



New South Wales Government
Independent Planning Commission

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Steel River East Battery Energy Storage System SSD-77450458

Statement of Reasons for Decision

Janett Milligan (Chair)
Alexandra O'Mara

23 March 2026

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1. Introduction

1. On 16 February 2026, the NSW Department of Planning, Housing and Infrastructure (**Department**) referred the State significant development (**SSD**) application SSD-77450458 (**Application**) from Ausgrid (**Applicant**) to the NSW Independent Planning Commission (**Commission**) for determination.
2. The Application seeks approval under section 4.38 of the *Environmental Planning and Assessment Act 1979* (**EP&A Act**) for the Steel River East Battery Energy Storage System (**Project**). The Project is located approximately 2.5 km south of the Hunter Estuary Wetlands and approximately 7 km north-west of the Newcastle central business district (**CBD**) in the City of Newcastle Local Government Area (**LGA**). The Application constitutes SSD under section 4.36 of the EP&A Act as it satisfies the criteria under section 2.6(1) of the *State Environmental Planning Policy (Planning Systems) 2021* (**SEPP Planning Systems**).
3. In accordance with section 4.5(a) of the EP&A Act and section 2.7 of SEPP Planning Systems, the Commission is the consent authority as more than 50 public submissions were made by way of objection during the Department's assessment of the Application.
4. Andrew Mills, Chair of the Commission, determined that Janett Milligan (Chair) and Alexandra O'Mara would constitute the Commission for the purpose of exercising its functions with respect to the Application.
5. The Department concluded in its Assessment Report (**AR**) dated February 2026 that the Project would result in benefits to NSW, the Project is in the public interest and is approvable, subject to the recommended conditions of consent.

2. The Application

2.1 Site

6. The Project is proposed within the Hunter and Central Coast Renewable Energy Zone (**HCC REZ**), and is located at 1 McIntosh Drive, Mayfield West (**Site**). The Site comprises an allotment of 5.06 hectares (**ha**) in area and is legally described as Lot 16 in Deposited Plan (**DP**) 270249. The Project's development footprint comprises 2.74 ha, as illustrated in **Figure 1**.
7. The Site is located within the existing 132 kilovolt (**kV**) Mayfield West zone electricity substation (**substation**) and is surrounded by established industrial and commercial premises (**Figure 2**). The substation is located on the western portion of the Site with a data centre located centrally between the substation and the location of the Project's proposed compound. The Site generally comprises vegetated land.

2.2 Project

8. The Project is intended to provide network stability and grid firming capabilities, storing energy during periods of low demand and releasing it during peak demand. The Application seeks approval for:
 - a Battery Energy Storage System (**BESS**) with 112 containerised battery units and associated infrastructure, with a capacity of up to 200 megawatt (**MW**) / 400 megawatt hours (**MWh**);
 - a 33 kV underground cable connection from a proposed control switch room to existing external substation infrastructure;

- ancillary infrastructure comprising fire suppression and stormwater management systems, security fencing, lighting, and CCTV; and
 - landscaping screening.
9. The Project has an estimated development cost (**EDC**) of \$208 million and will provide up to 100 construction and one (1) operational job (AR Table 1). The Applicant has offered Newcastle City Council (**Council**) a Voluntary Planning Agreement (**VPA**) with an agreed contribution value of \$150 per MWh hour generated per annum for 20 years (paid as one upfront payment prior to the commencement of construction), equating to \$936,000. Council has agreed to this offer.
10. A complete description of the Project is set out in the Department's AR at **Appendix C**.

Figure 1 – The Site (Source: AR, extract of Figure 2)

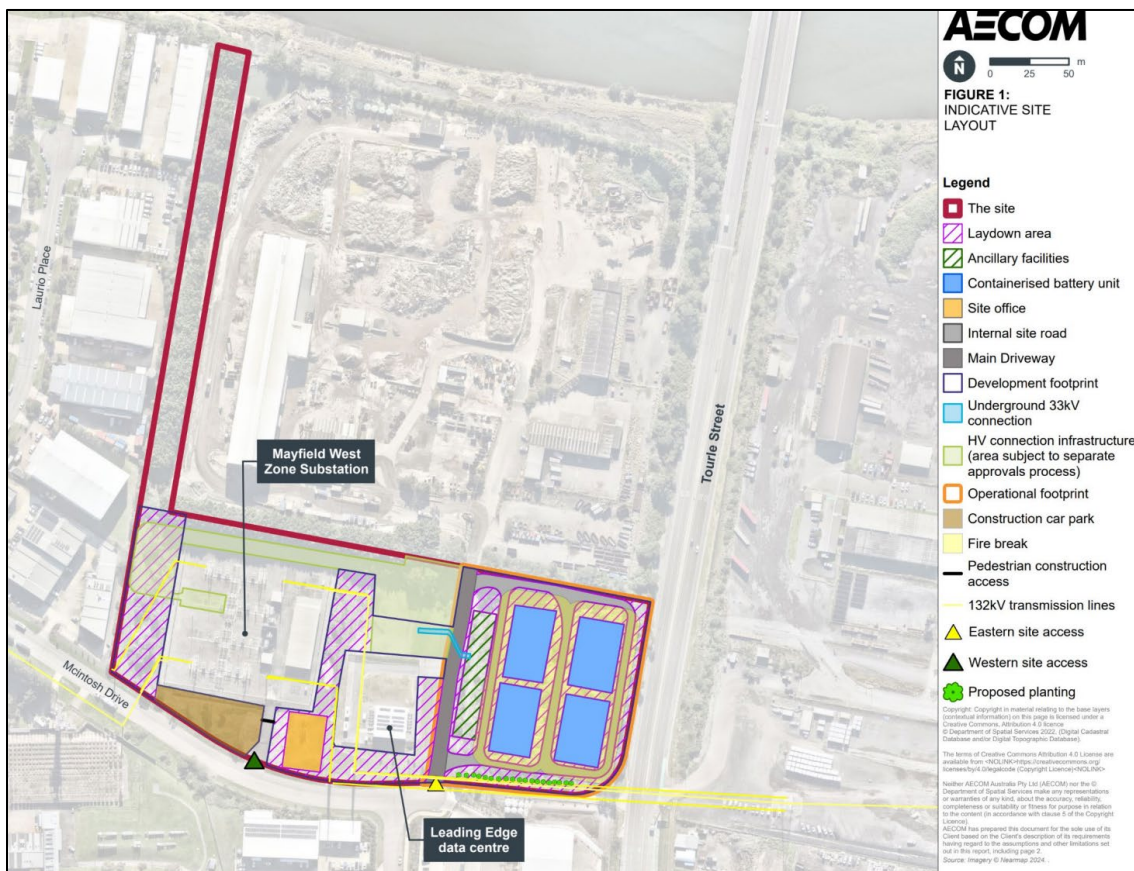
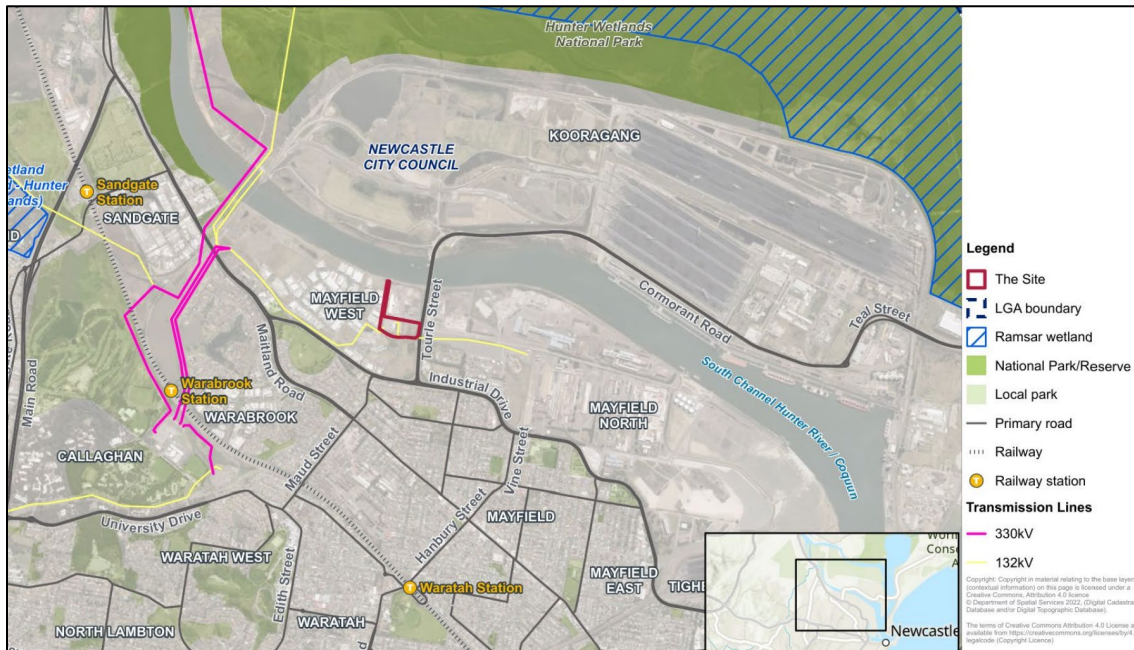


Figure 2 – The Site and its surrounds (Source: AR, extract of Figure 1)



3. Material Considered by the Commission

11. In this determination, the Commission has given consideration to the:
- matters raised in public submissions received by the Commission as set out in **Appendix A – Community Consultation Report**;
 - material and planning framework as set out in **Appendix B – Commission’s Considerations**; and
 - Department’s whole-of-government assessment as set out in **Appendix C – Department’s Assessment Report**.

4. Reasons for the Decision

12. Based on its consideration of the material before it, the Commission finds the Application should be approved for the reasons set out below. The Commission finds that, on balance, the predicted benefits of the Project outweigh its potential negative impacts.
13. The Project would contribute positively to the State’s transition to a lower-carbon energy system and deliver benefits to the State’s electricity network by enhancing grid reliability and supporting the integration of renewable energy sources. The provision of 200MW / 400 MWh of firming capacity would assist in managing fluctuations in energy supply, thereby improving grid stability and energy security. In doing so, the Project would support the diversification of energy generation and help reduce the carbon emissions intensity of electricity consumption across NSW.
14. The Project is consistent with key State policies, including the *NSW Electricity Strategy* (2019), the *Net Zero Plan Stage 1: 2020-2030*, and the *Hunter Regional Plan 2041*, which collectively seek to accelerate the renewable energy deployment and improve system reliability, economic growth and job creation through environmentally sustainable practices.

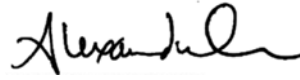
15. The Project is expected to generate 100 full-time jobs during the construction phase and one (1) full-time job once operational, thereby providing direct employment opportunities and contributing to the local economy. The Project would generate \$936,000 of local funding for Council that must be used or applied toward a public purpose in accordance with section 7.4 of the EP&A Act.
16. The Site is suitable for the proposed development and following the completion of infrastructure upgrades, will connect directly into the electricity grid. Ausgrid has commenced network upgrade works separately though an approval facilitated by Part 5 of the EP&A Act. The upgrade works comprise a 132/33 kV transformer with associated infrastructure, an overhead to underground transition pole and a stormwater drainage system and are due for completion early in 2026.
17. The Site is located within an established industrial area, has suitable road access and its nearest sensitive receiver is located approximately 340m to the southwest. As a result, the Commission finds that the Project represents an effective and compatible use of the land. With the implementation of objective and performance-based conditions that are supported by monitoring and reporting requirements, the Commission is satisfied that the Project is capable of being decommissioned and the Site rehabilitated.
18. As part of its whole of government assessment of the Project, the Department received advice from 14 government agencies and two utilities providers, none of whom raised objections to the Application. Council provided comments and recommended conditions of consent.
19. The Commission finds that impacts on the local community would be minimal and limited to impacts associated with typical construction activities. During the Department's exhibition of the Application one objection was received from within a 100km radius of the Site. The remaining 60 objections to the Application were received from submitters outside a 100km radius from the Site. The Commission received a total of nine submissions, with two submitters supporting who are within 25km of the Project and seven submitters objecting. Submissions received by the Commission are addressed in Appendix A.
20. The Commission finds that fire risks associated with the Project have been thoroughly assessed and can be appropriately managed through the imposed conditions of consent and adherence to relevant standards and guidelines. The Commission is satisfied that, subject to conditions of development consent requiring the completion and implementation of a Fire Safety Study and Emergency Plan, the Project would not pose a material risk to the local community or the environment. The Fire Safety Study and Emergency Plan are required to be prepared in consultation with Fire and Rescue NSW (**FRNSW**). The Commission finds this will provide appropriate agency oversight to ensure fire safety measures and emergency response protocols are developed in accordance with best practice standards and are aligned with the specific risks associated with the Project.
21. The Commission agrees with the Department (AR, para 61-65) that the Applicant's Preliminary Hazard Analysis (**PHA**) and addendum PHA demonstrates that suitable separation distance has been provided to minimise potential risk to on and off-site receivers. The PHA confirms the Project is not categorised as potentially hazardous or potentially offensive development and the Applicant has committed to implementing all controls recommended by the PHA.
22. The Site forms part of the former BHP Steel Works which was subject to extensive remediation works and a detailed contamination assessment was prepared by the Applicant. The EPA was consulted during the Department's assessment of the Application, and the Commission is satisfied that the Site is suitable for the Project, subject to the implementation of the required Remediation Action Plan, Site Management Plan and the associated Site Auditor certification.

23. The Commission has considered the potential for the Project to affect the visual character of the surrounding area. In considering the potential for impact the Commission notes the location of the Site within an established industrial estate, its shared boundary to a classified road (Tourle Street) the operation of industrial uses adjacent to the Site as well as the location of the existing substation and the associated 330kV transmission lines. The Commission also notes the Project will require 0.57ha of vegetation to be cleared, including vegetation along the Site's boundary with Tourle Street.
24. The Commission finds that the proposed vegetation screening along the southern boundary of the Site in conjunction with proposed setback and battery separation distances would minimise the overall bulk of the containerised units. The proposed landscaping will provide a suitable interface at the Site boundary. The Commission acknowledges the Site's existing industrial setting and, with the understanding that no sensitive receivers are within the visual catchment of the Site, considers visual impact to be minimal. The Commission's imposed conditions of development consent require the Applicant to select plant species which are endemic to the area or otherwise appropriate for the Site in consultation with Council.
25. The Project's development footprint of 2.74ha (1.59ha of which comprising the BESS footprint) includes approximately 1.25ha of non-native shrubby vegetation, 0.46ha of planted landscaping (native and non-native species) and 0.69ha of maintained lawn (AR, Table 6). No native vegetation within the Site was identified as corresponding with any threatened ecological community.
26. The Project would clear 0.11ha of disturbed condition vegetation that corresponds with plant community type (**PCT**) 3437 - Hunter Coast Lowland Spotted Gum Dry Forest and 0.46ha of planted landscaping that does not correlate with any PCT. The Applicant has committed to retiring offsets calculated in accordance with the Biodiversity Assessment Method (**BAM**) under the NSW Biodiversity Offsets Scheme (**BOS**). This includes the retiring of one ecosystem credit to account for the loss of foraging habitat for the Eastern False Pipistrelle (*Falsistrellus tasmaniensis*) which is associated with the clearing of PCT 3437.
27. The Commission has given consideration to other issues including flooding, surface and groundwater, transport, noise, heritage, waste, dust generation and cumulative impacts raised in the Department's assessment (AR, Table 6). The Commission agrees with the Department's assessment of these matters and is satisfied that impacts associated with these issues can be managed through the imposed conditions of development consent.
28. The Commission has imposed conditions requiring the Project's infrastructure to be decommissioned at the cessation of use and the Site rehabilitated to a standard that ensures the Site is safe, stable and non-polluting. Accordingly, the Commission is satisfied that the potential impacts associated with the above-mentioned assessment issues do not outweigh the public interest served by granting consent to the Application.
29. For the reasons set out above, the Commission finds that the Application is consistent with NSW Government policies and its approval supports the public interest in the State's transition to a stable and reliable lower-carbon energy system. The Commission has therefore determined to approve the Application subject to the conditions of consent in **Appendix D – Instrument of Consent** requiring the Applicant to:
 - prevent, minimise and/or offset adverse social and environmental impacts;
 - set standards and performance measures for acceptable environmental performance;
 - require regular monitoring and reporting; and
 - provide for the ongoing environmental management of the development.

30. The Commission's reasons for the Decision are given in this Statement of Reasons for Decision dated 23 March 2026.

A handwritten signature in black ink, appearing to read 'Janett Milligan'.

Janett Milligan (Chair)
Member of the Commission

A handwritten signature in black ink, appearing to read 'Alexandra O'Mara'.

Alexandra O'Mara
Member of the Commission

Appendix A – Community Consultation Report

Department of Planning, Housing and Infrastructure’s public exhibition

The Department exhibited the Project and received 64 submissions, including 61 objections (triggering referral to the Commission for determination), and three submissions in support. Of the 61 submissions objecting to the Project, the closest submitter was approximately 90 km from the Site.

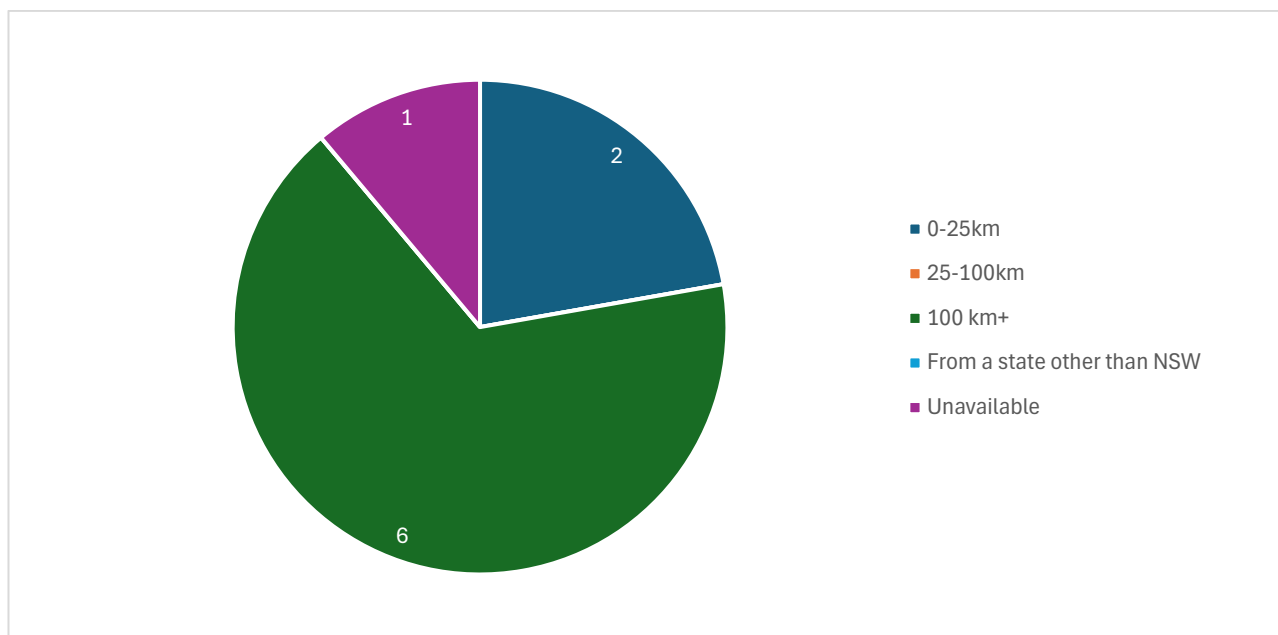
The Commission’s meetings

The Commission met with the Department, the Applicant, and Newcastle City Council (refer to *Appendix B – Material Considered by the Commission*). Transcripts from these meetings were made publicly available on the Commission’s website.

Written submissions

The community was offered the opportunity to make written submissions to the Commission from 17 February – 4 March 2026. The Commission received a total of nine written submissions. A breakdown of submitter distance from site is provided in *Appendix A – Figure 1* below, noting that the two submitters within 25km of the site were in support of the project while the remaining seven submissions objected.

Appendix A – Figure 1: Submitter distance analysis



Consideration of submissions

The Commission appreciates the time and effort the community put into their submissions. Submissions are one of the materials that the Commission considers and they play a key role in the Commission’s decision-making process. Submissions were carefully reviewed by the Commission, whether they were made to the Department during the exhibition period or to the Commission as a written submission.

The Commission acknowledges that some submissions raised broader concerns relating to renewable energy projects more generally and expressed scepticism towards renewable energy policy. In accordance with its statutory role, the Commission has undertaken a detailed evaluation of the specific impacts associated with the Project which is the subject of this Application.

Consideration has been given to all submissions that raised concerns about the project, and these have informed the Commission's findings and conclusions throughout this Statement of Reasons.

Appendix A - Table 1 below reflects the major themes of submissions and provides a summary of the main concerns people raised and how the Commission has considered them in its decision. To view all submissions, please see the submissions tab on the Commission's website:

<https://www.ipcn.nsw.gov.au/cases/steel-river-east-battery-energy-storage-system-bess>

Appendix A – Table 1: Key matters raised in submissions

Themes raised in submissions from the community	Commission's consideration
Fire BESS infrastructure is a dangerous fire hazard.	The fire risks can be suitably managed through the implementation of standard fire management procedures and recommendations made by FRNSW. The Applicant must prepare a fire safety study. An emergency plan must also be prepared in consultation with FRNSW. Restrictions are also placed on the Applicant in relation to the storage and handling of dangerous goods. <i>Refer to conditions B31 – B35.</i>
Site location The site is too close to a hospital	The Site is well-positioned for a BESS, located on land zoned E4 General Industrial (E4 zone) under the <i>Newcastle Local Environmental Plan 2012 (NLEP)</i> and within the Steel River Industrial Estate. The Site is adjacent to an existing substation and has a long history of industrial use. The nearest residential area is approximately 400 m south of the Site with the nearest hospital being approximately two kilometres south of the Site. The Commission finds the Site to be suitable for the Project.

Appendix B – Commission’s Considerations

Material considered by the Commission

Appendix B – Table 1: Material considered by the Commission

Document	Date
Applicant’s Environmental Impact Statement and its accompanying appendices	Various
Government agency advice to the Department	Various
Public submissions made to the Department during exhibition	2 to 30 June 2025
Applicant’s Response to Submissions Report and its accompanying appendices	16 September 2025
Department’s Assessment Report and recommended conditions of consent	16 February 2025
Comments and presentation material from meetings with:	
• Applicant	04 March 2026
• Department	04 March 2026
• Council	04 March 2026
Observations made at the Site Inspection	27 February 2026
All written submissions made to the Commission	Various
Department’s advice to the Commission regarding the imposition of conditions	19 March 2026

Planning Framework

Appendix B – Table 2: Strategic and Statutory context

Strategic context	Commission’s consideration
A New Approach to Strategic Planning: Discussion Paper (The Discussion Paper)	The Discussion Paper forms part of the NSW Government’s steps toward a more streamlined strategic planning framework that aims to: • reduce duplication across the strategic planning system • align housing, jobs and infrastructure planning • support councils with clearer guidance and direction • make planning priorities and policies easier to navigate and implement The Discussion Paper proposes a three-tier structure — State, Regional and Local — with a new State Land Use Plan that would set seven statewide land use priorities to guide planning at every level across the state. The Project would not cause any inconsistencies with the State’s proposed strategic planning framework
Hunter Regional Plan 2041 (HRP)	The HRP is a 20-year plan which provides the strategic framework for land-use planning in the region, providing a framework for continued economic growth and diversification, greater housing diversity and affordability equity and placemaking. The plan aims to unlock sustainable growth opportunities in the region and aligns with key infrastructure delivery strategies including the <i>Hunter Regional Transport Plan</i>, the <i>Greater Hunter Regional Water Strategy</i> and the <i>Lower Hunter Water Security Plan</i>. It outlines a vision for the Hunter as a leading regional economy with a vibrant metropolitan city at its heart where people are connected and care for Country, within sustainable 15-minute neighbourhoods.

	The Project is consistent with the objectives of the HRP as it would assist in diversifying the region's energy and industrial capacity and would support HRC's aspirations regarding the Hunter-Central Coast Renewable Energy Zone (REZ).
Newcastle City Local Strategic Planning Statement 2025- 2045 (LSPS)	The Local LSPS is the City of Newcastle's plan to guide land use planning over the next 20 years. The LSPS includes implementation priorities that align with Council's Community Strategic Plan and brings together land use planning actions from Council's adopted strategies. The LSPS also gives effect to the State Government's strategic directions for the Hunter region and outlines Planning Priorities to achieve Council's land use planning vision. The Project is consistent with the following Planning Priorities: • Planning priority 6: Reduce carbon emissions and resource consumption • Planning priority 7: Plan for climate change and build resilience
Newcastle 2040 – it's our future Community Strategic plan (Newcastle 2040)	Newcastle 2040 is City of Newcastle's Community Strategic Plan (CSP) and has been developed as a guide to inform policies, strategies, plans and actions for growth over the next 10+ years. It sets a high-level vision to guide future land use, infrastructure, and investment to enhance the community and environment, supporting the LGA's liveable, sustainable and inclusive global city objectives. The Project is consistent with the following CSP Planning Priorities: • 2.1 Action on climate change • 2.3 Circular economy
The City of Newcastle Economic Development Strategy 2021	The City of Newcastle's Economic Development Strategy (EDS) 2021 aims to build a skilled and innovative community supported by key city infrastructure and enhanced by a vibrant lifestyle. The EDS recognises the opportunity provided by the industrial lands surrounding the Port of Newcastle to act a catalyst for new enterprise. The EDS acknowledges the role of the renewable energy sectors in transitioning the region's existing skills base to green jobs and the Project supports the EDS's climate action priorities.
Climate Change (Net Zero Future) Act 2023	The Act commits the NSW government to effective action on climate change to ensure a sustainable and fair future for the people, economy and environment of NSW and legislates: • guiding principles for action to address climate change that consider the impacts, opportunities and need for action in NSW • emissions reduction targets for NSW: ○ 50% reduction on 2005 levels by 2030 ○ 70% reduction on 2005 levels by 2035 ○ Net zero by 2050 • an objective for NSW to be more resilient to a changing climate • establishing an independent, expert Net Zero Commission to monitor, review, report on and advise on progress towards these targets.
Net Zero Plan Stage 1: 2020-2030	The Net Zero Plan Stage 1: 2020-2030 is the foundation for NSW's action on climate change and goal to reach net zero emissions by 2050. It outlines the NSW Government's plan to protect our future by growing the economy, creating jobs and reducing emissions over the next decade.

Statutory context	Commission's consideration
State significant development	The Project constitutes SSD under section 4.36 of the EP&A Act as it satisfied the criteria under section 2.6(1) of SEPP Planning Systems. The Application includes development for the purpose of electricity generating works that has an estimated development cost (EDC) exceeding \$30 million and in accordance with Schedule 1, Clause 20 of SEPP Planning Systems is State significant development.
Consent authority	In accordance with section 4.5(a) of the EP&A Act and section 2.7(1) of SEPP Planning Systems the Commission is declared to be the consent authority as more than 50 submissions have been made by way of objection.
Permissibility	The site of the proposed BESS is located on land that is zoned E4 General Industrial by the NLEP. Electricity generating works are prohibited in the E4 zone. Section 2.36 of <i>State Environmental Planning Policy (Transport and Infrastructure) 2021 (SEPP Transport and Infrastructure)</i> however allows electricity generating works to be permissible with development consent on any prescribed non-residential zone. The E4 zone is a prescribed non-residential zone for the purpose of permissibility and consequently the Project is permissible with development consent.
Notification	In accordance with the Section 2.48 of SEPP Transport and Infrastructure, the Department has given written notice of the project to Ausgrid and Transport for NSW. The Project is located adjacent to a high-pressure gas pipeline corridor and the Department notified the pipeline operator in accordance with Section 2.77.
Objects of the EP&A Act and Ecologically Sustainable Development	The Commission has considered the Objects of the EP&A Act and is satisfied that the Application is consistent with those Objects. The Commission finds that the Project is consistent with the ESD Principles and would achieve suitable balance between economic, environmental and social considerations.
Other approvals and authorisations	Under Section 4.41 of the EP&A Act, a number of other approvals are integrated into the SSD approval process and are therefore not required to be separately obtained for the Project. Under Section 4.42 of the EP&A Act a number of further approvals are required, but must be substantially consistent with any development consent for the Project. The Commission has considered the Department's recommended considerations of consent relating to integrated and other approvals as part of its deliberation process.
Mandatory considerations	Commission's consideration
Relevant environmental planning instruments (EPIs)	Appendix H – Statutory Considerations of the Department's AR outlines the relevant EPIs applicable to the Project as • <i>State Environmental Planning Policy (Resilience and Hazards) 2021</i>; • <i>State Environmental Planning Policy (Transport and Infrastructure) 2021</i>; • <i>State Environmental Planning Policy (Resources and Energy) 2021</i>; • <i>State Environmental Planning Policy (Planning Systems) 2021</i>

	• <i>Newcastle Local Environmental Plan 2012</i> The Commission has considered these EPIs as part of its determination.
Relevant Development Control Plans (DCPs)	Pursuant to section 2.10 of SEPP Planning Systems, DCPs do not apply to SSDA
Relevant matters prescribed by the <i>Environmental Planning and Assessment Regulation 2021</i> (EP&A Reg)	The Commission has considered matters relevant to the Application, as prescribed by the EP&A Reg.
Any planning agreement or draft planning agreement	The Applicant has prepared a draft agreement with Council and has offered to enter into a VPA with an estimated contribution value of \$150 per MWh hour per annum for 20 years (paid as one upfront payment prior to the commencement of construction), equating to \$936,000. The draft offer has been accepted by Council.
Likely impacts of the development	The Commission has given consideration to the likely impacts of the development and has set out its reasons for decision in Section 4 of the Statement of Reasons for Decision. The Commission finds the Project's impacts on the natural and built environment and its social and economic impacts are not significant and are acceptable.
Suitability of the Site for development	The Site is suitable for the following reasons: • it is located within the HCC REZ, which is designated for renewable energy infrastructure; • it contains the existing Mayfield West zone electricity substation and associated infrastructure which the Project will directly connect to; • the use of the Site for the purpose of electricity generation is an orderly and economic use of land; • it is not bush fire prone and flooding impacts can be suitably addressed by the Project; • it can physically accommodate the Project and its mitigation measures for asset protection zones, tree plantings and stormwater upgrades, with minimal impacts arising; • it is capable of being appropriately decommissioned and rehabilitated; • the development of the site will facilitate social and economic benefits for the community and NSW; and • impacts on surrounding land uses have been minimised where possible, with some impacts capable of being mitigated through conditions of consent.
The public interest	The Commission has considered the public interest in deciding to grant conditional consent to the Application, particularly the public interest in the State's transition to a stable and reliable lower-carbon energy system. In doing so, the Commission has evaluated the likely impacts of the Application and considered the relevant ESD principles. The Commission has concluded that approval of the Project merits the grant of consent, subject to conditions.

Appendix C – Department's Assessment Report

Link to [Department's Assessment Report](#)

Appendix D – Instrument of Consent

Link to [Instrument of Consent \(SSD-77450458\)](#)



New South Wales Government
Independent Planning Commission

ipcn.nsw.gov.au

Phone (02) 9383 2100

Email ipcn@ipcn.nsw.gov.au

Mail Level 15 135 King Street Sydney NSW 2001

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