

26 February 2007

Mr Michael File  
Team Leader Strategic Assessment  
NSW Government Department of Planning  
23-33 Bridge Street  
SYDNEY NSW 2000

M File

Map attachments poor.

No legends. Pls get

better ones that clearly

show total site being

sought to be

covered by

SSS & Concept

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Dear Michael

**RE: COAL & ALLIED OPERATIONS PTY LTD GWANDALAN**

**REQUEST FOR THE MINISTER TO AUTHORISE THE PREPARATION OF  
A CONCEPT PLAN FOR THE SUBJECT LAND AND ISSUE DIRECTOR  
GENERAL REQUIREMENTS**

We refer to your letter (Ref S06/00813) and our recent discussions with yourself and other representatives from the Department of Planning and now submit the following details in respect of the proposal to rezone and list the subject land as a State Significant Site (SSS) on Schedule 3 of State Environmental Planning Policy (Major Projects) 2005 (SEPP MP) to facilitate the development of Gwandalan.

This letter is also to formally request the Minister's authorisation to submit a Concept Plan for Gwandalan pursuant to section 75E, Part 3A of the *Environmental Planning and Assessment Act 1979* (the Act).

We also seek the Director General's environmental assessment requirements (DGRs) for the site pursuant to Section 75F of the Act.

### The Site

The subject site is owned by Coal & Allied Operations Pty Ltd (Coal & Allied) at Gwandalan and is legally described as follows (see attached Cadastre Plan):

- Lot 2 DP 1043151
- Lot 57 DP 755266

The Gwandalan site is approximately 272 ha in area, and includes all the land owned by Coal & Allied located east of Kanangra Road. The proposed Concept Plan will apply to Gwandalan.

It is important to note that land owned by Coal & Allied at Catherine Hill Bay and Nords Wharf were included in similar, separate applications that were submitted to the Department of Planning (DOP) on 22 December 2006 and ### February 2007.

The site is zoned 5(a) Special Uses Power Station (60%), 7(b) Scenic Protection (30%) and 7(g) Wetlands Management (10%) pursuant to the Wyong LEP 1991. The land is located in the Wyong Council local government area.

## **Background**

The site is the subject of a Memorandum of Understanding (MOU) with the NSW State Government which identifies 80ha of developable land with a maximum yield of 700 lots to be subdivided. While the infrastructure and asset protection zones may extend slightly to the south of the 80 ha development site shown in the MOU, it will be offset by Coal & Allied providing a larger setback from the high water mark of Crangan Bay, Lake Macquarie in the interests of public access to the waterfront and preservation of a foreshore reserve and SEPP 14 wetlands, as well as the provision of a landscaped buffer zone adjacent to Kanangra Drive. The balance of the site (192ha) will be dedicated to the NSW State Government (NSWG) for conservation purposes.

The MOU also encompasses four other sites in the Lower Hunter and adjacent region which will be the subject of separate applications to the Department.

Coal & Allied have identified the areas suitable for development and for conservation using GIS data, vegetation mapping, regional context analysis, site inspections and preliminary ground truthing.

The land identified for conservation has regional ecological value that provides substantial areas of contiguous vegetation providing an important component of the north/south and east/west conservation corridor link, contiguous with the State Recreation Area and Mummurah Reserve to the east.

The land identified for development is located in areas which are less physically constrained and is located south of the existing township at Gwandalan. Land to the west of Kanangra Drive and to the south of the site has been excluded from development as it falls within the north-south or east-west conservation corridor links and includes a SEPP 14 coastal wetland.

The land that is the subject of this application was owned by Coal & Allied for many years for coal mining and is now surplus to its core business needs. The lease for underground and surface mining for the site has been relinquished by Coal & Allied.

The land owned by Coal & Allied will, when developed and or dedicated to NSWG, provide valuable social, economic and environmental outcomes for the Region as identified in the draft Lower Hunter Regional Conservation Plan released in October 2006.

Gwandalan must be considered in a regional context rather than a single site consistent with the terms of the MOU. The overall Coal & Allied land package in the Lower Hunter will achieve sustainable conservation outcomes, with 80% of the Coal & Allied landholdings to be dedicated to NSWG for environment protection. Gwandalan forms an important part of this environmental land offset package.

The proposed development and conservation lands meet the requirements of the Lower Hunter Regional Strategy and the Draft Regional Conservation Plan issued by the Department of Environment and Conservation.

All of the above considerations meet the criteria for a State Significant Site.

### **Project Cost**

The project proposed will be a maximum of 700 dwellings with site infrastructure to accommodate all necessary services. Total development costs are anticipated to exceed \$120 million.

### **Relevant Planning Requirements**

The following planning instruments and strategies are the most relevant to the future development of the 80 Ha of land at Gwandalan:

- Lower Hunter Regional Strategy
- SEPP Major Projects
- NSW Coastal Policy
- SEPP 71 - Coastal Protection
- SEPP 44 - Koala Habitat Protection
- SEPP 1 Development Standards
- SEPP 4 Development without Consent
- SEPP 6 Number of Storeys in a Building
- SEPP 11 Traffic Generating Developments
- SEPP 14 Coastal Wetlands
- SEPP 55 Remediation of Land
- SEPP 64 Advertising and Signage
- SEPP Building Sustainability Index
- Shaping the Central Coast – Planning Strategy (2000)

### **Stakeholder Consultation**

Over the past 12 months Coal & Allied has undertaken extensive consultation with the Department of Planning (DOP) and Department of Environment and Conservation (DEC) relative to its surplus land holdings in the Lower Hunter. Gwandalan forms part of that total land holding. Negotiations with the Minister for Planning, DOP, and DEC together with the results of the GIS constraints mapping has resulted in the 80ha being identified as being suitable for residential development. The developable and conservation land is shown in the attached aerial photography and plans.

### **Community Consultation**

A meeting was convened with the Gwandalan/Summerland Point Precinct Committee on 11 December 2006. Precinct Committee members, local residents, Wyong Council representatives and a local councillor attended. At this meeting C&A briefed the community on the planning processes and that approval for the development will be sought through Part 3A of the Act, and that a planning agreement was being developed between C&A and NSW to formalise the MOU. Issues raised at this meeting include:

- The consultation process.
- Building along the foreshore.
- Development constraints and future uses.

Further community consultation meetings are proposed during the first half of 2007.

### **Concept Plan Outline**

It is anticipated that Coal & Allied will submit a Preliminary Structure Plan to assist the DOP by the end of February 2007 prior to receipt of the Minister's authorisation. Possible planning principles for the site are outlined below. While these principles are not 'Concept Plan' proposals, they illustrate the broad intentions for the site and will only be the starting point for future environmental analysis and master planning to inform the future Concept Plan proposal. They involve:

- Dedication of conservation land. Provision of 192ha of land including waterfront, bushland, etc as 'conservation lands' as an extension of the existing north-south and east-west conservation corridors contiguous with the State Recreation Park and Mummorah State Forest.
- Maintain a green buffer along Kanangra Drive.
- Protection of SEPP 14 coastal wetland.
- Protection of sensitive lake foreshore area, endangered ecological communities and areas of aboriginal cultural significance by limiting development along the lake foreshore.
- Provide parkland and public access along the foreshore.
- Engage the community. Major concerns of the community will be considered when considering the conceptual layouts capable of generating the agreed lot yields consistent with the MOU.

The concept design will propose a series of principles for maintaining and enhancing the natural bushland setting of Gwandalan. Proposed new development is separated from the existing township at Gwandalan by a generous vegetated buffer zone. The character of new housing will respect the scale and setbacks of development existing at Gwandalan along the foreshore of Lake Macquarie. Vegetation along the ridge to the west is to be retained to maintain a vegetation corridor along Kanangra Drive.

A new public park is proposed along the foreshore. This will allow public access to the foreshore and will also protect the foreshore of Lake Macquarie that may be of Aboriginal cultural significance.

A high proportion of the proposed lots will have desirable aspects to parks and bushland while some special lots will have views over Lake Macquarie.

The residential lot yield for the site will depend on the outcome of more detailed environmental assessment studies which will be commissioned immediately the DGRs are issued. The maximum yield for the site will be 700 lots.

In general, riparian zone and tributaries will be protected by managing surface water through a series of swales located within the streets and open spaces across the sites. The creek system will be integrated into the public open space network and will significantly contribute to its character and setting.

Servicing the development will be considered from two differing perspectives. Firstly the provision of full, or at least partial, sustainability to address water, sewer, recycled water and power. Secondly, the provision of infrastructure to provide full servicing of residential lots.

### **State & Regional Significance**

The Minister of Planning has agreed to consider listing the site under Schedule 3 of the SEPP, subject to consideration of various matters listed in your letter (Ref S06/00813). These matters will be addressed in a formal submission which will be lodged with DOP concurrently with the Concept Plan.

The protection and management of corridors is a key focus of the Lower Hunter Strategy and the companion Draft Regional Conservation Plan. The Gwandalan site has been recognised for its State and Regional significance based on its inclusion in the Lower Hunter Regional Strategy for development and conservation with the conservation land to be dedicated to NSWG to complete important conservation corridors included in the Draft Regional Conservation Plan.

The western and southern part of the site is to be protected and dedicated to NSWG. The proposed dedication of a substantial percentage (71%) of the Gwandalan site owned by Coal & Allied to the NSW Government for conservation provides a significant contribution to the creation of north south and east west conservation corridors contiguous with Lake Macquarie State Recreation Area.

All of the above considerations meet the criteria for a State Significant Site.

### **The Suitability of the Site**

The site is identified in the LHRS for urban development. The proposed development and conservation lands meet the requirements of the Lower Hunter Regional Strategy and the Draft Regional Conservation Plan issued by the Department of Environment and Conservation.

The land identified for future residential development is considered to be an acceptable extension of the existing township at Gwandalan. The site is in close proximity to an existing range of services and facilities at Summerland Point and Gwandalan, including shops, schools, sporting and recreation facilities. Regional Shopping Centres are located at Lake Haven and Swansea.

This land identified for development is less physically constrained in terms of topography. It is noted that 21.5ha of an endangered ecological community occurs within the site (Riparian Melaleuca Swamp Woodland). This EEC will be reserved within C&A land set aside for conservation within the southern lands as per the MOU and LHRS. The EECs occurring within the development site are restricted to the north-eastern corner and in the southern central part of the site in association with drainage lines flowing down towards Lake Macquarie in the east. They are on the fringe of the endangered ecological communities, which are located on land that is to

be dedicated to NSWG as 'conservation land' and to which the biodiversity offset arrangements in the MOU would apply.

Preliminary constraints analysis indicates that Gwandalan will easily permit the provision of a range of dwelling houses, which would contribute to achieving the LHRS dwelling targets. Safe access is available along Kanangra Drive via the Pacific Highway.

### **Recommended Zonings and Development Controls**

With regard to the proposed land use zones, the proposed zones have been based upon the Department's recently gazetted LEP Template. It is proposed that the zoning for the developable land will be "R1 - General Residential Zone" with restrictions/constraints/design requirements to allow the establishment of a coastal village development. The land to be dedicated to the NSWG will most likely be zoned "E1 - National Parks and Nature Reserves". This will be subject to the outcomes of the Concept Planning process.

### **Section 94 Contributions**

As discussed, Coal & Allied will investigate two separate options in respect of the perceived necessary infrastructure, these being:

- Consideration of total or partial sustainability in respect of water, sewerage, power.
- Contributing to the provision of all on site infrastructure required by this development.

It is considered that either option together with the significant contribution of conservation land should more than satisfy Section 94 contributions and developer agreement requirements that would normally be considered as part of a development approval.

### **Conclusion**

The above and attached information together with documents previously provided to DOP, provides preliminary information to enable the Minister for Planning to authorise the preparation of a Concept Plan for the land owned by Coal & Allied at Gwandalan and issue the Director General Requirements.

The Gwandalan land forms part of the land included for consideration by the NSW Government in a MOU which proposes 80% of Coal & Allied land holdings in the Lower Hunter be dedicated to the State for conservation and the balance be zoned for development.

The total development area of Gwandalan (80 ha) represents 29% of the total Coal & Allied land holdings east of Kanangra Drive. The balance of remaining land (71%) being dedicated for inclusion in the north-south and east-west conservation corridors, contiguous with Lake Macquarie State Recreation Area. This is a significant

contribution by Coal & Allied and a significant opportunity for the Government to secure valuable conservation corridor links in public ownership for future generations.

The site is considered to meet the criteria for a State Significant Site both as an individual parcel and as an integral part of the overall Coal & Allied land package that will achieve substantial conservation outcomes through land dedication as set out in the MOU between Coal & Allied and the NSW State Government.

The site displays the following criteria:

- The total development cost will exceed \$120 million.
- The site is of regional importance with the dedication of 192 ha of conservation land to include as a significant part of the important north-south and east-west green corridors, which provides a natural break between the Central Coast and the Lower Hunter. This environmental gain is a once in a generation opportunity that will provide an enduring legacy for the community.
- Alternative planning consent arrangements are necessary because the Gwandalan land also forms an important part of an environmental land offset package for the Lower Hunter by Coal & Allied which spans four local government areas. Four separate consent arrangements are unlikely to enable an appropriate conservation and land use framework to be achieved in a timely, effective and efficient manner.
- Protection of sensitive lake foreshore areas, including SEPP 14 coastal wetlands.
- Protection of riparian zones and waterways.
- Protection of aboriginal cultural heritage.
- Provision of housing to help achieve the Lower Hunter Strategy dwelling targets to cater for the predicted population growth for the Region over the next 25 years.

In summary, the listing of the site on Schedule 3 of SEPP MP will facilitate the orderly use, development and conservation of a regionally important site of environmental and social significance to the state.

We trust the information contained in this letter is sufficient to secure early authorisation to proceed with the preparation of a Concept Plan and rezone and list the subject land as a State Significant Site. Please do not hesitate to contact either Keith Dedden (0400 702 579) [keith.dedden@rtca.riotinto.com.au](mailto:keith.dedden@rtca.riotinto.com.au) or Scott Frazer (9982 9887 or 0418 408 129) or [sfrazer@catylis.com](mailto:sfrazer@catylis.com) if you require any further information.

Yours sincerely



Keith Dedden  
Project Director – Land Development









C & A Developable Area  
Cadastral NSW

# GWANDALAN - FINAL DEVELOPMENT AREA



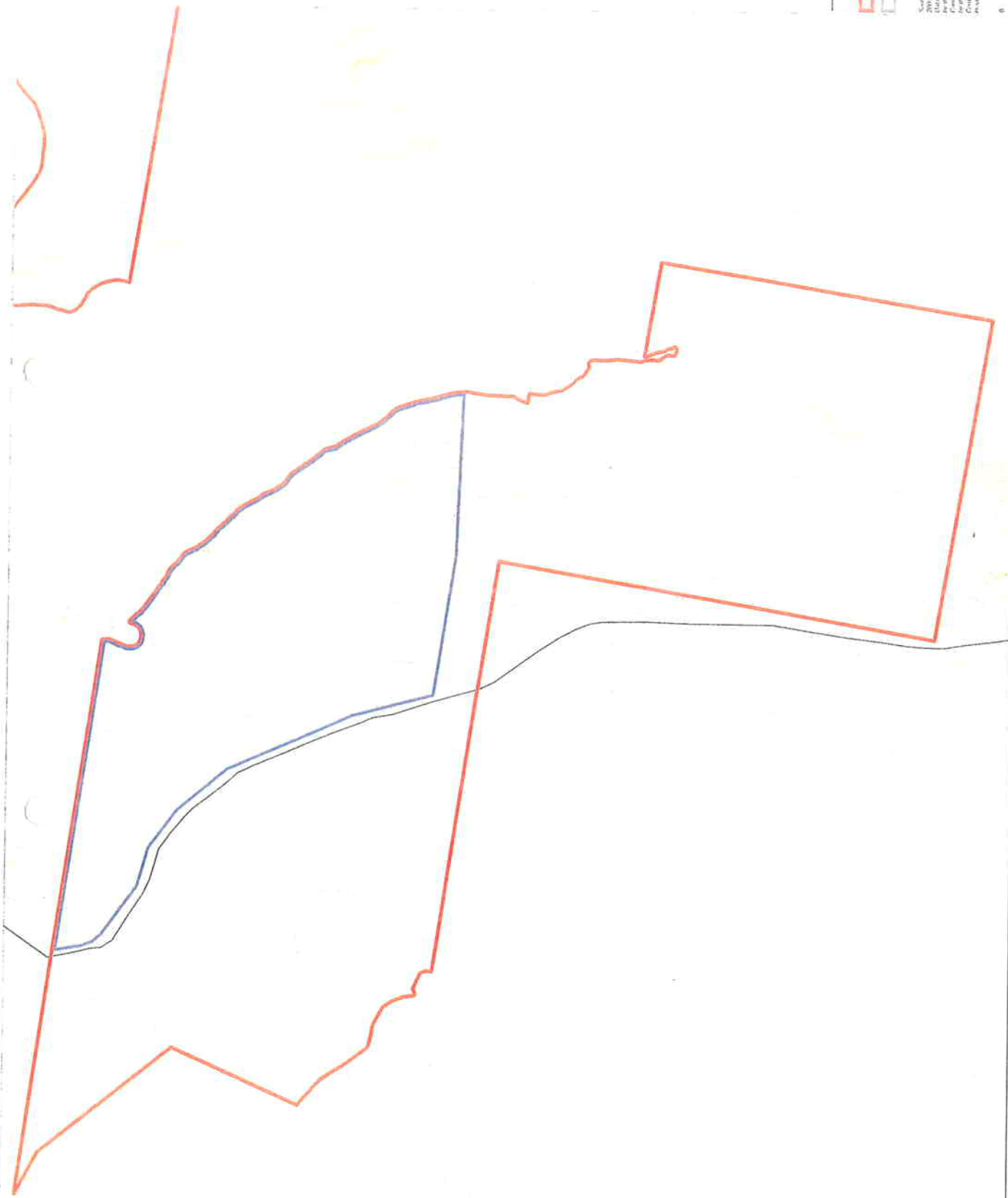
urbis JHD



-  Site Boundary
-  Parcel Boundary
-  Local Government Area Boundary
-  Rail Station
-  Railway
-  Main Road

Source: StreetPro © MapInfo Australia Pty Ltd 2004. All rights reserved. Census Digital Statistical Boundaries Data supplied by the ABS (intellectual property rights owner, the Commonwealth of Australia as represented by the ABS)  
 Produced by: Urbis/JHD Pty Ltd  
 Client: Rio Tinto Coal & Allied





- Main Road
- 2m contour
- Gwandalan Site Boundary  
Approx. Area: 272ha
- Developable Area: 80ha

Notes: Gwandalan is located in the Gwandalan Suburb, 14 km north of the town of Gwandalan, in the Gwandalan Local Government Area (LGA). The site is situated on the eastern side of the Gwandalan LGA, adjacent to the main road. The site is bounded to the north by the Gwandalan LGA boundary, to the south by the main road, to the east by the Gwandalan LGA boundary, and to the west by the Gwandalan LGA boundary. The site is situated on a 2m contour line. The site is situated on a 2m contour line. The site is situated on a 2m contour line.



# Gwandalan - Contours & Developable Areas

- Highway/Highway
- Coal & Allied Lands
- Existing Urban Area
- C-1-A Conservation Area
- C-2-A Developable Area



0 0.2 0.4 0.6 Kilometers

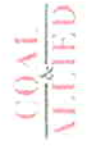
SOUTHERN AREA - PROPOSED DEVELOPMENT & CONSERVATION AREAS





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Gwandalan  
Preliminary Structure Plan  
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