

# South Gippsland Shire Rural Tourism Development Strategy

AUGUST 2010



*South Gippsland*  
Shire Council



SUPPORTED  
BY THE  
VICTORIAN  
GOVERNMENT



**Authors:** Matt Ainsaar CPP AAPI, Mike Ruzzene CPP, Kate Bailey

© Copyright, Urban Enterprise Pty Ltd, August 2008.

This work is copyright. Apart from any use as permitted under Copyright Act 1963, no part may be reproduced without written permission of Urban Enterprise Pty Ltd.

#### **Document Information**

Filename: RURAL TOURISM DEVELOPMENT STRATEGY FINAL REPORT 2010

Last Saved: 31 August 2010 3:14 PM

Last Printed: 31 August 2010 4:29 PM

File Size: 1890 kb

#### **Disclaimer**

Neither Urban Enterprise Pty. Ltd. nor any member or employee of Urban Enterprise Pty. Ltd. takes responsibility in any way whatsoever to any person or organisation (other than that for which this report has been prepared) in respect of the information set out in this report, including any errors or omissions therein. In the course of our preparation of this report, projections may have been prepared on the basis of assumptions and methodology that have been described in the report. It is possible that some of the assumptions underlying the projections may change. Nevertheless, the professional judgement of the members and employees of Urban Enterprise Pty. Ltd. have been applied in making these assumptions, such that they constitute an understandable basis for any estimates and projections. Beyond this, to the extent that the assumptions do not materialise, the estimates and projections of achievable results may vary.

The statements and opinions expressed in the publication are those of the South Gippsland Shire Council ("the Council") and Urban Enterprise Pty Ltd. The Department of Planning and Community Development and its employees are not responsible for the items within this report and do not necessarily endorse the statements and opinions contained within the materials.

# CONTENTS

<b>EXECUTIVE SUMMARY</b>	<b>1</b>
<b>1. INTRODUCTION</b>	<b>6</b>
1.1. BACKGROUND	6
1.2. PURPOSE	7
1.3. APPROACH	7
<b>2. EXISTING SITUATION – TOURISM</b>	<b>8</b>
2.1. INTRODUCTION	8
2.2. EXTERNAL INFLUENCES	8
2.3. THE ECONOMIC CONTRIBUTION OF TOURISM	9
2.4. EXISTING TOURISM PRODUCT STRENGTHS	10
2.5. VISITOR ACCOMMODATION	11
2.6. VISITOR PROFILE	13
2.7. DEMAND FOR TOURISM PRODUCT AND INFRASTRUCTURE	13
2.8. TOURISM OVERVIEW	14
<b>3. EXISTING SITUATION – AGRICULTURE</b>	<b>16</b>
3.1. INTRODUCTION	16
3.2. EXTERNAL INFLUENCES	16
3.3. RURAL WATER SUPPLY	19
3.4. AGRICULTURAL PRODUCTION	20
3.5. TYPE OF RURAL LAND	23
3.6. AGRICULTURAL LAND CAPABILITY	23
3.7. OVERVIEW OF AGRICULTURE	25
<b>4. RELEVANT STRATEGIES AND POLICIES</b>	<b>26</b>
4.1. INTRODUCTION	26
4.2. TOURISM STRATEGIES	26
4.3. ECONOMIC DEVELOPMENT STRATEGIES	28
4.4. PLANNING STRATEGIES	29
4.5. RURAL ZONES	37
4.6. DISCUSSION	47
<b>5. SUMMARY OF ISSUES AND OPPORTUNITIES</b>	<b>48</b>
5.1. TOURISM	48
5.2. AGRICULTURE	49
5.3. PLANNING	50
<b>6. IDENTIFICATION OF RURAL TOURISM INVESTIGATION PRECINCTS</b>	<b>54</b>
6.1. INTRODUCTION	54
6.2. PRINCIPLES FOR IDENTIFICATION OF RURAL TOURISM INVESTIGATION PRECINCTS	54
ENVIRONMENTAL IMPACT	55
6.3. OVERVIEW OF RURAL TOURISM DEVELOPMENT INVESTIGATION PRECINCTS	55

<b>7.</b>	<b>RECOMMENDED STRATEGIES</b>	<b>62</b>
7.1.	RURAL TOURIST INVESTIGATION PRECINCTS	62
7.2.	TOURIST USES TO BE ENCOURAGED	62
7.3.	APPLICATION OF THE RURAL ACTIVITY ZONE	63
7.4.	APPLICATION OF THE SPECIAL USE ZONE	65
7.5.	DEFINITIONS	66
7.6.	KEY POLICY CONSIDERATIONS TO GUIDE USE AND DEVELOPMENT	66
7.7.	CONCLUSION	67

# EXECUTIVE SUMMARY

## PURPOSE OF THE STUDY

Urban Enterprise, Planning, Land Economics and Tourism Consultants, were appointed to undertake a study into tourism use and development in the rural areas of the Bass Coast and South Gippsland Shires. Whilst the study includes research for both Shires, this report has been prepared specifically for South Gippsland Shire.

The study was initiated as a result of the following pressures in the Shires, highlighted in the project brief:

- The increasing demand for rural lifestyle properties by new “sea change” and “tree change” property owners and their desire for additional non-agricultural income, particularly in tourism;
- Recognition of the importance of scenic values and environmental protection in coastal and rural landscapes and the potentially complementary or conflicting role this has with tourism uses;
- The increasing value of agricultural land based on its non-agricultural use;
- The implementation of the Farming Zone in the rural areas and the restrictions this has placed on other activities, such as tourism uses;
- The legitimate interest of the growing tourism industry in ensuring that it has a sustainable future.

The purpose of the study as identified in the project brief includes:

- Identify the range and future locations of sustainable tourism activities on agricultural land;
- Develop the policy basis for tourism uses in the rural areas of the Shires for inclusion in the Planning Scheme;
- Provide guidance and recommendations on tourism uses on rural land to direct the transition from the Farming Zone to Rural Activity Zone and Special Use Zone.

## TOURISM

The tourism industry generates a considerable amount of direct expenditure by visitors in both Shires, totalling over \$650 million per annum and this expenditure has flow-on economic benefits to those other industries in the Shires that service and support tourism businesses. In addition, tourism is responsible for a significant number of jobs that exist in both Shires (estimated at 3,800 jobs).

The key tourist destination in South Gippsland Shire is Wilson Promontory. The existing and potential tourist precincts in rural areas in South Gippsland Shire include the rural areas around Yanakie, Waratah North, Loch-Korumburra-Leongatha, Cape Liptrap, Foster North, Meeniyah hinterland and Mirboo North.

For South Gippsland Shire, existing tourism infrastructure needs include:

- A range of quality visitor accommodation especially for large groups, including resort accommodation, backpacker accommodation (including caravan park accommodation) and farm stays;
- Conference facilities;
- Quality tourism retail outlets (especially farm gate outlets/cellar doors selling local food and wine) and galleries;
- Quality food premises (restaurants, cafes, delis);

- Tourism events themed to coastal attractions and food and wine.

## **AGRICULTURE**

The value and volume of agricultural production in South Gippsland Shire indicates that agriculture makes a significant contribution to the local economy.

It is important that agricultural production be maintained as an important economic driver. In addition, agricultural production is an essential ingredient in developing agri-tourism products such as farm visits, farm stays, farm gate sales and cellar doors.

The South Gippsland Shire generally contains large areas of high quality agricultural land, including very high quality land between Leongatha and Mirboo North, and north of Poowong. It is important that these areas are primarily maintained for agricultural production. In other areas land quality is often dictated by topography, with the steeper areas of the Shire posing constraints on certain farming activities.

This study will seek to ensure that tourism uses in rural areas including accommodation and produce sales compliment the identified areas of demand for tourism without compromising opportunities for agricultural production.

## **PLANNING CONTROLS**

The Farming Zone places significant limitations on tourism use and this is the predominant rural zone in South Gippsland Shire.

In particular, the limitations on tourism uses in the Farming Zone include:

- Prohibition on accommodation, other than a Bed and Breakfast and Host Farm, unless used “in conjunction with” agriculture, outdoor recreation, rural industry or winery;
- Prohibition on retail sales, other than primary produce sales (which only allows sale of unprocessed produce grown on the property or adjoining property).

These limitations make it difficult to address the key tourism infrastructure gaps identified for South Gippsland Shire, including the need for more large scale, quality accommodation establishments and backpacker accommodation/caravan parks. For example, given the widespread application of the Farming Zone in South Gippsland Shire, it is currently not possible to propose an integrated tourism resort or a Caravan Park in the rural areas without rezoning the land.

The interpretation of the term “in conjunction with” has caused difficulties for planners and proponents alike and has led to inconsistencies in its application. Often, this leads to the interpretation being tested at VCAT, which is costly and time consuming - a major deterrent for proponents.

Within the suite of zones available under the Victoria Planning provisions there may be other zones that could better assist the market to fill the gap in rural tourist product available in South Gippsland.

The table below matches the identified tourism product and infrastructure gaps in South Gippsland Shire against the Farming Zone, Rural Activity Zone and Special Use Zone. This demonstrates the inability for the Farming Zone to adequately cater for a tourism development in the region.

Tourism Product Gap/Opportunity	Farming Zone	Rural Activity Zone	Special Use Zone
Resort Accommodation	No	Yes	Yes
Backpacker Accommodation	No	Yes	Yes
Farm stay	Yes	Yes	Yes
Caravan Park	No	Yes	Yes
Conference Centre	Yes	Yes	Yes
Farm gate (selling a range of local products)	No	No	Yes
Cellar door (selling a range of local products)	No	No	Yes
Restaurant/Cafe associated with agriculture	Yes	Yes	Yes
Restaurant/Café not associated with agriculture	No	Yes	Yes

The level of discretion under the Rural Activity Zone, together with the purpose of the zone, clearly suggests that it is the most appropriate zone to facilitate some tourism uses in rural areas, whilst ensuring the continuation of farming.

Rezoning of land from Farming Zone to Rural Activity Zone should be considered in appropriate locations in South Gippsland Shire to facilitate meeting tourism infrastructure needs and realising agri-tourism opportunities

Larger scale, dedicated tourist developments that are not necessarily related to any agricultural use of land in the rural areas could be accommodated in a Special Use Zone. This would most likely be a site-specific rezoning.

There is opportunity for the local planning policy to provide further direction into the appropriate location for tourism development based on the outcomes of this report. This will provide further clarity in terms of where tourism development can occur within rural areas of South Gippsland Shire.

## CONCLUSION

The blanket introduction of the Farming Zone in the rural areas of South Gippsland Shire has reduced the opportunity for investment in the tourism industry due to new restrictions on tourism use and development when compared with the previous Rural Zone. Whilst many tourist uses should be directed to urban localities, there are a range of tourism uses that require a rural setting, links to agricultural activity and/or large allotments in order to be viable. In order to protect high quality agricultural land and existing commercial farming activities direction needs to be provided in terms of the types of tourism uses to be encouraged in South Gippsland Shire's rural areas and the location for these uses.

Rural Tourism Investigation Precincts have been identified in South Gippsland Shire which link to existing tourism routes and tourism product nodes. The precincts are in areas of lower to moderate agricultural quality and/or areas where lot fragmentation has occurred. Any future new tourism development in rural areas should be directed to these precincts in order to provide certainty for investors whilst protecting high quality agricultural land.

Principles to guide tourism use and development within the Rural Tourism Investigation Precincts should be incorporated into the Local Planning Policy Framework to assist planners in decision making and provide guidance for investors in tourism product and infrastructure.

## RECOMMENDED STRATEGIES

- Facilitate future tourism development in rural areas by rezoning appropriate land to Rural Activity Zone from within identified Rural Tourism Investigation Precincts in order to attract tourism development, provide greater certainty for investors and security for high quality agricultural areas. Rural Tourism Investigation Precincts include:
  - Yanakie;
  - Waratah North Hinterland;
  - Foster North Hinterland;
  - Mirboo North;
  - Koonwarra-Meeniyen Hinterland;
  - Cape Liptrap;
  - Korumburra- Leongatha -Loch.
- Identify and incorporate tourist uses to be encouraged in South Gippsland Shire into the Local Planning Policy Framework to provide direction for tourism use and development within the Shire.
- Identify land within the Rural Tourism Investigation Precincts which should be rezoned to Rural Activity Zone matched against agreed assessment criteria.
- Provide a policy basis for existing tourism businesses in the Farming Zone who may need to seek a rezoning to an alternate zone (e.g. Rural Activity Zone) in order to expand their existing product.
- Future tourism developments which cannot locate within the Rural Tourism Investigation Precincts and large scale integrated resort developments should apply for Rezoning to a more appropriate zone (e.g. Rural Activity Zone, Special use Zone) in order to allow the potential for a range of uses unrelated to agricultural activities.
- South Gippsland Shire to initiate a dialogue with the Department of Planning and Community Development regarding the limitations of existing definitions relating to tourism uses in rural areas.
- Provide policy direction in the Local Planning Policy Framework to assist planners when assessing planning applications for tourism uses in rural areas.



### LOCH - KORUMBURRA - LEONGATHA

#### Tourism Attributes

Close proximity to major townships/ local market: Leongatha and Korumburra  
 Within 2 hours drive from Melbourne and Gateway to the Shire  
 Wineries and farm gate, Loch village, Rail Trail Sydney to Melbourne Coastal Drive

#### Existing Land Use Patterns

High agricultural quality - dairy and horticulture  
 Range of smaller allotments including lifestyle properties and hobby farms

#### Tourism Development Opportunities

Opportunity for conference centre development, with large scale accommodation and boutique accommodation  
 Tourism development linked to farm gate and wineries

### KOONWARA-MEENIYAN HINTERLAND

#### Tourism Attributes

Close proximity to Leongatha and Korumburra  
 2 hours drive from Melbourne  
 Existing tourism product strengths include art galleries, farm gate, villages, local produce, food and wine, health spa and rail trail  
 Sydney to Melbourne Coastal Drive Route

#### Existing Land Use Patterns

Lower-moderate agricultural quality  
 Range of smaller allotments including lifestyle properties and hobby farms

#### Tourism Development Opportunities

Opportunity for conference centre development, with large scale accommodation, galleries, art & craft workshops and local produce.

### CAPE LIPTRAP

#### Tourism Attributes

High quality natural attractions product: National Park and ocean beaches. Low level of existing tourism product, ocean vistas, wilderness area  
 Penguins to Prom Touring Route

#### Existing Land Use Patterns

Moderate to lower agricultural quality, large scale dry land beef cattle farming.  
 Some smaller allotments provide opportunity for uses other than broadacre farming on Bear Gully Road and Muwilla Road

Over 70m above sea level

Environmentally significant area.

#### Tourism Development Opportunity

Possible high quality wilderness eco accommodation product linked to natural attractions.  
 Nature based tourism activities.

Opportunity to meet broad range of higher yield markets: adult couples - domestic and international, possible touring stopover.

Development would need to demonstrate low impact on surrounding environment.

### MIRBOO NORTH

#### Tourism Attributes

Close proximity to major centre: Mirboo North  
 Rolling hills and rural landscape, rail trail  
 On Strezlecki Highway and Grand Ridge Road  
 Remnant native vegetation

Mirboo North is an existing tourism node

#### Existing Land Use Patterns

Lower and moderate quality grazing land. Steep hills unsuited to cattle farming. Numerous smaller allotments not suited to broadacre farming.  
 Growth in holiday homes and hobby farms.

#### Tourism Development Opportunities

Boutique accommodation, farm gate sales

### FOSTER NORTH HINTERLAND

#### Tourism Attributes

Close proximity to major centre: Foster  
 Rolling hills and rural landscape, rail trail  
 Rural landscape with Ocean and Wilsons Prom Views  
 On Sydney to Melbourne Coastal Drive route

#### Existing Land Use Patterns

Lower quality grazing land. Steep hills unsuited to cattle farming. Numerous smaller allotments not suited to broadacre farming.

Growth in holiday homes and hobby farms.

#### Tourism Development Opportunities

Range of quality accommodation, integrated with restaurant and farm gate. Opportunity to link tourism to farming.

### WARATAH NORTH HINTERLAND

#### Tourism Attributes

Close proximity to coastal townships: Sandy Point, Waratah Bay and Walkerville  
 Close proximity to Fish Creek  
 On route to Wilsons Prom

Rural landscape with Ocean and Wilsons Prom views

#### Existing Land Use Patterns

Moderate quality grazing land, some dairy. Numerous smaller allotments not suited to broadacre farming.

#### Tourism Development Opportunities

Range of quality accommodation, integrated with restaurant and farm gate. Opportunity to link tourism with farming. Domestic and international focus. Boutique accommodation.

### YANAKIE

#### Tourism Attributes

Closest freehold to Wilsons Promontory  
 Views over Corner Inlet to Wilsons Prom  
 Easy access to Promontory Road  
 Existing tourism precinct: cabins, etc.

High demand for accommodation

#### Land Use Patterns

Moderate agricultural quality used primarily for broadacre cattle grazing  
 Numerous small allotments not used for agriculture  
 Mostly elevated more than 10 metres above sea level

#### Tourism Development Opportunity

Possibility for larger scale medium - high quality accommodation, suited to internationals, touring visitors, coach groups, backpackers. Opportunity for private sector nature based tour operators.



### LEGEND - KEY ROAD LINKS

- Melbourne to Sydney Coastal Drive
- Grand Ridge Road
- Strezlecki Highway
- South Gippsland Hwy/Promontory Road

## SOUTH GIPPSLAND SHIRE RURAL TOURISM INVESTIGATION PRECINCTS

Sites that meet the tourism development principles within the rural tourism investigation precincts may be considered for rezoning to allow for greater levels of tourism use.

# 1. INTRODUCTION

## 1.1. BACKGROUND

Urban Enterprise, Planning, Land Economics and Tourism Consultants, were appointed to undertake a study into tourism use and development in the rural areas of the Bass Coast and South Gippsland Shires.

This report has been prepared specifically for South Gippsland Shire.

The study was initiated as a result of the following pressures in the Shires, highlighted in the project brief:

- The increasing demand for rural lifestyle properties by new “sea change” and “tree change” property owners and their desire for additional non-agricultural income, particularly in tourism;
- Recognition of the importance of scenic values and environmental protection in coastal and rural landscapes and the potentially complementary or conflicting role this has with tourism uses;
- The increasing value of agricultural land based on its non-agricultural use;
- The implementation of the Farming Zone in the rural areas and the restrictions this has placed on other activities, such as tourism uses;
- The legitimate interest of the growing tourism industry in ensuring that it has a sustainable future.

**The study aims at providing the strategic justification for reviewing the blanket application of the Farming Zone in both Shires, specifically from the point of view of facilitating appropriate tourism use and development in rural areas.**

Following the Rural Zones Review by the then Department of Sustainability and Environment, four new rural zones were introduced into the Victoria Planning Provisions (VPP) in 2004. The four new zones are:

- Farming Zone;
- Rural Activity Zone;
- Rural Living Zone;
- Rural Conservation Zone.

Of these zones, the Farming Zone and the Rural Conservation Zone are the most restrictive in terms of non-agricultural use and development.

In the Bass Coast and South Gippsland Shires (as with almost all rural municipalities), the former Rural Zone was replaced with the Farming Zone, via a Ministerial Amendment to the Planning Scheme.

## 1.2. PURPOSE

The purpose and objectives of the study, as outlined in the study brief, are to:

- Identify the range and future locations of sustainable tourism activities on agricultural land;
- Use this to form the policy basis for tourism uses in the rural areas of the Shires for inclusion in the planning scheme;
- Provide guidance and recommendations on tourism uses on rural land to direct the transition from the Farming Zone to Rural Activity Zone, Special Use Zone and Comprehensive Development Zone (where appropriate).

The South Gippsland Shire Council has commenced a comprehensive review of its rural areas and the planning controls that should apply. The findings and recommendations of this study will provide important input to the Rural Strategy for both Shires, particularly in respect of tourism use and development in the rural areas.

Whilst this study is a joint project between the Bass Coast and South Gippsland Shire Councils, the findings and recommendations have been separately reported for each Shire.

## 1.3. APPROACH

In preparing the Issues and Opportunities Paper, the following tasks have been undertaken:

- A review and analysis of relevant external influences including climate change, food shortages and tourism growth;
- A review of relevant strategic planning and tourism strategies, including the Rural Zones Review;
- A review of existing planning controls in the rural areas and their implications for tourism use and development;
- Identification of the quality of agricultural land and the nature of agricultural land use in both Shires, including the value of agricultural production to both Shires;
- Analysis of the economic contribution that tourism makes to both Shires;
- Identification of the rural tourism product strengths and their locations in both Shires;
- Analysis of the profile of tourists to both Shires, including tourist perceptions and key activities undertaken by tourists;
- Identification of the tourism infrastructure gaps in both Shires;
- Analysis of the results of a tourist survey conducted for the purposes of this study, to determine the level of interest in rural tourism activities;
- Briefings and discussions with the Project Steering Committee;
- A workshop with Council planners, economic development and tourism personnel;
- Workshops with representatives of rural tourism businesses and agribusiness in both Shires;
- Discussions with key stakeholders including representatives from Tourism Victoria and the Department of Planning and Community Development.

## 2. EXISTING SITUATION – TOURISM

### 2.1. INTRODUCTION

This section provides an overview of the existing situation in terms of tourism in South Gippsland Shire. Specifically this section identifies the following:

- Near term and medium term forecasts for tourism;
- The economic contribution of tourism;
- Existing tourism product strengths;
- Location and distribution of tourism nodes;
- Visitor profile and identification of visitor markets;
- Demand for tourism product and infrastructure.

### 2.2. EXTERNAL INFLUENCES

There are a number of external factors present that will have a significant impact on tourist numbers in Australia in the short to medium term.

The global economic crisis will place increased pressure on household budgets and as a result, will limit discretionary spending in the immediate term. This may mean that many people who were looking to travel overseas, may now travel domestically.

#### 2.2.1. NEAR TERM FORECASTS

The Tourism Forecasting Committee<sup>1</sup> (TFC) notes that lower world economic growth in 2009 will have a negative impact on world tourism. Although Australian tourism will not escape this impact, several factors will partly offset the effects, including:

- Domestic and inbound tourism were both weak in the first half of 2008, before the global economic slowdown gathered pace in September;
- The depreciation of the Australian Dollar improves the competitiveness of Australian inbound tourism against other destinations, and the competitiveness of domestic tourism against outbound travel;
- Australian fuel prices are falling significantly, enhancing the price competitiveness of Australian inbound and domestic (especially drive) tourism;
- The Australian economy is forecast to outperform nearly all developed economies in 2009. However, this is contingent on the success of monetary and fiscal policy in Australia;
- Despite the economic downturn, the number of international airline seats into Australia is expected to grow strongly in the first ten months of 2009;

Notwithstanding these positive factors, the TFC forecasts that in 2009:

- Inbound tourist arrivals will fall by 4.1%, but rebound by 5.3% in 2010;

---

<sup>1</sup> Tourism Forecasting Committee *Forecast 2008 Issue 2* Tourism Research Australia, Canberra

- Domestic tourism visitor nights will fall by 0.9% in 2009 and increase by 1.0% in 2010;
- Outbound Australian tourism departures will fall by 2.9% in 2009 and increase by 5.9% in 2010.

The forecast of a 4.1% decline in international visitor arrivals suggests that the inbound tourism segment is likely to face its worst calendar year performance since 1989, when inbound travel fell 7.5% due to the domestic airline pilot strike. This forecast also assumes a much worse performance compared to 2003 (down 2.0%, due to SARS) and in 1998 (down 3.5%, primarily due to the Asian Financial Crisis).

Although key tourism statistics indicate a downward trend in terms of activity, the lower Australian dollar (and lower petrol prices) will support growth in tourism spending in Australia. The lower Australian dollar will increase the purchasing power of international visitors, while lower oil/petrol prices will increase car travel for Australians travelling domestically, boosting day trip expenditure. Therefore, total spending on tourism in Australia (or total tourism consumption) is forecast to increase by 0.3% (or by \$0.3 billion) in 2009.

### 2.2.2. LONG TERM FORECASTS

Tourism consumption in Australia is forecast to increase at an average annual rate of 1.7% for each year over the 2007-2017 period to reach nearly \$108 billion in 2017 in real terms, underpinned mainly by growth in inbound tourism.

International visitor arrivals are projected to increase at an average annual rate of 3.7% over the period between 2007-2017 to reach 8.1 million arrivals in 2017.

China will become Australia's second largest inbound market from fifth place in 2007. New Zealand will remain Australia's largest market albeit with lower share (forecast to be 15.6% in 2017 compared with 20.2% in 2007).

Spending by international visitors in Australia is projected to increase at a slightly higher rate (4.0%) than arrivals (3.7%), reaching \$35.7 billion in 2017.

In contrast, domestic tourism is projected to increase moderately over the same period, with domestic visitor nights likely to remain at levels below those at the start of this decade. However, domestic visitor spending is projected to reach \$71.9 billion in 2017, representing an annual growth rate of 0.7% over the next ten years.

## 2.3. THE ECONOMIC CONTRIBUTION OF TOURISM

Tourism is an important part of the local economy for both the South Gippsland and Bass Coast Shires. The tourism industry generates a considerable amount of expenditure by visitors in both Shires and this expenditure has flow-on economic benefits to those other industries in the Shires that service and support tourism businesses. In addition, tourism is responsible for a significant number of jobs that exist in both Shires.

In 2006, the South Gippsland Shire Council commissioned Urban Enterprise to undertake a study examining the economic impact of tourism in Prom Country (South Gippsland Shire). The key results from this study are as follows:

- More than 1.1 million people visit the South Gippsland Shire each year;
- Visitors spend more than \$223 million in the Shire each year;

- More than half of all businesses in the Shire rely on tourism for at least part of their income;
- Over 1,800 jobs in the Shire were directly attributed to tourism; and
- A majority of tourism-related businesses expected that their business would grow in the following year.

#### 2.4. EXISTING TOURISM PRODUCT STRENGTHS

Figure 1 shows the location and type of the most significant tourism products in the South Gippsland and Bass Coast Shires.

The key observations from Figure 1 combined with the findings of the studies of the economic contribution of tourism in South Gippsland Shire are as follows:

- In the South Gippsland Shire, Wilsons Promontory is the most popular tourist attraction as well as the other coastal/beach areas in the Shire. These key attractions are supported by other tourist attractions including restaurants/cafes, tourist retail outlets and accommodation establishments.
- In 2004, South Gippsland Shire had approximately 2,500 holiday homes, equating to around 25% of the residential dwelling stock. Venus Bay has the majority of holiday homes in the South Gippsland Shire, (40%) followed by Sandy Point (18%).

Existing tourism nodes in the South Gippsland Shire include:

- Wilsons Promontory;
- Venus Bay;
- Korumburra;
- Leongatha;
- Koonwarra;
- Loch;
- Waratah Bay;
- Fish Creek;
- Foster;
- Yanakie;
- Mirboo North.

Touring is identified as a significant tourism product for the Gippsland region and both Bass Coast and South Gippsland Shires are located on the popular Sydney-Melbourne Coastal Drive. Touring segments include Free and Independent Travellers (FIT) in cars and rental vans (e.g. Britz, Apollo) and “grey nomads” and families in motorhomes and towing caravans. Touring segments comprise both domestic and international tourists. It is important that accommodation infrastructure that supports this touring activity is available, including caravan park accommodation.

There are a number of local touring opportunities likely to impact the region over the coming years, including further development of the Grand Ridge Road and implementation of the Stony Point - Cowes Ferry.

Coastal touring between Phillip Island and Wilsons Promontory, such as the Bunurong Coastal Drive and Penguins To The Prom route, provides local touring opportunities which can link to the further development of touring product.

## 2.5. VISITOR ACCOMMODATION

### 2.5.1. NUMBER AND LOCATION OF VISITOR ACCOMMODATION ESTABLISHMENTS

In the South Gippsland Shire, accommodation establishments are evenly spread throughout the Shire, with higher concentrations of accommodation establishments in Foster and Yanakie.

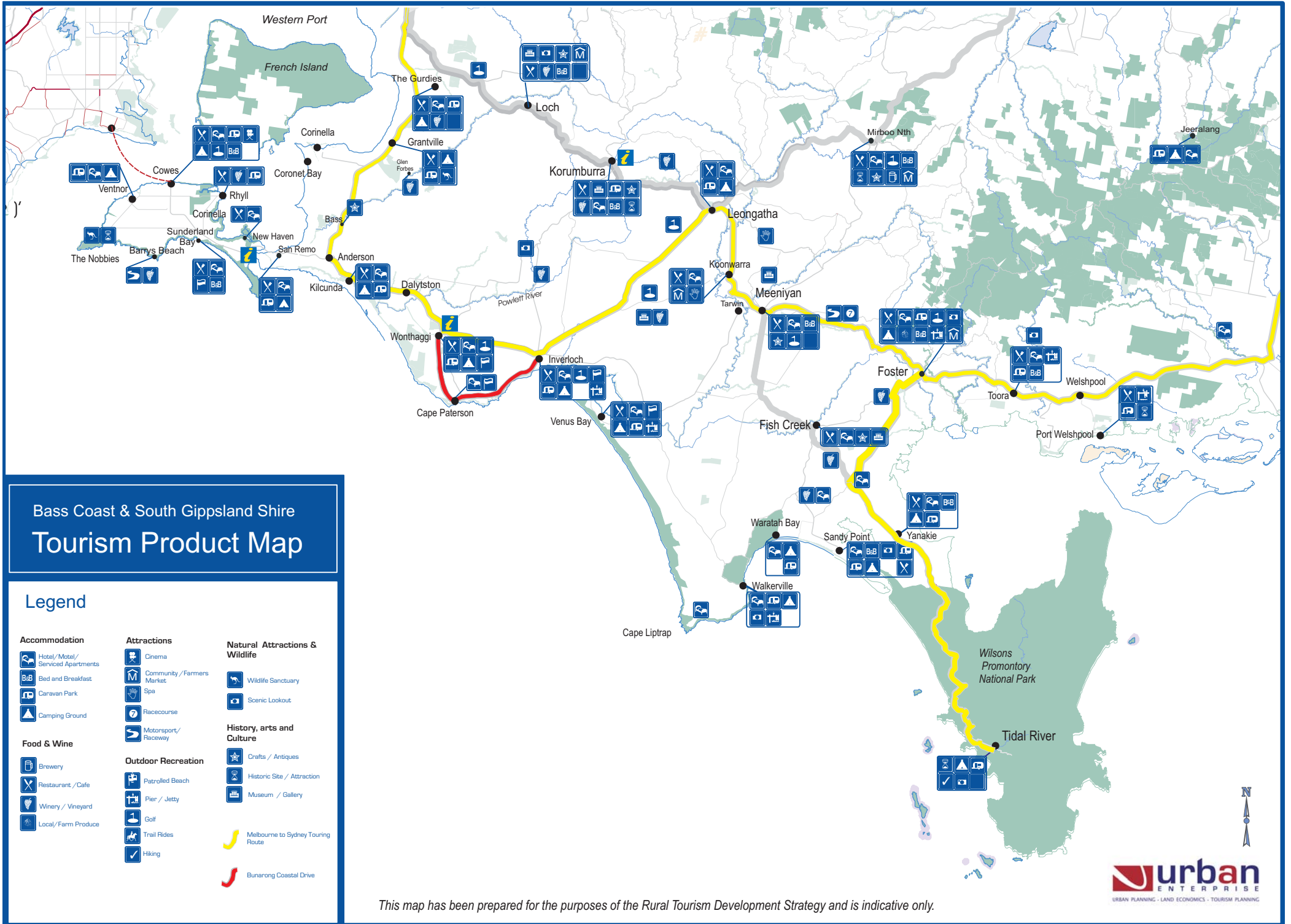
The location of accommodation establishments is a reflection of, and supports the popularity of various tourist destinations in the Shire, principally Wilsons Promontory.

This is shown in Table 1 below.

TABLE 1 LOCATION OF VISITOR ACCOMMODATION ESTABLISHMENTS IN SOUTH GIPPSLAND SHIRE

Locality	% of Total
Foster	14%
Yanakie	12%
Walkerville	6%
Leongatha	4%
Fish Creek	4%
Korumburra	4%
Toora	3%
Sandy Point	3%
Mirboo North	3%
Meeniyan	3%
Waratah Nth	2%
Waratah Bay	2%
Tarwin Lower	2%
Welshpool	2%
Venus Bay	2%
Other Towns (below 1%)	32%

Source: Urban Enterprise 2008



# Bass Coast & South Gippsland Shire Tourism Product Map

## Legend

- |  |   |   |
|--|---|---|
| <b>Accommodation</b><br>Hotel/ Motel/ Serviced Apartments<br>Bed and Breakfast<br>Caravan Park<br>Camping Ground | <b>Attractions</b><br>Cinema<br>Community /Farmers Market<br>Spa<br>Racecourse<br>Motorsport/ Raceway | <b>Natural Attractions &amp; Wildlife</b><br>Wildlife Sanctuary<br>Scenic Lookout                       |
| <b>Food &amp; Wine</b><br>Brewery<br>Restaurant /Cafe<br>Winery / Vineyard<br>Local/ Farm Produce                | <b>Outdoor Recreation</b><br>Patrolled Beach<br>Pier / Jetty<br>Golf<br>Trail Rides<br>Hiking         | <b>History, arts and Culture</b><br>Crafts / Antiques<br>Historic Site / Attraction<br>Museum / Gallery |
|  |   | Melbourne to Sydney Touring Route<br>Bunarong Coastal Drive   |

This map has been prepared for the purposes of the Rural Tourism Development Strategy and is indicative only.



## 2.6. VISITOR PROFILE

### TOTAL VISITATION

South Gippsland Shire is a strong holiday/leisure destination, which attracts an estimated 1.1 million visitors annually.<sup>2</sup>

Holiday homes are a significant contributor to tourist visitation, accounting for approximately one quarter of all visitation.

### ACTIVITIES UNDERTAKEN BY VISITORS

The top three activities undertaken by visitors to the Shire include General Sightseeing (76%), Visiting a National Park (72%) and Going to the Beach (56%). Other activities undertaken that are relevant to rural areas include Visiting Food Producers (21%), Visiting Wineries (15%), Touring (8%) and Visiting Farms (7%).

### ORIGIN OF VISITORS

73% of visitors to the South Gippsland Shire are from Melbourne. 14% of visitors are from Country Victoria, 11% are from interstate and 3% are from overseas. Most interstate visitors are from New South Wales (6% of visitors) and Western Australia (2%).

Within Melbourne there is a concentration of visitors from inner eastern suburbs such as Hawthorn and Camberwell, as well as middle eastern suburbs such as Glen Waverley. There is also a concentration of visitors who reside in north-eastern suburbs such as Eltham. Approximately two thirds of visitors to the South Gippsland Shire are from the eastern and south-eastern suburbs of Melbourne.

Visitors to the South Gippsland Shire from Country Victoria are mainly from regional centres including Moe and Morwell, Ballarat, Bendigo and Geelong.

### VISITOR PERCEPTIONS

Over half (52%) of all visitors to the Shire perceive it as “relaxing and peaceful” and a further 42% of visitors perceive the Shire as “beautiful and scenic”.

Almost half of all visitors (43%) associate the South Gippsland Shire specifically with Wilsons Promontory, followed by 30% who associate it with rolling hills and 19% with the beach.

## 2.7. DEMAND FOR TOURISM PRODUCT AND INFRASTRUCTURE

The Sustainable Regions Project reviewed demand for tourism product in Gippsland, including within South Gippsland and Bass Coast Shires.

The industry research confirmed that tourism is a significant driver of the Gippsland economy. The Gippsland region is estimated to attract more than 7 million visitors annually who spend \$1 billion dollars in the region. Amongst other things, the research identified that:

- 40% of visitors were touring through the region;
- There is a gap in the market for 4.5 and 5 star accommodation and resorts, as well as farm stays and backpacker accommodation;

---

<sup>2</sup> Urban Enterprise, Economic Impact of Tourism in Prom Country, 2004

- Natural attractions are key drivers for sightseeing in Gippsland; and
- Eating out is one of the most popular activities undertaken by visitors to Gippsland and there is potential for more development in this sector.

The project identified tourism development opportunities in the six municipalities of Gippsland. The opportunities identified for South Gippsland Shire included:

#### South Gippsland Shire

- Tours and activities leveraging off natural attractions, in particular at Wilsons Promontory and in coastal towns (i.e. Venus Bay, Waratah Bay, Port Welshpool);
- Cultural activities particularly if on weekends and public holidays;
- Backpacker accommodation;
- Country Guest House or farm stay accommodation (in rural areas);
- 5 star and 4 star hotels or serviced apartments including accommodation catering for large groups and bus tours;
- Conference centre/ facilities;
- Art galleries and tourist retailing in major towns;
- Public transport (bus services/ taxis) operated on a commercial basis;
- Restaurants open on weekends and public holidays; and
- Tourism events, themed to the coastal attractions or food and wine.

## 2.8. TOURISM OVERVIEW

### VISITOR DEMAND

South Gippsland Shire has high visitor demand, with over 1.1 visitors annually. South Gippsland Shire attracts the majority of visitors from Melbourne (73%).

Key markets for South Gippsland Shire are holiday home owners, family groups and young adults.

Whilst visiting a national park (72%) and going to the beach (56%) were the most popular activities for visitors to South Gippsland Shire, a significant proportion of visitors also undertake a range of other activities in rural areas including visiting food producers (21%), visiting wineries (15%), touring (8%) and visiting farms (7%).

In the short and long term, both tourism visitation and tourism expenditure in Australia are forecast to grow.

Provided that the South Gippsland Shire can maintain (or increase) its market share, it can be expected that tourism will continue to be an important contributor to the local economy of the Shire. Indeed, the opportunity exists for the Shire to facilitate growth in tourism through continued development in agri-tourism and the provision of appropriate visitor accommodation.

## TOURISM PRODUCT GAPS

The following gaps in tourism product were identified through the Gippsland Sustainable Regions Tourism Project completed in 2006. The study utilised a range of primary research including visitor surveys, business surveys and extensive business consultation in order to identify product gaps.

In South Gippsland Shire the following gaps have been identified:

- Tours and activities leveraging off natural attractions, in particular at Wilsons Promontory and in coastal towns (i.e. Venus Bay, Waratah Bay, Port Welshpool);
- Cultural activities particularly if on weekends and public holidays;
- Backpacker accommodation;
- Country Guest House or farm stay accommodation (in rural areas);
- 5 star and 4 star hotels or serviced apartments including accommodation catering for large groups and bus tours;
- Conference centre/ facilities;
- Art galleries and tourist retailing in major towns;
- Public transport (bus services/ taxis) operated on a commercial basis;
- Restaurants open on weekends and public holidays; and
- Tourism events, themed to the coastal attractions or food and wine.

A number of these tourism products are best suited to the rural areas of the Shire due to their link with agriculture and also requirement for larger allotments with a scenic rural setting. These include conference and convention centres, local produce stores with associated café/ restaurant, large scale accommodation establishments (including caravan parks), farm stays and tourism events themed to food and wine.

## SUMMARY

Tourism is a significant contributor to the economies of both Bass Coast and South Gippsland Shires.

The key tourist destination in South Gippsland Shire is Wilsons Promontory. The perceptions of visitors to the South Gippsland Shire clearly reinforce the importance of the rural areas and natural attractions, with over 90% of visitors associating South Gippsland Shire with either Wilsons Promontory, the rolling hills or the beach. It is critical therefore that the rural character of South Gippsland Shire is preserved as a key ingredient of its attraction to tourists.

Rural tourism is an important part of the mix of activities undertaken by visitors to South Gippsland Shire. Touring, local produce, wineries and farm visits are significant activities undertaken by visitors. In addition, these activities are important components of the tourism product mix for the Shire, as they are not related to the beach/coast (and therefore help in taking pressure off the coast) and are not dependant on weather. These activities therefore assist in reducing seasonality (i.e. reduce the reliance on peak summer visitation).

## 3. EXISTING SITUATION – AGRICULTURE

### 3.1. INTRODUCTION

This overview of the agricultural significance of rural land in South Gippsland Shire draws on:

- Commodity data compiled by the Australian Bureau of Agricultural and Resource Economics (ABARE) in 2007;
- Information contained in the draft Rural Strategy for South Gippsland Shire; and
- Discussions with the Department of Primary Industries.

The South Gippsland Shire contains large areas of high quality agricultural land. There are areas of rural land however, which are generally of lesser quality. Factors such as the topography, vegetation cover and fragmented land ownership affect the ability to carry out a viable agricultural enterprise.

### 3.2. EXTERNAL INFLUENCES

#### 3.2.1. CLIMATE CHANGE

Climate change is impacting significantly on the agricultural sector in Australia<sup>3</sup>.

Climate change is causing the following changes to the environment<sup>4</sup> in Gippsland:

- Average temperature increase;
- Rainfall decrease;
- Evaporation rates increase;
- Reduction in the amount of runoff;
- Increase in the frequency of severe weather events such as drought and flooding;
- Change in the distribution and survival of pests and weeds; and
- Increased risk of heat stress for housed animals.

These climate changes will impact upon the agricultural sector in the following ways:

- Higher temperatures and fewer frosts during the winter months will increase pasture growth;
- Warmer weather earlier means that it will be possible to sow summer crops earlier thus they will mature and be ready for harvesting earlier;
- Lower water availability will result in increased crop rotation;
- Reduced rainfall and runoff will reduce water security for farms; and

---

<sup>3</sup> Commonwealth Government, 2008, Climate Change, [www.climatechange.gov.au](http://www.climatechange.gov.au), accessed 19 September 2008

<sup>4</sup> Gippsdairy, n.d., What Does Climate Change Mean For Dairy in Gippsland?

<http://www.dairyaustralia.com.au/directdownloads/Climatechange-Gippsland-forweb.pdf> accessed 19 September 2008

- Warmer temperatures earlier will mean that it will be possible to boost pasture production by using nitrogen fertilizer.

Climate change is likely to impact on the type of agricultural production carried out in both Shires as well as the method of production, including the use and allocation of the key resources of land and water. In turn, this is likely to lead to a gradual re-definition over time of what constitutes high quality agricultural land. It may also lead to increasing diversification of agricultural land use, which can have positive implications for agri-tourism. It is anticipated, however, that South Gippsland will have a natural advantage over other regions in the State and Australia generally, which emphasises the need for the sustainable development of rural land.

The consideration of appropriate locations for rural tourism development including agri-tourism uses, should be sufficiently robust to avoid being adversely affected by climate change impacts. Moreover, the impact of climate change may place greater importance on the need to facilitate other income streams for rural properties, to ensure that the agricultural use can be financially sustained. The role of tourism uses in this regard, particularly those that have a relationship to the agricultural use of the land, or the rural setting of the land, will become increasingly important.

For the purposes of this study, existing analyses of high quality agricultural land have been adopted as the starting point.

### 3.2.2. RISE IN SEA LEVELS AS A RESULT OF CLIMATE CHANGE

As a result of climate change there is a substantial body of evidence that suggests a significant rise in sea level. The Victorian Coastal Strategy suggests that sea level will rise not less than 80cm by 2100. In relation to this, the Minister for Planning has issued Minister's Direction No. 13, which provides guidance for any urban development in locations less than 5 metres Australian Height Datum (AHD), within one kilometre of the coastline.

An outline of this Direction is provided below.

#### MINISTER'S DIRECTION 13

In relation to climate change and its coastal impacts Ministers Direction 13 provides "general requirements for consideration of the impacts of climate change within coastal Victoria as part of an amendment which would have the effect of allowing non-urban land to be used for an urban use and development".

The Direction applies to any planning scheme amendment that provides for the rezoning of non-urban land for urban use and development of all land:

- Abutting the coastline or a coastal reserve.
- Less than 5 metres AHD within one kilometre of the coastline including the Gippsland Lakes.

In preparing an amendment which would have the effect of rezoning non-urban land for urban use or development, a planning authority must include in the explanatory report how the proposed amendment:

- Is consistent with the policies, objectives and strategies for coastal Victoria as outlined in Clause 15.08 of the State Planning Policy Framework.
- Addresses the current and future risks and impacts associated with projected sea level rise and the individual and/or combined effects of storm surges, tides, river flooding and coastal erosion.

- Is based on an evaluation of the potential risks and presents an outcome that seeks to avoid or minimise exposing future development to projected coastal hazards.
- Ensures that new development will be located, designed and protected from potential coastal hazards to the extent practicable and how future management arrangements will ensure ongoing risk minimisation.
- Considers the views of the relevant floodplain manager and the Department of Sustainability and Environment.

### 3.2.3. GLOBAL FOOD SHORTAGES AND FOOD SECURITY

In recent months, a sharp increase in food prices has led to worldwide food shortages. High global population growth and the rise in popularity of bio-fuels are contributing factors to the rise in food prices. Since the beginning of 2006, the world price for rice has risen by 217%, wheat by 136% and corn by 125%<sup>5</sup>.

The destabilisation of global markets has led investors to invest in 'soft markets', which includes food commodities. This investment creates a vicious cycle that increases the price of commodities that in turn encourages more investment, which further increases prices.

Ecological problems such as the current drought faced in Australia also place upwards pressure on food prices. Australia's wheat crop is traditionally the second largest in the world after the United States however the drought has significantly reduced production levels.<sup>6</sup>

The increase in popularity of bio-fuels as an alternative to oil based fuels is also increasing the price of food globally as large areas of land are now switching from food production to bio-fuel production. Despite an increase in the worldwide production of maize, this increase has been completely absorbed by the bio-fuel industry.

The current global food shortages and consequent increase in food prices highlight the importance of retaining high quality agricultural land for food production.

In addition, they add to the increasing interest by consumers (and tourists) in understanding where their food comes from, and the processes involved in food production. This is an essential element of agri-tourism.

Long term consideration needs to be made towards the role of Gippsland in terms of food security, given that with climate change it has been identified as a region which will be able to grow a broad range of food products which may no longer be grown in northern areas of Victoria and Central NSW which are likely to become dryer and less conducive to agriculture.

---

<sup>5</sup> Steinberg S., 2008, Financial Speculators Reap Profits From Global Hunger, Global Research, 24 April, <http://www.globalresearch.ca/index.php?context=va&aid=8794>, accessed on 30 September 2008

<sup>6</sup> Bryant N., 2008, Australia's Food Bowl Lies Empty, BBC, 3 November, <http://news.bbc.co.uk/2/hi/asia-pacific/7289194.stm>, accessed on 30 September 2008

### 3.3. **RURAL WATER SUPPLY<sup>7</sup>**

In South Gippsland Shire the existing farming areas also act as water catchments for both agriculture and urban uses.

Given the impact of Global Warming on water supplies in Victoria, the collection and catchment of water needs to be considered in assessing uses for rural land.

South Gippsland Water is the water authority for South Gippsland and has a number of unconnected catchment areas.

Water catchments managed by South Gippsland Water include:

#### LITTLE BASS SYSTEM

Little Bass storage system services Loch, Nyora and Poowong. The reservoir holds 209 megalitres with a 7 square kilometre catchment. The system services more than 1000 people.

#### COALITION CREEK SYSTEM

The Coalition Creek system services the township of Korumburra. The system is made up of three reservoirs: Coalition, Ness and Bellview, with a total capacity of 580 megalitres. The largest catchment area for the individual reservoirs is 4.2 square kilometres, made up primarily of farm land and forestry. The system services more than 3000 people.

#### RUBY CREEK SYSTEM

The Ruby Creek System has four reservoirs, which collectively store 1910 megalitres. The system services Leongatha and Koonwarra, with a catchment area of 9 square kilometres.

#### TARWIN RIVER SYSTEM

The Tarwin River services the townships of Meenyan and Dumbalk. This river system has a large catchment area of 1071 square kilometres, taking in the towns of Leongatha, Korumburra, Meenyan, Dumbalk, Mirboo North and Koonwarra.

#### AGNES RIVER SYSTEM

The Agnes River System services the townships of Toora, Port Franklin, Port Welshpool and Welshpool. This system is treated at the Toora Water Treatment Plant. The Agnes River System has a catchment area of 67 square kilometres, which is made up of farmland, including pasture, forestry and urban areas, servicing almost 1000 people.

#### DEEP CREEK SYSTEM

The Deep Creek System services Foster. The system has a 242 megalitre reservoir and a catchment of 2 square kilometres. It services almost 1000 people.

#### BATTERY CREEK SYSTEM

The Battery Creek System services the township of Fish Creek as well as surrounding rural areas. The reservoir has a volume of 118 megalitres and a 2 square kilometre catchment area. It services approximately 179 people.

---

<sup>7</sup> South Gippsland Water, [www.sqwater.com.au](http://www.sqwater.com.au) Downloaded March 2009

### 3.4. AGRICULTURAL PRODUCTION

#### 3.4.1. VALUE OF AGRICULTURE

In 2007, the total value of agricultural commodities produced in the South Gippsland Shire was estimated at over \$372 million as shown in Table 4. Milk is the most valuable commodity produced in the South Gippsland Shire with a total value of \$199,147,908, followed by Cattle and Calves Slaughtered (\$101,485,306) and Pasture and Cereal and Other Crops Cut for Hay (\$21,345,249).

The Table shows that there is a wide range of food produce grown in the Shire, including a variety of meats, eggs, vegetables, fruit and berries.

TABLE 2 VALUE OF AGRICULTURAL COMMODITIES IN SOUTH GIPPSLAND SHIRE

Commodity	Total Value (\$)
Milk	\$199,147,908
Cattle and calves slaughtered	\$101,485,306
Pasture and cereal and other crops cut for hay	\$21,345,249
Wool	\$16,654,208
Sheep and lambs slaughtered	\$10,241,140
Snow peas and sugarsnap peas	\$9,525,067
Potatoes (fresh market)	\$6,275,389
Vegetables for seed	\$1,499,688
Nurseries	\$1,376,929
Poultry slaughtered	\$857,955
Fruit excluding grapes	\$642,656
Blueberries	\$451,055
Broadacre crops n.e.c.	\$370,392
Potatoes (processing)	\$237,294
Orchard fruit including nuts	\$180,137
Cauliflowers	\$179,453
Eggs produced for human consumption	\$145,057
Herbs	\$93,754
Cereals for grain	\$87,908
Onions	\$67,427
Grapes - wine	\$58,265
Maize for grain	\$55,187
Pumpkins	\$38,176
Brussels Sprouts	\$33,535
Triticale for grain	\$32,721



Goats slaughtered	\$32,686
Green peas - total	\$21,916
Pigs slaughtered	\$18,590
French and Runner beans (fresh market)	\$15,839
Raspberries	\$11,464
Tomatoes	\$5,306
<b>Total</b>	<b>\$372,652,432</b>

Source: ABARE 2007

### 3.4.2. VOLUME OF AGRICULTURE

Table 6 shows that the commodity produced by most establishments, in the South Gippsland Shire, is Meat Cattle (1,123), followed by Hay (965) and Milk Cattle (586).

Table 6 confirms the wide range of food produce grown in the Shire. Intensive agricultural production in South Gippsland Shire includes vegetable production, cereal crops, wine grapes and eggs. As in Bass Coast Shire, many of these agricultural enterprises operate on smaller land holdings than the traditional agricultural activities of sheep, beef and dairy farming.

TABLE 3 VOLUME OF COMMODITIES PRODUCED IN SOUTH GIPPSLAND SHIRE

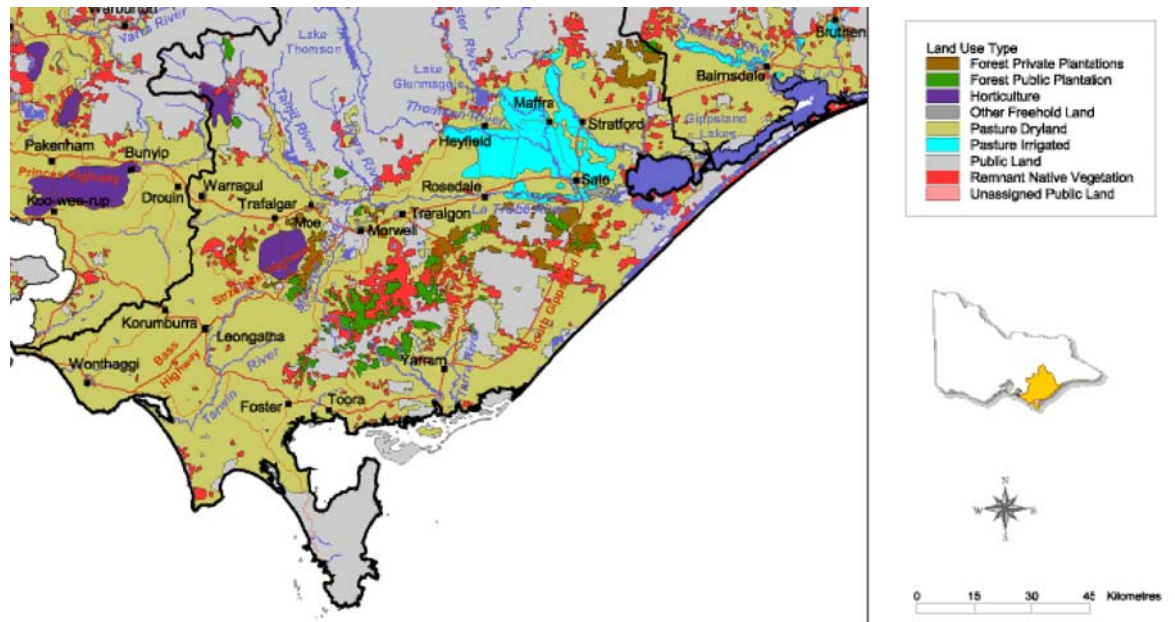
Commodity	Animals	Number of Establishments	Tonnes	Hectares	Trees
Bee Keeping	32	7			
Blueberries		4	21	4	
Cauliflower		1	252	9	
Cereal Crops for all other uses (excluding grain)		58		961	
Cereal Crops for Grain		3	507	110	
Cereal Crops Triticale for grain production		2	214	91	
Deer	404	4			
Ducks	7	1			
French Beans	1	5	5		
Goats	468	16			
Grape Vines		9	59	26	
Hay		965	105,670	25,433	2,415
Herbs (other than parsley)		2	11.9	2	
Horses - Other than stud	546	187			
Horses - Stud	229	29			
Laying Chickens	3,770	5			
Maize for Grain		1	293	20	
Meat Cattle	185,473	1,123			
Milk Cattle	157,432	586			
Non Cereal Broadacre		61		510	
Nurseries, cut flowers and cultivated turf - area		13		18	
Nuts		6			
Olives		3	308	1,034	
Onions		2	94	5	
Peas		5	104	5	
Pigs	215	15			
Potatoes		17	10,618	414	
Pumpkin		2	105	4	
Sheep and Lambs	85,686	212			
Snow Peas		9	1,617	700	

Source: ABARE 2007

### 3.5. TYPE OF RURAL LAND

Figure 2 shows that the overwhelming majority of rural land use type in the Bass Coast and South Gippsland Shires is Dryland Pasture.

FIGURE 2 RURAL LAND USE TYPE IN WEST GIPPSLAND



Source: DPI 2008

### 3.6. AGRICULTURAL LAND CAPABILITY

The quality of agricultural land throughout South Gippsland Shire is variable, but generally of a high quality in comparison to other municipalities. The agricultural quality of land is a significant determinant of the viability of agricultural production.

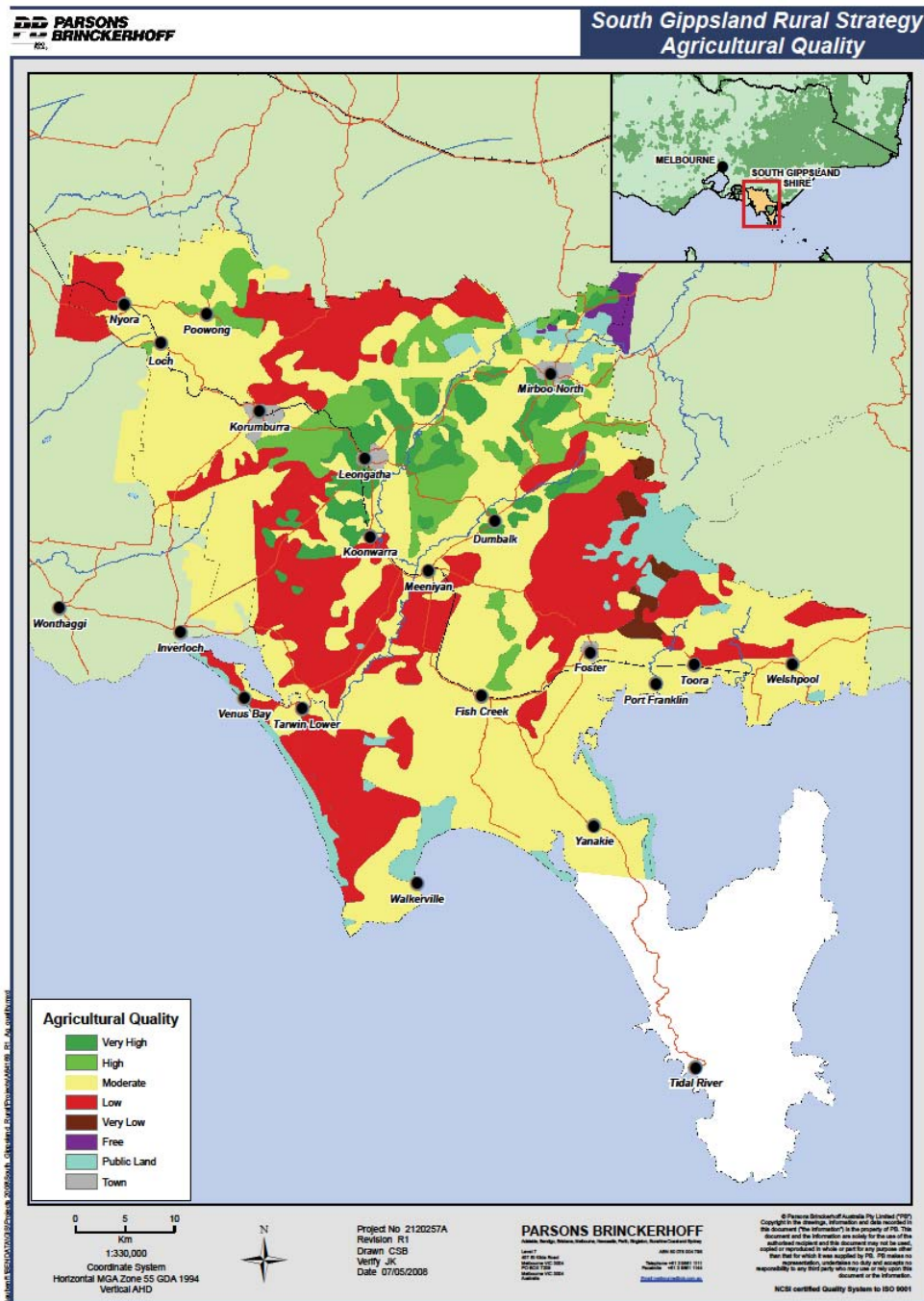
#### SOUTH GIPPSLAND SHIRE

The South Gippsland Shire has commenced preparation of a draft Rural Strategy, which identifies areas of high, medium and low agricultural quality. These are shown in Figure 3.

This shows that there are areas of land that are defined as ‘high’ to ‘very high’ agricultural quality. These areas are located generally between Leongatha and Mirboo North as well as an area north of Poowong. There is a band of lower quality agricultural land running through the centre of the Shire (generally south of Koonwarra and north of Walkerville), and also an area to the north of Foster and an area north of Korumburra. The remaining areas, generally south of Fish Creek and Foster and also along the western edge of the Shire, are of moderate agricultural quality (Parsons Brinkerhoff 2008).

The South Gippsland Shire has a relatively small area of land that is affected by salinity. The areas around the mouth of the Tarwin, Agnes and Franklin Rivers and around Shallow Inlet are the only parts of the Shire that are affected.

FIGURE 3 QUALITY OF AGRICULTURAL LAND, SOUTH GIPPSLAND SHIRE



Parsons Brinckerhoff, South Gippsland Shire Draft Rural Strategy, 2008

### 3.7. OVERVIEW OF AGRICULTURE

The value and volume of agricultural production in South Gippsland Shire indicates that agriculture makes a significant contribution to the local economy.

The South Gippsland Shire generally contains large areas of high quality agricultural land, including very high quality land between Leongatha and Mirboo North, and north of Poowong. It is important that these areas are primarily maintained for agricultural production. In other areas land quality is often dictated by topography, with the steeper areas of the Shire posing constraints on certain farming activities.

Apart from the quality of agricultural land, other factors that are important in determining the most appropriate areas for farming and hence the areas that could be considered for tourism use and development, include salinity, rainfall, water availability, topography, vegetation cover and existing fragmentation of land ownership.

## 4. RELEVANT STRATEGIES AND POLICIES

### 4.1. INTRODUCTION

Having identified the context for agriculture and tourism markets in the Shire, we can now review the Policy Framework for the Shire. This section of the report reviews and summarises tourism, economic development and planning strategies relevant to this study and South Gippsland Shire. These documents provide an understanding of the strategic and policy context for this study.

### 4.2. TOURISM STRATEGIES

#### 4.2.1. STATE TOURISM STRATEGIES

Tourism Victoria has prepared a number of strategies aimed at achieving a high quality, high yield and sustainable tourism sector in Victoria.

Strategies of particular relevance to South Gippsland Shire include:

- The Regional Tourism Action Plan 2008-11. This action plan was prepared to improve the yield from, and dispersal of tourists across Regional Victoria. It acknowledges tourism's role as a key component of the economy and the need for Regional Victoria to attract greater tourism investment;
- Victoria's Nature Based Tourism Strategy 2008-2012. Natural attractions are key tourism product strengths of South Gippsland Shire, in particular Wilsons Promontory and other coastal areas. The Nature Based Tourism Strategy focuses on planning and managing sustainable destinations, developing authentic, memorable experiences and facilitating viable and innovative businesses. The Strategy highlights growing consumer demand for ecologically sustainable tourism and unique experiences in the natural environment. Built facilities to support this industry generally require a natural setting;
- Victorian Trails Strategy 2005-2010. Victoria's trails are significant drivers of tourism and can impact positively on associated uses such as accommodation, food and transport. The key trails in Bass Coast and South Gippsland Shires traverse the rural areas and hence there is an opportunity to add value to the trails through the development of tourist infrastructure including accommodation, food and produce sales;
- Wine Investment Guidelines. Victoria has over 28% of the total number of vineyards in Australia. Wine tourism is appealing to a growing market. Food is key to wine tourism and investing in this sector will add considerable value to businesses. Bass Coast and South Gippsland Shires each have a number of wineries and the opportunity exists to strengthen the relationship between food produce and wine.

#### 4.2.2. REGIONAL TOURISM STRATEGIES

##### REGIONAL TOURISM ACTION PLAN 2008-11

The Regional Tourism Action Plan 2008-11 prepared by Tourism Victoria, acknowledges that tourism has not been a major focus in Gippsland but is becoming an increasingly important sector. The Action Plan identifies that the area has significant potential especially if awareness of

its nature-based experiences can be increased. The 'Inspired by Gippsland' marketing campaign is aimed at intrastate and international visitors by focusing on nature-based tourism activities.

The key strategies for the Gippsland region, which are relevant to this study, include:

- Facilitating a whole-of-government approach to improving regional tourism;
- Ensuring that tourism is considered in infrastructure planning;
- Supporting high quality and boutique accommodation integrated with winery products.

#### GIPPSLAND SUSTAINABLE REGIONS TOURISM PROJECT

In 2006, Urban Enterprise prepared a major tourism strategy under the Federal Government's Sustainable Regions program, on behalf of the six municipalities in the Gippsland region, aimed at integrating the tourism industry across the region. This strategy incorporated an industry research component, identified tourism business opportunities within the region and existing tourism infrastructure gaps, and identified the potential for a Gippsland touring route.

### 4.2.3. LOCAL TOURISM STRATEGIES

#### PROM COUNTRY SUSTAINABLE TOURISM DEVELOPMENT AND MARKETING PLAN, 2005–2010

The key objectives of the Prom Country Sustainable Tourism Development and Marketing Plan that are relevant to this study include:

- Increasing total visitor nights, spend and dispersal across the whole Shire without trying to encourage mass tourism;
- Growing high yield segments for the Prom Country region and identifying opportunities to increase sustainable tourism infrastructure;
- Diversifying and strengthening a range of regional product strengths to negate a reliance on natural attractions;
- Increasing visitation during the off-peak season.

The following strategies have been identified as relevant to this study:

- Integrating tourism and economic development more closely with strategic town planning within the South Gippsland Shire Council;
- Attracting appropriate large-scale tourism businesses in selected locations, including quality accommodation and conference facilities;
- Undertaking a land use study to identify areas suitable to implement the Rural Activity Zone;
- Growing food and wine agri-tourism by supporting and enhancing existing food and wine events and ensuring that planning policy allows for tourism growth in appropriate parts of the rural areas of the Shire.

### 4.3. ECONOMIC DEVELOPMENT STRATEGIES

#### ECONOMIC DEVELOPMENT PLAN, SOUTH GIPPSLAND SHIRE

The South Gippsland Shire's Economic Development Plan was prepared in 2007 to meet the challenges that will face the Shire over the next decade. The key economic issues identified that are relevant to this study include:

- The importance of agricultural production to the region
- Inadequate tourism infrastructure;
- Lack of a major tourism hub;
- Potential for climate change to affect rainfall and water supply.

The strategy identifies seven economic platforms to build growth and a sustainable economy:

- Agri-food: To protect and grow farming as the backbone of the South Gippsland economy in harmony with other businesses and residents;
- Water: To manage water to ensure its ongoing sustainability and to maximize its value;
- Retail and Commercial: To facilitate vibrant retail and commercial services to capture the Shire's spending power and maximise tourist spending;
- Tourism and Lifestyle: To attract tourists year-round in order to stimulate economic activity and sustain lifestyle amenities for residents;
- Complementary Business Development: To attract, retain and support new industries and businesses that are complementary to primary production;
- Community diversity: To differentiate South Gippsland and establish a unique identity; preserve the individual identities of each village community; and promote diversity in a cost effective manner;
- People: to create an environment that attracts and retains people who will drive economic prosperity; and that also enhances the quality of life for residents at every life-stage;

Key strategies that relate to tourism include:

- Promote greater awareness of value of tourism and create a tourism culture;
- Drive the implementation of the Prom Country Sustainable Tourism Development and Marketing Plan including facilitating a wider range of accommodation and dining;
- Develop practical measures to attract industry operators to the Shire;
- Gain a more detailed understanding of accommodation needs and occupancy rates throughout South Gippsland;
- Benchmark existing infrastructure needs and move to develop improved tourism infrastructure; and
- Integrate tourism into the overall branding strategy for the Shire.

There is strong strategic policy support for growing regional tourism in Victoria. A key requirement to facilitate this growth is the need to address critical tourism infrastructure gaps.

In the South Gippsland Shire, key tourism infrastructure needed includes a range of quality accommodation venues (particularly larger establishments), backpacker accommodation, guest



house/farm stay accommodation, conference facilities and quality dining opportunities. Growing food and wine agri-tourism is seen to be a key opportunity.

#### 4.4. PLANNING STRATEGIES

##### 4.4.1. RURAL ZONES REVIEW AND THE NEW RURAL ZONES

In 2004, four new zones for rural Victoria were introduced into the *Victoria Planning Provisions* (VPP) following the Rural Zones Review in 2003.

The new zones were designed to:

- Recognise the State, regional and local importance of farming as an industry and provide greater protection for productive agricultural land;
- Provide a wider choice of zones with clear purposes and controls to match;
- Discourage ad hoc and incompatible use and development;
- Recognise the changing nature of farming and reduce the potential for conflict between farming and other, more sensitive, land uses;
- Recognise that rural areas are places where people live and work;
- Recognise and protect rural areas that are environmentally sensitive;
- In response to concern that the existing rural zones do not adequately recognise the importance of farming and have led to increased land use conflicts by allowing a range of non-farming uses in rural areas;
- To enable important strategic objectives relating to agriculture and rural land to be met more effectively.

The four new zones are:

- Farming Zone;
- Rural Activity Zone;
- Rural Living Zone; and
- Rural Conservation Zone.

The former Rural Zone was replaced to provide a wider choice of zones with different purposes. This was aimed at discouraging ad hoc and inappropriate development in rural areas.

However, the Rural Zones Review contains little mention of tourism.

In South Gippsland Shire (as with almost all rural municipalities), the former Rural Zone was replaced with the Farming Zone, via a Ministerial Amendment to the Planning Scheme. This study aims to provide the strategic justification for a review of the application of the Farming Zone in parts of South Gippsland Shire to facilitate appropriate tourism uses and development.

#### 4.4.2. STATE PLANNING POLICY FRAMEWORK

The State Planning Policy Framework (SPPF) provides the broad framework for rural policies and provisions in the planning scheme. Relevant policies in the SPPF include:

##### CLAUSE 11.03-3 MANAGEMENT OF RESOURCES

- Planning is to assist in the conservation and wise use of natural resources including land to support both environmental quality and sustainable development over the long term through judicious decisions on the location, pattern and timing of development.

##### CLAUSE 16.03 RURAL LIVING AND RURAL RESIDENTIAL DEVELOPMENT

- Rural living zoned land should be located close to existing towns and urban centres, but not in areas required for fully serviced urban development, and be provided with appropriate infrastructure.
- Land should not be zoned for rural living if it will encroach on high quality productive farmland or adversely affect waterways or other natural resources.

##### CLAUSE 17.04 TOURISM

- Tourism development that maximises employment opportunities and long-term economic, social and cultural benefits to the State is encouraged.
- Tourist facilities should have suitable transport access and be compatible with the assets and qualities of surrounding urban and rural activities and cultural and natural attractions.

##### CLAUSE 17.05 AGRICULTURE

- Productive farmland of strategic significance in the local or regional context should be protected.
- The unplanned loss of productive farmland due to permanent changes of land use should be avoided.
- Permanent removal of productive agricultural land from the State's agricultural base must not be undertaken without consideration of its economic importance for the agricultural production and processing sectors.
- Planning should support effective agricultural production and processing infrastructure, rural industry and farm-related retailing.
- Subdivision of productive agricultural land should not detract from the long-term productive capacity of the land.

##### CLAUSE 17.06 INTENSIVE ANIMAL INDUSTRIES

- The establishment and expansion of intensive animal industries should be facilitated in a manner consistent with orderly and proper planning and protection of the environment.

##### CLAUSE 17.07 FORESTRY AND TIMBER PRODUCTION

- The establishment, management and harvesting of plantations, harvesting of timber from native forests and the development of forest based industries are to be facilitated.
- Timber production activities should be environmentally sustainable.

A range of other policies in the SPPF may be relevant to strategic planning for rural land depending on the natural resources and land use characteristics of the area. These include *protection of catchments, waterways and groundwater* (Clause 15.01), *salinity* (Clause 15.03), *coastal areas* (Clause 15.08), and *conservation of native flora and fauna* (Clause 15.09).

#### 4.4.3. VPP PRACTICE NOTE – APPLYING THE RURAL ZONES

This Practice Note provides guidance on the strategic work required to apply the four rural zones as well as the purposes and features of each zone and where they may be applied.

##### THE CHANGING NATURE OF FARMING

The Practice Note recognises that the nature of farming in Victoria is changing through:

- Becoming more diverse;
- Becoming more industrialised;
- Intensifying as aquaculture, poultry farms and horticulture are growing;
- Aggregating and becoming bigger to achieve the economic value of scale for farm investment and to maintain productivity;
- Undergoing social change. More farmers are taking on off-farm work and the economic value of off-farm work is increasing;
- More competition for rural land, which is affecting rural land prices and the capacity of farmers to expand their businesses and maintain productivity;
- Renewed interest in part-time small-scale farming;
- More people living in rural areas for lifestyle reasons not related to farming;
- Local rural economies diversifying, as rural land is used for more diverse purposes such as tourism and recreation.

##### THE RURAL ZONES IN DETAIL

The four rural zones are:

- Farming Zone - a zone that is strongly focused on protecting and promoting farming.
- Rural Activity Zone - a mixed use rural zone that caters for farming and other compatible land uses.
- Rural Conservation Zone - a conservation zone that caters for rural areas with special environmental characteristics.
- Rural Living Zone - a zone that caters for residential use in a rural setting.

##### THE ZONE PURPOSES

Although the purposes of the four rural zones are similar in some respects, there are differences between them. The purposes of each zone are summarized below and set out in detail in *Appendix B*.

All of the zones provide for the use of land for agriculture. However, while it is implicit in the purpose of the Farming Zone and Rural Activity Zone that farming will be a primary land use

activity, in the Rural Conservation Zone and Rural Living Zone, farming is subordinate to other land uses or the environmental values of the land.

#### MAIN FEATURES OF THE RURAL ZONES

##### (a) Farming Zone

The Farming Zone is primarily concerned with keeping land in agricultural production and avoiding land uses that could limit future farming or constrain agricultural activities. The zone acknowledges that productive agricultural land is a finite resource that makes significant contribution to the economy of the State and individual municipalities.

Some farm-related tourism and retailing uses may be considered in this zone.

In regards to land used 'in conjunction with' another use in the Farming Zone, Clause 64.02 of the planning scheme specifies that:

- there must be an essential association between the two uses;
- and the use must have a genuine, close and continuing functional relationship in its operation with the other use.

##### (b) Rural Activity Zone

The main feature of the Rural Activity Zone is the flexibility that it provides for farming and other land use to co-exist. In this zone:

- The zone purpose and provisions support the continuation and growth of farming but provide the opportunity for non-farming uses to be considered in appropriate locations;
- A wider range of tourism, commercial and retail uses may be considered, compared to the Farming Zone and Rural Conservation Zone.

Because of the wide-ranging nature of the Rural Activity Zone, the planning scheme should be clear about what the planning authority wants to achieve in the area where the zone is to be applied and how discretion in the zone will be exercised.

This can be done by:

- Setting out how discretion in the zone will be exercised in the Local Planning Policy Framework (LPPF); or
- Including a purpose statement in the schedule to the zone.

A purpose statement in the schedule to the zone may describe:

- desired or preferred mix of land uses;
- desired or preferred locations for particular land uses;
- preferred approaches for managing off-site land use impacts; and
- a specific need that a proposal should meet.

##### (c) Rural Living Zone

The Rural Living Zone provides for residential use in a rural environment. It is designed to cater for lots in a rural setting that are large enough to accommodate a dwelling and a small scale farming use.

#### (d) Rural Conservation Zone

The Rural Conservation Zone is primarily concerned with protecting and conserving rural land for its environmental features or attributes.

#### WHERE SHOULD THE ZONES BE APPLIED?

The Practice Note states that the differences between the purpose and provisions of the zones decide where they should be applied. The decision about which zone is applied should be driven by the strategic objectives in the scheme.

A range of small to medium sized farming-related tourism uses may be considered in the Farming Zone (such as farm stays, restaurants, taverns, and farm produce sales).

However, 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 the most appropriate zone to apply. Matters to be considered include:

- The need to protect the agricultural, environmental and cultural values of the area;
- The scale and mix of tourism and recreation uses to be encouraged;
- Whether there are opportunities to build alliances between tourism business operators, farmers, food and wine producers and trail network managers;
- The product and infrastructure needs of tourists and the local community;
- Requirements for the siting, planning and design of tourism facilities.

The Rural Activity Zone is designed to be applied to rural areas where:

- Farming is an important activity in the area but the planning objectives identified for the land support the establishment of other land uses;
- A mixed-use function would support farming activities in the area, assist in preventing the unplanned loss of productive agricultural land elsewhere, or allow for the logical and efficient provision of infrastructure;
- The use of land in the area for non-farming purposes would not compromise the long term productivity of surrounding farmland;
- Appropriate buffers can be provided between different land uses so that land use conflicts are avoided;
- The planning authority has developed a clear policy about how discretion in the zone will be exercised;
- Rural areas where commercial, tourism or recreation development will complement and benefit the particular agricultural pursuits, landscape features or natural attractions of the area.

#### IMPLEMENTING RURAL STRATEGIC OBJECTIVES – LOCAL PLANNING POLICY

Wide discretion is available in the rural zones, particularly the Rural Activity Zone and Rural Living Zone. To guide the exercise of the discretion and fully implement their strategic objectives, the planning authority should consider whether a Local Planning Policy (LPP) is necessary. A LPP can help to establish realistic expectations about how land in area may be used and developed.

The State Planning Policy Framework clearly acknowledges the importance of the economic, social and cultural benefits that flow from tourism development in rural areas.

The Rural Activity Zone provides for a wide range of tourist-related uses. This level of discretion, together with the purpose of the zone, clearly suggests that the Rural Activity Zone is the most appropriate zone to facilitate tourism uses in rural areas, whilst providing for the continuation of farming.

The Special Use Zone is a zone that could be applied to dedicated, larger scale tourist development, in rural areas, that is not necessarily related to agriculture but takes advantage of the rural setting or views.

#### 4.4.4. VICTORIAN COASTAL STRATEGY 2008

The Victorian Coastal Strategy states that, “clear planning principles are required to achieve coastal policy objectives and increase regional tourism investment in the right locations within non-urban areas.”

Coastal Spaces 2006 suggests that these principles could include:

- The need to provide high quality visitor/tourist accommodation which responds to a regional tourism product strength, outlines the desired visitor experience to be achieved and demonstrates consistency with regional tourism strategies;
- The design of a development should respond to these tourism needs and seek to minimize overall impact by being subordinate to the visual and environmental qualities of the locality and minimizing the overall footprint of the development;
- The design of accommodation should prevent conversion to permanent residential occupation;
- The need to provide for an appropriate scale and intensity of use and development to manage the provision of services such as water and sewerage.

These principles could have wider application, in terms of being relevant for non-coastal rural areas.

The Victorian Coastal Strategy also seeks to discourage linear and isolated development proliferation along the coastal edge and major transport routes and within rural landscapes. This is also an important consideration in respect of touring routes within South Gippsland Shire, and the importance of protecting the rural character of the Shires as perceived by tourists.

#### 4.4.5. COASTAL SPACES LANDSCAPE ASSESSMENT STUDY, 2006

The Coastal Spaces Landscape Assessment Study identifies significant landscapes in Gippsland.

The Study recommends the application of the Significant Landscape Overlay in the Strzelecki Foothills, Kilcunda to Cape Patterson Coast, Venus Bay Peninsula and Anderson Inlet, Cape Liptrap to Waratah Bay, Corner Inlet Amphitheatre.

The Study also recommends incorporation of Best Practice Policy Statements to be applied to all Victorian coastal landscapes, in the Local Planning Policy Framework.

These Policy Statements seek to protect key views and vistas, manage development on ridges and hill slopes and manage the siting and design of development in coastal and hinterland locations.

The principles relating to the use and development of land along the coast and in significant landscape areas, as outlined in the Victorian Coastal Strategy and the Coastal Spaces Landscape Assessment Study have direct relevance to this study and could have broader application to tourism use and development in rural areas.

#### 4.4.6. LOCAL GOVERNMENT PLANNING STRATEGIES AND POLICIES

##### SOUTH GIPPSLAND SHIRE COUNCIL, MUNICIPAL STRATEGIC STATEMENT (MSS)

The South Gippsland Shire MSS acknowledges the key role of tourism in the future development of the Shire. It contains the following relevant objectives:

- To achieve a measurable net gain in the extent and quality of the Shire's biodiversity;
- To continuously improve all aspects of the urban environment;
- To achieve a measurable improvement in the health of the Shire's land and water resources;
- To ensure that the cultural heritage of the Shire is demonstrated by a variety of heritage places, which enable the key historic themes in the development of the Shire to be understood and interpreted;
- To ensure that heritage places in the Shire are used, managed and developed in a way that conserves or reveals the cultural significance of the place;
- To promote emerging natural resource-based industries;
- To encourage the location of service industries in towns to support the local population and provide employment opportunities;
- To recognise tourism as an industry that is integral to the future economic development and image of South Gippsland;
- To promote the tourism industry, building on the Shire's heritage assets, coastline, environmental qualities, rural landscape, agricultural produce and proximity to Melbourne;
- To encourage the development of a diverse range of tourism accommodation;
- To strengthen and promote Foster as a sustainable community based on agriculture and tourism, fully supported by a wide range of community and commercial services;
- To promote Foster as the gateway to Wilson's Promontory;
- To retain Korumburra as a significant economic, service and tourism centre in the Shire;
- To promote Nyora as the 'Gateway to the Shire';
- To maintain Venus Bay as a holiday settlement, allowing development to occur in an environmentally and socially sustainable manner that protects the delicate landforms and character of the area; and
- To maintain a network of small towns with a range of roles and services designed to cater for the needs of residents and visitors to the Shire.

## DRAFT RURAL STRATEGY, SOUTH GIPPSLAND SHIRE

RMCG in conjunction with Parsons Brinkerhoff was commissioned by the South Gippsland Shire Council to prepare a Rural Strategy for the Shire. The draft Strategy examines recent changes to rural zoning and future use and development of land in the Shire. Key recommendations in the draft Strategy include:

- The majority of land currently zoned for Farming should remain as such;
- The minimum subdivision sizes should be increased;
- Currently no areas in the Shire are zoned for 'Rural Activity'. The area between Korumburra and Leongatha and near Loch should be rezoned to Rural Activity to provide for tourism uses close to townships;
- Further subdivision of lots zoned 'Rural Activity' should be discouraged due to the small existing lot sizes within the area;
- Land currently zoned 'Rural Conservation' should remain as such;
- Steep land near Foster that is currently zoned Farming should be rezoned to Rural Conservation.

In conjunction with any rezoning to Rural Activity, the Local Planning Policy Framework will need to be amended to identify how particular areas should be used and developed to best meet identified tourism infrastructure needs and capitalise on tourism product strengths.

This study will provide input to the Rural Strategy to be completed by the Shire, in particular in respect of any recommended rezoning of land to Rural Activity or Special Use and the principles that should guide tourism use and development in those rural areas.



## 4.5. RURAL ZONES

### 4.5.1. EXISTING RURAL ZONES

The predominant zone in the rural areas of South Gippsland Shire is the Farming Zone.

### 4.5.2. HISTORY OF THE APPLICATION OF THE RURAL ZONES

Following the Rural Zones Review by the then Department of Sustainability and Environment, four new rural zones were introduced into the Victoria Planning Provisions (VPP) in 2004. The four new zones are:

- Farming Zone;
- Rural Activity Zone;
- Rural Living Zone;
- Rural Conservation Zone.

Of these zones, the Rural Conservation Zone and the Farming Zone are the most restrictive in terms of non-agricultural use and development.

In South Gippsland Shire (as with almost all rural municipalities), the former Rural Zone was replaced with the Farming Zone, via a Ministerial Amendment to the Planning Scheme.

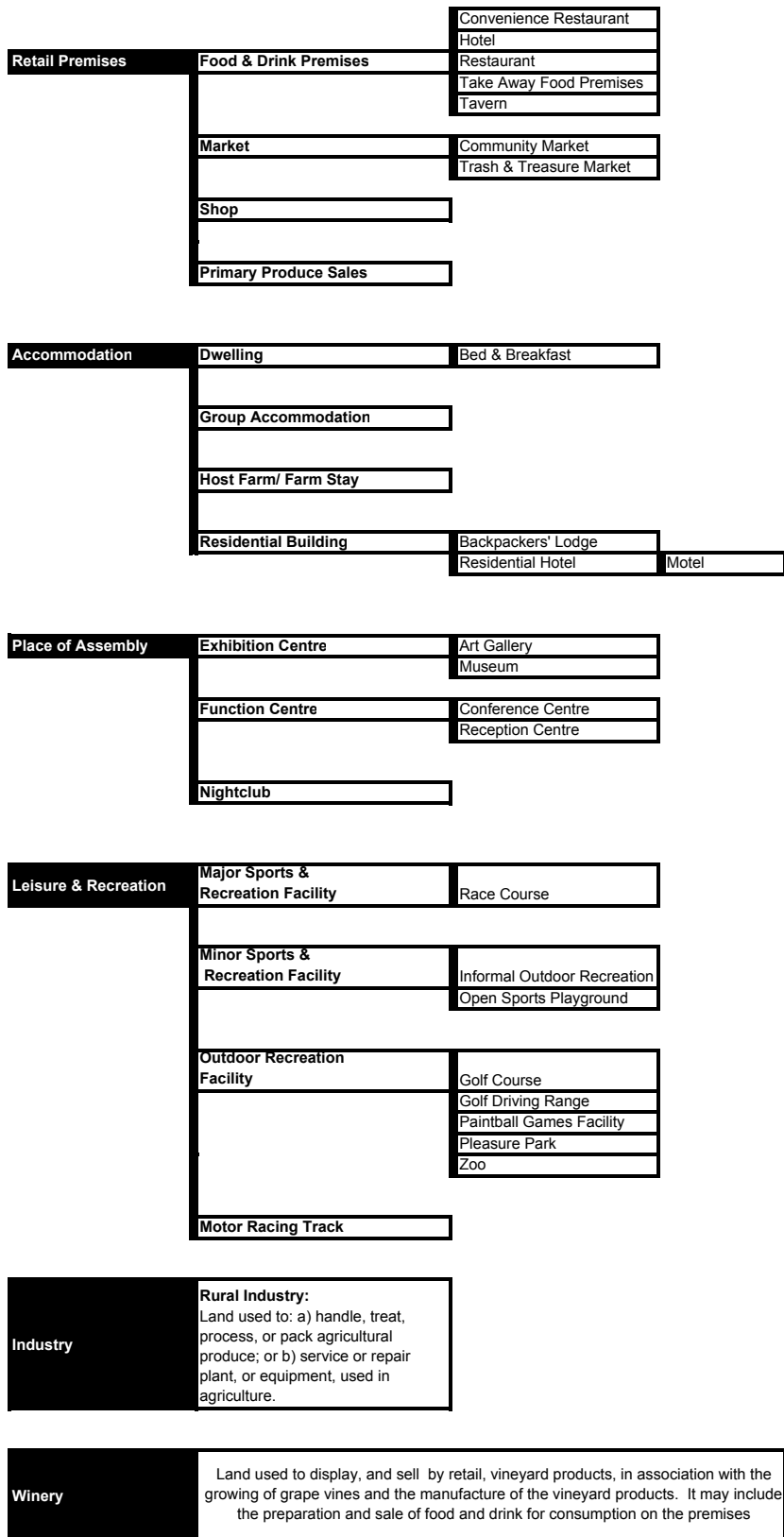
The former Rural Zone was far less restrictive than the current Farming Zone. This has led to numerous existing tourism uses being non-conforming uses in the Farming Zone, i.e. uses that were legitimately established under the former Rural Zone but would now be prohibited under the Farming Zone.

### 4.5.3. LAND USE DEFINITIONS

Common land use terms used are defined in the Planning Scheme. In some cases, the Planning Scheme defines some uses with reference to other uses.

This “nesting” of land use definitions relevant to tourism is shown in Figure 4.

PLANNING SCHEME USE DEFINITIONS & NESTING DIAGRAM - TOURISM RELATED USES



Land use terms defined in the Planning Scheme that are relevant to tourism include:

#### ACCOMMODATION

Includes camping and caravan park, bed and breakfast, dwelling, group accommodation, host farm, backpackers' lodge, motel and residential hotel.

#### LEISURE AND RECREATION

Includes racecourse, golf course, golf driving range, paintball games facility, pleasure park, zoo, motor racing track, informal outdoor recreation and open sports ground.

#### PLACE OF ASSEMBLY

Includes art gallery, museum, exhibition centre, function centre, conference centre, reception centre, nightclub, carnival and circus.

#### RETAIL PREMISES

Includes hotel, restaurant, take away food premises, tavern, convenience restaurant, trash and treasure market, community market, convenience shop and supermarket.

#### FARM STAY

A farm stay is defined as a host farm.

#### FUNCTION CENTRE

A function centre includes conference centre and reception centre.

#### ART GALLERY AND MUSEUM

Art gallery and museum are both included in exhibition centre.

#### GROUP ACCOMODATION

Defined as land, in a single ownership, containing a number of dwellings used to accommodate persons away from their normal place of residence.

There are existing examples where the land use definitions in the planning scheme do not align with current practices and trends in the tourism industry.

#### ISSUES WITH DEFINITIONS

The tourism industry needs to be highly responsive to visitor (customer) expectations. Tourism businesses need to continually evolve and improve their product offer in order to maintain a competitive edge. Rigid land use definitions, including land use terms that are currently not contemplated in the planning scheme can mitigate against this need for tourism businesses to continually improve their product offer. This is in the context of Tourism Victoria's strategies, which are aimed at encouraging businesses to adopt continuous improvement processes.

For example, there is no definition in the planning scheme for Day Spa or Microbrewery. These are uses that have emerged and grown significantly in regional Victoria in recent years and there have been recent proposals for both uses in Bass Coast Shire. Moreover, there is no existing land use definition where these uses could comfortably "fit". A particular issue with a Microbrewery is that it is, in fact a manufacturing and retail business along the lines of a winery/cellar door. However, unlike a winery/cellar door, the hops used in the brewing operation is mostly imported for quality reasons, rather than grown on the property.

Such types of ‘innominate uses’ are treated differently in each zone. In the Rural Activity Zone an innominate use requires a planning permit. In the Farming Zone an innominate use is prohibited.

As another example, the definition of Primary Produce Sales poses some constraints on the nature of the products that can be sold. Primary produce sales (i.e. the only land use definition that aligns with a Farm Gate outlet) only allows the sale of unprocessed produce grown on the land or adjoining land. This excludes the sale of locally-made gourmet products such as jams, preserves, pickles and sauces and also excludes the sale of other local produce such as cheese, fruit and vegetables. Therefore, in order to sell other local produce, it is necessary to establish a retail premises, which would also allow any other form of retailing imaginable.

There is an anomaly in the definition of Winery, which is, in fact, mostly related to cellar door activity rather than the production of wine. In practice, a Winery relates to the manufacturing operation (i.e. the processes of conversion of winegrapes to wine) and a Cellar Door relates to the sale of that wine.

The planning scheme does not directly contemplate vertically integrated tourism developments comprising a range of tourist-related components, such as a resort development that comprises accommodation, function centre, conference centre, restaurant, recreation facilities, sale of convenience goods for self-catering guests, day spa and so on.

#### 4.5.4. RURAL ZONE PROVISIONS

The opportunity for rural land to be used or developed for tourism is dependent on the zoning of the land.

Table 8 summarises the main tourist-related uses and whether these are permitted uses or prohibited uses in each of the rural zones. Appendix B provides more detail on the purpose and permitted uses for each of the rural zones, as well as the development controls that apply to each.

Table 8 shows that the most restrictive zone is the Rural Conservation Zone, but this is to be expected given the purpose of the zone. The Rural Activity Zone and Rural Living Zone have wide discretion in relation to tourist uses, however the purpose of the Rural Living Zone is to provide for residential use in a rural setting. The Rural Activity Zone is the zone that is most suitable to accommodate tourist uses and development in rural areas.

It is clear that the Farming Zone places significant limitations on tourism use and as previously stated, this is the predominant rural zone in South Gippsland Shire.

In particular, the limitations on tourism uses in the Farming Zone include:

- Prohibition on accommodation, other than a Bed and Breakfast and Host Farm, unless used in conjunction with agriculture, outdoor recreation, rural industry or winery;
- Prohibition on retail sales, other than primary produce sales (which only allows sale of unprocessed produce grown on the property or adjoining property).

The Rural Activity Zone allows a wider range of tourism, commercial and retail uses, compared to the Farming Zone and Rural Conservation Zone. Most of the main tourist-related uses are permitted in the Rural Activity Zone.

TABLE 4 OVERVIEW OF TOURISM-RELATED USES IN RURAL ZONES

Use	Farming	Rural Living	Rural Conservation	Rural Activity
Art Gallery	Permit Required	Permit Required	Use Prohibited	Permit Required
Backpackers' Lodge	Use Prohibited	Permit Required	Use Prohibited	Permit Required
Bed and Breakfast	Permit not Required Must not accommodate more than six people away from their normal place of residence. One car park must be provided for every two people accommodated away from their normal place of residence	Permit not Required Must not accommodate more than six people away from their normal place of residence. One car park must be provided for every two people accommodated away from their normal place of residence.	Permit not Required Must not accommodate more than six people away from their normal place of residence. One car park must be provided for every two people accommodated away from their normal place of residence.	Permit not Required Must not accommodate more than six people away from their normal place of residence. One car park must be provided for every two people accommodated away from their normal place of residence
Camping and Caravan Park	Use Prohibited	Permit Required	Use Prohibited	Permit Required
Carnival	Permit not Required Must meet the requirements of A 'Good Neighbour' Code of Practice for a Circus or Carnival, October 1997	Permit not Required Must meet the requirements of A 'Good Neighbour' Code of Practice for a Circus or Carnival, October 1997	Permit not Required Must meet the requirements of A 'Good Neighbour' Code of Practice for a Circus or Carnival, October 1997	Permit not Required Must meet the requirements of A 'Good Neighbour' Code of Practice for a Circus or Carnival, October 1997.
Cinema Based Entertainment Facility	Use Prohibited	Use Prohibited	Use Prohibited	Use Prohibited
Circus	Permit not Required Must meet the requirements of A 'Good Neighbour' Code of Practice for a Circus or Carnival, October 1997	Permit not Required Must meet the requirements of A 'Good Neighbour' Code of Practice for a Circus or Carnival, October 1997	Permit not Required Must meet the requirements of A 'Good Neighbour' Code of Practice for a Circus or Carnival, October 1997	Permit not Required Must meet the requirements of A 'Good Neighbour' Code of Practice for a Circus or Carnival, October 1997.
Community Market	Permit Required	Permit Required	Permit Required	Permit Required
Conference Centre	Permit Required	Permit Required	Use Prohibited	Permit Required
Convenience restaurant	Use Prohibited	Use Prohibited	Use Prohibited	Use Prohibited
Convenience shop	Use Prohibited	Permit Required	Use Prohibited	Permit Required The site must not have direct access to a rural freeway.
Dwelling	Permit not Required Must be the only dwelling on the block. Lot must be at least the size specified on the Schedule to the zone otherwise it must be 40 hectares, must be the only dwelling on the lot, must meet requirements of the Schedule to Special Use Zone 1	Permit not Required Lot must be at the size specified in the Schedule to this Scheme or at least 8 hectares must be the only dwelling on the lot, must meet requirements of the Schedule to Clause 35.03-2.	Permit Required Must be the only dwelling on the lot. This does not apply to the replacement of an existing dwelling if the existing dwelling is removed or altered (so it can no longer be used as a dwelling) within one month of the occupation of the replacement dwelling.	Permit Required
Exhibition Centre	Permit Required	Permit Required	Use Prohibited	Permit Required
Function Centre	Permit Required	Permit Required	Use Prohibited	Permit Required
Golf Course	Permit Required	Permit Required	Use Prohibited	Permit Required
Golf Driving Range	Permit Required	Permit Required	Use Prohibited	Permit Required

<b>Group Accommodation</b>	Permit Required Must be used in conjunction with agriculture, outdoor recreation facility, rural industry or winery. No more than 6 dwellings.	Permit Required	Permit Required Must be used in conjunction with Agriculture, Rural Industry or Winery, no more than six dwellings.	Permit Required
<b>Host Farm</b>	Permit Required	Permit Required	Permit Required	Permit Required
<b>Hostel</b>	Use Prohibited	Permit Required	Use Prohibited	Use Prohibited
<b>Hotel</b>	Use Prohibited	Permit Required	Use Prohibited	Permit Required
<b>Informal Outdoor Recreation</b>	Permit not Required	Permit not Required	Permit not Required	Permit not Required
<b>Motel</b>	Use Prohibited	Permit Required	Use Prohibited	Use Prohibited
<b>Motor Racing Track</b>	Use Prohibited	Use Prohibited	Use Prohibited	Permit Required
<b>Museum</b>	Permit Required	Permit Required	Use Prohibited	Permit Required
<b>Nightclub</b>	Permit Required Must not be used for more than 10 days in a calendar year.	Use Prohibited	Use Prohibited	Use Prohibited
<b>Open Sports Ground</b>	Permit Required	Permit Required	Use Prohibited	Permit Required
<b>Paintball Games Facility</b>	Permit Required	Permit Required	Use Prohibited	Permit Required
<b>Pleasure Park</b>	Permit Required	Permit Required	Use Prohibited	Permit Required
<b>Primary Produce Sales</b>	Permit Required	Permit Required	Permit Required	Permit Required
<b>Racecourse</b>	Permit Required	Permit Required	Use Prohibited	Permit Required
<b>Reception Centre</b>	Permit Required	Permit Required	Use Prohibited	Permit Required
<b>Residential Hotel</b>	Permit Required Must be used in conjunction with agriculture, outdoor recreation facility, rural industry or winery.	Permit Required	Permit Required Must be used in conjunction with agriculture, rural industry or winery. Number of bedrooms must not exceed 80 or whatever is specified in the zone, whichever is the lesser.	Permit Required
<b>Restaurant</b>	Permit Required Must be used in conjunction with agriculture, outdoor recreation facility, rural industry or winery.	Permit Required Site must not have direct access to a rural freeway.	Permit Required Must be used in conjunction with agriculture, rural industry or winery. Number of patrons must not exceed the number situated in the schedule or 150 patrons, whichever is the lesser.	Permit Required
<b>Retail Premises</b>	Use Prohibited Other than Community market, Manufacturing sales, Primary produce sales and Restaurant.	Use Prohibited Other than Community market, Convenience shop, Hotel, Plant nursery, Postal agency, Primary produce sales, Restaurant and Tavern.	Use Prohibited Other than Community market, Plant nursery, Primary produce sales, and Restaurant	Use Prohibited Other than Community market, Convenience shop, Equestrian supplies, Hotel, Landscape gardening supplies, Manufacturing sales, Primary produce sales, Restaurant and Tavern
<b>Supermarket</b>	Use Prohibited	Use Prohibited	Use Prohibited	Use Prohibited
<b>Takeaway Food Premises</b>	Use Prohibited	Use Prohibited	Use Prohibited	Use Prohibited
<b>Tavern</b>	Use Prohibited	Permit Required Site must not have direct access to a rural	Use Prohibited	Permit Required

		freeway.		
<b>Trash and Treasure Market</b>	Use Prohibited	Use Prohibited	Use Prohibited	Use Prohibited
<b>Winery</b>	Permit Required	Permit Required	Permit Required	Permit Required
<b>Zoo</b>	Permit Required	Permit Required	Use Prohibited	Permit Required

#### 4.5.5. "IN CONJUNCTION WITH"

The term, 'in conjunction with' in relation to Rural Zones, has been open to significant interpretation and has led to a number of Applications for Review to VCAT.

Clause 64.02 states that:

If a provision of the scheme provides that a use of land must be used 'in conjunction with' another use of the land:

- There must be an essential association between the two uses; and
- The use must have a genuine, close and continuing functional relationship in its operation with the other use.

In *Neve v Macedon Ranges Shire Council and Others*, an application for a 150 patron restaurant, 72 bed residential hotel and a range of other guest facilities in a Rural Conservation Zone was rejected. This development was to take place in conjunction with agriculture, rural industry or winery, as stipulated in Section 2 of the Rural Conservation Zone. In this case, the rural industry was an existing thoroughbred horse stabling and training complex.

In handing down its decision, the Tribunal made the following statements:

"We consider an "essential association" requires a nexus with agriculture (winery or rural industry) that includes:

- A required or necessary link(s) between bona fide activities;
- A demonstrable, rather than speculative, link(s) between uses;
- A link(s) of substance not of minor token or tenuous association;
- An association with agriculture from inception;

Furthermore an essential association between uses:

- Requires more than just a physical co-existence or co-location
- Does not confine that the nature of the link(s) which may be, for example, practical, functional, aesthetic and/or economic;
- Does not demand a distinction between primary and ancillary activities although the relative scale of uses may be relevant."

In the case of *Neve v Macedon Ranges Shire Council and Others* it was accepted that

- Wine and food supplied from produce grown/animals grazed on the review site provides a close functional relationship;
- The hotel and training complex could be said to share a physical/aesthetic relationship by viewing over the training schedule

However the Tribunal noted that:

- A relationship between the restaurant and racing complex is not close or necessarily enduring given the physical separation between the restaurant and the equine facilities;
- A lack of certainty in relation to sharing of clientele/guests;
- A lack of identified operational and practical relationships;



- On the information that was presented to the tribunal, an equine marketing theme is intended but not a required component of the resort, it does not represent an enduring/close functional relationship with agriculture on the land;
- There is little evidence of the economic relationships between uses; the link seems stronger between the hotel and restaurant than either has with agriculture;
- There is little indication of a sharing of facilities between the uses;
- The opportunity for watching horses and some interaction with horses by restaurant guests could be a component of a close and enduring functional relationship but does not meet that criteria alone having regard to layout and practical considerations;
- The picturesque setting may also provide a relationship between uses but again is not sufficient in our view to be a close and enduring functional relationship in terms sought by the scheme.

The Tribunal concluded that the proposal would not have a genuine, close and continuing functional relationships in its operation with agriculture to satisfy Clause 64.

In *Mornington Wine Company Pty Ltd v Mornington Peninsula Shire Council*, a permit was sought for land to be developed for a holiday resort incorporating a winery, function centre, restaurant, residential hotel, caravan and camping park and a golf driving range in a Green Wedge Zone. Whilst this does not relate to the Rural Zones, the principles and criteria surrounding the interpretation of “in conjunction with” remain the same.

In a Green Wedge Zone, motel, restaurant and sales (cellar door) are conditional and must be used in conjunction with agriculture, outdoor use, rural industry or winery.

In this case, the term “essential association” which is used in 64.02 is discussed at length in the Tribunal decision. The Shorter Oxford Dictionary meanings of “essential” and “association” were used in lieu of the absence of a definition in the planning scheme.

However, it was agreed that a literal interpretation of this would have unintended consequences. For example, it is clear that a winery and a vineyard do not have an essential or intrinsic association in an operational sense. The judgment introduced the concept of “necessary association” in the context of planning outcomes sought through the zone. The connections between uses are much more complex than if a literal translation of “essential association” was used. In the context of many tourism uses, the relationships between the secondary and primary uses on the land are mirrored in the broader region. The region contributes to the aesthetic setting of the secondary uses on the land. The secondary uses contribute to the regional economy.

In this case, this was argued successfully and the development was found to be supporting the objectives of the zone and subsequently a permit was granted.

The decision in *Neve v Macedon Ranges Shire Council* highlights the constraints imposed by necessitating that each individual use be “in conjunction with” agriculture, rural industry or the other uses identified in the planning scheme.

Many terms in developments are functionally interpreted by necessity. This functional interpretation involves accommodation, dining out, opportunities to purchase food, recreation facilities and in some cases facilities for meetings, functions and conferences. This is even more important in rural areas where access to retail facilities to purchase food and for restaurants and cafes for dining out, are limited. This is explicitly acknowledged in *Neve v Macedon Ranges*

Shire Council and Others where the tribunal found the link between the hotel and the restaurant was stronger than either uses had with agriculture.

Issues surrounding the condition requiring uses to be “in conjunction with” agriculture or rural industry include:

- The difficulty for planners, landowners and developers in interpreting the meaning of the clause;
- The potential for a wide variance in the way the clause is interpreted;
- The time and cost involved in interpreting the clause, through the need for specialist consultants and often the need to resort to an Application for Review by VCAT;
- The requirement for all tourist uses to meet the conditions, which ignores the commercial imperative for an integration of uses such as accommodation, dining and recreation facilities.

#### 4.5.6. EXISTING USE RIGHTS

Where a use has had existing legal right prior to the implementation of the current planning scheme, the property owner has the right to continue the use whether conforming or non conforming with the existing Planning Scheme, providing that the use has not stopped for:

- A continuous period of two years;
- Two or more periods which together total two years in any period of three years;
- In the case of seasonal use, two years in succession.

There are many examples of existing use rights for properties within the current Farming Zone, where permits were issued under the former Rural Zone. (An example of this is the Toora Caravan Park). Whilst some tourism businesses may now be considered as non conforming with the existing Farming Zone, the owner has the right to continue the use.

For many tourism businesses this situation will not affect their operation. However if the tourism business wishes to expand, any new uses would need to meet the new planning scheme requirements.

#### 4.5.7. APPLICATION OF THE RURAL ACTIVITY ZONE FOR NEW TOURISM PURPOSES

The VPP Practice Note - Applying the Rural Zones identifies that the Rural Activity Zone should be applied to encourage tourism uses. In particular the Practice Note states: “*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 the most appropriate zone to apply*”. In deciding to apply the Rural Activity Zone to facilitate tourism in an area, matters to be considered include:

- the need to protect the agricultural, environmental and cultural values of the area
- the scale and mix of tourism and recreation uses to be encouraged
- whether there are opportunities to build alliances between tourism business operators farmers, food and wine producers and trail network managers
- the product and infrastructure needs of tourists and the local community
- requirements for the siting, planning and design of tourism facilities.

#### 4.6. DISCUSSION

The Farming Zone poses some constraints in terms of accommodating those tourism uses that have been identified as “gaps” in South Gippsland Shire. For example, it is not possible to establish a large accommodation facility in the Farming Zone, unless it is used in conjunction with agriculture, outdoor recreation, rural industry or winery. In addition, a caravan park is a prohibited use.

Given the widespread application of the Farming Zone in both Shires, it is currently not possible to propose an integrated tourism resort or Caravan Park in the rural areas without the rezoning of the land.

The interpretation of the term “in conjunction with” has caused difficulties for planners and proponents alike and has led to inconsistencies in its application. Often, this leads to the interpretation being tested at VCAT, which is costly and time consuming - a major deterrent for proponents.

The blanket introduction of the Farming Zone in rural areas has led to a number of bona fide tourism developments being non-conforming uses, even though they are in areas that are appropriate for the use. This includes the RACV Resort in Inverloch and the Toora Caravan Park. Whilst ‘existing use rights’ will typically assist a non-conforming use to continue operating and sometimes expand in situ, certain types of non-conforming uses can be unreasonably constrained in terms of expansion or intensification over time to meet visitor expectations. In addition, any expansion into adjoining Farming Zone land would most likely be prohibited. Tourism businesses that are a non-conforming land use can also experience difficulty in obtaining finance for improvements or in selling the business, due to the uncertainties surrounding the town planning status.

The Rural Activity Zone provides a greater level of discretion with regard to tourism uses. The Planning Practice Note for Application of Rural Zones identifies that it may be considered for tourism purposes in rural areas.

## 5. SUMMARY OF ISSUES AND OPPORTUNITIES

### 5.1. TOURISM

#### *1. TOURISM IS A SIGNIFICANT CONTRIBUTOR TO THE LOCAL ECONOMY OF SOUTH GIPPSLAND SHIRE.*

The tourism industry generates a considerable amount of direct expenditure by visitors in both South Gippsland and Bass Coast Shire with over \$650 million per annum and this expenditure has flow-on economic benefits to those other industries in the Shires that service and support tourism businesses. In addition, tourism is responsible for a significant number of jobs that exist in both Shires (estimated at 3,800 jobs both directly and indirectly).

It will be important to the local economy of South Gippsland Shire that tourist visitation and tourist expenditure continues to grow. This growth will require continued investment in appropriate tourism infrastructure to meet the needs and expectations of tourists.

#### *2. THERE ARE STRONG TOURIST DESTINATIONS AND DRAWCARDS EVIDENT IN SOUTH GIPPSLAND SHIRE.*

Key tourist destinations are characterised by a unique tourism product offering, the quality and extent of tourism infrastructure to support the tourism product and consequently the number of visitors attracted to those locations, together with the level of expenditure generated by those visitors.

The key tourist destination in South Gippsland Shire is Wilsons Promontory.

It is important that these key destinations are supported by appropriate investment in tourism infrastructure that meets existing and future needs and reinforces the Shire's tourism product strengths.

#### *3. MOST VISITORS TO SOUTH GIPPSLAND SHIRE ASSOCIATE THE REGION WITH ITS RURAL CHARACTERISTICS AND NATURAL ATTRACTIONS.*

The perceptions of visitors to the South Gippsland Shire clearly reinforce the importance of the rural areas and natural attractions, with over 90% of visitors associating South Gippsland Shire with either Wilsons Promontory, the rolling hills or the beach.

Key attractors for visitors to South Gippsland Shire therefore include the rural and/or coastal setting. Proximity to natural attractions, views, location within a picturesque rural setting, privacy and seclusion are critical factors in attracting visitors to stay in the region. This is acknowledged in the Coastal Spaces report. "Non-urban landscapes between settlements play an important role in providing a unique and distinctive visitor experience contributing to the reasons why people visit, recreate and stay in coastal areas, particularly those with significant visual landscapes."

It will be important to ensure that the character of the region that attracts visitors is preserved. At the same time, it will be important to facilitate tourism development that provides visitors with the experience that they are looking for.

*4. RURAL TOURISM ACTIVITIES ARE AN IMPORTANT PART OF THE MIX OF ACTIVITIES UNDERTAKEN BY VISITORS TO SOUTH GIPPSLAND SHIRE.*

Touring, local produce, wineries and farm visits are significant activities undertaken by visitors.

Touring comprises the activities of sightseeing with regular stops at tourist attractions along the way. This includes restaurants/cafes, farm gate outlets, wineries, farm visits and art/craft galleries.

In addition, these activities are important components of the tourism product mix for South Gippsland Shire, as they are not related to the beach/coast (and therefore help in taking pressure off the coast) and are not dependant on weather. These activities therefore assist in reducing seasonality (i.e. reduce the reliance on peak summer visitation).

Touring is identified as a significant tourism product for the Gippsland region and South Gippsland Shire is located on the popular Sydney-Melbourne Coastal Drive. Touring segments include Free and Independent Travellers (FIT) in cars and rental vans (e.g. Britz, Apollo) and “grey nomads” and families in motorhomes and towing caravans. Touring segments comprise both domestic and international tourists. It is important that accommodation infrastructure that supports this touring activity is available, including caravan park accommodation.

*5. THERE IS A NEED FOR SPECIFIC TOURISM INFRASTRUCTURE IN SOUTH GIPPSLAND SHIRE TO MEET CURRENT NEEDS.*

There is strong strategic policy support for growing regional tourism in Victoria. A key requirement to facilitate this growth is the need to address critical tourism infrastructure gaps.

In South Gippsland Shire, key tourism infrastructure needed includes a range of quality accommodation venues (particularly larger establishments), backpacker accommodation, guest house/farm stay accommodation, conference facilities and quality dining opportunities. Growing food and wine agri-tourism is seen to be a key opportunity.

*6. TOURISM IS FORECAST TO GROW IN AUSTRALIA. IF SOUTH GIPPSLAND SHIRE MAINTAINS ITS MARKET SHARE IN TOURISM, THIS WILL TRANSLATE TO INCREASED TOURISM DEMAND.*

**TOURISM FORECASTS**

In the short and long term, both tourism visitation and tourism expenditure in Australia are forecast to grow.

Provided that South Gippsland Shire can maintain (or increase) its market share, it can be expected that tourism will continue to be an important contributor to the local economy of the Shire. Indeed, the opportunity exists for South Gippsland Shire to facilitate growth in tourism through continued development in agri-tourism and the provision of appropriate visitor accommodation.

## **5.2. AGRICULTURE**

*7. AGRICULTURAL PRODUCTION IS AN IMPORTANT PART OF THE LOCAL ECONOMY FOR SOUTH GIPPSLAND SHIRE.*

The value and volume of agricultural production in South Gippsland Shire indicates that agriculture is the single largest contributor to the local economy.

It is therefore important that agricultural production be maintained as a key economic driver. In addition, agricultural production is an essential ingredient in developing agri-tourism products such as farm visits, farm stays, farm gate sales and cellar doors.

*8. HIGH QUALITY AGRICULTURAL LAND SHOULD BE PROTECTED FOR AGRICULTURAL PRODUCTION.*

The South Gippsland Shire generally contains large areas of high quality agricultural land, including very high quality land between Leongatha and Mirboo North, and north of Poowong. It is important that these areas are primarily maintained for agricultural production. In other areas land quality is often dictated by topography, with the steeper areas of the Shire posing constraints on certain farming activities.

Apart from the quality of agricultural land, other factors that are important in determining the most appropriate areas for farming and hence the areas that could be considered for tourism use and development, include salinity, rainfall, water availability, topography, vegetation cover and existing fragmentation of land ownership.

*9. THERE ARE EXTERNAL FACTORS IMPACTING ON AGRICULTURE THAT NEED TO BE TAKEN INTO ACCOUNT.*

CLIMATE CHANGE

Climate change is likely to impact on the type of agricultural production carried out in the Shire as well as the method of production, including the use and allocation of the key resources of land and water. In turn, this is likely to lead to a gradual re-definition over time of what constitutes high quality agricultural land.

Climate change is also likely to affect low-lying areas along the coast.

The consideration of appropriate locations for rural tourism development including agri-tourism uses, should be sufficiently robust to avoid being adversely affected by climate change impacts. Moreover, the impact of climate change may place greater importance on the need to facilitate other income streams for rural properties to ensure greater income security for primary producers. The role of tourism uses in this regard, particularly those that have a relationship to the agricultural use of the land, or the rural setting of the land, will become increasingly important.

For the purposes of this study, existing analyses of high quality agricultural land have been adopted as the starting point.

GLOBAL FOOD SHORTAGES/FOOD SECURITY

The current global food shortages and consequent increase in food prices highlight the importance of retaining high quality agricultural land for food production.

In addition, they add to the increasing interest by consumers (and tourists) in understanding where their food comes from, and the processes involved in food production. This is an essential element of agri-tourism.

### 5.3. PLANNING

*10. THE FARMING ZONE PLACES LIMITATIONS ON THOSE TOURISM USES THAT HAVE BEEN IDENTIFIED AS THE EXISTING GAPS IN THE SOUTH GIPPSLAND TOURISM MARKET.*

In particular, the limitations on tourism uses in the Farming Zone include:

- Prohibition on accommodation, other than a Bed and Breakfast and Host Farm, unless used in conjunction with agriculture, outdoor recreation, rural industry or winery;
- Prohibition on retail sales, other than primary produce sales (which only allows sale of unprocessed produce grown on the property or adjoining property).

These limitations make it difficult to address the key tourism infrastructure gaps identified for South Gippsland Shire, including the need for more large scale, quality accommodation establishments and backpacker accommodation/caravan parks.

Given the widespread application of the Farming Zone in the Shire, it is currently not possible to propose an integrated tourism resort or Caravan Park in the rural areas with the rezoning of the land.

The interpretation of the term “in conjunction with” has caused difficulties for planners and proponents alike and has led to inconsistencies in its application. Often, this leads to the interpretation being tested at VCAT, which is costly and time consuming - a major deterrent for proponents.

*11. THE BLANKET INTRODUCTION OF THE FARMING ZONE IN RURAL AREAS HAS LED TO A NUMBER OF BONA FIDE TOURISM DEVELOPMENTS BEING NON-CONFORMING USES, EVEN THOUGH THEY ARE IN AREAS THAT ARE APPROPRIATE FOR THE USE.*

Examples of non-conforming tourist uses include the RACV Resort in Inverloch.

Existing Use Rights cater for non-conforming uses and can allow for some expansion or modification to occur to an existing non-conforming use. However, some non-conforming uses can be unreasonably constrained in terms of being able to expand or modify over time to meet visitor expectations. In addition, any expansion into adjoining Farming Zone land would most likely be prohibited. Tourism businesses that are a non-conforming land use can also experience difficulty in obtaining finance for improvements or in selling the business, due to the uncertainties surrounding the town planning status.

*12. THE RURAL ACTIVITY ZONE PROVIDES FOR A WIDE RANGE OF TOURIST-RELATED USES.*

The level of discretion under the Rural Activity Zone, together with the purpose of the zone, clearly suggests that it is the most appropriate zone to facilitate tourism uses in rural areas, whilst ensuring the continuation of farming.

Rezoning of land from Farming Zone to Rural Activity Zone should be considered in appropriate locations in South Gippsland Shire to facilitate meeting tourism infrastructure needs and realising agri-tourism opportunities. Amendments to the Local Planning Policy Framework are needed to provide clear direction as to how land within the Rural Activity Zone should be used and developed.

The principles relating to the use and development of land along the coast and in significant landscape areas, as outlined in the Victorian Coastal Strategy and the Coastal Spaces Landscape Assessment Study, could have broader application to tourism use and development in rural areas.

In conjunction with any rezoning to Rural Activity, the Local Planning Policy Framework will need to be amended to identify how particular areas should be used and developed to best meet identified tourism infrastructure needs and capitalise on tourism product strengths.

This study will provide input to the Rural Strategy to be completed by the Shire, in particular in respect of any recommended rezoning of land to Rural Activity and the principles that should guide tourism use and development in those rural areas.

*13. THE SPECIAL USE ZONE COULD BE AN APPROPRIATE ZONE FOR DEDICATED, LARGE SCALE TOURIST DEVELOPMENT IN RURAL AREAS.*

Larger scale, dedicated tourist developments such as a resort or a caravan park that are not necessarily related to any agricultural use of land in the rural areas could be accommodated through rezoning to an alternate zone (such as RAZ, SUZ or CDZ).. This would most likely occur as a site-specific rezoning.

*14. THERE ARE EXISTING EXAMPLES WHERE THE LAND USE DEFINITIONS IN THE PLANNING SCHEME DO NOT ALIGN WITH CURRENT PRACTICES AND TRENDS IN THE TOURISM INDUSTRY.*

The tourism industry needs to be highly responsive to visitor (customer) expectations. Tourism businesses need to continually evolve and improve their product offer in order to maintain a competitive edge. Rigid land use definitions, including land use terms that are currently not contemplated in the planning scheme can mitigate against this need for tourism businesses to continually improve their product offer. This is in the context of Tourism Victoria's strategies, which are aimed at encouraging businesses to adopt continuous improvement processes. Some examples for discussion purposes are provided below.

**DAY SPA, MICROBREWERY**

For example, there is no definition in the planning scheme for Day Spa or Microbrewery. These are uses that have emerged and grown significantly in regional Victoria in recent years and there have been recent proposals for both uses in Bass Coast Shire. Moreover, there is no existing land use definition where these uses could comfortably "fit". A particular issue with a Microbrewery is that it is, in fact a manufacturing and retail business along the lines of a winery/cellar door. However, unlike a winery/cellar door, the hops used in the brewing operation is mostly imported for quality reasons, rather than grown on the property.

Whilst Microbrewery may fall under the definition of rural industry, rural industry does not cover the diversity of uses that a microbrewery encompasses including café, retail and restaurant.

**PRIMARY PRODUCE SALES (FARM GATE SALES OUTLET)**

The definition of Primary Produce Sales poses some constraints on the nature of the products that can be sold from the site. Primary produce sales (i.e. the only land use definition that aligns with a Farm Gate outlet) only allows the sale of unprocessed produce grown on the land or adjoining land. This excludes the sale of locally-made gourmet products such as jams, preserves, pickles and sauces and also excludes the sale of other local produce such as cheese, fruit and vegetables. Therefore, in order to sell other local produce, it is necessary to establish a retail premises, which would also allow any other form of retailing imaginable.

This creates difficulties because tourists are seeking to purchase more than one product at farm gate outlets. The visitor survey conducted for this study shows that the majority of respondents are interested in local produce sales, including:

- Meats;
- Cheeses;
- Fruit and vegetables;



- Milk products (ice-cream, yoghurt);
- Olives and olive oil;
- Wine;
- Bottles jams, sauces and pickles.

In particular, all respondents indicated that they would like to be able to purchase a broad range of local produce at a farm gate outlet. Other important aspects of the farm gate sales experience for tourists are the ability to meet the grower and learn about the products on sale and display.

A further problem caused by the definition is the difficulty in establishing a viable farm gate outlet based on the sale of one product (i.e. the product grown on the farm).

#### WINERY

There is an anomaly in the definition of Winery, which is, in fact, mostly related to cellar door activity rather than the production of wine. In practice, a Winery relates to the manufacturing operation (i.e. the processes of conversion of winegrapes to wine) and a Cellar Door relates to the sale of that wine. In respect of tourism, it is the combination of activities that is important (together with viticultural production on the land), namely the production of wine on site that is branded to the region, as well as the opportunity to sample and purchase the wine (and learn about its production and qualities from the winemaker and cellar door staff).

Olive and olive oil production is similar to wine. The agricultural activity of growing olives, supports the manufacturing activity of making olive oil, which in turn, supports the tourism activity of selling the produce and educating customers about the product.

#### INTEGRATED RESORT DEVELOPMENT

The existing planning controls on land within South Gippsland do not directly contemplate vertically integrated tourism developments comprising a range of tourist-related components, such as a resort development that comprises accommodation, function centre, conference centre, restaurant, recreation facilities, sale of convenience goods for self-catering guests, day spa and so on. A more appropriate zone could be applied to particular land in order to facilitate such use and development.

## 6. IDENTIFICATION OF RURAL TOURISM INVESTIGATION PRECINCTS

### 6.1. INTRODUCTION

This section of the report identifies precincts in South Gippsland Shire which present a range of characteristics suited to tourism development, whilst minimising impacts on agricultural activities and the environment.

The Tourism Investigation Precincts have been identified through careful consideration of tourism development principles developed for the purposes of this study. These are identified below.

It is not envisaged that all land within the Rural Tourism Investigation Precincts would be rezoned to Rural Activity Zone to support tourism uses. The precincts have been identified to guide the location of future tourism development in rural areas in order to protect productive agricultural land and provide synergies with existing tourism product and infrastructure.

The identification of tourism investigation precincts provides no guarantee that rezoning or developments in the precinct will be approved. For each precinct, further work is required to identify suitable individual sites.'

The Rural Tourism Investigation Precincts provide a proactive approach to attracting new tourism development suited to South Gippsland Shire's rural areas and providing opportunity for existing tourism businesses in rural areas to grow and prosper.

### 6.2. PRINCIPLES FOR IDENTIFICATION OF RURAL TOURISM INVESTIGATION PRECINCTS

The following principles have been developed to identify the location and extent of Rural Tourism Investigation Precincts.

Rationale is provided for each precinct in relation to each of these principles later in this section.

#### IMPACT ON AGRICULTURE

1. Avoids high quality agricultural land except where significant fragmentation into smaller allotments has already occurred.
2. Minimises impact on agricultural production by focusing on areas of low to moderate agricultural quality and/or areas where lot fragmentation has already occurred.

#### RELATIONSHIP TO EXISTING TOURISM PRODUCT STRENGTHS

3. Is in close proximity to existing tourism product and infrastructure nodes or in a location which exhibits tourism development potential: I.e.: undeveloped high quality natural attractions.
4. Is in an area exhibiting existing tourist visitation and opportunity for increased tourism activity through further tourism product development.

#### SITE ATTRIBUTES

5. Provides an attractive setting, either rural or coastal, and provides the opportunity for tourism development to capture significant rural or coastal views and vistas.
6. Is elevated more than 5 metres above sea level with preference to areas which are not subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding or landslip.

#### ACCESS

7. Is easily accessible to or located along a major road, highway or touring route.

#### ENVIRONMENTAL IMPACT

8. Avoids impacts on predictable adverse environmental processes and effects including storm surges, river and coastal flooding, erosion, landslip, salinity, sea level rise, disturbance of acid sulphate soils, wildfire or geotechnical risk

### 6.3. OVERVIEW OF RURAL TOURISM DEVELOPMENT INVESTIGATION PRECINCTS

The following Rural Tourism Investigation Precincts were identified based on the principles above. A map follows this section which identifies the extent of the precincts. The Rural Tourism Investigation Precincts include:

- Korumburra- Leongatha -Loch
- Koonwarra-Meenyan Hinterland;
- Waratah North Hinterland;
- Foster North Hinterland;
- Yanakie;
- Cape Liptrap;
- Mirboo North.

#### 6.3.1. LOCH – KORUMBURRA – LEONGATHA

##### DESCRIPTION

The Tourism Investigation Precinct includes land adjoining the South Gippsland Highway from Loch through to Leongatha.

##### IMPACT ON AGRICULTURE

The agricultural quality in this precinct is high and agricultural land uses are diverse including dairy, wineries, snow peas and horticulture. However there is some lot fragmentation including hobby farms and lifestyle properties under multiple titles which are unlikely to support commercial agricultural land use. Tourism development should be directed to agricultural land which has been compromised within the precinct.

#### RELATIONSHIP TO EXISTING TOURISM PRODUCT STRENGTHS

The precinct is situated amongst two of the key regional centres in South Gippsland, being Korumburra and Leongatha. These two centres will provide a strong local market for any tourism development and provide services to support large scale tourism development.

The existing tourism product strengths in the precinct includes art and craft, the Coal Creek Historical Village, boutique accommodation, local produce and a number of wineries with cellar door and cafés/restaurants.

Furthermore the precinct includes Leongatha which is situated on the Sydney to Melbourne Coastal Drive, which is gathering strength as an important touring link between the two capital cities.

The precinct receives a significant amount of domestic and international visitors on route to Wilson's Promontory and is growing in international touring with the continued development of the Sydney to Melbourne Coastal Drive.

#### PRECINCT ATTRIBUTES

The precinct provides a rural setting with an outlook over the rolling hills of South Gippsland. There are opportunities for tourism development to link with agriculture and provide vistas over pasture, fields of horticulture or vineyards.

#### DIRECTIONS

The Loch-Korumburra-Leongatha Rural Tourism Investigation Precinct provides opportunity for conference centre development with large scale accommodation. The precinct's proximity within 2 hours from Melbourne and large regional centres of Leongatha and Korumburra provide rationale for a conference centre within this precinct, providing access to both Melbourne and local markets.

The precinct also provides further opportunity for the development of food produce sales linked to wineries and horticultural activities and boutique accommodation.

### 6.3.2. KOONWARRA-MEENIYAN HINTERLAND

#### DESCRIPTION

The Koonwarra -Meeniyon Hinterland Rural Tourism Investigation Precinct is located on land adjoining the South Gippsland Highway on route to Wilson's Promontory. It includes rural areas surrounding the townships of Koonwarra, Meeniyon and Stony Creek.

#### IMPACT ON AGRICULTURE

The precinct is identified as lower to moderate agricultural quality and includes predominantly broadacre grazing. Some fragmentation has occurred within the precinct particularly around Meeniyon and Koonwarra. Fragmented land is the preferred location for tourism development rather than broadacre allotments used for agricultural purposes.

#### RELATIONSHIP TO EXISTING TOURISM PRODUCT STRENGTHS

The precinct exhibits a range of existing tourism products and has become a node for art galleries and local produce sales, café/restaurants and boutique accommodation. The precinct is further strengthened with the Sydney to Melbourne Coastal Drive and is on route to Wilson's Promontory.

#### PRECINCT ATTRIBUTES

The precinct provides a unique setting amongst areas of remnant vegetation and open fields. Links to the villages of Koonwarra, Meeniyana and the Stony Creek Racecourse also create interest and appeal within the precinct. Outlooks over the Tarwin River are possible from a number of sites within the precinct.

#### DIRECTIONS

The Koonwarra-Meeniyana Hinterland Rural Tourism Investigation Precinct provides opportunity for conference centre development with large scale accommodation. The precinct's proximity within 2 hours from Melbourne and large regional centres of Leongatha and Foster provide rationale for a conference centre within this precinct, providing access to both Melbourne and local markets.

There is also opportunity to further develop boutique tourism attractions within the precinct including art galleries, local produce linked to existing agricultural activities and high quality boutique accommodation. Koonwarra in particular is gaining a reputation along this theme and further enhancement would be considered a positive outcome.

Events may also be suited to the precinct given its central location in the Shire in location such as Stony Creek Racecourse.

### 6.3.3. CAPE LIPTRAP

#### DESCRIPTION

The Cape Liptrap Rural Tourism Investigation Precinct is located at the tip of Cape Liptrap linking to the Cape Liptrap Coastal Park. The precinct is over 70 metres above sea level and provides views over Bass Strait.

#### IMPACT ON AGRICULTURE

The agricultural land in the precinct is categorised as moderate quality and is used predominantly for broad hectare grazing. There is some lot fragmentation within the precinct in close proximity to the coast which may be used for tourism development without impacting on productive agricultural land.

#### RELATIONSHIP TO EXISTING TOURISM PRODUCT STRENGTHS

The precinct is in an area with high quality natural attractions including Cape Liptrap Coastal Park and ocean beaches. There is some existing commercial accommodation, however the precinct's tourism strengths are in nature based activities including camping, fishing, short walks, horse riding and passive experiences such as scenic lookouts.

#### PRECINCT ATTRIBUTES

The precinct offers spectacular coastal scenery with links to ocean beaches, natural attractions and heritage. The precinct has high environmental values which can be promoted to visitors.

#### DIRECTIONS

The precinct provides opportunity for high quality sensitively designed eco or wilderness accommodation. There is opportunity for accommodation to capture coastal views and link to the Cape Liptrap Coastal Park. Any development would need to provide the highest level of environmental consideration be targeted to higher yielding international and domestic markets.

#### 6.3.4. YANAKIE

##### DESCRIPTION

The Yanakie Rural Tourism Investigation Precinct is located to the east of Promontory Road and west of Corner Inlet and borders the Wilsons Promontory National Park.

##### IMPACT ON AGRICULTURE

The precinct includes agricultural land of moderate quality used for broadacre grazing and includes fragmented allotments along the coast. Tourism development is encouraged on fragmented allotments and poorer quality farming allotments in close proximity to the Wilsons Promontory National Park Gate.

##### RELATIONSHIP TO EXISTING PRODUCT STRENGTHS

The precinct comprises the closest freehold land to Wilsons Promontory, which is the key destination in South Gippsland Shire. There are a number of cabins in Yanakie, however there are no large accommodation establishments.

##### PRECINCT ATTRIBUTES

The precinct includes land with views and vistas over Corner Inlet and Wilson Promontory. The precinct includes a ridge of land which follows Promontory Road through to Corner Inlet which is elevated more than 10 metres above sea level, which would be suitable for tourism development.

##### DIRECTIONS

It is envisaged that the Yanakie Rural Tourism Investigation Precinct would provide for large scale accommodation, suited to a range of tourism markets. The precinct has high environmental significance being located in close proximity to Wilsons Promontory National Park. Any development would need to consider and enhance the natural setting. Environmentally Sustainable development is essential for this location. Any tourism development would need to consider a product offer that suits the key markets to Wilsons Promontory including internationals, touring visitors, backpackers, family groups and recreational groups.

#### 6.3.5. WARATAH NORTH HINTERLAND

##### DESCRIPTION

Located in the hinterland north of Waratah Bay, the precinct includes land with views over Wilsons Promontory and out over the Waratah Bay coastline.

##### IMPACT ON AGRICULTURE

The area provides moderate quality agricultural land suited to dairy and cattle grazing. There are a number of fragmented allotments not suited to grazing which may be used for purposes other than agricultural use, such as tourism.

##### RELATIONSHIP TO EXISTING PRODUCT STRENGTHS

The precinct is located in close proximity to existing beachside tourism nodes (Waratah Bay, Walkerville and Sandy Point). Furthermore the precinct has a number of hobby farms and rural residential properties as well as existing accommodation establishments. Part of the precinct is also located on route to Wilsons Promontory.

#### PRECINCT ATTRIBUTES

The precinct offers views and vistas to Wilsons Promontory as well as over Waratah Bay. The precinct has a range of uses including rural residential dwellings on smaller allotments as well as some larger scale farming activities. The precinct can draw in visitors to Wilsons Promontory, Waratah Bay and Sandy Point for a hinterland experience such as farm gate and local produce sales.

#### DIRECTIONS

The Waratah North Hinterland Rural Tourism Investigation Precinct is suited to a range of accommodation as well as farming activities integrated with local produce sales, restaurant or café. The key markets are domestic however international touring visitors on route to Wilsons Promontory should also be considered.

### 6.3.6. FOSTER NORTH HINTERLAND

#### DESCRIPTION

The Foster North Hinterland Rural Tourism Investigation Precinct is located on route to Foster in an area dominated by rolling hills with views over Corner Inlet.

#### IMPACT ON AGRICULTURE

Much of the agricultural land in the precinct is considered as lower agricultural quality due to steep hillsides which in the longer term may be unsuited to grazing or ploughing. The area may offer opportunity for more diversified agricultural uses other than traditional farming where terracing may be used such as vineyards and olive groves. These diversified agricultural activities may also be linked to tourism, with the introduction of farm gate sales and cellar doors.

#### RELATIONSHIP TO EXISTING TOURISM PRODUCT STRENGTHS/ PRECINCT ATTRIBUTES

The precinct is located on the Sydney to Melbourne Coastal Drive and on route to Wilsons Promontory via Foster. The precinct's rural landscape and coastal views offer a high quality setting for tourism development.

#### DIRECTIONS

The precinct offers opportunity for boutique and medium-scale accommodation, with the opportunity to link tourism with non-traditional agricultural activities such as the development of vineyards and olive groves. Farm gate and cellar doors would be suited to the precinct, with opportunity to capitalise on the international touring market. Larger scale activities might be appropriate within proximity to Foster.

### 6.3.7. MIRBOO NORTH

#### DESCRIPTION

The Mirboo North Tourism Investigation Precinct includes two areas: One to the east and one to the west of Mirboo North. These two areas traverse the Grand Ridge Road to the east and the Strzelecki Highway and Grand Ridge Road to the west of the Mirboo North.

#### IMPACT ON AGRICULTURE

Areas around Mirboo North contain land of very high to moderate agricultural quality. The land is used for traditional grazing with a number of timber plantations to the north east. There are areas where lot fragmentation has occurred to the east and west of Mirboo North. It is envisaged that tourism development would be appropriate on fragmented allotments and also areas of moderate agricultural quality. Land to the south of the town is generally of very high quality and has not been included in the precinct.

#### RELATIONSHIP TO EXISTING TOURISM PRODUCT STRENGTHS

Mirboo North is a developing tourism node, and has been put on the map by the famous Grand Ridge Brewery. The node receives a significant number of touring visitors who utilise the Strzelecki Highway. Whilst the Grand Ridge Road requires significant infrastructure improvements for it to be developed into a high quality touring route, the identification of land along the route for tourism use will ensure that when the Grand Ridge Road is sealed and improved, there will be immediate opportunity for private sector investment.

#### PRECINCT ATTRIBUTES

The precinct has some significant remnant native vegetation and areas of rainforest on private land which can be capitalised upon for tourism development. This combined with the rural setting provides for unique tourism development sites within South Gippsland Shire.

#### DIRECTIONS

There is opportunity to develop boutique accommodation and local produce sales in the precinct. Tourism Development which takes advantage of the natural setting would provide a point of difference from tourism product within the Mirboo North Township.

Areas of high agricultural quality should be avoided unless substantially affected by lot fragmentation and multiple-ownership. Any tourism development would also need to consider the impact of the logging industry to the North East.



### LOCH - KORUMBURRA - LEONGATHA

**Tourism Attributes**

Close proximity to major townships/ local market: Leongatha and Korumburra  
 Within 2 hours drive from Melbourne and Gateway to the Shire  
 Wineries and farm gate, Loch village, Rail Trail Sydney to Melbourne Coastal Drive

**Existing Land Use Patterns**

High agricultural quality - dairy and horticulture  
 Range of smaller allotments including lifestyle properties and hobby farms

**Tourism Development Opportunities**

Opportunity for conference centre development, with large scale accommodation and boutique accommodation  
 Tourism development linked to farm gate and wineries

### KOONWARA-MEENIYAN HINTERLAND

**Tourism Attributes**

Close proximity to Leongatha and Korumburra  
 2 hours drive from Melbourne  
 Existing tourism product strengths include art galleries, farm gate, villages, local produce, food and wine, health spa and rail trail  
 Sydney to Melbourne Coastal Drive Route

**Existing Land Use Patterns**

Lower-moderate agricultural quality  
 Range of smaller allotments including lifestyle properties and hobby farms

**Tourism Development Opportunities**

Opportunity for conference centre development, with large scale accommodation, galleries, art & craft workshops and local produce.

### CAPE LIPTRAP

**Tourism Attributes**

High quality natural attractions product: National Park and ocean beaches. Low level of existing tourism product, ocean vistas, wilderness area  
 Penguins to Prom Touring Route

**Existing Land Use Patterns**

Moderate to lower agricultural quality, large scale dry land beef cattle farming.

Some smaller allotments provide opportunity for uses other than broadacre farming on Bear Gully Road and Muwilla Road

Over 70m above sea level

Environmentally significant area.

**Tourism Development Opportunity**

Possible high quality wilderness eco accommodation product linked to natural attractions.  
 Nature based tourism activities.

Opportunity to meet broad range of higher yield markets: adult couples - domestic and international, possible touring stopover.

Development would need to demonstrate low impact on surrounding environment.

### MIRBOO NORTH

**Tourism Attributes**

Close proximity to major centre: Mirboo North  
 Rolling hills and rural landscape, rail trail  
 On Strezlecki Highway and Grand Ridge Road  
 Remnant native vegetation

Mirboo North is an existing tourism node

**Existing Land Use Patterns**

Lower and moderate quality grazing land. Steep hills unsuited to cattle farming. Numerous smaller allotments not suited to broadacre farming.  
 Growth in holiday homes and hobby farms.

**Tourism Development Opportunities**

Boutique accommodation, farm gate sales

### FOSTER NORTH HINTERLAND

**Tourism Attributes**

Close proximity to major centre: Foster  
 Rolling hills and rural landscape, rail trail  
 Rural landscape with Ocean and Wilsons Prom Views  
 On Sydney to Melbourne Coastal Drive route

**Existing Land Use Patterns**

Lower quality grazing land. Steep hills unsuited to cattle farming. Numerous smaller allotments not suited to broadacre farming.

Growth in holiday homes and hobby farms.

**Tourism Development Opportunities**

Range of quality accommodation, integrated with restaurant and farm gate. Opportunity to link tourism to farming.

### WARATAH NORTH HINTERLAND

**Tourism Attributes**

Close proximity to coastal townships: Sandy Point, Waratah Bay and Walkerville  
 Close proximity to Fish Creek

Close proximity to Wilsons Prom

Rural landscape with Ocean and Wilsons Prom views

**Existing Land Use Patterns**

Moderate quality grazing land, some dairy. Numerous smaller allotments not suited to broadacre farming.

**Tourism Development Opportunities**

Range of quality accommodation, integrated with restaurant and farm gate. Opportunity to link tourism with farming. Domestic and international focus. Boutique accommodation.

### YANAKIE

**Tourism Attributes**

Closest freehold to Wilsons Promontory  
 Views over Corner Inlet to Wilsons Prom

Easy access to Promontory Road

Existing tourism precinct: cabins, etc.

High demand for accommodation

**Land Use Patterns**

Moderate agricultural quality used primarily for broadacre cattle grazing  
 Numerous small allotments not used for agriculture  
 Mostly elevated more than 10 metres above sea level

**Tourism Development Opportunity**

Possibility for larger scale medium - high quality accommodation, suited to internationals, touring visitors, coach groups, backpackers. Opportunity for private sector nature based tour operators.



### LEGEND - KEY ROAD LINKS

- Melbourne to Sydney Coastal Drive
- Grand Ridge Road
- Strezlecki Highway
- South Gippsland Hwy/Promontory Road

## SOUTH GIPPSLAND SHIRE RURAL TOURISM INVESTIGATION PRECINCTS

Sites that meet the tourism development principles within the rural tourism investigation precincts may be considered for rezoning to allow for greater levels of tourism use.



## 7. RECOMMENDED STRATEGIES

### 7.1. RURAL TOURIST INVESTIGATION PRECINCTS

Existing and potential tourist precincts in rural areas that are associated with key destinations can be identified as a result of:

- Their location along major touring routes leading to these destinations; and
- The synergy and relationship between these areas and the key destinations in terms of tourism product strengths.

There is opportunity to identify areas for future tourism development in South Gippsland Shire which link to existing touring routes and tourism product nodes and that minimise impacts on commercial agricultural production. The identification of Rural Tourism Investigation Precincts will provide certainty for investors and assist in the attraction of tourism projects within the Shire in the future.

**Strategy 1** Facilitate future tourism development in rural areas by rezoning appropriate land to Rural Activity Zone from within identified Rural Tourism Investigation Precincts in order to attract tourism development, provide greater certainty for investors and security for high quality agricultural areas. Rural Tourism Investigation Precincts include:

- Yanakie;
- Waratah North Hinterland;
- Foster North Hinterland;
- Mirboo North;
- Koonwarra-Meeniyah Hinterland;
- Cape Liptrap;
- Korumburra- Leongatha -Loch.

### 7.2. TOURIST USES TO BE ENCOURAGED

Tourist uses and infrastructure that should be encouraged in the Rural Tourism Investigation Precincts should meet identified needs and complement the existing tourism product strengths in the Shire.

For South Gippsland Shire, existing tourism infrastructure needs include:

- A range of quality visitor accommodation especially for large groups, including resort accommodation, backpacker accommodation (including caravan park accommodation) and farm stays;
- Conference facilities;
- Quality tourism retail outlets (especially farm gate outlets/cellar doors selling local food and wine) and galleries;
- Quality food premises (restaurants, cafes, delis);
- Tourism events themed to coastal attractions and food and wine.

Careful policy consideration will have to be given to dealing with more intensive activities such as Motor Racing Tracks, Paintball Facilities and the like which may pose amenity impacts.

Local policy may need to be developed to manage the variety of tourism uses available in a RAZ. For example, caravan parks may not be appropriate in some precincts, but to be encouraged in others.

**Strategy 2 Identify and incorporate tourist uses to be encouraged in South Gippsland Shire into the Local Planning Policy Framework to provide direction for tourism use and development within the Shire.**

An overview of tourism uses to be encouraged in Rural Tourism Investigation Precincts in South Gippsland Shire is provided below.

Rural Tourism Investigation Precinct	Tourist Uses to be Encouraged
Korumburra -Leongatha - Loch	Integrated conference centre development linked to large scale quality accommodation Quality food premises, local produce retail Tourism events: food and wine festival
Koonwarra-Meenyan Hinterland	Integrated conference centre development linked to quality large scale accommodation Quality food premises, local produce retail Art galleries, craft workshops Tourism events: arts festivals, craft market
Yanakie	Large scale eco accommodation suited to a range of target markets (backpackers, touring visitors, high yield visitors)
Waratah North Hinterland	Boutique accommodation 4-5 star Quality food premises, local produce retail
Foster North Hinterland	Integrated conference centre development linked to large scale quality accommodation Boutique and medium-scale accommodation 4-5 star Quality food premises, local produce retail Tourism events: arts festivals, craft market
Mirboo North	Boutique accommodation 4-5 star Quality food premises, local produce retail Art galleries, craft workshops
Cape Liptrap	High quality wilderness lodge or eco-accommodation

**7.3. APPLICATION OF THE RURAL ACTIVITY ZONE**

The table below provides an overview of what uses can occur in the three relevant zones for implementation of this project: Farming Zone, Rural Activity Zone and Special Use Zone. Where a permit is required this is identified as “Yes”, where a use is prohibited this is identified as “No”.

TABLE 5 TOURISM PRODUCT GAPS MATCHED AGAINST RELEVANT RURAL ZONES

Tourism Product Gap/Opportunity	Farming Zone	Rural Activity Zone	Special Use Zone
Resort Accommodation	No	Yes	Yes
Backpacker Accommodation	No	Yes	Yes
Farm stay	Yes	Yes	Yes
Caravan Park	No	Yes	Yes
Conference Centre	Yes	Yes	Yes
Farm gate (selling a range of local products)	No	No	Yes
Cellar door (selling a range of local products)	No	No	Yes
Restaurant/Cafe associated with agriculture	Yes	Yes	Yes
Restaurant/Café not associated with agriculture	No	Yes	Yes

The table identifies that the Farming Zone does not adequately support a range of the identified tourism product gaps and opportunities in South Gippsland Shire. The Rural Activity Zone allows for most tourism uses, except for retail not associated with produce grown on site. The Special Use Zone allows for the greatest flexibility of uses, however it must be supported by a detailed plan and requires an independent planning scheme amendment for each development.

The Rural Activity Zone should replace the Farming Zone on sites in the Rural Tourism Investigation Precincts within South Gippsland Shire.

The Local Planning Policy Framework should be amended to provide guidance on the desired tourist use and development in each tourist precinct identified in the rural areas.

It is envisaged that further strategic criteria would be required to support any specific rezoning of sites within the study areas. This includes consultation with land owners, further review of the proximity of services, and identification of the amount land to be rezoned to support tourism uses. It should be noted however that the Rural Activity Zone, whilst provides more discretion with regard to tourism uses is not an urban zone and will continue to support and protect rural and farming uses.

**Strategy 3 Identify land within the Rural Tourism Investigation Precincts which should be rezoned to Rural Activity Zone matched against agreed assessment criteria.**

Land for Rural Activity Zone is to meet all or the overwhelming majority of the following criteria, and is to be examined within the context of the Rural Tourism Investigation Precincts. Land is to be examined on a nodal basis (not site-specific rezoning).

**IMPACT ON AGRICULTURE**

- 1 Avoids high and very high quality agricultural land.
- 2 Avoids land held in tenement or property structures, where they are managed as part of a larger farming structure.
- 3 Is located in areas where significant fragmentation of lot ownership (less tenements) has occurred and there are existing densities of development.

#### SETTLEMENTS

- 4 Is located as close as possible to existing settlements, leaving substantial gaps between towns to avoid ribbon development and loss of identity of individual towns.
- 5 Is located in areas that demonstrate an existing mix of land uses.

#### LANDSCAPE AND BIODIVERSITY VALUES

- 6 Is located in an area which does not compromise identified landscape or biodiversity values.

#### RELATIONSHIP TO EXISTING TOURISM PRODUCT STRENGTHS

- 7 Is in close proximity to an existing tourism product and infrastructure nodes or in a location which exhibits tourism development potential, i.e. undeveloped high quality natural attractions.
- 8 Provides opportunity to link to existing major tourism product, e.g. ability to provide direct access to National or State Parks, coastal park or ocean beaches or is linked to a touring route or major access route.

#### ACCESS

- 9 Is located on, or close to, a major road, highway or touring route.

#### PHYSICAL ATTRIBUTES

- 10 Provides an attractive setting, either rural or coastal, with significant views of natural landmarks and landforms.
- 11 Should be elevated more than 5 metres above sea level, with preference to sites which are not subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding, landslip or geotechnical risk.
- 12 Setting offers a competitive advantage and exclusivity over other locations.
- 13 Services in close proximity to the site would be an advantage, however the site should be able to demonstrate sustainable localised servicing solutions can be used.
- 14 The land should be predominantly clear of vegetation.
- 15 The land would need to contain level areas in order to have the physical capacity for development.

**Strategy 4** Provide a policy basis for existing tourism businesses in the Farming Zone who may need to seek a rezoning to an alternate zone (e.g. Rural Activity Zone) in order to expand their existing product.

### 7.4. APPLICATION OF THE SPECIAL USE ZONE

The Special Use Zone should be considered for larger scale, dedicated tourist developments that are not necessarily related to any agricultural activity on the land, but seek to take advantage of the rural setting and/or views. The application of the Special Use Zone would be on a site-specific basis, in locations that are deemed appropriate for tourism use. Such proposals would need to meet criteria identified in the Local Planning Policy Framework of the Planning Scheme and demonstrate that they cannot locate in the identified tourist precincts in the rural areas.

**Strategy 5** Future tourism developments which cannot locate within the Rural Tourism Investigation Precincts and large scale integrated resort developments should apply for Rezoning to a more appropriate zone (e.g.

**Rural Activity Zone, Special use Zone) in order to allow the potential for a range of uses unrelated to agricultural activities.**

## 7.5. DEFINITIONS

There are existing examples where the land use definitions in the Planning Scheme do not align with current practices and trends in the tourism industry, these include:

- There is no definition in the planning scheme for Day Spa or Microbrewery, which means that it is difficult for planners to make an assessment for an application relating to these.
- The definition of Primary Produce Sales is too restrictive as it restricts businesses from selling other locally grown product, not grown or manufactured on their own premises.
- There is an anomaly in the definition of Winery, which is, in fact, mostly related to cellar door activity rather than the production of wine. In practice, a Winery relates to the manufacturing operation (i.e. the processes of conversion of winegrapes to wine) and a Cellar Door relates to the sale of that wine. In respect of tourism, it is the combination of activities that is important. Olive and olive oil production is similar to wine. The agricultural activity of growing olives, supports the manufacturing activity of making olive oil, which in turn, supports the tourism activity of selling the produce and educating customers about the product.
- The planning scheme does not directly contemplate vertically integrated tourism developments comprising a range of tourist-related components, such as a resort development that comprises accommodation, function centre, conference centre, restaurant, recreation facilities, sale of convenience goods for self-catering guests, day spa and so on.

**Strategy 6**      **South Gippsland Shire to initiate a dialogue with the Department of Planning and Community Development regarding the limitations of existing definitions relating to tourism uses in rural areas.**

## 7.6. KEY POLICY CONSIDERATIONS TO GUIDE USE AND DEVELOPMENT

The Local Planning Policy Framework does not provide enough guidance to allow planners to make informed decisions relating to tourism use and development in the rural areas.

**Strategy 7**      **Provide policy direction in the Local Planning Policy Framework to assist planners when assessing planning applications for tourism uses in rural areas**

### 7.6.1. PRINCIPLES FOR TOURISM USE AND DEVELOPMENT

Proposed tourism developments would need to meet the following principles.

#### TOURISM USE

- Meet an identified tourism need, consistent with relevant local and regional tourism strategies endorsed by Council
- Clearly demonstrate that the proposed visitor experience to be achieved is consistent with visitor expectations
- Demonstrate a strong relationship between the proposed tourism use and development and the region's tourism product strengths

#### RURAL AND ENVIRONMENTAL IMPACT

- Protect and rehabilitate the natural environment and biodiversity
- Improve environmental, social and economic values
- Respect the character of rural and coastal areas
- Protect and compliment visually significant landscapes, views and vistas
- Be set back from the coast to accommodate both upper limit predictions of sea level rise and provide a buffer to protect biodiversity
- Identify and avoid impacts on predictable adverse environmental processes and effects including storm surges, river and coastal flooding, erosion, landslip, salinity, sea level rise, disturbance of acid sulphate soils, wildfire or geotechnical risk
- Provide site densities which reflect the rural character of the site

#### DESIGN

- Demonstrate sustainable building practices
- Demonstrate that design, siting, use of materials, colours and landscaping minimize the impact on the visual and environmental qualities of the site and the locality
- Demonstrate that the footprint of the development and the use of setbacks minimizes visual impact, particularly from key tourist destinations, viewing points and touring routes
- Maintain the rural character of the area including the expansive views to rolling hills, pasture and coast.

#### SERVICES

- Provides adequate services such as water, sewerage, power, communications to support the development
- demonstrate that it minimizes its impact on water catchments and water quality, with use of wastewater treatment systems

### 7.7. CONCLUSION

The blanket introduction of the Farming Zone in the rural areas of South Gippsland Shire has reduced the opportunity for investment in the tourism industry due to new restrictions on tourism use and development when compared with the previous Rural Zone. Whilst many tourist uses should be directed to urban localities, there are a range of tourism uses that require a rural setting, links to agricultural activity and/or large allotments in order to be viable. In order to protect high quality agricultural land and existing commercial farming activities direction needs to be provided in terms of the types of tourism uses to be encouraged in South Gippsland Shire's rural areas and the location for these uses.

Rural Tourism Investigation Precincts have been identified in South Gippsland Shire which link to existing tourism routes and tourism product nodes. The precincts are in areas of lower to moderate agricultural quality and/or areas where lot fragmentation has occurred. Any future new tourism development in rural areas should be directed to these precincts in order to provide certainty for investors whilst protecting high quality agricultural land.

Principles to guide tourism use and development within the Rural Tourism Investigation Precincts should be incorporated into the Local Planning Policy Framework to assist planners in decision making and provide guidance for investors in tourism product and infrastructure.



# APPENDICES

# Appendix A. CONSULTATION

## STAKEHOLDERS CONSULTED

Name	Organisation
Alan Freitag	Department of Planning and Community Development
Alex Arbutnot	Gippsland Agribusiness Forum
Alex Gunn	Department of Planning and Community Development
Amanda Ford	Cypress Hill B&B / Korumburra Business Association
Andrew and Lynne Jamieson	Golden Creek Olives
Angelo D'Costa	Bass Coast Shire Council
Antony Duffill	Bass Coast Shire Council
Bev Smith	Farmer/Land Owners
Bob MacDonald	Port Welshpool
Bronwen and Andrew Osborn	Limosa Rise
Chris Howard	Koorooman Berries
Chris Nagle	French View Caravan Park
Christian Stefani	South Gippsland Shire Council
Christine Legg	Prom Country Regional Tourism
Clive Kilgour	Farmer
Daniel Strachan	South Gippsland Shire Council
Daphne Gregory	Chiverton Alpacas
Dennis Ginn	Farmer
Diane McAskill	Phillip Island Eco Retreat and Day Spa
Elaine Wood	Department of Planning and Community Development
Fergus Cameron	Phillip Island Circuit
Freda Marshall	Alvina Holiday Cottages
Geoff Moed	Amaze'n Things
Graeme Wilson	Windy Ridge Winery
Grant M Hailes	Beveridge Williams
Hannah Duncan-Jones	Bass Coast Shire Council
Ian Hitchings	Farmer
Jackie Wilson	Fantazia

Jeff Bennett	Planning and Development Services
Joel Templar	South Gippsland Shire Council
John Forster	Eyrie at Inverloch
Katherine Paterson	Bass Coast Shire Council
Ken Fraser	South Gippsland Shire Council
Ken Hore	Bass Coast Shire Council
Lorraine Hughes	Meeniyah Motel
Marie Riccardi	Corinella Cottage
Martin Gill	Bass Coast Shire Council
Neil Wolfenden	Anchor Belle
Nick Byrne	Tourism Victoria
Pam & Donald Cameron	Farmers
Paul Stampton	South Gippsland Shire Council
Peter Francis	Bass Coast Shire Council
Peter Sharpe	South Gippsland Shire Council
Rachel Brown	Toora Caravan Park
Richie Davie	Farmer
Stephen Davie	Tourism Operator and Farmer
Rick Lacey	Purple Hen Vineyard and Winery
Robin Dixon	Otira Homestead
Robyn Schmit	Lyrebird Hill Winery
Rosemary Trease	Land Owners
Royal Carrington	Cafe Carelly
Sally Vivian	Department of Planning and Community Development
Sean Taylor	Prom Hill Cabins Yanakie
Stephanie Symes	Bass Coast Shire Council
Steven Peppard	Phillip Island Helicopters
Sue Deacon	Prom Country Regional Tourism
Sue Svenson	Land Owners
Susan Campbell	Land Owners
Ted & Christine Walsh	Island Primary Produce
Ted Jeffery	Anchorage Caravan Park
Thien Trahn	Gumtips B & B
Tom Tootel	Wilsons Promontory Gateway
Warren Raabe	South Gippsland Shire Council Councillor

## PROJECT REFERENCE GROUP

Name	Representing
Stephanie Symes	Bass Coast Shire Council Economic Planner
Peter Francis	Bass Coast Shire Council Economic Development Manager
Martin Gill	Bass Coast Shire Council Strategic Planner
Guy Wilson-Browne	South Gippsland Shire Council General Manager Assets and Development
Peter Sharpe	South Gippsland Shire Council Manager, Social and Economic Development
Christian Stefani	South Gippsland Shire Council Tourism Coordinator
Daniel Stachan	South Gippsland Shire Council Strategic Planner
Barry Sibly	Landcare, Bass Coast
Jill Butterfield	Bear Gully Coastal Cottages, Walkerville Tourism industry
Jeff Bennett	Planning consultant
Bev & Ron Smith	Farmer, Fish Creek
Peter Toole	Planning consultant
Georgia Wilson	Windy Ridge Winery, Foster Agri-tourism

# Appendix B. REVIEW OF PLANNING SCHEME PROVISIONS

## OVERVIEW

This Appendix provides a review of relevant Planning Scheme Provisions which provide background to section 4 of the report.

## FARMING ZONE

The purpose of the Farming Zone is to:

- Provide for agricultural land use;
- Retain productive agricultural land;
- Ensure that non-agricultural uses do not adversely affect the use of land for agriculture;
- Protect and enhance natural resources and biodiversity of the area;
- Encourage sustainable land management practices.

## TOURISM USES

A permit **is not** required for the following uses:

- Bed and Breakfast (must not accommodate more than six people away from their normal place of residence. One car park must be provided for every two people accommodated away from their normal place of residence);
- Dwelling, other than bed and breakfast (lot must be at least the size specified on the Schedule to the zone otherwise it must be 40 hectares, must be the only dwelling on the lot, must meet requirements of the Schedule to Special Use Zone 1).

A permit **is** required for the following uses:

- Dwelling, other than bed and breakfast if the requirements of Section 1 (permit not required) were not met;
- Group accommodation (must be used in conjunction with agriculture, outdoor recreation facility, rural industry or winery);
- Host Farm;
- Primary produce sales;
- Place of assembly (other than amusement parlour and nightclub);
- Residential hotel (must be used in conjunction with agriculture, outdoor recreation facility, rural industry or winery);
- Restaurant (must be used in conjunction with agriculture, outdoor recreation facility, rural industry or winery);
- Leisure and recreation (other than informal outdoor activities and motor racing track);

- Winery.

The following uses are **prohibited**:

- Accommodation (other than a dependant person's unit, dwelling, group accommodation, host farm and residential hotel);
- Retail premises (other than community market, manufacturing sales, primary produce sales and a restaurant).

#### DEVELOPMENT

A lot may be developed for a dwelling provided the following requirements are met:

- Access must be provided on an all weather road with dimensions that can accommodate emergency vehicles;
- Must be connected to a reticulated sewerage system or must be treated and retained on site;
- Must be connected to a reticulated water supply or have an alternative water supply with adequate storage for domestic use and fire fighting purposes;
- Must be connected to a reticulated energy supply or have an alternative energy source;

A permit is required to subdivide land if:

- The size of each lot must be at least what is specified in the Schedule to this zone otherwise each lot must be at least 40 hectares. In Bass Coast Shire and South Gippsland Shire, this is currently 40 hectares;
- A permit may be granted to divide the land into smaller lots if it meets the requirements specified in clause 35.07-3;

A permit is required for the following development:

- Subdivision;
- Construct or carry out works associated with a Section Two Use (permit required). This does not apply to:
  - An alteration or extension of an existing dwelling with a floor area of more than the area specified in the schedule to this zone. If no area is specified, 50 square metres;
  - An alteration or extension of an existing building used for agriculture with a floor area of more than the area specified in the Schedule to this zone. If no area is specified, 100 square metres. This area must be used to keep, breed, board or train animals.
- Earthworks specified in the Schedule to this zone;
- A building with any of the following setbacks:
  - The setback from any road zone Category 1 or land in a Public Acquisition Overlay to be required for a road. Category 1 specified in this zone otherwise if no setback is specified, 50 metres;
  - The setback from any other road or boundary specified in the Schedule to this zone;
  - The setback from a dwelling not in the same ownership specified to the Schedule to this zone;
  - 100m from a waterway, wetlands or designated flood plain.

## TOURISM USES OVERVIEW

Table 6 outlines the tourism uses that are permitted and the uses that are prohibited in a Farming Zone.

TABLE 6 TOURISM USES IN THE FARMING ZONE

Permit Not Required	Description
Bed and Breakfast	Must not accommodate more than six people away from their normal place of residence. One car park must be provided for every two people accommodated away from their normal place of residence
Dwelling	Must be the only dwelling on the block. Lot must be at least the size specified on the Schedule to the zone otherwise it must be 40 hectares, must be the only dwelling on the lot, must meet requirements of the Schedule to Special Use Zone 1
Permit Required	
Art Gallery	
Community Market	
Conference Centre	
Exhibition Centre	
Function Centre	
Golf Course	
Golf Driving Range	
Group Accommodation	Must be used in conjunction with agriculture, outdoor recreation facility, rural industry or winery. No more than 6 dwellings.
Host Farm	
Museum	
Open Sports Ground	
Paintball Games Facility	
Pleasure Park	
Primary Produce Sales	
Racecourse	
Reception Centre	
Residential Hotel	Must be used in conjunction with agriculture, outdoor recreation facility, rural industry or winery.
Restaurant	Must be used in conjunction with agriculture, outdoor recreation facility, rural industry or winery.
Winery	
Zoo	
Use Prohibited	
Accommodation	Other than Dependent person's unit, Dwelling, Group accommodation, Host farm and Residential hotel.
Backpackers' Lodge	
Camping and Caravan Park	
Cinema Based Entertainment Facility	
Convenience restaurant	
Convenience shop	
Hostel	
Hotel	
Motel	
Motor Track Racing	
Retail Premises	Other than Community market, Manufacturing sales, Primary produce sales and Restaurant.
Supermarket	
Takeaway Food Premises	
Tavern	
Trash and Treasure Market	

## RURAL ACTIVITY ZONE

The purpose of the Rural Activity Zone is to:

- Provide for agricultural land use;
- Where appropriate, provide for other land uses that are compatible with agriculture and the environmental characteristics of the area;
- To ensure that development does not adversely affect the surrounding area;
- Protect the natural resources and biodiversity of the area; and
- Encourage use and development of land that is based on comprehensive and sustainable land management practices.

## TOURISM USES

A permit **is not** required for the following use:

- Bed and Breakfast (must not accommodate more than six people away from their normal place of residence. One car park must be provided for every two people accommodated away from their normal place of residence).

A permit **is** required for the following uses:

- Backpackers lodge;
- Camping and caravan park;
- Community market;
- Dwelling (other than bed and breakfast);
- Group accommodation;
- Hotel;
- Leisure and recreation (other than informal outdoor recreation);
- Primary produce sales;
- Place of assembly (other than carnival, circus, amusement parlour and nightclub);
- Residential hotel;
- Restaurant;
- Tavern; and
- Winery.

The following uses are **not permitted**:

- Accommodation (other than backpackers' lodge, camping and caravan park, dependent persons unit, dwelling, group accommodation, host farm and residential hotel);
- Retail premises (other than community market, convenience shop, equestrian supplies, hotel, landscape gardening supplies, manufacturing sales, primary produce sales, restaurant and tavern);
- Nightclub; and
- Transport Terminal.



## DEVELOPMENT

A lot used for a dwelling must meet the following requirements:

- Access must be provided on an all-weather road with dimensions that can accommodate emergency vehicles;
- Must be connected to a reticulated sewerage system or must be treated and retained on site;
- Must be connected to a reticulated water supply or have an alternative water supply with adequate storage for domestic use and fire fighting purposes;
- Must be connected to a reticulated energy supply or have an alternative energy source;

A permit is required for the following development:

- Subdivision. The minimum area for subdivision in Bass Coast and South Gippsland Shires is currently 40 hectares;
- Construct or carry out works associated with a Section Two Use. This does not apply to:
  - An alteration or extension of an existing dwelling with a floor area of more than the area specified in the Schedule to this zone. If no area is specified, 50 square metres;
  - An alteration or extension of an existing building used for agriculture with a floor area of more than the area specified in the Schedule to this zone. If no area is specified, 100 square metres. This area must be used to keep, breed, board or train animals.
- Earthworks specified in the schedule to this zone;
- A building with any of the following setbacks:
  - The setback from any Road Zone Category 1 or land in a Public Acquisition Overlay to be required for a road. Category 1 specified in this zone otherwise if no setback is specified, 50 metres;
  - The setback from any other road or boundary specified in the Schedule to this zone;
  - The setback from a dwelling not in the same ownership Specified to the Schedule to this zone;
  - 100m from a waterway, wetlands or designated flood plain.

Table 10 outlines the tourism uses that are permitted and the uses that are prohibited in the Rural Activity Zone.

TABLE 7 TOURISM USES IN THE RURAL ACTIVITY ZONE

Permit Not Required	Description
Bed and Breakfast	Must not accommodate more than six people away from their normal place of residence. One car park must be provided for every two people accommodated away from their normal place of residence
Permit Required	
Art Gallery	
Backpackers' Lodge	
Camping and Caravan Park	
Community Market	
Conference Centre	
Convenience shop	The site must not have direct access to a rural freeway.
Dwelling	
Exhibition Centre	
Function Centre	
Golf Course	
Golf Driving Range	
Group Accommodation	
Host Farm	
Hotel	
Motor Racing Track	
Museum	
Open Sports Ground	
Paintball Games Facility	
Pleasure Park	
Primary Produce Sales	
Racecourse	
Reception Centre	
Residential Hotel	
Restaurant	
Tavern	
Winery	
Zoo	
Use Prohibited	
Cinema Based Entertainment Facility	
Convenience Restaurant	
Hostel	
Motel	
Night Club	
Retail Premises	Other than Community market, Convenience shop, Equestrian supplies, Hotel, Landscape gardening supplies, Manufacturing sales, Primary produce sales, Restaurant and Tavern
Supermarket	
Takeaway food Premises	
Trash and Treasure Market	

## RURAL LIVING ZONE

The purpose of the Rural Living Zone is to:

- Provide for residential use in a rural environment;
- Enhance the natural resources, biodiversity and heritage values of the area;
- Provide for agricultural land uses that do not adversely affect the amenity of surrounding areas;
- Encourage use of land based on sustainable land management practices.

## TOURISM USE

A permit **is not** required for the following uses:

- Bed and Breakfast (must not accommodate more than six people away from their normal place of residence. One car park must be provided for every two people accommodated away from their normal place of residence);
- Informal outdoor recreation;
- Dwelling, other than bed and breakfast (lot must be at the size specified in the Schedule to this Scheme or at least 8 hectares, must be the only dwelling on the lot, must meet requirements of the Schedule to Clause 35.03-2.)

A permit **is** required for the following uses:

- Accommodation (other than a Dependant Person's Unit or Dwelling);
- Community market;
- Dwelling, other than bed and breakfast if the requirements of Section 1 (permit not required) were not met;
- Leisure and recreation (other than Informal Outdoor Activities and Motor Racing Track);
- Place of assembly (other than Carnival, Circus, Amusement parlour and Nightclub);
- Restaurant (site must not have direct access to a rural freeway);
- Tavern (site must not have direct access to a rural freeway).

The following uses are **prohibited**:

- Cinema based entertainment facility;
- Nightclub;
- Retail premises (other than a Community Market, Convenience Shop, Hotel, Plant Nursery, Postal Agency, Primary Produce Sales, Restaurant, Tavern).

## DEVELOPMENT

The following planning controls relate to development in the Rural Living Zone:

- The size of each lot must be at least what is specified in the Schedule to this zone otherwise each lot must be at least 8 hectares;
- A permit may be granted to divide the land into smaller lots if it meets the requirements specified in clause 35.03-3.

A permit is required to construct or carry out any of the following:

- A building or works associated with a Section Two Use (permit required). This does not apply to an alteration or extension to an existing dwelling with a floor area of more than the area specified in the zone or if no area is specified 50 square metres;
- Earthworks specified in the Schedule to this zone, if on land specified in schedule;
- A building with any of the following setbacks:
  - The setback from any road zone category 1 or land in a public acquisition overlay to be required for a road. Category 1 specified in this zone otherwise if no setback is specified, 30 metres;
  - The setback from any other road or boundary specified in the schedule to this zone;
  - The setback from a dwelling not in the same ownership specified to the Schedule to this zone;
  - 100m from a waterway, wetlands or designated flood plain.

Table 11 outlines the tourism uses that are permitted and the uses that are prohibited in the Rural Living Zone.

TABLE 8 TOURISM USES IN THE RURAL LIVING ZONE

Permit Not Required	Description
Bed and Breakfast	Must not accommodate more than six people away from their normal place of residence. One car park must be provided for every two people accommodated away from their normal place of residence.
Dwelling	Lot must be at the size specified in the Schedule to this Scheme or at least 8 hectares, must be the only dwelling on the lot, must meet requirements of the Schedule to Clause 35.03-2.
Permit Required	
Art Gallery	
Backpackers' Lodge	
Camping and Caravan Park	
Community Market	
Conference Centre	
Convenience Shop	
Exhibition Centre	
Function Centre	
Golf Course	
Golf Driving Range	
Group Accommodation	
Host Farm	
Hostel	
Hotel	
Motel	
Museum	
Open Sports Ground	
Paintball Games Facility	
Pleasure Park	
Primary Produce Sales	
Racecourse	
Reception Centre	
Residential Hotel	
Restaurant	Site must not have direct access to a rural freeway.
Tavern	Site must not have direct access to a rural freeway.
Winery	
Zoo	
Use Prohibited	
Cinema Based Entertainment Facility	
Convenience Restaurant	
Motor Racing Track	
Nightclub	
Retail Premises	Other than Community market, Convenience shop, Hotel, Plant nursery, Postal agency, Primary produce sales, Restaurant and Tavern.
Supermarket	
Takeaway food Premises.	
Trash and Treasure Market	

## RURAL CONSERVATION ZONE

The purpose of the Rural Conservation Zone is to:

- Protect and enhance the natural environment;
- Protect and enhance biodiversity and natural resources of an area;
- Encourage use of land that is consistent with sustainable land management and land capability practices which takes conservation values and environmental sensitivity of the locality into consideration;
- Provide for agricultural use that preserves landscape and environmental values of the locality;
- Conserve and enhance the cultural significance and character of open rural and scenic non-urban landscapes.

## TOURISM USES

A permit **is not** required for the following use:

- Bed and Breakfast (must not accommodate more than six people away from their normal place of residence. One car park must be provided for every two people accommodated away from their normal place of residence);

A permit **is** required for the following uses:

- Community market;
- Dwelling, other than Bed and Breakfast (must be the only dwelling on the lot. This does not apply to the replacement of an existing dwelling if the dwelling has been removed or altered [so that it can no longer be used as a dwelling] within one month of occupation of the replacement dwelling. Must meet the requirements of Clause 35.06-2);
- Group Accommodation (must be used in conjunction with Agriculture, Rural Industry or Winery, no more than six dwellings);
- Host farm;
- Residential Hotel (must be used in conjunction with agriculture, rural industry or winery. Number of bedrooms must not exceed 80 or whatever is specified in the zone, whichever is the lesser);
- Restaurant (must be used in conjunction with agriculture, rural industry or winery. Number of patrons must not exceed the number situated in the schedule or 150 patrons, whichever is the lesser);
- Winery.

The following uses are **prohibited**:

- Accommodation (other than a Dependant Person's Unit, Dwelling, Group Accommodation, Host Farm and Residential Hotel);
- Leisure and recreation (other than Informal Outdoor Recreation);
- Place of assembly (other than Carnival and Circus);
- Retail Premises (other than Community Market, Plant Nursery, Primary Produce and Sales and Restaurant).

## DEVELOPMENT

A lot may be used for a dwelling provided the following requirements are met:

- Access must be provided on an all weather road with dimensions that can accommodate emergency vehicles;
- Must be connected to a reticulated sewerage system or must be treated and retained on site;
- Must be connected to a reticulated water supply or have an alternative water supply with adequate storage for domestic use and fire fighting purposes;
- Must be connected to a reticulated energy supply or have an alternative energy source;

A permit is required to subdivide land:

- Each lot must be at least the area specified in the zone;
- A permit may be granted for smaller lots if the requirements specified in clause 35.06-3 apply;

A permit is required to carry out any of the measures in clause 35.06-5.

Table 9 outlines the tourism uses that are permitted and the uses that are prohibited in the Rural Conservation Zone.

TABLE 9 TOURISM USES IN THE RURAL CONSERVATION ZONE

Permit Not Required	Description
Bed and Breakfast	Must not accommodate more than six people away from their normal place of residence. One car park must be provided for every two people accommodated away from their normal place of residence.
Permit Required	
Community Market	
Dwelling	Must be the only dwelling on the lot. This does not apply to the replacement of an existing dwelling if the existing dwelling is removed or altered (so it can no longer be used as a dwelling) within one month of the occupation of the replacement dwelling.
Host Farm	
Group Accommodation	Must be used in conjunction with Agriculture, Rural Industry or Winery, no more than six dwellings.
Primary Produce Sales	
Residential Hotel	Must be used in conjunction with agriculture, rural industry or winery. Number of bedrooms must not exceed 80 or whatever is specified in the zone, whichever is the lesser.
Restaurant	Must be used in conjunction with agriculture, rural industry or winery. Number of patrons must not exceed the number situated in the schedule or 150 patrons, whichever is the lesser.
Winery	
Use Prohibited	
Art Gallery	
Backpackers' Lodge	
Camping and Caravan Park	
Cinema Based Entertainment Facility	
Conference Centre	
Convenience Restaurant	
Convenience Shop	
Exhibition Centre	
Function Centre	
Golf Course	
Golf Driving Range	
Hostel	
Hotel	

Motel	
Motor Racing Track	
Museum	
Nightclub	
Open Sports Ground	
Paintball Games Facility	
Pleasure Park	
Racecourse	
Reception Centre	
Retail Premises	Other than Community market, Plant nursery, Primary produce sales, and Restaurant.
Supermarket	
Takeaway Food Premises	
Tavern	
Trash and Treasure Market	
Zoo	



## **SPECIAL USE ZONE**

The main purpose of the Special Use Zone is to:

- Recognise or provide for the use and development of land for specific purposes as identified in a Schedule to the zone;
- The need for a permit depends on the specific schedule to the zone.

The Special Use Zones used in the South Gippsland Shire include:

- Special Use Zone 1, Extractive Industry;
- Special Use Zone 2, Waratah Park Tourist Facility;
- Special Use Zone 3, Port Areas.

The Special Use Zones used in the Bass Coast Shire include:

- Special Use Zone 1, Phillip Island Motor Racing Track;
- Special Use Zone 2, Extractive Industry;
- Special Use Zone 3, Wonthaggi Motor Racing Track.

Clearly, the Special Use Zone has been used in the past in both Shires for major tourism-related developments, including the Waratah Park Tourist Facility in South Gippsland Shire (an integrated resort comprising visitor accommodation, restaurant, recreation facilities in a bushland setting) and the Phillip Island Motor Racing Track (a multi-dimensional tourism facility comprising event venue, racing track, interpretive facilities, tourist retailing, camping facilities).

## **RURAL ZONES PURPOSES**

### **FARMING ZONE PURPOSE**

- To implement the SPPF and the LPPF, including the MSS and local planning policies;
- To provide for the use of land for agriculture.
- To encourage the retention of productive agricultural land;
- To ensure that non-agricultural uses, particularly dwellings, do not adversely affect the use of land for agriculture.
- To encourage use and development of land based on comprehensive practices and infrastructure provision;
- To protect and enhance natural resources and the biodiversity of the area.

### **RURAL ACTIVITY ZONE PURPOSE**

- To implement the SPPF and the LPPF, including the MSS and local planning policies;
- To provide for the use of land for agriculture;
- To provide for other uses and development, in appropriate location, which are compatible with agriculture and the environmental and landscape characteristics of the area;
- To ensure that use and development does not adversely affect surrounding land uses;
- To protect and enhance natural resources and the biodiversity of the area;

- To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.

#### RURAL CONSERVATION ZONE PURPOSE

- To implement the SPPF and the LPPF, including the MSS and local planning policies;
- To provide for agricultural use consistent with the conservation of environmental and landscape values of the area;
- To protect and enhance natural resources and biodiversity of the area;
- To protect and enhance the natural environment and natural processes of their historic, archaeological and scientific interest, landscape, faunal habitat and cultural values;
- To conserve and enhance the cultural significance and character of open rural and scenic non-urban landscapes.

#### RURAL LIVING ZONE PURPOSE

- To implement the SPPF and the LPPF, including the MSS and local planning policies;
- To provide for agricultural uses which do not adversely affect the amenity of surrounding land uses;
- To provide for residential use in a rural environment;
- To protect and enhance the natural resources, biodiversity and landscape and heritage values of the area;
- To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provisions.

#### **APPLICATION OF THE RURAL ACTIVITY ZONE FOR TOURISM- PRACTICE NOTE**

Rural Victoria is home to many trails, transport routes and nature-based attractions that have strong tourist appeal and create demand for recreation and tourism facilities and services. Tourism can promote and facilitate economic activity that supports aspects of regional and rural life. For example, farm stays, cellar door sales and the sales of local produce support agriculture. A range of small to medium sized farming-related tourism uses may be considered in the Farming Zone (such as farm stays, restaurants, taverns, and farm produce sales). However, 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 the most appropriate zone to apply. In deciding to apply the Rural Activity Zone to facilitate tourism in an area, matters to be considered include:

- the need to protect the agricultural, environmental and cultural values of the area
- the scale and mix of tourism and recreation uses to be encouraged
- whether there are opportunities to build alliances between tourism business operators, farmers, food and wine producers and trail network managers
- the product and infrastructure needs of tourists and the local community
- requirements for the siting, planning and design of tourism facilities.

## OVERVIEW OF FINDINGS

The Farming Zone is too restrictive in terms of the types of tourism uses that have been identified as “gaps” in the Bass Coast and South Gippsland Shires. For example, it is not possible to establish a large accommodation facility in the Farming Zone, unless it is used in conjunction with agriculture, outdoor recreation, rural industry or winery. In addition, a caravan park is a prohibited use.

Given the widespread application of the Farming Zone in both Shires, it is currently not possible to propose an integrated tourism resort in the rural areas. Similarly, it is not possible to establish a Caravan Park in the rural areas.

The interpretation of the term “in conjunction with” has caused difficulties for planners and proponents alike and has led to inconsistencies in its application. Often, this leads to the interpretation being tested at VCAT, which is costly and time consuming - a major deterrent for proponents.

The blanket introduction of the Farming Zone in rural areas has led to a number of bona fide tourism developments being non-conforming uses, even though they are in areas that are appropriate for the use. This includes the RACV Resort in Inverloch and the Toora Caravan Park. Being a non-conforming use can unreasonably constrain the ability to make building modifications over time to meet visitor expectations. In addition, any expansion into adjoining Farming Zone land would most likely be prohibited. Tourism businesses that are a non-conforming land use can also experience difficulty in obtaining finance for improvements or in selling the business, due to the uncertainties surrounding the town planning status.