

#### 8 November 2013

Director
Assessment Policy, Systems & Stakeholder Engagement
Department of Planning and Infrastructure
GPO Box 39
SYDNEY NSW 2001

By email: plan comment@planning.nsw.gov.au

Dear Sir/Madam,

AGL submission on the State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) Amendment (Coal Seam Gas) 2013 (Draft SEPP)

AGL Energy Limited (**AGL**) is Australia's leading renewable energy company with the largest privately owned and operated renewable portfolio in the country. AGL operates across the supply chain with investments in energy retailing, coal-fired electricity generation, gas-fired electricity generation, renewable energy and upstream gas exploration and production projects.

AGL is also one of Australia's largest retailers of gas and electricity with more than three million customers in Victoria, NSW, South Australia and Queensland.

AGL is an experienced developer and operator of natural coal seam gas projects and is familiar with the challenges involved in developing natural coal seam gas projects within the technical, environmental, community and commercial constraints to which major projects are subject.

The diversity of AGL's portfolio has enabled AGL to develop a detailed understanding of the risks and opportunities presented by natural coal seam gas and the broader energy sector.

On 12 April 2013, AGL made a detailed submission (**AGL's April Submission**) on the *State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) Amendment (Coal Seam Gas Exclusion Zones) 2013* (**Exclusion Zone SEPP**).

Set out below is AGL's submission relating to the Stage Two Amendment the State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007 (Mining SEPP).



## 1. Executive Summary

As set out in AGL's April Submission, AGL understands that some members of the community are genuinely concerned about coal seam gas. AGL is doing significantly more to engage and communicate with stakeholders on their specific concerns, as well as share information on the benefits of our projects. AGL has been proactively engaging with our landholders, neighbours, community groups and the communities in which we operate, as well as through government bodies. We will continue to build our community relations activities over the coming months and years.

However there are many myths and unsubstantiated claims circulating about the NSW gas industry, with the responsibility to address these issues resting with industry, government and the media. The NSW Government has a crucial role to assist this important industry by providing a balanced and sustainable regulatory framework.

AGL sought that any amendments to the Mining SEPP be based on objective scientific evidence, merit-based assessment, and NSW Government policy balance the interests of local communities and the long-term interests of the broader population, businesses and industry.

Unfortunately, the Exclusion Zone SEPP and the Draft SEPP do not achieve this balance, and in effect preclude co-existence between agriculture, gas resource development and communities. The Exclusion Zone SEPP and Draft SEPP severely compromise AGL's ability to deliver an indigenous supply of gas for NSW.

#### For example:

- The Camden Gas Project has successfully co-existed alongside local communities, equine uses and agriculture, without significant incident or impact, for 13 years. The Camden Gas Project supplies around 5% of NSW's annual gas demand. If the Exclusion Zone SEPP had applied to the Camden Gas Project, this resource would never have been able to be developed. The recently completed Environment and Health Impact Assessment of the Camden North Expansion Project, carried out by Environmental Risk Sciences in consultation with the Department of Health, concluded that all risks to human health and the environment from this proposed project were low and acceptable.
- The exclusion zones cover the majority of the reserves in AGL's Hunter Gas Project Petroleum Exploration Licence 267, and leave only small pockets of accessible areas which cannot be joined by pipelines through critical industry clusters. . AGL's vineyard properties, bought specifically to demonstrate that natural coal seam gas development and vineyards can co-exist, are currently covered by residential and critical industry cluster (CIC) exclusion zones.
- If the exclusion zones applied to the Stage 1 Gloucester Gas Project, the economic viability of the project would be in question. AGL is considering the viability of future stages, given exclusion zones around the small hamlets in the south of the Gloucester Basin.



The potential gas supply crisis in NSW has been acknowledged by the State Government, the Commonwealth Government, the Business Council of Australia, Manufacturing Australia and industry. Gas prices are projected to increase over the next three to four years. Almost half of all gas supplied to western Sydney by AGL is consumed by industry, which would be adversely affected by gas price pressure and security of supply issues.

AGL, in good faith and on the basis of clearly defined rights under our Petroleum Exploration Licences and relevant legislation, has made significant investment on our natural coal seam gas projects. The Mining SEPP (as amended by the Exclusion Zone SEPP) and the Draft SEPP impact many of those rights.

Part of the solution is to allow NSW natural coal seam gas projects, which will deliver a future indigenous supply of gas to NSW homes and businesses, to be assessed on their merits, rather than prevented from the outset.

AGL believes that the proposed amendments and comments set out below would balance the concerns of some members of local communities while securing the long term interests of the broader population, businesses and industry:

- 1.1 The definition of "coal seam gas development" in the Mining SEPP should be amended to exclude low-impact activities, in particular groundwater monitoring bores or water monitoring networks, seismic surveys and other low-impact surveys, raw water pump sites, gas and water pipelines (including pipelines licensed under the Pipelines Act 1967 (NSW)), and access tracks and roads.
- 1.2 The savings and transitional provision in clause 20 of the Mining SEPP should be amended to clearly and adequately set out the "coal seam gas developments" to which it applies. In particular, AGL suggests that the following amendments be made to clause 20:
  - (1A) Clause 9A does not apply to coal seam gas development for which:
    - (i)development consent; or
    - (ii) project approval under section 75J (as modified from time to time),

has been granted.

- (1B) Clause 9A does not apply to coal seam gas development for the purposes of prospecting for coal seam gas:
  - which is a "Category 1" and "Category 2" activity under the (i)conditions of a petroleum exploration licence; or
  - for which an assessment under Part 5 of the EP&A Act had (ii)been completed prior to the land becoming part of a "coal" seam gas exclusion zone" or a "buffer zone.



- 1.3 In relation to the draft CIC maps, we request the removal of the properties within the Broke-Fordwich Critical Industry Cluster which AGL owned as at 10 September 2012.
- 1.4 Of the seven villages identified in the Draft SEPP as "additional rural village land", Broke and Bulga and Camberwell clearly do not meet the Department of Planning and Infrastructure's (**DoPI**) "village" criteria. In the case of Broke and Bulga, AGL submits that these should be removed from the "Additional Rural Village Land Map" in the Draft SEPP.
- 1.5 The areas which are identified in the "Future Residential Growth Areas Land Maps" in section 6 of this submission should not be considered "future residential growth area land" and should therefore be removed from the "Future Residential Growth Areas land Map" of the Draft SEPP, for the detailed reasons provided in section 6.

## 2. Definition of Coal Seam Gas Development

The Mining SEPP prohibits "coal seam gas development" on the exclusion zones and buffer zones.

In AGL's April Submission, we submitted that the definition of "coal seam gas development" should not include a number of activities are temporary, low impact, and identical to other land uses which will continue to be allowed within exclusion zones.

The Exclusion Zone SEPP, which came into effect on 4 October 2013, provided that pipelines can be located within buffer zones (that is, within 2km of residential areas), however this exception does not extend to:

- Pipelines within CICs. Coal seam gas exploration and production developments require water and gas gathering lines to connect wells to a central processing facility, and then supply gas to the market. These pipelines are effectively no different from other gas and water pipelines, including the Jemena gas pipelines which provide gas to numerous wineries within the Pokolbin Critical Industry Cluster. However, under the Mining SEPP gas and water gathering lines are not able to be located in CICs. There is no justification for allowing pipelines within buffer areas, but not CICs.
- Other low impact activities, such as groundwater monitoring bores, water monitoring networks, seismic surveys and access tracks. We reiterate AGL's April Submission that the definition of "coal seam gas development" in clause 3 of the Mining SEPP be amended by excluding low-impact activities such as groundwater monitoring bores or water monitoring networks, seismic surveys and other low-impact surveys (e.g., aeromagnetic surveys), raw water pump sites, gas and water pipelines (including pipelines licensed under the Pipelines Act 1967 (NSW)), and access tracks and roads. Notably, even before the Exclusion Zone SEPP came into effect, the NSW Office of Water (NOW) rejected AGL applications for the use of water pump sites and groundwater bores within proposed exclusion zones.



We especially do not consider that groundwater monitoring bores, which are used to collect baseline information and protect water resources, should be prohibited in the exclusion zone, buffer zone or CICs. There appears to be no justification for this, particularly when water monitoring bores are in the community's interests.

We understand that NOW has recently constructed monitoring bores within 2km of Broke. While that is not for the purpose of natural coal seam gas (and hence, will not fall within the definition of "coal seam gas development" in clause 3 of the Mining SEPP), we do not consider that AGL's water monitoring bores (prohibited due to clauses 3 and 9A) should be distinguished from NOW's bores. Both NOW and AGL use these bores for the same purpose, that is, obtaining baseline information. Similarly, water supply works (such as dams, groundwater bores or similar) for the supply of water, are exactly the same as water supply works for any other purpose, are permissible in the relevant land use zones and there is no rational basis for exclusion simply because they are associated with natural coal seam gas development.

Utility services such as water and gas reticulation networks are essential infrastructure components of many residential areas across Australia. The total length of Australia's gas distribution networks in 2012 was 74,130km servicing 3,656,200 customers, with 24,430km of gas network in Sydney, Newcastle/Central Coast, Wollongong and parts of country NSW, servicing 1,050,000 customers.¹ The prohibition of gas and water pipelines from critical industry clusters has no merits based or scientific basis that is consistent with the stated intentions of the SEPP amendment to "ensure heightened protection for residential areas and certain critical agricultural industries" when gas reticulation networks cover a vast area of metropolitan NSW and critical agricultural industry areas, feeding directly into residential and business premises.

AGL proposes that the definition of "coal seam gas development" in clause 3 of the Mining SEPP to be amended as follows:

#### coal seam gas development means the following:

- (a) development for the purposes of petroleum exploration, but only in relation to prospecting for coal seam gas, and
- (b) development for the purposes of petroleum production, but only in relation to the recovery, obtaining or removal of coal seam gas, but does not include the following:
- (c) the recovery, obtaining or removal of coal seam gas in the course of mining,
- (d) development to which clause 10 or 10A applies,
- (e) the installation, operation and maintenance of gas and water pipelines (including pipelines licensed under the Pipelines Act 1967 (NSW) for coal seam gas activities),

<sup>&</sup>lt;sup>1</sup> State of the Energy Market 2009 Section 10. Australian Energy Regulator.



- (f)water monitoring networks for coal seam gas activities,
- water supply works for coal seam gas activities, (g)
- (h) the undertaking of seismic and other similar surveys, and
- (i)the construction and maintenance of access roads and tracks for coal seam gas.

In the event that this suggestion is not accepted, at the very least AGL seeks that the definition of "coal seam gas development" be amended to exclude gas and water pipelines.

#### 3. **Savings and Transitional Provision**

In AGL's April Submission on the Exclusion Zone SEPP, we stated as follows:

The Draft SEPP does not include any real transitional provisions, and is currently drafted to apply to current applications and Part 5 assessments. In addition, the Draft SEPP is stated to apply to modifications of existing approved activities, despite the Premier's announcement that approved activities would not be caught. In practice it is unclear how this would work. If an approved project overlaps a CSG exclusion zone, would it be the case that modifications cannot be made (even if they improve the environmental outcome)? This does not make sense.

We continue to believe that clause 20 of the Mining SEPP is unclear as to which developments it is intended to apply.

We understand from the Frequently Asked Questions: Coal seam gas exclusion zones now in force (Strategic Regional Land Use Policy, October 2013) issued by the Department that "the CSG exclusion zones prohibit new CSG exploration and development in existing residential areas across the State...and within a 2km buffer around these areas" and "prohibit new CSG exploration and development in the North West and South West Growth Centres of Sydney" (emphasis supplied). Similarly, the FAQ Map states that "...All new coal seam gas activities are prohibited in the CSG exclusion zone" (emphasis supplied). This indicates to us that clause 20 is intended to only apply to "new" CSG development.

To ensure that clause 20 adequately sets out what CSG developments it applies to, we suggest amending clause 20 of the Mining SEPP by adding a clause (1A) and (1B) as follows:

#### (1A)Clause 9A does not apply to coal seam gas development for which:

- (i)development consent; or
- (ii)project approval under section 75J (as modified from time to time),



has been granted.

# (1B) Clause 9A does not apply to coal seam gas development for the purposes of prospecting for coal seam gas:

- (i) which is a "Category 1" and "Category 2" activity under the conditions of a petroleum exploration licence; or
- (ii) for which an assessment under Part 5 of the EP&A Act had been completed prior to the land becoming part of a "coal seam gas exclusion zone" or a "buffer zone.

## 4. Critical Industry Cluster Land

## 4.1 Removal of AGL-owned land from CIC mapped areas

The Draft SEPP proposes to include "critical industry cluster land" in the definition of coal seam gas exclusion zone. Under the Mining SEPP, "critical industry cluster land" is defined to mean "land identified in the Strategic Agricultural Land Map as "critical industry cluster land".

For the purposes of the Strategic Regional Land Use Policy, a CIC is a localised concentration of interrelated productive industries based on an agricultural product that provides significant employment opportunities and contributes to the identity of the region. CICs **must** meet the following criteria:

- there is a concentration of enterprises that provides clear development and marketing advantages and is based on an agricultural product;
- the productive industries are interrelated;
- it consists of a unique combination of factors such as location, infrastructure, heritage and natural resources;
- it is of national and/or international importance;
- it is an iconic industry that contributes to the region's identity; and
- it is potentially substantially impacted by coal seam gas or mining proposals.

The Mining SEPP does not define what constitutes being "potentially substantially impacted" by coal seam gas proposals. The *Environmental Planning & Assessment Act 1979* (**EP&A Act**) establishes the assessment process for assessing whether a proposal will result in a significant impact and if that impact is acceptable. Part 4 and 5 of the EP& A Act provide regulatory assessment processes, and consideration of impacts are undertaken through the environmental impact assessment process. In addition, the NSW Government has also introduced a number of additional assessment guidelines, processes and policies that further strengthen the regulation and assessment requirements for natural coal seam gas development.



A significant shortfall of the blanket exclusion of natural coal seam gas development within CIC (as well as other exclusion zones) is the lack of a merit based assessment in accordance with the existing strong regulatory and policy framework to determine if a CIC will be potentially substantially impacted by a natural coal seam gas proposal.

AGL has demonstrated across its exploration and production projects that it can undertake natural coal seam gas development without substantially impacting the surrounding equine, viticulture and other land uses. AGL's land holdings in the Hunter region and Gloucester have demonstrated co-existence of agriculture, viticulture and natural coal seam gas development. This is further strongly supported by AGL's Camden Gas Project which has successfully operated alongside equine, agriculture and residential land uses for 13 years without substantial impact to those land uses.

The Frequently Asked Questions: Critical Industry Clusters Upper Hunter Exhibition (Strategic Regional Land Use Policy, October 2013) provides that companies may identify equine or viticulture properties that they own as at 10 September 2012, which they wish to exclude from CICs on the basis that they do not meet the CIC criteria.

AGL requests the removal of the land it owned as at 10 September 2012 from the draft CIC maps (**CIC Map**) on the basis that the land does not meet the CIC criteria.

In summary, we request the removal of the following lands that we have owned as at 10 September 2012 from the CIC Map: Broke, Yellow Rock and the property formally known as Poole's Rock. We set out our reasons for this request in **Annexure 1**. We have submitted the CIC Verification Inclusion Response Form and our statutory declaration to the DPI inter-agency committee.

In relation to AGL owned lands which are not currently identified as CIC in the CIC Map, we confirm that the following properties should not be CIC land: Windermere, Milbrodale and Spring Mountain. We have included these properties in our Critical Industry Cluster Verification Inclusion Response Form for completeness.

## 4.2 Broke-Fordwich Area

All of AGL's Hunter Gas Project properties are located within the Broke-Fordwich wine growing sub-region. AGL submits that the Broke Fordwich sub-region is not a CIC as this area does not meet the CIC criteria and as such the Broke-Fordwich area (including AGL's properties in that area) should not be identified as CIC.

In AGL's April Submission, we set out detailed reasons as to why the Broke-Fordwich area does not meet the definition of a CIC. A copy of this submission is attached as **Annexure 2**.



In addition, AGL further submits the following analysis of the CIC criteria in relation to the Broke-Fordwich area:

CIC Criteria	Assessment of Broke-Fordwich Area against CIC criteria
There is a concentration of enterprises that provides clear development and marketing advantages and is based on an agricultural product	The agricultural enterprises in this area are varied and include cattle grazing, olive production and viticulture. In AGL's view, there is no clear development and marketing advantages for viticulture enterprises within the Broke locality.
	In the Hunter, Pokolbin is considered the premier wine making region of the Hunter and is the location for the best known Hunter wine brands. The Pokolbin area has over 90 cellar doors/wineries <sup>2</sup> . By contrast the Broke-Fordwich area has 11 cellar doors with only three which are open 7 days per week. <sup>3</sup>
	The Pokolbin area has numerous accommodation choices including resorts, country clubs, national chain motels, guest houses and B&Bs. It has internationally recognised golf courses, tourist attractions such as Hunter Valley Gardens, hot air ballooning, helicopter tours, cheese and chocolate shops, breweries, award winning restaurants, and regular large outdoor concerts from popular international acts such as Elton John and Fleetwood Mac.
	The Broke-Fordwich area is not as large or as well known as the Pokolbin wine region. Given the small scale of viticulture, the Broke- Fordwich area does not therefore have a clear development and marketing advantage based on an agricultural product.
	Accordingly, AGL submits that the Broke-Fordwich area does not meet this criteria, and any land located in this area should not be considered as being part of a CIC.

<sup>2</sup> Vineyards Estimates, Australia, 2011-12. Available at <a href="http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/1329.0.55.002Explanatory%20Notes12011-12">http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/1329.0.55.002Explanatory%20Notes12011-12</a>
3 2013 Broke Fordwich Wine & Tourism Association, Available at http://brokefordwich.com.au/index

<sup>2013</sup> Broke Fordwich Wine & Tourism Association. Available at <a href="http://brokefordwich.com.au/index.php?page=wine">http://brokefordwich.com.au/index.php?page=wine</a>



CIC Criteria	Assessment of Broke-Fordwich Area against CIC criteria
The productive industries are interrelated	The productive industries of the Broke-Fordwich area are not interrelated. The vineyards are independently operated with very little ancillary or flow on business, other than a limited array of basic tourism-related businesses. By way of contrast, the productive industries (i.e., successful wine growing industry and tourism area) in the Pokolbin wine growing region are interrelated. Support industries in or close to the Pokolbin area include wine bottling, packaging and delivery companies. The wine industry also benefits from name association derived from the burgeoning local tourist industry. Accordingly, AGL submits that the Broke-Fordwich area does not meet this criteria and should not be considered as being part of a CIC.
It consists of a unique combination of factors such as location, infrastructure, heritage and natural resources	AGL recognises the beauty of the Broke-Fordwich area and is a proud landowner within this community. However the Broke-Fordwich area does not have a unique combination of factors (e.g., location, infrastructure, heritage, natural resources) that makes it a unique area for wine production.  In the Hunter Valley, successful commercial wineries are, or have been, located in a number of different areas outside of the Broke-Fordwich area including Pokolbin, Branxton, Lower Belford, Lovedale, Rothbury, Denman, Jerrys Plains, Dalwood, Rosebrook, Wybong, East Gresford, Bobs Farm, Stroud, Bishops Bridge and Greta.  Accordingly, AGL submits that the Broke-Fordwich area does not meet the criteria of "unique combination of factors" and any land located in this area should not be considered as being part of a CIC.



# **CIC Criteria** Assessment of Broke-Fordwich Area against CIC criteria It is of national The Broke-Fordwich area is not of national and/or and/or international importance. international **importance** AGL engaged the Allen Consulting Group to objectively examine what defines a CIC, and whether the Broke-Fordwich area could be considered to be of national and/or international importance. The Allen research paper is attached to AGL's April Submission at Annexure 2. From an economic perspective, the Broke-Fordwich region is considered part of the Hunter Valley wine industry. The Allen research paper considered the economic contribution of the Hunter Valley viticulture industry to the State and Australia's viticulture industries, and the contribution of wine tourism in the Broke-Fordwich area. The report concluded that the viticulture industry in the Broke-Fordwich region could not be considered to be of national or international importance, and therefore Broke-Fordwich could not be a CIC. It is notable that export wine sales from the Hunter Valley have decreased from 3.2 million litres, valued at nearly \$20m achieved eight years ago, to 700,000 litres worth \$4.6m for 2012-2013. By contrast the Barossa region of South Australia exported around \$112m in 2012-2013. The Hunter Region is now ranked 16th out of Australia's exporting wine regions.4 The decline of the Hunter Valley wine industry is evidenced by the recent increase in grubbing and abandonment. It has been reported that in 2009-2010 the Hunter Valley was reported to have had around 216 hectares removed by grubbing or was abandoned. In 2010-2011, the area reported to have been removed by grubbing or was abandoned was 635 hectares – an increase of 194%.5 Accordingly, AGL submits that the Broke-Fordwich area does not meet this criteria and this area should not be considered a CIC.

AGL Submission on the Stage-Two Coal Seam Gas Exclusion Zones

> Being selected as a constituent of the FTSE4Good Index Series

 $<sup>^{</sup>m 4}$  The Sun-Herald 15 September 2013 'Wine no longer enough, buyers want the backstory'.

<sup>5</sup> ABARES Australian Wine Grape Production Projections to 2013-14.

AGL is taking action toward creating a sustainable energy future for our investors, communities and customers. Key actions are:

Being selected as a member of the Dow Jones Sustainability Index 2006/07

Gaining accreditation under the National GreenPower Accreditation Program for AGL Green Energy®, AGL Green Living® and AGL Green Spirit



CIC Criteria	Assessment of Broke-Fordwich Area against CIC criteria
It is an iconic industry that contributed to the region's identity	The Pokolbin area is recognised as an important and iconic wine growing region which contributes to the Hunter Valley's identity. It is regarded as being the region for wine growing and tourism related activities in the Hunter Valley.  In contrast the Broke-Fordwich area does not have a similar iconic identity. The relative remoteness of, and lack of interrelated industries in, the Broke-Fordwich area suggest that this area does not contribute to the Hunter Valley's
	identity as an iconic wine growing region.  Accordingly, AGL submits that the Broke-Fordwich area is not part of an iconic industry that contributes to the region's identity and this area should not be considered a CIC.
It is potentially substantially impacted by CSG or mining proposals	There is no basis for any claim that the Broke-Fordwich area is potentially substantially impacted by CSG. To date, AGL has been granted numerous approvals under Part 5 of the EP&A Act for its exploration activities on the basis that the potential impacts have been negligible to minor.
	AGL's Camden Gas Project has been successfully operating and co-existing with other land uses for 13 years without any substantial negative impact. The Camden Gas Project currently employs around 60 people (80% of whom are local) and has contributed over \$100m to the local economy. In 2012-13 alone, the Camden Gas Project spent over \$4m on local contractors.
	AGL submits that there is no evidence that Broke-Fordwich is or will ever be potentially substantially impacted by a CSG proposal, and therefore this area should not be considered a CIC.

# 5. Additional Rural Village Land

The Draft SEPP proposes the inclusion of Stage-two exclusion zones for areas which could be considered villages, but because of their zoning did not qualify as Stage-one exclusion zones.



The Frequently Asked Questions: Feedback sought on mapping of additional coal seam gas exclusion zones (Strategic Regional Land Use Policy, October 2013) (FAQ Map) states that the DoPI "identified that there were places which could be considered villages, but because of their zoning did not qualify for CSG exclusion". The criteria that must all be met to be a "village" are:

- The area must contain a mix of land uses;
- The zone must apply to a settlement that is long established and has some historic association with the district, region and/or rural hinterland;
- The area must contain a mix of lot sizes, including an average lot size of up to 4,000 square metres.

Seven villages have been included in the Draft SEPP as potentially meeting these criteria, including "parts of Broke and Bulga, and all of Camberwell and Jerrys Plains in the Singleton Local Government Area".

Over half of the natural coal seam gas resource that would contribute to a Hunter Gas Project falls within the proposed **Broke and Bulga** exclusion zones.

However based on our review of the proposed additional village areas, **Broke**, **Bulga and Camberwell do not** meet the DoPI's village criteria.

Accordingly, we submit that **Broke, Bulga and Camberwell** be removed from the Additional Rural Village Land Map and should not be included in the definition of "coal seam gas exclusion zone". Set out below is our assessment of each of these areas against the village criteria.

#### 5.1 Broke

The criteria require that Broke **must** "contain a mix of land uses".

The "Additional Rural Village Land (the village area)" as noted on Sheet RVL\_007 (**Broke area**) does not contain a mix of land uses. The figure below depicts the various land uses.

The land uses in the Broke area are limited, and are too consistent to be considered a "mix". Of the 128 lots present in the Broke area, 100 lots are residential or rural residential. The only uses which have been identified as non residential or rural residential are:

- Country general store including cafe/tavern (one lot);
- Community Use hall (one lot) and school (10 lots); and
- two Churches (eight lots).

The above land uses comprise a total of only 20 lots or approximately 16% of the total lots in the Broke area. Other than the general store, there are no other retail uses. There does not appear to be any general commercial land uses. There is no medical clinic or hospital. There appears to be no industrial land uses.



In contrast, RU5 zoned areas within the Hunter Valley generally reflect a real mix of land uses. For example Denman in the Muswellbrook Shire is primarily zoned RU5 Village and has numerous different land uses such as a pharmacy, saddlery shop, craft supplies shop, jewellery and giftware shop, service station, real estate agency, newsagency, Community Technology Centre, community hall, Hotel, RSL Club, bowling club, butcher shop, two motels, and a caravan village.

The Broke area cannot therefore be said to contain a "mix" of land uses.

The criteria require that Broke must "contain a mix of lot sizes".

In relation to whether Broke contains a "mix of lot sizes":

- of the 128 lots within the 'Village' area, 64 lots or approximately 50% of the total lots are sized between 2,022m² and 2,042m²;
- a further 50 lots or 39% of the total lots are sized between 1,014m<sup>2</sup> and 1,987m<sup>2</sup>; and
- therefore 114 lots or 89% of the total lots are sized within a range of only 1,028m<sup>2</sup>.

The lot sizes within the 'Village' area are therefore too standardised to be considered a "mix" as already defined. Broke has a poor mix of lot sizes and a standardised grid pattern (see Broke Land Use Analysis over page).

Based on the above analysis AGL submits that the Broke area does not meet the criteria of "mix of land uses" or "mix of lot sizes", and **cannot** be considered 'additional Rural Village Land'.

## **Zoning Considerations**

The Broke area is currently zoned R5 Large Lot Residential under the Singleton Local Environmental Plan 2013 (**SLEP**). AGL notes one of the objectives of the R5 Zone as 'To provide residential housing in a rural setting while preserving, and minimising impacts on, environmentally sensitive locations and scenic quality'.

AGL considers the current R5 zoning of the Broke area to be the most appropriate zoning given the very limited land use mix. It is notable that the Singleton Council did not choose to identify Broke as a village, by zoning Broke RU5 in the SLEP. Council's decision to zone the Broke area as R5, and not RU5, supports the argument that the Broke area is not, and is never intended to be, a rural village with a mix of land uses.

Based on the above analysis AGL submits that the Broke area **is not** 'additional rural village land'.







## 5.2 Bulga

The criteria require that Broke must "contain a mix of land uses".

The "Additional Rural Village Land (the village area)" as noted on Sheet RVL\_005 (**Bulga area**) does not contain a mix of land uses. The Bulga Land Use Analysis Plan below depicts Bulga's land uses.

The land uses in the Bulga area are too consistent to be considered a "mix". Of the 41 lots present in the Bulga area, only six uses have been identified as non residential or rural residential as follows:

- General Store (1 lot);
- Tavern (1 lot);
- Infrastructure easement (Telstra) (1 lot);
- Hall (1 lot);
- Church (1 lot); and
- playing fields (1 lot).

The above land uses comprise a total of only 6 lots or approximately 15% of the total lots in the Bulga area. There appear to be no general commercial or other retail land uses. There are no industrial uses, educational or medical uses. The Bulga area cannot therefore be considered as having a "mix" of land uses.

In contrast, RU5 zoned areas within the Hunter Valley generally reflect a real mix of land uses. For example Denman in the Muswellbrook Shire is primarily zoned RU5 Village and has numerous different land uses such as a pharmacy, saddlery shop, craft supplies shop, jewellery and giftware shop, service station, real estate agency, newsagency, Community Technology Centre, community hall, Hotel, RSL Club, bowling club, butcher shop, two motels, and a caravan village.

The criteria require that Broke must "include an average lot size of up to  $4,000m^2$ ".

The Bulga area has an average lot size of  $10,047m^2$ . This is clearly inconsistent with the absolute requirement that the average lot size has to be less than  $4,000m^2$ .

On this basis, the Bulga area does not meet the average lot size criteria and **cannot** be considered "additional rural village land".



## **Zoning Considerations**

The zoning of the Bulga area is currently a deferred matter under the *Singleton Local Environmental Plan 2013* (**SLEP**). The zoning therefore remains as 1(d) Rural Small Holdings under the provisions of the *Singleton Local Environmental Plan 1996* (**Singleton LEP 1996**).

One of the objectives of the 1(d) Rural Small Holdings Zone is "to facilitate and provide for rural residential development in appropriate locations, taking into account natural constraints". AGL considers this objective supports the argument that Bulga is not, and was never intended to be, a rural village with a mix of land uses.

Prior to Council adopting the Bulga zoning as a deferred matter in December 2012, the Draft 2013 SLEP identified the Bulga area as being potentially zoned E4 Environmental Living. One of the Objectives of the E4 Environmental Living Zone is "to provide for low-impact residential development in areas with special ecological, scientific or aesthetic values". This indicates that Council did not consider the Bulga area to be a village.

Accordingly, AGL submits that the Bulga area is **not** "additional rural village land".





- AGL is taking action toward creating a sustainable energy future for our investors, communities and customers. Key actions are:

  Being selected as a member of the Dow Jones Sustainability Index 2006/07

  Gaining accreditation under the National GreenPower Accreditation Program for AGL Green Energy®, AGL Green Living® and AGL Green Spirit
  Being selected as a constituent of the FTSE4Good Index Series



#### 5.3 Camberwell

The criteria require that Camberwell must "contain a mix of land uses".

The "Additional Rural Village Land (the village area)" noted on Sheet RVL\_006 (**Camberwell area**) does not contain a "mix" of land uses. The Camberwell Land Use Analysis Plan over page depicts the land uses.

AGL considers the land uses in the Camberwell area are too consistent to be considered a "mix" of land uses. Of the 144 lots in the Camberwell area, only 1 use (community hall – now derelict) has been identified as non-residential or rural residential.

In contrast, RU5 zoned areas within the Hunter Valley generally reflect a real mix of land uses. For example Denman in the Muswellbrook Shire is primarily zoned RU5 Village and has numerous different land uses such as a pharmacy, saddlery shop, craft supplies shop, jewellery and giftware shop, service station, real estate agency, newsagency, Community Technology Centre, community hall, Hotel, RSL Club, bowling club, butcher shop, two motels, and a caravan village.

The Camberwell area does not meet the criteria requiring a "mix of land uses" and **cannot** be considered "additional rural village land".

The Camberwell area has some historic association with the district, region and/or rural hinterland. However, AGL considers that the Camberwell area has long been in decline and is therefore not established.

Approximately half of the lots in the Camberwell area are owned by Ashton Coal. A recent Newcastle Herald report stated that Camberwell has a population of about 30, the majority of which live in the houses owned by Ashton Coal<sup>6</sup>. AGL considers that this large single ownership profile demonstrates the limited sustainability of the area as a viable residential area or village.

Accordingly, AGL submits that the Camberwell area does not meet the criteria and **is not** 'additional rural village land'.

## **Zoning Considerations**

The Camberwell area is currently zoned as either R5 Large Lot Residential or RU1 Rural Production under the SLEP 2013. Having regard to the limited land uses within this area, we consider the current designation of zones in this area to be the most appropriate classification.

One of the objectives of:

 the R5 Large Lot Residential zone is "to provide residential housing in a rural setting while preserving, and minimising impacts on, environmentally sensitive locations and scenic quality"; and

<sup>&</sup>lt;sup>6</sup> Newcastle Herald 31 May 2013 'Hunter Coal Towns Disappearing'.



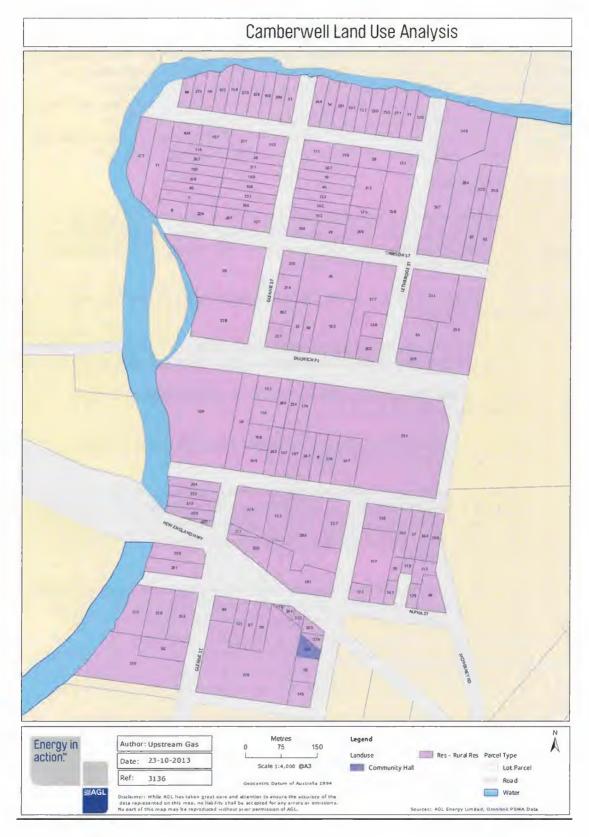
the RU1 Rural Production zone is "to encourage sustainable primary industry production by maintaining and enhancing the natural resource base".

On the other hand, one of the objectives of the RU5 Village zone is to "provide for a range of land uses, services and facilities that are associated with a rural village".

The zoning of the Camberwell area as R5 Large Lot Residential and RU1 Rural Production supports AGL's argument that Camberwell is not, and is never intended to be, a rural village with a mix of land uses.

Accordingly, AGL submits that the Camberwell area is not "additional rural village land".





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#### 6. Future Residential Growth Area Land

The Mining SEPP defines "future residential growth area land" as "land identified on the Future Residential Growth Areas Land Map (**Future Growth Map**) as 'future residential growth area'". The Mining SEPP also defines "Future Residential Growth Areas Land Map" as the "State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007 Future Residential Growth Areas Land Map. The Draft SEPP proposes to identify details of the Future Growth Map in the table under clause 4 of the Draft SEPP.

#### **General Submission**

We have reviewed the Future Growth Map and submit that, for the reasons set out below, the areas we have identified in the various sheets should not be identified as "future residential growth area land" and should be removed from the Future Growth Map in the Draft SEPP.

In general, our reasons for requesting the removal of these lands from the Future Growth Map are:

- The zoning of each of the areas referred to below under the relevant local environmental plan (**LEP**) is inconsistent with future residential growth.
- Most of these lands are currently used for a purpose different from residential growth area uses.
- Many of the identified lands do not appear to be identified as Urban Release Areas under the relevant LEP.
- Many of the identified lands are not supported as future residential areas by local government land release strategies. For example the Cessnock City Wide Settlement Strategy 2010 does not identify many of the areas nominated as future residential growth areas within the Cessnock Local Government Area.
- It appears that no environmental or planning assessment has been made in accordance with the requirements of the EP&A Act, to determine the suitability of the identified lands for residential zoning. For example, there appears to be no assessment of ecological, heritage, archaeological, flood prone land, mine subsidence or other values which may prevent residential development of these areas. No justification has been provided for identifying the land as future residential growth area.
- It appears that there has been no provision for non-residential uses within the identified future residential growth area land, such as riparian areas, open spaces, commercial and industrial precincts. A number of the identified future residential growth areas will contain a mix of land use zonings, not all of which will be residential, and therefore should not automatically become exclusion areas.
- There is no certainty that any of the identified lands will ever become residential areas.



- There is no certainty as to the timing of when any of these lands, if ever, will become residential areas. By contrast, natural gas production projects have a typical lifespan of 20-25 years.
- The identification of future residential growth areas without proper merit based assessment, including consideration of the impact on underlying gas resources, is inconsistent with the objects of the EP&A Act.

While some of the future residential growth areas are identified in regional strategic documents as possible future residential growth areas, AGL submits that, for land to be properly considered as "future residential growth area land" in accordance with sound planning principles and the requirements of the EP&A Act, that land **must**, at the very least, undergo a detailed assessment with reasons, objectives and sound justification published as to why those lands will be residential areas to the exclusion of coal seam gas development. Future residential growth areas, by their nature, must only contain **future residential zones**.

To sterilise vast areas of land from the ability to develop state significant gas resources without proper merits based planning assessment or justification based on a future possibility of residential zoning on some of that land, is inconsistent with the objects of the EP&A Act and the Mining SEPP itself, including:

- the proper management, development of minerals and resources for the purpose of promoting the social and economic welfare of the community; and
- the promotion and coordination of the orderly and economic use and development of the land.



#### **Detailed Submissions**

## 6.1 Petroleum Exploration Licence 2

## Future Residential Growth Areas Land Map - Sheet STA 025



AGL submits that the lands marked as 'A' on Sheet STA 025 (figure above) **should not** be identified as a future residential growth area because:

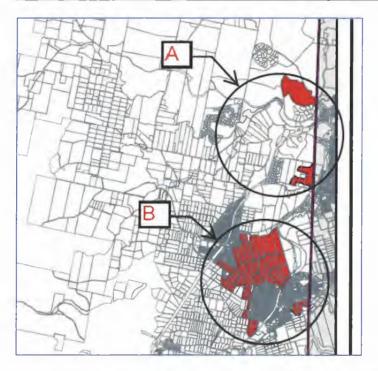
- these lands are zoned RU1 Rural Production under the *Wollondilly Local Environmental Plan 2011* (**WLEP2013**) which is inconsistent with future residential growth;
- the lands are not identified as Urban Release Areas under the WLEP2013; and
- the lands are already situated within the "buffer zone" as defined in the Mining SEPP.

AGL submits that the land marked as **'B'** on Sheet STA 025 (figure above) **should not** be identified as a future residential growth area because:

- the land is zoned RU2 Rural Landscape under the WLEP2013 which is inconsistent with future residential growth;
- the land is not identified as Urban Release Areas under the WLEP2013; and
- the land is already situated within the "buffer zone".



## Future Residential Growth Areas Land Map - Sheet STA 026



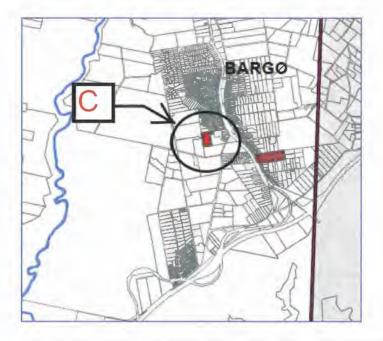
AGL submits that the lands marked as 'A' on Sheet STA 026 (figure above) **should not** be identified as a future residential growth area because:

- these lands are zoned RU2 Rural Landscape under the WLEP2013 which is inconsistent with future residential growth;
- the lands are not identified as Urban Release Areas under the WLEP2013; and
- the lands are already situated within the "buffer zone".

AGL submits that the lands marked as **'B'** on Sheet STA 026 (figure above) **should not** be identified as a future residential growth area because:

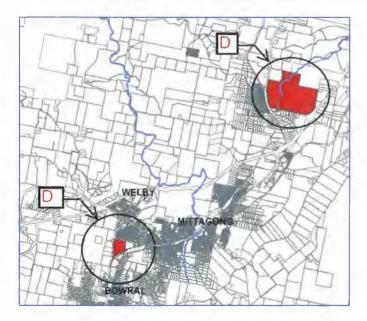
- these lands are zoned RU2 Rural Landscape and RU4 Rural Small Holdings under the WLEP2013 which is inconsistent with future residential growth;
- the lands are not identified as Urban Release Areas under the WLEP2013; and
- the lands are already situated within the "buffer zone".





AGL submits that the land marked as 'C' on Sheet STA 026 (figure above) **should not** be identified as a future residential growth area because:

- these lands are zoned RU2 Rural Landscape under the WLEP2013 which is inconsistent with future residential growth;
- the land is not identified as Urban Release Areas under the WLEP2013; and
- the land is already situated within a "buffer zone".

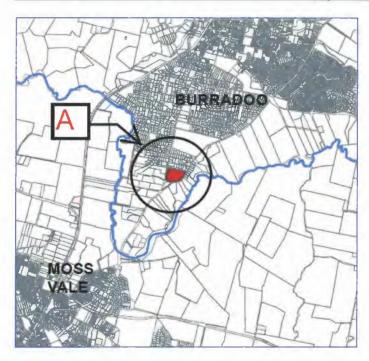




AGL submits that the lands marked as **'D'** on Sheet STA 026 (figure above) **should not** be identified as a future residential growth area because:

- these lands are zoned RU2 Rural Landscape under the Wingecarribee Local Environmental Plan 2010 (Wingecarribee LEP2010) which is inconsistent with future residential growth;
- the lands are not identified as Urban Release Areas under the Wingecarribee LEP2010; and
- the land is already situated within a "buffer zone".



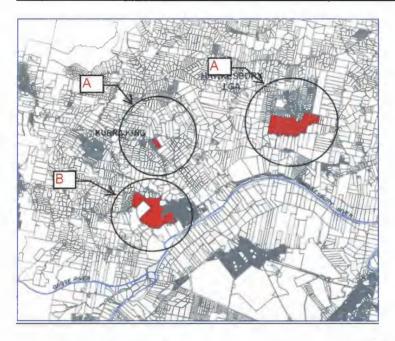


AGL submits that the land marked as 'A' on Sheet STA 027 (figure above) should not be identified as a future residential growth area because:

- this land is zoned RE1 Public Recreation under the Wingecarribee WLEP2010 which is inconsistent with future residential growth;
- the land is not identified as Urban Release Areas under the Wingecarribee WLEP2010;
- the land appears (from aerial photos) to be currently used as community sporting facilities (including a sporting oval and netball courts); and
- the land is already situated within a "buffer zone".



#### Future Residential Growth Areas Land Map - Sheet STA 036



AGL submits that the lands marked as 'A' on Sheet STA 036 (figure above) **should not** be identified as a future residential growth area because:

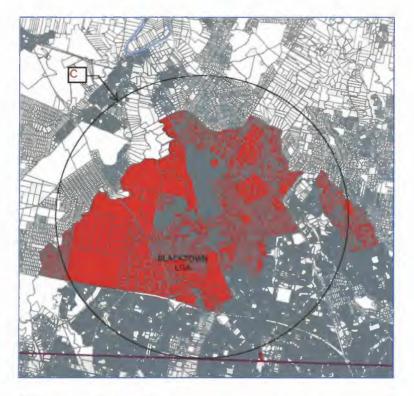
- these lands being currently zoned RU1 Primary Production under the Hawkesbury Local Environmental Plan 2012 (HLEP 2012) which is inconsistent with future residential growth;
- these lands are not identified as Urban Release areas under the HLEP 2012; and

the lands are already situated within a "buffer zone".

AGL submits that the land marked as **'B'** on Sheet STA 036 (figure above) **should not** be identified as a future residential growth area due to:

- this land being currently zoned RU4 Primary Production Small Lots under the HLEP 2012 which is inconsistent with future residential growth;
- this land is not identified as an Urban Release area under the HLEP 2012; and
- the lands are already situated within a "buffer zone".





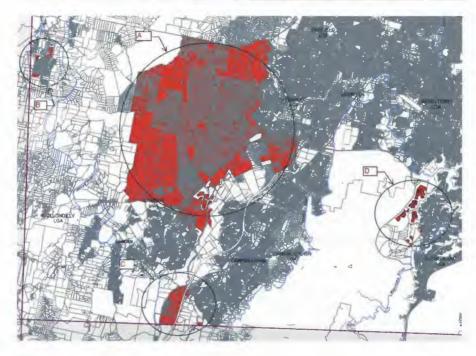
AGL acknowledges the importance and advanced planning of the North Western Growth Centre (**NWGC**) as marked **'C'** on Sheet STA 036 (figure above).

AGL submits however that the NWGC **should not** be wholly identified as a future residential growth area due to the land being identified for a number of different zones and land uses including industrial, commercial, environmental and open space precincts.

For that reason, we consider that only the master-planned residential areas should be identified as future residential growth areas in the Draft SEPP.



### Future Residential Growth Areas Land Map - Sheet STA 037



AGL acknowledges the importance and advanced planning of the South Western Growth Centre (**SWGC**) as marked 'A' on the portion of Sheet STA 037 (figure above).

AGL submits however that the SWGC **should not** be wholly identified as a future residential growth area due to the land being identified for a number of different zones and land uses including industrial, commercial, environmental and open space precincts.

Coal seam gas production developments have a life span of around 20-25 years. Once gas is extracted from coal seams, then the wells are plugged and abandoned in accordance with NSW Codes of Practice. Coal seam gas development does not preclude residential development. In fact, the Camden Gas Project has been operating alongside residential villages and other land uses for 13 years, without significant incident.

We consider that only the master-planned residential areas should be included as future residential growth areas.

AGL submits that the lands marked as **'B'** on Sheet STA 037 (figure above) **should not** be identified as a future residential growth area because:

- the lands are zoned RU2 Rural Landscape under the WLEP2013 which is inconsistent with future residential growth;
- the lands are not identified as Urban Release Areas under the WLEP2013; and
- the lands are already situated within a "buffer zone".



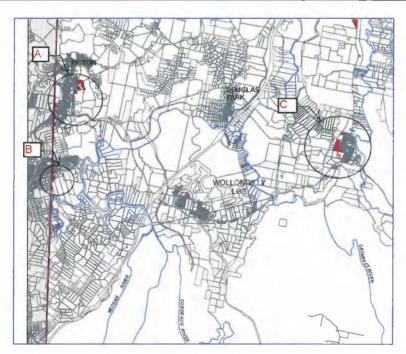
AGL acknowledges the advanced planning of the Menangle Park area as marked 'C' on the portion of Sheet STA 037 (figure above).

AGL submits however that the Menangle Park area **should not** be wholly identified as a future residential growth area. The *Campbelltown (Urban Area) Local Environmental Plan 2002* (CLEP2002) correctly identifies this area as having riparian corridors with existing infrastructure including gas wells. AGL submits that any identification of this area as a future residential growth area should be in accordance with the CLEP2002. AGL is concerned that a blanket identification of this whole area as a future residential growth area would impede the future modification of its existing infrastructure in the future. This is particularly important for pipelines, which can be located in "buffer" areas, but not residential zoned land.

AGL submits that the land marked as **'D'** on Sheet STA 037 (figure above) **should not** be identified as a future residential growth area because:

- the land is zoned Rural 1(b) under the Sutherland Shire Local Environmental Plan 2000 which is inconsistent with future residential growth; and
- the land is already situated within a "buffer zone".

#### Future Residential Growth Areas Land Map - Sheet STA 038



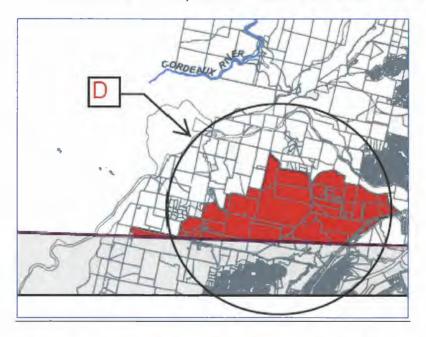


AGL submits that the lands marked as 'A' & 'C' on Sheet STA 038 should **not** be identified as a future residential growth area because:

- the lands are zoned RU2 Rural Landscape under the WLEP2013 which is inconsistent with future residential growth;
- the lands are not identified as Urban Release Areas under the WLEP2013; and
- the lands are already situated within a "buffer zone".

AGL submits that the land marked as 'B' on Sheet STA 038 (figure above) **should not** be identified as a future residential growth area because:

- the land is zoned RU4 Rural Small Holdings under the WLEP2013 which is inconsistent with future residential growth;
- the land is not identified as Urban Release Areas under the WLEP2013; and
- the land is already situated within a exclusion "buffer zone".

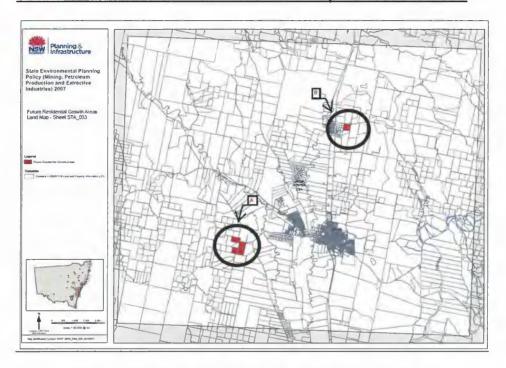


AGL submits that the lands marked as 'D' on Sheet STA 038 (figure above) should not be wholly identified as a future residential growth area due to these lands being identified as a number of different zones, including industrial and environmental, under the Wollongong Local Environmental Plan 2009 which is inconsistent with this whole area providing future residential growth. AGL submits that only the residentially zoned areas should be identified as future residential growth areas.



## 6.2 Petroleum Exploration Licence 4

## Future Residential Growth Areas Land Map - Sheet STA 033



AGL submits that the land marked as 'A' on Sheet STA 033 (figure above) **should not** be identified as a future residential growth area because:

- this land, and surrounding land, are currently zoned RU4 Primary Production Small Lots under the Draft Upper Hunter LEP 2013 which is inconsistent with future residential growth;
- aerial photos of this land indicate open rural paddocks surrounded by similar rural uses with no support infrastructure;
- the vast majority of the land is identified as Critical Industry Cluster
   Equine; and
- the land is located approximately 6 kilometres from the centre of Scone and has very limited services;
- there is no evidence to support future demand for new residential housing in this area.

AGL submits that the land marked as 'B' on Sheet STA 033 (figure above) should not be identified as a future residential growth area because:

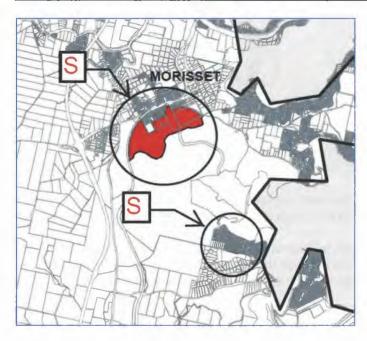
 this land, and surrounding land, are currently zoned RU4 Primary Production Small Lots under the Draft Upper Hunter LEP 2013 which is inconsistent with future residential growth;



- aerial photos of this land indicate open rural paddocks surrounded by similar rural uses with little support infrastructure;
- the land is severed from the main village area by a train line;
- there is an abundance of better located lands that could provide superior opportunities for residential growth; and
- there is no evidence to support future demand for new residential housing in this area.

## 6.3 Petroleum Exploration Licence 5

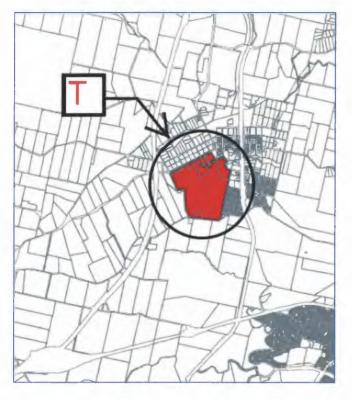
## Future Residential Growth Areas Land Map - Sheet STA\_035



AGL submits that the lands marked as 'S' on Sheet STA 035 (figure above) **should not** be identified as a future residential growth areas due to:

- the lands are zoned RU6 Transition under the Lake Macquarie City Council LEP 2013 (LMCC2013) which is inconsistent with future residential growth; and
- the lands are not identified as Urban Release Areas under the LMCC2013; and
- the lands are already situated within a "buffer zone".





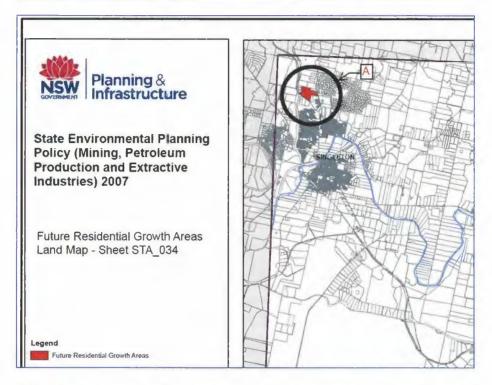
AGL submits that the land marked as 'T' on Sheet STA 035 (figure above) **should not** be identified as a future residential growth area because:

- the land is zoned RU2 Rural Landscape and E2 Environmental Conservation under the LMCC2013 which is inconsistent with future residential growth; and
- the lands are not identified as Urban Release Areas under the LMCC2013; and
- the lands are already situated within a "buffer zone".



#### 6.4 **Petroleum Exploration Licence 267**

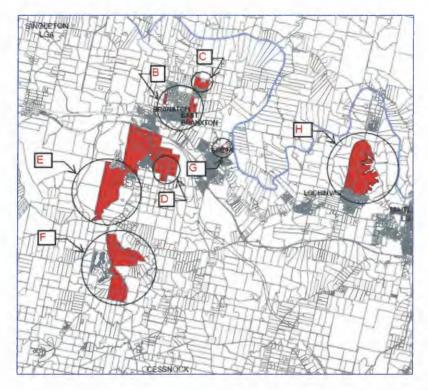
## Future Residential Growth Areas Land Map - Sheet STA 034



AGL submits that the land marked as 'A' on Sheet STA 034 (figure above) **should not** be identified as a future residential growth area because:

- this land is currently zoned RU1 Primary Production under the Singleton LEP 2013 which is inconsistent with future residential growth;
- aerial photos of this land indicate open rural paddocks with little or no support infrastructure;
- the land is already situated within a "buffer zone"; and
- we consider that there is sufficient zoned residential to satisfy expected future residential land demand.





AGL submits that the land marked as **'B'** on Sheet STA 034 (figure above) **should not** be identified as a future residential growth area because:

- the vast majority of this land is currently zoned RU1 Primary Production under the Singleton LEP 2013 which is inconsistent with future residential growth;
- the land is already situated within a "buffer zone"; and
- we consider that there is already sufficient residential zoned land to satisfy expected future residential land demand in this area.

AGL submits that the land marked as 'C' on Sheet STA 034 (figure above) **should not** be identified as a future residential growth area because:

- the land is zoned R5 Large Lot Residential which is not included in the definition of "residential zone" under the Mining SEPP;
- the land is already situated within a "buffer zone"; and
- we consider that there is already sufficient residential zoned land to satisfy expected future residential land demand in this area.

AGL submits that the lands marked as 'D' & 'E' on Sheet STA 034 (figure above) should not be identified as a future residential growth area because these lands do not form part of the proposed residential areas of Huntlee.



AGL submits that the land marked as 'F' on Sheet STA 034 (figure above) should not be identified as a future residential growth area due to:

- this land is currently zoned RU4 Primary Production under the Cessnock Local Environmental Plan 2011 (Cessnock LEP 2011) which is inconsistent with future residential growth:
- aerial photos of this land indicate open rural paddocks with little or no support infrastructure;
- the land is located approximately 7.5 kilometres from the centre of Branxton and has very limited services;
- the land is not identified as an Urban Release Area under the Cessnock LEP 2011; and
- the land is already identified as Critical Industry Cluster -Viticulture.

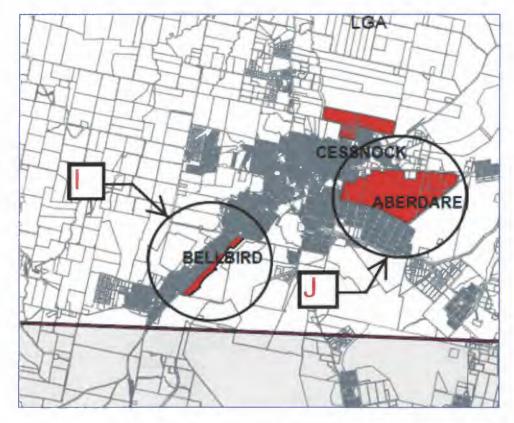
AGL submits that the land marked as 'G' on Sheet STA 034 (figure above) **should not** be identified as a future residential growth area because:

- this land is currently zoned RU2 Rural Landscape under the Cessnock LEP 2011 which is inconsistent with future residential growth;
- the land is already situated within a 2km residential zone exclusion buffer area; and
- we consider that there is already sufficient residential zoned land to satisfy expected future residential land demand in this area.

AGL submits that the land marked as 'H' on Sheet STA 034 (figure above) **should not** be identified as a future residential growth area because:

- this land is currently zoned RU2 Rural Landscape under the Maitland LEP 2011 which is inconsistent with future residential growth; and
- we consider that there is already sufficient residential zoned land to satisfy expected future residential land demand in this area.





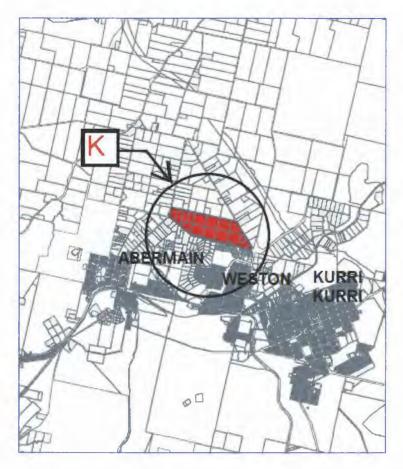
AGL submits that the land marked as **'I'** on Sheet STA 034 (figure above) **should not** be identified as a future residential growth area because:

- this land is currently zoned RU2 Rural Landscape under the Cessnock LEP 2011 which is inconsistent with future residential growth;
- the land is already situated within a "buffer zone"; and
- the land is not identified as an Urban Release Area under the Cessnock LEP 2011.

AGL submits that the land marked as 'J' on Sheet STA 034 (figure above) **should not** be identified as a future residential growth area because:

- this land is currently zoned RU2 Rural Landscape under the Cessnock LEP 2011 which is inconsistent with future residential growth;
- the land is already situated within a "buffer zone"; and
- the land is not identified as an Urban Release Area under the Cessnock LEP 2011.

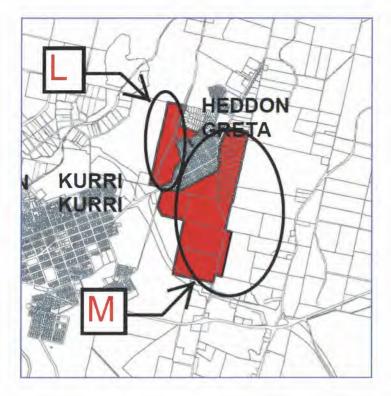




AGL submits that the land marked as 'K' on Sheet STA 034 (figure above) **should not** be identified as a future residential growth area because:

- this land is currently zoned RU2 Rural Landscape under the Cessnock LEP 2011 which is inconsistent with future residential growth;
- the land is already situated within a "buffer zone"; and
- the land is not identified as an Urban Release Area under the Cessnock LEP 2011.





AGL submits that the western part of that that land marked as **'L'** on Sheet STA 034 (figure above) **should not** be identified as a future residential growth area because:

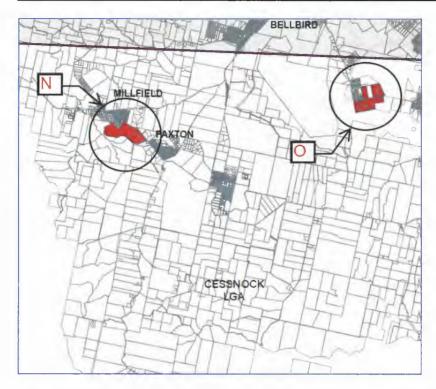
- this land is currently zoned RU2 Rural Landscape under the Cessnock LEP 2011 which is inconsistent with future residential growth;
- the land is already situated within a "buffer zone"; and
- the land is not identified as an Urban Release Area under the Cessnock LEP 2011.

AGL submits that the land marked as 'M' on Sheet STA 034 (figure above) **should not** be identified as a future residential growth area because:

- this land is currently zoned RU2 Rural Landscape under the Cessnock LEP 2011 which is inconsistent with future residential growth;
- the land is already situated within a "buffer zone"; and
- the land is not identified as an Urban Release Area under the Cessnock LEP 2011.



### Future Residential Growth Areas Land Map - Sheet STA 035



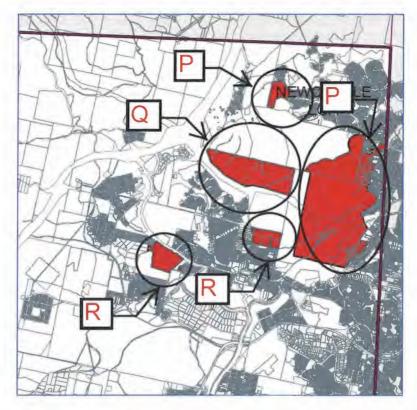
AGL submits that the land marked as 'N' on Sheet STA 035 (figure above) **should not** be identified as a future residential growth area because:

- this land is currently zoned E2 Environmental Conservation under the Cessnock LEP 2011 which is inconsistent with future residential growth; and
- the land is not identified as an Urban Release Area under the LEP.

AGL submits that the land marked as 'O' on Sheet STA 035 (figure above) **should not** be identified as a future residential growth area because:

- this land is currently zoned RU2 Rural Landscape under the Cessnock LEP 2011 which is inconsistent with future residential growth; and
- the land is not identified as an Urban Release Area under the Cessnock LEP 2011.





AGL submits that the lands marked as 'P' on Sheet STA 035 (figure above) **should not** be identified as a future residential growth areas because:

- the lands are currently zoned E4 Environmental Living under the Newcastle Local Environmental Plan 2012 (NLEP2012) which is inconsistent with future residential growth; and
- the lands are not identified as Urban Release Areas under the NLEP2012; and
- the lands are already situated within a "buffer zone".

AGL submits that the land marked as 'Q' on Sheet STA 035 (figure above) **should not** be identified as a future residential growth areas because:

- this land is zoned E2 Environmental Conservation under the LMCC2013 which is inconsistent with future residential growth; and
- the land is not identified as an Urban Release Area under the LMCC2013; and
- the land is already situated within a "buffer zone".



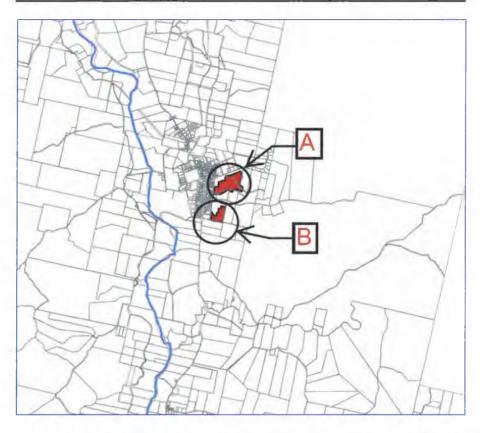
AGL submits that the lands marked as 'R' on Sheet STA 035 should not be identified as a future residential growth areas because:

- the lands are zoned RU6 Transition under the LMCC2013 which is inconsistent with future residential growth;
- the lands are not identified as Urban Release Areas under the LMCC2013; and
- the lands are already situated within a "buffer zone".



#### 6.5 **Petroleum Exploration Licence 285**

### Future Residential Growth Areas Land Map - Sheet STA\_047



AGL submits that the land marked as 'A' on Sheet STA 047 (figure above) **should not** be identified as a future residential growth area because:

- this land is currently zoned RU2 Rural Landscape under the Draft Great Lakes LEP 2013 which is inconsistent with future residential growth;
- aerial photos of this land indicate open rural paddocks with limited support infrastructure;
- the vast majority of the Stroud area is zoned R2 Small Lot Residential under Draft Great Lakes LEP 2013 with wide potential for future infill residential development to occur without rezoning and utilising further rural lands; and
- there is no evidence of strong current or future demand for new residential housing in the Stroud area.



AGL submits that the land marked as **'B'** on Sheet STA 047 (figure above) **should not** be identified as a future residential growth area because:

- aerial photos of this land indicate open rural paddocks with limited support infrastructure;
- the land is already situated within a "buffer zone";
- the vast majority of the Stroud area is zoned R2 Small Lot Residential under Draft Great Lakes LEP 2013 with wide potential for future infill residential development to occur without rezoning and utilising further rural lands; and
- there is no evidence of strong current or future demand for new residential housing in the Stroud area.

I would be happy to discuss any of these submissions with you.

Yours sincerely,

Suzanne Westgate Head of Land & Approvals, Upstream Gas AGL Energy

Encl.



### **Annexure 1**

### Reasons why AGL-owned land should not be designated within the critical industry cluster

Based on the CIC criteria, AGL submits the following properties which are owned by AGL Upstream Investments Pty Limited as at 10 September 2012 do not meet the CIC criteria and should be removed from any CIC Map. The statements made in section 4.2 of this submission also apply to AGL owned land.

#### 1. **Broke**

Address	1-5 Ellis Street, Broke
Title Reference	Lots 1-5 in Deposited Plan 1114603
Registered Owner	AGL Upstream Investments Pty Limited
Date Acquired	July 2008
Approximate Area	28.5Ha
Current primary use	Cattle grazing and CSG exploration

Criteria	Assessment against CIC Criteria
Concentration of enterprises that provides clear development and marketing advantages and is based on an agricultural product	The Broke property is located on the far northern periphery of the draft Broke "village" area. Surrounding land uses include residential, rural-residential, open cattle grazing land and viticulture. The Broke land is currently used for cattle grazing only and as such does not contribute to any development and marketing advantages based on an agricultural product.





Criteria	Assessment against CIC Criteria
Productive industries are interrelated	The Broke property is not interrelated with any other productive industry.
Consists of a unique combination of factors such as location, infrastructure, heritage and natural resources	The Broke property does not comprise a unique combination of factors in location, infrastructure, heritage and natural resources. It is located on the northern periphery of the Broke "village" area. Surrounding land uses include residential, rural-residential, open cattle grazing land and viticulture. It is currently, and has been traditionally used, for cattle grazing which does not rely on a unique combination of inherent or external factors.
It is of national and/or international importance	The Broke property does not form part of an agricultural or viticultural industry that is of national and/or international importance.
It is an iconic industry that contributes to the region's identity	The Broke property does not form part of an iconic industry that contributes to the region's identity.
It is potentially substantially impacted by coal seam gas or mining proposals	There is a suspended CSG well that was fracture stimulated in 2010. This property is also adjacent to another property wherein another well (which was fracture stimulated in 2010) is located. These wells are now used as groundwater monitoring bores as part of a wider groundwater monitoring network in the area. The land has continued to be used for cattle grazing during these activities with no negative impact. These activities have also had no significant impact on the environment and the land is not therefore substantially impacted by CSG.  The land uses on neighbouring properties, including residential and viticulture, have continued unabated and unaffected by the CSG exploration activities undertaken on the Broke property.



#### 2. **Yellow Rock**

Address	121 Wollombi Road, Broke
Title Reference	Lot 1 / DP626758, Lot 1/ Section 36 / DP 758164, Lots 2-3 / Section 36 / DP758164, Lots 9-10 /Section 5 / DP758164, Lots 4-5 / Section 6 / DP 758164, Lot 2/ DP 111306, Lot 65/ DP 722248, Lots 1-2 / DP197520, Lots 16-17 / DP755212, Lots 21-26 / DP755212, Lots 28-29 / DP 755212, Lots 42-44 / DP 755212, Lots 1-2 / DP882003 (Coal Titles), Lot 1 / DP882007 (Coal Titles)
Registered Owner	AGL Upstream Investments Pty Limited
Date Acquired	October 2011
Approximate Area	1,102На
Current primary use	Cattle grazing and CSG exploration

Criteria	Assessment against CIC Criteria
Concentration of enterprises that provides clear development and marketing advantages and is based on an agricultural product	The Yellow Rock property is located close to the proposed Broke "village" area. Surrounding land uses include residential, rural-residential, open cattle grazing land and viticulture. It is currently used for cattle grazing only and as such does not contribute to any development and marketing advantages based on an agricultural product.



Criteria	Assessment against CIC Criteria
Productive industries are interrelated	The Yellow Rock property is not interrelated with any other productive industry.
Consists of a unique combination of factors such as location, infrastructure, heritage and natural resources	The Yellow Rock property does not comprise a unique combination of factors in location, infrastructure, heritage and natural resources. It is currently, and has been traditionally used, for cattle grazing which does not rely on a unique combination of inherent or external factors.
It is of national and/or international importance	The Yellow Rock property does not form part of an agricultural or viticultural industry that is of national and/or international importance.
It is an iconic industry that contributes to the region's identity	The Yellow Rock property does not form part of an iconic industry that contributes to the region's identity.
It is potentially substantially impacted by coal seam gas or mining proposals	A corehole was drilled on the Yellow Rock property in 2013 as part of AGL's CSG exploration activities. A number of groundwater monitoring bores were also drilled throughout 2013 and these bores now form part of a wider groundwater monitoring network in the area. The land has continued to be used for cattle grazing during these activities with no negative impact. These activities have also had no significant impact on the environment and the land is not therefore substantially impacted by CSG.  The land uses on neighbouring properties have continued unabated and unaffected by the CSG exploration activities undertaken on the Yellow Rock property.



### 3. Property formally known as Pooles Rock

Address	229 Wollombi Road, Broke
Title Reference	Lot 43 / DP 1045647
Registered Owner	AGL Upstream Investments Pty Limited
Date Acquired	August 2011
Approximate Area	46Ha
Current primary use	CSG exploration and Viticulture

Criteria	Assessment against CIC Criteria
Concentration of enterprises that provides clear development and marketing advantages and is based on an agricultural	The Pooles Rock property is located approximately 2km south of the proposed Broke "village" area. Surrounding land uses include rural-residential, cattle grazing and viticulture. The Pooles Rock property is currently used for the purposes of viticulture however it does not contribute to any development and marketing advantages for the wine industry.
product	The Pooles Rock property was purchased by AGL for CSG exploration and to demonstrate that viticulture and CSG development can co-exist. As part of proving co-existence with the wine industry AGL commenced the Wine Scholarship Award whereby vignerons are invited to produce high quality wine which is then shown at various wine shows around the country. The Pooles Rock property is not open to the public and does not operate a cellar door. The Pooles Rock property does not form part of a concentration of enterprises that provide clear development and marketing advantages based on an agricultural product.





Criteria	Assessment against CIC Criteria
Productive industries are interrelated	The Pooles Rock property was purchased to enable CSG exploration and demonstrate co-existence. The Pooles Rock property is not open to the public and does not operate a cellar door. The Pooles Rock property is not interrelated with other Hunter wineries or any other productive industry.
Consists of a unique combination of factors such as location, infrastructure, heritage and natural resources	The Pooles Rock property does not comprise a unique combination of location, infrastructure, heritage and natural resources in relation to an agricultural product. The Pooles Rock property does however comprise a unique combination of location, infrastructure and natural resources for CSG production.
	In October 2010, as a result of its modest exploration activities, AGL was able to announce booked reserves of an estimated proved plus probable (2P) gas reserves of 142 PJ and proved plus probable plus possible (3P) reserves of 271 PJ.
	These booked reserves, which are located around the Broke/Bulga area (including the Pooles Rock property), would form the cornerstone for a Hunter Gas Project to supply gas to NSW customers. The reserves in the Broke/Bulga area are clearly material to AGL's business and gas supply in NSW.
It is of national and/or international importance	The Pooles Rock property is not open to the public and does not operate a cellar door. Section 4.2 of AGL's submission dated 8 November 2013 on the Draft Mining SEPP analyses the nature of the Broke-Fordwich area and concludes that the area is not of national or international importance, by any measure.
	Therefore the Pooles Rock property itself is not, and is not part of an industry that is, of national and/or international importance.



Criteria	Assessment against CIC Criteria
It is an iconic industry that contributes to the region's identity	The Pooles Rock property is not open to the public and does not operate a cellar door.  Section 4.2 of AGL's submission dated 8 November 2013 analyses the nature of the Broke-Fordwich area and concludes that the area does not comprise an iconic industry that contributes to the region's identify.  The Pooles Rock property therefore is not itself an iconic industry, and does not form part of an iconic industry that materially contributes to the region's identity.
It is potentially substantially impacted by coal seam gas or mining proposals	The Pooles Rock property was acquired by AGL for the purposes of CSG exploration and to demonstrate co-existence. In 2013 AGL established a groundwater monitoring bore as part of a wider groundwater monitoring network in the area. Also in 2013 AGL drilled an exploration hole and several groundwater monitoring bores on the adjoining Yellow Rock property. The Pooles Rock property has continued to be used for viticulture during these activities with no negative impact on the quality or quantity of the product.  CSG activities have already occurred on and around
	this property without any substantial negative social, environmental, or economic impacts. The property cannot therefore be said to be potentially substantially impacted by these activities.

## AGL-owned lands which are not currently identified as CIC Land

The AGL-owned properties set out below are not currently included in any CIC Map. AGL agrees that these properties should not be considered as CIC and provides the following analysis to ensure these properties are correctly "opted out" of the final CIC Map. In general the statements made in section 4.2 also apply to AGL owned land.



#### 1. Windermere

Address	1946 Putty Road, Bulga
Title Reference	Lot 547 / DP 589662
Registered Owner	AGL Energy Limited
Date Acquired	September 2009
Approximate Area	61.38Ha
Current primary use	Cattle Grazing, Cropping and CSG exploration

Criteria	Assessment against CIC Criteria
Concentration of enterprises that provides clear development and marketing advantages and is based on an agricultural product	The Windermere property is located close to the proposed Bulga "village" area. The vast majority of surrounding land uses includes rural-residential, open cattle grazing land, open cut coal mining and viticulture. The nearest vineyard mapped as CIC is located around 1km to the west of the Windermere property. The Windermere property is currently used for cattle grazing and lucerne cropping only and as such does not contribute to any development and marketing advantages based on an agricultural product
Productive industries are interrelated	The Windermere property is not interrelated with any other productive industry.



Criteria	Assessment against CIC Criteria
Consists of a unique combination of factors such as location, infrastructure, heritage and natural resources	The Windermere property does not comprise a unique combination of factors such as location, infrastructure, heritage and natural resources. The Windermere property is currently used for cattle grazing and pasture cropping which does not rely on a unique combination of inherent or external factors. Prior to AGL's ownership the Windermere land was partly used for sand mining activities.
It is of national and/or international importance	The Windermere property is currently used for the purposes of cattle grazing and pasture cropping. These uses do not form part of an agricultural industry that is of national and/or international importance.
It is an iconic industry that contributes to the region's identity	The Windermere property is currently used for the purposes of cattle grazing and pasture cropping. These uses do not form part of an iconic industry that contributes to the region's identity.
It is potentially substantially impacted by coal seam gas or mining proposals	AGL has undertaken exploration activities at the Windermere property with the drilling of three wells to identify potential gas resources in 2010. A microseismic bore was drilled in early 2013 and a nest of groundwater monitoring bores have also been established as part of a wider groundwater monitoring network in the area. The land has continued to be used for cattle grazing and cropping during these activities with no negative impact on these activities. These activities have also had no significant impact on the environment and the land is not therefore substantially impacted by CSG.  The land uses on neighbouring properties have continued unabated and unaffected by the CSG exploration activities undertaken on the Windermere property.



#### 2. Milbrodale

Address	2544 Putty Road, Milbrodale
Title Reference	Lot 51 / DP 601485
Registered Owner	AGL Upstream Investments Pty Limited
Date Acquired	July 2008
Approximate Area	85Ha
Current primary use	Cattle Grazing

Criteria	Assessment against CIC Criteria
Concentration of enterprises that provides clear development and marketing advantages and is based on an agricultural product	The Milbrodale property is located in a rural locality approximately 4.5 kms from Bulga. The vast majority of surrounding land uses is rural and include open cattle grazing land, horse studs, and viticulture. The Milbrodale land is currently used for cattle grazing only and as such does not contribute to any development and marketing advantages based on an agricultural product.
Productive industries are interrelated	The Milbrodale property is not interrelated with any other productive industry.
Consists of a unique combination of factors such as location, infrastructure, heritage and natural resources	The Milbrodale property does not comprise a unique combination of factors such as location, infrastructure, heritage and natural resources. It is currently used for cattle grazing which does not rely on a unique combination of inherent or external factors.



Criteria	Assessment against CIC Criteria
It is of national and/or international importance	The Milbrodale property is currently used for the purposes of cattle grazing. This use does not form part of an agricultural industry that is of national and/or international importance.
It is an iconic industry that contributes to the region's identity	The Milbrodale property is currently used for the purposes of cattle grazing. This use does not form part of an iconic industry that contributes to the region's identity.
It is potentially substantially impacted by coal seam gas or mining proposals	The Milbrodale property is currently used for cattle grazing and is not potentially substantially impacted by CSG or mining proposals.

### **Spring Mountain** 3.

Address	1 Oakley Lane, Broke
Title Reference	Lot 1 / DP 876217
Registered Owner	AGL Energy Limited
Date Acquired	July 2009
Approximate Area	62.69Ha
Current primary use	Viticulture and CSG exploration



Criteria	Assessment against CIC Criteria
Concentration of enterprises that provides clear development and marketing advantages and is based on an agricultural product	The Spring Mountain property is located approximately 3km east of the proposed Broke "village" area. Surrounding land uses include rural-residential, cattle grazing and the Singleton Military Training Area. The nearest commercial viticulture activities to the Spring Mountain property are located around 3.5 km to the west. The Spring Mountain property is currently used for the purposes of viticulture however it does not contribute to any development and marketing advantages for the wine industry.
	The Spring Mountain property was purchased by AGL for the CSG exploration and to demonstrate that viticulture and CSG development can co-exist. As part of proving co-existence with the wine industry AGL commenced the Wine Scholarship Award whereby vignerons are invited to produce high quality wine which is then shown at various wine shows around the country. The Spring Mountain property is not open to the public, does not operate a cellar door and does not provide meals or accommodation to the general public. The Spring Mountain property does not therefore form part of a concentration of enterprises that contribute to any development and marketing advantages based on an agricultural product.
Productive industries are interrelated	The Spring Mountain property was purchased to enable CSG exploration and demonstrate co-existence. The Spring Mountain property is not open to the public, does not operate a cellar door and does not provide tourism related services such as meals or accommodation to the general public. The Spring Mountain property is not interrelated with other Hunter wineries or any other productive industry.



Criteria	Assessment against CIC Criteria
Consists of a unique combination of factors such as location, infrastructure, heritage and natural resources	The Spring Mountain property does not comprise a unique combination of location, infrastructure, heritage and natural resources in relation to an agricultural product. The Spring Mountain property does however comprise a unique combination of location, infrastructure and natural resources for CSG production.  In October 2010, as a result of its modest exploration activities, AGL was able to announce
	booked reserves of an estimated proved plus probable (2P) gas reserves of 142 PJ and proved plus probable plus possible (3P) reserves of 271 PJ.
	These booked reserves, which are located around the Broke/Bulga area (including the Spring Mountain property), would form the cornerstone for a Hunter Gas Project to supply gas to NSW customers. The reserves in the Broke/Bulga area are clearly material to AGL's business and gas supply in NSW.
It is of national and/or international importance	The Spring Mountain property is not open to the public, does not operate a cellar door and does not provide tourism services such as meals or accommodation to the general public.
	Section 4.2 of AGL's submission dated 8 November 2013 on the Draft Mining SEPP analyses the nature of the Broke-Fordwich area and concludes that the area is not of national or international importance.
	Therefore the Spring Mountain property itself is not, and is not part of an industry that is, of national and/or international importance.
It is an iconic industry that contributes to the region's identity	The Spring Mountain property is not open to the public, does not operate a cellar door and does not provide tourism services such as meals or accommodation to the general public.
	Section 4.2 of AGL's submission dated 8 November 2013 analyses the nature of the Broke-Fordwich area and concludes that the area does not comprise an iconic industry that contributes to the region's identify.





Criteria	Assessment against CIC Criteria
	The Spring Mountain property therefore is not itself an iconic industry, and does not form part of an iconic industry that materially contributes to the region's identity.
It is potentially substantially impacted by coal seam gas or mining proposals	The Spring Mountain property was acquired by AGL for the purposes of CSG exploration and to demonstrate co-existence. AGL has previously undertaken exploration activities at the Spring Mountain property with the drilling of three wells to identify potential gas resources in 2010. A microseismic bore was drilled in early 2013 and a nest of groundwater monitoring bores have also been established as part of a wider groundwater monitoring network in the area. The Spring Mountain property has continued to be used for viticulture during these activities with no negative impact on the quality or quantity of the product.
	CSG activities have already occurred on and around this property without any substantial negative social, environmental, or economic impacts the property cannot therefore be said to be potentially substantially impacted by these activities.

AGL is taking action toward creating a sustainable energy future for our investors, communities and customers. Key actions are:

> Being selected as a member of the Dow Jones Sustainability Index 2006/07

> Gaining accreditation under the National GreenPower Accreditation Program for AGL Green Energy®, AGL Green Living® and AGL Green Spirit

> Being selected as a constituent of the FTSE4Good Index Series