

Draft Eastern District Plan

Submission_id: 31420

Date of Lodgment: 14 Dec 2017

Origin of Submission: Online

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Organisation type: Industry

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Submission content: Submission prepared by CW Strategic Planning Services on behalf of Dexus

Number of attachments: 1

DEXUS submission on

DRAFT EASTERN CITY DISTRICT PLAN

December 2017

Prepared by



Strategic Planning Services

On behalf of



Executive Summary

The draft district planning process purports to provide the strategic planning link between metropolitan, regional and local planning with a key focus on the three city metropolis and land use, transport and infrastructure planning. It is intended to guide the preparation of local environmental plans and be a key matter for consideration in the preparation and consideration of planning proposals.

Dexus has now reviewed the *Draft Greater Sydney Region Plan* (Draft Region Plan) and revised *Draft Eastern City District Plan* (Draft District Plan) within the context of the Draft District Plan's stated ability to guide key decisions in relation planning matters. However, the review has focused primarily how the Draft Plan might guide Dexus' own decision making in relation to land known as the Lakeside Business Park in Botany, specifically, the potential for the co-location of jobs and housing on what is considered an underutilized site.

Findings

The review found that the Draft District Plan does not provide the type of guidance required to inform regional and local planning outcomes consistent with the policy objectives of both the Draft Region and Draft District Plans. As with the 2016 Draft District Plan, the revised 2017 Draft District Plan continues to be dominated by broad policy statements which are not supported by clear actions, spatial outcomes and appropriate timeframes.

The Draft District Plan does not identify opportunities for the co-location of employment and housing, nor opportunities for urban renewal outside the collaboration areas, and beyond which might be considered by council's as medium density infill development. The failure to identify these opportunities in the final District Plan is likely undermine the effectiveness of council residential strategies to deliver housing targets as identified in the Draft District Plan.

There also remains ambiguity around the priority of maintaining industrial zoned and urban services land, and whether it applies to business zones with limited or no industrial and urban service type uses. The matter should be clarified in the final District Plan and in doing so a more strategic approach adopted for underutilized employment land where it can be clearly identified that the co-location of jobs growth and housing would not compromise the overall priority of protecting industrial zoned and urban services land. This would enable business to deliver on competing planning priorities consistent with the objectives of both the Draft Region and Draft District Plans.

The review also highlighted that the majority of the recommendations identified in the Dexus review of the 2016 Draft Plan had not been addressed in the revised Draft District Plan. The aim of these recommendations was to ensure that the final District Plan provided a balance between broad scale policy objectives and spatial recognition within local plans.

In the absence of these recommendations being addressed, it is highly unlikely that the final District Plans will provide business with the confidence required to invest in long term development outcomes that would result in sound planning outcomes with benefits to the wider community.

Recommendations

The Draft District Plan should be amended to:

1. identify opportunities for the co-location of employment growth and urban renewal within the District (**Section 3.1**);

2. identify expanded opportunities for housing capacity that is not in collaboration areas or constitute medium density infill development **(Section 3.2)**;
3. encourage standard local housing strategies to be adopted by councils which acknowledge recommendations 1 & 2 and adopt location-specific dwelling targets and clear steps for implementation including regular monitoring **(Section 3.2)**;
4. clarify the ambiguity around employment related lands particularly in relation to what constitutes industrial and urban services land, and wider employment generating lands including business zones **(Section 3.3)**;
5. notwithstanding the outcome of 4 above, adopt a more flexible and strategic approach to co-locating jobs growth and urban renewal within underutilized business zones provided it can be demonstrated that additional uses such as residential will not compromise jobs growth **(Section 3.3)**: and
6. address the recommendations of the Dexu review of the 2016 Draft District Plan **(Section 4)**.

1. Background

The Lakes Business Park is located approximately 12 km south of Sydney CBD, 3km west of Sydney Airport and 6km west of Port Botany. The Business Park consists of two precincts: North and South Precinct. The South Precinct (11-13 Lord Street, Botany) is a small (2.9ha) rectangular shaped lot while the North Precinct (2-12 Lord Street, Botany) is a larger irregular site (9.5ha). The Lakes Business Park is bound by public open space to the north and north east, Booralee Park to the south east, residential development to the south, and a mix of commercial to the east. The Lakes Business Park comprises predominantly office uses with some light industrial.

In recent years Dexus, supported by the local council has identified the opportunity to redevelop the Lakes Business Park into the Lord Street Precinct comprising a high end employment hub in the northern part of the Business Park while at the same time creating an attractive and vibrant residential component within the southern part of the Park that would transition to the residential neighborhood in the south.

Dexus considers that the site offers significant opportunities for increased employment whilst at the same time introducing an element of residential development to create a liveable place consistent with the broader principles within both the Draft Region and Draft District Plans. It would respond to the changing nature of employment in the area and provide for jobs growth whilst at the same time delivering a range of housing types with significant community benefit including affordable housing.

However, the opportunity to deliver this vision continues to be thwarted by the rigidity and lack of clarity relating to housing capacity and employment lands within the 2016 Draft District Plan, and again in the revised Draft District Plan.

2 Draft Greater Sydney Region Plan

The GSC has prepared the Draft Region Plan to replace *A Plan for Growing Sydney* and provide the blueprint for Metropolitan Sydney for the next 40 years. The Draft Plan is a broad vision based around a global metropolis of three cities being the emerging Western Parkland City, the Central River City, and the Eastern Harbour City.

The Draft Region Plan promotes the need for people to live close to jobs and services so each of the three cities need to have more housing in the right places. Housing and jobs need to be aligned with new or improved infrastructure. The key principle underpinning the three city metropolis is the ability of people to commute to their nearest city within 30 minutes.

The Draft Region Plan provides broad policy and direction in four key areas, infrastructure and collaboration, liveability, productivity and sustainability. These principles form the core of the 5 district plans which have been developed to provide the bridge between the *Draft Region Plan* and local planning.

3 Draft Eastern City District Plan

The Draft District Plan aims to guide growth over the next 20 years consistent with the 40 year vision established in the Draft Region Plan. The Draft District Plan which covers the LGAs of Canada Bay, Burwood, Strathfield, Inner West, Sydney, Woollahra, Waverly, Randwick and Bayside aims to guide strategic decision and plan making at the local level. Ostensibly, local plan making needs to be consistent with the Draft Region Plan. The Draft

District Plan adopts the same broad principles established in the Draft Region Plan being infrastructure and collaboration, liveability, productivity and sustainability.

3.1 Infrastructure and Collaboration

The Draft District Plan aims to coordinate infrastructure and land use planning to maximise the use of existing and future infrastructure and better support communities. At the State level, the coordination of infrastructure and land use planning within the District is reflected in collaboration areas such as the Randwick Health and Education Precinct, Rhodes East, Camperdown-Ultimo health and Education Precinct and Bayside West. Led by the Department of Planning and Environment, urban renewal is aligned with infrastructure and opportunities coordinated and optimized to deliver greater liveability outcomes.

However, there are other areas in the District such as the Lakeside Business Park where urban renewal and increased employment should be coordinated and optimized to deliver similar liveability outcomes as achieved in the collaboration areas. Yet beyond the collaboration areas, the Draft District Plan provides limited guidance or actions as to how these opportunities might be identified and realized leaving it ostensibly to local planning processes, specifically, the council residential strategies and their focus on medium density infill development.

To guide long term planning outcomes, the final District Plan should spatially identify opportunities for the co-location of employment and urban renewal, in particular, where those opportunities fall outside the collaboration areas and are unlikely to be considered as medium density infill development given their scale.

3.2 Liveability

Housing

The Draft Plan aims to provide direction for creating a city for people, housing for the city and great places including diversity, people and planning, increasing housing supply including diversity of housing and affordable and social housing. The Draft plan:

- promotes the delivery of housing types in the right locations;
- promotes place-based planning and design excellence;
- encourages places that are designed built and managed to encourage people to walk and cycle; and
- promotes a placed based and collaborative approach to maintain and enhance liveability using the following planning principles
 - Providing services and social infrastructure to meet people's needs
 - Fostering healthy, creative, culturally rich and socially connected communities
 - Providing housing supply, choice and affordability with access to jobs and services
 - Creating and renewing great places and local centres

With an expected population growth of 325,000 people an additional 157,500 will be required across the District by 2036.

Collaboration areas and council prepared local residential strategies are to deliver the District's housing needs. In preparing residential strategies, councils will need to consider creating housing capacity in the right locations; support investigation of opportunities for alignment with investment in regional and district infrastructure; and support the role of centres. Other locational criteria identified in the District Plan include:

- alignment with investment in regional and district infrastructure;
- accessibility to jobs;
- accessibility to regional transport; and
- walking distance of centres with rail, light rail or regional bus transport.

The Draft District Plan identifies the role of collaboration areas in the delivery of housing with the council residential strategies to deliver the remaining housing supply predominantly as medium density infill development. However, the Draft District Plan does not identify urban renewal opportunities located outside collaboration areas that would be considered beyond the scope of medium density infill development. This is despite the strong policy position on the need for urban renewal and the need to meet the identified housing targets.

The Draft District Plan should identify new and expanded opportunities for housing capacity in areas that are not collaboration areas or medium density infill development. The 2016 Draft Plan stated that 'investigation areas' would be identified with the potential to provide additional housing. Yet this concept has not been progressed in the 2017 District Plan leaving a significant gap in the identification and opportunity for urban renewal in the right locations. This is likely to undermine the success of the local council residential strategies to deliver on housing targets.

The GSC should identify additional opportunities for housing capacity within the District that is not in collaboration areas or constitute medium density infill development. The GSC should also develop ensure that local housing strategies are prepared by councils that adopt location-specific dwelling targets and clear steps for implementation.

3.3 Productivity

Productivity relates to the 30 minute city and the integration of jobs, housing and transport to provide for a more accessible city and a strong economy. By integrating jobs growth with new or enhanced transport infrastructure it will deliver a well connected region. Several planning priorities are identified to improve productivity within the District including growing international trade gateways, protecting industrial and urban services land and supporting growth within targeted industry sectors.

Employment Land

The 2016 Draft District Plan required planning authorities, in the absence of a District-wide assessment of employment lands, to take a precautionary approach to rezoning employment and urban service lands, or adding additional permissible uses that would hinder their role and function.

Consistent with the Draft Region Plan, the 2017 Draft District Plan now identifies that in the Eastern Harbour City all industrial zoned and urban services land should be protected from conversion to residential development, including conversion to mixed - use zoning. This is justified on the basis that there is strong competition for space from non-urban services industries that seek proximity to Sydney Airport and Port Botany.

The contribution of industrial zoned and urban services land to the economy, and in particular the Port and Airport is acknowledged. However, there are a number of concerns relating to the interpretation and the implementation of this key planning priority that should be addressed in the final Draft District Plan.

The GSC should clarify what constitutes industrial zoned and urban services land. While 2016 Draft District Plan aimed to protect employment and urban services land, the 2017 Draft District Plan aims to protect all industrial zoned and urban services land. Industrial zoned land is described as existing industrial, manufacturing, warehousing and distribution industries while urban services are described as motor vehicle services, printing, waste management, courier services and concrete batching plants.

The mapping used in the 2017 Draft District Plan to identify industrial zoned and urban services land has been sourced from the Department of Planning and Environment's Employment Lands Register. The register defines employment land as land:

“zoned for industrial or similar purposes in planning instruments. They are generally lower density employment areas containing concentrations of businesses involved in: manufacturing; transport and warehousing; service and repair trades and industries; integrated enterprises with a mix of administration, production, warehousing, research and development; and urban services and utilities”.

The Register states that:

“Employment Lands have been categorised into precincts. These Employment Land Precincts were initially defined along industrial zone boundaries. Due to the implementation of the Standard Instrument Local Environmental Plan, these precincts may now include other business zones which permit a number of industrial uses”.

It is not clear whether business parks such as Lakeside, which are mapped as industrial zoned and urban services land within the 2017 Draft District Plan, are covered by the planning priority to protect such land. For example, the GSC's stated action of reviewing all industrial and urban services land within the *Draft Central City District Plan* to confirm its protection or transition to higher order uses such as business parks suggests otherwise. Further, the Draft District Plan states that the Eastern City District has large tracts of industrial and urban services land and significant tracts of employment land making a distinction between the two types of employment use, although the latter is not defined.

This is further complicated by statements within the Draft District Plan which suggest that business parks are not covered by the planning priority. These include statements that:

- Councils should guide the transition of business parks into mixed employment precincts including where appropriate, ancillary residential to support the business park; and
- Business parks must be developed as urban places which can transition into higher amenity and vibrant places while maintaining the main role as an employment precinct.

These statements suggest that the priority of maintaining industrial zoned and urban services land does not apply to business zones, or if it does, absolute protection of such employment land is not justifiable, particularly where there are opportunities for co-located employment growth and urban renewal consistent with the other key planning priorities within both the Draft Region and Draft District Plan.

The GSC should clarify the ambiguity around employment related lands particularly in relation to what constitutes industrial and urban services land, and wider employment generating lands including business zones.

Dexus asserts that sound planning outcomes can be achieved through value-added employment uplift in appropriate locations, funded through a residential component provided it does not compromise overall employment objectives. The Dexus vision for the Lakeside Business Park reflects this approach and would be consistent with key principles espoused in the Draft region

Plan which would aim to:

- attract skilled people and innovation.
- plan for jobs, housing and essential services
- preserve and grow our industrial economy to cater for industry, urban services and the new economy
- ensure urban renewal projects deliver liveability and sustainability outcomes
- ensure the low car use and high proportion of walking and cycling to work is maintained
- deliver diversity of housing choices, including affordable local housing, better and more social housing

The final District Plan should adopt a more flexible and strategic approach to co-locating jobs growth and urban renewal within underutilized business zones based on based innovative approaches to employment uplift and additional permitted uses such as retail and residential uses consistent with the themes of creating greater places and a more liveable city as promoted by the Draft Region Plan.

4 Review of 2016 Draft District Plan and key recommendations.

Following its review of the 2016 Draft District Plan, DexuS made several recommendations aimed at ensuring that the final District Plan was a functioning and workable document. However, these recommendations have not been addressed or progressed. These related to:

- the need for spatial expression of the vast array broad policies;
- the need to measure priorities and actions and their implementation;
- the role of the Draft Plans in the assessment of DAs;
- the need for guidance on balancing competing priorities;
- clarification of employment lands and their management;
- the provision of tangible and location-specific dwelling targets and clear steps for implementation including regular update/monitoring;
- the role of the GSC in imposing, monitoring and enforcing dwelling yields on local councils;
- more detail of the proposed affordable housing scheme and the implementation of the 5%-10% affordable housing target; and
- the need for greater guidance on the issue of value capture.

The GSC should address these recommendations and those identified by the review of the current draft to provide business with the certainty and confidence required to invest in long term development outcomes.

5 Conclusion

The review found that the Draft District Plan does not provide the type of guidance required to inform regional and local planning outcomes consistent with the draft Region Plan. As with the 2016 Draft District Plan, the 2017 Draft District Plan is dominated by broad policy statements which are not supported by clear actions, spatial outcomes and appropriate timeframes.

The Draft Plan does not identify opportunities for the co-location of employment and housing, nor opportunities for urban renewal outside the collaboration areas and beyond which might be considered by council's as medium density infill development. There remains ambiguity around the priority of maintaining industrial zoned and urban services land, and whether it applies to business zones with limited or no industrial and urban service type uses. The matter should be clarified and in doing so a more strategic approach adopted for land where it can be clearly identified that to co-locating jobs growth and housing on underutilized land would not compromise the overall priority of protecting industrial zoned and urban services land.

A number of recommendations have been identified, that along with the recommendations identified in the DexuS review of the 2016 Draft District Plan would ensure the final District Plan provides a balance between broad scale policy objectives and the translation of these policy

objectives into local plans. The consideration and adoption of these recommendations would provide business with the certainty and confidence to invest in long term development outcomes that would help deliver the strategic objectives of Draft Region Plan for the benefit of both Dexus and the broader community.