

ITEM 3 WELLINGTON RURAL LAND USE STRATEGY PLANNING PROPOSAL FOR ADDITIONAL R5 ZONED LAND

Reason for Report

As Council developed its 2012 Local Environmental Plan, it became apparent that further strategic planning was warranted to set the land use vision for the rural areas for the coming 20 years.

Council embarked on a strategic planning exercise and engaged Booth Associates to develop a rural strategy and provide recommendations for rural land use for Council's consideration.

The strategic planning process ran through 2013 and into 2014 and included community consultation meetings, Councillor workshops and input from State agencies.

Two draft strategic reports have been prepared by Booth and Associates:

- Rural Land Use Strategy R5 (large Lot Residential) Land.
- Rural Land Use Strategy RU1 and RU4 Land (the Primary Production zones).

This report to Council focuses on the R5 land and makes recommendation to rezone 8 areas from RU1 to R5 to address supply of needed rural living opportunities near Wellington and the villages.

Background

The development of the 2012 LEP saw the existing rural zones mostly rolled over to their equivalent rural zones in the Standard Instrument.

The State Government had requirements for all Councils to promptly convert to the new State wide plan format and it was agreed early in the process that Wellington would defer work on its strategic vision for rural land use until after completion of the 2012 plan.

Booth Associates were appointed in late 2012 as the consultant team to drive the rural strategy process. Throughout 2013 and early 2014, the consultant team and Council staff worked on the strategy including a detailed examination of the current rural zones, their resources and issues.

Community consultation meetings were held in most Council Area Settlements and resident feedback brought into the strategy drafting.

Councillors were provided with progress reports and workshops as the strategy developed.

A preliminary draft of the strategy was provided to Council in January 2014 and used to consult with the Department of Planning and Infrastructure.

From that consultation, it was resolved to split the Strategy into 2 parts - Phase One and Phase Two.

Phase One would examine the needs for large lot residential supply and Phase Two would examine the broader issues of the RU1 and RU4 Primary

Production Zones.

It was agreed that the RU1/RU4 areas required some additional research outside of the Booths brief. Such research was to be performed by Council over coming months and culminate in a further report to Council on "Phase Two". This additional research proposed for Phase Two relates to lot size in the RU1 Primary Production Zone.

But most of the recommendations regarding R5 rezonings were seen to warrant progressing to a Planning Proposal stage so they might be placed on exhibition for community comment.

Recommendations from the Booths Report

Councillors have been provided with a copy of the Booths report ("Wellington Council Rural Land Use Strategy, R5 Land", Booths Associates March 2014).

The Booth R5 report provides a background to the current issues and supply of large lot residential land in the Council area.

It identifies that, while there are areas of land currently zoned R5 with theoretical subdivision potential, many are residues where development costs, in particular the need for new roads, makes economic return in the medium term too low to generate sufficient supply.

The strategy also identifies supply of larger lots (over 5 ha) is deficient and seems to have the greatest unmet demand.

It concludes a sound approach is for Council to ensure it has reasonable supply of these larger lots near existing settlements and recommends 12 parcels be rezoned from RU1 to R5.

Section 9 of the Booth R5 report details these recommendations:

- Four additional R5 areas are proposed close to Wellington;
- three new R5 areas are proposed for Stuart Town;
- two additional R5 areas are proposed for Geurie and for Elong Elong; and
- one new area at Euchareena.

Staff Comment

From the Booth research and general monitoring by staff of development activity in the Council Area, it is apparent there are medium term economic challenges to successful development of new rural residential estates with internal roads.

The market lot price for such living opportunities is not currently sufficient in the Wellington area to address the extra development cost of new internal roads at the sealed road standards normally expected for these rural living estates. Wellington is, essentially, in competition with surrounding Councils and the range of supply and pressure of regional centres such as Dubbo and Orange work to restrict land prices in Wellington.

So, if Council is to set itself in the best possible position for development of more rural residential living opportunities close to Wellington settlements, the focus at this time needs to be on low-cost new subdivision and generally that

means development utilising existing roads and limiting the upgrades needed from the developer.

By setting larger lot sizes at this time, matters such as gravel pavement roads can be considered as there is adequate setback for dust control. Should economic and demand conditions change over time, a future Council could reduce the lot size to allow further subdivision and seek road sealing as part of the requirements for that more intensive subdivision.

Following further consideration of the recommendations from Booth, it is recommended four of these areas have further assessment before Council resolves a final position on their rezoning. Essentially, staff seek to gain more confidence on the access, road servicing issues and ownership patterns affecting these four parcels. As such, the four areas are recommended for deferral for further assessment and to examine some additional areas which may better suit the lower cost model.

The remaining eight parcels recommended by Booth are supported to proceed to the formal Planning Proposal stage now. These eight parcels are detailed below:

Wellington - area 1 Figure 22 (P82 Booth) Estimated lot yield =	11
Geurie - areas 1 and 2 Figure 23 (P83 Booth) Estimated lot yield =	14
Stuart Town-areas 1-3 Figure 26 (P86 Booth) Estimated lot yield =	23
Euchareena - area1 Figure 24 (P84 Booth) Estimated lot yield =	4
Elong Elong - area1 Figure 25 (P85 Booth) Estimated lot yield =	8
Total lot yield	60

Maps identifying these areas are also presented in the attached draft Planning Proposal.

The rezoning Process

If it supports the recommendation, Council needs to formally resolve to prepare a Planning Proposal to start off the rezoning process. A draft Planning Proposal has been prepared for Council's consideration and is based on the implementation of the Booths R5 recommendations for the above eight areas. A copy of that draft Planning Proposal accompanies this report.

If Council so resolves, then the matter would be referred to the Department of Planning and Environment (DPE) for Gateway consideration. Should the Department support the proposal, the draft Planning Proposal would be authorised to allow public exhibition. It has been recommended such exhibition be for four weeks with information to be provided in all relevant towns and villages.

Following exhibition, Council would consider submissions from the community and make resolutions to proceed as exhibited, make alterations or not proceed at all with the Proposal.

Should Council resolve to proceed with the making of the Planning Proposal after consideration of submissions, then the plan would be submitted to the Department for finalisation and the land would be rezoned once the Plan was published in the Government Gazette.

Amendments to the Wellington Development Control Plan (DCP) and a possible Contributions Plan

Should the DPE support the Planning Proposal and allow it to proceed to exhibition, some minor amendments to the DCP may be required to ensure the service standards and development requirements for these parcels are made clear to prospective developers and improve their confidence to invest. These standards would also be publicly available to ensure lot purchasers understand the service limits Council will provide, for example gravel standard access in specified cases with no policy intent to seal.

Staff are also researching the possible need for a Contributions plan to apply specifically to these new development areas and possibly some urban areas in place of the current S94A plan.

Detail on a recommended amendment to the DCP and possible contributions plan will be reported to Council once the determination of the Gateway assessment is received from DPE.

Staff support the recommendations of the Booths Associates R5 report for the eight areas defined in the attached Planning Proposal and make the following recommendation:

RECOMMENDATION:

That:

- 1. Council resolve to prepare a Planning Proposal to rezone the eight areas of land recommended in this report from RU1 Primary Production to Zone R5 Large Lot Residential;**
- 2. The draft Planning Proposal, including a copy of the Booth Associates R5 report presented to Council's Meeting of 17 December 2014, be forwarded to the Regional Manager of the Department of Planning and Environment seeking the matter be progressed through the Gateway process to allow the proposals to proceed to public exhibition; and**
- 3. Staff action the preparation of a possible draft amendment to the Wellington DCP and possible Contributions plan, for report to Council once the Gateway determination is known.**

Attachment 1

DRAFT

PLANNING PROPOSAL

A PROPOSAL TO AMEND WELLINGTON LEP 2012

TO INCORPORATE CHANGES RECOMMENDED FROM THE RURAL REVIEW WITH RESPECT TO SUPPLY OF R5 (LARGE LOT RESIDENTIAL) ZONED LAND.

December 2014

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1 INTRODUCTION

1.1 The Proposal

Wellington Council is developing a Rural Land Use Strategy to review its rural land use planning needs for the coming 20 years.

Two strategic reports were commissioned from Booth Associates as formal input to the Strategy:

- Wellington Council Rural Land Use Strategy R5 Land
- Wellington Council Rural land use Strategy RU1 and RU4 Land.

These two reports form the supporting material for this Planning Proposal and are part of the attachments.

This Planning Proposal will focus on the recommendations from the R5 report (Phase one of the Rural Review).

Following preliminary consultation with the Department of Planning and Environment, it was recommended Council split the progress on the Rural Strategy into an immediate Planning Proposal to examine rezoning of certain lands to R5 (Large Lot Residential) to address long term supply of rural residential needs (Phase one) and a subsequent Planning Proposal to look at the issues in need of resolution in the RU1 (Primary Production) and RU4 (Primary Production Small Lots) zones (Phase Two).

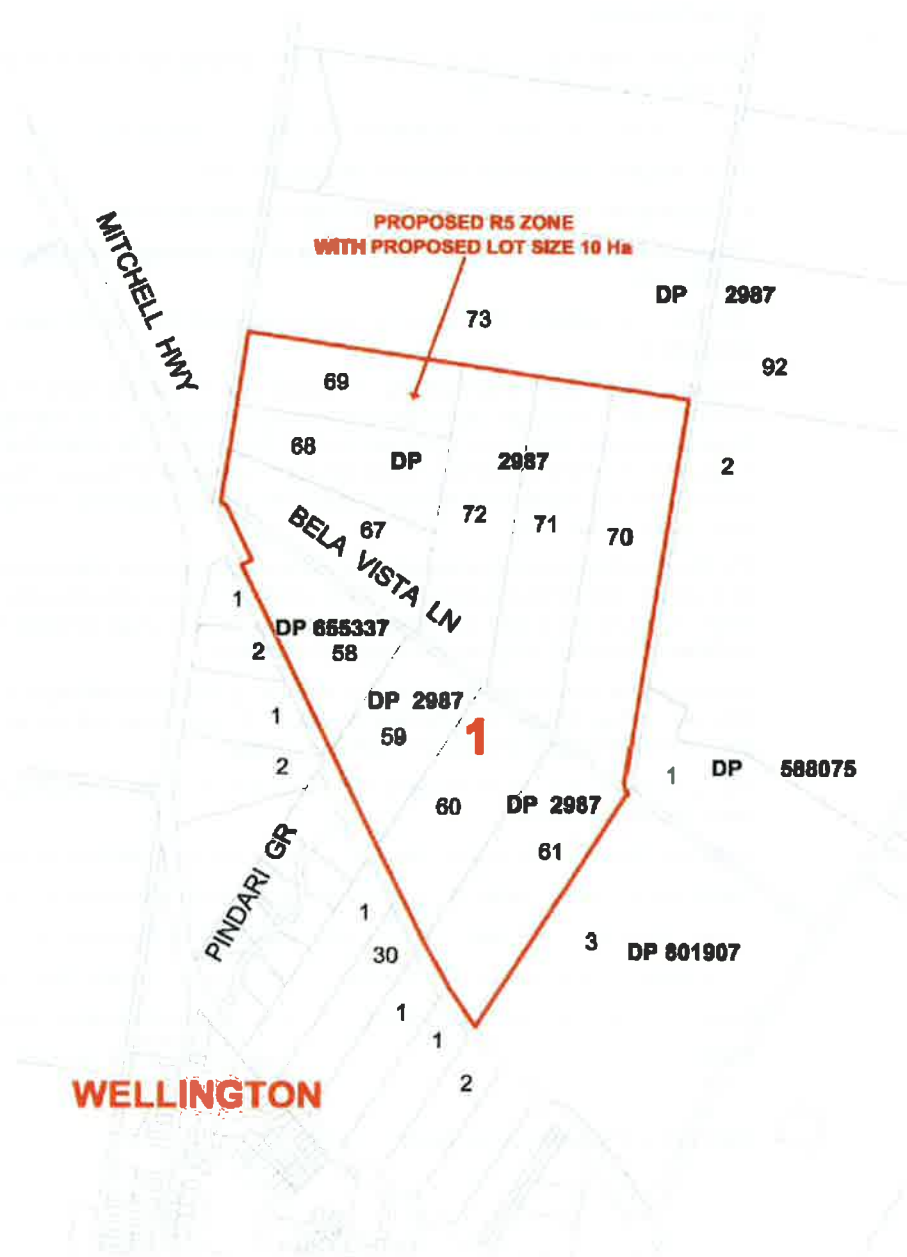
The Booths R5 report recommended 12 areas of land be rezoned from RU1 to R5. The parcels of land affected are detailed in Section 9 of that report which is an attachment to this Planning Proposal. There are 4 areas surrounding Wellington Town, 3 areas at Stuart Town, 2 areas at each of Geurie and Elong Elong and one area at Euchareena.

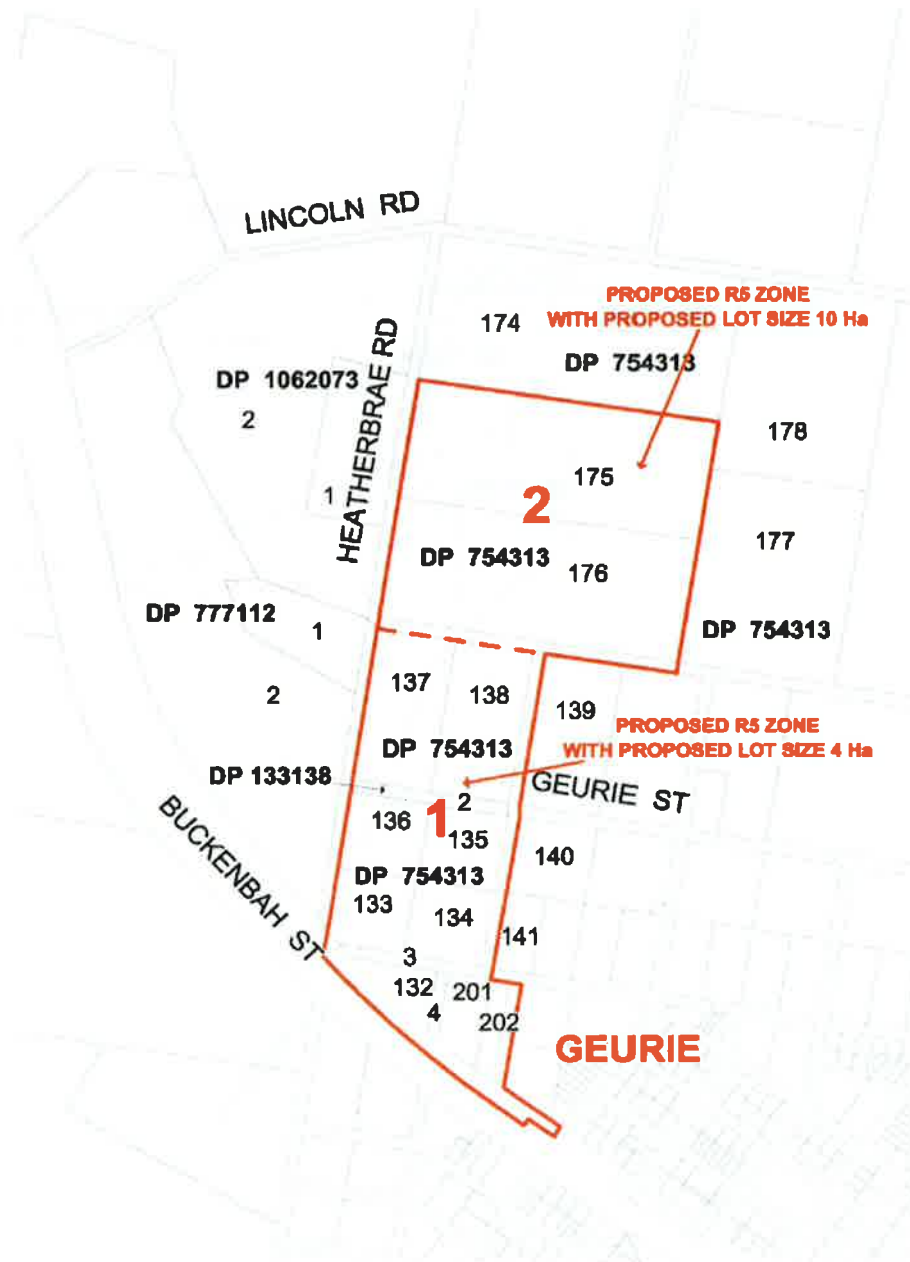
Following further consideration by Council, 4 of the 12 areas recommended by Booth have been deferred as more detailed consideration is needed of road access and ownership patterns. These 4 parcels may be brought into a later Planning Proposal.

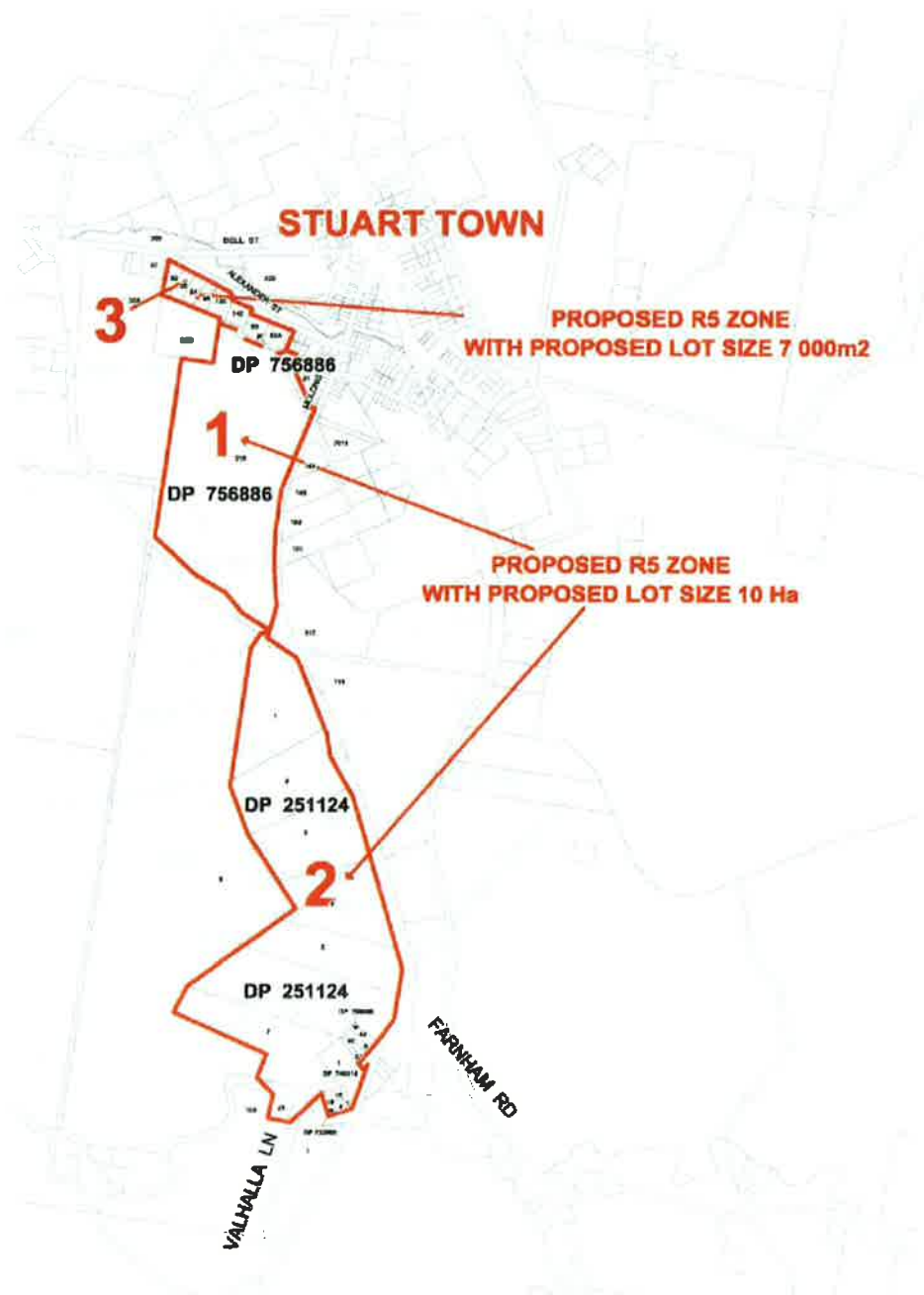
The remaining 8 areas as recommended by Booth form the basis of this planning proposal. These areas are detailed below:

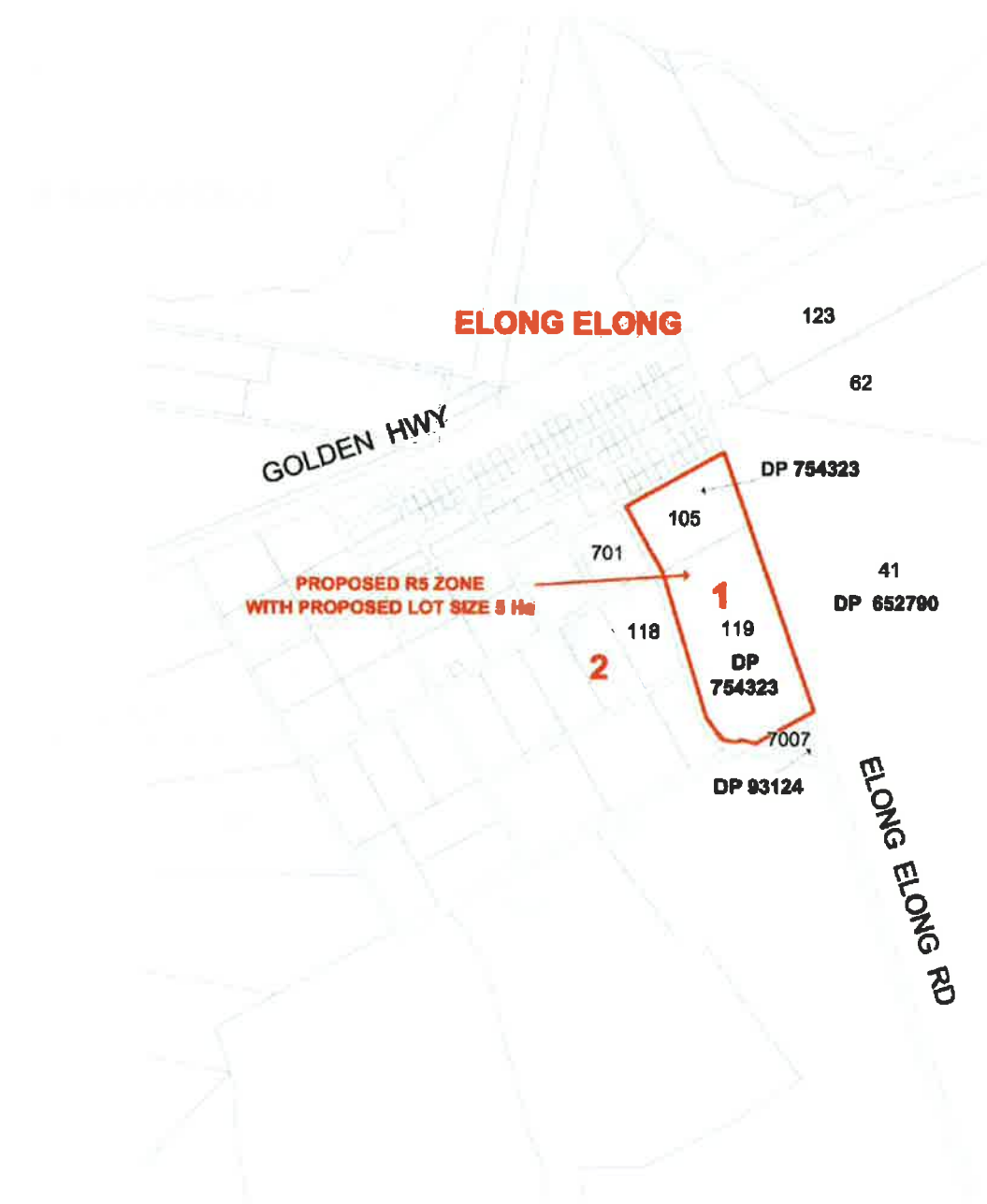
Wellington-area 1 Figure 22 (P82 Booth)	area 145 ha. Estimated lot yield =	11
Geurie-areas 1 and 2 Figure 23 (P83 Booth)	area 89 ha. Estimated lot yield =	14
Stuart Town-areas 1-3 Figure 26 (P86 Booth)	area 160 ha. Estimated lot yield =	23
Euchareena-area 1 Figure 24 (P84 Booth)	area 44ha. Estimated lot yield =	4
Elong Elong-area 1 Figure 25 (P85 Booth)	area 40ha. Estimated lot yield =	8
Totals	area 478ha. Total lot yield =	60

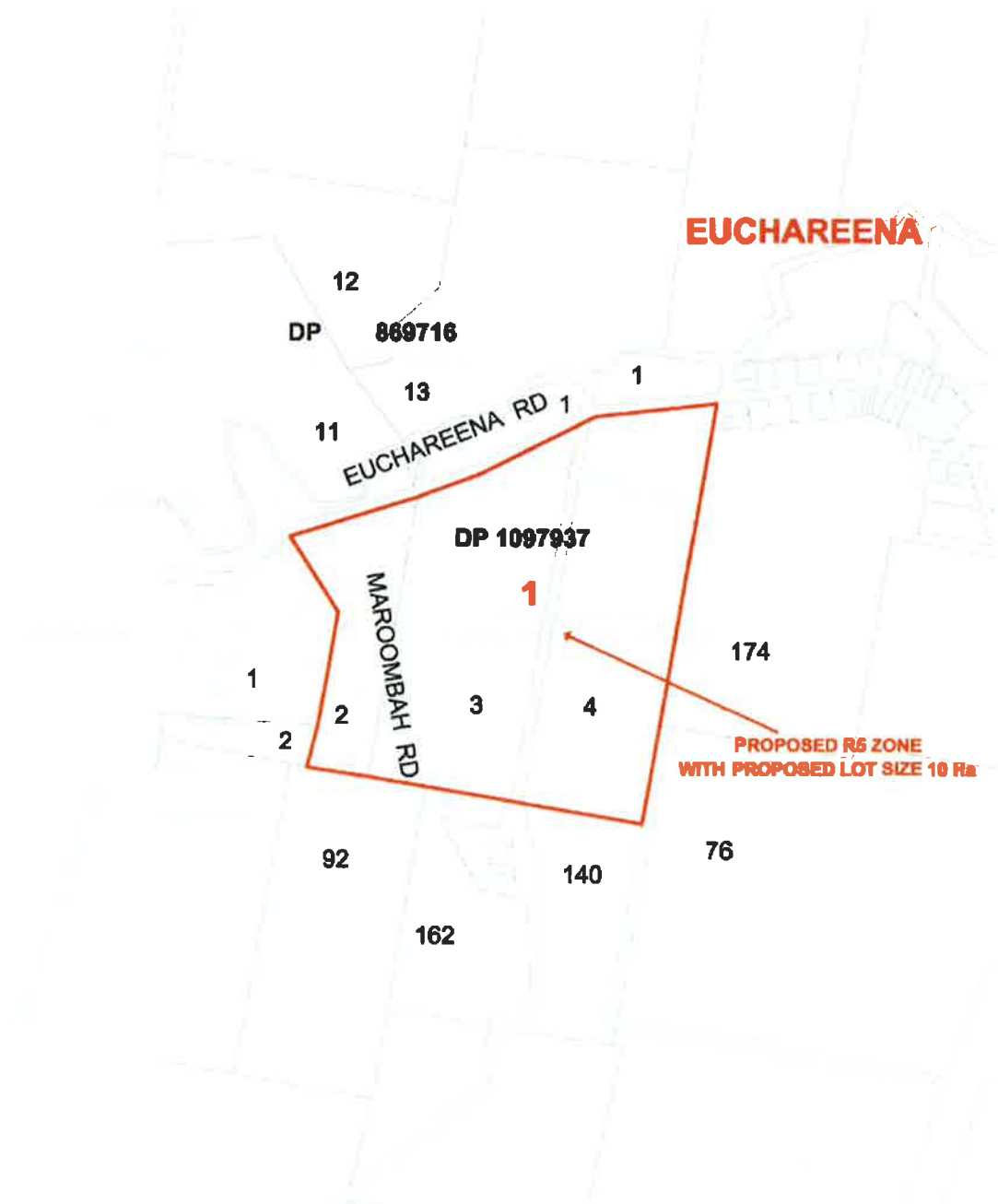
Maps of the 8 proposed areas follow:











2 OBJECTIVES OR INTENDED OUTCOMES

- To ensure an adequate supply of small lot rural residential living opportunities for the coming 20 years.
- To guide small lot rural residential subdivision to areas adjoining existing towns and villages.
- To select land for subdivision that is economic to develop and which does not overtax community services and in particular to select land with existing developed road services.
- To select land capable of on site sewage disposal and with low potential for adverse environmental impacts.
- To select fragmented land and not impact adversely on commercial agriculture.

3 EXPLANATION OF THE PROVISIONS

This is a simple Planning Proposal that seeks to rezone 8 parcels of land from RU1 Primary Production to R5 Large Lot Residential. The Lot size map would also be amended to apply a 10 ha lot size to 5 of these areas, a lot size of 5ha for the Elong Elong area, a lot size of 4ha for Area 1 at Geurie, with Area 3 at Stuart Town having a 7000m² lot size to allow a dwelling on each of the existing lots in that area.

Overall this Planning Proposal would add 478 ha to the R5 zone and increase potential supply of rural living opportunities in close proximity to Area Settlements by an estimated 60 lots.

All the land proposed for rezoning is currently zoned RU1 Primary Production and is in small fragmented ownerships or is immediately adjoining urban areas and the proposed rezoning will have minimal impact on agricultural production. For more detail see the Booth report.

Approximately 35 lots of this potential supply would be 10 ha or slightly larger with 17 in the range 4-5 ha and 8 existing lots at Stuart Town of area ranging 7000 to 8000m². Research in the Booth's report indicates lot size 5ha and over is more popular and, in the main, smaller lot supply is reasonably catered for from the existing R5 zoned lands and from Existing Holdings.

4 JUSTIFICATION

4.1 Section A – Need for the Planning Proposal

A Planning Proposal is needed if land is to be rezoned. The Strategy report by Booth Associates details that supply of large lot residential is not adequate from the current zoned land to service longer term needs.

Their research points to some market resistance to small rural residential lots under 5 ha.

Their research also points out that, while there is hypothetical supply from some of the existing R5 zones, in reality many parcels large enough for further subdivision in the existing R5 zones have development costs (in particular a requirement for new roads) which make subdivision in the medium term unlikely. A total realistic short term yield for all the current R5 zones is estimated at only 55 lots.

The public exhibition process required as part of this Planning Proposal will also be an opportunity for community feedback and review of the recommended areas, before any final decision is made.

4.2 Section B – Relationship to strategic planning framework

The proposed rezonings do not conflict with the strategic planning framework for the Central West region. This framework seeks to locate rural residential living opportunities near settlements and where servicing impacts are manageable for the community.

Booth Associates detail at section 4.1 the requirements imposed by the SEPP (Rural Lands) 2008. It is concluded that the proposed 8 additional R5 zone areas do not conflict with the rural planning principles of the SEPP.

Booth Associates point out the Proposal is affected by 3 of the Ministers 117 Directions for the planning of rural land:

- Rezoning of rural land for residential purposes must be justified by a study. The report by Booth Associates provides such justification.
- Mineral resources need to be protected. None of the land proposed for rezoning or nearby is known to have any mineral resource significance.
- Quality agricultural holdings need to be retained at viable scale. None of the areas proposed for rezoning to R5 would compromise any professional farming operation. All of these parcels are already substantially fragmented rural holdings.

4.3 Section C – Environmental social and economic impact

None of the land proposed for rezoning demonstrates any natural resource values of significance. There is minimal native vegetation and the low density, 5-10 ha, proposed lot size for most of the lots would conserve existing trees.

The land poses no significant bushfire threat and potential home-sites are likely to meet standard bushfire requirements.

There are no indications of hazards affecting the land and there is ample area for on-site sewage disposal.

No Aboriginal heritage items are known to exist on the land and no adverse impact is envisaged on any State or local heritage item or its curtilage.