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17 March 2016

Ms Catherine Van Laeren
Department of Planning & Environment
GPO Box 39
SYDNEY NSW 2001

Our Ref: 3/2016/PLP

Ms Van Laeren

PLANNING PROPOSAL SECTION 56 NOTIFICATION

The Hills Local Environmental Plan 2012 (Amendment No. (#)) – to amend the Land Zoning Map at 153 Boundary Road, Box Hill to Permit a Water Recycling Facility (3/2016/PLP)

Pursuant to Section 56 of the *Environmental Planning and Assessment Act 1979* (EP&A Act), it is advised that Council has resolved to prepare a planning proposal for the above amendment.

Please find enclosed the information required in accordance with the guidelines 'A guide to preparing planning proposals' issued under Section 55(3) of the EP&A Act. The planning proposal and supporting material is enclosed with this letter for your consideration. It would be appreciated if all queries by the Panel could be directed to Council's Principal Forward Planner Janelle Atkins on 9843 0266.

The planning proposal seeks to rezone approximately 1 hectare of the south eastern portion of 153 Boundary Road, Box Hill from an R3 Medium Density Residential zone to SP2 Infrastructure zone. The purpose of the rezoning is to facilitate the development of a 'water recycling facility' on the site to provide sewer treatment and recycled water infrastructure for the Box Hill North Precinct. Pursuant to Clause (6) of Local Planning Direction 3.1 Residential Zones, this Section 56 notification also seeks concurrence with respect to a minor inconsistency with this Direction as detailed in the attached Planning Proposal.

Following receipt by Council of the Department's written advice, Council will proceed with the planning proposal. Any future correspondence in relation to this matter should quote reference number 3/2016/PLP. Should you require further information please contact Brent Woodhams, Forward Planning Coordinator on 9843 0443.

Yours faithfully



Stewart Seale

MANAGER FORWARD PLANNING

Enclosed CD containing:

1. Planning Proposal – 3/2016/PLP (Including Attachments A and B)
2. Attachment C – Council Report and Minute 15 March 2016)
3. Attachment D – Proponent's Application
4. Attachment E – Heritage Due Diligence Assessment, RPS Australia East Pty Ltd, dated December 2014
5. Attachment F – Acoustic Assessment, Wilkinson Murray Pty Ltd, May 2015
6. Attachment G – Odour Assessment, Pacific Environment Limited, dated May 2015
7. Attachment H – Concept Stormwater Management Plans
8. Attachment I – Concept Plans

PLANNING PROPOSAL

LOCAL GOVERNMENT AREA: The Hills Shire Council

NAME OF PLANNING PROPOSAL: Proposed The Hills Local Environmental Plan 2012 (Amendment No (#)) – to rezone part of 153 Boundary Road, Box Hill from R3 Medium Density Residential to SP2 Infrastructure under The Hills Local Environmental Plan 2012 to permit a water recycling facility (3/2016/PLP)

ADDRESS OF LAND: Part of 153 Boundary Road, Box Hill (Part Lot 10 DP 593517).

SUMMARY OF HOUSING AND EMPLOYMENT YIELD:

	EXISTING	PROPOSED	TOTAL YIELD
Dwellings	0	0	0
Jobs	0	0	0

SUPPORTING MATERIAL:

Attachment A	Assessment against State Environment Planning Policies
Attachment B	Assessment against Section 117 Local Planning Directions
Attachment C	Council Report and Minute 15 March 2016
Attachment D	Proponent's Application
Attachment E	Heritage Due Diligence Assessment, RPS Australia East Pty Ltd, dated December 2014
Attachment F	Acoustic Assessment, Wilkinson Murray Pty Ltd, May 2015
Attachment G	Odour Assessment, Pacific Environment Limited, dated May 2015
Attachment H	Concept Stormwater Management Plan
Attachment I	Concept Plans

THE SITE:

The site is located near the corner of Boundary Road and Red Gables Road within the Box Hill North Precinct which was rezoned for urban development on 20 February 2015.

The site is currently zoned R3 Medium Density Residential and is an irregular rectangular shaped parcel of land with an area of one (1) hectare which forms part of a larger parent lot of approximately 10 hectares, zoned part R3 Medium Density Residential and part RE1 Public Recreation. The subject site is located within the south east corner of the parent lot and has a road frontage to Red Gables Road.



Figure 1
Locality Plan

The following figure is an overlay of the existing land zoning map and DCP road layout, which identifies the location of the subject site.



Figure 2
Existing Land Zoning and Road Layout Plan

PART 1 OBJECTIVES OR INTENDED OUTCOME

The planning proposal seeks to rezone the site from R3 Medium Density Residential to SP2 Infrastructure (Sewerage System) to facilitate the development of a Water Recycling Facility to provide sewer treatment and recycled water infrastructure for the Box Hill North Precinct. The system will supplement Sydney Water's provision of drinking water to the Precinct.

The original Box Hill North Planning Proposal identified a number of potential sewer servicing options to the Precinct in consultation with Sydney Water, noting, that the delivery of the Box Hill North infrastructure was not included in Sydney Water Growth Plans or funding program at the time of the assessment thereby requiring any infrastructure to be developer funded. The assessment at the time envisaged the installation of a traditional gravity fed sewer system.

The installation of a recycled water system for the Precinct was not previously proposed or anticipated. The proposed system utilises a pressure sewer network linked to a water recycling facility.

The proponent has indicated that this system has the following benefits over a traditional system:

- Six to eight times smaller than a traditional gravity fed system;
- Creates a smaller footprint and a more cost effective scheme;
- Less odorous;
- Creates a dual water supply resulting in a water efficient community;
- Creates a more secure water supply; and
- Scalable to allow supply to increase with demand.

The proposed concept includes two (2) processing buildings, two (2) 3.6 metre high recycled water storage tanks, two (2) 5 metre high recycled water storage tanks, recycled water pump shed, access road and pump shed. The concept identifies landscaping along the sensitive interfaces, however limited detail has been submitted on the type of landscaping which will be provided. The facility will operate 24 hours, 7 days a week. An indicative concept and site plan for the facility are shown in the following figures.



Figure 3
Indicative Perspective of Proposed Plant

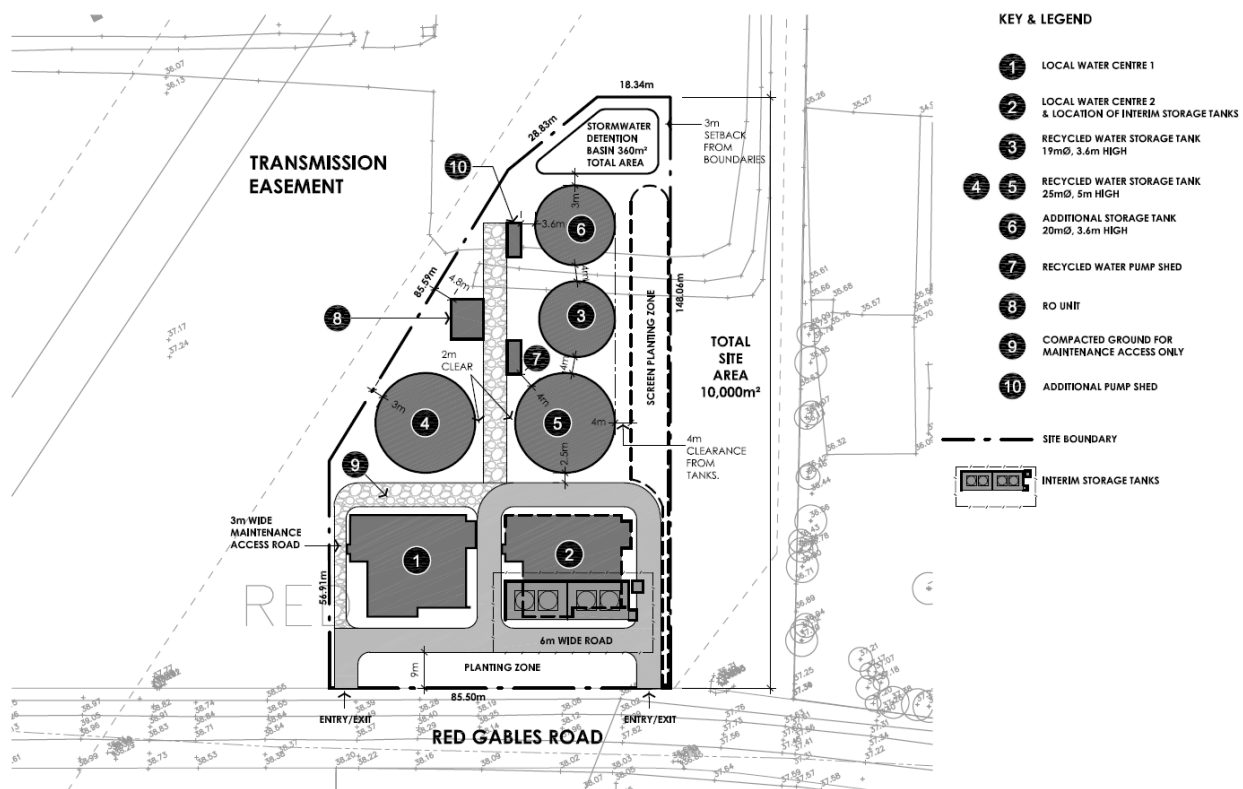


Figure 4
Proposed site plan

Under the provisions of LEP 2012 'water recycling facilities' are a type of sewerage system and are not permitted within the current R3 Medium Density zoning. Rezoning the site to SP2 Infrastructure enables the proponent to utilise the provisions of *State Environmental Planning Policy (Infrastructure) 2007* as a private provider under the Water Industry Competition Act 2006 (WICA) and construct a water recycling facility without the need for development consent under Part 4 of the *Environmental Planning and Assessment Act 1979 (EP&A Act)*.

Water Industry Competition Act 2006 (WICA)

The Water Industry Competition Act 2006 (WICA) and Regulations were introduced in 2006 to encourage competition in the water industry and facilitate innovative recycling projects in the provision of water and wastewater services. The provisions under the WICA include:

- a licensing regime for private sector providers of reticulated drinking water, recycled water and sewerage services;
- a third-party access regime for water and sewerage infrastructure; and
- authorisation of the Independent Pricing and Regulatory Tribunal (IPART) to arbitrate certain disputes.

The WICA legislation encourages competition and investment by:

- promoting new water recycling businesses;
- establishing a comprehensive access regime to help new suppliers negotiate arrangements for the transportation and storage of water and sewerage using existing water networks;
- ensuring private schemes and the public water utilities face similar obligations, where like services are provided;
- providing equality between private and public water utilities for activities such as laying pipes in public roads and reading meters.

The regulations set out licensing rules to ensure that water meets Australian standards, that recycled water is 'fit for purpose', and that all services are delivered in a safe, reliable manner with minimal environmental impacts.

PART 2 EXPLANATION OF THE PROVISIONS

The proposed outcomes will be achieved by amending the Land Zoning Map to rezone part of the site from R3 Medium Density Residential to SP2 (Infrastructure).

PART 3 JUSTIFICATION

SECTION A - NEED FOR THE PLANNING PROPOSAL

1. Is the planning proposal a result of any strategic study or report?

No, the planning proposal is not a result of any strategic study or report.

However, the proposal is supported as it will facilitate additional housing supply to accommodate population growth through the provision of water and wastewater services through an alternative infrastructure supplier. The proposal is also consistent with the objectives of the WICA legislation which is to promote economically efficient use and operation of, and investment in, significant water industry infrastructure, thereby promoting effective competition in upstream or downstream markets.

2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

Yes, the planning proposal is considered to be the best way to achieve the intended outcomes for the site.

Under the existing R3 Medium Density Residential development of 'sewerage systems' or 'water recycling facilities' are prohibited. In order for the site to be developed for its intended use, the rezoning of the site is considered necessary.

The proposal seeks to rezone the site to SP2 Infrastructure which is a prescribed zone under s105 *State Environmental Planning Policy (Infrastructure) 2007* (Infrastructure SEPP). Licenced network operators would then develop water recycling facilities without requiring consent under Part 4 of the EP&A Act. Rather the future development would need to be assessed under Part 5 of the EP&A Act through the preparation of a Review of Environmental Factors (REF).

There are three (3) alternatives to the current approach which would effectively identify the use as 'permitted with consent' under Part 4 of the *EP&A Act*. These options include the following:

- Identify 'sewerage systems' or 'water recycling facilities' as permitted within the R3 Medium Density Residential zone;
- Identify 'sewerage system' or 'water recycling facility' as an additional permitted use on the site;
- Rezone the site to a zone wherein 'sewerage systems' or 'water recycling facilities' are permitted with consent under LEP 2012. These would include the RU1 Primary Production, RU2 Rural Landscape or the IN1 General Industrial zones.

If the development was 'permitted with consent', and required assessment under Part 4 of the EP&A Act, the proposed works would trigger the designated development criteria and would require the preparation of an Environmental Impact Statement.

Designated Development is development that is declared to be designated development by an environmental planning instrument (State Environmental Planning Policy or local

environmental plans) or the *Environmental Planning and Assessment Regulation 2000*. Such development includes heavy industry with the potential to pollute, intensive livestock industries, extractive industries, mining operations, marinas, and aircraft facilities. This type of development requires a greater level of rigour and must be supported by an Environmental Impact Statement with any development application.

A list of developments and criteria which are classified as designated development can be found in Schedule 3 of the *Environmental Planning and Assessment Regulation 2000*. The designated development criteria for 'sewerage systems and sewer mining systems' are included below.

29 Sewerage systems and sewer mining systems

- (1) *Sewerage systems or works (not being development for the purpose of sewer mining systems or works):*
 - (a) *that have an intended processing capacity of more than 2,500 persons equivalent capacity or 750 kilolitres per day, or*
 - (b) *that have an intended processing capacity of more than 20 persons equivalent capacity or 6 kilolitres per day and are located:*
 - i. *on a flood plain, or*
 - ii. *within a coastal dune field, or*
 - iii. *within a drinking water catchment, or*
 - iv. *within 100 metres of a natural waterbody or wetland, or*
 - v. *within 250 metres of a dwelling not associated with the development.*
- (2) *Sewerage systems or works that incinerate sewage or sewage products.*
- (3) *Sewer mining systems or works that extract and treat more than 1,500 kilolitres of sewage per day.*
- (4) *This clause does not apply to:*
 - (a) *the pumping out of sewage from recreational vessels, or*
 - (b) *sewer mining systems or works that distribute treated water that is intended to be used solely for industrial purposes.*

Preferred Approach

Permitting this use within the R3 Medium Density zone is not considered to be appropriate as it would have broader land use planning implications across the Shire in that it would effectively be permitting a use which is broadly incompatible within other uses within the R3 Medium Density zone. Similarly, rezoning the site to a rural zone would not be appropriate as the land has been formally released for urban development. Rezoning the site to IN1 General Industrial would also be inappropriate as it would permit a range of heavy industrial uses which would simply not be compatible with existing and future adjoining uses.

Identification of the intended use as an 'additional permitted use' under Schedule 1 of LEP 2012 is a viable option, however it is considered unnecessary and unreasonable to require the proponent to be subject to a more rigorous assessment process to that which Sydney Water would be subjected to if it was the proponent. This would be counter to the intent of the WICA Act. It is also considered that if the existing zone was retained, the additional permitted uses may be inconsistent with the zone objectives for the R3 Medium Density Residential zone which are as follows:

- To provide for the housing needs of the community within a medium density residential environment.
- To provide a variety of housing types within a medium density residential environment.
- To enable other land uses that provide facilities or services to meet the day to day needs of residents.
- To encourage medium density residential development in locations that are close to population centres and public transport routes

The environmental impact assessment requirements under Part 5 of the EP&A Act are considered appropriate to ensure that the potential environmental impacts of the facility are appropriately managed.

SECTION B - RELATIONSHIP TO STRATEGIC PLANNING FRAMEWORK

3. *Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy (including the Plan for Growing Sydney)?*

Yes, a discussion of consistency is provided below.

• A Plan for Growing Sydney

On 14 December 2014, the NSW Minister for Planning released *A Plan for Growing Sydney*. The Plan is intended to guide land use planning decisions for the next 20 years and presents a strategy for accommodating Sydney's forecast population growth over this time. To achieve the Government's vision for Sydney as a "strong global City and a great place to live", the Plan sets out four (4) main goals for Sydney to be:

- A competitive economy with world-class services and transport;
- A City of housing choice with homes that meet our needs and lifestyles;
- A great place to live with strong, healthy and well-connected communities; and
- A sustainable and resilient City that protects the natural environment and has a balanced approach to the use of land and resources.

The key principles for growth include increasing the housing choice around the centres by accelerating the housing supply and renewal and by improving housing choice. The provision of a water recycling facility will support the rollout of new homes and provide an efficient water and wastewater service to new residents for future Box hill North residents.

The Following key Directions within the Plan are relevant to this Proposal.

- Direction 1.11: Deliver infrastructure;
- Direction 2.1: Accelerate housing supply across Sydney; and
- Direction 2.4: Deliver timely and well planned greenfield precincts and housing.

Direction 1.11: Deliver infrastructure

The Plan for Growing Sydney identifies that an efficient planning system can lower the cost of delivering critical infrastructure. The Plan continues by noting that having energy, water and wastewater services in place before new homes are built is essential for community wellbeing and the productivity of the Sydney Metropolitan Area. The purpose of the water recycling facility which would be permitted through this planning proposal will be to provide wastewater and water infrastructure to service the Box Hill North Precinct. This infrastructure will enable future subdivision within the Precinct to occur. The planning for, and provision of, this infrastructure is consistent within this Direction.

It is noted that Sydney Water will still be the responsible authority for the provision of drinking water to the Precinct.

Direction 2.1: Accelerate housing supply across Sydney

The Plan identifies that the provision of more housing and different types of housing as the population grows will reduce the pressure on rising house prices. Whilst the provision of water recycling facilities is not specifically addressed within the Plan, the delivery of this facility will facilitate the production of homes in a release precinct which has already been zoned for future urban development. Accordingly, it is considered that the planning proposal is consistent with this Direction.

Direction 2.4: Deliver timely and well planned greenfield precincts and housing

The Plan highlights that at a local level, the coordination and delivery of enabling infrastructure facilitates the development of greenfield sites into new housing supply. Coordinated investment in local infrastructure by the Government, councils, utility providers and the development industry will maximise housing supply, deliver greater benefits for dollars spent, and helps to create well serviced, liveable communities. The Plan continues by noting that the timely and coordinated infrastructure delivery will increase the conversion rate of zoned land into homes on the ground.

The original Box Hill North Planning Proposal identified a number of potential sewer servicing options to the Precinct in consultation with Sydney Water, noting, that the delivery of the Box Hill North infrastructure was not included in Sydney Water Growth Plans or funding program at the time of the assessment thereby requiring any infrastructure to be developer funded. The installation of a recycled water system for the Precinct was not previously proposed or anticipated.

The planning proposal is considered to be consistent with this Direction as the delivery of this facility would facilitate the production of houses within the Box Hill North Precinct which will assist in converting zoned land into homes on the ground.

4. Is the planning proposal consistent with the local council's Community Strategic Plan, or other local strategic plan?

- **The Hills Future Community Strategic Plan**

The Hills Future Community Strategic Direction articulates The Hills Shire community's and Council's shared vision, values, aspirations and priorities with reference to other local government plans, information and resourcing capabilities. It is a direction that creates a picture of where the Hills would like to be in the future. The direction is based on community aspirations gathered throughout months of community engagement and consultation with members of the community.

The outcome 'Balanced Urban Growth' includes the following key strategies:

- Strategy 7.1 The Shire's natural and built environment is well managed through strategic land use and urban planning that reflects our values and aspirations.
- Strategy 7.2 Manage new and existing development with a robust framework of policies, plans and processes that is in accordance with community needs and expectations.

The planning proposal to rezone the site to SP2 Infrastructure (Sewerage System) will facilitate an alternative water and wastewater management facility within the Box Hill North Precinct. The provision of this infrastructure will facilitate the rollout of new homes and will facilitate balanced urban growth within the Shire.

- **Draft Local Strategy**

In 2008 Council adopted its Local Strategy to provide the basis for the future direction of land use planning in the Shire and within this context implement the key themes and outcomes of the 'Hills 2026 Looking Toward the Future'. It is the principal document for communicating the future planning of the Shire and includes the objectives of longer term planning projects of the State Government as well as responding to, and planning for, local needs such as employment, housing and transport. The Strategy identifies a demand for 36,000 dwellings to meet the Shire's needs by 2031.

The draft Local Strategy was adopted principally as a land use planning document to guide local planning and reflect the following five key themes of "Hills 2026 Community Strategic Direction: Looking Towards the Future":

- Resilient Local Leadership;

- Vibrant Communities;
- Balanced Urban Growth;
- Protected Environment; and
- Modern Local Economy.

The Local Strategy continues to provide a clear statement of the overall strategic land use management and planning objectives for the Hills Shire. However, it is noted that the dwelling and job growth targets detailed within the Local Strategy represent Council's projected growth targets as at June 2008. The key directions and objectives of the Local Strategy relating to residential outcomes include the following:

- R1 – Accommodation of population growth;
- R2 – Respond to changing housing needs; and
- R4 – Facilitate quality housing outcomes.

The proposal will achieve these objectives as it will facilitate additional housing supply to accommodate population growth through the provision of water and wastewater services through an alternative infrastructure supplier. The provisions of this infrastructure will support the rollout of new homes and other development within the Box Hill North Precinct.

The Residential Direction is the relevant components of the Local Strategy to be considered in assessing this application.

- Residential Direction

The North West Subregional Strategy sets targets for the Shire to contribute additional housing to accommodate a share of Sydney's population growth. The Residential Direction indicates that there is sufficient capacity to accommodate these targets based on the existing planning framework and current projects.

It is noted that the identification and release of the Box Hill North Precinct occurred after the preparation of the Residential Direction and was a result of the State Governments Landowner Nominated Sites Program. As part of this program additional housing opportunities were investigated so long as the provision of infrastructure was at no cost to Government. Whilst the dwelling yields within the Precinct were not required to meet the Shire's previous housing targets, they will contribute toward achieving the Shire's future targets which will be identified as part of future District Plans.

Notwithstanding the above, Objective R1.3 of the Residential Direction is to facilitate the timely delivery of planned residential development. The key strategy for the achievement of this objective is to promote timely delivery of infrastructure to support residential development. As mentioned previously, the proposed water recycling facility will support the rollout of housing within the Box Hill North Precinct through the provision of water and wastewater infrastructure. For this reason the proposal is considered to be directly consistent with this objective.

5. Is the planning proposal consistent with applicable State Environmental Planning Policies?

Yes. An assessment of the planning proposal against applicable State Environmental Planning Policies is provided in Attachment A. A discussion on the consistency of the proposal with the relevant Policies is provided below.

• **State Environmental Planning Policy 33 – Hazardous or Offensive Industry**

This Policy presents a systematic approach to planning and assessing proposals for potentially hazardous and offensive development for the purpose of industry or storage. Through the policy, the permissibility of a development to which the policy applies is linked to its safety and pollution control performance. The Policy aims to ensure that the merits of development are properly assessed (in relation to off-site risk and offence) before being determined.

The proposed development is considered to be a 'potentially offensive industry' which is defined as follows:

'a development for the purposes of an industry which, if the development were to operate without employing any measures (including, for example, isolation from existing or likely future development on other land) to reduce or minimise its impact in the locality or on the existing or likely future development on other land, would emit a polluting discharge (including for example, noise) in a manner which would have a significant adverse impact in the locality or on the existing or likely future development on other land, and includes an offensive industry and an offensive storage establishment'.

A person who proposes to make a development application to carry out development for the purposes of a potentially hazardous industry must prepare (or cause to be prepared) a preliminary hazard analysis in accordance with the current circulars or guidelines published by the Department of Planning and submit the analysis with the development application.

It is noted that the SEPP 33 will apply if a proposal for an industrial development requires consent, and it is either potentially hazardous industry or potentially offensive industry (or both). As the planning proposal seeks to rezone the site to SP2 Infrastructure the proposed use being 'sewerage system' would be permitted without consent under Part 4 of the EP&A Act by virtue of SEPP (Infrastructure) 2007. Accordingly, environmental assessment under Part 5 of the EP&A Act would be required.

- **State Environmental Planning Policy 55 – Remediation of Land**

This Policy applies to land across NSW and states that land must not be developed if it is unsuitable for a proposed use because of contamination.

A Preliminary Site Investigation was prepared by JBS Environmental as part of the Planning Proposal for the Box Hill North Urban Release Area. Based on the results of the investigations there is potential for subsurface contamination to be present on the site as a result of previous site usage (i.e. agriculture). There was also potential for asbestos within the precinct as a result of current and previous site usage.

It is considered that the potential for widespread contamination across the site is low. As the site is already zoned for medium density development, the proposed rezoning to permit a water recycling facility would not result in any increased risk.

- **State Environmental Planning Policy (Infrastructure) 2007**

The purpose of SEPP (Infrastructure) 2007 is to provide a consistent approach for infrastructure and the provision of services across NSW, and to support greater efficiency in the location of infrastructure and service facilities. The planning proposal aims to rezone the site to SP2 Infrastructure to permit the development for the purpose of a water recycling facility. The planning proposal is considered to be consistent with the provisions of this Policy.

- **Sydney Regional Environmental Plan No. 20 – Hawkesbury Nepean River (No 2 – 1997)**

The aim of SREP No 20 (No. 2 – 1997) is to protect the environment of the Hawkesbury – Nepean River system by ensuring that the impacts of future land uses are considered in a regional context. This requires consideration of the impacts of the development on the environment, the feasibility of alternatives and consideration of specific matters such as environmentally sensitive areas, water quality, water quantity, flora and fauna, riverine scenic quality, agriculture, and metropolitan strategy.

As mentioned previously, the proposal seeks to rezone the site to SP2 Infrastructure which is as a prescribed zone under s105 *State Environmental Planning Policy (Infrastructure) 2007* (Infrastructure SEPP). Licenced network operators would then develop water recycling facilities without requiring consent under Part 4 of the EP&A Act. Rather the future development would need to be assessed under Part 5 of the EP&A Act through the preparation of a Review of Environmental Factors (REF). Section 111 of the EP&A Act requires the following:

'For the purpose of attaining the objects of this Act relating to the protection and enhancement of the environment, a determining authority in its consideration of an activity shall, notwithstanding any other provisions of this Act or the provisions of any other Act or of any instrument made under this or any other Act, examine and take into account to the fullest extent possible all matters affecting or likely to affect the environment by reason of that activity'.

As part of the issuing of the licence, the determining authority is required to take into consideration potential environmental impacts. Further discussion regarding the potential environmental impact of the facility is discussed under question 8 of this proposal. Accordingly, it is considered that the planning proposal achieves satisfactory compliance with the provisions of SREP No 20 (No. 2 – 1997).

Notwithstanding, further consultation with the Greater Sydney Local Land Services will be required.

6. Is the planning proposal consistent with applicable Ministerial Directions (s.117 directions)?

The consistency of the planning proposal with the s.117 Ministerial Directions is detailed within Attachment B. A discussion on the consistency of the proposal with each relevant Direction is provided below.

- **Direction 2.3 Heritage Conservation**

This Direction aims to conserve items, areas, objects and places of environmental heritage significance and indigenous heritage significance. This Direction requires that a planning proposal must contain provisions that facilitate the conservation of environmental heritage.

Aboriginal Heritage

A Heritage Due Diligence Assessment Report has been prepared by RPS Australia East Pty Ltd. The report considered the available environmental and archaeological information for the area, the land condition (including visual inspection by a qualified archaeologist), as well as the nature of the proposed activities resulting from the Planning Proposal.

The AHIMS results indicate that there are no Aboriginal objects recorded in the study area. The visual inspection noted that the study area had been heavily modified by recent land uses, including soil cutting, benching and mounding. The assessment concluded by stating that no Aboriginal objects or areas where Aboriginal objects are likely to occur beneath the ground surface were identified during the study area investigation.

Notwithstanding the findings of the assessment, it is considered appropriate that the further consultation occur with the Deerubbin Local Aboriginal Land Council.

European Heritage

The nearest items of environmental heritage are located in excess of 3km from the site and would not be impacted by the proposed facility. The proposal is considered to be consistent with this Direction as it will not impact on the existing heritage conservation provisions within LEP 2012.

- **Direction 3.1 Residential Zones**

Direction 3.1 requires that a planning proposal must, in relation to land to which this Direction applies:

- Contain a requirement that residential development is not permitted until land is adequately serviced (or arrangements satisfactory to the Council, or other appropriate authority, have been made to service it), and
- Not contain provisions which will reduce the permissible residential density of the land.

As the planning proposal will reduce the dwelling potential of the land by approximately 15 dwellings, the planning proposal is considered to be inconsistent with this Direction. Whilst there will be an overall reduction in the residential yield on the site, this is considered to be negligible in the context of the broader Box Hill North Precinct which will accommodate approximately 5,000 dwellings.

Furthermore one of the objectives of the Direction is to 'make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services'. The planning proposal will assist future development within the Box Hill North Precinct as it will provide necessary water and wastewater infrastructure the 5,000 future dwellings within the Precinct.

As the facility will provide water and wastewater infrastructure to future dwellings within the Precinct and will enable the rezoned land to be converted into dwellings on the ground, the inconsistency with this Direction is considered to be justified.

Concurrence from the Department of Planning and Environment is requested that the inconsistency with Direction 3.1 is justified and is of minor significance.

- **Direction 6.3 Site Specific Provisions**

This Direction requires that a planning proposal that will amend another environmental planning instrument in order to allow a particular development proposal to be carried out must either:

- a. allow that land use to be carried out in the zone the land is situated on, or
- b. rezone the site to an existing zone already applying in the environmental planning instrument that allows that land use without imposing any development standards or requirements in addition to those already contained in that zone, or
- c. allow that land use on the relevant land without imposing any development standards or requirements in addition to those already contained in the principal environmental planning instrument being amended.

The planning proposal is seeking to rezone the site to SP2 Infrastructure (sewerage system). In accordance with the land use table for the SP2 Infrastructure zone, development with a purpose shown on the Land Zoning Map, including any development that is ordinarily incidental or ancillary to development for that purpose, is permitted with consent. However as mentioned previously, SEPP Infrastructure provides that water recycling facilities and sewerage treatment plants may be carried out by or on behalf of a public authority or any person licensed under the *Water Industry Competition Act 2006* without consent on land in a prescribed zone. Accordingly, if the land is rezoned to SP2 Infrastructure (Sewerage System), development for this purpose would be permitted without consent under Part 4 of the EP&A Act.

The planning proposal is considered to be consistent with this Direction as it is seeking to rezone the site to a zone that already allows that land use without imposing any development standards or requirements in addition to those already contained in the zone.

SECTION C - ENVIRONMENTAL, SOCIAL AND ECONOMIC IMPACT

7. *Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?*

No, the land that is subject to the planning proposal is generally void of any significant vegetation or trees. Therefore the planning proposal is unlikely to create any adverse impacts on critical habitat or threatened species, populations or economical communities and their habitats.

8. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

Environmental Impact

As with any sewage treatment facility there is potential for an environment impact, and this potential impact would need to be appropriately managed. It is noted that one of the principal benefits of pressure sewer system is that it a closed system and does not overflow sewage during heavy rain. Heavy rain or flooding will not impact the system or site because the:

- sewer network is under pressure and so it does not allow inflow of stormwater into the network; and
- the local water centre will be designed and constructed above the required flood control levels for the development.

Notwithstanding, the Environment Protection Authority (EPA) regulates sewage treatment systems under the *Protection of the Environment Operations Act 1997* (POEO Act). Schedule 1 of the POEO Act requires that sewage treatment systems, including the treatment plan and reticulation system, with a processing capacity of 750KL/day or 2,500 equivalent persons be licenced.

As the proposed facility would service approximately 13,335 equivalent persons, an environment protection licence would be required. Licence conditions relate to pollution prevention and monitoring, and cleaner production through recycling and reuse and the implementation of best practice. The licence would include legally enforceable conditions with the objective to protect and minimise harm to the environment and public health from sewage discharges. These licences generally include environmental performance requirements for the sewerage systems, including the required level of sewerage treatment for the plant and limits on pollutants permitted to be discharged.

Odour

The NSW EPA Guideline titled 'Approved Methods for the Modelling and Assessment of Air Pollutants in NSW' lists the statutory methods for modelling and assessing emissions of air pollutants from stationary sources.

The Guidelines set a measure (odour units (OU)) that any odour emitting facility should be designed to achieve, which provide additional protection for individuals with a heightened response to odours. The criteria for complex mixtures of odorous air pollutants are included within the following table.

Population of affected community	Impact assessment criteria for complex mixtures of odorous air pollutants (OU)
Urban ($\geq \sim 2000$) and/or schools and hospitals	2.0
~500	3.0
~125	4.0
~30	5.0
~10	6.0
Single rural residence ($\leq \sim 2$)	7.0

Odour Unit: Indicates the concentration of odorous mixtures (such as sulphur) within an air sample.

Figure 5
Criteria for complex mixtures of odorous air pollutants (EPA, 2005)

In accordance with the EPA requirements, no sensitive receiver should be subject to odour above 2 odour units.

An odour assessment, prepared by Pacific Environment Limited, was submitted with the planning proposal. The purpose of the assessment was to assess the air quality impacts of the facility. The modelling within the assessment indicates that odour emissions from the system would be below the criteria of 2.0 OU. The following diagram identifies the projected extend of the 1OU and 2OU (99th percentile) for the facility.

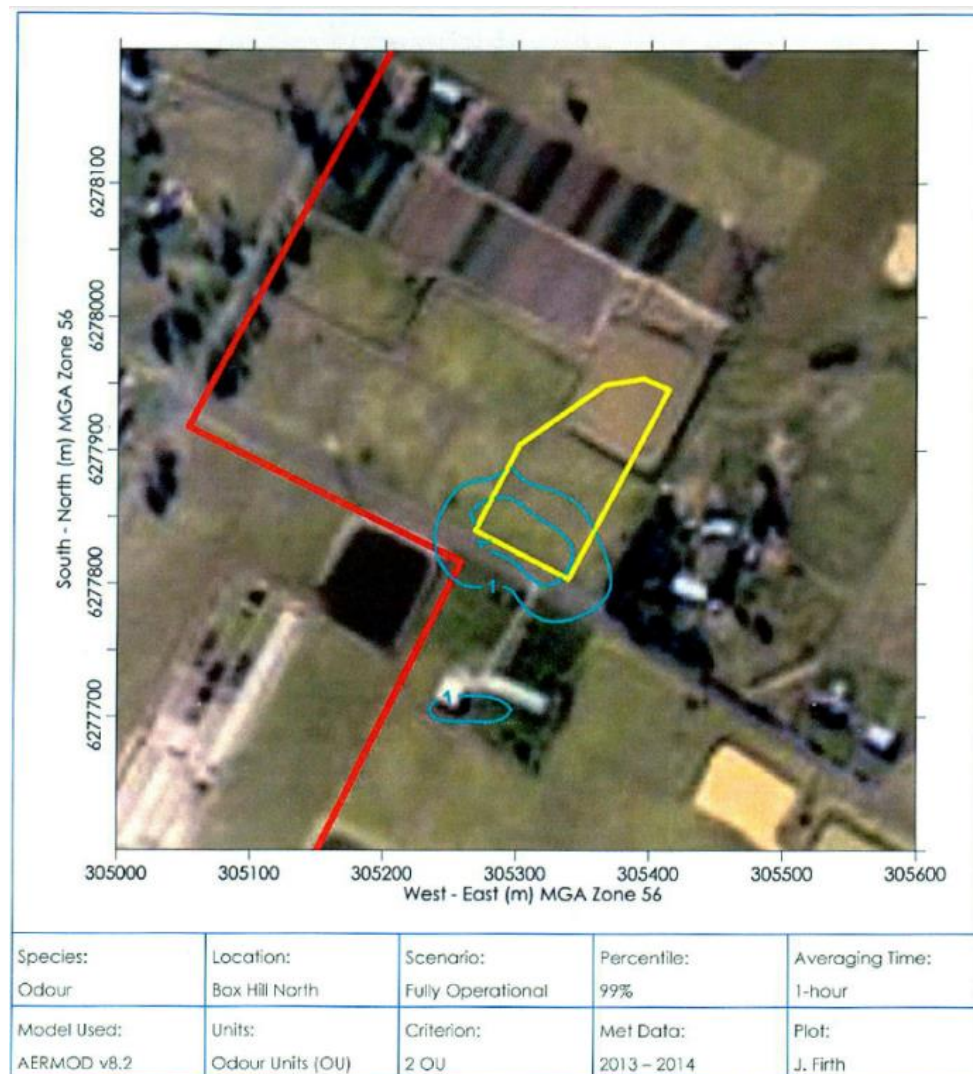


Figure 6
Predicted 99th Percentile Odour Concentration (OU) for the Fully Operation Plant

In accordance with the results of the assesment it is not anticipated there there will be a significant odour impact on sensitive adjoining land uses.

Noise

A Noise assessment, prepared by Wilkinson Murray, was submitted with the Planning Proposal. The purpose of the assessment was to provide an operational noise assessment of the proposed Local Water Centre. The noise assessment evaluates potential noise and vibration impacts associated with the operation of the facility in accordance with a number of EPA guidelines and policies including the Industrial Noise Policy. The assessment notes that the acceptable amenity noise levels which apply over the entire day, are as follows:

- Daytime: 55dBA
- Evening: 45dBA
- Night Time: 40dBA

The overall industrial noise from all industrial noise sources in the area should not exceed the above amenity levels over the day, evening or night periods. However, it is noted that the project specific noise criterion which is applied to this development is 41dBA.

Impact without generator

Based on the results of the acoustic assessment the operational noise emission levels (excluding the backup generator) and including noise mitigation measures, would comply with the noise criteria mentioned above. Noise mitigation measures are proposed to include an air gap to accommodate 50mm thick polyester or glasswool insulation. The noise generation contours for the facility (excluding the backup generator) is included in the following figure.

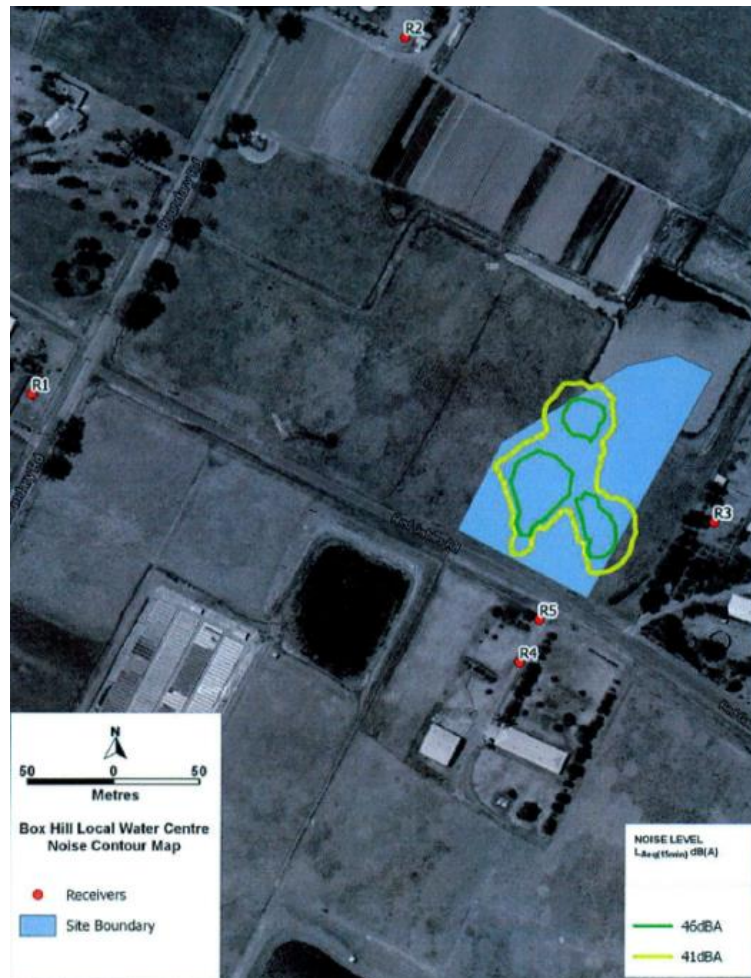


Figure 7
Operational Noise Generation – Without Backup Generator

Impact Including Generator

The facility will include a backup generator. During emergency situations where all power to the facility drops out, the on-site generator starts up which will increase the noise generation from the site, albeit for a shorty period of time. The Industrial Noise Policy permits adjustments to the acceptable amenity noise level noise sources that are infrequent and which occur for a short period of time. An extract of the 'adjustments for duration' criteria from the EPA Industrial Noise Policy are included in the following table.

Duration of noise (one event in any 24 hour period)	Increase in acceptable noise level at receptor, dB(A)	
	Daytime and evening (0700–2200 h)	Night-time (2200–0700 h)
1.0 to 2.5 hours	2	Nil
15 minutes to 1 hour	5	Nil
6 minutes to 15 minutes	7	2
1.5 minutes to 6 minutes	15	5
less than 1.5 minutes	20	10

Figure 8
Adjustments for Duration Criteria

The generator is only forecast to be tested during daytime hours either once a month for 30 minutes, or once every 2 months for one hour, a positive adjustment of 5db has been applied to the project specific criteria of 41dBA. Based on the adjustment, the adjusted daytime acceptable level is 46dBA. The results of the assessment indicate the predicted noise levels from all noise sources with the backup generator is compliant with the adjusted daytime acceptable noise level of 46dBA at the nearest sensitive receiver. The noise generation contours for the facility (including the backup generator) is included in the following figure.

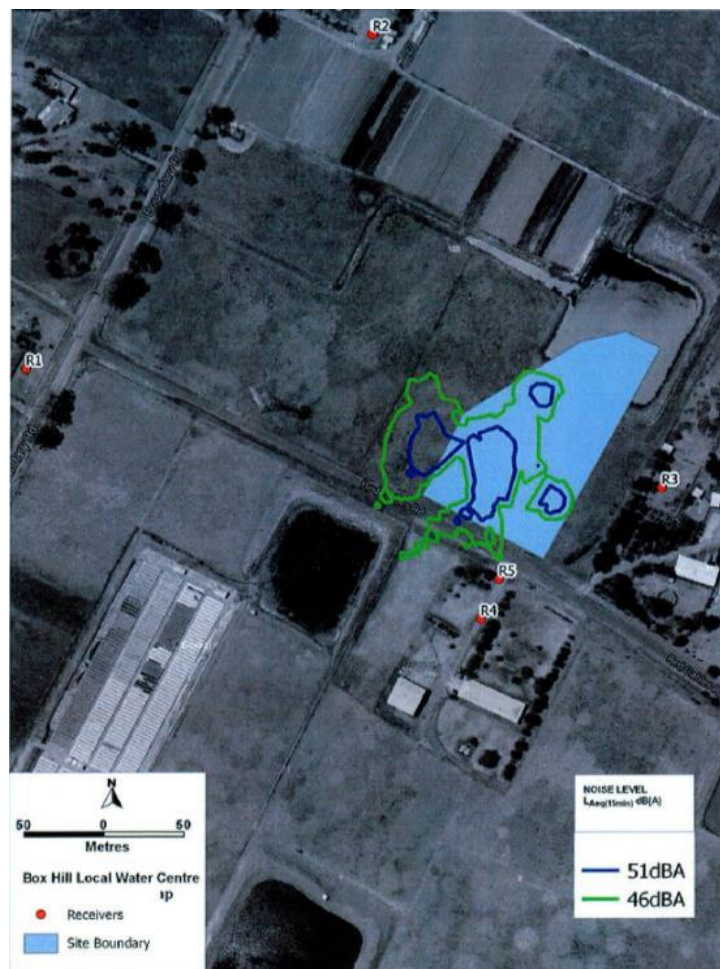


Figure 9
Operational Noise Generation – With Backup Generator

Interface with Adjoining Uses

Whilst the existing development is rural in nature it is anticipated that once development occurs the surrounding context will be highly urbanised. This could potentially lead to land use conflicts between the water recycling facility and future residential development to the east and south.

On 9 February 2016 a master plan development application (1397/2015/JP) was approved by the Joint Regional Planning Panel. The master plan approval is a concept development application pursuant to section 83B of the Environmental Planning & Assessment Act 1979. The approval was not for any physical works. Accordingly, future works (subdivision and built form) will occur through subsequent development applications. The preparation and approval of the master plan development application was a requirement of the Voluntary Planning Agreement applying to the Precinct.

Twelve development applications have been lodged with Council for the Box Hill North Precinct, primarily relating to bulk earthworks and subdivisions primarily across the southern portion of the Precinct. A further six pre-lodgement meetings have occurred recently for further applications to be lodged shortly by the applicant.

The Plans within the master plan now supersede the plans within DCP 2012 - Part D Section 17 Box Hill North. In order to retain some flexibility in the layout of roads, the master plan approval only identifies Collector Roads and Riparian Roads. The Road Network Plan which was approved is included below.

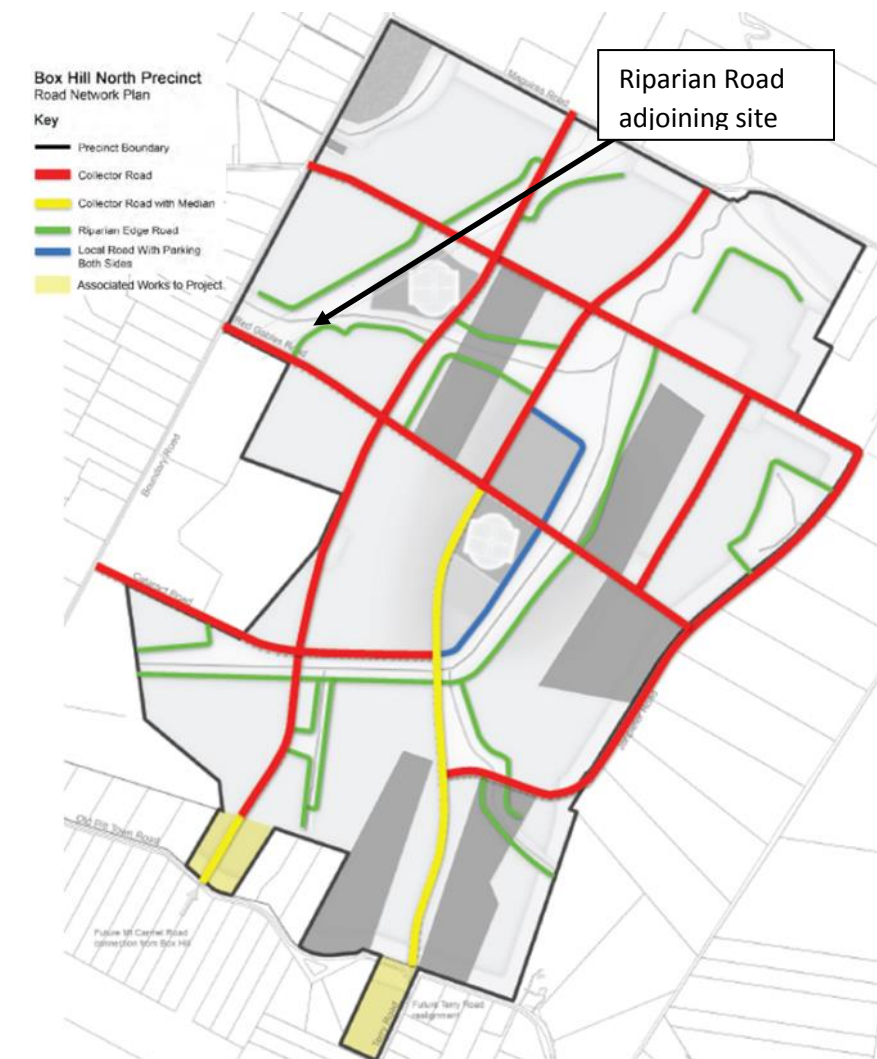


Figure 10
Approved Road Network – DA1397/2015/JP

As can be seen, the approval identifies a riparian road along the riparian corridor adjoining the north and west of the site. The master plan approval does not have regard to the potential for a water recycling facility at the subject site. Accordingly, future applications for subdivision would need to consider an alternative road layout. The master plan approval is intended to provide guidance for future applications. Whilst it does include a road layout, there is some flexibility to amend the location of roads as part of future subdivision applications.

In order to manage the perception of reduced amenity and to facilitate the efficient movement of traffic around this 1 hectare lot for the local water centre, an alternative lot layout would be required which would include a road along the eastern boundary of the site (see below).

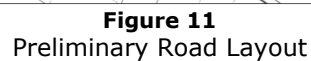


Figure 12
Site Plan and Distances to Residential Development

In order to ensure that a road is provided along the eastern boundary of the site, an additional control is proposed to be included within Part D Section 17 of the DCP to require a distance of at least 15 metres from the boundary of the site to any residential boundary within the vicinity of the site. This will ensure that as the land around the site develops into the future, appropriate separation will be incorporated within the subdivision layout.

9. *How has the planning proposal adequately addressed any social and economic effects?*

Orderly Development

Whilst it is acknowledged that the installation of a water recycling facility may have merit, and may be a viable alternative to the traditional gravity fed sewerage system, it is essential that the provision of infrastructure and utility services facilitates orderly development. Whilst a majority of the Precinct is under single ownership by the ('principal developer'), there are six (6) lots that are under separate ownership. The location of these sites is included on the following map.

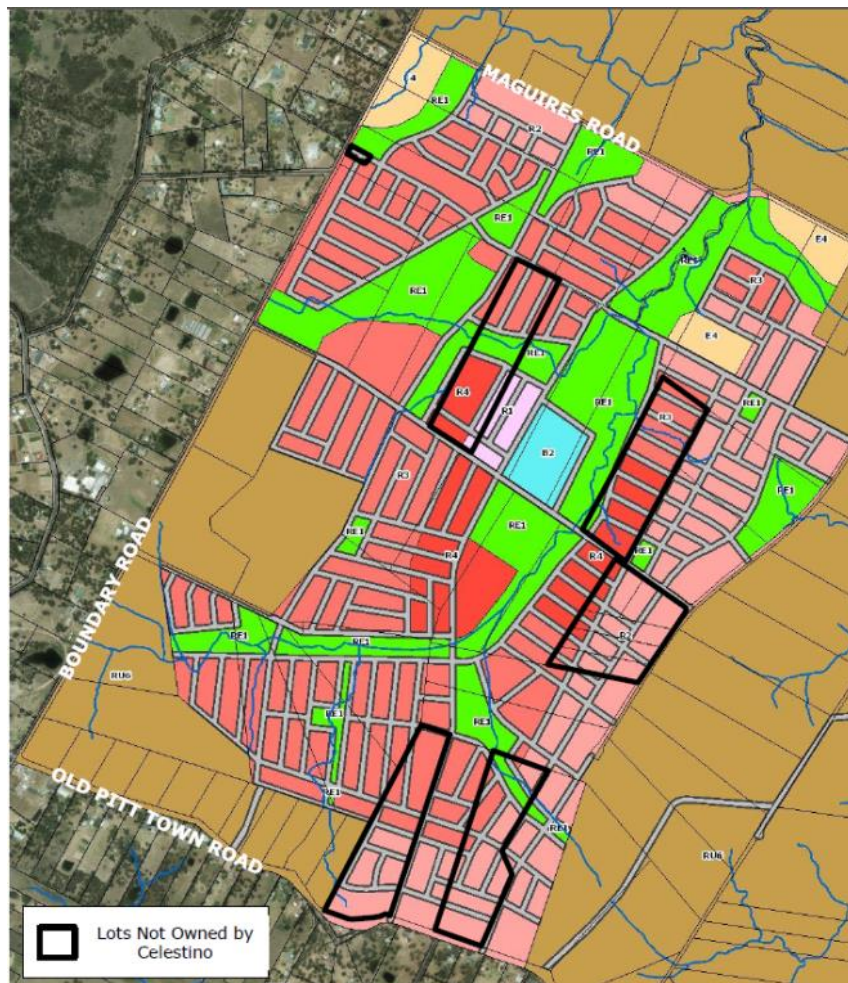


Figure 13
Lots not controlled by the Principal Developer

When a single servicing plan applies to an entire precinct there are economies of scale whereby the costs of the necessary infrastructure can be distributed over the entire precinct reducing the servicing cost per development. Accordingly, it is essential that the remaining sites are not unreasonably burdened by the costs of servicing their own sites, whether they elect to service their developments through Flow Systems or through Sydney Water. If the principal developer's land is serviced by the water recycling facility, then it would be highly unlikely that the remaining sites would elect to provide sewer services to their developments through Sydney Water, as the cost of providing the necessary infrastructure to service their individual developments would be cost prohibitive. Whilst the developers would have the

option of choosing Sydney Water as the service provider, they may have little option but to proceed with Flow Systems.

The planning for the Box Hill North Precinct anticipated approximately 4,100 dwellings on land owned by the principal developer (as per the Voluntary Planning Agreement) and approximately 750 dwellings on land not owned by the principal developer (based on the forecast densities on the net developable area of each site).

Based on advice from the proponent, Flow Systems will provide a decentralised wastewater solution with capacity to service 5,000 residential dwellings (equivalent treatment ET) in the nominated Water Industry Competition Act (WICA) 2006 licenced area of operations. This is made up of 4,100 residential dwellings (ET) and approximately 100 ET of ancillary facilities such as retail, school and community uses which are initially provided to the principal developer's development, with the remaining 800 ET thereafter becoming available capacity for the lots within the WICA area of operations not controlled by the principal developer. Accordingly, the proposed facility would have capacity to accommodate the anticipated demand by all future development within the Box Hill North Precinct, including land not owned by the developer.

Flow Systems has identified that they will be delivering the capacity of the Water Recycling Facility in 2 phases to a total of 5,000 ET capacity:

- Phase 1: 2,500 ET
- Phase 2: 2,500 ET

Other landowners within the WICA licence area are able to secure wastewater services by:

- Making application with Sydney Water Corporation (SWC) for services
The Box Hill North Precinct has Precinct Accelerated Protocol status, allowing other landowners to apply to Sydney Water for reimbursement of costs incurred to service the land. Any application will require a servicing strategy acceptable to Sydney Water, and dedication of land and infrastructure assets to Sydney Water. Landowners may make enquiry on timing of regional trunk infrastructure to be provided by Sydney Water, to determine connection arrangements of infrastructure provided by the landowner.
- Connecting to Flow Systems for services when Phase 2 is provided
The provisions for Phase 2 capacity may need to be instigated by the principal developer in 2020 and capacity may be available to the 800 lots by 2024. Surplus capacity will be made available to other landowners to proportion the scheme establishment costs (including initial land dedication for the LWC) on a per lot basis once the initial capacity is exhausted. Flow Systems would facilitate Developer Services Plan charges in some circumstances, including reimbursements schemes for third party connection.

It is noted that IPART's on-going regulation of the facility, including the issuing of the network operator's licence, would not include the regulation of connection charges. Rather the cost that developers would pay to connect to the facility would be determined by the market.

With respect to the rural land which is not included within the Box Hill North release area, but which could be released for urban development in the future, appropriate servicing arrangements would need to be investigated as part of any future rezoning proposal for this land.

SECTION D - STATE AND COMMONWEALTH INTERESTS

10. Is there adequate public infrastructure for the planning proposal?

The site is currently serviced with electricity and telecommunications. Further consultation will be required with service providers as part of the exhibition of the planning proposal.

Notwithstanding, it is anticipated that any required upgrades to services would be made as part of the overall development of the Box Hill North Urban Release Area.

11. What are the views of State and Commonwealth Public Authorities consulted in accordance with the gateway determination, and have they resulted in any variations to the planning proposal? (Note: The views of State and Commonwealth Public Authorities will not be known until after the initial gateway determination. This section of the planning proposal is completed following consultation with those public authorities identified in the gateway determination.)

A list of relevant agencies would be determined as part of the Gateway Determination. Following the Gateway determination, all relevant agencies will be consulted.

A preliminary list of public agencies which could be consulted is included below.

- Office of Water;
- Endeavour Energy;
- TransGrid;
- Jemena;
- Sydney Water;
- Telstra;
- Department of Primary Industries – Agriculture;
- Office of Environment and Heritage;
- Deerubbin Local Aboriginal Land Council;
- Greater Sydney Local Land Services; and
- Roads and Maritime Services.

PART 4 MAPPING

The planning proposal seeks to amend the Land Zoning Map of *The Hills Local Environmental Plan 2012*.



Land Zoning (LZN)

R3	Medium Density Residential	RU6	Transition
RE1	Public Recreation		

Existing Land Zoning Map



Land Zoning (LZN)

R3	Medium Density Residential	RU6	Transition
RE1	Public Recreation	SP2	Infrastructure

Proposed Land Zoning Map

PART 5 COMMUNITY CONSULTATION

The planning proposal will be advertised in local newspapers and on display at Council's administration building and Rouse Hill Library. The planning proposal will also be made available on Council's website. In addition, letters will be issued to adjoining and nearby property owners and stakeholders.

PART 6 PROJECT TIMELINE

STAGE	DATE
Commencement Date (Gateway Determination)	May 2016
Government agency consultation	June 2016
Commencement of public exhibition period (28 days)	July 2016
Completion of public exhibition period	August 2016
Timeframe for consideration of submissions	September 2016
Timeframe for consideration of proposal post exhibition	September 2016
Report to Council on submissions	October 2016
Planning Proposal to PCO for opinion	November 2016
Date Council will make the plan (if delegated)	December 2016
Date Council will forward to department for notification (if delegated)	December 2016

ATTACHMENT A: LIST OF STATE ENVIRONMENTAL PLANNING POLICIES

STATE ENVIRONMENTAL PLANNING POLICY (SEPP)		APPLICABLE	RELEVANT? (YES/NO)	(IF RELEVANT) INCONSISTENT/CONSISTENT
No. 1	Development Standards	YES	NO	-
No. 14	Coastal Wetlands	NO	-	-
No. 15	Rural Landsharing Communities	NO	-	-
No. 19	Bushland in Urban Areas	YES	NO	-
No. 21	Caravan Parks	YES	NO	-
No. 26	Littoral Rainforests	NO	-	-
No. 29	Western Sydney Recreation Area	NO	-	-
No. 30	Intensive Agriculture	YES	NO	-
No. 32	Urban Consolidation (Redevelopment of Urban Land)	YES	NO	-
No. 33	Hazardous and Offensive Development	YES	YES	CONSISTENT See Section B Question 5
No. 36	Manufactured Home Estates	NO	-	-
No. 39	Spit Island Bird Habitat	NO	-	-
No. 44	Koala Habitat Protection	NO	-	-
No. 47	Moore Park Showground	NO	-	-
No. 50	Canal Estate Development	NO	-	-
No. 52	Farm Dams and Other Works in Land and Water Management Plan Areas	NO	-	-
No. 55	Remediation of Land	YES	YES	CONSISTENT See Section B Question 5
No. 59	Central Western Sydney Regional Open Space and Residential	NO	-	-
No. 62	Sustainable Aquaculture	YES	NO	-
No. 64	Advertising and Signage	YES	NO	-
No. 65	Design Quality of Residential Flat Development	YES	NO	-
No. 70	Affordable Housing (Revised Schemes)	YES	NO	-
No. 71	Coastal Protection	NO	-	-
Affordable Rental Housing (2009)		YES	NO	-
Building Sustainability Index: BASIX 2004		YES	NO	-
Exempt and Complying Development Codes (2008)		YES	NO	-
Housing for Seniors or People with a Disability (2004)		YES	NO	-
Infrastructure (2007)		YES	YES	CONSISTENT See Section B Question 5
Kosciuszko National Park – Alpine Resorts (2007)		NO	-	-
Kurnell Peninsula (1989)		NO	-	-
Major Development (2005)		YES	NO	-

STATE ENVIRONMENTAL PLANNING POLICY (SEPP)	APPLICABLE	RELEVANT? (YES/NO)	(IF RELEVANT) INCONSISTENT/CONSISTENT
Mining, Petroleum Production and Extractive Industries (2007)	YES	NO	-
Miscellaneous Consent Provisions (2007)	YES	NO	-
Penrith Lakes Scheme (1989)	NO	-	-
Port Botany and Port Kembla (2013)	NO	-	-
Rural Lands (2008)	NO	-	-
SEPP 53 Transitional Provisions (2011)	NO	-	-
State and Regional Development (2011)	YES	NO	-
Sydney Drinking Water Catchment (2011)	NO	-	-
Sydney Region Growth Centres (2006)	NO	-	-
Three Ports (2013)	NO	-	-
Urban Renewal (2010)	NO	-	-
Western Sydney Employment Area (2009)	NO	-	-
Deemed SEPPs			
SREP No. 8 (Central Coast Plateau Areas)	NO	-	-
SREP No. 9 – Extractive Industry (No. 2 – 1995)	YES	NO	-
SREP No. 16 – Walsh Bay	NO	-	-
SREP No. 18 – Public Transport Corridors	NO	-	-
SREP No. 19 – Rouse Hill Development Area	NO	-	-
SREP No. 20 – Hawkesbury – Nepean River (No 2 – 1997)	YES	YES	CONSISTENT See Section B Question 5
SREP No. 24 – Homebush Bay Area	NO	-	-
SREP No. 25 – Orchard Hills	NO	-	-
SREP No. 26 – City West	NO	-	-
SREP No. 30 – St Marys	NO	-	-
SREP No. 33 – Cooks Cove	NO	-	-
SREP (Sydney Harbour Catchment) 2005	NO	-	-

ATTACHMENT B: ASSESSMENT AGAINST SECTION 117 MINISTERIAL DIRECTIONS

DIRECTION		APPLICABLE	RELEVANT? (YES/NO)	(IF RELEVANT) INCONSISTENT/ CONSISTENT
1. Employment and Resources				
1.1	Business and Industrial Zones	NO	-	-
1.2	Rural Zones	YES	NO	-
1.3	Mining, Petroleum Production and Extractive Industries	YES	NO	-
1.4	Oyster Aquaculture	NO	-	-
1.5	Rural Lands	NO	-	-
2. Environment and Heritage				
2.1	Environment Protection Zone	YES	NO	-
2.2	Coastal Protection	NO	-	-
2.3	Heritage Conservation	YES	YES	CONSISTENT See Section B Question 6
2.4	Recreation Vehicle Area	YES	NO	-
2.5	Application of E2 and E3 Zones and Environmental Overlays in Far North Coast LEPs	NO	-	-
3. Housing, Infrastructure and Urban Development				
3.1	Residential Zones	YES	YES	INCONSISTENT See Section B Question 6
3.2	Caravan Parks and Manufactured Home Estates	YES	NO	-
3.3	Home Occupations	YES	NO	-
3.4	Integrating Land Use and Transport	YES	NO	-
3.5	Development Near Licensed Aerodomes	NO	-	-
3.6	Shooting Ranges	NO	-	-
4. Hazard and Risk				
4.1	Acid Sulfate Soils	NO	-	-
4.2	Mine Subsidence and Unstable Land	NO	-	-
4.3	Flood Prone Land	NO	-	-
4.4	Planning for Bushfire Protection	NO	-	-
5. Regional Planning				
5.1	Implementation of Regional Strategies	NO	-	-
5.2	Sydney Drinking Water Catchment	NO	-	-
5.3	Farmland of State and Regional Significance on the NSW Far North Coast	NO	-	-

DIRECTION		APPLICABLE	RELEVANT? (YES/NO)	(IF RELEVANT) INCONSISTENT/ CONSISTENT
5.4	Commercial and Retail Development along the Pacific Highway, North Coast	NO	-	-
5.8	Second Sydney Airport: Badgerys Creek	NO	-	-
5.9	North West Rail Link Corridor Strategy	NO	-	-
6. Local Plan Making				
6.1	Approval and Referral Requirements	YES	NO	-
6.2	Reserving Land for Public Purposes	YES	NO	-
6.3	Site Specific Provisions	YES	YES	CONSISTENT See Section B Question 6
7. Metropolitan Planning				
7.1	Implementation of the Metropolitan Plan for Sydney 2036	N/A	N/A	N/A
7.2	Implementation of Greater Macarthur Land Release Investigation	NO	-	-