

Young Planning Proposal No 2

RU4 Lands around Young and Murringo

Prepared for Young Shire Council

DRAFT FINAL REPORT

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1. INTRODUCTION

Young Local Environmental Plan 2010 (YLEP 2010) commenced on 2 August 2010. The LEP, which adopts the format established by the NSW Standard Instrument LEP template, was developed from findings and actions of the Young Shire Strategic Landuse Study Towards 2030 (YSSLUST).

The YLEP 2010 zones land around the town of Young RU4 Rural Small Holdings. The RU4 zone lands are subject to minimum lot sizes of 2 hectares or 4 hectares. In contrast, the exhibited draft LEP proposed minimum lot sizes of 2 hectares and 24 hectares for the RU4 zone lands under a different zone pattern. The final plan (as made) reverted to minimum lot sizes that reflected the previous planning regime, applying a combination of 2 hectare and 4 hectare minimum areas across the Young study area.

Planning Proposal No 2 arose in response to concerns about optimum zone and minimum lot size requirements following exhibition of the draft LEP. The Planning Proposal was to consider the RU4 land around Young town as well as opportunities for subdivision on the eastern side of Murringo, a village in the east of the Shire.

The brief described the purpose of the study as:

- (a) Satisfy the requirements needed for a planning proposal under the Environmental Planning and Assessment Act (EPA Act) 1979;
- (b) Satisfy the expectations of the NSW Department of Planning;
- (c) Satisfy the expectations of Council as set out in the Deliverables of the brief.

The scope and deliverables of the project were confirmed following commissioning:

- 1. Prepare a land inventory to be delivered through GIS mapping;
- 2. Undertake analysis of the interplay between land characteristics and existing land use patterns;
- 3. Confirm predicted future demand for rural living lots;
- 4. Analysis of locations where longer term productive potential should be maximized;
- 5. Recommend minimum lot sizes by location and changes to land zoning (as required) to reflect the highest and best use of land based on outcomes of the critical review, and taking into consideration submissions received in response to the draft LEP;
- 6. Presentation of findings to staff and Councillors.

This report has eight sections.

Section 2 contains details about the study area for Young town and the village of Murringo.

Section 3 provides an overview of previous studies, contextual details about zoning and the history of minimum lot sizes around Young and an outline of relevant statutory and policy documents.

Section 4 provides details of the project methodology including GIS analysis and supply and demand considerations.

Section 5 contains the analysis for the Young town study area. Section 6 contains the analysis for the village of Murringo.

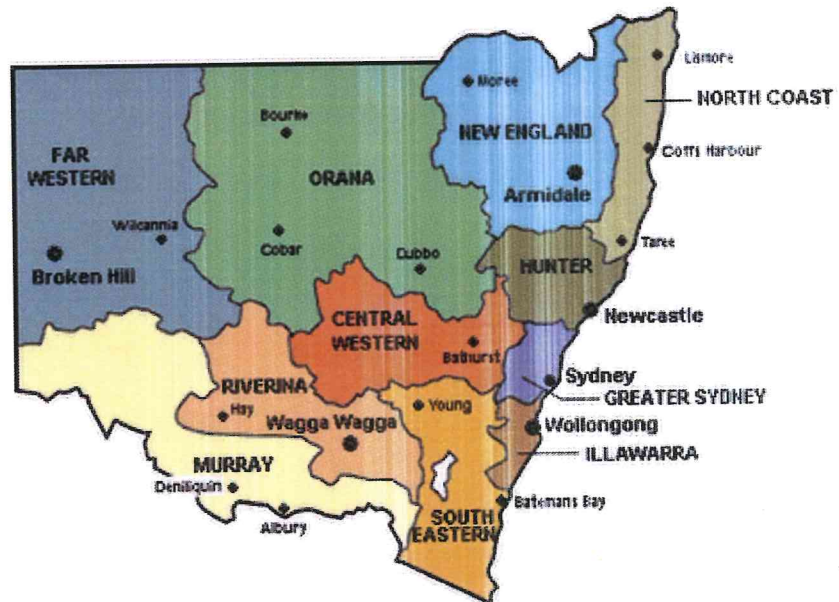
Section 7 sets out options for future minimum lot sizes around Young. Section 8 contains the report recommendations.

2. STUDY AREA

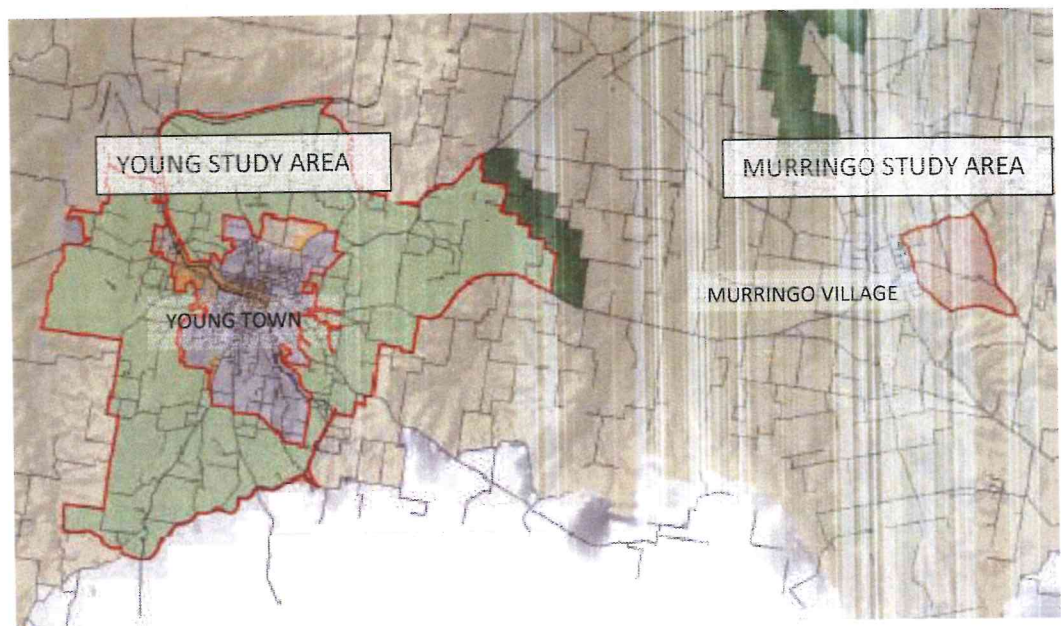
2.1 Overview

Young Shire is a local government area of approximately 12,000 residents located in the south-west slopes area of NSW.

The town of Young is located on the Olympic Highway, between Wagga Wagga and Bathurst. Young is approximately 370 kilometres from Sydney and 170 kilometres from Canberra.



The study area comprises land zoned RU4 (Rural Small Holdings) under the YLEP 2010 around the town of Young, and land on the eastern side of Murringo as shown below.

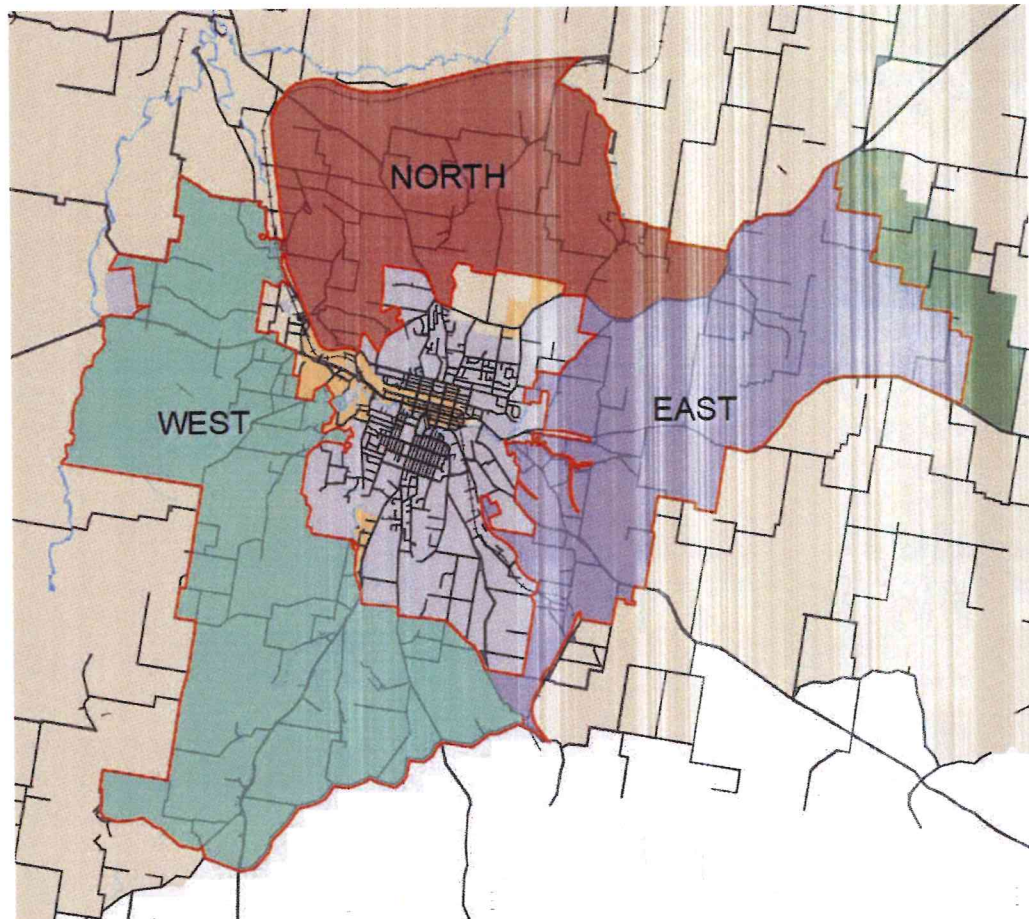


Study area – Young and Murringo

2.2 Lands surrounding Young

The Young study area encompasses all land zoned RU4 under the YLEP 2010 as shown below. For the purposes of analysis the Young town RU4 lands are split into three sectors:

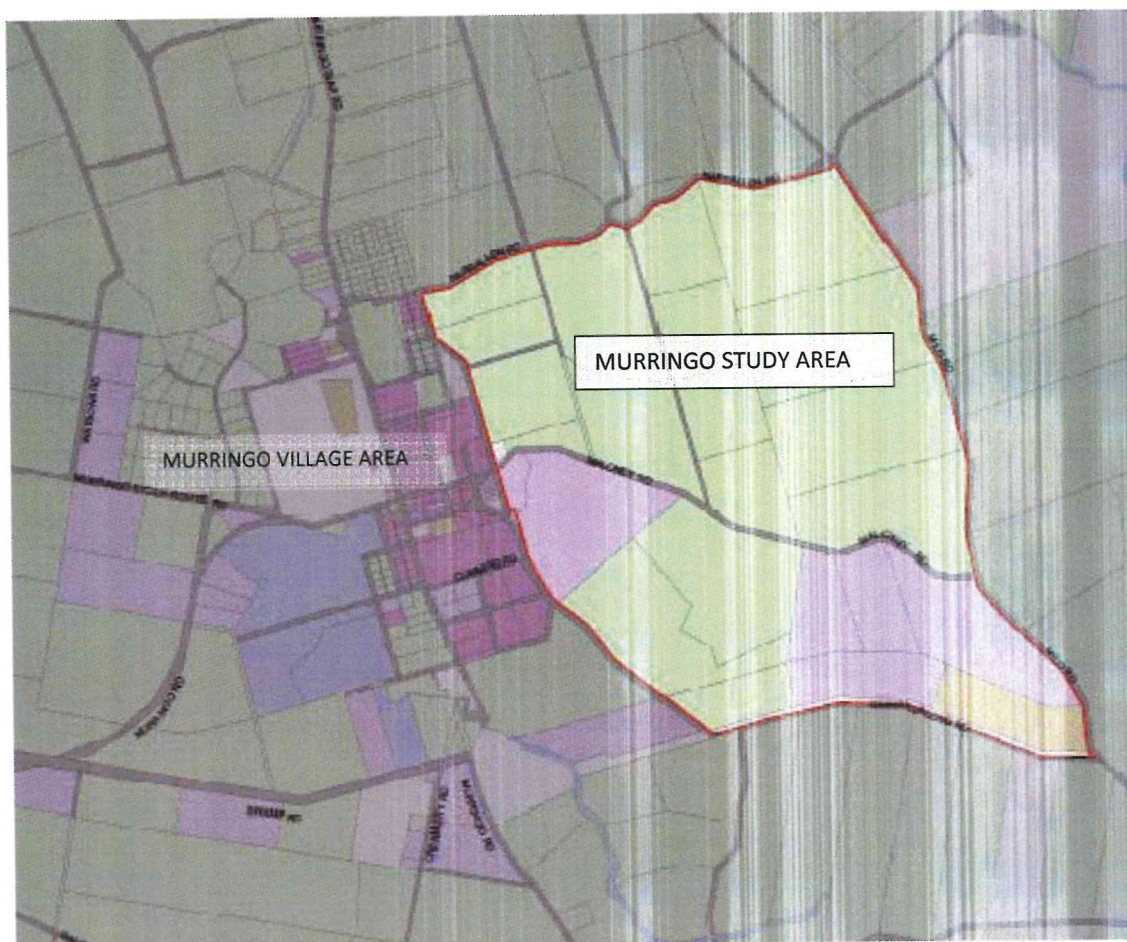
North:	Land between the railway line and Olympic Highway
East:	Olympic Highway to Kingsvale Road
West:	Land west of the R1 zone



RU4 zone lands around Young town – Young study area

2.3 Murringo

The Murringo study area is shown below. The study area broadly includes land on the eastern side of the village between Narrallen Road, Milo Road and Geegullalong Road. While the study area is set as described above, the project team was prepared to broaden the investigations depending on the initial findings. This is considered in more detail in Section 6.3 of this report.



Murringo study area

3. BACKGROUND

3.1 Studies

3.1.1 Strategy Plan Report, 2004

The Strategy Plan Report for the Town of Young, prepared by David Richardson Environmental Planning in 2004, was prompted by concerns about perceived shortages of land for housing in and around the Young township. The report provided strategic direction for residential and rural residential growth for the town in the short to medium term.

The study reviewed the existing zoning regime of the Young Urban and Rural Lands LEPs, particularly in relation to zone objectives and resulting development patterns. It also considered state government policy and directions that applied at the time. This included the Rural Lands Policy and Policy for Sustainable Agriculture in NSW. Land supply and demand were reviewed, as were issues associated with servicing and infrastructure, and catchment management.

The study concluded that the Rural Lands LEP zone objectives were unintentionally encouraging fragmentation, thereby threatening the longer term productive use of land around Young. LEP minimum lot sizes compounded the concern, being too small to support viable productive use of land.

Key elements of the recommended growth strategy included:

- Containing residential and rural residential development within the boundary of the Urban Lands LEP to the south and south east of Young;
- Providing for residential development immediately adjacent to the north west boundary of the Urban Lands LEP as an extension of the urban area;
- Investigating options and constraints to development associated with the Abattoir operations;
- Containing the provision of reticulated town services such as water and sewer within the (then current) urban area and the recommended change to the north west edge of town.

A key recommendation of the report was the need for an immediate and urgent review of the (then) statutory planning provisions of the former Urban and Rural Lands LEPs. This included the need to review the land use objectives to remove uncertainty for rural commercial operations, and the controls to provide for sustainable growth of the town.

3.1.2 Young Rural Lands Study, 2008

The Young Rural Lands Study, prepared by Booth and Associates in 2008, gives a comprehensive assessment of Young's rural sector. The report provides useful insights into the operation of the rural sector, including issues associated with holding sizes, farm viability and development trends.

The Study includes detailed analysis of the area's physical and social profile, including population and labour force characteristics and rural land uses. Outcomes from industry analysis are also reported including consultation with key sectors and agencies.

The Rural Lands Study confirmed the importance of the agricultural sector to the Young economy. The report reinforces the need for land use planning to protect productive lands through appropriate planning protocols. This includes reducing potential land use conflicts, minimising fragmentation of viable agricultural land and managing impacts from irreversible change of land use. This is reflected in the

recommended strategies for future land uses.

A detailed analysis of farm holding sizes was undertaken as part of the project. The analysis considered the subdivision potential of holdings across the zones that applied at the time. The project team found that the minimum lot sizes of the former Urban and Rural LEPs provided significant potential for subdivision. This was particularly a concern for the former 1(a1), 1(a2) and 1(a3) zones where the unacceptably high potential for subdivision had the ability to allow significant and inappropriate land fragmentation.

The project demonstrated the relationship between holding size, economic viability and minimum lot size within land use planning controls. Revised minimum lot sizes for the rural lands were recommended as 24 hectares for areas used for horticulture and viticulture and 170 hectares for the broadacre (mixed) farming lands. The recommended subdivision sizes were derived from considerations of:

- Commercial assessment
- Holdings analysis
- Protecting the land resource
- Allowing appropriate growth and change
- Rural sub-division principles of the Rural Lands SEPP (2008).

The recommended subdivision sizes were reviewed by Council as part of the YSSLUST. This is considered in more detail below. The report recommended a range of changes to the former planning regime as part of a residential and growth strategy.

The study reviewed the profile and land use characteristics of Young's villages. The village of Murringo was found to benefit from its proximity to Young and location on the Boorowa to Cowra Road. The historic buildings of the village were also acknowledged.

Murringo was found to have reasonable provision for development and growth. The subdivision on the town's western boundary, which had recently occurred, was considered to provide sufficient opportunity for a consistent number of dwelling approvals over the coming decade.

3.1.3 Young Shire Strategic Landuse Study Towards 2030

The YSSLUST 2008 prepared by Young Shire Council examined the economic, social and environmental setting of the Shire. The study, which formed the foundation for the draft YLEP 2009, sets out the rural and urban land use strategies for Young Shire to the year 2030.

Rural Lands Strategy

The Rural Lands Strategy within YSSLUST was developed from the recommendations of the 2008 Rural Lands Study. In determining the approach for the draft LEP, the Strategy is clear that preventing fragmentation is a priority for Council.

The Rural Lands Strategy principles were:

1. Acknowledgement that agricultural production on rural lands is essential to Young Shire in terms of economic output and employment;
2. Rural lands used for production must be protected and not fragmented by residential development;
3. Zoning and subdivision for rural lands should, at all times, endeavour to support and promote the continued agricultural production and access to other primary industries on rural lands.

YSSLUST recommended minimum lot sizes for rural productive land based on the

Rural Lands Study with variations derived from local knowledge and experience. The approach was philosophically premised on preventing fragmentation of viable farms rather than “ideal” farm size.

The numbers were derived from mathematical calculations of half the size of a viable farm (as determined by the Booth Rural Lands Study) plus more than 10 percent of that farm’s area as a safeguard against subdivision. Coincidentally, in the each case this generally equated to the size of a farm at the 85th percentile for the area.

Broad acre land use

Viable farm (Booth study)	300 ha
Half is subdivided	150ha
Prevention of subdivision margin	30 ha (10% of the viable farm size)
New total	180ha
Middle/median statistical cluster (85%)	169 ha
Council recommended	170 ha

Horticulture/viticulture

Viable farm (Booth study)	40 ha
Half if subdivided	20 ha
Prevention of subdivision margin	4 ha (10 %)
New total	24 ha
Median statistical farm size	23ha
Council recommended	24 ha

The YSSLUST recommendations were reflected in the exhibited version of draft YLEP 2009. The new RU4 zone was the only zone where a conversion from the former controls was re-applied, being the 2 hectare minimum lot size. The recommended minimum lot sizes were:

Broadacre farming (RU1 zone) – 170 hectares

Horticulture/viticulture (RU1 zone) – 24 hectares

Rural small holdings (RU4 zone) – 2 hectares

Urban Lands Strategy

The Residential component of the Urban Lands Strategy addressed the supply and demand of residential land for the town of Young, including demand for large lot residential development.

Dwelling approvals for the period between 2002 and 2007 were reviewed in order to determine future demand for residential land. The analysis included approvals for land covered by the former Urban Lands LEP and in the 1(a3) Special Horticultural zone of the Rural Lands LEP. Nearly two-thirds of the total dwellings approved in the five year period were found to be for smaller residential lot sizes. This translated to:

946 lots of less than 1,000m² to the year 2030

480 lots of more than 1,000m² to the year 2030

YSSLUST used the following principles to determine the location of land suitable for rezoning to meet the projected residential demand:

1. Identify land adjacent to current land that is selling (or sold when the market was active).
2. For lots less than 1,000m² provide land located as close as possible to the CBD where infrastructure services such as retailing, medical, hospital, education and the like are located.

3. Lots less than 1,000m² should not be further from the CBD than larger lots.
4. Lots of 1 hectare should be located so that they promote an urban-rural transition.
5. Generally lots should be located adjacent to construction infrastructure such as water and where possible sewerage facilities.

The foundation for rezoning land to R5 Large Lot Residential was:

1. The sites will not fragment productive rural lands.
2. The sites will provide competition and choice in different sections of Young town.
3. Rezoning reinforces the social, physical and utilities infrastructure of Young town.
4. The sites are suitable for residential development subject to normal subdivision investigation.
5. Subdivision within the R5 zone to be supported by master planning overlays that enable future redevelopment as urban infill.

The land demand conclusions and location principles of the YSSLUST have informed underlying assumptions for the current project.

3.2 Zoning, subdivision and development history

3.2.1 Early settlement and orcharding

The town of Young was laid out in 1861 shortly after the discovery of gold at Lambing Flat and Burrangong in 1860. The gold rush coincided with the Robertson Land Act of 1861 which encouraged closer settlement by allowing failed miners to select holdings averaging 90 acres in size. By January 1866 a land office had opened in Young and a total of 4,708 selections had been made.

The first cherry trees are thought to have been planted in the district in 1847 in Edward Taylor's home orchard. The first commercial cherry orchard was planted by Nicole Jasprizza in 1878 taking stock from Taylor's trees. The opening of the railway in 1885 reduced transport times and opened new markets for local growers. This encouraged a large number of orchards to be planted in the district.

Cherry orcharding continued to expand between the wars with new varieties being developed. Other orcharding enterprises were also established in the district. (Source: Young Shire Thematic History)

3.2.2 Soldier settlement subdivisions

The Returned Soldiers Settlement Act 1919 set aside land to be available for soldiers after their discharge from duty in World War 1. The intention was to allow returned servicemen the opportunity to establish small farms. Land around Young considered suitable for fruit orchards was acquired by the government in the early 20th century to be used as soldier settlements.

The areas selected were at Prunevale (Kingsvale), Maimaru and Quamby, Waterview, Bendick Murrell and Wirrimah. Prune trees were planted in 1919 but by the time the trees matured market prices had collapsed. The viability for soldier settlers was worsened by the Great Depression to the point where many of the Waterview settlers were given 300 pounds to leave their blocks. The subsequent amalgamation of soldier settler lots to create viable rural properties was a theme common across Western NSW. (Source: Young Shire Thematic History and Central West Thematic History).

The Young Rural Lands Study observed a pattern of smaller holding sizes in areas

where soldier settlement subdivisions had occurred. This included areas near Maimuru and south of Monteagle. It is possible that the former soldier settlement subdivisions encouraged early patterns of smaller rural subdivisions in the district.

3.2.3 Former Urban and Rural Lands LEPs

Young Urban Lands LEP 1991

The former Young Urban Lands LEP 1991 was gazetted on 4 February 1991. The Urban Lands LEP included two rural zones:

Rural 1(a) zone - 4ha minimum lot size

Rural 1(c) zone – 0.6ha minimum lot size

Both zones were intended to facilitate small holdings or hobby farms and to enable houses to be built on larger than normal residential lots. The Richardson report confirmed that both zones were effectively rural (large lot) residential zones.

Young Rural Lands LEP 1993

The former Young Rural Lands LEP 1993 was gazetted on 9 September 1993. The Rural Lands LEP established the zoning and land use controls for the rural areas of Young Shire from 1993 until the making of the Young LEP 2010 in August 2010. The Rural Lands LEP included a number of zones around the town of Young as set out below.

Young Rural Lands LEP 1993 – Small Holding zones

Zone	Primary purpose/Zone objectives	Min lot size
1(a2) Horticultural	Protect the potential of land for prune orcharding	10 ha
1(a3) Special Horticultural	Protect the potential of land for cherry orcharding	4 ha
1(c1) Rural Residential	Provide for small holdings on land suitable for rural residential use in conjunction with agricultural use	2 ha
1(c2) Special Rural Residential	Provide for rural residential development on land not considered as prime agricultural land	0.6 ha

The subdivision provisions of the Rural Lands LEP were complex and flexible. For example, Clause 13 made provision for subdivision of 1(a3) zone land for non-agricultural uses provided Council was satisfied:

- (a) None of the land was prime crop and pasture land and
- (b) The area of the lot to be created was appropriate having regard to the proposed use.

Council could also consider subdivision if the purpose of the lot was “for the supply of goods and services for which there is a demand and that the demand justifies the creation of the lot notwithstanding its agricultural value and no other land in the locality could reasonably be used for that purpose”.

As previously observed, the 2004 Richardson Strategy Plan report concluded that the Rural Lands LEP did not give adequate certainty for the continued use agricultural lands for productive purposes. It also failed to provide adequate protection from fragmentation, especially within the urban-rural fringe of Young.

3.2.4 Draft Young LEP 2009

The Draft Young LEP was prepared following completion of the YSSLUST. The 2030 Strategy had in turn been informed by all the previous planning studies and investigations.

The draft LEP followed the format and structure as set by the Standard Instrument (Local Environmental Plan) Order 2006, commonly known as the LEP template. The

draft plan was prepared as a new principal LEP for the Shire which would replace the Urban and Rural Lands LEPs when made.

A key challenge for the draft LEP was to find the closest “fit” between the prescribed standard zones of the Standard Instrument and the zones of the former instruments, and to satisfy the Department of Planning’s advice on the drafting and structure for the new plan.

The Standard Instrument required clearer delineation between urban and rural zones. It also required adherence to a much simpler system of zones. This was explained in the Fact Sheets prepared for the exhibition of the draft Plan.

The conversion of zones for the lands around Young town provided the opportunity for significant rationalisation of the zone and minimum lot size provisions from the former Urban and Rural Lands LEPs. This approach was consistent with the recommendations of the background planning studies. Details of the relevant zone conversions are set out in the table below.

Conversion of zones – Draft Young LEP 2009

Former LEP zone	Draft YLEP 2009 zone
Young Rural Lands LEP 1993 1(a1) General Rural zone 1(a2) Horticultural Rural zone 1(a3) Special Horticultural zone	RU1 Primary Production
Young Urban Lands LEP 1991 1(a) Rural zone 1(c) Rural C zone Young Rural Lands LEP 1993 1(a2) Horticultural Rural zone 1(a3) Special Horticultural Rural zone	RU4 Rural Small Holdings
Young Rural Lands LEP 1993 2(v) Village zone	RU5 Village

An extract from the draft YLEP 2009 land use zoning map for the land around Young town is shown on the following page. The draft zoning map introduced an R5 Large Lot Residential zone to the north east, east and south of town. Pockets of RU4 Rural Small Holdings were identified to the east and west of town and the remainder of land zoned RU1 Primary Production.

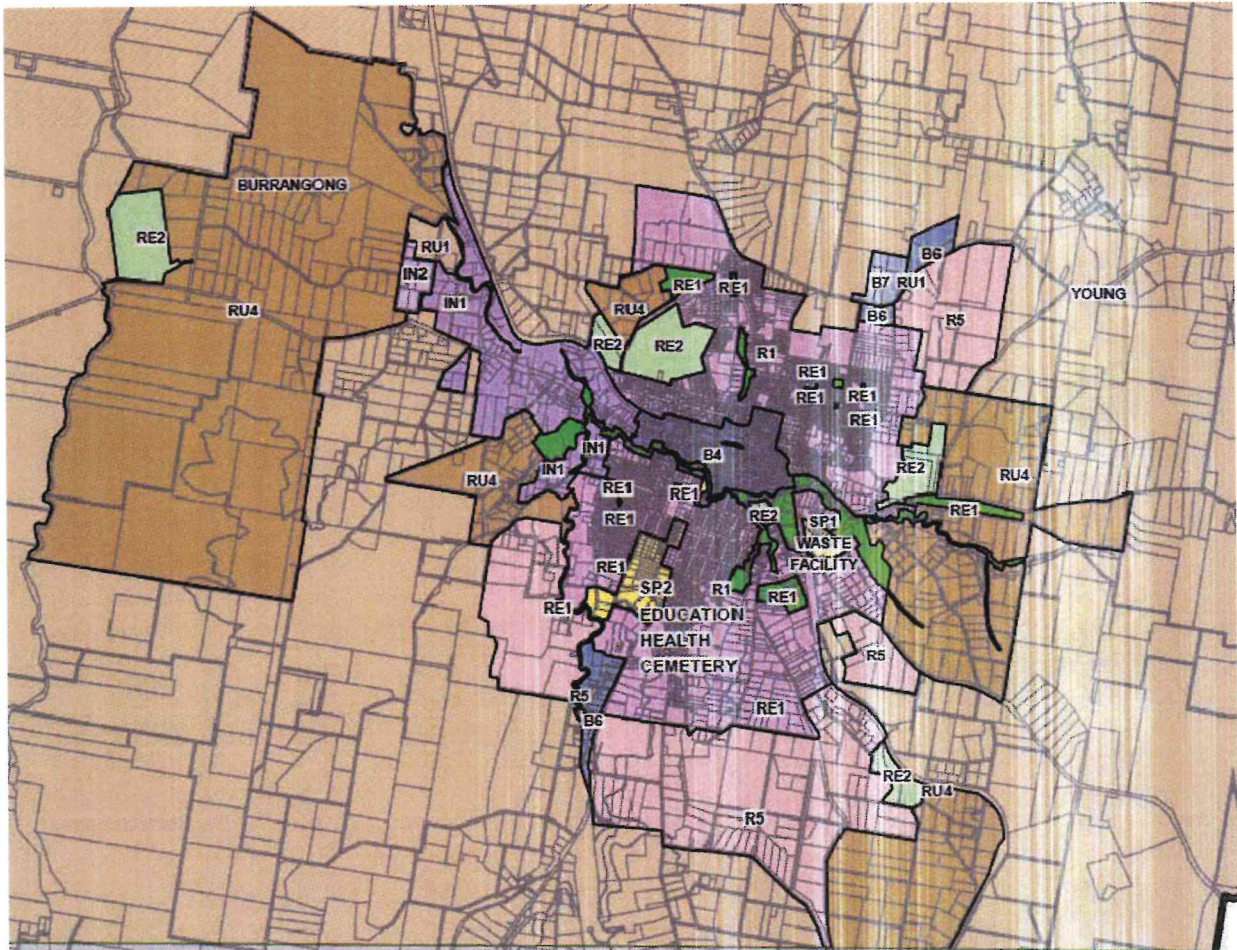
An extract of the minimum lot size map for the lands around Young town is also shown on the following page. The minimum lot sizes proposed by the draft LEP were:

RU 1 Primary Production zone – 170 hectares or 24 hectares

RU4 Rural Small Holdings – 2 hectares

A large portion of the study area was subject to a 24 hectare minimum lot size under the draft LEP.

The draft LEP was exhibited for public comment over a two month period from October to December 2009. The provisions relating to the future zoning and minimum lot sizes around Young town and to the east of the village of Murrumbidgee attracted many submissions. The submissions have been reviewed as part of this project. Refer Appendix B.



Extract, Young Draft LEP 2009 zoning map – Young and surrounds



Extract, draft LEP 2009 minimum lot sizes – Young and surrounds

3.3 Statutory considerations

3.3.1 Standard Instrument

The standardisation of LEPs has been a major element of the NSW Government Planning Reforms since 2006. The Standard Instrument (Local Environmental Plans) Order 2006, which was gazetted on 31 March 2006, sets out 35 standard zones for Councils to use for their new principal local environmental plans. The YLEP 2010 follows the template as set by the Standard Instrument.

The Standard Instrument was amended on 25 February 2011. The amending order aims to improve the efficiency of delivery for standard LEPs and to:

- Clarify the intention of zones through new and amended directions, objectives, mandatory land uses and the renaming of the RU4 zone;
- Update clauses to conform with changes in legislation including the Heritage Act and State Environmental Planning Policies made subsequent to the Standard Instrument Order; and to
- Ensure existing land use terms do not overlap across definitions and to clarify the relationship between definitions through new terms, amendments to existing terms and cross referencing the group term/sub-term relationships.

Where an LEP has been published, such as the YLEP 2010, the changes will take effect on 25 June 2011. The critical change for the current project is the new name for the RU4 zone, previously known as Rural Small Holdings. This zone becomes the RU4 Primary Production Small Lots zone. The updated LEP Practice Note describes the revised RU4 zone as:

This zone (previously named Rural Small Holdings) is for land which is to be used for commercial primary industry production, including emerging primary industries and agricultural uses that operate on smaller rural holdings.

In 2011, the name of the zone was changed to clarify that it is a rural zone for agricultural uses, not a pseudo-residential zone. The objectives of the zone have been changed to encourage employment opportunities in relation to primary production on small lots and to minimise fragmentation and alienation of resource lands important for food security.

The changed zone name, modified core zone objectives and additional mandated permissible uses ('intensive plant agriculture' and 'plant nursery') better reflect the intent of the zone – being an agricultural industry/food production focus and not a rural residential lifestyle zone.

The revised mandated RU4 zone objectives and current YLEP 2010 zone objectives are:

Revised mandated RU4 zone objectives	Current RU4 zone objectives – YLEP 2010
<i>To enable sustainable primary industry and other compatible land uses.</i> <i>To minimise conflict between land uses within this zone and land uses within adjoining zones</i> To encourage and promote diversity and employment opportunities in relation to primary industry enterprises, particularly those that require smaller lots or that are more intensive in nature. .	<i>To enable sustainable primary industry and other compatible land uses.</i> <i>To minimise conflict between land uses within this zone and land uses within adjoining zones.</i> To maintain the rural and scenic character of the land. To ensure that development does not unreasonably increase the demand for public services or public facilities. To maintain areas of high conservation value. To protect the water quality within waterways including aquatic and riparian habitats.

Discussions between the Department of Planning and Young Shire Council in relation to the Standard Instrument amendments are beyond the scope of the current project. The primary relevant consideration is the updated RU4 zone provisions and their effect in terms of the reinforcing the underlying intention of the RU4 zone as a productive zone, not a quasi-residential zone.

Irrespective, the ability to support productive uses is of primary relevance for the Young RU4 zone. These lands have always served a valuable and justified role as an area where a combination of commercial and hobby based activities have occurred. The intermediary not town/not rural character of these lands is a valid part of their history and a more pragmatic planning approach is considered reasonable and appropriate.

3.3.2 Local Planning Directions

Local Planning Directions are issued by the Minister for Planning under section 117(2) of the Environmental Planning and Assessment Act (1979). Planning Proposals and new local environmental plans are required to be consistent with Directions issued under section 117. This is a relevant consideration for any recommendations of the current report.

Direction 1.2 - Rural Zones

Direction 1.2 aims to protect the agricultural production value of rural land. The Direction applies when a planning proposal is prepared that will affect land within an existing or proposed rural zone (including the alteration of any existing rural zone boundary). Under the Direction a planning proposal must:

- (a) Not rezone land from a rural zone to a residential, business, industrial, village or tourist zone.
- (b) Not contain provisions that will increase the permissible density of land within a rural zone (other than land within an existing town or village).

Inconsistencies with the Direction require a planning proposal to be able to demonstrate – to the satisfaction of the Director-General of the Department of Planning - that the inconsistencies are:

- (a) Justified by a strategy which:
 - (i) Gives consideration to the objectives of the direction
 - (ii) Identifies the land which is the subject of the planning proposal
 - (iii) Is approved by the Director-General of the Department of Planning or
- (b) Justified by a study prepared in support of the planning proposal which gives consideration to the objectives of this direction or
- (c) In accordance with the relevant Regional Strategy or Sub-Regional Strategy prepared by the Department of Planning which gives consideration to the objective of this direction or
- (d) Is of minor significance.

Direction 1.5 – Rural Lands

Direction 1.5 aims to protect the agricultural production value of rural land and facilitate the orderly and economic development of rural lands for rural and related purposes. The Direction applies where a planning proposal is prepared that will affect land within an existing or proposed rural or environmental protection zone or where a planning proposal includes provisions that will change the existing minimum lot size of land within a rural or environment protection zone.

The Direction requires planning proposal to be consistent with the Rural Planning Principles and the Rural Subdivision Principles as listed in State Environmental Planning Policy (Rural Lands) 2008 or SEPP Rural Lands.

Inconsistencies with the Direction require a planning proposal to be able to demonstrate – to the satisfaction of the Director-General of the Department of Planning - that the inconsistencies are:

- (a) Justified by a strategy which:
 - (i) Gives consideration to the objectives of the direction
 - (ii) Identifies the land which is the subject of the planning proposal
 - (iii) Is approved by the Director-General of the Department of Planning or
- (b) Is of minor significance.

The SEPP (Rural Lands) Rural Planning Principles are:

- (a) the promotion and protection of opportunities for current and potential productive and sustainable economic activities in rural areas,
- (b) recognition of the importance of rural lands and agriculture and the changing nature of agriculture and of trends, demands and issues in agriculture in the area, region or State,
- (c) recognition of the significance of rural land uses to the State and rural communities, including the social and economic benefits of rural land use and development,
- (d) in planning for rural lands, to balance the social, economic and environmental interests of the community,
- (e) the identification and protection of natural resources, having regard to maintaining biodiversity, the protection of native vegetation, the importance of water resources and avoiding constrained land,
- (f) the provision of opportunities for rural lifestyle, settlement and housing that contribute to the social and economic welfare of rural communities,
- (g) the consideration of impacts on services and infrastructure and appropriate location when providing for rural housing,
- (h) ensuring consistency with any applicable regional strategy of the Department of Planning or any applicable local strategy endorsed by the Director-General.

The Rural Subdivision Principles are:

- (a) the minimisation of rural land fragmentation,
- (b) the minimisation of rural land use conflicts, particularly between residential land uses and other rural land uses,
- (c) the consideration of the nature of existing agricultural holdings and the existing and planned future supply of rural residential land when considering lot sizes for rural lands,
- (d) the consideration of the natural and physical constraints and opportunities of land,
- (e) ensuring that planning for dwelling opportunities takes account of those constraints.

4. METHOD

4.1 Overview

The study has used a combination of technical, quantitative and qualitative methods. The details of the approach have been determined in consultation with Council staff. The key study questions are:

- Q1 How much land is zoned RU4 by the YLEP 2010?
- Q2 Where is land most suitable for agricultural production?
- Q3 Which lands are most suited to rural living?
- Q4 What is the relationship between zoned RU4 land and the demand for rural living lots?

GIS mapping was used to provide a quantitative assessment of the land use characteristics and capabilities of the RU4 zoned land around Young. In relation to these areas the secondary questions were:

- Q5 What are the areas of conflict and no-conflict between suitability for agricultural production and rural living?
- Q6 Are there any areas with no applicability.

A review of subdivision approvals for land now zoned RU4 under the YLEP 2010 was undertaken to provide quantitative input on rural living demand. The analysis considered applications for subdivision since 2000/2001 across the study area.

4.2 GIS Analysis

The GIS mapping data set was developed from the following inputs and sources:

Information	Source
Base information Cadastral and land parcel information Topographical details (land contours) Aerial photography	Council
Statutory planning Land zoning Minimum lot sizes	YLEP 2010
Biodiversity and environmental constraints Natural Resource Sensitivity Biodiversity mapping Natural Resource Sensitivity Land mapping Natural Resource Sensitivity Water mapping Bushfire prone land	YLEP 2010
Cherry suitability mapping Agricultural classification data	Department of Primary Industries/ Department of Agriculture
Productive potential of land/farming capability Existing holding sizes Existing land uses	GHD/Booth Rural Lands Study

A rating scale was developed to allow the GIS analysis to be used to identify:

1. Land not suitable for agriculture/rural living
2. Land somewhat suitable for agriculture/rural living
3. Land highly suitable for agriculture/rural living.

The data sets were organized as shown in the tables that follow. Separate data sets were produced for agricultural production and rural living suitability reflecting the different priorities of variables for either outcome.

The data sets were assigned a weighting that indicated the relative importance of each variable. The higher the value, the more important the variable. For example,

farming capability and holding size are significantly more important to suitability for agricultural potential than bushfire or the natural resource sensitivity overlays and therefore would have a higher number in the weightings.

4.2.1 Agricultural Suitability

The table below shows the data sets and criteria for assessing agricultural suitability.

TABLE 4.2.1a Agricultural Suitability Data Set

Data set	Criteria	Suitability rating
BUSHFIRE	Land affected by Bushfire	1
	Land within 100m of land affected by Bushfire	2
	All other land	3
BIODIVERSITY	Land subject to Biodiversity Overlay (YLEP 2010)	1
	All other land	3
LAND CONSTRAINTS	Land subject to Land Constraints Overlay (YLEP 2010)	1
	All other land	3
WATER CONSTRAINTS	Land subject to Water Overlay (YLEP 2010)	1
	All other land	3
EXISTING LAND USES	Land currently used for activities other than agricultural production	2
	Land currently used for farming/agricultural production	3
EXISTING HOLDING SIZE	Holding size less than 4ha	1
	Holding size between 4ha and 24ha	2
	Holding size greater than 24ha	3
EXISTING LOT SIZE	Lot size less than 2ha	1
	Lot size between 2ha and 4ha	2
	Lot size greater than 4ha	3
FARMING CAPABILITY	Land well suited to cherry production	1
	Land well suited to cherry production with some limitations	2
	Land unsuited to cherry production	3
	Arable land well suited to cropping	1
	Land suitable for grazing but not agriculture	2
	Land well suited to grazing and pasture improvements	2
	Land well suited to intensive production of crop	3
	Land generally unsuitable for agriculture	3
PROXIMITY TO EDGE OF TOWN	Land less than 500m from the edge of urban area	1
	Land between 500m-1km from edge of urban area	2
	Land greater than 1km from edge of urban area	3
PROXIMITY TO AN EXISTING RESIDENTIAL DWELLING	More than 2/3 of property is within 200m of a dwelling on neighbouring title	1
	Between 1/3 and 2/3 of property is within 200m of a dwelling on a neighbouring title	2
	Less than 1/3 of property is within 200m of dwelling on neighbouring title	3

The relative weighting of the data sets for the modelling is set out below. The scale is from 1 to 9 with the criteria closest to 9 being the most important for agricultural suitability. The relative weighting of criteria were determined in consultation with Council staff and were revised following preliminary results.

TABLE 4.2.1b Agricultural Suitability Relative Criteria Weighting

Data set	Relative weighting
Bushfire	3
Biodiversity	3
Land constraints	3
Water constraints	3
Existing land use	4
Existing holding size	7
Existing lot size	5
Farming capability	9
Proximity to edge of town	3
Proximity to dwelling on neighbouring title	6

4.2.2 Rural Living Suitability

The table below shows the data sets and criteria for assessing rural living suitability.

TABLE 4.2.2a Rural Living Suitability Data Set

Data set	Criteria	Suitability rating
BUSHFIRE	Land subject to Bushfire Overlay	1
	All other land	3
BIODIVERSITY	Land subject to Biodiversity Overlay (YLEP 2010)	1
	All other land	3
LAND CONSTRAINTS	Land subject to Land Constraints Overlay (YLEP 2010)	2
	All other land	3
WATER CONSTRAINTS	Land subject to Water Overlay (YLEP 2010)	2
	All other land	3
EXISTING LAND USES	Land used for farming/agricultural production (including orcharding)	2
	Land currently used for residential (including rural living)	3
EXISTING HOLDING SIZE	Holding size greater than 24ha	1
	Holding size between 4ha and 24ha	2
	Holding size less than 4ha	3
EXISTING LOT SIZE	Lot size greater than 4ha	1
	Lot size between 2ha and 4ha	2
	Lot size less than 2ha	3
FARMING CAPABILITY	Land well suited to cherry production	1
	Land well suited to cherry production with some limitations	2
	Land unsuited to cherry production	3
	Arable land well suited to cropping	1
	Land suitable for grazing but not agriculture	2
	Land well suited to grazing and pasture improvements	2
	Land well suited to intensive production of crop	1
	Land generally unsuitable for agriculture	3
PROXIMITY TO EDGE OF TOWN	Land less than 2.5km from the edge of urban area	3
	Land between 2.5km-1km from edge of urban area	2
	Land greater than 5km from edge of urban area	1
PROXIMITY TO AN EXISTING RESIDENTIAL DWELLING	Land greater than 200m from existing residential properties	1
	Less than ½ of property is within 200m of a dwelling on neighbouring title	2
	More than ½ of property is within 200m of a dwelling on a neighbouring title	3
PROXIMITY TO MAIN ROADS	Land greater than 300m from main road	1
	Land between 200m and 300m of main road	2
	Land less than 100m from main road	3
PROXIMITY TO INDUSTRIAL OR OTHER CONFLICTING LAND USE	Land less than 100m from existing industrial or conflicting use	1
	Land between 100m-200m from existing industrial or conflicting use	2
	Land greater than 200m from existing industrial or conflicting use	3

The relative weighting of the data sets for the modelling is set out below. The scale is from 1 to 9 with the criteria closest to 9 being the most important for rural living suitability. The relative weighting of criteria were determined in consultation with Council staff and were revised following preliminary results.

TABLE 4.2.2b Rural Living Suitability Relative Weighting of Criteria

Data set	Relative weighting
Bushfire	7
Biodiversity	7
Land constraints	7
Water constraints	7
Existing land use	5
Existing holding size	5
Existing lot size	4
Farming capability	8
Proximity to edge of town	8
Proximity to residential use	8
Proximity to main road	7
Proximity to industrial or other conflicting use	3

4.2.3 Determining Land Use Conflict

The conflict map was derived by overlaying both the agricultural suitability and rural living suitability maps and determining the lands which have a major conflict, moderate conflict, rural living preference or agricultural preference. This classification system is based on the class definitions and set of assumptions identified in the table below.

Table 4.2.3 Land Use Conflict Classifications

Classification	Definition
Major conflict	Where high suitability for both rural living and agriculture is equivalent a major conflict has been predicted.
Moderate conflict	Where medium and low suitability for both rural living and agriculture is equivalent a moderate conflict has been predicted. Additionally, where rural living is only slightly more suitable than agriculture a moderate conflict has been predicted.
Rural living preference	Where rural living is highly suitable and agriculture is of low suitability for a given land area then no conflict has been predicted and rural living has been preferred.
Agricultural preference	Where agriculture has a higher suitability for a given land area than rural living then no conflict has been predicted and agriculture has been preferred.

4.3 Subdivision approvals and land supply/demand - Young

Details of subdivision approvals since 2000/2001 were examined for each sector. Approvals which created lots of larger sizes have been excluded on the assumption that such lots were more likely to be intended for productive uses, and would therefore be unlikely to be part of the demand for rural living lots. Including such lots would skew the results and reduce relevance.

4.3.1 North Sector

A total of 26 subdivision applications were approved in the North sector from 2001 to 2010.

Key statistics	Total number of lots created:	141 lots
	Lots/year (average)	14.1
	Average lot size:	4.5ha
	Peak activity periods:	2004 (57 lots)
		2009 (29 lots)

TABLE 4.3.1 Applications for subdivision of RU4 land (North Sector), 2001 to 2010

Year	No of Applications	Lots created	Ave lot size (ha)
2001	1	4	5.4
2002	0	0	N/A
2003	4	13	4.14
2004	8	57	4.05
2005	3	25	6.4
2006	1	2	4
2007	2 ¹	6	5
2008	2	3	4.4
2009	4 ²	29	5.4
2010	1	2	2
TOTAL	26	141	4.5 ha

NOTES

1. DA2007/00084 excluded, 2 lots created, 23ha and 47ha
2. DA2009/00141 excluded, 2 lots being 15.3ha and 17ha

4.3.2 East Sector

A total of 29 subdivision applications were approved in the East sector from 2000 to 2010.

Key statistics	Total number of lots created:	151 lots
	Lots/year (average)	13.7
	Average lot size:	4.3ha
	Peak activity periods:	2006 (38 lots)
		2009 (52 lots)

Table 4.3.2 Applications for subdivision, RU4 Land (East Sector) 2001 to 2010

Year	No of Applications	Lots created	Ave lot size (ha)
2000	1	2	3.05
2001	1	1	4
2002	2	9	3.8
2003	0	0	N/A
2004	5	20 ¹	3.8
2005	0	0	N/A
2006	4	38	5.2
2007	4	27	5.85
2008	0	0	N/A
2009	11	52	4.6
2010	1	2 ²	4
TOTAL	29	151	4.3ha

NOTES

1. Excludes two residual lots, one 88.7ha and one 48.8ha
2. Excludes one residual lot, 71.9ha

4.3.3 West Sector

A total of 33 applications for subdivision were approved for land in the West sector from 2001 to 2010.

Key statistics	Total number of lots created:	174 lots
	Lots/year (average):	17.4
	Average lot size:	4ha
	Peak activity periods:	2009 (77 lots)

TABLE 4.3.3: Applications for subdivision, RU4 land (West Sector) 2001 to 2010

Year	No of Applications	Lots created	Ave lot size (ha)
2001	1	3	1.9
2002	4	23	3.4
2003	4 ¹	17	3.5
2004	3	8 ²	1.7
2005	6	18	8
2006	2	10 ³	3.45
2007	2	7	4.4
2008	1	3	3
2009	7	77	7
2010	3	8	3.6
TOTAL	33	174	4ha

NOTES

1. Excludes DA2003/00133, two lots created, 40ha and 112ha
2. Excludes one residual lot, 22.6ha
3. Excludes one residual lot, 22ha

4.3.4 Summary – All areas

The combined subdivision data for all RU4 zone lands is below. The results confirm strong subdivision activity periods during 2004 and more significantly in 2009. The average lot size across all areas was 4.2 hectares.

Key statistics	Total number of lots created:	466 lots
	Lots/year:	45
	Average lot size:	4.2ha

TABLE 4.3.4 Applications for subdivision, Young RU4 land, 2000 to 2010

Year	No of Applications	Lots created	Ave lot size (ha)
2000	1	2	3.05
2001	3	8	3.7
2002	6	32	3.6
2003	8	30	3.82
2004	16	85	3.2
2005	9	43	7.2
2006	7	50	4.2
2007	8	40	5.0
2008	3	6	3.7
2009	22	158	5.6
2010	5	12	3.2
TOTAL	88	466	4.2ha

Discussions with Council staff and local real estate agents support the view that the higher rate of activity during 2004 (85 lots) was attributed to a period of unusually strong market conditions. In contrast, the very high subdivision rate during 2009 (158 lots) was more likely to be associated with the pending changes to planning controls following completion of the Booth Rural Lands Study in 2008 and preparation/exhibition of the Draft LEP in 2009. This view is reinforced by the relatively low rate of subdivision activity during 2010 when only 12 lots were created.

5. ANALYSIS - YOUNG

5.1 Land Supply and Demand

5.1.1 Assumptions

Population growth

Growth of 1 percent per annum to 2030 giving a forecast population of 14,300 by the year 2030 (Source: YSSLUST, Young Shire Council 2008).

Residential Demand – urban and rural living

Two thirds of total demand for housing is for lots less than 1,000m² in area. The required rate of production at 43 lots/year is to be met within the R1 zone (Source: YSSLUST, Young Shire Council 2008).

The remaining one-third comprises demand for larger residential lots, including rural living lots. YSSLUST estimated the required rate of production for larger residential lots to be 109 lots over 5 years or 484 lots to 2030 or 21.8 lots/year (Source: YSSLUST, Young Shire Council 2008).

5.1.2 Supply and demand analysis

Quantitative analysis

The total area of land zoned RU4 on the fringes of Young is 9,394.4 hectares. Of this, 1,875.3 hectares is currently developed, or known to be in residential use (based on Council's records since 1999). The key statistics are:

Total land supply:	9,394.4ha
Rural living (since 1999):	1,875.3ha
Crown land:	111ha
<i>Residual (farming and other uses) =</i>	<i>7,408.1ha</i>

The split of the land supply across the sectors is shown below.

Sector	Total land (ha)	Rural living* (ha)	Crown (ha)	Residual (farming/other)
North	2,442.6	380.7	14.4	2,047.5 ha
East	2,893.7	601.7	60.7	2,231.3 ha
West	4,058.2	892.9	36	3,129.3 ha
TOTAL – all areas	9,394.4	1,875.3	111	7,408.1 ha

* Approved since 1999/2000

The residual (farming/other uses) land (7,408.1ha) is theoretically available for subdivision. However, in reality, the residual land area also includes a combination of prime agricultural land, land with environmental sensitivities and constraints and properties in residential use from the period prior to 1999/2000.

High resolution aerial photographs have been used to identify pre-1999/2000 developments in order to estimate the area of land within the residual already “taken up”. Although the process introduces some uncertainty and unreliability it allows a reasonable estimate to be made about the land stocks of the study area for discussion purposes. The task is important to establish a valid starting point for more detailed examination.

The calculations below show the revised estimates of the available (residual) land area.

North Sector

Existing rural living – 380.7 ha or 15.6% of total land area

Estimated rural living (including pre-existing development) – 20% of total area

Revised adjusted residual land area = 1,954.1 ha

East Sector

Existing rural living – 601.7 ha or 20.8% of total land area

Estimated rural living (including pre-existing development) – 25% of total area

Revised adjusted residual land area = 1507.9 ha

West Sector

Existing rural living – 892.9 ha or 22% of total land area

Estimated rural living (including pre-existing development) – 25% of total area

Revised adjusted residual land area = 3043.7 ha

Total adjusted residual land area (all areas) = 6505.7 ha

Qualitative inputs

Qualitative inputs provide a valuable “cross check” against the numbers and quantitative assessment of subdivision approvals trends, land areas and the like. Local knowledge and views on the land use, subdivision and development demands of the study area were sought through:

- Discussions with local real estate agents familiar with the Young town, stock and station sales and rural sales generally within the district;
- Anecdotal experience of Council staff, including development assessment staff.
- Comments made in submissions to the draft LEP.

Review and comment

The quantitative analysis shows that subdivision approvals since 2000 have averaged 45 lots per year at an average of 4.2 hectares per lot. The following observations are made on lot production rates and supply/demand issues:

1. The approvals rate at 45 lots/year is just over double the demand for larger residential lots assumed by YSSLUST (21.8 lots/year). It is reasonable to assume that the rate has been inflated by the increased activity in 2009, and to a lesser extent 2003/04. This is confirmed by anecdotal views received from both the market and development assessment perspectives.
2. Excluding the subdivision approvals for 2009 gives a more likely figure of 28.1 lots/year. This is also closer to the YSSLUST estimate.
3. Anecdotal evidence confirms patterns noted in YSSLUST of market preferences for smaller (1 hectare) lots rather than traditional 4 hectare rural living subdivisions. The R5 zoned area established by YLEP 2010 should in part respond to this demand.
4. Notwithstanding point 3 above, market feedback also confirms the importance of maintaining a variety of lot sizes as it allows land owners to pursue hobby farm/small holding activities.

The validity of the 4 hectare minimum lot size for productive rural small holdings remains a critical question. The relationship between minimum lot sizes, productive farm sizes and fragmentation of productive land is a consistent theme across the background reports. This was also a consistent criticism of the previous planning regimes, being the Young Urban Lands LEP 1991 and the Young Rural Lands LEP 1993.

The contemporary preferred planning position is that demand for residential large lots, including lots intended for rural living, should be met within the R5 (Large Lot Residential) zone under the Standard Instrument LEP, not the RU4 zone. This has been reinforced by the recent amendments to the Standard Instrument, including the renaming of the RU4 zone as the Primary Production Small Lots zone.

Irrespective of the above, site visits and anecdotal evidence, including discussions with

real estate agents familiar with the local market, confirm that there is an active market for rural living lots within the RU4 zone around Young. While the YLEP 2010 R5 zone may in part reduce the dependence on the rural small holding land stocks for rural living lots, the project team is generally of the view that pressures for rural living within the RU4 zone will continue, especially if the minimum lot sizes remain unchanged.

For the purposes of the current work a required (ongoing) subdivision approval rate of **30 lots/year** for the RU4 zone is assumed. The rate is considered generous despite being less than the actual observed subdivision approval rate. The rationale is:

1. The number of lots created in 2009 was extraordinarily high, especially as only 6 lots were created in 2008 and 12 lots in 2010.
2. The conditions leading to the 2009 approval rate were almost certainly linked to pending changes in the planning controls, rather than the “true” market conditions of 2003/04.
3. The actual take up rate of lots approved during 2009 will not be known for some time. However, as the consents have five years before they lapse, there is potential for the market to be swamped.
4. The YLEP 2010 R5 zone is likely to meet at least part of the demand for lots that may have otherwise been met within the RU4 zone lands.

In summary the rate of 30 lots/year provides a conservative basis for evaluating land supply. It is derived from actual subdivision approvals moderated by professional assessment of recent development trends and local knowledge.

Details of the assumptions for land requirements are in the table below. It is assumed that an area of 4.5 hectares is required for each lot.

TABLE 5.1.2 Assumptions – Land required for subdivision, RU4 zone

Criteria	Rate/Assumption	Comment
Lot production (required)	30 lots/year @ 4ha	As per comments above. The rate of 30 lots/year provides a starting point for evaluating land supply and demand.
Land area required/lot (raw)	4.5ha/lot (raw)	Makes some allowance for roads/infrastructure and for variations taking into account site conditions or constraints.
Total land/year	30 lots x 4.5 ha = 135ha	The estimated land requirement is generally consistent with the previous assumptions, and is likely to be generous.

5.1.3 Existing land supply

The land supply for each sector is set below. The calculations are based on the revised adjusted residual land areas which include an assumption for residential lots that pre-date the current record system. This has been done using high resolution aerial photography as previously described.

The available (residual) land is a combination of prime productive land and land potentially subject to a range of environmental constraints and the like. While some inaccuracies are expected, the calculations give a general indication of the longer term land supply contained within the current RU4 lands based on historic rates of development. This is a key underlying question for the study, and an important base reference point for the project.

North sector: 1,954.1ha or 14.5 years @ 135ha/year

East sector: 1,507.9ha or 11.2 years @ 135ha/year

West sector: 3,043.7ha or 22.5 years @ 135ha/year

TOTAL ALL RU4 zone lands =6,505.7ha or 48.2 years supply @ 135ha/year

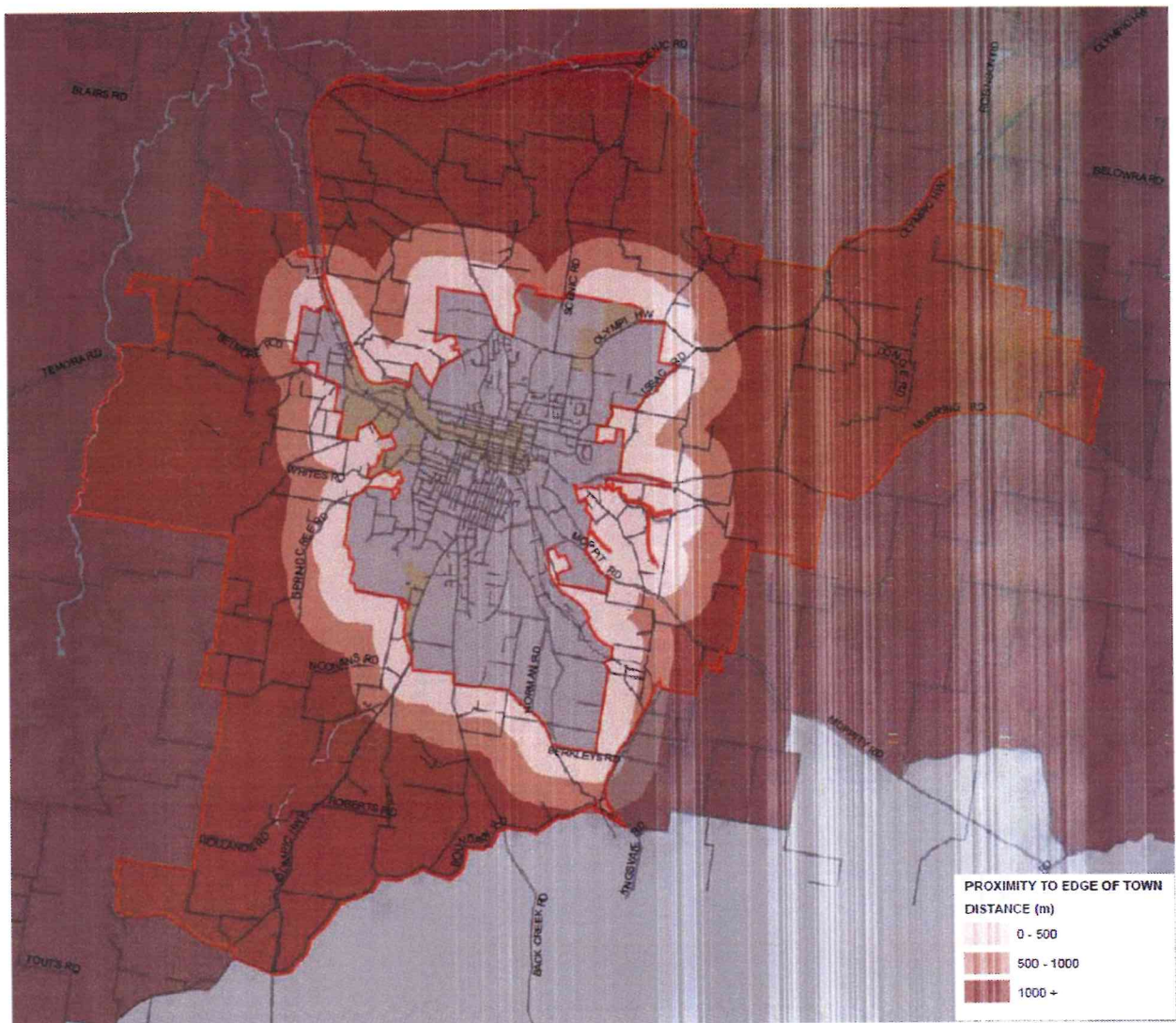
In summary, the YLEP 2010 has zoned 9,394.4 hectares of land RU4 Rural Small Holdings (Primary Production Small Lots). Excluding crown land and land known to have been developed for residential purposes since 1999/2000 there are 6,606.7 hectares available for development. Assuming 135 hectares of land is required each year to service the demand for subdivision the forward land supply will satisfy demand for 48.2 years.

Various factors could affect the calculation including the transfer of demand for rural living lots to the R5 zone would increase the effective supply of the RU4 zone study area lands. Overall the assumptions are considered to provide a reasonable foundation for the analysis of the next stage.

5.2.1 Principles

It is assumed that subdivisions for rural living are likely to continue within the current RU4 lands. The analysis draws on the following principles in addition to the principles of SEPP (Rural Lands) 2008:

1. Achieve a reasonable balance between the right to farm and rural living.
2. Give priority to productive uses where there the current patterns confirm the land has high agricultural suitability, especially where it is further away from the current urban edge and has not been significantly affected by fragmentation.
3. Acknowledge where the productive potential has been reduced and land has a high rural living suitability, especially where it is contiguous with R5 land.
4. Discourage rural living subdivisions beyond 1km from existing urban edge.
5. Consider opportunities for longer term expansion of the urban area.



Distance from the existing urban edge

5.2.2 North Sector

The east-west alignment of the railway gives the North sector a strong physical boundary. Some of the characteristics of this area are:

- Pockets of productive uses, especially in the centre and northern half of the area;
- Fragmentation along the roads resulting in pockets of development that are not rational/logical in planning terms
- The relatively “organised” rural living developments along Pattersons Lane
- Majority of the northern section (north of Reynolds Road and Jasprizza Lane) is more than 1km from the urban edge.

The north side of Young has not been a preferred location partly because of associations with the Abattoir and difficulties in extending reticulated services (water and sewer). The Abattoir operations have generated some uncertainty, particularly in relation to its longer term operations. This is considered in more detail below.

The *agricultural suitability map* shows areas of land with high agricultural suitability on either side of Reynolds Lane in the centre of the sector and towards the northern edge, some of which correlates with larger land holdings. These areas are interspersed with areas of medium productive suitability.

The *rural living suitability map* shows overlap between land highly suited to rural living and highly productive land. Land along the main roads of the sector is highly suited to rural living in most instances.

Observations about the *land use conflict map* for the North Sector are:

- The south western corner shows a preference towards rural living. This area, which coincides with the existing 2 hectare minimum lot size, also includes some highly suitable agricultural land north of McMahon's Road;
- The land use suitability is similar along the northern edge, with some bias to agricultural use in the corner north of Pattersons Lane and east of Scenic Road;
- The north eastern edge towards Bashams Lane shows a preference to agricultural suitability. This area is also more than 1km from the current urban edge.

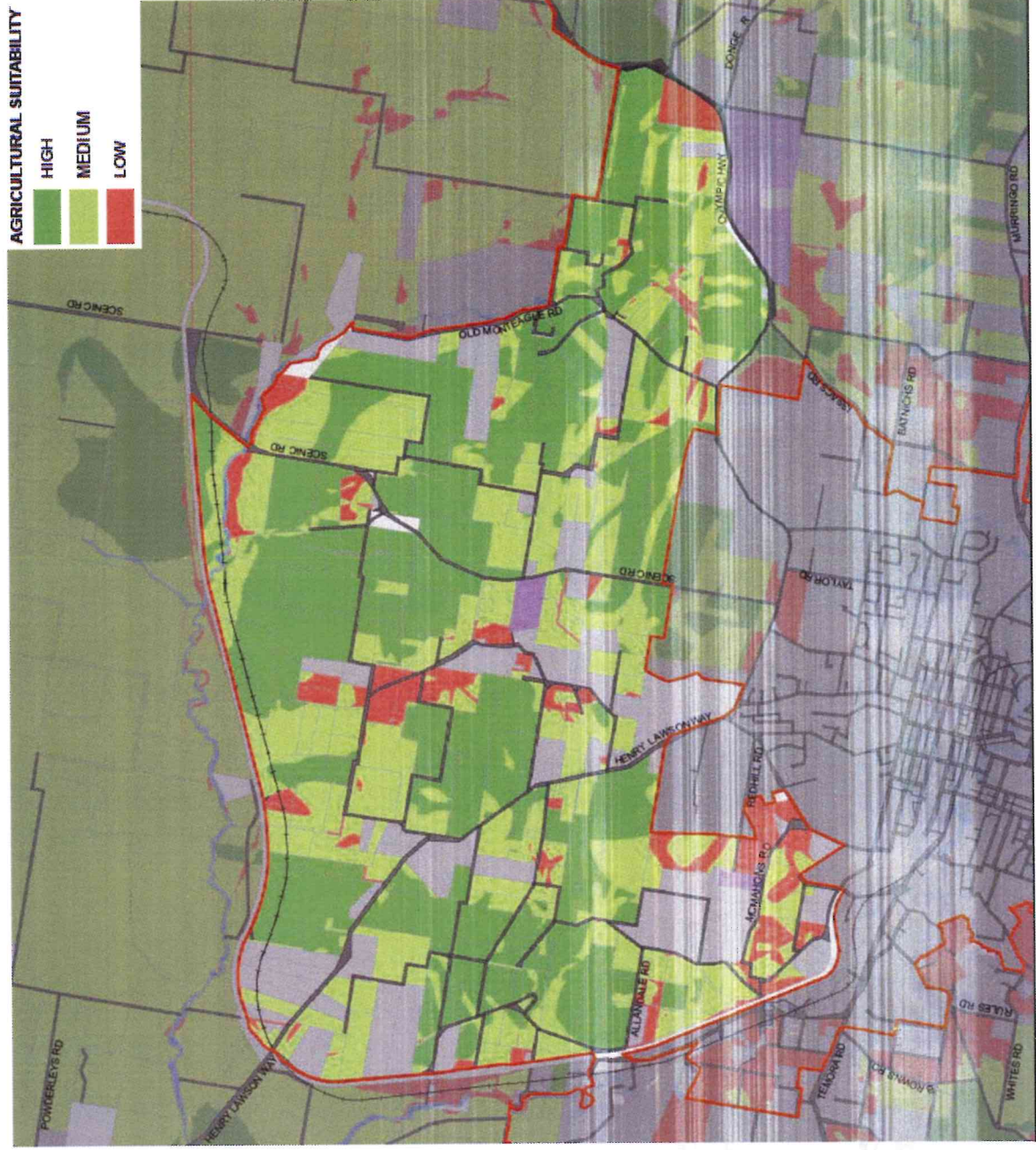
REVIEW/STRATEGY

Land north of the town has not been as highly sought after as a preferred location by the Young community as the south. However, it has the potential to provide for future urban expansion for Young. The organised character of the Pattersons Lane rural living subdivisions in part benefit from the strong physical boundary of the railway corridor which effectively contains any northern expansion of smaller subdivisions.

The likely future operation of the Abattoir has been a source of uncertainty. Council has been proactive in working with the current owner to achieve improved operating conditions for the facility and to ensure appropriate planning controls for land in its vicinity. This includes the buffer zone established by YLEP 2010. It is noted that development has successfully occurred in the North sector, and that any recommencement of works at the Abattoir should not be a barrier to future development.

The preference for this area is to retain the current zone and minimum lot provisions and use development controls to manage subdivisions to provide for future infill. The agricultural suitability mapping provides a basis for assessing potential impacts where subdivision is proposed affecting highly productive land.

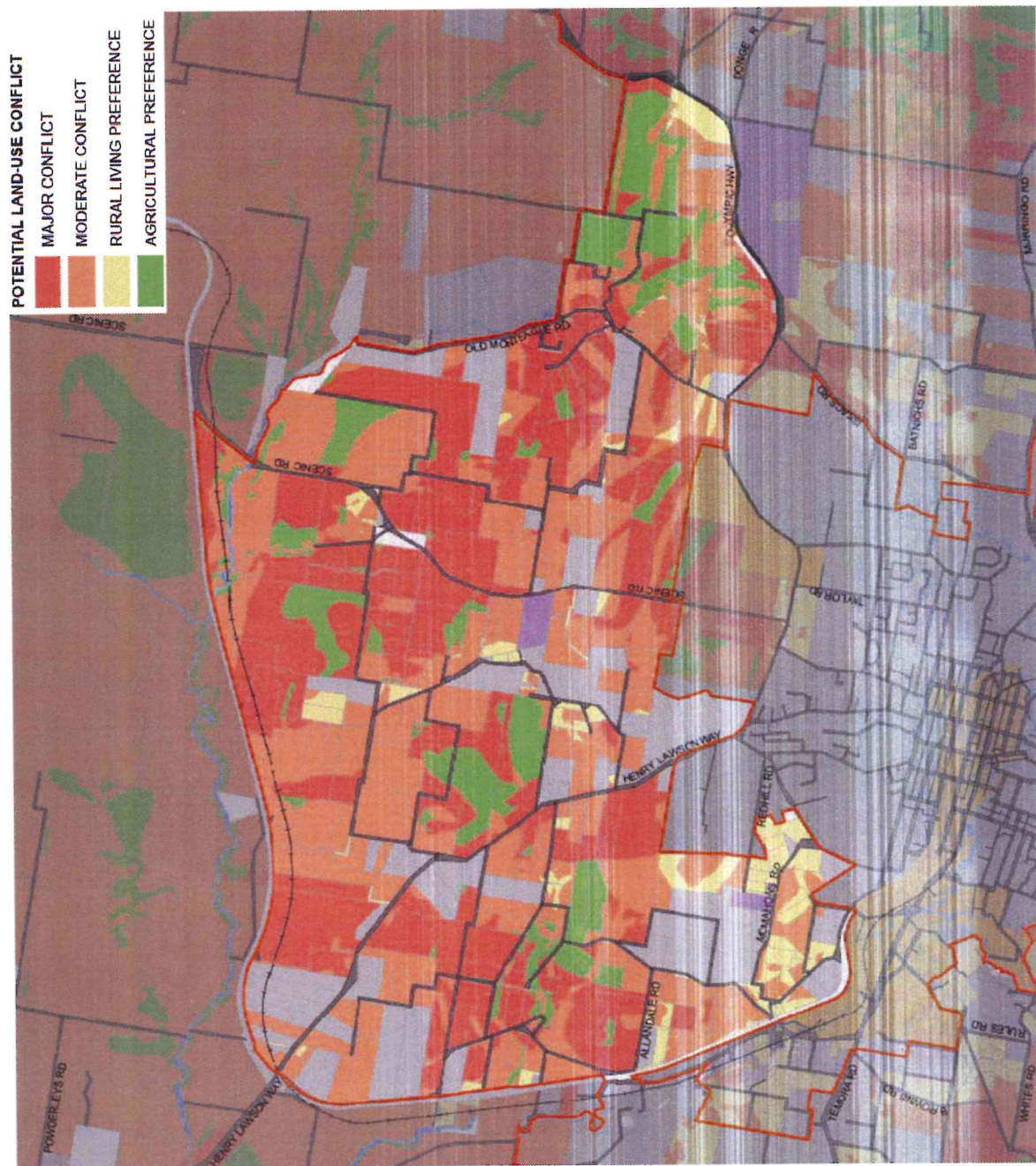
Young North Agricultural Suitability map



Young North Rural Living Suitability map



Young North Potential Land Use Conflict map



5.2.3 East Sector

The East sector is characterized by a mix of productive uses interspersed with rural living subdivisions. Grove Estate, one of the largest wineries of the locality, has around 50 hectares of grapes growing in the area around Apps Lane. The Sector includes the land extending to the foothills of Shirrenden Hill and the Wamanumba Gap to the east of the town.

The *agricultural suitability map* shows the land to the east of Donges Road being of high agricultural suitability. There are also large pockets of quality agricultural land on either side of Apps Lane and west of Bourkes Road. In contrast, land on the eastern fringe of the current urban area is of low agricultural suitability.

The *rural living suitability map* shows that much of the area is suitable for rural living with high to medium suitability.

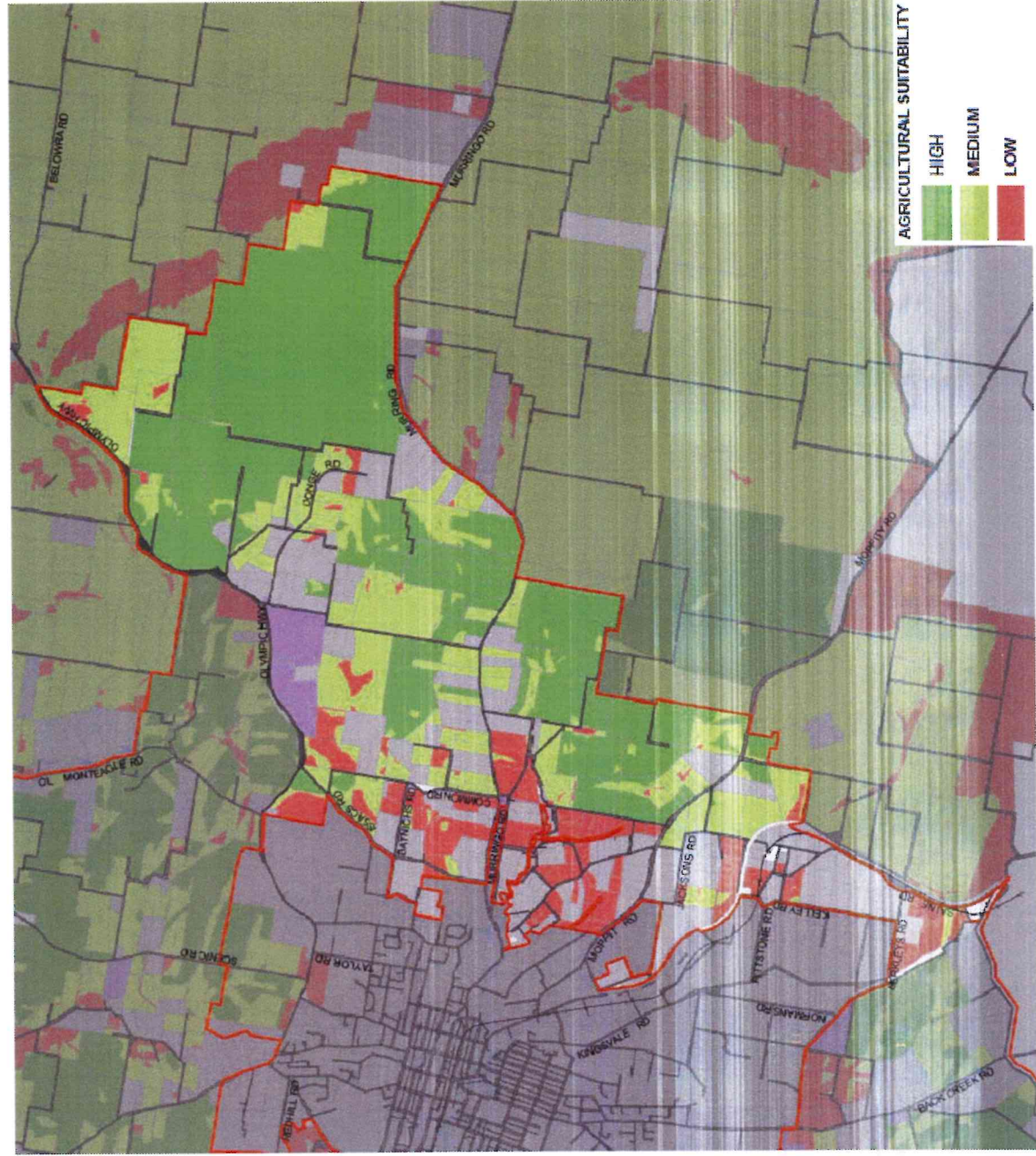
Observations about the patterns evident in the *Land Use Conflict map* are:

- While land east of Donges Road is suitable for either agricultural use or rural living, the distance from the urban edge and small pockets of green (agricultural preference) are indicators that the productive potential of the land should be protected;
- There is a clear preference to rural living in the area immediately adjoining the urban edge extending to Bourkes Road and Commons Road. This area has a current minimum lot size of 2 hectares;
- The mapping suggests that the productive potential of land east of Bourkes Road should be retained, even though it is within the 500m radii of the urban edge.

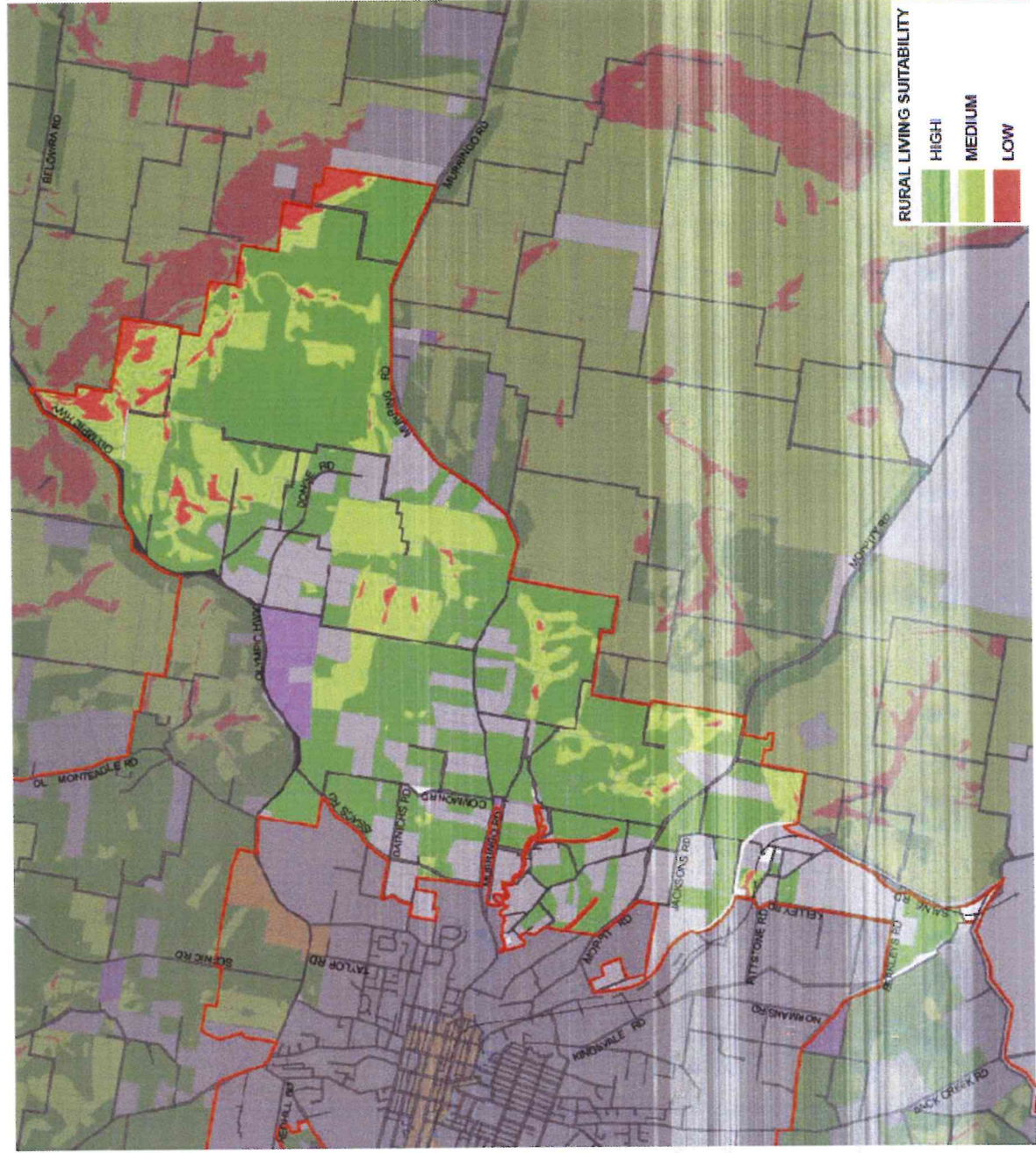
REVIEW/STRATEGY

1. Encourage rural living subdivisions close to the existing urban edge, especially in the area between the current residential zone and Bourkes Road/Commons Road.
2. Protect the agricultural potential of land on the eastern side of Bourkes Road.
3. Use the agricultural suitability mapping as part of a suite of development controls to protect the highly productive pockets of land between Commons Road and Donges Road.
4. Protect the agricultural potential of land on the eastern fringe (west of Donges Road), especially given the distance from the urban edge.

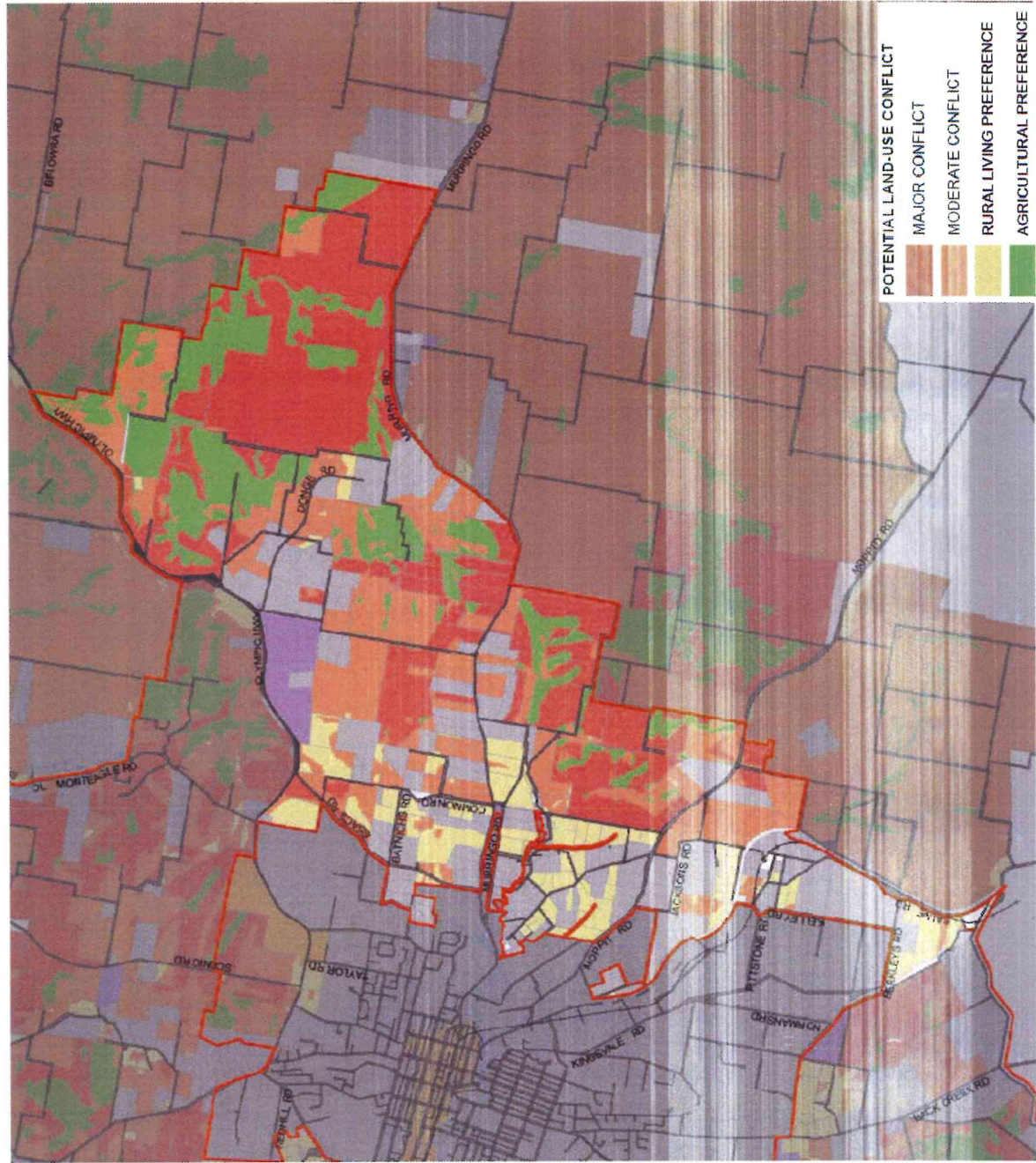
Young East Agricultural Suitability map



Young East Rural Living Suitability map



Young East Potential Land Use Conflict map



5.2.4 West Sector

The West Sector supports a complex mix of productive uses and pressures for rural living. Spring Creek Road and Wickham Lane provide a distinctive western boundary. Patterns of fragmentation are apparent along the Olympic Highway, Back Creek Road, Noonans Road and in the north western corner.

The *agricultural suitability map* shows contiguous sections of land with high agricultural suitability in many parts. Land to the north west of Wickham Lane and on the western side of Dairymans Lane is of medium agricultural suitability.

The *rural living suitability map* shows land close to the urban edge as being highly suitable for rural living. However, many of the areas that are of high agricultural suitability in the southern half are also highly suitable for rural living.

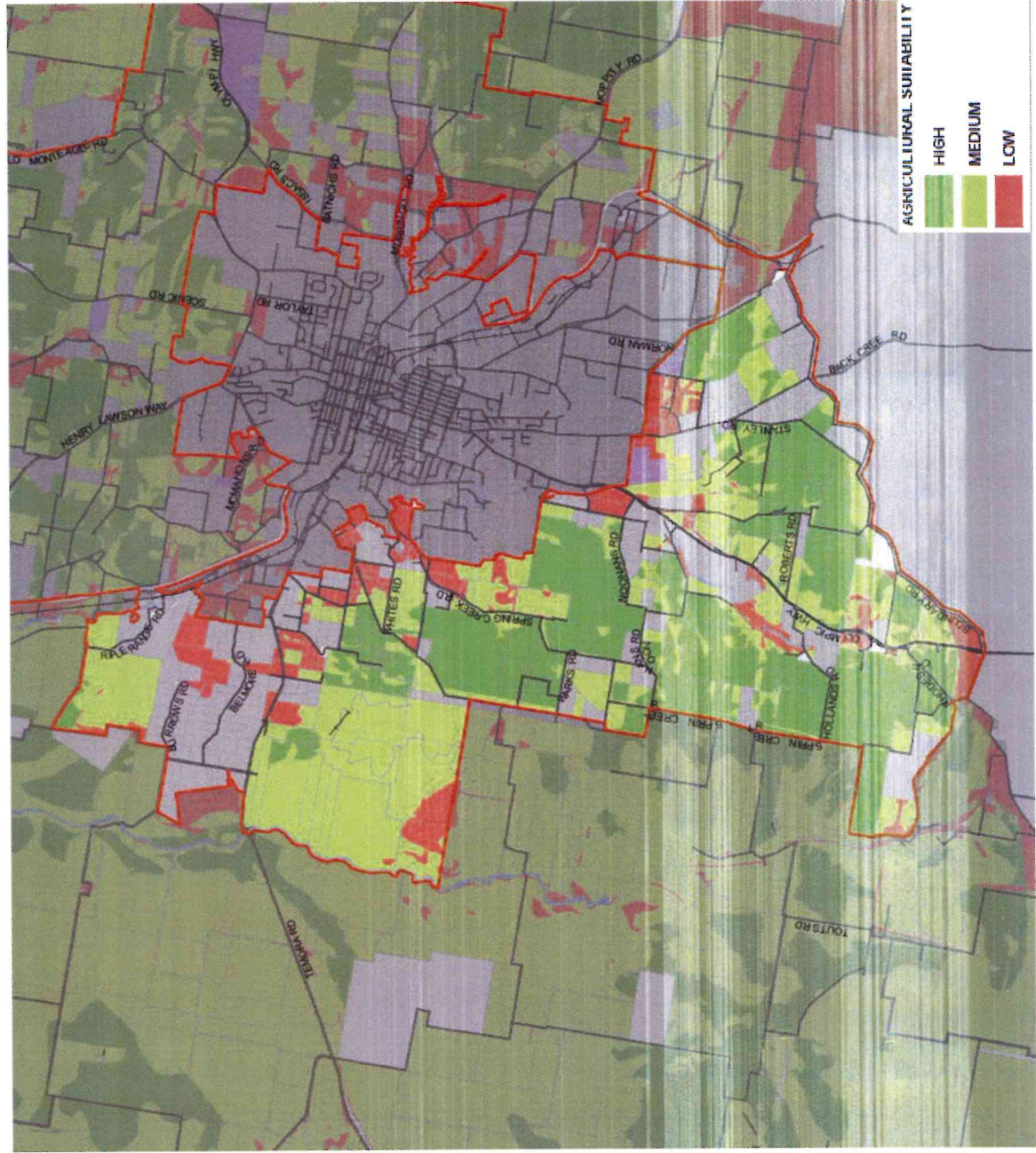
Observations about the *Land Use Conflict map* are:

- Major conflicts are evident in the southern corner (south of Noonans Road). However, the central portions indicate a preference to productive land uses;
- There is a clear preference for rural living in the areas closest to the urban edge. These areas are also within the 500m band from the R5 zone boundary;
- Despite the anomaly of a 4 hectare minimum lot size existing between the urban edge and a 2 hectare area, land between Wickham Lane and Spring Creek Road is highly suited to either agricultural production or rural living. However, pockets within the area, which is partly affected by the Biodiversity overlay of the YLEP 2010, show preference to productive land uses.

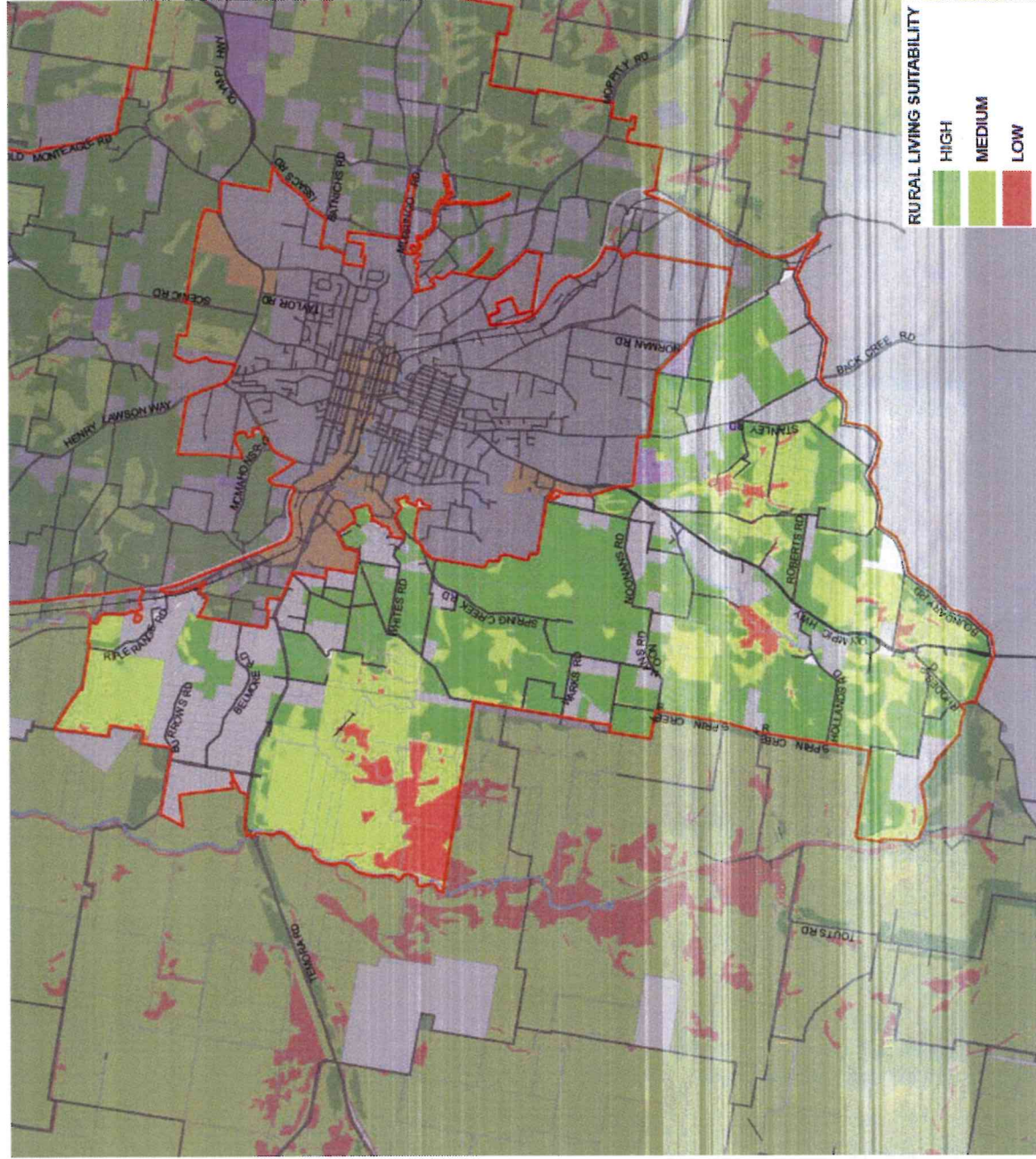
REVIEW/STRATEGY

1. Encourage rural living subdivisions close to the existing urban edge, especially in the area within 500m of the current fringe.
2. Protect the productive potential of land in the southern corner, being south of the western end of Noonans Road and south of Roberts Road on the eastern side of the Olympic Highway.
3. Encourage rural living subdivisions in the north western corner (north of Temora Road) where the land has less agricultural potential and considerable fragmentation is evident.
4. Use the agricultural suitability mapping and LEP environmental overlays as part of a suite of development controls to protect the highly productive pockets of land in the band between Noonans Road and the northern end of Wickham Lane.

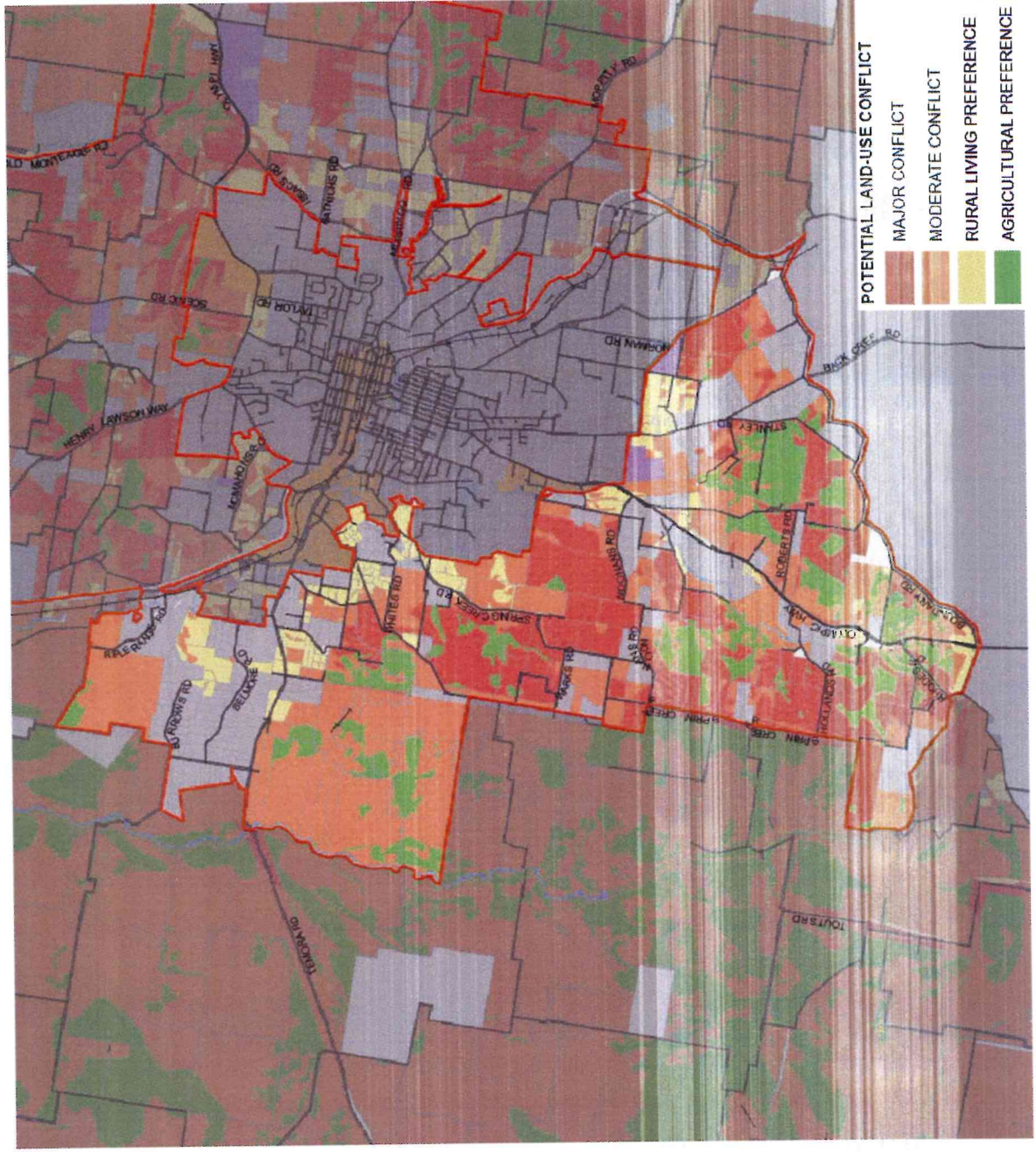
Young West Agricultural Suitability map



Young West Rural Living Suitability map



Young West Potential Land Use Conflict map



6. ANALYSIS – MURRINGO

6.1 Overview

6.1.1 Context

The Murrungo study area extends for a distance of two to three kilometres from the eastern edge of Murrungo village. The land is zoned RU1 Primary Production under the YLEP 2010 and is subject to a minimum lot size of 170 hectares.

The landform of the study area is hilly, and rises from the village towards the east. Long gullies run across the area from east to west with pleasant outlook and views over the surrounding rural land from the higher ground, especially along Milo Road.

Murrungo village adjoins the western boundary of the study area. The village is zoned RU5 Village under the YLEP 2010, and is centred on the intersection of Murrungo Road and Murrungo Gap Road. Land in the village has electricity and telephone connections but not reticulated water, sewer or gas services. Village lots rely on septic, envirocycle or similar sewerage treatment systems.

The Rural Lands Study estimated Murrungo village to have a population of 70 persons in 2008. In 2005 consent was granted for a 46 lot subdivision on the north western side of the village. The approval created 45 lots each of one hectare in size and one residual 38 hectare lot. Four consents for dwellings within the subdivision have been granted to date, leaving 41 lots currently available for development. The main Murrungo village area in the RU5 zone also includes a number of lots with subdivision potential.

Eight submissions were received to the draft LEP seeking opportunities for subdivision on the eastern side of Murrungo and/or rights to construct a dwelling. The submissions sought a range of outcomes for the locality, from 5 hectare, 10 hectare or 20 hectare minimum lot sizes, to the ability to construct a dwelling on a lot just under 100 hectares. A summary of these submissions is included in Appendix C.

6.1.2 Approach

Preliminary mapping indicated that the GIS approach used for the Young study area, which required resolution of a number of potentially competing inputs, was not instructive in the case of the Murrungo study area. As a result the approach for the Murrungo study area is based primarily on qualitative considerations.

Factors most relevant to Murrungo are consistency with the SEPP (Rural Lands) principles, protocols identified by 2008 Rural Lands Study to protect agricultural land, and the YSSLUST Rural Lands Strategy Principles. The protocols established by the Rural Lands Study are considered to be particularly instructive in this instance, being:

1. Land use conflict
2. Fragmentation of viable agricultural land
3. Irreversible change of land use.

In addition, the background studies consistently promote the need for closer settlement and subdivision to be logical, especially in terms of reinforcing and respecting existing settlement patterns. Taking all the above into account, the key criteria for the assessment of the Murrungo study area have been determined as:

1. Protecting the land resource
2. Allowing appropriate growth and change
3. Consistency with SEPP Rural Lands Principles.

Qualitative inputs on the Murrungo study area were sought to inform the technical analysis. This is considered in more detail below.

6.2 Characteristics of the land resource

6.2.1 Protective potential

The land within the Murrumbidgee study area has a Class 4 classification within the Department of Agriculture Classifications system. The classification applies to land that is suitable for grazing but not cultivation. Class 4 lands are described as:

Agriculture based on native pastures or improved pastures using minimum tillage techniques. Production may be seasonally high but the overall production level is low as a result of major environmental constraints.

Class 4 lands typically have high erosion potential because of steep slopes and poor soil structure. The YLEP 2010 constraints mapping confirms that a range of land, water and biodiversity constraints are present, particularly over the western half of the study area.

While hobby farms are often appropriately located on the less productive class 4 land, such lands can also play an important role for agricultural industries where access to a variety of agricultural land classes is important for good management, and for diversity and security of production. Extracts from the Department of Agriculture classification mapping are provided on the following page.

6.2.2 LEP Environmental overlays

The YLEP 2010 environmental overlay for the Murrumbidgee study area is reproduced on the following pages. The constraints map indicates biodiversity, land and water constraints are present across the study area.

The LEP land overlay applies to areas that have potential for soil degradation. This includes erodibility, salinity and steep landforms. The land overlay affects the gullies that occur in the central parts of the study area on either side of Maloney Road.

The land overlay triggers clause 6.3 of the YLEP 2010. The clause objective is to maintain soil resources and the diversity and stability of slopes including land with steep slopes and shallow soils, land subject to salinity, land with high erosion potential or risks of other types of degradations. The clause also aims to protect landforms.

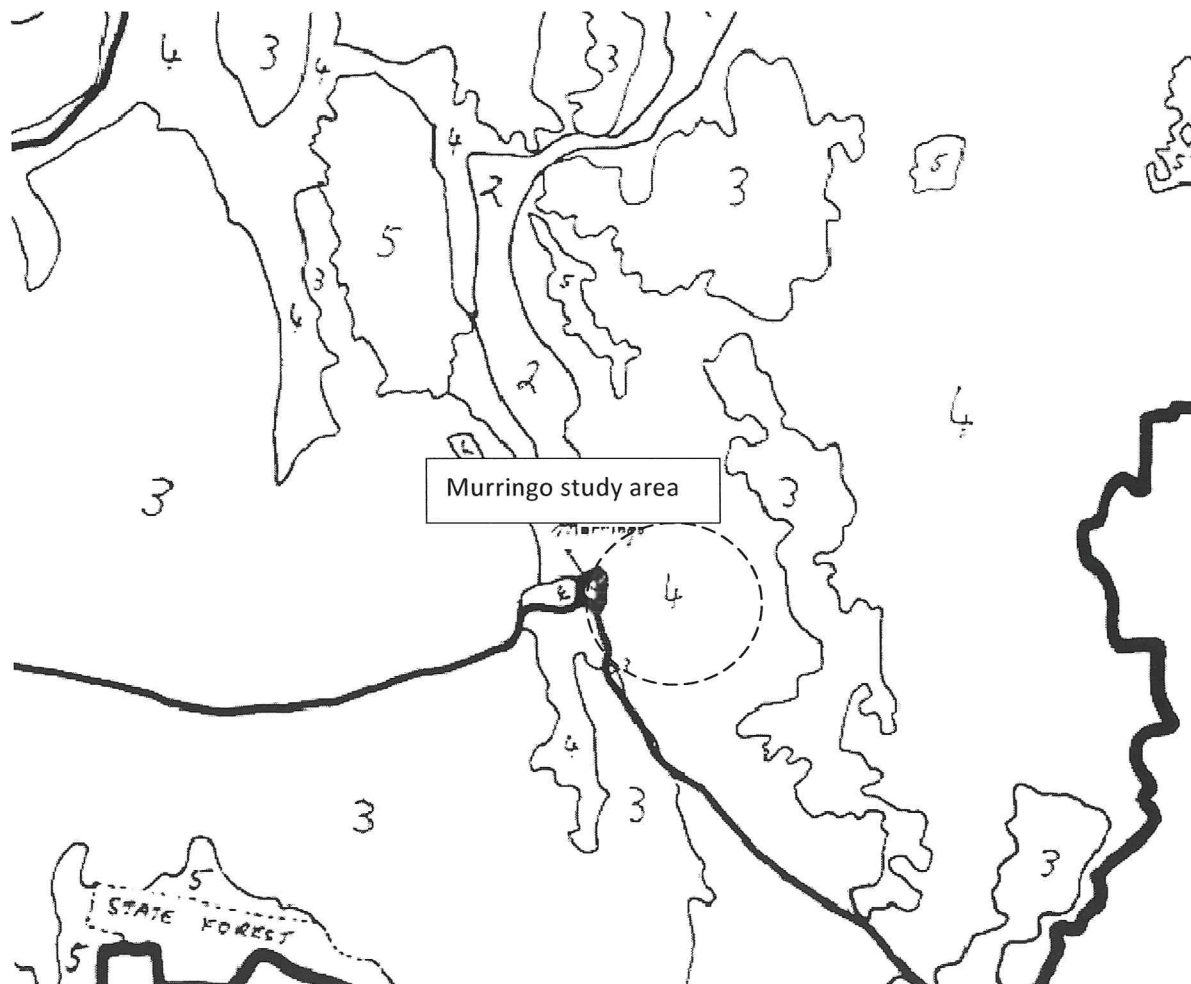
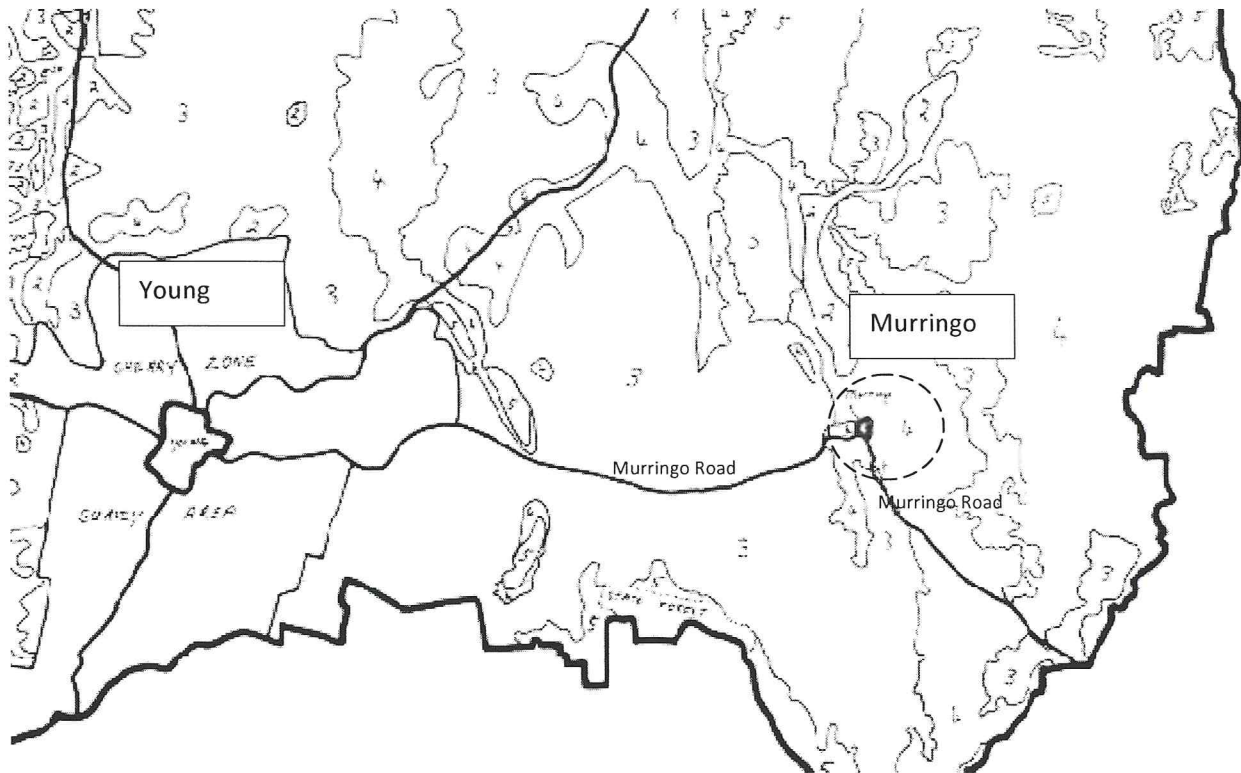
A significant portion of land in the north western half of the study area is affected by the water overlay of the YLEP 2010. The water overlay applies where land may be subject to salinity, rising water table, water logging, transient storm or surface water susceptibility.

Land affected by the water overlay is subject to clause 6.4 of the YLEP 2010. The clause objective is to maintain the hydrological functions of riparian land, waterways and aquifers. It aims to protect water quality, natural water flows, the stability of the beds and banks of waterways and groundwater systems.

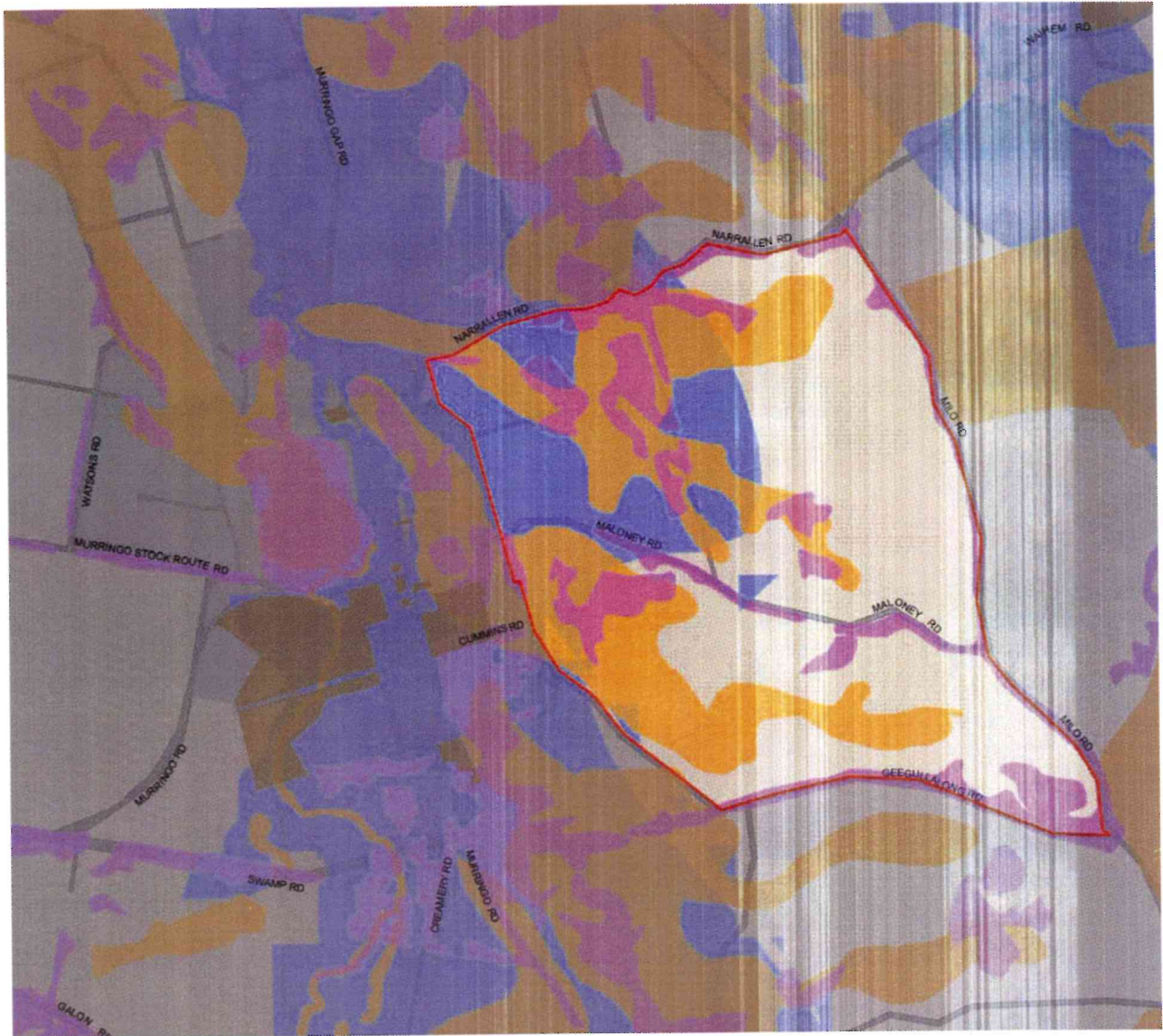
The biodiversity layer of the YLEP 2010 typically applies where remnant vegetation or other flora or fauna issues are present. The biodiversity layer recognises major stands of existing trees and vegetation across the study area, with some groupings in the north western portion of the site and others to the south of Maloney Road. Trees along the perimeter roads are also identified.

Land affected by the biodiversity layer is subject to clause 6.5 of the YLEP 2010. The objective of the clause is to maintain terrestrial and aquatic biodiversity including protecting native fauna and flora, ecological processes necessary for the continued existence and encouraging the recovery of native fauna, flora and their habitats.

Development applications for land subject to the biodiversity, land and water overlays are required to demonstrate that they have been designed and sited to avoid, or mitigate against, adverse impacts. Implications of the overlays vary. Specialist professional input would be required with any development application.



Department of Agriculture agricultural classification mapping - detail



YLEP 2010 Environmental overlay – Murrungo

BIODIVERSITY

The objective of this clause is to maintain terrestrial and aquatic biodiversity, including:

- (a) protecting native fauna and flora, and
- (b) protecting the ecological processes necessary for their continued existence, and
- (c) encouraging the recovery of native fauna and flora and their habitats.

LAND

The objective of this clause is to maintain soil resources and the diversity and stability of landscapes, including:

- (a) protecting land with steep slopes and shallow soils, and
- (b) protecting land subject to soil salinity, and
- (c) protecting land with high erosion potential soils, and
- (d) protecting other forms of land degradation, and
- (e) protecting landforms.

WATER

The objective of this clause is to maintain the hydrological functions of riparian land, waterways and aquifers, including protecting:

- (a) water quality, and
- (b) natural water flows, and
- (c) the stability of the bed and banks of waterways, and
- (d) groundwater systems.

6.3 Evaluation

6.3.1 Discussion

Qualitative inputs were sought to further understand the context, pressures for development and implications of releasing land for subdivision on the eastern side of Murringo village. These have informed the analysis and included:

- review of submissions to the draft LEP 2009
- discussions with local real estate agents, including agents familiar with stock and station sales and rural sales generally
- review of land and housing sales
- discussions with Council staff.

The Murringo study area is equivalent in size to the area of the adjoining village. The study area is physically contained by boundary roads which give it good definition and a logical sense of location on the eastern fringe of the village area.

The land immediately adjoining the RU5 zone is the most affected by environmental constraints associated with land, water and biodiversity issues. This would potentially limit the ability of future subdivision to achieve a logical rural or semi-rural structure, as the environmental constraints suggest that the land more suitable for subdivision is further from the RU5 zone boundary.

The preliminary review of the study area indicated that there was no justification to extend the study area beyond the original boundaries.

6.3.2 Demand analysis – Murringo village

The Belowra Road subdivision created 45 new lots on the north western side of Murringo village in 2006. Sales from land within the estate have been examined to inform the assessment of possible demand/need for additional subdivision potential in the locality. The findings are derived from information from allhomes.com.au.

Dowling Drive

Dowling Drive is the main spine/access road of the subdivision. A total of 25 sales have been recorded in Dowling Drive since 2006 with the majority during 2006 and 2007, and one later sale in 2008. Dowling Drive includes some larger lots, which is partly reflected in the range of prices achieved ranging from \$44,950 to the record price of \$139,950 paid for one of the largest lots of the estate (106,200m²).

Two lots have sold in Dowling Drive includes where houses have been constructed:

11 Dowling (lot size 10500m²) sold in 2006 - \$44,950

123 Dowling (lot size 32600m²) sold in 2007 - \$87,950

Year	No of sales	Price range	Average price
2006	14 ^A	\$44,950 - \$139,950	\$59,818
2007	10 ^B	\$44,950 - \$180,000	\$68,386
2008	1	\$46,500	

^A Note this includes the sale of 110 Dowling Drive for \$139,950 (lot size 106,200m²)

^B Includes the sale of 133 Dowling Drive for \$180,000 (lot size 402,900m²)

Mcgee Place

A total of 14 sales have been recorded in Mcgee Place since 2006 with the majority (11) in the first year of offer. All sales have been for vacant land. One property (36 Mcgee Place) has traded twice, selling for \$63,950 in 2006 and then \$45,000 in 2010.

The downward trend of sale prices in Mcgee Place is indicative of the patterns observed generally, dropping from an average of nearly \$60,000 per lot in the first two years of offer and reducing to \$50,000 in 2010.

Year	No of sales	Price range	Average price
2006	11	\$29,950 - \$63,950	\$57,495
2007	1	\$59,950	
2010	2	\$45,000 - \$55,000	\$50,000

Hazelton Place

A total of five sales have been recorded in Hazelton Place since 2006. Two lots have traded where houses have been constructed:

29 Hazelton (lot size 17320m²) in 2007 - \$73,950

25 Hazelton (lot size 20420m²) in 2007 - \$69,950

Year	No of sales	Price range	Average price
2006	2	\$81,950 - \$83,000	\$82,475
2007	2	\$69,950 - \$73,950	\$71,950
2008	1	\$65,000	

Belowra Road

Three sales were recorded in Belowra Road in 2006. All remain vacant and undeveloped.

Year	No of sales	Price range	Average price
2006	3	\$50,950 - \$56,000	\$52,966

The sales data confirms that four dwelling have been constructed within the new estate, selling for generally similar prices for the vacant lots. None of the 14 properties traded in Mcgee Place have proceeded to have dwellings constructed on them and only two of the 25 lots traded in Dowling Drive have houses on them.

Land prices have generally fallen from the prices achieved in early 2006 where an average of over \$80,000 was recorded in Hazelton Place for the vacant lots. The most recent transaction in that street was in 2008 where a vacant lot sold for \$65,000. The most recent sales in the area were recorded in Mcgee Place in 2010 with prices of \$45,000 and \$55,000 for the two lots. These prices compare with \$45,000 paid in 2009 for a lot on Murrumbidgee Gap Road within the main village area.

Overall, the sales data for the estate indicates that there is not a strong market for land within Murrumbidgee village. This is reflected in low translation of land sales to housing construction and lowering land prices generally since land in the estate was first offered for sale.

6.3.2 SEPP (Rural Lands) 2008

Rural Planning Principles

An evaluation of the study area in relation to the SEPP (Rural Lands) Rural Planning Principles is set out in the table below. The main findings are:

- inconsistency with the principles that seek to promote and protect opportunities for productive and sustainable economic activities, especially in terms of precedent issues
- lack of justification that subdivision would be in response to demands or agricultural trends, especially given the extent of undeveloped free hold land in the adjoining village area
- inconsistency with principles that respond to natural and environmental conditions
- concern about impacts on services and infrastructure.

SEPP (Rural Lands) Rural Planning Principles

Principle	Comment	Consistent
1. Promote and protect opportunities for current and potential productive and sustainable economic activities in rural areas.	The precedent associated with fragmentation of broadacre farming land, irrespective of its relative productive potential, is a real concern for the study area.	No
2. Recognise the importance of rural lands and agriculture and the changing nature of agriculture and of trends, demands and issues in agriculture in the area, region or State.	No valid reasons are apparent to justify any need for smaller productive lots in the locality.	No
3. Recognise the significance of rural land uses to the State and rural communities, including the social and economic benefits of rural land use and development.	The value of Young's agricultural lands to the Shire's economy is well established. It is uncertain whether benefits from additional dwelling and subdivision rights would outweigh adverse impacts to the broader rural sector.	No
4. Balance the social, economic and environmental interests of the community	New opportunities for rural small holdings may provide some stimulus for Murrumbidgee. However, there are 39 undeveloped one hectare lots remaining on the new western side of the village in addition to remaining undeveloped free hold land in the village.	No
5. Identify and protect natural resources, having regard to maintaining biodiversity, the protection of native vegetation, the importance of water resources and avoiding constrained land	The western half of the study area is significantly affected by land, water and biodiversity constraints.	No
6. Provide opportunities for rural lifestyle, settlement and housing that contribute to the social and economic welfare of rural communities	Rural small holdings in the study area would provide new opportunities for rural living near Murrumbidgee village.	Potentially
7. Consider impacts on services and infrastructure and appropriate	Small holding subdivision would increase demands on Council	No

	location when providing for rural housing	services, particularly in relation to maintaining local roads to support additional traffic.	
8.	Ensure consistency with any applicable regional strategy of the Department of Planning or any applicable local strategy endorsed by the Director-General	Not available	N/A

Rural Subdivision Principles

An evaluation of the study area in relation to the SEPP (Rural Lands) Rural Subdivision Principles is set out in the table below. The main findings are:

- Inconsistency with principles that seek to minimise rural land fragmentation
- Concern about potential for additional land use conflicts
- Inconsistency with principles relating to demonstrating demand for rural residential land, especially given the availability of land within the Murrumbidgee village area
- Concern about the environmental constraints within the study area, particularly in relation to the ability to achieve a logical settlement pattern.

SEPP (Rural Lands) Rural Subdivision Principles

Principle	Comment	Consistent
1. Minimise rural land fragmentation	The study area is part of a broader locality that has been used for broadacre farming. No reasons are apparent to support smaller holdings.	No
2. Minimise rural land use conflicts, particularly between residential land uses and other rural land uses	Although contained by boundary roads subdivision intrinsically increases potential for land use conflicts in the rural setting.	No
3. Consider the nature of existing agricultural holdings and the existing and planned future supply of rural residential land when considering lot sizes for rural lands	Murrumbidgee village is well supplied with town lots and was not seen by YSSLUST as a rural location in need of additional development to support village growth. No significant reasons are present to justify inconsistency with the previous strategic position.	No
4. Consider the natural and physical constraints and opportunities of land	The land closest to the RU5 zone is the most affected by environmental constraints.	No
5. Ensure that planning for dwelling opportunities takes account of those constraints	The location of the environmentally constrained land would limit the ability to achieve closer settlement or smaller holdings in a logical way.	No

6.3.3 Conclusions

Protecting the land resource

The study area comprises Class 4 lands which are suited to grazing but not cultivation. Class 4 lands are part of a suite of lands of varying capacity which contribute to the strength of local agricultural industries. While not being the highest or most productive lands, loss of Class 4 lands has potential for wider implications, especially in terms of precedent issues.

Guarding against fragmentation of rural lands is a consistent theme across all studies and policies, and was a priority for Council in developing the Rural Lands Strategy as part of YSSLUST. The precedent associated with fragmentation of broadacre farming land, irrespective of its relative productive potential, is considered a real concern in this instance. Allowing small lot/rural living lots would be a significant departure in planning terms.

A significant portion of the western side of the study area is affected by environmental constraints. The land, water and biodiversity constraints overlap and affect all of the land immediately adjoining the village boundary and a significant portion of the land south of Maloney Road. These underlying issues would potentially require reasonably large lot sizes to reflect and manage the sensitivities present, affecting likely yield.

A logical rural structure – appropriate growth

The study area is equivalent in size to the village area. This has implications to the potential relationship between the village, its hinterland and the ongoing primacy of the village. Further, the land closest to the village on which it would be preferable to see smaller subdivisions than land at further distance, is substantially affected by environmental constraints.

While small holding subdivision in the study area would provide some stimulus for Murrungo, 41 of the one hectare lots within the newer western area of the village are still to be developed from the 2005 subdivision. This is in addition to remaining undeveloped free-hold land in the older village area. Further, review of sales data confirms that there is not a strong market for the existing available lots.

Rural planning and subdivision principles

Overall subdivision of the Murrungo East lands for rural small holdings or rural living lots is not strongly consistent with the SEPP rural planning and subdivision principles. While the local land owners firmly believe that there are reasonable grounds for allowing additional development near the village the professional assessment cautions against such action. Key considerations are:

- Land availability within Murrungo village
- Implications of the environmental overlay constraints, particularly in relation to the land closest to the village
- Uncertainty about the strength of the rationale to introduce rural living/hobby farm lots to the Murrungo locality when Young has significant (and active) land stocks
- Precedent arising from fragmentation of broadacre farming land particularly given the active rural living and small holding activity around Young.

In relation to the Rural Planning Principles and Rural Subdivision Principles it is also noted that any changes to subdivision rights would be in response to pressures for dwelling rights rather than any changing agricultural trends. Such a change would be difficult to justify on planning grounds.

7. OPTIONS- YOUNG RU4 LANDS

Three options have been developed to allow review and consideration of alternate approaches to future management of the Young RU4 lands.

7.1 OPTION A – Do Nothing

Option A assumes no change to current zoning or minimum lot sizes. Option A would allow subdivision to continue randomly across all areas as driven by market forces. The ongoing fragmentation and loss of quality productive land would continue.

Consistency with rural planning principles: Low

7.2 OPTION B – Protecting productive lands

7.2.1 Description

Protecting land with high agricultural suitability from fragmentation is a key underlying driver for Option B. The key features are:

- The status quo in the North sector is maintained where the existing combination of 2 hectare and 4 hectare minimum lot sizes will continue to apply. DCP controls should be developed to manage subdivision, allowing for future infill while retaining potential for urban growth/expansion.
- The status quo is maintained on the western and north-western edge of the West sector where the existing 2 hectare minimum lot size will continue to apply. This area is predominantly of medium to low agricultural suitability and is subject to various environmental constraints. DCP controls should be developed to ensure subdivisions are appropriately designed to respect the environmental constraints and the agricultural suitability mapping.
- Targeted subdivision to 2 hectares is indicated in locations close to the existing urban edge where the agricultural potential is medium to low. These relatively small rural holdings may in part satisfy the demand for rural living.
- A 24 hectare minimum lot size is proposed for land on the north eastern and south western fringes of the study area. These areas contain land which is predominantly of high agricultural suitability and are not significantly affected by fragmentation.
- A 12 hectare minimum lot size is proposed within the middle ring areas.

The 24 hectare minimum lot area on the north eastern fringe will be contiguous with the existing 24 hectare minimum lot size that applies to the north of Young.

7.2.2 Discussion

Option B gives priority to the principle of minimising fragmentation of productive lands. There is a clear distinction between land intended for rural living and the productive areas, with priority given to protecting land with high agricultural suitability.

Other than the North Sector where the status quo of existing lot sizes is maintained, Option B eliminates the 4 hectare minimum lot size from the study area. This is a strength, as the 4 hectare minimum lot size has been generally criticised in background reports, and during discussions with agents and council staff, as not being large enough for a viable productive holdings while being larger than is easily managed as a rural living property.

The 24 hectare lot size proposed over the productive fringe lands will reduce the subdivision potential of the affected areas. In this regard a large proportion of the north east 24 hectare area is subject to large holding patterns (greater than 100ha in area). The average lot size in this area is 57 hectares. Holdings in the south west corner are not as large, but include a reasonable proportion of holdings of 36 hectares and above.

The 12 hectare minimum lot size proposed for the middle areas reflects the presence of land with high agricultural suitability tempered by the effects of fragmentation. The Option seeks to establish an appropriate mid-range lot size for these areas to support variety and a range of small holding options for landowners.

Option B reduces the area currently enjoying a 2 hectare minimum lot size to the east of town but creates new 2 hectare opportunities to the south. This change responds in part to anecdotal feedback received during consultation which confirmed that the southern side of Young is generally favoured by the market. Discussions with local real estate agents also confirmed observations noted by YSSLUST that there is a market preference for smaller lots, especially for rural living.

Detailed computer based modelling has been undertaken to determine the likely lot yield for Option B. The modelling uses existing lot sizes and identifies the number of lots of sufficient size for subdivision under the proposed revised minimum lot sizes. That is, to be able to be subdivided the lot must be twice the size of the proposed minimum lot size. The modelling does not take environmental factors, such as constraints from topography, biodiversity or the like into consideration.

The lot yield findings are set out below. A moderated prediction is included which considers local knowledge and known environmental factors. The moderated estimates are intended provide a reasonable, possibly more realistic estimate of likely outcomes. The moderated estimates are typically conservative.

Location	Av lot size (existing)	No lots		
		Existing	Potential additional	Moderated additional
North sector (4ha)	6.2 ha/lot	340	217	150
West (2ha)	4.7 ha/lot	398	541	350
East and south fringe (2ha)	3.1 ha/lot	448	281	220
East (12 ha)	8.1 ha/lot	145	22	15
West (12ha)	16 ha/lot	37	16	15
East (24ha)	57 ha/lot	15	22	15
West (24ha)	8 ha/lot	162	3	2
TOTAL		1545	1102	762

Using the previously determined lot demand rate of 30 lots per year this equates to a 25.3 year supply using the moderated estimates and 36.7 years based on the numerically feasible modelled numbers.

Consistency with rural planning principles: Reasonable

7.3 OPTION C – A range of lot sizes

7.3.1 Description

Option C seeks to achieve a balance between maintaining the existing subdivision rights for land holders and protecting land with high agricultural suitability. Most of the elements are consistent with Option B. This distinction with Option C is the retention of the 4 hectare minimum lot size in the “middle ring areas” to the east and west of town.

7.3.2 Discussion

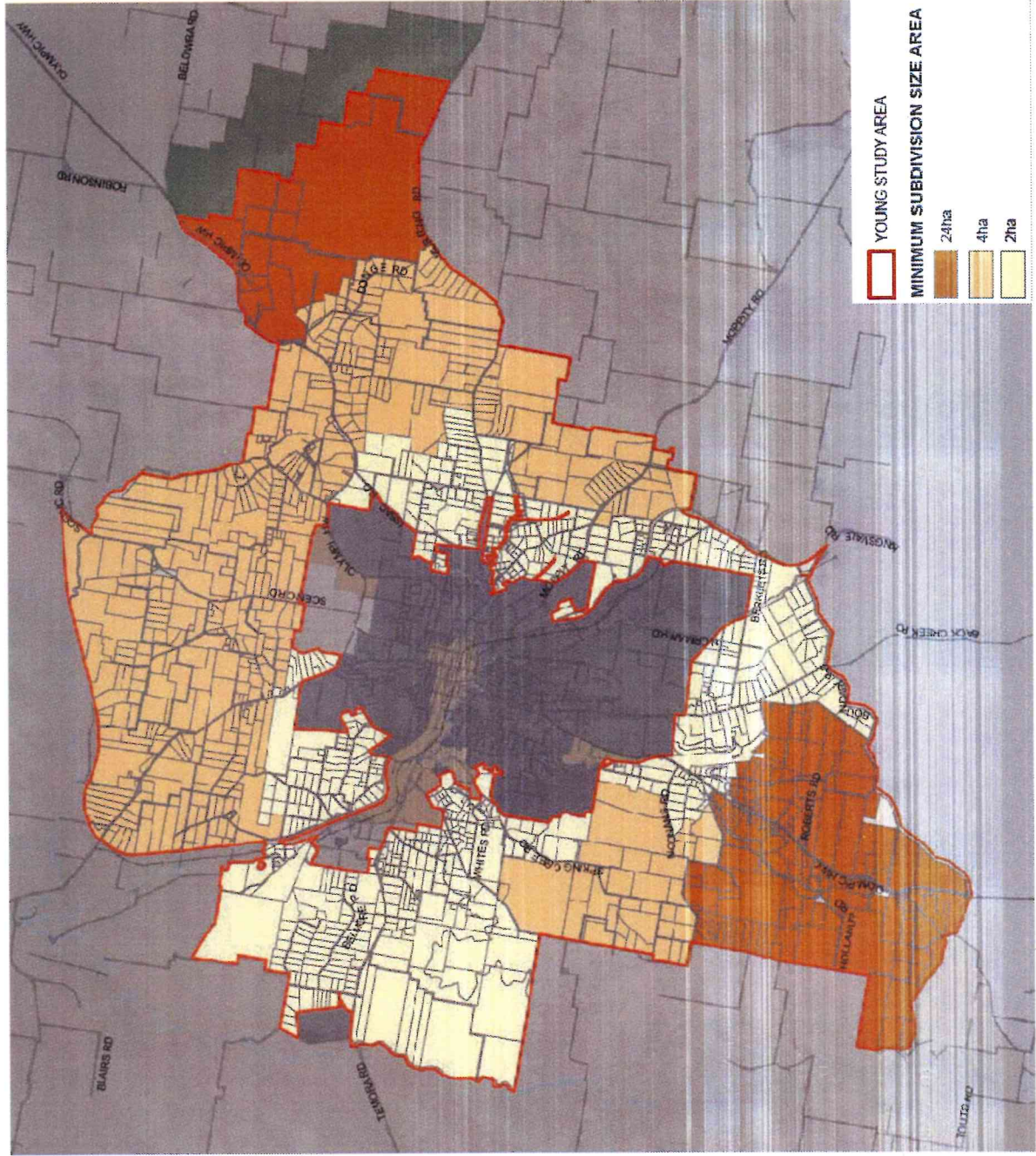
The 4 hectare minimum lot size retained by Option C applies to land that has mixed agricultural potential and some existing fragmentation. It reflects existing conditions and land owner’s views expressed in submissions to the draft LEP about loss of rights to subdivide.

The retention of the 4 hectare lot size is a significant concern on planning grounds. It is contrary to previously expressed advice from background reports, policy statements and anecdotal market based and professional opinion which have consistently questioned the validity and usefulness of 4 hectares for productive or rural living purposes. Further, the modelling of lot yields indicates that increased lot sizes will not unreasonably constrain land supply. The modelled and moderated lot yield estimates for Option C are set out below.

Location	Av lot size (existing)	No lots		
		Existing	Potential additional	Moderated additional
North sector (4ha)	6.2 ha/lot	340	217	150
West (2ha)	4.7 ha/lot	398	541	350
East and south fringe (2ha)	3.1 ha/lot	448	281	220
East (4ha)	8.1 ha/lot	145	139	100
West (4ha)	16 ha/lot	37	102	80
East (24ha)	57 ha/lot	15	22	15
West (24ha)	8 ha/lot	162	3	2
TOTAL		1545	1305	917

Using the lot demand rate of 30 lots per year Option C offers subdivision potential which equates to a 30.6 year supply using the moderated estimates and 43.5 years based on the numerically feasible modelled numbers.

Consistency with rural planning principles: Moderate to poor



Young RU4 Lands – Option C

7.4 Evaluation

7.4.1 Rural Planning Principles

An assessment of each option in response to the SEPP Rural Planning Principles is provided below.

Principle	Option A	Option B	Option C
1. Promote and protect opportunities for current and potential productive and sustainable economic activities in rural areas.	Poor	Reasonable	Moderate
2. Recognise the importance of rural lands and agriculture and the changing nature of agriculture and of trends, demands and issues in agriculture in the area, region or State.	Poor	Good	Moderate to poor
3. Recognise the significance of rural land uses to the State and rural communities, including the social and economic benefits of rural land use and development.	Poor	Good	Moderate to poor
4. Balance the social, economic and environmental interests of the community	Moderate	Moderate	Moderate to Good
5. Identify and protect natural resources, having regard to maintaining biodiversity, the protection of native vegetation, the importance of water resources and avoiding constrained land	Moderate	Moderate to Good	Moderate to Poor
6. Provide opportunities for rural lifestyle, settlement and housing that contribute to the social and economic welfare of rural communities	Moderate to Good	Reasonable	Moderate
7. Consider impacts on services and infrastructure and appropriate location when providing for rural housing	Poor	Good	Moderate
8. Ensure consistency with any applicable regional strategy of the Department of Planning or any applicable local strategy endorsed by the Director-General	N/A	N/A	N/A
Overall assessment	Poor	Reasonable to Good	Moderate

Factors influencing the assessment include:

- The 24 hectare areas help the consistency of Option C in each instance. Changing this aspect of the Option would significantly alter the degree of consistency with the principles.
- The extent of change from the existing minimum lot sizes reduces the consistency of Option B in relation to social and economic considerations (Principle 4). This acknowledges the affect on land owner's rights that have been reinstated by the making of YLEP 2010.
- Maintaining the 2 hectare minimum lot area in the West sector reduces the consistency of each option with considerations relating to protecting environmentally sensitive areas (Principle 5).

7.4.2 Rural Subdivision Principles

An assessment of each option in response to the SEPP Rural Planning Principles is provided below.

Principle	Option A	Option B	Option C
1. Minimise rural land fragmentation	Poor	Good	Poor
2. Minimise rural land use conflicts, particularly between residential land uses and other rural land uses	Poor	Good	Moderate
3. Consider the nature of existing agricultural holdings and the existing and planned future supply of rural residential land when considering lot sizes for rural lands	Poor	Good	Poor
4. Consider the natural and physical constraints and opportunities of land	Poor	Good	Moderate to poor
5. Ensure that planning for dwelling opportunities takes account of those constraints	Poor	Good	Moderate to poor
Overall assessment	Poor	Good	Moderate

7.4.3 Summary

The Options have been evaluated in the table below using the following criteria:

1. Recognise the RU4 zone as a primary production zone. This has been reinforced by the amendment to the Standard Instrument.
2. Protect land with high agricultural suitability through appropriate minimum lot sizes to discourage fragmentation.
3. Ensure a logical urban and peri-urban structure. Lot sizes should generally increase with distance from the urban edge.
4. Consider opportunities for a range of lot sizes within the context of a zone intended for primary production.
5. Consistency with the Rural Planning and Rural Subdivision Principles.

EVALUATION OF OPTIONS

Criteria	Option A	Option B	Option C
Consistency with intention of RU4 zone to serve as a primary production zone	Poor	Good	Moderate to poor
Use minimum lot sizes to discourage fragmentation of land with high agricultural suitability	Poor	Good	Poor
Deliver a logical urban structure	Poor	Good	Moderate
Opportunities for a range of lot sizes for primary production purposes	Poor	Reasonable	Poor
Consistency with Rural Planning Principles	Poor	Reasonable to Good	Moderate
Consistency with Rural Subdivision Principles	Poor	Good	Moderate

Protecting Young's productive lands is essential for the Shire economy and rightly underpins the assessment of the relative merits of the options. Fundamental concerns about the merits of a 4 hectare minimum lot size, given the consistent and prevailing view that such small minimum lot sizes have encouraged fragmentation and threats to the long term productive use of land, is also a strongly determining consideration.

The detailed demand and land supply analysis confirms that the area can withstand increased minimum lot sizes without constraining land supply. The land supply calculations in part confirm that Council's original position for the Young RU4 lands, as proposed in the exhibited draft LEP in 2009, was a responsible planning approach. The

challenge for the current work is to find a balance between options which support the RU4 zone is as a primary production zone and reasonably respect land owner's development and subdivision opportunities.

Option A (Do Nothing) does not represent good planning. Retaining the status quo of 2 hectare and 4 hectare minimum lot sizes across the study area will not deliver positive outcomes in terms of guarding against fragmentation of productive land or a logical urban structure. It is also likely to jeopardise the longer term viability of the small holdings lands generally, with adverse implications to the Young economy.

Option B represents the best outcome from the technical and planning theory perspective. This option provides the optimum response to protecting land with high agricultural suitability from further fragmentation, supporting a reasonably logical urban and peri-urban structure and good consistency with the SEPP (Rural Lands) principles.

The proposed increased lot sizes affecting sections of the study area of Option B is likely to be unpopular with some land owners.

Option C offers the outcome most comparable to the current situation while protecting the fringe productive areas. It represents a balance between ideal planning and maintaining reasonable subdivision rights. The consistency with the Rural Planning and Subdivision Principles is moderate to poor, largely because of the continuation of the 4 hectare lot size in the middle areas. Any move to reduce the minimum lot sizes in the productive fringe areas would compromise the relative merits of Option C and are cautioned against. Such changes would also make demonstrating consistency with the Section 117 Directions much harder.

In conclusion, it is recognised that Option C provides the optimum outcome for the Young study area taking into account the evolution of the area's planning and subdivision controls from the former Urban and Rural LEPs to the Rural Lands Study findings, subsequent YSSLUST recommendations and exhibited draft LEP controls.

The project team believes that the area can withstand increased minimum lot sizes without unreasonably constraining land supply, especially as demands for rural living should be met within the R5 zone which has been increased in area as a result of the YLEP 2010. Option C provides a reasonably logical urban and peri-urban structure and has potential to use DCP controls to further protect lands with high agricultural suitability through the mapping developed in this project.

7.4.4 Rural Small holdings and innovation

The project brief also required review of possible new and alternate uses for rural small holdings. The RU4 lands around Young have been used for a range of productive activities from orcharding and vineyards to poultry and other traditional activities.

Permissible land uses are established through the land use table of YLEP 2010. Horticulture, forestry and extensive agriculture are among the uses that can occur without development consent. Rather than reinventing potential new uses which could be established locally there may be opportunities for Council to support initiatives for local marketing of produce and the like, and for support of innovation in farming practices, especially in relation to ecologically sustainable and/or organic practices.

The Mudgee Small Farms Field Days are an example of a highly successful two day event which offers a range of workshops, events and displays targeted to rural small holdings.

8. RECOMMENDATIONS

8.1 General Recommendations

The general recommendations of the study are:

1. Council is encouraged to maintain the policy of not servicing rural living lots with reticulated water and sewer services. This is consistent with recommendations of previous studies, including the 2004 Richardson report.
2. Council is encouraged to continue the present policy of developer based expenditure for roads and frontages where subdivision of RU4 zoned land is proposed, and for assisted contributions to collector roads within the RU4 zone through a contributions plan.
3. In addition to recommendation 2 above, Council should identify existing and likely future collector roads in the RU4 zone under a Contributions Plan in order to minimise potential future financial risks. This is consistent with good planning.
4. Council consider initiating a Rural Small Holdings field day or similar to promote a culture of innovation for land uses in the RU4 zone.

The Planning Study has identified a mapping error in the YLEP 2010. The owners of the land are agreeable to the error being corrected and it is recommended that the following change be included in the formal planning proposal for the RU4 zone lands:

5. Lot 2324 DP 754611 known as 40 Krebs Lane, Young be rezoned from RE1 Public Recreation to RU4 Rural Small Holdings (Primary Production Small Lots) with the minimum lot size as determined by Council from this Planning Study.

8.2 Young

The recommendations for the Young study area are:

1. Council review the relative merits of Options B and C, recognising that Option C represents a balance between best practice planning theory and principles and land owner's rights and interests.
2. DCP controls should be prepared to ensure that subdivisions in the North sector are appropriately designed and sited to allow for future infill and potential urban infill at a later date.
3. DCP controls should be prepared to require subdivisions in the West sector 2 hectare area to be appropriately designed and sited to respect environmental constraints and conditions.

8.3 Murringo

It is recommended that the RU1 Primary Production zone and 170 hectare minimum lot size controls be retained over the Murringo study area. No changes are recommended to the current instrument being the YLEP 2010 for this area.

7.4 Evaluation

7.4.1 Rural Planning Principles

An assessment of each option in response to the SEPP Rural Planning Principles is provided below.

Principle	Option A	Option B	Option C
1. Promote and protect opportunities for current and potential productive and sustainable economic activities in rural areas.	Poor	Reasonable	Moderate
2. Recognise the importance of rural lands and agriculture and the changing nature of agriculture and of trends, demands and issues in agriculture in the area, region or State.	Poor	Good	Moderate to poor
3. Recognise the significance of rural land uses to the State and rural communities, including the social and economic benefits of rural land use and development.	Poor	Good	Moderate to poor
4. Balance the social, economic and environmental interests of the community	Moderate	Moderate	Moderate to Good
5. Identify and protect natural resources, having regard to maintaining biodiversity, the protection of native vegetation, the importance of water resources and avoiding constrained land	Moderate	Moderate to Good	Moderate to Poor
6. Provide opportunities for rural lifestyle, settlement and housing that contribute to the social and economic welfare of rural communities	Moderate to Good	Reasonable	Moderate
7. Consider impacts on services and infrastructure and appropriate location when providing for rural housing	Poor	Good	Moderate
8. Ensure consistency with any applicable regional strategy of the Department of Planning or any applicable local strategy endorsed by the Director-General	N/A	N/A	N/A
Overall assessment	Poor	Reasonable to Good	Moderate

Factors influencing the assessment include:

- The 24 hectare areas help the consistency of Option C in each instance. Changing this aspect of the Option would significantly alter the degree of consistency with the principles.
- The extent of change from the existing minimum lot sizes reduces the consistency of Option B in relation to social and economic considerations (Principle 4). This acknowledges the affect on land owner's rights that have been reinstated by the making of YLEP 2010.
- Maintaining the 2 hectare minimum lot area in the West sector reduces the consistency of each option with considerations relating to protecting environmentally sensitive areas (Principle 5).

7.4.2 Rural Subdivision Principles

An assessment of each option in response to the SEPP Rural Planning Principles is provided below.

Principle	Option A	Option B	Option C
1. Minimise rural land fragmentation	Poor	Good	Poor
2. Minimise rural land use conflicts, particularly between residential land uses and other rural land uses	Poor	Good	Moderate
3. Consider the nature of existing agricultural holdings and the existing and planned future supply of rural residential land when considering lot sizes for rural lands	Poor	Good	Poor
4. Consider the natural and physical constraints and opportunities of land	Poor	Good	Moderate to poor
5. Ensure that planning for dwelling opportunities takes account of those constraints	Poor	Good	Moderate to poor
Overall assessment	Poor	Good	Moderate

7.4.3 Summary

The Options have been evaluated in the table below using the following criteria:

1. Recognise the RU4 zone as a primary production zone. This has been reinforced by the amendment to the Standard Instrument.
2. Protect land with high agricultural suitability through appropriate minimum lot sizes to discourage fragmentation.
3. Ensure a logical urban and peri-urban structure. Lot sizes should generally increase with distance from the urban edge.
4. Consider opportunities for a range of lot sizes within the context of a zone intended for primary production.
5. Consistency with the Rural Planning and Rural Subdivision Principles.

EVALUATION OF OPTIONS

Criteria	Option A	Option B	Option C
Consistency with intention of RU4 zone to serve as a primary production zone	Poor	Good	Moderate to poor
Use minimum lot sizes to discourage fragmentation of land with high agricultural suitability	Poor	Good	Poor
Deliver a logical urban structure	Poor	Good	Moderate
Opportunities for a range of lot sizes for primary production purposes	Poor	Reasonable	Poor
Consistency with Rural Planning Principles	Poor	Reasonable to Good	Moderate
Consistency with Rural Subdivision Principles	Poor	Good	Moderate

Protecting Young's productive lands is essential for the Shire economy and rightly underpins the assessment of the relative merits of the options. Fundamental concerns about the merits of a 4 hectare minimum lot size, given the consistent and prevailing view that such small minimum lot sizes have encouraged fragmentation and threats to the long term productive use of land, is also a strongly determining consideration.

The detailed demand and land supply analysis confirms that the area can withstand increased minimum lot sizes without constraining land supply. The land supply calculations in part confirm that Council's original position for the Young RU4 lands, as proposed in the exhibited draft LEP in 2009, was a responsible planning approach.

Option A (Do Nothing) does not represent good planning. Retaining the status quo of 2 hectare and 4 hectare minimum lot sizes across the study area will not deliver positive outcomes in terms of guarding against fragmentation of productive land or a logical urban structure. It is also likely to jeopardise the longer term viability of the small holdings lands generally, with adverse implications to the Young economy.

Option B represents the best outcome from the technical and planning theory perspective. This option provides the optimum response to protecting land with high agricultural suitability from further fragmentation, supporting a reasonably logical urban and peri-urban structure and good consistency with the SEPP (Rural Lands) principles.

Option C offers the outcome most comparable to the current situation while protecting the fringe productive areas. While this may appease landowners concerned about maintaining reasonable subdivision rights, the consistency with the Rural Planning and Subdivision Principles is moderate to poor, largely because of the continuation of the 4 hectare lot size in the middle areas. Any move to reduce the minimum lot sizes in the productive fringe areas would further compromise the relative merits of Option C and are cautioned against. Such changes would also make demonstrating consistency with the Section 117 Directions much harder.

In conclusion, it is recommended that Option B be pursued in preference to Option C as it provides a preferable urban and peri-urban structure, better reflects the underlying intention of the RU4 zone as a productive zone and is more consistent with the SEPP Rural Lands Rural Planning and Rural Subdivision Principles.

The analysis has confirmed that the area can withstand increased minimum lot sizes without unreasonably constraining land supply, especially as demands for rural living should be met within the R5 zone which has been increased in area as a result of the YLEP 2010.

7.4.4 Rural Small holdings and innovation

The project brief also required review of possible new and alternate uses for rural small holdings. The RU4 lands around Young have been used for a range of productive activities from orcharding and vineyards to poultry and other traditional activities.

Permissible land uses are established through the land use table of YLEP 2010. Horticulture, forestry and extensive agriculture are among the uses that can occur without development consent. Rather than reinventing potential new uses which could be established locally there may be opportunities for Council to support initiatives for local marketing of produce and the like, and for support of innovation in farming practices, especially in relation to ecologically sustainable and/or organic practices.

The Mudgee Small Farms Field Days are an example of a highly successful two day event which offers a range of workshops, events and displays targeted to rural small holdings.

8. RECOMMENDATIONS

8.1 General Recommendations

The general recommendations of the study are:

1. Council is encouraged to maintain the policy of not servicing rural living lots with reticulated water and sewer services. This is consistent with recommendations of previous studies, including the 2004 Richardson report.
2. Council is encouraged to continue the present policy of developer based expenditure for roads and frontages where subdivision of RU4 zoned land is proposed, and for assisted contributions to collector roads within the RU4 zone through a contributions plan.
3. In addition to recommendation 2 above, Council should identify existing and likely future collector roads in the RU4 zone under a Contributions Plan in order to minimise potential future financial risks. This is consistent with good planning.
4. Council consider initiating a Rural Small Holdings field day or similar to promote a culture of innovation for land uses in the RU4 zone.

The Planning Study has identified a mapping error in the YLEP 2010. The owners of the land are agreeable to the error being corrected and it is recommended that the following change be included in the formal planning proposal for the RU4 zone lands:

5. Lot 2324 DP 754611 known as 40 Krebs Lane, Young be rezoned from RE1 Public Recreation to RU4 Rural Small Holdings (Primary Production Small Lots) with the minimum lot size as determined by Council from this Planning Study.

8.2 Young

The recommendations for the Young study area are:

1. Council review the relative merits of Options B and C, recognising that Option B promotes a preferable urban and peri-urban structure, better reflects the underlying intention of the RU4 zone and is more consistent with the SEPP Rural Lands Principles.
2. Note that Option C offers a balance between best practice planning theory and principles and land owner's rights and interests and a potential alternate strategy for the Young study area in the event of significant debate and community concern.
3. Consider the potential to use DCP controls for the assessment of subdivisions in the North sector to ensure that they are appropriately designed and sited to allow for future infill and potential urban infill at a later date.
4. Consider the potential to use DCP controls to require subdivisions in the West sector 2 hectare area to be appropriately designed and sited to respect environmental constraints and conditions.

8.3 Murringo

It is recommended that the RU1 Primary Production zone and 170 hectare minimum lot size controls be retained over the Murringo study area. No changes are recommended to the current instrument being the YLEP 2010 for this area.