

ITEM NO. 3

**FILE NO: 19/343247
EDRMS NO: 58-2019-3-1**

PLANNING PROPOSAL FOR 339 TAREAN ROAD, KARUAH

REPORT OF: STEVEN PEART - STRATEGY & ENVIRONMENT SECTION
MANAGER
GROUP: DEVELOPMENT SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Adopt the Planning Proposal (**ATTACHMENT 1**) to amend the Land Zoning Map, Height of Building Map and Lot Size Map under the Port Stephens Local Environmental Plan 2013 at 339 Tarean Road, Karuah Lot 52 DP 735066 from RU2 Rural Landscape to Part R2 Low Density Residential and E2 Environmental Conservation.
 - 2) Forward the Planning Proposal to the NSW Department of Planning, Industry and Environment for a Gateway Determination and request delegated authority to make the plan.
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Councillor Glen Dunkley left the meeting at 6:58pm prior to voting on this item.

**ORDINARY COUNCIL MEETING - 10 DECEMBER 2019
MOTION**

245	<p>Councillor Paul Le Mottee Councillor Chris Doohan</p> <p>It was resolved that Council:</p> <ol style="list-style-type: none">1) Adopt the Planning Proposal (ATTACHMENT 1) to amend the Land Zoning Map, Height of Building Map and Lot Size Map under the Port Stephens Local Environmental Plan 2013 at 339 Tarean Road, Karuah Lot 52 DP 735066 from RU2 Rural Landscape to Part R2 Low Density Residential and E2 Environmental Conservation.2) Forward the Planning Proposal to the NSW Department of Planning, Industry and Environment for a Gateway Determination and request delegated authority to make the plan.
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In accordance with Section 375 (A) of the Local Government Act 1993, a division is required for this item.

Those for the Motion: Mayor Ryan Palmer, Crs Jaimie Abbott, Giacomo Arnott, Chris Doohan, Ken Jordan, Paul Le Mottee, John Nell, Sarah Smith and Steve Tucker.

Those against the Motion: Nil.

BACKGROUND

The purpose of this report is for Council to adopt the Planning Proposal **(ATTACHMENT 1)** to amend the Port Stephens Local Environmental Plan 2013 (LEP 2013) to enable residential development to be undertaken on the subject land. Should Council resolve to adopt the Planning Proposal, it will be forwarded to the NSW Department of Planning, Industry and Environment (DPIE) for a Gateway Determination. A locality map of the land subject to the Planning Proposal is provided at **(ATTACHMENT 1)**.

The land is currently zoned RU2 Rural Landscape and the Planning Proposal seeks to rezone the land to part E2 Environmental Conservation and part R2 Low Density Residential. The area proposed to be zoned R2 Low Density Residential will be accompanied by a minimum lot size of 500m² and a maximum height of buildings of 9 metres. The area proposed to be zoned E2 Environmental Conservation will retain the existing 40 hectares minimum lot size and no maximum height of building control. A summary of the Planning Proposal and property details are provided below:

Date Lodged:	22 July 2019
Proponent:	AO Farm Holding Pty Ltd (Perception Planning Pty Ltd)
Subject Property:	Lot 52 DP 735066, 339 Tarean Road, Karuah
Total Area:	30.25 hectares
Current Zoning:	RU2 Rural Landscape
Proposed Zoning:	R2 Low Density Residential E2 Environmental Conservation
Residential Lot Yield:	Approximately 240 lots
Relevant Local Strategy:	Karuah Growth Strategy (2011)
Key Issues:	<p>Biodiversity:</p> <ul style="list-style-type: none">• A Biodiversity Development Assessment Report (BDAR) will be prepared post-Gateway.• Redefinition of the proposed zone boundaries may be required. <p>Servicing:</p> <ul style="list-style-type: none">• Capacity issues.• Further servicing report required post-Gateway.

Further detail on the assessment of the Planning Proposal is provided in the Strategic Planning Assessment Report provided at **(ATTACHMENT 2)**.

Suitability of the Subject Land

The Karuah Growth Strategy (KGS) identifies an area of approximately 10,800m² in the southern section of the subject site (adjoining Tarean Road) as being within the 'existing urban area'. The remaining portion of the subject land has not been identified in the KGS for residential development due to its environmental significance and location within a biodiversity corridor. The KGS acknowledges that the suitability of the remainder of the site for residential development may be determined following more detailed ecological investigations. The Planning Proposal is supported by a Preliminary Ecological Assessment confirming the site does not form part of a regional biodiversity corridor and that land in the southern portion of the wetland may be suitable for residential development.

The environmental impacts of the Planning Proposal will be quantified through the completion of the Biodiversity Development Assessment Report (BDAR) should the Planning Proposal receive a Gateway Determination to proceed. At present, all lands of higher environmental significance, based on preliminary investigations, are proposed to be zoned E2 Environmental Conservation. This approach provides the appropriate scope to avoid, minimise and offset when the BDAR is completed at the post-Gateway stage.

The proposed zone boundaries have been determined having regard for the wetland and location of more significant vegetation.

A Residential Needs Assessment undertaken to support the Planning Proposal indicates that it will contribute to increased housing supply to support the growth of Karuah and the Port Stephens Local Government Area (LGA).

Existing and surrounding land uses

The site is comprised of native bushland with freshwater wetland traversing over the centre of the site, which is a mapped watercourse (Muston's Gully). Muston's Gully and the older growth forest to the north is proposed to be zoned E2 Environmental Conservation (**ATTACHMENT 1**).

The Stockton-Watagan Regional Biodiversity Corridor runs along the south of the Karuah township as provided in the Port Stephens Planning Strategy and the Ecological Assessment that accompanies the Planning Proposal.

Environmentally significant land, containing the wetland, a Council-owned sports field and residential development adjoins the site to the east. A hotel and residential development adjoin the site to the south, vegetated rural land under ownership of the Karuah Local Aboriginal Land Council adjoins to the north and to the west is undeveloped, cleared rural land, which is subject to a separate Planning Proposal which seeks to rezone the land to accommodate approximately 400 residential lots.

The Planning Proposal for this adjoining site was adopted by Council at its meeting on 13 August 2019 and forwarded to DPIE for a Gateway Determination (currently pending).

Servicing

The Planning Proposal recommends that a preliminary service inquiry be undertaken with Hunter Water Corporation should the Planning Proposal receive a Gateway Determination to proceed. Subsequently, consultation with adjoining landowners will be undertaken.

It is understood that upgrades to the Karuah Waste Water Treatment Facility will be required, which may be made more feasible by having multiple landowners in the same locality.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2021
Thriving and Safe Place to Live	Provide land use plans, tools and advice that sustainably support the community.

FINANCIAL/RESOURCE IMPLICATIONS

There are no foreseen financial or resource implications for Council as a consequence of the recommendation of this report.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		Stage One fees for Category B Rezoning of \$11,200 paid.
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

There are no foreseen legal, policy or risk implications for Council as a result of the recommendation of this report.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that there is insufficient land available in Karuah to meet future housing demand.	Medium	Adopt the Planning Proposal and submit to the DPIE for a Gateway Determination.	Yes
There is a risk that land proposed to be zoned for residential purposes has higher environmental value than indicated in the Preliminary Ecological Assessment.	Medium	The proponent will undertake a Biodiversity Development Assessment Report (BDAR) should the Planning Proposal receive a Gateway Determination to proceed. The merits of the Planning Proposal can be reassessed should the recommendations of supporting reports be amended.	Yes

Environmental Planning and Assessment Act 1979

The Planning Proposal is being processed in accordance with Part 3 of the Environmental Planning and Assessment Act 1979. Should Council resolve to adopt the Planning Proposal, it will be forwarded to DPIE for a Gateway Determination, including a request for the delegation of plan making functions.

Port Stephens Local Environmental Plan 2013

The Planning Proposal seeks to amend the LEP 2013 by rezoning the subject land from RU2 Rural Landscape to part E2 Environmental Conservation and part R2 Low Density Residential. The area proposed to be zoned R2 Low Density Residential will be accompanied by a minimum lot size of 500m² and a maximum height of buildings of 9 metres. The area proposed to be zoned E2 Environmental Conservation will retain the existing 40 hectares minimum lot size and no maximum height of building control.

Port Stephens Development Control Plan 2014

The Port Stephens Development Control Plan 2014 (DCP 2014) includes Part D2 Karuah containing site specific controls for the development of Karuah.

The DCP 2014 currently identifies the subject land as having Environmental significance. Should the Planning Proposal proceed, the DCP will need to be amended to include necessary site-specific controls, an updated staging plan, capabilities of water and sewer will need to be developed and indicative road, lot

layout and connections, which take into consideration the Planning Proposal on land adjoining to the west.

A review of the existing DCP 2014 (Part D2 Karuah) will be required should the Planning Proposal receive a Gateway Determination to proceed.

Hunter Regional Plan 2036 (2016)

The Hunter Regional Plan (HRP) sets priorities and provides a direction for regional planning decisions. It focuses on new housing and jobs, and targets growth in strategic centres and renewal corridors close to transport to deliver social and economic benefits.

The Planning Proposal is consistent with the vision and goals outlined in the HRP as it will provide additional housing choice within a new, well designed community that is accessible to a range of facilities and services.

Port Stephens Planning Strategy (2011)

The Port Stephens Planning Strategy 2011 (PSPS) predicts growth in the Karuah and Swan Bay area to occur in greenfield areas adjacent to the Karuah town boundaries. The Planning Proposal is consistent with the envisaged growth provided in the PSPS, providing additional greenfield housing within proximity to the existing Karuah town centre. This has been further supported by a housing needs analysis supporting the Planning Proposal.

Karuah Growth Strategy (2011)

The Karuah Growth Strategy (KGS) was adopted by Council in 2011 to provide a spatial and land use plan for the growth of Karuah. The KGS identifies growth scenarios, infrastructure constraints and land for new urban development recognising that the village scale and character of Karuah is likely to be attractive to visitors and new residents.

The KGS includes a staging plan for the suggested release of new urban land in Karuah. The staging plan is based on initially releasing land adjacent to the existing urban area (south of Karuah town centre) and progressively moving outwards (west of Karuah town centre). Environmentally significant land is avoided, and a biodiversity corridor defines the medium term western limit of the village (this adjoins the subject site to the west). The KGS notes the capacity of the sewerage treatment plant will, together with market demand for residential land, ultimately determine the rate of land release.

The subject site is noted in the KGS given Council's resolution in 2006 to support a Planning Proposal to rezone the land for residential purposes. The NSW Department of Planning advised in 2007 and 2008 that it would not support the proposal because it was within the Watagan Stockton Green Corridor and there appeared to be ample residential land already available in Karuah. Acknowledging the history of the site, the

KGS states the subject site should remain in the Green Corridor unless ecological investigations establish otherwise to the satisfaction of State agencies and Council.

The Preliminary Ecological Assessment prepared in support of the Planning Proposal indicates that the land is not within a regional biodiversity corridor. A residential needs assessment undertaken concludes that there is a potential undersupply of land in Karuah. Given the findings of the reports prepared in response to ecological and housing supply matters, it is considered the Planning Proposal has sufficient merit to proceed for a Gateway Determination.

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Environmental

While the subject land is vegetated and contains a wetland, the proposal has appropriately responded to environmental conditions by proposing an E2 Environmental Conservation zone within high value areas and limiting the proposed R2 Low Density Residential zone to areas of lower value. In addition, the proponent has committed to undertaking a Biodiversity Development Assessment Report (BDAR) should the Planning Proposal receive a Gateway Determination to proceed.

Social and Economic

The Planning Proposal is likely to deliver a range of social and economic benefits to Karuah, including:

- Employment through construction jobs to carry out subdivision and building works.
- Increased population contributing towards the economic growth of the locality through increased patronage to local retail and service premises and ongoing demand for services.
- Additional housing choice in Karuah and the LGA.

CONSULTATION

Internal

Internal consultation was undertaken with the Natural Resources and Development Engineering teams. Further detailed investigations will be required should the Planning Proposal receive a Gateway Determination to proceed as discussed above.

Natural Resources

Council's Natural Resources team have reviewed the Preliminary Ecological Assessment and supplementary studies.

The proponent has committed to undertaking a Biodiversity Development Assessment Report (BDAR) post-Gateway to consider outstanding ecological matters. This assessment may require proposed zone boundaries to be revised.

Development Engineering

A flood and drainage study will need to be provided should the Planning Proposal receive a Gateway Determination. The study will determine potential impacts that development may have on the surrounding environment, particularly the wetland.

External

Consultation with community and State Government Agencies will be undertaken in accordance with the Gateway Determination. It is anticipated that the Planning Proposal will be exhibited for 28 days should the Planning Proposal receive a Gateway Determination to proceed.

OPTIONS

- 1) Accept the recommendations.
- 2) Amend the recommendations.
- 3) Reject the recommendations.

ATTACHMENTS

- 1) Planning Proposal. (Provided under separate cover)
- 2) Strategic Planning Assessment Report.

COUNCILLORS ROOM

Note: All relevant technical studies referenced in this report can be inspected upon request.

TABLED DOCUMENTS

Nil.