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The Chief Executive Officer
City of Sydney
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Attention: Tamara Bruckshaw,
Senior Specialist Planner

Dear Ms Bruckshaw,

Draft Employment Lands Strategy'

We are pleased that the Council is continuing the development of a strategy for a challenging area of land in South Sydney ("the study area"). It is understood that the exhibited draft strategy, if adopted by the Council, will inform the preparation of a draft planning proposal/s and/or draft development control plan/s. In this regard, we provide the following comments for your consideration.

The draft strategy supports more mixed uses

The Urban Taskforce made a previous submission on the *City of Sydney Employment Lands Study 2012 - Background Paper*. Our concern was that the vast majority of the study area was predominately industrially zoned land and the background report seemed to go about looking for evidence to maintain mainly industrial land uses and to also protect the area for other uses such as residential and bulky good retail. We felt that there was a focus on the use controls to preserve and protect industry even though there are significant vacancies and significant limitations in the study area.

Our view is that the study area is strategically important, not only to traditional industry and logistics, but also to business, all forms of retail and some residential uses and in that regard, the area should be zoned extensively for a mix of uses to meet the needs of modern business and also compatible residential land uses.

We are pleased to note that the draft strategy partly supports our view. That is, the draft strategy does not maintain a traditional general industrial zoning across the majority of the area but introduces areas of *mixed use* and *mixed business*. We support the view that the area is undergoing transition and needs to keep pace with the changing nature of industry and in this regard, a more flexible approach to zoning is appropriate. **However, it is disappointing that the application of mixed use throughout the entire area has not been pursued.**

The proposed "Mixed business" zone is a step in the right direction and obviously superior to general industrial, but more could be achieved with a truly mixed use zone. Furthermore, we are disappointed that the introduction of the Green Paper/White Paper Enterprise zone (or equivalent) was not included. We feel that the study area is a prime candidate for such a land use zone considering that Enterprise zones

will be characterised by very little, if any, development controls providing they do not result in any significant adverse environmental impacts. Enterprise zones will generally be targeted to attract employment generating development but could provide opportunities for mixed use housing investment.¹

The Urban Taskforce recommends that the proposed mix use zone should be extended to include at least the area identified as mixed business.

Mixed use will address significant vacancy rates and encourage redevelopment

We are advised that landowners are not redeveloping land within the study area. The question must be asked - if the land is so valuable and so well located, why is the market not investing in redevelopment?

We argue that the reason that vacancy rates are elevated and redevelopment is slow is because the study area is severely constrained, particularly in relation to truck access, traffic congestion and car parking. These issues coupled with ageing industrial stock supports the need for innovative planning and development controls to encourage renewal and successful employment generating land uses. Therefore, a useful employment land strategy is one that delivers a supply of land zoned for a wide range of uses including industrial, technology, research, manufacturing, warehousing, logistics, office, retail and business. Furthermore, the integration of residential uses should also be encouraged within the mixed use zone.

Single use zones, such as a general industrial zone should be limited. Single uses zones do not reflect the needs of contemporary employment generating activities because the nature of industry has changed and will continue to change rapidly.

There is no doubt that there will be requirements for zoning rules to separate heavy, potentially polluting industry from other uses. However, lighter, cleaner, modern industry is compatible with other land uses and these uses should be able to co-locate within the same zone. Permitting a variety of land uses within a zone enables a market response to business establishment and location selection.

Council is reminded of the Productivity Commission findings. The Commission found that:

Broadening the zones — for example, by limiting industrial areas to only narrow high-impact industrial uses and creating broad employment zones which can include commercial, light industrial, retail and even high-density residential where appropriate — and reducing prescriptive land use conditions will free up land and make it available to its most valued uses ...²

The Commission believes that:

Broader zones would remove the artificial distortions created by the current planning and zoning system both within retail (general retail and bulky goods) and between retail and other businesses (such as commercial and light industrial).³

Changes in manufacturing processes, introduction of new high technology industry and the rise of larger format retail means that land traditionally zoned "industrial" land will become increasingly obsolete. Permitting a variety of land uses, all of which are significant generators of employment opportunities is the best way forward.

¹ NSW Government (2012) A New Planning System for NSW - Green Paper July 2012. P.45

² Productivity Commission, *Economic Structure and Performance of the Australian Retail Industry: Draft Report (2011)* 208.

³ Ibid 222.

For these reasons we strongly suggest that the Employment Lands strategy be focused on the implementation of a more flexible, multi-purpose employment zoning as suggested in the Green Paper and White Paper across the entire study area.

Even if Council feels there is justification for maintaining an IN1-General Industrial zone in part of the study area there must be more flexibility as to the range of permitted uses. We note that the Victorian Government recently announced that the retailing of bulky goods will be allowed in that state's industrial zones.

Thank you for the opportunity to comment on this background report and we look forward to a continued dialogue on these important issues.

Yours sincerely

Urban Taskforce Australia



Chris Johnson, AM
Chief Executive Officer