

Stockland

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8 October 2020

Mr Jim Betts  
Secretary  
Department of Planning, Industry and Environment  
4 Parramatta Square  
12 Darcy Street  
Parramatta NSW 2150

Via: Online submission portal  
CC: [biodiversity@planning.nsw.gov.au](mailto:biodiversity@planning.nsw.gov.au)

Dear Jim,

**Re: Draft Cumberland Plain Conservation Plan**

Thank you for the opportunity to make this submission on the Draft Cumberland Plain Conservation Plan (**CPCP**) for Western Sydney. We appreciate the significant effort that has gone into undertaking a strategic assessment of this scale that will serve to set conservation outcomes for the environment and community. Conversely, the CPCP will also assist the property industry in Western Sydney by removing an element of acquisition and approval risk that would otherwise linger until the development approval stage. Whilst the property industry will be a beneficiary of the CPCP, it will also likely be a significant contributor to the delivery of the identified conservation outcomes either by funding provided via contributions or vegetation restoration through the land development process.

We acknowledge that the immediate focus for the Department of Planning, Industry and Environment (**DPIE**) is to quantify the impacts on biodiversity and secure and confirm an associated mitigation and offset framework. Our submission concentrates on some of the development implementation issues based on our considerable experience delivering masterplanned communities within the existing Sydney Region Growth Centres Biodiversity Certification. With careful consideration prior to the adoption of the CPCP, a number of implementation issues can be addressed that will assist in the future delivery of new housing and employment opportunities alongside the conservation outcomes. A summary of these issues are provided below and discussed further in this submission

- The CPCP refers to indicative contributions in Greater Macarthur and Wilton Growth Area to fund the conservation program. Without certainty on the contribution costs across the whole of the CPCP, it is difficult to determine the financial impacts on development being part of the CPCP or seeking approval in isolation.
- A clear explanation of contributions for the whole of the CPCP needs to be provided for the property industry to understand the implications for development in Western Sydney.
- The framework to facilitate the dedication of land and securing of stewardship agreements as an offset to Special Infrastructure Contribution (**SIC**) needs to be detailed. This will encourage greater participation by the property industry in the delivery of the key conservation outcomes.
- Outside of major transport infrastructure, the CPCP does not include a framework for local infrastructure (such as creek crossings and stormwater management facilities) to impact on non-certified land. Just as the existing Sydney Region Biodiversity Certification operates, similar arrangements should be established to facilitate the delivery of local infrastructure without penalising specific developments or Councils.
- A number of large landholdings have been identified as conservation areas albeit with limited existing vegetation. For these sites, flexibility should be provided to allow retention of key vegetation and rehabilitation/reinstatement of similar areas to allow for more logical/efficient development footprints to be delivered.
- The mapping looks to be generalised that may extend well beyond actual vegetation. The CPCP does not appear to have a regime to ground truth this vegetation and correct maps as required.

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We understand that submissions on the CPCP will be considered over the coming months. We would encourage DPIE to continue to engage with the community and directly consult with the property industry on the above matters who will be responsible for delivering a number of these conservation outcomes in Western Sydney. Given the depth of experience we can bring, we would appreciate an invitation to participate in this consultation.

## About Stockland

Stockland is Australia's largest diversified property group and largest residential developer, with over \$8 billion invested across NSW within our residential, retail, retirement and office portfolios. We have had a significant presence in Western Sydney's North West and South West Growth Areas that are biodiversity certified with three active masterplanned communities including Altrove, Elara and Willowdale. Combined these communities will deliver over 8,500 new homes.

Stockland also have complete and active communities outside of the existing Growth Areas that have followed conventional environmental assessments and include The Gables at Box Hill, West Dapto that that will deliver over 1,900 new homes. We continue to have a strong focus on acquisitions in greenfield areas and delivering a meaningful contribution to housing supply in Western Sydney.

## Contributions towards the CPCP

Similar to the North West and South West Growth Areas, the CPCP adopts a shared cost approach, rather than a user pays approach, in assessing biodiversity impacts and for the funding regime proposed to deliver the necessary conservation outcomes. From a land acquisition perspective, a premium is typically paid for unconstrained land to represent the reduced development risk and costs to be incurred. The universal SIC funding approach in the CPCP will erode the premium that can be paid, as the conservation component of the SIC is an additional development cost to unconstrained land. This may increase difficulties in transitioning rural land into development sites in line with planned release areas.

The CPCP documentation identifies that a notional amount of \$4,500/lot has been included for the SICs that have been exhibited for the Wilton and Greater Macarthur Growth Area that form part of the wider CPCP area. However, there is no confirmation that this will be the final rate that will apply to those Growth Areas or whether the same rate will in fact apply to all other parts of the CPCP area. It is critical that the property industry is provided confirmation on the rate for the conservation contribution, so that informed submissions can be made to DPIE. This is particularly relevant given that the draft SICs that have been exhibited for Wilton and Greater Macarthur are considerably higher than the current or proposed SIC for the North West Growth Centre. Further commentary in the CPCP regarding the Minister's consideration of 'full cost recovery' and what that may mean creates significant uncertainty as to the actual contribution costs that will be imposed on development.

**Table 1: Summary of current SIC rates**

Growth Area	Current SIC Rate (\$/Lot)	Proposed SIC Rate (\$/Lot)
North West	\$11,085 <sup>1</sup>	\$15,426 <sup>2</sup>
Wilton	Not applicable	\$59,275
Greater Macarthur	Not applicable	\$39,710 to \$43,985

Until this information is provided, it is difficult for the property industry to provide positions on whether it is supportive of a universal conservation rate versus a user impact pays approach as it might unfairly

<sup>1</sup> Current North West Growth Area adopts \$/ha rate of \$221,686, based on typical density of 20d/ha that is routinely delivered in the NW and SW Growth Areas, this equates to \$11,085/dwelling

<sup>2</sup> Note, CPI for draft NW SIC at September 2018 is consistent with June 2020.



penalise development of unconstrained land. It is likely there is significant subsidisation of conservation outcomes by the development of unconstrained land. In this regard, prior to the finalisation of the CPCP, greater consultation with the property industry is required to understand the actual conservation contribution amount as it will apply in the CPCP area. The contribution amounts ultimately affect the viability of projects and cost of new housing.

It is noted that certain areas have been excluded from the CPCP, presumably to allow existing zoned development or release areas that are currently being progressed to resolve the approach to conservation on a site specific basis. A staged implementation of the CPCP and SIC for unconstrained land should be considered in the initial years particularly given there is not a clear land release process for the different areas the CPCP applies to.

## Delivery of outcomes against the SIC

The CPCP identifies a series of measures that will be employed by Government to deliver on the conservation outcomes to facilitate certain infrastructure and development in the Western Parkland City. To secure the biodiversity offsets that are required, these measures include the acquisition and restoration of key conservation land as well as private stewardship agreements.

Over the course of the CPCP, it is likely there will be numerous opportunities where developers are able to either transfer key conservation lands or establish stewardship agreements that will contribute to the offsets that are required under the CPCP. However, what is not clear is the relationship between the CPCP and future SICs that would provide for the offsetting of monetary contributions to be paid by developers. Greater detail as to the mechanics of these arrangements should be discussed with the property industry prior to the finalisation of the CPCP.

We believe this will foster an environment for developers to be active in the space of generating meaningful contributions to the pool of biodiversity offsets that are required by the CPCP and potentially deliver these in advance of the CPCP forecast. In projects of scale, a key aspect to this will be to provide for a land dedication and management regime that divests long term ownership of conservation land from the developer and residential community to a Government entity.

## Infrastructure in non-certified land

The CPCP considers the likely impacts of higher order road and transport infrastructure on the biodiversity values of Western Sydney. It also relies on establishing protection, through the identification of 'non-certified land' (i.e. area where impact to vegetation is not anticipated or permitted) and land use zoning, for land that is not typically developable. Similar to the North Wet and South West Growth Areas, these areas look to align with riparian corridors and flood extents.

In principle, this approach is generally supported. However, these locations typically require forms of local infrastructure, specific to the development of the land, to be located in these areas. Such infrastructure includes creek road crossings and stormwater management facilities for detention and treatment. These types of infrastructure are not typically known until detailed Precinct Planning is completed for a release area, however are generally promoted by the Natural Resource Access Regulators' *Guidelines for Riparian Corridors on Waterfront Land*.

The existing Western Sydney Biodiversity Certification and associated land use controls include mechanisms for impacts from infrastructure to occur when identified in the Precinct Planning process and again later in the development assessment process where it can be demonstrated that the works will not impact on actual areas of vegetation. Whilst the E2 Environmental Conservation zone that is being applied to these conservation areas permits these works, it is not clear as to how the Biodiversity Certification facilitates the delivery of local infrastructure in these locations or permits these impacts. A similar framework to the Sydney Region Biodiversity Certification should be adopted to allow this



refinement to occur during the Precinct Planning process without penalising specific developments or Councils to find additional offsets.

## Opportunity for ground truthing and refinement

Given the significant expense DPIE has had to consider, we appreciate that ground truthing of all vegetation is not possible and reliance on aerial survey data and past vegetation mapping is required. Nonetheless, from a view of land that Stockland has strategic interests in, the vegetation mapping can be generalised and identify a greater area than is present on the land. It is not clear from the CPCP document how ground truthing and vegetation confirmation can be carried out either as part detailed Precinct Planning for release areas or as a standalone process. It is critical that that there is the opportunity exists to refine identified/mapped vegetation in a timely manner upon request to ensure parts of development sites are not unnecessarily constrained.

## Flexibility where outcomes achieved

As a developer of larger consolidated landholdings, we have noticed that large land parcels have been identified as Strategic Conservation Areas despite significant components of the land not being mapped as containing native vegetation or specific Threatened Ecological Communities (TEC) and being subject to large scale clearing. Further parts of the same land parcels that are identified as containing native vegetation or TECs are not mapped as part of the Strategic Conservation Areas. The CPCPs implication for these sites being that they may be used to provide biodiversity offsets with:

*'Suitable areas may be protected as a future reserve or biodiversity stewardship site as well as enhanced through an ecological project'*

It is understood that that where existing vegetation remains, there is higher viability and cost efficiency for restoration. Conversely though, the restoration of cleared and grazed land has limited viability and greater restoration cost. With this in mind and the goal to establish improved conservation land and biodiversity offsets, we recommend that for large landholdings, the boundary of the Strategic Conservation is not implemented as a fixed constraint. Rather the total quantum of vegetation restoration is to be achieved with a focus on retaining mapped native vegetation as a priority and to be supplemented by restoration of cleared land. This approach would facilitate the delivery of:

- Retention of greater amounts of mapped native vegetation and TECs that have greater restoration viability and lower restoration costs
- Reduction in cleared land that needs to be restored and reduced restoration costs
- Flexibility to deliver more orderly and logical development footprints whilst reducing impacts to native vegetation

## Conclusion

Stockland appreciates the opportunity to comment on the CPCP. Subject to refinement and continued engagement with the property industry, Stockland is supportive of both the biodiversity conservation outcomes it proposes to achieve for the Western Parkland City as well as the potential for improved certainty for development in the right locations. We would welcome any further opportunity to be part of future discussions or engagement on this plan. Should you wish to discuss, please feel free to contact me or [REDACTED]

