

Report of Planning and Economy to the Ordinary Meeting of Council held on Monday 21 August 2017

**PE5 - Planning Proposal – Wilton Town Centre Precinct**

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TRIM 9458

**EXECUTIVE SUMMARY**

- The purpose of this report is to assess the merit of a submission lodged with the NSW Department of Planning & Environment by Governor's Hill relating to land that forms part of the Wilton Junction Masterplanned Area for the Wilton Town Centre Precinct.
- The NSW Department of Planning and Environment is the relevant planning authority for this proposal and the rezoning will be implemented through a State Environmental Planning Policy (SEPP).
- The proposal seeks to rezone approximately 182.1 hectares of land from rural uses to a range of urban uses including residential, mixed use, business development and employment.
- The proposal claims to potentially yield 1,550 residential dwellings however based on the floor space ratios proposed, may yield 5 times that amount. The applicant and the NSW Department of Planning and Infrastructure need to clarify what the capacity and market demand for dwellings in this precinct could be based on the proposed floor space ratio and market demand.
- The proposal seeks zoned capacity for 1.5 million square metres of Gross Floor Area for commercial and retail uses. There is no estimate of jobs delivered at this precinct but based on a job density of 30sqm per employee this may equate to 50,000 jobs. The applicant and the NSW Department of Planning and Environment need to clarify what the capacity and market demand for retail and commercial floor space in this precinct could be based on the proposed floor space ratio and market demand. This is important in ascertaining whether the 1:1 dwelling to job ratio required is being achieved.
- The proposal adopts an earlier report prepared by SGS Economics in 2015 which recommends that a future Strategic Centre at Wilton Junction having regard to the potential to connect to future rail services (may) contain 135,000 square metres of retail floor space.
- It is recommended that Council forward the attached interim submission to NSW Department of Planning & Environment in response to the Wilton Town Centre planning proposal and support the twelve recommendations contained in this report.

Report of Planning and Economy to the Ordinary Meeting of Council held on Monday 21 August 2017

**PE5 - Planning Proposal – Wilton Town Centre Precinct**

**REPORT**

**BACKGROUND**

Since 2011, Council has been working with three major landowners, Walker Corporation, Bradcorp Holdings and Governor's Hill, to masterplan a new self-sustaining community at Wilton Junction.

After consultation with the local community and receiving independent advice from Council-appointed planning consultants, Council adopted a high level masterplan in December 2012.

Council subsequently requested that the NSW Government lead the development of a planning framework to implement the masterplan and resolve issues including:

- mining co-existence,
- public transport,
- education,
- health services; and
- providing local employment.

The NSW Department of Planning & Environment (DPE) has since been leading the preparation of a Land Use and Infrastructure Implementation Plan (LUIIP) to enable the implementation of the masterplan. The LUIIP will set the broad planning principles which further precinct planning and subsequent rezoning will need to demonstrate consistency with. Further the LUIIP will also set out infrastructure requirements and the State Infrastructure Contributions Levy framework (SIC).

The Draft LUIIP has not yet been finalised or placed on public exhibition. A number of technical reports which will support the draft LUIIP including retail, social infrastructure, ecology and transport are being prepared by DPE. These are not yet complete and there is no timeframe for their completion which Council have been made aware of.

Notwithstanding, Governor's Hill lodged a submission with DPE on 23 May 2017.

On 31 May 2017, DPE formally referred the proposal as a "submission" to Council for comment. This report, provides an overview of the planning proposal and seeks Council's endorsement to make the attached to submission on the planning proposal to DPE.

**PE5 - Planning Proposal – Wilton Town Centre Precinct**

**CURRENT STATUS**

While the proposal is supported by a number of technical studies, there are a number of outstanding matters that limit Council's ability to undertake a detailed assessment. These are:

- Land Use and Infrastructure Strategy/Land Use and Infrastructure Implementation Plan
- Section 117 Direction
- State Infrastructure Contribution Levy
- Section 94 Plan
- Development Control Plan
- Voluntary Planning Agreement
- Public interest.

As such the purpose of Council's response at this stage is primarily to outline those matters where further information is required and provide initial comment on the proposal.

If the DPE decide to progress the proposal to public exhibition stage, Council will be able to undertake a more comprehensive assessment at that time.

**CONSULTATION**

It is Council's usual process to open all planning proposals received to community consultation before Council considers the proposal.

However, this proposal has been lodged directly with DPE who have informed Council that they will facilitate a community consultation process at a later date.

**FINANCIAL IMPLICATIONS**

The Wilton Priority Growth Area presents significant ongoing infrastructure investment and operational costs upon Council. While funding these costs can be in part met by Section 94 Plans, the NSW Government has issued guidelines that impose stringent limitations on what can be levied through Section 94. Council will be required to fund a significant capital expenditure program over the life of the Wilton Priority Growth Area in addition to increased operational costs to provide services to the incoming community. These costs will in part be funded through the increased rate base.

The NSW Government has adopted the position that the Wilton New Town project is at no additional cost to government and must be fully funded by the developers.

**PE5 - Planning Proposal – Wilton Town Centre Precinct**

The NSW Government through the DPE is proposing to establish a Special Infrastructure Contributions (SIC) scheme for the new town to coordinate the funding and delivery of regional infrastructure to ensure it is provided on time to support growth. The DPE have only committed thus far to levying land for schools, land for an integrated health centre, emergency services land and public transport (bus interchange).

Council maintains that this is inadequate for a new town the size of Wilton and continues to oppose any rezoning until the early provision of K-12 public school facilities, a health care facility and new passenger rail line from Maldon and new station at Wilton is levied.

A Section 94 Contributions Plan will be prepared by Council to levy contributions on development within the Wilton Priority Growth Area. Council will use this funding to deliver essential local infrastructure such as local roads, stormwater facilities and open space.

Developer contributions in greenfield release areas such as Wilton are currently capped at \$30,000 per lot under a Direction from the Minister for Planning. It is likely that the 'per lot' contribution will exceed this cap in this circumstance.

The State Government's Local Infrastructure Growth Scheme (LIGS) which used to provide gap funding to meet those costs above the cap was closed on 1 June 2017.

Under the new arrangement announced by the NSW Government, Council's Section 94 Contributions Plan will be reviewed by the Independent Pricing and Regulatory Tribunal (IPART) and their recommendations are reported to the Minister for Planning, and the council must adopt the contributions plan in accordance with the Minister's requirements. Once adopted, the 'per lot' contribution levied must be met by the developer entirely.

Governor's Hill will make a Voluntary Planning Agreement offer "at the appropriate time" to Council to deliver specific on-site works in lieu of the Section 94 Plan.

A further report will come back to Council as part of the VPA process once initiated.

**PE5 - Planning Proposal – Wilton Town Centre Precinct**

**ATTACHMENTS IN A SEPARATE BOOKLET**

1. Submission to Department of Planning and Environment
2. Draft Planning Proposal
3. Draft Indicative Layout Plan
4. Draft Land Zoning Map
5. Correspondence from DPE
6. Proposed Road Layout Plan (Dated 29/6/2017)

**RECOMMENDATION**

1. That Council re-affirms its commitment for the release of land for Wilton new town occurring as a master planned community which integrates housing, employment, transport infrastructure and community facilities and that the appropriate planning mechanisms be put in place to ensure that any staging of sub-precincts does not compromise this fundamental goal.
2. That the proposal be reconsidered by Council pending the matters identified in the attached submission being satisfactorily resolved which specifically relate to the following:
  - (a) Finalisation of the Land Use and Infrastructure Strategy//Implementation Plan
  - (b) Further economic justification for dwelling yields and job generation
  - (c) A revised zoning scheme be submitted that is supported by market analysis and being feasible
  - (d) Satisfactory State Infrastructure funding arrangements
  - (e) Staging and delivery plan and dwelling/job targets
  - (f) Public transport infrastructure
  - (g) Housing choice and affordability
  - (h) Heat island mitigation
  - (i) Comprehensive community consultation
  - (j) Employment zoning south of Picton Road
  - (k) Satisfactory local infrastructure contributions offer
  - (l) Pedestrian and cycleway plan
  - (m) Road Layout plan and suitability for employment land uses south of Picton Road
3. That Council requests that the Department of Planning and Environment establish a timeframe for the delivery of proposed employment land that supports the economic viability of Wilton New Town's commercial centre.

**PE5 - Planning Proposal – Wilton Town Centre Precinct**

4. That Council write to Governor's Hill requesting that the planning proposal for Wilton Town Centre Precinct address the social impact on existing residents of Wilton and identify opportunities to build social infrastructure that fosters cohesion with the wider Wilton community.
5. That Council lodges the attached submission provided to the NSW Department of Planning and Environment.
6. That transport infrastructure particularly heavy rail be addressed in the above submission to be given to the Department of Planning & Environment. Further that Council request that the Department of Planning & Environment in consultation with Council look at further value capture funding models (including, but not limited to the SIC) for the provision of heavy rail and a report come to Council outlining these options.
7. That Council again write to the Minister for Planning, the Hon. Anthony Roberts MP, following up Council's early request dated 1 March 2017 requesting an urgent meeting to discuss Council's concerns over the proponents' lack of a credible plan to meet employment targets, specifically Council's objective of '1 job per household' and the lack of commitment from the NSW Government to public health, education and transport infrastructure to service Wilton New Town. Should this meeting not be arranged in a timely manner and/or Council's concerns addressed satisfactorily that Council considers its position on the support for Wilton New Town until these issues are resolved. Further, that correspondence to the Minister for Planning also be copied to Member for Wollondilly, Jai Rowell MP, and the Hon. Lou Amato, MLC.
8. That Council notes correspondence received from South 32 dated 27 April 2017 indicating that Illawarra Coal and Governor's Hill have reached a commercial agreement with South32 to cancel their mining rights over the Governor's Hill's land within the Wilton Priority Growth Area. Council writes to the NSW Government requesting that its endorsement for this commercial agreement be finalised ahead of any rezoning of land proceeding. Further the cost incurred by landowners in relation to the extinguishment of mining rights not form part of any offset arrangement in local or state Voluntary Planning Agreements.
9. That Council write to the Education Minister requesting consideration of lowering the threshold of 5,000 dwellings in Wilton New Town that will trigger provision of a public high school due to the already existing demand in Wilton and surrounding Shire. Further that expedition of future primary schools should occur immediately due to Wilton public school near or exceeding current capacity.

Report of Planning and Economy to the Ordinary Meeting of Council held on Monday 21 August 2017

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**PE5 - Planning Proposal – Wilton Town Centre Precinct**

10. That Council officers consider when negotiating a future VPA with all major landholders the provision of a social infrastructure including (but not limited to) arts, cultural and entertainment facilities and that a future Council workshop consider the organisation's requirements resulting from urban growth in general to inform future VPAs for Wilton New Town.
11. That Council write to the Minister for Health, the Hon. Brad Hazzard MP and Minister for Planning, the Hon. Anthony Roberts MP outlining Council's existing position for the planned provision of health services for Wilton New Town and request the Department investigate an appropriately sized site for a medical facility capable of servicing the staged population growth across all three tiers of health care including a hospital.
12. That Council officers ensure any Voluntary Planning Agreement relating to Wilton New Town is transferable to subsequent land purchasers of the various precincts. Development consent for subdivision of the various precincts shall reference any Voluntary Planning Agreement negotiated in lieu of paying section 94 contributions.