

Independent Planning Commission
Level 3, 201 Elizabeth Street
Sydney NSW 2001
Attention: Professor Mary O'Kane AC
Chair, Independent Planning Commission

Dear Professor O'Kane,

Re: 46 Fitzroy Street Carrington: Response to further information request DA 10689

Port of Newcastle provides the following information in response to the Independent Planning Commission (IPC) request for additional information (dated 18 January 2022) for DA 10689.

The Commission seeks further information as follows:

- Evidence of the strategic merit of the proposed out-of-centre location with regard to the Newcastle Local Strategic Planning Statement, Newcastle Employment Lands Strategy (2019), Port Master Plan 2040; and
- Further information demonstrating how the proposed development would meet demand for port-related office uses within the Port of Newcastle lease area.

In summary:

- The proposed commercial development is consistent with the strategic plans listed in that it comprises of office and café uses which will support existing and future Port operations and promotes the diversification of activities at Newcastle Port. The proposal also aligns with diversification of the Carrington Precinct. The proposal has the potential to support technology-based services that encourage the advancement of efficient port operations and has capacity to generate local employment.
- The proposal utilises the site for a purpose that directly and indirectly supports Port operations however also minimises adverse environmental and amenity impacts on nearby residential communities without compromising the ongoing use and future development of suitable land for industrial and maritime port related land uses.
- Feasibility studies and market analysis undertaken for the proposal and for the revision of the Port Master Plan 2040 indicate that there will be an increase in need for office space for port related tenants proximate to the Port.
- Port of Newcastle considers that the site is less suitable for port related industrial development due to its proximity to the adjacent sensitive receivers. The proposal provides an opportunity to develop the currently underutilised site in a manner that supports the current and future Port

operations, does not detract from other high value Port land suitable for maritime and industry and is appropriate given the surrounding land use.

- Further, many port related tenants would benefit from the proposed parking as the site also provides easy vehicular access from the Newcastle Airport and to the Hunter Valley where existing mining and other port related operations are located.

Further detailed responses are provided in the following sections. Additionally, section 5.6 of the revised Statement of Environmental Effects (Ramboll 2021) provides further discussion on the context of the site in relation to various strategic planning documents.

Strategic merit of the proposed out-of-centre location

Port Master Plan 2040

The proposal would contribute to the availability of efficient and innovative port infrastructure to facilitate regional, state and national economic growth, a key mission statement in the Port Master Plan 2040. The proposal would facilitate continued growth and development of existing and new trades in a sustainable manner through the appropriate redevelopment of land immediately adjacent to sensitive receivers, while not compromising the development of industrial and maritime port related land uses on suitable land.

The Port Master Plan 2040 is currently under review and is planned to be reissued later in 2022. This review process is aimed at supporting continued growth and diversification of the Port operations, and commercial property development to support expected future port operations is identified as key element. There is limited land within the Port land available and/or suitable for commercial development.

The proposal is considered essential to address this need for commercial development and in a location that is ideal to provide administrative, commercial and practical support to existing and future port operations. It is also in a location that does not compromise the ongoing use and future development of suitable land for industrial and maritime port related land uses.

Newcastle Local Strategic Planning Statement (LSPS)

The Newcastle LSPS outlines Planning Priorities that will identify the focus of future strategic planning work in Newcastle. Planning Priority 15 of the Newcastle LSPS is “*Plan for the expansion and diversification of Newcastle Port*”. The Newcastle LSPS details that “*the Port of Newcastle is Australia’s largest coal export port by volume and a growing multi-purpose cargo hub. The port precinct hosts a range of ship repair and other port related services in an area of over 700 hectares. Industrial land around the Port needs to be retained and protected to enable growth and diversification of the Port, increasing job opportunities and minimising environmental and amenity impacts to surrounding land uses*”.

The Principles outlined for Planning Priority 15 of the Newcastle LSPS are as follows:

- land within the boundaries of the Three Ports SEPP is retained for Port related uses
- land uses adjoining the Port of Newcastle do not compromise the viability of current and future port operations.

Although there is commercial development capacity in the Newcastle City Centre, there are several factors that mean it is not suitably located to provide administrative, commercial and practical support to existing and future port operations. While the city centre is adjacent to the port, access to the operational port facilities is not efficient. Despite technological changes, proximity to existing and future port operations will continue to be an asset for port related commercial development. In addition, the

availability of commercial development within the city centre with suitable parking and vehicle access for businesses with vehicle fleets is likely to continue to reduce, as development densities increase, and the parking required to be provided with commercial developments reduces. Also, the commercial operations associated with the port would also benefit from occasional 24-hour operations which may not be supported in the context of the city centre.

The Port would benefit from the availability of office-based services in close proximity to the operational areas of the Port to support the continuation and growth of major bulk trades including coal, fuel, fertiliser, wheat and mineral concentrates. Advancement in technology is seeing a change in the operations and management systems of the Port. The proposal would provide opportunity for office-based business near the operational areas of the Port to provide ancillary services. Dynamic and technology-based businesses can provide both on site services and office-based support to the Port and its associated operations. The proposal also has a lower density compared to those within the city centre, which allows for the provision of parking that would be suitable for port related businesses with vehicle fleets, required to readily access the port operations.

The proposed commercial development, comprised of offices and a café, is consistent with the Newcastle LSPS in that it would support the potential growth and diversification of the Port and allow for increased job opportunities, while minimising environmental and amenity impacts on surrounding land, in particular the adjacent residences. In fact, this form of development provides an appropriate environmental buffer between the more intensive industrial and maritime port related land uses, and the surrounding residential land.

Locations within the city centre do not provide the same proximity to the current and future port operations: one of the goals of the development is attracting port related tenants and the reason the proposed site has been selected. The target tenants for the development would not have the same requirements or criteria for office space as those that are attracted to the Newcastle city centre and therefore the development would not detract from, or compete against, the Newcastle city centre and its existing and future commercial developments.

Newcastle Employment Lands Strategy (2019)

The Newcastle Employment Lands Strategy (2019) includes an employment strategy for Port land, in which the subject site is located. The planning principles for Port land are as follows:

- **Ensure that development does not curtail the current or future potential operation of the Port of Newcastle**
A variety of land use conflicts could occur as a result of development which could impact on the Port's operation. These include increased traffic limiting the ability of traffic to and from the Port and constraints on light and noise from Port operations. Development both in the Three Ports SEPP land and nearby should be managed to ensure this does not occur
- **Preserve land for potential long-term employment opportunities**
Expansions of the Port of Newcastle are proposed but have not been approved by the NSW Government. If these were to occur, they could create opportunities in the freight and logistics industries which would be associated with employment demand in excess of those implied by current projections. The land covered by the Three Ports SEPP would be highly strategic for this purpose.
- **Potential uses of the BHP Intertrade site**
Considerations that are relevant to the long-term use of the Intertrade Site in BHP's former location are detailed in the Newcastle Employment Lands Strategy.

The proposal is consistent with the Newcastle Employment Lands Strategy (2019) in that the proposed commercial development:

- would not increase traffic beyond the capacity of the existing road network and therefore would not negatively impact Port associated traffic
- would provide an improved noise and lighting outcome for neighbouring residents over other potential port related uses on the site, without limiting the development potential of other Port land. As previously noted, the proposal provides an appropriate environmental buffer between the more intensive industrial and maritime port related land uses, and the surrounding residential land
- would support the current operations of the Port as well as the potential expansion and projected diversification of the Port.

The plan generally highlights the importance of maintaining port land for industry however also highlights the importance of redeveloping industrial land in a manner that accommodates the surrounding land uses.

Summary

Further to these strategic plans, the Greater Newcastle Metropolitan Plan 2036 contains Catalyst Areas for Greater Newcastle, which are places of metropolitan significance that need a collaborative approach to the delivery of new jobs and homes. The Port of Newcastle is identified as a Catalyst Area.

The desired role in Greater Newcastle for the Newcastle Port is as follows:

- Global gateway, providing international freight connections servicing Greater Newcastle and the Hunter Region
- Emerging tourism gateway centred around the Newcastle Cruise Terminal
- Capacity to generate port-associated industry and regional and local employment while planning for land use compatibility, acknowledging the high demands on land and infrastructure affecting surrounding lands and requiring a separation from adjoining land uses to sustain their success.

The site is within the area identified as Throsby Precinct of the Newcastle Port Catalyst Area. The outcome for the Throsby Precinct is to: *“accommodate light industrial and new economy uses to enable a transition from port-related uses to reduce potential impacts on surrounding residential areas, and restrict sensitive land uses from locating adjacent to the port”*.

The proposed commercial development is consistent with the Greater Newcastle Metropolitan Plan 2036 and specifically aligns with the future direction of the Throsby Precinct of the Newcastle Port Catalyst Area in that it comprises of office and café uses which will support existing and future Port facilities and the diversification of activities at Newcastle Port. The proposal also aligns with diversification of the Carrington Precinct. The proposal has the potential to support technology-based services that encourage the advancement of efficient port operations and has capacity to generate local employment. The proposal has been designed to minimise adverse environmental and amenity impacts on nearby residential communities.

How the proposed development would meet demand for port-related office uses

The proposal is ideally situated for tenants supporting the Port operations. Prospective tenants may include existing Port of Newcastle tenants located within aging commercial buildings. Some existing commercial buildings are due for substantial refurbishment due to the age of the buildings. Many Port related tenants would benefit from the proposed parking as the site also provides easy vehicular access from the Newcastle Airport and to the Hunter Valley where existing mining and other port related operations are located.

Port of Newcastle's Port Lease includes the 92 Hill Street Carrington office building. This popular fully tenanted office building demonstrates the demand for office space in the port side context. One tenant is an environmental consultant providing services to many port businesses including PON. Another tenant is a steel trader which trades steel through the port and manages its Newcastle business from 92 Hill Street. Other tenants include local consultant businesses including a quantity surveyor.

The Port of Newcastle has also been approached by other Port related businesses who are interested in a tenancy within the proposed building.

Feasibility studies and market analysis undertaken for the proposal and for the revision of the Port Master Plan 2040 indicate that there will be an increase in need for office space for port related tenants proximate to the Port.

Port of Newcastle considers that the site is less suitable for port related industrial development due to its proximity to the adjacent sensitive receivers. The proposal provides an opportunity to develop the currently underutilised site in a manner that supports the current and future Port operations, does not detract from other high value Port land suitable for maritime and industry and is appropriate given the surrounding land use.

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We trust that this letter provides you with the information required to continue your assessment of the application. Thank you in advance for your consideration.

Yours sincerely



Belinda Sinclair
Senior Environmental Scientist

