

The Hon Frank Sartor, MP
Minister for Planning
Level 31, Governor Macquarie Tower,
1 Farrer Place,
SYDNEY NSW 2000

13 June 2007

Dear Minister,

Re: Land at Potts Hill, Bankstown LGA – Requesting declaration of subject land as a State Significant Site under the Environmental Planning & Assessment Act 1979, inclusion of the site and planning provisions in Schedule 3 of State Environmental Planning Policy (Major Projects) 2005, and authorisation to submit a Concept Plan Application under Part 3A of the Environmental Planning & Assessment Act 1979

We write to request the following in respect of the subject land within and adjacent to the Potts Hill Reservoir site:

1. Its declaration as a State Significant Site under Section 75B(1) of the Environmental Planning & Assessment (EP&A) Act 1979;
2. Its inclusion in Schedule 3 of State Environmental Planning Policy (Major Projects) 2005; and
3. Authorisation to submit a Concept Plan Application under Part 3A of the EP&A Act.

The proposals for the land include a number of activities which we believe meet the criteria for State and Regional significance, including critical infrastructure. In addition, the residential redevelopment and employment (commercial) proposals meet the capital investment value criterion for the relevant class of development listed in Schedule 1 of SEPP (Major Projects) 2005.

1. THE SITES

The sites and their location are shown on **Figure 1** and **Figure 2**. The Reservoir site is 126 hectares; the additional adjacent parcel is around 0.75 hectares.

Both sites are zoned Special Uses (Sydney Water) under Bankstown LEP 2001 (see **Figure 3**, current zoning plan), which only allows uses for Sydney Water purposes.

Around 40 hectares of the Reservoir site and the smaller nearby site have been identified by Sydney Water to be surplus to its needs (see **Figure 4**, Surplus Land plan). Landcom has been engaged by Sydney Water as development manager for this surplus land. The remaining (non-surplus) land will be retained by Sydney Water for on-going operational purposes related to water storage and distribution.



Level 2, 330 Church Street
Parramatta NSW 2150
PO Box 237 Parramatta NSW 2124
DX 28448 Parramatta
ABN 79 268 260 688
Telephone 61 2 9841 8600
Facsimile 61 2 9841 8688
enquiry@landcom.nsw.gov.au

Sydney Water has advised that a previous proposal for a water recycling plant to be located in the north-western corner of the Potts Hill site (immediately west of a covered canal that connects to the main Reservoir) is unlikely to proceed, and that this part of the site is confirmed as surplus to operational need.

2. INVESTIGATIONS AND DEVELOPMENT POTENTIAL

Preliminary investigations of the sites have addressed heritage, ecological, environmental (soil contamination), geotechnical, traffic, social, and servicing/utility implications.

These investigations suggest a combination of residential and open space on the western side of the Reservoir site, and employment on the eastern portion of the site. The smaller site is suitable for residential development.

The residential areas have the capacity for around 300 dwellings, in the form of low to medium density housing, including a possible component of senior's housing.

The employment land is capable of accommodating a range of uses, including a new Sydney Water Field Headquarters, other government services and key utility infrastructure, and in total is estimated to have the capacity for up to 700 employees.

Landcom will be investigating the opportunity for innovative water and energy conservation and management measures, given the involvement of the two state agencies charged with the responsibility for the management of these resources.

A preliminary development concept is illustrated at **Figure 5**.

3. AGENCY CONSULTATION

Informal confidential discussions and briefings have been held with Councillors and senior officers of Bankstown City Council. In addition, Council staff have been involved in a number of site visits and a workshop with Landcom and Sydney Water on the planning for the Potts Hill land since 2006. No formal applications or requests for rezoning have been made to the Council, and as a consequence there are no formal Council minutes or correspondence relating to this proposal.

In addition a preliminary application has been made to the Heritage Council to revise the boundary of the State Heritage Register (SHR) for the main Reservoir site, and to seek approval in principle for use of a disused reservoir for the storage of inert fill from the site (June 2006). These issues were dealt with at Heritage Council meetings (August, 2006, October 2006, and February, 2007) to which Landcom and Sydney Water staff and specialist consultants made presentations.

Heritage Office staff and Heritage Council members were also taken in a tour of the Potts Hill land on 23 August, 2006.

Discussions have also been held with the former Department of Environment and Conservation on a biodiversity certification proposal for the main Reservoir site.

4. RATIONALE FOR STATE AND REGIONAL SIGNIFICANCE AND CONSIDERATION UNDER PART 3A

The potential employment-related uses within the eastern part of the Reservoir site include key Government and utility functions that are important to metropolitan Sydney.

The importance of these facilities for the delivery of public services and facilities to the Region and the State demonstrate their State and Regional Significance.

In total the employment land will accommodate up to 700 workers, which represents a significant new economic opportunity for the Bankstown area.

The residential component of the proposal which comprises infrastructure and residential construction has a capital investment value of around \$108 million.

The eastern employment area has a capital investment value of \$103 million for buildings, utilities and development infrastructure.

These components meet the criteria to be considered a "Residential, commercial or retail project" under Group 5 of Schedule 1 to the SEPP. A copy of a Quantity Surveyor's report is attached.

The estimated capital investment value of the overall project (that qualifying under the Major Projects SEPP and the components of State Significance) is \$211 Million, comprising the following:

Development	Capital Investment Value
Government Facilities and employment land infrastructure	\$78 Million
Critical infrastructure/ utility services	\$25 Million
Residential development including infrastructure	\$108 Million
TOTAL	\$211 Million

5. ASSESSMENT AGAINST CRITERIA FOR CONSIDERATION AS A STATE SIGNIFICANT SITE

The Guidelines for State Significant Sites under the Major Projects SEPP issued by the Department of Planning include 4 criteria outlined below. Each of these criteria is addressed for the Potts Hill site.

(a) Regional or State significance – strategic location; importance to industry sector; employment, infrastructure, service delivery or significance in achieving Government Policy objectives

The proposal will make a significant contribution to housing and jobs in the local community, and as a consequence assist with the achievement of the objectives of the Metropolitan Strategy for Sydney:

- The residential component of the proposal is expected to yield around 300 dwellings. Given its proximity to Birrong Rail Station it has the potential to accommodate a mix of housing forms, including single dwellings, attached dwellings, terrace-style houses and low-rise apartments for a range of household types including seniors. At completion the residential area could add a further 1,000 people to the local community in Birrong.
- The combined employment outcomes from the new SWC and other government facilities will result in up to 700 jobs on the Potts Hill site. Any residual land for employment following the allocation for these uses will further bolster the employment outcomes. This will be a significant employment boost for Bankstown.

The proposal includes a number of components which will contribute to improved infrastructure and service delivery:

- Implementation of a significant new electricity switching station which will supply electricity to one sixth of the Sydney metropolitan area. It is considered that it is critical infrastructure for Sydney.
- Additional improvements to the water supply management system from the returns to Sydney Water from the redevelopment and sale of the surplus land at Potts Hill.
- Modern accommodation for government uses to assist with the delivery of key public services to the residents of NSW.

(b) Conservation or natural resource importance – achieve State or regional objectives

The proposals incorporate an environmental package that would not be delivered in the absence of the disposal and redevelopment of the surplus land. The environmental package includes rehabilitation and management of areas of vegetation communities and species classified as having high conservation value for the Sydney Region.

The environmental strategy for the Potts Hill site will also assist Bankstown Council in achieving an important piece of its LGA-wide Biodiversity Strategy.

(c) Regional or state importance for amenity, cultural, heritage or historical significance - achieve State or regional objectives

The existing Potts Hill Reservoirs site is on the State Heritage Register (SHR). The Conservation Management Plan (CMP) (SWC, 2005) endorsed by the Heritage Office flags the reduction in the SHR boundary to enable the disposal of non-core areas of the site not needed for SWC operations. The surplus land at Potts Hill does not include any items of heritage significance.

The redevelopment of the surplus land will respect the heritage values of the land to be retained by Sydney Water. The retained land will continue to be governed by the strategy outlined in the endorsed CMP.

A copy of the 2005 CMP is attached to this letter.

(d) Need for alternative planning or consent arrangements

While Council officers are generally supportive of the concepts of employment and residential outcomes for the redevelopment of surplus land at Potts Hill, the likely timeframe for rezoning and subsequent development approvals are not considered capable of meeting the Government's commitments to the relocation of key government facilities, especially given the lead time for construction of new employment premises.

In this respect a streamlined rezoning process is considered essential.

6. ASSESSMENT AGAINST CRITERIA FOR CONSIDERATION UNDER CLAUSE 13 OF SCHEDULE 1 OF MAJOR PROJECTS SEPP

The Guidelines for Major Projects issued by the Department of Planning include 5 criteria outlined below. Each of these criteria is addressed for the Potts Hill site. Given the similarity to the 4 criteria for State Significant Site status at Item 5 above, there is considerable overlap in the responses to these sets of criteria.

(a) Local impediments to urban renewal

The relocation of Government facilities is required by 2010 to deliver on a variety of Government commitments. Construction at Potts Hill will need to commence no later than early 2009 for this relocation timetable to be met.

The Potts Hill site needs to be rezoned from its current 5. Special Uses - Sydney Water zone to allow for the development of additional government and utility services and facilities. Rezoning is also required for the utility uses and proposed residential development, and is preferred by Sydney Water for the SWC Facility.

Under normal local planning and rezoning processes it could be expected that rezoning of the site could not be secured until 2009, leaving insufficient time for construction to meet the Government's commitments.

In view of the integrated approach to the planning of the surplus land at the Potts Hill Reservoirs site to date, rezoning of the entire surplus land through Part 3A and the Major Projects SEPP is considered to be the only appropriate path.

(b) Facilitate housing or job growth

The proposals will make a significant contribution to housing and jobs in the local community, and as a consequence assist with the achievement of the objectives of the Metropolitan Strategy for Sydney:

- The residential component of the proposal is expected to yield around 300 dwellings. Given its proximity to Birrong Rail Station it has the potential to accommodate a mix of housing forms, including single dwellings, attached dwellings, terrace-style houses and low-rise apartments for a range of household types including seniors. At completion the residential area could add a further 1000 people to the local community in Birrong.
- The combined employment outcomes will result in up to 700 jobs on the Potts Hill site. Any residual land for employment following the allocation for these uses will further bolster the employment outcomes. This will be a significant employment boost for Bankstown.

The site is located within the Bankstown LGA which is part of the central Western Sub-Region of Sydney. Under the Metropolitan Strategy for Sydney the Central Western Sub-region has a target of an additional 95,000 dwellings by 2031. The redevelopment of the Potts Hill site will assist with the achievement of this target, in a fashion acceptable to the market, especially since the site is predominantly in a "greenfields" condition.

(c) Transport accessibility

Potts Hill is in close proximity to established rail and bus services. Birrong Station is within 5 minutes walk of the residential area, and about 20 minutes walk of the employment area. Bus services traverse the suburb of Birrong.

The redevelopment of the land will be able to take advantage of existing public transport infrastructure, and support current levels of service.

(d) Improved infrastructure

The proposals include a number of components (including critical infrastructure) which will contribute to improved infrastructure within Sydney:

- Implementation of a significant new electricity sub-station, which will supply electricity to one sixth of the Sydney metropolitan area
- Additional improvements to the water supply management system from the returns to Sydney Water from the redevelopment and sale of the surplus land at Potts Hill

(e) Environmental sensitivity

The proposals incorporate an environmental package that would not be delivered in the absence of the disposal and redevelopment of the surplus land. The environmental package includes rehabilitation and management of areas of vegetation communities and species classified as having high conservation value for the Sydney Region.

The environmental strategy for the Potts Hill site will also assist Bankstown Council in achieving an important piece of its LGA-wide Biodiversity Strategy.

(f) Local council issues

Council officers have indicated they are generally supportive of the concepts of employment and residential outcomes for the redevelopment of surplus land at Potts Hill. However the likely timeframe for rezoning and subsequent development approvals are not considered capable of meeting the Government's commitments on the relocation of key Government services, especially given the lead time for construction of new premises. In this respect a streamlined rezoning process is considered essential.

7. APPROVALS TO BE SOUGHT THROUGH THE PART 3A PROCESS

The following planning activities and approvals will need to be addressed through the Part 3A application process:

- Site rezoning from Special Uses (Sydney Water) to a combination of employment, residential and open space, along with relevant planning provisions. This requires the sites to be included in Schedule 3 of the Major Projects SEPP;
- Revision of the State Heritage Register curtilage for the site;
- Concept plan application for the Sydney Water facilities, additional government services, and utilities, and infrastructure and earthworks in preparation for the proposed residential area;
- Approval for the use of Reservoir 1, decommissioned in 2000, for the storage of inert fill;
- Biodiversity certification;
- Possible project applications for employment facilities; and

- Possible project applications for infrastructure, remediation, subdivision, roads and utilities, subject to further consideration.

8. PLANNING STUDY (STATE SIGNIFICANT SITES), DETAILED ENVIRONMENTAL ASSESSMENT AND DEVELOPMENT GUIDELINES

To assist with consideration of the development proposals for the Potts Hill land as matters of State or Regional planning significance and consideration of the sites for inclusion in Schedule 3 of the Major Projects SEPP, we seek confirmation that a planning study will be required, and that appropriate development controls will need to be prepared.

Following a declaration under Section 75B(1), and authorisation to submit a concept plan application under Part 3A of the Act, all the necessary environmental investigations identified by the Director-General of Planning will be carried out.

Concurrently, suitable development guidelines will be formulated as a framework for redevelopment of the sites.

9. CONCLUSIONS

Significant benefits in the form of coordinated and streamlined planning and development approvals for the Potts Hill sites will flow from the declaration of the Potts Hill sites as a State significant site, and from its consideration under Part 3A of the EP&A Act.

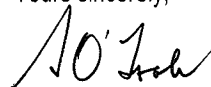
The need for a streamlined process is essential given the tight timeframes to deliver the relocation of government services and Sydney Water accommodation. These benefits are unlikely to occur if rezoning and development approvals are pursued through normal local approvals processes.

On these grounds we therefore request that you:

1. declare the subject land as a State Significant Site under Section 75B(1) of the Environmental Planning & Assessment (EP&A) Act 1979;
2. include the land in Schedule 3 of State Environmental Planning Policy (Major Projects) 2005; and
3. authorise the submission of a Concept Plan Application under Part 3A of the EP&A Act.

Should you require any further information, please contact Nicole Woodrow on 9841 8702.

Yours sincerely,



Sean O'Toole
Managing Director



FIGURE 1 : Locality Plan

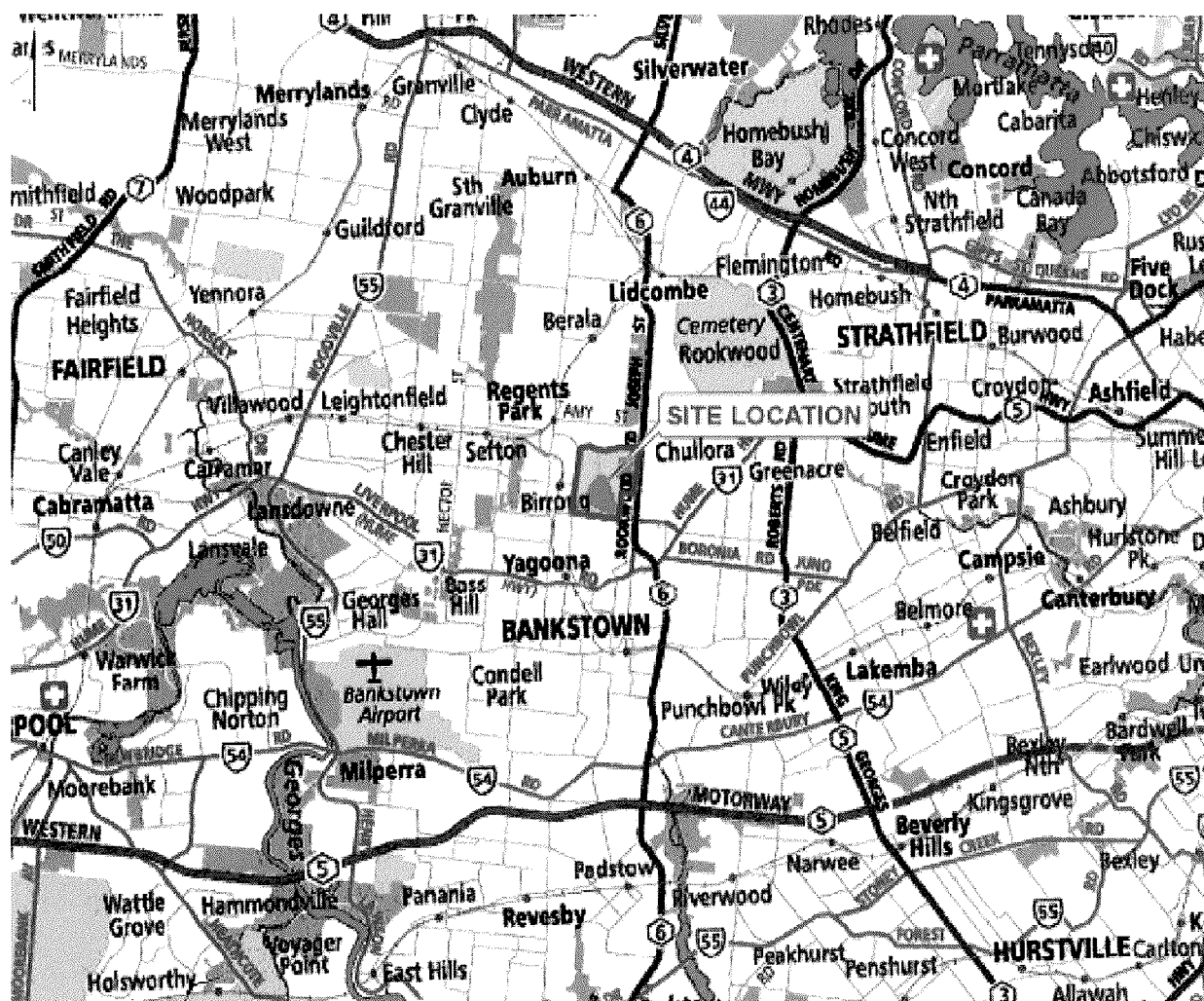


FIGURE 2 : Site Context

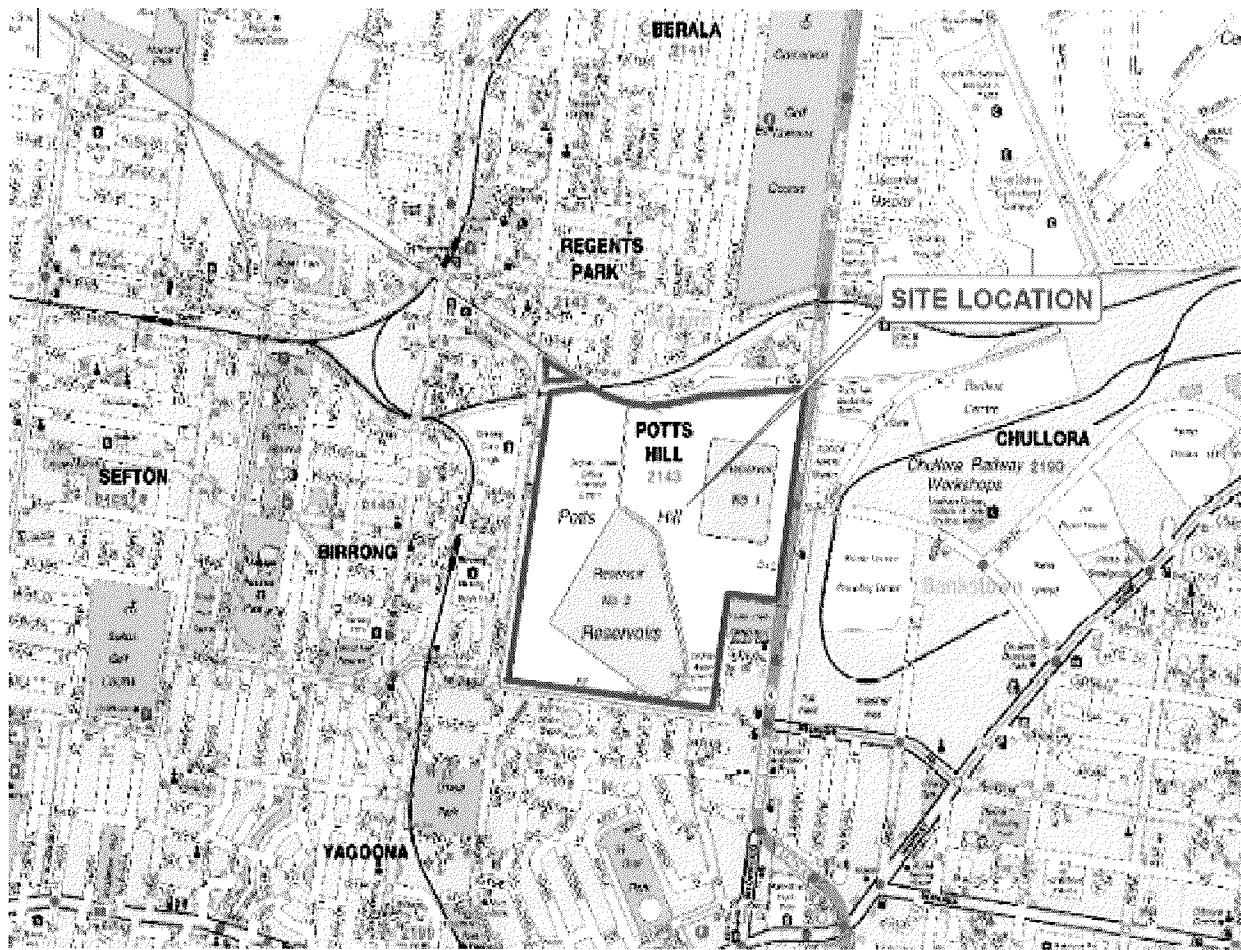
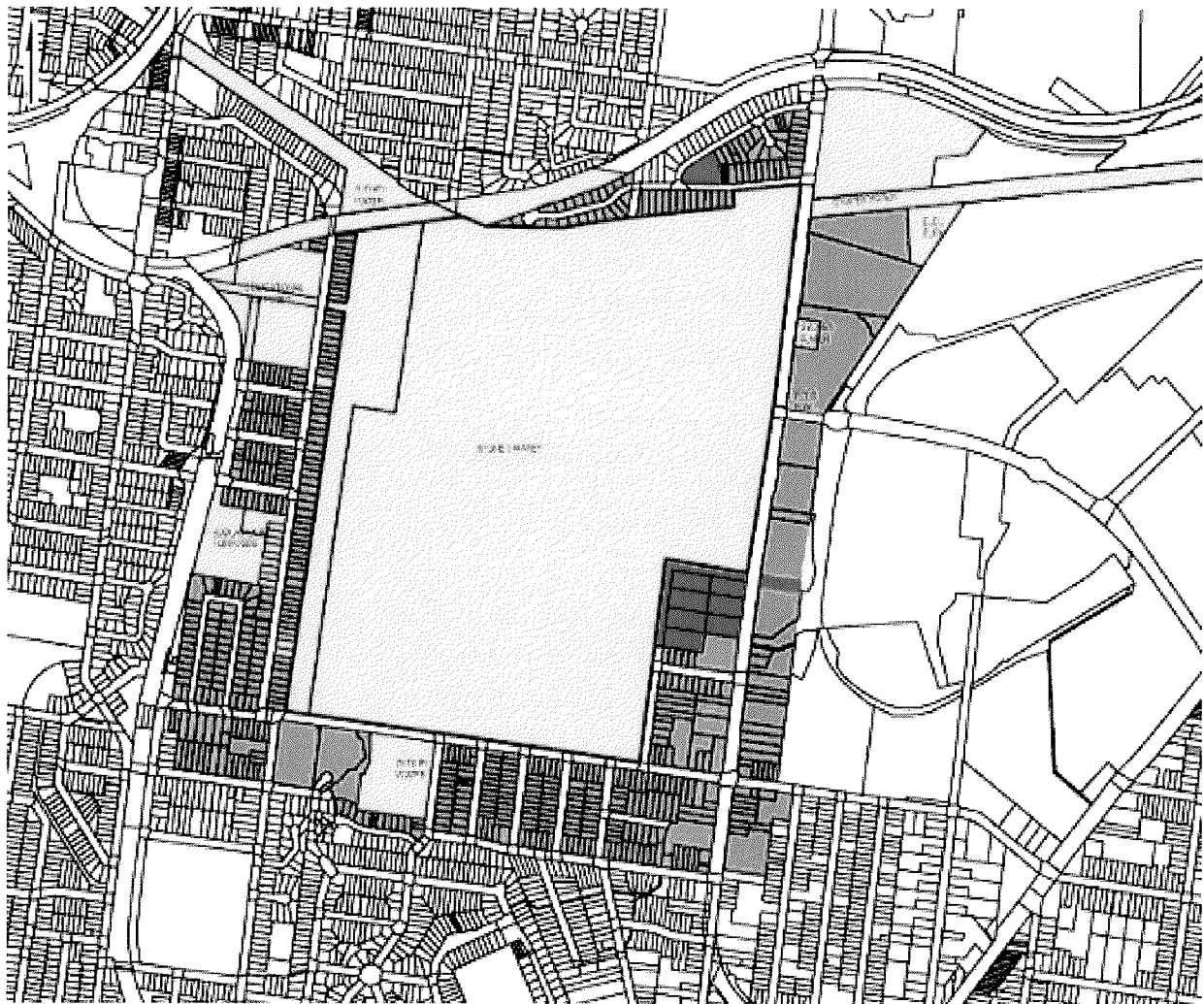


FIGURE 3 : Zoning








-  2(a) RESIDENTIAL
-  5 - SPECIAL USES
-  6(a) OPEN SPACE
-  4(a) GENERAL INDUSTRIAL
-  4(b) LIGHT INDUSTRIAL

FIGURE 4 : Potts Hill Surplus Land Plan



FIGURE 5: Preliminary Development Concept

