

Sydney Regional Environmental Plan 30 St Marys - Amendment No.3

Planning Report



**Prepared for St Marys Land Limited and Lend Lease
Development Pty Limited
Submitted to the Department of Planning and Environment**

November 2017

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List of Abbreviations

BCC	Blacktown City Council
CBD	Central Business District
CPP	Central Precinct Plan
CPW	Cumberland Plain Woodland
DCS	Development Control Strategy
DEE	Commonwealth Department of Environment and Energy
DP&E	Department of Planning and Environment
EP&A Act	Environmental Planning and Assessment Act 1979
EDS	St Marys Employment Development Strategy
EPS	St Marys Environmental Planning Strategy
EAR	Environmental Assessment Requirement
EPBC Act	Environment Protection and Biodiversity Conservation Act 1999
EPI	Environmental Planning Instrument
KEYLAN	Keylan Consulting Pty Ltd
LGA	Local Government Area
NPWS	National Parks and Wildlife Service
PCC	Penrith City Council
PMF	Probable Maximum Flood
PPA	Penrith Planning Agreement
RFEF	River-Flat Eucalypt Forrest
RMS	Roads and Maritime Services
SEC	St Marys Skilling and Employment Centre
SDA	St Marys State Development Agreement
SEPP	State Environmental Planning Policy
SREP 30	Sydney Regional Environmental Plan No. 30 – St Marys
TfNSW	Transport for New South Wales
WSEA	Western Sydney Employment Area

Front Cover Image courtesy of Lendlease

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Executive Summary

This Planning Report has been prepared by **Keylan Consulting Pty Ltd** (Keylan) on behalf of St Marys Land Limited and Lend Lease Development Pty Ltd (the Applicant) in support of a request to the Minister for Planning (the Minister) to amend *Sydney Regional Environmental Plan No.30 – St Marys* (SREP 30) (Amendment No. 3 – referred to in this report as “the Amendment”).

SREP 30 is a deemed *State Environmental Planning Agreement* (SEPP) in accordance with clause 120 of Schedule 6 of the *Environmental Planning and Assessment Act 1979* (EP&A Act). The Governor may amend a SEPP in accordance with the provisions of sections 38 and 74 of the EP&A Act for making and amending an *Environmental Planning Instrument* (EPI).

This report has been prepared in accordance with the relevant requirements of the EP&A Act and the Department of Planning and Environment’s (DP&E) environmental assessment requirements (EARs), and provides a comprehensive environmental assessment of the Amendment.

The Site and Locality

The St Marys Development site (the site) is located approximately 45 km west of the Sydney CBD, 5 km north-east of the Penrith City Centre and 12 km west of the Blacktown City Centre. The northern extent of the Western Sydney Employment Area (WSEA) is located approximately 4 km south west of the site.

The site has an area of approximately 1,545 hectares (ha) and is located within the Penrith and Blacktown local government areas (LGAs).

The site includes a number of development areas / precincts identified under SREP 30, including the Eastern, Ropes Creek, North and South Dunheved, Western and Central Precincts. The site also includes an area of 900 ha zoned Regional Park.

Proposed Amendment

This Amendment mostly relates to land within the Central Precinct and Regional Park, within the St Marys development site, in the Penrith LGA.

The proposal seeks approval to amend the SREP as follows:

- rezone approximately 38.4 ha of land within the Central Precinct from Employment to Urban creating approximately 500 additional dwelling lots
- revise the size and location of Drainage zones to reflect amended urban development boundaries and the progression of the stormwater management strategy for the site
- rezone approximately 1.2 ha of land within the Western Precinct from Urban to Regional Park

Planning Framework

Strategic Planning Documents

The site is strategically well positioned for residential use, located close to Penrith Central Business District, Penrith Lakes Scheme and the North-West Growth Centre. These locational advantages combined with the economic case for change support the transition of the site, including the Central Precinct, to a sustainable residential led mixed-use development.

The Amendment responds appropriately to the Goals, Directions and Priorities of *A Plan for Growing Sydney* and the *Draft Western District Plan* and the recently released *Draft Greater Sydney Region Plan* and *Draft Western City District Plan*. On balance, the proposed rezoning of employment zone meets the key objectives and actions of these strategic documents as it would result in the conversion of poorly located and unviable employment land for new housing opportunities that would contribute to additional housing supply and affordability targets.

In addition, the Amendment is generally consistent with the *Penrith Employment Planning Strategy* and the *Penrith Urban Strategy Managing Growth to 2031*.

Sydney Regional Environmental Plan 30 – St Marys

SREP 30 is the main environmental planning instrument applying to the St Marys Development site and includes key provisions relating to the redevelopment of the site for a residential led mixed-use Precincts.

SREP 30 was originally gazetted in January 2001 and has been amended on two occasions. A detailed consideration of the Amendment against the Aims and Objectives of SREP 30 is provided at **Appendix 3**.

St Marys Environmental Planning Strategy 2000

The *St Marys Environmental Planning Strategy 2000* (EPS), together with SREP 30 and the St Marys Development Agreement, establish the planning, urban design and environmental conservation principles to guide the long-term development and conservation of the site. A detailed consideration of the Amendment against the EPS is provided at **Appendix 4**.

St Marys Employment Development Strategy

The *St Marys Employment Development Strategy* (EDS) sets out initiatives and actions for implementation to meet employment and business development objectives.

A EDS review has been prepared by SGS and endorsed by the EDS Review Committee (**Appendix 5**). This review includes an up to date assessment of the EDS and detailed justification for the rezoning of Employment lands.

In addition, the Applicant proposes to spend a further \$1,580,000 to implement a range of additional employment initiatives through the EDS (**Appendix 5**) which would

potentially create an additional 1,165 jobs. This is the equivalent of additional job expenditure of \$3,160 per additional residential lot created through the rezoning of the Central Precinct Employment zone.

Central Precinct Plan and Development Control Strategy

The Central Precinct Plan establishes the planning framework, principles and controls to provide clear and coordinated guidance for the development of land within the Precinct. It is a key tool for Council to use in its assessment and determination of development within the Central Precinct.

Future development in the area rezoned from Employment to Urban will be carried in accordance with the key principles and controls of the Central Precinct Plan and accompanying Development Control Strategy (DCS). Furthermore, should the Amendment be made, the Precinct Plan and DCS will be updated to reflect the rezoning.

St Marys Agreements

A State Development Agreement (SDA) and separate planning agreements with Penrith City Council (PCC) and Blacktown City Council (BCC) have been executed.

The Amendment is accompanied by a proposal to provide additional contributions with a value of \$37,345,998 in accordance with the SDA with respect to road and intersection upgrades (Section 6.4). These additional contributions follow the completion of a Revised Traffic Study overseen by a Traffic Steering Committee comprising representatives of DP&E, Roads and Maritime Services, Transport for New South Wales (TfNSW), PCC and BCC (**Sections 6.1.4 and 6.4**).

The Penrith Planning Agreement (PPA) obligations and contributions in relation to community facilities are addressed in **Section 6.4**. This Amendment does not include any changes to land within BCC and the Blacktown Planning Agreement is therefore not relevant.

Relevant Commonwealth Legislation and Policy

On 23 July 2002, the Commonwealth completed its assessment of the development of the St Marys site and issued a Certification of Coverage of Impacts by Assessment (the Certification) under the *Environmental Reform (Consequential Provisions) Act 1999*.

On 9 December 2016, the Commonwealth Department of Environment and Energy confirmed the proposed Amendment does not result in any additional impacts and the original certification of coverage remains valid.

Consultation

This Amendment has been prepared following detailed consultation with a range of key stakeholders. Each stakeholder was provided with an overview of the proposed amendment, including the SREP 30 context, land-use, flooding and evacuation, traffic considerations. The comments provided in response to the consultation have been

carefully considered and have informed this Amendment. The Applicant will continue consultation with key stakeholders during the on-going amendment process.

Environmental Assessment

A detailed assessment of the potential environmental impacts of the Amendment is contained in Section 6, which considers the following key issues:

Rezoning of the Central Precinct Employment Lands

The Employment land within the Central Precinct (which is currently undeveloped) is significantly disadvantaged due to its isolated out of centre location, remoteness from major road infrastructure and is uncompetitive compared with other significant existing Employment lands.

The Amendment proposes to rezone this Employment land to Urban land, to provide approximately 500 new residential lots and contribute to addressing current housing undersupply and local and State housing targets. The rezoning represents the best possible land use outcome for the Central Precinct and would have fewer amenity impacts that employment related uses interfacing with residential development.

New dwelling types will be consistent with the adopted Central Precinct Plan and DCS and include a variety of typologies (including detached, attached, apartments and other dwelling types) and a dwelling density of at least 15 dwellings per hectare. New housing would be well located in relation to the new Village Centre in the Central Precinct.

Prior to the proposed amendment proceeding, a review of the St Marys Employment Development Strategy (EDS) was undertaken and endorsed by the EDS Review Committee in December 2015. The EDS Review concludes that the SREP 30 job target (on-site jobs to resident workers) of 1:1 is no longer appropriate and that a target of 0.4:1 would more appropriately apply to the St Marys Development.

The EDS notes the range of job creation initiatives undertaken by the Applicant, including the Skilling and Employment Centre (SEC) in the St Marys town centre, which has facilitated achievement of 3,800 jobs. The SEC has also facilitated, through direct funding and partnership, skill development and training for 1,900 people. Although it was not possible for all of these jobs to be located on the site, it achieved 70% of jobs within 10 km of the St Marys Development.

The EDS review confirms that if the job generation by the SEC is included, the jobs to resident ratio of the St Marys Development is 1:1.18 (excluding the potential contribution of jobs from the Central Precinct).

The Applicant is also proposing to implement additional initiatives through the EDS to spend approximately \$1,580,000 (equivalent to \$3,160 per additional lot) to create up to 1,165 new jobs.

There is strong economic justification for the proposed rezoning and it has been demonstrated that the jobs to resident ratio, when including existing employment

initiatives of the St Marys Development, is in the order of the SREP 30 job ratio target of 1:1.

The Amendment does not include any change to the location or amount of fill imported to the site and therefore it would not change the flooding dynamics, assumptions and conclusions established for the St Marys Development. An updated flooding and evacuation report has been prepared, which concludes that future residents will be able to safely and efficiently evacuate the Central Precinct, should they need to do so, during a flood event.

The Amendment is supported by a traffic study which concludes that it would not have any adverse traffic impacts on the internal and external road networks as the rezoning of the Central Precinct Employment lands is likely to result in a reduction in overall vehicle movements. Any residual impacts would be mitigated through proposed additional road upgrade works (see Contributions below).

Rezoning of Open Space

This Amendment proposes to rezone the Farm Dam Park in Jordan Springs (Western Precinct) from Urban to Regional Park in accordance with discussions with PCC and the National Parks and Wildlife Service. The proposed rezoning would increase the overall amount of Regional Park by 1.2 ha and further protect the existing sensitive biodiversity and ecology of the Regional Park.

Following the completion of the rezoning, the land would then be transferred for incorporation into the Regional Park.

Drainage Basins

The Amendment proposes to revise the drainage basin size and location to better respond to changes to the boundaries of developable land on the St Marys, and to improve the efficiency and maintenance arrangements for the basins. The Amendment results in an overall reduction in the size of the drainage basins by 2.65 ha and a corresponding increase in the size of the Regional Park.

The Applicant has worked closely with Council, and NPWS to determine the best size and location of each basin drainage basin and the most appropriate and efficient design. The proposed revised basins are considered to be a significant improvement for St Marys and represent a public benefit.

Contributions

In accordance with the road infrastructure contributions required under the SDA, the Applicant proposes additional road works contributions with a value of \$37,345,998. These additional contributions are captured in the ongoing renegotiation of the existing PPA with Penrith City Council.

The proposed rezoning of the Central Precinct Employment zone would also require the amendment of the PPA, including funding for additional community facility floorspace, additional contributions towards library and cultural facilities and additional/improvement

to open space, which has been included in the masterplan for the site. These amendments will be further negotiated with PCC as part of the future amendment of the CPP, should the Amendment be made.

Other Issues

Bushfire

An Addendum to the Bushfire Protection Assessment prepared in 2009 for the Central Precinct Plan has been prepared for the proposed rezoning (**Appendix 9**). The Addendum confirms the Bushfire Protection Assessment remain relevant to the proposed rezoning as many of the bushfire protection measures are common to both development types.

Contamination

The site has been remediated, audited and declared suitable for its intended land use and as the Amendment does not necessitate a revision of previous contamination conclusions / remediation. Any remnant contamination, if present, is most likely to be discovered during the development earthworks which occur prior to subdivision and would be addressed at that time.

Biodiversity and Ecology

An ecological assessment (**Appendix 11**) has been prepared in support of the Amendment. It confirms that the area of land within the Central Precinct proposed for rezoning to Urban has been fully assessed under the Central Precinct Species Impact Statement and that the change of proposed land use has no bearing on the findings of the SIS. Further, the proposed changes to the Drainage zones result in an overall net gain in habitat area and vegetation condition across the SMP for the Regional Park, with the configured drainage basins designed to avoid areas with significant vegetation where possible.

Heritage

There are seven heritage items located near existing Employment land within the Central Precinct and Drainage Basins. However, due to separation distances and the design and location of the proposed rezonings, the Amendment would not have any impacts on the heritage significance of identified items.

Landscape and Maintenance Handover

This Amendment does not seek to modify the principles of the Landscape and Maintenance Handover Plan (LHMP) and the LMHP will therefore continue to be the framework for the implementation, handover and ongoing maintenance of the open space and landscape components of the Central Precinct. However, the LHMP will be updated to reflect the rezoning of Employment to Urban land as part of the separate revision/update of the Central Precinct Plan.

Utility Infrastructure

Relevant utility stakeholders have been consulted including Sydney Water, Endeavour Energy, Jemena and Opticomm and suitable lead-in infrastructure will be provided with sufficient capacity to service residential land use.

Amendments to Maps

Amended maps have been provided by RPS (**Appendix 13**) in accordance with the Department's E-Planning format requirements.

Future Revisions to the Central Precinct Plan

Following the approval and gazettal of this Amendment, the approved Central Precinct Plan will need to be revised to reflect the conversion of 'Employment' to 'Urban' land. The assessment and subsequent adoption of a revised Central Precinct Plan will be undertaken by Council.

Conclusion

This Planning Report addresses the matters outlined in the EARs issued by the Department on 24 November 2016 and has been prepared in accordance with the relevant requirements of the EP&A Act.

Based on the detailed consideration of the proposal in its legislative and physical context outlined in this report, it is concluded the making of the Amendment is warranted given its positive planning merits, including providing significant additional housing in western Sydney.

It is recommended that the Minister exhibit the draft amendment to SREP 30 and, following exhibition, the Governor make the Amendment as outlined in this report.

1 Introduction

This report has been prepared by **Keylan Consulting Pty Ltd** (Keylan) on behalf of St Marys Land Limited and Lend Lease Development Pty Ltd (the Applicant) in support of a request to the Minister for Planning (the Minister) to amend *Sydney Regional Environmental Plan No.30 – St Marys* (SREP 30).

The proposed amendment to SREP 30 includes:

- rezone approximately 38.4 hectares (ha) of the Central Precinct from *Employment to Urban*
- revise the size and location of land zoned *Drainage* to reflect amended urban development boundaries and the progression of the Stormwater Management Strategy, resulting in the contribution of additional land zoned Regional Park
- rezone approximately 1.2 ha within (Jordan Springs) the Western Precinct from Urban to Regional Park

SREP 30 is a deemed *State Environmental Planning Agreement* (SEPP) in accordance with clause 120 of Schedule 6 of the *Environmental Planning and Assessment Act 1979* (EP&A Act). The Governor may amend a SEPP in accordance with the provisions of sections 38 and 74 of the EP&A Act for making and amending an *Environmental Planning Instrument* (EPI).

This report has been prepared in accordance with the relevant requirements of the EP&A Act and the Department of Planning and Environment's (DP&E) environmental assessment requirements (EARs), issued on 24 November 2016 (**Appendix 1**). It should be read in conjunction with the supporting information and plans appended to this report.

This report provides a comprehensive environmental assessment of the proposed amendment. It outlines the subject site, the proposed amendment, justification and assesses the proposed amendment against relevant matters set out in legislation, EPIs, planning policies and strategies. The structure of this report is summarised in **Table 1** below:

Section Number	Section Heading	Description
	Executive summary	Concise summary of this report and its findings
1	Introduction	Overview of the Amendment
2	Site Location and Context	Description of the site and surrounding context
3	Proposed Amendment	Description of the Amendment and justification and need
4	Planning Framework	Identifies the key legislation the strategic framework applying to this Amendment
5	Consultation	Consultation undertaken with key stakeholders
6	Environmental Planning Assessment	Identifies and assesses key economic social and environmental issues associated with the proposed SREP amendment
7	Conclusion	Concise statement of key findings

Table 1: Report Structure

This report concludes that the Amendment is justifiable on strategic planning grounds and will not result in any significant environmental impacts. It recommends that the Minister exhibit a draft Amendment to SREP 30 and, following exhibition, the Governor make the Amendment as outlined in this report.

1.1 Project Objectives

The Amendment seeks to achieve the best master planning outcome for the St Marys Development site and to facilitate the establishment of new communities that are well planned, vibrant and respond appropriately to the site and regional context. To this end, the project seeks to address the following key objectives:

1. The Central Precinct should provide for the most appropriate land uses for the site that meet contemporary strategic planning objectives and foster the creation of a vibrant new community
2. Lands zoned Drainage should facilitate appropriate stormwater, maintenance and biodiversity outcomes for the site, in accordance with SREP 30
3. Land intended for open space use should be appropriately zoned to deliver the most appropriate outcome for the site.

1.2 Project Overview

The proposed Amendment to the SREP includes:

- rezone approximately 38.4 ha of the Central Precinct from *Employment* to *Urban*
- revise the size and location of land zoned *Drainage* to reflect amended urban development boundaries
- rezone approximately 1.2 ha within the Western Precinct from Urban to Regional Park

The key driver behind the rezoning of the Central Precinct from Employment to Urban land is proposed in response to the following three key factors:

- **Viability:** the Central Precinct is not well suited for predominantly employment related uses due its significant distance from critical transport infrastructure, including regional road and freight rail networks, its isolation from other zoned employment lands and its relative uncompetitiveness and unattractiveness when compared to areas such as the Western Sydney Employment Area (WSEA). In addition, employment land studies have demonstrated that existing industrial zoned lands within the broader St Marys area suffer from low occupancy levels and an extremely slow take up rate. Consequently, the Central Precinct Employment zone is not a viable or appropriate land use for this locality and it is therefore appropriate that this land be rezoned for more appropriate land-uses.
- **Planning Context:** since the gazettal of SREP 30, there have been significant changes to the State Government's strategic planning approach to the location of Employment Lands in Western Sydney. There is now a greater policy and market focus now on strategic employment areas such as WSEA, rather than decentralised employment zones with indirect access to the regional road network, such as the Central Precinct. With the rise of strategically placed industrial and employment zones, areas like St Mary's are becoming less relevant for such uses.

- **Urban Outcome and Housing Supply:** the development of employment and industrial uses directly adjacent to a residential precinct, without alternative points of ingress and egress, is not desirable from an urban design and transport planning perspective. Furthermore, the location of a large area with a predominantly industrial character will potentially result in amenity impacts on the adjacent residential community including heavy vehicle movements, air quality and noise. A more logical land use outcome for this location is additional housing, which would contribute towards critical long-term housing supply and affordability needs and minimise potential land use conflicts. New residential development in this area would provide for a mix of dwellings types located in close proximity to the Central Precinct Village Centre.

Amendments are also proposed to the size and location of lands zoned Drainage (the Drainage Basins), which will continue to meet the relevant objectives of SREP 30 whilst providing for better stormwater, maintenance and biodiversity outcomes.

It is also proposed to rezone an area of local open space (known as Farm Dam Park) located within Jordan Springs from Urban, as it would serve a better purpose as additional Regional Park land. This rezoning has been agreed in principle by National Parks and Wildlife Service and Penrith City Council.

1.2.1 Change of Scope

On the 1 May 2015, the Applicant wrote to DP&E to request the Minister initiate an amendment to SREP 30 and that the Secretary provide the Department's EARs for the preparation of studies to accompany the amendment proposal.

In addition to the proposed amendments outlined in **Section 1.2**, this request also included the proposed zoning of an area of approximately 2,330 m² of land known as the "Deferred Matter" land along the south-western boundary of the St Marys Development site.

The Deferred Matter is no longer proposed to be addressed through this Amendment and is subject to on-going consideration by the Applicant in consultation with adjoining landowners.

1.3 Environmental Planning and Assessment Act 1979

Under section 37 of the EP&A Act, the Governor may make a SEPP for the purpose of environmental planning by the State with respect to any matter that, in the opinion of the Minister, is of State or regional environmental planning significance or of environmental planning significance to a district within the meaning of Part 3B.

Further, section 38 of the Act states that before recommending the making of an environmental planning instrument by the Governor, the Minister is to take such steps the Minister considers appropriate or necessary to publicise an explanation of the intended effect of the proposed instrument, and to seek and consider public submissions on the matter.

On 24 November 2016, DP&E wrote to the Applicant advising that the Minister had agreed to exhibit a draft amendment to SREP, in the form of a proposed SEPP, once certain information had been prepared and submitted to the satisfaction of DP&E (**Section 1.4**)

1.4 Environmental Assessment Requirements

In its letter of 24 November 2016, DP&E requested the submission of a comprehensive report addressing a range of supporting information (referred to in this report as EARs). These EARs and where they are addressed in this report are set out in **Table 2** below:

Information Requirement	Report Reference	Supporting Study
Plans and General Requirements		
Clear maps for exhibition purposes		Appendix 13
A review against the St Marys Environmental Planning Strategy 2000	Section 4.3	Appendix 4
Preparation of maps in E-Planning format, suitable for the Department's website	Section 6.5.7	Appendix 13
Water, soils and infrastructure plans, including plans of the proposed drainage basins	Section 6.3	Appendix 8
Survey plans		Appendix 13
Supporting Reports		
Bushfire Protection Assessment	Section 6.5.1	Appendix 9
Cardno Traffic and Transport Report and any other relevant plans	Section 6.1.4	Appendix 7
Community Plan	Section 6.4	Appendix 14
Contamination Management Plan	Section 6.5.2	Appendix 10
Species Impact Assessment / Biodiversity Assessment, including details of existing and proposed certification with the Commonwealth	Section 6.5.3	Appendix 11
Landscape Maintenance and Handover Plan	Section 6.5.5	
Flood Impact and Evacuation Study in consultation with INSW, TfNSW, RMS and the State Emergency Service, prior to exhibition. (note: needs to address evacuation from the site out of the Hawkesbury-Nepean Floodplain)	Section 6.1.3	Appendix 6
An assessment on the impact on open space and the adjoining heritage item	Sections 6.2 and 6.5.4	
Infrastructure (local and regional)	Sections 6.1.4, 6.3, 6.4, 6.5.6	Appendices 7, 8 and 12
Deferred area analysis including confirmed land ownership and future intended use of land (including accessibility)	Section 1.2.1	

Table 2: DP&E information requirements

1.5 Project Team

An expert project team has been formed to deliver the project and includes consultants listed in **Table 3**.

Consultant	Role
KEYLAN Consulting	Urban Planning
SGS Economics and Planning	St Marys Employment Development Strategy Review
Jacobs	Water, Soils and Infrastructure
Molino Stuart	Flood Evacuation
WSP	Infrastructure and Traffic and Transport Assessment
RPS	E-Planning Maps and Survey Plans
Ecological	Bushfire Protection Assessment
Elton	Community Plan
JBSG	Contamination Management Plan
Cumberland Ecology	Species Impact and Biodiversity Assessment
JMD	Open Space and Landscaping
Cardno	Utility Infrastructure

Table 3: Project Team

2 Site Location and Context

2.1 Site location and context

The St Marys Development site (the site) is located approximately 45 km west of the Sydney CBD, 5 km north-east of the Penrith City Centre and 12 km west of the Blacktown City Centre (**Figures 1 and 2**). The main western railway is located approximately 2.5 kilometres (km) south of the site. The Great Western Highway is located another kilometre south and the M4 Motorway a further 1.5 km south.

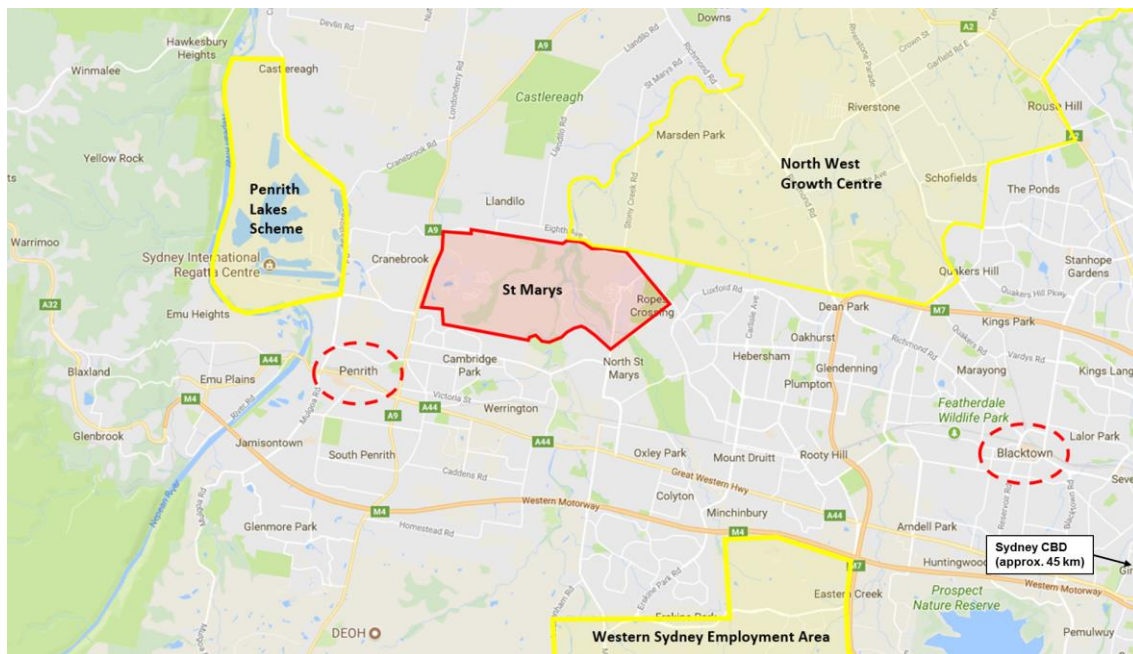


Figure 1. Location Map (Base source: Google Maps)

The site has an area of approximately 1,545 ha. It extends approximately 7 km east - west and 2 km north - south. It is bounded by Forrester Road and Palmyra Avenue to the east, The Northern Road to the west, Ninth Avenue and Palmyra Avenue to the north, and to the south by the Dunheved Industrial Area, Dunheved Golf Club and the suburbs of Cambridge Gardens, Werrington Gardens and Werrington County.

The northern extent of the Western Sydney Employment Area (WSEA) is located approximately 4 km south west of the site. The WSEA is the single largest new employment area in Metropolitan Sydney (planned to grow to 10,700 ha) and provides for major warehousing, distribution, freight transport, industrial, high technology, research facilities and contains the future Badgerys Creek Airport.

To the immediate north, beyond Palmyra Avenue, is the southern end of the North West Priority Growth Area. The North West Priority Growth Area includes the suburbs of Riverstone, Vineyard, Schofields, Rouse Hill, Kellyville, Marsden Park and Colebee, and has been identified for the provision of 33,000 new homes by 2026.

The Penrith Lakes Scheme area is located approximately 2.5 km to the west of the site. The Penrith Lakes Scheme covers an area of approximately 450 ha and is zoned for a

variety of parkland, environmental protection, tourism and employment opportunities and residential areas.

The site is bisected by the boundary between the Penrith and Blacktown LGAs, which generally follows South Creek in a north-south direction.

The site includes a number of development areas, or “precincts” identified under SREP 30 (**Figure 3**). These precincts and their status are:

Eastern Precinct:

- Declared a release area under SREP 30 by the Minister Assisting the Minister for Infrastructure and Planning on 16 June 2003
- Precinct Plan adopted by Blacktown City Council (BCC) on 2 February 2004
- Currently being developed as the suburb of Ropes Crossing

Ropes Creek Precinct:

- Declared a release area under SREP 30 by the Minister for Planning on 29 September 2006
- Precinct Plan adopted by BCC on 11 March 2011
- Currently being developed as the suburb of Ropes Crossing

North and South Dunheved Precincts:

- Declared a release area under SREP 30 by the Minister Assisting the Minister for Infrastructure and Planning on 16 June 2003
- Precinct Plan adopted by Penrith City Council (PCC) on 8 December 2006 and BCC on 12 January 2007
- DAs approved by Councils and development anticipated to commence shortly

Central Precinct:

- Declared a release area by the Minister for Planning on 29 September 2006
- Precinct Plan adopted by PCC on 23 March 2009
- Several DAs approved for works in Precinct and bulk earthworks/civil works commenced. Refer to **Section 2.2.1** for further information

Western Precinct:

- Declared a release area by the Minister for Planning on 29 September 2006
- Precinct Plan adopted by PCC on 23 March 2009
- Currently being developed as the suburb of Jordan Springs.

The site also includes an area of 900 ha zoned Regional Park, as well as areas zoned Regional Open Space, Drainage and Roads.

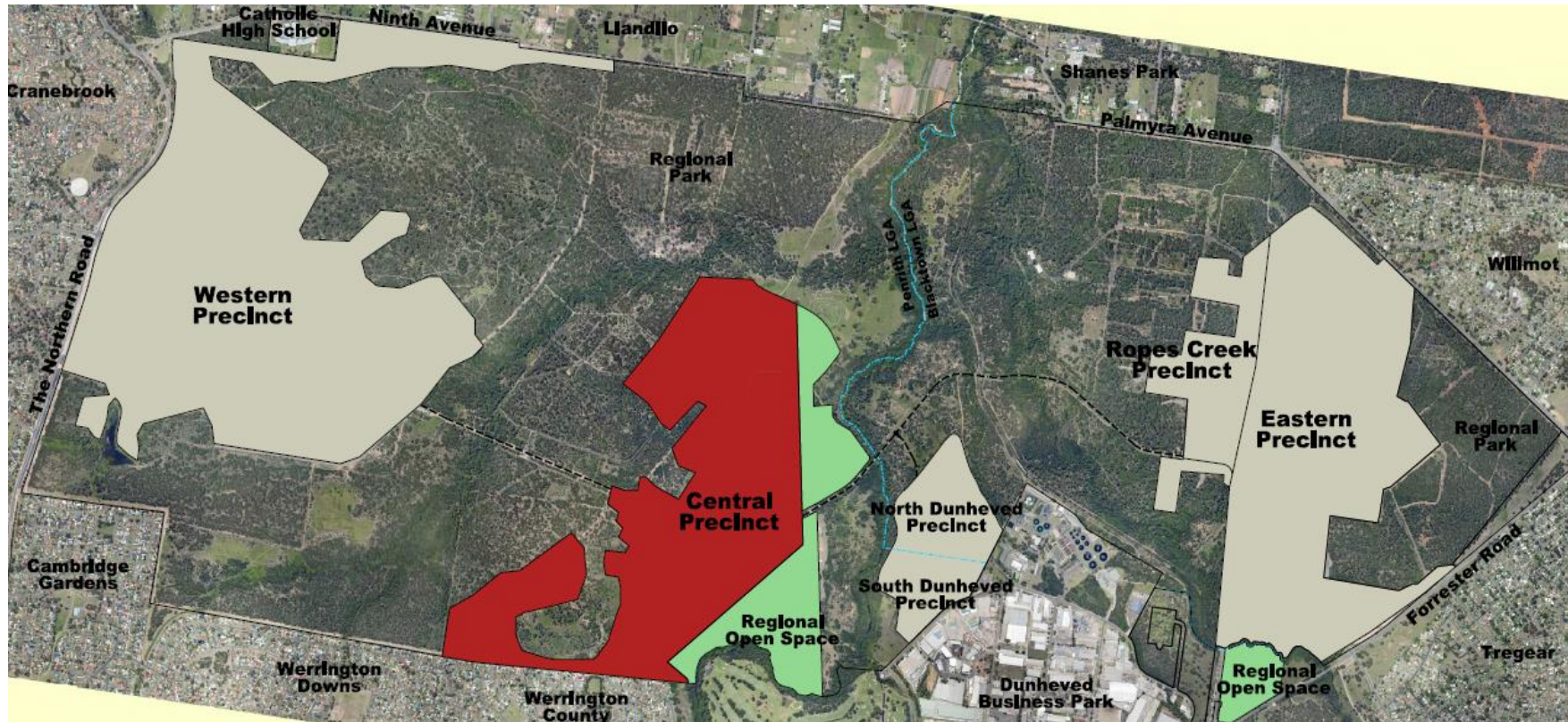


Figure 2. Development Site Precincts (Source: Lendlease)

2.2 Amendment Area Description

2.2.1 Central Precinct

The Central Precinct has an area of approximately 133.1 ha. It is legally described as Part Lot 1037 in DP 1149525.

The precinct is bordered by the Regional Park and a Drainage zone to the north, Regional Park to the west, Regional Open Space to the east and Werrington Downs and Werrington County to the south.

It is currently zoned part Urban (94.7 ha) and Employment (38.4 ha) under SREP 30. The Employment zone is located in the northern portion of the Precinct (**Figure 4**). It is currently largely cleared and contains a number of site access roads. It is also traversed by the Eraring-Kemps Creek 500 kV transmission line, which are contained within a 70-metre-wide easement, in favour of TransGrid (**Figures 2 and 3**).

A number of DAs for demolition, construction works, bulk earthworks, subdivision and civil works have been approved and works have commenced in accordance with the adopted Central Precinct Plan, with registration of lots commencing in mid-2017.

The Central Precinct Plan (Section 4.6) includes:

- Employment uses in the northern part of the precinct (subject to the rezoning proposed in this Amendment)
- A Village Centre Character Area, comprising a mix of retail, commercial, community, open space and residential uses, in the central part of the precinct
- Predominantly residential development in the remainder of the precinct
- Construction of roads, including external connections to both the west and east, and stormwater infrastructure
- Provision of local open space, riparian corridors, and stormwater basins.

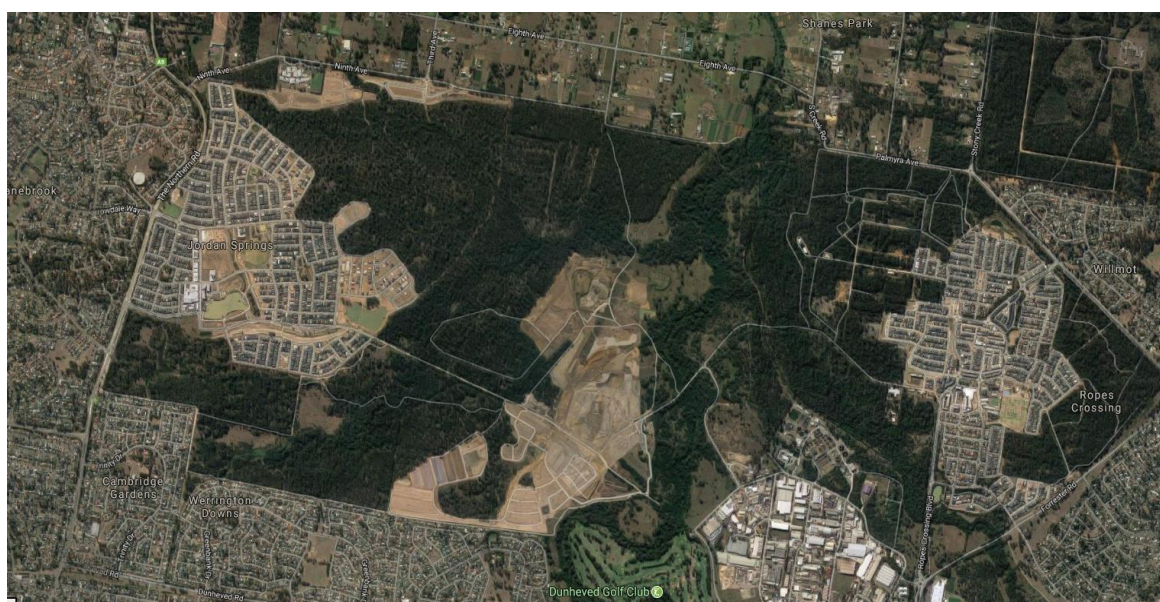


Figure 3. St Marys Development Site, Aerial Photograph (Source: Google Maps)

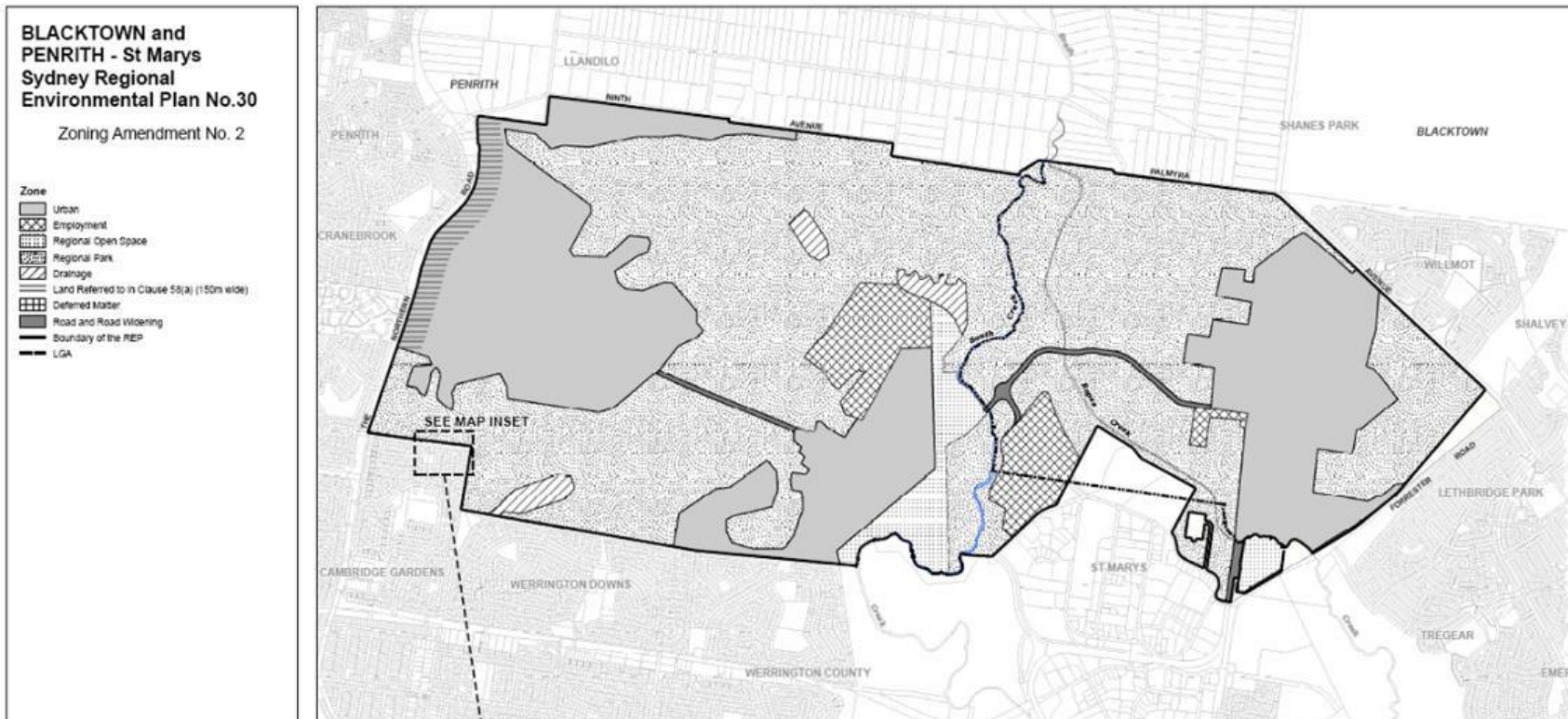


Figure 4. SREP 30 Zoning Plan (Source: SREP 30)

2.2.2 Drainage Zones

There are 3 areas zoned Drainage under SREP 30 (**Figures 4 and 5**). These include:

- “Basin B” adjoining northern tip of the Central Precinct, with an area of approximately 8.0 ha. This area is largely cleared and disturbed. Vegetation within the zone includes mature River-Flat Eucalypt Forest (RFEF) towards the north, a small area of Cumberland Plain Woodland (CPW), and also large areas of low diversity derived native grassland and exotic grassland. Basin B is proposed to be reduced in size under the SREP amendment
- “Basin I” adjacent to the site’s southern boundary to Werrington Downs, with an area of 7.4 ha. Vegetation within the zone includes an area of weedy Freshwater Wetlands, moderate quality RFEF as well as small areas of exotic grassland. Basin I is proposed to be increased in size under the SREP amendment
- “Basin C2”, located to the north-west of the Central Precinct, with an area of 4.5 ha. The zone is surrounded by Regional Park and is part is part of a larger a patch of good quality, mature CPW within the broader Regional Park. Basin C2 is proposed to be removed and replaced with 2 new basins (C and V6), adjacent to the boundary of the Western Precinct

Proposed amendments to the Drainage zones are further discussed in **Section 6.3**.

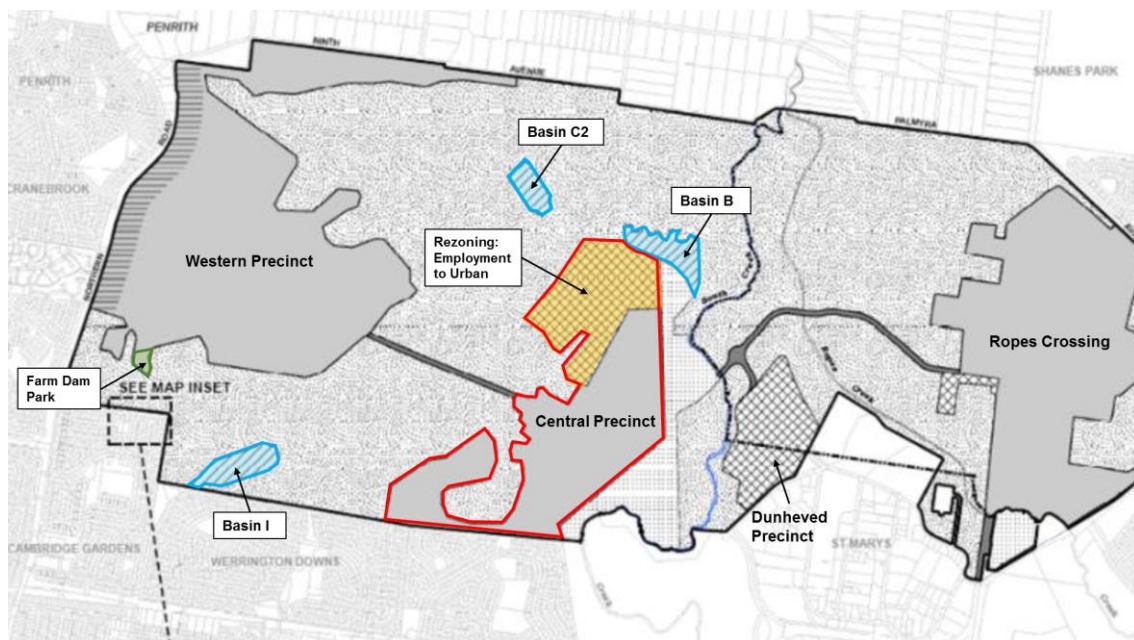


Figure 5. Areas zoned Drainage under SREP 30 (highlighted blue) (Base source: SREP 30)

2.2.3 Western Precinct

The Western Precinct has now been substantially developed for residential and other uses as the suburb of Jordan Springs.

The Western Precinct is currently zoned Urban, including an area to the south of Jordan Springs Boulevard, which is nominated for Local Open Space in the adopted Western

Precinct Plan. These Urban zoned areas are located to the immediate west and east of a former farm dam located within the Regional Park and are largely bounded by other areas of Regional Park.

The eastern area of Local Open Space (proposed to be rezoned to Regional Park), known as Farm Dam Park, includes an area of mature CPW of approximately 0.8 ha and a small area of Freshwater Wetlands which forms part of a larger wetland within the Regional Park (**Figures 4, 6 and 7**).



Figure 6. Aerial photograph of Farm Dam Park, land zoned Urban highlighted orange (Base source: Google Maps)



Figure 7. Farm Dam Park, Regional Park highlighted dark green (Source: Cumberland Ecology)

3 Proposed Amendment

3.1 Amendment of SREP 30

The proposed amendments to SREP 30 are described below and shown in **Figures 8 to 11**.

Proposed SREP 30 Amendments	
Central Precinct Rezoning	<ul style="list-style-type: none"> • Rezone approximately 38.4 ha of land in the northern part of the Central Precinct from Employment to Urban (consistent with its original zoning when SREP 30 was gazetted in 2001) • The rezoning will result in approximately 500 additional lots in the Central Precinct • The rezoned land will provide for a wide range of lot sizes, frontages and dimensions in accordance with the typologies established by the Central Precinct Plan and DCS
Amend size and location of Drainage zones	<p>Revise the size and location of Drainage zones to reflect on-going refinements to water quality modelling following to changes to Precinct boundaries through previous SREP amendments. These revisions include (Figures 9 - 11):</p> <ul style="list-style-type: none"> • Basin B: reduce in size from 8 ha to approximately 3.03 ha and partially rezone from Drainage to Regional Park • Basin I: increase in size from 7.4 ha to approximately 9.72 ha and rezone areas from Regional Park to Drainage • Basins C2, C and V6: <ul style="list-style-type: none"> ○ delete Basin C2 (4.5 ha) and rezone from Drainage to Regional Park ○ create new Basin C (approximately 3.8 ha) and rezone from Regional Park to Drainage ○ create new Basin V6 (approximately 0.7 ha) and rezone from Regional Park to Drainage ○ overall reduction of 2.65 ha of Drainage and corresponding increase in the size of Regional Park
Rezone part of Western Precinct from Urban to Regional Park	<ul style="list-style-type: none"> • Rezone area of approximately 1.2 ha from Urban to Regional Park • Rezoning will facilitate transfer of this area to Office of Environment and Heritage for inclusion in the Regional Park

Table 4: Summary of proposed SREP amendments

**Sydney Regional
Environmental Plan No.30
St Marys - Zoning
(Amendment No.3)**

- Zone**
- Urban
 - Employment
 - Regional Open Space
 - Regional Park
 - Drainage
 - Land Referred to in Clause 58(a) (150m wide)
 - Deferred Matter
 - Road and Road Widening
 - Boundary of REP
 - LGA

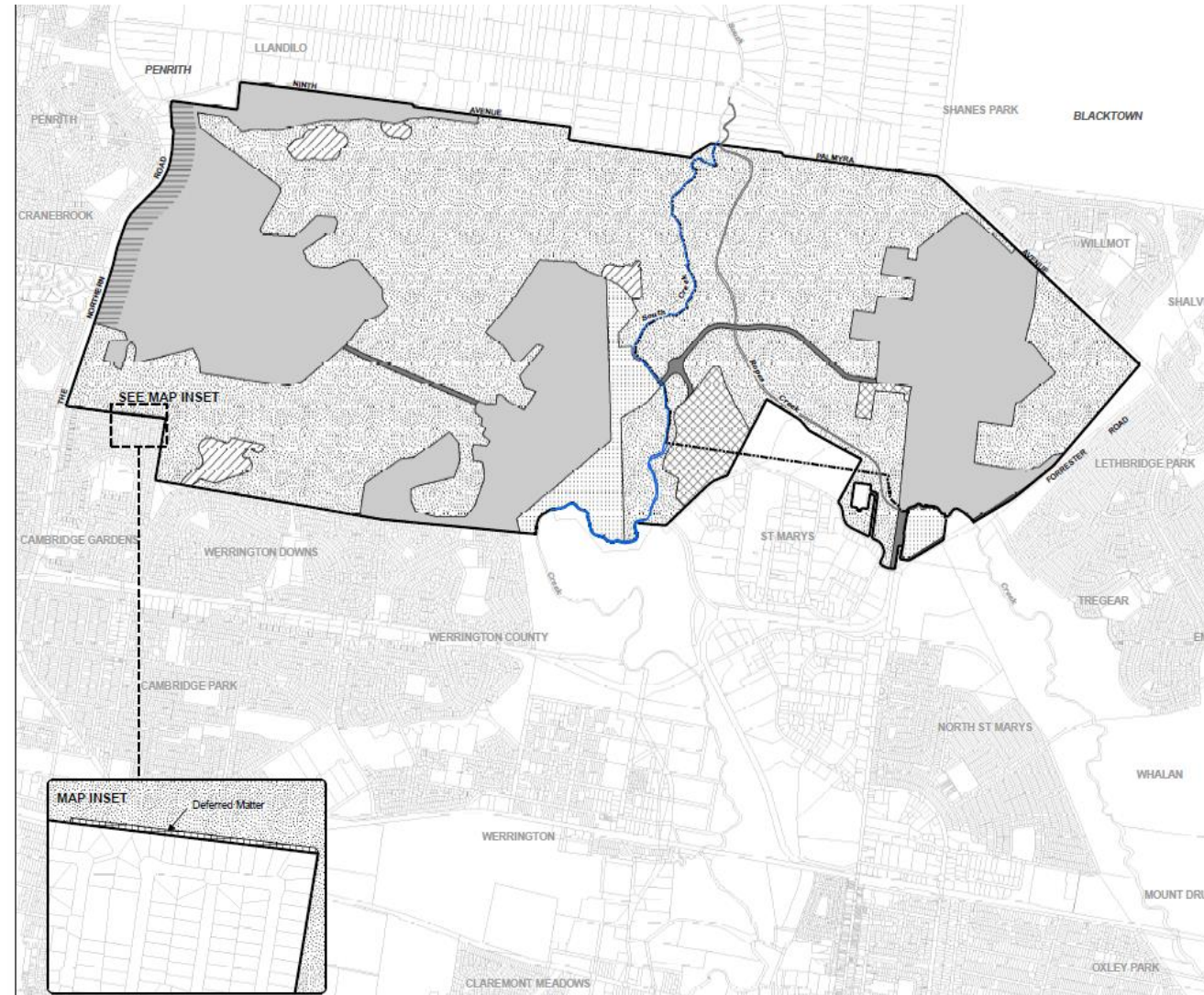
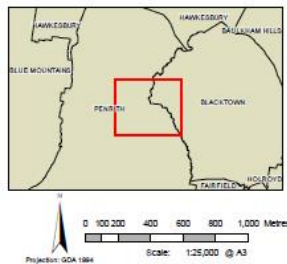


Figure 8. Revised SREP Zoning (Source: RPS)

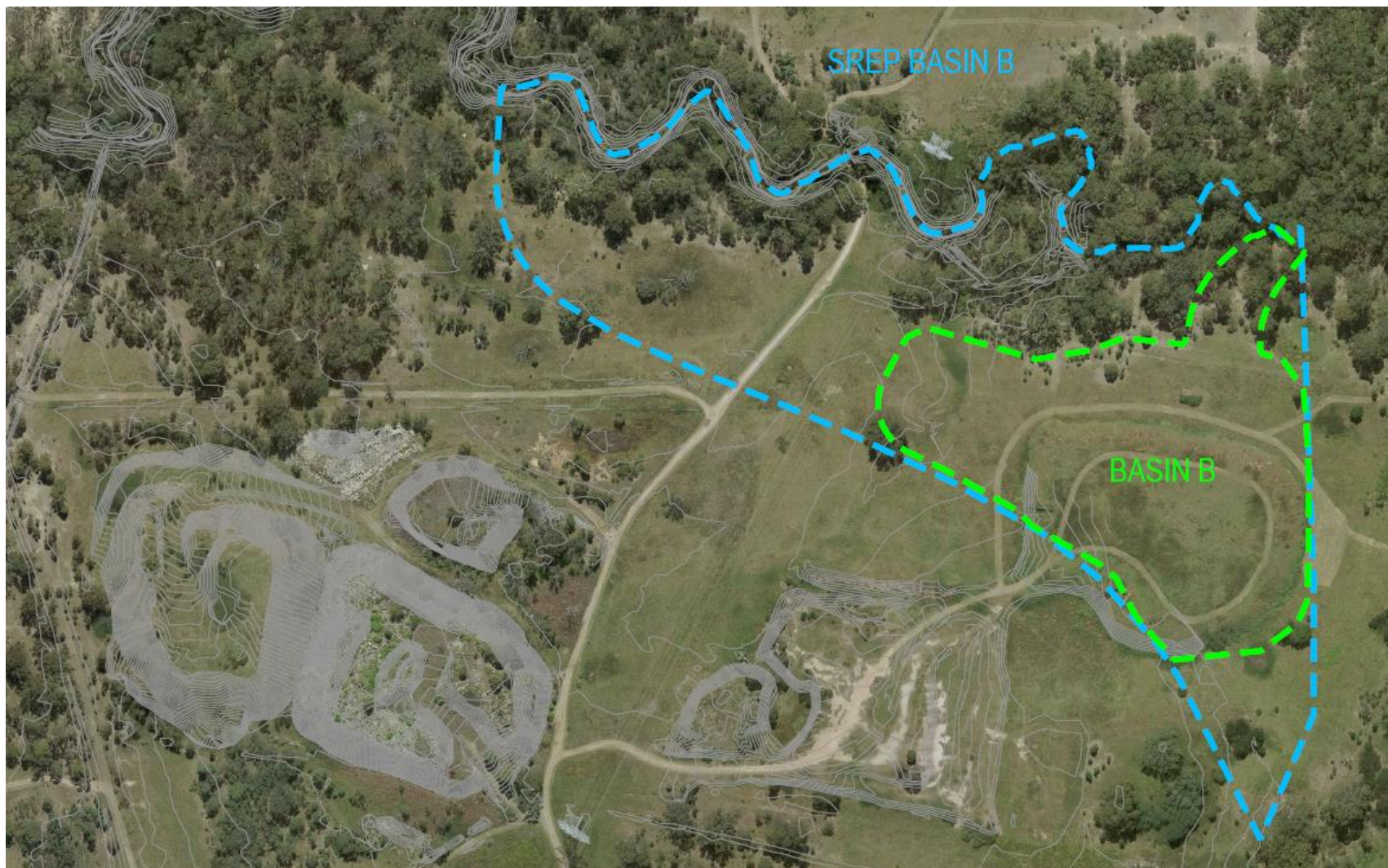


Figure 9. The boundary of the SREP30 (blue) and Amended (green) Drainage Basin B (Source: Jacobs)



Figure 10. The boundary of the SREP30 (blue) and Amended (green) Drainage Basin I (Source: Jacobs)

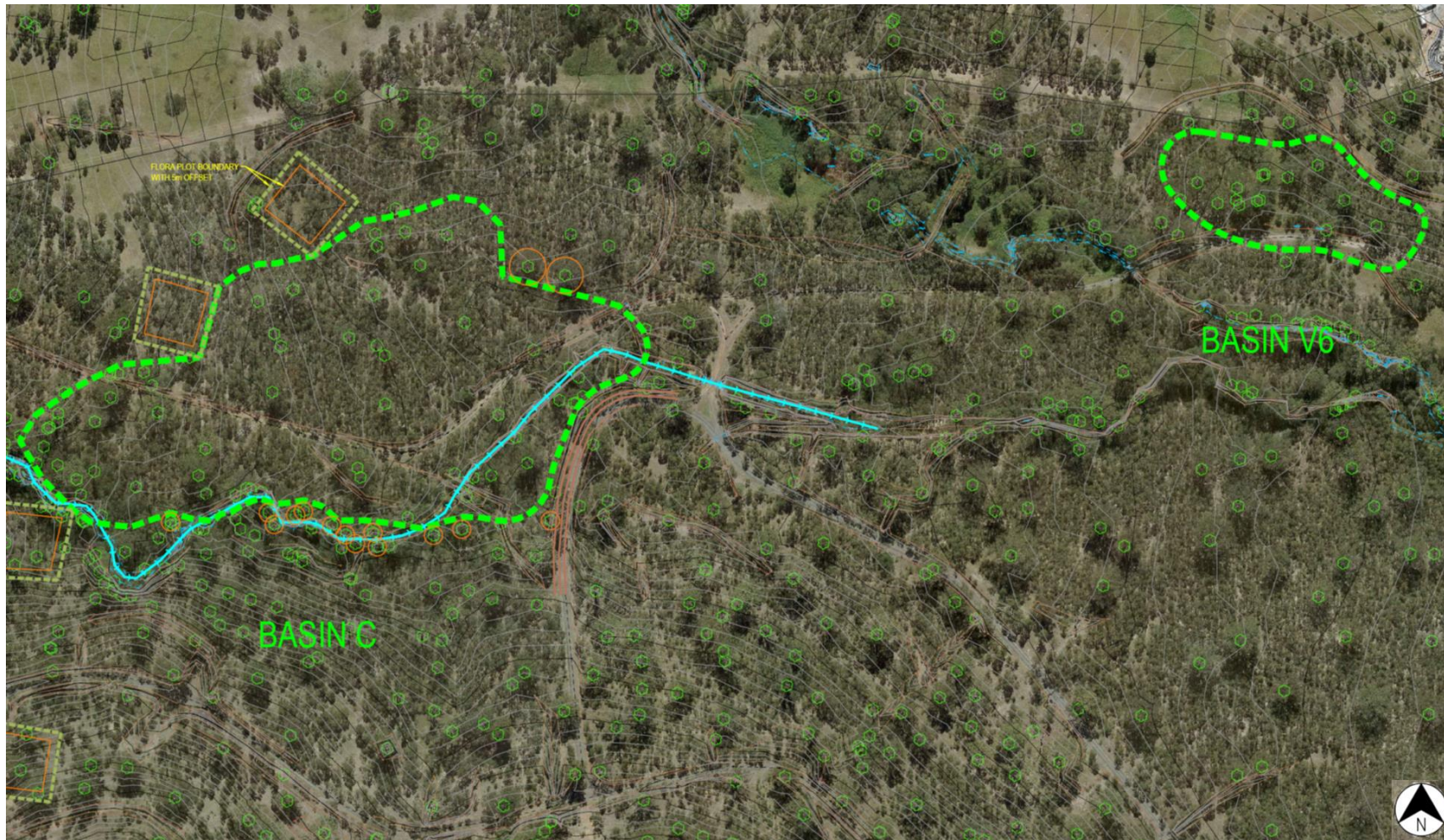


Figure 11. Proposed Drainage Basins C and V6 (Source: Jacobs)

4 Planning Framework

4.1 Relevant Commonwealth Legislation and Policy

4.1.1 EPBC Act

On 23 July 2002, the Commonwealth completed its assessment of the development of the St Marys site and issued a Certification of Coverage of Impacts by Assessment (the Certification) under the *Environmental Reform (Consequential Provisions) Act 1999*.

On 10 August 2016, the Applicant wrote to the Commonwealth Department of Environment and Energy (the DEE) to seek confirmation of whether the Certification continues to apply to the site noting the proposed amendments. The Applicant confirmed that the principal SREP 30 amendment relates to the rezoning of 38 ha of land in the Central Precinct from Employment to Urban, and:

- the proposal is in response to broader market trends, site characteristics, and viability;
- the rezoning of this land will facilitate the supply of additional land for housing in Western Sydney, consistent with the key strategic priorities and metropolitan dwelling target outlined in *A Plan for Growing Sydney* and the *Draft Western District Plan*; and
- importantly, the rezoning is consistent with the zoning of this area for Urban when SREP 30 was originally gazetted and certified by the DEE.

On 9 December 2016, the DEE confirmed that the proposed amendment does not result in any additional impacts and the original certification of coverage remains valid. In addition, further assessment or approval under the EPBC Act is not required (**Appendix 2**).

4.2 Strategic Planning Documents

4.2.1 A Plan for Growing Sydney

A Plan for Growing Sydney is the Government's metropolitan strategy outlining key strategic directions for Sydney – covering 41 LGAs (prior to the current ongoing Council amalgamation process) across six subregions. The site is located within the Penrith and Blacktown LGAs within the West subregion.

The site is strategically well positioned for residential use, located close to Penrith CBD, Penrith Lakes Scheme and the North West Growth Centre. These locational advantages combined with the economic case for change enable the transition of the site, including the Central Precinct, to a sustainable residential led mixed-use development.

A Plan for Growing Sydney sets out the NSW Government's vision for Sydney to be “a strong global city, a great place to live” and includes a number of supporting goals and directions. The Plan's key goals are:

- a competitive economy with world-class services and transport;
- a city of housing choice with homes that meet our needs and lifestyle;

- a great place to live with communities that are strong, healthy and well-connected; and
- a sustainable and resilient city that protects the natural environment and has a balanced approach to the use of land and resources.

There are a number of Goals and Directions that are of particular relevance to the Amendment as outlined in **Table 5**.

GOAL, DIRECTION ACTION	RESPONSE
Goal 1 Sydney's Competitive Economy	
<p>Direction 1.4 Transform the productivity of Western Sydney through growth and investment</p> <p><i>A Plan for Growing Sydney notes under this direction that ...growth is targeted towards strategic centres across Western Sydney.</i></p>	<ul style="list-style-type: none"> • As discussed at Section 6.1 the existing Employment lands in the Central Precinct are uncompetitive when compared to other identified strategic centres. There is strong and valid economic justification for the rezoning to Urban land. • The development is subject to a comprehensive EDS, which has been reviewed in support of the proposed rezoning of the Central Precinct Employment zone (Sections 4.5 and 6.1). • The Applicant is also proposing a range of additional employment initiatives through the EDS to create an additional 1,165 jobs (Appendix 5).
Goal 2 Sydney's Housing Choice	
<p>Direction 2.1 Accelerate housing supply across Sydney</p> <p><i>A Plan for Growing Sydney notes under this direction that Providing more housing and different types of housing as the population grows reduces the pressure on rising housing prices... the role of government is to create the best environment for investment and development...</i></p> <p><u>Action 2.1.1:</u> Accelerate housing supply and local housing choices</p> <p><u>Action 2.1.2:</u> Accelerate new housing in designated infill areas (established urban areas) through the priority precincts and Urban Growth NSW programs</p>	<ul style="list-style-type: none"> • The rezoning would provide for approximately 500 additional lots in a location best suited to provide for residential development. • The provision of new residential accommodation will contribute towards meeting housing demands and assist in improving housing affordability. • The site is in single ownership and provides an excellent opportunity to deliver sustainable urban renewal outcomes. • Although the site is not identified as a priority precinct, this report demonstrates that it can support other identified precincts as well as provide for suitable infill development within a broader urban area.
<p>Direction 2.3 Improve housing choice to suite different needs and lifestyles</p> <p><i>A Plan for Growing Sydney notes under this direction that ... The fastest growing households in Sydney are single person households... [the government] will encourage further innovative, well-designed, smaller homes to suit lifestyles and budgets...</i></p>	<ul style="list-style-type: none"> • The Amendment will provide for residential use that will be able to include a range of lot sizes and layouts and that will cater to a broad variety of households. • Affordable housing contributions have already been made in accordance with the SDA. • The provision of new residential accommodation will contribute towards

GOAL, DIRECTION ACTION	RESPONSE
<u>Action 2.3.2:</u> Deliver more opportunities for affordable housing	meeting housing demands and assist in improving housing affordability.
Goal 3 Sydney's Great Places to Live	
Direction 3.1 Revitalise existing suburbs <i>A Plan for Growing Sydney notes under this direction that ... focusing new housing within Sydney's established suburbs brings real benefits to communities and makes good social and economic sense... reduce the impact of development on the environment and protect rural land at the urban fringe... [and] enhance liveability of the city....</i>	<ul style="list-style-type: none"> • The proposed masterplan will provide significant opportunities for new housing and community benefits. • The removal of employment lands immediately adjacent to residential and Regional Park uses will reduce amenity and environmental impacts.

Table 5: A Plan for Growing Sydney relevant goals, directions and actions

4.2.2 Draft Greater Sydney Region Plan

In October 2017, the Greater Sydney Commission released a *Draft Greater Sydney Region Plan 2017* (Draft Plan), which establishes the aspirations for the Greater Sydney region over the next 40 years.

The Draft Plan is builds upon the concept of three cities – *Western Parkland City*, the *Central River City* and the *Eastern Harbour City*. The Draft Plan's vision is to create a '30-minute city', where people live within 30 minutes of their job, education and health facilities, services and other opportunities.

The site is located in the Western Parkland City. The Draft Plan cites Western Sydney Airport and Badgery's Creek Aerotropolis as the catalyst for the economic growth of the city and identifies jobs growth in the aerotropolis as a key productivity metric. It also states that investigations will be undertaken into a new Greater Penrith to St Marys Priority Growth area. This relates to an economic activity corridor that links the Penrith City Centre and the Penrith health and education precinct to development opportunities around St Marys. The Central Precinct Employment zone is not identified as a key strategic economic or employment area.

The Draft Plan also identifies housing supply and diversity as a critical issue, with the need to provide a range of housing types, tenures and price points to meet demand. The Draft Plan states that the NSW Government has identified that 725,000 new homes will be needed to meet demand based on current population projections to 2036. It also states that housing should be located in the right locations based on access to shops, services and infrastructure and local amenity considerations.

The Draft Plan's identifies the following housing targets for the Western City District:

- **2016-2021:** 39,850
- **2016-2036:** 184,500

The Amendment is consistent with the broad aims and objectives of the Draft Plan as it:

- Will contribute the housing supply and affordability targets and objectives of the plan by providing for additional housing stock and choice in an area already being developed as a mixed-use, master planned community supported by local and state infrastructure
- Ensures the best land use outcome for an area that is not suitable or viable for large-scale employment development (refer **Section 6.1**), without impacting on the key strategic employment growth areas identified in the Draft Plan

The Draft Plan is supported by more detailed priorities and actions in the Draft District Plans.

4.2.3 Draft Western City District Plan

The Draft District Plans, including the *Draft Western City District Plan*, was released by the Greater Sydney Commission in October 2017.

They provide a 20-year plan to manage growth in the context of economic, social and environmental matters to achieve the 40-year vision for Greater Sydney and provide a guide for implementing the draft Greater Sydney Region Plan at a district level.

There are a number of priorities and actions in the Draft Western City District Plan that are of particular relevance to the Amendment, as outlined in **Table 6**.

PRIORITY / ACTION	RESPONSE
LIVEABILITY	
Planning Priority W5 Providing housing supply, choice and affordability, with access to jobs and services	<ul style="list-style-type: none"> • As discussed in detail at Section 6.1.2, the rezoning would provide for approximately 500 new residential lots. • The additional residential lots would contribute to addressing the current undersupply of housing and the need for housing that is more affordable. • The new residential lots would provide for a range of housing sizes and types in accordance with the Central Precinct Plan and DCS and would therefore foster housing diversity. • The proposed SREP amendments would contribute to addressing housing affordability through significant additional housing supply and choice in an area already identified for housing development and which is supported by State and local infrastructure contributions. • The State Planning Agreement includes a provision requiring the provision of 120 residential allotments across the site for the purposes of providing affordable housing.
Planning Priority W6 Creating and renewing great places and local centres, and respecting the District's heritage	<ul style="list-style-type: none"> • As discussed at Section 6.1 the existing Employment lands in the Central Precinct are uncompetitive when compared to other identified strategic centres and are likely to remain vacant. They are not identified as a key strategic economic or employment area in the Draft District Plan.

PRIORITY / ACTION	RESPONSE
	<ul style="list-style-type: none"> The rezoning of the site to urban land will improve the liveability of surrounding residential neighbourhood, and also allow for the best urban design outcome, creating a vibrant suburb, that is well connected to village centre and the surrounding natural environment.
PRODUCTIVITY	
Planning Priority W10 Maximising freight and logistics opportunities and planning and managing industrial and urban services land	<ul style="list-style-type: none"> The Draft Plan notes the main industrial and urban services areas in the District as Western Sydney Employment Area, the Liverpool to Campbelltown corridor and the Fairfield to Eastern Creek corridor. Further land is proposed to be rezoned for industrial and urban services in Western Sydney Employment Area, Erskine Park, Western Sydney Airport Priority Growth Area, Elizabeth Drive Enterprise, South West Priority Growth Area and Greater Macarthur Priority Growth Area. Whilst the Draft Plan acknowledges the changing nature of industrial land in the District it notes that protecting industrial and urban services land can facilitate industries of the future, including creative industries and environmental services such as waste management and recycling facilities. Whilst this SREP 30 Amendment seeks to rezone existing (undeveloped) Employment land, as explained in detail at Section 6.1, the rezoning of this land is supported by the EDS Review and is acceptable as the land is significantly disadvantaged for employment uses due to its: <ul style="list-style-type: none"> location outside of larger, strategically significant employment areas identified in the Draft Sydney Region and Draft District Plan; isolation from major freight carrying roads uncompetitiveness compared to other nearby employment lands. In addition, the Applicant's jobs creation initiatives (resulting in approximately 3,800 new jobs) will be supplemented by a range of additional employment initiatives to implemented through the EDS – equating to approximately 1,165 additional jobs (Section 6.1.1) Due to the constraints of the site and its overall uncompetitive nature, as well as other key priorities relating housing supply and affordability, the rezoning to Urban land in the Central Precinct is considered represents the best outcome for the site and the District.
Planning Priority W11 Growing investment, business opportunities and jobs in strategic centres	<ul style="list-style-type: none"> The rezoning of the site to urban land will improve the liveability of surrounding residential neighbourhood and the creation of a vibrant suburb that is well connected to Central Precinct and other nearby centres.

PRIORITY / ACTION	RESPONSE
SUSTAINABILITY	
Planning Priority W14 Protecting and enhancing bushland and biodiversity	<ul style="list-style-type: none"> • The rezoning removes industrial activity from the boundary of the Regional Park thereby further safeguarding the Regional Park's ecological value. • Additionally, the rezoning results in an increase of 3.85 ha of Regional Park, comprising: <ul style="list-style-type: none"> ○ 2.65 ha from the improvement to the efficiency and maintenance impact of the drainage basins ○ 1.2 ha from the rezoning of Farm Dam Park
Planning Priority W16 Protecting and enhancing scenic and cultural landscapes	<ul style="list-style-type: none"> • As discussed at Section 6.5.4, the propose rezoning of Employment and Drainage lands will not impact on heritage items on the site.
Planning Priority W18 Delivering high quality open space	<ul style="list-style-type: none"> • The rezoning would facilitate the delivery of high quality open space, improve efficiency and maintenance of the Regional Parklands.

Table 6: The Draft West District Plan relevant priorities and actions

4.2.4 Penrith City Council Strategic Documents

Penrith Employment Planning Strategy

The *Penrith Employment Planning Strategy 2009* (PEPS) makes recommendations for the strategic direction of employment planning for the City of Penrith and how it is to be managed in the next 10 to 25 years. The PEPS sets out the following key employment planning principles:

- renewal of existing town and neighbourhood centres within an agreed retail hierarchy
- creation of well-planned and sustainable new communities, including new employment areas in appropriate locations
- providing for a land bank of employment land
- building on the strengths of key community assets
- providing reasonable access for Penrith workers to as wide a range of jobs as possible.

Penrith Economic Development Strategy – Building the New West (Jan 2017)

The *Penrith Economic Development Strategy* (PEDS) provides a strategic framework for how Council can best support economic development, foster greater investment and grow jobs in Penrith. It provides Council with target sectors for jobs growth and areas of focus to stimulate economic development across the LGA.

The goal for Penrith is to achieve an increase in total local jobs of between 42,000 and 55,000 by 2031. This target can be met by growing new jobs in a range of areas with a focus on health, education, tourism, arts and culture, advanced manufacturing, and advanced logistics. This will be complemented by growth in service activity in the night-time economy, small business (including start-up activity) and residential services.

The PEDS sets out the following drivers for growth:

- sectoral strengths

- leveraging from population growth
- advocating for State-shaping infrastructure
- game-changing catalytic development and projects
- high urban amenity
- high value social capital
- availability of land.

The Applicant's additional job creation initiatives (up to 1,165 additional jobs) will build on the PEDS through assisting local residents upskill and develop skills that meet the local needs in order to benefit from the new jobs that will be created by the investment in Western Sydney (**Section 6.1**).

Penrith Urban Strategy Managing Growth to 2031

The Penrith Urban Strategy Managing Growth to 2031 (PUSMG) sets out a framework to provide equity in access to a range of services and facilities, encourage increased diversity in housing stock and promote a range of lifestyle opportunities within established and new release areas. The PUSMG includes eight Guiding Principles for Penrith:

- A Diverse City meeting the needs of the people (in housing, built form and urban and rural uses), economy and environment.
- A Healthy and Vibrant City with quality spaces and recreation areas. A city that is integrated and whose residents have well-being. A city comprising strong neighbourhoods that build social capital.
- An Accessible City that is integrated and interconnected, where communities have access to shops, services, education, employment and transport, etc.
- A Cultural City that is a creative place with self-sustaining arts and culture.
- A Regional City that embraces its economic and service role for the region with strong links to the surrounding regions and metropolitan area.
- A Safe City where people feel confident in living.
- A Lifestyle City that is attractive and well designed, fun for all ages and abilities and creates cohesive communities.
- A City with a Unique Identity that enables lifelong learning, research and development and has a viable economy.

The SREP 30 Amendment is generally consistent with the PEPS and the PUSMG. It rezones existing (undeveloped) Employment land that is significantly disadvantaged due to its isolated out of centre location, remoteness from major road infrastructure and uncompetitive compared with other significant existing Employment lands. The provision of new housing would contribute to addressing housing supply, diversity and affordability in the locality.

In relation to the PEDS, the EDS Review process has confirmed that the St Marys Development is achieving a jobs ratio comparable to the SREP 30 target. In addition, the Applicant is considering a range of additional employment initiatives to supplement the development's employment generating capacity. These issues are further discussed in **Section 6.1**.

In this context, the proposed rezoning of Employment land is warranted and justified in light of the PEPS employment planning principles and the PUSMG's Guiding Principles.

4.3 Sydney Regional Environmental Plan 30 St Marys

SREP 30 is the main environmental planning instrument applying to the St Marys Development site. In summary, the key provisions of the SREP include:

- Identifying areas for development, known as “precincts”, on the site. These precincts and their development status are discussed in **Section 2.1** of this report.
- Requirement for the Minister for Planning to declare precincts to be a release area and for precinct plans to be prepared and adopted prior to development occurring within a precinct.
- Identification of Performance Objectives relating to a range of environmental, social and economic outcomes for development on the site (**Appendix 3**)
- A Structure Plan which outlines the general pattern of development on the site (**Figure 12**).
- Zoning of the site for a range of uses including Regional Park, Regional Open Space, Employment, Urban, Road and Road Widening, and Drainage (**Figure 5**).
- Outline of development controls relating to a range of issues, including consultation, subdivision, development near zone boundaries, demolition, interim uses, development on land below the probable maximum flood (PMF) level, filling of land, salinity and soils, tree preservation, heritage (including identification of heritage items on the Heritage Map), access and services, bushfire hazard reduction works and specific development restrictions and prohibitions.

SREP 30 was originally gazetted in January 2001 and has been amended twice:

- **Amendment No. 1** was gazetted in April 2006. This amendment principally amended the boundaries of the precincts (other than North and South Dunheved Precincts) to reflect the listing of land on the Register of the National Estate (RNE). It also amended the location of land zoned Employment in the Central Precinct.
- **Amendment No. 2** was gazetted in February 2009. This amendment relocated to the Western Precinct Employment zone and part of the Ropes Creek Precinct Employment zone to the Central Precinct, resulting in a consolidated Employment zone in the northern part of the Central Precinct. The current SREP 30 Zoning Map is shown at **Figure 5**.

A detailed consideration of the proposed Amendment against the Aims and Performance Objectives of the SREP is contained in **Appendix 3**.

**BLACKTOWN and
PENRITH - St Marys
Sydney Regional
Environmental Plan No.30**

Structure Plan Amendment No. 3



Figure 12. SREP 30 Structure Plan (Source: SREP 30)

4.4 St Marys Environmental Planning Strategy 2000

The St Marys Environmental Planning Strategy 2000 (EPS) accompanies SREP 30. One of the aims of SREP 30 (clause 3(a)) is to support the EPS by providing a framework for the sustainable development and management of the land.

The EPS identifies:

- the aims for the future use and management of the site
- specific performance objectives
- actions to be undertaken by local and State governments
- development controls the obligations of developers

The EPS, together with SREP 30 and the St Marys Development Agreement (**Section 4.7.1**) establish the planning, urban design and environmental conservation principles to guide the long-term development and conservation of the site.

A detailed consideration of the proposed SREP 30 Amendment against the EPS is contained in **Appendix 4**.

4.5 St Marys Employment Development Strategy

The St Marys Employment Development Strategy (EDS) applies to the entire site. The EDS sets out initiatives and actions for implementation to meet the employment and business development objectives.

The original EDS was completed in 2003 and was subsequently updated in 2008. The 2008 EDS recommended that a 'watching brief' be kept on the employment prospects for the Central Precinct, noting that there may be justification for looking at alternative development approaches to the provision of employment lands within the Central Precinct.

On 1 May 2015 Lend Lease wrote to the Minister for Planning requesting that the Minister initiate an amendment of SREP 30 to principally rezone Employment lands in the Central Precinct to Urban lands. DP&E subsequently wrote to the Applicant confirming that it could not progress the request until a third review had been undertaken of the EDS.

SGS subsequently undertook a review of the EDS, which was concluded in consultation with the EDS Review Committee in December 2015 (**Appendix 5**). The EDS Review provides an up to date assessment of the EDS and includes detailed justification for the rezoning of Employment lands. This is further discussed in **Section 6.1**.

As outlined in **Section 6.1**, Lendlease now proposes to implement a range of additional job creation initiatives through the EDS in parallel with the Amendment, which would create up to 1,165 additional jobs.

4.6 Central Precinct Plan and Development Control Strategy

The CPP establishes the planning framework, principles and controls to provide clear and coordinated guidance for the development of land within the Precinct. It forms a fundamental part of the planning process and a key tool for Council to use in its assessment and determination of development within the Central Precinct.

The CPP ensures that future development within the Precinct achieves the aims and objectives of the SREP 30 including the EPS and EDS. It provides also the vision for how the Precinct is to be developed and establishes the following key design principles:

- establish a permeable modified grid street system promoting connectivity and ease of movement for pedestrians, bicycles and vehicles
- establish housing diversity and mix within neighbourhoods and provide a variety of block sizes, enhancing permeability
- ensure a safe environment by promoting crime prevention through urban design
- create a legible street hierarchy
- minimise potential land use conflicts between the Employment and Urban zones
- provide views of and links to the Regional Park and Regional Open Space
- promote ease of movement and walkability including short block lengths
- promote connections and permeability between villages
- provide suitable residential interface with existing residential suburbs to the south
- provide an appropriate interface between neighbourhoods and the Regional Park.

The CPP and accompanying DCS was adopted by PCC on 23 March 2009.

An Amendment to the CPP (dated May 2017) has been lodged with PCC. It seeks to amend the CPP to reflect the changes that have occurred as the planning, design and development of the Precinct has evolved. It includes proposed changes to the road network, relocation of water quality basins and relocation of the Village Centre Character Area to a more central location.

As outlined in **Section 6.5.8**, a further amendment to the CPP will be required to reflect the proposed rezoning of the Employment zone. Future residential development in this area, including housing lots and typologies, would be carried in accordance with the key principles and controls of the CPP and DCS.

4.7 St Marys Agreements

4.7.1 St Marys State Development Agreement

SREP 30 requires the execution of an agreement between the Applicant, State Government, PCC and Blacktown City Council (BCC). The State Development Agreement (SDA) was executed in December 2002 and subsequently updated in 2004 and 2013.

The State Development Agreement (SDA) sets out obligations for the Applicant to meet and including providing contributions towards key public benefits including:

- regional transport infrastructure
- regional open space
- affordable housing
- human services

The SDA requires that the Applicant use all reasonable endeavours to create employment through the implementation of the EDS.

The SDA obligations and contributions have been considered as part of this SREP 30 Amendment and as discussed at **Section 6.4**, the Applicant proposes additional contributions towards road and intersection upgrades. The upgrades have an estimated capital value of approximately \$37,345,99, and are in addition to contributions already made by the Applicant towards road and intersection upgrades (as both Works in Kind and as Cash Contributions) totalling \$27,700,000 across the Local, Regional and State road networks.

4.7.2 Penrith Planning Agreement

In 2004 and 2006 the Applicant entered into separate planning agreements with PCC and BCC applicable for the land within each LGA.

This Amendment does not include any changes to land within the BCC LGA and the Blacktown Planning Agreement is therefore not relevant.

The Penrith Planning Agreement (PPA) sets out obligations for the Applicant to meet and including providing contributions towards key public benefits including:

- regional and local transport infrastructure
- regional and local open space
- local community facilities and services

As outlined in **Section 6.4**, the proposed rezoning would require the amendment of the PPA in relation to roadworks, community facilities, open space and human services. The roadworks contributions are subject to current renegotiation of the PPA.

Should the proposed SREP 30 Amendment proceed, amendments to the PPA relating to community facilities and services will be negotiated during the update of the CPP and DCS.

5 Consultation

This Amendment has been prepared following detailed consultation with a range of key stakeholders. The comments provided in response to the consultation have been carefully considered and have informed this Amendment.

Each stakeholder was provided with an overview of the proposed amendment, including the SREP 30 context, land-use, flooding and evacuation, traffic considerations and the following core principles:

- the Central Precinct Employment land is significantly disadvantaged and uncompetitive compared to nearby centres. The rezoning to Residential land represents the best possible outcome for the Precinct and would have fewer amenity impacts and more public benefits
- the amendments to Drainage Basins provides for an improved environmental, design and maintenance outcome for the site
- the land zoned open space in the Western Precinct would serve a better purpose as additional Regional Park lands

A summary of the consultation undertaken is detailed in **Table 7** below:

Relevant Stakeholder	Consultation Summary
DP&E	Lendlease has held on-going consultation with DP&E as part of the EDS Review process and several further meetings regarding the proposed Amendment.
Penrith City Council (PCC)	Lendlease has held monthly coordination meetings with Council at which the status of the rezoning application was discussed
Roads and Maritime Services (RMS)	On-going consultation with RMS through Traffic and Transport Steering Committee. Lendlease also met with TfNSW and RMS on 5 October 2017 to discuss contributions and amendments to the State Development Agreement.
State Emergency Service (SES)	Lendlease met with SES on 12 October 2017 to provide a briefing on the proposed flood evacuation strategy. The Flood Evacuation Report at Appendix 6 takes into consideration these discussions. Lendlease will continue to consult SES, as required, during the SREP amendment process.
National Parks	Periodic briefings with Parks representatives to discuss the status of the rezoning application and resolve basin design and boundary interface.

Table 7: Consultation summary

6 Environmental Planning Assessment

6.1 Rezoning of Central Precinct Employment Lands

The Amendment proposes to rezone approximately 38.4 ha of land located within the northern part of the Central Precinct from Employment to Urban (**Figure 13**).

The rezoning returns the northern part of the Central Precinct to Urban zoned land, which is consistent with its original zoning when SREP 30 was gazetted in 2001.

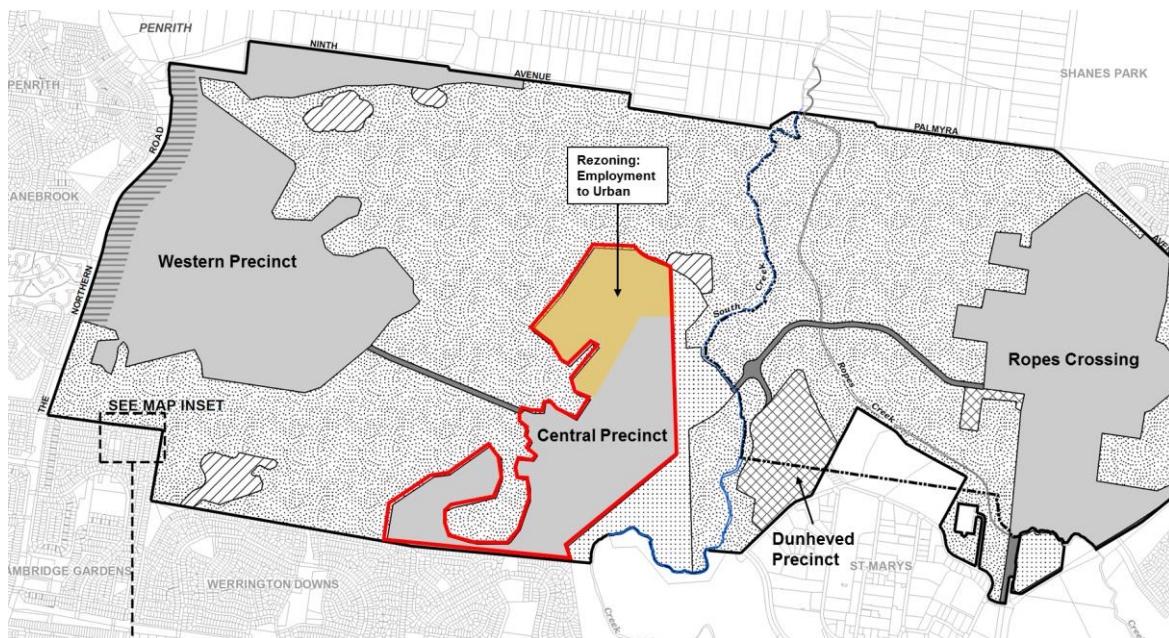


Figure 13. Rezoning of the northern part of the Central Precinct from Employment to Urban (Base source: SREP 30)

The Amendment has been thoroughly considered against the provisions of the SREP 30, EDS and St Mary SDA. A detailed consideration of the proposal rezoning against the:

- Aims (clause 3) of SREP 30 is provided at **Appendix 3**
- Performance Objectives of SREP 30 is provided at **Appendix 3**
- St Marys EPS is provided at **Appendix 4**
- the Employment Development Strategy (EDS) is discussed in **Section 4.5** and the 2015 EDS Review is provided at **Appendix 5**
- requirements of the SDA are discussed at **Sections 4.7** and **6.4**

In summary, it is concluded that the Amendment meets and/or is consistent with the relevant aims, objectives, requirements and controls.

Other than the change of use, the proposed rezoning does not include any modifications to the other considerations and conclusions of the Central Precinct Plan.

As the rezoning does not include any physical changes to the approved Central Precinct, in terms of landform, Precinct Boundary or vehicular entry points, the key planning considerations for this rezoning relate to the pure change of use, including:

- economic justification
- flooding and evacuation
- traffic

6.1.1 Economic Justification

A St Marys EDS Review has been prepared by SGS (**Appendix 5**) and provides an up to date assessment of the updated the EDS the EDS Review has examined the supporting evidence for the proposed rezoning of the Central Precinct Employment to Urban Land, whether the employment requirements have changed, market trends and housing affordability in the LGA.

Since the original EDS was prepared in 2003, there have been a number of significant developments in local and State policy governing the creation of new employment areas. Critically the government no longer advocates the provision of employment lands within satellite, decentralised locations and instead seeks to concentrate employment lands in strategic centres with enhanced access to public transport and road connections.

A Plan for Growing Sydney seeks to foster the growth of existing new centres such as the Western Sydney Employment Area (WSEA) and the renewal of existing centres Penrith and Blacktown. In addition, *A Plan for Growing Sydney* focuses on enhancing key transport links to existing centres to better align employment opportunities with residential development and ensure workers can access these centres easily and efficiently.

The WSEA is the single largest new employment area in the Sydney Metropolitan Area and is expected to grow to 10,700 ha. Located on the intersection of the M4 and M7 Motorways near Eastern Creek. The WSEA has recently been expanded (as part of the Western Sydney Priority Growth Area) and incorporates the site of the future Badgerys Creek Airport and Moorebank Intermodal Facility, which are each predicted to be enormous catalysts for growth within WSEA and support the broader Sydney region.

Employment Land

The EDS Review confirms that based on existing supply data, there is no shortage of employment lands within the Sydney region and calculates there is sufficient supply for up to 40 years.

The St Marys Development is located within an area already well serviced by existing (zoned and unzoned) employment lands, including Erskine Park, Llandilo, Eastern Creek and Glendenning. Considering existing take-up rates there is unlikely to be any shortage of employment lands for the medium term within the Penrith and Blacktown LGAs.

In addition, the planned expansion of the existing WSEA will create a significant new supply of well-connected and serviced employment lands. The WSEA will cover an area (10,700 ha) equal to more than 80% of the current developed employment lands in Sydney. This, and existing centres, will compete at a sub-regional level with the employment lands within St Marys

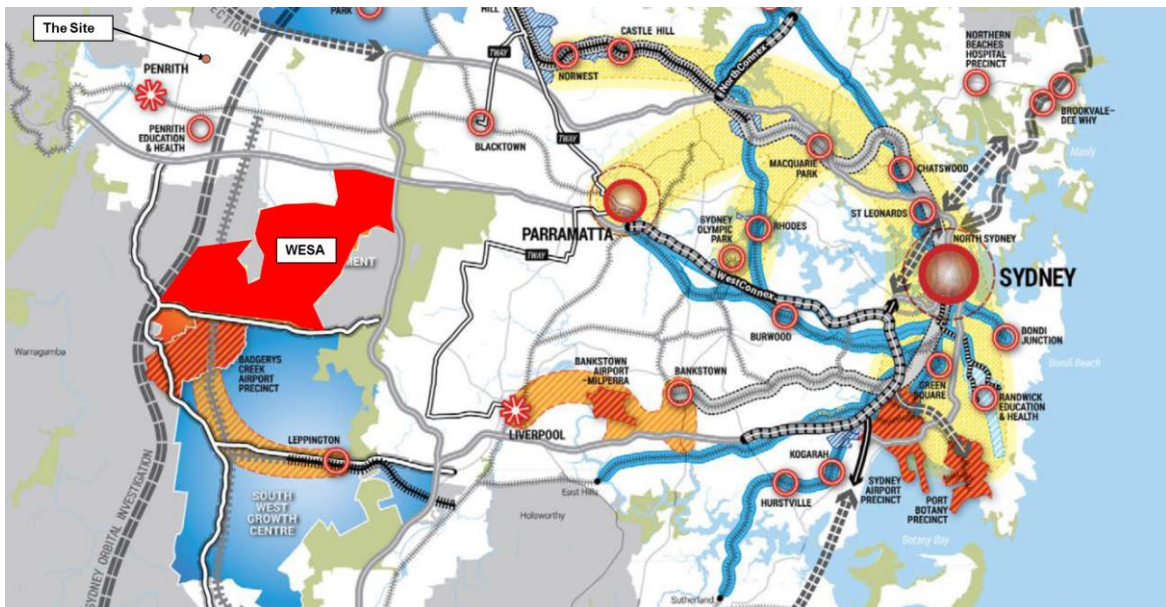


Figure 14. Location of the site, and location and size of WESA (Base source: A Plan for Growing Sydney)

The EDS Review concludes the St Marys employment lands are at a major competitive disadvantage when compared to existing (and proposed expanded) centres. In particular, and in contrast to other nearby industrial lands, the Central Precinct:

- is isolated from major roads (such as the M4 or M7) for freight and distribution connections and has only one principal vehicular access point, through an otherwise residential precinct
- has a smaller catchment area due to the undeveloped nature of surrounding lands, has access to fewer residential areas (and skilled labour) and is no closer to other employment areas than other existing centres such as WESA, Erskine Park and Glendenning
- is isolated from nearby industrial precincts, which represents a loss of co-location/proximity production and development synergies
- is likely to be subject to rents at higher rates for a lower quality offering
- is a small precinct that will inhibit the ability to provide the larger sites preferred by some investors
- has lower access to an appropriately skilled workforce in high-tech industrial production

The manifestation of the above impacts can be seen in the existing Dunheved industrial area, where the EDS Review confirms there is currently little demand for industrial land and the precinct suffers from high vacancy rates, little new activity, and the perception of being commercially unattractive and uncompetitive.

In light of the above assessment, the Central Precinct employment land is considered to be significantly disadvantaged and uncompetitive when compared to other nearby centres and this is likely to be a driving factor in a lack of commercial interest in the site.

Consequently, it is considered a poor land use outcome to maintain the Employment zoning of the site when it is demonstrably unfeasible and when other land uses could be pursued

in accordance with contemporary strategic planning objectives – specifically, housing supply and affordability, as discussed at **Section 6.1.2**.

Employment Ratio

Clause 32 of SREP 30 requires that there should be a job to resident ratio of 1:1, stating:

The total number of job generated by development on the land to which this plan applies (including jobs generated on the surrounding land) is to approximate the number of workers who will be resident on the land to which this plan applies after the development has been carried out.

The purpose of clause 32 is to increase employment self-containment rates (defined as a percentage of employed residents that work in the Precinct and/or LGA) and ultimately to reduce commute times, environmental impacts and loss of leisure time.

The EDS Review confirms that employment self-containment is a sound principle. However, the key factors of scale and location affect its practical implementation.

Generally, the larger the scale of an area, then the higher the self-containment rate. For example, a suburban street will have a lower self-containment than a suburb, which would be lower than a LGA and so on up the urban hierarchy. The EDS Review confirms that the North-West Sub-Region has a self-containment rate of 54%, Penrith LGA achieves approximately 35% and the LGAs closer to the Sydney CBD have self-containment rates lower than 20%. This analysis suggests that even at sub-regional and LGA level, achieving 100% self-containment is not feasible. The EDS Review concludes it is reasonable that a lower self-containment rate be expected for the St Marys Development than the North-West Sub-Region and the Penrith LGA.

In addition to scale and location effects, it is also unreasonable to expect that everyone will be able to live and work within the same suburb, within a modern economy with high levels of trade and specialisation and workers' willingness to travel to attain suitable employment.

The EDS Review has considered other examples of self-containment, including comparable, nearby Sydney suburbs (Glenmore Park and the Ponds) and interstate and international master planned areas. The EDS Review found that none of these case-studies achieved a self-containment rate close to 100%, and concludes that a self-containment rate of 0.4:1 would more appropriately apply to the St Marys Development.

The Applicant has supported job creation within the St Marys Development via the Skilling and Employment Centre (SEC) in the St Marys town centre, which has facilitated achievement of 3,800 jobs. The SEC has also facilitated, through direct funding and partnership, skill development and training for 1,900 people. Although it was not possible for all of these jobs to be located on the site, it achieved 70% of jobs within 10 km of the St Marys Development.

Although the reasonableness of the self-containment rate applied to the St Marys Development is questioned (as above), the EDS Review (as endorsed by the EDS Review Committee) confirms that under the rezoning scenario, if the job generation by the SEC is included, the jobs to resident ratio of the St Marys Development is 1:1.18 (excluding the potential contribution of jobs from the Central Precinct).

It is therefore concluded that although SREP 30 applies a 1:1 job to resident ratio to the site, this is not a reasonable or feasible expectation given the scale and location of the St Marys Development. This assertion is supported by analysis demonstrating that comparable suburbs and higher order urban centres/regions are unable to achieve 100% self-containment. Notwithstanding, the Applicant's existing employment initiatives have facilitated employment rates within the St Marys Development that is comparable with the SREP 30 1:1 requirement. In this context, the rezoning of Employment land within the Central Precinct would maintain the current job to resident ratio in the order of 1:1.

Additional Employment Initiatives

In addition, the Applicant is proposing to spend a further \$1,580,000 on a number of additional job creation initiatives (**Appendix 5**) to be implemented through the EDS, including:

- extend the Construction Trades Advisor role for 3 years
- establish a 3-year Productivity Bootcamp Program at Penrith
- implement Pathways to Health & Care Careers Prevocational training for workers in health, disability and residential care sectors complete an audit of skills gaps and training needs in the Nepean/Blue Mountains Health District
- establish Health and Care Career Adviser to promote career opportunities in the sector
- complete an audit of skills gaps and training needs in the Nepean/Blue Mountains Health District

As outlined in **Table 8**, these initiatives will supplement investment in job creation initiatives to date:

	Current - without rezoning scenario	Proposed – with rezoning scenario
Total no. jobs created	9,382	11,196
Total investment	\$8.577 m	\$10.157 m
Total no. lots	7,229	7,729
Expenditure per lot	\$1,186	\$1,314

Table 8: Current and proposed job creation investment

This additional expenditure of \$1,580,000 is the equivalent of \$3,160 per additional residential lot that would be created through the rezoning of the Central Precinct Employment zone.

Conclusion

The rezoning represents the best possible land-use outcome for the Central Precinct as the Employment zone is isolated and inaccessible relative to transport connections and other employment clusters. Its rezoning would maintain the current job to resident ratio of 1:1 and would be accompanied by a range of new employment initiatives. It is therefore concluded that there is strong and valid economic justification for the proposed rezoning from Employment to Urban land.

6.1.2 Housing Supply and Affordability

Housing affordability is a critical issue in NSW and metropolitan Sydney. Housing prices have increased by 18% in Sydney in the year to March 2017 and international research has confirmed that Sydney has the second least affordable housing market in the world.

A Plan for Growing Sydney sets out the NSW Government's vision for Sydney to be "a strong global city, a great place to live" and includes a number of supporting goals and directions. Critical among them is to accelerate housing supply across Sydney to meet identified housing needs, address housing affordability and meet strategic housing targets.

The draft *Greater Sydney Region Plan* also sets out objectives to deliver housing supply and affordability. It sets a District 20-year strategic housing target of 184,500 equating to an average annual supply of 9,225 dwellings.

The *Draft Western City District Plan* proposes to give effect to the draft Region Plan's housing objectives and targets. The draft District Plan includes a 5 year (2016-2021) housing target for the Penrith LGA of 6,600 dwellings and also notes the importance of housing affordability and notes the critical importance of providing a diversity of housing outcomes and a steady supply of housing in locations well supported by services, amenities and transport infrastructure.

The rezoning of the Central Precinct employment lands to Urban would provide for approximately 500 new dwellings and contribute to addressing the current undersupply of housing. It would also address the government's local and state housing targets and the broader issue of housing affordability. This contribution is considered to be a significant public benefit and is in the public interest.

The rezoning would also deliver the following additional benefits:

- provide for the orderly and economic development of the land in an efficient and sustainable manner
- remove poor quality employment lands from the Precinct, which would be commercial unattractive, uncompetitive and likely to remain vacant for decades
- significantly improve traffic impacts within the Precinct by removing heavy vehicles that would be associated with the Employment lands (if developed)
- improve the built form aesthetic of the Precinct by providing a wholly residential land-use typology and therefore remove the potentially awkward visual juxtaposition of large-scale industrial and low-density residential buildings and surrounding Regional Park
- removing industrial activity adjacent from the boundary of the Regional Park and thereby further safeguarding the Regional Park's ecological value
- provide for a range of lots sizes, frontages and dimensions, in accordance with the typologies established by the approved Central Precinct Plan, which will provide for a broad range of housing choice in an area well located in relation to the future Central Precinct Village Centre

6.1.3 Flooding and Evacuation

A flooding and evacuation report has been prepared by Molino Stewart (**Appendix 6**), which updates the previous flooding and evacuation report prepared in July 2014 in support of a bulk earthworks Development Application. It reflects discussions held with the SES at a meeting on 12 October 2017.

The report confirms that the proposed rezoning would not result in any change to the location or amount of fill imported to the St Marys Precinct or the resulting (approved) topography of the site. The proposed rezoning would not change the flooding dynamics and PMF assumptions and conclusions established for the overall St Marys Precinct, including the Central Precinct. In light of this, this section focuses on the impact of the proposed land-use change on evacuation during flooding events.

The previous report acknowledged the Central Precinct would contain a mix of residential and employment land uses. However, for risk assessment purposes, it was assumed that the entire Central Precinct would be developed for residential purposes as this represented a worst-case scenario from an evacuation perspective. The previous report concluded:

‘...the development has been designed in such a way that vehicular evacuation should be possible in advance of the site being flooded by the Hawkesbury Nepean River if residents respond in a timely way to evacuation orders issued by the NSW SES. Should people not evacuate until flood waters arrive at their dwellings there would be sufficient time for them to walk ahead of flooding from either South Creek or the Hawkesbury River along continually rising evacuation routes.’

The FEA has considered the increase in the total number of dwellings when compared to the previous report and concludes:

- there is sufficient time to evacuate all vehicles from the Central Precinct in advance of a flood rising as fast as the 72hr design PMF at Windsor
- with the use of local roads through Cambridge Gardens and Jordan Springs and the shoulders of the existing routes, all of the traffic from within the Central Precinct can queue in flood free land until the Northern Road becomes available.
- signage will need to be added to advise traffic not to queue in flood prone land
- the assumptions made are conservative and assume the worst-case scenario, in reality it is likely that:
 - there will be less traffic as many residents will choose either not to evacuate; or
 - many of those evacuating will be travelling to stay with family and friends within the local area and not require the Northern Road.

It is therefore concluded, based on the flooding evacuation analysis of the FEA, that residents will be able to safely and efficiently evacuate the Central Precinct, should they need to do so, during flooding events. The proposed rezoning of Employment Land to Urban Land is therefore acceptable in terms of flooding and evacuation considerations.

6.1.4 Traffic

An Internal Road and Intersection Assessment (the Traffic Report) has been prepared by WSP (**Appendix 7**), which assesses the impact of the rezoning of the Employment to Urban land on the existing road network, including:

- internal trip generation, trip assignment and distribution
- capacity of the internal (east-west) road and links to the external road network
- intersection treatment and performance and interfacing link roads
- any necessary infrastructure upgrades.

The proposed rezoning of Employment Land in the Central Precinct to Urban Land results in the:

- removal of approximately 38 hectares (96,300 m² GFA) of Employment land
- provision of approximately 500 additional dwellings.

The Traffic Report has undertaken a comparison of the predicted traffic generation with and without rezoning, and concludes the rezoning of Employment to Urban land would generate 102 less trips in the weekday AM peak and 3 more trips in the weekday PM peak. Therefore, it is considered that the rezoning will have limited impact on the external and internal road networks.

The Traffic Report includes an assessment of key intersections and roads and concludes that all major intersections would continue to perform at acceptable levels and existing / proposed road designs and layouts were adequate to manage traffic flows.

A Regional Traffic Assessment (RTA) of the regional traffic network has recently been completed that takes into account the impact of the proposed Amendment, under the guidance of a Steering Committee. A copy of the RTA is attached to the Traffic Report at **Appendix 7**. The assessment of the external road network established a suite of theoretical road and intersection upgrades that are required for projected future year forecasts including 2021, 2026 and 2031. The suite of theoretical road and intersection upgrades were subject to detailed traffic apportionment calculations to establish the impact of the St Marys Development Site on the external road network.

The traffic apportionment calculations, in negotiation with PCC, RMS and TfNSW, have informed the following works, which the Applicant will undertake over the coming years, to offset the impacts on the external road network associated with the St Marys Development Site:

- road widening along Forrester Road
- intersection upgrade at Forrester Road/Links Road/Ropes Crossing Boulevard
- intersection upgrade at Forrester Road/Christie Street/Boronia Avenue
- construction of a new intersection at Christie Street/Lee Holm Drive/Links Road Extension
- upgrade of Links Road
- extension of Links Road to Christie Street
- Christie Street road widening (lane marking works only)
- intersection upgrade at The Northern Road/Borrowdale Way/Greenwood Parkway
- allocation of \$3,500,000 towards land acquisition required to facilitate the delivery of the proposed works.

As discussed in Section 6.4, these road and intersection upgrades are captured in the ongoing renegotiation of the PPA between the Applicant and PCC.

It is therefore concluded that the proposed rezoning would not have adverse traffic impacts, is likely to result in a reduction in overall vehicle movements and any impacts would be mitigated through additional road upgrade works.

6.2 Rezoning of Open Space

The Western Precinct has been substantially developed and is zoned Urban under the SREP. There is an area to the south of Jordan Springs Boulevard that is identified as Local Open Space (known as Farm Dam Park) in the adopted Western Precinct Plan. The Farm Dam Park projects south from the main body of Jordan Springs and the Regional Park wraps around its western and eastern sides (**Figures 6 and 7**).

The Farm Dam Park is 1.2 ha in size and includes approximately 0.8 ha of mature CPW and 0.29 ha of freshwater wetlands, which forms part of a larger wetland within the Regional Park.

Following detailed discussions with Council, and the National Parks and Wildlife Service (NPWS) it was concluded that the Farm Dam Park, due to its location and ecological value, would be more appropriate as Regional Park than Local Open Space.

In light of the above, this Amendment proposes to rezone the Farm Dam Park from Urban to Regional Park. Following the approval of the rezoning, the land would then be transferred to the OEH for incorporation into the Regional Park.

The proposed rezoning is acceptable as it would increase the overall amount of Regional Park by 1.2 ha, reduce the environmental pressure on the Farm Dam Park due to the removal of development potential and further protect the existing sensitive CPW and freshwater wetlands on the site.

6.3 Drainage Basins

A Water, Soil and Infrastructure Report (WSIR) has been prepared by Jacobs and is provided at **Appendix 8**. The WSIR updates the original approved 2009 report. The WSIR confirms the majority of the 2009 report remains unchanged, with the main changes limited to drainage basin rezoning.

There are 3 major areas within the St Marys Development currently zoned for Drainage under the SREP 30. These zoned Drainage areas are located within the Regional Park and are referred to as Basins B, C2 and I (**Figures 8 to 11**).

The 3 basins cover an area of approximately 199,000 m² (19.9 ha).

Clause 42 of the SREP confirms that the objective of the Drainage zone is to enable certain land, within the Regional Park zone, to be used for stormwater management, and to permit development which is compatible with stormwater management and the conservation objectives of the Regional Park zone.

Since the adoption of the original SREP in 2001, a number of key changes have occurred, which affect the St Marys development, including:

- the extent of Urban land within all precincts has been reduced in size, resulting in a corresponding increase in the amount of Regional Park
- the drainage basins described above are designed to address a larger Urban Land component within St Marys than what is now approved and proposed

- previous changes to the Western Precinct boundary have resulted in Basin C2, which was originally located immediately adjacent to the Precinct, now being a significant distance from drainage outlets and isolated within the Regional Park
- stormwater management practices and basin building techniques have evolved

The original drainage strategy for the site included locating a small number of large basins nearby Urban land to minimise Council's maintenance requirements.

These design reconfigurations will involve utilising areas currently zoned as Regional Park for drainage and the return of areas currently zoned as Drainage to the Regional Park.

The Amendment proposes to revise the drainage basin size and location to better respond to the St Marys development, which has been the subject of change/refinement discussed above, and to improve the efficiency and maintenance impact of the basins. The Amendment results in an overall reduction in the size of the drainage basins by 2.65 ha (from 19.6 ha to 17.25 ha) and a corresponding increase in the size of the Regional Park. The details of the proposed deleted, amended and new drainage basins are summarised at **Section 2.2.2** and shown at **Figures 8 to 11**.

The Applicant has worked closely with Council, and NPWS to determine the best size and location of each basin drainage basin and the most appropriate and efficient design.

The proposed revised basins are considered to be a significant improvement for St Marys and represent a public benefit as:

- the reduction of the size of the drainage basins results in an overall increase of 2.65 ha of Regional Park land
- the deletion of Basin C2 and reduction in the size of Basin B would collectively return mature CPW, connective riparian corridor vegetation, and mature woodland and forest types in good condition to the Regional Park
- the Deletion of Basin C2 and creation of Basins C and V6, close to the boundary of the Western Precinct, will reduce the distance of storm discharges from the precinct and therefore potential erosion impacts and improve access for maintenance
- the revised basins incorporate the most up to date stormwater management practices and basin building techniques
- as part of the basin design process significant trees within the Regional Park have been retained. No threatened species under the EPBC Act are expected to be removed
- all basins have been designed to be incorporated into the access track network and drainage infrastructure
- the deleted, revised and new basins would have an overall reduced impact on the Regional Park

6.4 Contributions

6.4.1 State Development Agreement

Clause 16.7 of the existing SDA establishes the Required Works (meaning the upgrading of local, regional and State road networks required as a result of the St Marys Development) which are detailed in Annexure F of the existing SDA, the Blacktown Development Agreement and the PPA.

As outlined in Section 6.1.4, Lendlease has completed a Revised Traffic Study to inform the amendment of the PPA, under the stewardship of a Traffic Steering Committee comprising representatives of DP&E, RMS, TfNSW, PCC, and BCC.

Following completion of the Traffic Report, the Applicant has renegotiated a suite of road and intersection upgrades (listed in **Section 6.1.4**) with PCC that have been calculated to offset the impact of the St Marys Development Site on the existing road network. These additional contributions are captured in the ongoing renegotiation of the existing PPA.

The agreed road and intersection upgrades have an estimated capital value of approximately \$37,345,998 and are in addition to contributions already made by the Applicant towards road and intersection upgrades (as both Works in Kind and as Cash Contributions) totalling \$27,700,000 across the Local, Regional and State road networks.

6.4.2 Penrith Planning Agreement

A Central Precinct Community Plan Update (CPU) has been prepared by Elton Consulting and is provided at **Appendix 14**. It updates the Community Plan originally prepared for the Central Precinct in July 2008 to reflect the proposed increase of approximately 500 dwellings within the Central Precinct.

The CPU concludes, based on the benchmarks for Council community facilities adopted in the 2008 Community Plan, the proposed rezoning would require the amendment of the PPA, including:

- funding for additional community facility floorspace, bringing the total for the Central Precinct to the equivalent of 970 m²
- additional contributions towards library and cultural facilities in the wider Council area
- additional/improvement to open space, which has been included in the masterplan for the site
- additional resident information packages for all new households.
- it may also warrant additional time for the community development worker to be employed.

These amendments will be further negotiated with PCC as part of the future amendment of the CPP, should the Amendment be made.

Demand for primary school places derived from the proposed rezoning will likely require Ropes Crossing and Jordan Springs public schools to be expanded to their maximum capacities. No additional requirements have been identified for State Government or private sector facilities, although the population increase will support their provision within Jordan Springs, and may trigger sufficient demand within the Central Precinct for local services such as childcare and GP practices.

The CPU also confirms the additional population will support the provision of local public transport services, the viability of the Village Centre and enhance activity levels within the public domain. The increase in dwellings will also support objectives relating to community diversity, housing choice and housing affordability.

6.5 Other Considerations

6.5.1 Bushfire

A Bushfire Protection Assessment Addendum (BPAA) has been prepared by Ecological Australia (**Appendix 9**) to assess the implications of the proposed rezoning of Employment lands to Urban. This assessment is an addendum to the Bushfire Protection Assessment prepared in 2009 (BPA 2008) for the SREP 30 St Marys Amendment No.2.

The BPAA has assessed the Amendment against the relevant requirements of the section 117(2) Direction 4.4 *Planning for Bush Fire Protection* of the EP&A Act and concludes that the BPA remains valid and is applicable to the current Amendment subject to the following necessary minor updates:

- any reference to Employment Lands within the Central Precinct should be changed to 'residential land' and residential APZs considered
- construction and services are subject to:
 - Australian Standard AS 3959-2009 *Construction of buildings in bushfire prone areas*
 - *Guideline for managing vegetation near power lines* Department of Energy, Utilities and Sustainability (ISSC 3, December 2005)
 - any necessary residential Asset Protection Zones
 - gas services are to be installed and maintained in accordance with AS/NZS 1596-2008 *The storage and handling of LP gas (Standards Australia 2008)*

Accordingly, the original BPA's conclusion that an appropriate standard of bushfire protection can be achieved for future development within the Central Precinct consistent with *Planning for Bushfire Protection* remains valid.

6.5.2 Contamination

A contamination report has been JBS&G Australia Pty Ltd (JBS&G) in relation to the proposed rezoning of the Central Precinct Employment lands (**Appendix 10**).

The report considers whether the site is suitable for the proposed rezoning in accordance with *State Environmental Planning Policy No 55 – Remediation of Land* (SEPP 55).

It notes that various contamination investigation and validation works were conducted throughout the St Marys development site, which ultimately led to the site being made suitable for residential use in a Site Audit Statement (SAS) in 1999. However, the SAS excluded certain areas, the site was subject to implementation of a site contamination management plan including procedures for the safe handling and disposal of any items of ordinance that may be found during earthworks.

A range of further contamination investigation reports were undertaken for areas not covered by the SAS, all of which were endorsed by an EPA accredited auditor.

The report concludes that based on these contamination investigation reports, the site can be made suitable for the proposed residential land use (with gardens and accessible soils consistent with NEPC 2013 Exposure Setting 'A')

6.5.3 Biodiversity and Ecology

An Ecological Constraints Analysis (ECA) of the proposed amendment has been prepared by Cumberland Ecology (**Appendix 11**). It provides a summary of ecological assessments conducted to date in relation to the Central Precinct, including the *Biodiversity Assessment 2009*, *Feral and Domestic Animal Management Strategy 2008*, *Weed Management Plan 2008* prepared for the SREP 30 St Marys Amendment No.2 and the Species Impact Statement (SIS) prepared for the Central Precinct Bulk Earthworks DA.

As confirmed at **Section 4.1.1**, approval was granted for the development of the site under the *Environment Protection (Impact of Proposals) Act 1974* and no further approvals are required under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

The ECA confirms that the area of land within the Central Precinct proposed for rezoning to Urban has been fully assessed under the Central Precinct SIS. It concludes that the change of proposed land use has no bearing on the findings of the SIS, and no significant impacts are predicted. The comprehensive management plans already prepared for the Central Precinct are applicable to the proposed land use changes and are expected to satisfactorily manage the risks.

In relation to the proposed changes to the Drainage zones, the ECA notes that overall there is a net gain in habitat area and vegetation condition across the SMP for the Regional Park through the rezoning of the drainage basins within and adjoining the Regional Park. It also notes that the reconfiguration of the drainage basins has attempted to avoid areas with mature trees and include exotic vegetation over woodland, where possible.

Further, the drainage areas will be subject to detailed design and development applications for which further ecological assessments will be conducted as required.

The proposed Amendment is therefore considered acceptable in terms of biodiversity impacts and management.

6.5.4 Heritage

Heritage items within and adjacent to the Central Precinct

SREP 30 identifies one item of heritage significance within the Central Precinct, known as Site 3, Elizabeth Farm. Site 3 is located in the southern portion of the Central Precinct and comprises a brickmaking area (c.1807-1860) associated with the building and development of the Dunheved homestead. It contains some visible and buried remains, which represent one of the few surviving elements of the Dunheved homestead, other than the homestead itself. Site 3 is located approximately 600 m to the south of the existing Central Precinct Employment lands.

There are two items of heritage significance adjoining the Central Precinct comprising Site 2 heritage significant plantings, and Site 13, known as Diamond Frog house. At its closest point, the existing Central Precinct Employment lands are located approximately:

- 700 m away from Site 2
- 100 m away from Site 13

The proposed Central Precinct rezoning is contained entirely within the northern portion of the Precinct and the rezoning does not include any alterations to the approved topography of the site. In addition, the proposed rezoning returns the northern portion of the Central Precinct to Urban land, which is consistent with the original zoning that was adjacent to these items when SREP 30 was gazetted in 2001. The proposed rezoning from Employment to Urban land will therefore not have any adverse impact on the heritage significance of Sites 2, 3 and 13.

Heritage items adjacent to Drainage Basins

Five items of heritage significance (items 9 to 13) are scattered north and west of the Central Precinct within the Regional Open Space and are near the proposed amended Drainage Basins (**Figure 15**). These items comprise the remains of four houses and a dairy.

New Drainage Basin V6, which is the smallest proposed basin, would be located approximately 200 m west of Site 9. As the basin is located a significant distance from the item and is separated by open woodland and vegetation, it would not have any impact on its heritage significance.

Amended Drainage Basin B is located adjacent to items 10 to 13. However, as this basin is proposed to be significantly reduced in size, and its former land returned to the Regional Park, it would not have any impact on the heritage significance of those items.

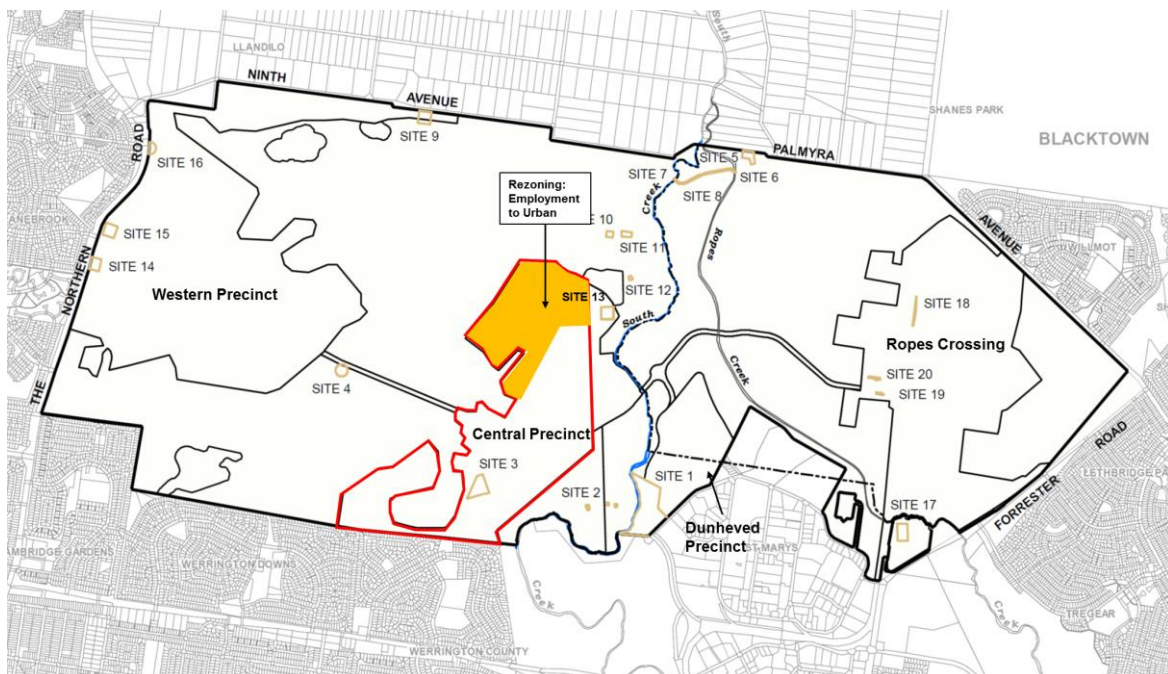


Figure 15. SREP Heritage Plan. Central Precinct outlined in red, rezoning highlighted orange

6.5.5 Landscape Maintenance and Handover

A Landscape Maintenance and Handover Plan (LMHP) was included with the Central Precinct Plan (**Figure 16**). The LMHP provides a framework for the implementation, handover and ongoing maintenance of the open space and landscape components of the Central Precinct. The LMHP provides the agreed basis upon which the handover process for the open space is undertaken.

This Amendment does not include any modifications to the principles of the LMHP and the LMHP will therefore continue to be the framework for the implementation, handover and ongoing maintenance of the open space and landscape components of the Central Precinct. However, the LMHP will be updated to reflect the rezoning of Employment to Urban land as part of the separate revision/update of the CPP.

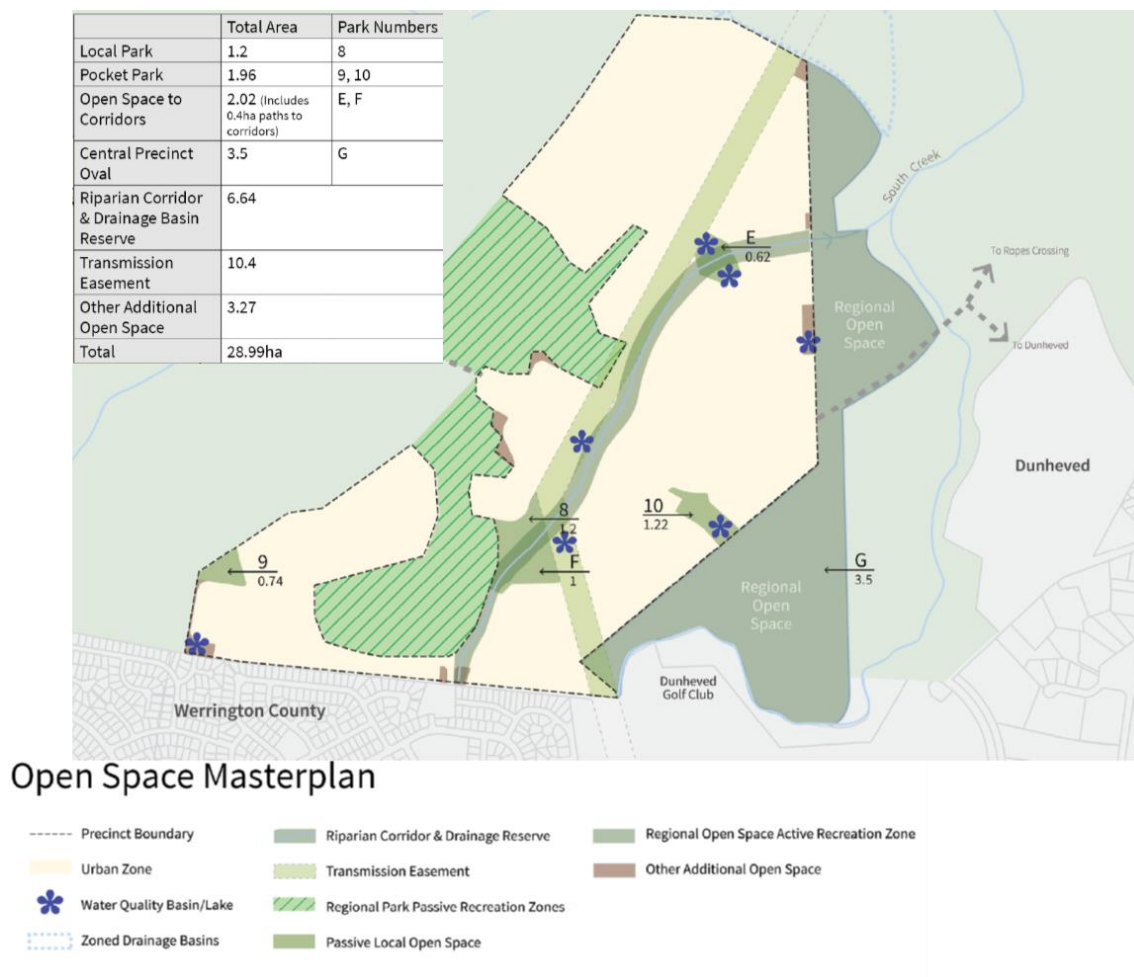


Figure 16. Central Precinct Open Space Masterplan

6.5.6 Utility Infrastructure

A Utility Infrastructure letter has been prepared by Cardno (**Appendix 12**). The letter confirms that relevant stakeholders have been consulted including Sydney Water, Endeavour Energy, Jemena and Opticomm.

It has been confirmed that discussions with all utility authorities have agreed suitable lead-in infrastructure will be provided, and the servicing infrastructure will have the capacity to service the proposed residential use for (500 - 600 residential lots).

6.5.7 Amendments to Maps

This Amendment rezones 'Employment Land' to 'Urban Land', 'Urban Land' to 'Regional Open Space' and amends the size and location of zoned drainage basins. It is therefore necessary to revise the following gazetted SREP 30 St Marys maps:

- Zoning Map
- Structure Plan Map
- 'Non-Aboriginal Items of Heritage' Map (boundary of Western Precinct only)

Amended maps have been prepared by RPS (**Appendix 13**) in accordance with the Department's E-Planning format requirements.

6.5.8 Future Amendment to the Central Precinct Plan

The Central Precinct Plan (CPP) was approved by Penrith Council 2009. The purpose of the CPP is to establish planning strategies, proposals, principles and controls to guide the future development of the land in an orderly, sustainable and environmentally responsible manner. The CPP applies to all land within the Central Precinct and forms part of the planning framework to guide Council's assessment and decisions on the development of the Central Precinct. At present the Central Precinct is zoned for 'Employment Land' and 'Urban Land'.

Following the approval and gazettal of this SREP 30 St Marys Amendment, the approved CPP and accompanying DCS (as relevant) will need to be amended to reflect the conversion of 'Employment' to 'Urban' land.

The assessment and subsequent adoption of a revised CPP and DCP will be undertaken by PCC, in accordance with the requirements of SREP 30.

7 Conclusion

This report addresses the matters outlined in the EARs issued by the Department on 24 November 2016 and has been prepared in accordance with the relevant requirements of the EP&A Act. It provides a comprehensive environmental assessment of the proposal including impacts and proposed mitigation measures. In doing so, it outlines the subject site and proposed development outcomes, describes the background, the project justification and public benefits, and assesses the proposal against relevant matters set out in relevant legislation, environmental planning instruments and planning policies and strategies.

Following a detailed consideration of the proposal in its legislative and physical context, we believe that approval of the Amendment is warranted for the following key reasons:

- the Employment land within the Central Precinct is significantly disadvantaged due to its isolated out of centre location, remoteness from major road infrastructure and uncompetitive compared with other significant existing Employment lands
- the rezoning from Employment to Urban land would provide approximately 500 new dwellings and contribute to addressing current housing undersupply and local and State housing targets
- the rezoning represents the best possible land use outcome for the Central Precinct and would have fewer amenity impacts on surrounding residential development than industrial and related development under an Employment zoning
- it has been demonstrated that the jobs to resident ratio, when including existing employment initiatives of the St Marys Development, is comparable to the SREP 30 1:1 requirement
- the rezoning is accompanied by proposed initiatives to create a further 1,165 jobs. Based on the estimated \$1,580,000 expenditure to implement these initiatives, this is the equivalent of additional job expenditure of \$3,160 per additional residential lot created through the rezoning of the Central Precinct Employment zone.
- future residents will be able to safely and efficiently evacuate the Central Precinct, should they need to do so, during a flood event
- the proposal would not have adverse traffic impacts and any impacts would be mitigated by additional road infrastructure works with a combined value of over \$37 million. This is in addition to \$27,700,000 in contributions the Applicant has already made to upgrades to the local, regional and State road networks
- further amendments to the PPA will be negotiated (as part of the future amendment of the CPP) in relation to additional contributions towards community facilities and services required through the additional lots in the Central Precinct
- the rezoning of Farm Dam Park would result in a 1.2 ha increase in Regional Park
- the revised drainage basins size and location better respond to the St Marys development, improve the efficiency and maintenance impact of the basins and result in a 2.65 ha increase in Regional Park
- the Amendment does not have any adverse bushfire, contamination, biodiversity and ecology heritage or landscape impacts.

Given the positive planning merits of the Amendment and its benefits, including providing additional housing, it is concluded the making of the Amendment is warranted. It is therefore recommended that the Minister exhibit the draft amendment to SREP 30 and, following exhibition, the Governor make the Amendment as outlined in this report.