

Monday, 10 October 2022

Ben Taylor
Chief Executive Officer
Wollondilly Shire Council
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Email: council@wollondilly.nsw.gov.au

Dear Ben

Re: Wollondilly Shire Council Draft Neighbourhood Plan Policy

The Urban Development Institute of Australia, NSW (UDIA) is the leading industry body representing the interests of the urban development sector and has over 450 member companies in NSW. UDIA NSW advocates for the creation of Liveable, Affordable and Connected Smart Cities.

NSW is facing a dire housing shortage, with the rental vacancy rate reaching record lows as the supply of new homes is restricted by a slow planning approval system and poor coordination of enabling infrastructure. The complexity of the planning system has been identified by the Productivity Commissioner and the proposal by Wollondilly Shire Council (Council) to introduce a neighbourhood plan policy will make things even worse whilst providing no real benefit to achieving high-quality outcomes.

Whilst we understand Council's intention to better match the strategic intent of the local environmental plan to the development outcome to achieve the orderly development of a neighbourhood or precinct, our members' experience with the Wollongong City Council neighbourhood planning process at West Dapto has identified the following concerns:

- The sequential nature of the neighbourhood planning process generates repeat assessments of key engineering, environmental and planning issues, with applicants having to submit similar scoped studies at each planning approval stage (Planning Proposal, Neighbourhood Plan and Development Application). This leads to significant delays and increased costs;
- There is limited recognition of the neighbourhood plan by referral agencies, such as Sydney Water and the NSW Rural Fire service, which can result in their Development application (DA) concerns conflicting with approved neighbourhood plan outcomes. This can lead to rework and further delays;
- With no legal status and no associated statutory timeframes, an applicant has no appeal rights to a neighbourhood plan once it is approved by a council or if it takes a long time to approve; and
- The challenges that arise when a lead developer determines what should be provided on adjoining land in their neighbourhood plan. This can lead to conflict and further delays.

To address the above concerns, UDIA urges Council to assess the following options, on Page 2, which have broadscale stakeholder support and are inherently more successful in achieving the orderly development of the land and a better link between the strategic intent of the local environmental plan and the development outcome.

Option 1 – Council to lead on precinct planning

UDIA supports Council preparing a precinct master plan or similar which has the following benefits:

- It has greater potential for stakeholder support and landowner buy-in compared to a sole developer-led neighbourhood planning process which can cause adjoining landowner conflicts;
- It can result in a more open and transparent process that allows a more wholistic view of a precinct without a lead-developer focussing on their site in a neighbourhood plan to the detriment of adjoining lands not in their ownership; and
- It will typically result in a more considered view of Council policies and strategies, which may otherwise be overlooked by a lead-developer applying the neighbourhood planning process.

Council could adopt a process where they would firstly investigate the precinct's constraints to identify land uses (residential and commercial), infrastructure sites and reserved corridors, community and open space, and areas of environmental protection. They would then undertake an interactive design process, to achieve landowner and early state agency buy-in, from which to devise plan options. A precinct master plan would then be prepared based on the most suitable option to provide the basis to lodge a DA. This would achieve a connection between the strategic intent for the precinct and what is designed and developed at the final DA stage.

There has been considerable success with this process at other growth area precincts including Oran Park and Emerald Hills which are now thriving mixed residential areas with commercial uses and open space. The NSW Department of Planning and Environment has also prepared several Integrated Land Use Plans for the growth precincts in the North West Growth Sector which has also proven to generate good planning outcomes.

Council leading on the precinct master planning process is significantly better than the developer-led neighbourhood planning process. This process could also lead to complying development pathways, like what is proposed at the Aerotropolis as part of the master planning process.

This option could also be developer funded through contributions, especially if it leads to a quicker planning outcome. An approach that was applied to precinct development in the Shellharbour City Local Government Area.

Option 2 – Developers to lead on precinct master plan, contributions plan and planning proposal

Under certain circumstances, a developer who owns a significant amount of land (beyond the land size of a typical neighbourhood plan), should be allowed to prepare an integrated precinct master plan as well as a contributions plan and rezoning plan. These plans, which would be prepared concurrently, would prevent the need for multiple neighbourhood plans in a precinct that would clog up the system and potentially result in overlapping plan requirements.

Under this option a lead developer would prepare all relevant engineering, environmental and planning investigations, hold discussions with other landowners, relevant state agencies and key community groups and then draft precinct master plan options. They would then prepare a final plan master plan along with a planning proposal and draft local contributions plan that would all be assessed and endorsed by Council, who would be actively engaged throughout the planning, approval, and delivery process.

This integrated process is quicker and more cost effective and avoids many of the challenges with the sequential process embedded in the neighbourhood planning process between rezoning and DA.

This integrated process was also proposed in the Productivity Commissioners *“Review of Infrastructure Contributions in NSW,” 2020* and developer led master planning processes have been successful in the Hunter Region.

Option 3 – Concept DA process

UDIA supports the Concept DA process as opposed to the neighbourhood planning process to address the following issues:

- The stronger legal status of a Concept DA which can be legally challenged;
- The certainty provided with a Concept DA over a Development Control Plan amendment in triggering/obtaining funding approval for utility services; and
- The lack of engagement of State agencies with a neighbourhood plan.

We believe the Concept DA process can still achieve a connection between the strategic intent for the land and what is designed and developed at the final DA stage.

Conclusion

UDIA is deeply concerned with the proposal by Wollondilly Shire Council to introduce the Draft Neighbourhood Plan Policy covering their LGA.

Council should lead on the planning of a precinct to better achieve their planning visions and obtain early buy-in from landowners and referral agencies, a process which has worked successfully in other greenfield precincts in the Western Parkland City. The Concept DA, which has stronger legal status, is also a viable alternative when compared to the neighbourhood planning process. Alternatively, a developer led, and integrated precinct master planning process could work in certain circumstances to achieve quicker planning approval pathways.

We plan to further advocate with the NSW Department of Planning and Environment to prevent other growth area councils introducing another layer to an already slow and complicated planning approval process.

We request Council not proceed with Draft Neighbourhood Plan Policy and should you wish to discuss this matter further, please contact David White, GWS and South Regional Manager on dwhite@udiansw.com.au or on 0415 914 612 should have any further enquiries.

Yours sincerely,



Steve Mann
Chief Executive
UDIA NSW