

31 March 2023

Dr Alice Howe
Director Environment and Planning
Central Coast Council
2 Hely Street
Wyong NSW 2259

Via portal

Dear Alice,

Re: Draft Greater Warnervale Structure Plan

The Urban Development Institute of Australia (UDIA) NSW is the state's leading industry body representing the interests of the urban development sector. We have over 450 member companies across the spectrum of the industry, including developers, planners, ecologists, councils and service providers. We bring an evidence-based, solutions-focused approach to our advocacy for the creation of liveable, affordable, and connected smart cities.

We appreciate this opportunity to provide feedback on the draft Greater Warnervale Structure Plan (draft Plan).

UDIA supports the intent of place-based planning to support efficient development. We welcome Central Coast Council's (Council) focus on the important Greater Warnervale area and believe that a sound and robust document is needed to establish a planning framework to guide its future growth.

Unfortunately, upon review of the draft Plan, we believe the exhibited document appears to have been started some years ago, but then more recently hastily finalised and placed on public exhibition without thorough review, update and verification of facts and statements. This submission identifies areas where we recommend additional review and consideration prior to finalising such a key document.

UDIA offers the following recommendations to improve the Structure Plan, which are supported in our submission:

- 1. Update all tables and assumptions to reflect 2021 ABS Census data.**
- 2. Update all mapping and the Existing Conditions and Precinct sections to reflect development status as of 31 December 2022.**
- 3. Expand the Structure Plan to explain how it responds to the focus of, and the new concepts introduced under, the *Central Coast Regional Plan 2041*.**
- 4. Clearly state whether the Structure Plan will convert to a Place Strategy under the CCRP2041, and if so, the anticipated timing of the Warnervale Place Strategy.**
- 5. Update the Structure Plan to reflect the final *Central Coast Regional Transport Plan 2041*.**
- 6. Reference the Urban Development Program process and how Council will engage in the process to promote a more efficient rollout of infrastructure through the Greater Warnervale study area.**
- 7. Clarify how the Plan reflects Priority 2 (Unlocking employment land and accelerating employment precincts) of the GCC *Central Coast Strategy for Economic Growth*.**

8. Amend the Structure Plan mapping to better reflect known environmental constraints.
9. Reference the DPE Strategic Conservation Plan, include mapping to show the land within the study area that is being considered under the SCP, and commit to reviewing the Structure Plan upon completion of the Strategic Conservation Plan.
10. Review and update Council's employment lands study, accepting that the demand for employment land is far higher than Council's current assumed take-up rate, and amend Figures 3, 90, 105 (Staging Plans) to reflect a more urgent release of employment land.
11. Conduct a comparative study of forecast yields versus delivered yields across precincts, to better inform Council assumptions across the study area.
12. Address the errors, inconsistencies, and anomalies in the draft Plan, listed in our submission, prior to finalising the Structure Plan.

Use of Data and Ground-Truthing

In general, the draft Plan appears to rely on outdated data, policies and state strategic plans. The final Plan should reflect updated data and strategic context.

The draft Plan uses Australian Bureau of Statistics (ABS) Census data from 2016 for certain elements, when updated data is now available. Use of outdated data distorts assumptions and leads to unreliable strategic planning. The current 2021 census data should be used.

Further, the draft Plan appears to rely on a background document, *The Economic Analysis of Greater Warnervale SGS, 2019* (SGS report). We have not had the opportunity to review the SGS report, but it would appear it may also be outdated, particularly given the M1 Pacific Motorway upgrades and North Connex project have since been completed in 2020 and contributed to economic growth opportunities on the Coast. Assumptions and comments under Sec 4.5.4 of the draft Plan for industrial land supply, based on the SGS report, are inconsistent with both industry experience as well as the recent Valuer General's report - *Land values in the Central Coast Local Government Area, 2022* in respect to land supply. In other words, the SGS report, and therefore the draft Plan, underestimate employment land supply and demand. We address this concern in more detail later in our submission.

In a separate recent report to Council¹ last month, staff acknowledge the inappropriate use of 2016 ABS data in its draft Local Housing Strategy and state "... it is proposed to update the final version of the LHS to include the latest 2021 ABS data post exhibition." It is respectfully requested that a similar approach be applied to the draft Structure Plan and that all tables and assumptions are updated to reflect 2021 ABS data.

It appears that only limited recent ground-truthing has occurred prior to the finalisation of the draft Plan. We observe several mapping inconsistencies where future or proposed future development is indicated; however, in fact the development has already been delivered. Such examples include residential development in the Warnervale Town Centre, Porters Creek Public School, and the seniors living development at Kanwal. The inaccuracies distort the overall strategy.

Recommendation – Update all tables and assumptions to reflect 2021 ABS Census data.

Recommendation – All mapping and the Existing Conditions and Precinct sections should be updated to reflect development status as of 31 December 2022.

¹ Report Item 2.10 to Council's Ordinary Meeting 28 February 2023 Exhibition of the Draft Central Coast Local Housing Strategy

The New Strategic Context

The draft Plan makes reference to the *Central Coast Regional Plan 2041* (CCRP2041) on page 23 and lists the Objectives of the CCRP2041 but does not go into any detail on how this draft Plan responds to those key Objectives. Neither does the draft Plan explain how it responds to the “big ideas” listed on page 9 of the Regional Plan, including a preference for infill and higher density development; the new Place Strategy approach to sequencing planning for new land uses and infrastructure; and the focus on 15-minute mixed use neighbourhoods.

In terms of residential development and the new urban landscape, the CCRP2041 proposes higher residential densities ranging from 30 dwellings per ha for general residential to 75 dwellings per ha for urban core. The draft Plan does not appear to reflect these higher densities.

The CCRP2041, under *Part 1- Making it happen*, introduces a new approach to planning whereby Place Delivery Groups (PDG) will develop Place Strategies and infrastructure delivery plans for areas undergoing significant change, such as Greater Warnervale. The Central Coast Urban Development Program (UDP) Committee will prioritise sequencing for Place Strategies, with the first priority being the Regionally Significant Growth Areas (RSGA) listed in the CCRP2041. The list of RSGAs includes Warnervale, where Council is the nominated authority to lead the development of a Place Strategy. It is therefore anticipated that in the near future, Council will lead a PDG that produces a Place Strategy and infrastructure delivery plan for Warnervale. However, this is not addressed in the draft Plan.

We appreciate that the planning framework is dynamic and that the requirements for Place Strategies are only a fairly recent introduction to the regional planning context, but we do seek Council’s clarification on the role, or hierarchy, of the draft Greater Warnervale Structure Plan relative to the requirement for a Warnervale Place Strategy now introduced by the Department of Planning and Environment (DPE). The final Plan should clearly state whether it will convert to a Place Strategy, and if so, the anticipated timing of the Warnervale Place Strategy.

In general, Council’s draft Plan should be expanded to explain how it responds to the focus of, and the new concepts introduced under, the CCRP2041.

We note also that reference to the Central Coast Regional Transport Plan (CCRTP) is outdated. Section 2.8 describes the CCRTP of 2013 and its 2016 update, without acknowledging the draft *Central Coast Regional Transport Plan 2041* exhibited prior to this draft Plan. The final Structure Plan should consider the actions and commitments of the new CCRTP2041; the timing of the finalisation of the two plans may mean that the final Structure Plan will need to be updated soon after completion.

Recommendation – Expand the Structure Plan to explain how it responds to the focus of, and the new concepts introduced under, the CCRP2041.

Recommendation – Clearly state whether the Structure Plan will convert to a Place Strategy under the CCRP2041, and if so, the anticipated timing of the Warnervale Place Strategy.

Recommendation – The Structure Plan should be updated to reflect the final *Central Coast Regional Transport Plan 2041*.

A New Approach to Servicing

Sections 7.3 & 7.8 of the draft Plan touch on the challenges of servicing new release areas. Infrastructure servicing for Greater Warnervale is particularly difficult, due to the study area’s highly

fragmented land ownership, as acknowledged in Section 4.8.1. When a development area is spread across multiple landowners, it is often unfeasible for the first mover to bear the high upfront cost of delivering the lead-in infrastructure required to activate development. As a result, fragmented landownership often results in delayed or unfulfilled infrastructure delivery and development outcomes.

Even where land is not fragmented, infrastructure planning, funding and delivery is often not well-aligned to support timely development outcomes. This misalignment of government agencies' priorities and funding has been a chronic problem of the NSW planning system including on the Central Coast.

The overall challenge of servicing is highlighted in the CCRP2041, where at *Part 1- Making it happen*, DPE has acknowledged the lag that often occurs between rezoning and the time it takes to deliver the necessary infrastructure to service development sites for the growth in population or employment. To address this conundrum, the CCRP2041 has created the Central Coast Urban Development Program and its supporting Committee which will manage the "development-ready pipeline" of housing and employment land supply, including by making infrastructure sequencing recommendations to align servicing with growth. The UDP Committee will include representatives from both Council's Environment and Planning division and Council's Water and Sewer authority, as well as DPE, other infrastructure and service providers, government authorities and industry, including UDIA. UDIA is strongly supportive of the UDP approach and looks forward to contributing constructively as an active member of the committee alongside Council.

Considering the creation of the UDP Committee and its expected influence on infrastructure and servicing decisions, UDIA recommends that the Structure Plan explain how Council will utilise the new UDP process to address servicing issues.

Recommendation – Reference the UDP process and how Council will engage in the process to promote a more efficient rollout of infrastructure through the Greater Warnervale study area.

The GCC Central Coast Strategy

The draft Plan does not refer to the Greater Cities Commission (GCC) *Central Coast Strategy for Economic Growth* (GCC Strategy), which first opened for consultation in December 2020, with the final document release in January 2023. The GCC Strategy lists seven priorities for the Central Coast, including *Priority 2 - Unlocking employment land and accelerating employment precincts*. Under Priority 2, the Strategy specifically mentions *Land in the Northern Growth Corridor around the Central Coast Airport at Warnervale, and Wyong*, which corresponds to the draft Plan's study area.

The draft Plan should be amended to include reference to and incorporate the implications of the GCC Strategy.

Recommendation – Clarify how the Plan reflects Priority 2 (*Unlocking employment land and accelerating employment precincts*) of the GCC *Central Coast Strategy for Economic Growth*.

Green Corridors and Strategic Conservation Plan

Industry is aware of a number of sites within the study area where Council's ecologists have suggested that the land is unlikely to be able to be developed because of environmental conditions, and that such land should instead be included as extension to green corridors. This approach applies to land zoned for urban purposes (residential or employment).

Where such information is known to Council, mapping should be amended to reflect such reservations and constraints and an indication that despite the current urban zoning, further targeted ecological investigations will be required over such land.

In addition, the Structure Plan should make reference to the Strategic Conservation Plan (SCP) that is currently being developed by DPE with GCC's leadership. The Structure Plan should include mapping to show the land within the study area that is being considered under the SCP. This could be included on Figure 20.

Recommendation – The Structure Plan mapping should better reflect known environmental constraints.

Recommendation – The Structure Plan should make reference to the DPE Strategic Conservation Plan, include mapping to show the land within the study area that is being considered under the SCP, and state that it will be reviewed upon completion of the Strategic Conservation Plan.

Assumptions for Employment Land

UDIA disagrees with the assumptions made under Sections 2.9 and 4.5.4 of the draft Plan in respect to the supply and assumed demand of employment land. Council appears to assume the take-up rate is an indication of demand. UDIA disagrees; we believe the relatively low take-up rate is an indication of undersupply. Our belief is based on the most recent NSW Valuer General's report which documents a significant increase in land prices and is supported by local market experience.

Council's most recent public reporting on employment land demand was in 2022, when Council was working on an average employment land take-up rate of between 7 to 12 Ha per annum over the period 2010 - 2021. DPE's latest Employment Lands Development Monitor 2022 assumes the same take-up rate of 7 to 12 Ha/year for Central Coast, mirroring Council's reporting. Council's demand assumptions were largely based on data collected between 2010 - 2019, including the referenced 2019 SGS report. All that data was collected prior to the completion of two major transport projects that have significantly improved access between the Central Coast and Sydney: the M1 Pacific Motorway upgrades completed in June 2020, and the opening of the North Connex project in October 2020.

Section 2.9 of the draft Plan states that a recent review was undertaken of the 2013 Wyong Employment Lands Study (ELS), and the draft Plan now assumes that demand for employment land on the Central Coast will be 16 Ha/year. The draft Plan is working on an assumption that the LGA will need 304 Ha of industrial land to 2036, and there is currently 199.8 Ha that is zoned, serviced and has a low level of environmental constraint (UDIA and DPE refer to such sites as "development-ready"). Council therefore assumes the LGA can service demand until 2029. Council further asserts that if infrastructure was provided to service zoned land in the Wyong Employment Zone (WEZ) it "could easily meet all of its employment land needs until 2036." UDIA cautions against this optimistic statement:

- we challenge Council's assumptions on demand, and believe the LGA will need to increase its supply of development-ready employment land beyond the draft Plan's assumptions; and
- we note that the WEZ and other zoned areas, in addition to infrastructure needs, also have significant ecological constraints or other site issues such that their contribution to the supply equation may be overstated.

Council has not included the referenced ELS review in the exhibited material, so we are unable to evaluate its timing or methodology to have confidence that it accurately reflects updated conditions.

We are concerned that the ELS review would have been an academic desktop exercise and is likely to be incomplete for current purposes, as there is no evidence that it included consultation with industry or government agency stakeholders to properly consider real market demand. We are also concerned that the assessment may not have considered the significant recent increase in local employment land prices, which reflect the limited land supply.

On-the-ground market experience shows enquiries have significantly increased since North Connex and the M1 upgrades were completed, indicating demand has risen for employment land on the Central Coast since the draft Plan’s underlying assumptions were made.

Unfortunately, most of these enquiries have gone unfulfilled locally because proponents have been unable to find suitable development-ready employment land for their projects. The Central Coast is missing out on economic investment as a result of the undersupply of zoned and serviced employment land.

The relatively low take-up rate relative to zoned capacity is an indicator that not enough vacant zoned industrial land is development-ready across the LGA. We know this to be true, as these examples illustrate:

- Parts of the WEZ (e.g., Mountain Road Precinct) remain undeveloped largely due to lack of infrastructure and uncertainty with biodiversity matters.
- Outside the study area, many parcels are also constrained. For example, within the Somersby Industrial Estate, ecological constraints including Somersby Mint Bush and Eastern Pygmy Possums, or registered Aboriginal cultural sites, mean the sites are unavailable for development.

The apparent low take-up rate for employment land should not be regarded as an indicator of demand, but rather an indicator of limited supply. This view is supported by the NSW Valuer General in its July 2022 *Report on NSW land values* and its regional supplementary assessment *Land values in the Central Coast local government area, 2022*, copied below (highlights added). The reports may be found at this [link](#). The Valuer General’s Office is clear in its assessment that a *dwindling supply of new industrial land* has placed significant upward pressure on land prices.

General overview

There was an overall strong increase in land values in the Central Coast local government area between July 2021 and July 2022. The increase in land values was broadly consistent across most zones, with the exception of industrial zoned land which showed a very strong increase, together with the Business Park properties located in Tuggerah.

Working Waterfront industrial zoned land located within the small riverside village of Mooney Mooney on the Hawkesbury River showed a strong increase in values more in line with the general residential trend across the entire local government area.

The Central Coast as a region is more accessible in recent years with the opening of the North Connex linking to the M1 Motorway and shortening travel times from the Central Coast into the Sydney metropolitan area. This has aided the permanent relocation and migration from Sydney metropolitan areas towards the Central Coast.

Land value trends

Property zone	01 Jul 2021	01 Jul 2022	% change
Residential	\$68,252,992,171	\$78,863,595,151	↑ 15.6%
Commercial	\$2,206,353,370	\$2,751,278,830	↑ 24.7%
Industrial	\$1,611,894,310	\$2,355,244,920	↑ 46.1%

Industrial land values

Industrial overview

There was a very strong increase in industrial land values in the Central Coast local government area between July 2021 and July 2022. This growth level was broadly consistent across most industrial zones aside from Working Waterfront zoned lands which showed a lesser, albeit still strong increase.

Industrial land values across all of New South Wales have been increasing since 2020 through an accelerating transition of traditional retail business towards e-commerce operations and on-line retailing factors driving strongly increased demand for industrial land. This is most evident in increased demand for medium to large sized industrial lots located proximate to major roads.

At the same time, there has been a longer-term trend toward dwindling supply of new industrial land releases in the wider region.

Council (and DPE) appear not to have considered the significant rise in the value of industrial land, particularly between 2018-2022, where values have increased markedly.

Typical industrial land values			
Address	01 Jul 2021	01 Jul 2022	% change
Clare-Mace Cres, Berkeley Vale	\$510,000	\$714,000	↑ 40.0%
Corella Ct, Berkeley Vale	\$955,000	\$1,380,000	↑ 44.5%
Tooheys Rd, Bushells Ridge	\$443,000	\$531,000	↑ 19.9%
O'Hart Ct, Charmhaven	\$766,000	\$1,070,000	↑ 39.7%
David St, Doyalson	\$434,000	\$585,000	↑ 34.8%
Bonnal Rd, Erina	\$1,220,000	\$1,460,000	↑ 19.7%
Birru Rd, Gosford	\$333,000	\$402,000	↑ 20.7%
Parraweena Rd, Gwandalan	\$1,060,000	\$1,370,000	↑ 29.3%
Cochrone St, Kincumber	\$1,310,000	\$1,570,000	↑ 19.9%
Railway Cres, Lisarow	\$1,160,000	\$1,860,000	↑ 60.3%
Kowan St, Mooney Mooney	\$111,000	\$138,000	↑ 24.3%
Pacific Hwy, Ourimbah	\$569,000	\$966,000	↑ 69.8%
Pile Rd, Somersby	\$1,120,000	\$2,090,000	↑ 86.6%
Ace Cres, Tuggerah	\$672,000	\$873,000	↑ 29.9%
Burnet Rd, Warnervale	\$1,530,000	\$2,200,000	↑ 43.8%
Marstan Ct, West Gosford	\$1,200,000	\$1,590,000	↑ 32.5%
Mutu St, Woy Woy	\$600,000	\$726,000	↑ 21.0%
Glennie St, Wyoming	\$458,000	\$627,000	↑ 36.9%
Palm Tree Rd, Wyong	\$744,000	\$1,150,000	↑ 54.6%

In short, UDIA believes Council’s assumptions around employment land demand and development-ready supply are based on outdated information and that once updated, it will be clear that demand is higher than the existing zoned supply can meet. We strongly urge Council to update its assumptions with the help of industry and agency stakeholder consultation and revise the Structure Plan accordingly.

Recommendation – Council should review and update its employment lands study, accepting that the demand for employment land is far higher than Council’s current assumed take-up rate, and amend Figures 3, 90, 105 (Staging Plans) to reflect a more urgent release of employment land.

Precinct Plans

The precinct mapping does not appear to have been ground-truthed to confirm whether development already exists upon the land. For example, the precinct descriptions do not reflect the 2022 delivery of Porters Creek Public School or the recent seniors living development at Kanwal.

We understand that the built environment is constantly evolving, but the strategy put out by Council in 2023 should at least reflect current conditions – or at least those conditions as they existed in 2022.

Current development activity in Mountain Road, Halloran highlights this point. There are already a number of submitted DAs and rezoning applications under preparation for this precinct, with a current (proponent-led) sewer strategy under consideration by Council’s Water and Sewer department. Despite this substantial current activity, Figures 3, 90, 105 identify this area for release in the longer term (15+ years). Similarly, in the case of the Warnervale Town Centre, most of the identified residential land is now already developed, under construction, or has operational development consents.

In addition to updating the development status across the study area (as already recommended), we recommend that Council conduct a case study assessment to determine whether forecast yields have been achieved where development has occurred. Such an exercise would prove useful in comparing strategically planned projections versus actual delivery outcomes on the ground, to inform Council assumptions across the study area and the LGA in general.

Recommendation – Council should conduct a comparative study of forecast yields versus delivered yields across precincts, to better inform Council assumptions across the study area.

General Comments

We have picked up some errors, inconsistencies and anomalies in the draft Plan and **we recommend addressing these prior to finalising the Structure Plan**, as follows:

- Figures 3, 90 and 105: A number of sites in these figures do not require planning proposals as they are already zoned, e.g., WIP; WEZ; Wadalba; all of Warnervale.
- Page 27 refers to the *North Wyong Shire Structure Plan*, which was repealed by the Central Coast Regional Plan 2041.
- Page 43 uses the terminology “biobanking”, which is superseded. The BioBanking Scheme was replaced by the Biodiversity Offsets Scheme (BOS) under the Biodiversity Conservation Act 2016 (BC Act) which commenced on 25 August 2017.
- Pages 45 and 47 incorrectly reference SEPP 14 (Wetlands), which is now repealed.
- Page 55 uses a riparian zone of 40m on either side of watercourses which is excessive and only required for 4th order watercourses. The riparian zone should be in line with DPE-Water and Natural Resources Access Regulator guidelines instead.
- Page 65 still refers to the location of a train station and transport interchange in Warnervale Town Centre, however the decision has been made for a different location.
- Page 81 Figure 62 should show the new school on Warnervale Road (Porters Creek Public School).
- Page 84 Figure 64 is the same as Figure 62. Is this meant to be a different figure showing aged care and affordable housing?
- Page 85 Figure 66, and page 128 refer to the *Warner Industrial Park* on the corner of Sparks Rd, the M1 and Hue Rd as Council land. This is now private land, having been sold by Council in 2021.
- Page 125, Section 7.5 Economic Profile. We query whether Council has considered the impact of the COVID 19 pandemic on a changing workforce profile and regional demand for housing?
- Page 127 refers to the future North Connex. This project opened in October 2020.

Conclusion

UDIA values this opportunity to contribute to the development of the Greater Warnervale Structure Plan. We appreciate the complexities of delivering strategic documents, particularly where there are evolving policies external to Council. However, UDIA encourages that any strategic document which is intended to provide the framework for development within this Structure Plan Area should be refined to the best ability of Council, based on current data and with a higher degree of ground truthing.

UDIA looks forward to ongoing dialogue with Council as it reviews and refines the draft Structure Plan.

Should you have any questions, please contact Elizabeth York at eyork@udiansw.com.au or 0434 914 901 in follow up or to arrange a meeting.

Yours sincerely,



Steve Mann, CEO