1st February 2007



HARDIE HOLDINGS

The Honourable Frank Sartor MP Minister for Planning Level 33 Governor Macquarie Tower 1 Farrar Place SYDNEY NSW 2000

1 FEB 2007

Dear Sir,

RE: SUBMISSION UNDER PART 3A EP&A ACT 1979 SANCTUARY VILLAGES DEVELOPMENT, CESSNOCK LGA

Hardie Holdings request that consideration be given by the Minister to the inclusion of the Sanctuary Villages site as a State Significant Site under Schedule 3 of the Major Projects SEPP and assessment of the project under Part 3A of the EP&A Act 1979.

If the Minister determines the project to be of <u>State Significance</u> we request the Director General issue the requirements for the preparation of a single comprehensive Environmental Assessment to support the proposed listing of Sanctuary Villages as a State Significant Site and establishment of appropriate development controls for the lodgement of a <u>Concept Plan</u> application.

The site has been identified in the Lower Hunter Regional Strategy and forms part of the Lower Hunter Land Offset Agreement between the Minister for the Environment, The Minister for Planning and Hardie Holdings signed on 22nd December 2006.

The key elements of this \$50m development include the proposed rezoning and development of 78ha of land that will create 700 residential lots, 7 commercial/retail lots that will include adaptive reuse of existing heritage buildings, and construction of associated infrastructure on land south of the villages of Paxton and Millfield in Cessnock LGA. In addition to development, the proposal includes enabling provisions for transferral of 533 hectares of ecologically sensitive land into public ownership. These ecological lands include the state significant Ellalong Lagoon. The remaining 411 hectares will remain rural however it is requested that some of these lots be re-subdivided/consolidated to create allotments greater than 40 hectares in size and thus gain a dwelling entitlement under the provisions of Cessnock Council's 1989 LEP.

Attached to this letter is:

- 1. A Part 3A Major Projects Application, and
- 2. A project description report

Should you require any further information please contact the writer.

Yours faithfully,

Duncan Hardie Director

Level 1, 106 King Street, Sydney 2000 GPO Box 2557, Sydney NSW 2001 Australia Telephone (61 2) 9233 2588 Fax (61 2) 9233 6599 Email office@hardleholdings.com Hardie Holdings Pty Ltd ABN 51 070 004 590 Level 4, 251 Wharf Road Newcastle NSW 2300 Telephone (61 2) 4929 4996 Fax (61 2) 4929 5994

Major Projects application



NSW GOVERNMENT

Date received: / /

Project Application No.

1. Before you lodge

This form is required to apply for the approval of the Minister to carry out a Project to which Part 3A of the Environmental Planning and Assessment Act, 1979 (the Act) applies.

Before lodging this application, it is recommended that you first consult with the Department of Planning (the Department) concerning your Project.

Please be aware that you may need to conduct a Planning Focus Meeting before lodging this application involving the Department, relevant agencies, Council or other groups identified by the Department. If you are required to conduct a Planning Focus Meeting, you will need to provide details and outcomes arising from the meeting.

To ensure that your application is accepted as being duly made, you must

- complete ALL parts of this form, and
- submit all relevant information required by this form.

All applications must be lodged with the Director-General, by courier or mail.

Ground floor, 23-33 Bridge Street, SYDNEY NSW 2000 GPO Box 39 SYDNEY NSW 2001 DX 10181 Sydney Stock Exchange t: 02 9228 6111 f: 02 9228 6455

Company/organisation/				BN					
Hardie Holding	s Pty Ltd			51070004590					
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First name		Family nam	ê						
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	Street or property name Millfield Rd
Suburb, town or locality	Postcode Local government area
Paxton/Millfield	2325 Cessnock
REAL PROPERTY DESCRIPTION	
Refer to attached Project	Description Report
OR: detailed description of land attache	ed: 🛄
unsure of the real property description, Please ensure that you place a slash (/)	n a map of the land or on the title documents for the land. If you are you should contact the Department of Lands.) to distinguish between the lot, section, DP and strata numbers. If the piece of land, please use a comma to distinguish between each rea
Where the Major Project is subject to Regulation 2000 and in lieu of compl	o Clause 8F of the <i>Environmental Planning and Assessment</i> eting the above, a description or detailed plan of the land ocuments required with Part 4 below.
Proposed Major Project – D	escription and other Requirements
	includes all significant components. If the application relates to only
part of a Project, include a clear title that	
Sanctuary Villages	
The proposal comprises a number of	of different components being:
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Please indicate the number of jobs created by the proposed Major Project. This should be expressed as a proportion of full time jobs over a full year.

Construction jobs (full-time equivalent)

Operational jobs (full-time equivalent)

	20					
	40					
2	989 - SS	282	3.92	6947	300	24

5. Approvals from state agencies	
 an approval under section 15 of the <i>Mir</i> a mining lease under the <i>Mining Act</i> 19 a production lease under the <i>Petroleur</i> an environment protection licence under 	4 of the Fisheries Management Act 1994 ne Subsidence Compensation Act 1961 92 n (Onshore) Act 1991 or Chapter 3 of the Protection of the Environment poses referred to in section 43 of that Act)
6. Application fee	
of the Major Project.	of a Major Project. This fee is based on the estimated cost of the total fee with this application and you should plication to determine the proportion to be paid.
7. Owner's Consent	
As the owner(s) of the above property, I/we conser Proponent: Signature	nt to this application being made on our behalf by the Signature
Name	Name
Duncan Hardie - Director	Sarah Potter - Secretary
Date	Date
1 st February 2007	1 st February 2007

Note: The Department will not accept an application for a Major Project without having the signature of the owner of the land, **unless** the Major Project is subject to Clause 8F of the *Environmental Planning and* Assessment Regulation 2000.

HARDIE HOLDINGS

PART 3A APPLICATION ROJECT DESCRIPTION REPORT

SANCTUARY VILLAGES, CESSNOCK

January 2007

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Executive Summary

The Sanctuary Villages development is a rezoning and subdivision development proposal for a \$50m mixed use urban development and conservation project.

The 1022 ha site is located in the Congewai Creek valley adjacent to the villages of Paxton, Millfield and Ellalong. It is surrounded to the south by the Watagan Mountains with the Ellalong Lagoon the main natural feature within the site. Figure 1 identifies the location of the site in a regional context.

The proposed development of 78ha of land will create 700 residential lots, 7 commercial/retail lots that will include adaptive reuse of existing heritage buildings, and construction of associated infrastructure on land south of the villages of Paxton and Millfield in Cessnock LGA. In addition to development, the proposal will include the transferral of 533 hectares of ecologically sensitive land into public ownership. These ecological lands include the state significant Ellalong Lagoon. The remaining 411ha will remain rural lands with 8 lots, or parts thereof, being subdivided/consolidated into 5 rural allotments, each having a separate dwelling entitlement. Figure 2 identifies the land proposed for development as well as the lands proposed to be dedicated as conservation and the land proposed to be re-subdivided into rural allotments.

The site has been identified in the Lower Hunter Regional Strategy and development as proposed is considered consistent with the provisions of this strategy and Cessnock Council's City Wide Settlement Strategy.

The eventual additional population will strengthen and enhance the existing community facilities such as schools, shops, hotels, and sport and recreational clubs that exist in the existing villages. The proposed commercial precinct will support the population growth and bring back to life the heritage buildings that were the Stanford Main No.2 Colliery.

Environmental assessments have been undertaken across the site and support development of the precincts identified.

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The proposal is to rezone and subdivide 78 hectares of land for residential subdivision (totalling a maximum of 700 residential lots), rezone 2.4 hectares to accommodate a commercial/retail precinct, rezone 533 hectares to conservation and dedicate this land to the NSW State Government and resubdivide/consolidate some of the remaining lots included within the residue 411 hectares to create a total of 9 rural allotments all with dwelling entitlements.

Five distinct precincts have emerged within the site.

1. Paxton Residential

The Paxton residential precinct is approximately 29 hectares and is proposed to be rezoned and subdivided to create approximately 300 residential lots with an average lot size of 700m². Refer to *Figure 3*.

2. Paxton Commercial

This 2.4 ha part of the site includes the existing Stanford Main No.2 Colliery buildings. These buildings will be rezoned and subdivided into 7 lots and adaptively reused for commercial and/or retail purposes. Refer to *Figure 3*.

3. Millfield Residential

The Millfield residential precinct is 49 hectares and is proposed to be rezoned and subdivided into approximately 400 residential lots with an average lot size of $800m^2$. Refer to *Figure 4*.

4. Conservation Lands

533 hectares, that include the Ellalong Lagoon, are proposed to be rezoned to conservation and dedicated to the NSW State Government. Dedication will occur following rezoning and subdivision approval of the Paxton and Millfield precincts as documented in the Lower Hunter Offset Agreement.

5. Rural Lands

The residue 411 hectares will remain zoned rural. 8 lots, or part thereof, will be subdivided/consolidated into 5 allotments, each with a dwelling entitlement. Lots 2 and 3 DP 1055477 and Lots 9 and 10 DP 1069057 will remain as is giving a total of 9 rural lots. All proposed allotments will be in excess of 40ha and this component of the development will not require an amendment to the Cessnock LEP 1989.

in all

Location Description

The site is 1022 hectares in size and is located approximately 10kms south west of Cessnock in the Hunter Valley. The land is immediately to the south of the villages of Paxton and Millfield. Refer to Figure 5 - property description map.

Lots proposed for development (Paxton and Millfield precincts) include:

Part Lot 120 DP 848796 Part Lots 5, 7 & 8 DP 1055477 Part Lots 61 & 62 DP 1066749 Part Lot 1 DP 726861

Lots proposed to be rezoned to conservation include:

Part Lot 120 DP 848796 Part Lots 5, 7 & 8 DP 1055477 Part Lots 61 & 62 DP 1066749 Lot 210 DP 1083970 Lot 1 & Part Lot 2 DP 726861 Part Lot 1 DP 309629

Lots proposed for rural re-subdivision include:

Part Lots 5, 7 & 8 DP 1055477 Part Lot 2 DP 726861 Lot 1 DP 124558 Lots 7 & 8 DP 7396 Lot Pt 1 DP 309628

History of Use

The Darkinjung people are believed to be the pre-European occupants of the area. It is believed that the Congewai floodplain was an important source of food and water for these people.

Millfield was first settled in the 1820's with the development of the Great North Road. The town grew rapidly in the early twentieth century with three timber mills operating.

Paxton is a town that grew from coal mining that emerged from the Stanford Main No.2 Colliery. The Colliery site is significant for the township of Paxton particularly due to the location of the mine in the main street. The site is a visual landmark within Paxton and surrounds.

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Much of the site has been highly modified as a result of past grazing and mining activities. The current owner, Hardie Holdings, has undertaken extensive revegetation of the floodplain and lagoon and removed cattle from grazing in sensitive areas. Hardie Holdings has also extensively restored several of the historic mine buildings and saved them from ruin.

Project Benefits

Economic Benefits - Construction

Total Cost of Commercial Precinct is \$25.5 million. Total Cost of dwellings (700 lots) is \$184.0 million.

Total Construction value is \$209.5 million, this has a national multiplied effect of \$376.0 million so the total value of output is \$585.5 million. The regional value of this output is estimated to be \$234.2 million over the period of construction.

The employment effect of the construction spending is 1,257 direct and 2,305 indirect jobs of which 1,707 are estimated to be based in the Hunter Region.

The on-going value of 700 households located in the Paxton area is estimated to be \$21 million per annum, representing about \$8.4 million in local expenditure per annum. The commercial precinct will support 224 full and part-time jobs on an ongoing basis.

Environmental Benefits

The proposal includes dedication of 533 hectares of conservation lands to the NSW Government. This land includes the environmentally significant Ellalong Lagoon, approximately 350 hectares of bushland, wetlands and frontages to Congewai Creek. These lands will be managed in perpetuity by the Government.

Over the past few years Hardie Holdings have planted over 200,000 native trees and shrubs within the floodplain and around the lagoon, cleaned out hundreds of tonnes of ex-mining material, eradicated all feral animals, established a breeding program for the endangered Parma Wallaby and undertaken routine site management. Hardie Holdings have also at their own expense eradicated the noxious weed Salvinia from Congewai Creek and lagoon.

Social Benefits

This project will assist in providing a critical population mass to support existing services and encourage development of others. The main social benefit will be the creation of local employment opportunities. Other key

Hardie Holdings Pty Ltd

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benefits will be the dedication of Ellalong Lagoon and the potential for it to be accessed by the public and the provision of housing choice.

Planning Provisions

State Environmental Planning Policies + s.117 Directions

A number of SEPP's and Ministerial Directions will need to be considered.

Of particular relevance to this proposal is the Major Projects SEPP. A request to the Minister of Planning has been made for inclusion of the Sanctuary Villages site as a State Significant Site under Schedule 3 of the Major Projects SEPP and assessment of the project under Part 3A of the EP&A Act 1979.

Other SEPP's required to be addressed include:

- SEPP 11 Traffic Generating Development
- SEPP 44 Koala Habitat Protection
- SEPP 66 Integrated Land Use and Transport

Hunter REP 1989

There are a number of issues relating to rezoning (plan preparation) of sites documented within the Hunter REP. All of these issues will be addressed in the Environmental Assessment/Rezoning submission.

Cessnock Council LEP 1989

The majority of the overall site is zoned Rural 1(a). The proposed Paxton development precinct is zoned Residential/Rural (Small Holdings) 1(c) and Rural (Small Holdings) 1(c2) and the Millfield precinct is partially zoned Residential/Rural (Small Holdings) 1(c) and Rural 1(a). Refer to Figure 6.

The proposal seeks to rezone the Paxton and Millfield precincts to allow for urban development and 533 hectares conservation. The remaining 411 hectares will remain zoned rural 1(a).

Lower Hunter Regional Strategy

Part of the site has been identified in the Lower Hunter Regional Strategy as being suitable for urban development. The Lower Hunter Offsets Agreement between Hardie Holdings Pty Ltd and the Minister for the Environment and the Minister for Planning makes specific reference to the site and development of 調整

78ha for urban purposes (700 lot maximum) and transferral of 533 hectares upon rezoning to the NSW State Government.

Cessnock City Wide Settlement Strategy

The proposed Paxton and Millfield development precincts are extensions of existing urban areas and as such can be considered by Council for rezoning to allow urban development.

Infrastructure

Service Infrastructure

The land adjoins existing development, and services such as water, sewer, electricity and telephone are available and can be extended and or amplified to service the site.

Hunter Water Corporation (HWC) have been consulted and have advised that limited capacity is available. HWC's Pelton reservoir and downstream mains may need to be upgraded.

HWC are currently designing an upgrade to the Paxton Wastewater Treatment Plant. The plant is scheduled to be commissioned in 2009. The plant will have capacity to accommodate the proposed development. Currently there is limited capacity at the plant, however stages 1-3 may be able to be catered for.

Wastewater reuse will be further investigated as an alternative servicing option.

Traffic

A preliminary assessment of the local road network has taken place. Calculations have shown that 60% of the development can be undertaken without upgrades to the external road network which would be triggered by capacity issues. Beyond 60% the Millfield Road, Middle Road intersection would require upgrading to a one lane circulating roundabout.

It is recognised that the intersection of Millfield Road / Middle Road / Sanctuary Road and Congewai Road is currently unsafe. Negotiations with Council and the RTA would need to occur to determine appropriate treatment.

A number of suitable access locations are available in terms of location, sight distance and drainage.

Further traffic assessment will be undertaken to define the extent of impact on the external road network.

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Stormwater

Water sensitive urban design principles will be adopted in the design and include both at-source and end-of-pipe devices for water quantity and quality control.

Water quality management will comprise a treatment train of structures consisting of:

- Water harvesting for reducing runoff volumes;
- Vegetated swales and buffer systems for stormwater filtration;
- Gross pollutant traps for the removal of coarse sediment, rubbish and hydrocarbons;
- Biofiltration swales for fine filtration and biological uptake; and
- Constructed wetlands for enhanced sedimentation

Community Consultation

Over the process of this projects evolution there have been a number of workshops and open days where the community have had opportunity to comment and help shape the form of proposed development on the site.

Common themes arising from the consultation process included protection and public access to the lagoon and heritage buildings, maintenance of existing village character and amenity and the need for improved infrastructure. The local residents also expressed a strong desire to keep the distinctive identity of each village.

It was also evident that local residents sought local employment opportunities for themselves and their children. Redevelopment of the existing mine buildings into a commercial/retail precinct will provide jobs and social services.

Generally those who participated in the consultation process were very positive about the development.

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Environmental Factors

The site is located immediately south of the townships of Millfield and Paxton and is bounded to the south by rural grazing lands and floodplain associated with Congewai Creek.

Generally the site is characterised by undulating grazing land and floodplain. The site is dissected by Congewai Creek which approaches Ellalong Lagoon from the west. A detailed flood assessment has been undertaken and all the proposed development precincts are above the 1:100 year flood level.

The Mine Subsidence Board has advised that the site is not within a Mine Subsidence District and therefore there are no specific surface development guidelines. A landside risk assessment has also been completed and it was determined that the likelihood of landslip was in the range very low to low.

An Aboriginal Archaeology Assessment has been undertaken over the site. It reports that Congewai Creek and the immediate rise of its banks are potential areas of cultural significance. It is noted that the proposed development precincts are well outside these areas and thus no impact likely to occur.

A phase 1 environmental site assessment has been undertaken and concluded that there is the potential for minor on-site contamination and recommended that a phase 2 assessment be undertaken. All of the potential contaminates identified can be easily remediated and will not prevent development as proposed.

A flora and fauna assessment has been undertaken across the site. Almost all of the proposed development precinct is cleared of timber with the exception of a few scattered trees. The proposed development will be designed to:

- Protect important ecological attributes and areas;
- Maintain existing wildlife corridors;
- Ensure water quality is maintained and improved;

Following rezoning 533 hectares, including Ellalong Lagoon, parts of the Congewai floodplain and wooded area south of the lagoon, will be dedicated to the State Government.

A preliminary Bushfire Threat Assessment has been carried out and considers the relevant bushfire hazard and associated potential threats. The proposed development will be designed to ensure compliance with the Rural Fires and Environmental Assessment Legislation Amendment Act 2002.

Conclusion

The Sanctuary Villages Project is an exciting opportunity to fulfil the sites development potential as well as ensure long term protection and management of the sensitive surrounding environment.

Detailed environmental studies have been undertaken over the site and Hardie Holdings have an in depth appreciation for the sites capabilities and constraints. The various social, economic and environmental issues will be incorporated into a concept plan that will create a vision for the project and provide certainty for the public, the Government and the developer.

The development is a logical extension of the existing villages of Paxton and Millfield that will create an urban structure that will build upon the local traditions of the rural villages and maintain their separate identities. These villages have suffered from a long term decline in services and the social fabric within has been significantly impacted. This project will firstly provide an economic stimulus to the local economy and will shortly be followed by social benefits by creating a critical population mass that will help underpin existing community facilities of schools, shops, hotels etc. The commercial precinct will provide local employment opportunities and enable residents to shop locally.

The site is identified within the Lower Hunter Regional Strategy and forms part of the Lower Hunter Offsets Agreement between the Minister for the Environment, the Minister for Planning and Hardie Holdings. The Minister of Planning has been requested to consider this project as one being of State Significance. Due to the size of the project and the immense public benefit gained not only by the development but also the dedication of 533 hectares to the NSW State Government there is sound justification for this project to be declared State Significant and the site declared a State Significant site in Schedule 3 of the EP&A Act 1979. 1973



























