<i>Central Highlands Regional Growth Plan, 2014⁶</i>	Section 12.3, Rural land use, seeks to provide greater certainty of land use in rural areas to encourage new investment in agricultural activities that enables growth of exports, increased productivity and strengthens farming communities. Intensive agriculture can also be further supported in the context of ensuring water catchment areas are protected.	<p>The Growth Plan acknowledges the challenge for land use planning is to enable flexibility for future enterprises. A key threat is fertile land is removed from productivity through rezoning to rural residential and rural living zones. Identifying where residential growth on larger lots can occur (if at all) will be an important discussion.</p> <p>The Plan notes the opportunities for tourism, carbon offset schemes and renewable energy</p>

⁴ Go to <<https://participate.hepburn.vic.gov.au>>.

⁵ Go to <<https://participate.hepburn.vic.gov.au>>.

⁶ Go to <<https://participate.hepburn.vic.gov.au>>.

Document	Key messages	Implications for rural Hepburn
	The Plan also acknowledges the importance of ensuring planning controls respond to the economic future of the region what protecting their significant land use and biodiversity values.	<p>generation could provide alternative streams for farmers.</p> <p>Climate change is also a significant risk in the shire that needs to be further qualified for the economic future of the region.</p>
<i>Central Highlands Regional Economic Development Strategy (REDS) March 2022 Regional Development Victoria⁷</i>	The Central Highlands REDS outlines Rural and Regional Victoria (RRV) Group's strategic approach for focusing its future economic development activities, including through policy, investment and program delivery, in the region.	<p>Influence and inform rural and regional economic policy and program design across government. Strategic directions are centred on</p> <p>(1) enhancement and value add and collaboration across the agri-food supply chain</p> <p>(2) continue to grow and develop the visitor and creative economies Strengthen the renewable energy and water management industries</p> <p>(3) Realise economic opportunity in health, aged care, social assistance and education sectors</p> <p>(4) Enhance the innovation ecosystem.</p> <p>The Victorian Government's Renewable Energy Zones will shape future investment in large scale renewable energy generation and transmission through Victoria. The Australian Energy Market Operator (AEMO) identified two renewable energy zones that cross into the Central Highlands region, southwest and western Victoria. Local projects that contribute to growth in renewables include:</p> <p>Hepburn Wind, which is Australia's first community-owned wind farm that hosts two turbines at Leonards Hill. • Hepburn Z-NET, which is a collaborative partnership bringing together community groups, organisations, exports and council to shift the Hepburn Shire to zero-net energy by 2025 and zero-net emissions by 2030.</p>
<i>Daylesford and Hepburn Springs, Creswick and Clunes Integrated Water Management Plan February 2022 (draft)⁸</i>	The draft Plan has been developed with stakeholders to establish a basis for ongoing collaboration and a clear direction for water management in these three key townships. The plan provides guidance on how an IWM approach can meet broader environmental and social objectives while ensuring that these towns continue to be great places to live, work and enjoy..	Integrated water management is a key environment has issue for agricultural land in the Shire Note that Hepburn Shire contains over 80% of Victoria's mineral springs contributing greatly to the region's commercial industries, including tourism. This concentration of springs is unique to Australia.

⁷ Go to <https://www.rdv.vic.gov.au/resources/regional-economic-development-strategies>.

⁸ Go to <https://participate.hepburn.vic.gov.au>.

Document	Key messages	Implications for rural Hepburn
<i>Plan Melbourne Implementation Plan 2017-2050⁹</i>	<u>Action 17: Support strategic planning for agriculture.</u>	<p>The Implementation Plan seeks to “Improve planning decision-making to support sustainable agriculture by identifying areas of strategic agricultural land in Melbourne’s green wedges and peri-urban areas. This will consider climate change, soils and landscape, access to water, integration with industry and significant government investment in agricultural infrastructure. It will also protect the right to farm in key locations within green wedges and peri-urban areas”</p> <p>Note that in 2019 DELWP engaged with peri urban landowners within a 100km radius of Melbourne on Strategic Agricultural land.¹⁰</p>
<i>How Hepburn Shire Farms can reach Z-NET¹¹</i>	This document aims to show that agriculture has the opportunity to pivot relatively quickly, using existing techniques and knowledge to change from a net emitter of greenhouse gases to a net carbon sink.	Reaching zero emissions and developable the renewables sector is a key imperative in the agriculture sector in the Shire
<i>North Central Victoria Regional Agriculture Strategy 2016 (NCCMA)¹²</i>	The strategy aims for productive farming whilst protecting the natural resource base	Requires review in this study Other NCCMA strategic documents may also need to be reviewed given its important strategic and environmental role in Hepburn
<i>EnPlan. 2007, the review of Agricultural land and Rural Land use in Hepburn Shire¹³</i>	Outdated but is the most recent strategic agricultural land assessment in the shire	Requires review in this project

⁹ Go to <https://www.planmelbourne.vic.gov.au>.

¹⁰ Go to <https://engage.vic.gov.au/gwal>

¹¹ Go to <https://hepburnznet.org.au/wp-content/uploads/2020/06/Z-NET-Agricultural-Guidebook.pdf>

¹² https://www.nccma.vic.gov.au/sites/default/files/publications/nccma_sustainable_agriculture_strategy_2016_final_web_0.pdf.

¹³ <https://planning-schemes.app.planning.vic.gov.au/Hepburn/amendments/C80hepb>.

Hepburn's rural planning controls.

Hepburn's rural planning controls that will form the centre of this strategy are summarised below.

You can find a link to the Hepburn planning scheme here: <<https://www.planning.vic.gov.au/schemes-and-amendments/browse-planning-scheme/maps?f.Scheme%7CplanningSchemeName=Hepburn>>.

Table 2: Hepburn Planning Scheme. Regulatory framework

Clause	Name of clause	Key messages for rural Hepburn
2.02	Vision	Identifies a vision for the shire with the key direction of "Protect agricultural land as a valued resource to support jobs and opportunities into the future."
2.03-4	Natural resource management. Agricultural land	Seeks to protect the rural areas of the shire from unrelated housing and at the same time provide for emerging industries such as locally sourced produce, value added food manufacturing and organic farming. There is a need to further support these directions through tighter planning policy
12.01-11	Native vegetation and habitat protection	Seeks to protect biodiversity and habitat through effective maintenance, weeding, the establishment of vegetation links, etc
12.05	Significant environments and Landscapes	Seeks to conserve the landscape character identified in the landscape character ad significant map (local) and the Central Highlands region.
14.01-1	Protection of agricultural land	The state clause seeks to protect agricultural land across the state from permanent changes to land use. This includes inappropriate development in the FZ. This can include residential, primary production and uses that may degrade the soil or create higher levels of salinity. The local policy discourages land fragmentation and houses in the farm zone. Hobby farms and small lot agriculture are encouraged to locate in the Rural Living zone.
14.01-2L	Sustainable agricultural enterprises	This clause seeks to retain high agricultural land as available for agricultural production. The use of land for good and drink, accommodation, place of assembly or shop and small agricultural enterprise are encouraged to establish in the Rural Living zone.
14.01-11	Catchment and land protection	Seeks to protect water catchments from inappropriate development
35.03	Rural living zone	Provides for residential land use in a rural environment. This zone renders farmland unproductive and is not preferred. Schedule 1 to the RLZ provides a minimum subdivision of 8 ha. Schedule 2 to the RLZ provides a minimum subdivision of 4 ha.
35.06	Rural conservation zone	Provides protection to the natural environment and to ensure historic, archaeological, landscape and faunal habitat is protected. Schedule 1 to the RCZ provides a minimum subdivision of 40 ha. Schedule 2 to the RCZ provides a minimum subdivision of 20 ha.
35.07	Farming zone	Provides for land for farming purposes and to ensure residential uses do not negatively impact on the productivity of farmland Schedule 1 to the RCZ provides a minimum subdivision of 40 ha. Schedule 2 to the RCZ provides a minimum subdivision of 20 ha.
42.01	Environmental significance overlay	Ensures that development is compatible with environmental values. Schedule 1 to the ESO provides for special water supply catchment protection (drinking water). Schedule 2 to the ESO provides for protection of mineral springs and ground water resources.
42.03	Significant landscape overlay	Seeks to protect significant landscapes. SLO1 seeks to protect the volcanic peaks landscape area and ridges and escarpment area

Clause	Name of clause	Key messages for rural Hepburn
44.01	Erosion management overlay	Seeks to mitigate the risk of further erosion, land slips from inappropriate development Schedule 1 to the EMO responds to 209 Main Road Hepburn.
44.04	Land subject to inundation	Identifies land subject to flooding across the shire. LSIO1 seeks to manage development interfacing waterways in Clunes and Creswick (depths of up to and including 350mm). LSIO2 seeks to manage development interfacing waterways in Clunes and Creswick (depths greater than 350mm). LSIO3 seeks to manage development interfacing waterways in Coomoora, Drummond, Evansford, Kooroocheang, Mount Beckwourth, Mount Cameron, Smeaton and Yandoit.
44.06	Bushfire management overlay	Seeks to limit the risk to human life of bushfires BMO1 seeks to manage bushfire risk in Creswick, Daylesford, Hepburn, Trentham BAL 12.5 areas BMO2 seeks to manage bushfire risk in Hepburn, Hepburn Springs BAL29 areas
52.17	Native vegetation	Seeks to limit the removal, lopping and destroying of native vegetation.
74.02	Further strategic work	<p>The Schedule to Clause 74.02 Further Strategic Work notes the importance of the rural land uses through the following projects (this project)</p> <ul style="list-style-type: none"> • Undertaking an agricultural land study to determine the future agricultural needs and requirements in the municipality and ensure agricultural land is adequately protected, including the review of Farming Zone schedules. • Preparing a rural settlement strategy to better understand the risks and challenges posed in the Shire's settlements to guide development consistent with the municipality's inherent rural character and other attributes

Key strategic projects currently underway

Council's strategic planning team currently has a number of key strategic projects underway that this project will influence.

Table 3: Key strategic projects currently underway

Project	Project intent	Relationship to rural Hepburn	Status
Creswick Structure Plan	Structure plan for the town with new growth areas identified	Areas on the edge of Creswick suitable for residential growth with low strategic agricultural value	Underway.
Bushfire risk on the edge of Creswick	Supports the Creswick Structure Plan	Identifies climate change risk in the area surrounding Creswick	Completed
Creswick biodiversity	Supports the Creswick Structure Plan	Identifies key areas to be protected from rural and township development.	Completed
Creswick heritage review	Supports the Creswick Structure Plan	Identifies key areas to be protected. Some sites are in rural zones	Completed
Structure plans for Glenlyon, Clunes and Trentham	Structure plan for the town with new growth areas identified	Areas on the edge of Glenlyon, Clunes and Trentham suitable for residential growth with low strategic agricultural value	Underway.
Structure plans for Daylesford and Hepburn Springs	Structure plan for the town with new growth areas identified	Need to identify areas on the edge of Daylesford and Hepburn Springs suitable for residential growth with low strategic agricultural value	Underway.
Shire wide separation distances and buffer study	Identifies the nature of hazards on key sites and recommends how the Buffer Overlay should be applied	Some sites, such as former tips lie outside townships.	Underway
Shire wide biodiversity	Supports the Structure Plans for Trentham, Glenlyon, Clunes and Daylesford/Hepburn Springs	Identifies key areas to be protected from rural and township development.	Underway.
Shire wide bushfire risk	Supports the Structure Plans for Trentham, Glenlyon, Clunes and Daylesford/Hepburn Springs	Identifies climate change/bushfire risk in the shire	Underway.
Heritage review (townships of Trentham, Glenlyon, Clunes and Daylesford/Hepburn Springs)	Supports the Structure Plans for Trentham, Glenlyon, Clunes and Daylesford/Hepburn Springs	Identifies key sites to be protected within and on the edge of townships	Planned
Aboriginal Cultural Heritage Strategy	Working with the Traditional owners the strategy will recommend	Identifies key areas to be protected. Some sites are in rural zones such as Lalgambook (Mt Franklin)	Planned

Project	Project intent	Relationship to rural Hepburn	Status
	key mechanisms for protecting aboriginal cultural heritage sites		
<i>Shire Wide infrastructure services study</i>	Reviews transport networks		Planned to commence early 2023
<i>Review of ESO2</i>	Reviews and strengthens the ESO2 which supports the Shire's Mineral Springs	The ESO2 covers rural parts of the shire	Planned

A summary of rural land issues in the Shire.

A comprehensive review of rural land use issues is provided in the Background report prepared by RMCG consulting. Refer to Participate Hepburn site to download a copy.

<https://participate.hepburn.vic.gov.au>.

Table 4: Rural land issues

Ref	Issue	Implications and questions for rural Hepburn
1	A very large number of dwellings have been approved in the Farm Zone since 2007. These include - 1054 lots between 20 and 40ha; - 466 lots between 40 and 80ha and - 80 lots greater than 80ha. - There are approximately 8552 lots of between 1 and 20ha. ¹⁴	Between 2007 and 2021, 322 dwellings were approved in the Farming Zone. There is a need to strengthen local policy guidance to limit dwellings in the Farming Zone and other rural zones to reduce land use conflicts and to safeguard legitimate rural land uses. The very large number of small lots has depleted the agricultural productivity of these land holdings. It also suggests that there are more people living in rural environments which are expected to create land use conflicts between lifestyle properties and farming operations, biodiversity areas and climate changes risk such as bushfire. Refer to Figure 1 below.
2	A review of the schedules to the Rural Zones, and particularly the Farming Zone as the predominant land use zone in the Shire is needed. (Clause 74.02s, Hepburn Planning Scheme Further Strategic Work)	The Rural Zones comprise <ul style="list-style-type: none">• Clause 35.07 Farming Zone= 99,436 ha• Clause 35.06 Rural Conservation Zone = 2,822 ha• Clause 35.05 Rural Living Zone = 5,640 ha• Public Conservation and Resource Zone= 31,701 ha. Are the planning scheme controls for these zones effective in their operation and ease of use for statutory planners and the development industry to navigate and understand?
3	Climate change hazards such as bushfire are an increasing key threat to agricultural viability and biodiversity	Managing bushfire risk is a significant challenge across the shire and will need to be collectively managed by rural landowners, governments and firefighting organisations. An endorsed Bushfire Management Plan allows landowners to remove native vegetation without a permit but does this place native vegetation and biodiversity at greater risk of ongoing depletion?
4	Protection of environmental and landscape values	Biodiversity and landscape values need to be protected. These are also opportunities to protect, enhance or re-establish biodiversity corridors in rural parts of the shire. Such corridors can also complement farming practices as wind breaks, agroforestry and integrated pest management. In the future, parts of the shire may be considered for Distinctive Areas and Landscapes (DAL) legislation to recognise our most distinctive natural and cultural landscapes.
5	Protection of the Traditional Owner's cultural heritage	Identification of key places of cultural heritage significance and sensitivity to ensure that they are not subject to inappropriate development or subdivision. They may also be significant archaeological sites and require protection in the planning scheme
6	Declared water supply catchments,	These catchments and the implications of Environmental Significance Overlay (ESO2) may impact on future agricultural enterprises
7	Land use conflicts and interface issues	Traditional rural and uses such as forestry, commercial scale agriculture and organic farming may have land use conflicts. Conflicts also occur with the encroachment of residential land uses adjacent to farming operations. There may also be conflicts between organic farming and conventional farming as the production and processing operations must not be exposed to

¹⁴ Plan to Place consulting, 2019

synthetic chemicals, pesticides or other hazards as this will risk organic certification rendering the organic business collapse

Figure 1: Shire wide are of zones in hectares (Plan2Place consulting, 2019)

Table 13: Shire Wide Area of Zones in Hectares

Planning Zone	Total Area (ha)
COMMERCIAL 1 ZONE	38.03
FARMING ZONE	99,436.96
GENERAL RESIDENTIAL ZONE	747.96
INDUSTRIAL 1 ZONE	70.51
LOW DENSITY RESIDENTIAL ZONE	1879.85
PUBLIC CONSERVATION AND RESOURCE ZONE	31,701.41
PUBLIC PARK AND RECREATION ZONE	761.28
PUBLIC USE ZONE	1,933.56
RURAL CONSERVATION ZONE	2822.43
ROAD ZONE	1,374.52
RURAL LIVING ZONE	5,640.10
SPECIAL USE ZONE	195.00
TOWNSHIP ZONE	825.47
TOTAL	147,427.08

Source: VicMap September 2019

Figure 2: Planning zones (Plan2Place consulting, 2019)

Figure 8: Hepburn Shire Planning Zones

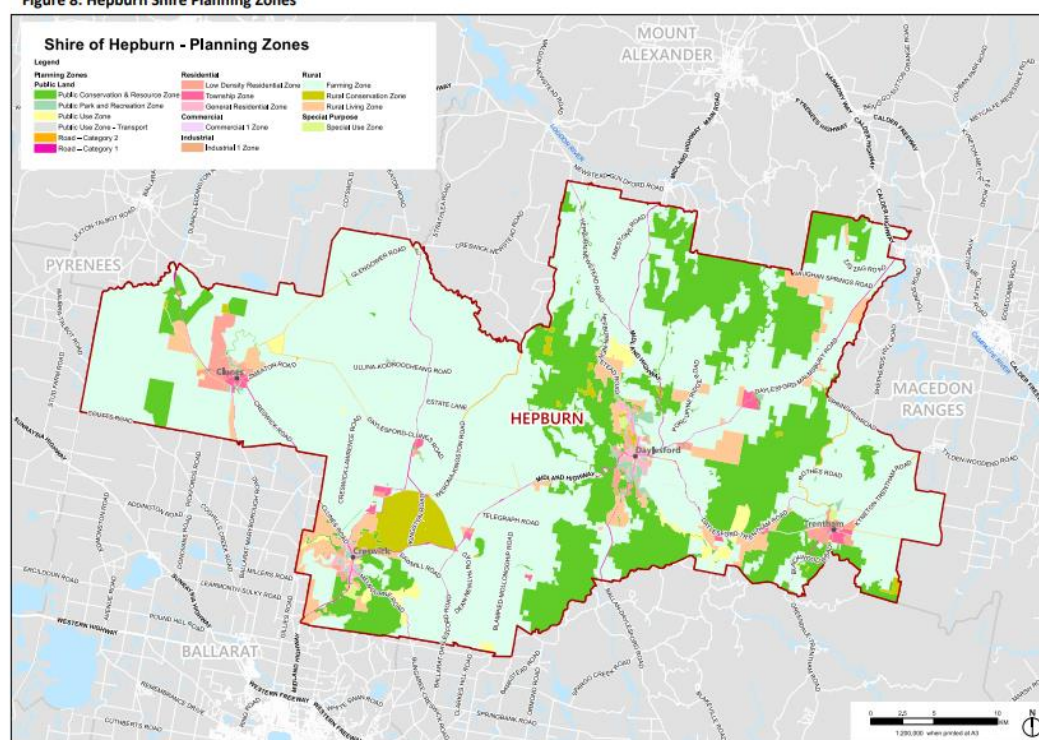


Figure 3: Rural land lot analysis (Plan2Place consulting, 2019)

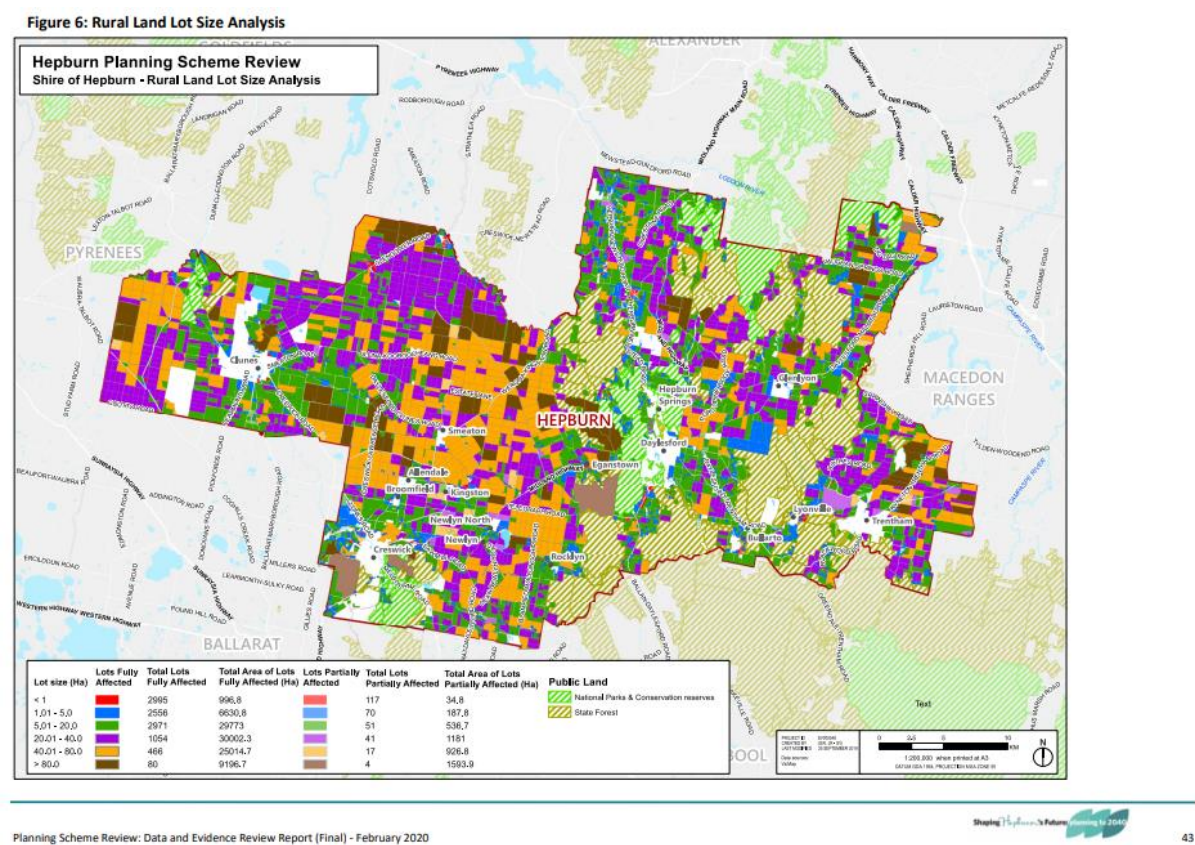
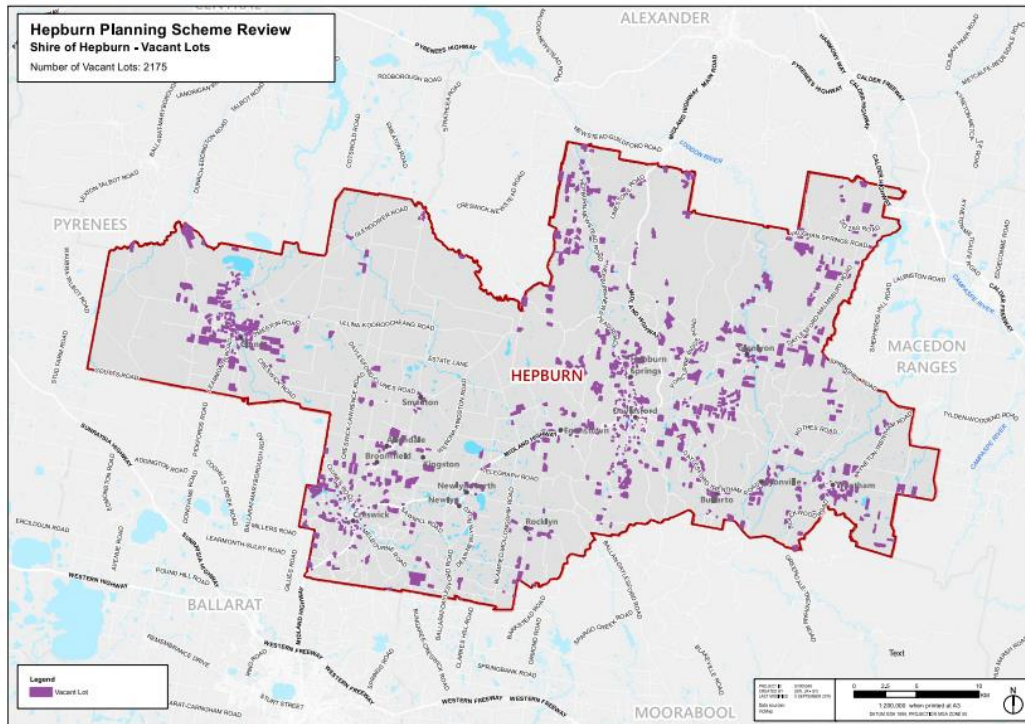


Figure 4: Vacant lots (Plan2Place consulting, 2019)

Figure 9: Vacant Lots Across Hepburn Shire



Key matters

This project will be framed around two key parts:

- Background paper and emerging options Refer to Participate Hepburn website to access this document. <https://participate.hepburn.vic.gov.au>.
- Strategies and key land use directions (exhibited as a draft report in the second half of 2023)

Depending on Council's position, a future step will be a planning scheme amendment to incorporate recommendations into the Hepburn Planning Scheme.

Table 4: Key matters to address

Document	Key matters
<i>Agricultural land</i>	<ul style="list-style-type: none"> - Protection of agricultural land as a valued resource for Victoria - Limiting/stopping the removal of fertile land from productivity through rezoning to rural residential and rural living zones. - Mapping areas of high productivity/ fertility of soils - Planning for alternative water supplies in order to maximise productivity - Identifying the nature of land use conflicts and how they impact on agricultural productivity
<i>Biodiversity and the natural environment</i>	<ul style="list-style-type: none"> - Protection of biodiversity areas and native vegetation - Identification and protection of key biodiversity areas including creeks and river systems - limiting/stopping the removal of native vegetation to provide for dwellings and non-rural infrastructure (This includes the Bushfire Attack Level assessment) - identification of possible strategic biodiversity corridors that need protection, enhancement and establishment - land use conflicts and what planning controls are needed
<i>Culturally significant landscapes</i>	<ul style="list-style-type: none"> - Protection of places and cultural landscapes of cultural heritage significance to the Dja Dja Wurrung and post contact settlement - limiting/stopping the removal of cultural landscapes and protecting view lines to significant sites
<i>Climate change</i>	<ul style="list-style-type: none"> - Bushfire risk (and the implications of removal of native vegetation) - Flooding and the adequacy of the current Land Subject to Inundation Overlay - Drought and planning for alternative water supplies - Protecting soil health such as declines in soil moisture, changes in soil erosion, organic carbon, nutrients and alkalinity.
<i>Adequacy of infrastructure</i>	<ul style="list-style-type: none"> - Alternative water supply (purple pipe) - Road linkages - Road and rail freight and connection to ports
<i>Planning controls review</i>	<ul style="list-style-type: none"> - Review of the rural zones schedules and their adequacy - Review of whether land should be rezoned from FZ to RCZ depending on the integrity of biodiversity and native vegetation - The value of on farm tourism accommodation as a threat to farm productivity - Emerging industries

