

Planning and Assessment

IRF22/2040

Gateway determination report

LGA	Cessnock City Council
PPA	Cessnock City Council
NAME	1184 Wine Country Drive, Rothbury (640 homes, 597
	jobs)
NUMBER	PP-2022-1138
LEP TO BE AMENDED	Cessnock Local Environmental Plan 2011
ADDRESS	1184 Wine Country Drive, Rothbury
DESCRIPTION	Lots 2,3 & 4 DP869651, Lot 11 DP1187663 and Lot 1
	DP1233030
RECEIVED	31/03/2022
FILE NO.	IRF22/2040
POLITICAL	There are no donations or gifts to disclose and a political
DONATIONS	donation disclosure is not required.
LOBBYIST CODE OF	There have been no meetings or communications with
CONDUCT	registered lobbyists with respect to this proposal.

1. INTRODUCTION

1.1 Site description

The property has an area of 241ha and is located on Wine Country Drive on the northern edge of the 'Vineyard District', 11km north of Cessnock. The site is known as the ovedale Integrated Tourist Development and was formerly known as Golden Bear. References in this report to Golden Bear should be taken to mean Lovedale Integrated Tourist Development.

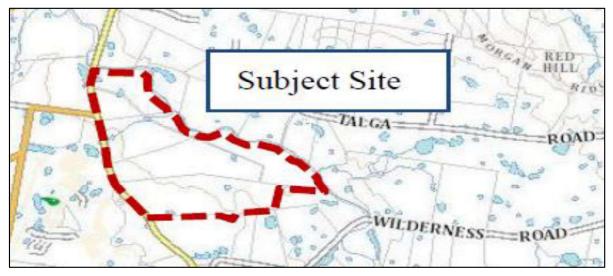


Figure 1: Location

1.3 Existing planning controls

The land is zoned SP3 Tourist with an existing approval for an integrated tourist development that includes:

- up to 300 permanent residential dwellings;
- up to 300 tourist accommodation units; and
- an 18-hole golf course.

Clause 7.11 of *Cessnock Local Environmental Plan 2011* defines 'integrated tourist development' and limits the number of permanent residential dwellings to 300 and tourist accommodation units to 300.

The site is currently undeveloped rural grazing land and has been identified as an Urban Release Area in *Cessnock Local Environmental Plan 2011* (see Figure 2).

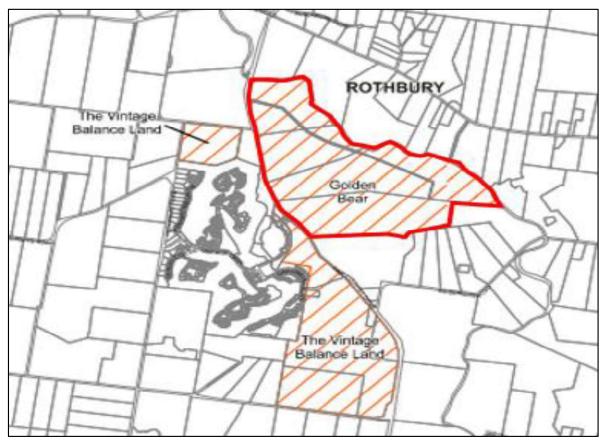


Figure 2: Urban Release Areas (site outlined red)

1.4 Surrounding area

The site is on the northern edge of the Vineyard District, approximately 8km by road from Greta Railway Station, 7.5km from Huntlee Town Centre and 11km north of Cessnock.

Adjoining to the southwest on the other side of Wine Country Drive is the integrated tourist development known as 'The Vintage' which has been developed with approval for up to 1022 dwellings, 995 tourist accommodation units, up to 1,000sqm of shops and a golf course.

Land to the south is predominantly vineyards.

2. PLANNING PROPOSAL

2.1 Council's planning proposal policy

The planning proposal has been forwarded to the Department requesting a Gateway determination without formal consideration by Council and without a Council resolution. This is process is inconsistent with the *Local Environmental Plan Making Guideline*.

A Council memo dated 14 April 2022 advised Councillors of lodgement of the planning proposal in accordance with Council's planning proposal policy. The policy enables planning proposals to be progressed without a resolution if they meet criteria that include consistency with State, regional and local strategies, supported by appropriate studies and the site being in identified investigation areas.

The policy states:

"5.1. Planning proposals that are accepted for consideration in accordance with clause 4.1 will not be reported to Council for determination. These planning proposals will be assessed by staff under delegation and if supported, forwarded to DPIE for a Gateway determination."

The memo also states that "Council staff will undertake a further detailed assessment of the proposal and supporting documentation and make recommendations to the Proponent for additional information if required". Neither this detailed assessment, nor any record of recommended amendments to the planning proposal has been provided to the Department.

It is therefore difficult to determine the matters that are of importance to Council staff and the elected Council.

2.2 Description of planning proposal

The planning proposal seeks to increase the permanent residential component of the integrated tourist development from 300 to 640 dwellings to help fund construction of the approved golf course as part of an integrated tourism development in the Vineyards Strategic Agricultural Land.

2.3 Objectives or intended outcomes

The objective of the planning proposal is to increase the number of permanent residential dwellings permitted on the site to fund an improved integrated tourist development.

While the objective is generally clear, it does not include Council's desired outcome of ensuring the golf course is sequenced early in the development of additional residential dwellings. This additional outcome should be added to the planning proposal.

2.4 Explanation of provisions

It is proposed to amend clause 7.11 of Cessnock Local Environmental Plan 2011 to:

- increase the number of permanent residential dwellings permissible on the site from 300 to 640 dwellings;
- limit the issuing of occupation certificates for the first 200 permanent residential dwellings until a construction certificate has been issued for the golf course; and

 amend the definition of 'integrated tourist development' to make it clear it includes permanent residential accommodation, tourist and visitor accommodation and other tourist related uses including golf courses and shops.

It may not be possible for a local environmental plan to not limit the issuing of occupation certificates. This provision should be removed from the planning proposal and the objectives or intended outcomes be updated. This will provide for further consideration by the Department and Parliamentary Counsel as part of finalising the planning proposal.

The current clause 7.11 in *Cessnock Local Environmental Plan 2011* is clear on what is permissible on the site. Other than increasing the numbers of permanent residential dwellings to 640 no change to the definition is required. This proposed provision should be removed from the planning proposal. If Council wishes to pursue the proposed amendment it should be considered as part of the concurrent planning proposal (PP-2022-1641).

2.4 LEP Practice Notes PN09-006

Practice Note PN009-006 is to guide councils on providing tourism opportunities in their principle local environmental plans prepared under the Standard Instrument.

In general, tourism should be encouraged through the inclusion of suitable uses across the majority of zones. This approach provides greater flexibility than applying a separate tourist zone (SP3 Tourist). Generally, the SP3 Tourist zone should only be used for areas where other zones are not appropriate.

However, there may be some circumstances where tourism is considered the focus of a particular location and it is not proposed to include many other non-tourist related business or accommodation uses.

Where a range of tourist, business and longer term accommodation uses are located together, a suitable employment zone should be employed instead of the SP3 Tourist zone.

There is a concurrent planning proposal (PP-2022-1461) that is seeking to amend the zoning of the site (and adjoining The Vintage) from SP3 Tourist to SP1 Special Activities.

If approved, the combined dwellings permissible across the two sites would be 1,662. This would justify a small neighbourhood centre to ensure these residents could meet the objectives in the draft Hunter Regional Plan 2041 for 15 minute neighbourhoods with local access everyday services without the need for private car travel.

The planning proposal does not consider the Practice Note or consider alternatives of applying an appropriate employment zone to the site given the range of uses associated with the Vintage and Lovedale Integrated Tourism Development.

2.5 Concurrent planning proposals (PP-2022-1641)

Council has lodged a separate planning proposal seeking to amend the SP3 Tourist zone land use table and rezoning land near the intersection of Broke and McDonald Roads at Pokolbin to SP3 Tourist.

There is a need for a coordinated and clear understanding to proposed amendments to planning frameworks for how clusters of tourism, or non-agricultural land uses, are to be managed in the Viticulture Strategic Agricultural Land.

The draft Hunter Regional Plan 2041 identifies a Cessnock Vineyards Regionally Significant Growth Area that includes both the Vintage and Lovedale Integrated Tourism Development and the potential tourism node investigation area at the intersection of Broke and McDonald Roads.

Given the above, the planning proposal should be amended to removed proposed amendments to the definition of 'integrated tourism development'. This should be considered as part of the concurrent planning proposal (PP-2022-1649).

2.5 Mapping

No amendments to local environmental plan maps are required for this planning proposal.

3. NEED FOR THE PLANNING PROPOSAL

The planning proposal does not clearly address the need for the local environmental plan amendments. The planning proposal states a review of the existing approved design does not meet current best practice and impedes achievement of a 'world class' standard. Therefore, it requires an increase in the number and type of permanent residential dwellings.

The economic impact assessment lodged in support of the planning proposal indicates that golf courses are rarely viable on their own and it is assumed that the additional residential component is to help fund the construction of the golf course and upgraded tourism accommodation.

This needs to be made clearer and placed in the section on 'need for the planning proposal'.

4. STRATEGIC ASSESSMENT

4.1 Regional / District

4.1.1 Hunter Regional Plan 2036

The planning proposal is consistent with the following goals and directions:

Goal / Direction / Action	DPE Assessment
Goal 1 The leading regional economy in Australia	The planning proposal proposes an increase to currently permanent residential
Direction 5 Transform the productivity of the Upper Hunter	component of the integrated tourist development.
• Action 5.1 Prepare for the diversification and innovation of the economy rural tourism.	This will need to support and be complementary to the wine and food industry as well as other rural tourism in the area. Otherwise, the built form and land uses may more resemble a local centre.
• Direction 9 Grow tourism in the region	As above.

Go	oal / Direction / Action	DPE Assessment
•	<i>"Increasing the appeal of the Hunter Valley's vineyards and cellar doors will support a range of complimentary tourism activities."</i>	
Go	oal 4 Greater housing choice and jobs	The planning proposal will promote housing diversity, increased tourism accommodation and generate a significant
•	Direction 22: Promote housing diversity	
•	Action 22.1 Respond to the demand for housing and services for weekend visitors	number of construction and on-going jobs.
•	Action 22.2 Encourage housing diversity	
•	Action 22.5 Facilitate expansion of existing and new tourism development activities in agricultural or resource lands and related industries across the region.	
Ce	essnock Narrative – Housing	While the site is isolated from existing residential areas and centres, it is identified as an Urban Release Area, has development consent for integrated tourist development and will help achieve many of the tourism and housing outcomes of the <i>Hunter Regional Plan 2036</i> .
•	Future housing and urban renewal opportunities:Golden Bear	
•	The regional plan has identified this location as an existing Urban Release Area for the delivery of housing.	

The planning proposal is consistent with Hunter Regional Plan 2036.

4.1.2 Draft Hunter Regional Plan 2041

The following objectives and strategies in the draft Hunter Regional Plan 2041 are relevant to this planning proposal.

Objective / Strategy	DPE Assessment
Objective 5: Plan for 'nimble neighbourhoods', diverse housing and sequenced development.	Many of the homes to be built will be available for short term rental.
Strategy 5.8 Local strategic planning should consider the demand for short term rental accommodation	
Objective 8: Plan for businesses and services at the heart of healthy, prosperous and innovative communities.	The planning proposal will provide tourism accommodation with on-site experiences, taking pressure off providing this type of
Performance outcomes: 6. Tourism activities support domestic and international visitors, providing diverse and sophisticated tourism experiences, and complement the	development on the adjoining viticultural lands while still providing increased visitation.

Objective / Strategy	DPE Assessment
landscape setting and avoid land use conflict.	
 Strategy 8.6 Planning proposals must: demonstrate that the scale and type of tourism land use proposed can be supported by the transport network and complements the landscape setting be compatible with the characteristics of the site and existing and likely future land uses in the vicinity of the site demonstrate that the tourism land use would support the function of nearby tourism gateways or nodes be supported by an assessment prepared in accordance with the Department of Primary Industries' <i>Land Use Conflict Risk Assessment Guide</i> if the use is proposed on or in the vicinity of rural zoned lands. 	The proposed expansion of the residential component of the site would need to support the proposed tourist centre nearby which is subject to a separate planning proposal 'Cessnock Vineyards District' (PP- 2022-1649). In addition, an integrated tourist development of a similar scale has been constructed on adjoining land to the southwest known as 'The Vintage'. While there is an existing approval for the site, the scale of the proposed expansion of residential accommodation warrants consultation with Transport for NSW concerning the road network's capacity to accommodate expansion. Transport for NSW has separately requested to be consulted. Furthermore, the additional permanent population may intensify impacts on nearby land uses which warrants preparation of a land use conflict risk assessment in accordance with Department of Primary Industries' <i>Land Use Conflict Risk Assessment Guide</i> . It is noted there is an existing concept approval for the site and the development footprint of the concept approval is not proposed to be changed. It is also noted the site is already identified as an Urban Release Area.
 Objective 9: Productive Landscapes Strategy 9.4 A planning proposal must demonstrate that it is compatible with viticultural activities and: complements scenic values, visual amenity and local character provides suitable separation distances for sensitive uses, like tourist accommodation, having regard to spray, noise, and lighting considerations 	The additional permanent population may intensify impacts on nearby land uses which should warrant preparation of a land use conflict risk assessment in accordance with Department of Primary Industries' <i>Land Use Conflict Risk Assessment Guide</i> . It is noted there is an existing concept approval for the site and the development footprint of the concept approval is not proposed to be changed. It is also noted the site is already identified as an Urban Release Area.

Objective / Strategy	DPE Assessment
 considers existing and likely future agricultural and rural uses of adjoining lands and the cumulative impact of similar proposals on the locality. 	
Strategy 9.6 Planning proposals must be supported by an assessment prepared in accordance with the Department of Primary Industries' <i>Land</i> <i>Use Conflict Risk Assessment Guide</i> to limit or avoid conflicts between residential uses and agricultural activities.	As previously noted, given the scale of proposed intensification, a land use conflict risk assessment should be undertaken, and Department of Primary Industries should be consulted on the planning proposal.
Hunter District Planning Priority 6 Plan for the regionally significant Cessnock viticultural growth area	The planning priority supports tourism growth without risking the scenic amenity and grape growing elements of the vineyards. It is accompanied by a map which shows the proposed tourism development (see below) and raises issues of avoiding land use conflict and avoiding risking scenic amenity. The site is outside the areas identified as 'Vineyard scenic views'.

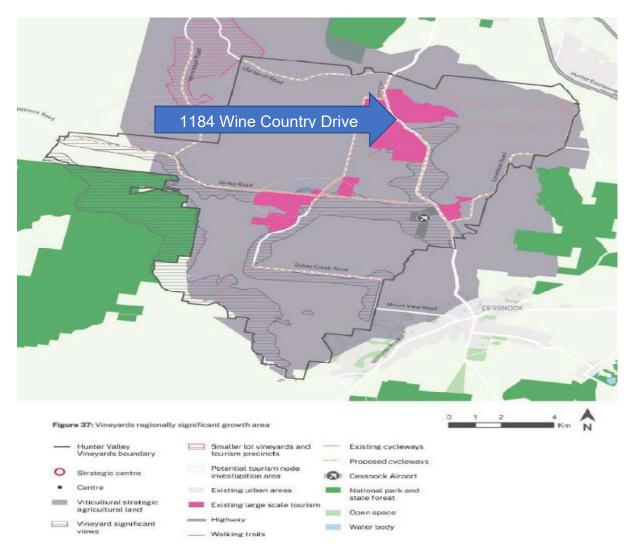


Figure 3: Draft Hunter Regional Plan 2041 Vineyards regionally significant growth area

The planning proposal is generally consistent with the draft Hunter Regional Plan 2041, subject to preparation of a land use conflict risk assessment and agency consultation with Transport for NSW and Department of Primary Industries.

4.1.3 Greater Newcastle Metropolitan Plan 2036

The following elements, strategies and actions in the metropolitan plan are relevant to this planning proposal.

Element / Strategy / Action	DPE Assessment
Element 5. Iconic tourist destinations Home to nationally and internationally significant tourism destinations and events The cluster of vineyards and wineries add to Greater Newcastle's tourism appeal and make it an important economic and lifestyle city.	Providing additional tourist accommodation supports this important component of the economy.
Strategy 6: Promote tourism, major events	Facilities at the proposed development will support the conferencing industry.

Element / Strategy / Action	DPE Assessment
Action 6.2 Support the growth of the conferencing sector to target opportunities	
Action 6.3 Greater Newcastle councils will align local plans to: increase flexibility for tourism proposals throughout the metro core including rural and environmental areas in the metro frame that do not affect the rural and environmental features, viticulture or other agricultural industries	This planning proposal provides greater flexibility for tourism and supports the viticulture industry.
Strategy 13 Protect rural amenity outside urban areas Action 13.1 Greater Newcastle councils will align local plans to: encourage niche commercial, tourist and recreation activities that complement and promote a stronger agricultural sector, and build the sector's capacity to adapt to changing circumstances	This planning proposal is seeking to enable a niche tourist development that supports the viticulture industry.
Cessnock Narrative The Cessnock Local Government Area is the focal point for the region's wine industry and a significant tourism and entertainment destination. Opportunities exist to increase its appeal as a major wine and food tourist destination with a national and international reputation.	The Pokolbin and Lovedale areas as well as the Wollombi Valley and National Parks are tourism destinations for entertainment and tourism activity. The planning proposal generally aligns with the narrative.

The planning proposal supports the strategies and actions of the *Greater Newcastle Metropolitan Plan 2036*.

4.2 Local

4.2.1 Cessnock Local Strategic Planning Statement 2036

The following planning priorities apply to this planning proposal.

Planning Priority	DPE Assessment
Planning Priority 1: Our urban areas are compact.	While the location is remote from urban areas and centres it is already identified as an Urban Release Area. Increasing the number of permanent dwellings on the same footprint will increase the density and make a more compact settlement.

Planning Priority	DPE Assessment
Planning Priority 2: Housing is diverse, adaptable and affordable and our urban areas facilitate affordable living.	While the changes made by the planning proposal will increase densities and provide more diverse housing opportunities, it is unlikely to provide significantly more affordable housing options. However, relative to the current approval housing will be relatively more affordable.
Planning Priority 7: Urban development is encouraged in areas with existing infrastructure.	Existing infrastructure is available to the development from existing development in the location at 'The Vintage'.
Planning Priority 8: Our rural land is protected from incompatible development.	This site and its increased densities will reduce pressure for development elsewhere potentially affecting rural lands.
Planning Priority 9: Our wine tourism industry is supported and enhanced.	The development will provide additional holiday accommodation and increase visitation to the 'Vineyard District'.
Planning Priority 10: Our City encourages a variety of niche tourism opportunities.	This planning proposal will enable development of a niche tourism destination.

The planning proposal is consistent with the *Cessnock Local Strategic Planning Statement 2036.*

4.2.2 Cessnock Housing Strategy

Cessnock Housing Strategy considers that additional land release is not required to address affordable housing. This proposal supports that position in that it is seeking to increase density on the same footprint within an approved Urban Release Area.

While improved housing affordability is unlikely to be a major outcome from this proposal, in relative terms it is improving that situation.

The proposal supports the strategy's need to provide more compact forms of housing through providing an additional 200 more homes and 140 apartments on the same development footprint as the currently approved 300 homes.

4.2.3 Vineyards District Study 2017

This study was prepared by Council to provide an evidence base to guide major amendments to *Cessnock Local Environmental Plan 2011*.

The study recognises that, 'viticulture and wine tourism are inextricably linked and the challenge of getting the balance right ...'. It also identifies the existing approved 'Golden Bear' (now known as Lovedale Integrated Tourism Development) on this site.

It also raises a number of issues that need to be considered for development within the Vineyards including:

• visual impacts;

- potential land use conflicts particularly with permanent residential and tourism development; and
- traffic and alternative transport options.

The planning proposal is consistent with the *Vineyards District Study 2017* and the matters for consideration are being addressed.

4.3 State environmental planning policies (SEPPs)

The following SEPP applies to this planning proposal.

4.3.1 SEPP (Transport and Infrastructure) 2021

This SEPP applies to this planning proposal as the site adjoins a classified road, Wine Country Drive, a State Road. While the SEPP generally applies to development applications, consultation should be undertaken with Transport for NSW during or before exhibition of the planning proposal.

Transport for NSW has requested to be consulted after a Gateway determination is issued.

4.3.2 SEPP (Biodiversity and Conservation) 2021

While the planning proposal identifies SEPP (Biodiversity and Conservation) 2021 as not applying to this proposal the reason outlined is incorrect. In Table 2 of the planning proposal the second row identifies this SEPP as applying only to a number of Metropolitan councils. This only refers to Chapter 2 of the SEPP.

Chapter 4 of the SEPP (Koala Habitat Protection) 2021 may still apply, in certain circumstances. Also, the title of the Table does not appear to reflect its contents. The table needs to be amended.

4.4 Section 9.1 Ministerial directions

The following section 9.1 Ministerial directions apply to this planning proposal.

1.1 Implementation of Regional Plans

The planning proposal is inconsistent with some provisions of the *Hunter Regional Plan 2036*, *Greater Newcastle Metropolitan Plan 2036* and draft Hunter Regional Plan 2041 in relation to focusing new residential development on existing centres.

However, as the site is identified as an existing Urban Release Area and development consent exists for a significant level of housing development this inconsistency is of minor significance.

1.4 Site Specific Provisions

The planning proposal is inconsistent with this direction as it restricts the amount of permanent residential development to 640 dwellings. However, this is an existing clause in the local environmental plan and it does not seek to enable uses not currently permitted within the zone.

The inconsistency is of minor significance.

4.3 Planning for Bushfire Protection

The land is identified as bushfire prone land. The previous development application included a bushfire report which was considered by the NSW Rural Fire Service.

As the proposal enables a considerable increase in development density the NSW Rural Fire Service should be consulted again.

4.4 Remediation of Contaminated Land

This matter would have been dealt with through the original consent and as there is no change in development footprint the potential would remain unchanged.

5.1 Integrating Land Use and Transport

The planning proposal applies to land that is zoned SP3 Tourist and identified as an Urban Release Area. The site's location limits its ability to provide other forms of transport, however, consultation with Transport for NSW should explore ways of reducing car transport.

6.1 Residential Zones

The SP3 Tourist zone permits the development of permanent residential housing and the site is identified as an Urban Release Area. The increase in housing by 340 will use the same footprint and increase density and diversity of housing. The planning proposal can be considered to be consistent with the direction or any inconsistency to be of minor significance.

5. SITE-SPECIFIC ASSESSMENT

5.1 Social

The planning proposal will provide a significant amount of permanent and holiday accommodation creating a local community and supporting the nearby local community through economic benefits and provide a significant number of jobs in the local area.

5.2 Environmental

The additional permanent residential development will be accommodated within the same approved existing footprint and there should be no additional adverse impacts.

5.3 Economic

The proponent has prepared an economic impact assessment for the planning proposal which identifies the proposed development will generate 1,215 jobs in construction and 597 on-going jobs in operation. The construction cost is \$550M.

5.4 Infrastructure

Infrastructure is available in the locality due to other nearby approvals and development at The Vintage. Water supply and wastewater management will be provided privately on-site within a community title scheme.

Hunter Water Corporation has advised it does not object to the planning proposal to increase the amount of permanent residential dwellings. Connections to water and wastewater, including wastewater reuse are available nearby. However, it has advised that servicing strategies will need to be prepared for water and wastewater before a compliance certificate can be issued for the development.

A preliminary traffic assessment has been prepared for the planning proposal. It concludes that traffic generated by the increased development density can be

supported by the current proposed access improvements. Transport for NSW will be consulted on the planning proposal.

6. CONSULTATION

6.1 Community

The planning proposal has not indicated a timeframe for consultation. However, 28 days would be considered appropriate.

6.2 Agencies

The planning proposal has not identified any NSW Government agency consultation for the planning proposal and has indicated that Transport for NSW and Hunter Water will be consulted for a new development application.

It is recommended that the following agencies be consulted:

- Transport for NSW;
- NSW Rural Fire Service; and
- Department of Primary Industries.

7. TIME FRAME

The planning proposal has not provided a timeframe other than the proponent seeking to start construction as soon as possible.

A detailed timeframe needs to be attached to the planning proposal with key dates for any additional investigations, date for public exhibition, assessment and submission of final LEP amendments.

Given that the planning proposal is amending a standard for an existing approved development it is considered to be a standard planning proposal as identified in the *Local Environmental Plan Making Guideline December 2021*.

A 12 months is an appropriate timeframe.

8. LOCAL PLAN-MAKING AUTHORITY

Council has advised that it wishes to be the local plan-making authority.

The site has an existing consent for similar development and is identified as an Urban Release Area with the planning proposal seeking to increase the residential density.

It is appropriate that Council be authorised to be the local plan-making authority.

9. RECOMMENDATION

It is recommended that the delegate of the Secretary:

- agree any inconsistencies with section 9.1 Ministerial directions: 1.1 Implementation of Regional Plans; 1.4 Site Specific Provisions; and 6.1 Residential Zones are minor or justified; and
- 2. note the consistency with section 9.1 Directions 4.3 Planning for Bushfire Protection and 5.1 Integrating Land Use and Transport is unresolved and will require justification through consultation with relevant agencies.

It is recommended the delegate of the Minister determine the planning proposal should proceed subject to the following conditions:

- 1. The planning proposal is to be updated prior to public exhibition to:
 - (a) clarify references to the site as Lovedale Integrated Tourist Development;
 - (b) delete the proposed amendment, clause 7.11(4);
 - (c) remove the proposed clause 7.11(3) and replace with updated intended outcomes and objectives to enable consideration of legal drafting by Parliamentary Counsel;
 - (d) clarify the need for the planning proposal in Part 3.3.1;
 - (e) address the draft Hunter Regional Plan 2041, including the place outcomes for the Hunter Valley Vineyards regionally significant growth area;
 - (f) amend Table 2 to correct the reasons that SEPP (Biodiversity and Conservation) 2021 does not apply and provide an appropriate title for the Table 2 that reflects its contents; and
 - (g) attach a project timeline highlighting key steps in the process including:
 - i. additional investigations prior to exhibition;
 - ii. dates for public exhibition;
 - iii. assessment;
 - iv. submission to Parliamentary Counsel; and
 - v. finalisation of the LEP amendment.
- 2. The planning proposal should be made available for community consultation for a minimum of 28 days.
- 3. Consultation is required with the following public authorities:
 - Transport for NSW,
 - Department of Primary Industries, and
 - NSW Rural Fire Service.
- 4. The time frame for completing the LEP is to be 12 months from the date of the Gateway determination.
- 5. Given the nature of the planning proposal, Council should be the local planmaking authority to make this plan.

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31/10/2022 Dan Simpkins Director Central Coast and Hunter Region

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