
Planning Proposal Submission

Under NSW Government's Gateway System

**SUBJECT LAND - 249 SHELLHARBOUR RD KEMBLAWARRA
Lot 4 DP 270518**



for submission to Wollongong City Council

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Summary - Planning Context and Proposal Merits

This proposal seeks support for an amendment to Wollongong LEP 2009 to make permissible storage premises on a parcel of land described as 249 Shellharbour Road Kemblawarra (Lot 4 DP 270518). Kennards Self Storage group of companies is the site owner, and it would be its intent to ultimately develop a self storage operation on the site. Up until the recent gazettal of WLEP 2009 such uses would have been permissible on the site. However for Wollongong's LEP storage premises are not permissible within the IN3 heavy industry zone. This report submits that, in the circumstances, this use is more than suitable for this location.

The NSW Department of Planning and Infrastructure (the Department) has introduced specific processes for the examination of applications for Local Environmental Plan (LEP) amendments. This process is described as the "gateway system". In accordance with recent discussions with staff from Wollongong City Council, this submission follows the approach adopted in the gateway system. Under the system, applications for amendments to LEPs are termed Planning Proposals. In particular this report works through the required submission of the Department's 2009 guideline for Planning Proposals.¹



Figure 1: Land Use Context

This report finds that the Planning Proposal makes sense from a local perspective in that it would reduce the risk of harm to the more sensitive environmental and residential lands to the south and west, and is obviously very compatible with the adjoining light industrial development.

It warrants some emphasis given recent history that this proposal is highly different from the previous proposal for bulky good use on this site. Bulky goods land use can adversely affect the stability of an industrial precinct, creating potential higher land values for certain parcels and creating friction

¹ DoP 2009, Guidelines to Preparing Planning Proposals – see:
http://www.planning.nsw.gov.au/lep/pdf/guide_preparing_preparing_planning_proposals.pdf

between its commercial interests and what have been traditional industrial practices. The Wollongong Employment Lands Study² explicitly recommended against bulky goods as a permissible use in industrial zones.

Historically, and unlike the bulky goods use, storage premises have been a permissible use on the site and within the heavy industrial zone. Storage uses are compatible with heavy industry and sits readily in the planned conceptual frame for future employment growth in Wollongong. As illustrated below, this use can provide important support services to small business and wider industry.

Small Business Services

- Storage services help by improving the flexibility available to burgeoning businesses and thus assist in generating job growth and investment.
- Many small distribution businesses, workshops and services businesses commence activities by storing small goods in garages and domestic rooms. With expansion, this sector has an increased demand for storage of merchandise and other goods which is regularly accommodated in smaller compartmentalised storage facilities. The relatively easy access and low costs involved allow businesses to further examine market potential before taking the more expensive move to a leasehold premises or purchase of industrial/commercial property.
- As such, storage premises uses are well established as useful business incubation devices for the small business sector, an important economic driver in the modern economy.



Figure 2: Site view - closer setting

Wider Business Services

- In a diverse and spatially dispersed economy like Australia's there are many and varied requirements for storage. Larger and medium sized business will use covered compartmentalised storage, and flexible outdoor storage space during times of overflow demand.

² Hill PDA 2006, Wollongong Employment Lands Study

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- Niche level logistics planning for national businesses has also established a demand for localised equipment or merchandise storage. Kennards Self Storage (KSS) has particular evidence of this itself which is outlined in the report.

Leyshon Consulting, specialists in the analysis of employment-related land use provide an accompanying submission in support of the Planning Proposal.

Overall, this Planning Proposal is seen to meet the required public interest tests, while sitting well within the strategic planning framework for the locality.

The report now follows the specific content requirements detailed in the DoP's Guide to Preparing Planning Proposals.

PART 1 - OBJECTIVES OR INTENDED OUTCOMES

The objective and intended outcome of this proposal is:

- To re-establish the permissibility of a storage premises on a site at 249 Shellharbour Road Kemblawarra.

PART 2 - EXPLANATION OF PROVISIONS

There are a number of options for achieving this objective and the intended outcome. Clause 2.5 of LEPs under the new template arrangements in NSW provide for the site specific addition of particular permitted land uses. The listing of such additional permissions occurs at Schedule 1 of LEPs. Due to certain local/idiosyncratic factors cited in the body of the report, the appropriate circumstances for use of clause 2.5 apply in this instance.

The recommended changes to WLEP 2009 provisions would call up the provisions of WLEP 2009, clause 2.5, and include the following additional clause at *Schedule 1 – Additional Permissible Uses*:

23³ Use of certain land at Kemblawarra

(1) This clause applies to land at 249 Shellharbour Road Kemblawarra

(2) Development for the purposes of self-storage units is permitted with consent.

It is noted that the actual owner of the site proposes a use which would be more commonly described as *self-storage units*. Equally acceptable to the proponent would be a similar provision which permitted *storage premises* as a permissible use on the site pursuant to clause 2.5. *Storage premises* being a higher order statutory term, which includes the sub-use *self-storage units* within its statutory meaning⁴.

There are two other approaches which would also bring about the intended outcome. The first would add *self storage units or storage premises* as a permissible use within all IN3 land covered by WLEP 2009. This report also outlines a justification for this approach. The third option would rezone the subject parcel to a light industrial zone wherein *self-storage units* and *storage premises* are already permissible uses. This approach also has some justification in this instance which is explained below.

³ Or next appropriate clause number in the numbering sequence.

⁴ It is noted that the actual use which is proposed for the site will comprise a Kennards Self Storage premises with ancillary outside storage common to the Kennards service offer. Kennards Self Storage group of companies is the owner of the site.

The preferred option (ie use of Clause 2.5 and Schedule 1) and the second option (additional permissible use to the IN3 zone) would occur through amendments to the written instrument. The third option would require an amendment to the Land Zoning map to WLEP 2009.

PART 3 - JUSTIFICATION

The Department's Guidelines reference an overarching principle that should guide responses to the question of justification, namely "that the level of justification should be proportionate to the impact the planning proposal will have".⁵ In our view the addition of the storage premises use to the subject site will not have any material impact on the foundations or the IN3 zone or the local setting.

In short we believe the inclusion of storage premises uses within IN3 zone makes good planning sense and increasingly so given the restructuring of local industry which is both intended and proceeding (see advice from Leyshon Consulting and details in this report). There are also site specific reasons why development of a storage premises makes good sense on this site (discussed below), which point to the suitability of use of Clause 2.5.

Section A – Need for Proposal

1. Is the planning proposal a result of any strategic study or report?

Council has not undertaken any strategic study or report for this proposal. This report by Walsh Consulting analyses the project's strategic context, and includes appropriate specialist economic input from Leyshon Consulting.

2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

As indicated above there is one recommended means of achieving the nominated objective and two further alternatives. These are discussed briefly below.

Use of Clause 2.5 and Schedule 1 – Additional Permissible Uses

There are both site specific, and use specific circumstances which suggest use of Schedule 1 in this circumstance which can be summarised as follows:

- Heavy industry and residential land uses would generally be seen as incompatible in spatial planning terms, or at least uses which would often have compatibility problems. While zoned IN3, this site is the closest parcel to residential uses within the industrial precinct. The south-west corner is only some 150m to the residential precinct at the south-west, with the main activity areas would be over 250m (see Figure 1), although with a clear line of sight. Storage premises would be among the most acceptable of potential "industrial" uses for the site given this locational setting.
- The adjoining land to the immediate south of the subject land (and in turn the industrial precinct) comprises land zoned E2 – Environmental Conservation in WLEP 2009. This land is

⁵ Ibid, p4

also identified as having Natural Resource Sensitivity in WLEP 2009 biodiversity maps.⁶ It is seen as a positive planning step to facilitate the development of a use with low potential to impact on this sensitive natural resource which directly adjoins.

- The rest of the industrial precinct at 249 Shellharbour Road has already been developed, principally for light industrial purposes. Council has previously drawn a conclusion that it is unlikely that this site would in fact be developed for heavier industrial uses into the future for this reason⁷.
- Addition of *storage premises* for the site under Schedule 1 would allow for orderly economic development and the completion of this industrial precinct, without any question of changes to the balance of land use allocation (eg erosion of the heavy industry land use areas), while also ensuring reasonable management of local residential amenity, and environmental risks into the future.

Overall this approach is seen to provide the most straightforward way to achieve the nominated objective and outcomes, with the least regulatory complexity.

Additional Permissible Use within IN3 Zone

In our view it is also open to planning authorities to include *self-storage units* or *storage premises* as a permissible use within the IN3 zone. Authorities are, reasonably, concerned to ensure protection of the integrity of the IN3 zone. The following arguments support the view that inclusion of *storage premises* as a permissible use within the wider IN3 zone does not provide a real threat to the IN3 zone:

Arguments in favour of this position include:

- *Storage premises* use is already permissible in a significant number of new "template LEPs", and was previously generally permissible within "heavy industry" zones under the common term "warehousing", or as an innominate use.
- *Storage premises* by definition provide support service to industry and commerce.
- Consistent with some objectives of the IN3 zone and not inconsistent with any zone objectives.

Objectives Zone IN3	
To provide suitable areas for those industries which need to be separated from other land uses.	One aspect of self storage use which requires it best sited not directly adjacent to sensitive uses is its operating hours. Visitation levels are quite low but 24 hour operation can have implications for sleep disturbance on neighbours. Thus the need for separation.
To encourage employment opportunities.	Self storage does not have high levels of direct employment. Its employment creation value is in its role as a supporter or enabler of the incubation process for emerging businesses, and as a back-up for businesses in need of short term storage.
To minimise any adverse effect of heavy industry on other land uses.	Can assist this objective by allowing for the location of lower impact uses at edges of IN3

⁶ WLEP 2009 Maps - Reference Sheet NRB_012

⁷ This was acknowledged in Council administration's assessment of the previous proposal to rezone the site to permit bulky goods retailing. See report Item 4 Ordinary Meeting 27 May 2008. Note prior to the formal consideration of the report the Proposal was withdrawn by the proponents (General Manager's note to Council on same matter).

	zones where there may be potential for incompatibility with adjacent uses.
To support and protect industrial land for industrial uses.	Self storage would not generally be seen as a threat to industrial land use. It is commonly located in heavy industrial precincts, has very low visitation levels, and does not bring the same set of issues which uses such as bulky goods retailing may bring (eg higher visitation levels, expectations of high amenity by tenants/patrons, tendency to lift land values and thus self reinforce an erosion of lower land value uses which might destabilise the zone.
To facilitate the ongoing sustainability of steel making and steel product manufacturing that will contribute to the economic and employment growth of Wollongong.	The steel industry in Wollongong comprises a complex system with a wide network of connections across service and manufacturing sectors. Provision of self storage activities would assist developing businesses and those with short term needs for space.

Zoning Amendment

There are also arguments to support a zoning change for the subject land. The most obvious change would be from IN3 – Heavy Industry to IN2-Light Industry. The arguments we would support are summarised as follows:

- The site is located at the southern edge of the IN3 zone, closest to residential development and sensitive environmental land. Heavy industry can have inharmonious relationships with these as adjoining uses. A change to light industrial zone, which by definition has lesser potential impacts, would be reasonably expected to reduce future incompatibility problems.
- The immediate precinct is already in use for light industrial purposes with development investment (ie building forms) already occurring consistent with that use.
- The principle of buffering heavy industry from more sensitive uses with a light industry zone is already established in the local area to the immediate north (see **Figure 6**).
- There would be little practical effect with this zoning change as the subject parcel of land is not seen as likely to ever be developed for heavy industry use.
- If there were to be a DA proposal for an industrial use on the subject site which was permissible in the IN3 zone but not in an IN2 zone, a quite difficult assessment process may present itself given the proximity to residential neighbours. The land use definition of *light industry* requires this use to “not interfere”⁸ with nearby residential uses. Naturally and reasonably, there is no similar strong statutory caveat on other industrial uses.
- In comparison, there seems little in the way of adverse effects if this situation were avoided through a change to the current zoning to IN2.
- Planning authorities have already taken a position in regard to bulky goods retailing on the subject site, and a change to a B6-Enterprise Corridor zone, clearly rejecting such a change for the site. Bulky goods retailing uses have attendant issues which are very different from those for the heavy industrial sector or for storage premises. Issues such as the following are generally important to bulky good premises: value related to quality of visitor experience, high

⁸ According to WLEP 2009, **light industry** means a building or place used to carry out an industrial activity that does not interfere with the amenity of the neighbourhood by reason of noise, vibration, smell, fumes, smoke, vapour, steam, soot, ash, dust, waste water, waste products, grit or oil, or otherwise ...

traffic levels, higher land values with financial returns aligned to retail sector rather than industrial sector terms. The same issues are not generally important to heavy industry or storage premises. There was a concern that a change of zoning to permit bulky goods would erode the established heavy industry sector. A change to IN2 zone would only allow development in alignment with light industrial zone principles and not allow bulky goods retailing on the site, and in consideration of the above points not be likely to affect the stability of the heavy industry zone.

- Heavy industry and residential land uses would generally be seen as incompatible uses, or at least uses which would often have compatibility problems. While zoned IN3, this site is the closest to residential uses within the industrial precinct (see **Figure 1**). Self storage use would be among the most acceptable of potential "industrial" uses for the site given this locational setting.

Summary

Strong arguments in support of the Planning Proposal have been introduced above. There are a number of statutory options for advancing this matter. The most straightforward approach would be via the use of Clause 2.5 of WLEP and an amendment to Schedule 1 of the LEP as nominated above. The particulars of the immediate setting of the subject site (within a light industrial precinct, and near to sensitive environmental and residential receivers), of itself suggests justification for use of clause 2.5 in this instance.

3. Is There a Net Community Benefit?

The NSW government's gateway system for Planning Proposals references the Draft Retail Centres Policy and its approach to conducting a "Net community Benefit Test". The table below lists the cited net community benefit criteria with responses in regard to the characteristics of the subject proposal.

Net Community Benefit Criteria

• *Will the LEP be compatible with agreed State and regional strategic direction for development in the area (eg land release, strategic corridors, development within 800 metres of a transit node)?*

Yes, see commentary at Part B.

• *Is the LEP located in a global/regional city, strategic centre or corridor nominated within the Metropolitan Strategy or other regional/subregional strategy?*

Yes, the proposal is at the southern edge of the Warrawong Major Regional Centre as nominated in the Illawarra Regional Strategy.

• *Is the LEP likely to create a precedent or create or change the expectations of the landowner or other landholders?*

No. The site is idiosyncratic in that it lies within a precinct already developed for light industrial purposes including storage and distribution premises. Further, it is located at the edge of an industrial zone and permissibility of lower impact storage premises will assist in buffering the heavy industrial uses from the nearby residential development.

We do submit however (supported by evidence from Leyshon Consulting), that permissibility of the use *storage premises* would be a reasonable baseline position for IN3 zones.

• *Have the cumulative effects of other spot rezoning proposals in the locality been considered? What was the outcome of these considerations?*

Council and State planning authorities have been clear in rejecting a previous spot rezoning proposal for the site. The planning principles for this use are entirely different to the rejected proposal.

• *Will the LEP facilitate a permanent employment generating activity or result in a loss of employment lands?*

The proposal would merely add another use to the existing zone. It is noted that storage premises have relatively low employment levels per m2 floor area (like many industrial premises nowadays). However

storage premises do play an important role in the overall logistics chain for commerce and industry (refer Leyshon submission).

• Will the LEP impact upon the supply of residential land and therefore housing supply and affordability?

No effect.

• Is the existing public infrastructure (roads, rail, utilities) capable of servicing the proposed site? Is there good pedestrian and cycling access? Is public transport currently available or is there infrastructure capacity to support future public transport?

The site is very well located in terms of public infrastructure.

• Will the proposal result in changes to the car distances travelled by customers, employees and suppliers? If so, what are the likely impacts in terms of greenhouse gas emissions, operating costs and road safety?

From a local perspective the proposal would reduce travelling distances to those in need of storage services.

• Are there significant Government investments in infrastructure or services in the area whose patronage will be affected by the proposal? If so, what is the expected impact?

No adverse effect and no requirement for additional state or local infrastructure as a consequence of the proposal.

• Will the proposal impact on land that the Government has identified a need to protect (e.g. land with high biodiversity values) or have other environmental impacts? Is the land constrained by environmental factors such as flooding?

The site lies within a fully developed light industrial estate and has been previously cleared. The site has not been identified as requiring any protection due to natural resource conservation considerations. The figures below provide excerpts from WLEP 2009 maps of acid sulfate soils, biodiversity and flooding.

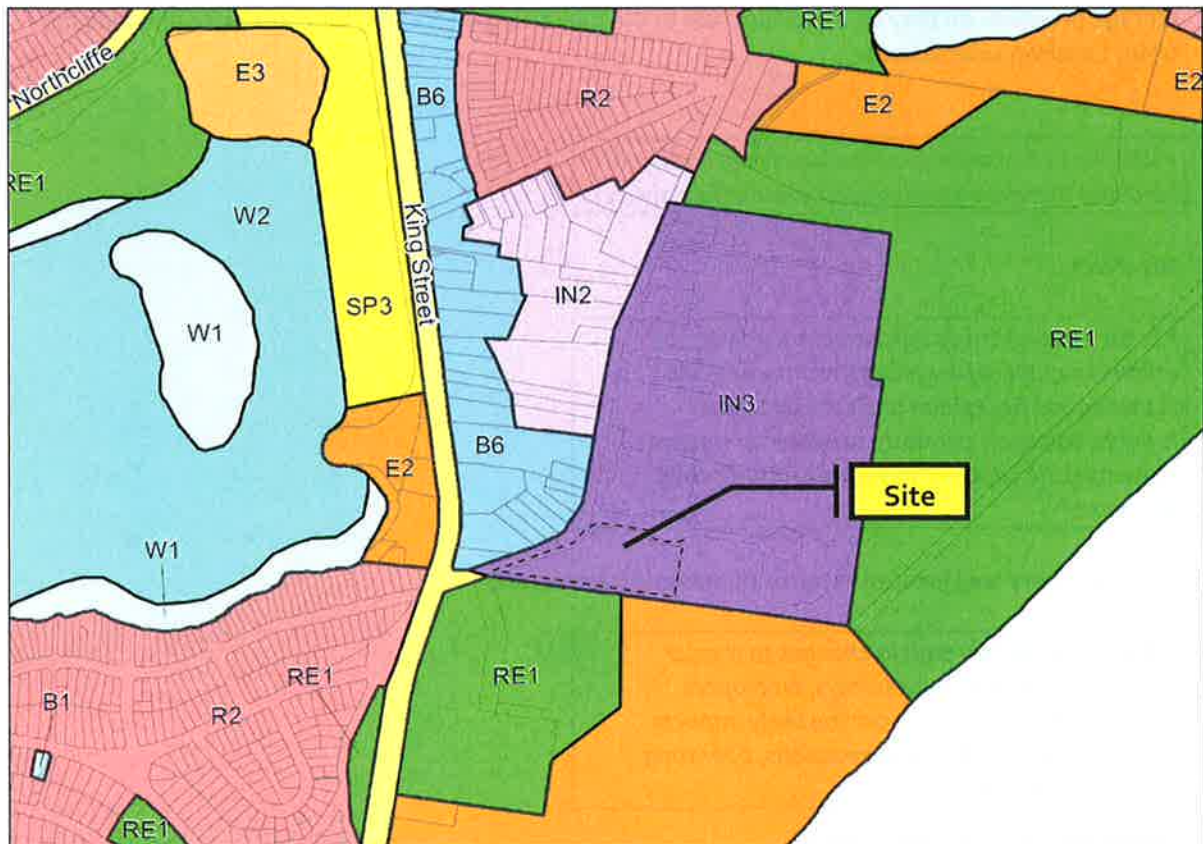


Figure3: Zoning in Site Environs



Figure 4: Shaded areas are nominated in WLEP 2009 as "natural resource sensitivity – biodiversity"

Clause 7.2 of WLEP 2009 refers particularly to natural resource sensitivity provisions, and the clause applies to land shaded in the natural resource sensitivity map (an excerpt from which is provided above). While the site is not affected by clause 7.1, the proximity to the sensitive land is noted. Lighter rather than heavier industrial uses would be facilitated if the subject proposal were to receive support. This would generally be seen to lower the risk of harm to the identified sensitive area.

Clause 7.5 of WLEP 2009 refers to acid sulfate soils and the LEP map identify soil acidity classification (an excerpt is provided in the figure below). The majority of the site is identified as Class 3 land. Analysis of acid sulfate soil risks and mitigation requirements if any will be a consideration for a future DA.

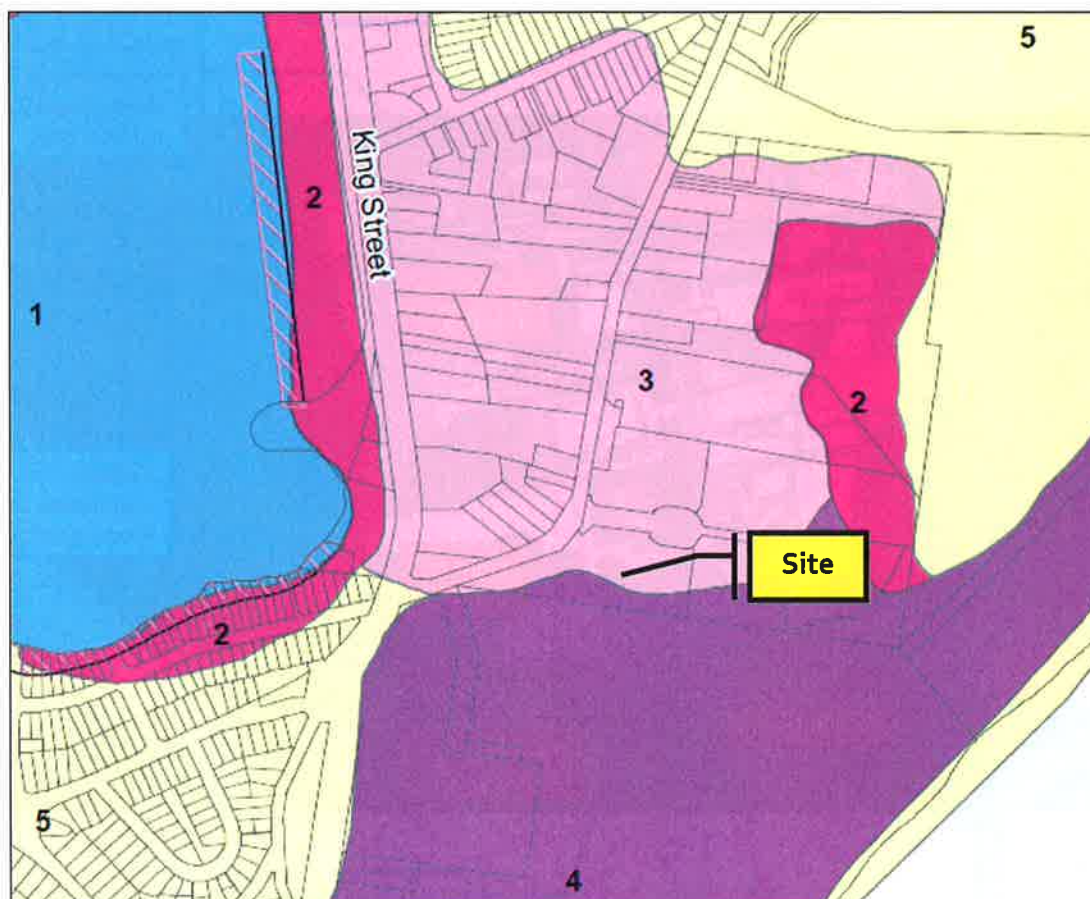


Figure 5: Acid Sulfate Soils

A Council report has identified that there may be evidence of items of cultural heritage value within the site⁹. The site is a relatively large one for the proposed use with considerable design flexibility available should the need arise. It is reasonable to expect that there is scope for this matter to be attended to as the proposal progresses.

- Will the LEP be compatible/complementary with surrounding land uses? What is the impact on amenity in the location and wider community? Will the public domain improve?

The Figure and text below examine these questions.

⁹ See report Item 4 Ordinary Meeting 27 May 2008. Note prior to the formal consideration of the report the Proposal was withdrawn by the proponents (General Manager's note to Council on same matter).

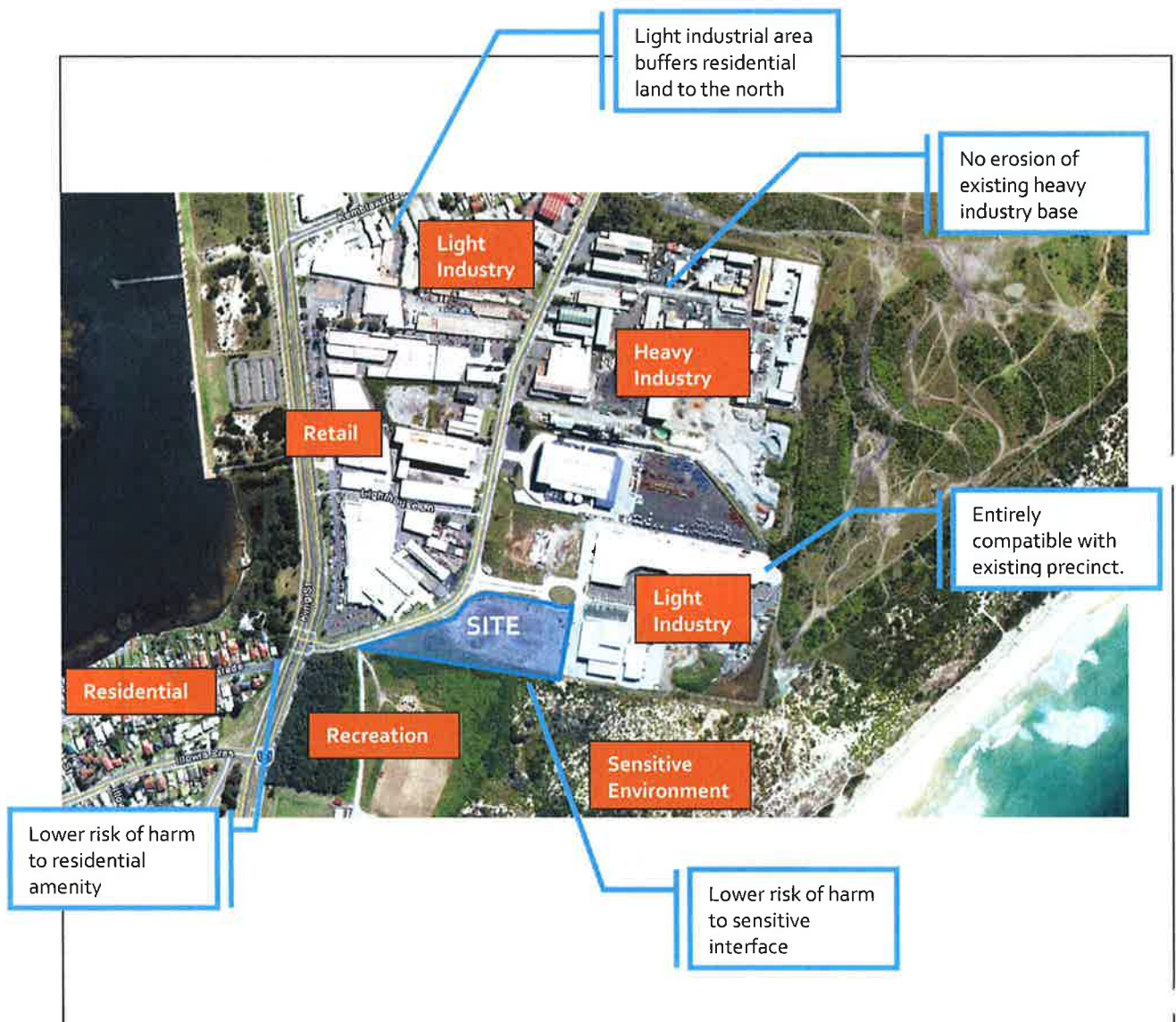


Figure 6: Site Analysis

The immediate site vicinity has been developed for light industrial purposes. Development within the heavy industry zone comprises a range of uses from heavy industrial to storage and logistics premises. A bulky good precinct is located to the west. The proposed use is entirely compatible with and directly complementary to each of these uses. Residential development lies less than 200m to the west. Heavy industry and residential land uses would generally be seen as incompatible uses, or at least uses which would often have compatibility problems. While zoned IN3, this site is the closest to residential uses within the industrial precinct. Storage premises and in particular the proposed self storage development would be among the most acceptable of potential "industrial" uses for the site given its proximity to residential development.

The site at present does not make any positive contribution to the public domain. The DA process can ensure improved outcome in terms of public domain and landscape/streetscape character.

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- *Will the proposal increase choice and competition by increasing the number of retail and commercial premises operating in the area?*

The proposal would increase competition for support services by expanding the availability of storage premises. Given its proximity to residential land uses and the fact that the rest of the industrial precinct has already been developed for lighter industries, it is not seen as likely that this site would be developed for a heavy industrial purpose. To this extent it is not seen to reduce competition or choice in regard to the industrial land market.

- *If a stand-alone proposal and not a centre, does the proposal have the potential to develop into a centre in the future?*

The site is at the edge of the Warrawong Major Regional Centre.

- *What are the public interest reasons for preparing the draft plan? What are the implications of not proceeding at that time?*

The assessment of this criterion is framed by a comparison of a “base case” position ie (retaining the status quo) to a new position which would allow for the proposed LEP amendment¹⁰.

Small scale storage premises play an important role in small and wider business and in supporting “compact city” principles

Small Business Services

- Storage services help by improving the flexibility available to burgeoning businesses and thus assist in generating job growth and investment.
- Many small distribution businesses, workshops and services businesses commence activities by storing goods in garages and domestic rooms. With expansion, this sector has an increased demand for storage of merchandise and other goods which is regularly accommodated in smaller compartmentalised storage facilities. The relatively easy access and low costs involved allow businesses to further examine market potential before taking the more expensive move to a leasehold premises or purchase of industrial/commercial property.
- As such storage premises uses are well established as useful business incubation devices for the small business sector, an important economic driver in the modern economy.

Wider Business Services

- In a diverse and spatially dispersed economy like Australia’s there are many and varied requirements for storage. Larger and medium sized business will use covered compartmentalised storage, and flexible outdoor storage space during times of overflow demand.
- Niche level logistics planning for national businesses has also established a demand for localised equipment or merchandise storage. Kennards Self Storage has particular evidence of this itself.
- Given its own national supply capacity for small scale storage, KSS has established relationships with a number of national businesses who have major warehousing centres in Sydney/Melbourne/ Brisbane, but require smaller scale storage in regional settings to bring

¹⁰ Reference DoP, *A Guide to Preparing Planning Proposals*, p5.

regional servicing/access capacities up to the equivalent of metropolitan-level. One of the reasons KSS is interested in investment in Wollongong is based on requests from a number of National Account Customers for this service in Wollongong as an addition to other regional settings which are already serviced in this way by KSS. We are advised these particular national level clients include: Pfizer, Restore, Abbott Australasia, Arnotts, Glaxo Smith Kline, Janssen Cilag, Kelloggs, Merck Sharp Dohme, Mundipharma, Nycomed, Wriggles.

Residential Sector

- Self storage is also used by the residential sector, supporting compact city principles (eg smaller homes with better access to services and employment and lower greenhouse gas emissions).
- It is noteworthy that the Wollongong Employment Lands Study encourage the use of industrial land to provide residential support services¹¹.

No significant transfer of benefits as a consequence of the proposal

This proposal is seen to be quite different from the previous bulky good proposals for the site. A change to permit bulky goods would significantly affect the value of the site, and as suggested by Council, provide a potential erosion of the heavy industrial precinct. The proposed storage use on the site is a low key use with no significant changes to the value which the community would place on the land. As such, the proposal is seen to provide the above public benefits but without imposing costs on other parties (ie local industrialists), and raising adverse precedents.

The public interest reasons for proceeding with the modification can be summarised as follows:

- Address an existing practical anomaly whereby an obvious use is not permissible in an existing light industrial precinct
- Provide an opportunity for further economic investment and support services creation consistent with documented strategies
- Encourage the buffering of industrial uses from residential uses in the locality
- Do so without any adverse effects on local industry dynamics.

The baseline (current) status retains the existing anomalous position. With the rest of the precinct already developed as a light industrial cluster, and the nearby residential development with its associated risks and constraints, provides an impediment to the securing of investment in this site for heavy industrial purposes. This presents as a case of loss of an opportunity to garner increased investment and commercial vitality in this locality..

¹¹ Hill PDA 2006, Wollongong Employment Lands Study, p116

Section B - Relationship to strategic planning framework.

4. Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy?

Of particular note is the Illawarra Regional Strategy 2006-31¹². The Regional Strategy provides the overall land use planning framework for the broader region. The subject land is at the southern perimeter of the Warrawong Major Regional Centre¹³.

According to the Regional Strategy there are six key economic challenges for the Region. The relevance of the proposal to the challenges is summarised below.

Regional Strategy's Key Economic Challenges	Considering the Planning Proposal
• <i>provide opportunities and investor confidence to support job creation that addresses the need for increased local jobs</i>	The owner of the site is one of Australia's largest service providers of smaller scale goods storage. The change would provide for direct opportunity for investment at the local site. The use does not have high numbers of direct employment, but does provide an important service to local commerce and industry, relevant to the LGA's goals for a more diversified economy. The regional strategy acknowledges the government's recent investment in Port Kembla in support of the car import trade and notes the opportunities related to growth of port activities including in support areas of "business, finance, IT, retail, transport and logistics"¹⁴. Storage activities at the subject site can assist in supporting increasing economic diversification in the region.
• <i>strengthen the region's links to Sydney and other regional markets to ensure capacity and corridors for passenger, tourist and freight transport networks</i>	Not inconsistent with achievement of this challenge.
• <i>protect transport corridors within the Region and which connect to adjoining regions</i>	Site is well connected with transport corridors and itself brings no adverse effect on transport corridors.
• <i>protect, monitor and in some cases expand employment lands to avoid fragmentation.</i>	This proposal does not reduce or fragment employment lands.
<i>Establish a commercial hierarchy that clearly identifies the roles of centres and relationships between centres</i>	Warrawong is noted as a Major Regional Centre in the strategy and focal point for subregional road and transport networks. The proposal is seen as consistent with Warrawong's identified role and does not threaten the role of centres or relationship between centres.

¹² Department of Planning 2007, *Illawarra Regional Strategy 2006-31*

¹³ See Regional Strategy Map at p12-13 of the document.

¹⁴ Department of Planning, *op cit*, p13

Regional Strategy's Key Economic Challenges	Considering the Planning Proposal
<i>Provide a broader range of tourist, accommodation and conferencing for the region</i>	This challenge is not related to the proposal except insofar as providing potential support services for industry such as the tourist/accommodation/conferences sectors.

The Regional Strategy maps out a vision for the future of the area that is "prosperous", "diverse", and "sustainable". Overall the subject proposal is seen to be of assistance in addressing the regional challenges to the achievement of this vision.

5. Is the planning proposal consistent with the local council's Community Strategic Plan, or other local strategic plan?

In accordance with new requirements all NSW councils are introducing a new planning process that involves bringing the community into discussions and visions for their respective Local Government Areas. At this point Wollongong Council remains at a formative stage of the preparation of its *Wollongong 2022: Community Strategic Plan*. However the council and other government authorities with a role in assisting the planning process have a number of other relevant strategy documents. Here we reference those related to economic development and employment lands strategy as references to assist in considering the question of whether this proposal has coherence with the intended planning direction for the City.

According to the Commonwealth government, the Illawarra region's unemployment rate at April 2010 was 5.7%, marginally higher than the then seasonally adjusted national average of 5.4%. However both participation levels (14.5% Illawarra vs 11.7% nationally) and youth unemployment (14.5% Illawarra vs 11.7% nationally) suggest points of disadvantage in the local economy¹⁵. Around 15,000 jobs have been lost from the manufacturing industry since the 1980s¹⁶. Council, State and Commonwealth government have all indicated the importance of local employment retention as the Wollongong population grows, and the Port and heavy industry sector will remain key employment drivers for the city into the future. Analysis for Council by the Buchan group has noted the changing economic and employment profile of Wollongong LGA.¹⁷

The industry profile of Wollongong has changed considerably in the last two decades with contraction in manufacturing and mining employment and growth in services jobs (including retail, education, health and community services, and business services). This shift has seen significant growth in employment in the city centre.

There is already evidence of change in the occupational profile of the region as a response to this¹⁸:

This change in the industry profile is exhibited in the major change the LGA has experienced in its occupational profile. Professionals together with associate professionals² made up some 22% of occupations in 1986, which increased to 31% in 2001. Managers increased from 3% to 6% in the workforce.

¹⁵ Commonwealth Government 2010, Regional Employment Plan Illawarra Priority Employment Area, p5

¹⁶ *ibid*, p6

¹⁷ Buchan 2006, Wollongong Local Government Area - Economic Development Strategy - Volume 1 Strategy Report

¹⁸ Hill PDA 2006, Wollongong Employment Lands Study

While recognising the importance of future levels of heavier industry activities and indeed the need to build on current and emerging sectoral strengths, the Buchan Report acknowledged the evidence of manufacturing sector contraction and emphasised that Wollongong will “need to continue to transform itself as a location for higher value added manufacturing, as a regional services centre and as a centre for knowledge based activities” if employment growth is to continue.

The major focus for the economic development strategy for Wollongong LGA needs to be on major projects, business growth and action on constraints.¹⁹

There is already evidence of change in the occupational profile of the region as a response to this²⁰:

This change in the industry profile is exhibited in the major change the LGA has experienced in its occupational profile. Professionals together with associate professionals made up some 22% of occupations in 1986, which increased to 31% in 2001. Managers increased from 3% to 6% in the workforce.

The notion of expanding the permissible uses on this site to allow storage premises does reflect a minor shift from the principle of strong limitations on uses within the heavy industrial zones as a means of protecting a historical pattern of development. However at the site specific level this factor is not of relevance as the precinct is already developed for light industry purposes, and apparently, heavier industries have not been attracted to the site (proximity to residential often a discouraging factor for such uses). At the regional level we would also argue that the inclusion of storage premises in heavy industry properly responds to what are the changing dynamics of industry within Wollongong. We believe this is supported by Council’s industrial/employment lands study.

Consistency with Guiding Principles for industrial/employment lands

A set of guiding principles for future planning of industrial lands was established in the Wollongong Employment Lands Study²¹. The proposal is seen to be consistent with each of these principles as indicated in the table below.

Principle	Comment
Recognise industrial land as a limited resource and don’t misinterpret apparent oversupply	The proposed amendment would retain the supply of zoned industrial land.
Encourage the use of industrial land to provide residential support services (including car and house repairs) as well as higher order industrial uses on larger industrial sites	The proposed storage use and in particular self storage units provides for residential support services and would directly support this principle.
Preserve zoned land that can accommodate relatively large floor plates (larger sized lots) and that are well serviced or connected to main road networks	The proposed amendment would retain the supply of zoned industrial land with a medium floor plate which is well serviced and connected to the main road network
Develop buffer zones of low impact industrial uses (e.g. storage, parking, and landscaped areas) around land zoned industrial to minimise its impact with residential uses.	The proposal would directly support this principle by assisting in buffering industrial development from nearby residential land use.
Encourage the clustering of industries.	There is already a cluster of light industrial development in the adjacent precinct. This proposal would be consistent with clustering principles.
Maintain high standards of environmental quality for industrial development which enhance the	A matter for DA but modern Kennards Self Storage buildings are often seen as positive elements in the

¹⁹ Buchan op cit, p5

²⁰ Hill PDA 2006, Wollongong Employment Lands Study

²¹ Ibid, p116

Principle	Comment
streetscape and amenity of industrial areas	industrial streetscape (eg Brookvale Sydney).
Do not permit bulky goods retailing in industrial zones. Allow retailing in industrial areas only where it is ancillary to industrial uses	The proposal would not permit bulky goods retailing and would remove the prospects for future interests in this use on the site.
Preservation of existing heavy industry zones, but in any rezoning proposal consideration must be given to its social, environmental and economic impact on the local land supply for heavy industry, existing employees and its economic impact to the area and the region	The preferred approach to achievement of the project objective is to preserve the heavy industry zone, but should an alternative approach be preferred by the planning authorities, there are arguments in support of a change to a light industry zone as documented earlier in the report.
Heavy industrial land should ideally be separated from residential neighbourhoods and other sensitive land uses. Appropriate buffers should be put in place. The adequacy of buffer zones is an important issue for heavy industry. Increasing awareness of the environmental impact of noise and gas emissions is making the placement of heavy industry increasingly difficult.	This proposal would be directly supportive of the principle of separation of heavy industry from residential neighbourhoods. It is not seen as likely by Council or the proponents that heavy industry will in fact be developed on the site due to the factors listed in this criteria.
Protect heavy industrial employment clusters from encroachment of incompatible land uses	The use of the subject land for storage premises is seen to be an entirely compatible use with heavy industry and is not seen to be an encroachment of an incompatible use.

6. Is the planning proposal consistent with applicable state environmental planning policies?

We have undertaken an initial overview of state environmental planning policies and see no apparent inconsistency. Illawarra Regional environmental Plan No. 1 (a deemed SEPP) applies to the subject lands. This plan has the broad aim of *maximising the opportunities for the people of the region and the State to meet their individual and community economic and social needs*. The former direct provisions relating to industrial lands have been repealed in IREP 1 and it now has little relevance, with State planning principles generally encompassed in the regional strategy.

SEPP 71 – Coastal Protection lists matters which a council must consider when preparing a draft LEP. We have reviewed these matters and there is no justification for non-support of the proposal based on the aims of the policy (section 2) or the listed items for consideration (section 8). In principle, the proposal is seen to be more compatible with the stated objectives of SEPP 71 including improved amenity and environmentally compatible development along the coastal zone than would a heavy industry development on the site.

7. Is the planning proposal consistent with applicable Ministerial Directions (s.117 directions)?

Ministerial Direction 1.1 is of relevance to the subject proposal. The material below works through the provisions of the Ministerial Direction and provides responses in regard to the subject Planning Proposal.

Considering Ministerial Direction “1.1- Business and Industrial Zones”

Objectives of Ministerial Direction

1.1 Business and Industrial Zones	Considering Consistency of Subject Planning Proposal
<i>The objectives of this direction are to:</i>	
<i>encourage employment growth in suitable locations,</i>	This proposal would provide for economic investment and local employment. Apart from direct on-site employment, storage operations assist in the encouragement of employment growth by providing flexible low cost space for use during development stages of business operations.
<i>protect employment land in business and industrial zones, and</i>	The site would remain as employment land with this proposal.
<i>support the viability of identified strategic centres.</i>	The proposal is adjacent to Warrawong Centre and would provide for expanded services in this area.

Whether the Direction Applies

Criterion	Considering Applicability of Subject Planning Proposal
<i>This direction applies when a relevant planning authority prepares a planning proposal that will affect land within an existing or proposed business or industrial zone (including the alteration of any existing business or industrial zone boundary).</i>	The subject proposal affects land within an existing industrial zone and provides for the alteration of an existing industrial zone boundary

What a relevant planning authority must do if this direction applies

Required Actions of Planning Authority	Considering Subject Planning Proposal
<i>give effect to the objectives of this direction,</i>	The table above responds to each of the objectives of this Ministerial Direction and finds that the Planning Proposal is either directly consistent with, or not inconsistent with each of the objectives with the Ministerial Direction.
<i>retain the areas and locations of existing business and industrial zones,</i>	There is no change to the area of land zoned business or industrial with this proposal.
<i>not reduce the total potential floor space area for employment uses and related public services in business zones,</i>	No reduction in total floorspace for employment uses.
<i>not reduce the total potential floor space area for industrial uses in industrial zones, and</i>	Storage uses would generally be seen as an industrial use in our experience, and as such this proposal would not reduce the potential floor area for industrial uses in industrial zones.
<i>ensure that proposed new employment areas are in accordance with a strategy that is approved by the Director-General of the Department of Planning</i>	The subject proposal does not provide for new employment lands as the site is already in use for that purpose.

Direction 4.2- Mine Subsidence and Unstable Land

The Planning Proposal is understood not be affected by Mine Subsidence, however there will be a need for confirmation from Council records.

Direction 5.2-Implementation of Regional Strategies

The Planning Proposal is seen to be consistent with the Illawarra Regional Strategy as outlined in Section B of the report.

Section C - Environmental, social and economic impact.**8. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?**

The site is cleared of native vegetation and is within an established industrial area. There is no likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal.

9. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

As indicated above the proposal falls within an established urbanised precinct. The site does adjoin sensitive environmental lands. However, it is seen that the proposed use of the site for storage premises brings less risk of harm to the adjoining environmentally sensitive land than would a heavier industrial development.

A similar situation would arise in regard to consideration of future effects on local amenity. This southern corner of the Warrawong industrial precinct is the closest to the residential interface. Again the planning proposal would extend the permissibility of lighter industrial uses in this more sensitive corner of the precinct. These instances could reasonably be described as positive environmental effects of the planning proposal in our view and preferable to an intrusive heavy industry at this particular site.

Overall, the proposal is seen to bring a low risk of harm. A future DA would include conditions to ensure good management of potential impacts.

10. How has the planning proposal adequately addressed any social and economic effects?

The key social and economic effects of this proposal are related to its potential to assist in increasing local economic investment, access to support services and job generation in the locality and wider region. This is seen to be a positive effect.

Section D - State and Commonwealth interests.

11. Is there adequate public infrastructure for the planning proposal?

The site is already occupied as serviced industrially zoned land. As such it is understood that services are readily available. No additional services costs to government are expected.

12. What are the views of State and Commonwealth public authorities consulted in accordance with the gateway determination?

In accordance with the instructions in the DoP guideline, this section is to be completed following consultation with relevant authorities.

Part 4 – Community Consultation

It will be a matter for council to determine whether this proposal would be submitted as a low impact proposal, or as a proposal requiring an exhibition period of 28 days.

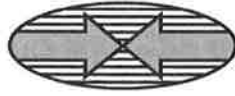
Conclusions and Recommendations

This Report outlines a proposal to add to the permissible uses on a site at the southern edge of IN3 zoned land in Kemblawarra, re-establishing the permissibility of storage activities. The proponent/landowner is seeking to make permissible one of the newly defined uses *self-storage units* on the site. Although this report notes that the use *storage premises* would be equally suitable in terms of achieving the intended outcome of the proposal. These uses would have been permissible on the site prior to the recent changes to the Wollongong statutory planning schemes.

The Gateway system requires such proposals to demonstrate their public interest bona fides by outlining the need for the proposal, its consistency with the strategic planning framework within which the project is set, by examining potential impacts on the setting and its environs and by having regard to any State and Commonwealth Government interests.

In summary, and as demonstrated in the analysis of the net community benefit test at Section 3 of this report, smaller compartmentalised storage premises such as that proposed are seen to assist in an economy's capacity to meet modern businesses need for flexibility. Making this use permissible would also be consistent with one of the guiding principles of the Wollongong Employment Lands Study in providing for residential support services in industrial zoned lands.

In our view, the Planning Proposal warrants support on those grounds. To the extent that the proponent/land owner is interested in making an investment of significant scale into this site, this is positive for the business development cycle and employment growth in the local area.



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15 November, 2011

BY EMAIL

Mr Peter Walsh
Director
Walsh Consulting
PO Box 793
NEWPORT NSW 2106

Dear Mr Walsh

RE: PROPOSED KENNARDS SELF STORAGE FACILITY – KEMBLAWARRA

I refer to your request for comment on the proposal to develop a storage facility for Kennards Self Storage on Lot 4, DP270518, 249 Shellharbour Road, Kemblawarra.

I understand the subject site is located in the IN3 – Heavy Industrial zone under Wollongong Local Environmental Plan (LEP) 2009. Storage premises are not permissible in this zone, however.

Nature of Industrial Area

The Kemblawarra Industrial Area is a relatively small precinct of industrial land located about one kilometre to the south of the Warrawong Town Centre. Land between Shellharbour Road and King Street is zoned IN2 – Light Industrial while land to the east of Shellharbour Road and backing onto an open space and coastal dune system, is zoned IN3 – Heavy Industrial.

We note there have been concerns with past applications for the development of bulky goods and other commercial activities in the IN3 zone on the basis that such uses could have an adverse impact on existing industrial operations in the IN3 zone at Kemblawarra. The latter include uses such as fabrication workshops and recycling facilities which operate on sites to the north of the subject site.

There is also a range of industrial activity located in the IN2 – Light Industrial zone on the western side of Shellharbour Road between Shellharbour Road and King Street. These include uses such as recycling depots, automotive repairs and transport depots mixed with a considerable component of bulky goods retailing.

Despite its IN3 zoning there have been a number of new developments in recent years on the eastern side of Shellharbour Road which are not “heavy industrial” in nature. These include a large transport and storage facility for Wallenius Wilhelmsen Logistics and a development immediately adjacent to the subject site known as the Kemblawarra Business Park.

The latter includes premises occupied by some transport/storage related facilities including those operated by Toll Holdings as well as a storage/warehouse facility for Harvey Norman.

Impact of Proposed Facility

In terms of industrial land use a self storage facility as proposed by Kennards is relatively benign and in general is likely to have a very limited effect on the operation of other light or heavy industrial facilities in the Kemblawarra Industrial Area. Self storage facilities by their very nature do not generate large volumes of traffic and it is our understanding that they in fact are often busier on weekends than during the traditional working week. Consequently, there is likely to be little correlation between the peak activity levels of the surrounding industrial premises and those of the proposed Kennards facility.

In addition to the above, the general appearance and operational characteristic of a self storage facility are similar to the newly developed industrial premises referred to above.

Such facilities are typically located in industrial areas in Australia and in fact play an important role in providing off-site storage for a wide range of industrial and commercial businesses and provide a vital service for business “start-ups” in the period before they can afford permanent premises.

Stock of Zoned Land

While there is an understandable desire to protect the stock of IN 3 – Heavy Industrial land in Wollongong in particular, and New South Wales in general, it is our opinion that the demand for heavy industry land is likely to decrease over time in areas such as Wollongong and Newcastle as a consequence of reduced activity levels in steel making and heavy engineering industries.

In 2007, Wollongong LGA had some 1,986 hectares of zoned Heavy Industrial land. A further 610 hectares was devoted to Light Industrial uses (Source: *Illawarra and South Coast Employment Lands Update 2009* – New South Wales Department of Planning). We understand that a component of the existing Heavy Industrial zoned land in Wollongong LGA may be constrained by a range of factors and thus not readily available for use for industrial purposes.

The subject site, which comprises some 2.29 hectares, represents a very insignificant component (less than 0.2%) of the total supply of Heavy Industrial land in Wollongong LGA. In practical terms, therefore, we consider the proposed development would have an almost imperceptible impact on the existing stock of Heavy Industrial land in Wollongong LGA.

Conclusion

In summary we consider the subject site at Kemblawarra is compatible with the surrounding industrial uses in terms of its activity levels. It is also most unlikely to have an adverse effect on existing traditional heavy industrial users. The proposed use of the site would be consistent with changes which are occurring at the southern end of the Heavy Industrial zone to the east of Shellharbour Road and does not represent a significant diminishing in the supply of such land in Wollongong LGA.

I trust the above is of assistance. Please do not hesitate to contact me on 9224-6111 or pdl@leycon.com.au if any further information can be provided.

Yours sincerely

LEYSHON CONSULTING PTY LTD



**PETER LEYSHON
DIRECTOR.**

