



Department of Planning and Environment Submission to Greater Macarthur Land Release Investigation

November 2015

Executive Summary

The Dahua Group is the new major land holder in Menangle Park and is keen to assist the NSW Department to achieve housing targets in the Greater Macarthur Release Area and to provide a much needed mix of housing choice and affordability into the market. The Dahua Group (Dahua) control a total area of approximately 275 hectares with an estimated developable area of 211 hectares. The Dahua project will yield in excess of 2,300 dwellings, a new town centre, school, substantial open space and public domain.

Dahua provide in principle support for the Greater Macarthur Land Release Investigation, but would like the following key responses to be considered by the Department.

- Key Response 1: The Strategy must acknowledge the priority and importance of Menangle Park and resolve the funding and delivery of the critical enabling state and regional infrastructure, such as the Spring Farm Link Road.
- Key Response 2: Menangle Park has been identified on government programs for housing supply for nearly 15 years, and was identified in the Metropolitan Development Program in 2001. The Strategy must recognise the long standing government commitment to delivering housing at Menangle Park and the past commitment and responsibility to funding and delivering critical enabling infrastructure.
- Key Response 3: Extensive planning has been completed for Menangle Park including the preparation and exhibition of technical reports, Local Environmental Study including a draft Structure Plan and the draft Campbelltown Local Environmental Plan 2014. Menangle Park should be progressed for rezoning immediately.
- Key Response 4: The Strategic Transport Plan (Aecom, 2015) recognises the construction of the Spring Farm Link Road as a critical piece of enabling infrastructure in order to provide access to the Greater Macarthur Release Area. It is essential that the State Government provide the necessary funding to design and build the infrastructure up front to enable the delivery of housing at Menangle Park and the broader investigation area.
- Key Response 5: Dahua do not support the concept of the provision of critical state, regional and local infrastructure at 'no cost to government'. This is not consistent with government policy over the past 15 years to deliver housing at Menangle Park. Dahua recommend that this statement be removed from the strategy and that there be an appropriate State Government commitment to fund and deliver critical enabling infrastructure, including the Spring Farm Link Road.
- Key Response 6: Dahua support both the proposed extension of the South West Rail Link into Menangle Park and the electrification of the existing Southern Highlands Rail Line to Menangle Park. These proposals will provide greater public transport connections from the precinct to employment areas. Developing a new railway station at Menangle Park will provide the opportunity for Transit Orientated Development to be created including medium and high density residential development, key services and employment opportunities designed around a transport hub. This would amplify the economic development of the area.
- Key Response 7: Considerable work has been undertaken as part of the planning for Menangle Park including development of a Biodiversity Offset Strategy. Dahua recommend that the Greater Macarthur Strategy includes reference to Species Impact Statements and offsetting proposal being a suitable process for dealing with biodiversity issues on site, as well as Biodiversity Certification.
- Key Response 8: Dahua support the introduction of smaller lot housing at Menangle Park and recommend that the draft Structure Plan be revised to include these products. This would strengthen housing choice and affordability into the market.
- Key response 9: There is a great opportunity within Menangle Park to increase the number of jobs that are located close to where people will be living. Menangle Park will provide this opportunity to develop jobs close

to the railway station and town centre, and in doing so removing the need to travel long distances for work and leisure. Dahua recommend that Government support the concept of a TOD at Menangle Park and the creation of employment close to where people will live.

- Key Response 10: Timescales for mining at Menangle Park are undefined and previous Government advice has been to prioritise urban development over mining. Dahua recommends that the strategy be amended to include reference to urban development being given precedence over coal mining at Menangle Park.
- Key Response 11: DIPNR Locational Guidelines issued in May 2004 note that a setback of 5-10 metres is adequate between residential areas and operating coal seam gas wells. Dahua recommend that the strategy be updated to reflect these guidelines rather than the 200 metre setback currently noted.
- Key Response 12: Dahua recommend that Menangle Park be delivered in stages. The rezoning and implementation framework should enable Menangle Park to be delivered in stages. Water and wastewater infrastructure is currently being constructed which would allow the delivery of up to 600 lots in an initial stage of development.
- Key Response 13: Dahua recommend that the Government progress the rezoning of Menangle Park as quickly and efficiently as possible.



Table of Contents

Executive Summary	2
Introduction	5
Key Response 1: Dahua Provides In-Principle Support for the Strategy	8
Key Response 2: Menangle Park is a Priority Precinct	9
Key Response 3: Menangle Park Is Ready To Be Rezoned Immediately	13
Key Response 4: Spring Farm Link Road	15
Key Response 5: Infrastructure Funding Mechanism	17
Key Response 6: Rail Connectivity	19
Key Response 7: Biodiversity	20
Key Response 8: Structure Plan	21
Key Response 9: Employment Land	23
Key Response 10: Coal Mining	26
Key Response 11: Coal Seam Gas Operations	28
Key Response 12: Staged Development	29
Key Response 13: Growth Centres SEPP	30

Introduction

Dahua Group

APP is acting on behalf of the Dahua Group (Dahua), the new major land holder in Menangle Park. We provide this response to the exhibition of the Greater Macarthur Land Release Investigation (GMLRI). APP has reviewed the documents that are on exhibition in order to consider their impact in relation to land holding of Dahua at Menangle Park and alignment with State Government policy and objectives.

The documents that have been reviewed are:

- Greater Macarthur Land Release Investigation - Preliminary Strategy and Action Plan ("the Strategy");
- Greater Macarthur Land Release Investigation – Land Use and Infrastructure Analysis ("GMLUIA");
- Explanation of Intended Effects (plain English summary of the changes proposed to the Growth Centres SEPP);
- Map showing proposed boundaries of the Menangle Park / Mount Gilead and Wilton growth centres;
- Greater Macarthur Project Brochure;
- Greater Macarthur survey;
- Biodiversity assessment final draft report;
- Bushfire preliminary asset protection zone assessment final draft report;
- Economic and employment analysis final draft report;
- Heritage analysis final draft report;
- Housing market needs analysis final draft report;
- Resource mining framework final draft report;
- Services infrastructure final draft report;
- Social infrastructure assessment final draft report;
- Water management final draft report; and
- Strategic transport plan final draft report.

The location of Dahua's land holdings is detailed in **Figure 1**.



Figure 1 - Dahua's land holdings within Menangle Park

Dahua control a total area of approximately 275 hectares with an estimated developable area of 211 hectares. The Dahua project will yield in excess of 2,300 dwellings, a new town centre, school, substantial open space and public domain.

Dahua has a proven track record in delivering large master planned residential communities and mixed-use developments in China and abroad in Australia over the past 25 years. Dahua's ranking among the Top 500 companies in China and the Top 50 Chinese real estate businesses is a testament to Dahua's strong management and corporate governance.

Dahua has been actively investing in the Australian market since 2014 with a focus on large residential subdivisions and mixed-use development projects. Dahua is committed to the long-term growth of its projects in Australia and has partnered with recognised experts in the Australian market to ensure that the best of Dahua's capabilities can be utilised in delivering outstanding developments in NSW.

Dahua will bring world's best practice to Sydney and create a community and high quality places for living, working and recreation. From its experience in China and in Australia, Dahua will deliver an urban development that responds to the local environment and provides a world class amenity to South West Sydney. Menangle Park will be available to people of diverse cultural and socio economic backgrounds.

The Greater Macarthur Land Release Investigation

The Greater Macarthur Land Release Investigation – Preliminary Strategy and Action Plan (the Strategy) is a response to Sydney's need for more than 33,200 new homes annually to meet projected population growth to 2036. The investigation has been led by the Department of Planning and Environment (DPE) and has identified land that is suitable for urban development and the infrastructure that is required to support the development.

The Greater Macarthur Land Release Investigation Area (GMLRIA) comprises an area of approximately 17,600 hectares and is located approximately 70km south of Sydney CBD. The area spreads across the Campbelltown and Wollondilly Local Government Areas with Menangle Park located in the northern part of the GMLRIA.

The release of the GMLRIA includes potential infrastructure proposals such as the extension to the South West Rail Link. Additional studies are underway to identify a potential link to the Southern Rail Line at Menangle Park. The Spring Farm Link Road is also identified in the Strategy. This is an east west link connecting Camden Bypass with the Hume Motorway, Menangle Road and Appin Road. The road will provide relief to Narellan Road and support development of Menangle Park. The corridor is identified as being zoned and protected but no funding has been allocated.

The investigation has identified a potential land use and yield for Menangle Park and Mount Gilead as up to 849 ha of residential land and 15 ha of employment. An approximate dwelling yield for the precinct is noted as 12,700 dwellings. The Menangle Park local centre could contain up to 30,000 sqm of employment gross floor area.

The Strategy also proposes an amendment to the State Environmental Planning Policy (Sydney Region Growth Centres) 2006 (Growth Centres SEPP). The amendment will identify two new growth centres at Menangle Park/Mount Gilead and Wilton. The proposed amendments do not rezone the land and the relevant local planning instruments will continue to apply until the land is rezoned.

DPE is seeking feedback on the Greater Macarthur Land Release Strategy and the proposed amendments to the Growth Centres SEPP. This submission considers a number of key issues in relation to the future rezoning and development of Menangle Park.

Key Response 1: Dahua Provides In-Principle Support for the Strategy

Dahua, as the new major land holder in Menangle Park, congratulate the Department on the release of the Strategy. Dahua supports the acknowledgement and recognition of Menangle Park as a Priority Precinct and the State Government commitment to coordinate land use planning and infrastructure delivery to fast track housing and employment in this important area.

However, the Strategy does not go far enough in acknowledging the priority and importance of Menangle Park and the critical enabling of state and regional infrastructure funding and delivery (e.g. Spring Farm Link Road) is not resolved in the Strategy.

Dahua appreciate the opportunity to respond to the Strategy and we have identified a number of key issues that need to be addressed in order to support the final Strategy. These are set-out in this submission. Dahua look forward to working with the Department to finalise the Strategy and fast track the rezoning so that housing and employment land at Menangle Park can be delivered to the market at the earliest time.

Key Response 2: Menangle Park is a Priority Precinct

Menangle Park has been identified on government programs for housing supply for nearly 15 years and was identified in the Metropolitan Development Program in 2001. The importance and priority of Menangle Park and the alignment with state and local government policy is summarised below.

Table 1 Summary of state and local government policy supporting Menangle Park

Policy	Statement	Relation to Menangle Park
Metropolitan Development Program, 2001	<p>The <i>Metropolitan Development Program (MDP)</i> provides information on residential activity and greenfield land supply in the Sydney Region.</p> <p>The NSW Government makes the decision to release land for urban purposes and to place it on the MDP. Menangle Park was designated as a potential future release area and included on the MDP in 2001, with a notional yield of 4,200 lots.</p>	<p>Further to identification of Menangle Park on the MDP, detailed environmental investigations into the site commenced in 2004. The Preliminary Local Environmental Study (LES) considered a target yield of 2,500 to 6,200 in response to environmental constraints. The status of the LES is discussed further as part of Key Response 3.</p>
Campbelltown 2025: Looking Forward, 2004	<p><i>Campbelltown 2025: Looking Forward</i> is a broad town planning strategy prepared to address the long term future of the City of Campbelltown in relation to feedback from residents as well as recognition of government policies and social/economic trends.</p> <p>The strategy identifies that some of the key influences which will help to shape the city's future include:</p> <ul style="list-style-type: none"> • Government investment in infrastructure, including provision of heavy passenger rail to Leppington via Edmondson Park and Menangle Park. • New urban release areas in South Western Sydney. 	<p>Campbelltown City Council has identified the importance of government investment in infrastructure and in particular extending the heavy rail line to Menangle Park.</p>

Policy	Statement	Relation to Menangle Park
City of Cities: A Plan for Sydney's Future – Sydney Metropolitan Strategy, 2005	<p><i>The Sydney Metropolitan Strategy</i>, prepared by the Department of Planning, provided a vision for Sydney over a 25 year timeframe. Population projections estimated that Sydney would grow by up to 1.1 million people between 2004 and 2031. To cater for these growth projections, the NSW Government determined that additional homes, jobs and employment space would be required.</p> <p>In order to secure the necessary housing stock, <i>The Sydney Metropolitan Strategy</i> provided key objectives and actions including:</p> <ul style="list-style-type: none"> • Providing 30–40 per cent of new housing in land release areas. <p><i>The Metropolitan Strategy</i> was supported by a series of draft sub-regional strategies. The Subregional Strategies set a target of 155,000 new dwellings by 2031 - 40,000 new dwellings in existing areas, 100,000 in the South West Growth Centre and 15,000 in other greenfield areas (including Menangle Park).</p> <p>Key actions required to accommodate growth within the South West Subregion included the following actions relevant to Menangle Park:</p> <ul style="list-style-type: none"> • Planning for major housing growth – Councils to plan for sufficient zoned land to accommodate their housing targets. • Planning for employment growth – Councils to provide for sufficient commercial and employment land to meet employment capacity targets. • Recognise and support unique rural character – improve access to quality parks and public spaces, protect Sydney's natural environment and diversity of plants and animals, and protect Aboriginal cultural heritage. • Intensify areas around centres and public transport corridors – plan for a housing mix in local centres consistent with their employment role and within walking catchment of public transport corridors. 	<p>The Metropolitan Strategy clearly identified the need to provide additional housing within the South West of Sydney in greenfield areas, such as Menangle Park.</p> <p>The Strategy noted that councils should plan for sufficient zoned land to accommodate housing targets and should intensify housing around centres and public transport.</p>

Policy	Statement	Relation to Menangle Park
NSW Premier announcement, 2011	The Government commits Landcom to deliver 10,000 home sites over four years within western Sydney (2011-2014). As part of this commitment, Menangle Park was identified as being capable of delivering up to 2,000 dwellings, retail, recreation facilities and a primary school.	The announcement identifies Menangle Park as part of the 10,000 lot commitment.
A Plan for Growing Sydney, 2014	<p><i>A Plan for Growing Sydney</i> is released by the Department of Planning. It identifies the need for an additional 664,000 dwellings within Sydney by 2031. The Plan identifies Campbelltown-Macarthur as a Regional City Centre, being important for additional housing, employment and services benefitting local areas in the south west. The Plan emphasises priorities for Campbelltown-Macarthur such as providing capacity for additional mixed use development.</p> <p>The following actions are relevant to Menangle Park.</p> <ul style="list-style-type: none"> Action 2.1.1 Accelerate supply and local choices. Action 2.4.2 Develop a framework for the identification of new growth centres. <p>District Plans which will set housing and employment targets for each sub region are proposed to be released later in 2015.</p>	<p>The development of Menangle Park will provide an opportunity for Campbelltown to achieve housing and employment targets.</p> <ul style="list-style-type: none"> Extensive planning has already occurred for Menangle Park and the rezoning could progress quickly which would accelerate housing supply in Campbelltown. The Government has released the Greater Macarthur Land Release Investigation Area as an area for greenfield development which supports this framework.
Premier Mike Baird and Planning Minister Pru Goward, 7 March 2015	In line with <i>A Plan for Growing Sydney</i> , Premier Mike Baird announces that the target for new home sites will increase to 20,000 over the next four years in order to address the housing affordability crisis. The government nominates areas of focus including Campbelltown. The announcement also notes that <i>"increasing housing supply and supporting new housing estates by funding infrastructure is the best way to put downward pressure on prices."</i>	The announcement identifies Campbelltown as a focus for delivering home sites over the next four years and specifically identifies Menangle Park as a site for new housing. Menangle Park is advanced in its planning and can contribute to this target when rezoning is finalised.
Planning Minister	The first major land release in Greater	The announcement releases Menangle

Policy	Statement	Relation to Menangle Park
Rob Stokes, 22 September 2015	Sydney for a decade was released: the Greater Macarthur region. The Minister noted that the 7,700 ha land release would help to create new communities at Menangle Park, Wilton Junction and Mount Gilead with up to 35,000 new homes being created.	Park (as part of the Greater Macarthur Release Area) as land suitable for urban development.

Recommendation

The Strategy needs to acknowledge the long standing State Government commitment to delivering housing at Menangle Park. In particular, the State Government's past commitment and responsibility for the funding and delivery of infrastructure (refer Key Response 3 below) needs to be acknowledged in the Strategy. Planning for Menangle Park has occurred for many years with all technical studies and draft structure planning having been completed. Menangle Park is ready to be rezoned immediately.

Key Response 3: Menangle Park Is Ready To Be Rezoned Immediately

In 2004 and in response to the inclusion of Menangle Park on the MDP (2001), a working group consisting of Campbelltown City Council, UrbanGrowth NSW (then Landcom) and the Department of Planning commenced preparation of a Preliminary Local Environmental Study (LES) for Menangle Park. In conjunction with the LES a draft Structure Plan (LES 2010) was prepared, as illustrated in **Figure 2**.

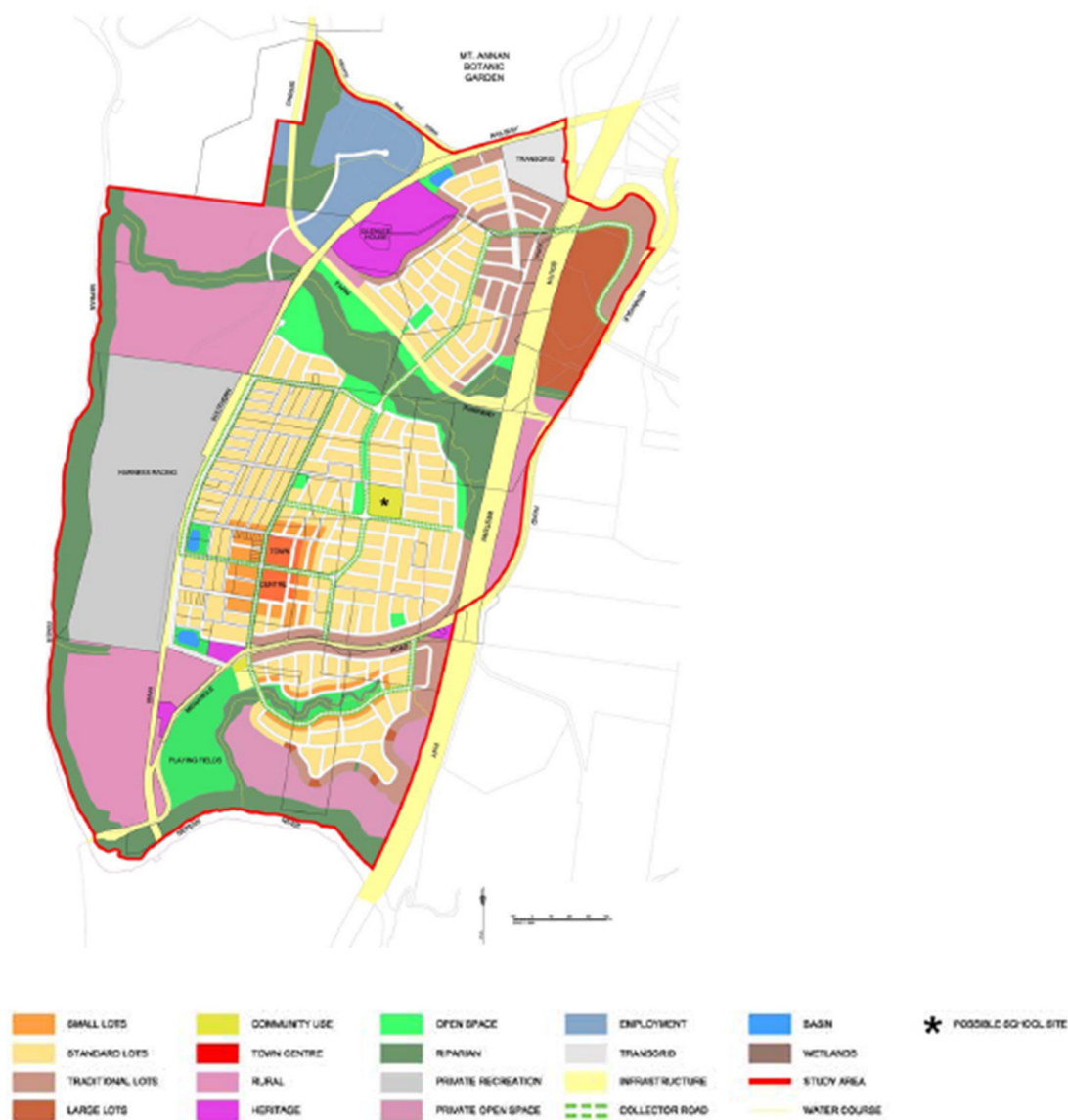


Figure 2 - Draft Structure Plan, LES 2010

As part of the investigations for the LES, the following technical studies were completed:

- Transport Management and Accessibility Plan;
- Acoustic Assessment Report;
- Water Sensitive Urban Design Report;
- Non-Indigenous Heritage Report;
- Land Capability Study;
- Flora, Fauna and Aquatic Study;
- Bushfire Risk Management Strategy;
- Local Flooding and Stormwater Quantity Management;
- Flood Study;
- Vegetation Offsetting Strategy;
- Mineral Resources Report;
- Visual Assessment Study;
- Social Sustainability;
- Air Quality Review;
- Indigenous Heritage Assessment;
- Infrastructure Report;
- Employment Lands and Retail Study.

In a letter to the General Manager of Campbelltown City Council in October 2008 (Appendix 5 of the LES), the Department advised that it agreed in principle with Council's plans for Menangle Park proceeding as proposed. The *Draft Campbelltown Local Environmental Plan 2014 (CLEP 2014)* was publically exhibited from June to August 2014 featuring the Menangle Park release area.

The Section 68 Report prepared by Council after the exhibition noted:

"The proposed zoning changes associated with the Menangle Park urban release area were incorporated into the Draft CLEP 2014 for the purposes of public exhibition.....However, delays are now being experienced with planning for the urban release area, particularly in regards to securing appropriate arrangements for transport infrastructure. It is therefore recommended that the Menangle Park urban release area be deferred from the Draft CLEP 2014"

As a result of a review of exhibition submissions and Council's post exhibition recommendations, Menangle Park is proposed as a 'deferred item' within the CLEP 2014.

In summary, there is a comprehensive history to the planning for Menangle Park. Extensive investigations have been undertaken, a draft Structure Plan and LEP prepared and exhibited. Clearly the Precinct is ready to be rezoned provided outstanding state and local infrastructure issues can be resolved, notably a commitment to fund and deliver the Spring Farm Link Road.

Recommendation

The Menangle Park Precinct has been extensively planned and should be progressed for rezoning immediately.

Key Response 4: Spring Farm Link Road

Page 8 of the Greater Macarthur Land Use and Infrastructure Analysis (GMLUIA) includes a proposal for the Spring Farm Link Road. It notes that no funding is available for the road but the corridor is already zoned and protected. On page 33 of the GMLUIA, the Spring Farm Link Road is noted as providing access to new communities in Spring Farm, Menangle and the northern section of Greater Macarthur.

In the accompanying *Strategic Transport Plan* (Aecom, October 2015), page iii notes that a preliminary transport framework has been proposed to support the proposed Priority Precincts and this includes:

- *“Full construction of Spring Farm Link Road as well as an all movements interchange with the M31 Hume Motorway”.*

Section 4.2 of the *Strategic Transport Plan* considers the future transport context for Greater Macarthur. Clear support for the Spring Farm Link Road includes:

- *“The key drivers for the construction of this road link are to provide access to new communities in Spring Farm, Menangle, improve access between Camden and Campbelltown, as well as to reduce pressure on Narellan Road and Appin Road.”*

Current status of the link road is noted as follows:

- *“A majority of the corridor is preserved under land use zoning in each respective Camden and Campbelltown LEPs”.*
- *“Construction of the link road has begun at the western end, in the form of Liz Kernohan Drive in Spring Farm.”*
- *“Construction of the remainder of the western section of the link, to the M31 Hume Motorway and Menangle Road, has been proposed in order to support development.”*
- *“Timing of construction and form of the eastern section of the link road from Menangle Road to Appin Road is unknown.”*
- *As identified in the Campbelltown Local Planning Strategy, Council intend to continue to plan and lobby for funding assistance to design and construct the Spring Farm Link Road.”*

The Plan notes that the Spring Farm Link Road provides several key functions including supporting development in Menangle Park and Mount Gilead Priority Precincts and relieving traffic congestion on Narellan Road in the short to medium term.

The *Strategic Transport Plan* emphasises the importance of the Spring Farm Link Road as a critical piece of enabling infrastructure for the GMLRIA. It will be essential that the State Government provide the necessary funding to design and construct this infrastructure up front. The Spring Farm Link Road is part of a much greater regional road network and catchment and accordingly State Government commitment is needed to the full funding and construction.

The State Government has announced that Menangle Park is a Priority Precinct and should support this announcement with provision of critical enabling infrastructure.

Recommendation

We recommend that there is an appropriate State Government commitment to fund and deliver the required state and regional infrastructure to support delivery of the Menangle Park Priority Precinct. This should include a commitment to the funding and construction of Spring Farm Link Road, as the major state road, in the immediate to short term to fast track delivery of housing at Menangle Park and the surrounding Priority Precincts.

Key Response 5: Infrastructure Funding Mechanism

Page 2 of the Greater Macarthur Land Use and Infrastructure Analysis (GMLUIA) paper notes that government is investigating declaring Menangle Park, Mount Gilead and Wilton as Special Infrastructure Contribution Areas to coordinate the funding and delivery of infrastructure that is necessary to support growth.

Page 33 of the GMLUIA notes that infrastructure requirements will need to be delivered through an appropriate mechanism, which could take the form of a Special Infrastructure Contribution (SIC) at no cost to government or a series of planning agreements entered into between the Minister for Planning and the relevant proponents.

Dahua does not support the concept of ‘no cost to government’. This is not consistent nor aligned with past State Government commitments (refer Key Response 2 above) over the past 15 years to plan and deliver housing in the Menangle Park release area.

By releasing this Strategy, government has made a clear commitment to the release of Menangle Park. The Strategy also identifies the long term regional infrastructure that is required in order to deliver development at Menangle Park including the Spring Farm Link Road, Menangle Road upgrade, a bus priority corridor and electrification of the Southern Highlands Rail Line.

The State Government must achieve its housing supply target and in order to do this must commit to the funding and delivery of the associated key infrastructure. A ‘no cost to government’ approach is not a realistic solution as housing will not be delivered without a government commitment to fund and deliver the required state and regional infrastructure required to support development across such a large area.

Dahua accepts that there will be a Special Infrastructure Contribution relating to key infrastructure for Menangle Park, and that these funds as they are collected, can be directed to the state and regional infrastructure for the area.

Government could also consider preparation of an Implementation Plan linking infrastructure spending and delivery. Should a developer want to deliver lots ahead of the Plan, there would be a requirement to forward fund the infrastructure at no cost to government. Full reimbursement would come back to them in line with timing of the Implementation Plan. This process is currently successfully used by Sydney Water on Precinct Acceleration Proposals.

Recommendation

We recommend that the ‘no cost to government’ statement be removed from the Strategy document. Further, we recommend there is an appropriate State Government commitment to fund and deliver the required state and regional infrastructure to support delivery of the Menangle Park Priority Precinct.

We recommend that Government prepare an Implementation Plan linking infrastructure spending and delivery. Any forward funding of infrastructure by the developer would be fully reimbursed by Government at the appropriate time.

As well as key regional infrastructure, local infrastructure will also need to be provided to cater for the incoming population to the precinct. A Section 94 Plan is being prepared by Campbelltown City Council which will enable council to levy contributions to fund essential local infrastructure such as local roads, drainage and open space. Currently, Section 94 contributions by developers are capped at \$30,000 per dwelling and anything over and above this cap is funded by the local council and the State Government. It is likely that the average contribution for Menangle Park will exceed the cap.

The 'no-cost to government' approach also suggests that any additional costs over \$30,000 will not be funded by government and that a further Planning Agreement may need to be entered into by the developers. Funding this currently unknown quantum of S94 funds above the \$30,000 cap is an additional burden on development and something that could ultimately stifle the development from commencing.

We support the work that is being undertaken by both Campbelltown City Council and the State Government to identify infrastructure needs at Menangle Park. We recommend however that the S94 gap be funded by council and the State Government rather than any additional charges be passed onto the developer.

Recommendation

We recommend that 'no cost to government' be removed from the Strategy document. We recommend that there is an appropriate local and State Government commitment to fund the Section 94 Plan above the \$30,000 cap.

Key Response 6: Rail Connectivity

Page 8 of the Strategy notes that an extension to the South West Rail Link is being investigated. Studies will determine if the link will extend to Macarthur, Menangle Park or Menangle.

Page 33 of the Strategy notes that one of the long term transport infrastructure initiatives for Menangle Park will investigate the feasibility of the electrification of the Southern Highlands Rail Line from Macarthur to Menangle Park.

In the accompanying *Strategic Transport Plan* (Aecom, October 2015), page iii notes that a preliminary transport framework has been proposed to support the proposed Priority Precincts, and this includes:

“Potential extension of the electrified rail line from Macarthur Station to Menangle Station, along with extended suburban rail services to the proposed Menangle Park Town Centre.”

Dahua support both:

- the proposed extension of the South West Rail Link into Menangle Park; and
- the electrification of the existing Southern Highlands Rail Line.

These proposals will provide greater public transport connections from the precinct to the employment areas of the Sydney Metropolitan Area will reduce a dependency on private car use and reduce traffic on local and regional roads and as a result potentially deferring expenditure for the upgrade to the existing road network. Similar to the Glenfield extension of the South West Rail Line, Government should commit to funding these initiatives rather than requiring developer funding.

By improving rail access to the Menangle Park Precinct and developing a new railway station at Menangle Park, a Transit Orientated Development (TOD) can be created. Urban design principles for TOD include medium and high density residential housing, key services such as health, education, retail and associated employment opportunities designed around the transport hub (railway station). TODs can achieve substantial mode shift away from the private car and improve liveability for residents particularly with opportunities for working within walking or cycling distance of homes.

A TOD for Menangle Park would be a great opportunity to develop a high density community with strong public transport links between residential and commercial spaces, removing the need to travel long distances for work or leisure. The mix of uses that can be developed around a railway station will create a more interesting neighbourhood and enables commuters to Sydney CBD and Campbelltown City Centre to avoid congested roads by transferring to the rail network.

Ultimately this concept will support ‘A Plan for Growing Sydney’s’ action for Campbelltown of ‘providing capacity for mixed use development’.

Recommendation

Dahua recommend that State Government progress planning for the extension of the South West Rail Link into the GMLRIA and in particular into Menangle Park in the short term.

Dahua recommend that government commit to the funding of electrification of the Southern Highlands Rail Line and that funding be government led.

Key Response 7: Biodiversity

As part of the preparation of the Preliminary LES and draft Structure Plan, considerable work was undertaken to identify where the EEC/CEEC's were located on the site. An offsetting strategy has been proposed to balance the removal of some high, medium and low biodiversity value vegetation with rehabilitation and replanting in a different location. The offsetting strategy includes retention of 47.2 ha of remnant vegetation and 51.2 ha of replanting to compensate for the loss of 25.4 ha of existing vegetation on the site.

The *Biodiversity Assessment Report* (EcoLogical Australia, September 2015) issued as part of the Greater Macarthur exhibition discusses the option of either Biodiversity Certification for the Precinct or Species Impact Statements and offsetting proposals being applied.

Page 11 of the Strategy discusses the process to be followed in terms of biodiversity constraints. It notes that high conservation value areas should be targeted for Biobanking or Biodiversity Certification. We recommend that the option for a Species Impact Statements and offsetting proposals be included to allow flexibility in the process. The *Biodiversity Assessment Report* notes that the Species Impact Statement is a suitable alternate to Biodiversity Certification and should not be discounted as a process for dealing with biodiversity on the site.

The *Biodiversity Assessment Report* also notes that 'red flag' areas of vegetation are communities which are "to avoid further loss". The report suggests that as well as high biodiversity constraint vegetation, some low or moderate condition vegetation could be considered to be red flagged. We do not support this definition which could lead to a considerable amount of vegetation on the site being 'red flagged' and development being restricted to a degree that it becomes unviable. The need to conserve vegetation needs to be carefully balanced with the priority to supply housing for Sydney. This is a process that has been investigated extensively for Menangle Park and an offsetting strategy proposed.

Recommendation

Dahua recommend that the Strategy include reference to Species Impact Statements and offsetting proposals being a suitable process for dealing with biodiversity issues on the site, as well as Biodiversity Certification.

The definition of 'red flag' vegetation as including some low and moderate condition vegetation should be removed from the *Biodiversity Assessment Report* and the Strategy.

Key Response 8: Structure Plan

Page 9 of the Strategy notes that while medium sized lots (400sqm-450sqm) are still the dominant type of lot produced, small lots (280sqm-380sqm) are rapidly becoming the most popular and selling swiftly upon release. Developers are consequently incorporating higher proportions of small lot housing into overall residential mix. The Strategy also notes that the Housing Diversity Package (introduced in 2014) has allowed developers to respond to affordability pressures and eased commercial feasibility challenges.

Since the preparation of the draft Structure Plan, smaller lots are now considered to be a popular market choice. The Department of Planning introduced the Housing Diversity Package in 2014 which increased housing choice within the Growth Centres. New controls were introduced which broadened the range of permissible housing type in residential zones.

A draft Structure Plan for Menangle Park has been prepared by Campbelltown City Council, prior to the implementation of the 2014 Strategy and is illustrated in **Figure 2**. The majority of lots on the draft Structure Plan are greater than 400 sqm with only a small section of 300-390 sqm lots proposed around the town centre. Based on the recent changes in policy and the introduction of the Housing Diversity Package to Growth Centres, there are opportunities within the draft Structure Plan to:

- consolidate lots to achieve greater residential numbers – this can be achieved by creating more 15 metre wide lots for example;
- introduce product diversity to the draft Structure Plan capitalising on smaller lot sizes;
- consider low-rise apartments within the Town Centre, rather than small individual lots;
- introduce additional R4 High Density Residential land use in key areas, such as adjacent to parks and riparian corridors where there is a high amenity value; and
- generally consider increasing the density in areas currently identified for traditional and large lots development.

Such product is already being built in other areas of the South West Growth Centre such as Oran Park and Edmondson Park and has been well received by the market (refer **Figure 3**).



Figure 3 Example of small lot housing at Edmondson Park

Incorporation of these design principles would increase the yield for Menangle Park, release more affordable housing to the market and further assist the government to meet the 20,000 lot target.

Recommendation

Dahua support the introduction of smaller lot housing at Menangle Park and recommend that the Structure Plan be revised to accommodate these products.

Key Response 9: Employment Land

The Strategy identifies a Structure Plan for Menangle Park and Mount Gilead. There is an area of employment land proposed to the north of the Menangle Park site as illustrated in **Figure 4**.

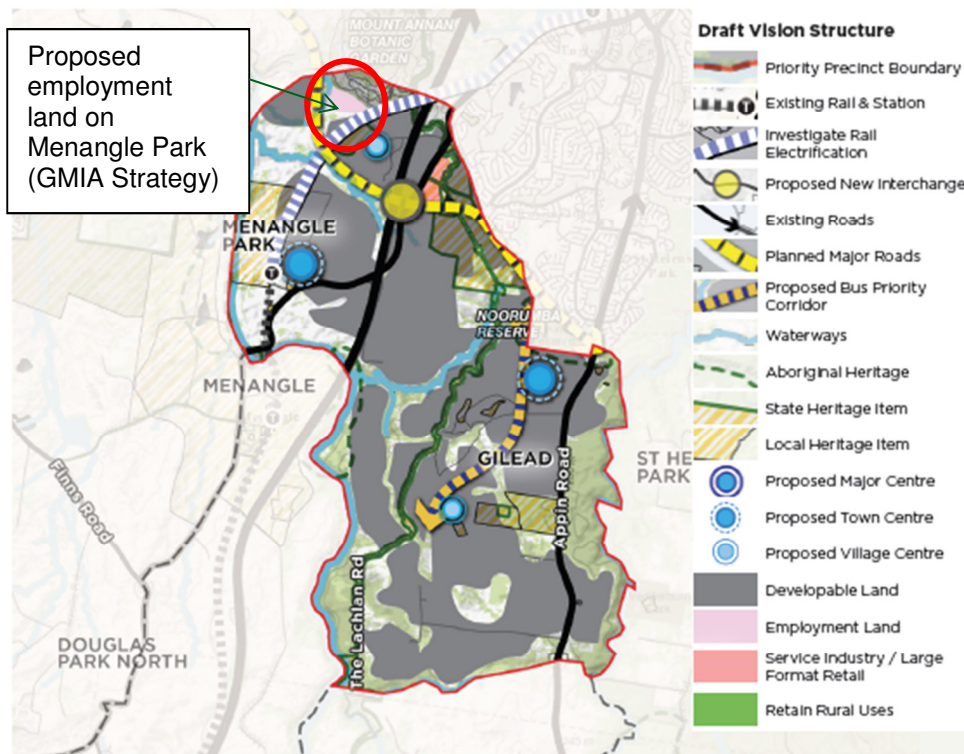


Figure 4 Extract from GMIA Preliminary Strategy indicating employment land on Menangle Park

In 2006, the Employment Land Taskforce was established to inform decisions about employment lands and whether supply is adequate to meet demands. At the time, the Taskforce indicated a chronic shortage of greenfield employment lands across the Metropolitan area. In this light, major landholders in proposed release areas had a responsibility to provide new employment land and a small area within Menangle Park was identified. This area later featured in the *Metropolitan Strategy* and the *South West Sub Regional Strategy* as a site for employment.

The *Metropolitan Strategy* has since been replaced with *A Plan for Growing Sydney* and the supporting District Plans are anticipated to be issued later in 2015. *A Plan for Growing Sydney* identifies Campbelltown within the South West Subregion. Whilst it notes that it is important to identify and protect strategically important industrial-zoned land within the subregion, it does not specifically identify Menangle Park as one such site.

The *Economic and Employment Analysis* prepared by SGS Economics (September 2015) as part of the GMLRI identifies potential employment land allocation within the GMIA. It allocates Menangle Park as a 'Potential Town Centre' as an important generator of retail floorspace and employment for the expected population. The report notes that significant infrastructure, especially transport, is required to support employment opportunities and notes that the electrification of the Southern Rail Line should be contemplated.

The report identifies employment/industrial land on land with high connectivity to road infrastructure, existing large lot structure and separated from population (refer **Figure 5**).

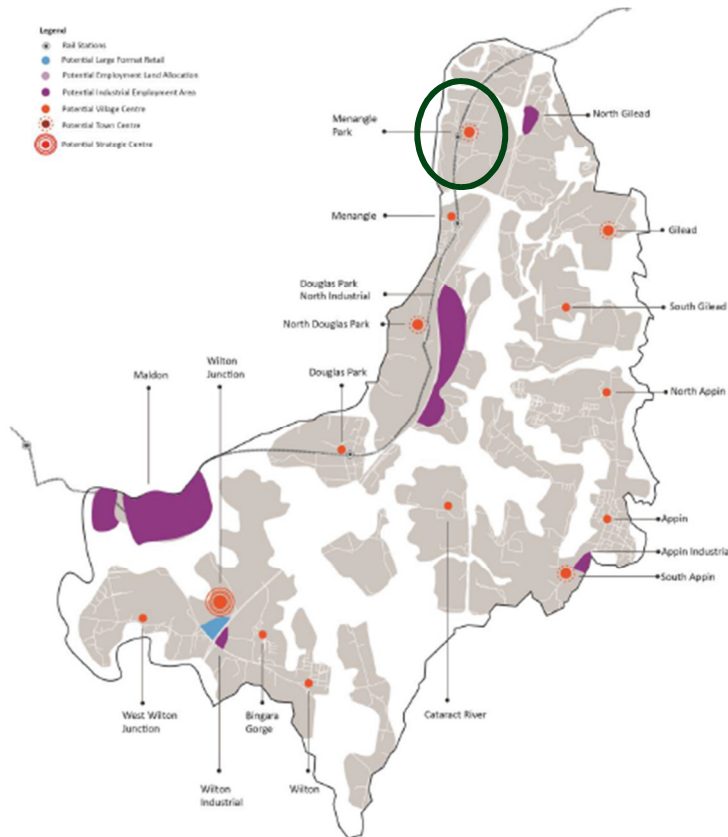


Figure 5 Potential employment land allocation within the GMIA (SGS Economics, September 2015)

There is a great opportunity within Menangle Park to increase the number of jobs that are located close to where people will be living. Dahau believe that the philosophy of Transit Orientated Development should be encouraged at Menangle Park. As discussed in Key Response 6, through improved rail connectivity and by improving the railway station at Menangle Park, a TOD can be created.

Future transport and urban planning can develop strong connections between home and work trips with employment clusters and job centres becoming a critical component of TOD. Menangle Park will provide this opportunity to develop jobs close to the railway station and town centre, and in doing so removing the need to travel long distances for work and leisure.

Notwithstanding this opportunity to create employment close to homes within Menangle Park, the proximity to the regional Campbelltown –Macarthur Centres will also provide accessible employment opportunities for Menangle Park residents. The *SGS Report* further identifies land to the east and west of the Picton Road – Hume Motorway junction as highly suitable for employment land, especially the large formal industries, due to high connectivity with road infrastructure, large lot structure and separation from the existing population.

Recommendation

Dahua recommend that Government support the concept of a TOD at Menangle Park and the creation of employment close to where people will live.

Key Response 10: Coal Mining

Page 14 of the GMLUIA notes that land surface areas capable of urban development above the Bulli Seam and where mining operations have not been completed are considered encumbered for urban development. Page 8 of the Strategy notes that the co-existence of coal mining and urban development is a risk and that a staged approach is preferred where urban development occurs first in already subsided areas with the remaining urban development areas occurring in due course once mining/subsidence is complete.

It is noted that there is a high quality coal deposit which lies underneath a substantial portion of the Menangle Park site. The site lies in an area where vertical subsidence could be expected due to mining. In 2006 and a result from a request from Campbelltown City Council to resolve the conflict between urban development and coal mining on the site, the Minister for the Department of Planning advised that a resolution had been made to favour urban development for the site. In a letter to Campbelltown Council (dated 5 May 2006), the Minister for Planning confirmed the position as follows:

“Mining of coal resources beneath Menangle Park should be restricted to enable urban development to occur at the scale and form necessary to make that development viable. This is because of the importance of Menangle Park’s contribution to land supply in the Sydney Metropolitan Region”.

The *Resource/Mining Framework* prepared by AgEconPlus Consulting (June 2015) to inform the GMIA Strategy notes that whilst the sequencing of mining ahead of urban development has the potential to significantly reduce the overall cost of recovering the resource, there is also a cost to the community of forestalling urban development in anticipation of mining, which needs to be considered and balanced.

Timescales for mining at Menangle Park is undefined (presumably 30 years plus) as illustrated in **Figure 7**. The report notes that in the longer term (15-30 years), the certainty that mining will occur reduces which means the argument for forestalling urban development to accommodate future mining becomes less convincing.

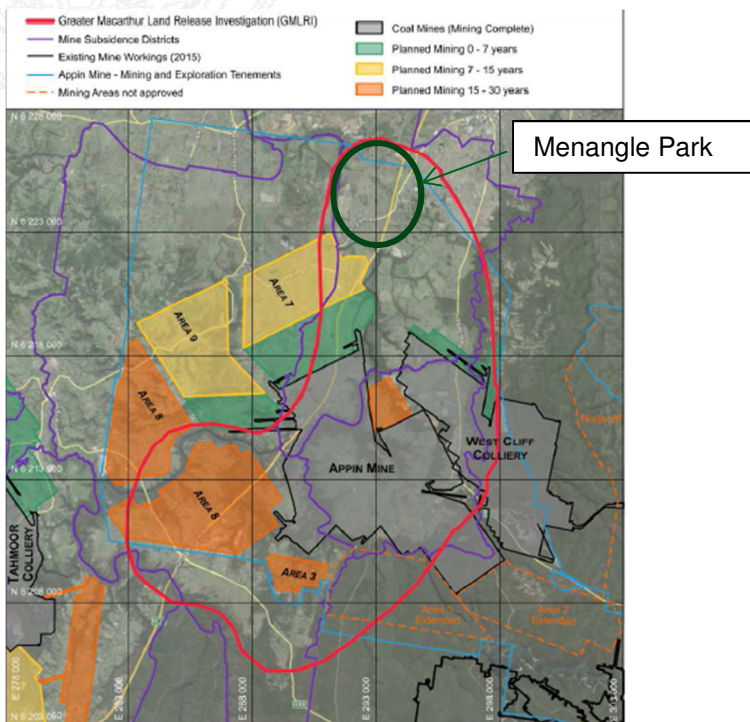


Figure 7 Location of coal mines in GMIA and planned time frames for mining

Releasing Menangle Park as a Priority Precinct is a clear indication that Government is supporting urban development, and the need to supply housing to meet Sydney's expected population growth, over the lesser likelihood that mining will occur.

There is no clear indication of when mining is likely to occur at Menangle Park. To access coal at Menangle Park, there will be a need to mine under the Nepean River. There is a significant safety issue relating to this due to the possibility of flooding through the mine shaft. This further supports the theory that coal mining at Menangle Park is unlikely to occur and hence the land should not be unnecessarily encumbered.

We recommend that the priority of urban development above coal mining should remain. It should be noted that this decision does not preclude coal mining beneath the site in the future, which may be undertaken if advancements in technology allow mining without damage to property or infrastructure.

Recommendation

It is recommended that the GMLRIA be amended to:

- remove reference to land surface areas being encumbered due to mining operations not being completed;
- remove reference to a staged approach being preferred where urban development occurs first in already subsided areas with the remaining urban development areas occurring in due course once mining/subsidence is complete; and
- state that urban development be given priority over coal mining at Menangle Park.

Key Response 11: Coal Seam Gas Operations

The Strategy states that urban development can only occur on land within 200 metres of coal seam gas operations once:

- The coal seam gas wells have been closed and sealed;
- The Rosalind Park Gas Plant has finalised its operation; and
- The Appin East and Appin West (Tower) gas/power stations have finalised their operations.

There are two coal seam gas wells located on the Menangle Park site which are currently located on rural land. The proposed urban development of the Precinct means an appropriate balance between development and community safety must be ensured.

The Department of Infrastructure, Planning and Natural Resources issued *Locational Guidelines – Development in the vicinity of operating coal seam methane wells* in May 2004. These guidelines provide advice to consent authorities on suitable separation distances between existing operating wells and proposed urban development. **Table 2** is an extract from the guidelines. It shows that in an established well (over 2 years, as per the wells at Menangle Park) requires a separation from the centre of the well to the residential use between 5 and 10 metres.

Table 2 Separation Distances (DIPNR 2014)

Well Configuration	Separation Distance (m)	
	Residential Use	Sensitive Use
Early/Intermediate Operation Wells (Typically up to 2 years)		
Manual	10	20
Automatically Controlled (With Separator/Optional Pump)	10	20
Automatically Controlled (No Pump/Separator)	5	10
Established Wells (Typically after 2 years)		
Manual	10	15
Automatically Controlled (With Separator/Optional Pump)	10	15
Automatically Controlled (No Pump/Separator)	5	8

Recommendation

We recommend that the Strategy be changed to reflect the setbacks as specified in the DIPNR Locational Guidelines.

Key Response 12: Staged Development

To assist the government to achieve housing delivery, Menangle Park could be delivered on a staged. Not only is the rezoning ready to commence immediately, a development application could quickly be submitted for up to 600 lots. The initial delivery of up to 600 lots can be supported by water and sewer as discussed below.

Sydney Water has advised the following in relation to servicing Menangle Park:

- There is capacity in the existing water network to service the initial development of about 600 new dwellings in Menangle Park.
- Construction of a new wastewater pumping station and pipelines is expected to be finished in early 2016. The new wastewater services will service an initial development of about 700 dwellings in the northern part of Menangle Park.

Recommendation

We recommend that Menangle Park be delivered in stages with the water and wastewater infrastructure for an initial stage of up to 600 lots already under construction.

Key Response 13: Growth Centres SEPP

The proposed instrument for rezoning the Growth Areas will be an amendment to the *State Environmental Planning Policy (Sydney Region Growth Centres) 2006* (Growth Centres SEPP). These proposed SEPP amendments will not immediately rezone the land but will amend the definition of 'Growth Centres Structure Plan' to include the Greater Macarthur Land Release Investigation Area for future precinct planning.

Extensive planning for the rezoning of Menangle Park has been undertaken to date. Campbelltown City Council has previously exhibited the Campbelltown LEP 2014, but has since deferred Menangle Park due to uncertainty on key issues such as the funding and delivery of the Spring Farm Link Road.

In order to progress the rezoning of Menangle Park, the State Government should:

- accept the proposed rezoning for Menangle Park;
- confirm funding of and timing to deliver the Spring Farm Link Road;
- confirm that urban development has precedent over coal mining;
- progress the rezoning through the most suitable mechanism.

Recommendation

Dahua recommends that the Government progress the rezoning of Menangle Park as quickly and efficiently as possible.