

Planning Proposal

Rezoning of Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) and the Rezoning and Reclassification of Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay)

Part 1 - Objectives or Intended Outcomes

The purpose of the proposal is to:

- (i) rezone Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) and Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay) from public recreation to residential;
- (ii) rezone Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) from public recreation to environmental protection; and,
- (iii) reclassify Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay) from community to operational land. The remainder of the site is already classified as operational land.

The proposal seeks to facilitate development and disposal of Council owned land zoned 6(a) General Recreation, adjacent to an existing residential neighbourhood.

The Strategic Review of Council Owned Lands at Salamander/Soldiers Point identified that the land would be best developed for residential purposes rather than remain as open space.

It seeks to facilitate the implementation of the residential development objectives of the Port Stephens Planning Strategy and a range of other Council policies, such as the Integrated Strategic Plan.

The site is adjacent to a residential neighbourhood with good access to services. Existing road and social infrastructure has capacity to cater for the development of the site. The land is serviced with water, sewer and telecommunication services.

There is sufficient open space nearby, and the site is not required for recreational purposes.

Part 2 - Explanation of Provisions

It is proposed to amend either the Port Stephens Local Environmental Plan 2000 or the Port Stephens Local Environmental Plan 2013 (whichever instrument is in force at the time this proposal is finalised) as follows:

Port Stephens Local Environmental Plan 2000

- (i) amending the map to show Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) and Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay) zoned 2(a) Residential A;
- (ii) amending the map to show Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) zoned 7(a) Environmental Protection "A"; and,
- (iii) including the land in Part 2 in Schedule 1 of the Port Stephens Local Environmental Plan 2000 as follows:

Column 1	Column 2	Column 3
Locality	Description	Any trusts, etc. not discharged
Salamander Bay, 1 Diemars Road	Part Lot 51, DP 803471 as shown edged heavy black on the map marked "Port Stephens Local Environmental Plan 2000 (Amendment No XX)"	Nil.

Port Stephens Local Environmental Plan 2013

Should the Port Stephens Local Environmental Plan 2013 be in force when this planning proposal is finalised, then the proposal will amend this LEP as follows:

Land Zoning Map

- (iv) Amend the Land Zoning Map (LZN_005B) by rezoning Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) and Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay) from Zone RE1 Public Recreation to Zone R2 Low Density Residential.
- (v) Amend the Land Zoning Map (LZN_005B) by rezoning Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) from Zone RE1 Public Recreation to Zone E2 Environmental Conservation.

Lot Size Map

- (vi) Amend the Lot Size Map (LSZ_005B) by adopting a minimum lot size of 500m² for all land proposed to be rezoned to Zone R2 Low Density Residential.
- (vii) Amend the Lot Size Map (LSZ_005B) by adopting a minimum lot size of 40 hectares for all land proposed to be rezoned to Zone E2 Environmental Conservation.

Height of Buildings Map

- (viii) Amend the Height of Buildings Map (HOB_005B) by adopting a maximum building height of 9.0 metres for all land proposed to be rezoned to Zone R2 Low Density Residential.

Land Reclassification Map

- (ix) Insert a new Land Reclassification Map (RPL_005B) that identifies Part Lot 51 DP 803471 as "operational land".

Land Reclassification

- (vi) including the following text in Part 2 in Schedule 4 in the Port Stephens Local Environmental Plan 2013:

Column 1	Column 2	Column 3
Locality	Description	Any trusts, etc. not discharged
Salamander Bay, 1 Diemars Road	Part Lot 51, DP 803471 as shown edged heavy black on the map marked "Port Stephens Local Environmental Plan 2013 (Amendment No XX)"	Nil.

Council resolved on 20 December 2011: *"That Council as landowners, submit a planning proposal, to rezone Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a), and Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in ATTACHMENT 2."*

The relevant Council reports and resolutions are attached.

Part 3 - Justification

Section A - Need for the planning proposal.

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

The planning proposal is the result of a strategic study or report. It is an outcome of the 2008 Strategic Review of Council Owned Lands at Salamander/Soldiers Point.

The subject land is surplus to Council's open space requirements based on a set of selection criteria in Council's 2010 draft Open Space Strategy, and the land would not be identified as suitable for open space under the draft Open Space Strategy. Lot 598 was not acquired for open space purposes.

Council's Port Stephens Planning Strategy seeks to ensure a sufficient supply of a diverse range of housing in the Local Government Area (LGA). The Lower Hunter Regional Strategy projects 5300 additional infill dwellings in Port Stephens by 2031. The development of this land for housing will assist in achieving this projection.

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

The Planning Proposal is the best way of making the site available for uses which meet Council's policy objectives.

The land does not meet Council's criteria for open space, and the surrounding area is supplied with open space to at least Council's standards of provision. From an open space perspective the proposal will not reduce the availability of usable open space in the area to below Council standards. There is open space nearby in the form of a nearby bushland reserve, and a playground/ kick around area within 400m.

A study of the land by *Ecological Australia*, titled "Offset Requirements for Development of 22 Homestead Street Salamander Bay", examined the biodiversity status of the land and assessed three options for the development of the land (copy at Attachment 6). These options were:

- (1) Develop the entire site
- (2) Retain the endangered ecological community on the site and develop the remainder, and
- (3) Develop only the cleared lands.

The Study concluded that it would be theoretically possible to offset the biodiversity impacts of development under all three options, with required offsets of 7-9ha, 3-4 ha, and 0 hectares for each of the options respectively.

Ecological Australia Option 2 conserved some vegetation however the areas conserved were not an offset for the areas being impacted. Most importantly, *Ecological Australia* Option 2 still had an adverse impact on the north south biodiversity corridor by narrowing its width at a critical location. Please note: "Option 2" that was adopted in the Council Report is referred to as Council Option 2A in this Proposal in order to clearly distinguish it from the *Ecological Australia* Option 2.

A variant on *Ecological Australia* Option 2 (Option 2A) has been developed by Council. Council Option 2A has a reduced impact on the width of the north south biodiversity corridor and a reduced impact on vegetation generally relative to *Ecological Australia* Option 2, and was adopted by Council as the basis of this Planning Proposal. *Ecological Australia* Option 3 was not considered by Council to be capable of delivering a viable development parcel and *Ecological Australia* Option 1 was viewed as having an excessive impact on biodiversity.

Council has resolved as a land manager to submit a planning proposal based on Council Option 2A to rezone the land shown edged with a thick black line in Figure 9 to 2(a) Residential (Part Lot 598 DP 27382 and Part Lot 51 DP 803471), and to 7(a) Environmental Protection (the balance of

Lot 598 DP 27382), and reclassify that part of Lot 51 DP 803471 within the thick black line in Figure 9 from Community to Operational Land.

The boundary of the actual development footprint within the proposed 2(a) zone boundaries will be determined at the development application/subdivision stage when design and more detailed environmental investigation is undertaken commensurate with the greater level of detail required at that stage.

It is considered that any biodiversity offsets should be determined and provided at the development application stage when the actual extent of vegetation loss (if any) has been confirmed.

Figure 1: Lands proposed for rezoning and/ reclassification



Section B - Relationship to strategic planning framework.

3. Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy (including the Sydney Metropolitan Strategy and exhibited draft strategies)?

The proposal is consistent with the Lower Hunter Regional Strategy's (LHRS) policies which encourage residential infill development and increased housing choice. The proposal is not contrary to the Lower Hunter Conservation Plan.

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

The proposal is consistent with Council's Integrated Strategic Plan (Port Stephens 2022) which states that Council should provide for a range of lot sizes and housing types to respond to demographic needs and affordability, and that Council should provide a diverse range of fit-for-purpose, quality recreational assets which are safe and highly accessible – balanced with the ability to maintain these on a financially sustainable basis.

Council's Port Stephens Planning Strategy seeks to encourage a sufficient supply of a diverse range of housing in the Local Government Area (LGA).

The proposal is an outcome of Council's comprehensive Open Space Consolidation Review and draft Open Space Strategy, and accordingly is consistent with these strategic plans.

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

SEPP (Affordable Rental Housing) 2009

The proposal potentially facilitates increased development on land to which the SEPP applies, and accordingly has the potential to increase the supply of affordable housing.

SEPP (Exempt and Complying Development Codes) 2008

The proposal potentially facilitates development on land to which the Exempt and Complying Development Code may be applied.

SEPP (Infrastructure)

The proposal is consistent with this SEPP.

SEPP (Building Sustainability Index: BASIX) 2004

The proposal is consistent with this SEPP.

SEPP (Housing for Seniors and People with a Disability) 2004

The proposal potentially facilitates development on land upon which housing for seniors and people with a disability may be developed.

SEPP 71 (Coastal Protection)

The land is affected by SEPP 71. The matters listed in Part 8 of the SEPP (matters for consideration when preparing an LEP) are addressed in relevant sections of this report, as relevant. The implications of SEPP 71, the Coastal Policy and their supporting documents would also need to be considered in any development application applying to the site.

SEPP 55 Remediation of Land

While there is no known contamination of the land, clause 6 in this SEPP requires the consent authority

to be satisfied that the land does not have the potential to be contaminated as part of the rezoning process, particularly where land is proposed to be rezoned for residential purposes. In this regard, it is appropriate that a preliminary land contamination report be prepared and submitted to Council before the planning proposal is placed on public exhibition.

SEPP 44 Koala Habitat Protection

The subject land is subject to the Port Stephens Comprehensive Koala Plan of Management (PSCKPOM). Council's koala habitat mapping shows the western and southern part of the site is "preferred habitat", and the balance of the site is "mainly cleared" or "buffer over cleared" with the exception of a small area of "link over cleared" in the centre of the site. This would need to be considered in any development application for the land and development would need to avoid those area confirmed as "preferred habitat", and measures undertaken within the buffer area to protect koala movement, survival and impacts on habitat.

SEPP 9 Group Homes

The proposal facilitates development on land upon which group homes may be developed.

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

1.4 Oyster Aquaculture

Priority oyster aquaculture areas exist in the receiving waters of the catchment draining the subject land. Provided any development applies best practice water quality treatment for any runoff, it is considered that the aquaculture areas will not be adversely affected. This should be confirmed at the development application stage. It is considered that the proposal is consistent with this Direction.

2.1 Environment Protection Zones

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

The proposal does affect environmental sensitive lands. Two studies undertaken by *Ecological Australia* have confirmed that the vegetated areas along the western and southern boundaries of the subject site are environmentally significant. The first study was undertaken as part of the Strategic Review of Council Owned Lands at Salamander/Soldiers Point, and the second more detailed study focused on the subject land and is at Attachment 6 to this Proposal). The environmentally significant land in the west of the subject site is also at a critical narrowing of a north-south wildlife movement corridor which links Stoney Ridge Reserve with ecologically significant lands to the south near Taylors Beach. Figure 2 shows the significant vegetation on the land.

The proposal being advanced (Council Option 2A) seeks to minimise impacts on significant vegetation and on the north south biodiversity corridor while achieving a viable development parcel. Part of Lot 598 DP 27382, 22 Homestead Street is proposed to be zoned for environmental protection. The proposal will require consultation with the NSW Office of Environment and Heritage in the first instance. Because the final development footprint is not known, it is proposed to determine biodiversity offsets at the development application stage.

Figure 2: Environmentally sensitive areas



2.2 Coastal Protection

The objective of this direction is to implement the principles in the NSW Coastal Policy.

The land is within the coastal zone. The matters listed in Part 8 of the SEPP (matters for consideration when preparing an LEP) are addressed in relevant sections of this report, as relevant. The implications of SEPP 71, the Coastal Policy and their supporting documents such as the Coastal Design Guidelines would also need to be considered in any development application applying to the site.

2.3 Heritage Conservation

The objective of this direction is to conserve items, areas, objects and places of environmental heritage significance and indigenous heritage significance.

A search of the Australian Heritage Database, the Aboriginal Heritage Information Management system (AHIMS), the NSW Department of Planning Heritage Database and the Post Stephens Local Environmental Plan indicate that the site does not contain known areas of heritage significance.

2.4 Recreation Vehicle Areas

The objective of this direction is to protect sensitive land or land with significant conservation values from adverse impacts from recreation vehicles.

It is not proposed to enable a recreational vehicle area to be developed.

3.1 Residential Zones

The objectives of this Direction are:

- To encourage a variety and choice of housing types to provide for existing and future housing needs
- To make an efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services
- To minimise the impact of residential development on the environment and resource lands.

The proposal facilitates additional housing in an established residential area

3.4 Integrating Land Use and Transport

The objective of this Direction is to ensure that development:

- Improves access to housing, jobs and services by walking, cycling and public transport;
- Increases the choice of available transport and reducing dependence on cars;
- Reduces travel demand including the number of trips generated by development and the distances travelled, especially by car;
- Supports the efficient and viable operation of public transport services; and
- Provides for the efficient movement of freight.

The proposal facilitates an increased yield on residentially zoned land in close proximity to neighbourhood level services. A weekday bus route is within 400 m of the site. Neighbourhood shops are within 500m of the site.

4.1 Acid Sulfate Soils

The objective of this Direction is to avoid significant adverse environmental impacts from the use of land that has a probability of containing acid sulfate soils.

The southeastern third of the subject site is Category 1 –works below 2m below natural ground surface, the balance of the site is Category 2-works below ground surface. Council will require appropriate measures to be taken at a development application stage. Both the Port Stephens LEP 2000 and the Port Stephens LEP 2013 contain provisions to manage the impacts of development on acid sulfate soils.

4.3 Flood Prone Land

The objectives of this Direction are:

- 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
- To ensure that the provisions of an LEP on flood prone land is commensurate with flood hazard and includes consideration of the potential flood impacts both on and off the subject land.

The southernmost part of the land is flood prone according to Council's GIS mapping. Because of the location and topography, the nature of any flooding is likely to be slow acting, low depth and low velocity. The low lying nature of the land means that sea level rise may increase the flood risk. A flood assessment would be required prior to any development of the site. Both the Port Stephens LEP 2000 and the Port Stephens LEP 2013 contain provisions to manage proposed development on flood prone land. It is noted that the adjacent residential and industrial areas also identified as flood prone on the Council's GIS mapping.

4.4 Planning for Bushfire Protection

The objectives of this Direction are to protect life, property and the environment from bushfire hazards, by discouraging the establishment of incompatible land uses in bushfire prone areas and to encourage sound management of bushfire prone areas.

The proposal is rated as "vegetation buffer" except for the vegetated areas along to western and southern boundaries, which are Category 1. This will need to be taken into account in any development application for the site.

5. Implementation of Regional Strategies

The proposal is consistent with the Lower Hunter Regional Strategy.

6.2 Reserving Land for Public Purposes

The objectives of this direction are:

- to facilitate the provision of public services and facilities by reserving land for public purposes, and
- to facilitate the removal of reservations of land for public purposes where the land is no longer required for acquisition.

The Planning Proposal will remove a reservation of land for public purposes.

The proposal seeks to reclassify community land to operational land, and should this reclassification be supported, the public reserve status of Part Lot 51 will be no longer appropriate and will be revoked. The reasons for this are provided elsewhere in this report.

Section C - Environmental, social and economic impact.

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

The proposal may adversely affect critical habitat or threatened species, populations or ecological communities, or their habitats. The Planning Proposal seeks to minimise the ecological impact of the proposed rezoning by restricting vegetation loss. The boundary of the actual development footprint within the proposed 2(a) zone boundaries will be determined at the development application/subdivision stage when design and investigation is undertaken commensurate with the greater level of detail required at that stage. A detailed environmental assessment would be undertaken at the development application stage in order to guide the final form of the development/subdivision.

A copy of a report on "Offset Requirements for 22 Homestead Street Soldiers Point" is attached. Ecological Australia Option 2 in the "Offset Report" proposes more extensive development and vegetation loss than the adopted Council Option 2A upon which this Planning Proposal is based. Council Option 2A has an impact between that of Ecological Australia Options 2 and 3 that are discussed in the "Offset Report". Please note: "Option 2" that was adopted in the Council Report is referred to as Council Option 2A in this Proposal in order to clear distinguish it from the Ecological Australia Option 2.

The land is not located within the LHRS green corridor or any areas identified by the Lower Hunter Conservation Plan as being of conservation significance.

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

No significant effects.

9. Has the planning proposal adequately addressed any social and economic effects?

Yes. The nearest community land is adjacent and offers a range of recreational experiences.

The social impacts of the proposal are:

- A potential increase in the supply of housing, albeit in an area affected by aircraft noise.

- Possible community reaction to the reclassification- which will be determined through the public exhibition process.

The economic effects are:

- Potential employment creation associated with the construction and on going occupation of any dwelling on the site
- Infrastructure efficiencies achieved as a result of infill development.

The environmental impacts of the proposal are:

- The potential loss of vegetation on the site
- The environmental impacts associated with the construction and ongoing operation of any dwelling on the site.
- The rezoning and protection of open space zoned land as environmental protection.

These negative impacts of the proposal can be reduced by any resultant dwelling complying with BASIXs and any other environmental policies which may apply at a local, State or National level, by minimising the impact of the final development footprint on significant vegetation and by providing biodiversity offsets if appropriate.

Section D - State and Commonwealth interests.

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

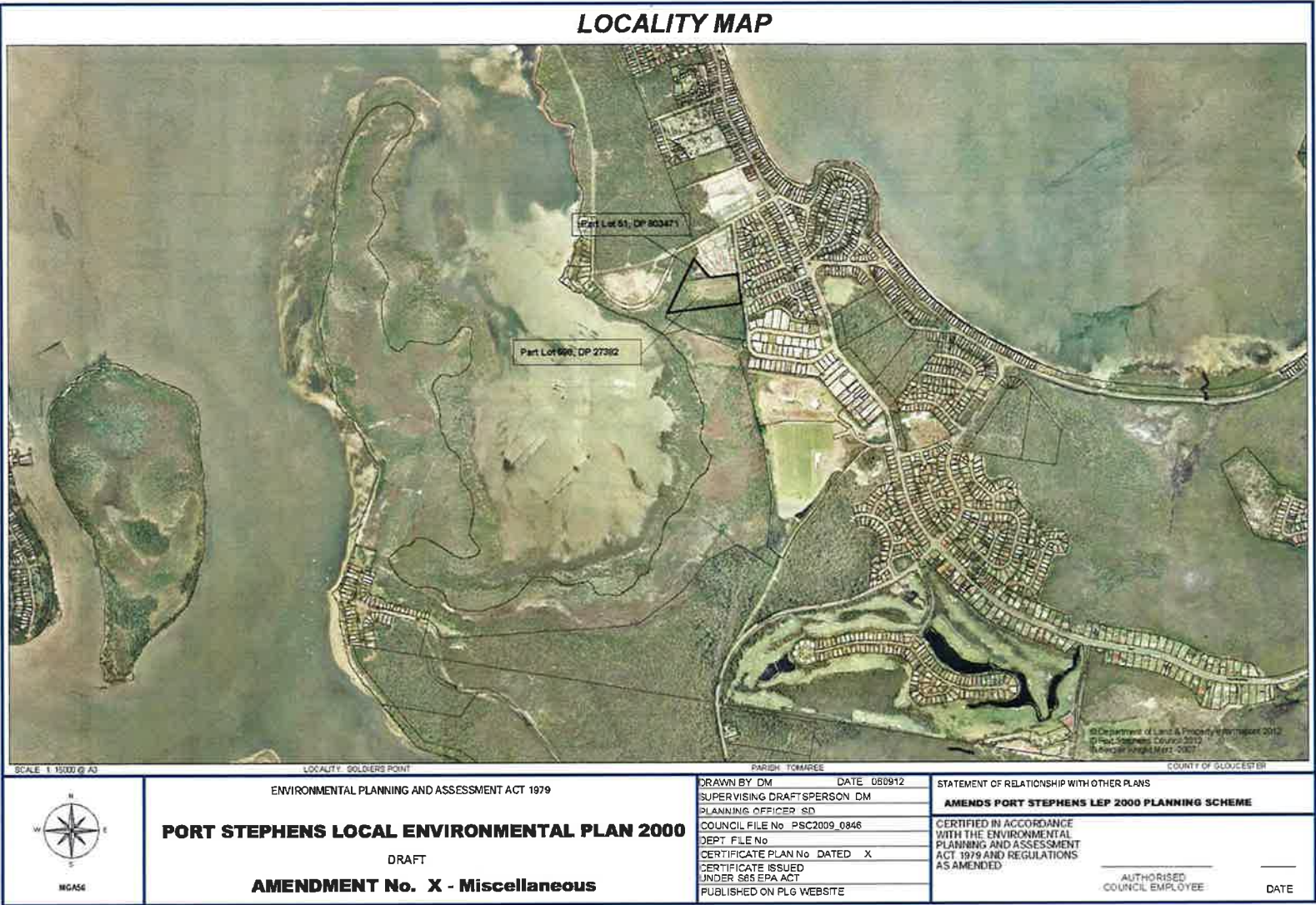
The reclassification proposal does not require additional public infrastructure. Water, sewer, electricity and telecommunication services are currently provided to the area.

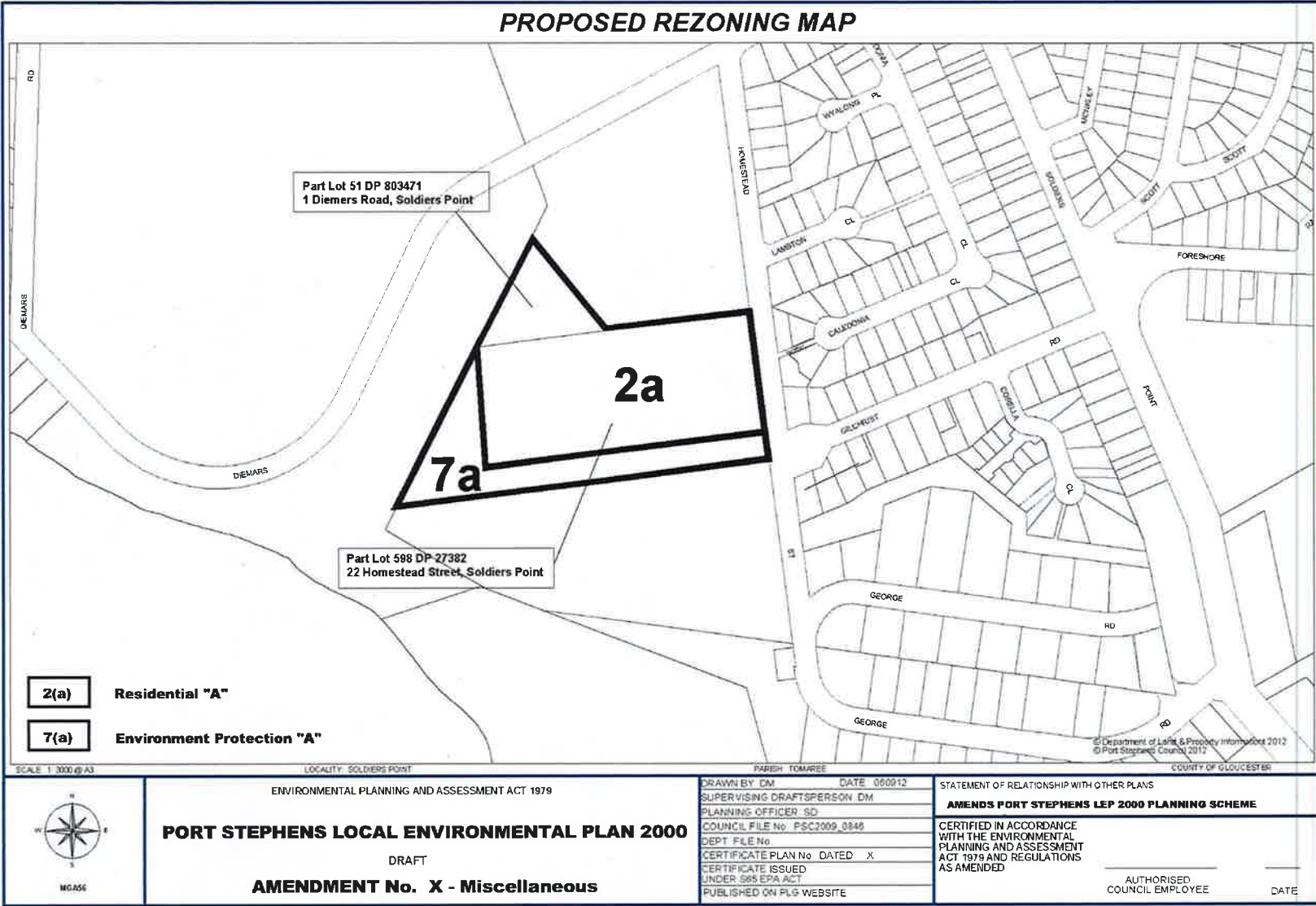
11. What are the views of State and Commonwealth public authorities consulted in accordance with the gateway determination?

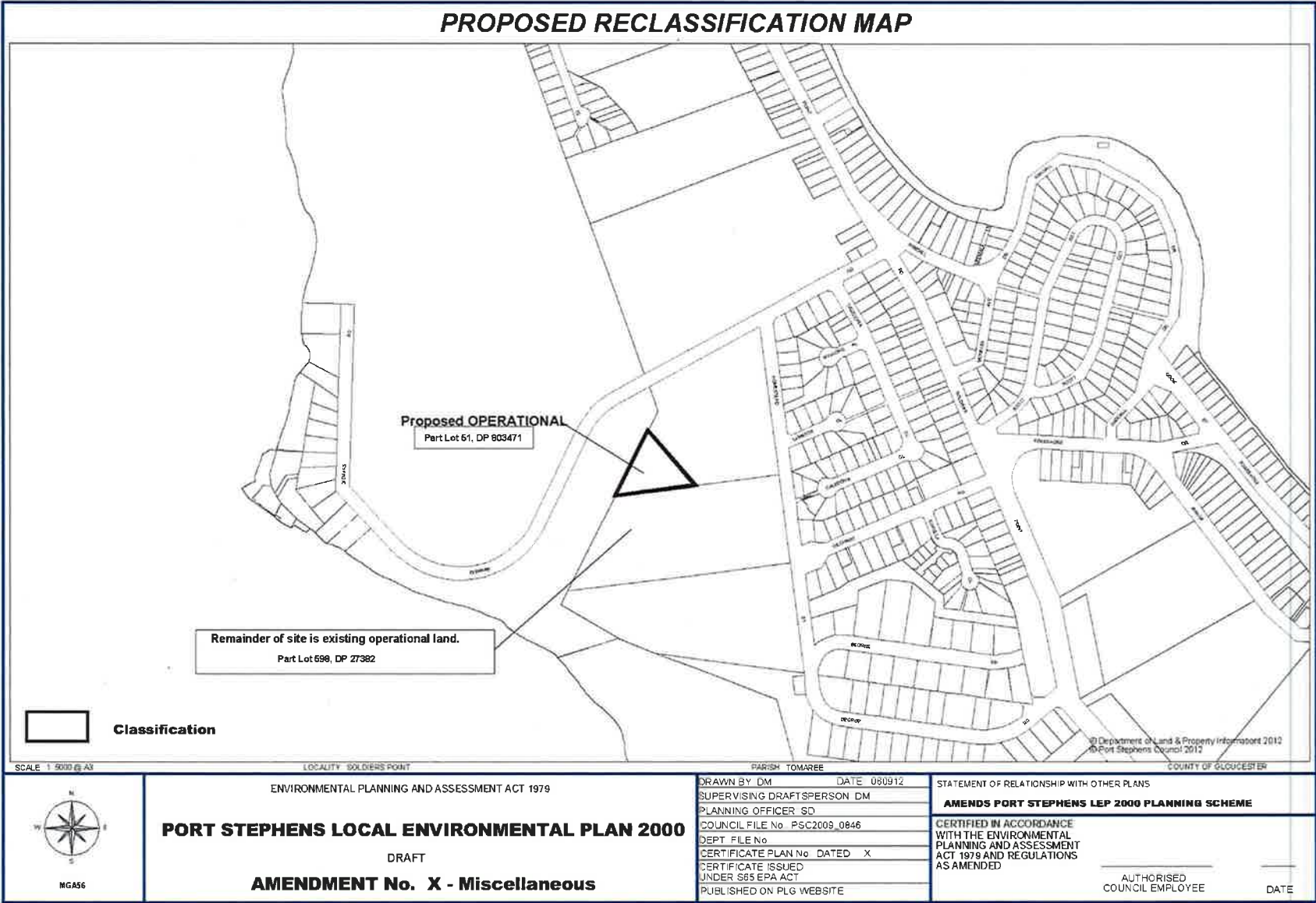
Consultation with relevant authorities will be undertaken following the gateway determination.

Part 4 – Mapping

Locality Map







Part 5 – Community Consultation

The planning proposal will be exhibited in accordance with the requirements of the Environmental Planning and Assessment Act and the Local Government Act and their regulations, and in accordance with Sections 5.5.2 and 5.5.3 of the Department of Planning and Infrastructure guideline "A guide to preparing Local Environmental Plans" (April, 2013). The LEP Practice Note PN 09-003 "Classification and reclassification of public land through a local environmental plan" and the *Best Practice Guideline for LEPs and Council Land* will also be included in the public exhibition documentation.

This includes public notification of the exhibition, inviting public submissions, and holding a public hearing.

Notice of the arrangements for the public hearing will be given in a local newspaper; and in a letter to each person who may have made a submission, at least 21 days before the date of the hearing. Notice of the public hearing will not be given before the conclusion of the public exhibition of the planning proposal to ensure each person making a submission is given the requisite 21 days notice.

The exhibition period will be for a minimum of 28 days or the period specified in the Gateway Determination and will include the availability of hard copy exhibition material at a local venue, Council libraries, the Council administration building and for download from the internet.

Following the exhibition, the public submissions and the outcome of the public hearing will be assessed, and a recommendation made to Council for their consideration.

Part 6 – Project Timeline

The planning proposal will require consultation with the NSW Office of Environment and Heritage and the preparation of a preliminary land contamination report. Accordingly, a 6 month period has been allocated for these tasks. Council anticipates that the draft LEP will be finalised by June 2014.

	Task Description	Estimated Timeline
1.	Gateway Determination	June 2013
2.	Completion of required technical information	December 2013
3.	Government agency consultation	December 2013
4.	Public exhibition period	February 2014
5.	Public hearing	March 2014
6.	Consideration of submissions and finalise the draft plan	May 2014
7.	Submission to Department with request to make the plan.	June 2014

ADDITIONAL INFORMATION

Comments relevant to LEP Practice Note PN 09-003.

Location

The land proposed for rezoning is Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) and Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay). Land proposed for reclassification is Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay) ("the site"). The subject land is shown on the map at Figure 1 and Attachment 4. An aerial photograph of the site is at Attachment 5.

The site is located in a suburban area in the suburb of Soldiers Point in the Port Stephens Local Government Area.

Figure 1: Subject land shown outlined in red



Site description

Lot 598 is 38076 square metres in area and Part Lot 51 is approximately 5300 square metres. Lot 598 has a frontage to Homestead Street of approximately 130 metres. Figure 2 shows that site is largely cleared, with native vegetation containing canopy trees and understorey shrubs towards the western and southern boundaries of the site (see also Figure 3). The triangular area of land occupied by Part Lot 51 is cleared over one third and the balance covered by large native canopy trees with a grass understorey (Figure 4). Part Lot 51 is a southern part of the Stoney Ridge Reserve.

A detached dwelling was located near the centre of Lot 598 and has been demolished along with any other improvements on the land, with the exception of boundary fencing.

The site is adjacent to a residential neighbourhood- with largely detached dwellings to the east (across Homestead Street) (Figure 5) and a manufactured home village immediately to the north Figures 6 and 7). A sewer pump station is located within the manufactured home estate, adjacent to the boundary with Lot 598. There is a 70-100 m wide corridor of native vegetation to the west, part of which is on the subject land, and beyond a quarry. To the south the land is covered by swamp sclerophyll forest, part of which is on the subject land (Figure 8).

Occupants of the manufactured home village appear to be using the triangular shaped Part Lot 51 for the storage of caravans and the like. (Figure 4)

The site is relatively flat and low lying. It appears to drain toward the south and southeast.

The site has no signs of being used for formal or informal recreation activity.

Homestead Street is sealed but does not have kerbing and guttering adjacent to the site. It would require a more formalised drainage and road shoulder treatment if the subject land is to be developed.

The land:

- Has access to urban infrastructure, including services, local shops and parks
- Is adjacent to land zoned for residential and other development permissible in a 2(a) Residential A zone.
- Is mainly cleared
- Can probably be developed in way which achieves substantial residential development, and at the same time achieve an "improve or maintain" biodiversity outcome.
- Contains habitat for endangered species
- Contains some areas of preferred habitat under the Port Stephens Comprehensive Koala Plan of Management.
- Is not within the ANEF 2012 or ANEF 2025 aircraft noise contours.
- Is mainly flood prone
- Is partially bushfire prone
- Needs to be carefully managed for acid sulfate soils
- Has community land nearby for informal recreation.

Figure 2: Aerial photograph showing surrounding dwellings, vegetation to the south and west, and dwellings to the north and east.



Figure 3: Panorama photograph of the Site, looking W from Homestead Street



Figure 4: Part Lot 51 showing private use of Council land



Figure 5: Looking N along Homestead Street, the subject land to the left, detached dwellings to the right.



Figure 6: Looking NE across the Site to the manufactured home village.



Figure 7: Manufactured Home Estate along the northern property boundary



Figure 8: Environmentally significant vegetation to the S and W of the subject land



Current classification

Lot 598 is classified as Operational Land, and Part Lot 51 is classified as Community Land and categorised as Natural Area (Bushland).

Current zoning

The subject land is zoned 6(a) General Recreation under the Port Stephens Local Environmental Plan 2000. The adjacent land to the north and east is zoned 2(a) Residential A. The adjacent land to the west and south is zoned 6(a) General Recreation.

Reasons why Council acquired an interest

Council acquired Lot 598 in 1996. It was intended that Lot 598 and the Council owned Lot 599 would be rezoned and developed as light industrial land. This did not eventuate.

It is believed Council acquired Lot 51 in 1955 as part of the acquisition of a much larger area of land from the Commonwealth of Australia. This land had been intended for the establishment of a naval base, however this did not eventuate and the site was sold to the Council by the Commonwealth.

Any current agreements over the land

There is no current agreement over the land.

Financial implications for Council

Council would receive revenue from the proposed disposal of the land. Council would achieve minor operational cost savings from no longer maintaining the land. The 2010 Notice of Valuation by the Valuer General states that the value of the Lot 598 as open space is \$ 450,000. The value of Part Lot 51 has not been estimated at this time.

The development of a residential subdivision is estimated by Council to yield approximately 30 lots. The current cost of developing lots is around \$80,000 per lot, making a project cost of around \$2.4 million. The lots may be marketed for \$160,000-\$180,000 per lot based on other residential estates in the area. Adopting \$170,000 as the median price, the total income from the development has the potential to return from \$5.1 million gross, or \$2.7 million net.

Related asset management objectives

The rezoning and reclassification, and proposed disposal of the land are consistent with Council's asset management and policy framework for open space.

Any proposal to extinguish or retain other interests in the land through reclassification

It is proposed to revoke the public reserve status applying to Part Lot 51.

A justification/ explanation as to why such interests are being extinguished

Part Lot 51 is not required to be community land to fulfil its proposed purpose and it is proposed to reclassify the site as operational land. The public reserve status of the land would no longer be appropriate.

Any rezoning associated with the reclassification

It is proposed to rezone Part Lot 51 from 6(a) General Recreation to 2(a) Residential A.

Council's intention

Council's intention is to rezone and reclassify the land, as described, in order to permit the development of most of the land and to dispose of most of the land consistent with the adjacent residential zoned land, while at the same time protecting the majority of the land of biodiversity significance by rezoning 7(a) Environmental Protection "A" and retaining Council ownership.

Is there a net community benefit?

The site is adjacent to an existing residential neighbourhood with good access to services. Existing road and social infrastructure has capacity to cater for the development of the site. The land is serviced with electricity, water, sewer and telecommunication services.

The proposal will not reduce the availability of usable open space in the area to below Council standards. There is open space nearby in the form of a playground and kick around area within 400m. The Stoney Ridge reserve also provides informal recreation opportunities, with public access being located adjacent to the site.

As described above, development of the site for residential purposes along the lines of Council Option 2A (the Planning Proposal) aims to achieve a balance between the conservation of vegetation and development viability.

There is a net community benefit from the reclassification of the land. It is not serving a public purpose and is not required for alternative community uses. The eventual disposal of most of the land will provide for additional housing in the area, and will generate revenue for Council to meet the need for facilities and services within the LGA. Most of the vegetation on the site is not affected by the proposed rezoning and will be protected under an environmental protection zoning.

COUNCIL COMMITTEE – 13 DECEMBER 2011

ITEM NO. 7

FILE NO: PSC2006-6753

REZONING 22 HOMESTEAD STREET, SALAMANDER BAY FROM RECREATION TO RESIDENTIAL

REPORT OF: CARMEL FOSTER – COMMERCIAL PROPERTY MANAGER
GROUP: COMMERCIAL SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) That Council as landowners, submit a planning proposal, to rezone (Option 2, **ATTACHMENT 1**) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in **ATTACHMENT 1**.

BACKGROUND

The purpose of this report is for Council as landowner to submit a Planning Proposal to the Environmental and Development Planning Section to partially rezone 22 Homestead Street Lot 598 DP 27382 Salamander Bay from 6(a) Recreation to 2(a) Residential and Environmental 7(a) and reclassify and rezone Part Lot 51 DP 803471 from Community to Operational and from 6(a) to Residential 2(a) (see Attachment 1).

Council purchased the 3.8ha (22 Homestead Street) parcel of land in late 1996. The land was zoned 6(a) Open Space. Upon acquisition by Council the land was classified "Operational. It was the intention of Council at the time of the acquisition that the land be consolidated with the adjoining Council owned lot (Lot 599) with a view to extend the light industrial zoning and create 40 industrial allotments (attachment 4). Prior to Council's purchase of the land the previous owner of 22 Homestead Street had made approaches to Council regarding lodging an application to rezone the lot to residential. 22 Homestead Street is located in a suburban area in the suburb of Salamander. Adjoining the land to the north and east is existing residential dwellings and it would be a logical extension of the adjacent residential zoning. A report was prepared by Strategy Hunter in January 2008 on various sites in Salamander Bay and Soldiers Point of which 22 Homestead Street was one, the report recommended that 22 Homestead Street be rezoned to part 2(a) Residential and Part 7(a) environmental.

Council resolved on the 8 June 2010 that Council investigate rezoning the whole site to residential and that Council have the opportunity to have another ecologist review the site and potential offsetting.

Additionally the Hunter Strategy Report recommended the reclassification and rezoning of a triangular piece of land adjoins 22 Homestead Street to the south and existing residential to the west. This will provide an improved urban and development outcome.

COUNCIL COMMITTEE – 13 DECEMBER 2011

To facilitate the rezoning and reclassification a Planning Proposal was prepared by Hunter Strategy to submit firstly to Council then to the Department of Planning and Infrastructure under the provisions of the "Gateway Process". The ecological review forms part of the Planning Proposal.

The Planning Proposal that has been prepared supports that the land does not meet the criteria for Open Space and that the surrounding area is supplied with open space to at least Council's standards of provision.

Additionally the report makes the following observations:

The site:

- Has access to urban infrastructure, including services to local shops and parks
- Is adjacent to land zoned for residential and other development permissible in a 2(a) residential zone
- Is mainly cleared
- Can probably be developed in a way which achieves substantial residential development and at the same time achieve an "improve or maintain" biodiversity outcome
- Contains habitat for endangered species
- Contains some areas of preferred habitat under the Port Stephens Comprehensive Koala Plan of Management
- Is not within the ANEF 2012 or ANEF 2025 aircraft noise contours
- Is mainly flood prone
- Needs to be carefully managed for acid sulphate soils
- Has community land nearby for informal recreation.

The previous ecological assessment found the subject site offers high value interconnectivity between vegetation remnants to the southwest and southeast and linking to the north. It states that it is essential that the integrity of the corridor is retained in perpetuity. The vegetation in the southern part of the site was also found to comprise of Swamp Mahogany Forest, an Endangered Ecological Community. This part of the subject site is also mapped as preferred koala habitat in the Port Stephens Comprehensive Koala Plan of Management.

The most recent study of the land by Ecological Australia prepared in April 2011 noted that 32% of the site contained Endangered Ecological Community (EEC) listed under the NSW Threatened Species Conservation Act (Swamp Mahogany - Paperbark Forest).

The report then considered three options for the development of the land and considered the options capability to achieve the "improve and maintain outcome" as calculated by the Biodiversity Certification Assessment Methodology. An improved and maintain outcome is achieved where there is no impact on "red flagged" species or ecosystems and where all losses of non - red flagged species and ecosystems are fully offset.

The options were:

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Option 1 - Develop the entire site
(4.34 hectares = 43 allotments)

Option 2 - Retain the endangered ecological community on the site and develop the remainder.
(Approximately 3.34 hectares = 33 allotments)

Option 3 - Develop on the cleared lands.
(Approximately 2.34 hectares = 23 allotments).

The study concluded that it would be theoretically possible to offset the biodiversity impacts of the development but also stated that it would be unlikely Option 1 or 2 would be supported by the Office of Heritage and Environment (OEH) regardless of any offset proposal. This is because Option 1 and 2 will reduce the width of the north-south corridor by around 30%. Option 1 would require the clearing of the EEC and the "improve and maintain" outcome cannot be achieved because of the red flag rule therefore Council would need to demonstrate that proposal could meet certain criteria which would then have to be approved by OEH, the report considers that it is highly unlikely. Option 2 protects the EEC however clears two other vegetation communities (Coastal Sand Apple – Blackbutt Forest and Coastal Foothills Spotted Gum comprising 16% of site coverage) and the "improve and maintain" outcome is not achieved within the site boundaries. However it is assumed that the retained vegetation would be managed and improved therefore is providing a better outcome for the site. Option 3 has no impact on biodiversity but to develop only the cleared portion of the land would not be financially viable. It is therefore recommended that Council proceeds with Option 2.

FINANCIAL/RESOURCE IMPLICATIONS

Council would receive revenue from the proposed disposal of the land. The value of the land will significantly increase with the change of zoning to Residential 2a. The development of a residential subdivision is estimated to realise a yield of approximately 30 housing lots, based on the developable area being proposed.

The current cost of developing residential allotments is circa \$80k per lot, making a project cost of circa \$2.4m. Based on other residential estates in the Port Stephens LGA, it is estimated that the lots could be marketed at \$160k to \$180k per lot. Adopting \$170k as the median price, the total income from the development has the potential of returning \$5.1m.

LEGAL, POLICY AND RISK IMPLICATIONS

The subject land requires approval by the Department of Planning for the rezoning of the land from 6(a) General Recreation to 2(a) Residential and 7(a) Environmental and part of the land, being the triangular section located between 22 Homestead Street and the adjoining relocatable home village, also requires reclassification from Community to Operational.

On successful completion of the Rezoning and Reclassification process, the land will require the preparation of a Development Application for the subdivision into

COUNCIL COMMITTEE – 13 DECEMBER 2011

residential lots. On approval, the construction of the subdivision works will take place, with registration of the final plan of subdivision by the Land & Property Information on completion of the works.

The above processes are anticipated to be quite lengthy.

The sale of the land is consistent with the Property Investment and Development Policy.

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The amount of land available for residential development within the Tomaree Peninsula is a limited resource. The land provides Council with an opportunity to provide additional housing lots in an existing residential area within the Port Stephens Local Government Area.

This project will create economic stimulus for the community, through construction and a further revenue stream for Council through land sales. The creation of additional housing lots also provides a further flow on effect in the form of additional ratepayers.

Part of the site contains endangered ecological community, however the proposal does not intend to develop these areas. The environmental constraints are addressed and there will be minimal impact on the environment.

CONSULTATION

- 1) Group Manager – Sustainable Planning;
- 2) Strategic Planning Staff.

OPTIONS

- 1) Adopt the recommendation;
- 2) Reject the recommendation;
- 3) Amend the recommendation.

COUNCIL COMMITTEE – 13 DECEMBER 2011

ATTACHMENTS

- 1) Development Option 2;
- 2) Development Option 1;
- 3) Development Option 3;
- 4) Business Paper September 1996.

Marked up aerials:

Yellow Boundary = Lot Boundary

Black Boundary = Proposed rezoning

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ATTACHMENT 1



ATTACHMENT 2



ATTACHMENT 3



ATTACHMENT 4

Minutes of 10 September 1986 Ordinary Meeting

**CONFIDENTIAL
CORPORATE COMMITTEE**

ITEM NO 2

FILE NO: M3470-10

**PROPOSAL TO PURCHASE LOT 598 GEORGE ROAD,
SALAMANDER BAY**

AUTHOR: Jim Neely

GENERAL MANAGER'S RECOMMENDATION:

1. That Council accept the offer from Banora Projects P/L to sell Lot 598 DP 27382 George Road, Salamander Bay for \$325,000.00.
2. That the Common Seal of Council be affixed to all necessary documents.
3. That under Section 31 of the LG Act 1993 the land be classified "operational".

Manex Comments: The appropriate co-ordination and corporate consultation has taken place.

Corporate Committee's Recommendation: That the General Manager's recommendations be adopted.

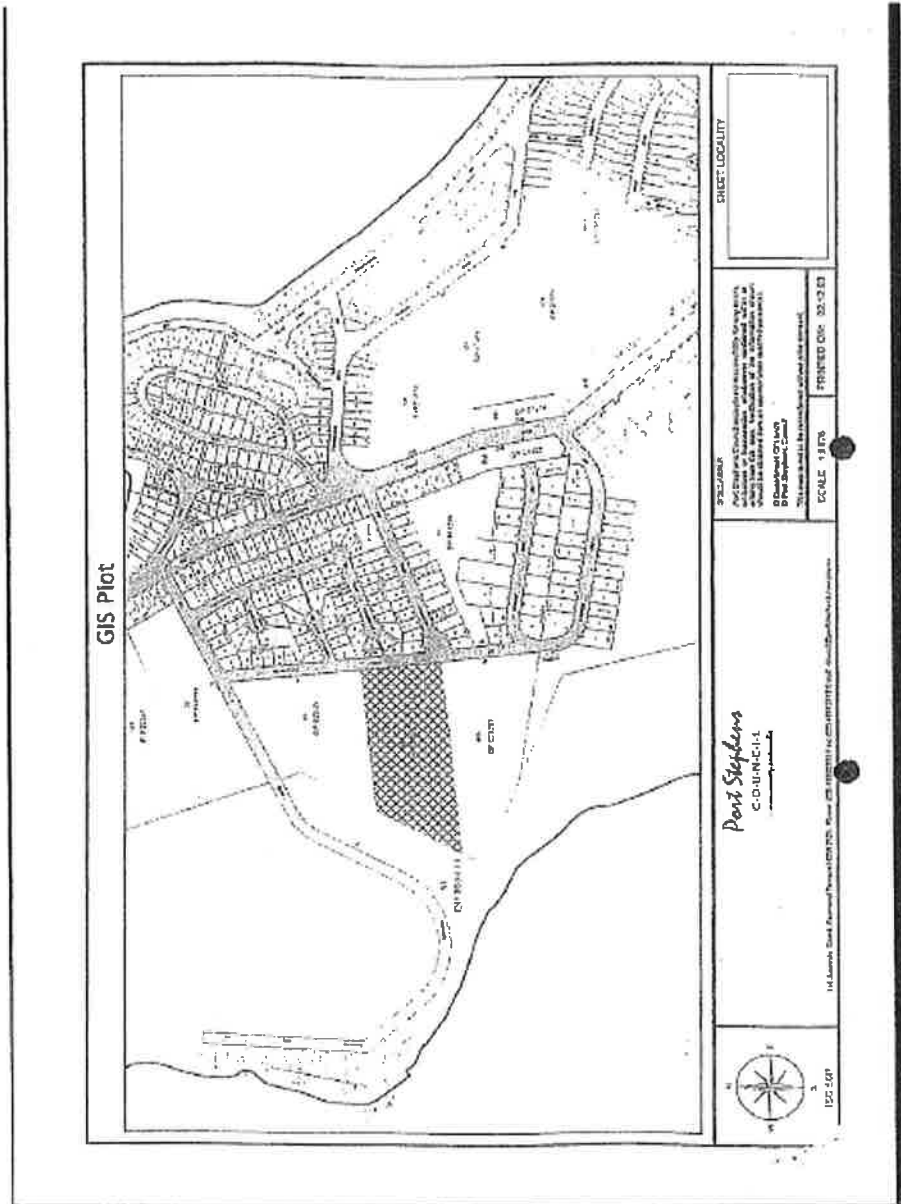
536 Councillor MacKenzie
Councillor Creighton

**Resolved that the Corporate Committee's
Recommendation be adopted.**

Port Stephens Council

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ATTACHMENT 4



ATTACHMENT 4

Minutes of Ordinary Meeting 10 September 1996

**CONFIDENTIAL
CORPORATE COMMITTEE**

ITEM NO 2 **FILE NO: M3470-10**
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SALAMANDER BAY

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2. That the Common Seal of Council be affixed to all necessary documents.
3. That under Section 31 of the LG Act 1993 the land be classified 'operational'.

Manex Comments: The appropriate co-ordination and corporate consultation has taken place.

Corporate Committee's Recommendation: That the General Manager's recommendations be adopted.

336 Councillor MacKenzie **Resolved that the Corporate Committee's**
Councillor Croughton **Recommendation be adopted.**

BACKGROUND

Council is the owner of Lot 599 George Road, Salamander Bay and now has the opportunity to acquire the adjoining Lot 598 having an area of approximately 9 acres (see Attachment 10.1).

The acquisition of this property is seen to have two benefits. Firstly, it would together with the adjoining allotment already owned by Council, be a logical extension of the adjacent Light Industrial zoning. Secondly, a proposed road through this land could link with the existing quarry and provide a more desirable route for trucks that use the quarry. Residents have continually complained about the noise and dust from trucks that travel along George Road.

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ATTACHMENT 4

Minutes of Ordinary Meeting 10 September 1996

This proposal would create approximately forty (40) light industrial allotments and provide for the closure of part of George Road (see Attachment 10.2). It is estimated that Council would make a profit on the development in the order of \$500,000.

Both allotments of land are zoned Public Recreation 6(a) and would require rezoning for this proposal to proceed. The owner of Lot 588 could require Council to acquire this property under the provisions of Council LEP 1987.

The owner of Lot 588 has approached Council with a view to lodging an application to have the land re-zoned Residential 2(a), or failing this, to develop a Mobile Home Park that is permitted under the current zoning. Following further negotiations with the owner he has agreed to sell the land to Council for \$325,000.00 (see Attachment 9.3).

Council has obtained a valuation from Wollmers Pawlik Stimm P/L who have valued the land as follows:-

Based on current Public Recreation 6(a) zoning	\$200,000.00
Based on Residential 2(a) zoning	\$980,000.00

Given the potential advantages to be had it is recommended that Council acquire this property. The major risk to Council is that an application to re-zone the land Light Industrial may be unsuccessful.

FINANCIAL/RESOURCE IMPLICATIONS

Funds are available in the Acquisition of Assets Reserve.

LEGAL AND POLICY IMPLICATIONS

Nil

PUBLIC IMPACT

Once the land is acquired the proposal could be communicated to the residents in the area who would more than likely favour the proposal.

CONSULTATION

Some Councillors have inspected the site. Other Council Departments have been consulted.

OPTIONS

Accept/reject the recommendation.

COUNCIL RESOLUTION OF 20 DECEMBER 2011

MINUTES ORDINARY COUNCIL – 20 DECEMBER 2011**ITEM NO. 7****FILE NO: PSC2006-6753****REZONING 22 HOMESTEAD STREET, SALAMANDER BAY FROM RECREATION TO RESIDENTIAL**

REPORT OF: CARMEL FOSTER – COMMERCIAL PROPERTY MANAGER
GROUP: COMMERCIAL SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) That Council as landowners, submit a planning proposal, to rezone (Option 2, **ATTACHMENT 1**) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in **ATTACHMENT 1**.

COUNCIL COMMITTEE MEETING – 13 DECEMBER 2011**RECOMMENDATION:**

	Councillor Ken Jordan Councillor Bob Westbury
	That Council as landowners, submit a planning proposal, to rezone (Option 2, ATTACHMENT 2) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in ATTACHMENT 2 .

In accordance with the Section 375A, Local Government Act 1993, a division is required for this item.

Those for the Motion: Crs Peter Kafer, Bob Westbury, Caroline De Lyall, Ken Jordan, Bruce MacKenzie, Steve Tucker, Shirley O'Brien, Geoff Dingle, John Nell, Frank Ward, Sally Dover and Glenys Francis.

Those against the Motion: Nil.

ORDINARY COUNCIL MEETING – 20 DECEMBER 2011

451	Councillor John Nell Councillor Sally Dover
	It was resolved that Council as landowners, submit a planning proposal, to rezone (Option 2, ATTACHMENT 2) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and

MINUTES ORDINARY COUNCIL – 20 DECEMBER 2011
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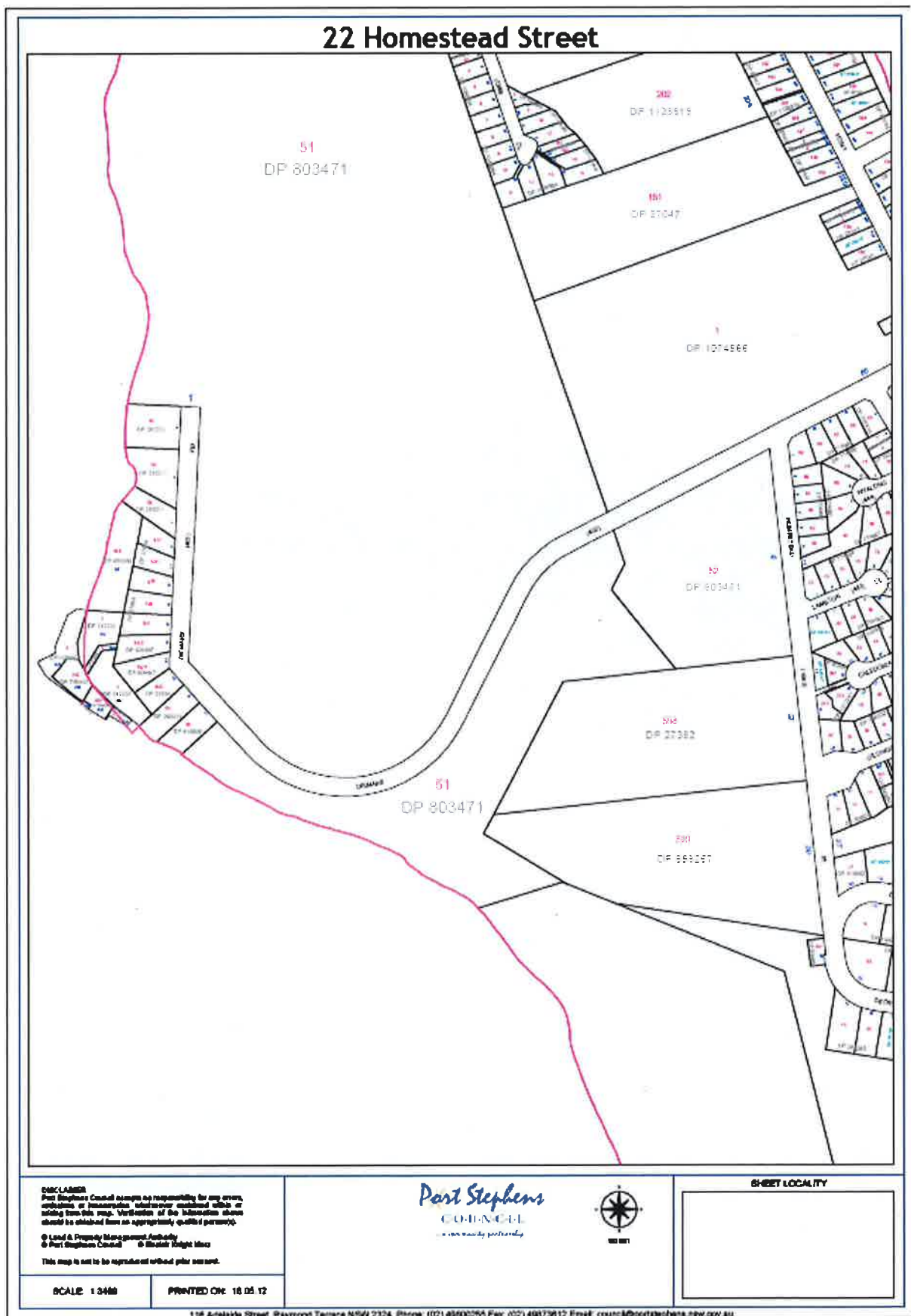
	Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in ATTACHMENT 2 .
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In accordance with the Section 375A, Local Government Act 1993, a division is required for this item.

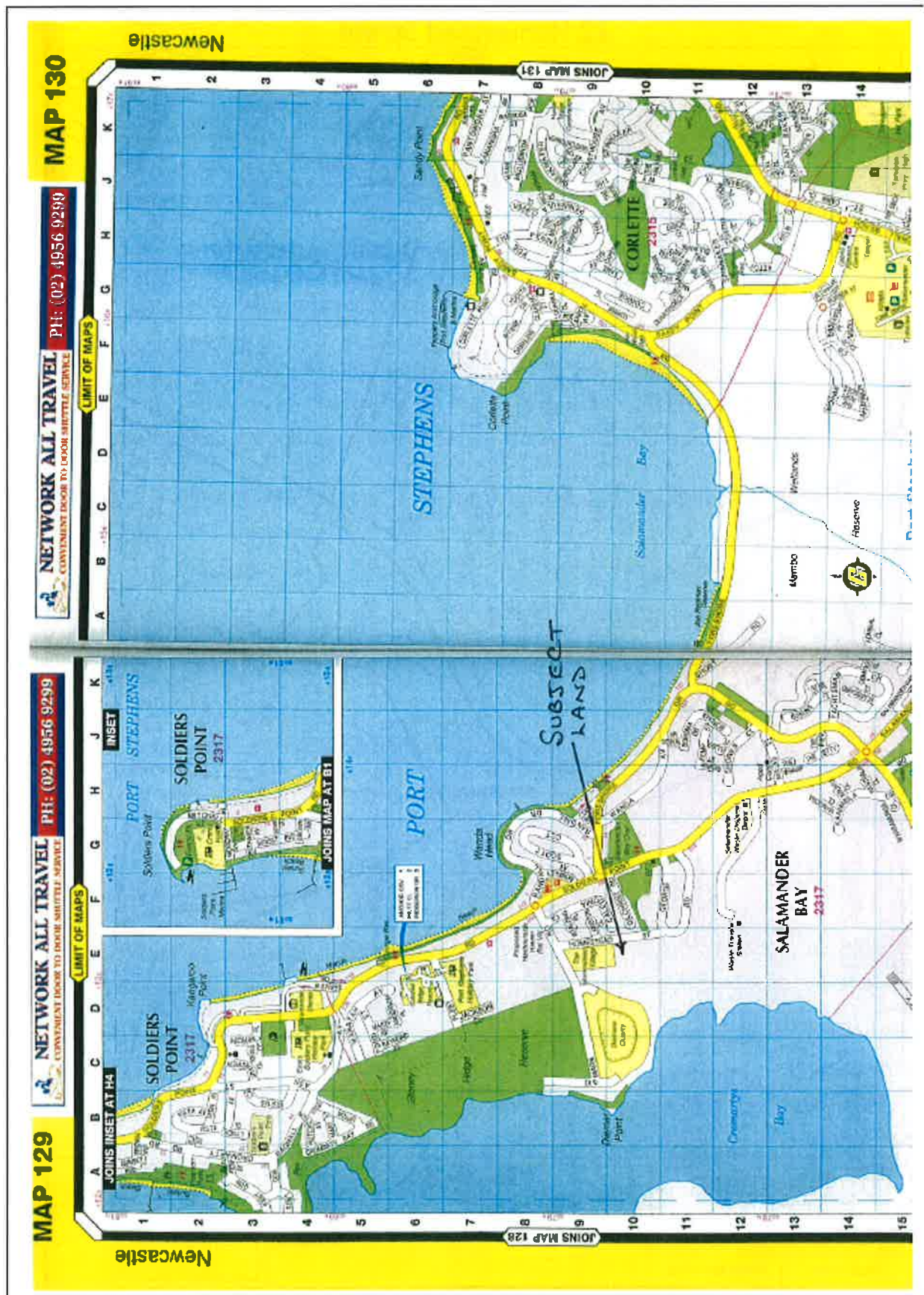
Those for the Motion: Crs Peter Kafer, Bob Westbury, Caroline De Lyall, Ken Jordan, Bruce MacKenzie, Steve Tucker, Shirley O'Brien, Geoff Dingle, John Neil, Sally Dover and Glenys Francis.

Those against the Motion: Nil.

CADASTRE PLAN



AREA MAP



AERIAL MAP



ECOLOGICAL AUSTRALIA REPORT "OFFSET REQUIREMENTS FOR DEVELOPMENT OF 22 HOMESTEAD STREET SALAMANDER BAY" – 8 APRIL 2011

eco
logical
AUSTRALIA

**Offset Requirements for Development of
22 Homestead Street, Salamander Bay**

Prepared for
Port Stephens Council

8 April 2011



DOCUMENT TRACKING

ITEM	DETAIL
Project Name	Offset Requirements for Development of 22 Homestead Street, Salamander Bay
Project Number	11NEWENV-004
File location	H:\Synergy\Projects\11 Projects\11 NEWENV\11NEWENV-0004 Homestead Street Offset Options
Prepared by	David Bonjer, Antony Von Chrismar
Approved by	Darren James
Status	Final
Version Number	2
Last saved on	6 April 2011

This report should be cited as 'Eco Logical Australia (2011). Offset requirements for Development of 22 Homestead Street, Salamander Bay. Prepared for Port Stephens Council.'

ACKNOWLEDGEMENTS

This document has been prepared by Eco Logical Australia Pty Ltd with support from David Crofts of Strategy Hunter.

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Abbreviations

ABBREVIATION	DESCRIPTION
BCAM	Biodiversity Certification Assessment Methodology
DECCW	Department of Environment, Climate Change and Water
EEC	Endangered Ecological Community
ELA	Eco Logical Australia Pty Ltd
EPBC	Environment Protection and Biodiversity Conservation Act
PSC	Port Stephens Council
TSC	Threatened Species Conservation Act

1 Introduction

1.1 PURPOSE OF THIS REPORT

Port Stephens Council (PSC) are investigating development options for 22 Homestead Street, Salamander Bay. A previous report (ELA, 2007) recommended that development be contained within the cleared part of the site, however with the flexibility that can be provided through the use of biodiversity offsets. Council wants to re-visit the site and determine whether a greater development footprint can be justified if accompanied by an appropriate biodiversity offset.

This report responds to a brief supplied by PSC via Strategy Hunter. The brief included the following scope of works:

1. Identify the potential for, and nature of, any offsets if the entirety of 22 Homestead Street and the adjacent triangle was rezoned / developed for residential use.
2. Consider options within the above area which may achieve the best balance between offsets and development yield.
3. Advise on criteria that would apply for offsets so that Council can investigate the use of other land holdings as part of an offset arrangement.

1.2 STUDY AREA

The study site is lot 508 DP 273822 and an adjacent triangular piece of land, part lot 51 DP 803471. The site is located at Salamander Bay (Figure 1).

The ecological values of the site have briefly been described ELA (2007). The site has 48.2% vegetation cover, with 32% of the site containing an Endangered Ecological Community (EEC) listed under the NSW *Threatened Species Conservation Act* (Table 1 and Figure 3). The native vegetation communities on site are Preferred Koala habitat under the Port Stephens Comprehensive Koala Plan of Management (Figure 2) and are in moderate to good condition. The vegetation along the western boundary forms part of a north-south biodiversity corridor.



Figure 1 Study Area

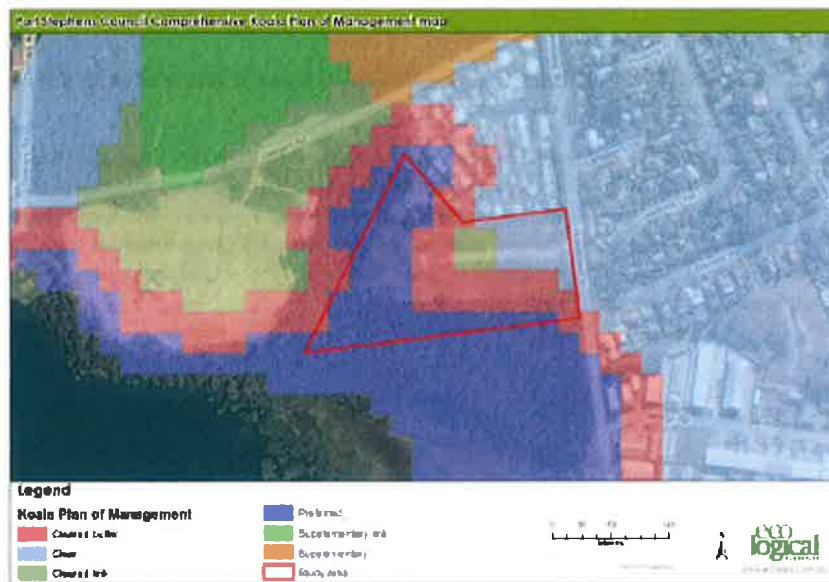


Figure 2 Koala Habitat

Table 1: Vegetation communities

REMs vegetation community Name (NPWS 2000)	Biometric Vegetation Type	EEC	Area (ha)	% of site
Coastal Sand Apple - Blackbutt Forest (MU33)	Blackbutt - Smooth-barked Apple shrubby open forest on coastal sands of the southern North Coast	No	0.3	6.6
Coastal Foothills Spotted Gum - Ironbark (MU15)	Spotted Gum - Grey Ironbark open forest on the foothills of the Central Coast, Sydney Basin	No	0.4	9.4
Swamp Mahogany - Paperbark Forest (MU37)	Swamp Mahogany swamp forest on coastal lowlands of the North Coast and northern Sydney Basin	Yes	1.4	32.2
Cleared		No	2.2	51.8
Total			4.3	100.0

13 DEVELOPMENT SCENARIOS

Three development scenarios were identified for consideration in consultation with Strategy Hunter (Table 2 and Figures 3, 4 and 5). In each scenario, it is assumed that the development area is to be fully cleared of vegetation and will contain bushfire asset protection zones. Where land is to be conserved it is assumed the vegetation will be improved by undertaking conservation management actions such as weed removal, feral animal control, fencing and rehabilitation of degraded areas.

Table 2: Development Scenarios

Scenario	Notes	Conservation (ha)	Development (ha)	Clearing (ha)	Approx Ratio (conservation : clearing)
1	Develop entire site	0	4.3	2.1	0 : 2
2	Retain EEC and develop remainder	1.4	2.9	0.7	1 : 2
3	Develop only cleared lands	2.1	2.2	0	2 : 0



Figure 3: Scenario 1



Figure 4 Scenario 2



Figure 5 Scenario 3

2 Methodology

2.1 BIODIVERSITY CERTIFICATION ASSESSMENT METHODOLOGY

Three development scenarios were analysed using the Draft Biodiversity Certification Assessment Methodology (BCAM) (DECCW June 2010). The rationale for choosing this method is as follows:

- The methodology takes a "biometric" approach, meaning results are presented in a numerical format. This allows easy comparison of development and offset options.
- The methodology has been developed by DECCW and is objective and defensible. These are important factors, particularly where a proposal may have concerns raised by the community.
- DECCW developed the methodology for use in strategic planning projects.

The BCAM uses the 'improve or maintain' outcome as a benchmark. 'Improve or maintain' is a stated goal of several NSW policy documents relating to urban development and conservation, including:

- Sustainability Criteria in the Lower Hunter Regional Strategy (DoP, 2006)
- Lower Hunter Regional Conservation Plan (DECC, 2008)
- Biodiversity Certification under the Threatened Species Conservation Act

An 'improve or maintain' outcome is achieved where there is no impact on "red flagged" species or ecosystems (discussed below) and where all losses of non-red flagged species and ecosystems are fully offset.

The methodology firstly calculates the number of ecosystem credits and threatened species credits required to offset development impacts. The number of credits required depends on the amount, type and condition of ecosystems and threatened species being cleared and also takes into account the position of that site in the landscape.

Credits are generated by a proposal by securing and improving the management of biodiversity, either on-site or off-site. The credit generating potential is determined by the management actions to be undertaken and the security of conservation lands. Permanently managed and funded conservation lands (such as those transferred and gazetted as a NPW Act reserve or registered as a Biobank site) receive 100% of credits generated, where-as conservation areas that are secured under a Voluntary Conservation Agreement or are managed by Council in accordance with a Plan of Management receive 90% of credits generated.

Of particular relevance to the Homestead Street proposal is the BCAM "red flag" rule. Some threatened species and all EECs (if in moderate to good condition) are "red flagged". This means that a project resulting in the clearing or loss of these species cannot achieve an 'improve or maintain' outcome and therefore cannot be biodiversity certified. The methodology does allow for variations to these red flags rules, but only where it is shown the development meets the following criteria:

- I. Options and feasibility of these options, to avoid impacts on red flag areas where biodiversity certification is conferred, have been considered
- II. Contribution to regional biodiversity values must be low
- III. Viability must be low or not viable

IV. Offset requirements must be met in full

The methodology also has rules known as "additionality rules". These apply when the landowner of the conservation site has existing legal obligations to manage the land for conservation. Where such obligations already exist, the additionality rules reduce the number of credits that can be generated from the conservation land. For example, if the off-set site had an existing legal obligation under a Voluntary Conservation Agreement (NPW Act) or a Property Vegetation Plan (Native Vegetation Act 2003), the site may not be able to be used as an offset for a development.

Limitations

This study was a desktop analysis offset options. Information regarding the site was based on ELA (2007) which itself was a preliminary conservation assessment of the site. No fauna survey data was available. The study therefore has certain limitations and assumptions as described below.

- The methodology is based on the draft BCAM exhibited in June 2010. The new methodology may produce slightly different results to this assessment, however ELA believe the current draft methodology provides an adequate guide to the extent of type of offsets required.
- The Biocertification Methodology requires specific biometric information to be gathered in the field. Without that biometric information, the following assumptions were made:
 - Given the vegetation appears to be in moderate to good condition, ELA have assumed it has a current score of 80 out of 100.
 - That all vegetation within a proposed development area would be cleared.
 - All vegetation in the "conservation" areas is to be retained and managed for conservation purposes (weed removal, pest control etc) in accordance with a management plan.
 - That no "additionality" rules apply to the potential offset sites.
- Threatened species credits could not be calculated as field survey for threatened fauna and flora has not been undertaken. The implications of this limitation are discussed in the results section.

2.2 COMPARISON TO PORT STEPHENS COMPREHENSIVE KOALA PLAN OF MANAGEMENT

Port Stephens Council has adopted a Comprehensive Koala Plan of Management under State Environmental Planning Policy 44. The plan provides for the consideration of koala habitat during the assessment of development applications and LEP amendments. With regard to LEP amendments (ie, rezonings) the CKPoM contains four criteria against which each rezoning will be assessed. This study has assessed each development scenario against the rezoning criteria and presents the results in section 3.

3 Results

3.1 IMPROVE OR MAINTAIN

This section describes the extent to which the development scenarios achieve an "improve or maintain" outcome as calculated by the Biodiversity Certification Assessment Methodology.

Table 3 shows the ecosystem credits required and ecosystem credits generated for each scenario.

As noted in the Methodology section, whilst ecosystem credits can be calculated using existing information, it is not the same for all *threatened species* credits. Some threatened species (mostly mammals and birds) are covered by the ecosystem credits, however others species have their own offset requirements. This applies mostly to threatened flora as well as threatened fauna such as amphibians and reptiles. These threatened species will have their own offset ratio – typically around 4:1 or 6:1, although some species are as high as 12:1 and as low as 2:1. If such threatened species are found on the Homestead Street site, the offset will also need to satisfy these threatened species credit requirements. If the offset site has a good density of these species, the size of the offset wouldn't need to increase, however if the offset site doesn't contain the species – or only has them at a low density, then the size of the offset may need to increase (or include a second site). Koala are covered by ecosystem credits, therefore satisfying the ecosystem offset requirements will also satisfy the offsets for koala.

Table 3: Ecosystem credit results

	Scenario 1		Scenario 2		Scenario 3	
Development Area (ha)	4.3		2.9		2.2	
Conservation Area (ha)	0		1.4		2.1	
Vegetation loss (ha)	2.1		0.7		0	
Impact on Red Flag	Yes		No		No	
Ecosystem credits required if development site cleared	80		27		0	
Ecosystem credits generated by conservation lands	Biobank (100%)	Conservation Agreement (90%)	Biobank (100%)	Conservation Agreement (90%)	Biobank (100%)	Conservation Agreement (90%)
	0	0	11	10	17	15
Deficit/surplus credits	-80		-16		+17	
Estimated offset required	7-9ha		3-4ha		0ha	

Option 1 requires the clearing of all vegetation on the site. As this includes EECs, an 'improve or maintain' outcome cannot be achieved due to the red flag rule. As mentioned above, the red flag rule can be varied where the proposal can meet certain criteria. Table 4 provides a preliminary comment on the likelihood of meeting the criteria. Keeping in mind this is a preliminary assessment, there is a significant risk that the variation would not be approved by DECCW.

Table 4: Likelihood of Option 1 meeting red flag variation criteria

Red Flag Variation Criteria	Likelihood of meeting this criteria
I. Options and feasibility of these options, to avoid impacts on red flag areas where biodiversity certification is conferred, have been considered	Moderate: PSC would need to demonstrate that various options have been considered and that the alternatives are not feasible.
II. Contribution to regional biodiversity values must be low	Moderate: The EEC is a relatively small area (1.4ha), however it is generally in good condition and adjoins a larger area.
III. Viability must be low or not viable	Low: The EEC is generally in good condition and adjoins a larger area.
V. Offset requirements must be met in full	High: As owner of a number of parcels of land in the area, there is a reasonable chance of finding a suitable offset site.

Scenario 2 protects the EEC and therefore satisfies the red flag rule, but clears the two other vegetation communities. The 'improve or maintain' outcome is not achieved within the site boundaries because under the BCAM conservation of the EEC cannot be used to offset the loss of the other two communities. Therefore an off-site offset would be required to offset the vegetation types being cleared, while the credits generated by the EEC could be used to offset impact in another area.

Options 1 and 2 also both reduce the width of the north-south corridor by around 30%. It is unlikely that DECCW would support planning proposals that further reduce the viability of this habitat link regardless of whether a suitable offset site is found.

Option 3 has no impact on biodiversity and indeed generates surplus credits that could be used to offset other Council development. Alternatively, Council could Biobank the conservation areas and sell the surplus credits through the Biobanking scheme.

3.2 OFFSET REQUIREMENTS

Options 1 and 2 both require offsets in order to achieve an improve or maintain outcome (assuming DECCW agree to the loss of the EEC which is red flagged). The BCAM can be used to calculate the credits generated by an offset site, however in this case such a site has not yet been identified.

Based on experience to date, an offset site in moderate condition can generate around 7-9 credits per hectare. It may generate more or less than this depending on the quality of the site and the management actions undertaken, however for the purposes of providing an estimate of offset area

required, this report suggests 7-9 hectares is a reasonable estimate for Council owned land around Port Stephens.

Option 1 has a deficit of 80 credits and accepting the 7-9 credits/ha as a guide, an offset of around 9-11 hectares would be required. This assumes the offset site is secured for the long term and funding is made available for on-going management.

Option 2 has a deficit of 17 credits, so that in addition to the on-site conservation, an off-site offset of around 3-4 hectares is required to achieve the 'improve or maintain' test.

Option 3 does not have a biodiversity impact and therefore does not require an offset.

It is preferable that the offset site contain the same vegetation communities as those being impact on at Homestead Street. However the BCAM provides some flexibility with regard to the types of vegetation communities that can be used to offset the communities being impacted upon. Table 5 contains a description of the biometric vegetation communities that can be used to offset each of the communities found on the site. This provides a guide to Council for the vegetation communities that should be sought as an offset on other Council owned land.

Table 5: Potential offset vegetation communities

Impacted Community	Potential Offset Community	
	Biometric types	REMs equivalent
Blackbutt - Smooth-barked Apple shrubby open forest on coastal sands of the southern North Coast	Blackbutt - Smooth-barked Apple shrubby open forest on coastal sands of the southern North Coast	MU33 Coastal Sand Apple -Blackbutt Forest
	Red bloodwood - Scribbly gum heathy woodland on sandstone plateaux of the Sydney basin	MU31 Coastal Plains Scribbly Gum Woodland
	Smooth-barked Apple - Sydney Peppermint - Turpentine heathy open forest on plateaux areas of the southern Central Coast, Sydney Basin	MU32 Nerong Smoothbarked Apple Forest
	Sydney Peppermint - Smooth-barked Apple shrubby open forest on coastal hills and plains of the southern North Coast and northern Sydney Basin (HU641)	MU32 Nerong Smoothbarked Apple Forest
	Yellow Bloodwood - Ironbark shrubby woodland of the dry hinterland of the Central Coast, Sydney Basin (HU657)	MU27 Exposed Yellow Bloodwood Woodland
Spotted Gum - Grey Ironbark open forest on the foothills of the Central Coast, Sydney Basin	Spotted Gum - Grey Ironbark open forest on the foothills of the Central Coast, Sydney Basin (HU631)	MU15 Coastal Foothills Spotted Gum -Ironbark
Swamp Mahogany swamp forest on coastal lowlands of the North Coast and northern Sydney Basin	Swamp Mahogany swamp forest on coastal lowlands of the North Coast and northern Sydney Basin	MU37 Swamp Mahogany - Paperbark Forest

3.3 CKPOM REZONING CRITERIA

The previous sections have assessed the development scenarios using the NSW Biodiversity Certification Assessment Methodology. If a planning proposal were to fully satisfy the methodology and the land be Biodiversity Certified, any development that is consistent with the certification order is deemed to not have a significant impact on threatened species. In such cases, the need for consideration of threatened species at the DA stage is no longer necessary. However, Biodiversity Certification under the TSC Act does not over-ride the requirements of SEPP 44 (Koala Habitat) which is made under the Environmental planning and Assessment Act 1979.

The following preliminary assessment has been undertaken to determine whether any of the three scenarios is consistent with SEPP 44 and the Port Stephens CKPoM.

Table 6 Comparison with CKPoM criteria

Council should be satisfied that the rezoning would:	Scenario 1	Scenario 2	Scenario 3
a) not result in development within areas of Preferred Koala Habitat or defined Habitat Buffers;	Does not comply as preferred habitat would be cleared along western and southern boundary	Does not comply as preferred habitat would be cleared along the western boundary	May comply: no impact on preferred habitat, but development would occur within a cleared buffer.
b) allow for only low impact development within areas of Supplementary Koala Habitat and Habitat Linking Areas;	Complies: no impact on supplementary or linking habitat	Complies: no impact on supplementary or linking habitat	Complies: no impact on supplementary or linking habitat
c) minimise the removal of any individuals of preferred koala food trees, where ever they occur on the site; and	Does not comply as preferred koala feed trees likely to be removed	May comply if koala feed trees along the western boundary were retained – for example as part of a bushfire asset protection zone.	Complies: no removal of koala food trees
d) not result in development which would sever koala movement across the site. This should include consideration of the need for maximising tree retention on the site generally and for minimising the likelihood of impediments to safe/unrestricted koala movement.	May comply depending on the provision of trees though the site	May comply depending on the provision of trees though the site	May comply depending on the provision of trees though the site

4 Conclusion and Recommendations

Based on the information contained in previous sections of this report, the following conclusions can be drawn with regard to the original brief:

1. *Identify the potential for and nature of any offsets if the entirety of 22 Homestead Street and the adjacent triangle was rezoned / developed for residential use.*

Development of the entirety of Homestead Street would result in the clearing of Endangered Ecological Communities, koala habitat and a local north-south biodiversity corridor. It is therefore likely that DECCW would not support such a proposal regardless of whether an offset is being provided. If, however, PSC did pursue this option and had DECCW support, an offset of around 9-11 hectares would be required in order to generate sufficient credits to offset the loss of the vegetation communities.

The offset would require funding to improve the condition of the offset area and the conservation outcome would need to be secured either via transfer of land to the National Parks and Wildlife Service or via an in-perpetuity legal agreement.

2. *Consider options within the above area which may achieve the best balance between offsets and development yield*

Two other options were tested, both having an improved conservation outcome but lower development yield. Despite Option 2 conserving some vegetation and habitat on the site, the areas protected were not an offset for the areas being impacted. The only option that could be said to achieve an 'improve or maintain' outcome on the site itself is Option 3 which resulted in no clearing of vegetation.

A variation to the above options would be to pursue Option 2 as the basis for zoning the land (ie, zone the EEC as Environmental Conservation and zone the rest as residential) but place development controls on the site so that properties along the western boundary are larger (and therefore of greater value) but retain the vegetation structure.

3. *Advise on criteria that would apply for offsets so that Council can investigate the use of other land holdings as part of an offset arrangement*

The Biodiversity Certification Assessment Methodology is recommended as the best means of determining the ecological characteristics (ecosystem types, presence of certain threatened species etc) of an offset site if Council pursue a development footprint that results in the clearing of vegetation from the site. The BCAM is endorsed by the state government and is a defensible, transparent method. Once the ecological requirements are understood, Council should seek offset sites that meet the criteria listed below. Note that additional threatened species survey work would be required to determine whether the offset also needed to satisfy threatened species credits. If threatened species credits are not required, the offset should:

- contain vegetation communities as listed in table 5.

- be adjacent to existing reserves or conservation lands so that conservation outcomes are enhanced.
- be in moderate condition rather than poor or good. Moderate condition vegetation has the greatest capacity to increase its condition (and therefore generate credits) per dollar spent.

5 References

DECCW (2009) Lower Hunter Regional Conservation Plan

DECCW (2010) Draft Biodiversity Certification Assessment Methodology. Department of Environment, Climate Change and Water.

DOP (2006) Lower Hunter Regional Strategy. NSW Department of Planning

ELA (2008) Conservation Significance Assessment for Port Stephens Council.

NPWS (2000) Vegetation Mapping: Lower Hunter and Central Coast.

Appendix A: Results of Biodiversity Certification

Scenario 1 Ecosystem Credit Analysis

Vegetation type name	Total Credits required	Conservation Areas		
		Total credits generated as funded/managed offset (100%)	Total credits generated as managed offset (90%)	Total credits generated as planning scheme offset (25%)
Blackbutt - Smooth-barked Apple shrubby open forest	11	0	0	0
Swamp Mahogany swamp forest (red flag EEC)	53	0	0	0
Spotted Gum - Grey Ironbark open forest	16	0	0	0
Total	80	0	0	0

Scenario 1 Offset Required

Vegetation type name	Total Credits required	Total credits generated as managed offset (90%)	Credit Status	Additional Offset Required (9 Credits/ha)	Additional Offset Required (7 Credits/ha)
Blackbutt - Smooth-barked Apple shrubby open forest	11		-11	1	2
Swamp Mahogany swamp forest (red flag EEC)	53		-53	6	6
Spotted Gum - Grey Ironbark open forest	16		-16	2	2
Total	80	0	-80	9	11

Scenario 2 Ecosystem Credit calculation

Vegetation type name	Total Credits required	Conservation Areas		
		Total credits generated as funded/managed offset (100%)	Total credits generated as managed offset (90%)	Total credits generated as planning scheme offset (25%)
Blackbutt - Smooth-barked Apple shrubby open forest	11			
Swamp Mahogany swamp forest (red flag EEC)	0		11	
Spotted Gum - Grey Ironbark open forest	16			
Total	27	0	11	0

Scenario 2 Offset Required

Vegetation type name	Total Credits required	Total credits generated as managed offset (90%)	Credit Status	Additional Offset Required (9 Credits/ha)	Additional Offset Required (7 Credits/ha)
Blackbutt - Smooth-barked Apple shrubby open forest	11	0	-11	1	2
Swamp Mahogany swamp forest (red flag EEC)	0	11	11	0	0
Spotted Gum - Grey Ironbark open forest	16	0	-16	2	2
Total	27	11	-16	3	4

Scenario 3 Ecosystem Credit calculation

Vegetation type name	Total Credits required	Total credits generated as funded/managed offset (100%)	Total credits generated as managed offset (90%)	Total credits generated as planning scheme offset (25%)
Blackbutt- smooth-barked apple shrubby open forest	0	2	2	1
Swamp mahogany swamp forest	0	11	10	3
Spotted Gum - Grey Ironbark open forest	0	3	3	1
Total	0	17	15	4

Scenario 3 Offset Required

Vegetation type name	Total Credits required	Total credits generated as managed offset (90%)	Credit Status	Additional Offset Required (9 Credits/ha)	Additional Offset Required (7 Credits/ha)
Blackbutt- smooth-barked apple shrubby open forest	0	2	2	0	0
Swamp mahogany swamp forest	0	10	10	0	0
Spotted Gum - Grey Ironbark open forest	0	3	3	0	0
Total	0	15	15	-1	-1

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F 02 4254 6699

LOCALITY MAP



SCALE 1:15000 @ A3

LOCALITY: SOLDIERS POINT

PARISH: TOMAREE

COUNTY OF GLOUCESTER

Department of Land & Property Information 2012
Port Stephens Council 2012
Sindia Knight Merz 2007

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979

PORT STEPHENS LOCAL ENVIRONMENTAL PLAN 2000

DRAFT

AMENDMENT No. X - Miscellaneous

DRAWN BY: DM DATE: 060912
SUPERVISING DRAFTSPERSON: DM
PLANNING OFFICER: SD
COUNCIL FILE No.: PSC2009_0846
DEPT. FILE No.
CERTIFICATE PLAN No. DATED: X
CERTIFICATE ISSUED
UNDER S85 EPA ACT
PUBLISHED ON PLG WEBSITE

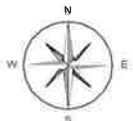
STATEMENT OF RELATIONSHIP WITH OTHER PLANS

AMENDS PORT STEPHENS LEP 2000 PLANNING SCHEME

CERTIFIED IN ACCORDANCE
WITH THE ENVIRONMENTAL
PLANNING AND ASSESSMENT
ACT 1979 AND REGULATIONS
AS AMENDED

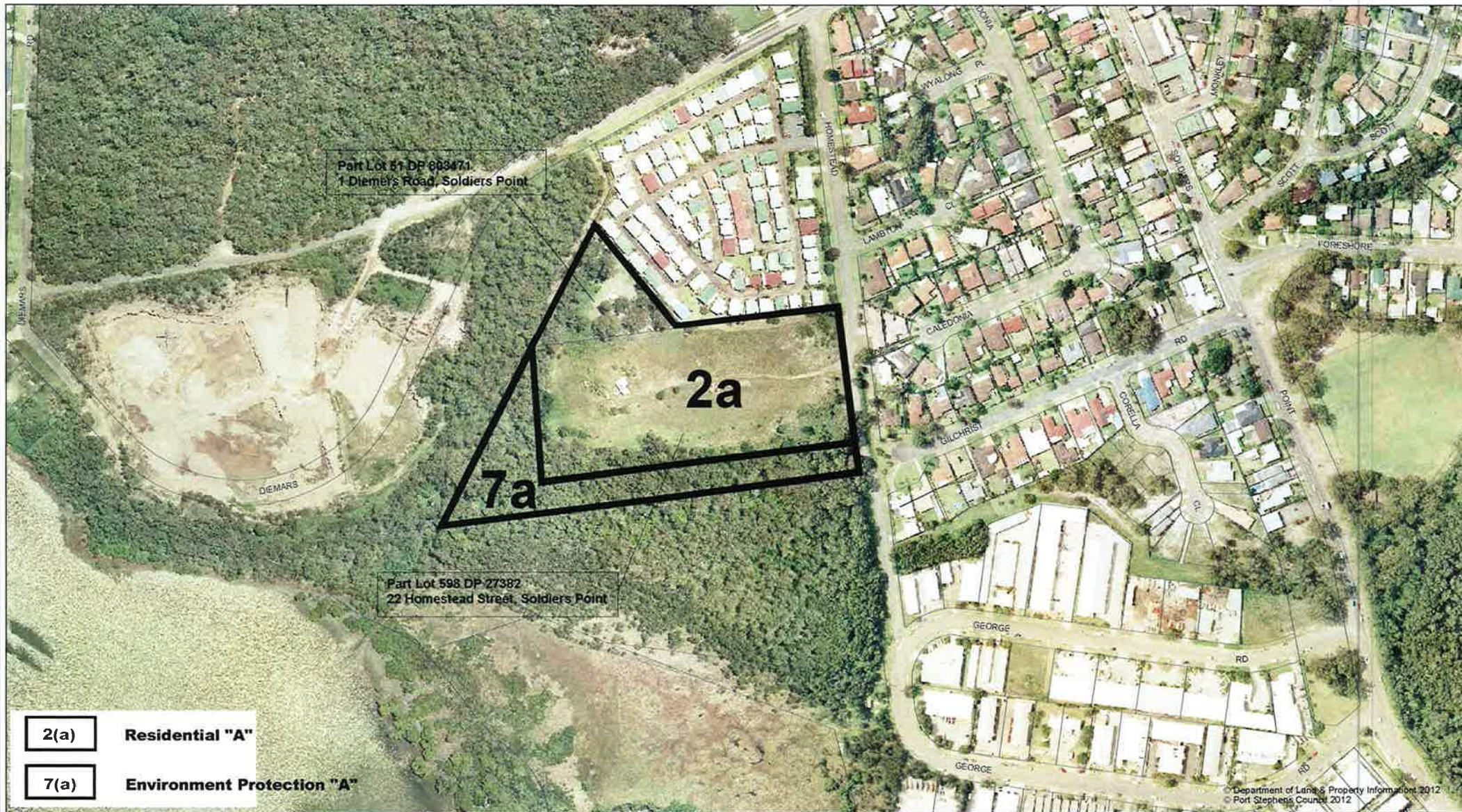
AUTHORISED
COUNCIL EMPLOYEE

DATE



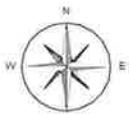
MGA56

PROPOSED REZONING MAP



LOCALITY: SOLDIERS POINT

COUNTY OF GLOUCESTER



MGA56

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979

PORT STEPHENS LOCAL ENVIRONMENTAL PLAN 2000

DRAFT

AMENDMENT No. X - Miscellaneous

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SUPERVISING DRAFTSPERSON: DM	
PLANNING OFFICER: SD	
COUNCIL FILE No.: PSC2009_0846	
DEPT. FILE No	
CERTIFICATE PLAN No. DATED: X	
CERTIFICATE ISSUED UNDER S65 EPA ACT	
PUBLISHED ON PLG WEBSITE	

STATEMENT OF RELATIONSHIP WITH OTHER PLANS

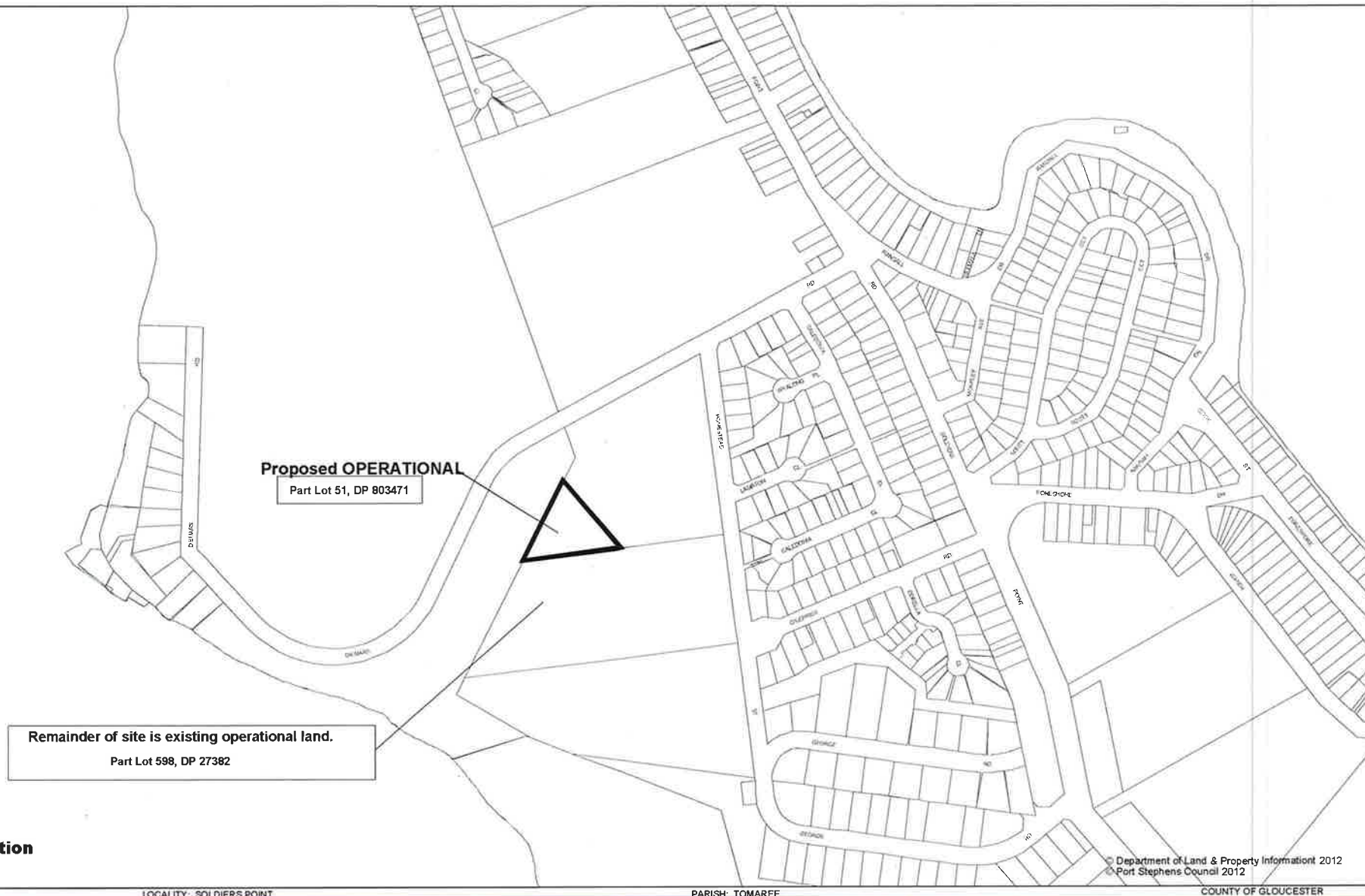
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PLANNING AND ASSESSMENT
ACT 1979 AND REGULATIONS
AS AMENDED

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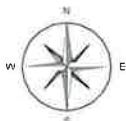
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PROPOSED RECLASSIFICATION MAP



LOCALITY: SOLDIERS POINT

COUNTY OF GLOUCESTER



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ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979

PORT STEPHENS LOCAL ENVIRONMENTAL PLAN 2000

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DRAWN BY: DM DATE: 060912

SUPERVISING DRAFTSPERSON: DM

PLANNING OFFICER: SD

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CERTIFICATE ISSUED

UNDER S65 EPA ACT
PUBLISHED ON PLG WEBSITE

DATE: 060912

PERSON: DM

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ATED: X

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SITE

STATEMENT OF RELATIONSHIP WITH OTHER PLANS

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PLANNING AND ASSESSMENT
ACT 1979 AND REGULATIONS
AS AMENDED**

AUTHORISED
COUNCIL EMPLOYEE

DATE _____

