7 RURAL-RESIDENTIAL LAND

In 1996, Council rezoned land to cater for demand for rural-residential development. In some instances, Council has been left with the legacy of this action, which has either limited urban growth opportunities or created small pockets of isolated communities with no relationship with the rural environment. The issue of connecting to reticulated water, and the optimum lot size for rural-residential development, have both come under question in recent times.

7.1 SUBDIVISION PROVISIONS IN CESSNOCK LEP 1989

Clauses 14 and 14A of the Cessnock LEP 1989 currently provide for the subdivision of land to a minimum of 4000m² subject to connection to a reticulated water supply, for the erection of a dwelling. If connection to a reticulated water system is not achievable, then subdivision is restricted to a minimum lot size of 2 hectares.

Disposal of wastewater from systems that are fed by reticulated water has become a health and environmental issue in both the 1(c) Rural – Residential/Rural (Small Holdings) zone and the 2(b) Village zone.

To preserve Council’s productive agricultural land, the provisions of the Hunter REP 1989 directed the development of rural-residential estates into areas of lower agricultural value. In these areas, soil structure is generally poorer and shallower, and less able to accommodate on-site disposal systems.

“Careful thought needs to be given to whether town water should be connected to new rural residential lots. . . . Residents of rural residential development connected to the reticulated water system tend to use more water and this can be difficult to dispose of safely. Best practice is to connect to a reticulated sewer or require the use of humus closet (dry toilet) systems” (DUAP, 2001, p.23).

Council regulates the end-products of development. In the case of residential development, one of Council’s roles is to ensure the efficient collection and disposal of wastes, including waste water and stormwater, in order to minimise the cumulative effect of development. From this perspective, Council’s requirements should always be for reticulated waste water systems for closer settlement growth. This has not been achieved in all instances.
Market demand for reticulated water, and the spatial limitations to the existing reticulated sewer system, has seen the development of villages and rural-residential estates with reticulated water only. This approach is unsustainable. Council should require any subdivision for closer settlement growth to connect to both a reticulated water and waste water system to dispose of the increased rate of waste water efficiently.

### 7.2 Market Trends

The CWSS (2003) outlines the results of questionnaires issued to those persons living within rural-residential estates and those living on concessional lots. One key trend was that land use conflicts were occurring between landowners in the rural-residential estates, and a sense of privacy could not be maintained. Landowners in these instances recommended larger holdings in the rural-residential estates to enable the pursuit of some form of agricultural activity, and privacy. For those living on concessional lots it was identified that, although the higher level of servicing in a rural-residential estate was attractive, a reluctance to move into such areas was due to the perceived lack of privacy, and ability to carry out limited agricultural pursuits without conflict.

Rural-residential estates bring with them a complexity of issues, given that landowners have varying reasons for choosing such a lot, with a high percentage of lots utilised primarily for residential purposes only. It is well documented that persons moving from urban areas into rural-residential estates bring with them the expectations of an urban environment, particularly in the provision of services to their lot. General expectation would be that reticulated water, at least, would be available to the estate. Should Council pursue the issue of providing reticulated sewer rather than water to lot subdivisions of 1 acre (4000m²), market expectation would still require reticulated water to be provided, as would the successful operational functioning of the sewer system. ESD principles should require an ‘all-or-nothing’ approach to future settlement growth.

### 7.3 Connection Costs for Reticulation Systems

Preliminary costings prepared by Acroplan (2001) to support the CWSS (2003) outline the establishment costs to provide reticulated systems to a number of areas currently undeveloped for rural-residential, residential or village purposes, but located on the periphery of settled areas.
The costings demonstrate that it would be economically unviable to connect reticulated systems to any lots greater than the 1 acre rural-residential (small holdings) standard. Even at the 1 acre size, preliminary costing demonstrate average pricing of between $29,000-$33,000 per lot for fully reticulated systems and developer profits appear marginal in some circumstances.

The analysis also indicates that economies of scale are an integral facet of infrastructure provision. Economies of scale can be seen in the development of the same land to higher densities at a holistic level, which can become unviable at a more localised level, should additional infrastructure be required in the first instance, as:

“. . . the per lot ($/ET) cost to provide services to the entire investigation area is almost certain to be lower than the cost to provide services to the development of only one parcel within the investigation area. This is due to the fact that, regardless of the size of the development, minimum standards relative to pipe sizes and pumping station capacities exist. For example, the cost to extend a 100mm watermain to a single allotment of 1 hectare is identical to the cost to extend a 100mm watermain to 10 allotments subdivided from the same 1 hectare allotment (assuming identical watermain length)” (Acroplan, 2001).

Preliminary costings were based on specific investigation areas contained in the analysis. (Refer to Appendix 3 in the CWSS (2003) for further information)

The detailed sub-area analysis indicates a loss in broad-scale economies of scale from developing at a more localised level. In particular, any areas that are required to provide additional up-front infrastructure (such as the installation of rising mains and pumping stations) cannot viably develop in an ad hoc fashion. The disparity in Abermain and Nulkaba is directly attributable to these requirements.

On a more generalised level, the preliminary costings indicate that connection to reticulated systems to provide fully serviced lots is a viable option within the indicative lot size range of residential, up to an outer limit approximating 1 acre lots (4000m²).

7.4 **Optimum Lot Size for Rural-Residential Land**

The range of lot sizes and the definition of what constitutes rural-residential development have been considered by Andrews Neil (1997) in the Lower Hunter Settlement Strategy (LHSS) for Councils in the Lower Hunter, although this study was not ratified by the State
Government. It was determined that the definition and lot size determinations varied significantly and catered for a variety of ‘lifestyle attractions’. The LHSS (Andrews Neil, 1997, p.49) proposes that, for rural-residential living:

“Local planning policies should be aimed at more efficient use of rural fringe areas. A more consistent approach to rural residential development policies should be adopted by Councils within the Lower Hunter to ensure land use objectives are achieved for the entire Region. Objectives should include:

- Adopting clearer definitions between rural residential development and large residential blocks, and the need to provide a full range of urban services (eg. water, sewer and contributions to human services). A minimum 1 hectare subdivision standard should be adopted and increased where necessary to account for land capability and distance from urban services.
- Minimising impacts on the provision of additional social and physical infrastructure.
- Control of waste water.
- Retention of natural habitat.
- Potential to retain viable agricultural pursuits and minimise conflict with other rural activities.
- Maintaining landscape quality.
- Clustering of rural residential development in an integrated way to achieve economic and environmental benefits is one method of creating more sustainable rural living.
- Appropriate pricing policy for rural residential development.”

Fully serviced residential ‘lifestyle’ lots are reflective of the demand for larger residential holdings. Indicative lot sizes would reasonably range between 2000m² – 4000m² (½ acre – 1 acre) and should be located on the periphery of existing settled areas generally within the existing rural-residential zoned land. Reducing the minimum lot size for subdivision, where full reticulated systems can be provided, is an appropriate response to demand for such lots and a more efficient use of existing zoned land, infrastructure and services. Increased development yield within these areas is an appropriate response to the direction towards more sustainable communities.

Unserviced rural-residential lots are reflective of the demand for small rural holdings, with no reticulated services. It remains appropriate to retain the 2ha standard for subdivision in this instance, to provide a clear demarcation between those lots able to be fully serviced as ‘large lot residential’ and those that are not. Again, land that cannot be serviced should generate a
lower environmental carrying capacity in terms of lot yields and dwelling capacity. Similarly, land that is currently zoned 1(c2) Rural (Small Holdings) and used primarily for residential purposes should retain the minimum 4ha subdivision standard and be unserviced.

7.5 **THE STANDARD INSTRUMENT**

The Standard Instrument complements the strategic direction contained in planning policy at both the state and regional levels by limiting the range of rural zones in environmental planning instruments. Instead, the Standard Instrument recognises that traditional rural-residential estates are large lot residential areas. Accordingly, the Standard Instrument introduces the R5 Large Lot Residential zone, which is to be used to rename land currently zoned for rural-residential purposes or already developed for rural-residential purposes (see Figure 7.1 for additional areas) and some land zoned 1(c2) Rural (Small Holdings) where it is already used primarily for residential purposes (see Chapter 8). The resultant variation will form part of the suite of lot sizes available to the community under the umbrella of ‘large lot residential’ land.

7.6 **CONTAINING THE URBAN FOOTPRINT**

The LHRS recognises that existing opportunities for rural-residential development already provided for in local environmental plans and strategies are sufficient to accommodate projected demand.

Within the Cessnock LGA, sufficient capacity remains within areas able to be fully serviced (such as Sawyers Gully, Greta and Paxton) to provide a range of lifestyle choice.

To supplement this supply, 300 additional rural-residential lots are identified in the Branxton-Huntlee proposal, with the release of these lots planned for the initial stages of the development.

No further ‘englobo’ sites are required to be identified at this time. This position should be reviewed every five years in association with the LEP review process.
7.7 OPPORTUNITIES FOR ‘INFILL’ SMALL AREA REZONINGS

The role of rural-residential development in the adopted settlement hierarchy is to support the growth of villages and urban centres and to provide some limited additional lifestyle choice. Council has a diverse range of existing zoned land, from ‘englobo’ land that remains undeveloped through to established ‘rural-residential estates’ and fragmented land with limited subdivision potential adjoining settled areas.

In a number of instances, land currently zoned 1(c) Rural-Residential/Rural (Small Holdings) has been introduced immediately adjoining existing residential and village zones, in such a manner as to limit urban growth. Land of this nature that can be immediately serviced with full reticulated systems has been identified for increased development opportunity to augment dwelling capacity projections for ‘infill’ housing (see Chapter 5). Land at Paxton North, Millfield and Nulkaba is identified in this category. Existing zoned land in more remote locations, or land unable to be connected to sewer, has not been considered for further development potential. This land remains available as part of the suite of zones available to accommodate lifestyle choice.

7.8 DIRECTIONS

Direction 1: Recognise the role of existing rural-residential lands and some rural small holdings land in the settlement hierarchy as providing increased lifestyle choice for large lot residential land.

Direction 2: Support the direction in the Lower Hunter Regional Strategy by limiting the development of further rural-residential land. Provide increased opportunity for lifestyle choice within the confines of existing zoned land.

Direction 3: Recognise that connection to full reticulated systems is a positive contribution towards the development of sustainable communities.

7.9 ACTIONS

RR1: Rename lands currently zoned 1(c) Rural-Residential (Rural Small Holdings) to R5 Large Lot Residential.

RR2: Rename lands already developed for rural-residential purposes to R5 Large Lot Residential (see Figure 7.1).

RR3: Rename all land currently zoned 1(c2) Rural (Small Holdings) to R5 Large Lot Residential with the exception of land at North Rothbury, Sawyers Gully and Mulbring North (see Chapter 8 for discussion).
RR4: Differentiate between the different minimum lot sizes through the mapping associated with the comprehensive Cessnock LEP. Retain the 4ha standard for land currently zoned 1(c2) Rural (Small Holdings).

RR5: Amend existing subdivision provisions to require connection to full reticulated systems to subdivisions where reduced lot sizes are provided as an incentive to increased lot yields and dwelling capacities.

RR6: Where renaming land currently zoned 1(c) Rural-Residential (Rural Small Holdings), reduce the existing development standard for subdivision from 4000m$^2$ to 2000m$^2$ (subject to full reticulated systems), in the R5 Large Lot Residential Zone.

RR7: Retain the current development standard for subdivision in the existing 1(c) zone without reticulated systems at 2ha. No reticulated systems are to be provided. Tank water (with mandatory first flush or other suitable systems) and on-site waste disposal systems will be required in all instances.

RR8: Retain dwelling entitlements for any land that was legally subdivided under the Cessnock LEP 1989 for rural-residential development.
Figure 7.1: Kitchener

Land already developed for rural-residential purposes