Planning Institute of Australia (NSW Division)

Submission: Stakeholder Consultation ‘Draft Paper - Implementing the Metropolitan Plan – Planning Principles for Industrial Lands’

The Planning Institute of Australia (PIA) is the peak body representing professionals involved in planning Australian cities, towns and regions. The Institute has around 4,500 members nationally and around 1,300 members in New South Wales. PIA NSW plays key roles in promoting and supporting the planning profession within NSW and advocating key planning and public policy issues. This submission has been prepared on behalf of PIA NSW by Members of the Institute.

Introduction

The Planning Institute of Australia (NSW Division) supports the exhibition of the Draft Paper on ‘Implementing the Metropolitan Plan – Planning Principles for Industrial Lands’ by the Department of Planning & Infrastructure and also the guidelines for the planning of industrial lands within the Metropolitan area contained within the document.

Submission

The Institute would like to make the following points in regard to the Draft Paper for your consideration in finalising the document.

1. The Institute has previously suggested that the State Government should provide an explicit statement of the principles or assumptions underpinning the State Plan, Regional Plans and Sub Regional Strategies. The Draft Paper is an excellent start to addressing industrial lands planning which should continue with the Department enunciating the planning principles supporting other key state planning directions including affordable housing, housing growth, employment growth, land supply and sustainable development. This would assist decision makers and proponents to understand the basis for planning and development decisions and as a basis for investment decisions.

2. The definition of Industrial Lands in the Draft Paper could be redrafted to incorporate the actual definitions from the standard LEP including industry, industrial retail outlet, light industry and hazardous industry. The use of a new term in the Draft Paper that purports to “characterise” industrial lands may create confusion or a basis for uncertainty about the activity. The inclusion of the interpretation without a citation as to its source perhaps should be removed in favour of a simple general paragraph with the interpretation used for the purposes of the Draft Paper.
3. The Draft Paper needs to explicitly address the issue of industrial uses morphing into commercial office premises that should be properly located in a business zone. Many industrial areas experience the creep of office uses into industrial areas because of cheaper land values under the guise of an “industrial activity” when the dominant use is properly characterized as an office. This can occur by the removal of loading docks, increased parking provision, refurbishment of internal floor areas under exempt development and upgrading of building or site entries as “industrial” business parks. However, the trend away from manufacturing activities to more high tech/clean industry makes the distinction more difficult.

4. The Draft Paper should also address the use of industrial land for bulky goods retailing in order to clarify the uncertainty in the industry. The Institute is aware of instances where premises such as retail office supplies (for example Office Works) or hardware supplies (for example Hardware House) are categorised as bulky goods retailing in one area but not in another. This can cause confusion for planners, Councils and industry in identifying suitable sites for development. A clear statement in the Draft Paper clarifying what can constitute bulky goods premises in an industrial area would be beneficial.

5. The Draft Paper is silent on the permissibility under many LEPs for brothels to be included in industrial area. Many Councils believe that industrial areas are the least “troublesome” locations to allow brothels within their LGA. However, sex workers associations such as the Scarlet Alliance have expressed the view that locating brothels in industrial areas poses real problems for sex workers in terms of safety, access to public transport and hours of operation when other activities are closed.

In relation to the Planning Principles, the Institute makes the following comments:

- The industrial lands sector comprises many different markets. Those markets are competing for land and premises with different use requirements. The standard instrument LEP does not allow for segmentation of the markets by assigning types of industrial uses to particular areas or sub zones. This means that some/many activities are forced to compete with other activities that may be more mobile, have lesser use requirements or greater capacity to generate returns to offset land value increases.

  Principle 1 assumes that supply is the best mechanism to maintain competitive pressures whereas the market is much more complex and can require greater intervention through the planning system to achieve the right use in the right location. Planners face difficulties in preparing Planning Proposals for projects that are seeking a rezoning of industrial land to allow a non-industrial use. The section on how the principle will be met could be strengthened to make it explicit that the rezoning of industrial lands should only be contemplated for non-industrial uses if a compelling case can be made for why the land cannot be retained for industrial use. Similarly, the Principle could provide guidance to Council Planners assessing Planning Proposals or development applications in industrial areas whereby the prima facie position is that industrial land should only be used for non-industrial activities unless there is a persuasive case made that the land is unsuitable for another industrial use. Arguments relying on land values, inability to compete with uses in business zones and extended periods of vacancy in a building should not be grounds to support a Planning Proposal.

- Principle 2 could be given more force by establishing a requirement that all Metropolitan Councils that have existing or proposed industrial lands prepare an Industrial Lands Employment and Development Strategy that is to be consistent with the Metropolitan Plan and the Sub Regional Strategies. There is a real need to understand industrial land
Planning Institute of Australia (NSW Division) - Submission: Stakeholder Consultation ‘Draft Paper – Implementing the Metropolitan Plan – Planning Principles for Industrial Lands’

23 September 2011

in a sub Regional / Regional context as often local Councils are not aware of the industrial lands strategy for adjoining Councils. There is also a need to address the issue of ‘isolated’ undeveloped industrial sites that could be rezoned for another use because of changes in the use of surrounding land.

The Institute suggests that insufficient local strategic land use planning has occurred to make informed decisions for the release, servicing and development of industrial lands linked to transport, utilities and jobs growth. The Strategies should be endorsed by the Department and then form the basis for LEP amendments (if required), Council Delivery Programs and Operational Plans. Planning Reform funds should be allocated to facilitate this work. A template format for such studies and strategies could be developed by the Department with appropriate expert advice to ensure that there is a degree of consistency across the Metropolitan area in the matters addressed, use of data and presentation of recommended actions. The Department should fulfil the role of coordinating agency across Council boundaries through the Department’s Regional teams and provide access to Government information sources, studies, data etc that would assist the preparation of the Strategies. This requirement for local strategic planning to occur could be included in the section under how the Principle will be met.

- Principle 3 is the section where the points 3-5 above might be addressed. The section also highlights the problems of evolving industries changing their operations to require greater office type components which have been found to supplant the original industrial use for an office use more appropriately located in a business zone. This process has implications for traffic generation in the industrial areas, increasing land values and ultimately the loss of legitimate industrial uses that are not able to compete with the returns for ‘office’ activities. Some Councils have tried to address this issue by prescribing a maximum component of “ancillary office” use to 30% or up to 50% for high tech type industries. The achievement of the Principle would be served by the preparation of the Local Industrial Lands Strategies referred to above. The use of the checklist for Planning Proposals proceeding to a Gateway Determination is supported.

- In relation to Principle 4, the Institute suggests that the identification and promotion of industry clusters is a key component of the research necessary for a Local Industrial Lands Strategy. It is rare for the market to be able to establish and reinforce clusters on its own. Council planners working together with the Department should analyse the attributes of their area to see what and how clusters might be supported. Councils are well placed to be able to identify the clusters that might be supported or be established in an area and then through their Delivery Plans provide for the relevant infrastructure, marketing and other support to promote a cluster. This could be referred to under how the principle will be met such as Councils preparing Local Industrial Lands Strategies with government agencies that identify opportunities for industry clusters and measures to support their establishment and growth.

- Principle 5 should be expanded to cover other aspects of sustainable development including how the principle will be met by industries incorporating measures for energy reduction, water use reduction, use of tree planting and landscaping for greenhouse gas reduction, waste reduction and recycling, pollution management, etc. and by Councils developing sustainability plans for industrial areas with land owners and occupiers. The Principle refers to how industrial lands should be serviced by active and public transport modes. It is suggested that another action could include ‘reviewing the availability of active and public transport needs for industrial lands and developing programs to deliver or improve such services to industrial lands’. 
6. Regarding the section ‘Implementing the Principles’, the Paper primarily refers to the Plan Making Process through a revised Section 117 Direction. The Institute suggests that the Principles should also be a consideration in the preparation of Local Planning Strategies and even in the assessment of development applications. Use of the Draft Paper and Principles in these additional ways should also be included in this section of the Paper. Furthermore, a key issue experienced by planners is the lack of access to the considerable information held by government agencies on employment lands, industrial development patterns, land use trends and forecasting. Much of that data is inaccessible to private planning companies and Councils. The Institute would urge the Government to identify the available data and information in a single repository for access by the broader industry to improve policy development and studies.

7. In relation to the Appendix 1, the Institute considers the strategic considerations to be generally appropriate. However, the Institute is concerned with a provision in the Appendix 1 Assessment Checklist which is used with proposals to rezone existing industrial lands to a non-industrial use (such as stand-alone office or retail or residential uses). Clause 7 of this checklist may be contrary to a recent recommendation of the Productivity Commission in its draft report on Economic Structure and Performance of the Australian Retail Industry (2011). Specifically, the Productivity Commission’s draft recommendation 7.3 “Governments should not consider the viability of existing businesses at any stage of planning, rezoning or development assessment processes. Impacts of possible future retail locations on existing activity centre viability (but not specific businesses) should only be considered during strategic plan preparation or major review.”

The Institute suggests that the point raised above under Principle 1 for rezoning of industrial zoned land could be incorporated in Strategic Consideration 5 as follows:

5. Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future?

Strategic Consideration 6 might also include an additional point:

d) Is the site suitable for residential use in terms of contamination from previous uses or can satisfactory remediation be undertaken to render the land suitable?

Strategic Consideration 7 could be problematic in that an argument could easily be made in answering the questions that a retail or commercial use is justified to replace an industrial zoning and a rezoning is warranted. Consideration 7 could be revised to place a greater onus on a proponent to provide persuasive evidence that an industrial use cannot occur on the land now or in the foreseeable future rather than will the proposed use have a negligible impact. Otherwise, the consideration as it is framed is too easy to justify a retail or office use Planning Proposal.

In conclusion, the Planning Institute appreciates the opportunity to comment on the ‘Draft Paper - Implementing the Metropolitan Plan – Planning Principles for Industrial Lands’ and would be pleased to provide further explanation of any of the comments made.