

# **Addendum to Section 35F Report**

## **Rural Enterprise concept**

## **Local Provisions Schedule**

## **COUNCILLOR WORKSHOP REVISIONS**

**January 2022**

Prepared by:



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## Abbreviations:

Act	<i>Land Use Planning and Approvals Act 1993</i>
Commission	Tasmanian Planning Commission
Council	Flinders Council Flinders Council in its role as a Planning Authority under <i>Land Use Planning and Approvals Act 1993</i>
Guideline No.1	<i>Guideline No.1 - Local Provisions Schedule Zone and Code Application</i>
Interim Scheme	<i>Draft Flinders Interim Planning Scheme</i> (not brought into operation)
LGA	Local Government Area
LPS	Local Provisions Schedule
LUPAA	<i>Land Use Planning and Approvals Act</i>
NTRLUS	<i>Northern Tasmania Regional Land Use Strategy</i>
PAL Policy	<i>State Policy for the Protection of Agricultural Land 2000</i>
PPZ	Particular Purpose Zone
Structure Plan	<i>Flinders Structure Plan 2016</i> (draft)
TPS	<i>Tasmanian Planning Scheme</i>
2000 Scheme	<i>Flinders Planning Scheme 2000</i>

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## Introduction

The *Flinders Structure Plan* (Structure Plan) identified the Rural Enterprise concept as a key aspect for delivery of strategies for population growth and diversification of the agricultural sector on Flinders Island.

This strategy was to be delivered through use of the Rural Living and Rural zones in Primary Production Area 2, which was not accepted by the Commission through the initial phases of the Local Provisions Schedule (LPS) process.

Council supported its intent for delivery of the strategic direction through assessment of representations to the LPS. To support this intent, RMCG were engaged to provide background and supporting work

RMCG completed two reports for the Rural Enterprise project brief, the Rural Enterprise Concept Report (Rural Enterprise Report) and the Enterprise Scale Report (Scale Report).

## Overview of RMCG work

The Scale Report reviews rural enterprises in Tasmania and provides an update to existing work to identify four scales of operation for rural enterprises:

**Commercial Scale:** large land areas comprising many titles, commercially viable production volumes and economics, 1 or more FTE employees, dwellings are incidental to operations (in terms of capital value and use);

**Small Scale:** intermediate land areas, commercial intent to production, likely more than 0.5 FTE employees, dwellings may be incidental to operations (capital value);

**Hobby Scale:** small land areas (8-40 ha), non-commercial production operations, likely less than 0.5 EFT employees, dwellings are preferred for management/lifestyle reasons; and

**Lifestyle Scale:** very small land areas (1-8 ha), agriculture is incidental to a dwelling and conducted for lifestyle purposes.

The Small-Scale producer was identified as a sector following previous work by AK Consulting (now RMCG) and was added to the assessments. This description provided an overview of the categories, but must be considered in light of the full discussion in the RMCG reports.

Extensive data is provided in this report for different types of activities and requirements. This data identified that the dominant activity within the agriculture sector is broad scale grazing operations and there is little opportunity for this to undergo any substantive change for a range of reasons.

RMCG identify that it is difficult to establish definitive characteristics for the scale of operations, due to the opportunity for variability of multiple factors, the lack of clear boundaries to each scale and the range of activities that comprise the sector. The data for small operations provides an additional limitation as it is not recorded for operations less than \$40,000 EVAO by the Australian Tax Office.

Decision rules were revised to inform use of zones under planning schemes based on the four scales of operations. Appendix 1 provides a framework and flow chart to assist with the preparation of a planning application for dwellings, with key decision points. It establishes

Agricultural Management and Land Management Plans as part of that process to assist with classification and assessment of the different scales of activities.

The Rural Enterprise Report then applies the information from the Scale Report to areas selected areas identified for the Rural zone under the Flinders Structure Plan and provides zoning recommendations following this new work. Section 5.3 of the Report provides a list of the characteristics for small scale producers.

#### Small Scale Producers on Flinders

The Rural Enterprise Report identified small scale producers have the following general characteristics:

- show commercial intent in primary production;
- have a marketing strategy;
- are business focused with production decisions made on economic principles;
- seek economies of scale by working with other Small-Scale Producers to share marketing and resources, however, on Flinders Island it is difficult to achieve sufficient critical mass to sustain any long-term cooperation;
- could be viable in time, potentially through cooperative arrangements, higher value products, downstream processing, complementary food, recreation, hospitality or tourism operations or value adding; and
- Off – farm income is likely to remain a portion of the total household income. <sup>1</sup>

The following observations were also provided:

- The farm component is likely to have at least 0.5 FTE employees;
- Goss income from farming operations is within the range of \$40,000 to \$300,000;
- Total household income is generally from several sources;
- Primary production is often less than 50% of household income;
- Off farm income is often necessary to support the activity, particularly during establishment and/or diversification phases;
- Land requirements are generally 40-80 ha for livestock or 8-40 ha for other operations;
- Irrigation water is generally likely, but less so on Flinders given service limitations;
- Small Scale producers are likely to occupy titles that are affected by smaller title sizes, nearby dwellings and historic development patterns; and
- Dwellings are often preferred for lifestyle, production and security purposes.

Following and consistent with the RMCG findings, it is expected that dwellings will be an essential component of Rural Enterprise operations that will establish on Flinders, for the following reasons;

- Finance limitations such as mortgage lenders insurance, higher deposit requirements and other requirements on Flinders;
- there is a recognised housing availability shortage on Flinders; and
- the combination of these are expected to have a significant impact on the ability to implement the strategic direction of Council.

RMCG also identify that significant work is required to better understand the nature of activities and business opportunities that are likely to comprise small scale production on

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<sup>1</sup> P10 Enterprise Concept Report

Flinders, with projects currently underway in agritourism likely to improve understanding of the opportunity for destination travel in the short term.

In addition, the northern region is obtaining a Demand and Supply assessment as part of the Northern Region Planning Project, which is likely to provide verifiable data on the affordability and availability of housing on Flinders.

From the RMCG work, the following is clear;

- Commercial scale activities are suited to the Agriculture zone under the LPS;
- Small scale activities are suited to the Rural zone under the LPS, and may be suitable for the Rural Living zone as a result of the reliance on dwellings and housing availability issues;
- Hobby scale activities are suited to the Rural Living zone of the TPS and may be appropriate to the Rural zone;
- Lifestyle scale activities are suited to the Rural Living zone.

This suggests that the fundamental basis of the Primary Production concepts within the Structure Plan are sound.

Primary Production Area 1 saw the Agriculture zone used predominantly throughout it, which is consistent with the dominance of grazing activities. Primary Production Area 2 saw a mix of Rural Living, Rural and Agriculture zones, based on strategy within the Structure Plan and directions from the Commission. Detailed arguments are provided within the LPS Supporting Report on these matters.

Delivery of the Rural Enterprise concept identified under the Structure Plan relies on establishment of new enterprises to increase the diversity of rural operations and increase on-island processing and value adding activities.

Limitations within the assessment process for the LPS and the pending work identified by RMCG will curtail implementation of this concept. The additional work will be required to better understand the nature of the likely activities and the subsequent requirements for delivery within planning processes once the work identified by RMCG is completed.

The Rural Enterprise Report provides a review of key areas using the revised decision rules at Section 8.3. Given budget and time limitations, it is recommended the areas within that assessment are the focus of changes to the LPS.

It is recommended that future work be completed once the additional projects identified by RMCG are complete to review the wider delivery of the Rural Enterprise concept established under the Structure Plan.

## Review of specific assessments

### Whitemark South East

RMCG identified nine titles in this area they recommended for the Rural zone, as highlighted in red on the following image. The majority of this area is used as part of commercial scale grazing activities and must remain in the Agriculture zone based on the requirements of Guideline No.1.

The area was supported in the Council representation for use of the Rural zone, as identified in the Structure Plan, with the boundary of the area Council sought to have zoned Rural shown by the red line on Figure 1.

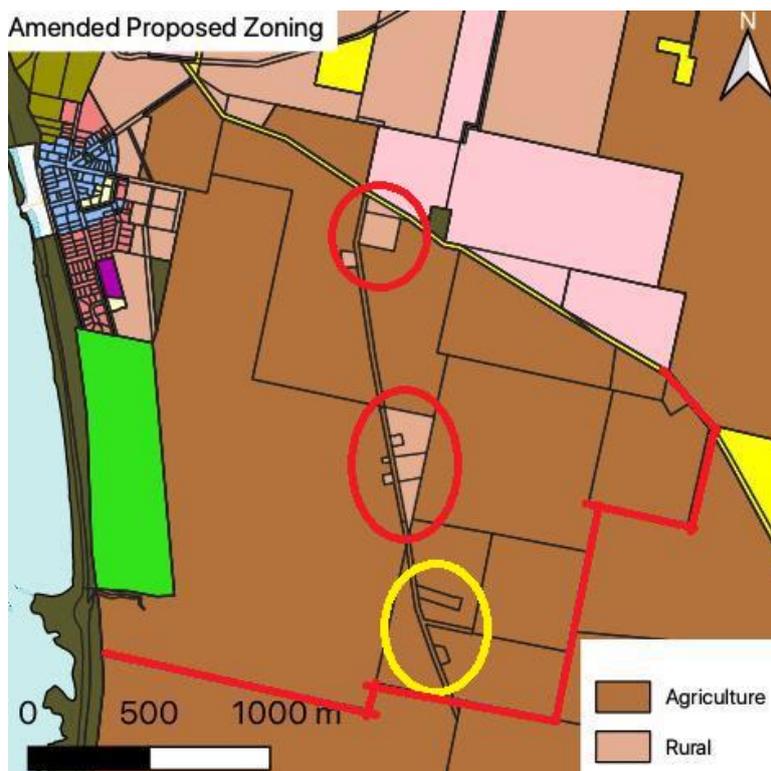


Figure 1 - Whitemark South East

It was questioned why two small titles with houses were not included in the Rural zone, shown within the yellow oval on Figure 1. Table 8-2 Decision Rules identify the following for considering the Rural zone on constrained titles adjacent commercial scale agricultural operations:

- Adjacent to Rural zoned titles and not utilised for agricultural activities nor directly adjacent to 'commercial Scale' agricultural activities
- If adjoining a Residential Zone and in a cluster of 3 or more and not utilised as part of an 'commercial scale' agricultural activity
- If provides for a more consistent zoning pattern.

The two subject titles (173 Butter Factory Road FR 10155/1 and 199 Butter Factory Road FR 197484/1) are isolated and adjoin land used as part of a commercial scale land holding used for grazing. As isolated titles, they do not meet the tests for use of the Rural zone.

The changes recommended by RMCG are consistent decisions in the Section 35F Report.

The assessment by RMCG is supported.

#### Whitemark North

RMCG identified 24 titles in this area that should be in the Rural zone, based on the decision rules. The titles recommended for change are shown within the red line on Figure 2.

This area was supported in the Council representation for use of the Rural zone, as identified in the Structure Plan. The recommended changes are consistent with the decisions in the Section 35F Report.

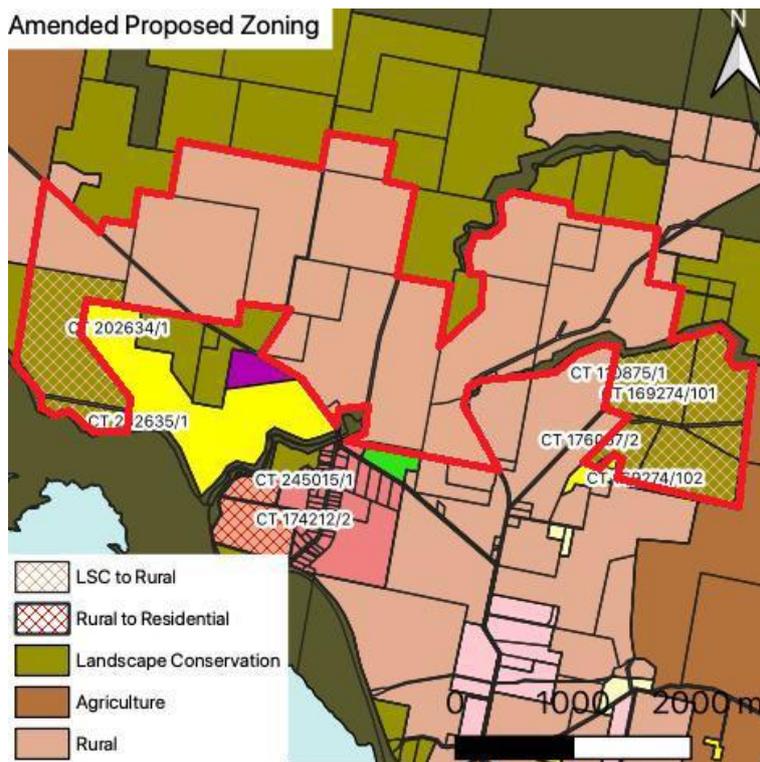


Figure 2 - Whitemark North

Changes to titles that were exhibited in the Landscape Conservation zone are consistent with changes recommended in the Section 35F Report, but includes five additional titles at Harley’s Road. The additional titles adjoin one identified in the Section 35F Report for rezoning to Rural and are consistent with the reasoning used for assessment of representations. This outcome is supported and considered to be consistent with the Section 35F Report.

In figure 2, The Rural zone identified by RMCG is mostly consistent with the Section 35F report decision, except as follows;

- it does not include three large titles Council originally sought the Rural zone for, including for Richmond Park and Balandra (684 and 858 Palana road) properties, as they were clearly commercial scale operations
- the expanded rural zone in Harleys Road was not part of the 35F report decision but uses the same logic that I used for the quarry title in response to representations; and
- the change from Landscape Conservation to Rural west of the airport (yellow zone) is consistent with Council’s decision under the 35F Report.

RMCG recommended two titles at the end of Boyles and Bluff Roads for rezoning to Rural Living or Low Density. The subject titles are substantive (10 and 28.9 ha) and provide good opportunity for expansion of the Bluff Road precinct, but will require master-planning to ensure suitable road connections and other infrastructure is provided as part of their development. These titles were not identified for rezoning through the Council representation to the LPS or the Section 35F Report. Any rezoning at this time is likely to frustrate this process and promote development of the area that is not coordinated across title boundaries. In addition, there two further privately owned titles south of the subject land and to the North of Boyes Road, that are zoned Rural under the 2000 Scheme and were not

addressed in the RMCG work. There are also reasonable areas of land yet to be developed to the east of Bluff Road that will provide some short-term buffer to resolve these issues.

The changes recommended by RMCG, except in Bluff & Boyes Road, noted as Rural to Residential on Figure 2, are supported. These changes are slightly different to the Section 35F Report, but consistent with them.

### Emita

RMCG reviewed the area at Emita, with recommendations concerning three main areas at Hays Creek, Fairhaven Road and Wireless Hill. These areas were addressed separately.

### Hays Creek

The area at Hays Creek was subject to representation 26 from Mark & Mandy Wales, Allora Angus, during exhibition of the LPS and a recommendation was provided in the Section 35F Report to rezone CT's 158840/1, 175212/2, 239241/1 Rural.

RMCG reviewed this area and determined that all three titles were part of an existing commercial scale grazing operation and that CT's 175212/2, 239241/1 were mostly mapped as class 4 land with areas above 40ha (275.6 and 77.9 ha respectively). As a result, RMCG recommended CT's 175212/2, 239241/1 be retained in the Agriculture zone. RMCG recommended that the natural values on CT 158840/1 support its zoning as Rural, despite its use as part of the overall operation with the previous two titles. This title is identified on Figure 3 as recommended to change LSC to Rural, and highlighted in red for this report.

As a result of the RMCG assessment, the outcome of the Section 35F Report assessment needs to be revised to reflect the RMCG advice.



Figure 3 - Emita

### Wireless Hill

RMCG also identified a further 28 titles at Wireless Hill they recommended should be considered for the Rural zone as a result of the new decision rules. This was to reflect the

existing land use in the area and the natural values, which cannot be subject to the Priority Vegetation Overlay under the terms of the TPS. These titles are identified within the orange boundary on Figure 3.

**This area was not identified for any change in Council Strategy or the 35F Report.**

RMCG identified these titles would provide a much-increased area for small scale producers.

The LPS Supporting Report identified that the subject area was not suitable for the Agriculture zone, based on land capability (identified as classes 6 and 7) and the extensive overlays across the area for coastal inundation, land stability and priority vegetation<sup>2</sup>. The exhibited overlays for the LPS on these issues are shown in Figure 4, which confirms the summary provided in the LPS Supporting Report. All of the subject overlays were applied using data developed by the State. The nature of these overlays suggest that further consideration is required of the suitability for the broadscale rezoning of this area as suggested.

The current process is not considered appropriate to provide the detailed examination of these matters and expert advice that would be required for the proper consideration of these areas. This should be considered for future proposals once revised information is available on the identified matters.

No change is recommended to the Wireless Hill area as a result. **This recommendation is consistent with the 35F Report**

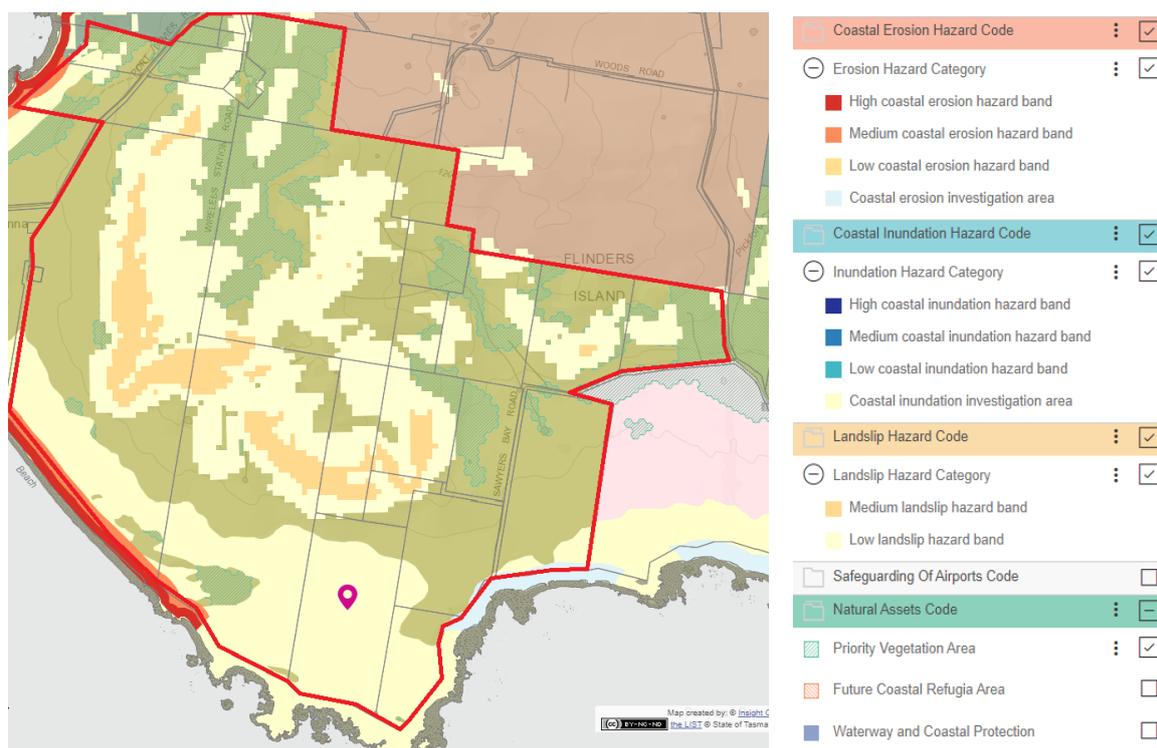


Figure 4 - LPS overlays at Wireless Hill

Fairhaven Road

A group of 6 titles on Fairhaven Road were considered by RMCG, highlighted in red on Figure 5. RMCG noted that the areas of all but one title were over 40 hectares, and the majority of the combined area was identified as class 4 land. These factors, combined with

<sup>2</sup> P83, LPS Supporting Report

the adjoining Agriculture zone to the east, north and south, resulted in a recommendation that the Agriculture zone be retained.

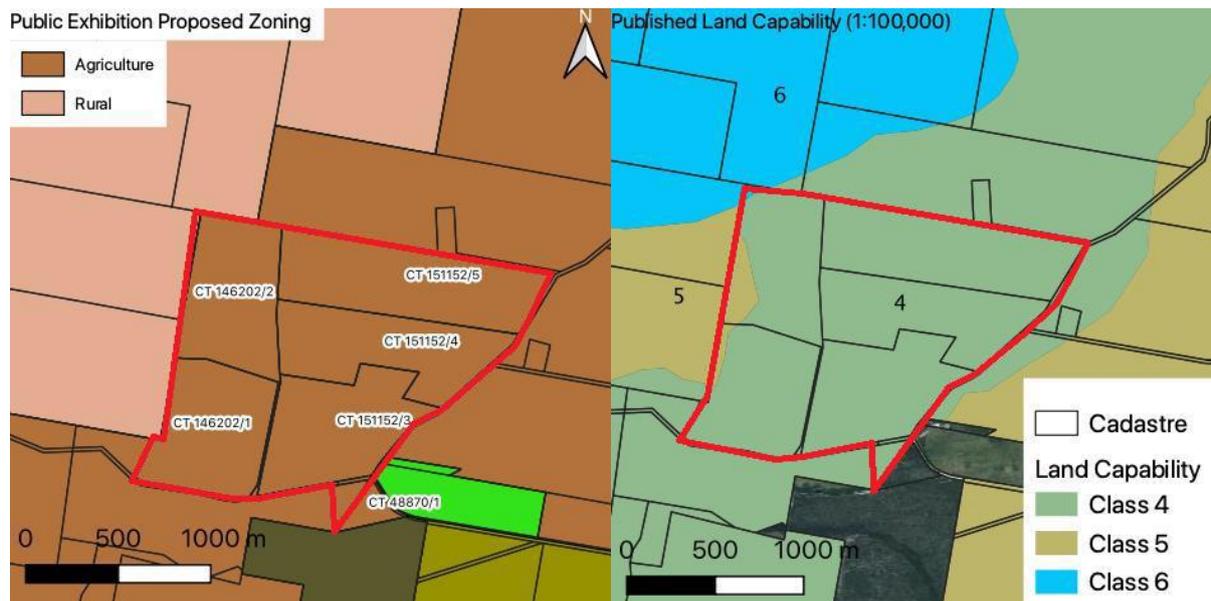


Figure 5 - Fairhaven Road titles, Emita: LPS zoning (left), land capability (right)

Table 8-2 Decision Rules in the Rural Enterprise Concept Report clearly identifies that class 4 lands should remain in the Agriculture zone, particularly for titles above 40 hectares in area. These rules apply to all of the titles north of Fairhaven Road.

RMCG identified that if site specific land capability assessments identified the subject titles were not class 4 lands, the area could be considered for an alternative zone (most likely Rural given zoning to the northwest and Agriculture zone elsewhere).

The smallest title of the group, CT 48870/1, has an area of 4.4 hectares and was not included in the Land Capability mapping. The Land Potentially Suitable for Agriculture zone project mapped the title as potentially unconstrained, possibly as it does not have a house on it. Given this information, the Agriculture zone was identified as appropriate for the title.

**The Section 35F Report identified that the subject area should be pursued for the Rural zone, based on the Structure Plan. The additional information provided by RMCG identifies that absent the detailed land capability reports, that recommendation is unrealistic.**

Absent the detailed land capability reports demonstrating that the land is not class 4, it is recommended that the Agriculture zone be retained for the subject titles.

#### Cooma / Badger Corner

RMCG reviewed the Lady Barron / Badger Corner area, given its identification for Rural zoning in the Structure Plan, and identified four titles for conversion to the Rural zone.

**This area was not addressed in the Section 35F Report.**

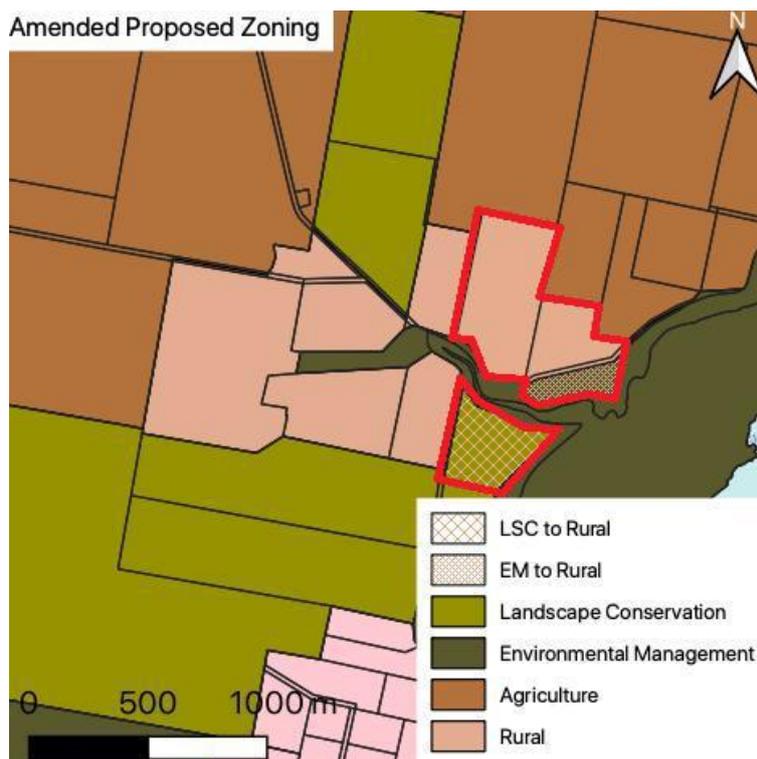


Figure 6 - Cooma / Badger Corner

CT’s 209407/1 and 25190/1 were recommended for the Rural zone, due to existing use of the lands and houses upon them.

CT 25190/2 was exhibited as Environmental Management zone, but is privately owned and contains a house. Environmental Management is not an appropriate zone for private lands. RMCG identified that Rural zone would be appropriate, reflect existing use of the lands, and provide a consistent zoning with areas to the north, following their new recommendations.

CT 52591/1 was identified as managed grazing lands with a house and relatively small area. RMCG recommended the Rural zone as a result of the new assessment.

While none of the identified titles were subject to representation as part of the LPS exhibition, the outcomes of the revised RMCG assessments in this location are supported.

**Killiecrankie**

RMCG identified four titles adjoining Killiecrankie village they suggested may be appropriate to zone Rural in place of Landscape Conservation, as shown in the following figure. **The subject area was not identified in Council Strategy or the Section 35F Report for use fo the Rural zone.**

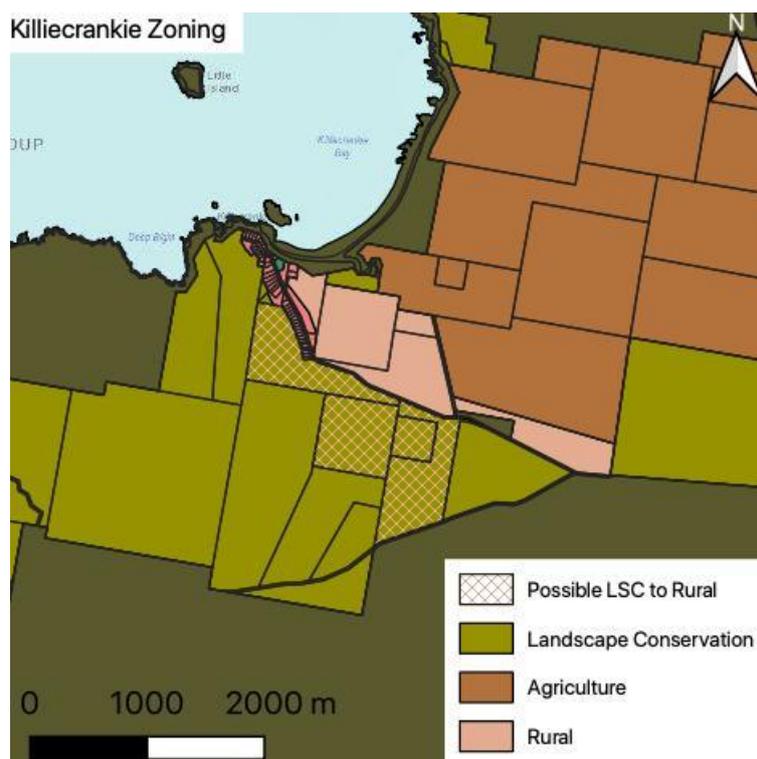


Figure 7 - Killiecrankie

RMCG identify the subject titles are partially cleared, the Rural zone allows existing natural values to be managed, the area links to lands exhibited in the Rural zone north of the road and the identified titles would provide opportunity for both rural enterprise and other lifestyle or tourism activities to establish.

The subject and surrounding area at Killiecrankie was subject to numerous representations regarding significant natural and scenic values and the location of Raptor nests, the latter of which now appear to have been mapped and are located approximately 400 metres north-west of the identified lands on adjoining titles. Existing titles and houses within Killiecrankie are located within 100 metres of the nest. The Scenic Protection overlay was translated from the 2000 Scheme and covers most of the vegetated area behind the village.

The RMCG recommendation provides for a translation of the existing Rural zoning into the LSP, and provides opportunity for co-location of enterprise and tourism activities.

On balance, the concerns within the representations, the lack of available information on the requirement for a vegetation overlay through the subject area and previously identified issues with the Scenic Protection Code suggest that the site coverage and landscape protection standards with the Landscape Conservation zone warrant retention at this time.

The combination of these matters suggest that additional supporting information would be required to provide proper assessment of these matters through a separate planning scheme amendment process.

#### North East River

RMCG identified a previously cleared forestry plantation site at Eden's Road, Palana/North East River for the Rural Living zone, based on an existing planning approval for subdivision to 24 lots, ranging in size from 10 to 68 hectares. The land is identified in the following figure, while an extract of the subdivision permit is provided at Figure 9.

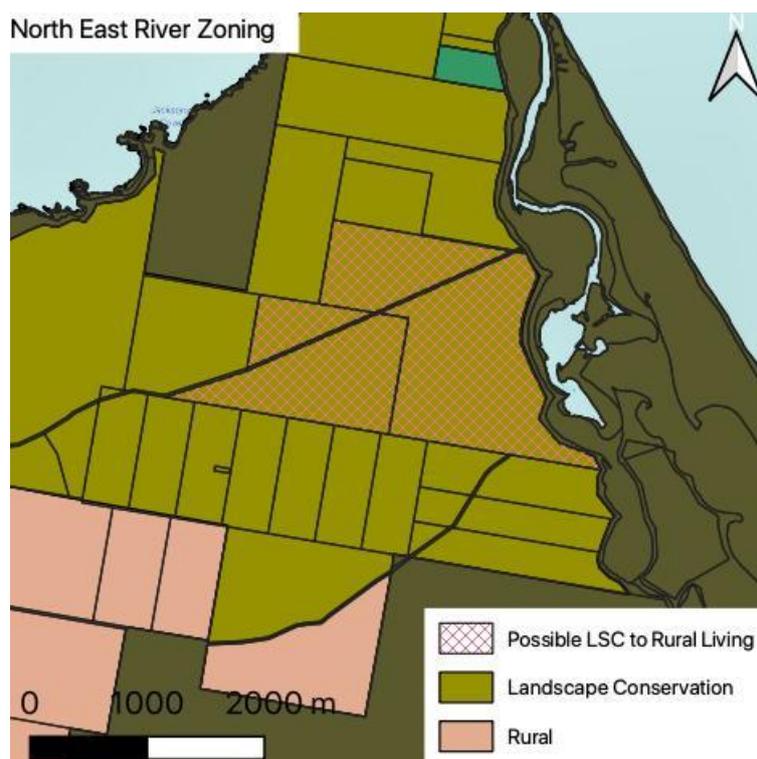


Figure 8 - ex plantation, Eden's Road, Palana

The lands were subject to detailed assessment as part of the original subdivision application, which included an agricultural/natural values and bushfire assessment of the lands by AK Consultants (now RMCG). The conclusion of the agricultural/natural values assessment was that the subject land had no current agricultural values or future potential and that the subdivision proposal was revised to reflect threatened flora values on the site (page 7). It is noted that the threatened vegetation located on the approved plan was reflected in the exhibited Priority Vegetation Overlay for the LPS.

The approved plan supports use of the Rural Living D category (10 ha minimum lot size) to limit re-subdivision of the approved lots. Four lots would gain subdivision potential, as follows:

Lots 12 & 13 – can each be subdivided to two lots under the zone, though cannot meet the minimum lot requirements for performance criteria to enable a third lot and access arrangements may be problematic with further subdivision for lot 12;

Lot 16 - could be subdivided for 6 to 7 lots, with extensive road frontage; and

Lot 23 – could be subdivided for 6 to 8 lots, though road frontage and access are problematic.

The TPS standards at 11.5.1 P2 and P3 provide discretion on frontage and access and allow subdivision of lot 23 via multiple reciprocal rights of way to North East River Road. While an exceptionally poor outcome and likely to create long term issues for the future owners, it is consistent with the tests in P2 and P3 for *legal* and *reasonable* provision of frontage and access. It is not possible to address this risk for Council and the future owners through the current process.

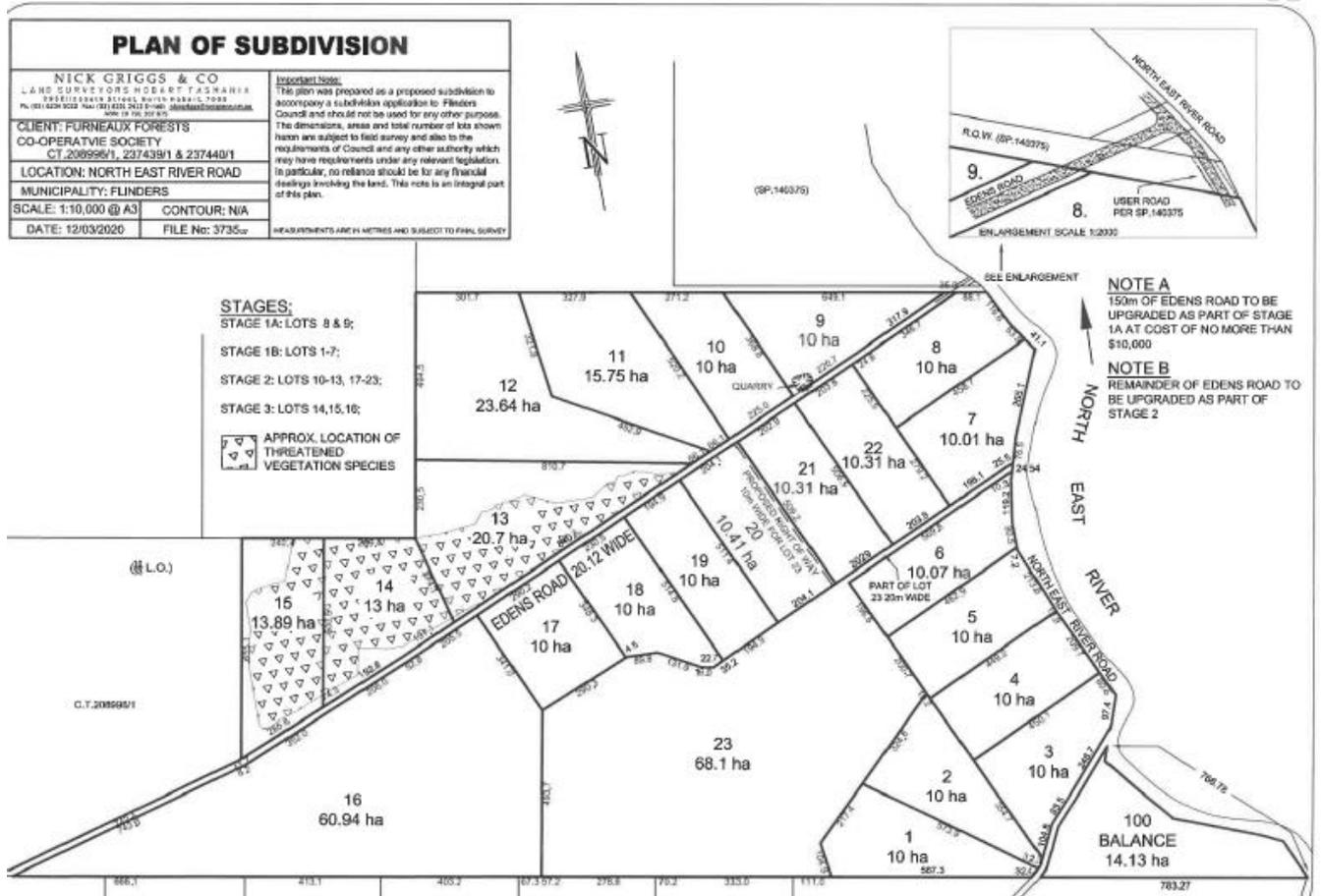


Figure 9 - Approved plan of subdivision DA02014-015

The Natural Values Report that supported the subdivision permit is from 2013 and it is not known what species may have established on the larger lots. As a consequence, lots 16 and 23 should remain in the Landscape Conservation zone unless appropriate security is provided to address this issue.

The area was not identified in the Section 35F Report for any change, but the subject lands were specifically identified in Appendix 3 of the Structure Plan for development, as shown in the following figure:



Figure 10 - Structure Plan extract - North East River

The Balance of the lots are supported for Rural Living Zone, category D.

## Conclusion

As a result of the additional work by RMCG, the *recommended zoning* provided in Tables 1 through 6 are supported for the LPS process:

Table 1 - Whitemark South East

VOLUME	FOLIO	PID	EXISTING ZONING	EXHIBITED LPS ZONING	RECOMMENDED ZONING
7488	2	6427611	Rural	Agriculture	Rural
64802	1	6427638	Rural	Agriculture	Rural
249792	1	6427603	Rural	Agriculture	Rural
141953	1	2553485	Rural	Agriculture	Rural
9254	1	6427830	Rural	Agriculture	Rural
237967	1	6427582	Rural	Agriculture	Rural
10923	1	6427590	Rural	Agriculture	Rural
68563	1	6427566	Rural	Agriculture	Rural
7488	1	7148622	Rural	Agriculture	Rural

Table 2 - Whitemark North

VOLUME	FOLIO	PID	EXISTING ZONING	EXHIBITED LPS ZONING	RECOMMENDED ZONING
225624	1	2922826	Rural	Agriculture	Rural
220373	1	2922826	Rural	Agriculture	Rural
14670	1	6428286	Rural	Agriculture	Rural
155427	1	2922818	Rural	Agriculture	Rural
156154	1	2922826	Rural	Agriculture	Rural
213527	1	2922818	Rural	Agriculture	Rural
212657	1	3291421	Rural	Agriculture	Rural
213669	1	6428622	Rural	Agriculture	Rural
225625	1	2922826	Rural	Agriculture	Rural
225623	1	2922826	Rural	Agriculture	Rural
9508	1	2922818	Rural	Agriculture	Rural
173164	1	2829496	Rural	Agriculture	Rural

VOLUME	FOLIO	PID	EXISTING ZONING	EXHIBITED LPS ZONING	RECOMMENDED ZONING
252433	1	2922818	Rural	Agriculture	Rural
39638	1	2922818	Rural	Agriculture	Rural
249830	2	2922826	Rural	Agriculture	Rural
245335	1	3291413	Rural	Agriculture	Rural
176057	2	9228686	Rural	Landscape Conservation	Rural
110875	1	2597023	Rural	Landscape Conservation	Rural
169274	101	3355990	Rural	Landscape Conservation	Rural
202634	1	6428622	Rural	Landscape Conservation	Rural
169274	102	3356002	Rural	Landscape Conservation	Rural
202635	1	6428622	Rural	Landscape Conservation	Rural

Table 3 - Emita

VOLUME	FOLIO	PID	EXISTING ZONING	EXHIBITED LPS ZONING	RECOMMENDED ZONING
158840	1	3588989	Rural	Landscape Conservation	Rural
175212	2	3588989	Rural	Agriculture	Agriculture
239241	1	3588989	Rural	Agriculture	Agriculture
146202	1	2689614	Rural	Agriculture	Agriculture
151152	3	2883169	Rural	Agriculture	Agriculture
151152	3	2883169	Rural	Agriculture	Agriculture
151152	4	2781277	Rural	Agriculture	Agriculture
146202	2	2689622	Rural	Agriculture	Agriculture
151152	5	2781285	Rural	Agriculture	Agriculture

Table 4- Cooma – Badgers Corner

VOLUME	FOLIO	PID	EXISTING ZONING	EXHIBITED LPS ZONING	RECOMMENDED ZONING
209407	1	9334026	Rural	Agriculture	Rural
25190	1	7305309	Rural	Agriculture	Rural
25190	2	7305296	Rural	Environmental Management	Rural
52591	1	6430570	Rural	Landscape Conservation	Rural

Table 5 - Killiecrankie

VOLUME	FOLIO	PID	EXISTING ZONING	EXHIBITED LPS ZONING	RECOMMENDED ZONING
50506	3	7716060	Rural	Landscape Conservation	Landscape Conservation
112866	1	1506679	Rural	Landscape Conservation	Landscape Conservation
112866	2	1760175	Rural	Landscape Conservation	Landscape Conservation
103038	2	1506660	Rural	Landscape Conservation	Landscape Conservation

Table 6 - North East River

VOLUME	FOLIO	PID	EXISTING ZONING	EXHIBITED LPS ZONING	RECOMMENDED ZONING
237440	1	3068115	Rural	Landscape Conservation	Rural Living D*
159958	1	3068115	Rural	Landscape Conservation	Rural Living D*

Lots 16 and 23 on the approved plan for DA105-14 to remain in the Landscape Conservation zone