

22DP016	Raffertys Resort Planning Proposal
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Key focus area	4. Diverse economy
Objective	4.1 Our city is a vibrant destination that reflects the lifestyle, culture and natural environment that make it special
File	RZ/4/2022 - D10749289
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Address	1 Wild Duck Drive, Cams Wharf 2 Lorikeet Loop, Cams Wharf
Owners	Iris Capital
Proponent	Iris Capital

Executive Summary

This report identifies proposed amendments to the *Lake Macquarie Local Environmental Plan 2014 (LMLEP 2014)* to support opportunities to improve tourism infrastructure at Raffertys Resort, Cams Wharf.

The planning proposal (Attachment 1) seeks to increase the maximum building heights from 8.5m to 16m on part of the site and up to 36.5m on another part of the site to enable tourist development of a scale to attract a five-star hotel operator.

The planning proposal addresses relevant land use planning issues, including visual impact, economic impacts and community impacts. The potential visual impact of increased height and scale of future development has been considered against the significant tourism opportunities enabled by this planning proposal. It is recommended the planning proposal proceeds to Gateway Determination and public exhibition.

Recommendation

Council:

- A. requests a Gateway Determination from the Department of Planning and Environment, pursuant to the *Environmental Planning and Assessment Act 1979 (EP&A Act 1979)*, in relation to the planning proposal in Attachment 1,
- B. undertakes consultation with State Government agencies and service authorities in accordance with the Gateway Determination,
- C. places the planning proposal on exhibition, subject to the outcome of the Gateway Determination,

- D. notifies stakeholders and affected landowners of the public exhibition period as required, and
- E. receives a further report on the matter following public exhibition.

Discussion

The planning proposal was initiated by the landowner, Iris Capital and applies to land at 1 Wild Duck Drive and 2 Lorikeet Loop, Cams Wharf. The site is within Raffertys Resort which has been operating as a mixed-use tourism facility since 1993. The existing resort contains a range of residential and tourism units, as well as a tavern, cafe and recreation facilities managed under a community title scheme. The part of the resort subject to the planning proposal is adjacent to the foreshore of Lake Macquarie and is predominantly cleared of vegetation (See Figure 1). The site is zoned SP3 Tourist which permits a range of tourism land uses. Dwellings are also permitted within the site, as an additional permitted use under Clause 7.14 of the *LMLEP 2014*.



Figure 1: Subject land within Raffertys Resort

The planning proposal aims to make the following changes to the *LMLEP 2014*:

- Increase the maximum building height from 8.5m to 36.5m at 2 Lorikeet Loop, Cams Wharf
- Increase the maximum building height from 8.5m to 16m at 1 Wild Duck Drive, Cams Wharf
- Change the *Additional Permitted Use* map to ensure only tourism uses are permitted on 2 Lorikeet Loop, Cams Wharf.

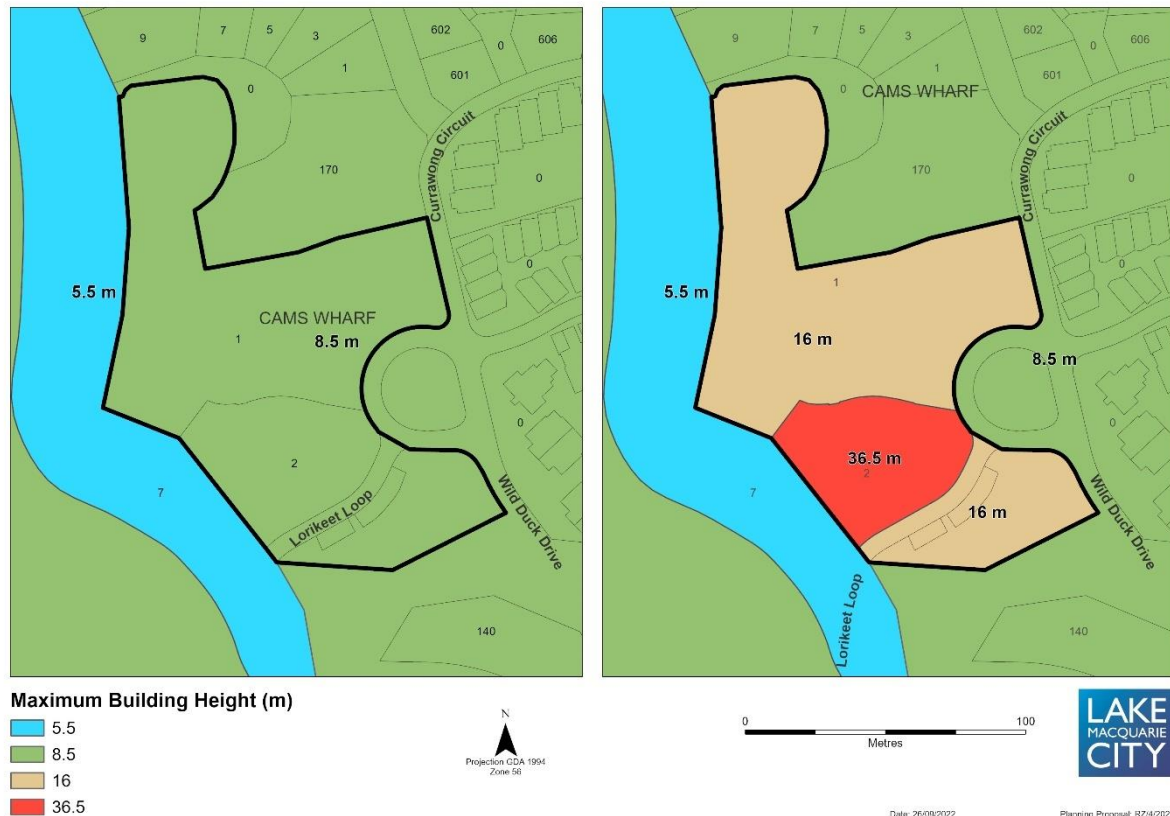


Figure 2: Existing building height (left) and proposed building height (right)

The proposed height of 36.5m aims to enable tourist development of a scale to attract a five-star hotel operator. The planning proposal provides an opportunity for the City to diversify its visitor accommodation offering, in a high amenity location within an existing tourist zone. The proposed 16m height on 1 Wild Duck Drive will enable a transition in building height and increase residential yield on part of the site which will support the viability of the tourism component.

The planning proposal is consistent with the Lake Macquarie Local Strategic Planning Statement (LSPS), which identifies the tourism sector continuing to be a major job generator for the city. The LSPS encourages investment in tourism developments in Lake Macquarie and highlights the need for flexibility in working with the tourism industry to deliver appropriate products to meet demand. The site is located in the “South East Growth Area” which is identified as the prime location for the city’s tourism hub.

The draft Lake Macquarie Destination Management Plan 2022-2026 identifies that Lake Macquarie experiences capacity constraints during the summer school holidays, long weekends and when there are major events in the city and/or in Newcastle. The plan recognises existing challenges with the current supply of accommodation being the lack of

large, branded four-star or higher hotel and executive apartment properties. There are limited opportunities for redevelopment of tourism zoned sites in the city, particularly in high amenity lake front locations. The planning proposal is well placed to leverage and enhance the city's existing tourism strengths and assets by providing diverse accommodation in a lake front location, close to nature reserves and recreation opportunities.

Future tourism development on the site is likely to be assessed as state significant development due to the site's sensitive coastal location. However, there are no state significant development applications currently lodged on the site.

Assessment of options

The planning proposal aims to reinforce and enhance the sites tourism function, with the potential to increase the visitor capacity by approximately 76 per cent. Based on consultation with the proponent, in order to achieve a five-star rated hotel and attract a globally recognised operator, a minimum number of rooms and gross floor area is required to achieve the standard. Accordingly, to facilitate this level of hotel amenity on the site, the specified height is required. Alternate designs which encompass a larger building footprint and lower height cannot be facilitated on the site due to constraints such as flooding and existing buildings. The planning proposal will enable a higher density five-star tourism outcome within the constraints of the site.

Alternatively, Council can choose not to proceed with the planning proposal. This will maintain the existing planning controls and is not the recommended option. The existing planning controls permit residential development across the whole site and it is currently difficult for Council to ensure the site continues to function predominantly as a tourism facility. Maintaining the existing planning controls may result in a gradual decreased tourism function of the site. There are limited tourism zoned sites in the city with potential for significant expansion.

Community engagement and internal consultation

Pre-lodgement consultation occurred with the Department of Planning and Environment, Transport for NSW, NSW Rural Fire Service and Subsidence Advisory NSW.

Internal consultation has been undertaken with staff from Council's Development Assessment and Certification, Property and Business Development, Community Partnerships, Asset Management, and Environmental Systems departments.

No objections were raised during the consultation. Study requirements and key matters to be addressed at the development application stage were identified and have been addressed in the planning proposal.

A Councillor briefing on the planning proposal was held on 7 November 2022.

Public exhibition of the planning proposal will enable stakeholders to review and provide feedback and will occur in accordance with the Gateway Determination.

Key considerations

Economic impacts	<p>The planning proposal will support the growth in the city's visitor economy by adding to the diversity of visitor accommodation types in a prime lakefront location. There are limited opportunities for this form of development in tourism zones throughout the city.</p> <p>The proposal will make more efficient use of land by facilitating redevelopment of an existing tourism site and maximise the potential of existing infrastructure and natural assets to support investment and employment. The planning proposal is estimated to generate 502 jobs during the construction phase and 51 ongoing jobs during the operational stage. The planning proposal will increase visitor units by 121, significantly increasing availability of tourism accommodation on the site. It will also facilitate approximately 20 additional dwellings on the site, which will support the viability of the tourism development and contribute to housing diversity.</p>
Environment	<p>The planning proposal seeks to amend the building height limit only for land already zoned for an integrated tourist development, with the subject land already highly disturbed as a result of existing development. The planning proposal itself will not adversely affect critical habitat, threatened species, populations or endangered ecological communities. The impact of tree removal required to facilitate subsequent development of the subject site will be assessed as part of future development applications for the land.</p>
Community	<p>The social impacts associated with the increase in density and more intensive use of the site will predominantly affect adjacent land owners and members of the community title scheme in the existing resort. The site is able to support the increased visitor numbers and population in terms of traffic, recreation and service provision. Future development on the site will require a social impact assessment to identify specific measures to mitigate impacts on the local community.</p> <p>A Landscape and Visual Impact Assessment concluded the increased height will result in high to moderate visual impacts within 750m of the site. Visual impacts further afield are limited due to vegetation and ridgelines to the north, east and south and Point Wolstencroft to the west. Given the site's context and relatively limited area of land that the planning proposal applies to, a site-specific clause in the <i>LMLEP 2014</i> to control visual impact and design outcomes is not necessary. Any future development application will need to consider visual impacts and demonstrate high-quality design that is sympathetic to its foreshore setting.</p> <p>The potential visual impact of increased height and scale of future development has been considered against the significant tourism opportunities enabled by this planning proposal.</p>

Civic leadership	<p>The planning proposal demonstrates Council's commitment and support for a growing visitor economy in line with the LSPS, draft Lake Macquarie Destination Management Plan 2022-2026 and relevant regional strategic plans.</p> <p>Progression of the planning proposal to Gateway Determination and public exhibition allows for community and stakeholder consultation and informed decision making.</p>
Financial	<p>There is minimal financial impact to Council as the proponent has paid the relevant fees associated with progressing the planning proposal in accordance with Council's fees and charges.</p>
Infrastructure	<p>Specific infrastructure requirements for future development, including road upgrades and payment of relevant development contributions will be addressed as part of subsequent development applications.</p>
Risk and insurance	<p>The risks associated with preparing a planning proposal and seeking a Gateway Determination are minimised by following the process outlined in the <i>EP&A Act 1979</i>, the <i>Environmental Planning and Assessment Regulation 2021</i> and Council's procedures.</p>

Legislative and policy considerations

Environmental Planning and Assessment Act 1979

Environmental Planning and Assessment Regulation 2021

Hunter Regional Plan 2036

Draft Hunter Regional Plan 2041

Greater Newcastle Metropolitan Plan 2036

Lake Macquarie Local Strategic Planning Statement

Draft Lake Macquarie Destination Management Plan 2022-2026

Lake Macquarie Local Environmental Plan 2014

Attachments

1. Raffertys Resort Planning Proposal D10883335