

12.4 Planning Proposal Rezone Land at 252-254 Centennial Road Bowral (Centennial Vineyards) from E3 Environmental Management to SP3 Tourist.

Reference:	PN1702113, PN1702114, PN1702185, 5901
Report Author:	Senior Strategic Land Use Planner
Authoriser:	Coordinator Strategic Land Use Planning
Link to Community Strategic Plan:	Ensure tourism balances the economic benefits with impact on environment and community

PURPOSE

To consider a Planning Proposal to amend Wingecarribee Local Environmental Plan (WLEP) 2010 to rezone land at 252-254 Centennial Road Bowral from E3 Environmental Management to SP3 Tourist.

VOTING ON THE MOTION

Councillors are required to record their votes on this matter.

RECOMMENDATION

1. **THAT** the Planning Proposal to rezone land at 252-254 Centennial Road Bowral (Centennial Vineyards) from E3 Environmental Management to SP3 Tourist **BE SUPPORTED** for progression to a Gateway Determination for the following lots: Lot 1 DP 126196, Lot 1 DP 435373, Lot 5A DP 16192 and part Lot 1 DP 16192 and only **AND THAT** Lot 1 DP 79802 REMAIN zoned E3 Environmental Management, and
2. **THAT** any future Development Application for the rezoned portion of the subject land shall provide a Concept Master Plan, as required under the Rural Tourism Policy, and shall demonstrate to Council's satisfaction that no clearing of native vegetation will be required.

REPORT

BACKGROUND

The Subject Land

The subject land is located at 252-254 Centennial Road Bowral, to the west of Bowral Township, as indicated in **Figure 1** below, and is known as Centennial Vineyards. The land comprises the following lots and covers an area of some 127 hectares. All lots except Lot 1 DP 78902 front the northern side of Centennial Road as indicated in **Figure 2** below.

- Lot 1 DP126196
- Lot 1 DP435373

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- Lot 1 DP16192
- Lot 5A DP16192
- Lot 1 DP79802

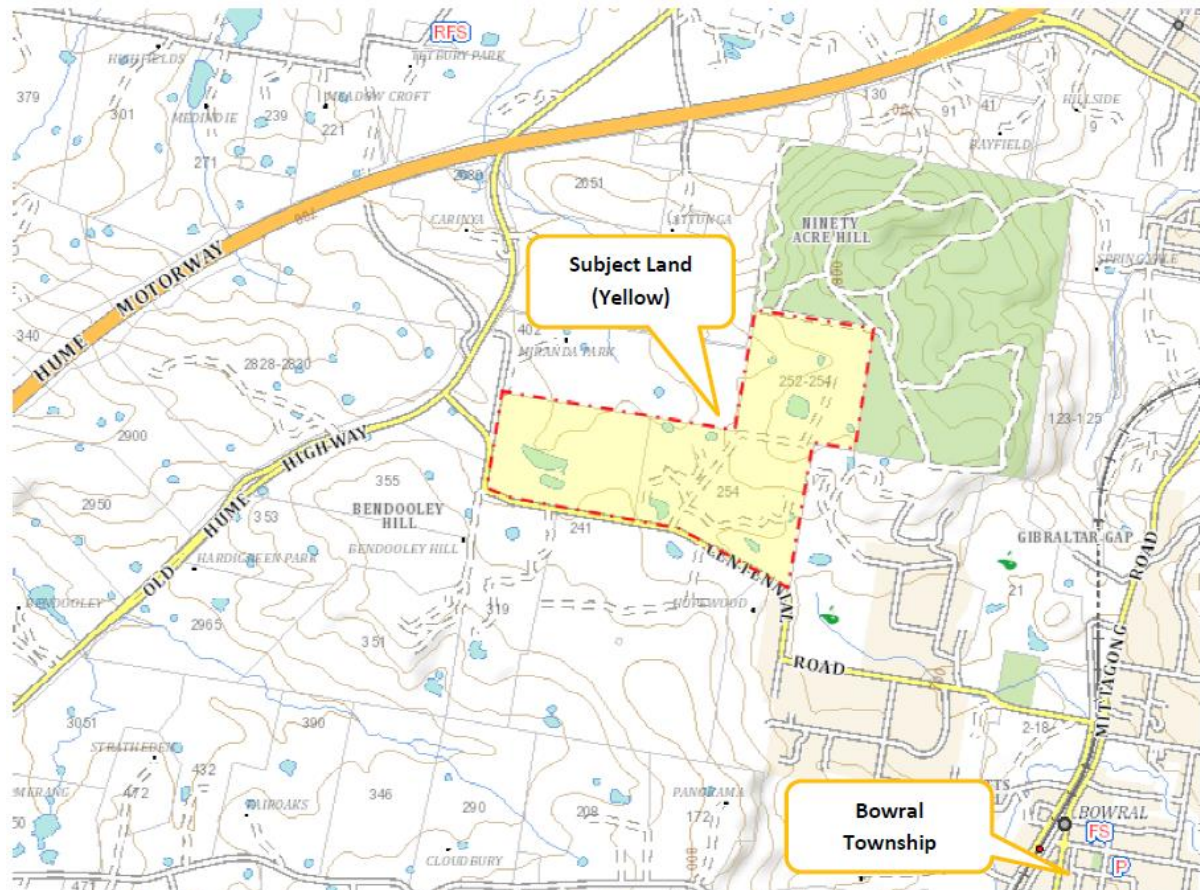


Figure 1 – Location of the Subject Land (enlarged at Attachment 1)

The land is currently zoned E3 Environmental Management under Wingecarribee Local Environmental Plan 2010. It adjoins Crown land zoned E2 Environmental Conservation to the north and north east, with RU4 Primary Production Small Lots zoned land (minimum lot size 2 ha) to the east and south east, and R5 Large Lot Residential zoned land (minimum lot size 4,000m²) further to the east. Further to the east is located land zoned RE1 Public Recreation, being Centennial Golf Course, as indicated in **Figure 2** below.

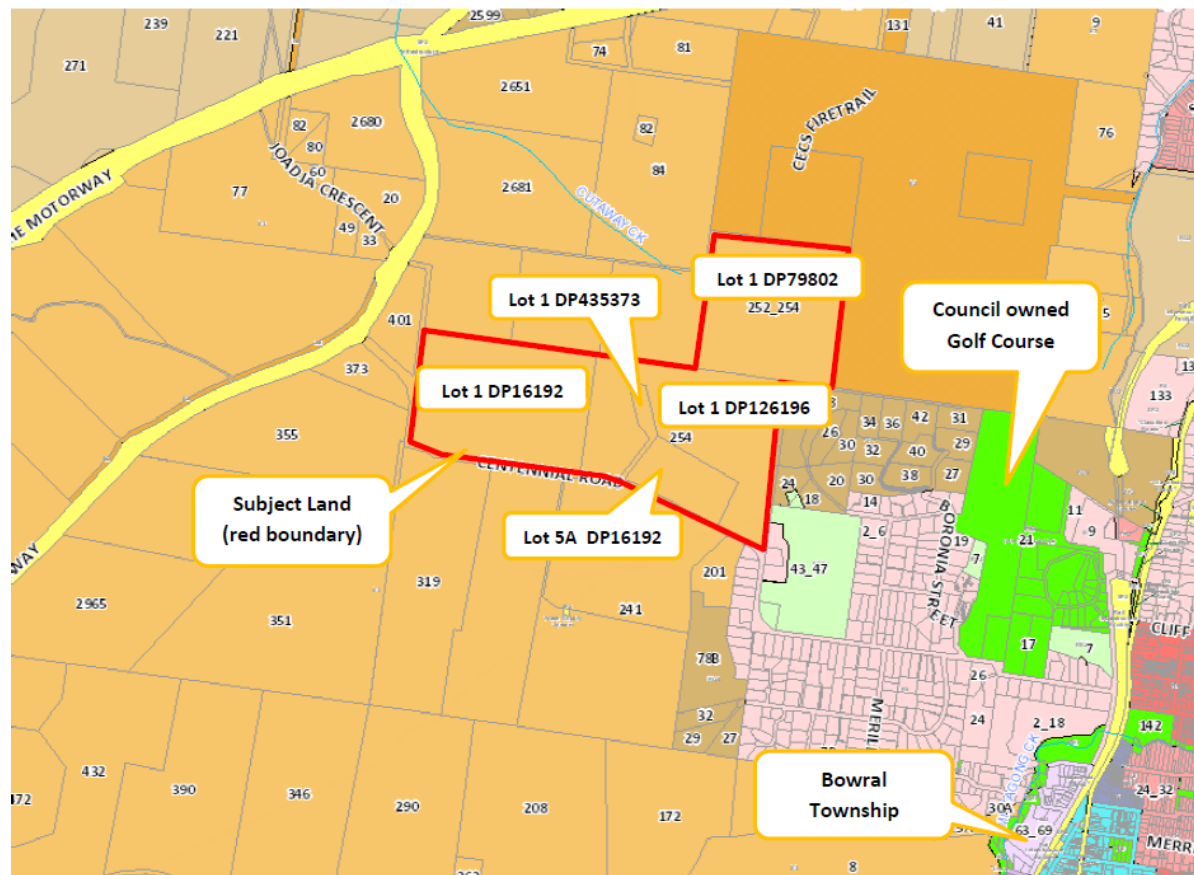


Figure 2 – Lot identification & Zoning (enlarged at Attachment 2)

The SP3 Tourist Zone

The SP3 Tourist zone was introduced into the Shire with the making of WLEP 2010. This zone, as its name suggests, permits, with Council consent, a broad range of tourist related development. The objectives of the SP3 Tourist zone are:

- to provide for a variety of tourist-oriented development and related uses, and
- to ensure that development is sympathetic with the rural setting and landscape features of the site and minimises impact on the scenic values of nearby development and land use activity.

The SP3 Tourist zone allows for more intensive land uses that can impact on environmentally sensitive lands and can place unacceptable pressure on the Shire's rural roads network, much of which is unsealed. Council is also mindful that such development has the potential to create land use conflicts across the Shire.

The objectives of the SP3 Tourist zone are:

- to provide for a variety of tourist-oriented development and related uses, and

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- to ensure that development is sympathetic with the rural setting and landscape features of the site and minimises impact on the scenic values of nearby development and land use activity.

It is noted that there are currently eight (8) locations zoned SP3 Tourist across the Shire as indicated in **Figure 3** below.

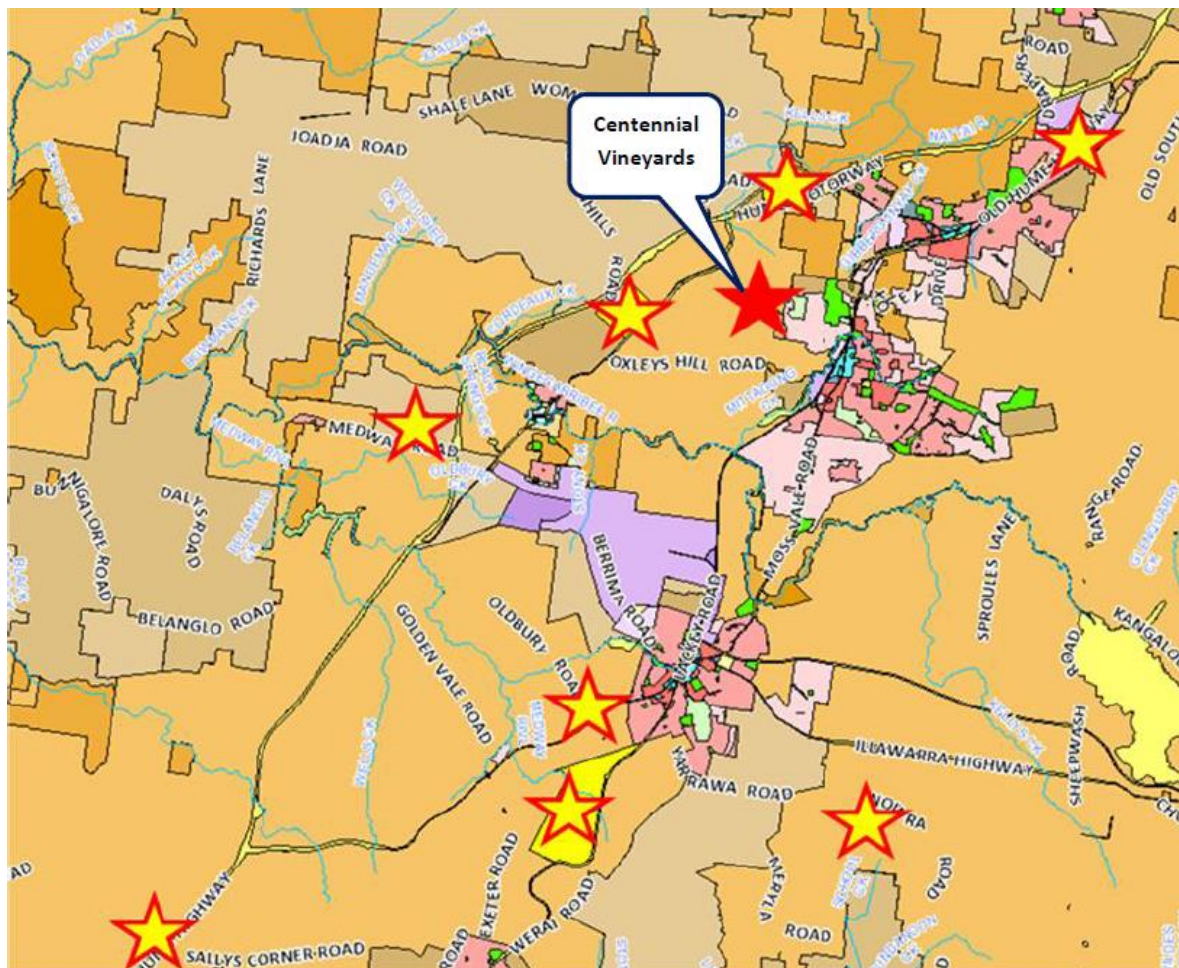


Figure 3 Subject Site in context of existing SP3 Tourist Land (enlarged at Attachment 3)

All of these sites were assessed for rezoning to SP3 Tourist based on the following criteria.

- 1) Covers an area of at least 20 Hectares
- 2) Has been operating as a tourist establishment for three (3) years
- 3) Is within 2km of residential development
- 4) Is adjacent to or near major access road
- 5) Has access to adequate water and sewerage infrastructure (not necessarily reticulated)
- 6) Is free of extensive Endangered Ecological Community (EEC)
- 7) Is free of significant bushfire or flood threat which cannot be addressed through design considerations
- 8) Is free of any other environmentally sensitive constraints.

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A Planning Proposal to rezone the subject property was submitted in 2018 and assessed as meeting these criteria. However, Council was concerned that reliance on these criteria alone did not provide a sound strategic framework going forward and the Wingecarribee Planning Strategy 2015-2031 recommended the development of a Rural Tourism Policy.

The Proposal was reported to Council at its Ordinary Meeting of 9 May 2018 at which time Council resolved to defer a decision pending completion of the Policy and the Wingecarribee Rural Tourism Policy was adopted by Council at its Ordinary Meeting of 13 November 2019.

Rural Tourism Policy

The objectives of the adopted Policy are:

- *to provide a direct 'line of sight' between the South East and Tablelands Regional Plan, the Destination Management Plan, the Community Strategic Plan and Council's planning framework as it relates to rural tourism development*
- *to outline a clear approval pathway for certain rural tourism related developments in the Wingecarribee Shire*
- *to provide greater certainty and consistency in the assessment of rural tourism related development proposals for both the industry and the broader community, and*
- *to set out criteria for determining when Council will consider a Planning Proposal to rezone land to SP3 Tourist.*

Council recognises that tourism is a key economic driver for the Shire. Tourism is a key employer 'first job' and 'part time' job opportunities for the young and part time as well as full time jobs for men and women across a broad age range and across a broad range of skill sets. It is also recognised that the Shire can provide opportunities for year-round tourism.

Council also recognises the economic challenges that traditionally face rural communities and that rural based tourism provides the potential for a broader economic base in such communities to add diversity to the economy.

The benefits of tourism are acknowledged in the Wingecarribee Shire Community Strategic Plan (CSP) (June 2017), however, the CSP also acknowledges that these goals and strategies need to be balanced against community and environmental impacts which are not always positive (Strategy 5.1.3 - *ensure tourism balances the economic benefits with impact on environment and community*).

The South East and Tablelands Regional Plan (page 66) also acknowledges this need for balance, identifying the highest priorities for the Shire as including:

- *Protect high environmental value lands including regionally significant biodiversity corridors*
- *Protect the Sydney Drinking Water Catchment*
- *Protect important agricultural lands as a resource for food security*
- *Protect the shire's valued heritage assets*

Therefore, the adopted Policy provides a framework for both Council and the tourism industry to consider large scale rural tourism proposals at a strategic level and to ensure that any negative impacts are identified, managed and mitigated appropriately.

REPORT

Strategic Assessment

Following adoption of the Rural Tourism Policy, a new Planning Proposal was submitted in March 2020 and forms **Attachment 4** to this report. The objectives and intended outcomes from this Planning Proposal, as stated within it, are:

- To change the zoning of the land in order to better reflect its current usage as a long established and approved winery, cellar door and restaurant with high tourist visitation,
- To provide a zoning for the land that will better facilitate the long-term usage of the land including the continuance of the winery, cellar door, restaurant and other associated tourist related activities including outdoor concerts for which it has an established track record and a current Development Application to conduct four (4) concerts per season,
- To give effect to Council's stated strategic planning aims of planning for tourism opportunities and building a strong local economy with tourism as a major contributor, and
- To provide a planning regime whereby the land can be developed in an appropriate manner, subject to development approvals, for tourist related activities including food and drink premises, functions, a continuation of outdoor concerts and the potential for tourist style accommodation.

No other immediate development intentions have been provided in the Proposal.

It is acknowledged Centennial Vineyards is a well-established and recognised business. It is well located from a business perspective, with access available via the Old Hume Highway, as well as Centennial Road via Mittagong Road. It is noted that there are large areas under vine occupying an estimated (in the Planning Proposal) 30 hectares of the site, together with a winery, cellar door and restaurant. Other improvements on the site include storage sheds, farm buildings and car park area. The site has access to all utilities including gas, electricity, town water and sewer. An area approved for music concerts is also located on the site. Current approved uses related to the tourist facility are indicated in **Figure 4** below.

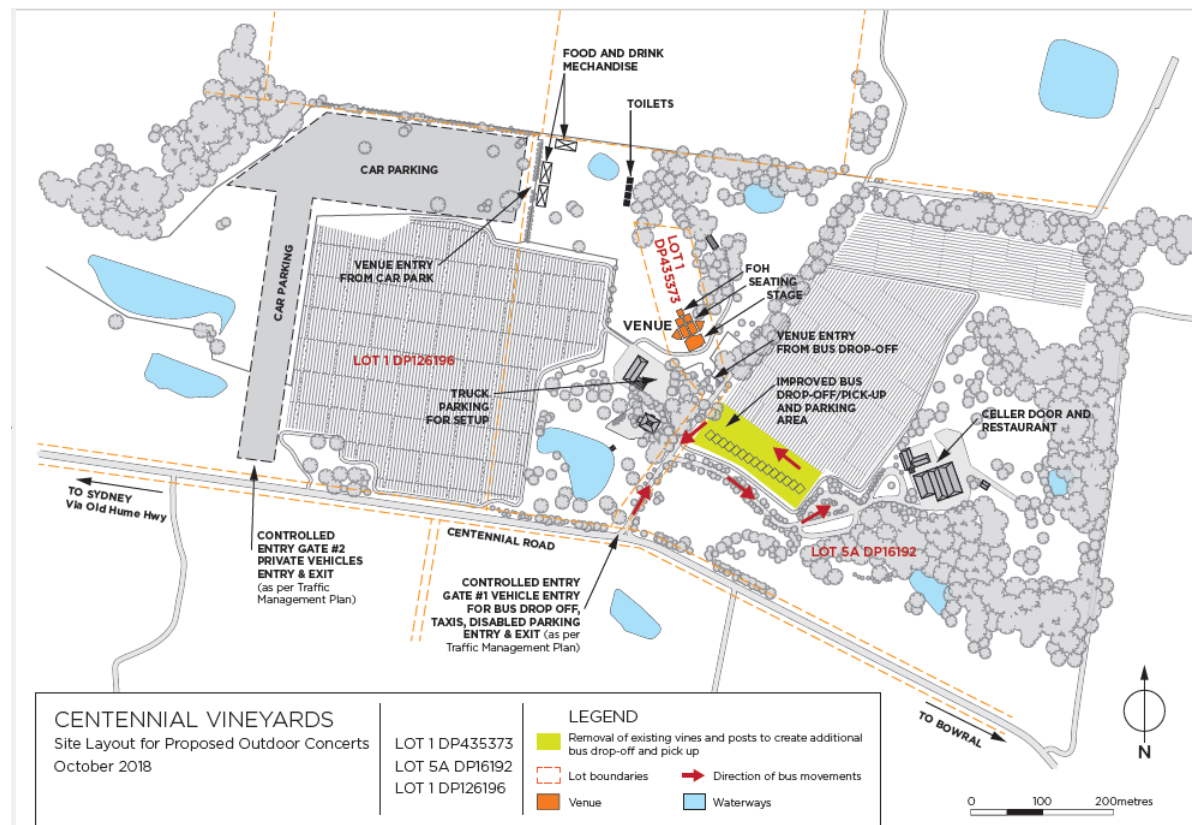


Figure 4 – Current Approved Uses & their location (enlarged at Attachment 5)

It is noted that although the northern-most lot (Lot 1 DP 79802), not included in Figure 4 above, contains established vineyards, its primary use is residential, comprising a primary dwelling house that is not visible from Centennial Road, located north of and separated from the winery and cellar door. There is also a secondary dwelling that is utilised as a farm manager's residence located towards the main entrance just off Centennial Road.

Figure 5 below identifies the location of areas of native vegetation estimated in the Planning Proposal to cover some 20% of the total site area.

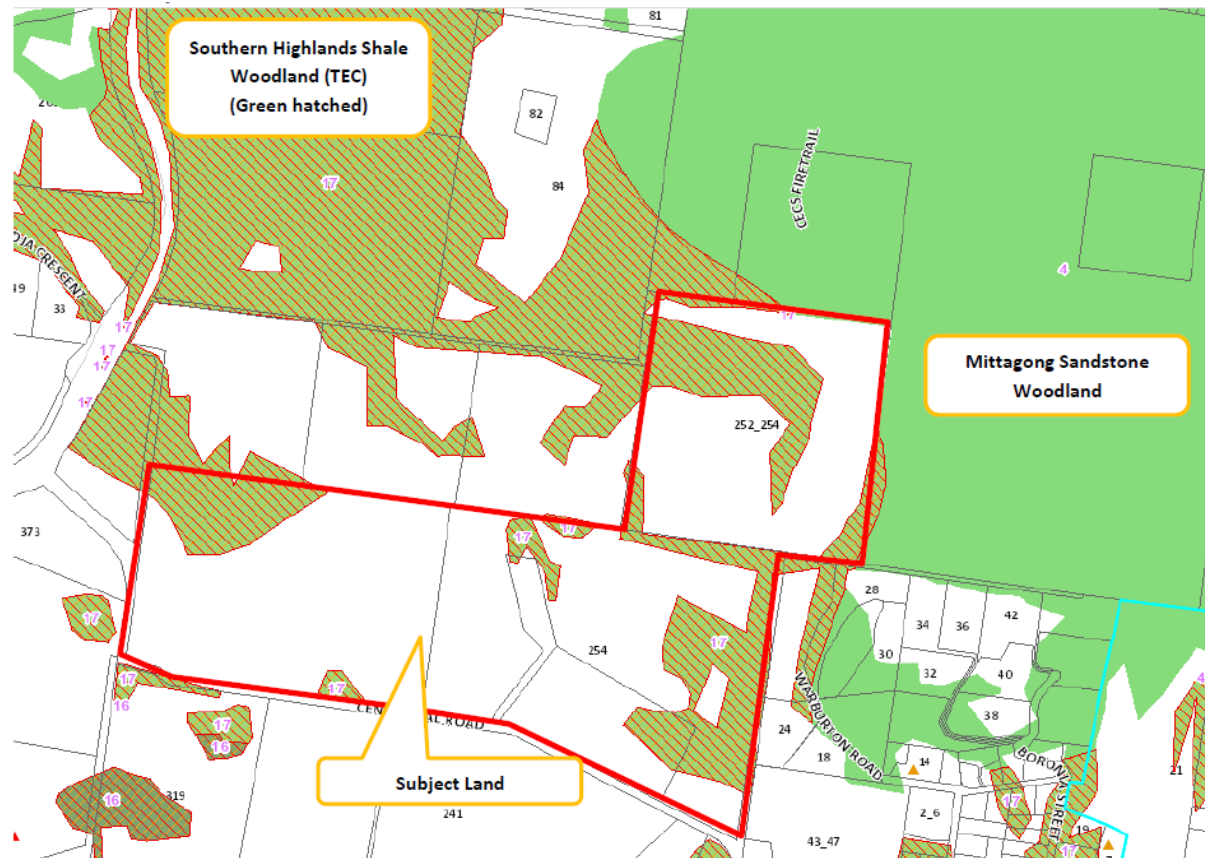


Figure 5 –Vegetation (enlarged at Attachment 6)

One of the specific objectives of the Rural Tourism Policy is to provide a strategic assessment framework for the rezoning of land to SP3 Tourist, in this case from E3 Environmental Management. The E3 Environmental Management zone accounts for some 49% of all land within the Shire.

Development of the rural weddings tourist market, and other large venue activities, is restricted in the E3 Environmental Management zone due to function centres, restaurants and cafes being prohibited in the zone.

As **Figure 5** above indicates, the subject land does contain areas of mapped Threatened Ecological Community (TEC- Southern Highlands Shale Woodland) which is listed on both national and state registers, covering some 20% (as estimated in the Planning Proposal) of the site. More extensive areas of Mittagong Sandstone Woodland adjoin the northern most lot (Crown Land) within the Gibbergunyah Reserve, but this community is not listed as ‘threatened’.

The TEC on the most northern lot of the subject site encroaches into the centre of the lot. Vegetation on the northern lot particularly connects into a much larger area of Southern Highlands Shale Woodland extending west to the Old Hume Highway and Hume Motorway.

The extent of TEC on those lots fronting Centennial Road is located more to the periphery of those lots, specifically on the north west and eastern edges, although it does extend into that area of the site on the east which is already the most developed portion of the site.

Applying the constraints mapping used in the development of the Local Housing Strategy and the Local Strategic Planning Statement, it can be seen from **Figure 6** below that these areas of TEC correlate with High Value Environmental Land.

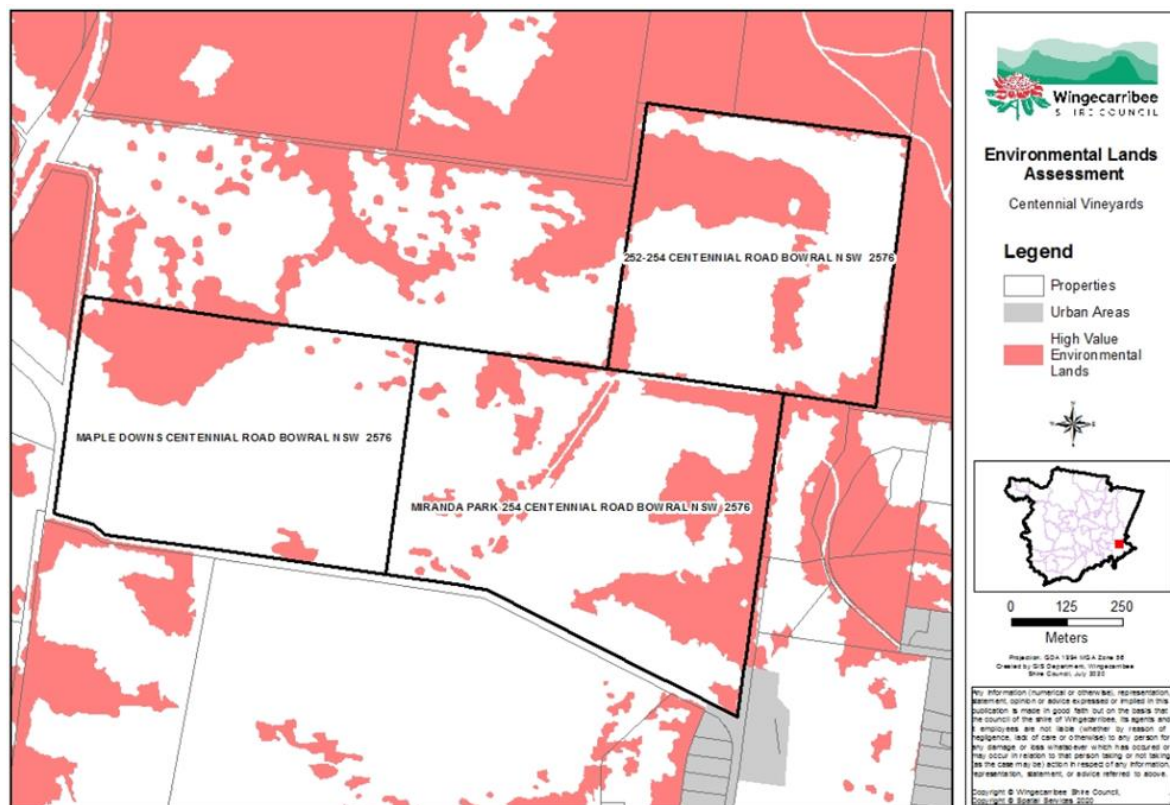


Figure 6 Constraints map for High Value Environmental Land (enlarged as attachment 7)

The Rural Tourism Policy does provide for Council to consider the rezoning of land to SP3 Tourist provided the proponent can demonstrate to the satisfaction of Council that the development will not occur on land that contains any mapped Threatened Ecological Community or will not impact on any mapped Threatened Ecological Community (TEC), or provides a Biodiversity Development Assessment Report (BDAR) to demonstrate to Council's satisfaction how TEC will be avoided.

In the case of the subject land, the northern most lot is the more environmentally sensitive. TEC on this lot extends west across the site to the Old Hume Highway and Hume Motorway in an uninterrupted band. The lot also adjoins the Gibbergunyah Reserve to the east, an extensive area of vegetated Crown land. However, apart from established vineyards, this lot is also virtually undeveloped as a tourist facility, with most of that development occurring on the southern lots.

Due to these higher environmental sensitivities and its minimal contribution to the tourist development as a whole, it is therefore recommended that this lot be excluded from consideration for rezoning.

The southern lots also contain TEC, but it is located more to the periphery and has already been incorporated into the existing development. In accordance with the Rural Tourism

Policy, any future development of these lots, especially the western most one, would need to demonstrate that no TEC will be removed.

It is further noted that during drafting of the Rural Tourism Policy, certain amendments to WLEP2010 were supported by Council, in particular, the introduction of a 'heads of consideration' clause for Function Centres.

The Planning Proposal to introduce this new clause and other draft amendments received a Gateway Determination from the Department of Planning, Industry and Environment on 12 May 2020 and the necessary referrals are currently being completed prior to placing the Planning Proposal on public exhibition.

The draft 'heads of consideration' clause for Function Centres is as follows:

Clause 5.20 Function centres

- (1) The Objectives of this clause are as follows:*
 - (a) To provide appropriate development opportunities for functions and conferences, such as weddings and corporate retreats, and*
 - (b) To ensure that function centres are sensitively located and designed so they do not adversely impact on the agricultural production, natural resources, ecological values or visual, scenic, environmental or residential amenity values of the land.*
- (2) This clause applies if development for the purposes of a function centre is permitted with development consent under this Plan.*
- (3) The consent authority must not grant consent under this Plan to carry out development for the purposes of a Function Centre unless it is demonstrated to Council's satisfaction that:*
 - a) the location of the development does not impact on any environmentally sensitive land identified on the site, and*
 - b) the construction of the development will not result in the removal of any native vegetation and will have regard to the management of biodiversity outcomes as set out in a Biodiversity Assessment Report prepared in accordance with the requirements of the Biodiversity Conservation Act 2016.*
- (4) The consent authority must not grant consent under this Plan to carry out development for the purposes of a Function Centre unless the consent authority is satisfied that:*
 - (a) the development will complement the rural or environmental attributes of the land and its surrounds, and*
 - (b) the development will not adversely affect the agricultural productivity of adjoining land, and*
 - (c) the development will not adversely affect neighbour amenity, and*
 - (d) the development is, or will be, serviced by adequate access roads taking into account the scale of the development, and*
 - (a) the development has, or will have, access to adequate wastewater systems to service the land without having any adverse impact on the water quality of the area, and*

- (b) the location of the development does not impact on any environmentally sensitive land identified on the site, and*
- (c) the construction of the development will not result in the removal of any native vegetation and will have regard to the management of biodiversity outcomes, and*
- (d) the potential impacts of bushfire and/or flood have been addressed, and*
- (e) the development will not create a land use conflict due to noise, traffic, privacy, visual and other amenity impacts, and*
- (f) a management strategy will be prepared to minimise any impact on the natural environment or neighbour amenity which includes but is not limited to:*
 - (i) measures to remove any threat of serious or irreversible environmental damage, and*
 - (ii) mechanisms for monitoring and reviewing the effect of the development on the neighbour amenity including noise and traffic impacts, and*
 - (iii) any other matter deemed relevant by the consent authority.*

The inclusion of this clause into WLEP 2010 would ensure that any development application for a function centre, including any future application for a music event, would need to be assessed against its provisions.

Therefore, it is the recommendation of this report that the land within the southernmost portion of the subject land, being Lot 1 DP 126196, Lot 1 DP 435373, and Lot 5A DP 16192, together with that part of Lot 1 DP 16192 not covered with TEC, be supported for rezoning to SP3 Tourist, with the northern most lot, Lot 1 DP 79802, remaining zoned E3 Environmental Management. The extent of this supported rezoning is indicated in **Figure 7** below.

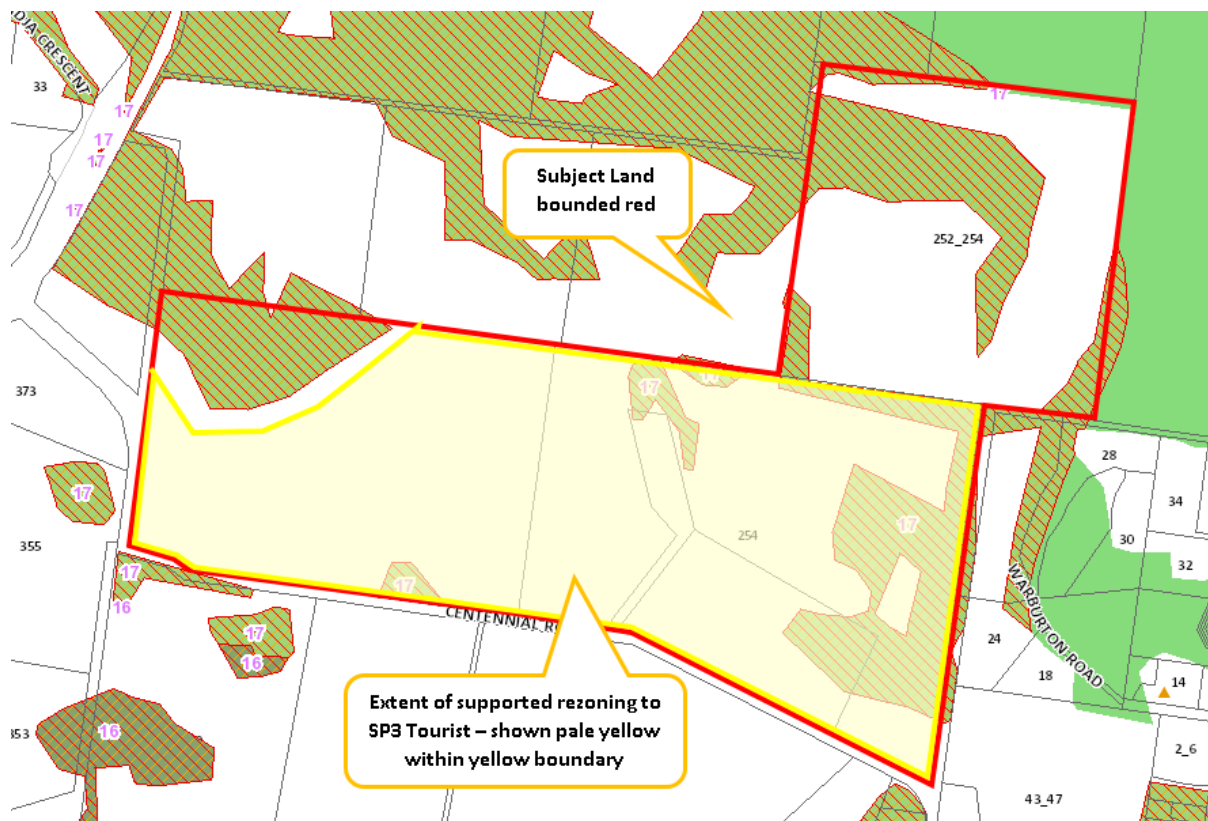


Figure 7 Extent of supported rezoning to SP3 Tourist (enlarged at Attachment 8)

COMMUNICATION AND CONSULTATION

Community Engagement

Should the Planning Proposal be supported community consultation will occur as required by the Gateway Determination. This would include direct correspondence with adjoining and surrounding neighbours, as well broader advertising through Council's website and E-news mail outs.

Internal Communication and Consultation

Should the Planning Proposal be supported internal consultation will occur as relevant.

External Communication and Consultation

Should the Planning Proposal be supported consultation will occur with Water NSW, Rural Fire Service and any other agency nominated in the Gateway Determination.

SUSTAINABILITY ASSESSMENT

- **Environment**

Environmental concerns have been considered and addressed as outlined in the report.

- **Social**

The report addresses potential community impacts of rural tourism.

- **Broader Economic Implications**

The report addresses the broader economic benefits of tourism.

- **Culture**

There are no cultural issues in relation to this report.

- **Governance**

The Planning Proposal has been considered with regard to guidelines for their assessment as provided by the Department of Planning, Industry and Environment.

COUNCIL BUDGET IMPLICATIONS

There are no budget implications associated with this report.

RELATED COUNCIL POLICY

The report has been prepared with reference to the adopted Rural Tourism Policy.

OPTIONS

Option 1

To support the recommendation of the report:

1. **THAT the Planning Proposal to rezone land at 252-254 Centennial Road Bowral (Centennial Vineyards) from E3 Environmental Management to SP3 Tourist BE SUPPORTED for progression to a Gateway Determination for the following lots: Lot 1 DP 126196, Lot 1 DP 435373, Lot 5A DP 16192 and part Lot 1 DP 16192 and only AND THAT Lot 1 DP 79802 REMAIN zoned E3 Environmental Management, and**
2. **THAT any future Development Application for the rezoned portion of the subject land shall provide a Concept Master Plan, as required under the Rural Tourism Policy, and shall demonstrate to Council's satisfaction that no clearing of native vegetation will be required.**

Option 2

To support rezoning of all of the subject land,

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1. **THAT** the Planning Proposal to rezone Lot 1 DP 126196, Lot 1 DP 435373, Lot 1 DP 16192, Lot 5A DP 16192 and Lot 1 DP 79802 at 252-254 Centennial Road Bowral (Centennial Vineyards) from E3 Environmental Management to SP3 Tourist **BE SUPPORTED** for progression to a Gateway Determination, and
2. **THAT** any future Development Application for the rezoned portion of the subject land shall provide a Concept Master Plan, as required under the Rural Tourism Policy, and shall demonstrate to Council's satisfaction that no clearing of native vegetation will be required.

Option 3

To not support rezoning of any of the subject land,

THAT the Planning Proposal to rezone Lot 1 DP 126196, Lot 1 DP 435373, Lot 1 DP 16192, Lot 5A DP 16192 and Lot 1 DP 79802 at 252-254 Centennial Road Bowral (Centennial Vineyards) from E3 Environmental Management to SP3 Tourist **NOT BE SUPPORTED**.

Option 1 is the recommended option to this report.

CONCLUSION

The Planning Proposal to rezone the property known as Centennial Vineyards Bowral was assessed against the adopted Rural Tourism Policy. Assessment of the subject land indicated that certain areas of the site constitute High Value Environmental Land by virtue of containing the Southern Highlands Shale Woodland ecological community listed as threatened on both state and federal registers. On the basis of extent and connectivity, it was assessed that the northern most lot was most affected by TEC and it is recommended that this site be excluded from any rezoning.

The Rural Tourism Policy provides that High Value Environmental Land can be considered for rezoning to SP3 Tourist provided the proponent can demonstrate that such land won't be included in the development or won't be impacted by the development. In the case of the subject land, which already contains tourist related development, the recommended approach is to exclude from rezoning the most vegetated areas of the site, but support rezoning of those areas of the site already developed for tourist related activity, or where impacts on TEC of future development can be minimised.

It is also a requirement of the Rural Tourism Policy that the proponent provide a Concept Master Plan to accompany any future development application to enable Council to consider the cumulative impacts of development on the site and surrounding locality. Supporting these requirements is a proposed new 'heads of consideration' clause for Function Centres within WLEP 2010 to further strengthen the assessment provisions around this type of development.

ATTACHMENTS

1. Figure 1 Location of the Subject Land
2. Figure 2 Lot Identification & Zoning

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3. Figure 3 Subject Site in context of exiting SP3 zoned land
4. Planning Proposal to rezone land at Centennial Vineyards to SP3 Tourist - *circulated under separate cover*
5. Figure 4 Current Approved Uses & their location
6. Figure 5 Vegetation
7. Figure 6 Constraints map for High Value Environmental Land
8. Figure 7 Extent of supported rezoning