

ITEM 5 DRAFT PLANNING PROPOSAL - PORT OF PORT KEMBLA

Council has received requests for amendments to the State Environmental Planning Policy (Three Ports) 2013. Although this is a State Government document, the NSW Department of Planning and Environment has advised that Council would need to consider and progress the requested changes as part of a draft Planning Proposal. This report considers the requests in consideration of the long term strategies for the Port.

RECOMMENDATION

- 1 A draft Planning Proposal be prepared to amend the State Environmental Planning Policy (Three Ports) 2013, for the Port Kembla precinct to enable the land use, exempt and complying development, and mapping changes.
- 2 The draft Planning Proposal be referred to the NSW Department of Planning and Environment for a Gateway determination and, if approved, exhibited for a minimum period of 28 days.
- 3 Council advise the NSW Department of Planning and Environment that it is willing to accept plan making delegation should the Department agree.

ATTACHMENTS

- 1 Locality map for the Three Ports area site
- 2 Heritage sites map

REPORT AUTHORISATIONS

Report of: Tony Miskiewicz, Manager Environmental Strategy and Planning (Acting)
Authorised by: Andrew Carfield, Director Planning and Environment – Future, City and Neighbourhoods

COMPLIANCE WITH OFFICE OF LOCAL GOVERNMENT GUIDELINES ON COUNCIL DECISION MAKING DURING MERGER PROPOSAL PERIODS

The recommendation in this report satisfies the requirements of the OLG Guidelines - Council Decision Making During Merger Proposal Periods.

BACKGROUND

The Port of Port Kembla is State significant infrastructure. The zoning and planning controls for the Port are provided by the State Environmental Planning Policy (Three Ports) 2013. In 2012, the State leased the operation of the Port to the Port Authority of NSW for 99 years.

In 2006-2007, Council carried out the Port Kembla Land Use Strategy, with the intention of this strategically guiding the zoning and planning controls for the Port. In 2009, the

NSW Government undertook the Three Ports Proposal to create State Environmental Planning Policy controls over port development; the Port Kembla Land Use Strategy was used in formulating the planning controls for the Port. More recently, these controls have evolved into the current State Environmental Planning Policy (Three Ports) 2013.

In 2015 with the downturn in steelmaking, BlueScope announced that it would need to save approximately \$200 million per annum, or there was the possibility that the steelmaking use may cease.

Council indicated its support for the continuation of local steelmaking and highlighted its importance to the local and regional economics, and offered its assistance. On 24 August 2015, Council considered a Lord Mayoral Minute concerning the need to strengthen local economic capacity through strategic procurement, and resolved that:

- 1 *Council write to relevant Federal and State Ministers, local Members of Parliament and relevant Trade Unions, seeking their support and advocacy to maximise Australian steel content in all State and Federal Government procurement contracts and tenders.*
- 2 *Council explore options to support the viability of BlueScope Steel Port Kembla, including prioritising the development of a strategic centre-led approach to procurement policies and procedures to further strengthen the local economic capacity. A meeting/briefing be held with Councillors and Senior Managers, within the next six weeks, to consider various options.*
- 3 *Council seek the support of all stakeholders to commit to working collaboratively to support the steelmaking industry and the steel value chain to achieve a positive outcome for our region.*

This report includes requests from BlueScope seeking assistance in improving the flexibility of State planning controls as well as enabling the utilisation of vacant buildings. The report also addresses two requests for the use of BlueScope land by other community organisations which are supported by BlueScope.

PROPOSAL

Council has received a number of requested changes to the State Environmental Planning Policy (Three Ports) 2013, as outlined below:

- 1 *Healthy Cities Illawarra request for use of a site for a Men's Shed*

Healthy Cities Illawarra is a charitable organisation that has operated for many years in the Illawarra. Healthy Cities Illawarra have submitted a Planning Proposal request to permit an additional use on Lot 1 DP 606434 (the BlueScope Visitors Centre) to allow for the use of a "Men's Shed" on the site, which will be used to operate programs such as "Building Healthy Men" and "Healthy Ageing". A Men's Shed would provide former BlueScope employees with a facility to meet and undertake constructive projects utilising their skills. BlueScope Steel have agreed to enable Healthy Cities Illawarra to use a portion of the site.

The location of the proposed Men's Shed on Lot 1 DP 606434 is off Visitor Road. The location is to the south of Springhill Road, near the entrance to BlueScope Steel and "Industry World" Visitor Centre, adjacent to a railway line to the west (see Attachment 1). The site is zoned IN3 Heavy Industrial under the State Environmental Planning Policy (Three Ports) 2013. A Men's Shed is defined as a community facility which is not permitted in the zone.

The proposal would require an amendment to the State Environmental Planning Policy (Three Ports) 2013 to enable the additional use for the community facility. Healthy Cities Illawarra have requested that "community facilities" be added as an additional use, either in the land use table, or within Clause 23 Additional Permitted Uses.

The proposal would not have any environmental impacts and would have social benefits.

Recommendation: It is recommended that Council support the preparation of a draft Planning Proposal to enable a Community Facility (Men's Shed) on Lot 1 DP 606434 Visitor Road.

2 BlueScope Steel request for alternative uses for under-utilised buildings and sites

BlueScope Steel have identified a number of surplus buildings and sites within their Port Kembla landholdings which are currently unutilised. BlueScope have submitted a Planning Proposal request seeking greater flexibility of permitted uses within the IN3 Heavy Industrial zone (to enable additional uses such as storage/warehousing and office uses) and utilisation of Exempt and Complying Development provisions for a number of industrial uses. The uses sought under Exempt and Complying Development include:

Exempt development:

- Construction or installation or both of electrical supply equipment and associated structures;
- Maintenance of existing fittings, fixtures, plant and equipment; and
- Advertising structures and displays where the advertisement relates to a proposed sale or lease of BlueScope's land.

Complying development:

- New industrial and warehouse buildings or additions to such buildings;
- Construction or installation or both of materials handling equipment and plant;
- Construction or installation or both of processing equipment and plant and associated structures; and
- Change in use from a use for the purpose of one type of heavy industry to a use for another type of heavy industry.

The SEPP is inconsistent in how it controls development within and outside the leased area. The SEPP permits a range of exempt and complying uses within the leased area, which are not available to the companies, like BlueScope, that operate outside the leased area. BlueScope relies on other legislation including the Code SEPP and the Wollongong LEP 2009 to enable some minor uses to be classed as Complying Development. A more simple, transparent and consistent approach would be to amend the Three Ports SEPP to expand the permitted Exempt and Complying Development for the non-leased area.

Recommendation: It is recommended that Council support the preparation of a draft Planning Proposal to expand the range of Exempt and Complying Development in the non-leased area.

BlueScope have requested the flexibility to use a number of former administration buildings for office use and warehouse buildings for light industrial or bulky goods use, as summarised in the following table:

Property Name	Property Type	Area	Suggested Flexibility
Steelhaven Precinct			
Clyde Curruthers Building	Warehouse	2,500m ² (total yard 6,500m ²)	Bulky goods storage / distribution facility
The 'Garage'	Office and workshop	800m ² (total yard 4,600m ²)	Office (commercial / general or light industry) and general workshop
HV Warehouse	Office and workshop	1,500m ²	Office (commercial / general or light industry) and general workshop
CRM Precinct			
CRM BSL Water Building	Office	800m ²	Office (commercial / general or light industry)
CRM BSL Admin Building	Office	1,000m ²	Office (commercial / general or light industry)
CRM Hardstand	Hardstand	55,000m ²	Commercial, general or light industry
Other Precinct			
Whitehouse Building	Office, change room, car park	450m ²	Office (commercial / general or light industry)
Cabana	Offices	1,500m ²	Office (commercial / general or light industry)
Commercial Building	Office, car park	3,500m ²	Office (commercial / general or light industry)

Property Name	Property Type	Area	Suggested Flexibility
Steel Direct Building 2	House	1,000m ²	Office (commercial / general or light industry)
Christy Drive	Office, crib rooms and change facilities	800m ²	Office (commercial / general or light industry)
Stainless Facility	2 x Warehouses 2 x Offices Hardstand	Total warehouse approximately 30,000m ² Total Hardstand approximately 20,000m ²	Bulky goods storage / distribution facility Office (commercial, general or light industry)

- The location of the buildings is identified on Attachment 1.

The Administration buildings are currently vacant, but could be leased to provide additional B or C grade office space in the City. The risk is that these buildings will compete with office space in the City Centre. The benefits are the reuse of existing buildings, providing BlueScope with an additional income stream, providing additional office space in the City and may attract additional businesses to the Illawarra.

To provide short term assistance to BlueScope it is proposed that the alternate use of the surplus buildings be permitted with a sunset clause while they are in BlueScope ownership. The sunset clause would require the additional use to cease if the sites were sold. The additional uses could be included in Clause 23 Additional Permitted Use.

Recommendation: It is recommended that Council support the preparation of a draft Planning Proposal to enable the use of the surplus buildings as office premises, light industries and bulky goods storage with a sunset provision specifying that the additional use is only permitted while they remain in BlueScope ownership.

3 Heritage items

The SEPP lists six heritage items under Clause 31 – Heritage Conservation; however it does not contain a heritage item map for the Port of Port Kembla. It would be useful for the map layers in the SEPP to include a map of the heritage items (Attachment 2). This would be consistent with the Wollongong LEP 2009 and the Major Development SEPP which applies to Sandon Point and Calderwood. While amending the State Environmental Planning Policy to include the mapping layer, it would also be prudent to undertake a review of heritage item descriptions, to ensure that the items are correctly listed.

One item, the “Gardens around Former House and Adjacent Driveway” at 2 Electrolytic Street (Gloucester Boulevard), also needs to be removed from the listing. This item was proposed to be removed as part of Wollongong Local Environmental Plan 2009, but it was retained in the SEPP. There is little of the garden remaining and it does not warrant retention in the heritage listing.

Recommendation: It is recommended that Council support the preparation of a draft Planning Proposal to map the heritage items within the Port Kembla area and delete the heritage listing of “Gardens around Former House and Adjacent Driveway”.

4 Use of part of Lot 1 DP 606432, 1-3 Newcastle Street, Cringila for car parking

The Islamic Society of Illawarra have a mosque (Place of Worship) at 1-3 Bethlehem Street, Cringila with car parking also provided at the two properties to the rear, being 2 and 4 Newcastle Street.

The Islamic Society has approached BlueScope to use part of Lot 1 DP 606432 (formerly Lots 171 and 172 or 1-3 Newcastle Street) on the opposite side of Newcastle Street for car parking. This land is zoned IN3 Heavy Industrial under the Three Ports SEPP and reflects BlueScope’s ownership rather than a planning strategy. The land is separated from the BlueScope site by a landscaped mound and is currently a grassy area. The extra car park area would provide additional off-street parking.

BlueScope have agreed to the request. To enable the use to proceed, either “place of worship” or “car parking” need to be made permissible on 1-3 Newcastle Street. Alternatively, the land could be zoned R2 Low Density Residential, consistent with the rest of Newcastle Street, which would permit the use and a range of other uses. This option is not supported.

Recommendation: It is recommended that Council support the preparation of a draft Planning Proposal for the use of part of Lot 1 DP 606432, 1-3 Newcastle Street, Cringila for car parking.

CONSULTATION AND COMMUNICATION

Should Council proceed with a draft Planning Proposal to carry out these amendments, consultation would be required with BlueScope, the Port Authority of NSW, NSW Department of Industry, NSW Department of Planning and Environment, NSW Office of Environment and Heritage, and the Port Kembla Quarter Group. Further work, in consultation with stakeholders, would consider the available options to enable flexibility for BlueScope, whilst maintaining the integrity of the long term strategies for the port area.

PLANNING AND POLICY IMPACT

The use of strategically valuable industrial land within the Port Kembla area needs to consider a number of relevant strategies and the economic impact on the Port and nearby commercial centres. These policies and strategies are considered below:

The Illawarra Shoalhaven Regional Plan (2015)

This Plan, recently released by the NSW Department of Planning and Environment, includes Action 4.1 – *Investigate opportunities to better utilise industrial landholdings at Port Kembla*. The Regional Plan states that there needs to be an understanding on the matters to be resolved before surplus land can be made available for alternative uses

including access, servicing, land constraints, land use conflict and tenure issues. The utilisation of surplus lands may require infrastructure planning and/or master-planning of key sites.

Port Kembla Land Use Strategy (2007)

This was prepared to provide a policy and planning framework to guide future planning for the Port of Port Kembla and was incorporated into the Three Ports Proposal, which has evolved into the State Environmental Planning Policy (Three Ports) 2013. This strategy sought to protect land within the vicinity of the port for port and port-related uses.

Employment Lands Guidelines for the Illawarra (2008)

This document contains a set of guidelines to support the intentions of the Illawarra Regional Strategy, and to promote good planning and orderly development of the region's employment lands. The guidelines define the Port Kembla Industrial Precinct and the Port of Port Kembla as "lands of regional significance for employment generating use". The guidelines also seek to restrict the amount of office space and retail uses within the industrial precincts.

Wollongong Local Government Area Employment Lands Strategy (2006)

This strategy was prepared as part of the suite of documents that informed the creation of Wollongong Local Environmental Plan 2009. This strategy also seeks to protect industrial lands from inappropriate uses by other retail/office uses.

Wollongong Retail Centre Study (2004)

Council's Retail Centre Study recommends that Council support the retail hierarchy to focus retail and business uses within existing or planned centres. Council has undertaken a number of town and village centres planning projects over recent years to focus growth in areas such as Wollongong City Centre, Warrawong and Wentworth Street (Port Kembla).

State Environmental Planning Policy (Three Ports) 2013

This policy seeks to protect vital land within the vicinity of the port from land uses that would compete with port-related and industrial uses. The aims of the policy are set out below:

- a to provide a consistent planning regime for the development and delivery of infrastructure on land in Port Botany, Port Kembla and the Port of Newcastle;
- b to allow the efficient development, re-development and protection of land at Port Botany, Port Kembla and the Port of Newcastle for port purposes;
- c to identify certain development within the Lease Area as exempt development or complying development;
- d to specify matters to be considered in determining whether to grant consent to development adjacent to development for port purposes;

- e to provide for development at Port Botany that does not, by its nature or scale, constitute an actual or potential obstruction or hazard to aircraft;
- f to identify certain development as State significant development or State significant infrastructure; and
- g to ensure that land around the Lease Area is maintained for port-related and industrial uses, including heavy industry on land around Port Kembla.

It is important to consider the compatibility of the requests with the aims of the State Environmental Planning Policy to ensure that the intent is maintained. It is intentional that the SEPP does not permit a wide variety of uses, in order that the overall objective of protecting scarce land within the port and surrounding area for port and port-related uses.

In considering the draft Planning Proposal, consideration needs to be given to the economic impact of the use of this industrial land for non-industrial purposes. Sterilisation of industrial land from future industrial uses needs to be avoided. Impacts of non-industrial uses on the ability of neighbouring industrial uses to operate effectively also need to be considered for the long-term viability of these vital functions. The potential economic impact of non-industrial uses which could have been located to reinforce existing commercial centres (such as the City Centre, Warrawong, Wentworth Street, Port Kembla) also needs to be considered to avoid undermining strategies designed to enhance or revitalise those centres.

The proposed Men's Shed and car parking uses are small, involve minor building works and are located in areas that do not conflict with access and security requirements for the Port. These are minor uses that would not compromise the Port or undermine the viability of nearby centres.

BlueScope Steel are seeking a number of alternative uses for a variety of sites. Whilst supportive of interim uses that enable BlueScope to make a productive use of underutilised land, Council is still mindful of the potential impacts on nearby centres and the potential for land use conflict between the proposed uses and existing industrial/port uses. The use of areas for storage/distribution facilities or warehousing would fit within the range of uses that would suit an industrial area. The use of significant areas for office facilities does present some concern, as these are uses that Council would be encouraging to be located within the city centre, or alternatively areas such as Wentworth Street, Port Kembla, which Council and the local community have been seeking to encourage revitalisation for a number of years. Careful drafting of alternative clauses and consideration of sunset agreements will be necessary to ensure that the additional uses sought are only temporary, do not sterilise land within the Port or surrounding industrial area, and do not undermine the viability of nearby centres. BlueScope have suggested that such additional uses only be allowed for the period during which they own the land. This partly reduces the long term impact as the land would not be sold, however long term rental of the land could still result in land being locked away from port or port-related uses for a considerable period.

The request for additional uses to be considered within Exempt and Complying development are largely in keeping with the intent of the SEPP and Council's strategy for the Port. Again, as the overall aim of the State Environmental Planning Policy is to protect such land for port and port-related uses, the potential for other uses to take up scarce land within the vicinity of the port needs to be carefully considered. The addition of a heritage map layer is logical and does not contradict the intent of the SEPP and the background strategies.

This report contributes to the delivery of Wollongong 2022 goal *"We have an innovative and sustainable economy"* through the objective 2.1 *"Local employment opportunities are increased within a strong economy"* and objective 2.2 *"The region's industry base is diversified"*.

FINANCIAL IMPLICATIONS

There are no immediate financial implications to Council from the recommendations of this report.

CONCLUSION

It is important that Council does not undermine the integrity of the policies protecting the State significant port infrastructure and surrounding supporting industrial lands. A draft Planning Proposal will give Council opportunities to consider better utilisation of industrial landholdings at Port Kembla. The Regional Plan states that there needs to be an understanding on the matters to be resolved before surplus land can be made available for alternative uses including access, servicing, land constraints, land use conflict and tenure issues. The utilisation of surplus lands will require careful drafting of planning provisions to ensure that reasonable short term opportunities are available for economic use of unutilised sites, while not undermining the potential for these sites to be redeveloped for port, port-related or industrial uses. It is recommended that Council prepare a draft Planning Proposal to explore these options.

Legend

 Port Kembla Boundary

Catchment

 Coastal 28-01-2015 & Wollongong City Council



0 0.6
Kilometers

Scale 1:20,000 @ A3

Projection: GDA 1994
MGA Zone 55

Map identification number: Pt Kembla PP AIR 2014.mxd



Legend



Heritage



Port Kembla Boundary

Database



Source: 28-11-2016, © Wollongong City Council



0 0.6
Kilometers

Projection: GDA 1994
MGA Zone 56

Scale 1:20,000 @ A3

Map Identification number: Port Kembla PP Heritage.mxd

