

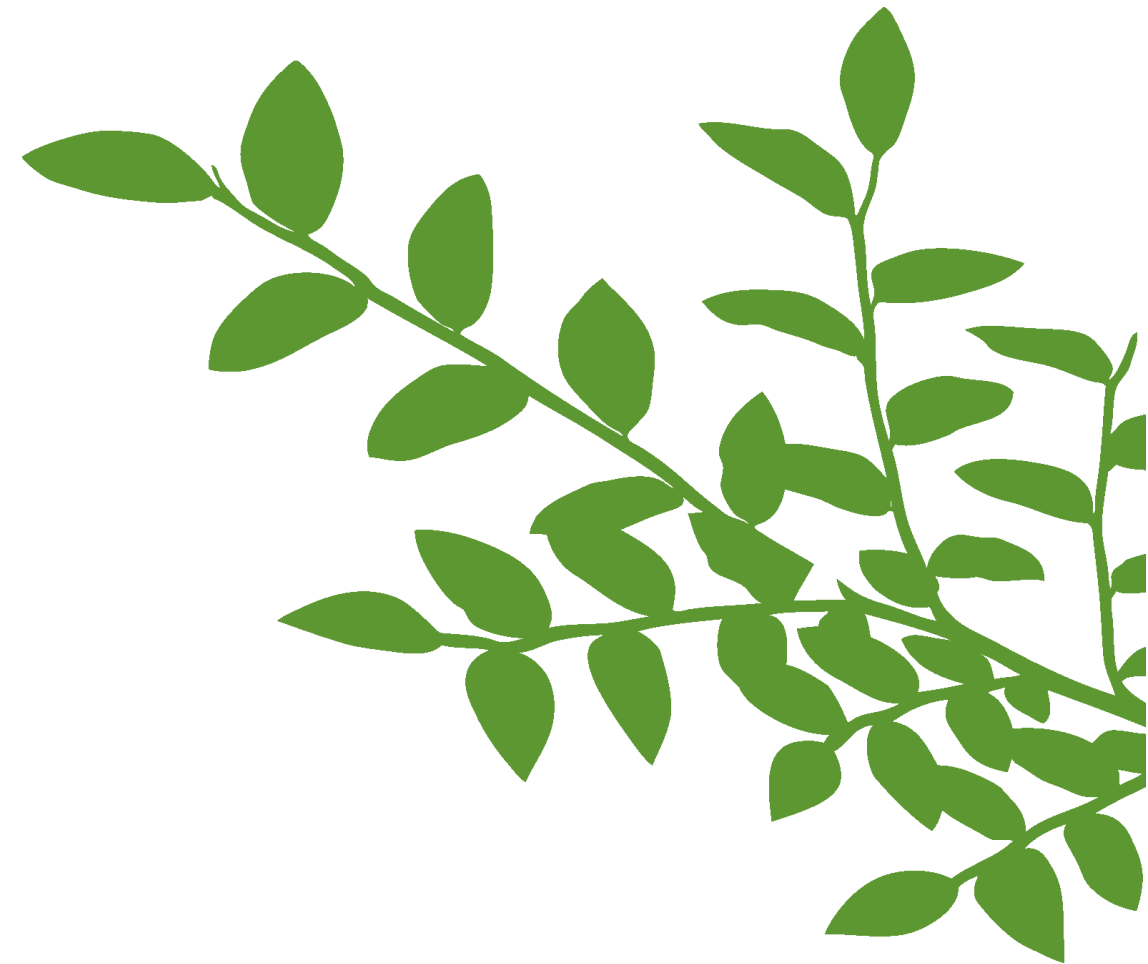


BOUNDARY ROAD

Meadowic

Planning Proposal for Rural Small
Holdings and Environmental Management

February 2010





URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:

DIRECTOR	Peter Strudwick
SUPPORT STAFF	Fiona Buchan
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EXECUTIVE SUMMARY

INTRODUCTION

- This report is part of a planning proposal prepared on behalf on the landowner, Eureka 1 Project 10 Pty Ltd and Eureka 1 Project 4 Pty Ltd (Eureka). It follows Council's resolution on 24 November 2009 to include the land within the Medowie Strategy and to commence the rezoning process.
- It relates to a significant landholding of approximately 127 hectares at Boundary Road, Medowie. This site immediately adjoins the northern edge of Medowie's rural residential footprint.
- The site is currently zoned Rural Small Holdings 1(c1) under Port Stephens LEP 2000. This submission seeks to amend the LEP to allow part of the site to be developed for high quality rural residential living while retaining a significant portion of the site (ie. approx 70ha) for environmental management purposes.
- The 70ha of land proposed to be zoned for environmental management is intended to be transferred into public ownership.
- The rezoning represents a natural extension of the type of development that exists directly to the south of the site, and for a large part of the existing Medowie township, as shown at **Figure 1**.

VISION AND PRINCIPLES

- The vision of the proposal is to provide a benchmark for low impact rural residential development in Port Stephens designed with ecologically-sensitive planning and design principles in order to maintain the majority of existing natural vegetation on the site.
- The 127 hectare site is under single ownership and is of a size and shape that can be developed in a coordinated way using 'Ecologically Sensitive Planning and Design Principles' established by Ecologists, Umwelt Australia Pty Ltd. Its single ownership and size also allows the retention of significant vegetation areas to be integrated within the overall design.
- The indicative development layout involves the development of the south-western portion of the site whilst retaining a centrally located Endangered Ecological Community and adjoining vegetated area in the north-eastern portion of the site.
- It is proposed that a DCP will be prepared for the site to ensure that development is undertaken in a coordinated manner and design quality is maintained. The DCP will also ensure that ecologically sensitive design principles are implemented and environmental considerations are appropriately addressed in the overall development of the site. Examples include:
 - Provision of building location zones for lots adjoining the EEC areas identifying the 'developable area' towards the front of the lot to ensure retention of vegetation connectivity throughout the site.
 - Provision of vegetation buffers to ecologically significant features
 - Provision of appropriate fencing to create a distinct rural residential character while allowing fauna movement, and the like.



Figure 1 – Proposed Extension of Medowie's Rural Residential Zone



SUPPLY AND DEMAND

- Medowie is a town that has attracted a significant interest in rural residential living or 'lifestyle development', due to its proximity to larger centres and the coast, its relative price-point and its natural appeal. These characteristics form the basis of the town's historical growth and are important values for the local community. These rural lifestyle characteristics will continue to attract people to Medowie and therefore it is appropriate to continue to plan for this type of development in appropriate locations.
- The Medowie township is surrounded by various land use constraints that provide a 'well defined' footprint for its future growth. These constraints have significantly influenced the recent growth pattern of the town. Rather than growing in a concentric 'ring', its recent development has grown along the Medowie Road spine (i.e. where the site is located).
- The potential growth precincts within most areas of the town (with the exception of the subject site) are heavily constrained by fragmented land ownership. This fragmentation and the constrained 'sizes' and 'shapes' of these precincts (again with the exception of the subject site) mean that future growth and infill development of the town is limited, and cannot occur in a coordinated manner due to the interests and timing of the different land owners.
- The location of the site provides a logical and sustainable location for rural residential development as it is directly adjacent to the existing rural residential area and forms a natural growth boundary for Medowie.
- There is clear strategic rationale for rezoning the site, based on:
 - the increasing population coming to the Port Stephens LGA
 - specifically, the strong growth and interest within Medowie
 - the lack of appropriate rural residential housing supply to meet forecasted demand
 - the intentions of Government Policy, both at a local and state level
 - the retention of significant ecological features on the site.
- Rezoning the land will address these issues and ensure that Port Stephens Council is able to confidently 'deliver' its share of population and housing in line with the Lower Hunter Regional Strategy.
- Given the increasing level of market interest in the area, continued solid demand for rural residential properties and inherent rural residential land supply issues (both current and future), we consider the localised market is well placed to accommodate the proposal. The site provides a viable market alternative to the majority of proposed residential projects and enables an opportunity to develop a superior master planned product offered in comparison to the scattered 'rural small holdings' and 'environmental living' designated areas identified in the current version of the Medowie Strategy.
- We consider that development of the site, taking advantage of the natural bushland setting will have strong appeal to the broader market and attract considerable demand.

ECONOMIC AND COMMUNITY BENEFITS

- The proposal will result in a significant net economic and community benefit for Medowie and the surrounding area. Key benefits include:
 - Contribution to the Medowie economy through increased economic activity directly attributable to population growth.
 - It will provide suitable land for rural residential development which will increase housing supply within the area, thereby promoting housing choice and contributing to the social mix of Medowie.
 - It reflects values and desires of the community, as evidenced in the Community Information Day conducted by the Proponent in March 2009.
 - It will provide a high level of 'immediate' residential amenity, through the protection and enhancement of the natural features and vegetation on the site.
 - Through single ownership, it will ensure well planned and high quality urban design to establish a unique natural character and sense of place for future residents.
 - It will ensure the long term protection of significant ecological features of the site, particularly through the retention and enhancement of the Endangered Ecological Community (EEC) and north-eastern area of the site that will provide an important wildlife corridor linking to the adjoining State Forest.
 - It will provide a protection and management regime that is not currently available on the site to ensure long term protection of the ecological features of the site, and therefore will avoid further degradation that is occurring due to its current grazing use.
 - The proposal will improve the existing flood impacts on downstream properties through the adoption of the proposed stormwater strategy. Umwelt's analysis confirms that by employing various measures, a 4% reduction in peak stormwater rates can be achieved.
 - The increased population will contribute to the viability of existing retail and community services in the area and potentially support additional services in the locality.
 - The proposal will create employment opportunities during the construction phase of the development and potentially create ongoing employment opportunities given the demand generated by increased population.

REZONING AND MASTER-PLANNING PROCESS

- This report addresses the key strategic planning policies affecting the area and shows that the proposal is consistent with these policies at both a local and state level.
- The proposal for a rural residential zone immediately adjoining the existing rural residential township is entirely consistent with the land use 'transect' model identified in Council's Community Settlement and Infrastructure Strategy.
- Various consultants have been engaged to review the environmental constraints and opportunities of the site. The results of these studies have informed a master-planning process which has ultimately produced an Indicative Land Use Plan, including a street network and retained vegetation corridors.
- The Indicative Land Use Plan and associated zoning plan are based on the ecological sensitive planning and design principles recommended by Umwelt Ecologists. In turn, these principles will inform further detailed master planning on the site and a future subdivision DA.
- This process has confirmed that economic, social and environmental issues have all been carefully considered and balanced to provide an effective design outcome to meet the interests of all stakeholders.
- The preparation of the DCP is an important part of the planning process that the applicant is keen to deliver to ensure the objectives are met in readiness for applications for subdivision and development pending rezoning of the land. As such, Council is requested to progress with the assessment of this planning proposal allowing this rezoning to occur independent of the broader Port Stephens LEP review process.

1 PURPOSE OF THE REPORT

This report has been prepared in support of a 'planning proposal' for Eureka 1 Project 10 Pty Ltd and Eureka 1 Project 4 Pty Ltd ('Eureka'), referred hereafter as the 'Proponent'. It provides a description and an assessment of a proposal that has been agreed between the Proponent and Council Officers and has subsequently been considered by Council at its meeting of 24 November 2009 where it was resolved to initiate the rezoning process by requesting the Department of Planning to undertake a 'gateway determination'.

The Proponent owns a large parcel of land at Medowie (127 ha) with the intention of developing a high quality rural residential estate over approximately 45% of the site while dedicating the remainder of the site (i.e approximately 70ha) into public ownership allowing for its environmental protection.

The site comprises four large lots (each approximately 30 hectares in size) containing four dwellings, and is currently used for rural purposes. However, the site is directly adjacent to the existing Medowie township and the main road corridor of Medowie Road. As such, the site has the potential to provide a more sustainable land use in accordance with the NSW Government's Strategy for the Lower Hunter Region.

To facilitate the development of the site for rural residential and environmental protection purposes, a planning proposal is required to change the zoning of the site from its current Rural Small Holdings 1(c1) Zone under the provisions of Port Stephens Local Environmental Plan (LEP) 2000.

Accordingly, this report has been prepared in support of an application to rezone the land for rural residential development and environmental conservation. The report provides the following:

- A description and analysis of the site and surrounds, including the local and regional context.
- A description of the planning proposal and an Indicative Land Use Plan, including a vision statement and key design principles for the intended development of the site.
- Consideration of the proposal in accordance with the guidelines issued by the Department of Planning.
- An assessment of the appropriateness of the proposal having regard to the strategic rationale for the rezoning, including consistency with regional and local strategies and plans.
- An assessment of the appropriateness of the proposal having regard to the suitability of the site and consideration of the key planning issues.
- A strategy for implementing the rezoning proposal.

1.1 BACKGROUND

1.1.1 Current Planning Proposal

The proposal contained within this report has been agreed between the Proponent and Council Officers and was subsequently considered by Council at its meeting of 24 November 2009 where it was resolved to initiate the rezoning process by requesting the Department of Planning to undertake a 'gateway determination'.

It has been prepared in consultation with Council and various other authorities including Hunter Water Corporation, Energy Australia and Telstra. Further, it has been prepared after considering the feedback from the local community residents who attended a Community Information Day conducted by the landowner on 20 March 2009.

Representatives from the Proponent and its consultants have met with Council's senior strategic planning officers on numerous occasions prior to formally lodging the proposal (in September 2009) and during its assessment. Council's officers recognised that there is demand for suitable land for rural residential development within Medowie. This demand cannot be accommodated within existing residential zoned land as it is nearing development capacity and is affected by various environmental constraints as well as high levels of fragmented ownership.

1.1.2 History of Rezoning Proposal

In order to understand the context of this planning proposal, the history of this matter is summarised below:

- Discussions with Council's Officers regarding the originally intended 'conventional' residential development for the site commenced in early 2006 prior to the preparation of the Draft Medowie Strategy. The outcome of these meetings provided positive feedback, and accordingly a rezoning application for conventional residential housing was progressed during 2006.
- The original rezoning application was lodged with Council in November 2006. That application sought for the development of a conventional residential housing estate accommodating approximately 1300 dwellings, primarily involving lot sizes ranging from 450m² - 600m² in line with Council's feedback and densities promoted by the Department of Planning. The assessment of that rezoning application was held pending the outcome of the Draft Strategy.
- The Draft Strategy was initially placed on public exhibition in March-May 2007 and then again in March-June 2008.
- In response to the public exhibition, a submission was made in June 2008 by the Proponent seeking inclusion of the Boundary Road site within the Draft Strategy for 'rural residential' purposes (thereby withdrawing its intention to pursue development of the site for the conventional residential proposal). The June 2008 submission addressed the issues raised within the Officers' Report of 12 February 2008 that formed the basis for not originally including the site within the Draft Strategy.
- The Draft Strategy was again tabled with the Council's Strategic Operations Committee on 3 March 2009 seeking its adoption. The accompanying Officer's Report (dated 3 March 2009) made clear references to progressing the Boundary Road site (and other sites). In particular, the Officer's Report stated:
 - (in respect to the Boundary Road site, on page 25) '...rural residential development for the site, subject to further investigations, may possibly be the most appropriate short term outcome'.
- A Community Information Day was conducted by the Proponent on 20 March 2009 to inform the community about the proposed rural residential development and to correct any misconceptions. It is noted that the majority of attendees at the information day were supportive of the rural residential proposal for the site.
- The full Council resolved to adopt the Draft Strategy on 24 March 2009 and refer the matter to the Department of Planning for endorsement. This decision acknowledged various planned amendments to the Strategy applying to a number of sites including the Boundary Road site. These sites were identified in a supplementary Council report dated 31 March 2009 as worthy of consideration (refer **Figure 2**).
- Following Council's decision and its discussions regarding the consideration of various sites (including the Boundary Road site) on/after September 2009, a 'pre-rezoning' meeting was held with the Group Manager of Sustainable Planning to discuss the information required to accompany the rural residential rezoning application.

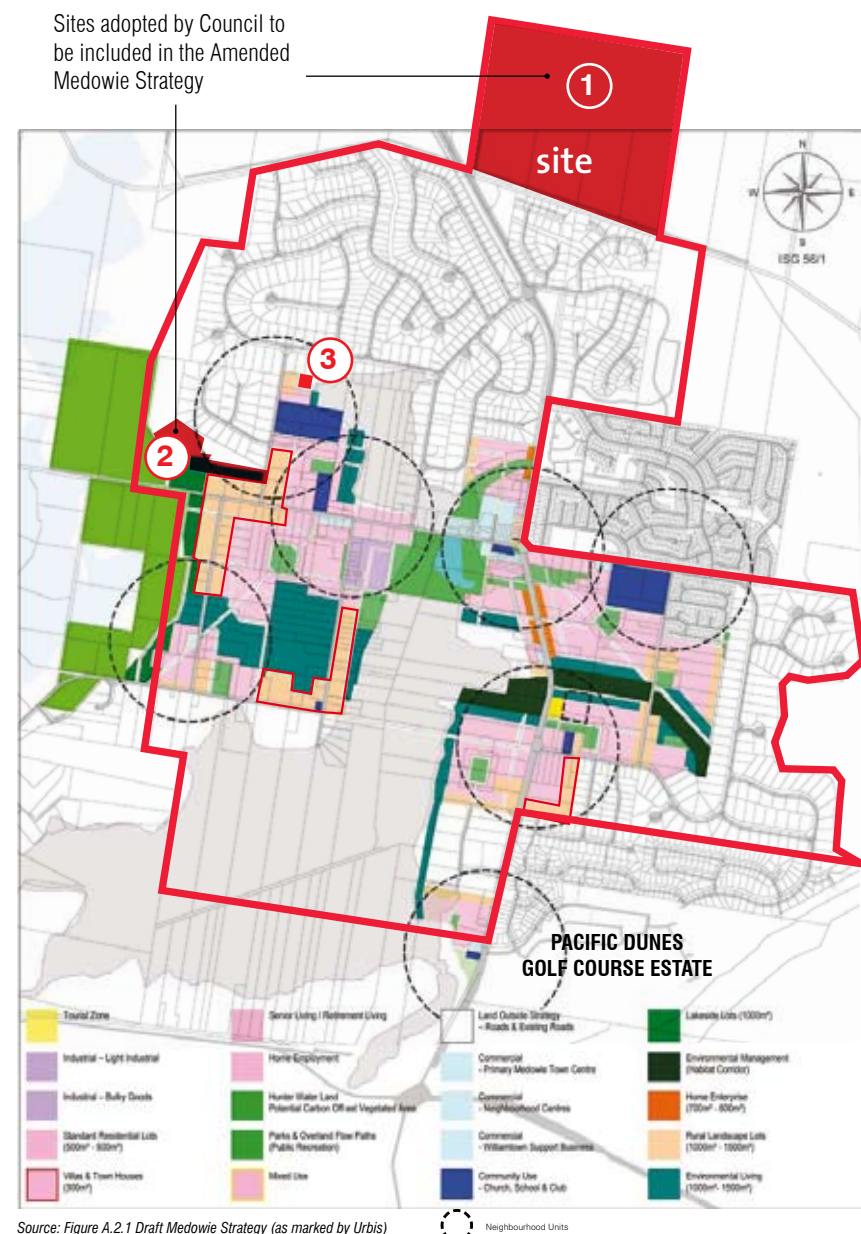


Figure 2 – Medowie Structure Plan



- Subsequent to the pre-rezoning meeting, the Proponent received a letter (dated 6 April 2009) from Council confirming the process for rezoning the land and information required to be provided and addressed as part of the rezoning submission. Since this time, the Proponent and its consultants have carried out further detailed investigations to satisfy Council's requests and met with its Officers to table and refine a conceptual layout for the site.
 - The Planning Proposal reflecting the rural residential scheme was formally lodged with Council during September 2009. That original proposal differed from the one that Council endorsed on 24 November 2009 in that it involved development on the north-eastern side of the central riparian corridor.
 - During the consideration of the rural-residential scheme, Council's strategic planning staff required certain changes to the Planning Proposal. These changes included:
 - The rural residential zoning be confined to the area to the south and south-west of the central riparian corridor and associated area accommodating the Endangered Ecological Community (EEC)
 - That apart from the land fronting Boundary Road, the remainder of the southern land referred to above be zoned to facilitated 'rural small holdings' as reflected in the Medowie Strategy of an indicative lot size of between 1000-1,500sqm.
 - That the area fronting Boundary Road also be zoned to facilitate 'rural small holdings', but with a size and configuration reflecting the existing lots fronting the southern side of Boundary Road (i.e approximately 4000sqm).
 - That the remainder of the site (ie central EEC area and north-eastern portion) be zoned for environmental protection.
 - The above changes were formally requested in a letter by Council's Officers to the Proponent in a letter dated 9 November 2009 (refer to **Appendix A1**). It is important to note that these changes were not made for ecological reasons (Council's Environmental Officer was satisfied with the previous rural-residential scheme showing development to the north and north-east of the EEC), but rather for planning reasons.
 - Council's letter also requested the Proponent consider the future transfer and ownership of the land recommended to be zoned for environmental management. In response, the Proponent provided a letter dated 11 November 2009 (refer to **Appendix A2**) to Council indicating that it was willing to initiate negotiations with Council and the Department of Environment, Climate Change and Water (DECCW) for the potential transfer of the north-eastern portion of the site into public ownership. This transfer would be facilitated through a planning agreement in accordance with the terms set out in the Proponent's letter.
- This information was considered at Council's Meeting on 24 November 2009 where Council resolved the following (**our emphasis added**):
 1. *Prepare a draft amendment and public exhibition of the Medowie Strategy to identify:*
 - a. **Site 1 Boundary Road as potential future Rural Small Holdings in the south west part and the remainder Environmental Management (Attachment 1);**
 - b. *Site 3 Waropara Road North as Rural Small Holdings and Environmental Living (Attachment 2);*
 - c. *Site 5 Ferodale Road West as Environmental Living (Attachment 3);*
 2. *Make no change to the Medowie Strategy with respect to:*
 - a. *Site 2 Corner Ferodale Road and Kirrang Drive (Attachment 4);*
 - b. *Site 4 Coachwood Drive East (Attachment 5);*
 - c. *Site 6 Medowie Rd (Brocklesby Neighbourhood North) (Attachment 6);*
 - d. *Site 7 Wade Close (Attachment 7);*
 3. **Prepare a planning proposal in accordance with section 55 of the Environmental Planning and Assessment Act 1979 to initiate the rezoning process of the Boundary Road site (Site 1) for Rural Small Holdings and Environmental Management purposes (Attachment 1) and request the NSW Department of Planning to undertake a 'gateway' determination, with no further action to be undertaken until Council's consideration of the exhibited Medowie Strategy incorporating the proposed draft amendments including Site 1 Boundary Road**
 - This Report (and its associated attachments) now reflects the current rural-residential scheme that was considered and endorsed by Council on 24 November 2009, and that will be placed on public exhibition as per that resolution.

2 SITE LOCATION

The site is located on the northern side of Boundary Road, directly adjacent to the northern edge of the Medowie township within the Port Stephens local government area (LGA).

Given its key positioning within the local and regional context and its physical characteristics, the site is well suited for rural residential development and environmental conservation purposes.

2.1 REGIONAL CONTEXT

Medowie is located in the Lower Hunter Region approximately 25 kilometres north east of the Newcastle Central Business District and approximately 12 kilometres north east of the district centre of Raymond Terrace. The regional context of the site is illustrated in **Figure 1**.

Some of the key features of the region include:

- It is well serviced by the F3 Sydney-Newcastle Freeway, the New England Highway and the Pacific Highway providing regional access to Newcastle, Sydney and Brisbane.
- It is approximately 190 kilometres (2.5 hour drive) north of the Sydney CBD.
- Port Stephens is a coastal region and is characterised by a series of significant inland water bodies including Grahamstown Lake situated at the western fringe of Medowie.
- A large area of State Conservation Area is located to the north of Medowie, between Clarence Town and Karuah, within the LGA's of Dungog, Great Lakes and Port Stephens.
- Newcastle is the main commercial, institutional and entertainment centre servicing the region.
- Maitland and Raymond Terrace currently service the subregion with a range of commercial, retail and community services including a hospital, community health care centres and education facilities.
- Newcastle Airport and Royal Australian Air Force (RAAF) Base are located in Williamstown, approximately 10 kilometres south of Medowie.
- The region is currently experiencing significant population growth and this trend is expected to continue over the next 25 years.

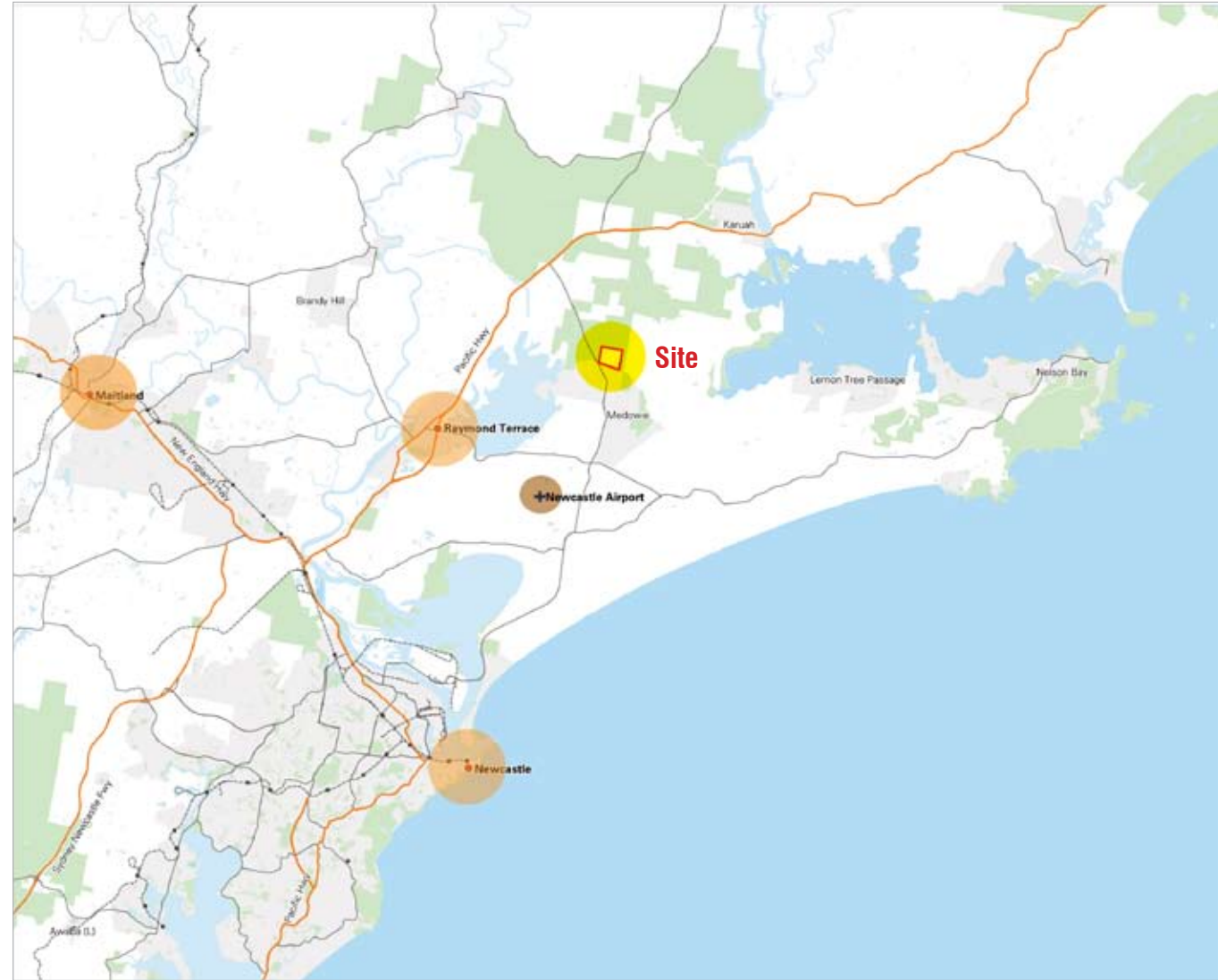


Figure 3 – Regional Context Map



2.2 LOCAL CONTEXT

Medowie is an established rural township located at the geographical centre of the Port Stephens LGA. It is centred upon the intersection of Medowie Road and Ferodale Road.

2.2.1 Broad Constraints

The urban area of the Medowie township is surrounded by various land use constraints which provide a ‘well defined’ footprint for the town and its future growth. These constraints include:

- The Medowie State Conservation Area to the north.
- The Medowie State Conservation Area and Salt Ash Air Weapons Range to the north-east.
- Identified environmental protection areas and flood-prone areas to the east, south-east and south.
- A combination of flood-prone land, koala habitat and prime agricultural lands to the south and south-west. These constraints, coupled with high levels of fragmented ownership, provide a significant constraint to the development of the south-west ‘quadrant’ of the town.
- Identified environmental protection areas and the Grahamstown Lake to the west and north-west.

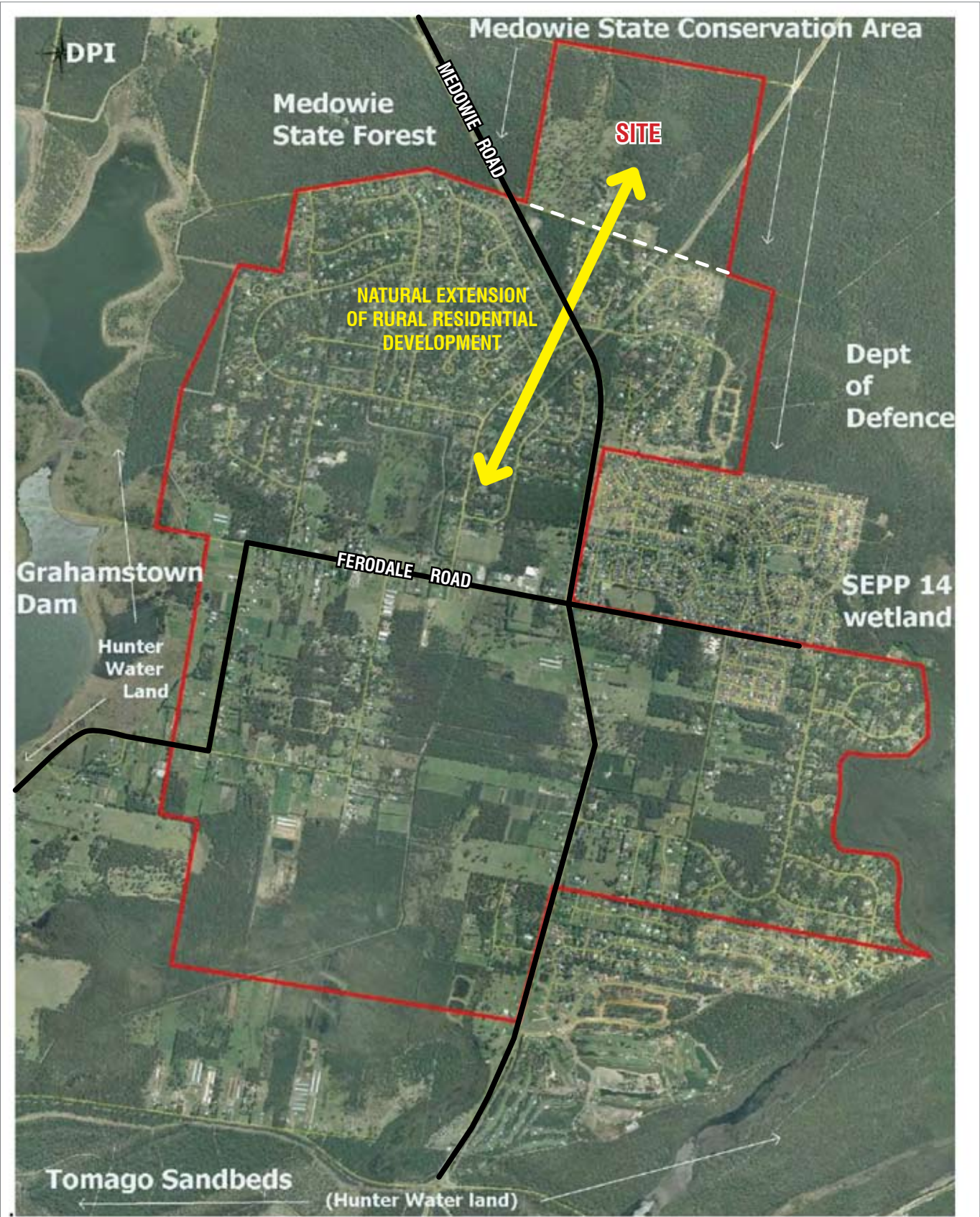
The broad constraints that define Medowie are shown in **Figure 4 and 5**.

The combination of these constraints fragments and reduces the opportunity for appropriate development within the Medowie township, particularly south of Ferodale Road.

These constraints have significantly influenced the growth pattern of Medowie, and resulted in an unconventional layout (i.e. town has not emerged in a concentric growth pattern around the commercial centre). Rather, development has occurred in a linear fashion concentrated along the Medowie Road spine.

All areas identified for potential future development, with the exception of the subject site, are affected by a multitude of property owners. This multiple land tenure presents a further constraint in the ability to realise the development potential of each area.

The constraints analysis confirms that the majority of the Boundary Road site is largely unconstrained and can be developed for rural residential purposes in a sustainable and coordinated manner.



Source: Figure A.1.16 Draft Medowie Strategy (as marked by Urbis)

Figure 4 – Broad Constraints of Medowie Map

2.2.2 Key Features

Some key features of Medowie include the following:

- Medowie is characterised by predominantly rural residential properties which have historically been developed around the core of the town and involve high levels of fragmented land ownership.
- Newer, conventional residential estates have been developed east of Medowie Road.
- A variety of local retail and commercial services are located within the Medowie town centre, including a tavern, supermarket, liquor store, post office, newsagent, chemist, real estate agent, hairdresser, professional consulting rooms, medical centre, dentist, bakery, butcher, video store, cafes and specialty shops.
- Community services and recreation facilities are also located within Medowie, including two primary schools, church, community centre, child care centre, preschool, aquatic centre and fire station.
- Access to Medowie is provided by Richardson Road, which leads from Raymond Terrace. Medowie Road provides access to the south, linking to Nelson Bay Road and beyond to Newcastle. Medowie Road also provides access to the north, linking through to the Pacific Highway.
- A private bus company provides public transport services from Medowie, including services to Raymond Terrace, Stockton and Newcastle.
- In recent years, Medowie has become the fastest growing area within the LGA.
- The supply and range of housing is one of the main challenges currently facing Medowie.

Some of these key features of Medowie are included in **Figure 5**.

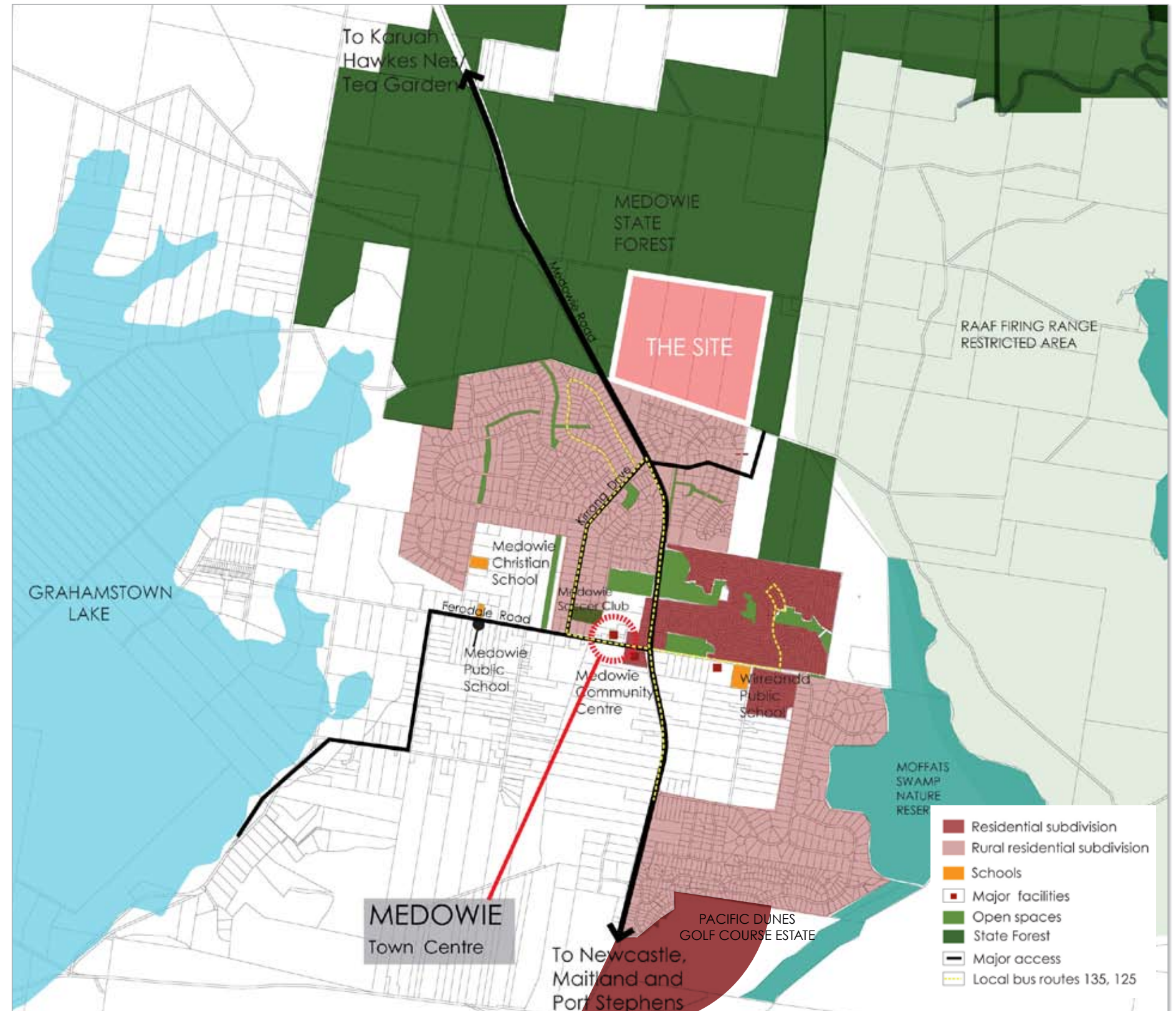


Figure 5 – Local Context Map



2.3 SITE DESCRIPTION

The site consists of Lots 93 - 96 in Deposited Plan 753194 and is shown at **Figure 6**.

The following key features and characteristics of the site are summarised below:

- The site is under single ownership.
- It has a total area of approximately 127.3 hectares and is generally rectangular in shape.
- The topography of the site is relatively flat and slopes towards the centre of the site. The site drains into an overland flow path which traverses the centre of the site and flows from the north west to the south east.
- Part of the site is vegetated, however the south western area of the site has been cleared and currently consists of grazing paddocks with limited vegetation. Large areas of dense vegetation exist on the site, predominantly along the riparian corridor towards the centre of the site and in the north-east part of the site.
- The southern boundary of the site has continuous frontage to Boundary Road.
- The site is currently accessed by individual driveways off Boundary Road.
- A 45 metre wide easement and above ground transmission line traverses the south eastern portion of the site.



Figure 6 – Aerial Site Photograph

2.4 SITE ANALYSIS

This section provides an analysis of the characteristics of the site.

2.4.1 Character and Land Use

The site has historically been used for grazing and agricultural purposes, however it is not identified as containing ‘prime agricultural land’. The site currently accommodates four dwelling houses and a number of ancillary sheds.

The land uses surrounding the site are predominantly characterised by rural residential development to the south and south-west of the site which forms part of an established rural residential estate and large areas of bushland immediately to the north, east and west of the site, comprising the Medowie State Forest.

2.4.2 Vegetation, Topography and Drainage

Part of the site is vegetated, however the vegetation in the south western portion of the site has been heavily modified and/or cleared and currently consists of horse grazing paddocks with limited vegetation. Large areas of dense vegetation exist on the site, predominantly along the riparian corridor towards the centre of the site and in the north-east part of the site.

An area located towards the centre of the site has been identified as containing an Endangered Ecological Community (EEC). Retention and protection of the EEC is discussed later in **Section 3.2** of this report.

The topography of the site is relatively flat and slopes towards the centre of the site. The site is situated within the Twelve Mile Creek Catchment draining to the south-east via a drainage line that runs through the centre of the site. The drainage line carries overland flow from the site to Twelve Mile Creek. The site is not situated in the Campvale Swamp Catchment. The drainage catchments within the surrounding areas are shown in **Figure 6A**.

2.4.3 Connectivity and Access

The southern boundary of the site adjoins an established rural residential estate, however there is no physical connection between the site and the adjoining estate.

The site is currently accessed via numerous driveways via Boundary Road. Given the extensive frontage to Boundary Road (approximately 1230m), there is potential to provide multiple access points into the site.

An existing unnamed road forms the western boundary of the site and connects Boundary Road with James Road in the north. Currently there is no direct access to the site via the unnamed road or James Road however there is potential to provide access from these roads given they both immediately adjoin the boundaries of the site.

Local bus services operate within Medowie, providing access to Raymond Terrace, Stockton and Newcastle. Further, the site is located within close proximity to Medowie Road which is a major transit corridor.

In addition to supporting public transport, the site’s location in close proximity to Medowie Road facilitates the potential to provide cycle paths in the area, to connect with the existing cycle paths in the Medowie town centre.

As such, future residents of the estate will not be limited to the use of private vehicles as the only form of transport to employment and services.

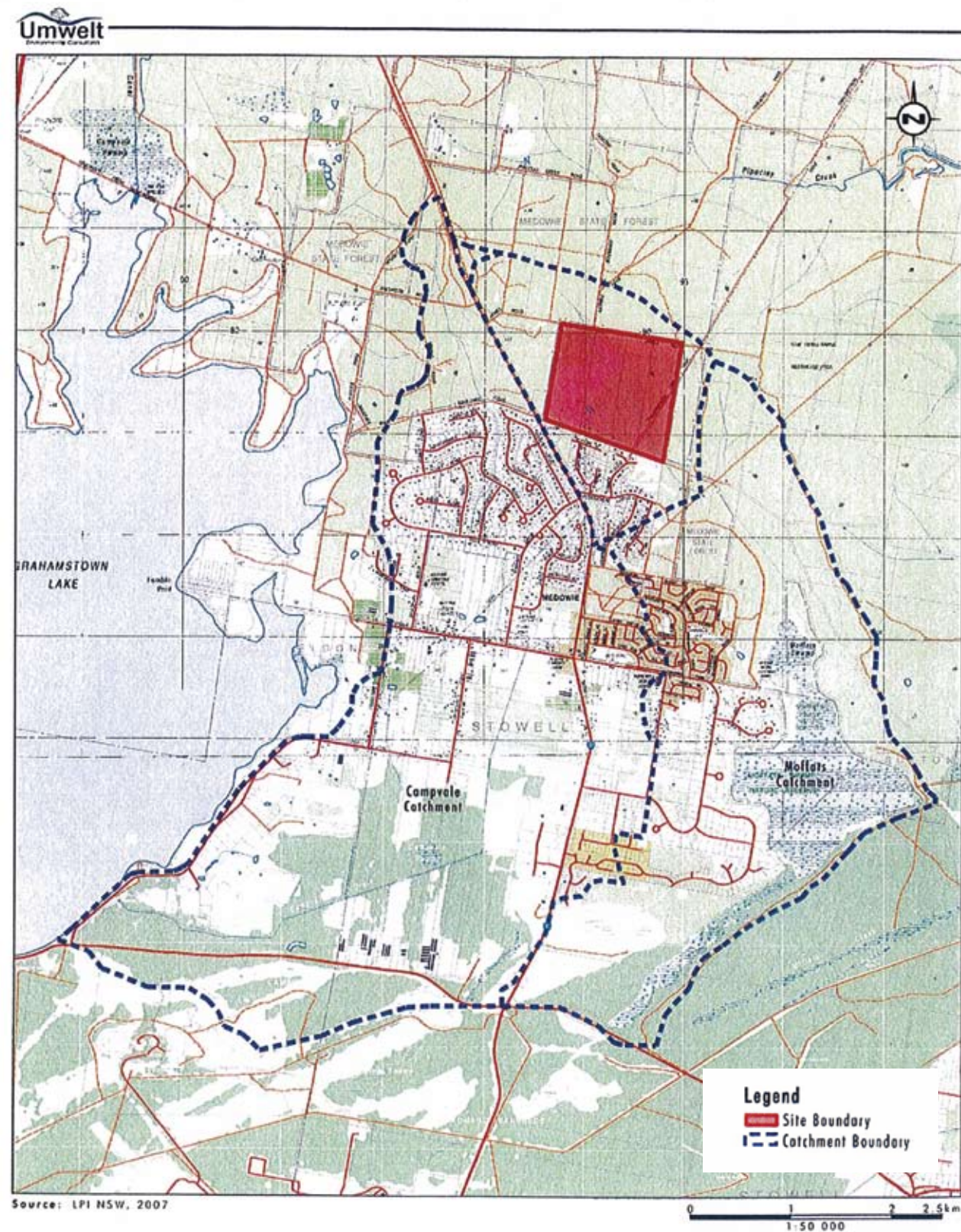


Figure 6A - Catchment Context

2.4.4 Community Services and Recreation Facilities

The site is conveniently located close to Medowie Road and Kirrang Drive which provides direct access to the Medowie town centre. The commercial centre provides a range of community services and facilities including a church, community centre, child care centre, child health centre, aquatic centre and fire station.

There are also three primary schools and two preschools located within the township. Universities and other higher order educational facilities are located in Newcastle and Maitland.

The nearest public hospital is John Hunter Hospital, located approximately 30 kilometres south east of Medowie.

2.4.5 Business, Retail and Employment Facilities

The site is generally well connected to local businesses, retail and employment facilities within Medowie and the higher order centres of Raymond Terrace and Newcastle. These centres comprise a range of commercial, civic, educational, entertainment and health related services.

The local retail services and shopping facilities within Medowie comprise a supermarket, post office, newsagent, chemist, hairdresser, professional consulting rooms, bakery, dentist, video store, cafes and specialty shops.

Significant employment opportunities are available in the vicinity of the site including the Newcastle Airport and RAAF Base at Williamstown, which is a major employment centre in the region and is earmarked for future expansion. In addition, employment opportunities are also available within the industrial precincts in Tomago. Employment opportunities in the vicinity of the site also include retail, service, construction, agriculture and tourism based industries. A more extensive range of employment opportunities are available in larger centres at Newcastle, Maitland and Nelson Bay.

2.4.6 Servicing and Infrastructure

The current status of each of the available services is outlined below:

- **Water** – Hunter Water has confirmed that water supply for the proposed development can be sourced from the existing water supply system servicing Medowie which currently has spare capacity to service the ultimate size of the development. Further, Hunter Water plans to upgrade the existing infrastructure with an additional reservoir and duplication of existing trunk main by 2015 in order to cater for the demand associated with future development within the locality.
- **Sewer** – Hunter Water has confirmed that the wastewater system currently has spare capacity to initial stages of the development. Further, the planned upgrades to the existing wastewater system (i.e. upgrading of Medowie 10 WWPS and Raymond Terrace WWTW inlet capacity) are scheduled to cater for the development of the site and other future demand. Hunter Water has advised that the possibility of accelerating the timing of the planned upgrades to the wastewater system will be subject to funding and continued consultation. As such, the Proponent will continue to consult with Hunter Water regarding the timing of the proposed development and funding of infrastructure upgrades.
- **Electricity** – Energy Australia has advised that currently there is capacity available in the existing system to service an initial stage of approximately 50 lots. Energy Australia are currently reviewing the supply to the Medowie area for provision of additional capacity, with the possibility of a new substation within the area (within approximately 5 years) which would be able to supply further stages of the development.
- **Telecommunications** – Telstra has no objection to the approval of the development, however they indicated that the current network would require upgrades in order to service the development. The technology and services provided would be determined closer to the time of development commencement. The Proponent is committed to providing the infrastructure required to achieve the upgrade.



2.5 CONSTRAINTS AND OPPORTUNITIES

2.5.1 *Constraints*

The following constraints were identified as part of the analysis of the site and immediate surrounds (refer **Figure 7**):

- Potential impact on the adjacent rural residential estate however this can be appropriately managed through future subdivision layout- in particular the size and pattern of proposed lots that front the northern side of Boundary Road.
- Drainage path and 1 in 100 ARI flood level located towards the centre of the site.
- EEC located towards the centre of the site and the requirement for buffer zones to the EEC.
- Other significant ecological features on the site including the presence of a masked owl roost tree located in the north eastern corner of the site.
- Existing electricity easement and above ground transmission line traversing the south east area of the site.
- The risk of bushfire to the development and the requirement for Asset Protection Zones on the site.
- Currently not connected to reticulated sewer and town water however connections are available at the boundary of the site.

2.5.2 *Opportunities*

An analysis of the site and immediate surrounds identified the following key development opportunities (refer **Figure 7**):

- Provide a logical extension to existing rural residential footprint in close proximity to a main road (Medowie Road).
- Provide rural residential development in a coordinated and cohesive approach, given the significant size and regular shape of the site.
- Retain and protect EEC and other significant ecological features on the site, including the denser vegetation directly contiguous with the Medowie State Forest north-east of the EEC.
- Provide linkages between vegetated areas on the site and adjacent sites to facilitate wildlife movement.
- Provide connections to essential services which are available in close proximity to the site.
- Provide a well connected road network and create new entry points off surrounding roads.
- Establish linkages to existing cycle ways, which lead to the town centre.
- Contribute to the social mix of Medowie, which will assist in maintaining a vibrant and sustainable community.
- Introduce development that complements the existing rural residential estate to the south of the site, allowing retention of the existing dwelling houses on the site (fronting Boundary Road) and providing lot sizes along the northern side of Boundary Road that reflect the appearance of the existing lots along the southern side of the Road.
- Orientate development sites to facilitate the development of north facing dwellings and capture views to vegetated areas both within the site and to the surrounding State Forest.
- Incorporate the principles of Water Sensitive Urban Design into development on the site.
- Potential to improve existing flood impacts on downstream properties.

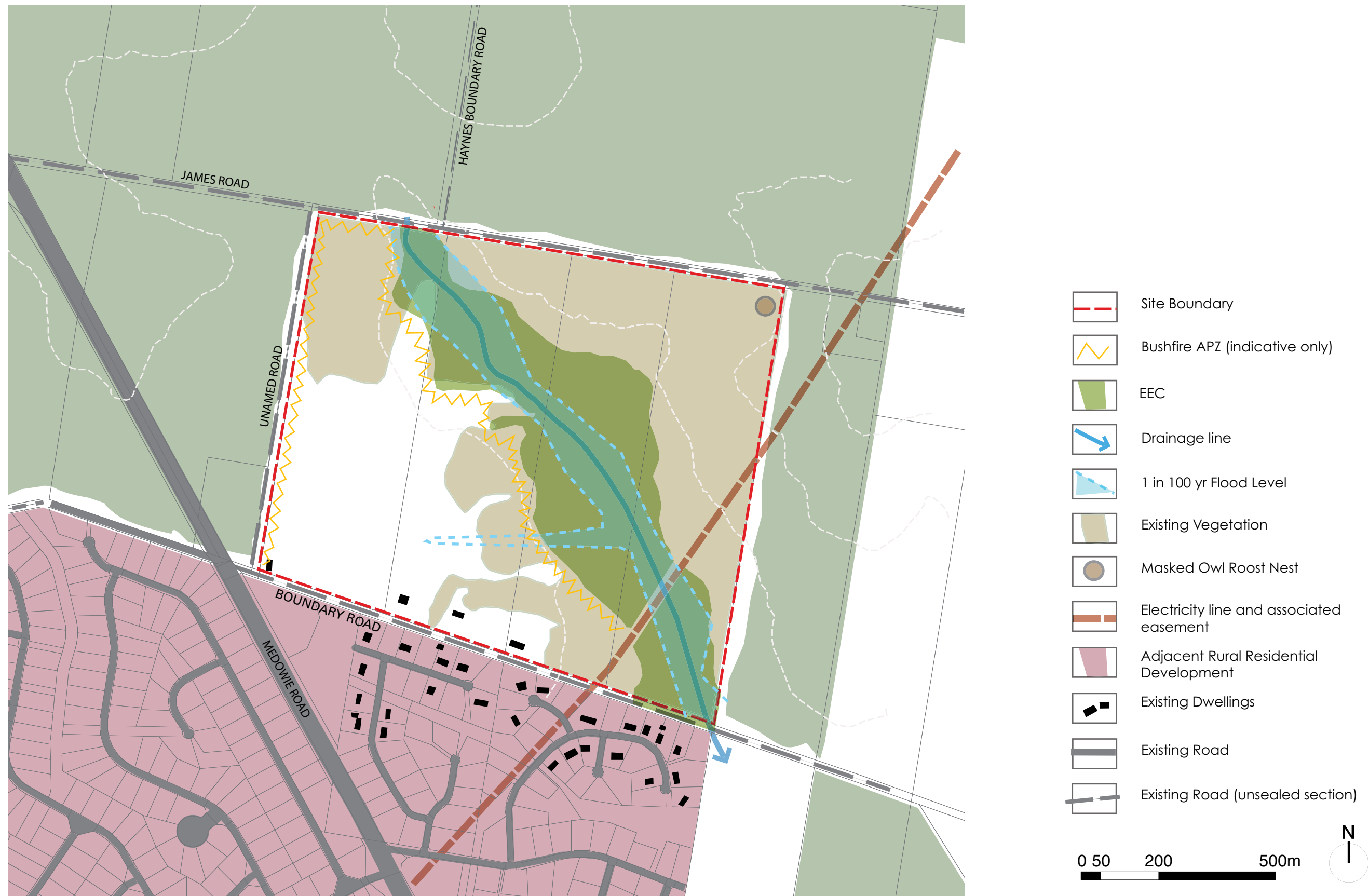


Figure 7 – Site Opportunities and Constraints Analysis



3 THE PROPOSAL

3.1 DESCRIPTION OF PROPOSAL

The proposal seeks to rezone the site from its current rural zone to accommodate high quality rural residential development and ensure long term protection of significant ecological attributes of the site.

The site is currently zoned Rural Small Holdings 1(c1) under the provisions of the Port Stephens LEP 2000. Under the provisions of the LEP, the minimum lot size for subdivision in the current zone is restricted to 20 hectares.

It is proposed to rezone the site as outlined below:

- Part Rural Small Holdings Zone – This zone will apply to that part of the site to the south and south-west of the centrally mapped EEC area within the site. The zoning will reflect the rural small holdings zone identified in the Medowie Strategy enabling development for rural residential development down to a minimum lot size of 1000sqm and with an indicative lot range of between 1000-1500sqm. It is anticipated that special provision will apply to that part of the site fronting the northern side of Boundary Road requiring lots along this frontage to reflect the general size and configuration of existing lots fronting the southern side of Boundary Road (ie approximately 4,000sqm).
- Part Environmental Management Zone – This zone will apply to the mapped EEC area within the central section of the site also incorporating land to the north and north-east of this area. This zoning will enable the long term protection of this part of the site.

The particular zones and provisions used to achieve the above will be worked through with Council during the assessment process. An indicative proposed Zoning Map is illustrated in **Figure 8**.

We also note that the Proponent has indicated to Council in its letter dated 11 November 2009 (refer **Appendix A2**) that it is willing to initiate negotiations with Council and DECCW for the potential transfer of the land intended to be zoned for Environmental Management into public ownership.

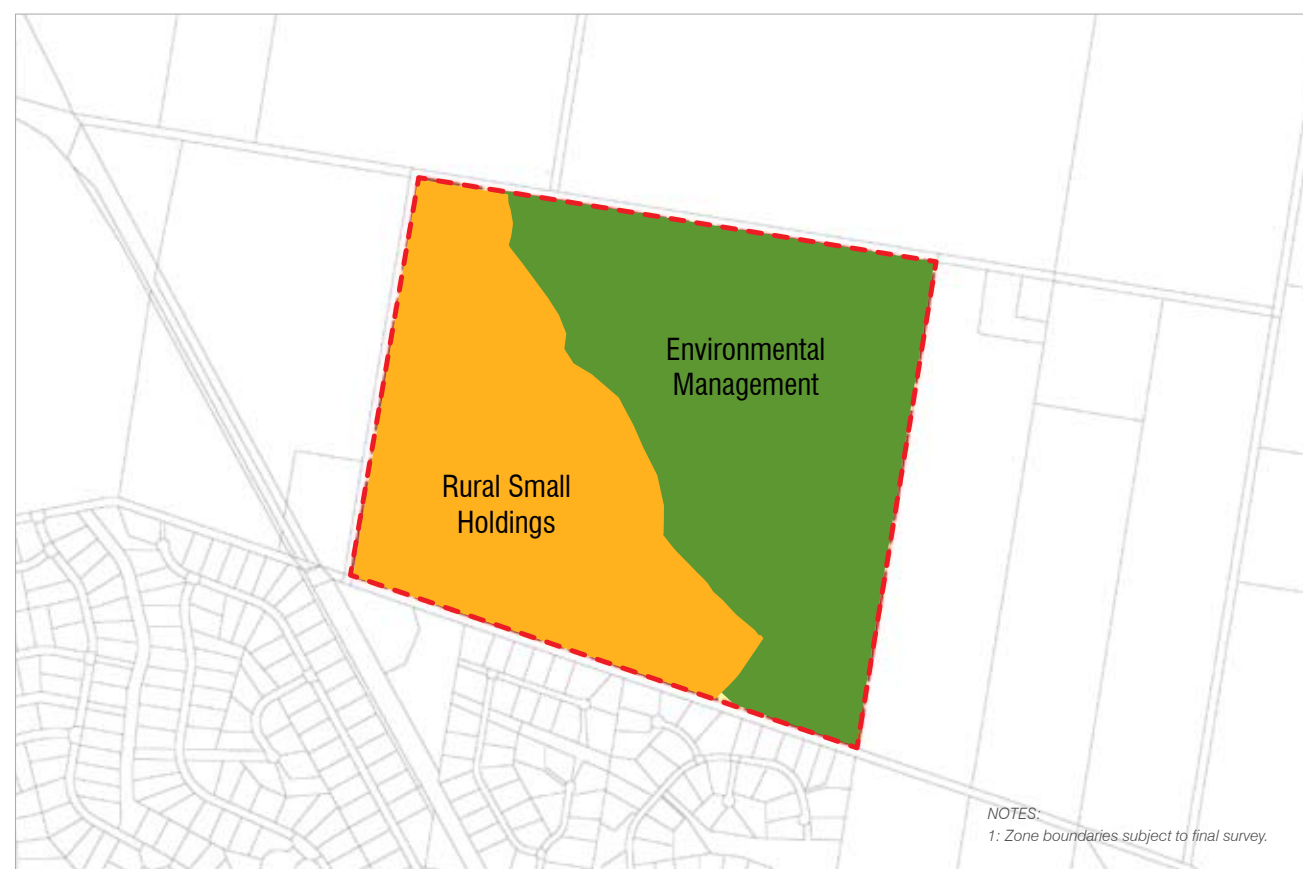


Figure 8 – Indicative Proposed Zoning Map

3.2 INDICATIVE LAND USE PLAN

The Indicative Land Use Plan (**Figure 9**) was prepared and submitted to Council Officers during its consideration of this matter following lodgement in September 2009. The purpose of the Plan was to:

- Identify the area (as a result of various environmental investigations) that was best suited to rural-residential development achieving an indicative lot size of between 1000-1500sqm.
- Identify a 'developable footprint' to commence more detailed master-planning. Previous master-planning work on the site has identified a conceptual road layout which is shown on the land use plan for illustrative purposes; however the final alignment of this road network together with lot configuration would be the subject of a development application for subdivision following the rezoning process.
- Identify the mapped EEC that exists on the site together with the vegetated area to the north and north-east that will not be developed, and that will be zoned for environmental protection.
- Demonstrate that the site can provide a meaningful contribution to the objectives of the Lower Hunter Regional Strategy in respect to Medowie's planned growth whilst retaining the significant ecological features of the site and rural-residential character of the area.
- Inform the extent of essential infrastructure upgrading for the applicant's internal costing purposes.

A yield analysis based on the Indicative Land Use Plan anticipates the provision of some 300-350 rural-residential allotments. One scenario developed based on the road network shown on the Indicative Land Use Plan, and also providing for larger allotments along the northern side of Boundary Road, provides a lot yield of 336 lots.

The Indicative Land Use Plan has been prepared in consultation with Umwelt (who have expertise in ecology and hydraulic engineering) who have endorsed the scheme (refer to relevant comments in **Sections 6.3** of this Report and **Appendix B**).

It is important to note that in the preparation of the Indicative Land Use Plan, Council's Environmental Officers acknowledged that the ecological values of the site were contained within the EEC and area to the north and north-east of the EEC, and that whilst some vegetation existed to the south and south-west of the EEC (where it is mostly cleared), such vegetation had an 'aesthetic and character value' (rather than an 'ecological value').

3.2.1 Key Development and Ecologically Sensitive Design Principles

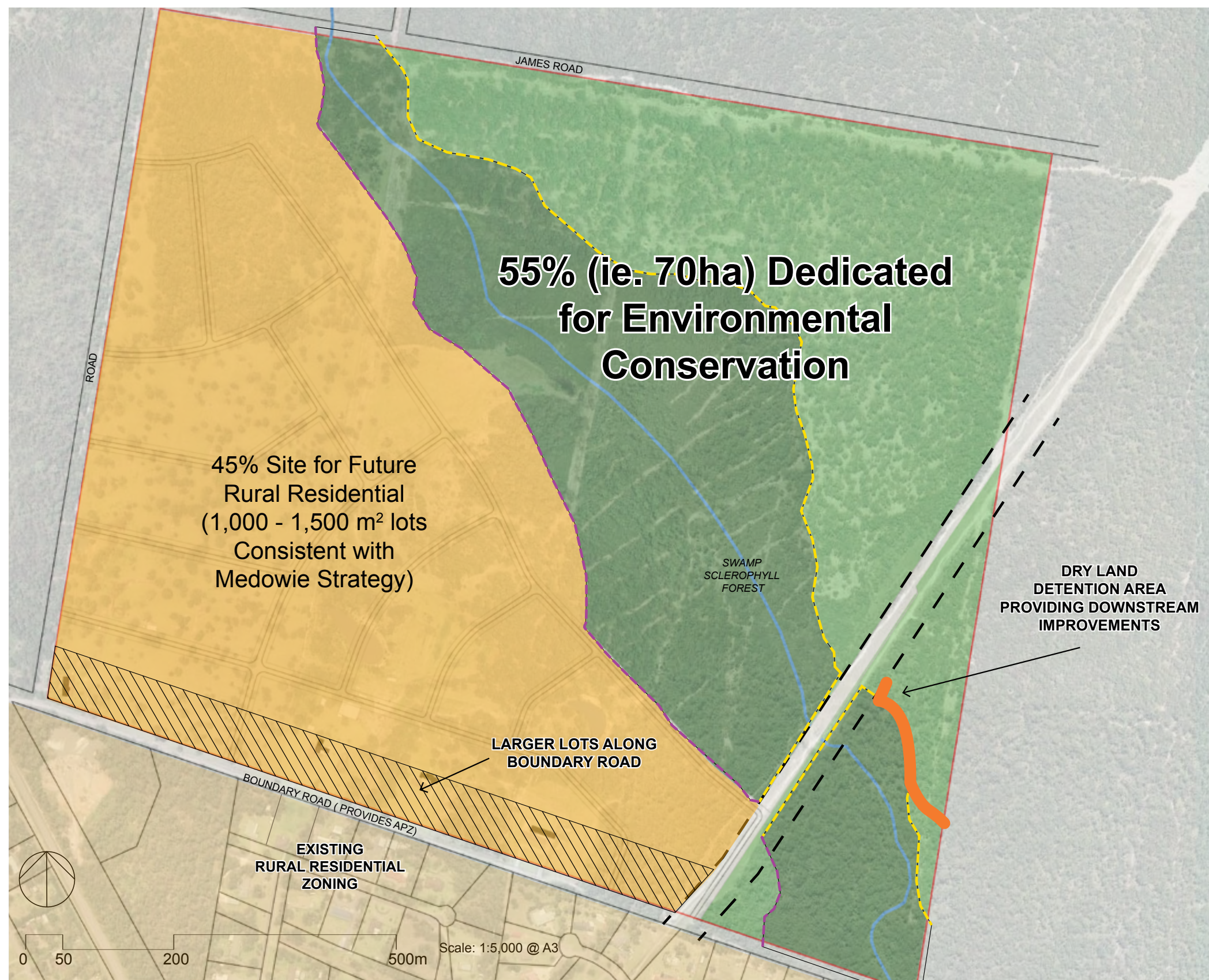
In order to demonstrate to Council the commitments made by the Proponent arising from the development outcome for the site, various key development principles and ecologically sensitive planning and design have been prepared for the future development of the site.

Key Development Principles

The Indicative Land Use Plan has been based on a series of key development principles as outlined below:

- To provide a cohesively-designed rural residential estate able to developed in stages.
- To retain and enhance the centralised EEC on the site as well as the vegetated area to the north and north-east of the EEC, in recognition of the ecological values of the site.
- To integrate lot design, where possible, with vegetated areas to the south and south-west of the EEC in order to retain the natural character and amenity values of the site for the benefit of future residents, and to use this as a 'point of difference' in the market.
- To provide a coordinated streetscape within the Estate by installing up-front road and drainage infrastructure including full bitumen seal and roll curb gutter design.
- To provide a coordinated streetscape and distinctive rural-residential character within the Estate by installing up-front 'post and rail' fencing along street frontages.
- To ensure the 'up-front' provision of roadworks, drainage and fencing is established within the Estate and provides a coordinated public realm through covenant control (or alternatively DCP control).
- To ensure the public realm and streetscape provide an attractive and coordinated appearance throughout the Estate by placing covenant control (or alternatively DCP control) preventing the use of front yard areas for outdoor storage or outbuildings.

Illustrations used to articulate some of the above principles are shown in **Figure 10**.



LEGEND

- EEC Boundary to undeveloped land
- Smoothed EEC boundary as confirmed with Council's offices
- Easement
- Drainage
- EEC
- Undeveloped Land
- APZ
- Existing Building
- Rural Small Holdings (1,000 - 1,500sqm) as per Council's Medowie Strategy
- Larger lots to be provided reflecting a similar frontage width and presentation to Boundary Road as those fronting the southern side of Boundary Road.

- NOTES**
1. Precise north-eastern boundary of developable area within Rural Small Holding Zoning to consider edge impacts and interface solutions such as roadways in determining an appropriate buffer to EEC (buffer of 0 - 50m, depending on solutions provided).
 2. Road patterns shown is indicative only and subject to consideration of subdivision DA.
 3. APZ along north-eastern boundary of developable area to be determined and subject to consideration of subdivision DA.

Figure 9 – Indicative Land Use Plan



Co-ordinated 'post and rail' street fencing design to be provided 'up front' Including full bitumen seal and roll curb gutter design



Preventing the use of front yard areas for outdoor storage or outbuildings.

Figure 10 – Illustrations of Design Concept

Ecologically Sensitive Planning and Design Principles

In addition to the above development principles, the Indicative Development Plan has adopted the following ecologically sensitive planning and design principles, as recommended by Umwelt, in order to minimise ecological impacts and maximise ecological conservation outcomes. The response to these principles will be further articulated in the more detailed design of the site including at subdivision stage:

- To adopt an 'Eco-Living' approach to the planning and design of the estate
- Ecologically sensitive lot layout/yield
- To adopt a 'no net loss' approach to biodiversity
- To provide defined building location zones for lots adjoining retained vegetation
- Minimal ecological fragmentation from access/infrastructure
- To maximise retention of native vegetation
- Maximum retention of hollow-bearing trees
- Retention and protection of significant vegetation including identified EEC
- Appropriate vegetated buffers to identified ecologically significant features
- Detailed ecological surveys
- Identification and accurate marking (via surveyors) of significant ecological features
- Development of a Construction Management Plan
- To implement a post-development Ecological Management Plan
- To employ appropriate mechanisms to ensure long-term protection of retained ecological features



4 PLANNING PROPOSAL

This section of the report addresses the guidelines recently issued by the Department of Planning for the preparation of rezoning proposals (PS 09-015). We note that these guidelines supersede the Department of Planning Circular PS 06-013.

4.1 OBJECTIVE OF THE REZONING PROPOSAL

The objective of the proposal is to rezone the land to accommodate rural residential development and to ensure the long term protection of the EEC and other vegetation on the site.

4.2 EXPLANATION OF PROVISIONS

The proposal constitutes an amendment of the Port Stephens LEP Land Use Zoning Map in accordance with the proposed Zoning Map included at **Figure 8**.

4.3 JUSTIFICATION FOR REZONING PROPOSAL

The list of considerations required by the Department of Planning's guidelines is addressed below:

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

The rezoning proposal is the result of a number of studies which have been conducted for the Medowie township including the site. The site is included within the Medowie study area which was investigated by Council as part of the preparation of the Medowie Strategy (adopted in March 2009).

The proposal is consistent with the desired outcomes and rezoning criteria of the Medowie Strategy as outlined in **Section 5.2.2** of this report.

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

The proposed rural residential development and protection of the EEC on the site cannot be realised without rezoning the land to a Rural Small Holdings and Environmental Protection zoning. As such, the proposed rezoning is the best means of achieving the objective of this proposal.

It is intended that more detailed objectives and controls be included in a DCP to facilitate the development of the site for rural residential and environmental conservation purposes. Notwithstanding, the key development principles and Indicative Land Use Plan have been included at **Section 3.2** of this report to assist in articulating the ultimate intended outcomes for the site.

3. *Is there a net community benefit?*

It is considered the proposal will provide a net community benefit for the reasons outlined below:

- It will result in the transfer of 55% of the site (i.e approx 70ha) into public ownership allowing the permanent protection and appreciation of an identified Endangered Ecological Community as well as other vegetation that has direct linkage to the adjoining Medowie State Forest, all of which is currently used for grazing livestock and subject to potential degradation.
- Further to the above, the proposal will maintain an important wildlife corridor linking to the adjoining Medowie State Forest and will enhance the appreciation and value of this area through potential methods such as water quality systems and walking trails.

- It will provide suitable land for rural residential development which will increase housing supply within the area, thereby promoting housing choice and contributing to the social mix of Medowie.
- It reflects values and desires of the community, as evidenced in the Community Information Day conducted by the Proponent in March 2009 (details are included at **Section 6.9** of this report).
- It will provide a high level of residential amenity, through the protection and enhancement of the natural features and vegetation on the site.
- Through single ownership, it will ensure well planned and high quality urban design to establish a unique natural character and 'sense of place' for future residents.
- As demonstrated in the Umwelt report included at **Appendix D**, it will improve the existing flood impacts on downstream properties by reducing peak discharge rates by 4%.
- The increased population will contribute to the viability of existing retail and community services in the area and potentially support additional services in the locality.
- The proposed development will create employment opportunities during the construction phase of the development and potentially create ongoing employment opportunities given the demand generated by increased population.

4. *Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy?*

The LHRS identifies Medowie as a town centre specifically identified for growth and development to contribute to achieving the population and housing growth targets set out in the LHRS. However the ability to meet the housing targets set out for Medowie is significantly limited due to highly fragmented land ownership and various environmental constraints within the existing township.

The proposed rezoning is compatible with the strategic direction for development in Medowie as identified in the LHRS as it will contribute to the future housing supply of Medowie and ensure the long term protection of significant ecological communities.

In summary, the rezoning of the site for rural residential and environmental protection purposes is consistent the objectives and actions of the LHRS for the following reasons:

- It is located within a town specifically identified for growth and development within the Region.
- It is located immediately adjoining an existing rural residential area and provides for an appropriate scale of housing within the natural growth boundary of the township.
- It represents development within close proximity to a main transport corridor (i.e. Medowie Road).
- The site contains various characteristics (in particular its size, shape, lack of constraints and single ownership) which all contribute to its ability to be developed and contribute to the future housing supply of Medowie, and the overall housing target established by the LHRS for Port Stephens Council.
- The development of the site is able to directly integrate with the existing rural residential area of Medowie and be designed in a manner that follows various key development principles.
- The development of the site ensures the long term protection of a significant area of the site, comprising EEC, and does not impact on the conservation values of any regionally significant corridors identified in the LHRS.

- The land is not identified as 'prime agricultural land', nor is it constrained by any significant environmental constraint that would preclude its development, noting that the EEC on the site will be retained and protected through the rezoning of the site.

Further details demonstrating the proposal's consistency with the LHRS are included in **Section 5.1** of this report.

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

The proposal is consistent with the aims and objections of the Port Stephens Community Settlement and Infrastructure Strategy (2007) and Medowie Strategy (2009) as outlined in **Section 5.2** of this report.

6. *Is the planning proposal consistent with applicable state environmental planning policies?*

The proposal is consistent with the relevant State Environmental Planning Policies (SEPPs) as outlined below:

- SEPP 44 – Koala Habitat Protection

This SEPP aims to encourage the conservation and management of areas of koala habitat.

An Ecological Assessment has been undertaken by Umwelt to assess the site for Koala habitat (refer to **Appendix B**). A summary of the main findings in relation to Koala habitat is provided below:

- The proposed development will not result in a significant impact on the koala.
- There were no sightings of koalas during surveys conducted on the site, however signs of their presence were recorded on the site (i.e. scats and faecal pellets).
- Key areas of Preferred Koala Habitat on the site fall within the Swamp Sclerophyll Forest (located towards the centre of the site which is being retained and protected for conservation purposes), as well as in the south western corner of the site.
- The patch of Preferred Koala Habitat in the south western corner of the site has been selectively cleared in the past, so that the vegetation currently consists of scattered canopy species over a cleared grazing pasture. Some degree of shrubby regeneration has occurred within this area since the exclusion of grazing over the past year. Despite this level of disturbance, the remnant canopy trees still provide likely habitat for the koala, and it is likely that this species could travel across the open ground to other areas of more substantial habitat.

In summary, the proposed rezoning will enable the protection and management of the key areas of Preferred Koala Habitat identified on the site through the retention of the Swamp Sclerophyll Forest, where key areas of koala habitat are located. This will secure a large wildlife corridor to aid koala movement between the forest communities located within the Medowie State Forest.

- SEPP 55 – Remediation of Land

This SEPP requires planning authorities to be satisfied that environmental risks associated with the activities of past land uses be taken into account when considering a change of zoning that may be more sensitive to the risks created by past site activities.



Given the previous agricultural uses on the site, a Phase 1 Environmental Assessment was undertaken by HLA-Envirosciences. A summary of the main findings of the assessment is provided at **Section 6.7** of this report:

If any part of the site is found to be contaminated during development stage, it will be remediated in accordance with the SEPP to ensure that the site is suitable for residential purposes.

- SEPP (Rural Lands) 2008

Given the current zoning of the land is for Rural Small Holdings, the provisions of SEPP (Rural Lands) 2008 apply. In particular, the proposal should consider the rural subdivision principles contained in Clause 8 of the SEPP. The proposal is satisfactory when considering these principles as demonstrated below:

- The land is not prime agricultural land and currently accommodates low intensity grazing. It currently exists as 4 x 30 ha parcels with approximately 60% of the site vegetated and the balance of the site directly adjacent to an existing rural residential area. It therefore does not provide a valuable or productive agricultural resource, nor can it accommodate or expand to provide an intensive agricultural facility. Further, the vegetated area on the northern part of the site and adjoining State Forest forms a natural barrier to future urban growth, and therefore the most logical and orderly use for the land is for small lot rural-residential development. Subdivision and development of the land in this manner does not result in fragmentation of productive rural land nor does it isolate productive rural land.
- The rezoning of the site for small rural holdings, including the provision of larger lots along the northern side of Boundary Road (reflecting the character of existing development on the southern side of the road) provides an appropriate buffer that will minimise land use conflicts with existing development. It also represents a logical extension that will not provide conflict at its outer edge due to the natural constraint boundary of the town mentioned above.
- Analysis of the supply and demand of rural residential product (contained within this report) shows that limited supply is available and that future supply will likely be in the form of multiple small scale infill subdivisions that are linear in shape and that predominantly exist along main or collector roads- and therefore being unable to take advantage of the benefits and amenity associated with a broader master-planned estate such as the subject site. This analysis also shows strong interest in rural-residential product in the Medowie area which is set to continue given the pending expansion of activities and employment associated with Newcastle Airport. This analysis, together with the indicate lot range of 1000-1500sqm as shown in the Medowie Strategy, supports the rezoning of the site.
- The natural constraints of the land and the planning for dwelling opportunities have been taken into account in the potential future subdivision of the land. In this respect, the Ecological Report prepared by Umwelt supports the subdivision of the land to the south and south-west of the EEC for lots ranging from 1000-1500sqm.

7. Is the planning proposal consistent with applicable Ministerial Directions?

The rezoning proposal is consistent with relevant Ministerial Directions as outlined below:

- Direction 1.2: Rural Zones

The objective of this direction is to protect the agricultural production value of rural land.

The site is currently used for low-intensity grazing purposes. It is not identified as 'prime agricultural land' and is located upon the urban fringe of Medowie where potential expansion has been anticipated in the LHRS (refer to **Section 5.1** of this Report).

The site is contained by natural constraints to the north, being the Medowie State Forest, and is directly adjacent to existing rural-residential development resulting in an overall development area of approx 57ha. This size means that, in the context of grazing use, its loss is of minor significance. Further, the site's location and constraint means its intensity is currently constrained and it cannot expand for agricultural production. On this basis, the development of site is not inconsistent with this Ministerial direction and represents a logical and orderly use of the land.

- Direction 1.5 Rural Lands

The objective of this direction is to protect the agricultural production value of rural land and to facilitate the orderly and economic development of rural lands for rural and related purposes. In the context of this particular application, it requires planning proposals to be consistent with the rural subdivision principles listed within State Environmental planning Policy (Rural Lands) 2008.

For the reasons identified above (responding to Direction 1.2) and also as discussed in **Section 4.3.6**, the proposal is consistent with this Direction.

- Direction 2.1: Environmental Protection Zones

The objective of this direction is to protect and conserve environmentally sensitive areas.

This direction is mainly concerned with 'removing' land already zoned for environmental protection purposes, rather than 'creating' land for such purposes. The environmental value of the land is addressed by Umwelt in its report in **Appendix B**. As earlier stated in this report, Council's Planning Officers have requested the land to the north and north-east of the EEC to be zoned for environmental protection purposes.

- Direction 3.1: Residential Zones

The objective of this direction is to encourage a variety of housing types to provide existing and future housing needs, to make efficient use of existing infrastructure and services and to minimise the impact of residential development on the environment and resources lands. It requires that provisions be included within planning instruments that broaden the choice of housing types, make efficient use of infrastructure and services, reduce consumption of land for housing on the urban fringe, and be of a good design.

While the proposal provides for residential development, it involves a specific type- i.e rural-residential development. It therefore only provides for low density housing, with a broader range of housing types being provided in other more centrally located precincts within the Medowie Strategy.

The intended lot range of the future development of the site is 1000-1500sqm which, in the context of rural residential development is an efficient use of this residual fringe land. For the reasons previously outlined above, the development of the land for rural-residential purposes in this location represents both logical and orderly outcome.

The key development principles outlined in **Section 3.2.1** of this report together with the Proponent's commitment to a site-specific DCP demonstrates that the pursuit of good design for the site is a shared goal for both the Proponent and Council.

It requires Council to ensure land is properly serviced and allows the permissibility of dwellings. These considerations can be appropriately addressed by Council throughout the consideration of the rezoning process.

- Direction 3.4: – Integrating Land Use and Transport

The objective of this direction seeks to improve access to housing, jobs and services by walking, cycling and use of public transport as well as reducing car dependency and supporting the efficient and viable operation of public transport.

The site is located immediately adjacent to the existing township and is in close proximity to Medowie Road which provides direct access to local community facilities and services, shops and employment in Medowie, as well as surrounding district and regional centres (including Newcastle Airport) for employment, services and recreation.

The site is not an isolated greenfield site in the context of a rural town and as a result it can be linked to existing or planned pedestrian and cycling networks. While private transport is likely, bus services are available in Medowie, thereby offering a choice in transport, if required. Further, the increased population generated by the proposed development will contribute to the viability of existing bus services in the area. As such, the proposal will satisfy the objectives of this direction.

- Direction 4.3: Flood Prone Land

The objectives of this direction seek to ensure that development of flood prone land is consistent with the NSW Government's Flood Prone Land Policy and the principles of the Floodplain Development Manual 2005, and also to ensure the provisions of an LEP on flood prone land are commensurate with flood hazard including the potential flood impacts both on and off the subject land.

The proposal will satisfy the objectives of this direction as the location for residential dwellings on the site has been designed above the 1:100 year flood level and appropriate flood and stormwater analysis has been provided with the planning proposal.

- Direction 4.4: Planning for Bushfire Protection

The objectives of this direction are to protect life, property and the environment from bush fire hazard by discouraging the establishment of incompatible land uses in bush fire prone areas, and also to encourage sound management of bush fire prone areas.

This direction requires that Councils consult with the NSW Rural Fire Service (RFS) in the preparation of any draft LEP and have regard to 'Planning for Bushfire Protection 2006' as well as complying with certain design provisions that serve to mitigate bushfire risk. The proposal has been designed in accordance with the requirements of the RFS and therefore satisfies the requirements of this direction.

- Direction 5.1: Implementation of Regional Strategies

The objective of this direction is to give legal effect to the vision, land use strategy, policies, outcomes and actions contained in regional strategies.

As described in further detail in **Section 5.1**, the proposal achieves the vision and land use strategy contained within the LHRS as well as addresses its relevant outcomes and actions.

■ Direction 6.3: Site Specific Provisions

The objective of this direction is to discourage unnecessarily restrictive site specific planning controls.

In this respect, there are sufficient mechanisms available to Council to enable the permissibility of the development envisaged through the proposed rezoning.

8. *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?*

Umwelt have undertaken an assessment of the potential impact of the proposed development on these features, as per the requirements of the Environmental Planning and Assessment Act 1979 and the Environment Protection and Biodiversity Conservation Act 1999.

Umwelt's assessment concluded that:

- the efforts employed to avoid and minimise impact (adopted by Eureka as part of the Indicative Land Use Plan) have ensured that the overall ecological impact of the proposed development will be minimal.
- In an effort to provide additional best-practice ecological outcomes for the project, residual impacts (those unable to be avoided or minimised) will be mitigated/offset by the proposed provision of a formal offset area to Council.
- This on-site offset area comprises a substantial amount of high quality vegetation, including an EEC which is highly-cleared in the Medowie area. Provision of this as a formal offset area will allow the inclusion of approx 70ha of ecologically significant vegetation into the reserve system.
- The proposed development provides an economically acceptable development that contributes to the provision of housing to the Medowie area, while ensuring minimal impact on the ecological features of the study area, as well as the larger Medowie township area.

The Ecological Assessment undertaken by Umwelt is included at **Appendix B**.

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

All potential environmental effects and management mitigation measures are addressed in **Section 6** of this report.

It is considered that the proposed rezoning for rural residential purposes is suitable for the site. Further, the matters outlined in **Section 6** of the report have been considered and appropriately addressed in the preparation of the Indicative Land Use Plan.

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

The social and economic effects of the proposal are addressed in **Sections 6.9** and **6.10** of this report.

Overall, the rezoning is likely to achieve a net economic and social benefit for Medowie and the surrounding area.

11. *Is there adequate public infrastructure for the planning proposal?*

Adequate utility services and infrastructure is available for the proposal as summarised in **Section 6.8** of this report.

12. *What are the views of State and Commonwealth public authorities consulted in accordance with the gateway determination?*

Relevant public authorities will be consulted following the consultation requirements identified in the gateway determination.

4.4 COMMUNITY CONSULTATION

The rezoning proposal will be publicly exhibited for a period of 28 days, in accordance with the Department of Planning's guidelines.

As previously stated, a Community Information Day was conducted by the Proponent on 20 March 2009 to correct community misconceptions about the proposed rural residential development on the site. It is noted that the majority of attendees at the information day were supportive of the rural residential proposal for the site.

We note that the Proponent intends to undertake further community consultation during the public exhibition process.



5 STRATEGIC RATIONALE

5.1 CONSISTENCY WITH REGIONAL STRATEGIES AND PLANS

5.1.1 Lower Hunter Regional Strategy

The Lower Hunter Regional Strategy (LHRS), adopted in October 2009, was prepared by the Department of Planning to ensure that adequate land is available and appropriately located to sustainably accommodate the projected housing, employment and environmental needs of the Region's population over the next 25 years.

The LHRS has a 'companion document', the Lower Hunter Regional Conservation Plan (LHRCP) which was recently adopted in April 2009. This is addressed at **Section 5.1.2** of this report.

In particular, the LHRS seeks to:

- Ensure that sufficient employment lands are available to cater for 66,000 new jobs.
- Plan for an additional 160,000 residents and 115,000 new dwellings.
- Establish important green corridors, to protect and enhance the Region's strong environmental and biodiversity assets.
- Reinforce the role of Newcastle City Centre as a Regional Centre.

Housing

An important component of the LHRS is fulfilling the above housing and population targets and Local Government's role in developing appropriate strategies and LEPs to achieve their 'share' of these numbers.

Medowie is identified as a 'town centre' on the LHRS Map (refer **Figure 11**).



Figure 11 – Lower Hunter Regional Strategy Map

Some key actions within the LHRS that are relevant to Medowie, and which the development of the subject site specifically achieves, include the following:

- Facilitating the concentration of activities along transport routes and within and adjacent to Centres.
- Contributing to dwelling projections for lower order centres consistent with local strategies that address urban consolidation and intensification in urban areas.

The LHRS identifies specific 'new release areas' and calls for the development of 'more compact settlements' in meeting housing targets. In achieving more compact urban settlements, the LHRS seeks to facilitate greater housing opportunities within and adjoining the Region's centres, specifically:

- new dwellings in renewal corridors;
- general urban infill;
- on existing zoned but undeveloped land; and
- on land within proximity to centres.

More specifically to the last point above, it is noted that Medowie is characterised by rural-residential development which provides constraints to intensification. Further, various environmental constraints also affect the town's ability to grow. It seems these constraints are recognised within the LHRS which anticipates growth, in appropriate areas, at its fringe. In Section 8 on Environment and Natural Resources, the LHRS includes the following reference:

The combination of environmental values, hazards and the distance to serviced centres means that the area unsuitable for new large scale urban development, other than building on the existing community at Medowie and employment land at Tomago and Williamstown.

The development of the site for housing comfortably fits within an area anticipated for growth under the LHRS as it is not only located on land 'within proximity' to Medowie, but is directly adjoining the existing rural residential area of the township and forms a natural northern growth boundary of the town.

Rural Landscape and Rural Communities

The LHRS recognises that rural residential development provides for those who desire to reside in a rural area without having to commit to the purchase of a working farm.

The LHRS (Section 9) sets out the following criteria for the Department of Planning to consider when assessing rezoning proposals for rural residential development:

- Consistent with the Sustainability Criteria – the proposal is consistent with the Sustainability Criteria as outlined below.
- Consistent with an endorsed local Council strategy – the proposal is consistent with the aims and objectives of the Medowie Strategy as outlined in **Section 5.2.2** of this report.
- Maintain the character and role of the existing village centre – the proposal will complement the existing semi-rural character created by the adjoining rural residential development by maintaining a natural setting and enhancing the semi-rural and landscape character of the area. Further, the proposal and contribute to the ongoing viability of services provided within Medowie, and will not impact on the role of the existing town centre.

Environment and Natural Resources

The LHRS makes specific reference to the use of the Sustainability Criteria within Appendix 1 of the document when assessing certain proposals. The LHRS (Section 8) also specifically states that such consideration does not apply where proposals are located on land within the Watagan-Stockton Green Corridor.

The issue of whether or not the site sits within the 'green corridor' and the ability for Council to assess the Sustainability Criteria in order to progress the rezoning of the site has been discussed with both Council and the DOP. These discussions, together with our letter to Council dated 28 October 2009, have confirmed the ability for Council to progress the rezoning of the site, notwithstanding that it is coloured in a green hatching on Map 1 of the LHRS.



In any case, the rezoning and development of the site is appropriate for the following reasons:

- The mapping that relies upon correct identification of the green corridors is at a broad-scale and appears to contain several discrepancies and should not be relied upon at a site-specific level. Rather, it is the responsibility of local Council's (or applicant's seeking rezoning) to carry out area-specific investigations and 'ground-truthing' so that a proper analysis can be made of a particular proposal against the underlying outcomes and actions sought by the LHRs.
- The origin of the green corridor mapping in the LHRs (published in October 2006) stemmed from the work conducted by the Department of Environment and Climate Change (DECC) in the preparation of the LHRCP which was only recently adopted in its final form, more than two years after the LHRs was adopted.
- The assessment by Umwelt confirms that the site is affectively part of 'the island of Medowie' that lies within the middle of the broadly mapped Watagan-Stockton Corridor, and that due to its location, future development on the urban fringe is not likely to be significantly damaging to the existing corridor function. The corridor issue is further explained in Umwelt's Report at Section 3.3.10.1
- The technical information included within the Umwelt Report demonstrates that, at a site level, the development of the site for rural residential purposes is acceptable from a flora and fauna perspective.
- The portion of the site intended to be developed is largely cleared and is directly adjacent to existing rural residential development. This provides urban development that builds upon the existing community consistent with that anticipated by the LHRs referred to at page 31. Further, the EEC and vegetation to its north and north-east (which are not proposed to be developed) provides a natural contiguous limit to the north of the town that, collectively, contributes to the function of the Watagan-Stockton corridor.

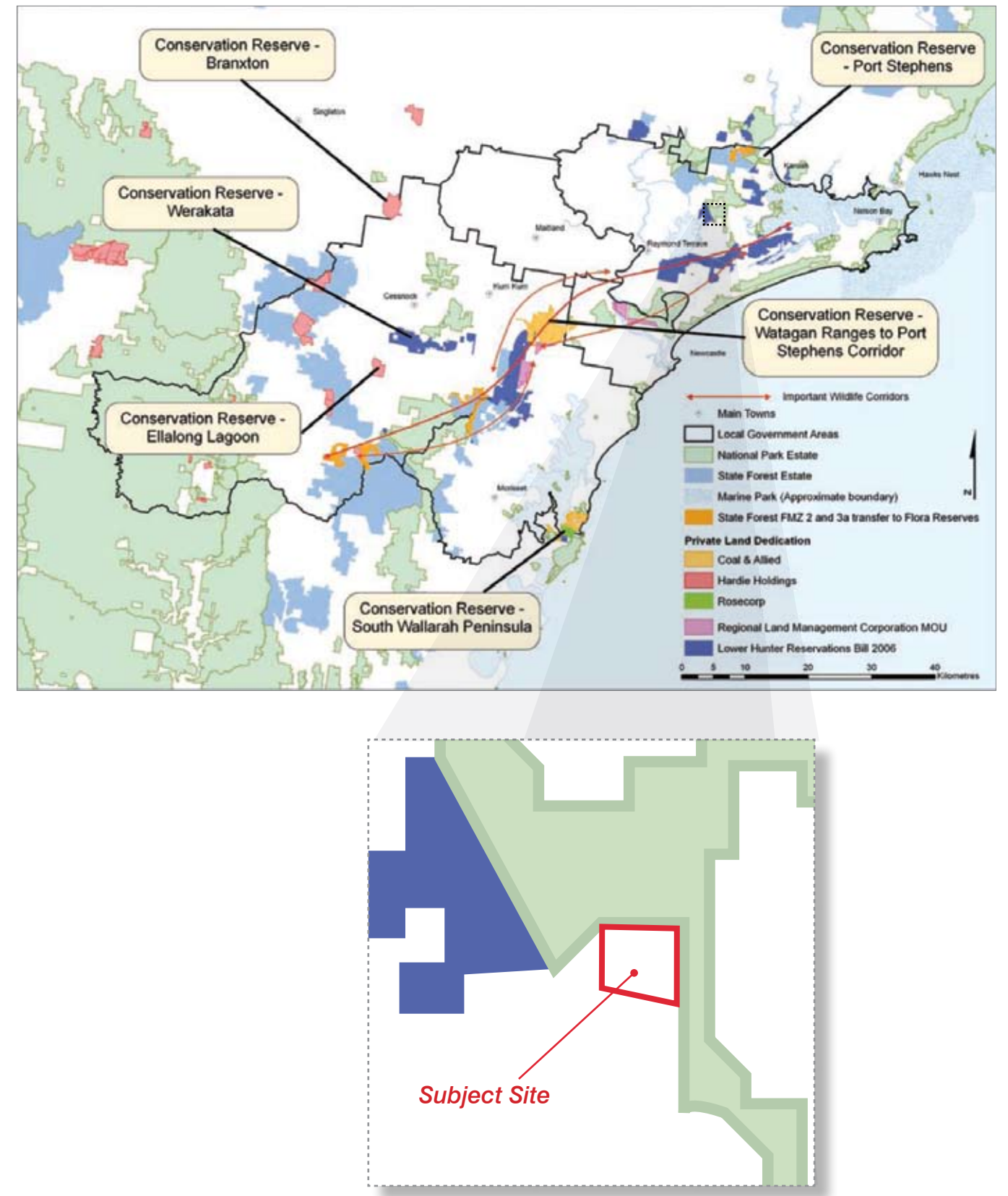


Figure 12 – Lower Hunter Regional Conservation Map

Sustainability Criteria

The proposal is consistent with the Sustainability Criteria contained within the LHRS, confirming it is appropriate to rezone the land for rural residential purposes. This consistency is outlined in Table 1.

Table 1 – LHRS Sustainability Criteria – Assessment of Rezoning Proposal

Sustainability Criteria	Response	Complies
1. Infrastructure Provision Mechanisms in place to ensure utilities, transport, open space and communication are provided in a timely and efficient way	The rezoning is consistent with the LHRS and Ministerial Directions, as outlined in Section 4 and 5 of this report. The provision of infrastructure (including upgrading or augmentation of existing infrastructure) for the proposed development (i.e. reticulated water and sewer, electricity and telecommunications) will be wholly funded and constructed by the Proponent, in consultation with the relevant service providers. Therefore the cost of providing and upgrading services for this development will be at no cost to Council or the State Government. The Proponent is prepared to enter into a development agreement with Council, if required.	Yes
2. Access Accessible transport options for efficient and sustainable travel between homes, jobs, services and recreation to be existing or provided	The site is located immediately adjacent to the existing township and is in close proximity to Medowie Road which provides direct access to local community facilities and services, shops and employment in Medowie, as well as surrounding district and regional centres for employment, services and recreation. In addition, bus services are available in Medowie, thereby offering a choice in transport, if required. The increased population generated by the proposed development will contribute to the viability of existing bus services in the area.	Yes
3. Housing Diversity Provide a range of housing choices to ensure a broad population can be housed	The proposed Indicative Land Use Plan anticipates the provision for approximately 300-350 new dwellings on the site. This will contribute to housing supply targets for the Lower Hunter Region. While the Plan provides for rural-residential development only, this has been at the specific request of Council and the Community. Other Precincts within the Medowie Strategy have been identified for more smaller lots and different densities. The subject site, in combination with these other precincts, will contribute to the provision of housing diversity as part of the town's future growth.	Yes
4. Employment Lands Provide regional/local employment opportunities to support the Hunter's expanding role in the wider regional and NSW economies	The proposed development will create employment opportunities during the construction phase of the development and potentially create ongoing employment opportunities given the demand generated by increased population. Further, the proposal will not result in a loss of employment lands.	Yes
5. Avoidance of Risk Avoid land use conflicts, and risk to human health and life	All residential development within the proposed development has been designed above the 1:100 flood level. The topography of the site is relatively flat and therefore there are limited slope constraints on the site. The proposed land use is compatible with the surrounding land uses including the rural residential estate to the south and the Medowie State Forest to the north, west and east of the site, as outlined in Section 2 of this report. The proposal has been designed having regard to the NSW RFS Planning for Bushfire Protection Guidelines (2006), and provides safe evacuation routes in the case of a bushfire. Further, development of the site would potentially offer greater bushfire protection to existing dwellings to the south of the site. In the case of potential flooding, safe evacuation routes via Boundary Road and Medowie Road are available to residents.	Yes

Sustainability Criteria	Response	Complies
6. Natural Resources Natural resource limits not exceeded/environmental footprint minimised	Reticulated water supply for the proposed development can be sourced from the existing Hunter Water Corporation supply system servicing Medowie, however some augmentations to the existing system will be required. Rural residential development is the most efficient use of the site, given that it is not identified as comprising prime agricultural land, or any other productive resource, and its location immediately adjoining the existing Medowie township. The existing electricity system could supply the demand of the early stages of the proposed development, however augmentation of the existing infrastructure will be required to service the total maximum demand of the entire development.	Yes
7. Environmental Protection Protect and enhance biodiversity, air quality, heritage and waterway health	The mapping in the LHRCP (2009) identifies a number of important corridors. This mapping, together with the ecological assessment by Umwelt, confirms that the site is affectively part of 'the island of Medowie' that lies within the middle of the broadly mapped Watagan-Stockton Corridor, and that due to its location, future development on the urban fringe is not likely to be significantly damaging to the existing corridor function. The site specific investigations by Umwelt confirm that part of the site is affected by an EEC. The proposed rezoning will retain and protect the EEC on the site as well as vegetated areas to the north and north-east of the EEC. This secures a large wildlife corridor to provide protected flora and fauna movement opportunities between the forest communities located within the Medowie State Forest to the north and east of the site. Given the high proportion of vegetation that will be retained on the site, the proposal is considered to maintain the existing environmental condition for air quality. The proposed development will protect the existing water courses on the site and preserve and enhance the existing riparian corridor through appropriate management of stormwater runoff. The proposed stormwater management strategy for the development is consistent with best practice principles for catchment and stormwater management planning. Given that development will be sited outside the riparian corridor (which is typically considered to be of high sensitivity), the Aboriginal cultural heritage value of the site will not pose any significant constraint to rezone the site for rural residential and environmental protection purposes.	Yes
8. Quality and Equity in Services Quality health, education, legal, recreational, cultural and community development and other Government services are accessible	Adequate social services are available for future residents of the proposed development, it being noted that a previous Social Impact Assessment was carried out for the previous residential scheme submitted to Council. That SIA indicated that the level of social services were adequate to accommodate that proposal. Given this proposal relates to a rural-residential zoning involving a far lesser yield than the original residential scheme, it is considered the conclusions of that previous SIA remain valid and that adequate and appropriate social services are available to meet the needs of the proposal. The increased population generated by the proposed development will not only contribute to the viability of existing public services in the area, it will potentially support the provision of future services for the benefit of the overall community.	Yes



Summary

In summary, the rezoning of the site for rural residential and environmental protection purposes is consistent with the LHRS for the following reasons:

- It is located within a town specifically identified for growth and development within the Region.
- It is located immediately adjoining an existing rural residential area and provides for an appropriate scale of housing within the natural growth boundary of the township.
- It represents development within close proximity to a main transport corridor (i.e. Medowie Road).
- The site contains various characteristics (in particular its size, shape, lack of constraints and single ownership) which all contribute to its ability to be developed and contribute to the future housing supply of Medowie, and the overall housing target established by the LHRS for Port Stephens Council.
- The development of the site is able to directly integrate with the existing rural residential area of Medowie and be designed in a manner that achieves appropriate development principles.
- The development of the site ensures the long term protection of a significant area of the site, comprising EEC, and does not impact on the conservation values of any regionally significant corridors identified in the LHRS.
- The land is not identified as 'prime agricultural land', nor is it constrained by any significant environmental constraint that would preclude its development, noting that the EEC and vegetated area to the north will be retained and protected through the rezoning of the site and through intended transfer into public ownership.

5.1.2 Lower Hunter Regional Conservation Plan (LHRCP)

The Lower Hunter Regional Conservation Plan (LHRCP), adopted in April 2009, sets out a 25-year program to direct and drive conservation efforts in the Lower Hunter Region and is a partner document to the LHRS.

The primary objectives of the LHRCP are to complement the LHRS by:

- *describing the conservation values of the Lower Hunter Region*
- *analysing the current status of biodiversity within the region, and assessing the likely impacts of development on biodiversity*
- *assessing the biodiversity values of the region, at a landscape scale, and identifying strategic areas for biodiversity protection, enhancement or restoration*
- *contributing to a practical framework that can secure, improve or maintain biodiversity values as the Hunter grows over the next 25 years*
- *guiding local level planning with respect to biodiversity, including the development of local biodiversity conservation strategies and the development of new Local Environmental Plans (LEP) that can merit biodiversity certification.*

The proposed rezoning is consistent with the objections of the RCP in that:

- The site is not located within a regionally significant corridor identified in the RCP.
- Umwelt Ecologists have assessed the likely impacts of the proposed development and found that the proposed development is not likely to result in a significant impact on threatened species, endangered populations or EECs listed under the relevant legislation.

- Areas of the site that have been identified as having of ecological significance are being retained through the rezoning of the site which will ensure the long term protection of these important natural assets.
- The proposal has been designed to provide appropriate biodiversity conservation outcomes for the broader Medowie area, as outlined in the Ecology Assessment included at **Appendix B**.

Notwithstanding, part 8.2.6 of the LHRCP recommends that Councils, when preparing new LEPs intending to seek biodiversity certification, undertake the following:

(a) demonstrate that the EPI is consistent with the objectives of the RCP – Consistency with the RCP objectives is demonstrated above.

(b) provide a high level of environmental protection to those areas identified as regional conservation priorities in the biodiversity investment guide - Notwithstanding that the site is not specifically included within a regionally significant corridor, the identified EEC and other significant ecological features of the site will be retained and protected through the rezoning and development of the site.

(c) recognise and provide an appropriate level of protection to areas of state and regional biodiversity significance – As stated above, the identified EEC and other significant ecological features of the site will be retained and protected through the rezoning and development of the site.

5.2 CONSISTENCY WITH LOCAL PLANS AND STRATEGIES

5.2.1 Port Stephens Community Settlement and Infrastructure Strategy

The Community Settlement and Infrastructure Strategy (CSIS), adopted by Council in April 2007, builds upon the directions of the Port Stephens Urban Settlement Strategy (2002) and is more explicit in its requirements for future urban development.

The main purposes of the strategy are:

- To establish compatibility with, and implement, the LHRS.
- To provide a range of strategic directions and sustainability principles and criteria on future urban development.
- To provide a basis for enhancing local development sequencing that represents the most cost effective and balanced funding of infrastructure.

The proposed development is consistent with the relevant sections of the Strategy as outlined below.

Part C - Context

Part C of the Strategy provides the context to the Shire and illustrates biophysical characteristics that provide constraints to development. The Strategy identifies the site as being largely unconstrained, with the exception of the following broad constraints which have been addressed in the Indicative Land Use Plan and can be managed with future development:

- *Marginal Koala Habitat* – Umwelt's investigations have identified key areas of Preferred Koala habitat located within the EEC and in the south western corner of the site. The proposed rezoning will enable the protection and management of the key areas of Preferred Koala Habitat identified on the site through the retention of the Swamp Sclerophyll Forest (where key areas of koala habitat are located), which will secure a large wildlife corridor to aid koala movement between the forest communities located within the Medowie State Forest immediately adjoining the site.

- *Class 5 Acid Sulphate Soils* – This can be managed in the future development of the site.
- *EEC* – The rezoning will ensure the long term protection and enhancement of the EEC as shown in the Indicative Land Use Plan.
- *Regionally Significant Habitat / Linkages* – The map provides a broad indication of the habitat corridors across the entire Port Stephens Shire. The site specific investigations by Umwelt confirm that part of the site is affected by an EEC. However, the proposed development will preserve and enhance the EEC on the site. This will secure a large wildlife corridor to aid flora and fauna movement between the forest communities located within the Medowie State Forest to the north and east of the site.

Part D - Strategic Directions

Part D of the Strategy identifies opportunities for the development of communities across the LGA over the next 25 years, based on the LHRS.

This part of the Strategy identifies Medowie as a key contributor in achieving the population and housing growth targets set out in the LHRS. However the ability to meet the housing targets set out for Medowie (i.e. 3,000 dwellings over the next 15 – 20 years) is significantly limited due to highly fragmented land ownership and various environmental constraints.

Therefore, it is imperative that adequate consideration is given to development sites that can realistically contribute to achieving these growth targets. As demonstrated throughout this report, the proposed development:

- Is of a size and capacity that can contribute to achieving this target
- Can achieve delivery in a timely manner without the delays associated with fragmented land ownership
- Is of a size and nature that can be cohesively designed, and
- Retains the significant ecological features of the site.

Part E - Local Area Strategies

This part of the Strategy details opportunities for certain areas including Medowie and is derived from the Local Area Plans. The map for Medowie identifies part of the site as being within a "Long Term Investigation Area", being an area with future potential for urban development.

Given the ability for the first stage of the development to be developed pending rezoning of the land, the proposal seeks consideration for its timely rezoning.

Part F - Sustainability Principles and Criteria

This part of the Strategy sets out certain principles and criteria to guide the location, planning and design of future development.

The proposal is consistent with the relevant Sustainability Principles and Criteria outlined in Part F of the Strategy. The relevant principles and criteria of Part F of the Strategy are addressed in Table 2.

Table 2 – CSIS Sustainability Principles and Criteria – Assessment of Rezoning Proposal

Principle Themes	Response
F1 Settlement Structure and Movement Network	- The proposed development is located and designed around the principles of a 'neighbourhood'. - The development will be framed within a natural setting, defining its semi-rural and landscape character. - The location, size and shape of the site enable the development of a well planned and high quality urban design, responding to the natural characteristics of the site. - The proposal for rural residential development immediately adjoining the existing rural residential township (and adjacent to a 'natural' zone) is entirely consistent with the land use 'transect' model identified in the Strategy and compatible with the surrounding land uses, as demonstrated in Section 6.1 of this report. - The site is located in close proximity to a major transport corridor (i.e. Medowie Road), providing direct and efficient connection from the site to nearby services and facilities. - The proposed development is suitable given the site's proximity to Medowie Road and the surrounding context. - Public transport is supported through the location of the site close to Medowie Road, its junction with Boundary Road, as well as appropriate street alignments and widths for potential future routing of local bus services along Boundary Road. As such, the proposal facilitates the potential future use of public transport for both residents of the development and existing neighbourhoods. - The proposed provides an integrated and connected street layout which provides opportunities for walking and cycling. - Given the site's close proximity to Medowie Road, the site is within reasonable distance to the existing retail and community facilities within the Medowie township.
F2 Infrastructure, Services and Facilities	- The provision of infrastructure and services, including upgrading or augmentation of existing infrastructure, for the proposed development (i.e. reticulated water and sewer, stormwater, electricity and telecommunications and public parkland) will be wholly funded and constructed by the Proponent, in consultation with the relevant service providers. The provision of additional social services and facilities will be investigated, if required. - The proposed development will be at no cost to Council or the State Government, thereby avoiding any potential economic burden on Council. Infrastructure and associated facilities will be made publicly accessible. - The Proponent is seeking to adopt innovative solutions to ensure timely provision of infrastructure and services. - The Proponent has been liaising with Hunter Water in relation to providing reticulated water and sewer to the site as outlined in Section 6.8 of this report. - The proposed development will support new public transport facilities to encourage greater use of public transport, if required. - Infrastructure for pedestrians will be designed for persons with disabilities. - The demand created by the increased population residing in Medowie will positively influence the economic sustainability of infrastructure and service provision.
F3 Quality Places to Live	- The site is located immediately adjacent to the existing township and is in close proximity to Medowie Road which provides direct access to local community facilities and services, shops and employment in Medowie, as well as larger centres including Raymond Terrace, Nelson Bay, Maitland and Newcastle. In addition, bus services are available in Medowie, thereby offering a choice in transport, if required. - The proposed development is not a 'gated community' and has been designed to integrate with the existing residential development and provide a high level of accessibility through multiple street connections to Boundary Road. - The proposed development has been designed to create high levels of amenity and provide for a safe, attractive, friendly and efficient development for cars, pedestrians and cyclists.

Principle Themes	Response
F4 Natural Areas and Resources	- As previously stated, the proposed rural residential development is entirely consistent with the land use 'transect' model identified in the Strategy and will ensure the long term protection of significant natural features of the site. Further, the site is not identified as comprising prime agricultural land, or any other productive resource. - As previously stated, the proposed development will retain and protect the EEC and other significant ecological features on the site. - The Ecology Assessment (prepared by Umwelt and included at Appendix B) identifies the measures employed as part of the planning and design of the Indicative Land use Plan to avoid, minimise and then mitigate/offset the potential impacts of the proposed development on the ecologically significant features of the site. - The proposed stormwater management strategy for the development of the site includes Water Sensitive Urban Design (WSUD) elements and is consistent with best practice principles for stormwater management. - The Indicative Land use Plan provides adequate buffer zones to the water course located towards the centre of the site to protect water quality and preserve the biodiversity of the riparian corridor. - The buffer zone between the existing water course and the asset protection zones on the site is considered adequate to enable the projection of water quality and preservation of the riparian corridor. - The proposed development will be designed and constructed in accordance with the principles of energy efficiency. - The presence of Class 5 Acid Sulphate Soils on the site will be appropriately managed with future development on the site. - The provision of infrastructure and utilities associated with the proposed development will not reduce the integrity and amenity of natural ecosystems. - The proposed development will be designed and constructed in accordance with the principle of minimising non-renewable resources. - All residential development within the Indicative Land use Plan has been sited above the 1:100 flood level. - The proposed Indicative Land use Plan has been designed to be consistent with the principles of the NSW RFS Planning for Bushfire Protection Guidelines (2006).
F5 Economics and Employment	The proposed development will enable the land to be used efficiently, given that it is not identified as comprising prime agricultural land or any other productive resource, and will not adversely impact on amenity and ecological processes. The proposed rezoning will not adversely impact on the services provided in the town centre or undermine the established centres hierarchy. The proposed development will contribute to the viability of existing services and facilities within Medowie, given the demand created by increased population. The proposed development will create employment opportunities during the construction phase of the development and contribute to ongoing employment opportunities as a result of the increased population in the locality. Further, it will promote opportunities for 'home employment' which is prevalent in rural residential estates.
F6 Sustainability Criteria (derived from the LHRS)	The proposal is consistent with the Sustainability Criteria in the LHRS, as outlined in Section 5.1.1 of this report.



Part G – Implementation

This part of the CSIS sets out criteria to guide the future development of land, including land that is not specifically identified in Part D of the CSIS. The proposal’s consistency with Part G of the CSIS therefore provides Council with an additional mechanism for rezoning (in addition to being identified within the Medowie Strategy.

G3 Land Not Identified for Development

As demonstrated in Table 3, the proposal is entirely consistent with the criteria listed in Part G3 of the Strategy.

Table 3 – CSIS Implementation Criteria – Assessment of Rezoning Proposal

Implementation Criteria	Response	Complies
1. Shall be consistent with the Part F Sustainability Principles and Criteria, the Integrated Land Use and Transport Policy package and the Coastal Design Guidelines for NSW.	The proposal is consistent with the Sustainability Principles and Criteria within Part F of the Strategy, as outlined in Table 2. Further, the proposal is consistent with the key objectives of the Integrated Land Use and Transport Package (ILUTP), as outlined below: The key objectives of the ILUTP are to reduce the dependence on cars by increasing the choice of alternative forms of transport (walking, cycling and public transport). The site is located immediately adjacent to the existing township and is in close proximity to Medowie Road which provides direct access to local community facilities and services, shops and employment in Medowie, as well as surrounding district and regional centres for employment, services and recreation. In addition, bus services are available in Medowie, thereby offering a choice in transport, if required. The increased population generated by the proposed development will contribute to the viability of existing bus services in the area.	Yes
2. Greenfield land not physically attached to existing urban-zoned land and located on a transport corridor identified for the purposes of this Strategy in Figure 45 will require a minimum of 50 hectares of developable land excluding land required for bushfire hazard buffers and passive open space including wetland and riparian buffers.	The site has direct access to Medowie Road (a main transport corridor) via Boundary Road. This site is also physically attached to an existing urban zoned area through its abutment with Boundary Road. The fact that it is attached to the existing zoned area does not mean that Criteria 2 is irrelevant (as Criteria 2 is aimed at separated Greenfield sites) but further reinforces the site’s appropriateness for development. The subject site (127 hectares in area) easily meets the minimum 50 hectare requirement and is physically attached to the existing urban zoned area. In this respect, the proposal meets the clear intention of Criteria 2 of providing large and sustainable communities that can easily access the services and facilities of established townships.	Yes
3. Rezoning requests for land that meets Criteria 5 [sic 2] will only be considered if they are located on the transport corridor. Proposals that are located away from the transport corridor or due to land use constraints cannot achieve acceptable vehicular and pedestrian access onto the transport corridor will not be considered.	The site has direct access to Medowie Road, via Boundary Road and is located approximately 80 metres west of the junction of Medowie Road and Boundary Road. Given that the Roads and Traffic Authority generally does not allow direct access from large developments onto a major road, the proposal provides an optimum access solution to Medowie Road via Boundary Road.	Yes

Implementation Criteria	Response	Complies
4. Rezoning requests for land not strategically identified for development will require a Local Environmental Study (LES) to be prepared. The LES will be prepared by Council and paid for by the proponent in accordance with Section 57 of the Environmental Planning and Assessment Act 1979.	Council Officers advised the Proponent at the commencement of this project that an LES would not be required given the detailed work undertaken as part of the preparation of the Medowie Strategy. In any case, detailed work has been undertaken by the Proponent in the rezoning submission. This matter will be one for the Department of Planning to consider at the appropriate stage where additional studies or information can be requested if deemed necessary.	n/a
5. The Director General of the Department of Planning may advise of any additional issues that need to be considered in an LES before proceeding with the LEP process - refer to the Department’s Planning Circular PS 06-005 and PS 06-013 for additional information.	This criteria has been superseded by PS 09-015 which is addressed in Section 4 of this report.	Yes
6. A structure plan shall be prepared by a qualified urban designer illustrating how the principles of the Strategy can be achieved. The structure plan shall illustrate how the proposed development; complements the Port Stephens transport network and centres hierarchy in terms of retail and employment; integrates the new village, neighbourhood or town with the transport corridor; and can achieve the principles of the Strategy.	An Indicative Land use Plan has been prepared by a qualified urban designer which illustrates that a ‘developable area’ of the site, based on an indicative road layout, can achieve the principles of the Strategy. Further detailed structure/master-planning work can be prepared (if required) as part of the rezoning process.	Yes
7. Rezoning requests shall address strategic traffic and transport planning issues including investigation and assessment of road hierarchy, strategic access controls, intersection locations and conceptual treatments to be provided for these connections.	A Transport Statement prepared by a qualified traffic consultant, has been included in this rezoning application. It addresses the relevant traffic and transport matters and includes an assessment of the road hierarchy, access controls, intersection locations and conceptual treatments.	Yes
8. Rezoning requests for land that meets Criteria 5 [sic 2] will have a minimum ratio of 20% attached or multi unit dwellings to 80% detached dwellings to increase housing diversity and housing choice and improve the social and economic viability of the new village or town.	The proposal relates to rural-residential development and therefore the specific ratio of attached and detached dwellings does not apply. The proposal will provide for detached dwellings, and along with other precincts identified within the Medowie Strategy that will provide for attached dwelling types, will contribute in providing housing choice and diversity in Medowie.	Yes
9. Rezoning requests for Greenfield land attached to existing urban developed land shall demonstrate ability to physically connect with existing urban development by streets so that proposed development is a logical extension of existing urban areas. Council will determine if the proposed development warrants consideration as a new centre consistent with the principles of this Strategy.	The Indicative Land Use Plan has been designed to integrate with and complement the existing rural residential development immediately to the south of the site. As the site immediately adjoins residential development, and is largely unconstrained, the proposed development provides a logical extension of the existing urban area of Medowie, as demonstrated throughout this report.	Yes

Implementation Criteria	Response	Complies
10.Rezoning requests for infill development will be guided by the Sustainability Principles and Criteria of the Strategy.	The proposed rezoning is consistent with the Sustainability Principles and Criteria of the Strategy as outlined in Table 2.	Yes
11. Rezoning requests for land that contribute or lead to ribbon or strip development will not be considered. For Greenfield development the spacing of new villages, neighbourhoods or towns will be responsive to ensuring that the rural or environmental landscapes that characterise the LGA are maintained.	The proposed rezoning does not constitute or lead to 'ribbon' or 'strip' development. It is accessed via an existing road (Boundary Road) and is screened from the major transport route of Medowie Road by the existing reserve located at the corner of Medowie Road and Boundary Road. Further, the proposed extension of the existing rural residential area and protection of EEC will ensure that the natural landscape and established rural residential character of the area is maintained.	Yes
12. Rezoning requests to create a new village or town should be located towards transport corridor junctions to strengthen the public transport network and provide greater choice of routes for residents and transport users in the movement economy.	The proposal does not seek to create a new village or town; instead it would provide a natural extension of the existing rural residential area of Medowie which is currently serviced by local buses. As such, the increased population generated by the proposed development will contribute to the viability of existing bus services in the area and potentially support the provision of additional public transport services for the benefit of the overall community, given its close proximity to Medowie Road.	Yes
13. Rezoning requests for development will include an assessment of the costs of the construction, operation and maintenance of supporting infrastructure, community services and facilities and the long-term life cycle costs of such infrastructure and whether the increased rate revenue likely to be generated by the proposed development can support it.	The provision of infrastructure for the proposed development will be wholly funded and constructed by the Proponent, in consultation with the relevant service providers. Therefore the cost of providing and upgrading services for this development will be at no cost to Council or the State Government.	Yes
14. If the maintenance and replacement of infrastructure, services and facilities identified in Criterion 15 [sic 13] cannot be supported by the increased rate revenue likely to be generated by the proposed development, then subsequent costs shall be borne by the developer and future landowners in perpetuity yet remain accessible to the public.	The Proponent is prepared to enter into a development agreement with Council to ensure appropriate mechanisms are in place to manage the ongoing maintenance and funding of relevant infrastructure, services and facilities.	Yes
15. Any development adjacent to the Pacific Highway will require a grade separated interchange as well as access to the local street network connecting other centres so that the role and performance of the highway as an interstate road is not undermined by local traffic.	The proposed development is not adjacent to the Pacific Highway.	n/a

5.2.2 Medowie Strategy

The purpose of the Medowie Strategy is to identify how to manage urban growth and build communities in Medowie and deliver the desired outcomes of the LHRS, the LHRCP and the CSIS.

The site is included within the Medowie study area which was investigated by Council as part of the preparation of the Medowie Strategy. In its initial consideration and adoption of the Medowie Strategy, Council did not include the site as Council was focused on urban development opportunities within the central Precincts of Medowie, i.e no significant consideration was given to the potential for rural residential development around the periphery of Medowie.

The opportunity for the consideration of an amendment to the Medowie Strategy and a concurrent rezoning application was tabled at Council's meeting on 24 March 2009. Several sites, including the Boundary Road site, were identified in Council's supplementary report as worthy of consideration. Further, Council's Planning Director confirmed that a rezoning request for rural residential purposes could be made if it could be demonstrated that the site was consistent with the desired outcomes and rezoning requirements of the Strategy.

In assessing the Proponent's request to amend the Medowie Strategy (with a concurrent planning proposal seeking to rezone the land), Council's Officers made the following conclusion (Officers Report 24 November 2009):

It is considered appropriate to amend the Medowie Strategy to reflect the potential for Rural Small Holdings in the south west part of the site to allow lots of 1000 square meters minimum and the north east part of the site for Environmental Management.

The Officer's report was considered at Council's Meeting on 24 November 2009 where Council resolved the following : **(our emphasis added)**:

1. Prepare a draft amendment and public exhibition of the Medowie Strategy to identify:
 - a. **Site 1 Boundary Road as potential future Rural Small Holdings in the south west part and the remainder Environmental Management (Attachment 1);**
 - b. Site 3 Waropara Road North as Rural Small Holdings and Environmental Living (Attachment 2);
 - c. Site 5 Ferodale Road West as Environmental Living (Attachment 3);
2. Make no change to the Medowie Strategy with respect to:
 - a. Site 2 Corner Ferodale Road and Kirrang Drive (Attachment 4);
 - b. Site 4 Coachwood Drive East (Attachment 5);
 - c. Site 6 Medowie Rd (Brocklesby Neighbourhood North) (Attachment 6);
 - d. Site 7 Wade Close (Attachment 7);
3. **Prepare a planning proposal in accordance with section 55 of the Environmental Planning and Assessment Act 1979 to initiate the rezoning process of the Boundary Road site (Site 1) for Rural Small Holdings and Environmental Management purposes (Attachment 1) and request the NSW Department of Planning to undertake a 'gateway' determination, with no further action to be undertaken until Council's consideration of the exhibited Medowie Strategy incorporating the proposed draft amendments including Site 1 Boundary Road**

As demonstrated in Table 4, the proposed rezoning is consistent with the desired outcomes and rezoning submission criteria outlined in Part A4.3 of the Medowie Strategy. This consistency, the proposal's consistency with Part G of Council's CSIS and Council's resolution of 24th November 2009, now provides both Council and the Department of Planning with a policy position to progress the rezoning application.



Table 4 – Medowie Strategy – Response to Rezoning Submission Criteria

Criteria	Response	Complies
Rezoning submitted in accordance with Council Rezoning Request Policy	This rezoning proposal has been submitted in accordance with Council's rezoning request policy titled 'Procedure for Requests to Amend Port Stephens LEP 2000'.	Yes
Rezoning request is consistent with the following Staging Delivery Criteria	The proposed rezoning is consistent with the Staging Delivery Criteria in that:	Yes
▪ Spatial element – logical town growth;	▪ The proposal for rural residential development immediately adjoining existing rural residential development (and adjacent to a 'natural' zone) is entirely consistent with the land use 'transect' model identified in the CSIS. This proposed constitutes a logical growth pattern for Medowie.	Yes
▪ Demonstration that if clearing is required, a biodiversity offset can be delivered to the satisfaction of DECC;	▪ Biodiversity offsets can be delivered as outlined by Umwelt in the report included at Appendix B.	Yes
▪ Illustrate development of the site will not prejudice orderly development of the Infrastructure Planning Sectors in its entirety;	▪ The proposed development will not prejudice surrounding development as relevant service providers have advised that there is sufficient capacity to service the initial stages of the development and the planned upgrades will have sufficient capacity to service the future demand in the locality, including the development of the site. Further, the Proponent is committed to funding the acceleration of any required infrastructure provision for the site.	Yes
▪ Coordination of landowners in regards to joint rezoning and DCP, agreement on infrastructure provision and positioning, road network alignments, open space, drainage structures etc to the satisfaction of council;	▪ A significant benefit of the site is that it is under single ownership. As such, the provision of infrastructure for the proposed development will be wholly funded and constructed by the Proponent, in consultation with the relevant service providers. Single land ownership of the site will also enable coordinated preparation of a DCP which will result in better urban design and architectural outcomes for the site	Yes
▪ Minimum rezoning area of 10 hectares to provide efficient delivery and coordination of infrastructure;	▪ Given that the site is 127 hectares in size, it will facilitate the provision of efficient delivery and coordination of infrastructure.	Yes
▪ Management of stormwater, water quality, flooding and hydrological systems through the delivery of drainage and flooding study for whole of the catchment area pertaining to the rezoning; and	▪ A preliminary Stormwater and Flooding Investigation has been undertaken for the site and the sub-catchment. Consideration has been given the impacts on surrounding properties and a mitigation strategy has been developed to reduce existing flood impacts on downstream properties (refer Appendix D)- Analysis provided by Umwelt confirms that various measures can be employed to provide a 4% reduction in peak stormwater rates.	Yes
▪ Demonstrate how all participating landowners will work collaboratively to guarantee infrastructure corridors and critical infrastructure are provided such as roads, drainage, open space utilities and easements.	▪ As previously stated, the site is under single ownership and therefore infrastructure provision can be delivered in a timely and efficient manner.	Yes

Criteria	Response	Complies
Rezoning request is consistent with the following Infrastructure Delivery Criteria:	The proposed rezoning is consistent with the Infrastructure Delivery Criteria in that:	Yes
▪ Demonstrated delivery of major infrastructure include water, sewer, energy, telecommunications;	▪ As previously stated, the site is under single ownership and therefore infrastructure provision can be delivered in a timely and efficient manner.	Yes
▪ Upgrade and/or construction of necessary roads and drainage infrastructure;	▪ The upgrade and/or construction of necessary roads and drainage will be wholly funded and constructed by the Proponent.	Yes
▪ Demonstrated delivery (legal and physical) of major downstream drainage infrastructure including trunk drainage systems, overland flow paths, water quality structures, easements and/or drainage reserves;	▪ Umwelt have undertaken preliminary stormwater investigations for the development of the site (refer Appendix D). The Proponent will ensure that appropriate drainage infrastructure will be delivered in accordance with the recommendations by Umwelt. Further, the stormwater strategy for the site will improve existing flood impacts on downstream properties. Analysis provided by Umwelt confirms that various measures can be employed to provide a 4% reduction in peak stormwater rates.	Yes
▪ Illustrate provision for all public thoroughfares and public open space indicated by the Medowie Strategy and Structure Plan;	▪ The Medowie Strategy does not have any public thoroughfares or public open space areas identified for the site, however as indicated earlier in this Report, it is intended for the EEC and the area to the north-east to be zoned for environmental protection and transferred into public ownership. The Indicative Land Use Plan illustrates this, and also shows that the site can be developed in a manner that allows public access to these areas, if required.	Yes
▪ Ensure efficient provision of public infrastructure on a catchment scale to minimise on-going maintenance costs;	▪ As stated in Section 6.8 of this report, appropriate infrastructure will be provided by the Proponent in a manner which minimises ongoing maintenance costs.	Yes
▪ Ensure rezoning facilitates cooperative expansion of development land and infrastructure and will not prejudice the orderly development of surrounding properties.	▪ The proposed rezoning and associated infrastructure requirements will not prejudice the development of surrounding properties as the Proponent is committed to fund any necessary acceleration of infrastructure provision for the site.	Yes
▪ Ensure adjoining landowners outside of the rezoning alliance are not disadvantaged (i.e. potential lot yield or configuration cannot make development economically or practically viable);	▪ Given that the proposal represents an extension of the existing rural residential area to the south of Boundary Road, and includes similarly sized lots on the northern side of the Road to reflect the pattern of existing development, the proposed rezoning will not limit or prejudice the existing development. Further, Section 5.3 of this report shows that rural residential product is in limited supply in the area, and as such the proposal will not economically disadvantage existing rural-residential development.	Yes
▪ Agreement with council that adequate provisions or progress has occurred for coordinated development of road networks, bus routes, street tree master planning;	▪ The Proponent will work together with Council to ensure for the coordinated development of road networks, bus routes and street tree master planning, where necessary.	Yes
▪ Adequate Developer Contributions plans are in place; and	▪ Council has adequate Developer Contributions Plan in place with its current plan, Port Stephens Section 94 Development Contributions Plan (2007).	Yes

Criteria	Response	Complies
Contributions to required facilities and services in accordance with Section 94 or developer agreements.	The Proponent is prepared to enter into a development agreement with Council, if appropriate.	Yes
Rezoning consistent with the following Market Dynamics Criteria:	The proposed rezoning is consistent with the Market Dynamics Criteria in that:	Yes
Competition through spatial distribution of key development areas as per Staging Plan; and	It will promote competition with other planned rural residential land by increasing supply in Medowie which has experienced continued solid demand and an increasing level of market interest for rural residential housing. Importantly, due to the site's single ownership, the shape of the development area, and also the vegetated amenity of the site, the site presents a real opportunity for a coordinated development outcome, that has an 'instant amenity', and that is unaffected by delay often caused through multiple land ownership. This ability to be master-planned and put to the market quickly provides a 'point of difference' to other rural-residential options identified within the Medowie Strategy, and also reduces end prices on the consumer (refer to Section 5.3.1 of this report).	Yes
Delivery of a diverse range of housing types.	The proposal will provide for detached dwellings, and along with other precincts identified within the Medowie Strategy that will provide for smaller lot sizes and attached dwelling types, will contribute in providing housing choice and diversity in Medowie. Lot sizes are likely to range between 1000-1500sqm with larger lots being located along the northern side of Boundary Road providing choice within the rural-residential market.	Yes
The rezoning request shall include planning and design details that illustrate how the Sustainability Principles and Criteria of the CSIS 2007 and the principles of the Structure Plan of the Medowie Strategy are addressed. This includes the desired street structure, the open space network and connections, and the land use structure.	The Indicative Land Use Plan and Key Development Principles at Section 3.2. of this report illustrates how the future development of the site for rural residential and environmental protection purposes achieves the Sustainability Principles and Criteria of the CSIS. Further, Table 2 specially addresses each of the relevant Sustainability Principles and Criteria, including street network, open space network and land use structure.	Yes
Rezoning requests that propose the clearing or modification of native vegetation for urban development identified in the Structure Plan shall include a vegetation offset plan.	The Proponent provides the retention and protection of approximately 55% of the site (70ha) which includes the predominant vegetation across the site. This is intended to be transferred into public ownership.	Yes

5.2.3 Standard Instrument for Local Environmental Plans

In March 2006, the Department of Planning directed all Councils to prepare new comprehensive LEPs consistent with a Standard Instrument. Port Stephens Council was initially given 5 years to prepare their new LEP, however the Department of Planning has recently advised the Council that they are not a priority area and therefore the preparation of the comprehensive LEP is likely to be delayed.

As such, this proposal seeks rezoning of this land for rural residential and environmental protection purposes, independent of the preparation of Council's new comprehensive LEP.

The particular zones and provisions used to achieve the above will be worked through with Council during the assessment process. It is likely that the zones and specific provisions that apply to the site will be drafted in a manner that allows easy recognition of the appropriate corresponding zone within Council's future comprehensive LEP so that an easy translation can be made at the appropriate time.

5.3 IMPLICATIONS OF NOT PROCEEDING WITH THE PROPOSAL

The proposal provides a unique opportunity to create an integrated and sustainable outcome for Medowie through:

- The retention of a significant portion of the site to ensure long term protection of important ecological features of the site.
- The significant size of the site, comprising 127 hectares.
- Its single ownership.
- The Proponent's financial ability and technical expertise to deliver high quality housing to the market.

Given the significance of the site and the positive outcomes envisaged for the proposal, the key implications of not proceeding with the proposal include:

- Demonstrated housing demand will not be met.
- Realisation of Government Policy will not be met.
- Long term protection and enhancement of environmental and biodiversity assets on the site will not be achieved and degradation of this land will continue due to grazing of the land under the current rural zoning.
- Flooding issues will continue to occur downstream of the site.

Each of the above implications is discussed further in the following sections of this report.

5.3.1 Housing Supply and Demand

A high level supply and demand review has been undertaken by Urbis to provide a snapshot of the rural residential property market in Medowie.

Supply

At present there is a limited supply of rural residential stock available on the market with our research indicating less than 10 allotments currently listed for sale. These parcels typically range in size between 2,000 to 4,000sqm.

Approximately half of the available supply is located within 'Pacific Dunes' with the remainder located throughout existing areas of Medowie. Pacific Dunes is the only major development to have been undertaken recently within the region being a master planned Golf Course Community located within the southern component of Medowie. The estate is set on 135 hectares and features an 18 hole golf course, in excess of 300 low density residential allotments and 32 rural residential parcels (typically 2,000sq.m in size). Pacific Dunes is understood to have been initially released circa 2004 with much of the stock now taken up.

Enquiries with Port Stephens Council and local active agents have not revealed any other significant rural residential proposals within the area. It is unlikely that there will be any other major estates released within Medowie due to fragmented land ownership, land use zoning, environmental constraints (flooding and ecological considerations) and spatial limitations.

The Medowie Strategy identifies additional land potentially available for all development classes within Medowie. The rural residential components include the 'rural small holdings' and 'environmental living' designations which are proposed to accommodate allotments sized between 1,000sq.m to 1,500sq.m. Accordingly these areas will provide the main source of future supply, however it is important to note that these planned areas are located along main and collector roads, are linear in shape and are affected by multiple land ownership. These characteristics are likely to affect the ability for them to be designed as communities, to be effectively planned in a coordinated manner, and to be delayed in being put to market. Such delay, and their multiple land ownership, also provides the real potential of increased land prices that are ultimately passed onto the end consumer.



Future supply will likely be in the form of multiple small scale infill subdivisions. These subdivisions will be unable to take advantage of the benefits available to master planned precincts (such as Pacific Dunes and the subject site).

The anticipated combined yield of standard residential, villas and townhouses and home enterprise lots totals 2,313 properties. However, our enquiries with local active real estate agents indicate the majority of new subdivisions either proposed or mooted within Medowie are for standard residential allotments and as such rural residential supply is not anticipated to be provided in any meaningful way.

Demand

In terms of demand, Medowie is considered a sought after location for rural residential holdings.

Demand for rural residential property emanates from a range of purchasers including first home buyers, secondary purchasers and families. A number of existing Medowie residents who attended the Community Information Day conducted in March 2009 expressed an interest in acquiring a property within the Boundary Road development once completed.

Marketability of the area is enhanced by its natural character appeal and location in close proximity to Newcastle Airport, Williamtown RAAF base, Newcastle CBD and coastal areas such as Nelson Bay. A considerable amount of interest is understood to emanate from airport employees and RAAF base personnel. This is evidenced by the RAAF base who as advised recently acquired 19 house and land packages within the Pacific Dunes development. In addition, local agents have indicated an increasing level of market interest in the area due to the pending expansion of Newcastle Airport at Williamtown.

Pacific Dunes provides the only recent example of a new rural residential development within Medowie. To date there has been a modest annual take up of the rural residential stock in Pacific Dunes, primarily due to the quality of allotments which are generally sloping (which typically results in higher construction cost) and higher price points (price points in Pacific Dunes are generally higher than allotments in existing areas of Medowie, mainly due to location within a golf course estate). Since initial release in 2005, an advised 26 out of the 32 (or more than 80%) of allotments have been purchased. Once the remaining 6 allotments are sold, there are no known future rural residential subdivisions being released in the area.

Given the increasing level of market interest in the area, continued interest in the Pacific Dunes development, and inherent rural residential land supply issues (both current and future), we consider the localised market is well placed to accommodate the Boundary Road proposal. The site provides a viable market alternative to the majority of proposed low density projects and enables an opportunity to develop a superior master planned product offered in comparison to the scattered and linear-shaped 'rural small holdings' and 'environmental living' areas identified in the Structure Plan.

We consider that development of the site, taking advantage of the natural bushland setting would appeal highly to the broader market and attract considerable demand. Its characteristics provide a 'point of difference' in the rural-residential market to other rural residential options that are planned for the area.

5.3.2 Realisation of Government Policy

As previously stated, the LHRS has identified Medowie as a 'town centre'. Associated with this status, as well as its position within the sub-region, the Strategy encourages the growth and development of the town.

In order to achieve this outcome, the subject site will need to be rezoned in the immediate future, given the fragmented ownership pattern and land use constraints associated with other potential development sites within Medowie.

In essence, if the rezoning of the site was 'held back' pending a certain thresholds being reached through the release of other development areas, the ability and timing of Medowie to achieve the outcome envisaged by the Strategy is placed in jeopardy.

Further, the LHRS seeks to protect and enhance the Region's strong environmental and biodiversity assets which is discussed below.

5.3.3 Environmental Protection

Given that the site is currently zoned for 'rural' purposes, agricultural uses are permitted. However, the important environmental and biodiversity assets on the site will continue to be degraded if agricultural uses continue on the site as they have greater impacts on the natural and environment.

The proposal for rural residential living has relatively low-level amenity and environmental impacts given its location on part of the site that has primarily been cleared and which sits adjacent to an existing rural-residential estate. It will complement the surrounding natural environment while providing an appropriate density of housing in accordance with the outcomes envisaged in the LHRS.

In addition to low-level environmental impacts associated with rural residential development, the proposed rezoning will ensure the long term protection of significant ecological features on the site. This includes the protection of approx 70ha of vegetation comprising the central EEC corridor and vegetated land in the north-eastern portion of the site. This maintains connectivity with the surrounding State Forest.

5.3.4 Flooding Issues

It is understood that some rural residential properties to the south of the site experience flood issues during heavy rainfall.

In response to this situation, the Proponent has engaged Umwelt to design a stormwater solution for the development of the site to ensure that it not only mitigates potential impacts on downstream properties, but improves existing flooding issues on downstream properties.

As shown at **Appendix D**, Umwelt have developed a flood mitigation strategy which includes a combination of source controls (i.e. rainwater tanks on each proposed rural residential lot) and a detention basin on the site to reduce downstream flood flows. Analysis provided by Umwelt confirms that these measures provide a 4% reduction in peak stormwater rates.

The Proponent is committed to incorporating the recommended flood mitigation strategy in developing the site, in order to achieve an improved downstream flood response and reduce existing flooding on rural residential properties to the south of the site.

6 SUITABILITY OF SITE

It is considered that the proposed rezoning for rural residential purposes is suitable for the site. Detailed consideration has been given to a number of key planning issues and each of these matters is discussed in the following section of this report.

The matters outlined in this section of the report have been considered and appropriately addressed in the preparation of the Concept Plan.

6.1 COMPATIBILITY WITH SURROUNDING LAND USES

The proposal is considered to be compatible with the established land uses surrounding the site, as summarised below:

- It provides for housing that integrates with and protects the character of the adjoining rural residential development immediately to the south of the site.
- It ensures long term protection of a wildlife corridor to aid movement of fauna between surrounding forest communities.
- It maintains the State Forest and more heavily vegetated areas within the site (including the EEC) as a natural boundary to the existing rural residential area of Medowie.
- The development will be accessed via Boundary Road which will have minimal impacts on adjoining development.

6.2 ACCESS AND TRAFFIC

No access is provided directly from Medowie Road. Access to the site will be via Boundary Road which connects with Medowie Road. Boundary Road and Medowie Road provides a direct link for motorist, pedestrians and cyclists to the existing Medowie township.

A Transport and Access Report has been prepared by Mark Waugh Pty Ltd (refer **Appendix C**) to assess the traffic and access implications of the proposed development. A summary of the key findings from this report are as follows:

- The proposed development will not have a major impact upon the local road network and can be managed with minor upgrade to the adjacent road infrastructure (i.e. right turn land from Medowie Road into Boundary Road).
- The development will have a single vehicle access on Medowie Road. The additional traffic generated by the development will increase the daily traffic flows on Medowie Road however it is still well within the capacity of this road.
- It is considered that the existing carriageway width of Medowie Road is adequate to cater for the additional traffic generated by the development.
- It is considered that the excepted traffic flows associated with the development could be accommodated via a single vehicle access off Medowie Road under give way control. It is recommended the intersection be upgraded to provide a right turn lane from Medowie Road into Boundary Road.

6.3 FLORA AND FAUNA

An Ecological Assessment of the site has been undertaken by Umwelt (refer **Appendix B**) to identify ecological constraints and opportunities and provide ecological input into the development of the Indicative Land Use Plan for the proposed development.

A summary of the main findings of the report is provided below:

- From the surveys undertaken on the site, no threatened flora species have been recorded within the study area. The endangered ecological community (EEC) Swamp Sclerophyll Forest has been recorded running through the centre of the study area.
- A number of threatened fauna species were recorded and these have been listed below.
- The following significant ecological features have been identified as occurring within the study area:
 - Swamp Sclerophyll Forest on Coastal Floodplains EEC, forming a riparian corridor;
 - a number of threatened fauna species, including glossy black-cockatoo; masked owl, including a probable roost/nest tree; varied sittella; koala; squirrel glider; yellow-bellied sheath-tail-bat; eastern bentwing-bat; little bentwing-bat; greater broad-nosed bat; eastern freetail-bat; large-eared pied bat; and grey-headed flying-fox;
 - koala habitat of varying categories;
 - regionally significant habitat;
 - high to medium fauna habitat conservation significance;
 - key habitat according to the Key Habitat and Corridors Project;
 - potential fauna movement corridor;
 - old growth lowland coastal Dry Sclerophyll Forest;
 - classification as remnant bushland; and
 - contiguity with large areas of existing protected vegetation.
- While such ecological issues provide a challenge to proposed development of the study area, each of these has been considered in the planning and design of the Indicative Land Use Plan for the proposed development.
- Assessments of the potential impact of the proposed development on these features have been completed, as per the requirements of the Environmental Planning and Assessment Act 1979 and the Environment Protection and Biodiversity Conservation Act 1999. These assessments have concluded that it is not likely that the proposed development will result in a significant impact on threatened species, endangered populations or EECs listed under the schedules of the Threatened Species Conservation Act 1995 or Environment Protection and Biodiversity Conservation Act 1999.
- The adoption of a set of detailed ecological planning principles as part of the Indicative Land Use Plan, has assisted in the avoidance and minimisation of potential impacts on identified (and potentially occurring) significant ecological features. While the assessment of potential impact on these features has proven to be non-significant, the Proponent has proposed a formal offset area to be transferred to the Council reserve system to address residual impacts of the proposed development that can not be avoided, minimised or mitigated. This has ensured that the proposed development offers an economically acceptable development that contributes to the provision of housing to the Medowie area, while ensuring minimal impact on the ecological features of the study area, as well as the larger Medowie township area.
- This assessment identified that the efforts employed to avoid and minimise impact (adopted by Proponent as part of the Indicative Land Use Plan) have ensured that the overall ecological impact of the proposed development will be minimal.

- In an effort to provide additional best practice ecological outcomes for the project, residual impacts (those unable to be avoided or minimised) will be mitigated/offset by the proposed provision of a formal offset area to Council.
- The proposed development provides an economically acceptable development that contributes to the provision of housing to the Medowie area, while ensuring minimal impact on the ecological features of the study area, as well as the larger Medowie township area.

6.4 BUSHFIRE PROTECTION

The site and land immediately adjoining the site contains Bushfire Prone Land as identified on the 'Port Stephens Bushfire Prone' Map.

A Bushfire Hazard Assessment has been prepared by Umwelt (refer **Appendix B**) to identify and assess the bushfire risk of the land having regard to the proposed development and the requirements of the NSW Rural Fire Service as specified in Planning for Bushfire Protection (NSW RFS 2006).

The recommended asset protection zones (APZs) and other bushfire protection mechanisms, including access/egress, have been incorporated into the proposed Indicative Land Use Plan. Further assessment of the level of construction standard required for individual lots will be determined at the subdivision stage of the development.

6.5 STORMWATER MANAGEMENT AND FLOOD MITIGATION

A preliminary investigation has been undertaken by Umwelt (refer **Appendix D**) to assist in understanding the stormwater and flood constraints of the site and its appropriateness to accommodate the proposed development. The main findings of the report are summarised as follows:

- The assessment indicates that there is an opportunity to achieve positive flooding and stormwater management outcomes from the proposed development of the site.
- Adopting a combined approach including a single dry detention basin with a wall height of approximately 1.1 metre combined with rainwater tanks as source controls (including 5 kL of flood storage capacity and an additional volume for storage and domestic use) will provide sufficient flood mitigation to meet the required design obligations and minimise site disturbance.
- Further, Umwelt's analysis confirms that these measures provide a 4% reduction in peak stormwater rates providing improvements to down stream properties.
- The reduced flood storage capacity creates an opportunity to include Water Sensitive Urban Design elements into the development.



6.6 GEOTECHNICAL CONDITIONS

A preliminary geotechnical assessment of the site was undertaken by Douglas Partners in 2006 for the previous residential rezoning proposal. Douglas Partners has prepared a statement (refer **Appendix E**) which confirms that the findings of the geotechnical investigations undertaken in 2006 are the same for the rural residential rezoning proposal.

The main findings of the report are as follows:

- The site contains a presence of soft saturated soils, relatively shallow bedrock, reactive clay soils, moderately to highly erodible soils and minor uncontrolled imported filling.
- These factors are considered to be minor and readily addressed through detailed investigation and design, and sound construction practice.
- Overall, the site is considered to be suitable for a future rural residential housing development from a geotechnical perspective, subject to appropriate engineering design and construction.

6.7 CONTAMINATION

Given the previous agricultural uses on the site, a Phase 1 Environmental Assessment was undertaken by HLA-Envirosciences in 2006 for the previous residential rezoning proposal. A recent site inspection was undertaken by AECOM Australia to confirm site conditions from the 2006 study. AECOM has prepared a statement (refer **Appendix F**) which confirms that the findings of the Phase 1 Environmental Assessment are the same for the rural residential rezoning proposal.

A summary of the main findings of the Phase 1 Environmental Assessment is provided below:

- During the site inspection, no offsite sources of contamination were observed however the following evidence of possible site contamination was noted during the site inspection:
 - Lot 93: a small mound of bitumen road materials was observed in the south west corner of this lot.
 - Lot 94: imported fill material containing gravel and tile fragments has been used to build up the truck maintenance area. The quality of the fill material is unknown. A 20,000L above ground storage tank was observed adjacent to the truck maintenance area, of which the contents and use are unknown. Some truck parts, waste drums and a small surface oil stain were observed on the ground of the truck maintenance area.
- Based on the site inspection and historical review, the potential for contamination in the remaining areas of the site is considered to be low. Additionally, based on field observations, the potential for off-site sources of contamination is considered to be low.
- The observations in Lot 93 and Lot 94 suggest further investigations consisting of a preliminary sampling and analysis program should be conducted.

If any part of the site is found to be contaminated, it will be remediated to ensure that the site is suitable for residential purposes.

6.8 SERVICES AND INFRASTRUCTURE

Services required to facilitate the development of the site include water, sewer, electricity and telecommunications.

A Preliminary Infrastructure Investigation has been undertaken by Hyder Consulting (refer **Appendix G**) to determine the extent of services within the vicinity of the site and their capability to service the proposed rural residential development on the site.

The main findings of the report are summarised below:

- Water – Hunter Water has confirmed that water supply for the proposed development can be sourced from the existing water supply system servicing Medowie which currently has spare capacity to service the ultimate size of the development. Further, Hunter Water plans to upgrade the existing infrastructure with an additional reservoir and duplication of existing trunk main by 2015 in order to cater for the demand associated with future development within the locality.
- Sewer – Hunter Water has confirmed that the wastewater system currently has spare capacity to initial stages of the development. Further, the planned upgrades to the existing wastewater system (i.e. upgrading of Medowie 10 WWPS and Raymond Terrace WWTW inlet capacity) are scheduled to cater for the development of the site and other future demand. Hunter Water has advised that the possibility of accelerating the timing of the planned upgrades to the wastewater system will be subject to funding and continued consultation. As such, the Proponent will continue to consult with Hunter Water regarding the timing of the proposed development and funding of infrastructure upgrades.
- Electricity – Energy Australia has advised that currently there is capacity available in the existing system to service an initial stage of approximately 50 lots. Energy Australia are currently reviewing the supply to the Medowie area for provision of additional capacity, with the possibility of a new substation within the area (within approximately 5 years) which would be able to supply further stages of the development.
- Telecommunications – Telstra has no objection to the approval of the development, however they indicated that the current network would require upgrades in order to service the development. The technology and services provided would be determined closer to the time of development commencement. The Proponent is committed to providing the infrastructure required to achieve the upgrade.

6.9 SOCIAL IMPACT

A Social Impact Assessment (SIA) was undertaken by Key Insights to evaluate the likely social impacts, opportunities and constraints associated with the previous rezoning proposal on the site. Overall, the report found that the rezoning for residential development is likely to deliver a net social benefit to Medowie and the surrounding area.

Given that the current rezoning proposal is for a different product and significantly reduced density than previously proposed as part of the original conventional residential rezoning, the potential for social impacts are reduced. As such, this proposal for rural residential development will result in less demand for social infrastructure, such as open space and other community services and facilities.

As previously stated, the Proponent conducted a Community Information Day on 20 March 2009 to inform the community about the proposed rural residential development and to correct any misconceptions. The outcomes from the information session, as summarised by Enigma Communication Consultants, are provided below:

- The community information day was well received by all who attended.
- The majority of attendees were supportive of the rural residential proposal for the site.
- A number of the attendees stated that there should be a range of lot sizes to cater for people who wanted both smaller rural holdings (under 2,000m²) and larger 1 acre blocks (4,000m²).

- The day provided the community with an opportunity to raise concerns about existing matters in the area which the Proponent acknowledged that they would seek to work with Council to address, where relevant.
- The Proponent is committed to working with Port Stephens Council as well as the local community in the future to ensure all are well informed about the proposal.
- The general response from the majority of residents who viewed details of the proposal saw the development as a natural extension of Medowie's rural residential footprint.
- Residents spoke of the need for further infrastructure investment and the need for Medowie to grow in order to attract additional investment in community services and retail opportunities.
- The Community Information Day provided the opportunity to those who are in support of the project or had no objection to it, to voice their opinion without feeling intimidated.
- There was support and recognition of the benefits of the proposal offered as a master-planned estate.

We note that since this Community Information day was conducted, the proposal has been further amended in a manner that is likely to result in greater community support for the proposal. The amendments made to the proposal include:

- The rural residential zoning is now confined to the area to the south-west of the central riparian corridor- i.e the remainder of the site (consisting of approximately 70ha) will be protected through an environmental protection zoning and is intended to be transferred into public ownership.
- The area fronting Boundary Road will be zoned to facilitate 'rural small holdings', but with a size and configuration reflecting the existing lots fronting the southern side of Boundary Road (i.e approximately 4000sqm).

In summary, it is considered that the proposal will provide a net community benefit for the reasons outlined in **Section 4.3** of this report. Further, the Proponent is willing to conduct additional community sessions in the future to listen to the opinions of the community and address any potential social impacts that may arise.

6.10 ECONOMIC IMPACT

Overall, the rezoning is likely to achieve a net economic benefit for Medowie and the surrounding area, particularly given the following positive impacts:

- Contribution to the Medowie economy through increased economic activity directly attributable to population growth.
- Contribution to the viability of existing demand driven services in the area and potential to support additional services in the locality, given the demand created by the increased population housed in Medowie.
- Provision of suitable land for rural residential development which will increase housing supply within the area, thereby promoting housing choice.
- Creation of employment opportunities during the construction phase of the development.
- Multiplier effects throughout the region as a result of construction employment.
- Creation of employment in the supply industry as a result of construction activity.
- Potential creation of ongoing employment opportunities given the demand generated by increased population.

7 IMPLEMENTATION

The physical and environmental characteristics of the site and surrounding context demonstrate that the proposal provides a logical extension of the existing rural residential footprint of Medowie involving land that is located directly adjacent to existing rural residential development and within the natural 'constraint limits' of the town. While parts of the site are suitable for rural residential development, other parts of the site contain important ecological assets that should be retained and protected.

On this basis, a draft LEP should be prepared to rezone the site. This draft LEP should:

- allow for 'rural small holdings' in a manner consistent with the Medowie Strategy (i.e providing a minimum lot size of 1000sqm with an indicative size of between 1000-1500sqm)
- allow 'rural small holdings' along the northern side of Boundary Road, but with a size and configuration reflecting the existing lots fronting the southern side of Boundary Road (i.e approximately 4000sqm)
- retain and protect the remainder of the site (ie the central EEC and north-eastern portion) through an environmental protection zoning (i.e 'environmental management')

The particular zones and provisions used to achieve the above will be worked through with Council during the assessment process. An indicative proposed Zoning Map is illustrated in **Figure 14**.

We also note that the Proponent has indicated to Council in its letter dated 11 November 2009 (refer **Appendix A2**) that it is willing to initiate negotiations with Council and DECCW for the potential transfer of the land intended to be zoned for Environmental Management into public ownership.

It is understood from our discussions with Council's Officers that following the adoption of the proposed rezoning, a DCP will be prepared including various 'site-specific' controls that would directly affect the site.

It is envisaged that this DCP will provide development objectives and criteria for future development on the site, in line with the Indicative Development Plan and key development principles included in **Section 3.2** of this report. This will ensure that development is undertaken in a coordinated manner and design quality is maintained. Further, it will ensure that sustainability principles are implemented and environmental considerations are appropriately addressed in the overall development of the site.

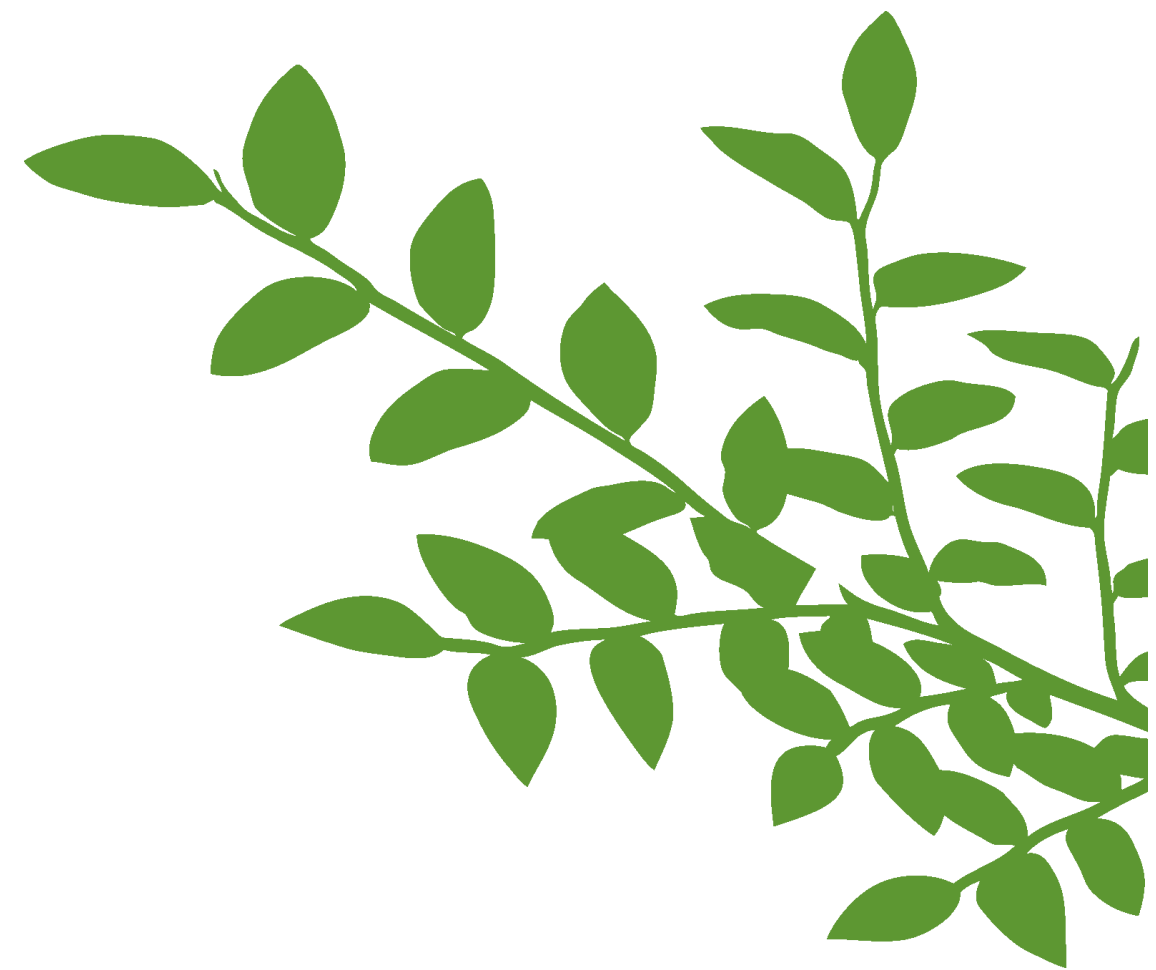
The preparation of the DCP is one that the applicant is keen to deliver to ensure the objectives are met in readiness for applications for subdivision and development pending rezoning of the land. As such, Council is requested to progress the assessment of this rezoning proposal allowing this rezoning to occur independent of the broader Port Stephens LEP review process.



Figure 13 – Indicative Proposed Zoning Map

APPENDIX A1

Council's Letter Dated 9 November 2009



Telephone inquiries
David Broyd
49 800 319
Please quote file no:
PSC2006-0029

Andrew Simons
Development Manager
Eureka Funds Management
GPO Box 4201
SYDNEY NSW 2001

Dear Andrew

Re: Draft Amendment to Medowie Strategy – Boundary Road, Medowie

I refer to our meeting this morning and now seek to confirm the outcomes as follows:

1. It is accepted that the whole site is covered by the "green corridor" identified in the Lower Hunter Regional Strategy. I also acknowledge that the designation of a "green corridor" still enables submissions to be made for rezoning of land contained in that corridor;
2. That the rezoning to Rural Residential for that part of the site north and north east of the proposed conservation area traversing the middle of the site is not supported (due to planning issues) professionally within my Group and that this sector of the site will be recommended to the Ordinary Meeting of Council on 24 November 2009 to be an Environmental Protection Zone;
3. That, apart from the land fronting Boundary Road, the remainder of the site will be recommended for an amendment to the Medowie Strategy for the development of rural small holdings enabling lots of smaller size to be created, indicatively 1,000 to 1,500 square metres;
4. That the subdivision proposed for lots fronting Boundary Road will be of similar size and configuration to lots that are existing on the southern side of Boundary Road with an intensification of yield from the remainder of this part of the site to support development feasibility (this sector of the site will be provided with reticulated water supply and sewer provision should it proceed to development);
5. The northern/north eastern sector that will be recommended for environmental conservation as an amendment to the Medowie Strategy and as a subsequent draft LEP would, for the best outcome in terms of management and conservation, be transferred to the ownership of the State Department of Environment, Climate Change and Water;
6. Therefore, the recommendation to Council for its meeting on 24 November will:
 - Recommend amendments to the Medowie Strategy as outlined above;
 - Recommend initiation of a draft LEP under Section 55 of the Environmental Planning & Assessment Act so that the "Gateway Proposal Process" can be initiated and on condition that any exhibition of the draft LEP will not be

- committed until Council has received a report on submissions received in response to exhibition of the amendment to the Medowie Strategy – that report anticipated to be submitted in February/March 2010.
- The above recommendations will embody support for subdivision of rural residential down to a minimum lot size of 1,000 square metres.

Could you promptly respond in terms of:

- Your agreement or not to the above summary of the outcomes of our meeting of today's date;
- Whether your Company is willing to initiate negotiations involving Council and DECCW at an appropriate time for the potential transfer of the northern sector of the site to public ownership and, if so, on what conditions such negotiations should proceed.

Yours faithfully

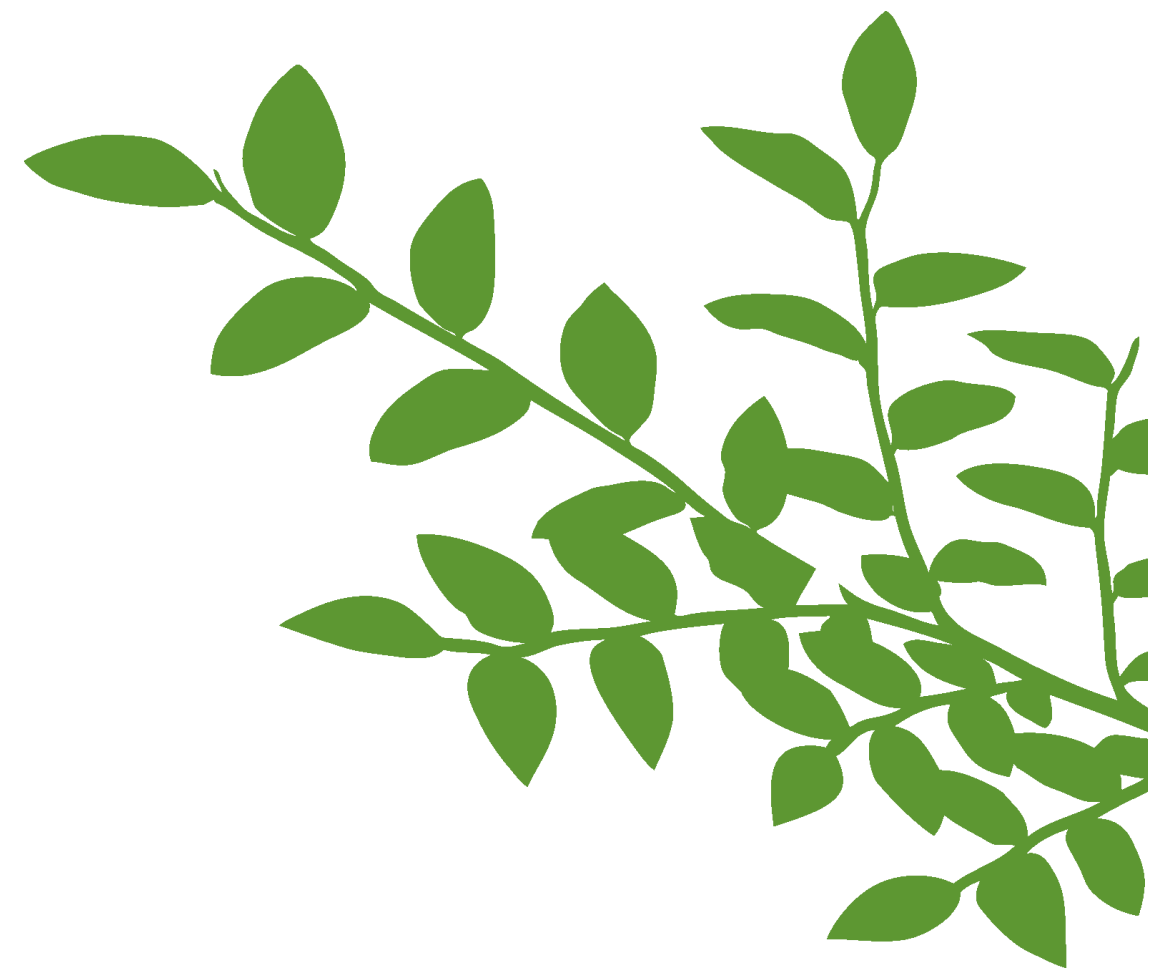
DAVID BROYD
GROUP MANAGER
SUSTAINABLE PLANNING

9 November 2009



APPENDIX A2

Proponent's Letter Dated 11 November 2009





Eureka 1 Project 10 Pty Limited
ACN 118 189 718
Level 9, NAB House
255 George Street
Sydney NSW 2000
GPO Box 4201, Sydney 2001
P: 02 9255 0221
www.eurekafm.com.au

11 November 2009

Mr David Broyd
Group Manager
Sustainable Planning
Port Stephens Council
116 Adelaide Street
RAYMOND TERRACE NSW

Dear David

Draft Amendment to Medowie Strategy - Boundary Road Medowie
Your ref PSC2006-0029

We refer to our meeting on 9 November 2009 and your letter of the same date. We agree that the summary of the outcomes of the meeting in that letter accords with our understanding of the outcomes of the meeting. We enclose a draft plan, the North Medowie Neighbourhood: Land Use Plan dated 11 November 2009 ("Land Use Plan"), which shows indicative land use proposals for the site prepared on the basis of the outcomes of our meeting.

We also confirm that Eureka 1 Project 10 Pty Limited ("Eureka") is willing to initiate negotiations with Council and the Department of Environment, Climate Change and Water ("DECCW") for the potential transfer of the north eastern sector of the Medowie Boundary Road site to public ownership.

We propose that this take the form of an offer by Eureka to enter into a planning agreement governed by Subdivision 2 of Division 6 of Part 4 the *Environmental Planning and Assessment Act 1979* ("EPA Act") with Council, and possibly also with DECCW, under which Eureka agrees to dedicate the north eastern sector of the site, generally in accordance with the area marked as EEC and Undeveloped land on the Land Use Plan, to the DECCW for no cost subject to:

- (a) the rezoning of the south west sector of the site, generally in accordance with the area marked Rural Small Holdings on the Land Use Plan (attached), to Rural Small Holdings (1,000m² - 1,500m²) as detailed within section A2.4 of the Medowie Strategy (adopted 24 March 2009); and
- (b) the subsequent granting of consent to a development application relating to this rezoning.

The specific details of any planning agreement to this effect would be the subject of further negotiations with Council.

Andrew Simons
Development Manager
Eureka Funds Management
Ph: 02 9255 0221
Mob: 0434 515 659
Email: andrew.simons@eurekafm.com.au

