



9 September 2014

Mr Mitchell Noble
Team Leader, Urban Planning
Auburn City Council
Po Box 11
AUBURN NSW 1835

Dear Mr Noble,

PLANNING PROPOSAL - JENKINS & PARK ROAD, REGENTS PARK

1. I refer to the resolution of Council to support the planning proposal and Council's subsequent request for additional information.
2. As requested, please find attached an update Traffic Report prepared by Varga Traffic Planning.
3. In addition, Council sought further justification with the inconsistency with Section 117 Directions relating to direction 1.1 Business and Industrial zones and 7.1 Implementation of the Metropolitan Plan for Sydney 2036. Further discussion in this regard is provided below:

1.1 Business and Industrial Zones

4. The Business and Industrial Zones Section 117 Direction states:

Objectives

- (1) *The objectives of this direction are to:*
 - (a) *encourage employment growth in suitable locations,*
 - (b) *protect employment land in business and industrial zones, and*
 - (c) *support the viability of identified strategic centres.*

Where this direction applies

- (2) *This direction applies to all relevant planning authorities.*

When this direction applies

- (3) *This direction applies when a relevant planning authority prepares a planning proposal that will affect land within an existing or proposed business or industrial zone (including the alteration of any existing business or industrial zone boundary).*

What a relevant planning authority must do if this direction applies

- (4) *A planning proposal must:*



- (a) *give effect to the objectives of this direction,*
- (b) *retain the areas and locations of existing business and industrial zones,*
- (c) *not reduce the total potential floor space area for employment uses and related public services in business zones,*
- (d) *not reduce the total potential floor space area for industrial uses in industrial zones, and*
- (e) *ensure that proposed new employment areas are in accordance with a strategy that is approved by the Director-General of the Department of Planning.*

Consistency

(5) *A planning proposal may be inconsistent with the terms of this direction only if the relevant planning authority can satisfy the Director-General of the Department of Planning (or an officer of the Department nominated by the Director-General) that the provisions of the planning proposal that are inconsistent are:*

- (a) *justified by a strategy which:*
 - (i) *gives consideration to the objective of this direction, and*
 - (ii) *identifies the land which is the subject of the planning proposal (if the planning proposal relates to a particular site or sites), and*
 - (iii) *is approved by the Director-General of the Department of Planning, or*
- (b) *justified by a study (prepared in support of the planning proposal) which gives consideration to the objective of this direction, or*
- (c) *in accordance with the relevant Regional Strategy or Sub-Regional Strategy prepared by the Department of Planning which gives consideration to the objective of this direction, or*
- (d) *of minor significance.*

5. In considering a Planning Proposal, the Direction permits a Planning Proposal to be inconsistent with this Direction if the relevant planning authority can satisfy the DG of the Department of Planning that the planning proposal is not inconsistent with the following:

- a) *justified by a strategy which:*
 - (i) *gives consideration to the objective of this direction, and*
 - (ii) *identifies the land which is the subject of the planning proposal (if the planning proposal relates to a particular site or sites), and*
 - (iii) *is approved by the Director-General of the Department of Planning, or*
- b) *justified by a study (prepared in support of the planning proposal) which gives consideration to the objective of this direction, or*
- c) *in accordance with the relevant Regional Strategy or Sub-Regional Strategy prepared by the Department of Planning which gives consideration to the objective of this direction, or*
- d) *of minor significance.*

6. It is the applicants' opinion that the Planning Proposal is not inconsistent with the Auburn Employment Lands Study prepared by Hill PDA Consulting and as a result the loss of this industrial land is of minor significance.

7. The Key objectives of the study undertaken by Hill PDA were to:

- *Research the document existing industrial employment capacity, type and trends in the LGA;*
- *Visit and review 14 existing employment precincts (as agreed with the Council) in the LGA;*

- *Research and document anticipated future employment trends and industrial demand;*
- *Develop a vision for employment lands and protect their significance; and*
- *Provide recommendations as to key strategies and principles that will enable sustainable and viable business and employment growth across the LGA up to 2031.*

8. Although the Study did not include the subject site, the key findings of the study were:

- *Over the study period (2006 to 2031) it is estimated that jobs within the LGA (excluding the Sydney Olympic Park Area) will increase across all industry sectors by +13,326. The figure is in addition to the target of 12,000 jobs provided by the WCDSS for Sydney Olympic Park between 2001 and 2006.*
- *Over the study period (2006-2031) wholesaling, construction, agriculture/forestry and fishing will experience a modest actual increase in jobs however all other industrial subcategories will experience a decline.*
- *Whilst the number of industrial jobs will show a net decline (3,304 jobs or -15%) over the study period, given the significant existing base of industrial jobs in the LGA, this category will continue to be a significant employment generator in Auburn in 2031 (31% of all jobs in the LGA).*
- *Between 2016 and 2031 it is forecasted that the number of industrial jobs (18,115) generated in Auburn LGA will be surpassed by the number of commercial jobs (19,360). This represents a significant shift change in Auburn's existing employment base.*
- *The overwhelming increase in commercial jobs from 7,400 to 19,360 between 2006 and 2031 (an increase of 161% or +11,950) will have significant implications for Auburn's town centres and the character of Auburn's existing employment lands.*
- *As of 2006 there was demand for 1,355,900sqm of industrial floorspace in Auburn LGA and 262,000sqm of commercial floorspace. By 2031 it is forecasted that there will be 20% less demand for industrial floorspace (i.e 1,081,000sqm).*
- *Demand for commercial floorspace has been forecasted to increase by 135% from 2006 to 616,000sqm by 2031 (+354,000sqm).*
- *As of 2006 the intensity of industrial development (floorspace proportional to site area) across the LGA was considerably low at an FSR of 0.25:1. Assuming no change to supply, yet the net decline in industrial jobs in Auburn as forecasted, it follows that the intensity of employment lands use will continue to reduce by 2031 to an average FSR of 0.2:1.*
- *Based on forecasted trends and demand, it can therefore be concluded that no additional land will be required to meet industrial demand in Auburn over the study period. Notwithstanding this point, it is important from an economic point of view that a surplus of industrial lands is maintained and protected through clear planning controls in Auburn.*

9. As clearly determined by the Study, there is sufficient industrial land required to meet the forecasted demand to 2031.

10. The Study recognised that there is significant scope for greater intensity of development and use of existing employment lands. The predominant 'as built' FSR of industrial land is considerably low at 0.25:1.

11. As the demand for industrial land reduces by a forecasted 20% to 2031, an additional demand for commercial floor space will be required. The Study found that there will be sufficient employment land available with the industrial precincts for alternate employment generating uses such as commercial business parks.
12. On the basis of the Employment Lands Study undertaken by Hill PDA Consulting, the subject land is not required to accommodate the demand for industrial and commercial uses towards 2031. In addition sufficient surplus land and the low intensity of existing industrial development will provide for any increased demand in the future.
13. The Auburn Employment Lands Study is also consistent with the Economy and Employment Key Direction of the West Central Sub regional Draft Strategy. The Key Direction recognises the importance of the Regents Park 'Employment Lands Estate' and consistent with Council's analysis, recommends the retention of this well established precinct. The subject site is separated from this estate by the residential uses along Park Road and is therefore not considered a necessary part of the employment lands in Auburn.
14. The rezoning of this site will not impact on the Regents Park industrial precinct or the availability of industrial land in the Auburn LGA. Accordingly, the Strategic Studies and conclusions of these studies are consistent with this Planning Proposal.
15. As a result of the findings of the report, the Planning Proposal is of **minor significance** given the available industrial land.

7.1 Implementation of the Metropolitan Plan for Sydney 2036

16. The Implementation of the Metropolitan Plan for Sydney 2036 states:

Objective

- (1) *The objective of this direction is to give legal effect to the vision, transport and land use strategy, policies, outcomes and actions contained in the Metropolitan Plan for Sydney 2036.*

Where this direction applies

- (2) *This direction applies to land comprising of the following local government areas:*

Ashfield	Holroyd	Pittwater
Auburn	Hornsby	Randwick
Bankstown	Hunters Hill	Rockdale
Baulkham Hills	Hurstville	Ryde
Blacktown	Kogarah	Strathfield
Blue Mountains	Ku-ring-gai	Sutherland
Botany Bay	Lane Cove	Warringah
Burwood	Leichhardt	Waverley
Camden	Liverpool	Willoughby
Campbelltown	Manly	Wollondilly
Canada Bay	Marrickville	Woollahra
Canterbury	Mosman	
City of Sydney	North Sydney	
Fairfield	Parramatta	

When this direction applies

(3) *This direction applies when a Relevant Planning Authority prepares a planning proposal.*

What a Relevant Planning Authority must do if this direction applies

(1) *Planning proposals shall be consistent with:*

(a) *the NSW Government's Metropolitan Plan for Sydney 2036 published in December 2010 ("the Metropolitan Plan").*

Consistency

(5) *A planning proposal may be inconsistent with the terms of this direction only if the Relevant Planning Authority can satisfy the Director-General of the Department of Planning (or an officer of the Department nominated by the Director-General), that the extent of inconsistency with the Metropolitan Plan:*

(a) *is of minor significance, and*

(b) *the planning proposal achieves the overall intent of the Plan and does not undermine the achievement of its vision, land use strategy, policies, outcomes or actions.*

17. It is the applicants position that although the Planning Proposal results in the loss of industrial land, the loss is of minor significance. This assessment is based on the likelihood that the land will be realised for its intended use. The economic assessment undertaken by Hill PDA and submitted with the Planning Proposal considered the feasibility of three development scenarios on the site including:
- *Redevelopment of the existing residential properties as industrial warehouses/office accommodation*
 - *Redevelopment of the existing 'industrial' part of the site for industrial warehouses/office accommodation*
 - *Redevelopment of the entire site as industrial.*
18. The above analysis stemmed from the applicants' position in the Planning Proposal that the Council's recent rezoning of the site to industrial is unlikely to result in the existing residential dwellings being demolished and redeveloped as industrial. This was based on our market understanding and the value of the land as residential properties. This position has been confirmed by the independent economic analysis.
19. The report found that none of the development options for industrial were feasible on the subject site. In particular the redevelopment of the existing residential sites to industrial had a development margin of 12% and the redevelopment of the entire site to industrial 2%. Such margins are not considered feasible.
20. The redevelopment of the sites independently, or as a whole, was determined to be economically unfeasible.
21. In regards to the redevelopment of the existing and vacant industrial land, (scenario 2) the report found that the redevelopment for industrial purposes was only 'marginally feasible'.

22. In addition to the economic limitations of this scenario, redevelopment of this portion of the site for industrial purposes would retain the existing conflict between the residential and industrial uses that Council sought to overcome. This scenario is contrary to intention of Council's Planning Proposal which in part was:

remove the potential for land use conflicts to occur between the existing residential uses on the site and the adjoining industrial and light industrial uses;

23. As demonstrated in the Planning Proposal & Economic Assessment report, the redevelopment of the site for industrial purposes is not economically viable and therefore will not occur. The highest and best use of the site is not reflected in the current zoning.
24. The retention of the Industrial zoning would retain the existing conflict between the land uses and provide no incentive to revitalise this portion of Regents Park.
25. On the basis of the above, it is considered that the Planning Proposal is not inconsistent with the Direction.

Conclusion

Attached is the updated Traffic Report requested by Council.

Should you require any additional information, please contact Larissa Brennan at LJB Urban Planning Pty Ltd on 0414 730 842 or via email larissa@ljbplanning.com.au .

Yours sincerely



Larissa Brennan

Director

LJB Urban Planning