

EUROBODALLA SHIRE COUNCIL RURAL LANDS STRATEGY VOLUME ONE THE STRATEGY



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For: EUROBODALLA COUNCIL



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1 EXECUTIVE SUMMARY

The rural lands of Eurobodalla are a vital resource, deserving of careful management and planning for the good of rural land owners and the wider community.

Eurobodalla Shire Council has important functions when it comes to the planning and management of all private land in the Shire, including rural lands. Council is the planning authority for most development and as such it needs plans with vision for the future. Council also is a general service provider, maintaining roads, providing sporting, cultural and community services and stimulating economic development.

Mindful of these important roles and responsibilities, Council has embarked on the Rural Lands Strategy to work with the community to set a vision and action plan for the rural lands for the coming 20 years. It is proposed to monitor, review and, if needed, adjust the Strategy at 5 yearly intervals.

There are challenges and ongoing change. But in this change is opportunity.

The research for this Strategy has drawn a number of important conclusions related to the future of rural land use. Here are some of the more significant conclusions:

- Eurobodalla is already more a part-time commercial agriculture area than full-time. The majority of farmers have significant reliance on income not generated from the holding.
- That income is not all earned off-farm in a physical sense, there are approximately a thousand small businesses located in the rural areas – many of a home business scale – providing support income to part-time farming and covering a wide range of activities from IT services to construction, tourism and value adding to local food.
- There are still important reasons for conserving the better agricultural lands in larger holdings and for limiting the options for subdivision and additional dwellings in these areas. The commercial agricultural sector is still an important employer and player in the Eurobodalla economy. There are community costs in placing large numbers of new settlers in areas with modest roads and community services. This Strategy recommends these areas be zoned RU1 Primary Production and subject to lot sizes ranging from 100 to 500 ha to reflect current land use.
- But there are many areas of smaller ownerships in the broad agricultural zone where part-time or hobby farming is taking place and where there are opportunities to allow further supply of small farm and hobby agriculture options. These areas might be zoned a mix of RU1 Primary Production and RU4 Primary Production Small Lots and subject to lot sizes from 20 to 40 ha depending on the capabilities and services of each area.
- In addition to management of living opportunities in the broad agricultural zone, there has been ongoing demand for a range of living opportunities in the rural residential areas of the Shire. These desired living opportunities range from small lot rural residential to bush living experiences and to hobby scale farms. This Strategy has independently reviewed the supply of such living opportunities, and supports the earlier Council conclusions that there is at least 5 to 10 years supply of most types of

rural living opportunity across the Shire. Several small new areas are recommended for possible zoning action to provide some additional supply.

- There are some potentially exciting prospects over the coming 20 years for agricultural products that can establish niche markets – especially in Asia. Overall, there may be prospects of better terms of trade for agricultural producers as world-wide demand for food increases and rising middle class populations seek diversity of food type and knowledge of provenance.
- Small scale food production is a growing activity. While it is currently only a small section of the rural economy, local food has much growth potential with assisted marketing and growth of supply. Such activities are an important part-time farming base and provide a range of benefits including the tourist value for markets and local produce in restaurants.
- The private rural land resource in Eurobodalla contains many areas of importance for biodiversity. The challenge is to conserve these areas while trying to achieve a reasonable balance with the wishes of landholders to use their land.
- Tourism is the biggest industry in Eurobodalla and the rural lands play a vital part in the attractiveness of the Shire to visitors. There are prospects to grow rural tourism.
- Council's responsibilities under the Local Government, planning and biodiversity legislation are not expected to lessen. Indeed, some of the current NSW Government reviews point to possible increasing responsibilities. This requires some flexibility in the draft strategies and built in mechanisms to address the likely evolving change of the coming 20 years.

The draft Strategy was exhibited in October and November of 2015, including seven consultation events. 139 submissions were received and are assessed in the Report of Public Exhibition. This final version of the Strategy contains a range of additions and amendments developed from the consultants' consideration of submissions, workshop feedback and further discussions with the Eurobodalla Rural Lands Strategy Steering Committee.

Section 6 of this Volume details recommendations for Council to consider to help ensure the rural areas of Eurobodalla have a strong future.

1.1 HOW TO READ THIS STRATEGY

The Eurobodalla Rural Strategy is presented in three volumes:

- Volume One: The Strategy, a summary of the recommended strategies and actions.
- Volume Two: Ten discussion papers with the background to the issues and options.
- Volume Three: A set of larger scale maps depicting current resources and use, plus recommended strategies for future land use and planning.

This document is Volume One. It is a summary document of the recommended strategies and action plans. It is designed as an overview to enable people to quickly get to the actions

recommended for the Eurobodalla rural lands to address community needs for the coming two decades.

Section 6 of this Volume presents a summary of all recommended strategies and actions.

The background detail leading to the recommended strategies is contained in the ten discussion papers presented in Volume Two. These Papers each explore a major topic relevant to rural land use in Eurobodalla, looking forward over the coming 20 years.

The 10 discussion papers are:

Paper 1: Rural Economic Directions

This Paper provides a snap-shot of the current and past economic structure of the rural economy of Eurobodalla. It draws out trends for rural business activity.

Paper 2: Commercial Scale Agricultural Directions

This Paper explores the past and current functions of commercial agriculture and makes predictions regarding the future opportunities and constraints for the Shire's farmers.

Paper 3: Use of Zoning, Overlays and Permissible Uses

This Paper explores the approach of other NSW Councils and makes recommendations for Eurobodalla with respect to the mix of provisions in the Local Environmental Plan.

Paper 4: Potential Changes to Planning Legislation and State Guidelines

This Paper overviews several significant reviews of land use planning provisions currently being conducted by the NSW Government and draws out the potential implications for Eurobodalla.

Paper 5: Appreciation of Rural Scenic and Cultural Landscapes

This Paper reviews the importance and qualities of the landscapes of Eurobodalla and makes suggestions for protection of the important character, scenic and cultural qualities.

Paper 6: Managing Biodiversity in Rural Areas

This Paper explores the values of biodiversity on the private rural lands of Eurobodalla. It attempts to achieve a balance between the reasonable expectations of landowners to use their land and appropriate conservation of native species.

Paper 7: Local Food

This Paper reports on the current progress in the development of local food products and value adding to primary production. It makes some recommendations as to actions Council might take to further encourage this small but growing sector of the rural economy.

Paper 8: Rural Tourism

Tourism is the largest single industry in Eurobodalla. This Paper explores the value, role and opportunities for rural tourism.

Paper 9: Land Use in the General Rural Areas

The focus of this Paper is on land use control options for the broadacre regions of the Shire. It recommends new lot size provisions and changes in the provisions governing dwelling placement outside of the urban and rural residential zones.

Paper 10: Rural Living in the Rural Residential Areas

Council currently has 3 rural residential zones and this Paper examines supply of the various categories of rural living opportunity and makes recommendations as to future supply.

Volume Three of the Strategy is a compendium of larger scale maps. Given the size of the Shire and the detail sometimes required, the more important maps of general land use information and some of those from the Discussion Papers are presented in A3 page size. In addition, if accessing the PDF version, there is the capacity to “zoom in” to explore the maps in more detail.

The Strategy package as presented in the three volumes, represents the work of the consultant team Garret Barry Planning Services (GBPS) but including consideration of information provided from the community as part of the exhibition process and feedback from the Rural Lands Steering Committee.

This version of the draft has been produced by the consultants following their consideration of submissions on the exhibition of the first draft of the Strategy and should be read with the accompanying “Report of Public Exhibition”.

1.2 PUBLIC CONSULTATION

A successful rural strategy needs to have community ownership. A Draft Strategy was prepared by a consultant team with input from Council’s Rural Lands Strategy Steering Committee. Council endorsed the Draft for the purposes of seeking community feedback and it was exhibited for a period of 6 weeks from 16 October to 27 November 2015.

Hard copies of the 3 Volumes that form the Draft Strategy were placed on exhibition at Councils’ Moruya office and at the Batemans Bay, Moruya and Narooma libraries. An electronic copy can be accessed by searching for Rural Lands Strategy at Council’s website www.esc.nsw.gov.au

Seven opportunities were provided for the public to participate in consultation sessions on the Draft Strategy which were conducted by the project consultants. The sessions were as follows:

Suburb	Venue	Date	Time
Moruya	SAGE Farmers Market	Tuesday 27 October	3 pm to 6.30 pm
Nelligen	Nelligen Hall	Wednesday 28 October	3.30 pm to 7.30 pm
Narooma	Narooma Golf Club	Wednesday 4 November	2 pm to 6 pm
Central Tilba	Tilba Farmers Market	Saturday 7 November	9 am to 12 pm
Moruya	Moruya Golf Club	Wednesday 11 November	3.30 pm to 7.30 pm

In addition to the above, the consultants hosted 2 workshops with rural producers in Eurobodalla on Saturday 7 November from 4 pm to 7 pm and on Wednesday 11 November 10 am to 1 pm.

Following exhibition, the submissions and workshop feedback were reviewed and included in the post exhibition report to Council on February 2016.

2 INTRODUCTION

2.1 AIM AND GOALS OF THE RURAL STRATEGY

2.1.1 The Strategy Aim

This Strategy aims to set a clear 20 year vision for the role of Council in the rural lands of Eurobodalla Shire. Such vision to have practical measures for implementation and monitoring, with 5 yearly review periods to apply.

2.1.2 Goals

Goal One: To maximise the prospects for a vibrant commercial agriculture sector in Eurobodalla.

Goal Two: To ensure there is a wide variety of rural living opportunities available in the rural areas catering for needs ranging from purely rural residential living to hobby farms, bush living experiences, small and larger part-time farms and full scale commercial operations.

Goal Three: To grow rural business opportunities, including tourism.

Goal Four: To support the reasonable desires of landowners to utilise their land resource while complying with the statutory requirements to conserve the biodiversity and landscape qualities of the Shire's private lands.

2.2 HISTORY OF THE RURAL STRATEGY

This Section describes the history of the Rural Land Strategy up to this point in time. Milestones and key dates are noted.

At its Ordinary Meeting held on 20 December 2011, Council resolved inter alia about the new Local Environmental Plan to *"in consultation with the local community...undertake a strategic review of the deferred E3 Environmental Management land as part of the Rural Lands Strategy to determine the most appropriate future land use planning policy and controls for the shire's rural lands with it being noted that terms of reference are to be determined in conjunction with all relevant stakeholders"*.

2.2.1 Rural Lands Strategy Steering Committee and its Terms of Reference

The Rural Lands Strategy project commenced in April 2012 when Council adopted the Steering Committee Terms of Reference at its Ordinary Meeting and resolved to establish a Steering Committee with community representatives to assist Council in the development of the Strategy.

The Terms of Reference explains the role of the committee, its composition and likely meeting schedule.

http://www.esc.nsw.gov.au/inside-council/project-and-exhibitions/rural-lands-strategy/steering-committee/terms-of-reference/steering_committee_tor_v4.pdf

2.2.2 Rural Lands Strategy Terms of Reference

The Terms of Reference for the Rural Lands Strategy outline the purpose and structure of the Rural Lands Strategy project. The Terms of Reference include the methodology and outcomes of the Strategy.

The first meeting of the Rural Lands Strategy Steering Committee unanimously endorsed the draft Terms of Reference. The Terms of Reference were then adopted at Council's 2 October 2012 Policy and Strategy Meeting.

http://www.esc.nsw.gov.au/inside-council/project-and-exhibitions/rural-lands-strategy/project-documents/terms_of_reference_for_rural_land_strategy.pdf

2.2.3 Project Management Plan

The Project Management Plan sets out the key steps involved in developing the Rural Lands Strategy.

The Rural Lands Strategy Project Management Plan was adopted by Council on 26 March 2013.

http://www.esc.nsw.gov.au/inside-council/project-and-exhibitions/rural-lands-strategy/project-documents/rural_land_strategy_project_management_plan.pdf

2.2.4 Community Engagement Strategy

The Community Engagement Strategy outlined how the committee will consult with the community and other key stakeholders.

The Rural Lands Strategy Community Engagement Strategy was adopted by Council on 26 March 2013.

http://www.esc.nsw.gov.au/inside-council/project-and-exhibitions/rural-lands-strategy/project-documents/rural_land_strategy_community_engagement_strategy.pdf

2.2.5 Rural Lands Issues Paper

The Rural Lands Strategy Issues Paper is a discussion paper that outlined a range of issues, opportunities and challenges that are relevant to rural lands in Eurobodalla.

The Paper was placed on public exhibition for community feedback from 8 May 2013 to 12 June 2013.

http://www.esc.nsw.gov.au/inside-council/project-and-exhibitions/rural-lands-strategy/project-documents/esc_rural_land_paper_v9.pdf

173 submissions were received which were reported to Council on 27 August 2013.

<http://www.esc.nsw.gov.au/inside-council/project-and-exhibitions/rural-lands-strategy/rural-opportunities-and-constraints-report-and-maps/questions-and-answers/27-August-RLS-Report.pdf>

2.2.6 Rural Opportunities and Constraints Report Volume 1 and Volume 2

Volume 1 of the report:

- Outlined key facts and issues and the existing policy context;
- Summarised stakeholder and community views from previous consultation activities;
- Identified key opportunities and constraints; and
- Provided principles for the development of policy directions.

The Volume 1 report was made publicly available from April 2014.

<http://www.esc.nsw.gov.au/inside-council/project-and-exhibitions/rural-lands-strategy/rural-opportunities-and-constraints-report-and-maps/Rural-Op-and-Constraints-Report-Vol-1.pdf>

Volume 2 of the Rural Opportunities and Constraints Report contained and described the agricultural, environmental values and natural hazards maps of the Shire. The environmental maps were prepared by specialist officers of the Office of Environment and Heritage using the most up to date data.

Almost 100 land owners met with Council staff to view and discuss the mapping. A process was also established with the Office of Environment and Heritage to facilitate additional validation of the vegetation mapping.

2.2.7 Policy Directions Workshops

In June and July 2014, a series of ten independently facilitated policy directions workshops were held with approximately 100 rural land owners and other interested community members.

<http://www.esc.nsw.gov.au/inside-council/project-and-exhibitions/rural-lands-strategy/project-documents/Final-Overview-of-Proceedings.pdf>

2.2.8 Policy Directions Paper

The Policy Directions Paper was the final stage leading up to the preparation of the Eurobodalla Rural Land Strategy.

Based on the suggestions and recommendations from the policy directions workshops, a Draft Policy Directions Paper was prepared and exhibited for community input during April and May 2015. A total of 61 submissions were received.

A final Policy Directions Paper was prepared and adopted by Council on 28 July 2015. In doing so Council gave consideration to the 61 submissions received during the exhibition period as well as suggestions that participants made at the Policy Direction Workshops in June and July 2014.

<http://www.esc.nsw.gov.au/inside-council/project-and-exhibitions/rural-lands-strategy/Adopted-Policy-Directions-Paper-July-2015.pdf>

The Policy Directions Paper identifies seven major directions and actions to achieve those directions:

1: Encourage primary production

- *Apply the RU1 Primary Production and RU4 Primary Production Small Lots zones to rural land (including the deferred lands) that is or has the potential to be used for a variety of agricultural activities;*
- *Establish appropriate minimum lot sizes for rural land that provide for a mix of farm types and sizes and support a range of rural activities without compromising the existing or potential use of productive agricultural lands;*
- *Provide opportunities for rural dwellings in appropriate locations, where a dwelling is required to support rural activities and will have minimal impacts on services, infrastructure and the existing or potential use of productive agricultural lands; and*
- *Facilitate the diversification of rural activities and manage existing and potential land use conflicts.*

2: Cut red tape

- *Ensure planning controls minimise bureaucratic processes where appropriate, saving time and cost for land owners;*
- *Ensure planning controls are legible, transparent and, where possible, written in plain English, or alternatively supported by plain English fact sheets;*
- *Ensure planning controls are located in the most appropriate planning instrument to ensure simplicity and transparency;*
- *Zone all rural land under one local environmental plan in accordance with the Department of Planning and Environment's Standard Instrument for LEPs;*
- *Split zoning to be applied where appropriate to recognise different land uses or landscapes; and*
- *Council and the community to advocate for change through reviews of relevant legislation, plans and policies.*

3: Support economic development

- *Promote an "open for agri-business" culture in Eurobodalla to support local food and fibre production;*
- *Support innovative and diverse farming enterprises and activities;*
- *Encourage and support improvements in local rural skills, practices and marketing methods; and*
- *Optimise the use of existing public infrastructure and efficiently plan for additional infrastructure to support rural activities.*

4: Promote and grow rural tourism

- *Ensure development in rural areas has minimal impacts on any environmental, agricultural and scenic values that support rural tourism;*

- *Include rural-based tourism within broader tourism planning and promotional activities;*
- *Encourage rural-based tourism as a value-adding opportunity for primary producers and as an alternative land use opportunity where there will be minimal impacts on the existing or potential use of productive agricultural lands; and*
- *Include criteria for assessing rural-based tourism proposals in an appropriate planning instrument.*

5: Promote sustainable resource use

- *Collaborate with relevant Agencies to facilitate the provision of information to rural land owners on sustainable land management practices and standards;*
- *Provide for continued extractive industry in Eurobodalla and support operators of existing and new extractive industries to manage potential land use conflicts and environmental impacts.*
- *Collaborate with relevant State Agencies and land owners with regard to facilitating sustainable forestry activities on private land and sustainable forest management in State Forests; and*
- *Collaborate with relevant State Agencies and land owners with regard to managing the quality of water in aquaculture and drinking water catchment areas.*

6: Recognise and manage environmental hazards and values

- *Recognise and provide for the sustainable management of high conservation value vegetation and important aquatic values in Eurobodalla;*
- *Collaborate with relevant State Agencies to define and map natural hazards and environmental values in Eurobodalla, and establish a validation process to ensure such mapping is accurate and up-to-date;*
- *Collaborate with relevant agencies and land owners to develop locally appropriate programs for protecting areas of high conservation value in Eurobodalla and for addressing natural hazards; and*
- *Collaborate with relevant Agencies to facilitate the provision of information to rural land owners to assist with adaptation to the potential impacts of future climate change.*

7: Support rural residential living opportunities

- *Work with owners of land zoned for rural residential development to facilitate, where possible, appropriate development of that land; and*
- *Monitor the supply and development of land zoned for rural residential purposes through the annual land supply review process.*

3 STATE POLICIES AND INFLUENCES ON RURAL LAND

3.1 LOCAL GOVERNMENT LEGISLATION

The *Local Government Act* 1993 sets the charter of local councils. It is a broad enabling Act and Councils have a wide set of functions relevant to rural lands ranging from economic development to social planning, to delivery of local services.

The main limiting factor for most Councils is financial. In theory, Council has wide discretion to engage in economic stimulation and service delivery, but this is subject to budgetary restrictions.

3.2 PLANNING LEGISLATION

3.2.1 *Environmental Planning and Assessment Act, 1979*

This Act is the principle legislation for land use planning in NSW. It specifies the provisions on how to make Local Environmental Plans (LEPs), Development Control Plans (DCPs) and how to assess development. Local Councils are often the consent authority for development and the planning authority with respect to the LEP. In Eurobodalla there are currently two LEPs relating to rural lands; the *Eurobodalla LEP 2012* and the *Rural LEP 1987*. Council also has a suite of development control plans and codes.

The Act gives the Minister for Planning wide powers including the ability to give directions to Councils on how to prepare amendments to LEPs (see Section 3.2.8). This Strategy is charged with developing recommendations for possible changes to the LEP, DCPs or guidelines to advance the better management of the rural land resource.

3.2.2 Biodiversity Legislation

Three Acts have a specific impact on the management of biodiversity in rural Eurobodalla.

The *Threatened Species Conservation Act* 1995 (TSCA) applies to development assessment (via Section 5A of the EPA Act) and charges consent authorities like Council with having to protect declared threatened or endangered species. This can require specific reviews of vegetation and fauna when development is proposed in sensitive rural areas that needs Council's consent under the LEP. Council also has to consider such impacts when considering the rezoning of land that may flow from this Strategy.

The *Native Vegetation Act* 2003 (NVA) protects native vegetation on rural land and requires consent to be obtained from the Local Lands Service for land clearing and specified private forestry operations. Currently, Council does not have a role in the consent requirements under this Act.

The *Fisheries Management Act* 1994 functions in a similar way to the Threatened Species Conservation Act but with application to aquatic species. The broad objectives of the Act are to conserve fish stocks and their habitat. If Council is assessing development that might impact on water bodies, it needs to be assured that there will be no net loss of such habitat

and as with the TSCA this may require specific studies to be effected and, where adverse impacts are identified, that remedial measures are undertaken such as offsets.

3.2.3 *Environment Protection and Biodiversity Conservation Act, 1999*

This Federal legislation mostly applies at the development assessment phase and as such has only limited effect on this Strategy. The Act sets out that it is the responsibility of proponents of development to consider impacts on matters of national environmental significance and to make referrals to the Australian Government's Department of the Environment.

3.2.4 *South Coast Regional Strategy*

This NSW Government Strategy is a broad ranging plan with a number of goals for Councils to achieve in planning land use in the region. It sets several rural land goals including requirements to carefully plan the siting of rural residential development and placement of further dwellings in areas suited to primary production. It makes the South Coast Regional Conservation Plan a compliance document to be considered when reviewing rural land use.

It is soon to be replaced with the proposed South Coast and Tablelands Regional Plan (See Section 3.2.7).

A copy of the current Strategy can be accessed at:

<http://archive.southerncouncils.nsw.gov.au/assets/Resources/southcoastregionalstrategy.pdf>

3.2.5 *The South Coast Regional Conservation Plan*

The South Coast Regional Conservation Plan (RCP) guides natural heritage conservation on lands on the South Coast excluding National Parks and State Forests. It provides direction to Local Government on planning and development decision making so that the biodiversity of the South Coast can be maintained or improved. It seeks to align restoration activities on the South Coast and to ensure that such activities complement future development that will be guided by the NSW Government's South Coast Regional Strategy.

A copy of the full plan can be accessed at:

<http://www.environment.nsw.gov.au/biodiversity/regconsplans.htm>.

Detail on the plan is covered in Section 2.2 of Discussion Paper 6 - Biodiversity.

3.2.6 *State Environmental Planning Policy Rural Lands*

This State Planning Policy specifies the following principles to be followed by Councils when reviewing rural land use:

- (a) *the promotion and protection of opportunities for current and potential productive and sustainable economic activities in rural areas,*
- (b) *recognition of the importance of rural lands and agriculture and the changing nature of agriculture and of trends, demands and issues in agriculture in the area, region or State,*
- (c) *recognition of the significance of rural land uses to the State and rural communities, including the social and economic benefits of rural land use and development,*

- (d) *in planning for rural lands, to balance the social, economic and environmental interests of the community,*
- (e) *the identification and protection of natural resources, having regard to maintaining biodiversity, the protection of native vegetation, the importance of water resources and avoiding constrained land,*
- (f) *the provision of opportunities for rural lifestyle, settlement and housing that contribute to the social and economic welfare of rural communities,*
- (g) *the consideration of impacts on services and infrastructure and appropriate location when providing for rural housing,*
- (h) *ensuring consistency with any applicable regional strategy of the Department of Planning or any applicable local strategy endorsed by the Director-General.*

Where a Council is reviewing lot sizes for subdivision or dwellings in a rural zone this policy also applies the following subdivision principles:

- (a) *the minimisation of rural land fragmentation,*
- (b) *the minimisation of rural land use conflicts, particularly between residential land uses and other rural land uses,*
- (c) *the consideration of the nature of existing agricultural holdings and the existing and planned future supply of rural residential land when considering lot sizes for rural lands,*
- (d) *the consideration of the natural and physical constraints and opportunities of land,*
- (e) *ensuring that planning for dwelling opportunities takes account of those constraints.*

3.2.7 Draft South Coast and Tablelands Regional Plan

This proposed Regional Plan is a new form of regional strategy and one that seeks to evolve and develop partnerships with Councils on data monitoring and planning for growth.

It is proposed this Plan will replace the above South Coast Regional Strategy and South Coast Regional Conservation Plan.

Timing for completion of the Plan has yet to be resolved but is unlikely to be concluded before this Strategy is finalised.

The situation will continue to be monitored with the Department of Planning and Environment.

3.2.8 Section 117 Directions of the Minister

Section 117 of the *Environmental Planning and Assessment Act 1979* empowers the Minister for Planning to set directions to planning authorities such as Councils. These directions have statutory weight and need to be complied with or the Minister/DPE persuaded to grant an exemption.

The following of the current 117 Directions have some relevance to Eurobodalla rural planning:

Direction 1.2 Rural Zones

This direction prohibits any increase to the density of rural land for housing unless justified by a strategy which is approved by the Director-General of the Department of Planning, or:

- (a) *justified by a study prepared in support of the planning proposal which gives consideration to the objectives of this direction, or*
- (b) *in accordance with the relevant Regional Strategy or Sub-Regional Strategy prepared by the Department of Planning which gives consideration to the objective of this direction, or is of minor significance*

Direction 1.5 Rural Lands

This direction requires Councils to consider and justify changes to rural land planning controls against the principles of the *Rural Lands State Environment Planning Policy* as defined in Section 3.2.6.

3.3 POTENTIAL CHANGES TO STATE LEGISLATION AND GUIDELINES

Discussion Paper 4 - Potential Changes to Planning Legislation and State Guidelines, gives a more detailed account of the reviews currently being conducted by the State Government. The following is a summary.

The State Government, as at the date of publishing this draft Strategy, is in the process of conducting two reviews of legislation directly related to Local Government's role in rural land use. But to date there is no specific direction set that applies to Eurobodalla and as such this Strategy is proceeding based on the current legislation as outlined in Section 3.2 above.

There is a comprehensive review of the Biodiversity legislation under way in the relevant State departments and recommendations towards a new overarching Act to manage biodiversity are expected shortly. The report of an independent Panel was handed down in December 2014 and can be viewed at:

<http://www.environment.nsw.gov.au/biodiversitylegislation/review.htm>.

The recommendations from the Panel are numerous but suggest a return of vegetation clearing controls to Local Government, whereas the Local Lands Service is currently the consent authority for land clearing. There will likely be greater reliance on codes and guidelines for small scale clearing and the State may increase incentive funding for owners who conserve biodiversity.

The State Government is also reviewing guidelines and possible directions to Councils on the appropriate use of Environmental Protections zones. At this time the guidelines apply to the North Coast Councils but have relevance in Eurobodalla. They suggest environmental zones need to be based on verified biodiversity data. The Department of Planning and Environment's response can be viewed at:

http://planspolicies.planning.nsw.gov.au/index.pl?action=view_job&job_id=6475.

In 2013 the Government produced a draft Bill for a new planning Act but this Bill lapsed with the new parliament and it is understood the Government is now considering a series of incremental improvements to the current *Environmental Planning and Assessment Act 1979*.

4 CURRENT COUNCIL POLICIES, PLANS AND GUIDELINES APPLYING TO RURAL LAND

4.1 EUROBODALLA LOCAL ENVIRONMENTAL PLAN 2012

The Eurobodalla LEP 2012 is the principle planning instrument governing land use in the Shire. It was first gazetted in July 2012. It partly replaced the 1987 Rural LEP. However, Council resolved to defer a decision on some sections of the rural area and these deferred lands are still under the provisions of LEP 1987.

The main zones applied to the rural area currently by this plan are:

- RU1 Primary Production – the general agricultural zone applying to wide areas of the Shire.
- RU3 Forestry – this zone applies to State Forests.
- RU4 Primary Production Small Lots – this is a form of rural residential zone often characterised by hobby scale agricultural use.
- RU5 Village – this zone applies to the rural villages of Nelligen, Bodalla, Central Tilba and Tilba Tilba.
- R5 Large Lot Residential – mostly smaller size rural residential living lots.
- E1 National Parks and Nature Reserves.
- E2 Environmental Conservation – mostly used to define wetland areas.
- E4 Environmental Living – rural residential living often in natural surroundings.
- W1 Natural Waterways.
- W2 Recreational Waterways.

The 2012 plan specifies the uses that are permissible with and without consent and those uses that are prohibited in any particular zone.

Clauses such as 4.2A set the requirements for dwellings in the RU1 Primary Production zone.

The plan allows minimum averaging of subdivision lots in the E4 and R5 zones which permits greater diversity of lot sizes to encourage protection of environmental areas.

Section 6 of the LEP applies special local provisions such as earthworks, flood planning and biodiversity, for use by Council when assessing development applications.

This Strategy makes a number of recommendations for amendments to the 2012 LEP.

4.2 EUROBODALLA RURAL LOCAL ENVIRONMENTAL PLAN 1987

While this 1987 plan was partly repealed in 2012, it remains in force over the deferred lands. One of the tasks of this Strategy is to recommend appropriate zoning for these deferred areas to enable the full repeal of this LEP. The recommendation is made that the majority of the deferred lands be zoned RU1.

4.3 EUROBODALLA DEVELOPMENT CONTROL PLANS

Council proposes to revise its Development Control Plan with respect to rural areas after completion of this Strategy.

Currently, only DCP 156 “Rural Subdivision” applies to the deferred rural areas and as the name implies it sets standards to apply to subdivision.

4.4 EUROBODALLA CONTRIBUTIONS PLANS

Section 94 and 94A of the EPA Act allows councils to levy contributions on new development requiring a DA or Complying Development Certificate.

There are three contributions plans with some applicability in the rural areas:

Eurobodalla Local Infrastructure Contributions Plan: This plan applies to new subdivision lots and levies contributions to assist Council fund additional infrastructure such as sports and cultural facilities.

Section 94 Rural Roads: This plan applies road improvement contributions on rural residential subdivision.

Section 94A Levy Contributions Plan 2007: This plan applies where contributions have not been levied under the above 2 plans such as new residential and rural residential dwellings. It imposes a levy of 0.5% on development between \$100,000 and \$200,000 and 1% above \$200,000.

4.5 EUROBODALLA CODES OF PRACTICE RELEVANT TO RURAL LANDS

The following existing Council Codes of Practice have some application in the rural areas:

Advertising and Notification: This Code specifies the types of development that require notification and the actions required to notify neighbours and the like.

Landscaping: This Code is more urban based but may be used where a rural development requires landscaping of the site.

Moruya Flood Plain: This Code specifies requirements for development works in the Moruya Flood Plain.

Signage Code: This Code specifies what requirements apply when people are proposing advertising signs for their businesses. The scope for advertising signs in the rural areas is limited by State Environmental Planning Policy 64 Outdoor Advertising to mostly Business Identification Signs and the Code specifies requirements when such a sign is proposed in the rural zones.

Tree Preservation Code: This Code only applies in the rural areas when clearing proposals are not covered by the *Native Vegetation Act*. The code specifies requirements for obtaining permission to remove or lop trees.

Soil and Water Management Code: This Code applies to all development that involves site disturbance, excavation or filling and provides guidelines to ensure efficient Soil and Water Management.

5 RURAL TOPICS, ISSUES AND OPTIONS TO ADDRESS THE ISSUES

5.1 RURAL ECONOMIC DIRECTIONS

This Chapter provides a brief precis of the economic directions of Eurobodalla's rural areas and the strategies for Council to support its continuing development. A more detailed description and analysis of issues and options can be found in Discussion Paper 1 (DP1) - Rural Economic Directions.

5.1.1 A Snapshot of the Current Rural Economy

Agriculture is a small but historically important part of the socio-economics of Eurobodalla Shire. In 2011 there were 290 jobs in the Agriculture, Forestry and Fishing industry in the Shire. Of these 172 were in agriculture with most of the agriculture jobs being in beef cattle farming or dairying.

Farming is dominated by an older demographic. 61% of farmers were over 50 years old in 2011, including 25% over 65 years old.

5.1.1.1 Farmer incomes

The most common individual income band for agriculture workers in 2011 was \$400 to \$599 pw (\$20,800 to \$31,200 pa). Overall, individual incomes averaged \$31,774 pa in 2011. Total income for all the Shire's agriculture workers was around \$6.3 million in 2011. These figures include off-farm income where it has been considered additional to the main work (farm work) by the census respondent.

5.1.1.2 Occupations

Agriculture workers are mostly managers (mostly self-employed), with only 30 labourers employed in the industry in 2011.

5.1.1.3 Qualifications

Almost all agriculture workers had completed Year 10 or above, with around 40% in each census year having completed Year 12. Around half of the people working in agriculture had post-school qualifications, 29% had Diplomas or Advanced Diplomas, and 24% had Bachelor Degrees or higher qualifications.

5.1.1.4 Farm business numbers

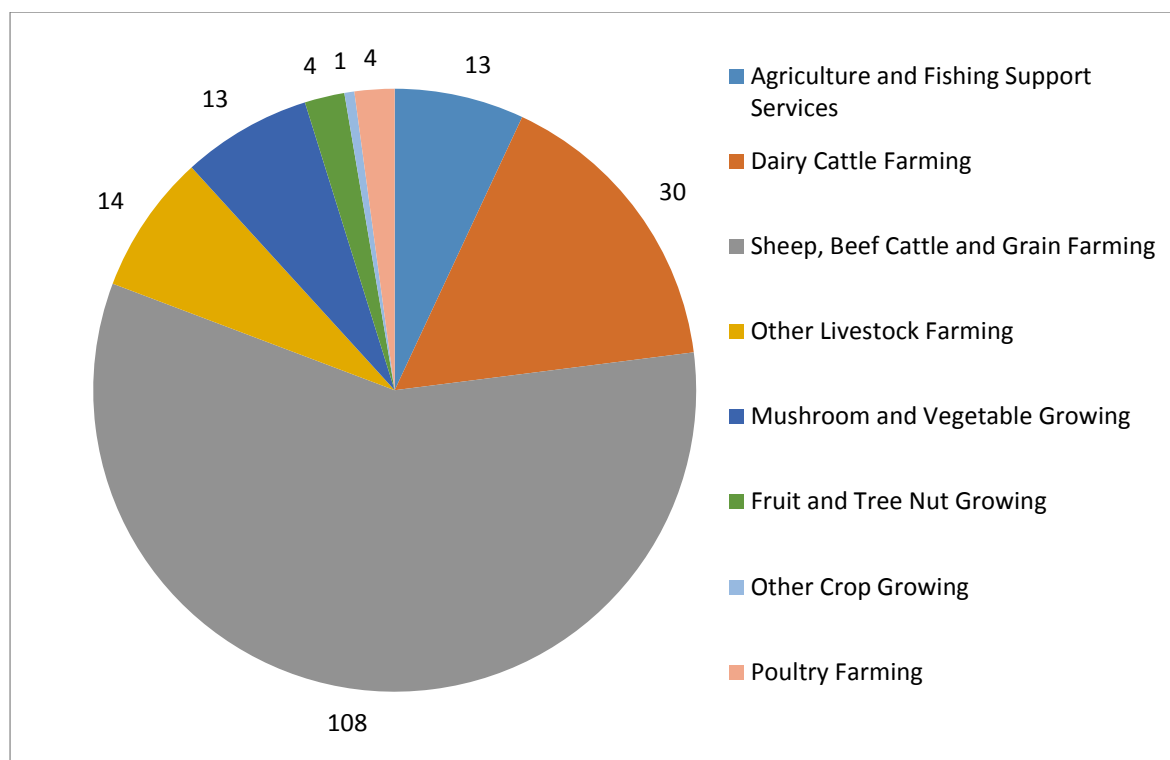
The Australian Business Register counted 288 Agriculture, Forestry and Fishing businesses in 2015, down from the 394 operating in 2005. Of those operating in mid-2015, 174 were farms. Most of the farm businesses were beef cattle farms (80) or combined sheep-beef cattle farms (22). Over the decade to 2015, there were 271 business exits (closures) and 176 entries.

5.1.1.5 Agricultural activity

According to the Australian Bureau of Statistics Agricultural Census data the average area of agricultural holdings in Eurobodalla Shire is declining – from 247 ha in 1996 to 190 ha in 2011. Beef and dairy cattle are the most significant agricultural activities in the Shire accounting for around 90% of the total value of agricultural production. Fruit production is

variable, and nurseries, turf and vegetable production take up a relatively small part of the agricultural land area in the Shire. Eurobodalla's agricultural activity is a small part of agriculture in the Southeast NSW Region.

Figure 5-1: Mix of farm businesses 2015



5.1.1.6 Value of production

The total farm gate value of agricultural production in Eurobodalla has been around \$12.5 million per annum between 1996 and 2006, though data presented for 2011 shows a sharp jump to \$20 million, possibly due to increases in the value of beef and milk.

5.1.1.7 Business locations

There is a wide variety of businesses located away from the main urban areas – not just agricultural businesses. Many construction and transport businesses are located on rural properties, as are a great many professional services businesses – most operating from a home base.

5.1.2 Economic Trends

The following rural economic trends appear from the available data:

- Traditional commercial scale agriculture (in particular beef and dairy) seem to have limited capacity to expand in economic terms;
- There is no surety of terms of trade improving (e.g. through free trade agreements) and have been in decline for several decades;
- There is limited good agricultural land in larger holdings;

- There has been a trend of shrinking holding size and increasing part-time farming;
- There is increasing reliance on non-farm income; Similarly, employment in traditional commercial agriculture while remaining important, may stabilise or continue to slowly decline as further pressure develops to improve automation and economies of scale.

The pattern of current owners of commercial scale farms, say 100 ha or greater, appears to be of mostly individual/family farms (Council rates data). This group appear to be ageing and along with high land values will make succession planning very challenging for following generations.

High land values – fuelled by speculation will likely mean little interest in Eurobodalla as a destination for farm aggregation and corporate farms.

There is a solid utilisation of the rural areas for non-agricultural business. Approximately 500 non-agricultural businesses are registered in the rural zones and this is likely to be only a proportion as many small operations are not registered or recorded by ABR as businesses.

While holding sizes have been decreasing, the overall value of agricultural production seems to be increasing.

5.1.3 Rural Population Trends

Council should plan for continued growth in rural population for the coming 20 years. ID Population Consultants model regional population trends and have the following prediction for Eurobodalla's rural areas:

Table 5-1: Rural Population Projections

	2011	2016	2021	2026	2031
Batemans Bay Rural Hinterland	2637	2667	2733	2855	2998
Moruya Rural Hinterland	2667	2703	2717	2759	2821
Narooma Rural Hinterland	2651	2636	2707	2831	3030
Total Rural Population	7955	8006	8157	8445	8849
Change In Total Population	-146.00	51.00	151.00	288.00	404.00

Based on these predictions the rural population in total might grow by 439 over the coming 20 years (between 2016 and 2026).

5.1.4 What Rural Economic actions and roles for Council

Action:

Council to consider expanding permissible uses in the rural zones. (See Section 6.2.5)

Council to develop plain English fact sheets or brochures to identify the range of non-agricultural activities that are permissible and encouraged in rural areas, and to outline in simple language any relevant approvals required or controls that apply.

Rationale:

It would seem to be positive for Council to continue to foster additional appropriate non-agricultural businesses and expansion of existing ones to support the rural economy and result in more finance for better land management in the rural zones. (Subject to reasonable controls to protect existing and potential viable commercial agriculture and other primary production).

Action:

Council to continue to advocate for adequate services for rural aged, including ambulance access, community transport and programs to foster the retention of the aged in their own homes.

Rationale:

High proportions and absolute numbers of seniors in the rural areas has challenges for services for all three levels of government. Many of the services required are the responsibility of State and Commonwealth Government. An appropriate strategy is to continue lobbying each level of government to ensure the best available services are available to the community.

Action Statement:

Council to continue to subscribe to the ABR data on registered businesses in the Shire and undertake, at a minimum, 5 yearly reviews to monitor trends and success in growing target businesses.

Rationale:

Good local data on the demography, business activity and other rural land use trends is valuable for informed decision making.

Actions for housing the growing rural population are presented in Sections 5.7 and 5.8.

5.2 DIRECTIONS FOR AGRICULTURE

This Chapter provides a brief precis of the commercial agricultural directions of Eurobodalla's rural areas and the strategies for Council to support its continuing development. A more detailed description and analysis of issues and options can be found in Discussion Paper 2 (DP2) - Commercial Scale Agricultural Direction.

5.2.1 Where has agriculture been and where are we at?

While commercial agriculture is an important industry in Eurobodalla Shire, its scale is considerably smaller than in surrounding council areas. According to the 2011 Agricultural census, Bega Valley Shire to the south has 3.4 times the area under commercial farms, Palerang Council to the west has 8.3 times and Shoalhaven to the north 3.1 times the area.

The land resources of Eurobodalla are characterised by many steep areas with poor soils and as such original agricultural settlement focused on the more fertile valleys, side ridges and flood plains of the numerous long valley systems. Today nearly 72% of the Shire is State Forests and National Parks and approximately one third of the Shire's private land is currently under native vegetation. To some degree this is a reflection of a considerable area of land of limited value for agriculture – left largely uncleared by early settlement, utilised for timber resources and recognised in more recent times for its biodiversity value.

Of the 67,000 ha of private lands in the current agricultural zones of the Shire (the RU1 Zone and the Deferred lands in the Eurobodalla LEP 2012), only 22,000 ha is comprised of what might be classed as highly productive agricultural land (Class 1 to 4 of the Department of Primary Industry 5 Class System) and only just over half of that higher class land is in holdings over 100 ha.

Of the 1,730 ownerships in the RU1 and Deferred areas, nearly 80% are 40 ha or less in size and in the majority of cases represent hobby scale farms. Even many larger holdings have a high proportion of land of lower agricultural quality.

Table 5-2: Ownerships in the RU1 and Deferred Areas

Property Size (ha)	Number of Properties	% of Total
<10	788	46
10 to 40	587	34
40 to 80	184	11
80 to 100	42	2
100 to 200	76	4
200 to 400	37	2
400 +	16	1
Total	1730	100
Total properties over 40 ha	355	20
Total properties over 100 ha	129	7
Total properties over 200 ha	53	3

Source: Council property records and GIS mapping. See also Map 11 of Volume Three for the spatial layout of ownerships.

Beef Cattle and Dairy by far dominate the current value of agricultural production with approximately 120 farms producing most of the output and only about 40 of these having more than 200 ha of land. There are also patterns of landowners sometimes having several separate holdings or leasing other property.

But there are many small holding operations which on a per hectare basis often run similar stocking rates to the larger commercial farms, however, their net returns from agriculture would likely be low or negative. Rural lifestyle activities, hobby-scale farming mixed with off-farm work or non-agricultural on farm business often are a major part of the small holding land use and activity. There are over 500 registered businesses not related to agriculture in the rural areas and many more small unregistered home scale businesses helping support agricultural operations.

Hobby scale and part-time farming far outnumber large scale commercial farming operations and occupy more of the overall total agricultural land area.

Distance from markets and transport costs have always been a challenge for agriculture in this region.

Land prices have been increasing over the past four or more decades, driven more by growing settlement pressures not directly related to agriculture. This makes Eurobodalla an expensive location to attempt to establish or expand a commercial scale farm producing conventional beef or dairy product.

5.2.2 What is the most likely agricultural future?

Eurobodalla Shire is typical of all coastal Shires in New South Wales in experiencing a rapid change in land use. Inland Australia is losing people as they move to the coast or larger centres. Retirement destinations have changed as the cost of land in coastal shires is less than in the cities. These are not revelations to anyone living in Eurobodalla Shire. However, what is unknown is whether these trends will continue at the same rate as in the past or whether they will escalate and introduce new planning challenges over and above those that already exist.

The trends vary somewhat. While the real value of rural land has continued to appreciate over the past 50 years it is not a smooth increase. There are cyclic “booms and busts” in the pressures inflating rural land value. There are retirement surges and city exit periods. There are long droughts and occasional recessions.

Paper 2 also explores the difficult area of predicting where broader agriculture is heading in the national and international scale. There are optimistic scenarios relating to likely growing world demand for food in general and for special, higher value, food products which Eurobodalla might tap into. But the graphs of the terms of trade for commercial agriculture both locally and nationally have been negative for several decades, and looking to the next 10 years there is not yet certainty that this downward pattern has finally been arrested.

There are exciting trends and movements into value adding and local food but the current scale is very small and while growth is strong, this sector in dollar terms will not make a significant dent in the percentage of overall gross agricultural value in Eurobodalla for the 20 year planning horizon of this Strategy.

But the way even commercial scale agriculture markets and develops its products is facing revolutionary change. The conventional high volume, low price production is not a market

niche in which Eurobodalla can expand. Its future lies in value adding and marketing its product differentiation.

5.2.3 What is the role of Council in assisting and maintaining a productive agricultural sector and in strengthening it and allowing initiatives to flourish?

Council has a land use planning function and this Strategy is charged with developing new guidelines to assist in conserving the agricultural resource while minimising unnecessary regulation and allowing reasonable development options for landowners.

The traditional planning approach of the past 60 years has been to try to prevent fragmentation of farms by preventing or limiting subdivision. This is an effective tool for maintaining larger lot sizes, but it does not assure a strong agricultural future, especially in a Shire with the many competing land use pressures Eurobodalla faces. This Strategy concludes there is an argument to continue to minimise fragmentation of larger properties where they contain productive agricultural land, but in other areas, an alternative approach needs to be considered.

Unlike major agricultural LGAs away from the coast, Eurobodalla is already very much characterised by part-time farming, with few landowners fully dependent on the income earned from the farm. Coupled with ongoing pressure for smaller lot, hobby-scale farming, there is an argument to minimise fragmentation at least to maintain most properties at a scale suitable for part-time farming. The appropriate size of properties to maintain for part-time farming will be dependent upon the quality of the soil and access to water, amongst other matters.

There is a related aspect in the justification of retaining better land in holdings at a size that ensures some potential for economic aggregation, and holding land resource should the terms of trade for agriculture eventually enter a long era of strength.

Having regard to the above, this Strategy concludes that the appropriate minimum lot sizes for rural land in Eurobodalla needs to be determined having regard to the characteristics of each locality, rather than as a blanket approach.

There is a second major reason to control fragmentation and that relates to controlling servicing burdens like road extensions, maintenance and renewal, and for preserving options for the future (should the terms of trade for agriculture go more into an era of long term improvement and growth).

Council also has an economic development role and might assist with marketing and education relevant to agriculture – from supporting saleyards and administering controls on weeds to fostering farmer's markets.

Section 7 of Discussion Paper 2 details challenges, opportunities and options relating to agricultural direction. **The following is a summary of recommended actions on agricultural direction**, flowing from that Section:

- **Recognise Eurobodalla is moving towards being a part-time farming area.**
- **Use lot sizes to conserve properties over 100 ha in larger ownerships.**
- **Encourage value adding to Eurobodalla produce and tapping into niche markets both in Australia and overseas. Eurobodalla's ability to compete in the broadscale conventional agricultural market is limited.**

- **Encourage training in agricultural skills and technology, from internet courses for new residents/hobby farmers to business programs for commercial value adding.**
- **Cater for the full spectrum of farm activity from small rural residential hobby farms to commercial full-time operations but with an appreciation part-time farming is dominating.**
- **Continue to support small scale on farm business activity not related to agriculture where it does not adversely affect neighbours and agricultural production. Sufficient opportunities for such business are a core foundation of health and survival for part-time farming.**
- **Limit further fragmentation of ownerships where access is poor.**
- **Continue to advocate for improved highway capacity for B Doubles.**

Specific actions and strategies to address these points are presented in Section 6 of this Volume.

5.3 EUROBODALLA RURAL LANDSCAPES

This Chapter provides a brief precis of the principal issues associated with scenic and cultural landscapes in Eurobodalla and the strategies for Council to support their protection in the context of new development.

A more detailed description and analysis of issues and options can be found in Discussion Paper 5 (DP5) - Appreciation of Rural Scenic and Cultural Landscapes.

Chapter 5.4 - Eurobodalla Biodiversity presents options and strategies that explore the natural values and issues of the rural landscape. Many elements of the natural landscape are components of the visual landscapes of Eurobodalla.

5.3.1 A Snapshot of Scenic and Cultural Landscapes in Eurobodalla

Landscapes are a fundamental part of the Eurobodalla history and cultural heritage. The landscapes of the Shire are valuable for their intrinsic qualities, for the quality of life and enjoyment of people, and for the economic benefits they bring. Eurobodalla's landscapes are a core foundation of its largest industry – tourism.

Eurobodalla Shire is fortunate to have some of the best quality and diverse rural landscapes in Australia – in fact some of world class.

From the magnificent Tilba landscape acknowledged by the National Trust of Australia and included as part of the Federal Government's Australian National Landscape "Coastal Wilderness", to the stunning and rugged beauty of Gulaga Mountain or the Deua Wilderness Ranges, to the dynamic coastal valley systems such as the Clyde River, historic rural landscapes such as at Bodalla and a diverse range of forested landscapes intermixed with pockets of agricultural land.

Several landscapes such as Najanuka (Little Dromedary Mountain) have deep spiritual and cultural significance to the Aboriginal community.

The use, promotion and protection of these nationally significant landscapes is important. However, there are limitations to Council's roles and responsibilities relating to their protection. While few people would deny the Tilba Valleys are a world standard landscape, if you are a farmer in that landscape needing a large storage shed, how much planning control is appropriate?

The NSW Coastal Policy 1997 states that the unique natural scenic areas of the coast are important not only for their visual amenity but also for the ambience they provide. The Policy considers them to be irreplaceable public assets that must be preserved and managed for the enjoyment of this and future generations.

There are threats to rural landscapes in any area experiencing growth:

- Increasing "industrialisation" of agriculture;
- Poor design and siting of buildings, access roads and signage (where development consent is not required); and

- Public works such as major road cuttings and embankments (though in recent times, the RMS have included consideration of scenic and cultural landscapes in the design of such works).

5.3.2 What Landscape Actions and Roles for Council

There is a diversity of opinion on what constitutes a landscape of significance and what to do about protecting it.

Landscape planning has more challenges than most branches of land use planning. But Eurobodalla is both more blessed than most LGAs in landscape assets and conversely more dependent on them for its whole tourism image/brand. Hence, a need to do what is possible to encourage land owners to protect those culturally important assets.

5.3.2.1 Options Relating to Planning Controls

Action:

The recommended strategy is for Council, in consultation with the community, to develop a Scenic and Cultural Landscape Code to guide development in the rural landscape as resources permit. The full recommendation is presented in section 6.3.2.

Rationale:

This will develop an awareness by developers and provide guidance for staff in determining protection measures for cultural elements such as historic agricultural artefacts (e.g. dairy history) and Aboriginal Landscape cultural sensitivities. A code is more informal than a DCP and is aimed at helping proponents of developments to design and locate buildings or other structures in a way that best fits in with the landscape.

5.3.2.2 Options Relating to Economic Strategy

Action:

Incorporate cultural landscapes into existing touring routes or develop new routes which emphasise and interpret the rich scenic and cultural landscapes, including of past dairy industry at Tilba and Bodalla.

Install signage infrastructure at key points along tourist routes. For example, an interpretation board could be located at Bodalla using information about the Bodalla Cultural Landscape Area.

Investigate developing a mobile application for new or revised scenic driving routes that incorporates interpretation and GPS technology.

Potential for more Aboriginal landscape cultural heritage to be cooperatively promoted. (See *5.6 Rural Tourism in Eurobodalla for more details.*)

Rationale:

These are actions that can support Eurobodalla's most valuable industry – tourism. Some can be implemented at a relatively small cost. Some could attract grants (e.g. from Destination NSW).

5.3.2.3 Options for Promotion and Protection of Scenic and Cultural Landscapes

Action:

Possible measures to encourage land owners to maintain or enhance landscape qualities as part of development offsets. (See Section 5.4.1.)

Rationale:

The rural landowner would receive benefits and landscape protection can flow from such initiatives. A positive outcome at relatively low or no cost.

Action:

Prepare a set of management guidelines for the Bodalla Cultural Landscape Area's historic values in a manner that does not impede or constrain current or future farming use.

Rationale:

There are not many dairy farming areas with the depth of history and associations as the Bodalla Cultural Landscape area that have not succumbed to urban or rural subdivision, or changed farming practice. To this extent Bodalla is rare, and a detailed study of its landscape in the context of the historic record and management guidelines is considered worthwhile.

Management guidelines are less formal than DCP controls.

5.4 EUROBODALLA BIODIVERSITY

This Chapter provides a brief precis of the principal trends and issues associated with biodiversity in Eurobodalla and the strategies for Council to support its reasonable conservation.

A more detailed description and analysis of issues and options can be found in Discussion Paper 6 (DP6) - Managing Biodiversity in the Rural Areas.

The natural values of Eurobodalla's rural lands are more significant than many other Local Government Areas in New South Wales.

While nearly three-quarters of the area of the Shire is protected in public lands such as National Parks or State Forests, the private rural lands form an essential part of the Shire's overall biodiversity values.

Without retaining and enhancement of connectivity of habitat across the private landscape, further decline in native species seems certain. Also, as early agricultural clearing and development naturally focused on better soils and land types such as river flats, these habitat types are under-conserved in the public estate. The more fertile soils of the valleys, floodplains and undulating hills are suitable for agriculture and habitation. Native woody vegetation within these areas tends to be poorly reserved and over 70% is cleared. (Source: Southern Rivers Catchment Management Authority CAP April 2013).

The biodiversity assets on both private and public lands in Eurobodalla are the basis of part of the Shire's largest industry – Tourism. They form much of the backdrop and special landscapes that so appeal to visitors and the variety of wildlife to be experienced is a major attraction for visitors.

Biodiversity protection has some positive aspects for landholders. There are a range of benefits from emerging bush tucker markets through to pest control by native birds and other wildlife. There is a growing market and sometimes price premium for rural properties where biodiversity is well conserved and the related landscape values it can generate.

Under the NSW and Australian Governments' legislative and regulatory frameworks, Council's role in protection of biodiversity is limited. Broad scale clearing of native vegetation on private lands in the Shire requires approval at NSW Government level. Council gets involved if development approval is required and as part of such DAs Council has responsibilities to protect threatened species and improve overall biodiversity. To guide Council in assessment of DAs, there are a range of tools from zoning for environmental protection and overlays depicting biodiversity in the local environmental plan to less formal DCP and Code controls, guidelines and data.

At Council's meeting of 22 July 2014, Council resolved that overlays not be included in the local environmental plan and that the Rural Lands Committee give further consideration to the options for the appropriate alternative use of the overlays. The Committee considered this matter and at its meeting of 18 September 2015 resolved to note that there were some divergent views within the Committee as to whether the Native Vegetation Overlay should be included in the LEP. The Committee suggested there be a further discussion with the community about the use of a Native Vegetation Overlay during the public exhibition of the

draft Strategy. The formal position of the Committee as resolved at its meeting of 14 January 2016, is that the Native Vegetation Overlay be contained in the DCP and not the LEP.

However, the consultants recommend (to support Council in its DA work and ensure public access to information), that Council retain an environmental overlay in the LEP but base it on the revised data from Office of Environment and Heritage. The consultants recommended the data depicted in the overlay cover existing native vegetation (but not identify endangered ecological communities as the current Terrestrial Biodiversity Overlay does) and the overlay be called the Native Vegetation Overlay. A draft map of the recommended overlay can be found at Map 6 of the Volume Three folder of maps.

Council gave this matter detailed consideration at its meeting of 23 February 2016 and resolved the proposed Native Vegetation Overlay be housed in a code that is referenced in the DCP.

It is suggested Council not identify Bio-corridors in the LEP beyond existing native vegetation given the need for these to be flexible in terms of negotiated outcomes as part of major developments and rezonings.

Other than some additional E4 - Environmental Living zoning to facilitate dwelling development in appropriate locations, no additions to environmental protection zones are recommended at this stage. This is contingent upon the appropriate use of the above Native Vegetation overlay and the existing Wetlands, Riparian Lands and Watercourses Map and the Acid Sulfate Soils map.

It is recommended Council consider the use of Planning Agreements and similar voluntary and negotiable techniques to add to biodiversity as part of planning proposals, for example, for expansion of rural or residential lands. A policy might be developed on offsetting where owners of high biodiversity value can be funded to retain it as an offset for development elsewhere.

Council can also have a role in education and support for land care and other programs to improve biodiversity and support landholders in such work. Philanthropic actions such as owners committing to voluntary Conservation Agreements with OEH, might be encouraged and recognised in a public way if the landowner is agreeable.

5.4.1 Summary of Recommended Actions on Biodiversity

Action:

- **That Council not utilise the E3 Environmental Management Zone.**

Rationale:

- Council has previously resolved not to use the E3. This position is supportable but strengthens the argument for retention of an overlay of native vegetation in the LEP, or in a Code and referenced in relevant DCPs, as a transparent and readily accessible way of defining the lands where native vegetation poses some constraint when development consent is required from Council.
- The combination of RU1 zoning and the overlay is seen to have the following benefits over E3 in broader rural areas with extensive native forest:
 - It saves the employment of extensive resources in determining the limits of E3 zones across the broad rural landscape, particularly as the role and use

of the zoning and data ultimately is mostly for the processing of scattered small rural DAs.

- It allows the landowner to retain the more flexible permissible uses and development objectives of the RU1 zone and the ability to demonstrate in a DA that a particular proposal has merit.
- It fosters a more cooperative and flexible approach to biodiversity.
- The Native Vegetation Act applies and requires state approval for large scale clearing regardless of whether land is zoned RU1 or E3.

- **That Council retain a Native Vegetation Overlay.**

Rationale:

Retention of an overlay that depicts native vegetation of some significance is considered important for the following reasons:

- If Council is not to have an E3 zone over more sensitive rural lands, then some definition of lands with possible environmental constraint in terms of development assessment requirements, is warranted.
- The overlay is a more flexible approach allowing merit assessment of development proposals in areas of native vegetation.
- The overlay is only triggered in circumstances where development consent of Council is required. It does not constrain normal agricultural practices carried out under the exempt development provisions for agriculture.
- The presentation of an overlay in the LEP, or in a Code and referenced in relevant DCPs, is transparent and discoverable by most prudent land owners.
- Most Coastal and Tableland Councils have some form of native vegetation overlay and there is little evidence of any significant negative impact on landowners in these council areas or the Eurobodalla to date.

Council has resolved that a Native Vegetation Overlay be placed in a Code and be referenced in relevant DCPs.

- **That EECs and Bio-corridors not be specifically identified in the proposed Native Vegetation Overlay.**

Rationale:

Attempting to map all detail of biodiversity at LEP overlay scale has challenges.

A general Native Vegetation Overlay will delineate areas requiring some further review without being overly prescriptive.

- **That Council consider additional use of Planning Agreements and Offsets when planning new estate style development.**

Rationale:

These forms of agreement to conserve high value vegetation and corridors are best masterplanned as part of the rezoning process.

- **That Council encourage land owners to maintain or enhance biodiversity qualities as part of development offsets. For example, land owners may wish to voluntarily offer some vegetated areas of their land as biodiversity offsets and sell the credits for the offset area to developers. Under the NSW bio-banking scheme, ongoing funds can be made available to the land owner to manage the offset area.**

Rationale:

The rural landowner would receive benefits and landscape protection can flow from such initiatives. A positive outcome at relatively low or no cost.

- **That Council add the E2 zone to the list of zones where livestock grazing is exempt development in Schedule 2 of the Eurobodalla LEP 2012. Further that Council continue to support rural land owners, in conjunction with Local Land Services and other agencies, to protect SEPP 14 wetlands from the impacts of rural land use, through education and land care activities, subject to the availability of grant funding.**

Rationale:

Extensive agriculture is currently prohibited as a new activity in the E2 zone.

Small scale extensive agriculture is common now in parts of the E2 zone under existing use rights provisions. There are a range of habitat values in the current E2 zones and as such instances may arise where it would be reasonable for some extensive activities such as light grazing to be permissible provided the dominant objective of the betterment of the natural system could be achieved.

It is recommended grazing be exempt development in the E2 zone.

The preferred Strategy direction is that environmental improvement be as much a matter of education and encouragement to that of regulation. As such Council should continue to foster voluntary protection of wetlands and advocate for additional state funding to facilitate such work.

5.5 LOCAL FOOD IN EUROBODALLA

This Chapter provides a brief precis of the principal trends and issues associated with small scale rural food and fibre production in Eurobodalla and the strategies for Council to support its continuing development.

A more detailed description and analysis of issues and options can be found in Discussion Paper 7 (DP7) - Local Food.

5.5.1 A Snapshot of Local Food Production in Eurobodalla

Excluding sheep, beef, dairy and grain farming, oyster growing is the largest local food producer segment in Eurobodalla. The value of Sydney rock oysters grown in the Clyde River, Tuross Lake and Wagonga Inlet totalled \$6.16M in 2013/14.

Honey production is also a significant locally produced food but production value data for Eurobodalla is difficult to assess as apiarists bee hive location range is often much greater than a single Local Government Area. Some can cover a significant part of the State, including interstate locations. However, there are about 100 apiary sites in the NPWS estate in Eurobodalla and each site can accommodate between 10 and 200 boxes depending on the characteristics of the site. The NPWS have licensed approximately 25 apiarists.

Discussion Paper 1 Rural Economic Directions suggests that much of Eurobodalla's small-scale production, such as fruit, is variable over time though there are signs of increasing intensification with more trees per establishment, and establishments becoming larger. Nurseries, turf and vegetable production currently take up a relatively small part of the agricultural land area in the Shire.

A review of Australian Business Register data demonstrates the relatively small scale of local land based food production (excluding beef, sheep and dairy) in Eurobodalla. Of the 288 agriculture, forestry and fishing businesses in 2015 counted by the Australian Business Register:

- 108 were sheep, beef cattle and grain farming;
- 30 were dairy cattle farming;
- 13 were support services;
- 14 were other livestock farming;
- 13 were mushroom and vegetable growing;
- 4 were poultry farming; and
- 4 were fruit and nut tree growing.

The Australian Business Register only counts businesses with an active Australian Business Number so the above figures are only a proportion of the total likely local food businesses in the Shire. A further anomaly may result from the fact that some producers may be represented in more than one category. As such the numbers can only be indicative.

However, the numbers of growers selling local produce at the Moruya SAGE and Tilba markets suggest a vibrant and growing sector. The Moruya SAGE market has grown from 11

stall holders in January 2013 to 36 regulars during summer in 2015. Tilba Markets, under the banner of Make It, Bake It, Sow It, Grow It, attract between 15 to 20 stall holders each week.

There seems to be adequate supply of land for small farming currently. There are at present around 600 smaller sized existing properties in the Shire that are currently vacant and significantly more small-sized rural properties with a dwelling that could, subject to the quality of the land and environmental issues, contribute to the supply of small farming opportunities (if they are not already being used for some form of agriculture).

5.5.2 What Actions and Roles for Council to Progress Local Food Production

While the rate of increase in production may increase substantially, in real terms the increase may not be great as the starting point is at a low level. However, that is not to say that the local food production sector is not important to Eurobodalla. More and more people are making lifestyle decisions to seek out locally produced foods and foods produced using sustainable practices.

Increasing numbers of residents are making at least part-time income from local food and fibre production and from value adding.

An important point emerged from the consultation on the draft Strategy. Local food producers provided evidence that the statistics available through traditional regional scale sources available to Council such as the ABS or Australian Business register miss many small scale operators. While the traditional statistics paint local food production as currently having a gross value of less than \$2 million. The SAGE organisation maintains statistics of their Moruya market that indicated \$1.77 million in sales in the past 12 months for that market alone. On this basis the total manual local food production may be \$5 million or more and be growing strongly.

Also many local small lot farmers are producing local food for themselves and friends and this is unreported but appears to be growing.

It would be an advantage for Council to continue to work with local producer organisations to maintain more accurate statistics on this growing business sector. The local producers suggest that local food is now emerging as a “mainstream activity” with much higher opportunities for employment growth than previous statistics may have suggested.

5.5.2.1 Options Relating To Economic Development

Actions:

- Identify small scale food production as a business opportunity in Council’s business development website.
- Promote Eurobodalla as a place where small scale agriculture is a viable lifestyle and business opportunity.
- Integrate local food and fibre production materials into Council community and tourist information websites.
- Council Business Development Unit in association with SAGE to further develop programs to raise awareness and consumption of locally produced food. This could be extended to promote co-operatives or group marketing initiatives for small producers to achieve sufficient scale of production and critical mass to access new markets and investors.

- Council could consider reviewing its rental policy for the SAGE and Tilba markets to release some funds for grower education and training. Funding could be tied to specific outcomes. For example, an annual program could be developed in partnership between Council's Business Development Unit and SAGE.
- Support the SAGE Intern program through Council's Business Development and Environmental Health Units and NSW Health by providing guidance on business planning, marketing, regulations, occupational health and safety and food handling safety.
- Council might consider development of a formal "Local Food Production Policy" to coordinate actions such as the above and include the following aspects:
 - Recognise local food as a potentially significant rural economic driver with potential to create many small scale part time and some full time business activities.
 - Monitor and periodically publish local statistics as well as traditional ABS regional scale statistics to ensure the scope and scale of local food is more accurately appreciated. Local producers are keeping statistics and Council may only need to act as a data coordination point.

Rationale:

Small scale local food production and distribution in Eurobodalla is a relatively new and an emerging sector. It is argued that, as a sunrise industry, it is reasonable for Council to provide some support during its establishment phase.

Incorporating local food production promotions material into Council web sites and programs is a low cost action. Inclusion in Council programs provides marketing that targets both potential growers and consumers. It is also supportive of rural tourism.

5.5.2.2 Options Relating to the LEP

Actions:

- Consider including a more flexible boundary adjustment clause in the local environmental plan.
- Investigate more diversity of lot sizing.
- Direct small lot farms to fragmented areas with good land while keeping lot sizes large where commercial scale is possible.

Rationale:

A diverse lot sizing policy and boundary adjustment clause could increase the options for small farms for local food production.

Actions:

Develop a fact sheet/guide for farm buildings and structures and how they fit into exempt and complying development.

Review the trigger points for exempt development for farm structures (e.g. shed size) as they apply to small scale local food and fibre production.

Rationale:

A guide may encourage proponents of projects to progress them to a DA stage or beyond at low cost and with a degree of certainty/understanding. Such a guide could be supportive of rural tourism, local food production and agri-tourism.

*5.5.2.3 Options relating to Planning Policy***Actions:**

Consider development of a guideline for roadside stalls.

Develop a self-help DA kit specifically aimed at the works most commonly sought by small agricultural producers.

Rationale:

A guide may encourage proponents of projects to progress them to a DA stage or beyond at low cost and a degree of certainty/understanding. Such a guide could be supportive of rural tourism, local food production and agri-tourism.

*5.5.2.4 Options relating to State and Commonwealth Governments***Action:**

Approach the State Government to review its conveyancing legislation to make it simpler to lease private land for longer periods of time, providing more certainty for small producers to operate on land they do not own, and for those land owners interested in leasing their land to others for primary production.

Rationale:

A simple leasing process could increase access to small parcels of fertile land for food production, particularly on the Moruya River flats. SAGE market management has identified the inability of growers to supply adequate quantity to meet demand as a major issue.

5.6 RURAL TOURISM IN EUROBODALLA

This Chapter provides a brief precis of the principal trends and issues associated with rural tourism in Eurobodalla and the strategies for Council to support its continuing development.

A more detailed description and analysis of issues and options can be found in Discussion Paper 8 (DP8) - Rural Tourism.

5.6.1 A snapshot of Rural Tourism in Eurobodalla

“Eurobodalla has a number of environmental, agricultural and scenic qualities that attract people to live in and visit the Shire. The historic villages of Central Tilba, Tilba Tilba, Bodalla and Nelligen are prime examples. More broadly, elements of the coastal landscape, the farmland and the hinterland are all reasons why people choose to live and visit the Eurobodalla.” (Policy Directions Paper p. 15).

Eurobodalla’s principal rural tourism assets include State land assets (National Parks, State Forests and reserves), regional reserves such as the Mogo State Forest and Eurobodalla Regional Botanic Gardens, tourist drives and cycle trails, rural accommodation, local foods, rural villages, natural features such as Gulaga, Montague Island, attractions such as Mogo Zoo, annual festivals and events and its cultural heritage.

Tourism is an important part of the Eurobodalla Shire economy. It is an important economic driver that provides the region with a good economic foundation. The average annual tourism spend (over a 4 year period) to September 2014 was \$388M compared to \$325M in 2009. (DP8, p. 12) Tourism also plays an important role in the rural economy by allowing land owners the option to diversify their activities and add to the income potential of their land.

A recent examination of development applications since 2003 still indicates a high proportion of cabin approvals in the rural areas and some rural dual occupancies which could be used for short term letting. (DP8, p2)

It should be noted that the tourism spend figures are for Eurobodalla in general and while the majority of spend occurs in urban areas, it is the rural lands supply and the natural and cultural landscapes that help make Eurobodalla such an attractive destination.

The Australian Business Register data was mapped to distinguish rural addresses from urban. This indicated 78 registered businesses in rural areas listing themselves in the hospitality and tourism, arts and recreation, training and hire endeavours. (See DP8, p. 4 for a map showing the location of the above businesses.) But there would be additional tourism businesses of smaller scale that are not trading on an ABN and many other casual accommodation providers, for example, casual letting of existing houses.

5.6.2 What Actions and Roles for Council to Progress Rural Tourism

Council has detailed involvement in the general tourism industry and has adopted the Eurobodalla Destination Management Plan as its strategic planning framework to guide the development, management and marketing of tourism for Eurobodalla and its destinations to 2020.

5.6.2.1 Options Relating to Economic Development

Action:

The Business Development Division and Tourism Division might further co-ordinate co-operative marketing with key food producers to develop a food and wine tourism drive.

Encourage activities such as road side stalls, farm gate sales, tasting rooms in appropriate locations.

Incorporate local food sampling and inspection of local food production/preparation into tour itineraries.

Establish a multi-agency task group to undertake a Tourist Signage Plan for the Shire.

These actions might form part of a broader “Local Rural Tourism Promotion Policy”.

Rationale:

These options fit in well with the increasing interest in local food provenance (Local Food DP7 p. 12). They are actions that can be achieved without a great cost.

Action:

That Council explore options for assisting local food groups with training and education.

Rationale:

SAGE is already an active and leading player in providing promotional, educational and training activities in the local food production space. But like most small organisations it and other local food groups may benefit from further assistance with training and marketing.

Action:

With consultation, encourage the incorporation of Aboriginal cultural landscape features and heritage into formal and self-guided tours. (See Donaldson reports referenced in DP8.)

Rationale:

There is an opportunity at low cost to add to the Aboriginal cultural tourism element in Eurobodalla. In 2009, Council commissioned the Eurobodalla Aboriginal Heritage Study Report (Donaldson, 2009) which included many items of Aboriginal significance, the majority of which fall in the rural zones. While there is sensitivity in the Aboriginal Community to public disclosure of some items, many of the broader landscape and dreaming themes could be a very important asset for the Aboriginal Community, Council and sympathetic tourist operators to develop.

Action:

Council undertake 5 yearly reviews of business numbers and trends in the rural areas using data like the Australian Business Register and its own development approvals and licencing.

Rationale:

This is a simple action to monitor, and as a consequence increase understanding of rural tourism trends on an on-going basis.

5.6.2.2 Options Relating to the Eurobodalla LEP

Action:

Consider large scale tourist developments for site specific planning proposals as long as the following principles can be met:

- A full development application to be assessed with the Planning Proposal.
- The land must have the capability to service a large scale tourist development in terms of access, sewer and water.
- Visual impacts on the surrounding rural areas must be positive.
- Minimal adverse impacts on surrounding productive commercial agriculture and conversely agricultural impacts on tourism such as spray drift, noise and odour.

Rationale:

Some specific sites in the rural area may be suitable for more intensive and larger scale tourist infrastructure than usually permitted in the rural zones.

In some cases a change of zoning (for example to SP3 Tourist) may be appropriate and should be considered on its merits.

5.6.2.3 Options Relating to Planning Policies and Guidelines

Action:

Develop rural tourism guidelines and check list for developments such as primitive camping, cabin development, farm stays, and farm gate sales.

The guideline may include a check list of planning steps required pre-DA stage that could be completed by proponent without approaching Council, how to complete a simple DA and what triggers a more complex DA.

Rationale:

A guide may encourage proponents of projects to progress them to a DA stage or beyond at low cost and a degree of certainty/understanding. Such a guide could be supportive of rural tourism, local food production and agri-tourism.

5.6.2.4 Options Relating to Partnerships and Advocacy

Action:

Liaise with NPWS and NSW Forests to identify:

- Park Tourism assets most suited for inclusion in tourist drive itineraries;
- Co-operative marketing opportunities for programs such as the Nature Walks Program;
- Near Park locations on private lands suited to tourist accommodation including primitive camping, permanent tent site accommodation and resort style accommodation.

To build on existing strengths, it is suggested to bring the principal players in food tourism together on a regular basis to develop a rural food tourism strategy. Principal players may include Eurobodalla Tourism Advisory Committee, SAGE, restaurants recognised in the

Good Food Guide, Southern Harvest and Oyster Festival organisers, Council tourism and business development divisions.

Rationale:

Liaison is already occurring through the Eurobodalla Tourism Advisory Committee. The proposed actions can be implemented at a low cost.

Action:

Continue to apply pressure to the Federal Government for mobile and broadband improvement.

Rationale:

Mobile and broadband access is likely to continue to be important in the decision about where to holiday.

5.7 LAND USE IN THE GENERAL RURAL ZONES

This Chapter provides a brief precis of the principal issues associated with land use in the general rural areas of Eurobodalla and the strategies and actions for Council to support its continuing development.

A more detailed description and analysis of issues and options can be found in Discussion Paper 2 (DP2) - Commercial Scale Agricultural Direction and in DP9 - Land Use in the General Rural Areas.

5.7.1 What is the general rural area?

For the purposes of this Strategy, the general rural area is all rural private lands outside of the three rural small holding zones (outside of the R5 Large Lot Residential, E4 Environmental Living and RU4 Primary Production Small Lot zones).

5.7.2 Rural Economic, Social and Environmental Directions

The work in the Discussion Papers drew the following conclusions or at least discussion points relevant to the general rural areas of Eurobodalla:

5.7.2.1 Rural Economic Directions

- Aim to retain and grow the current levels of part-time farmers but accept few full-time family commercial agricultural operations may survive the coming 20 years given the land price pressures.
- Provided expansion of hobby scale and small part-time farms does not fragment or constrain larger holdings and providing services can cope with the increased traffic, power and internet demands, continued growth of hobby farming is a supportable goal with economic benefits from buoyant farm supply services to building services.
- Encourage growth in appropriate small-scale non-rural businesses in the rural areas as an option for income for part-time farmers.
- Foster value adding for agricultural produce and access to national and international markets.

5.7.2.2 Rural Social Directions

- Eurobodalla is fortunate in that it does not face the rural decline of some inland Councils.
- There is demand and capacity to grow the numbers of hobby farmers, retain and grow part-time farmers and keep or expand the associated community viability that comes from retaining an adequate population across the rural areas.
- The landscape beauty, biodiversity and overall healthy function of agriculture are appreciated not only by residents of the rural areas but by urban and visiting people as well. The wider function of the rural areas is vital to the wellbeing of residents and visitors alike.

- While employment in the traditional beef and dairy areas may not grow, there are prospects of employment growth in the new food and value adding agricultural endeavours.

5.7.2.3 Rural Environmental Directions

- The tourism industry relies heavily on the natural values and scenic qualities of the rural lands of Eurobodalla.
- Some natural habitats and species rely on conservation measures continuing on private rural lands for their ultimate survival.
- There are reciprocal benefits for conserving landscapes and wildlife from pest control to conserving native grasses to support agriculture and gene banks for research and new products. There are bush food products and some new settlers prepared to pay a premium for well conserved and managed rural lands.

But rural land holders also raise concerns that there is some expectation they conserve biodiversity and landscapes without recognition or benefit for the constraints placed on their agricultural operations. There is a need for balance and for some flexibility.

It is important land owners be recognised and treated equitably for conserving the natural values on private lands in the Shire for the wider public good. But it is also important such assets not deteriorate significantly over the 20 year vision of this Strategy.

5.7.3 Supply of living Opportunities in the General Rural Area

Given there has been no potential for subdivision in the general rural areas since 1987, the supply of vacant rural ownerships where a dwelling is permissible continues to diminish. DP9 research estimated that less than 300 such properties remain across the Shire where there are some practical prospects of obtaining consent for a dwelling house.

The recommendations to set new lot sizes based on a landscape approach will see a small increase in supply – particularly in the types of property more in demand such as small lot farms of 40 or less hectares.

5.8 RURAL LIVING IN RURAL RESIDENTIAL ZONES

This Chapter provides a brief precis of the principal trends and issues associated with rural residential living in Eurobodalla and the strategies and actions for Council to support its continuing development.

A more detailed description and analysis of issues and options can be found in Discussion Paper 10 (DP10) - Rural Living in the Rural Residential Areas.

5.8.1 What defines Rural Residential Living?

There is often confusion and debate over defining what constitutes rural residential living.

The consultants have attempted a definition in Appendix 7.1.

It is apparent there are a range of desires and expectations when it comes to rural residential living. Council has used 3 zones in LEP 2012 from the NSW Government's Standard Instrument to provide for different kinds of rural living, and this Section focuses on those zones:

- The R5 Large Lot Residential zone – often smaller lots of mostly cleared land sometimes no or minimal agricultural use.
- The E4 Environmental Living zone – often forested areas where, as the name implies people can reside in natural surroundings. Again often more residential use than agriculture.
- The RU4 Primary Production Small Lots zone – often cleared or partly cleared former farm land being used mostly for hobby farms.

There are exceptions with a few people advising they make significant income from their small holdings. There is also a range of rural living experiences in the General Rural Area but mostly larger lots above 20 ha and with uses ranging from hobby farming to full-time commercial agriculture.

5.8.2 Supply and Demand for Rural Small Holdings

The work in DP 10 establishes there is no short term supply problem for vacant lots in any of the above use categories, with at least 5 to 10 years supply in all areas. But it is also appropriate Council progress over the coming 5 years to identify some areas for future expansion.

Most past uptake has been with lots below 10 ha in size and about 50% of uptake with lots 5 ha and under.

DP10 works through an analysis of past uptake and of subdivision potential that points to a current supply potential from current zones of approximately 500 lots. With dwelling commencements averaging 53 across the small holding zones in the past 15 years, it is clear Council does not need to expedite generation of further supply for some years.

The proposed new lot sizing and minor zone changes recommended in Section 5.9.4.2, will add about 50 lots to the small holding supply in the short term.

However, a preliminary review undertaken as part of developing this Strategy indicates that some remaining vacant lots are of lesser attraction to purchasers because of matters such

as access, homesite qualities, aspect and that some un-subdivided land has significant constraints and development costs.

It seems reasonable, therefore, for Council to slowly commence a review process over the coming 5 years to identify additional supply. Section 4.5 of DP10 details a range of principles Council might consider in selecting additional areas for rural residential zoning.

5.8.3 Directions for Rural Residential Lands

- There is a comfortable supply of vacant lots and potential lots in the existing rural residential zones to address at least 5 to 10 years demand for all types of rural residential living experience.
- Council might commence a review process, within the next 5 years, to identify additional areas to zone for rural residential. Principles for such a review are provided in Section 4.5 of DP10.

5.9 RURAL PLANNING CONTROLS

It is important Council resolve a clear structure regarding the range of zones, overlays and lot sizes it will utilise in its rural land use planning moving forward.

Discussion Papers 3, 9 and 10 all detail approaches and recommended methods of dealing with zoning, overlays and lot sizing for dwellings and dwelling related subdivision.

The conclusions of these Papers are presented below.

5.9.1 A Review of Permissible Uses

The range of permissible uses in the current Eurobodalla LEP 2012 are quite wide and reasonable. Following the survey of 19 Councils as detailed on Discussion Paper 3, general reading of the range of permissible uses and review of public submissions on the draft strategy, a small number of additional uses are recommended to be made permissible in the 2012 LEP. These are detailed in Section 6.2.4.

Extensive agriculture is currently prohibited as a new activity in the E2 zone. Small scale extensive agriculture is common now in parts of the E2 zone under existing use rights provisions. There are a range of habitat values in the current E2 zones and as such instances may arise where it would be reasonable for some extensive activities such as light grazing to be permissible provided the dominant objective of the betterment of the natural system could be achieved. To allow extensive agriculture without consent would permit activities such as cropping in undisturbed sections of wetland and other habitats without any control or assessment. It is therefore recommended extensive agriculture be permissible in E2 zoned land subject to development consent.

There is also an issue of making the definition of permissible uses a little clearer where generic terms like 'tourist and visitor accommodation' are currently used to cover a number of more specialised use definitions. The current LEP often has tourist and visitor accommodation permissible in rural zones but then prohibits elements of that broader definition such as motels. The legal function of the plan is correct and the prohibitions appear justified, but for laypersons reading the LEP this is cumbersome and confusing. It is better in these cases to remove the wider term and only specify the actual uses permitted or prohibited.

5.9.2 Appropriate Zones for the Coming 20 Years

There are prospects the State Government may change the mix of zoning options open to Council. But there does not seem to be prospects of such change in the near future. As such recommendations need to be made within the available zones of the state wide Standard Instrument template.

5.9.2.1 Rural Residential Zones

Council's current use of the 3 rural residential zones is supported:

- The R5 Large Lot Residential zone should continue to be used for small lot (generally 5 ha or less) rural living and smaller scale hobby farm activity in estate style developments covering predominantly cleared lands.

- The RU4 Primary Production Small Lot Zone should continue to be used to define areas of small lot farming with lot sizes ranging up to 40 ha.
- The E4 Environmental Living zone should continue to be used to define areas where there is an emphasis on rural living in bushland surroundings.

However, there may be a need to constrain the creation of E4 zones in the future to areas where smaller lots can perhaps be clustered on lands where biodiversity improvement may be effected and alternatively areas of existing biodiversity be avoided.

Rezoning to E4 could be a useful tool to equitably and economically foster the completion of several of the desired Shire bio-corridors between existing areas of high biodiversity. This could be achieved through strategic placement of E4 zones so that the landowners are rewarded with some development potential in return for securing and rehabilitating bio-corridors.

5.9.2.2 General Rural Zone

The RU1 Primary Production Zone is considered appropriate to define the broadscale areas of rural Eurobodalla. The single zone approach for the current RU1 area and bulk of the deferred lands in the 2012 LEP is supported when combined with the proposed Native Vegetation Overlay and range of lot sizes proposed in Section 5.9.4.2.

5.9.2.3 Environmental Zones

The NSW Government's review of the use of environmental zones on the North Coast of NSW (see Discussion Paper 4 for detail) has indicated that use of zones such as E3 needs to be justified and only define areas of verified biodiversity value.

Council has previously resolved not to use the E3 zone. This position is supportable but strengthens the argument for retention of an overlay of native vegetation in the LEP, or in a Code that is referenced in relevant DCPs, as a transparent and readily accessible way of defining the lands where native vegetation poses some constraint when development consent is required from Council.

The combination of RU1 zoning and the overlay is seen to have the following benefits over E3 in broader rural areas with extensive native forest:

- It saves the employment of extensive resources in determining the limits of E3 zones across the broad rural landscape, particularly as the role and use of the zoning and data ultimately is mostly for the processing of scattered small rural DAs.
- It allows the landowner to retain the more flexible permissible uses and development objectives of the RU1 zone and the ability to demonstrate in a DA that a particular proposal has merit.
- It fosters a more cooperative and flexible approach to biodiversity.
- The Native Vegetation Act applies and requires state approval for large scale clearing regardless of whether land is zoned RU1 or E3.

The current E2 Environmental Conservation Zone should be retained to define important wetlands and coastal protection areas.

5.9.3 Use of Mapping Overlays

There were concerns raised by a large number of rural land owners in the exhibition processes for both the 2012 LEP and the earlier phases of this Strategy relating to the use of the E3 zone and the terrestrial biodiversity overlay.

The Rural Lands Steering Committee formally resolved that a Native Vegetation Overlay be placed in the DCP and not the LEP. Council, at its meeting of 23 February 2016, formally resolved that the proposed Native Vegetation Overlay be housed in a Code and be referenced in relevant DCPs.

The consultants' preferred position was that a Native Vegetation Overlay be retained in the LEP as it was considered by the consultants to be a more transparent and discoverable option and was the method used by a large number of NSW coastal councils with little evidence of conflict or issue. However the consultants accepted the position that there was no statutory requirement for such an overlay in the LEP and as such Council's preference for a native vegetation overlay in a code which is referenced in the DCP would still ensure assessment of development applications with respect to appropriate protection of biodiversity.

5.9.4 Appropriate Rural Lot Sizes for Dwellings

5.9.4.1 Rural Residential Lot Sizes

Council currently provides a diversity of types and sizes of allotments in the rural residential zones (zones R5, E4 and RU4). Other than continuing to ensure ongoing supply as lots are developed, the current mix of rural residential zones and various lot sizes is appropriate. The general rural area, characterised by the RU1 zone will address larger lot options.

5.9.4.2 Lot Sizes in the RU1 Zone

A mix of lot sizes from 20 ha to 500 ha is proposed for the general rural areas as contained within the existing and proposed RU1 zone. This is termed a "landscape" approach to lot sizing.

Generally properties over 100 ha should be lot sized to minimise further subdivision potential. This is because the majority of properties of that size have some prospects of commercial agriculture – at least at part-time scale. This commercial agricultural resource warrants protection from excessive fragmentation of larger holdings.

There are also areas of smaller holdings and fragmented ownership patterns where access is poor and/or there are other constraints such as bushfire hazard and biodiversity values. These areas are also included in larger lot size areas to limit development essentially to that permissible under the current 2012 LEP.

The fragmented areas where there is reasonable road access and where most ownerships are under 100 ha can be reviewed for smaller lot sizes. The initial approach is not to increase supply significantly but to provide some limited opportunities for more small lot farms in the 20 to 40 ha range and some discrete small extensions to the existing rural residential zone network. Some of these areas warrant also being rezoned to RU4 or E4 to reflect the current and planned uses.

These fragmented areas can then be further assessed in stages over the 20 year life of the strategy to deliver further supply of rural residential and small lot farming opportunities.

The consultants have prepared detailed mapping of the recommended lot sizes. This detail is presented in the Mapping Volume Three of the Strategy in Section 2.

Hypothetically this work might generate an additional 150 to 180 dwelling opportunities across the general rural area. But in reality perhaps 50 % of these opportunities will not be taken up given development challenges and preferences of some owners to retain the holding as is.

5.9.5 Dwelling Entitlements

Research for this Strategy has estimated there are approximately 400 current vacant properties in the general rural area and that a majority of these likely qualify for a dwelling under the current controls.

Some of the parcels may qualify for the right to apply for a dwelling as an existing holding or 1987 holding as specified in Clause 4.2A (2) of the LEP. That clause also imposes a sunset provision which would remove any such right after 2017. The intent in applying a sunset clause was to phase out these old and cumbersome provisions that often require an historic title search to prove an entitlement. It was intended that a schedule or other provisions conserve all possible existing rights, but resources to effect the complex searching to replace the holdings provisions have not been found to date. It is recommended Council remove the sunset clause from the LEP and progress towards replacing the existing holding provisions with simple Lot Size mapping as resources permit.

A suggested approach for replacement is to use an approximation method as follows:

- Using the research from this Strategy, review the identified vacant ownerships to see which seem physically suitable for a dwelling.
- Write to those owners inquiring if they seek to claim one of the existing holding rights.
- For those who respond positive – request evidence or the payment of a reasonable fee to address Council's searching to validate the claim.
- For proven vacant existing holdings and 1987 holdings, provide a lot size that ensures a dwelling is permissible, or include the subject property on the Dwelling Entitlement Map.
- Exhibit the planning proposal to lot size or map such parcels and give the opportunity for any other landowner that considers their property has been missed and has such right to also be assessed.
- At the conclusion replace the cumbersome holding provisions in the LEP with appropriate lot sizing to protect the right to apply for a dwelling.

5.9.6 Amendment to the Eurobodalla Contribution Plan

The Roads and Maritime Services has made submission to Council suggesting Council consider introducing contributions on new rural dwellings and lots where there is impact on intersections with State highways. This request has been reviewed and it is noted the increased yields likely under the current provisions in the general rural area and under the changes recommended in this strategy are too modest to warrant such a plan amendment.

Council may create new rural residential areas with more significant traffic generation as part of the proposed 5 year review and as such a specific area contribution for highway intersection improvements may be warranted at that time.

It is recommended that Council inform the RMS of the above information.

6 SUMMARY OF RECOMMENDED COUNCIL ACTIONS

6.1 THE 20 YEAR VISION AND OBJECTIVES

6.1.1 Suggested 20 Year Vision for the Rural Lands of Eurobodalla

Council's vision for the coming 20 years is that the rural area be prosperous with a viable commercial agricultural sector, value adding to its production and keeping up with technology and market trends. Small scale farming will expand and increase in its importance regarding production of local produce.

Tourism assets in the rural areas will be expanded and the contribution of tourism increased with respect to the support it provides to rural land owners and the wider tourist industry.

People will find a wide diversity of satisfying opportunities for living and working in the rural areas.

The rural community will continue to support the retention of adequate biodiversity and natural tourism assets on private rural land but Council will strive to ensure this work is recognised in the wider community and as far as possible that any real economic constraints on landowners are balanced with some type of offset.

6.1.2 Objectives for Commercial Agriculture

- **Foster part-time commercial agriculture.** Eurobodalla is already more of a part-time agricultural area than a full-time one. There are hundreds of small non-agricultural businesses in the rural areas supplementing part-time farm incomes and there are many farming families with off-farm employment. There are increasing numbers of early retirees with a part-time business and these trends seems set to continue and grow.
- **Retain the agricultural land resource.** Fragmentation of properties – especially below 100 ha can lessen the overall commercial scale productivity of agriculture in Eurobodalla. Lot size controls on subdivision and dwellings are still warranted to achieve this objective.

6.1.3 Objective for Small Lot Farming

- **Ensure adequate supply of small lot farming opportunities.** There is demand for small lot farms to cater for hobby and small commercial scale agriculture. There is an extensive area of smaller ownerships across the rural lands of the Shire and additional small lot farming should be confined to such areas and not cause the break up larger holdings.

6.1.4 Objective for Rural Tourism

- **Improve opportunities for rural land owners to develop rural scale tourism accommodation and attractions.** There is some demand for farm stay and rural cabin experiences and such accommodation can provide supplementary farm income.

- **Continue to work with State land management agencies to best promote the diversity of tourism attractions across the rural areas and in public lands.**

There is opportunity for more shared tourism use of the private/public land interfaces. For example some private lands have potential for cabins or primitive camp grounds in proximity to access points to public attractions in parks and forests.

Further pooling of brochures and signage planning can have mutual benefits.

6.1.5 Objective for Rural Living

- **Continue to supply a diversity of rural living opportunities in Eurobodalla.**

There is capacity to supply rural living opportunities without fragmenting commercial agricultural properties and there appears to be ongoing interest in rural living ranging from pure rural residing to serious part-time agriculture.

6.2 RECOMMENDED AMENDMENTS TO THE EUROBODALLA LEP TO IMPROVE THE FUNCTION OF THE RURAL LANDS

Subject to the outcomes of the public consultation process, the following amendments to the Eurobodalla LEP 2012 are recommended:

6.2.1 Zoning Actions

6.2.1.1 Use of Zone E3 and E2 Zones

Action:

1. **That Council not utilise the E3 Environmental Management Zone in the general rural areas of Eurobodalla.**

Rationale:

Council has previously resolved not to use the E3 zone. This position is supportable but strengthens the argument for retention of an overlay of native vegetation in the LEP or in a Code and referenced in relevant DCPs as a transparent and readily accessible way of defining the lands where native vegetation poses some constraint when development consent is required from Council.

The combination of RU1 zoning and the Native Vegetation Overlay is seen to have the following benefits over E3 in broader rural areas with extensive native forest:

- It saves the employment of extensive resources in determining the limits of E3 zones across the broad rural landscape, particularly as the role and use of the zoning and data ultimately is mostly for the processing of scattered small rural DAs.
- It allows the landowner to retain the more flexible permissible uses and development objectives of the RU1 zone and the ability to demonstrate in a DA that a particular proposal has merit.
- It fosters a more cooperative and flexible approach to biodiversity.
- The Native Vegetation Act applies and requires State approval for large scale clearing regardless of whether land is zoned RU1 or E3.

Action:

2. **That Council continue to use the E2 zone as presented in the 2012 LEP.**

Rationale:

The current use of E2 covers only important wetland and coastal protection areas and is justified.

6.2.1.2 General Rural Areas

Action:

3. **That Council retain the RU1 Primary Production Zone as the zone to cover the bulk of the general rural area outside of the rural residential zones. That the current deferred areas not proposed for rural residential zoning, be zoned RU1.**

Rationale:

Given the recommendation concerning the E3 zone, the recommendations below relating to lot sizing and to the placement of a Native Vegetation Overlay in a Code which is referenced in relevant DCPs, it is reasonable that the bulk of the general rural areas be zoned RU1 Primary Production. The detailed lot sizing and zoning maps in Volume Three also define some minor areas of existing RU1 or deferred land to be rezoned for rural residential development. With the exception of these minor rezonings for rural residential use all current areas zoned as RU1 are recommended to remain as RU1 and all deferred areas be zoned RU1.

Action:

4. **That, as part of the development of the Planning Proposal to implement this strategy, Council effect further consultations with Office of Environment and Heritage to review in detail their concerns expressed for the specific parcels in their submission where OEHL are concerned about the exhibited proposal to zone these lands RU1 Primary Production. That the results of that consultation be the subject of a subsequent report to Council with recommendations for the specific areas.**

Rationale:

The Office of Environment and Heritage has made detailed submission raising concerns as to the proposal to zone specific lands RU1- particularly in the eastern section of the Shire.

Further consultation will be required as part of the development of a Planning Proposal to implement the actions in this Strategy and that is seen as the appropriate time to discuss these specific parcels further with OEHL.

6.2.1.3 Use of Rural Residential Zones

Action:

5. **That Council continue to use the following zones for rural residential development:**
 - ***Zone R5 Large Lot Residential:*** as a zone to define small lot areas for predominantly rural living with very small if any agricultural use.
 - ***Zone E4 Environmental Living:*** as a zone to distinguish environmental living in bushland areas with low emphasis on agricultural use.
 - ***Zone RU4 Primary Production Small Lots:*** as a zone to depict small lot rural residential scale farming, usually comprising lands of reasonable agricultural quality.

Rationale:

There may be action by the State government to introduce a true generalised rural residential zone, similar to the Rural 1(c) zone that existed before the Standard Instrument was introduced. However, at this point in time (September 2015) there is no definite proposal. Council's current use of the above zones to define rural residential categories of use is supported.

6.2.1.4 Further Supply of Land for Rural Residential Development

Mid Term Action:

6. That over the coming 5 years, Council effect a review to identify further rural residential estate options and possible further reduction of lot sizing in some of the identified areas in Section Two of Volume Three of this Strategy.

Rationale:

The findings of independent research as part of this Strategy into supply and demand for rural small holdings estimate there is up to 10 years supply of most types of rural living and small scale farming opportunity in the Shire. This confirms the prior opinion that Council established from its land monitor work.

The minor rezonings and lot size variations recommended in Section 2 of Volume Three will add to supply and provide a small number of fresh development opportunities.

6.2.2 Use of Native Vegetation Overlay

Action:

7. That Council retain a Native Vegetation overlay but limit it to definition of extant native vegetation and place this overlay in a Code that is referenced in relevant DCPs. (A map of the proposed overlay forms Map 6 in Volume Three.)

Rationale:

Retention of an overlay that depicts native vegetation of some significance is considered important for the following reasons:

- If Council is not to have an E3 zone over more sensitive rural lands, then some definition of lands with possible environmental constraint in terms of development assessment requirements, is warranted.
- The overlay is a more flexible approach allowing merit assessment of development proposal in areas of native vegetation.
- The overlay is only triggered in circumstances where development consent of Council is required. It does not constrain normal agricultural practices carried out under the exempt development provisions for agriculture.
- The presentation of an overlay in the LEP or in a Code and referenced in relevant DCPs is transparent and discoverable by most prudent land owners. Council has resolved that a Native Vegetation overlay be housed in a Code and referenced in relevant DCPs.
- Most Coastal and Tableland Councils have some form of native vegetation overlay and there is little evidence of any significant negative impact on landowners in these council areas to date.

6.2.3 Lot Sizing for Dwellings and Dwelling Entitlements in the General Rural Area

Action:

8. That a Planning Proposal be prepared to set the revised lot sizes and zones as presented in Section Two of Volume Three of this Strategy.

Midterm Action:

- 9. That the land areas recommended for further review as defined in the mapping and notes presented in Section Two of Volume Three of this Strategy be effected over the coming 5 years.**

Rationale:

As detailed in Section 5.9.4.2, a landscape approach to lot sizing is recommended where most properties above 100 ha in area are conserved for primary production. Furthermore, selected areas of smaller ownerships be lot sized down to 40 or 20 ha to reflect the current use and in suitable cases allow modest further subdivision or dwellings.

Detailed mapping of proposed lot sizes across the general rural areas of the Shire is presented in Section Two of Volume Three of this Draft Strategy.

6.2.4 Existing Entitlements to Apply for a Dwelling

Action relating to dwelling entitlements:

- 10. That the sunset clause 4.2A (3) be removed from the Eurobodalla LEP 2012.**

Medium term Action on dwelling entitlements:

- 11. That mapping be prepared as resources allow to lot size existing holdings utilising the streamlined methodology suggested in Section 5.9.5 and such mapping then replace the existing holding and 1987 holding provisions in the LEP.**

Rationale:

Currently, some landowners face the prospect of their existing rights to apply for a dwelling being extinguished due to the 5 year sunset clause applying to specified holdings in Clause 4.2A (3) of the Eurobodalla LEP 2012. While action to simplify and clarify dwelling entitlements has merit, it is reasonable for existing provisions to be retained until a satisfactory alternative approach can be resourced and developed.

6.2.5 Allow minimum averaging in the RU4 zone

Action:

- 12. That Clause 4.1E of the Eurobodalla LEP 2012 be amended to add the RU4 zone as a zone where minimum averaging provisions apply. Further that the new clause be subject to a requirement that no lot be created below 2 ha in area**

Rationale:

The current 2012 LEP only allows minimum averaging in the E4 and R5 zones. While the broader objective of RU4 is recommended to move more towards being a zone for small lot agriculture, the advantage that minimum averaging brings of permitting a wider range of lot sizes, while still containing density to the average of the mapped lot size is worth supporting. Each DA would be assessed on its merits. However to make sure the small lot farming objectives are met, it is proposed no lot be able to be created under minimum averaging in

RU4 below 2 ha as this is seen as a desirable minimum for the zone objectives of being small lot farms.

6.2.6 Additional Permissible Uses

Action:

13. That Council add the following permissible uses (with consent) to the LEP 2012:

Table 6-1: RU 1 zone

Suggested Additional Uses	Comment
Education facilities/ establishments	Public schools would be permissible under SEPP Infrastructure but possibly suitable to have consideration of private education options.
Function centres	Reception centres and similar seem supportable in low impact locations subject to assessment.
Information and education facilities	This category includes many rural tourist related activities such as galleries.
Places of public worship	Not unreasonable to site some religious centres in the rural area.

Table 6-2: RU 4 zone

Suggested Additional Uses	Comment
Detached dual occupancies	Attached dual occupancy is permissible and lots are large enough in this zone to allow the flexibility of detached dual occupancy.
Function centres	Allowing consideration of tourist related function centres seems justified subject to DA assessment of merit.
Community facilities	The RU4 zone covers a range of areas and the need for a community facility may arise
Jetties	Several sections of RU4 border waterways, subject to development assessment and any needed approvals to use public lands, a jetty may be warranted – eg for a private tourist facility.
Recreation areas	The RU4 zone covers a range of areas and the need to consider a recreation area may arise.
Rural industry (but prohibiting): <ul style="list-style-type: none"> - Livestock processing industries - Sawmill or log processing works - Stock and sale yards 	Council has found in the past it has been unable to approve some legitimate small scale rural industries in the RU4 zone such as compost farms and small agriculture produce businesses. It is recommended that rural industries be permitted but with the large intensive rural industries as listed in the column to the left, prohibited.
Secondary dwellings	Secondary dwellings are small ancillary dwellings that can be useful for family accommodation.

Table 6-3: R5 zone

Suggested Additional Uses	Comment
Aquaculture	A small aquaculture activity might be accommodated in R5, with consent.
Extensive agriculture	Very small scale extensive agriculture is common now in the R5. Grazing and bee keeping are already permissible without consent. It is recommended extensive agriculture be permissible without consent.
Farm buildings	Ancillary farm style buildings are justified in R5, with consent.
Plant nurseries	A reasonable activity in R5 subject to impact assessment re neighbour amenity protection.
Jetties	Not unreasonable given the interest in and importance of water based recreation and tourism in the Shire. A number of R5 zoned parcels adjoin waterways.
Detached dual occupancies	Attached dual occupancy is permissible and lots are large enough in this zone to allow the flexibility of detached dual occupancy.

Table 6-4: E4 zone

Suggested Additional Uses	Comment
Community facility	This use is considered reasonable with assessment of merit.
Environmental facility	This use meets zone objectives and is a low impact use.
Extensive agriculture	Very small scale extensive agriculture is common now in the E4. Grazing and bee keeping are already permissible without consent. It is recommended this use be permissible without consent.
Jetties	Not unreasonable given the interest in and importance of water based recreation and tourism in the Shire. A number of E4 zoned parcels adjoin waterways.
Detached dual occupancies	Attached dual occupancy is permissible and lots are large enough in this zone to allow the flexibility of detached dual occupancy.

Table 6-5: E2 zone

Suggested Additional Uses	Comment
Add the E2 zone to the list of zones where “grazing of livestock” is exempt development in Schedule 2 of the Eurobodalla LEP 2012	Extensive agriculture is currently prohibited as a new activity in the E2 zone. Small scale extensive agriculture is common now in parts of the E2 zone under existing use rights provisions. There are a range of habitat values in the current E2 zones and as such instances may arise where it would be reasonable for some extensive activities such as light grazing to be permissible provided the dominant objective of the betterment of the natural system could be achieved. It is recommended grazing be exempt development in the E2 zone.

6.2.7 Additional Boundary Adjustment Clause

Action:

- 14. That Council amend the Eurobodalla LEP 2012 to include the expanded boundary adjustment clause for rural land – an example of which is presented in the Wellington LEP 2012, Clause 4.2B.**

Rationale:

Occasionally, rural property owners seek to adjust common property boundaries to facilitate better land management for agriculture. For example one landowner may negotiate to buy a paddock from a neighbour.

The current provisions in the Eurobodalla LEP 2012 are those of the Standard Instrument and limit such subdivision if dwellings are involved on the subject land. The Department of Planning and Environment has now developed a model clause that allows such subdivision where dwellings are involved provided no additional dwelling opportunities or lots are created.

6.2.8 Deletion of the “sealed road” Clause in LEP 2012

Action:

- 15. That Council amend the Eurobodalla LEP 2012 to delete clause 4.2(2)(a). Further that the Planning Proposal to make that change give consideration to measures to ensure the reasonable expectations of owners of such vacant lots are conserved.**

Rationale:

This clause only permits consideration for a dwelling where the lot is 40 ha or greater and has direct access to a Council managed sealed road. There are relatively few lots that can take advantage of this clause and the alternative provisions recommended in this strategy have a planned basis for setting further dwellings in the general rural area. As such it is recommended the clause be deleted. But given a few people may have purchased such lots with the objective of applying for consent to develop a dwelling, the planning proposal should consider the impact of removing the clause on those lots.

6.2.9 Issues with the definition of intensive livestock agriculture

Action:

- 16. That Council make submission to the NSW Department of Planning and Environment to review the definition of “intensive livestock agriculture” in the Standard instrument so that minor supplementary feeding activity associated with extensive agriculture is made exempt development but subject to some specified performance criteria that might be developed in consultation with the Department of Primary Industries.**

Rationale:

From the strategy consultation with livestock producers, a need has been identified for revision of the definition of “intensive livestock agriculture” in the Standard Instrument as it is considered that some level of this activity should be exempt where simple deemed to comply

criteria could apply. The practice of occasional supplementary feeding is common across many extensive agricultural grazing operations and the current potential for stringent interpretation of the definition of “intensive livestock agriculture” and the associated need for formal DA, warrants review.

6.3 RECOMMENDED OTHER LAND USE POLICIES AND GUIDELINES FOR RURAL EUROBODALLA

6.3.1 Recommended DCP Amendments

Medium term action (5 year horizon):

17. That Council effect masterplanning of proposed rural residential estates to ensure a structure is set to guide future subdivision and to strategically address constraints such as maintaining the quality of downstream (receiving) waters, bushfire, topography and biodiversity and to set structure for road and possible private services such as bore water schemes.

Rationale:

Where additional DCP controls may be warranted is for more significant rural residential subdivisions. Given the fact much land in Eurobodalla has various development constraints relating to maintaining water quality, topography, bushfire, on site sewerage capacity and biodiversity, more detailed site master planning is recommended. This would give surety to developers and allow better approximation of the yield potential of existing and proposed rural residential areas. It may also allow planning of coordinated initiatives such as shared private bore water schemes.

The DCP should require master planning of new rural residential estates as part of Planning Proposals to rezone land or development applications. There is also the need for masterplanning of some existing zoned lands that are yet to be developed and where there are constraints and multiple small developers. Council might coordinate the masterplan with the various owners to contribute proportionately. Use of Planning Agreements under Section 93F of the EPA Act is also then an option to allow these small developers to make proportionate contributions to planning or works.

Once masterplanning is in place it will also be easier to improve accuracy with respect to the remaining subdivision capacity of undeveloped zoned lands.

****Insert: concept of “neutral impact” to be built into the model for such masterplanning.**

6.3.2 Recommended codes

6.3.2.1 Landscape

Medium term action (5 year horizon):

18. That Council develop a Scenic and Cultural Landscape Code, in consultation with the Rural Lands Committee and the general community, to guide rural development with respect to protecting scenic quality and building community ownership of the landscape values. Suggestions for such a code/guideline are outlined in the appendix of Discussion Paper 5.

Rationale:

Discussion Paper 5 details the argument for Council to develop a scenic and cultural landscape code/guideline to apply to development applications to help protect and foster awareness of the diverse high quality landscape values of Eurobodalla.

Action:

- 19. That the proposed code in Action 18 include a set of management guidelines for the Bodalla Cultural Landscape Area's historic values in a manner that does not impede or constrain current or future farming use.**

Rationale:

There are not many dairy farming areas in Eurobodalla with the depth of history and associations as the Bodalla Cultural Landscape Area that have not succumbed to urban or rural subdivision, or changed farming practice. To this extent Bodalla is rare, and a detailed study of its landscape in the context of the historic record and management guidelines is considered worthwhile.

Management guidelines are less formal than DCP controls.

6.3.2.2 Rural Tourism Development Guide

Medium term action:

- 20. That Council consider the preparation of a fact sheet to assist rural landowners contemplating a tourism development.**

Rationale:

From interviews with tourism operators it was identified it could be useful to have a fact sheet of matters to address when planning small rural tourism developments such as cabins, farm stays and short term letting of existing accommodation. It may assist to have more detail on what actions do not require consent from Council and develop an outline for a typical rural accommodation proposal.

Actions:

- 21. Consider development of a guideline for roadside stalls.**
- 22. Develop a self-help DA kit specifically aimed at the works most commonly sought by small agricultural producers.**

Rationale:

A guide may encourage proponents of projects to progress them to a DA stage or beyond at low cost and a degree of certainty/understanding. Such a guide could be supportive of rural tourism, local food production and agri-tourism.

6.4 SOCIAL AND ECONOMIC STRATEGIES AND ACTIONS FOR RURAL EUROBODALLA

6.4.1 What growth targets for the rural population?

Action:

- 23. That Council plan for an uptake of 50 new dwellings per year across the rural and rural residential areas while continuing to monitor trends.**

Rationale:

Data from Council's DA register indicates an uptake of about 50 new dwellings a year across the rural areas. While there have been significant peaks and troughs in new dwelling starts over the past 15 years it is not unreasonable Council plan for a continued uptake of around 50 per year.

6.4.2 Support for local food promotion

Actions for local food promotion:

- 24. Identify small scale food production as a business opportunity in Council's business development website.**
- 25. Promote Eurobodalla as a place where small scale agriculture is a viable lifestyle and business opportunity.**
- 26. Integrate local food and fibre production materials into Council community and tourist information websites. Promote more food related tours.**
- 27. Council Business Development Unit in association with SAGE and other producers to further develop programs to raise awareness and consumption of locally produced food. This could be extended to promote co-operatives or group marketing initiatives for small producers to achieve sufficient scale of production and critical mass to access new markets and investors.**

Rationale:

Emerging food producers warrant some support in their establishment phase.

6.4.3 Education

Actions for Local Food education and training:

- 28. Council could consider providing assistance to local food groups to assist with producer education and training. For example, an annual program could be developed in partnership between Council's Business Development Unit and local food groups such as SAGE.**
- 29. Support the SAGE Intern program through Council's Business Development and Environmental Health Units and NSW Health by providing guidance on business planning, marketing, regulations, occupational health and safety and food handling safety.**
- 30. Streamlined Food Act requirements and training for small producers.**

Rationale:

Education and training relating to local food production will expand profitability and scale and grow the industry.

Action regarding new rural settlers:

- 31. Council might consider preparing a welcome brochure for new rural settlers – including information on responsible land management and helpful data sources.**

Rationale:

A proportion of new settlers in the rural areas have limited rural knowledge and appreciation of bushfire, weed and pest control requirements and neighbour boundary issues

Actions on demystifying rural building requirements:

- 32. Develop a fact sheet/guide for farm buildings and structures and how they fit into exempt and complying development.**
- 33. Review the trigger points for exempt development for farm structures (e.g. shed size) as they apply to small scale local food and fibre production.**

Rationale:

A guide may encourage proponents of projects to progress them to a DA stage or beyond at low cost and with a degree of certainty/understanding. Such a guide could be supportive of rural tourism, local food production and agri-tourism.

6.4.4 Market focus for local food**Action:**

- 34. That Council consider the development of a “Local Food Production Policy” with input from local food producers and other relevant stakeholders. That this policy also explore ways for local producers to expand production and sales into the Canberra market.**

Rationale:

Production of local food shows considerable potential. A formal Council policy with economic development emphasis might be a vehicle to assist this growing business activity.

An opportunity has been identified to expand access and product volumes to the Canberra market including possible improvements to shared transport and marketing opportunities.

6.4.5 Additional support for rural tourism**Action:**

- 35. That Council consider the development of a “Local Rural Tourism Promotion Policy” with input from current rural tourism operators and other relevant stakeholders.**

Rationale:

Rural tourism expansion, shows considerable potential. A formal Council policy with economic development emphasis might be a vehicle to assist this growing business activity and help supplement rural incomes.

Action:

- 36. Council might identify the opportunities for private business growth relating to cultural and farm/produce style tours and scenic tours in the hinterland areas.**

Rationale:

There are a number of aspects of rural tourism that might benefit from further Council support and promotion:

- Growth of specialised tours relating to farm activities and local produce. These have the capacity to provide off season tourism opportunities.
- Aboriginal cultural tourism.
- Support commercial off road tours.

Action:

- 37. Incorporate cultural landscapes into existing touring routes or develop new routes which emphasise and interpret the rich scenic and cultural landscapes, including of past dairy industry at Tilba and Bodalla.**

Rationale:

Eurobodalla's rich landscapes are under-utilised in specific drive brochures and similar products.

Action:

- 38. Install signage infrastructure at key points along tourist routes.**

Rationale:

There could be scope for more interpretation for self-drive tourists relating to the rich Eurobodalla Landscape. For example, an interpretation board could be located at Bodalla using information about the Bodalla Cultural Landscape Area.

Action:

- 39. Investigate developing a mobile application for new or revised scenic driving routes that incorporates interpretation and GPS technology.**

Rationale:

A majority of tourists have mobile technology and online tours are a growing trend.

Actions for food tourism:

- 40. The Business Development Division and Tourism Division might further co-ordinate co-operative marketing with key food producers to develop a food and wine tourism drive.**
- 41. Encourage activities such as road side stalls, farm gate sales, tasting rooms in appropriate locations.**

- 42. Incorporate local food sampling and inspection of local food production/preparation into tour itineraries.**
- 43. Establish a multi-agency task group to undertake a Tourist Signage Plan for the Shire.**

Rationale:

These options fit in well with the increasing interest in local food provenance (Local Food DP7 p. 12). They are actions that can be achieved without a great cost.

6.4.6 Growing on-farm income options

Action:

- 44. Council might develop plain English fact sheets or brochures to identify the range of non-agricultural activities that are permissible and encouraged in rural areas, and to outline in simple language any relevant approvals required or controls that apply.**

Rationale:

Discussion Papers 1 and 2 point to widespread reliance of farmers on off-farm income in Eurobodalla and already in the order of possibly 1000 non-farm related small businesses. Provided the scale and impacts on agriculture are regulated, non-farm business has a place and an important role in supporting the agricultural viability of the district.

6.4.7 “Right to Farm”

Action:

- 45. That Council develop a policy on suitable buffer distances to be required between commercial agricultural operations and new residential development. The policy is to have control elements for both DA planning and Planning Proposals to zone new rural residential or residential land. (Note The Greater Hume Shire policy is recommended by the NSW Government)**
Further that Council monitor the implementation of the NSW Government’s new policy on “Right to Farm” for a period of 12 months then consider if Council should support measures for actual legislative protection for established agricultural operations.

Rationale:

There are increasing examples where new residential and rural residential development encroaches close to established commercial agricultural operations and through a process of complaints and enforcement of the Protection of the Environment Operations Act, the agricultural operation is either reduced in scale or in some cases even forced to close.

The theory of some sort of legislative “buyer beware” where new residences close to established agriculture has to tolerate a higher level of odour and noise disturbance, is well identified but legislators have struggled to date to convert this to an enforceable requirement.

Victoria and Western Australia have both experimented with legislation with very limited success to date. Tasmania is the only State with current legislation and the effectiveness of it has yet to be proven.

The best solution is to have well planned buffers and other controls in the planning instrument so the conflict does not arise in the first instance. But perhaps Council may make submission to support the concept of “right to farm” being further developed in NSW. The NSW Government has just released a policy on the topic:

<http://www.dpi.nsw.gov.au/agriculture/resources/lup/legislation/right-to-farm-policy>

However this policy relies on the existing legislation and while a good guide to a farmer’s rights when facing complaints, the pollution legislation still stands and if Councils (through poor planning) allow residential development too close to dairies, stock feeding areas, intensive agricultural operations, etc, then the farmer is still required not to exceed the specified noise and odour levels, which may become impossible to comply with given the proximity of the new residences.

One of the key foundations of the new policy is the suggestion for local councils to have adequate buffers in their DA and strategic planning.

The NSW Government is monitoring the situation and may move to introduce actual legislation to limit constraints. Given the new policy, Council might wait 12 months to see what effect it has before reviewing if representations are needed for actual legislation.

But adequate buffers of several hundred metres between established commercial agriculture and proposed new rural residential and residential zones are the only sure measure and this is a policy area where Council has power to act now.

6.5 ENVIRONMENTAL STRATEGIES FOR RURAL EUROBODALLA

6.5.1 Protection of landscape and biodiversity values

Action:

- 46. Possible measures might be expanded to encourage land owners to maintain or enhance landscape qualities and biodiversity as part of development offsets.**

Rationale:

For example, land owners may wish to voluntarily offer some vegetated areas of their land as biodiversity offsets and sell the credits for the offset area to developers. Under the NSW bio-banking scheme, ongoing funds can be made available to the land owner to manage the offset area.

The rural landowner would receive benefits and landscape protection can flow from such initiatives. A positive outcome at relatively low or no cost.

Action:

- 47. That Council retain a Native Vegetation overlay but limit it to definition of extant native vegetation and place this overlay in a Code that is referenced in relevant DCPs.** (A map of the proposed overlay forms Map 6 in Volume Three.)

Rationale:

Retention of an overlay that depicts native vegetation of some significance is considered important for the following reasons:

- If Council is not to have an E3 zone over more sensitive rural lands, then some definition of lands with possible environmental constraint in terms of development assessment requirements, is warranted.
- The overlay is a more flexible approach allowing merit assessment of development proposal in areas of native vegetation.
- The overlay is only triggered in circumstances where development consent of Council is required. It does not constrain normal agricultural practices carried out under the exempt development provisions for agriculture.
- The presentation of an overlay in the LEP or in a Code that is referenced in relevant DCPs is transparent and discoverable by most prudent land owners. Council has resolved that a Native Vegetation overlay be housed in a code and referenced in the DCP.
- Most Coastal and Tableland Councils have some form of native vegetation overlay and there is little evidence of any significant negative impact on landowners in these council areas to date.

Action:

48. Council should advocate for the following requirements once a discussion paper is released by the government.

- Reasonable exemptions and self-management. Smaller scale clearing and associated works should have reasonable exemptions from the need to obtain consent and some self-assessment processes be possible.
- Resourcing clearing powers if returned to councils. If, as suggested in the draft work to date, control of clearing on rural lands is to return to council's this needs to be resourced in terms of skill development for Council assessment staff.
- Support an expanded Biodiversity Fund from the State Government to assist landowners conserve local biodiversity.
- Advocate for Federal tax concessions and/ or funding bases.
- Carbon banking. There are programs of carbon banking developing around the world and if applied at sufficient level this could be a significant support income source for rural landowners.
- Philanthropy made easier. There are mechanisms such as Voluntary Conservation Agreements where landowners volunteer to provide long term protection for important vegetation, but they could be better promoted.
- Expanded programs and funding for landholder education on the values of biodiversity and practical measures landholders may take to conserve important features such as wetlands.

6.5.2 Possible review of water policy applicable to coastal catchments.

Action:

49. That Council hold discussions with Department of Primary Industries (Water) to test the potential for a variation in policy approach to water resources in coastal catchments.

Council might question:

- **Whether the limitation of 10% of catchment area for rural property dams is reasonable in coastal catchments where environmental flows may be higher than inland catchments?**
- **Similarly, if there may be capacity for granting of additional small water extraction licences for horticultural developing producers and related to that issue, whether all current water allocations are being efficiently used?**

Rationale:

A need was identified through the strategy consultation with small producers to further explore with Department of Primary Industries (Water) the possible potential for a different approach to water policy in the coastal catchments to that of inland.

6.6 ADVOCACY ISSUES

6.6.1 The direction in the legislation reviews:

6.6.1.1 Planning legislation reviews

Actions:

- 50. Need for a rural residential zone.** It has been flagged that the Minister for Planning may be considering adding a specific rural residential zone to the Standard instrument. Council may wish to encourage this additional option although the current 3 zones employed in Eurobodalla seem to service community needs.
- 51. Need for a fragmented areas zone.** There may be benefit in a further zone being identified in the Standard Instrument for the smaller lot farming areas where holdings are less than commercial scale. If a specific rural residential zone is created, then the RU4 zone may be retargeted to provide this distinction in land use.
- 52. Two levels of LEP amendment.** Progress has been made at State level in speeding up the processing time for minor LEP amendments but there still seems scope for a clear 2 level approach where very minor amendments can be processed by mere addition to a schedule or similar and avoid having to progress through all the steps of more complex amendments.

6.6.1.2 Biodiversity review

The State Government's review of the biodiversity legislation is likely in 2016.

Action:

- 53. Council could press for the following requirements once a discussion paper is released by the government.**
 - Reasonable exemptions and self-management. Smaller scale clearing and associated works should have reasonable exemptions from the need to obtain consent and some self-assessment processes be possible.
 - Resourcing clearing powers if returned to councils. If, as suggested in the draft work to date, control of clearing on rural lands is to return to council's this needs to be resourced in terms of skill development for Council assessment staff.
 - Support an expanded Biodiversity Fund from the State Government to assist landowners conserve local biodiversity.
 - Seek Federal tax concessions and/ or funding bases.
 - Carbon banking. There are programs of carbon banking developing around the world and if applied at sufficient level this could be a significant support income source for rural landowners.

- Philanthropy made easier. There are mechanisms such as Voluntary Conservation Agreements where landowners volunteer to provide long term protection for important vegetation, but they could be better promoted.

6.6.1.3 Leasing legislation

Action:

- 54. Approach the State Government to review its conveyancing legislation to make it simpler to lease private land for longer periods of time, providing more certainty for small producers to operate on land they do not own, and for those land owners interested in leasing their land to others for primary production.**

Rationale:

A simple leasing process could increase access to small parcels of fertile land for food production, particularly on the Moruya River flats. SAGE market management has identified the inability of growers to supply adequate quantity to meet demand as a major issue.

6.6.2 Food and value adding

Action:

- 55. Council might ask the State Government to see if a review is possible to focus on provisions for safe food preparation at small scale.**

Rationale:

Small food producers have indicated the requirements of legislation such as the Food Act are not user friendly to small scale local food production. While public health has to be paramount, there may be potential for simpler procedures for local processing such as mini abattoirs and food packaging.

6.6.3 Weed and pest funding

Action:

- 56. Council might press for more regional funding for weed and pest control on public lands.**

Rationale:

Management of weeds and pests on public lands is a perennial problem and funding is never sufficient for the desired level of control. Council can probably only continue to press State Government for additional funding.

6.6.4 Technology

Action:

- 57. Continue to apply pressure to the Federal Government for mobile and broadband improvement.**

Rationale:

The National Broadband Network will increase potential for home based business, education and marketing.

6.6.5 Transport

Action:

- 58. That Council continue to advocate for B-Double capacity to be provided for the Princes Highway.**

Rationale:

B-Double capacity for all of the Princes Highway would improve competitiveness for Eurobodalla producers – both in terms of haulage of feed products in and products such as milk and beef out.

6.6.6 Aged services

Action:

- 59. Council to continue to advocate for adequate services for rural aged, including ambulance access, community transport and programs to foster the retention of the aged in their own homes.**

Rationale:

While the general population is ageing, the challenges for elderly rural people to stay longer on their properties are often greater.

6.7 MONITORING ACTIONS

Council already effects a wide range of monitoring actions to collect data to assist it in making appropriate decisions about future direction. The following suggestions relate to possible variations or additions to Council's monitoring programs.

6.7.1 Monitoring Implementation of this Strategy

Section 6 of this Strategy divides actions into short and longer term tasks. Once Council has considered public comment on this draft and resolved final actions, it is important that reviews be effected, perhaps at 5 yearly intervals, to test the progress on recommendations but just as importantly to test the success or otherwise of a particular strategic action.

6.7.2 Land and Building monitors

60. Expanded monitoring actions for Council to consider:

Council currently effects monitoring of subdivision and housing activity and reports annually on statistics such as number of dwelling applications and number of lots subdivided.

There may be opportunity to better integrate Council's DA and subdivision certificate registers with GIS data so that spatial monitoring of where houses and lots are being created can be easier to effect. As occupation certificates or subdivision certificates are released, the lot affected could be mapped and browser data entered to enable automatic report generation. A percentage of DAs and approved subdivisions never proceed so monitoring of occupation certificates and subdivision certificates provides data on actual creation.

There is a reservoir of un-subdivided land, especially in the E4 zones and to date only approximations have been possible of the potential lot yield. It would be desirable to improve accuracy of this potential lot yield but the complex factors of assessment of bushfire, access and environmental constraints make this challenging. The issue is now becoming a higher priority as current land stocks are reducing and hence it is becoming more important to more accurately understand the remaining yield. A targeted consultancy to constraint map the undeveloped rural residential lands would yield benefits, both by improving the strategic layout of the coming development and by improving Council's estimate of remaining yield of lots.

6.7.3 Business Monitor

61. Expanded monitoring actions for Council to consider:

Discussion Paper 1 developed mapping of the statistics on business types and locations in the rural areas. This is important for Council to gain an appreciation of the scale and types of economic activity in the rural areas (which was identified to be significant).

Council currently subscribes to the Australian Business Register but could possibly take this subscription to the next stage by establishing and maintaining a model, so updates of the types of businesses (with an ABN) and their location in the Shire occur automatically and reports can be easier to generate.

There are also services such as Yellow Pages that map business and that will sell data to allow wider modelling to include some businesses that do not have an ABN.

6.7.4 Monitoring Agricultural Data

62. Expanded monitoring actions for Council to consider:

In addition to review of the Census and Agricultural Census data as it is released by ABS from time to time, Council might monitor the Annual Stock Return data of the Local Lands Service so that the historic pattern of agricultural production in the Shire developed in Discussion Papers 1 and 2 is carried forward to monitor trends in the local agricultural economy.

6.7.5 Legislation and State Guidelines

As detailed in the Discussion Paper 4, the State Government has both the planning and biodiversity legislation under various reviews. All local councils are monitoring these reviews as the implications for future Council responsibilities could be significant. For example, if the State Government is to return land clearing controls to Councils this can have resource implications.

6.7.6 State and Federal Government Rural Service Delivery

As part of its normal management planning, Council monitors the service delivery in Eurobodalla of the State and Federal Agencies. The following areas are of particular interest for rural people:

- Aged services-with an aging rural population, programs to support seniors to stay on their properties longer need expanding but the challenge is often the cost to provide support services to rural locations is more expensive.
- NBN – the roll out of the NBN continues and high speed broadband will have some significant benefits and expand the range of business possible from “home” in rural areas. Council is monitoring the pace of provision in the Shire and should continue to ensure all areas are being serviced within timelines comparable to other growing coastal areas.
- Biodiversity funding – the State government has indicated the biodiversity fund to stimulate conservation of native vegetation on private rural lands may be expanded. This fund will always be insufficient to reimburse all desired conservation works on private lands so Council should endeavour to assess its use to ensure funds are targeted to landowners where the land protected had some real potential to be economic farm land if cleared. Many areas of native vegetation on private lands have no prospects of being developed by a prudent farmer and as such the “burden” of conserving such land is less.
- Implementation of the White Paper on Agriculture and tapping into overseas markets – several programs seem likely to flow from the Federal Government’s White Paper on Agriculture and of particular interest for Eurobodalla will be to monitor efforts to better access overseas and national markets for the types of special, value added agricultural produce Eurobodalla may produce (see Discussion Paper 2 for examples).

7 APPENDICES

7.1 MEANING OF TERMS AND DEFINITIONS

Types of living in rural residential zones:

1. Purely **rural residential living** with practically no agricultural use. This in turn has two components:
 - a. rural residential living on small lots in estate type development with some urban style services but often not reticulated sewer or water; and
 - b. rural retreats on often larger “bush blocks” and sometimes more remote locations. (These are addressed in Discussion Paper 9).
2. **Rural living** but with very small scale hobby interests of an agricultural nature e.g. keeping horses for private recreation. Often in estate style developments but with larger lot sizes and some agricultural land.
3. **Hobby farms/small “part-time” farms**. Small farms running hobby scale agricultural operations in the main although some may have small-scale income generating activities feeding into the Shire’s growing demand for value added local food and fibre products as detailed in Discussion Papers 2 and 7.

Use of the term “hobby farm”

Throughout this Strategy, the term “hobby farm” or “hobby scale agriculture” is used. To the extent this hobby scale use encroaches on commercial agricultural activity, the Strategy concludes it should be controlled.

It is appreciated this is a term, often the subject of debate, as to when a landowner is using agricultural land for a private hobby and when there is commercial agriculture occurring. The answer is not straight forward, especially in a Shire with the diversity of land quality of Eurobodalla.

Discussion Paper 2 presents data that shows even larger holdings might be struggling to produce a net return able to support a family or where the net return from agriculture has some prospects of being better than bank interest on the capital value of the land.

But we argue a point is reached, probably around 50 hectares or less of “average” Eurobodalla farm land, where the activity starts to slip into being such a small part-time income generator, that the landowner is “farming” for reasons other than the net income he/she seeks to make from the property. The **net income** is stressed. For example, there might be people with substantial off land income adding inputs of fertiliser and technology into a little 20 hectare beef operation that make that small holding produce 4 or 5 times the Shire average production per hectare. But when you deduct the input costs from the gross return from cattle sales the return is very much negative.

Hobby farming has an important place in the Eurobodalla lifestyle and economy. Many hobby farmers invest in machinery, farming materials and produce and are a cornerstone of the rural supply sector of the rural economy. But there are ample opportunities for supply of

hobby scale farms throughout Eurobodalla without fragmenting those remaining larger holdings in the Shire that have potential to at least produce a part-time income.

Eurobodalla is already more of a part-time agriculture area than a full-time one. There are hundreds of small non-agricultural businesses in the rural areas supplementing part-time farm incomes, and there are increasing numbers of early retirees with a part-time operation and this trend seems set to continue and grow.

DISCUSSION PAPER 1

RURAL ECONOMIC DIRECTIONS

A DISCUSSION PAPER TO GUIDE THE EUROBODALLA SHIRE COUNCIL RURAL STRATEGY

Prepared by: **Strategic Economic Solutions** and
Garret Barry Planning Services Pty Ltd

For: EUROBODALLA COUNCIL

September 2015



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1 INTRODUCTION

1.1 PURPOSE OF THIS DISCUSSION PAPER

The Draft Eurobodalla Rural Strategy is presented in three volumes:

Volume One: The Strategy – this is a summary document of the recommended preferred options, strategies and action plans.

Volume Two: The discussion papers – there are 10 broad papers in this volume, each presenting a discussion on the more significant issues applicable to Council's role in the rural lands of Eurobodalla.

This is Discussion Paper 1 and it explores the economic directions of Eurobodalla's rural areas to assist Council develop an understanding of possible trends and economic options.

Volume Three: A compendium of larger scale maps – given the size of the Shire and the detail sometimes required, the more important maps of general land use information and those from the Discussion Papers are presented in A3 page size. In addition, if accessing the PDF version, there is the capacity to “zoom in” to explore more detail.

The draft strategy package as presented in the three volumes, represents the work of the consultant team Garret Barry Planning Services (GBPS). It is stressed these documents are drafts prepared for community comment and input. Council has not concluded any view on the draft recommendations and will resolve a final strategy when it has considered community feedback.

1.2 EXECUTIVE SUMMARY

Agriculture is a small but historically important part of the socio-economics of Eurobodalla Shire. The 2011 Census counted 340 Shire residents employed in the Agriculture, Forestry and Fishing industry, down from 462 in 2001. In 2011 there were 290 jobs in the Agriculture, Forestry and Fishing industry actually located in Eurobodalla Shire – indicating that 50 residents worked in the industry in another local government area.

Number of farmers and farm workers

Of the 340 Shire residents employed in the Agriculture, Forestry and Fishing industry in 2011, 201 were working in agriculture (the balance employed in forestry and fishing), and 172 agriculture jobs were located in Eurobodalla Shire. The number of agriculture jobs in the Shire was 230 in 2001 – a decline of 58 jobs (25%) over the decade. Most of the agriculture jobs in 2011 were in beef cattle farming or dairying.

Age of farmers

61% of farmers were over 50 years old in 2011, including 25% over 65 years old.

Farmer incomes

The most common individual income band for agriculture workers in 2011 was \$400 to \$599 pw (\$20,800 to \$31,200 pa). Overall, individual incomes averaged \$31,774 pa in 2011. Total income for all the Shire's agriculture workers was around \$6.3 million in 2011. These figures will include off-farm income where it has been considered additional to the main work (farm work) by the census respondent.

Occupations

Agriculture workers are mostly managers (mostly self-employed), with only 30 labourers employed in the industry in 2011.

Qualifications

Almost all agriculture workers had completed Year 10 or above, with around 40% in each census year having completed Year 12. Around half of the people working in agriculture had post-school qualifications, with half of these being at Certificate III or IV level, 29% had Diplomas or Advanced Diplomas, and 24% had Bachelor Degrees or higher qualifications.

Farm business numbers

The Australian Business Register¹ counted 288 Agriculture, Forestry and Fishing businesses in 2015, down from the 394 operating in 2005. Of those operating in mid-2015, 174 were farms. Most of the farm businesses were beef cattle farms (80) or combined sheep-beef cattle farms (22), with 30 dairy farms, 14 'other livestock' including beekeeping and horses, and 13 vegetable growing, 4 fruit and nut growing and 4 poultry. While the stock of registered Agriculture, Forestry and Fisheries businesses fell by 106 over the decade to 2015, there were 271 business exits (closures) over the decade and 176 entries.

Agricultural activity

The total land area and number of establishments are variable, but according to the Australian Bureau of Statistics Agricultural Census data the average area of agricultural holdings is declining – from 247 ha in 1996 to 190 ha in 2011. This data is likely to be biased towards larger producers than other data like Council's landholdings data or Local Land Services data. Beef and dairy cattle are the most significant agricultural activities in the

¹ The Australian Business Register is maintained by the ABS and the ATO. When released by the ABS it covers active Australian Business Numbers (ABNs) – i.e. businesses actively remitting GST via a Business Activity Statement at least once in the last 5 quarters or 3 years. It therefore does not capture businesses with ABNs that have not registered for GST (i.e. operating under the threshold of \$75,000 pa and choosing not to register for GST) or non-business ABNs such as Trusts and other investment vehicles. For Eurobodalla either the registered office or trading address is listed as within Eurobodalla Shire. The ABR does not have full coverage of the geographically dispersed large businesses which have a head office in one location and many branches in other locations.

Shire. Fruit production is variable, and nurseries, turf and vegetable production take up a relatively small part of the agricultural land area in the Shire. Eurobodalla's agricultural activity is a small part of agriculture in the Southeast NSW Region.

Value of production

The total farm gate value of agricultural production in Eurobodalla has been around \$12.5 million per annum between 1996 and 2006, though data presented for 2011 shows a sharp jump to \$20 million, largely due to increases in the value of beef and milk. The most valuable agricultural activities have been beef cattle and meat and dairying, together accounting for around 90% of the total value of agricultural production in the Shire.

Business locations

There is a wide variety of businesses located away from the main urban areas – not just agricultural businesses. Many construction and transport businesses are located on rural properties, as are a great many professional services businesses – most operating from a home base.

2 EUROBODALLA FARMERS SOCIO-ECONOMIC PROFILE

2.1 EMPLOYMENT

The 2011 Census counted 340 Eurobodalla 'usual residents' employed in the Agriculture, Forestry and Fishing industry. This compares with 394 in 2006 and 462 in 2001.

Not all these 340 Shire residents working in Agriculture, Forestry and Fisheries were actually working in the Shire, and between 47 and 56 at each of these Census worked outside the Shire (Table 1).

Table 1: Agriculture, Forestry and Fishing jobs done by Eurobodalla residents and jobs in Shire

	2001	2006	2011
Agriculture, Forestry and Fishing work done by usual residents of Eurobodalla Shire	462	394	340
Agriculture, Forestry and Fishing jobs in Eurobodalla	406	347	290
Net 'export' of industry jobs	56	47	50

Of the 340 Shire residents employed in the Agriculture, Forestry and Fishing industry in Eurobodalla Shire in 2011, 201 were working in agriculture, and 172 agricultural jobs were located in Eurobodalla Shire (Table 2). The latter numbers indicate that some 29 Eurobodalla residents who worked in agriculture were in jobs in localities outside the Shire at the time of the Census in 2011.

By way of comparison, the Australian Business Register counted 314 GST-registered-and-active Agriculture, Forestry and Fisheries businesses a year after the Census in June 2012.

Table 2: Agriculture, Forestry and Fishing jobs in Eurobodalla, August 2011

Agriculture, Forestry and Fishing			
	Males	Females	Persons
Agriculture, Forestry and Fishing, nfd*	0	0	0
Agriculture	127	45	172
Aquaculture	38	10	48
Forestry and logging	36	8	44
Fishing, hunting and trapping	11	4	15
Agriculture, Forestry and Fishing support services	11	0	11
Total	223	67	290

Source: ABS Census 2011, place of work data

* 'not further defined' meaning enough information was provided to place the person in this Industry, but not enough to allow classification into a smaller sub-industry category.

The trend over time is summarised in the table below. There were 406 Agriculture, Forestry and Fishing industry jobs in the Shire in 2001, falling to 347 in 2006 and 290 in 2011. The table shows that the number of jobs in agriculture itself fell from 230 to 172, a loss of 58 jobs (25%) over the decade.

Table 3: Agriculture, Forestry and Fishing – jobs in Eurobodalla Shire

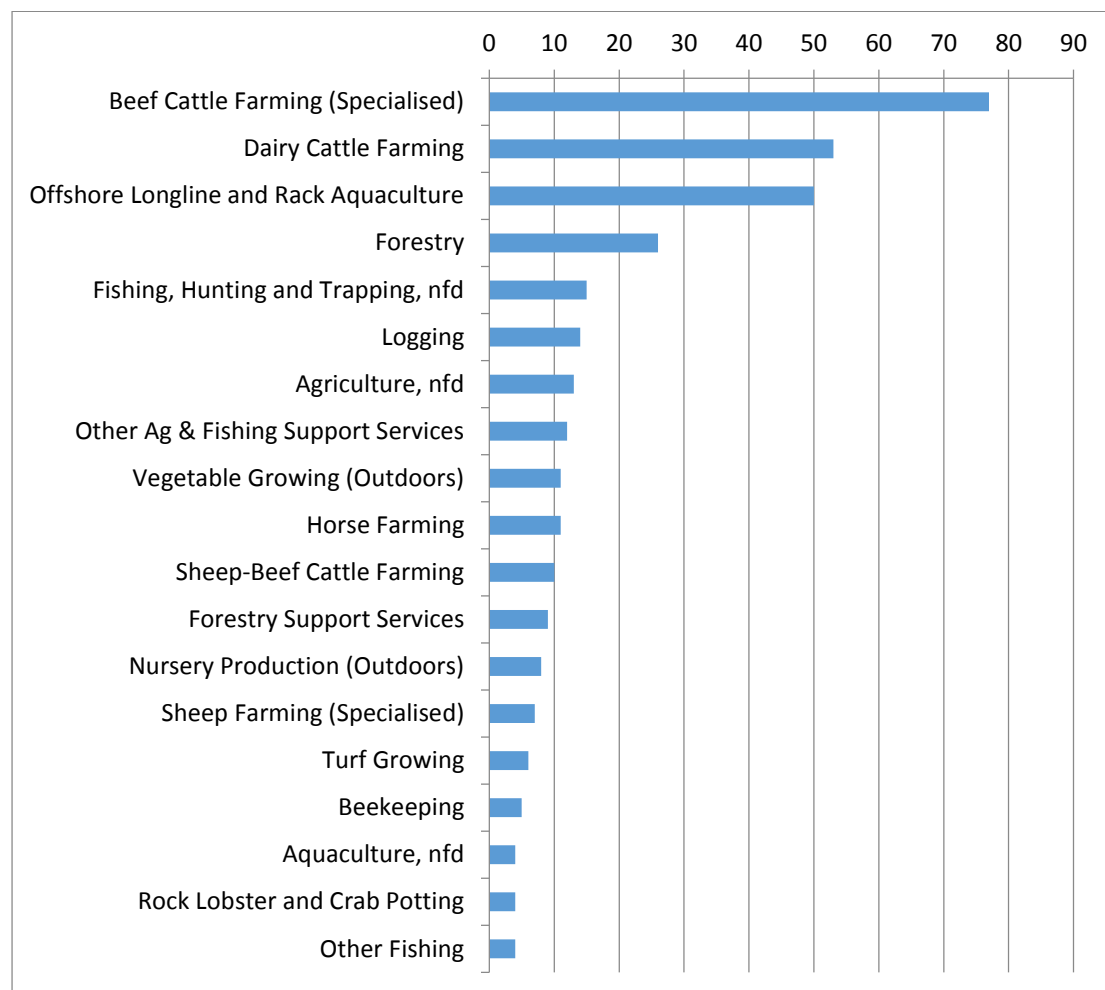
	2001				2006			2011		
	Males	Females	Persons		Males	Females	Persons	Males	Females	Persons
Agriculture, Forestry and Fishing, undefined*	3	3	6	Agriculture, Forestry and Fishing, nfd	0	0	0	0	0	0
Agriculture	165	65	230	Agriculture	143	79	222	127	45	172
Services to Agriculture; Hunting and Trapping	7	6	13	Aquaculture	46	10	56	38	10	48
Forestry and Logging	42	9	51	Forestry and logging	34	5	39	36	8	44
Commercial Fishing	84	22	106	Fishing, hunting and trapping	17	3	20	11	4	15
				Agriculture, Forestry and Fishing support services	10	0	10	11	0	11
Total	301	105	406	Total	250	97	347	223	67	290

Source: ABS Census 2011, place of work data

*undefined has the same meaning as 'nfd' i.e. enough information was provided to place the person in this Industry, but not enough to allow classification into a smaller sub-industry category.

Looking in more detail at 2011, most of the agriculture workers (130) were employed in either beef (77) or dairy (53) farms.

Figure 1: Agriculture, Forestry and Fishing jobs by sub-industry

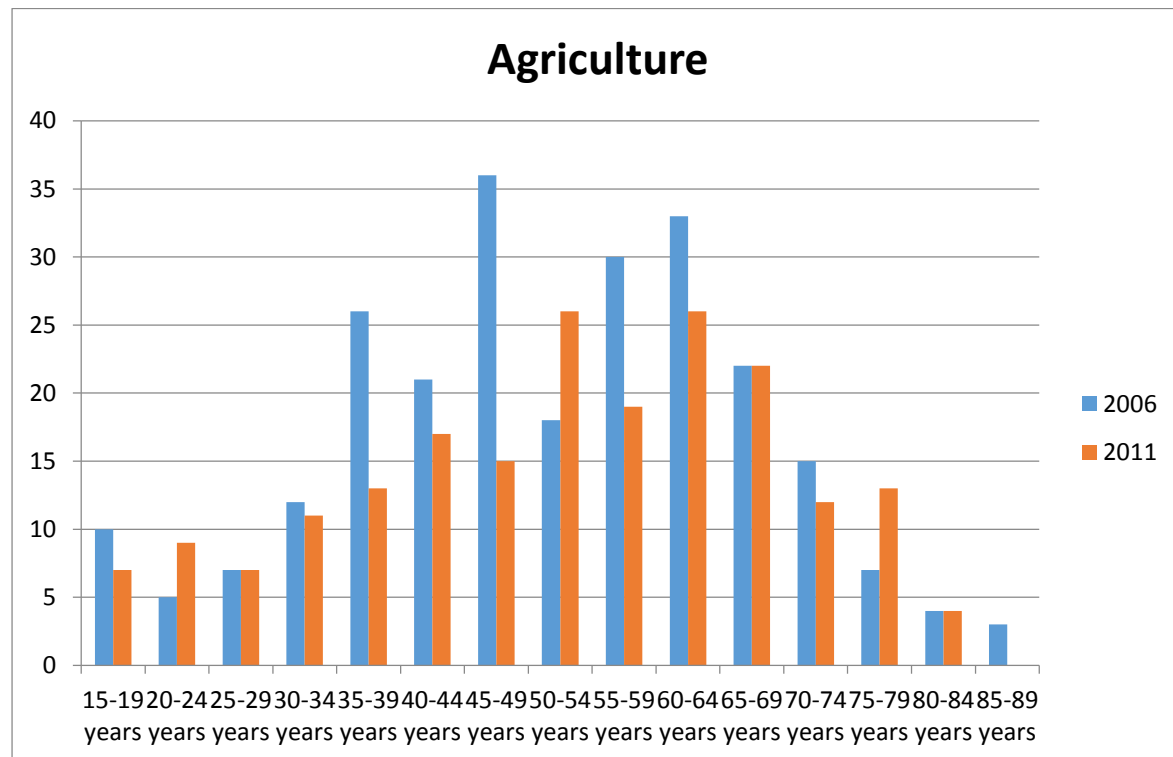


Source: ABS Census 2011, customised data from TableBuilder

2.2 AGE OF AGRICULTURE WORKERS

61% of agricultural workers are over 50 years old, including 25% over 65 years old. The chart shows that the age profile in 2011 was older than in 2006 – with more farmers in their 30s and 40s in 2006. Most of the farmers over 50 seem to have stayed in the Shire, while many of the younger farmers in 2006 seem to not have been there at the 2011 Census.

Figure 2: Age of residents working in agriculture, 2006 and 2011

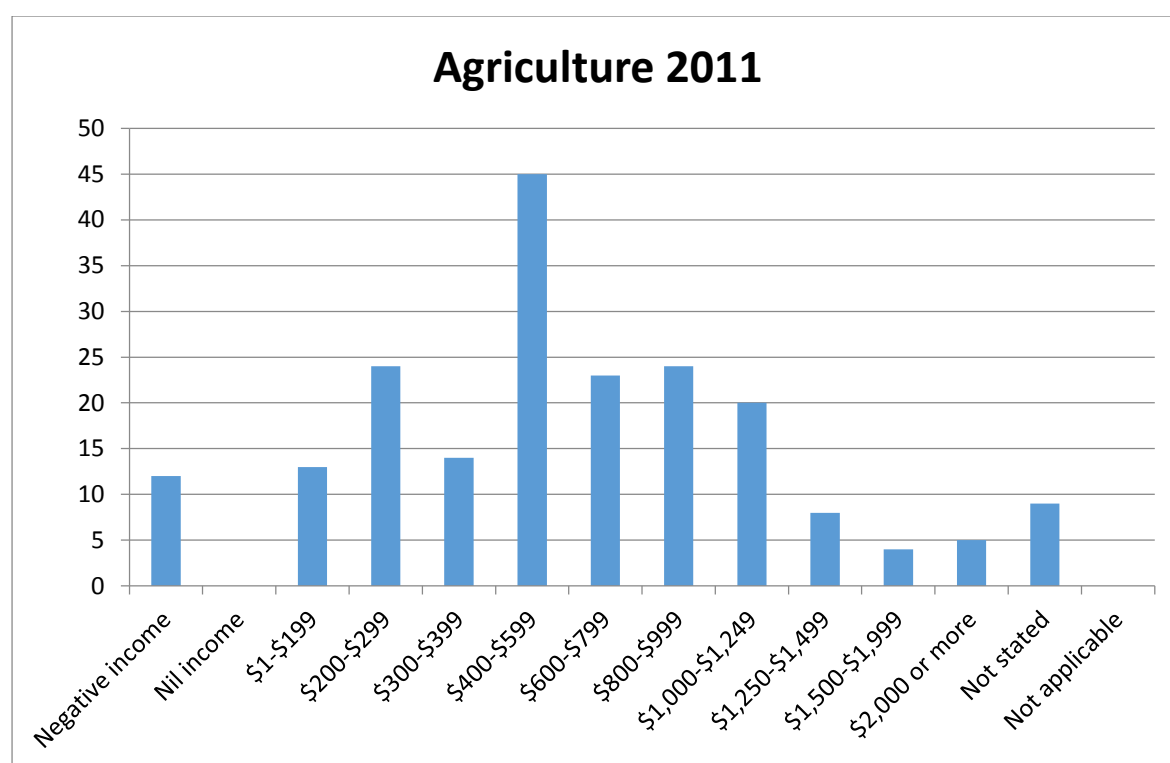


Source: ABS Census 2011 customised data

2.3 INCOME OF AGRICULTURE WORKERS

The most common individual income band for agriculture workers in 2011 was \$400 to \$599 pw (\$20,800 to \$31,200 pa). Overall, individual incomes averaged \$31,774 pa in 2011. The data does not clarify the source of this income (farm or non-farm). Total income for all agriculture workers was around \$6.3 million in 2011. This equates to around half the total for the Agriculture, Forestry and Fisheries industry as a whole (\$12.4 million), showing that the other parts of the industry – aquaculture, fishing and forestry – also provided significant incomes for workers in the Shire.

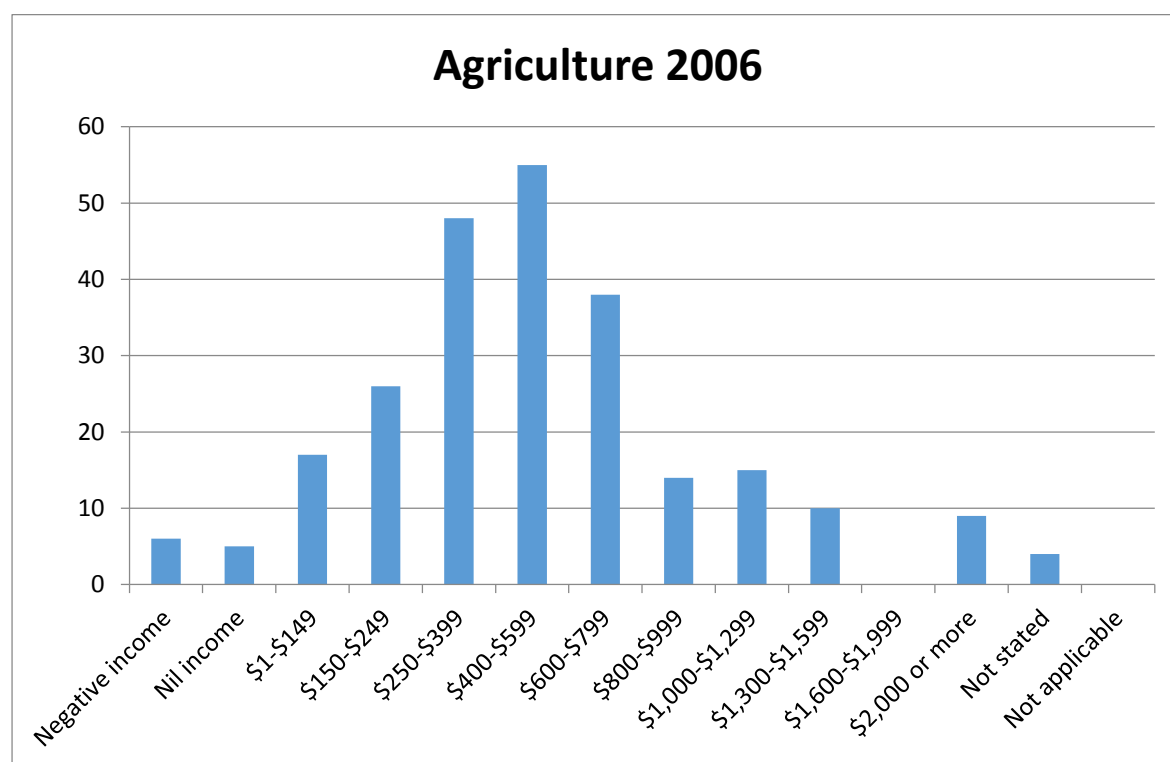
Figure 3: Weekly income of residents working in agriculture 2011



Source: ABS Census 2011 customised data

The income brackets in 2006 were slightly different so direct comparison is not possible, but the chart below shows a similar distribution of agricultural incomes. In 2006 the average individual income of agriculture workers in the Shire was \$29,141 (in 2006 dollars i.e. not adjusted for inflation), and the total income contribution to the Shire from agriculture was \$7.2 million in 2006, a larger share of the \$11.7 million (in 2006) for the Agriculture Forestry and Fisheries industry as a whole than it was in 2011.

Figure 4: Weekly income of residents working in agriculture 2006

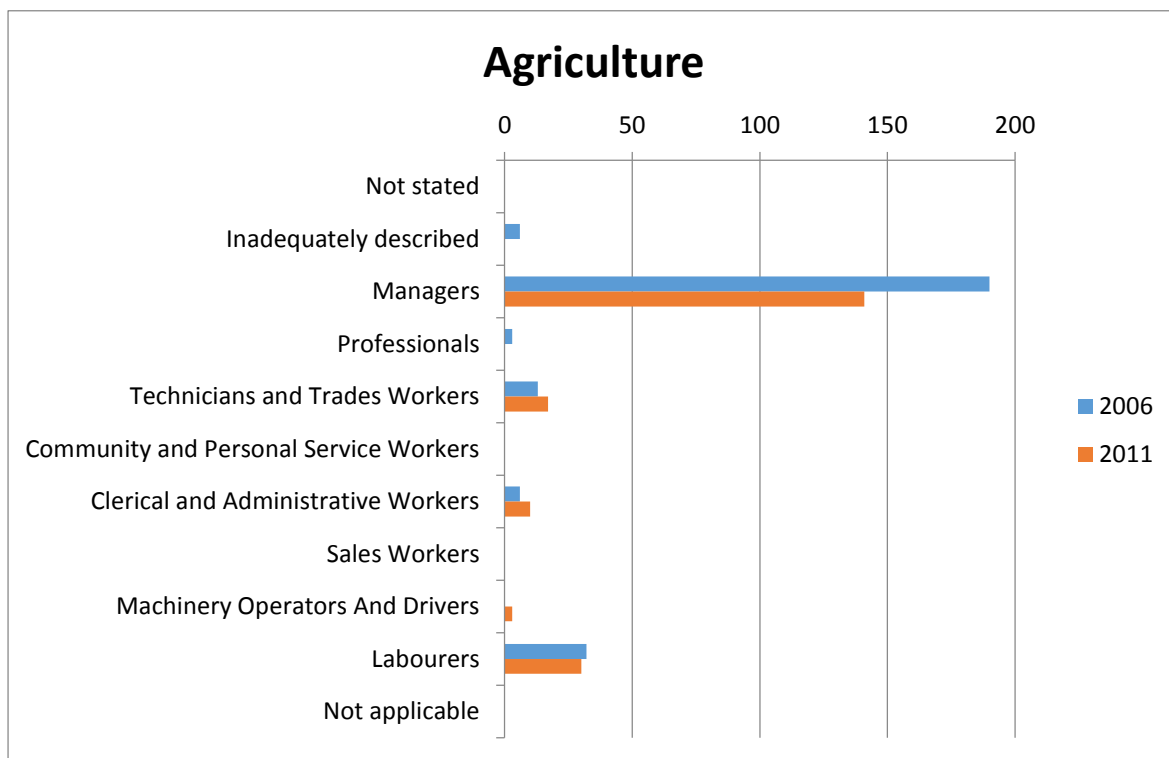


Source: ABS Census 2006 customised data

2.4 OCCUPATIONS OF AGRICULTURE WORKERS

Agriculture workers are mostly managers (mostly self-employed), with only 30 labourers employed in the industry in 2011. There were more managers in 2006 (190) but a similar number of labourers (32).

Figure 5: Occupations of residents working in agriculture, 2006 and 2011

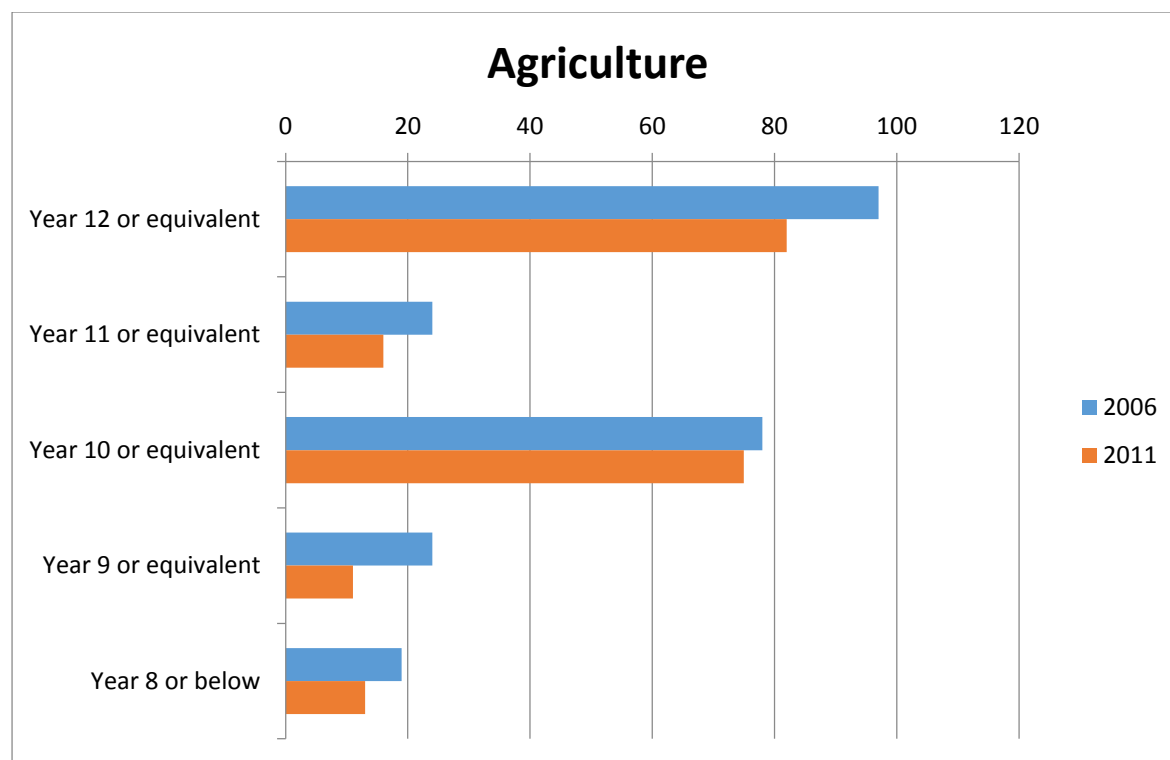


Source: ABS Census 2006 and 2011 customised data

2.5 SCHOOL QUALIFICATIONS OF AGRICULTURE WORKERS

Almost all agriculture workers had completed Year 10 or above, with around 40% in each Census year having completed Year 12.

Figure 6: School qualifications of residents working in agriculture, 2006 and 2011

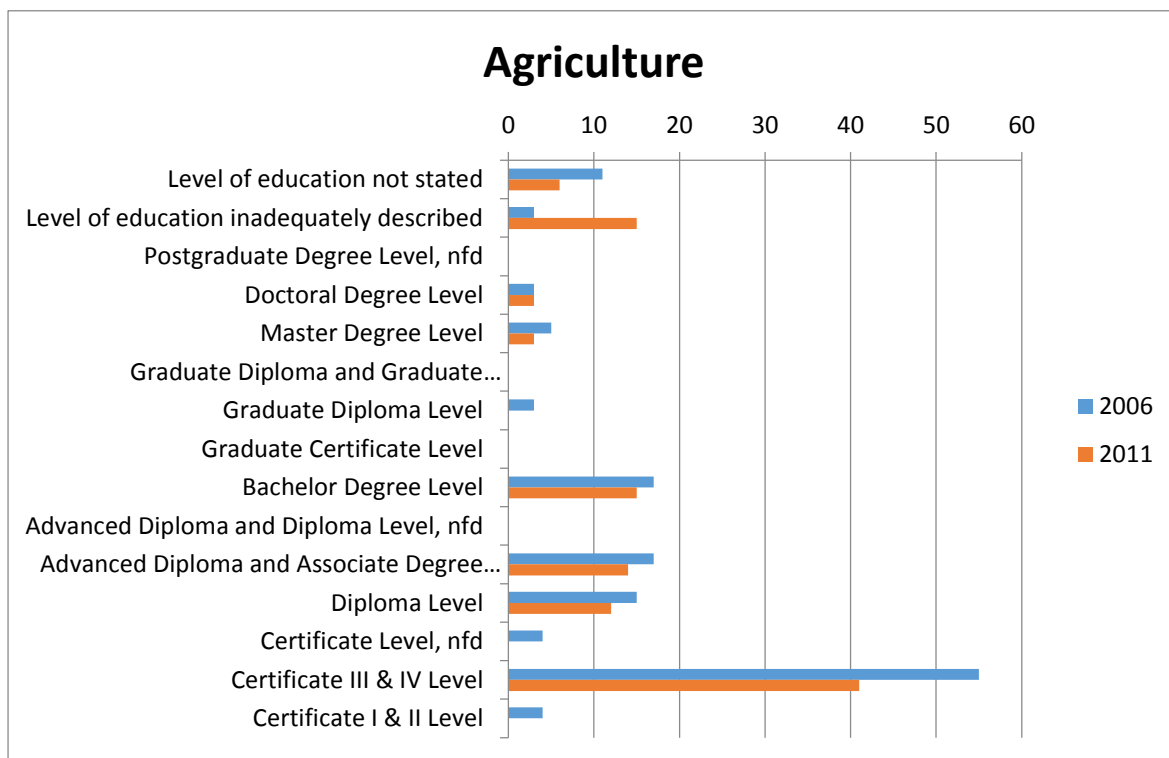


Source: ABS Census 2006 and 2011 customised data

2.6 POST-SCHOOL QUALIFICATIONS OF AGRICULTURE WORKERS

Around half of the people working in agriculture had post-school qualifications, with half of these being at Certificate III or IV level. A total of 26 (29%) had Diplomas or Advanced Diplomas, and 21 (24%) had Bachelor Degrees or higher qualifications.

Figure 7: Post school qualifications of residents working in agriculture, 2006 and 2011



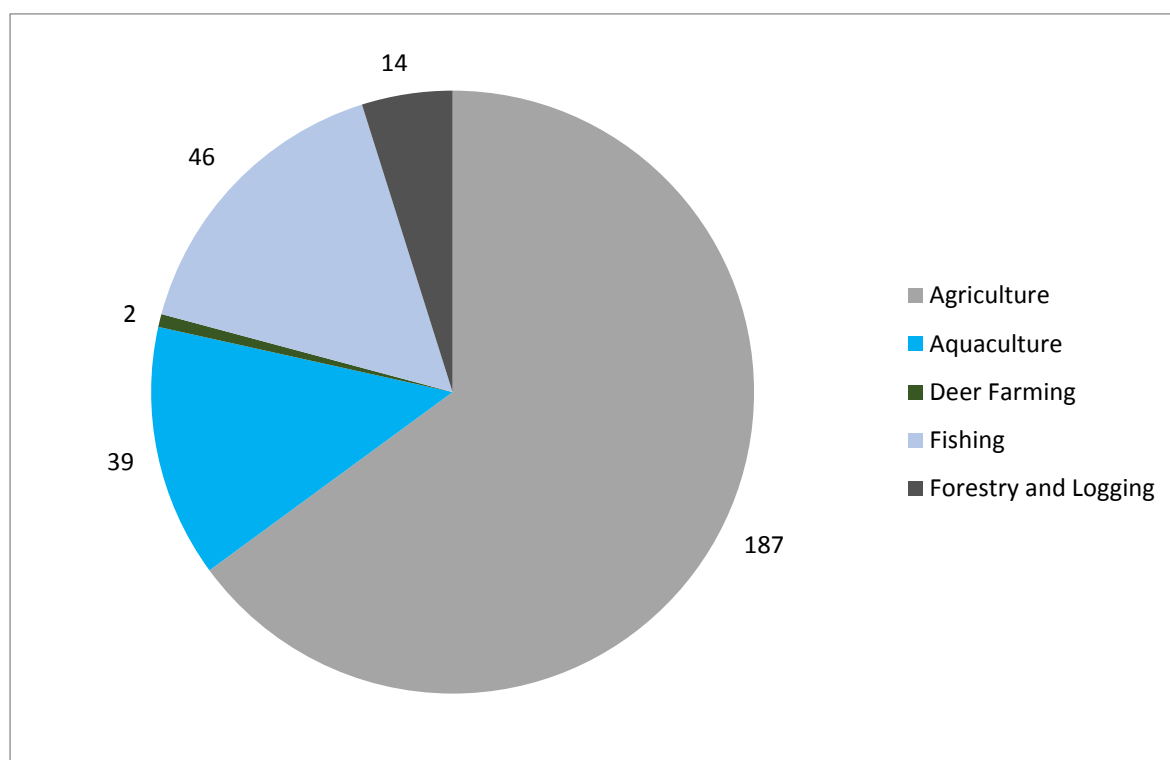
Source: ABS Census 2006 and 2011 customised data

3 SCALE AND VALUE OF AGRICULTURE

3.1 COUNTS OF AGRICULTURE, FORESTRY AND FISHERIES BUSINESSES – APRIL 2015

The Australian Business Register² counted 288 Agriculture, Forestry and Fishing businesses in 2015, of which most (187) were in agriculture.

Figure 8: Agriculture, Forestry and Fishing businesses, June 2015



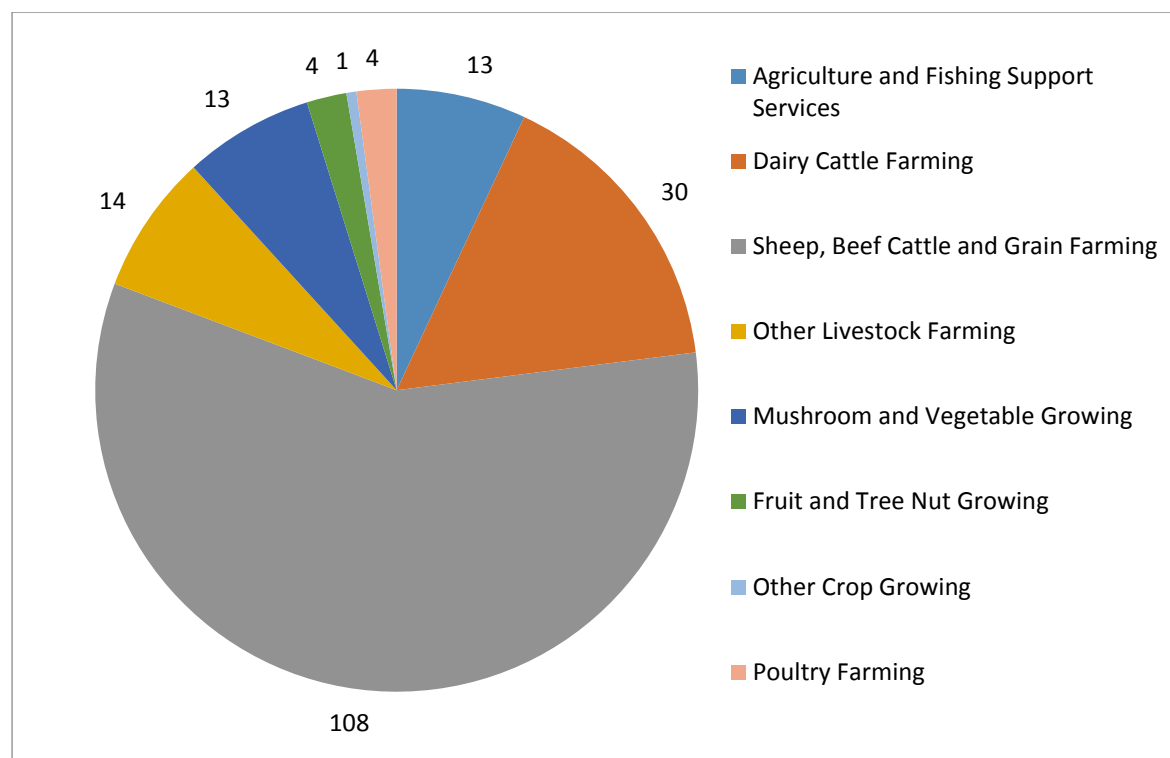
Source: Australian Business Register

Of the 187 agriculture businesses most (174) were farms and another 13 were providing support services to the whole industry group.

² The Australian Business Register is maintained by the ABS and the ATO. When released by the ABS it covers active Australian Business Numbers (ABNs) – i.e. businesses actively remitting GST via a Business Activity Statement at least once in the last 5 quarters or 3 years. It therefore does not capture businesses with ABNs that have not registered for GST (i.e. operating under the threshold of \$75,000 pa and choosing not to register for GST) or non-business ABNs such as Trusts and other investment vehicles. For Eurobodalla either the registered office or trading address is listed as within Eurobodalla Shire. The ABR does not have full coverage of the geographically dispersed large businesses which have a head office in one location and many branches in other locations.

Table 5 shows that most of the farm businesses were beef cattle farms (80) or combined sheep-beef farms (22), with 30 dairy farms, 14 'other livestock' including beekeeping and horses, and 13 vegetable growing, 4 fruit and nut growing, 4 poultry and 1 'other crops'.

Figure 9: Mix of farm businesses 2015



Source: Australian Business Register

The trend in business numbers for Eurobodalla from its Australian Business Register (ABR) subscription shows that the number of Agriculture, Forestry and Fishing businesses in June each year has dropped from 394 in 2005 to 288 in 2015 – a fall of 106 businesses or 27%.

Table 4: Trend in business numbers (Australian Business Register data)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Agriculture, Forestry and Fishing	394	393	388	363	354	341	330	314	289	289	288
All businesses	3,933	3,970	3,927	3,710	3,646	3,535	3,509	3,390	3,303	3,267	3,239

Source: Australian Business Register

Table 5: Mix of Agriculture, Forestry and Fisheries businesses 2015

	Count
Agriculture, Forestry and Fishing	288
Agriculture and Fishing Support Services	13
Dairy Cattle Farming	30
Sheep, Beef Cattle and Grain Farming	108
Beef Cattle Farming (Specialised)	80
Grain-Sheep or Grain-Beef Cattle Farming	13
Other Grain Growing	3
Sheep Farming (Specialised)	3
Sheep-Beef Cattle Farming	9
Fruit and Tree Nut Growing	4
Berry Fruit Growing	1
Grape Growing	1
Olive Growing	1
Other Fruit and Tree Nut Growing	1
Mushroom and Vegetable Growing	13
Nursery Production (Outdoors)	1
Nursery Production (Under Cover)	1
Vegetable Growing (Outdoors)	6
Vegetable Growing (Under Cover)	5
Other Crop Growing	1
Cotton Growing	1
Other Livestock Farming	14
Beekeeping	4
Horse Farming	5
Other Livestock Farming n.e.c.*	5
Poultry Farming	4
Poultry Farming (Eggs)	2
Poultry Farming (Meat)	2
Aquaculture	39
Deer Farming	2
Fishing	46
Abalone Fishing	8
Fish Trawling, Seining and Netting	8
Line Fishing	15
Marine Fishing n.e.c.	4
Other Fishing n.e.c.	3
Rock Lobster Fishing	8
Forestry and Logging	14
Forestry	7
Logging	7
Other Onshore Aquaculture	1
Oyster Farming	38
Grand Total	288

Source: Australian Business Register, 2015

* 'nec' means 'not elsewhere classified' and the respondent was engaged in a type of production not captured in the other sub-industry categories.

While Table 4 above showed a fall in the total number of Agriculture, Forestry and Fishing businesses of 106 over 10 years, within each year there is a lot of churn as businesses come and go. The Australian Business Register shows that there was a total of 271 Agriculture, Forestry and Fisheries business exits (closures) over the decade to 2015, compared with 176 entries over the decade.

Table 6: Business entries and exits 2005-15

	Entries	Exits
Accommodation and Food Services	270	255
Administrative and Support Services	164	175
Agriculture, Forestry and Fishing	176	271
Arts and Recreation Services	53	74
Construction	774	983
Education and Training	39	55
Electricity, Gas, Water and Waste Services	9	10
Financial and Insurance Services	49	73
Health Care and Social Assistance	125	100
Information Media and Telecommunications	23	26
Manufacturing	113	161
Mining	6	6
Other Services	196	212
Professional, Scientific and Technical Services	292	320
Public Administration and Safety	15	20
Rental, Hiring and Real Estate Services	199	240
Retail Trade	314	401
Transport, Postal and Warehousing	193	238
Wholesale Trade	64	83
Grand Total	3074	3703

Source: Australian Business Register

3.2 SCALE OF AGRICULTURAL ACTIVITY 1996 TO 2011

3.2.1 Estimations using ABS Agricultural Census Data

The following table shows the scale of agricultural activity in terms of hectares, number of animals or trees, for the period 1996 to 2011. Data for 1992 was also examined but has not been included as it covers a much smaller geographical area.

The total land area and number of establishments are variable, but the average area of agricultural holdings is declining – from 247 ha in 1996 to 190 ha in 2011 (ABS Agricultural Census). Beef and dairy cattle are the most significant agricultural activities in the Shire, and dairy cattle numbers have been edging up while beef cattle numbers are more variable, but seem to be edging up as well in the latter part of the period. Dairy farm numbers have been declining, indicating increasing intensity in the dairy industry. Sheep and lamb numbers have also been variable and the number of establishments seemed to increase in 2011. The importance of beef cattle and dairy operations are shown in the table on the trends in the value of agricultural production, with these two activities accounting for over 85% of the value of agricultural production in the Shire.

Fruit production is also variable, though there are signs of increasing intensification with more trees per establishment, and establishments becoming larger. Nurseries, turf and vegetable production take up a relatively small part of the agricultural land area in the Shire.

Table 7: Agricultural activity 1996 to 2011

	1992	1996	2000-01	2005-06	2011
	Eurobodalla (S)	Eurobodalla (A)	Eurobodalla (A)	Eurobodalla (A)	Eurobodalla (A)
Area of holding - total area (ha)	17,014	31,190.7	35,823	34,840	26,276
Number of establishments	61	126	117	168	138
ha/Establishment	279	247	306	207	190
Total Cattle		16,927	16,342	17,895	18,126
Farms		95	87	130	113
Dairy Cattle		5,966	6,922	5,739	6,738
Farms		26	22	19	17
Beef cattle		10,961	9,420	12,156	11,388
Farms		83	81	120	103
Sheep & lambs		4,335	2,347	1,267	3,405
Farms		11	6	9	28
Hay and pasture - ha		399.8	667	461	679
no. of establishments		23	24	21	18
All broadacre crops - Total area (ha)		400.6	280	473	20
no. of establishments		28	27	14	2
Nurseries, cut flowers or cultivated turf - Total area (ha)		30.8	29	26	34
no. of establishments		8	6	5	6
Vegetables for human consumption - Total area (ha)		10.4	46	10	20
no. of establishments		5	9	10	7
Orchard fruit and nuts - ha		13.2	30	33	57
no. of trees		4,238	5,336	9,267	7,496
no. of establishments		3	38	12	10

Source: ABS Agricultural Census (various years)

3.2.2 Estimations using Local Land Services Data and Council records

As a cross check, data from annual stock returns of the Local Lands Service (LLS) was interrogated for a 10 year period.

Table 8 below is a summary of all submitted returns of all size properties and as such includes data down to hobby size farms which may not all be collected by the ABS.

Table 9 is a summary of total beef and dairy farms and stock from LLS data for properties 40 ha and over. It has a closer correlation with the ABS data but demonstrates some anomalies. For example, dairy cattle total numbers were only 2,319 by LLS in 2014 and 3,667 in 2009 whereas ABS counted 6,738 in 2011.

The LLS data points to average beef farms – ranging 193 to 200 ha over the last 10 years and the ABS overall average farm size around 200 for the past 2 census.

Council rates data was also interrogated to reveal the following numbers of properties in the existing RU1 zone and deferred areas:

• Ownerships between 40 and 80 ha	184
• Ownerships between 80 and 100 ha	42
• Ownerships between 100 and 200 ha	76
• Ownerships between 200 and 400 ha	37
• Ownerships over 400 ha	16
• Total properties 40 ha and over	339
• Total properties 100 ha and over	129
• Total properties 200 ha and over	53

This Council data points to a very high proportion of part-time and hobby scale properties and a median property size under 80 ha.

Table 8: Total stock - all farm size returns Eurobodalla Shire

	2004							2009							2014						
	Farms	Stock	Areas	Number of farms				Farms	Stock	Areas	Number of farms				Farms	Stock	Areas	Number of farms			
				< 40 Ha	40 - 100	>100	> 200				< 40 Ha	40 - 100	>100	> 200				< 40 Ha	40 - 100	>100	> 200
Alpacas	10	149	191					14	220	544					33	211	1418				
Beef Cattle	323	12464	33340	167	86	75	34	272	11614	28604	136	70	66	28	259	10675	28910	124	72	63	28
Bison															1	8	45				
Buffalo															2	8	28				
Camels	1	13	13																		
Dairy Cattle	55	5851	6754	23	12	20	12	30	4107	3838	10	7	13	7	26	2416	2379	15	2	9	5
Deer	6	123	186					3	111	88					2	82	58				
Emu	1	20	283																		
Goats	39	278	1170					31	377	1057					36	394	1051				
Horses	229	1083	13360	150	50	29	13	140	722	9456	83	36	21	10	187	748	13096	123	39	25	13
Llamas															2	9	13				
Ostrich	2	7	50					1	3	30											
Other								9	156	125											
Pigs	8	20	274					10	102	317					6	40	54				
Poultry															5	686	88				
Sheep	32	1882	4270					46	2231	2881					85	3848	5656				

Source: LLS Annual Returns

Table 9: Local Lands Service total Beef and Dairy for properties 40 ha and over

	Total beef and dairy - properties 40 ha or larger					
	Beef stock numbers	Areas	Farms	Dairy stock numbers	Areas	Farms
2004						
<i>Total</i>	9,829	30,564	159	5,134	6,300	32
<i>mean</i>	62	193		161	198	
<i>median</i>	42	96		138	131	
2009						
<i>Total</i>	9,933	26,401	137	4,016	3,667	20
<i>mean</i>	73	194		201	183	
<i>median</i>	40	96		148	147	
2014						
<i>Total</i>	9,334	26,977	136	2,319	2,119	11
<i>mean</i>	69	200		211	193	
<i>median</i>	40	94		150	167	

Source: LLS annual returns

3.3 EUROBODALLA IN THE SOUTH EASTERN REGION

The Southeast Region comprises:

- Eurobodalla
- Bega Valley
- Palerang
- Bombala
- Goulburn-Mulwaree
- Harden
- Queanbeyan
- Yass River
- Cooma-Monaro
- Snowy River
- Boorowa
- Young

The following table shows the significance of agricultural activity in Eurobodalla compared with the whole South East Region and the neighbouring local government areas of Bega Valley, Palerang and Shoalhaven. The table shows that the scale of agricultural activity in Eurobodalla is much smaller than in its neighbouring LGAs.

Table 10: Agricultural production in Eurobodalla and selected parts of NSW Southeast, 2011

	South Eastern (excl. Shoalhaven)		Eurobodalla (A)		Bega Valley (A)		Palerang		Shoalhaven	
	Estimate	Number of agricultural businesses	Estimate	Number of agricultural businesses	Estimate	Number of agricultural businesses	Estimate	Number of agricultural businesses	Estimate	Number of agricultural businesses
Area of holding - Total area of holding (ha)	2,621,906	4,586	26,276	138	89,362	415	218,468	432	80,457	355
Hay and Silage - Hay - Total area (ha)	24,346	826	679	18	1190	53	1,050	47	2,637	77
All broadacre crops - Total area (ha)	170,619	772	20	2	459	14	2,110	31	1,278	10
Nurseries, cut flowers or cultivated turf - Total area (ha)	109	58	34	6	28	14	13	9	115	31
Vegetables for human consumption - Total area (ha)	157	63	20	7	24	9	5	8	7	5
Orchard fruit and nuts - Total trees (no.)	786,826	165	7,496	10	8,316	12	42,598	15	2,566	12
Livestock - Cattle - Total (no.)	465,695	2,963	18,126	113	54,490	352	56,716	327	40,313	290
Livestock - Dairy cattle - Total (no.)	38,210	145	6,738	17	27,797	87	301	7	24,052	62
Livestock - Meat cattle - Total (no.)	427,485	2,889	11,388	103	26,692	294	56,416	325	16,260	253
Livestock - Sheep - Total sheep (no.)	4,761,347	2,793	3,405	28	31,033	116	155,115	171	2,840	38

Source: ABS Agricultural Census (various years)

3.4 VALUE OF AGRICULTURAL PRODUCTION

The total value of agricultural production in Eurobodalla has been around \$12.5 million per year until 2006, though data presented for 2011 shows a sharp jump to \$20 million. The jump is largely due to increases in the value of beef and milk, though some of the apparent increase may be due to changes in the way data was collected (see note on data quality below). The most valuable agricultural activities have been beef cattle and meat, and dairying, together accounting for around 90% of the total value of agricultural production in the Shire. The information is presented graphically below.

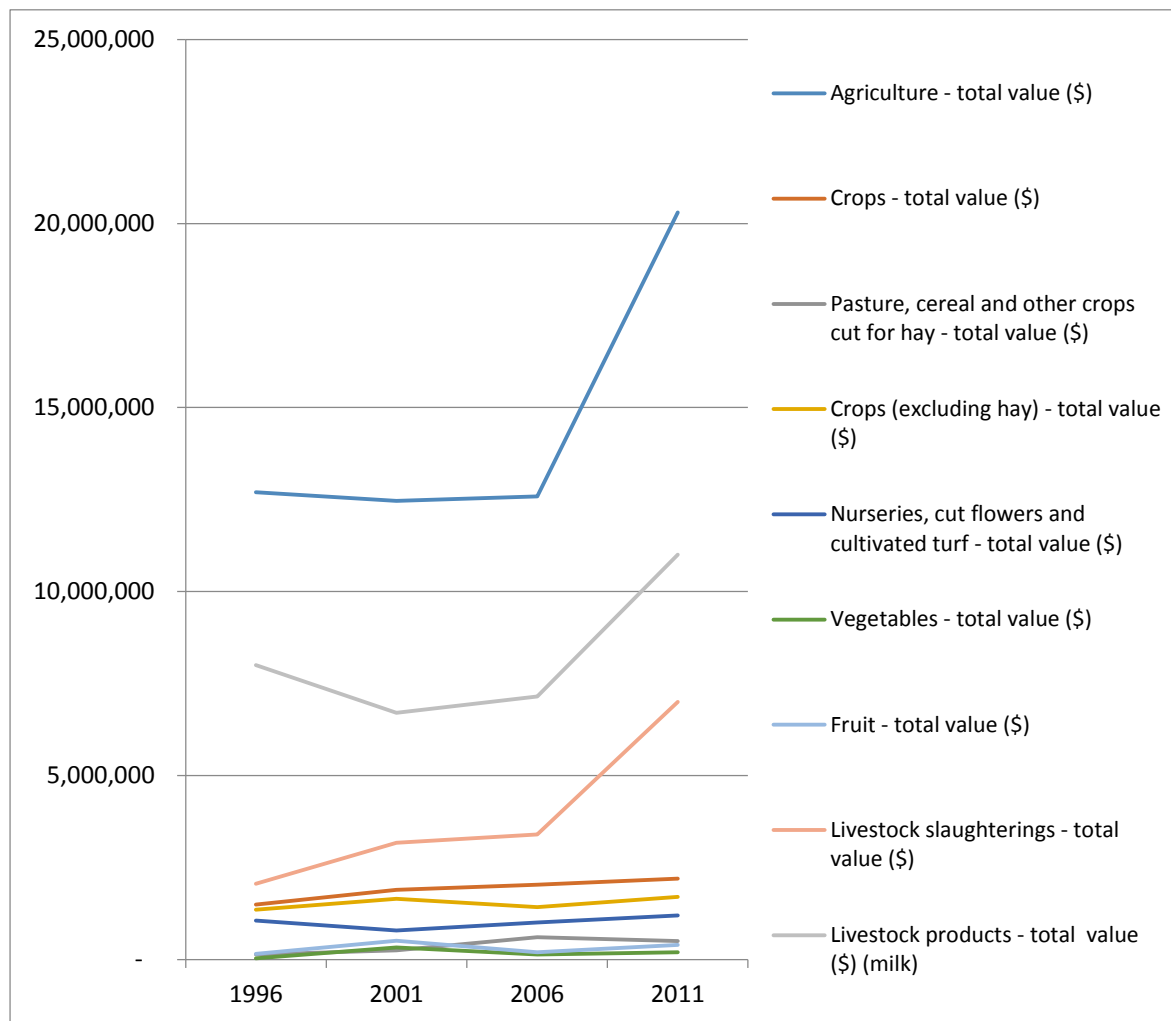
Table 11: Value of agricultural production, Eurobodalla Statistical Local Area

	1992*	1996	2001	2006	2011*
Agriculture - total value (\$)	6,415,771	12,695,887	12,459,438	12,589,591	20,300,000
Crops - total value (\$)		1,493,006	1,895,293	2,037,002	2,200,000
Pasture, cereal and other crops cut for hay - total value (\$)		137,729	254,041	608,912	500,000
Crops (excluding hay) - total value (\$)		1,357,160	1,652,441	1,428,090	1,700,000
Nurseries, cut flowers and cultivated turf - total value (\$)		1,055,787	788,636	1,005,603	1,200,000
Vegetables - total value (\$)		37,936	328,869	140,861	200,000
Fruit - total value (\$)		159,547	514,469	203,112	400,000
Livestock slaughterings - total value (\$)		2,057,078	3,170,137	3,402,418	7,000,000
Livestock products - total value (\$) (milk)		8,001,578	6,707,874	7,150,171	11,000,000.0

Source: ABS Agricultural Census (various years)

* Note on data quality: This data was provided by the ABS as a special order but there are still concerns about consistency of measurement. The 1992 data covers a much smaller area than that for later years and cannot be used for trend assessment. Similarly, the published data for 2011 has a different format and there are substantial jumps in many of the measures when compared to the trends over the previous decade. Discussion with specialist staff in the ABS Agricultural Statistics Section indicates that there is no simple explanation for the jumps observed between 2006 and 2011. There was no change in the way the data was collected, and the number of respondents was slightly smaller in 2011 (138 in 2011 compared with 168 in 2006). There may have been some change to the way some questions were worded but this has not been confirmed.

Figure 10: Value of agricultural production (\$), Eurobodalla SLA



Source: ABS Agricultural Census (various years)

4 BUSINESS LOCATIONS IN URBAN AND RURAL AREAS

Locations of active businesses in Eurobodalla Shire as recorded by the ABR were split into 'rural' and 'non-rural' areas based on the estimated position of the business and splitting the rural and non-rural using Council's GIS mapping of urban versus rural zones. For the purposes of this survey, "rural" includes rural residential zone as well as the RU1 zone and the deferred areas. The maps on the following pages show the distribution of business locations. It is important to note that the registered business address may not always be the business location, and that some businesses may operate over a number of locations.

The maps show that there is a wide variety of businesses located away from the main urban areas – not just agricultural businesses. Many construction and transport businesses are located in rural lands, as are a great many professional services businesses – most operating from a home base. The maps show relatively little rural based business activity in the northern part of the Shire, but there are many businesses spread inland of Moruya and between Moruya and the coast, and many also inland in the southern part of the Shire (south of Narooma).

The table below also shows a high number of agricultural businesses in non-rural locations. This could include businesses such as produce stores and veterinary practices that are located in commercial centres, mobile businesses that are registered to the owner's home address in a residential area, and businesses that have chosen to register their business in a central location (but the actual business operation may be in various rural locations).

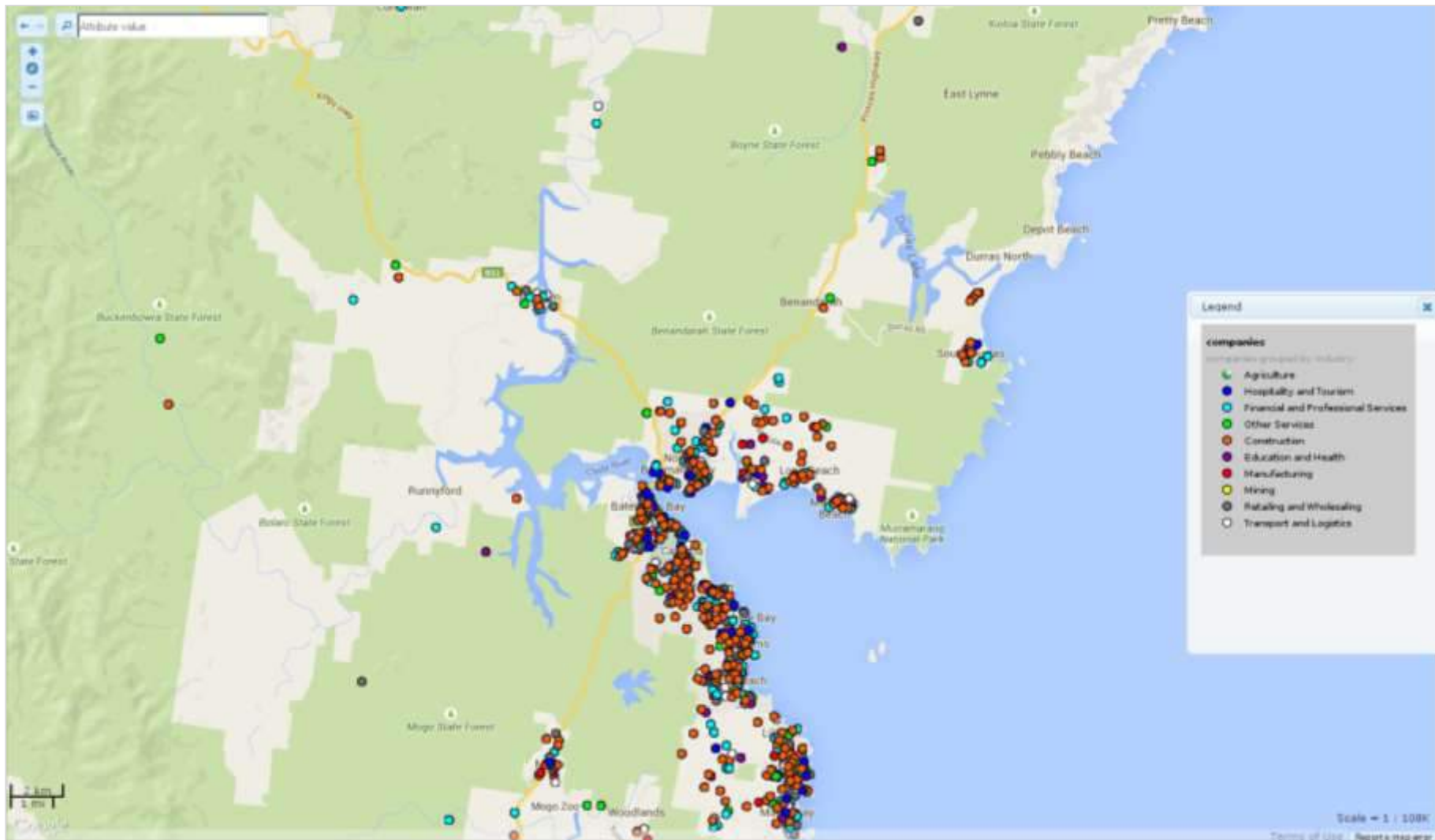
Table 12: Counts of active businesses by location and industry groups

Row Labels	Non Rural	Rural	Grand Total
Agriculture	137	116	253
Construction	472	209	681
Education and Health	142	20	162
Financial and Professional Services	520	69	589
Hospitality and Tourism	182	25	207
Mining	0	2	2
Other Services	88	105	193
Retailing and Wholesaling	262	30	292
Transport and Logistics	102	44	146
Grand Total	1905	620	2525

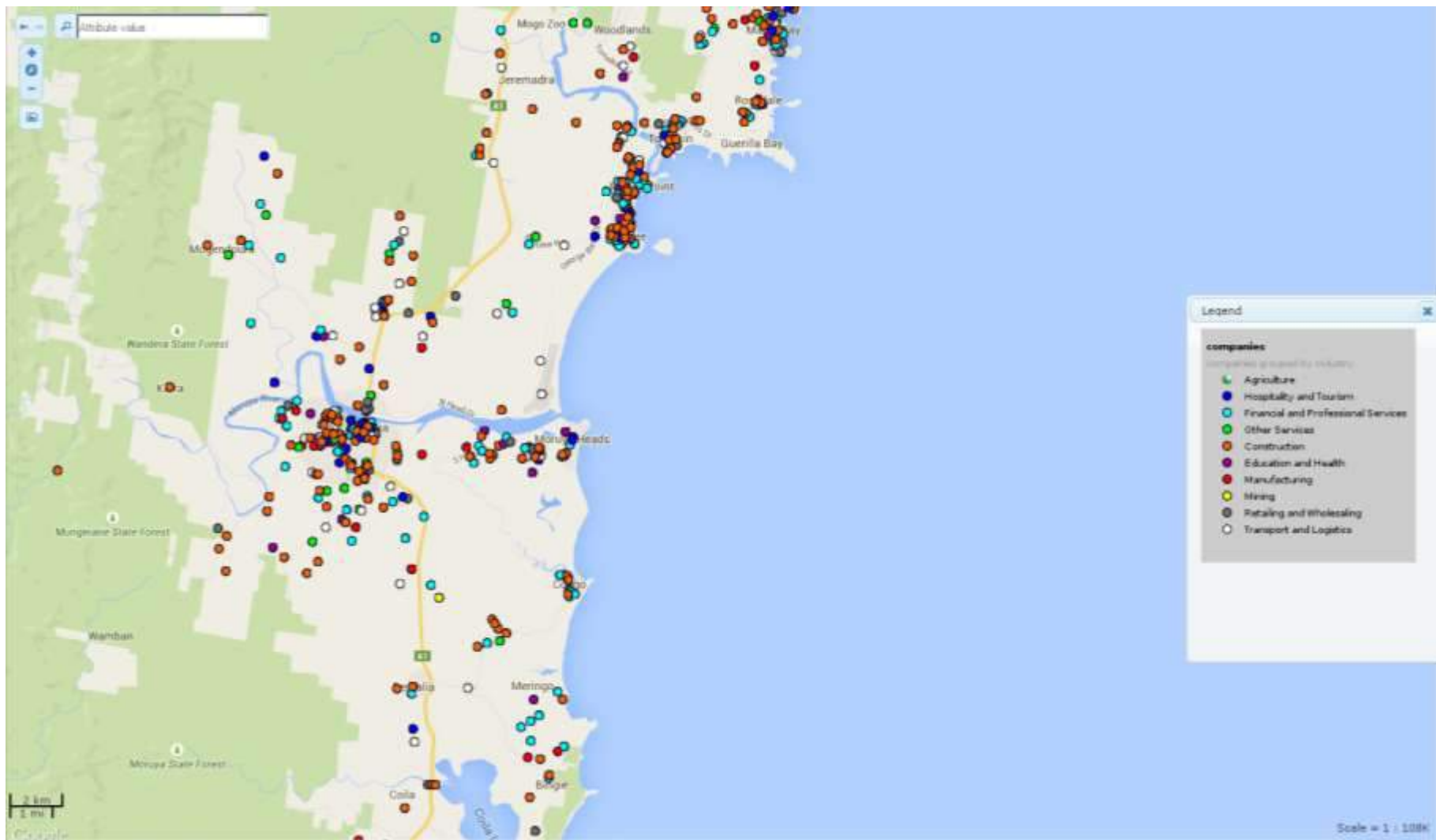
Source: ABR data modified to define rural/non rural locations.

Note: This table contains fewer Agriculture, Forestry and Fisheries business than Section 2 (including Table 5 and associated charts) as it is based on a subset of the active ABNs identified as being within Eurobodalla Shire which were located in one of a defined list of localities. In applying this filter some active ABNs did not match the locality list and were excluded. But the conclusion of the table is still considered valid in that the rural areas provide sites for a wide range of small businesses - as much as 25% of total businesses (but many of these rural based businesses are likely home scale with few external employees). Agriculture businesses in non-rural locations are either the location of the 'office' for a rural landholder (those not living on a rural property) or are businesses supplying services to agriculture from a non-rural business location.

Map 1: All Active ABN Businesses Batemans Bay District



Map 2: All Active ABN Businesses Moruya District



Map 3: All Active ABN Businesses Narooma District

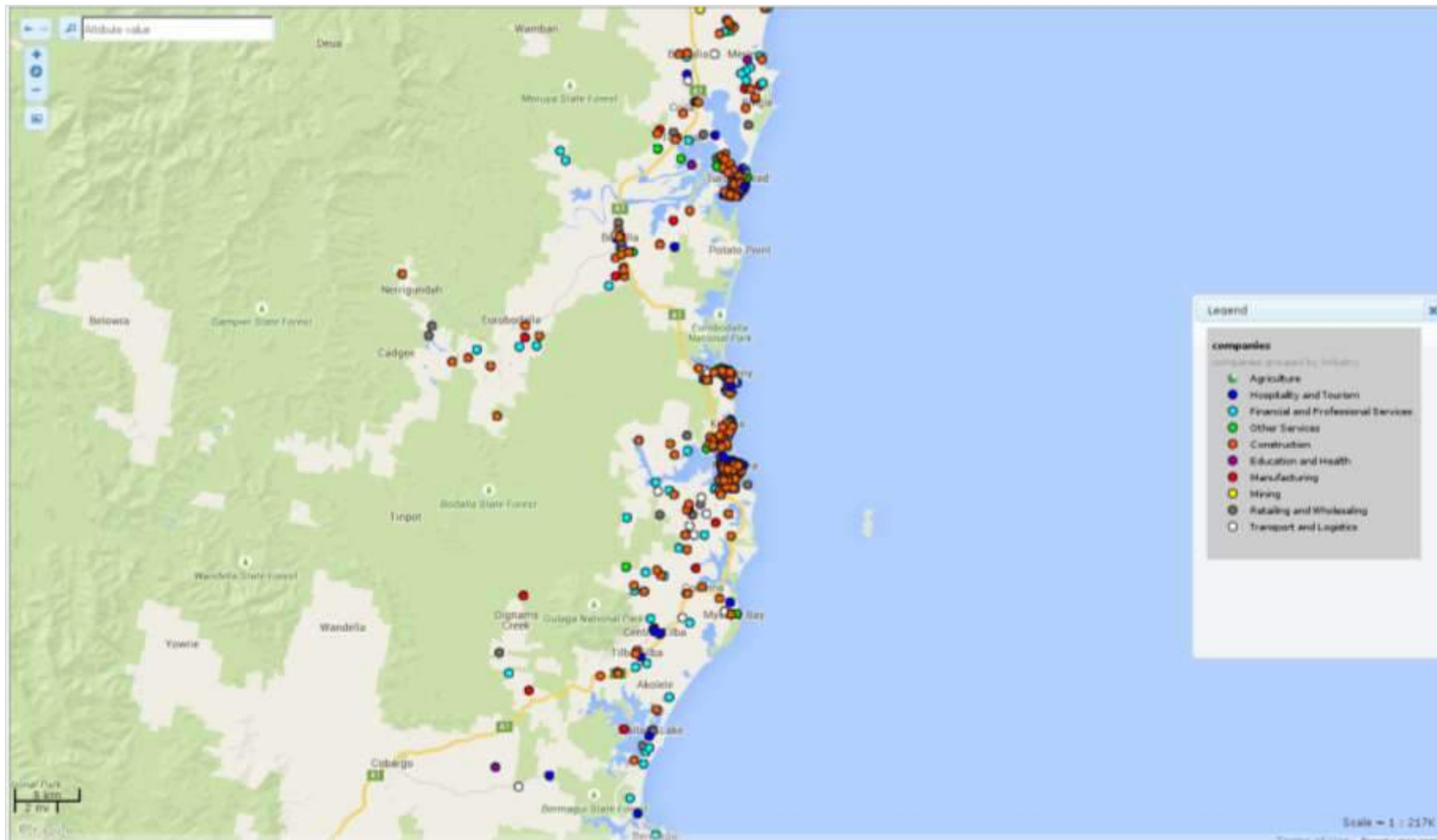
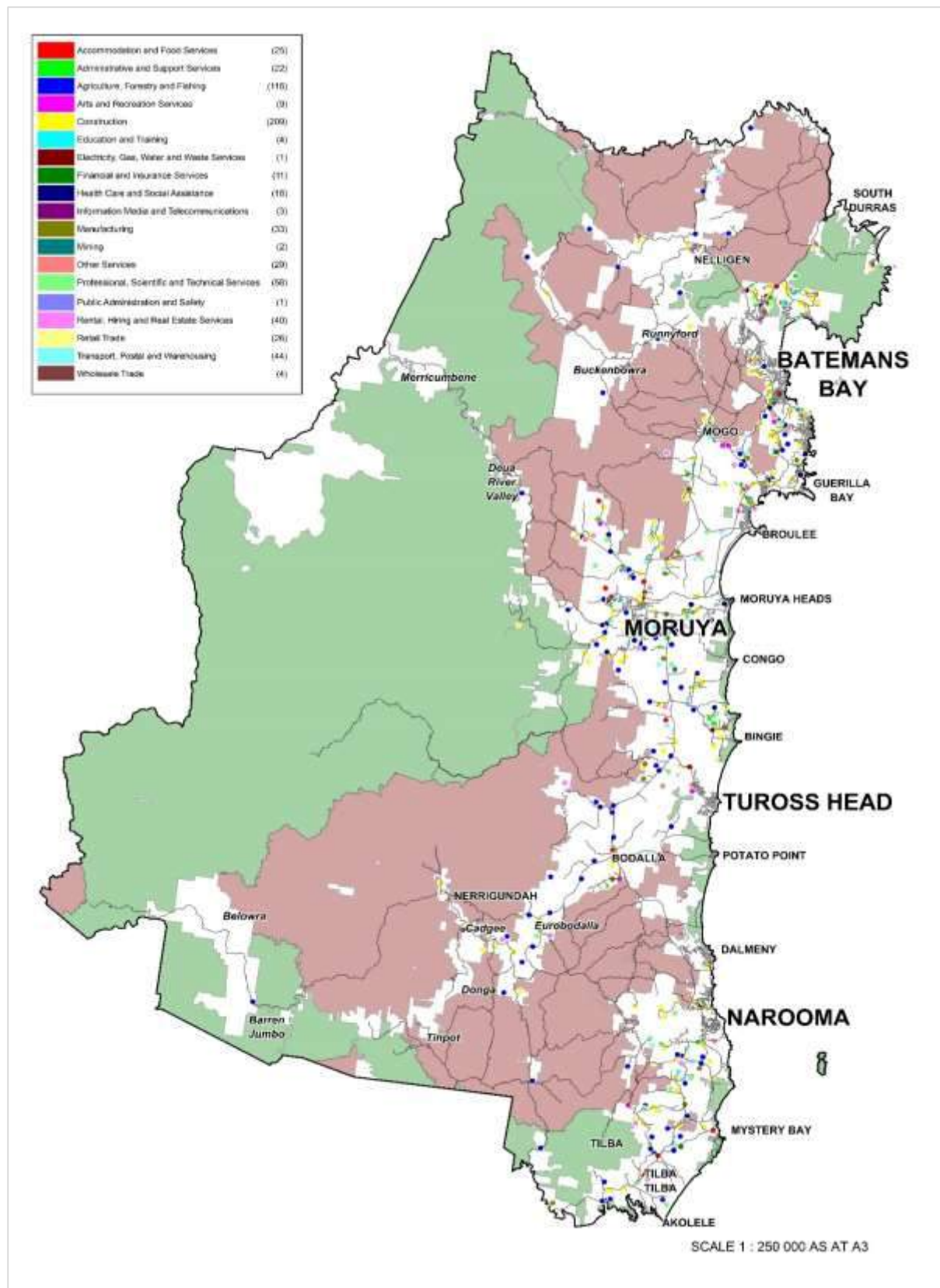


Figure 10 All Active ABN Businesses in the rural zones of Eurobodalla



Source: Australian Business Register

5 IDENTIFICATION OF ISSUES AND OPTIONS FOR THE RURAL STRATEGY

5.1 PAST ECONOMIC TRENDS

In trying to project the future, modelling of past trends is useful. The following rural economic trends seem to be derived from the available data:

- Traditional commercial scale agriculture (in particular beef and dairy) seem to have limited capacity to expand in economic terms:
 - There is no surety of terms of trade improving and have been in decline for several decades;
 - There is limited good agricultural land in larger holdings;
 - There has been a trend of shrinking holding size and increasing part-time farming;
 - There is increasing reliance on non-farm income; and
 - See Discussion Paper 2 for more detail on the limitations facing any expansion of traditional commercial agriculture.
- Similarly, employment in traditional commercial agriculture while remaining important, may continue to slowly decline as further pressure develops to improve automation and economies of scale. But perhaps the quite large forest and dairy rationalisations of the past 2 decades have now settled and employment in these sectors might stabilise more as the structural adjustments seem less likely to be as severe in the next 2 decades.
- The pattern of current owners of commercial scale farms, say 100 ha or greater, appears to be of mostly individual/family farms (Council rates data). This group appear to be ageing and high land values will make succession planning very challenging for following generations.
- High land values - fuelled by speculation will likely mean little interest in Eurobodalla as a destination for farm aggregation and corporate farms.
- There is a solid utilisation of the rural areas for non-agricultural business. Approximately 500 non-agricultural businesses are registered in the rural zones and this is only a proportion as many small operations are not registered or recorded by ABR as businesses.
- While holding sizes have been decreasing, the overall value of agricultural production seems to be increasing. Perhaps the part-time farms are producing similar output to when there were larger holdings? But are the inputs more?

5.2 INFLUENCES ON THE TRENDS

5.2.1 Data accuracy and need for monitoring

As discussed in the Sections above, there are limitations in the current available data:

- ABS fluctuations in the total value of agriculture production seem difficult to explain and as such the overall value of agriculture expressed from these sources might vary some millions of dollars.
- ABS, ABR and similar data sources are more reliable at regional scale.
- Agriculture is very much a cyclical activity and heavily affected by market swings and seasons. Hence, care is needed in estimating overall stock capacities as they can vary enormously between drought and good seasons and between times when there is income to improve pastures and periods (as up until recently) when returns from beef were too poor to pasture improve and hence production rates fall.
- Council could expand its statistical data gathering on agriculture and other rural land use but this has resource costs and we feel there are sufficient patterns in the available data to make adequate recommendations on general rural economic direction of Eurobodalla to set a 20 year vision for Council. However, some increased ongoing monitoring of data like the ABR business activity, sizes and types of holding could be beneficial and cost effective.

5.2.2 Changing markets

There is some recent optimism of improved terms of trade in beef and dairy but this has yet to translate into long term optimism. Free trade agreements, an expanding middle class in Asia and other potential markets, more diversity and interest in food and its provenance, these all could work to stabilise or even grow agricultural value.

But there is yet to be the surety that the decline in terms of trade of the past few decades is over. Council might foster new niche food and fibre but they are currently a very small part of the overall rural economic production value.

5.2.3 Land use and land value

The past 30-40 years has seen ongoing and solid growth in interest from people both just wanting to live in rural areas and those wanting hobby or part-time roles in agriculture.

This has led to fragmentation of properties and increases in land values. Some rural properties may now have a land value where even just the annual bank interest on that value may not be met from conventional agricultural production on the property. This is discussed more in Discussion Paper 2.

5.3 USE OF THE RURAL AREA FOR BUSINESS OTHER THAN AGRICULTURE

As mentioned above, there could be perhaps a thousand or more, mostly small, often home based businesses in the rural zones which have no direct relationship to agriculture. But many of these businesses operate from part-time or hobby scale farms. There is evidence of this activity growing and prospects with technological improvements like the National Broadband Network of faster growth in non-agricultural business.

There are professional people working from a home office on a farm. There are many earthmoving and other types of construction contractor with a work base on farm in the rural areas. While there are currently only small numbers of rural tourism businesses there is possibly growth potential.

There is not much evidence of conflict between these non-agricultural activities and commercial agriculture. In fact, some of these activities may support part-time agricultural operations and general land management.

With less than 130 properties over 100 ha (source Council rates records), it seems apparent most agriculture is a part-time activity in Eurobodalla. Some part-time scale operators seem to be “early retirees”, but some have either off-farm employment in the urban areas or on farm business income not related to agriculture.

6 PREFERRED OPTIONS AND RECOMMENDED STRATEGIES RELATING TO RURAL ECONOMIC DIRECTION

6.1 SOCIO-ECONOMIC OPTIONS AND STRATEGIES

6.1.1 Fostering small non-agricultural businesses

Subject to reasonable controls to protect existing and potential viable commercial agriculture and other primary production, it would seem to be positive for Council to continue to foster additional appropriate non-agricultural businesses and expansion of existing ones. This can support the rural economy and result in more finance for better land management in the rural zones.

Action Statement:

Council to consider expanding permissible uses in the rural zones as suggested in Section 6.2.

Council to develop plain English fact sheets or brochures to identify the range of non-agricultural activities that are permissible and encouraged in rural areas, and to outline in simple language any relevant approvals required or controls that apply.

6.1.2 Addressing an aging rural population

Higher proportions and absolute numbers of seniors in the rural areas has challenges for services for all three levels of government, with more load on ambulance, in home care, etc. Transport can be a challenge for more senior rural residents.

Council might facilitate programs to improve public transport, community transport, etc. Much of this role is a State responsibility but Council can lobby for support.

Action Statement:

Council to continue to lobby for adequate services for rural aged, including ambulance access, community transport and programs to foster the retention of the aged in their own homes.

6.1.3 Growing agricultural employment

The prospects do not look good for significant growth of employment in the traditional commercial rural industries. There may even be a need to plan for more decline. But the rate of decline of the past 2 decades may slow and rural industry is still a significant employer.

There could be employment growth opportunities in fostering appropriate non-agricultural work opportunities in the rural areas and in growth of new initiatives in local food and fibre.

These opportunities are explored in Discussion Paper 7.

6.1.4 Monitoring the data

The State and Federal data collection has a focus larger than the Local Government scale. Good local data on the demography, business activity and other rural land use trends is valuable for informed decision making. But it can also come at a cost. Council needs to balance gathering sufficient data and cost of monitoring.

Action Statement:

Council should continue to subscribe to the ABR data on registered businesses in the Shire and undertake, at a minimum, 5 yearly reviews to monitor trends and success in growing target businesses.

6.2 LAND USE OPTIONS AND STRATEGIES

6.2.1 Using lot size to protect agriculture

Traditionally, setting large lot sizes has been a land use planning tool to limit speculative value pressures on good agricultural land.

Unfortunately, in places of demand for rural land for uses other than commercial agriculture such as the coast or near major cities, in many ways the “horse has bolted” in that the land value already is well above what the lands agricultural production value can service in terms of interest on the capital investment.

There are other reasons to limit land fragmentation and these are presented in the Discussion Papers 2 and 9.

Discussion Paper 2 draws evidence that Eurobodalla is fast becoming a part time farming area and as such lot sizes do not necessarily have to have some correlation to full time farm scale. But there is a need to avoid unnecessary fragmentation of larger holdings down to a point where they are just hobby scale properties. Options on lot size are developed in Discussion Papers 2 and 9.

6.2.2 Facilitating permissible uses

Council may review and expand permissible land uses in the rural areas to widen the scope of compatible non-agricultural business. This is explored further in Discussion Paper 3.

Expanded controls may be needed in a Development Control Plan to mitigate adverse impacts on agriculture. For example, buffers, noise specifications, stringent soil and water management and restrictions on such development where roads and other services are modest.

Protection measures for agriculture are explored in more detail in Discussion Paper 9.

DISCUSSION PAPER 2

COMMERCIAL SCALE AGRICULTURAL DIRECTIONS

A DISCUSSION PAPER TO GUIDE THE EUROBODALLA
SHIRE COUNCIL RURAL LAND STRATEGY



Prepared by: **Garret Barry Planning Services Pty Ltd**
and **Roland Breckwoldt**

For: EUROBODALLA COUNCIL



January 2016

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1 INTRODUCTION

1.1 PURPOSE OF THIS DISCUSSION PAPER

The Draft Eurobodalla Rural Strategy is presented in three volumes:

Volume One: The Strategy – this is a summary document of the recommended preferred options, strategies and action plans.

Volume Two: The Discussion Papers – there are 10 broad papers in this volume presenting a discussion on the more significant issues applicable to Council's role in the rural lands of Eurobodalla.

This is Discussion Paper 2 and it explores some of the issues and options affecting established commercial agriculture. Detail on small scale and emerging niche agriculture is discussed in Paper No. 7. It is a draft for discussion and will be the focus of a special Rural Producers Economic Workshop during the exhibition period of the Strategy. Feedback from this workshop will be used to strengthen this paper with local knowledge and input from producers and to refine the recommended strategies.

Volume three: A compendium of larger scale maps – given the size of the Shire and the detail sometimes required, the more important maps of general land use information and those from the Discussion Papers are presented at A3 page size. In addition, if accessing the PDF version, there is the capacity to “zoom in” to explore more detail.

The draft strategy package as presented in the three volumes, represents the work of the consultant team Garret Barry Planning Services (GBPS). It is stressed these documents are drafts prepared for community comment and input. Council has not concluded any view on the draft recommendations and will resolve a final strategy when it has considered community feedback.

We welcome suggestions from the community as to land uses people favour or feel should be further restricted in their areas.

1.2 EXECUTIVE SUMMARY

While agriculture is an important industry in Eurobodalla Shire, its scale is considerably smaller than in surrounding council areas. The land resources of Eurobodalla are characterised by many steep areas with poor soils and as such original agricultural settlement focused on the more fertile valleys, side ridges and flood plains of the numerous long valley systems. Today nearly 72% of the Shire is State Forests and National Parks and approximately one third of the Shire's private land is currently under native vegetation. To some degree this is a reflection of a considerable area of land of limited value for agriculture – left largely uncleared by early settlement, utilised for timber resources and recognised in more recent times for its biodiversity value.

Of the 67,000 ha of private lands in the current agricultural zones of the Shire (the RU1 Zone and the Deferred lands), only 22,000 ha is comprised of what might be classed as highly

productive agricultural land (Class 1 to 4 of the Department of Primary Industry 5 Class System) and only just over half of that higher class land is in holdings over 100 ha.

Of the 1,730 ownerships in the RU1 and Deferred areas, nearly 80% are 40 ha or less in size and in the majority of cases represent hobby scale farms. Even many larger holdings have a high proportion of land of lower agricultural quality.

Beef Cattle and Dairy by far dominate the current value of agricultural production with approximately 120 farms producing most of the output and only about 40 of these having more than 200 ha of land. There are also patterns of landowners sometimes having several separate holdings or leasing other property.

There are a range of commercial timbers on private lands in the Shire. Regulation of private forestry is currently administered at State level for private forestry activities.

But there are many small holding operations which on a per hectare basis often run similar stocking rates to the larger commercial farms, however their net returns from agriculture would likely be low or negative. Rural lifestyle activities, hobby-scale farming mixed with off farm work or non-agricultural on farm business often are a major part of the small holding land use and activity. There are over 500 registered businesses not related to agriculture in the rural areas and many more small unregistered home scale businesses helping support agricultural operations.

Hobby scale and part-time farming far outnumber large scale commercial farming operations and occupy more of the overall total agricultural land area.

Distance from markets and transport costs have always been a challenge for agriculture in this region.

Land prices have been increasing over the past four or more decades, driven more by growing settlement pressures not directly related to agriculture. This makes Eurobodalla an expensive location to attempt to establish or expand a commercial scale farm producing conventional beef or dairy product.

Eurobodalla Shire is typical of all coastal Shires in New South Wales in experiencing a rapid change in land and water use. Inland Australia is losing people as they move to the coast. Retirement destinations have changed as the cost of land in coastal shires is less than in the cities. These are not revelations to anyone living in Eurobodalla Shire. However, what is unknown is whether these trends will continue at the same rate as in the past or whether they will escalate and introduce new planning challenges over and above those that already exist.

The trends vary somewhat. While the real value of rural land has continued to appreciate over the past 50 years it is not a smooth increase. There are cyclic “booms and busts” in the pressures inflating rural land value. There are retirement surges and city exit periods. There are long droughts.

This Paper also explores the difficult area of predicting where broader agriculture is heading in the national and international scale. There are optimistic scenarios relating to likely growing world demand for food in general and for special, higher value, food products which Eurobodalla might tap into. But the graphs of the terms of trade for commercial agriculture both locally and nationally have been negative for several decades, and looking to the next 10 years there is not yet certainty that this downward pattern has finally been arrested.

There are exciting trends and movements into value adding and local food but the current scale is very small and while growth is strong, this sector in dollar terms will not make a significant dent in the percentage of overall gross agricultural value in Eurobodalla for the 20 year planning horizon of this Strategy.

But the way even commercial scale agriculture markets and develops its products is facing revolutionary change. The conventional high volume, low price production is not a market niche Eurobodalla can expand in. Its future lies in value adding and marketing differences in its products.

What is the role of Council in assisting and maintaining a productive agricultural sector and in strengthening it and allowing initiatives to flourish?

Council has a land use planning function and this Strategy is charged with developing new guidelines to assist in conserving the agricultural resource while minimising unnecessary regulation and allowing reasonable development options for landowners.

The traditional planning approach of the past 60 years has been to try to prevent fragmentation of farms by preventing or limiting subdivision. This is an effective tool for maintaining larger lot sizes, but it does not assure a strong agricultural future, especially in a Shire with the many competing land use pressures Eurobodalla faces. This Paper concludes there is an argument to continue to minimise fragmentation of larger properties where they contain productive agricultural land, but in other areas, an alternative approach needs to be considered.

This Paper identifies that, unlike major agricultural LGAs away from the coast, Eurobodalla is already very much characterised by part-time farming, with few landowners fully dependent on the income earned from the farm. Coupled with ongoing pressure for smaller lot, hobby-scale farming and there is an argument to minimise fragmentation at least to maintain most properties at a scale suitable for part-time farming. The appropriate size of properties to maintain for part-time farming will be dependent upon the quality of the soil and access to water, amongst other matters.

There is a related aspect in the justification of retaining better land in holdings at a size that ensures some potential for economic aggregation, and holding land resource should the terms of trade for agriculture eventually enter a long era of strength.

Having regard to the above, this Paper concludes that the appropriate minimum lot sizes for rural land in Eurobodalla needs to be determined having regard to the characteristics of each locality, rather than as a blanket approach.

There is a second major reason to control fragmentation and that relates to controlling servicing burdens like road extensions, maintenance and renewal, and for preserving options for the future (should the terms of trade for agriculture go more into an era of long term improvement and growth).

Council also has an economic development role and might assist with marketing and education relevant to agriculture – from supporting saleyards and administering controls on weeds to fostering farmers markets.

Note on the use of the term “hobby farm”

Throughout this Discussion Paper, the term “hobby farm” or “hobby scale agriculture” is used. To the extent this hobby scale use encroaches on commercial agricultural activity, the Paper concludes it should be controlled.

It is appreciated this is a term, often the subject of debate, as to when a landowner is using agricultural land for a private hobby and when there is commercial agriculture occurring. The answer is not straight forward, especially in a Shire with the diversity of land quality of Eurobodalla.

This Paper presents data that shows even larger holdings might be struggling to produce a net return able to support a family or where the net return from agriculture has some prospects of being better than bank interest on the capital value of the land.

But we argue a point is reached, probably around 50 hectares or less of “average” Eurobodalla farm land, where the activity starts to slip into being such a small part-time income generator, that the landowner is “farming” for reasons other than the net income he/she seeks to make from the property. The **net income** is stressed. For example, there might be people with substantial off land income pouring inputs of fertiliser and technology into a little 20 hectare beef operation that make that small holding produce 4 or 5 times the Shire average production per hectare. But when you deduct the input costs from the gross return from cattle sales the return is very much negative.

Hobby farming has an important place in the Eurobodalla lifestyle and economy. Many hobby farmers invest in machinery, farming materials and produce and are a cornerstone of the rural supply sector of the rural economy. But there are ample opportunities for supply of hobby scale farms throughout Eurobodalla without fragmenting those larger holdings remaining in the Shire that have potential to at least produce a part-time income.

Eurobodalla is already more of a part-time agriculture area than a full-time one. There are hundreds of small non-agricultural businesses in the rural areas supplementing part-time farm incomes, and there are increasing numbers of early retirees with a part-time operation and this trend seems set to continue and grow.

2 AGRICULTURE IN AUSTRALIA IN THE NEXT 20 YEARS

Prediction of agricultural direction has never been easy and seems to now be becoming even more complex.

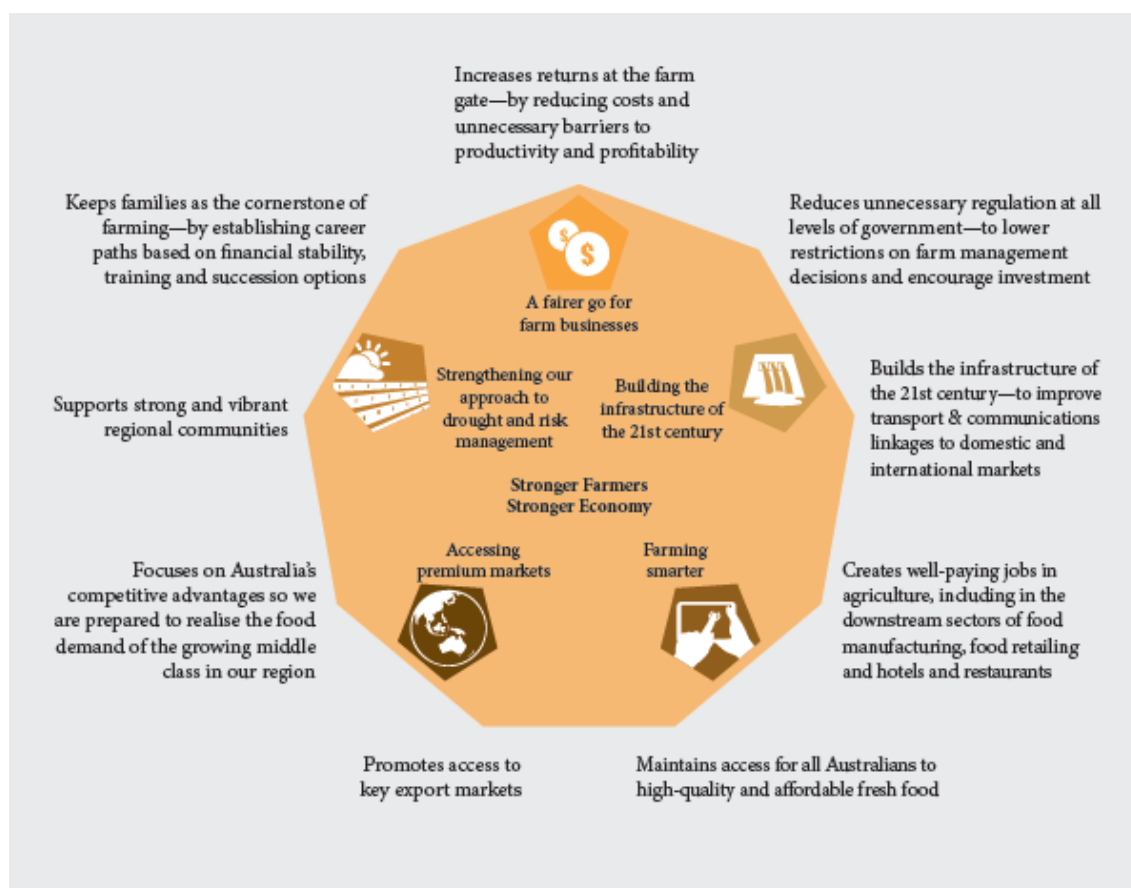
There are four recent publications that shed some light on this complex task of prediction of agricultural trends for the coming 20 years.

2.1 THE FEDERAL GOVERNMENT'S WHITE PAPER ON AGRICULTURE

Agricultural Competitiveness White Paper. Commonwealth of Australia, 2015.

<http://agwhitepaper.agriculture.gov.au/SiteCollectionDocuments/ag-competitiveness-white-paper.pdf>

The Federal Government's White paper identifies major potential for Australian agriculture. It identifies the following nine principles to improve competitiveness:



The Federal Government will provide funding:

- To improve farmer access to overseas markets;
- To lessen red tape;
- To improve road and rail infrastructure; and
- To improve R&D – especially in pest and disease control.

Tax incentives are also being implemented to drought-proof farms through water storage and fodder management system concessions and tax averaging over 10 year periods.

The Paper identifies options for export to focus on, for example, higher value produce and a secure, clean, green product image.

2.2 ASSESSING THE COMPETITIVENESS OF AUSTRALIAN AGRICULTURE

Assessing the Competitiveness of Australian Agriculture. June 2015. Keogh, Tomlinson and Henry. Rural Industries Research and Development Corporation, Australian Government. (RIRDC Pub. No. 15/054).

This Paper points to the complexities facing policy makers in agriculture in Australia and the relatively poor access to decent predictive tools to measure how Australia is progressing compared to its agricultural competitors.

Modelling on a case study between USA and Australia demonstrated some methods of predicting agricultural direction/production or competitiveness have not measured up well when applied to historical data.

The Paper suggests improved predictive model methodologies especially across three areas:

- Agricultural revealed comparative advantage – a measure of ability to produce and export compared to competitors or trading partners.
- Research and development investment intensity. There remains a strong correlation between R&D and improved productivity, and indices can be developed to monitor and project this.
- The Organisation for Economic Cooperation and Development (OECD) producer support estimate. Australian producers face competitors like OECD nations where producers are subsidised and an index of estimated support is needed to better evaluate Australian performance in an area without level playing fields.

The following extract from the Paper (p. 37) shows Australia's competitiveness has declined compared to our major competitors and the above factors are suggested to need better monitoring and policy attention if Australia is to claw back the drop in competitiveness.

TOTAL FACTOR PRODUCTIVITY OF SELECTED NATIONAL AGRICULTURE SECTORS

Subject to certain qualifications, the research indicates that New Zealand, Brazil and South Africa have all experienced relatively strong productivity growth over the past decade, which has likely contributed to enhanced competitiveness. On the other hand, the poor productivity performance of the Australian agricultural sector post 1997 is of major concern, as it is a very clear indication that the national agricultural sector is losing its competitiveness, relative to the other nations included in the analysis.

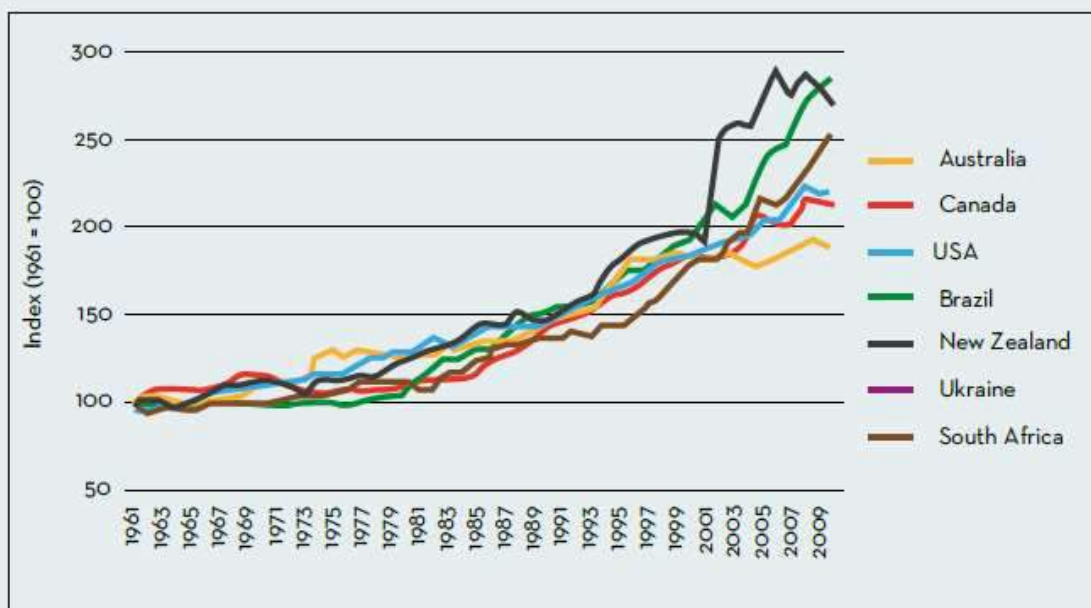
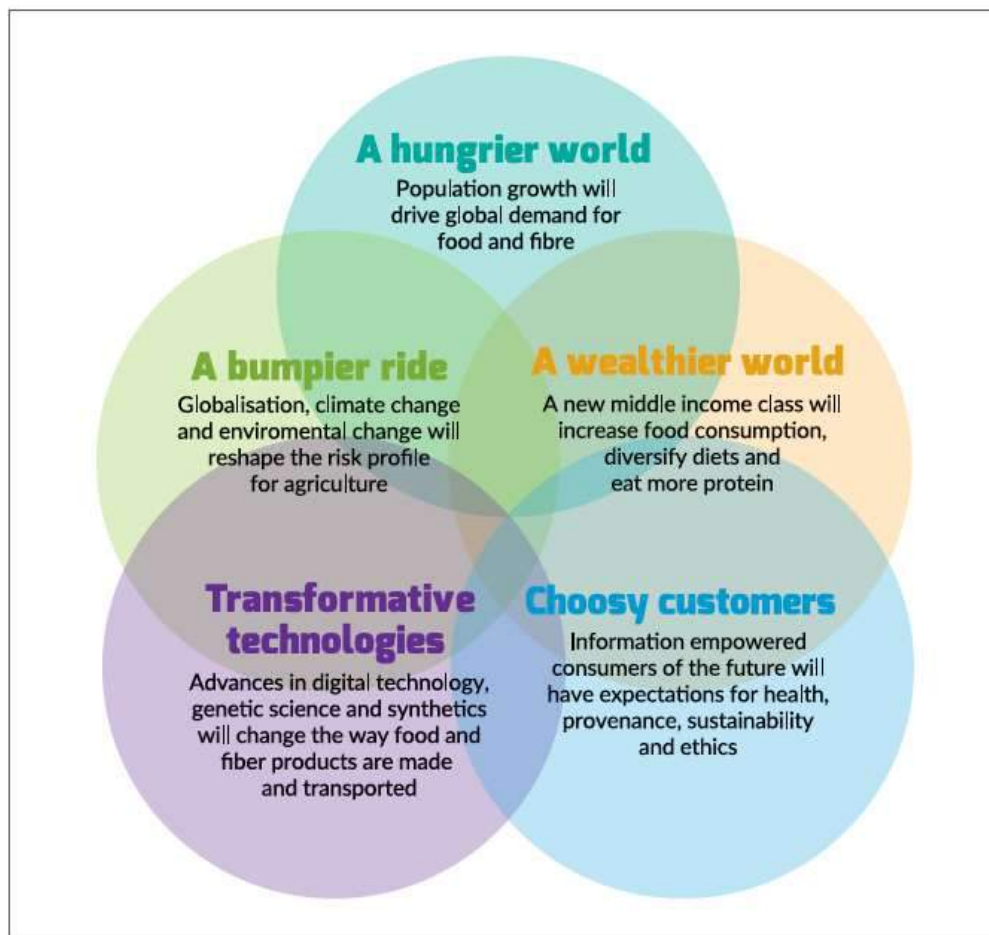


Figure 1 Total Factor Productivity of selected national agriculture sectors
(Source: Fuglie et al 2012)

2.3 RURAL INDUSTRY FUTURES

Rural Industry Futures: Mega trends impacting Australian Agriculture over the coming 20 years. July 2015. S Hajkowicz and S Eady. Rural Industries Research and Development Corporation and CSIRO. (RIRDC Pub. No. 15/065).

This is a very thought provoking Paper that paints a more positive than negative future of Australian agriculture of the coming 20 years and beyond. It identifies five mega trends impacting on the future of Australian agriculture:



A hungrier world:

- About 2.4 billion more people by 2050.
- About 70% increase in food needed.
- Improved yields will need to deliver the growth of production.
- Australia well positioned to sell more to Asia which has expanding middle class.
- Some Australian land may be converted to use production energy like biofuels.
- Still many trade barriers and subsidised farmers overseas to compete against.

A wealthier world:

- Average estimated income of a world citizen now is \$14,000 and expected to be \$28,000 by 2040.
- More food to be consumed per head as the poor gain some economic improvement.
- Emerging economies will eat more diverse foods and increase protein intake (120% increase projected in beef consumption by 2050).
- China a major and growing importer of food and fibre.
- Wealthier markets seeking specialty foods – organic and provenance markets will see demand for value adding and specialty goods grow significantly. (Chinese estimates are that sales volume of organic certified food produce has risen from 135 million tonnes in 2003 to 1.96 billion tonnes in 2006.)
- So Australia has potentially more diverse and growing food and fibre markets.
- Safe, clean, green image of growing importance to the rising middle and upper classes of Asia.
- China free trade deal may open a very large market.

Choosy Customers:

- Healthier food being sought as obesity needs to be addressed.
- Fads and health perceptions can affect markets dramatically – witness swings in views regarding fatty meats, etc.
- Health giving special foods growing in demand.
- Trends are strong to ethical, humane production, quality control, certification and provenance of products.
- Australian farmers markets have seen rapid growth – now estimated to account for 7% of total fresh food sales.
- Social media means good and bad news about products travels very fast which in turn can see “overnight” changes.
- Producers can benefit by utilising social media to market new and quality products, provide provenance trace and product details.
- Healthier food products will enjoy more rapid growth.

Transformative technologies:

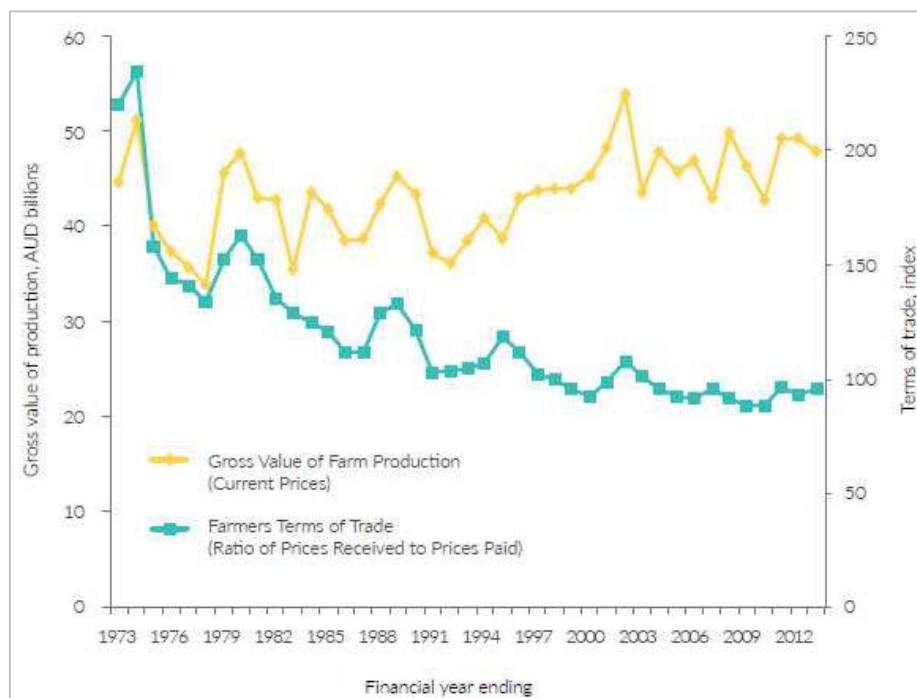
- Genetically modified crops now 150 million ha world-wide.
- Embedded technology is accelerating farm efficiency –from drones to crop monitoring technology.
- Robotics moving into agriculture and reducing labour.
- Still growth in synthetic textiles and that will check growth in natural fibres.
- Possibly more synthetic foods.

- More land set aside for biofuels/more competition for land for non-food use.
- Farmers need to adapt to being transparent as technology allows very detailed monitoring.

A bumpier ride:

- Climate change driving Australia to hotter, dryer and more extreme weather (but effect greater beyond the next 20 years).
- Biosecurity is vital to Australia but becoming more challenging with mobility of travel not just for rich but also poorer migrants.
- Australia very reliant on offshore inputs to agriculture such as fuel and fertiliser.
- Weed and pest resistance to control measures is growing and may affect production if alternatives cannot keep pace.
- Farmer risk profiles will change faster.
- While climate change impacts will vary, and in terms of plant growth not always be negative, overall in Australia production impacts will likely be negative. More “indoor” or controlled environment farming may be needed.

Lastly, this Paper has a sobering graph on the trends in gross farm production versus farmer terms of trade:



This graph shows Australian farmers have slightly improved gross value of production but their terms of trade have fallen substantially.

The report points out Australian agriculture currently meets 93% of the nation’s food needs and in 2013/14 agricultural production was worth \$48 billion. It points to continuing growth in farm sizes and a need for growth and diversification of exports to ensure a viable future for agriculture.

2.4 FROM VICIOUS TO VIRTUOUS CYCLES

From Vicious to Virtuous Cycles: A sustainable future for Australian Agriculture. August, 2015. S Ogilvy, A Kulkarni and S Hurley. Centre for Policy Development.

<http://cpd.org.au/wp-content/uploads/2015/08/Vicious-to-virtuous-cycles-2015.pdf>

This research Paper argues the natural resource base underpinning agricultural production has been gripped in a cycle of mutually reinforcing environmental and economic decline. The commodity market of modern agriculture rewards firms that deliver high volume, low cost production to consumers but that such systems largely ignore soil, water and other ecological resources that underpin the long term basis of Agriculture.

They argue many farmers are trapped in a vicious cycle where, to make ends meet, they are forced to look to practices that maximise short term production but at longer term adverse impact to the natural resource base. Basically they are overtaxing not only the land but also human and social resources – resource protection is ignored and jobs and service it may support either do not start or decline.

They say a change of focus is needed to open and grow markets that expand investment in resource enhancement. Large firms can be persuaded that it is good business to market the sustainability of the products they sell and leading edge farmers can tap into that growing market by demonstrating sustainable soil and water practices, ecosystem enhancement and sustainable branding and tracing of product.

The report argues the Government needs to develop better accounting of the economic benefits of sustainable natural resource use.

2.5 NSW AGRICULTURE INDUSTRY ACTION PLAN

Agricultural Industry Action Plan - Issues Paper. June 2013. NSW Department of Primary Industries.

http://www.dpi.nsw.gov.au/_data/assets/pdf_file/0004/468292/agriculture-industry-action-plan-issues-paper.pdf

The NSW Government is developing Industry Action Plans (IAPs) to guide key industries towards productivity targets over the next 10 years. Agriculture is seen as one of those key industries that could benefit from such a plan. The above Action Plan Issues paper picks up on the international and national trends detailed in the sections 2.1 to 2.4 above such as growing Asian middle class and rising consumer demands for specialised product.

It explored the following groups of issues:

Issues

Productivity, profitability and innovation

- Industry is increasingly driving innovation on behalf of its stakeholders.
- There is a need for uptake of the latest research and development (R&D) by industry and stakeholders to drive productivity.
- The changing mix of public and private investment in research and development.
- Changing terms of trade in the context of increased costs of production, competition from overseas and volatility of international commodity markets.
- Improvements in management and adaptation to increased climate variability and its impacts of enterprise productivity, profitability and resource allocation.
- The need for improving business skills as agricultural enterprises intensifies, with greater exposure to production and marketing risks.
- Capitalising on export opportunities, such as the “food bowl to Asia” century.
- Access to telecommunications infrastructure and access to innovative technologies.
- Surety and security of adequate land, water and resources.

Workforce and skills

- Tailoring agricultural education and training to ensure appropriate skills for future industry development.
- Improved planning for labour force supply and demand to better manage the seasonality of labour.
- Attracting the next generation of farmers to redress the ageing profile of the farming sector; and the provision of the right skills needed.

Business and regulatory

- Maintaining a strong biosecurity track record given new and emerging biosecurity risks are inevitable as a result of increased climate variability and globalisation.
- International variations in regulations governing industry and workforce such as higher health and safety regulations, environmental regulations and duplicative regulatory regimes which will increase costs for Australian farmers.
- Anticipated increase in regulatory requirements over coming years, especially in relation to product identification, hygiene of production, packaging and storage of product for food safety reasons.
- Changes to the use of chemicals in agricultural production systems and the management of risks for the unintended or off-site impacts.
- Growing expectations from consumers for traceability and accountability of production systems.
- Support an open and competitive environment where funding and risk management tools are available.

Investment and ownership

- Finding the right balance of public and private investment for replacing ageing infrastructure; improve coordination of and investment in infrastructure.

- Striking the right balance regarding foreign investment and foreign ownership within the sector. This is a broad trend occurring across the international agricultural sector, and is driven largely by issues around acquiring adequate capital for business growth and for production and financial risk management.
- Driving greater economies of scale to maximise efficiency.
- Addressing barriers for investment and new entrants to the sector.
- Pressures associated with changing land use (eg. urban expansion, extractive industries) that threatens to reduce the land available for agriculture, and opportunities for co-existence.

Markets and export

- Management of the impact of global issues on local production, such as the fluctuations in the Australian dollar and trade agreements with our export markets.
- Supermarkets represent the largest domestic market segment for food products. Concerns that their reduced competition is increasingly allowing a small number of buyers to force lower prices; manipulating quality and supply from producers and processors.
- Improved coordination of efforts may be needed to capitalise on trade opportunity through greater insights and understanding of market needs, also the need to address inequitable market access.
- Globalisation can be seen as a positive as it provides opportunities for much needed investment in agriculture.

Connecting with community

- Generally there is a need to improve the levels of awareness and understanding of agriculture, its activity and value to the NSW economy including in relation to environmental stewardship, climate resilience and carbon mitigation.
- Industry has a need to be pro-active and improve its representation, connection and communication of key issues impacting on the industry to the non-rural community and Government.
- Gaps in capacity to address community concerns when there are instances of unfavourable reports about some agricultural practices – these have the potential to impact negatively on the agricultural industry by:
 - devaluing agriculture in the eyes of local consumers
 - discouraging potential new entrants to the sector
 - making access to capital more difficult
 - encouraging potential partners and buyers to look elsewhere
 - discouraging young people from entering the agricultural workforce
 - reducing the ability of NSW agricultural businesses to engage and compete internationally.
- Continual improvement of economic, environmental and social outcomes through the development of best practice guidelines and environmental management systems for the sector, industry or locality; to enhance industry sustainability to consumers.
- Changing consumer preferences and expectations – consumers are seeking more information on where and how agricultural products are produced (eg environmental sustainability, local, ethical, organic).

The Agriculture IAP Discussion Paper was the subject of industry feedback resulting in: *Agriculture Industry Action Plan- Draft taskforce recommendations to Government*. March 2014. NSW DPI.

[http://agwhitepaper.agriculture.gov.au/IP%20Submissions%20for%20publication/2014-05%20May/IP688%20NSW%20Government%20\(3\).pdf](http://agwhitepaper.agriculture.gov.au/IP%20Submissions%20for%20publication/2014-05%20May/IP688%20NSW%20Government%20(3).pdf)

The recommendations of this report centre around six broad action themes:

1. *“Build the appropriate frameworks to maintain the **Profitability, Productivity and Innovation** that has underpinned competitiveness of the Agriculture sector in the face of declining terms of trade.*
2. *Maximise the efficient use of human capital through a focus on **Workforce and Skills**.*
3. *Review the **Business and Regulatory** operating environment in NSW to ensure the focus is on business development in the sector.*
4. *Investigate new models for **Investment and Ownership** within the industry to facilitate the capital investment required to underpin growth.*
5. *Develop the partnerships, supply chains and operating environment to capitalise on the widely foreshadowed **Markets and Export** opportunities.*
6. *Improve long term market development by effectively **Connecting with Community** in building social licence for production systems and products.”*

Some 42 recommendations are detailed in the report. Unfortunately many are at the very high principle level with relatively little “ground action” suggested. There is a strong theme of encouraging private partnerships, especially in research and development and of government investment only supplementing where the private sector is not delivering.

As with the Federal White Paper there are commitments to lessening regulation and improving infrastructure. But almost all the recommendations only have in principle application at the scale of an individual Shire like Eurobodalla.

3 SUMMARY OF STRATEGY PROJECTS PROGRESSED BEFORE THIS PAPER

3.1 DOCUMENTS DEVELOPED TO DATE

The first major stage of the project was the preparation and exhibition of a *Rural Lands Issues Paper* in June/July 2013.

The second major stage of the project was the development of a Rural Opportunities and Constraints Study, from which a *Rural Opportunities and Constraints (ROC) Report* was produced. This Study included mapping of rural land and high conservation value vegetation in the Shire. A process was also established with the Office of Environment and Heritage to facilitate additional validation of the vegetation mapping.

Two rounds of stakeholder workshops were then held as elements of the Policy Directions Phase. The output was to inform the Rural Lands Policy Directions Paper and Strategy, and the Council's planning guidelines, (including the five-year LEP review. *An Overview of Proceedings of the Policy Directions Workshops* paper was produced.

The final document prepared to inform the Rural Land Strategy was the Policy Directions Paper. The draft policy directions in the Paper was based on an understanding of the evidence developed during the previous stages listed above and consideration of community views.

3.2 THE RURAL LANDS ISSUES PAPER

The *Rural Lands Issues Paper* states that in planning for the future of rural lands the following economic challenges and opportunities need to be considered:

- The cost-price squeeze;
- Local food production, distribution and consumption;
- Diversifying the rural economy; and
- Infrastructure and services.

The Issues Paper describes the evolution of the rural lands into what they are today. Starting with mining followed by timber industry and then the fishing industry. The Paper also provides an overview of rural employment and agricultural production.

The Report noted that cattle for meat is the largest agricultural industry in terms of the size and the number of farms. Cattle for other purposes, notably dairy, is the second largest agricultural industry in terms of the number of stock, however, there are more horse farms in Eurobodalla than dairy farms. Sheep/lambs are under-represented in the Eurobodalla, when compared with the South East region.

Most aquaculture in Eurobodalla is estuarine and coastal lake based, with the production of Sydney rock oysters the largest industry. The aquaculture industry relies on clean and healthy water.

The Report identifies the following value adding activities as already being undertaken in Eurobodalla:

Processing

- Livestock processing
- Boutique cheese making
- Wine making
- Clothing manufacture.

Retailing

- Country markets
- Oyster shops
- Cheese shops
- Health food shops
- Rural supplies.

Experiencing

- Oyster festival
- Regional food festival
- Community gardens
- Country clubs
- Various homestead accommodations.

3.3 RURAL OPPORTUNITIES AND CONSTRAINTS PAPER

The Rural Opportunities and Constraints Paper identified the following in regard to agriculture:

3.3.1 Opportunities

- Protection of limited agricultural land for primary production.
- Reduce conflict possibilities between commercial agriculture and urban/rural lifestyle uses.
- Leveraging traditional tourism strengths and further developing nature based tourism to value add to agriculture (noting that this requires new skill sets and business structures).

- Increasing production of premium products e.g. organic/biodynamic products and associated processing and manufacturing.
- Local/regional branding to promote local produce and focus on premium markets and align with tourism initiatives.
- Improved infrastructure, particularly transport infrastructure, would increase the competitiveness of the Eurobodalla agricultural industry.
- Identify land that is important productive agricultural land and land that could be considered for lifestyle farming.
- Assess and review in greater detail the attributes of small rural holdings and confirm if they have a strong future for commercial agriculture or if there are preferred alternative uses.
- Expansion of horticulture.
- Maintaining and promoting separation of land from other non-compatible uses to avoid land use conflict and speculative land pricing.

3.3.2 Constraints

- Decline in the critical mass of agricultural land and businesses important for industry sustainability.
- The area of high versatility agricultural land is limited and therefore growth of high value industries such as horticulture and dairy is constrained.
- There are few areas for further significant agricultural development and opportunities to grow businesses through property amalgamation are decreasing.
- High versatility land is in locations coincident with other significant competing land uses such as tourism and urban settlement along the coastal strip and in close proximity to townships including Moruya and Bodalla. Demand for this land has increased land values above agricultural value.
- Pressure on Council to rezone rural land as farmers retire, smaller farms become less viable or are squeezed out by land use conflict with neighbouring land uses.
- Changing demographics and conflict with lifestyle entrants e.g. approvals for intensification of agricultural production such as feedlots, commercial-scale horticulture (which may have off-site amenity, noise and odour impacts) may be increasingly difficult.
- An increasing proportion of farms are 'lifestyle farms'.
- Secondary processing of local produce occurs mostly outside Eurobodalla.
- The local industries and markets are relatively small. To access a larger and more competitive market, produce is transported out of the Shire and sometimes interstate.
- Cost of infrastructure improvements required to expand the agricultural industry.

3.3.3 Principles for Policy Directions

The Report suggested the following principles for policy direction.

For commercial agriculture policy directions should support the long term commercial agricultural use of productive rural land in the Shire and be sufficiently flexible to facilitate diversification and changes in farm activities. In particular, land uses in rural areas should be managed to support commercial agricultural activities, avoid land use conflict and minimise speculative land pricing.

For sub-commercial agriculture (lifestyle farms) policy directions should encourage a wide range of small-scale low-impact agricultural activities in appropriate locations having regard to the potential impacts on the growth of commercial agricultural enterprises and the capacity of existing infrastructure and services.

In addition to policy directions, the Report identified a range of complementary initiatives that could be considered, including the following:

- Promoting alternative methods of increasing farm scale e.g. land leasing, share farming. These approaches can also play a role in succession planning. Land leasing enables a retired farmer to remain living on the property and share farming enables a farm manager or second generation farmer to gain entry into a new industry that has high capital start-up costs.
- Promote co-operatives or group marketing initiatives for small producers to achieve sufficient scale of production and critical mass to access new markets and investors.
- Establishing brand and product recognition for Eurobodalla produce with links to tourism initiatives such as food and wine trails.
- Promoting access to training and support programs for agricultural producers looking to value add to primary production e.g. food processing, tourism, including planning for business transition, compliance with industry standards and regulations, marketing, assessing the commercial viability of new business ideas.
- Continuing to advocate for investment in infrastructure improvements that will support long term growth in agriculture in Eurobodalla.

3.4 OVERVIEW OF PROCEEDINGS REPORT ON THE STAKEHOLDER WORKSHOPS (JUNE-JULY 2014) BY DANNY WIGGINS 2014

This report followed a number of consultation workshops with rural landowners and the suggestions for policy directions were considered in the development of the Policy Directions Paper (discussed in 3.5 below).

In addition to the suggestions for policy directions, a number of other matters of principle in regard to what might be summarised as “right to farm” were raised throughout the proceedings at both rounds of workshops:

- Private property rights and freedom from government intervention. There was a strong reaction from participants that landowner’s reduction of rights on the use of their land was the root cause of their concerns.

- Public-private rights. As a matter of principle, it was suggested that it was unfair for private lands to serve a public purpose (e.g. as 'scenic quality' or for biodiversity protection) without some compensation.
- Sustainability. There was concern at the interpretation of this principle and a suggestion that it needs to be carefully defined – economic, environmental?

3.5 POLICY DIRECTIONS PAPER

3.5.1 Policy Direction 1: Encourage Primary Production

The intent of this policy direction is to ensure existing and future primary production on rural lands is facilitated and encouraged through the planning framework.

The following are suggested in the Paper as ways Policy Direction 1 can be implemented:

- Apply the RU1 Primary Production and RU4 Primary Production Small Lots zones to rural land (including the deferred lands) that is or has the potential to be used for a variety of agricultural activities. Land use permissibility in the RU1 and RU4 zones should be reviewed to ensure maximum flexibility in rural land uses, as is appropriate having regard to the scale and impact of the activity on the primary purpose of the land for primary production.
- The Paper suggests split zoning where appropriate to recognise different land uses or landscapes:
- Establish appropriate minimum lot sizes for rural land that provide for a mix of farm types and sizes and support a range of rural activities without compromising the existing or potential use of productive agricultural lands.
- Provide opportunities for rural dwellings in appropriate locations, where a dwelling is required to support rural activities and will have minimal impacts on services, infrastructure and the existing or potential use of productive agricultural lands.
- Facilitate the diversification of rural activities and manage existing and potential land use conflicts.

The Policy Direction Paper describes the general purpose of the RU1 and RU4 zones as presented in the Department of Planning and Environment's Practice Note PN 11-002 (with which Council is required to comply).

RU1 Primary Production Zone

This zone covers land used for most kinds of commercial primary industry production, including extensive agriculture, intensive livestock and intensive plant agriculture, aquaculture, forestry, mining and extractive industries.

RU4 Primary Production Small Lots Zone

This zone (previously named Rural Small Holdings) is for land which is to be used for commercial primary industry production, including emerging primary industries and agricultural uses that operate on smaller rural holdings.

The changed zone name, modified core zone objectives and additional mandated permissible uses ('intensive plant agriculture' and 'plant nursery') better reflect the intent of the zone – being an agricultural industry/food production focus and not a rural residential lifestyle zone.

The Policy Directions Paper also sets out the rural planning and subdivision principles as contained in the NSW State Environment Planning Policy (Rural Lands) 2008. In considering the application of subdivision and other controls, Council must be consistent with the planning and subdivision principles outlined in the above SEPP.

The rural planning principles are as follows:

- a) The promotion and protection of opportunities for current and potential productive and sustainable economic activities in rural areas;
- b) Recognition of the importance of rural lands and agriculture and the changing nature of agriculture and of trends, demands and issues in agriculture in the area, region or State;
- c) Recognition of the significance of rural land uses to the State and rural communities, including the social and economic benefits of rural land use and development;
- d) In planning for rural lands, to balance the social, economic and environmental interests of the community;
- e) The identification and protection of natural resources, having regard to maintaining biodiversity, the protection of native vegetation, the importance of water resources and avoiding constrained land;
- f) The provision of opportunities for rural lifestyle, settlement and housing that contribute to the social and economic welfare of rural communities;
- g) The consideration of impacts on services and infrastructure and appropriate location when providing for rural housing; and
- h) Ensuring consistency with any applicable regional strategy of the Department of Planning or any applicable local strategy endorsed by the Director-General.

The Rural Subdivision Principles are as follows:

- a) The minimisation of rural land fragmentation;
- b) The minimisation of rural land use conflicts, particularly between residential land uses and other rural land uses;
- c) The consideration of the nature of existing agricultural holdings and the existing and planned future supply of rural residential land when considering lot sizes for rural lands;
- d) The consideration of the natural and physical constraints and opportunities of land; and
- e) Ensuring that planning for dwelling opportunities takes account of those constraints.

3.5.2 Policy Direction 3: Support Economic Development

The intent of this policy direction is to facilitate a productive and economically sustainable long term future for rural lands in Eurobodalla.

The following are suggested in the Paper as ways Policy Direction 3 can be implemented:

- Promote an “open for agri-business” culture in Eurobodalla to support local food and fibre production.
- Support innovative and diverse farming enterprises and activities. The Paper encourages rural-based tourism as a value-adding opportunity for primary producers and as an alternative land use opportunity where there will be minimal impacts on the existing or potential use of productive agricultural lands.
- Encourage and support improvements in local rural skills, practices and marketing methods. Council can support others in this area by continuing to hold workshops with rural land owners on business development and environmental management matters.
- Optimise the use of existing public infrastructure and efficiently plan for additional infrastructure to support rural activities. Council can lobby for improvements to the major highways that traverse the Eurobodalla Shire to enable B double access will have significant positive benefits for agriculture and the economy more broadly through reducing the currently high costs of freight.

The Policy Directions Paper provides the following examples of diversification opportunities:

- Aquaculture industry diversification – Council could work with the NSW Government and the aquaculture industry to investigate opportunities for land-based aquaculture in Eurobodalla.
- Equine industry diversification – Support development of an Industry Growth Strategy. Council can support this process in a number of ways, including providing information and advice where required to assist the working group and by reviewing zoning and land use provisions to ensure the range of equine related industries and activities are permissible with or without consent as appropriate.

Council resolved at the Ordinary Meeting held on 22 July 2014 to develop a business case and concept plan for the development of a regional equine facility. This has now been provided to the State Government for consideration.

4 EUROBODALLA AGRICULTURE CURRENT AND RECENT PAST

4.1 A SUMMARY FROM THE RURAL ECONOMIC DIRECTIONS (DISCUSSION PAPER 1)

Discussion Paper 1 takes a broader and more detailed look at the past economic performance of the rural areas of Eurobodalla and makes some projections for the future.

Below is a short summary from Discussion Paper 1 of some of the issues and factors influencing agriculture.

4.1.1 A review of 10 years of stock returns from LLS

The South East Local Land Services collect annual data on livestock and generously supplied 10 years of data from which the following two tables are drawn.

Table 1: Eurobodalla stock details for Beef Cattle, Dairy and Horses 2004-2014

	Beef stock numbers	Areas	Farms	Dairy stock numbers	Areas	Farms	Horse stock numbers	Areas	Farms
2004									
<i>Total</i>	12,776	33,665	327	5,851	6,755	55	1,083	13,360	229
<i>mean</i>	39	103		106	123			58	
<i>median</i>	18	39		34	51			18	
2009									
<i>Total</i>	11,614	28,604	271	4,107	3,838	30	722	9,457	140
<i>mean</i>	43	105		137	128			68	
<i>median</i>	9	40		20	61			29	
2014									
<i>Total</i>	10,675	28,910	258	2,416	2,379	26	748	13,096	187
<i>mean</i>	41	112		93	92			70	
<i>median</i>	15	40		4	34			17	

Source: LLS Annual Returns

The above table on face value shows a decline in total stock across all three of the main Stock types in Eurobodalla. But care needs to be taken in assuming straight line trends in agricultural stock annual data. Stock numbers vary within any property year to year due to a number of factors:

- Seasonal conditions,
- Market prices; and
- Time of year data is collected related to annual sale of stock.

However, the table does point to the following:

- The median beef property size is only 40 ha and perhaps stock total of around 15 head. So obviously a lot of hobby scale producers are being counted by the LLS.
- Bega Cheese are only listing about 19 commercial scale dairy farms supplying milk to all known processors but perhaps there are some dairy cattle breeders and dry stock

runs. The drop in dairy farms from 55 to 26 in 10 years indicates a significant decline but the dairy stock on hand of 2,416 in 2014 mismatched badly with the ABS total dairy head figure of 6,700 as at 2011. Discussions with ABS and with LLS have failed to account for the discrepancy.

- The herd size by LLS data seems around 11,000 and matches quite well with the ABS total of 10,000 to 12,000 over the past 20 years but the ABS recorded only 103 beef farms in 2011.

Table 2: Eurobodalla total stock return data 2004 to 2014

	2004							2009							2014						
	Farms	Stock	Areas	Number of farms				Farms	Stock	Areas	Number of farms				Farms	Stock	Areas	Number of farms			
				< 40 Ha	40 - 100	>100	> 200				< 40 Ha	40 - 100	>100	> 200				< 40 Ha	40 - 100	>100	> 200
Totals	706	21890	59893					556	19643	46941					644	19125	52794				
Mean			85							84							82				
Median			30							32							24				
Alpacas	10	149	191					14	220	544					33	211	1418				
Beef Cattle	323	12464	33340	167	86	75	34	272	11614	28604	136	70	66	28	259	10675	28910	124	72	63	28
Bison															1	8	45				
Buffalo															2	8	28				
Camels	1	13	13																		
Dairy Cattle	55	5851	6754	23	12	20	12	30	4107	3838	10	7	13	7	26	2416	2379	15	2	9	5
Deer	6	123	186					3	111	88					2	82	58				
Emu	1	20	283																		
Goats	39	278	1170					31	377	1057					36	394	1051				
Horses	229	1083	13360	150	50	29	13	140	722	9456	83	36	21	10	187	748	13096	123	39	25	13
Llamas															2	9	13				
Ostrich	2	7	50					1	3	30											
Other								9	156	125											
Pigs	8	20	274					10	102	317					6	40	54				
Poultry															5	686	88				
Sheep	32	1882	4270					46	2231	2881					85	3848	5656				

Source: LLS Annual Return Data

- Table 2 points to a diversity of livestock but likely a very high proportion of hobby scale or very small income part-time operations.
- There are only 63 beef properties over 100 ha in the Shire and only 28 over 200 ha, yet somewhere between 250 to 300 property owners consider they are primary producers to the extent of completing an annual LLS return.
- There are significant number of horses and sheep but other species are low in number.
- Most of the horses are scattered across nearly 200 properties with over half being properties under 40 ha. This tends to indicate a large equine hobby/recreational scale activity but which in turn supports a sizable equine industry, which Council has already recognised and developed policy for.
- These seems to be a growth trend in sheep (1,800 to 3,800 in 10 years) but these are small number statistics and should be interpreted with caution. There are properties to the west of Eurobodalla in Shires like Palerang or Cooma-Monaro with a thousand or more sheep in one holding. The Eurobodalla scale is quite small.

4.1.2 Australian Bureau of Statistics data

Discussion Paper 1 reports on an assembly of ABS data spanning back a decade or more and includes some of the following points:

- Agriculture, forestry and fishing jobs fell from 462 in 2001 to 340 in 2011.
- Age of people engaged in agriculture continues to climb as with much of Australia but a little more pronounced in Eurobodalla with 25% of farmers over 65.
- Most on the land were recorded as self-employed with only 30 people recording as farm labourers.
- Beef and dairy industries provided over 130 of the jobs as of 2011.
- Table 3 (next page) shows generally Eurobodalla is smaller in terms of overall agricultural size than neighbouring Councils. It has only 32% of the area of agricultural land of Shoalhaven and only 12% of the area of Palerang.
- Total value of agriculture production in Eurobodalla was consistent at about \$12 million from 1996 to 2006 but jumped to \$20 million on 2011. But this jump does not seem to match with the LLS stocking rates and is questioned.

Table 3: Table 10 from Discussion Paper 1

	South Eastern (excl. Shoalhaven)		Eurobodalla (A)		Bega Valley (A)		Palerang		Shoalhaven	
	Estimate	Number of agricultural businesses	Estimate	Number of agricultural businesses	Estimate	Number of agricultural businesses	Estimate	Number of agricultural businesses	Estimate	Number of agricultural businesses
Area of holding - Total area of holding (ha)	2,621,906	4,586	26,276	138	89,362	415	218,468	432	80,457	355
Hay and Silage - Hay - Total area (ha)	24,346	826	679	18	1190	53	1,050	47	2,637	77
All broadacre crops - Total area (ha)	170,619	772	20	2	459	14	2,110	31	1,278	10
Nurseries, cut flowers or cultivated turf - Total area (ha)	109	58	34	6	28	14	13	9	115	31
Vegetables for human consumption - Total area (ha)	157	63	20	7	24	9	5	8	7	5
Orchard fruit and nuts - Total trees (no.)	786,826	165	7,496	10	8,316	12	42,598	15	2,566	12
Livestock - Cattle - Total (no.)	465,695	2,963	18,126	113	54,490	352	56,716	327	40,313	290
Livestock - Dairy cattle - Total (no.)	38,210	145	6,738	17	27,797	87	301	7	24,052	62
Livestock - Meat cattle - Total (no.)	427,485	2,889	11,388	103	26,692	294	56,416	325	16,260	253
Livestock - Sheep - Total sheep (no.)	4,761,347	2,793	3,405	28	31,033	116	155,115	171	2,840	38

4.1.3 Data from the Australian Business Register

The Australian Business Register (ABR) only records the location and type of businesses that have an active Australian Business Number. So their tallies do not disclose many very small and part-time businesses but are still a guide to business activity in the rural area and the following extracts from Discussion Paper 1 have some bearing on rural land use policy.

- In 2015 the ABR lists 187 agricultural businesses in the Shire.
- 108 are in beef and 30 in dairy.
- Agriculture, forestry and fishing businesses declined fairly evenly from 394 to 288 in the last 20 years – a decline of 27% while this does not account for amalgamations or businesses not actively trading with an ABN, it does show a quite significant reduction in overall businesses.
- There are approximately 500 registered businesses in the rural areas of the Shire that have no direct relation to agriculture. They span activities from rural tourism to earthmoving contractors, generally are small scale and a large proportion are operating from rural properties where some agricultural activity is also practiced part-time.

4.2 ESTIMATING STOCK CARRYING CAPACITIES

Interviews with local stock and station agents and from reviewing LLS and other carrying capacity data have suggested average stocking rates for cow and calf of 2 ha but ranging from 1 ha on prime flats with pasture improvement and regular application of fertiliser to possibly 10 ha on steep, scrubby, unimproved lands.

Some purely weaner steer operations are stocking at about one weaner steer to 0.4 ha.

Agents point to the fact that terms of trade have prevented regular “supering” of pastures across many properties in the past decade or so but recent rises in cattle prices have seen some move back into pasture improvement.

4.3 ESTIMATING RURAL LAND VALUES

It seems from surveying rural properties listed for sale that prices for rural lots below 80 ha vary significantly and with little reflection of agricultural value or carrying capacity. Rural living and amenity being greater determinants. A sample of properties on the market indicated price ranges of \$4,000 to \$8,000 per acre or \$10,000 to \$20,000 per ha for small holdings once a deduction is made of dwelling capital cost.

Given there are less than 130 properties over 100 ha in the whole Shire, sales records for commercial farms are limited. Discussion with real estate agents suggests larger properties, deducting dwelling and major improvement value might range between \$5,000/acre (\$12,000/ha) for good cultivation land to \$2,000/acre (\$5,000/ha) for rougher grazing.

Interrogation of Council transfer records for the past 10 years indicated only 5 rural properties over 80 ha with some reasonable area of agricultural land transferred with prices ranging from \$7,000 to \$12,000 per ha. (See Table 8).

Given considerable variability in land quality across most larger holdings in the Shire, it is of limited value to attempt an “average” value for commercial farmland. But rougher grazing sections of a property might range \$5,000 to \$10,000 depending on non-farming value influences such as lifestyle factors, through to as much as \$15,000 to \$20,000 per ha or more for prime river flat country.

4.4 NOXIOUS WEEDS

The two main problem species on agricultural land in Eurobodalla Shire are Lovegrass and Fire Weed. Council administers the *Noxious Weeds Act* 1993 and is responsible for both control of weeds on Council property (including roadsides) and enforcement of control measures on landholders. Council has weed control programs and strategies. However, a common theme across NSW is a limit to budgets of both public authorities and landholders to control problem weeds.

Current infestations in the Shire do not seem to be severe but can cause productivity losses, especially with species like Lovegrass that can outcompete favourable pasture species.

Weed control is obviously easier and more affordable on the Class 1 to 3 lands as they are more productive and can often respond to pasture improvement when economic conditions allow landholders to effect such improvement.

There are many value judgements and personal anecdotes that can impede the development of a comprehensive weed management strategy that achieves wide community acceptance. For example, there is no evidence to show that owners of small holdings are any less diligent and committed to weed control than owners of larger holdings. However, there is some anecdotal evidence that absentee owners can be less diligent in weed and pest control.

4.5 PEST ANIMALS

Interviews with stock and station agents show that they believe that very large numbers of kangaroos are affecting carrying capacity. They point out control programs are very difficult given close settlement and higher conflict over culling in closely settled areas such as Eurobodalla with a wide variety of attitudes and values among its landowners.

There also seems to be significant fox populations in the Shire and some wild dogs but given more focus on cattle the impacts of these pest animals are not as great as in major sheep areas to the west.

4.6 PRIVATE FORESTRY

Eurobodalla has had a long history of hardwood forestry and a range of valuable timber resources are still to be found on private lands in the Shire.

Limited harvesting is permitted without approval – for example farm fence posts. More extensive private forestry is currently regulated at State level and approvals issued through the Local Lands Service. Most private forestry development is assessed under the Native Vegetation Act 2003. As such consent for private forestry operations is not a matter for Council.

4.7 THE LAND RESOURCE AND OWNERSHIP PATTERNS

4.7.1 Ownership Patterns of Agricultural Lands

While some very small scale agriculture occurs in the current rural residential areas of the Shire (zones E4, R5 and RU4) the vast bulk of commercial scale agriculture occurs in the “broadacre” region which is mostly defined by the private lands in the current RU1 zone and the deferred areas as mapped in Eurobodalla LEP 2012.

The following table presents a breakup of ownerships in the RU1 and deferred areas:

Table 4: Ownerships in the RU1 and Deferred Areas

Property Size (ha)	Number of properties	% of total
<10	788	46
10 to 40	587	34
40 to 80	184	11
80 to 100	42	2
100 to 200	76	4
200 to 400	37	2
400 +	16	1
Total	1730	100
Total properties over 40 ha	355	20
Total properties over 100 ha	129	7
Total properties over 200 ha	53	3

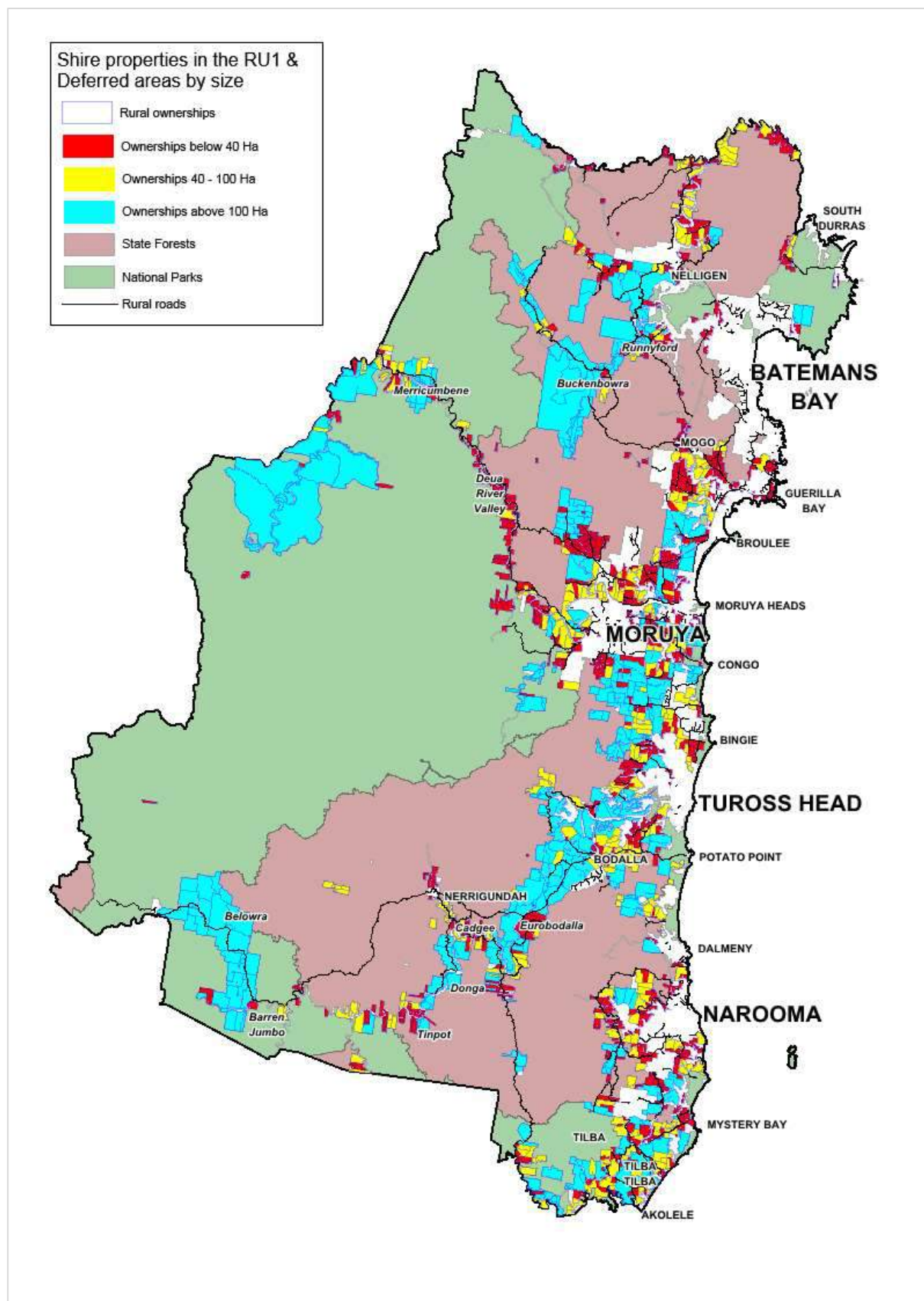
Source: Council property records and GIS mapping

The above table shows over 80% of ownerships in the farming areas of the Shire are under 40 ha. While some farmers hold one or more additional small blocks for “run-off” of dry stock or fodder production and similar, the majority of these approximately 1,400 ownerships would not qualify in our view as “commercial” farms. Indeed, many holdings in the 40 to 80 ha category comprise more marginal agricultural lands and would struggle to make net profits from conventional agricultural production such as beef cattle.

Map 1 on the following page depicts ownerships across the RU1 and Deferred areas of the Shire.

Also, the discussion in this and the following Section 5 point to most holdings in the range 80 to 200 ha being only part-time operations with dependence on off farm income and on that basis it is probably reasonable to conclude only around 130 properties or about 8% are serious part to full-time agricultural concerns.

Map 1: Rural ownerships in the RU1 and Deferred areas of Eurobodalla



Source Council GIS data

4.7.2 Land Quality and Ownership

Eurobodalla has quite a small area of quality agricultural land as the following data will demonstrate. Also, of the higher quality lands, a significant proportion is already fragmented into smaller holdings.

The Department of Primary Industries (DPI) has produced agricultural land capability mapping for most Local Government Areas of NSW including Eurobodalla. The program dates back to the 1980s but still has relevance as a comprehensive attempt to marry physical land capability characteristics with economic suitability of agriculture.

Their system divides most private agricultural land into 5 categories:

Class 1: Arable land suitable for intense cultivation. There are 1,631 ha mapped in this Class in Eurobodalla in the RU1 and Deferred areas. And that is about 2% of the total RU1 and Deferred areas.

Class 2: Arable land suitable for regular but not continuous cultivation. There are 840 ha mapped in this Class in Eurobodalla in the RU1 and Deferred areas. And that is about 1% of the total RU1 and Deferred areas.

Class 3: Grazing land well suited to pasture improvement and occasional cropping. There are 10,810 ha mapped in this Class in Eurobodalla in the RU1 and Deferred areas. And that is about 16% of the total RU1 and Deferred areas.

Class 4: Land suitable for grazing but not cultivation. There are 8,584 ha mapped in this Class in Eurobodalla in the RU1 and Deferred areas. And that is about 13% of the total RU1 and Deferred areas.

Class 5: Land unsuitable for agriculture or at best light grazing. There are 45,600 ha mapped in this Class in Eurobodalla in the RU1 and Deferred areas. And that is about 68% of the total RU1 and Deferred areas.

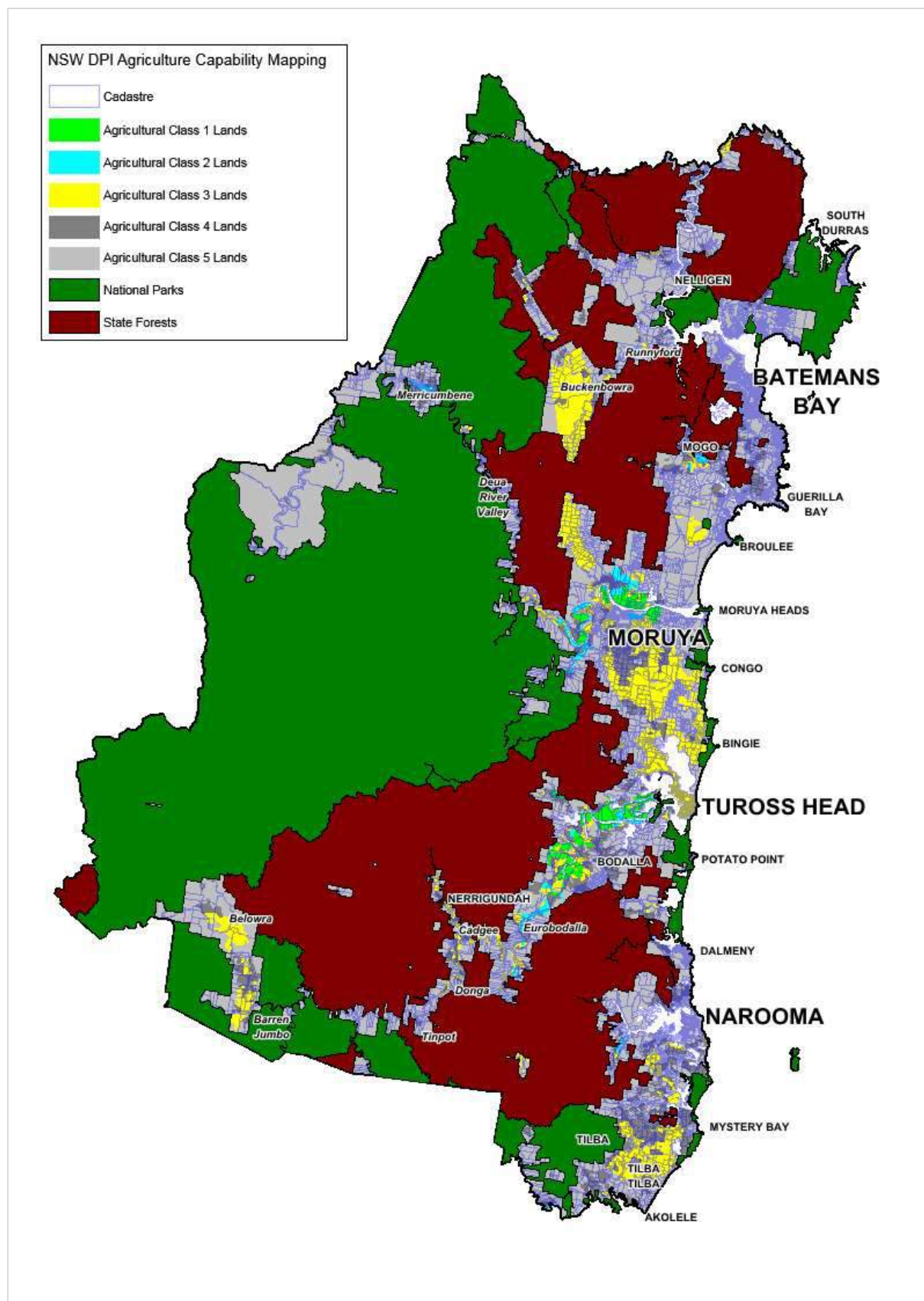
Map 2 below depicts these Classes.

For detail on the DPI system see their AGFACT:

http://www.dpi.nsw.gov.au/_data/assets/pdf_file/0004/189697/ag-land-classification.pdf .

Note: The land classification mapping is done at a regional scale and is not suitable or used for determining the boundaries of land use zones. It is only a guide to suitable land use and does not prevent land owners from undertaking any agricultural activity on their land.

Map 2: Agricultural land classifications in Eurobodalla



Source: NSW Department of Primary Industries

Only about 20% of the total RU1 and Deferred areas of the Shire is “high quality” agricultural land. A further 13% is considered by DPI to be good grazing but nearly three quarters of all privately owned land in the RU1 and Deferred region ranges from heavy forest and steep lands of very low grazing capacity through to light grazing.

Council GIS and property data were interrogated to produce the following summary table:

Table 5: Agricultural capability

Agriculture capability. Private lands in RU1 and Deferred areas										
	Ag. Class 1		Ag Class 2		Ag. Class 3		Ag Class 4		Ag Class 5	
	%	Area	%	Area	%	Area	%	Area	%	Area
All RU1 and Deferred Areas	2	1631	1	840	16	10810	13	8584	68	45600
Properties under 40 ha	14		24		24		19		24	
All properties 40 ha to 100 ha	33		50		24		17		22	
All Properties 100 ha and over	53		26		52		64		54	

Source Council GIS data.

The above table indicates a significant proportion, around half, of the better quality agricultural lands (Class 1-3) in Eurobodalla are in smaller ownerships under 100 ha. And close to 25% of Class 1-3 lands are in holdings under 40 ha. This indicates some substantial fragmentation of better agricultural lands has already occurred.

The table also shows over half the poorer quality lands are in the holdings over 100 ha. From individual sampling of larger properties, it is not unusual for many to contain around a third or more of light to poor grazing land.

Also of interest, of the areas currently deferred in the 2012 Eurobodalla LEP, approximately 96% of these lands are Class 5, under 3% Class 4 and under 2% Classes 1-3. In other words, the DPI rate the productive capacity of the deferred areas as quite low.

Table 6: Agricultural capability of deferred areas in the 2012 LEP

ESC Deferred Matters		
	Area in Ha.	%
Ag Class 1	11	0.03
Ag Class 2	13	0.03
Ag Class 3	520	1.37
Ag Class 4	1,028	2.72
Ag Class 5	36,290	95.85
Total	37,862	100.00

5 TRENDS IN AGRICULTURE IN EUROBODALLA

5.1 LAND COSTS AND IMPLICATIONS FOR INVESTMENT IN BROAD SCALE AGRICULTURE

An evaluation of cost of land as an input to primary production was undertaken by a web search of all rural holdings for sale in Eurobodalla Shire on realestate.com. All bush blocks and retreats were rejected and eight properties over 2.4 ha and up to the largest listed at 154 ha suitable for grazing were used in this analysis.

Table 7: Land values and production capacity

Size in ha	Total cost	Cost per ha	House	Land only	Estimate of total cows and calves allowing 1.66 ha per cow with calf sold as a weaner	Cost per cow calf area (1.66 ha)
4.16	\$650,000	\$156,250	Yes		2.5	\$259,375
30	\$980,000	\$32,666	Yes		18	\$54,225
33.7	\$990,000	\$29,376	Yes		20	\$48,737
85.8	\$1,500,000	\$17,482	Yes		51	\$29,020
90.41	\$980,000	\$10,839	Yes		54	\$17,992
100	\$1,000,000	\$10,000		Yes	60	\$16,600
154	\$2,200,000	\$14,285	Yes but old and in bad repair		96	\$23,714
60.5	\$850,000	\$14,049	Yes		36	\$23,611

The first three properties (in red) are indicative of the cost of acquiring a small property with little potential other than having some horses, cattle and/or sheep as a hobby. However, when the cost of the production unit (the cost per cow and calf area with the calf being sold as a weaner) then the average cost of a cow calf area for the remaining properties is about \$20,000.

This comparison of property prices is not based on any valuation of buildings, infrastructure or location. It is not intended for any purpose other than to give a very approximate indication of the cost of a cow calf area in Eurobodalla Shire. The assumptions underlying the choice of the above properties are:

- They are all cleared land under grass and/or other pasture suited to grazing.
- No bush blocks are included.
- Beef cattle grazing capacity is the sole indicator to demonstrate economic capacity.

- Whether the land is suitable for cropping or more intensive agriculture was not taken into consideration as this would devalue the use of grazing as an indicator for analytical purposes.
- That the fair average carrying capacity for a cow and calf with the calf sold as a weaner and no replacement heifers or steer followers is 1.66 ha.
- An allocation of 15 Dry Stock Equivalents (DSE) is allowed for each cow and calf with the calf sold as a weaner and any calculations for heifer replacements or growing out weaner steers to yearlings sold at two-tooth should allow for 10 DSE.

As a cross check, actual sales transfer information was sourced from Council for recent years. It indicated very few properties of larger size have changed hands and only two or three were suitable as an indicator of average land value per ha for average grazing properties of some commercial size.

Table 8: Land sales data from Council sales transfer records

Price \$	Date of Sale	Ha	Locality	\$ per ha	Comment
\$2,400,000.00	2013	240	Bodalla	\$10,008	60% prime ag land 40% wetland and forest
570000	2009	81	Bodalla	\$7,050	Rough grazing , part forest, no dwelling
\$150,000.00	2005	81	Belowra	\$1,853	Very steep bush block
300000	2011	81	Nelligen	\$3,706	Steep hilly forest, no dwelling
\$600,000.00	2007	84	Narooma	\$7,133	40% reasonable grazing, 60% forest, no dwelling
\$1,685,200.00	2013	87	Central Tilba	\$19,475	Steep grazing, NPWS acquisition, special value
\$742,500.00	2007	88	Benandarah	\$8,426	50% reasonable grazing, 50% forest , no dwelling
\$1,125,000.00	2005	90	Wamban	\$12,528	40% prime ag land, 60% forest, no dwelling

Discounting the bush blocks above and making some allowance for dwellings, the range per ha for average farm land seems \$8,000 to \$12,000.

At \$8,000, a cow and calf area based on 1.66 ha per unit would be approximately \$13,000 and at \$12,000 per ha a cow/calf unit would be about \$20,000.

These two separate approximations show the diversity in land types and prices. More accurate data would require a detailed valuation inspection of a range of properties. However, it seems reasonable to conclude a cow/calf area in Eurobodalla would cost at least \$16,000 for larger properties of 200 or more ha with good land and rises for “part-time” sized holdings of around 100 ha to perhaps \$20,000 to \$25,000.

Properties under 80 ha of average land seem to have cost prohibitive cow and calf costs if looked at from the land investment position but of course, there are lifestyle and land speculative values driving the small holdings decisions and while a large number of these run cattle, the return would at best defray some of the operational costs of these small holdings.

5.2 THE ECONOMICS OF GRAZING IN EUROBODALLA

There are very few properties in Eurobodalla Shire that have the capacity to carry over 80 cows and calves. Even 80 cows and calves is not anywhere near sufficient to be considered a stand-alone commercial enterprise. With the cost of a cow/calf area ranging from perhaps \$15,000 to \$20,000 it is clear that people engaged in beef cattle grazing are not doing so because of commercial farming reasons alone. For example, even in highly regarded agricultural regions such as the North West Slopes and Plains of NSW the cost of a cow and calf area ranges from \$4,000 to \$6,000 with the latter being for well improved properties with irrigation. It can be seen that even at the very lowest end of cost for a cow and calf area Eurobodalla Shire will not be the destination of major investment in broad scale agriculture. Even in the neighbouring Palerang Shire the cost of a cow and calf area is estimated at approximately \$12,000.

Reference to the NSW Department of Primary Industries gross margins for beef production is a salutary exercise for assessing the rate of return on the high cost of a cow/calf area in Eurobodalla Shire. There is no area directly comparable with the climate and soils in Eurobodalla Shire among the many areas assessed for gross margins and prepared by the Department but the North Coast can be used and adjusted to the South Coast if necessary.

The gross margin (gross sale income less variable costs) for 100 cows producing weaners on unimproved North Coast country is only \$15,579 or \$156 per cow and it requires 254 ha to run the 100 breeders (GM of \$61/ha). This gross margin can be referred to at:

http://www.dpi.nsw.gov.au/_data/assets/pdf_file/0005/175523/16-North-Coast-weaners-unimproved.pdf.

The gross margin for 100 cows producing weaners on improved pasture on the North Coast is \$21,896 or \$219 per cow and it still requires 173 ha to run the 100 breeders (GM of \$127/ha). This gross margin can be referred to at:

http://www.dpi.nsw.gov.au/_data/assets/pdf_file/0004/175522/18-North-coast-weaners-improved.pdf.

Beef prices are currently about 30% higher than the 2012 figures used by DPI above but still indicates at best perhaps a gross margin of \$300 per cow. At 1.66 ha per cow that might suggest at best a rate per ha in Eurobodalla of \$180. (About 2% interest on property land value.)

With the high cost of land in Eurobodalla Shire it is likely that other areas of New South Wales, Queensland and northern Australia will attract commercial investment in grazing agriculture. Consequently, other factors will intervene in the size and configuration of agricultural land in Eurobodalla such as:

- The economic climate of nearby urban areas that allow disposable income;
- The development of telecommuting that reduces travel time and cost;
- Better roads, alternative fuel sources for vehicles and more economical travel may extend the density of smaller holdings further east;
- Whether the 'pioneers' of new and emerging industries develop commercial opportunities in new and/or expanded markets;

- The high attraction of owning a ‘few acres’ for both retired people and younger families who are employed in the region;
- The attraction of a coastal location for retired inland farmers who want to run a few head of livestock be they cattle, sheep or horses;

Whether holdings are large or small there is a substantial land speculation factor at work anywhere where rural land is under pressure from population growth and other economic activity. Eurobodalla has reasonable population growth and pressures for tourism and retirement or semi-retirement living. As such rural land has a speculative element driven by factors other than the earning power of the holding from conventional agricultural production.

5.3 LAND AND WATER COSTS IN RELATIONSHIP TO DAIRYING

The following comments are based on discussions with Bega Cheese Limited.

1. There are currently six farmers in the Shire supplying Bega Cheese. These produce about 7 megalitres per year from a total herd size of approximately 1,300 cows excluding replacement stock.
2. Some of the milk in (1) above goes to Tilba Milk.
3. There are also seven dairy herds in the Shire that supply Murray Goulburn with a total of 2,500 cows.
4. So in total, there are currently 13 commercial scale dairies in the Shire with a total herd in the order of 3,800 production cows.
5. There is limited room to grow, generally needs to be areas with access to reliable irrigation water which is limited; there is some area left on the Tuross, maybe a bit on the upper reaches of Moruya River. There is a good amount of quality dry land country but that exposes the farmers to having to buy in a lot more feed to cover dry periods so makes cost base less predictable and adds to freight cost.
6. Speculative forces seem to be making it challenging for people to aggregate good farm land in Eurobodalla, i.e. the cost of a cow area in the Shire already seems to be higher than in other areas such as the Riverina or some other larger scale existing or potential dairy areas. This may be limiting new investors coming into ESC to set up a new commercial scale dairy.
7. All the growth has been from present farmers expanding, aggregating where possible but that can be limited. The larger dairy farms often have separate run off blocks for dry and young stock which are spread around the local area. They often own or lease large areas of land for this purpose.
8. If the land value keeps appreciating on the coast over the long run, this might be part of an investment attraction that also helps dairy farmer's wealth creation outside of the core dairy operation.
9. If the lowest cost land per cow is the objective then the south east coast could not compete with inland areas. Some farmers from the coast have moved inland because

land is cheaper, less competition from peri-urban investors, easier to expand and is closer to the grain belt.

10. Lifestyle issues and family ties play a factor in those dairy farmers that remain.
11. The small number of dairy farms and commercial farms in general creates issues with service providers. We are seeing market failure due to the low numbers. This is not a region that is on the radar for new or young farmers wanting to enter the industry, the land is too expensive.
12. Haul distance of fodder and grain plus the haul distance of getting the milk to market, are all big factors, especially with restricted b-double access along the coast. That causes Bega Cheese an issue as well in getting product to market. It has to go south to get product to market, and has to go south to get extra milk, again due to better road access.
13. An optimistic forecast on the development of the dairy industry in the Shire is that farm numbers remain stable and farms organically grow at approximately 3% a year. A more pessimistic forecast is that farm numbers will slowly decline, but those that remain will grow, meaning volume from region will remain static.

5.4 COMMERCIAL VIABILITY

What size of property is required for a commercially viable rural enterprise is one of the most vexed issues of agricultural economics and a great body of theory has been developed around it. As noted in the Introduction, it is also the domain of anecdote and personal opinion that leads to misinformation and wishful thinking – “If I only had a property the size of Bill Jones next door then all my problems would be over” or “If only I could get hold of a property like that then I could get out of this job”.

The great problem is that we are very unlikely to know the personal circumstances of each of the landowners we may model our dreams upon. Put simply, the situation of every landholder is unique to them and stereotyping should be avoided. Unless they are close personal friends, and even then we may not know key factors such as the relationship with their bank, the number of debts piling up or the number of other family members who are living in another state or another country who are demanding their share of livestock sales. On the other hand, there may be people on small properties that seem to be doing very well. However, we do not know whether they inherited a portfolio of shares or have a dry cleaning business leased out on the Gold Coast.

So what do we know so far about agriculture in Eurobodalla?

- Cow/calf units or DSEs are very expensive compared to other parts of NSW and other states and the Northern Territory. Therefore, we are going to rule out Eurobodalla as a destination for investment by the big farming and grazing corporates.
- Some irrigation from unregulated streams may be possible but Eurobodalla is largely rainfall dependent and a long way from grain growing areas which places a limit on intense production systems such as feedlots and other intensive industries. Distance

will not prevent opportunistic enterprises but it will prevent large scale intensification such as the development of a major poultry industry hub at Tamworth.

- The declining terms of trade in agriculture will continue and extensive larger properties more capable of economies of scale and capacity to adapt to climate variability will become a greater feature of the livestock grazing industries.

Overlaying these broad principles are the many factors that influence the economic circumstances and therefore the decisions of landholders. Standard issues such as weather and prices are important but they affect everyone equally. It is the response or resilience to these standard issues of agriculture that is important. Response and resilience is what makes stereotype and planning impositions on property sizes fraught with problems. Some reasons why property size is not a measure of agricultural viability in Eurobodalla are:

1. The level of debt as a ratio of annual gross sales. The level of debt as a ratio to the size of the property is less important to the ratio of debt to its productive capacity.
2. Whether there is off-farm employment or off-farm investments to off-set debt repayments.
3. The expectations of the landowners regarding their income requirements. A host of issues influence this one criteria, such as whether there are school age children, medical and dental needs, whether financial stress causes difficulties in relationships, age of the landowners and so on.
4. Whether there are other outstanding debts. It is common for landowners to be supported during dry periods by stock and station agents allowing purchases on credit. Those debts can incur substantial interest rates and can be crippling when added to regular bank repayments.
5. Most importantly – do the owners of the property want a basic income or do they expect a reasonable rate of return on their investment over and above the ability to put food on the table and pay the bills?

This discussion provides a brief overview of the issue of commercial farm viability. Size of farm is not the main issue. Hopefully, it is apparent that stereotyping and applying one-size-fits-all solutions are inappropriate. We simply do not know the circumstances of each landowner.

5.5 FURTHER RESEARCH NEEDED?

The research for the Rural Strategy has identified some anomalies between the various State and Federal agencies collecting the data. This is partly due to the more regional scale of the collection and the lower reliability down at individual Local Government scale. Also, agricultural statistics themselves vary wildly season to season influenced by droughts, boom seasons and markets, etc.

Collecting detailed agricultural data at Council level to high levels of rigour is beyond resources of Council and frankly often not necessary to make shire wide planning and development decisions.

But Council might take the data assembled from this Rural Strategy program and continue ongoing monitoring, especially of the Australian Business Register movements as their data, while only being part of the industry numbers is fairly consistent and is mapped quite accurately to allow spatial interpretation e.g. movements in number and type of business across the rural area and allow supply/demand projections. It is worth Council acquiring the full data from each agricultural census for the Shire and surrounding region and maintaining a historical set.

Also, the Local Lands Service data on stock numbers is collected annually and can be collected from LLS if part of an annual program that matches their resource peaks and troughs.

5.6 CLIMATE CHANGE AND IMPACTS ON AGRICULTURE

There is wide scientific agreement that climate change is accelerating. A major shift in current climate patterns is not likely in the 20 year horizon of this strategy but seems to have a high risk of impact within a 50 year time scale.

Strategies to slow climate change are beyond the scope of this study but planning of land use certainly needs an awareness of the likely impacts of climate change over the longer term, as land use decisions over the coming 20 years can have impacts for centuries.

There are potentially significant positive and negative consequences for agriculture due to climate change. The direct impacts of climate change, such as sea level rise, increases in average temperatures and changes to average rainfall, may have flow-on effects for rural lands in the Eurobodalla. For example:

- A warmer climate may extend growing seasons or change the crops that can be grown;
- Warmer sea temperatures may influence aquaculture yields;
- A reduction in average rainfall may limit pasture growth;
- Warmer temperatures may increase heat stress in livestock;
- The intensity and frequency of bushfires may increase;
- Risks due to heat waves and the spread of tropical diseases/pests may increase; and
- Increases in evaporation coupled with irregular run-off events may mean less water in dams.

The former Department of Environment, Climate Change and Water NSW (DECCW) compiled a 'first pass' integrated assessment of some of the likely impacts of climate change in NSW. It included:

Impacts on Land

- Salt water from increased sea levels is likely to affect sub-soils on the coastal plain;
- Sheet and rill erosion are likely to increase and gully erosion is likely to increase in summer but decrease in winter;

- Increased erosion is likely on stream banks near the coast and in the immediate hinterland;
- Acidification is likely to decrease across the region;
- Problems of acid sulfate soils are likely to increase in the short term but decrease in the longer term;
- Increased erosion of sodic soils is likely;
- Soil nutrient levels are likely to decrease in salinised coastal areas and tablelands;
- Mass movement of soil is likely to increase in localised areas; and
- Changes in dryland salinity are difficult to predict.

Impacts on ecosystems

- Increased bushfire frequency and intensity are very likely to cause major changes to ecosystems;
- Sea level rise is likely to threaten some estuarine communities;
- Inundation and saline intrusion are virtually certain to impact on low-lying coastal ecosystems;
- Climate change is likely to reduce shorebird habitat and reduce shorebird numbers;
- Lower primary productivity is likely to change many ecosystem processes;
- Climate change is likely to increase stress on fragmented and degraded ecosystems and on threatened species; and
- Changes in rainfall patterns are likely to intensify seasonality, increase grazing pressure from native herbivores, and alter plant communities.

In addition to the above, a number of other impacts are widely accepted as possible. They include:

- Increased number of extreme weather events;
- More pressure/competition on water resources;
- As the number of very hot days (above 35 degrees Celsius) increase, the number of illnesses and heat-related deaths could more than double, with the elderly particularly vulnerable;
- Change in flora and fauna location and type. A need to plan for species retreat corridors and similar as habitats face accelerated modification; and
- Changes in water availability, temperatures, bushfires and changes to the distribution of pest species will impact on natural environments.

Possible Responses

While Council and the Eurobodalla community can play a small part in reducing greenhouse gases, that aspect is really a response for national and international government and processes. As suggested in the Policy Directions Paper, Council can collaborate with relevant agencies to facilitate the provision of information to rural land owners to assist with adaptation to the potential impacts of future climate change.

Possible local responses relevant to agriculture are listed below:

Issue: Increased number of extreme weather events.

- Council and property owner disaster management plans need to factor in more extreme floods and fires and the scale of preparation and response that requires.
- Land use planning controls to consider appropriate buffers from areas of higher flood or fire risk.

Issue: More pressure/competition on water resources.

- Liaise with Office of Water regarding improved requirements for placement of additional dams and bores so existing water users maintain reasonable catchments or aquifers.

Issue: Increased chance of bushfires.

- A general more precautionary approach to fire protection measures.
- Prepare for more and more intense fires.
- More stringent enforcement of conditions of consent relating to fire protection works.
- Specify more fire planning detail in specific Development Control Plan maps for new settlement areas.

Issue: More frequent and more severe droughts.

- Take advantage of Federal Government tax incentives for water storage/conservation on farms.
- Use provisions to allow income averaging over longer periods of up to 10 years to assist farmer's average out their income across good and bad seasons.

Issue: Change in flora and fauna location and type. A need to plan for species retreat corridors and similar as habitats face accelerated modification.

- Protection of vegetation corridors will be essential for long term prospects of survival for many species and even to ensure retention of farm shade for stock.
- Given State Government (currently) controls most rural clearing, Council to lobby for a clear corridor strategy across the LGA, including landowner incentives to progress it.

5.7 BIOSECURITY FOR AGRICULTURE

A premium is placed on many Australian agricultural products due to the fact Australia can claim high levels of biosecurity. Many countries have agricultural products where there are or have been issues with various diseases (such as foot and mouth) or issues such as pesticide contamination.

Australia has developed a reputation for high standards of surveillance of agriculture to ensure minimal disease or contamination.

At the local scale such as Eurobodalla, biosecurity covers a range of topics and tasks that should be observed by local producers such as appropriate use of pesticides, weed control and monitoring of livestock for communicable diseases.

The South East Local Lands Service is developing a Local Strategic Plan that includes strategies for biosecurity protection at local scale. In addition the State Government has published its “NSW Biosecurity Strategy 2013-2021”.

While many of the actions are not directly related to Council’s role in rural land use, the strategy does call for greater awareness of biosecurity issues by Councils in the planning of further urban and rural living opportunities.

Councils need to plan into new development measures to protect commercial agriculture (such as buffers) from some potential adverse biosecurity risks that can arise where urban and rural residential residents sometimes ignore things like animal disease prevention.

6 VIEWS OF LOCAL PEOPLE WORKING IN AGRICULTURE

This section and final recommendations to Council on agricultural direction will be developed after this Draft is exhibited and following the consultation through the proposed Producers Workshop and market forums.

7 CHALLENGES AND OPPORTUNITIES FOR AGRICULTURE IN EUROBODALLA

7.1 NATIONAL AND INTERNATIONAL CHALLENGES AND OPPORTUNITIES

The research papers in Section 3 detail the challenges and opportunities at the national and international level. Unfortunately, many of the concepts and strategies at this national/regional level are very broad, often of “motherhood” level, and lacking in detailed application for a specific locality like Eurobodalla.

There are specifics, such as the recently announced tax incentives of the Federal Government for farmers to invest in drought proofing. Also, if actions succeed in lessening anti-competitive behaviour in areas like Europe, the USA and China, then there could be substantial gains for Australian producers.

Almost all the research points to a need for ongoing major investment in R&D related to agriculture but in some areas governments are cutting back (e.g. CSIRO cuts) and “hoping” for more partnership finance from industry without detailed plans of how to stimulate that partnership.

The bigger national and international challenges that impact on Eurobodalla include:

- Protected markets that Australian farmers have to compete against. This is a National issue and Council can only really support Federal Government initiatives to loosen agricultural market entries for Australia to markets like the European Economic Community, USA and China.
- To some extent there is evidence of lessening competitiveness between Australia and some of its major agricultural competitors. More research and development and training to capture new markets and improve productivity is needed. While this is a State and Federal issue, Council can play a part in supporting local food initiatives, information and training for hobby farmers to lessen weed pest and other impacts that can arise from untrained use of rural land.
- Input costs are partly outside Australian control as fuel and fertiliser in particular are mostly sourced overseas. When terms of trade allow, Eurobodalla farmers are aware significant increases in carrying capacity can be achieved from pasture improvement. There is a limited amount Council can do to facilitate supply of these inputs but the ramifications of more limited and more costly fuel and fertiliser are significant and need monitoring. Research and development into new materials and approaches is also important to reduce reliance on “Super and Diesel”, but again, rest with State and Federal governments.
- If terms of trade remain poor for agriculture this lessens the ability of farmers to maintain a long term view on conserving the productive land resource. Fertiliser becomes too expensive to buy and a downward spiral of lost production is generated. There can be a shortage of income to maintain weed and pest control, soil erosion control measures, etc. Some plateauing in productivity increase has occurred but long term past trend has also seen significant decline in terms of trade.

- Consumer fussiness coupled with rapid personal communications can see swift changes in demand and accelerate short term fads and fashions in food and fibre. Conversely, Eurobodalla may have the potential to tap into many new niche market food lines.

The more significant national and international opportunities include:

- Proximity of Asia and with both a growing population and rising standard of living giving potential for more specialised, value added and healthy/clean marketed product, long term demand seems assured.
- Implementation of the White Paper is seeing a more concerted effort by the Federal Government in support for a more competitive agricultural sector with measures from drought proofing to improved R&D.

7.2 LOCAL CHALLENGES, OPPORTUNITIES AND OPTIONS

Thirteen issues relevant to the direction of agriculture are drawn from this draft Discussion Paper so far. The proposed workshop with producers presents an excellent opportunity for feedback from those directly practicing agriculture in Eurobodalla and to expand the issues and actions as appropriate in the light of that feedback.

This Paper concludes at the more general action level and limits detailed recommendations. Discussion Paper 9 on land use in the RU1 and Deferred areas and Discussion Paper 10 on land use in the rural residential areas, take this and the research across the other Papers into more specific strategies for protection of agricultural resources, subdivision planning, rural living strategies and general land supply.

7.2.1 Issue: Innovation, diversification and flexibility

Challenges:

- Reviewing the past 20 years, the bulk of agricultural production has been very traditional beef and dairy production into the bulk markets. These markets have continued to see shrinking terms of trade and a need to “get big to survive”. Land values, distance from markets, etc., make upscaling not practical for most producers in Eurobodalla.
- Farm succession where some family members have to be bought out is almost impossible given very high land values unless those taking over have considerable off farm assets/income.
- Can’t just keep using subdivision to “bail out” producers through “selling off the farm”.

Opportunities:

- Continue to encourage value adding – special local dairy and beef product initiatives organic, provenance – any new product ideas that increase value at farm gate and hence improved terms of trade.

- Should there be more focus on part-time farming and off-farm or non-agricultural on farm business income? There are only a small number of full-time farmers left in Eurobodalla now who have no or minimal off farm income.
- Product diversity is the key to reversing declining terms of trade.
- Focus on the good of the land as a productive unit not so much on the current owner short term actions such as subdivision as an income generator. The land value is there for sale to recoup a reasonable return on investment for prudent producers.
- Accept this area has long ago priced out establishing farmers and purchasers of existing commercial farms in future will be investor based (i.e. looking to land price growth over time as well as agricultural return).

Options:

- Conserve the remaining larger more viable commercial farms.
- Encourage leasing and better utilisation of the many small holdings.
- Foster more local food processors and value adding businesses.
- Try to tap into the growing export and capital city demand for “difference “in product to standard “supermarket” beef and milk bulk products.

7.2.2 Issue: Support and encourage local food production

Challenges:

- Small scale and often low value for effort.
- Breaking into the metropolitan and export markets is a challenge with distance a major constraint. Need high value to be competitive.

Opportunities:

- Grow the percentage of local population buying “local food”. Research is showing strong growth in interest in buying local and clearly identified provenance food.
- Facilitate small scale speciality exports suited to Eurobodalla’s products.
- Exponential growth in “special” food and fibre is occurring in places like China. Eurobodalla has advantages to market clean, green organic and clearly provenance food and fibre products.
- The next 20 years will see a continued rise in the proportion of senior citizens throughout the Shire and including the rural areas. Part-time work in local food and fibre production can be both financially beneficial to this large senior population and add worth to lifestyle.
- The Shire has a very active and enthusiastic local food movement that is looking to expand its production. Both State and Local economic development programs need to continue to foster the local food and fibre initiatives as there seems significant potential to grow this sector of the rural economy.

Options:

- Markets are only one sale opportunity – move into the more core retail and improve regularity of supply.
- Council might facilitate contact for local producer groups with organisations like NSW Department of Industry for help with exporting goods and identifying target niches.
- Further assist markets and training of people in those new products with potential to succeed. See more detailed recommendations relating to local production in Discussion Paper 7 Local Food.

7.2.3 Issue: Mix of farm types, size and subdivision policy

Challenges:

- Fragmentation occurring of larger holdings, especially by sale of existing titles.
- How to stem hobby scale encroachment into larger holding areas and retain/foster part-time and full-time commercial activity.

Opportunities:

- Better definition of small farm areas.
- Improve opportunities to lease and share farm.
- Grow options for more diverse and local value added food and fibre products.
- Retain properties over 100 ha.

Options:

- Subdivision options and preferred recommendations are presented in Discussion Paper 9 Land Use in the RU1 and Deferred Areas.

7.2.4 Issue: Public infrastructure

Challenges:

- Current road network already a significant cost burden for community both in maintenance and in transport for farm produce.
- Power extensions very costly.
- Long likely lead times for National Broadband Network (NBN) coverage for many rural districts. More isolated areas of Eurobodalla will likely wait longer for significant broadband speed gains. Also, there are many areas of Eurobodalla difficult to service given the terrain.

Opportunities:

- Plan any further housing growth so services and infrastructure, if required, can be economic to provide.
- NBN will arrive to most rural properties in the life of the strategy and bring with it many increased options for supplementary income for farmers.

- Supply of improved broadband to much of the rural area of Eurobodalla is likely within 10 years. There is already a significant amount of non-farm business activity occurring in the rural areas and mostly it seems to not adversely impact agriculture – in fact support and make viable part-time farms.
- High speed data to rural dwellings will enable a greater number of small business opportunities in the rural areas, expand access to education, latest information and health services – all from home.

Options:

- Limit further fragmentation in poorer serviced areas and where holdings over 100 ha dominate.
- Discussion Paper 1 suggests strategies to capture the benefits NBN may bring to rural areas – especially the potential for more supplementary income options for landholders.
- Council can continue to press for acceleration of roll-out to most rural areas of Eurobodalla.
- The high desire for many successful small businesses to relocate to the attractive rural living areas such as Eurobodalla can be successfully marketed and is a source of supply for well-resourced part-time farmers to support the agricultural production. It may also mean Council needs to continue to closely monitor demand/supply relating to rural living and farming opportunities and be poised to revise upwards its demand uptake for rural and rural residential living opportunities as soon as new trends emerge.

7.2.5 Issue: Dwelling entitlements

Challenges:

- There are opportunities under the current LEP for dwellings on land zoned RU1 or in the deferred area:
 - Currently, 373 vacant ownerships under 100 ha. Of these, 326 are 40 ha and under. (A dwelling is not permissible on some of these ownerships but a proportion do have the right to apply for consent to have a dwelling – the proportion is being investigated as part of Discussion Paper 9.);

Opportunities:

- Develop a program to map outstanding “entitlements”. This is detailed in Discussion Paper 9.
- Refocus areas for further small lot farms away from prime lands and areas costly to access and service.

Options:

- A range of options for dwelling entitlements and lot sizes are modelled in Discussion Papers 9 and 10.

7.2.6 Issue: Education and skills

Challenges:

- New residents are sometimes unskilled in rural knowledge of weeds, pests, fire, etc.
- Training for and implementation of new initiatives for value adding.
- Much of the Shire is remote from training centres.

Opportunities:

- NBN will add a range of home based businesses to supplement farm incomes.
- NBN will allow greater training opportunities and courses locally.

Options:

- Welcome brochures and training courses for new rural residents.
- More online training and expansion of college annexes to regional centres like Moruya.

7.2.7 Issue: Agricultural land classification

Challenge:

- There is some concern as to the accuracy of data for defining the quality of agricultural lands in the Shire. Current data relies on the 1980s DPI mapping.

Opportunity:

- New technology employing detailed image mapping could be used to improve data on land qualities and perhaps be backed up by field sampling of soils.

Options:

- Council might lobby for State or Federal funding to improve the knowledge base on the location of economic agricultural lands. However, in the interim, the old DPI mapping is considered a reasonable tool for the purpose of regional strategy and Shire land use policy.

7.2.8 Issue: Management of public land

Challenges:

- Private landowners have expressed concerns about fire, weeds and pest issues associated with the large areas of public lands in the Shire.
- There seem to be limits to State budgets for control.
- Not all problems come from the public lands. There are extensive private lands with scrub or forest and a proportion of these problems generate from these lands as well.
- Council roadsides and reserves have land management problems too (weeds) and there is limited budget at Council level to address.

Options:

- Council role is limited to lobbying for additional funds for State land management agencies for problem control. Additional roadside control actions may be possible through grant funding from other government levels.

7.2.9 Issue: Private property rights and reducing the regulatory burden

Challenges:

- Some landowners have raised concerns in the past consultations at the extent of imposition of land use and other controls on private rural properties.
- There is a case for ensuring controls only apply where they have proven public benefits. But there have been varying levels of land use control since earliest settlement and some controls are needed for the overall community good.
- There also needs to be realism as to the physical limits already imposed on many areas of private land in Eurobodalla by topography, poor soil quality, bushfire risk, etc., regardless of written or mapped controls.
- But with issues like conservation of native vegetation or landscape qualities there is the issue of no assistance to farmers for “conserving” for the community.

Options:

- All three levels of government are working on reviews of rural land regulation.
- The State Government has a major review of biodiversity legislation under action and possible direction is addressed in Discussion Papers 4 and 9.
- The State Government has promised to increase its biodiversity fund to provide some compensation to landowners asked to constrain otherwise profitable land activity to allow biodiversity goals. But there needs to be some realism as to how much the biodiversity mapping and other measures really constrain rural land. The inherent qualities/limitations of much forested private land in Eurobodalla will see little change to it even if controls did not exist. It is better that available knowledge is made public and accessible so informed decisions can be made and development encouraged to the more suitable and capable land.
- In relation to private native forestry, the State Government Biodiversity review is addressing this issue. Some “right to harvest” provisions are expected to be brought forward.
- At Council level, this strategy is reviewing land use controls and zoning and permissible activities. (See Discussion Papers 3 and 9). Council’s role in land use controls in the rural areas is relatively small and relates mostly to activities that require development consent (new dwellings, some business activity and subdivision). If and until clearing controls return to Local Government, the controversial issue of land clearing of native vegetation remains regulated at State level.

7.2.10 Land prices and speculation

Challenges:

- The demand for rural land in Eurobodalla is driven by forces well beyond what the land can produce in terms of net agricultural production. The rural areas of the Shire are desirable places to live, semi retire or even invest in land for speculative gain. In real terms, and over the longer period, most rural coastal land is increasing in value at a higher rate than what can be achieved in a typical bank deposit.
- The work earlier in this Paper demonstrates Eurobodalla land prices make it not an attractive place for farm aggregation and big corporate agriculture. Strategies like controlling subdivision have far less effect on controlling land speculation when growth in local land prices has already taken land value to a level where what the land can net in annual return from agriculture is much less than what an investor might achieve with the same sum prudently invested in even conservative investments.

Opportunities:

- Control of fragmentation of larger ownerships, say over 100 ha is still a worthwhile community target for the economic benefit and employment commercial scale agriculture can bring to the area and in the way large holdings can be better stewards of ongoing land management. Such control, if maintained, may provide some limited break on land speculation.
- In addition, there are signs of potential for the terms of trade for agriculture to improve well within the 20 year vision of this strategy in a world where demand for food and diversity of food product is growing significantly. In other words there is a strong case to conserve larger holdings ready to tap into that improvement in terms of trade which seems inevitable – but possible a decade in developing.

Options:

- Discussion Paper 9 offers strategies to limit fragmentation.

7.2.11 Part-time farming is a reality but minimise hobby scale fragmentation

Challenges:

- There has been significant fragmentation of the Shire rural areas but viable larger holdings remain.
- Limiting further fragmentation of these lands where it might create holdings not large enough to provide a genuine part-time income.

Opportunities:

- Serious part-time farming seems the way forward. Holdings of a size that can maintain a net part-time income need to be encouraged and conserved. The ABR data clearly shows many non-agricultural business initiatives across the RU1 and Deferred areas. Many people are getting a part-time farm income but supplementing that with other business activity on or off the farm.

- Professionally run part-time farms can yield the same economic benefits for the area as full-time farms and sometimes have better access to off farm income/capital for land management and improvement.
- The NBN will further increase the range of farm home based business.

Option:

- Council needs to “hold the line” on retaining properties, say, 100 ha and over but accept that full-time farming is highly challenged in Eurobodalla, and encourage a vibrant part-time trend while avoiding fragmentation of these larger properties into hobby scale farms. The contribution of hobby scale agriculture to the Shire economy is more debatable. Discussion Paper 9 explores subdivision and other techniques to secure a strong part-time agricultural future.

7.2.12 Land quality in the larger holdings

Challenges:

- Many holdings of all sizes contain a proportion of the poorer Class 5 agricultural land and some larger holdings have a significant proportion.
- While such land can represent supplementary grazing areas, especially in drought, etc., it also means a number of larger area properties have only marginally better carrying capacity than smaller holdings of mostly better land.
- Larger lot sizes are a blunt instrument to maintain agriculture.

Option:

- While the limitations of lot sizing are acknowledged, the promotion and acceptance of part-time farming still supports a strategy of retaining larger properties. There are also servicing issues in fragmenting more isolated bush sections of properties.

7.2.13 Transport

Challenges:

- The far south coast of NSW which covers Bega Valley and Eurobodalla has been a relatively isolated area since early settlement. It is road transport dependant, distant from customers and exposed to high transport costs to get products to major markets.
- The Princes Highway is slowly being upgraded but is B-Double limited.
- Local roads into and through the rural areas are of varying standards and the topography with long linear valleys and low density of farms makes upgrading expensive.
- Stock often need to be transported in smaller trucks at higher expense. Many farms in the central west of NSW, for example, can rely on B-Double transports from farm gate to sale point at transport costs 60% or better per head than what Eurobodalla farmers often have to pay.

- While there is Bega Cheese within 2 hours haulage of most Eurobodalla dairy farms, around half of the milk is going many hundreds of kilometres more to processing at the Murray Goulburn Plant.
- Conversely, most goods and services coming into the region face extra transport costs, be it fertiliser or education services.

Opportunities:

- There is some market advantage in being distant from perceived sources of pollution, allowing “clean green” marketing that has benefited places like New Zealand with similar distance problems.
- Local food initiatives like Tilba and Bodalla dairy products seem to have some sound basis and might expand if the impetus for local food can be accelerated.

Options:

- Council can continue to lobby for improvements to the road network.
- There is a well based argument not to allow new rural living development where roads are already taxed.
- The rural products and activities that succeed in Eurobodalla will be ones that can value add or capture a “special” market. That allows a profitable return even though transport costs are high.
- Some worldwide pressure for additional quality food is predicted to occur over coming decades and Council and the rural community need to monitor and target these opportunities.

DISCUSSION PAPER 3

USE OF ZONING, OVERLAYS AND PERMISSIBLE USES IN NSW

APPROACHES OF COAST AND TABLELAND
COUNCILS AND OPTIONS FOR
EUROBODALLA

A DISCUSSION PAPER TO GUIDE
THE EUROBODALLA SHIRE
COUNCIL RURAL STRATEGY

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For: EUROBODALLA COUNCIL



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1 INTRODUCTION AND SUMMARY

1.1 PURPOSE OF THIS DISCUSSION PAPER

The Draft Eurobodalla Rural Strategy is presented in three volumes:

Volume One: The Strategy – this is a summary document of the recommended preferred options, strategies and action plans.

Volume Two: The Discussion Papers – there are 10 broad papers in this volume, each presenting a discussion on the more significant issues applicable to Council’s role in the rural lands of Eurobodalla.

This is Discussion Paper 3 and it explores the use of zones, overlays and the range of permissible uses applied in the rural areas of a sample of coastal and tableland Councils and some wider review of state trends. This exploration of other Council approaches may assist Eurobodalla Shire develop a preferred combination of zones, refine policy direction on overlay mapping and review the range of permissible uses to best serve the needs of the community.

Volume Three: A compendium of larger scale maps – given the size of the Shire and the detail sometimes required, the more important maps of general land use information and those from the Discussion Papers are presented in A3 page size. In addition, if accessing the PDF version, there is the capacity to “zoom in” to explore more detail.

The draft strategy package as presented in the three volumes, represents the work of the consultant team Garret Barry Planning Services (GBPS). It is stressed these documents are drafts prepared for community comment and input. Council has not concluded any view on the draft recommendations and will resolve a final strategy when it has considered community feedback.

We welcome suggestions from the community as to any issues we may have overlooked and your preferred options and strategies to guide the future direction of the rural areas.

1.2 EXECUTIVE SUMMARY

Part of the brief for the Eurobodalla Rural Strategy includes a requirement for the consultants to review the zoning, mapping and permissible uses currently applied by Council in the rural areas and make any suggestions for changes in:

- Zone types/mix
- Permissible uses in zones.
- Use of overlay maps.

This Discussion Paper focuses on these three elements.

This Paper explores the current zones available in the State wide Standard Instrument and the preferred zones selected by a sample of Councils.

This data will assist in resolving the preferred rural zoning for Eurobodalla, whether any changes to permissible uses in these zones is warranted and in resolving a position on the use of LEP environmental overlays.

Council is limited in the range of zones available to those specified in the Standard Instrument which is regulated by the State Government. There are possible changes to the mix of zones being explored by the State Government (see Discussion Paper 4 for background on potential changes), but as at the drafting of this Discussion Paper the range of zone options for most private rural lands in Eurobodalla are limited to those defined below.

To assist in drawing conclusions on suitable zoning for rural lands, GBPS conducted a review of a sample of 19 NSW coastal and tableland Local Government Areas (LGAs) Local Environmental Plans (LEPs) to compare and analyse the use of the following zones to better inform the use of zones for future land use planning in Eurobodalla:

- RU1 – Primary Production
- RU2 – Rural Landscape
- RU4 – Primary Production Small Lots
- E2 – Environmental Conservation
- E3 – Environmental Management
- E4 – Environmental Living
- R5 – Large Lot Residential.

A zone for rural villages, RU5, is not considered in this Paper as it is a more specific zone that provides for a mix of residential, commercial and tourism opportunities in rural villages.

Although there is a LEP Standard Instrument used by all LGAs there is still some variation and discretion available to Councils over the application of the standard zones available for land use planning.

Table 1 provides a quick reference guide highlighting the use of zones by the Councils surveyed. Sections 2 to 7 review the use of the above zones in more detail.

Of the 19 LGAs reviewed, it was found that there is quite a variance in the application of certain zones and how widely they are applied. As a general overview, only 1 Council does

not use RU1, 10 Councils do not use RU2 and RU4, 5 Councils do not use E2 and E3, 12 Councils do not use E4 and only 1 Council does not use R5.

Table 2 provides a quick reference guide to the use of overlays by the Councils surveyed.

Eleven of the 19 sample Councils have overlay mapping relating to biodiversity. A 2014 review of the NSW legislation site estimates approximately 60% of all NSW Councils who had converted to the Standard Instrument had some type of biodiversity overlay. Section 8 reviews the use of overlays by the sample of 19 Councils.

Generally, the practical permissible uses in the rural areas of Eurobodalla are as wide as most Councils. There are a small number of uses prohibited in the Eurobodalla rural zones that Council may wish to consider adding as permissible. Presentation of some current permissible uses might be clearer for lay readers – especially where a broad use has subcategories permissible or prohibited. These uses are examined zone by zone in Section 9.

This Paper stops short of making final recommendations for rural zoning, use of overlays and permissible uses. It is intended as a data resource and Discussion Papers 9 and 10 make specific recommendations. Discussion Paper 9 focuses on the general rural areas while the focus of Discussion Paper 10 is on the rural residential areas of Eurobodalla.

Table 1: Use of available zones by the 19 Councils surveyed

Zone	RU1	RU2	RU4	E2	E3	E4	R5
Bega Valley	Used	Used	Used	Used	Used	Used	Used
Bombala	Used	Not Used	Not Used	Not Used	Not Used	Not Used	Used
Byron*	Used	Used	Not Used	Not Used	Not Used	Not Used	Used
Clarence Valley	Used	Used	Not Used	Used	Used	Not Used	Used
Coffs Harbour	Not Used	Used	Not Used	Used	Not Used	Not Used	Used
Cooma-Monaro	Used	Not Used	Not Used	Used	Used	Used	Used
Eurobodalla*	Used	Not Used	Used	Used	Not Used	Used	Used
Greater Taree	Used	Not Used	Used	Used	Used	Not Used	Used
Kempsey	Used	Used	Used	Used	Used	Used	Used
Palerang	Used	Not Used	Not Used	Used	Used	Used	Used
Richmond Valley	Used	Not Used	Not Used	Used	Used	Not Used	Used
Shoalhaven	Used	Used	Used	Used	Used	Used	Used
Singleton	Used	Used	Used	Used	Used	Used	Used
Snowy River	Used	Not Used	Not Used	Used	Used	Not Used	Used
Tamworth Regional	Used	Not Used	Used	Used	Used	Not Used	Used
Tenterfield	Used	Not Used	Not Used	Not Used	Not Used	Not Used	Not Used
Tumut	Used	Not Used	Not Used	Not Used	Not Used	Not Used	Used
Upper Hunter	Used	Not Used	Used	Not Used	Used	Not Used	Used
Upper Lachlan	Used	Used	Used	Used	Used	Not Used	Used
Yass Valley	Used	Used	Used	Used	Used	Used	Used
Total where not used (out of 19)	1	10	10	5	5	12	1

Legend: Used
 Not Used

* These Council LEPs include some deferred areas. Therefore, the full suite of zones used may change upon consideration of the most appropriate zoning for those deferred areas.

Table 2: Review of use of overlays by sample Councils

Councils Surveyed	Terrestrial Biodiversity	Waterways	Other
Eurobodalla		Wetlands Map, Riparian Lands and Watercourses Map	
Byron			
Coffs Harbour		Drinking Water Catchment Map, Riparian Lands and Watercourses Map	
Greater Taree			
Shoalhaven		Riparian Lands and Watercourses Map	Natural Resources Sensitivity - Land Map, Scenic Protection Area Map
Clarence Valley			
Kempsey			
Tamworth Regional			
Singleton		Riparian Lands and Watercourses Map	
Richmond Valley		Wetlands Map, Riparian Lands and Watercourses Map	
Upper Hunter		Groundwater Vulnerability Map, Watercourse Map, Drinking Water Catchment Map	
Upper Lachlan		Natural Resources Sensitivity - Water Map	Natural Resources Sensitivity - Land Map
Cooma-Monaro		Groundwater Vulnerability Map, Riparian Land Map, Wetlands Map	Scenic Protection Map
Palerang			Landscape Map
Snowy River		Riparian Lands and Watercourses Map, Wetlands Map	
Yass Valley		Riparian Lands and Watercourses Map, Groundwater Vulnerability Map	Natural Resources Land Map
Bega Valley		Riparian Lands and Watercourses Map	Natural Resources Land Map
Tenterfield			Sensitive Land Map
Tumut		Groundwater Vulnerability Map, Wetlands Map, Riparian Lands and Watercourses Map	Salinity Map, Landslide Risk Map
Bombala		Riparian Lands and Watercourses Map	
Total where not used (out of 19)	7	6	12

Legend: Used
 Not Used

The following map legend is used throughout this Discussion Paper.

Map Legend

<input checked="" type="checkbox"/> Land Zoning	
B1	Neighbourhood Centre
B2	Local Centre
B3	Commercial Core
B4	Mixed Use
B5	Business Development
B6	Enterprise Corridor
B7	Business Park
B8	Metropolitan Centre
E1	National Parks and Nature Reserves
E2	Environmental Conservation
E3	Environmental Management
E4	Environmental Living
IN1	General Industrial
IN2	Light Industrial
IN3	Heavy Industrial
IN4	Working Waterfront
R1	General Residential
R2	Low Density Residential
R3	Medium Density Residential
R4	High Density Residential
R5	Large Lot Residential
RE1	Public Recreation
RE2	Private Recreation
RU1	Primary Production
RU2	Rural Landscape
RU3	Forestry
RU4	Primary Production Small Lots
RU5	Village
RU6	Transition
SP1	Special Activities
SP2	Infrastructure
SP3	Tourist
W1	Natural Waterways
W2	Recreational Waterways
W3	Working Waterways
UL	Unzoned Land
DM	Deferred Matter

2 A SNAPSHOT OF THE ZONES CURRENTLY USED IN EUROBODALLA AND THEIR GENESIS

2.1 RURAL ZONING PRIOR TO THE 2012 LEP

The LEP in force over rural lands prior to creation of the Current Eurobodalla LEP 2012 was Eurobodalla Rural LEP 1987. The 1987 plan still remains in force for some deferred lands.

In converting their old LEPs to the required State-wide Standard Instrument, Councils had to make choices as to the best fit amongst the new zones listed on page 6.

The table below summarises how the current zones were applied.

Table 3: Conversion of zones from LEP 1987 to LEP 2012

1987 Zone	Current Zone
1(a) Rural Environmental Constraints and Agriculture	Part RU1 Primary Production and some areas Deferred and retaining 1(a) zoning for now. The deferred areas were previously proposed to be zoned E3.
1(a)(1) Rural (Environmental Constraints, Water catchment and Agriculture)	Part RU1 Primary Production and some areas Deferred and retaining 1(a) zoning for now. The deferred areas were previously proposed to be zoned E3.
1(c) Rural Residential	Higher biodiversity sections were zoned E4 Environmental Living. Small lot sections generally without high biodiversity across the section were zoned R5. Some larger lot areas of former 1(c) with generally better agricultural land were zoned RU4 Primary Production (Small lots).
7(a) Environmental Protection (Wetlands)	E2 Environmental Conservation.
7(f1) Environmental Protection(Coastal Lands Protection)	Some to E2, E1 or RU1.
7(f2) Environmental Protection (Coastal Lands Acquisition)	Some to E1 some to E2 or RU1.

2.2 THE CURRENT RURAL ZONES

The following table gives a summary of all zones used in the rural areas that may apply to private lands and their estimated total areas.

Table 4: Areas of each zone currently used across the rural areas of Eurobodalla

ESC Rural Zones	Ha	Comments
Deferred Matter Areas (retain 1987 zoning)	38,048	These areas were proposed in the initial draft LEP for zoning E3 Environmental Management. However, Council has deferred a decision on the final zoning of these lands and requested options be put forward as part of the Rural Strategy. These lands currently retain their 1987 LEP zoning (mostly 1(a)(1)).
RU1 Primary Production	29,874	Generally agricultural lands.
RU4 Primary Production (small lots)	1,723	Small lot farming areas.
E2 Environmental Conservation	4,563	Wetlands and other areas of very high sensitivity. The area of E2 zone is Shire-wide.
E4 Environmental Living	5,491	Rural residential land with higher biodiversity.
R5 Large Lot Residential	2,133	Rural residential land without higher biodiversity and generally smaller lot areas.
SP3 Tourist	102	Specific sites for more intensive tourism development.
W1 Natural Waterways	8,585	Streams and waterways of higher environmental sensitivity. The area of W1 zone is Shire-wide.
W2 Recreational Waterways	45	Larger navigable waterways. The area of W2 zone is Shire-wide.

3 COMPARISON OF USE OF RU1, RU2 AND E3 ZONES

3.1 WHAT IS THE RU1 ZONE?

The focus of the RU1 Zone is facilitation of Primary Production.

The Standard Instrument requires the RU1 zone to have some specified mandatory wording but allows Council the discretion to add objectives, exempt and permissible uses with justification. The Standard Instrument specifies the following mandatory objectives for RU1:

- To encourage sustainable primary industry production by maintaining and enhancing the natural resource base.
- To encourage diversity in primary industry enterprises and systems appropriate for the area.
- To minimise the fragmentation and alienation of resource lands.
- To minimise conflict between land uses within this zone and land uses within adjoining zones.

3.2 WHICH COUNCILS SURVEYED USE THE RU1 ZONE

All Councils surveyed except Coffs Harbour use the RU1 zone.

3.3 RU1 IN THE CONTEXT OF EUROBODALLA

Currently, the RU1 zone is the main rural zone covering the agricultural areas of Eurobodalla with a total area of approximately 30,000 ha. A substantial area (approximately 38,000 ha) is currently “deferred land” in the LEP 2012 and retains its 1987 LEP zoning pending the outcome of this Study (a mix of the former 1(a) (Rural Environmental Constraints and Agriculture) and 1(a)(1) (Rural (Environmental Constraints, Water Catchment and Agriculture) zones. The deferred areas are mostly forested private lands or regrowth areas of casuarina and acacia.

The current RU1 Zone in Eurobodalla includes the mandatory objectives referred to above and the following additional objectives:

- To minimise the visual impact of development on the rural landscape.
- To provide for recreational and tourist activities that support the agricultural, environmental and conservation value of the land.

3.4 WHAT IS THE RU2 ZONE?

The RU2 zone was envisaged as a rural agricultural zone where some natural resource and landscape elements warranted definition. It and the RU1 zone are the two main zones that replaced the old 1(a) style zones that existed in most Council LEPs prior to the Standard Instrument.

The Standard Instrument specifies the following mandatory objectives for RU2:

- To encourage sustainable primary industry production by maintaining and enhancing the natural resource base.
- To maintain the rural landscape character of the land.
- To provide for a range of compatible land uses, including extensive agriculture.

3.5 WHICH COUNCILS SURVEYED USE THE RU2 ZONE

The RU2 Zone is not currently used by ESC.

Of the 19 Councils surveyed, the following 8 use the RU2 zone:

- Bega Valley
- Byron
- Clarence Valley
- Coffs Harbour
- Kempsey
- Shoalhaven
- Singleton
- Upper Lachlan
- Yass Valley.

As will be discussed later in this Paper, the interpretation and use of this zone varies quite a deal across the Councils surveyed.

3.6 WHAT IS THE E3 ZONE?

As detailed in Discussion Paper 4, some controversy has arisen in the use of E3 and the draft position of the Department of Planning and Environment now suggests it be limited to areas of verified high biodiversity value.

The Standard Instrument mandates the following objectives for the E3 zone:

- To protect, manage and restore areas with special ecological, scientific, cultural or aesthetic values.
- To provide for a limited range of development that does not have an adverse effect on those values.

3.7 WHICH COUNCILS SURVEYED USE THE E3 ZONE

The E3 Zone is not currently used by ESC and Council has resolved that alternatives be investigated as part of this Rural Strategy.

Of the 19 Councils surveyed the following 14 use the E3 zone:

- Bega Valley
- Clarence Valley
- Cooma-Monaro
- Greater Taree
- Kempsey
- Palerang
- Richmond Valley
- Shoalhaven
- Singleton
- Snowy River
- Tamworth Regional
- Upper Hunter
- Upper Lachlan
- Yass Valley.

The survey of the 19 Councils found some variation in application of E3 but generally it seems to be being applied to high sensitivity sites such as coastal Endangered Ecological Communities and some Councils are using it to protect the immediate catchments of water supplies.

4 A REVIEW OF THE COUNCILS USING RU2 COMPARED WITH THEIR USE OF RU1 AND E3

Table 5: Use of RU1, RU2 and E3 zones

Zone	RU1	RU2	E3
Byron LEP 2014			
Clarence Valley LEP 2011			
Kempsey LEP 2013			
Shoalhaven LEP 2014			
Singleton LEP 2013			
Upper Lachlan LEP			
Yass Valley LEP 2013			
Bega Valley LEP 2012			
Coffs Harbour LEP 2013			

Legend:		Used
		Not Used

More than half of the Councils surveyed do not use the RU2 zone. Councils that use RU2 also use RU1 except for Coffs Harbour. Councils that use RU2 also use E3 except for Coffs Harbour and Byron Bay (which is currently a deferred matter). A total of five of all 19 Councils surveyed do not use the E3 zone.

The vast majority of the land zoned E3 with the above Councils is located adjacent to or in the vicinity of waterways or heavily vegetated areas with likely biodiversity values.

General observations:

- Coastal Councils generally have more RU2 which reflects the scenic values placed on the landscape (both aesthetic and market values).
- Most RU1 is level land and given the terrain is assumed not to have the same aesthetic value as land zoned RU2 and more often prime agricultural land is located in areas of gentle topography.
- Inland Councils generally have more RU1 than RU2 (relates to comment above).
- There does not seem to be a high consistency in the attributes for selection of RU2 amongst the Councils surveyed that are using this zone. In some cases it has a definite theme of covering more scenic areas, in others it seems to be applied to steeper and more often forested lands and in one or two cases the physical distinction is not at all obvious but there appears to be an application to utilise some variation of permissible uses to contrast RU1. A few Councils use it more extensively than RU1 but most limit its use to specific areas.

Some examples from the Councils surveyed are presented in Appendix 1.

5 A REVIEW OF THE COUNCILS USING RU1 AND E3, BUT NOT RU2

Table 6: Councils with RU1 and E3 but not RU2

Zone	RU1	RU2	E3
Tamworth Regional LEP 2010	Used	Not Used	Used
Richmond Valley LEP 2012	Used	Not Used	Used
Upper Hunter LEP 2013	Used	Not Used	Used
Cooma-Monaro LEP 2013	Used	Not Used	Used
Palerang LEP 2014	Used	Not Used	Used
Snowy River LEP 2013	Used	Not Used	Used

Legend:  Used
 Not Used

Six of the Councils surveyed use RU1, have no RU2 and use E3 to some degree for varying reasons.

General observations:

- The sampled Councils have an extensive agricultural area, and are mostly tableland Councils, quite different to Eurobodalla.
- The scale of E3 use is variable but not extensive and mostly used for water supply catchment or small areas of high biodiversity.

Appendix 2 presents some examples of the use of RU1 and E3 by the Councils sampled.

6 USE OF THE RU4 PRIMARY PRODUCTION SMALL LOTS ZONE

6.1 WHAT IS THE RU4 ZONE?

The initial flavour suggested by the Department of Planning and Environment for use of RU4 was for horticultural areas and other intensive small lot production areas. But most use in the Councils surveyed ranges from small lot farming of 40 ha down to a form of rural residential with hobby scale lots as small as 2 ha – generally of reasonable quality agricultural land.

The Standard Instrument mandates the following objectives:

- To enable sustainable primary industry and other compatible land uses.
- To encourage and promote diversity and employment opportunities in relation to primary industry enterprises, particularly those that require smaller lots or that are more intensive in nature.
- To minimise conflict between land uses within this zone and land uses within adjoining zones.

6.2 WHICH COUNCILS SURVEYED ARE USING RU4

Eurobodalla and the following 9 of the 19 Councils surveyed use RU4:

- Bega Valley
- Greater Taree
- Kempsey
- Shoalhaven
- Singleton
- Tamworth Regional
- Upper Hunter
- Upper Lachlan
- Yass Valley.

6.3 RU4 IN THE CONTEXT OF EUROBODALLA

The use of the RU4 zone in Eurobodalla to date is minimal and applies to small hobby scale rural lots 10 ha and less.

The current RU4 Zone in Eurobodalla includes the mandatory objectives referred to above. No additional objectives have been included.

6.4 COMPARISON OF USE OF RU4 ZONES

Table 7: Comparison of Council use of RU4, E4 and R5 in each LGA

Zone	RU4	E4	R5
Eurobodalla LEP 2012	2, 5 and 10 ha lot size		
Byron LEP 2014			
Coffs Harbour LEP 2013			
Greater Taree LEP 2010	20 ha lot size		
Shoalhaven LEP 2014	2 ha lot size		
Clarence Valley LEP 2011			
Kempsey LEP 2013	4-8 ha lot size		
Tamworth Regional LEP 2010	5, 20 and 40 ha lot sizes		
Singleton LEP 2013	40 ha lot size		
Richmond Valley LEP 2012			
Upper Hunter LEP 2013	40 ha lot size		
Upper Lachlan LEP	2 and 10 ha lot size		
Cooma-Monaro LEP 2013			
Palerang LEP 2014			
Snowy River LEP 2013			
Yass Valley LEP 2013	10 and 16 ha lot size		
Bega Valley LEP 2012	2, 10 and 20 ha lot size		
Tenterfield LEP 2013			
Tumut LEP 2012			
Bombala LEP 2012			
Total where not used (out of 19)	10	12	1

Legend:  Used
 Not Used

Of the 10 Councils surveyed who use RU4, 5 appear to use it for real part-time small farms of 20-40 ha and the remaining 5 have lot sizes more at a hobby farm scale. None appeared to apply it to intensive horticultural areas.

The most appropriate lot size for an area will depend on a range of factors. In particular the quality of the soil and access to water will help to define the size of land required to undertake any particular agricultural activity. The existing subdivision pattern and existing environmental constraints will also help to define an appropriate minimum lot size for each area. Some examples of use of RU4 by other Councils are presented in Appendix 3.

7 USE OF THE E4 ENVIRONMENTAL LIVING ZONE COMPARED WITH R5 LARGE LOT RESIDENTIAL

7.1 WHAT IS THE E4 ZONE?

The E4 zone was initially proposed as a form of rural residential where there is native vegetation and some biodiversity and where the emphasis was on low density living in natural surroundings rather than hobby farming. Most of the Councils surveyed who are utilising E4 have employed it in that way.

The Standard Instrument mandates the following objectives:

- To provide for low-impact residential development in areas with special ecological, scientific or aesthetic values.
- To ensure that residential development does not have an adverse effect on those values.

7.2 WHICH COUNCILS SURVEYED ARE USING E4

Eurobodalla and the following 7 of the Councils surveyed are using E4:

- Bega Valley
- Cooma-Monaro
- Kempsey
- Palerang
- Shoalhaven
- Singleton
- Yass Valley.

7.3 E4 IN THE CONTEXT OF EUROBODALLA

Eurobodalla uses the E4 zone for rural residential type lots that have important environmental qualities.

The current E4 Zone in Eurobodalla includes the mandatory objectives referred to above and the following additional objectives:

- To protect the size and shape of vegetation remnants if consistent with the protection of assets from bush fire.
- To ensure that development in the area does not unreasonably increase the demand for public services or public facilities.
- To manage items, places and landscapes of Aboriginal cultural heritage significance into the future in collaboration with the local Aboriginal community.

7.4 WHAT IS THE R5 ZONE?

When the State Government introduced the Standard Instrument in 2006, it did not allow a direct equivalent to the former 1(c) rural residential zone.

As such there is a diversity of approach by Councils with various combinations of R5, E4 and or RU4 covering what was former rural residential zones. R5 implies an urban style large lot zone and a few Councils (e.g. Palerang) are using it exclusively for this. But R5 is most common as a rural residential zone.

The Standard Instrument mandates the following objectives for R5:

- To provide residential housing in a rural setting while preserving, and minimising impacts on, environmentally sensitive locations and scenic quality.
- To ensure that large residential lots do not hinder the proper and orderly development of urban areas in the future.
- To ensure that development in the area does not unreasonably increase the demand for public services or public facilities.
- To minimise conflict between land uses within this zone and land uses within adjoining zones.

7.5 WHICH COUNCILS SURVEYED ARE USING R5

Eurobodalla and all Councils surveyed except Tenterfield use R5 (Tenterfield has no rural residential type zones).

7.6 R5 IN THE CONTEXT OF EUROBODALLA

Eurobodalla uses the R5 zone for rural residential type lots that do not have important environmental qualities.

The current R5 Zone in Eurobodalla includes the mandatory objectives referred to above and the following additional objective:

- To provide opportunities for small scale rural activities where compatible with the existing residential accommodation.

7.7 COMPARISON OF USE OF E4 VERSUS R5 ZONES

Table 8: Comparison of use of E4 versus R5 Zones

Zone	E4	R5
Eurobodalla*	Used	Used
Byron LEP 2014*	Not Used	Used
Coffs Harbour LEP 2013	Not Used	Used
Greater Taree LEP 2010	Not Used	Used
Shoalhaven LEP 2014	Used	Used
Clarence Valley LEP 2011	Not Used	Used
Kempsey LEP 2013	Used	Used
Tamworth Regional LEP 2010	Not Used	Used
Singleton LEP 2013	Used	Used
Richmond Valley LEP 2012	Not Used	Used
Upper Hunter LEP 2013	Not Used	Used
Upper Lachlan LEP	Not Used	Used
Cooma-Monaro LEP 2013	Used	Used
Palerang LEP 2014	Used	Used
Snowy River LEP 2013	Not Used	Used
Yass Valley LEP 2013	Used	Used
Bega Valley LEP 2012	Used	Used
Tenterfield LEP 2013	Not Used	Not Used
Tumut LEP 2012	Not Used	Used
Bombala LEP 2012	Not Used	Used
Total where not used out of a total of 19	12	1

Legend:  Used
 Not Used

* These Council LEPs include some deferred areas. Therefore, the full suite of zones used may change upon consideration of the most appropriate zoning for those deferred areas.

Table 9: Councils included in survey that use both E4 and R5

Zone	E4	R5
Eurobodalla		
Shoalhaven LEP 2014		
Kempsey LEP 2013		
Singleton LEP 2013		
Cooma-Monaro LEP 2013		
Palerang LEP 2014		
Yass Valley LEP 2013		
Bega Valley LEP 2012		

Legend:  Used
 Not Used

Across the surveyed Council areas, the E4 zoned areas in the main appear to be former “1(c)” style areas which have a high proportion of native vegetation cover. Some areas of E4 are partly cleared agricultural lands that appear to be medium sized “hobby farms”, some may be more ‘lifestyle lot’ smaller style holdings. R5 generally has less biodiversity value and more cleared land.

Eurobodalla’s use of E4 seems more clearly confined to vegetated rural residential areas than some of the sampled Councils.

Some examples of the approach of the sampled Councils are presented in Appendix 4.

8 USE OF ENVIRONMENTAL MAPPING OVERLAYS

8.1 WHAT IS AN LEP OVERLAY?

An overlay is a type of map that identifies certain land characteristics. It “overlays” other maps such as a zoning map and provides another layer of information or control.

All overlays in local environmental plans become a matter for consideration when a development application is under consideration over land where an overlay applies. The determining authority, usually the local Council, is required to apply the relevant clause in the LEP that links to the particular overlay.

There are a diversity of overlays in use, ranging from hazard warning overlays concerning acid sulfate soils, flooding and coastal hazards to environmental protection overlays covering things like riparian lands and terrestrial biodiversity.

Part 6 of the Standard Instrument format is where Councils insert additional local provisions in their individual LEPs and is the usual Part where clauses relating to overlays are placed. Each overlay generally has its own subclause which links to the overlay map then lists matters for consideration when the Council is reviewing a development application that falls within an overlay area.

There is wide acceptance that hazard warning overlays are beneficial and should be retained in LEPs where the hazards (e.g. known flood limits) can be mapped.

But as discussed in detail in Discussion Paper 4, the NSW Department of Planning has the use of E zones and environmental overlays under review following the North Coast E zones review. Council has also called for a review of options regarding the Terrestrial Biodiversity overlay in particular as part of the Rural Strategy. It is therefore of some use to investigate what the sample Councils have done in their LEPs and that is the focus of the remainder of this Section.

8.2 TERRESTRIAL BIODIVERSITY OVERLAYS

As summarised in Table 2, 11 of the 19 Councils surveyed have a form of terrestrial biodiversity overlay in their LEP. This Section reviews that sample.

Also, a survey of the NSW Legislation website in 2014 found 83 Councils (approximately 60% of all Councils with the Standard Instrument format LEP) had some form of terrestrial biodiversity overlay.

Below is a typical terrestrial biodiversity clause that would be sited in Section 6 of a Council's LEP.

6.5 Terrestrial biodiversity

- (1) *The objective of this clause is to maintain terrestrial biodiversity by:*
 - (a) *protecting native fauna and flora, and*
 - (b) *protecting the ecological processes necessary for their continued existence, and*
 - (c) *encouraging the conservation and recovery of native fauna and flora and their habitats.*
- (2) *This clause applies to land identified as “Biodiversity” on the Terrestrial Biodiversity Map.*
- (3) *Before determining a development application for development on land to which this clause applies, the consent authority must consider:*
 - (a) *whether the development is likely to have:*
 - (i) *any adverse impact on the condition, ecological value and significance of the fauna and flora on the land, and*
 - (ii) *any adverse impact on the importance of the vegetation on the land to the habitat and survival of native fauna, and*
 - (iii) *any potential to fragment, disturb or diminish the biodiversity structure, function and composition of the land, and*
 - (iv) *any adverse impact on the habitat elements providing connectivity on the land, and*
 - (b) *any appropriate measures proposed to avoid, minimise or mitigate the impacts of the development.*
- (4) *Development consent must not be granted to development on land to which this clause applies unless the consent authority is satisfied that:*
 - (a) *the development is designed, sited and will be managed to avoid any significant adverse environmental impact, or*
 - (b) *if that impact cannot be reasonably avoided by adopting feasible alternatives – the development is designed, sited and will be managed to minimise that impact, or*
 - (c) *if that impact cannot be minimised – the development will be managed to mitigate that impact.*

8.3 COUNCILS THAT USE A TERRESTRIAL BIODIVERSITY OVERLAY

Eurobodalla and the following 12 of the 19 Councils surveyed use the Terrestrial Biodiversity overlay:

- | | |
|-------------------|-----------------|
| • Bega Valley | • Shoalhaven |
| • Bombala | • Snowy River |
| • Coffs Harbour | • Tumut |
| • Cooma-Monaro | • Upper Hunter |
| • Palerang | • Upper Lachlan |
| • Richmond Valley | • Yass Valley |

8.4 TERRESTRIAL BIODIVERSITY OVERLAYS IN THE CONTEXT OF EUROBODALLA

Eurobodalla has a map of terrestrial biodiversity applying in LEP 2012. As a result of the deferral of some lands from the LEP, the biodiversity overlay (along with all other overlays and LEP provisions) do not apply to land that continues to be zoned under the Rural LEP 1987. As part of this Rural Lands Strategy, Council has required the consultants to review and report on alternatives to the use of LEP overlays. Refer to Discussion Paper 4 and Section 14.2 of this Paper for further consideration of this matter.

Sample areas of the Eurobodalla Terrestrial Biodiversity Overlay in LEP 2012.



Note: Green colour on these maps is Biodiversity layer.

8.5 A REVIEW OF COUNCILS USING THE TERRESTRIAL BIODIVERSITY OVERLAY

Appendix 5 provides map shots of the Terrestrial Biodiversity overlay applying across the 12 sample Councils. The following comments are drawn from that survey:

- 9 of the Councils use the overlay extensively to cover most of the extant native vegetation.
- Excluding the deferred areas of the current Eurobodalla overlay, the Eurobodalla mapping appears very similar in approach to the above 9.
- The remaining 3 Councils surveyed make more limited use of the biodiversity overlay and it would appear they may be limiting it to higher value habitat such as Endangered Ecological Communities and similar.

9 A REVIEW OF PERMISSIBLE USES IN THE RU1 PRIMARY PRODUCTION ZONE

This Section explores the permissible uses applying in the RU1 zone of the sample Councils where there are differences with Eurobodalla's permissible uses table. Some uses of possible merit for addition to the Eurobodalla plan are highlighted for further consideration.

9.1 CURRENT PERMISSIBLE USES IN THE RU1 ZONE IN EUROBODALLA LEP 2012

Taken from ESC LEP 2012 (black is required as per Standard Instrument, red is as prescribed by ESC).

Permitted without consent – (Extensive agriculture; Home occupations) **Environmental protection works; Forestry, Home occupations.**

Permitted with consent – (Dwelling houses; Extractive industries; Open cut mining) **Agriculture; Air transport facilities; Airstrips; Animal boarding or training establishments; Boat launching ramps; Boat sheds; Building identification signs; Business identification signs; Camping grounds; Cellar door premises; Cemeteries; Community facilities; Correctional centres; Crematoria; Depots; Dual occupancies; Eco-tourist facilities; Environmental facilities; Extractive industries; Farm buildings; Flood mitigation works; Freight transport facilities; Funeral homes; Helipads; Highway service centres; Home-based child care; Home businesses; Home industries; Intensive livestock agriculture; Intensive plant agriculture; Jetties; Landscaping material supplies; Liquid fuel depots; Mortuaries; Passenger transport facilities; Plant nurseries; Recreation areas; Recreation facilities (indoor); Recreation facilities (major); Recreation facilities (outdoor); Roads; Roadside stalls; Rural industries; Rural supplies; Secondary dwellings; **Tourist and visitor accommodation**; Transport depots; Truck depots; Veterinary hospitals; Water supply systems.**

Prohibited – **Hotel or motel accommodation; Serviced apartments;** Any other development not specified in item 2 or 3.

9.2 COMMENTS

Tourist and visitor accommodation is permitted with consent (which by definition as specified in the LEP includes – backpackers' accommodation, bed and breakfast accommodation, farm stay accommodation, hotel or motel accommodation, serviced apartments, but does not include: camping grounds, caravan parks, or eco-tourist facilities). ESC include campgrounds and eco-tourist facilities as a permitted use while prohibiting hotel or motel accommodation and serviced apartments. This approach is somewhat confusing to the general public as it reads as a double negative and for clarity it may be considered listing just the permitted and/or prohibited uses rather than the overarching term of 'tourist and visitor accommodation'.

There are other permissible or exempt uses applying in the RU1 and other rural zones through other Plans or legislation. For example, private native forestry is permissible with consent under the *Native Vegetation Act 2003*. A whole range of more minor developments from farm buildings, to home industries and home businesses do not need consent as defined in State Environmental Planning Policy Exempt and Complying Development Codes 2008, provided developers comply with the requirements of that policy.

9.3 REVIEW OF PERMISSIBLE USES IN THE RU1 ZONE ACROSS A SAMPLE OF COUNCILS

Generally, the uses permissible in the Eurobodalla RU1 zone are comparable and in some cases more generous than some of the sampled Councils.

The following Table 10 focuses on listing uses employed in one or more of the sampled Councils that are not already permissible in the Eurobodalla RU1 zone.

Only four of the uses not in the current Eurobodalla LEP are suggested for possible addition:

- Education facilities and establishments – Public schools would be permissible under SEPP Infrastructure but possibly suitable to have consideration of private education options.
- Function centres – Reception centres and similar seem supportable in low impact locations subject to assessment.
- Information and education facilities – This category includes many rural tourist related activities such as galleries.
- Places of public worship – Not unreasonable to site some religious centres in the rural area.

Council has already resolved to add boat building and repair facilities.

Rural workers dwellings are not needed as dual occupancy is permissible and is a less constrained definition.

9.4 REVIEW OF PERMISSIBLE USES IN THE RU1 ZONE ACROSS A SAMPLE OF COUNCILS

The following Table lists uses not listed in the Eurobodalla LEP 2012. The uses marked in yellow may be worthy of consideration for inclusion.

For the full definition of any use see the dictionary in the Standard Instrument: <http://www.planning.nsw.gov.au/Plans-for-Your-Area/Local-Environmental-Plans/Resources>

Table 10: Permissible Uses RU1

Permissible Uses RU1																			
	Byron LEP 2014	Greater Taree LEP 2010	Shoalhaven LEP 2014	Clarence Valley LEP 2011	Kempsey LEP 2013	Tamworth Regional LEP 2010	Singleton LEP 2013	Richmond Valley LEP 2012	Upper Hunter LEP 2013	Upper Lachlan LEP	Cooma-Monaro LEP 2013	Palerang LEP 2014	Snowy River LEP 2013	Yass Valley LEP 2013	Bega Valley LEP 2012	Tenterfield LEP 2013	Tumut LEP 2012	Bombala LEP 2012	Sum Used by Councils
Boat building and repair facilities			Y															Y	2
Caravan parks							Y	Y				Y	Y	Y				Y	6
Charter and tourism boating facilities			Y		Y			Y					Y	Y	Y			Y	7
Child care centres													Y						1
Educational facilities/establishments			Y		Y			Y					Y					Y	5
Emergency services facilities									Y										1
Food and drink premises			Y																1
Function centres									Y			Y		Y	Y				4
Garden centres										Y		Y	Y		Y				4

Permissible Uses RU1																			
	Byron LEP 2014	Greater Taree LEP 2010	Shoalhaven LEP 2014	Clarence Valley LEP 2011	Kempsey LEP 2013	Tamworth Regional LEP 2010	Singleton LEP 2013	Richmond Valley LEP 2012	Upper Hunter LEP 2013	Upper Lachlan LEP	Cooma-Monaro LEP 2013	Palerang LEP 2014	Snowy River LEP 2013	Yass Valley LEP 2013	Bega Valley LEP 2012	Tenterfield LEP 2013	Tumut LEP 2012	Bombala LEP 2012	Sum Used by Councils
Group homes			Y		Y														2
Hardware and building supplies										Y					Y				2
Hazardous industries							Y												1
Health services facilities									Y										1
Health consulting rooms				Y															1
Heavy industrial storage establishments							Y								Y			Y	3
High technology industries														Y					1
Home occupations (sex services)				Y												Y			2
Hospitals					Y														1
Industrial retail outlets	Y													Y					2
Industrial training facilities	Y				Y							Y	Y	Y				Y	6
Industries															Y			Y	2
Information and education facilities			Y				Y		Y			Y	Y	Y	Y			Y	8
Kiosks						Y		Y											2

Permissible Uses RU1																			
	Byron LEP 2014	Greater Taree LEP 2010	Shoalhaven LEP 2014	Clarence Valley LEP 2011	Kempsey LEP 2013	Tamworth Regional LEP 2010	Singleton LEP 2013	Richmond Valley LEP 2012	Upper Hunter LEP 2013	Upper Lachlan LEP	Cooma-Monaro LEP 2013	Palerang LEP 2014	Snowy River LEP 2013	Yass Valley LEP 2013	Bega Valley LEP 2012	Tenterfield LEP 2013	Tumut LEP 2012	Bombala LEP 2012	Sum Used by Councils
Light industries										Y									1
Marinas			Y		Y													Y	3
Markets			Y											Y					2
Mooring pens			Y		Y								Y					Y	4
Moorings			Y		Y	Y	Y	Y					Y					Y	7
Neighbourhood shops				Y								Y						Y	3
Offensive industries			Y				Y												2
Office premises											Y								1
Places of public worship	Y		Y		Y		Y	Y	Y			Y	Y	Y	Y			Y	11
Public administration buildings																		Y	1
Registered clubs																		Y	1
Respite day care centres									Y				Y						2
Restaurants or cafes	Y							Y		Y		Y		Y	Y				6
Rural workers dwellings	Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y		Y	Y	16
Service stations							Y	Y				Y						Y	4

Permissible Uses RU1																			
	Byron LEP 2014	Greater Taree LEP 2010	Shoalhaven LEP 2014	Clarence Valley LEP 2011	Kempsey LEP 2013	Tamworth Regional LEP 2010	Singleton LEP 2013	Richmond Valley LEP 2012	Upper Hunter LEP 2013	Upper Lachlan LEP	Cooma-Monaro LEP 2013	Palerang LEP 2014	Snowy River LEP 2013	Yass Valley LEP 2013	Bega Valley LEP 2012	Tenterfield LEP 2013	Tumut LEP 2012	Bombala LEP 2012	Sum Used by Councils
Serviced apartments														Y					1
Signage				Y	Y			Y	Y			Y		Y				Y	7
Storage premises															Y			Y	2
Timber yards										Y			Y	Y					3
Vehicle body repair workshops															Y				1
Vehicle repair stations															Y				1
Warehouse or distribution centres																		Y	1
Waste or resource management facilities														Y					1
Water recreation structures (*ESC includes jetties and boat launching ramps, but not a pier or wharf)			Y		Y			Y	Y				Y	Y				Y	7
Water recycling facilities												Y							1
Wharf or boating facilities					Y				Y				Y						3
Wholesale supplies															Y				1

10 A REVIEW OF PERMISSIBLE USES IN THE RU4 PRIMARY PRODUCTION SMALL LOT ZONE

This Section explores the permissible uses applying in the RU4 zone of the sample Councils where there are differences with Eurobodalla's permissible uses table. Some uses of possible merit for addition to the Eurobodalla plan are highlighted for further consideration.

10.1 CURRENT PERMISSIBLE USES IN RU4 ZONE IN THE EUROBODALLA LEP 2012

Taken from ESC LEP 2012 (black is required as per Standard Instrument, red is as prescribed by ESC).

Permitted without consent – (Home occupations) **Environmental protection works; Extensive agriculture.**

Permitted with consent – (Dwelling houses; Plant nurseries) **Agricultural produce industries; Animal boarding or training establishments; Aquaculture; Boat launching ramps; Boat sheds; Building identification signs; Business identification signs; Camping grounds; Cellar door premises; Depots; Dual occupancies (attached); Dwelling houses; Eco-tourist facilities; Environmental facilities; Extractive industries; Farm buildings; Flood mitigation works; Home-based child care; Home businesses; Home industries; Intensive plant agriculture; Landscaping material supplies; Plant nurseries; Recreational facilities (outdoor); Roads; Roadside stalls; Rural supplies; Tourist and visitor accommodation; Veterinary hospitals; Water supply systems.**

Prohibited – **Backpackers' accommodation; Hotel or motel accommodation; Serviced apartments;** Any other development not specified in item 2 or 3.

10.2 COMMENTS

See comments in the Section on RU1 zone regarding 'tourist and visitor accommodation' (refer to above highlighted in bold).

There are other permissible or exempt uses applying in the RU4 and other rural zones through other Plans or legislation. For example, private native forestry is permissible with consent under the *Native Vegetation Act 2003*. A whole range of more minor developments from farm buildings, to home industries and home businesses do not need consent as defined in State Environmental Planning Policy Exempt and Complying Development Codes 2008, provided developers comply with the requirements of that policy.

10.3 REVIEW OF OTHER PERMISSIBLE USES IN THE RU4 ZONE AS USED BY OTHER COUNCILS SURVEYED

As with RU1, the RU4 zone in Eurobodalla generally has as wide a range of permissible uses as the other Councils surveyed.

Table 11 below lists those uses in some other Council's RU4 zones not currently listed in Eurobodalla. The following uses (marked in yellow in the table) may be worthy of consideration for inclusion.

- Dual occupancies – attached dual occupancies are already permissible and no real reason not to allow consideration of detached. The zone lots have plenty of area to accommodate two dwellings in most cases and the clauses prohibit subdivision below lot size.
- Function centres – allowing consideration of tourist related function centres seems justified subject to DA assessment of merit.

For the full definition of any use term see: <http://www.planning.nsw.gov.au/Plans-for-Your-Area/Local-Environmental-Plans/Resources>.

Table 11: Permissible Uses RU4

Permissible Uses RU4										
	Greater Taree LEP 2010	Shoalhaven LEP 2014	Kempsey LEP 2013	Tamworth Regional LEP 2010	Singleton LEP 2013	Upper Hunter LEP 2013	Upper Lachlan LEP	Yass Valley LEP 2013	Bega Valley LEP 2012	Sum Used by Councils
Airstrips					Y					1
Cemeteries			Y					Y		2
Charter and tourism boating facilities			Y							1
Community facilities		Y	Y		Y	Y				4
Correctional centres			Y							1
Crematoria			Y							1
Dual occupancies – detached. (*ESC specifies 'attached' only)								Y		1
Emergency services facilities						Y			Y	2
Forestry	Y		Y		Y	Y				4
Function centres					Y			Y		2
Garden centres							Y		Y	2

Permissible Uses RU4										
	Greater Taree LEP 2010	Shoalhaven LEP 2014	Kempsey LEP 2013	Tamworth Regional LEP 2010	Singleton LEP 2013	Upper Hunter LEP 2013	Upper Lachlan LEP	Yass Valley LEP 2013	Bega Valley LEP 2012	Sum Used by Councils
Group homes			Y							1
Helipads					Y					1
High technology industries								Y		1
Industrial retail outlets								Y		1
Information and education facilities					Y					1
Intensive livestock agriculture						Y				1
Jetties			Y			Y				2
Kiosks				Y						1
Marinas			Y							1
Markets				Y				Y		2
Mooring pens			Y							1
Moorings			Y							1
Places of public worship			Y					Y		2
Recreation areas		Y			Y	Y				3
Respite day care centres							Y			1
Restaurants or cafes					Y			Y		2
Rural industries (except agricultural produce industries)					Y					1
Rural workers dwellings			Y	Y			Y			3
Schools	Y									1
Secondary dwellings					Y					1
Sewerage systems					Y		Y			2
Signage (advertising structure)			Y				Y	Y		3
Stock and sale yards							Y			1
Truck depots								Y		1

Permissible Uses RU4										
	Greater Taree LEP 2010	Shoalhaven LEP 2014	Kempsey LEP 2013	Tamworth Regional LEP 2010	Singleton LEP 2013	Upper Hunter LEP 2013	Upper Lachlan LEP	Yass Valley LEP 2013	Bega Valley LEP 2012	Sum Used by Councils
Water recreation structures			Y				Y			2
Wharf or boating facilities			Y				Y			2
Any other development not specified in item 2 or 4				Y			Y			2

11 A REVIEW OF PERMISSIBLE USES IN THE R5 LARGE LOT RESIDENTIAL ZONE

This Section explores the permissible uses applying in the R5 zone of the sample Councils where there are differences with Eurobodalla's permissible uses table. Some uses of possible merit for addition to the Eurobodalla plan are highlighted for further consideration.

11.1 CURRENT PERMISSIBLE USES IN THE R5 IN THE EUROBODALLA LEP 2012

Taken from ESC LEP 2012 (black is required as per Standard Instrument, red is as prescribed by ESC).

Permitted without consent – (Home occupations) **Bee keeping; Environmental protection works.**

Permitted with consent – (Dwelling houses) **Building identification signs; Business identification signs; Cellar door premises; Child care centres; Community facilities; Dual occupancies (attached); Eco-tourist facilities; Environmental facilities; Home-based child care; Home businesses; Home industries; Horticulture; Places of public worship; Recreation areas; Respite day care centres; Roads; Roadside stalls; Secondary dwellings; Sewerage systems; Tourist and visitor accommodation; Viticulture; Water supply systems.**

Prohibited – **Hotel or motel accommodation; Serviced apartments; Any other development not specified in item 2 or 3.**

11.2 COMMENTS

Refer to RU1 previous comments above regarding use of term 'tourist and visitor accommodation' (refer to above highlighted in bold).

There are other permissible or exempt uses applying in the R5 through other Plans or legislation. For example, a whole range of more minor developments from pergolas, to home industries and home businesses do not need consent as defined in State Environmental Planning Policy Exempt and Complying Development Codes 2008, provided developers comply with the requirements of that policy.

Grazing is an exempt development in ELEG 2012 in the R5 zone. It is recommended extensive agriculture be permissible without consent in the R5 zone.

11.3 A REVIEW OF PERMISSIBLE USES IN R5 BY OTHER COUNCILS

The R5 zone in Eurobodalla generally has most of the more likely uses to be sought that other sampled Councils list in their LEPs for R5.

Table 12 below lists uses in the other Council's plans not in the current Eurobodalla R5.

Only four are considered of value to add to the Eurobodalla R5 zone:

- Aquaculture – small scale aquaculture could be accommodated in R5.
- Extensive agriculture occurs widely now in R5, and given bee keeping and grazing are already permitted without consent, there seems no reason not to make the full definition permissible without consent.
- Farm buildings – some minor agriculture use occurs in the R5 zone and such buildings warrant consideration subject to DA.
- Plant nurseries – would seem to sit acceptably within the zone objectives at small scale and subject to DA.

The following Table lists uses not listed in the Eurobodalla LEP 2012. The uses marked in yellow may be worthy of consideration for inclusion.

For a full definition of any use see: <http://www.planning.nsw.gov.au/Plans-for-Your-Area/Local-Environmental-Plans/Resources>.

Table 12: Permissible Uses R5

Permissible Uses R5																			
	Byron LEP 2014	Coffs Harbour LEP 2013	Greater Taree LEP 2010	Shoalhaven LEP 2014	Clarence Valley LEP 2011	Kempsey LEP 2013	Tamworth Regional LEP 2010	Singleton LEP 2013	Richmond Valley LEP 2012	Upper Hunter LEP 2013	Upper Lachlan LEP	Cooma-Monaro LEP 2013	Palerang LEP 2014	Snowy River LEP 2013	Yass Valley LEP 2013	Bega Valley LEP 2012	Tumut LEP 2012	Bombala LEP 2012	Sum Used by Councils
Agricultural produce industries														Y					1
Animal boarding or training establishments	Y	Y										Y		Y	Y				5
Aquaculture		Y										Y							2
Boat launching ramps		Y							Y					Y					3
Boat sheds									Y	Y		Y		Y					4
Camping grounds		Y										Y							2
Caravan parks												Y			Y				2
Cemeteries												Y							1
Charter and tourism boating facilities														Y					1
Depots												Y							1
Electricity generating works												Y							1

Permissible Uses R5																			
	Byron LEP 2014	Coffs Harbour LEP 2013	Greater Taree LEP 2010	Shoalhaven LEP 2014	Clarence Valley LEP 2011	Kempsey LEP 2013	Tamworth Regional LEP 2010	Singleton LEP 2013	Richmond Valley LEP 2012	Upper Hunter LEP 2013	Upper Lachlan LEP	Cooma-Monaro LEP 2013	Palerang LEP 2014	Snowy River LEP 2013	Yass Valley LEP 2013	Bega Valley LEP 2012	Tumut LEP 2012	Bombala LEP 2012	Sum Used by Councils
Emergency services facilities		Y		Y					Y	Y				Y	Y				6
Entertainment facilities		Y										Y							2
Exhibition homes/villages				Y	Y				Y	Y				Y	Y				6
Extensive agriculture (except bee keeping and grazing)	Y	Y	Y	Y	Y	Y			Y	Y		Y	Y	Y	Y	Y	Y	Y	15
Farm buildings					Y				Y			Y	Y	Y	Y				6
Flood mitigation works		Y			Y				Y	Y			Y	Y					6
Forestry														Y					1
Function centres												Y							1
Funeral homes												Y							1
Garden centres												Y		Y				Y	3
Group homes		Y		Y		Y		Y	Y				Y	Y	Y				8
Helipads												Y							1
High technology industries															Y				1
Home occupations (sex services)					Y							Y							2

Permissible Uses R5																			
	Byron LEP 2014	Coffs Harbour LEP 2013	Greater Taree LEP 2010	Shoalhaven LEP 2014	Clarence Valley LEP 2011	Kempsey LEP 2013	Tamworth Regional LEP 2010	Singleton LEP 2013	Richmond Valley LEP 2012	Upper Hunter LEP 2013	Upper Lachlan LEP	Cooma-Monaro LEP 2013	Palerang LEP 2014	Snowy River LEP 2013	Yass Valley LEP 2013	Bega Valley LEP 2012	Tumut LEP 2012	Bombala LEP 2012	Sum Used by Councils
Horticulture	Y									Y									2
Information and education facilities		Y			Y				Y	Y		Y		Y	Y				7
Intensive plant agriculture														Y			Y		2
Jetties		Y							Y	Y				Y					4
Landscaping material supplies												Y				Y		Y	3
Markets							Y					Y							2
Mooring pens														Y					1
Moorings							Y							Y					2
Neighbourhood shops	Y	Y		Y	Y	Y	Y	Y		Y			Y	Y				Y	11
Plant nurseries	Y									Y		Y				Y		Y	5
Recreation facilities (indoor/outdoor)		Y										Y	Y						3
Research stations		Y								Y									2
Rural supplies											Y								1
Rural workers dwellings														Y					1

Permissible Uses R5																			
	Byron LEP 2014	Coffs Harbour LEP 2013	Greater Taree LEP 2010	Shoalhaven LEP 2014	Clarence Valley LEP 2011	Kempsey LEP 2013	Tamworth Regional LEP 2010	Singleton LEP 2013	Richmond Valley LEP 2012	Upper Hunter LEP 2013	Upper Lachlan LEP	Cooma-Monaro LEP 2013	Palerang LEP 2014	Snowy River LEP 2013	Yass Valley LEP 2013	Bega Valley LEP 2012	Tumut LEP 2012	Bombala LEP 2012	Sum Used by Councils
Signage (advertising structure)									Y	Y		Y			Y				4
Transport/truck depots												Y			Y				2
Veterinary hospitals		Y										Y		Y	Y				4
Water recreation structures		Y							Y	Y				Y					4
Wharf or boating facilities										Y									1
Any other development not specified in item 2 or 4	Y					Y	Y	Y			Y					Y		Y	7

12 A REVIEW OF PERMISSIBLE USES IN THE E4 ENVIRONMENTAL LIVING ZONE

This Section explores the permissible uses applying in the E4 zone of the sample Councils where there are differences with Eurobodalla's permissible uses table. Some uses of possible merit for addition to the Eurobodalla plan are highlighted for further consideration.

12.1 CURRENT PERMISSIBLE USES IN THE E4 ZONE OF EUROBODALLA LEP 2012

Taken from ESC LEP 2012 (black is required as per Standard Instrument, red is as prescribed by ESC).

Permitted without consent – (Home occupations) **Bee keeping; Environmental protection works.**

Permitted with consent – (Dwelling houses) **Building identification signs; Business identification signs; Camping grounds; Cellar door premises; Dual occupancies (attached); Eco-tourist facilities; Emergency services facilities; Farm buildings; Group homes; Home-based child care; Home businesses; Home industries; Horticulture; Roads; Roadside stalls; Secondary dwellings; Sewerage systems; Tourist and visitor accommodation; Viticulture; Water supply systems.**

Prohibited – (Industries; Service stations; Warehouse or distribution centres; Any other development not specified in item 2 or 3); **Backpackers' accommodation; Farm stay accommodation; Hotel or motel accommodation; Industries; Serviced apartments.**

12.2 COMMENTS

Refer to RU1 previous comments above regarding use of term 'tourist and visitor accommodation' (refer to above highlighted in bold).

There are other permissible or exempt uses applying in the E4 through other Plans or legislation. For example, a whole range of more minor matters from pergolas, to home industries and home businesses do not need consent as defined in State Environmental Planning Policy Exempt and Complying Development Codes 2008 (SEPP), provided developers comply with the requirements of that policy.

Grazing is an exempt development in E4EP 2012 in the E4 zone, as are any uses that are exempt under the SEPP in the RU4 zone. It is also recommended extensive agriculture be permissible without consent in the E4 zone.

12.3 A REVIEW OF PERMISSIBLE USES IN THE E4 ZONE BY OTHER COUNCILS SURVEYED

The range of permissible uses in the Eurobodalla E4 zone are as wide as many of the sampled Councils.

Table 14 lists uses in the other Council plans not in the Eurobodalla LEP, but only 3 are considered warranted to add:

- Community facilities – uses such as a community building may be sought in some E4 areas and could be permissible with consent.
- Environmental facility – this use would seem to satisfy the zone objectives.
- Extensive agriculture – this use is occurring to a small degree, and given bee keeping and grazing is already permitted without consent, the full definition could be permissible without consent.

For a full explanation of any definition see: <http://www.planning.nsw.gov.au/Plans-for-Your-Area/Local-Environmental-Plans/Resources>.

Table 13: Permissible Uses E4

Permissible Uses E4								
	Shoalhaven LEP 2014	Kempsey LEP 2013	Singleton LEP 2013	Cooma-Monaro LEP 2013	Palerang LEP 2014	Yass Valley LEP 2013	Bega Valley LEP 2012	Sum Used by Councils
Animal boarding or training establishments					Y			1
Boat launching ramps		Y						1
Boat sheds		Y						1
Car parks				Y				1
Caravan parks						Y		1
Cemeteries				Y				1
Charter and tourism boating facilities		Y						1
Community facilities				Y	Y		Y	3
Electricity generating works		Y		Y				2
Entertainment facilities				Y				1
Environmental facilities	Y	Y	Y	Y		Y	Y	6

Permissible Uses E4								
Extensive agriculture (except bee keeping and grazing)		Y		Y	Y	Y	Y	5
Flood mitigation works		Y			Y	Y	Y	4
Function centres				Y	Y	Y		3
Home occupations (sex services)		Y		Y				2
Information and education facilities				Y	Y			2
Intensive plant agriculture					Y			1
Jetties		Y					Y	2
Moorings		Y						1
Neighbourhood shops					Y			1
Places of public worship				Y	Y		Y	3
Plant nurseries					Y			1
Recreation areas			Y	Y	Y	Y	Y	5
Research stations				Y				1
Restaurants or cafes					Y		Y	2
Rural workers dwellings		Y						1
Signage (advertising structures)						Y		1
Waste or resource transfer stations				Y	Y			2
Water recreation structures		Y					Y	2
Wharf or boating facilities		Y						1

13 A REVIEW OF PERMISSIBLE USES IN THE E2 ENVIRONMENTAL CONSERVATION ZONE

This Section explores the permissible uses applying in the E2 zone of the sample Councils where there are differences with Eurobodalla's permissible uses table. Some uses of possible merit for addition to the Eurobodalla plan are highlighted for further consideration.

13.1 CURRENT PERMISSIBLE USES IN THE E2 ZONE OF EUROBODALLA LEP 2012

Taken from ESC LEP 2012 (black is required as per Standard Instrument, red is as prescribed by ESC).

Permitted without consent – Environmental protection works.

Permitted with consent – Environmental facilities; Sewerage systems; Water recreation structures; Water supply systems.

Prohibited – Business premises; Hotel or motel accommodation; Industries; Multi dwelling housing; Recreation facilities (major); Residential flat buildings; Restricted premises; Retail premises; Seniors housing; Service stations; Warehouse or distribution centres; Any other development not specified in item 2 or 3.

13.2 COMMENTS

ESC have not permitted many uses outside of those prescribed by the Standard Instrument. Many other Councils surveyed have allowed quite a range of other uses, although not many are common or across the board. Table 13 lists uses in other sampled Council E2 zones that are not in the Eurobodalla E2 zone. Given the limited use of the E2 zone to wetlands, littoral rainforests and some foreshore areas, none of the uses listed in the table are considered appropriate for addition.

Council has already resolved to add camping grounds and roads.

It is recommended Council make extensive agriculture permissible without consent in E2 and foster acceptance of the need to protect wetlands through education and publicity rather than forcing development applications for minor grazing activities where landowners do not already enjoy existing use rights.

13.3 A REVIEW OF PERMISSIBLE USES IN THE E2 ZONE BY OTHER COUNCILS SURVEYED

The following Table lists uses not listed in the Eurobodalla LEP 2012. The uses marked in yellow may be worthy of consideration for inclusion.

For a full definition of uses see: <http://www.planning.nsw.gov.au/Plans-for-Your-Area/Local-Environmental-Plans/Resources>.

Table 14: Permissible Uses E2

Permissible Uses E2															
	Coffs Harbour LEP 2013	Greater Taree LEP 2010	Shoalhaven LEP 2014	Clarence Valley LEP 2011	Kempsey LEP 2013	Tamworth Regional LEP 2010	Singleton LEP 2013	Richmond Valley LEP 2012	Upper Lachlan LEP	Cooma-Monaro LEP 2013	Palerang LEP 2014	Snowy River LEP 2013	Yass Valley LEP 2013	Bega Valley LEP 2012	Sum Used by Councils
Aquaculture			Y												1
Bed & Breakfast Accommodation (if a dwelling exists why not permit B&B)	Y		Y								Y				3
Boat launching ramps					Y									Y	2
Boat sheds			Y											Y	2
Camping grounds	Y														1
Community facilities	Y										Y			Y	3
Dwelling houses	Y	Y	Y						Y						4
Eco-tourist facilities	Y	Y	Y												3

Permissible Uses E2															
	Coffs Harbour LEP 2013	Greater Taree LEP 2010	Shoalhaven LEP 2014	Clarence Valley LEP 2011	Kempsey LEP 2013	Tamworth Regional LEP 2010	Singleton LEP 2013	Richmond Valley LEP 2012	Upper Lachlan LEP	Cooma-Monaro LEP 2013	Palerang LEP 2014	Snowy River LEP 2013	Yass Valley LEP 2013	Bega Valley LEP 2012	Sum Used by Councils
Emergency services facilities	Y		Y	Y											3
Extensive agriculture	Y				Y				Y	Y		Y			5
Bee keeping	Y														1
Farm buildings												Y			1
Farm stay accommodation											Y				1
Flood mitigation works	Y	Y		Y	Y	Y									5
Home-based child care	Y				Y						Y				3
Home businesses	Y		Y		Y						Y				4
Home occupations	Y	Y			Y						Y				4
Home occupations (sex services)					Y										1
Information and education facilities	Y					Y		Y	Y						4
Jetties					Y			Y						Y	3
Moorings					Y										1
Recreation areas			Y			Y				Y					3

Permissible Uses E2															
	Coffs Harbour LEP 2013	Greater Taree LEP 2010	Shoalhaven LEP 2014	Clarence Valley LEP 2011	Kempsey LEP 2013	Tamworth Regional LEP 2010	Singleton LEP 2013	Richmond Valley LEP 2012	Upper Lachlan LEP	Cooma-Monaro LEP 2013	Palerang LEP 2014	Snowy River LEP 2013	Yass Valley LEP 2013	Bega Valley LEP 2012	Sum Used by Councils
Research stations	Y		Y			Y				Y		Y	Y		6
Roads	Y				Y		Y	Y	Y	Y	Y		Y	Y	9
Signage													Y		1
• Building identification signs	Y					Y					Y			Y	4
• Business identification signs						Y					Y				2
Wharf or boating facilities					Y										1

14 IDENTIFICATION OF ISSUES AND OPTIONS FOR THE RURAL STRATEGY

As indicated earlier in this Discussion Paper final recommendations for zoning, overlays and permitted uses in the Eurobodalla LEP rural areas will be developed in Discussion Papers 9 and 10.

However, the following is an option summary and refinement.

14.1 ZONING

14.1.1 Use of RU1 Primary Production Zone versus RU2 Rural Landscape Zone

Almost all rural Councils have some RU1 zone. A few have opted for mostly or entirely RU2 Rural Landscape and a number have a mix of both zones.

There seems to be a variety of parameters used by Councils in selecting RU2. Some seem to be quite strict in selecting lands of high scenic value. Others seem to use it instead of E zones in that they apply it to extant native vegetation. Yet others just seem to be utilising the scope for a separate zone in the rural areas for some distinction. For example, perhaps mapping most high quality agricultural land RU1 and the rest RU2.

Our preliminary view is there does not seem to be an argument for RU2 in Eurobodalla. In many aspects, the whole Shire is high quality landscapes – some such as Tilba recognised of national or even international quality. But dividing lines in such quality would be very subjective and a significant component of the visual quality is in fact high quality agricultural land.

14.1.2 Use of E2 Environmental Conservation

Eurobodalla's use of E2 seems appropriate as currently structured and is similar in approach to many other Councils utilising this zone. It conforms with current DPE thinking of having to be based on verified data establishing very high environmental sensitivity such as wetlands.

14.1.3 Use of E3 Environmental Management

The current deferred areas in Eurobodalla were initially proposed for E3 zoning. Council has resolved not to include E3 zoning.

Many Councils have either contained the use of E3 or do not use it and instead rely on overlays such as terrestrial biodiversity.

Few have biodiversity overlays over E3 as well.

The use of environmental overlays is recommended and discussed in more detail in Section 14.2.

14.1.4 Use of RU4 Primary Production Small Lot Zone

The RU4 zone is interpreted differently by the various Councils using it in their LEPs.

Mostly the land is reasonable quality agricultural land, although some Councils have included a proportion of lands with extant native vegetation. Some, including Eurobodalla, have set lot sizes quite small which raises a question as to the real difference with R5 zoning (in Eurobodalla, RU4 has been limited to existing smaller lot rural areas with good soils, while R5 has been applied to areas that are mostly rural living). Other Councils have set minimums of 20 to 40 ha which seem more appropriate in the context of the coast or tablelands agriculture to qualify as a small lot agricultural enterprise – perhaps with some prospects of generating a small net income for the operator.

It seems appropriate for Eurobodalla to review its use of the RU4 zone and if additional RU4 areas are considered, they could define true small farm lot areas with lots sizes around 20 ha, the existing subdivision pattern and the intended future direction for the use of the land.

There is also a suggestion the Minister may consider reintroducing a true rural residential zone as an additional option – similar to the 1(c) style zone widely in use before the Standard Instrument. However, as at time of drafting this Paper there is no definite proposal. As such Council has no additional options currently to choose from.

14.1.5 Use of R5 Large Lot Residential and E4 Environmental Living Zones

There is reasonable consistency in the use of E4 and R5 zones across the Councils surveyed and from wider sampling. E4 is mostly used where rural residential land has some extant native vegetation and or related environmental values such as proximity to waterways. Whereas normally R5 is applied to less constrained rural residential land.

Use in Eurobodalla of the two zones to date seems appropriate and there appears to be market niches for both types of living environment. Uptake of both zones has been similar as detailed in Discussion Paper 10.

14.2 ENVIRONMENTAL OVERLAYS

Council has resolved not to use E3 zone in the Eurobodalla LEP and overall that decision is supported.

But the topic should still be discussed in the context of the review of the sampled Councils and current State Government investigations as detailed in Discussion Paper 4 with respect to the North Coast review of E zones and overlays.

The options with respect to environmental overlays seem to cover:

1. Utilise E zones and not use overlays over the same land.
2. Utilise overlays in the LEP but do not use E zones over the same land as overlays.
3. Do not use either E zones or overlays and rely on more informal working plans Council may retain or house in a DCP or guide.
4. A fourth option is that the environmental overlays are included in State level plans like the Regional Growth Plans.

We recommend that Council maintain both a riparian and a native vegetation overlay of the rural areas not zoned E2.

The arguments and options for overlays are also developed in Discussion Paper 4 but include:

- Overlays are only triggered when a DA is required. The use of E zones means more limited permissible uses and stronger environmental objectives and this is not always warranted across all vegetated rural land.
- Transparency. The information exists and is reasonably accurate for the purpose of identifying when more environmental analysis may be needed in a DA. It is better this public information be available so prospective developers have more guidance available early in the process of preparing a DA. Without an overlay, land owners may be unaware of the environmental considerations that need to be taken into account when preparing a development application for development of their land. With an overlay in place, there are no surprises, and the land owner will avoid any unnecessary redesigning of development, saving them both time and money.
- At this point, it seems likely that high value biodiversity areas may be mapped in the proposed South East Regional Growth Plan. Such mapping will be difficult to read at a local scale. Therefore, it is appropriate to include such mapping in the LEP at a local scale and detail in the form of an overlay. This also avoids the need for prospective developers to have to review multiple plans.

(Note: at its meeting of 23 February 2016, Council gave this issue detailed consideration and, in adopting a final strategy, resolved a Native Vegetation Overlay be placed in a code and referenced in the relevant DCPs.)

14.3 PERMITTED USES

The range of permissible uses in the current Eurobodalla LEP 2012 are quite wide and reasonable. Some minor possible additions are listed below with discussion points.

There is also an issue of possible making the permissible uses a little more clear where generic terms like 'tourist and visitor accommodation' are used that cover a number of more specialise use definitions. The current LEP often has tourist and visitor accommodation permissible in rural zones but then prohibits elements of that broader definition such as motels. The legal function of the plan is correct and the prohibitions appear justified, but for laypersons reading the LEP this is cumbersome and confusing. It is better in these cases to remove the wider term and only specify the actual uses permitted or prohibited.

If Eurobodalla resolves to retain the RU1 as the zone for the bulk of the rural area, some minor widening of permissible uses is warranted and merit assessment and guideline level controls can protect genuine agricultural potential.

Following the survey of 19 Councils and general reading of the range of permissible uses, the following are recommended for consideration as additions to the Eurobodalla LEP 2012:

Table 15: RU 1 zone

Suggested Additional Uses	Comment
Education facilities/ establishments	Public schools would be permissible under SEPP Infrastructure but possibly suitable to have consideration of private education options.
Function centres	Reception centres and similar seem supportable in low impact locations subject to assessment.
Information and education facilities	This category includes many rural tourist related activities such as galleries.
Places of public worship	Not unreasonable to site some religious centres in the rural area.

Table 16: RU4 zone

Suggested Additional Uses	Comment
Detached dual occupancies	Attached dual occupancy is permissible and lots are large enough for the flexibility of detached dual occupancy.
Function centres	Allowing consideration of tourist related function centres seems justified subject to DA assessment of merit.

Table 17: R5 zone

Suggested Additional Uses	Comment
Aquaculture	A small aquaculture activity might be accommodated in R5, with consent.
Extensive agriculture	Very small scale extensive agriculture is common now in the R5. Grazing and bee keeping are already permissible without consent. It is recommended extensive agriculture be permissible without consent.
Farm buildings	Ancillary farm style buildings may be justified in R5, with consent.
Plant nurseries	A reasonable activity in R5 subject to impact assessment re neighbour amenity protection.

Table 18: E4 zone

Suggested Additional Uses	Comment
Community facility	Seems reasonable with assessment of merit.
Environmental facility	Seems to meet zone objectives.
Extensive agriculture	Very small scale extensive agriculture is common now in the E4. Grazing and bee keeping are already permissible without consent. It is recommended extensive agriculture be permissible without consent.

Table 19: E2 zone

Suggested Additional Uses	Comment
Extensive agriculture	Very small scale extensive agriculture is common now in the E2. It is recommended extensive agriculture be permissible without consent.

15 PREFERRED OPTIONS AND STRATEGIES

Deliberately this Discussion Paper does not make final recommendations on use of zones, overlays or preferred uses. It is a data resource paper and discussion of preferred options and strategies is left to Discussion Papers 9 and 10.

16 APPENDICES

Appendices 16.1 to 16.5 present mapping of the approaches of a sample of 19 other coastal or tableland Councils with respect to their application of various zones and overlays.

The survey of the 19 Councils was effected only as a desktop survey given the limitations of project budget. The mapping used in this review was based on the NSW Government Planning Viewer:

Map Source: NSW Government Planning Viewer

<https://maps.planningportal.nsw.gov.au/Map?lga=6610&layers=ASS&level=13>

Some cross checking of zoning was also preformed using the official LEP maps as located on the NSW Legislation web site: <http://www.legislation.nsw.gov.au/front>

Disclaimer: The mapping on the NSW Government Plan Viewer has some accuracy limitations, with the Legislation site being the only official site for verification of gazetted and current LEP maps. GBPS has effected some cross checking against the Legislation map site but only to sample level given budget constraints and as such some inaccuracies could present in the data. However, the overview provided by the work is still a sound basis to review the approach of other Councils and present Eurobodalla Council with some options for resolution of its zoning choices.

Shoalhaven - Example of RU2 Zone

Commentary: The map shows a typical example of land where RU2 zone is applied. Some land is mostly cleared agricultural land while some is very heavily vegetated.



Shoalhaven Map - RU1 Zones

Estimated coverage: 10-20%.

General character: Typically mostly cleared good quality agricultural land, concentrated towards the north-east corner of the LGA.

Many areas of the RU1 zones are located close sensitive ecological areas and as such E3 zones are often used as buffers between those areas.



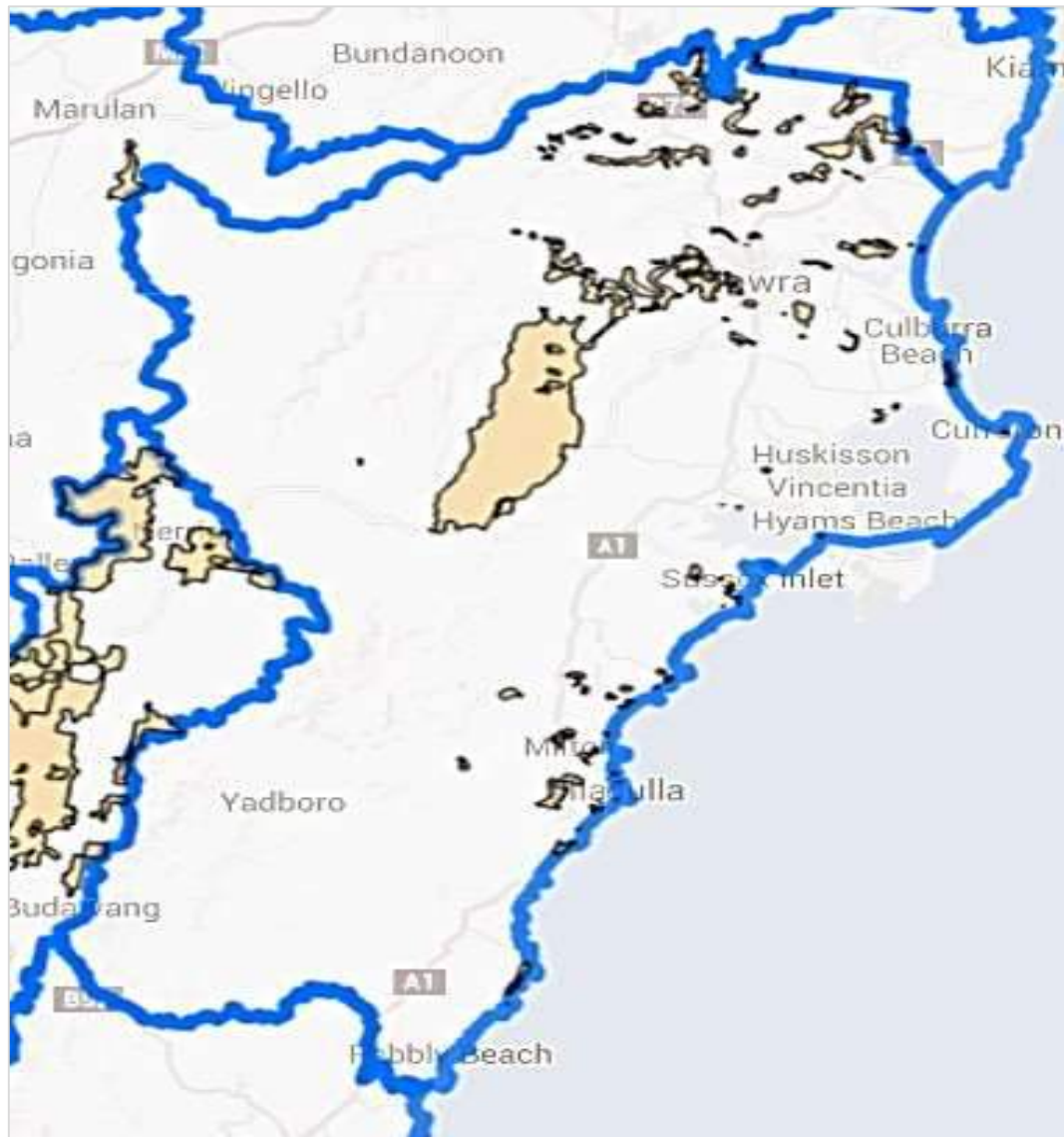
Shoalhaven - Example of RU1 Zone

Commentary: The map shows a typical example of land where RU1 zone is applied. It is mostly cleared of vegetation and often prime agricultural land.



Shoalhaven Map - E3 Zones

General character: Some used as catchment protection and some for biodiversity. Generally not widely used.



Shoalhaven - Example of E3 Zone

Commentary: The map shows a typical example of land where E3 zone is applied. It is mostly partly to heavily vegetated and located near sensitive areas between rural zoned land.



Shoalhaven - Example of RU1 and E3 Zone

Commentary: Much of the RU1 zoned land is surrounded by E3 zones which act as a buffer to environmentally zoned and protected land.



16.1.2 Clarence Valley

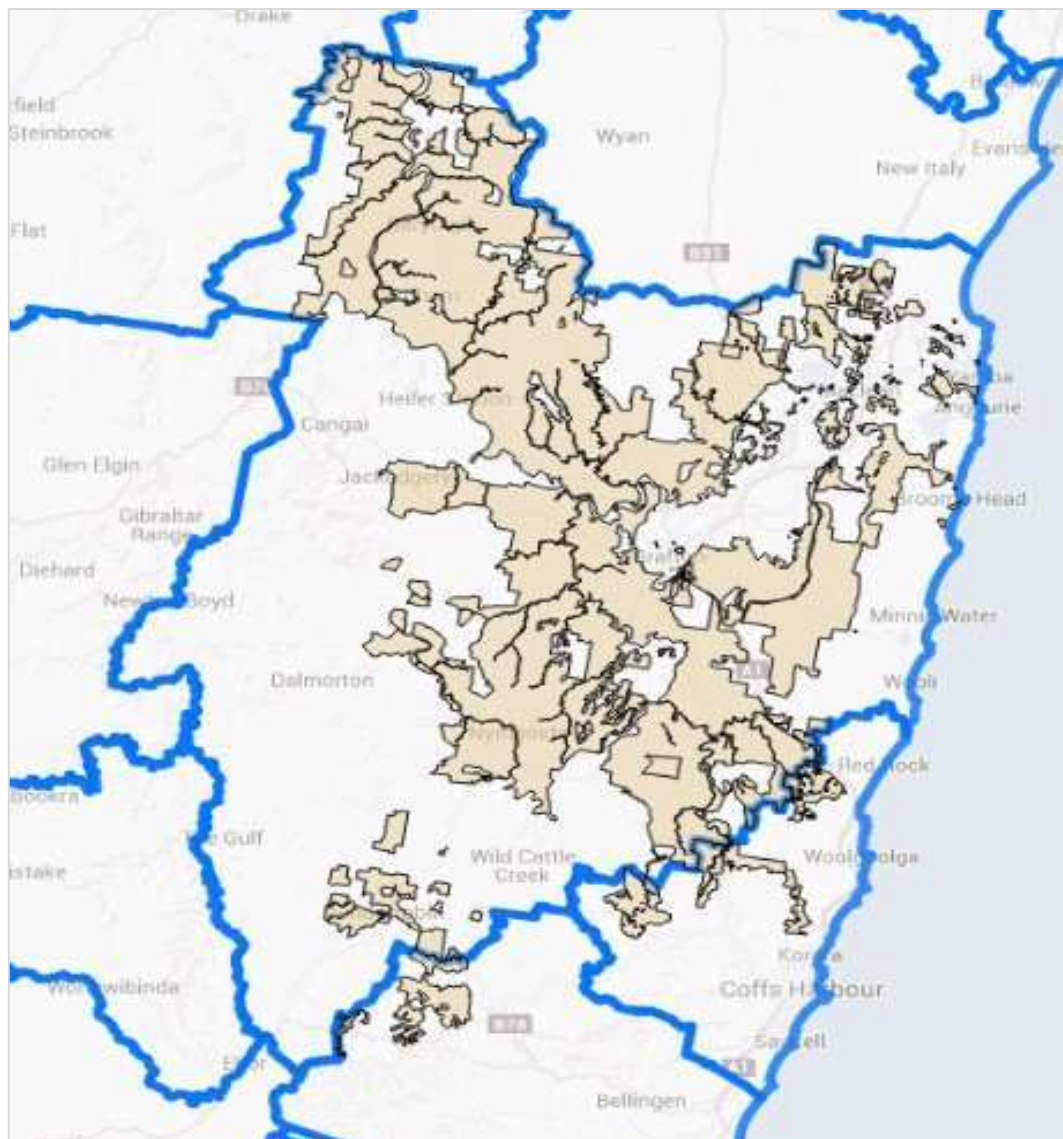
Clarence Valley - RU2 Zones

General character: Quite mountainous areas which are heavily vegetated with lower lying areas that are mostly cleared.

Used in conjunction with: RU1, E3.

Commentary: Use of the RU2 zone is quite extensive given the topography of the LGA. Concentrated towards the northern and central areas.

Comparison: RU2 is applied much more widely than RU1 and E3 zones.



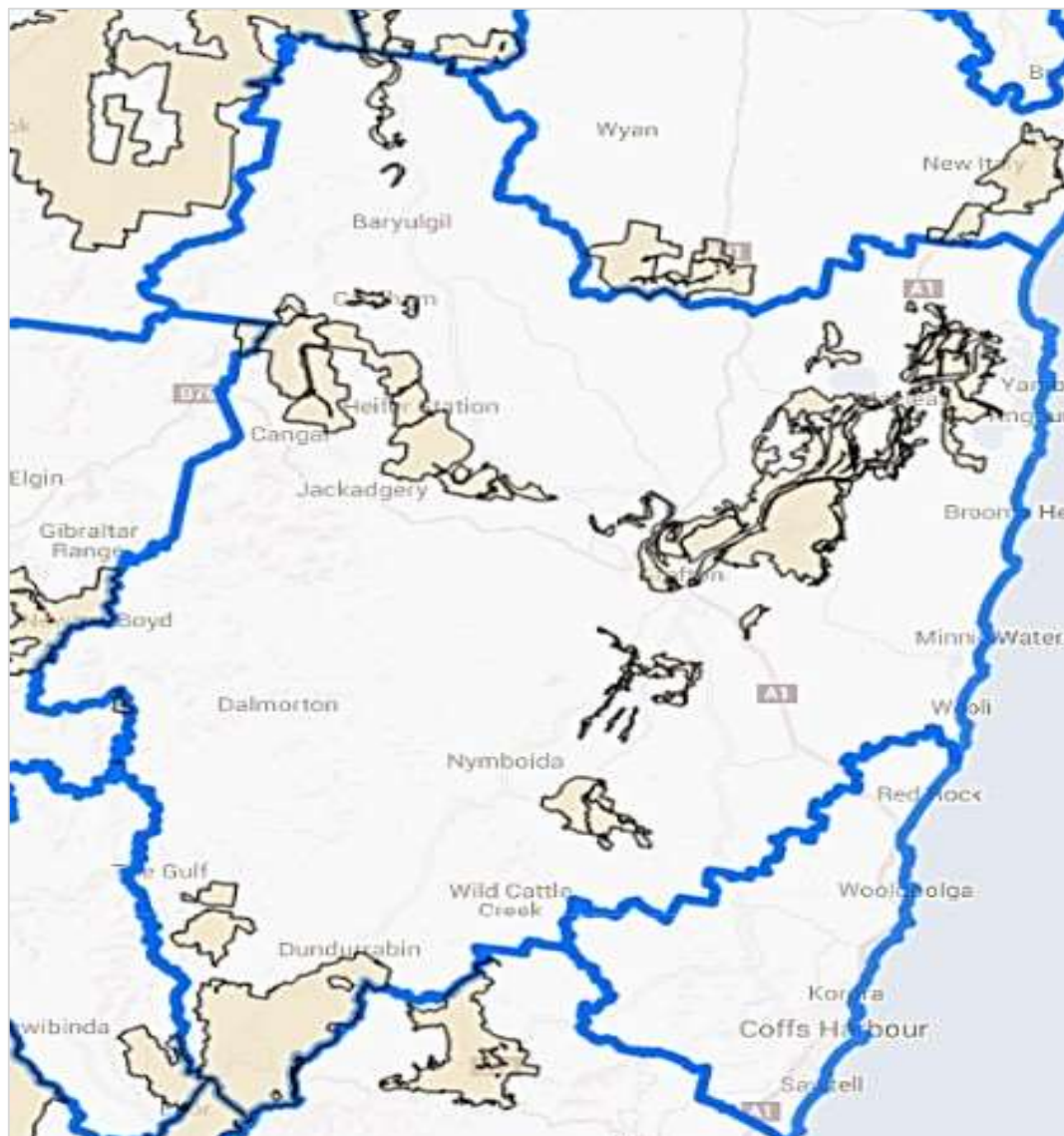
Clarence Valley - Example of RU2 Zone

Commentary: The map shows a typical example of land where RU2 zone is applied. It is a mix of partly cleared to heavily vegetated areas.



Clarence Valley Map RU1 Zones

General character: Many of the areas have low lying areas that are mostly cleared.

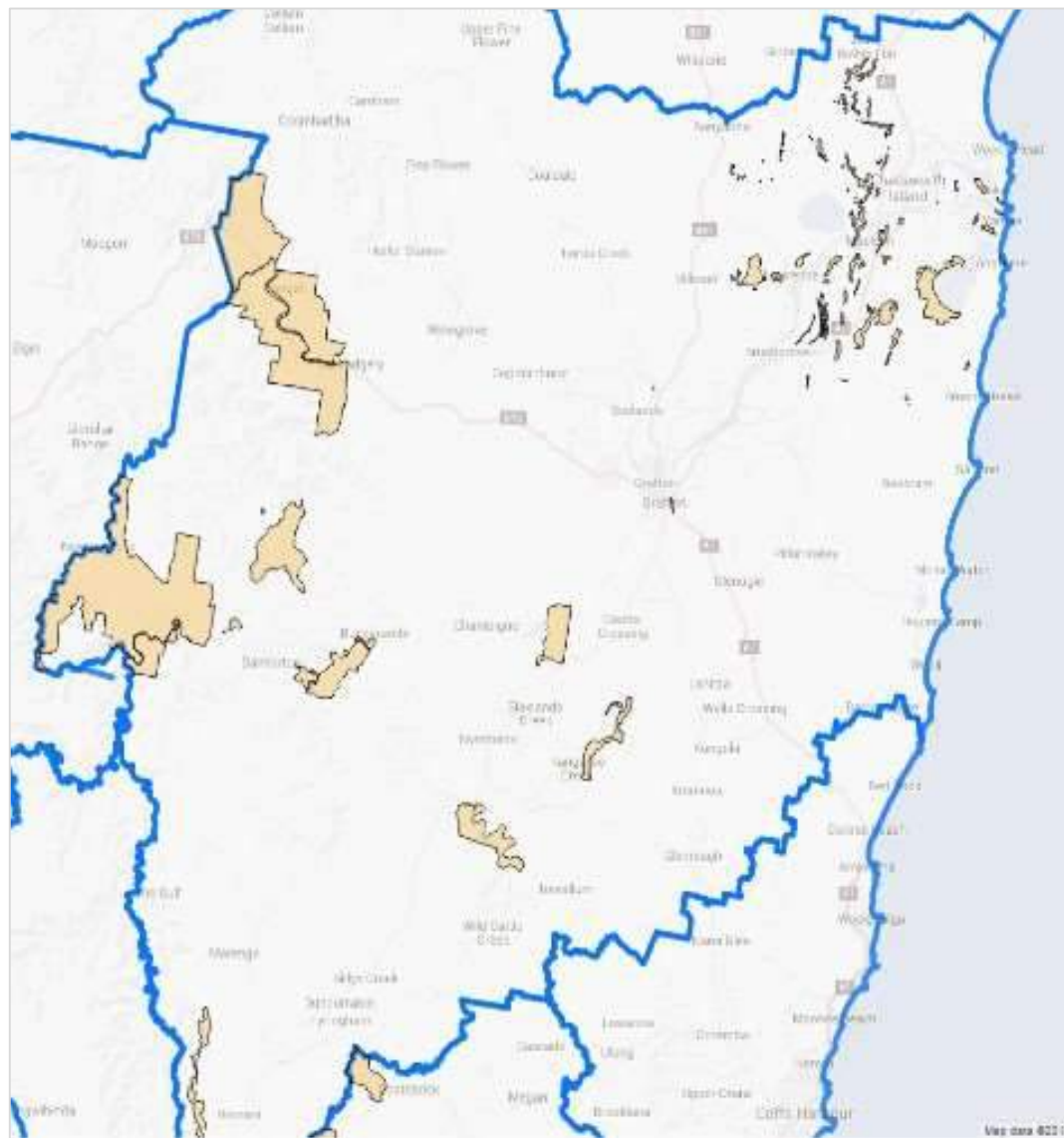


Clarence Valley - Example of RU1 Zone

Commentary: The map shows a typical example of land where RU1 zone is applied. Given the topography of the land, there are not large tracts of cleared agricultural land like some other Councils. Many of the areas have low lying areas that are mostly cleared surrounded by areas of mostly vegetated that are mountainous or along watercourses.



Clarence Valley Map E3 Zones



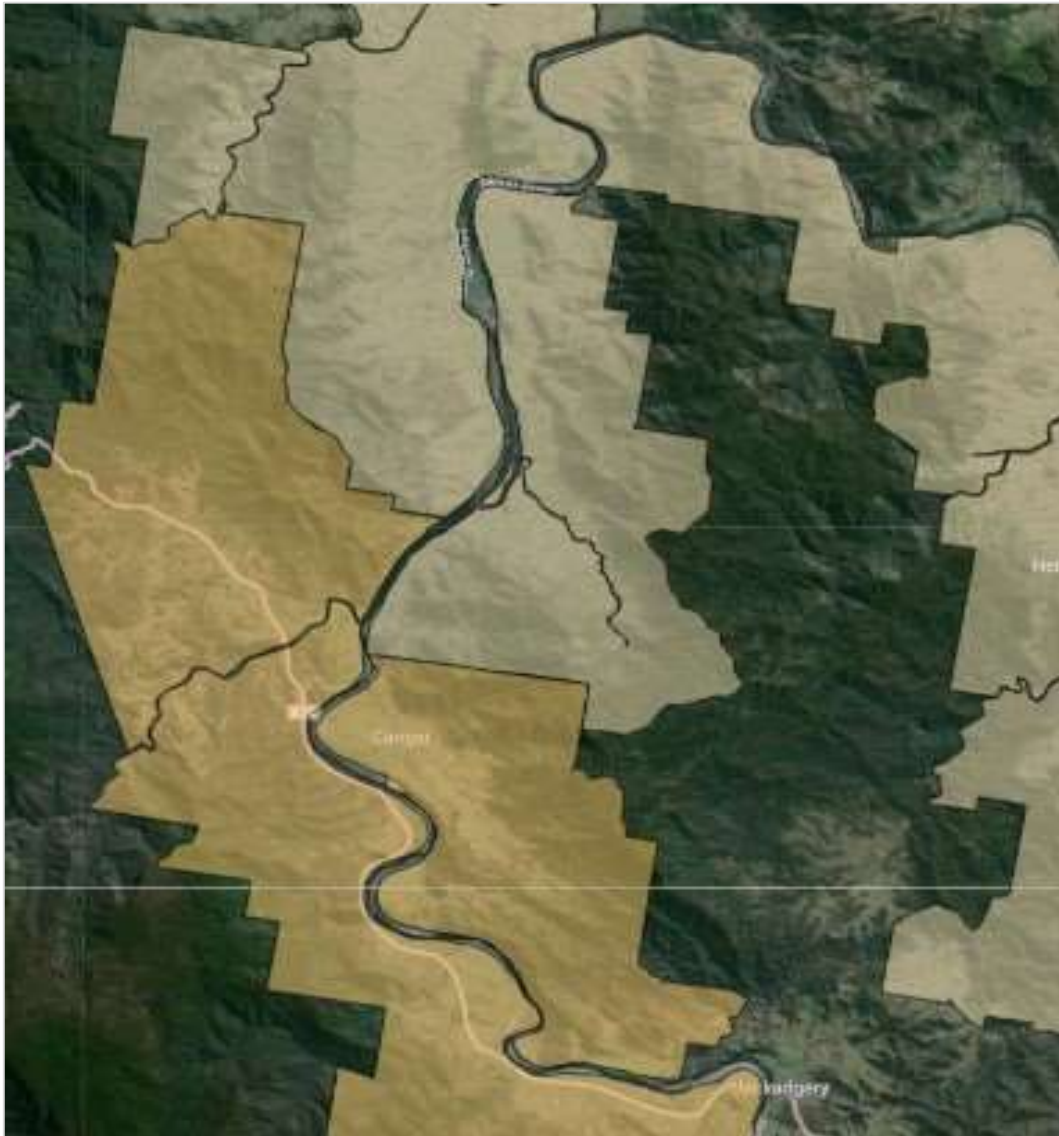
Clarence Valley - Examples of RU1 and E3 Zones

Commentary: Typically the E3 zones in the east protect sensitive coastal vegetation.



Clarence Valley - Examples of RU1 and E3 Zones

Inland E3 is less used but where it is it tends to steep forested private lands.



16.1.3 Upper Lachlan

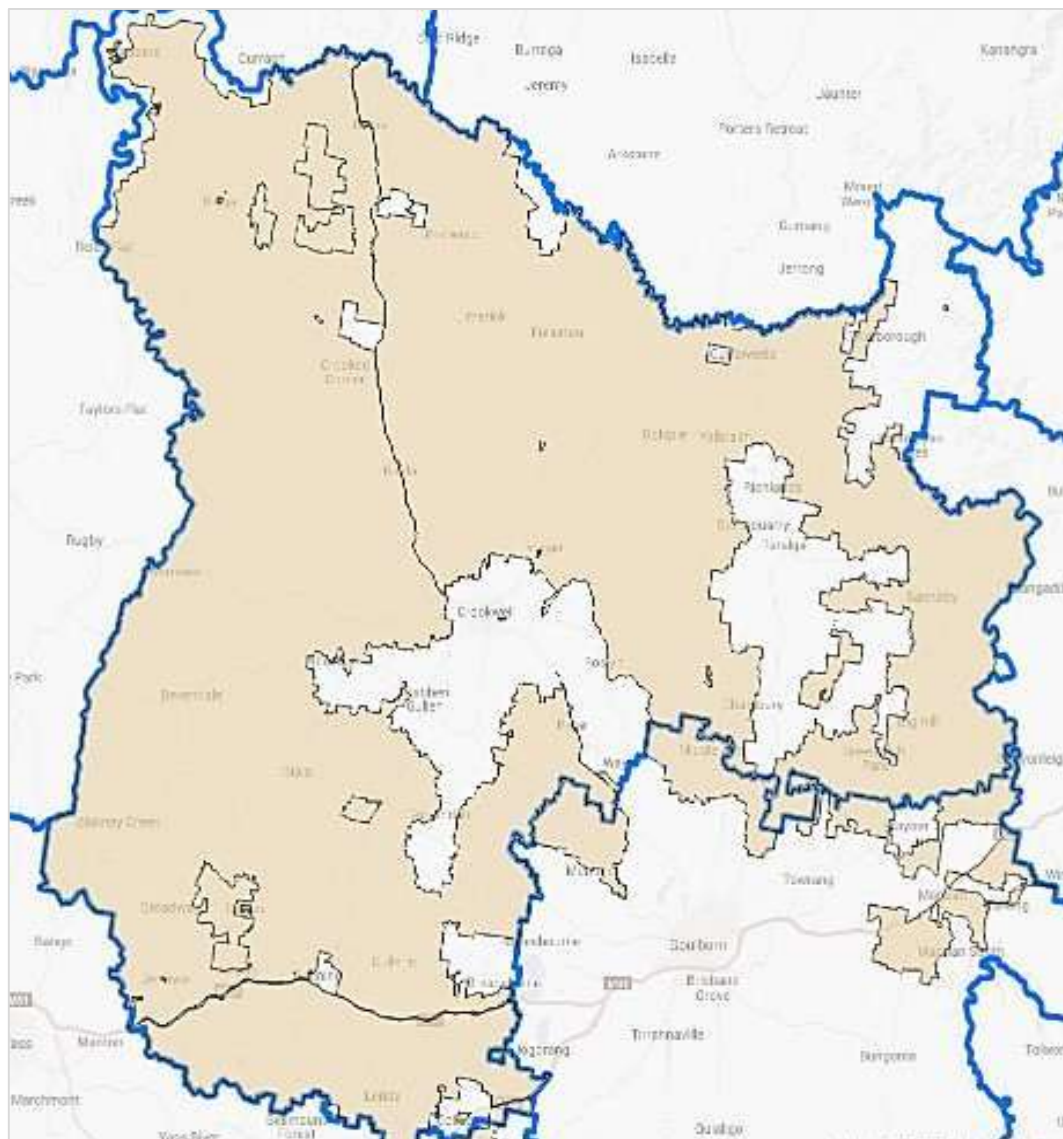
Upper Lachlan RU2 Zone

General character: Mostly cleared land with some fringe areas in higher terrain areas that are more heavily vegetated.

Used in conjunction with: RU1, E3.

Commentary: Covers almost entire whole LGA.

Comparison: RU2 is main zone applied across the LGA. The other main zone is RU1. E3 has minimal use.



Upper Lachlan - Example of RU2 Zone

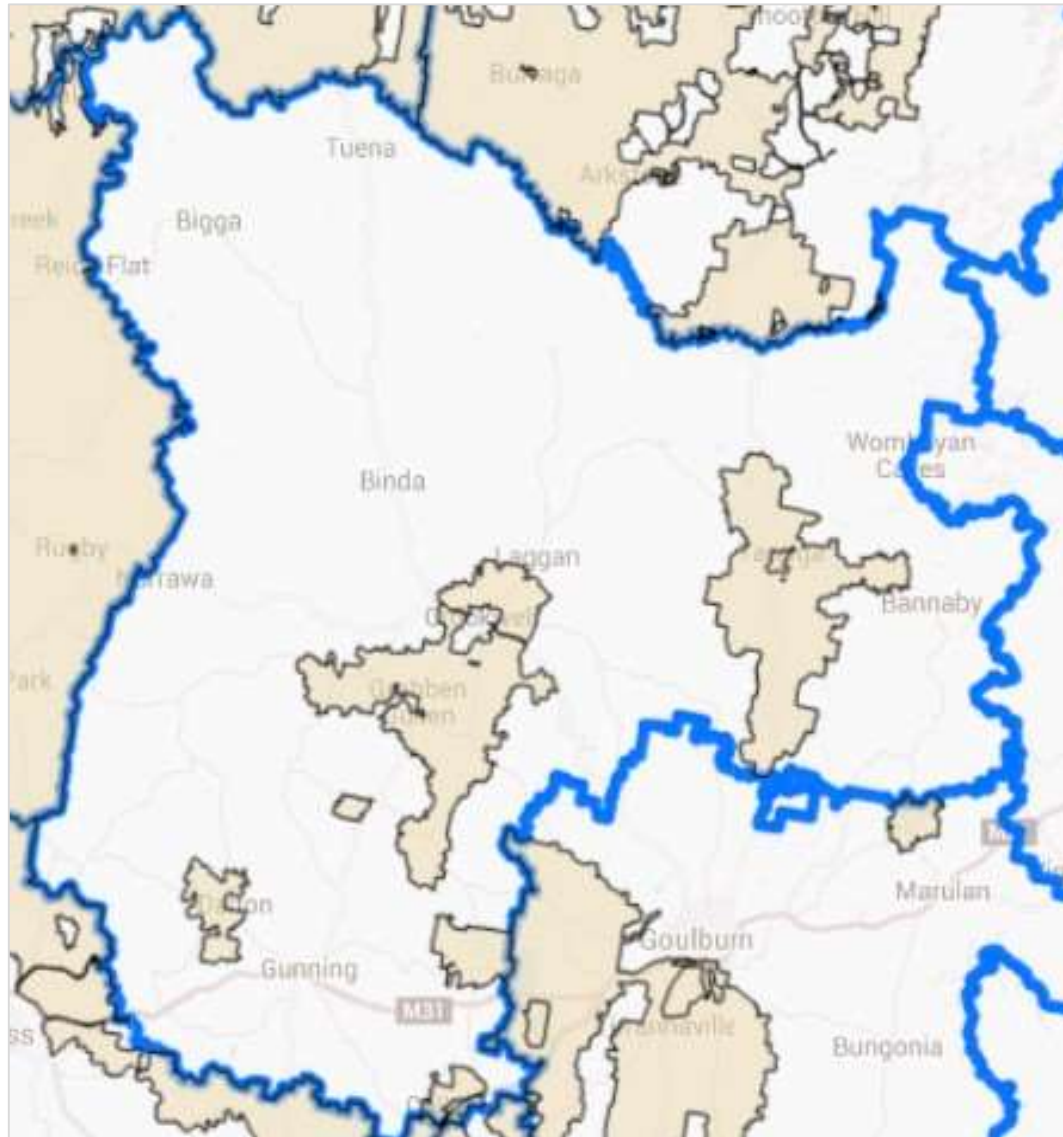
Commentary: The map above shows a typical example of land where RU2 zone is applied across the Council. Vegetated areas are generally only towards the fringes.



Upper Lachlan Map RU1 Zones

General character: Level, cleared land.

Commentary: Centrally located.



Upper Lachlan - Example of RU1 Zone

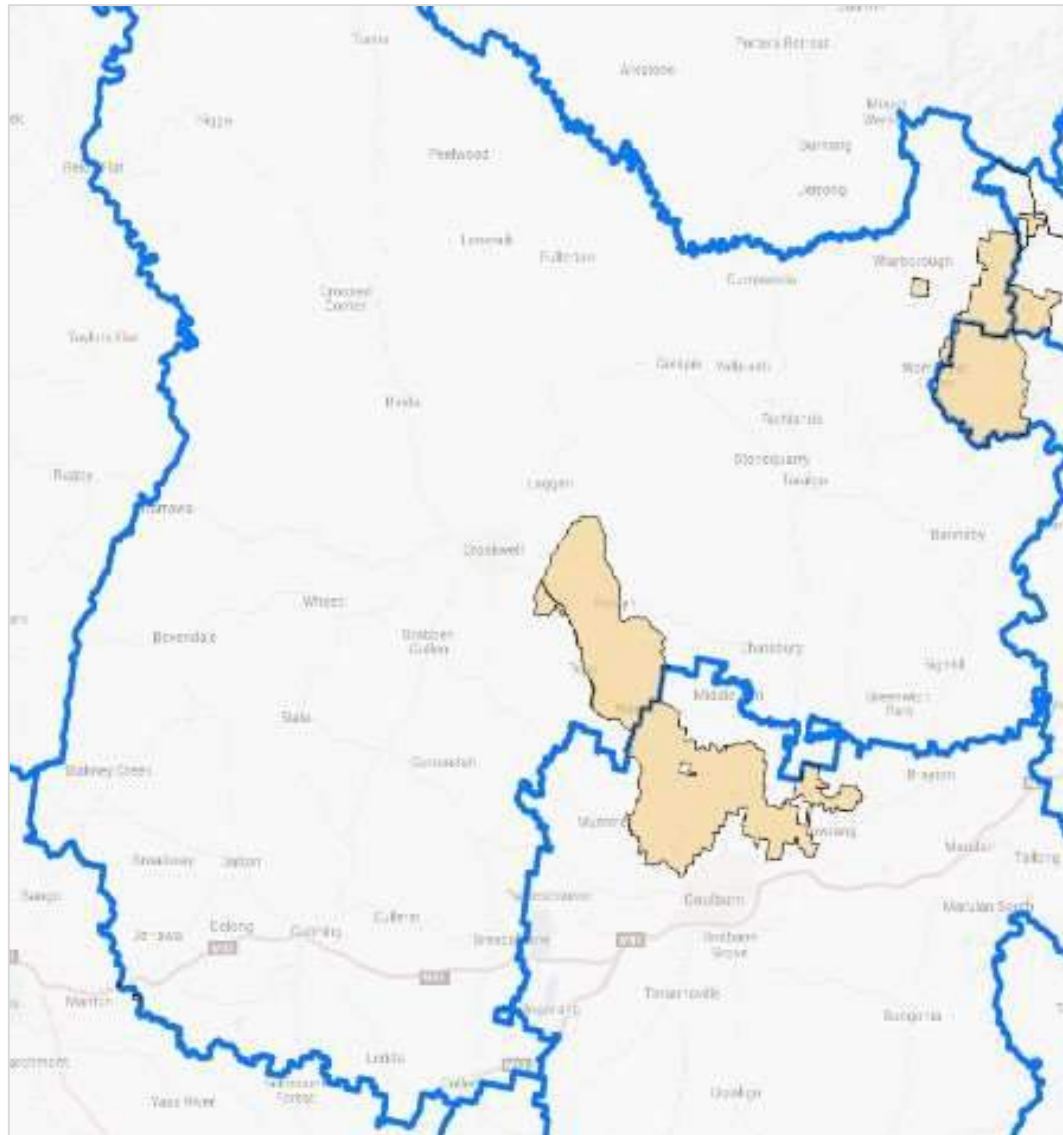
Commentary: Two main areas zoned RU1. Mostly cleared land. Not able to resolve why these are zoned RU1.



Upper Lachlan Map E3 Zones

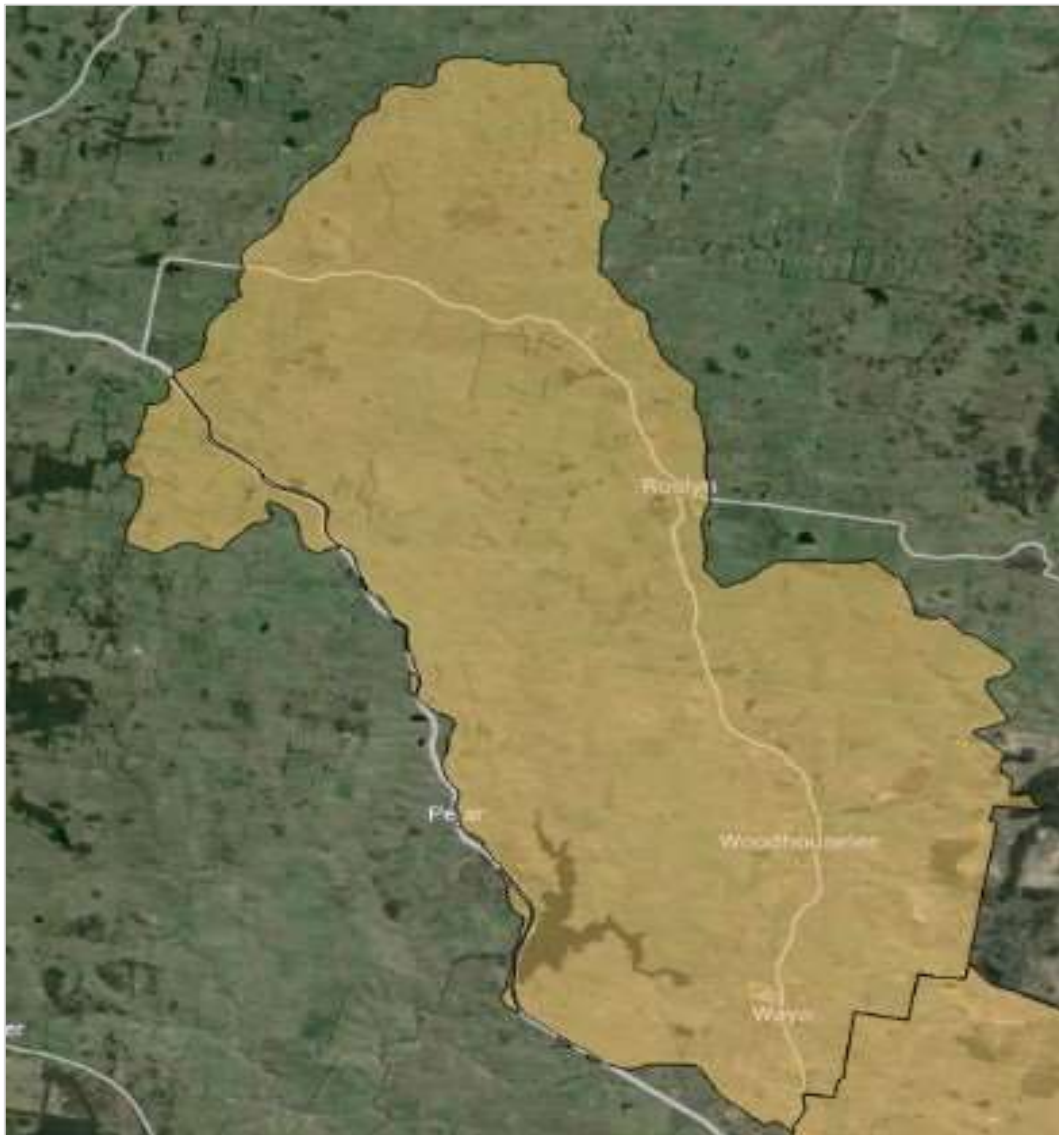
General character: Northern area is mostly vegetated mountainous area. Central area is level cleared land – likely water supply catchment.

Commentary: Minimal use except 2 small areas in the east.



Upper Lachlan -Examples of E3 Zones

Commentary: Dam water supply catchment.



Upper Lachlan -Examples of E3 Zones (cont.)

Commentary: Possibly Crown Lands of biodiversity value.



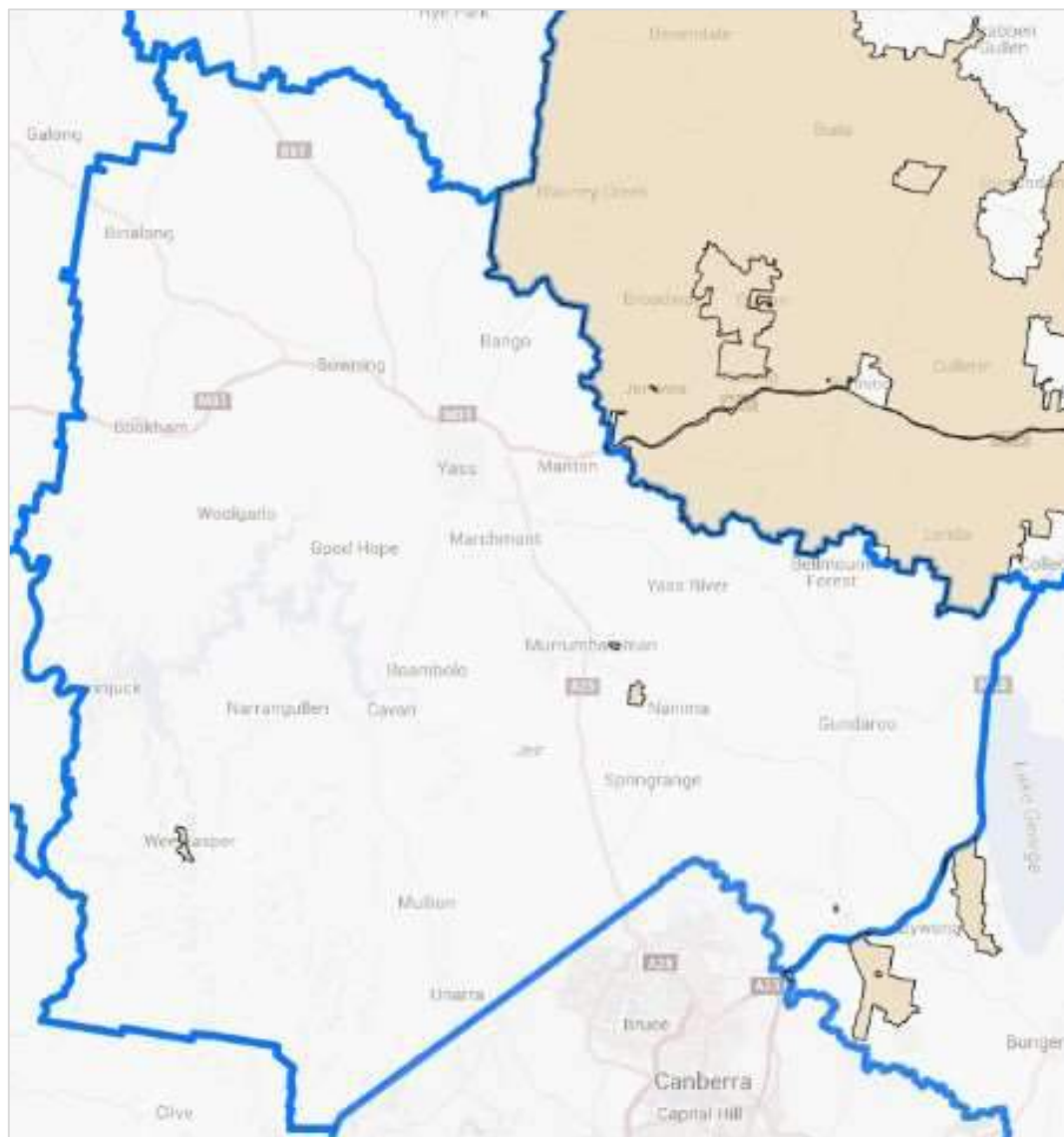
16.1.4 Yass Valley

Yass Valley RU2 Zones

General character: Cleared level land. Used in conjunction with: RU1, E3.

Commentary: Minimal use, only small scattered areas.

Comparison: RU2 and E3 use are minimal. RU1 is used across almost the entire LGA.



Yass Valley - Example of RU2 Zone

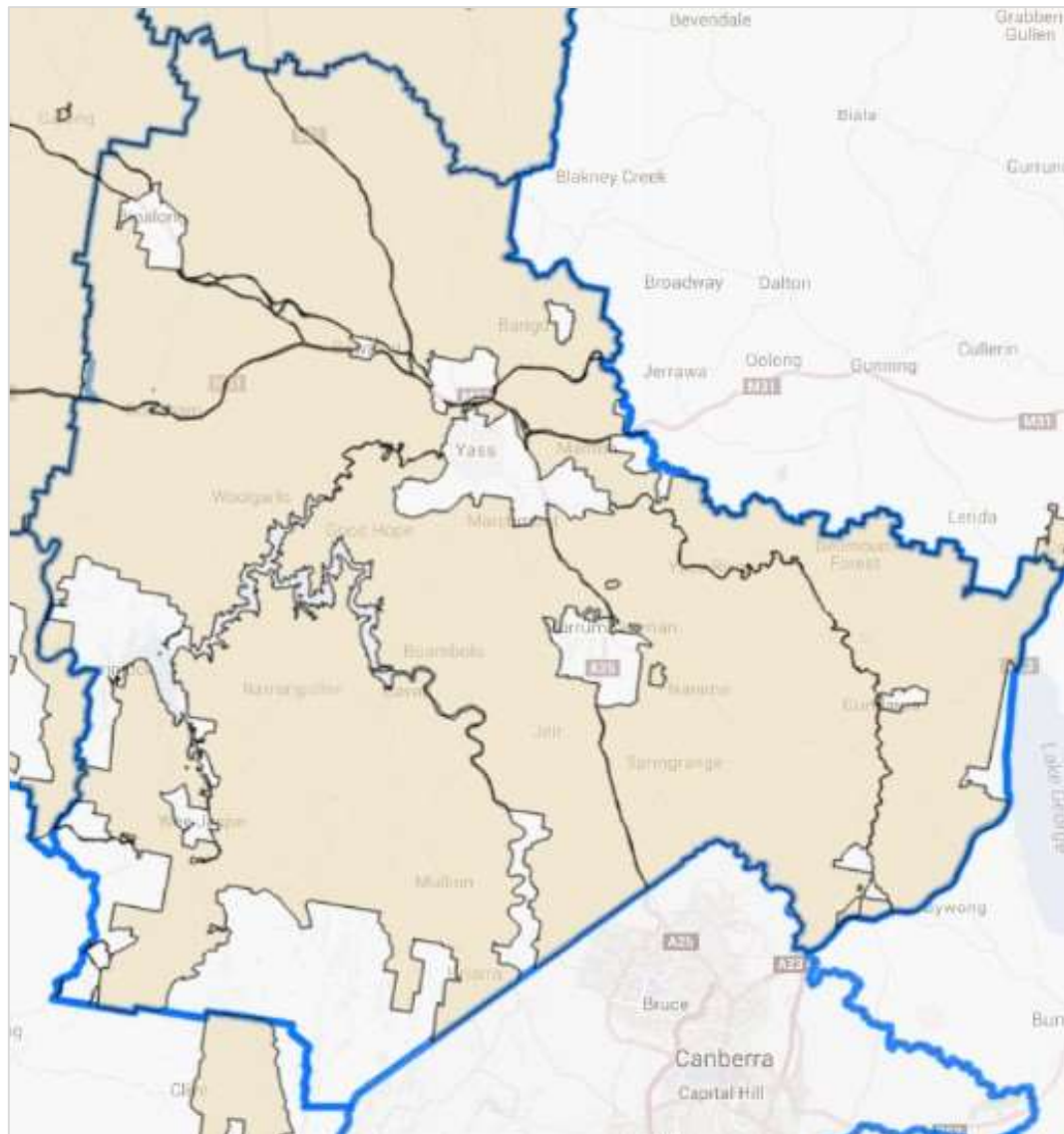
Commentary: Level cleared land. Not obvious why the RU2 has been used.



Yass Valley Map RU1 Zones

General character: Generally level, cleared land. Some outer areas with higher terrain have vegetation.

Commentary: Covers almost entire LGA.



Yass Valley - Example of RU1 Zone

Commentary: Typical example of RU1 zone. Mostly cleared with some vegetated areas of higher terrain.

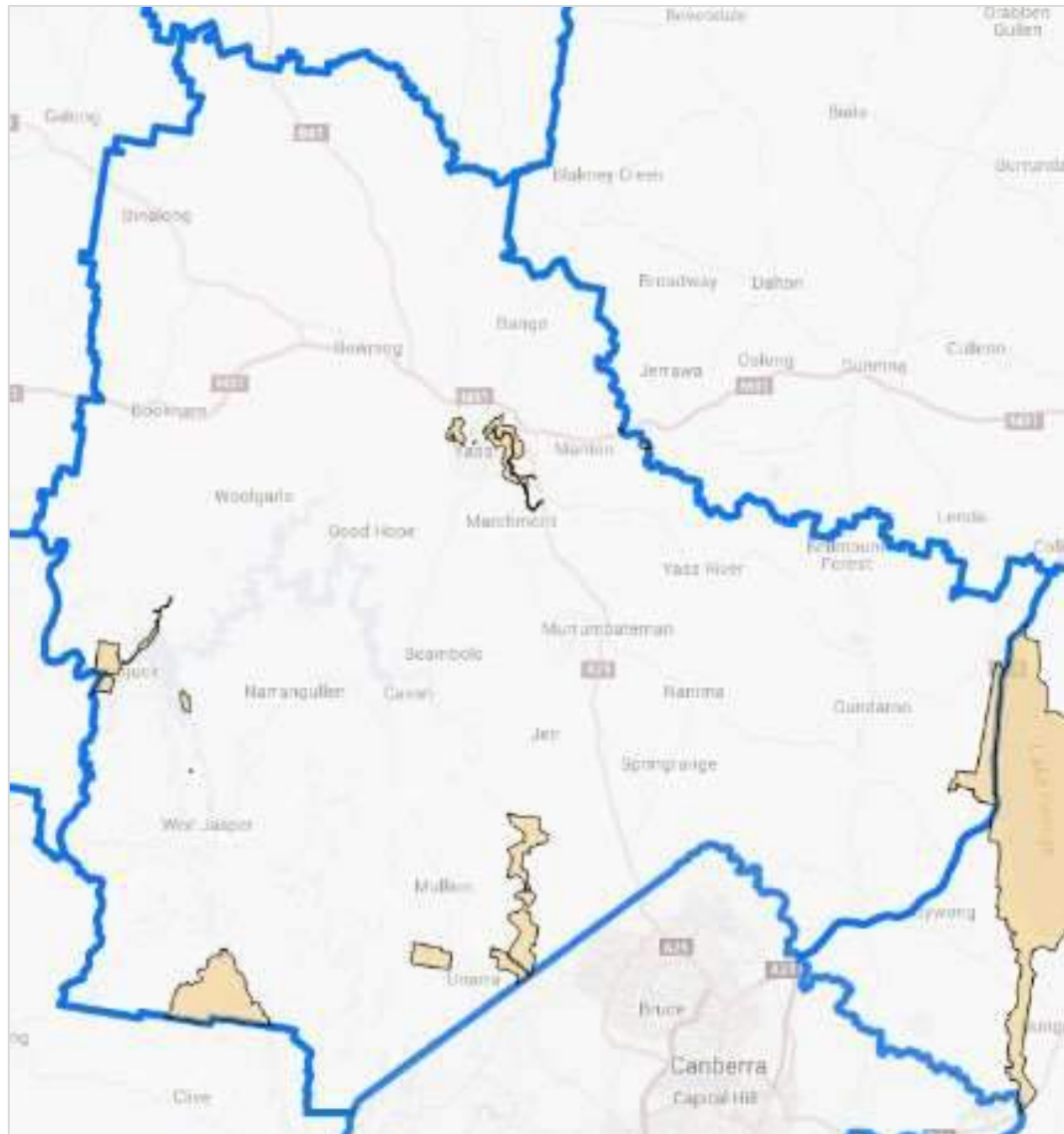


Yass Valley Map E3 Zones

Estimated coverage: 5%.

General character: Areas are partly cleared generally along water courses. Some areas of water supply catchment.

Commentary: Minimal use in scattered areas.



Yass Valley - Examples of E3 Zones

Commentary: Not obvious why this is selected for E3.

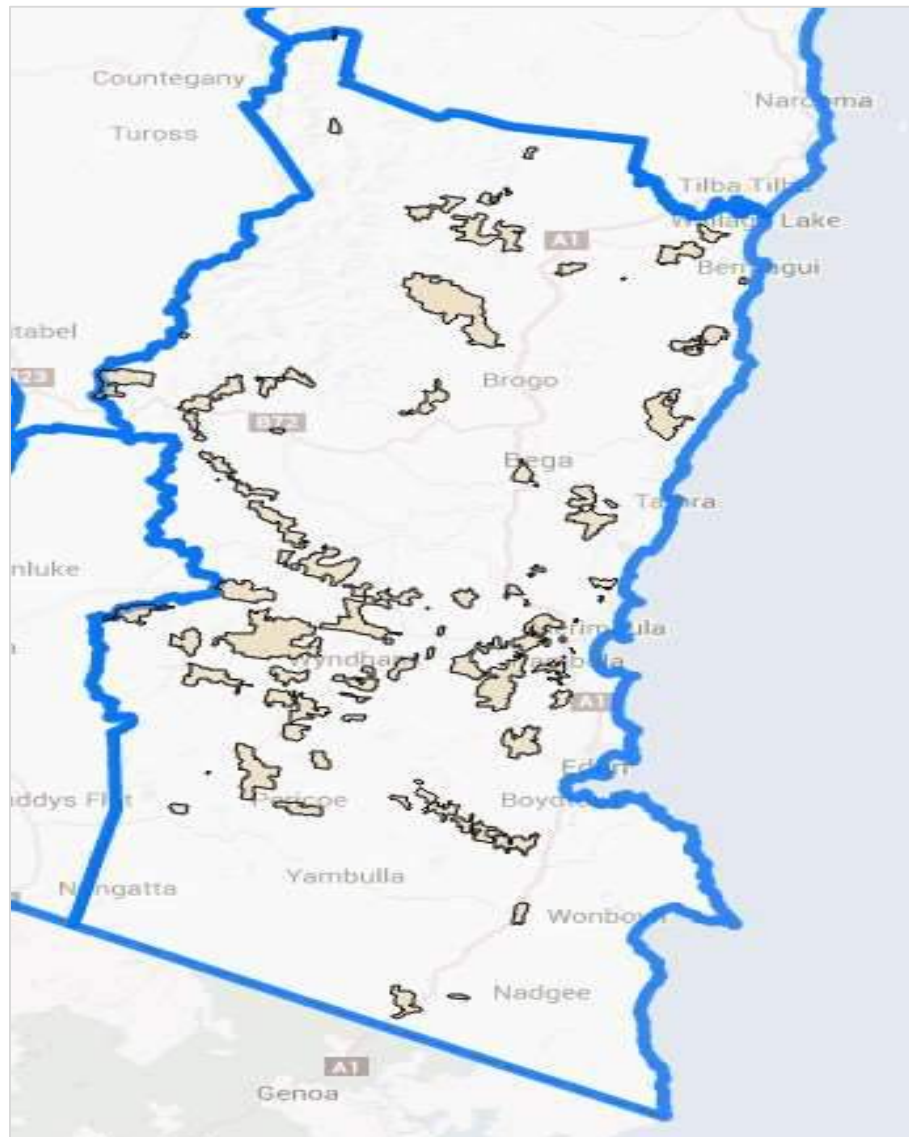


16.1.5 Bega Valley

Bega Valley RU2 Zones

Used in conjunction with: RU1, E3.

Commentary: Scattered areas throughout the LGA. Generally follows terrain and landforms.



Bega Valley - Example of RU2 Zone

Commentary: Generally used in rugged valley systems. Not necessarily areas of high public visitation landscape. Also tends to be fragmented areas of the rural zones.



Bega Valley Map RU1 Zones

General character: Generally level, cleared land. Some outer areas with higher terrain have vegetation.

Commentary: Covers the bulk of the productive agricultural lands.



Bega Valley - Example of RU1 Zone

Commentary: Generally the bulk of the agricultural land.



Bega Valley Map E3 Zones

General character: Vegetated areas likely of high biodiversity.

Commentary: Almost exclusively contained to east 1/3 of the Shire.



Bega Valley - Examples of E3 Zones

Commentary: Almost all E3 comprises extant vegetation. But E3 used almost exclusively in east of the Shire.



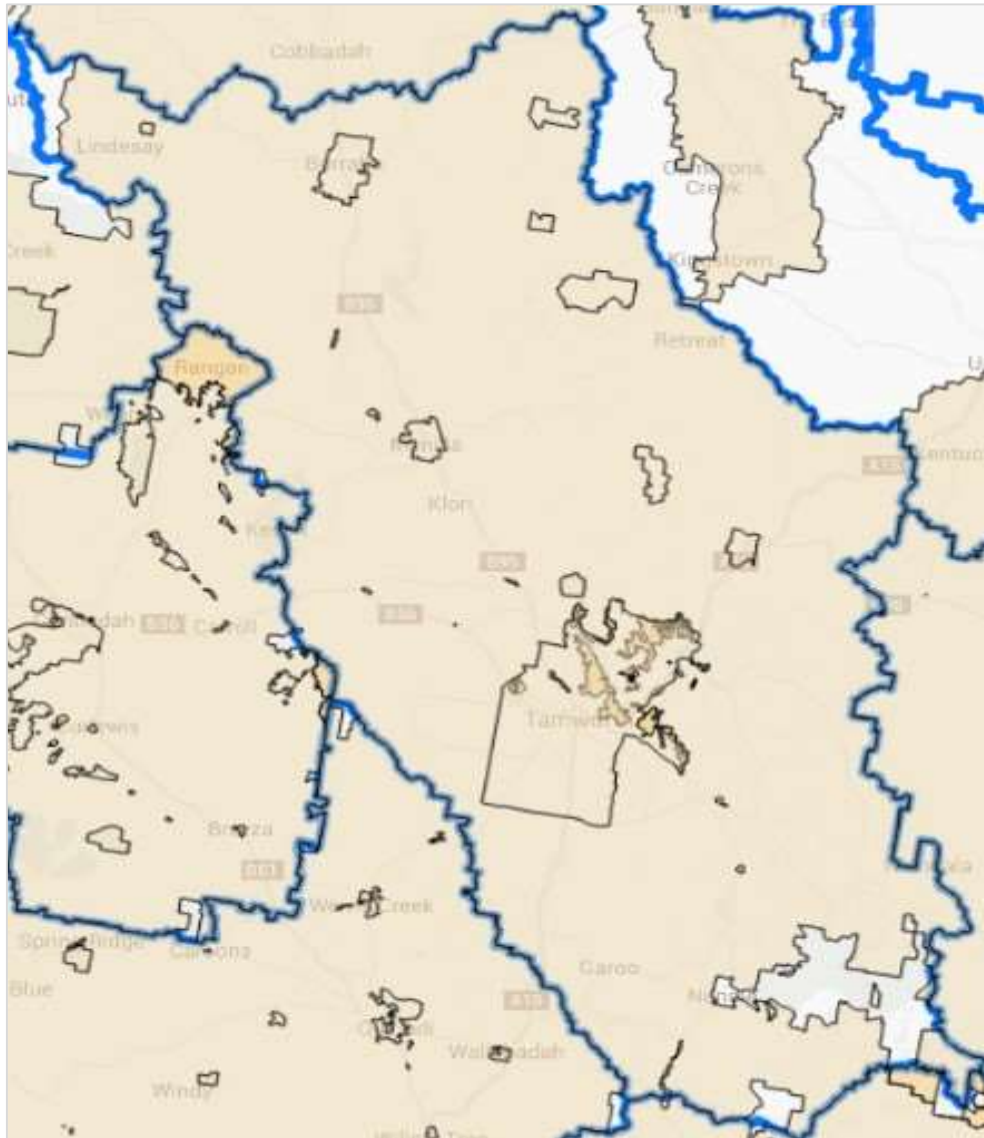
Example of Tamworth Regional RU1

Commentary: Typical example of RU1 zoned land – applied to the bulk of the private rural lands of the Shire.



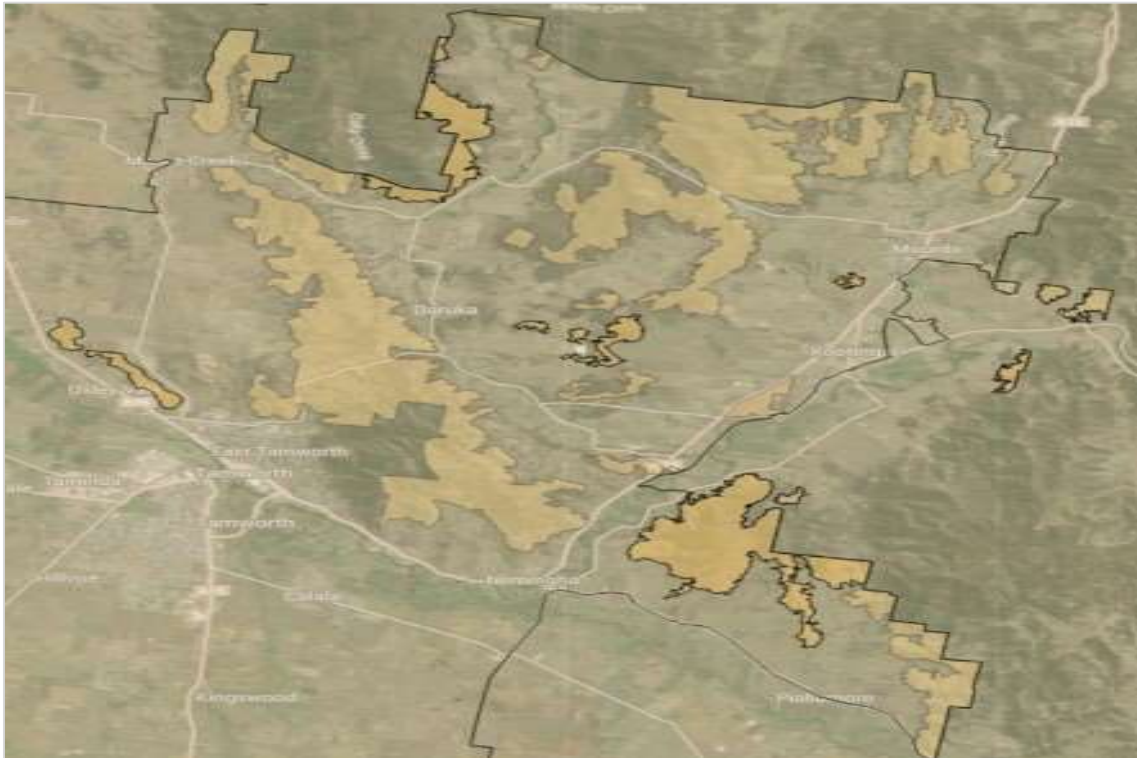
Tamworth Regional E3

Commentary: RU1 zone covers almost entire LGA. E3 zone is used only within a marked area near the town of Tamworth or as water catchment.



Example of Tamworth Regional RU1

Commentary: E3 appears to cover hilly woodland likely of biodiversity value.



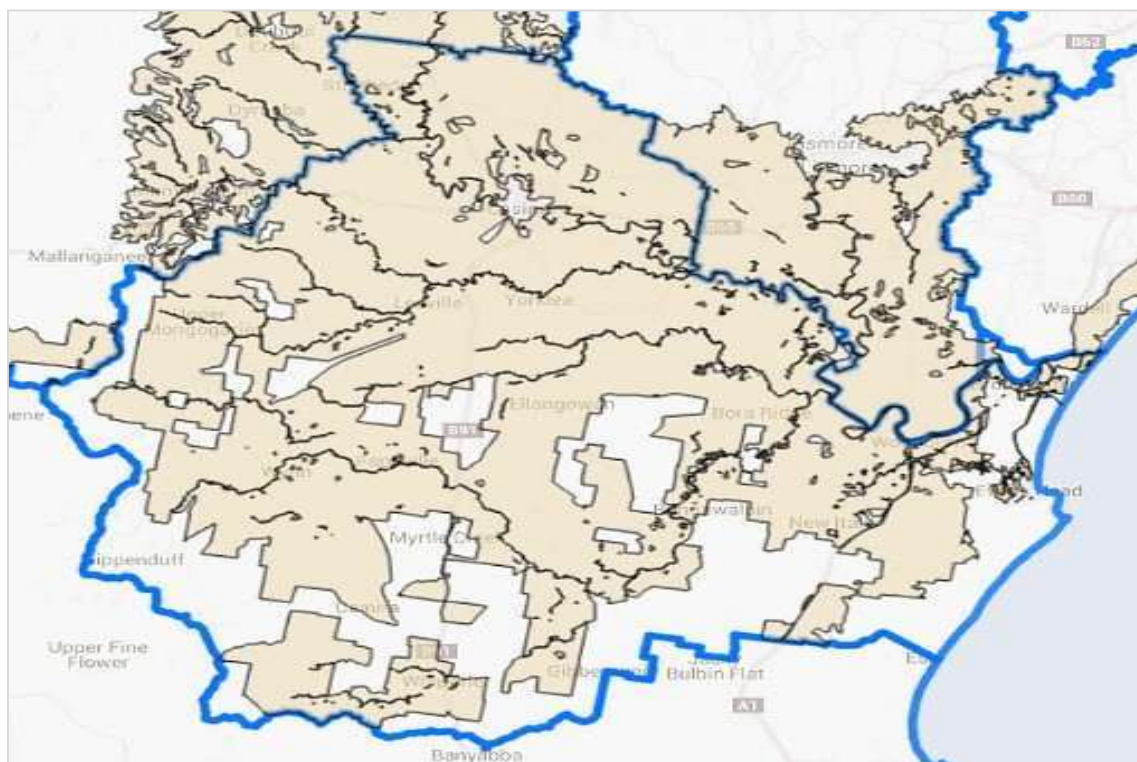
16.2.2 Richmond Valley

Richmond Valley RU1 and E3

General character: RU1 - Combination of cleared level land with quite large areas of heavily vegetated land. E3 - Located only in north-east section of Council. Partly vegetated, near coast and along waterways.

Commentary: RU1 zone covers almost entire LGA. The character of the land varies quite a lot becoming more vegetated as it spreads west. E3 zone is used only within a marked area near north-east corner of the LGA.

Comparison: E3 zoned land appears to be used as a buffer between RU1 areas and watercourses.



Example Richmond Valley RU1 and E3

Commentary: E3 use seems confined mostly to the coastal strip and often vegetated lands adjoin National Park or other public lands.



Example Richmond Valley RU1 and E3

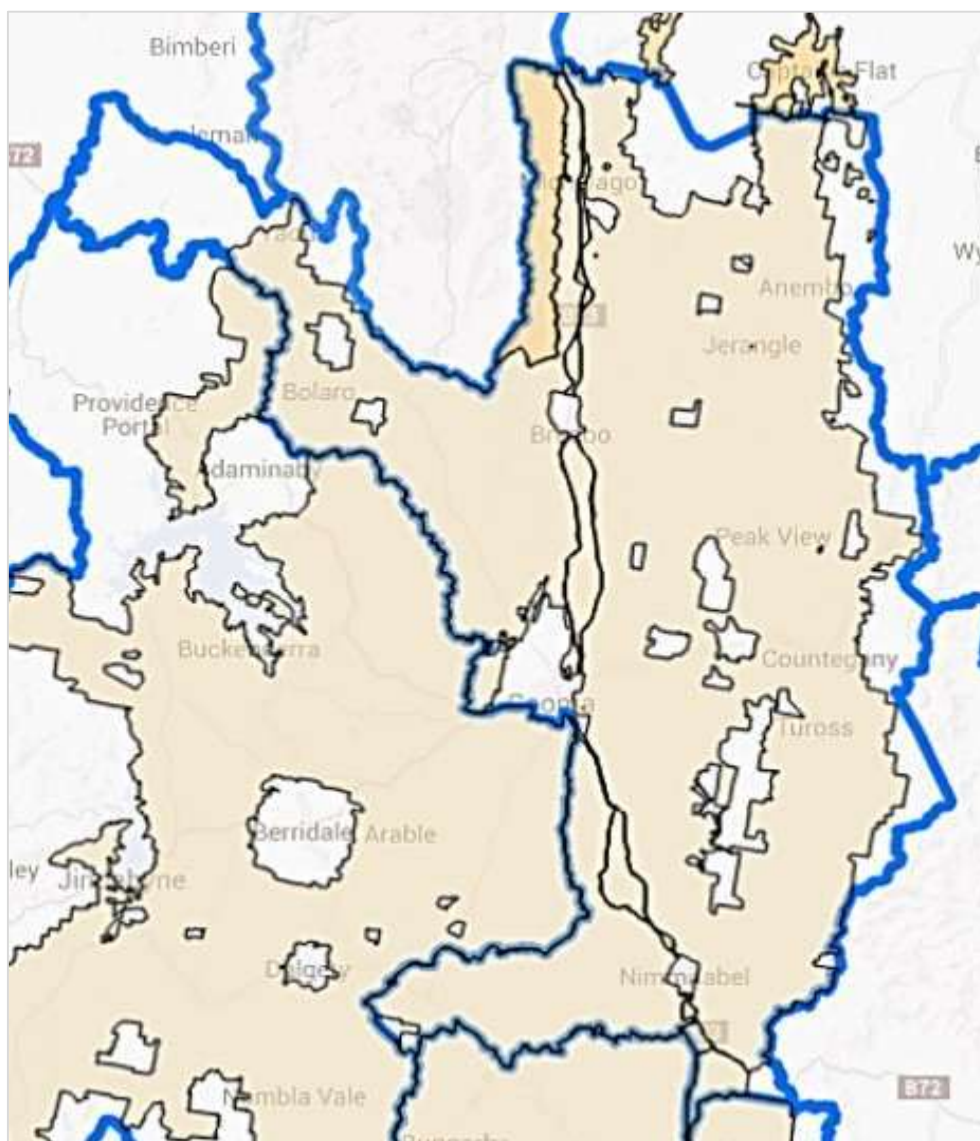
Closer view of E3



16.2.3 Cooma-Monaro

Cooma-Monaro RU1

General character: RU1 zone covers almost entire LGA private rural lands. E3 used only in small northern section of LGA.



Cooma-Monaro

Commentary: E3 land is very mountainous and heavily vegetated.

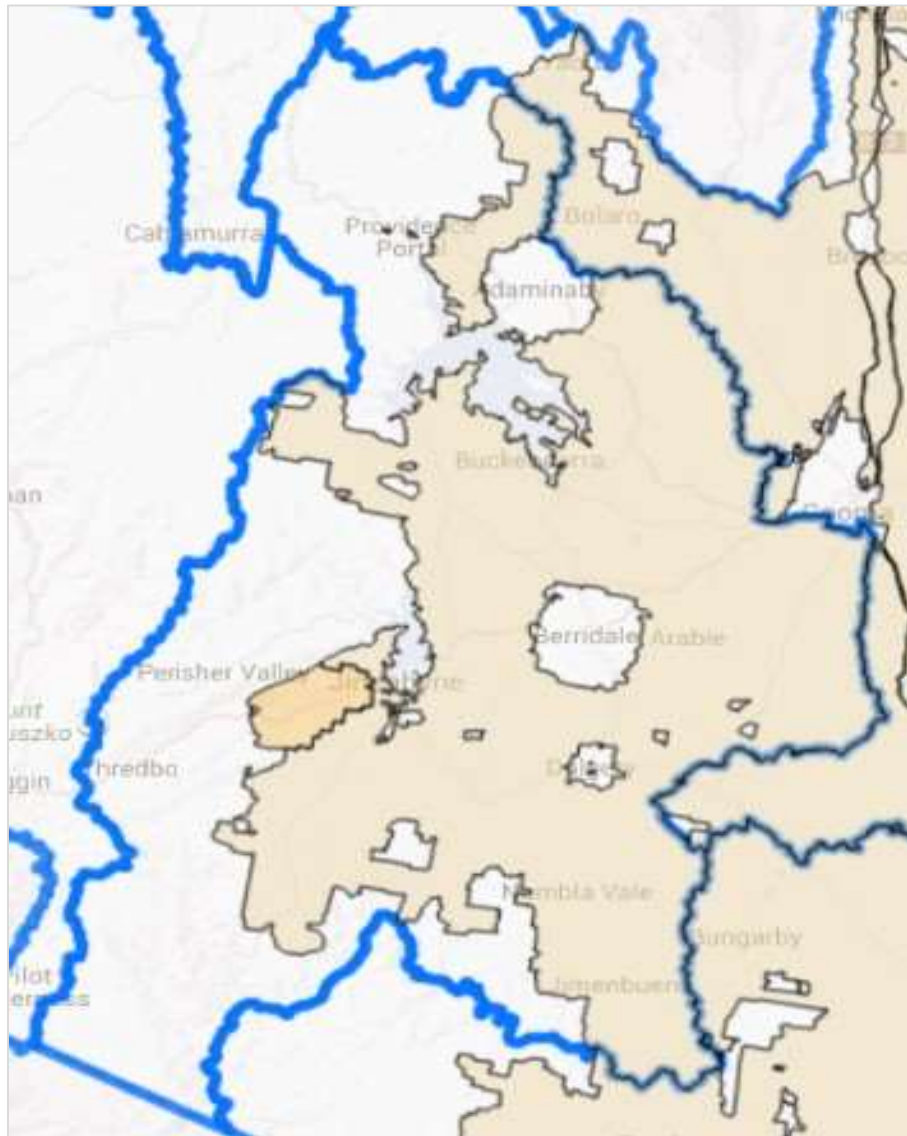


16.2.4 Snowy River

Snowy River

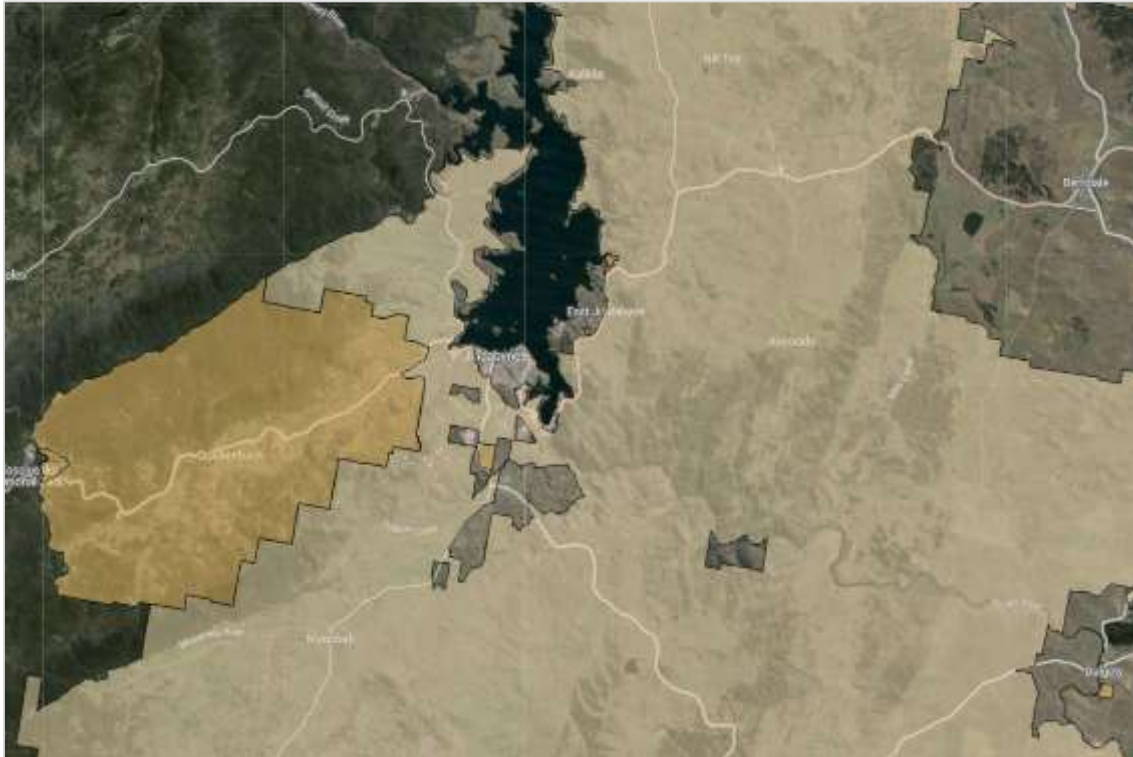
General character: RU1 - Large areas of undulating land, mostly cleared. E3 - partly cleared but mostly heavily vegetated.

Commentary: RU1 covers vast majority of the LGA excepting areas along the western boundary. E3 is only 1 large area and a couple of smaller scattered areas.



Snowy River

Commentary: Almost all rural land is RU1 this is the large area of E3 and it tends to be a vegetated valley adjoining national park.



Greater Taree - Example area

Commentary: Small lot grazing land.



16.3.2 Shoalhaven RU4

General character: Partly cleared with some areas quite heavily vegetated.

Commentary: Used only in a few small concentrated areas towards the south-east area of the LGA.



Shoalhaven - Example area

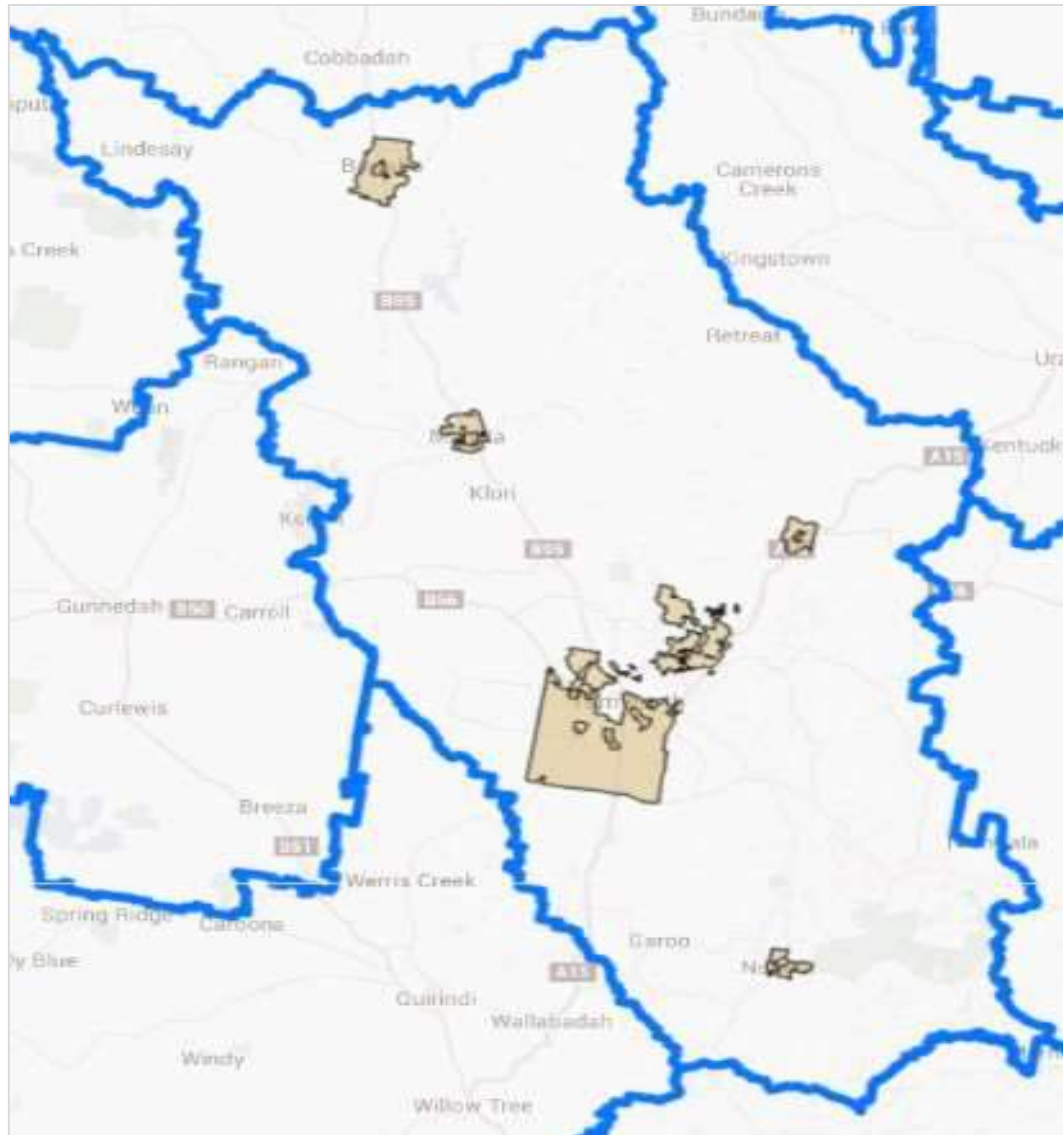
Commentary: Given the 2 ha lot size and mixed terrain and vegetation it is hard to distinguish this RU4 from rural residential.



16.3.3 Tamworth RU4

General character: Mostly cleared with some areas partly vegetated.

Commentary: Scattered areas throughout the LGA, generally in close proximity to towns.



Tamworth - Example area

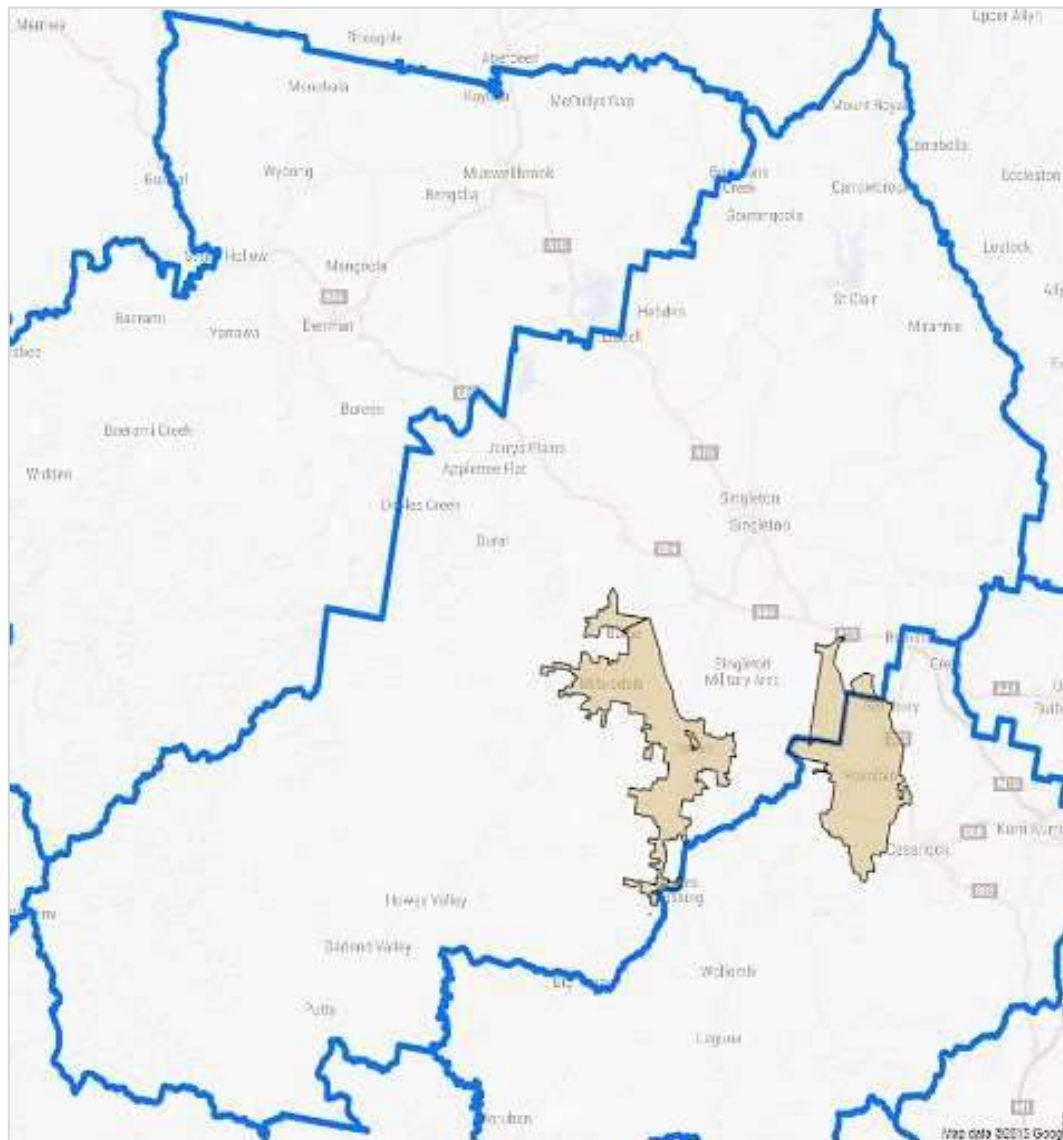
Commentary: With 40 ha lot size and much good quality land Tamworth appears to be using RU4 for small lot grazing or cropping farms.



16.3.4 Singleton RU4

General character: Mostly cleared with some areas around mountainous areas heavily vegetated.

Commentary: Only two main areas zoned RU4 towards south-eastern area of LGA.



Singleton - Example area

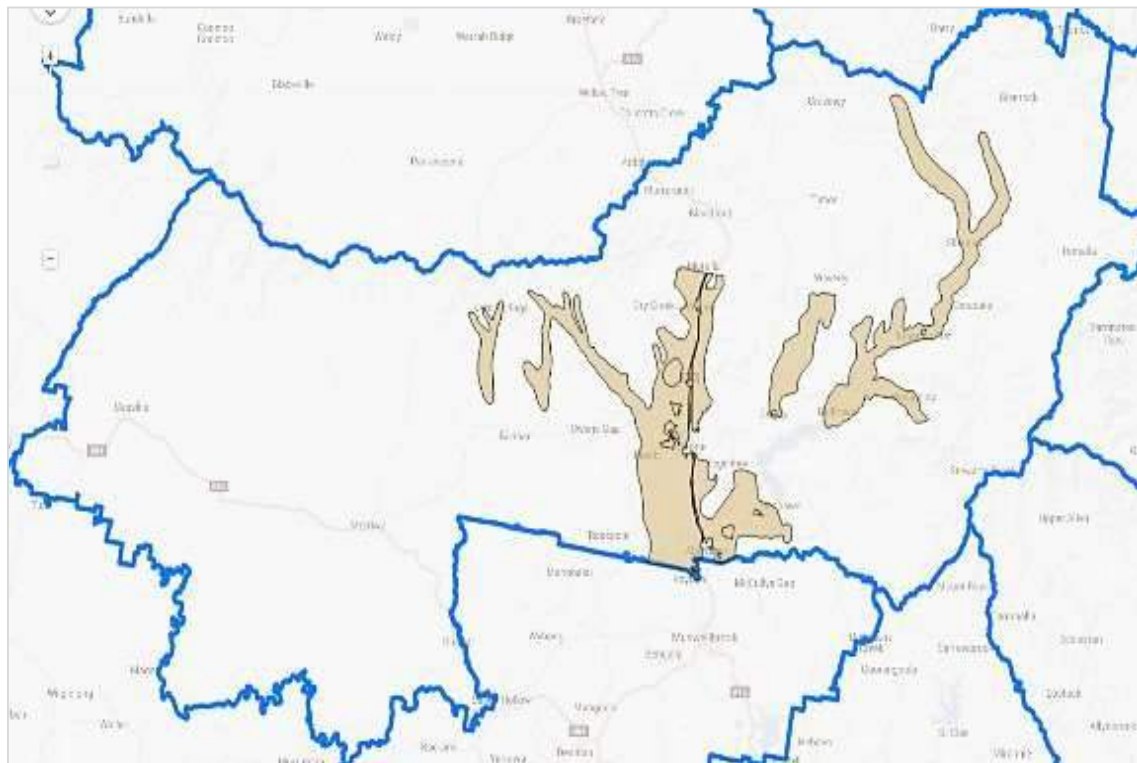
Commentary: With 40 ha lot size and cleared grazing land it appears Upper Hunter is using RU4 for small grazing farms.



16.3.5 Upper Hunter RU4

General character: Mostly cleared with some areas around mountainous areas partly vegetated.

Commentary: Areas zoned RU4 toward the central and eastern region of the LGA. Reasonably larger tracts of land than most other Councils surveyed. Often follows along watercourses.



Upper Hunter - Example area

Commentary: A different approach – Upper Hunter appear to be suing small lot farms along possibly fragmented agricultural valleys. Often the land is reasonable agricultural land and 40 ha lot size means some potential small farm use.



16.3.6 Bega Valley RU4

General character: Flat, cleared land with scattered vegetation.

Commentary: Only used in a few small scattered areas.



Bega Valley - Example area

Commentary: Covers some former rural residential areas that had large lot sizes and reasonable grazing land. But with most lot sizes 10 or less ha it would appear to be hobby scale.



16.4 APPENDIX 4: USE OF THE E4 ENVIRONMENTAL LIVING ZONE COMPARED WITH R5 LARGE LOT RESIDENTIAL

16.4.1 Eurobodalla R5 and E4

General character: Eurobodalla uses all 3 zones (RU4, R5 and E4) to provide rural residential and hobby farm options.



16.4.2 Shoalhaven R5 and E4

General character: R5 - A combination of partly cleared and heavily vegetated areas. E4 - Generally more heavily vegetated than R5 areas but some partly cleared areas.

Comparison: E4 is generally more vegetated than R5 zones, but not consistently.



Shoalhaven

Commentary: Map below shows adjoining R5 and E4 zoned land. Land appears to be similar in nature.



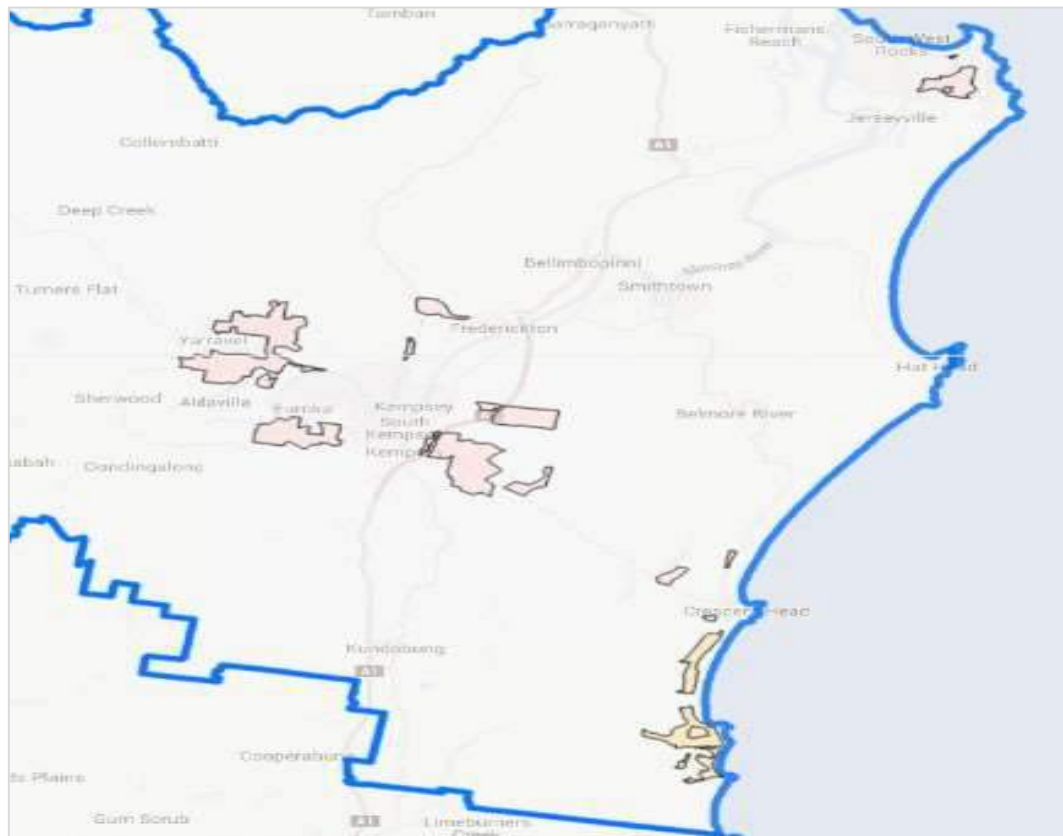
Commentary: Map shown with overlays. Provides some context that although land appears to be similar, overlays identify watercourse and areas of terrestrial biodiversity in E4 zone.



16.4.3 Kempsey R5 and E4

General character: R5 - Small land holdings, partly cleared. Scattered throughout the LGA but mostly located centrally. E4 - Larger land holdings, located only along the coast.

Commentary: Most R5 areas are predominately cleared small holdings. Some areas are more heavily vegetated. Compared with the smaller selection of E4 zones applied, the land is not dissimilar at face value. However, location of the E4 zones proximity to the coast could be a factor.



Kempsey E4

Commentary: The E4 zones are located along the coast. No overlays used.



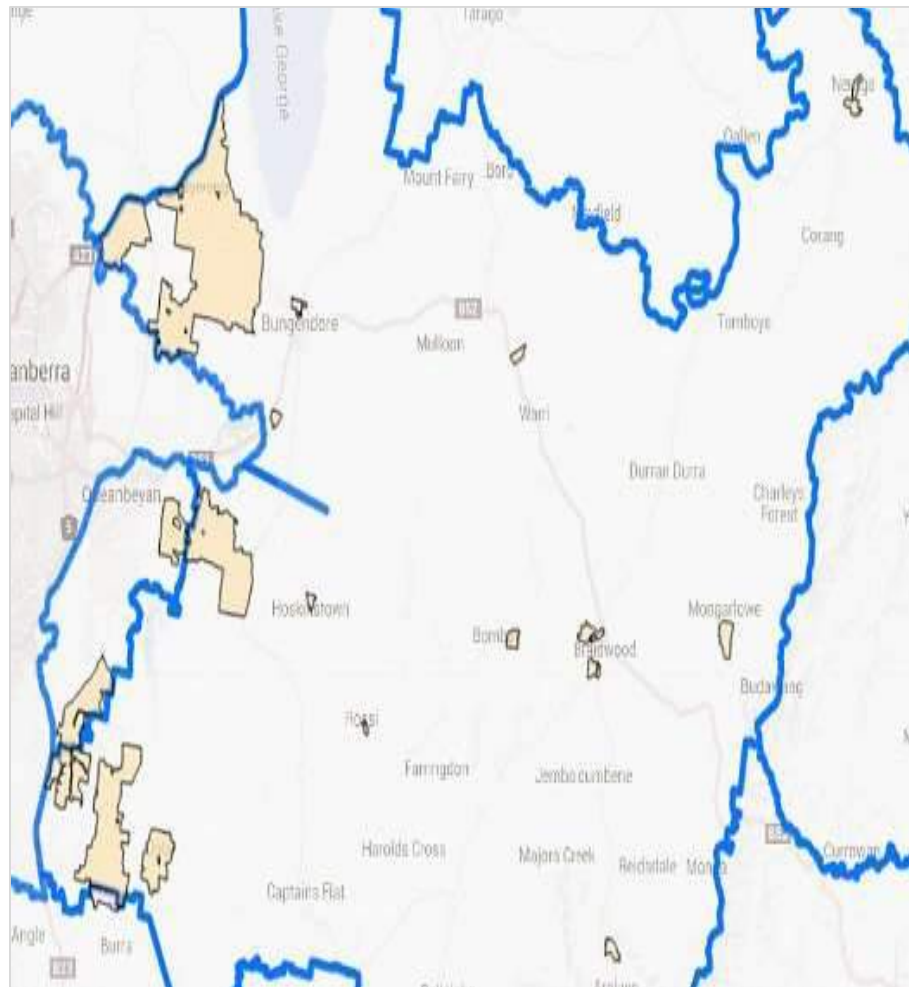
Kempsey R5

Commentary: R5 zones do have vegetation but more general rural residential character.



16.4.4 Palerang R5 and E4

General character: R5 - Used in only 2 small areas adjoining towns. E4 - Used for almost all rural residential.



Palerang E4 and R5

Commentary: R5 is proposed as a true large lot urban. E4 covers both lands of biodiversity value and more general rural residential land.



16.4.5 Bega Valley R5 and E4

General character: R5 is generally more cleared rural residential land. E4 is lands generally with biodiversity values.



Bega Valley R5 and E4

Commentary: Both R5 and E4 here have native vegetation but the R5 is more disturbed and has a smaller lot size/less constraints.



Bega Valley R5 and E4

Commentary: The R5 is mostly cleared small lot areas. The E4 has larger lot sizes and either has biodiversity or is in closer proximity to sensitive natural areas.



16.5 APPENDIX 5: USE OF TERRESTRIAL BIODIVERSITY OVERLAYS

16.5.1 Coffs Harbour

Commentary: Use throughout LGA is moderate.

Mapping used mostly along eastern side of LGA. Mapping used towards inland/western areas are mostly along watercourses.



16.5.2 Shoalhaven

Observations: Use throughout LGA is quite extensive. Appears to include most extant native vegetation on private land.



16.5.3 Richmond Valley

Observations: Use throughout LGA is extensive.



16.5.4 Upper Hunter

Observations: Use throughout LGA is extensive. Appears to include most extant native vegetation on private land.



16.5.5 Upper Lachlan

Observations: Use throughout LGA is extensive. Would appear to include native grasslands.



16.5.6 Cooma-Monaro

Observations: Use throughout LGA is extensive.



16.5.7 Snowy River

Observations: Mapping used extensively throughout the LGA, including some National Park and Reserves.



16.5.8 Yass Valley

Observations: Use throughout LGA is extensive. Appears to include some native grasslands.



16.5.9 Bega Valley

Observations: Use throughout LGA is extensive and appears to cover most extant native vegetation on private lands.



16.5.10 Bombala

Observations: Use throughout LGA is moderate to extensive. Appears to include some areas of native grasslands.



DISCUSSION PAPER 4

POTENTIAL CHANGES TO PLANNING LEGISLATION AND STATE GUIDELINES

A DISCUSSION PAPER TO GUIDE THE
EUROBODALLA SHIRE COUNCIL RURAL
STRATEGY

Prepared by: **Garret Barry Planning Services Pty Ltd**

For: EUROBODALLA COUNCIL



September 2015

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1 INTRODUCTION

The NSW State Government has two significant reviews underway that may influence the approach and options for implementation of a Rural Strategy in Eurobodalla. The Government is also considering possible changes to the planning legislation. The two current reviews are:

1. The suite of legislation surrounding biodiversity.
2. New guidelines for the appropriate use of Environmental Zones in local environmental plans.

There is also the potential for a new planning Act or at least a major revision of the current Environmental Planning and Assessment Act 1979 (EPA Act). In addition, reviews of State Environmental Planning Policies may influence but not necessarily change the directions for the Rural Lands Strategy.

However, both reviews and the possible major revision of the EPA Act appear to be moving quite slowly as at the date of this Discussion Paper. Council needs to progress its Rural Strategy, with a current aim for completion by the end of 2015. Should the above reviews finalise before the Strategy is adopted, then they will be incorporated into the system of strategy implementation. But Council is required to work within the existing legislation and State guidelines, and as such the Strategy may need to be resolved and Council commence implementation of its many goals before the full outcome of the above reviews is known, and hence face some adjustment should changes come later.

From the information published to date on the above reviews, there do not appear to be any outcomes that would necessarily alter the strategic rural directions Council may wish to take. The form of implementation of the Strategies may be influenced, for example, if the State Government reduces or alters the range of available zones. However, the land use direction from the strategy would still be applicable.

This Discussion Paper explores the current stage of the reviews so the alternative potential options that may flow from the reviews are identified and, as far as practical, strategies developed that will fit within likely State direction.

2 A NEW PLANNING SYSTEM FOR NSW

2.1 THE DRAFT PLANNING BILL

The proposals for a new Planning Act progressed to the stage of a draft Bill at the end of 2013. However, as the Bill did not pass parliament before it was prorogued, to enable the 2015 election, the Bill has lapsed. With the creation of a new parliament any changes to the planning legislation would require a fresh Bill to be brought forward if the current *Environmental Planning and Assessment Act 1979* is to be amended or replaced.

There is currently no formal program or timetable for a review of the planning legislation.

Should the process recommence before the Rural Strategy is complete, it may be necessary to review the work in the light of a possible new Act. This is unlikely. From examination of the previous draft Bill, there do not seem to be matters that would significantly reset the rural direction. The new legislation (if implemented as currently drafted) would seem to apply more to the process of how the strategy may be implemented and subsequent development managed and assessed.

For current information on the draft planning legislation visit:

<http://www.planning.nsw.gov.au/en-us/policyandlegislation/planningforourfuture.aspx>.

2.2 REVIEW OF THE STANDARD INSTRUMENT

Under the lapsed Bill and its White Paper, one of the major recommendations related to possible changes to the Standard Instrument (the base planning instrument all NSW councils are required to follow).

The White Paper suggested a shift to fewer, broader zones that focuses on land use with reliance on codes and guidelines for assessment detail.

The current Minister has made comment that there may be a case to expand the range of zones available under the Standard Instrument. It is also understood the Government is proposing a process of further consultation before any new Bill suggesting major change might come forward.

The Minister is proceeding with several reforms:

- The large number of State Environmental Planning Policies are proposed to be simplified and replaced with fewer and theme based policies. Some standard controls may go to Local Environmental Plans.
- Move towards an e-planning environment.
- The old regional plans face repeal and replacement with the new Regional Growth Plans. For example the Draft Illawarra Regional Growth Plan:

<http://www.strategy.planning.nsw.gov.au/illawarra/the-draft-plan/>.

3 THE REVIEW OF BIODIVERSITY LEGISLATION IN NSW

In 2014 the NSW Government commissioned an independent review of the NSW biodiversity legislation. The report of the independent panel “A Review of the Biodiversity Legislation in NSW”, was released in December 2014 and is under consideration by the Government.

The objectives of the report focus on simplifying and clarifying biodiversity assessment processes including the removal of dual consent roles related to vegetation clearing and revision of mechanisms for determining biodiversity offsets.

A copy of the review can be viewed at:

<http://www.environment.nsw.gov.au/biodiversitylegislation/review.htm>.

The report makes 43 recommendations including some significant changes to the biodiversity legislation including:

- *“Repeal of the Native Vegetation Act 2003 and the Threatened Species Conservation Act 1995.*
- *Return vegetation planning powers to Councils under the EPA Act. But improve skill base of Local Government and LLS.*
- *More voluntary guidelines and codes for local and small scale clearing.*
- *Development consent for clearing only to be necessary over defined vegetation and OEH to be resourced to map this.*
- *Some private forestry exemptions from the need to have approvals and a broader review of private native forestry processes.*
- *Expand the biodiversity offsets fund.*
- *Regional Conservation Plans to be absorbed into the more general Regional Growth and Infrastructure Plans.*
- *Implement the above and other recommendations through a new “Biodiversity Conservation Act”.*

Prior to the 2015 election the NSW Government announced its agreement to implement all recommendations of the review and it is understood several government departments are currently working towards implementation of the recommendations. If implemented, the review recommendations will have consequences for Eurobodalla rural planning. For example, Council may find it is required to administer planning controls over rural native vegetation that are currently administered by LLS – albeit in a reduced form with more exemptions and voluntary codes.

4 REVIEW INTO THE USE OF ENVIRONMENTAL ZONES IN LEPs

4.1 THE REVIEW BY PARSONS BRINCKERHOFF

Parsons Brinckerhoff (PB) were commissioned by the State Government to conduct an independent review into the way environmental zones (E2, E3, E4) and overlays are being applied to land on the Far North Coast. Their review, “Northern Councils E Zone Review Interim Report (2013)” was released towards the end of 2013. A copy can be viewed at:

http://planspolicies.planning.nsw.gov.au/index.pl?action=view_job&job_id=6475.

In commissioning the review, the Government considered that a balance needed to be achieved between allowing agricultural and rural use to continue while protecting important environmental values. The concern was that Councils were applying environmental zones without evidence of the environmental significance of the land, which in some cases had the potential to limit the use of that land for agricultural purposes.

Although the investigations were carried out in the Northern Councils area, the overall findings have relevance to all Councils, particularly those with rural lands.

The consultant’s recommendations with possible implications for the Eurobodalla Rural Lands Strategy are summarised as follows:

- Only land with verified high value vegetation, such as recognised littoral rainforests, wetland areas or Endangered Ecological Communities, should be included in the environmental zones E2 (Environmental Conservation) and E3 (Environmental management).
- E zones should only be applied where there is verifiable evidence of significant environmental values that meet pre-set criteria. The intent would be that E zones will be more restrictively applied, while still protecting the most important environmental areas.
- Where land does not have the required environmental significance to be given an E zone, it will be zoned according to its primary use.
- This means that cleared land used for agricultural or rural purposes will be given an appropriate rural zoning.
- Use of formal overlays in LEPs was not recommended where an E zone was also in place. Conversely, overlays, including overlays for Terrestrial Biodiversity could be employed over rural zoned land where validated data indicated biodiversity value.
- While the brief included a review of the use of the E4 zone, of the Councils included in the review, only Byron proposed an E4 zone and, somewhat different to any E4 zones elsewhere in NSW. Byron proposed to place the E4 zone in part over former residential zones.
- A new zone relating to “resource management lands” may be more appropriate to the connotations of a zone purely focused environmental protection, where the land clearly has use potential beyond just environmental protection or management.

4.2 THE RESPONSE BY DEPARTMENT OF ENVIRONMENT AND PLANNING

The Department of Planning and Environment (DPE) issued an Interim response to the Parsons Brinckerhoff report in early 2014.

The Department's interim response to the recommendations is as follows:

- The Department of Planning & Environment (DPE) 'in principle' supports:
 - The criteria for applying E2 and E3 zoning, as identified by the consultant, so that these zones will only apply where there is validated evidence of significant environmental values.
 - Allowing extensive agriculture with Council's consent on E2 zoned land and without Council's consent on E3 zoned land.
 - The use of overlay maps and related clauses in LEPs to manage only matters of public health, safety, risk and hazard such as drinking water catchment areas, coastal risk areas, flooding and acid sulphate soils.
 - Scenic protection is best managed through development applications and if needed with assessment criteria in Development Control Plans.
 - The removal of aesthetic values from the objectives of the E3 zone.
- Given the Department's interim response supports the use of E2 and E3 zones where the criteria is met, the application of a biodiversity overlays on land that has an E2 or an E3 zoning was not supported. This is a logical position, as there is no need to identify that a site has high environmental value by both the application of an E2/E3 zone and an overlay. The Department's interim response however, did not provide a specific position on the use of biodiversity overlays in the specific circumstance where the criteria for E2/E3 zoning is met, but such zoning is not applied. Using the same logic as above, if an E2/E3 zoning is not used to identify high environmental values, then a biodiversity overlay should be used (there should be one or the other, but not both). An overlay does not change the permissibility of uses on land, does not result in any additional restrictions on development and does not trigger the need for a development application. It serves as an "identifier" of specific issues that exist on the land that are to be addressed should a development application be required.
- DPE's full response to the interim report is available at:
http://planspolicies.planning.nsw.gov.au/index.pl?action=view_job&job_id=6475.

The Department's interim recommended criteria for applying E2 and E3 zonings are provided below in Tables 1 and 2.

Table 1: E2 Criteria

E2 Criteria	
1	Statutory mapping for SEPP 26 Littoral Rainforests
2	Statutory mapping for SEPP 14 Wetlands
3	Land identified in a validated spatial dataset comprising areas of EECs (as listed under the <i>Threatened Species Conservation Act 1995</i> and/or the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)
4	Land identified within a validated spatial dataset comprising areas of habitat for threatened species (as listed under the <i>Threatened Species Conservation Act 1995</i> and/or the <i>Environmental Protection and Biodiversity Conservation Act 1999</i>)
5	Land identified within a validated spatial dataset comprising over-cleared vegetation communities where >70% of the original extent has been cleared (vegetation formations as defined by Keith, D 2004, <i>Ocean Shores to Desert Dunes: The Native Vegetation of New South Wales and the ACT</i> , Department of Environment and Conservation, Hurstville.)
6	Land identified within a validated spatial dataset comprising areas of native vegetation in over-cleared Mitchell landscapes (includes native vegetation in the Byron-Tweed Alluvial Plains, Byron-Tweed Coastal Barriers, Clarence-Richmond Alluvial Plains, and Upper Clarence Channels and Floodplains)
7	Where appropriate, land identified within a validated spatial dataset comprising areas of culturally significant lands such as Aboriginal object sites and Aboriginal places and other significant objects and places that are not formally recorded (as identified by the local Aboriginal community)

Table 2: E3 Criteria

E3 Criteria	
1	Land identified within a validated spatial dataset comprising areas of all types of rainforest other than SEPP 26 mapped areas
2	Land identified within a validated spatial dataset comprising areas of old-growth forest, defined as an ecologically mature forest where the effects of disturbances are now negligible (Commonwealth of Australia 1997)
3	Land identified within a validated spatial dataset comprising areas of riparian, wetland and estuarine vegetation other than SEPP 14 mapped areas
4	Land identified within a validated spatial dataset comprising areas of rare, endangered and vulnerable forest ecosystems based on criteria defined by the Joint ANZECC/MCFFA National Forest Policy Statement Implementation sub-committee (JANIS) (Commonwealth of Australia 1997).
5	Land identified within a validated spatial dataset comprising areas of native vegetation on coastal foreshores and land subject to coastal hazards (as listed under the <i>Coastal Protection Act 1979</i>), including climate change effects.
6	<p>Land identified within a validated spatial dataset comprising areas of land where strict controls on development should apply. Such land includes those areas of native vegetation where the ecosystem services provided by the vegetation is critical including:</p> <ul style="list-style-type: none"> ▪ where the risks of severe erosion and landslides are extremely high (i.e. steep land) and the consequences are potentially catastrophic ▪ where native vegetation that is critical to watershed protection (i.e. when vegetation protects against catastrophic floods or drought and the destruction of fisheries where spawning grounds are protected by mangroves or riparian forests).

4.3 THE POTENTIAL FOR A MINISTERIAL DIRECTION

The PB report has been under consideration since June 2014 and is yet to be implemented. Public comment was sought on the proposals in June of 2014 but no report of the outcome of exhibition has been released as of the date of this Discussion Paper, other than the Department's Interim Response.

The Government has made some informal comments to the effect a Ministerial direction may be issued to Councils on the appropriate use of the E2 (Environmental Conservation) and E3 (Environmental Protection) zones. The review also makes some comment about the use of zone E4 (Environmental Living) but only in the context of Byron's proposed use of the zone over residential lands which is not the standard practice elsewhere. Most Councils have been using E4 for rural living areas with reasonably high biodiversity values. It is not yet clear if directions will issue over the E4 zone as well.

It is understood from informal comments attributed to the current Minister, that directions based on the North Coast Interim Response of the Department are unlikely to be issued for the wider State without more consultation and without some wider consideration of both how the E zone and Overlay provisions are being applied and received in the rest of the State.

It may well be that there is a need for regional variations in approach.

The use of E zones and biodiversity overlays has been controversial in Eurobodalla. However, biodiversity overlays exist in approximately 60% of all NSW Council LEPs and have not been very controversial overall. Use of E zones, especially E3, has been more controversial and clearly some owners fear the "E" title may result in additional restrictions and affect land value. There are similar concerns about the use of biodiversity overlays, however as detailed below, an overlay does not change or otherwise affect the zoning of land or the permissibility of uses and only applies as a matter for consideration in the assessment of a development where an application would already be required.

Both Parsons Brinckerhoff and the (still current) Departmental Practice Note PN 09.002, point out the advantages of environmental overlays:

- An environmental overlay does not change the zoning of land (e.g. rural) and the uses which are allowed under that zoning. It also has no impact on carrying out existing activities.
- The overlay map and accompanying clause are considered by Council only when a development application is required for a land use. For example, if the land is within a drinking water catchment area and development consent is required, the overlay and accompanying clause would apply.
- Any land use that does not require a development application, for example, extensive agriculture in a rural zone, is not subject to the overlay or accompanying clause.
- The clause accompanying the overlay map lists the particular matters which Council must consider when assessing a development application in the area where the overlay applies.

5 IDENTIFICATION OF ISSUES FOR THE RURAL STRATEGY

5.1 ISSUES RELATING TO A POTENTIAL NEW SUITE OF PLANNING LEGISLATION

Up until mid-2014, there appeared to be prospects of a high priority being given by the State Government to a significant review of the Planning legislation and a complete replacement of the *Environmental Planning and Assessment Act 1979*.

But since that time the Government has slowed the pace considerably and recent statements attributed to the current Minister suggest the reform process will be more gradual and incremental.

With the creation of a new Parliament in 2015, the former Bill for a new Act has lapsed. There is no proposal for a fresh bill as at the date of drafting of this Discussion Paper.

The former Bill proposed some major changes to zones and plan structures. But overall, the issues and strategies likely to be developed for the rural lands through the Eurobodalla Rural Lands Strategy, would still have full meaning – they may just be implemented in a different format.

It is now highly unlikely any new legislation of any significant impact on the current planning LEP and DCP process will be in place within 2 years. As such this Strategy should make recommendations relating to implementation of new land use initiatives within the framework of the current Act.

5.2 ISSUES FLOWING FROM THE REVIEW OF BIODIVERSITY LEGISLATION

The current position with the review of the biodiversity legislation is similar to that of the planning legislation review.

While commitments from the current State Government for a move to a new suite of biodiversity legislation are still current, the pace towards reform has slowed considerably and at time of writing there is no clear timetable to the introduction of a new Biodiversity Act.

Even with a concerted effort, and even if a Bill is introduced to Parliament this year, the implementation of a new Act and associated regulations would seem to be 2-3 years away.

The independent report into Biodiversity flagged six main changes that could impact Council's role in conserving local biodiversity:

1. Return vegetation planning powers to Councils under the EPA Act, and improve the skill base of Local Government and LLS. Should this occur, Council's role in rural vegetation management and protection would expand considerably. Currently, the role is limited to regulating impacts on vegetation related to specific development applications, with the LLS being the consent authority for broad-scale clearing.
2. More voluntary guidelines and codes for local and small scale clearing. Should this occur there may be more exemptions to the need for consent to clear minor amounts or lower value vegetation.

3. Development consent for clearing only to be necessary over defined vegetation and OEH to be resourced to map this. Currently, there is detailed vegetation mapping and a policy position to conserve most extant native vegetation. This new position may see the categories of vegetation warranting the protection and more rigorous assessment of development consent lessened and result in changes not so much to the data in the vegetation maps but to the classifications and protection measures to be specified for the more at risk types.
4. Some private forestry exemptions from the need to have approvals. This may see an extension of private forestry as the current restrictions on re-clearing in the Native Vegetation Act can be a disincentive to establishing native private forestry. A separate process is suggested for approval / review of private forestry
5. Expand the biodiversity offsets fund. An expanded fund may go some way to addressing the claims of current landholders that they are being required to conserve biodiversity for the community at their own cost.
6. Regional Conservation Plans to be absorbed into the more general Regional Growth and Infrastructure Plans. The draft Illawarra Plan is an example where higher order biodiversity mapping is included but so far is being used to complement the more detailed terrestrial Biodiversity Mapping of component Councils like Shoalhaven. See: http://www.strategy.planning.nsw.gov.au/illawarra/wp-content/uploads/sites/5/2014/04/Draft-Illawarra-Regional-Growth-and-Infrastructure-Plan-for-Web_.pdf (Chapter 6).

5.3 ISSUES RELATING TO THE USE OF ENVIRONMENTAL ZONES AND BIODIVERSITY OVERLAYS

The suggested issuing of a Ministerial direction under Section 117 of the EPA Act setting revised parameters for the use of E zones has yet to occur and recent comments attributed to the current Minister for Planning indicate there will likely be more consultation and review by his Department before any direction or revised guideline is issued.

The Department of Planning and Environment's interim response to the review of environmental zones by Parsons Brinckerhoff seems not to favour the formal use of environmental overlays for terrestrial biodiversity and scenic protection where an E2 or E3 zone is applied. The Department's interim response sets the following constraints on the use of zones E2 Environmental Conservation and E3 Environmental Management:

- Limit use of E2 and E3 zoning to validated areas of:
 - Rainforest;
 - Old growth forest;
 - Rare, endangered or vulnerable vegetation as identified by the Janis Committee criteria; and
 - Native vegetation on hazard lands such as lands prone to slip, flood and coastal hazards.

There is a possible interpretation in the Department's Interim Response that there is no compulsion on Councils to have to introduce E zones but where they are used they should be justified by strong, validated data.

As previously discussed, from the Department's Interim Response it is logical to assume that the application of a biodiversity overlay is not supported where an E2 or E3 zoning is used, but that such an overlay on high conservation value vegetation that meets the criteria for E2/E3 zoning is appropriate if such zoning is not used.

Council's resolution of July 2014 was as follows:

- That biodiversity overlays not be used in the LEP;
- That E3 zoning is not appropriate in the general rural areas; and
- That this strategy review options and alternatives to LEP overlays and E3 zoning.

6 PREFERRED OPTIONS AND RECOMMENDED STRATEGIES TO ACCOMMODATE THE STATE LEGISLATIVE AND POLICY CHANGES

6.1 THE STRATEGY FOR DEALING WITH POTENTIAL NEW PLANNING LEGISLATION

The Eurobodalla Rural Lands Strategy should be prepared on the basis the current EPA Act 1979 will be in place for at least 2 years and that rural initiatives should be developed within the existing legislative framework. It is likely any new rural planning initiatives Council may adopt will be in place for some time before there is any major legislative change and almost certainly such change will have a transition period to roll over planning strategies into the new format.

6.2 THE STRATEGY FOR DEALING WITH POTENTIAL NEW LEGISLATION AND COUNCIL RESPONSIBILITIES REGARDING BIODIVERSITY

As with the Planning legislation review, any new biodiversity legislation seems unlikely within 2-3 years and is certainly beyond the completion targets Council has set for this strategy.

Therefore Council should develop the Strategy based on operating within the existing framework of the *Threatened Species Conservation Act* and the *Native Vegetation Act* for at least 2 years. This would see a continuing role for Council in assessing the impacts on biodiversity of new development but the LLS remain the consent authority for general clearing of native vegetation. A decision is needed on the manner of storage and methodology for use of the revised vegetation maps and this is a major focus of Discussion Paper 6.

6.3 APPROPRIATE USE OF ENVIRONMENTAL ZONES AND BIODIVERSITY OVERLAYS

Based on the discussion in this Paper, Council has three options.

Option 1 – would be to apply an E2/E3 zone to the vegetated areas that meet the criteria for such zoning. Given the level of validation of Council's vegetation mapping, this potentially significantly increases the amount of E zoning in the Shire, but given the Council's resolution and community concern around this issue specifically, this option is not recommended.

Option 2 – would be to apply neither an E2/E3 zoning nor a biodiversity overlay to areas of vegetation that meet the criteria identified in the Parsons Brinkerhoff Report and as supported in the Department's Interim Response. By removing any identification of important areas of biodiversity from the LEP, this option is inconsistent with the Parsons Brinkerhoff Report and Department's Interim Response, results in less transparency for land owners and development proponents and is not recommended.

Option 3 – which provides a middle ground between the above two options, would involve only using the E2 zone for wetlands, littoral rainforests and important foreshore areas (this is

the current approach in ELEP 2012), not using an E2 or E3 zone for other validated areas of high conservation value, but applying a biodiversity overlay to these other validated areas. This is the approach that is considered most appropriate having regard to maximum flexibility for land owners and identification of important biodiversity assets that need to be considered in the assessment of development applications. It will not trigger any additional development applications or restrictions but will identify matters to be considered in the assessment of DAs.

DISCUSSION PAPER 5

APPRECIATION OF RURAL SCENIC AND CULTURAL LANDSCAPES

A DISCUSSION PAPER TO GUIDE THE EUROBODALLA SHIRE COUNCIL RURAL STRATEGY

Prepared by: **Garret Barry Planning Services Pty Ltd**



For: EUROBODALLA COUNCIL

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1 INTRODUCTION

1.1 PURPOSE OF THIS DISCUSSION PAPER

The Draft Eurobodalla Rural Strategy is presented in three volumes:

Volume One: The Strategy – this is a summary document of the recommended preferred options, strategies and action plans.

Volume Two: The Discussion Papers – there are 10 broad papers in this volume, each presenting a discussion on the more significant issues applicable to Council's role in the rural lands of Eurobodalla.

This is Discussion Paper 5 and it explores the importance of the visual landscape and its importance for cultural and economic reasons.

Volume Three: A compendium of larger scale maps – given the size of the Shire and the detail sometimes required, the more important maps of general land use information and those from the Discussion Papers are presented in A3 page size. In addition, if accessing the PDF version, there is the capacity to “zoom in” to explore more detail.

The draft strategy package as presented in the three volumes, represents the work of the consultant team Garret Barry Planning Services (GBPS). It is stressed these documents are drafts prepared for community comment and input. Council has not concluded any view on the draft recommendations and will resolve a final strategy when it has considered community feedback.

We welcome suggestions from the community as to any issues we may have overlooked and your preferred options and strategies to guide the future direction of the rural areas.

1.2 EXECUTIVE SUMMARY

Landscapes are a fundamental part of the Eurobodalla history and cultural heritage. The landscapes of the Shire are valuable for their intrinsic qualities, for the quality of life and enjoyment of people, and for the economic benefits they bring.

The unique natural scenic areas of the coast are important not only for their visual amenity but also for the ambience they provide. They are an irreplaceable public asset. They must be preserved and managed for the enjoyment of this and future generations.

Eurobodalla Shire is fortunate to have some of the best quality and diverse rural landscapes in Australia – in fact some of world class.

From the magnificent Tilba landscape acknowledged by the National Trust of Australia and included as part of the Federal Government's Australian National Landscape "Coastal Wilderness", to the stunning and rugged beauty of Gulaga Mountain or the Deua Wilderness Ranges, to the dynamic coastal valley systems such as the Clyde River, historic rural landscapes such as at Bodalla and a diverse range of forested landscapes intermixed with pockets of agricultural land.

Several landscapes have deep spiritual and cultural significance to the Aboriginal community e.g. Najanuka (Little Dromedary Mountain).

Eurobodalla's landscapes are a core foundation of its largest industry – tourism.

The use, promotion and protection of these nationally significant landscapes is important.

The components of most of these landscapes range across public and private lands. There are limitations to Council's roles and responsibilities relating to the rural landscape and this Paper will attempt to explore what is possible and beneficial with respect to the roles Council plays in protection and promotion of this important community asset.

The NSW Coastal Policy 1997 states that the unique natural scenic areas of the coast are important not only for their visual amenity but also for the ambience they provide. The Policy considers them to be irreplaceable public assets that must be preserved and managed for the enjoyment of this and future generations.

NSW has a long tradition of planning to protect coastal landscapes with both Coastal legislation and Coastal Policies and guides in day to day use for assessment of development in the Coastal Zone. But that is only a part of the narrative regarding Eurobodalla's major landscapes.

There are threats to rural landscapes in any area experiencing growth:

- Increasing "industrialisation" of agriculture;
- Poor design and siting of buildings, access roads and signage (where development consent is not required); and
- Public works such as major road cuttings and embankments (though in recent times, the RMS have included consideration of scenic and cultural landscapes in the design of such works).

Then there is the diversity of opinion of what constitutes a landscape of significance and what to do about protecting it. Few people would deny the Tilba Valleys are a world standard landscape, but if you are a farmer in that landscape needing a large storage shed, how much planning control should be applied?

Landscape planning has more challenges than most branches of land use planning. But Eurobodalla is both more blessed than most LGAs in landscape assets and conversely more dependent on them for its whole tourism image/brand. Hence, a need to do what is possible to protect those culturally important assets. Section 7 presents strategies and actions for consideration. These summarise as:

- Some suggestions for expanded tourist drives to better promote the significant visual assets of the Shire.
- Possible measures to encourage land owners to maintain or enhance landscape qualities as part of development offsets. For example, developers of urban sites with some biodiversity value may be required to purchase offsets that could be used to conserve vegetated lands in the rural areas. The rural landowner would receive benefits and landscape protection can flow from such initiatives.
- Potential for more Aboriginal landscape cultural heritage to be cooperatively promoted.
- Development of a guideline to assist staff and developers in planning and assessing development applications in areas of scenic value.

This Paper focuses on the visual and cultural elements of landscape. Discussion Paper 6 (Biodiversity) explores the natural values and issues of the rural landscape. Many elements of the natural landscape are major components of the visual qualities of Eurobodalla.

2 THE PLANNING CONTEXT

2.1 THE SOUTH COAST REGIONAL STRATEGY

The South Coast Regional Strategy 2006, stresses the importance of the visual and cultural landscapes of the South Coast, their natural values, influence on community wellbeing and value for tourism.

This Strategy pursues the protection of important landscapes and cultural assets within the context of the planning controls of the region. It emphasises the value of the landscape to the tourism operations at places like Tilba and Bodalla.

The State Government is moving to a new style of strategy called a Regional Plan but at this stage it is still expected the plan will call for marketing, protection and enhancement of the important landscapes of the region – of which Eurobodalla is particularly blessed.

2.2 THE EUROBODALLA LOCAL ENVIRONMENTAL PLAN

Local planning schemes provide the statutory mechanism to implement local planning strategies through zoning, reservations and planning controls. Development assessment is usually required from Council for developing land or buildings or changing their use. The careful assessment and determination of planning and subdivision applications is important in ensuring objectives for the landscape are met.

Landscape is one of many considerations that must be taken into account in planning for sustainable use and development of land. Landscapes are important but not necessarily to the exclusion of other developments – the aim should be to accommodate change while maintaining and enhancing the quality of landscape.

Eurobodalla Shire Council was required to address matters relating to scenic and cultural landscape values in its Comprehensive LEP. In the ESC LEP 2012 most rural zones, waterways zones and environmental zones included mandatory objectives that refer to protecting and/or maintaining landscape character and/or rural, scenic and aesthetic character/values.

Any land within the coastal zone (which is land defined in the State Government's Coastal Policy and extends approximately 1 kilometre inland of any coastline, bay, estuary, lake or lagoon) will, (under Clause 5.5 of the Eurobodalla LEP 2012), be required to include provisions relating to scenic and cultural landscape values. For example, consent must not be granted to development on land that is wholly or partly within the coastal zone unless the consent authority has considered:

- The suitability of the proposed development, its relationship with the surrounding area and its impact on the natural scenic quality, taking into account:
 - the type of the proposed development and any associated land uses or activities (including compatibility of any land-based and water-based coastal activities);
 - and

- the location; and
- the bulk, scale, size and overall built form design of any building or work involved; and
- How the visual amenity and scenic qualities of the coast, including coastal headlands, can be protected, and how biodiversity and ecosystems can be conserved including:
 - native coastal vegetation and existing wildlife corridors; and
 - rock platforms; and
 - water quality of coastal waterbodies; and
 - native fauna and native flora, and their habitats.

Currently, Council's role in the management of the rural landscape (outside of the coastal zone) is mostly limited to controlling vegetation and views affected by new development on privately owned land (through guidelines in Development Control Plans) and the rezoning of land. Legislation relating to native vegetation is in the process of a major review but currently most of the controls on native vegetation rest at State level.

2.3 THE TILBA VILLAGES AND CONSERVATION AREA DCP 2012

The Tilba Villages and Conservation Area Development Control Plan applies not only to the Tilba Village zones but also to a substantial area of rural land beyond the villages and including much of the eastern escarpment of Mt Gulaga. The DCP states that it is:

Council's intention that the villages and the Tilba Conservation Area develop in a manner that maintains and where possible enhances its individual historic character.

Generally this will mean that existing buildings will be maintained and restored and that the form and detail of new buildings will be closely modelled on local significant building stock. The Tilba Conservation Area will be managed so that it is an appropriate setting for the two villages and so that it retains its significant cultural landscape values.

The DCP identifies the following as important attributes of the villages and Tilba Conservation Area that require planning controls:

- *Buildings and structures of individual heritage significance.*
- *The villages as a whole, to ensure that their distinctive character is not compromised by inappropriate development.*
- *Places and attributes that contribute to the historic character.*
- *Infill development that has the potential to impact on precinct character.*
- *Roads, in so far as they contribute to character of the villages and the TCA.*
- *Roadside and verge treatments (including kerbing, guttering and footpaths) that impact on character*
- *Remnant forest and individual stands of trees, both natural and introduced.*

- *Important views within, to and from the villages and TCA.*
- *The impact of subdivision and development of large allotments.*
- *Colours on structures, to ensure that inappropriate colours are not used in a manner that could degrade the villages' or conservation area's appearance.*
- *Signage, so that it does not dominate nor detract from streetscape character, and*
- *Services and utilities.*

Included in each category of development control (e.g. *Building Bulk and Scale*) is:

- A statement of intent (e.g. *to ensure that the built form of new development does not compromise the historic and aesthetic values of the Tilba Conservation Area*).
- A set of Development Controls with Performance Criteria and Acceptable Solutions. (e.g. *the bulk and scale of development does not result in structures that are visually prominent in the landscape* and its acceptable solutions are:
 - the bulk and scale of new development shall be consistent with other historic buildings in the TCA. This is generally interpreted as buildings of single storey height.)

2.4 THE COASTAL POLICY AND COASTAL DESIGN GUIDELINES

In preparing a draft Local Environmental Plan (LEP), NSW Councils are required by Ministerial Direction to include provisions that give effect to and are consistent with the Coastal Policy 1997 and Coastal Design Guidelines 2003, unless the inconsistency is justified by an environmental study or strategy.

The terrestrial coastal zone is defined by a map and includes:

- All bays, estuaries, coastal lakes, lagoons and islands;
- Tidal waters of coastal rivers to the limit of mangroves, as defined by NSW Fisheries (1985) maps 1 or the tidal limit whichever is closer to the sea.
- Buffer lands to those coastal features.

A copy of the map as it applies to Eurobodalla Shire is presented at the end of this sub-section.

The Coastal Policy places importance on the protection and conservation of scenic and cultural landscapes. The Policy states that coastal attractions and cultural heritage, including cultural landscape, is of economic and social importance to the community and therefore it should be conserved.

Goal 3 and Objective 3.1 of the Coastal Policy is to protect and enhance the aesthetic qualities of the coastal zone and to identify and protect areas of high natural or built aesthetic quality, respectively. Strategic Action 3.1.2 of the Policy states, "*Provisions to protect areas or items of high aesthetic value will continue to be considered when preparing planning instruments and plans of management*".

Goal 4 and Objective 4.1 of the Coastal Policy is “*To protect and conserve cultural heritage*” and “*To effectively manage and conserve cultural heritage places, items and landscapes*” respectively.

The Coastal Design Guidelines were developed to demonstrate how best practice urban design can facilitate new development to be responsive to community expectations and to local conditions. The guidelines contribute to defining appropriate settlement types and developing place-specific development control plans.

The following design guidelines most relevant to this Discussion Paper include:

- a. Dwellings in sensitive coastal or rural landscapes are designed to minimise visual impacts, particularly when viewed from the foreshore, entry roads to settlements and from key public viewing points. Groups of smaller buildings are designed in preference to one large building to reduce visual impacts.
- b. Dwellings on headlands and prominent ridge lines are avoided because of the high visual exposure.
- c. Dwellings are located on the edges of valleys or side slopes in the landscape to minimise visual impacts.

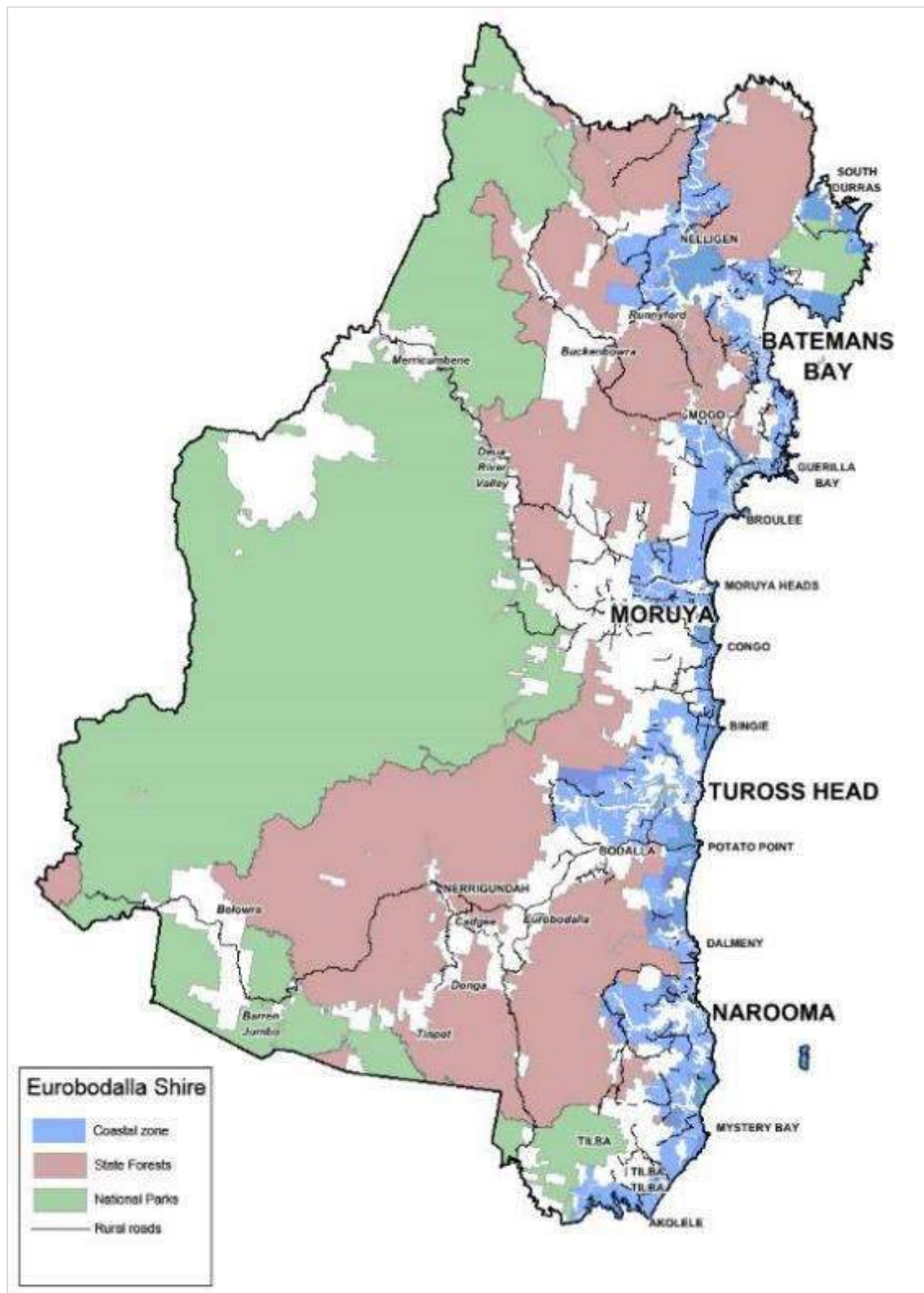
The Design Guidelines propose, as a basis for determining a location's desired future character, the following characteristics be considered:

- Views and vistas
 - Throughout and around the settlement, distant views, local context views (from 100 m - 500 m away) and streetscape views. Other important views around settlements include:
 - geographic features and the way in which the settlement sits within the landscape;
 - the visual character of key natural features;
 - the visual character of places and buildings of public, social and cultural importance;
 - vegetation, especially mature trees;
 - views to heritage items.
- Heritage - Aboriginal and European places, relics and items.

(Source: Coastal Council 2003; Coastal Design Guidelines for NSW)

<http://www.planning.nsw.gov.au/en-au/planningyourregion/coastalprotection/coastaldesignguidelines.aspx>

Map 1: Outline of the Coastal Zone in Eurobodalla Shire as defined in the NSW Government Coastal Policy



2.5 WHAT DO WE MEAN BY SCENIC AND CULTURAL LANDSCAPES?

Scenic landscape amenity is a composite of two factors – scenic preference (the community's liking for scenery) and visual exposure (the extent to which a place in the landscape is seen from important public viewing situations).

Cultural landscapes, within the context of this Discussion Paper are considered as physical areas with natural features and elements modified by human activity that have resulted in land use patterns layered in the landscape which give a place its particular character, reflecting human relationships with and association with that landscape.

Highly rated scenic quality and community preference for landscape has been demonstrated to be associated with:

- Greater relief and ruggedness;
- A diversity of vegetation;
- Greater naturalness and absence of human induced change;
- Unusual features (i.e. rock outcrops, water features, etc.); and
- Cultural landscapes (such as the agricultural landscape where there is a strong association in the landscape with existing or past agriculture).

Visual quality of a landscape may also be assessed using criteria developed by *The NSW Comprehensive Coastal Assessment - Visual Assessment*. These include:

- Visual integrity;
- Diversity/contrast;
- Balance/harmony;
- Distinctiveness;
- Adjacent scenery; and
- Rarity.

2.5.1 Definitions

The following terminology is commonly used when describing and assessing scenic and cultural landscapes.

Term	Definition
Absorption capacity	An estimation of the capacity of the landscape to absorb developments without its character being significantly changed or its scenic quality reduced.
Characteristic landscape	The established landscape within an area being viewed. This does not necessarily mean a naturalistic character. It could refer to an agricultural setting, an urban landscape, a primarily natural environment or a combination of these types.
Cultural landscape	Cultural landscapes are considered as physical areas with natural features and elements modified by human activity that have resulted in land use patterns layered in the landscape, which give a place its particular character, reflecting human relationships with and association with that landscape. Cultural significance of the landscape is particularly important to the Aboriginal community.
Form	The mass or shape of an object or objects that appear unified such as a vegetative opening in a forest, a cliff formation or a building.
Landscape	The combination of biophysical and cultural elements of a place or region.
Locally significant view locations	Those visited and used principally by local residents and includes views from urban areas, local commuter routes, recreation areas.
Regionally significant view locations	Those visited and used by tourist and regional recreational users as well as regional travel routes that traverse the Eurobodalla Shire.
Seen landscape	Those portions of the landscape that are visible from the primary viewing situations. These areas may include ridges and slopes that are visible from roads, lookouts and other public places.
Scenic landscape amenity	Scenic landscape amenity is a composite of two factors – scenic preference (the community's liking for scenery) and visual exposure (the extent to which a place in the landscape is seen from important public viewing situations).

Term	Definition
Viewing situation	Defined locations in the landscape that are generally accessible to the public such as roads, beaches, public lookouts, rivers, parks and off-shore areas. The limit of available financial and human resources generally dictates that viewing situations are confined to public viewing locations.
Visual exposure	A measure of the extent to which a place in the landscape is seen from important public viewing situations (e.g. lookouts, roads, beaches, recreation areas, schools, golf courses).
Visual foreground zone	The area visible from a view situation such as road, use area, or other observation point to a distance of 1 km. Within this distance zone the greatest visual detail is perceived in terms of form, shape, line, colour and texture.
Visual mid-ground	In this zone visual detail of individual elements is lost. Vegetation is apparent only in patterns or outline. The outer boundary of this zone is defined as the point where the texture and form of individual plants are no longer discernible in the landscape. For Management purposes this is defined as 5 km. The middle ground is therefore between 1-5 kms.
Visual background	The visible area of a landscape, which lies beyond the foreground and middle ground. In this zone landscape patterns are still visible. However, both colour and texture become very much modified and texture is not apparent. Areas that are more than 5 km from the viewer can generally be deemed to be in the background.
Visual Sensitivity	This is a qualitative estimation of the sensitivity of a particular place to changes in its visual character when taking into consideration the number of viewers experience it, its visibility and its character. For example, the Bodalla flats has a high visual sensitivity because of its visibility from many locations and the high volume of traffic carried by the Princes Highway.

3 WHAT ARE SOME OF THE MORE SIGNIFICANT SCENIC RURAL AND CULTURAL LANDSCAPES OF EUROBODALLA?

The importance of scenic and cultural landscapes, for the purpose of this Discussion Paper, is determined by a composite of three factors:

- Visual exposure (the extent to which a place in the landscape is seen from important public viewing situations);
- Scenic values; and
- Landscapes with a unique character that demonstrate human relationships with and attachment to that landscape.

The extent to which a landscape is seen is largely influenced by its proximity to the principal transport routes and urban areas.

3.1 SCENIC RURAL LANDSCAPES

Applying the criteria at the beginning of this Section and using professional judgement, the rural landscapes of the Tilba rural area and Bodalla rural area are identified as the most significant scenic rural landscapes in the Shire with high levels of scenic exposure. The coastal wilderness, the expansive Moruya River floodplain, the rolling green hills around Corunna Lake, Coila and Tuross Lakes with views over the Kyla Park grazing lands and the Clyde River Valley Landscape were also assessed as having significant scenic values.

3.1.1 Coastal Wilderness

The Eurobodalla coast from Narooma south to the border with Bega Valley is part of Australia's Coastal Wilderness one of 16 iconic Australian National Landscapes marketed worldwide by Tourism Australia.

While the *Guide to the Coastal Wilderness Landscape* is almost entirely focused on lands south of Eurobodalla, Eurobodalla National Park which stretches from Moruya Head to Mystery Bay exhibits many features of the coastal wilderness – rugged coastal scenery, tall forests and a sense of remoteness. The sections of the Park south of Narooma best fit this wilderness landscapes theme.

Figure 1: Eurobodalla National Park at Mystery Bay



The park's landscape provides a rich source of food, shelter, medicines and weapons and continues to be an important place for Aboriginal people today.

While an important part of the scenic landscape of Eurobodalla, Council planning policy and provisions can have little impact on the management of this landscape except for privately owned lands adjoining the Park.

3.1.2 The nationally significant Tilba landscapes

The Tilba Villages and Conservation Area Landscape is significant for both its cultural and scenic values. These values are well documented. For example, in planning documents and reports by the National Trust, the Tilba Villages and Conservation Area DCP 2012, and Councils Aboriginal Cultural Heritage report series.

The classic Tilba villages are an historic snapshot in time set against a diverse and magnificent set of views of forest and mountains, dairy farms and undeveloped coastline.

The combination of traditional building typology, land-use pattern, forests, rural roads and topography, all set against the backdrop of Mt Dromedary, endows the area with exceptional aesthetic and historic value. The Tilba Conservation area is a highly attractive cultural landscape that evolved from dairying on the fertile slopes and valleys surrounding Mt Dromedary.

Figure 2: Tilba Conservation Area viewed from the Bermagui Road

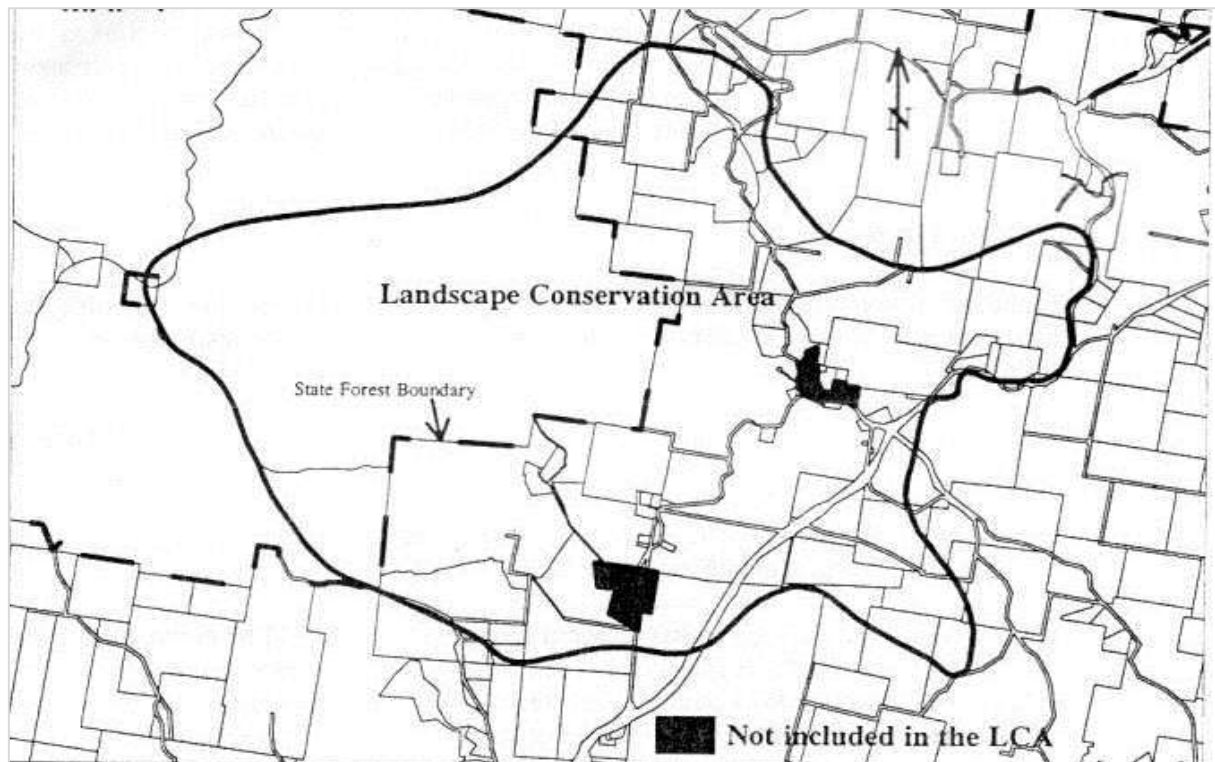


Its visual exposure is high and there are many viewing situations given the proximity to the Princess Highway, the area's topography and the popularity of Central Tilba and Tilba as visitor destinations.

Tilba Tilba and Central Tilba are located at the foothills of Gulaga (Mt Dromedary) which is a site of great spiritual significance to the local Yuin people, whose descendants today still hold the mountain in special reverence. The mountain is 806 m high but still dominates the Tilba landscape. It can be seen from many locations in the region and there are often excellent views from across many of the local lakes, like Corunna and Wallaga.

Najanuka (Little Dromedary) is a smaller, but still a striking rock outcrop just to the east of Gulaga and Tilba. It too is a significant element in the regional landscape with excellent views from both Central and Tilba Tilba. Najanuka is also of major spiritual significance to the local Yuin people.

Figure 3: Tilba Conservation Area



Source: TCA DCP 2012

3.1.3 Bodalla/Tuross Valley

This is a striking landscape of remnant dairy country, coastal waterways and wetlands, mixed landscape of natural forest and productive farmland in current use. There are quality settings of rural buildings and a need to ensure new development complements this style.

The scenic landscape as viewed from the Eurobodalla Road is of active farming activity along fertile river flats with water courses bordered by extensive stands of trees with coastal ranges often forming the distant view backdrop.

Figure 4: Typical scene along Eurobodalla Road



The visual exposure of the Bodalla/Tuross Valley scenic landscape is more local than regional as the principal viewing locations are from the Eurobodalla Road, All Saints Church Bodalla and to a lesser extent the Bodalla Hotel (the view is not as clear from the hotel as from the other two sites). Site inspections suggest that the Eurobodalla Road carries much less tourist traffic than roads in and around the Tilba Conservation Area. Consequently, the scenic landscape values of this area is related to the value placed on it by the local community more so than visitors. This could change if the Eurobodalla Road were to be incorporated into a scenic drive although this is unlikely given the standard of roads beyond the Eurobodalla locality. There may be scope for private operators to develop more organised tours into the Shire's less accessible landscapes.

A more detailed description of the cultural landscape of the area is provided in Section 3.2.2 of this Discussion Paper.

Figure 5: The Bodalla Conservation Area as seen from Bodalla All Saints Church



3.1.4 Moruya River Floodplain

South Head Road and George Bass Drive along North Head Road provide a high level of visual exposure of the Moruya River Floodplain and the forested coastal hills and ranges in the visual background to the west and north.

Figure 6: Typical landscape looking North West from South Head Road



Figure 7: View from North Head Road to the North West



The distant views of the forested coastal ranges from South Head Road and George Bass Drive along North Head Road are considered of a high quality and worthy of preserving. However, more often than not the visual foreground and visual mid-ground are of flat grazing land without distinctive features and not seen from any significant elevation.

3.1.5 The Clyde River Valley landscapes

The Kings Highway presents several vantage points of the majestic Clyde river system – from oyster and boat shed clusters to wide river expanses and wild range backdrops. In the main the majestic landscapes along the Kings Highway within the Shire are public lands and the management of their landscape values cannot significantly be influenced by Local Government land use planning.

3.1.6 Corunna Lake

Corunna Lake offers people driving north along the Princess Highway a high quality scenic landscape with significant visual exposure – albeit for a very short time duration. The landscape offers elements that are attractive to most people – water, rolling hills and a variety of vegetation cover – from quality grazing lands to forested ranges. This landscape is a good example of how much of the Eurobodalla scenic landscapes are seen – many are not extensive scenic landscapes and they are geographically contained – they offer the viewer a glimpse of a landscape which is seen over a period of 30-60 seconds.

This landscape is also identified as being visually sensitive in the visual foreground and mid-ground. Inappropriately located and designed development could have a significant impact on its scenic value.

Figure 8: Corunna Lake looking north from the Princess Highway



3.1.7 Coila/Tuross Lakes

Hector McWilliam Drive between the Princess Highway and Tuross Heads offers a high amenity scenic landscape with a high level of visual exposure. The views are of both Coila and Tuross Lakes in the visual mid-ground and to Gulaga in the visual background. Views can also be had of remnants of the historic Kyla Park grazing lands. Kyla Park Farm Remnants is listed as an archaeological site in Eurobodalla Local Environmental Plan 2012 - Schedule 5.

The visual sensitivity of the foreground and mid-ground in this precinct is considered as high due to the volume of local and tourist traffic and because insensitive development could significantly reduce its scenic quality.

Figure 9: Coila Lake as seen from Hector McWilliam Drive



Figure 10: Tuross Lake and grazing land as seen from Hector McWilliam Drive



3.2 CULTURAL LANDSCAPES

The Tilba Conservation Area and several Aboriginal Heritage Conservation Areas are listed in the Eurobodalla LEP 2102 Schedule 5 Part 3 - Heritage conservation areas. A Bodalla Cultural Scenic Landscape Conservation Area was proposed for listing and exhibited as such, but was deferred pending further consultation with the land owners.

The Shire's most evident cultural landscapes tend to be related to its pastoral heritage. Physical evidence of this heritage includes pastures and paddocks (including dairying/piggery/corn cropping assemblages), homestead compounds, stand-alone dairies/cheese manufacturing buildings, silos, plantings around homesteads or driveway entrances and cultural planting of exotic specimens at homesteads. Less evident, but no less important are the landscape values of the Aboriginal community both in the historic and current cultural settings and the historical transport and travel routes used by Aboriginal and European travellers.

The following Aboriginal Heritage Conservation Areas are listed in ELEG 2012:

- Najanuka (Little Dromedary Mountain);
- Smyth's Oval;
- Stoney Creek – Brou Lake;
- Malabar Lagoon;
- Pedro Swamp and Point;
- Bengello Creek ;

- Barlings Beach and Island Complex;
- Grandfather's Gully Beach;
- Hanging Rock, Catalina; and
- Cullendulla Creek.

Other heritage themes may relate to:

- Timber;
- Fishing;
- Marine transport;
- Mining; and
- Recreation and tourism.

3.2.1 Tilba

The Tilba Conservation Area consists of the villages of Central Tilba and Tilba Tilba and the landscape comprising its visual catchment, being a considerable portion of the eastern foothill slopes of Mount Dromedary. (See Section 3.1.2 for a map of the Tilba Conservation Area).

It should be noted that Tilba is identified as both a Cultural Landscape and a Scenic Landscape. It is therefore included in both Sections 3.1 and 3.2.

The Tilba Conservation Area is the prime example of a landscape with important and historic scenic values, where agriculture, natural values and rural villages together make up a significant economic and tourism asset (Opportunities and Constraints Paper p. 43.)

The entire village is classified by the [National Trust](#) as the Central Tilba Conservation Area. In 1974 the National Trust classified the Tilba District as a place of historic and special aesthetic significance and established The Tilba Conservation Area.

Tilba Conservation Area Character Statements

The Statement of Cultural Significance which was included in the Tilba Conservation Area Heritage and Streetscape Study 1992 is as follows:

The Tilba Conservation Area has a high heritage significance due to a composite of values. The area as a whole is significant because of its homogeneous built character, because of the pattern of urban and rural development that has relied on the dairy industry, and because of the scale of development that has taken place in and around the villages. Individual items are significant for the extent that they contribute to the Conservation Area as a whole. The Tilba Conservation Area is of local, state and national significance.

The following character statement is contained in the Tilba Villages and Conservation Area Development Control Plan:

The conservation area is a highly attractive cultural landscape that evolved from dairying on the fertile slopes and valleys surrounding Mt Dromedary. The conservation area is particularly significant for its high integrity, which is evident in the large number of surviving timber buildings and the general land layout and usage pattern. The relocation of the highway in the second half of the 20th century relieved road pressure on the area, enabling retention of the narrow road widths and steeper grades of earlier times. The combination of traditional building typology, land-use pattern, rural roads and topography, all set against the backdrop of Mt Dromedary, endows the area with exceptional aesthetic and historic value. Strategy for managing future character Future rural development should maintain the tight functional cluster of buildings.

Figure 11: High scenic exposure site looking south from Central Tilba



3.2.2 Bodalla Landscape

The Bodalla Heritage Conservation Area is currently limited to a section of the village commercial area. It should be noted that the Bodalla Landscape is identified as both a Cultural Landscape and a Scenic Landscape. It is therefore included in both Sections 3.1 and 3.2.

The natural bushland immediately to the west of Eurobodalla Road and extending up to the Princes Highway contributes to the Bodalla's character and provides some excellent filtered views of the cleared farmland beyond. Other important views can be had from the highway near the hotel looking west over some of the early Bodalla dairy farm country.

A Bodalla Cultural Landscape Heritage Assessment was prepared by Pip Giovanelli and Laurelle Pacey for Eurobodalla Shire Council in April 2012.

<http://eurobodalla-web01.squiz.net/living-in/about/culture-and-heritage/heritage-studies/bodalla-cultural-lands-study/draft-Bodalla-Cultural-Landscape-Heritage-Assessment.pdf>

The assessment report states that:

Many dairy farms still operate on the South Coast. What makes the Bodalla area so interesting is that the dairy farms in the Bodalla cultural landscape area continue to be actively managed for milk production on the same land that has been used for this purpose since almost the first Europeans moved into the area. The evidence of the former layers of dairy farming practice are still evident in the surviving historic rural and village structures, roads, and modified vegetation and drainage patterns. Collectively they are able to demonstrate large-scale dairying practice that relied upon a variety of labour and ownership models including share farming, tenant farming and, later, private landownership. (Giovanelli and Pacey, 2012 p. 23)

The landscape is particularly attractive with special views to be had from the vicinity of the Bodalla Hotel and All Saints Church, through the spotted gum forest on the west side of the village, and from along Eurobodalla Road down on the Tuross River flats.

While many dairy farms operate across NSW, there are not many with the depth of history and associations as the Bodalla Cultural Landscape area that have not succumbed to urban or rural subdivision, or changed farming practice. To this extent Bodalla is rare, and a detailed study of its landscape in the context of the historic record is yet to be undertaken. (Giovanelli and Pacey, 2012 p. 25).

As noted in Section 3.1.3 this cultural landscape is seen mostly by local residents as Eurobodalla Road is not part of a major tourist route. However, as stated in the Bodalla Cultural Landscape Heritage Assessment, the quality of the landscape warrants preservation due to its cultural significance.

The land is currently zoned mostly RU1 Primary Production. Given its cultural significance as identified by Giovanelli and Pacey (2012) consideration could be given to zoning this land and other high quality landscapes such as the Tilba surrounds as RU2 Rural Landscape. But no advantages are seen in such an approach over a less restrictive code as discussed in Section 5 of this Discussion Paper.

It is also suggested that a detailed study of its landscape in the context of the historic record be undertaken when resources permit.

3.2.3 Aboriginal Heritage Conservation Areas

The Eurobodalla Aboriginal Heritage Study Stage 4 (Donaldson & Barry, 2008) recommended the following 11 areas of special significance be defined as Aboriginal Heritage Conservation Areas in the Local Environment Plan. (All except Trunketabella Lagoon and the Cricket Ground are now listed in the ELEP 2012.)

- The Cricket ground;
- Smyth's Oval, Narooma;

- Trunketabella Lagoon;
- Whittakers Creek – Brou Lake;
- Malabar Lagoon;
- Pedro Swamp and Point;
- Bengello Creek and Beach, Moruya;
- Barlings corner and island, Tomakin;
- Grandfather's Gully Beach, Lilli Pilli;
- Hanging Rock, Catalina and
- Cullendulla Creek, Surfside.

The Study also recommended 5 broader landscape units be classified as “Aboriginal Culturally Sensitive Lands” in the Eurobodalla Shire Development Control Plan. These were:

- Gulaga (Mt Dromedary) including Dignams Creek, the shores of Wallaga Lake, Tilba Lake, Pooles Point, and Mystery Bay;
- Wagonga Inlet and coastal swampland;
- Tuross River and Lake including Potato Point, Coila Lake and 'Black Hill';
- Moruya River including Ryans Creek, the mangroves on the north side, north and south heads; and
- Batemans Bay and Clyde River.

It is recommended these landscapes of cultural significance be included in a guideline.

4 HOW LANDSCAPE IS A CORNERSTONE OF EUROBODALLA TOURISM AND CULTURAL IDENTITY

4.1 TOURISM AND THE LANDSCAPE

The Eurobodalla Settlement Strategy describes tourism in the Eurobodalla as being focussed on the relatively untouched coastal landscape including the beaches, picturesque backdrop of forested ranges and interspersed dairy pastures.

Among the key landscape attributes for tourism in Eurobodalla (as noted in the Settlement Strategy) include:

- An extensive range of ecosystems and protected areas: and
- Agricultural landscapes with rolling hills of green pasture.

The Eurobodalla Settlement Strategy notes that:

“Natural areas that are highly visible from public places contribute to the scenic qualities of Eurobodalla Shire and are valuable as backdrops to settlements and road networks. Valuable natural landscapes include vegetated ridgelines and slopes, estuaries, ocean beaches and headlands. Farmland and modified rural landscapes also add character and create an identity that brings benefits through tourism and for residents.” (Eurobodalla Settlement Strategy, p. 106).

The Strategy describes scenic values along roads as being particularly important to maintain. Such roads are described as:

- Coastal drives where scenic values include the foreshore, beaches, headlands, rocky outcrops and vegetation. Coastal drives generally provide access to ocean, lake and river foreshores for visitors and residents;
- Bushland drives where scenic values include forests, wetlands, valleys and bridges. Many of these areas are state forest, national park or private forested land;
- Farmland drives where scenic values include historic bridges, farmhouses and outbuildings, wetlands, coastal lakes, mangroves and rural roads. These drives make up some of Eurobodalla Shire’s most spectacular scenery and provide the transition between the larger settlements and bushland/mountains; and
- Settlement entry roads which may have a combination of any of the scenic values listed above and generally feature a combination of bushland and farmland scenic values.

The Eurobodalla Shire Destination Management Plan recognised the value of landscape to tourism. The Plan states that the important factors that have shaped the attractiveness of the Eurobodalla as a tourism destination include a coastal and marine landscape that is not dominated by industries such as fishing and boating (e.g. Port Macquarie, Yamba, Coffs Harbour) nor industrial activity (e.g. Wollongong) (ESCDMP, p. 10).

There are currently 5 tourist drives listed on the Eurobodalla Tourism website:

- Shallow Crossing – offering exposure to the Clyde River Valley landscape;
- The Coast Road – taking in much of the Moruya River Flats;
- The Seaspray – from Dalmeny to Narooma;
- The Bellbird – offering exposure to Tilba and Bodalla and much of the scenic landscape south of Narooma; and
- The Wagonga – which takes drivers through forest areas west of Narooma around Wagonga Inlet.

4.2 ABORIGINAL CULTURAL SIGNIFICANCE OF THE LANDSCAPE

Council has previously prepared the Eurobodalla Aboriginal Heritage Study – a set of four studies. (Dale-Donaldson, S et al, 2008).

These reports identified a range of landscapes of significance to the Aboriginal community. Not surprisingly, many of the major landscape features of Eurobodalla from a European scenic landscape significance are often of high spiritual significance to the local Aboriginal community.

Some information is culturally sensitive and not readily available, but the report does identify a range of landscape issues and features that, perhaps with further sensitive consultation, may be both publicly identified for protection in a code or similar document and even promoted as part of the rich heritage of Eurobodalla.

Some landscape sites have already been placed on the 2012 LEP e.g. Najanuka Mountain and its curtilage is mapped and recorded in the LEP as an Aboriginal Place of Heritage Significance.

Some wider landscape features of cultural significance were also recommended by Donaldson for inclusion in a DCP or Guideline and this is recommended. (See Section 3.2.3).

4.3 GENERAL COMMUNITY VALUES RELATING TO THE LANDSCAPE

There are general community values enshrined in the landscape. The early dairying heritage and other elements of early settlement across the rural landscape are important to the descendants of the early farming families who constructed these works, planted feature trees and generally helped form the diverse landscape of today. They also provide a fascinating historic landscape for visitors.

Almost all residents of Eurobodalla base some of their fondness for the area on its landscape beauty. Most visitors both national and international are struck with the special significance of landscapes like the Tilba and Bodalla Valleys and many glimpses of rugged distant mountains across diverse farming and vegetated landscape.

5 IDENTIFICATION OF ISSUES AND OPTIONS FOR THE RURAL STRATEGY

5.1 LANDSCAPE ISSUES RELEVANT TO ECONOMIC STRATEGY

Scenic and cultural landscapes, as described earlier in this Discussion Paper, are an integral part of Eurobodalla Tourism. Their protection is essential to the economic wellbeing of Eurobodalla tourism.

There are currently 5 tourist drives listed on the Eurobodalla web site, though they do not focus specifically on Eurobodalla's considerable and significant cultural landscapes assets. While Tilba is included in the Bellbird scenic drive, it is not specific to the cultural landscape nor does it provide much cultural interpretation.

There may be scope to incorporate the Bodalla Conservation Area into the Bellbird tourist drive along with a revised cultural heritage interpretation in the itinerary description.

There may be scope for developing a mobile application for new or revised scenic driving routes that incorporate interpretation and GPS technology.

5.2 LANDSCAPE ISSUES RELEVANT TO PLANNING CONTROLS

Landscape issues for rural land use planning centre on guiding new development such that the character of existing quality landscapes are conserved and, where practical, landscape enhancement is achieved.

5.2.1 Issues identified so far

- Potential for rural residential development impacting adversely on the visual integrity of broader scenic and cultural landscapes.
- Loss of historically evolved settlement pattern, form and style resulting from rural lifestyle development. The challenge is how to reduce the risk of urban sprawl and conserve old dairy and other heritage without burdening the landowner.
- Construction of unsympathetic rural or rural industrial buildings, roads and related structures adversely impacting on the visual integrity of scenic landscapes.
- Conserving existing native vegetation of visual quality. (This is addressed in Discussion Paper 6 on biodiversity).

5.2.2 Formal LEP controls versus DCP controls or Guideline Codes?

- The Eurobodalla Settlement Strategy referenced in the Eurobodalla Rural Opportunities and Constraints report presented the following direction relevant to scenic and cultural landscapes:

Insert rural landscape character assessment provisions in the new LEP to retain scenic qualities and aesthetic values through the retention of bushland backdrops to towns and villages, and the coastline. (ROC p. 51).

An alternative, and preferred, approach is to develop a code/guideline that is more informal and is aimed at helping land owners proposing developments to design and locate buildings or other structures in a way that best fits in with the landscape. An outline of such a code is presented in Appendix 1.

- A code could attempt to expand the “ownership” of the landscape qualities in the community and in particular with the landowners of the rural landscape elements.
- The RU2 Landscape zone has been used by some councils to delineate areas that might otherwise be RU1 but where more landscape protection is warranted. But defining the limits of an RU2 zone in Eurobodalla is very subjective given the wide area of landscape attractions and the difficulties in defining boundaries between lands of “lesser” and “higher” visual quality. Even if an RU2 zone could be created based on likely complex screening criteria, a code or guideline would still be required and would be more effective and detailed as to suggestions and encouragement for developers to respect the magnificent and diverse Eurobodalla landscapes.
- The direct role of Council in landscape conservation or enhancement is limited to assessment of DAs or rezonings. In these instances where the development is exempt development (such as some farm buildings) Council’s influence may be restricted to an advisory, encouragement or educational role. The likely DAs over the coming 20 year vision horizon of this Strategy are mostly dwellings (of which the number are currently limited), some access roads and farm buildings. Occasional developments like intensive agriculture or extractive industries may be applied for, which could have significant visual impacts. A code should adequately guide the likely DAs of the Strategy period. Vegetation clearing is also a potential threat to some landscapes but is currently regulated by State Government under the *Native Vegetation Act*.
- Standard LEP techniques such as larger lot sizes are being developed in Discussion Papers 9 and 10 and will have some cognisance of landscape values and need for protection.
- The North Coast review of E zones also resulted in an interim position from Department of Planning and Environment to the effect landscape control measures should be in a DCP or Code rather than as overlays and LEP clauses. (See Discussion Paper 4 for detail on the North Coast Review).
- Scenic and cultural landscape conservation and enhancement may be advanced if a more robust fund and offset program to retain native vegetation with significant scenic value on lands with development potential can be developed by State Government.
- On consideration of the above options, it is recommended that Council develop a Cultural and Scenic Landscape Code to support existing development control plans.

6 RECOMMENDED STRATEGIES FOR EUROBODALLA LANDSCAPE

6.1 ECONOMIC STRATEGIES AND LANDSCAPE

- Consider incorporating cultural landscapes into existing touring routes or develop new routes which emphasise and interpret the rich scenic and cultural landscapes, including of past dairy industry at Tilba and Bodalla.

Consider opportunities for infrastructure, such as signage at key points along tourist routes. For example, an interpretation board could be located at Bodalla using information in the Bodalla Cultural Landscape Heritage Assessment prepared by Giovanelli and Pacey (2012). There may be scope for developing a mobile application for new or revised scenic driving routes that incorporates interpretation and GPS technology.

- There is a wealth of Aboriginal cultural heritage some of which may be further interpreted in consultation with the Aboriginal community. Aboriginal Cultural Tours exist but might be further fostered.
- Road standards limit the ability to significantly promote the highly scenic Tuross and Deua River Valleys but scope exists for organised tours by private operators (e.g. 4x4 vehicle tours).
- State or Federal funding to help private landowners “manage” landscapes. Possible development offsets to reward owners who improve or maintain the landscape (see Discussion Paper 6 – Biodiversity, for detail).

6.2 PLANNING STRATEGIES FOR PROMOTION AND PROTECTION OF SCENIC AND CULTURAL LANDSCAPES

6.2.1 Need for further targeted research

- As resources permit, undertake further studies of important scenic and cultural landscapes.
- Prepare a set of management guidelines for the Bodalla Cultural Landscape Area’s historic values in a manner that does not impede or constrain current or future farming use.
- Council to continue to provide small heritage grants for landowners to conserve historic agricultural infrastructure.

6.2.2 Formal LEP controls versus DCP controls or Codes?

- The recommended strategy is for Council to develop a Scenic and Cultural Landscape Code as resources permit to guide development in the rural landscape and develop an awareness by developers and guideline for staff in protection of cultural elements such as historic agricultural artefacts (e.g. dairy history) and Aboriginal Landscape cultural sensitivities as detailed in Donaldson's report (2008).
- Appendix 1 outlines the possible structure for development of a code for consideration and comment.

7 APPENDIX 1: OUTLINE FOR A EUROBODALLA SCENIC AND CULTURAL LANDSCAPE PROTECTION CODE

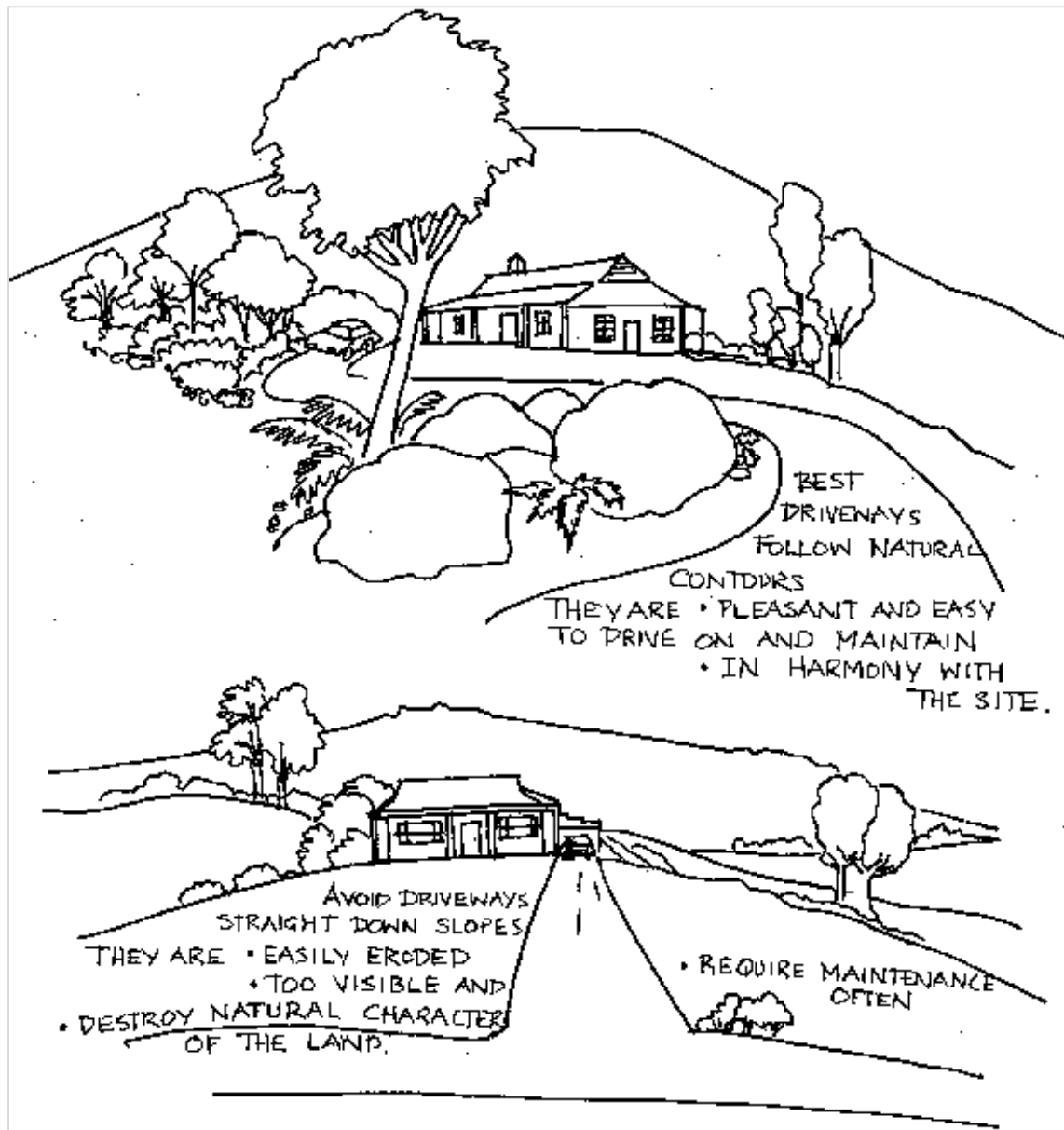
The following are ideas and extracts of material that could form the basis of a more general landscape code.

7.1 SUGGESTED SCENIC LANDSCAPE GUIDELINE OBJECTIVES

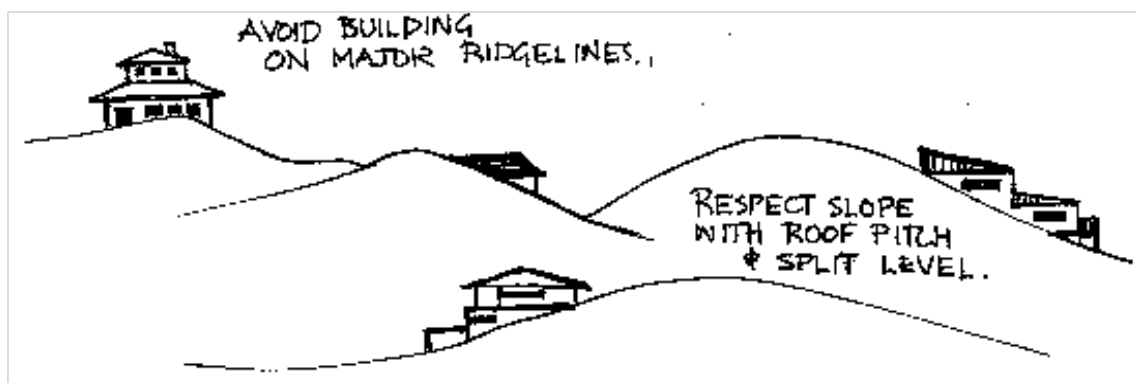
- Conserve the scenic values of the rural landscape as seen from regionally or locally significant view situations. Develop outline maps of significant drives and vantage points.
- Ensure the appropriate siting and design of development, buildings and works to preserve the rural landscape and heritage values of the locality.
- Allow for changing agricultural practices while encouraging the retention of past agricultural production character in the landscape.
- Protect and recognise the importance of natural forest verges and remnant native forest stands and exotic plantations to the landscape character of significant cultural or scenic landscape units.
- To conserve evidence in the landscape of its historic association with (e.g. dairying) in the Eurobodalla Shire.
- To recognise and protect the Aboriginal Cultural Landscape values (e.g. Najanuka and its curtilage).

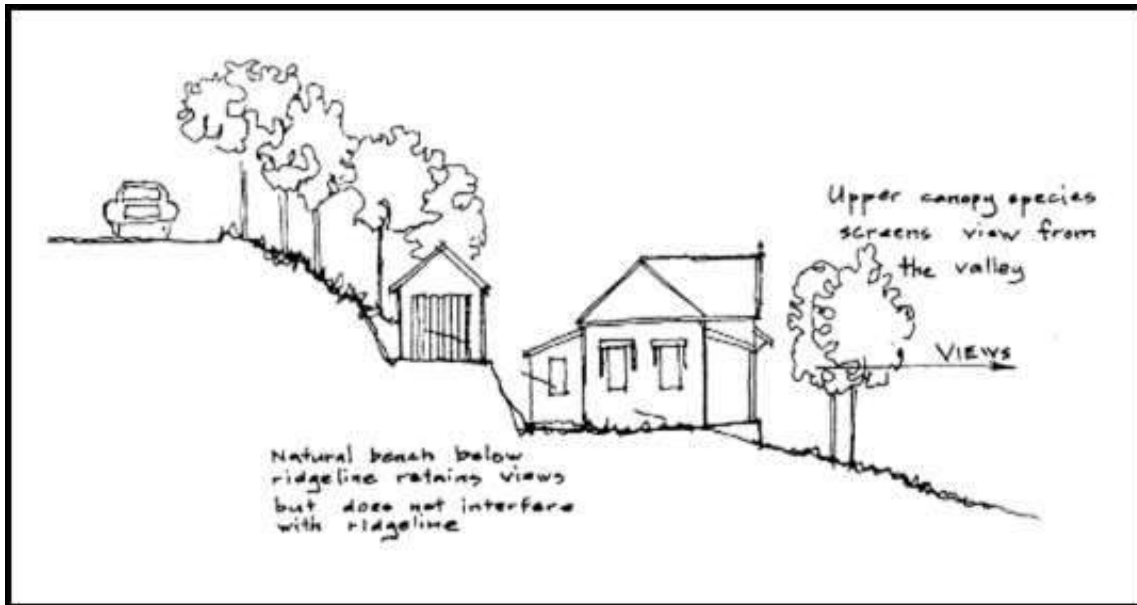
7.1.1 Suggested/Sample General requirements for Guideline

- New buildings and ancillary development such as access roads in the rural landscape must be in a style (design, height, scale, bulk, materials and external colours) sympathetic to the landscape.
- Consider the impact on scenic quality of the main building and works of the development. Visibility of new buildings from regionally or locally significant public roads and vantage points must be minimised by planting trees and shrubs between the view sites and the structure and immediately adjacent to the structure. Landscape planting must reflect existing landform and natural vegetation. Buildings can be partly set into the natural surface on slopes and/or be split level.
- Consider the impact on the landscape of dispersing vs clustering developments.
- Roads, driveways, fencing, electricity and other services visible from regionally or locally significant public roads and vantage points should follow contours and natural vegetation lines and not be at right angles to contours. Excessive cut and fill is to be avoided.
- The transition from urban to rural landscape can be harmonious and balanced if developed in a planned and controlled manner:
 - Ribbon development along the main traffic routes is to be avoided; and
 - Requirement for visual buffers.



- The erection of a building on a ridgeline is discouraged if the building would be visible from a regionally or locally significant public road or vantage point and appears as a skyline structure from that location.





(Source: Tilba Villages Conservation Area DCP 2012)

The following strategies are considered appropriate to reduce negative impacts of development on scenic values:

- Reduce visual exposure by increasing the distance between the development and significant public roads or vantage points;
- Avoid new development not essential to the carrying out of agricultural activity in the foreground visual zone and visible from public roads;
- Maintain settlement density generally in keeping with the current ratios of development densities and pattern;
- Locating the structure on a site that is partly or fully hidden from significant public roads or vantage points;
- Siting development in less prominent areas such as on the side slopes and in the natural depressions;
- Reducing the height and width of the structure that presents to the public road or vantage points;
- Planting and maintaining screening vegetation as ongoing performance conditions of consent.

Where landscape planting is an important part of the mitigation strategy for any development, Council may impose ongoing performance conditions for the land owner to achieve and maintain the intent of the provision.

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DISCUSSION PAPER 6

MANAGING BIODIVERSITY IN RURAL AREAS

A DISCUSSION PAPER TO GUIDE
THE EUROBODALLA SHIRE COUNCIL
RURAL STRATEGY



Prepared by: **Garret Barry Planning Services Pty Ltd**

For: EUROBODALLA COUNCIL

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1 INTRODUCTION

1.1 PURPOSE OF THIS DISCUSSION PAPER

The Draft Eurobodalla Rural Strategy is presented in three volumes:

Volume One: The Strategy – this is a summary document of the recommended preferred options, strategies and action plans.

Volume Two: The Discussion Papers – there are 10 broad papers in this volume presenting a discussion on the more significant issues applicable to Council's role in the rural lands of Eurobodalla.

This is Discussion Paper 6 and it explores options for protection and enhancement of Biodiversity and related natural values across the rural areas of Eurobodalla.

Volume three: A compendium of larger scale maps – given the size of the Shire and the detail sometimes required, the more important maps of general land use information and those from the Discussion Papers are presented at A3 page size. In addition, if accessing the pdf version, there is the capacity to “zoom in” to explore more detail.

The draft strategy package as presented in the three volumes, represents the work of the consultant team Garret Barry Planning Services (GBPS). It is stressed these documents are drafts prepared for community comment and input. Council has not concluded any view on the draft recommendations and will resolve a final strategy when it has considered community feedback.

We welcome suggestions from the community and look forward to your feedback.

1.2 EXECUTIVE SUMMARY

The natural values of Eurobodalla's rural lands are more significant than many other Local Government Areas in New South Wales.

While nearly three-quarters of the area of the Shire is protected in public lands such as National Parks or State Forests, the private rural lands form an essential part of the Shire's overall biodiversity values.

Without retaining and enhancement of connectivity of habitat across the private landscape, further decline in native species seems certain. Also, as early agricultural clearing and development naturally focused on better soils and land types such as river flats, these habitat types are under-conserved in the public estate. The more fertile soils of the valleys, floodplains and undulating hills are suitable for agriculture and habitation. Native woody vegetation within these areas tends to be poorly reserved and over 70% is cleared. (Source: Southern Rivers Catchment Management Authority CAP April 2013).

The biodiversity assets on both private and public lands in Eurobodalla are the basis of part of the Shire's largest industry- Tourism. They form much of the backdrop and special landscapes that so appeal to visitors and the variety of wildlife to be experienced is a major attraction for visitors.

Biodiversity protection has some positive aspects for landholders. There are a range of benefits from emerging bush tucker markets through to pest control by native birds and other wildlife. There is a growing market and sometimes price premium for rural properties where biodiversity is well conserved and the related landscape values it can generate.

Council's roles in protection of biodiversity have limitations. Broad scale clearing of native vegetation on private lands in the Shire requires approval at State level. Council gets involved if development approval is required and as part of such DAs Council has responsibilities to protect threatened species and improve overall biodiversity. To guide Council in assessment of DAs, there are a range of tools from zoning for environmental protection and overlays depicting biodiversity in the local environmental plan to informal guidelines and data.

This Discussion Paper concludes with the consultants recommending Council retain a Native Vegetation Overlay in the LEP but base it on the revised data from Office of Environment and Heritage. It is suggested Council not identify Bio-corridors in the LEP given the need for these to be flexible in terms of negotiated outcomes as part of major developments and rezonings.

(Note: at its meeting of 23 February 2016, Council gave this issue detailed consideration and, in adopting a final strategy, resolved a Native Vegetation Overlay be placed in a code and referenced in the relevant DCPs.)

Other than some additional E4 – Environmental Living zoning to facilitate some dwelling development in appropriate locations, no additions to environmental protection zones are recommended at this stage. This is contingent upon the appropriate use of overlays.

Council can also have a role in education and support for land care and other programs to improve biodiversity and support landholders in such work.

It is recommended Council consider the use of Planning Agreements and similar voluntary and negotiable techniques to add to biodiversity as part of planning proposals, for example, for expansion of rural or residential lands.

2 STRATEGY WORK TO DATE RELATING TO BIODIVERSITY

2.1 TERMS OF REFERENCE OF THE RURAL STRATEGY

The Brief states that the purpose of the Strategy is to prepare a Rural Lands Strategy to set a clear vision and policy framework for the management of the Shire's rural areas.

In regard to Biodiversity:

- The Rural Lands Strategy brief includes the following outcome:
 - identify and manage landscape and environmental qualities, sites of Aboriginal, natural and cultural heritage, land use conflicts and environmental hazards.
- The project will result in the following outputs:
 - a Rural Lands Strategy that provides a strategic framework to guide the zoning, land use, protection and development of landscape and environmental values.

The focus of this Discussion Paper is biodiversity. Cultural heritage and landscape issues are addressed in Discussion Paper 5.

At present the binding directions for amendments to the Councils LEP for environmental matters are in Section 117 Directions issued by the Minister for Planning. The South Coast Regional Strategy 2007 was also given legal effect as s117 Direction in to the land use strategy, policies, outcomes and actions contained in regional strategies in 2007. The South Coast Regional Conservation Plan was prepared as an action of the regional strategy and adopted in 2010.

2.2 SOUTH COAST REGIONAL CONSERVATION PLAN

The South Coast Regional Conservation Plan (RCP) guides natural heritage conservation on lands on the South Coast excluding National Parks and State Forests. It provides direction to Local Government on planning and development decision making so that the biodiversity of the South Coast can be maintained or improved. It seeks to align restoration activities on the South Coast and to ensure that such activities complement future development that will be guided by the State Government's South Coast Planning Strategy.

A copy of the full plan can be accessed at:

<http://www.environment.nsw.gov.au/biodiversity/regconsplans.htm>.

The RCP also guides implementation of the conservation objectives of the South Coast Regional Strategy through:

- Identifying areas of high conservation value that will be protected as the Strategy directs new residential, rural residential, industrial and commercial zonings away from these areas;

- Verifying important wildlife corridors across the region and providing a consistent approach to their protection and enhancement across local government areas;
- Identifying coastal lakes and estuaries that the Strategy will protect by ensuring further residential or rural residential zonings are allowed only if a neutral or beneficial effect on water quality can be demonstrated.

The RCP also:

- Identifies how bio-banking and biodiversity certification could be employed within the South Coast as mechanisms to maintain or improve biodiversity;
- Encourages cooperation with the Commonwealth Government with the aim of having NSW planning and assessment processes accredited as addressing matters of national environmental significance;
- Flags that a detailed analysis is required of areas that are zoned for development but which support high conservation values; the analysis will be undertaken by the State Government with the aim of providing landholders with information to assist them in their development planning.

The RCP sets out how Local Government should:

- Protect lands of validated high conservation value in new Local Environmental Plans (LEPs);
- Identify important wildlife corridors and priority restoration areas in new LEPs and include clauses to protect these features;
- Utilise offset provisions to ensure that any loss of native vegetation from approved developments is offset, thus achieving an overall 'improve or maintain' biodiversity outcome.

Effective ongoing biodiversity management and planning are necessary to ensure that the South Coast Region can continue to grow in a sustainable way. Effective management and planning can enable appropriate development to proceed while preserving a finite and highly valuable environmental resource.

The principles of biodiversity planning adopted in this RCP are:

- To improve or maintain ecological processes and the dynamics of terrestrial ecosystems in their landscape context;
- To improve or maintain viable examples of terrestrial ecosystems throughout their natural ranges;
- To improve or maintain viable populations of the various biological organisms throughout their natural ranges;
- To improve or maintain the genetic diversity of the living components of terrestrial ecosystems;

- To recognise Aboriginal knowledge of biodiversity value, the connection of Aboriginal communities to Country, and the right of Aboriginal people to be involved in decision making.

The key priorities for biodiversity planning in relation to maintaining or improving biodiversity values are as follows:

- The first priority is to avoid losses to biodiversity and promote protection of biodiversity values in situ;
- The second priority, where the first priority is unachievable, is to mitigate against adverse impacts to biodiversity; and
- The last resort is to compensate for unavoidable losses to biodiversity by applying offsets in the priority locations identified in this RCP.

Section 5 of the RCP describes environmental assets of high conservation value and maps those assets. Assets that are mapped in the ESC include: endangered ecological communities; over-cleared vegetation types; poorly conserved vegetation types; old growth forests; threatened fauna and flora habitats. Much of this mapping was based on regional data sets. Chapter 8 (p. 44) describes the process for validating the data before being used in LEPs. In Eurobodalla's case more detailed mapping has been carried out since the report was prepared.

In particular regard to rural areas relevant to this study, the RCP notes that there also needs to be a recognition of the wider benefits of the most valuable agricultural lands in rural areas, and that these lands should not be targeted for restoration. (p. 43).

2.3 PROPOSED SOUTH EAST AND TABLELANDS REGIONAL PLAN

This Plan is under preparation by the NSW Department of Planning and Environment. It is proposed to replace the current South Coast Regional Strategy 2006 and the South Coast Regional Conservation Plan 2010.

The Plan will be modelled on the draft Illawarra Regional Growth Plan and that plan includes a chapter on the region's environment and heritage incorporating quite detailed mapping of private land with biodiversity values including:

- Native vegetation of high conservation values;
- Threatened species populations or ecological communities;
- Wetlands coastal lakes and lagoons;
- Areas of geological significance such as Karst systems; and
- Biodiversity corridors.

An extract of the Draft Illawarra Plan forms Appendix 1 of this Paper.

Compared to the Terrestrial Biodiversity mapping in the Shoalhaven Council's Local Environmental Plan, which maps all extant native vegetation, the regional strategy mapping limits definition to areas OEH has identified as High Environmental Value lands.

2.4 RURAL ISSUES PAPER

2.4.1 Environmental attributes

The Rural Issues Paper identifies the following biodiversity attributes (listed in the South Coast Regional Conservation Plan):

- Endangered ecological communities, such as Bangalay Sand Forest and Littoral Rainforests;
- Rare, poorly conserved and over-cleared vegetation types;
- Old-growth forests;
- Threatened and significant species, such as the Yellow-bellied Glider;
- Wetlands and significant aquatic habitats, including Durras, Brou and Corunna Lakes;
- Wilderness, such as in the Wadbilliga and Deua National Parks;
- Wildlife corridors; and
- Sites of geological or landform significance, such as the limestone caves at Bendethera.

The Issues Paper goes on to say that some specific landscape types in the Shire have been heavily cleared, including coastal valleys, wetlands and floodplains, and coastal sandplains. Consequently, many of the vegetation types that occur in these landscapes have been classified as threatened or endangered.

The Issues Paper notes that the full extent of native animal and plant species diversity in the Eurobodalla Shire Council area is not known. About 1,568 plant species (native and introduced) and 782 animal species have been recorded, but these records are not comprehensive.

2.4.2 Land degradation

Land degradation issues for rural landholders in the Eurobodalla include the acidification and loss of soils.

Acid sulphate soils are a primary concern in the management of soils in some low-lying areas of the Eurobodalla within the floodplains of rivers and streams.

The removal of native vegetation, rabbits and grazing without pasture improvement in some areas has resulted in gully erosion, sheet erosion and landslip.

2.4.3 Invasive species

Key invasive species in the Eurobodalla Shire include foxes, wild dogs, and rabbits, Bitou Bush, Lantana, Fireweed and African Love Grass. These species have the potential to greatly impact on the rural lands of the Eurobodalla both in terms of impact on biodiversity and agriculture if regular control programs are not in place.

2.5 RURAL OPPORTUNITIES AND CONSTRAINTS REPORT

The Report references the following state, regional and local studies undertaken identifying and detailing management objectives for areas of significant environmental values and hazards:

- Draft New South Wales Biodiversity Strategy – identifies priority terrestrial ecosystems and sets out objectives and actions for investment;
- Southern Rivers Catchment Action Plan;
- Sensitive Urban Lands Report; and
- South Coast Regional Conservation Plan.

It further lists additional biodiversity surveys and assessment undertaken by Council including:

- Eurobodalla Shire Biodiversity Survey – a biodiversity assessment of lands zoned as urban expansion (Long Beach, Malua Bay, Rosedale, West and South Moruya, Moruya Heads, Dalmeny, West Kianga and South Narooma).
- Endangered Ecological Communities Survey and Mapping in Eurobodalla Shire 36 – this report describes the results of the re-mapping of vegetation communities found within Eurobodalla Shire which are listed as Endangered Ecological Communities (EECs) under the *Threatened Species Conservation Act*, in southern NSW.
- Batemans Bay and Clyde River Estuary Management Study, Moruya/Deua River Estuary Management Study, Tuross Estuary and Coila Lake Estuary Management Study, Tomaga River Estuary Management Study and Wagonga Inlet Estuary Management Study provide an assessment of tidal waterway, foreshore and adjacent land to underpin the Estuary Management Plan.

2.5.1 Areas of high conservation value

The Office of Environment and Heritage in February 2013 prepared a detailed description of environmental assets on rural lands in Eurobodalla drawing on the findings of the South Coast Regional Conservation Plan. Key findings of this work are summarised here:

- There are 15 listed Endangered Ecological Communities (EECs).
- 111 threatened fauna species and 98 threatened flora species could occur within the Eurobodalla Shire.

- Eurobodalla Shire includes 3,161 ha of coastal wetlands protected under State Environmental Planning Policy 14; 15 coastal lakes listed as Important Coastal Lakes and 8 wetlands are included in the Directory of Important Wetlands.
- The hinterland and escarpment are well connected. The identification of 'Wildlife Corridors' is important to maintain (and in some cases, improve) connections between these areas and coastal habitats, and also up and down the coastal strip.
- The report makes reference to the vegetation mapping verification undertaken by Eco Logical and OEH – reported in Section 4.4 of this Discussion Paper.

2.5.2 Policy context

The Report notes that Federal, State and regional policies and strategies provide strong and clear support for protection of environmental values. The report goes on to reference the South Coast Regional Strategy which seeks to:

- Maintain or enhance the quality and distribution of the Region's biodiversity;
- Direct urban development away from areas known to be or likely to be important for conservation;
- Protect important natural assets through the land use planning process;
- Improve or maintain the condition of sensitive catchments;
- Protect water quality for town water supply and coastal waterways; and
- Protect, enhance and reinstate the values and functions of riparian corridors and coastal wetlands.

The South Coast Regional Strategy seeks to provide long term protection of water quality and natural waterways, conserve biodiversity including native flora, fauna and natural ecosystems on private lands, and manage and enhance the Eurobodalla Nature Coast values in perpetuity by ensuring that development does not harm or compromise significant environmental values.

2.5.3 Opportunities

- Improved agricultural practices to manage environmental values on rural land.
- Potential for alternative land uses on land that has important environmental or scenic values, such as low impact tourism activities and accommodation.

2.5.4 Constraints

- Degradation or loss of environmental values due to development.
- Degradation of water quality as a result of catchment land use impacting on town water supplies, river health, estuary health, aquaculture, fisheries and tourism.
- Demand for development along the coastal strip concentrates growth in highly sensitive environments.
- Natural hazards (such as steep and erodible land, acid sulphate soils and extreme bushfire risk).

2.5.5 Principles for policy direction

The Report makes the following proposal: that the development of policy directions recognises high conservation values mapped in Volume 2 of the Opportunities and Constraints Report and considers the policy recommendations outlined in the South Coast Regional Conservation Plan.

2.6 POLICY DIRECTIONS PAPER

2.6.1 Policy Direction 5 - Promote Sustainable Resource Use

To promote sustainable management of resources the Paper suggests the following actions:

- Collaborate with relevant Agencies to facilitate the provision of information to rural land owners on sustainable land management practices;
- Support operators of existing and new extractive industries to manage potential land use conflicts and environmental impacts;
- Collaborate with relevant Stage Agencies and land owners with regard to facilitating sustainable forestry activities on private land; and
- Collaborate with relevant State Agencies and land owners with regard to managing the quality of water in aquaculture and drinking water catchment.

Council can support this in a number of ways, such as through delivery of environmental programs (e.g. pest and weed management, Landcare) and business workshops (e.g. food packaging).

Water quality and availability is important for all forms of primary production, but in particular for Eurobodalla's aquaculture industry. Good quality and supply of water also supports tourism and recreation in Eurobodalla and the health of the population through the drinking water supply.

2.6.2 Policy Direction 6 Recognise and Manage Environmental Hazards and Values

The intent of this policy direction is to ensure rural development and land use has minimal impacts on important natural hazards and environment values, having regard to the potential impacts of climate change.

To achieve the above objective the following actions are proposed by the Policy Directions Paper:

- Provide for the sustainable management of high conservation value vegetation and important aquatic values;
- Collaborate with relevant State Agencies to define, map and validate mapping of natural hazards and environmental values,
- Collaborate with relevant agencies and land owners to develop locally appropriate programs for protecting areas of high conservation value and environmental hazards; and

- Collaborate with relevant Agencies to facilitate the provision of information to rural land owners to assist with adaptation to the potential impacts of future climate change.

It should be noted that Council resolved on 22 July 2014 that:

“Overlays not be included in the Local Environmental Plan” and that “the Rural Lands Committee gives further consideration to....the options for the appropriate use of the overlays...in consultation with the Departmental advisors that currently sit on the Rural Lands Committee.”

3 BIODIVERSITY VALUE OF THE PRIVATE RURAL LANDS OF EUROBODALLA

3.1 SPECIAL VALUES AND BENEFITS OF BIODIVERSITY

3.1.1 Special values of the Eurobodalla LGA

The Eurobodalla Shire provides substantial biodiversity values within the coastal and escarpment landscapes of the south coast of NSW. These values are provided through extensive areas of retained native vegetation, including large areas in public reserve systems (i.e. National Parks and State Forests), as well as substantial areas of native vegetation on private land.

The Shire occupies a total land area of about 3,400 square kilometres. It is estimated that more than 72% of this land is reserved in either National Parks or State Forests (ESC, 2015). Therefore, some 2,500 square kilometres of land in this region is reserved, subject to either no development impacts (such as National Parks) or intermittent impacts of localised clearing and subsequent regeneration of land under forestry management. In addition to the National Parks and State Forests, approximately 110 kilometres of the coastline within the Shire boundaries is included under the Bateman's Bay Marine Park, occupying a total area of about 85,000 hectares (NSW Government, MPA 2015).

The vast extent of National Parks, State Forests, Marine Parks, and Rural Lands ultimately provides for a bioregion with a small urban footprint and minimal densification of residential and related developments. The Shire provides numerous special values in relation to biodiversity and natural history. Residents and visitors to the region are able to regularly see and hear rare and threatened native species, as well as enjoy substantial amenity because of the extensive areas of undeveloped or partially developed landscapes.

Particular special values of the region that locals and visitors are likely to come across include:

- The Yellow-bellied Glider (*Petaurus australis*), listed as Vulnerable under the *NSW Threatened Species Conservation Act*. This large, highly vocal and charismatic gliding mammal can be seen and heard in many areas of the LGA, particularly around the Bateman's Bay region and Broulee (as well as further south to Eden and the South East Coastal Ranges) (OEH, 2015). The species requires tall mature eucalypt forest, generally in areas with high rainfall and nutrient rich soils. Its persistence in the Shire is largely due to the extensive areas of reserved land, but also because of the interconnectivity of these reserves through the large areas of native vegetation that has been retained on private (rural) lands (OEH 2015).
- Other rare or threatened gliders such as the Greater Glider and Squirrel Glider are also present in the Shire, and have been recorded in both reserved and private lands. In particular, the Greater Glider population in the Eurobodalla LGA is specifically identified as an Endangered Population (OEH 2015).
- The Grey-headed Flying-fox (*Pteropus poliocephalus*), listed as Vulnerable under the *NSW TSC Act* and the *Commonwealth EPBC Act*. This species is a unique and iconic

part of the local landscape with numerous camp sites in the region, as well as regular and obvious sights of thousands of flying-foxes seen flying at dusk throughout the region. The persistence of this species has and continues to rely on extensive food sources, including both locally indigenous as well as cultivated crops, such as imported fruit trees, all of which are relatively abundant in the Shire (OEH 2015).

- Declining iconic frog species such as the Green and Golden Bell Frog (*Litoria aurea*) known to occur in wetlands in or near the coast. This species has undergone significant declines west of the Great Dividing Range, and regions such as the Eurobodalla Shire are becoming part of the last refuge for this species. The species is often found in well-kept farm dams on private properties (OEH 2015).
- Numerous seabirds and shorebirds including Little Terns, Hooded Plovers, Sooty and Pied Oyster Catchers and Albatross as well as the migratory Little Tern (*Sterna albifrons*) and the resident Beach Stone Curlew (*Esacus neglectus*), both listed as endangered under the *Threatened Species Conservation Act*, have been recorded nesting or foraging in many locations throughout the Bateman's Bay Marine Park. Oystercatcher nests are minimal scrapes on sand beaches that are vulnerable to trampling (NSW Government, MPA 2015).
- There are several rare or threatened bird species including the Glossy Black and the Gang Gang Cockatoos that utilise habitat and feed trees such as allocasurina across the rural private and public lands. Other rare or endangered birds like Powerful Owls need wide habitats and hollow trees.

Even common fauna species such as wallaby species and eastern grey kangaroos, and the striking Yellow-tailed Black Cockatoos, can be seen throughout the region moving between forests and watering habitats, and often seen in or at the edge of residential areas where suitable food resources are present. Lorikeets and parrots use urban bird feeders and plantings, and provide a lot of enjoyment for locals and tourists, where they can be regularly seen feeding in parks and gardens and rural properties, as well as more intact natural habitat.

Under the State Government's Save Our Species Program threatened species currently or proposed to be funded for site management actions in Eurobodalla LGA are listed below.

Table 1: Threatened species currently listed in Eurobodalla for site management actions under the save our species program

Site Name	Threatened species
Tuross Brou	Hooded Plover (<i>Thinornis rubricollis</i>)
Tilba Wallaga	Hooded Plover (<i>Thinornis rubricollis</i>)
Tathra	Hooded Plover (<i>Thinornis rubricollis</i>)
Tuross Brou	Little Tern (<i>Sternula albifrons</i>)
Little Dromedary	Warty Zieria (<i>Zieria tuberculata</i>)
Gulaga NP (north-west)	Warty Zieria (<i>Zieria tuberculata</i>)
Tilba Tilba Private property	Warty Zieria (<i>Zieria tuberculata</i>)
Wadbilliga	Smoky Mouse (<i>Pseudomys fumeus</i>)
Bevian swamp	Tall Knotweed (<i>Persicaria elatior</i>)
Bendethera	Araluen Gum (<i>Eucalyptus kartzoffiana</i>)
Tuross Brou	Pied Oystercatcher (<i>Haematopus longirostris</i>)
Deua National Park	Kydra Dampiera (<i>Dampiera fusca</i>)
Moruya	Waterwheel Plant (<i>Aldrovanda vesiculosa</i>)
Clyde Mountain	Dense Cord-rush (<i>Baloskion longipes</i>)

3.1.2 Private lands and their importance in conserving biodiversity

Although an estimated 72% of the region is reserved under National Parks or State Forests, the continued persistence of iconic species and other natural values of biodiversity importance relies on both the continued protection of reserved land in the parks and State forests, but also requires ongoing protection, maintenance and enhancement of private land, and in particular, rural lands within the Shire.

The main functions of ecological importance provided by rural landscape include not only the preservation of foraging and nesting/breeding habitats within these lands, but also the preservation of connectivity between the larger intact habitats within the National Parks and State Forests.

Some species, such as the Yellow-bellied Glider, have (or may have, depending on habitat suitability) extremely large home ranges (in some circumstances up to 85 ha and 200 ha respectively) (OEH 2015), and require the ability to move freely throughout the landscape in order to maintain viable populations. Primarily, the dietary requirements throughout the year mean that these species and many others need to continually move to seek out fresh growth to support them throughout the year given the seasonal variations between native vegetation species with respect to flowering, fruiting and the development of fresh new shoots (OEH 2015).

Scattered trees, such as those found on rural lands, are important in enabling movements of many arboreal species between more highly favoured habitats as these species often will not travel along the ground and therefore require suitably spaced trees to enable their movements.

Connectivity of habitats to enable movements between them are considered to be of very high importance as the movements of animals through these corridors between larger habitats and their resident populations helps to avoid inbreeding depressions, as well as stochastic risks such as bushfires and floods (OEH 2015). The reserve system is therefore never going to be able to fully provide for these needs in the long term if movement opportunities between them are not provided for or maintained.

Private rural lands therefore play a vital role in providing this function and so the continued management of these landscapes needs to consider these roles and how to protect these important values over time.

In addition to the requirements for species to move safely and freely between their preferred habitats, many native (and threatened) species require specific habitat resources for sheltering, including nesting and roosting habitats. Specifically, the Shire supports numerous hollow-dependant fauna such as Gliders, Forest Owls, Glossy Black Cockatoos, Microbats, Possums, all of which utilise tree hollows for shelter sites. Some species require numerous hollows within their home range. The Greater Glider for example may occupy up to 18 hollows within its home range (OEH 2015). As such, the requirements of this, and other species, for large, mature hollow-bearing trees within the landscape of their home ranges is extremely important, and may not always be able to be met by the availability of such resources within a State forest alone.

It is not uncommon for private rural lands that were previously cleared for grazing, to have left a few scattered trees within paddocks for shade. In some circumstances, these trees were, or now are, very old and large trees, and often support numerous medium to large sized hollows that provide important nesting habitat for hollow-dependant fauna.

In the Shire, many parts of the current National Parks were once used as State forests and were regularly logged to provide timber to the mills for building materials. Because of this historic land use, they often do not contain the proportion of very old trees that develop hollows and which are required by many species. Large hollows can take between 100-150 years to develop (DECC 2007).

The large trunks and fallen hollows also provide key habitat for terrestrial species such as the Spotted-tailed Quoll (*Dasyurus maculatus*) which rely heavily on the presence of these resources not only for their own shelter, but also, to provide shelter for their main prey items (OEH 2015).

Private lands also often provide important aquatic habitats, including watering points for animals, through the water impoundment devices (i.e. dams) that have been created to cater for their stock watering or crop irrigation needs. Many of these features now provide important aquatic habitat for a range of fauna including frogs, turtles and, in some circumstances, migratory waterbirds, particularly in larger farm dams that provide excellent wetland environments.

In addition to the creation of artificial aquatic habitats, extensive areas of flood-prone land, such as creek and river floodplains and terraces were actively sought for rural agricultural development given the more fertile soils these landscapes provide, as well as the easy access to water in the riverine systems for irrigation. The expansion of agriculture into these more fertile landscapes for higher productivity and yields, leads to particular pressure on species and communities that rely on these habitats alone.

This is one of the reasons why the low land grassy woodlands, most suited for grazing and containing valuable riparian vegetation, with good access to water and high nutrient alluvial soils, are listed as threatened. A number of flora and fauna species occur predominantly in these areas, and it is therefore no surprise that these species are now becoming increasingly more threatened over time (EPA 2015).

Many of these aquatic systems now provide important, if not the only, linkages in the landscape. Should the agricultural pursuits in these areas or extensions of rural residential living put increasing pressure on use of these natural resources, as well as designing land use to maximise productivity at the expense of maintaining natural habitats, then further species declines are likely.

There is a special need for private land managers in such communities to play a role in conserving these habitat features or species.

3.1.3 Biodiversity is compatible with and can benefit private landholders/land use

As well as the lifestyle and amenity benefits of living in close proximity to nature, there are other ways that maintaining and improving biodiversity can benefit local landholders and the broader community.

A primary example of this is in relation to drought and water management as it relates to pasture biomass and overall land yield and productivity. Native pastures that have evolved over time and adapted to the Australian climate are more resistant to drought than most introduced pasture species. They can germinate and often grow faster with less water (Department of Agriculture 2015). In some locations, this makes them potentially ideal for use by pastoralists, particularly on steeper country, lighter soils and where irrigation is not possible.

Many species of native pastures are also high in protein which can make them suitable for livestock grazing as stock can fatten quicker and/or eat less total volume of food when fed on high-protein diets (Department of Agriculture 2015).

Native vegetation, and particularly, native grasses, also requires less fertiliser application than introduced species, which has multiple compound effects, including both reducing ongoing costs to the pastoralist, but also, helps to improve water quality by reducing the total nutrient loads that enter these systems and can lead to algal blooms, and in extreme cases, fish kills. Algal blooms from over-application of fertilisers can also reduce water quality so that is unpalatable to stock, and in extreme cases, can affect stock health.

None the less, improved pastures are a core foundation of the dairy and beef industries of the Shire with most areas of good soils and particularly areas with access to irrigation operating to improved pastures. The extent and intensity of pasture improvement varies with economic and seasonal conditions. There is more reliance on native grasses in the poorer quality soil types and steeper lands.

In addition to the presence of native grasses, many native shrubs can also be beneficial for rural lands, and can assist overall pasture health. For example, the native shrub *Bursaria spinosa*, which is extremely hardy and can last for 30-50 years, is an aggressive coloniser of marginal or disturbed sites and regeneration from rhizomes, such as after fire, can be rapid and extensive (Bonney 1997, Cayer et al. 1999). It has excellent erosion control properties and this can be extremely valuable to agriculturalists as topsoil loss after disturbance events

can be extensive, and in extreme cases, the total loss of the organic topsoil layer may occur, which then renders the land infertile and limited for continued pastoralising and grazing uses, as well as decreasing water quality downstream through sediment-laden run-off from eroding sites. *Bursaria spinosa* is also of high wildlife value, as a habitat for birds and as a nectar source. It can be a useful honey plant in poor seasons, producing medium to heavy quantities of pollen. The drug aesculin is extracted from leaves and has been harvested commercially in Australia (Kent et al. 2002). As such, this native shrub has both excellent biodiversity and commercial values.

Oyster Farming is an important part of the local economy and relies on the Shire's estuaries. Reduced water quality from run-off of land that has been over-fertilised can be catastrophic to an oyster farm, reducing the commercial output of sales.

Native fauna, particularly birds, play an important part in controlling insect pests. Retaining a diversity of habitat close to agricultural land enables insect predators to cover the agricultural areas and harvest pest insect species.

With regard to the coastal environments, native vegetation is highly resilient and performs important coastal functions like dune and foreshore stability, which is very important in dynamic systems such as these where storm events can cause extensive damage. The native Coastal Wattle *Acacia longifolia* var. *sophorae* plays a very important role in maintaining dune stability (Native Vegetation Management Unit 2014), and has been commonly used in dune rehabilitation programs in areas of high dune erosion, as well as in areas where eradication of the introduced Bitou Bush or Boneseed (*Chrysanthemoides monolifera*), a weed of national significance, has been undertaken (Department of the Environment, 2015).

Native shrubs such as the Coastal Rosemary (*Westringia fruticosa*), tea trees (*Leptospermum* spp.), and banksias (*Banksia* spp.), can cope with elevated salt loads and high-wind environments (ANBG 2015), that most introduced species could not tolerate, or if they could, may become problematic such as highly invasive weeds including the Bitou Bush, previously mentioned.

All of these native vegetation types play an important role in providing habitat for coastal species, but also help to stabilise the dune systems and protect them against risks of severe storm surges and rising water levels (likely to become an increasing threat in future with the effects of climate change). This can have a positive impact on protecting properties along the coastlines from these impacts.

The retention and use of native vegetation in rural landscapes therefore can have significant commercial benefits above and beyond the biodiversity values for which they are most commonly thought to provide. In particular, one of the main inputs into the regional economy of the Shire is tourism (ESC 2015). The natural and scenic landscapes and pristine beaches of the area, developed and maintained through the extent of native vegetation present and the iconic native animals and plants that inhabit these areas, are a unique attraction to tourists visiting the Shire. These directly benefit tourism and recreation in the region by providing numerous opportunities for recreation and tourism ventures such as bushwalking, horse riding, fishing, camping, whale watching, as well as ecotourism accommodation.

Rural farm stay retreats are also popular in this area, and the natural and scenic values of the rural regions in the Shire are a significant factor in that popularity. Eurobodalla has

established itself as the 'nature coast' and 'unspoilt coast' of south-east NSW and this is a marketing edge for tourism that it retains over many other Local Government Areas.

Further commercial benefits that may arise from the protection and maintenance of native vegetation include the expansion of (new) rural industries such as bush foods which have seen a growth in interest and demand in recent years. These bush foods can include items such as picked edible fruits, nuts and plants like samphire, native cherry, as well as meats (such as Kangaroo), and even various new medicinal treatments (including Manuka Honey which is able to be made from bees pollinating the Jelly Bush, *Leptospermum polygalifolium* that grows along the east coast of Australia, Florabank 2015).

There is growing anecdotal evidence of a preference by some purchasers of rural properties for rural lands where there is evidence of good management of biodiversity. A well-managed farming property with biodiversity assets such as corridors, retained old trees and water habitats can fetch a sale premium. This is even more the case in Eurobodalla where demand for rural land is higher than many other rural Local Government Areas, with a proportion of that demand relating to the lifestyle qualities of the region.

3.1.4 Biodiversity has an important link to indigenous culture and land use

It is estimated that Aboriginal people have lived in NSW for at least the past 40,000 years. The cultural heritage of the Aboriginal people is inextricably linked to the natural environment in the form of their history of how the land and waterways were formed through their dreamtime stories, their links to, knowledge of, and wide variety of uses for individual plants and animals as either bush tucker, healing or medicinal foods, or how certain species (and/or their behaviours) can inform them about natural processes, including for warning against flooding, or drought. The current biodiversity we see around us today is thought to be a reflection of thousands of years of Aboriginal land management practices through their "fire-stick" burning practices, to the planting of seeds for various purposes, including landmark trees, including "totem" species that are valued as part of "Country" (OEH 2015).

Over the last few years, OEH and Aboriginal communities in different parts of NSW have been working together to develop approaches to land management that recognise the cultural values of biodiversity and the environment. Strategies are being developed that bridge the gap between 'natural' and 'cultural' heritage. Examples include:

- The joint management of national parks such as Mutawintji National Park;
- Aboriginal involvement in land management, biodiversity surveys and research;
- The mapping of people's attachment to landscapes using oral history and participatory planning techniques.

The Eurobodalla coast contains numerous sites of cultural significance, including Gulaga (Mount Dromedary), Baranguba (Montague Island), Murramarang National Park and Cullendulla Nature Reserve, both of which contain numerous Aboriginal sites of importance, Hanging Mountain in Deua National Park, and the Bingi Dreaming Track to name but a few (Eurobodalla Coast Tourism, 2015). The continued management of these sites for both Aboriginal cultural heritage as well as for their natural values together are important in helping to protect and maintain biodiversity in the region, and in particular, demonstrate good examples for the broader community on how to manage these assets for future generations.

Council in partnership with the Kianga Dalmeny Rural Fire Service has implemented an innovative project to reintroduce traditional Aboriginal methods of using fire for management at three headlands where Themeda Grassland on Seacliffs and Coastal Headlands EEC exist. The new management has resulted in an increase in biodiversity, reduction in weeds and has received state wide attention from other land managers interested in applying the same techniques.

3.2 THREATS TO EUROBODALLA BIODIVERSITY

While there is a substantial portion (more than 70%) of the total land area of the Eurobodalla LGA located within reserves, there nevertheless exists numerous and substantial threats to the biodiversity values of the region. These threats are mainly related to development, including both agricultural and residential developments, which may result in both direct impacts through clearing/removal of habitats supporting biodiversity values, as well as indirect impacts, such as pollution and run-off from developed areas into natural environments, as well as fragmentation of natural environments and reserves by developments that are inappropriately located or designed.

The key threats to biodiversity in the Eurobodalla Region are discussed below in more detail.

3.2.1 Fragmentation of remaining habitats

The fragmentation of habitats is a key threat to biodiversity, and can substantially affect species like the Yellow-bellied Gliders which naturally occurs at low densities throughout its range and populations require large areas of forested land to remain viable. The Recovery Plan for this species suggests that for a population of 500 animals to remain viable, it would need about 15,000 ha of unfragmented suitable habitat. Continued developments, particularly in or near areas of known populations such as at Broulee, would need to ensure that actual or even potential habitat links for this species are protected and maintained. Improvement of linkages should also be considered where appropriate/practical.

Further species, such as the White-footed Dunnart (*Sminthopsis leucopus*) send out 'scouts' searching for special mix of habitat structure. As coastal habitats become increasingly fragmented, the ability of the 'scouts' to find new/suitable habitats becomes reduced, and ultimately the local population is put at risk from loss of habitat, as well as secondary threats, like increased predation and disease risk (OEH 2015).

Fragmentation of habitats therefore can reduce genetic variability, increase the risk of disease and sickness, limit habitat resource availability and ultimately, make a population more prone to localised extinctions.

3.2.2 Removal of old growth and mature forest

The removal of old growth forest, including mature forests with numerous hollow-bearing trees, is a key threatening process under the *NSW Threatened Species Conservation Act*.

In particular, old growth forests provide larger trees with larger hollows that are required for species such as forest owls and Greater Gliders. The Brush-tailed Phascogale (*Phascogale tapoatafa*) also has a special association with very large trees, and other glider species (such as the vulnerable Squirrel Glider, *Petaurus norfolcensis*) also prefer tall, old forests

that provide numerous hollow-bearing trees as well as taller trees for achieving suitable heights that enable them to glide over greater distances. These are particularly important near roads where a glider may need to glide up to 50 m or more over the road (or other barrier). Very large trees are necessary to support this, and these types of trees are becoming increasingly rare.

An exacerbating factor in regard to the impacts from the loss of old growth hollow-bearing trees is the time taken for the loss of such features to be replaced. Hollows in trees can often take more than 100 years to develop, whereas the larger hollows in very old and large trees can often take up to 200 years or more to develop (DECC 2007). As such, when these habitat resources are lost, they will not be replaced naturally within the lifespan of any of the species that use them.

Furthermore, clearing and similar events can often lead to homogenising the age of a forest which can further put at risk species that require a variety in age and structure of the forests so that when one hollow-bearing tree is lost, there are other recruitment trees that either have or will soon have developed hollows of their own. The removal of old growth or mature forests with large hollow-bearing trees therefore puts these species at direct risk of localised extinctions.

3.2.3 Replacement of native grasses with exotic pasture

The ongoing pasture improvement practices on rural lands in the Shire can lead to reduced biodiversity for the reasons outlined above, including loss of vegetation cover through drought intolerance. Pasture improvement practices also threaten particular species such as the Vulnerable Austral Toadflax (*Thesium australe*) which is often found in association with native Kangaroo Grass (*Themeda spp.*) and is directly threatened by pasture improvement practices (Department of Agriculture 2015, and OEH 2015).

3.2.4 Indirect impacts of urbanisation and agricultural developments

There are numerous impacts to biodiversity that are associated with urbanisation, rural residential development and intensified agricultural developments. These include:

- Increased predation on native animals by cats and dogs. The predation can exacerbate other effects such as reducing the numbers of animals that play an important role in ecosystem function by controlling biomass through grazing, or assisting pollination or seed dispersal and germination through feeding behaviour.
- Increased abundance of weeds. This can be brought about by garden escapees that are invasive in areas (i.e. *Agapanthus*). Inappropriate application of fertilisers can also lead to decreased health of native pastures whilst artificially promoting growth in other non-native species.
- Increased or inappropriate application of fertilisers. This can lead to nutrient enriched run-off from agricultural lands that can lead to algal blooms and decreased water quality, including at the extreme end, fish kills or reduced numbers of aquatic macro invertebrates that are essential to healthy waterways.
- Over-grazing. This can lead to reduced ground cover making soils more prone to erosion and gradual loss of the organic topsoil layer. The faecal matter from these grazing animals can also enter waterways leading to nutrient enrichment and the

associated problems described in the point above. Given the number of sensitive wetlands in the Shire, uncontrolled grazing within or adjoining wetlands can have adverse impacts.

- Clearing of land for pasture or residential and rural residential development. This can lead to the loss of recruitment of hollow bearing trees, the impacts of which have been previously discussed.
- Extension of clearing and/or modification of bushland (especially woodlands and forests) for bushfire protection associated with new development. This can lead to a loss of food resources for many species, particularly many flowering shrubs and small trees species, as well as a loss of cover required for shelter. Clearing may also result in the loss of hollow-bearing trees.
- Illegal dumping of rubbish in forests and along fire trails, etc. This can lead to contaminants entering waterways, as well as attract species such as rats and other vermin which can then start to outcompete small native terrestrial fauna if the vermin species become well-established.
- More intensive use of fire trails for recreational driving and motorbike riding. This can lead to increased erosion along the trails which may then reduce water quality in the catchment. The activities can also compact soil, and increase the spread of weeds through spreading soil containing weeds from other places where the motor vehicles have been. The noise of these vehicles can also impact wildlife, particularly nocturnal wildlife that may have their sleep patterns affected during the day.
- Removal of rocks, fallen timber, debris in creeks. These activities are often undertaken to make land management easier but these features all provide important habitat for native species such as lizards, robins, frogs and fish that would be impacted by such activities.

3.3 EXISTING BIODIVERSITY OVERLAYS AND IMPORTANCE TO MAINTAINING BIODIVERSITY ON RURAL LANDS

Under the current Local Environmental Plan (LEP), Council utilises a number of planning overlays (or maps) to define areas of natural importance, and to establish a planning process or strategy via the LEP through which these natural values can be protected. Of particular note are the Terrestrial Biodiversity Map and the Wetlands, Riparian and Watercourse Map.

These maps are a planning guide for both Council and landowners to point to areas of possible constraint in the preparation and assessment of development applications. Including an area of land in an overlay is not an indication of a prohibition on development, just an indication more thorough assessment may be required compared to development outside of mapped constraint areas.

The original terrestrial biodiversity overlay has now been subjected to further ground truthing and refinement and the revised map is recommended to supersede the current version in LEP 2012.

But even this map remains indicative and ground review of proposed development areas may be required and may establish that reasonable further development can occur within mapped constraint areas. Field review can make allowances for regrowth and lower value vegetation plus allow adjustment to edges of overlay constraint areas to match the detail revealed by actual field examination.

Conversely, the benefit of the overlay is land that is not mapped as constrained can, in most cases, proceed to development assessment without further on-site vegetation or habitat assessment.

In the case of application of the Wetlands, Riparian Lands and Watercourses map, some flexibility in interpreting the overlay on the ground is also possible to deal with the wide variety of habitats and their associated values on a site-based and case-by-case situation. There should be no “one size fits all” approach to this. The values and associated protection of a shallow gully that only intermittently has some surface water flows should not be treated the same (with the same buffering and set-back requirements) as a well-defined creek or river.

Whilst protection of all areas that contain some form of water is important, specific measures, treatments, buffer designs should be able to be considered on a case-by-case basis that allows a landowner to properly manage their land and to receive possible concessions in less sensitive areas in return for conserving higher order habitat.

4 THE LEP OVERLAYS

4.1 THE ROLE OF OVERLAYS

A more detailed discussion on the use of overlays is presented in Discussion Paper 3. The following section is a summary.

The use of Overlays is not a statutory requirement of preparing an LEP. Overlays are viewed as an “Additional Local Provision” in the Standard Instrument LEP. This use was envisaged and indeed encouraged by the Department of Planning in its Planning Practice Note PN09-002 “Environment Protection Zones” which states:

Local environmental provisions

“Local environmental provisions may be applied where zone provisions need to be augmented in order to ensure that special environmental features are considered. For example, rural land that is still principally for agriculture but which contains environmentally sensitive areas may be zoned RU1 or RU2 and the environmental sensitivities managed through a local provision and associated (‘overlay’) map.

The benefits of this approach include:

- *The intended conservation or management outcomes for land can be clearly articulated in the LEP.*
- *Areas are clearly defined and controls streamlined.*
- *Sub-zones are not created. (These are not permitted under the standard instrument).*

Provisions for environmentally sensitive areas may include multiple natural resource or other features such as acid sulphate soils and riparian land. A local provisions clause may include objectives and, where the sensitivity is a mappable attribute, a map would accompany the provision.

Any local provision will apply in addition to the objectives and land use table for zones. The local provision must be consistent with mandated objectives and permissible or prohibited uses of the relevant zone/s.”

(Department of Planning (2009) Planning Practice Note PN09-002).

4.2 PERCEIVED BENEFITS OF AN OVERLAY APPROACH

A good summary of the benefits of using overlays in the LEP to depict environmentally sensitive lands is contained in the following practice note:

<http://www.environment.nsw.gov.au/resources/biodiversity/09353PNforESI.pdf>

“Practice Note for using spatial information in Local Environmental Plans to protect and manage Environmentally Sensitive Lands - Murray-Murrumbidgee Region.” (NSW Department of Water and Energy, NSW Department of Primary Industries, NSW Department of Environment and Climate Change, 2009).

- Zones are traditionally the main tool in LEPs, but can sometimes prohibit some developments which could otherwise be undertaken with little risk to the natural environment, if sensitively designed and constructed. Overlays do not affect the range of permitted land used within a zone.
- ESL (Environmentally Sensitive Lands) overlays are considered a more simple solution – particularly where there may be limited spatial data.
- Overlays are simply a map, with an associated clause in the LEP that details the matter that must be considered in assessing a DA. The overlay approach does not introduce absolute prohibitions on land use or development and is a flexible planning approach that is often more acceptable to the community and landowners.
- Zoning and ESL overlays can be readily used in combination.

The following points also are relevant to the impact of overlays:

- ESL overlays are only triggered by a DA within the area covered by the map. The overlays do not need to be taken into consideration if a DA is not required.
- Clearing of native vegetation in rural zones where agriculture is a permitted use that does not require a DA as it is a matter considered under the *Native Vegetation Act 2003* (NV Act).
- Overlays encourage adoption of an ‘avoid and minimise’ approach, consistent with the Government’s offset policy by ensuring that the potential impacts of development have been avoided and minimised to the fullest extent practicable.
- Provide some consistency with wider Government legislation.
- Provides guidance and builds capacity of Councils – DAs outside of mapped constraint areas can be locally processed without further review.
- Can reduce the need for referrals to State agencies.

4.3 EXISTING ENVIRONMENTAL OVERLAYS IN THE EUROBODALLA LEP

4.3.1 Acid Sulphate Soils Map

Most coastal Councils have areas of acid sulphate soils where acidic runoff can occur if disturbed. The higher risk areas have been mapped and are included in overlays of most Coastal Councils.

The current overlay in Eurobodalla is appropriate to retain and utilise to lessen the risk of water pollution.

4.3.2 Wetlands, Riparian Lands and Watercourses Map

Just over 60% of all Councils with the Standard Instrument LEP have an overlay defining important waterways and riparian lands. Eurobodalla has such an overlay and it is considered appropriate to retain and to have adequate accuracy to guide planning decisions on DAs.

4.3.3 Terrestrial Biodiversity Map

Eurobodalla has a terrestrial biodiversity (TB) overlay in the 2012 LEP, however, the deferred areas in the current LEP are not shown in the overlay, as these lands continue to fall under the Rural Local Environmental Plan 1987. Issues were also raised by the community which has resulted in further revision and ground truthing by OEH as detailed in Section 4.4.

A revised map has been prepared by OEH and recommended to Council for consideration. A small scale version of this map and some sample insets are outlined in Section 4.5.

Discussion Paper 3 also presents a survey of the use of terrestrial biodiversity overlays by other Councils.

Of the 19 Councils surveyed, 6 are not currently using TB overlays, 2 have them under review and 11 have a Shire wide application.

State-wide approximately 60% of all Councils with a gazetted Standard Instrument LEP have some form of overlay relating to biodiversity. (Survey of NSW legislation website).

4.4 REVISED VEGETATION MAPPING BY OEH

In 2013 OEH completed a project to collate and review all existing vegetation mapping data within the South Coast area, including regional scale, Local Government scale, reserve scale, publically available development application (site) scale and EEC map products. Eurobodalla Shire Council then contracted Eco Logical Australia Pty Ltd to undertake an independent determination of the accuracy of the 2013 OEH vegetation map and to determine its suitability for use in local strategic and land use planning processes. Eco Logical Australia concluded that based on survey of 97 sites, there was 100% accuracy within these sites of mapped extent of vegetation and 70% accuracy of vegetation type.

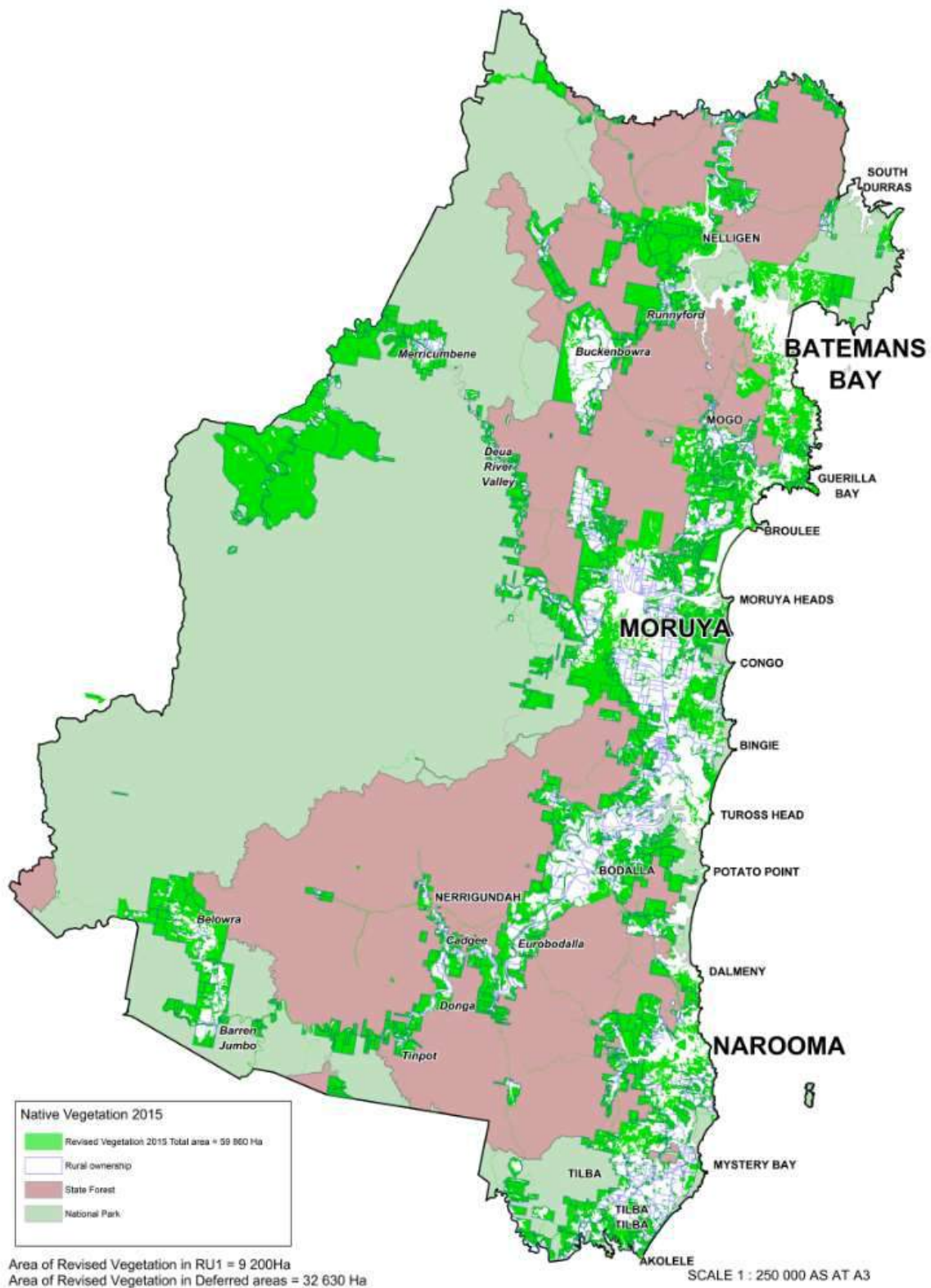
Notwithstanding this level of accuracy, there is still significant community concern about the use of OEH High Conservation Value mapping within the Eurobodalla LEP. This concern

appears to be based on accuracy of EEC mapping and the identification of EECs on private property. The extent of native vegetation which can be more simply observed from aerial photography seems to be less controversial. It is therefore recommended that unlike the existing Terrestrial Biodiversity Overlay in the Eurobodalla LEP (2012) which identifies EECs, that a revised Native Vegetation overlay be based just on extent of vegetation and not delineate EECs.

4.5 REVISED DRAFT NATIVE VEGETATION MAP

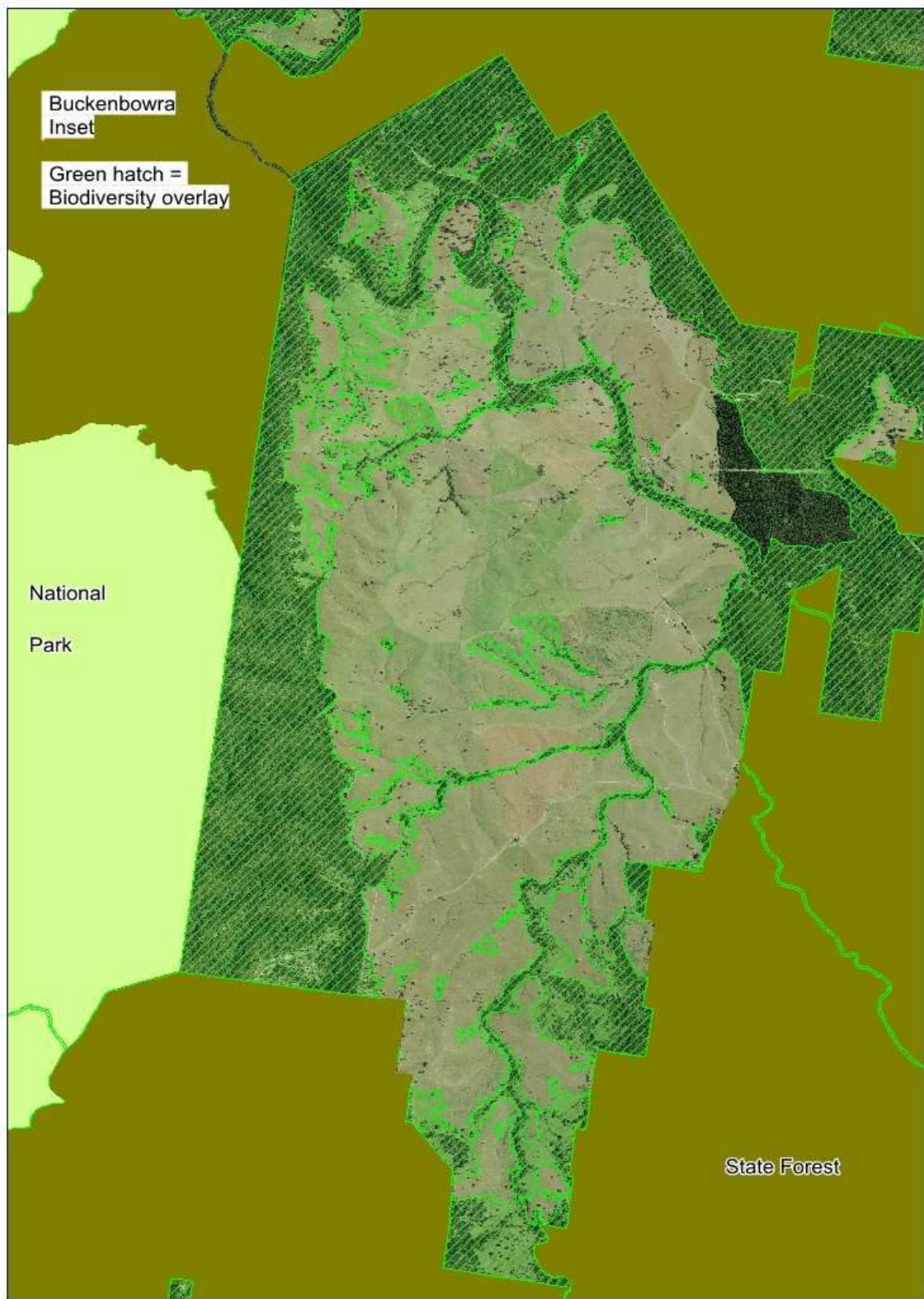
Following the revision of Mapping by OEH and validation review by Eco Logical, a revised draft Native Vegetation Overlay Map was prepared. A small scale version of this map forms Map 1 on the following page. A larger scale version of this Map is available in the Map Folder (Volume Three). This map identifies the extent of native vegetation. It does not delineate EECs. While it is difficult for the map to be 100% accurate across the entire Shire, the benefit of using extent of vegetation in the overlay, not EECs, is that if development consent is required and the overlay applies but it is established in the field that minimal native vegetation present, the landowner will not be required to prepare a flora and fauna assessment as part of the development application process.

Map 1: Revised Native Vegetation Map



The following 3 maps are enlarged insets of the revised Biodiversity Overlay superimposed on the aerial photograph.

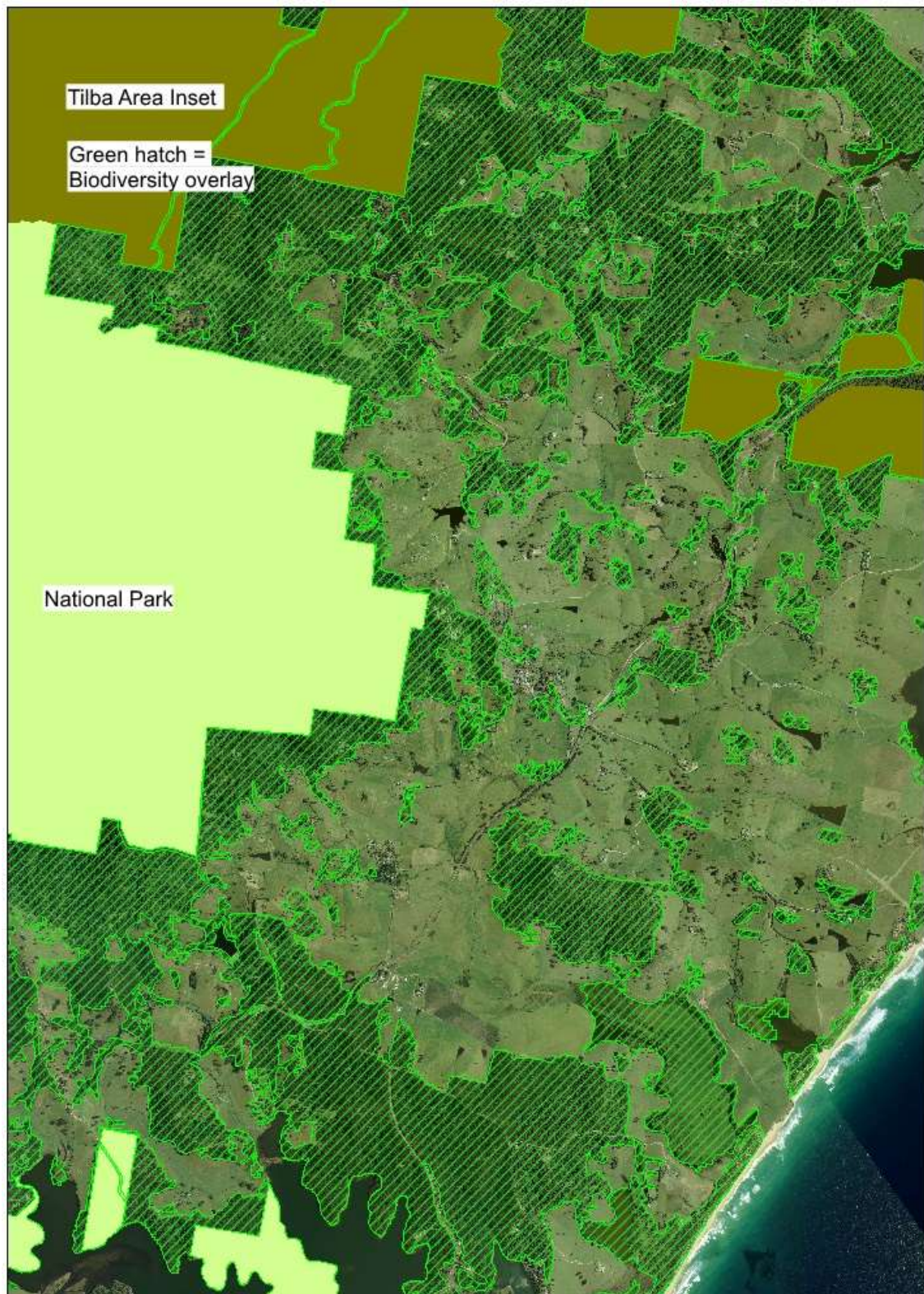
Map 2: Buckenbowra Area Inset



Map 3: Bodalla Area Inset



Map 4: Tilba Inset Area



5 OPTIONS FOR PROTECTION OF BIODIVERSITY

5.1 INCENTIVES

There is concern amongst rural landholders that the application of some biodiversity controls amounts to a form of public constraint of private land (for public benefit) but without any compensation for loss of development potential or land value.

Rural planning controls have existed for many decades and most seem justified in terms of public benefit- even if at some constraint cost to private owners.

A significant proportion of private lands under some level of native vegetation cover, are lands with low prospects of further development given often poor soils, steep terrain and sometimes high risk of erosion if cleared. But other areas do have some economic agricultural potential if clearing permission was granted. There is a case for some benefit being returned to landowners who conserve this category of land.

The State Government is considering an expanded type of biodiversity fund as part of the current review of the biodiversity legislation but it is not likely to have the resources to compensate all rural landowners who have land of economic value subject to clearing but which also contains biodiversity value. Additional incentives would be desirable.

One alternative is to encourage the use of biodiversity offset sites over lands with economic potential but which contain native vegetation. This can be done now but is an underutilised mechanism for biodiversity protection. A landowner who agrees to conserve specified biodiversity in perpetuity might sell offsets to developers seeking to clear lands elsewhere.

A further option is requiring the permanent conservation of high value vegetation as part of a planning proposal to rezone land for development, through the use of conservation agreements.

The issues surrounding selection of the preferred options for Councils planning role in protecting biodiversity are detailed in Discussion Papers 3 and 4. The following is a summary of the conclusions from those Papers.

5.2 OPTIONS FOR CONTROLS

5.2.1 Await the review

The State Government is in the process of a major review of the biodiversity legislation and procedures. Council could await the outcome of this review. But in terms of planning control, the review work to date suggests Council's current role will be at least retained if not expanded to include vegetation clearing controls in rural zones that are currently administered at State level. The review may also be some time in reaching a conclusive position and as such it is considered appropriate Council resolve a structure for biodiversity controls within the existing framework.

The State review is also looking at improved incentives for land owners to undertake biodiversity enhancement on private land, for example, through expanding grants and related assistance. This is encouraging and will add to the biodiversity protection tools available to Council and the community.

5.2.2 Leave formal data to the Regional Plan

The proposed South East Regional Plan will include high level objectives and mapping to protect regional biodiversity. Council might leave formal mapping to that level of plan and rely on informal data to assess local scale development applications and Planning Proposals. However, the transparency and accessibility of an LEP environmental overlay is considered a superior option.

5.2.3 Use the DCP

Council might elect to place environmental overlay mapping in a DCP. While this would retain some public notification and accessibility as DCPs are included on 149 certificates, LEP mapping is more publicly understood and accessible.

(Note: at its meeting of 23 February 2016, Council gave this issue detailed consideration and, in adopting a final strategy, resolved a Native Vegetation Overlay be placed in a code and referenced in the relevant DCPs.)

5.2.4 Use E zoning

Council has resolved not to use E3 Environmental Management zoning and has confined the use of E2 Environmental Conservation zoning to more important wetlands and similar riparian lands.

This approach is supported subject to retention of environmental overlay mapping in the LEP. However, if overlays were not to be used in the LEP it is felt there is a case to expand E zoning to include the higher level conservation values in the mapping such as EECs.

It is also important that Council justify zoning decisions having regard to the provisions of Ministerial Directions, included 2.1, which states:

A planning proposal that applies to land within an environment protection zone or land otherwise identified for environment protection purposes in a LEP must not reduce the environmental protection standards that apply to the land (including by modifying development standards that apply to the land). This requirement does not apply to a change to a development standard for minimum lot size for a dwelling in accordance with clause (5) of Direction 1.5 “Rural Lands”.

Ultimately, it is the Department of Planning and Environment that determines whether the Ministerial Directions have been complied with, or whether any variations are justified. If the Department has a different view, it may seek further use of the E zones.

5.2.5 Use LEP overlays

Section 4.2 and Discussion Papers 3 and 4 offer a detail argument about the benefits of retaining the environmental overlays in the LEP. This approach is recommended by the consultants as offering the best mix of flexibility yet public display of constraint areas. The

overlays are less constraining than zoning prohibitions but are still in the LEP as an indicator of matters to be considered should development consent be required.

The revised Native Vegetation overlay has had greater validation than most council biodiversity overlays and is recommended to replace the current overlay in the LEP. None the less it will remain a living data layer that can still be refined over time.

(Note: at its meeting of 23 February 2016, Council gave this issue detailed consideration and, in adopting a final strategy, resolved a Native Vegetation Overlay be placed in a code and referenced in the relevant DCPs.)

5.2.5.1 Protecting bio-corridors

The current overlays in the Eurobodalla LEP 2012 includes mapping of some bio-corridors for future planning. While the corridors could be retained, they present an issue in that they are only options and better alternatives can perhaps be resolved as part of specific Planning Proposals for rezoning for more intensive development or through the normal development assessment process.

Clause 6.6 of the LEP currently requires consideration for corridors in the assessment process and the provisions could be retained with minor modification without the need to include corridor mapping.

6 RECOMMENDED STRATEGIES FOR BIODIVERSITY

6.1 ECONOMIC RELATED STRATEGIES

- **Incentives fund:** The State Government has indicated it may expand funding programs to assist landholders who conserve high conservation value habitat. Council might monitor these programs as they develop as part of the biodiversity legislation review and provide encouragement to the State Government for such initiatives. But it would appear important that public moneys from such funds only be allocated where landholders can demonstrate the land so conserved had further prospects for real commercial agricultural use.
- **Education and awareness:** Some of these initiatives may involve or could be brought about by promoting increased education and awareness of the benefits of managing land in a way that maintains or improves biodiversity. This can also extend to funding or other assistance for land owners to investigate incorporating new commercial opportunities associated with developing new products/technologies that assist in maintaining biodiversity. This may include assistance programs to develop “bush tucker” foods, bush medicines and other use of local natural products. There may be scope for more extensive use of native pastures and improved varieties of native grasses on the lighter grazing lands and focusing exotic pasture improvement on the better soils.
- **Bio-banking:** The structure exists in the current biodiversity legislation to allow bio-banking and initiatives such as offsets where a developer wanting to clear land purchases offsets from a landowner with high biodiversity land for permanent conservation. But uptake and usage has been limited to date. Council should closely monitor the coming review of the biodiversity legislation to see if more user friendly mechanisms can be developed for offset purchases as another tool to equitably grow the area of high biodiversity land under active private conservation.
- **Environmental Levies:** In some Council areas with high environmental values, residents have been amenable to paying a levy for additional management costs of protecting these values. In areas like Gold Coast hinterland, Queensland, protection of iconic koalas is supported by ratepayers. This can be used in marketing the area to tourists and a source of pride for residents.

6.2 LAND USE PLANNING STRATEGIES

6.2.1 Recommended strategy on environmental zones

Council has resolved not to utilise E3 zone and to limit E2 zone usage to high sensitivity wetlands.

Provided the overlays related to native vegetation and waterways are retained, Council's position is supported. However, it must be noted that State Government agencies may have a different view on the use of E zones and during the subsequent LEP amendments may seek further use of the E zones.

6.2.2 Recommended strategy on environmental overlays

Council to retain the following overlay maps in the rural areas:

- Native Vegetation (replacing the current Terrestrial Biodiversity Overlay);
- Wetlands, Riparian Lands and Watercourses Map; and
- Acid Sulfate Soils map.

The Native Vegetation map to be based on extent of native vegetation outlined in Map 1. It should not distinguish the various categories of habitat or vegetation.

The Native Vegetation overlay should not depict the habitat corridors defined in the OEH mapping program. Corridor planning can be addressed in the Regional Plan and through the development assessment and Planning Proposal phases.

6.2.3 Planning agreements and conservation agreements

6.2.3.1 Action through Development Applications

Council might seek that developers of rural land such as rural and rural residential subdivisions enter into Planning Agreements under Section 93F *Environmental Planning and Assessment Act 1979*, to conserve remnant biodiversity lands and corridors. Such land can still be retained in private ownership but might be the subject of a formal Conservation Agreement (*National Parks and Wildlife Act 1974*).

Encourage additional species specific policies (such as Broulee yellow-bellied glider policy) to underscore the special requirements of these species to developers, and the requirement to incorporate or otherwise protect area of habitat value for this species within or adjacent to development sites.

Asset Protection Zones (APZs) for bushfire management and protection should be encouraged to be contained within lots and not extend into adjoining forest lots – the landowner should take the responsibility for developing their lot appropriately, including the management of all land, be it for biodiversity protection or bushfire risk mitigation, within their own properties.

Council could adopt a policy on offsetting. The uptake on bio-banking has been low to-date because it has been a voluntary process for smaller developments in areas where the native vegetation act doesn't apply. There are many benefits for Councils and landowners in receiving an income to manage land for biodiversity. Some Councils have adopted policies

to encourage offsets as standard practice. Increasing consent expectations regarding how a DA offsets its impacts could have benefits.

6.2.3.2 Action through Rezoning

As part of Planning Proposals to rezone rural lands for more intensive uses (such as Rural Residential or tourist developments) Council might require high conservation value lands to be placed under a formal Conservation Agreement similar to 6.2.3.1 above.

6.2.3.3 Rate relief incentives

Most Local Councils have very limited discretionary funds, especially in NSW where rate pegging controls are in force on Council income. The legislation surrounding Conservation Agreements and similar programs, allows for rate relief but leaves the discretion with the Local Council as to whether to grant such relief.

It is unlikely Eurobodalla could fund a large program of relief but, if Council sees the further protection of biodiversity and landscape values as being a high priority for tourism and general regional wellbeing, then perhaps a small annual fund or similar Council program might be developed where owners who commit to a conservation agreement over high value biodiversity or landscape lands, perhaps get a one-off rate reduction to, say, assist with fencing or other capital works associated with the Conservation Agreement Area.

6.2.3.4 Philanthropic gestures

Quite a number of landowners across NSW have voluntarily entered into Conservation Agreements as a type of philanthropic gesture towards the long term future of their local area's biodiversity. The Office of Environment and Heritage encourages such owners to come forward. Council might help promote the access to Conservation Agreements so that the notion of philanthropic gestures to protect the Shire's biodiversity perhaps gains wider appreciation/acceptance across the community.

To facilitate this, it may be worthwhile that the Council liaise with real estate agents who often are the best contact point with potential/prospective land buyers, to gauge the level of interest in the community for prospective property buyers to enter into such agreements, and how purchasers of such land may develop a greater interest in entering into agreements.

6.3 EDUCATION STRATEGIES

- Many landholders are conserving biodiversity on their lands as a matter of choice. Some have been doing so for generations. Council might provide awards and recognition for properties with conservation plans and demonstrated protection activities. Sponsors might be sought and formal nominations requested annually for an award.
- Council might work with Local Lands Services to further encourage landholder programs to improve biodiversity:
 - open days to understand issues like weed management, native pasture management, threatened species that may be in an area;
 - provision of tube stock and tree guards to encourage planting corridors of appropriate species in sensitive locations (riparian corridors, wildlife corridors); or
 - provision of nest boxes to supplement natural hollows in key areas.
- Council might expand its good neighbour programs where there is interaction with neighbours of natural Council areas and reserves to achieve mutual biodiversity enhancement – from pest/weed control to corridor improvement.
- Council might provide additional interpretation and boardwalks in areas of natural value to increase understanding of importance of natural areas.

Appendix 1: Extract from the Draft Illawarra Regional Growth Plan – relating to Biodiversity

6

MANAGING THE ILLAWARRA'S ENVIRONMENT AND HERITAGE

The Illawarra is fortunate to have many unique environmental and heritage features which contribute to an attractive lifestyle for residents, and which provide tourism and recreational opportunities that help to enhance the economy.

Our draft Plan for the Illawarra acknowledges the conservation and tourist values of these environment and heritage assets and the importance of protecting biodiversity at the regional and local level.

Our focus is on where the Regional Growth and Infrastructure Plan can influence significant regional environmental and heritage outcomes, as well as give direction to Councils on the management of these issues at the local level.

The Illawarra Region is one of the most biologically diverse in NSW. It supports both high conservation value terrestrial and aquatic biodiversity. These values provide the basis for the Region's tourism and recreation, and provides significant scenic amenity for its residents.

The Region has major hazards such as flooding, coastal inundation, bushfire and sea level rise; with a changing climate likely to present new longer term challenges to our environment. Protection of key environment and heritage assets, and protection from and mitigation of natural hazards, are important issues that need to be considered at the State, regional and local level. Our draft Plan for the Illawarra provides an opportunity to focus on regional opportunities to protect key environment and heritage assets.

A strategic approach to the planning for environment and heritage protection

An enduring criticism of the interaction of development assessment and environment or heritage protection processes is that they do not provide a strategic approach to land use planning and are often reactive. Our draft Plan for the Illawarra recognises that a more strategic approach to identifying key environment and heritage assets is needed so that councils can ensure their planning controls avoid and minimise the impact of development on significant areas.

The Office of Environment and Heritage has mapped key environmental and heritage values across the Region based on the criteria set out below:

- existing conservation areas: including national parks and reserves, declared wilderness areas, marine parks, crown reserves dedicated for environmental protection and conservation, and flora reserves
- native vegetation of high conservation value: including vegetation types which have been over-cleared or occur within over-cleared landscapes; old growth forest, and rainforest
- threatened species, populations and ecological communities or their habitats
- major rivers and streams and their riparian areas; Important wetlands; and coastal lakes and estuaries.

Other important heritage values include:

- Aboriginal heritage, including Aboriginal places, Aboriginal objects, and cultural landscapes
- non-Aboriginal heritage, including places and sites listed on the NSW Heritage Inventory.

72 Draft Illawarra Regional Growth and Infrastructure Plan

Legend

	Reserves		Major Highways
	High Environmental Values		Railway Line
	Biodiversity Corridor		Regional City
	State Forests		Major Regional Centre
	Sydney Catchment Authority		Major Town
	Marine Park		Town
	Mineral Resources		

Disclaimer

The map is recommended for use at a regional planning level and gives an indication of relative biodiversity values at this scale. While this data may provide an indication of relative biodiversity significance at the local level, users should be aware that the data has limitations including those of scale and positional accuracy of attributes.



Councils will be required to utilise this map when undertaking local strategic planning so that areas identified for new or more intensive development can be located so that the potential impacts on environment and heritage values are avoided or mitigated. Where it is not possible to avoid impacts, Councils will be required to consider how the impacts can be best managed through particular planning controls or other environmental management

mechanisms. Our draft Plan for the Illawarra also identifies that it may be necessary to pursue development that could impact on key assets: and in these areas, such as in West Dapto, offset mechanisms such as biodiversity certification may be necessary.

Councils will also be expected to ensure existing environmental protections in local plans are maintained.

	ACTION	RESPONSIBILITY	TIMING
6.1	Local plans will be prepared using key environment and heritage assets (as mapped) to: <ul style="list-style-type: none"> avoid and minimise the impact of development on key assets and where not possible, consider appropriate offset or other mitigation mechanisms maintain existing environmental protections for key assets 	Wollongong City Council; Shellharbour City Council; Kiama Municipal Council; Shoalhaven City Council	Ongoing

Protecting the Illawarra Biodiversity Corridor

The *Illawarra Biodiversity Action Plan 2011* and work done by the Office of Environment and Heritage under the *South Coast Regional Conservation Plan* have identified key regional biodiversity corridors in the Illawarra which run from the Woronora Special Area in the north, along the escarpment south and connect to the corridor around Jervis Bay and south to beyond Ulladulla. These include a number of important east-west links between coastal parks and forests, and the hinterland. Maintaining and improving these corridor values is important to ensure they protect and enhance ecological connections and the movement and dispersal of plants and animals.

Identifying environmental corridors that expand upon and provide linkages and pathways between different areas of habitat is a critical step in securing ecological connectivity and long term viability. These corridors incorporate many different values including a diversity of vegetation types across different landscape features including the escarpment, foothills and coastal plain; habitat for a range of threatened and non-threatened fauna and flora, and threatened ecological communities.

The Illawarra Escarpment is a defining feature of the Illawarra Biodiversity Corridor, especially in the north of the Region. Vegetation on the foothills and coastal plain of the Illawarra is more dispersed and vulnerable. Due to the historic loss of vegetation through agricultural uses and settlement, many of the plant communities on the coastal plain have high conservation value, or are listed as Threatened Ecological Communities. Some of these communities, such as Illawarra Subtropical Rainforests, Illawarra Lowlands Grassy Woodland are only found in the

Illawarra Region. Accordingly, they have very high conservation priority for the Region. The Region also contains significant habitat for a number of threatened flora and fauna species.

The pressures of population growth, fragmentation of landholdings and increasing urban development and invasive species have the potential to threaten the landscape connections in the Region.

While the biodiversity corridors identified represent important biodiversity links within the Region, they can support mixed uses where those impacts can protect or improve the corridor values. For example, the areas identified for Dunmore Hills and Yallah Corridor are also identified for extraction and urban development. Opportunities to maximise and improve the conservation of the corridors will be considered through the planning process for development of these areas.

	ACTION	RESPONSIBILITY	TIMING
6.2	Clarify the location of the corridor and the important environmental values that need to be protected	Office of Environment and Heritage; Wollongong City Council; Shellharbour City Council; Kiama Municipal Council; Shoalhaven City Council	Short
6.3	Local Plans should aim to protect the lands identified within the Illawarra Biodiversity Corridor while also having regard to other land uses in the corridor including extraction and urban development	Wollongong City Council; Shellharbour City Council; Kiama Municipal Council; Shoalhaven City Council	Ongoing

Protecting biodiversity in new release areas

Protecting biodiversity assets is an important consideration as the Region grows, particularly in new release areas such as West Dapto and Nowra-Bomaderry.

Biodiversity certification gives planning authorities the option to integrate biodiversity conservation with proposed development outcomes at the strategic planning stage. It looks at development and environment planning at the landscape scale and ensures that new development will improve or maintain biodiversity values. It encourages development to be located away from areas of high conservation value and enables these areas to be protected in perpetuity. However, where impacts to biodiversity values are unavoidable, those impacts are offset by applying conservation measures to land identified for biodiversity protection.

If biodiversity certification is conferred on an area, individual development applications are not required to assess impacts on biodiversity values and threatened species. This is because the issue has been addressed at a strategic scale, saving time and money. The process assures housing outcomes while also protecting biodiversity values.

Working cooperatively, Wollongong Council, the Department of Planning and Environment and the Office of Environment and Heritage will continue to progress biodiversity certification for the West Dapto urban release area. In the next twelve months, a detailed package will be brought forward that will set out the areas available for development, the areas identified for protection and the offset areas and potential funding mechanisms, which may include a levy.

In the Shoalhaven, the planning for new release areas at Nowra-Bomaderry did incorporate a strategic approach and it was identified that biodiversity certification wasn't needed over all release areas. However, recording the processes, outcomes and justifications showing how biodiversity planning for the release areas generally achieved a maintain or improve outcome will be important so that the issue does not need to be repeated with every development application.

The Nowra-Bomaderry Structure Plan has already identified the areas that require clearing and the areas of high value vegetation that have been protected through zoning. We will continue to work with Shoalhaven Council and the Office of Environment and Heritage to determine the best way to identify the natural biodiversity in these areas and whether broader or more specific offsetting strategies are needed for places like Mundamia or Cramms Road release area.

More broadly, when Councils are considering the rezoning of new release areas, particularly in the southern part of the Region, they will be expected to ensure a clear and comprehensive understanding exists of the biodiversity values of the area. While the protection provided by the *Threatened Species Conservation Act* continues to apply, Councils should avoid putting pressure on areas with threatened species unless there is a means identified to minimise or improve biodiversity and habitat values.

	ACTION	RESPONSIBILITY	ACTION
6.4	Continue with biodiversity certification for West Dapto.	NSW Office of Environment and Heritage; Wollongong City Council	Short
6.5	Record the processes, justifications and biodiversity outcomes in the planning of Nowra-Bomaderry land releases	NSW Office of Environment and Heritage; Shoalhaven City Council	Short
6.6	Protect key environment and heritage assets when rezoning land	Wollongong City Council; Shellharbour City Council; Kiama Municipal Council; Shoalhaven City Council	Ongoing

Supporting the continued health of coastal landscapes

The Region includes a number of important coastal lakes and lagoons, significant coastal wetlands, sensitive estuaries and the protected waters of Jervis Bay. The catchments of these lakes and estuaries need to be appropriately managed to avoid impacting on their aquatic habitats. Vulnerable estuaries and coastal lakes that require environmental protection include:

▪ Bellambi Lake	▪ Fairy Creek	▪ Shoalhaven River	▪ Towradgi Creek
▪ Bernara Creek	▪ Lake Illawarra	▪ Spring Creek	▪ Werni Lagoon
▪ Bunill Lake	▪ Lake Wollomboola	▪ St Georges Basin	▪ Willinga Lake
▪ Butlers Creek	▪ Merroo Lake	▪ Swan Lake	▪ Wowly Gully
▪ Cumarong Creek	▪ Narrawallee Inlet	▪ Tabourie Lake	
▪ Elliot Lake	▪ Nerindillah Creek	▪ Terrell Lake	

The environmental, social and economic values of the Region's lakes, estuaries and rivers can be affected by over-extraction of water, contamination, and conflicting land uses such as urban expansion.

Lake Illawarra

Lake Illawarra is one of the largest coastal lake estuaries in NSW with a 37-kilometre foreshore. The lake is a popular destination for fishing, prawning and sailing. There are several caravan parks located on the foreshores of the lake, and visitation numbers increase significantly during school holiday periods.

Given the planned urban growth in the lake's catchment, there is potential for water quality issues and increased pressure for recreational uses and foreshore access to the lake, particularly on the western side.

To help support and manage potential impacts, the Environment Protection Authority and the Office of Environment and Heritage have developed a risk-based decision framework to integrate water quality outcomes in the strategic planning process. This approach uses contemporary catchment and ecosystem response modelling to help identify where priorities for investment should be made within the catchment.

The framework allows different development scenarios to be modelled to identify the potential impact on waterways. The potential risks to waterway health can then be considered as part of a broader strategic impact assessment. Where necessary, practitioners can assess the performance of various combinations of land use scenarios and stormwater treatment levels against agreed management objectives.



Shoalhaven Sensitive Urban Lands

The Sensitive Urban Lands Panel was set up by the NSW Government in 2006 and has guided the planning outcomes for seven potential urban development sites in sensitive coastal locations within Shoalhaven (Culburra Beach, Badgee Lagoon, Comberton Grange, Berrara, North Bandalong, Bandalong, Berringer Lake/Manyana). The Panel's recommendations have been reflected in planning that is either finalised or substantially progressed for all but one site – the Culburra Beach site.

The Culburra Beach development site contains land within the catchment of Lake Wollumboola. The lands within the catchment are considered unsuitable for urban development because of potential negative impacts on the Lake, which is a sensitive intermittently closing and opening lake with very high conservation values.

The Office of Environment and Heritage has also completed a study on the Environmental Sensitivity of Lake Wollumboola. Its report will form part of the consideration of development proposals at Culburra and potential implications on Lake Wollumboola.

The outcomes and recommendations of the Sensitive Urban Lands Review and the report on the environmental sensitivity of Lake Wollumboola will guide future development proposals within the Lake Wollumboola catchment.

It will be important for any future planning proposals in this area to protect the environmental values of Lake Wollumboola. This may require strong environmental zonings and other appropriate provisions in a Local Plan.

The Sensitive Urban Lands Review will continue to guide land use planning decisions for the sites yet to be finalised as well as any future planning proposals within the seven sensitive coastal locations.

	ACTION	RESPONSIBILITY	TIMING
6.7	Local Plans should ensure the ongoing protection of vulnerable estuaries and coastal lakes from inappropriate development types	Wollongong City Council; Shellharbour City Council; Kiama Municipal Council; Shoalhaven City Council	Ongoing
6.8	Outcomes of the risk-based decision framework to integrate water quality outcomes in the strategic planning process will be implemented by Councils through planning and infrastructure programming of development sites within Lake Illawarra catchment	Wollongong City Council; Shellharbour City Council	Short/ Medium
6.9	Continue to implement the recommendations of the Sensitive Urban Lands Panel, including guiding the development form and environmental management of Lake Wollumboola	Department of Planning and Environment; NSW Office of Environment and Heritage; Shoalhaven City Council	Short

Supporting the protection of Aboriginal cultural heritage

The Illawarra has a rich and diverse Aboriginal history. Previous Aboriginal cultural heritage studies within the Region have identified a large and diverse range of Aboriginal sites, including sites with high scientific and cultural values. Because of the richness of Aboriginal heritage in the Region, it is inevitable that urban growth and development will impact on existing and yet to be identified cultural heritage sites and places. The loss of cultural heritage can be distressing to Aboriginal people, particularly the loss of, or damage to, places of cultural significance. There is a need for effective mechanisms for Aboriginal people to be consulted in regard to their heritage.

The *National Parks and Wildlife Act 1974* (NPW Act) provides for the statutory protection of Aboriginal objects and Aboriginal places. The objects generally protected by the NPW Act are archaeological sites with tangible evidence of pre-contact presence.

Harm to Aboriginal objects and places and areas of significance to Aboriginal people should be avoided wherever possible. Where such harm cannot be avoided, proposals that reduce the extent and severity of this harm should be developed in accordance with relevant statutory processes.

In the Illawarra, the assessment of Aboriginal cultural heritage is most relevant where there are growth pressures associated with the development of new release areas such as those in West Lake Illawarra and Nowra-Bomaderry, or when there is a rezoning of land to allow for more intensive development.

Navigating the process to ensure that Aboriginal cultural heritage is fully considered and protected through the development of new release areas is often complex and challenging. In West Dapto for example, significant investigations have been undertaken across the release area to determine areas of particular risk for Aboriginal cultural heritage.

Outcomes of these investigations, which followed relevant Office of Environment and Heritage guidelines, require different levels of additional investigations depending on the values of particular parcels of land. For some parts of the release area, there is a low risk of Aboriginal heritage values and no additional work is required, while in other areas, there is a need for additional detailed studies to manage high risk areas.

There is a need to provide clarity about what the outcomes of this work means for individual development areas within West Dapto and to guide the development of more detailed precinct and neighbourhood plans. This would identify triggers for the appropriate assessment process, and when each part of the process should be completed.

	ACTION	RESPONSIBILITY	TIMING
6.10	Develop an Aboriginal cultural heritage process map to clarify and guide the additional investigations for the development of precinct and neighbourhood plans in West Dapto.	NSW Office of Environment and Heritage; Department of Planning and Environment	Short

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DISCUSSION PAPER 7

LOCAL FOOD

A DISCUSSION PAPER TO GUIDE THE EUROBODALLA SHIRE COUNCIL RURAL STRATEGY



Prepared by: **Garret Barry Planning Services Pty Ltd**

For: EUROBODALLA COUNCIL

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Cover Photo: Moruya Markets - courtesy Sustainable Agriculture and Gardening Eurobodalla (SAGE).

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1 INTRODUCTION

This Discussion Paper has been prepared by Garret Barry Planning Services Pty Ltd to inform the local food and fibre production component of the Eurobodalla Shire Council Rural Strategy. This document amalgamates small scale rural food and fibre production data that has been presented to date in the Rural Land Strategy feeder documents, namely Rural Lands Issues Paper, Rural Lands Opportunities and Constraints Paper and the Policy Directions Paper. It then takes in our findings from a review of current activities in local food production for direct sale, including data from discussions with small emerging businesses.

“Food security at a global level is currently a critical issue. There are more people in the world and the population is growing at a rate faster than the world is able to produce enough food from the limited area of arable land. In Australia, the price of food is a key factor in achieving food security. The Eurobodalla producers have a vital and increasing role to play in achieving food security locally and beyond. Direct supply of local produce to local consumers can help increase the affordability and availability of fresh food.” (Source: Eurobodalla Shire Council, Rural Lands Issues Paper, 2013, p13).

“Small-scale rural activities are a minor, but growing sector of the rural economy in the Eurobodalla. With approximately 50% of rural properties less than five hectares in size, there is significant opportunity for continued growth in this sector. Examples of niche primary producers in the Eurobodalla include goat farms, alpaca farms, cheese making, wineries, beekeepers, along with a range of organic produce and homemade foods.” (Source: Eurobodalla Shire Council, Rural Lands Issues Paper, p11).

Eurobodalla Shire is supportive of both broad acre commercial and small scale local food production. In its Policy Directions Paper (*Draft Policy Direction 3 Support Economic Development*) Council states that it will:

- Promote an “open for agri-business” culture in Eurobodalla to support local food and fibre production;
- Support innovative and diverse farming enterprises and activities;
- Encourage and support improvements in local rural skills, practices and marketing methods; and
- Optimise the use of existing public infrastructure and efficiently plan for additional infrastructure to support rural activities.

In its submission to the Agricultural Competitiveness White Paper in April 2014, Council stated that encouragement of local production for local markets was one of the two opportunities which could expand agricultural production in Eurobodalla. The submission went on to state that local production for local markets would include support for community gardens and local produce, and farmers markets. The economic value of such enterprises and small scale producers to the economy should be evaluated with a view to increasing levels of operational and financial support.

The Council's submission is very supportive toward emerging small scale agriculture. The submission identified a number of advantages of small scale agriculture including:

- Starting on a small lot helps avoid some of the high costs of entry which discourage new farmers. People grow a bit on their existing plots and start selling their produce before they need to make financial investment decisions.
- Local produce/farmers markets provide positive local competition to major supermarkets. This has been evidenced in Moruya where a new and successful Farmers Market has been established.
- Primary producers get 100% of the retail price when sold at farmers markets making commercial production more viable for more producers.
- Support for a greater focus on local value adding or on premium market development e.g. free range, organic, intensive crops is likely to increase yield per hectare, create greater employment per hectare and mean local suppliers do not compete on price alone with cheaper overseas suppliers.

A view of Australian Business Register data demonstrates the relatively small scale of local food production (excluding beef, sheep and dairy) in Eurobodalla. Of the 288 agriculture, forestry and fishing businesses in 2015 counted by the Australian Business Register:

- 108 were sheep, beef cattle and grain farming;
- 30 were dairy cattle farming;
- 13 were support services;
- 14 were other livestock farming;
- 13 were mushroom and vegetable growing;
- 4 were poultry farming; and
- 4 were fruit and nut tree growing.

The Australian Business Register only counts businesses with an active Australian Business number so the above figures are only a proportion of the total likely local food businesses in the Shire. A further anomaly may result from the fact that some producers may be represented in more than one category. As such the numbers can only be indicative.

2 SMALL SCALE FOOD PRODUCTION – A SNAPSHOT

The Eurobodalla Rural Economic Directions 2015 Report suggests that much of Eurobodalla's small-scale production, such as fruit is variable over time though there are signs of increasing intensification with more trees per establishment, and establishments becoming larger. Nurseries, turf and vegetable production currently take up a relatively small part of the agricultural land area in the Shire.

It is interesting to note that growing vegetables for human consumption as a business has grown from 10 ha in 2005/6 to 20 ha in 2011. However, when looking at a longer time frame, the growth trend becomes less clear. See table below.

Table 1: Eurobodalla Vegetable and Orchard Production 1996-2011

	1996	2000/2001	2005/06	2011
Vegetables for Human Consumption				
Total Area (ha)	10.4	46	10	20
No. of Establishments	5	9	10	7
Total Value	\$37,936	\$328,869	\$140,861	\$200,000
Orchard Fruit and Nuts				
Total Area (ha)	13.2	30	33	57
No. of Trees	4,238	5,336	9,267	7,496
No. of Establishments	3	38	12	10
Total Value	\$159,547	\$514,469	\$203,112	\$400,000

Source: Eurobodalla Rural Economic Directions 2015.

A review of the Agricultural census for 2011 reveals that while the scale of agricultural activity in Eurobodalla is much smaller than its neighbouring LGAs, vegetable and fruit and nut production (excluding the Araluen area in Palerang LGA) is pretty much on par.

Table 2: South East Vegetable and Orchard Production 2011

	Eurobodalla		Bega Valley		Palerang		Shoalhaven	
	No. Businesses	Est. ha.	No. of Businesses	Est.	No. of Businesses	Est.	No. of Businesses	Est
Vegetables for human consumption	7	20 ha	9	24 ha	8	5 ha	5	7 ha
Orchard - fruit and nuts	10	7,496 trees	12	8,316 trees	15	42,598 trees	12	2,566 trees

A review of Local Land Services data of total stock returns 2004-2014 suggests that most non-mainstream livestock production is on a small scale. As an example, while there were 33 farms grazing alpacas in 2014, the average number of animals per farm was only 6.4. Allowing for a few larger graziers means that many farms are likely to have only a couple as farm pets.

Table 3: Total Livestock

	2004		2009		2014	
Animal	No. of Farms	No. of Animals	No. of Farms	No. of Animals	No. of Farms	No. of Animals
Alpacas	10	149	14	220	33	211
Deer	6	123	3	111	2	82
Goats	39	278	31	377	36	394
Llamas					2	9
Pigs	8	20	10	102	6	40
Poultry					5	686

Source: Local Land Services Office Bega.

The 2005-06 Agricultural Census identified the number and size of agricultural industries in Eurobodalla. The area of land used for primary production or rural residential in each of the land capability classes is set out in the following table:

Table 4: Eurobodalla Land Capability Classes

Land use	Land Capability Class								Totals (ha)
	Lands suitable for regular cultivation			Lands suitable for grazing—occasional cultivation		Lands suitable for grazing— no cultivation	Other lands		
	I	II	III	IV	V	VI	VII	VIII	
Cropping		530		2,052	245	277	19	22	3,145
Estimated grazing		2,559		15,449	1,005	7,197	2,212	1,089	29,511
Horticulture		372		82		1			455
Rural residential		61		2,944	15	1,563	368	22	4,973
Totals (ha)		3,522		20,526	1,265	9,038	2,599	1,133	38,083

Source: ESC Rural Land Issues Paper (2013) p. 10.

As can be seen the availability of good quality land for large scale horticulture is limited. The lack of significant irrigation water also limits large scale.

However, many small enterprises can make part-time income from small holdings and some of these are not picked up in the regional statistics. Also small scale to medium scale horticulture can use greenhouses and manufactured beds for growing.

2.1 OYSTERS

Oyster growing in Eurobodalla is a significant food production industry which operates at a much greater scale than the small scale land based food producers.

Data from the 2013/14 Department of Primary Industry Aquaculture Report shows the value of oyster production in Eurobodalla.

Table 5: Value of Oyster Production 2013/13

Clyde River	\$3,996,000
Tuross Lake	\$521,000
Wagonga Inlet	\$1,644,000

Source: NSW Department of Primary Industries; Aquaculture Production Report 2013–2014.

While oyster farming is mostly water based, productivity is largely dependent on estuary health most of which oyster farmers have little or no control over. However, the outcome of the Rural Land Strategy will impact on the oyster industry both in terms of future land use and strategies related to the economic function such as promotion of local food.

The Rural Land Strategy Policy Directions Paper suggests that there may be scope for some land based aquaculture. However, it is understood that little quantitative research has been carried out to date on this matter. Land based aquaculture at commercial scale often needs

significant volumes of good quality water and major water treatment plant. But again as with horticulture there could be scope for small scale operators.

2.2 THE SOUTH EAST FOOD PLAN

The South East Food Plan is part of the South East Food Project which was established by Sustaining Our Towns and SCPA-South East Producers in 2011. The South East Food Project was established with the understanding that Sustaining Our Towns would be wound up in March 2012 and that SCPA-South East Producers would be responsible for the implementation of the Plan.

In 2011, the precursor to the South East Food Plan, a report titled *South East Food: Growing the Regional Food Economy in South East NSW* identified the following 10 barriers to increasing production and consumption of local food in the South East region:

1. Lack of consistent supply and not enough producers;
2. Lack of financial motivation;
3. Lack of outlets for local food;
4. Lack of coordination of supply and demand;
5. Difficulties in competing with supermarkets;
6. Unnecessary regulations;
7. Lack of an integrated and coordinated transport and logistics system;
8. Lack of food processing facilities;
9. Lack of support for producers; and
10. Lack of affordable land.

The final report *South East Food Plan: A Plan for Growing the Regional Food Economy in South East NSW* released in May 2012, proposed 10 projects to overcome the barriers identified above.

The Plan's actions for addressing these issues were categorised under the following strategy headings:

- Increase local food production;
- Improve local food supply; and
- Increase local food consumption.

Under each of the above strategies 10 projects were proposed to progress each strategy. The link between the strategies and proposed projects is shown in the table below.

Table 6: South East Food Plan- 10 Potential Projects

Increase local food PRODUCTION	Improve local food SUPPLY systems	Increase local food CONSUMPTION
<p>1. Establish and/or strengthen local producer support networks, especially in and around urban areas.</p> <p>2. Increase the use of sustainable production methods through the provision of training opportunities.</p> <p>3. Increase the use of the use of the Bega small species abattoir for poultry processing by sourcing animals from a wider area and co-ordinating transport.</p> <p>4. Advocate ways of increasing the availability and use of quality agricultural land, such as leasing land for small scale agriculture, converting from grazing to more intensive uses, and issues relating to flood plain use.</p>	<p>5. Build a South East Food Web App to link producers with buyers, send alerts about food wanted or available, and connect those needing or providing transport.</p> <p>6. Help local producers to sell their food through local outlets, deal with food safety regulations, market and transport their products. Local outlets include shops, cafes, farm/garden gate stalls, box schemes, events etc.</p> <p>7. Highlight opportunities for regional provedore services*. These might range from services managed by collaborating producers to virtual provedores who don't physically handle the produce.</p>	<p>8. Conduct a local food menu challenge with prizes for the entrants who design the best week-long menus using local, seasonal food.</p> <p>9. Market the region as a supportive and exciting place to produce, experience and live on sustainably produced food. This is an alternative to the 'food tourism' approach used by many regions.</p> <p>10. Promote the development of local food styles, especially healthy fast food that can be produced at home or in commercial outlets.</p>

Much progress in implementing projects has been made across the South East Region by the activities of SCPA, SAGE and Permaculture eXchange. Some projects may have been influenced by the SE Food Plan while others not. Examples in Eurobodalla include the following:

SE Food Plan Project 1. Establish and/or strengthen local producer support networks

SAGE has an extensive social network.

SAGE Forums to bring together people with similar skills and ambitions to share work and skills (such as the SAGE Market Gardening Workshop Series).

SE Food Plan Project 2. Increase the use of sustainable production methods

A range of education actives are run by SAGE Education. They have included programmes in Sustainable Soil Management and in biodynamics, using seaweed in the garden and the kitchen, harvesting and using specific crops.

The National Environment Centre Diploma in Organic Farming which was available to the South East Region.

SE Food Plan Project 6. Help local producers to sell their food through local outlets

Local producer's markets are held weekly at Moruya and Central Tilba.

There seems scope to grow both market venues and possibly allow further market times per week at the two existing venues. Limiting stall holders to mostly selling local produce lessens the issue of unfair competition that can arise for town retail stores.

2.3 LOCAL PRODUCE MARKETS

Local produce markets provide an invaluable and essential component in the food production-distribution-sales chain.

There are two main local produce markets in Eurobodalla – the Sustainable Agriculture and Gardening Eurobodalla (SAGE) Farmers Market held each Tuesday at Moruya and the Tilba Growers Market held every Saturday at Central Tilba. The Saturday Market at Moruya, while not a specifically a produce market, also offers growers an additional sales outlet.

The SAGE market provides growers the most effective vehicle for selling their product.

2.3.1 SAGE Market

The SAGE Farmers Market is based on the principle that when a purchase is made at the SAGE Farmers Market, the purchaser can be confident that the person from whom the product is being purchased either grew it, harvested it or made it.

There are no middle-men, no wholesalers and everything was grown and made within our local area. (Source: SAGE Website).

“The SFM exists to support local primary producers and local secondary and tertiary producers who value add to produce sourced locally.

The SFM's additional purpose is to educate consumers about the multiple benefits of eating local produce and products and to raise awareness of the seasonality of local food. It also supports the over-arching aims of SAGE Inc. to provide assistance and education to new and existing growers in our region to adopt sustainable agricultural practices.” (SAGE Farmers Market Website).

To meet the conditions of participation any primary product must be grown or harvested within a specified local region and sold by the producer themselves. This, as stated by SAGE, lays the foundation of an authentic farmers market.

The SAGE Farmers Market region is defined as within a ~160 km radius (as the crow flies) of the township of Moruya, Eurobodalla.

This extends to Shell Cove on the coast, and Bowral and Myrtleville inland in the north, into the Great Dividing Range in the west and just beyond Eden on the coast and Delegate inland in the south.

The SAGE Market has been very successful since its commencement in January 2013 with 11 stall holders. The markets now regularly attract up to 36 stall holders during the summer season and more often than not stall holders sell out completely. In fact, discussions with market management suggests that shortage of product is one of the main issues currently facing the market.

So successful has the market been that in July 2014 the market was awarded the title of “Most Outstanding Farmers’ Market” for 2014 at the ABC Delicious Magazine’s annual Produce Awards. The awards have been held for the last nine years and are firmly established as the nation’s best showcase of quality farmers markets, innovation in Australian produce and food retailing.

SAGE Farmers Market has again won this award in 2015.

Some of the success of the markets may be attributed to its innovative approach- there is a strict start and end time for each market, its insistence on locally grown and produced, operating once each week and most recently, the introduction of an e-market where buyers can pre-order and pay on line.

Figure 1: Region of influence of the SAGE markets



2.3.2 Tilba Markets

The Tilba Growers markets commenced in December 2008. Today it is open every Saturday from 8 am to 12 noon at the Tilba School of Arts Hall under the banner of Make It, Bake It, Sow It, Grow It. The Saturday markets attract between 15 to 20 stall holders each week.

While the Tilba Growers Market may not be as large as the SAGE Moruya Market, it does attract a range of producers that supply eggs, fresh seasonal vegetables, bakery produce, jams, pickles, preserves, soaps, take away hot foods as well as a range of local art and craft.

Some producers, such as *Soul Patch* and *Bumbo Road Produce/Kyle's Coffee* who sell at the SAGE markets also sell at the Tilba Markets.

2.4 OTHER INFRASTRUCTURE AND SUPPORT

- Bega Valley small animals abattoir;
- Affleck family owner abattoir;
- Moruya Sale Yards; and
- Local independent grocer (Southland) and Moruya IGA who are selling local produce.

2.5 SMALL LOCAL PRODUCER SUPPORT AND TRAINING

2.5.1 SAGE

SAGE on its website states that it is:

"...working hard to revive the local agricultural and horticultural heritage of our region. Through training, mentoring and support, SAGE is helping families and individuals with a passion for growing get established in the area as farmers. The demand for sustainably grown, local, fresh, healthy, delicious produce is growing faster than can currently be supplied. The future of local food in the Eurobodalla is full of opportunities and promise."

The SAGE project is a community driven project, initially auspiced by the Moruya & District Chamber of Commerce and Industry that is being developed as an education and demonstration site for sustainable agricultural and horticultural practices.

Many of the SAGE programmes are conducted on the SAGE Block in Queen Street Moruya. All activities carried out on the SAGE block:

"...are to be seen as tools to achieve education of the community in the growing of food, both domestically and on a semi-commercial basis, in a sustainable manner." (SAGE website).

The SAGE website and discussions with SAGE members clearly leads to the conclusion that it is the objective of SAGE to:

- Increase the number of semi-commercial, sustainable farm-gate producers in Eurobodalla and the region;
- Increase the number of families growing a significant proportion of their own food sustainably in our region;
- Improve sustainable food security/resilience in our region; and
- Generate a sense of community through the growing of food sustainably.

SAGE conduct a series of education programs that also target existing and potential growers who wish to become more commercial. With the success of the SAGE Farmers Market in Moruya, it has become evident that there is a growing demand for locally grown produce, preferable grown using organic practises. To meet the needs of our customers, SAGE is proud and excited to announce a series of workshops on 'Market Gardening for small-scale production'.

2.5.2 Sapphire Coast Producers Association (SCPA)

A range of activities similar to that offered by SAGE, but targeting Bega Valley and perhaps a broader regional market, are provided by SCPA and accessible to the Eurobodalla community. They include a weekly newsletter emailed to over 1,000 subscribers, they conduct a recognised organic certification scheme and South Coast Field Days, a seed savers programme and fruit fly eradication program.

Examples of education programmes targeting producers include "Making a Buck from Beetroot" and "Safe Bucks from Food".

SCPA conduct an annual field day and the bi-weekly farmers market in Bega.

3 LAND SUPPLY AND DEMAND FOR HOBBY AND SMALL SCALE LOCAL PRODUCTION

“There are around 1,800 holdings between 5 ha and 50 ha in size. These holdings are likely to include a mix of uses ranging from rural residential through to commercial agriculture. The capability of these holdings to support commercial agriculture in the long term will be influenced by a number of factors including the soil type, availability of water, presence of biodiversity and proximity to agricultural infrastructure such as processing and storage facilities and road networks.

There is an opportunity through the Rural Land Strategy to assess and review in greater detail the attributes of these small holdings and confirm if they have a strong future for commercial agriculture or if there are preferred alternative uses.”
(Rural Lands Opportunities and Constraints Report, P14).

Discussion Paper 2 on agriculture direction explores the possible definitions of what constitutes things like a hobby level of production from a more serious part-time farm and from a large scale commercial farm. Generally, holdings below 40 ha will struggle to make any serious net returns from conventional land uses but there are a few exceptions where land quality is good and water supply available. Many holdings between 40 and 200 ha really only can make some part-time income for the owners but dairy can be an exception.

There are only just over 50 properties of size greater than 200 ha and range from bush retreat blocks to full-time beef and dairy operations.

Discussion Paper 9 explores supply and demand for the smaller farm sizes in more detail but the following two tables give some indication of current supply.

The following tables explore the number of smaller rural ownerships in Eurobodalla Shire to understand the potential for additional small-scale farm operations. In the tables and the following discussion, the term ‘vacant’ refers to the absence of a dwelling.

Table 7: Smaller Farm Holdings in the General Rural Area (RU1 and Deferred Areas)

	Total Ownerships	Estimated Vacant
Ownerships between 2 ha and 10 ha	788	213
Ownerships 10-40 ha	587	107
Ownerships 40-80 ha	184	33
Totals	1559	353

Source: GBPS estimation from ESC GIS data.

Table 8: Holdings 2 ha and larger in the E4, R5 and RU4 Zones

	E4 Zone	R5 Zone	RU4 Zone	Total of 3 Zones
Total	739	339	216	1294
With Dwelling	561	288	183	1032
Vacant Ownerships	178	51	33	262

The above tables point to around 600 smaller sized existing properties in the Shire that are currently vacant and could contribute to the supply of small farming opportunities (if they are not already being used for some form of agriculture). With respect to Table 7, some ownerships will be land where a dwelling is not permissible but this does not prevent small scale farming use.

Many of these 600 vacant small ownerships may have low prospects of any serious production of local food and fibre, given poor soils, limited water, and large areas of forested land. Further analysis of this is contained in Discussion Papers 2 and 10 which explore commercial agriculture direction and rural small holding development respectively.

Most of the vacant ownerships in the E4, R5 and RU4 zones have only small areas of good quality agricultural land and as such scope is limited. But in the RU1 zone the small farm ownerships are larger and contain more areas of good quality agricultural land. The deferred areas are very limited in the amount of good quality agricultural land with over 96% of the total area of deferred land being the poorest class 5 land. (It is important to note that the land classification mapping is done at a regional scale and is not suitable or used for determining the boundaries of land use zones. It is only a guide to suitable land use and does not prevent land owners from undertaking any agricultural activity on their land.)

Discussion Paper 2 on Agricultural Direction found that the 1375 properties in the RU1 zone of size 40 ha and below contained nearly 20% of all the class 1 to class 3 agricultural land in the Shire (prime agricultural lands). And that 30% of the total area of these properties of 40 ha or less was Class 4 or better i.e. good grazing land through to prime cropping land.

While the above discussion focuses on the prospects for small-scale farming on land that currently does not have a dwelling, there are significantly more small-sized rural properties that do have a dwelling and, subject to the quality of the land and environmental issues, can be used for small-scale agriculture (if they are not already being so used).

There seems to be adequate supply of small farming opportunities at present but this is explored more in Discussion Paper 9.

4 VALUE OF SMALL SCALE LOCAL FOOD PRODUCTION

As shown in Section 2 of this report the annual income from vegetables for human consumption and from orchards – fruit and nuts in 2011 was very small – \$200,000 and \$400,000 respectively. While more current data is not available it is likely that (since the establishment of the SAGE farmers market in January 2013 which now includes up to 36 stall holders in peak season) that the turnover by vegetable growers has increased. Anecdotal evidence from interviews with SAGE market management suggests that about 3 stall holder producers currently rely on the income generated from their produce growing enterprise as their sole source of income.

Initiatives by SAGE such as an expanded produce distribution network and the e-marketing initiative along with the fact that most producers sell all product on market days suggest there is room for increased production. Interviews with SAGE market management has revealed that insufficient supply is one of the issues now facing the SAGE market.

The NSW Department of Primary Industries' Aquaculture Production Report 2011/2012 shows that the value of Sydney rock oysters in the Clyde River, Tuross Lake and Wagonga Inlet totalled \$5.12M.

The value of small scale rural production has been well acknowledged by each of the background documents leading up to the drafting of the Eurobodalla Rural Land Strategy. The following extract from the Rural Lands Opportunities and Constraints Report provides a good summary:

“Sub commercial farms sometimes called lifestyle farms or hobby farms (this should not be confused with rural living – see Glossary) are operated on a part-time basis with a heavy reliance on off-farm income. In the agricultural industry, they play a minor role in terms of production and value adding, but are significant because of their number. It is a diverse group and includes a range of industries and people with varying motivations, goals and skills. Some are motivated by their environmental values or strongly held beliefs regarding the sustainability of their production systems. Some are seeking to develop a commercial agricultural business or developing a niche market or product. Others are in semi-retirement from full-time farming or are purely seeking a rural lifestyle. They are not necessarily profit or production driven and choices such as farm location are often based on amenity and environmental values rather than land capability.” (Rural Lands Opportunities and Constraints, P16).

“Lifestyle farming families can bring a richness and diversity to rural communities and re-energise community networks and institutions. In some cases, a sub-commercial activity can grow in to a commercial scale enterprise.” (Rural Lands Opportunities and Constraints, P16).

It is reasonable to suggest that the value of small scale production is much greater than the current monetary earnings. In addition to its future earnings, local food production may also include:

- Tourism benefits – visitors enjoy local produce. This is evidenced (anecdotal evidence from SAGE Market Management interview) that some visitors are now timing their trips to coincide with the market days).

- Food security by increasing local production and reducing the risk of alienating some high quality agricultural land adjacent to urban areas.
- The establishment of new restaurants and cafes such as The Dairy Shed at Bodalla.
- Community pride and stronger community networks.

4.1 SMALL SCALE AGRICULTURE CAN BE VIABLE

The SAGE demonstration plot in Queen Street Moruya has been set up to demonstrate the following, as described by the SAGE website.

“If we can show that, say, 3 acres including a large dam is sufficient for a viable and sustainable family farm, then our towns can be surrounded by a ring of small farms that provide a good proportion of their food.” (Frazer Bayley - Old Mill Farm. From the SAGE website).

The development of small scale commercial horticulture using organic principles is still in its infancy in Eurobodalla. However, there are a number of small producers that currently generate all their income from produce sold locally and SAGE appear to be optimistic that the number may increase. This optimistic outlook is also based on the fact growers may be competitive because of their vertically integrated businesses – they are the growers, the transporters and sellers. There are no “middle-men” additional costs.

There are also some special value adding initiatives at the larger commercial scale. Bodalla Milk and Tilba Milk are examples of where local Eurobodalla dairies have arranged to directly sell part of their milk production locally as a branded local product and to produce local cheeses.

There are also some part-time and larger scale beef producers providing specialised meat lines where there are attributes such as organic and providence traces (from discussions with butchers selling local meats – Moruya Abattoir used for processing).

It is also useful to case study specific small scale food and fibre industries. As an example, bee keeping and local honey is modelled in the following Section.

4.2 A CASE STUDY IN LOCAL HONEY

Bee keeping is an industry that requires land with good access to floral resources. Most is occupied under lease or licence. Apiarists rely fairly heavily on State forest and national park sites for their bee keeping activity. Informal discussions with NSW National Parks staff and DPI staff suggests that in Eurobodalla most apiarist activity is based on public lands (estimated at 60% compared to 40% in NSW as a whole).

Eurobodalla is a valuable apiary area because of the access to good quality floral resource, particularly spotted gum and grey box.

Up until this year, bee keepers applied for permits by a ballot and first-come first-served system to the Forestry Corporation to use vacant sites, for an annual fee of about \$95. This

year, as part of a trial, the Forestry Corporation auctioned 24 vacant sites in the region by an online auction. Three buyers won the 24 sites, with prices ranging from \$1,311 to \$3,500 per annum for a five-year lease. Anecdotal evidence from a local apiarist suggests that the majority of sites went to pollination-service providers, whose bees pollinate commercial crops, rather than produce quality honey.

The results of the auction has caused concern among local apiarists in that they would lose access to apiary sites on public lands across NSW.

The Forestry Corporation is still reviewing its site allocation policy for future years.

The NSW National Parks and Wildlife Service offer apiary sites licenced to licenced apiarists for an annual licence fee and sites tend to remain with the same licensee from year to year.

There are about 100 apiary sites in the NPWS estate in Eurobodalla and each site can accommodate between 10 and 200 boxes depending on the characteristics of the site. The NPWS have licensed approximately 25 apiarists.

An issue of concern to apiarists is the impact of subdivision on access to apiary sites on private lands. The apiary industry voluntary code specifies a 500m buffer between a dwelling and beehive sites. Therefore, subdivision of land with or close to good quality floral resource can adversely affect availability of aviary sites.

Discussion with DPI suggests that there may be scope for local apiarists to value add to their product more than is done at present. Because Eurobodalla has some high quality floral resources in spotted gum and grey box and to a lesser extent leptospermum (although this has not been thoroughly tested locally) there is scope for packaging that reflects the provenance of the honey floral source and location.

Some concern is also held by professional apiarists at prospects of growing amateur bee keeping given the potential for poor management of disease and stock quality.

5 IDENTIFICATION OF ISSUES AND OPTIONS FOR THE RURAL STRATEGY

5.1 RURAL LAND ISSUES PAPER

“The challenge for the Eurobodalla is to facilitate growth in the key agricultural industries of beef and dairy cattle and aquaculture, while at the same time providing for growth in a range of agricultural enterprises, from increased processing capacity, to other value-adding activities and to niche cottage industries.” (Rural Lands Issues Paper, P13).

The Issues Paper identifies that many land use conflicts can lead to pressures to redevelop rural land for urban and rural lifestyle purposes which can have significant implications on all forms of agriculture – large and small. While the issues below were mostly aimed at large scale producers they also apply to small scale producers. For example, there is concern among small scale producers that the cost of acquiring good quality food production land surrounding Moruya is being alienated by residential development and becoming unaffordable.

The Rural Issues Paper lists the following issues:

- The potential permanent loss of agricultural land;
- The potential increase in rural/urban conflicts which can impact on farming operations;
- The creation of dispersed settlements that will have infrastructure capacity and cost issues; and
- Inflated land values caused by price speculation, making land purchase for farming activities unviable.

But with only 129 holdings over 100 ha and just over 50 over 200 ha, large areas of the Shire are already substantially fragmented into small farms. This is examined in more detail in the discussion papers on Agricultural Direction and Rural Zoning.

5.2 RURAL LANDS OPPORTUNITIES AND CONSTRAINTS REPORT

The Rural Lands Opportunities and Constraints Report raises a concern that lifestyle farming may impact on commercial agriculture by increasing land values above productive values, particularly in areas of high amenity and close proximity to urban centres. Such increased land values may result in commercial barriers to increasing scale of operations and improved efficiency.

The Rural Lands Opportunities and Constraints Report goes on to state that gains in the economic development of the agricultural industry would come primarily from traditional commercial farms – in particular beef and dairy and that lifestyle farming, supported by adequate justification, should be provided away from areas identified for commercial agriculture.

It is likely that the larger scale commercial agricultural operations will continue to earn the bulk of agricultural income for the Shire over the coming 20 or more years. But the prospects of growing further production from the existing commercial base seems low (see the discussion in the Rural Directions Discussion Paper 2). Increasing scale for beef and dairy farms is a huge challenge when land costs per production unit in Eurobodalla are already several times that of western properties. In other words, if a farmer or corporation is looking to expand, it is far cheaper to get expanded production out west than on the coast – especially in fragmented Shires like Eurobodalla with associated pressures for other use of the farm land.

That is not to say Council should abandon attempts to protect the remaining larger holdings from unnecessary fragmentation. Larger holdings are more cost effective for traditional beef and dairy production. Once production drops to hobby scale, then input costs tend to exceed any net return. There are extra burdens on the Shire ratepayer when areas are further fragmented and services such as roads have to be upgraded.

Section 3 of this Discussion Paper has also noted that there are currently around 600 vacant small farms in the Shire that provide or have scope for small-scale farming opportunities (along with significantly more smaller sized properties with a dwelling that could be used for small-scale farming where they are not already being so used) . So there seems to be no short term supply issue for small lot agriculture.

5.2.1 Opportunities

The following opportunities were included in the Rural Land Opportunities and Constraints Report:

1. Leveraging traditional tourism strengths and further developing nature based tourism to value add to agriculture (noting that this requires new skill sets and business structures).
2. Increasing production of premium products e.g. organic/biodynamic products and associated processing and manufacturing.
3. Identify land that is important productive agricultural land for traditional commercial scale and separate areas of land that could be considered for lifestyle farming.
4. Assess and review in greater detail the attributes of small rural holdings and confirm if they have a strong future for commercial agriculture or if there are preferred alternative uses.
5. Improvement in agricultural practices to support environmental and economic outcomes.
6. Expansion of horticulture.
7. Maintaining and promoting separation of land from other non-compatible uses to avoid land use conflict and speculative land pricing.

The Rural Lands Opportunities and Constraints Report goes on to explain that local support for local food production and development of local food networks may be seen as a means to support local agriculture and the local economy. To foster this growing support the Report suggests:

- Promoting alternative methods of increasing farm scale e.g. land leasing, share farming.
- Promote co-operatives or group marketing initiatives for small producers to achieve sufficient scale of production and critical mass to access new markets and investors.
- Establishing brand and product recognition for Eurobodalla produce with links to tourism initiatives such as food and wine trails.
- Promoting access to training and support programs for agricultural producers looking to value add to primary production e.g. food processing, tourism, including planning for business transition, compliance with industry standards and regulations, marketing.
- Assessing the commercial viability of new business ideas.
- Continuing to advocate for investment in infrastructure improvements that will support long term growth in agriculture in Eurobodalla.

5.2.2 Constraints

The following constraints are extracted from the Rural Lands Opportunities and Constraints Report.

1. The area of high versatility agricultural land (Agricultural Class 1 and 2) is limited and therefore growth of high value industries such as horticulture and dairy is constrained.
2. There are few areas for further significant agricultural development and opportunities to grow businesses through property amalgamation are decreasing.
3. High versatility land is in locations coincident with other significant competing land uses such as tourism and urban settlement along the coastal strip and in close proximity to townships including Moruya and Bodalla. Demand for this land has increased land values above agricultural value which may deter agricultural investors.
4. Pressure on Council to rezone rural land as farmers retire, smaller farms become less viable or are squeezed out by land use conflict with neighbouring land uses.
5. Changing demographics and conflict with lifestyle entrants e.g. approvals for intensification of agricultural production such as feedlots, commercial-scale horticulture (which may have off-site amenity, noise and odour impacts) may be increasingly difficult.
6. An increasing proportion of farms are 'lifestyle farms'.
7. High land values in high amenity locations.
8. Secondary processing of local produce occurs mostly outside Eurobodalla.
9. The local industries and markets are relatively small. To access a larger and more competitive market, produce is transported out of the Shire, and sometimes interstate.

10. Value adding to farm produce such as food processing, requires new skills, knowledge and infrastructure.
11. Cost of infrastructure improvements required to expand the agricultural industry.

The following issues identified in the Rural Lands Opportunities and Constraints Report are directed toward the more broad scale commercial agriculture, but the issues apply equally to the emerging small scale producers of the Shire.

“Some farm businesses have been able to transition their operations to address succession and scale issues. In Eurobodalla, there are examples of traditional milk producing dairy businesses developing vertically integrated operations that includes processing, branding and direct marketing of product. (Rural Lands Opportunities and Constraints, P15).

The LEP can support succession and farm transition by:

- *Providing land parcels of appropriate size for farm growth and transfer between farming businesses;*
- *Providing land parcels that allow for the adoption of efficient management and production practices;*
- *Avoiding fragmentation of rural land identified for agriculture to ensure that the landscape remains viable for farming;*
- *Ensure that dwellings in rural areas identified for agriculture are genuinely required for an agricultural outcome;*
- *Ensure that there is appropriate separation between land use for agriculture and other land to avoid land use conflict including the potential for farm management to be constrained due to impacts on neighbours and speculative property pricing and promote land valued for its agricultural potential.” (Rural Lands Opportunities and Constraints, P16).*

5.3 POLICY DIRECTIONS PAPER

The Policy Directions Paper identifies land based aquaculture as a development option.

“There may be opportunities for growth in land-based aquaculture in suitable locations and where there is good access to hatchery facilities. There has to date been limited investigation into the opportunities for land-based aquaculture in Eurobodalla. Council could work with the NSW Government and the aquaculture industry to investigate opportunities for land-based aquaculture in Eurobodalla.” (P13).

The Policy Directions Paper suggests creating an ‘open for agri-business’ culture in Eurobodalla and a positive and pro-active approach to encourage appropriate economic development. The Paper recognises the importance of co-operative approach to production in order to get the most out of the available rural resources in a sustainable way and to increase the profile of and demand for local produce in local, regional and larger markets.

Council can support organisations that provide education and training aimed at improving skill levels in agriculture and business by continuing to hold workshops with rural land owners on business development and environmental management matters.

At the small scale producer level, opportunities for co-operative education and training could be in association with community organisations such as SAGE and SCPA both of which have and continue to conduct successful training activities. At the wider South Coast regional level there may be opportunities for exploring programs in association with Regional Development Australia - Far South Coast.

5.4 SOUTH EAST FOOD PLAN

The South East Food: Growing the Regional Food Economy 2012 report identified the following as the main barriers to local food production in the South East of NSW. They are still relevant in Eurobodalla today although some have been lessened by the activities of SAGE.

- Lack of consistent supply and not enough producers;
- Lack of financial motivation;
- Lack of outlets for local food;
- Lack of coordination of supply and demand;
- Difficulties in competing with supermarkets;
- Unnecessary regulations;
- Lack of an integrated and coordinated transport and logistics system;
- Lack of food processing facilities;
- Lack of support for producers; and
- Lack of affordable land.

To the extent there is a potential solution, these issues are dealt with below.

5.5 DISCUSSION AND INTERVIEWS WITH LOCAL PRODUCERS

A number of issues have emerged from interviews with local producers.

1. Some of the highest quality horticultural land is considered by some SAGE producers to be located on the Moruya River flats adjacent to Moruya. Two lots in this area were recently acquired by local producers to enable increased production. These acquisitions raised a couple of issues, one of which was the price of the land. As is often the case with lands adjacent to rural towns, a speculative value is factored into land values rendering returns from agricultural production less financially viable.

The second matter that caused some concern was their uncertainty of what rural infrastructure would be permitted on the land given that it is flood prone. However, it is noted that farm buildings and garden sheds up to a certain size are exempt development under State Environmental Planning Policy (Exempt and Complying Development) 2008 and other rural outbuildings are exempt development under the Eurobodalla Local Environmental Plan 2012. Where a proposed structure does not meet the requirements for exempt development, Council will consider a development application on its merits. In the Moruya floodplain, for example, the Floodplain Code provides for farm buildings (where consent is required) to be considered on merit and subject to conditions, in all but the extreme flood hazard areas.

2. The SAGE Tuesday market is now so successful that stall holders usually sell out of produce before the markets close. The shortage of product is of concern to market management. Increasing the number of growers and the area of land used for cropping are two strategies used by SAGE and local producers to address this issue.

SAGE run an intern program to encourage and facilitate the entry of new growers into small scale commercial horticulture and two growers recently acquired plots of the Moruya River Flats to increase their output.

Leasing small parcels of land has been suggested as a cost effective way for small scale producers to access the land they need to increase production levels. Under the NSW Conveyancing legislation, leases over small parcels of land (without lot and DP identification) can be registered in NSW now on condition that leases do not extend beyond 5 years, although 5+5 year options are possible. For longer leases which require registration, a survey might be required to identify the boundary of the subject land. It should be noted that leasing of land is not regulated by the Council's Local Environmental Plan.

Agistment is a long established form of short term leasing for livestock and the practice is widespread in the Shire and most rural areas – certainly amongst the bigger farmers with many carrying stock from time to time on other people's land for an agreed rate per head (usually on a per week basis). There are many small holdings throughout the Shire and possibly more coordination of small block owners might yield a register or similar of properties available for agistment and conversely persons seeking agistment.

Alternative and more flexible land tenures, such as land sharing and shared titles such as Community Title may also be appropriate in areas experiencing demand for land for small scale agriculture.

3. Some local producers claim that dwelling entitlements are needed on lands used for mixed farming where animals are part of the mix, as it can be difficult to run a successful mixed farm if the farm operator cannot tend to animals by living on site. The quandary, of course, then becomes: how much will land value increase with a dwelling entitlement and will the land cost eliminate agriculture as a commercially viable use?

There is also a significant current supply of vacant ownerships where a dwelling is permissible. For example, there are approximately 90 vacant properties over 40 ha that may be able to apply for a dwelling (subject to confirmation of dwelling entitlement). Then there are over 300 vacant small ownerships in the RU1 and Deferred areas under 40 ha and under several different sub clauses of the LEP a dwelling may be permissible on some of these. Further analysis of this issue will be provided in Discussion Paper 9.

In addition, there are also approximately 260 vacant lots in the rural residential and rural small holding zones (E4, R5, RU4) that are eligible for a dwelling and while many of these have limited agricultural land, there are nonetheless a range of opportunities for those lots.

4. Farm/property succession is recognised throughout Australia as an issue for family farms. Small scale agricultural producers experience similar succession challenges of broad acre farmers. Given high speculative land values already in Eurobodalla there is little Council can do to facilitate economic succession where parents or siblings need to be bought out.
5. Need quality land in small lots close to town. Especially river flat land. (Subdivision of land of any size for the purposes of agriculture without a dwelling can be approved now on merit.)
6. There appears to be some uncertainty among some growers about what constitutes intensive farming although a definition is included in Eurobodalla LEP 2012. Is the activity intensive if the keeping of animals is on a rotational free range basis and an integral part of pasture nutrient management? A brochure may be of assistance to outline the differences between the definitions of 'extensive' and 'intensive' agriculture and their permissibility in various zones.
7. Planning Policy relating to minimum lot sizes and dwelling entitlements were cited as examples of policies that small agricultural producers thought could be made more flexible to better meet the needs of the emerging agriculture producer. Permissible uses and review of dwelling rights are explored in other Discussion Papers.
8. Apiarists may be affected by small lot sub-division in areas containing high quality floral resources such as spotted gum and grey box. As the industry has a 500 m voluntary buffer between dwellings and bee hive sites, sub-division could potentially restrict access to nearby floral resources. Possibly more detailed buffers and dwelling setbacks are needed.
9. Using the small animals abattoir in Bega is not cost effective for small species growers unless they get to high volume production given the distance of most of the Shire from

Bega. The Afflick Abattoir at Moruya currently only processes cattle, sheep and goats. This is a volume and supply issue that is hard to address. But with increasing demand a second small species abattoir or pooled transport arrangements to Bega may become viable. NSW Government food regulations limit animal slaughter on private land for commercial use. It is generally illegal to on-sell home slaughtered livestock products without the premises having a quite elaborate facility.

10. Clyde River Oyster Farmers: Environmental Management System 2012 lists the following as risks to water quality on which the oyster industry relies:
 - Heavy metal and oil pollution from urban runoff, industrial sites and boating activities.
 - Elevated nutrient, chemical, bacteria and virus levels from agricultural and urban runoff, sewage effluent discharges and leaks from septic tanks.
 - Habitat destruction through development, reclamation and poor cattle management.
 - Changes to flows (i.e. ground water use, weirs, dams and water extraction) to provide water to industry, agriculture and homes, leading to unnatural sedimentation, changes in salinity and tidal flushing, and barriers to fish passage.
 - Acid pollution from acid sulphate soils exposed to air due to agricultural practice, water extraction, dredging and development activities.
 - Sand and gravel extraction.
 - Elevated levels of sediments from agriculture, land clearing, roads, land reclamation and urban runoff.
11. Consider whether there is more scope for roadside sales. While important road safety concerns can constrain the location of roadside sales, many desired stall sites from the perspective of the producer are on major roads. Roadside stalls are already permissible with consent in all the rural zones usually associated with local production, therefore the issue of road safety is a consideration a part of any development application. Council could consider developing a roadside stalls guide, similar to the one prepared for the NSW Northern Rivers. See:
<http://rdanorthernrivers.org.au/food-futures-council-resources/roadside-stalls/>.

Council could work with local producers groups and the Roads and Maritime Services to identify existing safe pull-over areas where shared sales stalls might be sited. However, the potential for major expansion of roadside stalls seems limited and a focus on growing existing markets and other outlets may be more productive.
12. Consider a more flexible boundary adjustment clause for rural land. The current exempt provisions in the State Environmental Planning Policy (Exempt and Complying Development) 2008 are limited to the current minimum lot size and the Council's LEP provisions are limited to sites that do not have a dwelling. A new model clause has been developed by the Department of Planning and Environment that could be included in the Eurobodalla LEP 2012 to allow more flexible boundary adjustments on merit (e.g. Clause 4.2B of the Wellington LEP).

13. Consider more flexible signage opportunities for rural producers, without resulting in a proliferation of signage in rural areas. Under the Eurobodalla LEP 2012 building identification signs and business identification signs are permissible with consent in the rural zones. The content of a business identification sign is limited to the name of the business, the nature of the business, the address of the business and a logo, and the sign must be located on the site where the business is being conducted.

State Environmental Planning Policy 64 (Advertising and Signage) also provides for signs on rural land that advertise the nature of a business being undertaken on that land, and the sign can include details of the particular goods or services provided on that land.

State Environmental Planning Policy (Exempt and Complying Development) 2008 provides for the replacement of lawful building identification signs and business identification signs as exempt development.

6 RECOMMENDED STRATEGIES FOR ENCOURAGING LOCAL FOOD AND FIBRE

Specialised food and fibre production and related new initiatives in agriculture will remain small in scale in Eurobodalla for the foreseeable future and represent only a tiny percentage of the gross value of agricultural production.

While the rate of increase in production may increase substantially, in real terms the increase may not be great as the starting point is at a low level. However, that is not to say that the local food production sector is not important to Eurobodalla. More and more people are making lifestyle decisions to seek out locally produced foods and foods produced using sustainable practices.

Increasing numbers of residents are making at least part-time income from local food and fibre production and from value adding.

Locally produced foods are also important to Eurobodalla tourism as discussed in Discussion Paper 8 Rural Tourism.

6.1 ECONOMIC DEVELOPMENT STRATEGIES FOR LOCAL FOOD

Action	Strategies to implement
Facilitate increased local food production to overcome the shortage of product supply.	<p>Leasing Land</p> <p>SAGE or other local producers groups may consider developing a simplified guide and model lease agreements for small lot farming. Once such a guide has been developed, the local producers groups could identify suitable locations and work towards connecting land owners with potential lessees. Council could assist with contacting land owners and promotion of the concept.</p> <p>Land Supply for Purchase</p> <p>There is currently ample land availability for small lot farms with the potential for a dwelling,</p> <p>Discussion Paper 9 and 10 will review lot sizes and consider the potential for extension of the RU4 Primary Production Small Lots zone over existing fragmented ownership sections of the RU1 zone.</p>
	<p>Training and Organisational Support</p> <p>Council to consider assisting groups like SAGE with grower education and training. For example, an annual programme could be developed in partnership between Council's Business Development Unit and SAGE.</p> <p>Support the SAGE Intern programme through Council's Business Development and Environmental Health Units and NSW Health providing guidance on business planning, marketing, regulations, occupational health and safety and food handling safety.</p>
	<p>Promotion:</p> <ul style="list-style-type: none"> • Identify small scale food production as a business opportunity in Council's business development website. • Promote Eurobodalla as a place where small scale agriculture is a viable lifestyle and business opportunity, and provide the above brochures.
Raise market awareness of supply and benefits of locally produced food and fibre.	<ul style="list-style-type: none"> • Integrate local food and fibre production materials into Council community and tourist information websites. • Council Business Development Unit in association with SAGE to develop a programme to raise awareness of and increase consumption of locally produced food. • Further develop tourism product that incorporates local food and wine. (See Discussion Paper 8 Rural Tourism).

6.2 ARE THERE CHANGES TO THE LEP THAT MIGHT BENEFIT LOCAL PRODUCE?

Action	Strategy
Protect the best agricultural land for use for food and fibre production.	Conserve best agricultural land remaining in larger holdings through lot sizing. Review the scale and use of small lot farming areas for possible expansion into fragmented areas. (See Discussion Papers 2 and 9 for detail and strategies.)
Flexible changes to rural lot boundaries.	Consider including a more flexible boundary adjustment clause in the local environmental plan (e.g. Wellington LEP Cl 4.2B).
Good quality agricultural land required for small scale mixed farming where animal raising can be integrated with vegetable growing and paddock management.	Investigate more diversity of lot sizing. Direct small lot farms to fragmented areas with good land while keeping lot sizes large where commercial scale is possible. Detail on these strategies is developed in Discussion Papers 3 and 9.
Promote and review exempt development provisions as they apply to food and fibre production.	<ul style="list-style-type: none"> Develop a fact sheet/guide for farm buildings and structures and how they fit into exempt and complying development. Review the trigger points for exempt development for farm structures (e.g. shed size) as they apply to small scale local food and fibre production.

6.3 POSSIBLE PLANNING POLICY CHANGES

Action	Strategy
Facilitate roadside stalls.	Consider development of a guideline for roadside stalls. See Northern Rivers example.
Education on the DA and exempt development process.	Develop a self-help DA kit specifically aimed at the works most commonly sought by small agricultural producers.

6.4 POSSIBLE INITIATIVES TO PURSUE WITH STATE AND FEDERAL LEVELS OF GOVERNMENT

Action	Strategy
Make it easier for growers to acquire access to good quality small plot agricultural land.	Approach the State Government to review its conveyancing legislation to make it simpler to lease private land for longer periods of time, providing more certainty for small producers to operate on land they do not own, and for those land owners interested in leasing their land to others for primary production.
Clearer and perhaps simpler rules and operations for small scale food production.	Approach the State Government to review the food regulations as they relate to small scale food production without compromising public health and safety.

7 REFERENCES

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DISCUSSION PAPER 8

RURAL TOURISM

A DISCUSSION PAPER TO GUIDE THE EUROBODALLA SHIRE COUNCIL RURAL STRATEGY

Prepared by: **Garret Barry Planning Services Pty Ltd**

For: EUROBODALLA COUNCIL



September 2015

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1 INTRODUCTION

This Rural Tourism Discussion Paper has been prepared by Garret Barry Planning Services Pty Ltd to inform the rural tourism component of the Eurobodalla Shire Council Rural Strategy. This document amalgamates the rural tourism data that has been presented to date in the Rural Land Strategy feeder documents, namely *Rural Lands Issues Paper*, *Rural Lands Opportunities and Constraints Paper* and the *Policy Directions Paper*. It also includes further research into existing rural tourism, its form and function. Options and issues are explored and strategies offered to progress Rural Tourism.

Council can influence the way tourism evolves with policies and programmes related to land-use planning; infrastructure development and maintenance; open space provision and maintenance; environmental management; public health and safety; local economic development; tourism promotion and marketing; education, training and employment; arts and cultural development and community development.

Tourism is Eurobodalla's largest industry valued in 2013 at \$367 million per year to the local economy and employing directly or indirectly up to 25% of the entire workforce.

Council is a major supporter of the tourism industry and has developed the Eurobodalla Destination Management Plan 2011-2020 to guide its role in the industry. Council also maintains a Tourism Advisory Committee to ensure it gets detailed feedback from the industry on the priorities of the Destination Management Plan and projects.

Preparation of Council's Destination Management Plan commenced in 2010 when Council announced it would undertake a review of its tourism activities including the Eurobodalla tourism organisation structure; the composition, role, structure and activities of its Tourism Advisory Board; and supporting operations such as visitor information centres.

The aim of the Destination Management Plan is to:

- Help grow tourism;
- Produce sustainable and competitive tourism that meets community expectations;
- Ensure that tourism is recognised as a major source of economic and regional development by government and the private sector;
- Grow the range and quality of tourism product and experiences;
- Attract tourism investment; and
- Communicate the importance and future of tourism for Eurobodalla.

The Plan outcomes of direct relevance to land use planning and hence the Eurobodalla Rural Land Strategy are detailed the Key Directions of the Plan, in particular sustainable tourism development, tourist product and development and infrastructure development. These are discussed later in this Paper.

1.1 WHAT IS RURAL TOURISM?

“Rural-based tourism can take many forms and can include tourism attractions as well as accommodation. Types of rural tourism attractions include the rural villages, heritage areas, scenic rural landscapes, and trails through natural areas, horse-riding activities, bird watching activities, local food experiences and the like. Types of rural tourism accommodations include bed and breakfast establishments, farm-stay accommodation, rural cabins, holiday homes, village accommodation, eco-tourism accommodation or camping grounds. ELEP 2012 permits all of the above types of rural tourism attractions and accommodations, with consent, in the RU1 and RU4 zones.” (Eurobodalla Rural Land Policy Directions Paper p. 15).

As an industry, tourism does not readily distinguish between urban based and rural based tourism. Visitors use both the urban and rural tourism assets and infrastructure. Council has detailed involvement in the general tourism industry and has adopted the Eurobodalla Destination Management Plan as its strategic planning framework to guide the development, management and marketing of tourism for Eurobodalla and its destinations to 2020.

But a rural strategy would not be complete without a review of the issues in the rural area impacting on tourism, the identification of opportunities the rural areas may have for growth of tourism and summarising any further strategies and actions Council may adopt from land use policies to initiatives it may pursue with State and Federal Governments.

1.2 IMPORTANCE OF RURAL TOURISM

The ESC Rural Lands Issues Paper points out that tourism in the rural areas of the Shire is playing an important role in the rural economy by allowing land owners the option to diversify their activities and add to the income potential of their land.

The value of diversifying rural income sources was also acknowledged in Council's submission to the Agricultural Competitiveness White Paper in April 2014. Council commented that encouragement, education and support for farmers to diversify into non-food income can improve returns by having a more reliable income stream.

The Rural Lands Issues Paper found that between 1993 and 2003, 55% of all tourism related development applications were located in the rural areas of the Shire.

A more recent examination of development applications since 2003 still indicates a high proportion of cabin approvals in the rural areas and some rural dual occupancies which could be used for short term letting. There were 4 urban cabin developments, 2 village and 2 rural in the past 10 years. There were also development consents for special events in the rural areas such as a motorcycle event and a music festival. A number of other major activities are also held that do not require development consent such as the mountain bike National Cross Country Marathon (XCM) titles and the South Coast Endurance horse Ride at Nelligen.

There are developments in the urban areas such as apartments where a proportion would be for holiday letting but the breakup of short and long term letting is not readily available.

In dollar terms it is likely the urban tourism development is higher than rural development.

If the coastline is included as rural, then the majority of the attractions that bring visitors to the Shire could reasonably be said to be rural based.

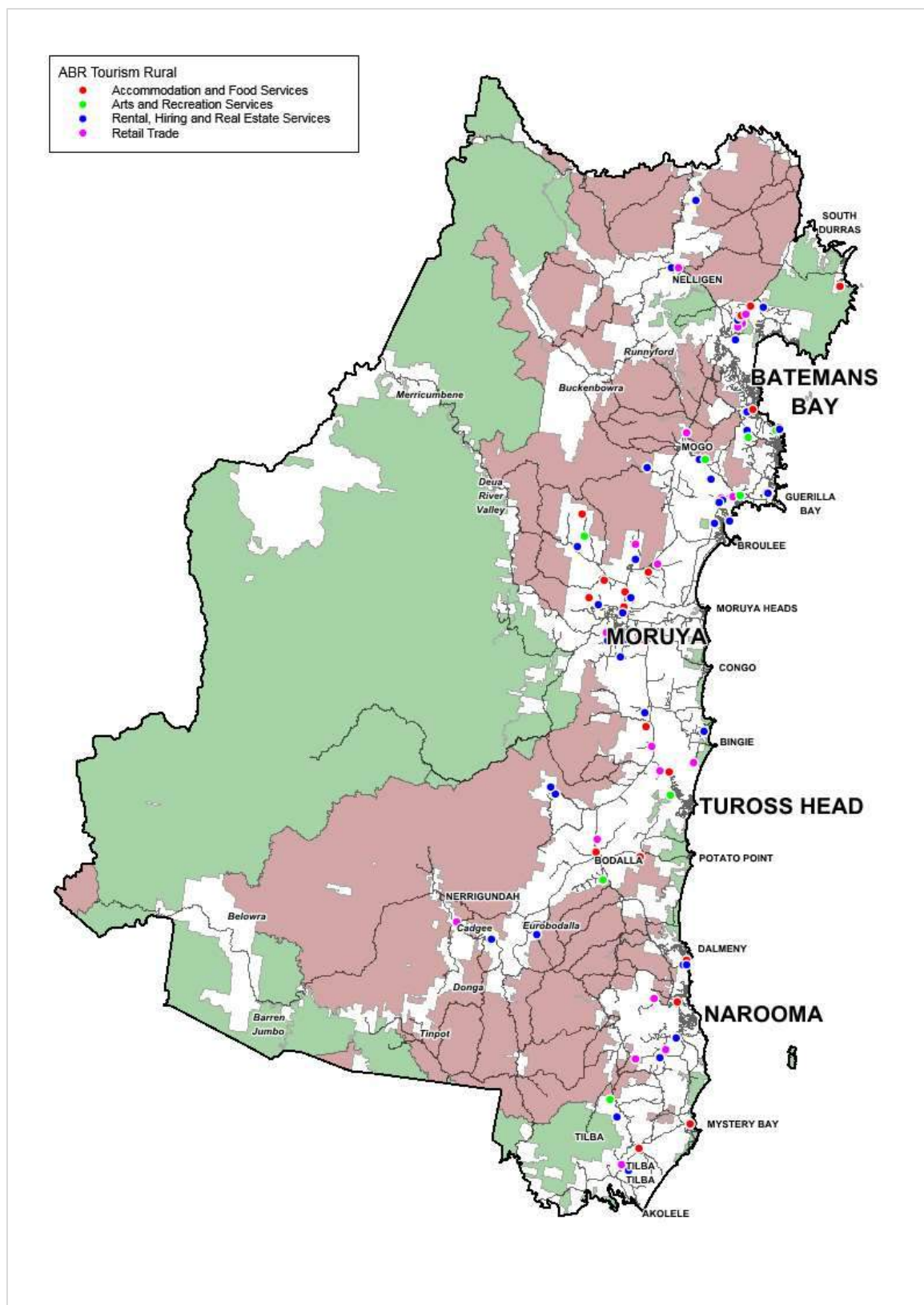
1.3 DESCRIPTION OF CURRENT TOURISM ASSETS IN RURAL EUROBODALLA

The Australian Business Register data was mapped to distinguish rural addresses from urban. This indicated only 25 registered businesses listing themselves in the hospitality and tourism endeavours, outside of the urban areas and 182 such businesses in the urban areas. But there are many other categories such as arts and recreation, training and hire that would have a proportion of tourism activity. These three additional categories total a further 53 businesses in the rural areas. The map on the following page plots these tourist related businesses.

There are then likely to be many more commercial tourist activities in the rural area that either are not registered businesses or are not based in one rural locality e.g. tour businesses.

Eurobodalla contains an extensive range of rural tourism assets much of which is land conserved as National Park or State Forest. These lands not only provide visitor destinations, some offer accommodation options, but they add to the natural landscape values which help underpin Eurobodalla tourism strengths as do the Shire's agricultural landscapes. Eurobodalla is a nature based tourism destination.

Map 1: Location of rural tourism businesses



1.3.1 Eurobodalla Tourism Strengths

The Eurobodalla Rural Opportunities and Constraints Report identifies environmental values of the Shire as a key attractor for nature based tourism and that these values are increasingly acknowledged as an important contributor to the Shire's amenity.

The Eurobodalla Destination Management Plan nominated the following strengths of Eurobodalla's tourism:

A significant factor that has helped ensure the conservation and attractiveness of Eurobodalla is that approximately eighty percent of the Shire is Crown Land that has been conserved as National Park or State Forest. Residential development is therefore concentrated around its townships and villages and the landscape is not dominated by urban infrastructure. This is in contrast to other NSW coastal destinations that have experienced rapid rates of residential development as a consequence of ex-urban population movements from major cities (e.g. Shoalhaven). Other important factors that have helped shaped the attractiveness of the Eurobodalla as a tourism destination include:

- A coastal and marine landscape that is not dominated by industries such as fishing and boating (e.g. Port Macquarie, Yamba, Coffs Harbour) nor industrial activity (e.g. Wollongong).
- The establishment of Batemans Marine Park, located between Murramarang Beach and Wallaga Lake on the South Coast, that offers residents and visitors opportunities for leisure and recreational activities. (EDMP p10).

The Policy Directions Paper for the Rural Lands Strategy states that:

“Eurobodalla has a number of environmental, agricultural and scenic qualities that attract people to live in and visit the Shire. The historic villages of Central Tilba, Tilba Tilba, Bodalla and Nelligen are prime examples. More broadly, elements of the coastal landscape, the farmland and the hinterland are all reasons why people choose to live and visit the Eurobodalla.” (Policy Directions Paper p. 15).

1.3.2 Rural Tourism Products

The principal rural tourism assets include:

- State land assets – National Parks, State Forests and reserves.
- Regional Reserves such as the Mogo State Forest and Eurobodalla Regional Botanic Gardens.
- Tourist Drives.
- Rural Accommodation including boutique resorts, farm stays, farm cottages, country cottages, bed and breakfasts park cabins and camping.
- Local Foods can be purchased at the Sustainable Agriculture and Gardening Eurobodalla (SAGE) Tuesday markets, the Moruya Saturday market, the Tilba Growers Market and some directly from suppliers and some local retail outlets

including restaurants. Products include dairy, seafood, vegetables, poultry, meats, wines, fruit and berries when in season.

- Rural villages (arts, heritage, local food, accommodation) that are attractions in their own right and are an integral part of the network of rural cycling trails and touring routes.
- Eurobodalla Cycling Trails (13 cycle ways included in the Eurobodalla Coast Tourism cycling brochure).
- Mountain Bike Tracks. Mountain Biking is permitted in State Forests and on most National Park management trails. Bodalla State Forest around Narooma is rated as having some of the best trails in NSW and home to the Red Belly/Cobra Mountain and Angry Doctor events. Mogo State Forest is home to the Maulbrooks Mountain Bike Park which hosts the Resurrection Mogo and Good Times Enduro events.
- Natural features – Gulaga, Montague Island, the coastline, etc. 83 beaches, more than 20 islands, 4 major river systems, lakes, coastal villages and vast tracts of nature reserves, wilderness and wildlife.
- Attractions such as Mogo Zoo and the Original Gold Rush Colony at Mogo.
- Water based attractions including cruise boats, house boats and charter fishing.
- Golf courses.
- Events such as car rallies in State Forests – Mogo and Narooma, horse riding endurance event at Nelligen.
- Heritage:
 - Eurobodalla Shire Council has 275 heritage items listed in its Local Environmental Plan and four items listed on the NSW State Heritage Register. Aboriginal heritage in the Eurobodalla is also reflected in planning instruments, with 11 Aboriginal Places of Heritage Significance listed in the Eurobodalla Local Environmental Plan 2012 (*Eurobodalla Local Environmental Plan 2012*: www.legislation.nsw.gov.au/maintop/view/inforce/epi+333+2012+cd+0+N).
 - In 2009, Council commissioned a detailed report on Aboriginal heritage (Eurobodalla Aboriginal Heritage Study Report, Donaldson, 2009). This report included many issues and items of Aboriginal significance, the majority of which fall in the rural zones. While there is sensitivity in the Aboriginal Community to public disclosure of some items, many of the broader landscape and dreaming themes could be a very important asset for the Aboriginal Community, Council and sympathetic tourist operators to develop.
 - Landscape heritage and stories such as those surrounding the sacred Mountain Gulaga and the Najanuka peak, near Tilba have major potential for public education including interpretive visits.

2 POLICY CONTEXT

The lead document for tourism planning in the Eurobodalla Shire is the Eurobodalla Shire Destination Management Plan 2011-2020 (EDMP). The Plan provides a strategic planning framework to guide the development, management and marketing of tourism for Eurobodalla and its destinations to 2020. The EDMP is consistent with the South Coast Regional Strategy and the South Coast Regional Destination Management Plan.

2.1 REGIONAL STRATEGIES

The South Coast Region Destination Management Plan (DMP) prepared by South Coast Regional Tourism sets the framework and strategic direction for the development and management of tourism and the broader visitor economy on the South Coast 2013 to 2020. The South Coast Region extends from the southern fringe of the Sydney Metropolitan Area to the NSW-Victorian border.

The South Coast Destination Management Plan identifies the following as priority strategies:

- Activation of National Parks and State Forests;
- Developing touring routes and themed trails;
- Growing the food, wine and local produce sectors;
- Growing special interest and activity based markets – nature, marine, adventure, cycling, walking, etc.; and
- Increased ‘commercialisation’ of attractions and assets – including growing the tour and equipment hire sectors, packaging, value-adding, development of commissionable and export-ready product.

The Plan identified an innovative accommodation targeted at the “experience seeker” market within or in close proximity to National Parks.

2.1.1 Rural Tourism

The following proposals presented by the South Coast Destination Management Plan are noted:

- Encourage Planning & Infrastructure NSW/Councils to adopt a flexible approach to assessing innovative accommodation proposals.
- Ensure that prime tourism development sites are recognised and protected in regional and local planning instruments.
- Explore with Crown Lands, NPWS and other Land Management Agencies, opportunities to release sites in prime locations for the development of visitor accommodation.
- Improve road access to National Parks and State Forests.

- Put in place signage (motivational, directional, and interpretative) and other support infrastructure (e.g. public art) to raise awareness of off-highway localities and attractions and motivate travellers to visit. A coordinated approach is needed along the entire Princes Highway corridor.
- Ensure that Tourism Routes, Themed Trails, cycle ways and walking trails are effectively signposted (directional and interpretive signage).
- Encourage the use of international icons in the signposting of facilities and services.

The South Coast Regional Strategy (2006-2031) proposes that local environmental plans identify appropriate sites for major tourism developments and that specific 'tourism' precincts be investigated consistent with the South Coast Regional Tourism Plan 2003-2006. These sites should focus on:

- Nature tourism;
- Art, food and wine production;
- Cultural and heritage tourism;
- Visiting friends and relatives market;
- Touring market; and
- Short breaks market.

The South Coast Regional Strategy goes on to say that local environmental plans will ensure that appropriate land will be made available to provide for a range of tourism experiences and forms of tourist accommodation, including the support of 'bed and breakfast' enterprises within residential and rural areas.

2.2 LOCAL STRATEGIES AND PLANS

The Eurobodalla Destination Management Plan 2011-2020 (EDMP) provides the strategic planning framework to guide the development, management and marketing of tourism for Eurobodalla and its destinations to 2020.

The Destination Management Plan recommends a number of key directions for tourism development in Eurobodalla the most relevant to rural tourism being sustainable tourism development and tourism product and experience development.

2.2.1 Destination Management Plan Direction: Sustainable Tourism Development

The purpose of this direction was to ensure sustainable tourism development to protect and enhance Eurobodalla's natural heritage, built and socio-cultural environments.

"Many regional destinations depend on their natural assets to attract visitors. If these assets are not maintained or compromised the destination may lose appeal to visitors and support of the local community. Best practice research for regional tourism destinations confirms that a good place to live is a good place to visit and that local government has an important role in establish planning and management

strategies to preserve natural, heritage, built and sociocultural environments.”
(EDMP p. 23).

The situational analysis and consultation process undertaken to inform the development of the EDMP confirmed the need (in rural areas) to:

- Retain the authenticity of towns and villages;
- Respect and protect residential amenity and community values;
- Continue to respect and preserve the natural environment;
- Improve communication to encourage and support potential development that responds to and capitalises on natural assets;
- Consider holiday-letting of residential properties in LGA planning policies to balance residential amenity and tourism as an emerging issue e.g. short term letting clause as in the Bega Valley LEP (Clause 6.11);
- Balance and plan for residential and tourism development;
- Support the development of nature based properties; and
- Consider population growth and residential amenity. (EDMP p. 24).

2.2.2 Destination Management Plan Direction: Tourism Product and Experience Development

The purpose of this direction was to “*encourage and support the establishment of appropriate and innovative tourism and hospitality investment opportunities to enhance business development and the visitor experience within Eurobodalla including opportunities related to: nature-based, adventure, indigenous, food and wine, heritage, and the arts.*”
(EDMP p 26).

The situational analysis and consultation process undertaken to inform the development of the EDMP confirmed the need to:

- Continue to diversify, develop and promote tourism product offerings and experiences that are innovative, and aligned with farm and nature-based experiences and lifestyle attributes of the area;
- Encourage and support the development and interpretation of local indigenous tours, heritage, cultural, and local food experiences;
- Encourage and attract new tourism operators and entrepreneurs to the area;
- Encourage development of ‘high end’ visitor accommodation and a diversity of experiences to encourage year-round visitation; and
- Work cooperatively with National Parks and Wildlife, Batemans Marine Park Authority and NSW Forests to establish viable recreational and nature-based tourism infrastructure, tours and activities.

To achieve the desired outcome for tourism product and experience development, the following strategies were recommended:

- Develop and promote a series of village touring itineraries (road, trail, cycle ways, and for water craft), throughout the region that focus on core attractions and experiences (nature-based, heritage, Indigenous and cultural) engage local businesses and operators. (EDMP strategy 5.4).
- Explore ways to better link with quality regional food and wine production, both locally and adjoining regions. (EDMP strategy 5.6).

NOTE: A series of driving and cycling itineraries have been developed subsequent to the adoption of the Eurobodalla Destination Management Plan. A tourism heritage map is currently being developed by Council.

2.2.3 Eurobodalla Shire LEP

Tourism is included in the aims of LEP 2012 and is a specific objective for development in the RU1 Primary Production zone: *To provide for recreational and tourist activities that support the agricultural, environmental and conservation value of the land.*

LEP 2012 also contains a zone for tourist development, being the SP3 Tourist zone, which is currently used for land with major tourism attractions, including the Mogo Zoo, the Original Gold Rush Colony at Mogo and The Moorings Resort at Tomakin.

“While the 2012 LEP facilitated a broader range of rural-based tourism opportunities, than the 1987 LEP, the Eurobodalla Destination Management Plan noted that it is important that tourism is planned and managed to ensure that product offerings and experiences are innovative, continue to diversify and are aligned with the area’s natural resources and lifestyle attributes.” (ROC p. 24, 25).

Eurobodalla LEP 2012 permits the following types of rural tourism attractions and accommodations, with consent, in the RU1 and RU4 zones:

- Boat launching ramps;
- Boat sheds;
- Cellar door premises;
- Eco-tourist facilities;
- Recreation facilities (outdoor);
- Roadside stalls;
- Rural tourism accommodations including:
 - bed and breakfast establishments;
 - farm stay accommodation;
 - rural cabins;
 - holiday homes; and
 - village accommodation, eco-tourism accommodation or camping grounds.
- Dual Occupancy dwellings that can be let for short term accommodation.

Discussion Paper 3 contains a review of permissible uses and considers whether there are further tourism related uses that could be made permissible in rural areas and a discussion on the use of the SP3 (tourist) zones. The review acknowledges that tourism products change over time and that zoning and land use needs to be as flexible as possible to accommodate new tourism products. For example, Airbnb is a relatively recent tourist accommodation product that may, or may not, require development consent. The review also takes into account there are a range of tourist activities that could be considered as ancillary to other uses on the land. For example, “farm experience” activities, such as learning to milk a cow, may be considered ancillary to the dairy farm and therefore could be undertaken without development consent.

The Shire has a number of historic villages located within our rural areas, such as Central Tilba, Tilba Tilba, Bodalla and Nelligen. These villages are zoned RU5 Village and the LEP allows a wide range of business and accommodation in the RU5 zone which are closely related to the surrounding rural landscape.

3 ECONOMIC VALUE OF TOURISM

Tourism is an important part of the Eurobodalla Shire economy. The ESC Destination Management Plan identifies tourism as an important economic driver that provides the region with a good economic foundation. The average annual tourism spend (over a 4 year period) to September 2014 was \$388M compared to \$325M in 2009.

It should be noted that these figures are for Eurobodalla in general and while the majority of spend occurs in urban areas, the rural lands supply the natural and cultural landscapes that help make Eurobodalla such an attractive destination. Without the rural and coastal attractions, Eurobodalla's tourist industry would be of much smaller scale.

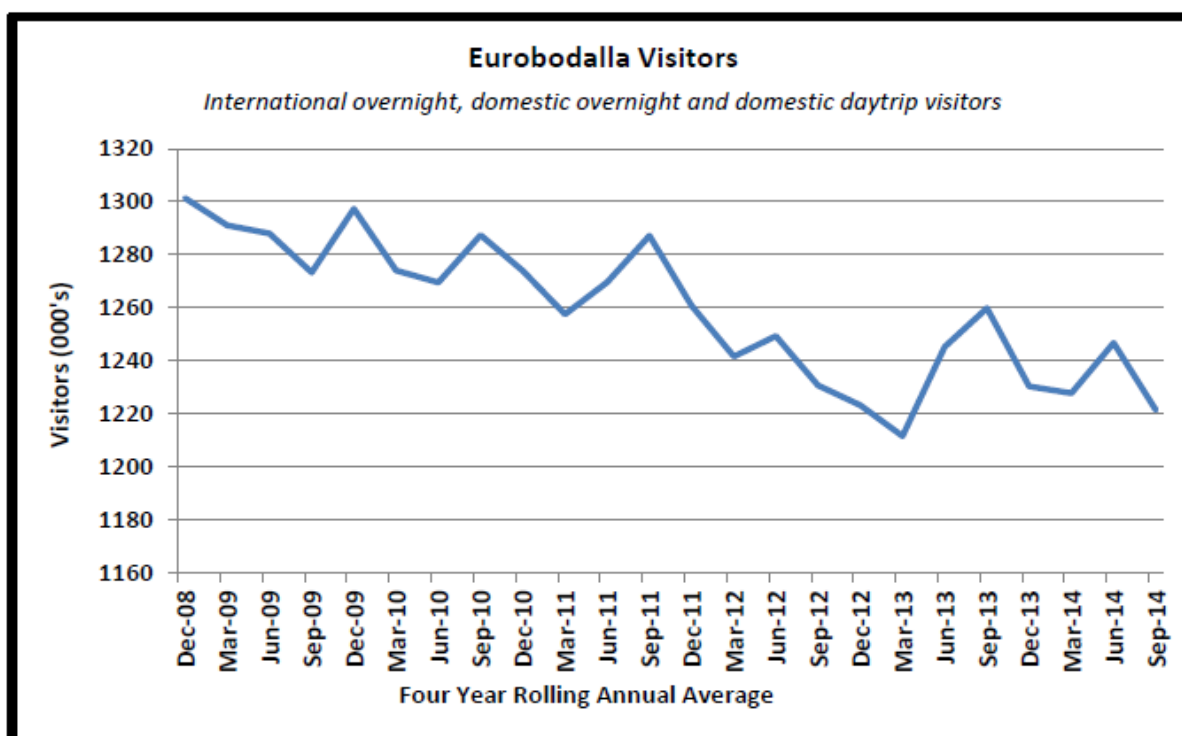
Destination NSW (LGA Profile Eurobodalla) presents the following data for a four year average to the year ending September 2014:

Table 1: Tourism Data to September 2014 (average annual over a 4 year period)

Total Visitors (overnight and domestic day trips)	1,221,000
Total Overnight Visitors	724,000
Total Nights	2,747,000
Total Spend (overnight and domestic day trip)	\$388,000,000

(Source: Destination NSW, LGA Profile - Eurobodalla)

While it is acknowledged that tourism adds significantly to the local economy, recent research by Tourism Research Australia demonstrates a reduction (over a 7 year period) in the total number of visitors to Eurobodalla. This compares to a slight increase in visitor numbers over the same period from approximately 2.3m to 2.36m in Shoalhaven and from 0.7m to 0.8m in the Bega Valley Shire (Destination NSW 2015).



(Source: <http://www.destinationnsw.com.au/wp-content/uploads/2015/06/Eurobodalla-LGA-profile-1.pdf>)

The Rural Lands Issues Paper quotes a 2006 study by the Centre for Agricultural and Regional Economics that the expenditure of visitors to National Parks managed areas in Eurobodalla was significant.

In 2006, a total of 355,680 people visited protected areas in the Eurobodalla, generating around 455 jobs, almost \$11m in wages and salaries and \$78m in expenditure on local goods and services. (Rural Lands Issues Paper p. 11).

Statistics from a visitation report conducted by Roy Morgan (2015) at the Eurobodalla National Park show the following recent visitor numbers:

Table 2: Eurobodalla National Park Visitor Numbers

Year	Number of Visitors
2008	344,145
2010	372,747
2012	240,420
2014	342,999

(Source: Roy Morgan Research Ltd (2015) *Annual Visits to PWG Managed Parks in New South Wales*)

Applying the 2006 Centre for Agriculture and Regional Economics figures to the Eurobodalla National Park figures suggests that the park generated \$88M in local expenditure in 2014 (on the assumption that per visitor spend increased at a conservative 2% per annum).

4 DEMAND FOR ACCOMMODATION

Monitoring of development applications from the past decade indicates a small but continuing flow of applications for tourist cabins and dual occupancies.

Hard data is currently limited. The Australian Business Register (ABR) indicates approximately 80 tourism businesses in the rural parts of the Shire that have an active Australian Business Number but perhaps only 1/3 of these are accommodation related. But there would be additional tourism businesses of smaller scale that are not trading on an ABN and many other casual accommodation providers e.g. casual letting of existing houses.

ABR data, along with rural DA approvals of tourism development might be monitored by Council in future to develop trends.

Anecdotally, Eurobodalla's tourism industry, like many parts of Australia suffered a downturn since the Global Financial Crisis and factors such as (until recently) a high Australian dollar, have added to the cost to visit from overseas.

ABS and Tourism NSW produce statistics on accommodation as per below but do not distinguish urban from rural accommodation. Note also that the data is collected only for establishments with more than 15 rooms. Therefore many smaller rural establishments (e.g. farm cottages, rural retreats and B&Bs) would not be included. The main differentiating measure between Eurobodalla and the South Coast Tourist Region is the lower room occupancy rate in Eurobodalla.

Table 3: Eurobodalla tourist accommodation profile year ended June 2014

	Supply		Demand	Revenue
	Establishments	Rooms	Room occupancy rate and (annual change)	Revenue from accommodation and (annual change)
Eurobodalla LGA	28	734	42% (-1.5%)	\$16.2M (+6%)
South Coast Tourism Region	120	3729	50.9% (+2.1%)	\$97.6M (+6%)
Regional NSW	1094	36,958	51.7% (-1.5%)	\$951.3M (-1%)

(Source: <http://www.destinationnsw.com.au/wp-content/uploads/2015/01/Eurobodalla-LGA-accommodation-profile.pdf>)

NOTE: only establishments with 15 or more rooms are included.

5 IDENTIFICATION OF RURAL TOURISM ISSUES AND OPTIONS FOR THE RURAL STRATEGY

We note that many of the issues and options identified in the background documents to the Rural Land Strategy (*Issues Paper, Opportunities and Constraints Report* and the *Policy Directions Discussion Paper*) have tended to be general in nature.

This Section provides a summary of the rural tourism issues and options identified in these documents along with issues and options encountered during the research undertaken for this Discussion Paper.

Section 7 of this Discussion Paper will present and expand on the preferred options and recommend strategies to address each option.

5.1 ISSUES AND OPTIONS RAISED IN THE RURAL LANDS ISSUES PAPER

The following rural tourism issues and opportunities were identified:

- Diversifying rural land use to include tourism is seen as positive for economic development. The challenge for tourism initiatives is to coexist with agricultural activity without causing conflict or undue constraints.
- Waterways are important to the tourism industry and provide the supply of potable water to the Eurobodalla residents and visitors.
- Appropriate management of the Shire's heritage, particularly in rural areas, can increase opportunities for tourism.

5.2 ISSUES AND OPTIONS RAISED IN OPPORTUNITIES AND CONSTRAINTS REPORT

The following rural tourism issues and opportunities were identified:

- Further research and work specific to rural-based tourism in Eurobodalla is required with regard to:
 - product gaps. (A tourism product demand and supply study would be required to address this issue.)
 - new products such as touring routes and trails that link food, agriculture and nature experiences such as Australia's Coastal Wilderness and Australia Oyster Coast. (The Oyster Coast specifically highlights food and agriculture.)
 - principles for identifying rural tourism precincts or locations for development of rural based tourism. (Could be incorporated into rural tourism development guidelines.)
 - uses to be promoted in rural areas and uses to be discouraged in rural areas. (Relationship to LEP land use tables needs to be considered.)

- monitoring demand for specific types of rural tourism attractions or accommodation and planning appropriate infrastructure, ease of development and promotion of opportunities.
- It is essential to protect environmental values of the Shire as they form a cornerstone of the Shire's tourism and amenity.
- Capacity of existing infrastructure and upgrade costs associated with rural tourism development.
- Limitations based on seasonality and costs associated with upgrading accommodation to be suitable for winter conditions.
- Poor broadband and mobile phone coverage and service. (Access to broadband and mobile reception is likely to become increasingly important when choosing holiday accommodations and destinations.) In a recent survey, 74% of travellers interviewed in the Trip Advisor 2015 Trip Barometer infographic on the Global Travel Economy said free in-room Wi-Fi was the most important factor in booking accommodation. (Source: <http://www.tripadvisor.com/TripAdvisorInsights/n2580/tripbarometer-2015-global-global-travel-economy>).

5.2.1 Opportunities

- Further develop nature based tourism in conjunction with the significant natural and cultural heritage assets of Eurobodalla e.g. bird watching, geological sites, bicycle trails.
- Indigenous heritage, bush skills, local history.
- Develop tourism attractions in conjunction with agriculture and local food experiences. The food sector was recognised by the Eurobodalla Shire Business Management Strategic Plan 2014-2018 as having increasing advantages as evidenced by the emergence of restaurants recognised in the Good Food Guide, River Cottage Australia, the Moruya SAGE markets winning the 2014 and 2015 Delicious Produce Awards - and Australia's Oyster Coast. Supporting these high profile successes are strong local brands such as Tilba ABC Cheese Factory, Tilba Milk and South Coast Cheese, Bodalla.
There may be scope to engage with SAGE and the Tilba Markets to increase awareness of availability of locally grown food and products. However, some additional financial resources may be needed for SAGE or the Tilba Markets to undertake this task. The possibility of some market rental revenue being re-directed for such a purpose is discussed in Discussion Paper 7 Local Food.
- Promotion of Moruya Airport as a means of easy access for tourists, particularly international tourists via Sydney.
- Development of local events that can align and build on food tourism e.g. Narooma Oyster Festival, Southern Harvest Festival Moruya.
- Develop festivals and events out of main tourist season relating to food and farm tourism.
- Increased use of tourism infrastructure through the winter months and 'shoulder' season when the area is still warmer than Victoria, Tasmania, etc. To achieve this may

perhaps require targeting a higher yielding demographic and associated higher quality accommodation. Although there is also anecdotal observation of increasing backpacker visitation at the low cost end of the market and use of Airbnb and other internet booking services to rent lower cost rooms for short stays by international travellers.

5.2.2 Principles for Policy Direction

A set of principles for direction of policy were developed from the opportunities and constraints analysis.

The Opportunities and Constraints report noted that there was strong support in policy and within the community for development of rural-based tourism. The report concluded that a number of ideas have been mooted but because of a lack of information, particularly market research to support specific initiatives, projects may not have progressed and some research and analysis was required to identify:

- Product gaps and new products such as touring routes and trails that link food, agriculture and nature experiences.
- Uses to be promoted and uses to be discouraged in certain areas, having regard to the following locational criteria:
 - avoid land identified as productive agricultural land (except where the tourism activity is value-adding to existing agriculture) or for future urban development;
 - avoid land that is subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding, landslip or geotechnical risk (acid sulphate soils) or extreme bushfire risk;
 - promote tourism on land:
 - located in close proximity to existing tourism products and infrastructure nodes;
 - located in proximity to National or State Parks, coastal parks or ocean beaches or is linked to a touring route or major access route identified in a tourism strategy;
 - that provides easy access to a major road, highway or touring route; and
 - that provides an attractive setting.

5.2.3 Scenic values and landscapes

Scenic values and amenity were identified as important and distinguishing features of Eurobodalla and as important tourism attractors.

The Eurobodalla Settlement Strategy proposed the following:

- Ensure that the special and unique scenic characteristics and natural or rural settings are retained and protected.
- Recognise that areas with high scenic value are important to residents and visitors and generally also contain ecological importance.

The Rural Opportunities and Constraints Report for the Rural Lands Strategy project states that:

“The Tilba Conservation Area is the prime example of a landscape with important and historic scenic values, where agriculture, natural values and rural villages together make up a significant economic and tourism asset. Other important scenic areas adjoining Eurobodalla’s major towns have been identified in the Greater Batemans Bay, Moruya and Narooma Structure Plans.” (Opportunities and Constraints Paper p. 43).

The Opportunities and Constraints Report suggests that activities such as low impact tourism and accommodation could be considered as potential alternative land uses on land that is of important environmental or scenic values.

There are many landscape features of significance to the Aboriginal community and some that could with appropriate sensitivity, be incorporated in tourist attractions and trails.

5.3 ISSUES AND OPTIONS RAISED IN POLICY DIRECTIONS PAPER

Draft Policy Direction 4: *Promote and grow rural tourism* includes the following issues and opportunities.

- Important to ensure that tourism developments do not compromise the use of productive agricultural land for agricultural activities, either by replacing agriculture with tourism, or by causing land use conflicts.
- Rural-based tourism on existing farms should be seen as a value adding opportunity for the land owner.

The Policy Directions Paper proposes the following criteria for identifying areas suitable for rural-based tourism:

- Avoid the most productive rural land, except where the tourism activity is value adding to existing agriculture and will not impact the future use of adjoining land for agriculture.
- Avoid land identified for future urban development.
- Focus tourism on land:
 - in close proximity to existing tourism products and infrastructure nodes;
 - in close proximity to National or State Parks, coastal parks or ocean beaches or linked to a tourism route or major access route identified in a tourism strategy;
 - that provides easy access to a major road, highway or tourism route; and
 - that provides an attractive setting.

5.3.1 Policy Directions: Issues Identified from Community Feedback

In the course of preparation of this Paper, discussions were held with several people involved in rural tourism. Comment received in submissions to the Policy Directions Paper were also reviewed. The following points were identified:

- Concern that areas with a coastal vista (which is key to tourism) could be taken up with urban expansion.
- To ensure tourism attractors are retained, development in rural areas should have regard to the impact on important environmental and agricultural areas and scenic landscapes.
- Keep scenic roads and road traffic low key to complement the natural attributes of localities.
- Use of SP3 zoning for major rural tourism developments, particularly along tourist routes.
- Use of split zoning when holdings have two or more very different environmental characteristics.

In addition to the above, we consider it useful to present the following issues raised in a submission from a rural tourist business as it may be representative of the issues faced by many tourism operators.

Over the years this operator has won many awards and accolades. The accommodation side of the business has an occupancy rate of between 74% and 80% on a year round basis. Even with such a high annual occupancy rate their experience demonstrates that it is not possible to run a financially sustainable tourism development such as theirs with only six cabins. They are hoping to build to a size that, in their words “becomes more economically viable through economies of scale”.

The business identifies itself as a flagship nature based luxury tourism venue in the Shire and possibly the region. The operator, in its submission, contends that guests spend a significant amount of money in the region (in addition to accommodation). This is backed up by in-house research they undertook in 2009 which demonstrated that (in addition to accommodation) 62.8% of their guests spent between \$101-\$500 per stay and 29.2% of their guests spent \$501-\$1000 per stay.

The operator has undertaken surveys to establish topographic and vegetation mapping of their allotment and contend that expanded development is possible without adversely impacting on the environmental values of the site.

Their submission to the Policy Directions Paper community consultation states that:

It is also very important that the planning instrument[s] properly reflect both the current and intended use of the site as a tourist facility and the commercial reality that financial institutions and potential future investors have clarity that the planning provisions permit appropriate tourist and visitor accommodation and associated attractions on-site, subject to merit.

Their submission is that SP3 zoning would satisfy financial institutions and investors re: planning provisions and appropriately reflect current and future use. They have also

suggested that split zoning may be suitable for their allotment as there are differing land characteristics on their 40 ha block.

The use of specific zoning such as SP3 (Tourist) could have merit but should be considered on a case by case basis as part of a planning proposal to rezone a specific site for a specific proposed tourist development (as a joint planning proposal and development application). It would need a careful site assessment to address a range of issues, including:

- Ensuring the land can physically service a large scale tourist development in terms of access, sewer and water;
- Potential increased visual impacts on the rural areas; and
- Possible adverse impacts on surrounding productive commercial agriculture and conversely agricultural impacts on tourism such as spray drift, noise and odour.

5.4 EUROBODALLA DESTINATION MANAGEMENT PLAN

Issues and options discussed in the Eurobodalla Destination Management Plan include:

- Need to retain authenticity of towns and villages;
- Respect and protect residential amenity and community values;
- Continue to respect and preserve the natural environment;
- Improve communication to encourage and support potential developers on how to address planning and development controls;
- Consider holiday-letting of residential properties in planning policies to balance residential amenity and tourism;
- Support the development of nature based properties;
- Consider population growth and residential amenity; and
- Develop and promote Sustainable Tourism Development Design Guidelines to provide potential developers and property owners with information to encourage the development of quality and sustainable development that complies with Council and environmental policies.

5.5 A SUMMARY OF RURAL TOURISM ISSUES AND OPTIONS FROM BACKGROUND PAPERS AND OUR RESEARCH

- A review of rural attractions and destination signage is desirable.
- Identify product shortfalls and more research needed on product gaps.
- Co-operative projects with National Parks and Forestry Corporation on projects such as “Nature Walks” program, the Corn trail (from the Clyde Mountain to Bolero Valley) and the Bingi Dreaming track (Eurobodalla National Park).
- It is essential to protect the Shire’s environmental values which have been identified as a key attractor for Eurobodalla nature based tourism and an important contributor to the Shire’s amenity and economy.
- There seems scope to increase promotion of tourism assets in rural areas by developing more tourist drives.
- Maximise the promotional value of local produce.
- Review permissible tourism uses in rural zones to deliver more flexibility.
- Consider use of the SP3 zone for proposed major tourist developments through site specific joint planning proposals and development applications. Develop principles to guide consideration of planning proposals and development applications for major tourist developments.
- Need to develop product that increases the yield per visitor. There is not enough top end or backpacker accommodation, for example. (Based on anecdotal evidence from interviews.)

6 PREFERRED OPTIONS AND RECOMMENDED STRATEGIES FOR RURAL TOURISM

6.1 EUROBODALLA ECONOMIC STRATEGIES AND RURAL TOURISM

Recommended actions	Strategy
Continue to develop tourism product that incorporates local food in particular the dairy and oyster industries	The Business Development Division and Tourism Division might further co-ordinate co-operative marketing with key food producers to develop a food and wine tourism drive. This could be linked with food festivals such as the Southern Harvest Festival and Narooma Oyster Festival. Consider developing in association with destinations, a loyalty/passport card. Encourage activities such as road side stalls, farm gate sales, tasting rooms in appropriate locations. Incorporate local food sampling and inspection of local food production / preparation into tour itineraries. Review LEP permissible land uses. (This is developed in Discussion Paper 3).
Increase the number of tourist drives.	Review the adequacy of current supply of tourist drives in Eurobodalla. Should a need be identified, Council to develop additional tourist drives in association with key rural destinations and local food producers.
Increase awareness of availability and importance of local food.	Review SAGE market site rental fees policy. Consideration might be given to rental revenue from the SAGE Market being re-directed to outcomes associated with activities such as Southern Harvest Festival, community awareness, training and education.
Facilitate the progress of rural tourism development proposals.	Develop a rural tourism development guide that takes proponents through the feasibility and planning stages. Once a proposal is identified as major and complex, continue the current practice of offering pre-lodgement meetings with proponents that include representation from Council planning, engineering and business development.
Review existing motivational, directional and interpretive signage to raise awareness of off-highway destinations.	Establish a multi-agency task group to undertake a Tourist Signage Plan for the Shire. Key players would include ESC, NPWS, and State Forests. Seek State Government funding e.g. from the Regional Tourism Infrastructure Fund. The Tourist Signage Plan should have regard to the various existing signage requirements and guidelines including SEPP 64, the RMS guidelines and Council's Town Signs Policy
Facilitate Aboriginal Cultural heritage tours.	With consultation, encourage the incorporation of Aboriginal cultural landscape features and heritage into formal and self-guided tours. (See Donaldson reports).
Improve monitoring of rural tourism businesses to map trends.	Council undertake 5 yearly reviews of business numbers and trends in the rural areas using data like the Australian Business Register and its own development approvals and licencing. Consider effecting targeted surveys of tourism businesses using the ABR data for contact.

6.2 RURAL TOURISM STRATEGY FOR THE LEP

Recommended actions	Strategy
Entertain planning proposals for appropriate zoning for larger rural tourism development.	<p>Proposals for large scale tourist developments may be considered for site specific Planning Proposals as long as the following principles can be met:</p> <ul style="list-style-type: none"> • Require a full development application to be assessed with the Planning proposal. • Ensure the land has capability to service a large scale tourist development in terms of access, sewer and water. • Visual impacts on the surrounding rural areas must be positive. • Minimal adverse impacts on surrounding productive commercial agriculture and conversely agricultural impacts on tourism such as spray drift, noise and odour.
Maximise the range of exempt and permissible tourism uses compatible with the Rural or rural residential zones	<p>Discussion Paper 3 explores the current and any suggested changes to permissible uses.</p> <p>Exempt uses already seem appropriate. For example Council through Clause 6.15 of the LEP already allows use of vacant existing rural and rural residential zone dwellings for short term letting for up to 45 consecutive days in any 12 months. Possibly this very useful provision might be better promoted to rural land owners as there seems to be some ignorance of its existence.</p>

6.3 RURAL TOURISM STRATEGY FOR PLANNING POLICIES AND GUIDELINES

Recommended actions	Strategy
Focus on tourism development that meet location guidelines (e.g. proximity to tourism infrastructure, attractions and access).	<p>Develop rural tourism guidelines and check list for developments such as primitive camping, cabin development, farm stays, and farm gate sales.</p> <p>The guideline may include a check list of planning steps required pre- DA stage that could be completed by proponent without approaching Council (e.g. site analysis, & location analysis- such as access, proximity to attractions , compliance with bushfire regulations, on-site sewage), how to complete a simple DA and what triggers a more complex DA.</p> <p>The guide could promote existing exempt provisions such as Clause 6.15 on short term letting, and other uses that do not require development consent if they are considered ancillary to the primary use of the land.</p>

Recommended actions	Strategy
Simplify approvals process.	Develop a set of rural tourism guidelines/ check lists. (See above reference to guidelines). Once the above self-assessment triggers a need for a complex DA and the project is identified as large scale, Council to continue the current practice of offering pre-lodgement meetings with proponents that include representation from Council planning, engineering and business development.
Protect natural and landscape values.	Prepare a guideline for development in high quality visual corridors.

6.4 PARTNERSHIPS AND LOBBYING

Recommended actions	Strategy
Liaise with NPWS and Forestry Corporation of NSW to identify tourism opportunities in and adjacent to National Parks including options for accommodation.	Liaise with NPWS and FC to identify: <ul style="list-style-type: none"> • Park Tourism assets most suited for inclusion in tourist drive itineraries. • Co-operative marketing opportunities for programs such as the Nature Walks Programme. • Near Park locations on private lands suited to tourist accommodation including primitive camping, permanent tent site accommodation, resort style accommodation.
Improve broadband and mobile reception	Continue lobbying the Commonwealth for mobile and broadband improvement.
Increase focus on food and wine tourism	Emphasis on food is seen as an opportunity for tourism growth in the Eurobodalla. To build on existing strengths, it is suggested to bring the principal players in food tourism together on a regular basis to develop a rural food tourism strategy, Principal players may include Eurobodalla Tourism Advisory Committee, restaurants recognised in the Good Food Guide, southern Harvest and Oyster Festival organisers, Council tourism and business development divisions.

7 REFERENCES

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DISCUSSION PAPER 9

LAND USE IN THE GENERAL RURAL AREAS

A DISCUSSION PAPER TO GUIDE THE
EUROBODALLA SHIRE COUNCIL RURAL
STRATEGY



Prepared by: **Garret Barry Planning Services Pty Ltd**

For: EUROBODALLA COUNCIL



February 2016

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1 INTRODUCTION

1.1 PURPOSE OF THIS DISCUSSION PAPER

The Draft Eurobodalla Rural Strategy is presented in three volumes:

Volume One: The Strategy – this is a summary document of the recommended preferred options, strategies and action plans.

Volume Two: The Discussion Papers – there are 10 broad papers in this volume, each presenting a discussion on the more significant issues applicable to Council’s role in the rural lands of Eurobodalla.

This is Discussion Paper 9 and it explores the options and directions for zoning, lot size and dwellings in the general rural area. For the purpose of this Paper and the Rural Strategy overall, the “general rural area” is seen as the lands outside of the rural small holding zones (Currently R5, E4 and smaller lots in RU4). Discussion Paper 10 looks into the options and directions for rural residential and rural small holding development.

This Paper is closely linked to and builds from most of the Discussion Papers 1 to 8.

Volume Three: A compendium of larger scale maps – given the size of the Shire and the detail sometimes required, the more important maps of general land use information and those from the Discussion Papers are presented in A3 page size. In addition, if accessing the PDF version, there is the capacity to “zoom in” to explore more detail.

The draft strategy package as presented in the three volumes, represents the work of the consultant team Garret Barry Planning Services (GBPS). It is stressed these documents are drafts prepared for community comment and input. Council has not concluded any view on the draft recommendations and will resolve a final strategy when it has considered community feedback.

We welcome suggestions from the community as to any issues we may have overlooked and your preferred options and strategies to guide the future direction of the rural areas.

1.2 EXECUTIVE SUMMARY

Part of the brief for the Eurobodalla Rural Strategy includes a requirement for the consultants to review the zoning, mapping and permissible uses currently applied by Council in the general rural areas and make any suggestions relating to:

- Zone types/mix;
- Lot sizes to apply for the purposes of subdivision and dwellings;
- Current and future supply and demand of living opportunities in the general rural area;
- Permissible uses in zones; and
- Use of overlay maps.

This Discussion Paper focuses on the first three of these elements and in doing so draws on relevant options and recommendations from the other 9 Discussion Papers that form the Strategy background information. The other two elements are covered in this Paper, but have been addressed in more detail in other Discussion Papers.

In several of the issues above, in particular the preferred option for lot sizes for subdivision and dwellings, there will be a range of views on the best option and it is important these be given careful consideration. There is some discretion for Council, but there are also requirements imposed by the legislation, State policies and departmental guidelines.

The recommendations of this Paper in overview are:

1. On zoning:
 - a. That the RU1 Zone remain the principle zone for the general rural areas.
 - b. That Council use lot sizing in the RU1 zone where land is already fragmented but suitable for small lot farming to delineate areas in the lot size range 20 to 40 ha.
 - c. That Council extend some minor areas of E4 zoning where land is already fragmented, heavily vegetated and of low quality for agriculture and some other minor areas where the use best fits RU4.
 - d. That the E3 zone not be used in the general rural area subject to use of an overlay for biodiversity.
2. On Permissible uses:
 - a. Generally the range of permissible uses in the RU1 and RU4 zones are suitable for likely development needs. Four additional uses are recommended.
 - b. For other uses not already permissible or recommended, it is considered the need would be rare and in such cases a Planning Proposal would be a justified process to prove the validity of additional permissible activity.
3. On Overlays:
 - a. That a modified Native Vegetation overlay and a Wetlands overlays be retained in the Eurobodalla LEP.
 - b. That these overlays continue to be developed as living maps to guide development application work in the general rural area.

(Note: at its meeting of 23 February 2016, Council gave this issue detailed consideration and, in adopting a final strategy, resolved a Native Vegetation Overlay be placed in a code and referenced in the relevant DCPs.)

4. Lot sizing and dwelling permissibility:

- a. That Council develop a “landscape” approach to preferred lots sizes for dwellings in the RU1 zone where holdings above 100 ha with a significant proportion of quality agricultural lands are constrained from further subdivision but that a small increase in supply of small lot farms be accommodated by selecting varying lot sizing across the fragmented areas of the Shire.
- b. The current sunset clause 4.2 A(3) for the 2012 LEP should be removed from the LEP as it would cause unreasonable harm to some owners of vacant land.
- c. The Existing Holding provisions in the LEP be replaced with lot size mapping of vacant existing holdings when resources allow. A further 5 year sunset clause might be put in place before the current processes for determination of existing holdings as defined in Clauses 4.2A(2)(d) and (e) are removed from the LEP to allow time for people who may be missed in the mapping, to seek consent for a dwelling or to be mapped as retaining the right to apply for a dwelling.
- d. Extend use of the RU4 and E4 zones in appropriate locations to provide for some additional subdivision and dwellings in rural areas.

2 STRATEGY WORK TO DATE

2.1 THE RURAL LANDS ISSUES PAPER

This Section provides a review of references in the Rural Lands Issues Paper as they relate to subdivision, dwelling entitlements, lot size, environmental zones and overlays, dwelling entitlements, permissible uses and protection of agricultural land in Eurobodalla's General Rural Areas.

The Issues Paper was the first of a series of Rural Land Strategy documents and as such was essentially an introductory document raising general issues without exploring each issue in detail. Consequently, there is little detail regarding subdivision, dwelling entitlements, lot size, environmental zones and overlays, dwelling entitlements, permissible uses and protection of agricultural land. These matters were developed in subsequent documents.

2.1.1 Environmental Values and Overlays

The Issues Paper makes the point that rural landholders have the challenge of making their business profitable whilst complying with legislative requirements for the protection of environmental attributes, and responding to environmental constraints.

2.1.2 Protection of Agricultural Land

The Rural Lands Issues Paper identifies the following risks to agricultural land from subdivision activity:

- The potential permanent loss of agricultural land;
- The potential increase in rural/urban conflicts which can impact on farming operations;
- The creation of dispersed settlements that will have infrastructure capacity and cost issues; and
- Inflated land values caused by price speculation, making land purchase for farming activities unviable.

2.2 THE RURAL OPPORTUNITIES AND CONSTRAINTS REPORT (ROC)

This Subsection provides a review of references in the Rural Opportunities and Constraints Report as they relate to subdivision, dwelling entitlements, lot size, environmental zones and overlays, dwelling entitlements, permissible uses and protection of agricultural land in Eurobodalla's General Rural Areas.

The ROC states that *in the development of the vision for rural lands in Eurobodalla, the fundamental principle should be the protection of agricultural land for both commercial and sub-commercial agriculture in Eurobodalla.*

2.2.1 Subdivision Matters

The ROC Report concludes that in the short to medium term there is no need to create new rural residential lots as there was (according to the Eurobodalla Settlement Strategy) between 7.5 and 17 years supply of rural residential lots with additional rural residential opportunities afforded by subdivision of land adjoining urban areas and lot averaging. The 2013 Eurobodalla Shire Rural Residential Land Monitor referenced in the ROC report found that there is a short term supply of land zoned for rural residential purposes of 9 years, with a further medium term supply of 8 years.

The report concludes that current supply is sufficient to meet demand for rural residential lots in the medium term.

The following considerations in regard to future rural residential development are detailed in the report:

- Further residential or rural residential zoning in the catchments of the coastal lakes and estuaries identified in the South Coast Regional Strategy is not supported unless it is demonstrated that a neutral or beneficial effect on water quality can be achieved.
- In its discussion regarding the policy context of rural residential development, the Report references the South Coast Regional Strategy which states that rural residential development must be located on cleared land unsuitable for urban or agricultural use and must be part of an endorsed growth management strategy.
- Council's ability to augment infrastructure will be a major consideration in provision of rural residential allotments.
- The Eurobodalla Settlement Strategy states that there will be no further rezoning of rural land for rural residential purposes in the short term as part of that strategy.

2.2.1.1 Community and stakeholder views about subdivision

The following community views are listed:

- General support for accommodating growth on cleared land that is not productive agricultural land;
- Concern about the quality and accuracy of the data underpinning the LEP and environmental overlay mapping; and
- There were mixed feelings about locating development in areas supplied with established infrastructure. Some supported the principle while others were of the

opinion that development in areas of poorer infrastructure would not increase demand for infrastructure and services as people either accepted existing levels of provision and the infrastructure and services were already provided so more people would not increase costs.

2.2.2 Protect Agricultural Land

Strategies to protect agricultural land are suggested in the Report include giving consideration to the following factors when locating rural-residential development:

- Avoiding areas used for commercial and semi-commercial agriculture;
- Proximity to towns and settlements. Although the report recognises that this may also cause pressure on productive agricultural land adjacent to towns and settlements;
- Utilising existing fragmented land;
- Utilising existing infrastructure and services; and
- Avoiding land of high conservation value of risk.

2.2.3 Minimum Lot Size

The Report makes little reference to the issue of minimum lot size.

The Report notes the Department of Primary Industry view that “*minimum size of holdings for dwelling entitlement needs to be based on sustainable productive agriculture*”.

2.2.4 Environmental Values and Overlays

The Report identifies considerable community concern and debate regarding the accuracy and validity of data that underpinned the LEP maps and overlays.

However, the Report states that there is general community support for the protection of environmental values but differences about how it should be achieved. There is strong opinion that it should be at the discretion of the landholder while others believe that environmental values on private land should be recognised for their wider public benefit.

The report suggests the following options for addressing management of environmental values of private rural lands:

- Improved agricultural practices to manage environmental values of rural land; and
- Alternative uses such as low impact tourism or accommodation for land that has important environmental or scenic value.

2.3 POLICY DIRECTIONS PAPER

This Subsection provides a review of references in the Policy Directions Paper as they relate to subdivision, dwelling entitlements, lot size, environmental zones and overlays, dwelling entitlements, permissible uses and protection of agricultural land in Eurobodalla's General Rural Areas.

2.3.1 Subdivision Matters

Planning rules for subdivision should provide an appropriate balance between facilitating change and growth in rural activities and avoiding fragmentation that may result in a loss of land for primary production or an increase in land use conflicts.

In considering the application of subdivision and other controls, Council must be consistent with the following principles outlined in State Environmental Planning Policy (Rural Lands) 2008:

- a) The minimisation of rural land fragmentation;
- b) The minimisation of rural land use conflicts, particularly between residential land uses and other rural land uses;
- c) The consideration of the nature of existing agricultural holdings and the existing and planned future supply of rural residential land when considering lot sizes for rural lands;
- d) The consideration of the natural and physical constraints and opportunities of land;
- e) Ensuring that planning for dwelling opportunities takes account of those constraints.

2.3.2 Lot Size

The general principle stated in the Policy Directions Paper regarding lot size is that lot sizing policy should provide for a mix of farm types and sizes without compromising the existing or potential use of productive agricultural lands.

2.3.3 Environmental Overlays

The Policy Directions Paper notes that Council resolved on 22 July 2014 that “overlays not be included in the Local Environmental Plan” and that “the Rural Lands Committee gives further consideration to...the options for the appropriate use of the overlays...in consultation with the Departmental advisors that currently sit on the Rural Lands Committee”.

The Paper also states that it is “important that environmental hazards and values are recognised in the planning system, including in the strategic and development assessment processes”.

2.3.4 Dwelling Entitlements

The Paper supports the provision of rural dwellings in locations where a dwelling is required to support rural activities and will have minimal impacts on services, infrastructure and the existing or potential use of productive agricultural lands.

It is noted in the Paper that community and industry representatives have expressed strong views regarding the provision of greater potential for the creation of dwelling entitlements within rural lands and that existing entitlements be retained.

2.3.5 Permissible Uses

The Policy Directions Paper suggests that land use permissibility in the RU1 and RU4 zones be reviewed to ensure maximum flexibility in rural land uses, as is appropriate having regard to the scale and impact of the activity on the primary purpose of the land for primary production.

It further suggests that split zoning be applied where appropriate to recognise different land uses or landscapes and that the Rural Lands Strategy give consideration to the circumstances in which split zoning is appropriate and the alternative approaches to split zoning where it is not considered appropriate.

2.3.6 Protect Agricultural Land

An underlying theme in the Paper is that developments (such as subdivision for rural living, rural tourism and minimum lot sizing) should have a minimal impact on existing or potential use of productive agricultural lands.

3 DEVELOPING A VISION FOR THE GENERAL RURAL AREA WITH A TRIPLE BOTTOM LINE

3.1 RURAL ECONOMIC DIRECTION

Discussion Papers 1, 2, 7 and 8 drew the following conclusions or at least discussion points relevant to the general rural areas of Eurobodalla:

- That commercial agriculture in Eurobodalla was more a part-time than full-time activity for the majority of people engaged in commercial scale agriculture in Eurobodalla. This did not mean commercial agriculture was not important for the Eurobodalla economy, just that the majority engaged in it have varying degrees of non-farm generated income and that agriculture is probably not an employment growth area except in the sectors of new products and in value adding.
- That high land prices in Eurobodalla make it a less attractive place for farm aggregation for getting bigger, which is a requirement for survival in many of the broad scale agricultural endeavours.
- That possibly up to 1,000 small businesses are currently operated from the rural zones with no direct dependence on the agricultural use of the holding they are operating from and that this economic activity will likely grow. The activities span a wide range from professional services using on line connection, to plant contractors, tourist accommodation, transport and training businesses.
- There are a large number of hobby scale farmers (80% of ownerships in the general rural areas are 40 ha or less). There seems to be demand from more people seeking hobby scale properties and still some reservoir of vacant properties to service that demand.
- While the terms of trade for commercial agriculture have continued to decline for several decades, there may be a new optimism entering agriculture given world-wide growth in demand for food and especially for specialised, value added food products.
- There is a small but rapidly growing sector based on local food production.

Looking to an economic vision for the general rural areas of Eurobodalla for the next 20 years, the following seem to be supportable objectives:

- Aim to retain and grow the current levels of part-time farmers but accept few full-time family commercial agricultural operations may survive the coming 20 years given the land price pressures.
- Provided expansion of hobby scale and small part-time farms does not fragment or constrain larger holdings and providing services can cope with the increased traffic, power and internet demands, continued growth of hobby farming is a supportable goal with economic benefits from buoyant farm supply services to building.
- Encourage growth in appropriate small-scale non-rural businesses in the rural areas as an option for income for part-time farmers.

3.2 RURAL SOCIAL DIRECTION

- Eurobodalla is fortunate in that it does not face the rural decline of some inland Councils.
- There is demand and capacity to grow the numbers of hobby farmers, retain and grow part-time farmers and keep or expand the associated community viability that comes from retaining an adequate population across the rural areas.
- The landscape beauty, biodiversity and overall healthy function of agriculture are appreciated not only by residents of the rural areas but by urban and visiting people as well. The wider function of the rural areas is vital to the wellbeing of residents and visitors alike.
- While employment in the traditional beef and dairy areas may not grow, there are prospects of employment growth in the new food and value adding agricultural endeavours.

3.3 RURAL ENVIRONMENTAL DIRECTION

Discussion Papers 5 and 6 relate to protection of landscape and biodiversity in the general rural areas.

They detail the value and importance of the rural areas scenic qualities and environmental attributes:

- The tourism industry relies heavily on the natural values and scenic qualities of the rural lands of Eurobodalla;
- Some natural habitats and species rely on conservation measures continuing on private rural lands for their ultimate survival; and
- There are reciprocal benefits for conserving landscapes and wildlife from pest control to conserving native grasses to support agriculture and gene banks for research and new products. There are bush food products and some new settlers prepared to pay a premium for well conserved and managed rural lands.

But rural land holders also raise concerns that there is some expectation they conserve biodiversity and landscapes without recognition or benefit for the constraints placed on their agricultural operations. There is a need for balance and for some flexibility.

It is important land owners be recognised and treated equitably for conserving the natural values on private lands in the Shire for the wider public good. But it is also important such assets not deteriorate significantly over the 20 year vision of this Strategy.

4 ZONES AND OVERLAYS IN THE GENERAL RURAL AREAS

From Discussion Paper 3, it was recommended Council retain the RU1 Primary Production zone as the main zone for the general rural areas including RU1 to be the zone to be recommended for the majority of the lands currently deferred in LEP 2012.

The option of using the RU4 Primary Production (small lots) zone for some fragmented areas of the general rural areas is also recommended to give a better definition to those sections of the rural area with small lot farming potential. But the selection of areas for new RU4 needs detailed assessment as that zone currently allows dwellings on all lots, with consent.

Council has resolved to not utilise the E3 Environmental Management Zone. The 2012 LEP also limits the use of the E2 Environmental Conservation Zone to wetlands and other highly sensitive systems in mostly the eastern third of the Shire. This position is supported provided the environmental overlays are retained in the LEP as detailed in Discussion Paper 6 on Biodiversity.

Council may have to further justify this position on the environmental zones to the Department of Planning and Environment in terms of the requirement under Section 117 Direction of the Minister number 2.1 when seeking Gateway approval to zone the deferred areas. This Direction requires a justification if a proposed LEP amendment seeks to remove environmental protection zoning from an area already so zoned or identified as environmentally sensitive (e.g. where land is currently zoned 7(f1) under the Rural Local Environmental Plan 1987).

Discussion Paper 6 presents the case for retention of a modified Native Vegetation overlay and the Waterways overlays in the LEP. This is supported by the consultants as a reasonable compromise between protection of biodiversity on private lands and not overly restricting development options for owners of land with native vegetation and habitat.

(Note: at its meeting of 23 February 2016, Council gave this issue detailed consideration and, in adopting a final strategy, resolved a Native Vegetation Overlay be placed in a code and referenced in the relevant DCPs.)

5 DWELLING POTENTIAL FROM THE LEP 2012

5.1 WHAT ARE THE CURRENT REQUIREMENTS FOR A DWELLING IN THE GENERAL RURAL AREA?

Before projecting requirements and options for future dwellings in the general rural areas it is necessary to examine what is possible now under the current LEP.

The varying attitudes and philosophies towards dwellings and expanded living opportunities in the general rural areas are explored in Section 6.

The current LEP sets 2 main tools for governing dwelling potential in the general rural area:

- A lot size of 1,000 ha has been set over all RU1 zoned lands. This essentially “rolled over” the planning position applying in the general rural areas before the 2012 LEP of no additional subdivision potential for dwellings.
- To protect past “rights” to have a dwelling on vacant land, Clause 4.2A of the 2012 LEP specifies the circumstances where a dwelling might be approved on vacant land:
 - Land shown on the Dwelling Entitlement Map.
 - Land that meets the test in the LEP as being an existing holding or a 1987 holding. These relate to the ownership pattern at a particular point in time and the remaining number of vacant properties with this provision is estimated below. (This provision is the subject of a “sunset” clause which would see those who do not gain approval for a dwelling by 20 July 2017, find a dwelling is no longer permissible on the land, unless the land is shown on the Dwelling Entitlement Map).
 - A lot created for the purposes of a dwelling under a planning scheme prior to the 2012 plan.
- Council also added an additional provision as part of the 2012 plan which allows consideration of a dwelling on any land over 40 ha where the land has direct access to a sealed council maintained road. But the opportunities under this additional clause are quite limited:

5.2 ESTIMATING THE REMAINING NUMBER OF VACANT PROPERTIES OR LOTS WHERE A DWELLING IS PERMISSIBLE

Providing an accurate estimate of the remaining dwelling potential in the RU1 and deferred areas under the current LEP 2012 faces a number of challenges:

- All options for placement of a new dwelling in the RU1 and Deferred areas require the merit approval of a development application. Some land by nature of its risks, uneconomic access or servicing may fail to achieve a consent even if the right to apply exists. Other parcels may need expensive conditions imposed that economically limit the parcels ability to have a dwelling. To accurately determine this category would require a detailed survey of each parcel.
- There are a proportion of lots that do not attract the right to apply for a dwelling but identification of these lots is not straight forward. Old crown titles (of which there are many in the RU1 and deferred areas) do not attract a right per se but if they are or form part of an existing Holding or 1987 Holding, then they do. An existing holding search can mean an historic search of records of ownership going back to 1963 for each such holding.
- There are many lots approved from past subdivisions but not all are lots approved for a dwelling under a former planning scheme. This can mean an individual search of each title plan and related files to determine if the lot was approved for a dwelling.
- Some owners of multiple lots may have more than one right to seek consent for a dwelling.
- A few dwellings in the rural areas may have been built without the necessary consent and on land that has no right of consideration for a dwelling.

The best that is possible to estimate this supply of potential dwelling properties, under available program budget is as follows:

Using Council's GIS and property information, the consultants derived the number of ownerships in 3 categories:

- | | |
|---|--------------|
| • Ownerships of size less than 40 ha | 1,375 |
| • Ownerships of size 40 ha but under 100 ha | 226 |
| • Ownerships of size 100 ha and greater | 129 |
| • Total - all ownerships | 1,730 |

(See Map 1 for an overview).

Aerial photography was then used to estimate which of these 1,751 ownerships was vacant.

The accuracy of this method has some limitations but is considered sufficient for regional scale planning as being developed in this Paper. This survey of aerial photography identified:

• Vacant ownerships less than 40 ha	326
• Vacant ownerships 40 to under 100 ha	47
• Vacant ownerships over 100 ha	42
• Total vacant	415

The estimate of 415 vacant ownerships above includes some ownerships without right of consideration for a dwelling. Conversely, a relatively small number of property owners may have more than one option for a dwelling consideration.

Possibly as much as 30% of the estimated 415 potential dwelling properties have such severe constraints relating to bushfire, access and service costs that **a more realistic figure of total vacant properties able to have an economic and practical dwelling site is estimated at 300.**

To improve on this estimate would require many person days of detailed records searching and individual site inspections which is beyond the scope of this draft Strategy. By conclusion of the strategy process, the consultants propose some mapping options to help refine the real potential for dwelling parcels and to replace the complex Holdings searches with a simple map.

5.3 DISCUSSION ON CURRENT SUPPLY AND DEMAND OF DWELLING OPPORTUNITIES IN THE GENERAL RURAL AREA

Map 2 depicts the location of the estimated 415 ownerships identified through the survey in Section 5.2 as vacant.

A significant number of the vacant properties that may have dwelling potential are more remote from the towns and villages but there is a spread across the Shire.

Discussions with real estate agents have identified that vacant rural properties listed for sale of most sizes outside the rural residential zones are uncommon and ones under about 50 ha often keenly sought after when they are listed.

Unlike the rural residential zones, where monitoring of past rates of building activity can be projected forward as a reasonable indication of future demand, the supply situation in the RU1 and deferred areas is very much constrained and past building activity is not necessarily an indication of demand. The “supply” of living opportunities in the RU1 and Deferred areas has been fixed by current and past planning controls for some time and as such continues to reduce. The philosophy of those controls is explored in Section 6.

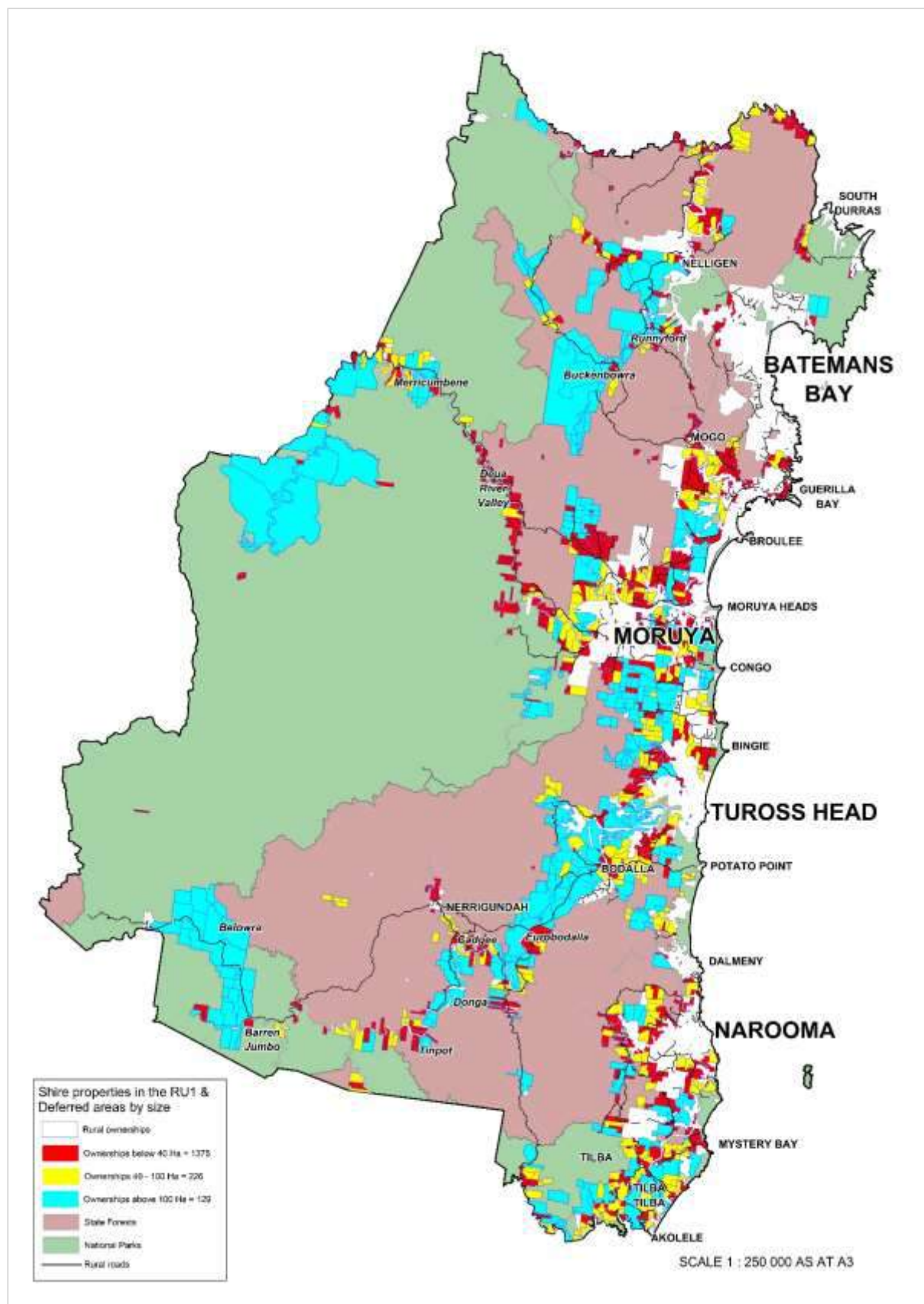
According to Council building records, 110 new dwellings were commenced in the last 15 years within what is now zoned as RU1 and deferred lands – an average of 7 dwellings per year. But as discussed above, this is not an indication of “market demand” as the supply has been capped for some years, is reducing and many owners of vacant properties are not listing them for sale i.e. holding the land for their own future dwelling or similar motives.

Given the supply and demand figures are relatively small and data limited, it is challenging to project what might be the uptake if various supply options were increased in the general rural area.

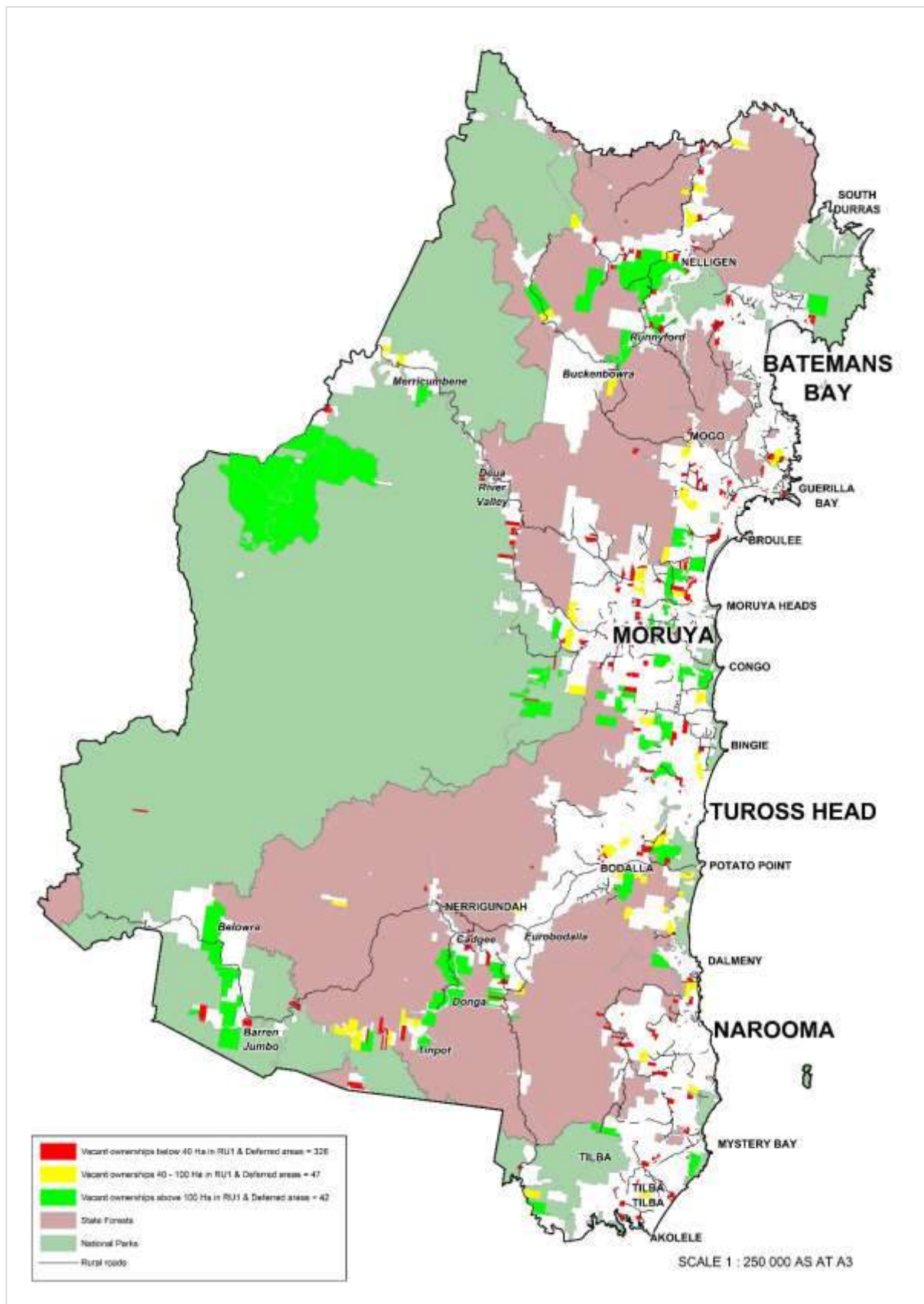
Anecdotal evidence suggests there is higher demand than the 7 dwellings per year derived from past building records. Other anecdotal evidence seems to point to a lessening of demand as property sizes rise. Agents suggest lots of 40 ha or less have a ready market if not too constrained by hazards or services but larger properties have a smaller and more specialised market.

Section 6 now explores some “what ifs” with respect to changes on dwelling supply across the general rural areas.

Map 1: Existing ownerships by area in the RU1 Zone and the Deferred Areas



Map 2: Vacant ownerships by area in the RU1 Zone and Deferred Areas



6 OPTIONS FOR SUBDIVISION AND DWELLINGS IN THE GENERAL RURAL AREAS

6.1 RETAIN CURRENT POSITION AS PROVIDED THROUGH LEP 2012

As detailed in Section 5, the current options for dwellings are governed by LEP 2012. It sets a 1,000 ha minimum area for subdivision for the purposes of a dwelling lot – effectively a planning position of a prohibition on further subdivision of land in the general rural areas for dwellings.

The 2012 LEP also specified the circumstances where dwellings are permissible on vacant existing titles. The planning position is the supply and opportunities for further dwellings has been fixed for some time and is currently estimated at 300 vacant properties with some realistic option to secure consent for a dwelling. Approximately 80% of these are 40 ha or less in size. This number would continue to gradually reduce if current provisions remain as there are no opportunities to create other additional dwelling opportunities.

6.2 DIFFERENT VIEWPOINTS ON SUBDIVISION AND DWELLINGS IN THE GENERAL RURAL AREAS

There are a wide range of views and positions when it comes to the topic of how many dwellings to allow in the general rural areas of any Council but in particularly in a coastal Council like Eurobodalla with demand pressures on agricultural land for uses beyond commercial agricultural use.

Importantly, it is necessary for Council to identify early that there are State imposed limitations on the options available to Council for creating additional opportunities for dwellings in the general rural areas. There are also constraints imposed if objectives are to be met such as protecting future capacity for the agricultural economy and for limiting the community's exposure to servicing costs.

But to commence the discussion it is worthwhile to try to occupy the position of various players in the rural land use. The following are only some of the perspectives that apply in the rural area.

The development perspective:

It is clear from submissions on the earlier phases of this Strategy that a proportion of current landowners feel the constraints on subdivision and dwelling rights are too great and seek opportunity to be able to subdivide or sell titles for dwelling purposes. The motivations for this vary but would likely be financial. Additional dwelling potential, in a rural area with demand like Eurobodalla, can increase property value over similar land without extra dwelling potential but the proportionate increase is larger with smaller lots.

Some owners suggest there are options where overall planning objectives can be met but where some further dwelling options may also be provided. These options are tested in the remainder of Section 6.

The expanding farmer perspective:

The farmer wishing to expand and buy additional land does not want new potential for dwellings to drive up the price of land. As detailed in Discussion Paper 2, Eurobodalla land prices have long been inflated by speculative pressures but adding dwelling potential does further inflate land value above that which might apply in a Council area remote from development demand.

Numerically, this group are small as farm aggregation is already a challenge in Eurobodalla given its current land prices compared to agricultural lands to the west.

The prospective hobby farmer:

Current rural residential zone supply is mostly targeted at small lots below 10 ha. There is demand for hobby scale properties and from the work in Discussion Paper 2, it is suggested most holdings below 40 ha would only produce hobby scale returns. This perspective would like to see more opportunities for properties in perhaps the range 20 to 40 ha where there is some potential for minor agriculture and even properties larger where there are rural retreat or bush living options.

The prospective part-time commercial farmer:

From the work in Discussion Papers 1 and 2 it is clear most commercial agriculture in Eurobodalla is already performed by part-time operators – usually with either off-farm income or on-farm business activity not directly dependant on the land.

There is anecdotal evidence of demand for part-time farms but it is hard to quantify locally as supply is currently mostly capped by the current planning provisions. There are only an estimate of 40 vacant ownerships over 100 ha in the Shire. This means a person wanting to buy a part-time farm in Eurobodalla needs in most cases to buy an existing property and in most cases a property with an existing dwelling.

Public agencies perspective:

Public agencies including Council and State departments like Planning and Environment, Primary Industries and Environment and Heritage are charged with a range of duties “for the public good” including land use planning and consideration of impact on services and infrastructure.

In terms of rural planning there are long established objectives of trying to protect and enhance commercial agriculture for the economic and social benefits it can bring. And to protect natural resources, landscapes and heritage for the perceived wider benefits to the community.

The focus from this perspective goes beyond the individual landowner to attempting to achieve broader public good – sometimes at the expense of constraining some land use options of individuals.

Tools used to date to protect agricultural land have tended to focus on planning rules that constrain the further placement of dwellings and associated subdivision of land for dwelling lots. These controls can be effective in constraining dwellings and in limiting fragmentation of large agricultural holdings but as discussed in Paper 2, these controls alone do not guarantee a vibrant rural economy – especially in growing coastal areas where land values are already inflated beyond the value of the land based on what it can produce from agriculture.

6.3 WHAT IS THE RANGE OF OPTIONS OPEN TO COUNCIL FOR RURAL DWELLINGS AND SUBDIVISION?

In the topics of economic and social development of the rural community, Councils can have a wide role and are more constrained by budget limits than regulation. If Council wishes to assist with tourism promotion, economic development or implement various social plans, it is often free to do so to the extent it can both find and justify the funds.

But with land use planning it is a more constrained role with the State Government retaining overall approval powers. Local environmental plans require the approval of the Minister to be made and it is the State government that both sets the planning legislation and has wide powers with respect to its interpretation and use by Local Government. If any change to lot sizes or the requirements for permitting dwellings in the general rural areas is to be effected, an amendment will need to be approved by the Minister to Council's LEP 2012.

With specific reference to the options for lot sizing and dwellings in the general rural areas, Council options are tempered by the following.

6.3.1 South Coast Regional Strategy

This regional level planning strategy sets various principles relevant to rural land. Because it is set at regional level it does not impose specific controls on the lot sizes and dwelling requirements for general rural areas but does specify the following principles (p. 29):

- *Local environmental plans will include provisions to limit dwellings in rural zones.*
- *Local environmental plans will include minimum subdivision standards for rural zones.*
- *Councils will consider the South East Regional Conservation Plan prepared by OEH.*

It connects problems such as increasing land prices, land use conflicts and loading on road and other services with poorly planned expansion of rural living opportunities in the general rural areas.

Councils, in preparing possible changes to lot sizes and dwelling controls, need to show the changes will not conflict with the above principles.

6.3.2 Section 117 Directions of the Minister

Section 117 of the *Environmental Planning and Assessment Act* empowers the Minister to set directions that Councils need to comply with in making LEPs, or to at least justify departures from such directions. The following directions are directly relevant to Councils consideration of lot and dwelling options in the general rural areas:

Direction 1.2 Rural Zones

This Direction requires local environmental plans "...not contain provisions that will increase the permissible density of land within a rural zone". But then states:

... A planning proposal may be inconsistent with the terms of this direction only if the relevant planning authority can satisfy the Director-General of the Department of Planning (or an officer of the Department nominated by the Director-General) that the provisions of the planning proposal that are inconsistent are justified by a strategy which:

- (i) *gives consideration to the objectives of this direction,*
- (ii) *identifies the land which is the subject of the planning proposal (if the planning proposal relates to a particular site or sites), and*
- (iii) *is approved by the Director-General of the Department of Planning...*

Direction 1.5 Rural Lands

This Direction applies where: “...a relevant planning authority prepares a planning proposal that changes the existing minimum lot size on land within a rural or environment protection zone”.

The Direction requires where a Council seeks to vary an existing minimum lot size for rural land in an LEP, it must do so in accordance with the Rural Subdivision Principles listed in *State Environmental Planning Policy (Rural Lands) 2008*.

These 8 principles are as follows:

- (a) *the promotion and protection of opportunities for current and potential productive and sustainable economic activities in rural areas,*
- (b) *recognition of the importance of rural lands and agriculture and the changing nature of agriculture and of trends, demands and issues in agriculture in the area, region or State,*
- (c) *recognition of the significance of rural land uses to the State and rural communities, including the social and economic benefits of rural land use and development,*
- (d) *in planning for rural lands, to balance the social, economic and environmental interests of the community,*
- (e) *the identification and protection of natural resources, having regard to maintaining biodiversity, the protection of native vegetation, the importance of water resources and avoiding constrained land,*
- (f) *the provision of opportunities for rural lifestyle, settlement and housing that contribute to the social and economic welfare of rural communities,*
- (g) *the consideration of impacts on services and infrastructure and appropriate location when providing for rural housing,*
- (h) *ensuring consistency with any applicable regional strategy of the Department of Planning or any applicable local strategy endorsed by the Director-General.*

The Direction further requires any departure from the principles to be justified by a Study which obtains the approval of the Director-General of Planning.

Should Council wish to set a lower lot size for the Rural Lands than the current 1,000 ha, or set provisions for rural dwellings more generous than currently exist, it will be necessary to establish the changes meet the above 8 principles or that any inconsistency is justified to the satisfaction of the Director-General.

Direction 5.1 Implementation of Regional Strategies

This Direction gives statutory force to the requirement Council consider and implement the South Coast Regional Strategy and the South Coast Regional Conservation Plan.

6.3.3 Policies of the Department of Primary Industry

The NSW Department of Primary Industries provides advice to planning consent authorities and industry groups to support sustainable resource use and production opportunities.

There are two current policy documents of the DPI and a DPI handbook for managing land use conflict issues (written for the NSW North Coast but with State-wide applicability). The following link provides access to these three documents on the DPI website.

<http://www.dpi.nsw.gov.au/agriculture/resources/lup/strategic-planning>.

DPI Policy 0-104 – Maintaining land for agricultural industries (2011)

The purpose of this document is to guide the planning system in providing certainty and security for agricultural enterprises over the long term and to enable those enterprises to respond to future market, policy, technology and environmental changes. It provides direction in development and implementing planning instruments relevant to agriculture or rural communities, such as rural strategies. Four policy provisions and procedures are outlined:

- Environmental planning instruments should be structured to:
 - a. promote the continued use of agricultural land for commercial agricultural purposes, where that form of land use is sustainable in the long term;
 - b. avoid land use conflicts;
 - c. protect natural resources used by agriculture;
 - d. protect other values associated with agricultural land that are of importance to local communities, such as heritage and visual amenity;
 - e. provide for a diversity of agriculture enterprises, including specialised agricultural developments, through strategically planned locations to enhance the scope for agricultural investment in rural areas; and
 - f. allow for value adding and integration of agricultural industries into regional economies.
- Conversion of land

The conversion of land used by agricultural enterprises to other uses should only take place where fully justified in the strategic planning context. Considerations include:

 - all alternative sites and options for non-agricultural developments;
 - any decisions to convert agricultural land of high value to regional and State agricultural industries should be a last option; and
 - the impact of non-agricultural developments on agricultural business and infrastructure reliant on the surrounding agriculture production.

- **Minimum size of holdings for dwelling entitlement**

The minimum area for a dwelling entitlement and other provisions in Environmental Planning Instruments to regulate subdivisions should take into account:

- a. the agricultural productivity and suitability of the land in question;
- b. the nature and requirements of agricultural industries in the area being considered;
- c. the risk of creating land use conflict;
- d. the current distribution of property sizes and the agricultural industry they support;
- e. the trends in the size of properties engaged in agriculture; and
- f. cumulative impacts e.g. gradual subdivision of agriculture becomes rural residential zone.

- **Minimising land use conflict**

Councils should also consider other approaches to achieving the goal of minimising conflict in agricultural production zones so that farms can operate without unnecessary restrictions.

Minimum Lot Size Methodology Paper

This Document describes two methods that may be used to identify or determine minimum lot sizes. They provide a realistic snapshot of what could be regarded as a commercial farm size for a locality.

Option A is a basic assessment which can assist Local Government to determine an acceptable minimum lot size without detailed analysis. It is the DPI recommended approach to determining a minimum lot allotment size for an entire LGA.

Option B is a more detailed economic analysis and compilation of data for sub districts, which can assist Local Government to determine minimum allotment sizes appropriate for the promotion of sustainable agriculture in that locality.

A detailed case study is provided for reference in the methodology document.

The Option A method is presented on the following page.

DPI handbook

DPI have produced 'Living and Working in Rural Areas – A handbook for managing land use conflict issues on the NSW North Coast' as a reference document to help manage and reduce land use conflict issues. The handbook is designed as practical reference that brings together information on the background to land use conflict and interface issues and material on managing land use conflict at the interface including key issues and tools available. It is of value in development assessment.

Option A: Basic assessment

Step 1: Identify the key agricultural industries and enterprises in the LGA

What are the main agricultural industries in the LGA? These may include the type and mix of crops, the grazing enterprises, and horticultural or vegetable crops.

What is the LGA well-known for? Most LGAs have economic development reports that provide a detailed account of agriculture in the area, and which can be used to contribute to this procedure.

Has agriculture in the LGA changed over time and if so what has happened? It is important to look at the changes in crops or livestock over time and the number and size of holdings that make up the enterprises. While holding size may be fairly stable, factors such as drought and seasonal variability, or fluctuating commodity prices, will affect economic returns, and should all be considered. In some areas changes in enterprises may occur due to technological change, or new market opportunities.

It is important to identify any major shifts and trends in enterprises as a result of technological, market or environmental influences.

Industry organisations, government agencies such as the Australian Bureau of Statistics (ABS) and ABARE and the farm service sector may be able to provide information on key enterprises and trends across the LGA. Once the major agricultural

enterprises have been identified across the LGA, the process of undertaking some case studies can begin.

Step 2: Identify the characteristics of farms in the LGA

What are the land use characteristics of the major existing agricultural enterprises in the area?

The mix of crops and livestock enterprises across the LGA may vary according to factors such as locality, topography, soil type and climate.

Are there distinctly different patterns of agriculture in different areas across the LGA? Different areas may need to be considered for special provisions where the potential for conflict may arise, ie intensive agriculture.

In cropping areas, several crop options may need to be investigated, while grazing enterprises may operate both sheep and cattle enterprises, for example.

Assessment of holding size and pattern. The size of existing commercial holdings may be a useful indication of a realistic holding size in the area. It is important to recognise that some farmers are constantly adjusting their holding size and enterprise selection in response to economic conditions, so this may be a factor in determining the base size of a holding considered to be reflective of commercial farms in an area. An estimate of a realistic holding size can be determined at this point.

6.4 LOT SIZE AND DWELLING OPTIONS

6.4.1 Alternatives that do not significantly increase subdivision or dwellings potential

The current LEP applies a 1,000 ha subdivision standard. As there are only 3 properties exceeding 2,000 ha this is a virtual prohibition on subdivision for dwellings in the RU1 zone. The 2012 plan “rolled over” the prohibition on further subdivision from the 1987 plan and conserved the dwelling opportunities of that plan, with the exception that some additional dwelling entitlements could be granted on lots over 40 ha with access to a Council maintained sealed road.

The principles behind the current LEP and past LEP centres on a philosophy of minimising further fragmentation of the agricultural holdings on the assumption this would best conserve commercial agricultural opportunities.

There are only 129 assessments over 100 ha in the Shire.

There are 53 over 200.

And there are 16 over 400.

A few of these assessments are not contiguous so the number of contiguous ownerships over 100 ha is possibly closer to 100.

So if lot sizes were to be variable and selected based on the larger lots in a particular district then the same impact of no real subdivision potential could be achieved with lot sizes ranging from 400 to 100 ha.

But this raises the question why change from 1,000 if the goal is to minimise further subdivision for dwellings?

If care was taken in the selection of areas, lesser lot sizes of 400, 200, 100 and even 40 ha could be introduced with minimal prospects of fragmentation of existing ownerships. Discussion Papers 1 and 2 clearly demonstrate the Shire is dominated now by part-time farming and, excluding holdings comprised of very poor agricultural lands, 200 ha represents at least prospects of a commercial part-time conventional beef farm.

6.4.2 What if the lot size across the RU1 zone was 100 ha?

As Table 1 below indicates, there are 53 ownerships in the Shire over 200 ha. If there was a 100 ha lot size and every ownership managed to subdivide to the maximum capacity, a total of 185 lots 100 ha or greater in area would be created.

Table 1: Subdivision yield from a 100 ha lot size

Ownership Size (ha)	Number of Properties	Maximum Hypothetical Lot Yield at 100 ha Lot Size
200-299	27	27
300-399	10	20
400-499	6	18
500-599	2	8
700-799	3	18
900-999	1	8
1,000-1,999	1	9
2,000-2,999	2	38
4,000-4,999	1	39
TOTALS	53	185

This maximum yield would be qualified by:

- The fact not every owner would chose to subdivide.
- 100 ha lots have a more restricted market. Bega Valley has had a 120 ha standard since 1987 and has seen few splits of large properties into 120 ha lots.
- The net gain in land value for larger lots is much smaller than for hobby scale lots 50 ha and less.
- Access, servicing and physical land constraints would rule out some potential.

There could be some negative impacts:

- Several good quality commercial agricultural operations exist on properties 200 ha or larger and these may be fragmented into part-time farms – but it is debatable if this would adversely impact on the overall agricultural production of the Shire.
- Many of the larger properties are in remote areas and additional dwellings in these areas may tax road and other public services, and also be constrained by environmental issues and hazards, such as bush fire. Conversely, the yield in most areas would be modest and possibly within the capacity of existing infrastructure.

6.4.3 What if the lot size across the rural areas was 200 ha?

With a 200 ha lot size the number of properties above the 400 ha needed for subdivision would fall to 16 and the maximum potential yield to 74 Shire wide.

Similar to the 100 ha option, there would be a percentage of lots not likely yielded due to physical and economic constraints and 200 ha lots would have an even smaller market.

6.4.4 What if the lot size over the general rural areas was 50 ha?

A lot size over much of the Shire of 50 ha or less would yield many potential lots but also likely see significant fragmentation of larger properties.

Such a lot size would be very difficult to justify against the 117 Directions of the Minister and would likely not be supported by State agencies.

Servicing issues would be generated given large numbers of potential lots in poorer serviced areas.

There would be more risk of conflicts in land use as hobby scale farms started appearing amongst commercial scale farms in all areas.

6.4.5 The use of minimum averaging

Minimum averaging allows a range of lot sizes:

For example, take a 200 ha property. If the lot size is 100 ha and a minimum averaging clause applies then 2 lots can be created but one might be 190 ha and the other 10. The clause detail can regulate size range, approval requirements, etc., (such a clause is generally not supported by DPE and DPI in broadacre areas).

There are positives and negatives:

- Positive:
 - Retain the bulk of the property;
 - Create a marketable small lot and easier to site re services.
- Negative:
 - A “shotgun” plan – minimal control over where the lots go for servicing and impact on neighbours, etc.;
 - Still possible to create 2 or more lots at full lot size and break up the holding.

Minimum averaging is not considered to be suitable for the sections of the general rural area in larger holdings. This land resource is too valuable for agriculture and is not suited to having small holdings sprinkled throughout productive farms.

There may be a role for it in more fragmented areas once such areas are assessed as to the impacts. Minimum averaging may be a possible technique to consider in a future review and that for the current round the focus be the landscape model.

6.4.6 “Landscape lot sizing”

There is little planning benefit in increasing subdivision potential for larger holdings, but some individual gain in property value would be created for the affected owners.

In the past, concessional lots and similar were a trade-off for landholders accepting other planning controls. Under the Interim Development Orders in place prior to the 1987 LEP there was a minimum 40 ha lot size for rural land zone 1(a). However, there have been no prospects of subdivision for dwellings in Eurobodalla since the introduction of the 1987 plan.

Fragmented areas with reasonable servicing, could be lot sized to allow limited yield and not impact on the commercial agricultural asset nor overly burden Council services.

A focus on constraining the subdivision potential of larger holdings but allowing a modest flow of opportunities for additional dwellings in fragmented areas seems the preferred approach and one which has prospects of satisfying the inconsistency requirements of the Minister's 117 Directions. The Consultants have attempted this model in their mapping in Section 2 of Volume Three and a small scale version of the Shire wide map forms Map 3 of this Discussion Paper.

Principles for selection of fragmented areas for some dwelling increase:

- Generally select areas of fragmented ownership – minimal properties over 100 ha unless they contain only modest areas of quality agricultural land. Minimal properties over 40 ha if the land is high quality.
- Either demonstrated low additional traffic impacts on existing gravel roads or a funding base through the proposed lot yield to seal the access road.
- Sound bushfire protection plan including 2 routes of access and sufficient cleared land for safe home sites.
- A preference for provision of more small lot agricultural properties – there is ample supply (and opportunities to extend supply) of rural residential, bush living and small hobby lots in the rural residential zones as detailed in Discussion Paper 10.
- Ongoing review over time of demand and supply of land for hobby and small part-time farms – say 5 yearly reviews.

7 PERMISSIBLE USES IN THE GENERAL RURAL AREA

Discussion Paper 3 provided a detailed review of permissible uses across the zones used by Eurobodalla and those of a sample of other Councils.

The outcome of that review was four more land uses are recommended for inclusion in the RU1 zone as detailed below:

Table 2: Recommended additional permissible uses for the RU1 Primary Production Zone

Suggested Additional Uses	Comment
Education facilities/ establishments	Public schools would be permissible under SEPP Infrastructure but possibly suitable to have consideration of private education options.
Function centres	Reception centres and similar seem supportable in low impact locations subject to assessment.
Information and education facilities	This category includes many rural tourist related activities such as galleries.
Places of public worship	Not unreasonable to site some religious centres in the rural area.

8 IDENTIFICATION OF PREFERRED OPTIONS AND RECOMMENDATIONS FOR THE RURAL STRATEGY

8.1 AGRICULTURE DIRECTION TO PLAN FOR

That Council adopt a vision statement for Agriculture which includes:

- That agriculture is important to the Eurobodalla economy but that part-time farming is recognised as an increasing aspect.
- That appropriate on farm businesses not dependant on agriculture be supported and there be recognition there are already significant numbers of such businesses and of the benefit to part-time farming of such business activity.
- That generally holdings above 100 ha with good agricultural land be limited in terms of prospects for further subdivisions and the focus for supply of small lot farms be set on those fragmented areas with reasonable servicing capacity.
- That the future of agriculture in Eurobodalla requires innovation and a focus on new markets and value adding.

8.2 ZONING AND OVERLAY OPTIONS

That RU1 be retained as the main zone in the general rural areas and that the deferred areas be zoned RU1.

That lot sizing under 100 ha be used in the RU1 zone to depict those fragmented general rural areas where small lot farming can be facilitated and modest increases in dwelling opportunities created. These small lot farming areas can then be the focus of further reviews over time to allow consideration of further opportunities.

The E4 Environmental Living Zone be expanded where land is already fragmented, heavily vegetated and of low quality for agriculture. That RU4 also be expanded for lot sizes of small farms under 20 ha. As above, selection of areas needs detailed consideration given the provisions of these zones also allow dwellings on all lots in the zone.

That an environmental overlay be retained in the LEP but it only depict native vegetation.

(Note: at its meeting of 23 February 2016, Council gave this issue detailed consideration and, in adopting a final strategy, resolved a Native Vegetation Overlay be placed in a code and referenced in the relevant DCPs.)

8.3 APPROPRIATE POLICY FOR DWELLINGS IN THE GENERAL RURAL AREA

8.3.1 Lot sizes

That Council develop a “landscape” approach to preferred lots sizes for dwellings in the RU1 zone where holdings above 100 ha with significant quality agricultural lands are constrained from further subdivision but that a small increase in supply of small lot farms be accommodated by selecting varying lot sizing across the fragmented areas of the Shire.

The draft mapping in Volume Three is provided for comment and development into an eventual Planning Proposal. Map 3 below is a small scale version of the recommended lot sizing and minor zone adjustments but see Volume Three for larger scale maps.

8.3.2 Reasonable protection of existing dwelling opportunities

The current sunset clause 4.2 A (3) for the 2012 LEP should be removed from the LEP as it is reasonable for current dwelling considerations to be retained. In time the holding provisions might be replaced with a map of vacant existing holdings.

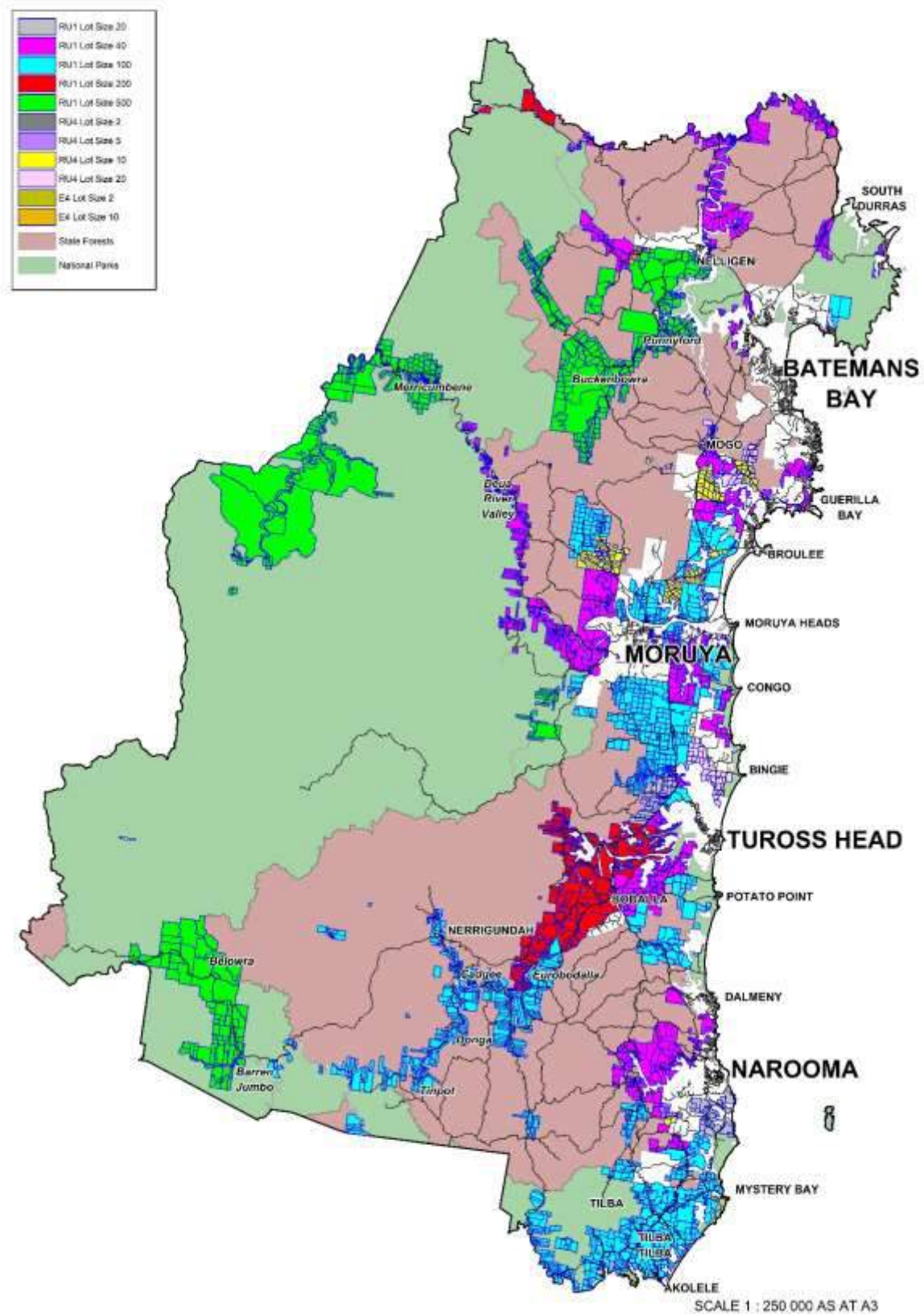
8.4 SUITABLE PERMISSIBLE USES FOR THE RU1 ZONE

That the following additional permissible uses be added to the LEP for the RU1 Zone:

Suggested Additional Uses
Education facilities/establishments
Function centres
Information and education facilities
Places of public worship

Map 3: Recommended lot sizes and minor zone changes across the General Rural Area (draft map)

(See mapping in Volume Three, Section 2 for more detail).



DISCUSSION PAPER 10

RURAL LIVING IN THE RURAL RESIDENTIAL AREAS

A DISCUSSION PAPER TO GUIDE THE
EUROBODALLA SHIRE COUNCIL RURAL
STRATEGY

Prepared by: **Garret Barry Planning Services Pty Ltd**

For: EUROBODALLA COUNCIL



September 2015

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1 INTRODUCTION

1.1 PURPOSE OF THIS DISCUSSION PAPER

The Draft Eurobodalla Rural Strategy is presented in three volumes:

Volume One: The Strategy – this is a summary document of the recommended preferred options, strategies and action plans.

Volume Two: The Discussion Papers – there are 10 broad papers in this volume, each presenting a discussion on the more significant issues applicable to Council’s role in the rural lands of Eurobodalla.

This is Discussion Paper 10 and it explores land use direction for rural residential development. This Paper examines current supply, makes projections for demand for rural residential living opportunities and identifies actions to ensure a diversity of rural living opportunities are available for Eurobodalla looking forward the next decade or more.

This Paper focuses on the rural residential zones (currently R5 Large Lot Residential, E4 Environmental Living and RU4 Primary Production, Small Lots). Discussion Paper 9 looks at the broader rural areas and the associated subdivision and living opportunities outside of the rural residential zones.

Volume Three: A compendium of larger scale maps – given the size of the Shire and the detail sometimes required, the more important maps of general land use information and those from the Discussion Papers are presented in A3 page size. In addition, if accessing the PDF version, there is the capacity to “zoom in” to explore more detail.

The draft strategy package as presented in the three volumes, represents the work of the consultant team Garret Barry Planning Services (GBPS). It is stressed these documents are drafts prepared for community comment and input. Council has not concluded any view on the draft recommendations and will resolve a final strategy when it has considered community feedback.

We welcome suggestions from the community as to any issues we may have overlooked and your preferred options and strategies to guide the future direction of the rural areas.

1.2 EXECUTIVE SUMMARY

Rural lifestyle opportunities are a significant drawcard of Eurobodalla Shire. Whether it be lifestyle, part time or hobby farming, the natural and agricultural landscape of Eurobodalla drives interest in rural living. Before supply and demand can be assessed, quantified and projected forward, it is important to develop an understanding of the range of products being sought by people in terms of rural living.

Firstly, the term “rural residential” land use for the purposes of this Paper is seen as covering at least three “products”:

1. Purely **rural residential living** with practically no agricultural use. This in turn has two components:
 - a. rural residential living on small lots in estate type development with some urban style services but often not reticulated sewer or water; and
 - b. rural retreats on often larger “bush blocks” and sometimes more remote locations. (These are addressed in Discussion Paper 9).
2. **Rural living** but with very small scale hobby interests of an agricultural nature e.g. keeping horses for private recreation. Often in estate style developments but with larger lot sizes and some agricultural land.
3. **Hobby farms/small “part-time” farms**. Small farms running hobby scale agricultural operations in the main although some may have small-scale income generating activities feeding into the Shire’s growing demand for value added local food and fibre products as detailed in Discussion Papers 2 and 7.

Council currently utilises three different zones for these kinds of land use/development:

- **R5 Large lot residential** – this zone mostly covers extensively cleared lands and addresses rural living and the smaller scale hobby farming.
- **E4 Environmental Living** – this zone generally comprises lands where natural values predominate and there is minimal agriculture. The emphasis is as the zone name suggests rural residential living in a natural environment backdrop.
- **RU4 Primary Production Small Lots** – this zone has been used mostly to cover fragmented former farmland now used as hobby farming areas.

Research for this Paper suggests this zone mix is appropriate for application regarding the further supply of lots for the above rural residential options. However, the RU4 zone could be expanded to cover larger lot sizes, potentially up to 40 ha, where it is clear that only part-time farming will be the predominant activity.

Some constraints or additional control factors are recommended for any future use of E4 zones so that bushfire protection and habitat loss impacts do not exacerbate some issues already evident from this form of zoning and development.

The supply and demand analysis summarises as follows:

- There is adequate supply of all types of rural residential land for at least 5 years and in most categories 10 years supply.
- Supply of small rural residential lots (R5 zone style) is less in the southern third of the Shire but still comfortably 5 years supply at past rates of uptake.
- Council might commence a program of screening to define future rural residential zones in 3 to 5 years' time.
- It would be desirable for Council to fund a more detailed review of subdivision potential within the existing zones. As the constraints of bushfire and biodiversity are more significant in Eurobodalla than for the average Council, the estimation of potential lot yield is more difficult without a detailed review of vegetation in and adjoining the remaining larger lots.
- Even a conservative view of the remaining potential for subdivision suggests 10 years supply on hand. A more rigorous appraisal may find the potential for some nature style lots is greater and that supply for some categories is 15 or more years without the need for additional zoning. The vegetation constraints are far greater in the E4 zone and as such the projections in this report for the R5 and RU4 zones have greater reliability.
- Expansion of RU4 with lot sizes up to 40 ha and/or improving the mix of lot sizing in suitable sections of the fragmented RU1 Primary Production Zone areas is supportable to ensure ongoing supply of small lot farms to support the growing local food and fibre demand.

2 STRATEGY WORK TO DATE

2.1 THE RURAL LANDS ISSUES PAPER

The area of land used for primary production or rural residential in each of the land capability classes is described in the Issues Paper (p. 10). Out of a total land area of 38,083 ha of land used primarily for primary production, 4,973 (13%) was used for rural residential. Only 61 ha of lands suitable for regular cultivation was shown to be used for rural residential. Most land used for rural residential was on lands suitable for grazing and occasional cultivation – 2,959 ha or 13.5% of land in that land capability class.

Figure 1: Land Use and Land Capability

Land use	Land Capability Class								Totals (ha)
	Lands suitable for regular cultivation			Lands suitable for grazing—occasional cultivation		Lands suitable for grazing—no cultivation	Other lands		
	I	II	III	IV	V	VI	VII	VIII	
Cropping		530		2,052	245	277	19	22	3,145
Estimated grazing		2,559		15,449	1,005	7,197	2,212	1,089	29,511
Horticulture		372		82		1			455
Rural residential		61		2,944	15	1,563	368	22	4,973
Totals (ha)		3,522		20,526	1,265	9,038	2,599	1,133	38,083

Protection of agricultural lands from urban expansion and unplanned rural residential development is noted in the Issues Paper as a key outcome of the South Coast Regional Strategy 2006.

2.2 THE RURAL OPPORTUNITIES AND CONSTRAINTS REPORT (ROC)

The need to separate land suited to agricultural production from conflicting uses particularly rural residential and urban settlement is a key issue identified in the Rural Opportunities and Constraints (ROC) Report.

The Report identified that in 2012 a total of 7,919 people lived in the rural areas of the Eurobodalla Shire.

The ROC Report quotes the Eurobodalla Settlement Strategy data (based on ABS 2005) that demonstrated a total of 2,327 rural holdings in the Shire, 91% of which were likely to accommodate a residential or lifestyle use covering around 20,235 ha of land or 6% of the total land cover.

The ROC Report raises the issue of whether these smaller holdings have the capability of supporting commercial agriculture. *There is an opportunity through the Rural Land Strategy to assess and review in greater detail the attributes of these small holdings and confirm if they have a strong future for commercial agriculture or if there are preferred alternative uses* (ROC p. 14)

The 2013 Eurobodalla Shire Rural Residential Land Monitor indicated that there is a supply capacity of about 9 years. The Report concludes that there was sufficient capacity in existing zoned land to accommodate anticipated growth in demand for the medium term.

For the longer term, the Report states that there may be a need to identify suitable land for rural/environmental living purposes. Recommended criteria for identifying suitable lands included:

- Avoiding areas identified for commercial and sub-commercial agriculture;
- Proximity to towns and settlements;
- Utilising existing fragmented land;
- Utilising existing infrastructure and services; and
- Avoiding land of high conservation value or environmental risk.

The Report references the South Coast Regional Strategy which does not support further residential or rural residential zoning in the catchments of the coastal lakes and estuaries identified in the Strategy unless it is demonstrated that a neutral or beneficial effect on water quality as measured at the boundary of the proposed new zoning can be achieved.

Environmental constraints limiting development capacity of some land zoned for rural residential is noted:

- Potential impact of rural residential development on coastal lakes and estuaries; and
- Potential impact of rural residential development on agricultural production.

The following matters from the Eurobodalla Settlement Strategy are raised:

- Rural residential development needs to take environmental constraints, market demand and proximity to urban settlement into account; and
- Dwelling capacity, land carrying capacity, infrastructure capacity and indigenous considerations.

2.2.1 Community and Stakeholder Views

There is general support for the principle of accommodating future population growth on cleared land that is not productive agricultural land.

There was a range of views regarding locating growth in areas with established infrastructure and services. Some were of the opinion that people who moved to these areas would accept the current levels of service while others were of the opinion that growth should be directed to areas of established infrastructure and services to maximise efficiency of use.

2.2.2 Opportunities

Focus development on land already zoned for rural residential use.

Consider options for a wider housing choice to attract new residents and a broader range of residents.

Have regard to the following:

- Avoiding areas identified for commercial and sub-commercial agriculture;
- Proximity to towns and settlements;
- Utilising existing fragmented land;
- Utilising existing infrastructure and services; and
- Avoiding land of high conservation value or environmental risk.

2.2.3 Constraints

- Demand for development along the coastal strip can distort settlement patterns and concentrate growth in areas that are both highly sensitive and productive.
- Pressure on productive agricultural land.
- Some land zoned for rural residential development has environmental constraints.

2.2.4 Principle for Policy Direction

The Report recommends the following principle:

- That the development of policy directions acknowledges the existing short to medium term supply of rural residential land and focuses on opportunities to facilitate appropriate development of that land to accommodate population growth.

2.3 POLICY DIRECTIONS PAPER

Policy Direction 7 relates to support of rural residential living opportunities.

The Policy Directions Paper states that with a current supply of rural residential land catering for approximately 900 dwellings, there is minimal demand for additional rural residential land in the short to medium term.

To ensure the available supply of rural residential land can be developed to meet current demand, some further investigations may be required to determine the development capacity of undeveloped land zoned E4 Environmental Living or R5 Large Lot Residential. Council can work with the owners of this land to address relevant issues and facilitate appropriate development opportunities. (p. 21)

The Policy Directions Paper states that any longer term planning for rural residential land should consider:

- Avoiding the most productive agricultural land;
- Proximity to existing towns and settlements;
- The efficient use and provision of services and infrastructure; and
- Avoiding land of high conservation value and environmental risk.

3 SUPPLY AND DEMAND FOR RURAL SMALL HOLDINGS

3.1 SUPPLY ANALYSIS

As discussed in Section 1.2, there are three zones currently containing rural small holding development:

1. R5 Large Lot Residential;
2. E4 Environmental Living; and
3. RU4 Primary Production (small lots).

To resolve an estimate of current supply, two components need examination:

1. resolution of the number of vacant lots existing in the above three zones; and
2. some estimation of the potential for further subdivision from the current zones.

True supply in terms of what is available at any point in time is not just a factor of the two components above. It is also influenced by factors such as:

- Withholding of supply. Owners of vacant lots may “withhold” from sale for a variety of reasons. Some may need a booming market to convince them to sell. Others are holding a vacant lot long term as a future investment or as a retirement home site.
- Deferring proposals for further subdivision or even no intent to further subdivide. Some owners may have subdivision potential but do not have even medium term proposals to generate supply. Others have bought a property with potential to yield more lots but have no proposal to subdivide.

These above considerations lessen the “true” supply figures but can only be guessed at given the large range of individual variables. Detailed annual monitoring of actual sales transfer notices can allow the development of a stronger model for estimating real rates of sale and availability, but takes resources to maintain.

For the purposes of this Strategy estimating current numbers of vacant lots and potential lots provides a good base to resolve supply and some reduction will then be made for the withholding and deferral factors.

3.1.1 Supply of existing lots

Council GIS data was used to plot all existing lots in the three rural residential zones. Aerial photography was then used to estimate which lots were vacant or had a dwelling. This method has an accuracy limitation but field checking of a sample of areas showed an error rate under 15%. So the results are considered sufficiently robust for regional projection of supply.

The Shire was divided into three districts: North, Central and South.

Table 1 below provides a summary of the count of vacant lots across the three zones.

There are a large number of lots below 2,000 m² which have been ignored in this analysis as they are considered to be large urban lots and not appropriate to consider as rural residential supply/demand. The table further breaks down to lots 2 ha and over and lots less than 2 ha but over 2,000 m².

It is considered that average lots below about 2 ha should really have reticulated sewerage to ensure the high catchment values of Eurobodalla are maintained and density of on-site sewerage disposal limited. Council already has minimum averaging lot provisions in the LEP for R5 and E4 zones. This allows opportunities for lots below 2 ha (for which there is clearly demand) while maintaining a 2 ha overall density.

Table 1: Summary of existing rural residential lots

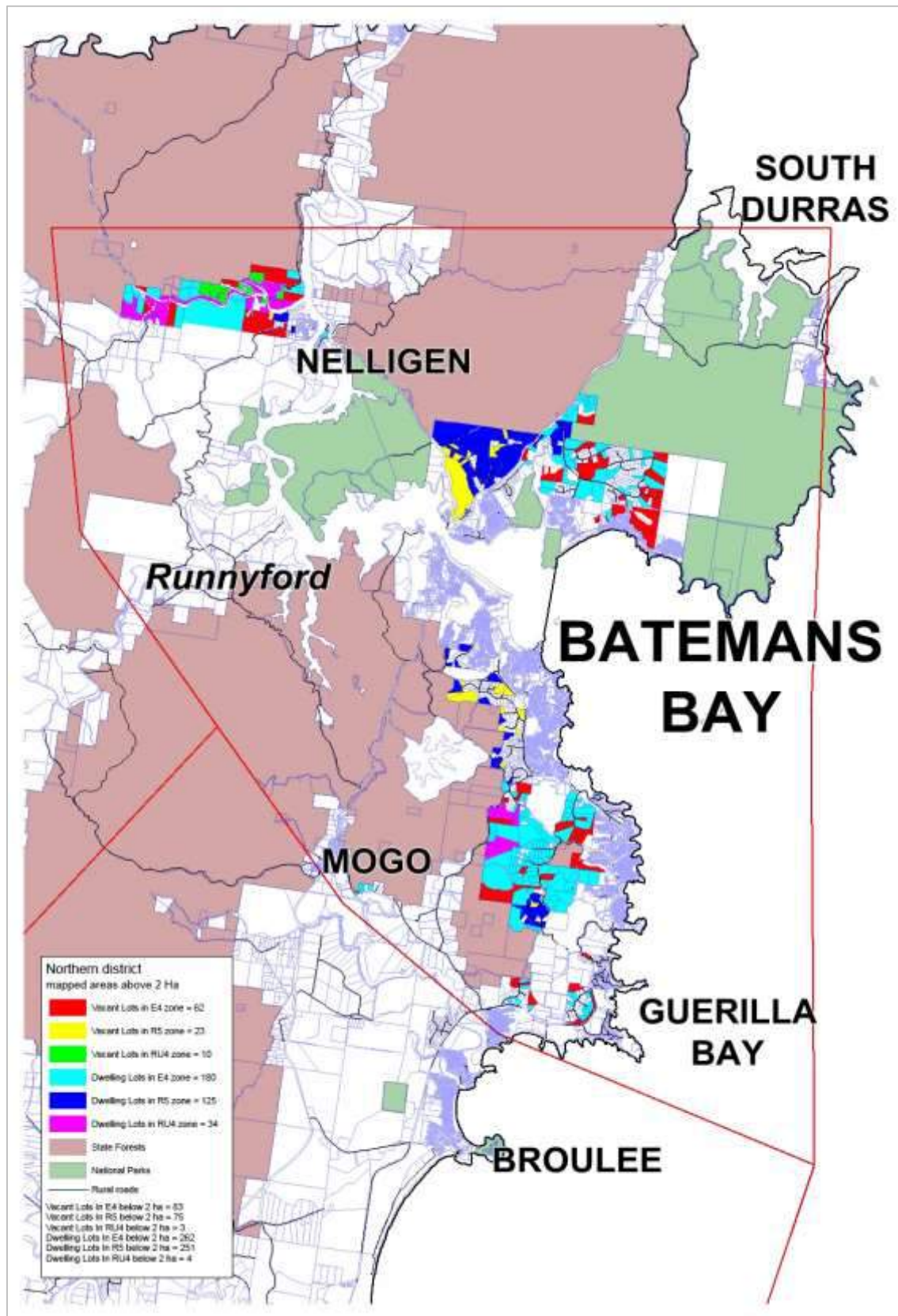
	0.2 - 2 Ha		> 2 Ha		Total 0.2-2 + > 2 Ha	
	Vacant	Dwelling	Vacant	Dwelling	Vacant	Dwelling
E4						
Central	72	173	92	304	164	477
North	83	262	62	180	145	442
South	53	124	25	77	78	201
Total	208	559	179	561	387	1120
R5						
Central	28	203	22	125	50	328
North	75	251	23	125	98	376
South	34	138	6	37	40	175
Nerrigundah	14	6				
Total	137	592	51	287	188	879
RU4						
Central	8	43	11	50	19	93
North	3	4	10	34	13	38
South	12	29	12	99	24	128
Total	23	76	33	183	56	259
E4, R5, RU4 Combined						
Total E4, R5, RU4	368	1227	263	1031	631	2258

The table shows:

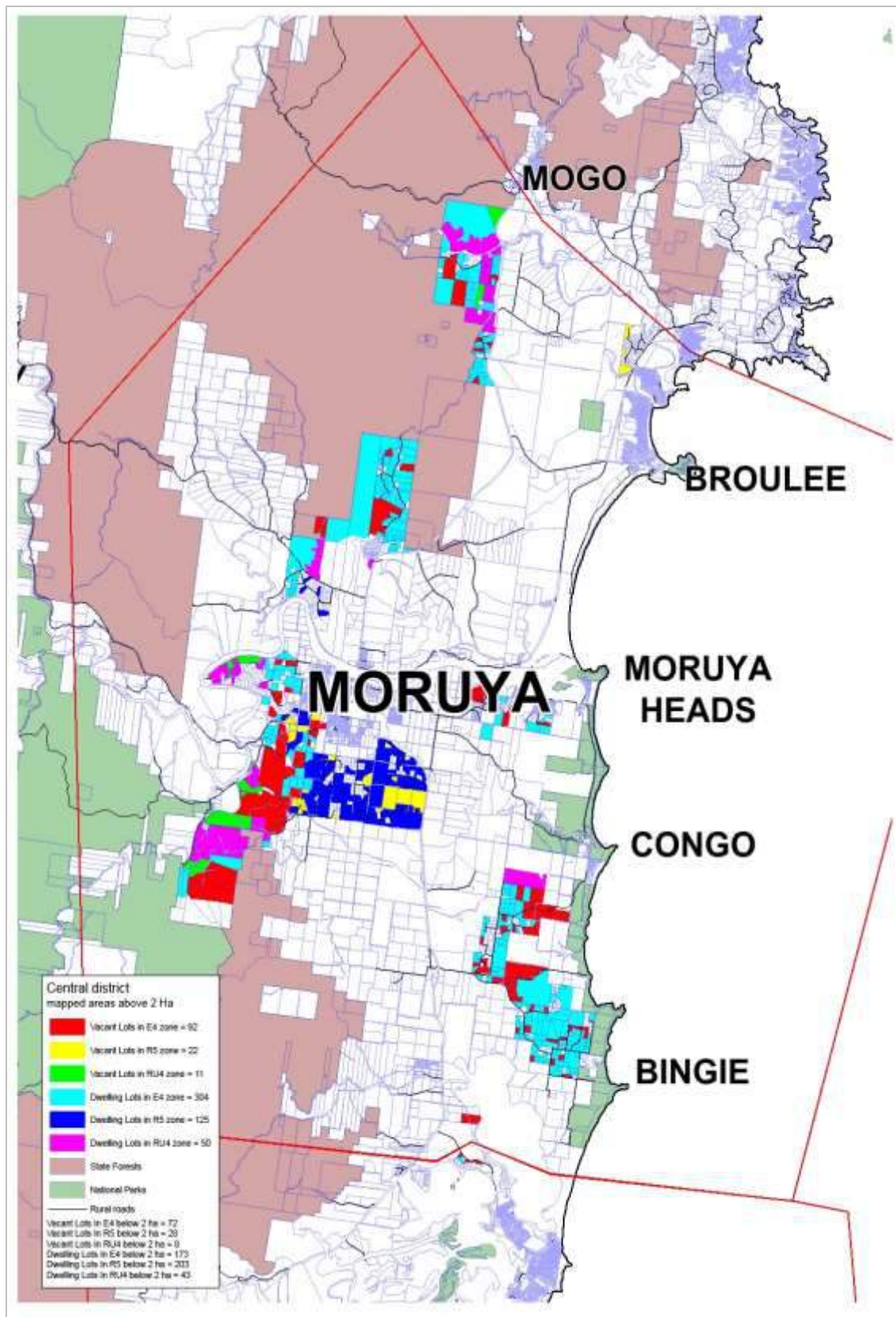
- There are currently 631 vacant lots across all the rural small holding zones of Eurobodalla out of a total of 2,889 lots. So approximate vacancy rate currently is 22%.
- Lots below 2 ha were separated out as they mostly represent rural living with minimal hobby farming. Many of these lots are also historical as lot sizes for most rural residential are now set at a 2 ha minimum. There are 1,595 of these small rural living lots across the three zones of which 368 are vacant or 23%.
- The majority of the under 2 ha lots are in the north and central districts.
- Of the lots over 2 ha:
 - most of the 179 vacant lots in E4 are environmental living style lots with limited hobby farming; and
 - a large proportion of the 84 vacant lots over 2 ha in the R5 and RU4 zones are suitable for hobby farming as many contain some reasonable quality agricultural land. The RU4 land is often higher quality agricultural land.

Maps 1-3 follow and present the data from Table 1 pictorially.

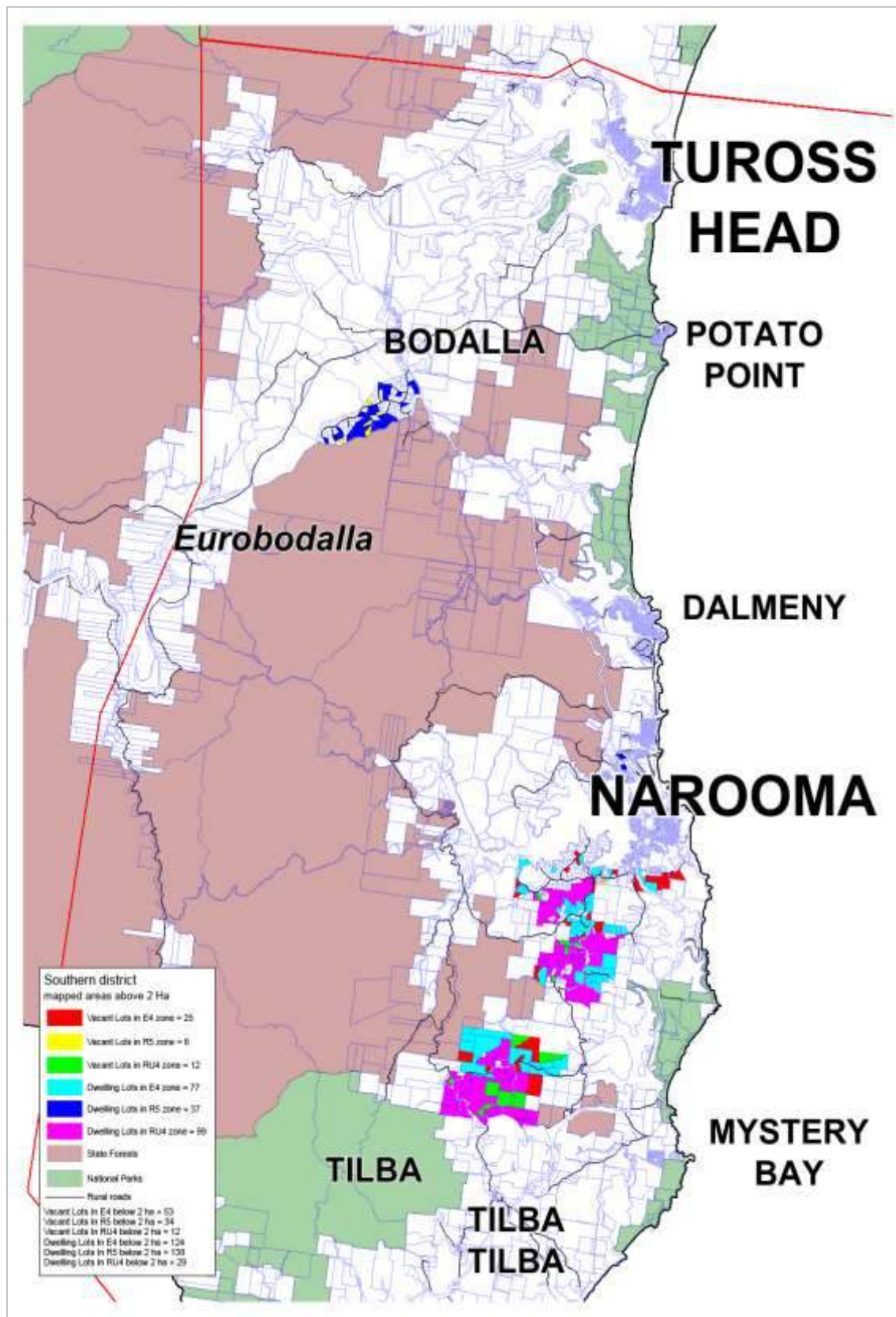
Map 1: Rural Small Holdings North



Map 2: Rural Small Holdings Central



Map 3: Rural Small Holdings South



3.1.2 Lot size range of current lots

Examination of the range of lot sizes is useful as an indicator of purchaser choice. The following is a summary of lot sizes by zones for lots in the 2 ha and over categories.

Table 2: Existing lots 2 ha and over in the Rural Small Holding Zones by area

Zones					
Vacant and Dwelling Lots - Ha	E4	R5	RU4	Total	%
2 - 5	542	294	148	984	76
5 - 10	94	28	33	155	12
10 - 20	69	10	23	102	8
> 20	34	7	12	53	4
Total	739	339	216	1294	100

Table 3: Existing vacant lots 2 ha and over in the Rural Small Holding Zones by area

Zones				
Vacant Lots - Ha	E4	R5	RU4	Total
2 - 5	98	37	15	150
5 - 10	33	9	8	50
10 - 20	31	2	8	41
> 20	16	3	2	21
Total	178	51	33	262

The above tables indicate a majority (76%) of the uptake of lots to date in the rural residential zones are 10 ha or less and only 12% are over 10 ha. Given some of the larger lots still have subdivision potential and are likely being held for that purpose, the demand for smaller lots is possibly even greater than the 76%.

However, supply of lots over 10 ha is also quite significant in the RU1 zone areas (Discussion Paper 9 finds there are over 300 ownerships that are vacant and of area under 40 ha in the RU1 and Deferred areas) and this is more the area of focus for people wanting larger hobby farms or small scale part-time commercial scale properties.

3.1.3 Subdivision potential from current zoned lands

There are a number of limitations to production of an accurate estimate of the remaining subdivision potential of the existing E4, R5 and RU4 zones. There are significant issues of bushfire and biodiversity constraints across many of the remaining un-subdivided lands and a realistic yield could only be estimated following quite detailed assessment including field survey work outside the scope of this Strategy project.

In addition, the E4 and R5 zones have had a minimum averaging provision in place since the 2012 LEP that also requires residue lots resulting from such a subdivision to be barred from further subdivision. It is understood only a few such subdivisions have been effected since 2012.

To gain an approximate estimate of the potential yield from subdivision of the current rural residential zones, all lots over twice the lot size for the subject land were reviewed using aerial photography and an estimate made of subdivision potential at both optimistic and conservative levels. From this work the following table was developed:

Table 4: Estimated subdivision potential from the existing E4, R5 and RU4 Zones

	Optimistic Yield	Likely Yield
<i>North District</i>		
E4	178	70
R5	79	50
RU4	52	35
North District Total	309	155
<i>Central District</i>		
E4	158	80
R5	110	95
RU4	90	70
Central District Total	358	245
<i>South District</i>		
E4	31	20
R5	2	2
RU4	102	70
South District Total	135	92
Shire Total	802	492

The optimistic yield assumes some substantial clearing might be permitted for bushfire control and lot development. The more conservative yield assumes higher constraints in the existing vegetation. It would seem unlikely the maximum yield of additional lots possible from all existing zones would exceed 600 and is likely less. Council's 2014 land monitor work takes a more conservative view of a total of 374 potential lots.

This yield assumes a range of lot types from 5,000 m² to 10 plus ha lots. The above figures also ignore an R5 zone area north of Batemans Bay with a 2,000 m² lot size which, if provided with sewer possibly might yield about 140 large urban lots.

3.1.4 Total supply estimate

The following table is a summation of the existing vacant lots and the estimated subdivision yield:

Table 5: Estimated total supply of lots 2 ha and over across all E4, R5 and RU4 Zones

	Existing Vacant Lots 2 ha and greater	Potential Lots Likely Yield	Total Existing Vacant and Potential Lots
E4			
Central	92	80	172
North	62	70	132
South	25	20	45
Total	179	170	349
R5			
Central	22	95	117
North	23	50	73
South	6	2	8
Total	51	147	198
RU4			
Central	11	70	81
North	10	53	63
South	12	70	82
Total	33	193	226
Combined Total E4, R5, RU4	263	510	773

The above table estimates a reasonably even supply across the three districts but this table does not differentiate size and type of lot for proposed subdivision. The potential supply is only a crude estimate given the qualifications expressed above but it is reasonable to assume there is a supply capacity across the three zones in the order of 600 lots.

This table does not include the “large residential” lot category (lots zoned for rural residential below 2 ha and down to 2,000 m² in some cases) of which there is currently approximately a further 370 vacant and perhaps further subdivision potential for 140 from remaining lot size areas under 2 ha.

3.2 DEMAND ANALYSIS

Projecting future demand for rural small holdings is an inexact exercise. There are a range of variables beyond Council's control:

- General economic conditions greatly influence uptake of lots and in-migration to the Shire.
- Fashion and trends dictate the volume of interest in rural living as opposed to urban. Eurobodalla is a target destination for rural and coastal lifestyle given the qualities it can offer, however, trends can vary significantly over time.
- Demographic trends indicate the next 20 years will see a significant growth in retirees. This likely means accelerated growth in senior population of Eurobodalla given the desire for coastal living. What proportion of that increase will select rural living is uncertain. And there is the converse argument that a proportion of current owners of rural small holdings will age to a stage over the coming 2-3 decades that they will need to sell and relocate to urban units and similar. This creates some supply without further subdivision.
- It is reasonable for Council at this point to plan for a similar average annual rate of uptake of lots over the next 20 years to that which has occurred over the past decade or so.

Projecting forward the previous uptake and development of rural small holding lots is not future demand but is a useful tool and is attempted in the following subsections.

3.2.1 Dwelling commencements

The Council DA register data 2000 to 2015 was condensed to specific data on rural dwellings by zone which yielded the following:

Table 6: Shire-wide tally for dwelling commencements 2000 to 2015

Rural Dwellings Summary (Total Shire-wide)	
Zone	Total
RU4 Rural Small Holdings	72
R5 Large Lot Residential	369
E4 Environmental Living	357
Total	798

A total of 798 dwellings were commenced in 15 years across all rural residential zones of the Shire. That is an average of 53 new dwellings per year. The following subsection looks at the district break up.

3.2.2 Dwelling commencements across the North, Central and Southern Districts

Table 7: Breakdown of dwelling commencements by district 2000 to 2015

District Breakdown of Dwelling Commencements				
Zone	North	Central	South	Total
RU4	19	10	43	72
R5	155	123	91	369
E4	129	155	73	357
Totals	303	288	207	798

The table indicates higher past rates of uptake as you go north but still appreciable uptake across the rural residential zones in all areas.

The table shows 20 dwellings commenced per year in the north, 19 in the centre and 14 in the south.

3.2.3 Subdivision certificate release data

Council summary data on subdivision certificate releases for the 8 financial years 2007 to 2014 were interrogated and mapped to produce the following table showing releases of lots by the three zones over the north, central and south districts.

Table 8: New Rural Residential lots created in the past 8 years

Zone	New Lots
North District	
E4	45
R5	71
RU4	10
North District totals	126
Central District	
E4	47
R5	39
RU4	3
Central District Totals	89
South District	
E4	5
R5	3
RU4	11
South District Totals	19
Shire Totals	234

This table shows a total of 234 lots released Shire wide in 8 years or 29 per year. The dwelling uptake has been running at nearly double that over the past 15 years which suggests higher rates of subdivision in the more distant past and a slow dwindling of lot stock couples with less remaining large lots for subdivision and as often occurs as zones fill in, some of the remaining lots with subdivision potential can often be more economically constrained.

The north lot release was 16 per year, the central 11 and the south 2.

4 IDENTIFICATION OF ISSUES AND OPTIONS FOR THE RURAL STRATEGY

4.1 DEMAND AND SUPPLY FOR RURAL SMALL HOLDINGS

4.1.1 Summary of demand and supply statistics from Section 3

As an average over the past 15 years, annual dwelling construction on rural residential lots in Eurobodalla has been in the order of 20 per year in the north, 19 per year in the central region and 14 per year in the south. A total of 53 lots built on per year across the rural residential zones of the Shire.

Subdivision activity to generate more rural small holding lots has been running at an average of 16 lots per year in the north, 11 in the central region and 2 in the south. A total of 29 lots per year across all rural small holding zones of the Shire. This indicates generation of new supply is running less than uptake but there is still quite a reservoir of existing vacant lots.

From sampling the residue lots with some subdivision potential, it is apparent some are more constrained both in terms of yield given bushfire and biodiversity constraints and some have costly service requirements such as substantial extensions of roads and/or power. This would be further constraining supply.

The work in Section 3 also shows past demand for lots 5 ha and less is very high with at least 76% of all lots across the 3 rural small holding zones being in this category. In other words, in terms of estate style rural residential, outside of the broad acre RU1 zone areas, demand is very concentrated in the rural living to very small scale hobby farming part of the spectrum. But conclusions on this past uptake need to be qualified as Eurobodalla produced many very small rural living lots in that period and now with stronger regulation of on-site sewerage densities the average size for unsewered rural residential is larger. The conclusion that demand is still higher for lots below 10 ha still seems valid. There is also likely demand for large residential lots where sewer can be justified.

A reasonable demand projection for unsewered rural residential for the coming decade would be 60 lots per year scattered across the varying types from small rural living through to 10 ha hobby farms but with most demand likely to be for lots less than 10 ha in size.

From the work in Section 3, the gross yield potential for all 3 rural small holding zones across the Shire (existing and potential lots) is 600 to 700.

So in gross terms there is 10 years supply on hand but some specific sizes e.g. lots 5 ha and less possibly have less length of supply and some areas such as in the south have less supply of styles such as small R5 lots.

There is also significant supply of larger vacant hobby and part-time farms in the RU1 zone as detailed in Discussion Paper 9.

The conclusion is there is no need for a concerted action by Council to increase supply of any category of rural small holding under 5 years Shire-wide, and in the north and central districts supply of E4 and R5 opportunities is possibly adequate for over 10 years. However, the qualification is made that the estimation of potential subdivision yield is only approximate and it would be desirable for Council to refine that data over the next 3-5 years so a more

precise supply total might be calculated. It would seem reasonable that Council seek some contribution from potentially benefiting landowners towards the costs of this review as it is also in their interests to improve the surety as to the likely limits of subdivision potential.

4.2 LAND USE ISSUES RELATING TO CURRENT AND FUTURE RURAL SMALL HOLDING DEVELOPMENT

4.2.1 Water Supply

Council currently provides reticulated water to a few rural living style estates. Generally, the ongoing maintenance of low density reticulations of water or sewer is not cost effective for water supply authorities.

It is suggested Council not reticulate water to future rural residential areas except for perhaps any large urban lot style developments that fit within the established network and where a cost review can establish that the rate base of that estate should fund ongoing maintenance and asset replacement.

More detailed water supply planning might be a requirement applied to Planning Proposal proponents for new rural residential areas. Modelling of dam layouts or data on groundwater potential could be useful to set a more secure water plan for the new development.

Rainwater collection of at least 45,000 litres per average dwelling is a sound policy but many rural residential lot purchasers seek the additional surety of dam or bore potential and there is scope for factoring such design into the rezoning phase but at the future developer's cost.

4.2.2 Sewer

Council in the past has allowed some areas of rural residential at quite high densities but with reliance on on-site sewerage disposal systems. The cumulative impact on such densities could be problematic and a minimum future lot density across new estates should be planned based on a good margin of safety, say, 2 ha where soil types are acceptable and higher in poorer soil areas. Care should be taken not to significantly increase development relying on on-site disposal in catchments already containing higher numbers of septic tanks.

4.3 EXPAND RU4 OR JUST VARY LOT SIZE IN RU1

As detailed in Discussion Paper 3, Eurobodalla currently uses RU4 mostly as a rural residential zone with lot sizes 10 and less hectares. The difference with R5 is not that clear but some of the land quality in RU4 is higher and an emphasis of a little stronger agricultural potential.

Some Councils surveyed in Discussion Paper 3 have a wider use of this zone for identification of larger scale hobby or even small part-time farms with lot sizes ranging up to 40 ha.

It seems Council has two options:

- Possibly expand the use of RU4 to cover fragmented areas of the current RU1 zone and by lot size set small farm potential in, say, the 20-40 ha range; or
- Continue using RU4 as before but use varying lot sizes in the RU1 to define small part-time farming opportunities.

Council might see a benefit in some structured areas of small lot farming and utilise RU4 to distinguish such areas from other parts of the RU1 which are fragmented in ownership but where land qualities are not so pronounced.

But as detailed in Discussion Paper 4, the State Government may introduce different zoning options for rural residential. One option mooted but not in any concrete position as at the date of drafting this Paper, might be to reintroduce a similar style of rural residential zone to that which existed before the Standard Instrument such as the former 1(c) zones. Should that occur then options for definition of small lot farms may change but in the interim Council needs to plan within the current available zoning framework.

4.4 FUTURE USE OF E4

The E4 Environmental living zone has been in demand in Eurobodalla with over 1,100 lots with dwellings and a further almost 400 vacant lots.

Much of this area was already zoned 1(c) for rural residential use under the 1987 LEP. In the 1970 and '80s, Councils were encouraged to place rural small holdings in marginal agricultural land so that prime agricultural land might be retained in larger and generally more productive holdings. As such sometimes forested lands were zoned for rural residential given clearing provisions were less stringent then with less appreciation of biodiversity and bushfire values.

A consequence of that is Eurobodalla has a large area of E4 zone but with some significant sections now limited for further subdivision by access, bushfire and biodiversity constraints. This tends to dictate a requirement for larger lots for much of this residual area. As discussed in 5.2 more detailed monitoring is recommended to refine the true remaining subdivision potential of the E4 zones as current work can only be approximate without detailed area by area investigation of all the constraints.

Looking to the future, some restructuring of the approach to the use of E4 may be justified. More stringent requirements for bushfire protection, biodiversity conservation and an expectation of sealed road standards will make low density E4 zones marginal to develop economically if comprised of lands of any existing biodiversity significance.

There is a desire for “bush living” but this can come with many adverse impacts. The solution may be to create new environment living opportunities from regenerating cleared or degraded lands rather than impacting on lands of existing higher biodiversity and/or bushfire hazard. This way safe, low impact home sites can be planned into the regeneration works.

There is an opportunity to strategically plan new E4 to incorporate future bio-corridors within new estates but outside dwelling envelopes and this is recommended in Section 5.5.

4.5 PRINCIPLES FOR SELECTION OF FUTURE RURAL SMALL HOLDING ZONES

The conclusion of this Report is that there is no urgency for Council to proceed with zoning reviews to increase the supply of rural residential lots. The issue of supply of larger, small lot farming opportunities is separate and dealt with in Discussion Paper 9.

The following principles are offered for development over the next 3 to 5 years as a basis for vetting lands for addition to the E4 and R5 zones.

4.5.1 Market diversity principle

Regardless of whether the State Government moves to introduce different zones for rural small holdings, Council needs to plan for several different markets for rural residential lots regardless of zone names:

- Purely large residential lots under 5,000 m². These are really an urban fringe character and will often require reticulated sewer and water. Usually no agricultural use.
- Small “environmental living” lots with minimal agriculture as exist in the E4 zone – strongest demand seems to be for lots 5 ha and less.
- Larger “environmental living” lots with low to minimal agricultural use. Some of these lots are created by default from E4 areas with higher constraints requiring a larger lot size. From past uptake demand seems lighter.
- Small hobby farms 2-4 ha – as demonstrated across much of the R5 zone. Very much hobby scale agriculture, some just large garden lots.
- Mid-size hobby farms 5-10 ha. Also as present commonly across RU4.
- Large hobby farms and small part-time commercial farms. This category is addressed in Discussion Paper 9 and can be supplied from fragmented areas of the RU1 zone, either as RU4 zoning with larger (10-40) lot sizes or just creating smaller lot sizes in the RU1 over fragmented areas suitable to small lot farming. Principles for this category are presented in Discussion Paper 9 and not developed further in this Paper.

4.5.2 Biodiversity enhancement

The planning of new rural residential areas is a solid opportunity to plan for improvements to biodiversity as part of the expanded development opportunities granted to landowners.

- Corridors can be planned in advance with sufficient width and structure to be of genuine use for wildlife movement. This can include regeneration requirements where existing native vegetation is insufficient.
- Home sites can be planned where the impact of development and bushfire buffers is acceptable on existing native vegetation. For estates where the theme is environmental living. Safe home sites can be planned out of higher fire risk forest and acceptable plans put in place to improve biodiversity on the dwelling lots but without the build up of risk associated where environmental living lots are placed in undisturbed forest.
- Voluntary Planning Agreements and/or conditions of consent can be used to not only achieve the primary rehabilitation but also set management requirements for future

estate lot owners so Council is not burdened with unnecessary public reserve additions.

4.5.3 Land attribute selection

There are obvious screening factors to cull areas from the need for rural residential review:

- Lands already mapped with higher biodiversity values such as EEC and buffers to such areas should be avoided.
- Similarly, lands of higher bushfire risk should be avoided. Preference should be shown for new estates where two separate directions of access/egress can be demonstrated.
- Lands suited to commercial agriculture or lands in proximity to commercial farms should be excluded.
- Lands where extensions of adequate sealed roads and electricity cannot readily be totally funded from the anticipated development should be excluded.
- Prefer areas listed for National Broadband Network coverage.
- In the majority of cases rural residential zones should be within 15 minutes drive of at least basic shops and services.
- Steeper lands to mostly be avoided, especially for sections proposed for development of dwellings and access.
- Lands not overly fragmented – lands where the ownership pattern is large enough that multi lot developments are possible from single existing ownerships. If this principle is ignored development can often be constrained by the differing views on development of the various small area owners and the complications of several small developers having to come to agreements over infrastructure sharing.

4.6 PERMISSIBLE USES

The following additional permissible uses are recommended for insertion in the Eurobodalla LEP. (See Discussion Paper 3 for detail).

Table 9: RU4 Zone - Proposed additional uses

Suggested Additional Uses	Comment
Detached dual occupancies	Attached dual occupancy is permissible and lots are large enough for the flexibility of detached dual occupancy.
Function centres	Allowing consideration of tourist related function centres seems justified subject to DA assessment of merit.

Table 10: R5 Zone - Proposed additional uses

Suggested Additional Uses	Comment
Aquaculture	A small aquaculture activity might be accommodated in R5, with consent.
Extensive agriculture	Very small scale extensive agriculture is common now in the R5. Grazing and bee keeping are already permissible without consent. It is recommended extensive agriculture be permitted without consent.
Farm buildings	Ancillary farm style buildings may be justified in R5, with consent.
Plant nurseries	A reasonable activity in R5 subject to impact assessment re neighbour amenity protection.

Table 11: E4 Zone - Proposed additional uses

Suggested Additional Uses	Comment
Community facility	Seems reasonable with assessment of merit.
Environmental facility	Seems to meet zone objectives.
Extensive agriculture	Very small scale extensive agriculture is common now in the E4. Grazing and bee keeping are already permissible without consent. It is recommended that extensive agriculture be permissible without consent.

5 RECOMMENDED STRATEGIES FOR RURAL RESIDENTIAL LAND

5.1 SUPPLY/DEMAND STATEMENT

There is a projected supply of at least 5 years for all categories of rural small holding that are likely to be sought in the E4, R5 or RU4 style zones. Subject to refinement of subdivision potential as discussed in Section 5.2 below, it seems likely to be established there is a comfortable 10 years potential supply on hand from the existing rural residential zones.

There are also quite a number of remaining vacant hobby farm and small part-time farm opportunities in the RU1 zone area as detailed in Discussion Paper 9 and these cater for some of the larger lot hobby and part-time market.

Supply action

Council might activate a program to identify 1 or 2 new zone areas of each rural small holding category in the North, Central and Southern Districts (i.e. at least one new E4, R5 or RU4 zone in each district) in about 5 years' time then proceed with a Planning Proposal to create the new zones so they might be in place by about year 8. An outline for a model to apply to such a review is discussed in Section 4.5.

5.2 REFINED MONITORING OF SUPPLY AND DEMAND FOR RURAL SMALL HOLDINGS

Over the coming 5 years, some more robust statistics might be developed by Council for estimation of the subdivision potential of the remaining zoned land. Several areas are heavily constrained by bushfire and biodiversity constraints.

Since 2012 there has also been a limitation of a single subdivision in cases where land zoned R5 or E4 is subdivided using the minimum averaging provisions of Clause 4.1E of the LEP. This means lots over twice lot size do not all retain subdivision potential and it is currently a complex process of cross checking past subdivision records to determine remaining lots with subdivision permissibility.

The current estimates of subdivision potential are very much approximate given the significant variables created by the land constraints and minimum averaging impacts.

But there is still confidence that Council has at least 5 years before it seems necessary to even proceed with further rezonings to increase supply.

Action on Monitoring

Over the next 5 years Council gradually effect a more detailed study of the real residual subdivision capacity of the existing rural residential zones.

5.3 SERVICING

5.3.1 Water

Council currently provides reticulated water to a few rural living style estates. Generally, the ongoing maintenance of low density reticulations of water or sewer are not cost effective for water supply authorities.

More detailed water supply planning might be a requirement applied to Planning Proposal proponents for new rural residential areas. Modelling of dam layouts or data on groundwater potential could be useful to set a more secure water plan for the new development. Current requirements for rainwater storage and bushfire storage seem appropriate.

Actions relation to water

That Council minimise extension of reticulated water to rural residential development unless it can be established an extension has the rate base to be self-funding.

That, as part of the development of Planning Proposals for future rural residential areas, a water supply options report be prepared at the cost of proponents which examines potential for dam storages and use of ground water in a responsible manner as a backup to rainwater collection.

5.3.2 Sewer

Council in the past has allowed some areas of rural residential at quite high densities but with reliance on on-site sewerage disposal systems. The cumulative impact on such densities could be problematic and an average future lot density across new estates should be planned based on a good margin of safety, say, 2 ha where soil types are acceptable and higher in poorer soil areas. Council's minimum averaging clause for subdivision in R5 and E4 would still allow a range of lots to be created below 2 ha, it is the overall density where control is desirable and where an average across an estate of 2 ha is considered justified.

Care should be taken not to significantly increase development relying on on-site disposal in catchments already containing higher numbers of septic.

Actions relating to sewer

Council should cull sub-catchments with an existing high proportion of septic tanks from consideration of further unsewered rural residential development.

New unsewered rural residential should not exceed an average density across estates of 2 ha.

5.4 FUTURE USE OF RU4 ZONE

As discussed in Discussion Paper 3, Eurobodalla currently uses RU4 mostly as a rural residential zone with lot sizes 10 and less hectares. The difference with R5 is not that clear but some of the land quality in RU4 is higher and an emphasis of a little higher agricultural potential.

Initially, we see no need to expand RU4 and recommend lot sizes just be varied in the RU1 zone based on the criteria detailed in Discussion Paper 9.

Actions relating to use of RU4 zone

It is recommended Council continue to use RU4 for definition of small area hobby farms on better quality land. But it is also recommended the option be explored to create some RU4 areas of larger lot sizes – say 20 to 40 ha for definition of areas of small part-time agricultural production. (Discussion Paper 9 examines this further).

This recommendation may need to be reconsidered if the State Government introduces different options for rural residential zones, but at the time of conclusion of this draft Paper there is no clear position regarding and changes to current zoning options.

5.5 FUTURE USE OF E4 ZONE

The E4 Environmental Living zone has been in demand in Eurobodalla with over 1,100 lots with dwellings and a further almost 400 vacant lots.

There is a desire for “bush living” but this can come with many adverse impacts. The solution may be to generate new environment living opportunities from development and restoration of cleared marginal or degraded lands rather than impacting on lands of existing higher biodiversity and/or bushfire hazard.

Action for future E4 zone definition

There may be a need to constrain the creation of E4 zones in the future to areas where smaller lots can perhaps be clustered on lands where biodiversity improvement may be effected and alternatively areas of existing biodiversity be avoided.

Rezoning to E4 could be a useful tool to equitably and economically foster the completion of several of the desired Shire bio-corridors between existing areas of high biodiversity. This could be achieved through strategic placement of E4 zones so that the landowners are rewarded with some development potential in return for securing and rehabilitating bio-corridors.