



DUNGOG SHIRE COUNCIL

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29 January 2010

Mr Gary Oakley
Department of Planning
PO Box 1226
NEWCASTLE NSW 2300



Dear Gary,

RE: PLANNING PROPOSAL (PP) FOR THE SUBDIVISION OF LOT 100 DP
1089164, NO. 4426 CLARENCE TOWN ROAD, WIRRAGUNILLA INTO
TWO (2) LOTS

Reference is made to the above and the gateway determination made on 5 November 2009 regarding the same. This response is in addition to recent meetings and email correspondence with the regional Department of Planning (DOP) office and requests that the PP be reconsidered by the Gateway as a matter of urgency.

The original gateway determination stated:

1. *There is insufficient strategic justification for the planning proposal. The planning proposal will potentially establish the basis for new shire-wide provisions for the Dungog LGA in terms of the ability to establish rural worker's dwellings and minimum lot sizes in rural zones.*

Council is of the opinion this determination shows a lack of understanding of the local issues, Council's strategic planning documents (the Rural Strategy and the Draft Situation Analysis (SA) and Land Use Strategy (LUS)) and the PP itself.

Despite there being some inconsistencies with the gateway determination and initial DOP advice, further consultation with the DOP regional office has subsequently clarified this and in the interest of resolving the issues, Council will strategically elaborate the property only. Please find the amended PP attached known as proposed LEP Amendment numbers 10. Council is still of the opinion however, the PP should be deemed 'minor' in nature and should be completed within the 3 month time frame.

There is a strong case why these proposals needs to be addressed now and not via the SI LEP process. Firstly, the SI LEP is a number of years from completion. This is an unreasonable delay and one that is unjust/inequitable to be worn by the Applicant/Property owner. In particular, as Dungog Shire Council is not on the DOP planning priority list for SI LEPs, there is a considerable degree of uncertainty as to when the SI LEP will be gazetted. Secondly, there is strategic merit in the proposal as Council

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A vibrant, united community, with a sustainable economy. An area where rural character, community safety, and lifestyle are preserved.

has resolved to carry over the current minimum allotment sizes in the absence of a rural lands study. Council applied for funds under the PRF Round 6 to carry out a rural lands study however were unsuccessful on this aspect. Therefore, there are insufficient funds/resources to complete such works. The expected translation of the minimum rural subdivision size (60 ha) is a consistent LGA approach, except in the circumstances where existing non primary industry related facilities can justify the need to be severed. That is indeed the purpose of the PF and has received elected Council support in that regard. At a strategic level enabling existing rural tourist facilities to be severed from the residue agricultural allotment has a positive outcome and creates no adverse planning precedent within the LGA.

A sound strategic case exists why the proposed two lot subdivision/PF should be supported. It appears there has been a misunderstanding of comments made in the valuation report & business plan regarding the financial viability of the Cartiageway Resort. Currently Crooks park (farming enterprise) and Cartiageway (tourist resort) are on the one title. The various valuation reports confirm that capital improvements to both properties have been significantly impacted by the same title and do not independently reflect the value added to infrastructure. Both operations are independently financially viable and in fact the Cartiageway Resort has recorded three consecutive years of growth in turnover & profitability.

The issue surrounds the ongoing investment needed to maintain the on ground facilities which are then not recognised in the valuation. Most importantly the Cartiageway resort has a weekend occupancy rate of 90% and would consider an investment to increase the accommodation levels if it was on a separate title. This, according to the valuer would then be reflected through a higher valuation and guarantee a return of the investment. Rocky Hill Pastoral Co cannot continue to incur substantial costs with maintaining a 4 star resort when those costs reduce the profitability but are not reflected in the valuation. The application is not for the purposes of "propping up" an unviable business, it is in fact for the opposite reason of supporting the continued business enterprise and creating an opportunity for expansion.

The draft Dungog LUS identifies a major shortfall in tourist accommodation in the Dungog environs. Apart from the strategy recommending new land uses for tourism, the document also reinforces the importance of existing legitimate enterprises. Enabling the subdivision will both support the existing tourist accommodation for 60 tourists and the primary production enterprise.

Council's SA and LUS also identifies tourism as a major employer in the LGA. This quantifies the importance of tourism to the LGA and the Cartiageways plays an important role in this regard, being one of the largest establishments in the shire. The LUS emphasizes supporting flexibility in tourism operations and business gentrification. Refer to the applicable extract from the LUS,

There is an opportunity to reinvigorate the local economy through the stimulation of local opportunities in both tourism and economic development. This would support the integration of the LGA into the regional economy. Tourism should be supported as a major economic contributor by providing land suitable for the development of accommodation and conference facilities

No planning precedent is set as a result of this PP as there is no other development with the same set of circumstances of this scale in the LGA. Regardless, Council is of the opinion the individual merits of this proposal warrant a variance to the 60 hectare development standard.

As detailed in the PP the proposal will not result in the erection of a new dwelling but will enable the existing tourist facility to be excised from the remainder of the property, which is used for agricultural purposes (grazing). Excising the existing tourist facility from the main farm will not impact on the agricultural potential of the land but will ensure the continued operation of both components. It will provide a satisfactory return on infrastructure investment and allow the existing valuable business to expand. More importantly, severing the two separate and well defined existing uses will allow each to be managed by a respective specialist and increase the efficiency/success of each.

Council understands this spatial distinction might be hard to quantify in the absence of a site inspection. Therefore, Council has attached to this correspondence a range of photos submitted by the Applicant.

The Dungog LUS also draws a correlation between the proposed Tillegra Dam and the importance of tourist facilities/accommodation. In particular, with the existing Carriageways development being on Clarence Town Rd (MR 301) there is high exposure to passing tourists potentially on route to Tillegra Dam. Refer to a relevant extract from the LUS,

Both the Tourism and Economic Dynamics studies undertaken for the Situation Analysis suggest that while the proposed Tillegra Dam is not popular with all local residents, it would provide a major infrastructure boost to a currently slow economy. It is also expected to have strong positive economic benefits for the construction, tourism and other related industries during and post construction.

Council also considered other mechanisms to progress the matter. This included utilising the *Rural Lands SEPP* for the consideration of the application. As in the opinion of Council, the proposal complies with the intent and aims of such, however pursuant to 9(3) of the SEPP there is an existing dwelling on the allotment. Council also considered utilising SEPP 1 however due to the large proposed variance and the wording of the Dungog LEP in regards to the 'established holding' provisions this was not possible.

In summary, the PP has a clear strategic basis and is supported by the Council's recent and relevant strategic planning documents. These documents provide the basis for the future SI LEP hence the site specific PP is consistent with the shire wide direction.

If you have any further questions please don't hesitate to contact the undersigned on 4995 7777.

Yours faithfully
Matthew Brown

MANAGER PLANNING