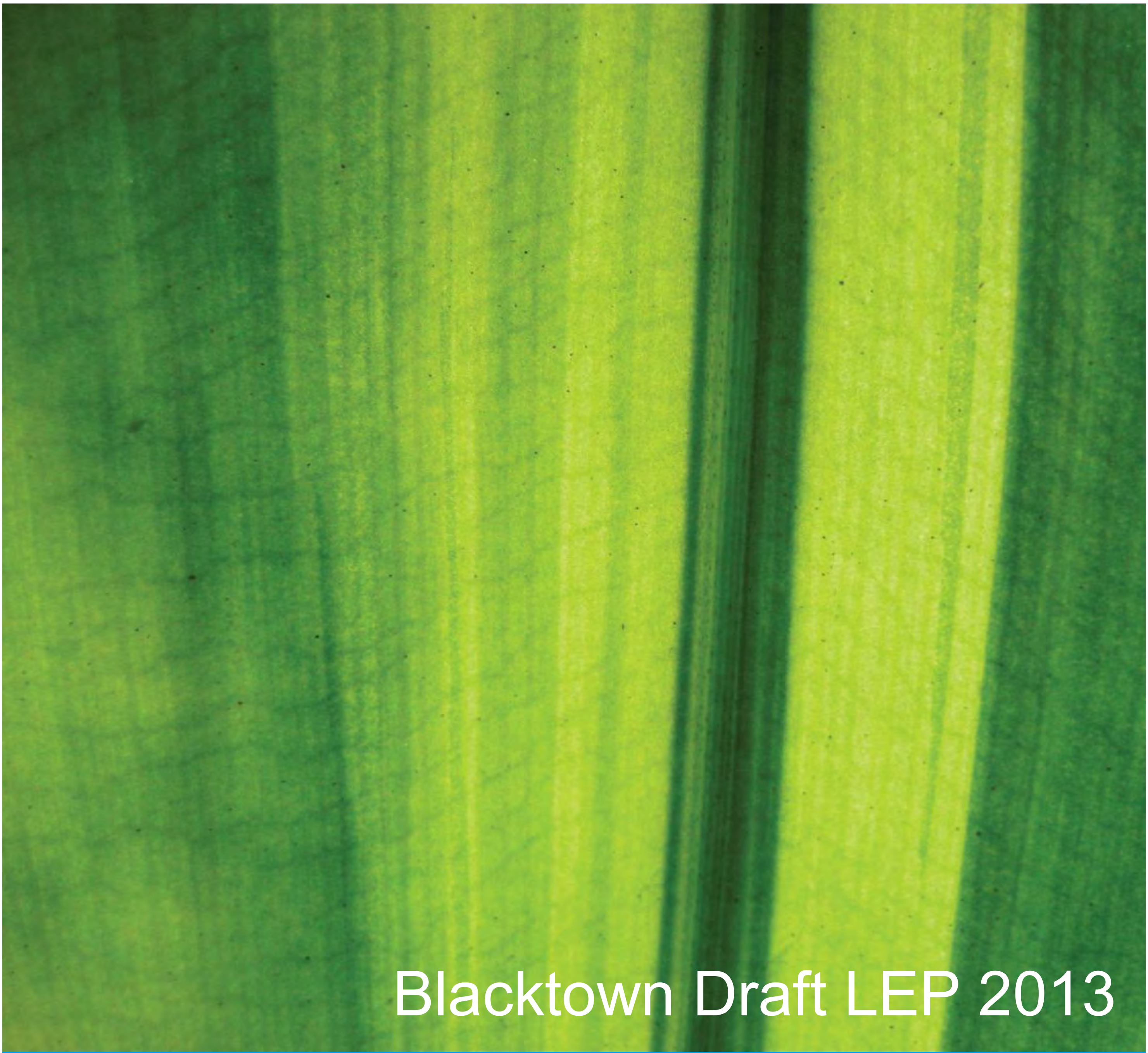

Blacktown Draft LEP 2013

Submission on behalf of Sell & Parker Pty Ltd

April 2013

urbis

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The Draft LEP proposes to rezone all the existing 4(a) General Industrial zoned land north of the CBD to a B7 Business Park.

We have reviewed the Draft LEP and understand the vision for a new B7 Business Park Zone north of the Blacktown CBD. However, based on the support studies and forecast lack of market demand we raise concern with the strategic rationale for the proposed extent and delivery of the rezoning of the existing general industrial lands to B7 Business Park Zone.

The proposed rezoning would result in numerous existing employment supporting businesses being prohibited within the precinct. Our key concerns with the proposed zoning of the precinct are:

- The rezoning has no regard to existing uses within the precinct.
- The precinct has key characteristics to support continued general industrial land uses.
- Demand for Business Park land has not been identified by supporting studies.
- The scale of the business park exceeds long-term market demand.
- Rezoning of the whole precinct at one time will reduce opportunity to create clustering of new businesses, which is a key driver of business park success.
- The precinct is highly fragmented, comprising approximately 306 allotments, which will not support large floorplate buildings desired in business parks.

The proposed rezoning of the Business Park Precinct to prohibit industrial uses would result in the following adverse outcomes:

- Potential for a number of existing industrial uses within the area becoming prohibited uses, thereby having to rely on existing use rights which would significantly impact on their ability to expand and grow their business and employment.
- Linked to the above, potential relocation costs for expanding business could be substantial and could affect their on-going viability. In the case of Sell & Parker, the business has identified that the cost of relocating to another premises could be in excess of $40m given the highly specialised *in-situ* plant that could not be readily relocated. This would be a major undertaking, especially as Blacktown City Council encouraged Sell & Parker to locate at their current site in 1996.
- In the event that Sell & Parker were forced to cease operating this would result in a loss of up to **64** direct jobs on-site plus another **150** supply chain jobs. It would have a significant impact on sustainability initiatives across Metropolitan Sydney, as the site is only one of two metal recycling plants serving the Sydney basin.
- This loss of employment could be replicated at other industrial premises within the Precinct.

Whilst Sell & Parker are not opposed to the long-term vision of a business park within the precinct, this submission seeks reconsideration of the proposed scale and delivery of the B7 Business Park zone, and requests Council:

- Rationalise the volume of land to be included within the future B7 Business Park Zone;
- Incrementally rezone the exiting general industrial precinct to respond to market demand;

- Restrict the initial extent of the B7 Zone to land adjacent to the existing Blacktown CBD to increase opportunity for clustering of businesses and to leverage from locating near commercial development in the CBD and transport infrastructure;

- Limit the ultimate extent of the future business park to the land south of Breakfast Creek, which would form the natural buffer for the separation of land uses; and

- Include the long-term business park vision for the precinct in an endorsed strategic planning policy which would provide landowners with a long-term strategic direction for the precinct, and guide investment decisions relating to technology and purpose-built improvements.

1 Introduction

Urbis has prepared this submission to the Draft Blacktown LEP 2013 on behalf of our client, Sell & Parker Pty Ltd ('Sell & Parker'), who are the owners of 23, 45, 46, 50 and 58 Tattersall Road, Kings Park (the 'Sell & Parker land'). This land holding equates to approximately 6.9 hectares of land situated in the general industrial precinct (the 'precinct') north of the Blacktown CBD.

The Sell & Parker land is located on Tattersall Road north of Breakfast Creek. It is situated in the existing general industrial precinct which is characterised by uses reflective of its zoning.

Sell & Parker own and operate a metal recycling facility at 45 Tattersall Road, Kings Park. The current operations were approved under two separate Development Applications, with the operations on the northern portion of the site including a hammermill being approved by the Land and Environment Court in 2001 (*Sell & Parker Pty Limited v Blacktown Council [2001] NSWLEC 12*).

Sell & Parker have operated from the site at Tattersall Road since 1997, and currently employ 64 staff. Sell & Parker staff earn an average wage of $82,079 pa, well above the average industrial wage, being commensurate to white collar wages. The majority of these employees are local, and have specialised skills for metal recycling operations, positioning them as specialised employees rather than general industrial workers. Since the establishment of the Tattersall Road facility, site-specific machinery has been installed with a capital investment of more than $40 million. The scale of investment in the site was made based on the long-term locational benefits the site has for Sell & Parker's operations, including:

- Well serviced by the regional motorway network which allows for metals to be delivered from across Sydney to the site, which is one of two metal recycling facilities in the Sydney metropolitan areas with a hammermill / metal shredder; and

- Located within an established general industrial zone, which is characterised by similar and compatible industrial land uses including vehicle repair shops and other recycling facilities.

On this basis, Sell & Parker have purchased several surrounding sites, including 23 Tattersall Road, with the intention to seek approval for the future expansion of their facility. The company has also purchased a number of investment properties with tenants on short remaining leases on properties specifically designed for manufacturing uses.

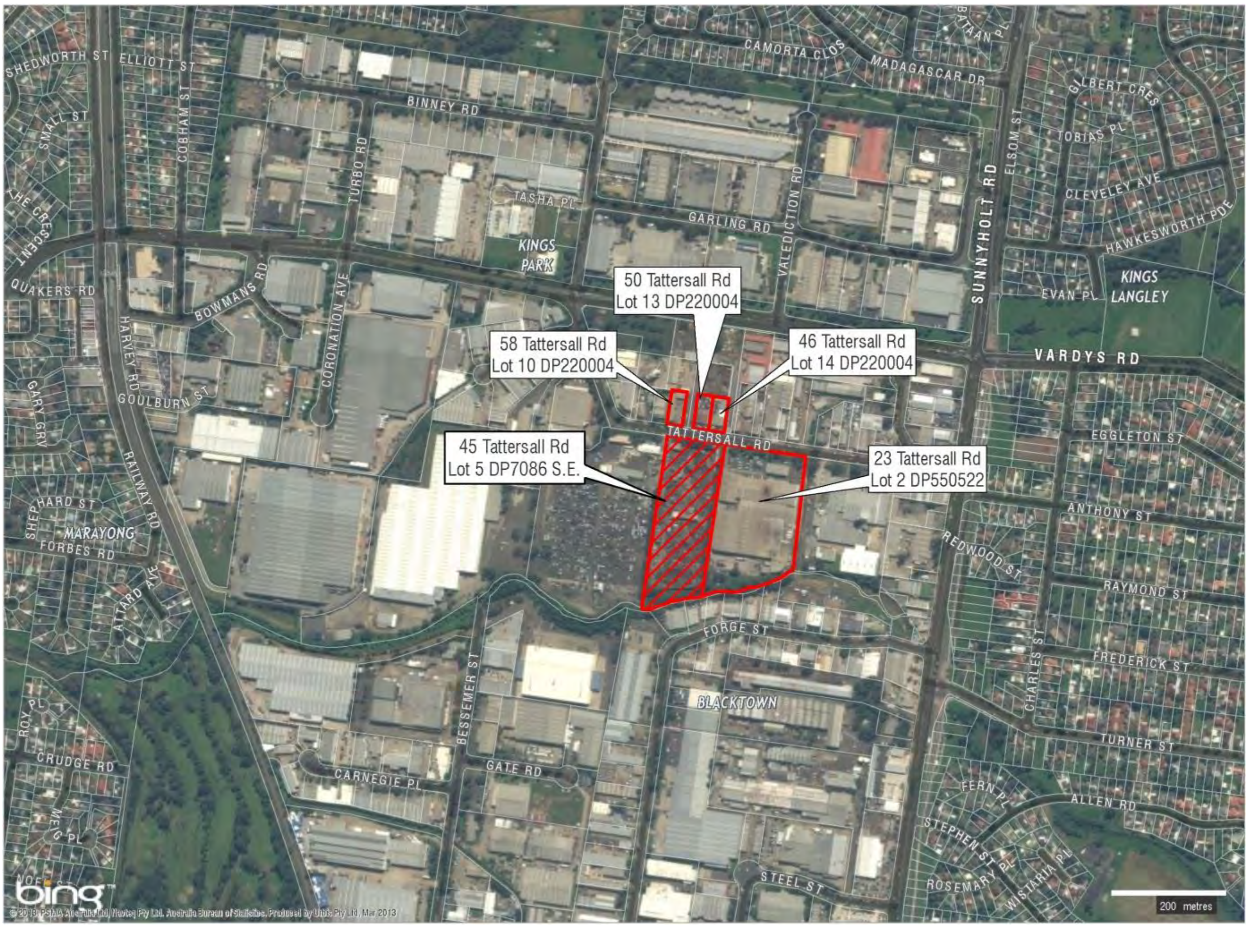
2 The Sell & Parker Site and Surroundings

The Sell & Parker lands comprise 23, 45, 46, 50 and 58 Tattersall Road, Kings Park, and have a total overall area of approximately 6.9 hectares, and are identified in **Figure 1** below. All these lands are located north of Breakfast Creek, and are primarily serviced by Vardys Road.

The metal recycling facility is located at 45 Tattersall Road Kings Park, with an area of approximately 2.86 hectares. The site has a northern street frontage to Tattersall Road and a southern boundary defined by Breakfast Creek. The facility is hatched on the aerial image in **Figure 1**.

FIGURE 1 – AERIAL IMAGE OF SELL & PARKER FACILITY

(Source: NSW Land and Property Information)



The site is within the broader Blacktown/Kings Park industrial precinct, which extends from the Blacktown CBD in the south to Faulkland Crescent Reserve in the north, and is bound by Sunnyholt Road to the east and the Richmond Railway Line to the west. The precinct may be accessed via Sunnyholt Road.

Breakfast Creek is a natural waterway which flows through the centre of the precinct, and acts as a boundary within the precinct. Sites to the north of Breakfast Creek are generally accessed via Vardys Road, while sites to the south connect directly to Sunnyholt Road. The M7 Motorway on-ramp/off-ramp approximately 1km to the north.

The precinct serves a diverse range of industrial, manufacturing and warehousing purposes, and according to the *Blacktown City Centre Masterplan*, the precinct provides more than 10,600 jobs.

3 Planning Controls

3.1 EXISTING PLANNING CONTROLS

The *Blacktown Local Environmental Plan 1988* (the 1988 LEP) is currently the relevant planning instrument applying to the site. Under the 1988 LEP, the site is zoned 4(a) General Industrial, which permits a broad range of industrial, manufacturing, warehousing and distribution land uses.

The 1988 LEP applies the 4(a) General Industrial zone to a substantial proportion of Blacktown's industrial land. While land to the north of Vardys Road is zoned 4(b) Light Industrial, the 4(a) zone is a comprehensive land use control which allows for diversity of employment-generating uses. It is noted that the 1988 LEP has applied the 4(a) General Industrial zone across the site for 25 years, and has supported the development of the precinct for a wide range of industrial uses reflective of its zoning.

3.2 FRAMEWORK PROPOSED BY THE DRAFT LEP

The *Blacktown City Centre Masterplan* (the Masterplan) is the primary strategic document informing the Draft LEP controls for the subject site and precinct. The Masterplan identifies seven City Centre Precincts broadly within a 2km radius of the Blacktown City Centre. The Masterplan proposes significant changes to land uses and development intensities within the City Centre Precincts. The Masterplan identifies the industrial precinct north of the Blacktown City Centre as the 'Business Park Precinct'.

The Masterplan acknowledges the strategic location of the Business Park Precinct close to the Blacktown CBD and existing major transport infrastructure, and identifies the area is a *'vital economic and employment area'*. However the Masterplan has limited regard to the important role the precinct currently serves, including supporting more than 10,600 jobs. Accordingly, the planning and implementation of the Masterplan and associated rezoning must be sensitive to current and future business operators in the precinct.

3.3 PROPOSED DRAFT BLACKTOWN LEP CONTROLS

In accordance with the Masterplan, the Draft LEP proposes to rezone the precinct B7 Business Park, as shown in **Figure 2** below. The B7 zone prohibits all industrial uses except for *'light industries'* and *'warehouse or distribution centres'*, creating a substantial change to the existing permissible land uses across the 181[1] hectares of land within the precinct.

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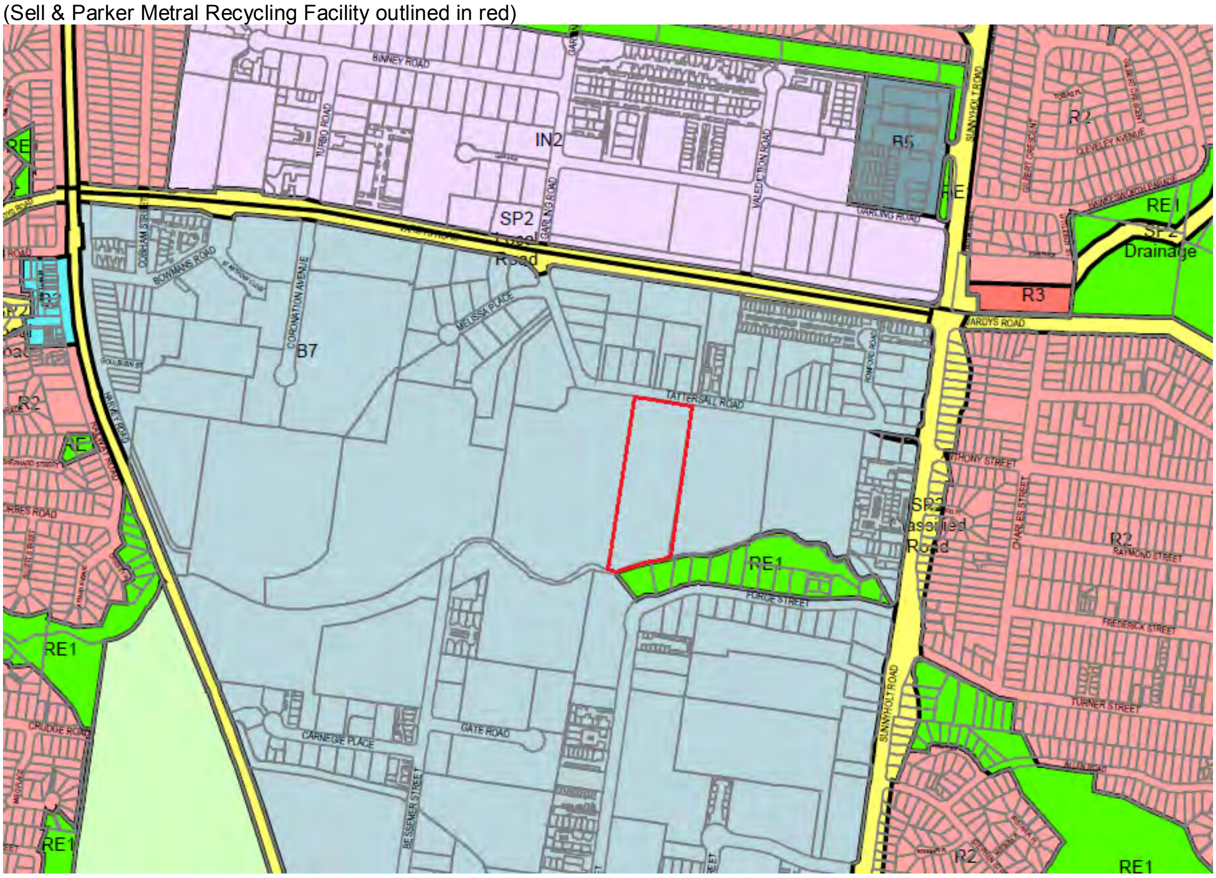
[1] *Excludes Roads. Source: Urbis*

FIGURE 2 – EXTRACT, DRAFT BLACKTOWN LOCAL ENVIRONMENTAL PLAN 2013 ZONING MAP

(Sell & Parker Metral Recycling Facility outlined in red)



The Draft LEP applies the additional following development controls relevant to the site:

- A building height standard of 32 metres;
- Design excellence requirements for the construction of new buildings; and
- The reservation of lots to the south side of Breakfast Creek for acquisition by Council for the development of local open space.

It is noted that the Masterplan includes an extension of Forge Street over Breakfast Creek between 45 and 57 Tattersall Road to connect to Tattersall Road, and an extension of Chicago Avenue to connect to Third Avenue, however these road extensions are not included in the Draft LEP maps (including the Land Reservation Acquisitions Map). The proposed public recreational zone along Breakfast Creek extend to the residential area to the east and west of the precinct, however the Draft LEP proposes this zone only extends to the bend in Forge Street.

4 Key Concerns with the Draft LEP 2013

4.1 REZONING HAS NO REGARD TO EXISTING USES WITHIN THE PRECINCT

IMPACT ON EXISTING OPERATORS AND EXISTING JOBS

The 4(a) general industrial zoning of the precinct has remained largely unchanged since the gazettal of the LEP in 1988. This has resulted in a wide range of general industrial uses locating and investing in the precinct for many years. The Masterplan highlights that the precinct supports more than 10,600 jobs, largely comprising manufacturing and general industrial jobs.

The rezoning of this precinct to accommodate business park uses will result in the displacement of existing operators, including Sell & Parker. On review of the Draft LEP, it appears that no new general industrial zoned land is proposed to replace this precinct. This may result in the existing operators within the precinct being forced to relocate outside of the Blacktown LGA, and a loss of existing jobs from the Blacktown LGA.

SUITABILITY OF THE PRECINCT TO SUPPORT GENERAL INDUSTRIAL LAND USES

While the long-term vision to transform the precinct into a business park is understood, there is no immediate demand for business park operators within the precinct, and limited demand projected to 2036. This is discussed in detail in section 5 of this submission.

Conversely, there are existing industrial operators within the precinct which benefit from the short to medium term retention of the existing general industrial zone. The precinct is well located with good separation from sensitive land uses, and well serviced by the Transit-way and regional motorway network.

To introduce a zone which precludes the on-going use of the land for existing employment industries would effectively sterilise the land in the short to medium term, during which there is no identified demand for the proposed new zoned land.

Rezoning will prohibit existing businesses from expanding their current operations and investing further in local jobs. Buildings held by investors have been purpose built for manufacturing and would need to be redeveloped at significant cost to meet the new zoning requirements for tenants for which there is no acknowledged demand.

4.2 SCALE OF THE BUSINESS PARK PRECINCT

EXCEEDS LONG-TERM MARKET INTEREST IDENTIFIED IN COUNCIL'S STATISTICAL ANALYSIS

The Business Park precinct represents a drastic change to spatial planning for the Blacktown CBD. Within the precinct of 181 hectares, approximately 172 hectares will be rezoned from 4(a) General Industrial to B7 Business Park under the Draft LEP. While this may reflect a long-term spatial planning ambition for Council, the scale of the precinct-wide rezoning at a single point in time is not supported by demand analysis undertaken by Council consultants.

The Hill PDA report which informed the preparation of the Masterplan and Draft LEP assesses the likely employment changes in the Blacktown City Centre to 2036. It expects that by 2036, there will be a net increase in demand for manufacturing and wholesale trade floor space of **60,750 sq.m** in the area identified for the Business Park Precinct. By contrast, the report anticipates a net demand increase of just **2,070 sq.m** for commercial floor space in the proposed business park precinct in the same period.

The Hill PDA report identifies the need for the precinct to accommodate new manufacturing floorspace which may include high-technology manufacturing or research and development, as well as more traditional manufacturing sectors such as rubber and polymer, furniture, and warehousing and logistics.

When comparing the forecast demand for new manufacturing floorspace in this precinct with the forecast demand for commercial floorspace, it is evident that the rezoning of the precinct to support a business park is a long-term strategic vision (i.e. beyond 2036) to deliver a broad spectrum of jobs to the local labour force. Based on employment forecasts it is clear that the majority of this land is required to support manufacturing and other industrial jobs.

Although there may be demand for a smaller business park precinct closer to the Blacktown CBD in the short to medium term, the rationale and evidence base for the scale of the business park precinct is not presented in the Blacktown City Centre Masterplan (exhibited with the draft LEP). Accordingly, there does not appear to be any clear link between the recommendations of the Hill PDA report and the proposed zoning of the precinct presented in the Draft LEP.

COMMERCIAL FLOORSPACE AVAILABILITY IN BLACKTOWN CBD

The significant development uplift generated by the recently-gazetted *Blacktown Local Environmental Plan (Central Business District) 2012* (the CBD LEP) must also be considered. The CBD LEP provides for commercial buildings up to 72 metres in parts of the city centre, far exceeding any existing built form in the LGA. This proposes a radical change to not only Blacktown's built form but its economic role and function. This will provide a land supply able to accommodate the anticipated commercial floor space demand for the City Centre to 2036, identified as 43,320 sq.m in the Hill PDA report. More detailed assessment is provided in **Section 5** of this submission.

Given the CBD LEP will significantly increase potential commercial floor space in the Blacktown CBD area, the release of some 181 hectares of B7 Business Park zoned land concurrently has the potential to undermine market interest in the Blacktown City Centre through disbursing commercial floorspace interest over a wider area, and reducing the likelihood that initial investment in the City Centre will be clustered. This could ultimately lead to *ad hoc* development across the precinct which will not attract key anchor tenants which seek to benefit from co-locating with other related businesses.

SCALE RELATIVE TO OTHER BUSINESS PARKS IN SYDNEY

The proposed new Business Park Precinct comprises approximately 181 hectares. This is comparable to other major established business parks in the broader Sydney metropolitan area.

Norwest (including Bella Vista) has been progressively expanded and developed over the past 25 years to reach its current size of approximately 165 hectares. The precinct was originally underdeveloped rural lands primarily in single ownership. Recent studies undertaken by Urbis have indicated that Norwest Business Park still has 15% vacancy rate and significant potential for further expansion.

The Macquarie Park precinct has strong railway connections to other parts of the Sydney and its development has evolved over decades, with key educational infrastructure and large land holdings being the key catalysts for its success. While Macquarie Park has an overall area of 340 hectares, the B7 Business Park zoned land comprises 156 hectares. Despite its status in the Global Economic Corridor, there remains significant land in Macquarie Park to accommodate business park uses.

The proposed Blacktown Business Park seeks to rezone 181 hectares of land to B7 Business Park, which will be greater than either of these existing business park precincts, which are identified as 'Specialised Centres' in Sydney. It is noted that it has taken decades for these business parks to achieve their current occupancy rates and that Macquarie Park is still seeking to devise a planning framework to achieve its infrastructure delivery plan which is stifling further investment.

4.3 CONSISTENCY WITH PLANNING POLICY AND STRATEGIES

CONSISTENCY WITH METROPOLITAN PLANNING OBJECTIVES

Ministerial Direction 1.1, issued under Section 117(2) of the *Environmental Planning and Assessment Act 1979*, provides heads of consideration for land use zoning changes for business and industrial lands. Amongst other requirements, a proposed planning instrument must not 'reduce the total potential floor space area for industrial uses in industrial zones', unless it is justified by a:

- Study prepared concurrently to a proposed planning instrument;
- Metropolitan or subregional strategy; or
- Local strategy endorsed by the Department of Planning and Infrastructure.

As discussed above, it is not considered that the Blacktown City Centre Masterplan or the extent of the proposed B7 zoning in the draft LEP accurately reflects lack of demand for business park floorspace in this area in the face of employment forecasts or extensive existing and planned supply of competitive sites. Similarly, there is no strategic policy prepared or endorsed by State government which gives rise to the proposed changes.

It is also the finding of this submission that the proposed changes contradict objectives of the Metropolitan Plan for Sydney and the Draft North West Subregional Strategy.

Action E3.3 of the Metropolitan Plan for Sydney aims to *'strengthen existing freight and industry clusters and support emergence of new clusters'*. Under this Action, the Blacktown-Seven Hills area is identified as a *'significant freight industry cluster'*. This recognises the region's industrial character and good access to road infrastructure. The business park zoning would restrict the potential of the area to operate as a freight cluster, and hence would contradict metropolitan planning directives.

DRAFT METROPOLITAN STRATEGY

The *Draft Metropolitan Strategy for Sydney to 2031* (the Draft Strategy) is currently on public exhibition until 31 May 2013. The Draft Strategy proposes a framework to assess proposed rezoning of industrial lands. This assessment framework includes a criteria 'checklist' to determine the suitability of the rezoning proposal, which are:

- *Is the proposed rezoning consistent with State and / or Council strategies on the future roles of industrial lands?*
- *Is the site:*
    - *Near or within direct access to key economic infrastructure?*
    - *Contributing to a significant industrial cluster?*
- *How would the proposed rezoning impact the industrial lands stock in the subregion and the ability to meet future demand for industrial land activity?*
- *How would the proposed rezoning impact on the achievement of the subregional/regional and LGA employment capacity targets and employment objectives?*
- *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?*
- *Is the site critical to meeting the need for land for an alternative identified in other NSW Government or endorsed council planning strategies?*

While there is no government direction or practice note on the interpretation of these criteria, it is evident that the proposed business park meets some of the criteria. However the proposed business park does not meet the following criteria:

- *Consistency with State and / or Council strategies on the future roles of industrial lands* – the precinct is identified in the Draft Strategy as 'employment lands', similar to other industrial land uses, while it is noted that existing business parks are identified as 'specialised precincts'. Accordingly, this shows the current position of State Government is that the precinct should remain industrial land.

- *Contributing to a significant industrial cluster* – the precinct comprises 181 hectares of industrial use land supporting over 10,600 jobs, and would classify as a '*significant industrial cluster*'.

- *Compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future* – to the contrary, analysis prepared for Council in the preparation of the draft LEP indicates that there is forecast demand for 60,750 sq.m of industrial floorspace within the precinct by 2036, and only 2,070 sq.m of commercial floorspace demanded within the same period (Discussed further in Section 5).

On this basis, the consistency of the proposed rezoning of these industrial lands with the Draft Strategy and the industrial land rezoning criteria is questionable.

4.4 MARKET DEMAND

Urbis' own property market analysis confirms that there is likely to be little long term demand for business park floorspace within the proposed B7 zone, and that there is already an extensive supply of existing and planned business park sites and premises within the Greater Western Sydney Region to meet long term demand. This is discussed in detail in **Section 5**.

4.5 DELIVERY FRAMEWORK

While the long-term vision of a business park within the Blacktown City Centre is understood, the delivery of 181 hectares of business park land to the market at a single point in time has the potential to undermine the long-term objective.

REDUCE OPPORTUNITY FOR CLUSTERING OF NEW BUSINESSES

The success of business parks is dependent on their ability to attract businesses that seek to benefit from clustering. Due to the scale of the precinct, being almost 2km north-south, there is potential for initial business park developments to be scattered through the precinct and not cluster together. This could detrimentally effect the establishment phase of the precinct, and potentially stifle its long-term development.

LAND FRAGMENTATION

The most successful business parks in Sydney have large land holdings which allow for site masterplanning to stage the release of land to the market, establish an infrastructure and public domain delivery plan, and the provision of allotments which can support large floorplate buildings to accommodate campus-style business park developments.

As the precinct comprises more than 300 allotments, there is limited opportunity for masterplanning to be undertaken by the private sector and accordingly the delivery of the new business park must rely on the LEP being based on:

- A land release strategy to ensure investment is concentrated and clustering of business park developments occurs, noting that Council has little influence in this regard;
- A framework to prioritise and deliver the required infrastructure and public domain improvements; and
- Incentives to consolidate sites to accommodate building floorplates required in business park precincts.

It is premature to rezone the land until such time as a Masterplan that addresses these issues has been prepared by Council.

5 Property Market Assessment

Urbis has reviewed the background research utilised by Blacktown Council in the preparation of the draft LEP, and more broadly to consider whether the proposed B7 zoning is required in light of the supply of and demand for business park land and floorspace in Greater Western Sydney (GWS). The review is complemented by Urbis' own assessment of supply and demand and market issues affecting business park development in GWS. Our analysis concludes that:

1. The economic analysis that Blacktown Council commissioned prior to preparing the draft LEP (prepared by HillPDA) does not provide justification for rezoning the land to B7 Business Park zone. Rather, it highlights that there is minimal long term demand for commercial office floorspace in the Business Park Precinct (**for just over 2,000 sq.m additional floorspace by 2036**). The balance of commercial floorspace demand (41,250 sq.m) will be directed to the CBD.

2. HillPDA highlight that strong on-going market demand for floorspace to the north of Blacktown CBD is expected from general industrial users including food product manufacturing, printing, polymer and rubber manufacturing, primary metal and metal product manufacturing, machinery and equipment manufacturing, furniture and other manufacturing, transport, postal and warehousing.

3. It therefore appears that Blacktown Council has prepared a planning strategy and draft LEP that directly contradicts its own consultant's report in regard to demand for business park space compared to industrial land in this location.

4. Urbis' own property market analysis confirms that there is likely to be little long term demand for business park floorspace within the proposed B7 zone, and that there are significant supply side issues notably:

   – Substantial existing and proposed office / business park land and floorspace elsewhere in the Greater Western Sydney at Norwest, Marsden Park, Western Sydney Employment Area as well as existing capacity within Parramatta, Bankstown, Liverpool, Fairfield and Penrith CBDs.

   – There are in excess of 300 individual lots within the proposed B7 zone as well as multiple strata lots. There are inherent difficulties associated with site amalgamation, land acquisition and relocation of existing businesses to create viable opportunities for business park development particularly when there is a supply of land and premises at established business parks.

5. There are a significant number of 'general industrial' businesses located throughout the proposed B7 zone. The risk of these existing businesses becoming prohibited uses, even allowing for existing development rights, adds significant uncertainty to future investment decisions for these businesses which may result in loss of employment potential and capital investment.

6. It is essential that an adequate supply of general industrial land be maintained to meet current and future projected growth in industrial employment, to allow existing businesses to grow and new businesses to develop in line with forecast labour market trends. Given the low level of future office based demand, significant value uplift is unlikely to result that would otherwise assist industrial businesses to relocate.

5.1 KEY DOCUMENT REVIEW

Key documents that have been made publically available as part of the Blacktown Draft LEP review include:

- Blacktown Planning Strategy - Economic and Employment Input - prepared by Hill PDA for Blacktown City Council (October 2010);

- Blacktown Planning Strategy 2036 (2011);

- Blacktown City Centre Masterplan (2012);

- Blacktown Draft LEP 2013.

To prepare a coherent and evidence-based Planning Strategy and draft LEP, it is best practice for Councils to consider the key findings and recommendations from technical reports such as the Economic and Employment Input report, and use these to inform strategic principles in the Planning Strategy. These should underpin land use planning principles, zoning and controls in the Masterplan and draft LEP.

Whilst we recognise that Council is not bound by legislation to adopt the findings or recommendations of any Consultant studies that it commissions, effective strategic planning and adopting the evidence based approach to planning advocated by State government, would have regard to this work.

We are therefore concerned that the Economic and Employment analysis prepared by HillPDA for Council does not provide any justification for rezoning land to the north of Blacktown CBD as B7 Business Park zone. Rather, it highlights that there is **minimal long term demand for commercial office floorspace in this area** and that "*market conditions and tenant preferences are not conducive to development of new offices in Blacktown*".

In order to understand the rationale behind the proposed rezoning it is necessary to examine how these background documents relate to one another and to establish whether the key learnings from the research are reflected in the strategic planning through a 'bottom up' process.

5.1.1 ECONOMIC AND EMPLOYMENT INPUT ANALYSIS

The Hill PDA *Economic and Employment Input Analysis Report* sets out the following forecasts:

- Additional demand for just **2,070sq.m** commercial (office) floorspace within the industrial area north of the City Centre (the proposed B7 Business Park Zone) between 2011-2036. This is equal to **83sq.m per annum** over the period, the equivalent of a small sole practitioner office suite or consulting room.

- Demand for just **43,320sq.m** additional commercial floorspace across the Blacktown Urban Renewal Precinct as a whole (the area broadly within a 2km radius of the City Centre) between 2011-36, equal to **1,735sq.m per annum**, the equivalent of a single office floorplate in an office tower.

This analysis is based on Transport Data Centre (TDC) forecasts which assume that the Blacktown LGA will achieve net jobs growth of 72,500 between 2006 and 2036 which is a 77% increase. The top six industries forecast to grow across the LGA are:

- Retail trade (+8,805 jobs).

- Transport postal & warehousing (6,479 jobs).

- Health Care & Social Assistance (+6,161 jobs).

- Education & Training (+5,699 jobs).

- Accommodation & Food Services (+5,699 jobs).

- Construction (+4,525 jobs).

None of these sectors typically require business park accommodation.

The forecast demand for commercial floorspace in the Urban Renewal Precinct (URP) and the Business Park Precinct (refer to Figures 3 and 4) clearly does not provide a rational basis for the creation of a 181ha business park – the largest in Sydney. Moreover, HillPDAs analysis indicates that the majority of demand for additional floorspace in the proposed B7 zone is expected to come from the industrial sector. Demand for an additional **60,750 sq.m industrial floorspace** is forecast between 2006-2036 (although this is most likely to come through expansion of existing businesses rather than large new developments). The report comments:

> *"The industrial area to the North of the City Core is anticipated to experience growth in demand for over 90,000 sq.m of floorspace with the major growth industries being retail trade, transport and postal warehousing, polymer product and rubber product*

manufacturing, machinery and equipment and manufacturing…As to be expected the major share of growth relating to industrial floorspace will occur in the industrial area to the north of the City Core (+61,000 sq.m), and the major share of commercial floorspace (+43,000 sq.m) will occur within the City Core".

The *Economic and Employment Input Analysis Report* goes further to highlight significant market risks associated with developing business parks in suburban locations. HillPDA were engaged to undertake a review of the Blacktown property market and to provide advice regarding the economic viability of a mix of commercial uses in the Blacktown Urban Renewal Precinct. The report correctly presents a cautionary appraisal of the issues likely to limit demand for business park floorspace, notably:

- *Many residents seeking employment in higher salary commercial industries will need to continue to travel out of the LGA to centres such as Norwest, Parramatta and Sydney CBD as these activity centres are likely to continue to attract the main firms that generate this form of employment, at least in the short to medium term (page 13);*
- *Suburban [office] markets have been affected by the loss of business confidence, delaying decision making by tenants and commencement of new development…there are signs of recovery in certain markets such as North Sydney and Macquarie Park, but Chatswood and St Leonards remain oversupplied and out of favour. Key drivers for new development are focused on efficient construction costs, competitive rents and good corporate and staff amenity. Markets such as Parramatta, the closest comparable to Blacktown remains reliant on its preferred location for government departments (page 13);*

The report notes that "**market conditions and tenants preferences are not conducive to development of offices in Blacktown**" and suggests a number of initiatives that would need to be pursued to create a catalyst for a new employment node. These include:

- *"Preserving land for commercial uses close to the railway station and improving amenity and services in the precinct;*
- *Securing tenant pre-commitments to underpin investment in new office buildings;*
- *Encouraging medium density apartment development on the immediate periphery…however existing market conditions are unlikely to yield significant development due to the price levels of new apartments which do not sustain both a depth in the market or viable land values".*

The report concludes:

"Analysis of feasibility of various development densities, both commercial and residential indicates the challenging nature of most development options within the LGA at the present time….commercial development will require intervention to ensure a sustainable long term employment node within the Blacktown URP"

Whilst the Planning Strategy and City Centre Masterplan set out long term aspirations for the renewal of the lands to the north of the CBD, we are concerned that they do not reflect the findings of the economic analysis in the *Economic and Employment Input Analysis* prepared by Hill PDA.

5.1.2 BLACKTOWN PLANNING STRATEGY

The Blacktown Planning Strategy identifies the land to the north of the CBD as the largest of a number of 'business areas' that are identified in the Strategy, the others being Marsden Park, Riverstone, Seven Hills, Prospect, Minchinbury and Mount Druitt. The 'business areas' are located within or adjacent to Blacktown's extensive network of employment lands which also included the Western Sydney Employment Area (WSEA) (Refer to Figure 3). The Planning Strategy comments that:

"The potential employment capacity of the City's employment lands, and the more intensive uses associated with Blacktown City Centre, Major Centres and Business Parks, could potentially deliver an employment surplus for the City. This would significantly increase the

self-containment of the City and make a major contribution to the employment requirements of GWS and SMA[2] as a whole. The City currently has a substantial stock of high quality, well-serviced employment lands, providing jobs for residents of Western Sydney and significant investment opportunities for large national and multi-national companies. With over 3,000 hectares, Blacktown represents the largest supplier of employment lands in NSW, and a key focus of WSEA. The commercial attraction of a business park is a key driver of employment growth outside the Sydney CBD. In order to attract higher skilled jobs to the City, business park format offices may be an appropriate built form for future development. In planning for new business parks consideration would be given to public transport accessibility as a key factor".

The Planning Strategy highlights the fact that Blacktown LGA has an existing and planned network of business parks including Marsden Park (Sydney Business Park) which will provide 265 hectares of serviced land including a 70 hectare business park, as well as the broader Western Sydney Employment Area (WSEA) where more than 1,400 hectares is zoned for employment purposes with long term development potential for business parks. Given the historically low demand for suburban business park floorspace in Greater Western Sydney, these emerging sites offer significant long term opportunities to meet future business park demand.

5.1.3 BLACKTOWN CITY CENTRE MASTERPLAN

The Blacktown City Centre Masterplan identifies the land to the north of Blacktown CBD between Sunnyholt Road, the railway line and Vardys Road as a "Business Park Precinct" within Blacktown City Centre (the Blacktown City Centre as shown in the Masterplan extends for more than 2km and covers some 816 hectares (see Figure 4). It is more than six times the size of Sydney CBD and roughly the same size as Sydney, North Sydney, Parramatta, Chatswood, Wollongong and Newcastle CBDs combined). In outlining the rationale for designating the Business Park Precinct it makes a number of comments which conflict with the findings of the HillPDA report. These are summarised in **Table 1**.

[2] SMA refers to the "Sydney Metropolitan Area"

TABLE 1 – BLACKTOWN CITY CENTRE MASTERPLAN ALIGNMENT WITH ECONOMIC & EMPLOYMENT INPUT ANALYSIS

PAGE	MASTERPLAN COMMENT (BLCKTOWN CITY COUNCIL)	ALIGNMENT WITH ECONOMIC AND EMPLOYMENT INPUT ANALYSIS (HILLPDA)
27	*There are…significant opportunities to create a highly successful employment area that would allow for increased employment densities and a greater range of employment options for the City Centre.*	Conflicts with HillPDA advice which states that market conditions and tenant preferences are not conducive to development of offices in Blacktown and that commercial development will require intervention to ensure a sustainable long term employment node within the Blacktown URP. Additionally, the high cost of amalgamating sites and/or reconfiguration the existing industrial uses in the proposed B7 Business Park Zone would be a deterrent for developers given the site's brownfield location, with established infrastructure configured for industrial users.
42	*The Business Park Precinct will provide opportunities for a range of larger floor plate offices, high technology, education, warehouse and service activities, in high quality buildings and improved amenity. The Business Park will aim to develop a high standard of architectural design, landscape and supporting facilities.*	Conflicts with HillPDA advice which identifies very limited demand for additional commercial floorspace outside the CBD. In addition, the Masterplan also supports significant density uplift within the CBD for a mix of land uses including offices, meaning that development in one location could further reduce demand for development in the other.
77	*The Precinct…has the opportunity to become a highly successful business park and employment area, and one of the increasingly successful Business Parks in the Sydney Region. To facilitate this, 150 hectares of the Precinct could provide employment uses, a similar area to both Norwest and Macquarie Park.*	The feasibility assessment undertaken by HillPDA for a business park development tests the development potential for a 5 storey building with under croft and at grade parking and a footprint of 2,000 sq.m. It notes that such a development would be feasible, but only where it is possible to pre-lease a large portion of the development and holding the development for a long period. However, feasibility is for a **single building** rather than for the redevelopment of the precinct as a whole, and the report notes that there are major barriers to wholesale development, notably: ▪ Lack of demand for office floorspace; ▪ Difficulties in securing pre-commitments from tenants; ▪ Fragmented land ownership adding to development costs; and ▪ Marginal financial viability on any site with an existing FSR greater than 0.5:1 or a

PAGE	MASTERPLAN COMMENT (BLCKTOWN CITY COUNCIL)	ALIGNMENT WITH ECONOMIC AND EMPLOYMENT INPUT ANALYSIS (HILLPDA)
		land value in excess of $590 per sq.m The analysis in the HillPDA report *does not* identify that the precinct as a whole provides an opportunity to be a successful business park.
78	*Fragmented ownership creates various challenges, such as delivering new roads that would run through multiple properties and achieving an holistic solution to the large areas of drainage. It is vital that the renewal of the Business Park Precinct embraces environmental sustainability as a key objective. One of the major challenges will be to secure funding for proposed infrastructure and public domain improvements. Funding for many of the key projects will need to be sourced through contribution plans. If this is not feasible some of the proposed infrastructure and public domain improvements may need to be provided by the developer as part of any future proposal*	Conflicts with HillPDA commentary that key drivers for new development are focused on efficient construction costs, competitive rents and good corporate and staff amenity. Fragmented ownership (+300 lots, including 43 strata lots) and existing established business activity will significantly impact on the ability and cost-effectiveness to amalgamate sites for development in a co-ordinated manner. These costs and time constraints would put the precinct at a considerable disadvantage to existing and emerging business parks with capacity such as Norwest, Marsden Park and WSEA. In this context it is difficult to see how tenant pre-commitments to underpin investment in new office buildings will be secured, certainly in the medium term.
79	*Potentially the largest [Business Park] in the North West Subregion, it will replace the existing underutilised and inefficient industrial area. The business park will encourage diversity with campus style accommodation, providing large floor plates, adequate parking and opportunities to integrate research, manufacturing, managerial and distribution activities*	Rather than being 'underutilised and inefficient' Council's City Centre Masterplan notes that the precinct currently employs more than 10,600 people and is home to a number of warehousing, wholesaling, car repair and industrial tenants. Furthermore, HillPDA identify the demand for an additional 60,750 sq.m of manufacturing and wholesale trade floorspace within the Business Park precinct.

FIGURE 3 – EMPLOYMENT LANDS WITHIN BLACKTOWN LGA

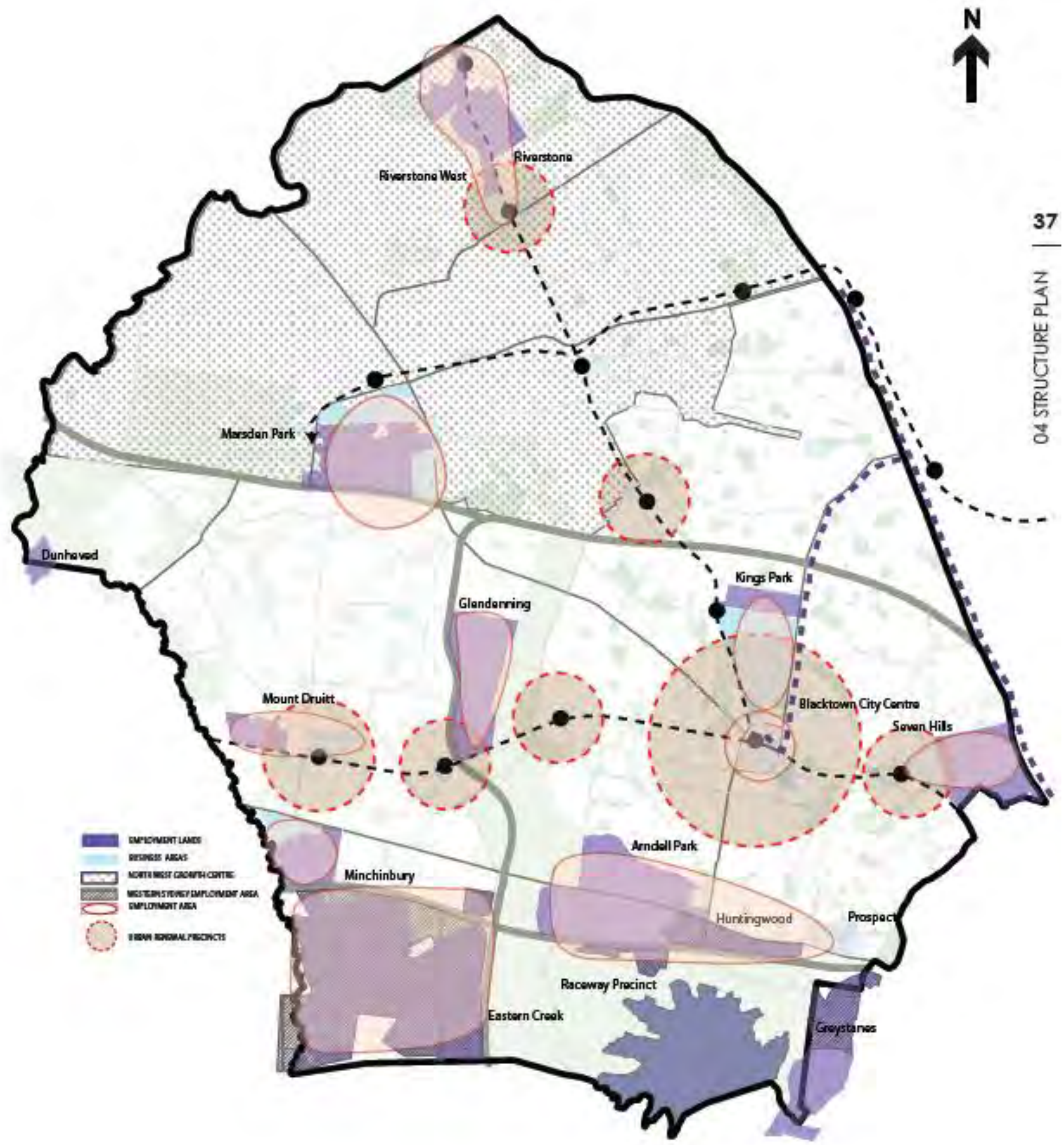
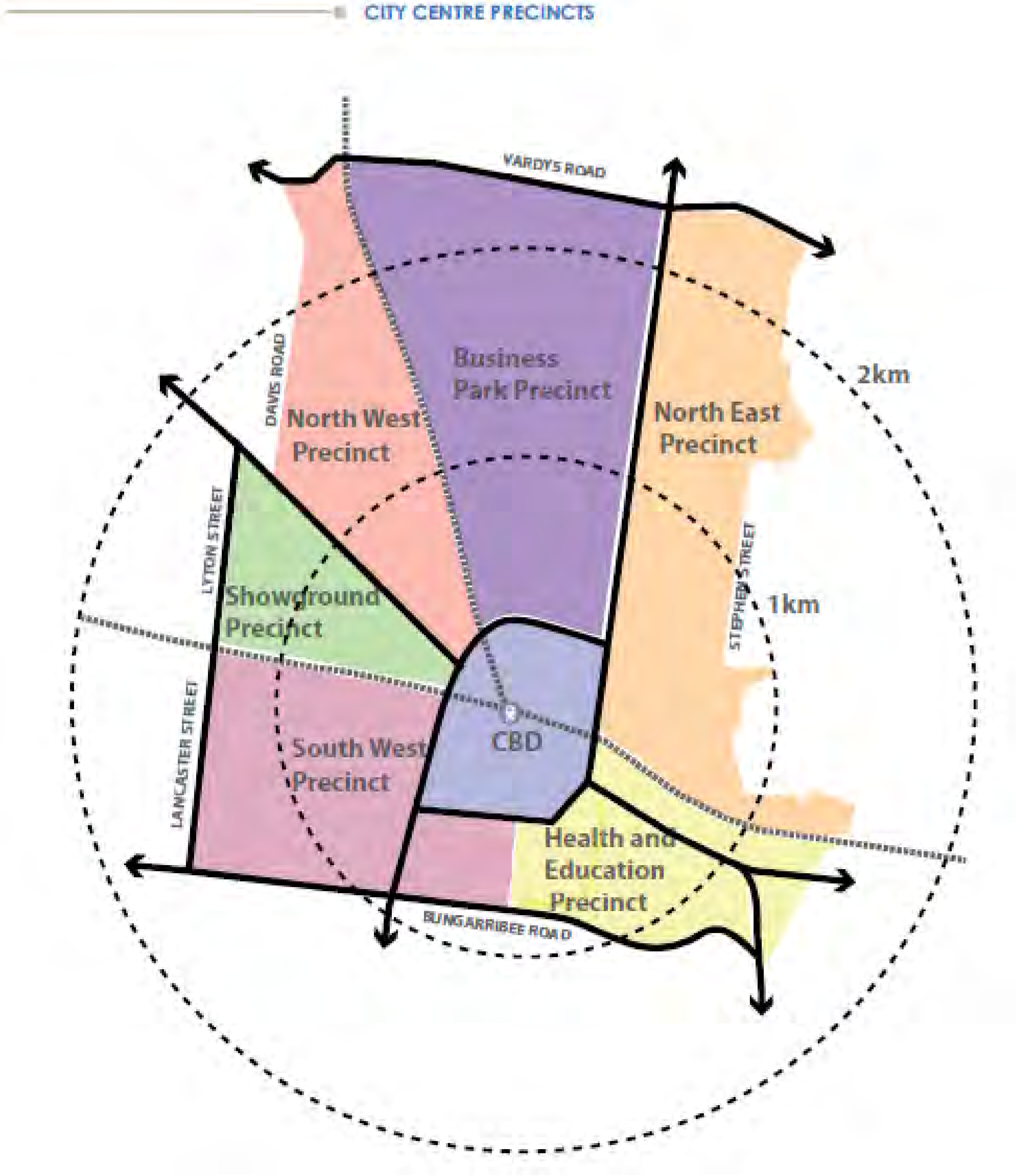


FIGURE 4 – BLACKTOWN CITY CENTRE AS DEFINED IN BLACKTOWN CITY CENTRE MASTERPLAN



5.2 EXISTING BUSINESS PARK SUPPLY

There is a significant supply of commercial floorspace within existing major business parks in Greater Western Sydney (GWS).

Table 2 demonstrates that there is close to 109,000 sq.m vacant office floorspace at existing GWS business parks and within Parramatta CBD, with potential for a further 267,000 sq.m in the development pipeline.

In addition, the development of lands around the proposed North West Rail Link stations at Bella Vista and Norwest has the potential to create new commercial floorspace as a further extension to these sites. There is also 70 hectares of commercial land zoned at Marsden Park as part of the "Sydney Business Park" development also within Blacktown LGA, as well as serviced land able to accommodate business park development in the Broader Western Sydney Employment Area (WSEA) in the long term. These sites offer large, serviced lots in a greenfield locations which do not involve the complexities of amalgamating sites, as would be required in proposed B7 Zone. There is also 69 hectares of employment land zoned as part of the Werrington Enterprise Living and Learning (WELL) precinct some 20 minutes drive to the west of Blacktown.

TABLE 2 – COMMERCIAL FLOORSPACE VACANCY AND PIPELINE (SQ.M) AT END OF 2012

BUSINESS PARK / COMMERCIAL	TOTAL STOCK	VACANCY RATE	VACANT STOCK	DEVELOPMENT PIPELINE
Norwest	272,474 sq.m	15.10%	41,144 sq.m	115,000 sq.m*
Homebush	156,141 sq.m	5.10%	7,963 sq.m	42,300 sq.m
Parramatta	684,400 sq.m	8.70%	59,543 sq.m	110,000 sq.m
Total	**1,113,015 sq.m**	**9.8%**	**108,650 sq.m**	**267,300 sq.m**

Additional expansion at Norwest is possible dependent upon results of structure planning of lands around NWRL train stations at Bella Vista and Norwest

Source: Source: Colliers, Sydney Metropolitan Office Report, Second half of 2012, Urbis

All of these sites and precincts will continue to be a focal point for GWS white collar professional jobs, as well as lands at Marsden Park, WELL, Greystanes and the future expansion of Norwest as noted above. The figures quoted in Table 2 relate only to current vacancies and development pipeline and there is likely to be further commercial uplift in these areas as sites are amalgamated.

The Department of Planning and Industry's Employment Lands Development Programme calculates that there is currently **232 hectares** of zoned land available for business park development in Greater Western Sydney (more than 40% larger than Norwest at present). These figures exclude the development potential of additional lands at Norwest or the Broader WSEA lands in the longer term. This demonstrates that there is significant capacity to accommodate business park growth in GWS over the long term, and these sites will be augmented by commercial growth within CBD centres.

It should be noted that a site such as Norwest, which has benefitted from consolidated landholdings, excellent road connectivity and a highly skilled workforce in its vicinity, has taken over 20 years to reach its current size. This highlights the very slow historic take-up rate of suburban business park space in Western Sydney even in an unconstrained environment. It suggests that the transition from industrial uses to business park within the proposed Business Park precinct would be an extremely long term proposition.

5.3 DEMAND OUTLOOK

The Blacktown Planning Strategy sets an aspiration to plan for **30,000** jobs within the Blacktown Regional City Centre by 2036. This will require an additional 7,000 jobs across this whole area (in all employment categories and including the CBD and proposed Business Park precinct) based on Bureau of Transport Statistics (BTS) Travel Zone data as reported in the Economic and Employment Input report.

The Economic and Employment Input Report uses TDC small area forecast data to break this down into jobs by sector and then applies employment densities (number of sq.m per job across different categories) to identify the demand for additional floorspace by sector.

By applying an average employment density of **1 job per 30 sq.m** for commercial development, the report identifies demand **45,326 sq.m** additional commercial floorspace across the Blacktown Urban Renewal Precinct as a whole (the City Centre) between 2011-36 and **2,070 sq.m** within the Business Park Precinct.

The figures assume that 95% of future commercial floorspace development will occur within the CBD as opposed to the Business Park Precinct. The concentration of commercial floorspace within the CBD area is consistent with the general trend across Metropolitan Sydney.

The application of typical employment densities to employment forecasts is an appropriate method of calculating future demand for floorspace. A rate of 1 job per 30 sq.m is significantly lower than the efficiencies being achieved in CBD locations (recent office developments in Sydney CBD achieves rates in the order of 1 job per 15-20 sq.m), and in recent studies Urbis has adopted a rate of **1 job per 25 sq.m** for suburban business parks which would further reduce the demand for floorspace, however 1 per 30 sq.m is reasonable as it would cover a broad spectrum of commercial jobs.

In any event, the TDC forecasts confirm that the growth of 7,000 additional jobs (in total) across the City Centre required to meet the Planning Strategy target of 30,000 requires only minimal additional *commercial floorspace* in the CBD and Business Park Precinct. As noted previously, this demand for commercial floorspace could be taken up with some very modest developments in and around the CBD so there is no requirement to rezone the full extent of the Business Park precinct to meet Council’s employment target, particularly as demand for general industrial floorspace will remain strong. Employment growth in other sectors, notably manufacturing, industry and retail and wholesale will continue to be key drivers for Blacktown.

5.3.1 DEMAND DRIVERS

The suitability of the proposed B7 Zone for business park development will ultimately be driven by fundamentals such as local labour force characteristics, transport connectivity, amenity, financial feasibility and access to suitable land.

Blacktown appears to have number locational challenges which are likely to prove detrimental to the success of the subject area as a business park location. A summary of the suitability of the proposed B7 Zone against these criteria is shown in **Table 3**.

TABLE 3 – DRIVERS OF BUSINESS PARK DEVELOPMENT

DEMAND DRIVER	REQUIREMENTS	SUITABILITY OF BLACKTOWN AGAINST CRITERIA
Labour	Access to a qualified and suitable white collar workforce is a large influence on the chosen location of many organisations.	Blacktown has a higher share of blue collar workers compared to other LGAs in GWS. BTS forecasts indicate that labour force characteristics in the area will continue to focus demand on industrial uses.
Connectivity	Access to localised transport infrastructure (such as highways and public transport) which is considered critical to employees. Demand for business park employment land is highest in areas with a presence of motorway and rail / bus infrastructure providing	The southern portion of the proposed B7 zone benefits from greater connectivity to Blacktown CBD and its range of services and amenities, whilst the northern end, including the subject site,

DEMAND DRIVER	REQUIREMENTS	SUITABILITY OF BLACKTOWN AGAINST CRITERIA
	access to the broader Sydney Metropolitan area.	is more isolated from the CBD. The southern part of the precinct would therefore be a more appropriate area to initiate renewal investment.
Decentralised land	Affordable / available greenfield land supply. Greenfield sties in newer locations can be developed at a cost lower than in developed areas without the implied difficulties arising from site amalgamation which can be costly and time consuming.	Assembling land for business park development would be challenging given the range of established industrial uses and fragmented land holdings within the precinct. The proposed B7 zone is extensively developed and lacks large vacant sites to facilitate large scale business park development.
Amenity	Access to local amenity, services and retail.	The proposed B7 zone is currently developed primarily as an industrial area and has few amenities amenity that would be appealing to business park owners and employees. The southern end of the precinct is better positioned in this regard as it is closer to the CBD.
Financial Feasibility	Proposed commercial facilities need to provide an adequate potential rental return investors whilst being at a price point suitable for potential tenants.	Blacktown in a secondary commercial location and it is unlikely that new development would attract a high volume of tenants willing to outlay rental amounts capable of supporting prime suburban commercial stock.
Relationship with nearby economic and social infrastructure	The presence of major hospital and/or universities or research institutes provides opportunities for linkages to businesses within the park.	The proposed B7 zone is not located nearby any major social infrastructure. Blacktown Hospital is located in excess of 4km from the proposed B7 zone and over 15km North West of the University of Western Sydney Parramatta Campus.

This analysis confirms that the proposed Business Park Precinct faces a number of challenges to its viability as a major business park location, particularly when considered against the relative strengths of existing and emerging locations within Blacktown and Greater Western Sydney.

5.4 IMPLICATIONS OF PROPOSED ZONING AMENDMENT

Based on the previous analysis, the proposed rezoning of the Business Park Precinct to prohibit industrial uses would result in the following adverse outcomes:

- Potential for a number of existing industrial uses within the area becoming prohibited uses, thereby having to rely on existing use rights which would significantly impact on their ability to expand and grow their business and employment.
- Linked to the above, potential relocation costs for expanding business could be substantial and could affect their on-going viability. In the case of Sell & Parker, the business has identified that the cost of

relocating to another premises could be in the order of $40m given the highly specialised in-situ plant that could not be readily relocated. This would be a major undertaking, especially as we understand that Blacktown City Council encouraged Sell & Parker to locate at their current site in 1996.

- In the event that Sell & Parker were forced to cease operating this would result in a loss of up to 64 direct jobs on-site plus another 150 supply chain jobs. It would have a significant impact on sustainability initiatives across Metropolitan Sydney, as the site is only one of two metal recycling plants serving the Sydney basin.

- This loss of employment could be replicated at other industrial premises within the Precinct.

- The Precinct measures 181 hectares and extends for 2 kilometres northwards from Third Avenue to Vardy's Road. There are currently no staging plans to guide future development, meaning that any future development could be fragmented across the wide area. This fragmentation and lack of a staging plan is likely to be a disincentive to developers as it offers no certainty on:

  – Infrastructure provision, including public transport, accessibility, open space and amenities;

  – The future role of surrounding land uses – whether adjacent uses will be commercial, light industrial, distribution, or industrial – and associated risks associated with noise, traffic, hours of operation and visual amenity;

  – The ability (or lack thereof) to cluster uses in nodes around essential services.

- Unrealistic land value expectations from landowners that there is a market for high rise commercial floorspace on their site (the draft LEP proposes a maximum 32 metre building height across the B7 zone), may mean that it becomes more difficult to amalgamate land into developable parcels.

- Impact on the ability to deliver an uplift in commercial floorspace within the CBD core.

All of these adverse outcomes from the draft LEP are predicated on the basis that there will be demand for business park development within the Precinct moving forward. In fact, Urbis' analysis and the Economic and Employment Input Analysis prepared by HillPDA establish that there is unlikely to be any significant demand for business park floorspace in the Precinct in the medium-long term.

In the absence of any identified significant demand for business park floorspace it is premature to rezone all of the land within the precinct until such time as a Masterplan that addresses these issues has been prepared by Council.

Should Council wish to support business park development to the north of Blacktown CBD, we consider that a staged approach to rezoning, focusing on land closest to the CBD in initial stages would be appropriate.

6 Requested Amendments to the Draft LEP

Based on the findings of our review of the Draft LEP and Property Market Assessment, it is clear there is a significant disconnect between medium and long-term demand for business park lands in this location, and the proposed extent of the B7 Business Park precinct. Accordingly, the following amendments to the Draft LEP are requested prior to Council endorsement and forwarding to the Department for finalisation and gazettal.

<u>REQUESTED AMENDMENT 1</u>: – RATIONALISE THE VOLUME OF LAND WITHIN THE FUTURE BLACKTOWN BUSINESS PARK LIMITING IT TO THE LAND SOUTH OF BREAKFAST CREEK, WHICH WOULD FORM THE NATURAL BUFFER FOR THE SEPARATION OF LAND USES

The scale of the proposed Blacktown Business Park exceeds the size of existing successful business parks across Sydney such as Norwest and Macquarie Park, which have taken decades to establish and have benefited from large land holdings.

Reducing the size of the future business park will provide sufficient land for the long-term delivery of the Blacktown Business Park objectives, while also encouraging the efficient use of land and infrastructure funding to achieve those objectives. It is noted that the Draft LEP proposes a height control of 32 metres and no FSR control, which will support a greater floorspace yield across a smaller area of land than is the case for Macquarie Park and Norwest.

The existing road and infrastructure framework for the precinct is disconnected by Breakfast Creek. This natural barrier provides a suitable location to separate the future business park from other employment land uses such as general industrial uses. By using the creek line as the zone boundary, the need to create the northern extension of Forge Street would be removed, and the creation of a northern open space corridor running along the creekline would be achieved through riparian management requirements.

The land north of the creek between Breakfast Creek and Vardys Road is serviced predominantly by Vardys Road and Sunnyholt Road and would not impact on traffic and amenity of the future business park uses.

<u>REQUESTED AMENDMENT 2</u>: – INCREMENTALLY REZONE THE EXITING GENERAL INDUSTRIAL PRECINCT TO RESPOND TO MARKET DEMAND

The proposed rezoning of 181 hectares of land to B7 Business Park land at a single point in time has the potential to undermine the long-term objective of delivering a business park to the Blacktown City Centre. The Blacktown Masterplan identifies a number of benefits of staging the release of residential land, however these benefits apply to all land uses including business parks.

The staged rezoning of the precinct to B7 will:

(a) Avoid potential to oversupply the market that could lead to ad hoc development within the precinct. This could be particularly damaging to business parks in their initial stage where their long-term success is reliant on attracting key anchor tenants such as Woolworths at Norwest and Optus at Macquarie Park. These tenants are attracted to locations where large floorplates can be accommodated and where they can see the benefits of agglomerating with other businesses in the same or associated industries. By releasing the land in stages, this can provide greater certainty that initial business park developments occur in a cluster and future tenants can see the benefits of locating in the Blacktown Business Park.
(b) Focused and co-ordinated delivery of new and improved infrastructure through locating initial stages of development in a concentrated location. This will support the establishment of an infrastructure delivery program which is able to prioritise infrastructure delivery within the precinct to respond to the specific stage of business park release.
(c) Respond to market demand by providing a sufficient volume of land that will attract market interest, without sterilising land that has a current successful employment land use.

<u>REQUESTED AMENDMENT 3</u>: –LOCATE THE FIRST STAGE OF BUSINESS PARK LAND ADJACENT TO THE EXISTING BLACKTOWN CITY CENTRE, TO INCREASE OPPORTUNITY FOR CLUSTERING OF BUSINESS DEVELOPMENTS

Based on the above concerns, a recommended staging plan has been prepared and is illustrated in **Figure 5** below.

The recommended initial stage of B7 Business Park rezoning should occur on the land directly adjacent to the Blacktown CBD which has the greatest access to support infrastructure including the Blacktown Railway Station, and existing retailing services supporting commercial operations in the CBD. This location will also leverage off the existing commercial operations in the CBD, which will create the initial sense of clustering required to create a successful business park.

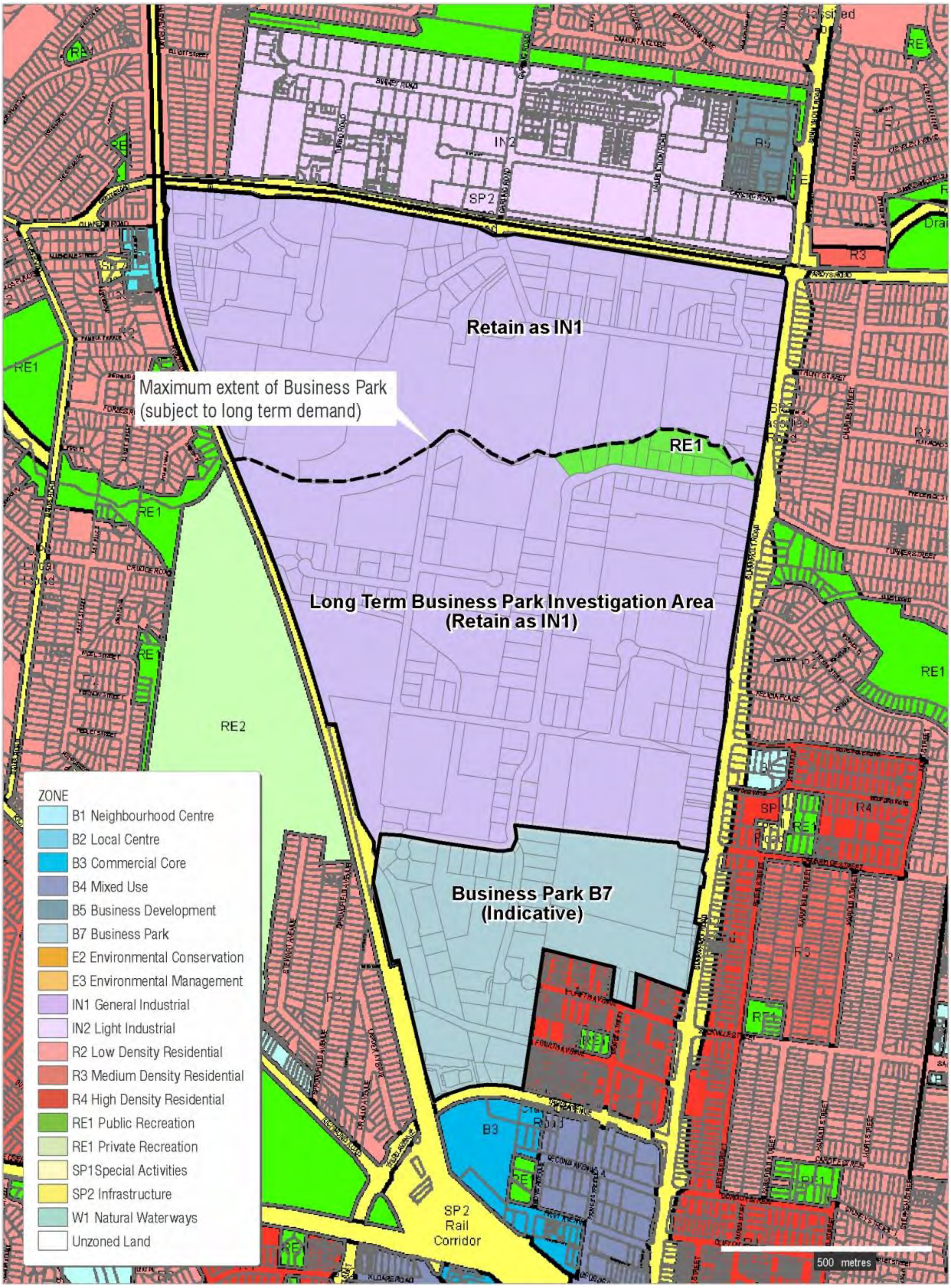
The subsequent stages of rezoning should occur incrementally northward from the initial rezoning stage, and the volume of land released at each stage should be dependent on market demand and take-up rates of the initial stage of rezoned land.

The indicative volume of land proposed to be released in the recommended staging strategy is outlined in **Table 4** below. The staging strategy has the potential for the first two stages of the Business Park zoned land to achieve the Business Park Criteria in the *Metropolitan Plan 2036*, and to continue to release land that strengthens the business park in the long-term. It is also noted that by containing the business park to the south of Breakfast Creek in the long-term, all Business Park Criteria in the *Metropolitan Plan 2036* will still be achieved.

TABLE 4 – RECOMMENDED REZONING STAGING STRATEGY LAND SUPPLY

STAGE	AREA (HA)	ALLOTMENTS	CUMLUATIVE AREA WITH CBD (HECTARES)	METRO PLAN BUSINESS PARK AREA CRITERIA (50 - 180 HECTARES)
Stage 1	30	63	94	YES
Future Stage(s)	81.5	134	172.5	YES

FIGURE 5 – RECOMMENDED BUSINESS PARK STAGED ZONING



REQUESTED AMENDMENT 4: – INCLUDE THE LONG-TERM BUSINESS PARK VISION FOR THESE LANDS IN AN ENDORSED STRATEGIC PLANNING POLICY

To ensure the long-term vision of a Blacktown Business Park is achieved, this vision should be reflected in both State and Local strategic planning policy prepared in consultation with key stakeholders. This would provide landowners within a clear understanding of the long-term vision for the precinct to guide key investment decisions relating to business operations including purpose-built technology and improvements.

7 Summary and Conclusion

Sell & Parker strongly object to the Draft LEP as currently exhibited, particularly the scale and extent of the proposed new Business Park Precinct.

The introduction of the proposed B7 Business Park zone across the precinct will result in a number of businesses, including Sell & Parker's current metal recycling operation, becoming prohibited. In the event that Sell & Parker were forced to cease operating this would result in a loss of up to 64 direct jobs on-site plus another 150 supply chain jobs. It would have a significant impact on sustainability initiatives across Metropolitan Sydney, as the site is only one of two metal recycling plants serving the Sydney basin.

While a future business park north of the Blacktown CBD has strategic merit, our review of the Draft LEP and support studies indicate there are significant supply and demand issues which have the potential to undermine the long-term success of a business park in this precinct.

Key concerns with the proposed rezoning of the precinct to B7 Business Park are:

- The rezoning has no regard to existing uses within the precinct.
- The precinct has key characteristics to support general industrial land uses.
- Demand for Business Park land has not been identified by studies.
- The scale of the business park exceeds long-term market demand.
- Rezoning of the whole precinct at one time will reduce opportunity to create clustering of new businesses, which is a key driver of business park success.
- The precinct is highly fragmented, comprising approximately 306 allotments, which will not support large floorplate buildings desired in business parks.

Balancing these concerns with a strategy to achieve the long-term business park vision for Blacktown, it is requested that Council reconsider the extent and release of the B7 lands are part of the adoption of the Draft LEP.

Accordingly, it is requested in Council's response to submissions the following amendments are made to the Draft LEP instrument:

- Rationalise the volume of land within the future Blacktown Business Park;
- Incrementally rezone the exiting general industrial precinct to respond to market demand;
- Locate the first stage of business park land adjacent to the existing Blacktown City Centre, to increase opportunity for clustering of businesses and to leverage from locating near commercial development in the CBD;
- Limit the extent of the future business park to the land south of Breakfast Creek, which would form the natural buffer for the separation of land uses; and
- Include the long-term business park vision for the precinct in an endorsed strategic planning policy which would provide landowners with a long-term strategic direction for the precinct, and guide investment decisions relating to technology and purpose-built improvements.

These recommended amendments to the Draft LEP will assist Council in achieving their long-term vision for a business park in this strategic location, however will ensure that in the short-term businesses which currently operate in the precinct and support more than 10,600 jobs will be retained until such time as market demand for business park lands in this location is identified. Further, by adopting a masterplan to guide the delivery of the long-term business park vision, existing landowners will be able to make informed decisions relating to capital investments.

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