

PARKES SHIRE COUNCIL

IPART Submission (not confidential)

Monitoring the Biodiversity Credits Market in NSW

Parkes Shire Council is pleased to have the opportunity to make this submission in relation to the monitoring of the biodiversity credits market.

Our submission is based on two (2) case studies provided below. From those case studies we draw the conclusion that,

1. the biodiversity scheme and associated credit market is only available to the extremely wealthy or large corporates,
2. it is not fit for purpose, demonstrated by lack of participation.
3. There is no like-for-like parity between the real-world value of the bushland in regional NSW and the extreme costs associated with habitat and wildlife BDO costs.
4. This scheme and legislation will cripple development in most rural locations.
5. The pricing mechanisms are exorbitant and considered erroneous.
6. The complexity and exorbitant pricing will drive the wrong behaviours.
7. That the scheme is dysfunctional and needs a complete overhaul.

In support of the above we provide the following case studies, firstly, a Council owned residential development and the second, a joint Western NSW Health/Council "Health and wellness precinct" associated with the new Parkes hospital.

Case Study # 1 - Residential Precinct at the southern edge of Parkes Township

1. In 2014 the regional planning panel approved the attached residential subdivision owned by Council, of 86 lots.
2. The land is zoned residential and approximately 10 hectares in area.
3. As there was no major demand for housing at that time and because developers were releasing land, council did not proceed with the subdivision, which has now potentially lapsed.
4. There is now a very significant demand for housing, driven in part by the Parkes Special Activation Precinct (SAP) development...but also others, see below,
 - a. *SAP Construction investment \$200m (in progress)*
 - b. *Pacific National Expansion - \$35m*
 - c. *Brightmark Advanced recycling facility \$280m (announced by Dep Premier)*
 - d. *Energy from Waste \$-750m (One of the 3 consortia shortlisted to be chosen by year end)*
 - e. *Masterpet Petfood manufacturer \$80m (complete) and now expanding*
 - f. *Northparkes Mines - next lift \$500m (waiting final investment signoff)*
 - g. *Sunrise Mines \$2.6b*
 - h. *Newell Highway Bypass construction Investment \$200m (in progress)*
 - i. *SAP Gateway development \$35m*
 - j. *Inland Rail - progressing*
 - k. *Water Supply Augmentation \$60m*

- l. *Commercial Development including Spotlight - \$20m*
 - m. *180 place childcare facility*
 - n. *Pavilion upgrade Showground - \$6m*
 - o. *Indoor heated pool complex - \$10m*
5. We are in the process of resubmitting a DA for the residential subdivision off the back of a large scale master-plan for that precinct (Middleton Masterplan attached)
 6. **The preliminary study suggest BDO costs could be in the vicinity of \$2,000,000 (and vegetation only covers about 2/3 of the land -see page 16 of the OZArk report, attached), which would prevent 2/3 of this desperately needed development from proceeding, or add \$20,000 per residential lot, based on the preliminary assessment.**
 7. Biodiversity offset costs would therefore be ~\$200,000 per hectare. In comparison, the best farmland in the Parkes area is ~\$8000 per hectare, good farming land ~\$5000 per hectare and bushland (which has very little commercial value) is worth around ~\$2500 per hectare, for this example we assume \$5000 per hectare (ie double the likely value).
 8. **Thus, for the \$2,000,000 proposed to clear the 10-hectare parcel of residential land, 400 hectares of equivalent bushland land could be purchased. This seems absolutely incongruous and the naturally drawn conclusion is the credits are either massively overprices or should not be cumulative.** For example, land is not valued based on the multiple crops that can be grown and the livestock it can carry all accumulated to a massive lump sum - such as is the case with BDO.
 9. To progress studies to verify the actual impact takes a minimum of 12 months (as many surveys are required to be completed at a specific time of the year) and cost a minimum of \$70,000, which may or may not reduce the \$2,000,000. Then to establish stewardship agreements with up-front management costs is multiples of the survey costs.
 10. This land has had "no" environmental management ever, other than the removal of old-fridges and the like dumped there, and yet with "no" environmental management there is supposedly very high biodiversity value (~\$2,000,000 worth). However, to now set up a stewardship area to offset these 10 hectares requires exorbitant up-front payments (normally unaffordable), yet similar "unmanaged" bushland (10 ha) would cost <\$~50,000 to procure.
 11. The consequence of these exorbitant costs is the prevention of 86-100 residential lots being released to the market in a time where they are desperately needed.

Case Study # 2 - Health and Wellness Precinct

- In 2013 council did a lot of work with Western NSW LHD on the land adjacent to the new Parkes Hospital (see attached)
- The aim was to create the opportunity to provide suitable land for health and wellness services to grow.
- The land is crown land which we attempted to acquire under the provisions of the just terms act and about 13ha in area.
- Our attempt to acquire was lengthy and difficult due to the intent to re-sell the land. We were not successful in the acquisition.
- Western NSW has however again shown interest and a joint masterplan produced (in a greatly reduced size), attached.
- It is our hope western nsw health would do the acquisition, as it is in their power to do so

- See page 18 of the OzArk report...a large part is vegetation we have planted...but now by virtue of the species we chose to plant...is deemed high value.
- The preliminary study suggest BDO could be in the vicinity of \$9m, which would prevent this initiative supporting health and wellness from proceeding.
- Similar to the previous example, a similar sized area of similar bushland would have a purchase value of between \$32,500-\$65,000, yet under the BDO scheme the associated cost is an exorbitant ~\$9,000,000.
- **The outcome was the potential of retirement village and other health opportunities associated with the hospital are now removed from scope and rather that 8-10 hectares of the site used for much-needed health related services approximately 3-hectares will be used.**

Attached

- 1) IPART Submission Coversheet
- 2) Middleton masterplan - not confidential
- 3) Subdivision 2014- not confidential
- 4) 2013 Health precinct workshop notes - **Confidential**
- 5) 2013 Health precinct masterplan - not confidential
- 6) 2023 Health precinct masterplan - not confidential
- 7) OzArk - Biodiversity Report - **Confidential**

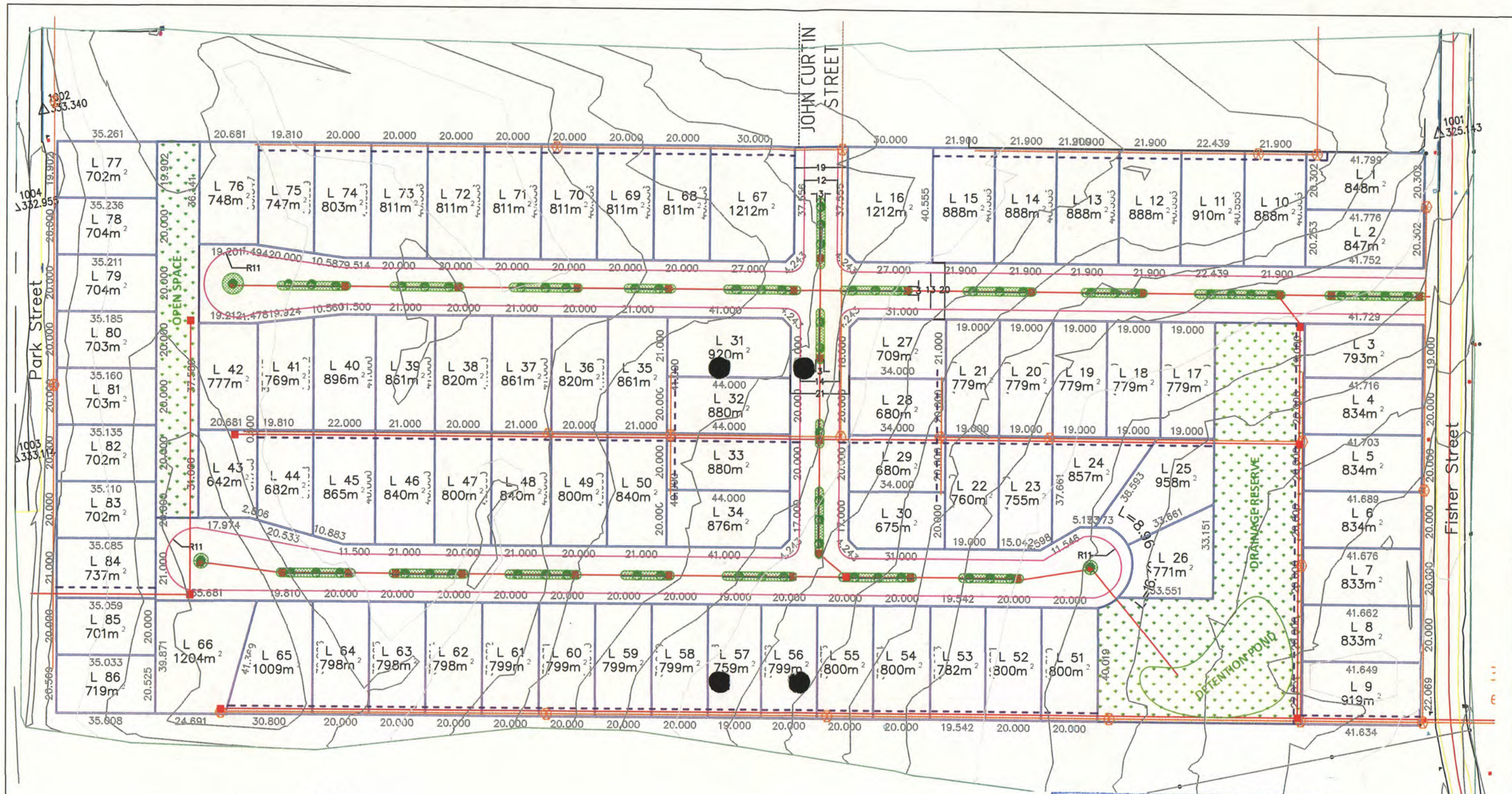
PRELIMINARY
MASTERPLAN 06

7.1 MASTERPLAN OVERVIEW

The Middleton Masterplan provides a vision for optimal use of the urban land resource while ensuring protection of the environment and enhancing the lifestyle of those living in the area. The Masterplan also provides a framework for development, which will guide developers and Council in decision making around the provision of infrastructure and staging of development. Map 28 presents the Middleton Masterplan.

The Middleton Masterplan is supported by a series of other plan which seek to demonstrate key aspects of the design. These are presented in the following sections.





Legend:

- Stormwater Pipe
- Slotted pipe at rain garden
- Sewer Main
- ⊗ Sewer MH
- Stormwater Pit
- Proposed Easement
- Road Median Rain Garden

PARKES COUNCIL

DEVELOPMENT CONSENT

This plan depicts the proposal referred to in Development Application No. 13059

Signed: [Signature]

Date: 19.8.14

No.	REVISION DETAILS	DRAWN	APP.	DATE
E	ROADS WIDENED CENTRE LOTS REARRANGED	NK		23/05/2013
D	LOT 24-28 RE-ARRANGED			



PARKES SHIRE COUNCIL

2 Cecile Street PARKES NSW 2870
 Phone: (02) 6861 2333 Fax: (02) 6862 3946
 council@parkes.nsw.gov.au www.parkes.nsw.gov.au

SURVEYED - PAUL OGDEN	PROJECT - FISHER STREET SUB-DIVISION	PROJECT No. -
DESIGNED - HASAN KAYED	TITLE - ENGINEERING PLAN	DRAWING No. -
DRAWN - HASAN KAYED		REV. - E
CHECKED - NATHAN KODENIS		
APPROVED -	DATUM: A.H.D. AZIMUTH: MAGN. ZONE 55 ORIGINAL SIZE: A3 SCALE: AS SHOWN STATUS:	

parkes

health + wellness precinct



HOSPITAL + HEALTH RELATED ZONE

- Hospital
- Community Health (including Mental Health)
- Primary Care
- GP Services
- Walk-in Walk-out Service
- Aboriginal Medical Services
- Carers Accommodation,
- Staff Units
- Cafe



HEALTH + WELLNESS RELATED ZONE

- Ambulance Station
- Health Support Services
- Pharmacy
- Family/ Carer accommodation
- Rehabilitation/ Transitional care/ Mini "Western Care Lodge"/ Palliative Care
- Rehabilitation pool
- Tertiary Education (Rural Health)
- Neighbourhood Centre/ NGO's
- Childcare
- Gym
- Schools + Motel



PASSIVE LANDSCAPE

- informal open area for play
- walking
- cycling



COMMUNITY FOREST

- Gardens + Walking Areas
- Destination for bike-riders cycling in the surrounding areas.

ROADS

- Main road
- Future roads
- Cycleway (shared)
- Pedestian walkway



parkes

health + wellness precinct



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