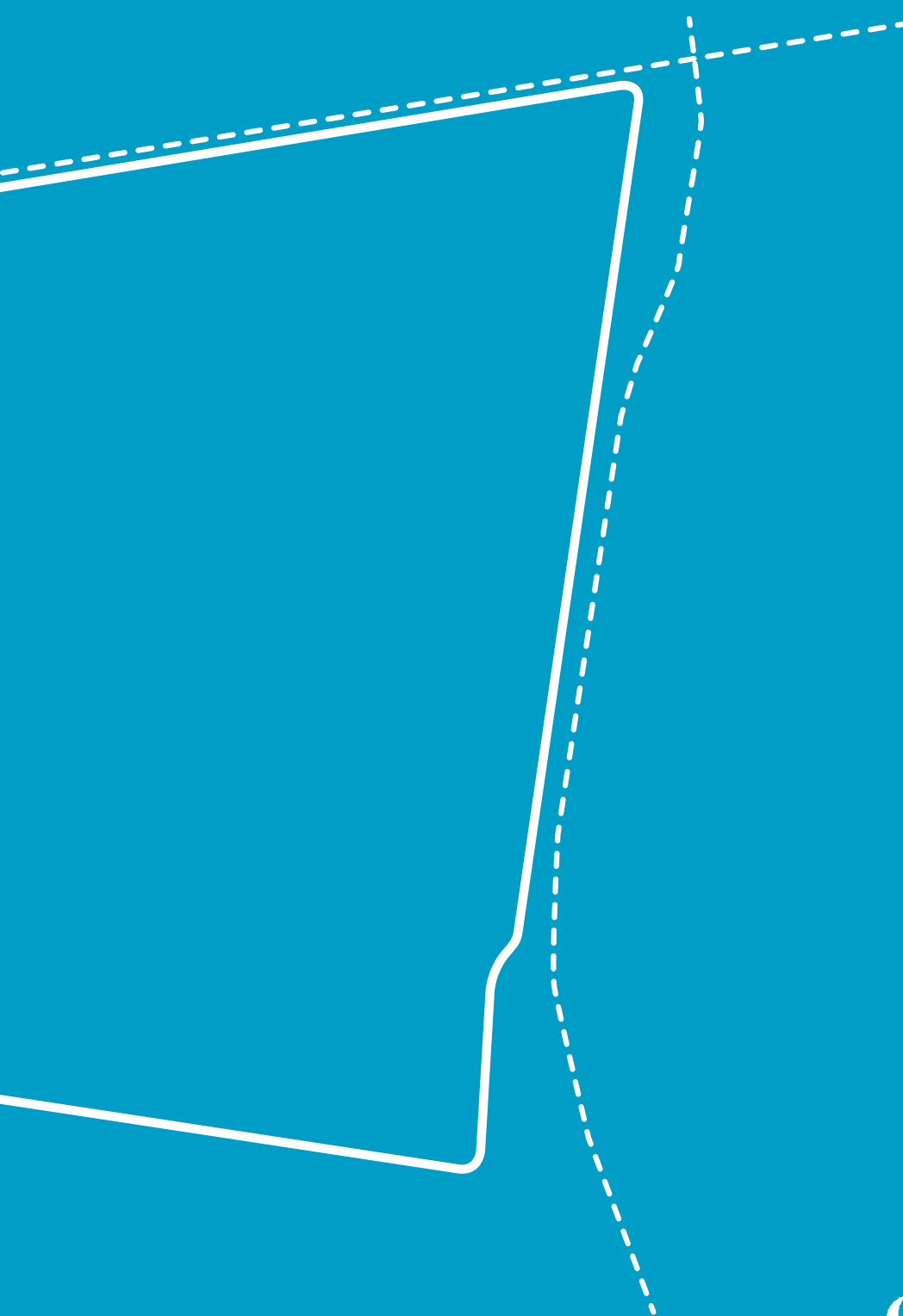


black hill tank paddock &



sss listing

preferred project report

May 2011

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&
ALLIED



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Executive Summary

This report has been prepared in support of an application for listing and rezoning of the Coal & Allied Industries Limited (Coal & Allied) owned Black Hill and Tank Paddock site as a 'State Significant Site' (SSS) in Schedule 3 of State Environmental Planning Policy (Major Development) 2005. The SSS listing proposes to facilitate employment generating development that is not permissible under the existing planning provisions. It has been prepared on behalf of Coal & Allied, the owner of the Black Hill and Tank Paddock site. A draft Schedule 3 listing is attached.

The report details the basis upon which the SSS listing is proposed and includes consideration of:

- The Department of Planning's (DoP's) 'Guideline for State Significant Sites under the 'Major Development SEPP'; and
- The matters listed in the Minister for Planning's correspondence dated 19 August 2010; and
- Clauses 2, 7 and 8 of Major Development SEPP.

A Concept Plan has been separately but concurrently prepared for the Black Hill site and lodged with Department of Planning (DoP). This report should be read in conjunction with the Environmental Assessment that supports the Concept Plan.

Other Coal & Allied sites in the Lower Hunter and Central Coast regions are the subjects of similar but separate Part 3A applications under the EP&A Act to the NSW Department of Planning (DoP). Overall, a draft Voluntary Planning Agreement (VPA) has been prepared between Coal & Allied, the Department of Planning, Department of Environment, Climate Change and Water (DECCW) which provides for the transfer of 2,956 ha (80 per cent) of Coal & Allied land in the Lower Hunter for conservation corridors upon receipt of development rights on 803 ha (20 per cent).

Under the VPA, the Black Hill site will be developed to provide a proposed 183 hectares of employment land, whilst 100% of the Tank Paddock site (147ha) and 398ha of the Stockrington site will be dedicated to NSWG for conservation. This, together with the dedication of conservation land at Stockrington under the Minmi Link Road SSS proposal by Coal & Allied, will make a significant contribution to the Watagan-Stockton green corridor identified in the Lower Hunter Regional Strategy (LHRS) and Lower Hunter Regional Conservation Plan (LHRCP).

The proposed land dedication is a positive conservation step that will protect an important array of vegetation communities, flora and fauna species, and natural landscape assets, including threatened species and endangered ecological communities in the conservation lands. 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 and future generations.

Furthermore, over 800ha of Coal & Allied owned land in the Lower Hunter has been identified for urban and employment development in the LHRS. Importantly, once operational, it is estimated that the Black Hill site will deliver up to 3,000 direct full time equivalent jobs and will support a further 7,600 jobs in the wider economy resulting from multiplier effects. This will help achieve the LHRS employment targets to accommodate a projected 66,000 new jobs in the Region by 2031 and ensure an adequate supply of employment land in the Region.

The Black Hill and Tank Paddock sites are considered to meet the criteria for a State Significant Site set.

1 Request for Listing – Schedule 3 SEPP Major Development

This report has been prepared in support of an application for listing of the Coal & Allied owned Black Hill and Tank Paddock sites as a 'State Significant Site' (SSS) in Schedule 3 of State Environmental Planning Policy (Major Development). It has been prepared on behalf of Coal & Allied in **Appendix A**. A draft Schedule 3 listing is attached as **Appendix B**.

The report details the basis upon which the SSS listing is proposed and includes consideration of:

- The Department of Planning's (DoP's) 'Guideline for State Significant Sites under the Major Developments SEPP';
- The matters listed in the Minister for Planning's correspondence dated 19 August 2010; and
- Clauses 2, 7 and 8 of the Major Development SEPP.

It is proposed that the SSS listing/rezoning for the site will delineate zones and associated development controls as well as establish the future approval/consent authority regimes. This will set in place what areas are to be developed and what areas are to be conserved, in addition to the future planning controls that will apply.

A new planning regime is required to rezone the sites to upgrade the permissible land uses and to enable the proposed development of the site for employment generating and conservation uses.

It is proposed that the Schedule 3 amendment to the Major Development SEPP will introduce a new statutory planning framework for the Black Hill and Tank Paddock site that includes:

- Aims and objectives for each site;
- Zoning and permissible uses;
- Key development controls; and
- The future consent/approval regime.

1.1 Background

In response to a request from Coal & Allied, on 15 June 2010, the Minister for Planning agreed that the proposed Black Hill project constitutes a 'Major Development', and authorised the submission of a 'Concept Plan' under Part 3A of the EP&A Act. The Minister also agreed to consider listing the site under Schedule 3 of the SEPP by letter dated 21 July 2010 (included at **Appendix A**), subject to consideration of various matters. These matters have formed the basis of this submission, and each major heading herein is a reference to one of the matters raised in the Minister's letter, being:

- The State or regional planning significance of the site (having regard to the Guideline for State Significant sites under the Major Development SEPP);
- The suitability of the site for any proposed land use taking into consideration environmental, social or economic factors, the principles of ecologically sustainable development and any State or regional planning strategy ;
- The mean in which developer contributions, both State and local, should be secured in respect of the site;
- The likelihood of the proposed rezoning for employment purposes achieving the desired outcomes of the State Government's regional strategies and the Western Corridor Planning Strategy;
- The implications of any proposed land use for local and regional land use, infrastructure, service delivery and natural resource planning;

- The recommended land uses and development controls for the site that should be included in Schedule 3 of the Major Development SEPP;
- Those parts of the site which should be subject to Part 4 of the Act with Newcastle City Council as the consent authority; and
- Appropriate arrangements (if relevant) for the management of land for open space purposes, including consultation with the relevant Council.

1.1.1 Context

Coal & Allied has been operating in the Hunter Valley for more than 150 years, with the earliest coal mining operations located in the East Maitland area dating back to 1844. Numerous mergers, expansions and acquisitions since then have led to Coal & Allied becoming a regionally significant mining company.

Since 2004 Coal & Allied has been majority owned and managed by Rio Tinto Coal Australia (RTCA). Coal & Allied today is one of the major coal producers in the Hunter Valley, employing around 1,500 people across three operations. With annual coal production of around 30 million tonnes, Coal & Allied continues to evolve as it strives to achieve a vision of being a safe and highly successful business valued by customers, employees, shareholders and the community.

Coal & Allied has seven separate holdings in the Lower Hunter totalling approximately 4,078 hectares. Three are located in the southern area comprising Catherine Hill Bay (Middle Camp), Nords Wharf and Gwandalan. Four are located in the northern area comprising Black Hill, Tank Paddock, Stockrington and Minmi (including land north and south of Link Road). The landholdings are located in four local government areas of Lake Macquarie, Wyong, Newcastle and Cessnock.

Catherine Hill Bay (Middle Camp) and Nords Wharf are located between Wallarah National Park and Munmorah State Conservation Area. Gwandalan adjoins Lake Macquarie State Conservation Area and Chain Valley Bay. Gwandalan is on the western side of Crangan Bay, Lake Macquarie and Nords Wharf is on the eastern side. Catherine Hill Bay (Middle Camp) is located on the east coast halfway between Swansea Heads and the Budgewoi Peninsula.

The northern lands are located approximately 20 kilometres west of Newcastle and are almost halfway between Newcastle and Cessnock. The Minmi land adjoins the existing Minmi township and is close to the emerging Glendale Town Centre and the Glendale/Cardiff renewal corridor identified in the Lower Hunter Regional Strategy. These lands are close to the F3 Freeway and Newcastle Link Road transportation corridors. The Minmi lands are adjacent to the Blue Gum Hills Regional Park and Hexham Swamp.

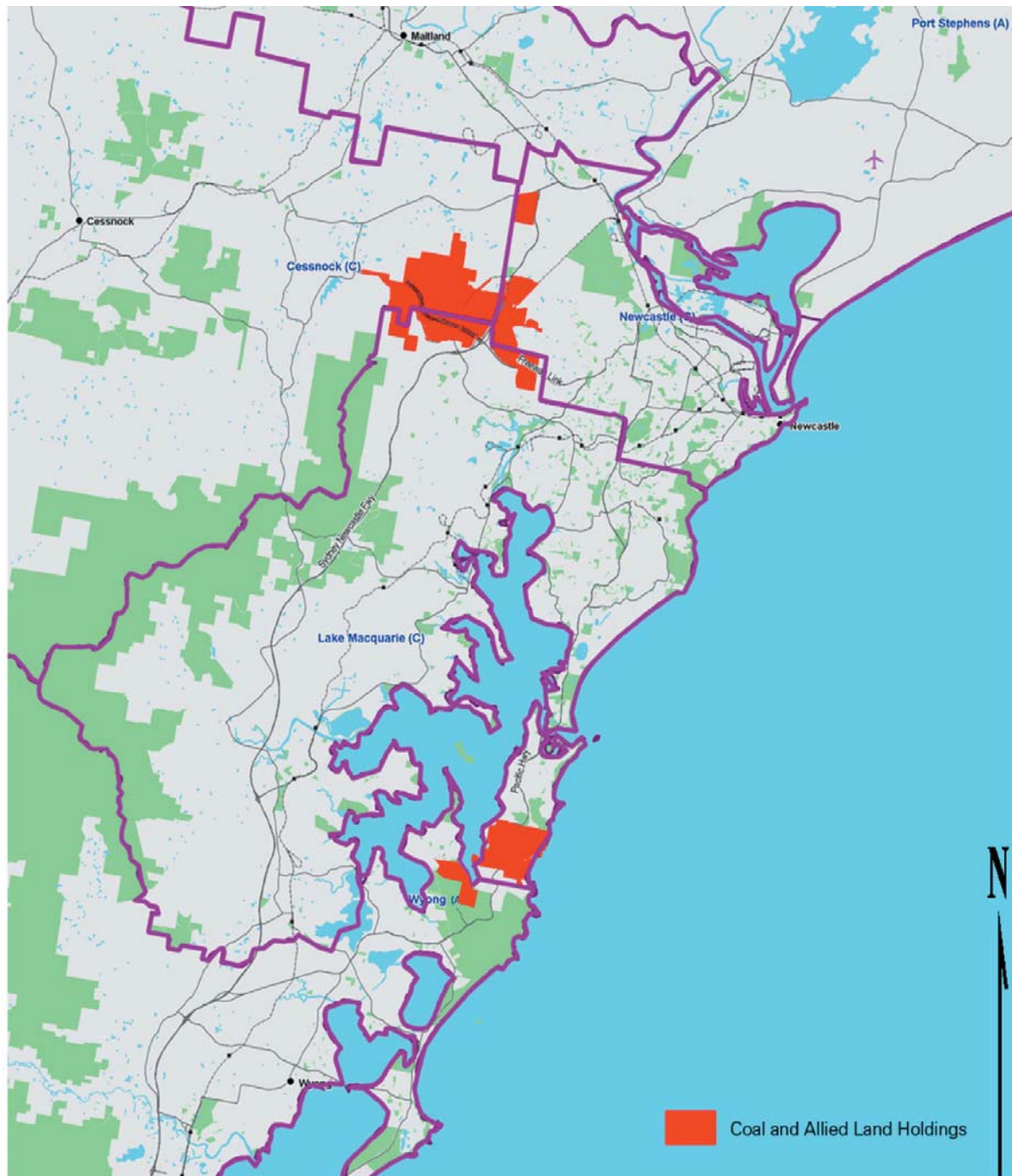
The Black Hill site is located at the intersection of the F3 Freeway and John Renshaw Drive. Tank Paddock and Stockrington are located east and west of F3 Freeway and fall within the Watagan-Stockton conservation corridors identified in the LHRS and LHRCP.

1.1.2 Regional Planning Context

The Black Hill and Tank Paddock sites have been recognised for their regional significance to the Lower Hunter Region based on their inclusion in the LHRS for proposed employment land and conservation. The securing, protection and management of conservation corridors is a key focus of both the LHRS and the companion LHRCP.

The proposed development of 183ha at the Coal & Allied Black Hill site and proposed dedication of 545ha of lands at Tank Paddock and part of the Stockrington site for conservation purposes is crucial in achieving the State Government's objective of securing major conservation corridors identified in the LHRS and LHRCP, most notably the Watagan-Stockton Conservation Corridor.

Figure 1 – Regional Context: Coal & Allied Land Holdings



1.1.3 Voluntary Planning Agreement

It is proposed to dedicate land for conservation purposes via a Voluntary Planning Agreement (VPA) between Coal & Allied and the NSWG in accordance with s.93F of the EP&A Act.

The Draft VPA will set out contributions towards State infrastructure.

A Draft Statement of Commitments will be prepared to support the Concept Plan and associated Environmental Assessment.

1.2 The Black Hill and Tank Paddock Site

The Black Hill site is owned by Black Hill Land Pty Ltd, a wholly owned subsidiary of Coal & Allied Industries Ltd (Coal & Allied) and the land is legally described as Lot 30 in DP 870411. It is approximately 183 ha in area, and is rectangular in shape.

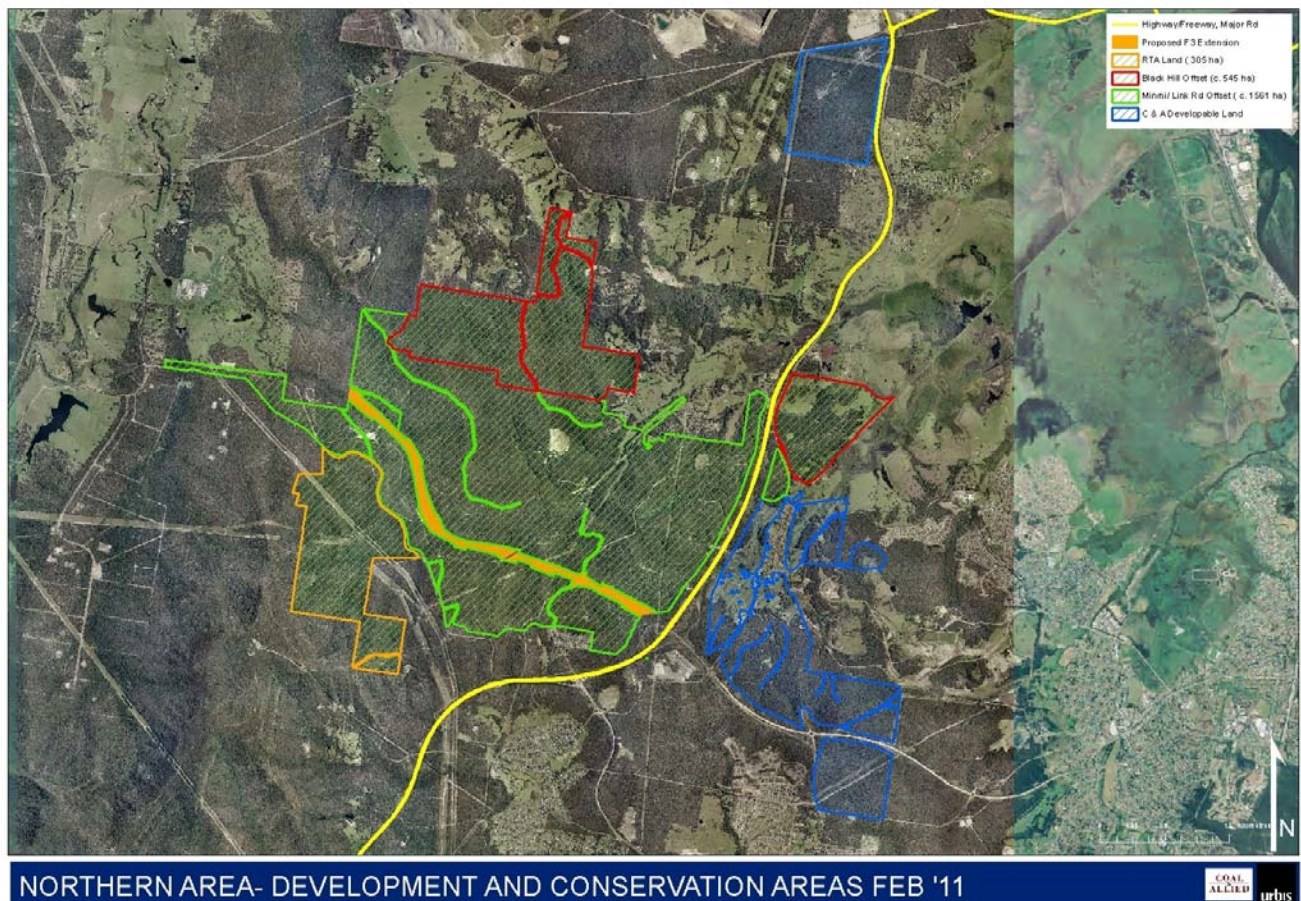
The Black Hill site is bound by John Renshaw Drive to the north and the F3 Freeway to the east. Largely rural and unoccupied lands bound the site to the south and west. The land is located in the City of Newcastle Local Government Area (LGA).

The Tank Paddock land that is proposed to be dedicated to NSW Government as conservation lands has a total area of approximately 147ha. The land is legally described as Lot 1 DP 1007615.

The Stockrington land that is proposed to be dedicated to NSW Government as conservation lands has a total area of approximately 398ha. The land is legally described as

- 101/DP881099.
- 2/DP877416.
- 79/DP755260.
- 1/DP877416.
- 4/DP877416.
- 3/DP877416.
- Pt Lot 13/DP1078246.

Figure 2 – Local Context: Black Hill



The key aspects of the Black Hill site are:

- The site is zoned 7(c) Environmental Investigation Zone under the Newcastle LEP 2003.
- The existing industrial use of part of the site by Boral Asphalt is prohibited by the current 7(c) Environmental Investigation zoning in the Newcastle LEP 2003. It is understood to have been established lawfully and benefits from existing use rights.
- The vast majority of the remainder of the site is highly vegetated. However, there are some cleared areas associated with the site's former uses. An above ground water supply pipeline adjoins the northern boundary and currently constrains vehicular access from John Renshaw Drive, although it is noted that Hunter Water Corporation will soon commence a program to replace this section of pipe with a new underground pipe.
- An existing underground mining consent over the Black Hill site will defer development until post 30 June 2013.
- The F3 Freeway provides access to the subject site at Black Hill. Neither John Renshaw Drive along the northern boundary nor the F3 Freeway to the east provides formal footpaths, kerbs and gutters. A private road provides access to the Boral Asphalt site off the F3 Freeway. Potential access to and from the site can be made via the F3 Freeway on the eastern boundary and John Renshaw Drive on the northern boundary.
- The Tank Paddock site has recently been zoned from 7(c) Environmental Investigation Zone to 7(b) Environmental Protection Zone under the Newcastle LEP 2003.
- The Stockrington site is located within three Council areas. The site is highly constrained by topography and watercourses and parts of the site are remote with restricted access.
- The Stockrington site is predominantly densely vegetated with some cleared areas. It is a regionally significant parcel of land given its ecological significance, size and single ownership. The Hunter Expressway (previously known as F3 to Branxton Link) will traverse the site as part of future regional transport plans.

2 State and Regional Planning Significance

The Department of Planning's (DoP's) 'Guideline for State Significant Sites under the Major Development SEPP', provides the matters for consideration for the Minister when determining whether a site can be categorised as being of State significance. The Minister will consider whether the site meets one or more of the following criteria:

- (a) 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; or*
- (b) 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; or*
- (c) be of regional or state importance in terms of amenity, cultural, heritage, or historical significance in achieving State or regional objectives. For example sensitive redevelopment of heritage precincts; or*
- (d) need alternative planning or consent arrangements where:*
 - (i) added transparency is required because of potential conflicting interests.*
 - (ii) more than one local council is likely to be affected.*

It is considered that proposed development of the Black Hill site and conservation of Tank Paddock meets criteria (a), (b) and (d).

2.1 Criteria (a) of the SSS Guidelines

Criteria (a) of the SSS 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 Coal & Allied owned lands at Black Hill, Tank Paddock and Stockrington 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 proposed to be rezoned at Black Hill for employment purposes is capable of providing approximately 800,000 sq m gross floor area of employment uses on the site. Importantly, once operational, it is estimated that the proposed development of the Black Hill site will deliver up to 3,000 direct full time equivalent jobs and will support a further 7,600 jobs in the wider economy resulting from multiplier effects. This will help achieve the LHRS employment targets to accommodate a projected 66,000 new jobs in the Region by 2031 and ensure an adequate supply of employment land in the Region.

It is important to note that substantial land parcel owned by Coal & Allied to the south of Black Hill and north of Minmi (Tank Paddock – 147ha) will be dedicated to the NSW Government (NSWG) in addition to 398ha of the Stockrington site for conservation purposes. These sites are regionally significant lands given their size, location and endangered ecological communities. The 545ha of land identified for conservation has regional ecological value that provides substantial areas of contiguous vegetation providing an important component of the vitally important Watagan Ranges to Stockton conservation corridor.

The securing, protection and management of conservation corridors is a key focus of both the LHRS and the companion LHRCP. The proposed development of the Black Hill site and associated proposed dedication of 545ha of land at Tank Paddock and Stockrington for permanent conservation is crucial in achieving the state government's objective of securing major green corridors, most notably the Watagan to Stockton corridor. This is quite clearly of significant regional and state importance.

In our opinion the strategic importance of the Black Hill, Tank Paddock and Stockrington sites clearly satisfies criteria (a) of the SSS Guidelines.

2.2 Criteria (b) of the SSS Guidelines

Criteria (b) of the SSS 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.

As stated, the expansion, protection and management of corridors is a key focus of the LHRS and the companion LHRCP. 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. Relevant to the Black Hill, Tank Paddock and Stockrington sites, the Watagan to Stockton Corridor is to be protected and enhanced so that it forms a long-term connection between the rugged sandstone areas of the south-west and the wetlands and coastal plain to the north and east.

100% of Tank Paddock (147ha) is proposed to be dedicated to the NSWG as 'conservation land' in addition to 398ha of the Stockrington site. This land provides an important component of the Watagan to Stockton Corridor. Coal & Allied is also proposing to dedicate approximately 1,561ha of Minmi/Link Road and Stockrington to the NSWG as 'conservation land' as part of a separate Part 3A application. The Coal & Allied land dedications will clearly help expand and enhance the biodiversity and conservation values of the Watagan to Stockton Corridor, which is entirely consistent with the LHRS and the companion LHRCP.

The proposed dedication of land to the NSWG will also ensure this land will be protected from inappropriate development by locking away this land as 'conservation land' in public ownership in perpetuity. The environmental gain from this proposal is a once in a generation opportunity that will provide an enduring legacy for the community. The proposed substantial dedication of 545ha of conservation land (Tank Paddock and part Stockrington) to the NSWG by Coal & Allied is clearly of state and regional significance.

Importantly the proposal will also result in the protection of riparian zones and potential areas of Aboriginal significance on the Black Hill site.

In our opinion, the proposal for the Black Hill, Tank Paddock and Stockrington sites clearly satisfies criteria (b) of the SSS Guidelines.

2.3 Criteria (d) of the SSS Guidelines

Criteria (d) of the SSS 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 the Black Hill, Tank Paddock and Stockrington sites form an important part of an overall environmental land offset package for the Lower Hunter by Coal & Allied, which includes seven Coal & Allied owned sites in the Lower Hunter and spans four local government areas (Wyang, 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 an effective and efficient manner. All of the Coal & Allied sites, including the Black Hill, Tank Paddock and Stockrington 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, rather than an ad hoc approach to the sites.

It is therefore important that the Black Hill, Tank Paddock and Stockrington sites are considered in a coordinated manner to achieve permanent conservation and preservation of the Watagan to Stockton Corridor. Given that the overall environmental land offset package proposed for the Lower Hunter by Coal & Allied spans four (4) local government areas, the environmental gains to the community would not be achieved if each site was separately considered by the individual Councils.

In our opinion, the proposal for the Black Hill, Tank Paddock and Stockrington sites clearly satisfies criteria (d) of the SSS Guidelines.

In summary, the proposal for the Black Hill, Tank Paddock and Stockrington sites clearly meet the criteria of the SSS Guidelines as outlined above. The listing of the site on Schedule 3 of SEPP Major Development will facilitate the orderly use, development and conservation of regionally important sites of environmental and social significance to the State.

3 The Suitability of the Site

Detailed considerations to mitigate the environmental, social and economic impacts arising from the development permitted in the proposed SSS listing are included in the accompanying Concept Plan, rather than the proposed SSS listing. The Environmental Assessment accompanying the Concept Plan demonstrates that the proposed future employment development arising from the proposed SSS listing can be accommodated without unreasonable environmental, social or economic impacts. Notwithstanding this, the environmental, social and economic factors arising from the proposed rezoning and the principles of Ecologically Sustainable Development (ESD) are addressed below.

3.1 Environmental

3.1.1 Regional context

The Black Hill site is positioned within the City of Newcastle LGA, and is located approximately 150km north of Sydney and 20km west of Newcastle.

The LHRS identifies that an additional 66,000 jobs will need to be created to meet economic growth projections to 2031. Of this number, 25% will be provided in 'employment lands', with the remaining 75% to be delivered in commercial centres (60%) and other dispersed employment locations (15%). The Coal & Allied owned Black Hill site has been identified in the LHRS as proposed "employment land" and will contribute to the target employment figures of the LHRS for the Lower Hunter Region.

Stockrington and Tank Paddock forms part of the Watagan-Stockton corridor identified in the Lower Hunter Regional Conservation Plan. The Coal & Allied owned land that is proposed to be dedicated for conservation will play a significant role in securing in perpetual ownership the Watagan-Stockton Corridor. The proposed land dedication is a positive conservation step that will protect an important array of vegetation communities, flora and fauna species, and natural landscape assets, including threatened species and endangered ecological communities in the conservation lands. 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 and future generations.

Tank Paddock and Stockrington are identified in the LHRS and LHRCP as part of the proposed conservation lands to be dedicated to the Government. Coal & Allied's conservation dedication will:

- Conserve in perpetuity key strategic parcels of land that complete long sought after regional biodiversity conservation corridors and buffer areas;
- Provide large intact areas of conserved habitat that will function as regional biodiversity gene pools;
- Protect an important array of vegetation communities, flora and fauna species, and natural landscape assets, including threatened species and EEC's;
- Contribute significantly to the successful implementation of the Lower Hunter Regional Conservation Plan; and
- Achieve additional conservation benefits within Development Estates via appropriate urban design and management practices.

3.1.2 Local perspective

The Ecological Assessment Report for the Black Hill site prepared by RPS and submitted with the Concept Plan demonstrates that that the proposed developable areas have regard to the ecological constraints of the site.

The assessment was undertaken within respect to the EP&A Act 1979, the Threatened Species Conservation Act 1995 and the Fisheries Management Act 1994.

Consideration of potential constraints has also been undertaken in relation to the Commonwealth Environment Protection and Biodiversity Conservation Act 1999 and guidelines associated with the NSW Department of Environment Climate Change and Water.

The Ecological Assessment concludes that the quantum of the offset lands provides a robust long-term outcome for all species and communities. Furthermore, suitable actions are proposed to minimise potentially deleterious permanent and ongoing impacts to the conservation lands.

The field and desktop studies have recorded the following parameters of ecological significance within both the Conservation Estates and the Development Estate:

- native vegetation commensurate with those listed as EEC's;
- threatened flora species recorded within and adjacent to the proposed development;
- threatened fauna species recorded within and adjacent to the proposed development;
- habitat for threatened flora and fauna species known from within and adjacent to the proposed development; and
- other areas containing native vegetation with varying degrees of modification / degradation.

A series of recommendations have been outlined in the Concept Plan Environmental Assessment to reduce the potential impacts associated with the proposal.

Given that measures have been taken to avoid ecological impacts and that where native vegetation may be affected, efforts have been made to avoid particularly sensitive areas where practical, it is considered unlikely that any significant impacts would occur upon threatened species, communities or populations. The large areas of land that will be set aside for conservation as part of the development provide excellent ecological outcomes across the site. The importance of the conservation of Tank Paddock and Stockrington as part of the Conservation Estates will result in maintaining a vegetation corridor from Hexham Swamp and the Hunter Estuary to the Watagan Mountains and the Sugarloaf Range.

This large tract of native vegetation will provide habitat for a wide variety of native flora and fauna. Therefore, due to the location of the Black Hill estate within more disturbed portions of the Northern Estates and the dedication of much larger tracts of vegetation within strategic regional corridors, it has been concluded that the proposed development should not significantly impact upon threatened or regionally significant flora and fauna, ecological communities or populations. The implementation of operative environmental management practices and the detailed design phase of the project should also ensure that the ecological impact of the project is minimised.

In addition, conservation outcomes will also be achieved within the proposed Black Hill estate by best practice approaches to urban design and use of landscaping, feature retention, and considered development edge treatments. Such approaches and techniques include:

- Provide a vegetation corridor along the F3 Freeway and John Renshaw Drive.
- A water sensitive urban design strategy for the Black Hill site has been provided in the Environmental Assessment of the Concept Plan.
- Protecting riparian corridors on the site as well as areas of aboriginal cultural significance.

Furthermore, in accordance with the DGEAR's issued on 19 August 2010 for the Black Hill site, the Environmental Assessment that supports the proposed Concept Plan for the site addresses the following environmental issues:

- Urban design, development controls and land uses;
- Staging;
- Biodiversity;
- Transport and accessibility;

- Flooding, stormwater and water quality management;
- Riparian corridors;
- Ownership / maintenance of public domain;
- Soils, contamination and geotechnical;
- Mining;
- Air quality;
- Noise;
- Heritage;
- Bushfire Risk Assessment;
- Sustainability;
- Developer contributions;
- Utilities.

3.2 Social

A Social Infrastructure Study has been prepared by Urbis to support the Concept Plan for the site. This report summarises local social infrastructure and assesses the likely consequences of the development. The Study notes that there is currently limited social infrastructure in Black Hill and that the benefits associated with the proposed development (including Section 94 contributions, voluntary contributions and enhanced site facilities) are likely to be a positive outcome for the community.

A Draft Statement of Commitments is included in the Concept Plan Environmental Assessment submitted for the site. This details the various monetary contributions, additional studies, applications and works the proponent commits to undertake in association with the project. The mechanics of how and when these commitments will be confirmed and delivered will be subject to ongoing consultation.

In addition, Coal & Allied has allocated an amount of \$10 million for initiatives associated with the delivery of social infrastructure to support the existing and future communities at Black Hill and Minmi. The \$10 million is directed at initiatives that would not ordinarily be provided as part of the development of a new residential or employment estate and accordingly, the initiatives identified are those that are considered 'over and above' what is reasonably necessary to satisfy State and Local Government approval requirements.

The final list of initiatives for Black Hill is submitted with the Concept Plan proposal for the Black Hill site and is subject to on-going consultation and final approval by the Coal & Allied Board.

3.3 Economic

An Economic Impact Assessment has been prepared by Sphere to support the Concept Plan for the site. This report concludes that the proposed development of the Black Hill site will result in a net direct benefit to the economy in terms of capital investment, direct and indirect job and flow on economic effects including the following:

- Once operational, it is estimated that the Black Hill site will deliver up to 3,600 direct full time equivalent jobs and will support a further 9,000 jobs in the wider economy resulting from multiplier effects;
- The project will provide total flow-on additional economic effects of \$1,000M from expenditure by recipients of the primary income;

- The project will inject an estimated \$724m of new capital investment into the economy from expenditure on construction of commercial and industrial space, plus infrastructure services both internal and external to the site;
- The project demonstrates a net, direct benefit to the economy from a forecast BCR of 1.20 using NSW Treasury methodology.

Other economic benefits, quantified at \$29m relate to the transfer of conservation lands, the Coal & Allied \$10m allocation, payment of statutory fees, stamp duty and employment impact and payroll tax.

It is therefore deemed that the site is suitable for development in terms of its economic impact.

3.4 Ecologically Sustainable Development

3.4.1 Rio Tinto Coal Australia (RTCA) sustainability commitment

RTCA is committed to sustainable development. The three principles of RTCA's approach are:

Social wellbeing

- Protect human health and safety;
- Stakeholder engagement and transparency;
- Communities; and
- Education.

Environmental stewardship

- Resource stewardship;
- Pollution prevention; and
- Product stewardship.

Economic prosperity

- Shareholder return;
- Economic contribution; and
- Customer focus

3.4.2 Sustainability Framework for the Lower Hunter Lands including Black Hill

The Coal & Allied land offset package provides the opportunity to create new communities for the Lower Hunter region and in doing so, implement key objectives and outcomes of the LHRS associated with accommodating sustainable population and employment growth and environmental outcomes.

The Black Hill, Tank Paddock and Stockrington sites are identified in the LHRS for urban development and conservation. It is important to note that LHRS clearly states that the sustainability criteria in the LHRS will not apply to proposals for development in the areas identified as conservation corridors on the strategy map (i.e. the Stockton conservation corridor). This applies to the Black Hill site. Notwithstanding, an assessment against each of the sustainability criteria listed in Appendix 1 of the LHRS has been undertaken for the Black Hill site to illustrate its suitability for use as employment lands. The assessment in the following Table shows that the subject land comprehensively satisfies the sustainability criteria.

Table 1 – Sustainability Criteria and Relevant Outcome

Sustainability Criteria	Relevant Outcome for Development
Lower Hunter Regional Strategy	
Infrastructure Provision <ul style="list-style-type: none"> Mechanisms in place to ensure utilities, transport, open space and communication are provided in a timely and efficient way. 	<p>A detailed assessment of the proposed development of the Black Hill site against all relevant regional strategies, sub regional strategies, etc is provided in the Environmental Assessment for the site Concept Plan.</p> <p>The concept plan commits to the funding and delivery of all on-site infrastructure and services including the following specific infrastructure prior to or in conjunction with the initial stages of the development such that the following infrastructure is available when lots are subdivided:</p> <ul style="list-style-type: none"> Electricity services. Water. Sewer. Telephone cabling service. <p>The Concept Plan will ensure that sufficient land is provided within new road reserves for utilities and land dedicated to the NSWG will be at no cost to the NSWG.</p> <p>The Concept Plan also commits to:</p> <ul style="list-style-type: none"> Road infrastructure connections to State roads and upgrades The implementation of local traffic management measures within the development. Open space will be established in the different stages of the development. <p>Contributions will be made to improve local and regional infrastructure. This may involve the implementation of various VPAs between Coal & Allied and the State and Local government prior to final approval of a construction certificate for subdivision.</p>
Access <ul style="list-style-type: none"> Accessible transport options for efficient and sustainable travel between homes, jobs, services and recreation to be existing or provided. 	<p>Both the F3 Freeway and John Renshaw Drive provide access to the subject site at Black Hill. None of the roads adjacent to the subject site provide formal footpaths, kerbs and gutters. A private road provides access to Boral Asphalt site. Potential access to and from the site can be made via the F3 Freeway on the eastern boundary and John Renshaw Drive on the northern boundary.</p> <p>Pedestrian/cycle access will be incorporated within the development.</p> <p>At Black Hill, bus services are limited. Black Hill benefits from excellent road access for potential employees within the Lower Hunter Region.</p>
Housing Diversity <ul style="list-style-type: none"> Provide a range of housing choices to ensure a broad population can be housed. 	Not applicable to the site.
Employment Lands <ul style="list-style-type: none"> Provide regional/local employment opportunities to support the Lower Hunter's expanding role in the wider regional and NSW economies. 	<p>The proposed land to be rezoned at Black Hill for employment purposes is capable of providing approximately 800,000 sq m gross floor area of employment uses on the site.</p> <p>Once operational, it is estimated that the Black Hill site will deliver up to 3,000 direct full time equivalent jobs and will support a further 7,600 jobs in the wider economy resulting from multiplier effects.;</p> <p>The project will provide total flow-on additional economic effects of \$1,000M from expenditure by recipients of the primary income;</p> <p>This will help achieve the LHRS employment targets to accommodate a projected 66,000 new jobs in the Region by 2031 and ensure an adequate supply of employment land in the Region.</p>

Sustainability Criteria	Relevant Outcome for Development
Lower Hunter Regional Strategy	
<p>Avoidance of Risk</p> <ul style="list-style-type: none"> Land use conflicts, and risk to human health and life, avoided. 	<p>The proposed development involves no land use conflicts with the adjacent and existing community areas.</p> <p>A Water Sensitive Urban Design, Flooding and Stormwater management report has been prepared by GHD and is provided in the Concept Plan Environmental Assessment.</p> <p>Overall it is submitted that the proposed development is suitable for existing and future predicated climate and flooding conditions.</p> <p>For flood management, habitable floor levels of commercial and industrial developments should be above the flood planning level. A flood evacuation strategy would be provided for all areas inundated by the PMF. Minor affectation of internal roads and some lots is expected under a 100-year ARI event. Limited filling of the flood fringe may be required in a few areas. Under a 100-year ARI future climate scenario, assuming a 30% increase in rainfall intensity, flood levels for the majority of the site are expected to increase by less than 0.3 m. Floor levels and flood planning levels would need to consider these impacts. A more detailed Floodplain Risk Management Study should be undertaken in future sub-division design stages of the project, supported by more detailed flood modelling and flood mapping.</p> <p>A report on Preliminary Geotechnical, Contamination and Mine Subsidence Assessment has been undertaken by Douglas Partners and is provided in the Concept Plan Environmental Assessment. Douglas Partners have also assessed the capability of the land for the proposed development with respect to contamination, erosion potential, slope stability, sodicity and salinity and the presence of potential and actual acid sulphate soils.</p> <p>A Bushfire Threat Assessment has been undertaken by RPS to accompany the Concept Plan Environmental Assessment. This report provides recommendations that have been incorporated into the concept plan design to meet relevant legislative requirements in terms of APZs, roads, fire fighting capability, etc. In conclusion, should the recommendations in this report be duly considered and incorporated, the fire hazard present should be reduced to a level considered necessary to provide an adequate level of protection to life and property of the study area.</p> <p>Finally, whilst it is believed that the implementation of the measures and recommendations forwarded within this report would contribute to the amelioration of the potential impact of any bushfire upon this study area, they do not and cannot guarantee that the area will not be affected by bushfire at some time.</p>
<p>Natural Resources</p> <ul style="list-style-type: none"> Natural resource limits not exceeded. Environmental footprint minimized and managed. 	<p>None of the land is zoned for agricultural purposes.</p> <p>Future mining by Abel Coal Mining Operations is proposed below the site, which will prevent development from occurring until post June 2013. Discussions with Abel Mine indicated the site would be suitable for development once the mining and associated subsidence was complete, which, in accordance with the mine's consent, is required to be prior to 30 June 2013.</p> <p>It is expected that for MSB approval to be provided for development at the site, monitoring of subsidence will be required to confirm that substantial subsidence is complete and some development restrictions are likely to apply.</p> <p>The nature of restrictions post mining will be dependent on the results of the proposed mining.</p>

Sustainability Criteria	Relevant Outcome for Development
Lower Hunter Regional Strategy	
	<p>The environmental footprint will be designed to maximise the water management and quality thereof.</p> <p>Future development will reduce Greenhouse Gas emissions to at least BASIX compliance.</p>
<p>Environmental Protection</p> <p>Protect and enhance biodiversity, air quality, heritage and waterway health.</p>	<p>As detailed in the Environmental Assessment, it has been concluded that the proposed rezoning and development for employment and conservation purposes should not significantly impact upon threatened or regionally significant flora and fauna, ecological communities or populations. In fact, the dedication of Tank Paddock and part Stockrington will contribute to meeting the environmental protection goals outlined in the sustainability criteria of the LHRS, including:</p> <ul style="list-style-type: none"> ▪ Conserve in perpetuity key strategic parcels of land that complete long sought after regional biodiversity conservation corridors and buffer areas; ▪ Provide large intact areas of conserved habitat that will function as regional biodiversity gene pools; ▪ Protect an important array of vegetation communities, flora and fauna species, and natural landscape assets, including threatened species and EEC's; ▪ Contribute significantly to the successful implementation of the Lower Hunter Regional Conservation Plan; ▪ Maintains environmental areas for air & water quality; ▪ Protects areas of Aboriginal cultural heritage value; ▪ Achieves additional conservation benefits within Development Estates via appropriate urban design and management practices. <p>The proposal will contribute significantly to the successful implementation of the Lower Hunter Regional Conservation Plan. The transfer of the substantial Coal & Allied owned land for conservation will play a significant role in realising the objectives of the LHRS and the LHRCP, which clearly identifies these lands as conservation priorities and acknowledges the contribution the transfers provide to achieving successful implementation of the two plans.</p> <p>In addition, water sensitive urban design features will be incorporated into the development to ensure that there is no increased export of stormwater, pollutants and sediments.</p>
<p>Quality and Equity in Services</p> <ul style="list-style-type: none"> ▪ Quality health, education, legal, recreational, cultural and community development and other Government services are accessible. 	<p>Contributions will be made to improve local and regional infrastructure as detailed in the Concept Plan Environmental Assessment.</p>

3.5 State or Regional Policies

A detailed assessment of the proposed development of the site against all relevant Environmental Planning Instruments is provided in Environmental Assessment for the site Concept Plan.

3.5.1 Lower Hunter Regional Strategy

The purpose of the Lower Hunter Regional Strategy is to ensure that adequate land is available and appropriately located to sustainably accommodate the projected housing and employment needs of the region's population by 2031.

The NSWG released the final LHRS on 17 October 2006. It is understood that Cabinet re-endorsed it in December 2009. The LHRS plans for population growth of 160,000 people by the year 2031 and the creation of up to 66,000 new jobs over the same period.

Some 85% of these new jobs are to be created within designated large centres and employment lands, with the balance to be provided in dispersed employment locations including home-based businesses.

The Black Hill site is specifically designated as employment land, and is strategically located at the intersection of the F3 Freeway and John Renshaw Drive, providing excellent road access in all directions.

The benefits of this location are recognised in the LHRS which notes that employment lands at Black Hill will support the future Freight Hub Precinct which is proposed in the vicinity of the site and which will provide a central focal point and distribution hub for goods from Northern NSW, Western NSW, Queensland and Sydney.

Once operational, it is estimated that the Black Hill site will deliver up to 3,000 direct full time equivalent jobs and will support a further 7,600 jobs in the wider economy resulting from multiplier effects. The project will provide total flow-on additional economic effects of \$1,000m from expenditure by recipients of the primary income.

The dedication and rezoning of the 545 hectare Tank Paddock and Stockrington (part) sites for the highest conservation purposes will be an important contribution to the Environment and Natural Resources Outcomes and Actions in the LHRS. This together with the overall dedication of 2,956Ha ha (80 per cent) of Coal & Allied land in the Lower Hunter for conservation corridors will play a key role in securing in perpetuity public ownership of the long sought after Watagan-Stockton green corridor and a green inter-regional buffer separating the Lower Hunter from the Central Coast.

The conservation of this land is an integral element to the LHRS.

3.5.2 Lower Hunter Regional Conservation Plan

The NSWG released the Lower Hunter Regional Conservation Plan (LHRCP) in December 2009. The plan is a key and complimentary component of the Lower Hunter Regional Strategy as it establishes the key principles and actions proposed to achieve the biodiversity and conservation outcomes that have been outlined in the LHRS.

The LHRCP is focused on the next 25 years and seeks to establish a framework to guide conservation efforts in the Lower Hunter. Stage 1 of the RCP was announced in late 2006. This included the establishment of new conservation reserves to be managed by the then Department of Environment and Climate Change (DECC, now DECCW).

These new reserves comprise approximately 20,000 hectares of various high conservation value Government lands to form the backbone of major new conservation corridors including:

- A new 'Green Corridor' stretching from the Watagan Ranges, through Hexham Swamp to Port Stephens (approximately 14,600 hectares).
- Important areas around Port Stephens in the Karuah area (3,000 hectares).

- A large addition to Werakata National Park near Cessnock (2,200 hectares).

These public land transfers are a significant step in creating the necessary conservation outcomes for the Lower Hunter, including important linkages for biodiversity. Future proposed developments in the Lower Hunter will be assessed against current legislation.

Priority for offsets will be in areas that make the most significant conservation contribution in the Lower Hunter. Such freehold land will contribute to the creation of the three priority corridors within:

- The Watagan Ranges to Port Stephens.
- The South Wallarah Peninsula.
- Werakata National Park.

Coal & Allied's surplus 'Northern Lands', including the Black Hill, Tank Paddock and Stockrington sites are located within the area identified in the Draft Conservation Plan as a green conservation corridor. The proposed dedication of the Tank Paddock and Stockrington (part) sites will make a significant contribution to the Watagan Ranges to Port Stephens Green Corridor.

Relative to the LHRCP, the Black Hill proposal and the overall development of the Coal & Allied lands in the Lower Hunter:

- The future development of Coal & Allied land will be more than offset through the dedication of 2,956ha over all Coal & Allied lands in the Lower Hunter. This includes the 2,106 ha of land for the Northern Estates. .
- The dedication will make a significant contribution to expanding and strengthening the value of key corridor linkages.

The LHRCP provides a focus for conservation efforts by 2031 by identifying priority biodiversity areas in the Lower Hunter. The conservation land to be dedicated to the NSWG will provide and enhance vitally important conservation corridors identified in the LHRCP. The securing, protection and management of conservation corridors is a key focus of the LHRCP. The proposed dedication of Tank Paddock and part of the Stockrington site for conservation purposes as an offset for the proposed development of the Black Hill site is crucial in achieving the State Government's objective of the green conservation corridor that links the Watagans and Yengo National Parks with the coastal plains of the Tomago Sandbeds, Stockton Bight and Port Stephens.

4 The Means by which Developer Contributions should be secured in respect of the Site

A Draft Statement of Commitments is included in the Concept Plan Environmental Assessment submitted for the site. This details the various contributions, additional studies, applications and works the proponent commits to undertake in association with the project. The mechanics of how and when these commitments will be confirmed and delivered will be subject to ongoing consultation.

A Draft Voluntary Planning Agreement has been negotiated with the NSW Government (NSWG) which includes details of developer contributions to the NSWG. Local developer contributions will be negotiated with Newcastle City Council (NCC) based on the applicable Section 94A Plan.

5 The State Government's Regional Strategies and the *Newcastle – Lake Macquarie Western Corridor Planning Strategy*

Identified as regionally significant under the LHRS, the Western Corridor stretches from Beresfield to Killingworth, and has land in both Newcastle and Lake Macquarie Local Government Areas, including the Minmi/Link Rd site. The Newcastle – Lake Macquarie Western Corridor Planning Strategy (Western Corridor Strategy) was issued as a consultation draft in April 2009 and formalised in July 2010 to provide a framework to guide growth and development in the Western Corridor over the next 25 years.

Under the LHRS, 115,000 new dwellings and 66,000 new jobs are to be accommodated in the Lower Hunter Region by 2031 and the Western Corridor is expected to play a significant role in achieving these targets. The Western Corridor Strategy identifies future employment lands in the Corridor's far north and south, whilst residential development will be concentrated around existing urban areas in the centre.

The Coal & Allied proposal for Black Hill, Tank Paddock and Stockrington sites is consistent with the Strategy and the amended Planning Principles in the draft Western Corridor Lands Strategy consultation draft, as demonstrated in the table below:

Table 2 – Consistency with Western Corridor Planning Strategy Planning Principles

Principle	Relevant Development Criteria	Response
A range of land uses to provide the right mix of houses, jobs, open space, recreational space and green space.	<ul style="list-style-type: none"> Future land uses shall be generally in accordance with Map 4 – indicative preferred land uses. New development should incorporate environmentally sustainable development practices in accordance with existing legislation, Council's policies and best practice. Consultation and negotiations with the DECCW at rezoning stage will determine the vegetation offsets for conservation. New development should also consider the implications of climate change in their designs and function. Matters such as rainfall intensity, localised flooding, rising sea levels, water tables and changes to mean temperatures should be considered. The corridor is traversed by high voltage transmission lines and easements which may require buffers in addition to easements. 	<ul style="list-style-type: none"> The Concept Plan will facilitate a major contribution to economic development within the Newcastle LGA in a recognised employment location. Coal & Allied also propose to dedicate Tank Paddock (147ha) and part of the Stockrington site (398ha) to the NSWG for conservation purposes as part of the project. The proposed land dedication is crucial in securing the green corridor that links the Watagans National Park with the coast. Map 4 identifies the site for Employment Land Investigation. The proposed use of the site for employment purposes complies. An Ecologically Sustainable Development (ESD) Report was prepared by Ensignt and is included in the Concept Plan Environmental Assessment. The ESD report responds to the DGEARs which details the ESD principles to be adopted within the future development of the site. The Concept Plan has adopted a sustainable approach to development with regard to: <ul style="list-style-type: none"> Proposed dedication of conservation land; Adaption to site features; Use of riparian green buffer; Provision of supporting facilities Stormwater detention; and pedestrian and cycle linkages Coal & Allied is undertaking on-going consultation and negotiations with the DECCW regarding vegetation conservation offsets. GHD has investigated potential flooding impacts, including assessment of climate change impacts on flooding. Refer to the Concept Plan Environmental Assessment. Transmission lines along the western boundary and east/west in the northern section of the site

Principle	Relevant Development Criteria	Response
		have been considered in the Concept Plan for the site.
Jobs available locally and regionally, reducing the demand for transport services	<ul style="list-style-type: none"> The planning strategy identifies employment lands of around 500 hectares to the north near Black Hill and around 1000 hectares to the south near Killingworth. The provision of an efficient and effective transport network into the employment lands is essential. Specific actions for Black Hill and Killingworth are: <i>Black Hill</i>—Access arrangements shall be consistent with Map 3—Access infrastructure map and consider the wider development implications of the potential freight hub. Coordinating shared access and transport linkages into the wider employment area will be the responsibility of council in consultation with the RTA and State Rail. Approval authorities and proponents shall have due regard to the visibility of employment lands from the F3 Freeway and include appropriate landscaping, retain green corridors/buffers to the F3 Freeway, and introduce appropriate urban design elements. Future provision of business/commercial zoned land to be based on demands for local retail/service needs of the projected population, level of existing services and retail hierarchy. 	<ul style="list-style-type: none"> As above, the Concept Plan will facilitate a major contribution to economic development within the Newcastle LGA in a recognised employment location. The site is specifically designated as employment land under the LHRS and is strategically located at the intersection of the F3 Freeway and John Renshaw Drive, providing immediate road connectivity. The Black Hill site was initially identified by the NSWG Premiers Department as a potential option for a Lower Hunter Freight Hub. Discussions with DoP have subsequently confirmed that the Coal & Allied land at Black Hill is not the preferred site for a freight hub following the Federal Government decision to proceed with the Hunter Expressway. The proposed use of the Black Hill site as employment lands will however contribute to the viability of a future freight hub in the locality. Access to the site is proposed via the F3 Freeway and John Renshaw Drive. The Concept Plan provides adequate screening along the adjacent roadway. It is proposed to provide a 10m vegetated buffer to the northern boundary and 20m to the eastern boundary with a separate 20m APZ. The proposal provides a wide range of employment generating uses and supporting activities on site, which will reduce the number of off site car journeys made during the working week. The site is at the core of an area of recognise employment lands. Located strategically at the intersection of the F3 Freeway and John Renshaw Drive.
Public transport networks that link frequent buses into the rail system.	<ul style="list-style-type: none"> The establishment of a more coordinated and integrated bus service with the wider area to improve connectivity and usage on a subregional scale. The future road network shall be planned and designed to cater for future bus routes and stops. Consultation with the Ministry of Transport will be necessary to plan these connections. 	<ul style="list-style-type: none"> The site is strategically located at the intersection of the F3 Freeway and John Renshaw Drive, providing immediate road connectivity. The proposed development of the site will contribute to the progress of enhanced transport facilities for the area. The indicative subdivision layout has been designed to encourage walking and cycling for future employees on site and it is proposed to provide an off road pedestrian and cycleway along Viney Creek (refer to Concept Plan Environmental Assessment). Furthermore, the Draft Statement of Commitments currently commits to the provision of bus stops including provision of bus shelters, kerb and gutter (where required), footpath and signage in the event that the MoT provides bus routes to and from Black Hill. Alternatively implementation of a shuttle bus service from Black Hill to the nearest rail station at Beresfield could be provided during peak hour services.
Easy access to major town centres with a	<ul style="list-style-type: none"> Direct access off the Major Transport Corridors such as the F3 Freeway, Newcastle Link Road and George Booth 	<ul style="list-style-type: none"> As per the IN1 Zone in the State Government Standard LEP Template neighbourhood shops will be permissible in the IN1 Zone. However,

Principle	Relevant Development Criteria	Response
full range of shops, recreational facilities and services along with smaller village centres and neighbourhood shops, streets and suburbs planned so that residents can walk to shops for their daily needs.	<p>Drive will be limited to maintain the efficiency of the transport network. Access arrangements in the Black Hill area are to be consistent with the RTA's proposals for improvements to the network, specifically the proposed new interchange linking the F3 to Raymond Terrace via Hexham.</p> <ul style="list-style-type: none"> Consultation with the RTA for development within this area is essential. Access proposals should be consistent with the Access Infrastructure Map and appropriate connections implemented. 	<p>they will be limited to 150sqm in area. Supporting uses will be restricted to a core supporting facilities area located in the centre of the site. The core supporting facilities area would not pose a significant impact on the existing / emerging centres hierarchy. However, it will ensure future employees at Black Hill will have access to a range of ancillary dining, leisure and services on site so that they will have no need to make off-site car journeys during the working week. This will help reduce the number of trips made in the wider network by car and aims to encourage on site walking and cycling in accordance with the principles of a Green Travel Plan.</p> <ul style="list-style-type: none"> Access to the site is proposed via the F3 Freeway and John Renshaw Drive. Access to the site is discussed in detail in the Traffic Report included in the Concept Plan Environmental Assessment. Coal & Allied is undertaking on-going consultation and negotiations with the RTA regarding access to and from the site.
A wide range of housing choices to provide for different needs and different incomes.	Not applicable	Not applicable
Conservation of land in-and-around the development sites, to help protect biodiversity and provide open space for recreation.	<ul style="list-style-type: none"> Regional conservation lands—the Lower Hunter Regional Strategy and the Lower Hunter Regional Conservation Plan identifies the Watagan to Stockton green corridor. Subregional/local conservation corridors—subregional corridors linking the Watagans to other significant vegetation may be required in the southern part of the western corridor. Green entry statements—the role of 'green entry' visual statements into areas or along certain transport routes is recognised. The need to provide a green entry statement along the F3 from the south (Killingworth) to Black Hill for the proposed employment zones and the importance of retaining the visual landscape corridor from the F3 toward Hexham Swamp Wetlands is also recognised. The width of the vegetation corridors will be determined by environmental and visual impact studies taking into consideration biodiversity and the role/s of those corridors. 	<ul style="list-style-type: none"> Due to the dedication of much larger tracts of vegetation within strategic regional corridors, the nature and width of the proposed 20m green buffer zone along the eastern boundary and the proposed green buffer to the southern boundary should not impact upon threatened or regionally significant flora and fauna, ecological communities or populations.

6 The Implications for Local and Regional Land Use, Infrastructure, Social Infrastructure, Social Delivery and Natural Resource Planning

The implication of any proposed land use for local and regional infrastructure, social infrastructure, service delivery and natural resource planning are considered below in detail.

6.1 Local and Regional Land Use

As recognised in the relevant Regional Strategies, the site is of significance to the region and indeed the State in terms of the provision of industrial and environmental land provision.

The development will provide additional industrial land in accordance with the specific recommendations of the LHRS, as well as provide the most significant conservation contribution in the Lower Hunter. Such freehold land will contribute to the creation of the three priority corridors within:

- The Watagan Ranges to Port Stephens.
- The South Wallarah Peninsula.
- Werakata National Park.

It is important to note that the total Concept Plan is a long term direction for the lands and will take some time to implement, with land being incrementally released to the market over time. This will allow the established market to gradually absorb the impact of the additional land supply.

It is important to note that the Concept Plans are the result of extensive constraints and capacity mapping and seek additional urban development to lands that have the capacity, and do not result in any undue environmental impact.

6.2 Infrastructure and Service Delivery

The definition of infrastructure includes:

- Water cycle management, including water supply, sewerage, hydrology, storm water and drainage;
- Energy, including electricity and gas;
- Telecommunications;
- Transport; and
- Social infrastructure including health, education, and community facilities.

The existing infrastructure servicing Black Hill includes:

- Water – There is an existing 900mm diameter trunk main adjacent to the northern boundary of the site. Hunter Water has indicated three possible connection points from which a 200mm / 250mm diameter water main could be connected to create a ring main to service the site. Two connection points would be required to create the ring main.
- Sewer – There is a network of sewer pump stations (SPS) in Beresfield and Thornton which drain to Morpeth. The existing sewer infrastructure network of pump stations, gravity mains and rising mains has not been designed to cater for the development. A detailed Sewer Servicing Strategy for the site will be prepared in consultation with Hunter Water to determine the optimal servicing arrangement for the site. The Strategy will be prepared following Concept Plan approval as part of any further applications.

- An existing zone substation at Beresfield (north of Black Hill) services the Black Hill area. This zone substation is relatively new and may have some capacity to service some of the development. Energy Australia has indicated that (based on current capacity) low voltage electricity reticulation and street lighting can be serviced; however it is unlikely that the zone substation will have sufficient capacity to accommodate an employment precinct. Design loads will be determined by the users' requirements. It may be necessary to construct a separate zone substation or extend high voltage mains to service the site.
- A major gas main is located parallel to the Sydney to Newcastle freeway. The closest connection point is located at the corner of John Renshaw Drive and Kinta Drive east of the Freeway. The nature (i.e. medium or high pressure) and size of the main is unknown at this stage.
- Telstra telecommunications infrastructure is available in the proximity of the site and will be extended to service the development.
- Transport – access to the site will be provided to / from the F3 Freeway and John Renshaw Drive to/from the north.
- Social infrastructure – There is only a limited range of facilities at Black Hill, restricted to:
 - Black Hill Public School; and
 - Black Hill Church.

The proposed development at Black Hill can be accommodated within the existing infrastructure capacity and planned augmentation financed by the proponents noting that:

- No significant service delivery problems have been identified.
- Electricity and water main lead-in works and augmentation of the sewer network will be required for the development.
- A Sewer and Water Servicing Strategy will be prepared in consultation with Hunter Water following approval of the Concept Plan Application.
- Gas and communications services will be customised to suit the users' requirements and installed underground in the shared trench with electrical cabling.
- Contributions will be made (via monetary contribution or works in kind) to improve local and regional infrastructure as part of any development of the site. A Draft Statement of Commitments is included in the Concept Plan Environmental Assessment submitted for the site. This details the various contributions, and works the proponent commits to undertake in association with the project.

6.3 Natural Resource Planning

6.3.1 Agriculture

None of the subject land is zoned for agricultural purposes.

6.3.2 Previous and Future Mining

A report on Preliminary Geotechnical, Contamination and Mine Subsidence Assessment has been undertaken by Douglas Partners and is provided in the Concept Plan Environmental Assessment.

The key findings from the report are set out below.

- Based on the results of the desktop review, the site is not within a proclaimed mine subsidence district. It is understood that a shallow portal tunnel was constructed however the portal was never driven and that the Department of Primary Industries - Minerals has no records of mine workings below the site.

- Potential constraints associated with disturbed ground and filling at the Former Ironbark Colliery site include the following:
 - Potential for contamination, as described above, in particular possible buried asbestos;
 - Uncontrolled filling, which has implications for building footings, requiring that the filling either be reworked or footings be founded in suitable bearing strata below the filling using piles;
 - Uncontrolled filling also has implications for services such as roads, pavements, water and sewer;
 - Potential for the combustion of coal, possibly requiring removal or capping of the coal.
- Uncontrolled filling is unsuitable for founding or footings. Uncontrolled filling can be expected in the general area of the former Ironbark Colliery, and has been observed to be greater than 4.6 m depth during this investigation in the general area of the backfilled portal however greater depths of filling may be present in this specific area.
- A significant proportion of the filling is likely to be overburden material or mine spoil, which is likely to have been placed without compaction and therefore there is a potential for large settlements. This could be managed by removing the filling, re-compacting the filling, piling of building footings to the base of the filling, or a combination of the above.
- The remainder of the site comprises bushland with scattered access tracks and underlain by the late Permian Tomago Coal Measures which generally comprise siltstone, sandstone, coal, tuff and claystone. These formations are generally expected to provide good founding conditions, probably allowing the use of conventional shallow footings. Reactive soils may be present, which can be confirmed during future detailed investigations prior to development and readily accommodated in design.
- It is considered that there is low risk of combustion of coal and coal reject filling occurring. If, however, larger volumes/percentages of potentially combustible material are encountered during more detailed investigation or earthworks, the risk of combustion can be reduced by applying appropriate engineering solutions. Various engineering solutions to manage the potential for combustion may include one or more of the following:
 - Removal of combustible material;
 - Blending of inert material with combustible material;
 - Compaction of the material;
 - Limiting batter slopes, generally to less than about 4H:1V;
 - Capping with a compacted inert layer.

Future mining by Abel Coal Mining Operations is proposed below the site and an existing mining consent over the Black Hill site will defer development until post June 2013.

Discussions with Abel Mine indicated the site would be suitable for development once the mining and associated subsidence was complete, which, in accordance with the consent for the mine, is required to be prior to 30 June 2013.

It is expected that for MSB approval to be provided for development at the site, monitoring of subsidence will be required to confirm that substantial subsidence is complete and some development restrictions are likely to apply.

The nature of restrictions post mining will be dependent on the results of the proposed mining.

6.3.3 Bushfire

Adequate APZs are proposed within the development site to protect from bushfire risk. A Bushfire threat Assessment prepared by RPS is included in the Environmental Assessment for the Black Hill Concept Plan.

6.3.4 Contamination

A Preliminary Contamination and Geotechnical Assessment has been prepared by Douglas Partners and is included in the Concept Plan Environmental Assessment. The contamination assessment by Douglas Partners was carried out in accordance with the NSW EPA “*Guidelines for Consultants Reporting on Contaminated Sites*” and SEPP 55 “*Remediation of Land*” and is contained within the Preliminary Contamination and Geotechnical Assessment report at Appendix H.

- The results of preliminary sampling and analysis of the filling on the site indicates the absence of gross contamination.
- Based on the identification of several metres of fill materials across the former Ironbark Colliery site (Pits 7 and 10), in a localised gully in the vicinity of Pit 3, and the potential of fill in the abandoned portal, it is recommended that additional investigation is undertaken to delineate the extent of filling, and associated potential contamination.
- No subsurface investigation or laboratory testing was undertaken on the Boral site. Detailed assessment is recommended following cessation of their lease, if development is considered on this part of the site.
- If development is proposed on the southern portion of the site, it is recommended additional investigation is conducted along the creek, following clearing of dense vegetation.
- The site is considered to be generally suitable for the proposed development in accordance with SEPP 55 and NSW EPA guidelines, providing the following conditions are met as part of the development:
 - Additional investigation is conducted to delineate the extent of fill and the potential for contamination within the fill across the former Ironbark Colliery site, including within the abandoned portal;
 - Appropriate remediation is conducted to remove bonded asbestos fragments and possible asbestos impacted surface soils beneath surface dumping;
 - Car wrecks, deleterious materials and possible associated surface impacts (if encountered) are removed.
- No subsurface investigation or laboratory testing was undertaken on the Boral asphalt plant in the north east corner of the site. Detailed assessment is recommended following cessation of their lease, if development is considered on this part of the site.

6.3.5 Flooding

Viney Creek flows through the site from south to north, bisecting the site and flows under John Renshaw Drive to eventually discharge into Woodberry Swamp, a wetland system of the Hunter River estuary. A smaller creek drains along the western boundary of the site, also draining under John Renshaw Drive.

The site generally slopes towards the northwest. Overall, it has mild to moderately undulating slopes with areas of significant disturbance, including an operating quarry, electricity easement and past clearing.

Black Hill experiences a sub tropical climate with rainfall occurring in any given month throughout the year. This mild seasonal variability supports the incorporation of open vegetated structures such as swales and detention basins. In addition, the incorporation of rainwater tanks will further assist in a potential reduction in potable water demand.

Management of water quality and ecosystem health

A number of opportunities for management of stormwater quality, quantity and flooding exist at the Black Hill site. This management would benefit from the implementation of Water Sensitive Urban Design (WSUD) practices. WSUD encompasses all aspects of urban water cycle management including water supply, wastewater and stormwater management that promotes opportunities for linking water infrastructure, landscape design and the urban built form to minimise the impacts of development upon the water cycle and achieve sustainable outcomes.

A WSUD strategy for management of stormwater quality, quantity and flooding has been developed for the site, that nominates on-lot treatment before discharge to the street stormwater system, vegetated swales and precinct scale co-located offline detention/ bio-retention basins at key locations. These systems would essentially comprise a dry basin (to provide detention function) combined with bio-retention (to provide water quality treatment function) situated in the invert of the basin. Gross pollutant traps and other structural measures are recommended at key locations. It is recommended that rainwater tanks should be provided where possible.

Flood management

For flood management, habitable floor levels of commercial and industrial developments should be above the 100-year ARI flood planning level. A flood evacuation strategy would be provided for all areas inundated by the PMF. Minor affectation of internal roads and some lots is expected under a 100-year ARI event. Limited filling of the flood fringe may be required in a few areas. Under a 100-year ARI future climate scenario, assuming a 30% increase in rainfall intensity, flood levels for majority of the site are expected to increase by less than 0.3 m. Dwelling floor levels and flood planning levels would need to consider these impacts.

A more detailed Floodplain Risk Management Study will be undertaken in future sub-division design stages of the project, supported by more detailed flood modelling and flood mapping.

7 Recommended Zonings and Development Controls for the Site that should be included in Schedule 3

The proposed land use zones have been based upon the NSW Department of Planning's recently gazetted Standard Instrument—Principal Local Environmental Plan. It is proposed that the zoning for the developable land will be "IN1 – General Industrial".

The Tank Paddock and Stockrington land to be dedicated to the NSWG will be zoned "E1 – National Parks and Nature Reserves".

A single IN1 General Industrial zone across the entire Black Hill site is proposed for the following reasons:

- Future detailed subdivision planning is required to finalise the lot layout and positioning of boundaries, meaning that flexibility within the zoning is required.
- It is premature at this point to identify the final breakdown, scale, mix and precise location of land uses as an existing mining consent under the Black Hill site will defer development on the site until post June 2013.
- The final scale, mix and siting of uses, including supporting facilities would be subject to future project applications or Part 4 development applications. The assessment of these applications will ensure land uses are compatible.
- Viney Creek will not be surveyed until all mining subsidence has concluded, which may affect the final creek bed alignment. There is therefore no benefit in surveying the creek bed in its current alignment. Consequently, the fact that the final Viney Creek bed alignment may be subject to change is a strong reason for zoning the entire site IN1 at present, with potential for an E2 zone to cover the riparian corridor in future once the final alignment is known.

7.1 Proposed Controls

The proposed controls for the **IN1 – General Industrial Zone** are as follows:

Black Hill Zoning

1. Objectives of zone

- To provide a wide range of industrial and warehouse land use.
- To encourage employment opportunities.
- To minimise any adverse effect of industry on other land uses.
- To provide an appropriate scale of supporting retail, recreational and service facilities to meet the daily needs of the local workforce.

2. Permitted without consent

Bush fire hazard reduction works, earthworks, electricity transmission or distribution networks, environmental protection works, drainage, flood mitigation works, public utility undertakings, roads, sewerage system, telecommunication facilities, water supply system.

3. Permitted with consent

Advertising structure, business identification sign, car park, depot, food and drink premises, freight transport facility, hazardous storage establishment, industry, industrial retail outlets, light industry, neighbourhood shops, office premises (that are ancillary to development for another permitted purpose), passenger transport facility, service station, signage, standard industry, take away food or drink premises, timber and building supplies, transport depot, truck depot, vehicle repair station, warehouse or distribution centre.

4. Prohibited

Except as otherwise provided by this Policy, development is prohibited within Zone IN1 General Industrial unless it is permitted by subclause (2) (3) or (5).

5. Neighbourhood shops in Zone IN1 General Industrial

(1) The consent authority must not grant consent to development for the purpose of a neighbourhood shop on land within Zone IN1 General Industrial if the retail floor area of the neighbourhood shop exceeds 150 square metres.

6. Extractive Industries in Zone IN1 General Industrial

Notwithstanding the relationship of *State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007* with other environmental planning instruments, the provisions of that SEPP apply to land within Zone IN1 General Industrial.

Additional Permitted Uses

Uses to be shown on an additional permitted use zoning map within a Core Supporting Facility Area:

business premises, child care centre, community facility, health consulting rooms, hotel accommodation, medical centre, recreation area, recreation facility (indoor), restaurant, retail premises.

The Proposed Controls for the **E1 – National Parks** and Nature Reserves Zone are as follows:

1. Objectives of zone

- To enable the management and appropriate use of land that is reserved under the National Parks and Wildlife Act 1974.
- To enable uses authorised under the National Parks and Wildlife Act 1974.

2. Permitted without consent

Uses authorised under the *National Parks and Wildlife Act 1974*

3. Permitted with consent

Nil

4. Prohibited

Any development not specified in item 2 or 3

7.2 Justification for Retail, Neighbourhood Shops and Timber and Building Supplies

The DoP draft Centres Policy notes that:

“retail and commercial development is not appropriate in most IN2 (Light Industrial) and IN1 (General Industrial) zones with the following possible exception:

- *Neighbourhood shops to cater for the needs of the local workforce.*
- *Industrial retail outlets supporting the industrial use. This does not include “factory” outlets where the retailing is not ancillary to any manufacturing on the premises.*
- *Wholesale supplies/distribution of goods (but not membership retailing).*
- *Large floor space hardware and building supplies, and landscape and garden supplies where the impacts are comparable to other industrial uses.*

Having regard to the draft Centres Policy, it is considered that the inclusion of neighbourhood shops and timber and building supplies as permissible uses at Black Hill is justified for the following reasons:

- Neighbourhood shops are included as a permissible use in the IN1 Zone under the State Government's *Standard Instrument—Principal Local Environmental Plan*.
- Given the large size of the site (183ha) neighbourhood shops will be permissible across the entire site. This is to ensure basic convenience needs are within walking distance of all future employees on the site. However, the size of neighbourhood shops on the site will be restricted to 150sqm. Therefore, restricting their role to only supporting the daily needs of the local workforce. This is in accordance with the draft Centres Policy.
- Timber and building supplies includes the display, sale (whether by retail or wholesale) or hire of goods or materials that are used in the construction and maintenance of buildings. As the range of industrial uses within the IN1 zone is likely to be varied, it is considered prudent to include timber and building supplies as a permissible use. There is likely to be strong demand for this type of use for any trades people based, or regularly visiting, at the future employment lands at Black Hill. There may also be construction-related industries locating at Black Hill, and access to timber and building supplies would be an important contributor to the success of these businesses.
- Timber and building supplies stores are commonly found in general or light industrial zones throughout NSW. This is supported by the Department of Planning release of *Draft Centres Policy Planning For Retail And Commercial Development* for public consultation which seeks to mandate hardware and building supplies as a permissible use with consent in the B5 Business Development Zone, IN1 General Industrial and the IN2 Light Industrial Zone. It is considered that the environmental impacts such as traffic generation, etc are comparable to the proposed industrial uses on the Black Hill site. This is therefore in accordance with the draft Centres Policy.

7.3 Justification for Core Supporting Facility Area

The Core Supporting Facility Area is justified for the following reasons:

- Given that Black Hill does not abut a major urban area, the chance to provide business premises, childcare centres, leisure/recreation, etc would enable workers to meet their daily needs whilst at their place of employment without having to travel additional distances by car to find these services. Similarly, the provision of a motel would be sensible (and not uncommon) as it would enable people undertaking business visits to stay overnight without having to undertake additional travel.
- Supporting uses will be restricted to a Core Supporting Facilities Area located in the centre of the site. The Core Supporting Facilities Area would not pose a significant impact on the existing / emerging centres hierarchy. However it will ensure future employees at Black Hill will have access to a range of ancillary dining, leisure and services facilities on site so that they will have no need to make off-site car journeys during the working week. This will help reduce the number of trips made in the wider network by car and aims to encourage on site walking and cycling in accordance with the principles of a Green Travel Plan.
- The ancillary facilities proposed in the Black Hill Concept Plan would also have the benefit of serving employees in the Freeway North Business Park, as well as a critical mass of employment use builds over time. This would contribute to reducing the need for unnecessary trip generation for workers at Freeway North Business Park requiring daily services, who could readily access the facilities.
- The additional uses are further detailed and assessed in the Environmental Assessment for the Concept Plan submitted with this SSS Study.
- The additional uses will be capped based on a retail trade analysis up to a specified date.

7.4 Justification for Office Premises

The inclusion of office premises as a permissible use at Black Hill is justified for the following reasons:

- Office premises will be a permissible use only where they are ancillary to development for another permitted purpose. Thus the intent is not to permit stand alone office development, but to allow ancillary offices to be constructed. As an example this might include:
 - company headquarters where tied to a manufacturing or similar general industrial use;
 - ancillary office components within a premises to provide administrative functions; and
 - offices linked to support services e.g. medical, childcare.

No special zoning provision is proposed. Development Controls relating to land use are included in the proposed Schedule 3 listing. In addition, a range of Urban Design Guidelines set out in the Concept Plan will ensure that future development of Black Hill is consistent with, and sympathetic to the local area, surrounding existing land uses and the dedicated conservation areas. The Urban Design Guidelines establish controls in relation to site layout, landscaping, access, staging and water management guidelines for the future development of the Black Hill site.

8 Those Parts of the Site which should be Subject to Part 4 of the EP&A Act with the relevant Council as Consent Authority

The Minister for Planning has already agreed that the development proposal for the site is of State or regional environmental planning significance and that Part 3A of the Act applies. On 7 July 2010, the Minister declared the project to be a 'Major Development', for which he is the consent authority under Part 3A of the Act. No change is proposed to this regime. It is proposed that the Minister is the consent authority for the Concept Plan for the site. All other development proposed for the site is to be subject to Parts 4 or 5 of the Act as applicable, for which the relevant Council is generally the consent authority. The Minister for Planning is also the consent authority for any modifications to the Concept Plan Application.

The proposed approvals process for future development is set out below.

Future development	Process	Consent Authority
Employment generating uses and other permissible development in the IN1 Zone.	<ul style="list-style-type: none"> Part 3A if the development meets state significant development criteria Part 4 Complying development – if it meets the Complying Development Design Controls Part 4 Development consent – if the development does not meet the standards in the Complying Development Design Controls and is not state significant 	<ul style="list-style-type: none"> Minister for Planning or Planning Assessment Commission Accredited Certifier The relevant Council or Joint Regional Planning Panel depending on threshold.

If the Minister determines under Section 75P(1) of the Act that future stages of the project will be assessed under the provisions of Part 4, then it is considered appropriate for the following to occur:

- Determination of any future development application should be generally consistent with the terms of approval of the Concept Plan and the associated Statement of Commitments.
- The future stages of the project are not to be considered as integrated development.
- The assessment of the future development applications is to be undertaken in accordance with the requirements determined by the Minister when approving the Concept Plan.

The provisions of any environmental planning instruments that prohibit or restrict the carrying out of the project or stage of the project do not have effect if the Minister so directs.

9 Appropriate Arrangements (if relevant) for the Compulsory Acquisition of Land by Council for Open Space Purposes

Public open space or recreational areas, including riparian corridors and community infrastructure created through each subdivision (subject of future development applications) will be developed and then dedicated to Council after the completion of each stage of the development or 5 years – whichever comes later. All local road reserves to be constructed will be dedicated to the relevant road authority.

A land acquisition clause has been included in the draft Schedule 3 listing It has been based upon the Department's recently gazetted Standard Instrument—Principal Local Environmental Plan.

10 SEPP Major Development – Clauses 2,7 and 8

The aims of the Major Development SEPP stated at Clause 2 are:

- (a) to identify development to which the development assessment and approval process under Part 3A of the Act applies,*
- (b) to identify any such development that is a critical infrastructure project for the purposes of Part 3A of the Act,*
- (c) to facilitate the development, redevelopment or protection of important urban, coastal and regional sites of economic, environmental or social significance to the State so as to facilitate the orderly use, development or conservation of those State significant sites for the benefit of the State*
- (d) to facilitate service delivery outcomes for a range of public services and to provide for the development of major sites for a public purpose or redevelopment of major sites no longer appropriate or suitable for public purposes,*
- (e) to rationalise and clarify the provisions making the Minister the approval authority for development and sites of State significance, and to keep those provisions under review so that the approval process is devolved to councils when State planning objectives have been achieved.*

In respect to these matters:

- Regardless of whether the project is listed under Schedule 3 (pursuant to Clause 7 of the Major development SEPP), the proposal for the Black Hill, Tank Paddock and Stockrington sites is a Major Development to which Part 3A of the EP&A Act applies pursuant to clause 75B(1) of the Act. Under section 75B(1)(b) of the EP&A Act, development may be declared by a Ministerial Order to be a project to which Part 3A applies. This is on the basis that the Black Hill proposal is essential to ensure the delivery of significant environmental gain. In particular, the proposed dedication of 147ha at Tank Paddock and 398ha at Stockrington to the NSWG as 'conservation lands' provides a significant and important contribution to the vitally important Watagan-Stockton Conservation Corridor as identified in the LHRS and the companion draft Regional Conservation Plan.
- As discussed, the Black Hill, Tank Paddock and Stockrington sites form 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 Coal & Allied sites need to be considered in a coordinated manner as Major Developments. 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.
- The project has been declared by the Minister to be a Major Development.
- Schedule 3 listing of the site will facilitate the orderly use, development and conservation of regionally important sites of environmental and social significance to the state.
- Schedule 3 listing will provide clarity as to which future applications will be determined by Council and which will be determined by the Minister for Planning.

Clause 8 of the Major Development SEPP provides that the Minister may initiate an investigation into whether development on a particular site should be declared to be a project to which Part 3A of the Act applies, and the appropriate development controls for the site. It also requires that any such study is to assess:

- (a) the State or regional planning significance of the site, and*
- (b) the suitability of the site for any proposed land use taking into consideration environmental, social and economic factors, the principles of ecologically sustainable development and any State or regional planning strategy, and*

These matters were incorporated into the request by the Minister to the Director-General, and have been addressed above.

(d) any other matters required by the Director-General.

These matters were incorporated into the request by the Minister to the Director-General, and have been addressed above. However, we note that Clause 8 is explicit that it does not preclude an amendment of Schedule 3 without compliance with this clause.

In view of the above consideration of the matters that the Minister has requested the Director General to consider, in our opinion listing of the site on Schedule 3 of the Major Development SEPP will facilitate the orderly use, development and conservation of a regionally important site of environmental and social significance to the state.

11 Conclusion

The Black Hill Major Development will achieve substantial conservation outcomes through the dedication of 147ha of Coal & Allied land at Tank Paddock and 398ha at Stockrington in the Lower Hunter to the NSWG.

It is proposed to dedicate Tank Paddock (147ha) and part of the Stockrington site (398ha) to the NSWG for inclusion in the important Watagan Stockton conservation corridor upon receipt of development rights on 183 ha of Black Hill. This is 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 proposed land dedication to the NSWG via a series of Voluntary Planning Agreements (VPAs).

The site displays the following criteria:

- Black Hill together with Tank Paddock and Stockrington is of regional importance with the dedication of 545 ha of conservation land to include as a significant part of the vitally important Watagan Ranges to Hexham Swamp conservation corridor. 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 Black Hill 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. Separate consent arrangements with each of the local Councils is unlikely to enable an appropriate conservation and land use framework to be achieved in an effective and efficient manner;
- Protection of areas of aboriginal cultural significance;
- Protection of riparian zones; and
- Provision of employment to help achieve the Lower Hunter Strategy employment 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 the Major Development SEPP will facilitate the orderly use, development and conservation of a regionally important site of environmental and social significance to the State. We therefore request that the Minister include the attached listing of the site in Schedule 3 of the Major Development SEPP.

Appendix A Letter from the Minister



Planning

Contact: Anna Johnston
Phone: 02 9228 6329
Fax: 02 9228 6570
Email: anna.johnston@planning.nsw.gov.au

Mr Keith Dedden
General Manager Property Development
Coal & Allied Industries Limited
Level 3, West Tower
410 Ann Street
BRISBANE QLD 4000

21 July 2010

Dear Mr Dedden

Subject: Coal & Allied Northern Estates

I refer to the requests made by Coal & Allied Industries Ltd that the Coal & Allied Northern Estates (being Minmi, Newcastle Link Road and Stockrington, and Tank Paddock and Black Hill) are considered as potential State Significant Sites, and declared to be projects for the purposes of Part 3A of the *Environmental Planning and Assessment Act 1979* (the Act).

The Minister has formed the opinion that the Coal & Allied Northern Estates are of State planning significance and therefore are to be considered as potential State Significant Sites (SSSs) under Schedule 3 of *State Environmental Planning Policy (Major Development) 2005* (Major Development SEPP). A map showing the agreed potential SSS areas is attached.

The Minister has also declared developments within the Coal & Allied Northern Estates at Minmi, Newcastle Link Road and Stockrington (MP 10_0090), and Tank Paddock and Black Hill (MP 10_0093) to be subject to Part 3A of the Act, and has authorised the submission of concept plans for the projects. A copy of the Orders made under section 75B(2) of the Act are attached, and are intended to be published in the Government Gazette on 30 July 2010.

You will be required to prepare SSS Studies for the proposed amendments to the Major Development SEPP, and Environmental Assessments for the concept plan applications. The Department is currently preparing SSS Study requirements, and environmental assessment requirements for the concept plans, and will be in contact shortly.

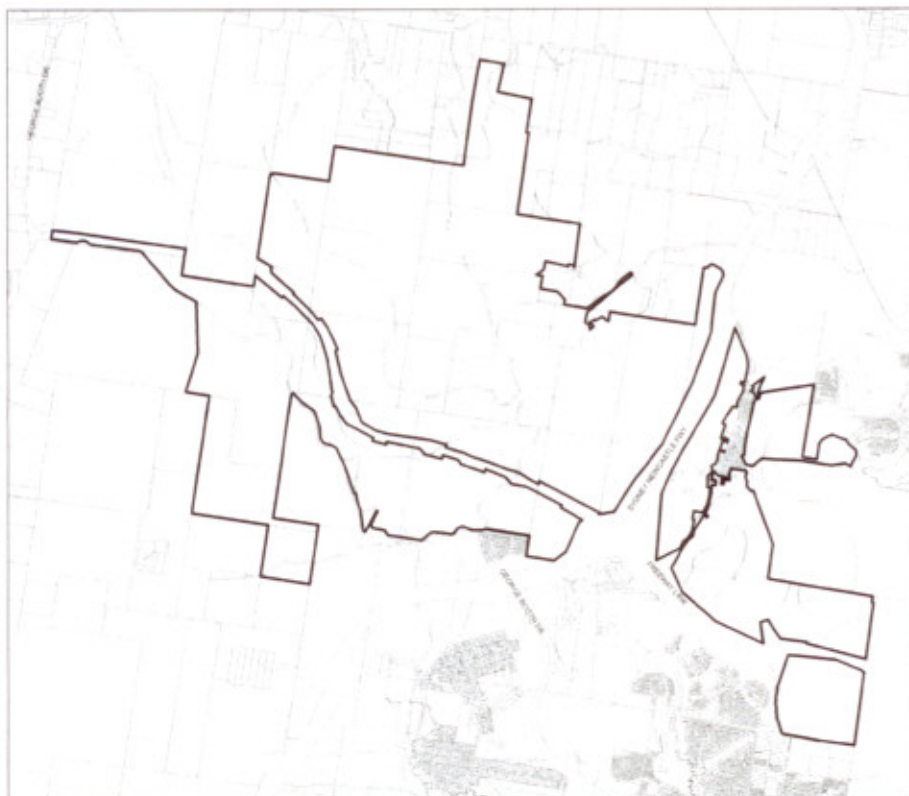
In the interim please contact me should you have any enquiries about this matter.

Yours sincerely

Michael File
Director, Strategic Assessment



Coal & Allied Northern Estates – Black Hill and Tank Paddock
Potential State significant site area



Coal & Allied Northern Estates – Minmi, Newcastle Link Road and Stockrington
Potential State significant site area

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979**ORDER**

I, the Minister for Planning, in pursuance of section 75B(1) of the Environmental Planning and Assessment Act 1979, do, by this my Order declare that the development described in Schedule 1 is a project to which Part 3A of that Act applies.

In my opinion the development described in Schedule 1 is of State or regional environmental planning significance.

Dated, this 7th day of July 2010.

The Hon. TONY KELLY, M.L.C.,
Minister for Planning,
Sydney

SCHEDULE 1

Development on land at Minmi, Newcastle Link Road and Stockrington, for urban and related purposes, and conservation, as described in the Minmi, Link Road and Stockrington Preliminary Environmental Assessment (June 2010) submitted to the Department of Planning on 15 June 2010.

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979**ORDER**

I, the Minister for Planning, in pursuance of section 75B(1) of the Environmental Planning and Assessment Act 1979, do, by this my Order declare that the development described in Schedule 1 is a project to which Part 3A of that Act applies.

In my opinion the development described in Schedule 1 is of State or regional environmental planning significance.

Dated, this 7th day of July 2010.

The Hon. TONY KELLY, M.L.C.,
Minister for Planning,
Sydney

SCHEDULE 1

Development on land at Black Hill and Tank Paddock comprising Lot 30 DP 870411 and Lot 1 DP 1007615, within the Newcastle Local Government Area, for Employment Lands and related purposes, and conservation, as described in the Black Hill and Tank Paddock Preliminary Environmental Assessment (June 2010) submitted to the Department of Planning on 15 June 2010.

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979

State Environmental Planning Policy (Major Development) 2005

NOTICE

I, the Minister for Planning, pursuant to clause 8(1A) of State Environmental Planning Policy (Major Development) 2005 (Major Development SEPP), hereby give notice that I have received proposals that Schedule 3 of the Major Development SEPP be amended to add the sites described in Schedule 1 and Schedule 2 of this Notice.

The Hon. TONY KELLY, M.L.C.,
Minister for Planning,

Dated, this 7th day of July 2010.

SCHEDULE 1

The site known as the Black Hill and Tank Paddock site, as generally shown edged heavy black on the map marked Black Hill and Tank Paddock site, Cadastre, within the Newcastle Local Government Area.

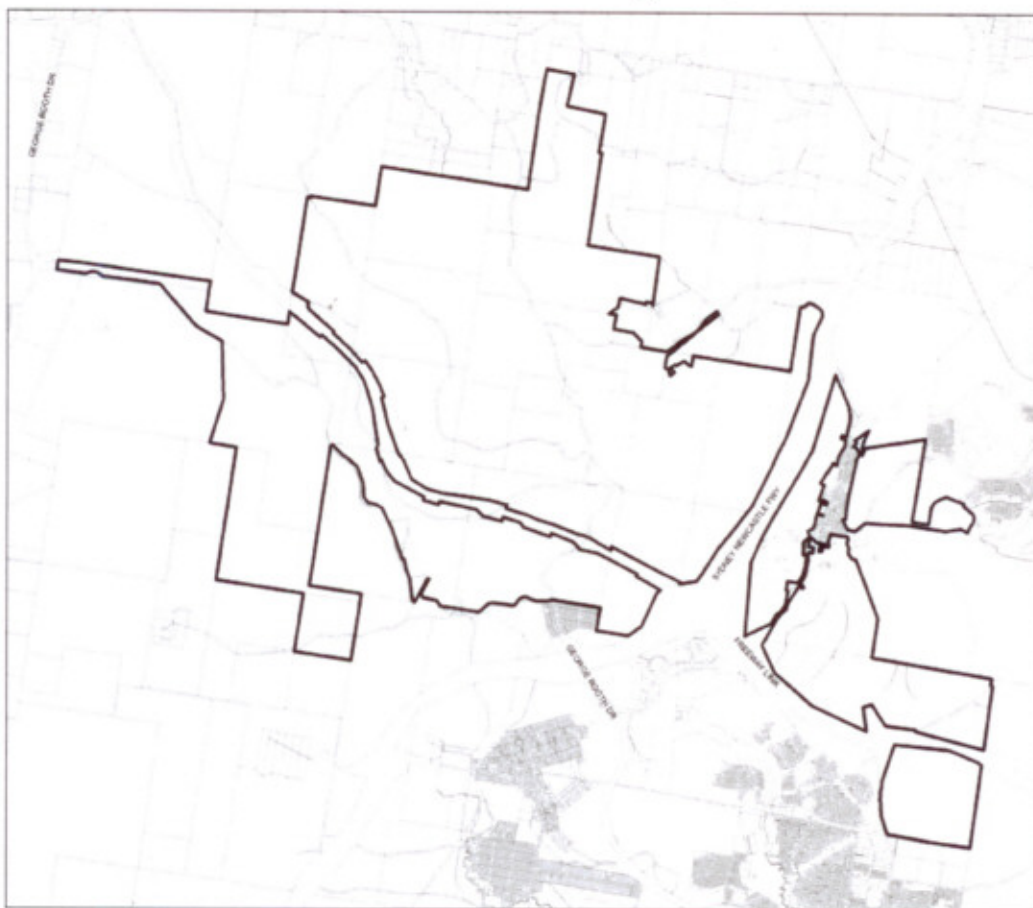
Black Hill and Tank Paddock site, Cadastre



SCHEDULE 2

The site known as the Minmi, Newcastle Link Road and Stockrington site, as generally shown edged heavy black on the map marked Minmi, Newcastle Link Road and Stockrington site, Cadastre, within the Lake Macquarie Local Government Area, Newcastle Local Government Area, and Cessnock Local Government Area.

Minmi, Newcastle Link Road and Stockrington site, Cadastre





NSW GOVERNMENT

Department of Planning

Contact: Shivesh Singh
Phone: 02 9228 6424
Fax: 02 9228 6570
Email: shivesh.singh@planning.nsw.gov.au
Our ref: MP10_0093

Mr Keith Dedden
General Manager Property Development
Coal and Allied Industries Limited
Level 3, West Tower, 410 Ann Street
Brisbane QLD 4000

Dear Mr Dedden,

Black Hill Employment Lands (MP 10_0093) Director-General's Environmental Assessment Requirements

I refer to your letter dated 15 June 2010, which included a request that, should the Minister agree to consider the proposed development at Black Hill under Part 3A of the *Environmental Planning and Assessment Act 1979* (the Act), that Director-General's Environmental Assessment Requirements (DGRs) be issued for the concept plan application.

As previously advised, on 7 July 2010, the Minister declared the Black Hill Employment Lands proposal to be a project to which Part 3A of the Act applies and authorised the submission of a concept plan.

Accordingly, please find attached DGRs for the concept plan application. The DGRs have been prepared in consultation with relevant government agencies. Copies of agency comments are attached to assist you in the preparation of your environmental assessment.

As you are also aware, the Minister has declared the site as a potential State significant site (SSS). In doing so, the Minister requested, in accordance with clause 8 of the *State Environmental Planning Policy (Major Development) 2005* (Major Development SEPP) that the Director-General make arrangements for a SSS study to be undertaken that will assess:

- the State or regional planning significance of the site (having regard to the Guideline for State Significance sites under the Major Projects SEPP);
- the suitability of the site for the proposed land use taking into consideration environmental and social or economic factors, the principles of ecologically sustainable development and any State or regional planning strategy;
- the means in which developer contributions should be secured in respect to the site;
- the likelihood of the proposed rezoning for employment purposes achieving the desired outcomes of the State Government's Regional Strategies and the Western Corridor Planning Strategy;
- the implications of any proposed land use changes for local and regional land use, infrastructure, service delivery, and natural resource planning;

- the recommended land uses and development controls for the site that should be included in Schedule 3 of the Major Development SEPP;
- those parts of the site which should be subject to Part 4 of the Act, where Newcastle Council is the relevant consent authority; and
- appropriate arrangements for the ongoing management of land for open space purposes, including consultation with the relevant Council.

The Western Corridor Planning Strategy is currently being finalised for publication and a copy will be provided to you shortly.

You may now proceed to prepare your environmental assessment for the concept plan and SSS study. These will be assessed for adequacy against the DGRs and SSS study requirements once submitted to the Department.

Should you wish to discuss this matter further, please contact Shivesh Singh, Senior Planner on 9228 6424 or email shivesh.singh@planning.nsw.gov.au.

Yours sincerely,



19.8.10

Michael File
Director, Strategic Assessment

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979**ORDER**

I, the Minister for Planning, in pursuance of section 75B(1) of the Environmental Planning and Assessment Act 1979, do, by this my Order declare that the development described in Schedule 1 is a project to which Part 3A of that Act applies.

In my opinion the development described in Schedule 1 is of State or regional environmental planning significance.

Dated, this 7th day of July 2010.

The Hon. TONY KELLY, M.L.C.,
Minister for Planning,
Sydney

SCHEDULE 1

Development on land at Minmi, Newcastle Link Road and Stockrington, for urban and related purposes, and conservation, as described in the Minmi, Link Road and Stockrington Preliminary Environmental Assessment (June 2010) submitted to the Department of Planning on 15 June 2010.

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979**ORDER**

I, the Minister for Planning, in pursuance of section 75B(1) of the Environmental Planning and Assessment Act 1979, do, by this my Order declare that the development described in Schedule 1 is a project to which Part 3A of that Act applies.

In my opinion the development described in Schedule 1 is of State or regional environmental planning significance.

Dated, this 7th day of July 2010.

The Hon. TONY KELLY, M.L.C.,
Minister for Planning,
Sydney

SCHEDULE 1

Development on land at Black Hill and Tank Paddock comprising Lot 30 DP 870411 and Lot 1 DP 1007615, within the Newcastle Local Government Area, for Employment Lands and related purposes, and conservation, as described in the Black Hill and Tank Paddock Preliminary Environmental Assessment (June 2010) submitted to the Department of Planning on 15 June 2010.

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979

State Environmental Planning Policy (Major Development) 2005

NOTICE

I, the Minister for Planning, pursuant to clause 8(1A) of State Environmental Planning Policy (Major Development) 2005 (Major Development SEPP), hereby give notice that I have received proposals that Schedule 3 of the Major Development SEPP be amended to add the sites described in Schedule 1 and Schedule 2 of this Notice.

The Hon. TONY KELLY, M.L.C.,
Minister for Planning,

Dated, this 7th day of July 2010.

SCHEDULE 1

The site known as the Black Hill and Tank Paddock site, as generally shown edged heavy black on the map marked Black Hill and Tank Paddock site, Cadastre, within the Newcastle Local Government Area.

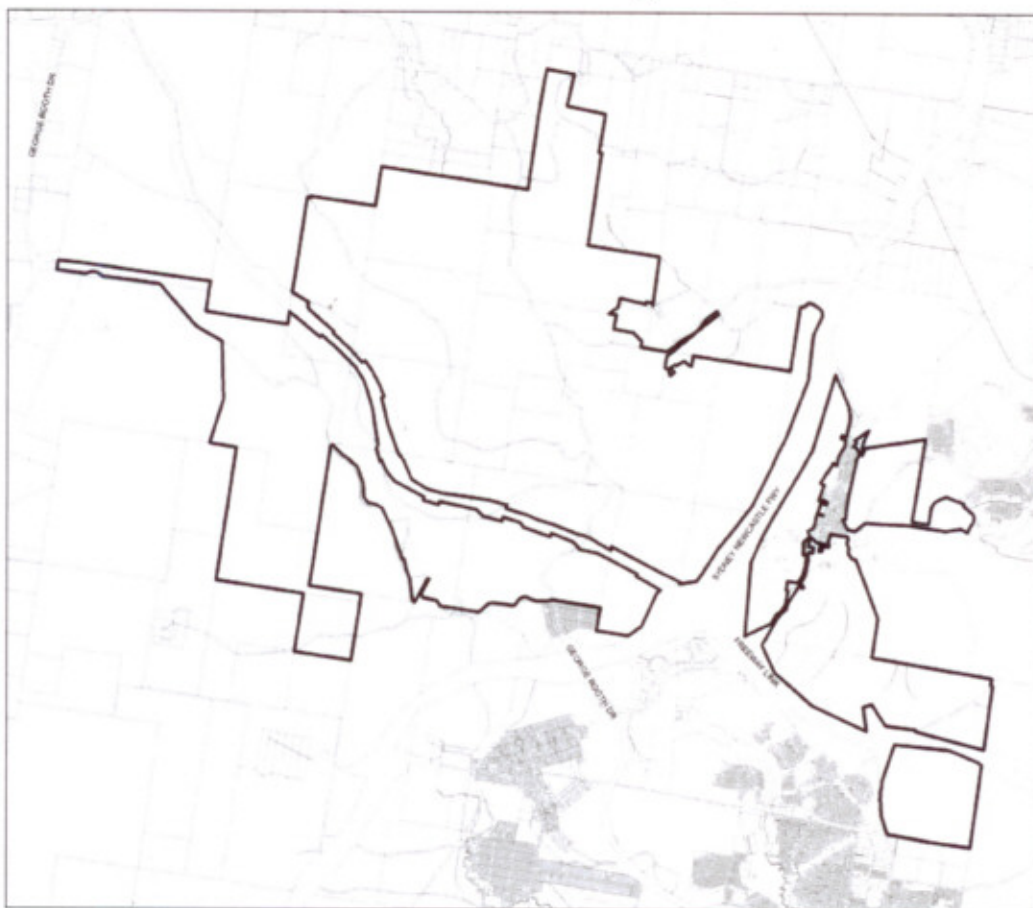
Black Hill and Tank Paddock site, Cadastre



SCHEDULE 2

The site known as the Minmi, Newcastle Link Road and Stockrington site, as generally shown edged heavy black on the map marked Minmi, Newcastle Link Road and Stockrington site, Cadastre, within the Lake Macquarie Local Government Area, Newcastle Local Government Area, and Cessnock Local Government Area.

Minmi, Newcastle Link Road and Stockrington site, Cadastre



Appendix B Proposed Listing in SEPP Major Developments – Schedule 3

Proposed Listing in SEPP Major Developments – Schedule 3

Black Hill, Tank Paddock and Stockrington Site

Division 1 Preliminary

1. Land to which Part applies

This Part applies to the land identified on the Land Zoning Map to this Part, referred to in this Schedule as the Black Hill, Tank Paddock and Stockrington sites.

2. Definitions

1. A word or expression used in this Part has the same meaning as it has in the standard instrument prescribed by the Standard Instrument (Local Environmental Plans) Order 2006 unless it is otherwise defined in this part.
2. In this part **Land Zoning Map** means the map marked “State Environmental Planning Policy (Major Developments) 2005 (Amendment No. ...) – Black Hill, Tank Paddock and Stockrington sites – Land Zoning Map.

Division 2 Permitted or prohibited development

3. Zoning of land to which part applies

For the purposes of this Part, land is within the zones shown on the Land Zoning Map.

4. Zone objectives and land use Table

Zone objectives and land use table

(1) The Table at the end of this Division specifies for each zone:

- the objectives for development, and
- development that may be carried out without consent, and
- development that may be carried out only with consent, and
- development that is prohibited.

(2) The consent authority must have regard to the objectives for development in a zone when determining a development application in respect of land within the zone.

Land Use Table and Objectives

For the purposes of this part, land within the Black Hill, Tank Paddock and Stockrington sites are zoned:

- IN1 – General Industrial Zone
- E1 – National Parks and Conservation Zone

Zone IN1 General Industrial

1. Objectives of zone

- To provide a wide range of industrial and warehouse land use.
- To encourage employment opportunities.
- To minimise any adverse effect of industry on other land uses.
- To provide an appropriate scale of supporting retail, recreational and service facilities to meet the daily needs of the local workforce.

2. Permitted without consent

Bush fire hazard reduction works, earthworks, electricity transmission or distribution networks, environmental protection works, drainage, flood mitigation works, public utility undertakings, roads, sewerage system, telecommunication facilities, water supply system.

3. Permitted with consent

Advertising structure, business identification sign, car park, depot, food and drink premises, freight transport facility, hazardous storage establishment, industry, industrial retail outlets, light industry, neighbourhood shops, office premises (that are ancillary to development for another permitted purpose), passenger transport facility, service station, signage, standard industry, take away food or drink premises, timber and building supplies, transport depot, truck depot, vehicle repair station, warehouse or distribution centre.

4. Prohibited

Except as otherwise provided by this Policy, development is prohibited within Zone IN1 General Industrial unless it is permitted by subclause (2) (3) or (5).

5. Neighbourhood shops in Zone IN1 General Industrial

(1) The consent authority must not grant consent to development for the purpose of a neighbourhood shop on land within Zone IN1 General Industrial if the retail floor area of the neighbourhood shop exceeds 150 square metres.

6. Extractive Industries in Zone IN1 General Industrial

Notwithstanding the relationship of *State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007* with other environmental planning instruments, the provisions of that SEPP apply to land within Zone IN1 General Industrial.

Additional Permitted Uses

Uses to be shown on an additional permitted use zoning map within a Core Supporting Facility Area:

business premises, child care centre, community facility, health consulting rooms, hotel accommodation, medical centre, recreation area, recreation facility (indoor), restaurant, retail premises,

The Proposed Controls for **the E1 National Parks and Nature Reserves Zone** are as follows:

1. Objectives of zone

- To enable the management and appropriate use of land that is reserved under the National Parks and Wildlife Act 1974.
- To enable uses authorised under the National Parks and Wildlife Act 1974.

2. Permitted without consent

Uses authorised under the *National Parks and Wildlife Act 1974*

3. Permitted with consent

Nil

4. Prohibited

Any development not specified in item 2 or 3

Division 3 Exempt and Complying Development

Development on land within the Black Hill site that satisfies the requirements for exempt development or complying development specified in *Schedule 1 and 2 of Newcastle LEP 2003* is exempt or complying development.

5. Public Utility Undertakings excepted

Development for the purpose of a public utility undertaking that is carried out on land within the Black Hill site does not require development consent.

Note. As a consequence of the removal of the requirement for development consent under Part 4 of the Act, development for the purposes of public utility undertakings is subject to the environmental assessment and approval requirements of Part 5 of the Act or, if it is applicable, Part 3A of the Act.

6. Subdivision

- (1) Land within the Black Hill site may be subdivided, but only with consent.
- (2) However, consent is not required for a subdivision for the purpose of one or more of the following:
 - (a) widening a public road,
 - (b) making an adjustment to a boundary between lots, being an adjustment that does not involve the creation of a greater number of lots,
 - (c) a minor realignment of boundaries that does not create additional lots
 - (d) a consolidation of lots that does not create additional lots
 - (e) rectifying an encroachment on a lot,
 - (f) creating a public reserve,
 - (g) excising from a lot land that is, or is intended to be, used for public purposes, including drainage purposes, rural fire brigade or other emergency service purposes or public conveniences.

7. Relationship with other environmental planning instruments

The only environmental planning instruments that apply, according to their terms, to or in respect of development within the Black Hill site are as follows:

- (a) in the case of development that is a project to which Part 3A of the Act applies—this Policy and all other State environmental planning policies otherwise applicable to the land, except State Environmental Planning Policy No 1—Development Standards,
- (b) in the case of all other development—all environmental planning instruments otherwise applicable to the land, except State Environmental Planning Policy No 1—Development Standards, but only to the extent that those instruments are not inconsistent with this Policy.

8. Subsequent Applications

The proposed approvals process for future development is set out below.

Future development	Process	Consent Authority
Employment generating uses and other permissible development in the IN1 Zone.	<ul style="list-style-type: none"> Part 3A if the development meets state significant development criteria Part 4 Complying development – if it meets the Complying Development Design Controls Part 4 Development consent – if the development does not meet the standards in the Complying Development Design Controls and is not state significant 	<ul style="list-style-type: none"> Minister for Planning or Planning Assessment Commission Accredited Certifier The relevant Council or Joint Regional Planning Panel depending on threshold.

The Minister of Planning is the consent authority to consider any modifications to the Concept Plan approval.

For future stages of the project assessed under the provisions of Part 4, the following is to occur:

- Determination of any future development application should be generally consistent with the terms of approval of the Concept Plan and the associated Statement of Commitments.
- The future stages of the project are not to be considered as integrated development.

9. Land acquisitions within certain zones

(1) The objective of this clause is to identify, for the purposes of section 27 of the EP&A Act, the authority of the State that will be the relevant authority to acquire land reserved for certain public purposes if the land is required to be acquired under Division 3 of Part 2 of the Land Acquisition (Just Terms Compensation) Act 1991 (**the owner-initiated acquisition provisions**).

Note. If the landholder will suffer hardship if there is any delay in the land being acquired by the relevant authority, section 23 of the Land Acquisition (Just Terms Compensation) Act 1991 requires the authority to acquire the land.

(2) The authority of the State that will be the relevant authority to acquire land within Black Hill, Tank Paddock and Stockrington, if the land is required to be acquired under the owner-initiated acquisition provisions, is the authority of the State specified below in relation to the land shown on the Land Reservation Acquisition Map (or, if an authority of the State is not specified in relation to land required to be so acquired, the authority designated or determined under those provisions).

Type of land shown on Map

Authority of the State

Public open space or recreational areas, including riparian corridors within Zone IN1 General Industrial Zone

The relevant council

Zone E1 National Parks and Nature Reserves and marked "National Park"

Minister administering the National Parks and Wildlife Act 1974

Local Roads within Zone IN1 General Industrial Zone

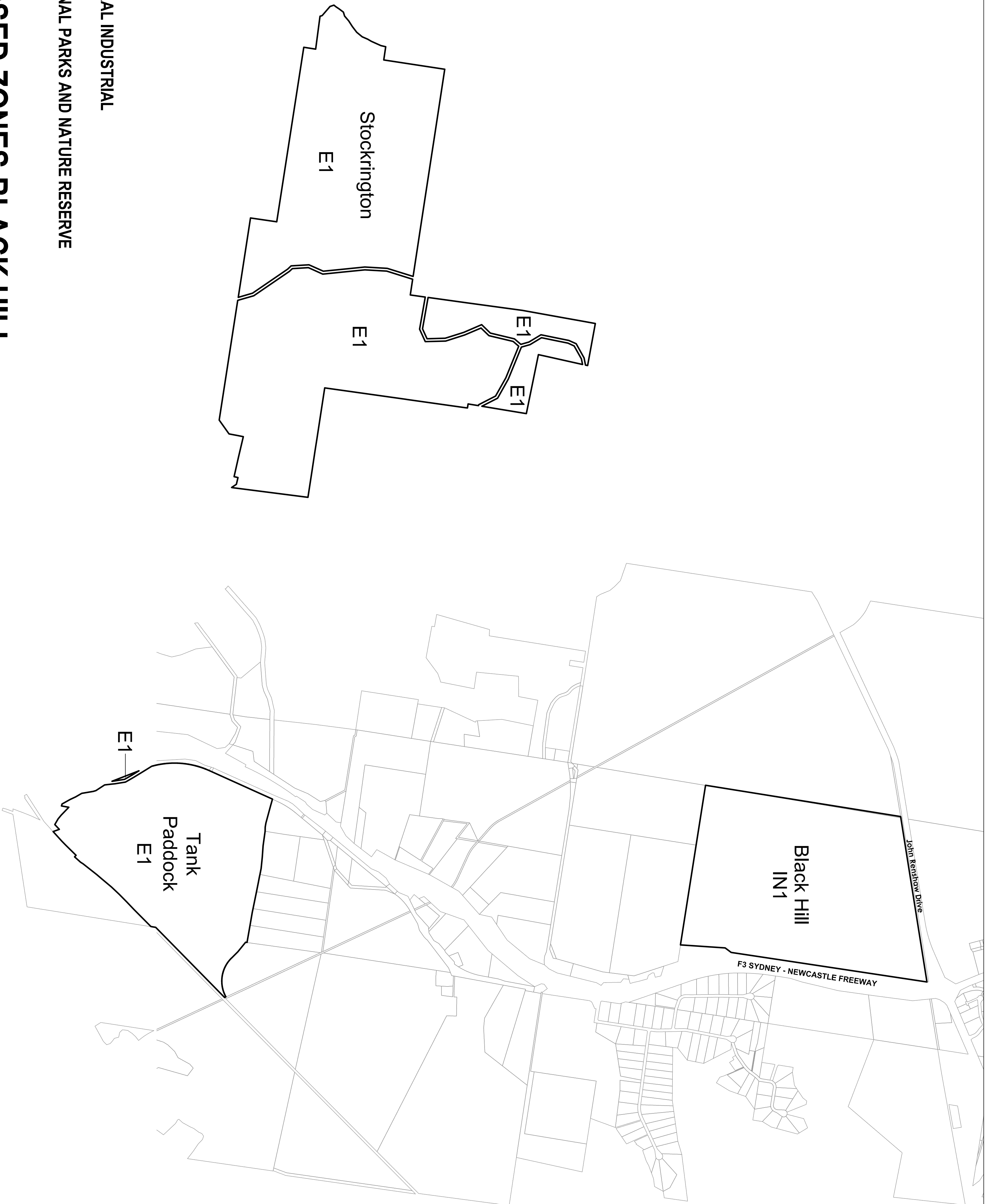
The relevant council

(3) Development on land acquired by an authority of the State under the owner-initiated acquisition provisions may, before it is used for the purpose for which it is reserved, be carried out, with development consent, for any purpose.

Note. If land, other than the land specified in the Table to subclause (2), is required to be acquired under the owner-initiated acquisition provisions, this clause is required to be amended to designate the acquiring authority for that land (see section 27 of the Act). The Minister of Planning is required to take action to enable the designation of the acquiring authority of that land, the acquiring authority is to be the authority determined by order of the Minister for Planning (see section 21 of the *Land Acquisition Just Terms Compensation Act 1991*).

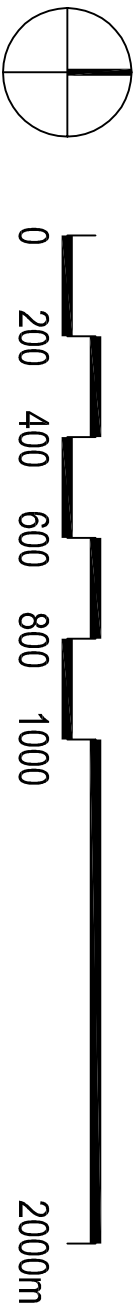
10. Definitions

The dictionary in the Standard Instrument (Principal Local Environmental Plan) defines words and expressions for the purpose of controls affecting the land covered by the concept plan



- KEY**
- IN1 GENERAL INDUSTRIAL
 - E1 NATIONAL PARKS AND NATURE RESERVE

PROPOSED ZONES BLACK HILL



Coal and Allied Black Hill Industrial Estate

Additional Permitted Uses Map

- Subject Land
- Additional Permitted Uses
- 1

Business premises
- 2

Child care centre
- 3

Community facility
- 4

Health consulting rooms
- 5

Hotel accommodation
- 6

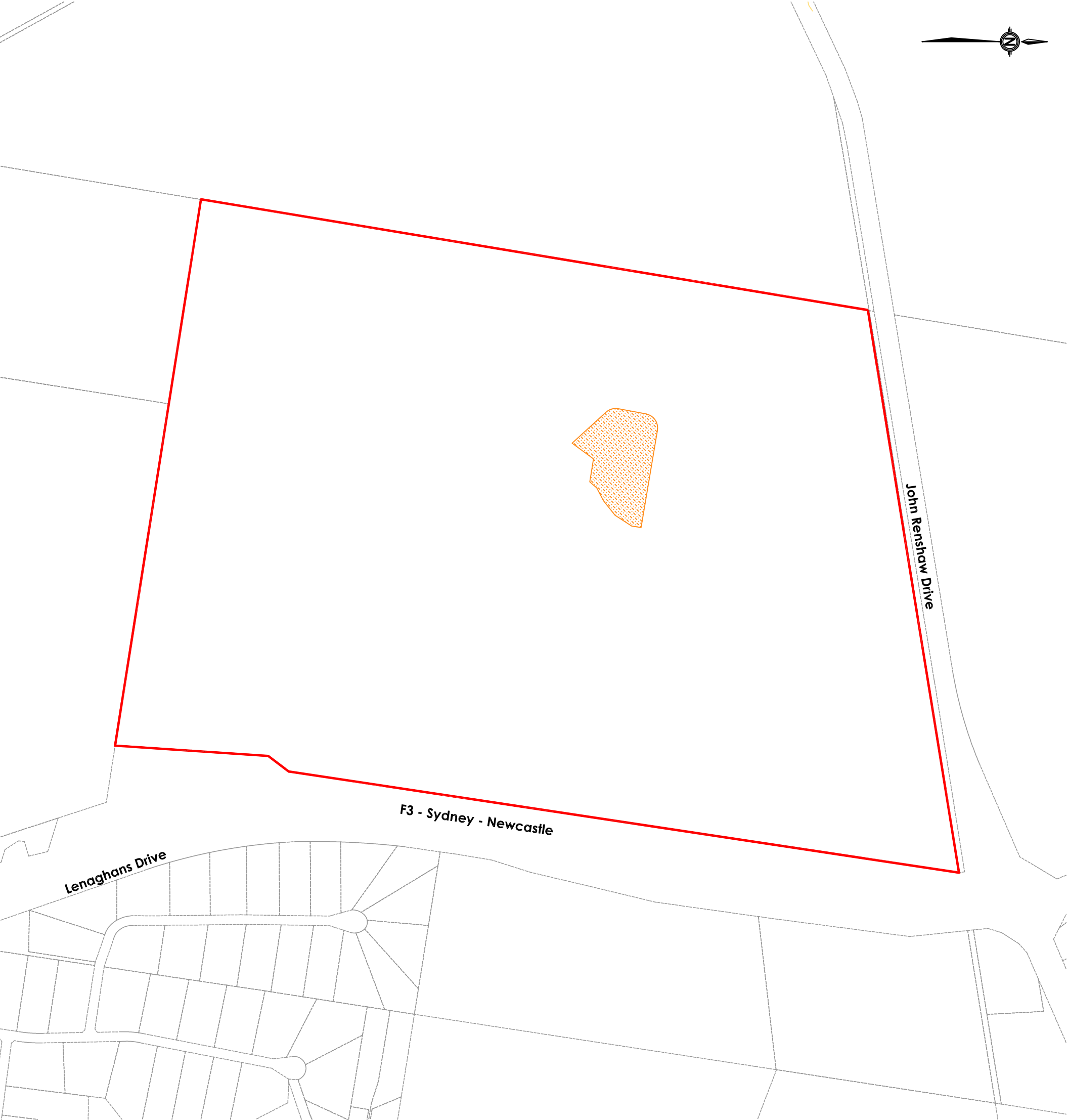
Medical centre
- 7

Recreation area
- 8

Recreation facility (Indoor)
- 9

Restaurant
- 10

Retail premises



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