

## DETAILED REPORT:

### Background

Council is currently considering a rezoning (planning proposal) for Lot 1 DP 1173634 being land on the north-western corner of Airfield Drive and Cowpasture Road, Len Waters Estate. The purpose of this report is to consider the state agency and public submissions received for the planning proposal. The location of the subject site is shown in Figure 1 below.



Figure 1 - The Subject Site (shown highlighted red)

The redevelopment of the former Hoxton Park Aerodrome site was granted Concept Plan approval (MP10\_0007) by the Department of Planning on 3 June 2010 under the provisions of Part 3A of the Environmental Planning and Assessment Act 1979 ('the Act'). The Concept Plan approval was for the subdivision of the entire Hoxton Park Airport site into 5 lots, bulk earthworks, the development and operation of warehouses, distribution centres and light industries in three lots and the establishment of stormwater and road infrastructure.

The two larger northern lots were also approved under Part 3A provisions. This enabled the establishment of Dick Smith and Big W warehouse distribution centres.

Concept Plan approval also included the general layout and building envelopes of two warehouse buildings on the third “residual lot” (Lot 5054 in DP 1161757) to the south of the site. This proposal seeks to rezone part of the residual lot as identified in the Concept Plan approval.

The property has frontages to Cowpasture Road to the south, and Airfield Drive that continues north to service the warehouse distribution facilities. The site is located at the southern end of the former Hoxton Park Airport and has previously been cleared of all vegetation. The M7 Motorway is located to the west of the site with the residential suburb of Middleton Grange further to the west. A service station is located to the east of the site adjacent to Cowpasture Road. Hinchinbrook Creek is located further east of the service station site. Land to the south of the site on the opposite side of Cowpasture Road is currently used for a golf driving range.

### Proposed Rezoning

The planning proposal seeks to amend Liverpool Local Environmental Plan 2008 (LLEP 2008) to rezone the site from part IN1 - General Industrial, part IN2 - Light Industrial and part SP2 - Drainage to B5 - Business Development. This would enable the site to be developed for a Home Improvement Centre which will include a range of retail offerings such as timber, building materials, landscaping materials, plants, and ancillary home improvement and renovation products including white goods. The built form is proposed to comprise a single building with associated parking, loading areas and landscaping.

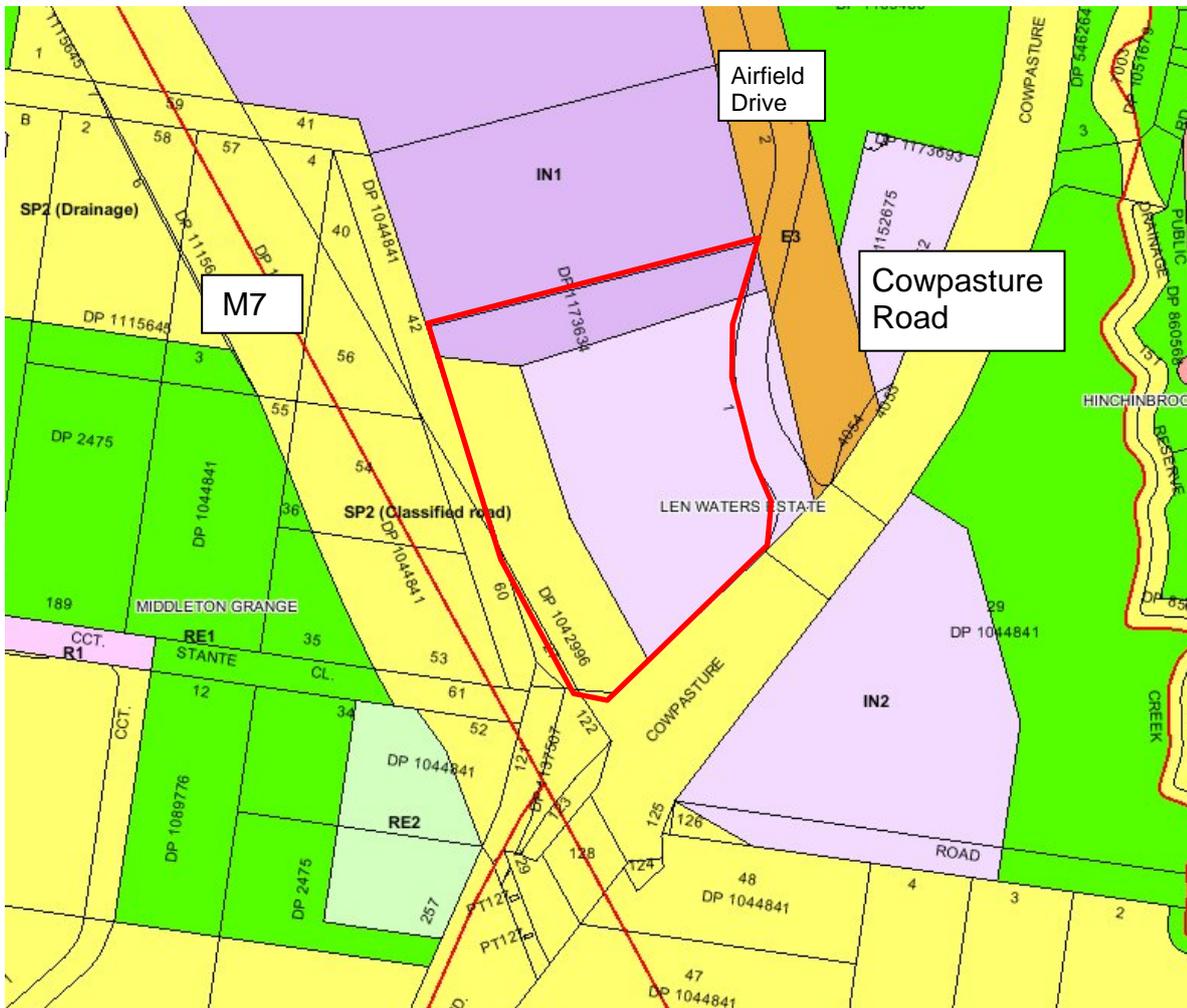
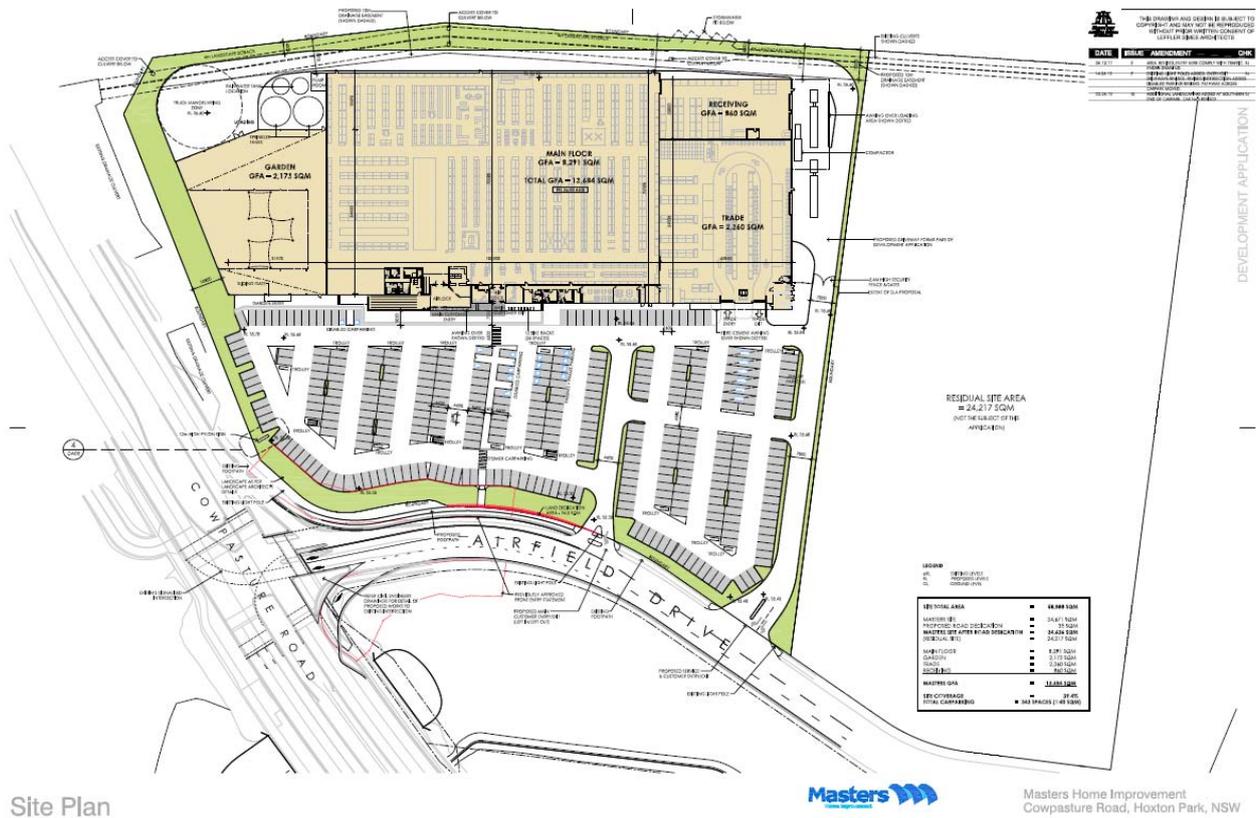


Figure 2: Existing Zoning Map

The SP2 – Drainage Reservation is no longer required as an underground stormwater pipe and easement over the affected land is now in place. Council’s engineers have certified the works and the landowners request to rezone this parcel to B5 is supported. It is proposed that the Land Reservation Acquisition map be updated to delete the SP2 zone within Lot 1 as it no longer required. In addition to the zoning changes, other LEP mapping amendments will be required to facilitate the planning proposal being the floor space ratio, height of buildings, and minimum lot size maps

**Development Application**

A Development Application has been lodged which seeks to develop a Masters Improvement Centre on the site. The typical layout will consist of a total floor area of approximately 13,500 sqm comprising General Sales, Trade Supplies, and Landscape Gardening Supplies. This is supported by related loading areas, car parking and landscaping areas.



Site Plan  
Figure 3: Extract of Development Application

In terms of capital value, each Masters Store Development has an estimated investment/construction value of \$13 million. The store will employ approximately 130 to 150 staff (full time, part time and casual and will generate approximately 377 employment multipliers (including 186 direct jobs per store during construction).

The DA also includes road improvement works with a value of \$950,000 which will improve the network and facilitate access to the site.

### **Economic Impact Assessment**

The Economic Impact Assessment (EIA) Report submitted by the applicant identifies that *"the three existing bulky goods clusters at Crossroads, Orange Grove and Warwick Farm provide around 114,000 sqm of bulky goods floorspace in total. This is some 82,000 sqm below the level of floorspace that will be demanded by residents of the trade area at 2014"*. The report also indicates that even accounting for existing and pipeline bulky goods retail facilities outside the main bulky goods clusters, there will remain an undersupply of 30,000 sqm by 2014. The EIA has identified a significant undersupply of bulky goods retail floorspace in the trade area which equates to unmet demand from residents. The proposed Masters home improvement centre would address some of this undersupply, but there still remains capacity to support further bulky goods development in other locations.

The EIA states that the proposed development concept would complement the existing shopping hierarchy without adversely impacting any existing retail centres and not result in any long-term adverse economic impact upon existing centres in the trade area.

It also states the following in relation to the Planning Proposal and future Home Improvement Centre:

- It will increase choice for both existing and future residents and reduce the need to travel by car to facilities outside of the main trade area.
- It will increase competition in the retail sector, to the advantage of local residents.
- Through this significant property investment the development will stimulate and attract further investment to the immediate area and assist in elevating the profile of the area which will encourage additional investment in the future.
- The site is in close proximity to the relatively new suburb of Middleton Grange. Further to the 2400 dwellings to be provided at Middleton Grange, there are also approximately 650 dwellings at Elizabeth Hills and approximately 800 dwellings at the nearby Carnes Hill, will be serviced by the development.

Due to reliance on a larger trade area, the undersupply of bulky goods floorspace in the economic impact assessment submitted by the applicant (30,000 sqm by 2014) is greater than that identified in the Liverpool Retail Hierarchy Study (13,934 sqm by 2016). It is noted however that both studies identify sufficient economic capacity to support this proposal.

Council's Retail Hierarchy establishes that the demand for bulky goods floor space will continue to increase over time. Also, despite the combined retail offering at Crossroads, Orange Grove and Warwick Farm which cumulatively provide 114,000 sqm of bulky goods floorspace, there still remains a significant capacity to support further bulky goods development.

Findings of the EIA have been considered and further discussed in the attached Planning Proposal.

### **Permissibility on the use of the site**

The following uses are being proposed on the site:

- Hardware and building supplies,
- Garden centre,
- Landscaping material supplies, and
- Bulky goods premises.

The landscape and garden supplies and timber and building supplies components of the development are permissible in the existing IN2 zone; however bulky goods premises are prohibited. As such 84 per cent of the total proposed retailing floor space of the home improvement centre is currently permissible on the site.

Rezoning the site to B5 - Business Development Zone will make all the proposed uses permissible with consent.

Although the rezoning seeks to specifically permit the Masters Home Improvement Centre, the possibility of other permissible development type has been considered. The rezoning would also mean a range of other uses could be developed on the site. The uses are deemed acceptable at this location and as such the Planning Proposal does not seek to specifically limit the range of permissible uses on the site, but instead seeks application of a B5 - Business Development zoning.

### **Consistency with State and Local Strategies**

#### *Metropolitan Plan for Sydney 2036*

The aim of the Metropolitan Plan for Sydney 2036 is to integrate land use and transport planning to provide a framework for the growth and development of Sydney region to 2036.

The proposed rezoning would allow additional bulky goods retailing outside existing bulky goods clusters of Crossroads, Orange Grove and Warwick Farm. The economic reporting suggests that due to unmet demand in the catchment the proposal will not significantly impact on these nodes. Alternative sites within centres and bulky goods nodes are limited due to the need for a 3.5 hectare site to provide sufficient space for the proposed uses including the associated car parking, access and loading arrangements and landscaping. The proposal also seeks to service particular emerging catchments including the nearby Southwest Growth Centre.

The following directions from the Metropolitan Plan for Sydney 2036 are relevant to the Planning Proposal:

#### *B1 To focus activity in accessible centres*

*Comment:* The direction states that "Retailing which requires large floor areas, such as bulky goods premises, cannot always be readily accommodated in existing centres. Subregional planning and local planning will need to identify locations for subregional clusters for this kind of retail development which support the economic development of centres in those subregions. The B5 Business Development Zone is generally an appropriate zone in which to cluster this kind of development". Locating large format

retailing such as the proposed Masters Store development within existing centres, due to these retailing formats, require a significant land area to house the handling, display and storage of goods can be very limited. Further areas are required for the loading and unloading of goods and the provision of adequate customer parking, particularly considering the majority of trips are made by private vehicles, reflecting the nature of goods sold.

It is considered that the site is a good out of centre location for large format bulky goods due to the high commuter exposure from M7 and Cowpasture Road, excellent connectivity to the regional arterial road network and that the site is located in proximity to emerging suburbs where demand for home improvement goods are high. The site is located five kilometres from the nearest bulky goods retailer and therefore should have a reasonable trade catchment area in its own right. The proposed rezoning is therefore consistent with the State Government approach.

*E1 To ensure adequate land supply for economic activity, investment and jobs in the right locations*

*Comment:* The proposed home improvement centre will provide local jobs and contribute towards the Sydney target of over 760,000 jobs to support population growth by 2036, half of which are to be located in Western Sydney. The proposal will employ approximately 130 to 150 staff (full time, part time and casual) and generate approximately 377 employment multipliers (including 186 direct jobs per store during construction). It will also provide greater number of jobs per hectare compared to the industrial warehouse uses located to the north of the site and provide new opportunities to employ people across a great range of job types. The proposed site is also consistent with the strategy to increase investment and jobs to match population growth particularly given its proximity to the South West Growth Centres and other release areas. The proposed home improvement centre will cater for a specific market sector and household demand.

*Draft South West Subregional Strategy*

The draft South West Subregional Strategy was prepared by the NSW Government to implement the Metropolitan Strategy. The draft strategy provides a number of targets, aims and objectives to be achieved by 2031. These include planning for 89,000 new jobs of which 35,000 jobs are expected to be accommodated in the Liverpool LGA over the next 20 year period. The Planning Proposal is considered to be consistent with the Metropolitan Plan for Sydney 2036 as it is providing employment and retail opportunities within the Hoxton Park Aerodrome site. In addition it also satisfies employment objectives within the South West Subregional Strategy. The proposed home improvement centre caters for a specific market sector and household demand.

The relevant chapters of this subregional strategy are Economy and Employment, and Centres and Corridors.

Within the above chapter the following actions are relevant:

- A1 Provide suitable commercial sites and Employment Lands in strategic areas,
- B1 Provide places and locations for all types of economic activity and employment across the Sydney Region.

It should be noted that this planning proposal is consistent with these actions.

#### *Draft Competition SEPP*

The main State Environmental Planning Policy that is relevant to this planning proposal is the recent Draft SEPP (Competition) (2010) - Promoting Economic Growth and Competition through the Planning System. This Policy proposes that the commercial viability of a proposed development may not be taken into consideration by a consent authority, usually the local council, when determining development applications. In the case of planning proposals it is appropriate for Councils to consider the economic impact of zoning decisions on existing and planned centres. In this case the economic reporting lodged and independent Hill PDA reporting suggests that there is sufficient capacity in the economy to support this proposal. Further the rezoning permits entry of an alternate retailer into the market increasing choice and therefore supporting competition.

#### *Draft Centres Policy*

The Draft Centres Policy 2009 proposed that:

- New retail and business development should be in centres, and
- Development out of centres should be restricted.

This Planning Proposal is not consistent with this draft policy in that it is not co-located with additional bulky goods premises or a general commercial centre. The deviation from this draft policy is considered acceptable in this context for the following reasons:

- The lack of suitable sites within this trade catchment,
- 84 per cent of the proposed development (*Landscaping and garden supplies and timber and building supplies*) is already permissible in the existing zone, and
- The location of this site is adjacent to an industrial estate forming an employment node, and
- The proximity to and relationship with the regional road network supports the use.
- The land is currently undeveloped and meets the market demands, size and economic justification.
- Within the growing context of Western Sydney, retailing cannot feasibly or appropriately be restricted to existing locations alone, and new sites will be needed to serve the growing catchment and demand.

#### *Liverpool Retail Hierarchy Review*

The draft Retail Hierarchy Review provides for an overall strategic context for planning of the retail and commercial centres. The review provides an assessment of the current and future floor space requirements of the various retail needs in the Liverpool LGA. In respect of bulky goods retailing, the review indicates a demand for additional 13,934 sqm of bulky goods floorspace by 2016.

The retail hierarchy review establishes that the proposal is considered appropriate as it will help provide the required future demand for this land use and will support and complement the commercial hierarchy of centres within Liverpool.

### **Consultation with Public Authorities**

In accordance with the Gateway Determination provided by DP&I, the Roads and Maritime Services (RMS) were consulted prior to the public exhibition period.

The revised traffic report and plans provide for improvements to the signalised intersection of Cowpasture Road/Airfield Drive to alleviate transport network impacts including:

- Modification to the existing north-western kerb alignment at Airfield Drive and Cowpasture Road intersection to provide a new slip lane onto Cowpasture Road from Airfield Drive,
- Formation of a new traffic island (with adjustments to marked pedestrian crossings) between the left slip lane and two right turn lanes,
- Associated modification to the centre median island within Cowpasture Road on the southern side of Airfield Drive to expand the road pavement to accommodate the additional left slip lane,
- Modification to the kerb alignment on the southern side of Airfield Drive to expand the road pavement to accommodate the additional left slip lane,
- Provision of "no stopping" signage along Airfield Drive between the intersection with Cowpasture Road,
- Procure land forming part of Lot 7001 DP 1169480 to allow the proposed upgrade works on such land (this itself being subject to relevant approvals),
- Relocation of utility services and street infrastructure as necessary to facilitate the above works.

The submission from the RMS generally supports the proposal with the above works.

These works have been included within the development application for the subject site. It should be noted that the landowners of Lot 29 within DP 1044841 will be required to provide a "through lane" from Airfield Drive, in addition to the abovementioned works, as part of a separate application.

### **Public Exhibition**

The planning proposal was exhibited for 28 days from 3 October 2012 to 31 October 2012 as per the gateway determination. All owners of land within 400m radius of Lot 1 DP 1173634 and neighbouring Councils were notified of the exhibition. Exhibition material was made available for viewing at Council's Administration Centre, and Liverpool Library. It was also available for viewing and download on Council's exhibition page of the website.

A total of four submissions were received during the exhibition period, which related to both the planning proposal and the development application.

### **Summary of Submissions**

Of the four submissions received, only one submission raises an objection. One submission is in support of the planning proposal and two submissions confirmed their non-objection. Attachment 2 provides an overview of the issues raised within each submission and provides comments addressing each issue.

*Issue:* Inconsistencies between the LLEP 2008 and broader planning context relating to rezoning land within an industrial cluster.

*Response:* The planning proposal is considered to be consistent with the Metropolitan Plan for Sydney 2036 as it provides for employment and retail opportunities within the Former Hoxton Park Aerodrome Site. In addition it also satisfies employment objectives within the South West Subregional Strategy. The subregional strategy notes that the Former Hoxton Park Aerodrome Site will be developed in part for employment uses. The B5 - Business Development zone, under the Standard Instrument Template, is considered the most appropriate zoning option for the home improvement centre. The zone objective under the LLEP 2008 specifically provides for "bulky goods premises that require a large floor area".

The land being rezoned is approximately 2 per cent of the vacant industrial land within the Liverpool Local Government Area which is a negligible impact. The remaining land within Liverpool, primarily Yarrunga and Prestons are large landholdings which will be able to better meet the industrial needs of Liverpool as they have minimal environmental constraints, serviced and easily accessible from the arterial road network. The loss of industrial land (through this rezoning) is appropriate as it will enable development of a complimentary and higher employment generating use than would otherwise be developed on the subject site. The site is ideally located in proximity to a growing population and job market.

*Issue:* Needs an appropriate mechanism to ensure that road upgrades are identified and funded.

*Response:* A development application has been lodged for the home improvement centre which is currently being assessed. All road upgrades are being provided in accordance with the requirements stipulated by RMS and endorsement by RMS has been obtained. This application if approved will incorporate appropriate conditions of consent to ensure that all identified road upgrades are provided.

*Issue:* Allowing a variety of uses, including bulky goods on the site is providing preferential treatment to this applicant.

*Response:* The proposal is deemed acceptable in this location as the proposal is consistent with the state and subregional planning strategies. It is noted that 84 per cent of the proposed development is already permissible on the site under the existing industrial zone, as such this proposal is only to permit seeks to expand permissibility on the site to ensure the whole development can be accommodated. Further the economic analysis provided by the applicant and that undertaken by Council's consultants demonstrate adequate retail demand for the use in this catchment.

## **Conclusion**

In response to the exhibition of the planning proposal, Council received a total of four submissions with only one raising objections. Following the consideration of the issues raised it is considered that the planning proposal provides for appropriate development on the site.

The proposal demonstrates consistency with the provisions of the relevant State, Regional and Local Planning Policy Framework. The proposal is consistent with the strategy to increase investment and local jobs.

The home improvement centre will contribute towards meeting the identified undersupply of bulky goods floorspace identified by the applicant and the adopted Liverpool Retail Hierarchy Review. As such the planning proposal is considered to be appropriate for the subject site.

This report recommends that the planning proposal be forwarded to the DP&I for finalisation.

**FINANCIAL IMPLICATIONS:**

There are no financial implications arising from the planning proposal. Despite this, substantial upgrades to the intersection of Cowpasture Road/Airfield Drive and other works have been provided for through the related Development Application.

**RECOMMENDATION:**

That Council proceeds with the making of draft amendment 24 to Liverpool Local Environmental Plan 2008 and forwards the Planning Proposal to the Department of Planning and Infrastructure for finalisation.

**SIGNED BY:**

**Milan Marecic**  
Director  
City Planning

- Attachments:**
1. List of Company Directors
  2. Submissions Evaluation Table
  3. Planning Proposal (under separate cover)

## Attachment 1 - List of Company Directors

<b>CORPORATE DETAILS</b>	
Registered Name	Hydrox Nominees Pty Ltd
Registered Address	1 Woolworths Way, Bella Vista NSW
<b>OFFICER HOLDERS</b>	
Directors Name	Suburb & State
Thomas William Pockett	Collaroy, NSW
Peter John Horton	Malvern, VIC
Grant O'Brien	Bella Vista, NSW
Secretary Name	Suburb & State
Mark Hadrian Studd	Turrumurra, NSW

## Attachment 2 - Submissions Evaluation Table

Comment Raised	Planning Comment
<p>The planning proposal seeks to permit an unanticipated land use, without proper consideration of the wider planning context. This is not considered good practice. All rezonings should consider the broader planning context.</p>	<p>The proposed home improvement centre considers the broader planning context as it aims to meet the demands for bulky goods retailing. The proposed development aims to meet the undersupply for bulky goods floorspace demand as identified within the adopted Retail Hierarchy Review and the applicant's documentation.</p> <p>The Planning Proposal is considered to be consistent with the Metropolitan Plan for Sydney 2036 as it is providing employment and retail opportunities within the Hoxton Park Aerodrome Site. In addition it also satisfies employment objectives within the South West Subregional Strategy. Even though the proposal removes 2% of the total vacant industrial land within the Liverpool Local Government Area, the loss of land is considered appropriate as it will enable for a higher employment generating use than would otherwise be developed on the subject site. Based on industry benchmarks, warehousing uses generate employment broadly between 1 job per 120sqm to 200sq of floorspace. Therefore should the proposed use be used for warehousing, the employment yield could reduce to 45 jobs, approximately 105 less than that the proposed home improvement centre.</p> <p>The proposed development is considered consistent with the broader planning context and it appropriately delivers land for an employment generating activity and promotes economic growth. The proposal demonstrates consistency with the provisions of the relevant State, Regional and local policy framework.</p>
<p>The land owner is only obligated to develop the site for land uses that are permitted, not only those uses currently identified in the development application before the Council. Therefore, the Council must consider the broader planning context and local impact of the application of a new zone. Not simply as a means to facilitate a currently prohibited land use for an applicant.</p>	<p>Council has given consideration to the full range of uses permissible through application of the B5 zone. The zone is supported due to its location, consistency with State and Sub-regional policy. The loss of industrial land has also been considered. The area subject of this application represents 2% of vacant industrial land which has a negligible impact particularly considering that the use is a high employment generator when compared to nearby warehousing uses.</p> <p>The proposed B5 – Business Development zone, under the Standard Instrument Template, is considered the most appropriate zoning option for the home improvement centre. The zone objective under the LLEP 2008 specifically provides for “bulky goods premises that require a large floor area”.</p>
<p>The real affect of this proposal is to not only permit additional land use than previously permitted. The effect of the proposal is to remove other development controls (under the Industrial zoning) that would otherwise restrict development intensity of certain land uses.</p>	<p>The proposed B5 – Business Development zone, under the Standard Instrument Template, is considered the most appropriate zoning option for the home improvement centre. The zone objective under the LLEP 2008 specifically provides for “bulky goods premises that require a large floor area”.</p> <p>Also, since the majority of the Len Waters Estate has been developed for industry or warehousing uses (keeping with the initial intent of the precinct), this residue lot with a small component of bulky goods is</p>

Comment Raised	Planning Comment
	<p>deemed acceptable.</p> <p>This proposal does remove 2% of the total vacant industrial land within the Liverpool Local Government Area however the loss of land is considered appropriate especially as it enables for a higher employment generating use than would otherwise be developed on the subject site. The proposed home improvement centre is likely to provide approximately 130 to 150 staff (full time, part time and casual).</p> <p>The rezoning will not mean that all restrictions on development are lifted. The LLEP 2008 and the Liverpool Development Control Plan 2008 provides controls for development within B5 zones that will be applicable to the development.</p>
<p>The planning proposal should also consider the appropriate measures to ensure that upgrade works are properly identified, quantified and that the funding of such upgrades has been secured from the appropriate contributor.</p>	<p>The development application currently being assessed within council for the home improvement centre, if approved, will incorporate appropriate conditions of consent to ensure that all identified road upgrades are provided. All road upgrades are being provided in accordance with the requirements stipulated by RMS and endorsement by RMS has been obtained. The works delivery will be overseen by a Works for Authorisation Deed with the RMS.</p>
<p>The landowners for the site at Lot 29 (neighbouring site to south) have previously requested for the site to be zoned for bulky goods premises. The submitter considers it highly inappropriate to now allow for bulky goods premises on the subject site. This suggests preferential treatment to one land owner over another.</p>	<p>It is noted that that a business zoning was requested by the landowners of the site at Lot 29 as part of the Comprehensive LEP 2008. The rezoning was not supported or justified within that location as the intent for the site was to provide additional industrial land consistent with the South West Employment Lands Strategy.</p> <p>At this stage, since the majority of the Len Waters Estate has been developed for industry or warehousing uses (keeping with the initial intent of the precinct), this residue lot with a small component of bulky goods is deemed acceptable.</p> <p>84% of the proposed uses are currently permissible on the site under the existing industrial zoning. The proposed B5 – Business Development zone, under the Standard Instrument Template, is considered the most appropriate zoning option for the home improvement centre. The zone objective under the LLEP 2008 specifically provides for “bulky goods premises that require a large floor area”.</p> <p>The proposed rezoning is justified economically by the applicant's economic impact assessment. This has been verified by Council's independent and adopted retail hierarchy study.</p>
<p>The subject site to which this rezoning is well located, being the lands located between the West link M7 and Cowpasture Road</p>	<p>Council agrees that the store is ideally situated within an accessible location</p>

Comment Raised	Planning Comment
<p>Extending the B5 zone would encourage employment growth by permitting an increased number of business and employment generating uses on the land in an area is appropriately located for the B5 zone;</p>	<p>The proposed rezoning to the standard B5 Business Development Zone to facilitate a bulky goods premises is deemed appropriate as the economic impact assessment submitted by the applicant indicates "The use of the Subject Site for bulky goods retailing purposes would generate as many if not more jobs than if the Subject Site were used for industrial purposes". The EIA suggests that if the proposed unit be used for storage and warehousing the subject site employment yield could reduce to 45 jobs, approximately 105 less than the proposed use as a home Improvement centre. The proposed home improvement centre is likely to generate approximately 150 permanent full-time, part-time and casual jobs once it is fully operational.</p>
<p>The area is highly accessible close to a major arterial road network and has the necessary infrastructure to support permissible development under the B5 zone.</p>	<p>Council is of the view that the proposed development is ideally located within an existing arterial road network, being the M7 and Cowpasture Road.</p> <p>The road upgrades proposed to the intersection of Airfield Drive/Cowpasture Road by the applicant will further improve accessibility to the site.</p> <p>The applicant has provided a commitment to the following works:</p> <ul style="list-style-type: none"> <li>- Modify the kerb alignment at the Airfield Drive/Cowpasture Road intersection to allow for a slip lane onto Cowpasture Road from Airfield Drive</li> <li>- A new traffic island (with adjustments to pedestrian crossings)</li> <li>- Modification of the kerb alignment to accommodate the additional left slip lane</li> <li>- Relocation of utility services and street infrastructure as required to facilitate the above works</li> </ul> <p>These works will be secured through DA-629/2012 if approved.</p>
<p>There will be no overall adverse impact on sensitive neighbouring land uses.</p>	<p>The proposal is considered an appropriate land use. The site is isolated and fringed by industrial uses and main roads. Therefore there will be no adverse impact on adjoining land uses.</p>
<p>The area is predominantly cleared and there have been no significant environmental constraints identified.</p>	<p>The subject site has been cleared of all vegetation and is considered appropriate for development.</p>
<p>There is ample supply of industrially zoned lands within the Liverpool LGA and therefore the loss of IN1 and IN2 land will have a negligible impact on the areas capacity to accommodate industrial uses.</p>	<p>The proposed rezoning to the standard B5 Business Development Zone to facilitate a bulky goods premises is deemed appropriate as the economic impact assessment submitted by the applicant indicates "The use of the Subject Site for bulky goods retailing purposes would generate as many if not more jobs than if the Subject Site were used for industrial purposes". The EIA suggests that if the land were to be used for storage and warehousing the site stet yield would be approximately 105 less than the proposed use as a home Improvement centre. The proposed home improvement centre is likely to generate approximately 150 permanent full-time, part-time and casual jobs once it is fully operational.</p>

Comment Raised	Planning Comment
The land represents an opportunity to increase the amount of B5 zoned land in a logical location.	The proposed Development will increase consumer choice and retail offering to address the growth in need for additional retail facilities. It will increase retail choice for both existing and future residents in a highly connected location.
There are social and economic benefits.	<p>The proposed Masters Store Development will provide the following social and economic benefits :</p> <ol style="list-style-type: none"> <li>1. Increased choice and competition for both existing and future residents.</li> <li>2. The development will help attract investment in the immediate area and assist in elevating the profile of the area which will encourage additional investment in the future.</li> <li>3. The proposal will generate approximately 150 full-time, part time and casual jobs upon operation. Based on industry benchmarks, warehousing uses generate employment broadly between 1 job per 120sqm to 200sq of floorspace. Therefore should the proposed use be used for warehousing, the employment yield could reduce to 45 jobs, approximately 105 less than that the proposed home improvement centre.</li> <li>4. The location on the road network means that customers have shorter trips with associated environmental benefits.</li> </ol>

## LIVERPOOL CITY COUNCIL

### CITY PLANNING REPORT

ORDINARY MEETING

19/12/2012

<b>ITEM NO:</b>	<b>PLAN 04</b>	<b>FILE NO:</b>	<b>2009/0880</b>
<b>SUBJECT:</b>	<b>SUBMISSION TO THE DEPARTMENT OF PLANNING AND INFRASTRUCTURE OPPOSING THE PROPOSED CAMDEN GAS PROJECT NORTHERN EXPANSION</b>		
<b>COMMUNITY STRATEGIC PLAN REFERENCE:</b>	<b>URBAN DEVELOPMENT IS CONSISTENT WITH SUSTAINABILITY PRINCIPLES</b>		

#### EXECUTIVE SUMMARY:

AGL Ltd has sought approval from the NSW Department of Planning and Infrastructure (DP&I) for a northward expansion of the existing Camden Gas Project (CGP), including the placement of two proposed wells within one kilometre of residential properties at Denham Court in the Liverpool local government area. The proposal is being considered under state significant development provisions of the Environmental Planning and Assessment (EP&A) Act 1979.

This report assesses the potential environmental impacts of the proposed expansion to the CGP and concludes that the risks of significant environmental damage are high. This report recommends that Council oppose the proposed CGP Northern Expansion and make a submission to the DP&I outlining the reasons for its opposition.

#### DETAILED REPORT:

##### Background

The CGP developed by AGL has operated on land within the Camden and Campbelltown City local government area since 2001. The project currently operates 86 producing Coal Seam Gas wells. An expansion of the project to the south, the Spring Farm and Menangle Park Project, was approved by the then-Minister for Planning in September 2008.

The proposed Stage 3 expansion of the of the CGP (the “proposed development”) consists of the development of an additional 11 drill sites, each with up to six well heads, in an area running from Blairmont in the south to Denham Court in the north (see map next page). While the CGP is located within the local government areas of Campbelltown and Camden, two of the drill sites, RA09 and RA03, are to be located within approximately 250m and 1 kilometre respectively of the Liverpool City Council LGA boundary.

Coal seam gas mining is a very new industry in Australia, having a history of only around 11 years. The medium to long term impacts of the industry are therefore largely unknown. The impact of the CSG industry on the Australian environment therefore remains largely uncertain. However, the environmental risks of the CSG mining have been well established.

On 19 October 2012, the project was declared to be State significant development by the Minister for Planning and Infrastructure by an order published in the NSW Gazette on 26 October 2012. Assessment and determination of the Amended Project will therefore now proceed under Division 4.1, Part 4 of the EP&A Act, rather than under (the now repealed) Part 3A. Owing to the fact that the proponent has made a Political Donations Disclosure, the application will be assessed by the Planning Assessment Commission (PAC).

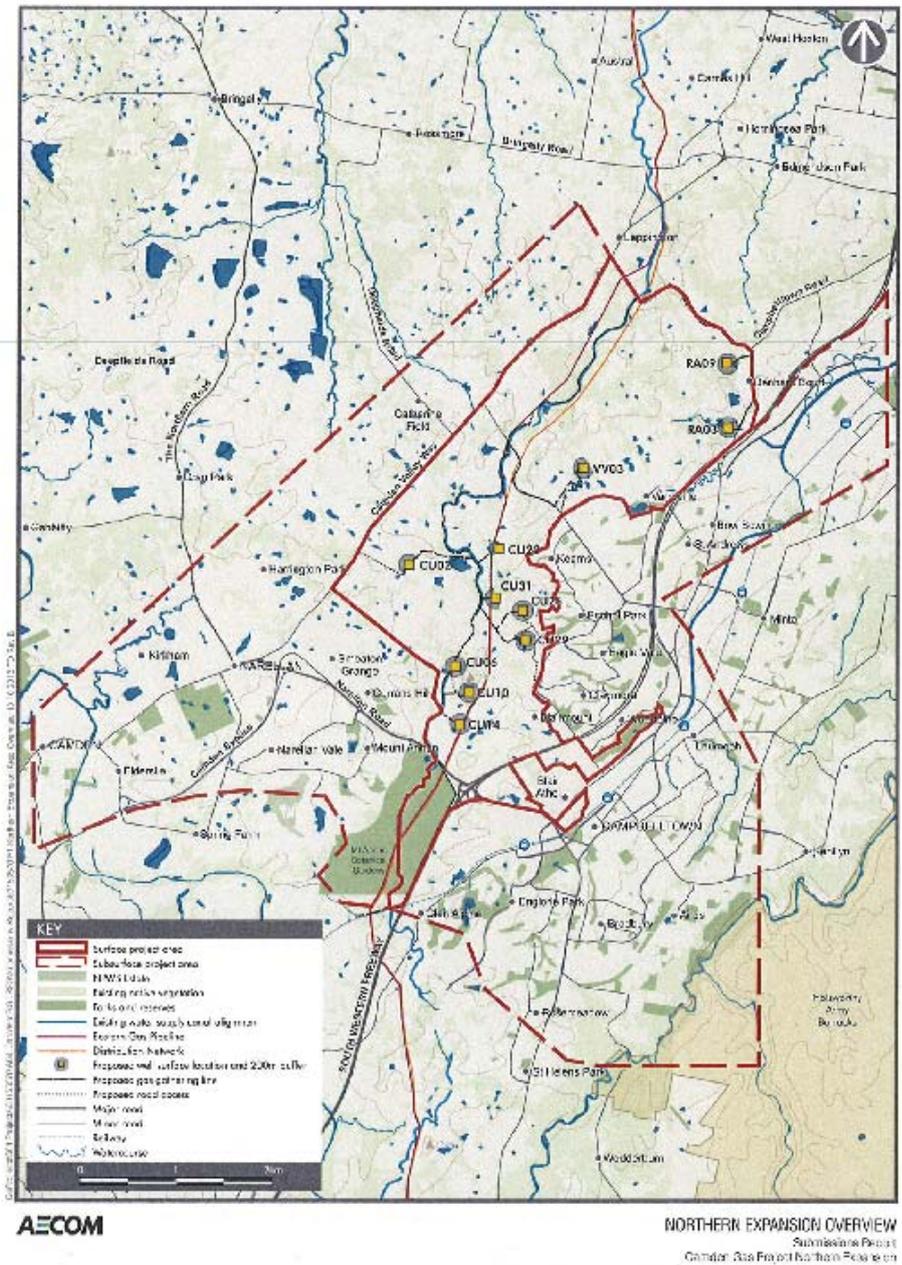


FIGURE 1

Figure 1: Map of Proposed Development Site as provided by AGL Ltd.  
 Source: Camden Gas Project Northern Expansion Submissions Report

### **Environmental risks associated with the proposed development**

The proponent submitted an Environmental Assessment for the proposed development in September 2010. The Department of Planning held a public exhibition of the project in December 2010, which led to a range of submissions being received highlighting the environmental risks associated with the project. On October 29 2012 the proponent submitted the *Camden Gas Project Northern Expansion Submissions Report*, in response to submissions and also modified the proposed layout of the project slightly. While the applicant attempted to address some concerns raised during the public exhibition, a wide range of environmental problems persist with the proposal, which militate against Council supporting the proposed development.

Significant concerns pertain to the following potential environmental impacts associated with coal seam gas mining:

- The proximity of the coal seam gas drill sites to residential properties,
- The potential for contamination of surface water,
- The potential for contamination of groundwater,
- The potential environmental and health impacts of gas migration,
- Greenhouse gas emission implications of the proposed development,
- The potential for subsidence.

### **The proximity of the coal seam gas drill sites to residential properties**

Taking into account the acknowledged environmental risks associated with coal seam gas mining, along with the uncertainty of the long-term environmental impacts of the industry, Council officers are of the opinion that it is inappropriate for the Camden Gas Project to be expanded to sites in such close proximity to residential areas. It is important to note that coal seam gas mining in Queensland is constrained by the Mineral Resources Act 1989, which prevents the development of coal seam gas wells within 2 kilometres of urban areas.

As noted above, two of the drill sites associated with the proposed development would be located within one kilometre of residential land at Denham Court in the Liverpool City local government area. Were a similar development to be proposed in Queensland in such close proximity to residential properties, it would not be permissible and would be refused.

### **The potential for contamination of surface water**

The proposed development poses a potential pollution risk to surface water, both within and adjacent to the project area, in a number of different ways. Council staff are of the opinion that safeguards proposed by the proponent to prevent contamination of surface water as outlined in the Environmental Assessment (EA) of the proposed development submitted to the NSW Department of Planning in October 2010 are inadequate. Council also believes that responses provided by the proponent to Agency Submissions made during the initial exhibition of the proposed development in December 2010 also fail to fully deal with the issue.

It is noted that the proposed development is to be located within the catchment of the Nepean and Georges Rivers. Numerous tributaries of both rivers (many of them ephemeral watercourses) run through the project area and are therefore at risk of pollution from the proposed development. Council also notes that the proposed development area is bisected by the Northern Canal, which transfers water from the Upper Nepean Dams to the Prospect water filtration plant, a key asset of Sydney's urban water supply.

The process of coal seam gas mining requires the extraction of highly saline water from the coal seam in order to liberate the coal seam gas (i.e. methane) for extraction. The process of removing the so-called 'produced water' under pressure, its storage, transportation and disposal all pose the risk of introducing highly saline water into the natural environment, generating a serious environmental threat.

It is noted with concern that the produced water is to be stored at the drill site in lined but open pits posing a risk of overflow polluting surface waters, particularly following significant rain events. The environmental impact of a significant spill event into either the Northern Canal or tributaries of existing river systems would be catastrophic. It is noted that, while no part of the proposed development is to be constructed in the Liverpool LGA, that council boundaries offer no protection in regard to pollution events and therefore the risks of surface water contamination from the operation of the proposed development apply to Liverpool City LGA in addition to both Campbelltown and Camden LGAs.

It is also noted that the hydraulic fracturing ('fracking') process used in coal seam gas mining requires the stockpiling of particularly corrosive chemicals, such as hydrochloric acid, in large quantities. While the proponent has indicated that they do not intend to use fracking in the proposed CGP Northern Expansion area, they have not ruled out the possibility of using fracking if they deem it necessary to maximise gas yield.

The spillage of 5000 litres of hydrochloric acid associated with fracking activities in south east Queensland was noted by Campbelltown City Council in its 2010 submission on the proposed development. Other incidents of toxic spills of fracking chemicals associated with coal seam gas mining have been reported in the media during 2012.

While it is acknowledged that the proponent has agreed to take precautions to minimise the environmental impact of fracking chemical spills, concern is raised that the environmental impact of a serious chemical spill would be disastrous. The environmental risk posed by the storage and use of large quantities of corrosive chemicals in sensitive environments is unacceptable.

### **The potential for contamination of groundwater**

Coal seam gas mining has the potential to seriously impact groundwater reserves both through the introduction of highly saline water to otherwise productive aquifers (known as aquifer interference) as a result of the installation and operation of gas wells, and through the introduction of highly toxic chemicals to the water table through the fracking process.

Council staff note the valid concern raised by Campbelltown City Council in its 2010 submission on the proposed development regarding the potential for aquifer interference as a result of the installation and operation of coal seam gas wells, which may lead to the salination of shallow groundwater reserves.

The proponent's response is detailed in their *Camden Gas Project Northern Expansion Submissions Report*, wherein they rely on "the presence of extensive and thick claystone formations in the stratigraphic sequence [which] would hydraulically isolate, and prevent contamination of, shallow aquifers and, therefore, also soils from underlying Illawarra Coal Measures. Accordingly, the limited interconnectivity between surface and groundwater aquifers is unlikely to increase salinity levels in overlying aquifers as a result of the extraction of gas."

It is noted that the proponent has not provided longitudinal evidence to verify the claim that aquifer interference would be "unlikely to increase salinity levels in overlying aquifers as a result of the extraction of gas".

Concern is raised that the medium-to-long term impacts of the extraction of highly saline water from coal seams (as part of the coal seam gas mining process) have not been fully considered owing to the very short timeframe in which the industry has commercially operated in Australia.

The second source of potential contamination of groundwater is through the introduction of toxic chemicals into the water table as part of the fracking process. Campbelltown City Council, in its submission regarding the proposed development in December 2010, indicated that "the EA was not considered to have provided sufficient justification for the conclusion that the use of chemicals '*will not result in the degradation of water quality*'" (emphasis in the original). The Campbelltown City Council submission also noted that "impacts on groundwaters have been documented in relation to the conducting of coal seam gas extraction activities in Southern Queensland as well as part of the United States."

In light of the reported incidence of environmental impacts of 'fracking fluids' on the natural environment, the proponent's response to concerns raised is inadequate. In the *Submissions Report*, the proponent fails to address concerns, apart from emphasising management methods which it claims will recover 100 per cent of the fracking fluid from the coal seam at the completion of the fracking process.

No evidence is provided to verify the proponent's assertion that the use of fracking chemicals "will not result in the degradation of water quality" and as such concerns remain regarding the environmental safety of such a project.

### **The potential environmental and health impacts of gas migration**

Gas migration is a phenomenon observed in coal seam gas extraction facilities in the US where coal seam gas (i.e. methane) liberated by the mining process escapes "from the reservoir rock, coal seam, pipeline, gas well, or landfill. If the gas migrates through the bedrock and soil, it can result in an explosion capable of damaging property and causing loss of life," according to a fact sheet on coal seam gas mining published by the Environmental Defenders Office. The methane may also migrate to otherwise productive aquifers, contaminating the groundwater and making further use potentially hazardous.

As part of its submission on the project in December 2010, Campbelltown City Council submitted a "Peer Review of Groundwater Component of EA" prepared by Worley Parsons. With regard to the potential environmental impact of gas migration, the Peer Review stated:

*Depressurisation of coal seams by groundwater extraction allows the gas adsorbed to the coal cleats to desorb and migrate to the production well for extraction both in the dissolved phase and as free gas. However, at some distance from the edge of the gas field, where the effects of depressurisation are less, the force of buoyancy will overcome that of the pressure gradient. Consequently, these gases may migrate to shallower intervals and potentially discharge to the surface, either through wellbores or via natural geological pathways to surface seeps. Gas migration and seepage to the surface has the potential to affect vegetation die-back, human health and safety risks if gas builds up in concentration.*

It is noted, that while the potential for gas migration for the proposed development was considered to be low by Worley Parsons, that the proponent has not seriously considered the potential impacts, particularly on land “at some distance from the edge of the gas field”, which would potentially include residential land in the Denham Court area of Liverpool City LGA.

In addition, the findings of a recent study conducted by Southern Cross University on the coal seam gas emissions at the Tara gas field, near Condamine on Queensland’s Western Downs, suggest that gas leakage may be far higher than acknowledged by the industry. The researchers involved in the study have indicated that depressurisation of coal seams during gas extraction, combined with the release of gases on account of the changes in the soil structure account for the increased emissions, according to the November 14 *Sydney Morning Herald*.

It is further noted that there is a growing awareness among health practitioners regarding the potential health effects on residents living in close proximity to coal seam gas mines. Attention is drawn to the statement by NSW Health published in the November 17 *Sydney Morning Herald*, which states that “NSW Health is not aware of public health effects that have been caused or exacerbated by coal seam gas drilling in Australia at the present time but *there is insufficient information at this time to be completely satisfied that there is no potential for public health effects caused or exacerbated by coal seam gas drilling,*” (emphasis added).

### **Greenhouse gas emission implications of the proposed development**

The proponent has argued in the EA that fugitive emissions of coal seam gas would account for only 7 tonnes of CO<sub>2</sub> equivalent over the life of the project, and compose less than 1 per cent of total Green House Gas (GHG) emissions of the total project. A recent study by Southern Cross University researchers at the Tara gas field, as noted above, raises significant questions regarding the veracity of this estimate. It is noted that the Australian Department of Climate Change is currently reviewing the methodology by which it calculates GHG emissions from coal seam gas projects and that it may be that fugitive gas emissions are far higher than predicted – possibly up to 4 per cent of the total gas by volume, as noted by the November 19 *Sydney Morning Herald*.

### **The potential for subsidence**

The EA prepared by the proponent for the proposed development states that the risk of subsidence as a result of coal seam gas mining in the proposed development area is negligible. However, in its submission on the proposal from December 2010, Campbelltown City Council indicated that it was unsatisfied with the proponent’s analysis, stating, “There is also considered potential for the fracturing to result in subsidence related

impacts to extend to the surface as has been documented in regard to longwall mining operations.” The proponent failed to make a detailed response to the Campbelltown City Council submission, simply restating their position that the risks of subsidence were negligible. This response dismisses this important issue which should be investigated and considered further.

### **Conclusion**

Evidence presented in this report makes a strong case against the proposed Camden Gas Project Northern Expansion being granted approval by the Planning and Assessment Commission. The very real environmental risks posed by coal seam gas mining combine with the relative lack of understanding of the medium to long term impacts of the industry in Australia, to make the proposed development an unacceptable risk.

In consideration of these matters, a submission has been drafted objecting in the strongest possible terms to the Camden Gas Project Northern Expansion (Attachment 1). It is therefore recommended that Council supports the draft submission to the DP&I, and recommend that the Planning Assessment Commission refuse the application.

### **FINANCIAL IMPLICATIONS:**

There are no financial implications for Council resulting from this report.

### **RECOMMENDATION:**

That Council:

1. Opposes the proposed Camden Gas Project Northern Expansion for the reasons outlined in this report.
2. Makes a submission to the public exhibition of the proposed development by the Department of Planning and Infrastructure opposing the proposed Camden Gas Project Northern Expansion for the reasons outlined in this report.

### **SIGNED BY:**

**Milan Marecic**  
Director  
City Planning

**Attachment:** Submission to Department of Planning and Infrastructure opposing the Camden Gas Project Northern Expansion

## **Attachment 1 - Submission to Department of Planning and Infrastructure**

### **Introduction**

The Camden Gas Project (CGP) developed by AGL Ltd has operated on land within the Camden, Wollondilly Shire and Campbelltown City local government areas since 2001. The project currently operates 86 producing Coal Seam Gas wells. An expansion of the project to the south, the Spring Farm and Menangle Park Project, was approved by the then Minister for Planning in September 2008.

The proposed Stage 3 Northern Expansion of the of the CGP(the “proposed development”) consists of the development of an additional 11 drill sites, each with up to six well heads, in an area running from Blairmont in the south to Denham Court in the north. While the proposed development is to be located within the local government areas of Wollondilly Shire, Campbelltown City and Camden, two of the drill sites, RA09 and RA03, are to be located within approximately 250m and 1 kilometre respectively of the Liverpool City Council LGA boundary.

Coal seam gas mining is a very new industry in Australia, having a history of only around 11 years. The medium to long term impacts of the industry are therefore largely unknown. The impact of the CSG industry on the Australian environment therefore remains largely uncertain. However, the environmental risks of the CSG mining have been well established.

### **Council’s objection**

Liverpool City Council is deeply concerned about the potential impacts of the CGP Stage 3 Northern Expansion. Council formally objects to the proposal and requests that the Planning Assessment Commission issue a refusal for the application described as MP09\_0150. Council believes that the environmental and social risks of the proposal, particularly considering its close proximity to existing and planned residential areas, are too high to permit the project to proceed safely.

### **Proximity to Urban Areas**

Taking into account the acknowledged environmental risks associated with coal seam gas mining, along with the uncertainty of the long-term environmental impacts of the industry, Council believes that it is inappropriate for the CGP to be expanded in such close proximity to existing and planned residential areas. Council notes the fact that coal seam gas mining in Queensland is constrained by the Mineral Resources Act 1989, which prevents the development of coal seam gas wells within 2 kilometres of urban areas.

As noted above, two of the drill sites associated with the proposed development would be located within one kilometre of residential land at Denham Court in the Liverpool City local government area. Council wishes to stress that were a similar development to be proposed in Queensland in such close proximity to residential properties that it would be impermissible and would be refused. Council wishes to express its implacable opposition to the proposed development proceeding so close to residential properties in the Liverpool City LGA.

### **Surface Water**

Council notes that the proposed development poses a serious pollution risk to surface water, both within and adjacent to the project area, in a number of different ways. Council believes that safeguards proposed by the proponent to prevent contamination of surface water as outlined in the Environmental Assessment (EA) submitted to the NSW Department of Planning in October 2010 are inadequate. Council also believes that responses provided by the proponent to Agency Submissions made during the initial exhibition of the proposed development in December 2010 which highlighted the risk of surface water contamination also fail to fully deal with the issue.

Council notes that the proposed development is to be located within the catchment of the Nepean and Georges Rivers. Numerous tributaries of both rivers (many of them ephemeral watercourses) run through the project area and are therefore at risk of pollution from the proposed development. Council also notes that the proposed development area is bisected by the Northern Canal, which transfers water from the Upper Nepean Dams to the Prospect water filtration plant, a key asset of Sydney's urban water supply.

The process of coal seam gas mining requires the extraction of highly saline water from the coal seam in order to liberate the coal seam gas (i.e. methane) for extraction. The process of removing the so-called 'produced water' under pressure, its storage, transportation and disposal all pose a risk of introducing highly saline water into the natural environment.

Council is particularly concerned with the proposed storage of produced water at the drill sites in lined but open pits and the consequent risk of overflow polluting surface waters, particularly following significant rain events. The environmental impact of a significant spill event into either the Northern Canal or tributaries of existing river systems would be catastrophic.

Council also notes that, while no part of the proposed development is to be constructed within the Liverpool LGA that council boundaries offer no protection in regard to pollution events. The risks of surface water contamination from the operation of the proposed development therefore apply to Liverpool City LGA in addition to Wollondilly, Campbelltown and Camden LGAs.

Council also notes that the hydraulic fracturing ('fracking') process used in coal seam gas mining requires the stockpiling of particularly corrosive chemicals, such as hydrochloric acid, in large quantities. The spillage of 5000 litres of hydrochloric acid associated with fracking activities in south east Queensland was noted by Campbelltown City Council in its 2010 submission. Other incidents of toxic spills of fracking chemicals associated with coal seam gas mining have also been reported in the media during 2012.

While it is acknowledged that the proponent has agreed to take precautions to minimise the environmental impact of fracking chemical spills, Council is concerned that the environmental impact of a serious chemical spill would be

disastrous. The environmental risk posed by the storage and use of large quantities of corrosive chemicals in sensitive environments is unacceptable.

### **Groundwater**

Council has serious concerns regarding the level of risk to groundwater reserves posed by the proposed development. Coal seam gas mining has the potential to seriously impact groundwater reserves both through the introduction of highly saline water to otherwise productive aquifers as a result of the installation and operation of gas wells, and through the introduction of highly toxic chemicals to the water table through the fracking process.

Council notes the concern raised by Campbelltown City Council in its 2010 submission on the proposed development regarding the potential for aquifer interference as a result of the installation and operation of coal seam gas wells, which may lead to the salination of shallow groundwater reserves.

Council notes the proponent's response detailed in their *Camden Gas Project Northern Expansion Submissions Report*, wherein they rely on "the presence of extensive and thick claystone formations in the stratigraphic sequence [which] would hydraulically isolate, and prevent contamination of, shallow aquifers and, therefore, also soils from underlying Illawarra Coal Measures. Accordingly, the limited interconnectivity between surface and groundwater aquifers is unlikely to increase salinity levels in overlying aquifers as a result of the extraction of gas." Council further notes that the proponent has not provided longitudinal evidence to verify the claim that aquifer interference would be "unlikely to increase salinity levels in overlying aquifers as a result of the extraction of gas".

Council is concerned that the medium-to-long term impacts of the extraction of highly saline water from coal seams (as part of the coal seam gas mining process) have not been fully considered owing to the very short timeframe in which the industry has operated commercially. As a result Council believes that it would be reckless to grant approval the proposed development which may have a serious and irreversible impact on groundwater aquifers.

The second source of potential contamination of groundwater is through the introduction of toxic chemicals into the water table as part of the fracking process. Council notes the concern raised by Campbelltown City Council in its submission regarding the project in December 2010. In particular, Council emphasises the concern that "the EA was not considered to have provided sufficient justification for the conclusion that the use of chemicals '*will not result in the degradation of water quality*'" (emphasis in the original). The Campbelltown City Council submission also noted that "impacts on groundwaters have been documented in relation to the conducting of coal seam gas extraction activities in Southern Queensland as well as part of the United States."

In the context of the reported environmental impacts of 'fracking fluids' on the natural environment, the proponent's response to concerns raised is considered inadequate. In the *Submissions Report*, the proponent fails to