



JUDITH GJEDSTED
10 Excellent Street
VINCENTIA NSW 2540

12 December 2012

Attention

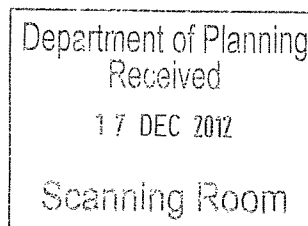
SALLY MUNK

Major Projects Assessment

Department of Planning & Infrastructure

GPO Box 39

SYDNEY NSW 2001



Dear Ms Munk,

**SUBMISSION RE: INTEGRATED TOURIST AND RESIDENTIAL
DEVELOPMENT**

APPLICATION NO: 060135

PROPONENT: SHAOLIN TEMPLE FOUNDATION (AUSTRALIA) LTD

I object to the proposed development on Comberton Grange in the Jervis Bay hinterland, City of Shoalhaven for the following reasons:

1. The development does not meet the 'compelling reasons' test required by the South Coast Regional Strategy for new towns and villages.
2. The potential tourism figures, which have been quoted during the past 6 plus years in support of tourism as justification for approval, do not appear to be based on comparative studies or any valid cost/benefit analysis.
3. The conditions for ministerial approval for the Shaolin project which restricted dwelling numbers, imposed the maintenance of single ownership for the site, and the addition of the eastern portion of the site to the Jervis Bay National Park have not been complied with by the proponent.
4. As vendors and as custodians and trustees of the Comberton Grange and Pine Forest land, Shoalhaven City Council have failed to effectively account for the heritage, commercial and environmental assets attaching to the land for which it was responsible.
5. With regard to the sale of Comberton Grange land, as vendors, Shoalhaven City Council have failed to act consistently and without bias.

Objection (1): Shoalhaven City Council purchased Comberton Grange in 1985 for the sum of \$1.5 million specifically to secure a hard rock quarry site of 'readily recoverable aggregate resources'.

In 1990, Councillor Greg Watson's strong objection to the quarry proposal and preference for residential development was recorded. Councillor Watson predicted a \$240 million benefit to the city from a housing estate. While the quarry was established, development proposals persisted

within Council but were countered by reports, documents and planning decisions which asserted immutable environmental values for Comberton Grange and the Currumbene Creek receiving waters.

For example, the 1990 evaluation of the proposed Currumbene Creek Crossing by J.A. Broadbent stated, "it should be clear that Currumbene Creek and its associated wetlands represent an outstanding ecological and important economic resource and contribute significantly to the unique environment of Jervis Bay".

In the 1992 Discussion Paper – Jervis Bay, 'Our Heritage, Our Future' above the signature of Robert Webster, Minister for Planning, it is stated, 'protection of the Bay's natural resources is essential' and 'it is also important to recognise that the economic potential of the area is closely linked to the preservation of the area's natural qualities'.

In 1995 Hansard, Questions and Answers, reports the then Minister for Urban Affairs and Planning, Craig Knowles, said in relation to the Shoalhaven LEP 'this plan proposed to allow the erection of a dwelling on 11 out of 14 urban sized lots zoned 1(a) Rural at Goodlands Road, Woolamia (to the west of Currumbene Creek). I decided the matter should not proceed because the proposed development was likely to significantly affect water quality and was in conflict with the water quality objective proposal in the Draft Plan of Management for the Jervis Bay Marine Reserve, the proposal was likely to result in the degradation of a wetland protected under SEPP No. 14; valuable fauna, birdlife and fish habitat would be threatened by the plan, and, a precedent could be set?'

In 1996 the Jervis Bay REP (Clause 16 – new urban releases) stated: 'any new land releases for urban development should be located in the area shown on Map 4'. The Comberton Grange site was not identified on Map 4.

In 2000/2001, Shoalhaven City Council commissioned a \$50,000 environmental study / planning report for a 200 hectare area of Comberton Grange of which only 79 hectares were identified as suitable for some development. About this, Tourism NSW responded that 'the attractiveness of the area to visitors depends on maintaining its 'naturalness' qualities. If you take that away the area will lose its competitive advantage in the domestic and international holiday market'. The other government departments and agencies responses to proposals for development ranged from doubtful to negative.

The 2003 Jervis Bay Settlement Strategy stated; 'if the current proposal (for a development on Comberton Grange by the Jezereel Consortium) does not proceed, and the area is found to be physically capable of some development, it should be reassessed having regard to the principles and actions identified in this Strategy.' i.e. 'Ecologically sustainable development and total catchment management'.

For the public, over many years, there has been the reassurance of a consistent and broad based body of opinion, supported by the weight of scientific evidence, that the land, now being proposed for a 5 to 20 year program of clearing, construction, occupation and intensive commercial activity, and some six (6) kilometres of adjoining Currumbene Creek estuary, were of considerable ecological significance to the Jervis Bay environment.

My objection asks: are there compelling reasons for the City of Shoalhaven to provide housing for 'Chinese national and retirees' (Chinese national retirees?). Or, for a school for which 'it is

anticipated that 80% of students will come from China to learn English and gain an education for future settlement’?

Does the Shoalhaven need a ‘big pagoda’ to rival the north coast’s ‘big prawn’ and ‘big banana’ and is this the appropriate site for a large (20 to 50 practitioners) Chinese medicine ‘wellness’ practice? Or, for the ancillary businesses proposed for the site and the expansion plans and further development (4 storey Precinct D housing, nursing home aged care, film and artist’s studios, tented accommodation, access to and use of Currambene Creek) explicit and implied in the 2012 Shaolin application.

Objection (2): Rubbery numbers have been bouncing around for years to suggest tourist interest and job opportunities as an encouragement for public support of the proposed development. What Shaolin have projected is a self contained system providing food, accommodation, recreation, entertainment, shopping and alternative medicine. The development ‘aims to optimise on self sufficiency’ and it is difficult to see how, or why, any of the anticipated tourist dollars would escape from the site.

Shaolin, as a religious organisation, will also benefit from significant local government rate exemptions and, potentially, tax concessions. These advantages are not generally available to the local tourist businesses with which Shaolin would compete.

Shoalhaven City Council assert that, next to Sydney, the Shoalhaven is the most visited tourist area in NSW with Jervis Bay, in particular, described as an icon destination for the South Coast.

The clarity of Jervis Bay’s water, clean beaches and the number and diversity of fish species and other marine life have made Jervis Bay the second most popular dive venue in Australia after the Great Barrier Reef. In 2000 it was reported that one of the larger dive operators boats undertook 12,000 dives per year. (Currambene Creek Catchment Management Plan, June 2000). Tourist numbers have increased greatly since then with ecotourism attracting a growing number of people.

Currambene Creek is the major watercourse entering Jervis Bay and forms some 72% of the Bay’s total catchment. ‘The high water quality of Jervis Bay is attributed to largely undeveloped catchments which as a consequence spared the waters of Jervis Bay from sediments, nutrients and other pollutants normally exported from developed and developing catchments’. (Jervis Bay Territory Land Use / Development Blueprint – Newstein & Associates, 1996)

The qualifiers attached to Shaolins expressed intentions for the site brings to mind the fable of a goose and a golden egg:

- forest areas intact except for
- almost all biodiversity values maintained
- retain sufficient natural vegetation
- ecological ? tent accommodation
- avoid the use of toxic chemicals
- avoid habitat corridor except for
- is generally within the limits of the South Coast Sensitive Lands Review
- almost all riparian biodiversity is avoided
- pesticides and fertilisers use is to be limited
- can remain viable for most species

- minimise toxic effects of salinity, pesticides and pollutants
- with careful clearing part of (wildlife) corridor can remain viable for most species.

Objection (3): In opening the door to a tourist/residential development on Comberton Grange, restraints were imposed by the South Coast Sensitive Lands Review and were later maintained by the South Coast Regional Strategy and by Planning Minister Sartor.

The moderating influence of these restraints is not reflected in Shaolin's aspirations for the site.

(a) In bluntly dissenting from the proposal to dedicate land to the Jervis Bay National Park, Shaolin state; 'It is not the intention of the Shaolin Foundation to dedicate the eastern portion of the site

The disconnectedness between Shaolin's language and its intentions are apparent in this refusal and what is proposed instead, that is:

To protect and enhance the forest for most species the wildlife corridor will be modified to compensate for clearing identified wildlife corridor elsewhere and conserved as environmentally sensitive but with eco trails utilising existing tracks and selective removal of native vegetation and managed camping facilities for engagement with the local environment while guiding the protection (of forests).

(b) Shaolin describe the site's residential settlement as 'approximately' 300 dwellings in precincts A, B and C (the number imposed by the approval). In addition, the assessment shows a serviced apartment building (short stay, but who's to say?) and refers to a residential precinct D 'number to be determined' and 'maximum height 4 storeys'? Shaolin also advise that 'it is intended to provide seniors housing in line with Shaolin's practice of benevolence and well being'?

It was reported that Landerer and Company had ended its association with the project following the halving of the number of residential developments.

(c) The site will not remain in single ownership it 'will be subdivided in accordance with the Community Land Management Act 1987'.

The proposed arrangements state that 'community lots can be further subdivided to create subsidiary schemes' with variable management arrangements. Such schemes are said to 'govern the manner in which improvements may be erected on community land'.

It is not possible to project what kind of outcome can be expected from these arrangements but it is clear that marketable titles will be established on site for portions of Comberton Grange land and ownership will be multiple rather than single.

Shaolin make no attempt to justify the jettisoning of the conditions inherent in Minister Sartor's approval for the acceptance of the Shaolin application under Part 3A.

Objection (4): (a) Shaolin's proposed establishment of a 'Heritage' precinct on site is a sad reminder of the Comberton Grange Homestead built in 1843 by convict labour, the oldest home in the Falls Creek area and listed by the National Trust in 1981. It was then 'in good condition and only minor restoration would be needed to return it to its original state'.

The homestead was damaged by fire in 1989. Despite reports that the building was 'burnt down' photographs show the walls and chimneys of the building to be intact. In February, 1990 the National Trust advised Council that despite damage 'items on the site retained considerable heritage significance'. Comberton Grange remained listed on the Trust Register and the site (Lot 1 DP550098) is also listed as a 'Heritage Item' under Shoalhaven LEP 1985 and added to the heritage schedule of Council's LEP in 2006. Council were advised by the National Trust in December 2007 that 'the Trust's concerns of 1990 regarding relics, as protected under the Heritage Act, 1977, may still be relevant in terms of any proposed development on this site'.

However, in August, 1990, on the motion of Alderman Watson, Shoalhaven City Council's Finance and Welfare Committee had voted \$15,000 for 'the demolition and storage of recovered bricks from Comberton Grange Homestead' which were to be offered elsewhere 'to be used in an appropriate way'?

In March, 2006, during the Shaolin negotiations, the convict made bricks, retained by Council from the listed homestead, were sold at a Council clearance auction.

(b) The Comberton Grange land was purchased by Shoalhaven City Council in 1985 to ensure access to and 'preserve the only known source of igneous quarry products between Kiama and Milton'. (The Milton quarry has since closed down.)

The application for development consent to operate the quarry was opposed by the Total Environment Centre and dealt with by the Land and Environment Court in 1989. Conditional consent for the quarry operation was granted by the Court. Operations commenced in 1991 and were licensed to produce 35,000 tonnes per annum.

The 2000 Environmental Study/Report commissioned by Council noted the provisions (zoning / buffer zone) to maintain potential of the quarry resource and 'to protect it from sterilisation through inappropriate developments'.

In 2003 the Jervis Bay Settlement Strategy described the quarry as 'a regionally significant hard rock (sandstone / dolerite) resource' surrounded by a 1,000 metre buffer and an expected remaining life of approximately sixty years'.

In 2004 Shoalhaven City Council authorised a Plan of Acquisition / Plan of Subdivision to excise the land required for quarry operation and access road (about 100 hectares).

Also, in 2004, quarry license conditions increased to allow production of 55,000 tonnes per annum. With regard to the proposed sale of Comberton Grange land, Council's Policy and Planning Committee resolved that 'the land for the quarry operation and access road is to be excluded from this sale' and, in August, Council resolved to 'excise (from sale) the land required for quarry operations and access road'. Between the end of August, these resolutions, and the beginning of October, Shoalhaven City Council adopted the recommendation of a Special Policy and Planning meeting that 'the General Manager expedite the marketing strategy for the proposed sale of Part Lot 1 DP725955'. Thus, without the word 'quarry' appearing in the Council Minutes, it was included in the Comberton Grange land sale.

The Quarry License (No. 3935) was transferred to the Shaolin Temple Foundation on the 1st September, 2009.

(c) The Conybeare Morrison Application refers to the quarry buffer zone as 'discretionary' and the proposed development appears to encroach upon it. I am advised the zone is a buffer by virtue of the Shoalhaven LEP and any development would be governed by its provisions.

(d) Specified in the consent conditions set down by the Land and Environment Court in 1989 was a Conservation Agreement with the then National Parks and Wildlife Service relating to specific plant communities (Red Gum and Eucalyptus Robusta) and the Bid Bid Creek catchment. Council were also directed to enter into negotiations with the National Parks and Wildlife Service 'in respect of other areas of conservation value on the Comberton Grange property'.

In February, 1991 Council adopted the recommendation that 'Council authorise the completion and signing of the Conservation Agreement and the inclusion of an 88B instrument in the property title referring to the Agreement'.

Council have since advised that 'the Conservation Agreement does not appear to have been finalised'. It has not been possible to establish if, even so, the Court's Conditions of Consent in respect of conservation matters have ever or, will ever, be complied with.

Objection 5: Beginning in 2005, a series of visits are reported in Mayoral Minutes by then Mayor, Greg Watson. The first, undated (possibly May) reports on a 24 person delegation to Shoalhaven's sister city Fuzhou during which the Mayor noted, 'their system of government ensures that the development approval process occurs in 15 days'.

This was followed, in October, by a Chinese delegation to the Shoalhaven which resulted in Shoalhaven City Council resolving to support, in principle, a Chinese proposal for development on Comberton Grange.

On 22nd May, 2006, the Shaolin Temple Foundation (Aust) Ltd was registered as an Australian Public Company with the Shaolin Development Co. Ltd as the ultimate holding company and with the address of property developer Landerer and Company, Castlereagh Street, Sydney, as the principal place of business.

In June, a Shoalhaven delegation led by Mayor Watson attended the signing ceremony in Deng Feng, China at which 1,248.36 ha of Comberton Grange land with Creek frontage, and including the Pine Forest, the former homestead site and the sandstone / dolerite quarry, were sold to Shaolin for \$5 million on a down payment of \$250,000 with the balance to be paid in June, 2008.

In May, 2007 a twenty person Shoalhaven delegation visited China. Mayor Watson reported that the then Minister for Tourism, Matt Brown, had joined the delegation for a joint audience with the Shaolin Abbot.

In June, 2008, Shaolin asked for a deferral of the agreed settlement date and are reported to have asked again in September. An agreed December deadline also went by with Council's General Manager, Russ Pigg, stating that 'there have been no indications that would say the Abbot has anything but intentions to pay'. The then Mayor, Paul Green described the December deadline as 'purported' allowing Council to revamp the contract. In March, it was revealed that the 2006 contract included a mortgage option. The sale then proceeded as a three year mortgage financed by Council with interest (reported to be at 3.25%) payable 6 months in arrears. Other matters in the contract were also reported to have been varied.

Patrick Pang, for Shaolin, advised that the Foundation was 'not prepared to take on the support of external investors and wanted to take on the whole project'.

While, presumably, negotiations with Shaolin were taking place it was reported and confirmed that Shaolin representatives had been accommodated as guests in the homes of senior Council staff. Councillor and former Mayor Watson refused to confirm or deny reports that Patrick Pang had also been his house guest.

A later probity review called for a Council policy on 'home hosting' and recommendations were made to 'ensure that all sales of Council land went through an appropriate competitive process' and that 'all meetings between Council representatives and proponents, or potential proponents, were to be properly minuted'.

In July, Councillor and former Mayor, Greg Watson, returned from a China visit stating that 'the Shaolin development may attract Chinese government sponsorship if and when all the planning approvals are granted'.

In November, at a city business function, a cheque, purported to be for the sum of \$8 million, was donated by a wealthy Chinese businessman known as Mr Huen to the proposed Shaolin development. Councillor Watson is reported as saying that the new funding was expected to see the project through to the construction phase.

In March 2012 Council agreed to extend by 12 months the date for the repayment by Shaolin of the principle sum, \$4.75 million. A suggestion that Shaolin should be asked to pay a commercial rate of interest was not adopted by Council.

In August, 2012, Council agreed to defer Shaolin's interest payments for 6 months.

In the early 1980s the Shaolin Temple in Henan Province, China, is reported to have had only 12 monks and one hectare of farmland. A 1982 film featuring kung fu is reported to have changed its fortunes. By 2009 Shaolin are reported to have become a prosperous business with 28 overseas centres (including Australia) to promote kung fu, Chinese culture and Shaolin brand products ranging from canned ham to movies.

The Chinese government have been supportive of the Shaolin culture in seeking and reportedly achieving World Heritage listing for the mainland temple and a 'World Intangible Heritage' for kung fu. The current Abbot, Shi Yangxin was officially inaugurated in 1999 and was elected Deputy of the 9th National Peoples' Congress of the people of China from 1998 to 2003.

An increasing Chinese government interest in the proposed development may be reflected in the greater emphasis on the provision of services for Chinese nationals in the 2012 Assessment.

Conclusion: Despite the facts of Shoalhaven City Council paying for, contributing to, and endorsing planning documents which, in sum total, would suggest that a development of the scale and intent proposed by Shaolin was unthinkable, there seems to be a greater fear of losing a sale than there is of destructive ecological impacts.

Before advertising Comberton Grange for sale, Council might have shown respect for values to which its name had been attached by heeding the advice of the Currumbene Creek Catchment Management Plan 2000 i.e. 'that Council and the National Parks and Wildlife Service should

return to negotiations to complete the Voluntary Conservation Agreement for the area around the quarry and, in particular, should consider the inclusion of the wetlands and the Swamp Mahogany forests around Georges Creek in this agreement’.

Or, Shoalhaven City Council might have acted to reduce grazing pressures in the catchment to help reduce erosion and the consequent release of sediments and nutrients. Instead, in 2004, of choosing to issue an agistment license over 212 hectares of Comberton Grange.

Council cannot be unaware of potential consequences.

Following the spectacular algal bloom in Jervis Bay, which lasted from 16th December, 1992 to around the 22nd January, 1993, the C.S.I.R.O. reported ‘it appears that creeks may (also) have been significant sources of some macronutrients near the time of the bloom’, and ‘in this instance the intensity of the rainfall probably resulted in most run-off entering the Bay via the creeks’.

The Report also noted that ‘algae at bloom densities reduce the penetration of light into the water column. Reduction for periods of less than one month can lead to loss of leaves and death of plants. Seagrasses are a highly valued habitat in Jervis Bay’.

Over three weeks in January, 2011, thousands of dead fish of all species were washed up in Callala Bay and Hare Bay. Investigations noted that, prior to the fish kill, a large amount of rain had fallen and algal blooms had been observed in the area.

Concurrent with the release of the 2012 Shaolin Assessment were two relevant reports:

- The NSW Government has announced a total of \$3.8 million in funding to help local Councils protect and improve the State’s estuaries.
- Fisheries NSW propose to establish three aquaculture leases in Jervis Bay because ‘the water quality and conditions in Jervis Bay are very good for this sort of aquaculture’. (General Manager, Fisheries NSW).

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Yours sincerely,



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