
2.2 Draft Campbelltown Employment Lands Review

Reporting Officer

Manager Environmental Planning

Attachments

Draft Campbelltown Employment Lands Review (distributed under separate cover)

Purpose

1. Present to Council the draft Campbelltown Employment Lands Review Report.
2. To present to Council the findings and recommendations of the draft Campbelltown Employment Lands Review and to make recommendations for further action.

History

In June 2010, Council appointed the specialist consulting firms Strategic Economics and Cox Richardson to undertake a review of Employment Lands within the Campbelltown Local Government Area, to help inform the preparation of Council's new comprehensive Local Environmental Plan (LEP). A presentation on the review was provided to Councillors at its briefing night on 17 May 2011.

The "Employment Prospects for South West Sydney" Report Dated August 2008, that was prepared by Hill PDA on behalf of the Macarthur Regional Organisation of Councils (MACROC), was considered in the preparation of the draft Campbelltown Employment Lands Review.

The draft Campbelltown Employment Lands Review has now been completed, and is the subject of this report.

Report

The Campbelltown Local Government Area (LGA) is likely to experience significant growth in housing and population in the period up to 2036. Increasing employment self-containment within the Campbelltown LGA will become more important from an economic, social and environmental sustainability perspective, as the population increases.

To assist Council in addressing employment related issues in the new comprehensive LEP for the Campbelltown LGA, a draft Employment Lands Review has recently been prepared.

The Metropolitan Plan for Sydney 2036, released in December 2010, defines employment lands as industrial areas and business and technology parks (usually linked to universities).

The objectives of the Campbelltown Employment Lands Review are to:

- Evaluate the current demand for employment lands within the Campbelltown LGA;
- Determine the future demand for employment lands;
- Identify opportunities for meeting current and future employment lands needs;
- Identify opportunities for job creation; and
- Inform the preparation of the new comprehensive Local Environmental Plan.

The following sections of this report provide a detailed summary of the findings and recommendations of the draft Employment Lands Review, for Council's formal consideration.

Findings and Recommendations of the Review

The Employment Lands Review made the following key findings:

- The Campbelltown LGA currently has 741 hectares of zoned employment lands (located in the Ingleburn, Minto, Campbelltown and Leumeah industrial areas).
 - The Campbelltown LGA contains approximately 4% of Sydney's population and provides approximately 5% of Sydney's employment lands.
 - The South West Sydney Subregion (including the LGA's of Campbelltown, Wollondilly, Camden and Liverpool) has a shortage of employment lands, and this will have a significant impact on the future demand for employment lands in the Campbelltown LGA.
 - The majority of the employment lands in the Campbelltown LGA are occupied, with currently, approximately 30 hectares of vacant land (located mainly around the Minto industrial area).
 - The Campbelltown LGA and the South West Sydney Subregion suffer from a severe jobs deficit. Employment lands planning and policy, and other strategic economic development, education and infrastructure initiatives will play an important role in addressing this shortfall.
 - Approximately 33% of the Campbelltown LGA's resident labour force is employed within the LGA, and 66% of this labour force commutes to other areas for work.
 - The South West Sydney Subregion is projected to experience more population and labour force growth than any other metropolitan region by 2036, and this will increase demand for regional employment lands.
 - The NSW Government has given insufficient attention to meeting the future demand for employment lands in the draft South West Sydney Subregion. (As set out in the Metropolitan Plan).
 - The NSW Government has predicted that there will be a significant increase in the local job deficit from 60,000 to almost 150,000 jobs by 2036.
 - Increasing the supply and diversity of well-serviced local employment lands needs to form part of a comprehensive economic development strategy which includes developing the Campbelltown-Macarthur Centre as one of Sydney's most significant regional cities with an expanding commercial office market, building opportunities around health and educational assets and also establishing high value added labour intensive business park capacity within the LGA.
 - The NSW Government's Transport Data Centre estimates that jobs in the Campbelltown LGA will increase by more than 29,000 between 2006 and 2036, with most of these new jobs in serviced based industries located in centres, in and around educational establishments, and in home based businesses. This estimate is considered to be too low and will reduce employment self containment in the Campbelltown LGA and in South West Sydney.
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- Between 1996 and 2006, the Campbelltown LGA experienced total job growth of 7,048 new jobs which is equivalent to a take up rate of approximately 8 hectares of land per year.
 - The Campbelltown LGA has recently experienced solid employment growth in industries linked to employment lands and specifically in manufacturing and transport & storage – between 1996 and 2006, these industry sectors grew by 2,752 jobs.
 - Given current take up rates and location advantages such as the proximity to major transport corridors, it is estimated that the Campbelltown LGA will require approximately 10 hectares of additional land for employment purposes per annum up to 2036 (which equates to approximately 250 hectares of new land zoned for industrial purposes).
 - The Campbelltown LGA needs to plan for a total of approximately 1000 hectares of zoned employment lands for non business park activities, such as manufacturers, transport and logistics.
 - The options for major new employment lands in the Campbelltown LGA are limited, however, previous studies have identified two potential major sites – the Glenlee Coal Washery Site and the Glenfield Waste Disposal site. Both sites have advantages but face infrastructure challenges. In addition, both sites have regional significance and the NSW Government and adjoining councils should be involved in the planning and development of these sites.
 - Council should consider commencing negotiations with Liverpool City Council regarding the rezoning of the Glenfield Waste Disposal site for employment purposes and should aim to have the site rezoned and serviced by 2020.
 - There are currently few opportunities to encourage redevelopment or higher density (jobs) development on existing industrial sites, due to the area's attractiveness for freight intensive industries. The development of a major intermodal facility along the south west corridor, such as that being proposed at Moorebank, will further increase demand for freight related development.
 - The Campbelltown LGA's main retail and business centres (including Campbelltown-Macarthur and Ingleburn) have important links with and impacts on employment lands. The more successful these centres are in attracting employment, the less pressure there is on employment lands to provide the required numbers of new jobs. Many jobs that were traditionally based in firms located in industrial areas (such as design, engineering, finance and marketing) are increasingly being outsourced and located in centre based firms. In addition, new investment in employment lands can stimulate centre activity such as retailing, hospitality and local business services.
 - The Campbelltown-Macarthur Centre was Sydney's most successful centre (apart from Sydney's Global Centre) in generating new jobs between 2001 and 2006 from 10,300 jobs to 14,100 jobs (an increase of 3,800 jobs), and only 900 jobs short of the target set for the centre to be achieved by 2031, as set out in the 2005 Metropolitan Strategy. Most of these new jobs are in retail, health and community services. In contrast the Liverpool Regional Centre grew by only 900 jobs over the same period.
 - Despite the fact that both the previous and current Metropolitan Strategies designate Liverpool as a Regional City and Campbelltown, Penrith and Blacktown as a lower status Major Centres, evidence suggests that the Campbelltown-Macarthur Centre will consolidate its role as the key Regional City for South West Sydney.
 - Planning for and establishing a business park in South West Sydney is one way to address the employment challenges confronting the subregion. By 2036, it is estimated that approximately 250,000 jobs or 10% of Sydney's total jobs, will be based in business parks – an increase from 5% in 2006.
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- Successful business parks that are well planned and serviced and have good amenities (such as childcare centres, convenience shops for workers and entertainment) attract high value businesses and highly skilled workers. This in turn has implications for the provision of executive housing in close proximity to business parks.
- A modern and well located business park (close to good public transport links), and that can accommodate between 12,000 and 15,000 jobs by 2036, is needed in South West Sydney. In determining the most appropriate location for a business park, consideration must be given to the possible implications to Campbelltown City Centre. The business park would need to complement the City Centre as opposed to competing with the City Centre.
- High-growth occupations within the Campbelltown LGA's labour force include business and information professionals, business and administrative associate professionals, science, building and engineering professionals.
- The Campbelltown LGA has important transport linkages, a university and proximity to major hospitals and is therefore well positioned to be a possible location for a new business park. Possible sites for a business park worthy of further consideration in the future include:
 - Residual UWS/TAFE land and the 50ha Bethlehem Monastery site, which could be linked by a pedestrian bridge over Narellan Road. This land has very good access to the F5 and to Macarthur Railway Station; and
 - The Hurlstone Agricultural High School Site (Department of Education and Training land) and the adjoining Department of Planning and Infrastructure land (surrounding the South West Rail Link). The site comprises 200ha (approximately 170ha north and 30ha to the south of the new rail line).
A business park in this location could potentially be integrated with the existing Agricultural High School, and focus on agriculture and food. Opportunity could exist to plan for such a business park to preserve a landscape and visual 'buffer' between urban areas. The South West Growth Centre precincts of Leppington and Edmondson Park will have direct access to this land by road and rail.

Recommendations of the Draft Campbelltown Employment Lands Review

The draft Campbelltown Employment Lands Review makes sixteen recommendations regarding the future of employment in the Campbelltown LGA. Some of the recommendations relate directly to the preparation of Council's new comprehensive local environmental plan and others relate to broader or longer term employment related initiatives.

The sixteen recommendations are provided and discussed below:

Recommendation 1

Given the severe and growing job deficit in the South West Sydney Subregion, Campbelltown City Council should seek the support of other South West Sydney councils and the NSW and Federal Governments to make sustainable economic development and employment growth the highest priority for a comprehensive growth strategy for the South West.

In the first instance, Council should investigate ways to strengthen its in-house local economic development and employment capabilities, including strengthening local business networks, attracting new investment, and ensuring that strategic infrastructure priorities are aligned with economic opportunities.

Comment

This recommendation does not relate directly to the preparation of the new comprehensive LEP for the Campbelltown LGA. However, Council may decide that it wishes to pursue this recommendation taking account of organisational and resource implications.

Recommendation 2

Campbelltown City Council should establish a target to increase employment in the LGA from 46,000 in 2006 to 106,000 in 2036, or by 60,000 jobs. This is more than double the 29,000 projection of the NSW Government's Transport Data Centre.

A high proportion of metropolitan Sydney's population growth is expected to be accommodated in South West Sydney. Given the NSW Government's ambitious population target, and hence workforce growth predictions for South West Sydney, it is imperative that economic development and employment growth are aligned with workforce growth. Without a realistic job target, employment self-containment will decline resulting in an increase in commuting and underemployment. This is unacceptable from an economic, social and environmental sustainability perspective.

Due to its infrastructure, dynamic business centre and established and well located employment lands, Campbelltown is emerging as the major economic and employment centre for South West Sydney. Council should prepare a submission to the State and Federal Governments setting out why stronger economic and employment growth in South West Sydney, and Campbelltown in particular, is central to ensuring that metropolitan Sydney is transformed into a City of Cities. All tiers of government need to support a more realistic employment target, develop and implement strategies to achieve this target and monitor progress to ensure that jobs and urban growth are closely aligned.

Comment

This recommendation relates to the preparation of the new comprehensive LEP, but not directly. It is considered appropriate for Council to write to the State and Federal Governments asking them to support economic and employment growth in the Campbelltown LGA and South West Sydney, and to adopt higher employment targets for both Campbelltown (106,000 additional jobs by 2036) and the South West Subregion. This action should be undertaken with the support of MACROC and other Councils within the South West sub region.

Recommendation 3

Campbelltown City Council, with its South West Sydney partners including MACROC, recognising the central importance of economic development, should take a proactive leadership role in developing and implementing economic development strategies to accelerate job growth and the continuous transformation towards a high value added economy.

Campbelltown Council, recognising the increasing role of the City as an economic and employment centre, should prepare a Campbelltown Economic Development Strategy. The strategy should focus on practical initiatives that build on industry and community strengths and improvements in health, education and transport infrastructure to accelerate the transformation and growth of the local economy.

Comment

This recommendation does not relate directly to the preparation of the new comprehensive LEP for the Campbelltown LGA. However, Council may decide that it wishes to pursue this recommendation.

Recommendation 4

Campbelltown City Council should establish the following realistic and achievable spatial employment targets to guide economic development and land use planning:

Campbelltown-Macarthur Centre	35,000 (Metropolitan Strategy target 25,000)
Campbelltown Business Park	10,000 (current target 0)
Campbelltown Employment Lands	30,000 (current projection around 20,000)
Other	31,000 (current 30,000)
Total	106,000 (current 75,000)

The need to substantially increase economic and employment growth is a key theme of the Campbelltown Employment Lands Review. The table above is a guide to the spatial allocation of employment. The arguments supporting these targets are as follows:

- The Campbelltown-Macarthur Centre, along with Wyong-Tuggerah, has been the best performing strategic centre in the Greater Metropolitan Region (GMR) over this decade, and new targets need to be adopted to support Campbelltown's higher growth trajectory.
- The fastest growing employment areas in the GMR are business parks (such as Macquarie Park and Norwest), which are growing at three times the rate of traditional centres. Campbelltown has transport, education and health advantages and urgently needs to identify and pursue new opportunities to establish a business park to support knowledge based economic and employment growth.
- Employment lands supply in the Campbelltown LGA needs to be expanded to accommodate projected growth in demand, particularly for manufacturing and logistics.
- To support the strategic objectives of Campbelltown 2025 –Looking Forward, Council needs to limit employment growth outside of centres and employment lands.

Comment

This recommendation sets important targets for future jobs in the Campbelltown LGA, and it is considered appropriate for Council to recognise a target of 106,000 jobs within the Campbelltown LGA by 2036, distributed spatially as proposed in Recommendation 4 of the draft Campbelltown Employment Lands Review.

Recommendation 5

Campbelltown City Council should establish a target of 1,000 hectares of general industrial (IN1 or IN2) employment lands by 2036 (currently 741 hectares). This would mean that Council should seek to provide an additional 259 hectares of employment lands to accommodate growth in demand for local industry and freight oriented businesses.

Comment

This recommendation relates to the preparation of the new comprehensive LEP, in both its initial form and, as it will be reviewed every five years, once it is in place. It is considered appropriate for Council to adopt a target of 1,000 ha of non-business park employment lands in the Campbelltown LGA by 2036, however, this could be difficult to achieve due to land supply issues. The Glenlee Coal Wash Site and the Glenfield Waste Disposal Site are being considered as potential future industrial areas that could provide some of the additional land required for future employment lands. Potential for some additional employment land also exists as part of the future Menangle Park Urban Release Area.

Recommendation 6

Campbelltown City Council should recognise the metropolitan significance of existing employment lands along the major rail and road corridors, and should ensure that larger sites remain available to meet the long term demands of the logistics industry.

Comment

This recommendation relates to the preparation of the new comprehensive LEP. While preparing the new draft comprehensive LEP, Council staff will consider whether or not it is possible to place a large minimum lot size over employment lands within the Campbelltown LGA that are located along major rail and road corridors.

Recommendations 7, 8 and 9

- Recommendation 7

Campbelltown City Council should establish target dates for the operation of two proposed industrial areas – Glenfield Waste Disposal site by 2020 and Glenlee Coal Plant by 2026.

- Recommendation 8

Campbelltown City Council should approach the NSW Government's Employment Lands Development Program (and Liverpool City Council) with a proposal to have a general industrial area operational within the Glenfield Waste Disposal Site by 2020.

- Recommendation 9

Campbelltown City Council should approach the NSW Government's Employment Lands Development Program and Camden Council with a proposal to work collaboratively to have a general industrial area operational at Glenlee by 2026.

Comment

Recommendations 7, 8 and 9 relate to longer-term amendments that may be made to the new comprehensive LEP in the future. It is recommended that Council undertake further investigations and discussions with land owners, adjoining councils and the NSW State Government before committing to rezoning and specific operational dates for these two proposed future industrial areas. As a first step, it is considered appropriate for Council to forward a copy of the adopted Campbelltown Employment Lands Review to the NSW Government's Employment Lands Development Program Division for its consideration.

Recommendation 10

Given the strategic location of Campbelltown's existing employment lands on the F5 and the Sydney-Melbourne Rail Line, Council should not seek, at least in the short to medium term, to subdivide large parcels of employment lands.

Some densification is likely to occur over time. One opportunity for greater densification is in the area on the western side of Ingleburn Railway Station linked to the broader Ingleburn industrial area. Council should consider opportunities for general higher industrial density developments that will support the growth of the Ingleburn Centre.

Comment

This recommendation relates to the preparation of the new comprehensive LEP. While preparing the new draft comprehensive LEP, Council staff will consider whether or not it is possible to place a large minimum lot size over employment lands within the Campbelltown LGA to prevent subdivision and fragmentation of larger land holdings.

Recommendation 11

Campbelltown City Council should seek clarification of the timing and commitment to the proposed Moorebank Intermodal Facility before giving consideration to new intermodal facilities in the Campbelltown LGA.

Comment

The latest information available to Council regarding the proposed Moorebank Intermodal Facility is that the development will proceed, although the timing is unclear. Council staff will continue to seek updates on the status of this matter.

Recommendation 12

Campbelltown City Council should approach the South West Sydney Institute of TAFE with a proposal to develop the old Austool site at Ingleburn into a metropolitan leading centre, with strong participation from the building and construction industry, for sustainability and affordable residential construction.

Comment

This recommendation does not relate directly to the preparation of the new comprehensive LEP. However, it could assist Council in achieving its target for the provision of additional jobs. It should be noted that this recommendation has already been addressed and the former Austool site is currently being used for this purpose.

Recommendation 13

Campbelltown City Council should give high priority to the establishment of one or two business parks in the Campbelltown LGA. Council should consider commissioning an investigation of options to expand its business park capacity, including possible sites, infrastructure requirements, economic and commercial potential, and in the event of a positive evaluation, possible partners to move the project forward.

Given the growing professionalism and advanced technical skills of the labour force, health and education institutions and strategic location, the Campbelltown LGA is well placed to establish a business park with the potential to develop as a specialised centre. Given the target of 10,000 jobs (with the potential of 15,000 when fully developed) it is possible that more than one site would be needed, although employment densities in business parks are increasing all the time. The two potential sites that have been identified for a business park are the:

- o Residual UWS/TAFE land and the Bethlehem Monastery site; and
- o The Hurlstone Agricultural High School Site (Department of Education and Training land) and the adjoining Department of Planning and Infrastructure land (surrounding the South West Rail Link).

Comment

Identifying land for the establishment of new business parks within South West Sydney, and the Campbelltown LGA in particular, is a matter that needs to be considered by both local and regional planning. It is considered appropriate for Council to adopt the subject sites as potential sites for consideration for future business parks, subject to consultation with the owners of the sites, and discussion with the NSW Government's Employment Lands Development Program staff. Due to time restrictions, this process may need to be undertaken separately to the preparation of the new comprehensive LEP. However, a copy of the endorsed Campbelltown Employment Lands Review can be forwarded the Employment Lands Development Program once it has been adopted by Council.

Recommendation 14

Campbelltown City Council should make a business case to the NSW Government to designate the Campbelltown-Macarthur as a Regional City with an employment target of 35,000 jobs by 2036.

The point needs to be emphasised that a 35,000 jobs target for the centre is based on a continuation of the current trend which has seen the centre emerge as the natural regional centre for South West Sydney.

Comment

Council has already made numerous written representations to the NSW Government (former) about recognising the Campbelltown-Macarthur CBD as a Regional City. Sending a further letter, which also identifies a revised job target (of 35,000) to the NSW Minister for Planning and Infrastructure is considered appropriate. The recently elected NSW Government may be prepared to review this critical matter.

Recommendation 15

Campbelltown City Council should continue to develop and implement strategies to build Campbelltown-Macarthur as the major knowledge based centre of South West Sydney and take steps to strengthen the centre's commercial office market. The boundaries of the centre need to incorporate the University of Western Sydney, the South Western Sydney Institute and the Bethlehem Monastery. All land uses in this broader catchment should support the long term employment target of 35,000 jobs by 2036.

Comment

This recommendation relates to the preparation of the new comprehensive LEP. The boundaries of the Campbelltown-Macarthur Centre, its future zoning, height limits, lot sizes, floor space ratios for buildings, heritage considerations and overall design are being considered as part of the preparation of the new LEP. The LEP provisions for this area will also be based on the endorsed Campbelltown-Macarthur Structure Plan and the yet to be finalised Development Control Plans. The specific matter of the footprint of the Campbelltown - Macarthur Centre will be further reported to Council as the draft comprehensive LEP progresses.

Recommendation 16

Campbelltown City Council should request that the NSW State Government adopt and fund a priority infrastructure project to strengthen access to and from the city's employment lands. Key priorities include:

- Better east-west road access from the South West Growth Centre to the Campbelltown-Macarthur Centre through the extension of Badgally Road;
- Four way intersections with Raby Road and Brooks Road to give better access to the Minto and Ingleburn Employment Areas.

Comment

The provision of essential infrastructure and transport linkages is essential for the Campbelltown LGA to be able to achieve its employment targets and a greater proportion of employment self-containment for its labour force. Therefore, it is considered appropriate for Council to write to the NSW Minister for Planning and Infrastructure requesting that the NSW Government adopt and fund priority infrastructure projects to strengthen access to and from Campbelltown's employment areas.

Officer's Recommendation

That Council notes the findings of the draft Campbelltown Employment Lands Review and undertakes the following actions:

- i. That Council request the State Government to formally recognise the Campbelltown - Macarthur Business Centre as the Regional City Centre for South West Sydney.
 - ii. That Council write to the State and Federal Governments requesting support for economic and employment growth in the Campbelltown LGA and South West Sydney, and to adopt higher employment targets for both Campbelltown and the South West Subregion.
 - iii. That Council recognise a target of 106,000 jobs to be provided for within the Campbelltown LGA by 2036 to be distributed spatially as proposed in Recommendation 4 of the draft Campbelltown Employment Lands Review.
 - iv. That Council recognise a target of a total of 1,000 hectares of non-business park employment land within the Campbelltown LGA by 2036.
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- v. That as part of the preparation of the new comprehensive LEP for the Campbelltown LGA, Council investigates the appropriateness of placing large minimum lot sizes over employment lands that are located along major rail and road corridors or that have good access to the F5 and the Sydney-Melbourne Rail Line to preserve opportunities for the development of transport and logistics based enterprises.
 - vi. That Council forward a copy of the Campbelltown Employment Lands Review to the NSW Government's Employment Lands Development Program Division for its consideration in the identification of sites for new employment lands and business parks for the Campbelltown LGA and the South West Subregion.
 - vii. That Council write to the NSW Minister for Planning and Infrastructure:
 - (a) Seeking recognition of the Campbelltown-Macarthur CBD as a Regional City, and requesting an increase in the job target for the centre to 35,000 jobs by 2036; and,
 - (b) Requesting that the NSW Government adopt and fund priority infrastructure projects to strengthen access to and from Campbelltown's employment areas.
 - viii. That Council examine in further detail the feasibility of the establishment of a business park facility in the vicinity of the Hurlstone Agricultural High School, UWS and the Bethlehem Monastery Site at Campbelltown.

Committee's Recommendation: (Oates/Bourke)

That the Officer's Recommendation be adopted subject to the addition of the following actions:

- ix. That Council write to the Premier requesting the NSW Government to urgently consider relocating government departments and agencies to the Campbelltown Local Government Area to stimulate and provide employment to the local economy.
- x. That Council write to the Federal Government seeking ways in which Council can access the \$100m fund to help attract employment hubs for city councils with high jobless rates.

CARRIED

Council Meeting 31 May 2011 (Kolkman/Oates)

That the Committee's Recommendation be adopted.

Amendment (Rule/Hawker)

That the Committee's Recommendation be adopted subject to the removal of the references to Hurlstone Agricultural High School and the Bethlehem Monastery Site in item viii.

Council Resolution Minute Number 104

That the above amendment be adopted.
