

## 8.1. Endorsement of Bega Urban Land Release Planning Proposal

This report seeks a Council resolution to submit a planning proposal to the Department of Planning, Housing and Infrastructure which seeks to rezone land south of Bega for residential, commercial and public recreation purposes.

Director Community Environment and Planning

### Officer's Recommendation

1. That Council resolves to support the planning proposal for the Bega Urban Land Release Area (Attachment 1).
2. That Council endorses submission of the planning proposal (Attachment 1) and supporting information to the Department of Planning, Housing and Infrastructure requesting a Gateway Determination under Section 3.34 of the *Environmental Planning and Assessment Act 1979*.
3. That following Gateway Determination, the planning proposal be placed on public exhibition.
4. That a further report be presented to Council to advise of the feedback to the planning proposal received during public exhibition.

### Executive Summary

The purpose of this report is to seek Council's approval to lodge a planning proposal with the NSW Department of Planning, Housing and Infrastructure. The planning proposal seeks to rezone approximately 279ha of land that is currently zoned rural, rural residential or productivity support to a mix of low density and rural residential, commercial and public open space zones.

If approved, the planning proposal will facilitate approximately 2,200 residential lots through future development applications. The planning proposal implements the recommendations of the adopted *Bega Structure Plan*, with some minor refinements.

### Background

The *Bega Structure Plan* was developed to guide future land use and development in the Bega urban release areas. The plan was developed by specialist consultants in consultation with Councillors, Council officers, government agencies, landowners and the community, and was adopted by Council on 12 June 2024.

The *Bega Structure Plan* assessed the suitability of land south of the existing town for future urban residential development, analysed the opportunities and constraints to urban growth in the area, and details how Council's objectives can be addressed through future development of three new neighbourhoods in the area.

It is estimated that an additional 1,070 homes will be required in the Bega Valley Shire within the next 14 years. The aim of the structure plan is to accelerate the provision of development ready land to meet the shire's current and future housing needs, and detail where and how residential growth and development will occur.

Following on from the structure plan, the planning proposal will facilitate the delivery of around 2,230 dwellings, which is in the order of 25-30 years supply.

Preparation of the planning proposal was informed by specialist studies relating to flooding, biodiversity, land use conflict, Aboriginal cultural heritage, transport and bushfire.

Recommendations from these studies and advice from NSW Government agencies resulted in several minor changes to the zoning scheme recommended in the *Bega Structure Plan*. These include:

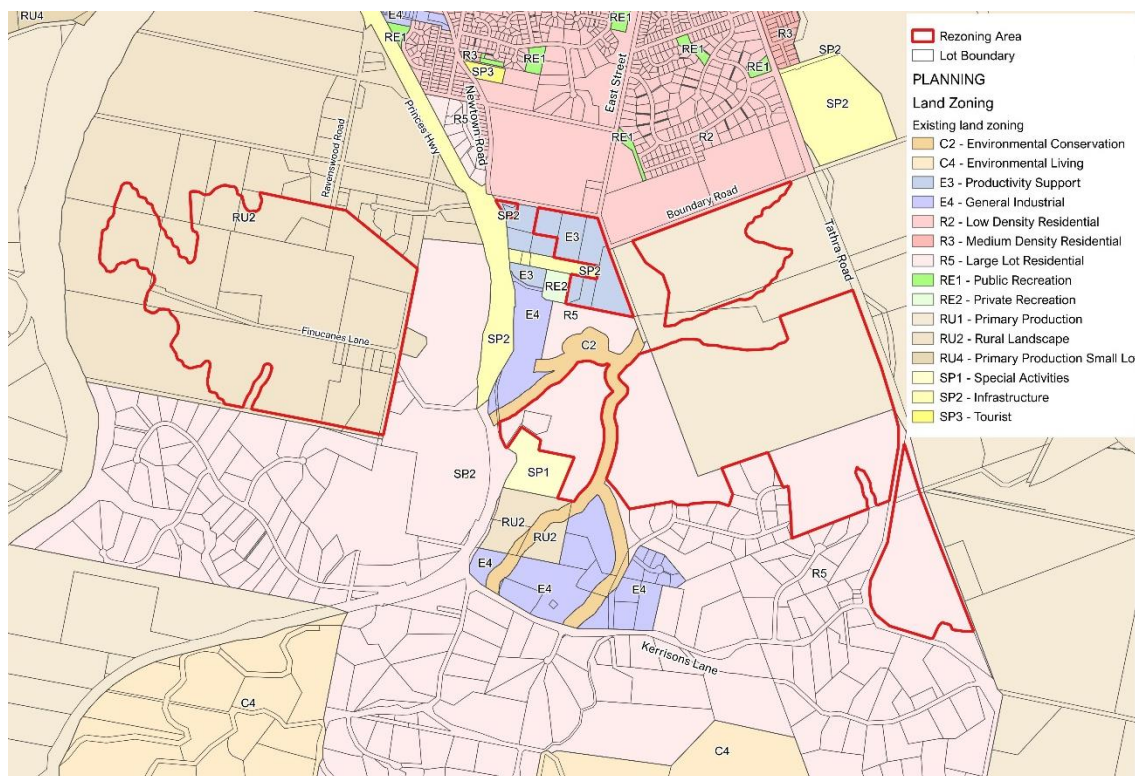
- relocation and boundary adjustments to proposed RE1 Public Recreation zones
- relocation of one of the proposed E1 Local Centre zones
- retention of the existing RU1 Primary Production zoning over some land, the SP2 Infrastructure zoning over Council water and sewer infrastructure, and the RE1 Public recreation zone for Old Bega Hospital
- retention of the existing zone over all land within the probable maximum flood (PMF) or within riparian buffers
- expansion of the R5 Large Lot Residential zone to match property or existing zone boundaries where feasible
- exclusion of land already zoned E3 Productivity Support from the planning proposal.

### ***Proposed development standards***

The planning proposal seeks to rezone approximately 279ha of land that is currently zoned rural, rural residential or productivity support to a mix of low density and rural residential, commercial and public open space zones.

Under the proposed zoning, approximately 168 ha will be zoned low density residential and 81ha will be zoned rural residential, creating a potential supply of 2,163 dwellings. In addition, 12 ha of commercial zones will provide opportunities for a range of commercial uses to service future residents and enable around 55 new homes in the form of shop-top housing or mixed-use development. 18ha of public open space is also proposed in three separate locations. It is likely that a primary school will also be required in the eastern portion of the release area.

Figures 1 and 2 illustrate the current and proposed land use zones. The impacted land is identified in red outline.



*Figure 1: Bega Urban Land Release planning proposal – existing zones.*

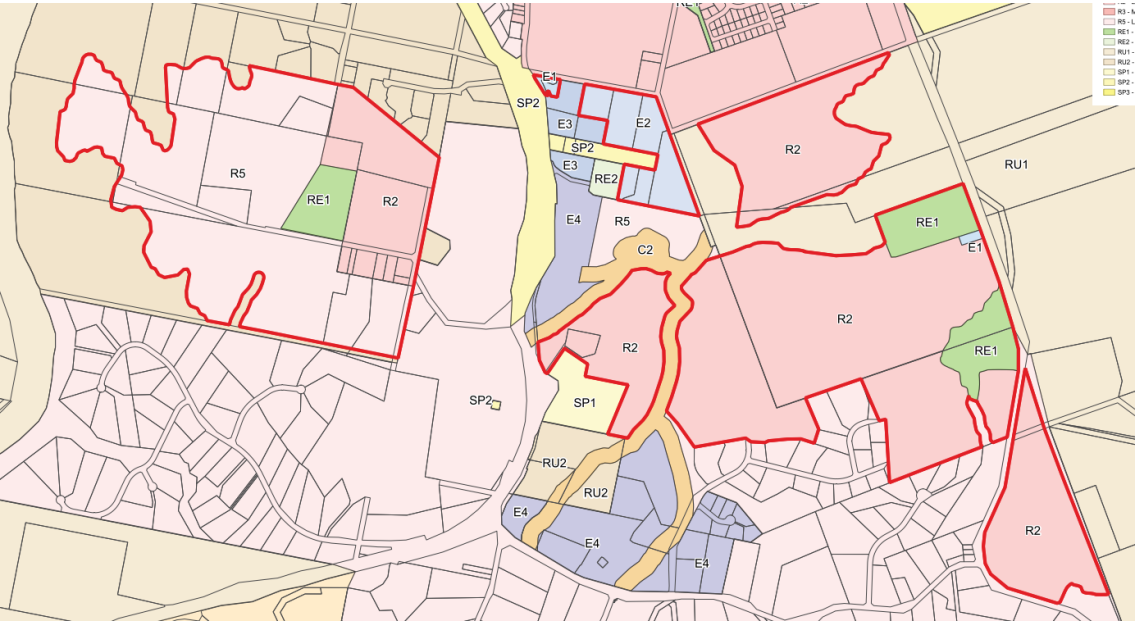


Figure 2: Bega Urban Land Release planning proposal – proposed zones.

Table 1 below outlines the current and proposed zones and development standards as well as additional clauses that are proposed to apply to the land.

*Table 1: Current and proposed land use zones, development standards and local clauses*

Current zone and standards	Proposed zone and standards	Proposed additional clauses
RU1 Primary Production 120ha minimum lot size No floor space ratio 10m maximum building height	R2 Low Density Residential 550sqm minimum lot size 0.5:1 floor space ratio 10m maximum building height	Affordable Housing Contributions Urban Land Release Area clauses
	E1 Local Centre No minimum lot size No floor space ratio 14m maximum building height	Urban Land Release Area clauses Clause 6.11 Residential accommodation in mixed use development
	RE1 Public Recreation No minimum lot size No floor space ratio 10m maximum building height	Urban Land Release Area clauses
RU2 Rural Landscape 120ha minimum lot size No floor space ratio 10m maximum building height	R2 Low Density Residential 550sqm minimum lot size 0.5:1 floor space ratio 10m maximum building height	Affordable Housing Contributions Urban Land Release Area clauses
	R5 Large Lot residential 5,000sqm minimum lot size No floor space ratio 10m maximum building height	Affordable Housing Contributions Urban Land Release Area clauses
	RE1 Public Recreation No minimum lot size No floor space ratio 10m maximum building height	Urban Land Release Area clauses
R5 Large Lot residential 5,000sqm / 1ha minimum lot size No floor space ratio 10m maximum building height	R2 Low Density Residential 550sqm minimum lot size 0.5:1 floor space ratio 10m maximum building height	Affordable Housing Contributions Urban Land Release Area clauses
	RE1 Public Recreation No minimum lot size No floor space ratio 10m maximum building height	Urban Land Release Area clauses
E3 Productivity Support No minimum lot size No floor space ratio 14m maximum building height	E2 Commercial Centre No minimum lot size No floor space ratio 14m maximum building height	Urban Land Release Area clauses Clause 6.11 Residential accommodation in mixed use development
	E1 Local Centre No minimum lot size No floor space ratio 14m maximum building height	Urban Land Release Area clauses Clause 6.11 Residential accommodation in mixed use development

### **Urban Release Area Clause**

The planning proposal includes two NSW Department of Planning, Housing and Infrastructure model applied clauses that apply to urban release areas. The intent of these clauses is to ensure development in a new urban release area occurs in a logical and cost-effective manner and is adequately serviced.

The clauses prohibit development proceeding in the area unless the developer has demonstrated that the required supporting infrastructure (water, sewer, utilities, required

road upgrades) is available or adequate arrangements are in place. The clauses also require a staging plan and development control plan to be prepared before any approvals can be granted. These plans can be prepared by either the applicant or Council.

### ***Affordable Housing Contributions Scheme***

The *Bega Affordable Housing Feasibility Analysis* prepared by Atlas Economics demonstrated that levying contributions via an affordable housing contributions scheme can be undertaken without adversely affecting development feasibility where planning proposals decrease the minimum lot size (allowing for more subdivision potential) in the Bega Valley Shire.

A draft affordable housing contribution scheme has been prepared to accompany the planning proposal that applies to land that is rezoned to increase the residential capacity. Under the draft scheme, Council can accept affordable housing contributions in the form of monetary contributions, completed dwellings or land, depending on the individual circumstances.

In accordance with findings of the *Bega Affordable Housing Feasibility Analysis*, a contribution rate of 2% is proposed to apply to land that is rezoned to R2 Low Density Residential or R5 Large Lot Residential zoning. Where the contribution is to be cash instead of land, the contribution rate is proposed at \$300 per sqm in the R2 zone and \$112 per sqm in the R5 zone.

The draft scheme implements a phased introduction of contributions over a six-year period (see Table 2). This approach assists with development feasibility because it allows developers to factor-in the contribution requirement into their feasibility studies and negotiations with landowners, ensuring that an appropriate price is paid for a development site. Natural market growth will also result in a lift to revenue levels, helping to offset the additional cost of the contribution.

*Table 2: Phase-in Period of Contribution Rates*

Year of Commencement (from finalisation of planning proposal)	Contribution
Year 1	Nil
Year 2	0.5%
Year 3	1.0%
Year 4	1.0%
Year 5	1.5%
Year 6	2.0% (Fully Implemented)

Under the draft scheme, the following development types would be exempt from providing an Affordable Housing Contribution: social and affordable housing, group homes, hostels, subdivision that does not create an additional lot, community facilities and non-residential development.

### ***Clause 6.11 Residential accommodation in mixed use development***

Clause 6.11 of *Bega Valley Local Environmental Plan 2013* 'Residential accommodation as part of mixed-use development in Zones E1 and E2' enables appropriate residential development in certain commercial zones. However, the clause only applies to land in Zone E1 Local Centre and Zone E2 Commercial Centre identified on the Local Clauses Map.

The planning proposal will add the land proposed for E1 and E2 zoning to this map to enable development of dwelling houses, dual occupancies, multi dwelling housing and residential flat buildings where they are part of a mixed use (commercial and residential) development.

## Options

Options available to Council are to:

1. Resolve to support the planning proposal and forward it to the Department of Planning, Housing, and Infrastructure for Gateway Determination. This is the recommended option.
2. Resolve to support the planning proposal with amendments and forward it to the Department of Planning, Housing, and Infrastructure for Gateway Determination. This option is not recommended because the planning proposal has been developed based on the results of detailed specialist studies and extensive consultation with NSW Government Agencies.
3. Resolve not to support the planning proposal. This option is not recommended as the planning proposal will facilitate the provision of new housing in the Bega Valley Shire.

## Community and Stakeholder Engagement

### *Engagement undertaken*

The draft Bega Structure Plan was exhibited from 3 November to 3 December 2024. A total of 228 survey responses and 17 other public submissions were received. This feedback along with commentary from the NSW Department of Education, NSW Department of Primary Industry, NSW Rural Fire Service and Transport for NSW was detailed in Council report [8.2. Adoption of Bega and Wolumla Structure Plans](#) presented to the Council meeting of 12 June 2024.

Councillors were briefed by the consultants who prepared the planning proposal on 12 March 2025. Councillors also participated in two workshops on the draft structure plan in August and September 2023.

Councillors were briefed by the consultants who prepared the affordable housing contributions scheme on 22 January 2025.

Engagement was undertaken in the development of the planning proposal with:

- impacted landowners
- Bega Local Aboriginal Land Council
- Djirringanj Elders Federation and other Registered Aboriginal Parties
- Transport for NSW
- Transgrid
- NSW Rural Fire Service
- NSW State Emergency Service
- Southern NSW Local Health District
- NSW Environment Protection Authority
- NSW Department of Primary Industries
- NSW Department of Planning, Housing and Infrastructure
- NSW Department of Education
- Heritage NSW
- Biodiversity and Conservation Science and Licencing and Approvals divisions of NSW Department of Climate Change, Energy, the Environment and Water.

In addition to the owners of the 26 impacted properties, 21 other landowners in the vicinity of the planning proposal area were also notified of the project and the preparation of specialist studies. Details of the engagement to date is contained in the Consultation Summary Report, provided as Attachment 2 to this report.

A community briefing was held by Council's Chief Executive Officer (CEO) in December 2024. A project page is available on Council's website which contains information about the project



including links to relevant documents, the CEO's community briefing, and frequently asked questions that provide more information about the process.

Council staff from strategic planning, planning, certification (bushfire specialist), community development, economic development, water and sewer, transport, waste and recreation infrastructure, communications and corporate resilience have been involved in various aspects of the project.

A staff member attended the Bega Saleyard Stakeholder Advisory Group to discuss the rezoning on 4 February 2025.

All affected landowners were notified of this report to Council.

### ***Engagement planned***

If the planning proposal receives Gateway approval, community consultation will be consistent with the requirements of the *Bega Valley Shire Community Engagement Strategy*, being a minimum exhibition timeframe of 28 days, or as specified by the Gateway Determination. Public exhibition of the planning proposal will include notification on Council's website and in writing to affected and adjoining landowners.

A consultation plan will be developed, building on the issues raised in responses to the Bega Structure Plan and providing background to the decision-making that has led to the planning proposal, what work is required in the future and supporting infrastructure provision.

Details of the planning proposal and engagement process will be shared via Council's newsletter, social media, a media release, posters with QR codes in public areas, and digital advertising in the Bega District News and Merimbula News Weekly. Members of the community will be encouraged to provide feedback through Council's 'Have Your Say' page or write to Council.

### **Financial and Resource Considerations**

Except for community consultation costs, the planning proposal was wholly funded by a \$250,000 grant from Round 2 of the NSW Department of Planning, Housing and Infrastructure's Regional Housing Strategic Planning Fund. Council's contribution to the project was by way of specialist staff, provision of available data, preparation of technical studies and community consultation costs, undertaken within Council's existing resources and budget for the 2023-24 and 2024-25 financial years.

The preparation of the Bega Structure Plan was also funded by the NSW Government through the Regional Housing Strategic Planning Fund.

### **Legal /Policy**

The planning proposal has been prepared in accordance with section 3.33 of the *Environmental Planning and Assessment Act 1979* and the *Local Environmental Plan Making Guidelines* (August 2023).

### **Impacts on Strategic/Operational/Asset Management Plan/Risk**

#### ***Strategic Alignment***

The planning proposal aligns with the objectives of the *Bega Valley Community Strategic Plan 2042*, *Bega Valley Shire Local Strategic Planning Statement*, *Climate Resilience*, *Residential Land* and *Affordable Housing* strategies through the application of adopted resilience outcomes and principles for new urban areas.

The planning proposal is consistent with the directions of the *South East and Tablelands Regional Plan 2036* and *Draft South East and Tablelands Regional Plan 2041*.

***Environment and Climate Change***

The planning proposal will help achieve a resilient shire by planning for growth in a way that protects our natural systems, responds to natural hazards, and creates liveable and connected places. The proposed rezoning will facilitate sustainable development and growth through enabling the delivery of enduring and resilient housing.

***Economic***

The planning proposal will establish a pipeline of housing that creates choice for people and households at different price points. By accelerating the planning and delivery of housing in identified urban release areas, the project will address house price increases associated with supply shortfalls.

***Risk***

The planning proposal will reduce risk by providing certainty for the development industry, government, service providers and the community by ensuring future housing supply in the area is well planned, adequately serviced, diverse, resilient and affordable.

***Social / Cultural***

The planning proposal will establish a pipeline of housing that creates choice for people and households, enabling people to live in homes of the right size with the right accessibility to well serviced locations, positively shaping the communities of the Bega Valley Shire. The planning proposal addresses the future need for housing and provides direction about how and where residential growth will occur to support the growing population, ageing community and changes in household structure.

**Attachments**

1. Bega Urban Release Planning Proposal
2. Consultation Summary Report