

Report of Planning and Economy to the Ordinary Meeting of Council held on Monday 19 December 2016

PE7 – Wilton New Town

PE7

Wilton New Town

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EXECUTIVE SUMMARY

- Wilton Junction was proclaimed a Priority Growth Centre by the NSW Government on 29 July 2016. Council continues to work with the Department of Planning & Environment on the Wilton New Town Land Use and Infrastructure strategy.
- The purpose of this report is seek Council's direction on various threshold issues relating to Wilton New Town including:
 - Wilton Town Centre location
 - Urban form and density
 - Mining co-existence
 - Employment, health services and public transport
 - Value capture
 - Communications protocol and probity arrangements.
- The report will also overview a planning proposal lodged by Walker Corporation in relation to land in the South East Precinct.
- It is recommended that:
 - Council re-affirms its support for the release of land for Wilton new town occurring as a master planned community
 - Council endorse Options 1 or 2 outlined in this report as the preferred location for the town centre
 - Council continue to lobby NSW State Government for improved public transport including passenger rail to the Wilton Priority Growth Area
 - Council endorse the draft revised Governance and Probity Plan and refer it to the Department of Planning and Environment
 - Council pursue the establishment of integrated health care facilities at Wilton.

REPORT

CURRENT STATUS

Background

Since the NSW Government's Potential Homesites Program was announced in 2011, Council has been working with three major landowners to facilitate a new master planned community at Wilton.

A high level masterplan was endorsed by Council in December 2012, with the objective of delivering an integrated master planned community that provided access to employment and public transport opportunities.

PE7 – Wilton New Town

Council formally wrote to the NSW Department of Planning & Environment (“Department”) in January 2013 asking the State Government to support the project and facilitate its implementation through the Growth Centres SEPP.

There have been two subsequent masterplan concepts (with amendments) proposed by the three major landowner's however neither have yet been supported by Council.

A more detailed background to the project is contained in Attachment 1.

Wilton Town Centre

In December 2012 Council endorsed a masterplan (see Attachment 2) proposed by the three major landowners in response to the NSW Government’s Potential Homesites Program. The masterplan prepared by Connor Holmes stated that the town centre’s retail core will be the focus of the private and public transport networks, including the possibility of a bus interchange and a railway station if the Maldon-Dombarton Rail Corridor (MDRL) was opened to passenger services. It will also be the focus of non-vehicular movement networks, with linkages to the residential precincts to the north, south and east.

The masterplanned location of the town centre has benefits in terms of providing better public transport access, maximising dwelling yield within a walkable catchment, vehicle and pedestrian circulation and general amenity.

Having endorsed the masterplan, Council wrote to the NSW Government in January 2013 requesting that the NSW Department of Planning lead the preparation of a planning framework to deliver the masterplan.

The endorsed masterplan was subject to further refinements which resulted in Option 2 being identified (see Attachment 3).

These refinements were relatively minor and sought to enable the co-location of the town centre and a proposed K-12 school and provide greater detail on road infrastructure.

In July 2014, the landowner’s group submitted a new masterplan concept which significantly departed from the earlier two concepts (see Attachment 4). The most significant change was the relocation of the town centre from the MDRL corridor to the junction of Picton Road and the Hume Highway on land previously identified for bulky goods retail and highway services.

The change presented by the landowner’s group seeks to address coal mining constraints.

PE7 – Wilton New Town

On 22 September 2015, the Department released the Draft Greater Macarthur Preliminary Land Release Strategy for public comment. The Draft Strategy supported the Council endorsed masterplan and located the town centre on the MDRL corridor (see Attachment 5).

In response to the above, the landowner's group made a submission to the Draft Strategy proposing that Option 3 for the town centre location be adopted.

Council and the Department agreed to hold a series of workshops with the landowners to arrive at a preferred option for Wilton town centre. The workshop was held on 4 August 2016 and was a positive process with input from a range of technical specialists engaged by the landowners individually and the Department's consultants.

Council staff has continually stated that the workshop process was the most appropriate forum to continue with refinements on the town centre design. However, no further workshops were held.

A fourth town centre option (see Attachment 6) has been developed by the Proponent in partnership with the Department and their consultants. This option moves the town centre away from the Picton Road / Hume Highway junction closer towards the MDRL.

The NSW Government's recently released "Better Placed" design guidelines also recognise the need for more compact urban form where it states that "This compact city model is denser, better connected and walkable and benefits from a mix of uses on the doorstep, facilitating better access to employment, public transport, entertainment and other opportunities. There is also a growing body of evidence that a compact city is both more liveable and productive".

With these considerations in mind, Council staff have analysed the town centre catchment density (or transport density) of the four town centre options discussed above.

Attachments 7, 8, 9 and 10 show the four town centre options and identify the developable lands within a 1 kilometre radius of each (800 metres is generally accepted to equate to a 10 minute walking distance).

Council staff assumed a gross density of 30 dwellings per hectare (30/d/ha) within a 1 kilometre radius to determine which has the most efficient catchment density. The density and radius are consistent with the density explanation maps developed by the Department's consultants provided to Council.

PE7 – Wilton New Town

The following figures show the total number of dwellings within a 1 kilometre radius of each town centre option:

- Option 1 = 5,757
- Option 2 = 3,903
- Option 3 = 3,275
- Option 4 = 3,202

Option 1 which was endorsed by Council in December 2012 is the most efficient option in terms of maximising catchment density within walkable distance followed by Option 2. Both Options 3 and 4 are the least efficient as a result of the immediate catchment surrounding these centres being dominated by expansive road infrastructure and non-residential lands.

It is recommended that Council resolves to reject Options 3 and 4 and write to the NSW Government seeking support for Option 1 or Option 2.

Public transport

Wilton New Town will accommodate in excess of 16,600 dwellings (roughly 50,000 people) over the next 30 years. It is therefore critical that access to public transport and employment opportunities are provided as the site is approximately 23 kilometres from the nearest major employment centre – Campbelltown/Macarthur.

It is fundamentally important that the provision of public transport is adequately addressed to ensure Wilton new town does not evolve as a dormitory, automobile dependent satellite suburb with consequent implications for the physical and emotional wellbeing of its future residents. A properly designed precinct will serve to reduce the potential burden on health services by promoting active lifestyle.

In supporting the Masterplan, Council also resolved to express its strong support for the provision of transport infrastructure and delivering an employment target of 1 job for each lot generated.

New Urbanism principles propose that “development outside existing urban boundaries (such as Wilton new town) should be organised as self-contained towns with their own urban edges, and achieve a balance of jobs and housing. Physical organisation of the region should be supported by a framework of transportation alternatives. Transit, pedestrian, and bicycle systems should maximise access and mobility while reducing dependence upon the automobile.

PE7 – Wilton New Town

It is recommended that Council write to the NSW Government asking that a plan for integration of a priority bus services and passenger rail services via the MDRL be prepared to support growth at Wilton. Furthermore any revisions of the masterplan do not compromise the objective of linking the town centre with future public transport infrastructure and pedestrian access.

Health and wellbeing

Chronic diseases have overtaken infectious diseases as the leading causes of ill health in Australia. A growing body of research suggests there is a positive association between physical activity and the built environment.

Features of urban areas which are conducive to greater physical activity include:

- Closer proximity to public transport
- Compact, pedestrian friendly neighbourhoods
- Multiple destinations within walking or cycling distance, such as transport nodes, shops and recreational facilities
- Greater diversity in land use.

Good urban design is therefore very important in ensuring the health and well-being of the future inhabitants because it is preventative in nature.

Demographic factors typical of new growth areas place additional pressure on existing health services compared to established urban areas. These include:

- Higher birth rates
- Greater cultural diversity
- Higher youth populations.

As a result, new growth areas increase demand for a unique range of services including maternity, midwifery, early childhood and youth related services. These may not be adequately provided for within the region especially considering that the Department's Macarthur Planning Strategy proposes a further 35,000 homes by 2036.

Understanding the significant health related challenges that Wilton New Town would present, Council in partnership with South Western Sydney Local Health District and the University of NSW, undertook a Health Impact Assessment (HIA). This was completed in December 2014.

PE7 – Wilton New Town

The HIA contained a number of relevant recommendations aimed at ensuring good health outcomes for the community including the following:

- Ensure the early introduction of facilities and infrastructure that are planned in consultation with the community and stakeholder groups
- Develop a Social Plan to ensure the delivery of a healthy and active community that aligns with the principles of the Masterplan (December 2012) and addresses the emerging needs of the community as it develops
- Engage the community in the design, development and activation of public domain and space
- Engage with the community regarding land use mix and density to mitigate potential conflict
- Promote Wilton New Town as a healthy, active community
- Ensure that public spaces, facilities and activities are both safe and suitable for elderly people, children, people with disabilities and different population groups within the community.

The design of the town centre, early provision of public transport and health services will have a large influence on whether the above goals will be achieved.

Wilton New Town will need to be serviced across all three streams of health care at full development (approx. 50,000 people). The NSW Government's Macarthur Strategy indicates that growth centres at Menangle Park, Mt. Gilead and West Appin combined with Wilton New Town will potentially yield 35,000 additional dwellings by 2036 and a further 33,000 beyond that. This is potentially a further 200,000 people in the surrounding region.

A significant health care inequity may arise if 200,000 people move into the region and are expected to travel more than 20 kilometres for access to public hospital services.

The nearest public hospitals are located at Campbelltown and Camden which are both over 20 kilometres north of Wilton New Town. The next closest public hospitals are located at Coledale and Bulli in the Illawarra approximately 26 kilometres to the east while the public hospital at Bowral to the south is 36 kilometres away.

Although the full extent of this growth will not occur within the immediate next 20 years, a range of health care services need to be delivered to meet the changing needs of the community over time.

PE7 – Wilton New Town

There are three streams of health care as identified on the following table:

Stream	Service
Primary	General practices / clinics Community nursing services Community health and wellness centres Integrated primary community care
Secondary	Specialist services e.g. radiology Allied health services Drug and alcohol services
Tertiary	Hospitals

A suitable site at Wilton needs to be identified and reserved for health care services across all three streams with the intention of delivering services over time as the community grows. In the short term, a combination of primary and secondary health care services including a private hospital and integrated health care should be provided.

It is recommended that Council resolves to write to the NSW Government seeking support for integrated bus priority services and passenger rail services to support growth at Wilton as an important health priority. It is also recommended that Council seeks the support of the NSW Government for provision of early delivery of integrated health care facilities at Wilton and works with Council and landowners to identify a suitable location for inclusion in the masterplan for Wilton New Town.

Highly relevant to the matters raised above is the fact that Council, at its meeting of November 2016, adopted its new Social Planning Strategy. One of the key actions committed to in this Strategy is that a Strategic Social and Health Plan for Wilton New Town be developed and used as a strategic tool in delivering health, wellbeing and positive social outcomes.

This position was also resolved at the earlier October 2016 Meeting of Council when a previous report on Wilton New Town was considered.

Furthermore the Wollondilly Health Alliance, at its meeting of 21 September 2016, has also resolved a similar position.

To assist in achieving the above objectives, Council, at its meeting of November 2016, adopted its new Social Planning Strategy. One of the key actions committed to in this Strategy is that a Strategic Social and Health Plan for Wilton New Town be developed and used as a strategic tool to assist in delivering health, wellbeing and positive social outcomes.

PE7 – Wilton New Town

Mining co-existence

In 2013, Robyn Kruk, a former senior public servant, was commissioned by the NSW Government to investigate the potential for mining and urban development to co-exist at Wilton. The Kruk Report was submitted to the NSW Government in 2013 and remains Cabinet in Confidence.

Discussions with senior executives from the Department suggest that the Kruk Report contains a number of potential pathways for mining and urban development to co-exist. However, the NSW Government has not yet made the findings of the Kruk Report publicly available.

Discussions with senior executives of the Department suggest that there are four planning pathways to deal with mining co-existence. These are:

- Mining works precede urban development
- Mining leases / approvals expire over time
- Commercial agreement with the developer of urban land
- Mining lease is voluntarily relinquished for an alternate resource.

It is recommended that Council resolves to write to the NSW Government and express its preference that the landowners be instructed to negotiate a suitable commercial arrangement with the miners that unlocks a more suitable location for the town centre to assist in achieving the objectives discussed in this report and that Council requests the NSW Government to consider alternative options to prioritise urban development over mining rights where there is no demonstrable plan for mining to occur in the short term.

Value capture

As outlined in the Draft District Plan, Infrastructure is presently funded through a range of mechanisms:

- NSW Government Budget
- Australian Government funding
- State infrastructure contributions (SIC Levy)
- local infrastructure investment
- local development contributions and associated programs (Sections 94 and 94A)
- Voluntary planning agreements (VPAs).

In addition to these mechanisms is the concept of value capture or 'sharing'. Value sharing uses part of the economic 'uplift' in land value that new infrastructure and planning generates to help fund that infrastructure. Value uplift is the process whereby the value flows on the transport network are capitalised into land values.

PE7 – Wilton New Town

New transport infrastructure, for example, can unlock a number of 'benefit streams', including direct transport benefits such as reduced travel times, and wider benefits such as reduced congestion and lower fuel consumption.

The Australian Bureau of Infrastructure, Transport and Regional Economics (BITRE) in 2015 published their modelling of the value uplift generated by transport infrastructure projects. The following table identifies the value uplift observed by BITRE across a number of projects in Australia:

Mode	Average value uplift (%)
Heavy rail	6.5
Light rail	9.5
Rapid bus transit	9.7

Value capture internationally and domestically is broadly captured via the following methods:

- Tax increment funding (TIFs)
- Betterment tax
- Transaction taxes
- Joint development.

The most common form of value capture is the use of betterment taxes and Australian examples of its use are Sydney Harbour Bridge, Melbourne's City Loop rail system and the Gold Coast Rapid Transit.

Transport infrastructure is a significant issue for the Wollondilly Shire and will only be further placed under pressure with the incoming population via urban growth at Wilton and West Appin.

The Australian Government, through the Department of the Prime Minister and Cabinet in April 2016, released its Smart Cities Plan. The Plan sets out the Government's vision for Australia's cities - metropolitan and regional. The Plan is based upon the three pillars of smart investment (in infrastructure), smart policy (City Deals) and smart technology ('Big Data').

The Smart Cities Plan establishes the Smart Cities and Suburbs Program worth \$50 million to accelerate planning and development works on major transformational infrastructure projects, including urban rail. The Program is intended to support local governments to fast-track innovative technology solutions that improve long-standing urban problems.

To implement the Plan, 'City Deals' will position our urban centres, to realise their full potential through coordinated governance, strategic planning, investment and reform. By taking advantage of the unprecedented pace of technological progress, governments and the community can make cities more prosperous and sustainable.

PE7 – Wilton New Town

Value capture is promoted in the Australian Government's 'Smart Cities Plan' as an innovative way for Governments to make infrastructure more affordable, deliver projects sooner, and accelerate urban renewal and housing supply.

In October 2016, the Prime Minister announced that a Memorandum of Understanding with the NSW Government had been signed which will guide how the City Deals would be rolled out across NSW. The Western Sydney City Deal specifically has been announced and Wollondilly Shire Council will form part of this City Deal.

It is recommended that Council resolves to write to the NSW Government as part of the City Deal process, and request that a value capture model be considered to assist in funding the delivery of passenger rail services to Wilton.

Staging

Wilton New Town is a large greenfield development project which requires a significant investment in infrastructure by developers to enable the delivery of housing to occur. There are also challenges associated with constraints such as coal mining which impact upon the timely delivery of urban development in certain locations. Market conditions and each developer's commercial imperatives also have a large influence on the delivery of land to market.

It is therefore unlikely that all land at Wilton can be rezoned and developed in at the same time. Council will likely need to work with developers on a case-by-case basis to align infrastructure delivery with housing supply.

The Greater Sydney Commission's recently released draft South West District Plan contains a specific Action P9 which requires the Development of a threshold for greenfield dwelling numbers based on transport provision. Under the Plan, the Department of Planning and Environment are the lead agency responsible for implementation of this action. Council should continue to work with the Department to ensure that the draft Land Use and Infrastructure Strategy clearly outlines thresholds for transport infrastructure needs.

PE7 – Wilton New Town

Action P18 in the District Plan also includes planning for and facilitating the attraction of new jobs in Wilton New Town. The District Plan states that Wilton New Town has the capacity for more than 8,000 new jobs once it is fully developed. This is only half of the 1:1 house to job ratio that Council committed to when endorsing the masterplan initially. The Department is currently working on an employment study to inform the draft Land Use and Infrastructure Strategy. This will ideally identify an employment generation target that is feasible based on sound evidence. This continues to be a significant threshold issue for Council as it has a large bearing on whether Wilton New Town will be self-sustaining or yet still dependent on employment nodes outside the LGA. Should this prove to be the case then this reinforces the importance of timely public transport infrastructure delivery to ensure that new residents can access sustainable modes of transport to access those jobs.

Voluntary Planning Agreement and Section 94 contributions

Council and the Department have reached agreement on a voluntary planning costs agreement with the major landowners to fund Council's costs associated with the planning of Wilton New Town. The formal agreement has been drafted but not executed.

Council engaged the services of a Precinct Planner in February this year to oversee the delivery of the project and once executed will engage consultants to review local infrastructure requirements and prepare a Section 94 Plan for Wilton.

Communications and Probity Arrangements

In 2013, the Council and the Department agreed to a Probity Plan which outlined communications, conduct and meeting protocols to ensure accountability, transparency and impartiality.

The Probity Plan also accommodated the appointment by the landowner's group of a facilitator who acted as a single point of conduct for the landowner's group and facilitated meetings between the agencies and the community.

Although this process has worked well, with the gazettal of amendments to the Growth Centres SEPP to include Wilton on 25 July 2016, the landowner's group elected to end the engagement of the facilitator. The facilitator's last official duty was chairing a Community Reference Group meeting at Council Chambers on Wednesday 17 August 2016.

Council staff have requested the Department hold urgent discussion to re-appoint an independent facilitator to continue to act as intermediary as further negotiations on key aspects of the project are ongoing. Council has received advice from a probity advisor to ensure any engagement is compliant with relevant probity policies and procedures.

PE7 – Wilton New Town

This Probity Plan also outlined the agreed procedure for a State-led rezoning process through an Amendment to the SEPP. Council and the landowners both preferred this approach as it was considered the most effective way for issues such as mining co-existence and infrastructure coordination to be resolved.

In its correspondence dated 27 July 2016 (see Attachment 11) the Department has advised Council that it is no longer supportive of this approach. The Department instead favoured each landowner lodging separate planning proposals to allow early release of land.

Council staff have consistently requested that no rezoning should proceed until mining coexistence issues have been resolved and provision for employment, health, education and public transport has been made. Furthermore, the Land Use and Infrastructure Strategy and all the technical studies to support it are currently under development and so there is no strategic planning framework in place to assess the proposal against.

Council staff would prefer the Working Group to remain focussed on finalising the technical studies and developing a robust strategic planning framework to guide growth. Encouraging the landowners to lodge planning proposals has drawn the focus away from completing the important investigations which support for Wilton was predicated upon.

These changes in the scope of the project have necessitated a review of the Probity Plan. The revised Probity Plan will effectively accommodate reappointment of an independent facilitator and provide greater certainty on the planning pathway for development to occur.

A draft revised probity plan is attached (see Attachment 12) which reflects the new approach proposed by the NSW Government and better articulates Council's role in the process and empathise its accountability to the community.

Planning Proposal – Wilton South East Precinct

Council has received a referral from the Department inviting submissions on a planning proposal made by Walker Corporation for land at 990 Picton Road, Wilton. The land forms part of the Wilton Priority Growth Area as gazetted on 29 July 2016.

The proposal seeks to rezone approximately 437.6 hectares of land from rural uses to a range of urban uses including residential, commercial, business enterprise and conservation. The proposal will potentially yield 3,000 residential dwellings and will be serviced by a local centre anchored by a full line supermarket and supporting retail services.

PE7 – Wilton New Town

The Department is considering this proposal. Rezoning may be implemented through an amendment to the Sydney Environmental Planning Policy (Sydney Region Growth Centres) 2006 (the Growth Centres SEPP).

The Department has been advised that the proposal will be reviewed and reported to Council in February 2017 before a formal response is provided.

It is unclear at this stage when the planning proposal will be placed on public exhibition for broader consultation with the community.

CONSULTATION

Further joint community consultation will be undertaken between the Council and the NSW Department of Planning & Environment once the draft Land Use and Infrastructure Strategy and Special Infrastructure Contributions Scheme is finalised.

FINANCIAL IMPLICATIONS

There is a draft Voluntary Planning Agreement between the three major landowners and the Department that would see \$268,667 paid to Council to cover costs already incurred by Council and cover up to approximately \$30,000 per month in future costs. Council has been waiting a long time for the finalisation of this agreement.

ATTACHMENTS

1. Background summary.
2. Option 1: Original concept endorsed by Council December 2012.
3. Option 2: Initial revision proposed moving town centre slightly south.
4. Option 3: Relocated to corner of Picton Road and Hume Highway.
5. Draft Macarthur Strategy Plan.
6. Option 4: Governor's Hill and DPE Preferred Option.
7. Option 1: Density Analysis.
8. Option 2: Density Analysis.
9. Option 3: Density Analysis.
10. Option 4: Density Analysis.
11. Letter from Department of Planning & Environment.
12. Draft Revision Governance Plan.

RECOMMENDATION

1. That Council re-affirms its support 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.

PE7 – Wilton New Town

2. That Council adopt Options 1 or 2 as the preferred town centre location and writes to the NSW Government requesting these options be incorporated in the Draft Land Use and Infrastructure Strategy.
3. That Council continue to lobby NSW State Government for improved passenger rail to the Wilton Priority Growth Area and request that value capture be applied as part of a forthcoming 'City Deal' to provide passenger rail services to Wilton with a rapid priority bus service being integrated with any town centre design option ahead of rail infrastructure being provided.
4. That Council writes to the NSW Government and requests that the potential for passenger rail services via the Maldon-Dombarton Rail Corridor be reflected in the draft Land Use and Infrastructure Strategy. Further, that any future revisions of the masterplan and planning direction in the Draft Land Use and Infrastructure Strategy do not compromise the objective of linking the town centre with future public transport infrastructure and pedestrian access.
5. That Council notes the four (4) mining co-existence pathways outlined by the NSW Department of Planning and Environment and writes to the NSW Government requesting that all options be explored to assist in achieving the objectives discussed in this report including the preferred town centre location and co-ordinated delivery of land release. Failing resolution of the matter by these means and consistent with the recommendations in the Resource Mining Framework prepared for the NSW Department of Planning and Environment by AgEconPlus dated 12 June 2015, the NSW Government consider prioritising urban development over mining rights where there is no demonstrable plan for mining to occur within 7 years.
6. That Council resolves to write to the NSW Government seeking commitment to rapid bus priority services and passenger rail services to support growth at Wilton as an important health priority. Further, that the NSW Government commits to early provision of integrated health care facilities at Wilton and works with Council and landowners to identify a suitable location for integration in the masterplan for Wilton.
7. That Council endorse the draft revised Governance and Probity Plan and refer it to the Department of Planning and Environment.