



Director - Hunter Region
Department of Planning and Environment
PO Box 1226
Newcastle NSW 2300

Dear Sir/Madam

Draft Greater Newcastle Metropolitan Plan (GNMP)

Thank you for the opportunity to comment on the Draft Greater Newcastle Metropolitan Plan (GNMP).

On behalf of the NSW State Government, Property NSW (in collaboration with the Hunter Development Corporation) is responsible for the asset management of a significant 52Ha site within the Mayfield area known as the Intertrade Industrial Park site (**Site**).

At significant government investment, site remediation has been undertaken over the past few years and we anticipate that a site audit statement will be obtained from the site auditor around mid-2018 following which a completion certificate will be obtained from the Environmental Protection Authority. Once these documents have been obtained, Development Applications can be lodged to facilitate further use and development of the Site. To better explore and capture the site's opportunities, Property NSW have engaged Tract Consulting to prepare an Urban Planning Report and a Concept Land Use Plan which is anticipated to be completed in the first quarter of 2018. The objective of the report and concept plan is to identify the most suitable land uses for the Site, supported by market trends and economic analysis.

Property NSW is therefore keen to ensure any decision by the Department of Planning & Environment (**the Department**) in the finalisation of the GNMP does not adversely limit or restrict the future use and development opportunities for the Site.

Accordingly, Property NSW requests to be identified as one of the organisations that the Department will work with to amend the Three Ports State Environmental Planning Policy as outlined in Strategy 1.3 of the GNMP.

Having regard to our attached submission, we respectfully seek amendment to the GNMP with a re-identification of the site from "*Mayfield Freight and Logistics Precinct*" to "*Mayfield Commercial, Logistics, Warehouse and Industrial Precinct*" with appropriate updates to the



**Property
NSW**

Property NSW

Level 4, 66 Harrington Street, The Rocks NSW 2000

GPO Box 4081, Sydney NSW 2001

Tel 02 9240 8500 | www.property.nsw.gov.au

strategic intent of the land consistent with the lands current zoning allowances and key opportunities, including:

- Strategic location of the Site that would benefit a range of land use,
- Heritage values of the Site,
- 'Clean slate' opportunity of the Site after remediation works has been completed, and
- Potential for land use synergies; i.e. manufacturing activities supported by office accommodation and research enterprise

We would be pleased to discuss these matters directly with you at your convenience, please do not hesitate to contact Patrick Waite on 9273 3699 or me on 9273 3913.

Your Sincerely

Tahlee Smith
Director, Major Projects
Property NSW

23 February 2018

Property NSW – Submission on the Greater Newcastle Metropolitan Plan

1. Executive summary

Property NSW submits:

Port demand for freight and logistics land

- Demand or need for freight and logistics is largely satisfied by Port of Newcastle's land occupied under the Port Leases.
- There is over 200ha of vacant Port land and any freight or logistics needs should be able to largely or entirely be contained within the existing vacant Port land.
- There is no approval or proposal to apply an intermodal facility within context of the land, again reducing any potential demand for freight and logistics in this location.

Site history and heritage

- The Site has a strong connection to the local community of Newcastle having been part of the long standing BHP steelworks operation (now concluded).
- Respecting the Site's heritage and history will materially impact the future use of the Site, noting the likely adaptive re-use of the former BHP administration building for office accommodation, and opportunities for community access to any future heritage precincts.

Freight and traffic movement

- The Site is well positioned to benefit from the strong transport focussed investment projects proposed within the Hunter Region and Greater Newcastle Area.
- The Site's economic viability and its ability to respond to changing freight demands will be impacted by any restriction on traffic movement to and from the Site.
- Property NSW advocates that an integrated and holistic approach be utilised in addressing local traffic and the movements of goods in and around the Newcastle Port, and that the associated land use permissibility be capable of responding to the key trends within the freight industry and local market.

Land use

- Identification of the land for freight and logistics purposes will sterilise the site from appropriate land use and development options that currently apply to the land under the existing statutory framework: SP1, IN1 and prohibited uses within heritage items.
- To effectively respond to the changing land use needs of the new economy for Newcastle a holistic approach must be utilised, with regards to the Site and adjoining port land, in addressing the efficient movement of goods in and around the Newcastle Port. The affected land must be supported by flexible land use zoning to respond to changing freight demand, consumer demand, and declining manufacturing trends.
- It is requested that the GNMP identification of the site needs be expanded to include and allow for the various uses currently permissible on the land and updated to re-identify the site from “*Mayfield Freight and Logistics Precinct*” to “*Mayfield Commercial, Logistics, Warehouse and Industrial Precinct*” with appropriate updates to the strategic intent of the land consistent with the lands current zoning allowances and key opportunities.
- It is requested that Property NSW be identified as one of the organisations that the Department will work with to amend the Three Ports State Environmental Planning Policy to facilitate the diversification of activities at Newcastle Port to adapt to changing global demand for trade and tourism.

2. Discussion

2.1 Draft Greater Newcastle Metropolitan Plan (GNMP)

2.1.1 Changing global freight demands

Strategy 1.3 (Changing global freight demands) of the GNMP outlines that planning decisions need to consider the adaptation of the port to respond to changing global freight demands, and the unique opportunities of port-side infrastructure and availability of land.

A review of the NSW Draft Freights and Ports Plan outlines that key trends within the freight and port industry include:

- Consumer expectation of 24/7 delivery,
- Population growth,
- Decline in manufacturing,
- Growth in agricultural demand,
- Access to key freight facilities,
- Urbanisation,

- Personalisation of consumer demand,
- Demographic changes,
- Technological innovation.

Property NSW submission

- Considering the Site's location and unimproved land area (upon completion of remediation works) it is well positioned to respond to changing global freight demands.
- The Site's economic viability and its ability to respond to changing freight demands will be impacted by any restriction on traffic movement to and from the Site.
- Property NSW advocates that an integrated and holistic approach be utilised in addressing local traffic and the movements of goods in and around the Newcastle Port, and that land use permissibility be capable of responding to the key trends within the freight industry and local market.

2.1.2 Increase domestic and global trade capabilities at Newcastle Port

Action 1 of Strategy 1.3 of the GNMP outlines that the Department, working with the Port of Newcastle and Newcastle City Council, will amend the Three Ports State Environmental Planning Policy to facilitate the diversification of activities at Newcastle Port to adapt to changing global demand for trade and tourism.

Property NSW submission

- Property NSW is exploring the Site's constraints and opportunities and has commissioned the preparation of an Urban Planning Report and a Concept Land Use Plan which we anticipate being completed in the first quarter of 2018.
- Property NSW requests to be identified as one of the organisations that Department of Planning will work with to amend the Three Ports State Environmental Planning Policy to facilitate the diversification of activities at Newcastle Port to adapt to changing global demand for trade and tourism

2.1.3 Create better buildings and great places

Strategy 2.1 promote innovative approaches to the creative re-use of heritage places, ensuring good urban design preserves and renews historic buildings and places that Promote innovative approaches to the creative re-use of heritage places, ensuring good urban design preserves and renews historic buildings and places.

The Site has a strong connection to the local community of Newcastle, having been part of the long standing BHP's steelworks operation (now concluded).

Property NSW submission

- Property NSW is in contact with the Office of Environment and Heritage regarding the heritage significance of the Site.
- Property NSW is in the process of engaging a Heritage Consultant to undertake a heritage assessment of the Site.
- The Site contains the former BHP administration building, constructed early in the 20th century, and contains circa 8,000sqm of gross floor area.
- Utilising innovative approaches to enable the creative re-use of heritage places on the Site will have a material impact on the future use and nature of the Site.
- Property NSW advises that the Department consider the potential for a mix of land use permissibility that will enable the provision of a synergistic land use mix taking into account potential adaptive re-use opportunities of the BHP administration building, and opportunities for the community to engage with the heritage value of the Site.
- There is an opportunity for the area of the BHP precinct to include land uses that are better aligned or complementary to adjoining Carrington Precinct, thereby supporting appropriate future adaptive re-use and heritage conservation of the BHP building.

2.1.4 Catalyst Areas – Newcastle Port

At Figure 18 of GNMP (Catalyst Area – Newcastle Port), the Site has been identified as **Mayfield Freight and Logistic Precinct** and the Department will undertake the following actions:

- Work with Hunter Development Corporation (HDC) to finalise remediation; and
- Align planning for the development of freight and logistics, manufacturing and warehousing to complement the port's export role.

Property NSW submission

- Property NSW supports the opportunity to expand the capacity for manufactured good and products to be exported enabled by appropriate land zoning capable of such industry.

- Property NSW advocates that the Site be benefitted by the ability to co-locate offices and research premises in association with manufacturing and industry uses to provide for hands-on opportunities to respond to domestic and global trade capabilities at Newcastle Port and further respond to the changing land use needs of the new economy.

2.2 Freight and logistics context

2.2.1 NSW Draft Freight and Port Plan

The draft NSW Freight and Port Plan (the draft Plan) will provide direction to business and industry for managing and investing in freight into the future. An integrated approach has been adopted for the development of the draft Plan which is closely aligned with the State Infrastructure Strategy, Future Transport 2056 Strategy and Regional and Greater Sydney Services and Infrastructure Plan.

The following statement has been provided for the Port of Newcastle:

“Port of Newcastle is the world’s largest coal export port and one of Australia’s largest ports with 168 million handled in 2016. In addition to coal, other cargoes include alumina, petroleum, fertilisers, grains, cement, steel and cruise ships. The Port of Newcastle will continue to be the primary coal export facility for NSW, and will continue to diversify into other commodities including fuel.

Two hundred hectares of vacant port land is available for future port capacity development, representing over 25% of total land holdings at the Port of Newcastle. The growth and diversification of the Hunter region will stimulate a requirement to expand the port’s facilities”.

2.2.2 Container restrictions

An agreement has been reached between the NSW Government and the operator of Port of Newcastle to restrict container movements at the Port of Newcastle to 30,000 Twenty Foot Equivalent Unit (TEU) per year – plus 6% yearly growth.

If the agreed threshold is exceeded, then the operator of the Port of Newcastle is required to compensate the owner of Port Botany.

Property NSW submission

- NSW State Government policy is very clear about the current and future role of the Port of Newcastle.
- Port Botany will remain the state’s primary container port and Port of Newcastle will continue to be the primary coal export facility with possible diversification into other commodities in the future.

- Property NSW submits that any demand or need for land other than the Ports land for freight and logistics will therefore be very limited; and that there is no empirical need for Intertrade to be set aside for this role.
- There is 200 Ha of vacant Port land which is suitable for port related uses and under the control of Port of Newcastle for 99 years.
- Given the extent of vacant Port land, any freight or logistics needs (given the likely low demand) should be able to be entirely contained within the existing vacant Port land.

2.3 Development Approval Context

2.3.1 Intermodal - State Significant Development Call In 2012 (CI5092 - withdrawn)

Following an international call for proposals 2007, an agreement between BIC and the then State Property Authority, a request was submitted to the then Minister for Planning & Infrastructure to declare the project for an *Intermodal Terminal, Subdivision, Remediation and Civil Infrastructure as State Significant Development (SSD)*.

The application proposed to redevelop approximately 62.22 hectares of the BHP Closure Area. The proposal includes the subdivision of the Site into 'interrelated precincts to support industrial, port related and commercial activities'. Additionally, it included development and operation of an intermodal terminal and subdivision of commercial and industrial land, as follows:

- Subdivision to facilitate separation of the Site from the remainder of the BHP Closure Area;
- Subdivision of the Intertrade Site into six super lots to facilitate future development;
- Remediation of the Site consistent with the existing Voluntary Remediation Agreement (agreed between the HDC and Environmental Protection Authority) and other related contamination management documents that apply to the entire BHP Closure Area;
- Construction of roads, civil works and service infrastructure to service the Site; and
- An Intermodal Terminal occupying an area of approximately 10 hectares centrally.

The application was referred to the Planning Assessment Commission (PAC) for advice and the PAC agreed with the Department's recommendation that the proposal is of State and regional planning significance.

On 30 March 2012, the then Minister for Planning and Infrastructure, with the advice of PAC, declared the development specified as State significant development.

The application was later withdrawn from the Department.

2.3.2 Port Terminal Facilities Mayfield - Concept Plan Application (09_0096)

On 16 July 2012, the then Minister for Planning and Infrastructure granted development approval for a Concept Plan involving the redevelopment of 96 hectares of port-side land in Mayfield.

The Concept Plan included five precincts: Newcastle Port Corporation Operational Precinct; Bulk and General Precinct; General Purpose Precinct; Container Terminal Precinct; and Bulk Liquid Precinct.

According to the Environment Assessment Report dated March 2012, the Container Terminal Precincts consists of an area of 35 hectares and are planned to reach up to 600,000 TEU by 2024 and a peak of one million TEU by 2034.

The Concept Plan Approval established the board parameters and environmental performance criteria for the assessment and development of future projects. It should be noted that the approval does not permit the construction or operation of any individual project. New developments will be subjected to separate approval(s) in accordance with the *Environment Planning & Assessment Act 1979*.

The timing of individual development will depend on the commercial needs of port users.

An agreement has been reached between NSW Government and the operator of Port of Newcastle to restrict container movements at the Port of Newcastle to 30,000 containers per year – plus 6% yearly growth. If the threshold is exceeded, then the operator of the Port of Newcastle is required to compensate the owner of Port Botany.

Due to container restriction, it is unlikely that the Port of Newcastle will become a significant container terminal as previously anticipated in 2012 Concept Plan Approval.

2.3.3 Submission

- Previous approvals had considered use and development of surrounding land for container storage and intermodal facilities.

Subsequent NSW Government Policy has resolved to not support expanded container facilities and the SSD call-in was later withdrawn from the Department.

Further, Transport for NSW retains a list of approved or potential Intermodal facilities on their website and the following facilities in Newcastle are noted:

Area	Intermodal Terminal	Status
Carrington	DP World Toll Global Resources	Operational
Kooragang Island	Mountain Industries	Operational
Kooragang Island	Walsh Point	Non-Operational
Sandgate	Crawford Industries	Operational

The Port will therefore continue to be restricted from Container storage and that there is no proposed intermodal facility planned, approved or contemplated.

Therefore, the likely use of the land for freight and logistics purposes is considered to be at best limited but more likely non-existent.

2.4 Statutory Planning

2.4.1 State Environmental Planning Policy (Three Ports) 2013

State Environmental Planning Policy (Three Ports) 2013 (Three Ports SEPP) is applicable to the Site and has been identified as “Deferred matter” on the Land Application Map.

Clause 11(4) of the Three Ports SEPP states that Part 20 of Schedule 3 to State Environmental Planning Policy (Major Development) 2005 (Major Development SEPP) continues to apply to land identified as “Deferred matter”.

2.4.2 State Environmental Planning Policy (Major Development) 2005

According to the Major Development SEPP, the Site is Zoned SP1 Special Activities and the following purposes are permitted only with development consent on land zoned as SP1 Special Activities:

boat launching ramps; depots; food and drink premises; freight transport facilities; heavy industries; navigation and emergency response facilities; port facilities; roads; transport depots; warehouse or distribution centres

Schedule 3, Part 20, Clause 20 also states that additional land uses prescribed in the IN 1 General Industrial zone may also be carried out on the Site subject to development consent:

boat repair facilities; business premises (port related); depots; food and drink premises; freight transport facilities; high technology industries; jetties; light industries; neighbourhood shops; office premises (port related); resource recovery facilities; roads; signage; truck depots; vehicle body repair workshops; vehicle repair stations; warehouse or distribution centres; waste or resource management facilities.

Additionally, Clause 21(6) of Part 20 of Schedule 3 of the Major Development SEPP facilitates the conservation of heritage items or of land on which the

heritage item is erected by enabling consent authority to grant consent to development that is prohibited.

Property NSW submission

- Under the Major Development SEPP, an extensive range of land uses are currently permissible for the Site well beyond that contemplated by the GNMP.
- Property NSW strongly submits that the GNMP identification of the site needs to be expanded to include and allow for the various uses currently permissible on the land.
- We submit that the land should be re-identified from “*Mayfield Freight and Logistics Precinct*” to “*Mayfield Commercial and Industrial Precinct*” with appropriate updates to the strategic intent of the land consistent with the lands current zoning allowances and key opportunities.
- In terms of recommended land uses, Property NSW is awaiting the results of the Planning Report being prepared by Tract Consulting and as supported by market and economic analysis from Charter Keck Cramer. The land uses being within the report considered include: Freight and Logistics, Commercial, Warehousing, Manufacturing, Light and General Industrial, Bulky Goods Premises, Research Enterprise, and High-Tech Facilities.