Tradeable Development Rights Policy

Dealing with rural land

Many farm holdings in the region are comprised of multiple land titles. Land titles are a significant asset for farms and this policy seeks to assist farmers to realise the value of those titles and simultaneously protect long-term farming outcomes.

Many submissions made to the draft Mackay Region Planning Scheme (MRPS) dealt with rural land. The potential for a Tradeable Development Rights Scheme (TDRS) was suggested and council responded, developing a policy in conjunction with Canegrowers and Mackay Sugar.

The region’s planning schemes and broader State Planning Policy do not support the creation of additional allotments in the rural zone on the basis of protection of agricultural land and the discouragement of increasing non-rural uses throughout the rural zone. However, landowners, including farmers, are often willing to subdivide to raise capital for on-going farming practices or to provide housing options in proximity to family farms. Thus, the issue of subdivision in the rural zone is often contentious.

What is a Tradeable Development Rights Scheme?

A TDRS is used to preserve or protect a building or land by selling the rights it has to develop to someone else who has no rights to develop. It allows the land or building development right to be traded.

TDRSs have been used to preserve historical buildings in New York in exchange for greater building heights or density and some councils in Queensland already have a policy in place to protect agricultural land. TDRSs are potentially a win-win situation for all stakeholders. The CSIRO has assisted with these policies in Australia and provides guidance in published papers: “TDRSs” are market-based tools which seek to protect land and compensate landowners who forego their future development rights”. The system identifies a “sending” area and a “receiving” area. Sending areas are those needing protection where development is not desirable. In this case – within the Planning Scheme’s agricultural land overlay. Receiving areas are locations where the development may be acceptable, but in this case is contrary to the zoning of the land.

The policy allows the trade of the value of the development of an additional lot in the rural zone (the title deed) for the right to create that lot elsewhere, where appropriate.
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Example: The most common form of TDRSs are for the protection of agricultural land

Framework
The purpose of this policy is to provide alternative solutions for management and protection of agricultural land. The policy protects agricultural land while providing opportunity for farmers to realise value from land titles by trading development rights.

To be eligible to trade under the policy a number of factors must be satisfied. The landowner will need to meet with council and obtain written confirmation that their proposal fits the policy framework. Criteria include:

- the sending lots are in the rural zone, entirely within the agricultural land overlay;
- the receiving lot must be within a recognisable rural residential-style cluster of lots;
- the receiving lot must be compliant with the relevant planning scheme provisions for rural residential development;
- no new lots will be considered which fragment new areas or are isolated from existing residential nodes;
- the receiving lot must not be on agricultural land;
- the receiving lot must not be on land which is overly constrained by environmental matters to a degree that concessions would be required to develop the lot.

The full policy document is available on council’s website at: www.mackay.qld.gov.au/tdrs

Process
Once written eligibility is obtained and the parties have come to agreement on the sale, a boundary realignment application is lodged with council.

Benefits
Creativity with titles as an asset is encouraged. There are a myriad of odd titles in the rural zone whose sale or amalgamation make no material difference to the farm and are ripe for trading. It is hoped the policy will provide opportunity and empower farmers to:

- improve farm management
- plan for succession
- raise capital; and
- consolidate farming land

For more information
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