Our People, Our Future, Our Cessnock

Cessnock

URBAN GROWTH MANAGEMENT PLAN
INTERIM REVIEW

Acknowledgement of Country

Cessnock City Council acknowledges that within its Local Government Area boundaries are the Traditional Lands of the Wonnarua people, the Awabakal people and the Darkinjung people.

We acknowledge these Aboriginal peoples as the traditional custodians of the land on which our offices and operations are located, and pay our respects to Elders past and present.

We also acknowledge all other Aboriginal and Torres Strait Islander people who now live within the Cessnock Local Government Area.

WARNING: Aboriginal and Torres Strait Islander people are warned that this document may contain images of people who have died.

Image: Mount Yengo, located in Yengo National Park, is of great significance to local Aboriginal people.

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Background and Purpose

Interim review

Council began drafting the first Cessnock Urban Growth Management Plan in March 2020. At that time, the COVID-19 Pandemic had only just commenced and there was anecdotal evidence that growth figures were higher than the 300-400 dwellings per annum originally forecasted by the Department of Planning and Environment (DPE) and by SGS Economics. By the time the UGMP was adopted in March 2021, the DPE had revised up their projections to 460 dwellings per annum and Council adopted 450 dwellings per annum as the basis for the UGMP.

The UGMP2021 was a 5-year plan with annual monitoring reporting; however, it anticipated an interim review because at the time we were uncertain about the ways recent events would disrupt growth and if those trends would be sustained. There is still a high level of uncertainty about the endurance of these higher growth rates given the hiatus in the pandemic, return-to-work policies, inflation and the likelihood of higher interest rates. However, the UGMP is dynamic plan that is monitored annually. It provides a mechanism to accommodate increased or reduced land uptake in any one year and despite this interim review, will be comprehensively reviewed every 5-years.

Purpose

The Urban Growth Management Plan (UGMP) is a supplementary plan that;

1. clearly signals to the Development and Housing industries where Council expects development to occur and when; and
2. helps inform the logical sequencing of growth across our area; and
3. ensures that essential infrastructure is planned for, paid for and delivered to support new development, and
4. ensures that resources are available to deliver sound planning outcomes for our community.

Council has a responsibility to provide housing to support its growing community but Council does not develop land or build houses. We rely on the Development and Housing Industries to do this.

Certainty is very important to these Industries, who rely on significant front-end investment to inform development decisions. There is significant risk associated with these decisions and a clear policy framework that sets when and where Council will support future development minimises that risk.

Our UGMP framework;

1. Calculates existing, zoned land resources;
2. Monitors land uptake and release each year,
3. Establishes clear triggers for when new land reserves can be investigated,
4. Reports on these triggers annually, and
5. Identifies future investigation areas.

The UGMP is a dynamic plan. Although a comprehensive review of the UGMP is not anticipated for 5-years, the annual monitoring and reporting allows the thresholds or triggers to be published each year. As soon as a supply threshold falls to 15-years in any one category, the Development and Housing Industries will be supported to proceed to investigate those nominated areas. Alternatively, Council could commence the investigation of these areas.

To ensure that the UGMP policy framework provides certainty to our community and these industries and that Cessnock continues to attract development, any application to rezone land that is submitted before the threshold has been reached will not be supported. When that threshold is reached Council should ensure that organisational resources exist to support the delivery of new land supplies.

Forecasts

Since the UGMP2021, Council engaged [ID Informed Decisions], an independent demography consultancy to prepare forecasts for Cessnock. These forecasts are more nuanced than those of the DPEs and considers our local strategies and plans. These figures have informed this iteration of the UGMP.

It is important to state that forecasts are models and they are inherently fallible. They are a tool to infer a future condition and assist decision-making but they should be used with appropriate caution. It should also be strongly stated that forecasts are not targets; the market is dynamic and the delivery of more or fewer lots than the annual forecast in any one year does not mean that Council has failed.

Infill development

It is very important to note that the provision of new dwellings does not only occur in new greenfield developments. New dwellings are provided in existing urban areas as infill development.

There are significant benefits to this type of development for council and the community. These include reduced costs for infrastructure and its maintenance, greater housing diversity and affordability, support for public transport, activation of town centres and reduced development pressure on rural and environmental lands.

The Hunter Regional Plan 2041 sets a target to achieve 60%-80% of new dwellings within existing areas and the Cessnock Local Strategic Planning Statement and Housing Strategy strongly support this type of development. Encouraging development within existing urban areas will continue to be a strong policy directive. However, achieving the 60%-80% is unlikely to occur in the lifetime of this plan.

Land supply

The supply pipeline

The supply pipeline refers to the amount of time it takes for land to be investigated, rezoned, developed and ultimately brought to market.

The former Hunter Regional Plan 2036 and National Housing Supply Council State of Supply Report 2009 recommends that councils maintain a 10-15 years' land supply in the supply pipeline.

The Hunter Regional Plan 2041 has adapted the 15-year supply pipeline as part of its Urban Development Program. It illustrates the supply pipeline and how land moves from investigation to the market.

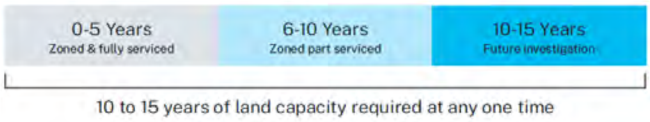


Figure 1: Hunter Regional Plan 2041 supply pipeline.

Some in the development and housing industries would argue that having more than the recommended 10-15 years' supply is preferred; some have even argued that twice as much is optimal. Popular arguments are that it generates market competition, increases housing affordability and that it is necessary to offset land-banking and other withholding behaviours. However, there is no evidence of this. In fact, there are significant benefits of maintaining the supply within the 10-15 years threshold.

Firstly, it encourages fewer development fronts, so that infrastructure can be identified, funded and rolled-out in a more logical and efficient sequence.

Secondly, it discourages land-banking and other withholding behaviours.

Thirdly, it creates certainty in the market. The development industry knows when and where development opportunities will occur, that another development site will not suddenly emerge and undermine their development opportunity and that Council will support the investigation of the nominated areas.

Finally, it allows Council to plan for and allocate resources to comprehensively plan and collaboratively work with the Development and Housing Industries and our community to deliver new development and housing.

Current land supply

The current land supply figures for Cessnock have been comprehensively calculated. These are primarily based on existing approvals, development thresholds and concepts approvals (where they exist). Where there are no approvals, estimations of lot yield are based on preliminary constraints mapping, infrastructure requirements and a market-lot size (rather than the minimum lot size).

Table 1: Overall greenfield land supply across Cessnock.

Number of lots (as of 30 June 2022)	Years of Greenfield supply (based on 630 dwellings per annum)
9405	15 years^

^ Note: Council does not use this figure for the authorisation to investigate areas. This occurs at the category level below.

As land supply is reported each year in Council's Annual Monitoring Report (AMR), the supply will be recalculated based on new development and zoning approvals and released lots will be removed from the supply total.

Table 2 illustrates how land supplies have tracked from the first iteration of the UGMP to now. These are tracking as expected.

Table 2: Land supply as reported each year in the Annual Monitoring Report by Lifestyle Category.

Category	Years of Greenfield supply		
	19/20	20/21	21/22^
Village lifestyle	11	12	12
Established urban	20	18	16
Commuter urban	22.5	21	15

^ Current figures.

Future land supply

The UGMP includes nominated investigations areas to accommodate future growth in each lifestyle category. **These investigation areas will only commence investigation once the land supply threshold within a lifestyle category falls to or below 15-years.**

The land supply threshold will be recalculated annually and it will:

- Increase as new areas are rezoned; and
- Decrease by those lots that have been released.

Lifestyle Categories

The UGMP, recognising that there are different housing markets, adopts three lifestyle categories.

1. Commuter Urban – those areas close to the Hunter Expressway.
2. Established Urban – those areas between Bellbird and Kurri along the Cessnock Road corridor.
3. Village Lifestyle – the extension of certain villages, integrated tourist developments and large lot residential areas.

The UGMP allows each of these categories to be treated separately so, that where there is a calculated shortfall of supply (i.e. 15 years' or fewer years' supply) in one category, then the council will support the investigation of the areas nominated in that category in accordance with the UGMP Principles listed in Table 8: Urban Growth Management Planning Principles.

Apportionment

When the first UGMP was published, the apportionment of forecasted dwellings was based on the previous 5-years of approvals. At the time, that was: Commuter Urban 37%; Established Urban 46% and Village Lifestyle 17%. These apportionments have been simplified in this Interim Review.

The number of lots in both the Commuter Urban and Established Urban are around 4000 lots each. In the Village Lifestyle category there are almost 2000 lots. Based on this, the apportionment for the next 5-years of calculations will be 40%/40%/20%.

It is also reasonable to expect that the majority of growth will occur within the Established Urban and Commuter Urban categories.

Table 3: Apportionment of lots over the three lifestyle categories.

Category	Apportionment	No. of lots
Commuter Urban	40%	252
Established Urban	40%	252
Village Lifestyle	20%	126
	100%	**630**

Employment land

The UGMP also considers the supply of commercial and industrial (or employment lands) across Cessnock. However, there is a substantial supply of land for both commercial and industrial purposes to accommodate future growth. In the case of commercial land supply, there is an adequate supply until at least 2046. Therefore, this UGMP does not consider these further other than to acknowledging that there may be merit in considering proposals for industrial lands along parts of the Hunter Expressway to take advantage of the significant logistical advantage that is provided by the HEX. However, any proposals would need to be consistent with the Hunter Regional Plan and supported by the Department of Planning and Environment.

Planning Context and Strategic Framework

Draft Hunter Regional Plan 2041

The Hunter Regional Plan 2041 (HRP2041) is the latest 20-year Strategic Plan to guide 5-years of planning across the Hunter, Central Coast and the Mid Coast Regions.

The Department's regional vision for the Hunter is: "The leading regional economy in Australia, connected to and caring for Country, with a vibrant metropolitan city and sustainable 15-minute neighbourhoods at its heart."

The HRP2041 adopts an urban development program based on the 15-year land supply pipeline. DPE may oversee, monitor and report on approvals and completions and audit greenfield areas and infill development.

The HRP2041 reinvigorates the infrastructure-led development and sequencing aspirations and requires place-strategies (structure plans) for certain thresholds of development. These place-strategies are for the most part a duplication of clause 6.3 of the Standard Instrument LEP that applies to Urban Release Areas.

The HRP2041 also includes a new investigation pathway for certain thresholds of development. This is based on the production of place strategies and may be coordinated by the DPE. The proposed approach has some merit, particular where coordination of State Agencies is required. However, the development of these areas across Cessnock represent fundamental changes to our community. It is absolutely essential that we work locally with our community to ensure that change is managed and impacts are minimised.

The HRP2041 requires that Councils' local strategies achieve high levels of new housing as infill development. Cessnock is within both the Greater Newcastle District and the Hinterland District.

Table 4 Regional Housing Benchmarks. Hunter Regional Plan 2041.

District	Greenfield development (%)	Infill development (%)
Greater Newcastle	20%	80%
Hinterland	40%	60%

Cessnock has delivered infill development of around 40%-45% for the 2020/2021 and 2021/2022 financial years. It is unlikely that the 80/20 target will be reached within the life of this plan without any urban containment policies or other mechanisms to restrict greenfield development. However, 40-45% is a significant contribution to housing within the existing urban area.

Hunter Regional Plan 2036

The Hunter Regional Plan 2036 (HRP) will be retired when the Hunter Regional Plan 2041 is adopted. It provided an overarching framework to guide subsequent and more detailed land-use plans such as Council's Local Strategic Planning Statement.

The HRP identified two growth corridors within our city. One, the Maitland Growth Corridor is the area around Branxton - Greta at the confluence of the Hunter Expressway and the New England Highway. The second growth corridor is between Bellbird and Maitland, via Weston, Kurri and Heddon Greta including Cessnock Road and Main Road.

Greater Newcastle Metropolitan Plan 2036

The Greater Newcastle Metropolitan Plan 2036 (GNMP) sets out strategies and actions that will drive sustainable growth across Cessnock City, Lake Macquarie City, Maitland City, Newcastle City and Port Stephens communities, which together make up Greater Newcastle.

Cessnock is partly within the metro frame category that is expected to provide local housing and job opportunities, and will be designed to maintain the green outlooks, improve access to open space and retain its identity.

Cessnock Local Strategic Planning Statement 2036

The Cessnock Strategic Planning Statement 2036 (LSPS) is the local strategic land-use document that sets out how Council will manage land use across Cessnock. It is informed by the Community Strategic Plan and has a direct relationship with the Local Environmental Plan and the Development Control Plan. It is also a mechanism to implement regional strategic land-use priorities established under the HRP and the GNMP at a local level.

The LSPS identifies Planning Priorities and Principles relating to urban growth. The Cessnock Urban Growth Management Plan (the UGMP) is an "immediate action" of the LSPS, and, is a supplementary strategy to help inform the logical sequencing of urban growth for the LGA.

The UGMP Planning Principles complement the LSPS Planning Priorities and principles. Both the UGMP planning principles and the LSPS Planning Priorities will be considered when deciding how, when and where development will occur to meet the needs of our growing community.

The UGMP outlines how Council will implement its planning functions to grow urban areas and will directly influence amendments to the following local planning documents:

- Cessnock Local Environmental Plan 2011 (the LEP);
- Cessnock Development Control Plan 2010 (the DCP); and
- City-Wide Infrastructure Contributions Plan (the CWCP).

Cessnock Housing Strategy

Council's Housing Strategy articulates Council's role in supporting the delivery of housing to meet the needs of our diverse community. Land supply for housing is a key responsibility of Council. However, new greenfield development primarily delivers land for detached dwellings which does not reflect the diversity of the housing needs of our community.

Once the land is zoned for residential purposes Council has very limited control of what type of housing is built. Infill housing, which is new housing within an existing urban area, tends to be more diverse. Secondary dwellings, dual occupancies and medium-density development tend to be more common in established areas than new greenfield areas.

Urban Growth

Population

The current estimated residential population (ERP) of Cessnock is 63,020 people. The average annual growth rate between 2011 and 2021 was 1.9%. However, this spiked in 2021 at 2.9%. The long term projections are that growth will be on average, 2.2% per annum between 2021-2041. (www.forecast.id.com.au/cessnock).

The population at 2041 is expected to reach 97,566 with a household size of around 2.58 persons.

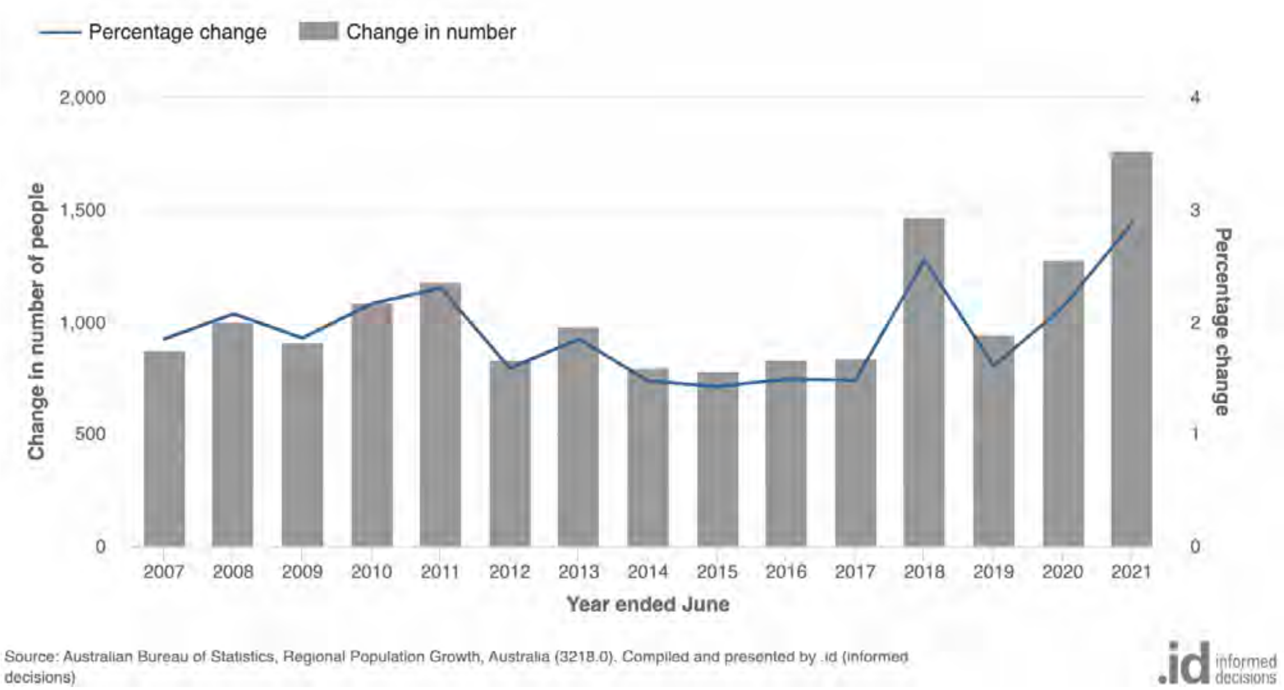


Figure 2: Annual change in growth rate between 2008 and 2021 (Estimated Residential Population)

Source: profile.id.com.au/Cessnock

Cessnock City Council	2016		2031		2041		Change between 2016 and 2041
Type	Number	%	Number	%	Number	%	Number
Couple families with dependents	6,355	29.9	9,178	30.8	11,431	31.6	+5,076
Couples without dependents	5,504	25.9	7,789	26.2	9,422	26.0	+3,918
Group households	569	2.7	716	2.4	848	2.3	+279
Lone person households	5,295	24.9	7,427	25.0	8,929	24.7	+3,634
One parent family	2,954	13.9	3,905	13.1	4,697	13.0	+1,743
Other families	610	2.9	737	2.5	877	2.4	+267

Source: Population and household forecasts, 2016 to 2041, prepared by .id (informed decisions), September 2021.

Figure 3: Forecast Household Types 2021-2041.

The forecast household types show that the major increases are in the:

- Couple families with dependents (+5076)
- Couples without dependents (+3918)
- Lone person households (+3634).

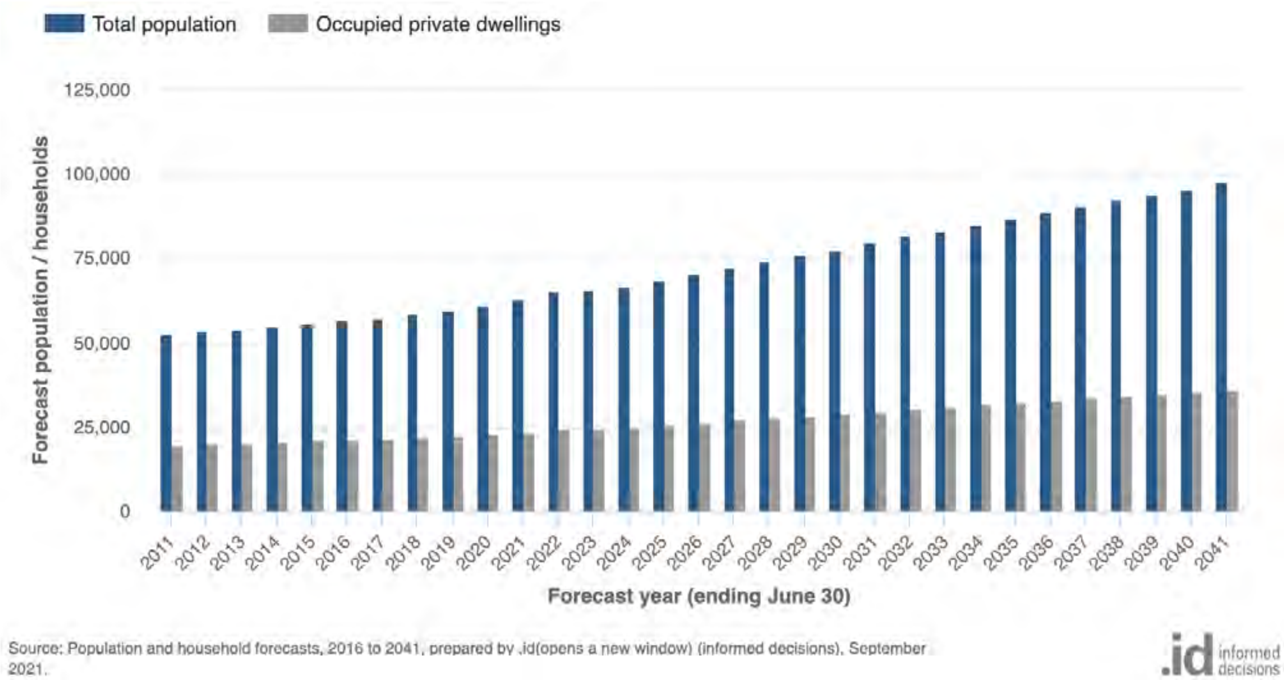
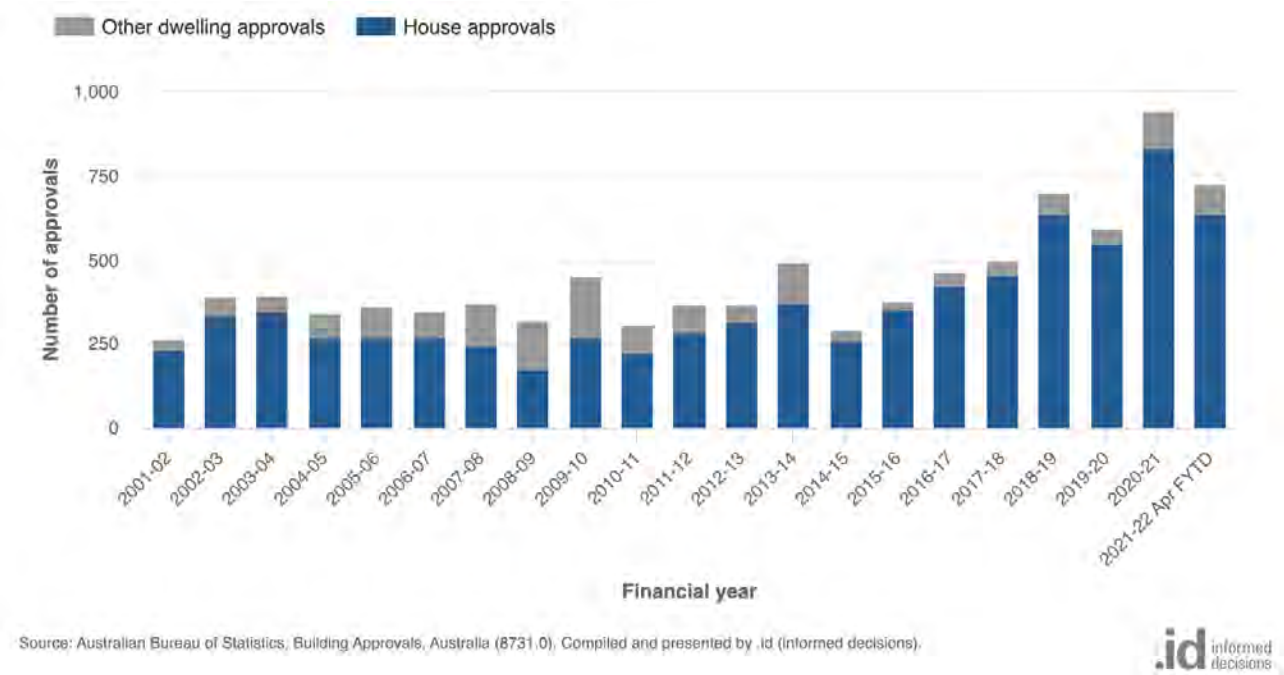


Figure 4. Population and household forecasts.

Residential approvals

Residential building approvals vary significantly from year to year. However, to support a population of 97,566 at 2041, and based on a household size of around 2.58 persons, an additional 12,644 new dwellings will be required between 2021 and 2041. **This equates to around 630 dwellings per annum.**

Figure 5: Residential Building Approvals 2001 - 2022 (April)



Source: id.com.au/cessnock.

Land Supply

Land supply is a key responsibility of Council. Through its land-use strategies, such as the Cessnock Local Strategic Planning Statement (LSPS), Council sets the policy framework to guide future development of our area. This includes where to accommodate future growth which is accomplished by increasing densities in existing urban areas or by rezoning greenfield land from one zone to another; for example, from rural to residential or rural to industrial.

The State Government encourages councils to maintain around 10-15 years of zoned land in the supply pipeline (Department of Planning and Environment, 2018, p. 45) because that is adequate time for future reserves to be investigated and brought forward (Australian Government, 2009, p. 51) and there is an adequate buffer if growth suddenly increases. It is also considered optimal because it generally means that development is occurring on fewer development fronts and therefore infrastructure can be funded and rolled-out logically and sequentially.

Residential land supply

At 30 June 2022, Cessnock currently had 1840Ha of zoned residential land which equates to 9405 lots. Based on an uptake of 630 per annum, **there is a minimum of 15 years of greenfield land available** for residential development[1]. However, this figure is based on a number of exceptions:

1. Infill development
2. Dwelling typologies
3. Lot sizes
4. Other supplies.

These exceptions are important to understand because they contribute significant additional capacity into Cessnock's land supply. Taking these into account actually extends existing supply to more than 25 years.

Table 5: Greenfield land supply across Cessnock.

Number of lots (as of 30 June 2022)	Years of Greenfield supply (based on 630 dwellings per annum)
9405	15 years

Infill development

Across the Cessnock LGA in 2020/2021 and 2021/2022, around 40%-45% of all new dwellings were provided within existing urban areas each year through densification, brownfield and infill development. It is reasonable to assume that this trend will continue. This means that a substantial proportion of the new dwellings will occur in existing urban areas.

Despite significantly contributing (around 40%) to the provision of new housing across the Local Government Area, infill has been excluded from the calculations for land supply. This means that all of the 630 dwellings forecasted to occur each year, all 630 have been distributed across the three greenfield categories.

Table 6 illustrates the substantial increase in the years of supply that infill development makes. If all 630 forecasted dwellings occur only greenfield areas then there is 15 years of land supply across Cessnock. If the existing trend of 40% is factored in then our current land supply is 25 years. If Council achieves the Hunter Regional Plan 2041 target of 60% infill development (for the Hinterland District) and 80% (Greater Newcastle District) then there is 37 and 75 years of existing supply.

Table 6: Land supply under different infill scenarios.

Infill % scenario	No. of infill dwellings (out of 630)	No. of greenfield lots (out of 630)	Years of greenfield land supply
0%	0	630	15 years
40%^	252	378	25 years
60%#	378	252	37 years
80%†	504	126	75 years

^ Observed contribution of infill 2020/2021 and 2021/2022.

Hunter Regional Plan 2041 infill target for the Hinterland district.

† Hunter Regional Plan 2041 infill target for the Greater Newcastle District.

[1] See Appendix A.

Dwelling typologies

The second exception is the UGMP is based on a calculation of land supply, that is the number of lots. The land supply figure is calculated on the assumption that a single dwelling will be provided on a single lot. However, we know that a moderate proportion of new dwellings are dual occupancies 9%), secondary dwellings (6%) and apartments (0.5%). This means that around 15%[2] of all new dwellings (94 dwellings) will occur as at least two dwellings on a single lot. This reduces the annual lot supply by 47[3] and again increases the amount of land supply that currently exists.

In 2017, Council engaged SGS Economics to undertake a Housing Preferences Study (SGS Economics and Planning, 2017). That study revealed that there was a greater demand for dual occupancies and medium-density housing in our community. Therefore, it is likely that the 15% contribution will increase over time.

Lot sizes

Exception 3 relates to lot sizes. For the most part, most of the lot yield calculations are based on existing approvals or concepts. However, there are a few areas where yield assumptions have been made.

For these sites, the yield is calculated as follows:

1. Land area
2. Less constrained area
3. Less 20% for infrastructure
4. Divided by the "market lot size".

Market lot size does not equate to the minimum lot size. It is an assumption that the market will deliver lots that are greater than the minimum lot size. For example; where land is zoned R2 Lot Density Residential, the minimum lot size is generally 450m2. However, the market consistently delivers lots that are 600-700m2. It is possible that lots may be delivered smaller than the market lot size or larger.

Other supplies

The fourth exception are other land supplies that will either will come online in the following 12-months or have additional capacity that is not currently enabled. For example, the redevelopment of the Regrowth – Kurri Kurri (formerly Hydro) site is expected to deliver 1435 residential lots which would equate to another 6 years of supply and the Anvil Creek Urban Release Area has a significantly greater capacity than the 1364 residential lots identified in the planning agreement if components of that development do not proceed.

Commercial land supply

Commercial land is land that is zoned E1, E2, E3 and MU1 and includes our city and town centres. Council prepared an Employment Lands Study in 2017 that reviewed commercial land and industrial land across our area (Cessnock Employment Lands Study, SGS 2017). The key findings from that study are summarised below.

Cessnock's centres are mostly expected to accommodate incremental floorspace increases in line with population growth and there is sufficient zoned capacity to accommodate the projected increase of demand to 2046.

Since that report was published, the COVID-19 pandemic has had a significant impact on retail across the country and there has been a marked increase in tenancy vacancies observed in our centres. For this reason, it is reasonable to project that there is now, an even a greater supply of commercial land available within our existing urban centres.

Council should continue to support the existing commercial centres and development that reinforces their primacy and offer and resist out-of-centre development.

Industrial land supply

Industrial land or employment land refers to land zoned E4 and E5. The same Employment Lands Study prepared in 2017 considered industrial land.

The Cessnock LGA possesses a sufficient allocation of existing zoned employment land (including industrial) supply to meet projected demand under a business as usual scenario.

The study recognises the importance to the Kurri Kurri industrial precinct, industrial land in the Hydro development and the areas along the Hunter Expressway (HEX).

Since that Study, the draft HEX Strategy and draft Hunter Regional Plan 2041 have been exhibited. These strategies acknowledge the importance of land adjoining the HEX for employment purposes and particularly the land around the interchanges.

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[2] Based on 2020/21 figures. 2021/2022 were significantly higher because of a single development application for 325 multi-unit dwellings.

[3] Calculated as 630-(94/2) = 593

Managing Growth

Population growth is an important part of the continued economic and social success of our community. Growth sustains the development and housing industries, supports local businesses and helps our town centres to thrive.

Urban growth occurs in two main ways. The most common in our region is the consumption and repurposing of greenfield land (typically rural) for urban purposes. The second main way is the intensification of use within existing urban areas through higher density developments. Both of these mechanisms will continue to play an important role in providing for the growth of our community.

Development of greenfield land for new residential housing estates will accommodate most of our growth for the foreseeable future as there is already at least a 15.5 years' supply of zoned residential land available. However, Council will continue to support initiatives to intensify residential development in and around appropriate areas of our villages, towns and cities and to encourage a greater housing diversity to meet the needs and aspirations of our community.

Council acknowledges the demand for development within our villages and for large lot lifestyle properties. Both of these development types require careful consideration to ensure that the unique qualities of our villages remain intact and that large lot residential development is provided in a limited capacity in areas that do not compromise rural land uses and protects the integrity of our villages, our community and the landscape.

Greenfield development

Because greenfield development typically consumes undeveloped land there are a range of issues that must be considered.

The first of these relates to constraints. Most of our local government area is affected by one or more constraints. There are very few areas outside the existing urban areas that are not identified with some bushfire risk but often times this can be managed with appropriate mitigation. Similarly, mine subsidence affects many parts of our region; as does flooding and contamination. These constraints must be taken into consideration when deciding where to provide for future growth and minimise risk to our community.

Our region is rich with environmental assets including the Watagan and Werataka national parks, Bow Wow Creek Gorge, State Forests, conservation areas and the Yengo National Park, part of the UNESCO listed Greater Blue Mountains World Heritage Area. We also have important riparian areas including the head waters of Wallis Creek, Sandy and Quorrobolong Creeks that feed Congewai Lagoon and eventually join Wollombi Brook and Black Creek that traverses the Vineyard's District to the Hunter River.

Our region is home to nine threatened ecological communities; two of which only occur here: Kurri Kurri Sand Swamp Woodland and Quorrobolong Scribbly Gum Woodland. Our region has ten threatened plant species, one of which is endemic to Cessnock, (*Persoonia pauciflora)*, and 46 threatened animal species.

Council's preliminary Biodiversity Strategy (2013-2017) identifies areas where improvements to existing environmental assets are sought, in particular the improvement of connections between our environmental areas. In the first instance, greenfield development should avoid areas of environmental value and improve any riparian areas and corridors that exist within the site. If this cannot be avoided, then the requirements of the *Biodiversity Conservation Act 2016* will need to be addressed.

The consumption of rural land for urban development obviously removes the ability of that land for production and rural uses. This may be appropriate in some areas where there is no existing or likely future production value; however, this is not the case for much of our rural land. Some argue that the land is only good for grazing a few cattle but that is naïve. Collectively there is a valuable beef production industry made up of small operations that support the abattoir at Kurri, our economy and contribute to local food security. Poultry is also a significant contributor to the local economy and needs little more than a level site. Finally, there is the internationally recognised Hunter Valley wine growing region.

Another significant impact on rural areas from greenfield development is the sterilisation of rural uses because of encroaching urban uses. The protection of continued rural uses is provided by the Right to Farm Policy which protects farmers from complaints about routine rural uses. However, it does not take into account new rural uses. For example, the recommended buffer around a poultry shed is 1000m (Learmonth, Whitehead, & Fletcher, 2007). If a rural property is surrounded by rural land then that shed could be built anywhere on the property. However, if an urban development adjoins the rural land, then the shed needs to be a minimum of 1000m from that boundary, effectively sterilising that part of the property for that particular use.

Our rural land is very important and although markets and production methods have changed significantly over the decades it does not mean that this will always be the case. There is a strong movement toward local food production and food security. Local production and the celebration of food sits well with the vineyard’s tourism product. Rural land is also an important part of the landscape that helps characterise the Hunter Valley and Cessnock.

When determining the appropriateness of new greenfield areas for development, the production and landscape value of the land must be determined and consideration must be given to the potential impact on existing and future rural uses.

Finally, greenfield development relies on the construction of significant amounts of infrastructure. Roads, reticulated water and sewer infrastructure, stormwater, waste management services, telecommunications all contribute to the cost of new greenfield development. Additional contributions are also levied for community infrastructure and local facilities and state infrastructure. Impediments to releasing available land can include appropriate funding mechanisms not being in place, inadequate and poorly sequenced infrastructure provisions. Ensuring that development is rolled-out in a logical way that takes advantage of existing infrastructure or is in locations where infrastructure can be reasonably extended and funded, greatly improves the responsiveness of new greenfield development. This is a primary consideration when Council is considering the merit of an investigation area.

Infill development

As stated previously, Council will continue to support infill development and compact centres in appropriate areas. However, this is likely to remain a lesser contributor of new housing when compared to greenfield development.

Infrastructure costs are substantially lower for infill development largely because much of it already exists and has surplus capacity to accommodate additional development. Infill development, particularly higher density residential development, also reduces Council’s infrastructure maintenance costs because there are more people living in a smaller area, so the costs are shared by more households through contributions and then rates.

The primary issue with infill development is the change of established residential areas from predominately detached dwellings on large lots, to denser residential forms. Some communities may resist or resent the change in their community. Therefore, it is important that Council, developers and housing providers work with the community to ensure that impacts and expectations are managed appropriately.

Village Lifestyle

Council is committed to provide opportunities for growth in our villages and in a limited capacity, for large lot residential properties. However, both need to be managed effectively to ensure the integrity of our villages is protected and function and value of our rural land is not compromised.

Our villages provide a unique lifestyle opportunity enjoyed by many of our residents. Most of our villages have historic origins, are set in rural and environmental landscapes and have close communities. Development in and around our villages is important as additional residents help support community infrastructure and local businesses such as the iconic village pub or the corner store. However, development needs to be carefully managed to ensure that those qualities that make them special are retained. Careful evaluation against the planning principles in the LSPS relating to villages and rural land will need to be observed to ensure that any additional development protects the integrity of the village, the community and the landscape.

Large lot residential development, typically on land between 2000-4000m^2 exists in various places across our city. This type of development offers a unique lifestyle option that is attractive to many people. However, the State Government discourages large lot developments as they generally have higher infrastructure requirements such as roads, sewer and water, telecommunications and waste management and there are also concerns about encroachment on rural and environment lands and the likelihood of conflict between these land uses. However, large lot residential development is a lifestyle that is important to many people and part of the reason why people move to our area. Similarly, to the growth of villages, careful evaluation against the planning principles in the LSPS relating to villages, rural and environmental lands will need to be observed to ensure that any additional development protects the integrity of our villages, rural land uses, environmental qualities and the landscape.

Future Supply

Residential land supply

Council has been proactive in identifying investigation areas that are most likely to provide future demand (see Map 1: Urban Growth Management Plan) and provides a process and criteria for developers to advance future investigation areas.

This plan also provides three lifestyle categories that represent different lifestyle opportunities across our area. Within each of these lifestyle categories, investigation areas have been nominated to direct the investigation of new areas when land supply of that category approaches the 15-year threshold.

Future investigation of land within Commuter Urban and Established Urban categories will primarily be driven by supply and demand but investigation of Village Lifestyle areas will require a more considered approach in accordance with the LSPS principles about protecting rural uses, amenity, conflict and protecting the integrity of the village structure.

As we reach the 15-year supply threshold for lands in Established Urban and Commuter Urban categories, those investigation areas that are in the Bellbird to Maitland Corridor and those around Greta - Branxton (the Maitland Growth Corridor) should be prioritised. There is strong strategic merit for those to go first as long as they satisfy the UGMP planning principles listed Table 8: Urban Growth Management Planning Principles.

Priority Advancement Area: 504, 528, 532 Main Road, Cliftleigh

Council has identified a single exception to the UGMP principles. 504,528 and 532 Main Road, Cliftleigh are three sites with a combined capacity of around 320 lots. There is overwhelming merit for these to commence investigation because of:

- the activity that is occurring in the Main Road corridor,
- the infrastructure that exists and is being provided in the area; and
- the need to plan and secure satisfactory access arrangements to Main Road.

This action is supported by Council's Main Road Corridor Strategy.

Lifestyle Categories

1. Commuter Urban

This category is the commuter belt along the HEX and the Maitland Growth Corridor identified in the Hunter Regional Plan. New developments along the HEX *generally* attract young families that use the HEX to access employment in Newcastle, Hunter Valley and Central Coast areas.

2. Established Urban

This category refers to development in around the existing urban areas in the Bellbird to Kurri growth corridor identified in the Hunter Regional Plan. Development along this corridor will cater for variety of people as there is greater diversity of housing and it is close to the major centres of Cessnock and Kurri and the unique villages of Neath, Abermain and Weston.

3. Village Lifestyle

The category includes both development in our villages and the limited extension of those villages in defined locations and in limited locations, large lot residential development.

Table 7: Land supply by category (as of 30 June 2022).

Category	Years of Greenfield supply
Village lifestyle	12 years
Established urban	16 years
Commuter urban	15 years

Commercial land supply

The SGS Employment Lands Study illustrated that there is sufficient zoned land to accommodate the anticipated growth in commercial land supply until 2046.

The COVID-19 pandemic and its impact on our existing centres means that there is likely to be an even greater supply available. However, the SGS Employment Lands Study is now several years old and was drafted ahead of the COVID-19 Pandemic and the release of the Draft Hunter Expressway Strategy and the Hunter Regional Plan 2041.

While Council is confident that there is sufficient commercial land supply to satisfy medium to long term growth, it is an opportune time to prepare an updated study to reflect any changes in population growth and forecasts.

Industrial land supply

The SGS Employment Lands Study demonstrated that there is sufficient existing industrial zoned land to accommodate the anticipated demand for industrial purposes. However, it does recognise that the Hunter Expressway has fundamentally changed the accessibility of land along the Hunter Expressway and this has created substantial logistical advantages to key locations along the HEX that could attract investment.

The Department released the draft Hunter Expressway Strategy in 2020 and integrated it into the Hunter Regional Plan 2041. The principles that apply to the interchange areas are vague, unsubstantiated by a commercial lands study and place the onus on Councils to prepare local strategies for these areas along the HEX. A commercial lands study should inform the sequencing, preferred uses and footprint of industrial lands at the interchanges.

Urban Growth Management Plan

This Urban Growth Management Plan (UGMP) is a supplementary plan to help inform the logical sequencing of growth across our area. The UGMP contains principles that will be applied by Council when deciding where and when development will occur to meet the needs of our growing community.

This only applies to growth of urban land for residential purposes. Council will not consider proposals for additional commercial or industrial land until it can be demonstrated that supply is not meeting demand.

We have acknowledged that, while Council is encouraged to maintain a 15-year supply of land for housing across our local government area, we need to provide for different lifestyle opportunities and choices. To this end we have identified three lifestyle categories:

1. Commuter Urban
2. Established Urban
3. Village Lifestyle

This UGMP identifies investigation areas within each of these catchments to ensure that when land supply reaches 15-years then these areas can commence investigation. This provides a framework to consistently release land in defined investigation areas as nominated on the Urban Growth Management Plan Map, and, to ensure that infrastructure is provided in a logical manner and funded by the developer.

In developing the UGMP, we have considered the Cessnock Local Strategic Planning Statement (the LSPS), the draft Hunter Regional Plan 2041, Hunter Regional Plan 2036 (the HRP) and the Greater Newcastle Metropolitan Plan 2036 (the GNMP).

Our conclusions have been informed by demographic factors, housing statistics, supply and demand for housing as well as local land-use opportunities and constraints sourced from an analysis of residentially zoned land.

Our UGMP includes:

1. **Planning Principles** are a set of requirements to commence the investigation of nominated areas and the minimum information to support the structure plan. This information will be the basis for future planning proposals, development control plans and contribution arrangements.
2. **Lifestyle Category Investigation Areas** as shown on the **UGMP Map**.

In addition to addressing the above, all planning proposals for new residential development should be subject to a rigorous assessment that is based on the Department of Planning, Industry and Environment's Guide to Preparing Local Environmental Plans and Guide to Preparing Planning Proposals.

Council will use the UGMP as a guide to plan for the orderly and efficient release of land to:

- maintain a 15-year supply of zoned land in the supply pipeline for residential development within each lifestyle category;
- identify development opportunities within "Investigation Areas" as defined on the UGMP Map;
- consider yields in those areas in its commitment to maintaining a 15-year of supply of land for residential development;
- provide flexibility as to how proponents may demonstrate meeting the UGMP requirements, however acknowledging that the onus will be that party to demonstrate consistency with the LSPS Planning Priorities and the UGMP Planning Principles.

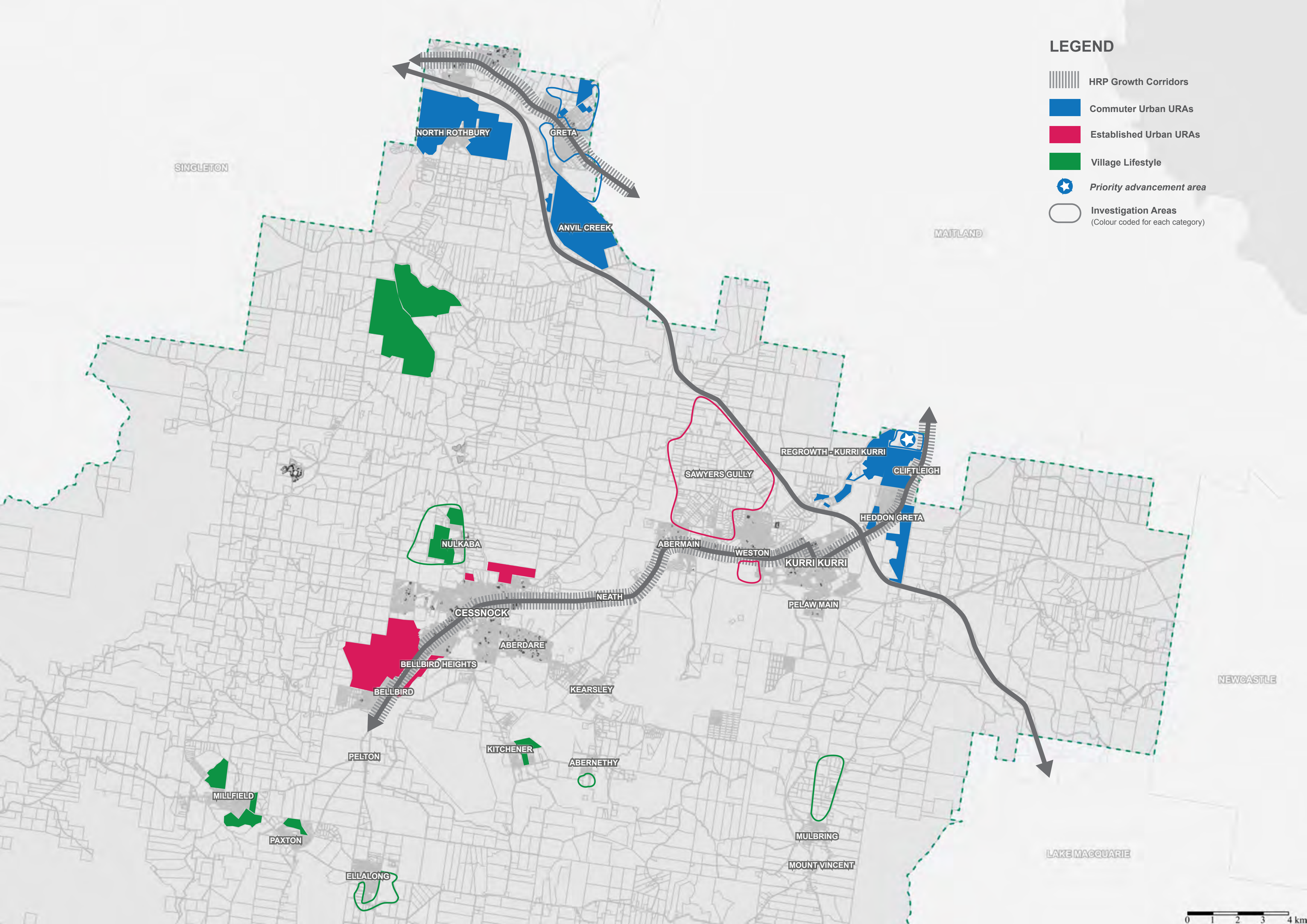
The Urban Growth Management Plan Principles

The UGMP Planning Principles are a set of requirements to commence the investigation of nominated areas and the minimum information needed to support the structure plan. This information will be the basis for future planning proposals, development control plans and contribution arrangements.

There are **six** planning principles that will need to be satisfied in order for an investigation area to be progressed.

Table 8: Urban Growth Management Planning Principles

Planning Principle	
1	Land supply must be at or below the 15-year supply threshold for that lifestyle category as published in Council's annual monitoring report.
2	The proposal must be within an investigation area identified on Map 1: Urban Growth Management Plan.
3	The proposal must address and be consistent with the LSPS planning priorities and principles.
4	All planning proposals require a structure plan for the entire investigation area. The structure plan must address the criteria listed in clause 6.3(3) of the Cessnock Local Environmental Plan in sufficient detail to: • inform the layout and logical sequencing of the infrastructure within the investigation area, • inform a preliminary contributions framework to fund infrastructure and facilities, and • consult with affected landowners, and • exhibit the structure plan. Where there are multiple landowners in an investigation area, Council will commission an independent consultant to prepare a structure plan for the entire investigation area. Full cost recovery for the preparation and exhibition of structure plan will be achieved in accordance with Council's Fees and Charges and borne by the proponent.
5	All investigation areas require a comprehensive social impact assessment that is undertaken by a qualified Social Impact Assessment professional and prepared in accordance with Council's DCP Chapter 3.8: Social Impact Assessment and Crime Prevention Through Environmental Design Guidelines for a proposed development.
6	For those investigation areas identified in the lifestyle village category, additional analysis and justification will be required to satisfy the LSPS planning principles relating to protecting the village structure and character, rural amenity, environmental lands and biodiversity, hazards, land-use conflict and infrastructure provision.



LEGEND
HRP Growth Corridors
Commuter Urban URAs
Established Urban URAs
Village Lifestyle
Priority advancement area
Investigation Areas
(Colour coded for each category)
SINGLETON
MAITLAND
NEWCASTLE
LAKE MACQUARIE
NORTH ROTHBURY
GRETA
ANVIL CREEK
REGROWTH - KURRI KURRI
CLIFTLEIGH
SAWYERS GULLY
HEDDON GRETA
NULKABA
ABERMAIN
WESTON
KURRI KURRI
NEATH
PELAW MAIN
CESSNOCK
ABERDARE
BELLBIRD HEIGHTS
BELLBIRD
KEARSLEY
PELTON
KITCHENER
ABERNETHY
MILLFIELD
PAXTON
ELLALONG
MULBRING
MOUNT VINCENT
0 1 2 3 4 km

Appendix A: Land Supply Data

Table 9: Land Supply Data for existing Urban Release Areas

LEP Details		Land Information	Approval Figures					
URA	Residential Zone	Developable Area	DA Approved Lots	Released Lots (Existing)	Unreleased Lots (Balance of Approved)	Market Lot Sizes R2 - 600 RU5- 750 R5 - 2000	Total Potential Yield by Lots	Classification
Mount View Road - Millfield	RU5	42.93	223	0	223	122	345	Village Lifestyle
Millfield - CC5	RU5	12.20	0	0	0	161	161	Village Lifestyle
Rose Hill	R5	51.97	100	100	0	0	0	Village Lifestyle
Paxton	RU5	10.34	79	79	0	0	0	Village Lifestyle
Kitchener	RU5	28.30	78	78	0	0	0	Village Lifestyle
Nulkaba BC10		72.57	93		23	124	147	Village Lifestyle
	RU5			45				
	R5			25				
Valley View Place	RU5	24.25	105	101	4	87	91	Village Lifestyle
Golden Bear	SP3	245.05	300	0	300	0	300	Village Lifestyle
The Vintage	SP3	385.96	507	507	0	515	515	Village Lifestyle
Bellbird Heights	R2	34.16	176	60	116	164	280	Established Urban
Bellbird	R2	242.22	1907	211	1696	1593	3289	Established Urban
Cessnock BC5	R2	5.88	0	0	0	65	65	Established Urban
Government Road	R2	33.75	2	0	2	450	452	Established Urban
Avery's Village	R2	108.41	892	400	492	1074	1566	Commuter Urban
Cliftleigh	R2	62.38	977	961	16	73	133	Commuter Urban
Anvil Creek	R2	390.42	0	0	0	1364	1364	Commuter Urban
Huntlee		452.96	1659		559	0	559	Commuter Urban
	R1			879				
(This includes all zones and area)	R2			0				
	B4			221				
Branxton Street, Greta	R2	4.46	0	0	0	48	48	Commuter Urban
Heddon Greta		17.87	73		16	74		
	R2			49			90	Commuter Urban
	R5			6				Village Lifestyle
West & Wyndham Street, Greta		36.64	248		0			
	R2			214		0	0	Commuter Urban
	R5			34		0		Village Lifestyle
			Total Remaining Developable Land			5914	9405	

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Appendix B: Data Methodology Statement

Data Methodology Statement

The following is an explanation of how the data in Table 9: Land Supply Data for existing Urban Release Areas was extracted and collated, and includes key notations for interpreting the data.

Extraction and Collation

Step 1 - Urban Release Areas identified

The data analysis was based on an extract from Council's GIS mapping system of the properties within the existing, mapped Urban Release Areas (URAs) of the Cessnock LEP 2011. This included legal property details, land area, existing zone and minimum lot size.

Step 2 - Existing development and concept approvals and other development thresholds (e.g. local clauses, planning agreements)

For many of the URAs there were existing development or concept approvals over all or some of the URA. There are a several URAs where development outcomes were stated in planning agreements or local clauses. Where these exist, these were used to inform residential capacities.

Step 3 - Active subdivisions

In depth research is conducted on each new subdivision to ensure accuracy of data. Once a new subdivision is released, legal property details and land area for each new lot is added to the URA. The parent lot will then be made historic, removing the land area details from calculations. By adopting this method, we are able to keep an accurate and up to date record of available land remaining for potential development.

Step 4 - No development

Where no development was approved or indicated, the potential yield was inferred by the following methodology:

Potential yield = ((Remaining Developable Land) x 0.8) / Market Lot Size

Preliminary constraint mapping (e.g. flooding, vegetation) resulted in an area of remaining developable land. Twenty percent was removed for infrastructure (e.g. roads, stormwater management etc). Market lot size is the average lot size that the markets commonly delivers in each of the zones. It is not the minimum lot size that is stipulated in the Cessnock Local Environmental Plan 2011.

Terminology

The following is a summary of the terms used in the Table 9: Land Supply Data for existing Urban Release Areas.

Table 10: Terminology

Term	Explanation
Urban Release Area (URA)	Urban Release Areas as mapped by the Cessnock LEP 2011, as at August 2020.
Zone	Land use zones mapped within the URA.
Minimum Lot Size (MLS)	The Minimum Lot Size for subdivision of land within the URA as mapped by the Cessnock LEP 2011, as at August 2020.
Total land area of URA	This is the total area of land within the URA.

Remaining Developable Land Area	This comprises residentially zoned within the URA that is vacant and yet to be subdivided. This area excludes all land that is zoned a non-residential land-use.
Approved Lots	These are lots that have been approved by a planning authority (Council or the NSW State Government) by way of a Development Application of Major Projects Approval, as at August 2020.
Released Lots	Lots were a Subdivision Certificate has been released, as at August 2020.
Unreleased Lots	Balance of approved lots yet to be released, as at August 2020
Current Lot Size	(Figures in orange cells are based on assumptions of likely development based on either affectation of known DA's or Planning Agreements.)
Market Lot Size	Market lot size refers to the size of lots that are consistently delivered in each zone rather than the minimum lot size. R2 – 600 RU5- 750 R5 - 2000
Classification	Identified lifestyle category as nominated by the UGMS.

Urban Growth Management Plan - Interim Review
Published August 2022

Availability

The Urban Growth Management Plan - Interim Review is available on Council's website: www.cessnock.nsw.gov.au

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