

ITEM 5

PUBLIC EXHIBITION - PLANNING PROPOSAL - RECLASSIFICATION 340 WEST DAPTO ROAD, STREAM HILL

In 1998 Council acquired 340 West Dapto Road, Stream Hill (formerly Kembla Grange) for the purposes of development and resale. The property has been mapped as Operational Land, however recent investigations have found no evidence that Council formally resolved to classify the property as Operational Land. Consequently, it is classified as Community Land and a Planning Proposal is required to reclassify the land to enable business dealings.

It is recommended that Council resolve to prepare and progress a Planning Proposal to reclassify 340 West Dapto Road, Stream Hill.

RECOMMENDATION

- 1 A Planning Proposal be prepared to reclassify 340 West Dapto Road, Stream Hill as Operational Land.
- 2 The Planning Proposal be referred to the NSW Department of Planning and Environment for Gateway Determination.
- 3 Following the issuing of a Gateway Determination, the Planning Proposal be exhibited for a minimum period of 28 days. A public hearing be held as part of the consultation process.
- 4 The NSW Department of Planning and Environment be advised that Council as the landowner, does not seek to use its delegation to progress the finalisation of the Planning Proposal, following exhibition.

REPORT AUTHORISATIONS

Report of: Chris Stewart, Manager City Strategy

Authorised by: Linda Davis, Director Planning + Environment - Future City + Neighbourhoods

ATTACHMENTS

- 1 Location Map
- 2 Zoning Map
- 3 Neighbourhood Plan

BACKGROUND

340 West Dapto Road, Stream Hill (Lot 1 DP 657171) and has an area of 43.03 hectares (Attachment 1). Under the Wollongong Local Environmental Plan 2009 the property is zoned E1 Local Centre, R3 Medium Density Residential, RE1 Public Recreation and C3 Environmental Management (Attachment 2). The property contains a dwelling house and farm buildings. Prior to Council's ownership the property was used as a piggery.

On 17 August 1998, Council resolved that Recommendation 1 of Administrative, Works and Community Services Committee of 10 August 1998 be received and adopted, which authorised the acquisition of 340 West Dapto Road, Kembla Grange (now Stream Hill) for the purposes of development and resale. At the time the property was zoned 1 Non-urban under the Wollongong LEP 1990.

The land was formally transferred into Council's ownership on 5 February 1999. There are no restrictions or covenants applying to the land.

Under the *Local Government Act 1993* (Act) all Council owned land is required to be classified as either Community Land or Operational Land. Under the Act, as part of the acquisition resolution Council can resolve that the land be classified as Operational Land, or following acquisition Council has three months to resolve that an acquired property can be classified as Operational Land. In the absence of a resolution, the land is deemed to be Community Land.

For at least 20 years, Council's mapping system has shown the property as being classified as Operational Land.

However, a recent review has revealed that the 1998 resolution did not include a section resolving that the property be classified as Operational Land, under the Act. Council officers also searched meeting minutes for the three months after 5 February 1999, and did not find a subsequent resolution to classify the land as Operational Land.

Consequently, Council officers now consider that the property is classified as Community Land. The Community Land classification restricts commercial dealings and development proposals and prevents the sale or long-term lease of the land.

The site is key for the development of West Dapto, as it is the proposed location of -

- The majority of the Darkes Road Town Centre (7,500m² of retail floor space).
- Part of the Darkes Road Recreation Area, which will include a community centre.
- A nominated Primary School site.
- An estimated 350 future dwellings.
- Environmental Management areas (floodplain).

The property can be fully serviced with urban utilities, and servicing through the property will assist with the development of adjoining land.

In 2015 Council adopted the Sheaffes Road South Neighbourhood Plan, which includes the site, as an amendment to the Wollongong DCP 2009 – Chapter D16 West Dapto Urban Release Area, to guide the future development of the site (Attachment 3).

In 2018 consultants for Council lodged a Development Application No. 2018/783 for the subdivision of the site into 307 residential lots, nine (9) super lots, one town centre lot and one school lot. The application was later withdrawn in 2018. In 2015 and 2018, it was assumed that the property was classified as Operational Land.

Under the Community Land classification, Council cannot -

- Develop / sell the land for a town centre and to contribute to local housing supply. Council's Property Team manages the property, separate to Council's planning functions.
- Sell / transfer a portion of the site to NSW School Infrastructure for a primary school.
- Work in partnership with adjoining landowners to facilitate residential development on adjoining land – such as the creation of drainage easements, or minor boundary adjustments.

Due to a variety of reasons, housing supply in the West Dapto Urban Release Area has slowed. To assist in addressing local housing supply issues, in 2022 Council resolved to sell a separate commercial property (which is classified as Operational Land) for housing. The Community Land classification on 340 West Dapto Road currently prevents Council for considering similar options for this property.

PROPOSAL

A Planning Proposal is proposed to be prepared to reclassify 340 West Dapto Road, Stream Hill to Operational Land. No other changes to planning controls are proposed.

This report addresses the need to reclassify the property, to facilitate the intended purpose when initially purchased. That being the development and resale of the land. This report and the reclassification process does not seek to address any future development or sale options, which are separately managed by Council's Property Team, and will be subject to separate Council reports.

Site Constraints

The site has several constraints which will affect any future development -

- Flooding – the northern part of the site contains a water course identified under the Mullet Creek Floodplain Risk Management Study and Plan as being low, medium, and high flood hazard. The C3 Environmental Management zone and Neighbourhood Plan generally reflects the extent of high and medium flood hazard.

- Bush fire – the site which contains pasture and trees, is identified as having bush fire hazard. The hazard will change when the site is developed.
- Contamination – part of the site is contaminated due to the previous piggery use, and former buildings on the site. The site will be remediated as part of any future development.

CONSULTATION AND COMMUNICATION

Council's Property and Recreation Division identified the classification error and requested the preparation of a Planning Proposal to reclassify the land.

Should Council resolve to prepare and exhibit a Planning Proposal, adjacent landowners, neighbours, and the public will be notified during the exhibition period. The exhibition will be advertised in local newspapers and on Council's website. Hard copies of the exhibition material will be available at Council's Administration Building and libraries, and an electronic copy will be placed on Council's website.

As the Planning Proposal is the reclassification of Council land, a public hearing is required to be held as part of the consultation process.

On 18 July 2023, the Wollongong Local Planning Panel considered the proposed reclassification and resolved to advise Council that -

- 1 *The Wollongong Local Planning Panel supports the preparation of a Planning Proposal to reclassify 340 West Dapto Road, Stream Hill, as it has strategic and site-specific merit.*

PLANNING AND POLICY IMPACT

In 1998, Council acquired 340 West Dapto Road, Stream Hill for the purposes of development and resale. It has been held in Council's property portfolio as a Commercial Property, and for over 23 years has been assumed to be classified as Operational Land.

The property has been shown as a location for urban development in various documents for the last 16 years, including -

- The 2007 draft West Dapto Vision, draft Local Environmental Study, draft LEP and draft DCP.
- The Wollongong LEP (West Dapto) 2010.
- The Wollongong DCP 2009 – Chapter D16 West Dapto Release Area, including the site-specific Neighbourhood Plan adopted in 2018.
- The West Dapto Development Contribution Plans 2010, 2011, 2015, 2017, 2020.
- The West Dapto Vision 2018.

West Dapto has been an urban release area since the mid 1980's when Horsley was rezoned, and urban development commenced. The importance of West Dapto for housing supply is indicated in -

- Illawarra Shoalhaven Regional Plan 2041 (2021) and the previous 2006 and 2011 versions.
- Wollongong Local Strategic Planning Statement 2020.
- West Dapto Vision 2018.
- Wollongong Housing Strategy 2023.
- The Illawarra Shoalhaven Urban Development Program.

FINANCIAL IMPLICATIONS

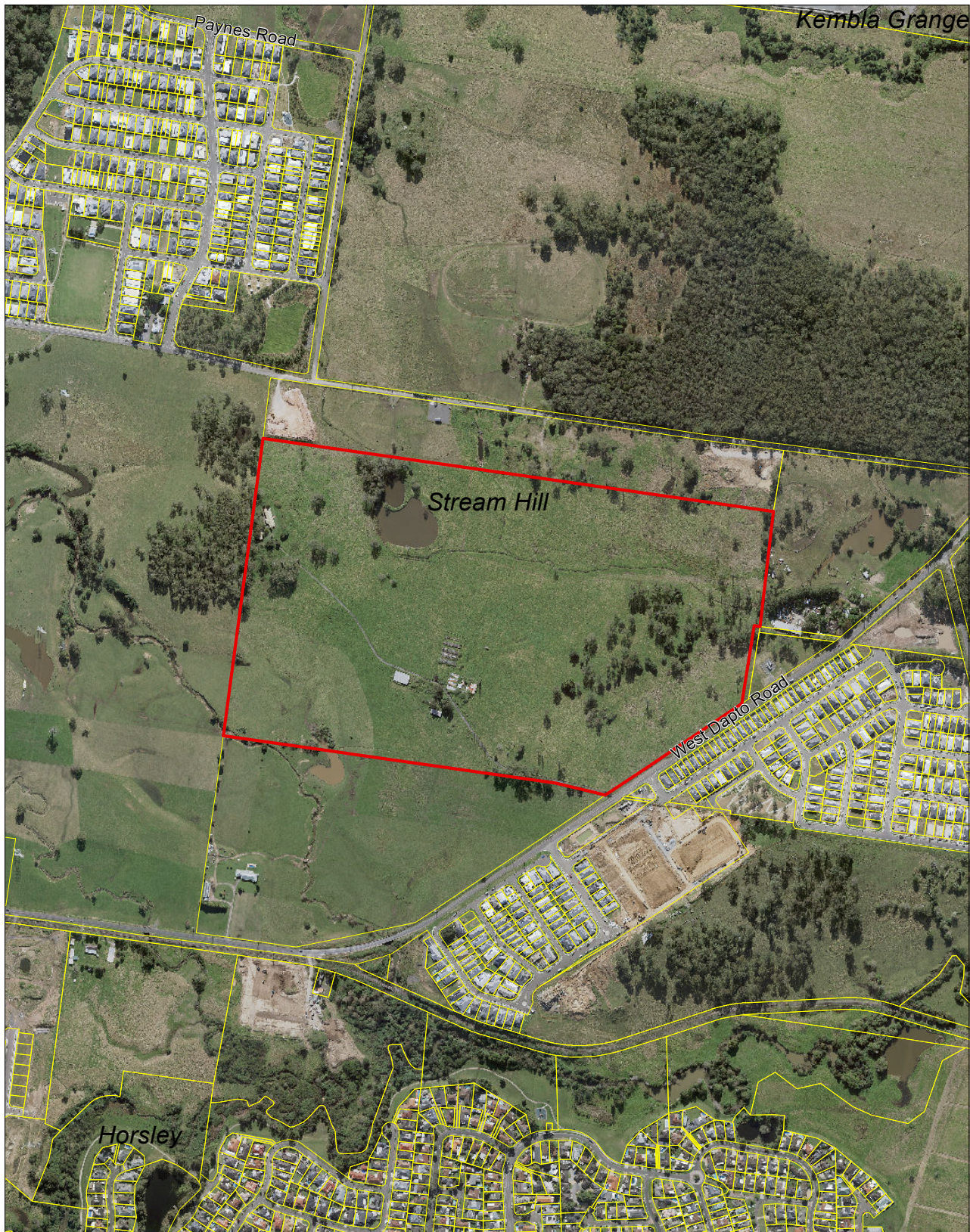
The preparation and exhibition of the Planning Proposal can be managed within existing operational budget allocations.

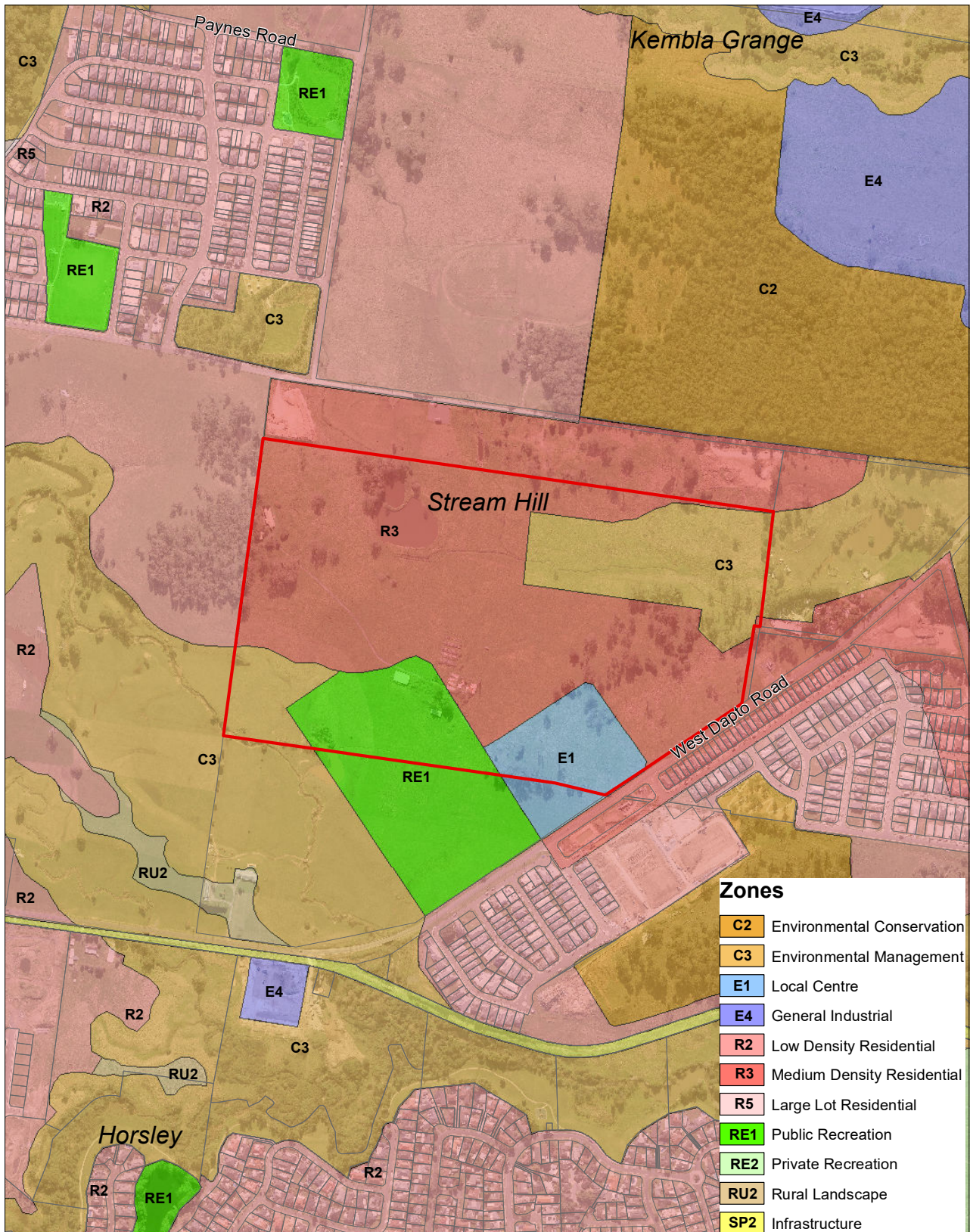
The current Community Land classification of the property restricts any commercial dealings on the land. The reclassification to Operational Land will enable Council to consider commercial and development opportunities for the property.

CONCLUSION

In 1999 Council purchased 340 West Dapto Road, Steam Hill, following a 1998 resolution, for development and resale as part of the future West Dapto urban release. It now appears that at the time, Council did not resolve to classify the land as Operational Land to enable development and resale. The preparation, exhibition and finalisation of a Planning Proposal is required to address this apparent oversight.

It is recommended that Council resolve to prepare a Planning Proposal to reclassify 340 West Dapto Road, Steam Hill to Operational Land.





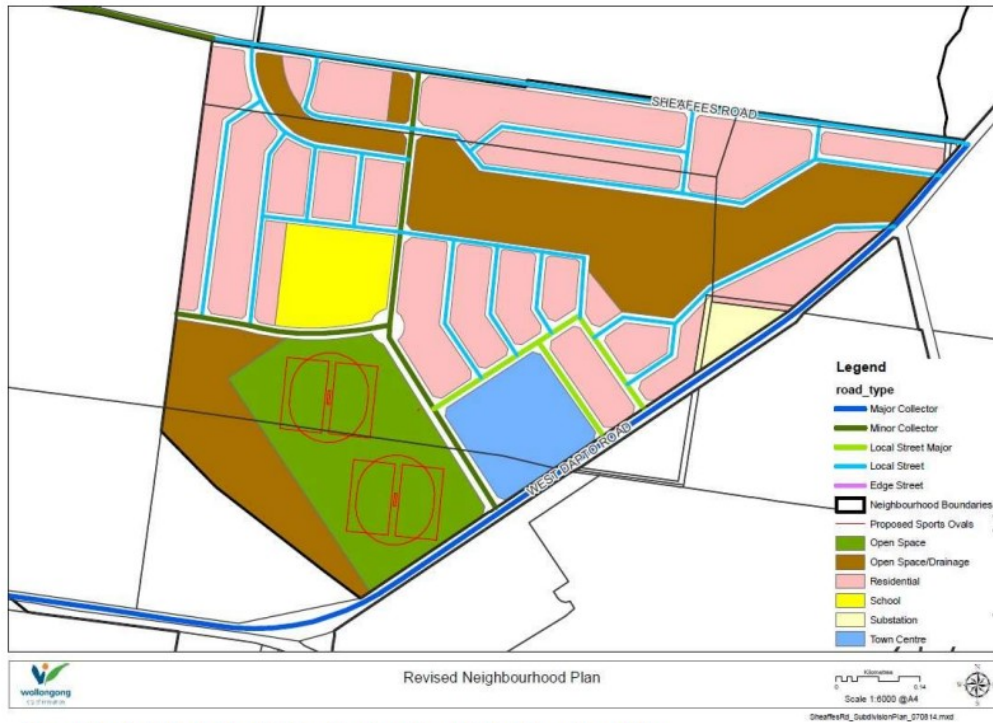


Figure 33. West Dapto Road / Sheaffes Road (south) Neighbourhood Plan