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Page 1 of 11

Draft Hunter Regional Plan and Draft Plan for Growing Hunter City

Thank you for the opportunity to provide the NSW Department of Planning and Environment with a response to the currently exhibited Draft Hunter Regional Plan and Draft Plan for Growing Hunter City. Hydro Aluminium Kurri Kurri Pty Ltd (Hydro) owns and manages approximately 2,000 hectares of land at Loxford, NSW, that was used for the former Hydro Aluminium Kurri Kurri Smelter (the Smelter) and includes the surrounding buffer lands (Hydro Land).

Executive Summary

The Hydro Land is located in the Hunter City Hinterland, within the Western Hunter Subregion. The Hydro Land is one of the largest single landholdings within the Hunter City Hinterland area and is strategically located adjacent to national transport networks. The Hydro Land will deliver one of the largest conservation areas within the Lower Hunter Region and support key biodiversity outcomes in the Hunter Regional Plan. The proposed employment area includes the redevelopment of a significant industrial site which has substantial infrastructure provisions and connects directly to the Hunter Expressway. The residential land is already identified in local strategies or forms the logical extension to existing urban areas.

The redevelopment of the Hydro Land has been supported by both Cessnock and Maitland City Council, providing for long term growth in a key strategic location of both local government areas. Hydro requests that given the strategic location and proximity to the national transport network it would be appropriate for the Hunter City Metropolitan Area boundary to be extended to include the Hydro Land. The inclusion of the land, and identification within the Hunter Regional Plan, as an Urban Release Area and Commercial/Industrial Area would reflect the strategic endorsement of the Councils and support the goals of the Plan for Growing Hunter City.

Background

The Smelter ceased operations in September 2012, with Hydro formally announcing the closure of the Smelter in May 2014. The planning assessment is currently underway for the demolition and remediation of the existing buildings and Smelter site (refer to Figure 1).



Figure 1 –Hydro Aluminium Smelter as viewed from the north

The Hydro Land is centrally located within the Hunter Region (refer to Figure 2 for location of landholding), with the majority of the site in the north eastern area of the Cessnock LGA, with the remainder located within Maitland LGA. Despite being a significant employee within the Hunter Region, the majority of the Hydro Land has remained zoned as rural land.

The Hydro Land is strategically located in close proximity to the existing centres of Cessnock, Kurri Kurri and Maitland with access to existing significant infrastructure including the South Maitland Railway, Hunter Expressway and Kurri Kurri Waste Water Treatment Works. Its location is approximately 33 kilometres to the northwest of the Newcastle CBD.

Strategic Planning

Hydro has prepared and submitted Planning Proposals to Cessnock and Maitland City Councils to facilitate a rezoning of the Hydro Land. The Planning Proposals are in relation to all of the Hydro Land, including the former Smelter site and surrounding buffer lands. The intended effect of the Planning Proposals is to facilitate future conservation, residential, industrial, business and rural uses on the Hydro Land (refer to Figure 3).

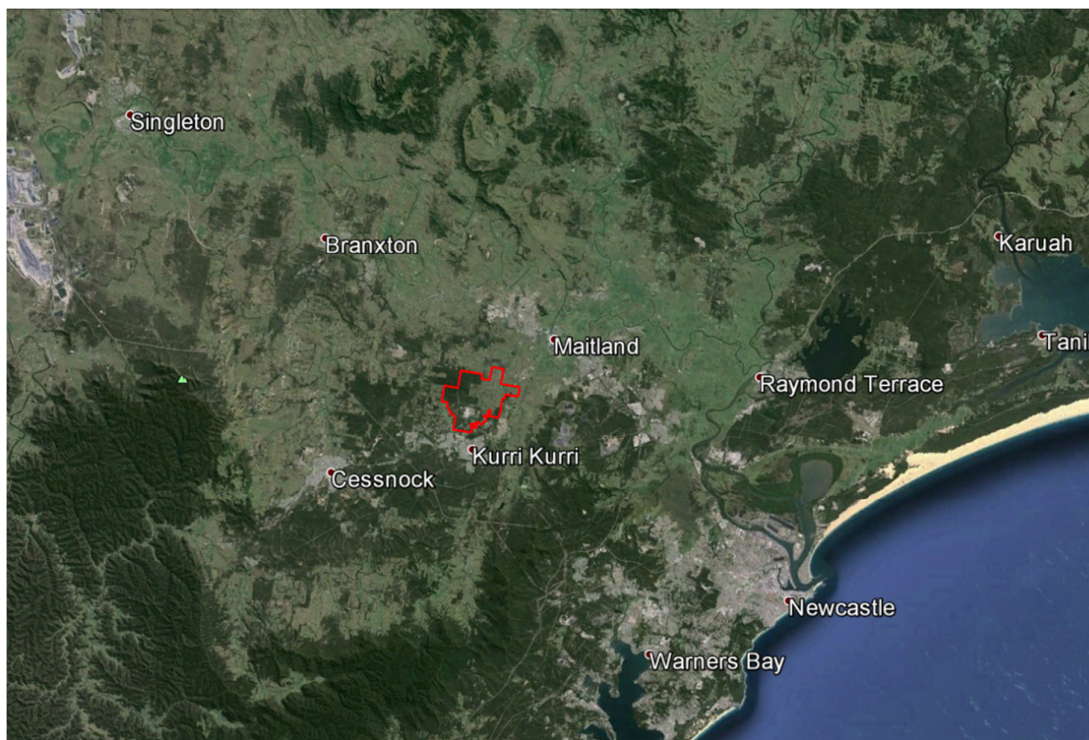


Figure 2 –The Hydro Landholding within a broader regional context.

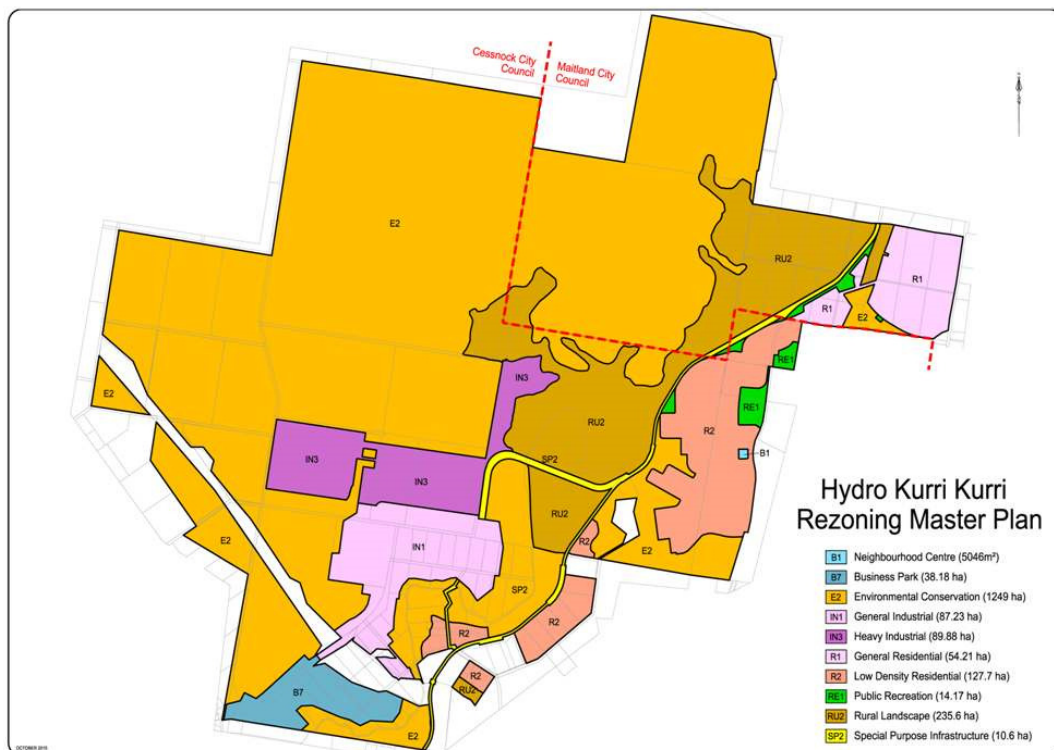


Figure 3 – Hydro Kurri Kurri Rezoning Masterplan.

The Planning Proposals submitted to the Councils seek to rezone the Hydro Land to include the follow land use zones:

- B1 Neighbourhood Centre;
- B7 Business Park;
- E2 Environmental Conservation;
- IN1 General Industrial;
- IN3 Heavy Industrial;
- R1 General Residential (Maitland LGA);
- R2 Low Density Residential (Cessnock LGA);
- RE1 Public Recreation;
- RU2 Rural Landscape; and,
- SP2 Infrastructure.

The proposed rezoning and redevelopment of the Hydro Land has the potential to create a number of significant economic, social and environmental benefits for the Hunter Region including:

- Ongoing jobs expansion of approximately 6,900 jobs, with 3,840 blue collar jobs and 3,060 white collar jobs (full-time, part-time and casual direct jobs);
- Creation of over 13,000 direct construction jobs and 20,000 indirect supplier jobs, for a total construction phase employment benefit of over 33,000 jobs (full-time, part-time and casual jobs);
- Expansion of ongoing jobs will result in an additional \$448 million worker income per annum;
- Expansion in population from the delivery of new housing and subsequent population growth is expected to expand local retail spend by \$58 million at full development;
- Provision of new community infrastructure and open space which will support an active community and encourage healthy lifestyles;
- The social benefit of local employment opportunities and economic growth through the inclusion of areas zoned as Business Park, General Industry and Heavy Industry, and through the subsequent construction of the proposed developments;
- Support a community with a unique sense of place;
- Design principles that support creation of a socially sustainable community; and
- Preserving almost 1,250ha of environmental land under an E2 Environmental Conservation zoning, and another 235ha of rural land under an RU2 Rural Landscape zoning.

Biodiversity Conservation

A key outcome of the proposed rezoning is biodiversity conservation. In assessing the capability of the Hydro Land, Hydro has adopted a 'balanced outcome' approach regarding biodiversity conservation. This approach aims for all impacts of future development that may result from the rezoning of land to be offset within the Hydro Land and a detailed biodiversity assessment has been completed in accordance with the Biodiversity Certification Assessment Methodology. As a result of this analysis, Hydro has commenced an approval pathway to obtain Biocertification for the proposed rezoning with Council nominating this pathway to the NSW Office of Environment and Heritage as the preferred method for resolving any biodiversity impacts at the rezoning stage.

Consultation

Hydro has engaged with the community and various public authorities, including the Department of Planning and Environment and NSW Roads and Maritime Services, over the past 2 years. Hydro has held ongoing dialogue with South Maitland Railway regarding the proposed rail connection and access into the broader rail network. Discussions with the Port of Newcastle has identified the manner in which the site could provide support to the functions of the Port of Newcastle as a key Global Transport Gateway.

A transparent consultation process has been adopted to both inform and include the community and authorities through site assessment, strategic planning and decommissioning activities associated with the former Smelter. The consultation process will continue throughout the rezoning and remediation stages of the project.

Draft Hunter Regional Plan

The Draft Hunter Regional Plan identifies the NSW Government's vision, goals, directions and actions for the growth of the Hunter Region over the next 20 years.

The Hydro Land is located in the Hunter City Hinterland, within the Western Hunter Subregion. The Hydro Land justifies inclusion within the Hunter City Metropolitan Area through achieving the goals and directions outlined in the Plan. The proposed conservation, employment and housing will support the broader goals, environmental outcomes and diversity of the Hunter Region. The proposed development represents a coordinated approach to maximising existing infrastructure, the extension of existing urban areas for housing, and supporting business activity and investment in the Hunter Region. The manner in which the Hydro Land is consistent with the goals and directions are addressed in the following sections.

Goal 1 – Grow Australia's next major city

Hunter City is the seventh largest city in Australia and shall be a focus of growth for the Hunter Region. The Hydro Land will support the employment and housing growth over the next 20-30 years in a key strategic location on the western edge of Hunter City. The Hydro Land provides unique connection to infrastructure, proximity to the region's natural resources and shall make land available for economic investment.

Direction 1.1 Grow and sustainably manage Hunter City

The Hydro Land is strategically located to support the growth of Hunter City. The employment land is located on the existing Hart Road interchange of the Hunter Expressway. The rezoning will facilitate direct connection of the employment land to the South Maitland Railway via a proposed SP2 Infrastructure corridor. This combination of significant road and rail access shall provide the Hydro Land with a unique position in the Hunter Region. The proposed residential land is considered infill development as it is adjacent to existing urban release areas, will provide a new connection between Gillieston Heights and Cliftleigh, and will support the efficient use of existing transport networks.

Goal 2 – Grow the largest regional economy in Australia

The Hunter Region is identified as the largest regional economy in Australia, with key economic and employment drivers being mining and manufacturing. The goal to grow the regional economy focuses on the need to diversify, be economically competitive and more resilient to global influences. The Hydro Land will provide an opportunity for a business growth, diversification and efficient use of infrastructure through connection to national road and rail networks. Further, the Hydro Land will provide opportunities for supportive or complimentary uses to Port of Newcastle, supporting the growth of the Port as a Global Transport Gateway.

Direction 2.1 Promote investment to grow regional rural and resource industries

Hydro was one of the Hunter Region's largest single employers, previously operating a large manufacturing facility for the production of aluminium and aluminium products. The Hydro Land does not contain, nor has it previously supported, natural resources or rural and resource based industries. However, Hydro is seeking to redevelop the Hydro Land to provide long term business and employment growth, with the Hydro Land again providing a positive business environment in the Hunter Region.

Through the development of logistic and freight based business, primary industries in the region including viticulture could access national and international markets more efficiently. Further, developing a supporting supply chain for agribusiness in the region could provide efficient importing and exporting of goods, produce and other related products.

Direction 2.2 Grow and connect service-based industries to support regional communities and provide a competitive edge for businesses

The Hydro Land represents an opportunity to create an industry cluster close to an existing interchange on the Hunter Expressway. The proximity of the Hydro Land to the interchange will improve efficiencies and make the region more attractive for business and investment. With good access to the Hunter Expressway, the draft Hunter Regional Plan identifies that such sites should be investigated as a new industrial location.

Direction 2.3 Enhance inter-regional transport connections

The draft Hunter Regional Plan identifies the Port of Newcastle as a key Global Transport Gateway. Through the proposed connection into the rail network and existing connection to the Hunter Expressway, the Hydro Land provides an opportunity for complimentary rail and transport facilities to support the growth of the Port of Newcastle. The development of the Hydro Land is consistent with the draft Hunter Regional Plan which identifies new gateway and interchange facilities to be located at the confluence of national freight transport networks.

Direction 2.4 Manage competing and conflicting interests in rural and resource areas to provide greater certainty for investment

The Hydro Land manages conflict between proposed urban areas and the remaining conservation/rural land through the assessment of land use capability and whole of site planning. The proposed employment and residential land does not encroach into valuable agricultural land or extractive resource lands.

Goal 3 – Protect and connect natural environments

The draft Hunter Regional Plan seeks to protect and enhance the natural environment, this goal is reflected in the conservation outcome proposed within the Hydro Land. The Planning Proposal includes one of the most significant private conservation areas within the Hunter Region. This area of the Hydro Land is identified within Figure 11 of the draft Hunter Regional Plan as an area of High Environmental Value and Hydro intend to maintain or improve this area into the future.

Direction 3.1 Protect the natural environment and biodiversity

Hydro has submitted a Planning Proposal to rezone large portions of the Hydro Land, with the majority of the Hydro Land to be zoned conservation and form part of a long term biodiversity offset area. The area of the Hydro Land identified within Figure 11 of the draft Hunter Regional Plan will have a regulatory framework requiring long term management and enhancement through conservation management measures. The draft Hunter Regional Plan includes actions such as BioBanking, which is consistent with the long term conservation outcomes that will be achieved within the Hydro Land.

Direction 3.2 Secure the health of water resources and coastal landscapes

Part of the Hydro Land that will be zoned for conservation includes the southern part of the Wentworth Swamps system. This area of the Hydro Land has been subject to historical grazing, impacting upon the vegetation and health of the waterbody. Long term conservation management outcomes within the Hydro Land would enhance the watercourses that flow into the Wentworth Swamps system, and then from Wentworth Swamps into the Hunter River. The waterbodies provide aquatic and terrestrial habitat for various local native fauna and migratory bird species.

Goal 4 – Support robust regional communities

The draft Hunter Regional Plan identifies that the scale and distribution of employment, housing and services will change in the Hunter over coming decades. The draft Hunter Regional Plan identifies the need for planning and management to support robust regional communities.

Direction 4.1 Focus housing and service growth towards Hunter City and the region's existing towns and villages

The Hydro Land is located within Hunter City Hinterland, providing a logical extension to existing urban areas along transport networks. The proposed housing is consistent with the directions in the draft Hunter Regional Plan in that it will not lead to disperse populations and maintains viable service networks. The development of the proposed residential land will lead to the efficient use of existing infrastructure and service networks. Further, any future impact upon the environment will be assessed and off-set through broader conservation management measures within the Site.

Direction 4.2 Provide housing and services that meet local communities' needs

The draft Hunter Regional Plan identifies the need to manage the demands for housing and services across the Hunter Region. The provision of housing within the Hydro Land is consistent with the actions within the draft Hunter Regional Plan in that it is located upon key transport networks, is adjacent to existing urban areas and is in close proximity to health and aged care support services. The development of housing to meet the needs of the community will be delivered over the coming decades and will be influenced by Government policy, Council's strategic plans and housing providers. The Planning Proposal submitted by Hydro includes a local shopping precinct and areas of open space, providing social and recreational opportunities to meet the day to day needs of residents.

Direction 4.3 Build the region's resilience to natural hazards

The impact of natural hazards upon urban areas has been highlighted within the region due to recent flooding events. Specifically, the flooding impacts in the vicinity of Gillieston Heights and surrounding road network have been highlighted. It has been identified within the Planning Proposal for the Hydro Land that development of the residential land will deliver a flood free road network to the existing Gillieston Heights community.

Direction 4.4 Strengthen the economic and cultural self-determination of Aboriginal communities

The redevelopment of the Hydro Land aims to identify and protect Aboriginal cultural heritage. Consultation with and participation of the Aboriginal community has informed a cultural heritage assessment across the Hydro Land and identified areas that may require further consultation and assessment prior to development.

The Hunter's landscape subregions

The draft Hunter Regional Plan identifies four landscape subregions, with the Hydro Land being located within the Western Hunter subregion and also the Hunter City Hinterland area.

Hunter City

The draft Hunter Regional Plan identifies that there will be pressure on the interface between Hunter City and surrounding landscape regions, with this area being identified as the Hinterland. This area is identified as potentially being subject of development pressure due to proximity to urban areas, which will need to be managed. The Hydro Land represents the redevelopment of the existing site of a former large industrial employer, with substantial industrial infrastructure being located within the Hydro Land. The Planning Proposal seeks to re-establish employment within the Hydro Land which would support the economic development of Hunter City and the whole Hunter Region.

Draft Plan for Growing Hunter City

The NSW Government has identified the metropolitan area of the Hunter Region as 'Hunter City'. The Hydro Land is located in the Hunter City Hinterland, within the Western Hunter Subregion. Hunter City's metropolitan area is divided into five districts and the Hydro Land could be incorporated into the Maitland – New England Highway Corridor District.

Hydro requests that given the strategic location and proximity to the national transport network it would be appropriate for the Hunter City metropolitan area boundary to be extended to include the Hydro Land. The following comments outline the manner in which the Hydro Land is consistent with the Plan for Growing Hunter City and why it warrants inclusion in the Hunter City Metropolitan Area.

Managing growth and change in Hunter City

The draft Plan for Growing Hunter City outlines an integrated planning and management approach that will support the growth and diversification of Hunter City. It also supports an integrated approach to transport, infrastructure, open space and environmental planning.

Direction 1.1 Grow and diversify centres across the City

The Hydro Land is located in close proximity to the Central Maitland strategic centre and within the overall catchment of the Green Hills-Metford strategic centre. The Hydro Land has existing transport infrastructure and good public transport connections to these centres. Employment and housing growth within the Hydro Land will provide long term strategic support to these strategic centres, providing diversity within the western extent of Hunter City.

The Hydro Land is strategically located in the western edge of Hunter City and South Maitland Railway currently runs through the Hydro Land. The Planning Proposal identifies a rail connection from South Maitland Railway to the proposed employment land which will provide connection between the national road and rail networks. Discussions with the Port of Newcastle have indicated that there may be complementary uses, being rail, freight or logistics based, that could be developed in support of the Port of Newcastle as a global transport gateway.

Direction 1.2 Provide a greater mix of housing types to meet changing demand

The Hydro Land will provide housing that will be delivered in a timely and cost-effective manner. The residential areas are either already identified in the local housing strategy or are logical extensions to existing urban areas. The residential land within the Cessnock LGA will assist the Council in achieving housing targets established in the Lower Hunter Regional Strategy 2006-2031. The residential land is located along the Cessnock Road corridor, which is an urban corridor connecting the strategic centre of Central Maitland with the Hunter Expressway. The draft Plan for Growing Hunter City identifies that sites located within or adjacent to existing urban areas will be prioritised, with the Hydro Land certainly meeting this criteria.

Direction 1.3 Enhance City-wide transport

The Hydro Land provides connection to both the Hunter Expressway (employment) and Cessnock Road (residential), which both provide access to the broader Region via inter-regional and local transport networks. The Planning Proposal includes the connection to South Maitland Railway, providing an opportunity for rail, freight and other railway based industrial services to locate within the employment land, providing an opportunity for long term jobs growth. The development of residential land will also support passenger rail network services that are available at Central Maitland.

Direction 1.4 The City's blue and green network

The draft Plan for Growing Hunter City seeks to promote the natural environment and connections between bushland, open space and recreation facilities. The Planning Proposal includes one of the most significant private conservation areas within the Hunter Region. The long term conservation measures will enhance aquatic and terrestrial habitat, improve biodiversity and provide urban areas with high amenity.

Direction 1.5 Grow and manage industrial activity in the City

The Planning Proposal seeks to provide over 200 hectares of employment land within the Hydro Land. The employment land is located adjacent to national transport infrastructure, being the Hunter Expressway and the existing Hart Road interchange, providing high transport efficiencies to industry. The draft Plan for Growing Hunter City identifies the need to identify strategic locations for industry to cluster around national infrastructure routes and gateways, with the rezoning and redevelopment of the Hydro Land certainly being consistent with this action.

Direction 1.6 Coordinate infrastructure to support and deliver growth

The Hydro Land benefits from a large amount of connected infrastructure, due to the previous large industrial facility within the employment area, and proximity to the surrounding road network, water and sewer networks, energy, telecommunications and health services. This means that infrastructure can be delivered efficiently and in a cost effective manner. The draft Plan for Growing Hunter City identifies that the Inner West and Maitland-New England Highway Corridor Districts contain the largest supply of new release areas and will have the delivery of infrastructure prioritised. The Hydro Land is adjacent to the Maitland-New England Highway Corridor District, forming part of the growth corridor along Cessnock Road through to the Kurri Kurri Interchange of the Hunter Expressway.

Maitland – New England Highway Corridor District

The Maitland-New England Highway Corridor has been sustained long term growth by its road and rail connections to Newcastle, with proximity to Newcastle and the mining activities further north of the Hunter. The Hunter Expressway provides reduced travel times between Hunter City and the upper Hunter Valley. The draft Plan for Growing Hunter City states that the primary purpose of the Hunter Expressway is for intra-regional traffic, including the movement of freight to the Port of Newcastle. The redevelopment

of the Hydro Land, and interconnection of rail and road, will provide opportunities for investment and growth in the region regarding freight movement, supporting the Port of Newcastle as a global gateway.

The draft Plan for Growing Hunter City highlights that a priority in this area will be biodiversity conservation through planning and management. The Hydro Land will demonstrate best practice biodiversity off-setting of any impacts and achieve biodiversity conservation through long term conservation management measures as part of a Biodiversity Certification of the rezoning.

Direction 5.1 Sequence urban growth

The draft Plan for Growing Hunter City identifies that land releases will be sequenced, with sites that build on and extend existing urban development and capitalise on existing and committed infrastructure will be prioritised. The residential land proposed within the Hydro Land is consistent with this direction. The Hydro Land is located adjacent to the Kurri Kurri Waste Water Treatment Works, providing efficient connection and servicing. Hydro has prepared full servicing strategies for the residential and employment land, ensuring that all land will be serviced.

Direction 5.2 Grow centres and communities within the district

Central Maitland has historically been the centre for the district, providing banking, civic, administrative and retail services for over a century. Urban renewal has focused on the main street area, enhancing the amenity and trying to attract additional activity. Residential growth has been limited due to the flood risk and legacy of flooding which occur in the mid-twentieth century. Residential development in adjacent urban release areas, such as Gillieston Heights, will provide long term support to Central Maitland as a strategic centre.

Direction 6.1 Address Hunter's national pinch point to strengthen habitat connectivity and transport efficiency

The proposed rezoning of the Hydro Land, and subsequent development, will provide an opportunity to strengthen the freight transport connections between the national road and rail networks. The Hydro land will provide employment land that will support investment in new manufacturing and logistics activities, supporting the Hunter Region's resource and other industries. The network connections will support the long term growth of the Port of Newcastle as a global gateway and provide opportunities for Hunter based agriculture, manufacturing and resource industries to connect to networks facilitating exporting nationally or internationally.

Hydro's Request

The NSW Government has outlined the vision, goals and actions for the region between now and 2036. The Hydro Land is one of the largest single landholdings within the Hunter City Hinterland and strategically warrants inclusion into the Hunter City Metropolitan Area. The Hydro Land will deliver one of the largest conservation areas within the Lower Hunter Region and support key biodiversity outcomes in the Hunter Region.

Hydro requests that given the strategic location, proximity to the national transport network and connection to servicing infrastructure it would be appropriate for the Hunter City metropolitan area boundary to be extended to include the Hydro Land. The inclusion of the Hydro Land within the Hunter Regional Plan and Plan for Growing Hunter City as an Urban Release Area and Commercial/Industrial Area would reflect the strategic endorsement of the Councils and support the goals of the Plan for Growing Hunter City.

Should you require any further information in respect to this submission please do not hesitate to contact me (02) 4937 0406 or 0439 139 059.

Yours Faithfully,

A handwritten signature in black ink, appearing to read 'Richard Brown', with a long horizontal flourish extending to the right.

Richard Brown

Managing Director
Hydro Aluminium Kurri Kurri Pty Limited