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Report Number Gwandalan SSS Listing_March 2011

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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 Gwandalan site as a 'State Significant Site' (SSS) in Schedule 3 of State Environmental Planning Policy (Major Development) 2005 (Major Development SEPP) to facilitate residential development that is not permissible under the existing planning provisions. It has been prepared on behalf of Coal & Allied, the owner of the Gwandalan 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'.
- The matters listed in the Minister for Planning's correspondence dated 19th August 2010.
- Clauses 2, 7 and 8 of the Major Development SEPP.

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

In parallel, a draft Voluntary Planning Agreement (VPA) has been prepared between Coal & Allied and the New South Wales Government (NSWG) in accordance with s.93F of the Environmental Planning and Assessment Act, 1979 (EP&A Act). Under the draft VPA, Coal & Allied proposes to develop 62.24ha of Gwandalan for residential development with a maximum yield of 623 dwelling lots. The balance of the Gwandalan site (205.75ha or 77%) is proposed to be dedicated to the NSWG for conservation purposes. Other Coal & Allied owned sites in the Lower Hunter and Central Coast Region are subject to similar but separate Part 3A applications to the Department of Planning (DoP). Overall, Coal & Allied propose to dedicate approximately 3,260ha of Coal & Allied land to the NSWG to provide and enhance important conservation corridors identified in the Lower Hunter Regional Strategy (LHRS), Lower Hunter Regional Conservation Plan (LHRCP) and the Central Coast Regional Strategy (CCRS).

The Coal & Allied owned land at Gwandalan that is proposed to be dedicated for conservation will play a significant role in securing in perpetual public ownership the east-west conservation corridors that link with the long sought-after Wallarah Peninsula conservation corridor. The east-west corridor will help preserve a significant natural break between the Lower Hunter and the Central Coast.

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.

The protection and management of vegetation corridors is a key focus of the Lower Hunter Regional Strategy (LHRS) and the companion Lower Hunter Regional Conservation Plan (LHRCP). The Gwandalan site has been recognised for its State and regional significance based on its inclusion in the LHRS for both proposed residential development and conservation, with the conservation land to be dedicated to the NSWG to complete important conservation corridors included in the LHRCP.

The Gwandalan site is considered to meet the criteria for a State Significant Site set out in the Department of Planning's (DoP's) 'Guideline – State Significant Sites' both as an individual parcel and as an integral part of the overall Coal & Allied environmental land offset package that will achieve key regional conservation outcomes through substantial land dedication..

Furthermore, the proposal both as an individual parcel (623 proposed dwelling lots) and as an integral part of the Coal & Allied land package (935 lots) will help achieve the LHRS dwelling targets to cater for the predicted population growth for the region until 2031.

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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 Gwandalan site as a 'State Significant Site' (SSS) in Schedule 3 of State Environmental Planning Policy (Major Development) 2005. It has been prepared on behalf of Coal & Allied. A draft Schedule 3 listing is attached at **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 Development SEPP'.
- The matters listed in the Minister for Planning's correspondence dated 19th August 2010.
- Clauses 2, 7 and 8 of SEPP Major Development.

It is proposed that the SSS listings/rezoning for the site delineate zones and associated development controls as well as establish the future approval/consent authority regimes. The proposed SSS listing for the site proposes which areas are to be developed and which areas are to be conserved and 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 residential and allied supporting retail as well as conservation uses.

It is proposed that the Schedule 3 amendment to the Major Development SEPP introduce a new statutory planning framework for the Gwandalan site that includes:

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

1.1 Background

In response to a request from Coal & Allied, on 15 June 2010, the Minister for Planning determined that the proposed Gwandalan project constitutes a 'Major Project', and authorised the submission of a 'Concept Plan' under Part 3A of the EP&A Act. The Minister also determined to consider listing the site under Schedule 3 of the SEPP by letter dated 19th August 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 SSS's 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 implications of any proposed land use for local and regional land use, infrastructure, service delivery and natural resource planning.
- The means by which developer contributions should be secured in respect of the site.
- The local and regional economic impacts of the proposed development.



- The likelihood of the proposed rezoning for residential purposes achieving the desired outcomes of the State Government's regional strategies.
- The recommended land uses and development controls that should be included in Schedule 3.
- Those parts of the site which should be subject to Part 4 of the EP&A Act with the relevant council as the consent authority.
- Appropriate arrangements (if relevant) for the management of land for open space purposes.

1.1.1 Context

Coal & Allied have been operating in the Hunter Valley for more than 150 years, with the earliest coal mining operations located in East Maitland 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.

The southern lands will provide 935 dwellings to the existing communities of Gwandalan, Catherine Hill Bay (Middle Camp), and Nords Wharf. This additional population will contribute economic and social support to Swansea and Lake Munmorah as town centres. The main transportation corridor to the southern lands is the Pacific Highway.

Gwandalan adjoins Munmorah 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) and Nords Wharf are located between Wallarah National Park and Munmorah State Conservation Area. 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.

Black Hill 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 Lower Hunter Regional Strategy (LHRS) and Lower Hunter Regional Conservation Plan (LHRCP).

1.1.2 Regional Planning Context

Gwandalan must be considered in the broader strategic and geographic context, rather than just the council area or region it falls within, in order to achieve the State Government objective of securing emerging major conservation corridors. The Gwandalan site is included in both the Lower Hunter Regional Strategy (LHRS) and the Central Coast Regional Strategy (CCRS). Although the site falls within the boundaries of the Central Coast region and is included in the CCRS, the site has also been identified by the NSW State Government (NSWG) as an important land holding for achieving the objectives of the LHRS and the LHRCP.

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The Gwandalan site has been recognised for its regional significance to the Central Coast Region and Lower Hunter Region and is consistent with the LHRS, CCRS and LHRCP for proposed urban development and proposed conservation land dedications.

The proposed development of 62.24ha of land at Gwandalan and proposed dedication of 205.75ha of land at Gwandalan is crucial in securing major conservation corridors identified in the CCRS and LHRS. The proposed conservation land dedication at Gwandalan provides a significant contribution to providing a green inter-regional buffer between the Central Coast and Lower Hunter.

Coal and Allied Land Holdings

Figure 1 – Regional Context: Coal & Allied Land Holdings in the Lower Hunter and Central Coast

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1.1.3 Voluntary Planning Agreement

It is proposed to dedicate land for conservation purposes as part of the Major Development Application via a Voluntary Planning Agreement (VPA) between Coal & Allied and the NSWG in accordance with s.93F of the Environmental Planning & Assessment Act, 1979 (EP&A Act).

The Draft Voluntary Planning Agreement (VPA) will set out the contributions towards State infrastructure.

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

1.2 The Gwandalan Site

The Gwandalan site is located at the southern end of the Gwandalan Township, which is situated on the western shore of Crangan Bay at the southern end of Lake Macquarie. The existing township of Gwandalan is characterised by traditional detached housing lots.

Gwandalan contains an estimated population of 2,940 people. Gwandalan is within convenient proximity by vehicle to the Pacific Highway (4km) and the F3 Motorway (20km) which is the major transportation corridor to Newcastle, Sydney and the North Coast. Swansea is the closest town centre, 19 kilometres north east of the site, providing shopping and business services. Morisset is 26 kilometres to the south west and is identified as an emerging major regional centre which provides a wider array of employment, business, higher order retailing, professional services and other subregional functions.

The Gwandalan site is owned by Gwandalan Land Pty Ltd, a wholly owned subsidiary of Coal & Allied Industries Ltd (Coal & Allied) and the land is contained in two land holdings legally described as Lot 2 DP 1043151 and Lot 57 DP 755266.

The Gwandalan site is approximately 268 ha in area, and includes all the land owned by Coal & Allied located to the south of the existing Gwandalan settlement, east and west of Kanangra Drive.

The land is located in the Wyong Council Local Government Area (LGA). The site is affected by multiple zonings pursuant to the Wyong Local Environmental Plan 1991, including.

- 5(a) Special Uses Power Station approximately 60% of the site.
- 7(a) Conservation approximately 2% of the site.
- 7(b) Scenic Protection approximately 30% of the site.
- 7(g) Wetlands Management approximately 8% of the site.

Access to Gwandalan is from Kanangra Drive via the Pacific Highway. A 'paper road' adjoins the site's northern boundary (a paper road is a road which is unbuilt but has been dedicated and included on the title).

The Gwandalan site is characterised by a moderate to relatively flat topography with the exception of small steep areas at the eastern part of the site along the foreshore and in the southern part of the site associated with Strangers Gully.

There is one existing watercourse, Strangers Gully, within the Gwandalan site with a number of smaller gullies that convey stormwater through to Lake Macquarie.

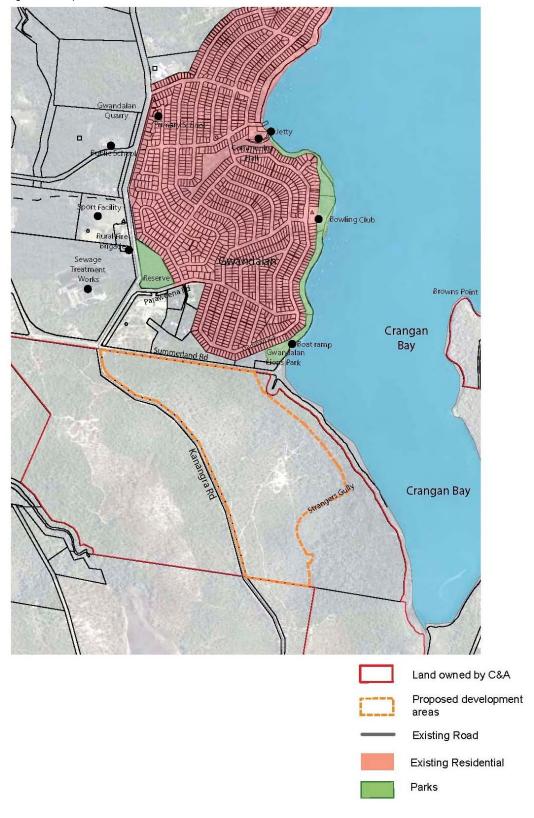
The land identified for conservation has regional ecological value that provides substantial areas of contiguous vegetation with surrounding reserves/forests, and can make a significant contribution to securing in perpetuity a natural green break between the Lower Hunter and Central Coast regions.

The land identified for development is located in areas which are less physically constrained and adjoins the existing township at Gwandalan.

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Figure 2 – Map of Local Context: Gwandalan



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2 State and Regional Planning Significance

The Department of Planning's (DoP's) 'Guideline for State Significant Sites under the Major Development SEPP', provides that when considering 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 of the proposal for Gwandalan directly 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 Gwandalan site has been recognised for its State and Regional significance based on its inclusion in the LHRS for urban development and conservation. Coal & Allied propose to develop 62.24ha of Gwandalan for residential development with a maximum dwelling yield of 623 dwellings in addition to possible allied retail development of up to 3,000sqm. The balance of the Gwandalan site (205.75ha or 77%) is proposed to be dedicated to the NSWG for conservation purposes. The conservation land proposed to be dedicated to the NSWG will provide for and enhance vitally important conservation corridors identified in the LHRS and LHRCP, most notably the east – west conservation corridors that link with the long sought-after Wallarah Peninsula conservation corridor.

The future 935 dwellings across the three sites (including the 623 dwellings at Gwandalan) will help achieve the state government's objective to cater for the predicted population growth for the Region by 2031.

The 205.75ha of the Gwandalan site that is proposed to be dedicated for conservation provides substantial areas of contiguous vegetation, some of which has state ecological value. The proposed dedication of land to NSWG will also ensure that substantial land will be protected from inappropriate development by locking away this land as 'conservation land' in public ownership and perpetuity.

A total of 848.93 ha of land is proposed to be dedicated to the NSWG for conservation purposes across the three Coal & Allied sites of Gwandalan, Catherine Hill Bay (Middle Camp) and Nords Wharf. The proposed dedication of land to the NSWG for conservation purposes will significantly contribute to ensuring that a natural green break between the Central Coast and the Lower Hunter is retained in perpetuity. This is quite clearly of significant regional and State importance.

The proposal for Gwandalan 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 environmental land package that will achieve substantial conservation outcomes through proposed land dedication as set out in the LHRS and LHRCP.



Furthermore, the proposed 623 dwellings at Gwandalan will help achieve the State Government's objective to cater for the predicted population growth for the Region to 2031.

In our opinion, the proposal for the Gwandalan site satisfies criteria (a) of the SSS Guidelines.

2.2 Criteria (b) of the SSS Guidelines

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

As stated, the expansion, management and protection of conservation corridors is a key focus of the LHRS and the companion LHRCP. Two major conservation corridors have been identified running through the Lower Hunter 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.

Coal & Allied is proposing to dedicate 205.75ha of the Gwandalan site to the NSWG as 'conservation land'. This land provides a significant contribution to the creation of the east-west conservation corridors contiguous with Lake Macquarie State Recreation Area and Munmorah State Forest. This will help achieve a natural break between the Lower Hunter and Central Coast regions.

Coal & Allied is also proposing to dedicate 116.6ha of the Nords Wharf site and 526.58ha of Catherine Hill Bay (Middle Camp) to the NSWG as 'conservation land' as part of separate Part 3A applications. The proposed Coal & Allied land dedications of 848.93ha will help protect the Wallarah Peninsula Corridor and provide a natural break between the Central Coast and the Lower Hunter.

The 205.75ha of Gwandalan that is proposed to be dedicated for conservation provides substantial areas of contiguous vegetation, some of which has state ecological value. The substantial dedication of land to NSWG will also ensure that substantial and significant land parcels will be protected from development by locking away this land as 'conservation land' in public ownership and perpetuity. The environmental gain from the proposed environmental land offset package is a once in a generation opportunity that will provide an enduring legacy for the community. The proposed dedication of 205.75ha of the Gwandalan site for conservation to the NSWG by Coal & Allied is clearly of state and regional significance.

Importantly the Gwandalan site will also result in the protection of:

- Sensitive lake foreshore areas by limiting development along the lake foreshore.
- Ecologically endangered communities.
- Riparian zones and waterways.
- Sensitive wetlands.

In our opinion, the proposal for the Gwandalan site 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 Gwandalan land forms 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 Central Coast and spans four

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local government areas (Wyong, Newcastle, Lake Macquarie and Cessnock Councils). This creates complications given the likely differing views of the respective Councils 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 Gwandalan, 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 Gwandalan be considered in a coordinated manner by the NSWG to help achieve permanent preservation of the east-west linkages to the Wallarah Peninsula conservation corridor. Given the overall environmental land offset package proposed for the Lower Hunter by Coal & Allied spans four local government areas, the environmental gains to the community would not be achieved if each site was separately considered by the individual Council.

In our opinion, the proposal for the Gwandalan site clearly satisfies criteria (d) of the SSS Guidelines.

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

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3 The Suitability of the Site

Detailed considerations of the environmental, social and economic benefits arising from the residential 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 residential 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

Gwandalan is positioned within the Wyong Council Area, and is located approximately 90km north of Sydney and 30km south of Newcastle.

The Gwandalan site is located adjacent to the southern end of the Gwandalan Township, which is situated on the western shore of Crangan Bay at the southern end of Lake Macquarie. The existing township of Gwandalan is characterised by traditional detached housing lots.

Situated between Lake Macquarie and Lake Munmorah State Conservation Areas, Gwandalan forms part of an east – west conservation corridor that links with the Wallarah Peninsula Corridor and provides a natural break between the Central Coast and the Lower Hunter. The Coal & Allied owned land at Gwandalan that is proposed to be dedicated for conservation will play a significant role in securing in perpetual public ownership the east west conservation corridors that will help preserve a significant natural break between the Lower Hunter from the Central Coast.

The Central Coast and Lower Hunter Region's vegetation is of bio-geographic significance as it supports a transition between the northern and southern flora and fauna communities of the Region. The CCRS, LHRS and LHCRP recognise the importance of large vegetation areas being linked via habitat corridors. Major conservation corridors have been identified running through the Region, including relevantly to the Gwandalan site, the east – west conservation corridor between Lake Macquarie State Conservation Area and Lake Munmorah State Conservation Area. This is an extensive corridor of land which will be managed for conservation purposes. The east – west corridor aligns with existing public reserves, which will be expanded as a result of the proposed Gwandalan land dedication together with the other land dedications that are proposed and/or which have occurred for the region. This will help to provide a natural break between the Central Coast and the Lower Hunter.

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 proposed conservation land dedication is a once in a generation opportunity that will provide an enduring legacy for the community and future generations.

3.1.2 Local Perspective

The Ecological Assessment Report for Gwandalan prepared by RPS (Formerly RPS Harper Somers O'Sullivan Pty Ltd) (RPS) submitted with the Concept Plan demonstrates that the proposed residential development has been situated within areas of lesser ecological significance and in instances where significant native vegetation may be affected, suitable actions are proposed to minimise potentially deleterious impacts. To achieve this, a considerable amount of investigation has been undertaken to determine the location of the developable area to ensure that ecological impacts are minimised.

The field and desktop studies have recorded the following parameters of ecological significance within both the proposed conservation lands and the proposed 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.
- Other areas containing native vegetation with varying degrees of modification/degradation.

A series of recommendations are outlined in the Ecological Assessment Reports, to assist the reduction of 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. This position is reinforced through the issue on 23rd March 2010 of a Controlled Action Approval by the Federal Minister for the Environment, which assessed that any likely impact on listed threatened species or listed threatened ecological communities could be controlled by the approved conditions for all of the Southern Estates.

Notwithstanding the significant conservation land offsets that are a key aspect of the site's development, a key principle adopted in preparing the structure plan for the site is to minimise the ecological impacts within the development area. Further detailed ecological assessments undertaken during the preparation of the Concept Plan have revealed an area containing Endangered Ecological Community (EEC) known as Strangers Gully and an area containing Angophora inopina is located adjacent to the site's developable area. Given its ecological significance this land is proposed to be set aside for conservation and dedicated to NSW Government.

A range of measures have been taken to avoid ecological impacts. Where native vegetation may be affected, efforts have been made in the design of the structure plan to avoid particularly sensitive areas such as Strangers Gully, the area of Angophora inopina, the lake foreshore and riparian corridors. As a result it is considered unlikely that any significant impacts would occur upon threatened species communities or populations. A series of recommendations have been outlined in the Ecological Assessment report, to aid in the reduction of potential impacts associated with the proposal. These recommendations have generally been translated into the Statement of Commitments or the Urban Design Guidelines.

Despite the loss of flora and habitat for fauna within the developable area of the site, conservation outcomes will also be achieved within the proposed Gwandalan development area by best practice approaches to urban design and use of landscaping. Such approaches and techniques include:

- Retaining vegetation along Kanangra Drive to reinforce the existing local bushland context and conserve an area along the north west edge of the site containing Angophora inopina (Charmhaven Apple), a valued native flora community.
- A water sensitive urban design strategy for the Gwandalan site has been provided in the Environmental Assessment of the Concept Plan.
- Incorporating the foreshore into proposed conservation lands, thus protecting natural attributes of the site and lake as well as areas of high aboriginal cultural significance along the foreshore that contains middens.
- Maintaining the visual aesthetics of the site from the lake.
- Protection of sensitive lake foreshore areas by ensuring that the proposed development does not contribute to lake edge erosion and diminished water quality by inappropriate development on the terrestrial/aquatic interface.

Notwithstanding the ecological outcomes on the development site, the level of preservation afforded by the proposed conservation lands and dedication to the NSWG provides a more than adequate offset outcome.

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Furthermore, in accordance with the DGEARs issued on 19 August 2010 for the Gwandalan Concept Plan, the Environmental Assessment that supports the Concept Plan for Gwandalan addresses the following environmental issues:

- Urban design and built form.
- Coastal foreshore and public access.
- Biodiversity impact.
- Transport and accessibility.
- Mining activities.
- Heritage.
- Water quality.
- Flooding.
- Visual.
- Bushfire.
- Impact on Crown Land.
- Infrastructure and utilities.
- Ecologically sustainable development.
- Site preparation works.
- Subdivision.
- Future public land.

3.2 Social

The land identified for future residential development is considered to be an appropriate extension of the existing township of Gwandalan. The site is in close proximity to an existing range of services and facilities at Gwandalan including:

- Retail facilities include: a small supermarket, newsagent, Post Office, chemist, fruit and vegetable store, real estate agent, baker and liquor store, doctor's surgery, dentist, hairdresser and specialty shops. An independent service station is located at the corner of Kanangra Drive and Orana Road.
- Education and childcare facilities include a primary school and two preschools.
- Recreational facilities include:
 - Community facilities including a community hall, a sport and recreation centre at Point
 Wolstoncroft, a bowling club, the Tunkuwallin sports complex which straddles Gwandalan and
 Summerland Point (and includes an indoor basketball court, horse and social club and
 skateboard ramp).
 - Four tennis courts, a skateboard ramp, three boat ramps, three parks/reserves, baths (on the lake), and a heritage walk.
 - A library service operates from the small but well-used Gwandalan Hall in the form of a volunteer deposit station.

A Social Impact Assessment has been prepared to support the Concept Plan for the site. This report summarises local social infrastructure, community consultation and assesses the likely consequences of the development.



The degree of social impact by the additional population from the proposed development on services or social infrastructure is considered to be positive. Where necessary, a range of contributions will be made to facilitate the augmentation of key infrastructure in order to accommodate the future population's needs.

A Draft Statement of Commitments is included with the Concept Plan 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. 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.

In addition, Coal & Allied has allocated an amount of \$5 million for initiatives associated with the delivery of social infrastructure to support the existing and future communities at Gwandalan, Nords Wharf, and Catherine Hill Bay (Middle Camp). The \$5 million allocation is directed at initiatives that would not ordinarily be provided as part of the development of a new residential estate and accordingly, are considered to be 'over and above' what is reasonably necessary to satisfy State and Local Government approval requirements.

The \$5 million allocation may be used for sustainability initiatives for future residents, additional infrastructure to support existing and future residents, educational and or community programs.

The final list of initiatives for Gwandalan is incorporated into the Concept Plan proposal for the Gwandalan 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 and is discussed in the Environmental Assessment. The report concludes that the proposed development of Gwandalan will result in a net direct benefit to the economy in terms of capital investment, direct and indirect job and flow on economic effects.

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 sustainability commitment

Rio Tinto Coal Australia is committed to sustainable development. The three principles of Rio Tinto Coal Australia's approach are:

Social wellbeing

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

Environmental stewardship

- Resource stewardship.
- Pollution prevention.
- Product stewardship.

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Economic prosperity

- Shareholder return.
- Economic contribution.
- Customer focus.

It is with these core values established that Rio Tinto Coal Australia and Coal & Allied approach the development and conservation of its Lower Hunter surplus lands.

3.4.2 Sustainability Framework for Gwandalan

The proposed residential development of 62.24ha and dedication of 205.765ha of land at Gwandalan for conservation purposes provides the opportunity to create new and expanded communities for the Lower Hunter region and in doing so, implement key objectives and outcomes of the LHRS and LHRCP associated with accommodating sustainable population and employment growth and environmental outcomes.

Gwandalan is identified in the LHRS and LHRCP for proposed urban development and conservation. It is important to note that the LHRS clearly states that the sustainability criteria in the LHRS will not apply to proposals for development in the areas identified as green corridors on the strategy map. This applies to the land at Gwandalan that is proposed to be dedicated to the NSWG for conservation purposes. Notwithstanding that the Gwandalan site has been identified for urban and conservation purposes, an assessment against each of the sustainability criteria listed in Appendix 1 of the LHRS has been undertaken for Gwandalan to illustrate its suitability for future residential purposes. The assessment in the following Table shows that the subject land comprehensively satisfies the sustainability criteria.

Table 1 - Sustainability Criteria and Relevant Outcomes

Sustainability Criteria

Relevant Outcome for Development

Lower Hunter Regional Strategy

Infrastructure Provision

 Mechanisms in place to ensure utilities, transport, open space and communication are provided in a timely and efficient way.

A detailed assessment of the proposed development of Gwandalan against all relevant regional strategies, sub regional strategies, State Infrastructure Strategy is provided in the Environmental Assessment for the site Concept Plan. 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:

- Electricity services.
- Provision of a trunk water main to the site.
- Sewer connection to existing system.
- Provision of a copper telephone service.

The Concept Plan will ensure that sufficient land is provided within new road reserves for utilities and land proposed to be dedicated to NSWG will be at no cost to NSWG.

The Concept Plan also commits to:

- The upgrade of the intersection of the Pacific Highway and Kanangra Drive.
- Open space and the foreshore protection area will be established in the initial stages of the development.

Contributions will be made to improve local and regional infrastructure. This may involve the implementation of various



Sustainability Criteria	Relevant Outcome for Development
	'developer agreements' between Coal & Allied and the Department of Planning prior to final approval of a construction certificate for subdivision.
Access	
 Accessible transport options for efficient and sustainable travel between homes, jobs, 	Safe access to the site is available along Kanangra Drive via the Pacific Highway.
services and recreation to be existing or provided.	Pedestrian/cycle access will be incorporated within the development.
	 In terms of public transport A bus service operates from Gwandalan, with services to Swansea then on to Charlestown or Lake Haven nine times each way per week day, five on Saturdays and two on Sunday.
	 Wyee is the nearest railway station, located 17 kilometres to the west of the site, for trains to Sydney, Newcastle and Gosford.
	The size of the proposed development sites, together with their proximity to the current bus route 99 is such that there could be no strong case made for the introduction of any additional or new route. Industry experience and advice received from NSW Ministry of Transport suggests that a catchment area population base of 10,000 is required in order to deliver a bus service that operates on a regular basis throughout the week.
	The Concept Plan and the proposed zoning allows for a range of uses including shoptop housing, neighbourhood shops, cafes and restaurants which will be conveniently accessible to future residents.
 Housing Diversity Provide a range of housing choices to ensure a broad population can be housed. 	Opportunity exists to provide housing diversity in response to current evolving demographic needs. A variety of lot sizes and housing forms are proposed including: Seniors housing. Shop-top housing. Detached housing. Attached housing. Integrated housing.
 Provide regional/local employment opportunities to support the Lower Hunter's expanding role in the wider regional and NSW economies. 	 The rezoning is for Low Density Residential and Environmental Protection purposes. The Low Density Residential zoning allows for shoptop housing, and neighbourhood shops which will provide local employment opportunities. The Concept Plan dedicates appropriate locations for these uses. Additional B4 Mixed Use land will provide for the location of other shops and services to cater to the local population. This will also enhance local employment opportunities. The development will offer construction related employment for 16 years with direct and indirect benefits. Post construction service industry employment and opportunities will be created by the increased population demands from the greater critical mass resulting from the development as well as employment in the proposed retail, commercial and retirement facilities.

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Sustainability Criteria	Relevant Outcome for Development
Avoidance of Risk Land use conflicts, and risk to human health and life, avoided.	 The development involves no land use conflicts with the adjacent and existing community areas. The Concept Plan protects sensitive lake foreshore areas by ensuring that the development does not contribute to lake edge erosion by providing an appropriate setback of 100m to the lake foreshore. Overall it is submitted that the proposed development is suitable for existing and future predicted climate and flooding conditions. There is generally no evidence of previous or incipient deep seated slope instability observed over the site. The site is generally considered to have a low to moderate risk of slope instability with respect to the natural topography. In the event that significant cuts or fills are proposed for the future development of the site, further geotechnical investigation to specifically assess the risk of slope instability due to cuts and fills, should be undertaken. Such risks are generally managed by limiting batter slopes, drainage measures or suitably designed support. A significant proportion of the site constitutes Bushfire Prone Land. A Bushfire Threat Assessment has been undertaken by RPS to accompany the Concept Plan. 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 and future dwelling design. Construction safety will be paramount with workplace safety to be managed closely in accordance with Coal & Allied's stringent safety requirements as for all workplaces under its stewardship.
Natural Resources Natural resource limits not exceeded. Environmental footprint minimized and managed.	 None of the land is zoned for agricultural purposes. Review of Mine Subsidence Board (MSB) maps for the area indicate that the site is underlain by coal mine workings in two seams, the Wallarah and the Great Northern. The Wallarah workings underlie most of the site, with the Great Northern workings only encroaching on the south-east corner of the site. Investigations to date indicate that parts of the site will be restricted to single storey brick veneer construction. Other parts of the site are capable of accommodating two storey development. These areas are indicated on the map contained in the Concept Plan. These potential restrictions will be subject to further detailed geotechnical investigations. There is proposed future mining at the site, which may affect the standard guidelines outlined above. Restrictions on development due to future mining are normally provided by the Development Application and Rezoning Liaison Committee (DARZL) and a formal application to the MSB is required for consideration by DARZL. It is noted that the development proposed in the Concept Plan will enable the reasonable recovery of coal using partial extraction methods. The environmental footprint will be designed to maximise



Sustainability Criteria	Relevant Outcome for Development
	the water management and quality thereof. Future development will reduce Greenhouse Gas emissions to at least BASIX compliance.
Environmental Protection Protect and enhance biodiversity, air quality, heritage and waterway health.	As discussed above it has been concluded that the proposed rezoning and development for residential purposes should not significantly impact upon threatened or regional significant flora and fauna, ecological communities or populations. In fact, Coal & Allied conservation dedications provide outcomes that contribute to meeting the environmental protection goals outlined in the sustainability criteria of the LHRS and LHRCP, including: Maintains/improves areas of significant biodiversity. Maintains environmental areas for air and water quality. Protects areas of Aboriginal cultural heritage value and historical heritage value. Proposed transfer of conservation land to public ownership. Conserve in perpetuity key strategic parcels of land that complete long sought-after regional biodiversity conservation corridors. 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 Endangered Ecological Communities. The transfer of the 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. Water sensitive urban design features will be incorporated into the proposed development to ensure that appropriate hydrological and water cycle management. Stringent conditions will also form part of all building activity to protect the waterway from pollution. Stormwater and sewer infrastructure will be designed to capture pollutants from the development and treat them in accordance with relevant Australian Standards and state and local government guidelines before discharge to the receiving environment.
Quality and Equity in Services Quality health, education, legal, recreational, cultural and community development and other Government services are accessible.	The land at Gwandalan identified under the LHRS for residential development adjoins the existing township at Gwandalan. The proposal is considered to be an appropriate extension of the existing township at Gwandalan and is in proximity to an existing range of services and facilities within Gwandalan, including shops, health care, schools, sporting and recreation facilities, and childcare. Opportunities are provided within the proposed B4 Mixed Use land zoning for the establishment of local shops and community services such as a medical centre to cater to the needs of the local population. In addition, contributions will be made to improve local and regional infrastructure.

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In addition, the 1997 NSW Coastal Policy (discussed further in Section 3.6, below) is based on four principles of ESD contained in the Intergenerational Agreement on the Environment (IGAE) signed in 1992. These principles are addressed in the proposed rezoning as follows:

- The environmental gain from the proposed dedication of 205.75ha of land at Gwandalan for conservation purposes is a once in a generation opportunity that will provide an enduring legacy for the community and future generations. This is entirely in accordance with the <u>principles of intergenerational</u> equity.
- The 205.75ha of Coal & Allied land that is proposed to be dedicated for conservation will play a significant role in securing in perpetual public ownership long sought-after conservation corridors which will provide a green inter-regional buffer separating the Lower Hunter from the Central Coast. The proposed land dedication is a positive conservation step. The protection of an important array of vegetation communities, flora and fauna species, and natural landscape assets, including threatened species and EEC's in the conservation lands is in accordance with the principles of conservation of biological diversity and ecological integrity.
- There are no significant environmental threats arising from the proposed development as adequate management and mitigation measures can be implemented. Adequate APZs are proposed to protect from bushfire risk. Overall it is submitted that the proposed development is suitable for existing and future predicted climate and flooding conditions. Any potential contamination risks can be addressed through the development assessment process. As discussed, the risk of loss of biodiversity is offset by the level of preservation afforded by the proposed dedication of conservation lands which provides a more than adequate offset outcome. It is crucial to note that 77% land dedication for conservation purposes is well in excess of traditional conservation outcomes from development offset processes. This is in accordance with the precautionary principles.
- The developer will pay for the establishment of infrastructure and environmental management measures on the part of the site proposed to be rezoned for residential purposes. This is in accordance with the polluter pays principles.

Furthermore, in accordance with the DGEARs issued on 19 August 2010 for Gwandalan, the Environmental Assessment that supports the Concept Plan for Gwandalan addresses the following sustainability issues:

- How the development will commit to ESD principles in design, construction and ongoing operation phases.
- That the development is capable of achieving the requirements of BASIX.
- An Energy & Water Savings Action Plan have been prepared in accordance with the requirements of the DWE and the Guidelines for Energy Savings Action Plans, DEUS 2005.

3.5 State or Regional Policies

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

3.5.1 Central Coast Regional Strategy

The Central Coast Regional Strategy (CCRS) is the Government's blueprint for sustainable growth in the Central Coast region to 2031. Its overarching purpose is to ensure that adequate provision is made to sustainably accommodate the projected housing, employment and environmental needs of the Region's population over the next 25 years. It is the principal document upon which Environmental Planning Instruments and major land use and development decisions in the Central Coast should be based.



The NSWG released the final CCRS in June 2008. The CCRS identifies the Coal & Allied owned land for proposed development and conservation.

The strategy emphasises the need to plan and deliver sufficient residential, business and employment land to meet future population growth expectations. Key details of the strategy include:

- Ensure that sufficient employment lands are available to cater for 45,000 new jobs.
- Plan for an additional 100,000 residents and 56,000 new dwellings.
- Establish important green corridors, to protect and enhance the Region's strong environmental and biodiversity assets.

The proposed development and conservation of the Coal & Allied owned Gwandalan land in the manner proposed by the Concept Plan is entirely consistent with the CCRS as follows:

- It will facilitate the achievement of the key aims of the strategy by contributing to future housing provision and land conservation.
- The proposed dedication of conservation lands to the NSWG will help ensure the green buffer between the Lower Hunter and Central Coast Regions will be preserved in perpetuity. This will also protect and enhance the region's environmental and biodiversity assets and conserve land with significant ecological value.
- Provision of housing will respond to changing occupancy rates in the Central Coast region.
- Provision of a range of housing forms will respond to the key demographic drivers of a shrinking household size and aging population.
- Provision of small mixed use zones to allow, if required, small scale retail and allied uses to provide services and local employment in the region.
- It will focus new development adjacent to existing urban areas, whilst protecting important environmental assets.
- It will strengthen the viability of existing services and facilities in Gwandalan and Summerland Point.
- It will ensure quality urban design and amenity that is sensitive to the lakeside location.
- It will protect aboriginal heritage values along the foreshore area.

3.5.2 Lower Hunter Regional Strategy

The Lower Hunter Regional Strategy (LHRS) is the key planning policy to guide the growth in the Lower Hunter to 2031 by identifying future development areas, principal land use types, settlement patterns and conservation outcomes. It is the principal document upon which Environmental Planning Instruments and major land use and development decisions in the Lower Hunter should be based.

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.

Although the site is located in the Central Coast, the LHRS identifies the Gwandalan site for proposed urban development and proposed conservation land dedications. The proposal is entirely consistent with the LHRS.

The Gwandalan site is one of the four Coal & Allied sites in the southern and northern lands proposed for residential development which will assist in achieving the forecast growth in the Lower Hunter. Whilst geographically separate they will make a significant contribution to the overall growth of the Lower Hunter region.

The securing, protection and management of conservation corridors is a key focus of both the LHRS and the companion Lower Hunter Regional Conservation Plan. The proposed development of 62.24ha of land at Gwandalan and proposed conservation land dedication of 205.75ha of land at Gwandalan is

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crucial in achieving the State Government's objective of securing major conservation corridors identified in the LHRS. The proposed development of the Gwandalan site and proposed land dedication is an integral element of the LHRS.

3.5.3 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 LHRS and 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. While the objectives of the LHRCP focus solely on biodiversity values, it acknowledges that, in some instances, the application of sound planning principles will result in unavoidable biodiversity impacts. It notes that whilst the LHRS proposed development footprint to maximise use of already cleared or degraded land, there will be losses of biodiversity values as the LHRS is implemented, including areas of high conservation value vegetation.

Future proposed developments in the Lower Hunter will be assessed against the LHRCP. Impacts to biodiversity, including threatened species, should be first avoided or mitigated. Where appropriate, the Government will consider offsetting future development by entering into planning agreements with the developer. Under these agreements the developer is required to dedicate free of cost land that has been identified as having conservation value. Where appropriate, such land could be incorporated into the reserve system. Offsets will be developed in accordance with government policy and guidelines.

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

Relative to the LHRCP, the proposal for Coal & Allied's Gwandalan site is significant due to:

- The site is located within the area identified in the LHRCP as a green conservation corridor. The South Wallarah and Munmorah Peninsula area is currently affected by fragmented land ownership and therefore the proposed dedication of 205.75ha of conservation land at Gwandalan will make a significant contribution to achieving a key objective of the LHRCP which is securing major conservation corridors.
- The proposed residential development of Gwandalan on 62.24ha of land will be more than offset through the proposed dedication of 205.75ha of conservation land.
- The proposed dedication will make a significant contribution to achieving key biodiversity objectives contained in the LHRCP including expanding and strengthening the value of key corridor linkages and the valued natural green buffer between the Lower Hunter and Central Coast regions.

The detailed studies by RPS and contained in the Ecological Assessment Report included in the Concept Plan Environmental Assessment report have confirmed that measures have been taken to avoid any development in particularly sensitive areas where practical (such as the ecologically significant Strangers Gully, including an occurrence of the highly restricted vegetation community - Coastal Wet Sand Cyperoid Heath, and the Angophora inopina). Overall it is considered that the proposal will provide positive ecological outcomes across the entire Gwandalan site.



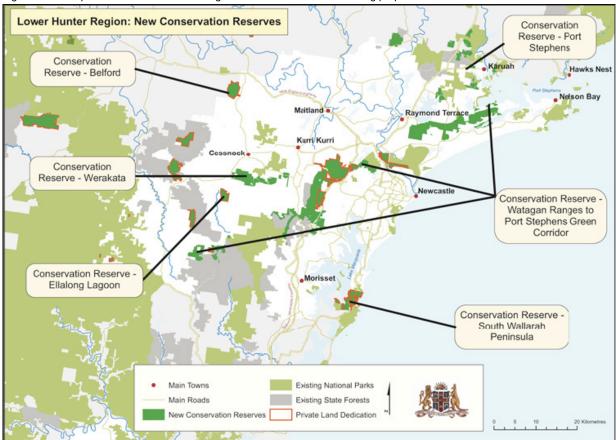


Figure 3 - Excerpt from the Lower Hunter Regional Conservation Plan showing proposed New Conservation Reserves

3.6 NSW Coastal Policy 1997

The NSW Coastal Policy aims to guide the future management and planning of the coastal zone. The coastal zone is identified under the Coastal Protection Act 1979 and includes the land subject to the proposed Concept Plan. The relevant considerations of the Policy are addressed in the Concept Plan Environmental Assessment. These considerations relate to the range of objectives which underpin the long term goals of the Policy.

The NSW Coastal Policy 1997 is based on four principles of ESD contained in the Intergenerational Agreement on the Environment (IGAE) signed in 1992. These principles have been addressed above.

Gwandalan is generally characterised by a traditional low density settlement pattern predominately containing detached housing.

Public access along the Lake Macquarie foreshore is currently provided for the majority of the existing village of Gwandalan.

Importantly, public foreshore access is proposed along the lake foreshore as part of the development proposal and conservation land dedications. This is entirely in accordance with the key actions of the NSW Coastal Policy to acquire and reserve coastal land with high conservation values for public purposes. Furthermore, the 205.75ha of Coal & Allied land proposed to be dedicated for conservation is entirely in accordance with the key actions of the NSW Coastal Policy to increase the opportunities for public access to coastal foreshore areas.

In addition, the Concept Plan protects sensitive lake foreshore areas by ensuring that the development does not contribute to lake edge erosion by providing an appropriate average setback of 100m to the lake foreshore. This setback also protects Aboriginal cultural heritage which is a key principle underlying the NSW Coastal Policy.

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Public access is proposed along the lake foreshore as part of the proposed development and conservation lands dedication which will be subject to DECCW approval. This is entirely in accordance with the key actions of the NSW Coastal Policy to increase opportunities for public access to coastal foreshore areas. Given that currently there is no public access or public owned land along the Lake Macquarie foreshore south of Summerland Road, the proposed dedication of foreshore land to the NSWG will be of significant public benefit.

3.7 State Environmental Planning Policy 71 – Coastal Protection (SEPP 71)

The site is subject to the provisions of State Environmental Planning Policy 71 – Coastal Protection (SEPP 71) as the site is situated within the Coastal Zone identified under the Coastal Protection Act 1979. SEPP 71 was established to ensure that development in the NSW coastal zone is appropriate and suitably located. The SEPP also aims to ensure a consistent and strategic approach to coastal planning management.

The matters for consideration in determining a proposed development or the preparation of a draft LEP are identified under Clauses 8 and 14 – 16 of the SEPP. These considerations are addressed at Section 5 of the Concept Plan Environmental Assessment. In summary, the proposal will relevantly to the site:

- Provide additional public access to and along the foreshore, linking to the public foreshore access to the north of the site.
- Incorporate water sensitive urban design features into the development to ensure that there is no
 increased export of stormwater, pollutants and sediments. Stringent conditions will also form part of
 all building activity to protect the waterway from pollution.
- Conserve in perpetuity key strategic parcels of land that complete long sought-after regional biodiversity conservation corridors.
- Protect sensitive lake foreshore areas by ensuring that the development does not contribute to lake edge erosion and diminished water quality by inappropriate development on the terrestrial/aquatic interface.
- Incorporate the foreshore into the conservation lands proposed to be dedicated to the NSWG, thus
 protecting natural attributes of the site, the visual aesthetics of the site from the lake as well as
 areas of high aboriginal cultural significance along the foreshore that contains middens.
- In lieu of monetary contribution for open space, the Owner will provide a cycle way and pedestrian path within the foreshore area, subject to Minister for the Environment and Climate Change approval. The Owner will also undertake foreshore embellishment works, subject to Minister for the Environment and Climate Change approval.

3.8 NSW Sea Level Rise Policy Statement

The Department of Planning released the final NSW Coastal Planning Guideline: Adapting to Sea Level Rise in August 2010. The Guideline adopts the sea level rise planning benchmarks in the NSW Sea Level Rise Policy Statement to assist the planning for future development proposals for all coastal areas of NSW.

The term 'coastal areas' is used broadly to include the coastline, beaches, coastal lakes, estuaries, as well as the tidal reaches of coastal rivers. It also includes other low-lying land surrounding these areas that may be subject to coastal processes in the future as a consequence of sea level rise.

The Guideline adopts the following six coastal planning principles for sea level rise adaptation:

Assess and evaluate coastal risks taking into account the NSW sea level rise planning benchmarks.

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- Advise the public of coastal risks to ensure that informed land use planning and development decision-making can occur.
- Avoid intensifying land use in coastal risk areas through appropriate strategic and land-use planning.
- Consider options to reduce land use intensity in coastal risk areas where feasible.
- Minimise the exposure to coastal risks from proposed development in coastal areas.
- Implement appropriate management responses and adaptation strategies, with consideration for the environmental, social and economic impacts of each option.

The NSW Sea Level Rise Policy Statement specifies sea level planning benchmarks for the NSW coastline. These benchmarks are an increase above 1990 mean sea levels of 40 centimetres by 2050 and 90 centimetres by 2100 and have been considered in the preparation of the Concept Plan for Nords Wharf.

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4 Implications for Local & Regional Land Use, Infrastructure, Social Infrastructure, Service Delivery and Natural Resource Planning

The implications (including the cumulative impacts) of any proposed land use for local and regional land use, infrastructure, social infrastructure, service delivery and natural resource planning are considered below in detail.

4.1 Local and Regional Land Use Implications

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 residential and environmental land provision.

Additional associated development will provide additional residential land in accordance with the specific recommendations of the Regional Strategy, 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 South Wallarah Peninsula.
- The Watagan Ranges to Port Stephens.
- Werakata National Park.

Further, the small amount of mixed use land will provide opportunities for local services and shops to be located within the site to supplement those already provided within Gwandalan. It is demonstrated in the Social Impact Assessment that the increase in local population to 2021 will generate a demand for up to 3,500sqm of retail floorspace within Gwandalan/Summerland Point.

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 lots 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 as a result of extensive constraints and capacity mapping and seek additional urban development to lands that have the capacity, do not result in any undue environmental impact and are primarily extensions to existing urban areas.

4.2 Infrastructure and Service Delivery

The existing infrastructure at Gwandalan includes:

- Drainage There is one existing watercourse, Strangers Gully, within the Gwandalan site with a number of smaller gullies that convey stormwater through to Lake Macquarie.
- Water the water main in Kanangra Drive has sufficient capacity to service the proposed development.
- Sewer Summerland Point Sewer Treatment Plant (STP) has the capacity to accommodate the proposed development with no need for additional augmentation works. However, preliminary analysis has identified that because of the topography of the site, pumping stations and associated rising mains may need to be constructed by the developer to drain the site to the STP.
- Energy preliminary analysis has identified that the source of electricity supply for the site will be the existing substation at Lake Munmorah or a new zone substation to be constructed
- Telecommunications Telstra standard telephony service is available to existing developed areas and is able to be augmented to the site.
- Transport access into the area is primarily from the Pacific Highway arterial and Kanangra Drive.

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IMPLICATIONS FOR LOCAL & REGIONAL LAND USE, INFRASTRUCTURE, SOCIAL INFRASTRUCTURE, SERVICE DELIVERY AND NATURAL

- Social infrastructure The site is in close proximity to an existing range of services and facilities at Gwandalan including:
 - Retail facilities include: a small supermarket, newsagent, Post Office, chemist, fruit and vegetable store, real estate agent, baker and liquor store, doctor's surgery, dentist, hairdresser and specialty shops. An independent service station is located at the corner of Kanangra Drive and Orana Road.
 - Education and childcare facilities include a primary school and two preschools.
 - Recreational and Community facilities including: Community facilities including a community hall, a sport and recreation centre at Point Wolstoncroft, a bowling club, the Tunkuwallin sports complex which straddles Gwandalan and Summerland Point (and includes an indoor basketball court, horse and social club and skateboard ramp). Four tennis courts, a skateboard ramp three boat ramps, three parks/reserves, baths (on the lake), and a heritage walk. A library service operates from Gwandalan Hall in the form of a volunteer deposit station.

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

- The proposed development can be serviced from the existing electrical reticulation within the suburb of Gwandalan to the north of the development site.
- Initial discussions with Telstra indicate that there are no major servicing constraints.
- Gas mains are unlikely to be feasible for this area given the long distance to existing supplies.
- In addition, contributions will be made (via monetary contribution or works in kind) to improve local and regional infrastructure as part of the proposed development of the site. A Draft Statement of Commitments is included in the Concept Plan Environmental Assessment submitted for the site, which details the various contributions, and works the proponent commits to undertake in association with the project.

4.3 Natural Resource Planning

None of the subject land is zoned for agricultural purposes.

Review of Mine Subsidence Board (MSB) maps for the area indicate that the site is underlain by coal mine workings in two seams, the Wallarah and the Great Northern. The Wallarah workings underlie most of the site, with the Great Northern workings only encroaching on the south-east corner of the site.

Investigations to date indicate that parts of the site will be restricted to single storey brick veneer construction. Other parts of the site are capable of accommodating two story developments. These areas are mapped and contained in the Preliminary Contamination Geotechnical and Mine Subsidence Assessment Report accompanying the Concept Plan Environmental Assessment report. These potential restrictions will be subject to further detailed geotechnical investigations.

It is noted that much of the areas in the north of the site where aged care facilities are proposed will be restricted to single storey development. The guidelines are intended for residential type structures and if a building with a large footprint is proposed, it is likely the building will need to be heavily articulated or split into several separate structures.

There is proposed future mining at the site which may affect the standard guidelines outlined above. Restrictions on development due to future mining are normally provided by the DARZL Committee and a formal application to the MSB is required for consideration by DARZL. This can be dealt with through the normal development assessment process. Appropriate development on the site will therefore not compromise any future extraction under the site.

The relevant considerations of the NSW Coastal Policy 1997 are addressed in the Concept Plan Environmental Assessment. Coastal hazards have been avoided and adequate APZs are proposed within the development site to protect from bushfire risk. Overall, the proposed development is suitable

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IMPLICATIONS FOR LOCAL & REGIONAL LAND USE, INFRASTRUCTURE, SOCIAL INFRASTRUCTURE, SERVICE DELIVERY AND NATURAL RESOURCE PLANNING



for the existing and future predicted climate and flooding conditions. Any potential contamination risks can be addressed through the development assessment process.

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5 Developer Contributions

The Draft Statement of Commitments included in the Concept Plan Environmental Assessment 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. This may involve the implementation of various 'developer agreements' between Coal & Allied and the Department of Planning and Wyong Shire Council prior to final approval of a construction certificate for Stage 1 subdivision.

The Draft Statement of Commitments includes 'business as usual' commitments that are expected to be delivered as part of the development of the site and basically standards that will have to be met to achieve approval.

The costs associated with the Draft Statement of Commitments will include the following:

- General terms that the project will adhere to.
- Contributions made by the proponent.
- Measures to mitigate any environmental impacts.
- Measure to monitor the environmental performance of the project.

5.1 Coal & Allied \$5 million Allocation

In addition, Coal & Allied has allocated an amount of \$5 million for initiatives associated with the delivery of social infrastructure to support the existing and future communities at Gwandalan, Nords Wharf, and Catherine Hill Bay (Middle Camp). The \$5 million allocation is directed at initiatives that would not ordinarily be provided as part of the development of a new residential 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 \$5 million allocation may be used for sustainability initiatives for future residents, additional infrastructure to support existing and future residents, educational and or community programs. In summary for Gwandalan, the final list of initiatives relates to:

- Employment generation.
- Boat ramp facilities / wharf.
- Sustainability.
- Aboriginal community.
- Walkways external to the Development Area.

The full description of each particular initiative is included in the Concept Plan. The final list of initiatives to be implemented for the Gwandalan site is subject to on-going consultation and final approval by the Coal & Allied Board.





6 Local and Regional Economic Impacts

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 Gwandalan will result in the following economic impacts:

- Injection of an estimated \$228 million of new, capital investment into the economy from expenditure on housing, infrastructure services both internal and external to the site including road, energy services, water, sewer and communication works.
- Create an estimated 842 direct, full time equivalent jobs of which up to 420 will be in the Hunter and will extend over an 18 year period to 2027.
- Support a further 2150 jobs (1070 local) from the multiplied employment stimulus among construction related industries resulting from the primary expenditure.
- Provide additional flow-on economic effects of around \$336 million from expenditure by recipients of the primary income.
- Create a project that demonstrates a net, direct benefit to the economy from a forecast BCR of 1.0 using NSW Treasury methodology.





7 State Government's Regional Strategies Desired Residential Outcomes

A detailed assessment of the proposed development at Gwandalan against the desired outcomes of the Regional Strategies is provided in the Environmental Assessment for the Concept Plan.

7.1 Central Coast Regional Strategy

The Central Coast Regional Strategy (CCRS) is the Government's blueprint for sustainable growth in the Central Coast region to 2031. Its overarching purpose is to ensure that adequate provision is made to sustainably accommodate the projected housing, employment and environmental needs of the Region's population over the next 25 years. It is the principal document upon which Environmental Planning Instruments and major land use and development decisions in the Central Coast should be based.

The NSWG released the final CCRS in June 2008. The CCRS identifies the Coal & Allied owned land for proposed development and conservation. The strategy emphasises the need to plan and deliver sufficient residential, business and employment land to meet future population growth expectations.

The Strategy notes that future additional residential development is planned for Nords Wharf, Gwandalan and parts of Catherine Hill Bay, which are in and to the north of the Central Coast Region.

The land is located within the North Wyong Shire Structure Plan, which the plan notes will have regard to development proposals at Gwandalan where there may be opportunities for expansion that would assist in attracting a higher level of facilities and services for that locality. The Strategy notes that Wyong will accommodate all of the Region's greenfield development with an additional 16,000 new dwellings.

The proposed development and conservation of the Coal & Allied owned Gwandalan land in the manner proposed by the Concept Plan is entirely consistent with the CCRS as follows:

- It will facilitate the achievement of the key aims of the strategy by contributing to future housing and local employment provision and land conservation.
- The proposed dedication of conservation lands to the NSWG will help ensure the green buffer between the Lower Hunter and Central Coast Regions will be preserved in perpetuity. This will also protect and enhance the region's environmental and biodiversity assets and conserve land with significant ecological value.
- Provision of housing will respond to changing occupancy rates in the Central Coast region.
- Provision of a range of housing forms will respond to the key demographic drivers of a shrinking household size and aging population.
- It will focus new development adjacent to existing urban areas, whilst protecting important environmental assets.
- It will strengthen the viability of existing services and facilities in Gwandalan and Summerland Point.
- It will ensure quality urban design and amenity that is sensitive to the lakeside location.
- It will protect aboriginal heritage values along the foreshore area.



7.2 Lower Hunter Regional Strategy

As discussed in Section 3.5, The Lower Hunter Regional Strategy (LHRS) is the key planning policy to guide the growth in the Lower Hunter to 2031 by identifying future development areas, principal land use types, settlement patterns and conservation outcomes. It is the principal document upon which Environmental Planning Instruments and major land use and development decisions should be based.

Although the site is located in the Central Coast, the LHRS identifies the Gwandalan site for proposed urban development and proposed conservation land dedications. The LHRS identifies the Gwandalan site for proposed urban development and proposed conservation land dedications. The proposal is entirely consistent with the LHRS.

The Gwandalan site is one of the four Coal & Allied sites in the southern and northern lands proposed for residential development which will assist in achieving the forecast growth in the Lower Hunter. Whilst geographically separate they will make a significant contribution to the overall growth of the Lower Hunter region.

The Strategy notes that the Lower Hunter currently has approximately 205,000 dwellings, with a requirement for an additional 115,000 dwellings to house the Region's population over the next 25 years.

The Strategy identifies a principal challenge for the Region of refocussing current housing trends to facilitate greater opportunities for housing to be provided within the existing urban areas to better use of existing infrastructure, reduced travel by placing people, jobs and services closer together and reducing the pressure to find large scale new greenfield sites for development. The Coal & Allied proposal is an extension to the existing developed area at Gwandalan and therefore meets the objectives of the Strategy.

Allied to this, the Strategy provides 60% of new dwellings in new release areas, located to ensure that new housing has access to major centres and employment lands and minimises impacts on regionally significant agricultural lands and biodiversity corridors. Additionally, where additional infrastructure is required to cater for the demand generated by the development, contribution to the costs associated with the provision of this infrastructure will be necessary. Again, the Coal & Allied proposal meets these criteria.

The Strategy identifies individual 'release areas' generally with an area of greater than 50 hectares. Sites less than 50 hectares may be developed if consistent with the principles of the Strategy and if they are identified within an endorsed local strategy.

Other release sites, not currently identified in the Strategy, may be considered if it can be demonstrated that the proposal satisfies the Sustainability Criteria (Appendix 1). However, these opportunities for settlement expansion will not apply to development that is proposed to be located within the identified green corridors. The Gwandalan site has been identified for urban and conservation purposes, with an assessment against each of the sustainability criteria (listed in Appendix 1 of the LHRS) undertaken for Gwandalan to illustrate its suitability for future residential and allied commercial purposes in the Environmental Assessment supporting the Concept Plan, which show that the subject land comprehensively satisfies the sustainability criteria.

The Strategy identifies and action to identify and rezone sufficient land and development capacity to provide for an additional 69,000 dwellings in new release areas. This proposal will aid the obtainment of this action through the provision of an additional 623 lots as an extension to the existing development at Gwandalan.

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8 Recommended Land Uses and Development Controls

8.1 Recommended Zonings for the Site

With regard to the proposed land use zones, the proposed zones have been based upon the Department's recently gazetted Standard Instrument - Principal Local Environmental Plan. The following zones are proposed:

- R2 Low Density Residential Zone to apply, including an "additional Permitted Land Uses" map for attached dwellings and multi dwelling housing.
- B4 Mixed Use Zone to apply to specific sites to support the location of small shops and local services such as medical facilities.
- E1 National Parks and Nature Reserves to apply to all land to be dedicated to NSWG for conservation.
- State Environmental Planning Policy 2008 Exempt and Complying Development for future development (SEPP 2008) is to be adopted for this site. The legal drafting of the SSS statutory instruments will need to include a clause that enables the adoption of the SEPP 2008, as currently the SEPP includes certain exclusions such as a bushfire prone land and land affected by acid sulphate soils.

The draft Schedule 3 listing and zoning plan is included in **Appendix B**.

8.2 Heritage and Archaeology Issues (Including Aboriginal) and their Impact on Zoning Boundaries

A detailed Heritage Impact Assessment (HIA) undertaken by ERM accompanies the Concept Plan Environmental Assessment. The HIS includes a detailed history and assessment of the heritage significance of the site.

The HIA has determined that the site does not have any inherent European historic heritage value nor does it contain items of historical heritage. The proposed development will not impact on any known historical heritage items.

However, the HIA has determined that the proposed development at Gwandalan has the potential to impact on the Aboriginal heritage values of the foreshore area. The HIA and Draft Statement of Commitments that accompanies the Concept Plan Environmental Assessment details the mitigation measures the proponent commits to undertake in association with the project. The HIA has determined that subject to the mitigation measures outlined in the HIA being implemented by Coal & Allied, the potential impacts will be avoided and minimised to an acceptable level.

In addition, the proposed zoning boundaries reflect the environmental sensitivities of the site. It is proposed that the foreshore area be dedicated to the NSWG and will be zoned "E1 - National Parks and Nature Reserves". The proposed zoning means that the majority of the Aboriginal midden at Gwandalan will be conserved in perpetuity. Further, the effect of the E1 zone is that it will protect future development which also contributes to the protection of Aboriginal sites along and adjacent to the coast in the local area.

In summary, all elements identified as being of 'high' aboriginal heritage significance are to be generally retained and protected.



8.3 Riparian Corridor and Floodplain Management Issues and their Impact on Zoning Boundaries

A Hydrology/Stormwater Management Assessment Report has been prepared by GHD and accompanies the Concept Plan Environmental Assessment report.

8.3.1 Drainage and Stormwater Management

A WSUD strategy for management of stormwater quality and quantity has been developed for the Gwandalan site that nominates:

- Foreshore and riparian setbacks to provide the best outcome for treatment of stormwater control of erosion and protection of the water quality in Crangan Bay.
- Vegetated infiltration swales provided along the identified main overland flow routes and roadside green areas.
- Two precinct scale detention/ bio-retention systems are proposed at the low point of the site, before discharge to the conservation area draining to Crangan Bay.
- Gross pollutant traps will be provided upstream of precinct scale basins to remove coarse sediment and gross pollutants prior to discharging into basins and open areas.
- On-lot detention will be provided in addition to the precinct scale basins.
- Provision of rainwater tanks for individual lots will be maximised.
- Construction phase water quality impacts will be managed through the implementation of a Soil and Water Management Plan detailing stormwater management strategies in accordance with relevant best practice guidelines.

To test the effectiveness of the WSUD strategy, numerical modelling was used for the proposed WSUD strategy and it was determined that this system had the ability to satisfy the requirements of Wyong Council and the NSW Floodplain Development Manual for management of stormwater quantity, quality and flooding at the Gwandalan site.

The results of the numerical modelling have shown that the proposed WSUD strategy together with the flood plain management would adequately satisfy the requirements of the WSC guidelines (DCP 1), the WSC Floodplain Management Policy and the NSW Floodplain Development Manual for management of stormwater quantity, quality and flooding at the Gwandalan site.

8.3.2 Flooding and Climate Change

Flooding at Gwandalan Site is primarily on account of Lake Macquarie, flooding in Strangers Gully and overland flow conveyance. Development and land-use in flood prone areas should be in accordance with WSC DCP 67, the NSW Floodplain Development Manual and the NSW Coastal Planning Guideline: Adapting to Sea Level Rise. In assessing the flood risk, consideration needs to be given to the full range of risks to people and property, for a full range of flood events up to and including the PMF. Interim development guidelines specify, amongst others:

- Habitable floor levels should either be at or above the Flood Planning Level (500 mm above the 100-year ARI event flood level) or be flood proofed to this level, making additional provision for potential subsidence.
- In flood storage and flood way areas, development must not lead to a significant increase in flood levels, flood damages, flood behaviour or flood hazard at the site or elsewhere. Provision of adequate and acceptable compensating works to offset must be provided.
- In high flood hazard areas, effective evacuation procedures must be provided.

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• All dwellings would be located above the 100-year ARI flood level associated with Lake Macquarie, local overland flow paths and stormwater management facilities across the site. From the nominated 100-year lake water level and applying the LMCC requirement for the floor level of dwellings to be 500mm above this level, the nominated flood planning level for the Gwandalan estate at the foreshore of Lake Macquarie is 1.88m AHD.

Under future climate conditions, considering the long-term predictions to 2100 and allowing for wave run-up and 0.5m freeboard, 8 foreshore lots would be affected in a 100-year ARI event. This is an extreme scenario given the long planning period (ie, life span of dwelling is estimated to be 50 years). In addition, for these 8 lots, not the entire lot is affected and the rear portion of the lots located at higher levels would still be usable. For the extreme PMF climate change scenario, allowing for wave run up, 16 lots would be flood affected. The NSW Sea Level Rise Policy Statement has been considered, which specifies sea level planning benchmarks to increase above 1990 mean sea levels of 40 centimetres by 2050 and 90 centimetres by 2100 and have been considered in the preparation of the Concept Plan for Nords Wharf.

In terms of an evacuation strategy the most 'at risk' area of the site is located adjacent to Lake Macquarie. The strategy and operation of an evacuation plan must be pre-planned during design stages however it is considered that the site has sufficient space and locations to assemble during flood events and the road layout provides a number of routes for evacuation.

In summary the proposed zoning boundaries reflect the environmental sensitivities of the site and the Concept Plan delivers a development that is suitable for existing and predicted climate conditions.

8.4 Development Controls for the Site that should be Included in Schedule 3

With regard to the proposed land use zones, as stated the proposed zones have been based upon the Department's Standard Instrument - Principal Local Environmental Plan. Attached dwellings and multi unit housing is proposed on the site as "Additional Permitted Uses" (refer to Additional Permitted uses Map in **Appendix** B) to allow for a greater diversity of housing types on the site than that envisaged by the standard R2 – Low Density Residential zone. Development Controls relating to land use are included in the proposed Schedule 3 listing.

A range of Urban Design Guidelines set out in the Concept Plan will ensure that future development of Gwandalan is consistent with, and sympathetic to, local attributes and the requirements of the NSW Coastal Design Guidelines. The Urban Design Guidelines establish scale and built form guidelines for the future development of the Gwandalan site.

The SSS listing provides for the adoption of the State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 (Exempt and Complying SEPP). The legal drafting of the SSS Schedule 3 statutory instrument will need to include a clause that enables the adoption of the Exempt and Complying SEPP, which includes certain exclusions such as bushfire prone land and land affected by acid sulphate soils to allow exempt and complying development to proceed on the site.





9 Those Parts of the Site which should be Subject to Part 4 of the EP&A Act with Wyong 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 15th July 2010, the Minister declared the project to be a 'Major Project', 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. All other development proposed for the site is to be subject to Parts 4 or 5 of the Act, as applicable, for which Wyong Council or the Joint Regional Planning Panel is generally the consent authority (depending on threshold).

The Minister for Planning is the consent authority for any modifications to the Concept Plan.

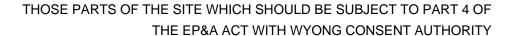
The proposed approval process for future development is set out below.

Table 2 - Proposed Approval Process

Future Development	Process	Consent Authority
Residential development and other permissible development in the subdivision	Major Project Application (Concept Plan/Project Application) Part 3A if the development meets state significant or development criteria	Minister for Planning / Planning Assessment Commission
	Local Development Part 4 Complying development	Accredited Certifier
	Local Development ■ Part 4 Development consent – if the development does not meet the provisions of the State Environmental Planning Policy (Exempt and Complying Codes) 2008	 Wyong Shire Council or Joint Regional Planning Panel depending on threshold

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.







10 Appropriate Arrangements for the Management of Land for Open Space Purposes

The management of land for open space purposes relates to the land to be dedicated to Council as parks and open space.

10.1 Statement of Commitments

The Statement of Commitments submitted with the Concept Plan Environmental Assessment identifies that the transfer of identified land will occur on issue of the Subdivision Certificate and the Concept Plan approval. The transfer of the conservation lands to NSW Government will be in accordance with the terms of the VPA. Land dedications to WSC will generally be in accordance with the SoC's.

The conservation land is to be transferred to the NSWG and other land to Wyong Council all in accordance with the Transfer Plan prepared by Monteath Powys and submitted with the EA.

The transfer of land to the State Government will be undertaken in accordance with the Transfer Plan of the "Proposed Subdivision of Lot 2 DP 1043151 and Portion 57 DP 7552266 Kanangra Road, Gwandalan", Sheet 1 Rev C by Monteath & Powys Pty Ltd The conservation lands identified in the Concept Plan to be dedicated to DECCW will be subject to a future agreement between Coal & Allied and DECCW as to the ongoing management requirements of the dedicated conservation land, the details of which will be included in the VPA under s93F of the Act.

Parks, reserves, roads and infrastructure created through each future Project Application subdivision will be developed and then dedicated to Wyong Shire Council after the completion of all stages of the development. All of the following open space areas are included as contributions against Section 94 requirements for Open Space:

- Buffer land along Kanangra Drive transferred to Wyong Shire Council with management of the Angophora inopina at the northern end subject to a letter between Coal & Allied and WSC.
- The riparian corridor on the south boundary of the Seniors Living area will be transferred to Wyong Shire Council as open space two years from the commencement of Stage 2 or following the sale of all lots fronting the riparian corridor, whichever the later.
- The Bushland park and Public recreation Park will be dedicated to Wyong Shire Council when all lots in the stage in which the said park is located are sold or two years from the commencement of the related stage of subdivision whichever the later.

Areas to be dedicated as public roads will be constructed and embellished in accordance with the Urban Design Guidelines included in the Concept Plan EA. All road reserves to be constructed will be dedicated to Council at no cost to Council.

In terms of Asset Protection Zone (APZ) areas, all APZs are located in proposed road reserves or alternatively in private lots. A Bushfire Management Plan will be prepared with the construction certificate for each stage and certified by a suitably qualified consultant as complying with the requirements of the document *Planning for Bushfire Protection Guidelines 2006* and any requirements of the NSW Rural Fire Service.

In terms of environmental management, Coal & Allied will prepare a Statement of Interim Management Intent (SIMI) prior to commencement of works for the protection of transferred conservation lands to DECCW. The SIMI will relate to the interface (maximum width of 100m) between the development areas and the conservation lands as identified in the plan prepared by RPS. Coal & Allied commit to:

- The cost of preparing the SIMI.
- The actions arising from the SIMI for a specified period of 5 years or when all lots developed whichever the later commencing from the date the SIMI takes effect or until all the lots are sold.



Easements are to be provided for utility services that encroach onto private land or the offset lands.
 Land to be dedicated to relevant authorities where required.

10.2 The Coal & Allied \$5million Allocation

It should be noted that Coal & Allied have allocated \$1,400,000 from the Southern Estates \$5Mill Allocation for walking tracks for public access in conservation land external to the development areas of all three estates. This is all subject to approval by DECCW.

\$500,000 of this is identified for Gwandalan for the provision for walking paths proposed by the community external to Coal & Allied land (along the foreshore) along the development area lake frontage to the park/boat ramp to the north of the site subject to application to DECCW.

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11 SEPP Major Development – Clause 2, 7 and 8

With regard to SEPP Major Development itself, the aims of the 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, the proposal for Gwandalan is a Major Development to which Part 3A of the EP&A Act applies pursuant to section 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 proposal is essential to ensure the delivery of environmental gain. In particular, the proposed dedication of 205.75ha (77%) of the Coal & Allied Gwandalan site to the NSWG as 'conservation lands' provides a significant and important contribution to the vitally important conservation corridors between Lake Macquarie and the Pacific Ocean coastline and close the gap between Wallarah National Park and the Munmorah State Conservation Area as identified in the LHRS and the companion LHRCP. It will also enable NSWG to develop a coordinated framework to ensure that the overall Coal & Allied conservation dedications of 3,260ha in the Lower Hunter and Central Coast can be achieved in a timely, effective and efficient manner.

As discussed, Gwandalan clearly meets the criteria as being of State and regional planning significance as set out in the SSS Guidelines, 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 dedications to NSWG via a series of VPAs in accordance with s.93F of the EP&A Act. In summary, the listing of the Gwandalan 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.

The project has recently been declared by the Minister to be a Major Project.

A Schedule 3 listing will provide clarity as to which future applications will be determined by Council/JRPP 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



- (c) the implications of any proposed land use for local and regional land use, infrastructure, service delivery and natural resource planning, and
- (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.

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12 Conclusion

The Gwandalan proposal will achieve substantial conservation outcomes through the proposed dedication of 205.75ha of Coal & Allied land for conservation to the NSWG via a VPA.

The proposed development area of Gwandalan (62.24 ha), to deliver 623 dwellings and up to 3,000sqm of retail and commercial land, represents 23% of the total Coal & Allied owned land at Gwandalan. The balance of the remaining site area (205.75 ha or 77%) is being dedicated for inclusion in identified and important conservation corridors. This is a significant contribution by Coal & Allied and a unique opportunity for the Government to secure valuable conservation corridor links in public ownership for future generations. Importantly, this site makes up part of a broader dedication of Coal & Allied land to the NSWG of 848.93 ha for conservation purposes.

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 VPAs in accordance with s.93F of the EP&A Act.

The site also meets the State Significant criteria in the following ways:

- The site is of regional importance in achieving conservation outcomes identified in the LHRCP through the proposed dedication of 205.75 ha of conservation land to include as a significant part of the conservation corridor, which provides a natural break between the Central Coast and the Lower Hunter. This environmental gain is a once in a generation opportunity that will provide an enduring legacy for the community.
- Alternative planning consent arrangements are necessary because the Gwandalan land also forms an important part of an environmental land offset package for the Lower Hunter by Coal & Allied which spans four local government areas. Four separate consent arrangements are unlikely to enable an appropriate conservation and land use framework to be achieved in a timely, effective and efficient manner. It is therefore important that Gwandalan be considered in a coordinated manner by the NSWG to help achieve permanent preservation of the east-west linkages to the Wallarah Peninsula conservation corridor.
- The site is instrumental in achieving State and regional objectives for environmental conservation. In addition to the land dedication to the NSWG, the proposal will realise the protection of:
 - Sensitive lake foreshore areas by limiting development along the lake foreshore.
 - Ecologically endangered communities.
 - Areas of aboriginal cultural significance.
 - Riparian zones and waterways.
 - Sensitive wetlands.
- The site will provide housing to help achieve the Lower Hunter Regional Strategy & the Central Coast Regional Strategy dwelling targets to cater for the predicted population growth for the Region to 2031.

In summary, the listing of the site on Schedule 3 of 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



Contact: Anna Johnston Phone: 02 9228 6329 Fax: 02 9228 6570

Email: anna.johnston@planning.nsw.gov.au

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

16 August 2010

Dear Mr Dedden

Subject: Coal & Allied Southern Estates - Nords Wharf, Middle Camp and Gwandalan

I refer to your letters dated 15 June 2010 which included requests that, should the Minster agree to consider the proposed developments at Nords Wharf, Middle Camp and Gwandalan under Part 3A of the *Environmental Planning and Assessment Act 1979* (the Act), that the Director-General's environmental assessment requirements (DGRs) be issued for the concept plans.

As previously advised the Minster for Planning, on 15 July 2010 declared that developments at Nords Wharf, Middle Camp and Gwandalan are subject to Part 3A of the Act, and authorised the submission of concept plans. Accordingly, please find attached DGRs for each of the concept plans.

The DGRs have been prepared in consultation with relevant Government agencies, and to assist you in the preparation of your environmental assessments, copies of their comments are attached.

As you are aware the Minister also declared the Nords Wharf, Middle Camp and Gwandalan sites as potential State significant sites (SSSs). 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 SSS studies to be undertaken (by Coal & Allied) for each of the sites that will assess:

- (a) the State or regional planning significance of the site, (having regard to the Guideline for SSSs under the Major Development SEPP);
- (b) 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;
- (c) the implications of any proposed land use for local and regional land use, infrastructure, service delivery and natural resource planning;
- (d) the means by which developer contributions should be secured in respect of the site;
- (e) the local and regional economic impacts of the proposed development;
- (f) the likelihood of the proposed rezoning for residential purposes achieving the desired outcomes of the State Government's regional strategies;
- (g) the recommended land uses and development controls for the site that should be included in Schedule 3:
- (h) those parts of the site which should be subject to Part 4 of the Act, with the relevant council as the consent authority; and

(i) appropriate arrangements (if relevant) for the management of land for open space purposes.

You should now proceed to prepare your environmental assessments for the concept plans, and SSS studies for Nords Wharf, Middle Camp and Gwandalan. Once these are submitted to the Department they will be assessed for adequacy against the DGRs and SSS study requirements.

In the meantime, should you have any queries, please contact Anna Johnston (02 9228 6329 / anna.johnston@planning.nsw.gov.au) or Rebecca Thompson (02 9228 6231 / rebecca.thompson@planning.nsw.gov.au.

Yours sincerely

1 9 AUG**2010**

Michael File Director, Strategic Assessment



Hon Tony Kelly MLC
Minister for Planning
Minister for Infrastructure
Minister for Lands
Deputy Leader of the Government in the Legislative Council
Leader of the House in the Legislative Council

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

10/12785

1.5 JUL 2010

Dear Mr Dedden

I refer to the requests made by Coal & Allied Industries Ltd that the Coal & Allied Southern Estates (Nords Wharf, Middle Camp and Gwandalan) 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).

Upon consideration of the issues raised in your recent letter, I have formed the opinion that the Coal & Allied Southern 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.

I have also declared developments within the Coal & Allied Southern Estates at Nords Wharf (MP 10_0088), Middle Camp (MP 10_0089), and Gwandalan (MP 10_0084), to be subject to Part 3A of the Act, and have authorised the submission of concept plans for the projects. A copy of the Orders made under section 75B(2) of the Act are attached.

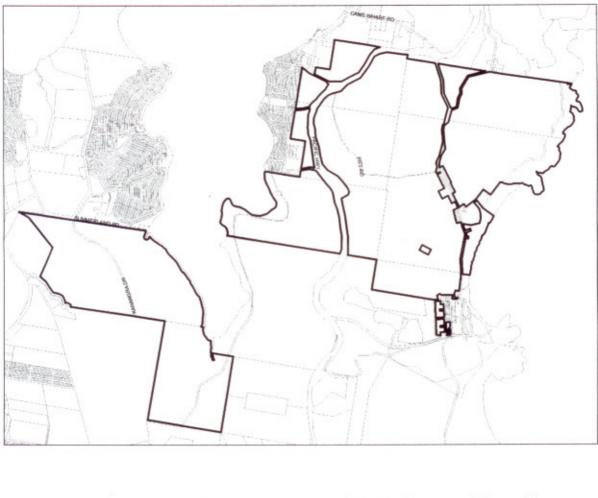
You will be required to prepare SSS Studies for the proposed amendments to the Major Development SEPP, and Environmental Assessments for the concept plan applications. The Department will make contact with you shortly to discuss the requirements for the SSS Studies, and environmental assessment requirements for the concept plans, as well as the procedures for submission, exhibition and consultation.

In the interim should you have any enquiries about this matter, please contact Mr Michael File, Director, Strategic Assessments of the Department of Planning, on (02) 9228 6407.

Yours sincerely,

Tony Kelly MLC

Minister for Planning



Coal & Allied Southern Estates – Nords Wharf, Middle Camp, and Gwandalan Potential State significant site areas

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

June 2010.

day 1,5 JUL 2010.

The Hon. Tony Kelly, MLC

Minister for Planning,

Sydney.

Development on land at Nords Wharf comprising Part Lot 6 DP 746077, Part Lot 5 DP 736170 and Part Lot 12 DP 854197, within the Lake Macquarie Local Government Area, for residential and related purposes (including up to 90 dwellings) and conservation, as described in the Nords Wharf

Preliminary Environmental Assessment (June 2010) submitted to the Department of Planning on 15

SCHEDULE 1

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. day of JUL 2010.

The Hon. Tony Kelly, MLC Minister for Planning,

Dated, this

Department of Planning on 15 June 2010.

SCHEDULE 1

Sydney.

Development on land at Middle Camp comprising Lot 202 DP 702669, Lot 2030 DP 841175, Part Lot 6 DP 746077, Part Lot 5 DP 736170, Part Lot 12 DP 854197, Lot 223 DP 1102989, Lot 16 DP 755266, and Lots 9 and 10 Sec D DP 163, within the Lake Macquarie Local Government Area, for residential and related purposes (including up to 222 dwellings) and conservation, as described in

the Catherine Hill Bay Preliminary Environmental Assessment (June 2010) submitted to the

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979

ORDER

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

I, the Minister for Planning, in pursuance of section 75B(1) of the Environmental Planning and

planning significance.

Dated, this day of 2010.

The Hon. Tony Kelly, MLC Minister for Planning, Sydney.

SCHEDULE 1

The development on land at Gwandalan comprising Lot 2 DP 1043151 and Lot 57 DP 755266 within the Wyong Local Government Area, for residential and related purposes (including up to 623 dwellings), and conservation, as described in the Gwandalan Preliminary Environmental

Assessment (June 2010) submitted to the Department of Planning on 15 June 2010.







Appendix B Proposed Listing in SEPP Major Development – Schedule 3



Proposed Listing in SEPP Major Development – Schedule 3

Part ### Gwandalan 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 Gwandalan site.

2. **Definitions**

- A word or expression used in this Part has the same meaning as it has in the standard instrument prescribed by the Standard Instrument (Principal Local Environmental Plan) unless it is otherwise defined in this part.
- 2. In this part **Land Zoning Map** means the map marked "State Environmental Planning Policy (Major Development) 2005 (Amendment No,) Gwandalan 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 Gwandalan site is zoned:

- a) R2 Low Density Residential Zone
- b) B4 Mixed Use
- c) E1 National Parks and Nature Reserves

Zone R2 Low Density Residential

1 Objectives of Zone

- To provide for the housing needs of the community within a low density environment.
- To enable other land uses that provide facilities or services to meet the day to day needs of residents.
- To encourage development that does not impact on the scenic, aesthetic and cultural heritage qualities of the built and natural environment on the Wallarah Peninsula.



 To encourage development that responds and is sympathetic to the surrounding built and natural environmental setting.

2 Permitted without consent

Bed and breakfast accommodation; bushfire protection requirements; earthworks; electricity generating works; public utility undertakings; drainage; environmental protection works; flood mitigation works; home occupation; roads; sewerage system; telecommunication facilities; water supply system.

3 Permitted with consent

Business Identification Sign; Child care centres; Community facilities; Dwelling houses; Environmental Facilities; Filming; Group homes; Health consulting rooms; Home based child care; Home business; Neighbourhood shops; Recreation areas; Recreation facilities (outdoor);; Roads; Semi-detached dwellings; Signage.

4 Prohibited

Except as otherwise provided by this Policy, development is prohibited within the R2 Low Density Residential Zone unless it is permitted by items 2 and 3.

Zone B4 Mixed Use

1 Objectives of Zone

- To provide a mixture of compatible land uses.
- To integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling.

2 Permitted without Consent

Roads

3 Permitted with Consent

Boarding houses; Child care centres; Commercial premises; Community facilities; Educational establishments; Entertainment Facilities; Function centres; Hotel or motel accommodation; Information and education facilities; Medical centres; Passenger transport facilities; Recreation facilities (indoor); Registered clubs; Respite day care centres; Restricted premises; Seniors housing; Shop top housing.

4 Prohibited

All other uses not listed as permissible with or without consent.

Zone E1 National Parks and Nature Reserves

1 Objectives of Zone

- To enable the management and appropriate use of land that is reserved under the <u>National Parks</u> and Wildlife Act 1974 or that is acquired under Part 11 of that Act.
- To enable uses authorised under the <u>National Parks and Wildlife Act 1974</u>.
- To identify land that is to be reserved under the <u>National Parks and Wildlife Act 1974</u> and to protect the environmental significance of that land.

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.

Additional Permitted uses

Despite any other provision of this Policy, the following development may be carried out with development consent:

Attached dwellings; multi dwelling housing and seniors housing – on R2 zoned land edged heavy black and identified as "Attached dwellings", "Multi dwelling housing" or "seniors housing" on the Additional Permitted Uses Map.

Division 3 Exempt and Complying Development

Development on land within the Gwandalan site that satisfies the requirements for exempt development or complying development specified in State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 is exempt development or complying development as per the provisions of the State Environmental Planning Policy (Exempt and Complying Development Codes) 2008.

Development within the Gwandalan site for the purposes of short term holiday or tourist rental of dwelling houses is exempt development.

6. Public Utility Undertakings excepted

Development for the purpose of a public utility undertaking that is carried out on land within the Gwandalan 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.

7. Subdivision

- (1) Land to which this Plan applies may be subdivided, but only with consent.
- (2) However, consent is not required for a subdivision for the purpose only of any one or more of the following:
- (a) widening a public road,
- (b) a minor realignment of boundaries that does not create:
 - (i) additional lots or the opportunity for additional dwellings, or
 - (ii) lots that are smaller than the minimum size as illustrated in the layout of the Gwandalan Concept Plan Design Guidelines, Drawing B2.1 in relation to the land concerned.
- (c) a consolidation of lots that does not create additional lots or the opportunity for additional dwellings,
- (d) rectifying an encroachment on a lot,
- (e) creating a public reserve,
- (f) excising from a lot that is, or is intended to be, used for public purposes, including drainage purposes, rural fire brigade or other emergency service purposes or public toilets.

The size of any lot resulting from any such subdivision of land is not to be less than 300 square metres.

Subdivision of any land into a lot less than 300 square metres is only permissible if:

 The land is 1.000 square metres or more and the subdivision is integrated with dwelling development



In relation to shoptop housing lots, it relates to the subdivision of a dwelling from the shop.

8. Underground mining and natural gas exploration

- (1) Development for the purpose of underground mining or natural gas exploration may be carried out, with development consent, on any land within the Gwandalan site land zoned R2.
- (2) in this case, *underground mining* means partial extraction mining carried out beneath the earth's surface, limited to first workings, such that not more than 50% of the coal seam is extracted, but does not include open cut mining, longwall mining, top caving, sub-level caving and auger mining and associated activities involving shafts and access pits.

9. 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 Gwandalan 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.

10. Subsequent Applications

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

Future Development	Process	Consent Authority
Residential Development and other permissible development in the subdivision	 Major Project Application Part 3A if the development meets state significant or development criteria or CIV thresholds Local Development Part 4 Complying development Local Development Part 4 Development consent – if the development does not meet the provisions of the State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 	 Minister for Planning / PAC Accredited Certifier Wyong Council or Joint Regional Planning Panel depending on threshold

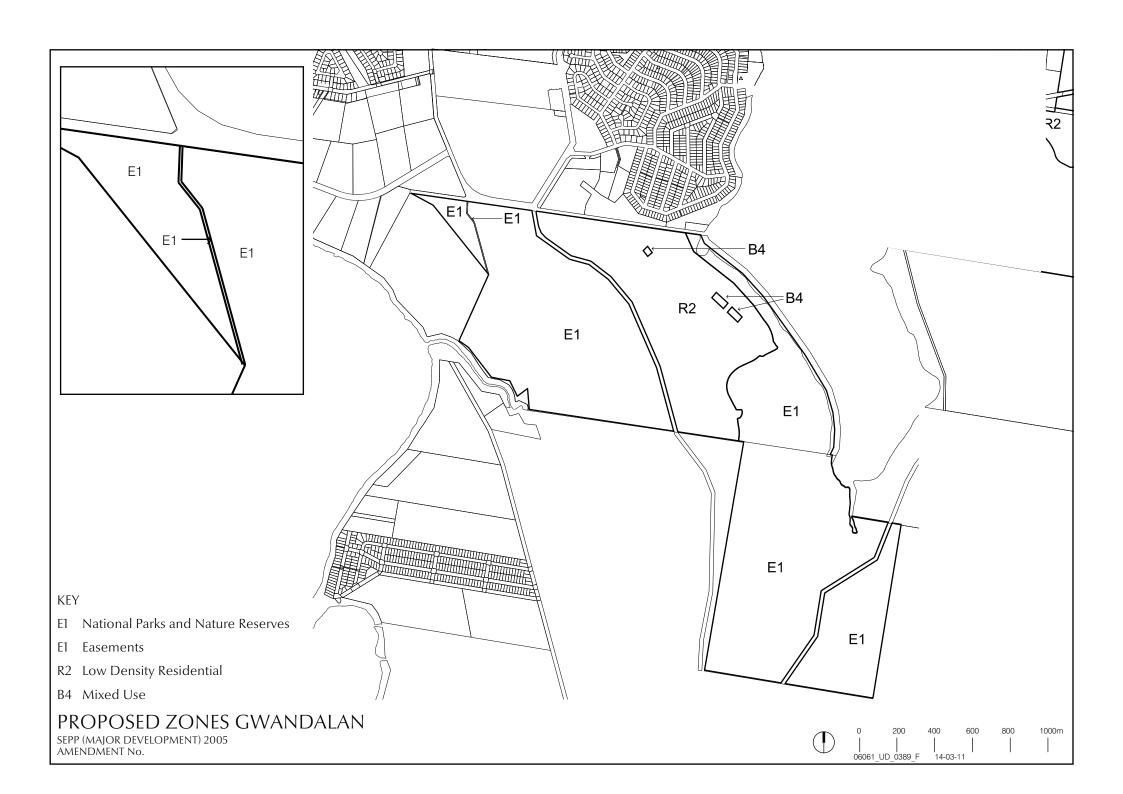
The Minister for Planning is the consent authority to consider any modifications to the concept and project approval.

For future states 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 states of the project are not to be considered as integrated development.

11. **Definitions**

The dictionary in Schedule 1, 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.



Coal and Allied Southern Estate

Addtional Permitted Uses Map APU 004

Subject Land

Additional Permitted Uses

CODE

- Attached Dwelling & Multi Dwelling Housing
 Seniors Housing







Sydney Level 21, 321 Kent Street Sydney, NSW 2000 Tel: +612 8233 9900

Fax: +612 8233 9966

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