

Received

08 MAY 2007

Strategic Assessment

7 May 2007

Mr Michael File and Mr David Gibson
Strategic Assessment
NSW Government Department of Planning
23-33 Bridge Street
SYDNEY NSW 2000

Dear Michael and David

RE: COAL & ALLIED OPERATIONS PTY LTD

REQUEST FOR THE MINISTER TO DECLARE GWANDALAN, NORDS WHARF AND CATHERINE HILL BAY TO BE MAJOR PROJECTS, STATE SIGNIFICANT SITES, AUTHORISE THE PREPARATION OF CONCEPT PLANS FOR THE SUBJECT LANDS AND ISSUE DIRECTOR GENERAL REQUIREMENTS – ADDITIONAL INFORMATION

We refer to your recent request for further information in respect of the Coal and Allied (C&A) owned land at Gwandalan, Nords Wharf and Catherine Hill Bay. As you are aware Coal and Allied have requested the following:

- That the Minister rezone and list the subject land at Gwandalan, Catherine Hill Bay and Nords Wharf as State Significant Sites (SSS) on Schedule 3 of State Environmental Planning Policy (Major Projects) 2005 (SEPP MP) to facilitate the development of each site.
- That the Minister form the opinion that the proposals for Gwandalan, Nords Wharf and Catherine Hill Bay are all Major Projects to which Part 3A of the EP&A Act applies.
- That the Minister's give authorisation to submit separate Concept Plans for Gwandalan, Catherine Hill Bay and Nords Wharf pursuant to section 75M, Part 3A of the *Environmental Planning and Assessment Act 1979* (the Act).
- That Director General's environmental assessment requirements (DGRs) be issued for each of the three sites pursuant to Section 75F of the Act.

The previously supplied letters to the Department of Planning (DOP) provides the preliminary information to enable the Minister for Planning to form the opinion that the proposals for Gwandalan, Catherine Hill Bay and Nords Wharf are all Major Projects, authorise the preparation of a Concept Plan for each site and issue the Director General Requirements (DGRs). Furthermore, the Minister of Planning has already agreed to consider listing the three sites under Schedule 3 of the SEPP, subject to consideration of various matters listed in your letter (Ref S06/00813). Notwithstanding, in response to your recent correspondence further justification on these matters is provided below.

1. State Significant Site (SSS) Listing

In accordance with the Department of Planning's Draft Guidelines for State Significant Sites (SSS Draft Guidelines), a site can be categorised as being of State significance where, in the opinion of the Minister it

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meets *one or more* of a specified list of criteria. It is considered that development of Gwandalan, Nords Wharf and Catherine Hill Bay directly meets criteria (a), (b) and (d).

Criteria (a) of the SSS Draft Guidelines

Criteria (a) of the SSS Draft Guidelines states that a site can be categorised as being of state significance if the Minister considers it to be of regional or state importance because it is in an identified strategic location (in a State or regional strategy), its importance to a particular industry sector, or its employment, infrastructure, service delivery or redevelopment significance in achieving government policy objectives.

The three sites have been recognised for their State and Regional significance based on their inclusion in the Lower Hunter Regional Strategy (LHRS) for urban development and conservation. The land to be rezoned for residential development will provide 1,090 dwellings (300 dwellings at Catherine Hill Bay, 90 dwellings at Nords Wharf and 700 dwellings at Gwandalan) which will help achieve the LHRS dwelling targets to cater for the predicted population growth for the Region over the next 25 years. The conservation land is to be dedicated to NSW Government (NSWG) to provide and enhance vitally important conservation corridors included in the LHRS and Draft Regional Conservation Plan. The securing, protection and management of conservation corridors is a key focus of both the Lower Hunter Strategy and the companion Draft Regional Conservation Plan. The development of the three sites in return for 849ha of conservation land dedication is crucial in achieving the state government's objective of securing major green corridors, most notably the Wallarah Peninsula Corridor.

In finalising the LHRS, the NSW Government reached agreement with four major landholders for the dedication of over 12,000 hectares of land in return for the recognition of additional development potential over 3,280 hectares. Coal and Allied are dedicating 849ha of land at Gwandalan, Nords Wharf and Catherine Hill Bay to the NSWG for conservation, with the balance of this land (139ha) to be zoned for residential development. The significant contribution by C&A land to the conservation land to be dedicated to the NSWG for conservation will help ensure a natural green break between the Central Coast and the Lower Hunter will be retained in perpetuity. This is quite clearly of significant regional and state importance.

The three sites are considered to meet the criteria for a State Significant Site both as individual parcels 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 LHRS, Draft Regional Conservation Plan and Memorandum of Understanding (MOU) between Coal & Allied and the NSW State Government. Furthermore, the future 1,090 dwellings across the three sites will help achieve the state government's objective to cater for the predicted population growth for the Region over the next 25 years.

In our opinion, the three sites clearly satisfy criteria (a) of the SSS Draft Guidelines.

Criteria (b) of the SSS Draft Guidelines

Criteria (b) of the SSS Draft Guidelines states that a site can be categorised as being of state significance if the Minister considers the site to be of regional or state environmental conservation or natural resource importance in achieving State or regional objectives. For example protecting sensitive wetlands or coastal areas.

The three sites must be considered in a regional context as well as individual sites 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 in the Lower Hunter to be dedicated to NSWG for environment protection. The Gwandalan, Nords Wharf and Catherine Hill Bay sites form an important part of this environmental land offset package for the entire region. The three sites are each of significant regional importance with 91.4% of Catherine Hill Bay, 93.4% of Nords Wharf and 70.6% of Gwandalan to be dedicated to the NSWG as conservation land.

As stated, the expansion, management and protection of the Wallarah Peninsula Corridor for conservation and biodiversity is a key focus of the LHRS and the companion draft Regional Conservation Plan. Two major green corridors have been identified running through the Region, namely the Watagan to Stockton Corridor and the Wallarah Peninsula Corridor. These are extensive corridors of land with high environmental value which will be managed for conservation purposes. The corridors align with existing public reserves, some of which will be expanded. Relevantly to the three sites, the Wallarah Peninsula Corridor is to be protected to provide a natural break between the Central Coast and the Lower Hunter.

C&A are dedicating 530ha of Catherine Hill Bay and 127ha of Nords Wharf to the NSWG as 'conservation land' to provide an important component of the Wallarah Peninsula Corridor. The C&A land dedication will clearly help expand and enhance the biodiversity and conservation values of the Wallarah Peninsula Conservation Corridor.

C&A are dedicating 192ha of Gwandalan to the NSWG as 'conservation land'. This land provides a significant contribution to the creation of two major north-south and east-west green corridors contiguous with Lake Macquarie State Recreation Area and Munmorah State Forest.

The 849ha of C&A land that will be dedicated for conservation provides substantial areas of contiguous vegetation, some of which has state ecological value. The dedication of land to NSWG will also ensure this land will be protected from inappropriate development by locking away this land as 'conservation land' in public ownership and perpetuity. The environmental gain from the environmental land offset package is a once in a generation opportunity that will provide an enduring legacy for the community. The substantial dedication of 849ha of conservation land to the NSW Government by Coal and Allied is clearly of state and regional significance.

Importantly the three sites will also result in the protection of:

- Sensitive lake foreshore areas by limiting development along the lake foreshore.
- SEPP 14 coastal wetlands.
- Riparian zones and waterways.

In our opinion, the three sites clearly satisfy criteria (b) of the SSS Draft Guidelines.

Criteria (d) of the SSS Draft Guidelines

Criteria (d) of the SSS Draft Guidelines states that a site can be categorised as being of state significance if the Minister considers that the site needs alternative planning or consent arrangements where:

- added transparency is required because of potential conflicting interests
- more than one local council is likely to be affected.

Alternative planning consent arrangements are necessary because Gwandalan, Nords Wharf and Catherine Hill Bay all form an important part of an overall environmental land offset package for the Lower Hunter by Coal & Allied which includes seven C&A owned sites in the Lower Hunter and spans four local government areas (Wyong, Newcastle, Lake Macquarie and Cessnock Councils). This creates complications given the likely differing views of Council's as to how and whether or not the proposals for each site should proceed. Separate consent arrangements are unlikely to enable an appropriate conservation and land use framework to be achieved in a timely, effective and efficient manner. The sites need to be considered in a regional context rather than a council-by council basis to allow for the coordinated protection of priority areas of biodiversity. This will result in a more targeted conservation action, than an uncoordinated approach to the sites.

It is therefore important that the three sites Gwandalan, Nords Wharf and Catherine Hill Bay are considered in a coordinated manner by NSWG to achieve permanent preservation of the conservation corridors. Given that the three sites span two local government areas (Lake Macquarie and Wyong

Councils), the environmental gains to the community would not be achieved if each site was separately considered by the individual Councils.

In our opinion, the three sites clearly satisfy criteria (d) of the SSS Draft Guidelines.

In summary, the three sites clearly meet the criteria of the SSS Draft Guidelines as outlined above. The listing of the three sites on Schedule 3 of SEPP MP will facilitate the orderly use, development and conservation of regionally important sites of environmental and social significance to the state.

2. Request for Opinion that the Proposals for each site is a Part 3a Major Project

It is requested that that the Minister also form the opinion under Clause 6 of the Major Projects SEPP that the proposals for Gwandalan and Catherine Hill Bay are Major Projects to which Part 3A of the EP&A Act applies (clause 75B(1)(a)). The request is on the basis that both these projects meet the criteria in clause 13(1) – Residential, commercial or retail projects of Schedule 1 of the SEPP. The estimated capital investment value of the proposal for Gwandalan is \$120 million. The estimated capital investment value of the proposal for Catherine Hill Bay is \$60 million.

It is also requested that that the Minister also form the opinion that the proposal for Nords Wharf is a Major Project to which Part 3A of the EP&A Act applies pursuant to clause 75B(1)(b) of the Act. Under section 75B(1)(b) of the Act development may be declared by a Ministerial Order to be a project to which Part 3A applies. The request is on the basis that the Nords Wharf proposal is essential to ensure the delivery of environmental gain. In particular the proposed dedication of 127ha (94%) of the C&A Nords Wharf site to the NSWG as 'conservation lands' provides a significant and important contribution to the vitally important Wallarah Peninsula Corridor as identified in the LHRS and the companion draft Regional Conservation Plan. It will also enable NSWG to develop a coordinated framework to ensure that the overall C&A conservation dedications in the Lower Hunter be achieved in a timely, effective and efficient manner.

As discussed Nords Wharf forms an important part of an environmental land offset package for the Lower Hunter by Coal & Allied which spans four local government areas. Given the complexities of the environmental land offset package and in order for Government to effectively manage and achieve the land transfers, all of the C&A sites need to be considered in a coordinated manner as Major Projects.


For the reasons outlined in the previous section, the proposals for each of the three sites clearly meets the criteria as being of State and regional planning significance.

3. Authorisation of a Concept Plan

As previously requested, C&A request that the Minister authorise the proponent to submit a Concept Plan application for the proposed development of each of the three sites for residential purposes. Given the size and complexity of the three proposals, Concept Plans for each site would enable key site parameters associated with land use, infrastructure delivery and timing, and environmental conservation to be resolved up front, with subsequent detailed precinct stages being submitted for approval as the site develops progressively. It is proposed that the Part 3A Concept Plans for each site will be submitted concurrently with the SSS study for each site and be supported by a single comprehensive Environmental Assessment for each site.

We trust the information contained in this letter is sufficient to secure early authorisation of the sites as Major projects and issue of the DGRs so that C&A can proceed with the preparation of a Concept Plan for each site. Please do not hesitate to contact either Sarah Gray sgray@urbisjhd.com on 8233 9906, Keith Dedden keith.dedden@rtca.riotinto.com.au on 0400 702 579 or Scott Frazer sfrazier@catyilis.com on 0418 408 129 if you require any further information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sarah Gray', with a stylized, cursive script.

Sarah Gray
Senior Planner