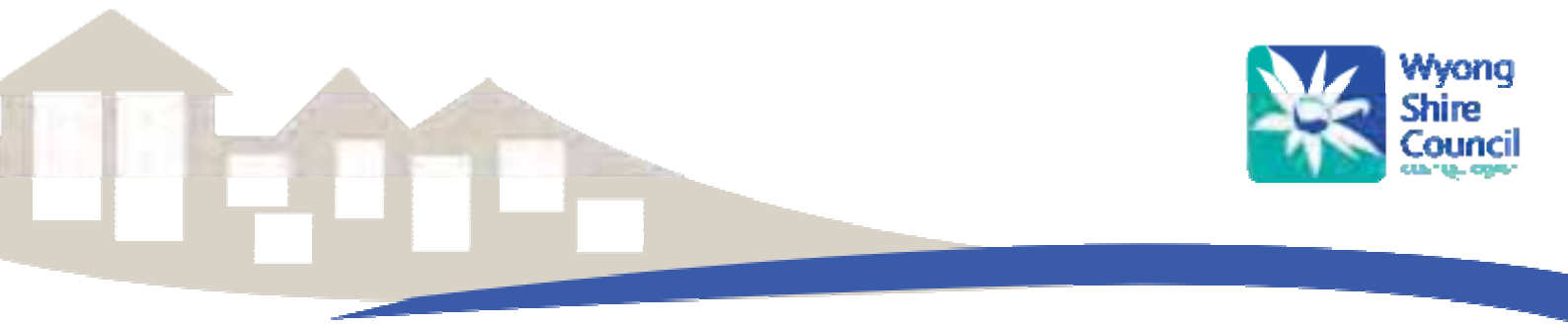


Wyong Shire Council

ORDINARY COUNCIL MEETING

ENCLOSURES

Wednesday, 27 March, 2013



WYONG SHIRE COUNCIL
ENCLOSURES TO THE
ORDINARY COUNCIL MEETING
TO BE HELD IN THE COUNCIL CHAMBER,
WYONG CIVIC CENTRE, HELY STREET, WYONG
ON WEDNESDAY, 27 MARCH 2013 ,
COMMENCING AT 5:00 PM

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Wyong employment lands study and industrial land audit

Final draft report

Wyong Shire Council
February 2013



Independent insight.



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EXECUTIVE SUMMARY

Study objectives

SGS Economics and Planning was commissioned by the Wyong Shire Council to complete an Industrial Land Audit and Employment Lands Study. The brief contained the following broad scope.

To complete an Industrial Land Audit and Employment Land Study (with a focus on industrial land) to promote economic activity and employment growth in Wyong Shire. This will involve:

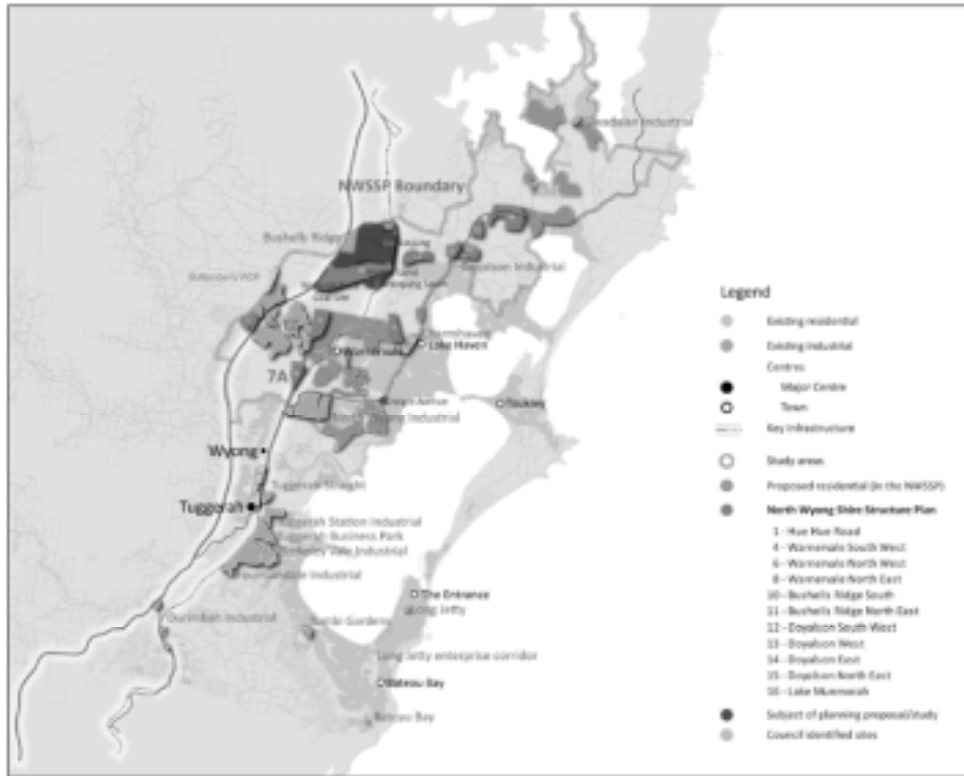
- complete an audit of existing industrial land supply (amount, type, location, opportunities and constraints to development) for incorporation into the Employment Lands Study.
- identifying trends in industrial and employment land, including likely local and regional demand.
- Investigate and respond to opportunities for the reuse and possible intensification of underutilised industrial sites (where appropriate).
- Outline and provide details on the types of strategies, policies and programs that will guide the future of Wyong Shire's industrial precincts.
- Making recommendations on land use zonings, development controls and/or permissibility of uses within industrial zones to develop a contemporary zoning regime to facilitate economic development and employment generation to inform the Settlement Strategy and Comprehensive LEP 2012.

SGS Economics and Planning has prepared this report in response to these objectives.

Employment Lands in Context

The population of the Wyong Shire is currently distributed across a number of settlements, with patterns of settlement generally concentrated east of the F3 Transit Corridor, with regional emerging centres being located at Tuggerah, and in the future, Warnervale. The figure overleaf provides an overview of locational characteristics for the Wyong Shire area, including the location of current and potential employment land precincts.

LOCATIONAL SETTING FOR EXISTING AND PROPOSED EMPLOYMENT LANDS IN WYONG SHIRE



Source: SGS Economics and Planning, 2012.

The following areas were considered in the study.

Current precincts (already zoned for industrial most with some development) are:

- Bateau Bay Industrial Area
- Berkeley Vale Industrial Area
- Bushells Ridge 'remainder' (current tile factory and quarry site).
- Charmhaven Industrial Area
- Doyalsong Industrial Area
- Fountaindale Industrial Area
- Gwandan Industrial Area
- Long Jetty Industrial Area
- North Wyong Industrial Area
- Durimbah Industrial Area
- Tuggerah Business Park
- Tuggerah Station Industrial
- Tuggerah Straight
- Tumbi Gardens Industrial
- Part of Wyong Employment Zone including the precinct of Warnervale Business Park.

The potential industrial areas (mostly vacant) are:

- Part of Bushells Ridge (already with industrial zoning) including the precincts of:
 - Wallarah No. 2 colliery proposal,
 - Hunter Land,
 - Bushells Ridge North East,
 - Darkinjung
- Darkinjung South¹
- Part of Wyong Employment Zone (already with industrial zoning) including the precincts of:
 - Sparks Road North,
 - NW WEZ,
 - the Airport lands.
- Craigie Avenue site
- Buttoberry Waste Disposal Facility (limited opportunities along Hue Hue Road, Jillyby)
- Land identified in the NWSSP (but not including land in Bushells Ridge which is included above):
 - 1 - Hue Hue Road
 - 4 - Warnervale South West (Council owned land)
 - 6 - Warnervale North West

¹ The Darkinjung South site is identified in the North Wyong Shire Structure Plan as 'strategically located, constrained sites subject to further investigation and offset strategies to define conservation requirements and development potential'.

- 8 - Warnervale North East
- 12 - Doyalson South West
- 13 - Doyalson West
- 14 - Doyalson East
- 15 - Doyalson North East
- 16 - Lake Munmorah

Population

The LGA has recently experienced a decline in levels of population growth mirrored by a decline in the number of residential subdivision approvals. Significant growth is still anticipated, particularly for the planned greenfield residential release areas in Warnervale. The Central Coast Regional Strategy (CCRS) identifies the need for 17,500 dwellings to accommodate projected population growth to 2031 (an average of more than 700 dwellings per year).

Relevant demographic characteristics include higher than the NSW average of residents over 60 years (reflecting an influx of retirees), a lower than average proportion of residents aged 20 to 34 (with people leaving for education and work opportunities) and a relatively higher proportion of young residents aged 0 to 14 years (reflecting the pull of the region for young families).

Employment

Wyong LGA has a higher rate of unemployment than the metropolitan Sydney average. Compared to the NSW average, the LGA has a lower share of employment of professionals and technicians, but there has been relatively strong growth in some higher value service industries such as finance and insurance (off a small base), government administration and defence, and health and community service sectors. There had also been strong growth in property and business services (off a small base), retail trade and transport storage.

An analysis of relative specialisation shows that compared to the Sydney region, the Wyong LGA has particular employment strengths in retailing (reflecting strong domestic consumption), accommodation, cafes and restaurants (tourism and recreation), construction (builders and tradesworkers), community services (aged persons and other services) and some manufacturing.

Employment Lands Market Context

The Central Coast Regional Strategy (CCRS) indicates that there is expected to be an additional 5000 jobs in existing employment lands and 10,500 additional jobs in the employment lands in the North Wyong Shire Structure Plan Area². The Wyong Employment Zone (WEZ) is itself expected to host 6000 jobs. A key issue, identified by the CCRS, over the next 25 years is to increase the current level of employment self-containment to ensure more local jobs for the local population. A specific self-containment target was not provided in the CCRS.

Consultation with a range of government and industry stakeholders highlighted the following issues:

- The industrial market is experiencing slow demand (related to a general post GFC 'hangover')
- The most appropriately targeted industries for future expansion in the Wyong Shire include freight and logistics, hi-tech and value added manufacturing and development that leverages the National Broadband Network.
- Affordable and serviced land was cited as a pre-condition for the attraction and retention of industry (with some suggesting that other regions such as the Lower Hunter were more competitive than Wyong Shire in this regard).

Between 2001 and 2006, the number of jobs in Wyong's employment lands increased by 1800, in linear terms by 360 jobs per year or 21 percent of all direct jobs in Wyong over this period. The short term drivers of employment lands, notwithstanding market cycles (including the current apparent 'dip'), will be:

- **Local population growth** resulting in continuous spinoffs to light industrial activities.
- Attaining an increasing critical mass in terms of growing networks of firms and increasing integration into the Greater Metropolitan Region. Linking Sydney with the high growth Lower Hunter, via improvements in

² NSW DP&I (2008), Central Coast Regional Strategy, p. 11.

infrastructure over the next 20 years, particularly continuous upgrading of the F3 Sydney to Newcastle Freeway and increased rail freight capacity on the Sydney-Newcastle rail line.

- **New waves of infrastructure investment** such as the roll-out of the National Broadband Network (NBN).
- **Government policy and increasingly market forces**, including congestion and climate change policies and upward pressure on energy prices, is prompting a **greater modal shift in focus from road to rail freight**. This may present an increase in opportunities for well-located Wyong employment lands, particularly with growing potential for container terminals in Newcastle to take pressure off Port Botany.

Threats to future economic development in Wyong Shire come from external forces such as a continuing high Australian dollar, a lack of coordinated planning and infrastructure cost provision pressures.

Overview of the demand and supply analysis

A specific industrial land audit was undertaken for this study. This involved recording the floor space and use of every building in all the existing industrial precincts in the Shire. In addition, the precincts were analysed from a constraints perspective (to identify which lots or areas were actually available for development) and from an infrastructure provision perspective (to 'rate' precincts on their relative viability to accommodate future demand).

The industrial land audit data and broad constraints analysis on the supply side, the state government's employment projections (adjusted upward to account for the CCRS employment targets) and a variety of assumptions on the demand side, were used for the detailed demand and supply analysis. The analysis identified the following key findings.

- Of the total 520 hectares of vacant land in current precincts (listed above), 75 percent or about 391 hectares was low-level constrained³ and available for development. Of the total 1026 hectares of potential⁴ industrial land (also listed above) 74 percent or 757 hectares had low-level constraints. In summary, there is a total of 1547 hectares of vacant land and 1148 hectares of low-level constrained vacant land in the LGA.
- As a whole, there is a total of 250 hectares of serviced, low-level constrained industrial land in the Wyong LGA; representing around 16 percent of land in both existing and potential precincts. Importantly, only 127 hectares of this is currently zoned industrial and ready for development.
- Using the CCRS employment targets (converted to an annual figure) the Wyong Shire is expected to accommodate 27,000 new jobs between 2011 and 2036.
- Across the LGA, it is projected that there will be demand for approximately 695,000 square metres of additional employment floorspace by 2036. This is around 193 hectares of demand for land, which equates to approximately 7.7 hectares pro rata of industrial land take-up per annum (to 2036).
- Since there is currently approximately 1.12 million square metres of additional floorspace supply available in existing precincts (on vacant low-level constrained lots), there is sufficient notional current supply across the LGA to accommodate projected demand.
- However, the analysis shows that some precincts will 'fill' in the 2036 year period, meaning others will need to accommodate 'overflow'. Some of the overflow will be accommodated within existing precincts, but as they are not all suited to the overflow demand (not sharing the same geographical or other physical characteristics) new and more suitable precincts will need to be 'turned on' in about 10 years or so (subject to review). The modelling suggests that in the order of 130,000 square metres of floorspace will need to be accommodated in 'new' precincts in due course.
- 'Sensitivity' testing of the results by increasing demand in three key industry sectors (freight and logistics, business park activities, and light manufacturing land uses) to increase the demand side, suggests that some new precincts will have to be 'turned on' sooner, with the existing capacity in the LGA exhausted by 2036.

³ Land that is relatively free from physical development constraints (see section 4.1).

⁴ Land that has been identified by Wyong Shire Council and NSW Department of Planning and Infrastructure in strategic planning documents as well as recently zoned employment lands that are yet to be developed.

- Overall though, the base case demand trends (193 hectares of demand to 2036) modelled in this report (and conservative supply assumptions) indicates that, at a linear rate of take up in the long term, there is in the order of 123 years supply of land (954 hectares) remaining in both existing and future precincts by 2036.
- Using the 7.7 hectares per year as the pro rata demand figure, and comparing Wyong LGA's employment lands supply to the NSW Employment Lands Taskforce best-practice benchmark, there is sufficient supply in the LGA:

| Category of land | Best practice supply (years) | Wyong LGA's supply (years) | Wyong LGA's supply (Ha) |
|---------------------------------------|------------------------------|----------------------------|-------------------------|
| Undeveloped: zoned and serviced | 5-7 years | 16 years | 126.5 |
| Undeveloped: unzoned and serviced | n.a. | 16 years | 123.3 |
| Undeveloped: zoned but not serviced | 8-10 years | 34 years | 264.5 |
| Strategically identified ⁵ | 15 years | 98 years | 756.5 |

Source: NSW DP&I, 2012; SGS, 2012.

In general there is no early need to rezone additional land for employment uses. Existing precincts have capacity and new areas are not required until around 2025 (subject to review). However, the issues evident in existing precincts (such as desirable development staging, internal structure, desirable lot sizes and mix and infrastructure provision) need to be addressed through more detailed planning and analysis.

A possible implication of this demand and supply analysis is that current demand in industrial areas may not be sufficient for Wyong Shire to achieve its targets.

It should be remembered however that only a share (in the order of a quarter to a third) of future jobs are likely to be in broad hectare employment lands. Population growth – when it picks up again in Wyong Shire – will stimulate jobs in a number of sectors including health, retailing and education which are not typically located in 'industrial' areas. Service industry jobs associated with population growth will locate in light industry areas.

In addition, the current apparent flat industrial market is an Australia wide phenomenon in outer suburban and regional areas in particular. During up-turns the employment growth rate will accelerate and this will be when the self containment rate improves. A share of this employment will be in the employment lands considered in this report though as many or more will be in centres and dispersed.

Notwithstanding market cycles, more can be done to encourage and facilitate employment growth in the Shire, though simply re-zoning additional land for employment, or adopting a laissez-faire approach to use provisions is not appropriate. A more strategic approach involving infrastructure initiatives, education and skills development and targeted business assistance is necessary.

The other lesson from the analysis is that proposals for new employment areas should always be tempered by realism in terms of future take up possibilities and infrastructure and servicing costs. A sequenced and coordinated approach to employment land release ultimately represents the most efficient and cost sensible way to manage supply responses to demand.

⁵ Includes only low-level constrained potential land

Wyong's employment lands future

Five strategic themes have been identified to address the needs identified in the study brief. Proposals to address the themes and needs are included under each strategic theme.

A sixth overarching strategic theme is related to implementation and is about delivering each of the proposals via specific actions in existing and proposed development areas.

Strategic theme 1: Protecting the employment role of centres while also encouraging employment growth in the Shire by allowing new employment land activities

The proposals are:

- Wyong-Tuggerah should be developed as a single centre with a complex of increasingly high value economic spaces
- Business park zones should be 'urban' in character with some restrictions on pure office development, a high quality pedestrian and 'ground level' environment and close to or linked with centres, with a range of transport options (including public transport and active modes such as walking and cycling)
- Bulky goods and other retail activities should be resisted in industrial areas to ensure that legitimate industrial uses are not 'squeezed out' by increasing land values or reduced availability of sites, and to preserve a critical mass of retail which underpins public investment in infrastructure and services in existing retail centres and areas Warrervale Town Centre should be the higher order services and retail hub in the North Wyong area.

Strategic theme 2: Deciding on the best location for competing candidates for new enterprise corridor and business park zonings

The proposals are:

- Enterprise corridors should restrict allowable retail including bulky goods but are appropriate for the Craigie Avenue and North Wyong (Pacific Highway frontage) areas
- The Warrervale South West site could support some business park activities. Council's ownership of this site provides the opportunity to prepare a master plan and develop it progressively and strategically to complement the Warrervale town centre, rather than through early sale with subsequent more ad hoc development.

Strategic theme 3: Creating incentives and ensuring Wyong is cost competitive to attract jobs to employment land areas and achieve job targets in the CCRS

The proposals are:

- A Council 'task force' should be established to benchmark Wyong LGA against other competing locations for investment, to identify and offer appropriate incentives and assistance to industry investing in the Shire, as well as 'oversee' a more detailed structure planning and infrastructure coordination exercise for the WEZ and Bushells Ridge strategic industrial areas
- Relevant sectors highlighted in the Regional Economic Development and Employment Strategy should be targeted and attracted to Wyong
- Infrastructure financing and funding alternatives, particularly to address the 'up-front' financing hurdle to development, should be investigated
- Transform Tuggerah Station Industrial into an enterprise and business development area in the medium term

Strategic theme 4: Promote and secure the future for some strategic industrial areas (e.g. WEZ, Bushells Ridge, and Berkeley Vale)

The proposals are:

- Promote and secure Bushells Ridge and parts of WEZ for future freight and logistics uses
- Promote and secure large lots in Berkeley Vale industrial area on B-double route in recognition of their strategic importance

Strategic theme 5: Directions for innovation to allow for 'non-conventional' economic and employment activities including home based work

- Allow some home trade and businesses in selected large lot residential areas
- Encourage and facilitate office and home business in Wyong Town Centre
- Explore opportunities for industry synergies and the application of an industrial ecology model

Implementation: meeting short, medium and long term demands in existing and proposed development areas, including a process for new release employment land areas

To address each of the strategic themes and proposals the employment land areas are allocated to five categories as described in the table below.

FUTURE ROLE CATEGORIES FOR INDUSTRIAL AREAS

| Future role categories | Rationale for application given Shire 'structure' | Implementation |
|--|--|--|
| Consolidate current role ('business as usual') | Typically likely to apply to those areas where new demands and needs are modest and the precinct is functioning well given its context; most likely those precincts with a service industry focus servicing established residential settlements. | Translate current zoning into new standard template zones. |
| Transition, with intensification as appropriate | Appropriate for existing employment areas and centres in the 'heart' of the Shire in the Tuggerah and Wyong area with a strong relationship to residential areas nearby, where building a 'critical mass' from an existing base is possible and good transport (including public transport) connections exist. | Tailored 'upzoning' of either use or allowable development intensity. May need complementary infrastructure or economic development initiatives. |
| Promote and secure for longer term industry prospects | Appropriate for underdeveloped areas with attributes (that is, which offer a comparative advantage) aligning with longer term industry trends and strategic futures for the Shire; the F3 is a key attribute in this regard. | Translate current zoning into new standard template zones potentially with adjustment to subdivision or density controls to protect for longer term. |
| Selective new release to accompany residential and labour force growth in short to medium term | As the population grows and new settlements develop there will be a need for service industry development, as well as higher order employment nodes to provide future employment opportunities. | Re-zone in line with future demand and accompanying wider precinct planning and rezoning; prepare servicing and infrastructure plans as appropriate. |
| Reconsider in medium to long term | Not currently zoned for industrial or employment uses. No pressing need or justification for rezoning given observed supply-demand patterns. | No short term action necessary; review in due course. |

Each of the existing and potential industrial precincts is allocated according to this categorisation in the tables below. For each precinct the proposed zoning, estimated timeframe for development, estimated current and future floorspace and audited jobs⁶ and job capacity⁷ is also identified.

- For existing zoned and serviced precincts the timing is a guide to when the precincts might reach capacity.

- For existing zoned but unserviced precincts, the timing is a guide to servicing in the absence of a developer's preparedness to pay the full cost and bring forward a particular precinct. If however a developer is prepared to pay the full servicing cost for a precinct cited as longer term, then that will reduce demand elsewhere and may 'slow' the filling up of another precinct (unless the new development is in a category which represents 'new' demand or a new industry –such as a large intermodal terminal for example).

⁶ Collected from individual businesses during the floorspace survey.

⁷ This figure represents the additional jobs potential within the unutilised capacity within each precinct, assuming it develops with a similar employment profile and jobs to floorspace ratio or density to what currently exists (it is derived by dividing the floorspace capacity in the precinct by the current floorspace per jobs ratio for the precinct).

- For the areas which are not currently zoned the timing is a guide to future rezoning and servicing. However, these areas may be brought forward by a developer prepared to incur the servicing costs and again this may reduce demand elsewhere.

Council should commit to tracking supply / demand more effectively to provide the basis for regular reviews of industrial lands, and the timing of 'new release' and servicing proposed here. This may include systematically monitoring Development Approvals, Construction Certificates, water connections or updating the audit undertaken for this study.

TABLE 3. FUTURE ROLE FOR EXISTING ZONED INDUSTRIAL AREAS

| Considered current role | Proposed zone | Timing of development | Floorspace | | | Jobs | |
|--------------------------------|--|-----------------------|------------|-------------------------------|----------------------------|----------------------|--|
| | | | Current | At 2036 (limited by capacity) | 2036+ (remaining capacity) | Audited current jobs | Implied current capacity for additional jobs |
| Barkby Vale Industrial | IN1 with a small amount of IN2 south of Enterprise Drive | Capacity to 2025 | 254,299 | 284,963 | 0 | 557 | 67 |
| Charnwater Industrial | IN2 | Capacity to 2025 | 119,174 | 121,024 | 0 | 614 | 9 |
| Doyalson Industrial | IN1 | Capacity to 2036 | 9,403 | 11,989 | 5,974 | 60 | 55 |
| Fourteen Mile Industrial | IN1 | Capacity to 2025 | 66,856 | 69,730 | 0 | 157 | 7 |
| Long Jetty Industrial Area | IN2 | Capacity to 2025 | 4,459 | 4,459 | 0 | 25 | 0 |
| Tumbalong Industrial | IN2 | Limited capacity | 32,058 | 32,441 | 0 | 192 | 2 |
| Long Jetty Enterprise Corridor | B6 | Limited capacity | - | - | - | - | - |

| Transition with intensification as appropriate | Proposed zone | Timing of development | Floorspace | | | Jobs | |
|---|---|-----------------------|------------|---------|----------------------------|----------------------|--------------------------------------|
| | | | Current | 2036 | 2036+ (remaining capacity) | Audited current jobs | Implied capacity for additional jobs |
| Tuggerah Business Park Facilities to evolve as part of a commercial and industry complex in Wyong-Tuggerah Major Centre, well connected to Sydney and nearby residential adjacent to the major arterial | B7 | Capacity to 2025 | 179,412 | 262,071 | 0 | 1,377 | 629 |
| Tuggerah Straight Facilities to evolve as part of a commercial and industry complex in Wyong-Tuggerah Major Centre well connected to Sydney and nearby residential adjacent to the major arterial | B5 along Pacific Highway; IN2 remainder; IN1 on east of Pacific Hwy | Capacity to 2025 | 142,624 | 156,927 | 0 | 1,304 | 129 |
| Tuggerah Station Industrial The modern precinct can evolve with intensification as part of a commercial and industry complex in Wyong-Tuggerah Major Centre. Lake Road area should continue to provide a service industry role, with review appropriate in medium to longer term. | B5 on west; IN2 along Lake Road | Capacity to 2036 | 23,130 | 42,797 | 0 | 137 | 90 |
| Durrumbul Industrial Currently contains a mix of business employment. Specific role to be clarified in relation to university, Durrumbul Town Centre and other employment activities subject to the Durrumbul Master Plan process. | IN2 | Capacity to 2025 | 3,319 | 4,841 | 4,628 | 60 | 61 |
| North Wyong Industrial Frontage to Pacific Highway could evolve and intensify and play more of a service and highway enterprise role (to be facilitated by ultimate provision of Link Road) but no retail/food to be greater than 2000 sqm. The remainder to continue as a major manufacturing and service industry hub to the edge of the Wyong-Tuggerah Major Centre. Utilization of 2015 office recommended for proposed enterprise corridor. | B6 along Pacific Highway Frontage; IN1 for remainder | Capacity to 2036 | 175,011 | 275,079 | 0 | 1,295 | 477 |
| Bulimba Bay Industrial Currently vacant - future local service role for residential community. | IN2 | Capacity to 2036 | 0 | 887 | 0 | 0 | 5 |
| W&T Warnervale Business Park Expected to attract development as other established precincts reach capacity. Should be part of a more detailed structure planning exercise to ensure strategic role opportunities are protected (ensure a mix of smaller and large lot offerings). | IN1 | Capacity to 2025 | 83,268 | 139,072 | 0 | 743 | 498 |
| Granddalian Industrial Local service role for established and new residential communities. Timing for B1 area will be assessed in the Strategic Centres Review process. | B1 in the north and IN2 in the south | Capacity to 2025 | 4,756 | 5,851 | 0 | 16 | 4 |



| Provide and secure for longer term industry projects | Proposed zone | Timing of development | Floorspace | | | Jobs | |
|--|---------------|---------------------------------|------------------|-------------------------------|----------------------------|----------------------|--|
| | | | Current | At 2036 (limited by capacity) | 2036+ (remaining capacity) | Audited current jobs | Implied current capacity for additional jobs |
| Darbyvale | INI | Very long – required by 2056 | 0 | 0 | 85,930 | n.a. | 483 |
| WZZ Sparks Road North* | INI | Medium term – required by 2025+ | 13,430 | 90,120 | 262,899 | 80 | 2,023 |
| WZZ Airport Lands* | INI | Medium term – required by 2025+ | 0 | 78,462 | 32,884 | n.a. | 626 |
| WZZ North West (Warner Industrial Park)* | INI | Capacity to 2036 | 0 | 0 | 213,960 | n.a. | 1,202 |
| Hunter Land | INI | Capacity to 2036 | 0 | 0 | 0 | n.a. | 0 |
| Wallarah No. 2 Coal Site | INI | Very long – required by 2056+ | 0 | 0 | 517,769 | n.a. | 2,909 |
| Dunells Ridge - Remainder | INI | Long term – required by 2036+ | 22,108 | 113,368 | 41,060 | n.a. | 743 |
| TOTAL | | | 1,111,107 | 1,694,081 | 1,165,104 | 6,617 | 10,019 |

TABLE 2. FUTURE ROLE FOR POTENTIAL INDUSTRIAL AREAS (NOT YET ZONED)

| Selective new release in short to medium term | Proposed zone | Timing | Floorspace | | Jobs | | |
|---|---------------|---------------------------------|-------------------------------|----------------------------|----------------------|--|-----|
| | | | Current (limited by capacity) | 2036+ (remaining capacity) | Audited current jobs | Implied current capacity for additional jobs | |
| Craigie Avenue | B6 | Short term | 0 | 11,301 | 0 | n.a. | 63 |
| NWSSP 4 - Warrienaile South West | B7 | Medium term – required by 2025+ | 0 | 24,747 | 64,474 | n.a. | 501 |
| NWSSP 8 - Warrienaile North East | IN2 | Medium term – required by 2025+ | 0 | 8,205 | 131,962 | n.a. | 787 |
| NWSSP 11 – Bushells Ridge North East | IN1 | Medium term - required by 2025+ | 0 | 42,323 | 0 | n.a. | 238 |



| Proposed in medium to long term | Proposed zone | Timing | Floorspace | | Jobs |
|---------------------------------|---------------|---------------------------------|------------------------|---|---|
| | | | Current by capacity | At 2036 (limited 2036+ (remaining capacity) | Audited current for additional jobs |
| Darlington South | - | Long term - required by 2016+ | 0 | 0 | n.a. |
| NW350 1 - Blue Hue Road | - | Very long - required by 2020+ | 0 | 0 | n.a. |
| NW350 6 - Warnervale North West | - | Very long - required by 2020+ | 0 | 0 | n.a. |
| NW350 12 - Doyalson South West | - | Long term - required by 2016+ | 0 | 0 | n.a. |
| NW350 13 - Doyalson West | - | Very long - required by 2020+ | 0 | 0 | n.a. |
| NW350 24 - Doyalson East | - | Very long - required by 2020+ | 0 | 0 | n.a. |
| NW350 15 - Doyalson North East | - | Medium term - required by 2015+ | 0 | 42,719 | n.a. |
| NW350 26 - Lake Mummorah | - | Long term - required by 2016+ | 0 | 0 | n.a. |
| Butterberrys WDF | - | Very long - required by 2020+ | 0 | 0 | n.a. |
| TOTAL | | | 0 | 129,295 | n.a. |

Notes: * If Biodiversity Certification is not achieved, registered portions of the WEZ which contain threatened species habitat may not be cleared. This may affect development yields. Darlington South and Darlington may require additional environmental offsets to be incorporated in a new proposal to be assessed to address wildlife conservation planning and others to address threatened species planning requirements. Hunter Land has been discounted from capacity analysis as all land in this precinct is classified as highly constrained. Long Jetty Estuarine Corridor was not audited for this study; recommendations for this precinct have been based on 2012 Retail Centres Review. Floorspace at 2036 includes absorbed excess demand and is limited by each precinct's capacity.



1 INTRODUCTION

1.1 Study background

The Wyong Shire Employment Lands Study has been developed having regard to aims from the Central Coast Regional Strategy (CCRS) and the Central Coast Regional Economic Development and Employment Strategy (REDES). These documents identify targets of 45,000 new jobs on the Central Coast over the next 25 years, including 27,000 new jobs in Wyong Shire. Wyong Shire Council intends to provide sufficient land to meet these targets. Council's development of a comprehensive Local Environment Plan (LEP) will be important to ensure that employment lands are effectively accounted for in future land use planning, and in ways that effectively meet the requirements of industry.

The scope of the study is to promote economic activity and employment growth in Wyong Shire through an analysis of existing zoned industrial land and future employment lands, and to account for further opportunities relating to employment growth.

The terms of reference for the Employment Land Study and Industrial Land Audit include:

- Auditing of existing industrial land supply (amount, type, location, opportunities and constraints to development).
- Identification of trends in industrial and employment land, including local and regional demand.
- Investigation of opportunities for the reuse and possible intensification of underutilised industrial sites.
- Analysis of the strategies, policies and programs that guide future planning for Wyong's industrial precincts.
- Recommendations on land use, development control and permissibility of use within industrial zones to develop a zoning regime that facilitates economic development and employment generation.
- Providing the knowledge base to inform future planning of employment lands in Council's Comprehensive LEP 2012.

The Wyong Shire Employment Land Study and Industrial Land Audit (the study) is partly funded through the NSW Planning Reform Fund.

1.2 Key study issues and strategy responses

The brief for the study issued by Council contained a list of 10 'needs' for consideration. These have been further refined to be covered by five strategic themes and a sixth overarching implementation theme. The six strategic themes and how these address the 'needs' from the brief, are identified in Table 3.

TABLE 3. STRATEGY AREAS AND RELATIONSHIP TO 'NEEDS' IDENTIFIED IN THE BRIEF

| Strategy area | 'Needs' to be addressed from brief |
|--|---|
| 1. Protecting the employment role of centres while also encouraging employment growth in the Shire by allowing new employment land activities | <p>Review permissible uses and the relationship (including both spatial and economic) between lands zoned for business/commercial purposes and industrially zoned land.</p> <p>Review potential impact of encroachment of non-industrial uses in industrial zones e.g. bulky goods style retail developments, churches, car yards, recreational uses etc.</p> <p>In planning for future industrial areas the economic viability of development in existing centres must be considered. For example many office based businesses have relocated from Wyong Township to the Tuggerah Business Park over the past 10 years. Particular issues of concern include encroachment of bulky goods retailing into industrial areas and business parks and establishment of office only activities in business parks. Proposals have also been put forward to Council to convert existing industrial land into business development zones and enterprise corridors to permit bulky goods retailing and office only uses in out of centre locations.</p> <p>Examine the existing and future role of business parks and potential to establish enterprise corridors in Wyong Shire acknowledging the overlap between technology and knowledge-based business, business parks, bulky goods retail and offices. Develop strategies to identify and foster an appropriate balance between industrial and office activities within business parks and ensure that bulky goods retailing is only conducted in appropriate locations.</p> |
| 2. Deciding on the best location for competing candidates for new enterprise corridor and business park zonings | Identification of locations and recommend appropriate planning controls where business parks, enterprise corridors and specialised employment lands should be created in Wyong Shire. |
| 3. Creating incentives and ensuring Wyong is cost competitive to attract jobs to employment land areas and achieve job targets in the CCRS | Identify incentives to make Wyong Shire more attractive as a destination for business (including any niche opportunities) which are available. |
| 4. Promote and secure the future for some strategic industrial areas (e.g. WEZ, Bushells Ridge, and Berkeley Vale) | Identify suitable responses for dealing with zoned industrial land that may be unsuitable for industrial development e.g. environmentally and flood constrained land. |
| 5. Directions for innovation to allow for 'non-conventional' economic and employment activities including home based work | Outline strategies, policies and programs to guide development in future industrial precincts. Identify opportunities for new and emerging types of employment to inform Council's Settlement Strategy and Comprehensive LEP and DCP process. |
| Implementation: Meeting short, medium and long term demands in existing and proposed development areas, including a process for new release employment land areas | <p>Consider the amount of industrial land that may be required (e.g. general lot sizes, type, location, industrial zones etc.).</p> <p>Identify opportunities and constraints for expansion of existing industrial land, considering new and emerging industries, 'drivers of change' and comparative advantages by location and the distribution of current/future population. Given previous work the modelling component is not expected to be a major component of the project. Underdeveloped industrial land should be considered as an opportunity and strata title ownership as a constraint in any analysis.</p> <p>Consider the local drivers of demand for industrial space (i.e. land availability and affordability, infrastructure provision, population growth, clusters and industry specialism) and what are likely to be key forms of industrial development. Consider using the timeframes which align with the NSW Metropolitan Strategy i.e. 5, 10 and 25 years.</p> <p>Review competitive advantages/disadvantages of various industrial areas. This may also identify opportunities for development of new employment clusters.</p> |

Council's brief also required SGS Economics and Planning to ensure that any recommendation made to rezone existing industrial land would be considered in the context of the "Summary of the Strategic Assessment Checklist", as provided in Action E3.2 of the Metropolitan Plan.

1.3 Contents

The study is structured as follows:

- **Section 2** provides an overview of local context within Wyong Shire, including an account of existing employment lands, demographic trends (at headline level), and labour market/economic baseline profiling. A summary of existing and emerging local economic trends is also provided, to introduce the context for employment planning in the Shire.
- **Section 3** provides an overview of the strategic context for development within Wyong Shire, with specific reference to industry and employment land trends affecting the sub-region. The wider competitor offer and emerging issues in the area of industrial land provision are also discussed.
- **Section 4** includes the demand and supply analysis. It utilises the audit information and a high constraint and low constraint land analysis for the supply data and references the Bureau of Transport Statistics for the demand side figures, though adjusts these upwards to ensure the government's Regional Strategy target is used as the planning basis. The precincts are rated for their suitability for different broad land uses. Demand (converted to floorspace in broad land use categories from employment by industry figures) is allocated to precincts until they 'fill up'. The residual potential is then re-allocated to precincts with capacity, based on the precinct's suitability to host any particular broad land use and the 'match' with the overflow demand being allocated.
- **Section 5** outlines Wyong's employment lands future, covered by six strategic themes. In the implementation section the future of each precinct is identified, including the proposed zoning, possible timing for development, current and future area and associated potential jobs. The analysis includes opportunities to meet both short and long term demand.

Appendix 1 contains the industrial audit information. It includes an overview of the findings from a total LGA perspective as well as precinct by precinct analysis of issues and the proposed zoning.

2 THE LOCAL CONTEXT

2.1 Introduction

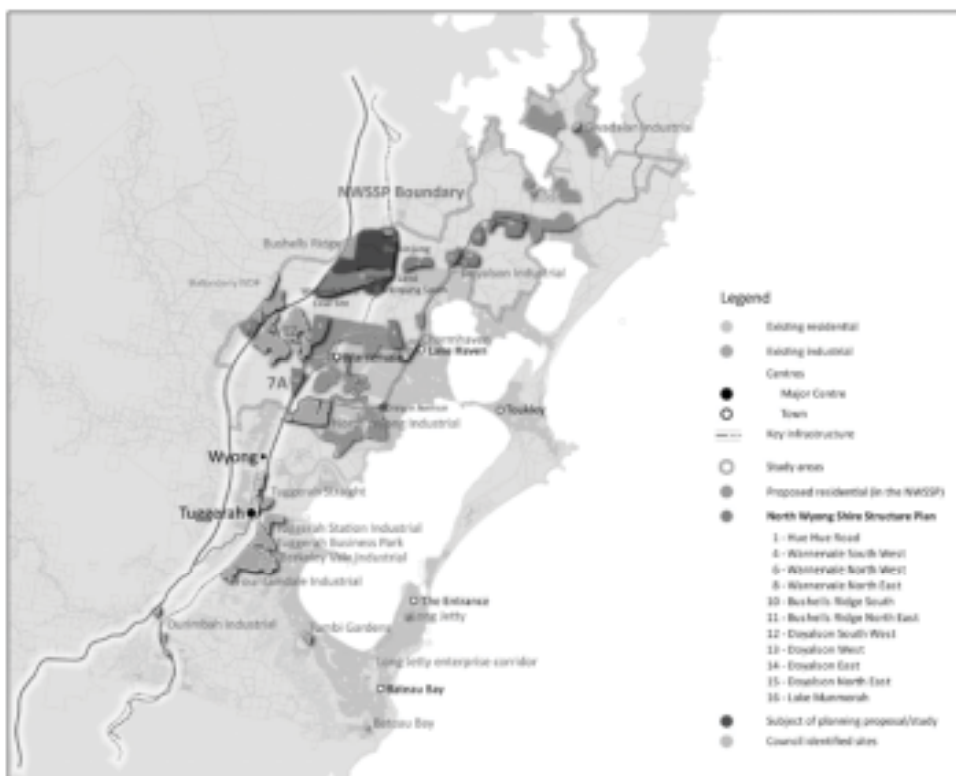
This section explores the local context for this study. The location of Wyong Local Government Area (LGA) and its geographical context are described. A labour force and industry profile are provided and highlight changes in employment growth, unemployment, occupational structure, size of industries and how they have changed.

2.2 Location

Wyong Shire Council administers planning and development matters pertaining to the social, economic, biophysical and built environments over approximately 830 square kilometres, 90 kilometres north of Sydney and 75 kilometres south of Newcastle. The population of the Shire is currently distributed across a number of settlements, with Wyong (suburb) being the largest population hub. Patterns of settlement tend to be concentrated east of the F3 Transit Corridor, with regional emerging centres being located at Tuggerah, and in future, Warnervale.

Figure 1 provides an overview of locational characteristics for the Wyong Shire area, including the location of existing and proposed employment land precincts.

FIGURE 1. LOCATIONAL SETTING FOR EXISTING AND PROPOSED EMPLOYMENT LANDS IN WYONG SHIRE



Source: SGS Economics and Planning, 2012.

The following areas were considered in the study.

Current precincts (already zoned for industrial most with some development) are:

- Bateau Bay Industrial Area
- Berkeley Vale Industrial Area
- Bushells Ridge 'remainder' (current tile factory and quarry site).
- Charmhaven Industrial Area
- Doyalson Industrial Area
- Fountaindale Industrial Area
- Gwandalan Industrial Area
- Long Jetty Industrial Area
- North Wyong Industrial Area
- Ourimbah Industrial Area
- Tuggerah Business Park
- Tuggerah Station Industrial
- Tuggerah Straight
- Tumby Gardens Industrial
- Part of Wyong Employment Zone including the precinct of Warnervale Business Park.

The potential industrial areas (mostly vacant) are:

- Part of Bushells Ridge (already with industrial zoning) including the precincts of:
 - Wallarah No. 2 colliery proposal,
 - Hunter Land,
 - Bushells Ridge North East,
 - Darkinjung
- Darkinjung South¹
- Part of Wyong Employment Zone (already with industrial zoning) including the precincts of:
 - Sparks Road North,
 - NW WEZ,
 - the Airport lands.
- Craigie Avenue site
- Buttonderry Waste Disposal Facility (limited opportunities along Hue Hue Road, Jiliby)
- Land identified in the NWSSP (but not including land in Bushells Ridge which is included above):
 - 1 - Hue Hue Road
 - 4 - Warnervale South West (Council owned land)
 - 6 - Warnervale North West
 - 8 - Warnervale North East
 - 12 - Doyalson South West
 - 13 - Doyalson West
 - 14 - Doyalson East
 - 15 - Doyalson North East
 - 16 - Lake Munmorah

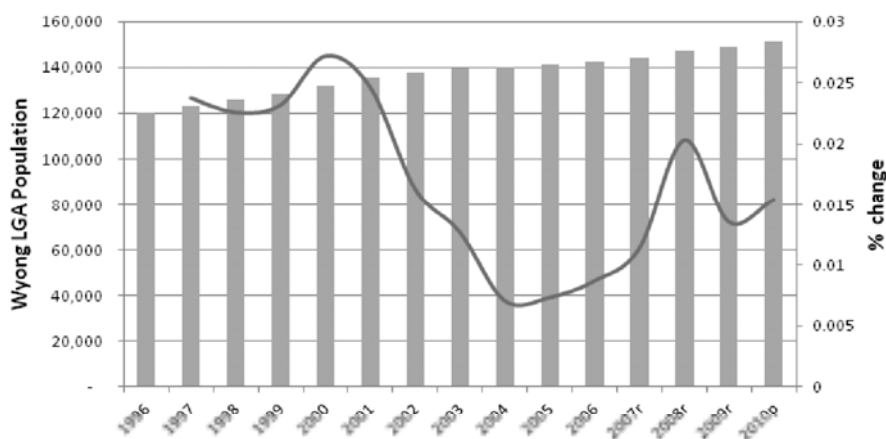
These areas were all considered in the study.

¹ The Darkinjung South site is identified in the North Wyong Shire Structure Plan as 'strategically located, constrained sites subject to further investigation and offset strategies to define conservation requirements and development potential'.

2.3 Population

The Wyong LGA has an estimated resident population (ERP) of 151,527. The population growth rate in Wyong fell from a high of 2.7 percent per year in 2000 to around 0.7 percent per year in 2004 (Figure 2). The rate of growth increased to be around 2.0 percent per year by 2008, but has again fallen to around 1.5 percent per year. The recent trend is toward lower rates of population growth.

FIGURE 2. WYONG ESTIMATED RESIDENT POPULATION, 1996-2010



Source: ABS, 2010; SGS Economics and Planning, 2012.

The recent decline in levels of population growth is mirrored by a decline in the number of residential subdivision approvals, and also feeds the lower than expected future growth projections for the Shire⁵ (Informed Decisions 2011). While significant growth is still anticipated, particularly the planned Greenfield residential release areas in Warnervale, a number of additional demographic factors need to be considered when accounting for future population including:

- A high proportion of residents aged 60 years and over compared to the NSW average. Population ageing in the LGA is among the highest in NSW, when considered with relation to the percent of residents in older age cohorts relative to the rest of the population.
- A lower than average proportion of residents aged 20 to 34 years compared to the NSW average. While this reflects the structural nature of existing population age cohorts, it is also likely to be influenced by local factors relating to the availability of employment and tertiary education opportunities when compared to Greater Sydney and Newcastle.
- A relatively higher proportion of young residents aged 0 to 14 years (14.8%) compared to Gosford (13.7%) and the NSW average (13.4%).

A number of local demographic factors are consistent with broad regional themes identified in the 2008 Central Coast Regional Strategy, which highlighted the following influences to population profiles:

- Young families moving to the region, contributing to high birth rates, and by extension an increase in the number of residents aged 0-14 years, and
- An influx of retirees who have increasing life expectancy, leading to an increased number of single person households in traditional retirement areas.

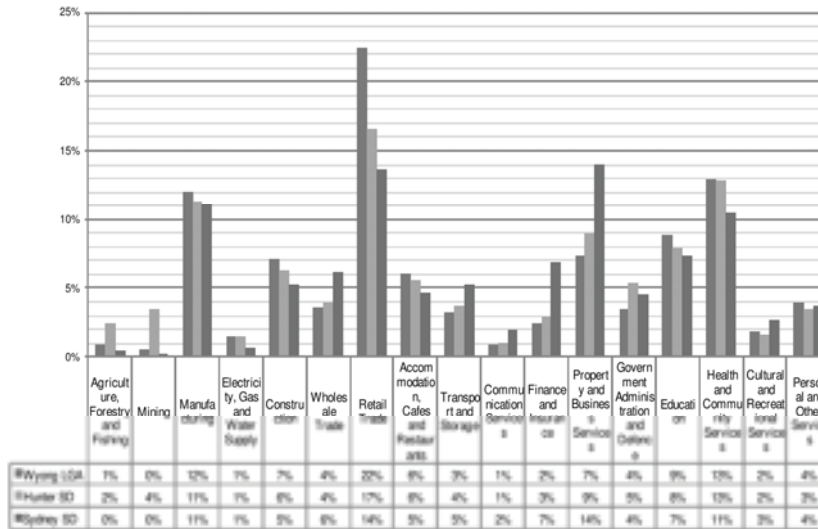
The Central Coast Regional Strategy identifies the need for 17,500 dwellings to accommodate projected population growth to 2031. This equates to an average of more than 700 dwellings per year over this period. Future housing development is expected across the Shire, with a major centre at Tuggerah-Wyong, focused on business activity, housing and employment generation, and town centres at Bateau Bay and Warnervale.

⁵ Informed Decisions (2011).

2.4 Employment and economic baseline

Figure 3 shows the share of employment by industry in Wyong LGA, Hunter Statistical District (SD) and Sydney SD in 2006. For instance, the figure below shows that in 2006, 22 percent of 36,351 jobs in the LGA were in retail trade while the same industry accounted for 14 percent of 1.7 million jobs in Sydney SD and 17 percent of 219,788 jobs in Hunter SD.

FIGURE 3. EMPLOYMENT BY INDUSTRY IN 2006: WYONG LGA, SYDNEY SD AND HUNTER SD



Source: ABS Census (2006), SGS Economics and Planning calculations. Note: One digit, ANZSIC 1993 classification.

This analysis shows that in terms of employment in Wyong LGA, the largest industries in 2006 were retail trade (22 percent), health and community services (13 percent) and manufacturing (12 percent). The Hunter SD had a similar industry structure (in terms of employment) with retail trade (17 percent), health and community services (13 percent) and manufacturing (11 percent) comprising the majority of employment in the SD. In contrast, the majority of employment in Sydney SD is in property and business services. This is likely to be driven by businesses choosing city locations to derive agglomeration benefits.

Table 4 shows the percentage change in employment by industry, between 2001 and 2006 for Wyong LGA against changes in the Hunter SD and Sydney SD. Total employment in Wyong LGA employment grew by 17 percent between 2001 and 2006, while it grew by 10 percent in Hunter SD and 4 percent in Sydney SD. Growth in the Wyong LGA was offset only by a decline in employment within the mining industry. This strong employment growth in Wyong reflects strong population growth in this period (as new retailing, health and education activities 'follow' residential development), but also a modest maturing of the local economy.

TABLE 4. PERCENTAGE CHANGE IN EMPLOYMENT BETWEEN 2001 AND 2006

| Industry | Wyong LGA | Hunter SD | Sydney SD |
|---------------------------------------|-----------|-----------|-----------|
| Accommodation, Cafes and Restaurants | 2% | 5% | -1% |
| Agriculture, Forestry and Fishing | 1% | -15% | -20% |
| Communication Services | 13% | -6% | -17% |
| Construction | 19% | 20% | 9% |
| Cultural and Recreational Services | 3% | 3% | -3% |
| Education | 19% | 13% | 14% |
| Electricity, Gas and Water Supply | 9% | 17% | 7% |
| Finance and Insurance | 42% | 22% | 9% |
| Government Administration and Defence | 44% | 26% | 28% |
| Health and Community Services | 43% | 20% | 17% |
| Manufacturing | 12% | 5% | -9% |
| Mining | -62% | 26% | 34% |
| Personal and Other Services | 14% | 9% | 4% |
| Property and Business Services | 6% | 14% | -2% |
| Retail Trade | 21% | 5% | 2% |
| Transport and Storage | 33% | 9% | 8% |
| Wholesale Trade | 0% | -8% | 0% |
| Total | 17% | 10% | 4% |

Source: ABS 2001 and 2006; SGS Economics and Planning calculations.

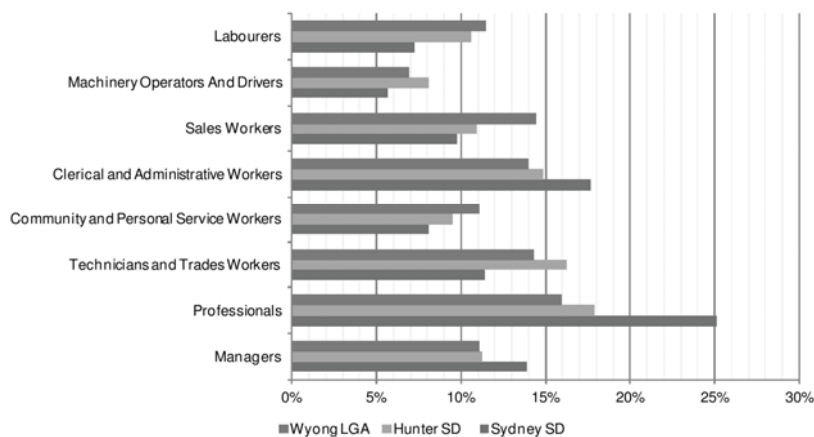
In Wyong Shire, finance and insurance, government administration and defence, and health and community services all expanded at rates above 40 percent between 2001 and 2006. It should be noted that in 2001, of these three industries only health and community services made up over 10 percent of total employment.

In contrast, mining declined by 62 percent from 2001 to 178 jobs in 2006. This suggests that mining is gradually moving away from Wyong. All other industries in Wyong have experienced stable job growth.

In comparison, the Hunter SD and Sydney SD have experienced strong growth in mining. Similar to Wyong LGA, the Hunter experienced considerable growth in finance and insurance, government administration and defence, and health and community services.

Interestingly, Wyong has experienced higher growth in communication services, manufacturing, personal and other services, retail trade, transport storage and wholesale trade than Hunter SD or Sydney SD.

Figure 4 shows the share of employment by occupation in Wyong LGA, Hunter SD and Sydney SD in 2006. In 2006, 16 percent of 36,351 jobs in the LGA were in professional jobs while the same occupation accounts for 25 percent of jobs in the Sydney SD and 18 percent of jobs in the Hunter SD.

FIGURE 4. EMPLOYMENT BY OCCUPATION IN 2006: WYONG LGA, HUNTER SD AND SYDNEY SD

Source: ABS Census, 2006; SGS Economics and Planning calculations, 2012.

The majority of workers in Wyong LGA are employed as professionals (16 percent in 2006). Clerical and administrative staff, sales workers and technicians and trades workers each make up 14 percent of employment in the LGA.

Compared to Sydney SD, professionals in Wyong LGA make up a smaller share of the workforce while sales workers, labourers, and community and personal service workers make up a greater share of the workforce. Broadly speaking this suggests that employment in Wyong LGA is low to semi-skilled.

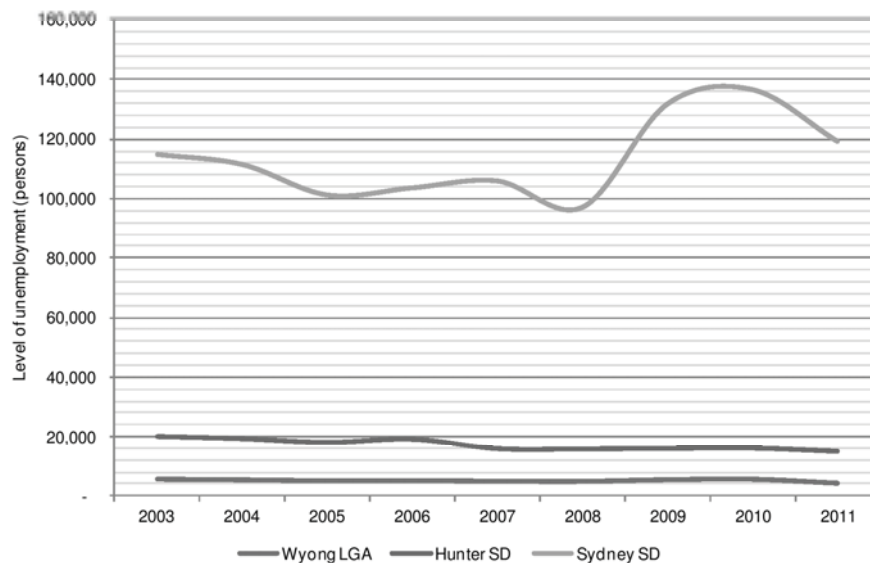
Barring sales workers, the occupational structure of the Wyong LGA was broadly similar to Hunter SD in 2006. More specifically, Hunter SD had a slightly higher share of professionals, technicians and trades workers, community and personal service workers; while the Wyong LGA had a greater share of sales workers.

Labour force profile

In addition to understanding the employment profile of a location, it is also useful to analyse its available labour force. This is because (as a regional economy) a significant proportion of jobs in the Wyong LGA are taken up by the local labour force.

Figure 5 shows the number of unemployed persons in Wyong LGA, Hunter SD and Sydney SD from 2003 to 2011. Due to the differences in size of each area's labour force (and population), Sydney SD and Hunter SD have much higher levels of unemployment than Wyong LGA as measured by volume. Notwithstanding, the Wyong LGA has a much higher rate of unemployment as measured by percentage. More importantly, it is evident that compared to Sydney SD or Hunter SD, Wyong LGA has experienced more stable levels of unemployment over the last eight years. On average, unemployment in Wyong has been steady at approximately 5000 per year while it has been more volatile for both the Sydney and Hunter regions. This could be due to marginal job growth and younger workers moving out of the LGA.

FIGURE 5. LEVEL OF UNEMPLOYMENT: WYONG LGA, HUNTER SD AND SYDNEY SD



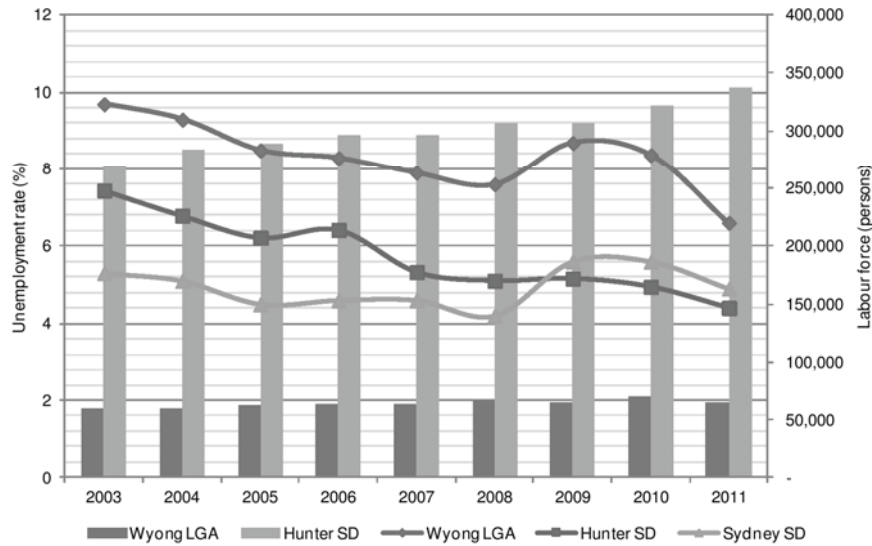
Source: DEEWR, Small Area Labour Market data, 2003-2011¹⁰.

Figure 6 shows the unemployment rate for Wyong LGA, Hunter SD and Sydney SD and number of persons in the labour force (for Wyong LGA and Hunter SD) from 2003 to 2011. The number of persons in the labour force is given by the bars (the vertical axis on the right) while the unemployment rate is shown by the lines (the vertical axis on the left). This indicates that while Wyong's labour force has been growing gradually, its unemployment rate has been declining at a faster rate. Overall, employment has increased at a greater rate than the labour force. A similar pattern is apparent for Hunter SD.

This indicates that employment growth would need to increase at a greater rate to reduce the unemployment rate (and level) further. It is important to note that the unemployment rate has reduced considerably, from 9.7 percent in 2003 to 6.6 percent in 2011.

¹⁰ Note that all data is smoothed and for the year ending June.

FIGURE 6. LABOUR FORCE LEVEL AND UNEMPLOYMENT RATE: WYONG LGA, HUNTER SD AND SYDNEY SD



Source: DEEWR, Small Area Labour Market data, 2003 to 2011.¹¹

Location quotient analysis

A Location Quotient (LQ) is calculated by dividing the proportion of local jobs within a particular industry in Wyong LGA by the proportion of jobs within that industry in a benchmark area such as Sydney SD. If the proportion of jobs in a local industry is higher than that of the benchmark area, the industry will show a location quotient of greater than 1. This may indicate that the local industry is relatively strong with a local specialisation, and suggests that the industry is 'export focused', possibly serving markets outside just the local area.

¹¹ Note that all data is smoothed and for the year ending June. Labour force levels for Sydney SD are not reported as they are much higher than Wyong LGA or Hunter SD and would result in an unclear comparison of the data.

Table 5 shows the 2006 Location Quotients for two digit ANZSIC Industries in Wyong which constitute at least 1 percent of total employment in the LGA. Other industries with relatively high LQ are also reported.

TABLE 5. LOCATION QUOTIENT BY TWO DIGIT ANZSIC INDUSTRY, 2006

| Industry | LQ relative to Sydney SD | LQ relative to Gosford-Wyong SSD | Share of total employment in LGA |
|--|--------------------------|----------------------------------|----------------------------------|
| Industries with shares greater than 1% | | | |
| Food Retailing | 2.02 | 1.18 | 10% |
| Personal and Household Goods Retailing | 1.50 | 1.04 | 10% |
| Education | 1.19 | 1.10 | 9% |
| Health Services | 1.09 | 0.76 | 8% |
| Accommodation, Cafes and Restaurants | 1.30 | 1.04 | 6% |
| Business Services | 0.45 | 0.85 | 5% |
| Community Services | 1.60 | 0.96 | 4% |
| Construction Trade Services | 1.48 | 1.10 | 4% |
| Government Administration | 0.92 | 0.78 | 4% |
| Food, Beverage and Tobacco Manufacturing | 1.88 | 1.16 | 3% |
| General Construction | 1.15 | 1.04 | 3% |
| Motor Vehicle Retailing and Services | 1.30 | 0.90 | 2% |
| Road Transport | 1.23 | 1.37 | 2% |
| Machinery and Equipment Manufacturing | 1.04 | 1.10 | 2% |
| Personal Services | 1.29 | 0.95 | 2% |
| Property Services | 1.04 | 0.97 | 2% |
| Other Services | 0.91 | 1.06 | 2% |
| Metal Product Manufacturing | 1.49 | 1.29 | 2% |
| Finance | 0.47 | 1.08 | 2% |
| Sport and Recreation | 1.23 | 1.05 | 1% |
| Personal and Household Good Wholesaling | 0.49 | 0.80 | 1% |
| Wood and Paper Product Manufacturing | 2.04 | 1.43 | 1% |
| Electricity and Gas Supply | 2.84 | 1.67 | 1% |
| Machinery and Motor Vehicle Wholesaling | 0.54 | 1.09 | 1% |
| Manufacturing, undefined | 1.23 | 1.21 | 1% |
| Other industries with high LQ (relative to Sydney SD) | | | |
| Commercial Fishing | 6.11 | 1.01 | 0.1% |
| Mining, undefined | 3.86 | 1.27 | 0.1% |
| Coal Mining | 3.57 | 2.39 | 0.3% |
| Agriculture | 2.06 | 0.90 | 0.8% |
| Agriculture, Forestry and Fishing, undefined | 1.91 | 1.18 | 0.0% |
| Non-Metallic Mineral Product Manufacturing | 1.54 | 1.23 | 0.7% |

Source: SGS Economics and Planning calculations, based on ABS 2000 and 2006 Census.¹²

The LQ analysis shows that compared to Sydney SD (and Gosford-Wyong SSD), the Wyong LGA has particular strengths in Food Retailing and Personal and Household Good Retailing. Both industries have high LQs as well as industry shares. Accommodation, Cafes and Restaurants, Construction Trade Services, Community Services and Food, Beverage and Tobacco Manufacturing all have relatively high specialisation with some concentration of employment.

Electricity and Gas supply and Wood and Paper Product Manufacturing are smaller in size compared retail in Wyong. However, these industries have a high LQ (over 2) indicating high specialisation compared to Sydney SD and Wyong-Gosford SSD.

Coal Mining and Commercial Fishing – both very small in size, have a very high LQ (6.11 and 3.86 respectively) compared to Sydney SD. This suggests high specialisation with some opportunity for potential employment growth.

The location quotient analysis conducted above serves to identify industries of comparative strength for additional consideration and analysis. Successful regional development strategies are focused on building and nurturing local businesses with the capacity to generate 'export income' for the local region. In broad terms, the above analysis reveals that Wyong LGA is specialised in retailing, some manufacturing and to a lesser extent some services.

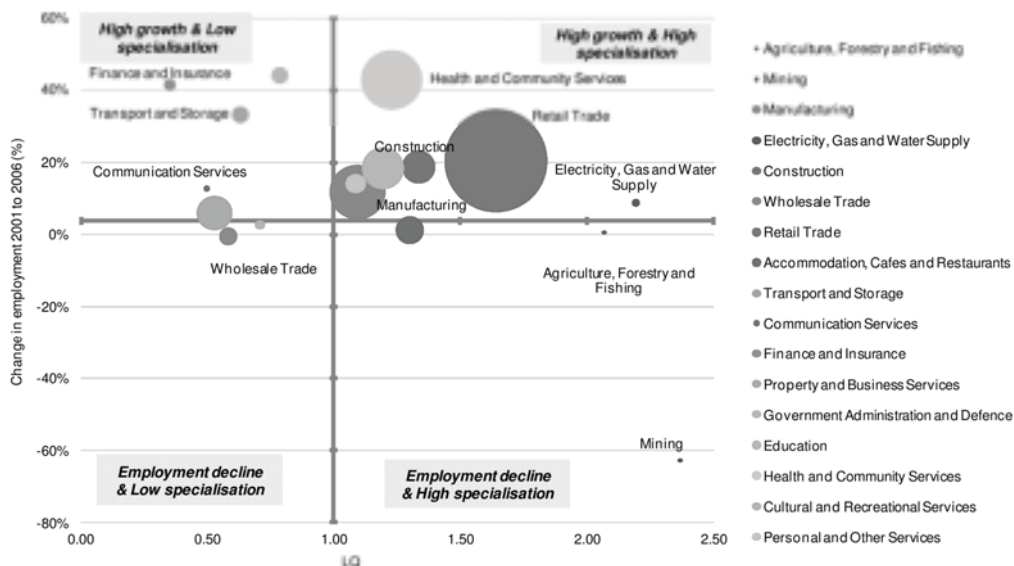
¹² 2003 ANZSIC two digit industry classification.

Growth share analysis

Using information from the 2001 and 2006 Censuses, an analysis of the change in industries has been undertaken through growth-share analysis. This involved an assessment of the relative size and specialisation of key industries (or industry clusters) and their recent change (relative to the benchmark total growth in employment). By assessing the recent relative growth against the benchmark a number of things can be ascertained: specialisation and size of key industries or groups of industries; an indication of whether those industries are in a 'seed' stage of development; are in a phase of transformation (and potential decline); are emerging industries; or if they are established and expanding industries. Analysing industries or clusters in this way assists in the understanding of appropriate policies to guide their further growth and development, or to prioritise actions for economic development facilitation across various industry sectors.

Figure 7 shows the growth share analysis diagram for Wyong LGA compared to Sydney SD. The LQ is on the horizontal axis while the change in employment is on the vertical axis. The horizontal axis crosses the vertical axis at 3.8 percent as it is the growth rate of employment in Sydney SD between 2001 and 2006. This implies that any industry above this line is growing faster than the benchmark average. The size of the marker represents the relative size of the industry within the LGA. The north-eastern quadrant shows specialised industries experiencing growth in employment, while the north-western quadrant shows employment growth and low specialisation. The bottom half of the diagram shows industries experiencing a decline in employment with the south-eastern quadrant indicating high specialisation and the south-western quadrant indicating low specialisation. Only some industries in the diagram have been labelled.

FIGURE 7. GROWTH SHARE ANALYSIS FOR WYONG LGA COMPARED TO SYDNEY SD



Source: SGS Economics and Planning, 2012 based on ABS 2001 and 2006 Census data.
 Note: ANZSIC 1993 industry classification has been used to note change over time.

This analysis reveals that only mining has experienced a decline in employment. Given that the size of the mining industry in Wyong LGA (178 jobs in 2006) is relatively small, the closure of a single mine could have effected this change. All other industries have experienced positive growth in employment.

However, compared to average growth in employment of 3.8 percent in Sydney SD, Agriculture, Forestry and Fishing, Mining, Wholesale Trade, Accommodation, Cafes and Restaurants and Cultural and Recreational Services in the LGA have experienced much lower growth in employment.

Nearly half of the 19 ANZSIC industries in the LGA reveal some level of specialisation. Even though it is relatively small, electricity, gas and water has the highest specialisation. Much larger industries such as retail trade and health, and community service have experienced high growth and are considerably specialised. Retail trade – the largest industry in the LGA, has experienced a 21 percent increase in employment and is highly specialised with an LQ of 1.64. Manufacturing and construction are two other industries that have experienced considerable growth and are highly specialised. Given that these industries have experienced strong historical growth and are specialised, there is potential for further expansion and capacity utilisation.

Service industries such as Finance and Insurance, Transport and Storage, Property and Business services and Communication services have experienced positive employment growth (mostly above the Sydney SD average). However, in relative terms, these industries are not specialised to the LGA. Given the current (2006) size of these industries and recent growth it is conceivable that there is room for further growth (and improved specialisation) in these industries.

2.5 Emerging issues

Wyong LGA has a much higher rate of unemployment than the regional average, implying that future employment growth needs to increase at a greater rate to reduce the unemployment rate (and level) further. Compared to the Sydney or Hunter regional averages, the Wyong LGA has also experienced more stable levels of unemployment over the last eight years, with marginal job growth.

In broad terms, the occupational structure of the Wyong LGA is similar to that of the Hunter region, with a slightly lower share of employment of professionals, technicians and trades workers, community and personal service workers. However, the level of similarity between the Wyong and Hunter regions tends to be low beyond labour force similarities.

Comparatively, Wyong LGA displayed:

- Pronounced employment growth in the finance and insurance, government administration and defence, and health and community service sectors, which have grown at roughly double the rate reported in the Hunter region and up to triple the rate for the Sydney region. However, of these three industries, only health and community services comprised more than 10 percent of total employment in 2001.
- High levels of industry specialisation and growth in health and community services and retail trade sectors. Factors relating to retirement-led migration and ageing of the existing population are likely to have exerted an influence on the growth and specialisation of these sectors.
- High levels of employment growth (as measured by percentage of residents employed) in communication services, manufacturing, personal and other services, property and business services, and transport storage than either the Hunter or Sydney regions.
- Lower than average levels of growth in employment in agriculture, forestry and fishing, accommodation, cafes and restaurants, and culture and recreation services.

Appropriate policy settings could potentially increase specialisation in the context of continual employment growth in the high performing sectors outlined above. The wider economic trends and local market issues that affect the employment patterns in the Wyong LGA are explored in Section 3.

3 THE WIDER CONTEXT

3.1 Introduction

This section explores the wider economic trends affecting employment in the Wyong LGA. The analysis then drills down to the local level where an examination of the local industrial property market is undertaken to gain an understanding of the local and regional issues impacting on the fortunes of industrial development in Wyong Shire. The planning policy context for the Wyong LGA is assessed and a summary of the local employment targets and strategic land use framework is provided. Finally, an assessment of regional competitors reveals that there are several industrial precincts in Lake Macquarie and Gosford that potentially compete with Wyong LGA's industrial precincts.

3.2 Industry trends affecting the subregion

There are significant economic trends affecting industries in the Central Coast Subregion and Sydney Greater Metropolitan Area (GMA). Most prominently, globalisation has affected the once strong manufacturing base in the Central Coast Subregion and increased the need for transport and storage.

Sustainability

With a price on carbon, and consequently more expensive fuel, it can be expected that the 'economic geography' of Greater Sydney and the Central Coast may adjust. Firstly, industries dependent on oil based transportation may demand greater freight based rail. Rail hubs and intermodal terminals will become important economic centres, and will need to be serviced by networks of efficient road based freight moving goods around the metropolitan area. Managing traffic impacts will be critical but taking advantage of 'overflow' economic opportunities will also be important.

Wyong Shire's industrial areas, with their access to the F3 Freeway will become increasingly attractive to companies with trucking and freight needs or activities. For those industries the limitation of travel distance is important.

Globalisation

Globalisation has been marked by a rapid increase in global trade in goods and services and, in particular, capital flows. This has been facilitated by technological innovation in transport and communications, the promotion of deregulation in particular industry sectors, the removal of trade restrictions and exchange controls and innovation in the management and pricing of transaction risks (insurance, hedging, partnership formation, etc.).

Globalisation is likely to continue to drive a separation between the 'thinking' part of the value chain (design, brokerage, marketing, strategy formulation) and the 'making' (manufacturing) and 'distribution' (transport, logistics, after sales service) aspects. Key services within the thinking part of the value adding process are showing increasing tendencies to centralise within one or two centres in advanced countries. This is evident in Australia, with Sydney being the pre-eminent national dispenser of advanced business services.¹³

More countries are opening up their economies and seizing the opportunities that come from closer integration into the global economy. China and India, as well as Russia, Brazil and Mexico, are growing rapidly.

Furthermore, as communication and technology continue to improve, global production networks are becoming increasingly flexible, specialised and dispersed across continents. In an era where resources, technology and ideas can be moved rapidly to the most productive location, no economy can rely on its past strengths or traditional expertise. These trends have significant implications for the developed world. Under the globalisation paradigm, the current and future economic context is one of increased global competition, albeit also one of increasing interdependence of national and urban economies. For Australia, the specific implications include:

¹³ Spiller, M. (2004) Urban Agglomeration of Advanced Business Services in Australia – Some Policy Implications, State of Australian Cities Conference, Sydney, December 2003.

- Increased competition in lower order tertiary sectors of the economy, this has particular implications for Wyong given the area's historical strength in manufacturing, and
- Opportunities for increased trade (namely in resources, advanced manufacturing and sophisticated services).

Issues affecting the service sector

The advent of new technologies has enabled fundamental changes to the way many firms operate. Reductions in the cost of telecommunications led to a wave of service jobs being 'off shored' during the 2000s, often concentrated in call centres. More recently the high Australian dollar and the increasing use of internet shopping has led to retail jobs being lost overseas. Increasing globalization and the rapid increase in the level of education of many residents in the developing world has led to white collar employment being outsourced offshore. These changes are increasing the level of competition between areas such as Wyong and parts of the developing world for these retail and 'back office' white collar jobs, as well as traditional manufacturing employment.

Issues affecting the manufacturing sector

There are significant issues currently affecting the Australian manufacturing sector which are likely to intensify over the coming years. A 2006 study completed by the Australian Industry Group (AI Group)¹⁴ identified several sources of concern amongst manufacturers including:

- competition from low cost countries
- insufficient domestic market growth
- inability to secure skilled staff
- insufficient labour flexibility, and
- inability to keep pace with regulations.

The high Australian dollar over recent years has also been a bane to the manufacturing industry. Wyong's significant manufacturing base implies a direct vulnerability to these concerns, particularly the ability to remain globally competitive and secure skilled staff. The extent of these impacts may be lessened by local government policies and actions such as economic and enterprise development strategies and workforce development programs.

Remaining globally competitive

Increasing competition from China and other low wage economies, coupled with an increasingly strong Australian dollar, has heightened the need for manufacturing to develop new methods and different approaches to address the challenges it faces¹⁵. The cost of production in these emerging economies has not only made it harder for Australian businesses to raise or, in some cases, stabilise profit margins, but with limited difference in the quality of product it has made it harder to compete.

To maintain international competitiveness there needs to be a much stronger focus on the production of specialised products or 'niche' manufacturing in the Australian market. Some products place a premium on Just-in-Time (JIT) delivery or otherwise rapid response delivery to service breakdowns. This offers local manufacturers a competitive advantage particularly within the Australasian region covering Australia, New Zealand, and the Pacific Islands.

Major shifts would have to occur in the economy for the Australian manufacturing industry to reverse its decline. There are a number of inter-related issues here. First, domestic demand for manufactured goods is unlikely to increase given the current economic downturn. Equally, overseas demand is contracting. A reversal of this trend would require a significant adjustment of the relative value of the Australian dollar. Related to this, a carbon tax has the potential to make Australian manufactured goods relatively more expensive than their overseas counterparts. While rising oil prices may stimulate domestic demand of locally produced goods in the long term, in the short to medium term the rise in oil prices will not offset the other factors discussed.

¹⁴ Australian Industry Group (2006) Manufacturing Future: Achieving Global Fitness, April 2006

¹⁵ Australian Industry Group (2006) Manufacturing Future: Achieving Global Fitness, April 2006

3.3 Market issues

SGS Economics and Planning conducted targeted consultation to explore issues affecting the Wyong industrial market including information on current trends, economic drivers, key employment industries and precincts that should be targeted for expansion, and an analysis of strengths, weaknesses, opportunities and threats (SWOT). The following stakeholders were consulted:

- NSW Department of Planning and Infrastructure
- NSW Department of Premier and Cabinet
- Central Coast Regional Development Corporation
- Industry and Investment NSW – Central Coast office
- Regional Development Australia Central Coast
- Central Coast Regional Development Corporation
- Wyong Chamber of Commerce
- major landowners and developers
- local industrial real estate agents, and
- business and developer interest groups.

The following themes emerged in regard to the Wyong Shire industrial market.

The industrial market is experiencing slow demand...

Consultation with local industrial real estate agents, industry and business representatives indicated that there is relatively weak demand in the Wyong Shire industrial market. No major businesses were showing interest in vacant land for sale and it was suggested that the weak demand was likely influenced by market factors, namely the 'carry-over of the GFC'.

A significant change in the types of industry seeking land was suggested as an important factor affecting industrial demand in Wyong Shire. Manufacturing was indicated as waning in importance, with closed facilities not being replaced, and the technology sector was becoming an increasingly important driver. This represents a break from historical patterns of development, where heavier manufacturers were important drivers of demand.

Major economic drivers for Wyong are the residential construction industry, flat affordable land, location and transport infrastructure...

The major economic driver for industrial land in Wyong was the construction industry, which is driven by population growth. The construction industry, in particular residential construction, is a major employer and is perceived to have a strong multiplier effect for the take-up of industrial land in Wyong Shire. This demand includes a range of supply chain contractors, including associated manufacturing and transport.

Land affordability and locational attributes (including proximity to Sydney and the nearby freeway and rail corridor) were also seen as major drivers for local industrial development. According to stakeholders, minor drivers for industrial development included the push from traditional centre-based activity, such as commercial offices, churches and other marginal uses, to locate in industrial areas due to cheaper land, larger lots and cheaper parking. The roll out of the NBN in Wyong Shire was also seen as a potential driver, specifically in capitalising on IT related businesses and business park development.

The most appropriately targeted industries for future expansion in the Wyong Shire include freight and logistics, hi-tech and value add manufacturing and development that leverages the NBN...

There was wide agreement among business and government stakeholders for the types of industries that are most suitable to Wyong Shire and should be targeted for future growth, including:

- Freight and logistics
- hi-tech and value-add manufacturing
- industries that take advantage of NBN
- business services
- home-based industries
- green services, and
- other non-industrial land based industries such as education, health, tourism, cultural activities.

Freight and logistics is seen as an important opportunity for Wyong Shire, given its location between Sydney and Newcastle, and potential to service the NSW North Coast. High technology and higher order industry were seen as important drivers of

employment for the local skilled workforce and increasing employment self-containment within the Shire. Information Technology companies are seen as ideal occupants given the impending installation of the NBN. High quality lifestyle and housing affordability in the Central Coast are also seen as important attributes to attract workers. For similar reasons, strategically located business services, such as call centres, were also seen as an important industry for Wyong. Real estate agents confirmed that there is demand for business park developments in the Wyong Shire.

'Cleaner' enterprise development that is compatible with residential compact living – either in the form of residential development within light industrial/business park estates or light industrial/business development in residential estates was also seen as an area for expansion.

The pre-conditions for the attraction and retention of industry are mainly affordable and serviced land...

Consultation identified a range of pre-conditions considered necessary in the attraction of industry in the Shire. Cheap land supply, a competitive pricing policy by Council on development, a forward supply of serviceable land, certainty and prioritisation of key infrastructure (sewer, road and access) were seen as essential to attracting and retaining industry.

Key opportunities and threats relate to population growth, the residential construction sector, development contributions and infrastructure and the NBN rollout...

Key opportunities for Wyong related to the distribution of the NBN, a growing population and associated residential development, including telecommuting. Conversely, high development contributions and infrastructure costs, and weak population growth were seen as the main threats to industrial land development.

Opportunities for future development included measures to increase housing growth, the emergence of high technology enterprises, and greater opportunities for telecommuting. Main threats included the overly sporadic distribution of future land release (which was cited as compromising the ability to generate a critical mass to attract ongoing infrastructure development) and that high infrastructure costs and charges would make it less competitive with other locations in the Hunter region. Stakeholders held diverse, but mutually reinforcing views on the requirements for growth in the industrial lands sector, including:

- Supporting office only development, recognising that the NBN may drive 'big city' companies to relocate operations to the Coast (however, there is a short window on this opportunity, and office-only developments would still need to be located in relatively central areas).
- Recognising and responding to opportunities for smaller operators to enter the market, such as home-based businesses (including enticements for this type of development).
- The release of additional residential land, supported by reasonable/affordable levies on the development.
- By extension, more reasonable development levies for the development of industrial land (it was suggested by business stakeholders that infrastructure provision was a key issue in the cost).
- Reputation management of the Shire as an attractive place for investment (relative to other locations).

3.4 Policy context

This task summarises the relevant policy context to the Wyong LGA. State, regional and local policies were reviewed and their relevant employment targets and strategic land use policy is outlined below.

Employment targets

The Central Coast Regional Strategy (CCRS) has an employment target of 45,000 jobs between 2006-2031 for both Gosford and Wyong LGAs. The Wyong LGA capacity target is 27,000, which is proposed to be spread across existing centres, employment lands and the employment lands identified in the North Wyong Shire Structure Plan area.

There is an employment target of an additional 5500 jobs for the Tuggerah-Wyong Major Centre (which includes Tuggerah Straight and Tuggerah Business Park), 2000 additional jobs in all other existing employment lands and 10,500 additional jobs in the North Wyong Shire Structure Plan Area employment lands¹⁸. The North Wyong Shire Structure Plan suggests a job target of 10,800 jobs for employment lands in the structure plan area (6000 in WEZ and 4800 elsewhere).

A key issue, identified by the CCRS, over the next 25 years is to increase the current level of employment self-containment to ensure more local jobs for the local population. A specific self-containment target was not provided in the CCRS.

¹⁸ NSW DP&I (2008), Central Coast Regional Strategy, p. 11.

In terms of employment lands job densities, the NSW DP&I's *Employment Lands Development Program (ELDP) 2010 Overview Report* indicates that the Central Coast has the lowest estimated job density out of all of the Sydney Greater Metropolitan Region at 23 jobs per hectare.

The North Wyong Shire Structure Plan identifies capacity for between 12,150 and 17,100 new jobs including 6000 in the WEZ, 1200 in the Warnervale Town Centre¹⁹ and between 4950 and 9900 elsewhere in the study area. The Structure Plan also anticipates an average employment density between 10 and 20 jobs per hectare for the planned employment precincts²⁰.

Strategic land use policy

The ELDP estimates that the Central Coast Region has by far the lowest proportion of developed employment lands out of the Sydney Region with 45 percent of employment lands developed.

The *Metropolitan Plan for Sydney 2036* highlights a number of key actions for employment land development including strengthening clusters of activity, particularly for high growth and high value sectors, and supporting the emergence of new clusters and strengthening freight and logistics industry clusters.²¹

The 2010 *Metropolitan Plan for Sydney* has moved away from the categorisation of strategic industrial sites that was conducted in the previous 2005 *Metropolitan Strategy - City of Cities: A Plan for Sydney's Future* and associated subregional strategies. The *Metropolitan Plan for Sydney 2036* indicates that this past practice restricted the ability of precincts to 'adjust to changing economic conditions, new technologies or infrastructure provision'.²² Hence the potential to increase overall employment within precincts was reduced.

The Central Coast Regional Strategy is the key regional level planning strategy for the Central Coast. The strategy was developed under the auspices of the original Metropolitan Strategy, and it identifies a number of lands to be retained for industrial purposes including Charmhaven, Bushells Ridge, WEZ, Bruce Crescent, Hakone Employment Corridor, Tuggerah Straight, Tuggerah Business Park, North Wyong and Berkeley Vale. However, as the Metro Plan indicates, this strategic categorisation is not dynamic or responsive and would not be a sufficient justification – in and of itself – to prevent the rezoning of an industrial site. The strategy identifies a number of economic and employment opportunities for the region which include:

- Attractive industrial land prices and proximity to Sydney and Newcastle, especially for Sydney-based manufacturing and logistics businesses.
- Significant retail growth, based on population growth, will create a need for more specialty shops, bulky goods outlets and department stores.
- Development of business parks which provide good building design and layout and an emphasis on light industrial and value-adding industries and integration of industrial, warehousing and office activities. Significant opportunities also exist to expand technology-based jobs in the region.

The rationale for rezoning and planning for industrially zoned land has been developed further with the establishment of principles documented in the DP&I's *Stakeholder Consultation Paper - Implementing the Metropolitan Plan - Planning Principles for Industrial Lands*. This paper contains the following principles:

- Principle 1: Maintain an adequate supply of appropriately located and serviced Industrial Lands for current and future demand and to maintain competitive pressures in the market
- Principle 2: Ensure planning for new Industrial Lands meets the long-term needs of industry growth and growth management directions of the city
- Principle 3: Retain strategically important Industrial Lands and support renewal of existing Industrial Lands to meet the changing needs of industry
- Principle 4: Provide capacity to enable the development of specialised industry clusters
- Principle 5: Plan for and maximise use of infrastructure to encourage sustainable development of Industrial Lands²³

Table 6 displays a Strategic Assessment Checklist that elaborates on the above principles and provides further guidance on whether land should be rezoned from industrial.

¹⁹ NSW DP&I (2010), *North Wyong Shire Structure Plan*, p. 13.

²⁰ *Ibid*, p. 16.

²¹ NSW DP&I (2010), *The Metropolitan Plan for Sydney 2036*.

²² *Ibid*, p.141.

²³ NSW DP&I (2011), *'Stakeholder Consultation Paper - Implementing the Metropolitan Plan - Planning Principles for Industrial Lands'*, p. 5.

TABLE 6. ATTRIBUTES FOR ASSESSING THE STRATEGIC IMPORTANCE OF INDUSTRIAL LANDS²²

| Considerations for rezoning to non-industrial use | Attributes |
|---|---|
| Primary | Identified as having strategic significance in an endorsed higher level planning strategy |
| | Supports existing enterprise(s) |
| | Contiguous to other industrial activities |
| | Well located to contribute to an existing or emerging industry cluster |
| | Current or potential activity forms part of a supply chain or located close to next stage industries (e.g. areas producing goods to retail or distribution centres) |
| | Well located in relation to freight hubs (such as intermodal terminals, ports, airports) and other important road and/or rail networks |
| | Well located to take advantage of existing or proposed public transport |
| | Well located to service an existing or growing population |
| | Has an export focus and/or generates multiplier effects in terms of jobs/economic activity |
| | Contributes significantly to the amount of industrial land supply in LGA subregion/region |
| | Provides, or has potential for, small industrial businesses serving the local area |
| | Currently or planned to be serviced by adequate power and water supplies |
| | Well located in relation to relevant labour pools /match local populations to local jobs |
| | Located close to planned or existing economic infrastructure, such as a major hospital or TAFE/University and may provide space for associated industries |
| Located close to or potential to support the economic role of a nearby Strategic Centre | |
| Secondary | Under single ownership or offers significantly large site for low density employment uses |
| | Has potential for on-site expansion of existing businesses |
| | Offers potential to be redeveloped for modern industrial uses |
| | Contains significant Government land holdings |
| | Unconstrained vehicle access and exit |
| | Sufficient space for adequate parking and turning space for industrial vehicles |
| | Buffered from surrounding residential development |
| | Offers potential for 24-hour operations |
| | Located away from other uses to cater for dust sensitive and potentially toxic or hazardous industries (e.g. nanotechnology plants or chemical industries) |
| | Constrained by environmental factors such as ANEF, flood prone, heritage/conservation, contamination, flooding which make other uses undesirable |

Source: NSW DP&I, 2011.

Further to these criteria the CCRS identifies a number of guiding principles that relate to employment lands in the Region as follows:

- Where feasible, existing zoned employment land should be utilised before new employment lands are developed. However the land must be suitably located for the proposed employment activity.
- Opportunities for expansion of existing nodes for employment purposes where they are approaching full development should be investigated.²³

The Central Coast Regional Economic Development and Employment Study (REDES) includes a number of directions on planning for employment lands. It notes that a major element to support future growth will be employment lands that:

- keep pace with the overall future demand for space
- provide the type of land/space to accommodate new industries in the area
- reflect the future requirements in terms of industries, technologies and future work organisation, and
- allow for some specialisation and agglomeration of clusters.²⁴

²² This document is still a draft and is not an endorsed policy by the NSW State Government.

²³ NSW DP&I (2008), Central Coast Regional Strategy, p.59.

²⁴ Buchan Consulting (2009), Central Coast Regional Economic Development and Employment Study, p. 15.

Strategic planning directives for particular types of uses

Business parks

The *Metropolitan Plan for Sydney 2036* indicates in Action E2.3 that a strategic planning framework is required to identify suitable business park sites. It offers the following criteria for business park locations:

- Access to public transport corridors (preferably rail)
- Links to freight corridors and major transport nodes
- Land area (50 – 180 hectares) to allow expansion to accommodate 8000–40,000 employees
- Proximity to workforce (within 30 minutes commute)
- Business parks should have a relationship to adjoining economic infrastructure e.g. hospitals, universities, educational facilities, research institutes or clusters of knowledge-based activity²⁵

The CCRS also offers a number of strategic planning directives for business parks. The importance of transport corridors is also raised, although public transport is not explicitly mentioned given that public transport provision is not as widespread or frequently available as in metropolitan Sydney. The CCRS is more prohibitive of the proportion of office floorspace allowable for each use. The CCRS criteria are as follows:

- Prohibition of office-only activities in out-of-centre locations.
- Set a maximum percentage of office floor space within an out-of-centre commercial complex where office floor space is integrated with activities such as manufacturing and distribution.
- Ensure that business parks are strategically located near major transport corridors²⁶.

Leysdon Consulting was commissioned to provide advice to Council regarding the matter of whether permitting office uses outside of existing activity centres might attract investment away from these centres and hence diminish their viability. They indicated that small offices had relocated to Tuggerah Business Park from existing centres. Therefore, they recommended that a minimum floor area should be no less than 200 square metres and that 500 square metres was a reasonable benchmark. Wyong Shire DCP 2005 - Chapter 80 – Tuggerah Precinct currently requires certain businesses and commercial offices not associated with manufacturing, processing, storage or distribution functions within this business park to have a gross floor area greater than 200 square metres.

Other land uses

The CCRS also recommended that bulky good retailing should not be located on industrial land, and instead should be located in centres and nominated nodes.

The *Retail Centres Review* undertaken by Don Fox Planning indicated that there are two areas flagged for expansion of bulky goods floorspace in the LGA. An additional 46,000 square metres is envisaged as a part of the Tuggerah Town Centre. An additional 8000 square metres of bulky goods floorspace has been mooted for the Lake Haven Mega Centre development, with the potential for a further 15,000 square metres to be developed by 2031. The *Retail Centres Review* indicates, however, that 'if both the Tuggerah and Lake Haven proposals occur concurrently there will be a significant over supply of bulky goods floorspace within Wyong'²⁷.

The CCRS also indicates that Enterprise Corridors should be investigated and that possibilities include West Gosford and Long Jetty. The *Retail Centres Review* recommends that the southern part of the Long Jetty local centre be zoned B6 – Enterprise Corridor in recognition of its service industrial focus.

The CCRS suggests that Councils should ensure sufficiently zoned land to ensure supply pressures enable the provision of comparatively low cost premises for start-up business.

In terms of recommending suitable future land uses, the REDES suggests that the appropriate uses should build on current advantages, create new advantages and attract larger service organisations:

- **Building on Current Advantages:** build on the current industries that are driven by location advantages of the Central Coast including a logistics and food cluster, manufacturing and tourism cluster
- **Creating New Advantages – Knowledge Based:** creating new areas of advantage in knowledge based activities including health research, green industries and an ageing cluster

²⁵ NSW DP&I (2008), *The Metropolitan Plan for Sydney 2036*, p. 137.

²⁶ NSW DP&I (2008), *Central Coast Regional Strategy*, p. 61.

²⁷ Don Fox Planning (2012), *Retail Centres Review*, p. 67.

- Large Service Organisations: continue to attract large business services and government agencies into the region²⁸.

In particular the REDES indicated that the following uses should be considered as a priority:

- **Logistics cluster:** distribution centres, intermodal hubs, warehousing and storage, and road transport services, education and training
- **Food cluster:** manufacturing, packaging, refrigeration, distribution, maintenance services, research and development
- **Health cluster:** health research centres, health education centre, health precinct
- **Green industries cluster:** environmental R&D, water management, sustainable energy, architecture, urban planning
- **Business services:** call centres, back office functions, support centres
- **Government:** government agencies – regional head quarters, administrative offices, regional service centres
- **Manufacturing cluster:** building materials, modular components, products, green building products, and engineering
- **Tourism cluster:** (short stays, conferences, eco-tourism and events) accommodation, hospitality, cultural services, retail
- **Ageing cluster:** expanded provision of aged services, research centre on ageing issues, including health, lifestyle, education, aged care.²⁹

3.5 Comparable Employment Land

This section of the report identifies industrial precincts in neighbouring LGAs that may compete with those in Wyong LGA. An assessment of the attributes of zoned industrial areas – including industrial profile, access, location, size and vacancy – in the Wyong, Lake Macquarie and Gosford LGAs has been conducted to determine which precincts would be the most comparable.

The location of each employment precinct relative to existing development (isolated, fringe or urban), existing arterial roads and freeways and rail transport is documented. The area of each precinct, the dominant land use/s and the amount of vacant land are also noted. For employment precincts in neighbouring LGAs, an assessment of their distance to the Wyong LGA was conducted by providing an estimate of the travel time in minutes needed to access the nearest precincts in the Wyong LGA.

Table 7 depicts the summary of the assessment. This information will be used to inform any fine-tuning of the employment floor space demand estimates in the next stage of this project. From the Lake Macquarie LGA only the Morriset industrial area is potentially comparable to selected industrial precincts in the north of Wyong. Comparable industrial lands to the south of Wyong from the Gosford LGA include Lisarow, West Gosford and Somersby. Those industrial precincts that do not share a similar industrial profile (i.e. manufacturing) or that do not have capacity have been discounted in our analysis. A more detailed comparable land assessment can be found in .

Consultation with real estate agents suggested that the Lake Macquarie and Gosford LGAs do not strongly compete with Wyong LGA for industrial land, with investors operating in different geographic markets. However, the identified industrial precincts may compete with Wyong Shire in the long term.

²⁸ Buchan Consulting (2009), Central Coast Regional Economic Development and Employment Study, p. 18.

²⁹ Ibid, p. 19.

TABLE 7. COMPARABLE EMPLOYMENT LAND ASSESSMENT

| Location | Deviation/dominant land use | Size | Vacant Land (Ha) | Location | Major road Arterial road | Freeway | Rail Transport | Proximate to Wyong LGA (30 min drive) | Comparability |
|---|---|-------|------------------|----------|--------------------------------|---------|-------------------|---|----------------|
| Laite Macquarie LGA | | | | | | | | | |
| Barnsley Industrial | Manufacturing | 9.2 | 0.0 | Fringe | No | No | No | 43 | Not comparable |
| Belmont North | Local level services | 11.2 | 0.0 | Urban | Yes | No | No | 35 | Not comparable |
| Benevise Green Industrial | Retail trade | 66.6 | 12.6 | Fringe | Yes | No | No | 40 | Not comparable |
| Boulsoo Industrial | Retail trade | 18 | 9.7 | Urban | No | No | No | 46 | Not comparable |
| Carrieton Park Industrial | Manufacturing | 46.2 | 4.5 | Fringe | Yes | Yes | No | 36 | Not comparable |
| Cardiff Industrial | Manufacturing | 111.5 | 3.3 | Urban | No | No | Yes | 46 | Not comparable |
| Carry Bay Industrial | Other services and wholesale trade | 3.1 | 1.6 | Urban | No | No | No | 39 | Not comparable |
| Cooranbong Industrial | Other services and wholesale trade | 2.9 | 0.0 | Urban | No | No | No | 23 | Not comparable |
| Edgeworth Industrial | Manufacturing | 10 | 1.9 | Urban | Yes | No | No | 43 | Not comparable |
| Gairbraid Industrial | Manufacturing and other services | 56.4 | 3.6 | Urban | Yes | No | No | 40 | Not comparable |
| Glenside Industrial | Retail Trade | 7.9 | 0.0 | Urban | No | No | No | 44 | Not comparable |
| Moonscot Industrial | Retail Trade | 79.5 | 32.3 | Urban | No | No | Yes | 19 | Comparable |
| Rathelies Industrial | Manufacturing | 24.9 | 13.0 | Urban | No | No | No | 35 | Not comparable |
| Rathelies Industrial | Manufacturing | 27.2 | 11.3 | Fringe | No | No | No | 41 | Not comparable |
| Swansea | Local level services/light manufacturing | 4.9 | 0.5 | Urban | Yes | No | No | 24 | Not comparable |
| Teralba (Pit and Park) Industrial | Construction | 24 | 0.0 | Urban | No | No | No | 42 | Not comparable |
| Teralba Industrial | Wholesale Trade | 20.2 | 0.0 | Urban | No | No | Yes | 42 | Not comparable |
| Toronto Industrial | Retail Trade | 1.9 | 0.2 | Urban | No | No | No | 36 | Not comparable |
| Toronto West Industrial | Manufacturing | 35.2 | 0.3 | Fringe | No | No | No | 35 | Not comparable |
| Warren Bay (Hillsborough Rd) Industrial | Retail trade | 41.4 | 0.2 | Urban | No | No | No | 44 | Not comparable |
| West Wailbund Industrial | Rental, Hiring and Real Estate Services | 11.2 | 9.2 | Urban | Yes | No | No | 40 | Not comparable |
| Gosford LGA | | | | | | | | | |
| Somerby | Heavy and light Manufacturing and Freight and logistics | 285.1 | 146.3 | Isolated | Yes | Yes | No | 9 | Comparable |
| Erina | Retail Mainstreet, bulky goods | 10.6 | 0.5 | Urban | Yes | No | No | 21 | Not comparable |
| Lisarow | Local Light Industrial | 66.5 | 11.5 | Fringe | Yes | No | Yes | 5 | Comparable |
| West Gosford | Retail bulky goods, Local Light | 129.5 | 21.0 | Fringe | Yes | No | No | 17 | Comparable |
| Gosford (North) | Retail trade | 12.4 | 1.0 | Urban | Yes | No | Yes | 11 | Not comparable |
| Wyoming | Local Light | 18.8 | 2.2 | Urban | Yes | No | No | 11 | Not comparable |
| Kirambaer | Local Light | 9.2 | 0.4 | Urban | No | No | No | 26 | Not comparable |
| Woy Woy | Retail Trade | 42.3 | 21.0 | Urban | No | No | Yes | 26 | Not comparable |

Source: GHD & AEC, 2011; SGS Economics and Planning, 2011.

Overall, it was found that the total amount of zoned industrial land in key industrial precincts in the Gosford LGA (based on the Central Coast Employment Lands Study) was 373 hectares for major industrial sites, with 82 percent (305 Ha) of this being occupied. For Lake Macquarie, another direct competitor, the total amount of zoned industrial land in key industrial precincts (based on research SGS Economics and Planning completed in 2010) was 615 hectares for major industrial sites, with 83 percent (511 Ha) of this being occupied. The figures for industrial land from the CCELS were derived from DP&I statistics. For Lake Macquarie the data for industrial land was based on the *Lake Macquarie Industrial Land Study 2007* and our own research.

3.6 Trends affecting local employment land prospects

There are significant economic trends affecting industries in the Central Coast Subregion and Sydney Greater Metropolitan Area (GMA). Most prominently, globalisation has affected the once strong manufacturing base in the Central Coast Subregion and increased the need for transport and storage.

The availability of well-located, competitively priced and appropriately serviced employment land will play a critical role in supporting the growth of the Wyong Shire economy and employment prospects for the local workforce. In pursuing short and long term opportunities Wyong Council needs to confront three challenges. Firstly, a major planning challenge is to ensure close alignment between demand and supply of employment land in the short and long term. If demand for particular type of prospective and preferred industries can't be met, then investors will look elsewhere, resulting in an economic loss to the area. If, on the other hand, private land owners or Wyong Shire Council, which owns substantial amounts of employment land, invests in local infrastructure well ahead of demand, then the costs and risks are likely to be severe. Secondly, demand tends to fluctuate widely from year to year. Exogenous influences such as the global financial crisis, interest rates and exchange rates movements can result in acceleration, deferral or cancellation of projects. For planning purposes, it is important to focus on the underlying economics of employment lands development, usually associated with long term macroeconomic and local economic growth rates, structural industry change and competitiveness, infrastructure networks and local socio-demographic trends. Thirdly, the coordination of planning, infrastructure coordination, delivery and development is difficult given the time frames associated with detailed planning, the different time frames and priorities of utility providers, investor and user interest.

In looking at short term opportunities, it is important to emphasise the importance of employment lands in Wyong's current phase of development. Between 2001 and 2006, the number of jobs in Wyong's employment lands increased by 1800, in linear terms by 360 jobs per year or 21 percent of all direct jobs in Wyong over this period. The short term drivers of industry opportunities for employment lands will continue under almost scenarios.

- In particular **local population growth** results in continuous spinoffs to light industrial activities including building suppliers and components, car repairs and small manufacturers such as metals and engineering, wood products and building materials (e.g. Cement, bricks).
- Further, the Central Coast is **attaining critical mass in terms of growing networks of firms and increasing integration into the Greater metropolitan region**, linking Sydney with the high growth Lower Hunter. Improvements in infrastructure over the 20 years, particularly continuous upgrading of the F3 Sydney to Newcastle Freeway has induced more freight intensive companies in freight and logistics to consider Wyong as a location.
- Importantly, **new waves of infrastructure investment** will create both short term and long term opportunities, including the roll-out of the National Broadband Network (NBN) and increased rail freight capacity on the Sydney-Newcastle rail line. The NBN's fibre optic network is scheduled to commence roll-out in Wyong in mid-2015 and completion is scheduled for mid-2016. The NBN is likely to accelerate the benefits of decentralised industry location, particularly if enterprises upgrade internal IT networks and skills to enable them to expand business-to-business transactions, more actively engage in knowledge exchange and out-source complex and data-intensive specifications more easily. NBN is a necessary but insufficient condition to expand business opportunities in Wyong's employment lands. Local economic development initiatives are required to expand and attract data and knowledge-intensive activities that can make use of the "global" economic benefits of high speed broadband. Of relevance to Wyong, RDA Hunter and RDA Central Coast and local councils are working on a project to expand employment and training opportunities and business engagement to promote the benefits to industry competitiveness associated with the digital economy. This presents an important opportunity to increase investment in employment lands, particularly through targeting investors reliant on distribution advantages including food manufacturing, freight and warehousing, and integrated businesses that bring together office, advanced manufacturing and distribution activities (normally found in business parks).