



RMCG

SOUTHERN GRAMPIANS RURAL LAND USE STRATEGY

DRAFT

JULY 2022

ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

Southern Grampians Shire Council acknowledges the Australian Aboriginal and Torres Strait Islander peoples of this nation.

We acknowledge the Gundiṯjmara, Tjap Wurrung and Bunganditj people, the traditional custodians of the lands where we live and work.

We pay our respects to ancestors and Elders, past and present.

Southern Grampians Shire Council is committed to honouring Australian Aboriginal and Torres Strait Islander people's unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.

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1 Introduction

SOUTHERN GRAMPIANS RURAL LAND USE STRATEGY

This Rural Land Use Strategy (RLUS) is the first of its kind for Southern Grampians. The Strategy establishes a planning vision and strategies that seeks to support established rural industries such as agriculture and forestry, promote emerging opportunities in rural tourism and recognise and protect important environmental and landscape values. In particular Southern Grampians Shire Council through the RLUS aims to:

- Retain sustainable food and fibre production and value add industries as the priority rural land use
- Encourage diversification of rural land use, including tourism, renewable energy and sustainable development of natural resources
- Retain residential growth and rural living within established townships to create a network of integrated and prosperous settlements
- Protect and enhance the environmental and landscape qualities of the land.

The key components of the Strategy are:

A **Strategic Framework** comprising a vision, principles, framework plan and strategic objectives for rural land.

An **Implementation** plan including recommendations for changes to the Southern Grampians Planning Scheme and further strategic work.

STUDY AREA

The study area incorporates all private rural land within the Farming Zone, Rural Conservation Zone and Rural Activity Zone in Southern Grampians. Land use on public, urban and rural living zoned land is considered where it impacts use and development of land within the scope of this study.

While the Rural Living Zone is a rural zone, a supply and demand review and policy recommendations for rural living is outside the scope of this study. The Strategy includes principles and considerations to inform preparation of a Rural Residential Strategy

APPROACH

Development of the RLUS is being undertaken in six stages:

- Stage 1 - Preparation of a Background Report documenting a review of the current rural land use circumstances in the rural areas. Targeted consultation with stakeholders and rural businesses.
- Stage 2 - Preparation of a draft RLUS
- Stage 3 - Public exhibition of to provide an opportunity for stakeholder and community feedback on the draft RLUS – 2021.

Based on the feedback, additional review was undertaken in 2022 including update of the Background Report and preparation of case studies.

- Stage 4 - Preparation of the draft RLUS – 2022, **this report**.
- Stage 5 – Public exhibition to provide an opportunity for stakeholder and community feedback on the draft RLUS (proposed for 2022)
- Stage 6 – Prepare final RLUS

SOUTHERN GRAMPIANS

Southern Grampians Shire is part of the Great South Coast region of Victoria (Figure 1). It covers an area of around 6,600 square kilometres. The population of Southern Grampians has remained relatively steady over the last 20 years and 16,588 people were counted in the 2021 Census.

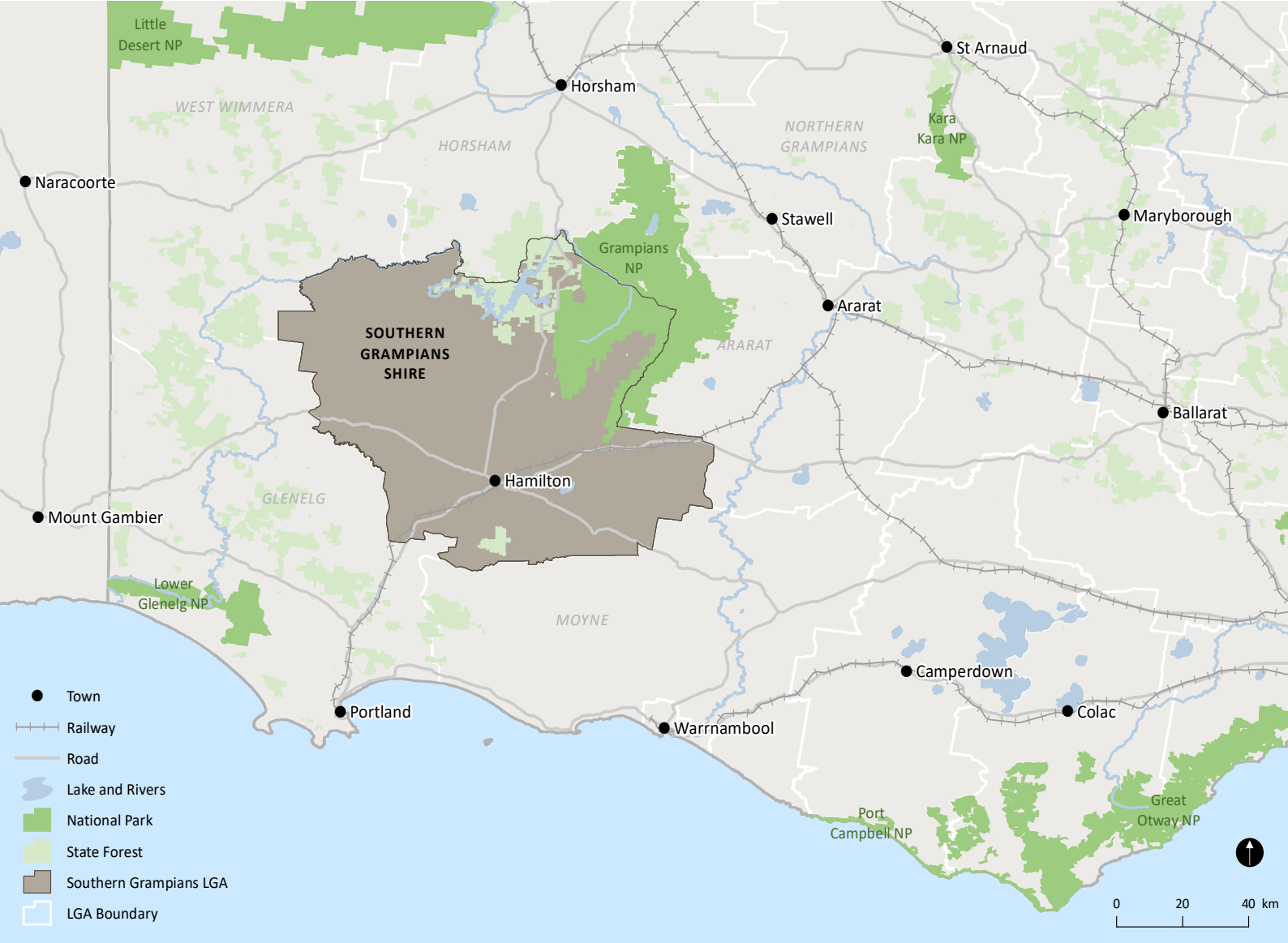
Hamilton, the main centre, is located around 3.5 hours west of Melbourne. Smaller towns include Balmoral, Cavendish, Coleraine, Dunkeld, Glenthompson, Peshurst and Tarrington. Major industries include agriculture, forestry, retail, manufacturing, health, education, tourism and research and development. Agriculture and forestry, the largest industry sector, employed nearly 1,400 people in 2016¹.

The natural environment of the Shire includes outstanding features such as Gariwerd (Grampians) National Park, the Glenelg and Wannon Rivers, ancient geological forms and mountain peaks, and fertile farming land interspersed with redgum plains and grasslands. The natural resources and climate of the Shire underpin food and fibre

¹ Industry data from the ABS 2020/21 survey is anticipated to be released in the second half of 2022 and the final strategy will be updated accordingly.

production and the tourism industry. Natural features such as the Gariwerd attract domestic and international visitors to the Shire.

FIGURE 1: REGIONAL CONTEXT



CURRENT PLANNING CONTROLS

This section of the report provides an overview of the current policy, zone and overlay controls that apply to rural land throughout Southern Grampians. It also documents the findings and recommendations arising from a review of the performance of the planning controls undertaken in Stage 1.

PLANNING POLICY FRAMEWORK

The RLUS will need to be consistent with State policy objectives relevant to the Shire's rural areas, which include:

- Protect strategically important areas for the environment, landscape, water, cultural heritage and agriculture
- Protect productive farmland of strategic significance in the local or regional context
- Encourage tourism
- Protect and enhance water supply catchments, native vegetation and other biodiversity values and rural landscapes
- Prevent dispersed settlement and maintain separation between settlements by providing non-urban breaks between urban areas
- Minimise risk to life, property and the environment from natural hazards
- Establish town growth boundaries to avoid urban sprawl and protect agricultural land and environmental assets.

MUNICIPAL PLANNING STRATEGY

The Municipal Planning Strategy (MPS), Clause 2 of the Southern Grampians Planning Scheme includes a Shire-wide vision statement, objectives and strategies for rural land that seek to protect agricultural land and promote agriculture and forestry, protect natural resources and promote sustainable use and development of water, stone and mineral resources, promote rural tourism and protect rural landscapes. The MPS will need updating to reflect the strategic framework for rural land use as set out in this strategy and the trends in rural land use and major drivers of change. In particular, the MPS should articulate a vision for rural land and reinforce the importance of agriculture, forestry, rural, tourism, mining and extractive industries to the Southern Grampians economy, employment and growth prospects.

PLANNING POLICY FRAMEWORK

- 11.01-1S - Settlement
- 11.01-1R Great South Coast
- 12.01-1S Protection of biodiversity
- 12.01-2S Native vegetation management
- 12.03-1S River corridors, waterways, lakes and wetlands
- 12.05-1S Environmentally sensitive areas
- 12.05-2S Landscapes
- 13.01-1S Natural hazards and climate change
- 13.02-1S Bushfire planning
- 13.03-1S Floodplain management
- 14.01-1S Protection of agricultural land
- 14.01-2S Sustainable agricultural land use
- 14.01-3S Forestry and timber production
- 14.02-1S Catchment planning and management
- 14.02-2S Water quality
- 14.03-1S Resource exploration and extraction
- 15.01-6S Design for rural areas
- 17.01-1R Diversified economy - Great South Coast
- 17.04-1S Facilitating tourism
- 17.04-1R Tourism - Great South Coast
- 19.01-2S Renewable energy
- 19.01-2R Renewable energy - Great South Coast

ZONES

The zones that apply to rural land (Figure 2) in private ownership are:

Farming Zone (FZ): The main zone for agricultural areas aimed at encouraging retention of productive agricultural land.

Rural Conservation Zone (RCZ): This zone aims to protect land with significant environmental, heritage or cultural values.

Rural Activity Zone (RAZ): This is a mixed use zone that provides for agriculture and a wider suite of uses such as tourism and commercial uses.

The minimum lot sizes that apply range in size from 2ha to 40 ha (Table 1).

TABLE 1: RURAL ZONE MINIMUM LOT SIZES

| ZONE | MINIMUM SUBDIVISION AREA (HA) | MINIMUM AREA FOR WHICH NO PERMIT IS REQUIRED FOR A DWELLING (HA) |
|------------------------------------|-------------------------------|--|
| Farming | | |
| Land covered by the DPO Schedule 5 | 2 | 40 |
| All other land | 40 | 40 |
| Rural Activity | | |
| Area A | 2 | All dwellings require a planning permit |
| Area B, C and D | 8 | |
| Rural Conservation | 40 | All dwellings require a planning permit |

The Farming Zone was introduced by direct translation in 2006 (Amendment C12) resulting in all land in the Rural Zone being rezoned to the Farming Zone. Direct translation means that there was no strategic assessment to test the appropriateness of the new Farming Zone or whether any of the other new rural zones may be more appropriate.

The Stage 1 Background Report made a number of recommendations to improve the performance of the Farming Zone:

- Confirm that the Farming Zone and zone schedules reflect the land capability, support the predominant agricultural uses and the scale of farming in Southern Grampians.

- Policy guidance, additional to that provided in the Farming Zone, for assessment of planning permit applications for dwellings, rural workers accommodation, non-discretionary uses, two lot subdivision and dwelling excisions.
- A consistent and higher standard of information provided by proponents to support assessment of planning scheme applications.
- Policy guidance for small lots within old Crown townships and subdivisions.

Other Stage 1 Background Report recommendations relevant to the rural zones include:

- Retain the current minimum lot size for subdivision in the RAZ and RCZ.
- Adopt the following principles to guide identification of land for rezoning to Rural Living:
 - Rural residential development will be discouraged on productive agricultural land
 - Existing townships and settlements including land within the residential zones, will remain the focus for new dwelling development to avoid further fragmentation of rural land and land use conflicts.
 - Rural residential development will not impede the long-term urban growth of Southern Grampians' settlements.
 - Rural residential development will be located in areas serviced by physical and social infrastructure, or in locations where infrastructure improvements can be undertaken without significant cost or environmental impacts.
 - The location of rural residential development will seek to avoid or minimise adverse impacts on the environment, native vegetation and biodiversity.
 - Rural residential development will be discouraged in areas prone to environmental hazards, and where the risk or environmental cost of making people safe is too high.

OVERLAYS

The overlays that apply to rural land are described in Appendix 1 along with an explanation of their impact on rural land use and development in the Shire.

Figure 3 shows how these overlays have been applied across Southern Grampians. Council has recently undertaken a number of studies that will result in updates of Land Subject to Inundation Overlays (Hamilton, Coleraine) and work is underway to review flooding in Dunkeld and Balmoral. There are also other projects, particularly the Natural Assets Strategy, that are underway that may result in further refinement of overlays, particularly in regard vegetation protection.

The Background Report made a number of recommendations regarding the current suite of overlays that apply to rural land. Relevant recommendations and follow up actions are summarised in Table 2.

TABLE 2: RECOMMENDED IMPROVEMENTS TO OVERLAYS

| OVERLAY | RECOMMENDATION | ACTION |
|--|---|---|
| Environmental Significance Overlay Schedule 1 – Eastern Barred Bandicoot Area | Review land to which the overlay applies to more accurately reflect bandicoot habitat and protection works conducted by DELWP | Under review as part of the Natural Assets Strategy |
| Environmental Significance Overlay Schedule 2 – Protection of Waterways | Review to incorporate other significant waterways | |
| Environmental Significance Overlay Schedule 3 – Wannon River Escarpment Protection | Remove overlay - duplicates ESO2. | |
| Vegetation Protection Overlay Schedule 1 - Dunkeld River Red Gums | Consider application to the other townships. Review to address loss or death of mature trees | |
| Significant Landscape Overlay Schedule 1 Coleraine Landscape Area | Consider expanding overlay to include surrounding features: Points Reserve, Bryan Creek, northern escarpment. | Further strategic work |
| Significant Landscape Overlay Schedule 2 Mount Rouse Crater Reserve | Review the land to which these overlays apply to ensure that development on adjoining land does not impact the landscape qualities of the reserves | |
| Significant Landscape Overlay Schedule 3 Nigretta Falls Reserve | Review the overlay schedules taking into consideration the recommendations of the South West Landscape Assessment Study, Planning Panel Report Amendment C36, the need for additional guidance for assessing planning permit applications and achieving an appropriate balance between landscape protection and legitimate and appropriate farming development. | |
| Significant Landscape Overlay Schedule 4 Wannon Falls Reserve | | |
| Significant Landscape Overlay Schedule 6 Harman's Valley | | |
| Bushfire Management Overlay Schedule 1 Balmoral and Coleraine BAL-12.5 Areas | Remove overlay – conflicts with BMO | Delete overlay |
| Design and Development Overlay Schedule 4 – Hamilton Airport | Review land to which overlay applies to ensure the extent reflects contemporary aviation | Further strategic work |
| Airport Environs Overlay | Review the shape of the overlay to ensure that it reflects areas impacted by aviation | Further strategic work |

FIGURE 2:RURAL ZONES

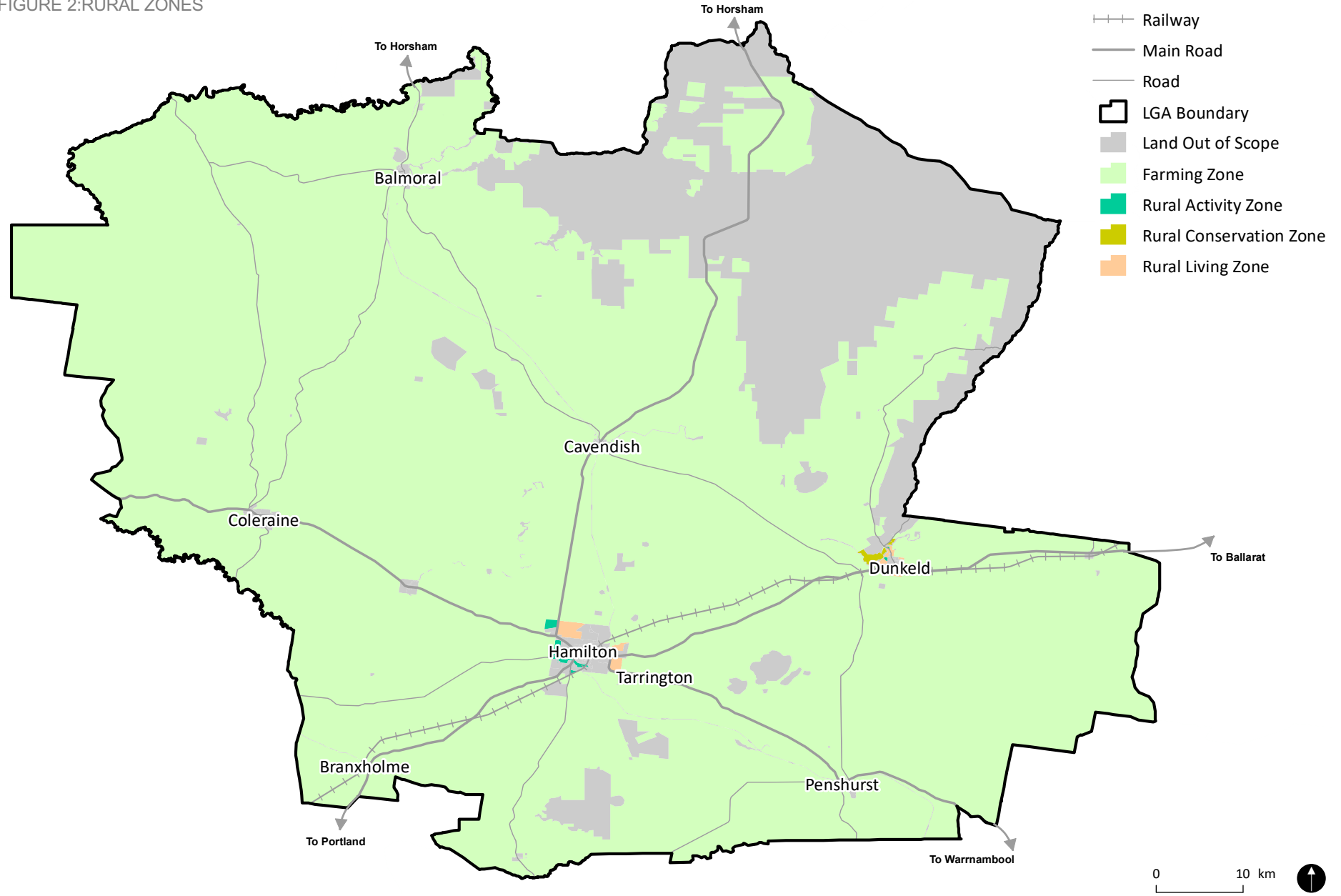
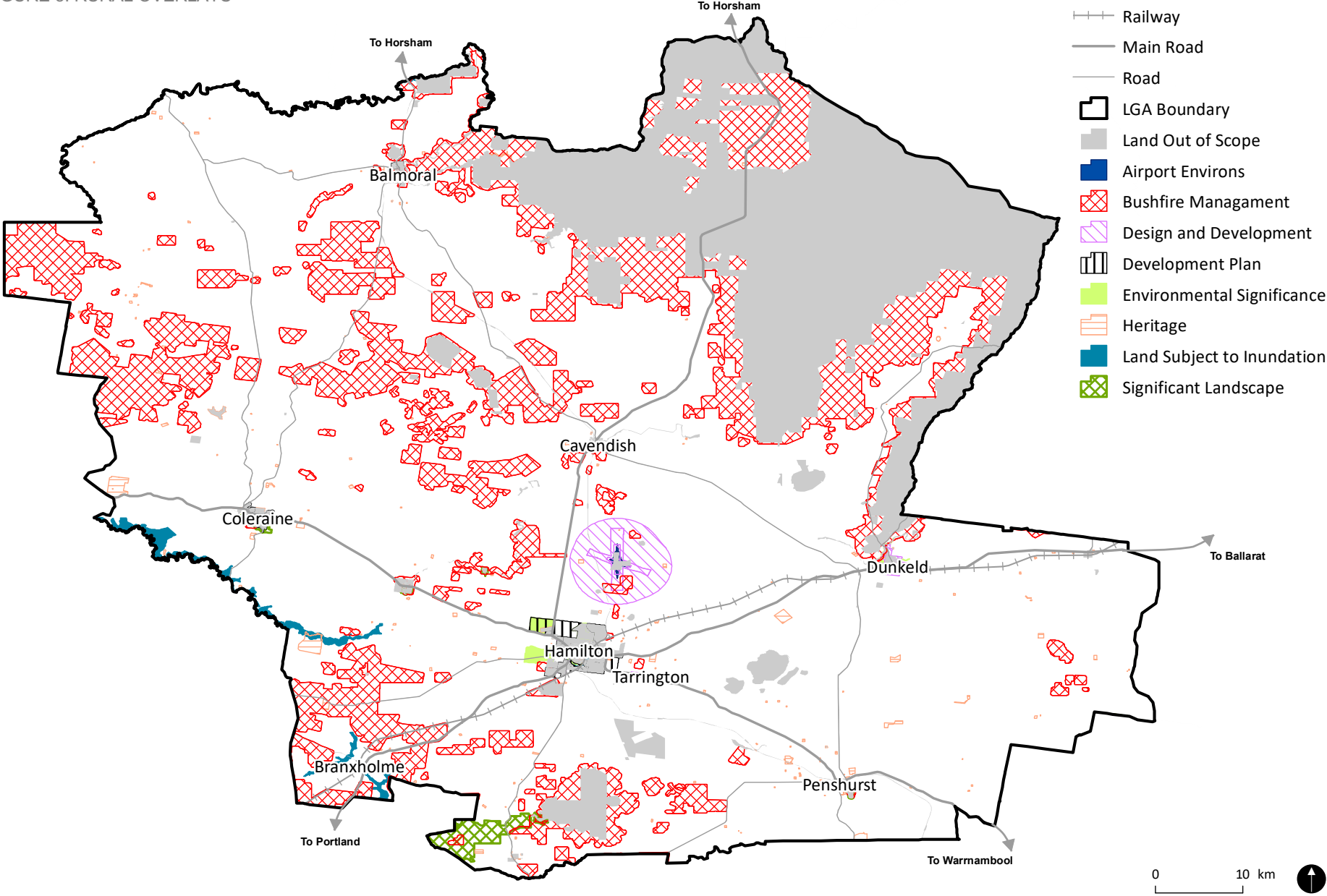


FIGURE 3: RURAL OVERLAYS



MAJOR DRIVERS

PLANNING CONTEXT

State Planning Policy seeks to strengthen the economy of the Great South Coast region, by supporting production of food and fibre, value-adding and diversification, tourism, alternative energy and natural resource development. State planning also seeks to ensure that the regions environmental, cultural heritage and landscape values are enhanced and protected, and development considers the risks posed by natural hazards and climate change.

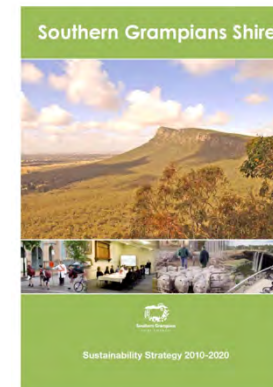
The *Great South Coast Regional Plan* sets the following directions for planning in Southern Grampians:

- Facilitate agricultural production and associated development
- Sustainably manage key cultural/heritage and environmental assets
- Utilise the region's significant natural and cultural heritage assets to enhance the desirability of the region as a place to live and do business
- Establish or reinforce settlement boundaries
- Plan for rural residential development where it supports sustainable communities while avoiding areas of high environmental value, at high risk from natural hazards or that have future urban development potential
- Recognise and avoid natural hazards, such as bushfire or flood, in planning for population growth
- Support development and investment in small towns that are facing economic and population challenges
- Use best practice contemporary approaches to rural land use planning such as adapting to climate change, avoiding potential conflicts with non-agricultural uses, matching land use to land capability and sustainably manage environmental assets
- Provide support and direction on appropriate locations for the establishment of new agricultural industries



- Identify and sustainably manage natural resources, environmental assets and features of environmental value in the planning schemes
- Direct urban growth, commercial, industrial and rural residential development away from areas where it would limit the ability to utilise environmental assets and natural resources

These directions are reflected in *Southern Grampians 2041 – Community Vision Framework*, *Southern Grampians' Council Plan 2021-25*, *Economic Development Strategy 2011-2021* (currently under review) and *Sustainability Strategy 2010-2020* (currently under review), *Grampians Climate Change Adaptation Strategy Plan 2017-2027* and township structure plans for Hamilton, Dunkeld and Tarrington and have informed this RLUS.



ECONOMIC AND POPULATION GROWTH

After a period of reducing population, Southern Grampians experienced 1% population growth between the 2016 and 2021 census years. Critical to maintaining a growing population trend is to focus on the Shire's economic advantages including its location and accessibility, extensive areas of unfragmented, productive agricultural land renowned and unique natural attractions. Tourism investment focusing on enhanced tourism experiences, renewable energy projects that diversify rural incomes and demand specialist skills and development of the Shire's natural resources represent significant opportunities in Southern Grampians. There is potential for further significant industry growth in each of these sectors when well-planned and delivered. Planning should ensure that conflict between rural industries is avoided and sustainable growth is supported.

Rural industry development and diversification that support's population retention provides the overarching context for the following key drivers of change underpinning this RLUS.

FOOD AND FIBRE

The agriculture and forestry industries are a key element of Council's plan for stimulating growth, attracting investment and retaining population. Planning should consider major trends and industry needs including:

- Protecting productive agricultural land to provide confidence for industry to invest in new technology and respond to market trends.
- Industry trends such as increased farm size and output concentration with most production generated by the small cohort of larger producers.
- Enabling the industry to diversify and respond to opportunities and issues such as the impacts of climate change.

Economic diversification has the potential to provide new employment opportunities and attract new residents. Most agricultural and forestry products leave Southern Grampians in a raw state. An opportunity for economic diversification by value adding to primary production such as food and fibre processing and manufacturing and waste to energy has the potential to generate local employment both on farm and across the value chain. Grange Garlic grows and produces a range of garlic products and Waltanna Farms, specialises in flaxseed production and processing. These are examples of value adding to local, specialised produce that have also generated local employment opportunities. Development of the West Wimmera Pipeline presents opportunities for development of intensive agriculture and horticulture.



Southern Grampian sponsors Food and Fibre Great South Coast, a representative body that works to grow the value of regional food and fibre production to improve the prosperity and resilience of our local communities.



CASE STUDIES

In 2021, Council undertook informal consultation including in-depth interview with a number of agricultural enterprises in the Shire. While small in number, the case studies provide some insights into the operation of agricultural enterprises in Southern Grampians. The case studies are summarised in Appendix 2 and have been deidentified to protect the privacy of interviewees. The key observations from the case studies are summarised here:

Broadacre farms in Southern Grampians have some shared characteristics:

- Farm holdings are typically larger than 500ha in size and often larger than 1,000ha and comprise multiple lots, with some lots as small as 10 ha. Carrying capacity, pasture management and water access are the important considerations in lot/paddock arrangements and size.
- Economies of scale are sought. Farms have purchased land over time to expand their businesses. New technology and equipment are adopted to manage larger land areas with the same or less labour inputs.
- As farm scale increases, the demands of managing the business increases. Farms businesses are commonly run by multiple-generations of the one family with few employees. Use of contractors for seasonal operations e.g. shearing is common.
- Because of the employment characteristics there is not significant demand for housing of permanent farm workers. Temporary accommodation may be required for seasonal contractors.

By comparison, horticultural farms are smaller in scale, commonly under 60 ha and may have a dwelling on site or not. Most critical for horticulture is processing infrastructure, sheds and water management. The labour requirements of the horticultural businesses enterprises can be higher than pastoral holdings in absolute terms as well as proportionate to land size.

The main source of land use conflict for operators of agricultural businesses arises from neighbours on smaller properties (40-80 ha) which create biosecurity and water security risks (smaller farms often use dams for recreation/aesthetics reducing water availability for farm dams)

Farm businesses are highly sophisticated using technology for a range of tasks such as data recording for reporting on genetics, animal management, crop quality and use of equipment and technology to reduce labour requirements. There is an increasing reliance on off-farm specialists for shearing, agronomic advice etc.

The businesses are aware of and plan for conditions beyond their control such as planning for climate change and analysing macro-economic conditions to find new markets and opportunities or responding to fluctuations in input costs and product prices e.g. impacts of Russian invasion of Ukraine on fertiliser and fuel costs

Farms are adapting e.g. the transitioning the business from predominantly grazing to mixed grazing/cropping business. This requires new skill sets, infrastructure and equipment. The trend in farm expansion and consolidation is anticipated to continue into, subject to market conditions and technological developments.

The case study findings align with the findings of the Background Report data analysis and review.

LAND FRAGMENTATION

Historic subdivision and settlement policies (including soldier settlements and crown allotments) have resulted in fragmentation of rural land and a significant legacy of small rural lots across the Shire. There are around 25,000 lots in the Farming Zone of which nearly 10,000 or 83% are less than 40ha in size (Table 3, Figure 5).

Lots in the Farming Zone are held in around 13,000 ownerships indicating that most farm enterprises comprise multiple lots (Table 3, Figure 6). There is also evidence of consolidation as broadacre and mixed farming enterprises with 97% of the land area in the Farming Zone held by 1,500 or 2% of all ownerships. (Table 3, Figure 6).

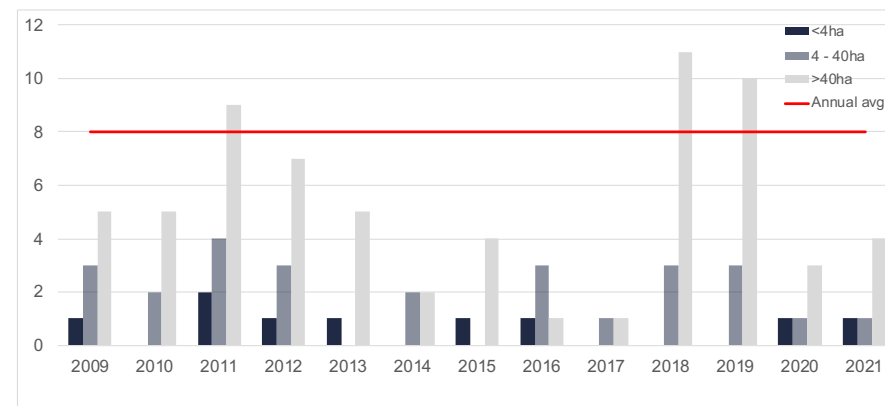
An analysis of buildings permits for dwellings (

Figure 4) shows relatively low levels (between 2 and 15 annually) of dwelling development in the Farming Zone. This suggests that there is not the same pressure for rural dwelling development in the Farming Zone in Southern Grampians, observed in other local government areas, particularly local government areas experiencing significant population growth. Mapping of dwellings in the Farming Zone indicates that most dwelling development has occurred around Hamilton (Figure 7). Council is currently undertaking a Small Towns Strategy which will assess localised pressure for dwellings and rural living around townships.

TABLE 3: NUMBER AND AREA OF FARMING ZONE LOTS AND OWNERSHIPS

| SIZE (HA) | LOTS | | OWNERSHIP ² | |
|-------------|--------|-----------|------------------------|-----------|
| | NUMBER | AREA (HA) | NUMBER | AREA (HA) |
| < 4 | 13,840 | 7,754 | 10,735 | 4,115 |
| 4 - 40 | 6,749 | 135,507 | 919 | 13,773 |
| 40 – 100 | 2,897 | 176,856 | 463 | 29,324 |
| 100 – 500 | 1,380 | 232,380 | 795 | 192,780 |
| 500 – 1,000 | 35 | 23,472 | 188 | 127,491 |
| >1,000 | 17 | 76,768 | 90 | 285,252 |
| Total | 24,918 | 652,737 | 13,190 | 652,737 |

FIGURE 4: TREND IN DWELLING DEVELOPMENT IN THE FARMING ZONE BY LOT SIZE³



² Land in common ownership was estimated from the billing address of rates notices. De-identified data was provided by Southern Grampians Shire

³ Data provided by Southern Grampians

The data is consistent with the observations and findings of the case studies. Farms in Southern Grampians are increasing in scale through lot consolidation. Farms are growing in size through consolidation. Use of technology, large scale equipment, family labour and the availability of dwellings acquired through consolidation means that there is little demand for full time farm worker accommodation or new dwellings. The RLUS will provide for dwellings or farm worker accommodation, subject to meeting appropriate tests.

Productive agricultural land unencumbered by unwanted dwellings is significant competitive advantage for Southern Grampians. Policy should continue to support this position and where small lots already exist, the ongoing use of the land for agriculture will be the primary consideration in the assessment of permits for dwellings.

The Background Report assessed the biophysical attributes and economic importance of agriculture to identify farmland strategic significance. The analysis found that most of the rural land in Southern Grampians is productive agricultural land and that the Shire's lamb and wool industries are industries of state significance. Mapping of agricultural land use shows that the livestock grazing is conducted across the Shire. It was concluded that:

Land within the Farming Zone is farmland of state strategic significance.

The very positive outlook for agriculture under the forecast future climate adds additional weight to this finding.

RURAL TOURISM

Tourism is a well-established and growing industry. There is anecdotal evidence of growth in the caravan and camping market and free camping over the last two years. The *Great South West Regional Growth Plan* and *Grampians Destination Plan* seek to leverage established regional tourism strengths, such as Gariwerd (Grampians) National Park and the Great Ocean Road, and the Shire's considerable natural assets and strengths in agriculture to broaden the Shire's tourism offer, encourage longer stays and increase visitor nights. *The Greater Gariwerd Landscape Management Plan* presents opportunities to develop cultural tourism experiences and aligns with the Volcanic Trail Masterplan adopted by Southern Grampians in



March 2022 and the recently opened Grampians Peak Trail. Aligning tourism with natural assets, touring routes and townships will maximise infrastructure efficiency, encouraging increased length of stay and promote population growth.

ENVIRONMENT AND LANDSCAPE PROTECTION

Southern Grampians hosts significant environmental values, including extensive areas of endangered vegetation, as well as landscape features that should be protected.

The *South West Landscape Assessment Study* and the draft Grampians Landscape Assessment provides a comprehensive understanding of the Shire's landscape values and recommended a suite of policy measures to protect these values. However, further work is required to refine the overlay schedules to balance landscape protection and legitimate and appropriate farming development.

By comparison, there is a lack of robust, strategic information identifying the Shire's environmental assets. Council has recently completed the Volcanic Trail Masterplan which includes recommendations to protect landscape, cultural and environmental values of important volcanic features and is currently preparing a Natural Assets Strategy which includes an assessment of important biodiversity values and a review of environmental policies.

The 2018 Planning Scheme Review noted, with regard native vegetation, that a Biodiversity Mapping project was undertaken for the South West by the former Department of Sustainability and Environment in early 2000's. However, it was not at a scale suited to application of planning controls and given the time that had lapsed, the data needed to be reviewed. The Review went on to recommend that the sites of biodiversity significance mapping project be completed with support from the DELWP and based on this information, prepare appropriate planning scheme responses. It was noted in the consultation on the draft RLUS that there is extensively vegetated land in the Farming Zone, particularly adjacent to state and National parks. Council should continue to advocate for completion of the Biodiversity Mapping project to enable a comprehensive review of environmental policy.

FIGURE 5: LOT SIZES IN RURAL ZONES

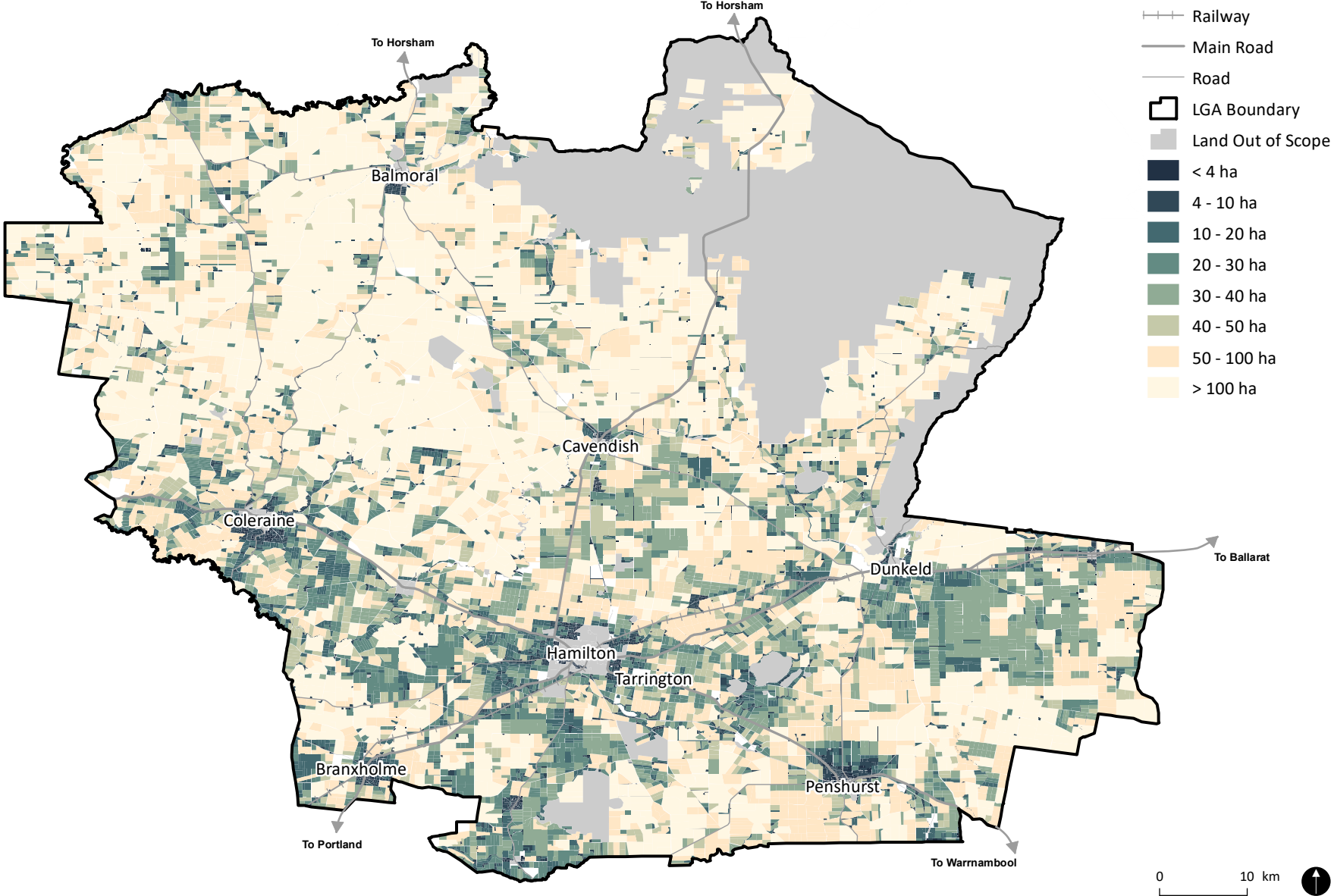


FIGURE 6: LAND OWNERSHIP SIZES RURAL ZONES

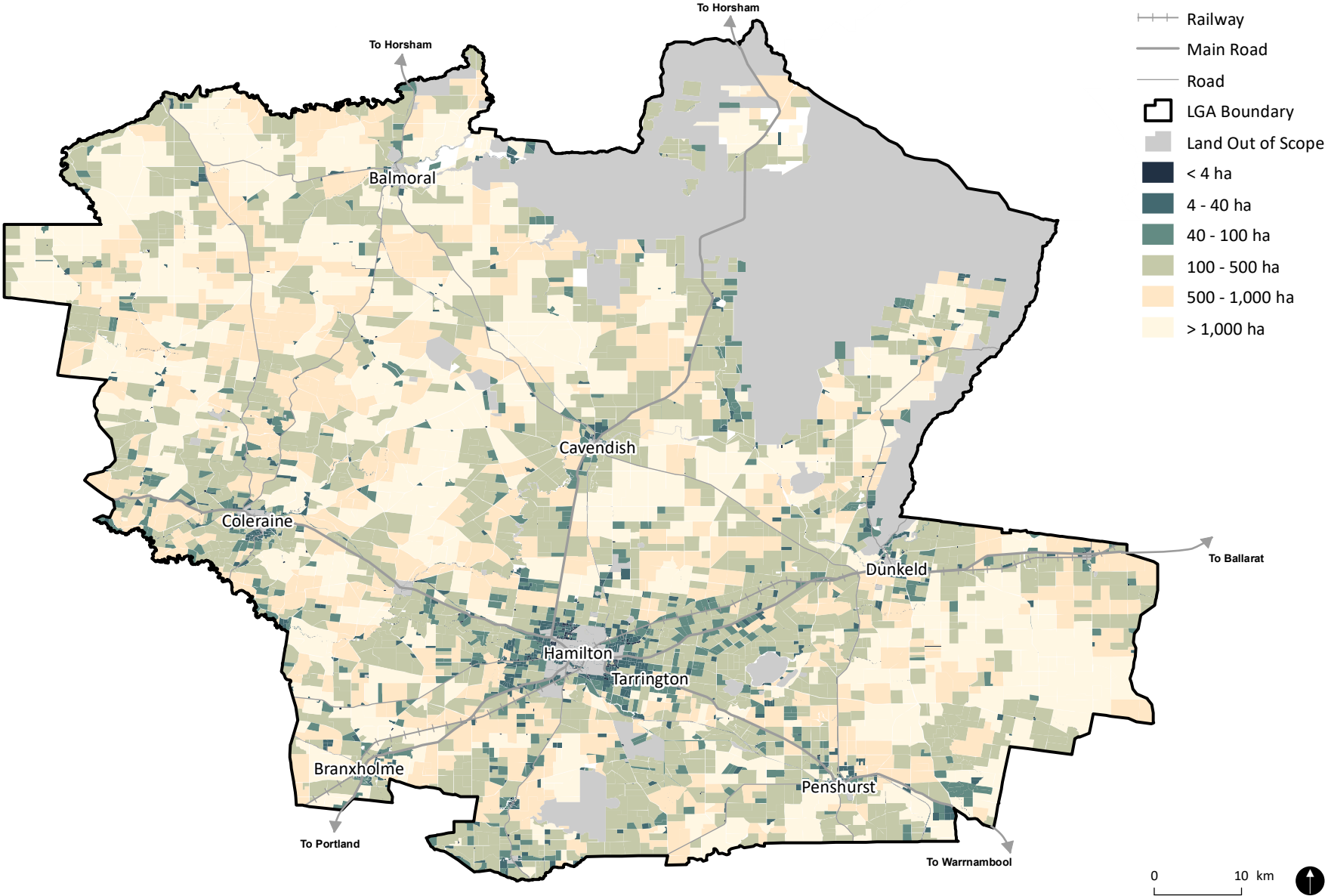
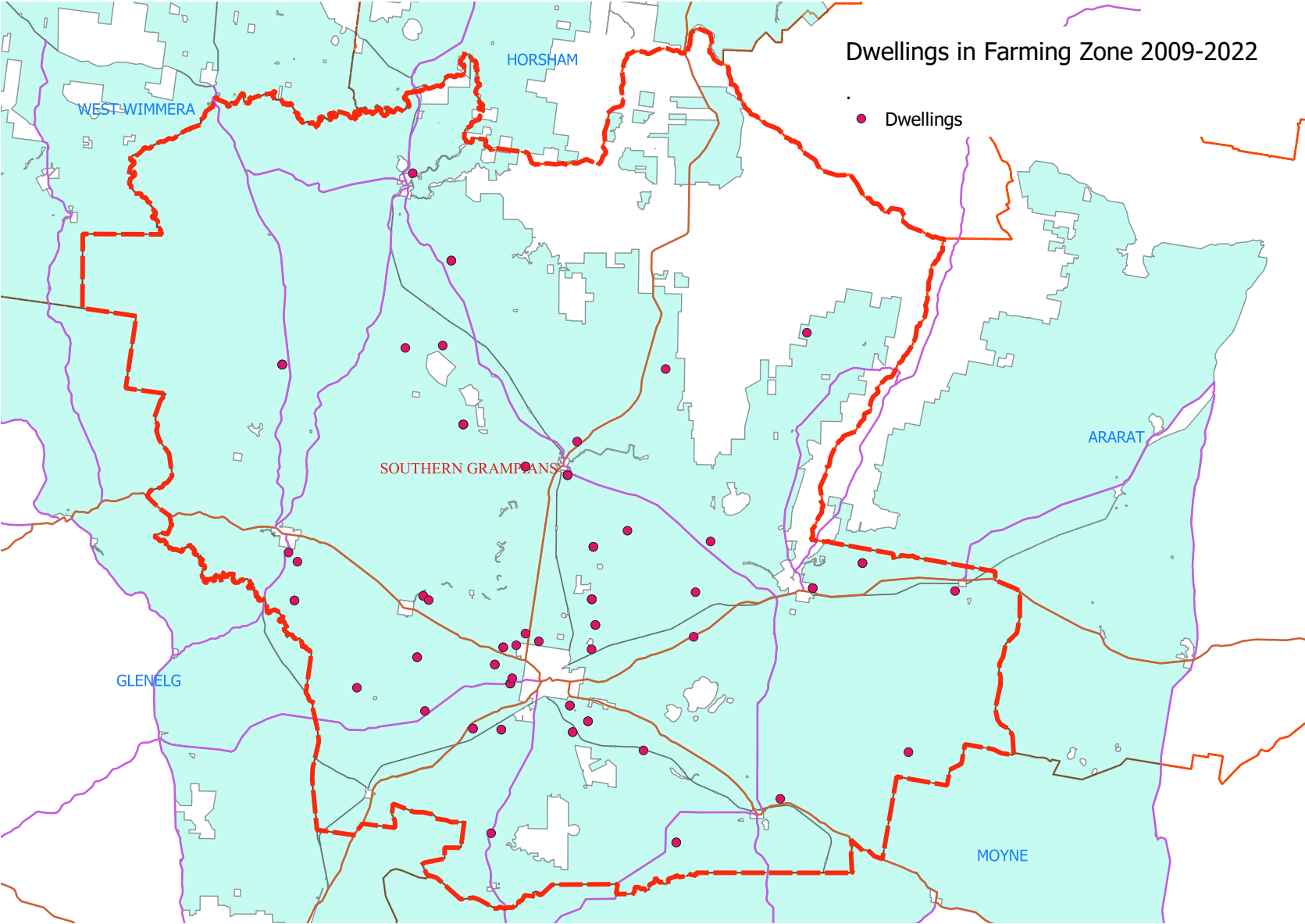


FIGURE 7: DWELLING DEVELOPMENT IN THE FARMING ZONE (2009-2022)⁴



⁴ Mapping and data provided by Southern Grampians

CONSULTATION

Targeted consultation was undertaken with operators and representatives of rural businesses and state agencies. Key themes raised relevant to rural land use and development and planning policy includes:

- Need for clear, timely advice from Council regarding rural development
- Leveraging the proximity of the Grampians Peak Trail, Grampians Ring Road, Great Southern Tourism Route.
- Importance of good quality infrastructure e.g. roads
- Need for workers accommodation
- Recognition and protection of wetlands as new areas are converted to cropping
- High cost of distributing niche products

During 2021, Council sought feedback from the community and stakeholders on the draft RLUS. This engagement comprised:

- Informal exhibition of draft RLUS between 27 April to 11 June 2021. Six submissions were received. The consultation findings were presented to a workshop of Councillors in August 2021
- Formal exhibition of the draft RLUS between 4 Oct to 4 Dec 2021. Face-to-face briefings were held in Penshurst, Dunkeld, Cavendish, Colerain and Balmoral which were attended by a total of 64 people. Five community members participated in a virtual briefing.

DELWP also provided feedback on the draft RLUS.

The key message from the consultation included:

- Further clarify Council's position with regard renewable energy generation development and extractive industry in high amenity locations
- Ensure there is strong justification for the recommendation to increase the minimum lot size for dwellings in the FZ to 200ha.
- Update background information and consider recently completed Council strategic studies and reflect recent changes to planning policy
- Further guidance is required in relation to introduction of the Restructure Overlay and assessment of house lot excisions,
- Identify further strategic work.

DRAFT STRATEGY REVISIONS

The preparation of the draft RLUS commenced in 2018 with a Background Report and Draft Strategy completed that year. For a number of reasons the project then lapsed until 2021 when Council undertook a range of formal and informal consultation. In 2022, the Background Report and Draft Strategy were both updated to include current ABS data, consider strategic studies recently completed by Council and the consultation findings.

The key changes made to the strategy in response to the updates and consultation include:

- Inclusion of case studies to illustrate the diversity of farming enterprises, their evolution and issues and case studies of land use conflict.
- Identification of farmland of state strategic significance.
- Abandon proposed changes to minimum lot size based on the findings of updated building permit data, consultation and case studies.
- Clarify further strategic work and identify non-policy actions to support implementation of the RLUS.



STRUCTURE OF THE RLUS

VISION AND PRINCIPLES

RURAL FRAMEWORK PLAN

STRATEGIC OBJECTIVES

Containing the objectives and strategies for
Food and Fibre Environment and Landscape
Rural Tourism Rural industries

IMPLEMENTATION

Actions to deliver the RLUS

2 Vision and Principles

The RLUS vision is nested within the Southern Grampians 2041 - Community Vision:

Southern Grampians is a growing, inclusive and connected community that fosters sustainability, diversity and innovation.

VISION

Southern Grampian's outstanding natural resources support thriving, sustainable rural industries and the population of our towns.

Investors in rural industry are attracted by competitive advantages and supporting infrastructure for food and fibre production, renewable energy and earth resources.

Tourists are drawn by high quality experiences, significant environmental values and landscapes.

Our biodiversity and natural values enrich the lives of our community and they are protected and enhanced to ensure their resilience.

Our rich cultural heritage is protected and celebrated.

PRINCIPLES

Protect and leverage the Shire's competitive advantage and realise significant potential for growth in food and fibre production, renewable energy and extractive industries

Balance economic growth with protection of environmental, landscape and cultural heritage values

Balance the needs of potentially competing rural land uses (food and fibre production, renewable energy, extractive industries, tourism) to promote economic diversity

Foster innovation, economic diversification and new rural industries

Support adaptation to the changing climate, economic drivers and adoption of new technology

Protect life and property from natural hazards

Embed Traditional Owner partnerships into planning and decision making.

Strive to equitably share growth opportunities across the Shire.

STRATEGIC OBJECTIVES

This Strategy establishes the following direction for rural land across Southern Grampians, to be implemented by the Rural Framework Plan. The subsequent chapters provide further discussion and identify key actions to implement these directions.

STRATEGIC OBJECTIVE 1 – FOOD AND FIBRE

Support and promote production of food and fibre and value add industries

Agriculture and forestry underpin the economy of Southern Grampians. Planning will support the industries to adapt to changing technology, production systems and climate change to be thriving and efficient industries. Leveraging strengths in food and fibre production will attract supporting service industries, manufacturing and processing businesses. Development of water resources, groundwater and surface water, presents opportunities for production and processing of high value crops. Protection of farmland of state strategic significance is important to give business confidence to invest for the long term.

STRATEGIC OBJECTIVE 2 – RURAL TOURISM

Encourage rural tourism opportunities in appropriate locations

There is potential to grow tourism in rural areas of Southern Grampians building on established strengths and rural tourism assets. The main opportunities are to capitalise on Hamilton's role as a regional hub, the Grampians National Park and other environmental features, regional touring routes such as the Great Southern Touring Route, connecting the Shire to Melbourne, the coast, Coonawarra and the World Heritage listed Budj Bim Cultural Landscape via the Volcanic Trail and leveraging agricultural strengths to provide a wider range and better quality experiences.

STRATEGIC OBJECTIVE 3 – RURAL INDUSTRIES

Support sustainable development of rural industries

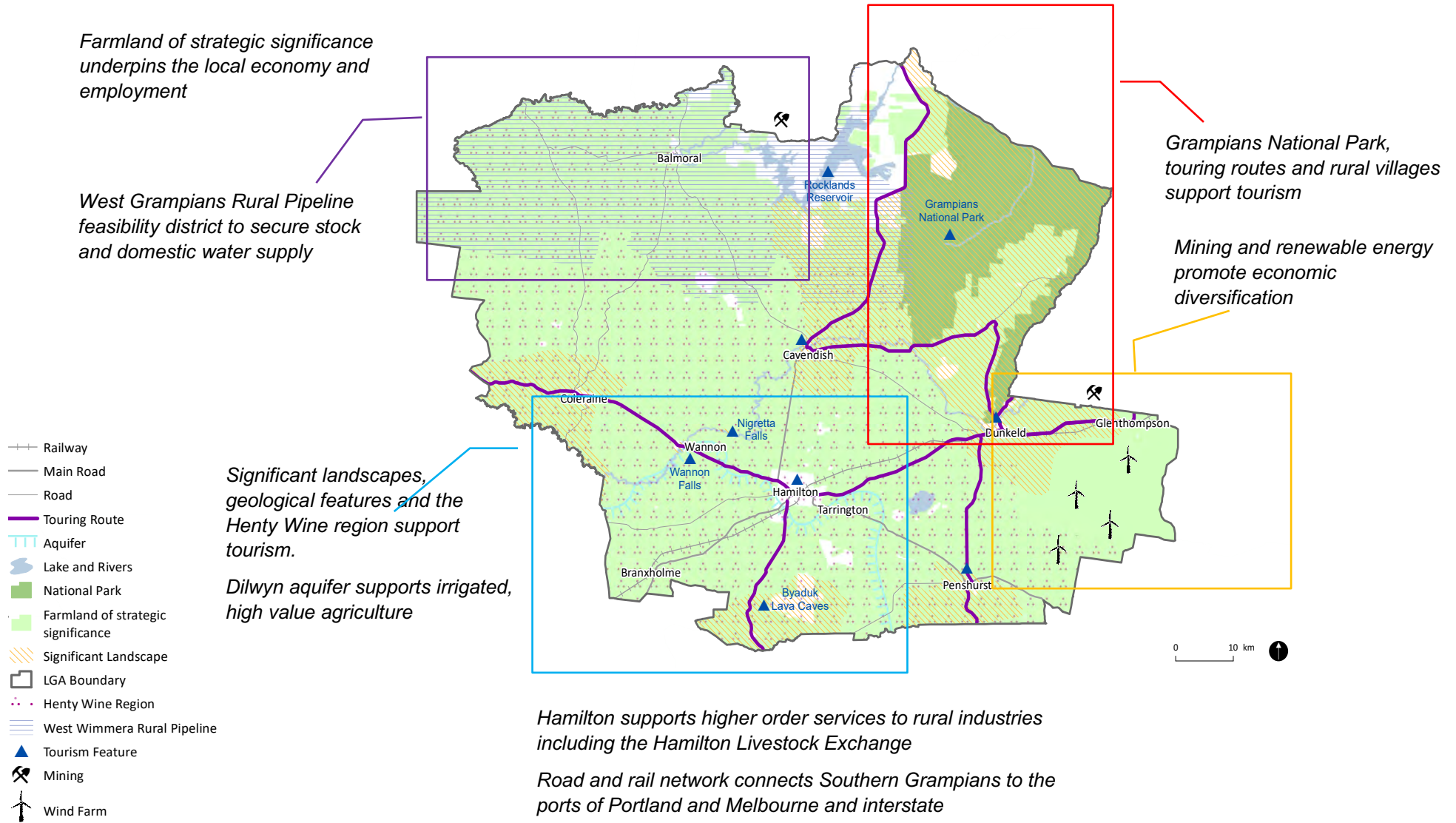
Extractive industries, mining and renewable energy generation present economic and employment opportunities. Ensuring that industry assets are not encroached by sensitive uses will protect their long term viability. It will be important to seek to balance the economic and social benefits arising from new rural industries and protection of significant landscape and environmental values and the amenity of the rural areas

STRATEGIC OBJECTIVE 4 - ENVIRONMENT AND LANDSCAPE

Protect and enhance environmental and landscape values

The natural environment values and landscapes of Southern Grampians contribute to its identity and its attractiveness as a place to live, work and visit. The Shire is host to flora and fauna protected by Federal and State legislation as well as significant waterways. There are opportunities to strengthen policy and controls in order to recognise and protect these diverse and significant natural values.

RURAL FRAMEWORK PLAN





**Strategic Direction 1:
Food and Fibre**

FOOD AND FIBRE IN SOUTHERN GRAMPIANS

Food and fibre industries are the economic engine of Southern Grampians supporting the most jobs in the Shire.

In 2020, the gross value of agriculture in Southern Grampians was \$644 million a five-fold increase since 1996 comprising mainly meat and wool. This growth can be attributed mostly to improved prices for meat and wool and an increase in grain production. Farming enterprises in the Shire produced 17% of the state's value of sheep and lambs and 16% of wool in 2016. The market outlook for meat, wool and grains is strong.

Forestry production and processing in Southern Grampians is part of the Green Triangle forestry region. Hardwood, such as bluegum (*E. Globulus*) for pulpwood, is the main forestry product grown in Southern Grampians. Economic data is not available by local government area, but the industry does support around 260 jobs in Southern Grampians.

The Stage 1 analysis of agriculture in Southern Grampians noted clear trends in agricultural businesses:

- Farm holdings are increasing in scale – there are fewer small farm holdings (<500ha) and more large holdings (>1,000ha).
- Farm businesses are increasing in scale – there are fewer small farms businesses (<\$500,000 value of operations) and more large businesses (> \$1million value of operations).

A consequence of the increase in farm size is the increased concentration of output on larger farms and land ownership.

30% of Southern Grampians farm businesses account for around 66% of farm output.

97% of the area farmed in Southern Grampians is operated by just 8% of farm businesses.

The clear message is that Southern Grampians food and fibre production credentials are strong and industry is investing in business growth and expansion. Adoption of new technology such as precision agricultural practices and expansion of the digital

communication network has facilitated farm expansion by enabling large holdings to be farmed with low labour inputs. Increasingly, farm holdings comprise multiple properties across multiple locations. This has become an important strategy in mitigating risk to farm businesses from climate change.

FIGURE 8: JOBS BY INDUSTRY SOUTHERN GRAMPIANS, 2016⁵

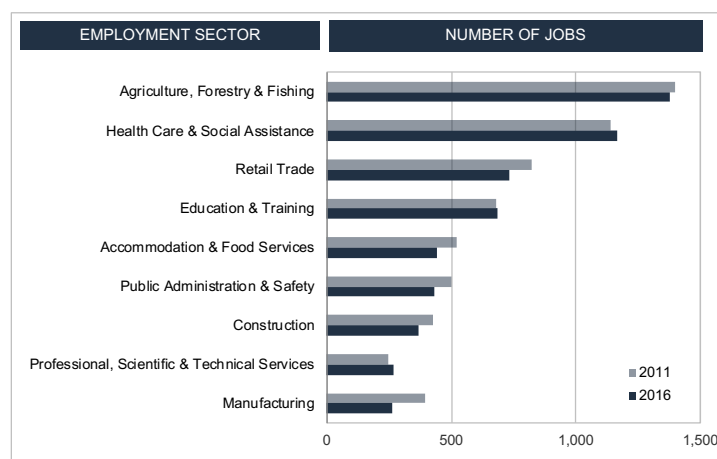
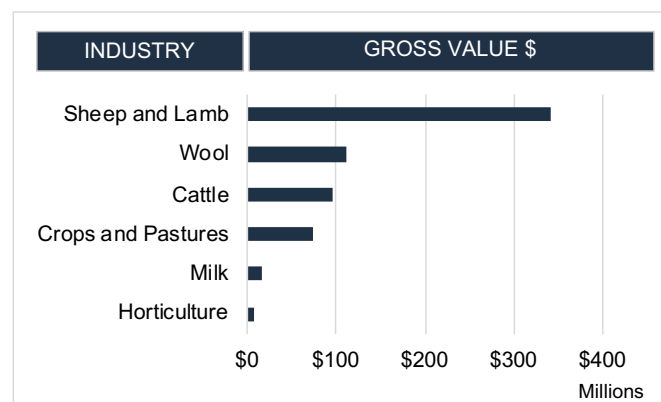


FIGURE 9: GROSS VALUE OF AGRICULTURAL PRODUCTION 2020⁶



⁵ Industry data from the ABS 2020/21 survey is anticipated to be released in the second half of 2022 and the final strategy will be updated accordingly.

⁶ Australian Bureau of Statistics data provided by Neil Clark and Associates

Plantation forestry in Southern Grampians is part of the \$1billion Green Triangle forestry industry. This is an important industry providing significant employment opportunities in Southern Grampians. Blue gum plantations in the Shire are approaching maturity and ready for harvest. Poor yielding plantations in the more northern areas of the Shire are likely to return to agriculture following harvest, rather than replanted to blue gums.

Emerging agricultural sectors include organics, including broadacre organic crops and smaller scale operations such as garlic and herbs. There has been some interest in indigenous food and protected cropping.

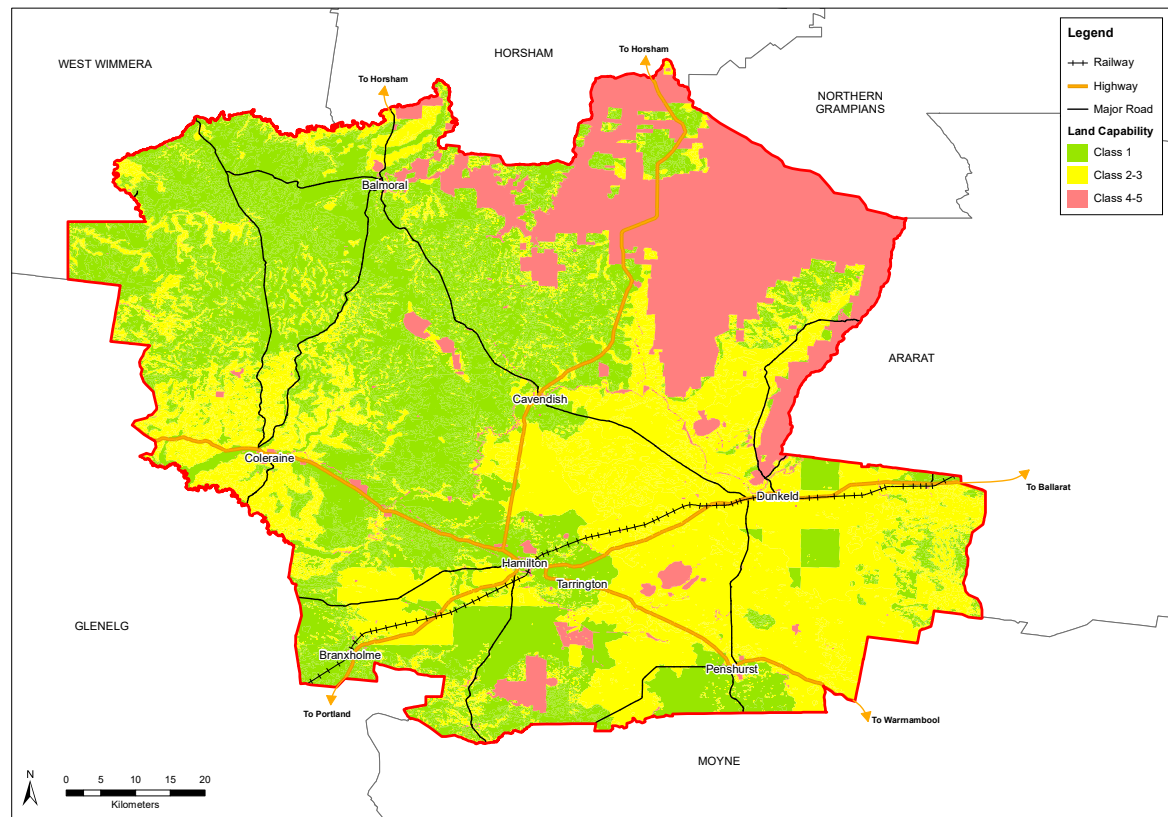
The food and fibre industries are supported by infrastructure such as the Hamilton Regional Livestock Exchange. Hamilton is located at the intersection of the principal regional road and rail network with connections to the Port of Portland, Port of Geelong and Port of Melbourne to service export industries as well as intra and interstate connections. An intermodal hub in Hamilton provides an opportunity for transferring freight from road to rail. Additional refrigerated transport services would improve market access for growers of fresh and specialised produce.

The Shire's location, accessibility and agricultural infrastructure are significant competitive advantages for producers in Southern Grampians. Better mobile phone coverage and wireless access would enable farmers to continue to innovate and adopt new technology. Most food and fibre products leave Southern Grampians in their raw state with processing and further manufacturing undertaken elsewhere. There is a significant opportunity to value add to food and fibre production, grow the processing sector and create new employment opportunities.

Southern Grampians is blessed with extensive areas of productive agricultural land. An assessment of land capability and land fragmentation in Stage 1, found that most rural land has moderate to high agricultural capability (Figure 10) and is held in land parcels suited to broadacre agriculture and forestry. The Shire's rural areas support the state significant lamb and wool industries as well as locally important beef and grains.

Based on a combination of productive agricultural land and industries of state significance, land within the Farming Zone is therefore considered to be farmland of strategic significance. The very positive outlook for agriculture under the forecast future climate adds additional weight to this finding.

FIGURE 10: LAND CAPABILITY (Deakin University (2014) Understanding and adapting land use capability under a changing climate in Southern Grampians



The Rural Land Use Strategy will support the ongoing growth of food and fibre industries, including investment in new technology, diversification and adaptation to climate change. Planning policy will be tailored to reflect the scale and type of agricultural and forestry industries.

ISSUES AND OPPORTUNITIES

CLIMATE CHANGE

Located south of the Great Dividing Range, Southern Grampians enjoys a relatively high annual rainfall compared to northern regions of Victoria. Average annual rainfall varies from around 600mm in Balmoral and Penshurst and up to 1000 mm in the Grampians. By 2030, the climate of the region is expected to be hotter and drier. In general, the region can expect more hot days and warm spells, with fewer frosts, less rainfall in winter and spring with harsher fire weather and longer fire seasons. Although rainfall is predicted to decline on average, an increase in intense rainfall events is likely to result in more flooding.

The impacts of climate change on Southern Grampians food and fibre industries are already evident. Drier winters and less waterlogging have facilitated significant expansion in grain production, particularly in southern parts of the Shire. Adding a cropping enterprise to the farm business, thereby spreading business risk and income has been welcome opportunity in areas where historically, livestock production was the only suitable agricultural use.

Northern parts of the Shire have experienced more frequent dry seasons and insufficient water held on farm necessitating a reduction in stocking rates in some years. Construction of the proposed West Wimmera Pipeline will provide a secure stock and domestic water supply to the north western area of the Shire and optimum production levels. There is potential for development of the Dilwyn aquifer and groundwater extraction to support irrigated agriculture.

The forecast changes to Southern Grampians climate indicate it will be mild compared to other regions in Victoria. This will be a significant attractor for agricultural businesses looking to reduce their climate risk exposure. The mix of agricultural industries may change as the land suitability changes with climate, however it will continue to be dominated by broadacre industries. Forestry is likely to contract to the south west corner of the Shire where future rainfall is forecast to be above the 650mm threshold for blue gum plantations.

Planning policy should support diversification and adaptation to climate change and promote the West Wimmera Pipeline business case by maintaining the agricultural credentials of the proposed service area.

FRAGMENTATION

There are nearly 25,000 lots in the Farming Zone and around 75% of these are under 40ha. Ninety seven percent of farmed land in Southern Grampians is owned by 6% of total land ownerships in holdings of over 100ha. While heavily subdivided, rural land has not become fragmented by dwellings and other non-agricultural uses. Extensive areas of unfragmented land facilitate industry growth, intensification, adoption of new technology and adaptation to changing markets and climate. This, combined with extensive areas of productive agricultural land is a significant competitive advantage for agriculture in Southern Grampians.

Planning policy should support agriculture by protecting productive agricultural land from fragmentation and uses that would introduce land use conflict with agriculture.

Clusters of small lots in rural areas indicate old Crown Townships and Subdivisions which were intended for development as townships, but for various reasons, never eventuated (Figure 11, Appendix 3). These areas are located in the Farming Zone, are not serviced and have no community infrastructure but occasionally Council receives planning permit applications for dwellings. Dwellings on small lots are contrary to the Zone purpose, but can also create environmental issues, land use conflict and increase demand for Council services and undermine the potential for critical mass and resource provision for established settlement areas.

Introduction of a Restructure Overlay will allow for orderly development and prevent land holdings in Old Crown townships and subdivisions from being further fragmented. The Restructure Overlay and appropriate policy guidance will allow for limited new housing subject to assessment of environmental attributes, consolidation of other titles in same ownership.

Land in the Farming Zone around Coleraine and Penshurst has been extensively subdivided and is in many ownerships. More detailed review of this land should be undertaken to inform preparation of structure plans for each town.

PLANNING SCHEME

The Stage 1 Background Report identified a number of opportunities to improve the performance of the Southern Grampians Planning Scheme as it relates to food and fibre. Measures to improve the performance of the planning scheme include:

- Review the Farming Zone minimum lot size schedules for subdivision and dwellings to reflect the scale and nature of the food and fibre industry in Southern Grampians.
- Clearly distinguish farmland of strategic significance where food and fibre production will have primacy of all other uses.
- Update the MPS to reflect trends and contemporary agriculture practices.
- Policy guidance, additional to that provided in the Farming Zone, for assessment of planning permits for:
 - Dwellings, rural workers accommodation and other discretionary non-agricultural uses
 - Two lot subdivision and dwelling excisions.

MINIMUM LOT SIZE

The draft RLUS exhibited in 2021 included a recommendation to increase the minimum area for which a planning permit was required for a dwelling from 40ha to 200ha. The recommendation was made to ensure Council had the opportunity to test the nexus between the proposed dwelling and agricultural use of the land and avoid fragmentation of agricultural land. Two hundred hectares was recommended as it reflected the predominantly broadacre farming enterprises in the Shire and the large scale of farm ownerships. Concerns were raised during consultation, including from DELWP in regard to the recommended change, including:

- Capacity of council to efficiently process increased number of planning permits
- Lack of justification for the change.

Analysis (see page 12) found that on average, eight building permits for dwellings were approved in the Farming Zone over the last five years. In light of the low demand for dwellings in the Farming Zone it was considered that retaining the current 40ha minimum area for which a planning permit was required for a dwelling, and the addition of clear policy guidance presents a very low risk of fragmentation of agricultural land.

FOOD AND FIBRE OBJECTIVES, STRATEGIES AND ACTIONS

OBJECTIVE

Support and promote growth of food and fibre production and protect farmland of strategic significance.

STRATEGIES

Encourage innovation and adoption of new technology in the agricultural sector and adaptation to a changing climate.

Discourage uses and development, including dwellings, which are not directly related to agriculture, that may have an adverse impact on agricultural operations or introduce conflict with agriculture.

Provide rural infrastructure that specifically supports the agricultural sector and adds value to primary produce.

Encourage consolidation of allotments in Old Crown townships and subdivisions.

ACTIONS

Include the RLUS as a reference document to the Southern Grampians Planning Scheme.

Update the MPS with relevant text from this RLUS including recognition that land in the Farming Zone is farmland of state strategic significance.

Retain the Farming Zone where it currently applies.

Retain the current minimum lot size schedules.

Introduce additional guidance for assessment of planning permits for subdivision, dwellings, rural workers accommodation and other discretionary uses in the Farming Zone including:

- Assessing planning permits for subdivision, including dwelling excisions, and dwellings in the Farming Zone based on proportional agricultural productivity, demonstration of benefits to agricultural productivity and productive capacity.
- Limiting encroachment of non-agricultural or incompatible land uses which may conflict with agriculture.

- Require applicants to prepare a Farm Management Plan that responds to local the Farming Zone decision guidelines and local policy.
- Requiring applicants to demonstrate how a proposed development or subdivision supports a commercially viable agricultural activity.

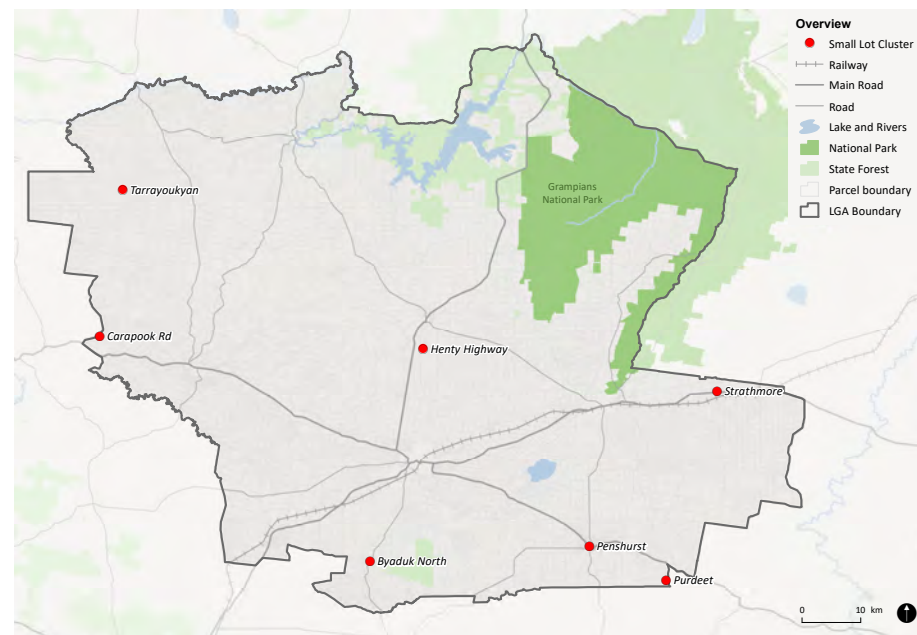
Undertake further strategic work to support introduction of a Restructure Overlay to old Crown Townships and small lot subdivisions in the Farming Zone (Figure 11). This should include validation of land ownerships, guidelines for restructuring of multiple-lot landholdings, consideration of an appropriate minimum lot size and outcomes and considerations for dwelling development such as domestic wastewater management, flooding and bushfire (Appendix 3).

Prepare a town structure plan for Peshurst and Coleraine.

Prepare a Farm Management Plan template.

Continue to advocate to State Government for investment in rural infrastructure including the West Wimmera Rural Pipeline, expansion and upgrade of telecommunication services and road and rail maintenance.

FIGURE 11: LOCATIONS OF SMALL LOTS CLUSTERS





Strategic Direction 2: Rural Tourism

TOURISM IN SOUTHERN GRAMPPIANS

Tourism in Southern Grampians is a well-established and growing sector. In 2016, 302,000 people visited the municipality equating to 373,000 visitor nights and spending \$53million.

The Shires natural assets including waterways, landscapes and parks and European and cultural heritage are key attractions that offer visitors a range of experiences (Figure 12).

- Volcanic landscapes - Nigretta Falls, Wannon Falls, Byaduk Lava Caves, Harman's Valley Lookout, Mt Rouse Lookout and Peshurst Volcano Discovery Centre
- Rocklands Reservoir near Balmoral and Konong Wootong Reservoir near Coleraine
- Gariwerd (Grampians) National Park.
- Henty wine region

Hamilton, Dunkeld, Cavendish and other townships are host to heritage, food and wine experiences as well as serving as bases for exploring the Shire's rural areas.

The majority of visitors to the Grampians are self-drive who visit on their way to Adelaide, or by looping through the Grampians and back to Melbourne. Visitors generally arrive via the Great Ocean Road and the Western Highway. Designated touring routes such as the Great Southern Tourism Route, Grampians Way and Southern Grampians Touring Route signpost local attractions and provide connections to regional tourism attractions such as the Great Ocean Road, Coonawarra Wine Region, Budj Bim National Heritage Landscape, Twelve Apostles Marine Park Ballarat, Melbourne and Geelong.

There is a number of opportunities for Southern Grampians rural tourism including adventure activities, wildlife and indigenous cultural experiences, nature based and eco-accommodation such as school camps, off park accommodation and accommodation for adventure tourism providers.

The RLUS will support rural tourism by promoting uses and experiences that build on established tourism strengths and provide guidance on the type and scale of tourism uses suited to the Shire's rural areas and preferred locations.

ISSUES AND OPPORTUNITIES

Rural tourism in Southern Grampians is currently confined to the opportunities afforded by the Farming Zone. As discussed in Strategic Direction 1, the Farming Zone will be applied to areas where food and fibre production will be the primary land use. Policy guidance will assist in assessing permit applications for discretionary tourism uses that are ancillary or in conjunction with an agricultural use such as bed and breakfast, host farms and group accommodation.

However, there is potential for larger developments such as residential hotel, camping and caravan park and restaurant, that may introduce conflict agriculture. Subject to meeting local policy requirements, large scale tourism developments will be provided through the rezoning of land to an alternative zone such as the Rural Activity Zone or Special Use Zone. The Planning Practice Note: Applying the rural zones (2013) states that in the Rural Activity Zone:

“if a planning authority is keen to facilitate the establishment of larger scale tourism uses or a more diverse mix of tourism and recreation uses, the Rural Activity Zone may be a more appropriate zone to apply”

The preferred approach is for proponent-led planning scheme amendments which enables proponents to choose locations suited to the proposed development and the tourism market they are seeking to attract.

The RLUS will therefore recommend policy guidance and requirements for assessment of large scale “one-off” tourism developments within the rural areas as part of a strategic rezoning proposal.

RURAL TOURISM OBJECTIVES, STRATEGIES AND ACTIONS

OBJECTIVE

Encourage rural tourism opportunities in appropriate locations across the Shire.

STRATEGIES

Encourage tourism development that leverages landscape and cultural values, Gariwerd National Park and Volcanic Trails.

Allow for low impact tourist-based land uses (including tourist accommodation) which are of an appropriate scale and nature, and do not impact on the ordinary operation of nearby rural land uses.

Encourage agri-tourism building on the Shire's strengths in agriculture.

Avoid tourism development that may have an adverse impact on environmental values and landscape qualities.

ACTIONS

Include the RLUS as a reference document to the Southern Grampians Planning Scheme.

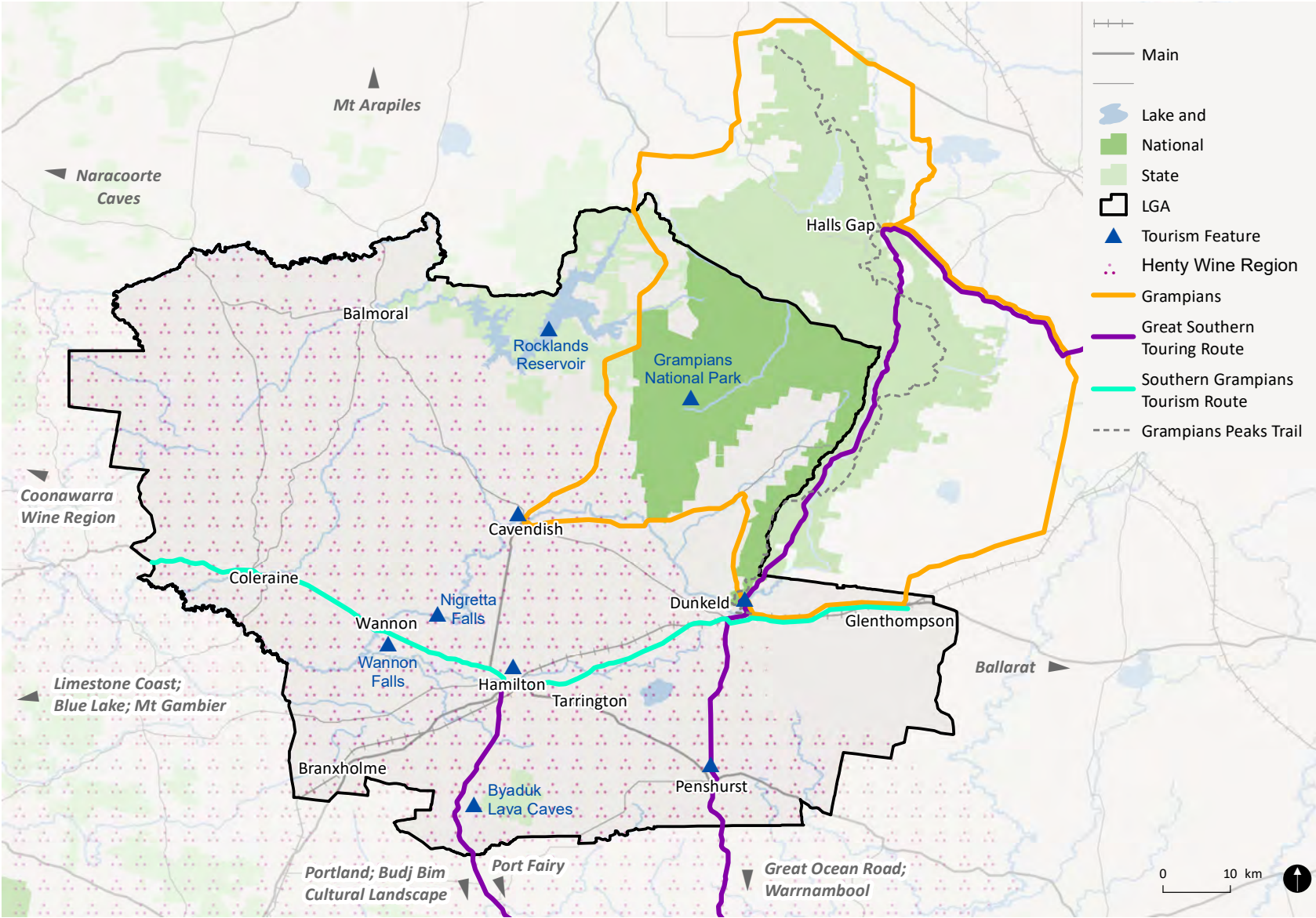
Update the MPS with relevant text from this RLUS.

Introduce guidance for assessment of planning permits for tourism uses in the Farming Zone including:

- Provide for low impact farm-stay/agri-tourism developments in suitable areas, particularly areas of prevailing natural beauty or host to unique biodiversity or cultural values.
- Support the diversification of traditional forms of agriculture in appropriate locations, through tourism and recreation development, where synergies with agriculture can be demonstrate.
- Ensure tourism related developments and land use are supported by or are self sufficient in services, particularly with respect to water supply, effluent disposal and transport infrastructure.
- Ensure tourism related developments and land uses do not have an adverse impact on agriculture or introduce conflict with agriculture.

- Introduce additional guidance for assessment of planning permits for large scale tourism development in rural areas including whether:
- The proposed tourism enterprise is of regional significance and requires a rural location.
- The development will not contribute to the urbanisation of the area.
- The land use is compatible with the use of adjoining and surrounding land for agriculture or forestry and complimentary to the rural setting.
- The facility will significantly contribute to the tourism economy of the region.
- The site is strategically located with respect to tourist routes, tourist attractions and other infrastructure.
- The site has access to all relevant servicing infrastructure and the development will meet all costs for infrastructure provision to the site.
- If deemed necessary, whether the proposal is to be undertaken by way of combined land rezoning and planning permit application to apply the Rural Activity Zone or other alternative zone.

FIGURE 12: RURAL TOURISM





Strategic Direction 3: Rural Industries

SOUTHERN GRAMPIANS RURAL INDUSTRIES

Mining and renewable energy provide opportunities for employment and diversification of the local economy.

Extractive industries are important sources of affordable construction and road base material. A number of work authorities for extractive industries (quarries) have been issued in Southern Grampians (Figure 13). Stavelly Minerals has licences to explore gold and copper deposits east of Glenthompson. Currently, the licences apply to land just outside the Shire boundary. Mining development would have positive impacts on the local economy, providing new employment opportunities and potential for revitalisation of Glenthompson.

There are two established wind farms in Southern Grampians, located east of Hamilton with potential for further wind farm development. As technological advances occur or government policy changes, other rural industries e.g. gas extraction through hydraulic fracking, may emerge that will have implications for Southern Grampians rural land.

ISSUES AND OPPORTUNITIES

Rural industries such as mining and quarrying can generate impacts (ground and air vibration, dust, noise) and changes to the environment and landscape. State Government is largely responsible for assessment and approval of new mining, extractive industry and renewable energy facilities.

The Department of Jobs, Precincts and Regions administers approval of Work Plans for a mineral exploration licence or extractive industry *Mineral Resources (Sustainable Development) Act 1990*. Extractive industries also require a planning permit which is assessed by local government. Preparation of a Work Plan requires consideration of any relevant planning controls and impacts arising from mining activities on sensitive receptors, such as the environment, cultural heritage and amenity required under various Federal and State legislation.

In 2019, the Minister for Planning was made the responsible authority for all new permit applications for a wind energy facility, and for power lines and substations required to connect the facility to the electricity network.

The Policy and Planning Guidelines for Development of Wind Energy Facilities⁷ set out criteria for assessment of planning permits including consideration of siting and landscape impacts. With regard landscape the Guidelines note:

⁷ Department of Environment, Land, Water & Planning (2018) Policy and Planning Guidelines for Development of Wind Energy Facilities in Victoria

Relevant local strategic studies may also be referenced in the PPF, and significant landscapes may be recognised in overlays, such as the Environmental Significance Overlay, Vegetation Protection Overlay or the Significant Landscape Overlay.

To help guide appropriate site selection, design and layout of individual wind turbines, consideration should be given to the significance of the landscape as described in relevant planning scheme objectives, including relevant overlays and strategic studies referenced in the planning scheme.

Encroachment by sensitive receptors such as dwellings, can lead to land use conflict with established rural industry or sterilisation of areas development potential. Recent amendments to the Victoria Planning Provisions now require planning permits for dwellings and other sensitive uses with 500m of extractive industry and 1km of a wind energy facility.

Impacts of rural industries, including consumption of farmland of strategic significance, water for irrigation development and dust, on agriculture also need to be carefully managed given the importance of the industry to the local, regional and state economy.

The Southern Grampians Planning Scheme should seek to balance the economic and social benefits arising from new rural industries and protection of significant landscape and environmental values and the amenity of the rural areas. However, as highlighted in the Stage 1 Background Report, this will require a number of changes to the Southern Grampians Planning Scheme including:

- Acknowledgement of the importance of agriculture, forestry, rural tourism, renewable energy generation mining and extractive industries to the Southern Grampians economy, employment and growth prospects.
- Further strategic work to identify areas of environmental significance
- Implementation of the recommendations of the South West Landscape Assessment Study.
- Completion the Grampians Landscape Assessment Study.

Council can also assist the community to adapt to the changes that will occur as a result of an expanding renewable energy sector such as participating in renewable energy community benefit programs⁸.

⁸ Community engagement and benefit sharing in renewable energy development in Victoria: A guide for renewable energy developers

RURAL INDUSTRY OBJECTIVES, STRATEGIES AND ACTIONS

OBJECTIVE

Encourage sustainable development of rural industries.

STRATEGIES

Encourage rural industries that leverage strengths in renewable energy generation and extractive industries

Ensure scenic impacts arising from rural industries are minimised.

Protect natural assets which support rural industries including agriculture, tourism, extractive industries and renewable energy generation from encroachment by sensitive or incompatible uses.

Ensure adequate buffer distances are identified and maintained between rural industries and urban development and sensitive uses.

ACTIONS

Include the RLUS as a reference document to the Southern Grampians Planning Scheme.

Update the MPS with relevant text from this RLUS.

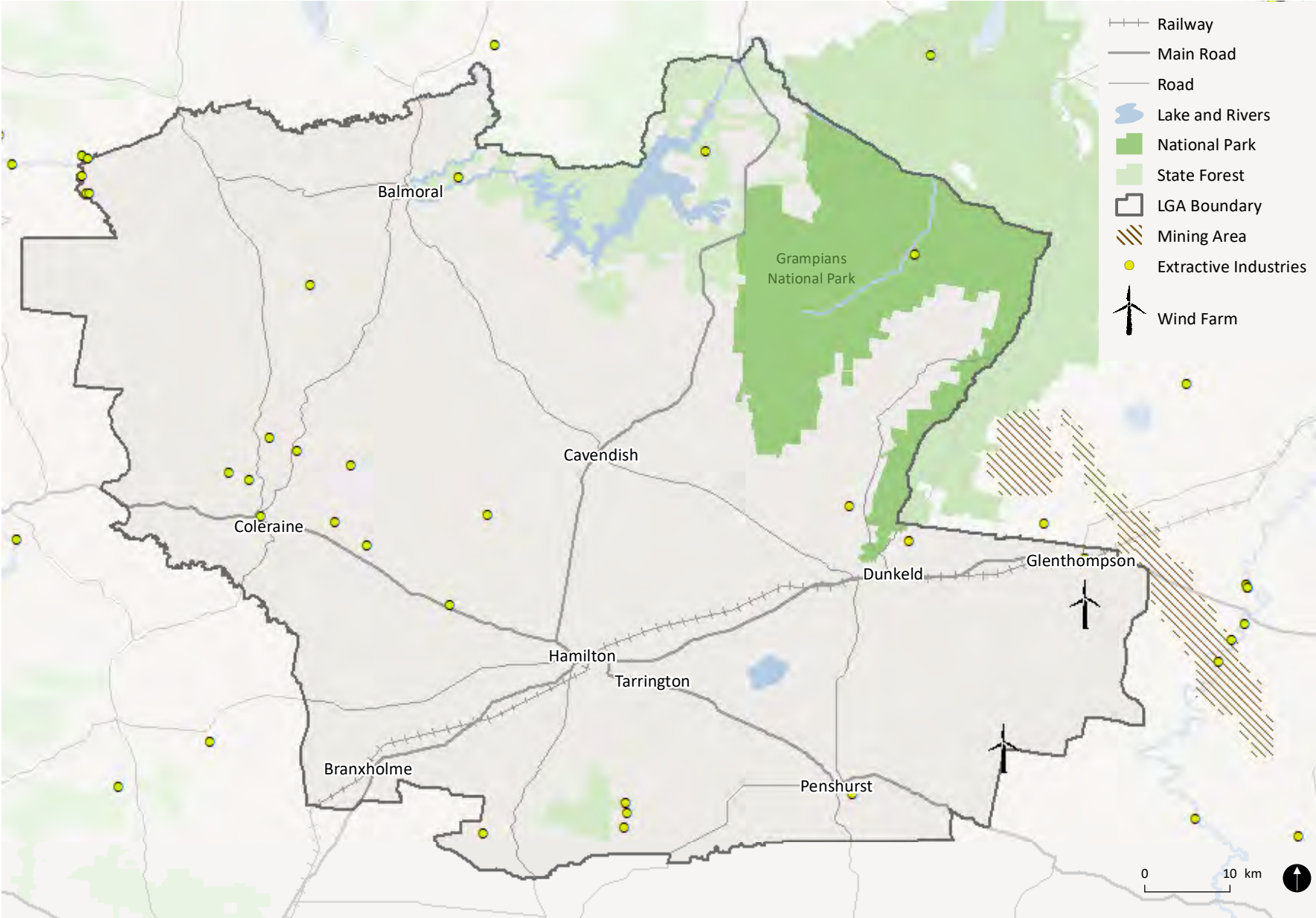
Implement the recommendations of the South West Landscape Assessment Study (See Strategic Direction 4 - Environment and Landscape for further discussion).

Complete the Grampians Landscape Assessment Study (See Strategic Direction 4 - Environment and Landscape for further discussion).

Undertake further strategic work to identify significant environmental assets (See Strategic Direction 4 - Environment and Landscape for further discussion).

Assist the community to participate in consultation on significant rural industry developments such as renewable energy proposals and community benefit programs.

FIGURE 13: RURAL INDUSTRIES





**Strategic Direction 4:
Environment and
Landscape**

SOUTHERN GRAMPIANS ENVIRONMENT AND LANDSCAPE

Southern Grampians is host to significant environmental and landscape values. These assets are important for their intrinsic value, as well as being a significant element of the Shire's tourism industry and liveability.

ENVIRONMENT

Southern Grampians lies almost entirely within the catchment of the Glenelg River. The river is the largest in south west Victoria and boasts some of the state's best river reaches. The Glenelg Basin contains more than 150 threatened to near-threatened species and ecological communities. Ten per cent of all Victorian threatened species are resident. The region is one of 15 listed 'biodiversity hotspots' in Australia, and one of only two in Victoria. Significant tributaries of the Glenelg River in Southern Grampians include the Wannon, Chetwynd, and Wando rivers. Other important waterway and wetland assets that have been identified as being exceptional or very highly significant include:

- Wannon Falls Scenic Reserve
- Fulhams Reserve
- Mathers Creek, Downstream of Cameron's Road
- Nigretta Falls Scenic Reserve
- Lake Linlithgow System
- Bryans Swamp
- Gooseneck Swamp.

The Red Gum swamp community and Basalt Plains grassland community are listed as threatened ecological communities under the *Flora and Fauna Guarantee Act 1988*. The Plains Grasslands and Volcanic Eucalypt Grassy Woodlands are protected by the Commonwealth *Environmental Protection and Biodiversity Conservation Act 1999*.

There are a number of fauna species in the Shire with significant conservation status⁹:

- Extinct in the Wild:
 - Eastern Barred Bandicoot
- Critically endangered:
 - Regent Honeyeater
 - Brush-tailed Rock-Wallaby

- Common Bent-wing Bat
- Endangered:
 - Australian Bittern
 - Barking Owl
 - Blue-billed Duck
 - Mallee owl
 - Red tailed Black Cockatoo
 - Swift Parrot
 - Dwarf Galaxias
 - Macquarie Perch
 - Brown Toadlet
 - Growling Grass Frog
 - Striped Legless Lizard.

LANDSCAPE

The South West Landscape Assessment Study provides a comprehensive understanding of landscape values of Southern Grampians. Detailed assessments of the landscape character types led to the designation five significant landscapes within Southern Grampians Shire. Four landscapes have been assessed as having state level significance:

- Wannon & Nigretta Falls
- The Grampians (Gariwerd)
- Mount Rouse
- Mount Napier Complex

One landscape has been assessed as having regional level significance:

- Merino Tablelands

Several of these significant landscapes extend beyond the municipal boundary. Views of state and regional significance were also identified by the study. One view of State significance has been identified for Mount Rouse. One view of regional significance has been identified for Lake Linlithgow.

Consultation on the study recommendations identified a number of issues with the operation of the overlays and achieving an appropriate balance between landscape protection and the needs of commercial agriculture

⁹ http://www.swift.net.au/cb_pages/threatened_fauna_southern_grampians_shire.php

An assessment of the landscape values of the Grampians was initiated in around 2011 but was never completed. Completion of the study will provide a more detailed and nuanced assessment of the landscape values of the Grampians.

ISSUES AND OPPORTUNITIES

MAPPING OF ENVIRONMENTAL VALUES

There are extensive areas of endangered vegetation, habitat for significant fauna and significant waterways and wetlands in Southern Grampians, yet there has been very limited application of planning controls to ensure their protection and enhancement.

The 2018 Planning Scheme Review noted with regard native vegetation that a Biodiversity Mapping project was undertaken for the South West by the former Department of Sustainability and Environment in early 2000's. However, it was at a scale that is difficult to justify the application of controls and given the time that has lapsed, the data needs to be reviewed. The Review went on to recommend that the sites of biodiversity significance mapping project be completed with support from the Department of Environment, Land, Water and Planning and based on this information, implement the Vegetation Protection Overlay or Environmental Significance Overlay to protect significant flora and fauna.

More detailed vegetation assessment may also have benefits for agriculture and other rural industries. Changes to the Native Vegetation Framework in 2017 now require applicants seeking to remove vegetation of high ecological value, including for agricultural development, to provide "*compelling justification if avoidance and/or minimisation cannot be demonstrated.*" Mapping of vegetation of high ecological significance will assist landholders to identify areas of the farm with high ecological values where intensive agricultural development such as cropping may be less suitable. The mapping may also identify areas suitable as native vegetation offsets.

This RLUS supports the recommendation to undertake further strategic work to map and document the environmental values of Southern Grampians with a view to introducing planning controls to the Southern Grampians Planning Scheme.

ENVIRONMENT AND LANDSCAPE OBJECTIVES, STRATEGIES AND ACTIONS

OBJECTIVE

Recognise, protect and enhance Southern Grampians environmental and landscape values

STRATEGIES

Protect rural landscapes and ensure that new development complements the established landscape character of significant rural landscape areas.

Recognise the need for rural industry development, e.g. agricultural structures, tourism development, renewable energy generation facilities, while ensuring that in areas of high landscape value they are sensitively designed and located.

Identify, protect and enhance significant environmental values

ACTIONS

Include the RLUS and South West Victoria Landscape Assessment Study (2013) as reference documents to the Southern Grampians Planning Scheme.

Update the MPS with relevant text from this RLUS.

Delete the BMO Schedule 1.

Undertake further strategic work, including:

- Complete the Grampians Landscape Assessment Study
- Consolidate the recommendations of the various landscape studies (South West Landscape Assessment Study, Grampians Landscape Assessment Study) and review to ensure there is an appropriate balance between landscape protection and agriculture and alignment with the Volcanic Plains Masterplan.
- Undertake a study to inform review of the AEO and DDO Schedule 4 – Hamilton Airport.
- Continue to undertake flood studies as funding allows to identify areas for application of the LSIO
- Update mapping of significant roadside vegetation and review Council's Roadside Management Plan.

- Undertake a review of vegetated land in the Farming Zone and consideration of application of the Rural Conservation Zone.

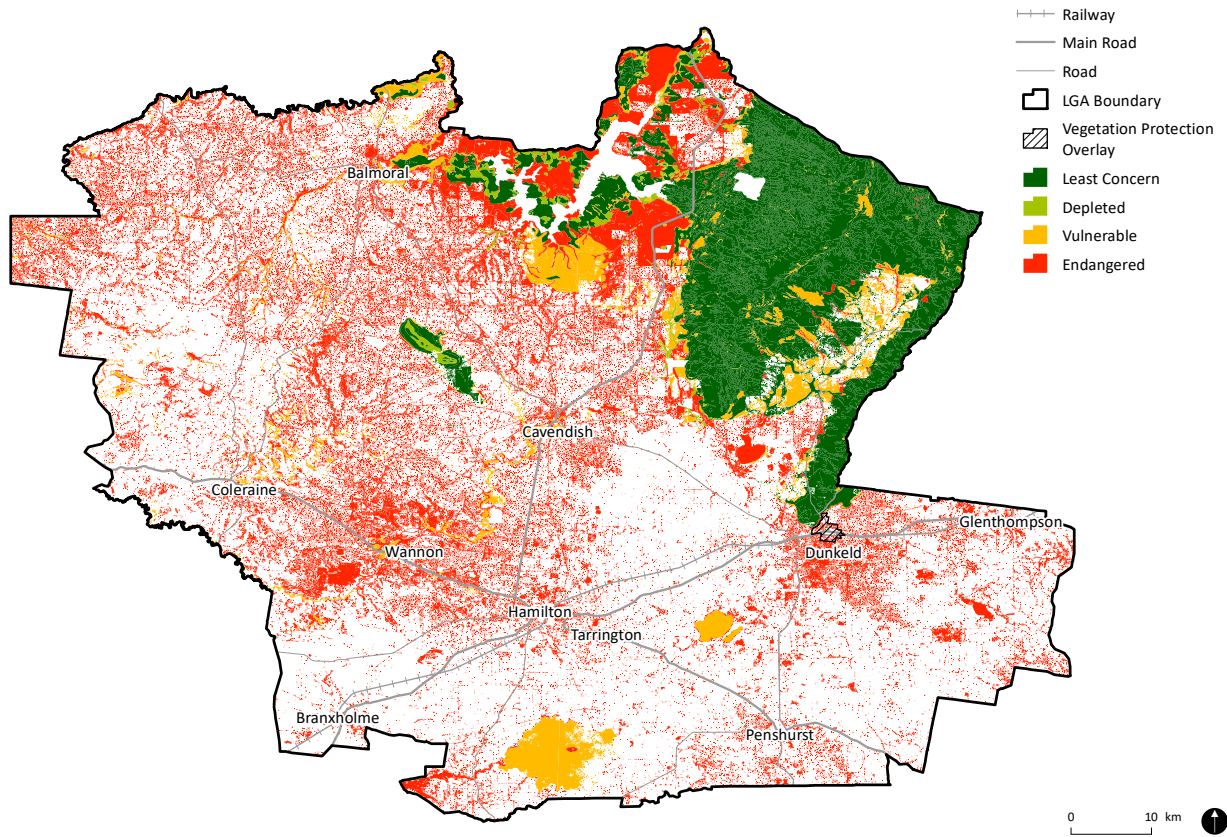
Consider the recommendations of the Natural Assets Strategy on its completion and update environmental policies and overlays as required.

Advocate for DELWP to complete the sites of biodiversity significance mapping project to support a introduction of appropriate environmental protection and enhancement policy. This should include review of the habitat of the Eastern Barred Bandicoot to

inform update the ESO1 and significant waterways and wetlands to inform update of the ESO2.

Work with the Glenelg Hopkins Catchment Management Authority and Wimmera Catchment Management Authority to identify opportunities to identify opportunities for Southern Grampians to improve biodiversity outcomes e.g. identification and recognition of biolinks.

FIGURE 14: BIODIVERSITY CONSERVATION STATUS¹⁰ AND VEGETATION PROTECTION OVERLAY SOUTHERN GRAMPIANS



¹⁰ <https://www.data.vic.gov.au/data/dataset/native-vegetation-modelled-2005-ecological-vegetation-classes-with-bioregional-conservation-status>

3 Implementation



The recommendations to deliver the RLUS are summarised here.

PLANNING SCHEME CHANGES

In addition to inclusion of relevant text from the RLUS to update the MPS, it is recommended that:

- Local policies or MPS be prepared to provide further guidance on assessment of planning permit applications with regard to:
 - Subdivision, including dwelling excisions and small lot subdivision, dwellings and rural workers accommodation in the Farming Zone.
 - Tourism development in the Farming Zone.
- Retain the Farming Zone and minimum lot size schedules as they currently apply.
- Delete obsolete overlays including:
 - Environmental Significance Overlay Schedule 3 – Wannon River Escarpment Protection which duplicates ESO2.
 - Delete the Bushfire Management Overlay Schedule 1 to Clause 44.06 Bushfire Management Overlay.
- Implement the recommendations of the Natural Assets Strategy.

FURTHER STRATEGIC WORK

This RLUS identified further strategic work including:

- Under further strategic work to support introduction of a Restructure Overlay to old Crown Townships and small lot subdivisions in the Farming Zone (Figure 11). This should include validation of land ownership, guidelines for restructuring of multiple-lot landholdings and outcomes and considerations for dwelling development such as domestic wastewater management, flooding, (Appendix 3).
- Prepare town structure plans for Peshurst and Coleraine.
- Prepare a Farm Management Plan template
- Complete the Grampians Landscape Assessment Study.
- Consolidate the recommendations of the various landscape studies (South West Landscape Assessment Study, Grampians Landscape Assessment Study) and review to ensure there is an appropriate balance between landscape protection and agriculture and alignment with the Volcanic Plains Masterplan.
- Undertake a study to inform review of the AEO and DDO Schedule 4 – Hamilton Airport.

- Continue to undertake flood studies as funding allows to identify areas for application of the LSIO.
- Update mapping of signification roadside vegetation and review council's Roadside Management Plan.
- Undertake a review of vegetated land in the Farming Zone and consider for application of the Rural Conservation Zone.

OTHER ACTIONS

Other actions to support the RLUS vision and objectives include:

- Continue to advocate to State Government for investment in rural infrastructure including the West Grampians Rural Pipeline, expansion and upgrade of telecommunication services and road and rail maintenance.
- Assist the community to participate in consultation on significant rural industry developments such as renewable energy proposals and community benefit programs.
- Consider the recommendations of the Natural Assets Strategy on its completion and update environmental policies and overlans as required.
- Advocate for DELWP to complete the sites of biodiversity significance mapping project to support a introduction of appropriate environmental protection and enhancement policy. This should include review of the habitat of the Eastern Barred Bandicoot to inform update the ESO1 and significant waterways and wetlands to inform update of the ESO2.
- Work with the Glenelg Hopkins Catchment Management Authority and Wimmera Catchment Management Authority to identify opportunities to identify opportunities for Southern Grampians to improve biodiversity outcomes e.g. identification and recognition of biolinks.

APPENDIX 1: OVERLAYS

| OVERLAY | PURPOSE | IMPACT ON RURAL LAND USE AND DEVELOPMENT |
|---|---|---|
| Environmental Significance Overlay Schedule 1 – Eastern Barred Bandicoot Area | Assist the survival of the Eastern Barred Bandicoot and protect current and potential habitat. | Identifies areas of Eastern Barred Bandicoot habitat and limits development that will have a detrimental impact on the species and its habitat. |
| Environmental Significance Overlay Schedule 2 – Protection of Waterways | Reduce erosion, maintain vegetation and habitat, and improve water quality. | Limits the location and form of development to minimise impacts of development on waterway form, function and health and riparian vegetation. |
| Environmental Significance Overlay Schedule 3 – Wannon River Escarpment Protection | Reduce erosion, maintain vegetation and habitat, improve water quality and ensure development is not visually intrusive. | Limits the location and form of development to minimise impacts of development on waterway form, function and health, riparian vegetation and visual amenity. |
| Vegetation Protection Overlay. Schedule 1 - Dunkeld River Red Gums | Conserve the existing pattern of vegetation and landscape quality within Dunkeld. | Removal of vegetation is subject to a planning permit. |
| Significant Landscape Overlay Schedule 1 - Coleraine Landscape Area | Protect the appearance and presentation of the Coleraine Landscape area. | Limits the location and form of development of land, including vegetation removal, that may impact the landscape qualities of the Bryan Creek Escarpment and Points Reserve Arboretum. |
| Significant Landscape Overlay Schedule 2 - Mount Rouse Crater Reserve | Protect the appearance and presentation of the Mount Rouse Crater Reserve. | Limits the location and form of development of land, including vegetation removal, that may impact the landscape qualities of the Mount Rouse Crater Reserve. |
| Significant Landscape Overlay Schedule 3 – Nigretta Falls Reserve | Protect the appearance and presentation of the Nigretta Falls Reserve. | Limits the location and form of development of land, including vegetation removal, that may impact the landscape qualities of the Nigretta Falls Reserve. |
| Significant Landscape Overlay Schedule 4 - Wannon Falls Reserve | Protect the appearance and presentation of the Wannon Falls Reserve. | Limits the location and form of development of land, including vegetation removal, that may impact the landscape qualities of the Wannon Falls Reserve. |
| Significant Landscape Overlay Schedule 5 - Koroit Homestead (Original Site), Buvelot Tree and Waterpool | Protect the appearance and presentation of the scene depicted in Louis Buvelot's 'Waterpool at Coleraine', including the Waterpool and the two River Red Gums. | Limits the location and form of development of land, including vegetation removal, that may impact the landscape qualities of the Koroit Homestead. |
| Significant Landscape Overlay Schedule 6 Harman's Valley | Protect the State significant landscape as a unique collection of volcanic features. | Limits the location and form of development of land, including vegetation removal, that may impact the landscape qualities of Harman Valley. |
| Development Plan Overlay – Schedule 5 Hamilton Racecourse Related Industries Development Area. | Requires a Development Plan to be prepared prior to the issue of a planning permit for the subdivision of two or more lots, and/or the construction of a dwelling or dwellings. | Ensure that subdivision and new dwellings are ancillary to industries related to the Hamilton Racecourse and do not prejudice the potential for expansion of the racecourse in the future. |
| Bushfire Management Overlay | Ensures development of land prioritises the protection of human life and strengthens community resilience to bushfire. | Identifies areas where the bushfire hazard warrants bushfire protection measures to be implemented and ensures development is only permitted where the risk to life and property from bushfire can be reduced to an acceptable level. |
| Bushfire Management Overlay Schedule 1 Balmoral and Coleraine BAL-12.5 Areas | Specifies bushfire protection measures and referral requirement for construction or extension of dwelling in the designated area. | Requires bushfire protection measures to be incorporated into siting and design of new dwellings. |
| Design and Development Overlay Schedule 4 – Hamilton Airport | Protect ongoing safe and efficient operation of the Hamilton Airport. | Limits land use and development, particularly building heights. |

| OVERLAY | PURPOSE | IMPACT ON RURAL LAND USE AND DEVELOPMENT |
|------------------------------------|--|--|
| Land Subject to Inundation Overlay | Identifies land in a flood storage or fringe area affected by a 1 in 100 year flood. | Limits the location and form of development to minimise impacts from flooding on property and the natural environment. |
| Airport Environs Overlay | Protect ongoing safe and efficient operation of the Hamilton Airport. | Limits land use and development to protect amenity of surrounding areas. |

APPENDIX 2: CASE STUDIES

During 2020/21, Council conducted interviews with a number of agricultural businesses to gather insights into the structure and scale of the business, issues and opportunities. Council collated the key findings from these interviews which are summarised here:

1. The broadacre farms have some consistent characteristics:
 - Farm holdings are typically >500 ha in size and often >1,000 ha. Economies of scale are sought. As farm scale increases, the demands of managing the business increases.
 - These farms often comprise multiple lots, with some as small as 10 ha. It is often more about carrying capacity and pasture management, access to water rather than lot size that is important. These farms have purchased land over time to expand their businesses. .
 - Run commonly by multiple-generations of the one family with few employees. Use of contractors for seasonal operations e.g. shearing is common.
 - Because of the employment characteristics there is not significant demand for housing of permanent farm workers. Temporary accommodation may be required for seasonal contractors. The generational farming approach does not appear to demand significant amounts of additional housing. With multiple titles most farms have more than 1 home on them. But very few have a house on each or seek a house on each.
2. By comparison, the horticultural farms were smaller in scale, under 60 ha. They may have a dwelling on site or not. What is more critical is processing infrastructure, sheds and water management. The labour requirements of the horticultural businesses enterprises can be higher than pastoral holdings in absolute terms as well as proportionate to land size and there is often a reliance on off-farm workers. Lack of access to backpackers during Covid and challenges with supply led to locals being employed, who often have their own homes.
3. Both pastoral and horticulture operations can be impacted by adjoining uses. For the pastoralists burning, spraying etc. can have adverse impacts on neighbours, though this is not common. The horticultural businesses are often surrounded by pastoral enterprises and spray drift, dust impacts etc. on fresh produce can be a concern at times. Conflict however can be over-stated. The bigger issue appears to be about biosecurity. Having lots of resident neighbours on smaller properties (40-80 ha) can create challenges with biosecurity risk, water management (smaller farms often use dams for recreation/aesthetics reducing water availability for farm dams)
4. These businesses are highly sophisticated using technology for a range of tasks such as data recording for reporting on genetics, animal management, crop quality and use of equipment and technology to reduce labour requirements is common.
5. The businesses are aware of and plan for conditions beyond their control. This includes planning for climate change and ensuring adequate water supplies. The larger commercial enterprises have few dams but they are very large and deep for water security/evaporation reasons. Hobby farms it seems can proliferate shallow dams that are less reliable due to high evaporation and shallow design. It also includes analysing macro-economic conditions to find new markets and opportunities or responding to fluctuations in input costs and product prices e.g. impacts of Russian invasion of Ukraine on fertiliser and fuel costs
6. All the farms are based on an ecosystem of services, relying on off-farm specialists for shearing, agronomy, fertilizer advice and so forth. The skill sets and degree of off-site support depends on the type of business. The challenge is gaining ongoing access to these specialists.
7. Climate change was recognized by a number of operators as a challenge and farms are adapting e.g. the transition of business from predominantly grazing around Hamilton to mixed grazing/cropping business. This requires new skill sets, infrastructure and equipment. This seems to mirror historic changes with dairy progressively transitioning closer to the coast in the last few decades.

| | Soil-based horticulture | Mixed farm (sheep/crop) | Sheep stud | Mixed farm (sheep/cattle) | Soil-based horticulture | Cattle & agroforestry | Sheep stud |
|---|--------------------------------------|---|--|---|--|---|---|
| Farm area | Small (48 ha) | Large (1600 ha) | Large (800 ha+) | Large (1200 ha) | Small (<20 ha) | Large (3441 ha) | Large (1600 ha) |
| Land owned or leased | Own | Own | 50:50 own and lease. Owning is better. | Own – but neighbor land seldom for sale. | Lease | Own | Own |
| Are farms getting typically larger or smaller | Not discussed | Larger | Larger | Larger | Larger | Larger | Larger |
| Employment needs (family or employees) | Both | Family | Family | Family | Employees | Employees | Both |
| Lot arrangements | Single title | >5 | Farm comprises 13 lots included lease country. Smallest is 60 acres. | Comprises 15-20 titles, including large number of former soldier settlement titles. | Comprised 10 ha site (now sold & cleared) and 7 ha site plus another in Lucindale SA (4 ha). | Have 16-20 proper titles. | >12 |
| Reliance on backpackers v locals as employees | Locals | External staff including apprentices is a challenge | Locals. Backpackers not as easy to find now due to COVID. | Locals | Limited reliance on backpackers | Locals | No reliance on backpackers |
| Housing needs – do you need more housing in area for staff? | Yes | Want land with sheds not houses | Houses attract staff. Currently leasing a house. If farm was fully commercial it would have 1 more house than now. | Land with good water resources and pasture base is important. Having dwellings on the land is not critical. | Dependent on staff recruiting | No. But need shearer quarters when they attend farm | Housing in nearby towns preferred |
| Water needs – surface water, storages or groundwater? | Dams – issue is with water licensing | Dams | Dams | Have a creek frontage. Aim for a dam on each paddock. Don't use groundwater. | Use farm dams, one on each title. But larger title (10 ha) had dam that was not reliable. Recent good years have not needed dam water supply. | Dams. 4 large dams, 6 smaller dams. Want few dams but large and at depth of 6-10m to reduce evaporation i.e. keep water cool. | Combination of 3. Reliance on groundwater becoming more prevalent as it's easier to access. |

| | | | | | | | |
|---|-------------------|--|--|---|--|---|---|
| Niche market opportunity? | Yes | No | Yes | No | Yes | Yes | No (although superfine wool is produced which could be argued that it is niche) |
| Use of labour saving technology | Yes | Yes | Yes | Definite move to electronic tags on sheep, including all relevant information on animal. Supermarkets drive need. | Yes | Yes | More that it is used the benefits will seen. |
| On site value adding/processing | Yes | No | No | No | Yes | No | No |
| Number of staff (small - <4); (medium >4-7); (larger >7) | Medium | Small | Small | Small | Larger | Larger | Medium (plus contractors) |
| Neighbour conflict | Yes | Yes | No | No | Yes | No | No |
| Impact of climate change | Nothing mentioned | Not discussed specifically. However the detailed discussion on water management suggested awareness of issues. | Weather more variable. Winters are not as wet. Spreads into later spring. Apply more fertilizer and lime now. More pasture crops, feeding animals in winter. | The future looks like hotter and drier conditions. Likely wetter summers and drier winters. More rain when you don't need it. Land prices increased because people see area as more reliable rainfall. Land owners in north are buying in south for security reasons. | Not really. Had some good seasons for a while. | Yes– rainfall decrease of 40-60mm/p.a over 25 yrs. Was 625mm, now 574mm. Need more shade. Rainfall events more intense. Winter is milder. Summer increased rain. Reflected in pastures. North of Hamilton the criticality is autumn break – when you get the rain. Grains finish earlier. Growing more grass in winter. | No. Temperatures have increase, however rain records remain consistent (property located in valley) |
| Production model involving use of IP to expand yield and increase processing opportunity outside own farm | Yes | No | No | No | No | No. | Some testing procedures e.g. micron testing of |

| | | | | | | | |
|---|--|--|--|--|---|--|--|
| Succession | Not fully discussed. Subdivision is not possible on the property under current controls | Not discussed. | No plan | Succession is resolved around the table. Some siblings don't want to farm. Address this via urban housing purchases to give financial support to these siblings. | N/A – business is closing. Leasehold business. | Have a succession plan but now land is worth 3 times as much so need to revisit again. Really challenging. | Plans in place. Biggest challenge will be land values and re-negotiations for succession plans |
| Rely on off-farm specialists with farm activities | Wide range of specialist support required | Agronomists Shearers | Utilize expert help from outside, farm consultants etc. Everything is more strategic now e.g. fertilizer application. | Bring in agronomists, shearers etc. Agronomists are not hard to find. Shearers are harder to source. | Product testing before sale to supermarkets. | Yes. Shearers, crutchers, agronomists, others. | Yes, agronomists, shearers, financial experts |
| Method of sale of product | Online sales, boutique business sales. | Sell sheep/lamb direct to abattoir | Through stock exchange and online auction | Through stock yards and online auction | Direct to clients and through wholesale markets | Wool sold directly to processor Lamb sold to supermarkets or via Auctions Plus. Same with other animals – largely online. HRLX = 4-5% of sales. | No different to traditional agriculture methods. Livestock through yards, cropping to wholesale, wool through wool buyers |
| Other relevant information | 97% of garlic in world comes from China. 20% of Australian demand is met locally from a handful of businesses. | Expanded via acquisition of former timber plantation | Land prices are so high it is hard for new farm entrants. This might push boutique farms e.g. egg production, Starting to see more diversity | Can see co-existence between farms and solar and windfarms. No adverse impacts experienced with extractive industry. | | Biosecurity encourages online sales. Animal welfare better online with no need for unnecessary trips. | Soldier settlement land and opportunities will be through negotiation with neighbours. Co-existence with renewables sector can exist to a certain degree. Available land will be a factor. Production needs versus towers/solar panels etc. Infrastructure to support (roads etc) |

| | | | | | | | |
|---------------------------|--|--|---|--|--|---|---|
| Challenges | Water security is largest challenge. Surface water is key. People are sitting on licenses, not using them. | Cost of inputs e.g. fertilizer Getting replacement equipment e.g. tractors | Cost of inputs e.g. fertilizer. Prices have doubled in 12 months. | Would like to increase farm size, if the opportunity existed. Lack of shearers. | Lack of tenure security with leasing. 18 months of no income whilst establishing plants. Over-reliance initially on backpackers for labour | See below. | Interest rate rises, cost of inputs (fertilisers, weed controls, animal health products) all increasing Financial challenge will be a factor. Biggest issue will be access to suitable staff and contractors. |
| The future - observations | 4 key drivers of business that suggest it warrants support: 1. Import replacement (China) 2. Food waste reduction 3. Jobs 4. Sovereign Food security | Road condition is a concern Lack of shearers More reliance on digital technology | Don't see HRLX declining. They are a barometer. Saleyards are easy money for agents. | | Great opportunity for intensive horticulture in Shire on smaller lots with solid business plan and correct land tenure. | Climate is a risk. Drying. Will introduce more cropping to farm. Requires new skills, new technology and equipment. Small farms will struggle | Use of technology will lead to efficiencies. Technology use will increase due to desire for more accurate information, rather than a guessing game which will have financial implications. |

APPENDIX 3: RESTRUCTURE OVERLAY INVESTIGATION AREAS

FIGURE 15: BYADUK NORTH

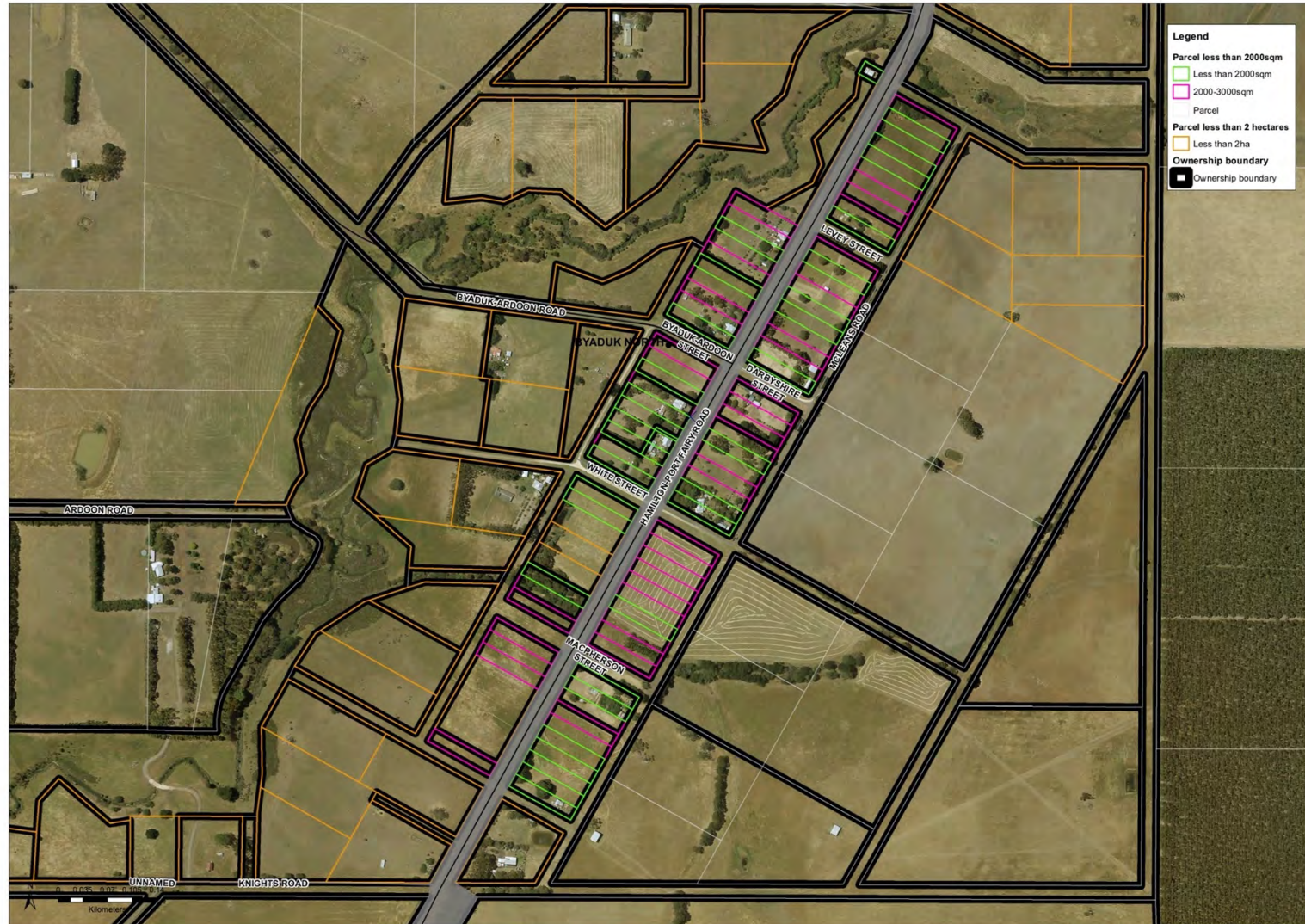


FIGURE 16: CARAPOOK ROAD



FIGURE 17: HENTY HIGHWAY



FIGURE 18: PURDEET



FIGURE 19: STRATHMORE

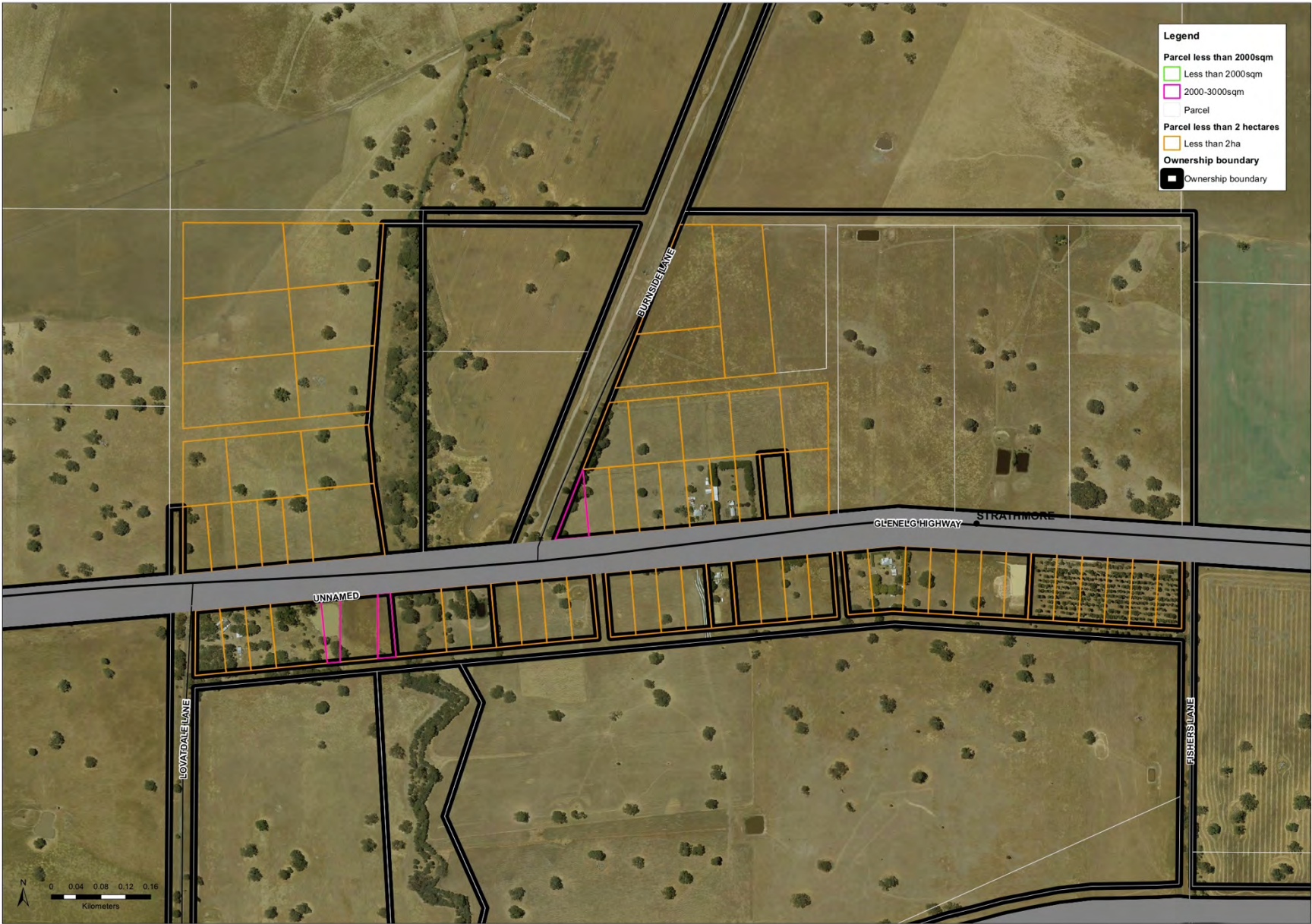


FIGURE 20: TARRAYOUKYAN

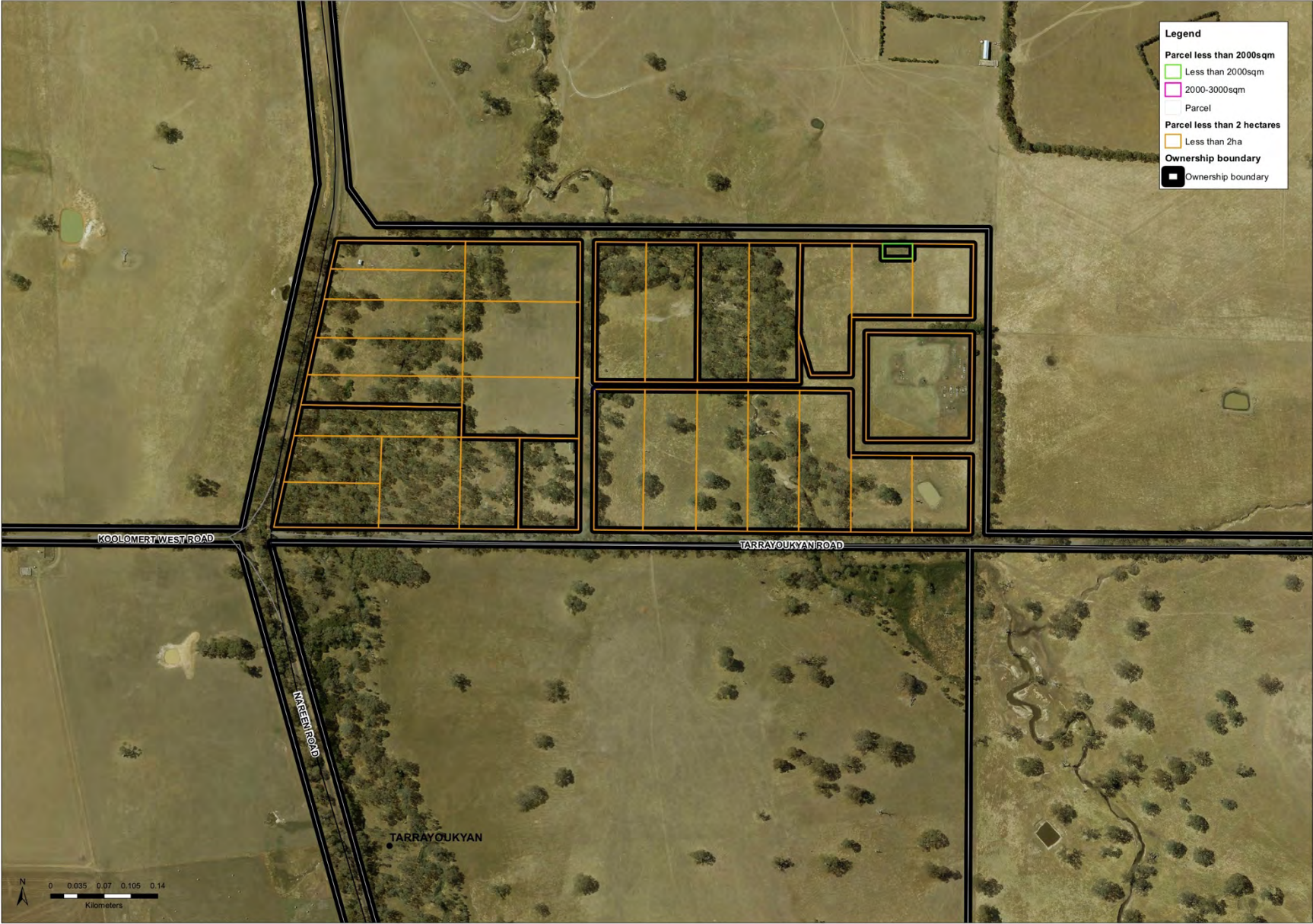
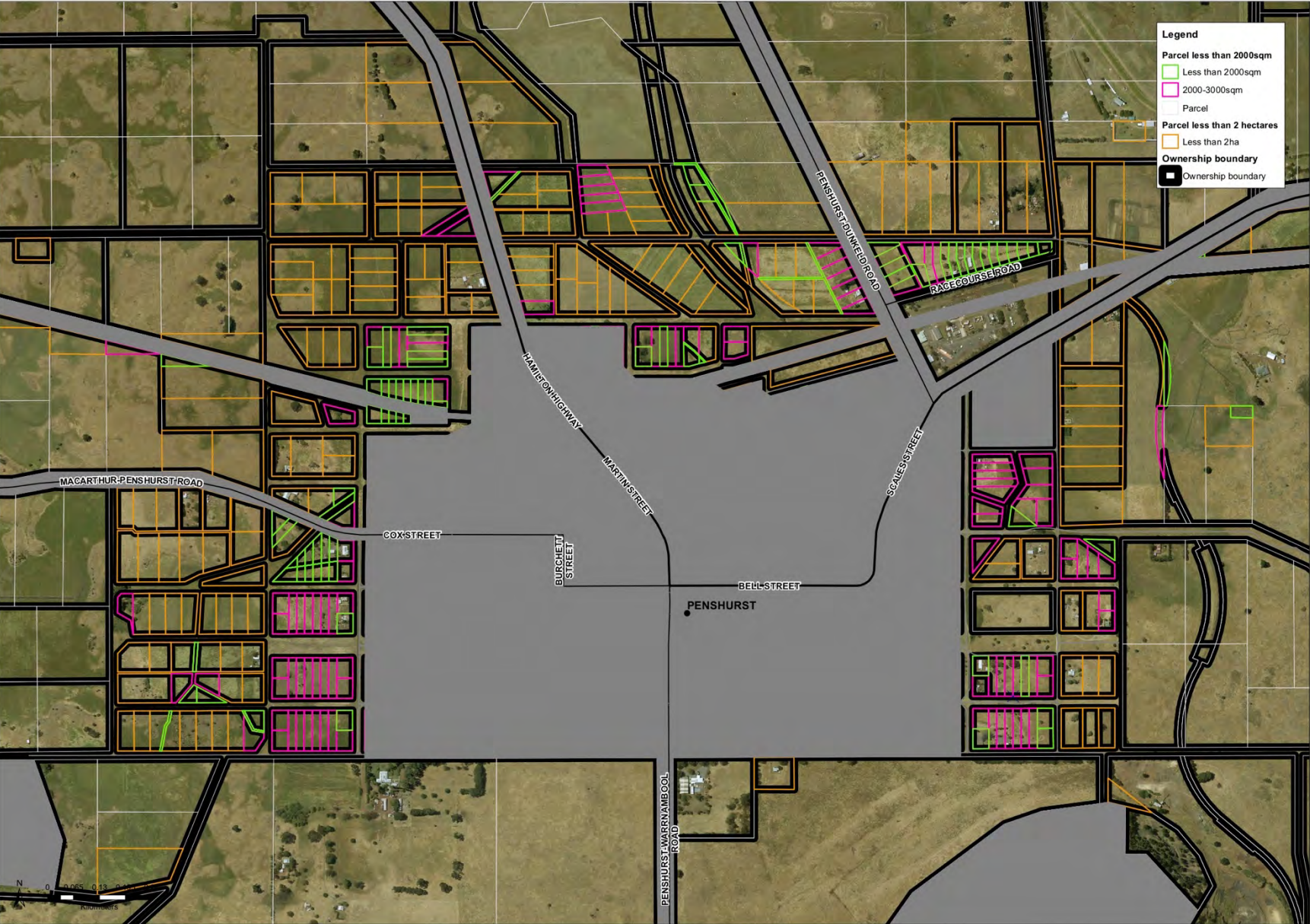


FIGURE 21: PENSHURST



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