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SUBMISSION TO THE

NSW DEPARTMENT OF PLANNING AND INFRASTRUCTURE

ON THE DRAFT PAPER “IMPLEMENTING THE METROPOLITAN

PLAN – PLANNING PRINCIPLES FOR INDUSTRIAL LANDS”

SEPTEMBER, 2011

Prepared by the

Western Sydney Regional Organisation of Councils Ltd (WSROC)

BACKGROUND TO WSROC

The Western Sydney Regional Organisation of Councils Ltd is one of Australia's oldest and most respected Regional Organisation of Councils and a key advocate for Western Sydney. WSROC was formed in November 1973 by Western Sydney Councils primarily to lobby State and Federal Governments to increase their provision of infrastructure, services and resources.

Member Councils are:

- Auburn Council
- Bankstown City Council
- Blacktown City Council
- Blue Mountains City Council
- Fairfield City Council
- Hawkesbury City Council
- Holroyd City Council
- Liverpool City Council
- Parramatta City Council
- Penrith City Council

WSROC has a reputation for considered research, policy analysis and advocacy on a wide range of issues affecting the residents of Western Sydney. These include urban planning, infrastructure and transport, economic development and employment, environment and sustainability, social equity, cultural development and community services, health, housing and a wide range of Local Government issues. WSROC is responsible for regional improvements in many of these areas and has helped to create many of the region's institutions and agencies.

Note: This submission has been prepared by WSROC with the assistance of SGS Economics and Planning Pty Ltd.



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SUMMARY

WSROC supports the focus on industrial lands and jobs growth in Western Sydney. Jobs growth is a key regional priority and WSROC commends the Department of Planning & Infrastructure (DOP&I) for the development of the broader Employment Lands Development Program.

However, WSROC has concerns regarding the extent to which the current initiatives undertaken will lead to the level of long-term jobs growth in Western Sydney, which would allow existing and new populations the opportunities to be able to work within the region.

In particular, WSROC has concerns regarding the lack of monitoring of employment generation in the region over the last 5 years, since 2006, to judge whether employment growth is occurring. This situation needs to be rectified to introduce regular monitoring of jobs growth and loss to ensure evidence-based decisions are made regarding strategy. The maintenance of high levels of regional self-sufficiency of employment for Western Sydney should be a key policy imperative, and the performance in achieving this should be regularly monitored by Government.

A number of indicators suggest concerns that employment generation is lagging behind the targets identified in the Metropolitan Plan 2036. The first of these concerns is that a major source of development of new industrial lands has been for logistics and warehousing along the M7 Corridor, which are often low employment intensity land uses. In addition there has been a low take-up of industrial lands across the Sydney Region in 2008 and 2009 compared to historical patterns (ELDP Overview Report 2010) with for example only 205 hectares in 2009.

A second concern is that while the planning principles for industrial lands are a positive contribution to implementation of the Metropolitan Plan, they need to be supported by Government integration of industrial lands planning with appropriate infrastructure provision. Without the timely delivery of appropriate infrastructure, in new and existing areas, the regional employment generation targets are unlikely to be realised. The ELDP should be accompanied as a short term priority by infrastructure plans for new and existing strategically important industrial lands.

The NSW Government should also clarify their program in regards to the actions to drive employment lands development in Western Sydney and ensure that effective resources are allocated in line with the high importance of this task. This should update the work completed by the previous Government through the 2007 Employment Lands Action Plan and the 2010 EDLP Report. Of specific importance in the short term is:

1. Priority should be placed on expansion of industrial lands supply through the assessment of the 17 priority industrial precincts in Western Sydney, which are zoned but vacant to assess barriers to development, as an important short-term action. Development of plans that address these blockages need to also be put in place as a high priority to ensure supply of industrial lands.
2. The identification of strategic industrial lands to be retained, and articulation of the purpose of these lands, should be completed. The protection of existing strategically important industrial lands is a key priority.
3. Renewed focus should be placed on the transition of older industrial areas to higher job creating land uses. This will require coordination by Government of programs to

identify priority sites for employment generation and working with the relevant local councils, agencies and landholders to support this redevelopment, including the coordination of infrastructure provision. Focus should also be placed on the development of broader employment precincts such as those associated within health (for example Westmead Health precinct), major education precincts and special use areas (such as Bankstown Airport) as well as large industrial precincts where existing industry is relocating or modifying its operations.

4. Strategic planning investigations for major additional employment lands development in Western Sydney should be completed, and decisions made in regards to the future of areas such as the Western Sydney Employment Investigations Lands Area. In addition, a dedicated fund should be established to assist local councils develop detailed employment lands strategies, industrial precinct planning and infrastructure strategies, as a key part of establishing the longer-term pipeline for employment lands provision.

1. INTRODUCTION

WSROC welcomes the opportunity for targeted stakeholder consultation on the Draft Paper "Implementing the Metropolitan Plan – Planning Principles for Industrial Lands" and ongoing participation in the development of planning policies to facilitate employment generation in the region. The NSW Government's recognition of the importance of employment generation in Western Sydney, as a key goal of metropolitan planning that underpins the economic competitiveness of Sydney, is also welcome.

The estimated resident population in the WSROC region in 2010 was 1,559,990 (ABS 2009). With the significant population growth targeted by the Sydney Metropolitan Plan for Western Sydney, the need to prioritise employment generation within the region is essential to achieve goals of sustainable development and the location of job opportunities closer to where people live.

This submission to the Draft Paper addresses some of the key regional issues which WSROC believes should be considered in its' finalisation and also in regards to the wider Employment Lands Development Program and implementation of the Sydney Metropolitan Plan. This submission has been prepared by WSROC with input from interested member councils, however it should be noted that it does not necessarily represent all councils' views and focuses on regional issues. Individual councils will have made separate submissions to the Draft Paper, and identified local planning issues, and these should be considered separately and in addition to this response.

WSROC is interested in continued participation in the planning and monitoring of progress in employment generation actions facilitated by the NSW Government. For further discussion of this submission or ongoing participation, contact should be made with the WSROC Chief Executive Officer, Mr Kerry Bartlett at kerry@wsroc.com.au or on (02) 9671 4333.

2. OVERVIEW OF DRAFT PAPER – PLANNING PRINCIPLES FOR INDUSTRIAL LANDS

2.1 Purpose of the Draft Paper

The Draft Paper – “Implementing the Metropolitan Plan – Planning Principles for Industrial Lands” has been forwarded to WSROC and member councils for stakeholder consultation by the Department of Planning & Infrastructure. The purpose of the paper is “to provide guidance for local councils and business on planning to ensure stocks of industrial land are available to meet current and future demands across Sydney”. The paper does this by outlining five (5) principles to be applied for local and strategic planning for industrial lands.

The definition provided of industrial lands are those industrial or similar zoned land in environmental planning instruments (EPI), primarily those in the Industry Zone in the Standard LEP Instrument. The Draft Paper states that a broad range of uses are often allowed in these zones beyond “traditional industry”.

The five (5) principles are:

- Principle 1 – Maintain an adequate supply of appropriately located and serviced industrial lands for current and future demand and to maintain competitive pressures in the market.
- Principle 2 – Ensure planning for new industrial lands meets the long term needs of industry growth and growth management directions of the city.
- Principle 3 – Retain strategically important industrial lands and support renewal of existing industrial lands to meet the changing needs of industry.
- Principle 4 – Provide capacity to enable the development of specialised industry clusters.
- Principle 5 – Plan for and maximise use of infrastructure to encourage sustainable development of industrial lands.

A detailed discussion of these principles is included in Section 3 – “Response to Planning Principles” in this submission.

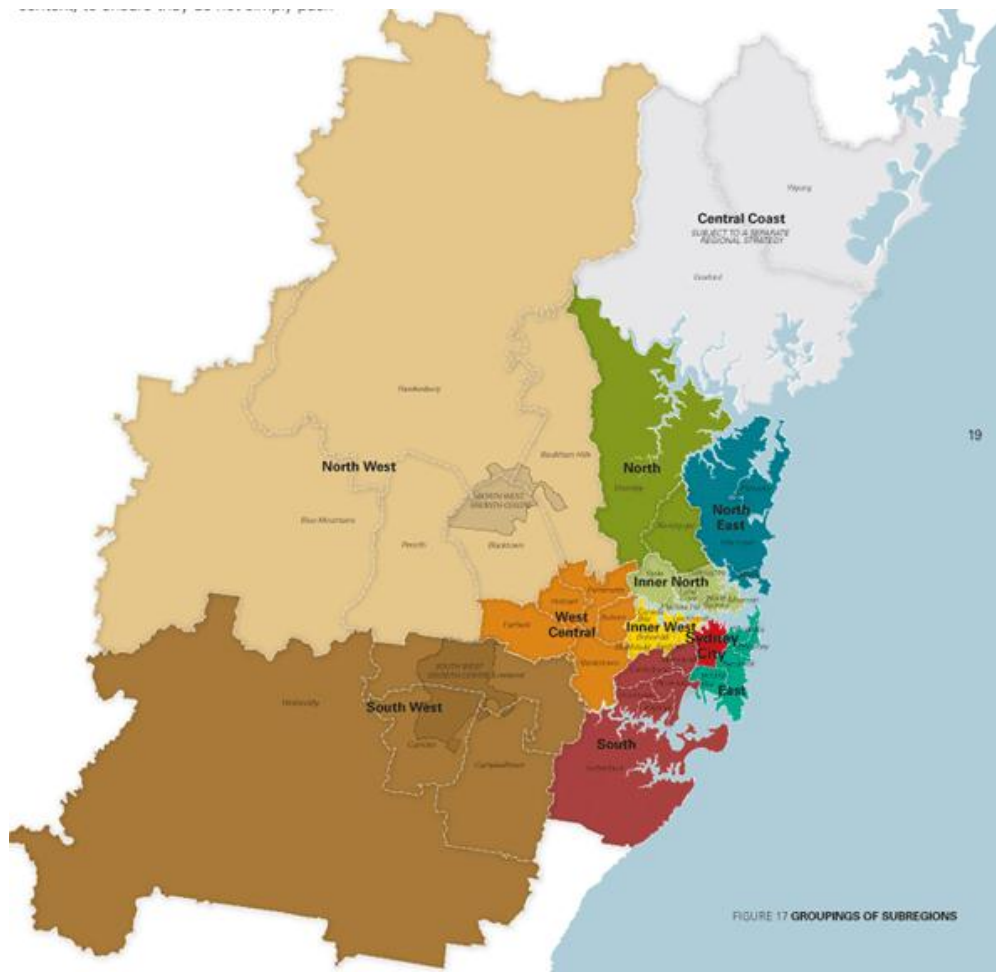
2.2 NSW Government Strategies on Sydney Industrial Lands

The Sydney Metropolitan Plan, released in 2010, identifies that Sydney will require 760,000 additional jobs to support the anticipated population growth of the city by 2036¹. The plan states that 50% of these jobs will need to be in Western Sydney, to match expected population growth. The Metropolitan Plan supports the concept that jobs growth in Western Sydney cannot only rely on the current sectoral structure and supports specialisation and the formation of new businesses as well as employment related to population growth such as health, education, social services and construction.

One objective of the Metropolitan Plan (E3) is to provide employment lands to support the economy’s freight and industry needs. Actions of the plan include monitoring supply and demand for employment lands and plan for new employment lands, identifying and retaining strategically important lands and strengthening existing industry and freight clusters and supporting the emergence of new clusters. Other relevant actions are E5.3 the preparation of a structure plan for the broader Western Sydney Employment Area.

¹ NSW Department of Planning and Infrastructure, (2010) “Metropolitan Plan for Sydney 2036”, page 132.

Figure 1 – Sydney Metropolitan Area Sub-Regions (NSW Department of Planning & Infrastructure, Land Supply/Employment Lands, Accessed 25/09/11)



The Employment Lands Development Program (ELDP) released an overview report in February 2011. The EDLP is the key government program for management of the supply of employment lands for the Sydney region and contributes to the Metropolitan Plan directions to support job creation across Sydney. ELDP reports for sub-regions are provided for the Central West, North-West and South West as identified in Figure 1.

An Action Plan “Employment Lands for Sydney” was released by DOP in March 2007. This identifies a program of actions including the following:

- Establish an employment lands development program;
- Release more greenfield lands to overcome supply shortages;
- Develop new policy initiatives to encourage the regeneration of brownfield sites and support new employment opportunities;
- Employ more efficient processes for zoning and development of employment lands; and
- Improve coordination.

This is updated by section 5 “Development Priorities and Next Steps” of the ELDP 2010 Report, which identifies:

- Further analysis of the development potential of undeveloped land;
- Monitoring the take-up of employment lands on an annual basis;
- Analysis of longer-term demand for employment lands, with input from the private sector, councils and agencies;
- Using the ELDP to liaise with agencies and councils to develop a rolling program for the release, rezoning and servicing of industrial lands; and
- Investigating opportunities for regeneration of employment lands precincts with significant development potential.

2.3 Previous WSROC Papers on Industrial Lands

WSROC has completed a number of studies into employment strategies for Greater Western Sydney. The first to be noted in this submission is the study completed by Fagan et al (2004).² This study investigated a number of key topics. The first of these topics was regional jobs self sufficiency, the second is the importance of manufacturing, the third is the development of services and the fourth was labour market issues regarding access to employment.

1. Regional jobs self sufficiency is a key element of achieving one of the overarching principles outlined in the Sydney Metropolitan Plan for guiding Sydney's economic growth which is to provide "jobs closer to home". The 2004 study showed that the suburbanisation of manufacturing and service sector jobs had been substantial since the mid 1980s. In 1981 59% of Greater Western Sydney's residential labour force worked within the region. By 2001 this had increased to 64.3%. This had stayed relatively constant (based on NSW Transport Data Centre's Household Travel Survey estimates) at 63.7% by 2006.
2. Manufacturing trends which in the two decades prior to 2001 saw a net growth of manufacturing jobs and this sector being a driver of employment growth in GWS, taking into account both net employment created in industries directly and growth of jobs in local supporting service industries, especially in areas such as business services. The manufacturing job trends differed across the region, with job shedding in the older industrial areas of the central west and job growth to service urban expansion in the outer western areas. By 2006 job shedding trends in manufacturing in the inner LGAs had become greater than job creation in outer areas and, overall, manufacturing jobs in GWS experienced a net fall of 8.3% between 2001 and 2006.
3. Service Industries, while not discussed in detail in this submission, a key theme is that jobs in information-based services remained underdeveloped in GWS. For example by 2001 only 17% of metropolitan financial and business service jobs were located in GWS compared with 51% of Sydney's total manufacturing employment. The pattern for a diversification of types of business away from traditional industrial uses was identified for Central Western LGAs such as of Auburn which had been developing a new employment structure as a metropolitan centre for retailing motor vehicles, domestic appliances and bulky home wares. At the same time the LGA also showed substantial growth in business services including computer-related activities and security firms.
4. Labour market issues include recognition that access to employment opportunities for Western Sydney's residents depends on a complex mix of factors, of which only one is the creation of sufficient jobs. For example transport infrastructure is highly significant along with a range of community services such as education, training and childcare. Poor access

² Fagan, Dowling & Langdale (2004) "WSROC – An Employment Profile of Greater Western Sydney: Suburbs in the Global City", A research paper commissioned by WSROC Ltd.

or services can contribute to a disconnection between some groups of people in Western Sydney and the labour market opportunities in the region and in the SMA.

In 2008, WSROC commissioned the UWS Urban Research Centre to prepare a detailed study "North-West and Central West Employment Strategies."³ This report built on the work completed in the 2004 study and investigated employment strategies for the two sub-regions (largely comprising Western Sydney with the exception of Liverpool LGA).

The study updated the situation in Western Sydney, post the 2004 report, including large development sites, land that is competitively priced and the provision of upgraded infrastructure having attracted investments from corporations, particularly in regards to processed foods, electronics, building materials, engineering and distribution. Transport infrastructure improvements such as the M7 have driven growth of transport, distribution and logistics. The Western Sydney Employment Hub and the Western Sydney Employment Lands Investigation Area were identified as having the potential to continue to develop as nationally significant production and distribution sites. The report stated that around 70% of Sydney's employment lands are located in Western Sydney, with the North-West and West-Central sub-regions contributing 28.2% and 27.3% of the Sydney total respectively. Western Sydney was identified as having an ongoing role to play in providing growth in manufacturing, transport and logistics jobs, as well as in higher order jobs sectors, especially in key centres and in locations such as business parks.

This study was based on achieving the employment target of 280 000 additional jobs by 2031 outlined in the 2005 Metropolitan Strategy, which would have retained the proportion of regional jobs self sufficiency levels of approximately 64% whilst accommodating significant population growth. The growth figures for population and employment have been revised upwards in the 2010 Metropolitan Plan.

A simulation was completed to determine the rate of net job production in Western Sydney over the period 2006-2031. This was based on employment growth rates of job creation in the Australian economy in the period 1983-2001 of 0.8% annual growth. This predicted the creation of significant jobs for the region, however, predictions of job losses in some sectors of the economy that form significant sectors for Western Sydney, which would make it difficult to achieve employment growth targets. As a result the report suggests that there needs to be a shift in the composition of the Western Sydney economy and greater diversity if it is to sustain the employment generation targets and retain or improve on regional self sufficiency levels.

This is a key priority when considering planning for employment growth. The drivers for the generation of jobs outlined in the report over the next 25 years would be:

- Engagement to the global economy, particularly through development of business and transport linkages;
- Capturing benefits of population growth and rising incomes;
- Access to supply chains through quality infrastructure;
- Competitively priced and well serviced industrial lands; and
- Investment in knowledge infrastructure and skills development.

In regards to planning principles for industrial lands, the report identifies growth in health and community services and education sectors, and the need for brownfield redevelopment of older industrial areas to potentially allow the flexibility for redevelopment as employment lands beyond the traditional industrial land uses. Health and educational precincts such as

³ UWS Urban Research Centre (2008) "North West and West Central Sydney Employment Strategies".

Westmead Hospital and UWS campuses are potential key employment development opportunities for the region that would assist in the diversification of the economy. In addition the ability to secure former industrial sites, particularly in the central west sub-region, for conversion into sites for service-based activities was also identified as a priority.

3. RESPONSE TO PLANNING PRINCIPLES

3.1 Introduction

The following sections provides specific comments regarding the planning principles, and includes a section "Other Comments" for broad issues not captured by the principles.

3.2 Principle 1 – Maintain an adequate supply of appropriately located and serviced industrial lands for current and future demand and to maintain competitive pressures in the market.

Summary

This principle involves the retention of strategic stocks of land and the timely provision and servicing of well located new lands. The principle identifies a staged approach to ensuring the supply of industrial lands, and bases the demand for industrial lands at 300 hectares annually. Categories of land include the following:

- Strategic Identified Lands - identified through strategic planning investigations. The Draft Paper states that in January 2010 there were 7000 hectares of land, meeting these criteria, in the Sydney Region.
- Undeveloped Zoned Lands - zoned for development but not serviced. The draft paper identifies that 60% of the strategy identified lands have been zoned, around 4500 hectares.
- Undeveloped zoned and serviced - defined as having key infrastructure such as water and sewer available. The draft paper identifies that there are less than 1000 hectares presently available in the Sydney region, which equates to 3 years supply.

The Draft Paper identifies a target for supply of land in each category, 15 years supply for strategy identified lands, 8-10 years supply for undeveloped zoned lands and 5-7 years supply for undeveloped, zoned and serviced lands.

The Draft Paper states that emphasis in the short-term will be placed on servicing and making available already zoned lands, identifying constraints to development of other vacant (and presumably zoned) lands, and ensuring a timely investigation into future industrial lands.

The Principle will be met by the following actions:

- Maintaining the ELDP;
- Identification of constraints on existing undeveloped zoned lands; and
- Prioritising servicing of existing zoned lands that meet requirements of industry.

Comment

A review of the sub-regional reports released with the ELDP (data to Jan 2010), show that for Western Sydney (analysis of Central West, North West and Liverpool in SW region) key statistics were:

- 2838 hectares of potential future employment lands identified;
- 2670 hectares of undeveloped, zoned employment lands;

- In 2008 & 2009 there was a total of 392.4 hectares of lands taken up across CW, NW and SW; and
- There were 242,350 jobs in employment lands in 2006 in Western Sydney. The ELDP does not at this stage include figures beyond 2006 for employment.

WSROC supports the development of a staged "pipeline" for the supply of industrial lands and the classifications proposed. In regards to servicing of lands, greater definition regarding servicing and infrastructure constraints for greenfield lands (current audit) is a priority for expansion of the supply of lands. In regards to older industrial areas an assessment of the capacity and asset condition of existing infrastructure would highlight whether appropriate levels of servicing are available for regeneration.

As suggested in the submission from Penrith City Council, in regards to assessing the desirable supply of industrial lands, "the industrial supply equation must be supported by market demand analysis", particularly in regards to needs for expansion of industry in the region. It is also important that the linkage between industrial land supply and contribution to meeting regional employment generation targets is also made, for example in regards to issues of the density of employment. An issue identified by Parramatta City Council is that the Draft Paper so far does not adequately address the changing nature of industry, particularly the demand for smaller industrial units in Parramatta as larger warehousing activities and the like moves out. The high cost of lands in this location may make this transition uneconomical to achieve.

The Draft Paper focuses on Industrial lands supply. Consideration should be given to monitoring the provision of a broader range of employment lands, and as suggested by Parramatta City Council Special Use, Enterprise Corridor and Business Park Zones, and potentially Business Zones, should be incorporated in further development of the ELDP. For example, in Parramatta LGA a high proportion of employment and future potential growth is located in precincts such as the Westmead health precinct, Rydalmere Knowledge/Educational Precinct and Camellia Industrial Precinct. In regards to Bankstown LGA a significant area of future employment land uses will be established on the Bankstown Airport special use site, under the Federal Airports Act.

WSROC supports the establishment with effective resources of the ELDP and the focus in the short-term in expanding the supply in the region of zoned and serviced land as well as developing a greater focus on regeneration for higher employment densities select older industrial lands and employment precincts. The identification of high priority targets for servicing planning is a positive step, although details for each site should be resolved with the relevant local Council.

WSROC understands that DOP&I have identified approximately 20 precincts across the SMA, which have up to 75% of land zoned but undeveloped. 17 of these precincts are in Western Sydney. There is currently an Audit of these lands to determine the barriers to stopping their development. This Audit should be conducted with the relevant local Councils input, and be completed as a matter of priority, to determine whether there is servicing/infrastructure constraints, environmental constraints and/or market constraints. The results of this Audit should identify a priority list for lands for expansion to the available supply of industrial lands, to raise the current SMA 3-year of available supply to the desired 5-7 years of supply. This action should be a priority. WSROC supports the short-term expansion of available industrial land in the region, to provide opportunities for attraction of investment.

In regards to timely investigation of future industrial lands, DOP&I should consider the establishment of a fund to provide assistance for local Councils in Western Sydney to develop appropriately detailed strategic planning investigations for industrial lands provision and redevelopment of older sites/precincts for broader based employment lands. This would assist in directing the longer-term pipeline in regards to local planning strategies.

3.3 Principle 2 – Ensure planning for new industrial lands meets the long term needs of industry growth and growth management directions of the city.

Summary

This principle reinforces that strategic planning through the Metropolitan Plan, Sub-Regional Plans or Local Plans is the mechanism for identification of Future Industrial Lands, and the response to necessary supply benchmarks. These strategies will need to be supported by analysis of benefits (for employment generation) and costs (associated with servicing / infrastructure) that demonstrate the need for future industrial lands upfront. The Draft Paper states that lands will only be rezoned for development once infrastructure and servicing are capable of being provided in a timely, orderly and economic manner.

The DOP&I will coordinate detailed precinct and infrastructure planning and coordinate council and agency input.

The following criteria (summarised) will be used to identify future industrial lands:

- Consistency with Metropolitan Plan / Sub-regional Plan;
- How these lands will be serviced by existing or proposed infrastructure;
- Whether land could contribute to existing or potential industry specialisation cluster;
- Access to high population growth areas to provide local services and jobs;
- Relationship to existing/proposed Strategic Centres and whether they would complement or contribute to growth of commercial centres;
- Minimal adjoining land use constraints; and
- Avoiding impact through loss of significant agricultural or resources land.

Comment

WSROC supports the identification of future industrial lands through strategic planning, as opposed to site-specific spot rezoning. As stated in the submission by Parramatta City Council, the importance of identifying strategically significant industrial lands, so that planning decisions are determined in a strategic manner as opposed to an ad hoc site by site manner, is critical.

WSROC supports the assessment upfront and demonstration of the benefits and costs of future industrial lands. In regards to benefit, proposals should demonstrate how the lands will contribute to the goal/target of employment generation within Western Sydney, how they will contribute to a diversification of the economic structure and be a higher priority than other proposals. The need for undertaking of upfront capability assessment of lands to ensure that forecast employment capacity can be achieved is also noted in the submission from Penrith City Council.

Demonstration of the ability for economic servicing and infrastructure provision should be completed as part of the rezoning process. The DOP&I should give consideration and outline the mechanisms to best achieve commitment to infrastructure/ service provision which would be available at the rezoning stage (i.e. planning agreements). An issue in greenfield areas is the provision of competitively priced industrial lands to encourage investment in Western Sydney. When developing infrastructure and service planning the ability to cost-effectively provide infrastructure needs to be a key consideration.

The criteria for assessment of future industrial lands should be modified to allow for an approach where consistency with a local employment lands strategy endorsed by the DOP&I is an allowable substitute for assessment against the criteria. Local strategic planning can be a more cost effective mechanism for employment lands development where there is already effective regional/metropolitan planning in place. Consideration should be given to issues such as demonstration of provision of transport and access opportunities to the employment lands. The criteria should encourage employment generating land uses which are of a high employment density, are significant in terms of diversifying the regional economic structure and contribute to development of knowledge infrastructure. Criteria in regards to minimising and mitigating environmental impact should also be considered. The criteria in regards to supporting specialised industry clusters is supported.

The Draft Paper may consider the application of the criteria, for example are all criteria to be achieved prior to proceeding with future industrial lands, or are they matters for consideration only and how will they be weighted. Levels of employment generation needs to be given relatively high weight.

The submission from Penrith City Council also discusses the need for consideration of holistic planning, and the consideration of wider issues, for example the preservation of viable agricultural lands and rural land uses as part of the overall development of the City. WSROC strongly endorses this concern.

3.4 Principle 3 – Retain strategically important industrial lands and support renewal of existing industrial lands to meet the changing needs of industry.

Summary

This principle deals with the retention of existing lands that have strategic importance in established industrial zones, and not permitting rezoning to alternate land uses. This has a dual purpose of retaining industrial lands to provide ongoing servicing to surrounding local populations and also to allow for regeneration for alternate employment generating development.

The movement out of industry in established areas, leads to opportunities for re-use of older industrial sites and the intention is to ensure that for identified strategic lands these do not lose the opportunity for recycling as alternate employment uses, and are converted to higher-value residential or commercial land use.

The principle envisions that there will be a higher office and retail component in these potential lands, but that they do not lose the integrity as industrial areas or detract

from commercial centres. Therefore, it is proposed that ancillary retail and office only be permitted.

A "strategic assessment checklist" has been provided regarding matters to consider in the decision to rezone these lands. In addition the identification of strategic industrial lands will occur through sub-regional strategies.

Comment

WSROC supports in-principle the retention of strategic industrial lands. The identification of these lands should occur as a matter of priority so that there are not ad hoc decisions made across Sydney that would undermine the employment opportunities and servicing from these lands, and so there is certainty for landholders. The identification of these strategic lands is important, and there should be a concerted effort to identify these lands in local strategic planning as well as through the nominated sub-regional plans, which may be more difficult to revise.

Reference is made to movement of industry from inner city areas. It should be noted for the revision of this paper that relocation of industry is also occurring in Western Sydney, particularly in the central west sub-region, and the application of this principle should be considered also in this context. Focus on the issues for recycling for higher density employment uses of strategic lands in Western Sydney should be seen as a priority in regards to the need for significant employment generation and the need to restructure the regional economy.

It is noted that the Department's approach is that there is a strong need to retain and develop accessible industrial lands to service local population needs (within the Strategic Industrial Lands), in addition to the imperative for employment generation. In this regard WSROC supports retention of lands for this purpose. However it suggests that there needs to be developed a clear understanding of the land necessary to provide for this local servicing function, that the impact on surrounding residential uses needs to be minimised and that this needs to be further investigated and analysed prior to completion of the draft paper. Consideration should be given to a number of categories of industrial land within the Strategic Industrial Lands (i.e. local urban services) as well as a clear identification of lands that are suitable for redevelopment for higher intensity employment land uses. This will allow both objectives to be achieved.

In regards to the role of ancillary office and retail uses within the industrial areas, this is a reflection of the trends in the changing nature of industry, where many of the office, marketing and often retail functions are developed on the same sites as production. WSROC supports the establishment of zoning which would allow for the changing nature of industry. In regards to office as ancillary, further consideration should be given to the controls which would promote office development as secondary within a precinct, and would also allow for opportunities for small office businesses, particularly businesses at an early/incubation stage of their development as stand alone (for example with a maximum floor space). This would contribute to the mix of these industrial precincts and promote clusters of activity through the close proximity of services and production activities. Rezoning to allow stand-alone retail and bulky good retail should not be permitted in existing industrial lands, unless detailed study of the impact on centres has been completed and acceptable.

Once again the upgrade of infrastructure and the public domain amenity of these areas is often a key element in the transition to alternate employment uses, particularly where an increased labour force requires higher level of urban amenity. The DOP&I should investigate alternate funding mechanisms to assist in the process of infrastructure upgrades, particularly in locations where renewal is desirable but unlikely to be led by the private market.

In regards to the checklist, further consideration of number 6 should be undertaken. Linkages to achievements of dwelling targets should not be made only in the context of decision-making on industrial lands rezoning through the checklist. The decisions regarding targets for management of population growth and employment generation are better made at a strategic level through local or regional strategic planning. Therefore the revision would reference whether there is an adopted residential strategy that identifies the change of use. Caution should be taken in allowing for residential rezoning of industrial land, except in situations where there is isolated and poorly accessible industrial land that is having significant impact on surrounding residential areas.

3.5 Principle 4 – Provide capacity to enable the development of specialised industry clusters.

Summary

This principle focuses on the retention and/ or expansion of industrial lands so as to promote the co-location of enterprises with a shared business synergy, transport or other factors that support business development through clustering. This could occur for example surrounding an airport or freight facilities.

The principle will be met through the identification of local/subregional industrial competitive strengths, for which clusters can be built, and through retaining land that can facilitate and protect industry clusters.

Comment

WSROC supports this principle as a mechanism for regional economic development through the development of industry clusters. However, further investigation and articulation in the Draft Paper would be of assistance in identifying how this would be implemented.

In general, the identification of lands for industry clusters should be undertaken as part of the Strategic Industrial Lands identification process, particularly in regards to existing clusters of industry activity and consideration of whether expansion of lands is necessary or the contribution of provision of targeted infrastructure is adequate. As previously discussed, the establishment of a fund to support local Councils in completion of employment lands strategies would also assist in the identification of industry clusters at a local level, and allow for protection of these lands.

The industry cluster and purpose of Strategic Industrial Lands could be established as an additional category which would assist in identifying desirable alternate employment uses for areas in transition.

Parramatta City Council identified the need for greater flexibility in permissible land uses within certain industrial zones in order to support the renewal of established industrial areas, particularly where there is a benefit in the development of specialised industry clusters, for example high technology industries' synergies with health and educational establishments.

An example of industry clusters was noted in the Penrith City Council submission in regards to the Penrith Health and Education Precinct, which aims to provide 8000 specialised jobs in Western Sydney by 2036. Flexible zoning arrangements and Government support for the roll-out of infrastructure in this precinct will be important to its success.

3.6 Principle 5 – Plan for and maximise use of infrastructure to encourage sustainable development of industrial lands.

The Metropolitan Plan 2010 has a core objective to ensure that existing future industrial lands maximise the benefits of existing infrastructure and proposed infrastructure investment. This may require protection of lands which have good access to the airport, ports, freight facilities and roads and rail network.

In addition the DOP&I propose that they consider the identification and release of industrial lands in close proximity to existing or proposed freight infrastructure, such as the Western Sydney Freight Line, to support moving freight by rail. Similarly, where higher employment density industrial lands are established, the needs for improved public transport and access for workforces will be considered.

This principle will be met through the following:

- Prioritising retention of industrial lands with good access to critical transport infrastructure;
- Prioritising new industrial lands with good access to critical transport infrastructure;
- Locating higher density industrial lands near rail stations and strategic bus corridors; and
- Coordinated infrastructure servicing strategy for significant industrial lands releases.

Comments

Prioritising retention/creation of industrial areas with good access to infrastructure is supported in-principle, however, local impact should be considered in the implementation of this principle, for example there should not be significant impacts on sensitive land uses such as residential areas.

In regards to utilising existing infrastructure, decisions should be made following consideration of the capacity and asset condition of that infrastructure to cope with continued use and/or redevelopment. The infrastructure in many older industrial areas needs significant investment, and this should be recognised and addressed by Government for strategically important industrial lands.

The provision of infrastructure to support new industrial areas, particularly in regards to regional transport infrastructure is a key concern in ensuring that the region

operates efficiently and encourages major investment. WSROC supports the provision of infrastructure servicing plans for significant industrial land releases, and suggests that for the priority industrial lands identified as zoned but vacant, coordination of infrastructure servicing plans should be completed expeditiously where there is land capability for significant employment development.

An integrated but parallel focus on infrastructure servicing plans for existing strategic industrial lands in Western Sydney should also be considered, where potential for renewal is identified. Particular focus needs to be given to regional network infrastructure such as arterial roads, regional link roads and intersections, freight and public transport facilities for new and existing areas.

Some older industrial areas in the region have experienced deterioration in the quality of the infrastructure and declining ability to support continued industrial use. However, with a pattern of fragmented smaller allotments the regeneration of these areas by the private sector is difficult to achieve. In regards to the renewal of these areas councils, such as Bankstown, have focused on planning for the upgrade of public infrastructure such as roads and public domain and environmental compliance programs to improve environmental quality. WSROC supports a focus on development of infrastructure plans with the support of the NSW Government to ensure that these older industrial areas see their regeneration and maintain a key employment provision role in the region.

Location of high intensity employment zones near rail stations and bus corridors is supported in-principle. However, implementation of this should consider that developing area such as Western Sydney should not be disadvantaged in Government efforts to promote higher employment density activities due to poor public transport provision in some areas. Implementation of this principle should consider in parallel the expansion of public transport networks to encourage redevelopment of strategic industrial areas in Western Sydney.

3.7 Other Comments

A number of other comments regarding the Draft Paper are contained below, including broader comments.

- A. Strategic Approach - The draft paper will replace the categorisation of industrial lands included in the sub-regional plans. This categorisation was: Category 1 Land to be retained for industrial purposes, Category 2 Land with potential to allow for a wider range of employment uses (more intensive job density than existing industrial zone) and Category 3 Land that could be investigated for alternate uses (potentially non-employment land uses). The rationale from the DOP&I is that this will allow greater flexibility in assessing industrial land uses over time, but also allow for greater strategic work to take place prior to the identification of strategic industrial lands.

The revision in approach in the Draft Paper, if pursued, should focus as a matter of priority on identification of strategic industrial lands for retention (similar to category 1) and also those which would be appropriate for higher intensity employment land uses (similar to category 2). In regards to lands that would be allowed for non-employment land uses, the bar for this assessment should be set high until the relevant strategic work has been completed, and should focus heavily on lands which are

fragmented, poorly located for access and have significant existing impacts on residential areas.

In a change of approach, the focus on strategic planning at regional and local level to make decisions on industrial lands, as opposed to site by site consideration of rezoning applications, needs to be reinforced by DOP&I in planning for industrial land. The spatial identification and protection of regionally significant industrial lands, and protection within relevant planning instruments, needs to be made as a matter of priority. The development of different categories for strategic industrial lands needs to be developed based on the type of activity which will be encouraged.

- B. Industrial v Employment – In regards to "Industrial Lands", the focus of the draft paper is similar to the Industry classification in the standard template LEP. It is noted that DOP&I have stated that there is an intention to expand the focus of their programs over time into a wider planning and monitoring for "Employment Lands" which could include key precincts with, for example, health or educational employment generating land uses. The widening of the program is strongly supported, as the focus of DOP&I needs to be equally on planning to encourage the regeneration of older industrial areas for higher density employment uses, development of specialised areas and strategic centres and also on the employment generation task more generally for Western Sydney.
- C. Environmental Protection – whilst not discussed in detail in regards to this paper, the expansion and redevelopment of industry should be completed in a manner that fully considers, avoids and mitigates, where required, its environmental impact. The protection of the environmental quality of Western Sydney is a high priority and needs to be considered alongside jobs growth.
- D. Monitoring of Jobs Growth - It is noted that the ELDP 2010 Overview Report does not include figures for growth in jobs in industrial lands post the 2006 ABS Census. It is a concern that there is limited monitoring of employment generation in regards to this critical issue for Western Sydney.

A number of indicators suggest that there needs to be concern that, in regards to industrial lands, employment generation is lagging behind the targets identified in the Metropolitan Plan 2036.

The first of these concerns is that most of the development of new industrial lands have been for logistics and warehousing along the M7 Corridor, which are often low employment intensity land uses. Secondly there has been a low take-up of industrial lands across the Sydney Region in 2008 and 2009 compared to historical patterns (ELDP Overview Report 2010) with, for example, only 205 hectares in 2009. There is a need for the DOP&I to work with Councils in Western Sydney to develop a mechanism to monitor expansion and contraction of employment in industrial land uses across the region (between Census dates), as a key part of the ELDP. WSROC is concerned that for this key issue for planning of the region, the jobs growth projected as necessary in the Metropolitan Plan to retain levels of employment self-sufficiency is not being achieved.

- E. Development Contributions - At this stage the information available regarding the ELDP does not include information on infrastructure contributions for industrial lands. WSROC would like to have further information from DOP&I regarding infrastructure contributions for industrial lands.

4. IMPLEMENTATION OF PLANNING PRINCIPLES

The fourth section of the Draft Paper outlines the intention to provide statutory backing to the Planning Principles for Industrial Lands through revision the existing s.117 Direction on implementing the Metropolitan Plan. The application of this Direction would be in situations where rezoning of existing industrial lands to non-industrial zones is proposed, when identification of new industrial lands is proposed and in the development of a rolling program through the ELDP for industrial lands supply.

The implementation will be back-up through the development of improved information on industrial lands demand and supply, through the ELDP and the work of the Employment Lands Taskforce.

Comment

In regards to implementation WSROC supports the further development of firm commitments by the NSW Government regarding the supply and infrastructure provision to new industrial lands and the renewal of older industrial lands to encourage a new generation of employment opportunities. The establishment of a revised s.117 Direction is supported, but needs to be the first of many actions in implementation of the Metropolitan Plan's employment targets.

The Action Plan 2007 for Employment Lands for Sydney outlines a program regarding key actions. Information is requested from the DOP&I regarding the status of these actions, and any changes in policy direction.

WSROC supports resourcing of the identification of strategic industrial lands, the release and servicing of appropriate greenfield industrial lands to improve supply, and a greater focus on initiatives to facilitate regeneration of older industrial areas in Western Sydney. WSROC strongly supports the coordination and provision of infrastructure to support industrial lands development, and the early identification and funding of regional infrastructure projects that will assist industry investment and employment generation.

In regards to the Employment Lands Taskforce as the key driver of this program, WSROC suggests that it is an appropriate time to review the role of this group so that appropriate mechanisms are established to ensure that high priority for employment generation in Western Sydney and the coordination of planning and infrastructure is achieved. Similarly the incorporation of effective local government, industry and agency participation in the ELDP should be established as a key part of the Program. WSROC would like to have further discussions with the NSW Government and DOP&I regarding these mechanisms.

In regards to the status of the Western Sydney Employment Lands Investigation Area, further information on the planning and future status of these lands would be required for WSROC. In this regard the investigation of additional employment lands across the region is supported in-principle, however, further discussion regarding suitable location and employment generation role would need to occur with local councils.

5. CONCLUSION

In conclusion, WSROC supports the focus on industrial lands and jobs growth in Western Sydney. Jobs growth is a key regional priority and WSROC commends the DOP&I for the development of the broader Employment Lands Development Program.

However, WSROC has concerns regarding the extent to which current initiatives will lead to the level of long-term jobs growth needed in Western Sydney.

In particular, WSROC is concerned regarding the lack of monitoring of employment generation in the region over the last 5 years, since 2006, to judge whether employment growth is occurring. This needs to be rectified to allow regular monitoring of jobs growth and loss in the region and evidence based decisions being made regarding strategy. The maintenance of high levels of regional self-sufficiency of employment for Western Sydney should be a key policy imperative, and the performance in achieving this be regularly monitored.

A number of indicators highlight concerns that employment generation is lagging behind the targets identified in the Metropolitan Plan 2036. The first of these concerns is that a major source of development of new industrial lands has been for logistics and warehousing along the M7 Corridor, which are often low employment intensity land uses. In addition there has been a low take-up of industrial lands across the Sydney Region in 2008 and 2009 compared to historical patterns (ELDP Overview Report 2010) with for example only 205 hectares in 2009.

WSROC also has concerns that while the planning principles for industrial lands are a positive contribution to implementation of the Metropolitan Plan; they need to be supported by Government integration of industrial lands planning with infrastructure provision. Without the timely delivery of appropriate infrastructure, in new and existing areas, the regional employment generation targets are unlikely to be realised. The ELDP should be accompanied as a short term priority by infrastructure plans for new and existing strategically important industrial lands.

The development of a program of actions to address expansion of industrial lands supply, identification of strategic industrial lands and integrated infrastructure planning is positive but needs to be resourced effectively and completed in the short-term.