

Minute No.

COUNCIL RESOLUTION EXTRACT FROM MINUTES 24 SEPTEMBER 2012

DISCLOSURES OF INTEREST

Councillor Petty declared a pecuniary interest in Item 6 as he is employed by a company named in that report and also has a substantial shareholding in that company. Councillor Petty advised that he would absent himself from the meeting during discussion and voting on the matter.

DEPARTURE OF COUNCILLORS

During consideration of Item 6 –

- 1 Councillor Petty having previously declared an interest departed the meeting and was not present during discussion and voting on Item 6.
- 2 Councillor Colacino departed the meeting and returned prior to voting on Item 6, the times being from 8.59 pm to 9.02 pm.

ITEM 6 - REQUEST FOR A PLANNING PROPOSAL FOR 249 SHELLHARBOUR ROAD, PORT KEMBLA

261 **RESOLVED** on the motion of Councillor Crasnich seconded Councillor Dorahy that -

- 1 A draft Planning Proposal be prepared to include storage premises (including self-storage units) as a permissible use (with consent) in the IN3 Heavy Industrial zone.
- 2 The draft Planning Proposal be referred to the NSW Department of Planning and Infrastructure for Gateway determination and then be exhibited for community comment for a minimum period of twenty eight (28) days.

The MOTION on being PUT to the VOTE was CARRIED.

In favour	Councillors Kershaw, Brown, Martin, Takacs, Merrin, Blicavs, Dorahy, Colacino, Crasnich and Bradbery
Against	Councillor Curran

ITEM 6

REQUEST FOR A PLANNING PROPOSAL FOR 249 SHELLHARBOUR ROAD, PORT KEMBLA

Walsh Consulting, on behalf of Kennards Self Storage Pty Ltd, has lodged a rezoning submission for 249 Shellharbour Road, Port Kembla, seeking to allow the development of self-storage units on the site.

The site is zoned IN3 Heavy Industrial under the Wollongong Local Environmental Plan 2009, and storage premises and self-storage units are prohibited within this zone. Prior to the introduction of the Wollongong Local Environmental Plan 2009, self-storage units were permissible in the heavy industrial zone under the definition of 'warehouse'. To provide greater consistency between historic and current planning controls it is recommended that a draft Planning Proposal be prepared to include storage premises (including self-storage units) as a permissible use in the IN3 Heavy Industrial zone. This change to the IN3 Heavy Industrial land use table would permit storage premises and self-storage units in heavy industrial zones across the local government area.

Recommendation

- 1 A draft Planning Proposal be prepared to include storage premises (including self-storage units) as a permissible use (with consent) in the IN3 Heavy Industrial zone.
- 2 The draft Planning Proposal be referred to the NSW Department of Planning and Infrastructure for Gateway determination and then be exhibited for community comment for a minimum period of twenty eight (28) days.

Attachments

- 1 Aerial Photograph
- 2 Zoning Map
- 3 Permissibility of storage premises and self-storage units in other Council areas
- 4 Summary of Preliminary Submissions

Report Authorisations

Report of: Renee Campbell, Manager Environmental Strategy and Planning
Authorised by: Andrew Carfield, Director Planning and Environment

Background

A rezoning submission has been lodged for 249 Shellharbour Road, Port Kembla (Lot 4 DP 270518) (Attachment 1). The site is 2.29 hectares and is currently undeveloped. The site is located on the eastern side of Shellharbour Road within the Kemblawarra Business Park at the southern end of the Kemblawarra industrial precinct. The site is approximately 800 metres south of the Warrawong Town Centre. The site and the Kemblawarra Industrial Precinct is zoned IN3 Heavy Industrial under the Wollongong Local Environmental Plan 2009.

The northern section of the Kemblawarra industrial precinct is characterised by heavy industrial uses such as manufacturing industries, logistics firms, a recycling/processing plant and suppliers of industrial and construction equipment and materials. The industrial precinct is surrounded by a varied development and zoning pattern, and surrounding land uses include a sports field to the south; coastal dunes to the east, south-east and north; and bulky goods retailing and light industries to the west (refer to Attachment 2 – Zoning Map).

In 2006, Council approved DA-2006/142 for the subdivision of Lot 101 DP 1042466 (9.7 hectares) into a six (6) lot community title subdivision to create the “Kemblawarra Business Park”. At the time, the site was zoned 4(b) Heavy Industry under the Wollongong Local Environmental Plan 1990. The lots range in size from 1.31 hectares to 3.035 hectares. The Kemblawarra Business Park contains six (6) lots and a central driveway. The following table summarises the land use of each lot:

Address	Land Use	Owner	Tenant
241 Shellharbour Road Lot 2 DP 270518	Warehouse – Southern Steel DA-2011/150 approved for a 2 lot subdivision and the construction of a 3000m ² warehouse on one of the lots	Southern Steel Properties Pty Ltd	N/A
243 Shellharbour Road Lot 3 DP 270518	Unit 4 – Furniture warehouse	360 Capital Re Limited	Harvey Norman
	Unit 5 – for lease	360 Capital Re Limited	N/A
	Unit 6 – Food warehouse and distribution centre, takeaway food and drink premises, vehicle repair station (men’s shed), indoor recreation facility and ancillary offices	360 Capital Re Limited	House of Hope

Address	Land Use	Owner	Tenant
	Unit 7a – for lease	360 Capital Re Limited	N/A
	Unit 8 – offices, logistics/distribution centre and storage	360 Capital Re Limited	Toll IPEC
245 Shellharbour Road Lot 6 DP 270518	Vacant – approval for transport depot (DA-2011/1583)	Private owner	N/A
247 Shellharbour Road Lot 5 DP 270518	Building 3A: Offices, warehouse, manufacturing Units 1 and 2 for lease	Cel Bare Pty Ltd	Edmen Group – Edmen Recruiting DMW Group, Edmen community Staffing Solutions, Guardian Training
	Building 3B: Warehouse and distribution centre	Cel Bare Pty Ltd	Toll IPEC
249 Shellharbour Road Lot 4 DP 270518	Vacant – subject to this rezoning proposal	Kennards Self Storage Pty Ltd	N/A

Two (2) Planning Proposals have been pursued unsuccessfully on this site in the past:

- On 12 September 2005, Council resolved to prepare and exhibit a draft Local Environmental Plan for Lot 101 DP 1042466 Shellharbour Road, Port Kembla, proposing to rezone the western part of Lot 101 from 4(b) Heavy Industrial to 3(d) Commercial Services under the Wollongong Local Environmental Plan 1990. The site (Lot 4 DP 270518) was part of Lot 101 DP 1042466).
- On 6 February 2006 Council resolved to discontinue this rezoning process and retain the site as a heavy industrial site.
- On 20 November 2007, Council received a Planning Proposal seeking to rezone the site (Lot 4 DP 27054) to the proposed B6 Enterprise Corridor Zone as an extension to the Warrawong Bulky Goods precinct. The site was zoned 4(b) Heavy Industry under Wollongong Local Environmental Plan 1990 and to facilitate additional bulky goods uses, the submission proposed that the site be zoned B6 Enterprise Corridor under the draft Wollongong Local Environmental Plan 2009.

- On 27 May 2008 the Planning Proposal was withdrawn by the proponent. At the time of withdrawal it was recommended that Council reject the proposal and retain the heavy industrial zoning.

In 2010, the site was purchased by Kennards Self Storage Pty Ltd, for the establishment of a self-storage facility. A development application (DA-2011/649) was lodged on 8 June 2011 for a “self-storage facility comprising of four (4) x one (1) storey buildings and two (2) x two (2) storey buildings” on the site. This application was subsequently withdrawn on 22 July 2011 on advice from City Planning as the proposed use ‘storage premises’ is prohibited in the IN3 Heavy Industrial zone. It is understood that Kennards Self Storage Pty Ltd purchased the site believing self-storage units were defined as ‘warehouses’ and were therefore permissible. However, with the introduction of the Wollongong Local Environmental Plan 2009 (based on the Standard Instrument), ‘self-storage units’ and ‘storage premises’ became newly defined land uses, separate from the definition of ‘warehouse’.

Proposal

The proposal seeks to amend the Wollongong Local Environmental Plan 2009 to allow storage premises or self-storage units in the IN3 Heavy Industrial zone, including at 249 Shellharbour Road, Port Kembla (subject to development consent). The Wollongong Local Environmental Plan 2009 defines these land uses as follows:

self-storage units means premises that consist of individual enclosed compartments for storing goods or materials (other than hazardous or offensive goods or materials).

Note: Self-storage units are a type of storage premises.

storage premises means a building or place used for the storage of goods, materials, plant or machinery for commercial purposes and where the storage is not ancillary to any industry, business premises or retail premises on the same parcel of land, and includes self-storage units, but does not include a heavy industrial storage establishment or a warehouse or distribution centre.

As these land uses are not permissible in the IN3 Heavy Industrial zone, the proponent has proposed to amend Wollongong Local Environmental Plan 2009 by either:

- 1 Including self-storage units or storage premises as an additional permitted use for the property under the provisions of Wollongong Local Environmental Plan 2009 – Clause 2.5 – Schedule 1 – Additional Permitted Uses; or
- 2 Rezone the subject site from IN3 Heavy Industrial to IN2 Light Industrial, as the IN2 Light Industrial zone permits self-storage units; or
- 3 Amending the land use table for the IN3 Heavy Industrial zone to include storage premises (and self-storage units) as a permissible land use throughout the City.

Option 1 is the proponent's preferred option. Including a site specific provision (additional permitted use to allow self-storage units) in Wollongong Local Environmental

Plan 2009 would not change the zoning of the site and the IN3 Heavy Industrial zone would be retained. However, additional permitted uses can complicate the local planning system by making the Local Environmental Plan more difficult to navigate/understand as the additional permitted use clause is separated from the zoning tables.

The proponent would also support a rezoning of the site from IN3 Heavy Industrial to IN2 Light Industrial. Permissible land uses in the IN3 Heavy Industrial zone are limited to support and protect traditional employment-generating industrial uses and to reduce land use conflicts. Rezoning the site to IN2 Light Industrial would allow a broader range of uses on the site. It is acknowledged that the existing uses within the Kemblawarra Business Park are predominantly light industrial in character. However, the retention of heavy industrial-zoned land is recognised as strategically important in a number of local planning studies.

Option 3 would retain the site's heavy industrial zone but would have city-wide implications and allow storage premises and self-storage units in all other heavy industrial zoned lands across the Local Government Area. It is noted that several existing self-storage facilities currently operate in heavy industrial zones and a number of other councils allow storage premises in their heavy industrial zones. In addition, self-storage facilities have limited environmental impacts as, generally speaking, visitation to these premises is sporadic, their built form is non-descript, they are non-polluting and they do not generate high levels of noise or traffic. Typically, self-storage premises operate twenty-four (24) hours a day so are best located in non-residential zones. Unintended potential impacts of proceeding with this option include the take-up of important heavy industrial zoned land for non-heavy industrial purposes.

Permissibility of storage premises and self-storage units

Self-storage units are currently prohibited in the IN3 Heavy Industrial zone. The Wollongong Local Environmental Plan 2009 allows self-storage premises in the following zones:

- B2 Local Centre;
- B3 Commercial Core;
- B4 Mixed Use;
- B6 Enterprise Corridor; and
- IN2 Light Industrial.

The primary purpose of the IN3 Heavy Industrial zone is to provide suitable land for clustering of economically valuable heavy industry, which is often difficult to accommodate because of the large and high impact nature of heavy industrial activities. Self-storage units are not a heavy industrial use, and do not provide high numbers of direct employment compared to traditional heavy industry.

However, self-storage units were previously permitted in the 4(b) Heavy Industrial zones under the Wollongong Local Environmental Plan 1990 because they were defined as 'warehouses'. This plan has now been replaced with Wollongong Local Environmental

Plan 2009, which is based on the Standard Instrument, and “storage premises” and “self-storage units” are separately defined and are no longer defined as “warehouses”.

As described above, self-storage premises represent a benign type of land use, which may not be incompatible in some of Wollongong’s heavy industrial areas. Self-storage premises are not expected to compete with heavy industrial land uses to the extent that significant portions of heavy industrial land will be ‘lost’ to storage premises uses, because the Wollongong market can only sustain a certain number of self-storage premises. It is noted that there are a number of self-storage premises already operating in the LGA, particularly in the southern and central suburbs of Wollongong.

Current Storage Premises Operating in the Wollongong LGA

Self-storage facilities offer a range of long term and short term storage options leased to members of the public and businesses. There are at least twelve (12) self-storage premises operating within the Wollongong LGA. These premises predominantly operate in light industrial zones; however there are examples of such premises operating in heavy industrial, commercial, and residential zones. The self-storage premises operating within heavy industrial zones in Unanderra obtained approvals under the definition of a ‘warehouse’, prior to the adoption of Wollongong Local Environmental Plan 2009 and prior to the development of the Illawarra Regional Strategy and Employment Lands Strategies and Guidelines. These facilities now operate with existing use rights as the ‘self-storage units’ use is now prohibited within the heavy industrial zone. Including storage premises as a permissible use in the IN3 Heavy Industrial zone would allow these existing facilities to expand in the future, subject to development consent, without relying on existing use rights.

The following table lists operating storage premises in Wollongong:

Name	Address	Historic Zoning - WLEP 1990	Current Zoning - WLEP 2009
Wollongong Mini Storage North Wollongong	32-34 Ralph Black Drive, North Wollongong	4(a) Light Industrial	IN2 Light industry
Wollongong Mini Storage Unanderra	9 Investigator Drive, Unanderra	<u>4(b) Heavy Industrial</u>	<u>IN3 Heavy Industrial</u>
Permian Self Storage Wollongong	100 Montague Street, North Wollongong	4(a) Light Industrial	IN2 Light Industrial
GRR Southern Storage	189 Parkes Street, Helensburgh	4(a) Light Industrial	IN2 Light Industrial
Coastline Mini Storage	481-485 Princes Highway, Woonona	2(b) Medium Density Residential	R2 Low Density Residential

Name	Address	Historic Zoning - WLEP 1990	Current Zoning - WLEP 2009
Simply Self Storage	17 Prince of Wales Avenue, Unanderra	<u>4(b) Heavy Industrial</u>	<u>IN3 Heavy Industrial</u>
Stow-Away Self Storage	237 Berkeley Road, Unanderra	<u>4(b) Heavy Industrial</u>	<u>IN3 Heavy Industrial</u>
Warrawong Self Storage	Lot 3, 55-59 Shellharbour Road, Warrawong	4(a) Light Industrial/5C Special Uses	IN2 Light Industrial
Alliance Self Storage	25 Steel Street, Fairy Meadow	4(a) Light Industrial	IN2 Light Industrial
Fairy Meadow Self Storage	Hurley Avenue, Fairy Meadow	4(a) Light Industrial	IN2 Light Industrial
Pride Removals Pty Ltd	5 Collins Street, Corrimal	4(a) Light Industrial	IN2 Light Industrial
Kennards Self Storage	89-104 Gipps Road, Wollongong	B6 Enterprise Corridor	B6 Enterprise Corridor

Permissibility of storage premises and self-storage units in other Local Government areas

A review of other Standard Instrument Local Environmental Plans has been undertaken to determine the permissibility of storage premises and self-storage units in other Local Government Areas (refer to Attachment 3). The land use 'self-storage units' is a subset of 'storage premises', therefore where storage premises are permissible self-storage units will also be permissible, unless specifically prohibited.

Of the seventeen (17) Council Local Environmental Plans reviewed, eleven (11) did not contain IN3 Heavy Industrial zones. Of the six (6) Council areas that do have heavy industrial zones, three (3) permit storage premises (and self-storage units) within the IN3 Heavy Industrial zone (Liverpool, Parramatta and Goulburn Mulwaree). Two (2) Council areas permit storage premises but prohibit self-storage units within their IN3 Heavy Industrial zones (Wollondilly and Wingecarribee) and one (1) Council prohibits self-storage units and storage premises in their IN3 Heavy Industrial zone (Newcastle). Accordingly, the permissibility of the uses varies between councils and depends on local circumstances and the nature of heavy industrial lands within those council areas.

Site Context

The Shellharbour Road site consists of a vacant allotment zoned for heavy industrial purposes in an accessible and established industrial precinct. The precinct is located in close proximity to the Steelworks and Port of Port Kembla. The proponent states that the proposed self-storage units will not adversely impact on the surrounding area and are a compatible use within the industrial precinct. The subject site is located

approximately 150m from residential zoned land at its closest point and approximately 250m from residences measured from the expected main activity areas. In addition, the site is located adjacent to an environmentally sensitive coastal dune area to the south.

The proponent notes that the proposed self-storage facility would provide an appropriate buffer between industrial uses and residential and environmentally zoned land, as it will have a lower impact on these areas than a factory or other heavy industry.

The proponent states self-storage units typically have low visitation levels and this is supported by a letter from employment land specialists Leyshon Consulting, and the Self Storage Facility Traffic and Parking Study 2009, written by Aurecon and commissioned by the Self Storage Association of Australasia. This study found self-storage units had no readily identifiable peak periods, and typically generated low traffic volumes and sporadic trip generation patterns. The proponent also states that the development of the site would improve the public domain, in that self-storage premises had limited visual impact and would offer a higher level of amenity than many heavy industries.

The site is located within the 'Kemblawarra Business Park', which contains a mixture of approved uses, including warehouses and light industry. The proponent notes that the proposed self-storage units would be compatible with the light industrial character of the business park, and future heavy industrial uses would be unlikely to occupy the subject site given existing development within the Kemblawarra Business Park and proximity to residential land. It is envisaged that self-storage premises in this location would not result in significant land use conflicts, given the surrounding area and land uses. In addition, there are no known land use conflicts between existing self-storage units and other industries in heavy industrial areas in Unanderra. Given their low visitation levels and operational nature, self-storage units are not seen to present significant opportunities for land use conflicts in the outskirts of many heavy industrial areas.

Consultation and Communication

The site is affected by a number of constraints and preliminary advice has been sought from the Environment, Stormwater, and Heritage sections. No concerns have been raised at this stage.

The proposal was placed on limited preliminary notification between 12 - 30 March 2012 to adjoining and nearby land holders. Letters were sent to gather comments to assist Council in forming an opinion on the proposal.

As a consequence of the notification period, Council received four (4) submissions, comprising two (2) objections and two (2) letters of support (refer to Attachment 4). The objections were prepared on behalf of six (6) heavy industrial operators in the area, and the letters of support were from two (2) tenants within the Kemblawarra Business Park.

Two (2) objections were concerned with the introduction of potential land use conflicts into a heavy industrial precinct in addition to the inefficient use of heavy industrial land. The objections also raised the proposal's inconsistency with relevant planning policies

and strategies and were concerned at the net loss of important and scarce heavy industrial land.

The two (2) letters of support made reference to the fact that the heavy industrial precinct supports numerous non-industrial operations and the IN3 Heavy Industrial zoning is restrictive and not justified. The submissions in support suggest the Kemblawarra Business Park should be rezoned in its entirety to IN2 Light Industrial.

If Council supports the Planning Proposal it will be forwarded to the NSW Department of Planning and Infrastructure for review. If endorsed by the Department, the Planning Proposal will be exhibited for community input in accordance with the Gateway determination for a minimum period of twenty eight (28) days. This will include community consultation, advice from stakeholder groups, government agency consultation and internal Council referrals.

Planning and Policy Impact

There are a number of planning policies, which are relevant to Council's consideration of the proposal.

Illawarra Regional Strategy

The Illawarra Regional Strategy (NSW Department of Planning 2006) provides the following guidance in regard to the preservation of employment lands:

- Whilst Wollongong has significant parcels of vacant zoned employment land, a large proportion of this is not available due to various factors such as buffers, parcel sizes, land tenure, environmental constraints and serviceability.
- A high demand in the region is identified for larger parcels of employment land (2-3 hectares and 10-15 hectares).
- It is important to protect industrial land through the prevention of further fragmentation and rezoning for other land uses. This is necessary to ensure lands are available to accommodate new jobs.
- To ensure the best possible critical mass of facilities within sectors, the clustering of businesses with synergies and similar environmental impacts will reduce land use conflicts and improve business efficiency and identity.
- Employment growth is encouraged by protecting key employment lands from inappropriate development and fragmentation and providing new employment land in appropriate locations.

The IRS recommends the following actions:

- Council will “*maintain the supply and protect regionally significant employment land such as... Warrawong.*”

- Ensure that Local Environmental Plans protect employment lands in accordance with the Employment Lands Guidelines for the Illawarra, to accommodate new jobs and to maintain the Region's strategic advantage.
- Council will resist the fragmentation of employment lands as this can threaten both economic performance, sustainability, and restrict types of uses for a site.

The Illawarra Regional Strategy defines employment lands as being commercial and industrial zoned land, however the strategy does not refer to particular zones (i.e. IN2 Light Industrial or IN3 Heavy Industrial zones) or land uses.

Self-storage units are not expected to generate employment or contribute to local agglomeration economies to the same degree as heavy industrial uses. However, self-storage units assist in supporting small businesses and start-ups who store their goods in these facilities before committing to permanent premises. This assistance to small businesses and industries could have positive economic outcomes and could indirectly generate employment and expenditure in the local area. The Self-storage Association of Australasia (SSAA) estimate around 25% of self-storage facility users are commercial customers (Self-storage Facility Traffic and Parking Study 2009, Aurecon).

Provided the IN3 Heavy Industrial zoning remains on the site the proposal is not inconsistent with the Illawarra Regional Strategy because self-storage premises, by their nature, are not considered an incompatible use. Further, it is considered unlikely that allowing self-storage premises in heavy industrial areas will significantly reduce opportunities for heavy industrial firms to locate in Wollongong, given market conditions will dictate a 'saturation point' for storage facilities.

There are a number of risks however which exist if storage premises were to become a permissible use in IN3 Heavy Industrial zones. Heavy industrial precincts often have low levels of amenity, usually as a result of bulky built form, heavy vehicle traffic and noise. Land uses such as self-storage premises do require customers to visit the premises, increasing non-industrial vehicular traffic and possibly introducing land use conflicts into the area. This could result in increased risk of complaints against heavy industrial uses nearby, which in turn may affect the efficiency and economic stability of existing operations and whole industrial precincts.

The additional permissible land use could also raise land values in heavy industrial areas, which is of concern to heavy industries; however, given previous planning controls allowed self-storage premises in these zones, this potential impact is considered to be negligible. Lastly, there is also a risk that some valuable heavy industrial land could be taken up by self-storage premises, reducing supply of this land for the longer term.

Employment Lands Guidelines for the Illawarra (2008)

The Employment Land Guidelines for the Illawarra (NSW Department of Planning 2008) support the Illawarra Regional Strategy to promote orderly planning and development of employment lands in the region. The Guidelines outline general and key principles for

employment lands and more specifically, industrial land. Section 2.2 of the guidelines provides the following general principle:

- 2 Cluster businesses and industries with similar environmental impacts and business synergies to reduce land use conflicts, improve business efficiency and identity.*

This general principle supports the idea of maintaining the heavy industrial zoning throughout the precinct and prohibiting inappropriate land uses. In regard to heavy industrial land, section 2.3.1 of the guidelines provides the following principles:

- 1 Preserve large parcels and clusters of heavy industrial land, particularly adjacent to main roads and rail infrastructure.*
- 2 Protect heavy industrial employment clusters from encroachment by incompatible land uses.*
- 3 Preserve and enhance the buffers that protect the impact of heavy industry on incompatible surrounding uses. Compatible zones and uses may be identified and encouraged within the buffer areas to enable the full economic value of the land to be realised.*
- 4 Preserve a supply of heavy industrial land to support the long term need for employment lands at a reasonable cost to industry, and identify appropriate interim land uses that do not compromise the identified long term use.*
- 5 Any rezoning of heavy industrial land must consider its social, environmental and economic impact on the long term local land supply for heavy industry, existing employees and its economic impact to the area and the region.*

Section 2.7 of the guidelines provides the following principles to be considered in regard to spot rezonings:

- 1 Flexible application of employment land zonings must consider the relevant principles articulated above.*
- 2 A rezoning application must consider the compatibility of the existing zoning and its permitted uses to the surrounding uses, balanced with:*
 - the long term employment demands for the local area and availability of land to meet those needs;*
 - the regional significance of these lands to economic growth and employment; and*
 - long term economic viability of that site for that operation.*
- 3 Note that long term economic viability does not refer to identifying the land value that provides the highest land value.*

These principles reinforce the importance of preserving these heavy industrial lands for the long term by preventing the incursion of incompatible land uses. The subject heavy industrial precinct is adjacent to a main road. Shellharbour Road provides a boundary and buffer between heavy industrial and commercial/residential land uses to the west.

Allowing self-storage facilities upon the subject site would likely have limited social and environmental impacts given it is a relatively benign land use. The previous subdivision of the land and creation of the Kemblawarra Business Park has resulted in a loss of strategically-located heavy industrial zoned land. Employment opportunities offered by self-storage facilities are low compared to many heavy industrial uses. Cumulative impacts of rezoning this area could also erode the efficiency of the remainder of the heavy industrial precinct if surrounding land owners were to lodge similar proposals.

The proponent recognises the objective to protect the stock of IN3 Heavy Industrial land, however presents the opinion that the demand for heavy industry will decrease over time as a consequence of reduced steelmaking and heavy engineering activities in Wollongong and in New South Wales.

Wollongong's economy has diversified from its traditional manufacturing and steelmaking base and it is acknowledged that these sectors are experiencing decline. In 2006, 12% of Wollongong's resident population were employed in the manufacturing sector, making it the largest employment sector (by number of people employed). Service industry jobs are also major employers in the region with 11.7% of the population employed in the health care and social assistance sector and 10.9% in the retail sector (ABS 2006 Census data). 2011 Census data relating to employment is not yet available.

The Advantage Wollongong Industrial Property Report April 2012 offers the following comment regarding industrial land supply in the Illawarra:

Due to high demand and limited supply, industrial land and facilities prices and leasing costs are comparable to other highly sought after locations in Australia. The continued upgrading of Port Kembla is driving demand from logistics and port-related industries for large industrial land sites and existing warehousing facilities. This demand is set to continue to grow over time, especially as the outer harbour precinct development plans are realised and the Port opens up to containerised trade (page 4).

Heavy industrial uses are among the most difficult to locate because of potential land use conflicts and it is important to preserve land zoned for these uses. These Employment Lands Guidelines however, advocate for some flexibility and allowance of compatible and interim uses in buffer areas in heavy industrial zones. Self-storage premises have limited environmental impacts and operate very differently to bulky goods, office or retail premises because they have much lower visitation levels and patterns of visitation are more sporadic. It can be argued that self-storage premises operate more like warehouses and are not incompatible in buffer areas of heavy industrial zones.

Employment Lands Guidelines for the Illawarra (update 2009)

This update provides a complementary document to the *Employment Lands Guidelines* for the Illawarra, released by the NSW Department of Planning in February 2008. The original guidelines were based on a property database completed in 2006. This update provides updated figures regarding the supply of employment lands in the Illawarra.

The guidelines state that in 2007 heavy industrial zones occupied the largest area compared to other employment lands (66%), and contained the least parcels (13.6%). This is reflective of the generally larger land area heavy industrial uses require. Much of the land zoned for heavy industry in the Wollongong LGA is contained within the BlueScope Steelworks area.

In regard to vacant employment land, the updated guideline states that *“In 2007, the Wollongong LGA had an employment lands occupancy rate of 98%, which has risen from the 2004 figure of 85%, indicating a positive take-up of land.”* This indicates an increasing demand for employment lands over this period, however does not differentiate between sub-categories such as heavy or light industrial. Nevertheless these findings indicate that the preservation of employment lands is important.

Wollongong Local Government Area Employment Lands Strategy (2006)

The Employment Lands Strategy was prepared by Hill PDA for the Council to inform the preparation of the draft Wollongong Local Environmental Plan 2009.

Section 4.3 “Heavy Industrial” of the Employment Land Strategy provides the same principles as the Employment Lands Guidelines 2008 with the addition of the following principle:

- 1 Preserve large parcels of heavy industrial land, or where there are clusters of different sizes, provide suitable large parcels.*

The strategy identifies Kemblawarra Industrial Area as being well contained and defined, and as having no land use conflicts (well-separated from residential areas). The strategy recommends that the heavy industrial zoned part of this precinct is preserved as it has a flat topography, it is a good sized precinct; it is clearly defined, is easily accessed, and has surrounding compatible uses.

In relation to this proposal, the Strategy recommends to protect heavy industrial lands from incompatible land uses. The strategy was written when the Wollongong Local Environmental Plan 1990 was in force (and self-storage units were permissible in heavy industrial zones) and does not comment on the compatibility of self-storage units in heavy industrial areas.

Section 6.2 of the strategy indicates a strong demand exists for heavy industrial zoned land, using the expansion of the container terminal and businesses wishing to locate close to the Port as an example (page 108.). Section 6.2 of the strategy also reiterates the importance of deriving agglomeration economies through the clustering of similar businesses in precincts. The study mentions that there is limited demand for business parks in the south due to a number of factors including poor amenity and lack of prestige (page 110). The Strategy was also written prior to the 2008 Global Financial Crisis and considerable changes in employment sectors have occurred since, with a notable decline in the manufacturing industry evident.

It is noted that the strategy also encourages *‘the use of industrial land to provide residential support services (including car and house repairs) as well as higher order*

industrial uses on site' (page 116). Self-storage units do offer some support to residential uses.

The proposed inclusion of self-storage units as a permissible use in the heavy industrial zone is not inconsistent with the Employment Lands Guidelines as it will not result in the loss of any heavy industrial zoned land for the long term. Storage premises were permissible in the heavy industrial zone at the time this study was commissioned and reintroducing some flexibility into the heavy industrial zone is seen as a positive step towards addressing some of the challenges associated with shifting employment trends and a diversifying local economy.

Wollongong 2022

The decline of local manufacturing and steel industries is noted in Wollongong 2022 and innovation in encouraging employment opportunities is advocated in Council's newly adopted Community Strategic Plan. Protecting local manufacturing industries (such as those at Kemblawarra Industrial estate) and supporting their sustainability by preventing incursion of incompatible uses is very important and relates to the goal of '*We have an innovative and sustainable economy*'. Incompatible uses are those which have significant retail components and frequent public visitation, such as bulky goods premises. Heavy industrial lands are traditionally associated with high direct employment numbers so retaining heavy industrial uses and lands will assist in achieving the objective '*local employment opportunities are increased within a strong local economy*'. Self-storage facilities by comparison are associated with low levels of direct employment.

However, the focus of the objectives under this community goal centre on diversifying our local economy and encouraging 'new industries and green technologies'. Storage facilities are acknowledged as small business incubators and can encourage innovative operations as low-cost storage options. Greater flexibility for planning controls in heavy industrial zones can also encourage innovation in these areas and offer options to help combat decline in these areas.

Ministerial Directions

Section 117 Direction No. 1.1 - Business and Industrial Zones would apply to a draft Planning Proposal on this site. The objectives of this Direction are to:

- a encourage employment growth in suitable locations;*
- b protect employment land in business and industrial zones; and*
- c support the viability of identified strategic centres.*

Council, in considering the preparation of a draft Planning Proposal is required to consider the objectives of the Direction, and that a planning proposal must:

- a give effect to the objectives of this direction;*
- b retain the areas and locations of existing business and industrial zones;*
- c not reduce the total potential floor space area for employment uses and related public services in business zones;*

- d not reduce the total potential floor space area for industrial uses in industrial zones; and*
- e ensure that proposed new employment areas are in accordance with a strategy that is approved by the Director-General of the Department of Planning.*

The use of the site for a self-storage premises could indirectly reduce the land available for heavy industrial land uses; however, self-storage units are likely to occupy the outskirts or 'buffer areas' of heavy industrial zones as these sites are generally more visible, accessible and attractive to potential customers. This reduces risks and competition between heavy industrial uses and storage premises.

The proposed inclusion of storage premises as a permissible use in IN3 Heavy Industrial zones will retain the heavy industrial zoning across the local government area and reintroduce a previously permissible use, which is not considered to be incompatible with most heavy industrial areas in Wollongong. For the subject site, the previous subdivision of the Kemblawarra Business Park has already reduced the viability of the site for heavy industrial purposes and the proposed self-storage use is considered compatible within this precinct.

The directions state that a draft Planning Proposal may only be inconsistent if it is:

- a justified by a strategy which:*
 - i gives consideration to the objective of this direction;*
 - ii identifies the land which is the subject of the draft LEP (if the draft LEP relates to a particular site or sites); and*
 - iii is approved by the Director General of the Department of Planning.*
- b justified by an environmental study which gives consideration to the objective of this direction; or*
- c in accordance with relevant Regional Strategy or Sub-Regional Strategy prepared by the Department which give consideration to the objective of this direction; or*
- d of minor significance.*

The proposal is generally not inconsistent with the effects of this direction however, it can be argued that allowing storage premises in heavy industrial zones could reduce the total potential floor space area available for industrial purposes. This inconsistency is considered to be of minor significance as self-storage units are not generally considered an incompatible use in heavy industrial zones.

The regional and local planning policies can be interpreted as not supportive of the rezoning of the site, due to the proposed inclusion of a use that is not heavy industrial in nature into a heavy industrial zone. However, these policies were written at a time where self-storage units were permitted in Wollongong's heavy industrial zones (under Wollongong Local Environmental Plan 1990) and prior to the Global Financial Crisis and subsequent accelerating decline of Wollongong's traditional heavy industrial employment sectors. Due to the benign nature of self-storage units, their previous

permissibility and current economic directions, the proposal has merit and is not considered inconsistent with the intent of these strategies and guidelines.

Options

It is recommended that a Planning Proposal be prepared to include storage premises as a permissible use in the IN3 Heavy Industrial land as it will facilitate development of the subject site for self-storage units (which were permissible in heavy industrial zones prior to 2010) whilst retaining the site's heavy industrial zone. There is merit in considering allowing self-storage premises in all heavy industrial zones in Wollongong given the history of such uses in Wollongong and their unique attributes as a business with an industrial built form, long hours of operation, low public visitation numbers and role as a residential support service and small business incubator.

Other alternatives were considered and include:

- a Resolve not to support the proposal and retain the current planning controls for the site. This option is supported by nearby heavy industrial users who are concerned that allowing storage premises in a heavy industrial zone or rezoning of the Kemblawarra Business Park to IN2 light industrial will fragment the precinct and lead to future land use conflicts.
- b Resolve to retain the IN3 Heavy Industrial zone but prepare a Planning Proposal to enable a site specific "Additional uses" on the site for storage premises and self-storage units. This option was suggested by the proponent as it would retain the IN3 Heavy Industrial zone. This option may not be supported by the NSW Department of Planning and Infrastructure which prefers the use of zoning to schedule amendments, which are less obvious to the community.
- c Resolve to support the site specific rezoning of 249 Shellharbour Road, Port Kembla to IN2 Light Industrial. Under this option the remainder of the Kemblawarra Business Park would retain the IN3 Heavy Industrial zone. It is likely that a precedent would be set by pursuing this option and surrounding businesses in the Kemblawarra Business Park could seek similar rezonings.
- d Resolve to support the rezoning of the entire Kemblawarra Business Park to IN2 Light Industry. This option is supported by two (2) other users within the Kemblawarra Business Park, as it would provide greater flexibility and employment opportunities in this area. It is noted that the Business Park currently contains a number of vacant units and vacant allotments of land. It can be argued that the 2006 subdivision of the site into six (6) smaller lots and the subsequent development of the land into warehouses and business park style buildings has meant the heavy industrial zoning is no longer appropriate and the zoning of the Kemblawarra Business Park should be reviewed.

Conclusion

A rezoning submission has been assessed for 249 Shellharbour Road, Port Kembla seeking an amendment to the Wollongong Local Environmental Plan 2009 to allow development for the purposes of a storage premises. This would require either a spot

rezoning of the site from IN3 Heavy Industrial to IN2 Light Industrial, a site specific additional permitted land use or the inclusion of 'storage premises' as a permissible use in the IN3 Heavy Industrial zone. The proponent provides a number of arguments in support of the Planning Proposal, stating that the self-storage units are a low-key compatible use within the industrial precinct and that the site represents only a very small portion of available heavy industrial zoned land. The proponent also notes that considerable differences exist between self-storage units and other retail type uses such as bulky goods and that self-storage premises are not incompatible with heavy industrial zonings as these are most likely to occur on the outskirts of such precincts, are characterised by low, sporadic visitation and do not involve the retail sale of goods from their premises.

This Planning Proposal is therefore quite different to past proposals for the site and there are many variables and risks to consider. The site is a moderate sized parcel of land zoned IN3 Heavy Industrial and is strategically located within an existing and accessible industrial precinct. Various strategies relating to employment lands clearly stress the importance of preserving industrial land and preventing incompatible land uses within zones reserved for industry, however these strategies do not comment on the nature and permissibility of self-storage units. It is recognised that storage premises are permissible in five (5) other zones in the City so it can be argued that ample area for this use already exists within the Local Government Area.

However, self-storage units were historically permissible in heavy industrial zones and it is envisaged that reinstating them as a permissible use in this zone will not adversely impact on other heavy industries in Wollongong, satisfying the objectives and intent of Council's employment land strategies and guidelines.



Lot 4 DP 270518
Shellharbour Road, Port Kembla

 **Subject Site**

Drawn By: J Lewis

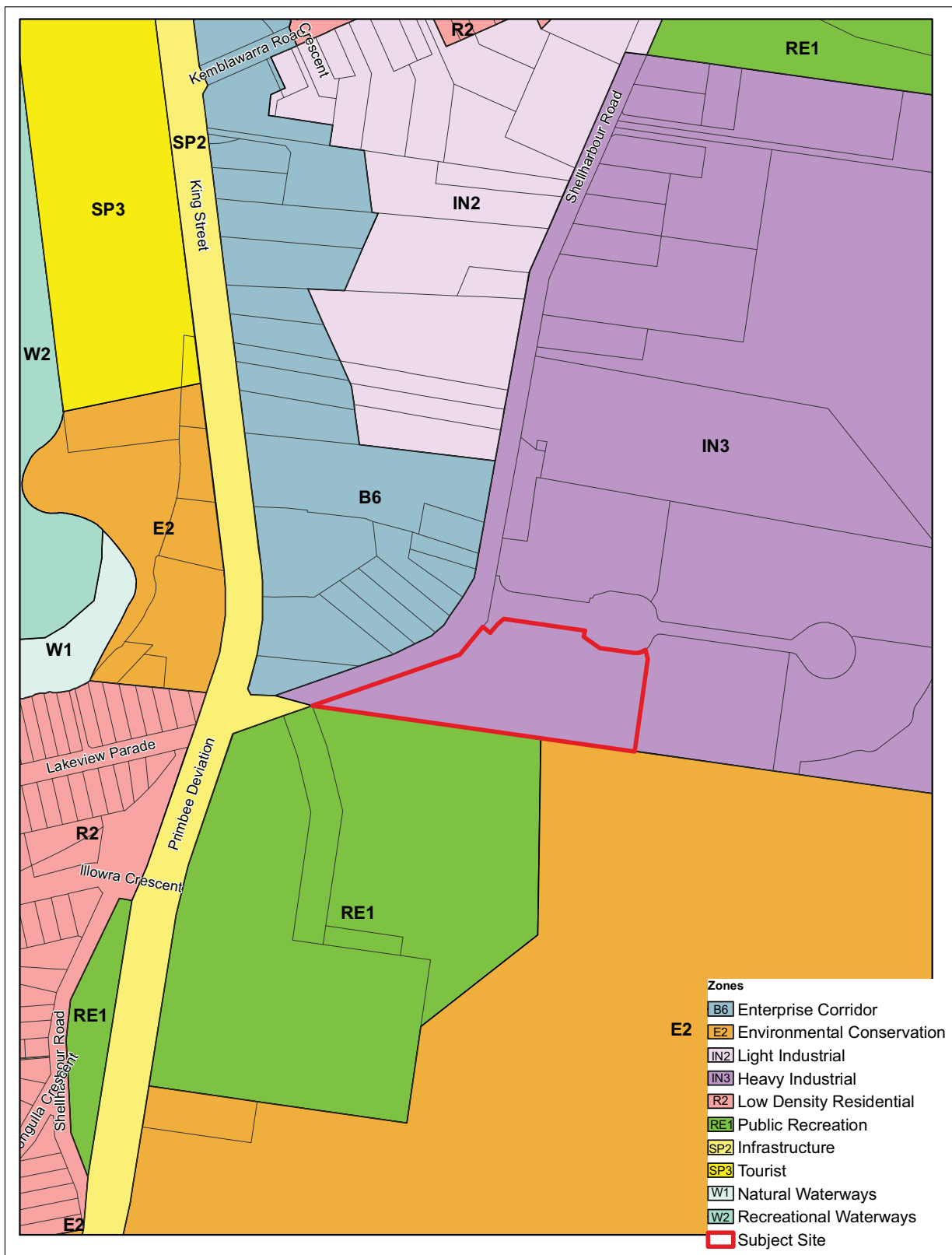
Date: 27/06/2012



Date of Aerial Photography: 2011

ShellharbourRoad_Aerial .mxd

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Meters



Permissibility of storage premises and self storage units in other Council areas

Local Government Area	Storage Premises (also includes self storage units)	Self Storage Units
Wollongong LEP 2009	B6	B2, B3, B4, IN2
Wollondilly LEP 2011	IN2, IN3	(PROHIBITED IN IN3)
Marrickville LEP 2011*	B5, B7, IN1, IN2	B6
Liverpool LEP 2008	B5, B6, IN1, IN2, IN3	
Camden LEP 2010*	IN1, IN2	B5
Parramatta LEP 2011	IN1, IN3	B5, B6
Auburn LEP 2010*	B6, B7, IN1, IN2	B1, B2, B4
Rockdale LEP 2011*	IN2	
Mosman LEP 2012*	-	B1, B2, B6
Warringah LEP 2011*	IN1, IN2	B5, B7
Penrith LEP 2010*	-	IN1, IN2
Ryde LEP 2010*	B4	B1, B3
Lane Cove LEP 2009*	-	IN2
Wingecarribee LEP 2010	B5, B7, IN1, IN2, IN3	(PROHIBITED IN IN3)
Kiama LEP 2011*	-	B7, IN2
Goulburn Mulwaree LEP 2009	B1, B2, B6, IN1, IN2, IN3	
Upper Lachlan LEP 2010 *	-	RU5, R2, B2, B4
Newcastle LEP 2012	B2, B4, IN1, IN2	B5

* = LEP does not contain IN3 Zone

Note: 'Storage premises' is an umbrella definition for 'self storage units' therefore where storage premises are permissible self storage units will also be permissible, unless specifically prohibited. Alternatively self storage units may be permissible whilst other types of storage premises are prohibited.

Summary of Preliminary Submissions

A summary of the three (3) submissions received during preliminary consultation is provided below.

No	Author	Summary of Submission
1	Abroclown Pty Ltd - Owner of 233 Shellharbour Road, Port Kembla	<i>Objection to proposal:</i> <i>Wallenius Wilhelmsen Logistics, storage of heavy industrial equipment for the Port Kembla wharves currently operate from 233 Shellharbour Road.</i> <i>Proposal will erode the effectively operating heavy industrial precinct at Kemblawarra. Will reduce current and potential agglomeration economies derived from higher value industrial uses and reducing land values.</i> <i>Proposed 'self storage units' do not generate high quality and quantity of industrial employment in comparison to other permitted uses in IN3 zone.</i> <i>Disputes applicants claim that 'storage premises use is already permissible in a significant number of new template (standard instrument) LEPs'.</i> <i>Intended land use is incompatible with heavy industrial precinct and may result in land use conflicts.</i> <i>Proposal is inconsistent with the Wollongong Employment Lands Strategy which recommends preservation of the Kemblawarra Industrial Area.</i> <i>Existing mixture of light industrial, bulky goods retail, and recreational land use is an adequate buffer between nearby residences and heavy</i>

No	Author	Summary of Submission
		<i>industrial land, no additional buffer is needed.</i>
2	Cardno Pty Ltd on behalf of 'Dean Industrial', 'Industrial Galvanizers', 'All Fab Constructions', 'Snare Fabrications', and 'A.J Baker' - businesses located within the Kemblawarra industrial precinct	<i>Objection to proposal:</i> <i>1. Heavy Industry remains important in that locality and for the region generally. The planning proposal will result in a net loss of IN3 Heavy Industry zoned land in Wollongong.</i> <i>2. Relevant planning policies do not support the proposal. The proposal is inconsistent with the Illawarra Regional Strategy, Wollongong Employment Lands Strategy, and the Employment Lands Guidelines for the Illawarra.</i> <i>3. The applicant has failed to demonstrate any need or justification for storage premises at the subject site. The planning proposal provides a poor justification for the need for storage premises at that locality.</i> <i>4. There is sufficient commercial and light Industrial zoned land (including vacant land) in the broader Wollongong LGA region which with consent could potentially accommodate storage related businesses. There is over 900 hectares of existing zoned land which could potentially accommodate 'self-storage units' or 'storage premises' in Wollongong LGA. Additionally, the planning proposal fails to identify any appropriately zoned land (vacant or otherwise) in the locality where the storage premises may potentially be located. The onus for this should be</i>

No	Author	Summary of Submission
		<i>on the applicant to prove that there is no suitable alternative location in the Wollongong region.</i> 5. <i>Rezoning of land to IN2 Light Industry may allow other sensitive land uses on that site. This includes, child care establishments, places of worship, brothels and other incompatible land uses.</i> 6. <i>Increased likelihood for land use conflict in that locality having the potential to threaten the viability of heavy industry in that locality. Any non-heavy industrial use creates the potential for increased land use conflict between existing uses and non-heavy industry uses. The Kemblawarra Heavy Industrial Estate is a discrete large parcel of land having an excellent curtilage providing excellent buffer from residents, and other non-industrial uses.</i> 7. <i>The proposal may have a negative economic impact on the Wollongong economy. Utilising the subject site with a very low employment generating activity will decrease the amount of heavy industry zoned land in the Illawarra. The planning proposal may also negatively affect the existing heavy industry uses affecting their long-term viability.</i> 8. <i>The proposal has low strategic importance. The site is a large parcel of land having a single zoning. Allowing another zoning on the site may set a precedent for all IN3 zoned</i>

No	Author	Summary of Submission
		<i>land in the Illawarra to be rezoned increasing land speculation in locality and the Illawarra more broadly. Keeping the existing zoning will create an easier master planning (if required) process in the future.</i> 9. <i>The applicant has failed to demonstrate any 'net community benefit that would result due to the proposal.</i> 10. <i>The proposed use or rezoning of the site would prevent potential expansion of heavy industry.</i> 11. <i>The intended land use 'storage premises' or 'self storage premises' will not generate high quality and quantity of industrial employment in comparison to other permitted uses in the IN3 zone. In addition, low multiplier effect from operations and profits to flow out of Wollongong, to head office.</i> 12. <i>Inconsistent with <u>Local Planning Directions s117(2)</u> Land use conflict may be unable to be resolved due – "Furthermore s6.3(4) states that Council cannot impose any additional development standards not already contained in the LEP. Thus Council cannot impose any condition restricting the proposed new use from making complaints (e.g. environmental emissions) against existing heavy industrial activities".</i>
3	Owner of a property within Kemblawarra	Support proposal: 1. <i>The IN3 Heavy Industrial zoning classification is too restrictive, and the</i>

No	Author	Summary of Submission
	Business Park	<i>current uses within the KBP do not require or justify such a zoning.</i> 2. <i>Rezoning the site to IN2 Light Industrial will allow greater variety of land uses in KBP, and in turn increase tenancy, business growth, and employment in the local area.</i>