
7 VILLAGE AND RURAL SMALL HOLDINGS DEVELOPMENT



There are currently 7 zoned villages within Upper Hunter LGA: Parkville, Moonan Flat, Wingen, Bunnan, Gundy, Cassilis and Blandford. There are also 2 existing areas zoned for large lot residential and rural small holdings development. It is projected that to 2032 around 30% of new dwellings in the LGA will be in villages and on large lot residential and small holdings areas. It is estimated that villages, large lot residential and rural small holdings currently comprise between 5 and 10% of the total population of the LGA.

Large lot residential and rural small holdings development opportunities and requirements were considered in the *Scone Rural Lands Study* (Carey Young 1997) which commented as follows:

As with most attractive rural areas relatively close to major population centres, Scone does and will continue to face pressure for the provision of rural lifestyle allotments. Such development has considerable potential to contribute to the diversity of housing opportunities, to help revitalise rural communities and add positively to the local economy. As mentioned above, there is also potential for some occupants to contribute to the agricultural production of the region. At the same time however, rural residential development brings with it the potential to contribute to the loss and/or fragmentation of agricultural land, environmental damage, land use conflict with agriculture and the generation of unreasonable demands on services. Given these potential issues, and the apparent demand for some level of this form of development, it would seem appropriate and reasonable to provide opportunities for small and medium sized holdings where the potential environmental and agricultural downside can be eliminated or at least controlled.

The *Scone Rural Lands Study* proposed the following responses in relation to demand for large lot residential and rural small holdings:

- Differentiate between intensive agricultural areas and extensive agricultural areas
- Direct large lot residential and rural small holding development to the existing identified areas (1997)
- Identify candidate areas where medium sized rural holding development (about 5 to 20 hectares) may be permitted subject to detailed environmental investigation and the capacity to sustain development without adverse impact to water supply or quality
- Further expansion of village zones should include adequate provision of water supply and waste water treatment
- Development within the (1997) small holdings zones should be subject to detailed consideration of water supply and waste water treatment, and not result in any adverse effects.

Harper Somers O'Sullivan's *Rural Residential Land Study* (2003) estimated demand and supply and proposed additional areas to be rezoned, with some existing zoned areas being changed to General Rural. However, the study appears to have underestimated demand for rural small holding development.

Under the current LEPs applying within the LGA, there is provision for a range of subdivisions for the purpose of large lot residential and rural small holdings. However, there is variation between the provisions of the existing LEPs, and also inconsistency with the Standard LEP provisions prepared by the NSW Department of Planning. Table 9 shows the existing LEP provisions. In addition, all 3 existing LEPs have a village zone which includes minimum subdivision areas of 750m² in Merriwa and 800m² in Murrurundi.

Table 9: Large lot residential and rural small holding provisions in existing LEPs

Existing planning instrument and zoning	Minimum subdivision requirement
Merriwa LEP 1992 Zone No 1 (c) Rural Small Holdings Zone	1 ha
Merriwa LEP 1992 Zone No 1 (d) Rural Retreat Holdings Zone	5 ha
Murrurundi LEP 1993 Zone No 1 (c)—Rural Small Holdings 'C' Zone	4000m ²
Scone LEP 1986 Zone No 1 (c) (Rural Small Holdings Zone)	4000m ² for onsite effluent disposal or 2000m ² for common sewage disposal system
Scone LEP 1986 Zone No 1 (c1) (Small Holdings Zone)	10 ha average; 5 hectare minimum - or larger if required for water supply or effluent disposal

Apart from villages created as part of historic subdivision patterns, demand exists for 3 broad types of large lot residential and rural small holding development:

- Urban fringe, generally in estates adjacent to an urban area with services such as sealed roads, water and reticulated sewer, and lot sizes of 4,000m² to 2 hectares
- Rural lots of 2 hectares to 10 hectares, comprising residential use within a rural environment, generally close to a town and with some services. This also includes isolated 'concessional' lots of less than 40 hectares
- Rural lots of 10 hectares to 40 hectares which are primarily residential in use, but where small scale agricultural activities are also carried out.

The results of a demand survey for land are presented in the Situation Analysis report. This provides an indication of relative demand for different types of land available for new development in the LGA, and is summarised in Table 10. This indicative estimate shows that around 30 to 40% of demand is for vacant rural lots, however there is considerable overlap between the different types. The estimates will change over time.

Table 10: Indicative rural land demand estimates for Upper Hunter LGA (2006)

Land type	Estimated proportion of demand (vacant land)	2006 demand and supply
Residential - standard	40%	About half of demand being supplied
Residential – medium density	<5%	Adequate provision
Residential – large lot	20%	About half of demand being supplied
Village	5%	Balance between demand and supply
Rural Small Holdings (< 2 ha)	10%	Demand much higher than current supply
Rural Holdings (4 to 10 ha)	5%	Little current supply available. Lower demand than rural residential
Rural Holdings (10 to 40 ha)	10%	Little current supply available. Reasonably strong demand
Larger Rural Holdings	<10%	Balance between demand and supply

Large lot residential and rural small holding development is a key land use planning issue in the Upper Hunter LGA. Large lot residential and rural small holding subdivision and land use can result in conflict with commercial agriculture, and separation from agriculture is normally desirable. There are also important considerations relating to the provision of services and infrastructure, environmental impacts, water availability, traffic, and biodiversity. Historically in Scone, some large lot residential development has occurred within residential zones, and this offers an alternative to small holdings in rural areas.

Demand for subdivision is primarily from current land owners, and there is evidence that lot demand is substantially driven by supply (and the characteristics of the land). Purchasers are seeking lifestyle rather than productive land, and are generally relying on employment in the Upper Hunter and adjoining LGAs.

As outlined in Section 6, for planning purposes it is anticipated that around 30% of new dwellings to 2032 will be in rural areas (around 15 to 25 per year), but this proportion is substantially dependent on the provision of land for large lot residential and rural small holding development. The current indications are that demand for large lot residential and rural small holdings will exceed supply in the short term, even though further subdivision potential remains available under the current Scone LEP provisions. The demand identified in the Strategy is higher than the 4 to 5 rural residential dwellings per year anticipated by Harper Somers O'Sullivan (2003).

Relevantly, key land use planning issues were identified in the Situation Analysis as follows:

- Provision of additional land for large lot residential and rural small holding development in suitable locations

- Future subdivision and development of land within villages, subject to service provision (including roads, water, sewer, groundwater and surface water runoff).

Information on these issues is presented below, together with objectives, policies and strategic actions.

Appropriate zoning provisions and standards need to be determined, taking into account the Standard LEP requirements implemented by the Department of Planning. The available zonings need to be considered in conjunction with minimum subdivision sizes. Zone options are RU4 Rural Small Holdings (objectives mainly relate to primary production), RU5 Village (flexible zone allowing uses incompatible with existing rural residential character), R5 Large Lot Residential (primarily supports residential use), and E4 Environmental Living (for areas with special ecological, scientific or aesthetic values).

7.1 Provision of adequate land for large lot residential and rural small holding development in suitable locations

It is important to provide for certainty in relation to the location of large lot residential and rural small holding development to prevent adverse impacts on primary production land and the flow on effects of increasing land values for other rural land.

The Strategy recognises the need to provide additional land within the LGA to cater for this form of land use, and provides the framework for:

- Determining areas for further investigation and rezoning
- The preferred LEP zones (Rural Small Holdings where intensive agricultural production is a key objective, Large Lot Residential, or Environmental Living)
- Staging of rural subdivision
- Providing criteria for future rezoning requests for large lot residential and rural small holding development outside current investigation areas
- Flow on DCPs and Section 94 contributions plans required following rezoning.

There are a number of areas zoned for large lot residential and rural small holding purposes around Scone and Aberdeen which are currently undeveloped and require review. Existing villages, large lot residential and rural small holding areas in the vicinity of Scone are shown on Map 7.1, together with additional proposed investigation areas that may be suitable for future development. Existing village, large lot residential and rural small holding zoned areas throughout the LGA are shown on Map 7.2, together with proposed investigation areas. The Strategy identifies additional areas could be rezoned and the preferred staging and infrastructure servicing requirements for these areas. These are shown on Map 7.1. The objectives, policies and strategic actions for large lot residential and rural small holding development in the Upper Hunter LGA are outlined below. This section also includes infrastructure provision guidelines.

Table 12 shows the existing large lot residential and rural small holding zoned land, and proposed investigation areas. This indicates the limited supply of vacant rural lots around Scone, with adequate zoned land around Merriwa and Murrurundi. There is limited potential around Aberdeen, primarily confined to existing residential zoned land. Some existing zoned areas should be reviewed having regard to the potential for future land use conflict. The table also shows proposed investigation areas which would provide for around 75 lots around Scone in the short to medium term, representing about 5 years supply over and above existing zoned land.

Objectives – Provision of adequate land for large lot residential and rural small holdings development in suitable locations

- Provide opportunities for additional large lot residential and rural small holdings subdivision and development in suitable locations, and enable a range of different lot sizes.
- Ensure that adequate services are available for large lot residential and rural small holdings.
- Ensure that the supply of large lot residential and rural small holdings is adequate.
- Balance the provision of new large lot residential and rural small holdings against the need to preserve areas of high agricultural, scenic or environmental value.
- Identify appropriate development controls for future large lot residential and rural small holdings through DCP provisions.

Policies – Provision of adequate land for large lot residential and rural small holdings development in suitable locations

- Provide for a supply in the range 15 to 25 large lot residential and rural small holdings per year in identified candidate areas. These areas are to be subject to further investigation.
- Zone adequate land for 5 years supply (i.e. up to 85 lots around Scone, 25 lots around Aberdeen, and 12 lots around Merriwa), with review of land supply being undertaken every 3 years.
- New large lot residential and rural small holding areas must relate to the long term preferred settlement structure (i.e. not located on land with potential for urban development in the long term (+50 year time frame)), and provide adequate accessibility to towns and employment areas.
- Consolidate further rural small holding development in only 2 locations for each town within the LGA, so that further services are economically provided in the long term if sufficient demand exists (i.e. do not disperse areas).
- Propose further LEP objectives for large lot residential and rural small holding development, in addition to the proposed zoning under the Standard LEP provisions.

- No rezonings for large lot residential and rural small holdings to be considered in identified constraint areas (use map layers as an overlay for LEP).
- Smaller lots (4,000m² or less) shall have both reticulated water and sewerage provided.
- Criteria will be applied for determining the suitability of future large lot residential and rural small holding proposals which have not been considered in the Strategy (see below).
- Subdivision for the purposes of large lot residential and rural small holdings should be undertaken in a manner that will not increase the potential for water extraction from streams or groundwater.

The following criteria (provided in Table 11 below) should be used to identify large lot residential and rural small holdings land. These should be used for the purpose of identifying preferred land suitable for subdivision, and for reacting to development proposals which might arise over the period within which the Strategy applies. It is desirable to provide a choice in the size and characteristics of rural land to be able to cater for the wide range of demand that exists for rural land.

Table 11: Criteria for identifying land suitable for large lot residential and rural small holdings

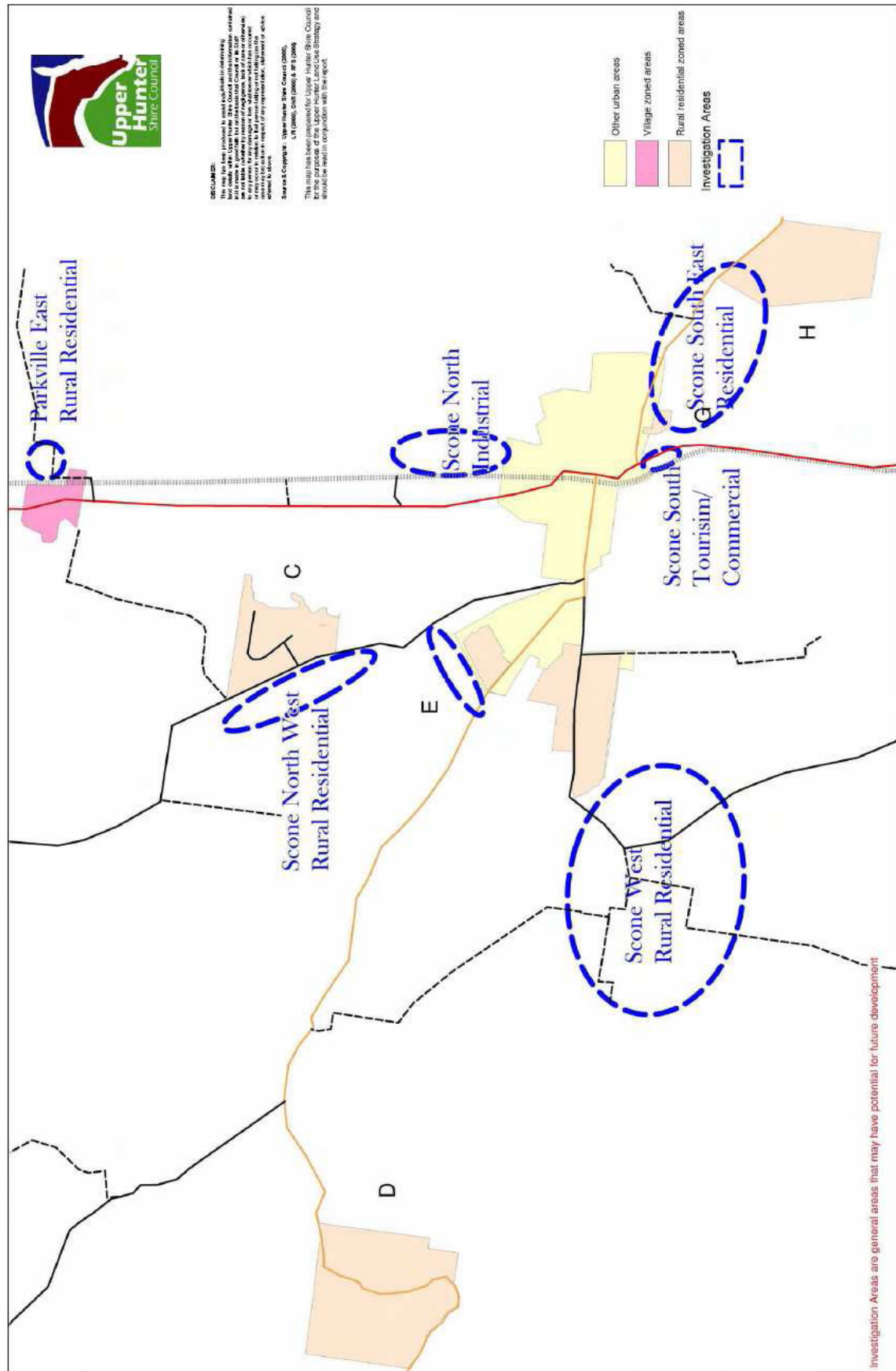
Broad Location Criteria	Comment
Distance from town	Land should be within reasonable travelling distance/time from the centre of an urban area (e.g. less than 10km or 10 minutes from Scone, Aberdeen, or Merriwa).
Provision of services	Provide reticulated water, electricity, telecommunications, bushfire services and sealed road access, plus reticulated sewer for small lots.
Location	Avoid 'stand-alone' large lot residential and rural small holding development unless it is a logical extension of an existing large lot residential or small holdings area that will contribute to achieving a critical mass to support the provision of basic services.
Capacity for onsite water storage	Onsite tank storage shall be encouraged for large lot residential and larger rural small holdings that do not have a reticulated water supply.
Minimal impact on existing infrastructure	Sufficient reserve capacity should exist in power, school bus and telecommunications, and other services.
Good sealed road access	Efficient use needs to be made of the existing road network. In general, existing road services are adequate.
Avoid prime agricultural land, or adjoining land	Impacts on nearby agricultural land and activities need to be considered. Prime agricultural land (suitability classes 1 to 3) is not to be zoned for large lot residential or rural small holdings, unless there are adjoining areas with advantageous locational attributes for this type of development.
Exclude environmentally sensitive land	Sought after large lot residential and rural small holding areas often have good visual outlook, vegetation and privacy. Avoid rural areas with potentially high visual impact (e.g. along highways or tourist routes, along or adjacent to ridges).
Exclude areas of high bushfire hazard	Avoid locating large lot residential and rural small holdings in areas of high bushfire hazard.
Exclude known mineral and extractive resources	Ensure appropriate buffers to mines, extractive industries and other non-compatible land uses.

Table 11: Continued

Broad Location Criteria	Comment
Exclude areas near non-compatible land uses	Provide appropriate buffers to uses such as sewage treatment works, etc.
Exclude water supply catchment land	Locate small holding development to avoid contamination from onsite treatment systems. May also relate to water access rights and usage.
Avoid areas with threatened species or endangered ecological communities	Vegetated rural land is often preferred for amenity and privacy. However, this land is also likely to have high biodiversity values, and presence of endangered ecological communities and threatened species. Ensure that these values are taken into account.
Avoid areas with unsuitable soils, and land with slopes greater than 18 degrees	Avoid large lot residential and rural small holding development on steep land, as well as land with unsuitable soil characteristics to minimise land erosion and land slip.
Avoid contaminated land	Review previous land uses and undertake investigation of areas with potential contamination.
Avoid saline land and areas with soils unsuitable for onsite effluent disposal	Although not an absolute constraint, development of these lands would require alternative treatment systems and building design.
Avoid flood prone land	Acceptable only if flood free access, building sites and waste disposal areas are available.
Avoid Aboriginal and European heritage areas and sites	Examples include the curtilage surrounding historic dwellings.
Avoid areas with high groundwater tables or shallow soils	Land capability limitations may result in problems with onsite waste disposal.

Areas to be investigated for potential large lot residential and rural small holding development are shown on Map 7.1 and listed in Table 12.

MAP 7.1: LARGE LOT RESIDENTIAL AND RURAL SMALL HOLDINGS OPTIONS AND INVESTIGATION AREAS



Upper Hunter Land Use Strategy

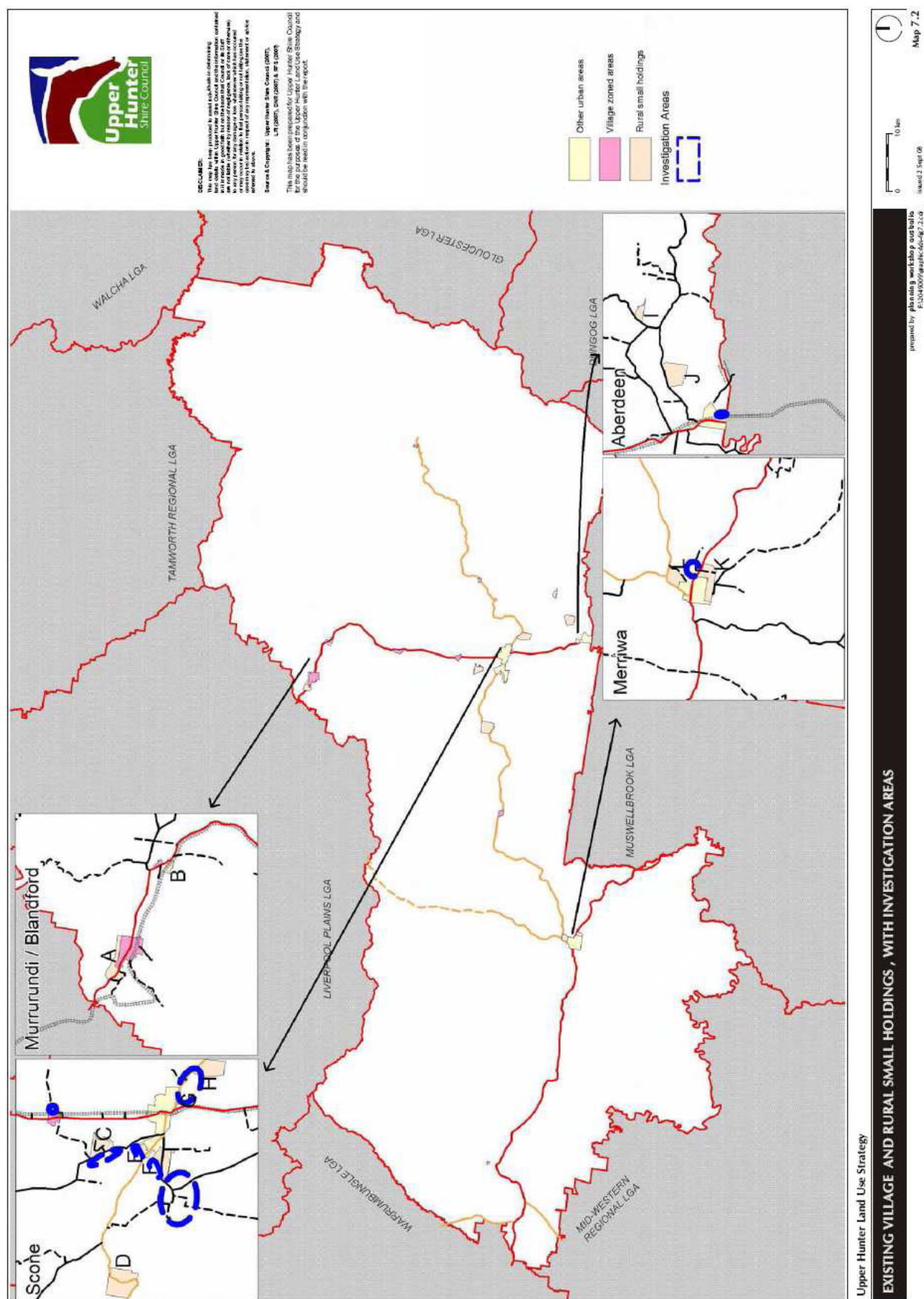
LARGE LOT RESIDENTIAL AND RURAL SMALL HOLDINGS OPTIONS AND INVESTIGATION AREAS

Map 7.1

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Strategic Actions – Provision of adequate land for large lot residential and rural small holdings in suitable locations

- Development around Scone and Aberdeen must ensure that future urban growth options are not constrained by large lot residential and rural small holding development, and that the road hierarchy allows flexibility for future growth of the town (e.g. maintains options for highway bypass and link roads).
- Adopt criteria for considering further applications for large lot residential and rural small holdings that are not in the currently identified candidate areas (as outlined in Table 12).
- Prepare Section 94 Contributions Plans prior to gazettal of LEP, providing for additional large lot residential and rural small holdings.
- Ensure land take up is scrutinised and incorporated into an established land monitor to review rural land supply and demand, dwelling and subdivision approvals, in order to establish the need for future rezonings.
- Consider sunset clause provisions for land zoned for large lot residential and rural small holdings (e.g. 5 year limit). Will prevent long term vacant developable land around villages and urban areas which may hinder future land use options, and also promotes supply of developed land.
- Consider the provision of both minimum and average lot size (and possibly maximum) as a provision in the LEP. Allows for more flexible design to reflect environmental and planning constraints. Guidelines for the design of rural residential areas should be provided in a DCP.
- Carefully assess the means of wastewater treatment where reticulated town water is available.
- Ensure appropriate minimum areas for onsite disposal depending on soil type, slope, proximity to watercourse, and amount of effluent likely to be generated. Undertake an additional study of villages in former Merriwa and Murrurundi LGAs as per previous study.
- Avoid reliance on groundwater sources as the primary water supply for rural industry or potable uses for dwellings.
- Ensure adequate water supply for fire fighting by way of dams and 20,000 litres minimum dedicated supply for this purpose.

Table 12: Existing land zoned for large lot residential and rural small holdings

Location & map reference	Area (ha)	Comments
EXISTING ZONED LAND		
Murrurundi North (A)	150 ha	Minimal development of the existing zoned land has occurred. Adequate land is available.
Blandford South (B)	30 ha	Minimal development of the existing zoned land has occurred. Adequate land is available.
Tullong Road (C)	150 ha	Fully developed. No change to development potential or large lot residential or rural small holding zoning proposed.
Clifton Hill (D)	355 ha	Fully developed. No change to development potential or large lot residential or rural small holding zoning proposed.
Scone West (E)	33 ha	Fully developed. No change to development potential or large lot residential or rural small holding zoning proposed.
Moobi Road (F)	160 ha	Majority of existing zoned land in this area has been developed or subdivision has been approved.
Scone South (G)	9 ha	Minimal development. Review future use, future servicing and appropriateness of zoning.
Gundy Road (H)	210 ha	Investigate future or currently zoned area for rural small holding purposes but not developed. Consider suitability of this land for this purpose, and potential for water and sewer servicing. Retain as Small Rural Holdings zone.
Trig Point (I)	52 ha	Fully developed with no further development potential. Propose changing to surrounding rural zone.
Rouchel Road (J)	222 ha	Land currently zoned for large lot residential and rural small holding purposes, but currently used primarily for equine industry. Investigate changing zoning to limit development potential to prevent future land use conflict, by introducing zoning consistent with surrounding land.
Merriwa South (K)	180 ha	Limited development of the existing zoned land has occurred. Adequate land is available.
Merriwa North (L)	107 ha	Limited development of the existing zoned land has occurred. Adequate land is available.

Table 12: Continued

Location & map reference	Area (ha)	Comments
PROPOSED INVESTIGATION AREAS		
Scone North West	Area approx 120 ha	Area adjacent to existing large lot residential and rural small holding zoned land with potential for similar development. Potential for larger rural holdings, such as minimum 2 ha and average 4 ha. Has access to sealed road and requires further investigation into provision of internal road access and future servicing. Potential yield of around 30 lots.
Scone West Rural	Area approx 300 ha	The majority (around 60 to 70%) of existing zoned land west of Scone has been developed or subdivision has been approved. Potential for further large lot residential and rural small holding in this location with a range of lot sizes, minimum 4 ha, and average 10 ha. Potential exists for reticulated water to be provided but no sewer. Further investigation of approximately 300 ha of land, subject to alternate secure water supply being available. Would yield around 30 lots. Short to medium term development subject to water availability and suitable water supply arrangements.
Satur North/West	Area approx 80 - 100 ha	Additional Lands adjoining existing zoned area E and F. Opportunities to "round off" existing large lot residential and rural small holdings areas which have been developed. Potential for a yield of 50 plus lots depending on water supply and effluent disposal arrangements. Important to consider proximity to airport and related noise impact issues. Refer to Section 6.6.
Parkville East	Area approx 15 ha	Land east of railway line, with an area of approximately 10 to 15 ha has potential for large residential and rural small holding development. Currently no town water is available, but is foreseeable in medium term. Lot sizes need to be large enough to cater for onsite effluent disposal, potentially 1 ha minimum lot size to yield 10 to 15 lots.
Merriwa East	Area approx 70 ha	Area of approximately 70 ha east of Merriwa with potential for large lot residential and rural small holding development for 10 to 20 lots. Adequate land is currently zoned in Merriwa and this land should only be considered as a long term option.

Note: Areas are approximate only, and include roads.

7.2 Future use and development of villages and service provision

This section addresses the development potential and future zoning of rural villages. There are 7 separate areas currently zoned village, namely Bunnan, Cassilis, Gundy, Parkville, Moonan Flat, Wingen and Blandford.

The villages have individual character and planning issues, and provide alternative residential opportunities to larger urban areas. Villages currently have minimal infrastructure services and historic subdivision patterns, with not all lots having a dwelling entitlement under the current planning controls. An analysis undertaken of lot availability and demand shows that there is relatively low demand for additional development within existing villages. This confirms the conclusions of the *Scone Village Study* (Hilltop Planners 1995).

The infrastructure capacity and maintenance of services in the rural villages is an important issue for future land use planning. In general, existing villages have minimal services other than roads (with the exception of Cassilis with a reticulated water supply), and are subject to constraints in relation to onsite effluent disposal.

The Standard LEP prepared by the Department of Planning includes the RU5 Village zone. This zone provides potentially flexible planning provisions, including maintaining the permissibility of some commercial development. An important matter for consideration is whether residential zoning may be more appropriate.

The situation for each of the existing zoned areas is summarised in Table 13.

Table 13: Existing village areas and strategy

Location name	Area (ha)	Comments
VILLAGES		
Parkville	57	Sufficient land exists to meet demand. Some expansion beyond current village boundary possible, but consolidation should occur within existing boundaries for the foreseeable future.
Moonan Flat	27	Sufficient land exists within village zone to meet expanded demand to 2021.
Wingen	69	Growth should occur within village boundary.
Bunnan	67	Growth should occur within village boundary.
Gundy	35	Sufficient land exists within village zoning to meet expected demand over next 10 years. Some potential for village expansion in longer term.
Cassilis	21	Growth should occur within the village boundary. Small lots and septic tank effluent disposal are important issues which should be addressed in future planning. Unsuitable soil types and steep slopes limit development.

Based on the Situation Analysis report, the following objectives, policies and strategic actions will guide future development of the villages. Strategic directions for issues are presented in the sections below. Future LEP provisions (including zoning) are proposed for existing villages.

Objectives – Future use and development of villages

- Retain existing village zonings and boundaries, within the framework provided by the Standard LEP.

- No additional provision of urban services within villages (e.g. water, and waste), except where growth pressures are identified and services can be economically provided.

Policies – Future use and development of villages

- Review options for consolidating additional subdivision and development within existing zones to facilitate more efficient infrastructure utilisation.
- Reticulated water is provided to Cassilis, but not other villages.
- Reticulated sewer will not be provided to any village, and minimum lot sizes for subdivision and construction of dwelling houses is to be based on onsite wastewater disposal requirements.
- Maintain and enhance the distinctive character and landscape setting of existing villages, and ensure that the character of villages is identified in DCP or LEP supplementary objectives.
- Establish strong controls on incompatible land uses in village, large lot residential and rural small holding zones, including the use of supplementary objectives.
- Minimum lot sizes for each village are to take into account existing lots, character requirements, onsite wastewater servicing requirements, and separation distances from existing dwellings.

Strategic Actions – Future use and development of villages

- Maintain current level of development potential in LEP provisions for all villages and retain current zone boundaries.
- Introduce a special clause requiring appropriate infrastructure servicing when determining development applications.
- Determine minimum lot sizes for subdivision and potential zones, substantially based on effluent disposal requirements.
- Apply RU5 Village zone in accordance with the Standard LEP provisions to the existing village areas.
- Review permissible uses within the Standard LEP Village zone to reflect existing village characteristics, and consider additional local provisions to ensure traffic generating developments are compatible with highway frontage locations.
- Update development control plans to reflect updated LEP provisions.
- Ensure land take up is scrutinised and incorporated into an established land monitor, in order to identify the need for future rezonings.