



REPORT: Draft Planning Agreement - HOLCIM Australia Pty Ltd

DIVISION: Development and Environment
REPORT DATE: 9 August 2023
TRIM REFERENCE: ID23/1419

EXECUTIVE SUMMARY

Purpose	<ul style="list-style-type: none">Seek endorsementFulfil legislated requirement	
Issue	<ul style="list-style-type: none">On 2 March 2023, the NSW Department of Planning and Environment approved a State Significant development application for the expansion to the existing HOLCIM hard rock quarry (SSD-10417) at 22L Sheraton Road, Dubbo (Lot 222 DP1247780, Lot 103 DP1287704, Part of Lot 221 DP1247780 and Part of Eulomogo Creek).Council has received a request to enter into a Planning Agreement from HOLCIM Australia Pty Ltd.The terms of the draft Planning Agreement require HOLCIM to pay to Council:<ul style="list-style-type: none">\$600,000 as a lump sum within one year of the development consent being operational.10 cents per tonne of product transported from the new extraction areas. This is payable twice per year.The funds will be used for the maintenance of Sheraton Road along the proposed transport route for the development.Subject to Council endorsement, the draft Planning Agreement will be placed on public display for a minimum period of 28 days in accordance with the Environmental Planning and Assessment Act 1979.	
Reasoning	Part 7.1 of the Environmental Planning and Assessment Act 1979 and associated Regulation.	
Financial Implications	Budget Area	Growth Planning
	Funding Source	Growth Planning Branch budget
Policy Implications	Policy Title	There are no policy implications arising from this report.

STRATEGIC DIRECTION

The Towards 2040 Community Strategic Plan is a vision for the development of the region out to the year 2040. The Plan includes six principle themes and a number of objectives and strategies. This report is aligned to:

Theme: 2 Infrastructure

CSP Objective:	2.2 Infrastructure meets the current and future needs of our community
Delivery Program Strategy:	2.2.5 Council maintains infrastructure and delivers services at the adopted service levels as agreed with the community

RECOMMENDATION

1. That Council adopt the draft Planning Agreement (attached in Appendix 1) for the purposes of public exhibition.
2. That the draft Planning Agreement be placed on public exhibition in accordance with the Environmental Planning and Assessment Act 1979.
3. That following conclusion of the public exhibition period, a further report be prepared for the consideration of Council, including any submissions received.

Stephen Wallace
Director Development and Environment

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BACKGROUND

1. What is a Planning Agreement

A Planning Agreement is an agreement entered into between Council and a developer where the developer agrees to fund public amenities or infrastructure, dedicate land at no cost to Council, or provide monetary contributions or any other material public benefit, for a public purpose. In accordance with Part 7, Division 7.1 of the Environmental Planning and Assessment Act 1979 (EP&A Act), a public purpose includes any of the following:

- The provision of public amenities or services;
- The provision of affordable housing;
- The provision of transport or other infrastructure relating to land;
- The funding or recurrent expenditure relating to the provision of public amenities or public services, affordable housing or transport or other infrastructure;
- The monitoring of the planning impacts of development;
- The conservation or enhancement of the natural environment.

The use of Planning Agreements has increased as a result of their flexibility in allowing councils to capture public benefits outside the infrastructure contributions system where there is a need for an innovative and flexible approach to deliver public infrastructure and services.

2. State Significant Development Application SSD-10417

On 2 March 2023, the NSW Department of Planning and Environment approved a State Significant Development Application for the expansion of existing quarry operations at 22L Sheraton Road, Dubbo, increasing the extraction rate to 500,000 tonnes per annum and extending the quarry life for 25 years. The development involves the creation of two new extraction areas known as the Western Extraction Area and Southern Extraction Area.

The site development layout is shown in **Figure 1**.

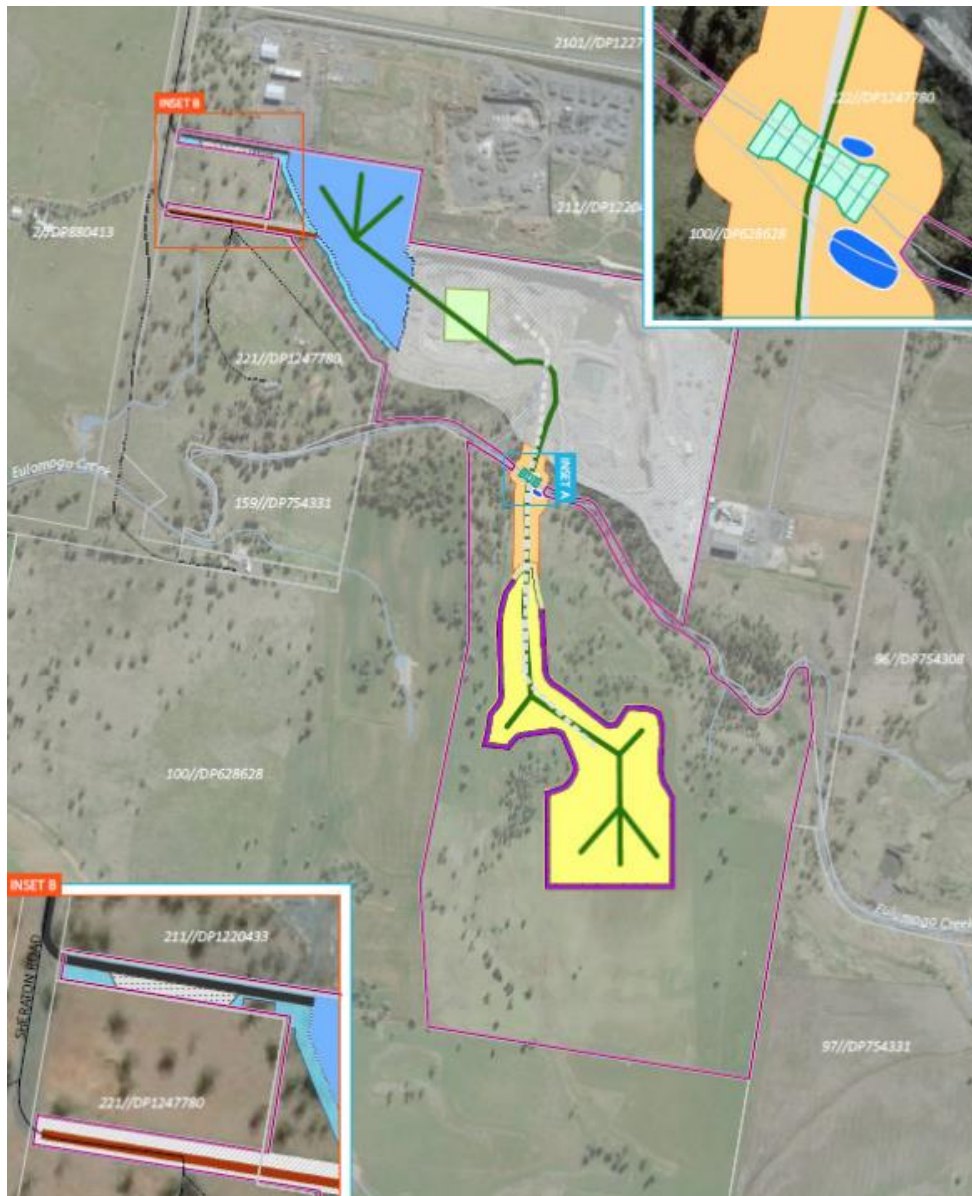


Figure 1 – Site development layout

REPORT

1. Planning Agreement

The South East area of Dubbo is undergoing significant residential, industrial and commercial development. This includes the Maas quarry, the HOLCIM quarry and Maas concrete products development.

The current development proposals in the area mean that truck traffic will increase. This includes as many as 42 trucks per day from the HOLCIM quarry, in addition to current truck traffic movements. These developments in the area currently access the Mitchell Highway via Sheraton Road and the schools precinct.

Council has received a request to enter into a Planning Agreement from HOLCIM (Australia) Pty Ltd. The draft Planning Agreement is attached in **Appendix 1**.

The terms of the draft Planning Agreement are as follows:

- The developer will make a monetary contribution of \$600,000 for improvements to Sheraton Road towards the Mitchell Highway along the proposed transport route. This will be payable to Council within one year of the State Significant Development Consent being operational (after construction under the SSD consent is completed);
- The developer has agreed to make a monetary contribution of 10c per tonne of product transported from the new extraction areas. This will be payable to Council twice per year; and
- Monetary contributions will be subject to movements in the Consumer Price Index (CPI).

Council Consideration

Council has considered and confirmed the suitability of entering into a Planning Agreement. This includes that the Planning Agreement is in the public interest, meets Council's strategic objectives, meets the fundamental principles governing the use of Planning Agreements and also fits within the described circumstances in which Council can consider negotiating a Planning Agreement.

Consultation

Following Council's consideration, the draft Planning Agreement and Explanatory Note will be placed on public exhibition for a minimum of 28 days in accordance with Section 7.5 of the Environmental Planning and Assessment Act, 1979. A notice will be placed on Council's website and in Customer Experience Centres, and the Daily Liberal newspaper, and correspondence will be provided to adjoining land owners.

Following completion of the public exhibition period, a further report will be presented to Council for consideration, including any submissions received.

APPENDICES:

- 1 [!\[\]\(5950fde355bafc747b20583b30242b59_img.jpg\)](#) Draft Planning Agreement