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25/09/2019

# Economic Impact Assessment Planning Proposal

## 380 Motorway Link Wallarah NSW 2259



Prepared by Barr Property and Planning  
For Central Coast Council  
On behalf of Darkinjung Local Aboriginal  
Land Council

## Document Control

Title Economic Impact Assessment to accompany Planning Proposal PP\_2016\_CCOAS\_005\_00

Address 380 Motorway Link  
Wallerah  
NSW 2259

Job No. 19NEW0081

Client Darkinjung Local Aboriginal Land Council

## Document Issue

Issue	Date	Prepared by	Reviewed by
Draft 1	27/08/2019	Kirsty Tepper	Stephen Barr
Final Draft	17/09/2019	Kirsty Tepper	Client
Final Draft	24/09/2019	Kirsty Tepper	Client
Final	25/09/2019	Kirsty Tepper	

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## Executive Summary

This report assesses the potential economic impact of the rezoning of 89 Ha of land in Wallarah, from RU6 Transition to part E2 Environmental Conservation (44 Ha), and part IN1 Industrial General (45 Ha). The aim of the proposed rezoning is to assist in achieving the economic self-determination of the Darkinjung people. As far as possible, the potential costs and benefits of the rezoning to the Central Coast public have been assessed.

The site is:

- strategically located to take advantage of exiting access to national freight routes, both road and rail
- proximate to a future labour supply in the Warnervale Town Centre
- consistent with the existing strategic planning framework as the development of “additional lands under investigation” to support the existing supply of industrial lands
- favourably located in comparison to existing zoned employment land, to take advantage of servicing and infrastructure extensions from Bushell’s Ridge.

Development of the site as proposed is considered to have the following benefits:

- Based on conservative estimates of Net Developable Hectares, results in investment in construction and associated works on site of \$179 million
- Mid-range estimate of 675 full-time equivalent jobs on site, based on a per-hectare estimation, and highly variable depending on the types of industrial development and their level of automation
- Based on wages for logistics and warehousing industries, estimated wages at full development in the order of \$39.8 million per annum
- Retained wages within the Central Coast estimated at \$25.8 million per annum
- Net Present Value of wages and construction activities of \$619.9 million
- Secondary (flow on) impacts include local spend based on wages only, of \$225.5 million.
- Additional flow-on impacts include growth for co-located development, increasing retention of jobs on the Central Coast, decreasing consumer and investor leakage outside the region, and increasing resilience of the Central Coast economy.

The supply of zoned, serviced industrial land in Greater Sydney is anticipated to be exhausted within five years at average take-up rates. The warehousing, distribution and logistics industries are susceptible to itinerant demand for such land, particularly along major transport routes on the eastern seaboard. The supply of ready industrial land close to the M1 offers incentive for demand in Sydney to shift north, as well as the movement of other demand along the eastern seaboard.

Primary impacts of the development have been summarized in Part 4.9. The potential economic impacts of the proposal have been considered and, based on



the available information, it is concluded that the proposal is likely to return a significant net benefit to the Central Coast region, in terms of employment, diversification, and retained wages. Perhaps more importantly, the proposal assists with the achievement of two key economic goals of the *Central Coast Regional Plan 2036*: to increase job containment within the region, and to strengthen the economic self-determination of Aboriginal communities.

There are many aspects of the future development of the site which cannot be fully assessed or monetized at this conceptual stage of the proposal. Due to the lack of available information on Aboriginal archaeology, biodiversity offsets, potential clay resource, required earthworks, and confirmation of traffic and servicing requirements, the full costs and benefits of the proposed rezoning cannot be enumerated. The net benefit of development on the site can be assessed when these variables have been identified, upon the lodgment of a development application for the site.



# 1 Introduction

## 1.1 Structure

This Economic Impact Assessment adopts the following structure:

Part 1 Introduces the site and its context, adopted methodology, and the existing development on and around the site. Establishes the economic baseline.

Part 2 Outlines the proposed development, including future potential subdivision and industrial buildings.

Part 3 Assesses the likely primary (direct) economic impacts of the proposal.

Part 4 Evaluates the likely secondary (indirect, or flow-on) economic impacts of the proposal.

Part 5 Public feasibility analysis of the proposed development, taking into account the structure of the local and regional economy.

Part 6 Conclusion and recommendations.

## 1.2 Background

This Economic Impact Assessment has been prepared to support the application to rezone land at 380 Motorway Link, Wallarah, from RU6 Transition and E2 Environmental Conservation, to IN1 General Industrial and E2 Environmental Conservation.

The planning proposal to amend Wyong Local Environmental Plan (LEP) 2013 was lodged with the Department of Planning and Environment (DPE) on 9 November 2016. The Gateway Determination was issued on 9 December 2016, subject to conditions. At Condition 1 the Determination requires:

1. *Council is to be satisfied that sufficient information has been provided to demonstrate that the planning proposal adequately addresses the following issues:*

...

- *Economic impacts...*

(DPE, 9/12/2016)

A copy of the Gateway Determination is included at Appendix A.

Barr Property and Planning have been engaged by Darkinjung Local Aboriginal Land Council to provide an Economic Impact Assessment, to meet the conditions of the Gateway Determination and support the proposed rezoning.



### 1.3 Aim and Methodology

An Economic Impact Assessment aims to provide information to allow decision makers to consider whether a community is better or worse off as a result of a proposed development. It is to be based on rigorous, transparent evidence. It must take into account all significant impacts of the project, and is not simply a representation of the positive net present value achieved by the project. All significant impacts to the welfare of the community are considered. This includes those expressed in monetary terms (monetised) or simply qualitatively described (non-monetised).

The aim of this Assessment is to ascertain and assess the likely economic impacts of the proposed rezoning and future industrial subdivision and development of the site. These are represented as likely impacts to the public, both positive and negative, direct (primary) and indirect (secondary). Private costs and benefits are not represented within this report. Also, due to the preliminary nature of the project, this report cannot reliably estimate a cost-benefit analysis or the potential economic multipliers arising from the development.

Those impacts of the project which can readily be monetised are shown as such, and are quantitatively assessed within Part 3 of this Assessment. The majority of economic impacts are non-monetised, due to the unresolved nature of many aspects of the project. A qualitative assessment of these impacts is provided in Part 4 and 5. While a Net Social Benefit cannot be obtained in monetary terms where there are non-monetised impacts, estimates and conclusions relating to the economic impacts of the project are drawn from a combination of qualitative and quantitative analyses.

Economic impacts of a project to the public are expressed in terms of their Total Economic Value (TEV). This is expressed in a number of categories (Harris and Roach, 2013):

- Use value: the value that people place on the use of a good or service. This can be divided into:
  - Direct use, for those who use a good or service, for example experienced by workers at the facility, and
  - Indirect use, being benefits that are not directly valued in markets, and include ecosystem services, or benefits obtained from nature, for instance, the benefit of retaining bushland for its biodiversity value.
- Non-use value: values that people obtain without actually using a resource, divided into:
  - Option value: the value placed on a resource for the option of using it in the future, for instance enjoyed by someone who would be willing to pay for the conservation of a site they may visit in future,
  - Bequest value: the value placed on a resource a person would like to make available to future generations, for instance the preservation of heritage sites based on a concern for future generations,





- Existence value: the value placed on knowing of a resource's continued existence, though the person will never use it, for instance the value of knowing threatened species are conserved, despite not benefiting directly from their conservation.

The economic impacts considered within this report fall into one or more of these categories. For the present rezoning proposal, most values (benefits) will be expressed in terms of direct and indirect use values, with some falling into the category of non-use values.

## 1.4 Scope

The project is considered of significance to the Central Coast Region as a whole, being a substantial land release with linkages to Sydney and Newcastle via the M1, and capacity to connect to the Main Northern Rail Line. Future development on the site has capacity to generate significant increases to the Central Coast Gross Regional Product. The site's strategic context has been examined in Part 2. The potential impact of the development on Gross Regional Product for the Central Coast Region is analysed in Part 4 and 5.

The scope of this Assessment is therefore the likely economic impacts of the proposed development for the Central Coast Region. All residents of the Central Coast Region are considered to have standing in this assessment.

The Central Coast Region is defined as the ABS 2016 Census SA4 area of the Central Coast, as shown in Figure 1. This area forms the basis for the economic baseline and assessment of impacts.

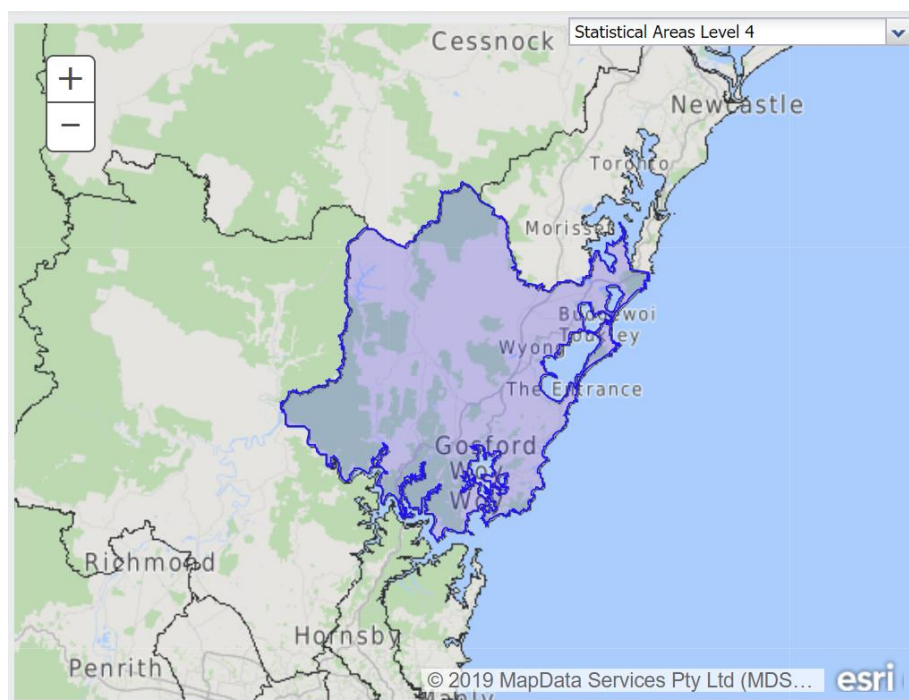


Figure 1 Central Coast SA4 (Source: abs.gov.au, 2019)



## 1.5 Site Description

### 1.5.1 Location

The site is located at 380 Motorway Link, Wallarah, at the junction of Motorway Link and the Northern Railway. The site has an area of approximately 89ha and is identified as Lot 1, 2 and 3 in Deposited Plan 1156997. The Northern Railway Line forms the site's eastern boundary. Bushland is adjacent to the site on its western boundary, while to the south are residential lands within a large-lot subdivision. The locality of Bushells Ridge lies to the north of the site, with the locality of Wallarah to the south and Blue Haven to the east.

The M1 Pacific Motorway is located 3.5km to the west of the site, via Motorway Link. The site location is broadly shown in Figure 2, while Figure 3 shows the site and its immediate surroundings.

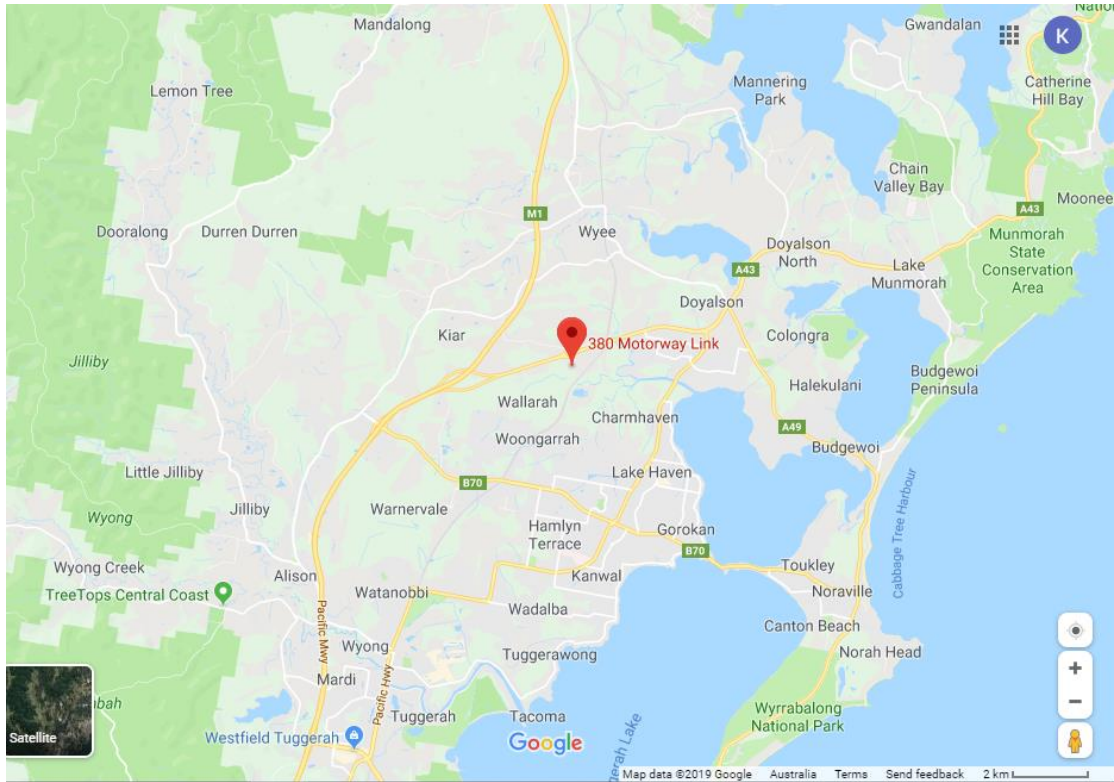


Figure 2 Site location ([maps.google.com](https://maps.google.com))

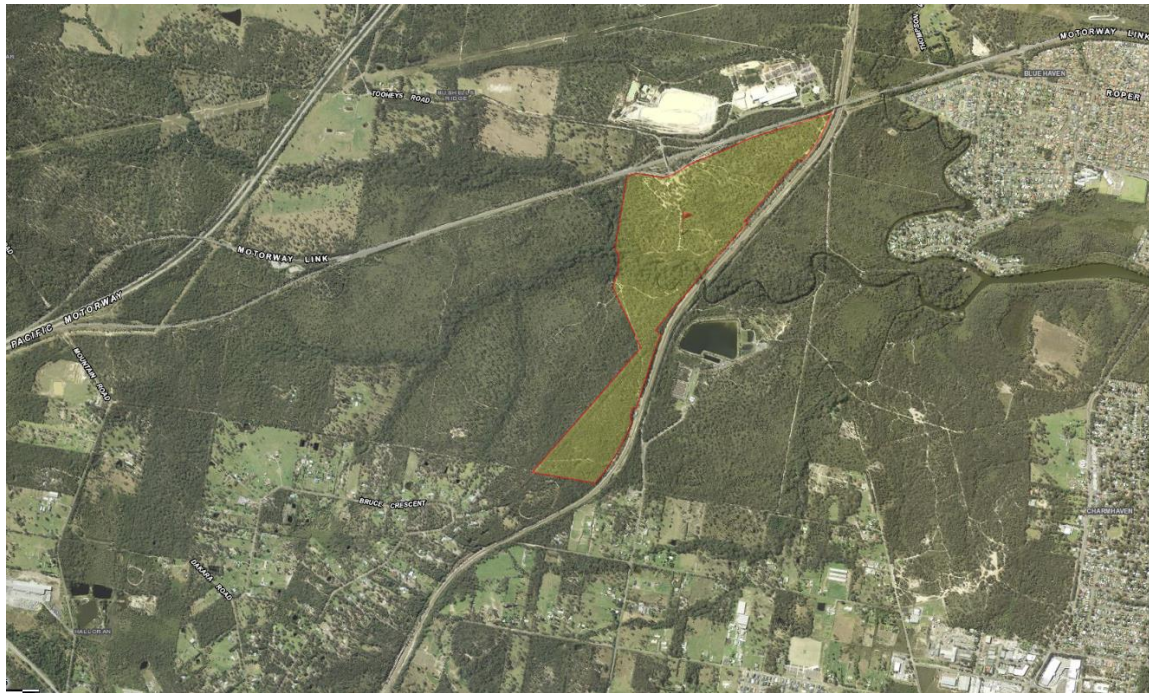


Figure 3 Site and surroundings (maps.six.nsw.gov.au)

### 1.5.2 Natural features

The site is presently undeveloped. Wallarah Creek traverses the site in an east-west direction. Bushland on the site has been subject to preliminary ecological investigations, including the following which have been reviewed for the purposes of this Impact Assessment:

- *Interim Ecological Inventory Report: Darkinjung Local Aboriginal Land Council North Wyong Land Holdings 2010-2012*, Ecological, November 2012
- *DLALC Wallarah Planning Proposal Constraints*, Umwelt, June 2019 Briefing Note
- *Addendum to the Motorway Link Industrial Subdivision Biodiversity Certification Assessment Report*, Umwelt, July 2019 (Draft).

A number of threatened fauna and flora species were found on the site. The potential impacts of the proposal on these are discussed in Part 3.

### 1.5.3 Key Transport Linkages

The site lies 1.7km west of the junction of Motorway Link (A43) with the M1 Pacific Motorway. At this junction the Motorway Link flows directly on to the M1 southbound. It takes 1.5 hours via the M1 to reach the centre of Sydney (104km). The industrial estates of Western Sydney, accessed via the M7 Motorway, are approximately 1.7 hours away (118km), while the business parks of north-western Sydney are approximately 1.5 hours (92km). These distances will reduce with the opening of NorthConnex, a 9km tunnel linking the M1 to the M2, bypassing Pennant Hills Road. Construction on the tunnel is advanced and is





expected to be complete in 2020. As well as reducing travel times, the tunnel will bypass 40 traffic lights along Pennant Hills Road and provide a route between Newcastle and Melbourne that is traffic-light free. This will be frequented by freight and private vehicles (North Connex, 2019).

The site is also accessible to traffic travelling from Sydney, northbound on the M1, at the A43 / M1 junction. To travel north along the M1 from the site, traffic would travel south to the Sparks Road (B70) / M1 junction.

The site is bounded by the Main Northern Rail Line to the east, however there is no current ability to access passenger or freight routes directly from the site. A loading facility is proposed to be installed north of the site in conjunction with the Wallarah 2 Coal Mine. Subject to feasibility studies, this facility could be in place by 2021 (Walarah 2 Coal Mine, 2019). The closest passenger train stations are Wyee (3.2km north of the site's northern boundary, by rail), and Warnervale (3.1km to the south, from the site's southern boundary, by rail).

The site is in an ideal location to benefit from the current upgrades to the M1 Pacific Motorway, including:

- widening to three lanes between the Tuggerah and Doyalson interchanges,
- major upgrades to the exit and entry ramps at the Doyalson interchange, providing upgraded access to the M1 from Doyalson via Motorway Link for south-bound traffic, and egress from the M1 for north-bound traffic onto Motorway Link, towards Doyalson,
- separate dedicated lane for north-bound traffic between Sparks Road and Motorway Link,
- upgraded entry/exit lanes at Sparks Road (Warnervale Interchange) for north and south-bound access to M1 (RMS, 2019).

## 1.6 Surrounding development

Boral Roofing and Masonry is located north of the site, on the opposite side of Motorway Link at 288 Toohey's Road, Wyee. The facility sells clay tiles used in roofing and flooring.

The Wallarah 2 Coal Mine is located north of the site on Toohey's Road. The mine was granted consent by the Planning and Assessment Commission on 16 January 2018, and by the Federal Minister for Energy and Environment on 18 February 2019. Mining leases ML1789 and ML1790 were approved on 28 June 2019. A final feasibility study is currently under preparation, with a detailed design process planned for 2020-2021. The mine will extract up to 5 million tonnes per annum of thermal coal by underground longwall methods, over a license period of 28 years.

According to the Conceptual Project Layout, the key infrastructure areas are located at the Toohey's Road site (located on the northern side of Motorway Link, to the north west of the subject site), and the Buttonderry Site, west of the M1 (Hansen Bailey, in Wallarah 2 Coal Mine, 2019). The mine will locate surface



facilities on the Toohey's Road site, including stockpiles, a coal conveyor system, water and gas management facilities, workshop and offices. In addition, a rail spur and gantry will be constructed alongside the Main Northern Rail Line. This will provide a collection facility for the transfer of coal to freight trains. An extract of the Hansen Bailey Concept Project Layout is provided in Figure 4 below.

A long sloped tunnel (drift) will be constructed west from the Toohey's Road site, to access extraction areas west of the M1 as deep as 690m below the surface. No extraction areas, infrastructure areas or potential future mining areas are shown on or under the subject site.

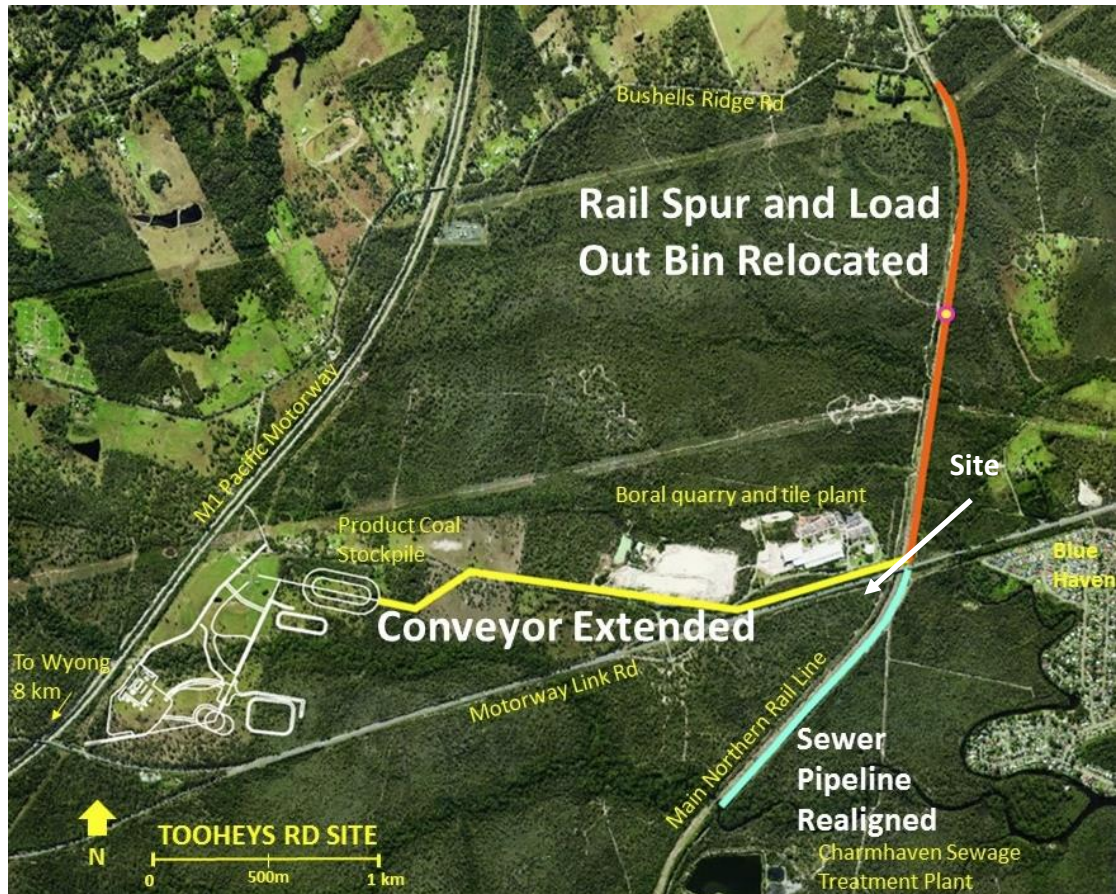


Figure 4 Wallarah 2 Coal Mine, Toohey's Road Amended Site Layout (Walarah 2 Coal Mine, 2019)



## 2 Proposed development

### 2.1 Proposed Rezoning

The site is currently zoned RU6 Transition, with a portion of E2 Environmental Conservation zoned land surrounding the creek. Current zoning is shown in Figure 5, with the site outlined in yellow.

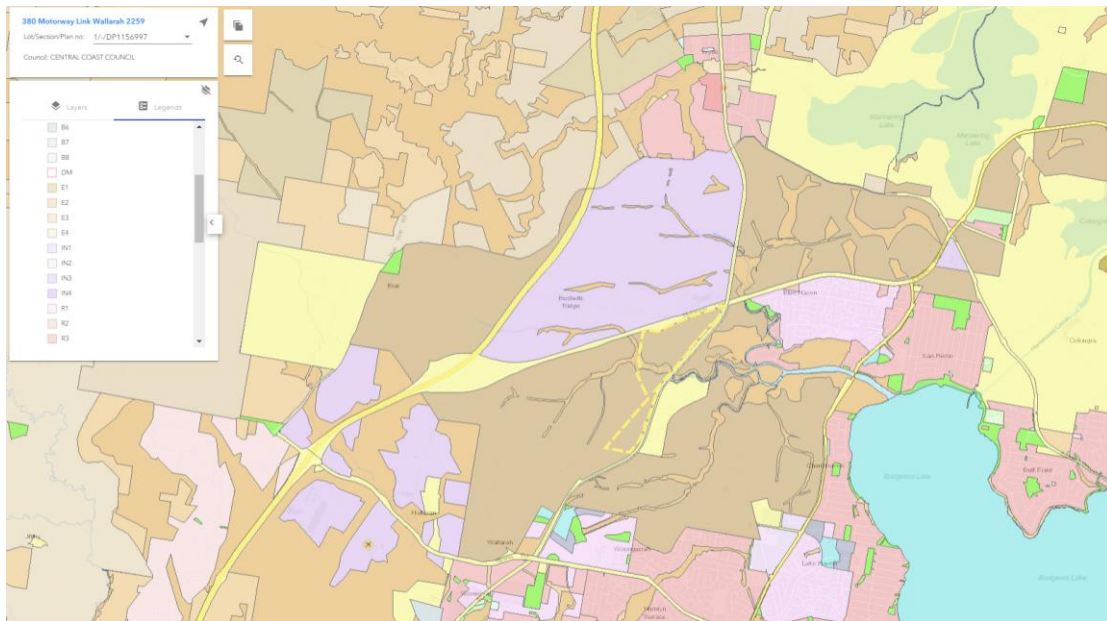


Figure 5 Current zoning (*planningportal.nsw.gov.au, 2019*)

The Gateway Determination has provided in-principle approval for the rezoning of the site to part IN1 General Industrial and part E2 Environmental Conservation. The industrial land is proposed to cover 45ha of the site, with the remaining 44ha being conserved as Environmental Conservation (Northrop, 2018). This is shown in Figure 6, below.



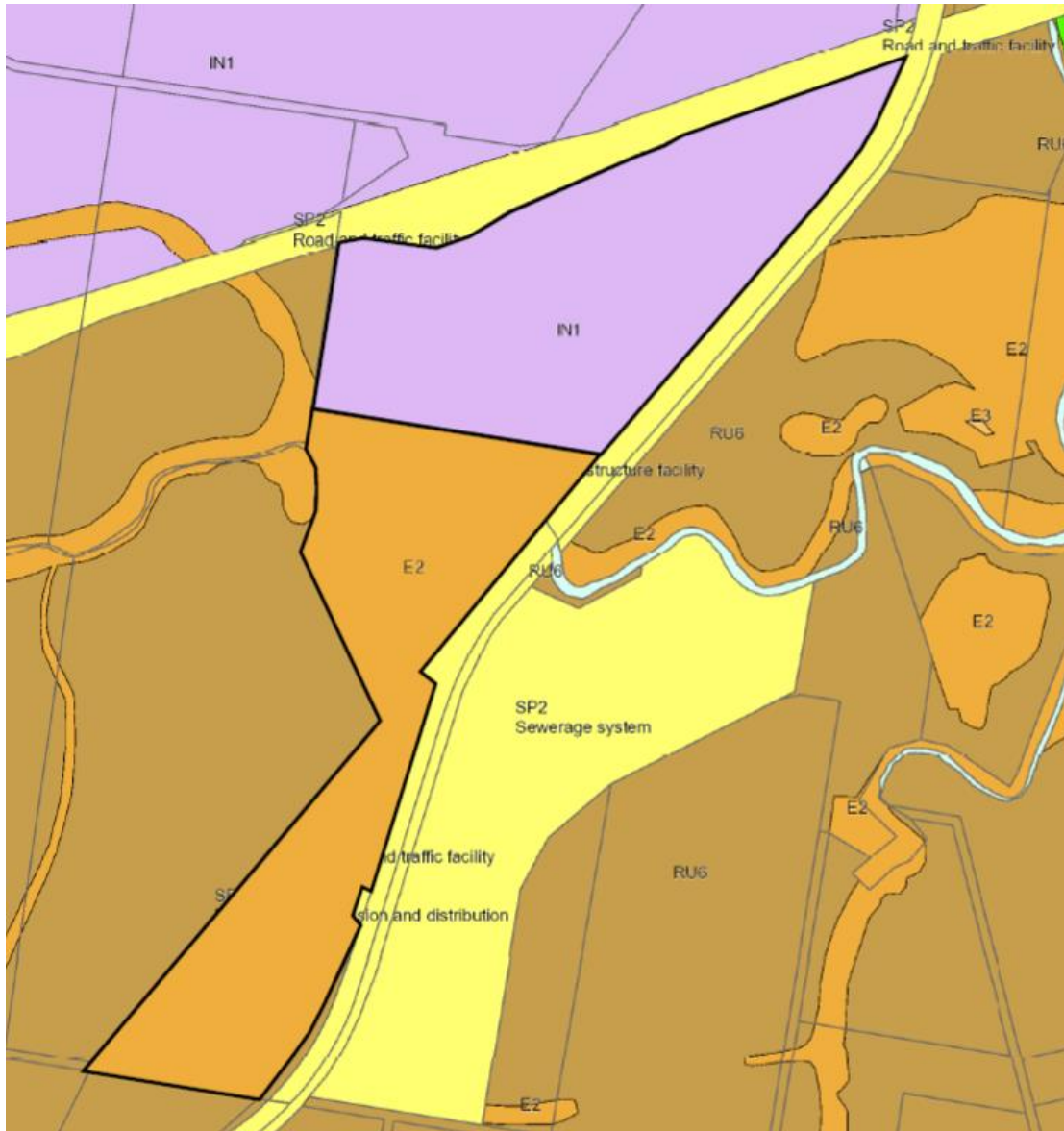


Figure 6 Proposed zoning (Central Coast Council, 2016)

## 2.2 Future Industrial subdivision and development

The industrial zoned land will be further subdivided in conjunction with a future development application. A potential subdivision arrangement was submitted to the Department in conjunction with the Planning Proposal, however this was preliminary in nature and has not informed the estimates within this assessment.

### 3 Strategic Economic context

The site is situated in the north-eastern area of Wallarah, within the Central Coast Local Government Area and Region. It falls under the development controls of the Wyong Local Environmental Plan 2013. The proposed Warnervale Town Centre is to be located immediately to the south, and the existing townships of Wyee and Morisset are to the north. The site and its surroundings are examined in this Part to provide a strategic and demographic context, against which to assess the likely economic impacts of the proposed development.

#### 3.1 Strategic Plans

A number of regional strategies and plans have been prepared which set the economic goals for the region, particularly in view of future employment generation. Relevant strategies are reviewed below.

##### 3.1.1 Central Coast Regional Strategy 2006-2031

The Central Coast Regional Strategy 2006-2031 was adopted by the Department in 2008 and has now been superseded by the Central Coast Regional Plan 2036 (refer below). It is introduced briefly here in order to demonstrate the transition in job targets for the Central Coast and provide a context for the present targets.

The key goal of increasing jobs within proximity to residential areas on the Central Coast has been a consistent theme of strategic planning documentation. The Central Coast Regional Strategy 2006-2031 aimed to increase employment self-containment and “achieve capacity for more than 45,000 new jobs within the Central Coast over the next 25 years” (action 5.1). Among these were an estimated 10,500 new jobs within the North Wyong Structure Plan area. Jobs in industrial lands were assumed to be at a rate of 10 to 20 jobs per hectare (upper and lower bounds, respectively).

##### 3.1.2 North Wyong Shire Structure Plan

The North Wyong Shire Structure Plan was adopted in 2012 by the Department of Planning and Infrastructure, to enact the Central Coast Regional Strategy 2006-2031. It provides high level identification of lands to guide ongoing development and infrastructure provision within the North Wyong Shire area.

The proposed rezoning is consistent with objectives of the Structure Plan as it locates additional employment land:

- adjacent to existing zoned industrial land within Bushells Ridge, making use of the efficient extension of infrastructure and services and providing expanded employment nodes,
- within proximity to major transport routes, being the northern rail line and the M1 and supporting road network,





- close to the new Warnervale Town Centre, supporting future jobs in proximity to this future residential release area, estimated to accommodate approximately 1,650 new dwellings,
- above the Warnervale floodplain and on land largely unaffected by the 1% AEP flood event (Northrop, 2019).

The Structure Plan aimed to identify key development constraints, among which were coal and clay resources. The subject site has been identified as being within an extractive resource area, opposite a quarry, and adjacent to a proposed coal mine. An extract from Map 1 of the Structure Plan has been provided below.

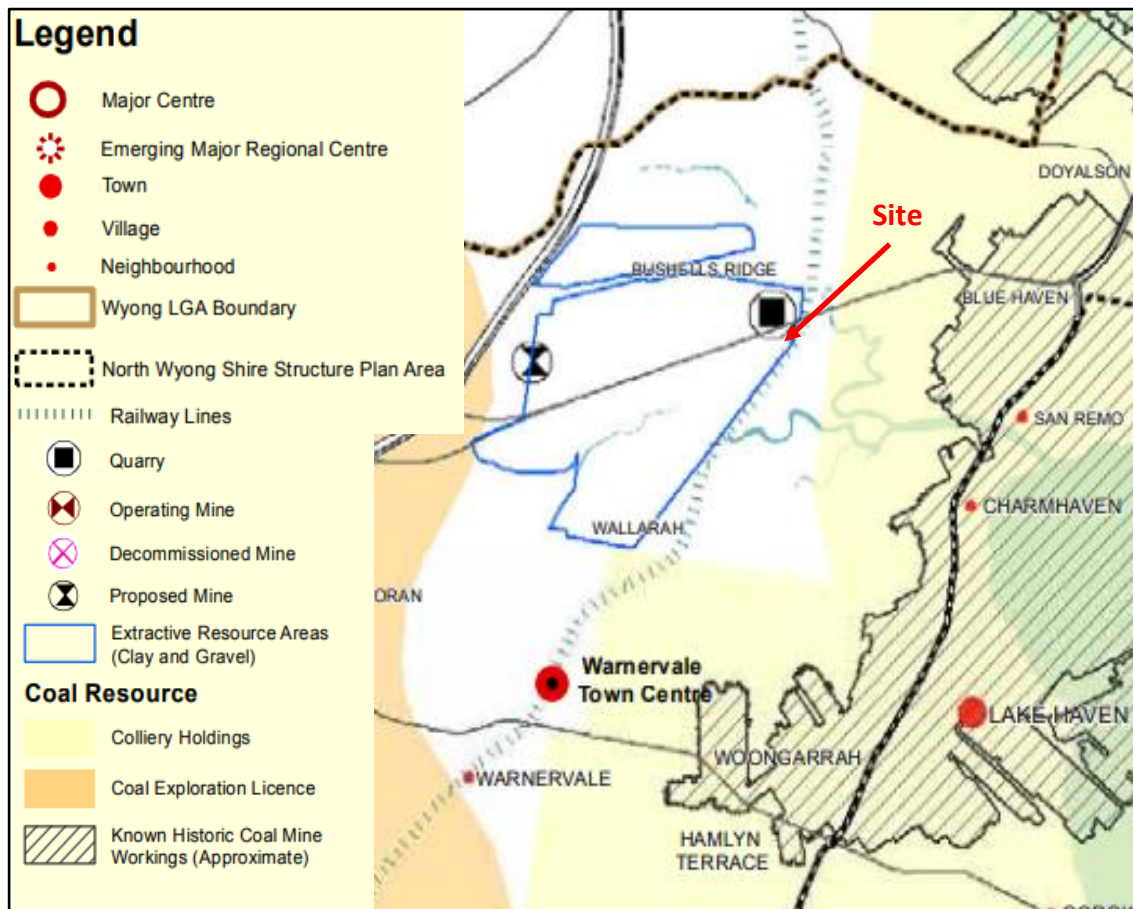


Figure 7 Extract from Map 1, Resource Development, North Wyong Shire Structure Plan (DPI, 2012)

The site has potential for future clay extraction, being directly opposite the Boral Quarry. This resource has been identified to be of State significance due to “the quality of the clay, the existence of a roof tile manufacturing plant and its proximity to the Sydney Metropolitan market and major transport infrastructure” (p.6-7).

The site is not within any coal exploration license or colliery holding areas identified on Map 1, however it is adjacent to the Wallarah 2 Coal Mine. The Structure Plan highlighted the potential for development to occur within coal



mining areas after coal extraction, once surface subsidence is completed. The currently approved concept plan for the Wallarah 2 Coal Mine reflects that the site will not be undermined (refer to Part 1.6).

In addition to the employment targets set by the Central Coast Regional Strategy 2006-2031, the Structure Plan identified additional employment land beyond that needed to meet minimum employment targets. Some was considered likely to be warehousing and storage industries at lower employment densities than those assumed by the Strategy (10-20 jobs per hectare of industrial land). It is possible that the proposed rezoning could contribute to industrial employment at lower employment densities, depending on the type of industrial uses included.

The Structure Plan identified the area to the north of the site, Bushell’s Ridge, as a proposed employment area. The site itself was identified as a “strategically located, constrained site subject to further investigation and offset strategies to define conservation requirements and development potential” (Map 3 within the Structure Plan, refer to Figure 8 below). An indicative Green Corridor is provisionally placed along the creek within the site.

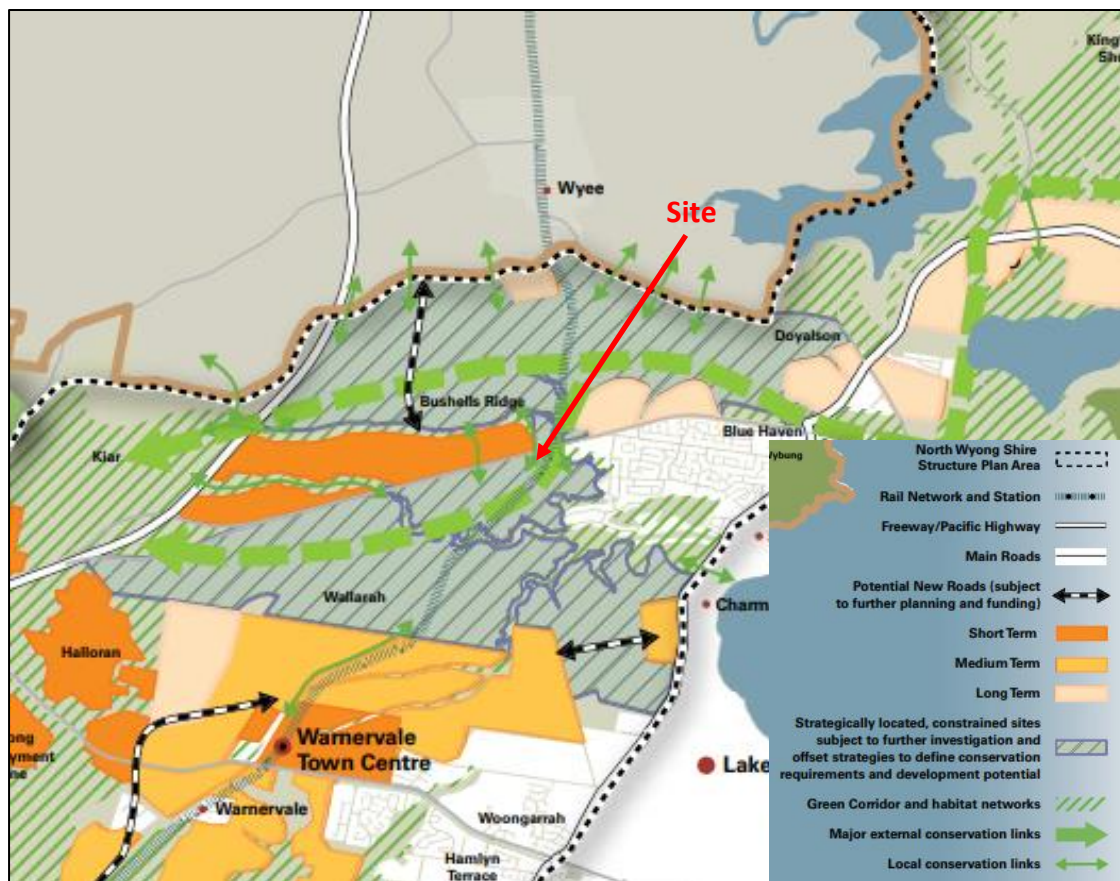


Figure 8 North Wyong Shire Structure Plan, Map 3- Staging Plan (extract)

The Structure Plan estimates that between 12,150 and 17,100 new jobs will be created within its area. This includes estimates for the “Bushell’s Ridge South”



industrial area to the north (Site 10), and the “Doyalson South West” area to the north-east (Site 12). Further, an increase in the number of new dwellings within residential areas under the Structure Plan was estimated in the order of 17,000, resulting in an estimated 37,400 residents. The Warnervale Town Centre, located immediately to the south of the site, was estimated to accommodate 1,650 of these new dwellings. Development of the Centre is currently underway. Both Bushell’s Ridge industrial area and the Warnervale Town Centre were marked as short term development targets within the Structure Plan (Map 3), taking into account:

- the ability to provide key infrastructure services, particularly water and sewer,
- the potential timing of mineral and coal resource extraction, and
- the ability of development to support the Wyong Employment Zone and the Warnervale Town Centre.

As highlighted by the Structure Plan, close monitoring would be required to ensure the adequate supply of residential and employment lands. Detailed site investigation was incomplete and would later demonstrate significant constraints and delays to the release of land in some areas, such as the northern Bushell’s Ridge industrial area.

Additional areas were targeted by the Structure Plan, including the subject site, for further investigation. The key planning issues identified for these additional areas, as relevant to this site, are summarised from Part 3.4 of the Structure Plan as:

- Understanding corridor and habitat networks
- Resource extraction potential (clay)
- Offsetting vegetation loss
- Relationship between development on the site and development on surrounding lands

These will be considered as potential economic impacts of the proposed rezoning in Part 4.

The proposed rezoning is consistent with the Structure Plan, providing further detailed study of the site’s capacity and an offset strategy for the conservation of biodiversity and corridor significance of the site. The Structure Plan states that it is a high level strategy and subject to more detailed investigation. The flexible release of additional employment lands, as constraints within existing lands are identified, is consistent with the approach outlined in Part 3.4 of the Structure Plan.

### **3.1.3 Central Coast Regional Plan 2036**

The Central Coast Regional Plan 2036 provides an overall framework for strategic development within the Central Coast. Relevant sections of that Plan are considered below.





The site is strategically located close to the Warnervale Town Centre and Regional Gateway. It is just north of the northern regional growth corridor as identified in the (then) Department of Planning and Environment's (DPE) *Central Coast Regional Plan 2036*, as mapped in Figure 9, below.

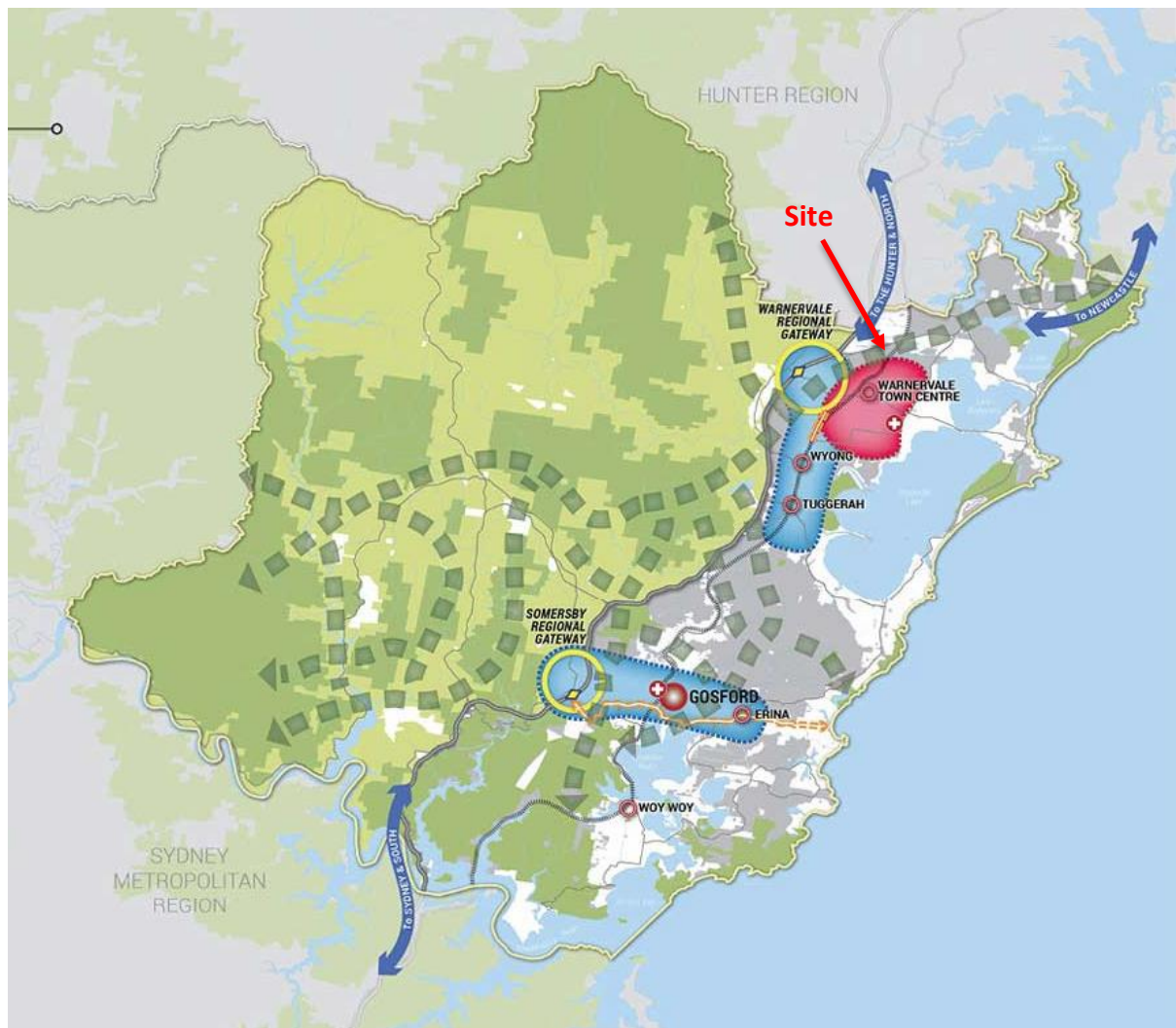


Figure 9 Central Coast Region (DPE, 2016)

Strategic development objectives for the Central Coast region within the Plan are to create “a region with a healthy natural environment, a flourishing economy, and well-connected communities”. The planning proposal is consistent with Goal 1 of the Regional Plan, to deliver “a prosperous Central Coast with more jobs close to home”. A number of Directions sitting below this Goal are of immediate relevance to the proposal:

**Direction 2:** Focus economic development in the Southern and Northern Growth Corridors

The site is located in the northern growth corridor, in an area targeted for economic development. Its proximity to the Warnervale interchange assists in providing employment land to meet Action 2.11 of the Implementation Plan, which is to promote Warnervale as a new strategic centre and plan for its



transport interchange. A Northern Growth Corridor Strategy is to be prepared in the implementation period 2018-2020, under the Implementation Plan.

***Direction 5: Support new and expanded industrial activity***

Bushell's Ridge was identified as a potential location for manufacturing, logistics and warehousing activities. This direction highlights the need for ongoing delivery of employment land in varying lot sizes and locations, coordination of infrastructure, and enabling the development of new industrial land. The proposal is consistent with Actions 5.2 and 5.3, with sit underneath this Direction within the Implementation Plan and state:

**Action 5.2** *Locate large-scale industrial uses, freight, manufacturing and logistics businesses near freight routes and the M1 Pacific Motorway interchanges at Somersby, Tuggerah and Warnervale.*

**Action 5.3** *Enable the development of new industrial land and coordinate infrastructure delivery through collaboration between State and local government and infrastructure providers.*

*(Central Coast Regional Implementation Plan 2018-2020, NSW DPE, 2018)*

The Implementation Plan aims to facilitate development around the Warnervale (Sparks Road) M1 interchange as a part of the Nationally Significant Interchanges Project (2018-2020). The Warnervale interchange is capable of accommodating B-Doubles and is on the main freight road corridor between Sydney and Newcastle. Large scale industrial uses, freight, manufacturing and logistics businesses have been identified within the Implementation Plan for this area (refer to Action 5.2). The proposal will assist in the attainment of these goals, making general industrial lands available in a location that will benefit from proximity to the Warnervale Interchange.

***Direction 6: Strengthen the economic self-determination of Aboriginal communities***

Being in Darkinjung ownership, the development of the site aims primarily to enable Darkinjung to develop and hold or on-sell, as appropriate, their own land, for the benefit of the Darkinjung people. The proposal directly fulfils this Direction.

***Direction 7: Increase job containment in the region***

The proposal will result in the increased availability of employment lands within the Central Coast, creating the increased potential for job containment, providing permissible land uses are aligned with demand for employment lands.

### **3.2 Economic baseline**

The purpose of providing a baseline is to examine the existing state of the community that will be impacted by the proposal. This assists in identifying the particular aspects of the proposal that are likely to directly and indirectly impact on the community.



ABS 2016 Census data were examined to provide baseline data on people who live and/or work on the Central Coast, particularly in industrial occupations. This was based on examination of those for whom the Central Coast was their place of usual residence, or their place of work. The time series profile for the Central Coast (2006-2016) has also been examined, along with relevant ABS and Transport for NSW journey to work statistics. Projections are based on the NSW Department of Planning, Industry and the Environment and Transport for NSW data.

The following analysis considers statistical indicators based on the 2016 resident and worker population of the Central Coast. It does not reflect trends in migration and workplace technology, which will alter both the composition of residents in the Central Coast and their employment needs and opportunities into the future. It provides a snapshot of the existing resident and worker community who are likely to be impacted by the proposal. Data are obtained from the ABS 2016 Census unless otherwise stated.

### **3.2.1 Persons employed on the Central Coast**

Data for place of usual work is based on the place of usual work for those people aged over 15 who were working in the week prior to census night. There were a total of 104,732 people working on the Central Coast at the 2016 Census. The average commuting distance was 15.42km, with the median commute at 10.38km. This indicates that there are a large number of local commuters working in the Central Coast. Of all workers, 48,103 were males (45.9%) and 56,630 were females (54.1%). Of the total persons working on the Central Coast, 55% worked full time and 40% worked part time. The majority of employed persons working on the Central Coast were aged between 40 and 59 years. Figure 10 below shows the breakdown of age and employment status, with more part-time jobs taken up by those aged 15-24, and more full time jobs held by those aged 25 and older.



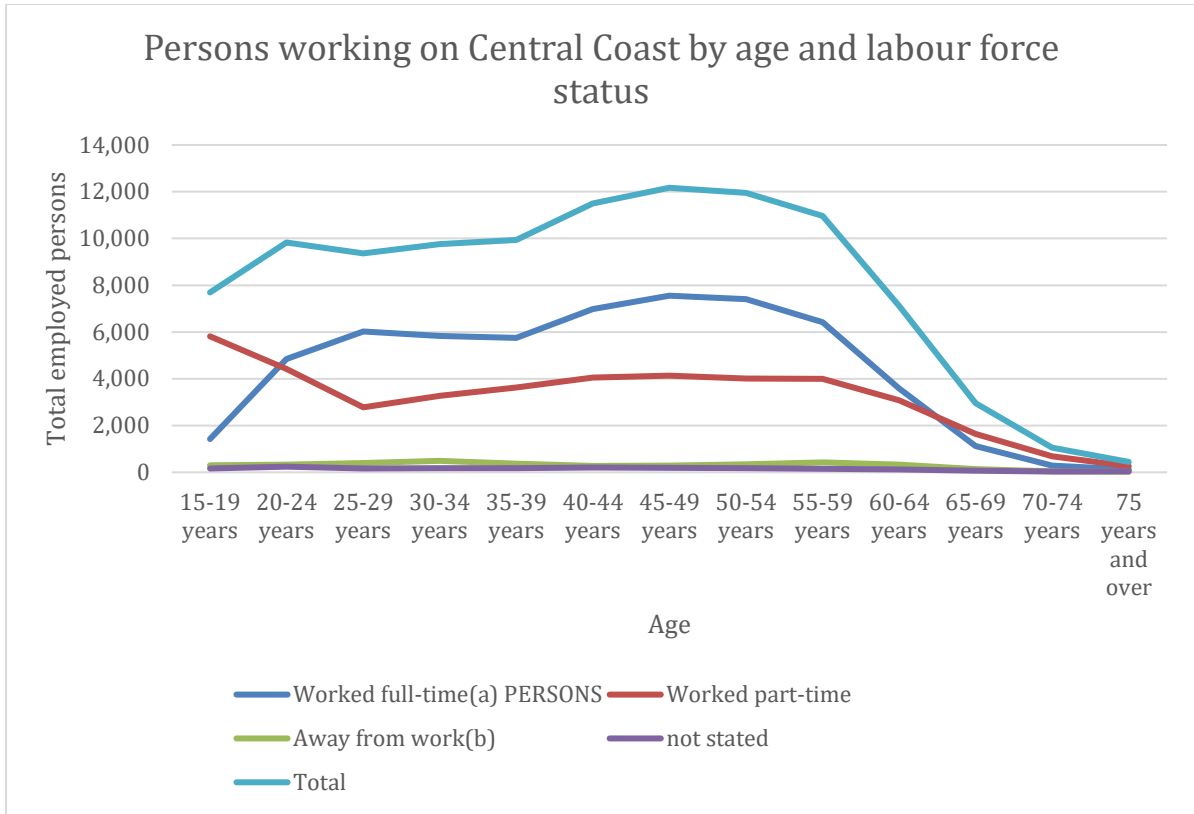


Figure 10 Labour Force Status, total persons employed on Central Coast, (ABS 2016c)

Figure 11 below illustrates personal weekly incomes for those working on the Central Coast.

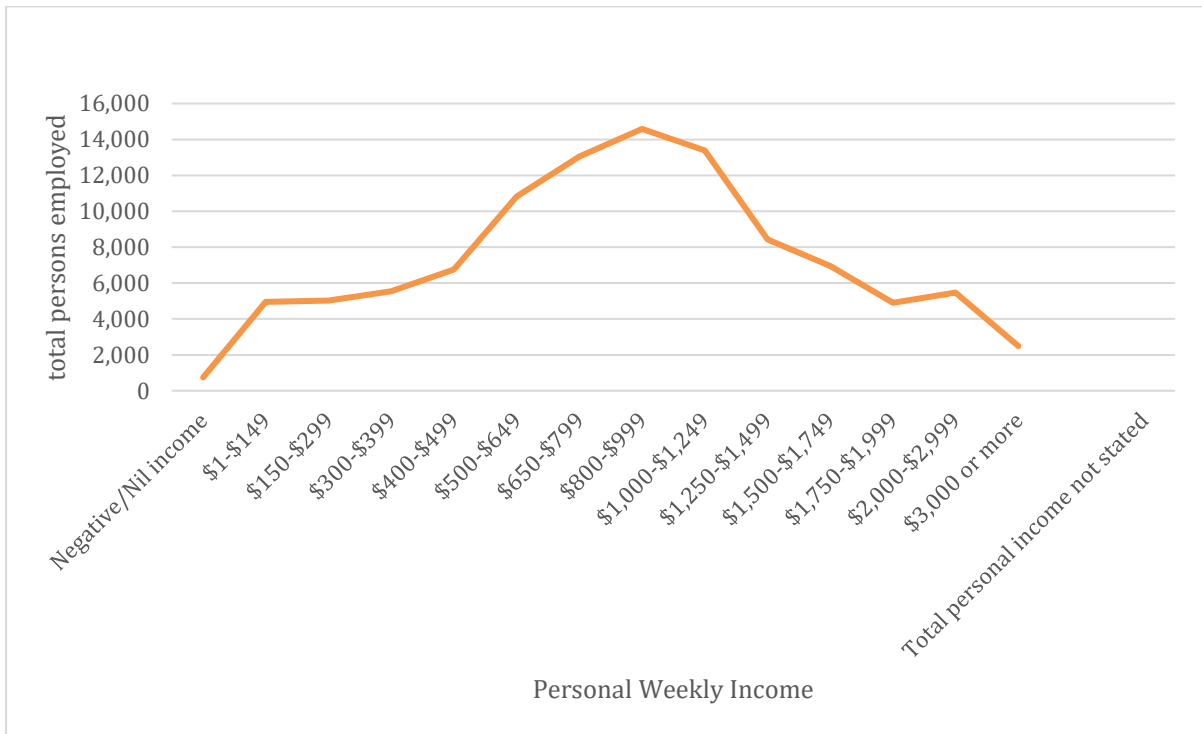


Figure 11 Personal weekly incomes, Central Coast workers



Personal weekly income in 2016 for most Central Coast workers was between \$400 and \$1499, with a peak in the number of workers earning between \$800 and \$999 per week.

Sectors of employment for workers on the Central Coast can be seen in the number of enterprises employing workers on the Central Coast, in Figure 12 below. The highest number of enterprises are in the construction sector, with professional, scientific and technical services and health care and social assistance following. Manufacturing (859 enterprises), wholesale trade (297 enterprises), and transport, postal and warehousing (601 enterprises) would be potential candidates for occupying industrial zoned land. Of those enterprises listed as manufacturing, 59 employed 20 or more people. The majority of these enterprises employed either only the owner / manager, or between 1 and 19 employees.

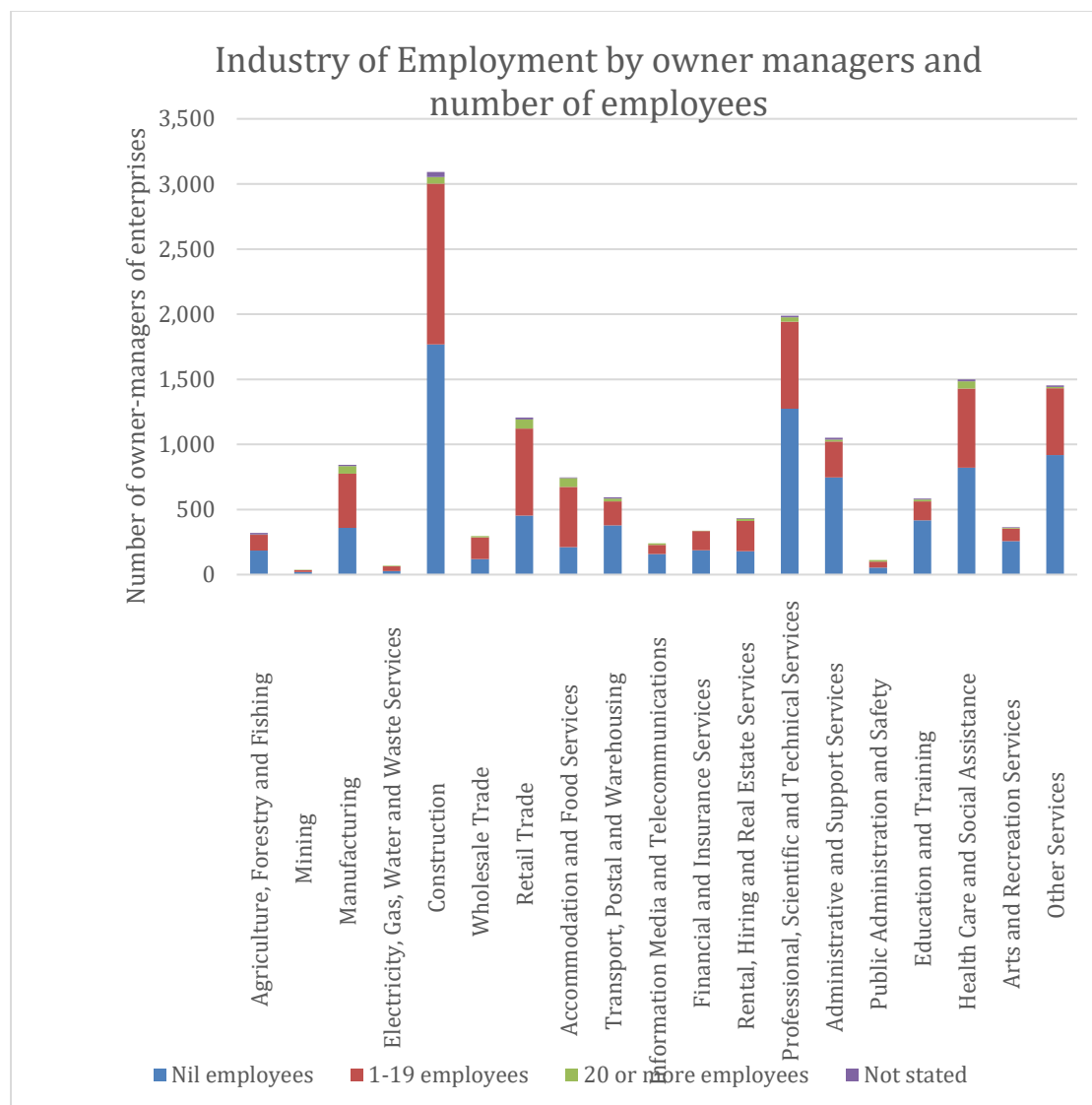


Figure 12 Owner-managers of enterprises on the Central Coast, number of employees and industry of employment (including incorporated and unincorporated enterprises)





This indicates that few existing enterprises on the Central Coast require facilities for over 20 employees. However, this does not indicate the demand for large lot sizes is currently low, since many wholesale or distribution industries have a high level of automation and require large warehousing areas for a low number of employees. Further examination could be made of the time series profile to demonstrate the growth in enterprises over time, and whether there are growing industries that would benefit from larger premises. It is likely that many owner manager enterprises currently operating with no employees would intend to expand and may move from small garage accommodation into larger premises.

Figure 13 below examines the types of occupation for workers on the Central Coast, in each industry.

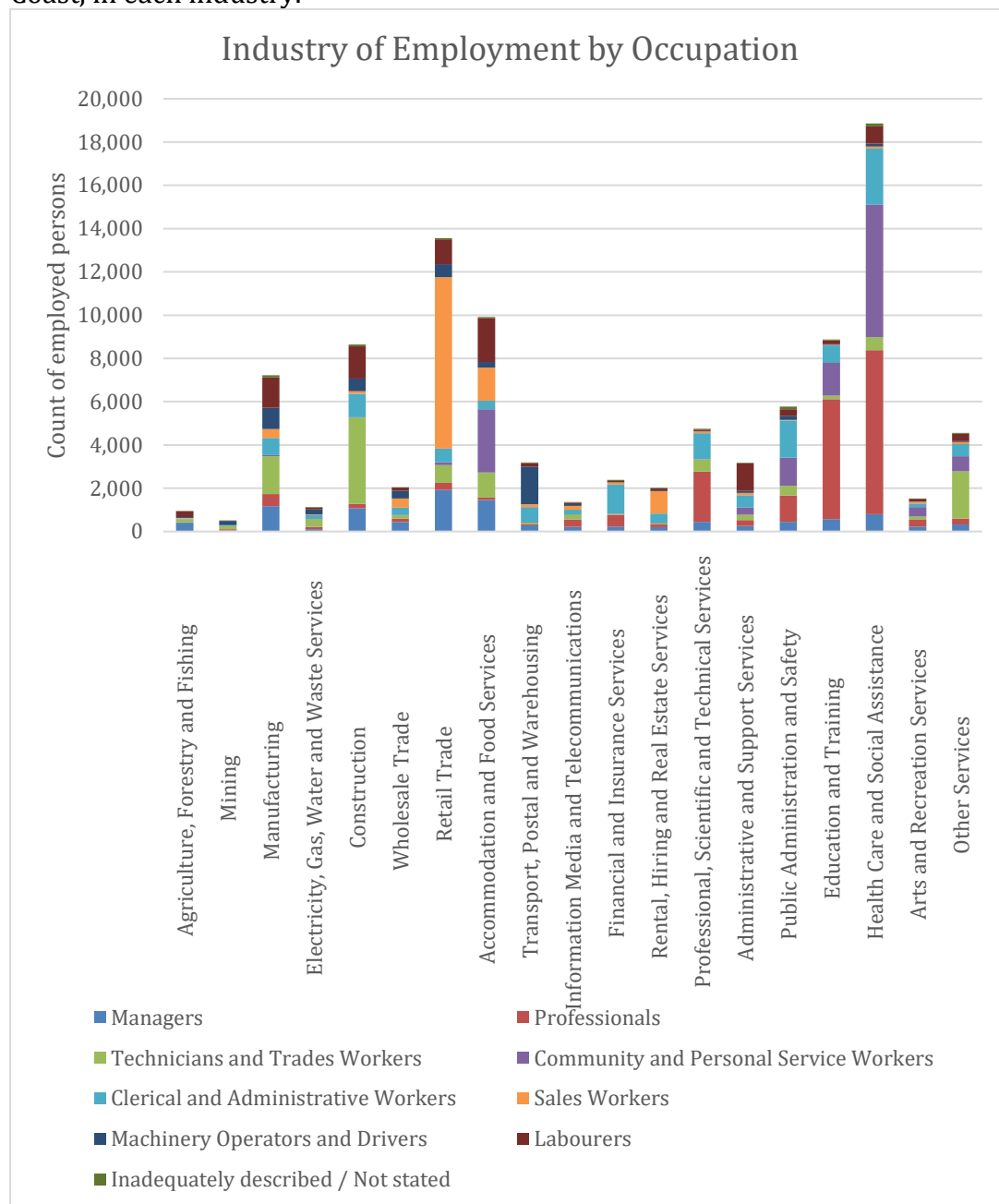


Figure 13 Industry of Employment by Occupation



There are a relatively low number of managerial jobs in manufacturing (1,172 jobs), wholesale trade (435) and transport, postal and warehousing (277). The majority of jobs currently taken up on the Central Coast within the manufacturing industry are for technicians and trade workers (1,742), labourers (1,414), and machinery operators and drivers (977). Existing transport, postal and warehousing industries have a predominance of jobs in machinery operators and drivers (1,726), and clerical and administrative workers (692). Wholesale trade comprises a small proportion of existing jobs on the Central Coast and provides predominantly managerial jobs (435) and sales workers (435). This may indicate the small size of the existing 297 enterprises in this industry.

Of the three industries of interest for future take-up of industrial lands, current business within the Central Coast are characterised by:

- 859 manufacturing enterprises, 360 of which have no employees other than the owner / manager, employing a total of 7,219 persons. Of these employees, 2,173 work in food product manufacturing.
- 297 wholesale trade enterprises, of which 118 employ no staff other than the owner / manager, employing a total of 2,055 persons. Of these, 521 work in basic material wholesaling and 516 work in other goods wholesaling.
- 601 transport, postal and warehousing enterprises, 378 of which have no employees other than the owner / manager, employing 3,185 persons. Of these, 1,683 work in road transport and 628 work in postal and courier pick up and delivery services.

Future projected growth in industrial jobs on the Central Coast has been derived from Transport for NSW, which provides employment projections based on ABS and Department of Planning projections. Based on the place of usual work, jobs available within the Central Coast have been shown by industry, projected out to 2056. These figures represent jobs available within the region, not the actual take-up of jobs (Transport for NSW, 2016). Transport for NSW explains that data to 2036 are generally more reliable, those beyond 2036 project the continuation of existing trends. These are shown for all industry, broad industry categories, and specifically for the types of industry typically likely to benefit from industrial zoned land, in Figure 14.



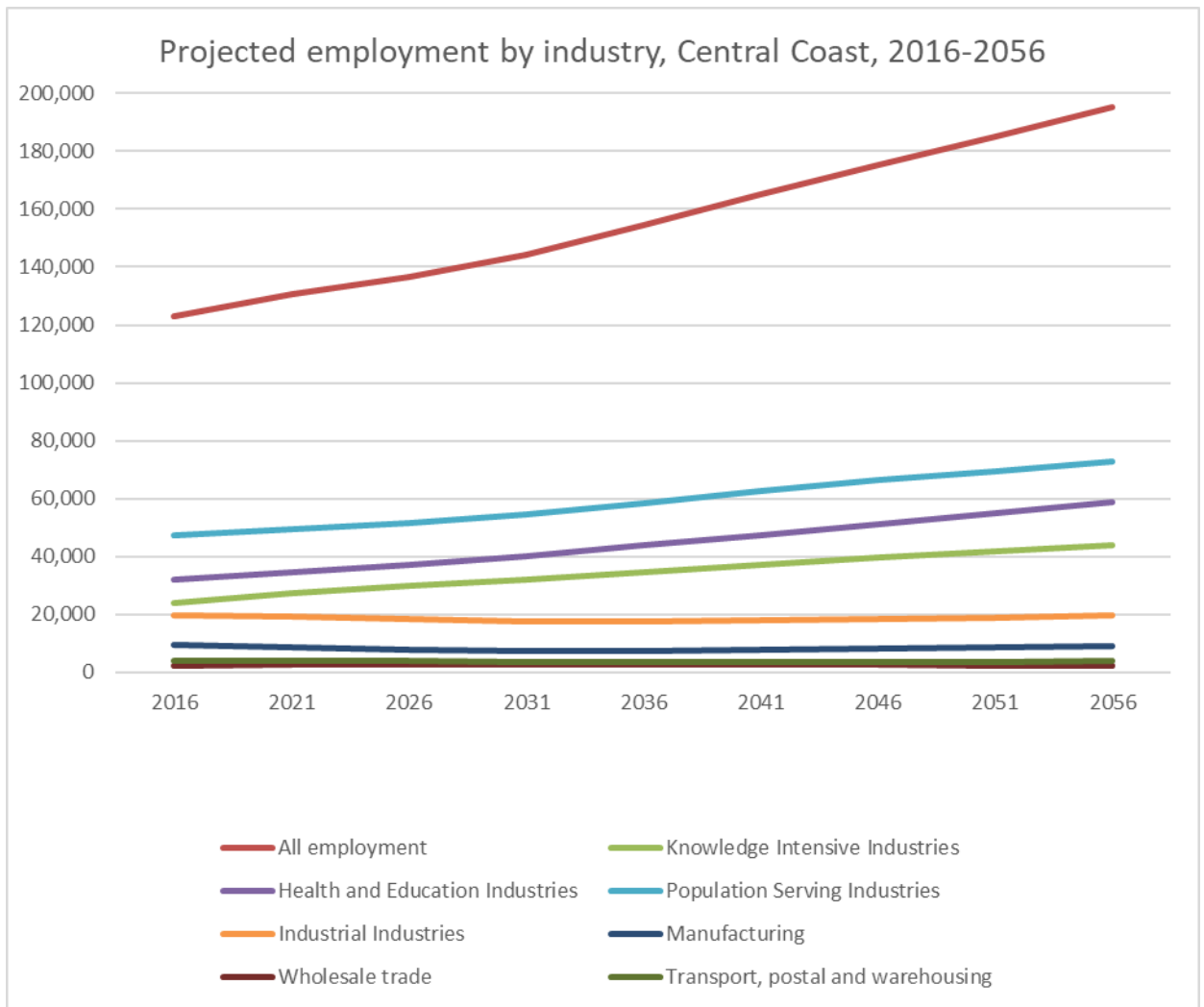


Figure 14 Projected Employment by industry (Transport for NSW Open Data Hub, 2019)

General employment on the Central Coast shows a significant upswing beyond 2036. Transport for NSW also notes that beyond 2036 data is increasingly unreliable and is based on the extrapolation of existing trends. Employment in industrial industries remains generally static in the long term, with growth observed in other key industries, predominantly service, health and education.

### 3.2.2 Central Coast Residents

Whilst the above analysis considers people who work on the Central Coast, the below analysis considers those who live on the Central Coast. Time series data have been used to illustrate the trends currently at work among residents of the Central Coast.

Key relevant characteristics of the Central Coast population are:

- In 2016, the total resident population of the Central Coast was 339,550. By 2036 it is estimated to be 415,050, an increase of 75,500 people (DPE, 2016)



- The total labour force comprised 149,701 persons in 2016, of whom 82,786 were employed full time, 49,224 were employed part time, and 10,105 were unemployed and looking for work. A further 7,589 were employed but away from work at the time of the census.
- The average commuting distance to work for Central Coast residents was 28.25km. with the mean at 14.38km.
- It was estimated that in 2015, of 151,521 total employed residents, 23% travelled outside the region for work (DPE, 2016:13).
- Median personal income has increased from \$407 per week in 2006, to \$502 in 2011 and \$600 in 2016. This is an increase of 47% since 2006.
- Median household income has increased from \$855 per week in 2006, to \$1,000 in 2011, to \$1,256 in 2016. This is an increase of 46.9% since 2006.
- Over the same period, median monthly mortgage repayments have increased by 16.7% from \$1,500 in 2006, to \$1,820 in 2011 and to \$1,750 in 2016.
- Also over the same period, median weekly rent has increased from \$200 in 2006, to 270 in 2011 and 350 in 2016 – an increase of 75%.
- The unemployment rate has dropped slightly since 2006 (7.1%) to 6.9% in 2011 and 6.8% in 2016. This compares to a 2016 unemployment rate of 6.3% in NSW and 6.6% in NSW excluding Sydney.
- The labour force participation rate among Central Coast residents has increased from 54.8% in 2006 to 55.9% in 2011 and 56.0% in 2016.

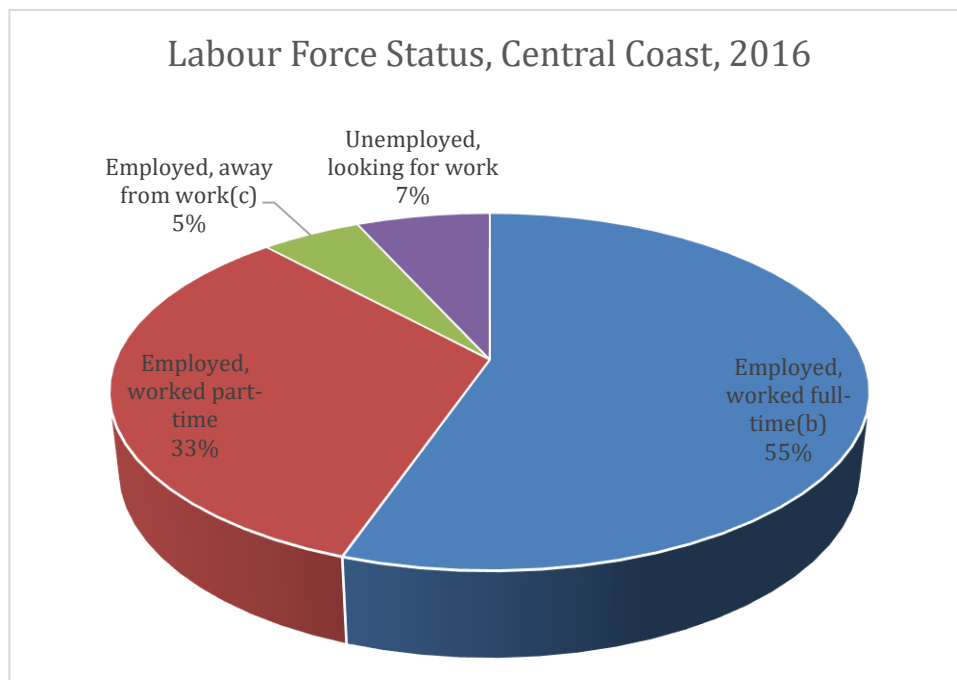


Figure 15 Labour Force status among Central Coast residents in the labour force, 2016

Increases in incomes, a decrease in general unemployment and increase in labour force participation are positive indicators of the availability and readiness of the Central Coast labour force. In addition, the potential for part time workers to become full time, and increases in-migration from Sydney and other parts of the



State, are likely to increase the total size of the labour force in coming years. The aging population and likelihood that many part time workers will leave the labour force are limiting factors to the ready availability of labour on the Central Coast. These factors are well documented for the Central Coast and have not been the subject of further research in this report.

Key industries of employment and trends in employment figures have been examined for Central Coast residents between 2006 and 2016. Industries included in Figure 16 below include those that make a significant contribution to employment among Central Coast residents, and/or are of particular relevance to the take-up of industrial lands.

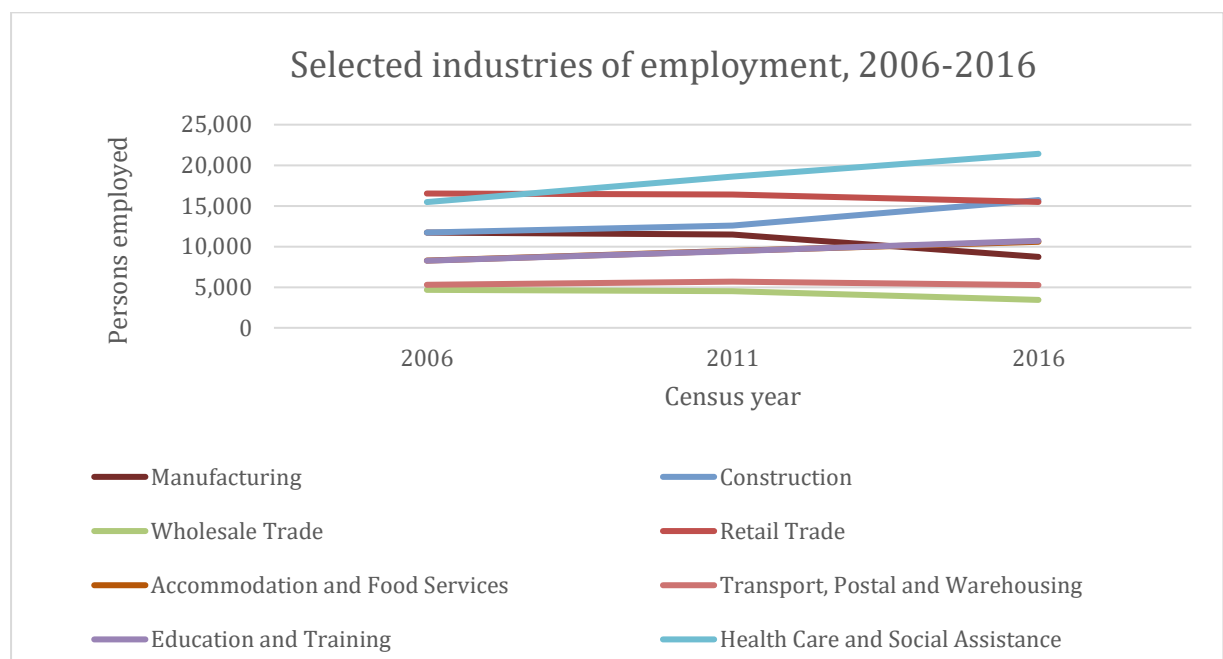


Figure 16 Key industries and number of employees, 2011-2016

The following trends are evidenced for industries providing employment to Central Coast residents over the 10 year inter-censal period:

- Decline in manufacturing employment, consistent with the movement of manufacturing activities off-shore and increasing automation of traditional manufacturing jobs;
- Ongoing low-level contribution of wholesale trade and transport, postal and warehousing industries to employment;
- Dominant and increasing contribution of health care and social assistance industries to employment of Central Coast residents, consistent with the aging population;
- Increasing contribution of education and training and construction industries to employment of residents;
- Ongoing high contribution of retail trade to Central Coast economy.

The Central Coast Regional Plan 2036 identifies manufacturing as the fourth largest source of employment in 2016, comprising 9% of Central Coast



employment behind health care and social assistance, retail trade and accommodation and food services. By 2036 manufacturing is expected to drop to 8% of local employment, drawing level with education and training.

Industries that would typically make use of industrial lands are not currently experiencing growth in employment among Central Coast residents. This highlights the continual need to redefine industrial lands on the Central Coast, consistent with the emerging trends in automation and off-shore manufacturing. Permissible land uses within industrial zones should reflect these trends and allow broad adaptation of lands to a range of suitable land uses. These trends are not isolated to the Central Coast and reflect national and international movement of manufacturing and industry.

### **3.2.3 Demand for employment generating land uses**

The Employment Lands Development Monitor measures the supply of, and demand for, employment lands within Sydney and surrounding regions. Supply and demand factors for the Central Coast have been examined as an indicator for the likely future demand for and supply of lands. Both Industrial and Business zones are measured. Where possible, statistics specifically relating to industrial zoned lands have been used (“industrial lands”). Where the types of employment lands cannot be separated, both industrial zoned and business zoned lands contribute to the statistics (“employment lands”). Information has been sourced from the June 2018 release of the Employment Lands Development Monitor “Supply of Employment Lands” and “Demand for Employment Lands” for the Central Coast (NSW DPE, 2018).

#### **3.2.3.1 Supply of existing zoned industrial land**

As at January 2018, there were 1,857 hectares of industrial zoned land on the Central Coast. Of this, 1,022 ha was undeveloped (55%). Much of the undeveloped industrial zoned land on the Central Coast (670ha, or 62%) is contained in 28 lots of over 10ha each. The Bushell’s Ridge industrial area contains 17 of these allotments (totalling to 514.5ha) and is zoned IN1. It also contains eight lots with an area less than 10ha each. This area is immediately to the north of the subject site.

Figure 17 demonstrates the lack of movement in total supply of employment land, developed or undeveloped, (with an industrial or business zoning) since 2015.



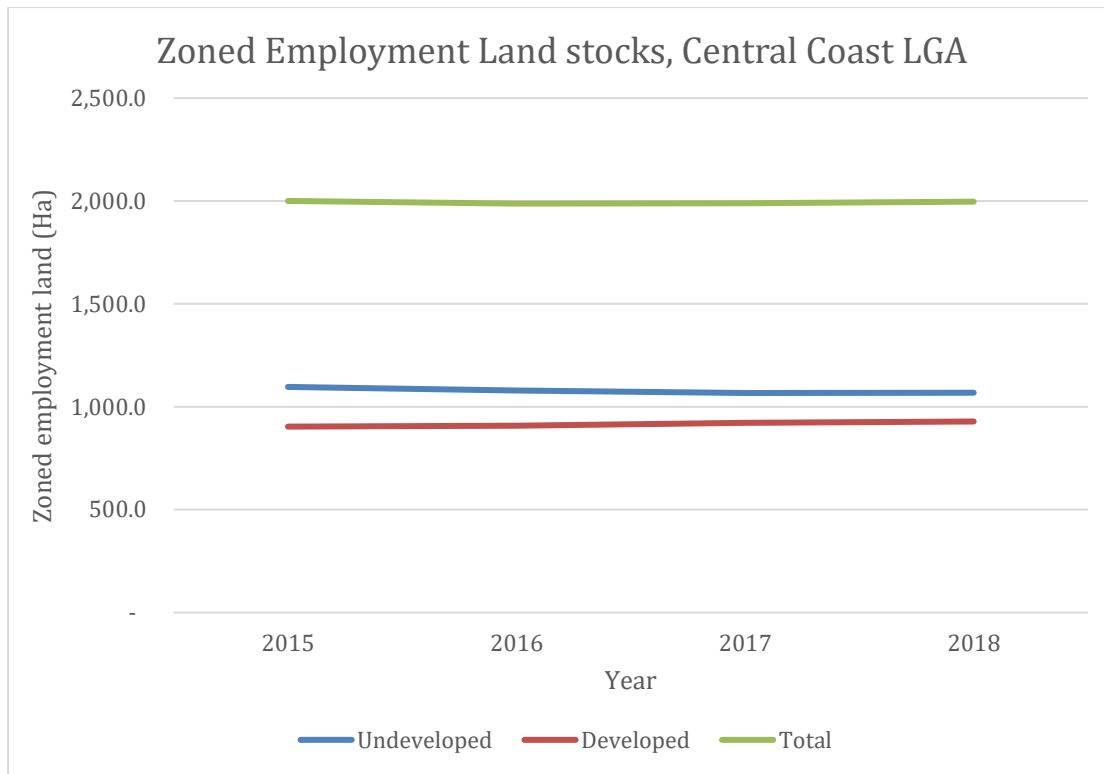


Figure 17 Zoned Employment Lands in Central Coast, 2015-2018 (DPE, 2018)

The Department notes that the stock of existing zoned land has not been ground truthed and reflects the gross zoned industrial area, not net developable hectares. Once constraints such as biodiversity, flooding, access and servicing are accounted for, it is likely that the net developable hectares of industrial land on the Central Coast would be much lower than reflected above. The proposed development of the Bushell’s Ridge industrial estate illustrates the impact environmental and infrastructure constraints are likely to have on the net developable hectares of industrial land.

Undeveloped and serviced land (that having a ready sewer and water connection) was estimated at 288.7ha in 2018, being 15.5% of all industrial land on the Central Coast, and 28% of undeveloped industrial land. While the Central Coast has large areas of zoned industrial land, only 15.5% of zoned land is available and development-ready.

### 3.2.3.2 Demand for industrial land

Data collected by the DPE between 2010 and 2018 shows the take-up of employment land by precinct, as represented in Figure 18 below. The Employment Lands Development Monitor defines “take-up” as the movement of land from “undeveloped” to “developed”, the latter being the point at which development has commenced and a site is no longer available for development.



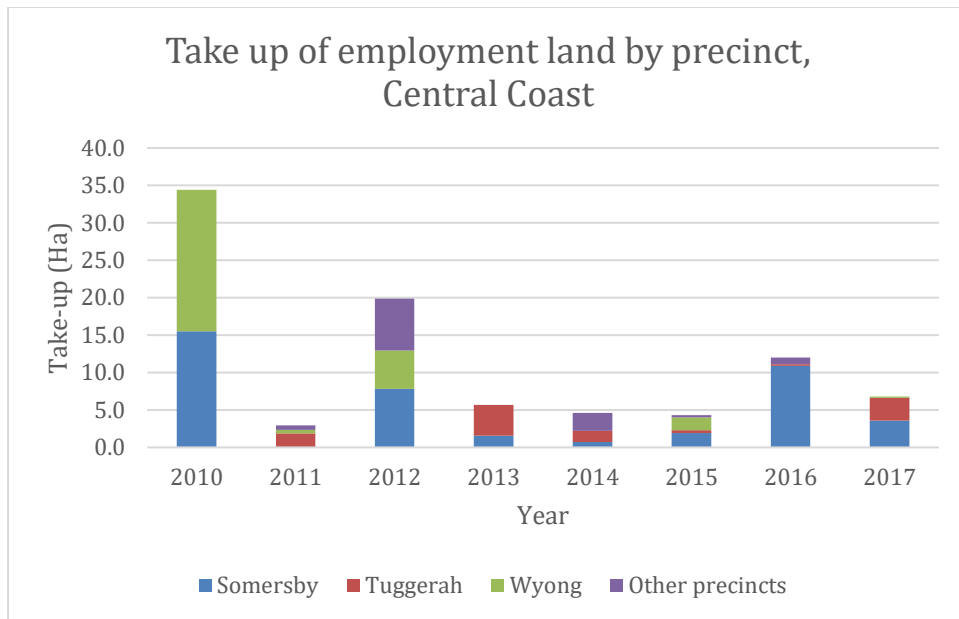


Figure 18 Take-up of employment land by precinct (DPE, 2018)

Data shows varied take-up, mainly due to significant land releases in Somersby (of 15.5ha in 2010, 7.8ha in 2012, and 10.9ha in 2016) and Wyong (18.9ha in 2010 and 5.1ha in 2012). Apart from these developments, take-up of employment land is less than 5ha per annum.

Demand for industrial land does not necessarily correlate to take-up of industrial land. There may be unmet demand due to the lack of available, serviced land. This demand is not necessarily pent up awaiting the release of land in the Central Coast. Demand for industrial land is fluid in some land uses such as warehousing, that can be located in a variety of places with good access to transport links. Thus unmet demand for some land uses in the Central Coast can quickly shift to other east coast locations such as Sydney and Wollongong. The opposite is also true – where demand for locations in other locations is unmet, or land is more expensive, take-up can shift to the Central Coast.

### 3.2.3.3 Additional land identified for rezoning

In addition to land zoned for industrial development, the Structure Plan identified a further 467 ha of potential employment land in the north-west and north-east of the study area. The subject site was included in this, as reflected on Map 3 of the Structure Plan (refer to Figure 8 above). This future land release is incorporated into the Employment Lands Development Monitor as indicative of “Potential Future Employment Land as at January 2018”.

The Structure Plan stated that this additional land could be developed separately from the other identified industrial lands, subject to more detailed local investigation (refer to Part 3.4 of the Structure Plan).

Preliminary investigations for Darkinjung land within Bushell’s Ridge demonstrate that the net developable hectares of industrial land are much lower





than those indicated by the Structure Plan. Intersect Traffic (2011) demonstrated the barriers to appropriate access, and proposed that development of the subject site precede northern parts of the Bushell's Ridge estate, due to ease of access to Motorway Link and the lack of need to upgrade the existing road network. This is consistent with Part 3.4 of the Structure Plan, which allows flexible delivery of employment lands as constraints are identified and investigated.

#### **3.2.3.4 Factors in land take-up**

There are many supply side and demand side factors contributing to the observed slow movement of zoned, undeveloped industrial land. These predominantly relate to the availability of land, labour and capital, and include for the subject site:

- Supply side deficiencies –
  - Lack of land with suitable and ready access to major transport routes
  - Lack of available infrastructure connections for water, wastewater, gas and electricity
  - Environmentally constrained land: impacts of biodiversity conservation legislation increasing the costs of development by means of offsets
  - Need for further subdivision of large parcels
  - For some industries, lack of skilled labour
- Demand side deficiencies –
  - Limited capital: a constrained lending environment will decrease or postpone the demand for industrial land. Some small/ home based operators choose to stay small until the lending environment improves.
  - Competition for land markets: Availability of remnant industrial lands in other localities such as Newcastle and Western Sydney, competing for investment
  - Competition for labour markets: Availability of cheaper labour off-shore

As stocks of ready industrial lands in Newcastle and Sydney are depleted, it is likely that increased pressure will be placed on the development of lands in the Central Coast, particularly in locations close to the northern railway line and M1. The site is in an ideal location to benefit from this development pressure. The site is also ideally positioned to leverage the economic benefits arising from planned upgrades to regional infrastructure, including road, rail, servicing, health and housing.



## 4 Primary economic impacts

The proposed rezoning will replace 45ha of land zoned RU6 Transition with land zoned General Industrial. Of the remaining land, approximately 5ha around Wallarah Creek is currently zoned Environmental Conservation, and will remain so, and the remaining 39ha is currently zoned RU6 Transition and will be rezoned Environmental Conservation. That land zoned Environmental Conservation is proposed to be secured as an offset site to offset the impacts of clearing on the IN1 portion. The benefits and costs of the rezoning will be the potential future development of this industrial land, as well as the securing of the remainder of the site for conservation.

For the purposes of this assessment, it is assumed that:

- the land will be developed to its full capacity, with an industrial subdivision which maximises the use of the industrial-zoned land and tailors lot sizes to market demand.
- The Structure Plan assumes that 70% of gross development land will be available for development (net developable Ha). For the purposes of this assessment, a more detailed site investigation has yielded a deduction of 49% of the site (44 Ha) upfront for biodiversity conservation. Biodiversity is one of the key considerations underlying the assumed deductions under the Structure Plan. Given that this deduction has already been made, the remaining 45 Ha is net of biodiversity conservation lands. It is assumed that a further 25% will be taken up in the remaining deductions such as roads, easements and other subdivision works. This is considered a conservative assumption.
- Benefits and costs of the site's development for general industrial land uses are considered primary impacts.
- Flow-on impacts of the development, such as employment generation in supporting industries, are considered secondary impacts and are considered in Part 5.

### 4.1 Direct investment: Construction

#### 4.1.1 Subdivision, clearing and site preparation

Investment into site preparation would be substantial and would be considered as a benefit, representing the developer making available the land for future industrial development. This includes funding the required clearing, bulk earthworks, internal subdivision, roads, drainage, servicing, improvements to Motorway Link, bulk landscaping, and consultant's fees, *inter alia*. No costings are available for the proposed site and subdivision works.

#### 4.1.2 Building and construction

The next phase of the proposal involves construction of separate industrial premises containing buildings, car parking, landscaping, servicing and associated development. It is assumed that development would be staged, however no



staging plan is available and therefore the development is presented as a single stage.

Building and construction works represent a capital investment in the locality by developers, which provide a short term boost to the local economy due to the sourcing of some local products. These have been costed in accordance with Rawlinsons (2018) at:

- Heavy industry large span construction including tilt-up / pre-cast concrete walls, assuming minimal office and amenities, metal roofing. Excluding owner's fit-out, lifts. Rate applied \$950/m<sup>2</sup>. Applied to assumed Gross Floor Area (GFA), being 50% of Net Developable Area (NDA) (see below).
- Car parking and associated kerbing, drainage, bitumen surfaces, minimal landscaping and lighting. Excluding concrete driveways. Rate applied \$85/m<sup>2</sup>. Applied to the remaining 50% of NDA.
- All costs are increased by a 2.5% Building Price Index (BPI, to account for increases in building costs to September 2018), per Rawlinsons 2018. This has been applied to adjust the costs to present day terms. No adjustment has been made to allow for the increase in BPI that will occur throughout the expected duration of building and construction works.

Net Developable Area (NDA) has been calculated at a very preliminary level as the site area net of the proposed E2 zoned area, with a 25% deduction to allow for roads, easements, and building setbacks. The resultant NDA and estimated building, parking and landscaping costs, are calculated in Table 1 below:

Ref.	Item	Total	Unit
A	Gross Industrial zoned area	45	Ha
B	Allowance for subdivision, roads, easements etc	25	%
C	Net developable hectares (A x (1-B))	33.75	Ha
D	Construction = 1.025(\$950/m <sup>2</sup> x (0.5 x C))	164,320,313	\$
E	Car parking and associated works = 1.025(\$85/m <sup>2</sup> x (0.5 x C))	14,702,344	\$
F	TOTAL Construction and associated works	179,022,656	\$
G	Contributions Payment (0.01 x F)	1,790,227	\$

*Table 1 Preliminary Construction investment*

Construction costs for buildings and associated works are estimated to be in the order of \$179 million, once the site is fully developed and landscaped. This is treated as a positive economic impact due to the overall investment in infrastructure for the area, and availability of new industrial work spaces.



### **4.1.3 Construction employment**

Over the period taken to build the proposed industrial units, additional employment will be available in the locality for construction workers. Construction is already a significant contributor to the Central Coast economy and represents a substantial contribution to local jobs. It is anticipated that many of the construction jobs would be occupied by existing local construction firms. There may be some boost to the number of construction jobs available in the locality, however the major benefit would be the increase of work to existing construction firms.

## **4.2 Contributions payments**

A contribution of 1% of total building costs is required under s.7.12 of the *Environmental Planning and Assessment Act, 1979*, and would be included as a benefit to the region. This represents investment of an estimated \$1.79 million into a local infrastructure fund administered by Central Coast Council (refer to Item G in Table 1, above). Additional contributions may be required throughout the development process, but cannot be identified at this stage.

## **4.3 Employment**

Forecasting of jobs, construction and wages are based on a per hectare calculation rather than a detailed analysis of the proposed subdivision. These are presented below and have been represented within a 30-year discounted cash flow, at a social discount rate of 1.035.

### **4.3.1 Jobs**

The (then) DPE has estimated that 900 jobs are likely to be created by the proposed release of the 45ha employment lands parcel.

The North Wyong Shire Structure Plan provides a jobs estimate of between 10 and 20 jobs per hectare of industrial land, noting that other warehousing and distribution uses may have a lower jobs density. An extension of these assumptions, as shown in Table 2, results in an estimated jobs yield of between 337 and 675 jobs for the site. Adjoining sites identified in the Structure Plan have been included for reference.



Estimates for industrial sites (North Wyong Shire Structure Plan)				
Site	Gross area (ha)	Estimated Net Developable Area (ha)*	10 jobs/ha	20 jobs/ha
Bushell's Ridge South (10)	180	126	1260	2520
Doyalson South West (12)	52	36	364	728
TOTAL	1857	1299	12146	17091
SITE	45	33.75	337.5	675
NOTES:				
* The NWSSP assumes that 70% of each development precinct's gross development area will be available for development following the detailed precinct planning and investigation process. Given that 49% of the site area has already been deducted to allow for biodiversity conservation, a conservative estimate of 75% has been made for the site.				

Table 2 Estimated jobs yield

The Structure Plan had an overall estimate of 17,091 jobs for its area. This compares to a target of 10,500 jobs for the same area set by the preceding Regional Plan (Central Coast Regional Strategy 2006-2031). For reference, a target of 45,000 jobs was set for the whole of the Central Coast by the same Strategy, and by the Regional Economic Development and Employment Strategy (REDES, first implemented in 2007-08 and last subject to an Action Plan in 2014-15, according to the RDA website ([rdacc.org.au/redes/](http://rdacc.org.au/redes/))).

The estimate provided above is more conservative than that provided by the Department in their planning proposal report (900 jobs). Estimates will vary widely depending on the type of industrial uses and the level of automation in the facility. The Department's estimate has been applied as an upper bounds estimate of jobs likely to be generated on site.

#### 4.3.2 Wages

Wages generated by the proposed development have been estimated using the 2018 Hays Salary Guide, with reference to salaries for logistics workers and administrative / finance staff. The following estimations have been used for indicative wages:

- **Office staff:** Indicative wage average is average \$65,000p.a., attained for a Payroll Officer or an Administration Assistant with three years' experience (range \$65,000 - \$75,000 for a payroll officer and \$55,000 - \$75,000 for an Administration Assistant);



- **Logistics / warehousing staff:** Detailed estimates for a range of logistics staff have been used as the basis of this assessment. These have been applied as a likely percentage of workers in the total gross floor area estimated for each stage, using the employment density estimate of one worker per 463m<sup>2</sup> gross floor area (refer to Part **Error! Reference source not found.** above).

Employment generated as a result may be valued at a range of wage estimates. Table 3 is indicative of the potential wages per annum generated at the upper, mid and lower bounds estimates for jobs on site. This is based on a logistical / warehouse employment scenario. It should be noted that this is indicative only, and both wages and number of jobs vary widely depending on the type of industry.



Wages				Employment Estimates					
				Upper bounds		Mid-range		Lower bounds	
Job Title	Average Salary (\$ p.a.)	Range (\$'000 p.a.)	Employment share (% total warehousing employment)	900	Salary (\$ p.a. based on average wage)	675	Salary (\$ p.a. based on average wage)	337.5	Salary (\$ p.a. based on average wage)
Warehouse Manager	95,000	80-110	5	45	\$4,275,000	33.75	\$3,206,250	16.875	\$1,603,125
Warehouse Coordinator	60,000	55-70	10	90	\$5,400,000	67.5	\$4,050,000	33.75	\$2,025,000
Storeperson	55,000	45-55	45	405	\$22,275,000	303.75	\$16,706,250	151.875	\$8,353,125
Fleet Controller	75,000	65-85	5	45	\$3,375,000	33.75	\$2,531,250	16.875	\$1,265,625
HC/MC Driver	55,000	50-65	30	270	\$14,850,000	202.5	\$11,137,500	101.25	\$5,568,750
Office	65,000	65-75	5	45	\$2,925,000	33.75	\$2,193,750	16.875	\$1,096,875
<b>Total</b>			<b>100</b>	<b>900</b>	<b>\$53,100,000</b>	<b>675</b>	<b>\$39,825,000</b>	<b>337.5</b>	<b>\$19,912,500</b>

Table 3 Estimated Wages per annum for upper bounds, mid range and lower bounds employment estimates

**TABLE NOTES:**

<sup>1</sup> Full time equivalent employees

<sup>2</sup> Based on average salary



#### **4.3.2.1 Employment gains for the Central Coast Region**

Given the above analysis, it has been assumed that 65% of total employment (438 full-time equivalent (FTE) jobs on a mid-range employment estimate) will represent direct gains in employment for the Central Coast Region. This represents:

- Exclusion of 25% of FTE employment due to likely transfer of existing FTE employed persons from other employment within the Region. Rather than being a benefit, these wages are neutral on the basis that employment transfer is likely to be between similar roles and does not represent any substantial gain to the employee or the regional economy;
- Exclusion of 10% of FTE employment due to likely employment of workers external to the Central Coast, representing leakage of employment benefits outside the region;
- Remaining 65% workforce comprising new FTE for residents who are new to the Central Coast, new workforce entry or re-entry, and employment gains due to the transfer from part-time to FTE employment.

The resultant impacts for jobs and wages are shown in Table 4.

A conservative estimate has been made of the projected benefits of wages to the Central Coast, discounted over a 30 year time horizon. Zero wage growth has been factored into the wages, and a mid-range estimate has been used as the basis of projections.

At mid-range estimates, 675 jobs in warehousing and logistics or equivalent industries will result in wages of \$39,285,000 per annum. Once deductions have been made for assumed transfer of existing employees (25%) and leakage to employees outside the Central Coast (10%), the remaining 65% represents retained wages of \$25,886,250 per annum arising from the site.





Range	Total		Transferred (25%)		External (10%)		Retained (65%)	
	Employment (FTE)	Wages (\$) p.a.)	Employment (FTE)	Wages (\$) p.a.)	Employment (FTE)	Wages (\$) p.a.)	Employment (FTE)	Wages (\$) p.a.)
Upper Bounds (900 FTE)	900	53,100,000	225	13,275,000	90	5,310,000	585	34,515,000
Mid range (675 FTE)	675	39,825,000	168.75	9,956,250	67.5	3,982,500	439	25,886,250
Lower Bounds (337.5 FTE)	337.5	19,912,500	84.375	4,978,125	33.75	1,991,250	219	12,943,125

*Table 4 Anticipated employment and wages retention within Central Coast, after transferred employment and external leakage*



#### 4.4 Servicing

A Water and Wastewater Servicing Strategy (December 2017) has been completed by ADW Johnson for Darkinjung's various land holdings in North Wyong. The subject site was identified as "Stage 3" or "South Industrial" within this Strategy. This Strategy was further detailed by Northrop in their Servicing Report for 380 Motorway Link Road, Wallarah (August 2019). Both documents have been reviewed for the purposes of this Assessment, however the latter document is considered to be the most up to date account of the servicing needs of the site.

The most recent Servicing Report does not contain costings for infrastructure. These will follow at a later stage. Investments in the extension of sewer, potable water, gas, electricity and telecommunications to the site will be viewed as a positive economic impact. This represents additional investment in the site and its surroundings. This infrastructure is likely to be extended in conjunction with other Darkinjung and Council-owned land in Bushell's Ridge. This will represent a substantial investment by the developer in delivering servicing to the industrial estate.

#### 4.5 Biodiversity

The site is presently vegetated. The land currently zoned E2 Environmental Conservation will retain the E2 zoning, and added to this will be the entire site area to the south of the current E2 zoned land (refer to Figures 5 and 6). As a result, a high proportion of the land currently zoned RU6 Transition will be given an E2 Conservation zoning. This land is proposed to be secured within a biodiversity offset scheme, ensuring the protection and maintenance of biodiversity values within the watercourse and to the south.

The developable area of the site (to be zoned IN1) is located north of the key biodiversity corridor (Wallahah Creek) and an appropriate buffer is understood to be provided within the land proposed to be zoned E2. The corridor identified in the Structure Plan is preserved and protected by the proposed rezoning.

PDA Services conducted a review of the conservation strategy accompanying Darkinjung's land holdings and development programme for site in the North Wyong area, in 2012. This review included the subject site. PDA states (p.6):

*...the location of the conservation sites provide significant value to the enhancement of biodiversity corridors and linkages within the North Wyong locality and will contribute significantly to the retention and enhancement of biodiversity in the region.*

The report notes that land previously in Crown ownership that has come into Darkinjung management comes with a maintenance budget and regime, bringing benefits to the land over its alternate retention in Crown ownership. Further



dedication of land under the BOS is associated with a more complete management regime including weed control, assisted regeneration, fire management, feral animal control, endangered species management, and management of human disturbance. The PDA report reviewed a number of Darkinjung holdings, including the subject site, providing some indication of the likely offset value of the southern portion of the site, proposed to be rezoned E2. This portion of the site is identified as the “Railcorp” site within the PDA report. The development area contained three identified Endangered Ecological Communities (EECs). The proposed offset area contained three vegetation zones. The overall conservation strategy is that “lands identified for conservation are proposed to offset the biodiversity impacts on the development lands” (PDA, p.31). Biodiversity values identified under the PDA report for the development site and conservation lands would need to be updated in consistency with the BC Act.

Ecological Australia (2012) carried out further biodiversity investigations on the North Wyong sites, including the present site, identified as the Railcorp / Link Road Employment Estate. They note that:

*The proposed development areas largely avoid red flag vegetation communities and species and that the offset requirements can be fully met by the land council current land holdings and claims prioritised for determination (p.7).*

Ecological’s identification of the development and offset areas of the site are consistent with the proposed rezoning, the development areas being zoned IN1 and conservation / offset areas being zoned E2 (refer to Ecological’s Figure 1, p.9)

As such, the relevant studies have found that there is significant public benefit in the conservation of the proposed E2 zoned lands.

However, the proposal will result in clearing of 45 Ha of land currently occupied by bushland. Umwelt (July 2019) found that two plant community types and five species-credit species located in the proposed IN1 zone will require offsetting in accordance with the Biodiversity Assessment Method (BAM) outlined under the Biodiversity Conservation Act, 2016 (BC Act).

No estimates are presently available for the value of biodiversity on the site. For the purposes of this assessment, it is assumed that the full impact of the development to biodiversity will be completely offset by the benefits achieved by the dedication of land within the site or elsewhere on Darkinjung property, as part of a Biodiversity Offset Scheme (BOS). This is understood to be consistent with the *Biodiversity Conservation Act 2016*. Details of the volume of impact and offset required would be provided as part of a future site investigation.

#### **4.6 Aboriginal Cultural Heritage**

It is understood that the site contains recorded sites of Aboriginal cultural heritage significance. GML Heritage undertook due diligence on the site in 2017 and identified two key areas of sensitivity with potential sub-surface deposits. Later AHMS searches conducted by Umwelt (2019) confirmed these findings and



stated that an Aboriginal Cultural Heritage Assessment will be necessary. It is understood that more detailed studies are underway. Currently no economic assessment can be made of the potential development impacts on Aboriginal cultural heritage.

#### **4.7 Traffic generation**

All development that generates traffic will result in an increased load on surrounding road networks. This is generally viewed as a cost to the public resulting from development. Investments made by the developer in upgrading the road network are viewed as a public benefit.

Intersect Traffic conducted a review of the traffic generation likely to be caused by development of the Wallarah Estate and the Bushells Ridge Estate in 2011. This was based on development of 39ha of the Wallarah Estate in a 72 lot industrial development, consistent with the plans by ADW Johnson previously submitted to the Department. Intersect Traffic reviewed the surrounding road network including:

- Tooheys Road: a local access road, with sealed width over 7m in the vicinity of the site, and capable of accommodating industrial traffic;
- Motorway Link Road: a two-lane two-way dual carriageway, a sub-arterial road linking the M1 Pacific Motorway and sub-regions in the area, is also capable of accommodating industrial traffic from the site. Motorway Link is a classified road under the management of RMS.

As an indication of traffic generation, it is noted that the Intersect report predicts, for development of the Wallarah Estate only:

- The potential to generate 956vph in the PM peak
- All traffic would access the site via the Motorway Link Road and the Tooheys Road interchange
- Traffic is likely to use the M1 Pacific Motorway, Motorway Link Road, Pacific Highway at Doyalson, and Wye Road to access the site
- At the time of writing, that existing road network was considered to have sufficient spare capacity to cater for the traffic likely to be generated by the development, and no significant road widening or upgrades were identified
- Signal phases and cycle time changes were identified as possible upgrades to the Pacific Highway / Wye Road intersection at Doyalson.

Independent development of the Wallarah Estate, it was found, could take place without the need for major upgrades of the road network. Development of the Wallarah mine areas was identified as a variable which may also affect the existing spare capacity of the road network.

The Intersect Traffic report has been relied upon in the absence of more up to date reporting. It is assumed for the purposes of this assessment that development of the proposed industrial area could take place without the need for any further upgrade to the existing road network, and that the traffic generated could be



absorbed by the existing road network without significant detrimental impact on travel times. Consequently, no costs or benefits have been assigned to the potential impacts of the development on traffic generation.

## **4.8 Opportunity cost**

One impact of the proposal would be the opportunities foregone as a result of the industrial development of the site. Limited information is available, however the following comments are made on the potential alternate uses of the site.

### **4.8.1 Coal**

Coal extraction on or under the site is not presently proposed by the Wallarah 2 Coal mine. Under current development plans it is assumed that there are no significant coal reserves beneath the site that would be represented as an opportunity cost. Refer to Part 1.6.

### **4.8.2 Clay**

The potential benefits of clay extraction on the site have not been costed. It is understood that further investigations are underway. A full geotechnical study would be required to determine the extent and condition of the clay resource, and viability of its extraction, in order to obtain a value for the resource. The costs and benefits of clay extraction cannot be enumerated without this information, and to do so is beyond the scope of this report.

Development of industrial lands for general industrial purposes would not be concurrent with extraction of the clay resource. The clay resource is assumed to require surface extraction and as such would preclude industrial development on all or part of the site, until extraction was complete and the site was remediated. Clay extraction would also require an end purchaser in order to be viable, and it is not known when the Boral Quarry north of the site will require additional clay. In addition, extractive industries are prohibited on the site under both the present RU6 zoning and the proposed IN1 zoning by Wyong LEP 2013. They are permitted with consent in the RU1 (Primary Production) and RU2 (Rural Landscape) zones. Extraction of the clay resource would require further rezoning or amendment of the Wyong LEP 2013, prompting substantial delays.

Industrial development over the clay resource represents an opportunity cost of the development which cannot presently be monetised. However, clay extraction is not presently viable. To delay industrial development while clay extraction took place would also represent an opportunity cost to the potential industrial development of the site, with potentially 20 years of rezoning, awaiting demand, extraction, site restoration and further rezoning before industrial development could take place. Such a delay is not considered feasible for the site.

Further discussion is contained within Part 6.3 of this report.



#### 4.9 Summary of Primary Impacts

The impacts considered above have been summarised in Table 5, below. Those impacts that were able to be monetised have been discounted over a 30 year time horizon.





Economic Impact	Public Cost / Benefit	Timeframe	Monetary estimate (\$)
Additional employment lands	Potential cost: delay take-up of existing zoned industrial land	Long term	Refer to qualitative assessment: potential impact acceptable
	Potential benefit: available sooner than existing zoned land in the locality	Long term	
<b>Construction</b>			
Subdivision, clearing, site preparation	Benefit: delivery of serviced, development ready industrial land	Long term	TBC
Building and Construction	Benefit: sourcing of some local materials	Short term	TBC
	Benefit: provision of direct capital investment to site	Long term	\$116,364,727
Construction Employment	Benefit: sourcing of some local trades and associated services	Short term	TBC
	Benefit: some additional local employment in construction industry	Short term	TBC
Contributions payments	Benefit: contribution to Council-managed funds to provide local infrastructure	Long term	\$1,790,227
Servicing	Benefit: provision of development-ready land	Long term	TBC
Biodiversity	Cost: clearing of 45Ha of remnant bushland	Long term	Assumed direct offset
	Benefit: Secure 44Ha remnant bushland in Biodiversity Offset Scheme	Long term	
Aboriginal Cultural Heritage	Potential cost: impact on archaeological deposits, to be identified	Long term	TBC
<b>Operational</b>			
Employment	Benefit: potential for an additional 360-720 jobs generated on site	Long term	\$25,886,250 p.a.
	Benefit: anticipated wage retention within Central Coast	Long term	
Traffic generation	Neutral: use of road network within existing capacity	Long term	Nil
Opportunity cost	Potential Cost: loss of clay resource, to be quantified	Long term	TBC
<b>Monetised Benefits</b>			
Year 2			\$206,699,133
Subsequent years			\$25,886,250 p.a.
Present Value Benefits (social discount rate 1.035)			\$619,880,977

Table 5 Primary Economic Impacts



## 5 Secondary economic impacts

Secondary impacts are those which do not directly arise from the development of the site, but flow-on from those (primary) benefits and costs identified above. These are difficult to quantify at the rezoning proposal stage, and are sometimes estimated with the use of input-output multipliers – the application of generic multiplier assumptions to a local economy. Given the preliminary nature of the project and the many unknown factors relating to the type and extent of development on site, it is considered unhelpful to present estimates of secondary impacts using the multiplier technique. Multipliers provide broad estimates of secondary costs and benefits which may be helpful when further site investigations have been conducted. For the purposes of this preliminary assessment, qualitative observations have been made about the likely secondary impacts of the proposal.

### 5.1 Release of additional employment land

The release of an additional 45ha of employment land is likely to have a regional impact on the supply and demand of employment land on the Central Coast. It may slow the take-up of existing employment lands, or delay the release of other planned employment lands, depending on the timing of further development of the site.

The demand for employment lands has been estimated by the Central Coast Regional Strategy 2006-2031, and subsequently revised and updated by the North Wyong Shire Structure Plan and the Central Coast Regional Plan 2036. As discussed above, the proposed rezoning and future development of the site is in line with the expectations for flexible delivery of employment land, set by Part 3.4 of the North Wyong Shire Structure Plan. Constraints to the supply of zoned employment land may be alleviated by the rezoning of the additional lands identified within the Structure Plan for further investigation.

The additional supply of the site for industrial lands is thus in line with expectations for the Central Coast, and will benefit from the future labour pool of nearby residents in the Warnervale Town Centre, as well as existing residents seeking work closer to home. Proximity of the site to the Boral Quarry and Wallarah 2 Coal Mine also indicate capacity to provide key supporting industries to these extractive land uses.

Maximum value can be added to industrial lands where these are strategically located close to a resident workforce and major transport routes. The subject site is in such a location, drawing on the future resident workforce of the Warnervale Town Centre, with easy access to the M1 Pacific Motorway and regional connector roads. As such, it is considered that the site is in a prime location to capitalise on proximity to labour and markets.

The estimated supply of zoned, serviced employment land in Greater Sydney at January 2018 was 790ha. This is projected to supply approximately 5 years at



average take-up rates (DPE, 2018). As discussed in Part 1.5.3, Sydney's industrial lands are approximately 1.5 hours from the site via the M1, and the site could feasibly compete with the supply of industrial land in Sydney, particularly if there is not serviced, development-ready land to meet demand, at comparable prices.

The inclusion of the subject site within the short term priority area of the NWSSP would support the achievement of the document's goals, for its ability to support residents of the Warnervale Town Centre with local employment, and the ability of the land to be serviced in conjunction with the release of land in Bushell's Ridge, as evidenced by the Water and Wastewater Servicing Strategy (ADW Johnson, 2017).

Further, the traffic report (Intersect Traffic, 2011) demonstrates that the capacity of Bushell's Ridge employment lands is limited until the construction of an interchange at Toohey's Road. The subject site was identified in the traffic report as being more readily accessible via the existing road network, whereas much of the existing industrial zoned land in Bushell's Ridge may be delayed by the construction of additional access to the M1 at Toohey's Road.

These factors, along with the more detailed analyses provided for servicing and traffic impacts to support the rezoning, warrant the acceleration of the subject site from its "further investigation" status on Map 2 of the Structure Plan to join the land identified as short term industrial lands in Bushell's Ridge. While a detailed review of the Structure Plan has not taken place, the early release of the Darkinjung site is supported by the studies and servicing strategy submitted as a part of the rezoning.

In addition, the servicing strategy for the site depends on the release of other Darkinjung parcels of industrial and residential land in Bushell's Ridge. Subdivision and release of industrial parcels in the area should be staged to limit the potential impacts of oversupply on the market. With staging and coordination of the relevant servicing requirements, it is considered that the economic impacts of the release of additional employment lands can be appropriately managed.

## **5.2 Robust economy**

Increased industrial land is anticipated to lead to an increased diversity of businesses and industries within the Central Coast. This contributes to the breadth of the economy and to its ability to withstand fluctuations in local and international sector markets.

The creation of increased economic diversity and resilience is a substantial economic benefit generated by the proposed development. This can be broadly categorised as having a "use value", both direct and indirect, as it broadly benefits all members of the Region who participate in the regional economy. This benefit will not be monetised by this assessment, however the proposal is likely to deliver substantial benefits in this regard.



### **5.3 Additional co-located development**

Development of the site has the potential to trigger additional development in the immediate locality. There are significant opportunities for the co-location of complementary goods and services, particularly in neighbouring industrial estates such as that adjoining the eastern boundary of the site, and the future industrial lands in the Beresfield employment corridor to the north. This may provide a catalyst for other economic activities to be established or expanded in the immediate locality.

Additional employment in secondary service and support industries would be expected to follow from the increase of industrial lands within the Region. This has not been estimated, given the lack of knowledge around the lot sizes and types of industrial uses to be included within the future estate. This is considered to represent substantial direct use benefits within local secondary markets.

### **5.4 Local Spend**

The primary employment generating activities are those generated by development on-site, whether construction activities or future industrial activities. Such employment will have significant flow-on effects due to the anticipated increase in wage earnings and consequent spending within the Region. It has been estimated that 65% of jobs created will constitute employment gains for Central Coast residents.

If only the value of wages is considered, over the 30 year time horizon the net present value of estimated wages that will be retained by Central Coast residents (without any factoring for wage increase) is \$451 million. This conservative estimate of wages retained in the area can be extrapolated to an estimate of spending captured within the area. An anticipated 50% of wages is likely to be spent within the Region, or \$225.5 million. This represents a substantial flow-on benefit to goods and services within the Region.



## 6 Feasibility analysis

This section of the report analyses the feasibility of the project with reference to its likely public benefits and impacts. This includes documentation of considerations made regarding the viability of the project, comparison of other similar developments, and consideration of feasible alternatives.

This Assessment does not attempt to assess the private feasibility of the proposed rezoning and future industrial development of the site. Based on the limited information available, preliminary comments are made about the likely public feasibility of the proposal.

### 6.1 Viability

Of the total approvals for industrial development in 2016, 84% were for warehouses, reflecting a trend towards greater reliance of retail supply chains on the international market. The NSW Department of Planning and Environment (2018c) highlights the growing role of industrial warehousing facilities as a distribution centres for international imports, stating that “employment land precincts with superior access to markets will continue to be the most highly sought after”.

The proposed subdivision layout indicates the potential for a variety of lot sizes. Businesses likely to occupy the proposed allotments may range from expanding start-ups within small premises, to large logistics, warehousing and distribution centres. There is potential to attract existing local small-to-medium enterprises to the site. There is also capacity to attract business to the region from competing areas in Sydney, Melbourne and Newcastle. The viability of individual development proposals should be considered when further details are available.

### 6.2 Comparable developments

The site offers capacity for a range of lot sizes, and the final lot layout has not yet been approved. There is capacity to distinguish the site from other nearby industrial developments, and provide definition between separate areas of the Bushell’s Ridge / Wallarah industrial estates.

### 6.3 Feasible alternatives

The aim of examining feasible alternatives is to determine the “opportunity cost” of the present proposal, that is, the cost of not proceeding with the best feasible alternative to this proposal. This is to be considered in the context of the next best use of the site.

Should the proposal not proceed, the potential alternatives are considered to be:

- Option 1 “Do nothing”: Retain site as is. This would result in the retention of bushland values of the site, however would lose the benefits of securing part of the site in conservation, and would not generate



any economic benefit for the land. It would preserve the potential of the site for future generations, whether for future development or conservation purposes. The benefits of the “do nothing” option are limited and do not achieve the objectives of the Darkinjung Interim Development Framework.

- Option 2      **Biobanking:** Similar to the above option, it may be feasible to biobank the entire site in order to offset Darkinjung developments elsewhere. The potential offset value of the northern portion of the site has not been assessed. Some clearing and disturbance has been noted by ecological investigations of the northern portion of the site, near the site access. It is not known whether biobanking the northern portion of the site is a feasible alternative.
- Option 3      **Preserve for clay extraction:** The site has been recognised as a potentially significant clay deposit. The potential benefit of this extraction has not yet been costed and is subject to further expert investigation. No valuation of the potential of the site for clay extraction can be made without further information.
- Option 4      **Delay development for coal mining in conjunction with the Wallarah 2 Coal Mine:** It is understood that this option has been considered during the course of the Wallarah 2 Coal Mine assessment and approval process. The option of including the site in the Wallarah extraction area is assumed to be either unviable or undesirable to the land owner. This option has therefore not been considered further within this report. The potential value of any coal deposits beneath the surface, and potential impact of coal mining on surface development, have not been costed.
- Option 5      **Residential development:** The site could potentially be developed as rural-residential lands, with dwelling houses permissible under current zoning provisions on a 40ha minimum lot size. This would involve subdivision and would remove or significantly delay the potential development of the site for employment lands. It would be a minimal development option, and may reduce the amount of vegetation that would be cleared as a result of the development. However, allowance would still need to be made for asset protection zones around dwellings, and it is likely that any rural residential lands would be managed as an asset protection zone with little capacity for conservation. Further, the cost of servicing the land may be prohibitive or make its development for rural residential sales infeasible. The ability of the Darkinjung to generate additional income from rural residential development would be limited.
- Option 6      **Industrial development:** Industrial rezoning as proposed is considered the most feasible of the options. It is not considered feasible to develop the entire site, due to the constraints of the Biodiversity Conservation legislation and need to offset the





environmental impacts of the development. For the portion that can be developed, north of Wallarah Creek, will result in the ability of the Darkinjung to use and develop their land and generate an ongoing income stream. This is considered the best option to achieve the objectives of the Darkinjung Interim Delivery Plan.



## 7 Conclusion

The proposed rezoning has regional impacts, increasing the supply of industrial land within the Central Coast. The site is in close proximity to the M1 Pacific Motorway, future Warnervale Town Centre and Bushell's Ridge industrial area. It is strategically located to take advantage of local and regional infrastructure improvements and capture both the local labour market and regional freight routes. It is considered that there is sufficient demand for industrial lands within the Central Coast to accommodate the proposed rezoning, particularly given the delayed servicing of other industrial lands and anticipated full development of serviced, available industrial land in Sydney within five years.

Full costs and benefits of the rezoning, future subdivision and industrial development have not been monetized. Key impacts are considered to include:

### Primary impacts:

- Construction: Subdivision, clearing and site preparation, building and construction, and related employment;
- Contributions payments
- Employment: jobs and wages
- Site servicing and infrastructure
- Biodiversity impacts
- Aboriginal cultural heritage
- Traffic generation
- Opportunity cost (clay extraction)

### Secondary impacts:

- Release of additional employment land
- Diverse and robust economy
- Additional co-located employment
- Increased local spending

Primary impacts of the development have been summarized in Part 4.9. The Net Present Value arising from estimated spending on construction and wages over a 30 year time horizon is \$619.9 million. This is based on a conservative estimate of employment at 20 employees per net developable hectare (675 FTE jobs) and subsequent conservative wage estimates indicative of warehouse and logistics industries. It does not include the full range of costs and benefits attributable to the project, including earthworks and subdivision, many of which cannot be monetized at this early stage.

Consideration of viable alternative developments has demonstrated that the proposal is a feasible and viable development for the subject site and will assist in the achievement of economic self-determination for the Darkinjung people, and the retention of jobs within the Central Coast.

The potential economic impacts of the proposal have been considered and, based on the presently available information, it is concluded that the proposal is likely to return a significant net benefit to the Central Coast region.



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## Appendix A Gateway Determination

NSW Department of Planning and the Environment, 9/12/2016





Mr Rob Noble  
CEO  
Central Coast Council  
PO Box 20  
WYONG NSW 2259

Our ref: PP\_2016\_CCOAS\_005\_00 (16/14546)  
Your ref: RZ/14/2014

Attn: Jenny Mewing

Dear Mr Noble

### **Planning proposal to amend Wyong Local Environmental Plan 2013**

I am writing in response to your Council's letter dated 9 November 2016 requesting a Gateway determination under section 56 of the Environmental Planning and Assessment Act 1979 (the Act) in respect of the planning proposal to rezone land for future industrial development and protection of environmentally significant lands at 380 Motorway Link, Wallarah.

As delegate of the Minister for Planning, I have now determined the planning proposal should proceed subject to the conditions in the attached Gateway determination. The Gateway allows the proposal to proceed to the next stage but given the need for further investigation and consultation, it is not possible to commit to a particular development footprint or planning provisions at present. Further investigations and consultation should be used as the basis for determining the appropriateness of proposed planning provisions and the location of zone boundaries.

Following further investigations and agency consultation, Council should submit the revised planning proposal to the Department of Planning and Environment for comment prior to proceeding with community consultation.

I have agreed, as delegate of the Secretary, the planning proposal's inconsistency with S117 Direction 1.2 Rural Zones is of minor significance. No further approval is required in relation to this Direction. Council may still need to obtain the agreement of the Department's Secretary to comply with the requirements of relevant S117 Directions. Council should ensure this occurs prior to the plan being made.

Plan making powers were delegated to councils by the Minister in October 2012. It is noted that Council has requested to be issued with delegation for this planning proposal. I have considered the nature of Council's planning proposal and decided not to issue an authorisation for Council to exercise delegation to make this plan.

The amending Local Environmental Plan (LEP) is to be finalised within 18 months of the week following the date of the Gateway determination. Council should aim to commence the exhibition of the planning proposal as soon as possible. Council's request for the Department of Planning and Environment to draft and finalise the LEP should be made 6 weeks prior to the projected publication date.

The State Government is committed to reducing the time taken to complete LEPs by tailoring the steps in the process to the complexity of the proposal, and by providing clear and publicly available justification for each plan at an early stage. In order to meet these commitments, the





Minister may take action under section 54(2)(d) of the Act if the time frames outlined in this determination are not met.

I note the former Wyong Shire Council's resolution seeking the assistance of the Department to resolve regional planning, mining, infrastructure and biodiversity issues within the North Wyong Shire Structure Plan which impact on this planning proposal and other related planning proposals concerning the Darkinjung Local Aboriginal Land Council. The Central Coast Regional Plan identifies related action and the Department will assist Central Coast Council in this regard where it is appropriate.

Should you have any queries in regard to this matter, I have arranged for Mrs Claire Swan of the Department's regional office to assist you. Mrs Swan can be contacted on (02) 43485003.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Monica Gibson'.

**9/12/2016**

**Monica Gibson**

**Director Regions, Hunter and Central Coast  
Planning Services**

Encl:  
Gateway Determination

## Gateway Determination

***Planning proposal (Department Ref: PP\_2016\_CCOAS\_005\_00): to rezone land at 380 Motorway Link, Wallarah for the purposes of enabling future industrial development and protection of environmentally significant lands.***

I, the Director Regions, Hunter and Central Coast at the Department of Planning and Environment as delegate of the Minister for Planning, have determined under section 56(2) of the *Environmental Planning and Assessment Act 1979* (the Act) that an amendment to the Wyong Local Environmental Plan (LEP) 2013 to rezone land for enabling future industrial development protection of environmentally significant lands should proceed subject to the following conditions:

1. Council is to be satisfied that sufficient information has been provided to demonstrate that the planning proposal adequately addresses the following issues:
  - water and sewer servicing plan and funding mechanisms
  - services provision (gas, telecommunications, electricity)
  - ecological investigations (in consultation with OEH)
  - flooding, drainage and stormwater management
  - bushfire planning requirements
  - land use capability assessment including compatibility with mining and extractive industries
  - social impacts
  - economic impacts
  - preliminary contaminated lands assessment
  - noise and vibration impacts
  - air quality impacts
  - Aboriginal cultural heritage considerations
  - transport and traffic including road access, issues associated with the adjacent rail line, examination of public transport, pedestrian and cycleway planning issues
  
2. Prior to undertaking community consultation, Council is required to update the planning proposal to:
  - address relevant matters of the Central Coast Regional Strategy 2036;
  - determine consistency with the Central Coast Regional Plan 2036 and North Wyong Shire Structure Plan;
  - resolve biodiversity corridor planning and offsetting requirements with Office of Environment and Heritage and Department of Planning and Environment;
  - determine proposed planning provisions are supported by studies and agency consultation; and
  - assess information in the planning proposal for currency, and update as required.

3. Council is required to demonstrate consistency with the following S117 Directions after supporting information has been obtained and/or following agency consultation:
  - 1.1 Business and Industrial Zones
  - 1.3 Mining, Petroleum Production and Extractive Industries (NSW Department of Industry - Resources and Energy)
  - 2.1 Environment Protection Zones (Office of Environment and Heritage - National Parks and Wildlife Service)
  - 2.3 Heritage Conservation (Office of Environment and Heritage - Heritage Branch)
  - 3.4 Integrating Land Use and Transport (Transport NSW – RMS)
  - 4.4 Planning for Bushfire Protection (NSW Rural Fire Service)
  - 5.1 Implementation of Regional Strategies
  - 5.10 Implementation of Regional Plans
  - 6.2 Reserving Land for Public Purposes
4. Council is to demonstrate that the planning proposal satisfies the requirements of State Environmental Planning Policy (SEPP) 55 – Remediation of Land and demonstrate the site is suitable for rezoning once information on contamination has been obtained.
5. Council is to demonstrate that the planning proposal satisfies the requirements of State Environmental Planning Policy (SEPP) (Mining, Petroleum Production and Extractive Industries) 2007.
6. Community consultation is required under sections 56(2)(c) and 57 of the Act as follows:
  - (a) the planning proposal must be made publicly available for a minimum of **28 days**; and
  - (b) the relevant planning authority must comply with the notice requirements for public exhibition of planning proposals and the specifications for material that must be made publicly available along with planning proposals as identified in section 5.5.2 of *A guide to preparing local environmental plans (Department of Planning and Environment 2016)*.
7. Consultation is required with the following public authorities under section 56(2)(d) of the Act and/or to comply with the requirements of relevant S117 Directions:
  - Ausgrid
  - NSW Department of Primary Industries - Water
  - Office of Environment and Heritage
  - Department of Industry - Resources and Energy
  - Transport for NSW - Roads and Maritime Services
  - Transport for NSW
  - Department of Industry - Lands
  - Guringai Tribal Link



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- Jemena
- Darkinjung Local Aboriginal Land Council
- NSW Rural Fire Service.

Each public authority is to be provided with a copy of the planning proposal and any relevant supporting material, and given at least 21 days to comment on the proposal.

8. A public hearing is not required to be held into the matter by any person or body under section 56(2)(e) of the Act. This does not discharge Council from any obligation it may otherwise have to conduct a public hearing (for example, in response to a submission or if reclassifying land).
9. The timeframe for completing the LEP is to be 18 months from the week following the date of the Gateway determination.

Dated 9<sup>th</sup> day of December 2016

A handwritten signature in black ink, appearing to read 'Monica Gibson'.

**Monica Gibson**  
**Director Regions, Hunter and Central**  
**Coast**  
**Planning Services**  
**Department of Planning and Environment**

**Delegate of the Minister for Planning**