

GR3 – Local Environmental Plan Review Program and Funding Agreement

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TRIM 10491-2 & 10491-3

EXECUTIVE SUMMARY

- The purpose of this report is to secure Council support to participate in the Accelerated Local Environmental Plan Review Program.
- The Review Program seeks to update the Wollondilly Local Environmental Plan 2011 to give effect to the Western City District Plan recently released by the Greater Sydney Commission.
- It is recommended that:
 - Council participate in the Accelerated Local Environmental Plan Review Program.
 - Council agree to commence a review of Wollondilly Local Environmental Plan 2011.
 - The authority to sign the Accelerated Review Program Funding Agreement on Council's behalf be delegated to the General Manager.
 - Council be kept updated throughout the LEP Review process in relation to review actions and project milestones.

REPORT

1.1 BACKGROUND

A number of planning related announcements and legislative changes have been introduced by the State Government in recent times, including:

- Amendments to the Environmental Planning and Assessment Act 1979,
- Housing Affordability Strategy,
- Western City District Plan, and
- Western Sydney City Deal.

Amendments to the Environmental Planning and Assessment Act 1979

The Environmental Planning & Assessment Act 1979 ('Planning Act') was updated on 1 March 2018.

The changes introduced new requirements for community participation, strategic planning, probity in decision making and various other changes.

The changes also embed a statutory requirement for Councils to review and amend their local environmental plan as soon as practicable after a District Plan is made. Together with the introduction of local strategic planning statements, these initiatives put into practice the NSW Government's policy shift towards upfront strategic planning.

GR3 – Local Environmental Plan Review Program and Funding Agreement

Housing Affordability Strategy

In June 2017 the NSW Government released 'A Plan to improve Housing Affordability', a comprehensive package of measures designed to improve housing affordability with an emphasis on Greater Sydney, where the affordability challenge has been identified as the greatest.

A key part of the strategy is to streamline and simplify the planning system to increase housing supply by fast tracking approvals and through the rezoning of more land. A number of the Strategy measures have already been actioned, some of which have been separately reported to Council, including:

- Release of the Low Rise Medium Density Housing Code to allow development of dual occupancies, town houses, manor homes and terraces as complying development. A report on the implications of this Code for Wollondilly was considered by Council at the June 2018 meeting,
- Development of a draft Greenfield Housing Code,
- The final District Plans prepared by the Greater Sydney Commission with housing supply targets for each local government area,
- A specialist team has been established with the Department of Planning & Environment ('Department') to accelerate rezoning applications. This team has provided assistance on planning proposals for Wollondilly recently,
- Identifies that the Local Environmental Plans (LEP) of ten priority councils in Greater Sydney will be updated to reflect the final District Plans within two years of their release. Up to \$2.5 million will be available to each priority council to assist them to update their LEP, through the Western Sydney City Deal.

Western City District Plan

In March 2018, the Greater Sydney Commission released 'The Greater Sydney Region Plan - A Metropolis of Three Cities' and District Plans for each of Greater Sydney's five districts. The Western City District Plan ('District Plan') is the relevant District Plan for Wollondilly.

The Western City District Plan provides a 20-year plan to manage growth and achieve the 40-year vision, while enhancing Greater Sydney's liveability, productivity and sustainability into the future.

GR3 – Local Environmental Plan Review Program and Funding Agreement

The District Plan states that Councils are to complete the review and update of their local environmental plan against the relevant district plan within 3 years of the district plan being finalised.

This review will require the preparation of a number of studies and strategies, including a housing strategy, commercial and centres strategy and a strategic review of industrial land.

Western Sydney City Deal

On 4 March 2018, the Federal and NSW Governments, together with 8 local governments of Western Sydney, including Wollondilly, signed the Western Sydney City Deal ('City Deal').

The City Deal is a 20 year agreement between the 3 levels of government to transform Sydney's outer west to create the 'Western Parkland City'.

From a policy context, the City Deal seeks to deliver State and Federal plans for managing growth and delivering infrastructure in Australia's cities. Specifically the Smart Cities Plan and the Western City District Plan.

Under the Western Sydney City Deal, funding is available to 6 high growth areas to assist Councils with their strategic planning review. These are Camden, Campbelltown, Fairfield, Liverpool, Penrith and Wollondilly.

1.2 ACCELERATED LEP REVIEW PROGRAM FUNDING AGREEMENT

Overview of the Funding Agreement

Council has been offered funding up to \$2.5 million, subject to contractual conditions, to assist with updating our LEP. A copy of the cover letter from the NSW Government and Funding Agreement are provided at Attachments 1 and 2.

The objective of the Agreement is to document the agreed outcomes for the Project including milestones and timing for the payment of the funding.

The Agreement does not stipulate what the funding can be used for other than that it can only be used for the project. It is anticipated that the funding will be mostly used to cover the costs of preparing a number of specialist studies to inform the LEP review, for example, a housing strategy, and will also be used to cover some staff resourcing costs.

Once the Agreement has been signed, Council will be required to prepare a Project Plan for the Department to review and approve.

GR3 – Local Environmental Plan Review Program and Funding Agreement

The Project Plan is likely to seek an allocation of funding for the temporary appointment of a Project Co-Ordinator and Health Planning position. The latter position possibly being joint-funded by the South West Sydney Local Health District (Population Health).

The LEP review is a requirement of the District Plan. Even if Wollondilly wasn't a priority Council, the LEP would need to be updated within three (3) years of the finalisation of the District Plan, and potentially without any funding assistance.

In May 2018, the Department released the *LEP Roadmap; Guidelines for updating Local Environmental Plans to give effect to the District Plans in the Greater Sydney Region*. The document specifies timeframes for councils who have been selected to accelerate a review of their LEP. A copy of this document is provided at Attachment 4.

Timeframe and Milestones

The indicative timeframe is provided at Attachment 3 and identifies the review period commencing in June 2018 and completion in June 2020 with 'Phase 6' being the submission of the final planning proposal to the Department for finalisation and gazettal.

At the first Technical Working Group meeting run by the Department was held 7 June 2018, Council were advised that most milestones were non-negotiable in terms of timing in order to achieve the overall outcomes. This reinforces the importance of the funding to assist in putting the right resources in place to carry out the review.

The first project deliverable required is a 'LEP Review Report' to identify how closely aligned the existing local environmental plan is against the District Plan. The report is required to be submitted to the Department for approval by February 2019.

CONSULTATION

The Funding Agreement has been reviewed by Council's General Counsel who has advised that the Agreement is a 'plain English document couched in clear and unambiguous terms'. The terms and conditions are considered fair and reasonable when referenced against similar documents. There are not considered to be any unacceptable risks for Council in the document and it has been recommended to Council for execution.

Sustainable and Balanced Growth
Report to the Ordinary Meeting of Council held on Monday 16 July 2018

GR3 – Local Environmental Plan Review Program and Funding Agreement

FINANCIAL IMPLICATIONS

Funding of up to \$2.5 million for the LEP Review is available for this project through the City Deal initiative subject to contractual conditions.

Any additional costs for this project are to be covered through Council's adopted budget or forward estimates. No additional costs have been identified at this early stage.

The requirement to undertake a LEP Review, along with new requirements generated from recent changes to the Environmental Planning & Assessment Act 1979, will have a significant impact on Strategic Planning resources.

ATTACHMENTS INCLUDED IN A SEPARATE BOOKLET

1. Letter from NSW Government dated 22 May 2018
2. Accelerated LEP Review Program Funding Agreement
3. Accelerated LEP Review and Update Indicative timeline
4. LEP Roadmap; Guidelines for updating Local Environmental Plans to give effect to the District Plans in the Greater Sydney Region

RECOMMENDATION

1. That Council participate in the Accelerated Local Environmental Plan Review Program.
2. That Council agree to commence a review of Wollondilly Local Environmental Plan 2011.
3. That the authority to sign the Accelerated Review Program Funding Agreement on Council's behalf be delegated to the General Manager.
4. That Council be kept updated throughout the LEP Review process in relation to review actions and project milestones.