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The Director General  
Department of Planning  
GPO Box 39  
Sydney NSW 2001

30 MAR 2007

Attn Scott Jeffries

**Proposed inclusion of Hunter Economic Zone (HEZ) in Schedule 3 - State Significant Sites under SEPP (Major Projects) 2005 and proposed Concept Plan Application under SEPP (Major Projects) 2005**

The Hunter Economic Zone (HEZ) is a proposed large industrial estate located in the Hunter Valley within the Cessnock Local Government area.

The development of the HEZ Estate has been estimated to:

- Involve a capital investment of approximately \$2.2 billion;
- Generate 14,400 direct employment positions and 12,100 indirect employment positions in a LGA that in 2003 had unemployment levels of 8.1% compared to the State average of 5.8%; and;
- Contribute \$3.3 Billion to the annual turn over of the Hunter Valley;
- Protect lands of environmental significance within the lands surrounding the employment generating zoned lands.

As the proponents for the site, HEZ Nominees Pty Ltd have undertaken a review of the planning framework currently applying to the HEZ Estate.

This review has been prompted by a number of issues which are preventing the economic and employment benefits of the development being delivered in a timely and effective manner.

The lack of delivery is highlighted through:

- A lack of a cohesive strategic vision for the delivery of the economic and environmental outcomes for the site;
- Ineffective co-ordination between issues such as habitat management and bushfire management;
- No agreed resolution between HEZ nominees as the proponent and the Department of Environment and Conservation (DEC) and the Department of Natural Resources (DNR) on the management of riparian zones;
- Inability to obtain consent for necessary road infrastructure (Pelaw Main by-pass) from the Catchment Management Authority(CA) under the Native Vegetation Act 2003;
- Unresolved resolution of the future planning and use of the interface between the HEZ lands and the Weston township;
- The current planning framework is overly complex and rigid and does not allow development to respond to evolving market demands and trends.



The current planning framework is hindering the implementation of the development opportunities for employment generating purposes and the strategies to protect the identified environmentally sensitive lands.

The declaration of the site as a State Significant Site will provide the scope to provide a clear vision for the site. Such a declaration will enable the delivery of the originally envisioned economic and environmental benefits of the development of the estate.

In recognition of these potential significant benefits and current difficulty in implementing the planning framework, we note that the Minister for Planning has directed the Director-General to prepare or cause to be prepared a State Significant Site Study for the HEZ site under the provisions of SEPP (Major Projects) 2005 and Part 3A of the EPA Act 1979. The scope of the HEZ estate and indicative zoning layout is provided at attachment 1.

The land requested to be declared as a State Significant Site (SSS) is delineated on the accompanying plan at attachment 1.

The land use zonings currently applying to the site under the provisions of Cessnock LEP 1989 are:

- Zone 1(a) Rural "A" Zone;
- Zone 4(h) Hunter Employment Zone;
- Zone 5(a) Special Uses "Community Zone"; and
- Zone 7(b) Environmental Protection Zone

The majority of the lands proposed for declaration as a SSS are employment generating lands currently zoned 4(h) Hunter Employment Zone.

Broadly, the State Significant Site designation seeks to retain the employment and environmental protection zonings. The SSS process will seek a refinement of the current zoning and revision to the Development Controls applying to the site. This process will provide a cohesive assessment framework and resolution of current conflicting elements.

As a tool for the on-going management and implementation of the planning framework the HEZ estate has been delineated into a number of Precincts. Each precinct would be the subject of further Concept Plan and Project Applications under the SSS umbrella. The precinct Concept and Project Applications will be in the form of detailed Masterplans which identify road networks, lot patterns, asset protection measures and conservation integration measures. This will create development parcels which would be the subject of further use consents.

In recognition of the size of the HEZ industrial Estate, the development timeline and the existing industrial zoning and current proposals under preparation, HEZ Nominees seeks to proceed with elements of the project within Precinct 1 and associated infrastructure currently with the processing and assessment of the State Significant Site Study. We envision that these elements can be considered as Concept and Project Applications under of SEPP (Major Projects) 2005 and Part 3A of the EPA Act 1979.

The elements of the project to which approval is sought concurrently to the State Significant Site Study process include The Pelaw Main By-pass road, the Masterplanning of Precinct 1 and the development of a proposed manufacturing plant within Precinct 1. These elements are described in detail below.

### **Summary of Pelaw Main by-pass Concept Plan**

The need for the construction of the Pelaw Main by-pass was identified in the Hunter Economic Zone Traffic Impact Assessment Report. The by-pass is configured to provide a linkage between the HEZ



estate western access on Leggetts Drive with John Renshaw Drive. The by-pass seeks to minimise the impact of industrial traffic upon the residential and business areas of Pelaw Main and Kurri Kurri.

The construction of the by-pass is a required infrastructure component to be provided to support the development and implementation of the HEZ estate. The implementation of the by-pass is identified within the current planning framework as essential to the implementation and operation of the HEZ estate.

The design and environmental assessment of the proposed route has been completed and accompanies this Concept Plan submission.

### **Summary of Precinct 1 Concept Plan**

Precinct 1 and the concept plan for its development yields approximately 94ha of developable land currently zoned 4(h) Hunter Employment Zone. (refer Attachment 2) This represents a potential capital investment in the establishment of employment generating uses of well in excess of \$100 million.

The concept plan includes a proposed road and lot layout, conservation buffers, bushfire protection measures and habitat retention measures.

The layout has been prepared in response to the existing data sets and strategies that have previously been prepared for the site on behalf of Cessnock City Council. These baseline studies include the Ecological Constraints Masterplan (ECMP) (Feb 2004), the Public Environment Report (August 2006) and Supplement to the Public Environment Report (August 2006) all prepared by Harper Somers O'Sullivan, the Aboriginal Archaeology (Test Excavation Report - December 2003 and Aeolian Sands by Chinamans Hollow Creek - October 2004 prepared by ERM) and the Bushfire Management Strategy prepared by (Harper Somers O'Sullivan).

The Concept Plan Application for Precinct 1 provides a clear framework for the establishment of the parcels of land for industrial development and employment generating use, the implementation of appropriate asset protection measures and interface between the industrial lands and the conservation lands. The Concept Plan also provides the flexibility to respond to market demands and development interest for the employment generating development of the site.

The provision of this certainty and clarification of the planning of the estate will allow greater focus upon the identification of users and occupants of the employment zoned lands, which is the primary focus of the HEZ Estate, to provide employment opportunities within the region.

The end use and development of the individual lots will be the subject of further applications either as Project Applications under the provisions of the SEPP or as Development Applications under Part 4 of the Act depending upon the directions of the Minister and the Director General.

### **Major Project Proposal**

An application is currently being prepared for the use and development of a parcel of land within Precinct 1 for the manufacture of wall and floor panels with acoustic and fire rated properties. The proposal involves the construction of a facility of 31 000m<sup>2</sup> of gross floor area and 25 000m<sup>2</sup> of hardstand area.

The project has a construction cost of \$25 million and a Capital Investment Value of \$56 million including \$15 million for manufacturing plant.

The manufacturing process involves a 10 stream mixing of chemicals to produce the panels. The facility is expected to employ 105 people comprising 95 manufacturing staff and 10 support staff. In addition a further 10 company drivers are expected to be employed.



The application has been reviewed and does not fall within the requirements of SEPP 33 Hazardous and Offensive Development, but will require a Dangerous Goods Licence to cater for the chemicals stored and used on-site in the manufacturing process.

The proposed facility includes a warehouse and distribution capacity to support the primary manufacturing capability.

Accordingly the Ministers opinion under Clause 6 of SEPP (Major Projects) 2005 is sought that the above described development is a development to which Part 3A applies.

We believe the proposal is consistent with the requirements of Schedule 1 Group 3 Chemical, manufacturing and related industries as:

- The proposal will employ more than 100 people;
- The proposal has a capital investment value of greater than \$20 million;
- The proposal involves the manufacture and reprocessing of polymers through the chemical process to create the wall and floor panels.

It is noted that further development proposals and uses currently being negotiated to come to the estate are also likely to be consistent with the provisions detailed within Schedule 1 of SEPP (Major Projects) 2005 and will be brought to the Departments attention at the appropriate time.

#### **Scope of Concurrent Concept Plan Authorisation and Next steps**

Concurrent to the State Significant Site Study process concept plan authorisation is now sought for:

- The proposed Pelaw Main By-pass road; and
- The indicative subdivision and road layout for Precinct 1 detailed at attachment 2;

It is expected that elements of the concept plan authorisation will require further detailed assessment leading to the granting of project approval.

We look forward to a positive response and remain available to provide any additional information you may require.

Yours sincerely

Michael Barrow  
**General Manager**

#### **Enclosures:**

Attachment 1 Draft SSS Zoning Plan  
Attachment 2 Precinct 1 Concept Plan