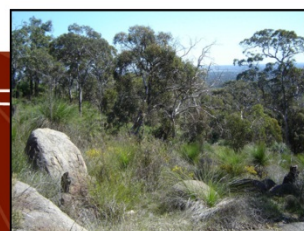


# Special Council Meeting

Agenda for Monday 25 August 2014



**shire of  
kalamunda**

## NOTICE OF MEETING SPECIAL COUNCIL MEETING

Dear Councillors

Notice is hereby given that a Special Meeting of Council will be held in the Council Chambers, Administration Centre, 2 Railway Road, Kalamunda on **Monday 25 August 2014 at 7.30pm.**



Rhonda Hardy  
**Chief Executive Officer**  
21 August 2014

## Our Vision and Our Values

### Our Vision

The Shire will have a diversity of lifestyle and people. It will take pride in caring for the natural, social, cultural and built environments and provide opportunities for people of all ages.

### Our Core Values

**Service** – We deliver excellent service by actively engaging and listening to each other.

**Respect** – We trust and respect each other by valuing our difference, communicating openly and showing integrity in all we do.

**Diversity** – We challenge ourselves by keeping our minds open and looking for all possibilities and opportunities.

**Ethics** – We provide honest, open, equitable and responsive leadership by demonstrating high standards of ethical behavior.

### Our Aspirational Values

**Prosperity** – We will ensure our Shire has a robust economy through a mixture of industrial and commercial development.

**Harmony** – We will retain our natural assets in balance with our built environment.

**Courage** – We take risks that are calculated to lead us to a bold new future.

**Creativity** – We create and innovate to improve all we do.

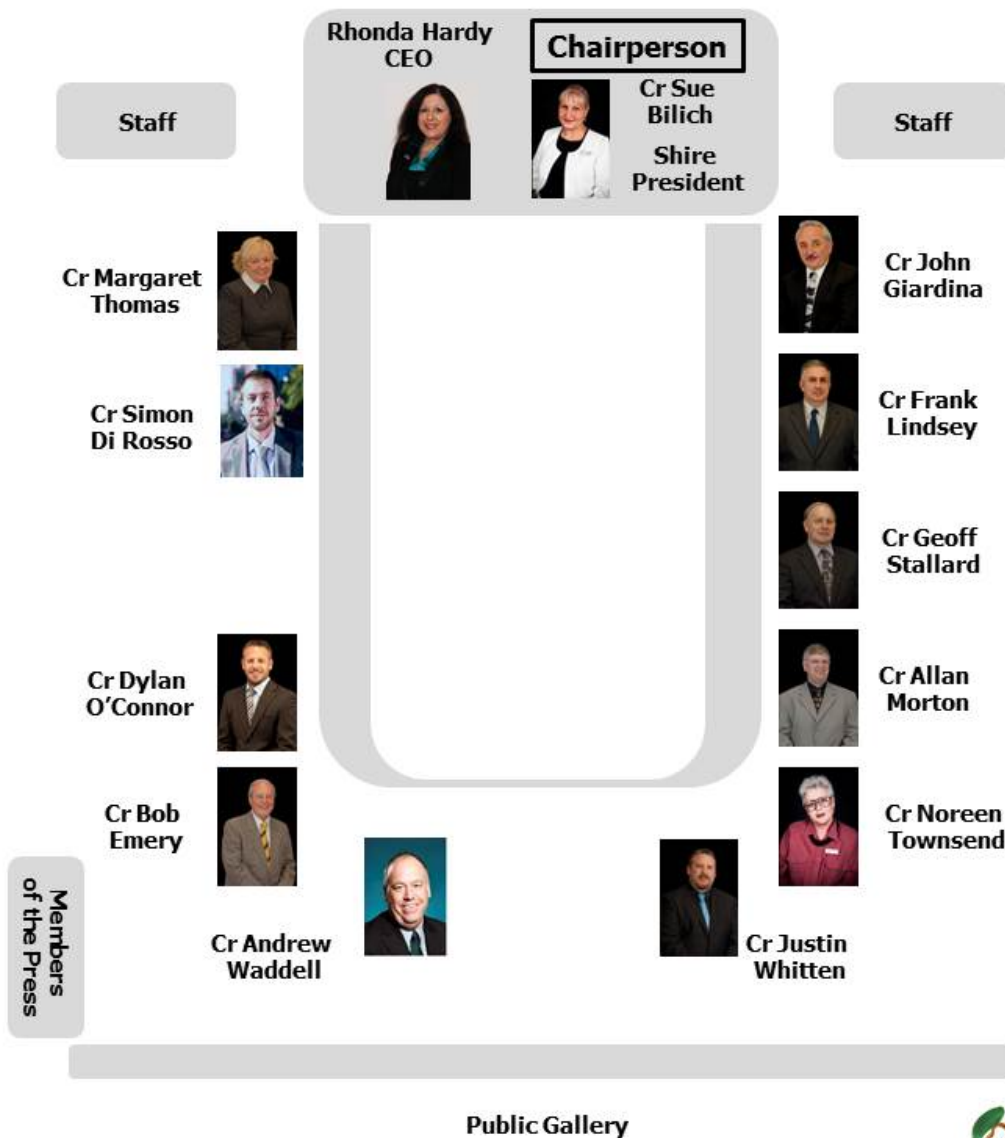


## INFORMATION FOR THE PUBLIC ATTENDING COUNCIL MEETINGS

Welcome to this evening's meeting. The following information is provided on the meeting and matters which may affect members of the public.

If you have any queries related to procedural matters, please contact a member of staff.

### Council Chambers – Seating Layout



## **Special Council Meetings – Procedures**

1. All Council Meetings are open to the public, except for Confidential Items listed on the Agenda.
2. Members of the public who are unfamiliar with meeting proceedings are invited to seek advice prior to the meeting from a Shire Staff Member.
3. Members of the public are able to ask questions at a Special Council Meeting during Public Question Time on matters relating to the functions of this meeting.
4. To facilitate the smooth running of the meeting, silence is to be observed in the public gallery at all times except for Public Question Time.
5. All other arrangements are in general accordance with Council's Standing Orders, the Policies and decision of the Shire or Council.

## **Emergency Procedures**

**Please view the position of the Exits, Fire Extinguishers and Outdoor Assembly Area as displayed on the wall of Council Chambers.**

**In case of an emergency follow the instructions given by Council Personnel.**

**We ask that you do not move your vehicle as this could potentially block access for emergency services vehicles.**

**Please remain at the assembly point until advised it is safe to leave.**

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## AGENDA

### 1.0 OFFICIAL OPENING

### 2.0 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

- 2.1 Cr Noreen Townsend (Apology)  
Cr Simon Di Rosso (Apology)

### 3.0 PUBLIC QUESTION TIME

A period of not less than 15 minutes is provided to allow questions from the gallery on matters relating to the functions of this meeting. For the purposes of Minuting, these questions and answers will be summarised.

### 4.0 PETITIONS/DEPUTATIONS

### 5.0 ANNOUNCEMENTS BY THE MEMBER PRESIDING WITHOUT DISCUSSION

### 6.0 MATTERS FOR WHICH MEETING MAY BE CLOSED

### 7.0 DISCLOSURE OF INTERESTS

#### 7.1 Disclosure of Financial and Proximity Interests

- a. Members must disclose the nature of their interest in matters to be discussed at the meeting. (Sections 5.65 of the *Local Government Act 1995*.)
- b. Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 of the *Local Government Act 1995*.)

#### 7.2 Disclosure of Interest Affecting Impartiality

- a. Members and staff must disclose their interest in matters to be discussed at the meeting in respect of which the member or employee had given or will give advice.

### 8.0 REPORTS TO COUNCIL

Please Note: declaration of financial/conflict of interests to be recorded prior to dealing with each item.



**Declaration of financial / conflict of interests to be recorded prior to dealing with each item.**

**08. Hills Rural Study – Final Endorsement**

Previous Items	OCM 98/2013, OCM182/2013
Responsible Officer	Director Development Services
Service Area	Development Services
File Reference	PG-STU-003
Applicant	Shire of Kalamunda
Owner	Various
Attachment 1	Map of the Study Area
Attachment 2	Final Hills Rural Study Appendices
Attachment 3	Final Hills Rural Study Document

**PURPOSE**

1. To consider endorsement of the final version of the Hills Rural Study (Attachments 2 and 3) which has been reviewed following public advertising of the draft Study.

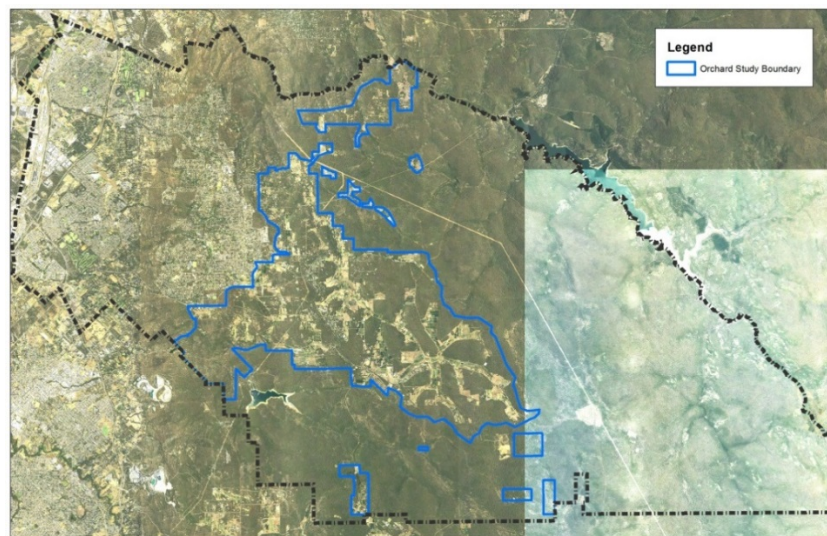
**BACKGROUND**

2. **Land Details:**

Aggregate Land Area:	2,326 hectares
Local Planning Scheme Zone:	Rural Agriculture, Rural Landscape Interest, Rural Conservation, Special Rural
Metropolitan Regional Scheme Zone:	Rural and Parks and Recreation

**Locality Plan**

- 3.



4. The subject land is zoned 'Rural' under the Metropolitan Region Scheme (MRS) and 'Rural Agriculture', 'Rural Landscape Interest', 'Rural Conservation' and 'Special Rural' under the Shire's Local Planning Scheme No 3 (the Scheme). There is an area within the study boundaries zoned 'Urban' under the MRS and 'Residential Bushland' under the Scheme that has not been considered under this review.
5. The subject land covers an area of approximately 2,326 hectares of the localities of Bickley, Carmel, Pickering Brook, Canning Mills, Hacketts Gully, Pauls Valley and Piesse Brook. This is the same area covered by the original Hills Orchard Study plus additional properties with relevant rural zoning. Small parts of Kalamunda, Lesmurdie and Walliston are also part of the Study area. An enlarged map of the Study area is included (Attachment 1).
6. The Hills Orchard Study, completed in 1987, evaluated some of the physical, social and economic factors affecting the land contained within rural areas of the Shire. The Study recommendations were incorporated into District Planning Scheme No 2 and later into the current Scheme.
7. In recent years, there has been a steady flow of requests for a review of planning controls relating to land within the Study area. Both the growers, as well as other landowners who are not producing on their land, have identified issues caused by the perceived lack of flexibility of land use and the inability to subdivide their land.
8. The Local Planning Strategy, adopted by the Western Australian Planning Commission (WAPC) in February 2013, recommended a review of the original Hills Orchard Study and consideration of the potential for further subdivision, development and opportunities for tourism in the area. Also, to consider the existing strategies, policies, statutory requirements and other regulations that govern the land use and the lot sizes in the study area.
9. In July 2013, Shire officers presented the first version of the draft Hills Orchard Study to Council for the purpose of initiating public advertising. Council resolved as follows:  
  
*That this Report lay on the table for one month to enable Councillors to consult with members of the community regarding any possible amendments to the Report.*
10. Following Council's decision, a workshop was held on 24 July 2013. Local producers, landholders, the Member for Darling Range, a number of Councillors and Shire officers attended the workshop. It was agreed that a number of actions would be undertaken before Shire officers presented an amended version of the draft Study back to Council as follows:
  - a) Additional investigation to be undertaken to facilitate the potential of inclusion of non-productive land in the Study recommendations;
  - b) The name of the study to be changed to Hills Rural Study to better reflect the scope of the study;
  - c) Economic development opportunities to be explored; and
  - d) Advocacy to be considered for the project.



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11. In response to point c) above, a consultant was engaged to complete the Economic Development Discussion Paper (EDDP) which informed additional economic development and planning recommendations that were incorporated into the Study. The EDDP is contained in Appendix 2 of the Hills Rural Study which is included (Attachment 2).
  12. The revised draft Hills Rural Study was considered by Council in November 2013 and Council resolved to:
    1. Receive the Economic Development Discussion Paper and the draft Hills Rural Study and along with its Appendices for an 80 day public consultation period from 26 November closing on 14 February 2014.
    2. Approve a public forum to be held during the consultation period to provide detailed presentations of the Reports and to provide an opportunity for clarification on any matters required by the Community.

Details of the advertised version of the Study are included in the 'Details' section of this report.

## **DETAILS**

### **Issues facing the Hills Rural Study area**

13. During the course of preparing the draft Study between 2011 and 2013, a working group was formed consisting of community representatives, Councillors and Shire officers. A number of meetings and onsite visits were held to provide Shire officers with an idea of the issues facing local growers as follows:
  - The availability of water has steadily reduced and it is likely that this trend will continue.
  - The loss of markets - most growers are not of a large enough scale to cater to the large food providers, and local markets are too small to accommodate all the growers. The international market has become too competitive because of the inclusion of countries with cheaper labour costs.
  - Younger generations have increasingly chosen to work in other industries, resulting in a growing number of ageing growers who are struggling to cope with the demands of agriculture/horticultural work on their own.
  - The inability to subdivide large rural landholdings results in the fragmentation of the traditional agriculture/horticultural family units as young people are forced to move out of the area in order to be able to purchase their own property.
  - Some pest controlling chemicals are being banned from use, making pest control management considerably harder and less cost effective.
14. Many land owners in the Study area are seeking change to planning controls relating to the area so they may explore diversification or downsizing of operations, or subdivision of land in order to overcome the abovementioned issues.

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## Planning Considerations

15. The use of land within the Hills Rural Study area is highly regulated, primarily by statutory controls aimed at protecting the area as a primary agriculture area, and ensuring that underlying water resources are not degraded. The following planning documents relate to the land:

16. *State Planning Policy 2.5 - Agricultural and Rural Land Use Planning (SPP 2.5)*

SPP 2.5 was gazetted in November 2013 and replaced the previous State Planning Policy 11 – Agricultural and Rural Land Use Planning. SPP 2.5 applies to all the land zoned 'Rural' under the MRS and contains the following objectives:

- To protect rural land from incompatible uses;
- To promote regional development through the provision of ongoing economic opportunities on rural land;
- To promote sustainable settlement in, and adjacent to, existing urban areas;
- To protect and improve environmental and landscape assets; and
- To minimise land use conflicts.

SPP 2.5 emphasises the importance of retaining priority agricultural land, however, unlike its predecessor, it does not actually identify such areas within the state. The term 'priority agricultural' is defined as follows:

*"Land considered to be of State, regional or local significance for food production due to its collaborative advantage in terms of soils, climate, water (rain or irrigation) and access to services. Priority agricultural land is derived from High Quality Agricultural Land data that has been subject to consultation and refinement, and has removed land required for existing and future urban/development areas, public use areas and land required for environmental purposes."*

SPP 2.5 places the responsibility of determining priority agricultural areas on the local government, indicating that these areas should be identified through local planning strategies and schemes. Local governments are referred to the *Rural Planning Guidelines 2014* which outlines the process for identifying priority agricultural land and incorporating it in local planning strategies and schemes.

17. *Development Control Policy 3.4 - Subdivision of Rural Land*

This operational Policy guides the subdivision of rural land to achieve the key objectives of SPP 2.5 to protect agricultural land, plan for rural settlement, minimise land use conflict and manage natural resources.

18. *State Planning Policy 2.7 - Public Drinking Water Source Policy (SPP 2.7)*

The objective of SPP 2.7 is to ensure that the land use and development within the Public Drinking Water Source Areas is compatible with the long term management of water resources for public water supply. The majority of the Study area is identified as a Priority 2 (P2) drinking water source area, with a portion of the Study area around Carmel also being contained within the MRS 'Water Catchment' reserve.

19. *Draft State Planning Policy 3.7 – Planning for Bushfire Risk Management (draft SPP 3.7)*

In May 2014, the WAPC released the draft State Planning Policy 3.7 – Planning for Bushfire Risk Management (draft SPP 3.7). The purpose of draft SPP 3.7 is to give a 'head of power' to the revised edition of the Planning for Bushfire Guidelines (the draft Guidelines). These documents were prepared following the release of the Keelty Report which identified that a more integrated planning approach needed to be taken to bushfire risk management following several devastating bushfires throughout Australia in recent years.

20. The primary focus of the draft Guidelines is bushfire protection for new subdivisions and related development in rural residential developments. The draft Guidelines establish a set of performance criteria that are required to be met by new subdivisions and related development within bushfire prone areas. Local governments are encouraged to adopt the performance criteria within the draft Guidelines when assessing structure plans and subdivision and development applications.

21. *Middle Helena Catchment Area Land Use and Water Management Strategy (MHCA Strategy)*

The MHCA Strategy recommends a framework for land use planning and water management in the catchment area, which a significant portion of the Study area falls within. The strategy outlines that the area is subject to pressures from a demand for housing, reduction and degradation of agricultural production and an increasing need for tourism opportunities. Some recommendations of the MHCA Strategy relating to the ideal MRS zoning of land within drinking water resource areas have yet to be implemented by the WAPC.

22. *Local Planning Scheme No. 3*

The Scheme provides statutory provisions relating to the subdivision, development and use of each zone within the Hills Rural Study area. The Study area is zoned 'Rural Agriculture', 'Rural Landscape Interest', 'Rural Conservation' and 'Special Rural' under the Scheme. With the exception of the 'Special Rural' zone, the minimum lot size permitted by the Scheme for land within the Study area is 12 hectares, or 6 hectares subject to certain criteria being achieved.

### **Advertised Hills Rural Study**

23. This draft Study was prepared in response to public pressure for a formal investigation to be undertaken into the issues facing the Hills Rural community, and potential solutions to these issues, including the appropriateness of reviewing planning controls for the area. The recommendations of the draft Study responded to three key issues facing the area: economic decline, a lack of land use flexibility and the inability to subdivide land in the area. The recommendations of the draft Study are summarised below.
24. Draft Recommendation 1 – This recommendation relates to supporting local growers to implement their preferred recommended actions of the EDDP which was included as an attachment to the Study.

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25. Draft Recommendation 2 – This recommendation would see a review of the Scheme to identify where zone rationalisation or changes to land use permissibility could occur. In particular, the review would explore land uses that may facilitate new revenue opportunities and the diversification of the agricultural industry in the area.
26. Draft Recommendation 3 – This recommendation presents seven different options relating to subdivision of the Study area in the future as follows:
1. No change to the current subdivision potential of the land;
  2. Reduce the minimum lot size in a new 'Priority Agricultural' zone and the 'Rural Conservation' zone;
  3. The introduction of a 'agricultural ancillary' lot for lots under production which are currently in excess of 6 hectares;
  4. Excision of a 2 hectare lot from all lots in excess of 6 hectares regardless of whether they are under production or not;
  5. Rural cluster subdivision of a lot into a number of small strata lots, and a separate agricultural lot under production.
  6. Transferrable development rights which allow those with lots under production and the potential to subdivide their land the opportunity to sell their development rights in order to protect the agricultural land.
  7. A full reclassification of the area from a priority agricultural area to a rural settlement designation which would allow subdivision of lots down to 2 hectares.
27. Further details on the public advertising of the draft Study and the submissions received is provided in the 'Community Engagement' section of this report, and also in Chapter 7 and 8 of the final Hills Rural Study (Attachment 3).

### **Final Hills Rural Study**

28. Shire officers have now compiled a final version of the Hills Rural Study which has been informed by the submissions received during the public advertising of the draft Study. In particular, the final Study considers the views of public and Government Agencies towards the three recommendations of the advertised draft Study.
29. The final version of the Study retains the contextual and case study research of the draft Study, however, the final chapters have been re-structured to reflect the current status of the project now that all public consultation and analysis of information is complete. The final Study also takes into consideration policy changes which have occurred since the preparation of the draft Study such as the release of SPP 2.5 and the draft SPP 3.7.
30. To appropriately conclude the Study, revised recommendations have also been included as follows:

#### *Final Recommendation 1*

Commit to supporting landowners in the Kalamunda Hills Rural area with developing and implementing economic development initiatives aimed at diversifying and improving the viability of agriculture/horticulture activities. This support may occur by way of Councillor and Officer involvement, liaising with

State Government Departments, assisting with obtaining grants and research assistance, or other means of support deemed appropriate.

*Final Recommendation 2*

Commence a Local Planning Scheme 3 Amendment for the purpose of:

- a) Rationalising rural zones in the Study area;
- b) Introducing new permissible land uses to rural zones in the Study area which may increase land use flexibility for land owners; and
- c) Introducing a new 'Priority Agriculture' zone over land which is deemed to be of State, regional or local significance for food production purposes, due to its collaborative advantage in terms of soils, climate, water (rain or irrigation) and access to services, in accordance with *Planning Policy 2.5 – Land Use Planning in Rural Areas*, and the WAPC's *Rural Planning Guidelines 2014*.

*Final Recommendation 3*

Write to the WAPC and the DAFWA to:

- a) Advise that the Shire acknowledges their positions regarding further subdivision of the Kalamunda Hills Rural area, and furthermore, that the Shire will not be progressing any planning in this regard following the conclusion of the Hills Rural Study 2014; and
- b) Request that the DAFWA initiate a study into the agricultural productivity of the area for the purpose of assisting the Shire to delineate the boundaries of a new 'Priority Agriculture' zone in accordance with the WAPC's *Rural Planning Guidelines 2014*.

## **STATUTORY AND LEGAL CONSIDERATIONS**

31. Nil.

## **POLICY CONSIDERATIONS**

32. State Planning Policy 2.5 – Agricultural and Rural Land Use Planning.  
State Planning Policy 2.7 – Public Drinking Water Source Policy.  
Development Control Policy 3.4 – Subdivision of Rural Land.  
Draft State Planning Policy 3.7 – Planning for Bushfire Risk Management.

## **COMMUNITY ENGAGEMENT REQUIREMENTS**

33. Following Council's resolution in November 2013, the draft Study was advertised for public comment between 26 November 2013 and 14 February 2014. At the closing of the public consultation period, Shire officers had received a total of 318 submissions from the public, while a further six submissions were received from Government Agencies and Town Planning Consultants.

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34. A summary of the public submissions is contained in Appendix 7 of the Hills Rural Study. A large number of the public submissions received (231 of the 318) were an identical submission which had been signed by different members of the public, this submission has been referred to within the Study as the 'group' submission. This submission supported Recommendation 7 of the draft Study to reclassify the Hills area from 'priority agriculture' to 'rural settlement' and allow subdivision of the area to occur. The balance of the submissions were received from other members of the public, each with differing views on the future of the Hills Rural area.
35. A summary of the submissions received from Government and other agencies is contained in Appendix 8 of the Hills Rural Study. Government Agencies were largely opposed to further subdivision due to the likelihood that further land fragmentation would be inconsistent with SPP 2.5 and SPP 2.7, as land fragmentation may result in a reduction of agricultural production and could potentially lead to degradation of drinking water resources. The Departments of Planning, Agriculture and Food, and Water expressed varied levels of support for Recommendations 1 and 2 being implemented, consistent with the assumptions and planning advice of the 'decision analysis' matrix contained in Chapter 7 of the Study.
36. Shire officers have presented the results and a statistical summary of the submissions in Chapter 8 of the final Hills Rural Study.

## **FINANCIAL CONSIDERATIONS**

37. Although the majority of work on the review has been done in-house, a land capability consultant was engaged in the final stage of the draft in the document. Additionally, an economic development consultant was engaged to produce the EDDP.

## **STRATEGIC COMMUNITY PLAN**

### **Strategic Planning Alignment**

38. *Kalamunda Advancing: Strategic Community Plan to 2023*

Objective 4.1 – Ensure land use plans provide long term sustainable population growth.

Strategy – Continue to work collaboratively with State Government Agencies to deliver strategic land use plans, policies and initiatives.

Objective 5.4 – To be recognised as an excellent tourism destination with high levels of patronage.

Strategy 5.4.2 – Ensure tourism development is integrated into land use planning in regards to the Perth Hills.



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## SUSTAINABILITY

### Social Implications

39. An ageing population of landowners within the Study area and inability to encourage the younger generation to continue in the industry is a key issue without any current solution. This fragmentation of traditional orcharding families is considered to be one of the most important factors in the decline of the agriculture in the area.
40. It should be noted the Study, as it stands, has only dealt with social issues at a minimal level.

### Economic Implications

41. The purpose of undertaking the EDDP was to investigate economic initiatives that may be suitable for adoption by landholders in the area who wish to leverage and maximise market driven opportunities.
42. The EDDP made the following points in relation to the current and future economic viability of agriculture in the Study Area:
- The future of the local industry remains uncertain;
  - There are significant risk factors and uncertainty involved in agricultural/horticultural production at the moment;
  - Traditional agricultural and horticultural production in the Hills may be less viable at the current time;
  - Some macro-economic factors are currently changing (e.g. strength of the dollar, labour availability);
  - Overall market demand (Western Australia and global) is growing;
  - Not all producers in the Study area are in decline;
  - International competition tends to be somewhat overstated (it accounts for only 3.5% of total imports);
  - Collaboration would be an obvious strategy to support growers but has not been implemented in the Study area; and
  - There are some indicators that product quality in the Study area could be improved.
43. In considering the broad economic development factors affecting the Horticultural Industry, the EDDP recommended the following actions:
1. Facilitate greater collaboration between growers
  2. Undertake overall analysis of fertile land in Western Australia to review supply/demand
  3. Advocate for funding from Department of Agriculture (DAFWA) to support local initiatives.
  4. Advocate for a scheme to support and encourage investment in capital.
  5. Investigate development levies to support economic development initiatives.
  6. Undertake trial innovation projects for new technologies.

7. Promote government support schemes.
  8. Undertake energy audits to reduce energy costs.
  9. Undertake product quality audits to gauge market perception.
  10. Bring in experts for knowledge sharing.
  11. Create linkages to the education sector.
  12. Review legislative frameworks to ensure equality with interstate producers.
  13. Investigate a farm gate branding approach to support tourism.
  14. Investigate a 'farmer's story' campaign.
  15. Survey younger family members to understand their intentions.
  16. Encourage start-ups to focus on industry.
  17. Investigate Community Supported Agriculture and other similar models.
44. It is important to note that for any of the above actions to be implemented, the initiative would need to come from the orcharding community. The Shire would then have a role of helping to facilitate the implementation, supported by all other tiers of government. As noted in the 'Details' section of this report, Recommendation 1 of the advertised draft Study related to the potential implementation of the EDDP actions.

### **Environmental Implications**

45. Most of the Study area is within the Middle Helena Catchment Area. Water resource protection objectives are strongly reinforced in the planning system by SPP 2.7 and State Planning Policy 2.9 – Water Resources. Almost all rural zoned land within the Study area is currently Priority 2 (P2) classification. Due to the proximity of the Study area and its water catchments to a rapidly growing city which is affected by declining rainfall, compliance with these state planning policy objectives will be critical for any changes to land use planning controls in the area.
46. The Shire has now initiated a Scheme amendment to introduce a Special Control Area 'Bushfire Prone Area' into the Scheme. Once this Scheme Amendment is finalised by the WAPC it will be implemented in conjunction with the State Government's bushfire policies and guidelines and the mapping will have implications on the potential for further rezoning and subdivision in areas of extreme bushfire risk.
47. Any proposal to alter land use and planning controls for the area would need to be supported by extensive environmental studies which addressed the concerns and policy objectives of the State Government regarding drinking water resources, bushfire, and flora and fauna protection.

## RISK MANAGEMENT CONSIDERATIONS

48.

Risk	Likelihood	Consequence	Rating	Action/Strategy
Council may resolve to pursue a recommendation in conflict with State Government policy and planning principles.	Possible	Major	High	To ensure that Council is aware of the position of State Government agencies on the re-zoning of the Hills Rural Study area.

## OFFICER COMMENT

### Draft Recommendation 1 – Agricultural production and business support

49. As outlined in Chapter 8 of Attachment 3, there was very little public support for Recommendation 1 of the draft Study. Almost half of the submitters on the study provided no comments on Recommendation 1 and those who did were mainly opposed to the idea of implementing it.
50. Although State Government agencies generally supported Recommendation 1, the Department of Planning (DoP), as with some members of the public, considered Recommendation 1 to be vague. This is largely because Recommendation 1 suggests the community's preferred EDDP recommendations be pursued, however, does not outline what the community's preferences are, and how they would be implemented.
51. Shire officers were anticipating that submitters on the Study would indicate their preferences towards certain EDDP recommendations so that implementation of these preferences could be explored by way of working with land owners to develop business initiatives. This has not occurred due to a general disinterest in Recommendation 1 of the Study altogether. Therefore, details regarding the implementation of this recommendation will require further communication with landowners in the Study area.
52. Notwithstanding the above, a small number of submitters were supportive of implementing Recommendation 1 of the Study. It is possible that this number may increase in the future if land use controls in the area become more flexible and allow for new agri-tourism pursuits. If subdivision is not possible in the future landowners may also be more willing to explore other options to improve their situation. Therefore, it is considered appropriate that the Shire commit to supporting landowners implementing economic development initiatives aimed at diversifying and improving the viability of agriculture/horticulture activities in the Study area. Final Recommendation 1 of the Study is reflective of this.

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## Draft Recommendation 2 – A review of rural zoning and land uses

53. Although most submitters did not directly address Recommendation 2 of the draft Study, the majority of those who did supported the possibility of introducing new land uses into the area. A common comment in the submissions was also that land use controls need to be relaxed to provide land owners with more options, and that the area could become a tourism hub similar to the Swan Valley.
54. State Government agencies were also generally supportive of this recommendation, on the basis that rationalising zoning and land use permissibility's does not compromise the objectives of SPP 2.5 and SPP 2.7 relating to the protection of agricultural land and drinking water resources. It is noted that the introduction of additional tourism related land uses into the area would not directly impact on agricultural land if appropriate development provisions were included in the Scheme. Nor would permitting the development of low impact tourism related land uses such as restaurants or chalets be in conflict with the land use compatibilities outlined in the State Governments Water Quality Protection Note 25.
55. Based on the relative level of support for a review of local zoning and land use permissibility in the Hills Rural area to be undertaken, Shire officers recommend that implementation of Recommendation 2 of the Study be initiated. It is considered that three main issues would be dealt with through a review of zones in the Study area as follows:

*Improve flexibility and approvals process*

56. It is noted that on 26 May 2014, Council resolved to initiate a Scheme Amendment to change the land uses 'Restaurant' and 'Chalet – Short Term Accommodation' to 'A' uses within the 'Rural Conservation' and 'Rural Agriculture' zones. This Scheme Amendment responds to several requests for the development of restaurants or chalets in the Hills Rural area. Although this Scheme Amendment represents a first step in the implementation of Recommendation 2, Shire officers still consider a wider review of planning controls in the Hills Rural area is necessary to determine how zones and land use permissibility in the Hills Rural area could be rationalised and made more flexible. Final Recommendation 2 of the Study is reflective of this.

*Introduce a 'Priority Agriculture' zone*

57. As identified in the 'Details' section of this report, SPP 2.5 places the responsibility of determining priority agricultural areas on the local government when previously these areas had been defined by DAFWA. Now, in order to provide clarity to landowners, and to inform future planning for the Study area, it is necessary for the Shire to go down the path of implementing SPP 2.5 with respect to identifying areas of priority agricultural land.
58. As outlined in the *Rural Planning Guidelines 2014* this process would involve integrating environmental data (soils, water, topography, climate etc) with information gained from landowners and site visits throughout the Study area. Using this information the Shire, in collaboration with DAFWA, will be able to

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undertake a comprehensive land capability assessment and map the priority agriculture areas within the Shire.

59. The process of delineating priority agricultural areas and incorporating these into a 'Priority Agriculture' zone in the Scheme, will ultimately determine which properties are most suited to agricultural production and those which are not. This process may result in some properties within the Study area falling outside of the priority agricultural area boundaries, however, it is anticipated that a significant amount of the Study area would still ultimately fall within the designation.

### **Review of MRS 'Water Catchment' boundary**

60. One barrier to a consistent and streamlined approvals process for developments in the Study area is the current application of the MRS 'Water Catchments' reserve over a significant amount of privately owned P2 land within the Study area, largely around Carmel. This is inconsistent with the intent of SPP 2.7 and the approach taken in other drinking water resource areas in the Perth metropolitan area. It was also identified as problematic by the Department of Water in their submission on the Study.
61. The consequence of there being privately owned P2 areas contained within the MRS 'Water Catchments' reserve is that any proposal for land use or development on these properties must be determined by the WAPC. This results in the development application process being longer, and more uncertain for land owners and may dissuade land owners from pursuing developments on their land even if land use permissibility becomes more flexible in the future.
62. Considering the above, the final Recommendation 2 of the Study recognises the need for the WAPC to review the MRS zones and reserves that apply to the Study area.

### **Draft Recommendation 3 – Seven potential options relating to subdivision**

63. Recommendation 3 of the draft Study included seven different options relating to potential future subdivision of the Hills Rural area. With the exception of Option 1, all of the options related to some form of subdivision occurring in the future. It is no surprise that Option 7 – to reclassify the area to allow for rural settlement style development was supported by the vast majority of submitters.
64. The vast majority of property owners who support implementation of Recommendation 3 identified that subdividing their properties would benefit them socially and economically. These benefits included, but were not limited to the following:
- Landowners could retain a portion of the property in the family for a longer period of time;
  - Landowners could sell a portion of the property to children;
  - Properties would be easier and less costly to manage;
  - Landowners could downsize agricultural production on properties as production in the Hills is no longer viable;
  - Retired farmers may become eligible for the pension if their lot became less than 2 hectares;

- Capital from selling portions of the property could be reinvested into the land; and
- Subdivision would facilitate the sale of the productive portion of the lot to a younger person with fresh ideas.

65. Option 7 of Recommendation 3 received the most support from submitters with over 80% of all submitters, and 90% of submitters who own property in the Study area being supportive of this approach.

### **Agricultural considerations**

66. Although SPP 2.5 no longer specifically identifies the area as being a priority agricultural area, the area is still afforded protection under the policy as it applies to all rural land within the State and contains other provisions which favour retention of the area as an agricultural area. DAFWA have consistently expressed the view that further subdivision of the Study area is against their objectives. DAFWA have also not supported the majority of options in the draft Study relating to subdivision as implementing these options would inevitably result in a loss of agricultural land.

67. This is consistent with the advice received from the DoP that further fragmentation of rural land is not consistent with SPP 2.5, and that variations to SPP 2.5 are not likely to be considered. In their submission on the draft Study, the DoP made the following statement in relation to Recommendation 3:

*"As noted in the EDDP, any reduction in land size is likely to result in the long term reduced viability of productive rural land in the Shire. Accordingly, recommendations proposing the reclassification of the area to rural settlement, or which would facilitate additional subdivision potential to that already possible under the Scheme are not supported."*

68. The land capability assessment contained in Chapter 5 of the Study indicates that many portions of the Study area contain soils which are generally highly conducive to agriculture/horticulture. In addition, it is noted that the DAFWA consider the area to be a Class 1 and 2 land capability area for agricultural/horticultural production. It is based on this information that Shire officers consider a large amount of the Study area would ultimately qualify as 'priority agriculture' land once a Study to delineate this area commences in accordance with Sections 57 - 59 of this report.

### **Drinking water resource considerations**

69. In their submission on the Study, the DoW reinforced that the recommendations of the Study were only supported where they would be consistent with SPP 2.7 and the DoW land use compatibility table. The land use compatibility table broadly identifies that in P2 drinking water source areas, rural subdivision to less than 4 hectares is incompatible, while 'Special Rural' subdivision of less than 2 hectares is incompatible.



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70. Implementation of the community's preferred Option 7 of the Study would actually see the area be reclassified to some form of rural settlement zone similar to a 'Special Rural' zone. If this was to occur, subdivision down to a 2 hectare lot size would actually be consistent with the DoW land use compatibility table. However, the DoW and DoP have indicated that the effect of development intensification on the area would not be consistent with their objectives for priority drinking water source areas, in particular those areas located within the 'Water Catchments' MRS reserve.

### **Feasibility of pursuing options for subdivision**

71. Undoubtedly, one of the largest barriers to the implementation of Options 2 – 6 of draft Recommendation 3 is the lack of planning justification to support the subdivision in the area. It is noted that although there was overwhelming support for subdivision from landowners in the Study area, submitters did not provide any input in addressing the issues of preserving agricultural land and protecting environmental resources such as drinking water. Submitters primarily supported subdivision due to personal circumstances and for social and financial reasons.
72. In contrast, those who did not support subdivision of the area often provided agricultural, environmental or amenity based justification for their non-support of subdivision in the Hills. Such justification included the fragmentation of viable agricultural land, additional discharges into groundwater resources, and a lack of infrastructure to accommodate a population increase in the area.
73. In contrast to the overwhelming support for some form of subdivision to be permitted within the Study area, Government Agencies reinforced that any proposals which are inconsistent with State Planning Policies need to be justified in terms of policy objectives. Essentially, this would require Shire officers to demonstrate to the State Government that facilitating subdivision in the Hills rural area would provide a benefit to the area without compromising the capability of the area as a highly productive agricultural area, a drinking water source and a high amenity location.
74. It is not disputed that intensification of urban development in the area will impact on the agricultural capability of the land, and unless carefully managed, on the viability of drinking water resources. The EDDP commissioned by the Shire has already identified that although subdivision may be attractive for many land owners to support their personal circumstances, it is likely to facilitate further decline of the growing industry over the long term. Furthermore, the EDDP notes that it is very possible that agricultural production in the Hills Rural area will become viable again in the future.

### **Bushfire hazard mitigation – impact on future planning**

75. In May 2014, the WAPC released draft SPP 3.7 along with the draft Guidelines. These documents were prepared following the release of the Keelty Report which identified that an integrated planning approach needed to be taken to bushfire risk management following several devastating bushfires throughout Australia in recent years.

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76. The Hills Rural area will soon be formally recognised as a bushfire prone area by the Shire and the State's bushfire maps, and therefore, any application for subdivision or development will be subject to draft SPP 3.7 and the draft Guidelines (once gazetted) which provide guidance for the assessment of applications.
77. In May 2014, environmental consultants Strategen undertook a Strategic Bushfire review for the Hills Rural area on behalf of the Shire. As expected, this review identified that many properties do not comply with the bushfire performance criteria, particularly properties located on large rural cul-de-sac roads that can only be exited from in one direction. Furthermore, the review identified that intensification of the area through subdivision would be placing a larger number of people at risk of a bushfire hazard.
78. The review considered the possibility of further subdivision in the Hills Rural area, and identified that any proposed development would need to be undertaken in accordance with the current and draft Bushfire Protection Guidelines and the draft SPP 3.7, and designed in such a way as to provide additional bush fire mitigation measures such as:
- A revised road network that provides compliant, safe access and egress from the site;
  - Safe refuge areas that are self-protecting from bush fire;
  - Building construction and design in accordance with AS 3959–2009;
  - Regular fuel hazard reduction and firebreak management in surrounding bushland areas to provide additional protection and defensible space;
  - Provision of reticulated water and auxiliary 90 000 litre water tanks at strategic locations;
  - Installation of reticulated sewage with associated treatment plants and options for reuse to irrigate green grass throughout playing fields and other possible safe refuge areas; and
  - Implementation of a developer contribution scheme and differential rating to support the above risk mitigation measures.
79. A further section of the review included the following comment:
- “although future expansion of the precinct may be achievable, significant bush fire risk mitigation will be required to provide adequate protection to current and future landowners... A detailed evaluation of the financial costs and responsibilities associated with the required bush fire risk mitigation works should be undertaken to determine the viability of the project.”*
80. The extensive nature of these bushfire mitigation measures further highlights that any expectations regarding the reclassification of the Hills Rural area, or reductions for the minimum lot sizes may simply not be viable at this point in time.

## Conclusion and Recommendations

81. In concluding the Hills Rural Study, it is considered important to evaluate how the findings of the Study reflect on the Study's original objectives as follows:

Study objective		Outcome
1	To allow traditional growers more flexibility in potential uses.	Among the final recommendations of this Study it is being recommended that work commence on Scheme Amendment to rationalise the rural zoning of the area, and permit new land uses to be approved on land within the Study area, especially 'agri-tourism' land uses. This idea has already received a relative level of support from State Government Agencies, and it is considered that it will ultimately provide traditional growers and other land owners with the ability to diversify the activities undertaken on their land.
2	To encourage additional land uses ancillary to the primary horticultural production.	The Study is not directly able to 'encourage' additional land uses to be undertaken on land within the Study area. Notwithstanding this, the Scheme Amendment outlined in relation to Objective 1 above will ultimately allow for new land uses, in particular 'agri-tourism' land uses to be approved.
3	To consider the potential for future subdivision in the area.	The Study has revealed that progressing planning to facilitate subdivision of the Study area would compromise two major State Government objectives for the area. The Study area is constrained by the fact that it is known to be of high agricultural potential and a drinking water resource, the State Government will not consider reclassification of the area on the basis that its objectives for the area in relation to agriculture and drinking water are not likely to change in the near future.
4	To review the current zoning in the area.	See comments relating to objective 1 above.
5	To create incentives and support horticultural production in the area.	The Study has revealed that there is little community support for the development of economic initiatives aimed at diversifying and improving the viability of agriculture/horticulture activities in the Study area. The public also expressed little support for collaborative action between the grower's community and the government. Notwithstanding this, Shire officers are recommending that the Shire commit to supporting landowners with developing and implementing such initiatives if such support is requested.

6	To protect the rural character of the area through landscape protection.	The Study has revealed that although a large portion the community wish for subdivision of the area to be possible, retention of the rural character of the area is a priority for the majority of the community. Amendments to land use permissibility's in the area in accordance with Objective 1 above will need to take this into account so that new infrastructure and activities do not negatively alter the character of the area.
7	To protect the quality of water.	The Study has once again highlighted that subdivision of rural lots to less than 4 hectares is incompatible with P2 water resource areas in accordance with SPP 2.7. This is just one of the reasons that implementation of Recommendation 3 of the draft Study is not being recommended in this final version of the Study. It had also been identified that some of the recommendations regarding drinking water source protection contained in the MHCA Strategy have not been implemented and it is likely that this will be explored further at such time that a review of zoning in the Study area occurs.

82. The final version of Hills Rural Study represents a comprehensive research document. The Study incorporates a significant level of background investigation into the land use, demographic, environmental and regulatory context of the Study area. The final Study also includes an extensive evaluation of newly gathered data which has informed the three final recommendations of the Study.

83. Following an analysis of the background research, the public submissions and considering the Officer Comments above, it is recommended that Council endorse the recommendations of the Hills Rural Study which are as follows:

*“Final Recommendation 1*

Commit to supporting landowners in the Kalamunda Hills Rural area with developing and implementing economic development initiatives aimed at diversifying and improving the viability of agriculture/horticulture activities. This support may occur by way of Councillor and Officer involvement, liaising with State Government Departments, obtaining grants and research assistance, or other means of support deemed appropriate.

*Final Recommendation 2*

Commence a Local Planning Scheme 3 Amendment for the purpose of:

- a) Rationalising rural zones in the Study area;
- b) Introducing new permissible land uses to rural zones in the Study area which may increase land use flexibility for land owners; and
- c) Introducing a new 'Priority Agriculture' zone over land which is deemed to be of State, regional or local significance for food production purposes, due to its collaborative advantage in terms of soils, climate, water (rain or irrigation) and access to services, in accordance with *Planning Policy 2.5 – Land Use Planning in Rural Areas*, and the WAPC's *Rural Planning Guidelines 2014*.

*Final Recommendation 3*

Write to the WAPC and the DAFWA to:

- a) Advise that the Shire acknowledges their positions regarding further subdivision of the Kalamunda Hills Rural area, and furthermore, that the Shire will not be progressing, at this stage, any planning in this regard following the conclusion of the Hills Rural Study 2014; and
- b) Request that the DAFWA initiate a study into the agricultural productivity of the area for the purpose of assisting the Shire to delineate the boundaries of a new 'Priority Agriculture' zone in accordance with the WAPC's *Rural Planning Guidelines 2014*.

84. In addition, Council is advised that Shire officers will continue progressing other projects related to the Hills Rural Study area such as investigations into decreasing the risk of bushfire hazards in the area, and structure planning for the Pickering Brook Town Centre.

<b>Voting Requirements: Simple Majority</b>
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**RECOMMENDATION (08/2014)**

That Council:

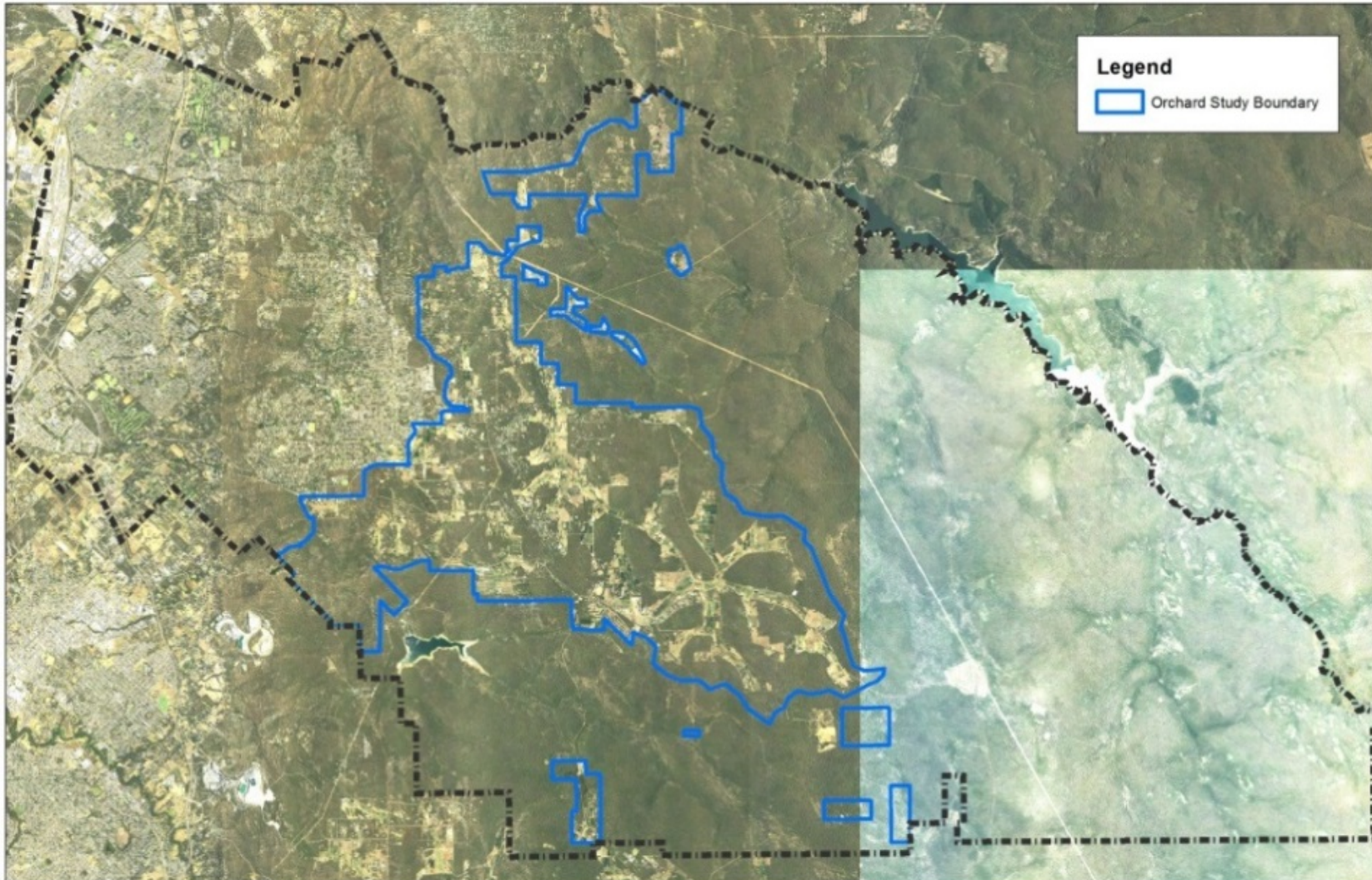
1. Endorses the final version of the Hills Rural Study (Attachments 2 and 3) including its recommendations.
2. Forwards of copy of the final version of the Hills Rural Study to the Western Australian Planning Commission for endorsement and to the Department of Water and the Department of Agriculture and Food for information.
3. Forwards a copy of the final version of the Hills Rural Study to the Minister for Planning, Minister for Agriculture and Minister for Water.

Moved:

Seconded:

Vote:

**Attachment 1**  
Hills Rural Study – Final Adoption  
**Map of Study area**





## **Attachment 2**

Final Hills Rural Study Document

[Click HERE to go directly to the document](#)

**Attachment 3**

Final Hills Rural Study Document

[Click HERE to go directly to the document](#)

**9.0 MEETING CLOSED TO THE PUBLIC**

**10.0 CLOSURE**