

Additional Item

22 February 2012
To the Ordinary Council Meeting

Director's Report
Environment and Planning Services
Department

2.4 Department of Planning and Infrastructure - Potential Home Sites Program

TRIM REFERENCE: F2010/01744 - D02916351

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SUMMARY

In the latter part of last year an invitation was issued by the Minister of Planning and Infrastructure (DoPI), Mr Brad Hazzard, to owners of large land holdings to have their land considered by the NSW Government for housing development. This program known as the "Potential Home Sites Program" is being co-ordinated by DoPI who are now in the process of reviewing the range of sites nominated by land owners/developers.

In response to the Minister's invitation one land owner nominated site was identified within the Wyong Shire and a submission lodged with the DoPI. Upon receipt of this submission DoPI has invited Council to comment on the land owners submission and advise of its support or otherwise. The Director Environment and Planning Services attended a meeting with the Minister for Planning, Mr Brad Hazzard on Monday 13 February 2012, at which time Council was requested to provide its submission before 24 February 2012.

This report has therefore been prepared to determine Council's position on the land owner nominated site within Wyong Shire which is located in Wadalba East. Council should note that the Wadalba East site is currently identified as Precincts 8B and 8C within Council's existing planning documents and is already included in Council's Residential Development Strategy (RDS).

RECOMMENDATION

- 1 That Council acknowledge that the Wadalba East Precinct is already incorporated in Council's Residential Development Strategy and draft Wyong Shire Settlement Strategy with master planning to commence following completion of Precinct 7A.**
- 2 That Council note that the current time line for the development of the Wadalba East Precinct is "in the medium term" as established by direction from the Department of Planning and Infrastructure.**
- 3 That Council advise the Minister for Planning and Infrastructure that it is prepared to support the identification of the Wadalba East Precinct as part of the Potential Home Sites Program subject to the following:**
 - a Council not being responsible for the cost of the public infrastructure required to support the development;**

- b Council being responsible for managing the rezoning process (at the applicant's cost);***
- c The community being fully engaged as part of the rezoning process;***
- d Performance requirements being placed on the developer (ie; by way of a "sunset clause" or other means) to ensure that the production of lots proceeds within the Government's timeframe. (ie, 3 years); and***
- e Early agreement being reached between the proponents, government and Council regarding not only the range of infrastructure to be provided, but also the cost, timing and responsibility for funding and provision of that infrastructure.***

BACKGROUND

The state government has advised that the background to this issue stems from the current significant lack of residential housing production within NSW, coupled with the on-going impacts of the GFC and its effect on economic development particularly as it relates to residential subdivision and dwelling construction.

In an attempt to positively influence the production of housing, particularly within identified growth areas, the state government has created a new program called the "Potential Home Sites Program". The aim of the program is to fast track the production and delivery of housing, particularly within identified growth areas of the state.

The Program, which is being coordinated by DoPI commenced with an invitation to landowners/developers with property in excess of 100ha to nominate development sites to be fast tracked to enable the accelerated production and release of housing lots.

Of a total of 43 landowner submissions received by DoPI, one submission was lodged within the Wyong Shire relating to what is known in Council's RDS as Precincts 8B and 8C – Wadalba East. Precincts 8B and 8C are already incorporated in Council's strategic planning work program and are currently proposed to commence master planning and subsequent rezoning in the medium term (undefined). However in practical terms that means once we finish planning for Precinct 7(A) (ie 6 months subject to external factors) we could commence investigations of these precincts. The precincts are included within the draft North Wyong Shire Settlement Strategy where they are identified as Precincts 2A, 2B, 3A and 3B.

Council's involvement in the program to date is as follows:

- An invitation was issued to land owners of sites of a minimum 100ha to nominate land in appropriate locations that could be brought forward to produce dwellings in the short term.

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- Upon receipt of land owners submissions relevant Councils were contacted and asked for their input and opinion regarding support or otherwise for the land owner nominated sites. On 4 February Wyong Council received correspondence from DoPI requesting the elected Council's response to the nomination of the Wadalba East site.
- On 9 February 2012 Council was contacted by DoPI inviting the Mayor and General Manager to a meeting on the 13 February 2012 with the Minister for Planning and Infrastructure, Brad Hazzard, and senior department executives to discuss the "The Potential Home Sites Program".
- Both the Mayor and General Manager were unable to attend this meeting due to the late notice given. Therefore the Director Environment and Planning Services represented Council. One of the outcomes of this meeting was that a report be presented to this meeting of Council to enable a response to be forwarded to DoPI by 24 February 2012.

Question With Notice

Council would recall that at its meeting held on 8th February 2012, a Question With Notice was asked by Councillor Doug Eaton:

Q2/12 Rezoning of Wadalba Estate as a New Housing Area

"I note that Wadalba Estate has been submitted, direct to the State government, as a new housing area for rezoning. As part of its request for submission, I understand, the Department of Planning has required councils to respond to all such proposals after their first Council meeting in February. My question is why hasn't a report on this proposal come to this Council meeting?"

As outlined above, Council was given late advice from DoPI regarding its request for a formal Council response and the Director of Environment and Planning Services at a meeting held on the 13 February 2012 was requested to provide a response from the elected Council by 24 February 2012.

Proposal

In response to the receipt of landowner submissions, the Director-General (DG) of DoPI has invited relevant Councils to provide input to assist the Department in evaluating the housing potential of the identified sites. The letter from the DG states that Council's input will be utilised as part of the Department's review of the identified site(s) in respect of its ability to achieve the objectives of the Program, being to *"increase dwelling production in the short term at no additional cost to Government"*.

Issues for Consideration

As part of the initial invitation to land owners, the government outlined 3 major objectives that any land owner site would need to meet, as follows:

1. *Housing Delivery – to identify sites which are suitable for urban development in the short term*
2. *Infrastructure – to provide infrastructure and services for new communities in a timely and efficient manner at no cost to Government.*
3. *Strategic Setting – to support the broad planned pattern of growth and urban policies*

The full list of Program objectives and matters for consideration to be used in evaluation of the sites is provided in Attachment 1 for Council's information. Also included as Attachment 5 is a copy of the Wadalba East land owner group's submission, which responds to the above objectives.

Council, in determining its position in respect of the Wadalba East site, needs to take into consideration a number of issues. In determining the significance of these issues Council needs to be aware that the advice from the DG of DoPI is that the opportunity exists for Council to indicate its preference to manage the accelerated master planning and rezoning in-house. Therefore, there will be opportunity to refine the proposal presented by the proponent and resolve the potential issues outlined below.

Requirement for significant water and sewer infrastructure

The Wadalba East area will require significant water and sewer infrastructure to service the new development. The adopted Wyong District Development Servicing Plan No 1 outlines proposed water and sewer servicing arrangements for this area and is due to be updated this year. The timing of water and sewer supply for this area is part of this review, however, at present supply is unlikely to occur prior to 2016. Council has not undertaken any recent detailed costing estimates on servicing Precincts 2A, 2B, 3A, and 3B, due to its current lower priority for land release. Provision of water and sewer services to Precincts 2A and 3A requires less investment than Precincts 2B and 3B, therefore different timing priorities have been applied in Council's draft Wyong Shire Settlement Strategy.

Requirement for significant investment in road and traffic infrastructure.

The Wadalba East rezoning will have a significant impact on major infrastructure, affecting local and state roads. As part of the future master planning of the precinct, detailed information would be required as follows:

- Traffic Report identifying potential impacts of additional traffic on local and state roads, including existing and proposed intersections and improvements/facilities required.
- Public Transport assessment identifying the provision of public transport to service the development and means of encouraging public transport use in lieu of the motor vehicle.

2.4 Department of Planning and Infrastructure - Potential Home Sites Program (contd)

- Pedestrian and Cycleway Report identifying desire lines to and from schools, shops, recreational areas and identifying facilities required.
- Evidence of consultation with Roads and Maritime Services to determine infrastructure works and funding required to service major intersection upgrading works on the Pacific Highway.

Relationship to Existing Planning Strategies

To date Council and State Government focus has been on the release of land in development precincts in close proximity to the Warnervale Town Centre (WTC) in an effort to stimulate development of the town centre precinct. Existing state and local planning strategies including the Central Coast Regional Strategy (CCRS), draft North Wyong Shire Structure Plan, draft Wyong Shire Settlement Strategy and Wyong Shire Residential Development Strategy all reflect this objective.

Therefore, whilst these plans also support the future development of the Wadalba East precinct, the timing of this is proposed for the medium term, with the intention of protecting the WTC from significant adverse competition. The CCRS in particular, states that the majority of future greenfield development is to be concentrated around WTC and the Wyong Employment Zone (WEZ). The CCRS therefore does not support the development of Wadalba East in the short term.

Estimates of Current Residential Land Supply

The supply of greenfield residential land within Wyong Shire is considered sufficient (as reported in the government's Metropolitan Development Program) to meet market demands without releasing additional residential land at the present point in time, especially given the current stage of planning and rezoning of land to the south of the WTC (Precincts 4, 5 and 7 which have the potential for 2,100 residential lots). It is acknowledged, however, that the issue the government is attempting to resolve is not that of land supply, but rather the production and actual release of residential lots to the market. For this reason it is crucial that should Council support the Wadalba East precinct being brought forward, that legally binding assurances are obtained from the proponents to ensure that the development does occur within the short term.

Funding of Necessary Infrastructure

Council officers have met with the proponents, (a consortium of landowners within the Wadalba Precinct) on a number of occasions. The landowners have been made aware that if they wish to proceed with rezoning land in advance of the existing urban land release timeframes, they will be required to fund all infrastructure that is necessary to service the land. To date potential funding models have not been discussed with the consortium of landowners and there is likely to be a significant amount of State government infrastructure required to service the precinct.

Should the rezoning proceed Council must be assured that the existing Wyong Shire community will not wear the cost or responsibility for the provision of infrastructure to service and support a new land release area.

If the Wadalba East precinct is endorsed by the state government to be fast tracked, early agreement needs to be forthcoming between the proponents, government and Council regarding not only the range of infrastructure to be provided, but also the cost, timing and responsibility for funding and provision of that infrastructure. Council also needs to have a level of confidence that the new community will not suffer from a lack of or lag in provision of appropriate infrastructure and facilities.

It is acknowledged that the proponent's submission to DoPI incorporates an initial assessment of water and sewer requirements and concept water and sewer servicing plans. In addition, the submission proposes that infrastructure provision will be developer funded and that funding of the consultant studies and management of the project by Council staff will be provided by the proponents

Physical Constraints affecting Development of the Precinct

The land owner's submission acknowledges the major physical constraints affecting the precinct. These constraints include land affected by flooding and EECs. The draft North Wyong Shire Structure Plan includes a "conservation corridor" within the precinct. Concept plans prepared by the proponent and lodged as part of their submission to DoPI acknowledge these constraints and do not propose urban development within these areas. Should council be responsible for the master planning and rezoning of the precinct, detailed reports will be required from external consultants enabling investigation of the constraints in greater detail.

Options

Council is presented with the following options:

1. It may choose to respond to the DoP&I request for a submission or decide not to make a submission.
2. It may choose to support the Wadalba East project being included in the state government's Potential Home Sites Program or not to support its inclusion.

It is recommended that as Council has been given the opportunity to lodge a submission, it should do so, by way of qualified support for the inclusion of the Wadalba East project.

STRATEGIC LINKS

The development of a Master Plan to bring forward planning for the Wadalba East Precinct is not included in Council's draft Annual Plan for 2012/2013. The provision of a budget and the required staff resources has also not been included in the Business Plan for Land Use Planning and Policy Development. Should planning for this precinct be brought forward Council should require that the proponents fund all necessary studies and staff resources required.

Link to Community Strategic Plan (2030)

Out of the eight priority objectives of the Community Strategic Plan, 3 are relevant:

- There will be ease of travel;
- Communities will have a range of facilities and services; and
- Areas of natural value will be enhanced and maintained.

Master planning for the Wadalba East Precinct would need to take into account the above objectives.

Budget Impact

The development of a Master Plan to bring forward planning for the Wadalba East Precinct is not included in Council's draft Annual Plan for 2012/2013. The provision of a budget and the required staff resources has also not been included in the Business Plan for Land Use Planning and Policy Development. Should planning for this precinct be brought forward Council should require that the proponents fund all necessary studies and staff resources required. It is noted that in the applicant's submission to the DoPI the applicant's estimated costings for the project include \$130K for Council to engage a Strategic Project Manager.

The more significant issue which may impact on Council's budget is that of the funding of required infrastructure. The State Government has made it clear that one of the requirements it will impose on the land owner nominated sites is that they can enable dwelling production in the short term "*at no additional cost to Government*". Council is not in a financial position to enable it to fund the required infrastructure nor should the community be required to make up any shortfall between what the developer is required to fund or provide and the total cost of providing facilities to a new community. In supporting the nomination of the Wadalba East Precinct for fast tracking, Council needs to elaborate to DoPI the need to ensure that Council is not expected to fund any of the required infrastructure necessitated by the development.

CONSULTATION

As part of the Government's Potential Home Sites Program Council has been consulted and requested to provide input in respect of the nominated site at Wadalba East. At the meeting with the Minister held on the 13 February 2012 and attended by the Director, EP&S, the Minister advised that as part of the process going forward Council's would be further consulted. In particular, the Director General of Premier and Cabinet will oversee the final review of the land owner nominated sites and as part of the Review Committee make representations to State government regarding those proposals that should be endorsed. The Director General of DoPI has now given an undertaking that where the recommendation of the Review Committee differs from the opinion of the relevant Council, Council will be invited to address the Review Committee in person.

During the same meeting with the Minister and Director General of DoPI a question was raised regarding whether the rezoning process for nominated sites would be undertaken by the Department or by Council. The Director General advised that he was open to a request from Council to undertake the rezoning process. He also advised that the process would follow all current statutory requirements particularly those relating to public exhibition.

Should Council resolve to support the Master Planning of the Wadalba East Precinct being brought forward it is recommended that Council advise DoPI that it wishes to be responsible for the rezoning process and that such process incorporate appropriate community engagement.

GOVERNANCE AND POLICY IMPLICATIONS

Council's draft Wyong Shire Settlement Strategy and the NSW State Government's draft North Wyong Shire Structure (NWSSP) incorporates the development staging of land within the medium and long term categories. This is particularly important for land in the 'medium term' category in the draft NWSSP. There is a considerable amount of land falling into this category and it is not practicable that all land is released and serviced at the same time. Therefore Council's draft Settlement Strategy proposes that development precincts identified as 'medium term' be divided into five priority categories.

In accordance with existing state government policies, Council's staging strategy in the draft Settlement Strategy seeks to prioritise the release of land in the 'medium' term by releasing land which is in close proximity to WTC before releasing land in fringe locations which require significant infrastructure provision to service new development. This is particularly relevant to ensure consistency with the CCRS which states the majority of future greenfield development is to be concentrated around WTC and the WEZ.

The proposed rezoning is identified as Precincts 2A, 2B, 3A and 3B in the NSW Government's dNWSSP. This document is expected to be finalised by the NSW State Government before the end of 2012. The dNWSSP is identified as being suitable for residential development in the medium term (meaning that it is expected to be released before 2020). The early release of land known as Wadalba East as "short term" priority is inconsistent with the current "medium term" priority outlined in the dNWSSP.

Due to the large amount of land falling into the "medium" term category Council's draft Settlement Strategy has sought to stage the release of land to coincide with infrastructure servicing plans, timing of underground mining and supply/demand consideration for the local residential housing market. This is particularly important as there is a considerable amount of land falling into this category and it is not practicable or financially viable for all land to be released and serviced at the same time.

MATERIAL RISKS AND ISSUES

Please refer to discussion on infrastructure provision and costs earlier in this report.

CONCLUSION

This report has been prepared to determine Council's position on the land owner nominated site within Wyong Shire which is located in Wadalba East. Council should note that the Wadalba East site is currently identified as Precinct 8B and 8C within Council's existing planning documents and is already included in Council's Residential Development Strategy (RDS) to commence master planning in the medium term. Therefore, master planning of these precincts would be able to commence following completion of Precinct 7A.

2.4 Department of Planning and Infrastructure - Potential Home Sites Program (contd)

It is recommended that Council advise DoPI that it is prepared to support the identification of the Wadalba East Precinct as part of the Potential Home Sites Program subject to the resolution of a number of issues, specifically the provision and funding of infrastructure, a requirement on the proponents to ensure that the land is released within the short term and confirmation that the management of the rezoning process will be the responsibility of Council.

ATTACHMENTS

1	Objectives and Matters for Consideration in the Review of Potential Housing Opportunities	D02917606
2	Review of Potential Housing Sites	D02917615
3	Locality Plan	D02917723
4	Constraints affecting Land within Precincts 8b & 8c - Aerial View	D02917725
5	Submission from ADW Johnson to the Department of Planning and Infrastructure	D02919774



Objectives and matters for consideration in the review of potential housing opportunities

1. Housing delivery

Objective: To identify sites which are suitable for urban development and have viable prospects to produce houses in the short term.

Matters for consideration:

- physical and environmental capability of the land for urban development
- importance of the land for food production, mineral resource extraction, employment purposes and city-shaping infrastructure (eg ports and airports)
- lead times associated with investigating the land, rezoning and providing enabling infrastructure
- views of the local council
- likelihood houses will be built within three years taking into account landownership patterns, planning processes and demand

2. Infrastructure

Objective: To provide infrastructure and services for new communities in a timely and efficient manner at no additional cost to Government¹.

Matters for consideration

- willingness and capacity of the landowner to finance the planning and infrastructure associated with delivery of the housing
- availability of enabling infrastructure, capacity of regional transport networks and accessibility of human services
- capital and recurrent costs to state and local government of providing infrastructure and services
- impact on existing government infrastructure investment and commitments to other areas

3. Strategic setting

Objective: To support the broad planned pattern of growth and urban policies.

Matters for consideration:

- consistency with local, state and national strategies, plans and policies
- accessibility and liveability
- cumulative implications

¹ No additional cost to Government may be achieved through either reprioritising of existing capital programs or developer funding.

Review of Potential Housing Sites

How are councils and local communities being consulted about this review?

Consultation with local councils is an integral part of this review.

Local councils were first informed about this process in November and received the housing site nominations in early December. Councils were originally given until 3 February 2012 to respond, but this has now been extended until as soon as possible after a council's first meeting in February, to provide each council the opportunity to consider the proposals.

Submissions from councils will be taken into account as an integral part of the assessment process. Councils will continue to be consulted throughout the process and will be involved in any rezoning of sites that proceed, which will include detailed community consultation.

How is infrastructure capacity considered in the review process?

No land will be released for housing unless sufficient infrastructure and services can be provided to support it at no additional cost to taxpayers. Relevant local and State infrastructure agencies will be closely consulted to assess any additional demands as a result of the proposal.

Why has the government called for expressions of interest from landowners?

The State's housing production is at historic lows. This has a major impact on affordability and our community's quality of life. Sydney needs a minimum of 25,000 additional dwellings per year. We barely produce 14,000 per year currently – the lowest per capita of any state in Australia. The high cost of housing is a major factor affecting people's cost of living.

As such, the review of potential housing sites is taking place, as part of a wider NSW Government aim to seek additional well-planned and serviced

housing. The process will be transparent and consultative.

How did the expressions of interest take place and what properties did it cover?

The Minister for Planning and Infrastructure, Brad Hazzard, made a public call for interested landowners in August 2011 to come forward with proposals for housing on sites of 100 hectares or more, which can provide their own infrastructure or utilise existing infrastructure. Landowners were required to submit their proposals to the Department of Planning and Infrastructure by 29 November 2011.

The concept behind the expressions of interest was to discover which large landowners had the ability to begin dwelling construction in a short timeframe.

The review does not cover rural living, environmental living or employment, retail or other non-residential use proposals. Preferably, sites will be able to produce houses within the next three years. Some 43 sites were nominated and these were made available on the department's website in January 2012.

Who will consider the expressions of interest and what criteria will be used in this process?

A Chief Executive Officers' Review Committee (CEOs Review Committee) has been established to oversee the review, chaired by the Director-General of the Department of Premier and Cabinet. The committee also includes the heads of Planning and Infrastructure, Finance and Services, and Treasury agencies.

The following stages will apply to the review process:

- Initial review of adequacy (to ensure nominated sites meet basic tests in terms of site size and detailed information)
- Evaluation by inter-departmental group of senior officers, in accordance with published criteria and taking into account council submissions

Frequently Asked Questions

- Government consideration by CEOs Review Committee, reporting to the Cabinet Taskforce on Housing Supply
- Cabinet Taskforce on Housing Supply makes a decision, followed by a public announcement

The key matters for consideration in the evaluation process have been released on the department's website.

The process is subject to a probity plan and decisions will undergo a probity audit.

What criteria are used to assess nominated sites?

The assessment criteria have been posted on the department's website. The key issues are:

- The ability to provide housing in the short/mid-term
- Infrastructure and services must be available or made available to support development
- The strategic and locality context must justify residential development

What steps will typically be required before the sites are released for housing?

The land release process is outlined below under "Summary of Key Steps".

The sites are at various stages in the planning process. Some have never been considered for residential release, while others have been earmarked for future urban uses but not rezoned. The CEOs Review Committee and Cabinet Taskforce on Housing Supply must decide if some sites have the potential to be advanced in the planning process and how this will occur.

The Cabinet Taskforce on Housing Supply includes the Ministers for Planning and Infrastructure (chair), Roads and Ports, Finance and Services, Local Government and the Environment.

These groups are supported by a working group of senior officers from a range of State agencies with planning and infrastructure responsibilities.

Is the process limited to greenfield land release or does it also include possible infill development?

The nominated sites include both greenfield and infill development proposals.

What sort of public consultation will occur in regard to these sites?

This is the initial stage in the process – to decide whether a site should be released to commence planning. If rezonings are proposed for any of the sites, these will be exhibited and public consultation sought.

Councils will be responsible for assessing development applications after any rezoning. Development applications will be determined by the council or a Joint Regional Planning Panel (which includes council representatives), depending on the application.

How will the government ensure appropriate local infrastructure is provided to these developments?

If sites progress to planning, Government will work with councils to plan for the necessary local infrastructure to support the possible development. The need for local facilities will be assessed as part of any rezoning process. The way these facilities would be processed would be determined as part of that process.

How will people be kept up to date?

Outcomes from the process will be made available on the department's website.

What probity safeguards are in place?

An evaluation and probity plan has been prepared to guide this process. This will be sent to the Independent Commission Against Corruption for advice. A probity auditor will oversee the process.

All nominees have been asked to declare reportable political donations. More information on reportable political donations can be found at www.planning.nsw.gov.au/Development/Donationandgiftdisclosure/tabid/209/language/en-US/Default.aspx

What is the Government doing to ensure that valuable farming land is preserved?

The government will consider a site's importance for food production, mineral resource extraction, employment potential and its need for infrastructure as part of the detailed planning process, if a site proceeds to that stage.

Why is the Government looking at additional sites when land is already rezoned for housing in the Growth Centres?

Frequently Asked Questions

The Growth Centres, with potential for 180,000 new homes over 25 years, will continue to provide the bulk of Sydney's greenfield housing.

However, the Growth Centres concentrate potential home sites in just two areas – Sydney's north west and south west. The Government wants to ensure a wide variety of home sites is available for potential buyers in a range of markets in a timely manner.

SUMMARY OF KEY STEPS

1. Land release

- Local councils have been invited to submit their views on the nominated site(s) within their locality at the early stage. Councils' submissions are due as soon as possible after each council's February meeting. Councils were invited to provide submissions in December.
- An inter-departmental group of senior officers will undertake an assessment of each site against the criteria published on the department's website. Council views are also key considerations for the inter-departmental group
- The assessment will also be undertaken in accordance with a probity plan
- The senior officers' recommendations will be submitted to the Chief Executives group, chaired by the Director-General of the Department of Premier and Cabinet. Each submission and recommendation from that group will be accompanied by a probity audit and submitted to the cabinet committee on housing supply who will make the decision whether the site should be released

2. Land rezoning

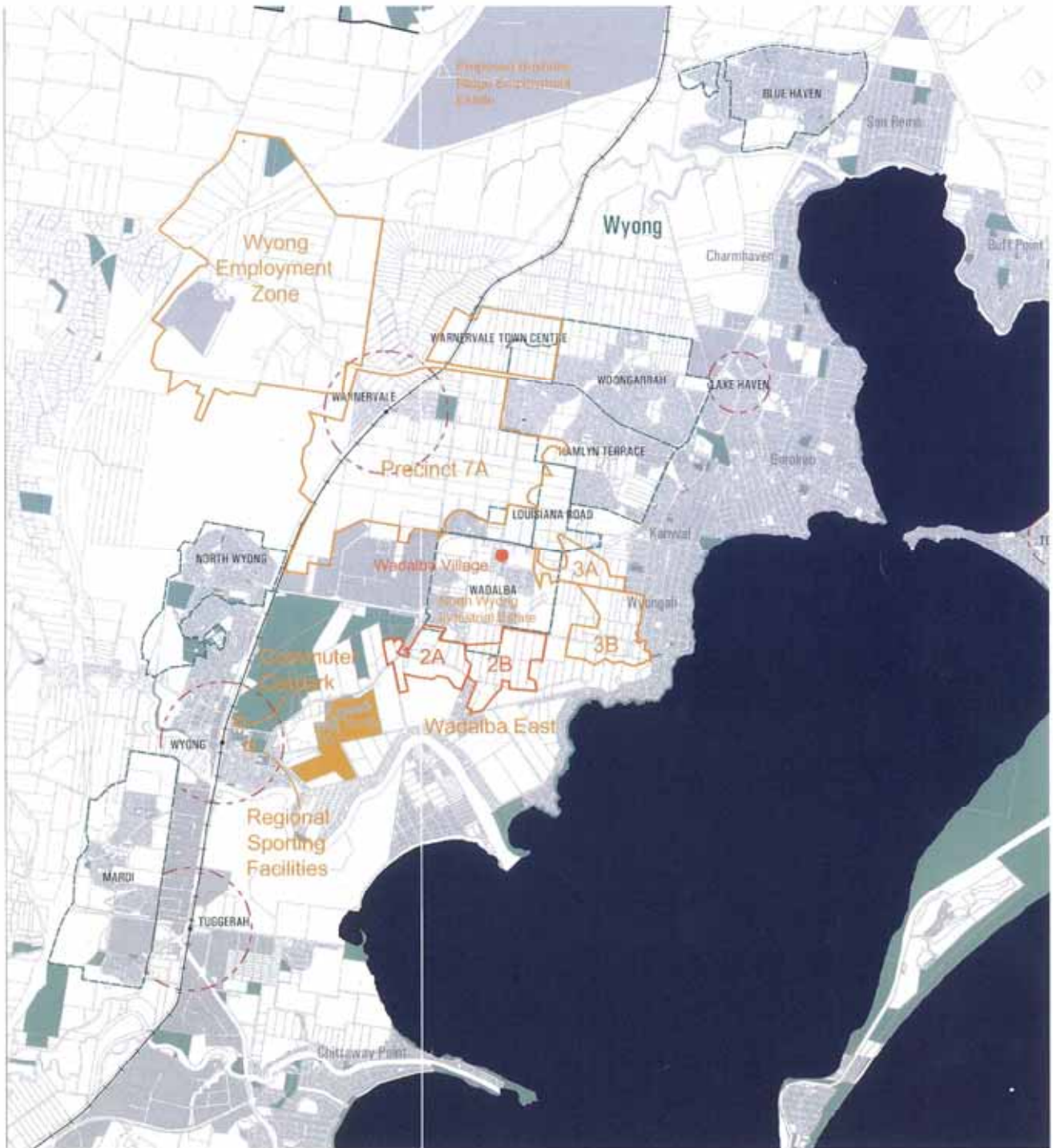
- Site(s) recommended for release will be proposed to the relevant local council for rezoning. Existing provisions under the Environmental Planning and Assessment (EP&A Act) Act will be used for rezoning. State and local government will work together to progress the rezoning.

- Any rezoning proposals will be subject to public exhibition and community participation processes as per the provisions of the EP&A Act.

3. Development assessment

- New residential developments are generally no longer assessed by the Department of Planning and Infrastructure, following the repeal of Part 3A of the EP&A Act in May 2011.
- Any applications for residential development will be assessed by the local council and determined either by council or the Joint Regional Planning Panel.

For further information, please contact landreview@planning.nsw.gov.au







Our Ref: 180121 CS/IM/LDW
Your Ref: 10/17897

29 November 2011

Mr Sam Haddad
Director General
NSW Department of Planning and Infrastructure
GPO Box 39
SYDNEY NSW 2001

Attention: Andrew Jackson, Executive Director, Strategies & Infrastructure Planning

Dear Mr Haddad

**Wadalba East –Owners Lobby Group
Precincts 2A, 2B & 3B of the Draft North Wyong Shire Structure Plan**

I refer to your letter dated 26th October 2011 inviting the Wadalba East Owners Lobby Group to provide further information to support their submission for the early release of land to deliver new housing opportunities. The following information is provided by ADW Johnson on behalf of Wadalba East Owners Lobby Group for the Department of Planning and Infrastructure's consideration.

The site is well advanced in terms of the overall land release process but has been delayed by the failure to achieve the key rezoning step despite a range of physical advantages and long term strategic recognition of the areas value for housing.

In terms of the overall release process (as identified in the Metropolitan Development Strategy (MDP));

- 1 The decision to urbanise has been made with the area recognised in a range of strategic planning documents.
- 2 Rezoning - has not occurred as the process has been delayed by Wyong Council priorities despite the documented suitability and capability of the land.
- 3 Servicing is largely in place with trunk and lead in infrastructure to the area boundary, the area also has substantial locational benefits with regard to social and economic infrastructure such as education, health, retail, recreation and transport.
- 4 Subdivision of the land has already been investigated with preliminary layouts and master planning completed.
- 5 Despite fragmented ownership, land owners are organised and a substantial number have agreed to funding of the development process.
- 6 Marketing preliminaries have commenced with likely demand, price points and likely demographics under ongoing investigation and monitoring.

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The missing link in the development process is the rezoning.

STRATEGIC PLANNING CONTEXT

The site ideally located for an urban land release in that the subject land is located close to the Wyong town centre, rail and civic hub, close to the Wadalba town centre and in close proximity to the recreational opportunities of Tuggerah Lake and Coastal beaches.

The proposal is consistent with the intentions of the Central Coast Regional Strategy and (except for timing) the Draft North Wyong Structure Plan. Consideration has been given to flood affected areas and nominated conservation lands in the developing the proposal, consistent with the intentions of the strategic documents.

A detailed analysis of the strategic documents applicable to the land and details how the proposal will contribute to realising the strategic intentions of these local regional and State strategies and policies is provided as Attachment 1.

THE NEED FOR EARLY RELEASE

The need for additional housing stock, particularly that which will provide 'affordable' housing is well recognised by all levels of Government.

Precincts 2A, 2B & 3B of the Draft North Wyong Shire Structure Plan offers 'greenfield' land development opportunity, for an area that is adjacent to established urban areas and within close proximity to key services and infrastructure.

Benefits from early release of the Precincts include;

REASON	COMMENTS
<p>Provides diversity</p>	<p>Early release of Precincts 2A, 2b & 3B will provide diversity in the residential market.</p> <p>Council is currently focusing attention towards release of the Warnervale Town Centre and Precinct 7A, wherein both Precincts offer a significant proportion of medium-high density residential development. It is anticipated that future selling prices within these Precincts will be at a premium to existing residential stock in the Wadalba release area, as developers seek to recover higher lead in costs, and higher developer contributions.</p> <p>By comparison, it is intended that Precincts 2A, 2b & 3B will provide a variety in lot sizes, generally ranging from small lot (300m² - 350m²), with a majority in the 400m² - 550 m² range, and balance of larger lots. Opportunity will exist for medium density development.</p>



	<p>It is anticipated that selling prices will be comparable to existing Wadalba land stock, with a price of vacant land \$160,000-\$170,000 and house land packages in the low \$300,000's.</p> <p>People need to have choice when buying land to build their dream home: on lot size, shape, aspect, slope for house type variation, and most important location, convenience to certain facilities, schools, shopping centres, freeways, industrial areas etc.</p>
<p>Ensure future supply</p>	<p>Early release will ensure future adequate supply of appropriately zoned and serviced residential land. This provides stability in land prices. Historically, supply of appropriate zoned and serviced land has been over-controlled, resulting in upward pressure on prices, particularly when the residential market 'heats up' (which it will again). This was evidenced by the pressure on land prices from 2003 to 2005.</p> <p>Council's current land supply strategy is heavily weighted towards the Warnervale Town Centre and Precinct 7A. In relation to the WTC, a number of matters are yet to be resolved (including the provision of a major intersection with Sparks Road having a construction estimate of \$8M-\$12M). Supply (and price) is also at risk where there are only limited land developers.</p> <p>It is also important to consider lead-in times affecting land supply, included initial site assessment, approval process, and provision of major infrastructure.</p> <p>It should be noted that available vacant land in the locality is limited, despite Council's estimate of there being sufficient zoned land. Much of this land is in fact unavailable to the market for a number of reasons including;</p> <ul style="list-style-type: none"> o 'Land locked' parcels requiring adjacent development to occur before services become available; o Willingness of the landowner to proceed and/or unrealistic expectations on land value; o Zoned residential land unable to be developed due to site constraints- e.g. some land within the Wadalba Wildlife Corridor, low lying or flood prone land; o Residential land occupied or intended for non residential uses e.g. - Wadalba community School, land occupied by the Dam Hotel, land owned by a subsidiary of Woolworths Ltd, land utilised for major electricity substation, drainage easements etc.



Economic injection (particularly for Wyong CBD)	<p>Development of the land will provide a much need boost to the ailing Wyong CBD. The CBD was once the centre for retail and commercial trade, but has suffered over the year as Westfields Tuggerah, Lakehaven shopping centre and other developments have come online.</p> <p>Wyong Council and other agencies are making significant efforts to reinvigorate the Wyong CBD as a civic cultural and commercial hub, with a number of initiatives including;</p> <ul style="list-style-type: none"> • Wyong Civic and Cultural Precinct Master plan • Art House (budget \$24M) <p>This is in addition to recent expenditure on the new Regional Police headquarters (\$14.6M), and new commuter carpark (\$5.9M).</p> <p>Development of Precincts 2A,2B & 3B will also provide significant economic injection to the broader region.</p>
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SURROUNDING COMMUNITY FACILITIES & SERVICES

The subject land is located approximately 3km east of the Wyong CBD, and adjacent to the Wadalba urban release area and established village of Karwal.

There is a large range of existing community services and infrastructure located within close proximity to the site, as indicated within Attachment 2a (Site Location Plan) and 2b (modified MDP plan). A summary is provided in the following table.

WITHIN 1 KM
Wyong Hospital (including emergency department)
Wyong Health & medical centres
Three public (primary) schools
One high school
Three existing and one approved aged care facilities
The Wyong Regional Sporting Complex
Two golf courses
Wadalba village which includes a Coles supermarket and recent development approval for a new health services facility and additional commercial/retail space
North Wyong Industrial Estate
Tuggerah Lakes and foreshore reserve offering a variety of recreational opportunities.
The Wyong Retail Strategy, Wyong Shire Council, 2007 - recommends 5000m ² additional commercial area in Wabalba East by 2016



WITHIN 4 KM	
	Wyong CBD, offering an array of retail, commercial and support services
	Kanwal shopping village
	Two additional high schools
	Police, Ambulance and Fire Departments
	Baker Park Sporting Precinct comprising oval, regional netball courts, olympic pool, tennis courts
	Wyong Railway Station with bus/rail interchange facility
	Various sporting, social and service clubs
WITHIN 8 KM	
	Westfields Tuggerah shopping complex
	Lakehaven shopping complex
	Tuggerah industrial area
	Charmhaven industrial area
	Tuggerah Business Park
	Tuggerah Supa Centre
	F3 Freeway
	Warnervale airport
	Additional sporting, social and service clubs

Other recent major community infrastructure investments in the immediate area include;

- A new Wyong commuter carpark (\$5.9M),
- A new Wyong Police station (\$14.6M),
- The proposed Wyong Art House performing arts and conference centre(\$24M).
- Revitalizing on the Wyong Civic & Cultural Precinct.

Essential Infrastructure

Water & Sewer

Having long been recognised as a future housing development area the essential infrastructure networks and capacity are largely in place. Vital components such as lead in sewer carrier mains and water reservoirs are in place. The results of preliminary investigations are provided as Attachment 3a, with concept service plans provided as Attachment 3b.

In relation to long term water security, work has just been completed on a \$120M "missing link" water pipeline, connecting the catchments of Wyong River to the main Coast water storage at Mangrove.

Electricity

Preliminary discussions have been held with the local energy provider, Ausgrid, regarding the potential for servicing the proposed development with electricity infrastructure. Ausgrid representatives confirmed that due to the rural nature of the current area and therefore



sparse population, the existing electrical infrastructure is minimal. Substantial upgrades of the electricity system would be required (as with any residential development), however it is understood that the surrounding electricity grid can support the additional load from the new development with the upgrade to the new infrastructure

Roads

Access roads are in place but will require upgrading. The access links to services are provided by the existing road networks. Future traffic is likely to be dispersed in a number of directions lessening the immediate impacts and upgrade requirements to the local road network.

SITE PLANNING

Site master planning is well progressed.

Constraints mapping (Attachment 4), structure planning at the area scale completed and potential subdivision layouts and yields identified.

The major constraints are the conservation corridor and flooding. A small area has slopes in excess of 20%. Otherwise the land is largely unconstrained being semi rural land occupied for housing at very low densities. The land is almost fully cleared, apart from the conservation corridor, and is unlikely to have residual conservation values.

The Concept Master Plan Attachment 5 provides for protection of conservation values and continuity of urban structure with existing settled areas.

There is an estimated 171 ha of land not affected by constraints. Note that this does not include existing roads. The yield from this area is estimated at between 1700 lots and 2050 lots. Due to the topographic advantages of the area, smaller lot Torrens title subdivision will be possible down to 300m². There is considerable potential for delivery of lots to a large market base. As a result it will be possible to broaden housing access for the lower and very price sensitive market segment.

READINESS TO PROCEED

There are approximately 80 land owners over the Wadalba East area as detailed in Attachment 6. There has also been a cost allocations scheme for owners established on the basis of likely yield. Should individuals not wish to proceed then they can be removed from the process and costs reassigned. A draft copy is provided as Attachment 7a, with NDA plan provided as Attachment 7b.

A system of either cash or bank guarantee has been arranged so there is flexibility for individual owners.

The system developed for the land owners has operated successfully to date providing funds for area planning. The individual owners are organised and operating cooperatively. The owners have sought and commissioned expert assistance in their dealings. There has been accurate costing of necessary studies (refer 'Discussion Paper' at Attachment 8) and



consultation with Wyong Council in determining the information required to facilitate the development processes for their land. A core group of the larger land owners are prepared to secure the necessary upfront funding.

In particular the understanding of likely costs and the established funding mechanism have anticipated what can be substantial process blockages. The owners are seeking some certainty of process, such as a clear commitment from authorities to a rezoning process, before proceeding to the studies.

The time taken for a rezoning, once there is a decision is to proceed, would normally be up to two years. The main delay with studies is usually the timing of ecological surveys which need to cover relevant flowering and activity periods for a range of threatened species. From rezoning approval, delivery of lots could commence as soon as 12 months as there are no known infrastructure problems.

It is anticipated that development would occur from Precinct 2A, then proceed easterly into Precinct 2B then 3B, consistent with the concept masterplan and water and sewer servicing strategy. The rate of lot release would ultimately depend on market demand. Detailed staging plans can be developed as required.

CONCLUSION

Wadalba East is a recognised greenfields site with significant yield capability.

As a greenfields site it has significant advantages including:

- o Strategic identification for residential release at State, Regional and local levels;
- o Approximately 171 ha of constraints free land, yielding approximately 124ha NDA;
- o Established road connections;
- o Lead in infrastructure completed;
- o A location that is more infill than greenfields due to nearby services;
- o Proximity to a full range of community facilities and recreational opportunities;
- o Proximity to a range of facilities of regional standard;
- o The capacity to both support and benefit from the nearby Wyong civic hub; and
- o Ready access to rail, Wyong station is less than 3 km from the area and has all day parking capacity.

In particular the proximity to Wyong will be of benefit to future residents. Wyong provides a range of regional level services which will increase in future. In return Wyong will benefit socially and economically from the increased patronage generated by the proposed subdivision.

The land is likely to be able to meet a broad range of housing needs and provide a range of lot sizes. In comparison with other land identified for release in the Wyong LGA the area is both more ready and more likely to cater for a broader market spectrum. The rezoning of the land is not however a Wyong Council priority despite it's readiness.

There appear to be few constraints to subdivision of the land. When considered against the MDP steps the land is, apart from the rezoning step, in a high state of preparedness. A decision to pursue a rezoning will bring release and subdivision forward. The costings of the



rezoning include professional, and administrative assistance for Wyong Council.

Despite there being a considerable area of residentially zoned land available in Wyong there are problems. The capacity of existing zoned, and often subdivided, land to meet approval and housing market demands is limited. What appears to be a healthy availability of land does not pass closer scrutiny.

The assistance of the Department is sought in facilitating the rezoning of the land. We would be happy to discuss the matter and /or provide further or more detailed information should this be required.

Yours faithfully,

Chris Smith
Senior Planner
ADW JOHNSON
Central Coast



Attachment 1

Strategic Planning Context



ATTACHMENT 1 STRATEGIC PLANNING CONTEXT

Central Coast Regional Strategy

The Central Coast Regional Strategy establishes the necessary planning framework to deliver a prosperous and sustainable future for the region and contains policies and actions designed to cater for the region's projected housing and employment growth over the period to 2031.

The Central Coast Regional Strategy estimates that 70% of the future residential growth to 2031 is forecast to occur in the Wyong Local Government Area. To accommodate this growth the Central Coast Regional Strategy estimates that 56,000 new dwellings will need to be provided with 40,000 new homes to be located in centres and existing urban areas. The subject site is located in the Wyong Local Government Area, surrounding the Wadalba town centre and within close proximity to Tuggerah Lake. The site is ideally located to provide housing in areas with good access to existing urban areas and existing employment lands, which will assist in realising the aims of the Central Coast Regional Strategy.

The Central Coast Regional Strategy aligns strongly with the Draft North Wyong Structure Plan and the site is identified in the Central Coast Regional Strategy as being within the North Wyong Structure Plan.

The following image is an excerpt from the Central Coast Regional Strategy and shows the site.



Figure 1 – Extract from Central Coast Regional Strategy



Draft North Wyong Structure Plan (DNWSP)

The DNWSP is a proposed strategic planning framework to implement the Regional Strategy and guide future local planning. The Regional Strategy identifies that the Structure Plan area will accommodate the majority of the region's new greenfield development to 2031. The structure plan includes consideration of the key environmental, social and economic issues including flooding, sea level rise and groundwater; biodiversity; mineral resources; heritage; housing; employment; transport; utilities; human services; and agriculture.

The DNWSP talks about Net Development Area and nominates 21 potential development precincts. The site is identified as being located within development precincts 2A, 2B, 3A & 3B, as shown in the extract below. The Structure Plan identifies sufficient land for an additional 12,250 dwellings in greenfield locations, i.e. locations not already zoned for residential uses. The DNWSP nominates a density of 15 dwellings per hectare for each potential development precinct, which could be achieved on the subject site.

The DNWSP also identifies a portion of subject site as being located within a conservation corridor. Allowance for this conservation corridor has been made in the planning for the site.

The East Wadalba precincts will contribute to the realizing of the aims of the DNWSP. The following image is an extract from the Draft North Wyong Structure Plan and shows the site in the context of the draft Plan.

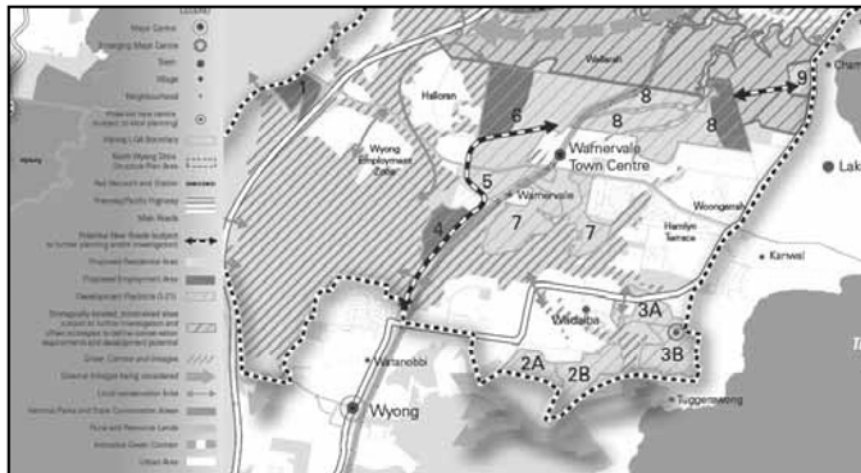


Figure 2 - Extract from the Draft North Wyong Structure Plan.



Climate Change and Flooding

In December 2009, Wyong Council considered a staff recommendation to exhibit a draft Climate Change Policy. The policy was designed to address the complexity of issues and risks facing the Community regarding the impacts of climate change. These included sea level rise, bushfire, human health implications and natural resource management.

As such, Council is considering a range of floodplain management measures to manage the existing and future flood risk to this area. Flooding and climate change constraints for the area have been mapped based on this work.

No development is proposed on the flood affected land. The extent of flood affected land is shown in attachment s 4 & 5.

NSW State Plan 2021

The NSW State Goals 2021 is a 10 year plan to rebuild the economy, return quality services, renovate infrastructure, restore accountability to government, and strengthen our local environment and communities.

This plan sets immediate priorities for action and guides NSW Government resource allocation in conjunction with the NSW Budget. Agencies will identify cost-effective initiatives to achieve the goals and targets within the plan.

The NSW State Plan 2021 includes 32 Goals including:

- Build liveable centres;
- Protect our natural environment;
- Enhance cultural, creative, sporting and recreation opportunities;
- Restore confidence and integrity in the planning system;
- Involve the community in decision making on government policy, services and projects.

The proposal is generally consistent with the NSW state goals. In particular the proposal is consistent with goal 20 in that the proposal will contribute to creating a liveable centres, the proposal will create housing that will support the local Wadalba town centre and create living opportunities close to existing urban infrastructure and services and with access to employment lands. The proposal is also particularly consistent with the Goal 22 in that the design of the proposal has taken into consideration the nominated conservation areas and these lands are proposed to be maintained.

Metropolitan Development Program

The MDP is the Government's key program for tracking and managing housing supply and covers major infill sites in existing urban areas as well as the release of land not previously urbanized.



The MDP (p226) has a table of green field release areas for Wyong LGA. Wadalba is identified as having potential for 879 lots with 822 zoned and serviced. This is adjoining land not the subject site as identified in the DNWSP. For a range of reasons this zoned and/or serviced land is not progressing to sales so the MDP is misleading as to the local market situation.

The MDP identifies a potential 2,200 lots for Warnervale Town Centre. There are substantial infrastructure issues associated with Warnervale that again are misleading when the likely timing of release is considered. Additionally the Warnervale land is likely to be released at substantially higher price point that will be achieved in East Wadalba.

Wyong Residential Development Strategy 2002

The Wyong Residential Development Strategy provides a comprehensive strategy to guide residential development which will increase the quality and diversity of development in Wyong Shire; and plan for residential development which is environmentally, economically and socially sustainable in both the local and regional context.

The subject land is identified in the Residential Development Strategy as precincts 8b and 8c. The Residential Development Strategy nominates a total of 1512 lots for precinct 8b at a rate of 13 dwellings per hectare and a total of 2020 lots for precinct 8c at a rate of 12 dwellings per hectare. The identified yields do not provide for conservation outcomes.

Wyong LEP 1991

The subject land is zoned 10a Investigation and 7c Scenic Protection. For residential development to proceed as foreshadowed by the various strategic documents the zoning needs to change.

Wyong LEP 2012

It is anticipated that Wyong Council will exhibit Draft LEP 2012 in early 2012. It is understood that Council's revised Settlement Strategy will be exhibited concurrently with the Draft LEP.