

Our Ref: RZ14002 ((1158346))

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18 December 2015

NSW Department of Planning and Environment
Hunter Regional Office
PO Box 1226
Newcastle NSW 2300

Attn: James Shelton

Re: Response to Additional Information Request – Rezoning of Gillieston Heights Southern Precinct

The information supplied below is in response to your email dated 10 December 2015 requesting further information to strengthen the Gillieston Heights Southern Precinct planning proposal.

SECTION A – NEED FOR THE PLANNING PROPOSAL

3. Is there a net community benefit?

No net community benefit test has been undertaken as part of this proposal. However, Council envisages that this planning proposal will result in a net community benefit.

The subject lands are considered as part of the adopted policy position for urban investigation sites identified within Council's Maitland Urban Settlement Strategy 2012.

The subject land proposed for urban purposes occupies a central location between the Hunter Expressway, the proposed Hydro Kurri Kurri development and the Maitland CBD, and is therefore well positioned to benefit from economic growth and emerging employment opportunities. On this basis, the rezoning of the subject land will generate housing supply that is both well connected and in close proximity to employment centres.

The public interest reasons for preparing this draft plan include:

- Creation of an alternative access route that is above the 1:100 ARI flood event. This new connection would assist in addressing existing access issues due to the regular flooding of Tester's Hollow to the south
- Enabling the provision of new housing stock in a range of sizes, styles and price points, which will directly contribute to the NSW Government target for new housing, as well as State Government and Council policies for new housing
- A subdivision layout that extends, consolidates and links into, existing communities rather than creating new, stand-alone, isolated residential areas
- Provision of new community infrastructure and open space which will support an active community and encourage healthy lifestyles
- Increased housing supply in close proximity to local employment opportunities generated by the Maitland CBD and Hydro's proposed Business Park, General Industry and Heavy Industry.

- Planning will support a community with a unique sense of place
- Permeability and access within the site layout and between these new communities and surrounding areas
- Design principles that support creation of a socially sustainable community.
- Existing environmentally sensitive areas on the site will be protected and enhanced

The implications of not proceeding with the planning proposal include:

- The availability of urban land for population growth addressed in the LHRS 2006 will not be achieved;
- The desired future outcomes of Council's long term strategic plans (MUSS 2012) for this area will not be achieved;
- The potential for a higher order land use within the subject lands would be lost, as the land is not large enough to support sustainable agricultural practices;
- The potential for improvements to the existing public infrastructure would be limited;
- Opportunities to improve and enhance the linkages between established and developing residential areas of Gillieston Heights, Cliftleigh, and Hydro's proposed Central Residential Precinct will be denied if the proposal is not supported.

SECTION B – RELATIONSHIP TO STRATEGIC PLANNING FRAMEWORK

5. Is the planning proposal consistent with the local council's Community Strategic Plan, or other local strategic plan?

Maitland Urban Settlement Strategy (MUSS) 2012

The subject land situated east of the South Maitland Railway is currently zoned RU2 - Rural Landscape in the Maitland LEP 2011. Both Gillieston Heights and Cliftleigh are identified in the Lower Hunter Regional Strategy 2006 as areas of investigation for urban purposes. The land occupies approximately 114ha and is identified in the Maitland Urban Settlement Strategy 2012 (MUSS) as Category 1 & 2 Residential. The Category 1 & 2 land accounts for the remaining developable land in the Gillieston Heights locality.

Although it is recognized that the rezoning of Category 2 Residential land is outside the policy position adopted in the MUSS, the action in this instance is considered justified. This justification rests on the need to capture an adequate funding base for Section 94 developer contributions, and an expectation that required infrastructure will occupy land identified as Category 2 Residential.

The subject land occupies a central location within the emerging growth corridor, and therefore requires a holistic approach to infrastructure planning that takes into account both the Gillieston heights URA, and areas of Hydro's residential catchment outside of the Maitland LGA. The following summary provides an overview of infrastructure currently under consideration:

1. Community infrastructure – in addition to the provision of parks and open space, preliminary investigations indicate that the subject land may require the provision of sporting fields to accommodate the wider residential catchment. It should be noted that the rezoning of the Gillieston Heights URA has, to date, occurred in stages. The rezoning of both Category 1 and 2 lands will enable the formulation of a contributions plan that will deliver improved community infrastructure outcomes.
2. Regional Infrastructure - Due to the scale of development encompassed within the growth corridor, discussions between Maitland and Cessnock Councils have established the

possibility of providing for regional infrastructure. This may include the provision of a community library, a regional community facility and childcare facilities. Greater detail regarding the location and nature of regional infrastructure will be established following further studies.

3. Road infrastructure – The subject land will require the provision of a four-way signalised intersection on Cessnock Rd, located towards the southern extent of the subject land identified as Category 2 in the MUSS 2012. The proposed intersection will operate as a juncture that links Cessnock Rd to the Hydro residential catchment, and will therefore play a central role in managing traffic flows north towards the Maitland CBD and south towards the Hunter Expressway. Additionally, the intersection will serve to manage traffic flows circulating within the Gillieston Heights URA.

It should be noted that road infrastructure linking the Hydro site to Cessnock Rd would create an alternative access route for Gillieston Heights to the Hunter Expressway and township of Kurri Kurri that is above the 1:100 ARI flood event. This new connection will assist in addressing existing access issues due to the regular flooding of Tester's Hollow to the south, which contributed to the isolation of Gillieston Heights during the April 2015 flood event.

Further studies will establish in detail the requirements surrounding the provision of infrastructure. This will be made possible once lot yields are accurately defined for both the Maitland LGA and Cessnock LGA.

The aforementioned infrastructure requirements present significant funding challenges, largely due to Section 94 developer contributions being calculated on a per lot basis. To deliver an adequate funding base for proposed capital works, the Section 94 Plan must encompass sufficient critical mass with regard to lot yield. Rezoning the remaining Category 1 & 2 land as separate exercises at different points in time would frustrate the development of a section 94 Plan that delivers the required infrastructure funding base in a timely manner.

The proposed solution to this problem involves two actions; (i) to rezone the remaining Category 1 & 2 land in Gillieston Heights under the same planning proposal, and (ii) to conduct a joint cross-border section 94 plan with Cessnock City Council.

Participating in a cross border section 94 plan provides a number of key benefits. Notably, it allows for a wider, cross-border funding base to contribute to infrastructure provision. Access to a wider funding base is particularly beneficial in this instance, given the concentration of capital works required in what is a relatively small urban area. Additionally, a cross border Section 94 Plan allows for a holistic, integrated approach to infrastructure planning across the Hydro Kurri Kurri site and across the growth corridor more broadly, leading to better planning and community outcomes. Preliminary discussions between Maitland City Council and Cessnock City Council have indicated broad agreement across these issues, and a strong willingness to collaborate on a joint Section 94 Plan.

It should also be noted that the DCP to be prepared for the anticipated URA extension will include a staging plan that will guide the logical and coordinated development of the URA over the next 5 – 10 years and beyond.

The Gillieston Heights Category 1 lands (MUSS) would only provide approximately 200 additional lots. This would likely provide inadequate additional zoned land in this corridor where there is a demonstrated high level of demand (see Section C -Social and Economic Effects).

Section C – Environmental, Social and Economic Impact

8. Is there any likelihood that critical habitat or threatened species, population or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

A biodiversity report has been submitted outlining key biodiversity findings for the Hydro site. Hydro is conducting an ongoing biodiversity study as part of a biodiversity certification process in conjunction with Cessnock Council. The study encompasses the entire Hydro site, although it should be noted that Council will not be seeking biodiversity certification due to the relatively low biodiversity impact expected from proposed urban development in the Maitland LGA. The submitted report provides a preliminary presentation of findings from Hydro's biodiversity study.

The preliminary report identifies four endangered ecological communities (EEC) within the Maitland LGA. These include the River Flat Eucalypt Forest on Coastal Floodplains EEC, Hunter Lowlands Redgum Forest EEC, Kurri Sands Swamp Woodland EEC and the Lower Hunter Spotted Gum EEC.

Three of these EEC's were identified east of the South Maitland Railway in the area proposed for urban purposes. These communities largely occur in riparian areas and in areas identified as containing shallow mine workings. It is anticipated that an E2 – Environmental Conservation zone will be applied in these areas. The proposed residential area is expected to impact primarily on the Lower Hunter Spotted Gum – Ironbark Forrest EEC in areas identified as being underscrubbed / grazed and considered of low biodiversity significance. Therefore, it is expected that appropriate zoning can deliver a balanced outcome with minimal impact on the biodiversity integrity of the site.

EEC's located west of the South Maitland Railway are not proposed to be impacted by urban development. It is anticipated that the existing E2 – Environmental Conservation zone will be extended to the Western border of the subject land, resulting in an improved biodiversity outcome.

A literature review and site survey identified a number of threatened fauna species within the Maitland LGA. The majority of these species are identified west of the South Maitland Railway and will therefore not be impacted by urban development. However, two of these species, the Squirrel Glider and East-coast Freetail Bat, were identified east of the South Maitland Railway in the site area proposed for urban purposes. The preliminary report locates these species in areas of remnant vegetation expected to be rezoned as E2 – Environmental Conservation. Further studies may be required to provide a more detailed survey of threatened species / habitat, however it is expected that appropriate zoning can deliver an acceptable outcome with minimal impact on threatened fauna species.

It is important to note that the submitted reports are preliminary, and further assessment of biodiversity constraints and proposed development impacts will be made following the submission of Hydro's finalised biodiversity studies.

Biodiversity studies are proposed to be required for subject land east of Cessnock Road following the issue of a gateway determination. This area consists of predominantly cleared grazing land. Remnant vegetation exists on the eastern border of the site, and further studies may identify this area as a biodiversity asset warranting an extension of the E2 – Environmental Conservation zone. This area of remnant vegetation is not proposed for urban development due to flood liability and steep slope gradient and is expected to form a buffer zone to the developable residential area. It is expected that biodiversity findings will not present a significant constraint to urban development east of Cessnock Road.

10. Has the planning proposal adequately addressed any social and economic effects?

The proponent has submitted a socio and economic impact assessment for the entire Hydro site. Although the study is focussed predominantly on socio economic impacts affecting the Cessnock LGA, it is considered reasonable to extrapolate the findings of the study to provide a general understanding of impacts for the Maitland LGA. Further studies may be required to provide a more detailed understanding of socio economic impacts specific to the Maitland LGA.

The MUSS 2015 Draft Annual Report identifies the Gillieston Heights URA as having experienced the fastest growth rate within the Maitland LGA over the November 2014 to November 2015 period. The developed area has increased from 32% to 50%, with a total zoned area of 119 hectares remaining. This equates to an additional 50 hectares of residential land having been developed over the last 12 months in Gillieston Heights. The 2015 MUSS Annual Report also indicates that land in Gillieston Heights is provided at a more competitive price point when compared to the remaining URA's in the Maitland LGA. The level of existing land supply is also more constrained compared to other urban release areas in the eastern and western sectors of the LGA.

In addition to growth driven by housing affordability, the strong pace of development in Gillieston Heights is supported by the unique positioning of the locality between the Hunter Expressway and the Maitland CBD. These linkages are expected to continue to drive demand in Gillieston Heights, which should be further improved as new employment opportunities and community infrastructure arise from the proposed Hydro Kurri Kurri development.

The Hydro Kurri Kurri proposal would generate significant economic benefits locally and for the wider region. Urbis (2015) has estimated the economic benefits of the project to include:

- Ongoing jobs expansion of approximately 6,900 jobs, with 3,840 blue collar jobs and 3,060 white collar jobs (full-time, part-time and casual direct jobs)
- 13,160 direct construction jobs and 20,710 indirect supplier jobs, for a total construction phase employment benefit of 33,870 jobs (full-time, part-time and casual jobs)
- Expansion of ongoing jobs will result in an additional \$448.6 million worker income per annum
- The expansion in population from the delivery of new housing and subsequent population growth is expected to expand local retail spend by \$58.4 million at full development" (Urbis 2015, p. 1).

The subject land occupies a central location between the proposed Hydro Kurri Kurri development and the Maitland CBD, and is therefore well positioned to benefit from economic growth and employment opportunities. On this basis, the rezoning of the subject land and subsequent increase in housing supply in this part of the LGA is considered to have significant merit.

Further information addressing anticipated community benefits are outlined in Section A of this letter.

The balance of social and economic effects outlined in the Hydro proposal present a net benefit to the community, and supports the proposed rezoning of the subject land.

PART 5: COMMUNITY CONSULTATION

Council will be engaging in consultation with Cessnock City Council throughout the rezoning process. Cessnock City Council is considered a key stakeholder, with the majority of the proposed Hydro Kurri Kurri site being within the Cessnock LGA. An initial meeting was held on 19 August 2015 between Maitland and Cessnock City Council planning staff to discuss the range of cross border issues likely to arise, and the subsequent need for collaboration to deliver an optimal planning outcome.

A follow up meeting is expected after the issue of a gateway determination, and ongoing coordination thereafter. Issues expected to be discussed include development of an overall structure plan, details surrounding a potential joint Section 94 Plan, subdivision and road hierarchy design, and DCP provisions.

The consultation process, as outlined above, does not prevent any additional consultation measures that may be determined appropriate as part of the Gateway Determination process.

If you have any questions, or require further information to assist in your assessment, please contact Steve Daniels, Strategic Town Planner on (02) 4934 9729 or steved@maitland.nsw.gov.au.

Yours sincerely,

Steve Daniels
Strategic Town Planner