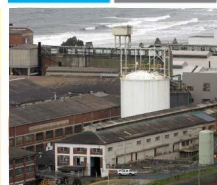
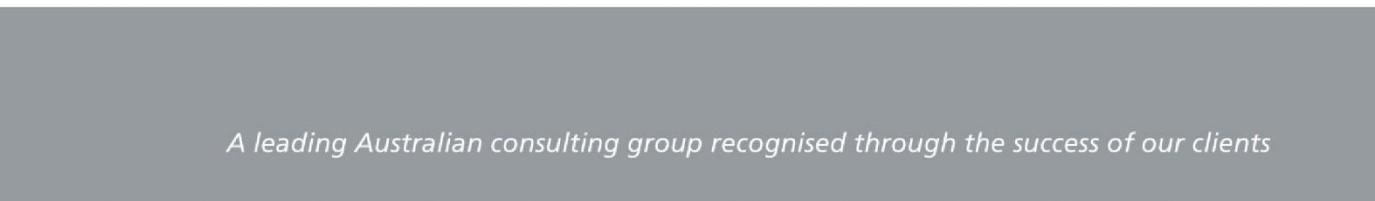




## Burnie Paper Mill *Site Assessment*

October 2010



## Document Control

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# Executive Summary

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## Background

The redevelopment of the former Burnie Paper Mill site represents an important strategic opportunity for the future economic development of the Burnie region. Well served by existing infrastructure, the extensive South Burnie site has historically served as an important economic base for the City, although the city's economy has diversified in recent years as the mill progressively wound down its operations. The mill closed in mid-2010 and is to undergo site remediation ahead of disposal by its current owner, Paperlinx. This report considers and assesses alternative uses for the site, recognizing that its existing industrial zoning may no longer be the most appropriate setting given contemporary requirements and expectations.

The subject land is an extensive industrial holding owned by a Paperlinx subsidiary. Lying south of the Bass Highway between Massey Green Drive and Reeve Street, South Burnie, the 37.5 hectare site has historically been used as a paper mill and associated support infrastructure.

Direct access to the site is gained via crossovers to Reeves Street, Old Surrey Road, Massey Green Drive and Marine Terrace. The central median on Marine Terrace restricts site access by east-bound traffic.

The site is extensively developed with older style industrial buildings in various states of repair developed between the late 1930s through to the 1950s, associated with the former use. The buildings are aligned to a well developed internal road network.

The paper mill is considered central to Burnie's twentieth century history and development. However, it is understood a detailed heritage assessment of the site has not been undertaken. The Paper Mill is not listed as a building, object or site of architectural, historical or scientific interest under the Burnie Planning Scheme.

Land to the north of the railway line towards the highway is relatively flat. Land to the south of the site becomes increasingly steep. Elevated land towards the south east corner of the site has been identified by Council as an area of active soil potentially susceptible to slippage.

Sections of the site have been contaminated by the previous pulp and paper production processes. Six points of environmental interest have been identified by previous site investigations. Owner, Paperlinx, advises that the contamination is contained and is working closely with the Environmental Protection Agency to remediate the site to the standard appropriate for an industrial site. Paperlinx anticipates the remediation process could be potentially completed within 12 months.

Part of the site was recently the subject of a development application for a large format/bulky good retail use. The proposal raised a number of issues of strategic planning significance. Council is satisfied that the proposed use is not consistent with the intent of the current zoning and that a planning scheme amendment would be required to accommodate the proposed use.

## Site Context

The South Burnie precinct surrounding the site comprises a mix of light industrial, peripheral sales and residential development. Industrial and commercial uses follow the low lying land on the southern side of Bass Highway. Peripheral sales uses include car yards and electrical supplies. A Harvey Norman based centre is located approximately 650 metres northwest of the subject land, towards the south end of Burnie CBD.

The subject land fronts Marine Terrace (aka Bass Highway), a four lane dual carriageway highway connecting Burnie to

Launceston. Old Surrey Road, on the eastern boundary, is a secondary road connecting to Queenstown.

The site is bisected along its east-west axis by TasRail's Western Line, providing a freight service linking the North West region to Launceston and beyond. Prior to the Mill's closure, the rail service delivered coal and logs to the Mill site.

The site is within 1.5 kilometres (by road) of the Port of Burnie, Tasmania's largest general cargo port and one of Australia's largest container ports.

## Alternative Site Uses

The closure of the paper mill operations presents a unique opportunity to accommodate contemporary land use requirements at this strategic site. A range of alternative land uses and site opportunities have been assessed.

The land is presently zoned industrial. Light and general industry are permitted uses in the zone and are considered suitable having regard to the site's previous use, existing infrastructure and improvements, some of which could be adaptively re-used as high clearance manufacturing or warehouse space.

Mineral processing is a discretionary use on the subject site. Given limited evidence of market demand for this use at the site and potential for adverse amenity impacts on nearby residential development the use is considered less than ideal.

Excellent highway exposure, direct rail access linking the site to the nearby port, Tasmania's largest general cargo port, plentiful land and existing onsite infrastructure raise the potential of the site as a transport and logistics hub, providing an opportunity to consolidate currently dispersed transport operators at a single site, thereby improving operational efficiencies.

Toll Holdings, a major freight operator out of Burnie, notes there is presently a shortage of sites to park semi-trailers at or near the port. Toll's requirement is for flat, level hardstand area for ease of fork lift operation.

Existing administrative buildings located in the north west corner of the site, considered to have some heritage value, could be adaptively re-used for a range of purposes under current land use controls including office space, consulting rooms, or educative purposes. The buildings may also have appeal for accommodation, but this use is not presently permitted in the zone and use for this purpose could potentially compromise the wider uses of the site.

Residential uses are considered inappropriate at the site, given the current zoning, and higher site remediation requirements entailed.

Burnie is considered to have an adequate supply of industrial land given its comparatively modest evident demand. Burnie has approximately 136.8 hectares of undeveloped industrial land of which approximately 73.5 hectares is considered suitable for development. The largest cluster of undeveloped industrial land is at Heybridge, approximately 7 kilometres south east. Beyond Burnie, there is approximately 223 hectares of industrial zoned land at Burnie-Wynyard Airport and 140 hectares at Devonport Airport.

In recent years there has been negligible vacant industrial premises available for lease.

Demand for industrial land within the City has been modest. In the decade to 2009, an average of five vacant industrial lots have been sold per annum within Burnie City. Construction activity is consistent with average annual industrial land consumption of approximately 1,900m<sup>2</sup>. At this rate of consumption, current stocks of suitable undeveloped industrial land is considered sufficient for a number of decades.

Approximately 5,800m<sup>2</sup> of industrial space was developed in the city over the nine years to 30 June 2009, with the average premises encompassing an area of 640m<sup>2</sup>. Sheds of 400-600m<sup>2</sup> are highly sought after, however, demand is acutely price sensitive. Bass Highway frontage is considered an advantage and attracts a price premium.

Homemaker retailing refers to larger format retail stores (usually tenancies of 500m<sup>2</sup>) or more which typically sell

merchandise classed as bulky goods or homewares. The size of the site required, preferred parking configuration and development economics typically preclude homemaker retail from locating within conventional shopping centres. Being a space intensive, discretionary, comparatively low margin and low volume category, turnover per square metre, and hence rent levels the use can sustain, are typically lower than conventional retailing.

Most of Burnie's existing bulky goods and large format retailing is spread through the CBD or within South Burnie, typically on land zoned Commercial or Central Business. A number of national homemaker retailers are not presently represented in Northern or North Western Tasmania.

A number of alternative commercial and industrial zoned sites around the municipality of comparable size to the parcel sought by Bunnings have been assessed and found less suitable in terms of exposure, traffic capacity, proximity to existing retail and commercial precincts, topography and/or market-readiness.

Burnie is considered to have an adequate supply of industrial land given the comparatively modest demand evident in recent years. The city has approximately 136.8 hectares of undeveloped industrial land of which approximately 73.5 hectares is considered suitable for development. New industrial construction within the City since 2004 is consistent with a vacant land consumption rate of 1,925m<sup>2</sup> per annum. Plentiful industrial land is available in the wider region, including large holdings at the Burnie-Wynyard and Devonport airports.

In order to prevent the potential of the Paper Mill site being compromised by its hasty sale to an unsympathetic purchaser, it is recommended that the Tasmanian Government and/or Burnie City Council seriously consider acquiring that part of the site not sought by Bunnings as a strategic land bank. Any such purchase should be subject to the land being remediated by the vendor to an appropriate standard as determined by the Environment Protection Authority.

A proactive investment attraction program by the Tasmanian Department of Economic Development, Cradle Coast Authority

and Burnie City Council is recommended to market the site to potential investors and light industrial, trade and logistics firms.

It is further recommended that there be investigation into the feasibility and business case for developing a freight logistics hub on the site utilising the rail alignment.

It is recommended that Council rezone the north west section of the site to a Regional Home Maker/Service Industry zone or similar. The purposes of the new zone would include providing for integrated bulky goods showrooms and trade supplies and to protect and enhance the role of Burnie as the retail and services regional centre for north-western Tasmania and to accommodate retail goods and services not available in other centres.

The current industrial zoning would be retained on the remainder of the site.



Figure 1.1: Aerial view of Subject Site



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# 1. Introduction

## 1.1 Background

The redevelopment of the former Burnie Paper Mill site represents an important strategic opportunity for the future economic development of the Burnie region. Until the mill's closure in mid-2010, the expansive industrial site situated on the south side of the Bass Highway between Massey Green Drive and Reeve Street, South Burnie, accommodated the paper making operations of Paperlinx subsidiary, Tasmania Paper Pty Ltd and its associated support infrastructure. This operation for many years served as the economic base for the City, although the city's economy has diversified in recent decades as the mill progressively wound down its operations.

In the last few years sections of the land have been sold and are now occupied by other industrial activities. Tasmania Paper is now seeking to divest itself of the remaining land, subject to first remediating it of contamination to the satisfaction of the Environment Protection Authority.

Interest in part of the site has been expressed by a national retail chain proposing to develop a large format retail building supply and hardware outlet. The proposal involves a manner of development was not contemplated by the Burnie Planning Scheme in a location removed from Burnie's primary retail centre and thus raises issues of strategic planning importance which need be resolved before the immediate considerations of site capability and the nature of regulatory provisions can be addressed. Core considerations are industrial and commercial strategies for Burnie and its region of influence; and with the future of the site.

## 1.2 Methodology

As agreed by the project steering committee at the project inception meeting, conducted on 30 June 2010, the study was conducted in accordance with the methodology outlined in AECgroup's proposal dated 19 May 2010.

The study was informed by a range of policy and strategic documents including:

- Burnie Planning Scheme
- Burnie Settlement and Investment Strategy
- Cradle Coast Planning Initiative Draft Report
- Planning schemes and Industrial land strategies of neighbouring municipalities (Waratah-Wynyard, Central Coast).
- Burnie Heritage Study;

**Figure 1.1: Looking northwards across Burnie Paper Mill towards Emu Bay.**



**Figure 1.2: Looking northwards across Burnie Paper Mill towards Emu Bay.**



- AECgroup's Burnie Industrial Land Study (2009)
- Council and Dept of Economic Development's previous industrial land assessments;
- Best practice examples of industrial and bulky goods/large format retail land use controls and strategies;

An extensive range of stakeholders were interviewed to gain a more detailed appreciation of:

- Current land usage patterns, aspirations and issues
- Adequacy of infrastructure at the site and likely future requirements under alternative scenarios;
- Near and intermediate-term plans for existing site uses and operations;
- Preferred land use options for the future use of the Paper Mill site;
- Site access and management of traffic movement;
- Burnie's transport and logistics requirements including needs of the Port of Burnie;
- Appropriate inclusions;
- Land Use issues of regional significance;
- Issues or concerns with current industrial land use controls;
- Future vision for the site;
- Major property requirements.

Key stakeholders consulted in the course of the project included:

- Burnie Council planning officers
- Paperlinx (the proprietors of the Paper Mill site);
- Australian Paper (former site operator)
- Hazell Bros (adjoining owners);
- Commercial Estate agents and valuers including PRD Nationwide, Esk Property Group and City and Rural Real Estate;
- Burnie Chamber of Commerce
- Property developers
- TasPorts (Port of Burnie)
- TasRail (operates rail line through the site);
- Transport and Logistics operators, including Toll Holdings, De Bruyn's Transport and Chas Kelly Transport;
- Department of Economic Development, Tourism and the Arts (industrial development and traffic management);
- AusIndustry/Enterprise Connect
- EPA.



## 1.3 Acknowledgements

The project was guided and advised by a Steering Committee, which provided local knowledge, consultation leads, views on strategy and technical matters and review of the strategy process. Membership of the Steering Committee include:

Attendee	Organisation	Role
Patrick Earle	Burnie City Council	Director, Land and Environmental Services
Paul Arnold	Burnie City Council	General Manager
Rodney Greene	Burnie City Council	Director, Community and Economic Development
John Macleod	Department of Economic Development, Tourism & Arts	Project Officer, Property & Land Use Development

## 2. Context Review

### 2.1 Location

The Paper Mill site is located at 72 Marine Terrace, South Burnie, approximately 1.6 kilometres south east of Burnie CBD.

Burnie is an urban centre and sea port situated on Emu Bay at the mouth of the Emu River. It lies on the Bass Highway to Launceston 148 kilometres east at the junction of the main western and west coast rail lines. Somerset adjoins Burnie to the west.

#### 2.1.1 Regional Context

Tasmania's fourth largest urban centre (2006 population 19,160 (Australian Bureau of Statistics)), Burnie is a key commercial centre for the Mersey-Lyell region of the state's North West. The region is rich in natural resources such as fisheries, timber, groundwater, extractive resources and productive soils and these resources are an important part of the regional economy.

Three quarters of this region's population occupies a narrow coastal urban strip extending from Smithton in the west to Port Sorrell in the east.

Burnie and Devonport, separated by a distance of approximately 50 kilometres, are the two major population centres for the region and both have competed over time to develop as the leading regional centre, with resultant duplication of services. Both cities have air and sea ports, connected by rail to other major Tasmanian towns. Burnie is the region's leading retail node, reflected by its retail mix, major anchor tenants, development activity, trade area penetration and market share (AECgroup, 2007). The retail sector has traditionally been almost entirely contained within the central business district (CBD), including large format retail uses. Burnie is base for the Cradle Coast campus of the University of Tasmania, the North West Institute of TAFE and is home to the North West Regional Hospital, a modern 160 bed facility.

Figure 2.1: Aerial View of Burnie

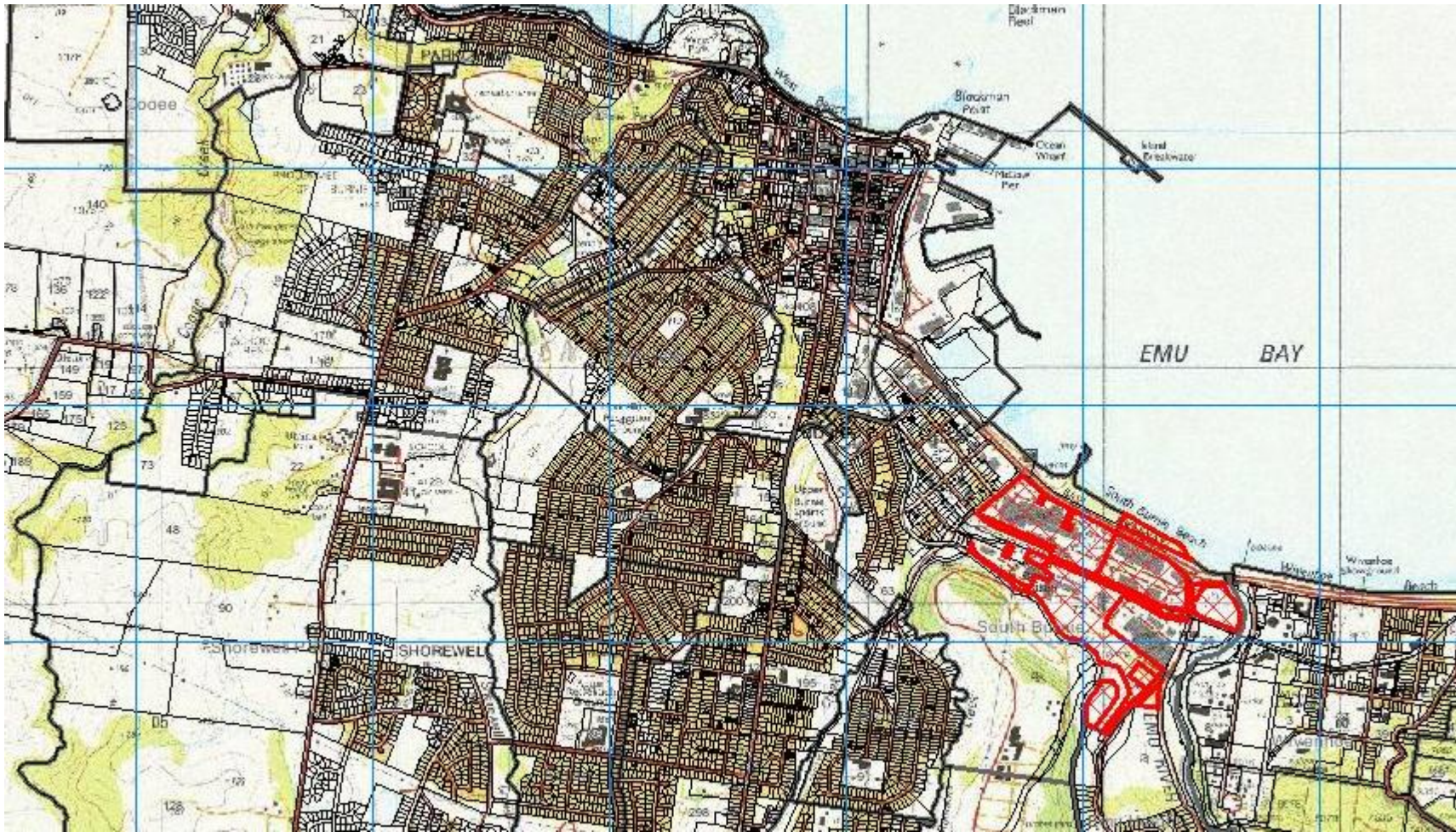


Figure 2.1.1: Burnie Port from Upper Burnie





Figure 2.2: Site Context Map



Source: (Land Information System Tasmania (The LIST), 2010)



## 2.2 Site Analysis

The former Burnie Paper Mill site comprises approximately 37.5 hectares located at 72 Marine Terrace, South Burnie. The subject land is irregular in shape and made up of nine separate lots with frontages to Marine Terrace (aka Bass Highway) to the north, Old Surrey Road to the east, Massey Greene Drive to the south east, and Reeves Street to the west.

Direct access to the site is via crossovers to Reeves Street, Old Surrey Road, Massey Green Drive and Marine Terrace. Marine Terrace is divided by a median strip, which presently limits direct access to the site by vehicles travelling in an easterly direction. East-bound traffic can currently gain site access via Reeves Street Massey Greene Drive.

The site is divided along its east-west axis by TasRail's Western line.

The site's internal road network includes a crossing of the railway line towards Old Surrey Road frontage.

### 2.2.1 Built Form

The site is extensively developed with older style industrial buildings developed between the late 1930s through to the 1950s associated with the former pulp and paper manufacturing process, ancillary plant and office buildings. Existing buildings cover approximately 22% of the site area, and range from one to three or more storeys. A diverse range of building materials have been used including brick, corrugated iron and asbestos (used for alternatively for cladding and roofs).

Two older style brick office buildings, respectively two and three storeys are located at the north west corner of the site facing Marine Terrace.

The paper mill buildings are aligned to a well developed internal road network, which includes a rail crossing connecting the southern portion of the site.

**Figure 2.3: Old Engine Building to rear of site.**



**Figure 2.4: Internal view of site.**







### 2.2.2 Heritage Considerations

The Paper Mill is central to the story of Burnie's twentieth century history and development (GHD). The Burnie Mill was the first commercial scale producer of paper manufactured from 100% eucalyptus pulp in Australia.

Construction of the Mill commenced in 1937. On completion, the main structure was 964 feet in length and varied between 150 to 220 feet in width, averaging 50 feet in height. Operations began on 27 August 1938. The site employed nearly 500 staff and a further 200 people in the bush supplied the logs for processing.

The Paper Mill ceased paper making operations on 16 June 2010 (Dunham, 2010).

GHD notes the Mill's historical significance as the first commercial scale producer of paper manufactured from 100% eucalyptus pulp in Australia. As the largest development and employer in Burnie, the Mill was fundamental to the transformation of the town into a major industrial and population centre. It is understood that a detailed heritage assessment of the site has not been undertaken.

The Paper Mill is not listed as a building, object or site of architectural, historical or scientific interest under the Burnie Planning Scheme. Nevertheless, two of the former administrative buildings (depicted to the right), appear to have aesthetic and architectural interest, as well as potential for adaptive re-use for other purposes.

### 2.2.3 Topography

Land to the north of the railway line towards the highway is relatively flat. To the south the rail the site becomes increasingly steep, with an average gradient of one in twelve.

### 2.2.4 Soil Stability

This report has relied upon soil stability information made available by Burnie City Council. We are advised that land to the west of the site near Emu River comprises river sediment and Testing of sub-surface conditions was outside the scope of this brief and remain unknown, warranting further investigations by appropriately qualified geo-technicians.

Elevated land around the water tank towards the south east corner of the subject land and along the south western boundary of the property has been identified by Council as an area of active soil potentially susceptible to slippage in the event of disturbance, clearance or a major rain event (refer figure 2.8).

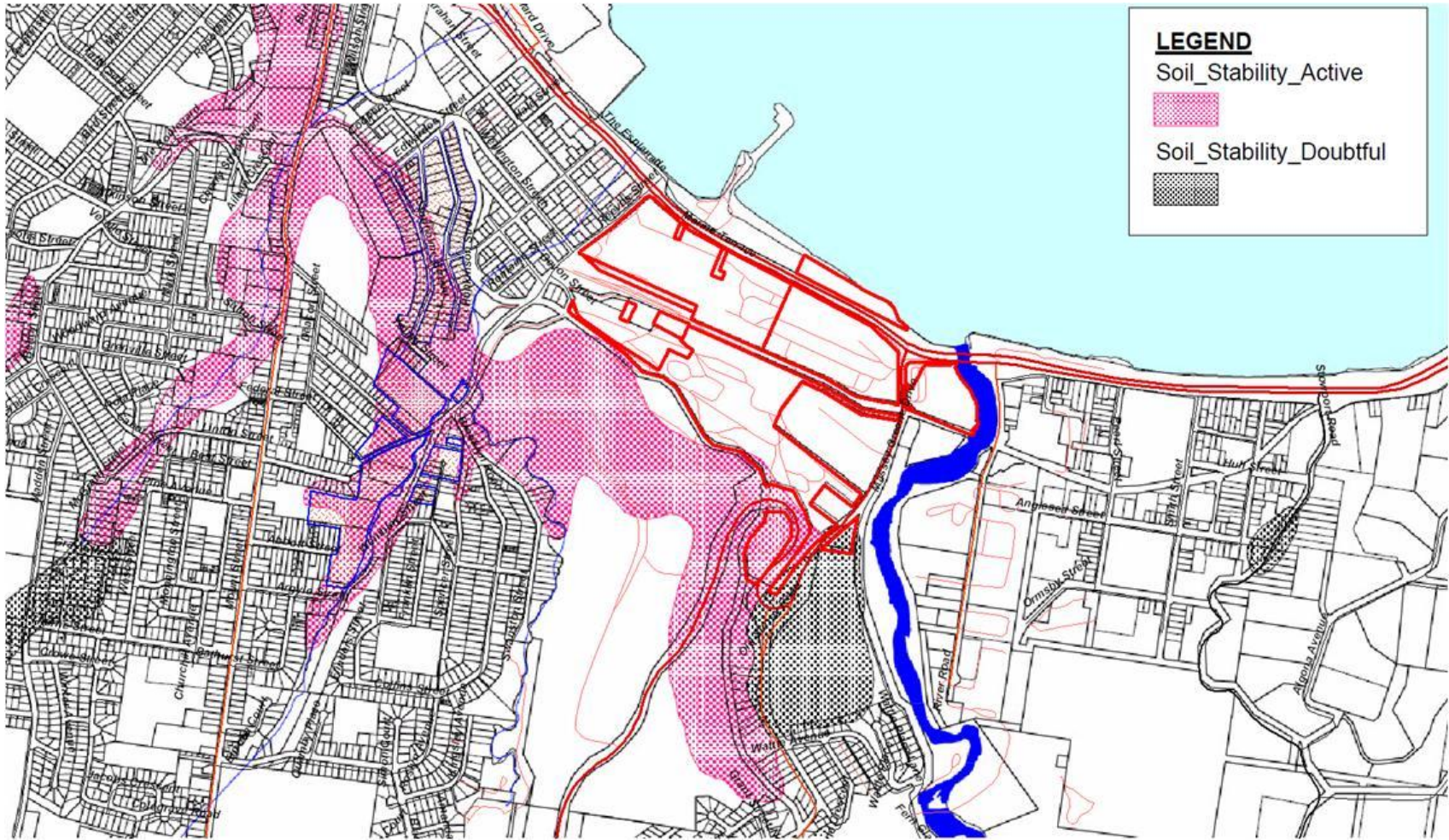
**Figure 2.6: Georgian Revival architecture**



**Figure 2.7: Art Deco Administrative Building on the North West corner of the site.**



Figure 2.8: Soil Stability Map





### 2.2.5 Site Contamination

Sections of the site have been contaminated by the previous pulp and paper production processes. Some investigations were made to quantify the extent of site contamination and extent of remediation required during the 1990s and early 2000s. Six points of environmental interest have been identified within the site (Warren Jones, 2010). It is understood that the cell house has a high degree of mercury contamination and mercury contamination has been detected in a water bore to the north east of the site. Site redevelopment could potentially disturb contaminated soils impacting on water quality through the transport of sediments into surface water. Tasmanian policy on water quality management requires that a permit for use or development of land be accompanied by sufficient information to demonstrate capability of the land to support redevelopment and adequate environmental risk mitigation measures are in place.

Owner, Paperlinx advises that the contamination is contained and is working closely with the Environmental Protection Agency through an Environmental Effects Reporting process to remediate the site to the standard appropriate for an industrial site.

Paperlinx anticipates the remediation process could be completed within approximately 12 months, although has made no firm commitment as to the staging of the decontamination.

**Figure 2.9: Existing Site improvements – older style asbestos cladding.**



Paperlinx anticipates the remediation process could be completed within approximately 12 months, although has made no firm commitment as to the staging of the decontamination.

**Figure 2.10: Existing Site improvements towards south of site, beyond railway alignment.**



## 2.3 Immediate Neighbourhood

The South Burnie precinct surrounding the subject land comprises a mix of light industrial, peripheral sales, and residential development. Peripheral sales uses, including car yards front Marine Terrace and port uses line the deep water harbour of Emu Bay.

The industrial and commercial uses hug the low lying land on southern side of Bass Highway south of Burnie CBD, flanking Emu River continuing east to Round Head and extending between two and six blocks inland. Industrial uses are flanked to the west and south west by low rise residential development and a rural forestry zone, located immediately south of the Mill site.

Peripheral sales uses lining Marine Terrace westward from the subject land include a couple of car sales yards (Nissan, Cars R Us) and AWM electrical supplies. A big box centre anchored by Harvey Norman and comprising a Spotlight store is located on the North West corner of Marine Terrace and Edwards Street, approximately 650 metres North West of the subject land.

The surrounding side streets are lined with one and the occasional two level trade-related businesses (electrical, plumbing, timber and auto parts)

The Port of Burnie is located on the western edge of Burnie CBD, approximately 1.5 kilometres North West of the subject land by road.

**Figure 2.11: Harvey Norman Centre on Marine Tce, South Burnie**

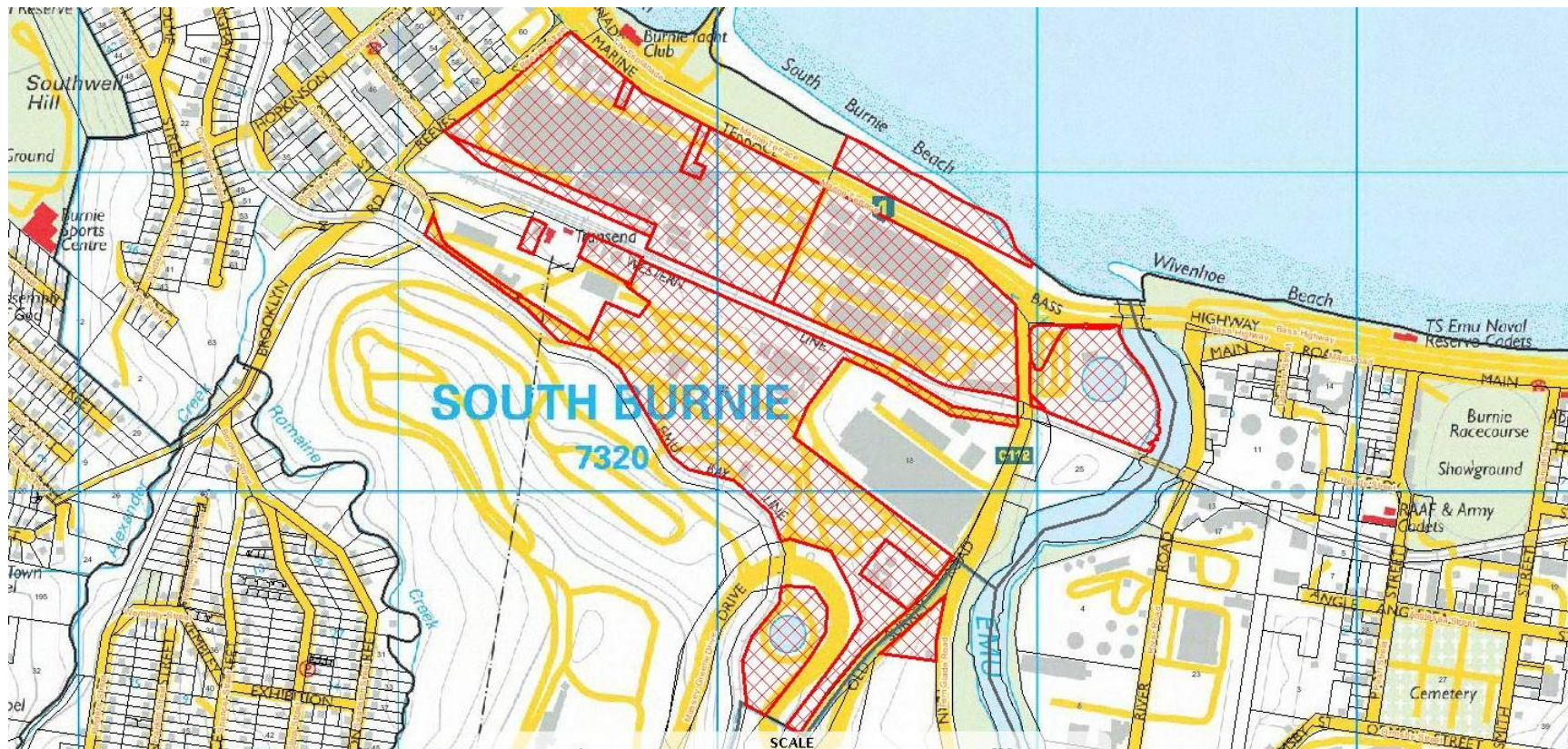


**Figure 2.12: Holden Car Yard on Marine Tce, South Burnie**





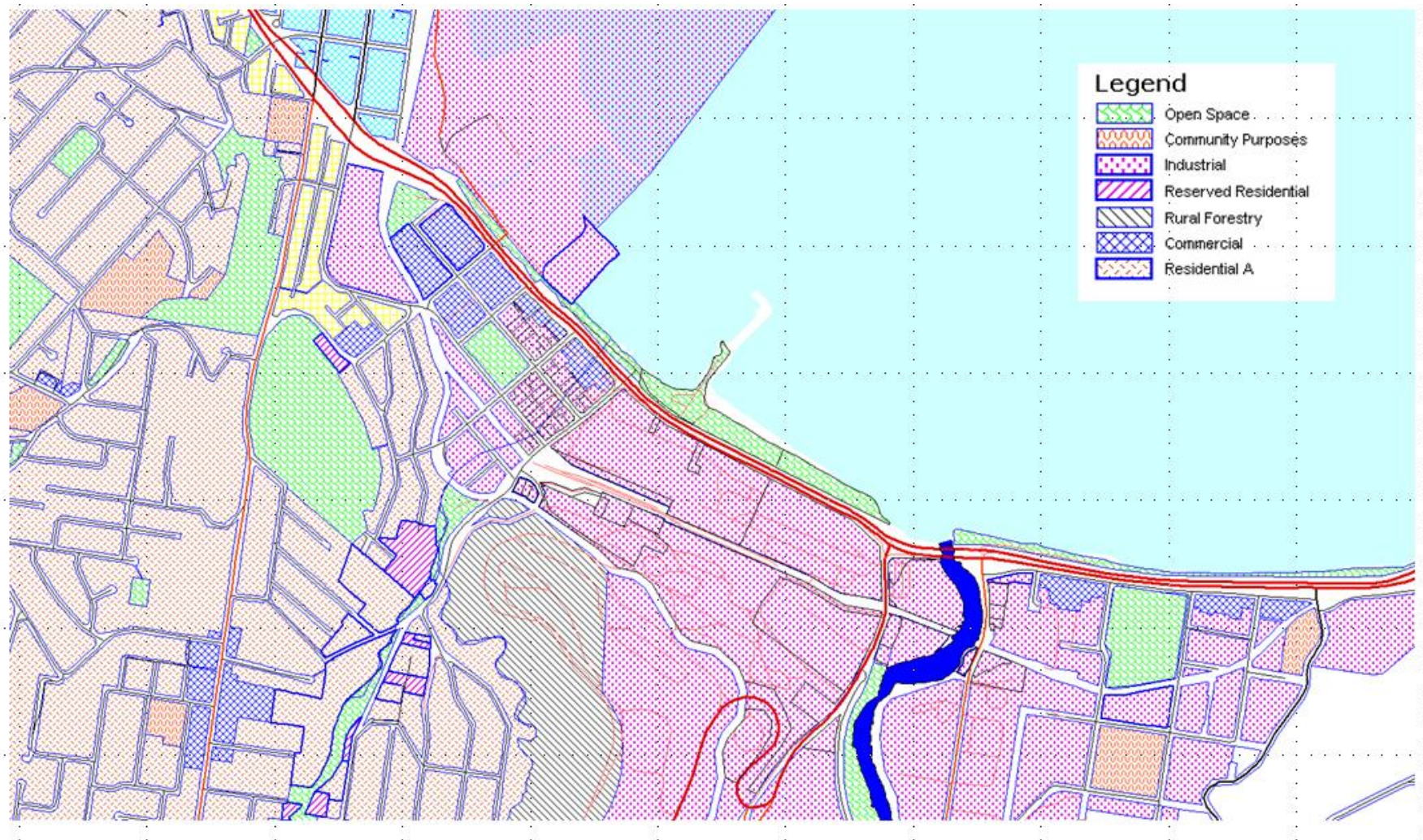
Figure 2.13: Immediate Neighbourhood



Source: The LIST



**Figure 2.14: Land Use Zoning Controls around the Subject Site**



Source: Burnie City Council

Notes: Listed Uses as per Burnie Planning Scheme.

The Community Purposes Zone is primarily intended to identify land for the present or future public or institutional use; ensure that development is in the public interest and takes account of the needs of future populations; ensure that large scale public and institutional use of land is appropriately located and related to the surrounding land uses; and ensure that locations are available for specific public uses such as disposal areas, cemeteries, crematoria, schools and Council depots.



Figure 2.15: Aerial View of South Burnie showing existing pattern of land use.



## 2.4 Transport and Linkages

Burnie is developing as a transport hub for the North West coast of Tasmania, served by a port, major roads, rail and airport. The existing transport network has been adequate in handling the region's demand for the past 20 years and is considered a regional competitive advantage, providing a key driver for the location of major industry in the region (AECgroup, 2007). The region is approximately 3.5 hours' drive north of Hobart and a one hour flight across Bass Strait from Melbourne.

### 2.4.1 Road

The Mill fronts Marine Terrace (aka Bass Highway), a four lane dual carriageway highway connecting Burnie to Launceston 148 km east and to the North West coast to the west. Bass Highway is part of the AusLink National Highway Network.

Old Surrey Road, forming the eastern boundary of the property, is a secondary road which connects through to Queenstown (via Ridgeley), Zeehan and beyond to Hobart.

Reeves Street, forming the western boundary is a local secondary road providing access to South Burnie and the Brooklyn residential to the south.

### 2.4.2 Rail

The site is bisected along its east-west axis by TasRail's Western line, providing a freight service linking Wiltshire in the state's north west through to Launceston and beyond to Hobart. The Melba/Emu Bay line, serving Rosebery and Mount Lyell Mining (near Zeehan) follows the southern boundary. South Burnie Station, on the Melba/Emu Bay Line, is located to the immediate south of the subject land. Both lines connect to the Port of Burnie.

The freight-only TasRail network transports approximately 2 million tonnes of freight per annum around Tasmania, accounting for approximately 20% of the land-based freight transport haul. Major haulage includes cement, wood chips, logs, containers, coal, sulphuric acid, minerals and fertiliser.

Recent rail network upgrades have increased speed to 80 kilometres/hour.

Prior to the Mill's closure, the rail service to the site was used to deliver coal and logs. TasRail advises that there are approximately four train movements through the site per day: one east-bound and one west-bound each morning and each afternoon.

**Figure 2.16: Marine Tce (Bass Hwy) – Four lane dual carriage way arterial**



**Figure 2.17: Emu Bay Railway (Melba Line)**





TasRail proposes to rationalise the current rail yard at the site by removing some points and tracks to facilitate on- train shunting and passing on the site rather than at the Burnie waterfront where it currently occurs, posing a safety hazard to pedestrians accessing the waterfront.

### 2.4.3 Port

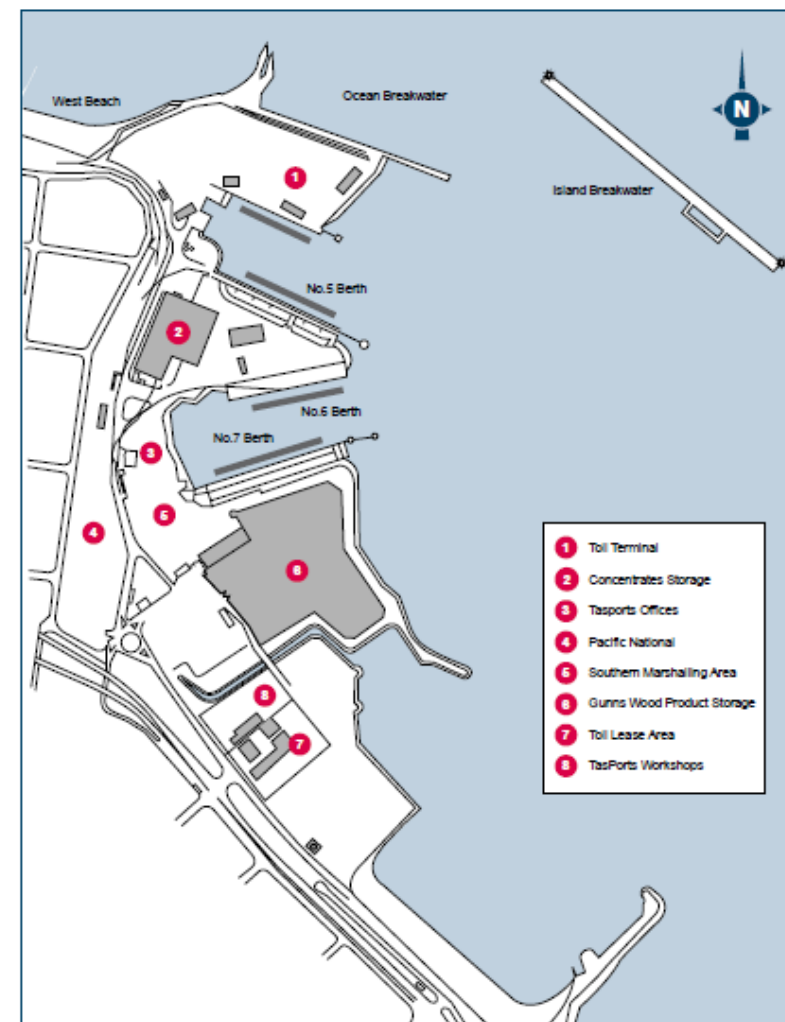
The subject property is located within 1.5 kilometres (by road) of the Port of Burnie, Tasmania's largest general cargo port and one of Australia's largest container ports. In 2008-09 the port accounted for 28% of the total Tasmanian freight task, well ahead of Devonport (21.5%) and second only to Bell Bay (31.7%) (TasPorts, 2009).

Port facilities were enlarged in the 1960s after the completion of the West Coast Outlet Road. Operated by TasPorts, the port services Tasmania's major west coast mines and handles most types of bulk shipping, containerised cargo, copper, lead, zinc, and tin concentrates and the cereals, potatoes, and livestock produced in the area. Trade is facilitated through two container cranes and two berths with stern loading ramps. The port is able to accommodate large quarter ramp vessels at three berths and Toll Shipping (the major operator) has roll-on, roll-off facilities (Cradle Coast Authority, DIER, 2006). The port has a large cold store and excellent intermodal access to road and rail infrastructure.

The majority of Tasmania's non-bulk trade is with the Australian mainland. Toll operates two purpose-built container cargo vessels of approximately 520 TEU capacity between Port Melbourne and Burnie seven days a week each in alternate directions (TasPorts, 2009). ANL operates a lift on/lift off container services operation once per week to Burnie. During 2008/09 the port attracted 503 ship visits, with 4.166 million mass tonnes total trade and 213,195 TEUs (TasPorts, 2009).

While sea passenger and car services to and from the mainland are provided at Devonport, Burnie is rapidly becoming a preferred destination for cruise ships, by virtue of its deep water port. As Tasmania terminal for the Spirit of Tasmania car ferry service, Devonport has historically attracted more visitor numbers than Burnie, although the differential between the two has diminished over time. The Port of Burnie has a more efficient intermodal arrangement than the Port of Devonport, with direct rail access for container traffic. Rail access at the Port of Devonport is located on the opposite (western) side of the port to the container node, posing inter-modal inefficiencies.

Figure 2.18: Port of Burnie



Source: TasPorts

TasPorts intends that Burnie port will be further developed as Tasmania's premier bulk commodity port, and retain a "roll on roll off" general coastal cargo capability. To this end, it is working closely with Toll, the Burnie City Council, Pacific National Tasmania and key business groups on proposals to expand the Burnie port's container freight capacity (TasPorts, 2009). However, TasPort's preference, as articulated in its Strategic Plan (formulated before the Mill site became available), is to accommodate northern Tasmania's anticipated freight growth at a new Integrated Gateway to be developed at Bell Bay Port, on the Tamar south of George Town.

#### 2.4.4 Air Port

Burnie Airport, owned and operated by Burnie Council, is situated 19.3 kilometres north west of the town, in Wynyard. It is serviced by Regional Express, providing daily direct flights to and from Melbourne. Around 2,000 passengers pass through the airport weekly (AECgroup, 2007). The discontinuance of the QantasLink service to the airport several years ago has reduced competition and the number of routes serviced by the airport. Discount airlines Virgin Blue and Jetstar operate services to and from Launceston Airport, which consequently has increased its share of the northern Tasmanian air passenger market at the expense of Burnie and Devonport.

**Figure 2.19: Port of Burnie with Cruise ship berthed**





## 2.5 Assessment of Alternative Site Uses

The following table sets out a range of alternative land uses which could potentially be accommodated on the Paper Mill site and key considerations supporting or countering these alternatives. Selective land uses considered as presenting realistic opportunities for the site are further discussed in the following section.

**Table 2.1: Alternative Land Uses for the Subject Site**

Potential Land Use	Positives	Negatives	Conclusions
Commercial accommodation (Hotel, Motel, Bed & Breakfast)	<ul style="list-style-type: none"> <li>Excellent exposure &amp; passing trade.</li> <li>A potential adaptive re-use of existing administrative buildings to the NW of the site.</li> </ul>	<ul style="list-style-type: none"> <li>Prohibited use under current zone.</li> <li>Potentially incompatible with industrial uses of remainder of the site.</li> </ul>	<ul style="list-style-type: none"> <li>Raised as a potential use of the existing administrative buildings to the NW of the site, but would require an amendment to current planning controls.</li> <li>May be incompatible with or prejudice of balance of the site for industrial purposes.</li> </ul>
Container/Bulk Commodity Storage	<ul style="list-style-type: none"> <li>Site within 1.5 kilometres of Port of Burnie, which TasPorts intends to develop as Tasmania's premier bulk commodity port.</li> <li>Limited site capacity at the Port.</li> <li>Potential interest in site from Toll.</li> <li>Strong growth in container and general freight volume is forecast.</li> </ul>	<ul style="list-style-type: none"> <li>Existing connection to the port is by highway. Operational inefficiencies arising from the need to transport containers between the site and the port by registered vehicles.</li> <li>Construction of a grade separated off-road connection to enable the use of forklifts is potentially costly.</li> </ul>	<ul style="list-style-type: none"> <li>Warrants further investigation as a potentially more economical alternative to land reclamation at the port.</li> </ul>
Consulting Rooms/Health Centre	<ul style="list-style-type: none"> <li>Excellent exposure and good access.</li> <li>Potential utilises existing site improvements on the north west corner of the site which would likely need to be retained due to aesthetic and heritage value.</li> <li>A discretionary use within the current zone.</li> </ul>	<ul style="list-style-type: none"> <li>Somewhat removed from Burnie CBD and existing hospital.</li> </ul>	<ul style="list-style-type: none"> <li>A potential adaptive re-use of the existing administrative buildings to the NW of the site which could be accommodated under current planning controls.</li> </ul>
Conventional Retail	<ul style="list-style-type: none"> <li>Excellent highway exposure.</li> <li>Reasonable site access and egress</li> <li>Large site affording ample scope for adequate parking.</li> </ul>	<ul style="list-style-type: none"> <li>Shops (other than neighbourhood shops) are a prohibited use under current (Industrial) zoning.</li> <li>Would potential undermine the strength of Burnie CBD.</li> <li>Inconsistent with the Burnie Settlement and Investment Strategy which favours the concentrating retail activity in the CBD.</li> </ul>	<ul style="list-style-type: none"> <li>Such development would be inconsistent with the Burnie Planning Scheme, which places a retaining retail within the CBD.</li> </ul>
Educational Establishment	<ul style="list-style-type: none"> <li>A discretionary use within the current zone.</li> <li>A potential adaptive re-use of existing administrative buildings to NW of site.</li> <li>Site is located near existing Australian Technical College, situated in Wellington St, South Burnie.</li> </ul>	<ul style="list-style-type: none"> <li>Existing campuses appear adequately served.</li> </ul>	<ul style="list-style-type: none"> <li>A potential adaptive re-use of the existing administrative buildings to the NW of the site. A recommended permissible use within a proposed Light Industry zone.</li> </ul>

Potential Land Use	Positives	Negatives	Conclusions
General Industry	<ul style="list-style-type: none"> <li>• A permitted use within the current zone.</li> <li>• Excellent highway exposure and access.</li> <li>• Direct rail access to site.</li> <li>• Existing large, solidly-constructed high clearance industrial buildings which could be adaptively re-used for a range of warehousing or manufacturing uses for comparatively modest capital outlay.</li> <li>• In recent years there has been negligible improved vacant industrial space available for lease in Burnie.</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• May have adverse amenity impacts (noise, dust, fumes) on nearby residential development.</li> </ul>	<ul style="list-style-type: none"> <li>• A suitable use for the site having regard to existing planning strategy, land use controls, the site's industrial legacy and suitability of existing site improvements to adaptive re-use for this purpose.</li> </ul>
Homemaker/Bulky Goods Retail/Trade Supplies	<ul style="list-style-type: none"> <li>• Excellent highway exposure.</li> <li>• Good site access and egress.</li> <li>• Large site affording ample scope for adequate parking.</li> <li>• Development precedent – existing large format, peripheral sales and trades supplies activity located on near-by Marine Terrace and South Burnie.</li> <li>• Development of this use towards the western end of the site is consistent with Settlement Strategy, which recommends "encouraging new bulky good development towards the south end of the CBD and South Burnie (p. 17)"</li> <li>• Showrooms are a discretionary use within the current (Industrial) zone.</li> <li>• There are existing gaps in the homemaker/bulky goods market in the region.</li> <li>• The site satisfies the usual site selection criteria of national homemaker retailers and is currently of interest to a national hardware chain.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for adverse trading impact on existing bulky goods retailers located in the CBD.</li> <li>• Location is somewhat removed from the CBD.</li> <li>• The east end of the site recently nominated for a bulky goods development is not contiguous with existing peripheral sales development in South Burnie. Development of the east end for homemaker/bulky goods would potentially result in a fragmented pattern of development.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited homemaker/bulky goods retail is considered a suitable use for part of the site having regard to existing peripheral sales development in the immediate vicinity, the Settlement Strategy recommendations, the quasi-industrial profile of the use and the limited availability of sites for this purpose elsewhere in the municipality.</li> <li>• The western part of the site is favoured for its proximity to existing peripheral sales development.</li> <li>• However, two former administrative buildings near the north west corner of the site are likely to be required to be retained.</li> </ul>

Potential Land Use	Positives	Negatives	Conclusions
Light Industry	<ul style="list-style-type: none"> <li>• A permitted use within the current zone.</li> <li>• Excellent highway exposure.</li> <li>• Good site access and egress.</li> <li>• Existing large, solidly-constructed high clearance industrial buildings which could be adaptively re-used for a range of warehousing or manufacturing uses for comparatively modest capital outlay.</li> <li>• Large site affording flexibility in subdivision.</li> <li>• Existing internal road network.</li> <li>• Opportunity to potentially adaptively re-use existing on-site improvements.</li> <li>• Consistent with Settlement Strategy.</li> </ul>		<ul style="list-style-type: none"> <li>• Considered a suitable use having regard to the site's location, historic use, existing infrastructure and improvements and current land use controls.</li> </ul>
Mineral processing	<ul style="list-style-type: none"> <li>• Direct highway and rail access to site.</li> <li>• Direct rail linkage to regional mines.</li> <li>• Close proximity to port.</li> <li>• Suggested by the Settlement Strategy.</li> <li>• A discretionary use under the Planning Scheme.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential adverse amenity impacts on nearby residential uses (fumes, raised dust).</li> <li>• Limited evidence of market demand as miners typically process closer to mineral source.</li> </ul>	<ul style="list-style-type: none"> <li>• Considered less than ideal use of the site given potential negative amenity impacts on nearby residential development (within 400-600 metres of the subject land).</li> </ul>
Noxious/Hazardous Industry	<ul style="list-style-type: none"> <li>• A discretionary use in the current zone.</li> <li>• Excellent transport infrastructure (highway and rail).</li> <li>• Historic site precedent</li> <li>• Could potentially adaptively re-use existing on-site improvements.</li> </ul>	<ul style="list-style-type: none"> <li>• Potentially unsightly use which would likely detract from the amenity of the site on a key approach to Burnie.</li> <li>• Potential adverse amenity impacts on nearby residential uses (noise, odours).</li> <li>• Politically contentious given nearby residential uses.</li> <li>• Limited market demand evident.</li> </ul>	<ul style="list-style-type: none"> <li>• Not considered an appropriate use for a landmark site in a built-up area with nearby residential development.</li> </ul>
Office Use	<ul style="list-style-type: none"> <li>• Excellent highway exposure.</li> <li>• Existing administrative buildings on the north western corner of the property have formerly been used for this purpose.</li> <li>• Utilises existing site improvements which would likely need to be retained due to aesthetic and heritage value.</li> <li>• A discretionary use in the current zone.</li> </ul>	<ul style="list-style-type: none"> <li>• Out of centre location somewhat removed from the CBD.</li> <li>• Inconsistent with Settlement Strategy, which favours commercial and administrative uses clustering in the CBD.</li> </ul>	<ul style="list-style-type: none"> <li>• Scope for limited office on site utilising existing administrative buildings on the north western corner of the site, which are likely to be required to be retained due to heritage considerations, are well suited to office use.</li> <li>• New office development on the site should be limited and ancillary to other uses.</li> </ul>

Potential Land Use	Positives	Negatives	Conclusions
Open Space	<ul style="list-style-type: none"> <li>Active and passive recreation are discretionary uses within the current zoning.</li> </ul>	<ul style="list-style-type: none"> <li>Nil commercial return. High opportunity cost relative to alternative land uses.</li> <li>Places no value on existing buildings, which would need to be removed, including removal of hazardous building waste.</li> <li>As the use would expose open space users to soil, a higher level of site remediation would be required – likely at public expense - than if the land were retained for industrial or commercial purposes.</li> </ul>	<ul style="list-style-type: none"> <li>Open space is not considered an appropriate use given apparently adequate provision of open space elsewhere in the municipality and the high direct and opportunity cost entailed by preparing the site for this purpose.</li> </ul>
Residential	<ul style="list-style-type: none"> <li>The site enjoys an attractive outlook over Emu Bay.</li> <li>Site is conveniently situated close to CBD.</li> </ul>	<ul style="list-style-type: none"> <li>A prohibited use in the current zoning and not consistent with Settlement Strategy.</li> <li>Residential purposes was not raised as a potential use during consultation with local property industry experts.</li> <li>Would likely have no use for any existing site improvements, necessitating extensive site clearance and removal of hazardous building wastes.</li> <li>A higher level of site remediation would be required than for industrial or commercial purposes, adding to redevelopment costs.</li> <li>Heavy traffic along Marine Terrace impinges upon amenity.</li> </ul>	<ul style="list-style-type: none"> <li>Residential use is not considered an appropriate use for the site having regard to current land use zoning, the anticipated high cost of preparing the site for residential use and seeming lack of market demand for this purpose, which appears adequately provided for elsewhere in Burnie.</li> </ul>
Transport & Logistics	<ul style="list-style-type: none"> <li>Excellent highway exposure and access</li> <li>Excellent transport infrastructure to site including direct highway and rail access.</li> <li>Direct rail access link to port.</li> <li>Close proximity to a key port.</li> <li>Large site, providing flexibility.</li> <li>Opportunity to consolidate existing transport and logistics operations, improving operational efficiencies.</li> <li>Transport Depot is a permitted use in the current zone.</li> <li>Toll Holdings note a shortage of sites to park semi-trailers at or near the port.</li> </ul>	<ul style="list-style-type: none"> <li>Currently separated from the port by a four lane highway, posing operational inefficiencies (double handling).</li> </ul>	<ul style="list-style-type: none"> <li>Considered an appropriate use for the site, particularly that part of the land adjacent to the rail.</li> <li>Port access could be improved through capital investment in an off-road connection (such as an underpass or overpass), subject to feasibility investigation.</li> </ul>

Potential Land Use	Positives	Negatives	Conclusions
Warehousing	<ul style="list-style-type: none"><li>• Excellent highway exposure and access</li><li>• Excellent transport infrastructure to site including direct highway and rail access.</li><li>• A permitted use within the current zone.</li><li>• Some existing site buildings are potentially well suited to this purpose with minimal changes.</li><li>• Large site close to the port.</li><li>• Existing internal road network.</li></ul>		<ul style="list-style-type: none"><li>• Considered an appropriate use for the site given current zoning, physical setting close to port, and existing improvements which could be adaptively re-used for this purpose.</li></ul>

## 2.6 Site Opportunities

### 2.6.1 High Clearance Space

Existing site improvements include several large high clearance industrial spaces in fair to good condition which could be readily adapted for manufacturing, transport or warehousing uses for a comparatively modest capital outlay. However, the presence of asbestos as a roofing and cladding material in a number of these buildings would need to be considered and carefully managed. It is understood that current site remediation plans relate to ground water and soil, rather than buildings.

### 2.6.2 Freight & Logistics

The site's immediate access to rail, frontage to a state highway and close proximity to the port of Burnie presents potential as a potential freight logistics transfer point and depot.

Transshipment currently occurs at the Port of Burnie.

### 2.6.3 Bulky Goods & Trades Supplies

It is understood that Bunnings has lodged a planning permit application to develop a 9,505 m<sup>2</sup> Bunnings store and a complementary 2,430m<sup>2</sup> bulky goods retail outlet on a 6.84 hectare section in the north east corner of the site, facing the intersection of Marine Terrace and Old Surrey Road.

Other sections of the land could equally be assigned to provide a suitable parcel to accommodated Bunnings and other bulky goods/large format retailing opportunities.

The site's extensive area, gentle topography, prominent highway exposure and proximity to Burnie's established peripheral sales strip and CBD makes it well suited as a potential location for home maker/bulky goods retailing and trade supplies. A number of major national homemaker chains are not presently represented in North West Tasmania.

The land satisfies Bunning's usual site selection criteria of high visibility and accessibility from a major arterial, ready vehicular access, land with industrial as opposed to commercial character, an area in excess of 2.9 hectares and proximity to clusters of complementary space uses.

Alternative site uses are considered and assessed in more detail in the following section.

**Figure 2.20: Existing High clearance space on site ideal for storage.**



**Figure 2.21: Interior view of former Mill**





## 3. Assessment of Alternative Site Uses

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### 3.1 Industrial Uses

The site is presently zoned industrial under the Burnie Planning Scheme and is to be remediated by Paperlinx to a standard required of an industrial site.

The Settlement Strategy contends that Industrial land represents the most significant generator of new employment in the region and underpins the local economy (p. 6). Industrial land is fragmented across a number of the flatter areas of the narrow coastal plain between Heybridge and Camdale (which includes the subject site) and existing industrial holdings within Burnie are highly fragmented.

The former Paper Mill site affords the opportunity for organisations whose operations are currently spread over multiple sites to achieve operational efficiencies through the consolidation of their operations at a single, prominent, well-serviced- location with excellent transport linkages situated in close proximity to the port.

#### 3.1.1 Supply of Industrial Land

The total area of industrial zoned land in Burnie is estimated at 342.6 hectares, of which approximately 136.8 hectares is undeveloped. Of this, approximately 73.5 hectares is considered suitable for development (AECgroup, 2009). The largest cluster of undeveloped land in the Burnie area is located at Heybridge, approximately seven kilometres east south east of the subject land, followed by South Burnie. Beyond Burnie, there is approximately 223 hectares of industrial zoned land at the Burnie-Wynyard Airport and a 140 hectare industrial estate under consideration close to Devonport Airport (Mersey Regional Industrial Zone).

#### 3.1.2 Demand for Industrial Land

The Tasmanian Government's land sales database identified 49 vacant industrial site sales in the City of Burnie over the period 1999-2009, or an average of just under five sales per year. Site sales accounted for approximately one third of all industrial properties sold in Burnie during the period. Sites sold ranged in area from 465m<sup>2</sup> to 2.961 hectares, with a median area of 3,785m<sup>2</sup>. A vacant site to the immediate west of the subject site (68-70 Marine Terrace) sold in December 2006 for \$492,500, reflecting \$138/m<sup>2</sup>. It has been developed as a Honda car dealership. Most recent site sales have been in Wivenhoe/Round Hill, typically ranging \$54/m<sup>2</sup> to \$71/m<sup>2</sup>.

An average eight improved industrial properties are sold in Burnie annually, although sales volumes have been more modest in the last two years. Buildings sold average 877m<sup>2</sup> with a median area of 382m<sup>2</sup> and had an average age of 24 years. The median price of sales since the start of 2007 was \$332,000 or \$581/m<sup>2</sup> building area or \$169/m<sup>2</sup> site area.

Construction activity is a driver of demand for industrial land. Australian Bureau of Statistics (ABS) data indicates a marked increase in industrial building approvals in Burnie during financial years 2008 and 2009. During the period 23 buildings were approved with an aggregate value of \$11.4 million (current dollars). An estimated 5,800m<sup>2</sup> of industrial space has been approved over the last nine years, which is consistent with average annual industrial land consumption of 1,925m<sup>2</sup>. At this rate of consumption, current stocks of suitable undeveloped industrial land should be sufficient for a number of decades.

### 3.1.3 Key Industrial Locations

Manufacturing and logistics has historically underpinned Burnie's economy. Largely pre-dating the introduction of planning controls, which arrived in the mid-1960s, the city's supply of industrial land is fragmented across twelve precincts, which are listed below in table 5.1. The main concentrations are within the narrow coastal strip between Heybridge and Camdale. Industrial estates have developed around the settlement nodes of Camdale, Cooe, South Burnie and Wivenhoe.

The total area of industrial zoned land in Burnie is estimated at 342.6 hectares (AECgroup, 2007). An aerial survey by AECgroup of industrial zoned land in the city identified approximately 136.8 hectares of this was undeveloped. Industrial development ideally requires flat sites to minimise the need for expensive earthworks. Burnie's topography is undulating to quite steep in places, which limits the suitability of some otherwise appropriately zoned land for industrial purposes. It is estimated of the undeveloped land, only approximately 73.5 hectares is considered suitable for development.

The Burnie Settlement Strategy recommends that industrial land in Camdale and Cooe be rezoned to residential and while remaining pockets of residential use within Wivenhoe be consolidated and converted to industrial use.

The largest cluster of undeveloped land is located in Heybridge, approximately seven kilometres east south east of the subject land. South Burnie, with approximately 33.1 hectares of undeveloped or underdeveloped industrial land ranks second.

**Table 3.1: Available Industrial Land by Precinct, Burnie**

Precinct	Total Area (ha)	Developed (ha)	Un-developed or Underdeveloped (ha)	Suitable Undeveloped Area (ha)
Burnie Port	63.4	63.4	-	Nil
Heybridge	76.0	6.0	70.0	22.0
South Burnie	87.0	54.0	33.1	16.6
Camdale	39.6	31.6	8.0	8.0
Wivenhoe-Round Hill	19.3	19.3	-	Nil
West Mooreville Road	9.2	0.0	9.2	3.0
Romaine	12.2	-	12.2	10.5
Coee	18.1	17.5	0.6	0.6
Old Surrey Road	2.1	1.4	0.7	0.7
Wivenhoe	10.5	8.8	1.6	1.6
Wilson Street South Burnie	4.5	3.9	0.6	0.6
Ridgley	0.8	-	0.8	0.8
<b>Total</b>	<b>342.6</b>	<b>205.8</b>	<b>136.8</b>	<b>73.5</b>

Notes: Based on aerial observation.

Source: AECgroup

### 3.1.4 Potential Industrial Land Supply

In November 2008 Burnie City Council acquired a 9.9 hectare industrial site formerly occupied by Tioxide pigment factory on the Bass Highway at Heybridge as a land bank to accommodate future industrial development. Tioxide had vacated the site in the late 1990s. Council's purchase was in response to frustration articulated by local manufacturers as to the lack of large parcels of industrial land available business growth. The vendor was Echo Projects, which had been involved with the site's remediation. There is approximately 70.0 hectares of undeveloped land at Heybridge, of which 22.0 hectares is considered suitable for development.

Beyond Burnie, there is approximately 223 hectares of land zoned industrial at Burnie Wynyard Airport. Danish wind turbine manufacturer, Vestas operated a manufacturing plant at the Airport for three years through to 2006, closing due to inadequate demand.

A 140 hectare industrial estate under consideration close to Devonport Airport in September 2008, dubbed the Mersey Regional Industrial Zone (Johannsohn, 2008).

### 3.1.5 Industrial Site Sales

A review of the Tasmanian Government's LIST land sales database identified 49 vacant industrial site sales in the City of Burnie over the ten years 1999 to 2009, or an average of just under five sales per year. Industrial sites sales accounted for approximately one third of all industrial properties sold in Burnie during the period. These are broken down by year and area range in Table 3.2 below and sales since the start of 2007 are itemised in table 3.3.

Sites sold ranged in area from 465 m<sup>2</sup> to 2.961 hectares, with a median area of 3,785m<sup>2</sup>. A majority of sales involved lots of between 1,000 and 3,999m<sup>2</sup>. The sales occurred in Wivenhoe (15), Somerset (14), Camdale (12), Round Hill (five), South Burnie (two) and Heybridge (one). Wivenhoe was originally subdivided as a residential area and consequently a number of its lots are that of a typical detached dwelling – less than 1,000m<sup>2</sup>.

The five most recent sales, recorded in 2008 and 2009, all involved land in Wivenhoe/Round Hill. Prices ranged from \$25,000 for a 465m<sup>2</sup> site at 15 Smith Street (reflecting \$53.76/m<sup>2</sup>) to \$505,000 for an 8,943m<sup>2</sup> site on Bass Highway (\$56.47/m<sup>2</sup>). The purchaser profile is dominated by smaller local investors and owner occupiers.

Bass Highway frontage attracts a premium and the Paper Mill site's highway exposure is considered advantageous. A vacant 3,548m<sup>2</sup> site at 68-70 Marine Terrace, South Burnie, to the immediate west of the subject site (on the opposite side of Reeves Street) sold for \$492,500 in December 2006 reflecting \$138/m<sup>2</sup>. The property was acquired by Motor Properties Pty Ltd and has been developed as a Honda car dealership. A 1,389m<sup>2</sup> site at 25 Besser Crescent, Camdale on the western outskirts with council approved working drawings for a 600-700m<sup>2</sup> tilt-up showroom warehouse is presently for sale at an asking price of \$180/m<sup>2</sup> plus GST. The property is the only remaining undeveloped site with Bass Highway frontage.

Casey Sinks, PRD Nationwide selling agent for land at the Burnie Airport Industrial estate in Wynyard notes that land inquiry has been slow over the last twelve months, with only one sale recorded during that period. Five lots had sold during the previous 12 months and 8 of 14 lots remain available for sale at asking prices of between \$119,900 and \$153,500 reflecting \$67.50/m<sup>2</sup>. Lots range in area from 1,777m<sup>2</sup> to 2,840m<sup>2</sup>.

The Airport industrial estate lots are removed and not visible from the main Bass Highway.

Recent buyer inquiry has generally favoured land to the east of Burnie for its proximity to Burnie, Devonport and Launceston.

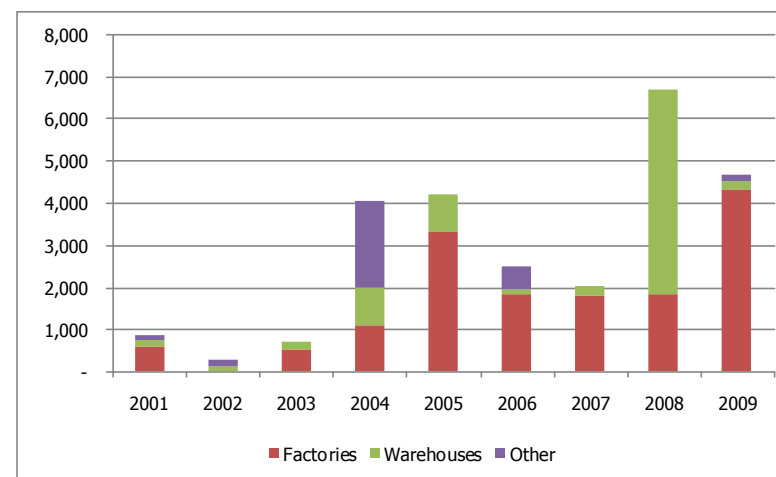
### 3.1.6 Industrial Construction Activity

Construction activity is a key driver of demand for industrial land. Industrial building approvals data from the Australian Bureau of Statistics (ABS) indicate a marked increase in the value of industrial building approvals in the City of Burnie in the last two financial years. Twenty three building approvals with an aggregate value of \$11.39 million (expressed in current dollars) were recorded over the two years to 30 June 2009, as against a total of 63 approvals collectively worth \$26.1 million (current dollars) for the nine years to that date. Over the nine years to 30 June 2009, the City of Burnie accounted for approximately 5% of Tasmania's total industrial building approvals.

In 2009 manufacturing space dominated proposals, whereas in 2008 warehouses accounted for approximately two thirds of activity. Over the nine years to 30 June 2009, factory and other secondary production buildings accounted for 59% of value of works approved, warehouses 29% and other industrial, 12%.

The average project value (in current dollars) is \$414,000. Based on a building cost of approximately \$575/m<sup>2</sup> (Rawlinson's Cost Guide), this indicates a typical project of 640 m<sup>2</sup> and total construction of approximately 5,800 m<sup>2</sup> over the period. Assuming 40% site coverage and Greenfield development, this would indicate total take up of approximately, 1.45 hectares over the nine years, or an average 1,600 m<sup>2</sup> per annum. From figure 3.4 below it is evident that approval activity stepped up from fiscal 2004 onwards. Since 2004 new construction has averaged 770m<sup>2</sup> per annum, which is consistent with annual industrial land consumption of 1,925m<sup>2</sup>. At this rate of consumption, current stocks

**Figure 3.1: Value of Industrial Building Approvals, City of Burnie (\$,000 Constant June 2009)**



Notes: Other includes agricultural and aquacultural buildings; Value of historic approvals inflated to June 2009 dollars.



of suitable undeveloped industrial land should be sufficient for a number of decades to come.

### **3.1.7 Sales of Improved Industrial Property**

Andrew Barry, Commercial and Development Manager at City and Rural Real Estate and member of the Burnie Chamber of Commerce notes that there is strong demand for small footprint sheds with areas of between 600m<sup>2</sup> and 800m<sup>2</sup> to accommodate expansion by local firms currently occupying 400-600m<sup>2</sup> sheds. However, demand is acutely price sensitive, with a preference for cheaper second hand space. Industrial development sites typically sells for between \$100 and \$110 per square metre, which is typically higher than improved land value.

The LIST records 86 sales of improved industrial properties in Burnie between 1999 and early 2009, or an average of eight sales per annum. Manufacturing/factory premises accounted for 62% of improved properties and warehouses the remaining 38%.

The highest volume of improved industrial sales was recorded in calendar 2006 and 2007 (19 and 16 sales respectively). Consistent with the deterioration in investor confidence associated with a slowing economy, sales volume has been markedly more modest in 2008 and 2009.

The size of the industrial buildings sold ranged from 56m<sup>2</sup> to 4,200m<sup>2</sup>, averaging 877 m<sup>2</sup>, with a median area of 382m<sup>2</sup>. The average site coverage was 30.5%. The age of improvements (buildings) at time of sale ranged from one year to 71 years, with an average age of 24 years. The comparative mature industrial stock reflects a dearth of construction activity through the early to mid-1990s when Burnie was severely impacted by recession and economic restructuring.

LIST records 23 improved industrial property sales since the start of 2007 including ten warehouses and thirteen manufacturing buildings. These are summarised below in table 5.6. Prices ranged from \$160,000 for a 270m<sup>2</sup> shed on a 640m<sup>2</sup> lot in Cooe to \$1.661 million for a 3,667m<sup>2</sup> building on a 2.94 hectare site in Wivenhoe. The median price was \$332,000 or \$581/m<sup>2</sup> building area and \$169/m<sup>2</sup> site area.

**Table 3.2: Improved Industrial Property Sales, City of Burnie 1999-2009**

Calendar Year	No. Sales			Median Price		
	Manufacturing	Ware-housing	Total Improved	Manufacturing	Ware-housing	Total Improved
1999	5	3	8	\$85,000	\$285,000	\$217,500
2000	5		5	\$70,000		\$70,000
2001	4	5	9	\$82,500	\$308,000	\$170,000
2002	6	2	8	\$166,000	\$116,500	\$137,500
2003	8	6	14	\$165,000	\$157,500	\$165,000
2004	6	7	13	\$118,500	\$150,000	\$137,000
2005	8	2	10	\$262,500	\$412,500	\$262,500
2006	10	9	19	\$240,000	\$419,000	\$250,000
2007	8	8	16	\$305,000	\$326,000	\$320,000
2008	5	2	7	\$285,000	\$790,000	\$390,000
2009	1		1	\$295,000		\$295,000
<b>Total</b>	<b>66</b>	<b>44</b>	<b>110</b>			

Source: Land Information System Tasmania 2009

### 3.1.8 Industrial Leasing Activity

Michael Dunn from L J Hooker advises that the Burnie industrial property has in recent years been tightly held with negligible vacancy, although leasing inquiry has been subdued over the last twelve months.

There is limited industrial space presently available for lease L J Hooker presently has two brand new adjoining sheds at 32 Bass Highway, Round Hill listed. Shed 1, comprising 288m<sup>2</sup> is listed at \$59/m<sup>2</sup> per annum gross while Shed 2, comprising 216m<sup>2</sup>, is listed at \$63/m<sup>2</sup> per annum gross.

**Table 3.3: Improved Industrial Property Sales since 2007**

Address	Locality	Sale Date	Price	Site Area (m <sup>2</sup> )	Building Area (m <sup>2</sup> )	Price /m <sup>2</sup> Site Area	Price/m <sup>2</sup> Building Area
6 Thirkell St	Coote	23/03/2007	\$160,000	640	270	\$250	\$593
18 Anglesea St	Wivenhoe	10/04/2007	\$440,000	3,520		\$125	
6-9 Main Rd	Wivenhoe	18/04/2007	\$226,000	2,401	585	\$94	\$386
35A Main Rd	Wivenhoe	10/05/2007	\$210,000	281	191	\$747	\$1,099
34 Pearl St	Wivenhoe	14/05/2007	\$220,000	892		\$247	
12 Wellington St	South Burnie	30/05/2007	\$318,532	746	653	\$427	\$488
10 Wellington St	South Burnie	30/05/2007	\$318,532	539	442	\$591	\$721
26 Besser Cres	Camdale	4/06/2007	\$800,000	6,465	1,482	\$124	\$540
4-6 Clarke St	Round Hill	28/06/2007	\$320,000	1320	360	\$242	\$889
3 Evans St	Coote	19/07/2007	\$320,000	596	552	\$537	\$580
11 East Cam Rd	Camdale	2/10/2007	\$332,000	8,508	378	\$39	\$878
10-14 Scarfe St	Camdale	23/10/2007	\$1,200,000	7,080	2,800	\$169	\$429
50-56 Main Rd	Wivenhoe	18/12/2007	\$1,661,000	29,420	3,667	\$56	\$453
19-25 Smith St	Wivenhoe	18/12/2007	\$550,000	6,952	1,137	\$79	\$484
24 Bass Hwy	Round Hill	19/12/2007	\$290,000	11750		\$25	
4-6 Clarke St	Round Hill	20/12/2007	\$390,000	1320	360	\$295	\$1,083
29 Corcellis St	Wivenhoe	15/01/2008	\$200,000	538	230	\$372	\$870
30 Wellington St	South Burnie	20/02/2008	\$285,000	809	451	\$352	\$632
268 Murchison Hwy	Somerset	20/06/2008	\$500,000	34,210	184	\$15	\$2,717
McKays Rd	Somerset	27/06/2008	\$390,000	1,568	534	\$249	\$730
25 Bass Hwy	Round Hill	31/07/2008	\$505,000	3867	340	\$131	\$1,485
17-19 River Rd	Wivenhoe	11/08/2008	\$1,075,000	7,662	1,846	\$140	\$582
Minna Rd	Heybridge	15/08/2008	\$235,000	265	270	\$887	

Source: Land Information System Tasmania

**Table 3.4: Improved Industrial Property Sales since 2007**

Address	Locality	Sale Date	Price	Site Area (m <sup>2</sup> )	Building Area (m <sup>2</sup> )	Price /m <sup>2</sup> Site Area	Price/m <sup>2</sup> Building Area
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Minna Rd	Heybridge	15/08/2008	\$235,000	265	270	\$887	

Source: Land Information System Tasmania



## 3.2 Freight & Logistics

Located within close proximity to the Port of Burnie and physically linked to the port by rail, the Paper Mill site has potential to address the port's anticipated capacity constraints and represents an alternative to land reclamation currently being entertained.

Tasmania's container freight traffic has almost doubled in the past decade from 292,868 units in 1999-2000 to 474,186 units in 2008-09 (Kempton, 2009). TasPorts and DIER expect Tasmania's ports will very soon be at full capacity which will act as a constraint to trade and put a break on economic growth. Burnie currently handles 45% of Tasmania's total container traffic. Assuming a modest growth rate of just 3.8 per cent per year (as against the 5.5% average growth recorded in the past decade, despite the recent global financial crisis) Tasmania will require the capacity to handle 800,000 TEU units by 2023. (Department of Infrastructure, Energy & Resources, January 2009).

Burnie port services Tasmania's major West Coast mines and handles most types of bulk shipping including, minerals, fuels, and woodchips, as well as containerised consumables. The export of forest products is also an important operation of the port (TasPorts, 2009). The volume of container traffic through the Port of Burnie grew by an average 5.9% per annum over the decade to 2008-09 (TasPorts, 2009).

The Cradle Coast Authority contends that there is a need to improve the efficiency of rail based container transport, and reduce the amount of road freight used to transport containers to and from other parts of Tasmania (Cradle Coast Authority, DIER, 2006). The Tasmanian government has committed to the development of new integrated road-rail facility and freight distribution hub at Brighton, 26 kilometres north of Hobart. The hub will be completed by 2011 and aims to be operational by 2012 (Macleod, 2010). The Brighton Transport Hub is anticipated to play a vital role in the Tasmanian logistic supply chain, facilitating the more efficient transfer of freight between Southern and Northern Tasmania. However, to gain maximum efficiency, TasPorts contends that there must be a facility in the North that can accommodate increased volumes and longer trains (TasPorts, 2009).

The development of such a facility at the Paper Mill site is consistent with TasPorts intention that Burnie port be further developed as Tasmania's premier bulk commodity port and recent initiatives to expand the Burnie port's container freight capacity.

Transshipment currently occurs onsite at the Port and TasRail notes that there would be operational inefficiencies for change of mode to take place on the Paper Mill site unless a physical connection were developed. This could include a conveyor line, private road overpass or overpass suitable for the operation of forklifts shifting pallets or

**Figure 3.2: Port of Burnie**



containers.

The Paper Mill site is considered to have potential for log and wood chip storage, although onsite fumigation would not be appropriate given the proximity to residential areas.

### **3.2.1 Toll Holdings**

Toll Holdings is a major freight operator out of Burnie. TasPorts has been working with the company since August 2007 on proposals to expand their roll on roll off capacity at the port and meets regularly with key stakeholders to discuss port requirements and transport issues.

Toll's operations are currently spread over six sites around Burnie, including River Road, No. 6 Berth, Railyards and Sequip and the firm sees advantages in consolidating onto a single freehold or long term leasehold site of upwards of 2 hectares. Approximately 300m<sup>2</sup> of onsite office space would be required. The proposed TasPorts master plan for the port redevelopment may displace some of Tolls current port-based operations.

Greg Cohen of Toll Holdings noted that there is presently a shortage of sites to park semi-trailers at the port and that bottlenecks are periodically experienced. Toll's primary need is for the storage of containers and semi-trailers, for which flat, level, hardstand area is preferred for ease of fork lift operation. Toll has no current requirement for warehousing.

The Paper Mill site's rail access is considered by Toll to be advantageous for handling containers bound for Hobart, although a spur line would be required.

### **3.2.2 TasPorts**

TasPort's preference, as articulated in its Strategic Plan, is to accommodate northern Tasmania's anticipated freight growth at a new Integrated Gateway to be developed at Bell Bay Port, on the Tamar south of George Town. Prior to the Paper Mill site becoming available, TasPorts had favoured the expansion of Bell Bay as the only Tasmanian port with sufficient industrial space for expansion.

TasPorts plans to increase the capacity of Bell Bay facility from 150,000 units to 650,000 units and has worked with the State and Federal Governments to secure \$9.6 million funding to realign the rail into Bell Bay to reduce the requirement for shunting to increase port and rail efficiency. It also recently purchased 10.8 hectares of land at Bell Bay to bring its total land holding in the immediate area of the port to approximately 25 hectares. It plans to reclaim a further 8.3 hectares. A funding submission for \$150 million has been lodged with Infrastructure Australia and the project is currently on Infrastructure Australia's funding priority list.

A significant amount of work has already been done on the Bell Bay project. TasPorts has already started stage 1 of the reclamation work in the shallower water, concept work and geotechnical studies have been finalised along with tidal studies being initiated. However, the plans suffered a setback in August 2009 when ANL decided to discontinue the Bass Trader service out of Bell Bay and redirect 9,600 containers through the Port of Burnie instead (Kempton, 2009).

### 3.3 Large Format Retail & Trade Supplies

#### 3.3.1 Homemaker Retail Defined

Home maker retail refers to large format retail stores (usually tenancies of 500 m<sup>2</sup> and larger) which typically sell merchandise classed as bulky goods or home wares, including:

- Hardware
- Furniture
- Floor coverings
- Large Appliances
- Other Electrical Goods
- Glassware & Tableware
- Domestic Homewares
- Manchester
- Camping equipment
- Manchester

The homemaker market is a classic comparison goods market. Given the generally large outlay for bulky goods, consumers typically want to see a wide range of items before making a purchase decision. To facilitate comparison shopping and enhance consumer drawing power bulky goods tenants tend to cluster.

Adequate dedicated parking in close proximity to individual retail outlets is critical to the success of a homemaker/bulky goods centre. Car parking ratios for such centres generally range 2.5 – 3 spaces per 100 m<sup>2</sup> of leasable area.

The size of the site required, preferred parking configuration and development economics typically precludes homemaker retail from locating within conventional shopping centres. Being a space intensive, discretionary, comparatively low margin and low volume retail category, average turnover per square metre is typically substantially lower than other retail categories and consequently this format usually cannot sustain conventional retail rent levels.

#### 3.3.2 Existing Homemaker Retail

Most of Burnie's existing bulky goods and large format retailing is spread through the Central Business District or located within South Burnie. It is predominantly built on land alternatively zoned Central Business or Commercial.

The Harvey Norman Centre, located in South Burnie on the corner of Marine Terrace and Edwardes Street on the site of the former hospital, is Burnie's major existing dedicated homemaker centre. Anchored by Harvey Norman, the two level complex includes Super Cheap Auto, Godfreys Super Store and Spotlight. Remaining homemaker retailers are typically accommodated in strip retail premises on the edge of the CBD or in freestanding highway-oriented developments. Major clusters itemised in

**Figure 3.3: Harvey Norman Centre, Marine Tce, South Burnie**



**Figure 3.4: Retravisation, Alexander St, Burnie**



table 3.5 following.

### 3.3.3 Homemaker Gap Analysis

The following national homemaker retailers are not currently represented in Northern Tasmania:

#### **Baby**

- Baby Bunting

#### **Bedding**

- Bedshed
- Sleepmaker
- Snooze

#### **Bicycles**

- Goldcross Cycles

#### **Electrical**

- Clive Peeters
- JB HiFi
- The Good Guys

#### **Flooring**

- Carpet Call

#### **Furniture**

- Domayne
- Early Settler
- Freedom Furniture
- Furniture Galore
- Oz Design

#### **Garden**

- Kmart Garden

#### **Lighting**

- Beacon Lighting

#### **Stationery**

- Lombards the Paper People

The following are national homemaker retailers presently not represented in Northern Tasmania outside Launceston.

#### **Bedding**

- Forty Winks

#### **Camping/Outdoor**

- Barbeques Galore

#### **Furniture**

- Fantastic Furniture

#### **Hardware**

- Bunnings

#### **Stationery**

- Officework  
s



**Table 3.5: Competitive Homemaker & Bulky Goods Retailers & Complexes**

Locality	Complex/Address	Retailer(s)	Distance (kms)	Approximate Floor Space (sqm)
<b>Within 15 minutes drive time</b>				
<b>Burnie South</b>	Harvey Norman Centre 45 Marine Tce	Harvey Norman Spotlight Godfreys Super Cheap Auto	1.1	6,000
<b>Burnie CBD</b>	2 Alexander St	Robert Ferguson Retravisio	2.9	1,460
	14 North Terrace	Campbell's Betta Electrical	3.0	590
	10 Wilson St	Begents		Na
<b>Cooee</b>	127 Bass Highway	Burson Auto Parts Carpet Choice Sidach Garages Direct Coventry Direct Fasteners	4.5	2,800
<b>Subtotal</b>				<b>10,850</b>
<b>30-60 minutes</b>				
<b>Devonport</b>	Steele Street and Don Road precinct	Begents Kings Fine Furniture Ezy Furniture Betta Electrical	43.0	5,690
<b>Main Trade Area</b>				<b>16,540</b>

Notes: \* Estimate; n/a = not available

Source: www.yellow.com.au, Moore Consulting, 2007 AECgroup

### 3.3.4 Alternative Homemaker & Bulky Goods Sites.

Figure 3.5 identifies alternative sites around Burnie besides the subject which could potentially accommodate a development of the scale proposed by Bunnings on the subject land, and Table 3.6 discusses the relative merits of each of these. (Sites 8 and 9, located in Heybridge on the eastern outskirts of the city, fall outside the map area). Each site comprises an area of at least five hectares zoned commercial or industrial.

The alternative sites are generally inferior to the subject land in terms of lacking main road exposure and being further removed from Burnie's established retail and commercial precincts. Most are located on secondary or minor roads of questionable traffic carrying capacity. Several are also topographically challenging, their comparatively steep terrain rendering them more expensive to develop. A further relative disadvantage is that unlike the subject land, which is on the market, the alternative sites are not presently market ready.

Site 4, on Port Road, Burnie is arguably the most attractive of the alternative sites listed from a prospective big box retail developer's perspective, and has planning merit in terms of its immediate proximity to the established retail and commercial core of the CBD. But forming an integral part of the Port of Burnie required for on-going port use is out development contention.

**Table 3.6: Other Commercial or Industrial zoned sites within Burnie City of 5 hectares or larger**

Site	Address	Owner Name	Area (ha)	Merits
1	28-30 Brickport Road, Cooe	B.L.B. Investments Pty Ltd	6.92	Located on a minor road – low profile/limited exposure. Removed from other retail uses.
2	West Mooreville Road, East Cam	G J Billing, L M Billing	7.76	Low profile site. Comparatively minor road offering limited exposure.
3	443-473 Mount St, Romaine	G H McCrae	6.39	Corner site at intersection a a secondary and minor route on the southern outskirts of Burnie. Removed from other retail and commercial uses.
4	Port Rd, Burnie	TasPorts	10.23	Located adjacent to the Burnie CBD Unavailable (Land currently required for Port purposes)
5	18-34 Massey Green Dr, South Burnie	R G Hazell Pty Ltd	5.47	Located on a minor road (C route) - limited exposure;
6	Old Surrey Road, South Burnie	Casegrande Lumber Pty Ltd	10.87	Located on a minor road (C route) - limited exposure; Sloping site – challenging topography
7	Massey Greene Dr, South Burnie	North Forest Products Ltd	16.45	Unsuitable topography - steep, forested site. Secondary road.
8	Minna Rd, Heybridge	Aluminates (Tas) Pty Ltd	5.51	Isolated site with negligible exposure located on eastern outskirts
9	Bass Hwy, Heybridge	Burnie City Council	7.69	Highway site on the eastern outskirts of Burnie. Substantially removed from existing retail development.

Source: Burnie City Council, AECgroup

**Figure 3.5: Location of other Commercial or Industrial sites of 5 hectares or larger**



Source: Burnie City Council, AECgroup

## 4. Environmental & Infrastructure Considerations

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### 4.1 Infrastructure

#### 4.1.1 Sewerage

Sewerage on the site is managed by Cradle Mountain Water. Cradle Mountain Water confirms that the subject site has existing reticulated sewerage within the site and has indicated that the proposed development can be serviced by the existing Cradle Mountain Water assets located within this area. It is not anticipated that any augmentation of the existing system would be required.

#### 4.1.2 Storm Water Drainage

The responsible authority for mains and storm water drainage from the site is Burnie City Council.

#### 4.1.3 Electricity

Aurora Energy supplies and distributes electricity to the subject property.

Transcend Networks, the owner and operator of Tasmania's electricity transmission system operated a power sub-station on Devon Street, directly adjoining the subject land.

#### 4.1.4 Gas

Reticulated gas is available to the site but gas supplier, Tas Gas advises that there is no record of any current or past connection. Tas Gas advises that reticulated gas would be available for any development of the site (subject to a connection fee).

#### 4.1.5 Telecommunications

Telstra supply and manage all telecommunications infrastructure to the subject site. Sufficient services exist along all boundaries of the land. The telecommunications supply can be upgraded for any development of the site.



## 5. Planning Assessment

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### 5.1 State Planning Policy Framework

#### 5.1.1 Planning Scheme Amendments Where the Land May be Contaminated

The Resource Planning and Development Commission Planning Advisory Note 12 sets out the procedure for amending a planning scheme where the subject land is or may be contaminated. In such circumstances, planning authorities are required to ensure that amendments are drafted in accordance with section 32 of the Land Use Planning and Approvals Act 1993 (The Act).

This section provides that

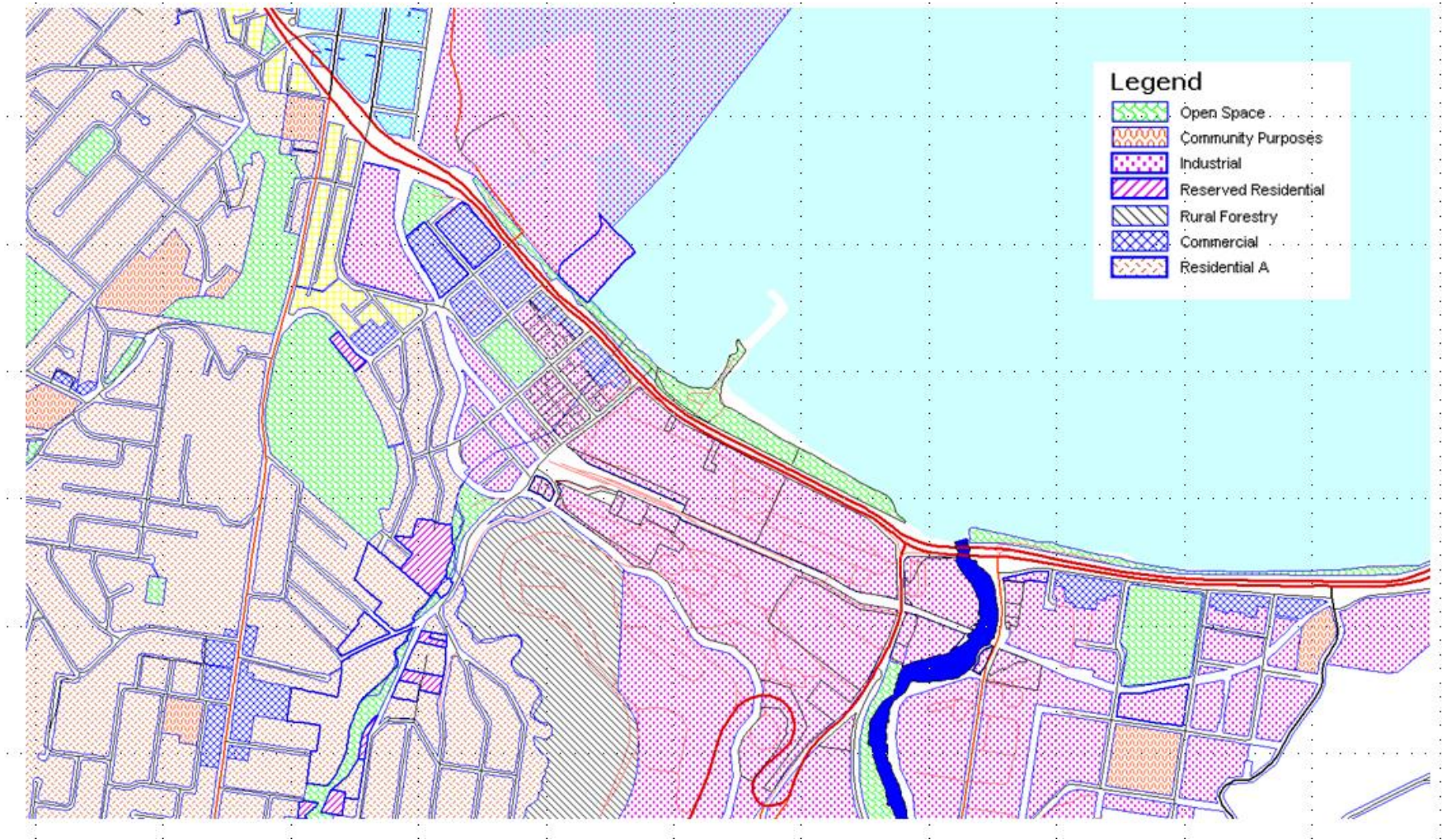
- (1) An amendment of a planning scheme –
  - (a) must seek to further the following objectives:
    - to promote the sustainable development of natural and physical resources and the maintenance of ecological processes and genetic diversity; and
    - to provide for the fair, orderly and sustainable use and development of air, land and water; and
    - to encourage public involvement in resource management and planning; and
    - to facilitate economic development...; and
    - to promote the sharing of responsibility for resource management and planning between the different spheres of Government, the community and industry in the State.
  - (b) must be prepared in accordance with State Policies made under section 11 of the State Policies and Projects Act 1993; and
  - (c) may make any provision which relates to the use, development, protection or conservation of any land; and
  - (d) must have regard to the safety requirements set out in the standards prescribed under the Gas Pipelines Act 2000; and
  - (e) must, as far as practicable, avoid the potential for land use conflicts with use and development permissible under the planning scheme applying to the adjacent area; and
  - (f) must have regard to the impact that the use and development permissible under the amendment will have on the use and development of the region as an entity in environmental, economic and social terms.
2. In clause 1(a), "sustainable development" means managing the use, development and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic and cultural well-being and for their health and safety while –
  - (a) sustaining the potential of natural and physical resources to meet the reasonably foreseeable needs of future generations; and

- (b) safeguarding the life-supporting capacity of air, water, soil and ecosystems; and
- (c) avoiding, remedying or mitigating any adverse effects of activities on the environment.

The objectives of the planning process established by The Act are, in support of the following objectives–

- (a) to require sound strategic planning and co-ordinated action by State and local government; and*
- (b) to establish a system of planning instruments to be the principal way of setting objectives, policies and controls for the use, development and protection of land; and*
- (c) to ensure that the effects on the environment are considered and provide for explicit consideration of social and economic effects when decisions are made about the use and development of land; and*
- (d) to require land use and development planning and policy to be easily integrated with environmental, social, economic, conservation resource management policies at State, regional and municipal levels; and*
- (e) to provide for the consolidation of approvals for land use or development and related matters, and to co-ordinate planning approvals with related approvals; and*
- (f) to secure a pleasant, efficient and safe working, living and recreational environment for all Tasmanians and visitors to Tasmania; and*
- (g) to conserve those buildings, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value; and*
- (h) to protect public infrastructure and other assets and enable the orderly provision and co-ordination of public utilities and other facilities for the benefit of the community; and*
- (i) to provide a planning framework which fully considers land capability.*

Figure 5.1: Planning Framework Map.



Source: (Burnie City Council, 2009)

## 5.2 Local Planning Policy Framework

Burnie's land use pattern is regulated by the Burnie Planning Scheme 1989 ('the Scheme'). The subject land is zoned Industrial under this scheme.

The Scheme is intended to provide the basis for future growth and development of the City by

- reducing conflicts between competing land uses;
- promoting its economic base;
- improving the quality of the environment and avoiding significant detrimental environmental impact;
- providing for residential, industrial, commercial and community growth in an orderly manner;
- allowing for the effective development and operation of transport and related services;
- recognising new trends in the use of and development of land; and
- promoting development at a rate and in locations that can be provided with infrastructure services without placing undue burden upon existing community resources. (Burnie City Council , 1989).

The overall intention for industrial development is to permit expansion of industry:

- (a) by maintaining the viability of existing industry;
- (b) by allowing for and promoting industrial support activities;
- (c) by providing space and facilities for new industries; and
- (d) by reducing to a minimum reasonably possible, conflict between industry and other land uses.

To achieve these intentions the following objectives will be applied:

- (a) industry will be encouraged to develop in locations that have good access to transport and that will not cause excessive loss of amenity or environmental quality to premises within the immediate area;
- (b) priority will be given to providing for industrial activities that promote, support and extend the industrial and employment base of the City;
- (c) provision is to be made for industries dependent on transport in locations that can be serviced by existing transport links; and
- (d) high visual and environmental standards shall be required for industries located adjacent to highways.



## 5.3 Local Strategic Documents

### 5.3.1 Burnie Strategic Plan

The Burnie Strategic Plan was developed by Burnie City Council in 2004, establishing the following vision for the City:

“Burnie, a vibrant community working together to create a prosperous future”.

The plan sets out a number of specific goals , including:

“To enhance and reinforce the regional centre status by realising opportunities which focus on Burnie as the North West hub for trade, business and employment, transport, culture, and leisure activities and health and education services.”

### 5.3.2 Settlement & Investment Strategy for Burnie to 2026

The Burnie Settlement and Investment Strategy, (‘The Strategy’) adopted by Burnie City Council in 2007, sets out a strategic planning vision and framework to guide the growth of Burnie over the period to 2026. It establishes:

“A sustainable development framework and efficient land use planning system that builds on competitive advantages, responds to future drivers, and influences, encourages local economic and employment growth, recognises community, landscape and environmental values, and seeks to address land use planning challenges to position Burnie as a prosperous and liveable regional city and preferred location in Tasmania and Australia for people to live, work and invest.”

Its primary purpose is to ensure that adequate land is available and appropriately located to accommodate the projected housing and employment needs of Burnie’s population through to 2026 and sets the policy “to govern where and how growth can occur. It is intended to guide development and investment decisions in a manner that will provide a pattern of settlement and infrastructure provision that is achievable, orderly, economic and sustainable, and that will be relevant to future needs, capabilities and potentials.”

The Strategy acknowledges that Burnie’s historic development has been strongly linked to the establishment of major industry, particularly pulp and mining, and notes that the “future economic challenge for Burnie is to diversify its economic base to enhance long-term sustainability and create a broader range of employment opportunities to appeal to people from other regions of Tasmania, and interstate and overseas.”

It contends that the economic challenges confronting the city include:

- *To reinforce Burnie’s position as the North-West region’s key regional centre;*
- *To foster diversity, growth and development for business and industry;*
- *To create market and investment opportunities for business and industry;*
- *To provide increasing employment opportunities and address skill shortages; and*
- *To ensure the provision of well developed transport infrastructure.*

The strategy’s guiding principles include:

- (a) *Actively managing settlement patterns and forms to encourage the right activities in the right locations;*

- (b) Reducing conflicts between competing uses;*
- (c) Promoting the economic base of the City;*
- (d) Improving the quality of the environment and avoiding detrimental environmental impact;*
- (e) Providing for residential, industrial, commercial and community growth in an orderly manner;*
- (f) Allowing for the effective development and operation of transport and related services;*
- (h) Recognising new trends in the use and development of land;*
- (i) Promoting development at a rate and in locations that can be provided with infrastructure services without placing undue burden upon existing community resources.*

Planning principles underpinning the Strategy include

- (a) Preference given to development resulting in ...consolidation on land that adjoins other land which is already being used for urban purposes and is the most economic to service;*
- (g) Integrate land use and transport to minimise the need to travel and encourage energy and resource efficiency; and*
- (h) Provide for sustainable development within a performance based system that ensures the viability of existing operators and best manages risks associated with under and over investment over the period.*

#### *Retail Development*

Burnie has historically managed to contain much of its retail and commercial development within its CBD which has been beneficial in terms of access, service provision and sustainability. More recently, large format retailing has located towards South Burnie due to its different location requirements, including cheaper land, larger sites and arterial road exposure.

The Strategy contends that *New bulky goods development should be encouraged toward the south end of the CBD and South Burnie (p. 17). South Burnie is identified as the preferred location for new large format retailing and for the gradual relocation of warehouses and bulky goods stores from the CBD" (AECgroup, 2007 p. 20).*

The Strategy cites the South Burnie Bowls Club and Australia Post site (adjacent to the Harvey Norman centre) as providing development opportunities. However, it suggests *the South Burnie Paper Mill site "is suitable for service and support industries combined with manufacturing processing (p. 42)" and recommends locating manufacturing and processing there (p. 44). "South Burnie provides the preferred location for (a Bunnings scale) development but would ..be requisite on industrial uses being relocated or the availability of the Australia Post site (p. 32)."*

### **5.3.3 Burnie Planning Scheme 1989**

Burnie's land use pattern is regulated by the Burnie Planning Scheme 1989 ("The Scheme"). The Scheme sets out the intentions for the future growth and development of Burnie, each of which is consistent with the objectives of the Burnie Settlement and Investment Strategy.

The subject land is zoned Industrial under the Scheme.

### *Industrial Zoning Intent*

The Industrial zone is intended to

- (a) provide locations for industrial and associated uses and activities that generate substantial amounts of traffic;*
- (b) allow for the development of industrial and associated uses and activities which require accessible locations;*
- (c) manage the operation of industrial and associated uses dependent on high levels of vehicle access and substantial volumes of uses;*
- (d) ensure that developments in the zone do not have an undue impact on the amenity of the area;*
- (e) ensure a high environmental and design standard for all new development;*
- (f) reduce the impact of activities in this zone on surrounding developments by means of tree planting, site works and other landscape treatments;*
- (g) ensure that emissions do not cause pollution in surrounding zones.*

The Scheme's overall intention for industrial development is to permit expansion of industry:-

- (a) by maintaining the viability of existing industry;*
- (b) by allowing for and promoting industrial support activities;*
- (c) by providing space and facilities for new industries; and*
- (d) by reducing to a minimum reasonably possible, conflict between industry and other land uses.*

The Scheme's objectives for industry include:

- (a) industry will be encouraged to develop in locations that have good access to transport and that will not cause excessive loss of amenity or environmental quality to premises within the immediate area;*
- (b) priority will be given to providing for industrial activities that promote, support and extend the industrial and employment base of the City;*
- (c) provision is to be made for industries dependent on transport in locations that can be serviced by existing transport links; and*
- (d) high visual and environmental standards shall be required for industries located adjacent to highways.*

### *Permissible Uses on Land Zoned Industrial*

The Scheme identifies no as of right uses within the Industrial zone.

Developments which may be permitted subject to an application for planning approval include:

- |                    |                    |
|--------------------|--------------------|
| • Bus Depot        | • Service Centre   |
| • Car Park         | • Service Industry |
| • General Industry | • Service Station  |
| • Home Occupation  | • Store            |

- Light Industry
- Passive Recreation
- Research and Development
- Rural Industry
- Timber Yard/Mill
- Transport Depot
- Warehouse
- Wood Yard

Discretionary land uses include:

- Active recreation
- Business
- Consulting Rooms/Health Centre
- Educational Establishment
- Fuel Depot
- Funeral Parlour
- Garden Centre
- Miscellaneous
- Neighbourhood Shop
- Noxious/Hazardous Industry
- Office
- Public Utility
- Sale Yard
- Scrap Yard
- Showroom
- Take Away
- Veterinary Establishment
- Waste Disposal Depot

'Service industry' is elsewhere defined in the Scheme as *any land used for the servicing and/or repair of vehicles, boats, machinery or other equipment*.

Showrooms are defined as *'Any land used for a building where in motor vehicles, boats, caravans, machinery, equipment, furniture or other goods or **products of a bulky nature** are offered for sale...'*

'Store' is given a specifically non retail definition as *'any land used for the storage of goods, where no trade (whether retail or wholesale) or industry is carried on, but does not include a warehouse or a scrap yard'*.

Sale Yard is defined as *any land used for an unroofed area where motor vehicles, boats, caravans, machinery or the like are offered for sale, and includes, building(s) normally appurtenant thereto and minor servicing and repairs, but does not include a showroom.*

Transport Depot means *'Any land used for the garaging, parking, maintenance or minor repairs of any motor vehicle or vehicles used for carrying persons and/or goods for hire, reward or other considerations, or as a depot for the transfer of persons and/or goods from such motor vehicle(s)'*.

The Paper Mill site has been subject to a 300 metre buffer, the purpose of which is to indicate areas which may be detrimentally affected in terms of health, safety or amenity due to the influence of the former use on surrounding land.



## 5.4 Planning Precedents for Large Format Homemaker Retailing elsewhere

There is increasing development pressure for large format retailing on sites located away from activity centres. Examples include homemaker (bulky goods) shopping, building/trade supplies and hardware sales, and other activities that seek sites which are sufficient to accommodate large format display areas, have good exposure to high traffic flows, and enjoy convenient access to the regional road network and surrounding regional catchment.

Large format stores are increasingly popular in the furniture, whitegoods and other electrical equipment, camping equipment, hardware categories for their wide range of merchandise. Considerable emphasis is placed on car based access, and this derives from the large catchments they serve (with the private motor vehicle being the most convenient method of transport), and the bulky nature of the purchases involved (furniture, whitegoods and electrical equipment, barbeques, camping equipment, gardening supplies, timber and hardware items, and so on).

Existing bulky goods retailing within Burnie is currently accommodated within the Central Business or Commercial zone.

Elsewhere in the state, bulky goods retail developments to date have been accommodated in a range of different zones. Bunnings presently has three existing stores in Tasmania, namely:

- 60 Connector Park Drive, Kings Meadows (Launceston);
- 404 Brooker Highway, Moonah (Hobart); and
- 1 Ross Avenue Rosny Park (Hobart).

The zoning used varies from store to store.

In recent years there have been several seriously entertained development proposals for homemaker centres in Northern Tasmania which have not proceeded due to planning refusal for inconsistency with the local retail planning strategy. Examples include the Launceston Airport Homemaker Centre and the Australian Weaving Mills Homemaker Centre in Devonport. Planning approval has recently been given to a major bulky goods development in southern Devonport.

### 5.4.1 Bunnings Kings Meadows

The Launceston store is located within a **Particular Zone PU13** under the Launceston Planning Scheme. The intent of this zone is to enable the establishment of enterprises which distribute goods or receive materials predominantly via the State Highway network. Its primary role is to cater to storage, transport and light industrial uses. Bunnings is accommodated under its secondary role: to enable a limited range of retail activity which supports the primary role. Uses involving the hiring or sale of trucks, heavy machinery, plant, equipment and materials used by rural enterprises are permitted. It is not intended to accommodate retail uses which by their scale or range of products could significantly distort established shopping patterns in Launceston's CBD or district shopping centres.

Peripheral Sales is a discretionary use provided the dominant activity is the sale or hire (by trade and/or retail) of building, landscaping, construction materials and or/hardware and the floor area of a single tenancy must exceed 1,000m<sup>2</sup>. Peripheral sales tenancies of less than 1,000m<sup>2</sup> are prohibited.

#### 5.4.2 Bunnings Moonah

The **Moonah** Store is located within a **Service Business Zone** under the Glenorchy Planning Scheme. This zone allows for a range of businesses and services that support the role of the central commercial area. It is designed to cater for:

- Business activities that are less intensive uses of land and are generally not suited to location within the Central Commercial and Frame Commercial Zones.
- Uses that require a high degree of visibility and accessibility to passing traffic and that generate a high proportion of single-purpose vehicle trips; and
- Development characterised by low scale buildings, display of goods and on-site parking.

#### 5.4.3 Bunnings Rosny Park

The Rosny Park store is located with a **Commercial Zone** under the Clarence Planning Scheme. The purpose of this zone is to encourage a range of business centres for retailing and other complementary commercial, entertainment and community uses. Specialist/Bulky Goods Stores are a discretionary use within this zone.

Under the Scheme, Specialist/Bulky Goods Stores may also be located in an Industry zone provided it has a complementary impact on the retail hierarchy and Rosny Park business centre.

#### 5.4.4 Cambridge Park Homemaker Centre

The Cambridge Park Homemaker Centre, described as Tasmania's first integrated homemaker centre, is a collection of bulky goods retailers located near the Cambridge Aerodrome on Hobart's eastern outskirts. Anchored by Harvey Norman and K & D Hardware, the centre is located within an **Industry Zone** under the Clarence Planning Scheme. The land use is a discretionary use within the zone at a site specifically nominated within the scheme (66 Kennedy Drive, Cambridge Park).

#### 5.4.5 Devonport

In early August 2009 the Tasmanian Resource Planning and Development Commission (the Commission) approved the rezoning of an 8.5 hectare site in Stony Rise, adjacent to the Bass Highway on the southern outskirts of Devonport to a purpose-defined "*Regional Homemaker Centre*" zone, facilitating the development of the proposed North West Coast Homemaker Centre.

The zone's objectives are:

*To provide for integrated bulky goods showrooms and trade supplies including associated food and drink outlets, car parking, signage and landscaping to enhance the development.*

*To ensure that development enhances the role of Devonport as the retail and services regional centre for north-western Tasmania.*

*To ensure that development provides economic benefits including competition, employment and provision of retail goods and services not available in other centres.*

*To ensure that development contributes positively to the character and appearance of the area through the design of buildings, access from the street front, provision of active frontages to pedestrian areas, the treatment of the fronts and backs of buildings, outdoor advertising structures and landscaping. (Clause 8.20.2).*

It is intended that the zone be the principle location in Devonport for showrooms that primarily sell household items that require large display areas.

Plans submitted to the Commission provide for 24,616m<sup>2</sup> of 'restricted retail' (bulky goods) floor space anchored by an 8,005m<sup>2</sup> hardware store, a 5,000m<sup>2</sup> Harvey Norman and 11,611 m<sup>2</sup> of other tenancies, with on-site parking for 695 car spaces. The proposed hardware store operator is understood to be K&D (Bingham, 2009).

An earlier proposal by Australian Weaving Mills Pty Ltd to develop an 8,622 m<sup>2</sup> Bunnings Warehouse and two smaller premises with a combined area of 2,170m<sup>2</sup> on a vacant site next to its mill at 117 Tasman Street, Devonport, was refused by Devonport City Council in February 2008 on the basis of being inconsistent with the Devonport Retail Study and traffic concerns. The site was zoned General Industrial.

#### **5.4.6 Launceston**

The Launceston Airport Homemaker Centre was to include approximately 30,000m<sup>2</sup> of net leasable retail floorspace in an L-shaped configuration (with pad sites) on the northern most portion of the TRANSlink Industrial Estate on Evandale Road, approximately one kilometre north of Launceston Airport. In May 2006 the Resource Planning and Development Commission refused to rezone the proposed development site holding the proposal to be inconsistent with northern Tasmania's retail hierarchy.

### **5.5 New Planning Schemes**

It is understood that Tasmania is moving towards a new planning framework with a consistent set of zones across the state. The proposed new zones in the Common Key Elements Template will allow rezoning to a more suitable fit for the strategic nature of the site.

## 6. Proposed Planning Scheme Amendment

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### 6.1 Soil Contamination

The objective of this clause is to ensure that potentially contaminated land is suitable for its intended future use and development, and that contaminated land is used safely.

It is proposed to place an Environmental Audit Overlay (EAO) on the site to ensure that appropriate remediation work is undertaken prior to any future use or development occurring. The inclusion of an EAO over the site will ensure that all appropriate investigations and remediation measures are undertaken prior to a sensitive use occurring. It is proposed that an environmental auditor appointed by the EPA make a statement that the environmental conditions of the land are suitable for the sensitive use proposed.

### 6.2 Regional Homemaker Zone or Similar

Large format bulky goods retailing is a land use not specifically addressed by the current Burnie Planning Scheme. Council has expressed concern that consenting to such development as 'showrooms' within an the Industry zone would be inconsistent with the zone's intent and may establish a planning precedent whereby bona fide industry would be displaced by the higher yielding retail use. Nevertheless, the Scheme is intended to promote the economic base of the city ... by recognising new trends in the use of and development of land (Burnie Planning Scheme). The City's current homemaker retailers are predominantly accommodated on sites alternatively zoned Commercial or Central Business. Council's concern at applying the Commercial zone on the mill site would open the way to conventional shops on the site, as shops are a permitted use in the Commercial zone. This runs contrary to Council's strategic intent of focusing conventional retail use within the CBD.

Devonport Council's new *Regional Homemaker Centre* zone created to accommodate the development of the North West Coast Homemaker Centre in Stony Rise provides a potential template for accommodating large format/bulky goods retailing on the site.

The zone's objectives would be:

*To provide for integrated bulky goods showrooms and trade supplies including associated food and drink outlets, car parking, signage and landscaping to enhance the development.*

*To ensure that development enhances the role of Burnie as the retail and services regional centre for north-western Tasmania.*

*To ensure that development provides economic benefits including competition, employment and provision of retail goods and services not available in other centres.*

*To ensure that development contributes positively to the character and appearance of the area through the design of buildings, access from the street front, provision of active frontages to pedestrian areas, the treatment of the fronts and backs of buildings, outdoor advertising structures and landscaping.*

It would be intended that the zone be the principle location in Burnie for showrooms that primarily sell household items that require large display areas.



Permitted uses would include:

- Service Station
- Showroom (subject to conditions<sup>1</sup>)
- Takeaway Food
- Trade Supplies

Uses subject to Council's discretion include:

- Car, Boat, Caravan and
- Machinery Salesyard
- Garden Centre
- Market Place
- Restaurant.

Other uses are prohibited.

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<sup>1</sup> Conditions include a floor area of not less than 500m<sup>2</sup>; goods sold must largely comprise furniture and floor coverings, Electrical appliances, including whitegoods and computer equipment, Home entertainment equipment, Manchester, curtains and blinds, Camping and outdoor recreation equipment, Office supplies, Building, construction hardware goods, Garden and landscaping materials, Auto accessories or any combination of these goods, provided that the sale or hire of clothing or footwear is not a predominant activity.

## 7. Conclusions & Recommendations

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The Paper Mill site represents an important strategic opportunity for the future economic development of the Burnie region. Well served by existing infrastructure, the extensive South Burnie site has historically served as an important economic base for the City, although the city's economy has diversified in recent years as the mill progressively wound down its operations. The mill closed in mid-2010 and is to undergo site remediation ahead of disposal by its current owner, Paperlinx. This report considers and assesses alternative uses for the site, site investigations, a review of historic industrial land consumption and extensive stakeholder consultation.

Burnie is considered to have an adequate supply of industrial land given the comparatively modest demand evident in recent years. The city has approximately 136.8 hectares of undeveloped industrial land of which approximately 73.5 hectares is considered suitable for development. New industrial construction within the City since 2004 is consistent with a vacant land consumption rate of 1,925m<sup>2</sup> per annum. Plentiful industrial land is available or potentially available in the wider region, including large holdings at the Burnie-Wynyard and Devonport airports.

The site affords many advantages as a potential transport and logistics hub and it is recommended that there be further investigations into the feasibility of- and business case for- the development of such a use on site leveraging off the existing rail alignment and close proximity to the Port of Burnie, which is facing capacity constraints. The site has attracted interest from Burnie's existing freight and logistics operators, which are presently scattered through the city. Toll Holdings, a major freight operator out of Burnie, notes there is presently a shortage of sites to park semi-trailers at or near the port. Toll's requirement is for flat, level hardstand area for ease of fork lift operation. Further discussions would be required with TasPorts, which presently favours substantial expansion of freight capacity at Bell Bay, north of Launceston.

Transport and logistics use is consistent with the site's present Industrial zoning, which should be maintained over the majority of the site. Consideration of adverse impacts of proposed developments on neighbouring sensitive uses could be addressed through conditions of use negotiated at the development approval phase.

Paperlinx has indicated its intention to dispose of the site at the earliest opportunity. National hardware retail chain, Bunnings has demonstrated an interest in acquiring part of the site, lodging a development application to develop a warehouse-style retail showroom and a complementary tenancy on a five hectare parcel at the north east corner (at the intersection of Marine Terrace and Old Surrey Road). It is understood that that application has been rejected by council as inconsistent with the intent of the current industrial zoning and that further discussions have taken place between council and Bunnings as to potentially accommodating the use elsewhere on the site, most notably towards the north west corner (near the intersection of Marine Terrace and Reeves Street).

Development of homemaker/large format bulky goods retail/trade supplies towards the western end of the site is favoured as being consistent with the Burnie Settlement Strategy recommendations, being proximate to and complementing existing peripheral sales development in the immediate vicinity, enhancing and consolidating Burnie's attraction as a regional retail destination in North West Tasmania and providing a new source of employment. A number of alternative commercial and industrial sites of comparable size around the municipality have been assessed and found less suitable in terms of exposure, traffic capacity, proximity to existing retail and commercial precincts, topography and/or market-readiness.

It is however noted that the north west corner of the subject land is encumbered by two former administrative buildings which, although not formally heritage listed, are nevertheless likely to be required to be retained by virtue of their architectural, historic and aesthetic interest. It is anticipated that their removal would be vigorously resisted by the local community, which includes an articulate local heritage lobby. The retained buildings would somewhat obscure the highway exposure of a Bunnings warehouse and associated development located towards the

north west corner of the site, particularly for vehicles approaching from the west. However, this impediment could be redressed by prominent signage near the highway corner, and given Bunnings destination-status and the repeat- nature of the business, this is considered to be a comparatively minor impediment and temporary in nature. Cognisant of council's view that large format retail is not consistent with the intent of the current industrial zone, it is recommended that part of the site preferred for this purpose be rezoned to a Regional Home Maker zone or similar as set as outlined in sections 5 and 6 of this report to allow for the strategic location of bulky goods and large format retailing.

In order to prevent the potential of the Paper Mill site being compromised by its hasty sale to an unsympathetic purchaser, it is recommended that the Tasmanian Government and/or Burnie City Council seriously consider acquiring that part of the site not sought by Bunnings as a strategic land bank. Any such purchase should be subject to the land being remediated by the vendor to an appropriate standard as determined by the Environment Protection Authority.

A proactive investment attraction program by the Tasmanian Department of Economic Development, Cradle Coast Authority and Burnie City Council is recommended to market the site to potential investors and light industrial, trade and logistics firms.

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## Appendix A: Table of Uses – Industrial Zone

Permitted Uses	Discretionary Uses	Prohibited Uses
Bus Depot Car Park Contractors Depot General Industry Home Occupation Light Industry * Passive Recreation Research & Development Rural Industry Service Centre Service Industry Service Station Store Timber Mill Timber Yard Transport Depot * Warehouse Wood Yard	Active Recreation Business Consulting Rooms/Health Centre Educational Establishment Fuel Depot Funeral Parlor Garden Centre Miscellaneous Mineral Processing Neighbourhood Shop Noxious/ Hazardous Industry Office Public Utility Sale Yard Scrap Yard Showroom Take Away Veterinary Establishment Waste Disposal Depot	Abattoir Agriculture Agro Forestry Animal Stock/Sale Yard Amusement Machine Centre Apartment Aquaculture Caravan Park or Camping Ground Cemetery/Crematorium Centre Cluster Housing Community Building Forestry Bed & Breakfast Grouped House Health Studio Holiday Cabin Holiday Unit Hospital House House and Ancillary Apartment Institutional Building Intensive Animal Husbandry Licensed Establishment Marina Motel Residential Building Restaurant Roadside Stall Shop Stables Tourist Operation Welfare Building



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