PLANNING PROPOSAL

LOCAL GOVERNMENT AREA: The Hills Shire Council

NAME OF PLANNING PROPOSAL: Proposed The Hills Local Environmental Plan 2012 (Amendment No. (#)) – rezone land in the North Rocks Employment Precinct from IN1 General Industrial zone to B6 Enterprise Corridor zone, reduce the minimum lot size from $8,000\text{m}^2$ to $4,000\text{m}^2$, prohibit 'shop top housing' within the B6 Enterprise Corridor zone and delete the related zone objective that refers to residential uses.

ADDRESS OF LAND: North Rocks Employment Precinct (various properties)

The planning proposal applies to all land within the North Rocks Employment Precinct that is currently zoned IN1 General Industrial as follows:

1 Lenton Place	Lot 4 DP 263454
3 Lenton Place	Lot 3 DP 263454
5 Lenton Place	Lot 2 DP 263454
6 Lenton Place	Lot 18 DP 700610
2 Trent Road	Lot 16 DP 700610
3 Trent Road	Lot 101 DP 882827
3 Loyalty Road	Lot 21 DP 229394
7 Loyalty Road	Lot 2 DP 520372
12 Loyalty Road	Lot 211 DP 1054078
12A Loyalty Road	Lots 1-22 SP 71292
14 Loyalty Road	Lot 102 DP 616165
16 Loyalty Road	Lot 101 DP 616165
18 Loyalty Road	Lot 8A DP 86532
19-21 Loyalty Road	Lot 17 DP 700610
20 Loyalty Road	Lot 82 DP 598734
22 Loyalty Road	Lots 1-3 SP 31181
23 Loyalty Road	Lot 1 DP 551292
25 Loyalty Road	Lot 2 DP 551292
1 Richard Close	Lot 1 DP 585076
2 Richard Close	Lots 1-16 SP15183, Lots 17-38 SP 17966 and Lots 39-54 SP 74382
3 Richard Close	Lots 1-17 SP 47395
213 North Rocks Road	Lots 1-6 SP 64632
215 North Rocks Road	Lot 3 DP 14353
217 North Rocks Road	Lot 1 DP 520372
219 North Rocks Road	Lot 1 DP 1143379
219A North Rocks Road	Lot 2 DP 1143379
Part of Excelsior Reserve No 45	Lot 5 DP263454

SUMMARY OF HOUSING AND EMPLOYMENT YIELD:

	EXISTING	PROPOSED	TOTAL YIELD
Dwellings	Nil	Nil	Nil
Jobs	Approx. 1300	833*	2133

^{*}Estimated number of additional employees based on likely floor space resulting from 50% uptake of redevelopment opportunities.

SUPPORTING MATERIAL:

Attachment A	Assessment against State Environmental Planning Policies
Attachment B	Assessment against Section 117 Ministerial Directions
Attachment C	Council Report and Resolution, 9 December 2014

THE SITE:

The precinct comprises approximately 46ha of industrial land (zoned IN1 General Industrial) and is accessed via the intersection of Loyalty Road and North Rocks Road. It is located approximately 2kms from James Ruse Drive, Windsor Road and the North Rocks Town Centre. It is bordered by Excelsior Reserve and predominantly low density detached housing.

The precinct comprises light industrial, manufacturing, warehousing/distribution, personal storage and urban support services, and is also home to a major Presbyterian Church, a manufacturing headquarters of Unilever and Officeworks warehouse. Lot sizes vary from $2,321\text{m}^2$ to 9.462ha and building types also vary from small strata complexes to substantial warehouses ranging in age and condition.



Figure 1

Aerial view of the North Rocks Employment Precinct including entrance

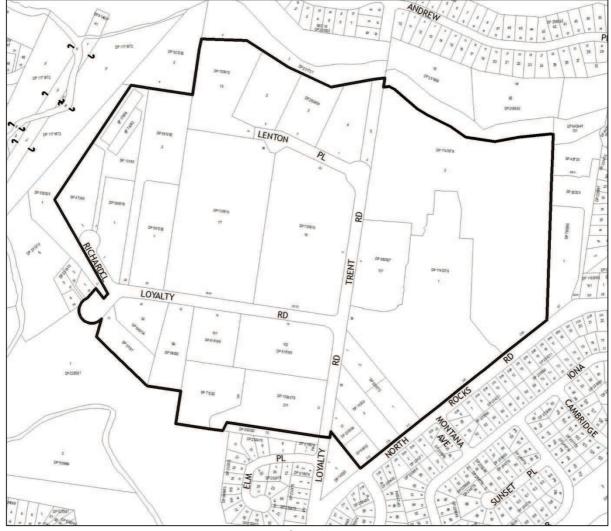


Figure 2
Address and legal descriptions of land to which the planning proposal applies

BACKGROUND:

The North Rocks Industrial precinct has evolved since the first developments in the late 1960s and early 1970s and is now dominated by a variety of warehousing and light industrial uses, including some manufacturing. It is positioned in a unique location surrounded by bushland and residential development; it was once regarded as a central location in Sydney and benefits from reasonably close proximity to transport routes and the Parramatta CBD.

Economic trends in deindustrialisation, technological advancements and mechanisation have led to a decline in manufacturing and an increase in warehousing, logistics and specialised uses. The position of employment land relative to major transport routes and industry clusters has become increasingly important to improve efficiencies and competitiveness. These trends have created a shift in the approach to some industrial areas to ensure they are able to withstand the pressures of change. This shift is evident throughout the Sydney region with increased rezoning of industrial land to other employment zones in the interest of versatility or a change to housing.

Investigations have found that the North Rocks Industrial precinct is an active employment area with a low vacancy rate (9% of units or 2.3% of the total precinct floor space) and has an economic output of \$531 million. It currently provides approximately 1,300 jobs, primarily consisting of administration workers (20%), technicians and trade workers (18%), managers (16%), machinery operators and drivers (13%) and professionals (11%). The percentage of administration workers within the precinct has increased over time which is reflective of the wider economic trends associated with deindustrialisation.

Whilst North Rocks is currently an active industrial area, it is also in need of renewal and revitalisation if it is to remain competitive into the future and attract investment and redevelopment. Its connections to major transport routes, in addition to its suburban location mean that it may struggle to retain industrial functions into the future and encourage redevelopment.

Previously zoned light industrial, North Rocks was given a general industrial focus under The Hills LEP 2012 in order to encourage a freight and logistical role. Economic trends, both domestic and international, have decreased the relevance of this focus in North Rocks.

The precinct now provides an excellent opportunity to increase employment diversity and business innovation in the area whilst also maintaining valuable urban support and industrial functions. To ensure that the precinct remains relevant into the future with a key role of providing jobs, it is essential that the current zone be expanded to include commercial activities and lower minimum lot sizes.

PART 1 OBJECTIVES OR INTENDED OUTCOME

The objective of the planning proposal is to facilitate the redevelopment and revitalisation of North Rocks Employment Precinct in response to economic trends that threaten its long term viability as an industrial area.

PART 2 EXPLANATION OF THE PROVISIONS

The proposed outcomes will be achieved by:

- Rezoning the precinct from IN1 General Industrial zone to B6 Enterprise Corridor zone;
- Reducing the minimum lot size from 8,000m² to 4,000m²;
- Delete 'shop top housing' as a permitted use within the B6 Enterprise Corridor zone together with the associated zone objective that refers to residential uses.

PART 3 JUSTIFICATION

SECTION A - NEED FOR THE PLANNING PROPOSAL

1. Is the planning proposal a result of any strategic study or report?

Yes. The planning proposal is a result of extensive investigations into the precinct undertaken by Council during 2013-2014 as part of a project funded by the Department of Planning and Environment's Planning Reform Fund (Round 8). This work has included a detailed Site Analysis of the precinct, a Traffic Report and the preparation of a draft Public Domain Plan.

The Site Analysis found that the precinct is an active employment area which provides a niche market for business activities that do not rely on passing trade or immediate connections to major transport routes. It provides approximately 1,300 jobs across a range of local businesses including urban support services, start-ups as well as larger national and international companies.

Whilst the precinct is currently functioning well in economic terms, its ongoing viability will increasingly be influenced by broader industrial trends related to the decline of manufacturing and increasing professional/managerial workforce. Due to its location and range of building stock and land parcel sizes, the precinct is well placed to transition to a higher order employment precinct to meet the needs of the Shire's growing residential population.

2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

Yes. The planning proposal is considered to be the best way to achieve the intended outcomes for the site. Increased diversity in employment uses through the B6 Enterprise Corridor zone

and a reduced lot size will further enliven the area and encourage investment and redevelopment. The B6 Enterprise Corridor zone will permit the following additional uses which are not permitted within the IN1 General Industrial zone:

- Business premises;
- Office premises;
- Garden Centres;
- Landscape and Material Supplies;
- Plant Nurseries;
- Educational Establishments;
- Health Services Facilities; and
- Public Administration Buildings.

Importantly, the proposal will not incur the loss of any employment land and will allow the precinct to continue to have a strong light industrial, warehousing and urban support focus whilst also providing opportunities for a range of other employment uses. The prohibition of 'shop top housing' will significantly reduce potential for land use conflict which may inhibit investment in the area.

It is not an intention of the planning proposal to 'push out' uses that are desirable in the precinct under the proposed B6 Enterprise Corridor zone, in particular Unilever manufacturing headquarters which was established under the previous light industrial zone and is still permissible under the B6 Enterprise Corridor zone. It is anticipated that the B6 Enterprise Corridor zone will attract a range of smaller scale office and business premises, but will not shift entirely to a commercial focus since these uses will continue to gravitate towards business parks and centres. It is not intended to facilitate a business park however the precinct may also offer an attractive, alternative location for low scale or campus style office uses (such as IBM) given the 16 metre height limit and the precinct's bushland setting.

In addition to a change in zone, lot sizes can also affect investment and redevelopment. Whilst the minimum lot size is $8,000\text{m}^2$, lots in the precinct range from $2,321\text{m}^2$ to 9.6 hectares. This means the precinct is well-placed to cater for small to large uses and already offers subdivision potential that has not been pursued. However, as with a diversification in employment uses, potential for increased variation in lot sizes will also contribute to the precinct's flexibility and ability to counteract economic trends and attract investment and redevelopment.

Analysis undertaken in relation to lot sizes and industrial land uptake found that the high capital cost to establish a development on an $8,000\text{m}^2$ site has a negative impact on project feasibility. An analysis of similar industrial areas identified that of the most common lot range was less than $2,000\text{m}^2$, followed by 2,000 to $4,000\text{m}^2$. Based on the assumption that market demand is sensitive to lot size, it is concluded that a large portion of the industrial market may be excluded by the existing $8,000\text{m}^2$ minimum control. It is considered that a smaller lot size of $4,000\text{m}^2$ in the North Rocks Employment precinct would provide opportunities for smaller landholding investment for businesses as an alternative to renting by reducing the capital cost to develop and to enable businesses that require less restrictive strata by-laws to operate independently.

The existing average floor space ratio across the precinct is 0.35:1. It is therefore not intended to alter the existing floor space ratio of 1:1, nor is it intended to increase the permitted height limit (16 metres) in order to maintain development of an appropriate scale considering its residential location.

SECTION B - RELATIONSHIP TO STRATEGIC PLANNING FRAMEWORK

3. Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy (including the Sydney Metropolitan Strategy and exhibited draft strategies)?

Yes, a discussion of consistency is provided below.

Metropolitan Plan for Sydney 2036

The strategic plan prepared by the NSW Government entitled the *Metropolitan Plan for Sydney 2036* aims to integrate land use and transport planning to provide a framework for the growth and development of the Sydney Region to 2036. The planning proposal is consistent with the plan since it seeks to rejuvenate an existing employment area and provide jobs closer to home.

Draft Metropolitan Strategy for Sydney 2031

The draft Strategy will replace the Metropolitan Plan for Sydney 2036. The draft Strategy establishes a vision with key objectives, policies and actions to guide the growth of Sydney to 2031 and is underpinned by the following key outcomes:

- Balanced growth;
- A liveable city;
- Productivity and prosperity;
- Healthy and resilient environment; and
- Accessibility and connectivity.

The planning proposal is consistent with the strategic framework of the draft Metropolitan Strategy for Sydney 2031. The B6 Enterprise Corridor zone will diversify business and employment opportunities in the Precinct without any net loss of employment land and without eliminating its existing industrial and urban support functions.

The planning proposal will enable North Rocks to respond to economic trends that directly affect its viability as an industrial precinct into the future. The provision of jobs close to home is a key theme of the draft Strategy which sets a target of 45,000 jobs for The Hills, with 10,000 of these to be located outside of Norwest, Rouse Hill and Castle Hill. Based on likely future floor space estimates associated with a mix of industrial and commercial uses under the proposed B6 Enterprise Corridor zone, employee numbers in the Precinct could increase from 1,300 to 2133 jobs (+833) which would make a significant contribution towards Council's employment targets.

The draft Strategy notes that existing industrial lands, especially in established areas, are under pressure to be rezoned to other uses. To provide a framework to assess proposals to rezone industrial land, an assessment checklist has been developed in consultation with key stakeholders on the NSW Government's Employment Lands Task Force. An analysis of this proposal against the key criteria contained within checklist is provided below.

- Is the proposed rezoning consistent with State and/or council strategies on the future role of industrial lands?

Council's Employment Lands Direction (2009) provides an overall strategic context for the planning and management of the Shire's employment lands and their development and growth to 2031. It supports the commitments contained in The Hills Future Community Strategic Direction, in particular the development of a local modern economy. Key directions include promoting growth in local and business employment opportunities and enhancing the use and viability of existing employment lands.

A large proportion of the precinct's employees are residents of The Hills (21%). Census data indicates that professionals, administration workers and managers are amongst the most popular occupations in The Hills. By diversifying employment opportunities in the precinct to include office and business uses, a larger proportion of jobs will be tailored to the resident population of the Hills. The precinct already sustains many local businesses and offers an alternative location for businesses that do not rely on exposure or immediate connections to major transport routes.

The Direction considered that established light industrial areas are unlikely to have significant growth, reflecting trends in deindustrialisation due to greater efficiencies. Despite this, these areas play an important role in providing local urban services and supporting start-up businesses, and also present an opportunity for regeneration to support new investment and employment. The planning proposal provides an appropriate response to identified trends and will facilitate revitalisation whilst maintaining the underlying industrial and support functions of the precinct.

The position of employment land relative to major transport routes and industry clusters has become increasingly important to improve efficiencies and competitiveness. Despite being within reasonable distance of major transport routes, it is anticipated that the precinct will increasingly struggle to compete with more accessible locations particularly in the area of warehousing. There is now a shift in the approach to some industrial areas to ensure they are able to withstand the pressures of change. This shift is evident throughout the Sydney region with increased rezoning of industrial land to other employment zones in the interest of versatility. The planning proposal is consistent with the future role of industrial lands since it seeks to protect employment land in the precinct through diversity since it is not considered to be an area of strategic significance and will experience increased pressure resulting from economic trends.

- Is the site:
 - o Near or within direct access to key economic infrastructure?
 - o Contributing to a significant industry cluster?

Whilst the precinct is approximately 2kms from James Ruse Drive, Windsor Road and the M2, and is approximately 6kms from Parramatta CBD, when compared to other nearby industrial areas at Seven Hills, North Parramatta and Winston Hills the precinct is comparatively distant from key economic infrastructure.

The precinct does not contribute to a significant industry cluster. It does however provide for a niche market of industries ranging from start-up businesses to multi-national activities (Unilever) that seek to benefit from the precinct's unique location and range of building stock. This niche role would continue under the proposed zone.

- How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?

The proposal will not result in the loss of any employment land but will facilitate the evolution of an industrial area that will increasingly become at risk in the future given its hidden location in a residential area. The proposed rezoning will provide additional floor space and employment opportunities through business and offices uses whilst retaining the light industrial and urban support function of the precinct. The additional land use opportunities, coupled with the reduction in the minimum lot sizes, will also increase the capacity for intensified light industrial development. It is considered that the proposed zone will not impact on the industrial land stocks in the subregion or region nor will it impact on the ability to meet future demand for industrial land activity.

- How would the proposed rezoning impact on the achievement of the subregion / region and LGA employment capacity targets and employment objectives?

Based on initial estimates, the proposal will increase the employment capacity of the precinct by approximately 833 jobs. Accordingly, the proposal is considered to satisfy this criterion as it will increase the potential employment within the precinct, LGA and subregion.

- Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?

The detailed Site Analysis undertaken by Council found that the precinct is a well-occupied industrial area. It also found that sites and buildings within the precinct range in size, age and condition, with many sites offering potential for redevelopment. The precinct has also been identified in Council's Employment Lands Direction as being vulnerable due to trends in deindustrialisation. It will be increasingly difficult for North Rocks to remain viable as an industrial precinct into the future due to its inability to compete with more convenient locations and emerging industry clusters. The precinct is unique in its location and function as an industrial area and plays an important role in local employment. The planning proposal to increase the flexibility of the precinct through diverse employment opportunities and smaller lot sizes is critical to attracting ongoing investment and sustaining the future of the precinct as an employment area.

- Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?

No. The planning proposal does not pursue an alternative use for the precinct. Whilst the B6 Enterprise Corridor zone will provide additional land use opportunities such as business and office uses, the light industrial and urban support function of the precinct will be retained.

Draft North West Subregional Strategy

The Draft North West Subregional Strategy (NW Subregional Strategy) was prepared in December 2007 and outlined how the key actions contained within the Metropolitan Strategy 2005 were to be implemented at the subregional level. The draft strategy plans to accommodate 130,000 jobs within the North West Subregion by 2031. Of these, 47,000 jobs (36%) and 36,000 dwellings (26%) are to be accommodated within The Hills Shire.

Employment areas currently employ around a quarter of the region's workforce and for this reason the planning of these areas is essential in ensuring that the Sydney Metropolitan economy remains efficient and competitive. In this regard the planning proposal is consistent with the following action contained within the Draft North West Subregional Strategy:

- Action 1.9.1 Identify opportunities to revitalise existing industrial areas. The
 rejuvenation of underperforming employment areas is seen as critical in ensuring that
 the supply of employment lands appropriately aligns with the needs of industry. The
 Strategy recognises that there may be opportunities to increase the capacity of existing
 employment land through the intensification of under-utilised or vacant sites within the
 subregion.
- 4. Is the planning proposal consistent with the local council's Community Strategic Plan, or other local strategic plan?

The Planning Proposal is consistent with The Hills Future Community Strategic Direction, Draft Local Strategy, Employment Lands Direction and Integrated Transport Direction as detailed below:

• The Hills Future Community Strategic Plan

The Hills Future Community Strategic Plan identifies the community's vision for the Shire and outlines how Council will align its delivery of services and facilities to support this vision. Council's vision is for 'proactive leadership, creating vibrant communities, balancing urban growth, protecting our environment and building a modern local economy'.

The critical outcome which will be achieved through this proposal is the creation of a modern local economy. The aim of creating a modern local economy is focused on achieving a Shire that attracts new businesses and visitors, and supports the growth of existing businesses.

This planning proposal seeks to achieve a modern local economy through redevelopment and revitalisation of an existing employment area through future-proofing its role as an employment area. The planning proposal responds directly to global trends that have a direct

impact on the viability of industry in The Hills Shire. In doing so, this proposal will assist in achieving the aim of ensuring that the Shires employment lands are modern and well-located. This will have the effect of attracting new businesses and will also enable existing businesses to grow.

Draft Local Strategy

In June 2008 Council adopted its Draft Local Strategy to provide the basis for the future direction of land use planning in the Shire and within this context implement the key themes and outcomes of the 'Hills 2026 Looking Toward the Future'. The draft Local Strategy and supporting Directions have been prepared in response to the growth and development that will occur within the Shire. Of relevance to this proposal, the Employment Lands and Integrated Transport Directions recognise the importance of revitalising existing employment areas to encourage economic growth and job creation.

- Employment Lands Direction

The Employment Lands Direction establishes the overall strategic context for the planning and management of employment lands within The Hills Shire and considers a range of issues such as land availability, growth opportunities and the revitalisation of older areas. The Direction seeks to provide employment close to home, services and transport infrastructure.

The Employment Lands Direction highlights the importance of revitalising existing employment areas. This includes making better use of existing services and infrastructure and ensuring that building stock meets the technological needs of industry. Redeveloping older industrial areas for higher order employment uses provides opportunities for increased investment and jobs closer to home. With specific reference to the North Rocks precinct, the Direction identified that due to trends in deindustrialisation the precinct may become vulnerable to job losses and vacancies. The planning proposal provides an appropriate response to identified trends and will facilitate revitalisation whilst maintaining the underlying industrial and support functions of the precinct.

- Integrated Transport Direction

A key objective of the Integrated Transport Direction is to ensure that planning and future development supports the provision of an efficient transport network. Challenges relating to transport management in the Shire and of relevance to North Rocks include the absence of major public transport infrastructure, high levels of car dependency and limited capacity to influence travel behaviour.

The location of the precinct within a residential area and 2kms from the North Rocks Town Centre and major roads means that the vast majority (84%, Bureau of Transport Statistics) of employees in the precinct travel to work by car. Whilst an Epping to Parramatta bus route passes the precinct at half hourly intervals during peak periods, it is likely that a high level of car dependence will continue. Investigations into the traffic capacity of the precinct and its ability to cater for increased floor space and employee numbers has found that the precinct and surrounding road network can sustain the likely increases with some traffic management measures. In addition to some peak hour parking restrictions to ensure traffic flows, measures also include a set of traffic lights at the entrance to Loyalty Road which is currently fully funded under Council's Section 94A Contributions Plan and is anticipated to be provided within the next 5 years.

5. Is the planning proposal consistent with applicable State Environmental Planning Policies?

Yes. An assessment of the planning proposal against applicable State Environmental Planning Policies is provided in Attachment A. A discussion on the consistency of the proposal with the relevant Policies is provided below.

State Environmental Planning Policy No 55 - Remediation of Land

A particular aim of this policy is to reduce the risk of harm to human health or any other aspect of the environment. In preparing an environmental planning instrument, a planning

authority is not to include in a particular zone land that has been used in a manner that may have caused contamination, unless it has considered whether the land is contaminated and if so, whether it can be satisfactorily remediated.

Since its development in the 1960s the precinct has accommodated a variety of industrial uses which may include some uses listed in Table 1 of the *Contaminated Lands Guidelines* which may cause contamination. It is likely that some contamination is present within the precinct however the location and extent of this is not known.

The B6 Enterprise Corridor zone has been proposed for this precinct as it provides additional office and business opportunities which are not currently available within the IN1 General Industrial zone. 'Shop top housing' is proposed to be prohibited in the B6 Enterprise Corridor zone as part of the planning proposal, therefore eliminating concerns relating to potential exposure of residents to contaminants. Other uses that are permitted in the B6 Enterprise Corridor zone that are not permitted in the IN1 General Industrial zone include 'educational establishments' ('schools') and 'health services facilities' permitted under the Infrastructure SEPP. However, 'child care centres', 'respite day care centres' and 'community facilities' are currently permitted in both the IN1 General Industrial and B6 Enterprise Corridor zones. This use is considered to have a similar if not higher risk of exposure to contaminants than a 'school' or 'health services facility'. It is considered unlikely that the precinct would attract these uses given the underlying industrial nature of the precinct.

Accordingly, since the additional uses that will be permitted in the zone are similar to those that are already permitted, a precinct-wide contamination assessment is not considered to be necessary. The proposal is therefore considered to satisfactorily address the requirements of SEPP 55 Remediation of Land for the current phase of the proposal's assessment.

State Environmental Planning Policy (Infrastructure) 2007

The key objective of the Policy is to assist in facilitating the delivery of infrastructure by introducing consistent planning regime which provides greater certainty regarding the planning provisions applying to infrastructure projects across NSW. The planning proposal does not contradict or repeat any provision within the Policy. Any future development within the precinct will need to be in accordance with the provisions of the Policy.

6. Is the planning proposal consistent with applicable Ministerial Directions (s.117 directions)?

Yes. The consistency of the planning proposal with the s.117 Ministerial Directions is detailed within Attachment B. A discussion on the consistency of the proposal with each relevant Direction is provided below.

Direction 1.1 Business and Industrial Zones

This Direction requires that a planning proposal must retain areas and locations of existing business and industrial zones and not reduce the total potential floor space area for industrial uses in industrial zones.

In order to stimulate investment, redevelopment, and employment generation in the precinct into the future this proposal seeks to rezone the precinct from the IN1 General Industrial zone to the B6 Enterprise Corridor zone. The proposed rezoning is considered to be the most appropriate means of providing additional floor space and employment opportunities through business and offices uses whilst retaining the light industrial and urban support function of the precinct. Under the current zone these additional opportunities will not be available which would significantly restrict the feasibility of redevelopment in the precinct and its ability to withstand the pressures of economic changes affecting the viability of industries.

It is recognised that the additional uses that are permitted within the B6 Enterprise Corridor zone may be considered a minor inconsistency within this Direction. However, it is highlighted that light industrial development will remain as a permitted land use under the proposed zone. The additional land use opportunities, coupled with the reduction in the minimum lot sizes, will increase the capacity for intensified light industrial development.

A comparison of the existing and proposed floor space and employment capacity is included within the following table. As can be seen it is estimated that the potential floor space within the precinct will increase by approximately 60,396m². This additional floor space will increase the employment capacity of the precinct by approximately 833 jobs.

Floor Space and Employment Capacity						
	Industrial Commercial		Total Floor Space	Employment Yield (Industrial: 1 per 80m², Commercial: 1 per 50m²)		
Existing Floor Space (m²)	148,913*	Nil	148,913	Approximately 1,300**		
Maximum Potential Floor Space (100% uptake)	107,882	161,822	269,704	+2,967		
Difference	-41,031	+161,822	120,791	+1,667		
Assumed potential uptake difference***	-20,516	80,911	60,396	+833		

^{*} Floor space audit undertaken by Council 2014. The existing floor space is equal to a FSR of 0.35:1.

Whilst there is a minor inconsistency with this Ministerial Direction, the proposal will assist in achieving the objectives of the Direction as detailed below.

(a) Encourage employment growth in suitable locations

Despite its suburban location the precinct is still within 2kms of the North Rocks Town Centre and major roads, and approximately 6kms from Parramatta. Given its unique location and demonstrated success to date as an industrial area, the precinct will continue to be a desirable location for a niche market of businesses ranging from start-up small businesses to multinationals which prefer to locate in a quieter area with less exposure.

The precinct already provides a high percentage of local employment with 20% or employees being residents of the Hills and a further 25% employees coming from Blacktown and Parramatta (Bureau of Transport Statistics, 2014). With increased employment capacity resulting from the proposed rezoning and reduced minimum lot size the employment capacity of the precinct will increase. Census data indicates that professionals, administration workers and managers are amongst the most popular occupations in The Hills. By diversifying employment opportunities in the precinct to include office and business uses, a larger proportion of jobs will be tailored to the resident population of the Hills. However, the precinct will also continue to provide critical urban support services for residents of the local area such as vehicular body repairs.

^{**} Average of Census Data (2011) and Bureau of Transport Statistics (Journey to Work Explorer, 2014)

^{***} It is assumed that a more realistic uptake of redevelopment opportunity is 50% for both industrial and commercial.

(b) Protect employment land in business and industrial zones

The B6 Enterprise Corridor zone will provide the additional flexibility and floor space potential necessary to ensure the North Rocks Employment Precinct remains attractive and viable into the future. Whilst the proposed zone will provide greater flexibility in the range of permitted land uses, light industrial development will remain as a permitted land use and as such the industrial floor space potential within the precinct will be retained.

(c) Support the viability of strategic centres

As retail uses are not permitted within the B6 Enterprise Corridor zone, the proposal will not impact on the viability of the North Rocks Town Centre. The future employment development within this precinct will support nearby centres providing employment opportunities (including industrial, business and office) for surrounding residents.

Similarly, it is not anticipated that the precinct would shift entirely to commercial since these uses will continue to gravitate towards business parks and centres. It is not intended to facilitate a business park however the precinct may also offer an attractive, alternative location for low scale or campus style office uses (such as IBM) given the 16 metre height limit and the precinct's bushland setting.

Direction 3.4 Integrating Land Use and Transport

A planning proposal must locate zones for urban purposes and include provisions that are consistent with the aims, objectives and principles of *Improving Transport Choice – Guidelines* for planning and development (DUAP 2001) and *The Right Place for Business and Services – Planning Policy* (DUAP 2001).

The precinct is located within 2kms of major transport routes which although comparatively distant when compared to other industrial areas, has not hindered its success to date as an industrial area. Additionally the area is located near an established population making it an important source of localised services and jobs that support urban functions such as auto repairs and household services and trades.

The precinct will also indirectly benefit from the delivery of planned improvements to the Sydney Strategic Road Network which will improve logistical movements throughout the Sydney region such as widening and extension of the M4 and a connection from the M1 to M2. Furthermore the North West Rail Link will increase the permeability of the Shire and encourage investment in business which will assist in raising the image and attractiveness of The Hills Shire which will be of benefit to the precinct.

A draft Public Domain Plan has been prepared in conjunction with the planning proposal and will improve the walkability and accessibility of the precinct through the provision of footpaths throughout the precinct where there are currently none, which may encourage additional use of the Parramatta to Epping bus service.

As future employment growth within the North Rocks Employment Precinct will contribute toward the provision of jobs closer to homes this proposal is considered to be consistent with this Direction.

Direction 4.3 Flood Prone Land

The planning proposal does not seek to rezone land within Special Use, Special Purpose, Recreation, Rural or Environmental Protection Zones to a Business Zone.

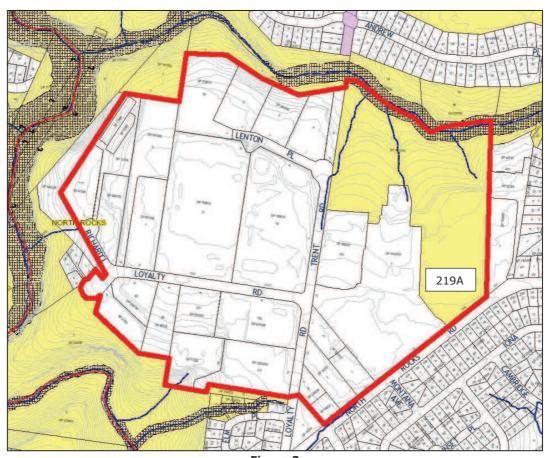
The property known as 219A North Rocks Road, North Rocks (9.462ha) is shown on Council's Flood Controlled Land Map to be flood controlled land due to three identified overland flow paths. The Direction requires that planning proposals must not permit development that will result in significant flood impacts to other properties, permit significant increases in the development of that land or result in a substantially increased requirement for government spending on flood mitigation measures, infrastructure or services.

The affected property is currently occupied by a church which has converted the existing industrial building for this purpose and a multi-level car park is currently being constructed to

the rear of the site accessed from Trent Road. Due to the multimillion dollar investment in the property by the church in addition to constraints of vegetation and bushfire threat to the rear of the site it is not anticipated that a reduction in minimum lot size to 4,000m² will result in any significant increase in development which would be of concern from a flood related perspective.

The Hills LEP 2012 contains flood prone land provisions that seek to minimise risks to property and life and significant impacts on the environment. Furthermore, flood related development controls apply to any flood prone land through The Hills Development Control Plan 2012 Part C Section 6 – Flood Controlled Land. These controls have been prepared in accordance with the NSW Government's Flood Prone Land Policy.

It is considered that the provisions of the planning proposal are consistent with this Direction.



Flood Controlled Land Map, The Hills Shire Council

Direction 4.4 Planning for Bushfire Protection

Parts of the precinct are identified as bushfire prone, containing Vegetation Category 1 and buffer. Below is an extract from The Hills Shire Bushfire Prone Land Map 2012.

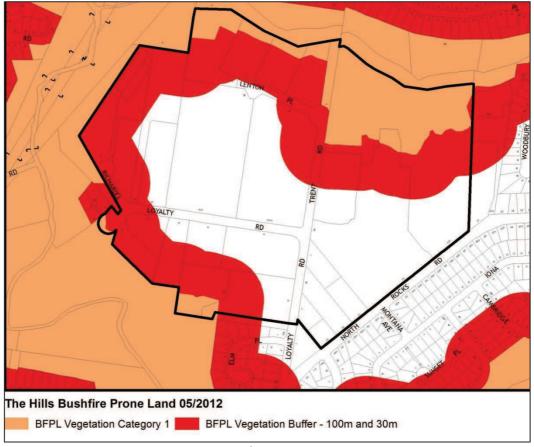


Figure 4
Bushfire Prone Land Map, The Hills Shire Council

The Direction requires that planning proposals have regard to Planning for Bushfire Protection Guideline 2006, introduce controls that avoid placing inappropriate developments in hazardous areas, and ensure that bushfire hazard reduction is not prohibited within the Asset Protection Zone.

The Direction requires that Council undertake consultation with the Commissioner of the NSW Rural Fire Service following receipt of a Gateway Determination under section 56 of the *Environmental Planning and Assessment Act 1979* (EP&A Act), and prior to undertaking community consultation in satisfaction of section 57 of the EP&A Act. Council will need to take into consideration any comments received as part of this consultation.

Clause 5.11 of LEP 2012 requires that bush fire hazard reduction work authorised by the *Rural Fires Act 1997* may be carried out on any land without consent. This provision ensures that bush fire hazard reduction work is not prohibited within Asset Protection Zones. The planning proposal is consistent with this Direction.

Direction 6.1 Approval and Referral Requirements

The proposal is considered to be consistent with this Direction as it does not include any concurrence, consultation or referral provisions and does not identify any development as designated development.

Direction 6.3 Site Specific Provisions

The proposal is consistent with this Direction as it will enable the desired land uses to be undertaken without imposing any development standards or requirements which are in addition to those already contained within LEP 2012.

Direction 7.1 Implementation of the Metropolitan Plan for Sydney 2036

The planning proposal is consistent with the Strategic Directions and Key Policy Settings of the Metropolitan Plan for Sydney 2036. An overarching theme within the Plan is to ensure that more jobs are located closer to homes. Increased flexibility and diversity resulting from the

proposed change in zone and lot size will mean the precinct is well placed to accommodate employment growth.

SECTION C - ENVIRONMENTAL, SOCIAL AND ECONOMIC IMPACT

7. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

No. The majority of land that is subject to the planning proposal is already developed and occupied with buildings and associated car parking. With the exception of the rear of some lots on Lenton Place, 12 and 12A Loyalty Road and the rear of the largest lot in the precinct (219A North Rocks Road) which is occupied by a large church, the precinct is generally void of any significant vegetation or trees.

The identified ecological communities located on these lots and in the Excelsior Reserve surrounding the site consist of Coastal Shale-Sandstone Forest and Sand stone Gully Forest. Neither of these communities are listed as vulnerable, threatened or critically endangered under the Threatened Species Conservation Act 1995 or Environmental Protection and Biodiversity Conservation Act 1999. Future development in the precinct, including subdivision as a result of the proposed reduced minimum lot size of 4,000m² must have regard for this vegetation, in addition to the associated bushfire threat in the preparation of any plans. The planning proposal is therefore unlikely to create any adverse impacts on critical habitat or threatened species, populations or economical communities and their habitats.

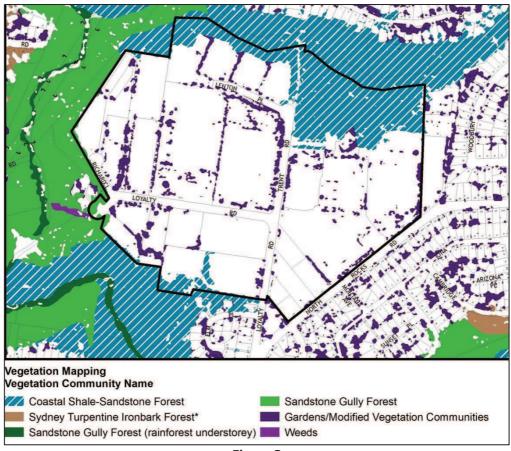


Figure 3
Vegetation Map (2008), The Hills Shire Council

8. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

Vehicular Access and Traffic

With the exception of properties fronting North Rocks Road, all vehicles enter and leave the precinct via Loyalty Road. Investigations into the traffic capacity of the precinct and its ability to cater for increased floor space and employee numbers has found that the precinct and surrounding road network can sustain the likely increases with some traffic management measures. In addition to some peak hour parking restrictions to maintain traffic flows, measures also include a set of traffic lights at the entrance to Loyalty Road which is currently fully funded under Council's Section 94A Contributions Plan and is anticipated to be provided within the next 5 years. There is adequate sight distance to accommodate additional and safe movements in and out of driveways fronting North Rock Rocks Road.

Bushfire

As mentioned previously within this proposal much of the precinct is identified as bushfire prone containing Vegetation Category 1 and buffer. As part of the plan preparation process Council will be required to undertake consultation with the Commissioner of the NSW Rural Fire Service following receipt of a Gateway Determination under section 56 of the *Environmental Planning and Assessment Act 1979* (EP&A Act) and prior to undertaking community consultation in satisfaction of section 57 of the EP&A Act. Council will need to take into consideration any comments received as part of this consultation.

Future development proposals on land which is bushfire prone will need to be supported by a bushfire assessment addressing how the development meets the aims and objectives of *Planning for Bushfire Protection Guidelines 2006* in relation to access, water, services, emergency planning and landscaping/vegetation management.

9. How has the planning proposal adequately addressed any social and economic effects?

Economic trends in deindustrialisation, technological advancements and mechanisation have led to a decline in manufacturing and an increase in warehousing, logistics and technological innovation. The position of employment land relative to major transport routes and industry clusters has become increasingly important to improve efficiencies and competitiveness. Whilst North Rocks is currently an active industrial area, it is also in need of renewal and revitalisation if it is to remain competitive into the future. Its connections to major transport routes, in addition to its suburban location mean that it may struggle to retain industrial functions and encourage redevelopment. The planning proposal to increase flexibility in land uses and provide additional subdivision through a reduced lot size provides a proactive response to these trends which threaten the viability of North Rocks as an industrial employment area.

The resultant social impact of the planning proposal will be increased employment of a nature that is increasingly consistent with the identified job preference of Hills residents whilst ensuring the area can still accommodate local services and light industrial uses. Given the type and scale of development anticipated within the precinct, it is considered that the proposal will not place any significant additional demand on social infrastructure within the vicinity of the site such as educational establishments, schools or open space facilities (either local or regional).

SECTION D - STATE AND COMMONWEALTH INTERESTS

10. Is there adequate public infrastructure for the planning proposal?

Yes. The precinct incorporates a substation, overhead electricity wires, water, sewer and stormwater drainage. Augmentations may be required to the existing infrastructure to ensure that future development lots are appropriately serviced. In this regard consultation is recommended with various service providers including Sydney Water, Endeavour Energy, Transgrid and the Roads and Maritime Services at a minimum following receipt of a Gateway Determination.

11. What are the views of State and Commonwealth Public Authorities consulted in accordance with the gateway determination, and have they resulted in any variations to the planning proposal?

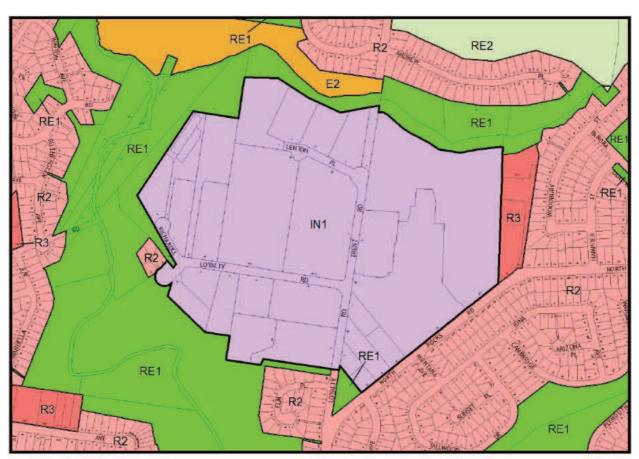
The views of State and Commonwealth Public Authorities will not be known until after the Gateway Determination. An initial list of public authorities to be consulted includes, but is not limited to, the following:

- NSW Roads and Maritime Service;
- NSW Rural Fire Service;
- Sydney Water Corporation;
- · Endeavour Energy;
- TransGrid.

PART 4 MAPPING

The planning proposal seeks to amend the Land Zoning Map and Lot Size Map of *The Hills Local Environmental Plan 2012*.

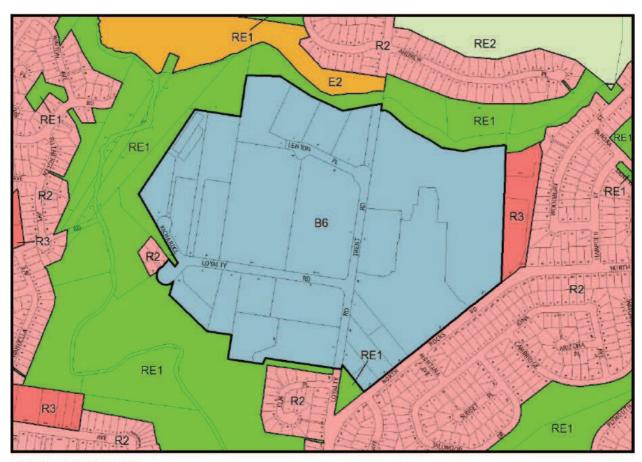
Existing Zoning Map



Land Zoning (LZN)

E2	Environmental Conservation	R3	Medium Density Residential
IN1	General Industrial	RE1	Public Recreation
R2	Low Density Residential	RE2	Private Recreation

Proposed Zoning Map

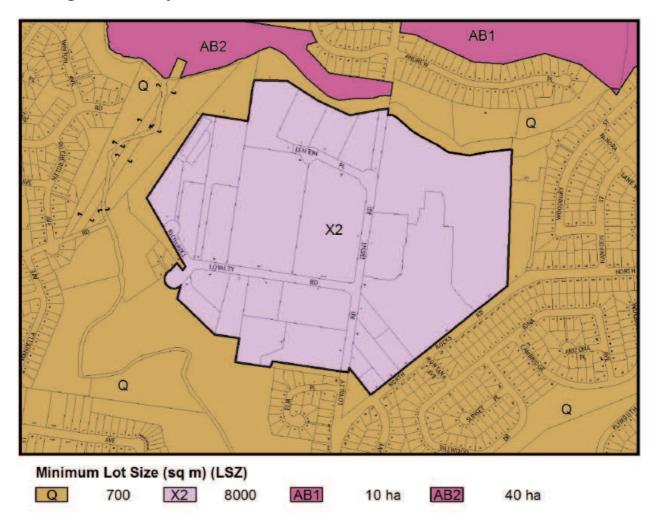


Land Zoning (LZN)

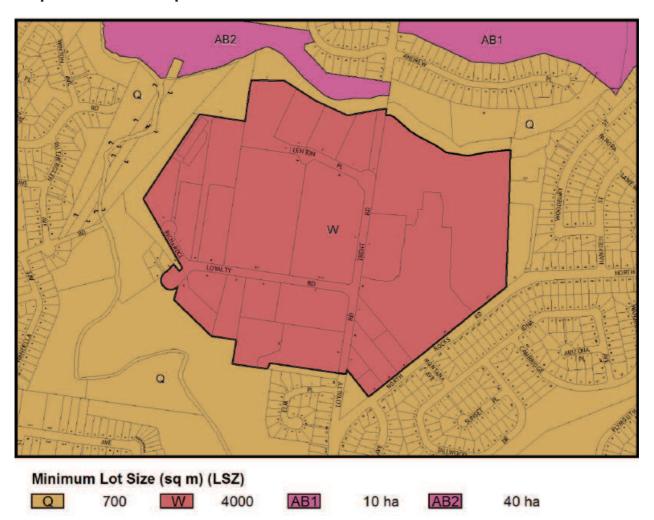
B6 Enterprise Corridor R3 Medium Density Residential

E2 Environmental Conservation RE1 Public Recreation
R2 Low Density Residential RE2 Private Recreation

Existing Lot Size Map



Proposed Lot Size Map



PART 5 COMMUNITY CONSULTATION

The planning proposal will be advertised in local newspapers and on display at Council's administration building, Castle Hill and Carlingford Libraries. The planning proposal will also be made available on Council's website. In addition, letters will be issued to adjoining and nearby property owners and stakeholders.

PART 6 PROJECT TIMELINE

STAGE	DATE
Commencement Date (Gateway Determination)	January 2015
Government agency consultation	February 2015
Commencement of public exhibition period (14 days)	February 2015
Completion of public exhibition period	March 2015
Timeframe for consideration of submissions	April 2015
Timeframe for consideration of proposal post exhibition	April 2015
Report to Council on submissions	May/June 2015
Planning Proposal to PCO for opinion	July 2015
Date Council will make the plan (if delegated)	September 2015
Date Council will forward to department for notification (if delegated)	September 2015

ATTACHMENT A: LIST OF STATE ENVIRONMENTAL PLANNING POLICIES

STATE E	NVIRONMENTAL PLANNING POLICY (SEPP)	APPLICABLE	RELEVANT? (YES/NO)	(IF RELEVANT) INCONSISTENT/ CONSISTENT
No. 1	Development Standards	NO	-	-
No. 14	Coastal Wetlands	YES	NO	-
No. 15	Rural Landsharing Communities	NO	-	-
No. 19	Bushland in Urban Areas	YES	NO	-
No. 21	Caravan Parks	YES	NO	-
No. 26	Littoral Rainforests	NO	-	-
No. 29	Western Sydney Recreation Area	NO	-	-
No. 30	Intensive Agriculture	YES	NO	-
No. 32	Urban Consolidation (Redevelopment of Urban Land)	YES	NO	-
No. 33	Hazardous and Offensive Development	YES	NO	-
No. 36	Manufactured Home Estates	NO	-	-
No. 39	Spit Island Bird Habitat	NO	-	-
No. 44	Koala Habitat Protection	NO	-	-
No. 47	Moore Park Showground	NO	-	-
No. 50	Canal Estate Development	YES	NO	-
No. 52	Farm Dams and Other Works in Land and Water Management Plan Areas	NO	-	-
No. 55	Remediation of Land	YES	YES	INCONSISTENT (refer Section B(5))
No. 59	Central Western Sydney Regional Open Space and Residential	NO	-	-
No. 62	Sustainable Aquaculture	YES	NO	-
No. 64	Advertising and Signage	YES	NO	-
No. 65	Design Quality of Residential Flat Development	YES	NO	-
No. 70	Affordable Housing (Revised Schemes)	YES	NO	-
No. 71	Coastal Protection	NO	-	-
	Rental Housing (2009)	YES	NO	-
	ustainability Index: BASIX 2004	YES	NO	-
Exempt ar Codes (20	nd Complying Development 08)	YES	NO	-
Housing for Seniors or People with a Disability (2004)		YES	NO	-
Infrastructure (2007)		YES	YES	CONSISTENT
Kosciuszko National Park – Alpine Resorts (2007)		NO	-	-
Kurnell Peninsula (1989)		NO	-	-
Major Development (2005)		YES	NO	-
	Mining, Petroleum Production and Extractive Industries (2007)		NO	-
	Miscellaneous Consent Provisions (2007)		NO	-
	kes Scheme (1989)	NO	-	-
	ny and Port Kembla (2013)	NO	-	-

STATE ENVIRONMENTAL PLANNING POLICY (SEPP)	APPLICABLE	RELEVANT? (YES/NO)	(IF RELEVANT) INCONSISTENT/ CONSISTENT
Rural Lands (2008)	NO	-	-
SEPP 53 Transitional Provisions (2011)	NO	-	-
State and Regional Development (2011)	YES	NO	-
Sydney Drinking Water Catchment (2011)	NO	-	-
Sydney Region Growth Centres (2006)	NO	-	-
Three Ports (2013)	NO	-	-
Urban Renewal (2010)	NO	-	-
Western Sydney Employment Area (2009)	NO	-	-
Deemed SEPPs			
SREP No. 8 (Central Coast Plateau Areas)	NO	-	-
SREP No. 9 – Extractive Industry (No. 2 – 1995)	YES	NO	-
SREP No. 16 – Walsh Bay	NO	-	-
SREP No. 18 – Public Transport Corridors	NO	-	-
SREP No. 19 – Rouse Hill Development Area	NO	-	-
SREP No. 20 – Hawkesbury – Nepean River (No 2 – 1997)	YES	NO	-
SREP No. 24 – Homebush Bay Area	NO	-	-
SREP No. 25 – Orchard Hills	NO	-	-
SREP No. 26 - City West	NO	-	-
SREP No. 30 – St Marys	NO	-	-
SREP No. 33 – Cooks Cove	NO	-	-
SREP (Sydney Harbour Catchment) 2005	NO	-	-

ATTACHMENT B: ASSESSMENT AGAINST SECTION 117 MINISTERIAL DIRECTIONS

	DIRECTION	APPLICABLE	RELEVANT? (YES/NO)	(IF RELEVANT) INCONSISTENT/ CONSISTENT
1. E	imployment and Resources			
1.1	Business and Industrial Zones	YES	YES	INCONSISTENT (refer Section B(6))
1.2	Rural Zones	YES	NO	-
1.3	Mining, Petroleum Production and Extractive Industries	YES	NO	-
1.4	Oyster Aquaculture	NO	-	-
1.5	Rural Lands	NO	-	-
	2. Envi	ronment and He	ritage	
2.1	Environment Protection Zone	YES	NO	-
2.2	Coastal Protection	NO	-	-
2.3	Heritage Conservation	YES	NO	-
2.4	Recreation Vehicle Area	YES	NO	-
	3. Housing, Infras	tructure and Urb	an Developme	nt
3.1	Residential Zones	YES	NO	-
3.2	Caravan Parks and Manufactured Home Estates	YES	NO	-
3.3	Home Occupations	YES	NO	-
3.4	Integrating Land Use and Transport	YES	YES	CONSISTENT
3.5	Development Near Licensed Aerodromes	YES	NO	-
3.6	Shooting Ranges	YES	NO	-
		Hazard and Risk		
4.1	Acid Sulfate Soils	YES	NO	-
4.2	Mine Subsidence and Unstable Land	NO	NO	-
4.3	Flood Prone Land	YES	YES	CONSISTENT
4.4	Planning for Bushfire Protection	YES	YES	CONSISTENT
	5. 1	Regional Plannin	g	
5.1	Implementation of Regional Strategies	NO	-	
5.2	Sydney Drinking Water Catchment	NO	-	-
5.3	Farmland of State and Regional Significance on the NSW Far North Coast	NO	-	-
5.4	Commercial and Retail Development along the Pacific Highway, North Coast	NO	-	-
5.8	Second Sydney Airport: Badgerys Creek	NO	-	-
5.9	North West Rail Link Corridor	YES	NO	-

	DIRECTION	APPLICABLE	RELEVANT? (YES/NO)	(IF RELEVANT) INCONSISTENT/ CONSISTENT
	Strategy			
	ocal Plan Making	VEC	VEC	CONCICTENT
6.1	Approval and Referral Requirements	YES	YES	CONSISTENT
6.2	Reserving Land for Public Purposes	YES	NO	-
6.3	Site Specific Provisions	YES	YES	CONSISTENT
7. Metropolitan Planning				
7.1	Implementation of the Metropolitan Plan for Sydney 2036	YES	YES	CONSISTENT