



PEER REVIEW OF INDUSTRIAL LANDS REVIEW AND CRITERIA



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EXECUTIVE SUMMARY

SGS Economics and Planning has been commissioned by Georges River Council to conduct a peer review of the review of industrial lands precincts it has recently undertaken. This includes a review of the methodology, criteria and assessment of each of the industrial precincts. This report provides:

- a brief overview of the industrial strategic and land market context
- a high level review of the Charles Sturt assessment framework, its methodology, the criteria and its application in this context
- a review of the precinct-level outcomes of the framework's application, the appropriateness of precinct-level recommendations and the performance of the framework in light of future rezoning challenges.

Context

The South district contains a small proportion of Greater Sydney's total employment lands (under seven per cent) and the trends observed across Georges River are generally reflective of the broader South district.

JLL suggests that there is sufficient industrial zoned land to meet any population driven growth in industrial businesses. However, development pressures will need to be managed particularly rezoning proposals. Retaining sufficient industrial land for population and business serving uses is important highlighting that not only are strategic industrial precincts important, but also local population serving precincts.

Examining the evidence in this report, approaches can be identified as best practice where they involve:

- consideration of demand and supply including both current and projected needs
- categorisation of industrial precincts based on type of industrial activities
- categorisation of industrial precincts based on geographic level e.g. local and subregional
- consideration of strategic or prime industrial precincts at a metropolitan level
- a comprehensive review process which requires demonstration that the land is no longer required over the long term prior to consideration of alternative uses or needs
- separation of the categorisation of industrial land based on use from rezoning considerations.

Employment lands assessment framework

The approach developed through the *Metropolitan Adelaide Industrial Land Strategy* and implemented through the *Charles Sturt Industrial Land Study* has been reviewed. The separation of the classification of strategic and prime industrial areas and the rezoning assessment is considered to be appropriate and reflects the best practice approaches outlined above. However, a number of issues or gaps have been identified in relation to the Prime Industrial Area framework:

- it is not clear if the intention was for precincts to be assessed and scored against each of the criteria or if the criteria were simply to be referred to as a guide for an assessment of industrial precincts suitability to be used. Scoring against each individual criterion introduces difficulties as some of the criteria are more important to specific industry types than others
- the framework does not acknowledge the different types of industrial activities and the differing roles of each activity and therefore site or precinct locational requirements.

- there is potential for double counting with overlapping across a number of criteria. The criteria are skewed towards heavier/ traditional industry types. Local service/ mixed industrial precincts may attract lower scores as a result.

The approach to the rezoning assessment is broadly appropriate. However,

- The assessment does not consider different types of industrial activities and correspondingly different roles of industrial precincts. The importance of local population serving industrial precincts is not reflected in the criteria.
- There is no consideration of demand and supply of industrial land. Existing land should not be rezoned if there is a demonstrable need or shortage and alternative industrial opportunities do not exist.
- Consideration of community or economic benefit should only be considered if the site is no longer conducive to continued industrial activities.

Review of Georges River approach

Georges River Council has used the *Charles Sturt Industrial Land Study* framework to score precincts and has then divided these precincts into three categories based on rank.

- **Prime industrial precincts** (top end of the score card [30-36]) where the employment generating nature must be protected.
- **Protected industrial precincts** (middle ranking precincts) where the current industrial capacity can and should be retained and protected, but where it is currently either on a scale which does not warrant a prime industrial precinct designation or where a less industrially focused zone may be appropriate for all or part of the Precinct.
- **Investigation precincts** (bottom end [19 or less]) which are clearly not prime industrial precincts and are best suited to an alternative (i.e. non-industrial) use in the longer term.

Under this approach:

- The criteria do not apply equally to all industry types
- There is some potential for double counting
- The framework is skewed towards heavier/ traditional industrial land uses
- The rezoning criteria and assessment process has been ignored
- There is no inherent test against current or projected need at any level.

The results presented in the 'precinct review' are not robust due to the method adopted. Further analysis is recommended below to address these gaps.

Recommendations

There is a limited supply of industrial land in the south district of Sydney. There is significant pressure on industrial land conversion and therefore importance should be placed on rigorous rezoning assessment and adoption of the precautionary principle in line with directions from the Greater Sydney Commission. SGS considers that a better approach would:

- Consider the needs of the most difficult industrial activities to place/ important industry types first (i.e. large scale urban services, heavier industry).
- Consider industrial needs at different spatial levels (i.e. local, subregional and metropolitan). For example, if there is a district level need but no opportunity in any other part of the district then this should be brought into the local assessment.
- Separately consider the needs of different industry types. This would not have to be as detailed as CLU level and could include the five industries outlined in the *Charles Sturt Industrial Land Study* (traditional, heavy industry, warehousing and distribution centres, new and emerging industrial uses, older industrial areas and trade service industries). This would ensure that appropriate provision is made for all types of industrial function – including smaller scale population serving industry.
- Separate the assessment of the suitability of industrial land for each identified type, from the rezoning assessment.

Next steps

The following steps will bring Councils existing approach more closely in line with the approach recommend above.

1. Strengthen Council's industrial lands assessment framework

Smaller 'urban services' precincts are the most vulnerable to rezoning. The existing framework does not adequately protect these areas. Specific criteria should be added to the framework based on an assessment of the suitability of each industrial precinct for local service industrial uses (e.g. car repairs, joinery, building supplies). This would include consideration of:

- Proximity to population: local industry is heavily population driven and this is important to provide services to its customer base
- Vehicle access for customer and service suppliers
- Proximity to local retail centres for customers and employees
- Lot sizes: local industry does not necessarily require large lot sizes for operation and therefore smaller lots will be suitable.

To provide an overarching understanding of the 'case for change' Council should build on the draft Georges River Employment Lands Study with a detailed demand and supply analysis by type of industrial land use. This should include:

- Floorspace forecasts by different land use types for example, warehousing and distribution, large scale traditional industry, large scale urban services and local population serving uses).
- Current capacity based on vacant floorspace, vacant lots and intensification potential on development lots under current controls
- Current and projected gaps between supply and demand for the various classes of industrial use

2. Establish guidelines for assessing rezoning proposals

It is expected that Georges River Council will continue to receive planning proposals to rezone industrial land within the LGA. Council should ensure it adopts a consistent process for the assessment of these proposals.

In broad terms, a sequential testing approach is appropriate. This would consider:

1. Capacity versus demand
2. Site suitability
3. Economic impacts.

It is recommended that Council requires that any future rezoning requests for industrial lands are accompanied by a rezoning assessment. In addition to the usual planning considerations, this must demonstrate that the following tests are passed:

- The site or precinct is not a 'prime industrial' area
- There is sufficient industrial zoned land to meet future demand in the local area. This assessment should consider the type of industrial land use proposed for rezoning.
- The site or precinct is no longer conducive to industrial use
- There are compelling reasons for allowing an alternative use on the site or precinct
- The change will not impact adversely on existing employment uses (including displacement of jobs¹)
- The change will have a net community benefit.

¹ Just looking at net job loss runs the risk of underestimating the value of industrial land. This is as the flow on effects of a loss of industrial land on supply chains (in terms of both customers and suppliers) also needs to be considered.

1. INTRODUCTION

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2. CONTEXT

This section of the report provides a high level overview of the local industrial market in Georges River as well as the strategic and policy directions relating to the retention of industrial lands. A review of best practice approaches to the review of industrial land has been summarised.

2.1 Local market

Georges River local government area (LGA) contains a small proportion of Sydney's employment lands with 99 hectares of industrial zoned land. This represents around 10 per cent of total employment lands in the South district of Sydney in which the LGA is located. The South district contains a small proportion of Greater Sydney's total employment lands (under seven per cent) and the trends observed across Georges River are generally reflective of the broader South district.

The majority of the employment lands in Georges River are located in the former Hurstville LGA (refer to Table 1). The largest industrial precinct is Peakhurst at 56 hectares.

TABLE 1: EMPLOYMENT LANDS PRECINCTS IN GEORGES RIVER LGA

Precinct	Undeveloped	Developed	Total
<i>Hurstville</i>			
Beverley Hills		1.5	1.5
Hurstville		1.3	1.3
Kingsgrove South	0.2	25.5	25.7
Peakhurst, Boundary Rd	0.3	55.8	56.1
Penshurst		1.6	1.6
Hurstville total	0.6	85.6	86.1
<i>Kogarah</i>			
Blakehurst		1.6	1.6
Carlton	0.1	9.8	9.8
Hurstville South		1.7	1.7
Kogarah, Gray Ave			
Kogarah total	0.1	13.1	13.1
Georges River total	0.3	62.1	62.2

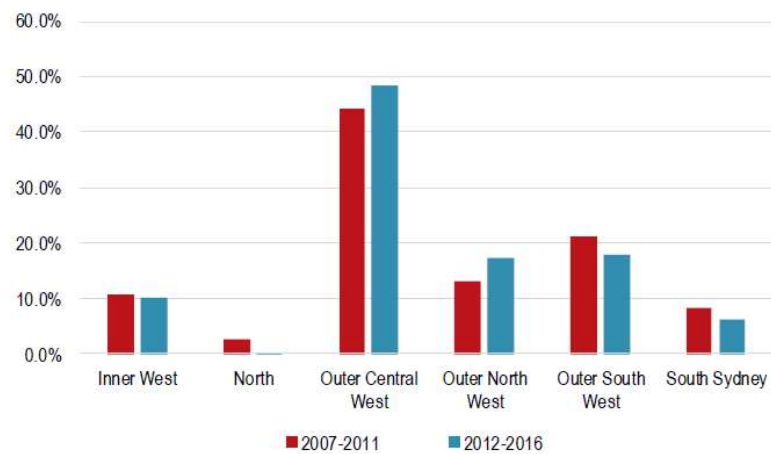
Source: Employment Lands Development Program, 2015

A report prepared by Jones Lang LaSalle (JLL)² for Georges River Council considers that the main role of the Georges River industrial market is to provide for local service industries which will serve the south Sydney market. The report notes a number of pull factors which have seen large industrial tenants move to outer suburbs of Sydney including the availability of large sites and affordable land. Majority of the take-up of industrial land has been

² Jones Lang LaSalle 2017, *Georges River Employment Lands Study Stage 1: Background Report*

concentrated in Western Sydney (refer to Figure 1) due to the sheer quantity of industrial zoned land, particularly undeveloped, available.

FIGURE 1: SYDNEY INDUSTRIAL GROSS TAKE-UP 2007-2011 AND 2012-2016



Source: Jones Lang LaSalle, 2017

JLL considers that this could potentially continue and any vacated sites could present redevelopment opportunities including smaller strata industrial developments to provide for demand from smaller occupiers. However, there are some concerns around the viability of this type of investment. The report considers that demand for industrial land in the Georges River LGA is relatively weak with low levels of new industrial investment in the Georges River LGA and amount of vacant and under-utilised industrial premises within the IN2 zone³, particularly in Peakhurst.

Based on a detailed survey of industrial businesses in 2009, JLL suggests that there is sufficient industrial zoned land to meet any population driven growth in industrial businesses.

The JLL report also notes that development pressures will need to be managed, acknowledging the importance of local industrial uses to serve a growing residential population as well as local businesses⁴. Accommodating new industrial uses in these precincts is considered an opportunity.

The typical requirements for industrial uses are outlined by JLL⁵ and include:

- **Clustering:** industrial users prefer to cluster near other industrial users.
- **Car parking** has been identified as a key issue throughout this study. Car parking is critical, both for customer and employees. Many industrial locations are not well serviced by public transport.
- **Variety of floorplates:** JLL anticipates a mix of floor plate sizes will be required. However, future demand is expected to be dominated by local services with modest floor space requirements.
- **Access** for customers, suppliers and employees is important. Businesses attracting significant truck movements will place higher priority on ease of access to the arterial road network.
- **Compatible uses:** industrial uses are compatible with other industrial uses and ancillary uses such as food and beverage retailers. Co-location with residential uses is considered incompatible.

³ ibid

⁴ ibid

⁵ ibid

2.2 Strategy and policy context

Across Greater Sydney there is pressure for conversion of many industrial areas to residential or mixed uses. While many industrial sites have turned over to other uses, particularly in the inner city where significant urban renewal has occurred, as the sites become scarcer the contest is intensifying. It is therefore becoming more important to make informed judgments on the merits of either protecting or releasing industrial land.

The NSW Department of Planning and Environment's Employment Lands Development Monitor (ELDM) tracks the supply of employment lands across Greater Sydney and the Central Coast region. The ELDM contains data on the developed and undeveloped industrial zoned land, as well as recent conversions.

The current default reference to assess planning proposals which involve the conversion of industrial land to other uses is the Section 117 direction 1.1 (Business and industrial zones) included in Appendix 1. This tends to favour protection of employment land via its objectives and requirements, unless a strong case is made via an endorsed strategy or research on demand and supply which makes the conversion case convincingly.

The draft subregional plans which followed the 2005 Metropolitan Strategy contained a comprehensive categorisation of industrial land areas, allocating them to one of three categories:

- Land to be retained for industrial purposes
- Land with potential to allow for a wider range of employment uses
- Land that could be investigated for alternative uses.

In the 2013 draft Metropolitan Strategy, an Industrial Lands Strategic Assessment Checklist for rezoning of existing industrial land to other uses was introduced (refer to Figure 2) to replace the approach in the draft subregional plans.

FIGURE 2: INDUSTRIAL LANDS STRATEGIC ASSESSMENT CHECKLIST

Criteria Table 1: Industrial Lands Strategic Assessment Checklist for rezoning of existing industrial land to other uses
<ul style="list-style-type: none">▪ Is the proposed rezoning consistent with State and/or council strategies on the future role of industrial lands?
<ul style="list-style-type: none">▪ Is the site:<ul style="list-style-type: none">- near or within direct access to key economic infrastructure?- contributing to a significant industry cluster?
<ul style="list-style-type: none">▪ 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?
<ul style="list-style-type: none">▪ How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?
<ul style="list-style-type: none">▪ 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?
<ul style="list-style-type: none">▪ Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?

Source: Department of Planning and Infrastructure, 2013

Arguably, the checklist was not sufficiently clear on the distinctions between industrial land users. Furthermore, it assumes knowledge of subregional or regional employment land stocks which may not be readily available. It may not provide insufficient guidance for a Council

planner to do a basic assessment of the strategic value of a parcel of industrial land for which a non-industrial use has been proposed.

Different markets and factors drive demand for these different industrial users and planning needs to be appropriately responsive.

The Greater Sydney Commission (GSC) has adopted a precautionary approach to the rezoning of employment lands across Greater Sydney. Under the *draft Greater Sydney Region Plan*, the GSC has classified Georges River as 'protect and manage'. This directs Councils to:

Protect all industrial zoned land from conversion to residential development, including conversion to mixed-use zonings. In the context of retaining industrial and urban services activities there will be a need, from time to time, to review the list of appropriate activities within any precinct in consideration of evolving business practices and how they can best be supported through permitted uses in local environmental plans. Any review should take into consideration findings of industrial, commercial and centres strategies for the local government area and/or district.

The Revised Draft South District Plan contains two actions relating to industrial lands:

- Action 38 Manage industrial land in the South District by protecting all industrial zoned land from conversion to residential development, including conversion to mixed-use zones.
- Action 39 Consider office development in industrial zones where it does not compromise industrial activities.

At a local level, Georges River has recently exhibited the draft Georges River Employment Lands Strategy which was prepared by JLL. The draft Strategy does not contain any specific policy directions relating to industrial lands within the LGA, however these are somewhat inferred by the recommendations. A number of 'ineffective industrial areas' have been identified through a review of employment numbers and density, vacancy rates, scale, ease of access and ability to redevelop for employment uses. This process places importance on these factors for industrial precincts. The three industrial precincts identified as ineffective by JLL are:

- Hurstville
- Penshurst
- Beverly Hills.

The recommendations around rezoning within the draft Strategy are detailed in Figure 3.

FIGURE 3: RECOMMENDATIONS FOR INDUSTRIAL AREAS

Industrial Area	Current	Recommendations
Beverly Hills, Peshurst Street	Zone: IN2 Light Industrial FSR: 1:1 Height: 10 m	Zone: R2 Low Density
Hurstville Industrial	Zone: IN2 Light Industrial & R2 Low Density Residential FSR: 1:1 Height: 10 m	Zone: B4 Mixed Use
Kingsgrove Industrial IN2	Zone: IN2 Light Industrial FSR: 1:1 Height: 10 m	Zone: B7 Business Park
Peakhurst Industrial IN2	Zone: IN2 Light Industrial FSR: 1:1 Height: 10 m	Zone: Remain As Is *except the rezoning of part of 705 Forest Road to B1. Refer to Part C – Commercial Lands Strategy, Sections 13.2 and 14.1.
Peshurst Industrial, Forest Road	Zone: IN2 Light Industrial FSR: 1:1 Height: 10 m	Zone: Remain As Is
Peshurst Industrial, Peshurst Lane	Zone: IN2 Light Industrial FSR: 1:1 Height: 10 m	Zone: R3 Medium Density Residential
Blakehurst Industrial	Zone: IN2 Light Industrial FSR: 1:1 Height: 10 m	Zone: Remain As Is
Carlton Industrial	Zone: IN2 Light Industrial FSR: 1:1 Height: 10 m	Zone: Remain As Is
South Hurstville Industrial	Zone: IN2 Light Industrial FSR: 1:1 Height: 10 m	Zone: Remain As Is

Source: Jones Lang LaSalle, 2017

2.3 Best practice approach

International approaches

UK: employment land policy

Clause 22 of the National Planning Policy Framework (NPPF) states ‘Planning policies should avoid the long-term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose’. However, the policy goes on to state that land allocations should be regularly reviewed and where there is not a reasonable prospect of site being used for the allocated employment use then applications for alternative uses should be treated based ‘on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities’. There is a regular review, and an assessment process required which is to take into account both the market and sustainability outcomes.

At a national level, guidance is also provided for Boroughs around conducting land availability assessments in relation to clause 22 above as part of the preparation of a Local Plan.

In London the GLA’s employment lands policy is in the form of Supplementary planning guidance. Employment lands are categorised as strategic industrial locations (SIL), local significant industrial sites (LSIS) and other smaller sites. These are all reviewed periodically to determine whether the industrial land is required.

- SIL: a resource which must be sustained as London’s main reservoir of industrial capacity but nevertheless must itself be subject to periodic review through the London Plan and consolidated where appropriate, to reconcile demand and supply

- LSIS: the protection of which in local Development Plan Documents (DPDs) needs to be reviewed regularly and justified in borough Employment Land Reviews (ELRs) which should include an assessment of supply and demand for industrial land
- Other smaller sites that historically have been particularly susceptible to change which in some circumstances can better meet the London Plan's objectives in new uses but in others will have a continuing local and strategic role for sustainable industrial uses. This sub-category will continue to be that most susceptible to change.

Boroughs are grouped into three categories of transfer of industrial lands to other uses: restricted transfer, limited transfer and managed transfer:

- Managed transfer: greater supply of vacant industrial sites relative to demand and should generally adopt a rigorous but sensitively managed approach to transfer of surplus capacity to other uses
- Restricted transfer: Boroughs in this category typically have low levels of industrial land relative to demand and/or low proportions of industrial land within the SIL framework. Boroughs encouraged to adopt a more restrictive approach to the transfer of industrial sites to other uses and set appropriate evidence based criteria to manage smaller non-designated sites.
- Restricted transfer exceptional planned release: significant and exceptional planned releases at White City/Earls Court and Nine Elms respectively
- Limited transfer: intermediate between the managed and restrictive categories. Manage and where possible, reconfigure their portfolios of industrial land.

Local assessment of industrial land demand and supply is required to identify surplus industrial land after taking into account the need to accommodate logistics, waste management, utilities and transport functions.

The system seems to infer that there is surplus capacity identified so local authorities need to constantly review/reassess need and determine which sites can turnover.

Ontario and Toronto: employment lands policy

The Ontario Planning Policy Statement (PPS) provides direction around employment lands (clause 1.3) which is also reflected in the Official Plan for Toronto (covering the Greater city area). Guidance is provided in relation to promoting economic development and competitiveness and protection of employment lands.

1.3.1 Planning authorities shall promote economic development and competitiveness by:

- providing for an appropriate mix and range of employment and institutional uses to meet long-term needs;
- providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;
- encouraging compact, mixed-use development that incorporates compatible employment uses to support liveable and resilient communities; and
- ensuring the necessary infrastructure is provided to support current and projected needs.

1.3.2 Employment Areas

- Planning authorities shall plan for, protect and preserve employment areas for current and future uses and ensure that the necessary infrastructure is provided to support current and projected needs.
- Planning authorities may permit conversion of lands within employment areas to non-employment uses through a comprehensive review, only where it has been demonstrated that the land is not required for employment purposes over the long term and that there is a need for the conversion.

- Planning authorities shall protect employment areas in proximity to major goods movement facilities and corridors for employment uses that require those locations.
- Planning authorities may plan beyond 20 years for the long-term protection of employment areas provided lands are not designated beyond the planning horizon identified in policy 1.1.2.

The approach by the City of Toronto at the municipal level is consistent with the PPS, recognising the importance of industrial lands:

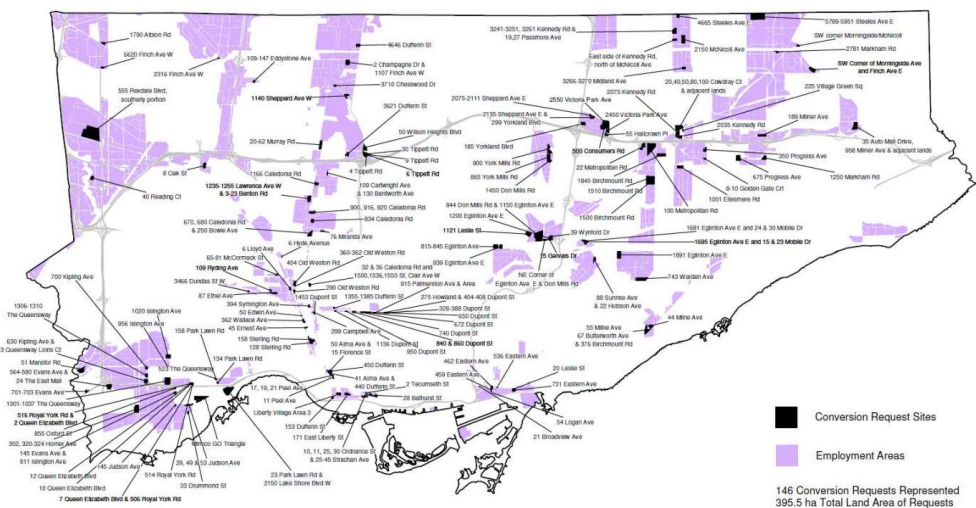
‘Our Employment Areas are finite and geographically bounded. Given relative land values, residential lands are rarely converted to employment uses and there is little opportunity to create new employment lands. It is the City’s goal to conserve our Employment Areas, now and in the longer term, to expand existing businesses and incubate and welcome new businesses that will employ future generations of Torontonians’ (City of Toronto, 2013).

Toronto has adopted a protective approach to retaining employment lands with an extensive Municipal Comprehensive Review process for assessing rezonings. This is a review of the Official Plan for Toronto, rather than a site-specific review, and is conducted every five years. It involves assessment against a more comprehensive and specific list of considerations (refer to Appendix 2) compared to the Strategic Assessment Checklist. Figure 4 illustrates the applications currently under consideration.

This approach considers demand for employment and residential lands as well as the potential for land use conflicts. The focus is on demonstrating that the need for residential is stronger than the need for employment. The criteria also consider the potential for the rezoning proposal to maintain a diverse economic base, and attract employment and retail work opportunities for residents living nearby. Cross-jurisdiction issues must also be considered.

In conjunction with the protection of employment lands, the City of Toronto aims to enhance employment areas to make them more attractive for businesses.

FIGURE 4: APPLICATIONS TO CONVERT EMPLOYMENT LANDS, 2014



Source: City of Toronto, 2014

SGS subregional planning methodology

In 2014, SGS was commissioned by the then Department of Planning and Infrastructure to assist with refining its subregional planning methodology. The first stage of study involved a peer review of current methodologies and modelling. The second stage of the study involved developing a best practice method for high level suitability testing for different land use types including residential, retail and other employment uses.

The best practice approach considers both residential and employment uses in terms of suitability of land and location. Competition between these uses should be considered at the subregional scale. The approach is outlined in Figure 5.

Under this approach, SGS defined a number of land use classifications (CLUs) based on the different land use requirements of each use. The employment CLUs included:

- Strategic centre retail and office space – Retail, accommodation, and Professional services in key centres (subregional scale)
- Bulky goods retail (subregional scale)
- Other retail and office space - Retail, accommodation, and Professional services not in key centres (LGA scale)
- Local industry – Local Light industry and services (LGA scale)
- Subregional industry – Urban Services, Subregional Warehousing and Freight and Logistics (subregional scale)
- Footloose industry – Manufacturing, major Freight and Logistics (Metro-wide scale)
- Dispersed – Remaining industries and broad land uses (LGA scale).

2.4 Summary

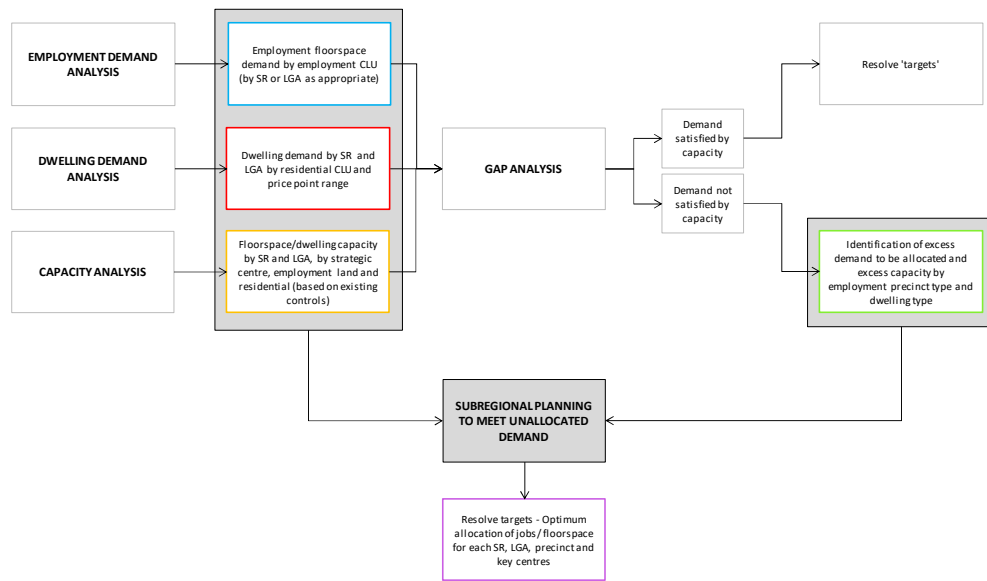
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Examining the evidence from this section, approaches can be identified as best practice where they involve:

- consideration of demand and supply including both current and projected needs
- categorisation of industrial precincts based on type of industrial activities
- categorisation of industrial precincts based on geographic level e.g. local and subregional
- consideration of strategic or prime industrial precincts at a metropolitan level
- a comprehensive review process which requires demonstration that the land is no longer required over the long term prior to consideration of alternative uses or needs
- separation of the categorisation of industrial land based on use from rezoning considerations.

FIGURE 5: OVERVIEW OF BEST PRACTICE METHOD FOR SUBREGIONAL PLANNING



Stage	Summary
Employment demand analysis	<ul style="list-style-type: none"> develop employment scenarios by CLU based on BTS ANZSIC forecasts (with the BTS forecast as the base case) Process involves business preference survey and a number of workshops or research steps Evaluation of scenarios to select preferred (or those for testing).
Dwelling demand analysis	<ul style="list-style-type: none"> convert population forecasts into dwelling projections (demand) by dwelling type (detached, terraces and flats/apartments), using census data on revealed preference trends, adjusted as necessary by surveys of 'stated' preferences (given 'real life' trade offs re price and location etc).
Capacity analysis	<ul style="list-style-type: none"> develop an understanding of capacity under existing controls, recognising absolute constraints and excluding non-feasible development.
Gap analysis	<ul style="list-style-type: none"> determine whether there is enough capacity to satisfy demand or whether demand outweighs supply and therefore subregional planning is required (next step) Inputs are one, employment floorspace demand (aggregated to three key employment precinct types relevant to subregional planning level), dwelling demand by residential CLU and two, floorspace/dwelling capacity.
Subregional planning to meet unallocated demand	<ul style="list-style-type: none"> develop heat/opportunity maps for suitability by CLU, feasibility by CLU and suitability by CLU considering policy/strategy. Present all this evidence including the employment floorspace demand and dwelling demand and identification of excess capacity to a process for the Subregional Delivery Boards. The general aim is to set targets or aims by precinct or LGA by CLU for local councils to resolve, having understood the data and the state government's aims (detailed resolution for particular locations of state interest may be required at the subregional level – as envisaged by the White Paper).

Source: SGS Economics and Planning, 2014

3. EMPLOYMENT LANDS ASSESSMENT FRAMEWORK

This section of the report contains a review of the framework developed through the *Metropolitan Adelaide Industrial Land Strategy* and applied within the *Charles Sturt Industrial Land Study*. Comments have been provided regarding the appropriateness of the framework and method of application.

3.1 Charles Sturt assessment framework

The *Charles Sturt Industrial Land Study*, prepared for City of Charles Sturt in 2008, adopts a framework developed under the *Metropolitan Adelaide Industrial Land Strategy*. The Strategy identifies five major types of industrial activity:

- **Traditional, heavy industry** that is transportation-dependent, which usually has an export focus and needs access to rail terminals and sea ports. It also needs to be buffered from competing activities
- **Warehousing and distribution centres**, which generally have low employee density compared to traditional industry, are multi-modal and/or freeway-dependent and tend to be location specific. They are generally located in existing industrial areas or in new locations, especially around major road interchanges.
- **New and emerging industrial uses**, including high-tech, biotech and some specialised manufacturing and research and development activities. They are most productive when adjacent to similar companies and their non-industrial suppliers and support systems. Suitable locations for these activities include many mixed-use zones, provided their scale, design and operational characteristics are compatible with surrounding uses
- **Older industrial areas**, which contain ageing businesses, buildings and infrastructure. Because they are generally located in inner suburban areas, they are attractive for redevelopment of higher order (e.g. product research and development) industrial activity and possibly commercial (such as bulky goods) and residential activity
- **Trade service industries**, which provide trade services such as mechanical repairs, construction and other light industries at a suburban scale and are distributed across the metropolitan area.

3.2 Strategic industrial areas

The *Metropolitan Adelaide Industrial Land Strategy* defines strategic industrial areas based on their economic importance to the State, significant export function, extent of infrastructure investment and future industrial land supply. These precincts are expected to be afforded long term protection from incompatible or competing uses.⁶

SGS comments

Designation as strategic industrial lands is commonly considered at a metropolitan level. The *Charles Sturt Industrial Land Study* does not involve an assessment of strategic industrial areas as they have already been identified across Adelaide through the *Metropolitan Adelaide Industrial Land Strategy*.

⁶ Colliers International Consulting Services (SA) 2008 Charles Sturt Industrial Land Study, p. 39

3.3 Prime Industrial Area

The framework involves a Prime Industrial Area assessment which identifies prime industrial areas based on 12 criteria. These 12 criteria relate to:

- its location relative to other industry, and to freight routes, supply chains, labour pools and infrastructure, and
- the level of opportunities and constraints regarding such things as potential to accommodate local services, 24 hour operations and/or expansion of existing operations, together with the nature of interfaces with other uses and local access arrangements.

The 12 criteria from the *Metropolitan Adelaide Industrial Land Strategy* are:

- a) the land is contiguous to other industrial activities
- b) the land is well located in relation to supply chains and service providers
- c) the land offers potential for on-site expansion of existing industrial businesses
- d) the land is well located in relation to skilled labour pools
- e) the land is well located to take advantage of existing or proposed infrastructure or other economic development
- f) the land is well located in relation to freight connections and other important road and/or rail networks
- g) the land provides, or offers potential for the provision of, small industrial businesses serving the local area
- h) the land provides sufficient space for adequate parking and turning space for industrial vehicles
- i) the land offers potential for 24-hour operations
- j) the land has minimal or no adjoining use constraints
- k) the land provides unconstrained vehicle access and exit
- l) the land can be commercially developed with infrastructure and site preparation for future industrial activities.

A slightly amended list of criteria was adopted in the *Charles Sturt Industrial Land Study*:

- a) Being adjacent to other industrial precincts, which provides general observation on connectivity and critical mass.
- b) Proximity to other employment centres, such as commercial centres
- c) Have a good relationship to supply chains (e.g: conglomeration of supporting/similar types of businesses)
- d) Having the potential to accommodate expansion which will primarily apply to major users. Where such users exist, the potential then depends on:
 - Whether these larger business want to expand?
 - Is expansion the best option?
- e) Having a good relationship (i.e. access to transport links) to skilled labour pools, which is best applied across the LGA.
- f) Having good infrastructure connections.
- g) Having good freight connections, related primarily to arterial roads and other connections.
- h) Being suitable for small industry, i.e. range of building typologies'
- i) Providing adequate parking and manoeuvring capacity
- j) Having capacity for 24 hour operation – consider types of uses and vehicles which may use the Precinct
- k) Having an absence of adjoining use constraints, for example proximity to residential development
- l) Having unconstrained vehicle access and exit and connectivity to the freight network.

Within the *Charles Sturt Industrial Land Study*, a scoring system was used. Using the above criteria, a precinct is scored a 1, 2 or 3:

- 1 if it is clearly not well aligned to the criteria
- 2 if it is aligned to the criteria, but with some qualifications
- 3 if it is clearly well aligned to the criteria

A total score is calculated for each precinct and this is used to determine whether the precinct is a Prime Industrial Area. It is unclear whether the *Metropolitan Adelaide Industrial Land Strategy* included a scoring process.

SGS comments

A review of the 12 criteria (from the *Metropolitan Adelaide Industrial Land Strategy*) has been conducted with focus as to whether the criteria are relevant (refer to Table 2). The criteria generally cover the main considerations for the location of prime industrial land including access to appropriate infrastructure, supply chain links, labour and protection from land use conflict. However, there are a number of issues with the criteria namely:

- it is not clear if the criteria were originally intended to be used for a quantitative scoring assessment or merely as a reference guide for the suitability of industrial land.
- scoring against the criteria introduces difficulties as some of the criteria will be more important to specific industry types
- there is potential for double counting with overlapping across a number of criteria. This places significant importance on vehicle access and infrastructure and will likely result in some locations performing better than others. The criteria are skewed towards heavier/ traditional industry types. Local service/ mixed industrial precincts may attract lower scores as a result.
- the framework does not acknowledge the different types of industrial activities and the differing roles of each activity and therefore site or precinct locational requirements.

TABLE 2: REVIEW OF PRIME INDUSTRIAL AREA CRITERIA

Criteria	Comments
a) the land is contiguous to other industrial activities	<ul style="list-style-type: none"> ▪ This criterion relates to trip minimisation and maximising sunk infrastructure investment. ▪ This criterion is considered relevant to all industrial uses.
b) the land is well located in relation to supply chains and service providers	<ul style="list-style-type: none"> ▪ This criterion relates to trip minimisation and business efficiency including clustering and agglomeration economies. ▪ This criterion is considered relevant to all industrial uses.
c) the land offers potential for on-site expansion of existing industrial businesses	<ul style="list-style-type: none"> ▪ It is difficult to see how this could be applied. A well-functioning precinct that has no room for expansion could be important to retain compared to a poorly tenanted site or precinct with vacancies. The expansion needs will vary by business type.
d) the land is well located in relation to skilled labour pools	<ul style="list-style-type: none"> ▪ This criterion relates to trip minimisation. ▪ The type of skills required will vary depending on the type of industrial uses concentrated in the precinct. This will be difficult to assess without detailed analysis of types of businesses and occupations and labour force catchments.
e) the land is well located to take advantage of existing or proposed infrastructure or other economic development	<ul style="list-style-type: none"> ▪ This criterion relates to maximisation of sunk infrastructure investment. ▪ It applies to all industries but some infrastructure (e.g. rail vs airport vs port vs motorway) may only apply to a particular industry type.
f) the land is well located in relation to freight connections and other important road and/or rail networks	<ul style="list-style-type: none"> ▪ This criterion relates to maximisation of sunk infrastructure investment. ▪ This criterion will be more important for some industry types than others. ▪ There is potential for double counting with criterion (e) and therefore placing significant importance on infrastructure.

g) the land provides, or offers potential for the provision of, small industrial businesses serving the local area	<ul style="list-style-type: none"> This criterion will only be relevant to small businesses and may not be relevant to prime industrial areas.
h) the land provides sufficient space for adequate parking and turning space for industrial vehicles	<ul style="list-style-type: none"> This criterion will be more important for some industry types than others, particularly logistics.
i) the land offers potential for 24-hour operations	<ul style="list-style-type: none"> This criterion will be more important for some industry types than others.
j) the land has minimal or no adjoining use constraints	<ul style="list-style-type: none"> This criterion is important for all industrial uses. There is potential for some overlap with criterion (i) as potential for 24-hour operations would likely be associated with adjoining uses and potential for land use conflict.
k) the land provides unconstrained vehicle access and exit	<ul style="list-style-type: none"> This criterion is important for majority of industrial uses. This criterion is to some extent a double count of (h) as relates to parking and turning space.
l) the land can be commercially developed with infrastructure and site preparation for future industrial activities.	<ul style="list-style-type: none"> Feasibility of redevelopment as industrial is an appropriate consideration for the site.

Source: SGS Economics and Planning, 2017

As mentioned above, the criteria are skewed to the traditional and large industrial uses such as warehousing and distribution centres. This is apparent when comparing the criteria against the different types of industrial activities identified in the *Metropolitan Adelaide Industrial Land Strategy* (refer to Table 3).

TABLE 3: MATRIX OF CRITERIA AND INDUSTRIAL LAND USES

Criteria	Traditional, heavy industry	Warehousing and distribution centres	New and emerging industrial uses	Older industrial areas	Trade service industries
a) the land is contiguous to other industrial activities	✓	✓	✓	✓	✓
b) the land is well located in relation to supply chains and service providers	✓	✓	✓	✓	✓
c) the land offers potential for on-site expansion of existing industrial businesses	✓	✓			
d) the land is well located in relation to skilled labour pools	✓	✓	✓	✓	✓
e) the land is well located to take advantage of existing or proposed infrastructure or other economic development	✓	✓			
f) the land is well located in relation to freight connections and other important road and/or rail networks	✓	✓			
g) the land provides, or offers potential for the provision of, small industrial businesses serving the local area			✓	✓	✓
h) the land provides sufficient space for adequate parking and turning space for industrial vehicles	✓	✓			

i)	the land offers potential for 24-hour operations	✓	✓			
j)	the land has minimal or no adjoining use constraints	✓	✓		✓	
k)	the land provides unconstrained vehicle access and exit	✓	✓		✓	✓
l)	the land can be commercially developed with infrastructure and site preparation for future industrial activities.				✓	

Source: SGS Economics and Planning, 2017

3.4 Rezoning Assessment

The *Charles Sturt Industrial Land Study* notes that the rezoning potential of a precinct is a separate matter to the question of whether or not a precinct is a Prime Industrial Area⁷.

Appendix E of the *Charles Sturt Industrial Land Study* outlines the original Rezoning Industrial Land Assessment Framework from the *Metropolitan Adelaide Industrial Land Strategy*. Under this Framework, industrial land may be suitable for other uses if:

- a) the land does not form part of a Strategic Industrial Area or a Prime Industrial Area
- b) the site is no longer conducive to continued industrial activities and there will be compelling community or economic benefits through alternative uses
- c) the rezoning will not affect (individually or cumulatively) nearby industries by, for example restricting operating hours, delivery times, or the capacity of the local transport network.

A Statement of Intent, which must be submitted along with a proposal to rezone a site or precinct for non-industrial activities, is required to include the following investigations:

- a) an evaluation of the land against the Prime Industrial Land criteria (as detailed above)
- b) evidence that the land is without realistic prospect of industrial re-use
- c) an evaluation of the potential for other industrial- or employment-generating land uses (i.e. commercial, office, retail) on the site.

The Rezoning Assessment Framework within the *Charles Sturt Industrial Land Study* provides criteria under which land may be considered to be suitable for other uses:

- It is not a prime industrial area
- It is no longer conducive to industrial use
- There are compelling reasons for allowing an alternative use
- The change will not impact adversely on existing industry.

Specifically, the *Charles Sturt Industrial Land Study* adopts the following criteria:

- Not a prime industrial area
- Not conducive to industrial use
- Compelling reasons for change
- No adverse impacts on existing industry
- Pre-existing non industrial development
- High commercial prospectively
- High economic prospectively
- Proximity to railway station small number of affected owners
- To resolve an interface issue
- Isolated pocket

⁷ Colliers International Consulting Services (SA) 2008 Charles Sturt Industrial Land Study, p. 75

SGS comments

A review of the rezoning assessment criteria (from the Metropolitan Adelaide Industrial Land Strategy) has been broadly conducted (refer to Table 4). The separation of this assessment from the prime industrial area assessment is important and the protection of strategic and prime industrial areas from rezoning is appropriate. The criteria generally reflects a precautionary approach in that there needs to be a compelling reason for change.

The assessment does not consider the different types of industrial activities and therefore different roles of industrial precincts. The importance of local population serving industrial precincts is not reflected in the criteria.

There is also no consideration of demand and supply of industrial land. Existing land should not be rezoned if there is a demonstrable need or shortage and alternative industrial opportunities do not exist.

Consideration of community or economic benefit is an important and relevant consideration. However, this should be considered if the site is no longer conducive to continued industrial activities or the industrial activities could be better provided on an alternative site.

TABLE 4: REVIEW OF REZONING ASSESSMENT FRAMEWORK

Criteria	Comments
a) the land does not form part of a Strategic Industrial Area or a Prime Industrial Area	<ul style="list-style-type: none"> ▪ This suggests that if a precinct is not strategic or prime then it will be a target for rezoning. While this may be appropriate, it is important to ensure that consideration is given to the local service role of some industrial precincts.
b) the site is no longer conducive to continued industrial activities and there will be compelling community or economic benefits through alternative uses	<ul style="list-style-type: none"> ▪ This criterion may be better separated into two considerations. ▪ The site being no longer conducive to continued industrial activities should consider the different types of industrial activities and suitability against these uses. ▪ Whether or not there are compelling community or economic benefits should be a secondary consideration <u>if</u> the site is no longer conducive to continued industrial activities.
c) the rezoning will not affect (individually or cumulatively) nearby industries by, for example restricting operating hours, delivery times, or the capacity of the local transport network.	<ul style="list-style-type: none"> ▪ Land use conflict is an important consideration and appropriate to include. ▪ Greater emphasis should be placed on potential for cumulative impacts associated with a rezoning.

Source: SGS Economics and Planning, 2017

3.5 Summary

The approach developed through the *Metropolitan Adelaide Industrial Land Strategy* and implemented through the *Charles Sturt Industrial Land Study* has been reviewed. The separation of the classification of strategic and prime industrial areas, and the rezoning assessment is considered to be appropriate and reflects the best practice approaches outlined above. However, a number of issues or gaps have been identified in relation to the Prime Industrial Area framework:

- it is not clear if the criteria were originally intended to be used for a quantitative scoring assessment or more qualitative discussion. Scoring against the criteria introduces difficulties as some of the criteria will be more important to specific industry types
- the framework does not acknowledge the different types of industrial activities and the differing roles of each activity and therefore site or precinct locational requirements.
- there is potential for double counting with overlapping across a number of criteria. The criteria are skewed towards heavier/ traditional industry types. Local service/ mixed industrial precincts may attract lower scores as a result.

The approach to the rezoning assessment is broadly appropriate. However,

- the assessment does not consider the different types of industrial activities and therefore different roles of industrial precincts. The importance of local population serving industrial precincts is not reflected in the criteria.
- there is no consideration of demand and supply of industrial land. Existing land should not be rezoned if there is a demonstrable need or shortage and alternative industrial opportunities do not exist.
- consideration of community or economic benefit should only be given if the site is no longer conducive to continued industrial activities.

4. REVIEW OF GEORGES RIVER APPROACH

This section of the report contains a review of the process undertaken by Georges River to review its industrial precincts based on the information and reports provided. The precinct level assessment has also been reviewed with a focus on understanding whether the recommendations are appropriate and supportable.

4.1 Overview of approach

Georges River Council has applied the Prime Industrial Area framework to industrial precincts across the LGA to identify which precincts are Prime Industrial Areas. Council has scored the importance of each industrial precinct across Georges River LGA against 12 Prime Industrial Area criteria:

1. Being adjacent to other industrial precincts, which provides general observation on connectivity and critical mass.
2. Proximity to other employment centres, such as commercial centres
3. Have a good relationship to supply chains (e.g.: conglomeration of supporting/similar types of businesses)
4. Having the potential to accommodate expansion which will primarily apply to major users. Where such users exist, the potential then depends on:
 - Whether these larger business want to expand?
 - Is expansion the best option?
5. Having a good relationship (i.e. access to transport links) to skilled labour pools, which is best applied across the LGA.
6. Having good infrastructure connections.
7. Having good freight connections, related primarily to arterial roads and other connections.
8. Being suitable for small industry, i.e. range of building typologies'
9. Providing adequate parking and manoeuvring capacity
10. Having capacity for 24 hour operation – consider types of uses and vehicles which may use the Precinct
11. Having an absence of adjoining use constraints, for example proximity to residential development
12. Having unconstrained vehicle access and exit and connectivity to the freight network

This reflects the approach adopted within the *Charles Sturt Industrial Land Study*. Each precinct was given a score from 1 to 3 for each of the criteria and a cumulative score was calculated.

The cumulative scores have then been used to categorise the precincts as follows:

- **Prime industrial precincts** (top end of the score card [30-36]) where the employment generating nature must be protected.
- **Protected industrial precincts** (middle ranking precincts) where the current industrial capacity can and should be retained and protected, but where it is currently either on a scale which does not warrant a prime industrial precinct designation or where a less industrially focused zone may be appropriate for all or part of the Precinct.

- **Investigation precincts** (bottom end [score 19 or less]) which are clearly not prime industrial precincts and are best suited to an alternative (i.e. non-industrial) use in the longer term⁸.

The categorisations across Georges River are detailed in Table 5.

TABLE 5: CATEGORISATION OF INDUSTRIAL PRECINCTS IN GEORGES RIVER

Precinct	Categorisation
Peakhurst	Protected Industrial precinct
Kingsgrove	Prime industrial precinct
Carlton	Protected industrial precinct
South Hurstville – Halstead Street	Investigation precinct
Blakehurst	Protected industrial precinct
Beverly Hills – Penshurst Street	Investigation precinct
Hurstville – Hurstville East	Investigation precinct
Penshurst – Forest Road	Protected industrial precinct
Penshurst – Penshurst Lane	Investigation precinct

Source: Georges River Council, 2017

Note: The Hurstville – Hurstville East precinct will not be investigated as a Planning Proposal to rezone the site from part IN2 Light Industrial and part R2 Low Density Residential to B4 Mixed Use has been lodged. Council receive a Gateway Determination on 19 October 2017.

SGS comments

The application of the method in Georges River does not recognise the different roles of industrial precincts across the metropolitan level. The rezoning assessment framework has not been applied. The Prime Industrial Area assessment has been used to infer whether or not a precinct should be rezoned. This is not the intention of the framework established through *the Metropolitan Adelaide Industry Strategy* and *Charles Sturt Industrial Land Study*. As noted in the *Charles Sturt Industrial Land Study* report, the rezoning assessment is supplementary to the Prime Industrial Area assessment. Whether or not a site should be rezoned should not be based entirely on whether it is considered ‘prime’ or ‘strategic’.

Scoring lower on the table does not necessarily mean the precinct is unsuitable for industrial use, it just means less suitable than the higher ranks.

The investigation areas should be assessed against the rezoning assessment framework which would consider the feasibility of industrial uses and consideration of broader social and economic benefits.

The approach has no inherent test against current or projected need for industrial land, or for specific types of industrial use (such as heavy manufacturing, light manufacturing, local service industrial and urban services) and at varying geographic levels (local, district, metropolitan or state).

4.2 Precinct level

As mentioned above, Georges River has undertaken an assessment of each of the industrial precincts within the LGA. This assessment includes detail on the size of the precinct, planning controls, any submissions received, the strengths and opportunities of the precinct, the draft

⁸ Georges River Council 2017, Council Report: CCL149-17 Draft Georges River LGA Employment Lands Study - Review of Lands Zone IN2 - Light Industrial

employment lands study recommendations and the assessment of the precinct against the Prime Industrial Area criteria.

A score is provided for each of the 12 criteria and in some instances a statement is provided as justification for the score.

A classification (as detailed above) and a recommendation for the future of the precinct is provided.

SGS comments

The application of the framework at the precinct level has been reviewed to determine whether the precinct level recommendations that the framework has produced are appropriate and supportable.

The issues with the application of the framework more broadly have been discussed above and remain relevant.

Further detail on each of the scores should be provided. Limited detail was provided for each criterion and there is limited evidence within the assessment sheets to support the scoring. For example, limited detail is provided with the scoring for criterion 3 - 'Have a good relationship to supply chains (e.g. conglomeration of similar types of businesses)'. To score this accurately, a deep understanding of the supply chains of each business is required.

In some instances, a lack of consistency in the scoring was observed. For example Peakhurst scored a 2 with the following justification 'The Precinct is situated within walking distance to a small B1 – Neighbourhood centre (provides take away food facilities)'.

There is evidence of double counting across criteria, 9, 10 and 12 with precincts generally scoring the same for each of these criteria (refer to Table 6). This places significant emphasis on vehicle access.

All precincts scored 3 for criteria 8 – being suitable for small industry. As this is the only criterion that relates to smaller industrial precincts, this reduces the relative importance of this criterion and again places further importance on the larger industrial precincts.

TABLE 6: SUMMARY OF SCORES

Precinct	1	2	3	4	5	6	7	8	9	10	11	12	Total
Peakhurst	1	2	3	3	1	1	2	3	3	3	3	2	27
Kingsgrove	3	3	3	3	3	3	3	3	3	3	3	3	36
Carlton	1	2	3	3	2	2	1	3	3	3	3	1	27
South Hurstville	1	1	1	1	1	1	1	3	3	1	1	1	16
Blakehurst	1	1	3	1	2	3	3	3	1	1	1	1	21
Beverly Hills – Penshurst St	1	1	1	1	1	2	1	3	2	1	1	1	16
Hurstville – Hurstville East	1	2	1	1	2	1	1	3	1	1	1	1	16
Penshurst – Forest Road	1	2	3	1	3	2	1	3	3	1	1	1	22
Penshurst – Penshurst Ln	1	3	1	1	1	1	1	3	2	1	1	1	17

Source: Georges River Council, 2017

In terms of investigation precincts, the report states that – 'The precincts at the bottom end (score 19 or less) are clearly not prime industrial precincts and are best suited to an alternative (i.e. non-industrial) use in the longer term'⁹. Minor amendments to the scores can have a significant impact on the results and categorisation. This would not be as significant if the framework was merely being used to categorise precincts as 'prime' or 'not prime'.

⁹ Georges River Council 2017, *Assessment Sheets – Industrial Precincts*

However, where the score of 19 is used as a threshold for rezoning consideration, small changes to scores matter. A separate rezoning assessment should take place prior to a decision around a zoning change. This should not be inferred solely from the industrial suitability results.

Again, the precinct level assessment should not be detached from a consideration of demand and supply and the appropriateness of different precincts for different types of industrial uses.

4.3 Summary

Georges River Council has used the *Charles Sturt Industrial Land Study* framework to score precincts and has then divided these precincts into three categories based on rank:

- **Prime industrial precincts** (top end of the score card [30-36]) where the employment generating nature must be protected.
- **Protected industrial precincts** (middle ranking precincts) where the current industrial capacity can and should be retained and protected, but where it is currently either on a scale which does not warrant a prime industrial precinct designation or where a less industrially focused zone may be appropriate for all or part of the Precinct.
- **Investigation precincts** (bottom end [score 19 or less]) which are clearly not prime industrial precincts and are best suited to an alternative (i.e. non-industrial) use in the longer term.

As noted above, under this approach:

- The criteria do not apply equally to all industry types
- There is some potential for double counting
- The framework is skewed towards heavier/ traditional industrial land users
- The rezoning criteria and assessment process has not been used
- There is no inherent test against current or projected need at any level.

The results presented in the precinct review are not robust due to the method adopted.

5. RECOMMENDATIONS

The approach adopted by Georges River in its review of the industrial precincts across the LGA has been reviewed with a focus on whether the methodology has been appropriately applied and whether the recommendations are supportable. The issues with this approach have been outlined above.

There is a limited supply of industrial land in the south district of Sydney. There is significant pressure on industrial land conversion and therefore importance should be placed on rigorous rezoning assessment and adoption of the precautionary principle in line with directions from the GSC.

SGS considers that a better approach would:

- Consider the needs of the most difficult industrial activities to place/ important industry types first (i.e. large scale urban services, heavier industry).
- Consider industrial needs at different spatial levels (i.e. local, subregional and metropolitan). For example, if there is a district level need but no opportunity in any other part of the district then this should be brought into the local assessment.
- Consider the needs of different industry types. This would not have to be as detailed as CLU level and could include, for example, the five industries outlined in the *Charles Sturt Industrial Land Study* (traditional, heavy industry; warehousing and distribution centres; new and emerging industrial uses; older industrial areas; and trade service industries). This would ensure that appropriate provision is made for all types of industrial function – including smaller scale population serving industry.
- Separate the assessment of the suitability of industrial land for each identified type, from the rezoning assessment.

Next steps for assessing rezoning proposals

The following steps will bring Councils existing approach more closely in line with the approach recommended above.

1. Strengthen Council's industrial lands assessment framework

Smaller 'urban services' precincts are the most vulnerable to rezoning. The existing framework does not adequately protect these areas. Specific criteria should be added to the framework based on an assessment of the suitability of each industrial precinct for local service industrial uses (e.g. car repairs, joinery, building supplies). This would include consideration of:

- Proximity to population: local industry is heavily population driven and this is important to provide services to its customer base
- Vehicle access for customer and service suppliers
- Proximity to local retail centres for customers and employees
- Lot sizes: local industry does not necessarily require large lot sizes for operation and therefore smaller lots will be suitable.

To provide an overarching understanding of the 'case for change' Council should build on the draft Georges River Employment Lands Study with a detailed demand and supply analysis by type of industrial land use. This should include:

- Floorspace forecasts by different land use types for example, warehousing and distribution, large scale traditional industry, large scale urban services and local population serving uses).
- Current capacity based on vacant floorspace, vacant lots and intensification potential on development lots under current controls
- Current and projected gaps between supply and demand for the various classes of industrial use

2. Establish guidelines for assessing rezoning proposals

It is expected that Georges River Council will continue to receive planning proposals to rezone industrial land within the LGA. Council should ensure it adopts a consistent process for the assessment of these proposals.

In broad terms, a sequential testing approach is appropriate. This would consider:

1. Capacity versus demand
2. Site suitability
3. Economic impacts.

It is recommended that Council requires that any future rezoning requests for industrial lands are accompanied by a rezoning assessment. In addition to the usual planning considerations, this must demonstrate that the following tests are passed:

- The site or precinct is not a 'prime industrial' area
- There is sufficient industrial zoned land to meet future demand in the local area . This assessment should consider the type of industrial land use proposed for rezoning.
- The site or precinct is no longer conducive to industrial use
- There are compelling reasons for allowing an alternative use on the site or precinct
- The change will not impact adversely on existing employment uses (including displacement of jobs¹⁰)
- The change will have a net community benefit.

¹⁰ Just looking at net job loss runs the risk of underestimating the value of industrial land. This is as the flow on effects of a loss of industrial land on supply chains (in terms of both customers and suppliers) also needs to be considered.

APPENDIX 1

1.1 Business and Industrial Zones

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 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 Secretary of the Department of Planning and Environment.

Consistency

- (5) A planning proposal may be inconsistent with the terms of this direction only if the relevant planning authority can satisfy the Secretary of the Department of Planning and Environment (or an officer of the Department nominated by the Secretary) 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 Secretary of the Department of Planning and Environment, 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, Regional Plan or Sub-Regional Strategy prepared by the Department of Planning and Environment which gives consideration to the objective of this direction, or
 - (d) of minor significance.

Note: In this direction, "identified centre" means a centre that has been identified as a strategic centre, regional city or centre in a regional strategy, regional plan, sub-regional strategy, or another strategy approved by the Secretary.

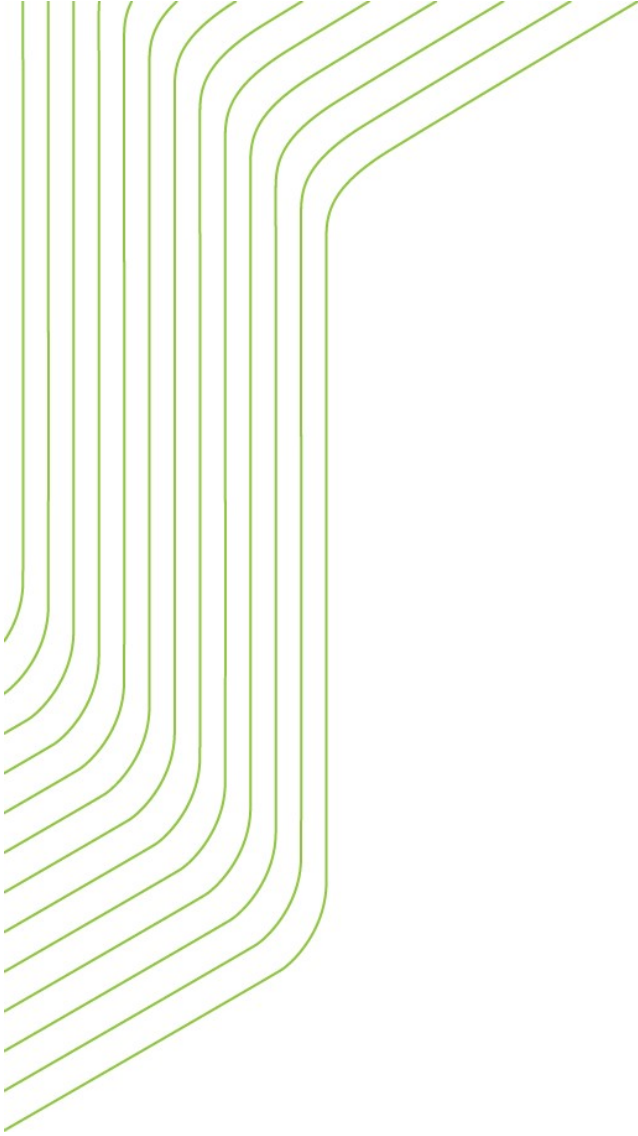
APPENDIX 2

Matter for consideration for comprehensive municipal review in Toronto

During a Municipal Comprehensive Review, the City will assess requests to convert lands within Employment Areas, both cumulatively and individually, by considering matters such as whether:

- There is a demonstrated need for the conversion(s) to meet population forecasts allocated to the City in the Growth Plan for the Greater Golden Horseshoe;
- The City will meet the employment forecasts allocated to the City in the Growth Plan for the Greater Golden Horseshoe;
- There is a demonstrated need for the conversion(s) to mitigate existing and/or potential land use conflicts;
- The lands are required over the long-term for employment purposes;
- The conversion(s) will adversely affect the overall viability of the Employment Area and maintenance of a stable operating environment for business and economic activities with regard to the:
 - compatibility of the proposed land use with existing employment uses or employment uses permitted in the zoning by-law in the Employment Area;
 - interference with the function of existing employment uses by affecting Environmental Compliance Certificates of industries and their renewal, or complaints of adverse effects to the Ministry of the Environment under the Environmental Protection Act which could require changes to industrial operations or restrict operating hours;
 - ability to provide appropriate buffering of employment uses from sensitive residential and institutional uses;
 - implementation of the Ontario Ministry of the Environment D series guidelines for compatibility between industry and sensitive uses or any successor guidelines;
 - impact on the affordability of property or building leases or land purchase costs for employment uses and tax assessments in the Employment Area;
 - reduction or elimination of visibility of, and accessibility to, employment lands or uses;
 - impact upon the capacity and functioning of the transportation network and the movement of goods for existing and future employment uses;
 - removal of large and/or key locations for employment uses; and
 - maintenance of the identity of the Employment Area.
- The existing or planned sewage, water, energy and transportation infrastructure can accommodate the proposed conversion(s);
- In the instance of conversions for residential purposes, sufficient parks, libraries, recreation centres and schools exist or are planned within walking distance for new residents;
- Land already appropriate designated and zoned for the proposed non-employment use(s) is available outside of Employment Areas;
- New residents or institutional users on the lands would be adversely affected by noise, vibration, odours and other air emissions, dust and other particulates or other contaminants;
- The ability to provide opportunities for the clustering of similar or related employment uses is maintained;

- A sufficient supply of optimum-sized land parcels is maintained in the Employment Area for the range of permitted employment uses;
- Employment lands proximate to essential linkages, such as supply chains, service providers, markets, and necessary labour pools are preserved;
- Employment lands are strategically preserved near important transportation infrastructure such as highways and highway interchanges, rail corridors and airports to facilitate the movement of goods;
- The proposal(s) to convert lands within an Employment Area will maintain and grow, or potentially diminish the City's tax base;
- The proposal(s) to convert lands in an Employment Area will help to maintain a diverse economic base accommodating and attracting a variety of employment uses and a broad range of stable full-time employment opportunities in Toronto;
- The conversion(s) will retain work opportunities for residents of nearby neighbourhoods; and
- Cross-jurisdictional issues have been considered.



Contact us

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