

Our Ref.: 14022

General Manager
Hunter and Central Coast
PO Box 1226
Newcastle NSW 2300

Dear Sir/Madam

RE: DRAFT CENTRAL COAST REGIONAL PLAN

Thank you for allowing the community and industry groups and representatives to provide feedback on this very important plan. Overall we would commend the Government on the plan and generally support the submission that has been provided by the Property Council of Australia.

The only additional issue that we would like to see addressed more comprehensively in the plan relates to agriculture and rural lifestyle living. In particular Direction 3.2 which we note states as follows:

DIRECTION 3.2 Manage rural lifestyles sustainably

The Central Coast offers rural lifestyles surrounded by pristine natural environments within 30 minutes of the northern suburbs of Sydney and 15 minutes of the region's major centres. rural communities such as those around Mangrove Mountain and Somersby support industries that add value to rural production activities, for example, through food processing and bottling plants.

The villages and communities of the Central Coast currently have relatively small footprints within the rural environment. Proximity to both Sydney and the employment centres of Gosford, Tuggerah and Wyong is increasing demand for rural lifestyle lots in rural areas. Around 450 hectares of land is already zoned for rural residential purposes, clustered in areas such as Yarramalong, Jilliby, Matcham-Holgate and Bensville.

The draft Plan aims to provide greater certainty about the locations for rural housing, giving priority to the sustainable:

- *growth of existing rural communities;*
- *economic growth of rural production and resource values;*
- *management of high environmental values and water catchments;*

- *provision and management of services and infrastructure; and*
- *delivery of existing and committed rural residential and urban residential land supplies.*

Strategic planning and planners have been criticised in the past in respect to its attempts to control and direct the property market. Specifically its attempts through land use zoning and minimum lot size provisions to stop agricultural and resource lands from being used for rural residential or rural lifestyle purposes and instead be used for agricultural, rural or resource purposes.

If the (property) market demands rural lifestyle opportunities, it will find them notwithstanding the land use planning framework. This means that is the planning system does not cater for that demand, the property market will bid on and take up other land resource that meets that demand, and that will be agricultural, rural and resource land.

As the document itself notes, given location factors, in particular the location of certain areas on the Central Coast to Sydney, there is demand in the property market for rural lifestyle opportunities. There is also demand for resort style living and 'tree style' living as well. If there is limited supply or no specifically zoned land available to meet market demand for rural lifestyle living, the market will take up conventional agricultural and rural land for the same purpose. This is where there is significant danger to the sustainability of the agricultural industries that have typically 'farmed' this land and it is referred to as the "***cycle of farmland conversion***" -

http://www.ruralplanning.com.au/ruralplanning/preserveagland_conversion.shtml

The "***cycle of farmland conversion***" occurs where traditional agricultural and rural land is taken up for rural residential purposes, which is people buying the land to essentially live on and at most use as a hobby farm. This leads to increased demand for the land as more people are in the property market interested in buying such land. This then leads to rural land inflation (i.e. rising property prices) to the extent that it gets to a price point where it is no longer economically viable to purchase and use land for agricultural or rural purposes. It also leads to other land use conflict problems associated with environmental complaints regarding traditional farming practices and poor land management practices from the rural lifestyle property owners. These factors combine to 'push out' the agriculture from an area.

The challenge then is to identify where this demand exists or may exist and ensure that there is a supply of land to the market for this style of housing so that agricultural and rural land resource is not taken up in a broader sense.

For the Central Coast there may very well be adequate land supply available for this demand in the northern areas around Yarramalong and Jilliby, and in the eastern areas like Matcham Holgate and Bensville. However there is not a supply of this land in the southern areas around Somersby and it is impacting already on agricultural land resource.

Please find attached a copy of a report prepared by Mr Ian Sinclair from Edge Land Planning in relation to an innovative rural lifestyle and agricultural development project we have been working on in Somersby. In particular reference is made to section 2.3 of this report which details the results of a land use survey which Mr Sinclair undertook. As can be seen from the results of this land use survey, over 75% of the Somersby Plateau is being used for rural residential purposes while less than 12% is being used for active agricultural pursuits. Mr Sinclair's report also outlines the decline in economic terms of agriculture in this area:

“A comparison has been made between the 2006 and 2011 Agricultural Commodity production data. This is shown in table 2.3 and it can be seen that there has been a slight reduction in the area of nurseries, flowers and turf and a reduction in the number of establishments from 55 to 46. Likewise, vegetable production and number of farms has seen a very slight fall. Fruit trees have had a major reduction from 35.9% to 27.0% in 5 years with the number of growers dropping from 71 in 2006 to 47 in 2011. Poultry meat has had an increase in production and farms but eggs have halved in production, but the number of farms has increased by one.”

It is also significant to note that there is no land identified in the Somersby area from a land use zoning or strategic planning document perspective for rural lifestyle purposes.

This effectively proves the point of this submission. Because no land has been zoned for rural residential or rural lifestyle purposes, agricultural land is being taken up through the market process and used for this purpose and is now lost to agricultural production. Land prices mean that it is no longer economical to purchase this land and convert it back to agricultural production and if something is not done, the remaining 12% of land currently used for agricultural purposes will eventually be squeezed out and replaced by rural residential/lifestyle use.

The challenge for the Central Coast Regional Plan is therefore to halt this land conversion process and encourage agriculture back onto the Somersby Plateau.

It is also important for the planning framework to note other economic forces that are acting on the agriculture industry in this area and more broadly across the region (state and nation). Global competition, seasonal weather patterns and climate change are all making traditional agriculture difficult to sustain on an economic basis. Expecting people to farm land and maintain a consistent income to maintain a lifestyle is also increasingly challenging.

This is obviously a complex issue, but it can in part be addressed by firstly acknowledging the challenge which is to make the local economy more sustainable. To do this there is a need to diversify the local economy and one such opportunity to tourism and importantly agri-tourism.

Please find attached also a copy of concept project report for Wirra Willa Fresh. This is a concept we have been discussing/negotiating with Council, the Department of Planning and the DPI over the last couple of years. In summary the proposal involves:

- i. The property has an area of approximately 140ha. It has recently been consolidated from a number of holdings into one and was previously used for citrus farming. Due to global economic circumstances the citrus industry in Australia has largely collapsed and certainly the farming of citrus and other fruit on this land is no longer economically viable. Consequently this land is now being used for rural residential purposes.
- ii. The proposal is to reintroduce agricultural production onto the property as part of an integrated rural lifestyle tourist development. While details are only at a concept stage, the intent at this stage is to develop a large scale commercial green house on the property and also develop a commercial scale market garden and orchard.
- iii. The setup costs of the farm, commercial greenhouse and tourist development would be funded from the rural lifestyle lots which would be sold on a community title basis. Ongoing community title fees would then underpin the operational costs of the farm. The benefit to those living on the site would be access too and being part of an active farm.

As noted this project is still in a concept stage. One of the most significant planning aspects will be around economic sustainability of the end development. We will need to prove that the development will be sustainable and support the ongoing operation of the farm, and that the project won't, over time, fall into a rural residential estate with no agricultural production.

The best local example that we can reference would be Kelman Estate on the edge of Cessnock/Pokolbin. This is an operating vineyard that produces grapes used in the production of commercial wine within a rural lifestyle estate. It has been in operation for 25 years and as far as we are aware, has never turned a profit but operates on the basis of the community title fees underpin the cost of the vineyard and wine operations. The community is happy to persist on the basis that the losses are not significant and the vineyards and wine is the lifestyle basis on which they bought into the estate.

The Wirra Willa Fresh project will be a 21st Century response to this challenge and the project we are seeking to establish we want to be bench marked as a best practice mixed use rural development.

Our submission then is that the draft Central Coast Regional Plan be amended, and specifically in respect to Direction 3.2. We submit that the plan specifically acknowledge the challenges for agriculture in the southern areas of the Central Coast and specifically Somersby which have been identified as significant for agricultural production for not only the Central Coast, but also as a resource to the broader Sydney basin. On that basis innovative planning proposal that seek to re-introduce agriculture on a sustainable basis and develop tourism and rural lifestyle opportunities (to soak up demand) in the area should be encouraged where they meet the sustainability principles outlined under this direction.

We note the draft Hunter Regional Plan has commentary on a broad basis around this issue where it states *"as the regional population grows, and improvements to national transport networks reduce travel times to and through the region, demand for housing in rural areas is expected to increase, including rural lifestyle lots and resort-style living. This will need to be appropriately managed to protect the social, environmental and economic values of the region."*

We look forward to the adoption of the draft Central Coast Regional Plan and working with Gosford Council, the DPI and the Department of Planning on the Wirra Will Fresh project.

Kind Regards



Stephen Leathley FPIA
PLANNING DIRECTOR

24 March 2016