

**GR4 – Reviewing the Wollondilly Growth Management Strategy 2011**

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**EXECUTIVE SUMMARY**

- The purpose of this report is to review the relevance of the *Wollondilly Growth Management Strategy 2011* as a strategic land use planning document for Wollondilly for the assessment of new planning proposals, in the short term.
- The policy context has changed significantly since the Growth Management Strategy was adopted by Council in 2011 with a number of 'game changing' considerations.
- The growth targets within the Wollondilly GMS 2011 for a 20 to 25 year plan period are already expected to be met through growth already committed through rezoned land or planning proposals with a Gateway determination.
- It is recommended that:
  - Council place a pause on housing growth pending a comprehensive review of Wollondilly's growth needs.
  - A comprehensive review of Council's strategic planning framework occur which involves the preparation of a Housing Strategy and a Local Strategic Planning Statement as a minimum.
  - Council write to the Greater Sydney Commission and seek further clarification on "local" growth and what data is to be counted in terms of the 'housing target' set in the Western City District Plan.

**REPORT**

The *Wollondilly Growth Management Strategy 2011* (Wollondilly GMS 2011) was adopted by Council on 21 February 2011. The GMS 2011 is a policy document with associated mapping which contains key directions and principles to guide Council decisions on growth. It has a 20-25 year timeframe in strategic planning terms looking to 2036.

The Wollondilly GMS 2011 has a range of aims:

- To outline clear policy directions on growth issues
- To achieve a long-term sound and sustainable approach to how this Shire develops and changes into the future
- To inform Council decisions and priorities regarding services delivery and infrastructure provision
- To provide Council and the community with a strategic framework against which to consider planning proposals
- To provide direction and leadership to the community on growth matters
- To assist in advocating for better infrastructure and services.

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- To provide our strategy/response for how Council at that time saw the State Government's Metropolitan and subregional planning strategies being implemented at the local level.

The pressure for growth in Wollondilly is ever present and so the need for a policy to manage growth remains relevant. As with any long term planning document it was always envisaged that the Wollondilly GMS 2011 would need periodic review to update the policy directions and details over time.

The Wollondilly GMS 2011 has now been in place for over seven years and it is appropriate to take stock of the growth to date and the changing policy context.

The following key considerations are relevant:

- Realisation of growth targets in the Wollondilly GMS 2011
- Release of the Sydney Region Plan and Western City District Plan
- Metropolitan Rural Area
- Wilton Priority Growth Area
- Greater Macarthur Priority Growth Area
- Amendments to the Environmental Planning and Assessment Act 1979
- Western Sydney City Deal
- Limited Wastewater Capacity
- Notice of Motion 5 – (Council Ordinary Meeting 21 May 2018) regarding the Low Rise Medium Density Code.

**Realisation of Growth Targets in the Wollondilly GMS 2011**

The Wollondilly GMS 2011 was prepared on an identified need for 7,500 new houses over the plan period (20-25 years) in order to house approximately 20,000 more residents in the Shire.

To ensure an effective land supply for housing, an element of flexibility was included to account for market variations as well as unknown and uncontrollable development constraints and changes. Consequently, the housing targets include a +2,500 contingency above the 7,500 anticipated to actually be needed to accommodate healthy population growth. The Wollondilly GMS 2011 housing targets were based on a broad figure for over 10,000 houses.

A table is provided at Attachment 1 which provides a comparison with the distribution of housing targets taken from page 52 of the Wollondilly GMS 2011, to the current position in terms of planned growth and actual lots and dwellings on the ground.

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Attachment 1 indicates that, based on actual growth and planning proposals in the system (post Gateway determination), the housing targets are due to be exceeded for Warragamba / Silverdale, The Oaks / Oakdale and Picton/Tahmoor/Thirlmere. The target for Macarthur South is no longer relevant given the designation of Wilton as a Priority Growth Area.

The only area not meeting the target is Bargo where there is a shortfall of 1,627 houses. This target is unlikely to be achieved in short to medium term due to limited sewer capacity and proposed underground mining until 2038.

Since adoption of the Wollondilly GMS 2011 approximately 8,545 lots have been planned through land already rezoned and planning proposals currently being progressed which have a Gateway Determination.

**Release of the Sydney Region Plan and Western City District Plan**

The Greater Sydney Commission's *A Metropolis of Three Cities - the Greater Sydney Region Plan* and the *Western City District Plan* were finalised by the Greater Sydney Commission in March 2018. These 20-year plans are a bridge between regional and local planning. They inform local environmental plans, community strategic plans and the assessment of planning proposals.

There are over 100 actions between these plans, many of which are relevant to Wollondilly. Of particular relevance, in the context of this report are the requirement to prepare a local or district housing strategy to identify 6-10 year housing targets and undertake a local environmental plan review.

These plans also provide direction on the role of the Metropolitan Rural Area.

**Metropolitan Rural Area (MRA)**

The concept of the Metropolitan Rural Area was introduced by *A Plan for Growing Sydney* which was the region plan for the Greater Sydney area prior to the current *A Metropolis of Three Cities*.

*A Plan for Growing Sydney* was relatively silent on the issue of housing growth and the Metropolitan Rural Area. By comparison, the current region plan, *A Metropolis of Three Cities*, has taken a much stronger stance. For example, the Metropolitan Rural Area is a core spatial element now shown on high level mapping throughout the document. The Region plan also includes statements stating that "*urban development is not consistent with the values of the Metropolitan Rural Area*" and "*further rural-residential development in the Metropolitan Rural Area is generally not supported*". A table is provided at Attachment 2 which identifies all the relevant Objectives, Strategies, Planning Priorities and Actions to the Metropolitan Rural Area taken from the Region and District Plan.

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Up until the finalised Region and District Plan, the Metropolitan Rural Area had encompassed all of Wollondilly local government area. The finalised plans have excluded the Wilton Priority Growth Area and the Greater Macarthur Growth area (which includes Appin) from the Metropolitan Rural Area.

In terms of Appin, it is noted that although it the Region Plan identifies it as part of the Greater Macarthur Growth Area there has been no announcement from the NSW Department of Planning & Environment on this area and the final boundary.

Earlier this year, Council wrote to the Greater Sydney Commission to request advice on how to apply provisions for the Metropolitan Rural Area for existing Planning Proposals at an advanced stage. A response was received in May 2018 and is provided at Attachment 3. Although advice was sought on Planning Proposals at an advanced stage and this report is considering the assessment of new planning proposals the advice is general in nature and is still relevant.

The advice states that the "*Western City District Plan is clear that towns and villages in the Metropolitan Rural Area will not play a role in meeting regional or district scale demand for residential growth*".

The District Plan also sets minimum housing targets for the short term to meet the District's dwelling needs. For Wollondilly the 0-5 year housing supply target is 1,550. Both the Commission's letter and the District Plan make the distinction between "local" and "district" growth.

One approach in determining "local growth" would be to define this as growth which does not trigger a need to help fund state or regional infrastructure. The NSW Department of Planning and Environment identifies Planning Proposals of a certain scale for inclusion on the Urban Release Area Map which forms part of the *Wollondilly Local Environmental Plan 2011*. This effectively enables the NSW Government to levy Special Infrastructure Contributions. A Special Infrastructure Contribution is a financial contribution paid during the development process to help fund regional infrastructure required to support a growing population. While there is no published figure, it is understood the threshold for Urban Release Areas is approximately 150 lots.

This interpretation would mean any planning proposal with an estimated lot yield of 150 lots or more would not be considered as "local growth".

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In light of the Commission's letter and the housing target aim to meet the "District's dwelling needs" (i.e. not local growth) it is not clear what development is to be considered when determining how the housing target will be met. It would appear that the Plan refers to the priority growth areas to meet this need. However, if this is the case the role of the housing strategies becomes unclear given they are supposed to be used to develop 6-10 year housing targets. Further clarification is required from the Greater Sydney Commission on what is "local" growth and what figures are to be used to determine whether Council has met the minimum housing targets set in the District Plan.

It should be noted that the Region and District Plan's stance on the Metropolitan Rural Area is largely supported and it now needs to be determined how it should be applied in terms of the Wollondilly GMS 2011 and Planning Proposals already in the system. This includes whether these proposals along with any new ones are required to meet Wollondilly's housing target.

Existing Planning Proposals are not the subject of this report and a separate report on this matter will be provided to Council in the near future.

**Wilton Priority Growth Area**

In July 2016, *State Environmental Planning Policy (Sydney Region Growth Centres) 2006* was amended to include the Wilton Priority Growth Area formally declaring Wilton as a growth centre.

At that time the Wilton proposal was for a largely self-contained new town and with around 15,000 homes and employment areas.

This is a significant game changer for Wollondilly and was not planned for as part of the Wollondilly GMS 2011.

**Greater Macarthur Growth Area**

In July 2016 the NSW Department of Planning & Environment sought community feedback on a proposed amendment to the *State Environmental Planning Policy (Sydney Region Growth Centres) 2006* to introduce a new priority growth area covering land release at Menangle Park, Mount Gilead and Appin and urban renewal precincts along the Glenfield to Macarthur rail corridor. In terms of Appin, the proposed growth area included most of the village, extending in the west to the Nepean River and to Cataract River in the south.

To date, the outcome of this consultation is not known and no amendments have been made to the SEPP to introduce the new proposed priority growth area.

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However, the Region and District Plan exclude the Appin area from the Metropolitan Rural Area and it is identified on the Structure Plan for the Western City District as a 'Land Release Area'. This means that the criteria in Attachment 2 do not apply to land in Appin included within the priority growth area.

Inclusion of the Appin area as a Priority Growth Area would again, be a game changer for Wollondilly and would be a larger urban area than Wilton in terms of anticipated population growth.

**Amendments to the Environmental Planning and Assessment Act 1979**

On 1 March 2018 the *Environmental Planning & Assessment Act 1979* was updated to, among other things, enhance community participation and promote strategic planning. The changes include requirements for the preparation of a number of documents including a:

- Local Strategic Planning Statement; which will set out the 20-year vision for land-use in the local area, the special character and values that are to be preserved and how change will be managed into the future. Council will be required to exhibit the draft local strategic planning statement by 1 July 2019 with the final version in place 1 December 2019.
- Community Participation Plans (CPPs); the plans will set out when and how planning authorities will engage with their communities across all the planning functions they perform. Estimated commencement is late 2019.
- LEP check; Councils will be required to do a LEP check at least every five years to assess whether the LEP is still fit for purpose given any changes in population, infrastructure, strategic plans and other key indicators. This change is due for implementation in late 2018.
- Standard format Development Control Plans (DCPs); the Government will establish a standard, online format for DCPs to make local requirements easier to navigate and apply. Estimated commencement is mid-2020.

**Western Sydney City Deal**

On 4 March 2018 the Australia and NSW Government together with eight local governments in Western Sydney (including Wollondilly) signed the Western Sydney City Deal.

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The City Deal is a 20 year agreement between the three levels of government to deliver a once-in-a-generation transformation of Sydney's outer west - creating the "Western Parkland City".

Under the Deal, Wollondilly Shire Council will receive funding and be supported to accelerate the development and adoption of a new local Housing Strategy and associated Local Environmental Plan. The new plan is required to be agreed within two years and will set a course to achieve local housing targets identified through the Western City District Plan.

**Limited Wastewater Capacity**

A significant constraint in the ability for Wollondilly's towns and villages to grow is the available wastewater capacity by Sydney Water. Based on feedback from Sydney Water on Planning Proposals around the shire there is known limited capacity in the following areas:

- Picton Sewage Treatment Plant (STP) which services Picton, Tahmoor, Thirlmere and Bargo.
- West Camden Treatment Plan which services The Oaks and Oakdale.

In the short term, and without upgrades to these plants, growth in some of the areas identified in the Structure Plans which form part of the Wollondilly GMS 2011 cannot be realised.

**Notice of Motion No. 5 submitted on 17 May regarding the Low Rise Medium Density Code (NOM5)**

In April, 2018 the State Government announced that a Low Rise Medium Density Housing Code will be added to the *State Environmental Planning Policy (Exempt and Complying Development Codes) 2008* and will take effect on 6 July, 2018.

The Low Rise Medium Density Housing Code will enable medium density development including 1 and 2 storey dual occupancies, manor house and multi dwelling houses (terraces) to be undertaken as Complying Development within certain zones across the Shire.

The introduction of the Low Rise Medium Density Housing Code is likely to result in unmanaged growth in residential zoned land in the Shire and will result in an increased burden on Council, particularly in terms of infrastructure provision.

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At the Ordinary Meeting of Council on 21 May 2018 Council resolved to write to the Minister for Planning and the Department of Planning & Environment to request that the Low Rise Medium Density Code only apply to the growth centre of Wilton New Town subject to adequate infrastructure consideration being completed. A copy of NOM5 is provided at Attachment 4.

**RELEVANCE OF THE WOLLONDILLY GROWTH MANAGEMENT STRATEGY 2011**

It is clear that the policy context in which the Wollondilly GMS 2011 has been prepared has changed significantly since 2011 with a number of 'game changing' considerations. These include the Wilton Priority Growth Area, new statutory requirements and infrastructure constraints.

In addition, the growth targets within the Wollondilly GMS 2011 for a 20 to 25 year plan period are already expected to be met through growth already in the system (i.e. land already rezoned and planning proposals with a Gateway Determination).

**CREATE WOLLONDILLY; COMMUNITY STRATEGIC PLAN 2033**

Create Wollondilly; Community Strategic Plan 2033 was adopted by Council on June 2017. It is Council's highest level long term plan and identifies and expresses the aspirations held by the community of Wollondilly and sets strategies for achieving those aspirations.

The Community Strategic Plan includes positions statements on a number of key issues including Growth, Rural Living, Health and Wellbeing and Resilience. These statements include some guiding principles on the Shire's future growth which can be summarised as follows;

- Rural Protection; Managing growth to protect rural lands, the environment, landscapes, agricultural industry, minimise fragmentation and to manage rural land use conflict.
- Limiting appropriately scaled growth within and around existing towns and villages.
- Council's priority focus for growth will be the development of a new town at Wilton.
- Council will not support the development of new towns or villages in other areas of the Shire.
- No support for major urban development.
- No support for major urban developments in West Appin area.
- Development is carefully managed to enhance the unique identities of our towns and villages and their role as focal points.
- Growth should support health built environments and liveable places.
- Social and health considerations need to form an integral part of the planning process for new and existing communities.
- Avoid growth outcomes which increase our susceptibility to shocks and stresses.



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The Community Strategic Plan is not at odds with the Wollondilly GMS 2011 but provides a more up-to-date framework for growth decisions.

**OPTIONS IN MOVING FORWARD**

This report considers the relevance of the Wollondilly Growth Management Strategy 2011 (Wollondilly GMS) as it would apply to any new draft planning proposal submitted to Council for consideration.

Council's options are:

1. Resolve to revisit the Wollondilly Growth Management Strategy 2011 and establish new location growth targets for Wollondilly's towns and villages. With this option an evidence base would need to be established to determine appropriate targets.
2. Resolve to place a pause on housing growth by not setting new targets. With this option, new draft planning proposals for housing growth would not be supported.
3. Resolve to place a pause on housing growth, pending a comprehensive review of the areas growth needs. With this option a housing strategy, local planning statement and other associated studies would need to be prepared first. This could take up to two years. This would also assist to more clearly identify local growth for Wollondilly. As with option 2, new draft planning proposals for housing growth would not be supported.

Option 3 is the recommendation of this report.

**FINANCIAL IMPLICATIONS**

This matter has no financial impact on Council's adopted budget or forward estimates.

**ATTACHMENTS INCLUDED A SEPARATE BOOKLET**

1. Wollondilly GMS 2011 'Location' Housing Targets Comparison Table (2011 to 2018).
2. Provisions in the Greater Sydney Region Plan and Western City District Plan that apply to the Metropolitan Rural Area.
3. Letter from Greater Sydney Commission dated 10 May 2018 - Interpreting the Metropolitan Rural Area.
4. NOM5 submitted on 17 May 2018 regarding the Low Rise Medium Density Code.

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**RECOMMENDATION**

1. That Council place a pause on housing growth pending a comprehensive review of Wollondilly's growth needs.
2. That a comprehensive review of Council's strategic planning framework occur which involves the preparation of a Housing Strategy and a Local Strategic Planning Statement as a minimum.
3. That Council write to the Greater Sydney Commission and seek further clarification on "local" growth and what data is to be counted in terms of the 'housing target' set in the Western City District Plan.