

2003

**LEGISLATIVE ASSEMBLY FOR
THE AUSTRALIAN CAPITAL TERRITORY**

**VARIATION NO.175 TO THE TERRITORY PLAN FOR INDUSTRIAL B3
LAND USE POLICIES**

TABLING STATEMENT

**Circulated by authority of the
Minister for Planning
Mr Simon Corbell MLA**

Mr Speaker,

In May 2002 PALM released draft Variation 175 to the Territory Plan. In summary, the Industrial Policy proposed to:

- **respond to the principles in Part A of the Territory Plan introduced by Variation No.155 by adding sustainable development and industrial ecology objectives;**
- **include a description of the roles of each industrial area and reinforce clusters for advanced technology, food-related and waste resource industries;**
- **review permitted land uses and add those compatible with precinct and cluster objectives, delete any uses which may jeopardise cluster functioning and retain existing uses that do not jeopardise activities which support precinct objectives;**
- **make sustainable development policies included in other parts of the Territory Plan more transparent by including requirements for Preliminary Assessments and energy ratings in the policy itself;**
- **introducing a limit on subdivision in Precinct 'a' and varying several large blocks from Precinct 'b' to Precinct 'a' to retain large sites;**
- **recognise the metropolitan role of Fyshwick for bulky goods retailing and the demand for sites visible from Canberra Avenue by removing the existing floor space limit on bulky goods retailing in Precinct 'b' in Fyshwick;**
- **recognise the role of commercial centres by retaining a limit of 200m² on food shops (all areas), 200m² on other shops (except bulky goods retailing) in Precinct 'b' Mitchell, and in all areas 2,000m² per lease for Non Retail Commercial Use (offices);**
- **encourage redevelopment in Fyshwick Precinct 'b' by removing the existing restrictions on amalgamation and subdivision;**

- clarify the opportunity for the provision of a caretaker's residence for security reasons. Other residential uses are not considered appropriate due to the conflicting issues associated with maintaining industrial viability and residential amenity; and
- vary the land use policy for Hill Station and land immediately to the south of Hume from Entertainment Accommodation and Leisure to Industrial.

A total of 14 submissions were received in response to the Exhibited draft Variation.

A recommended final version of DV 175, revised as a result of the consultation process, was submitted to the Executive in October 2002. This was subsequently referred to the Planning and Environment Committee.

The Committee has considered the revised draft Variation and, in its Report No.14 of 16 April 2003, made 11 recommendations.

The Committee's major recommendation is that the Government adopt DV175 with specific changes to the draft Variation.

The Government can agree in part to this approach and accordingly has approved a modified Variation No.175, which I am tabling today.

However, before doing so, I would like to address some of the Committee's Recommendations.

In relation to the first Recommendation of the Committee, the Government does not accept the criticisms about DV175.

DV 175 has resulted from a comprehensive review of trends and issues associated with industrial land use in the ACT. Although the Spatial Plan and Economic White Paper currently being prepared will set the higher level strategic context and implementation initiatives, it is simply not accurate to say that DV 175 lacks strategic, spatial and economic analysis or ignores business concerns.

The objectives for the Industrial Land Use Policies, and the primary purpose statement for each of the individual precincts, provide a forward-looking view of how the industrial areas fit within the metropolitan structure of Canberra.

The policies make it clear that each industrial precinct has a different role to play in Canberra's economic development. This both facilitates marketing of industrial land and encourages clustering of activities as recommended by the Synectics Study of 1998.

PALM has undertaken a complete inventory of every block in industrial areas and commercial centres every two years from 1995 to 2001. Further analyses, specifically for activities in industrial areas, were included in the Background Paper released for public comment as Attachment B of DV175. In addition, PALM conducted field surveys in Mitchell, West Fyshwick and Hume to confirm and review policies for the draft final of DV175 before its submission to the Executive and the Committee.

Spatial analysis was also undertaken for the commercial land release program and the results are contained in the Background Paper and in more detail in the draft Industrial Land Planning Strategy 2000. This lists vacant industrial blocks by area and priority for release.

The Committee, in its report, did not clarify what information was lacking in regard to economic analysis. The Background Paper also contained detailed market analysis of supply and demand for industrial blocks, which were analysed by block area. The Government monitors the demand for industrial land from individual businesses and releases blocks to meet requirements.

The draft Variation process and Committee hearings provided an opportunity for small business to raise their concerns. PALM considered all submissions made, however it is not possible to meet the expectations and desires of ALL respondents whilst maintaining sound planning practices. Decisions about land use are established on the fundamental principle of meeting

metropolitan planning objectives for the benefit of the whole community rather than just for the benefit of individual lessees.

In relation to Recommendation 2 of the Committee, seeking acceptance by the Government of full responsibility to ensure suitable methods of notifications are employed to guarantee relevant stakeholders are notified, I would respond this way.

The Government agrees and is committed to taking all reasonable action to ensure that relevant stakeholders are notified. However it is just not possible to GUARANTEE that any extensive consultation practice will not miss notifying someone who can claim stakeholder status. PALM is unaware of any consultation practice that is flawless in this regard. The disappointing aspect of the Committee recommendation is that the Committee did not include suggestions on how the existing PALM process could be improved.

The Government has:

- not agreed with Committee Recommendation 4 and has noted Recommendation 5 (concerning Blocks 11 & 12 Section 38 Fyshwick – the old DAS site); and
- not agreed with Committee Recommendation 6 (concerning Block 1 Section 22 Mitchell (former Brickworks site)).

Agreeing to these recommendations would have significant strategic planning ramifications and would also not allow affected stakeholders an opportunity to comment on the changes.

The Government therefore proposes to retain the existing precinct classification for these areas and consider the merits of the proposals through the Spatial Plan process. This will allow the proposals to be considered in a strategic context and provide an opportunity for public input. The Committee Report has been referred to the Spatial Planning Team in PALM for their consideration of the comments made in regard to the Spatial Plan.

For similar reasons, the Government also does not agree with the Committee's Recommendation 10 relating to West Fyshwick.

Amongst other things this Recommendation would allow bulky goods retailing along Canberra Avenue with the potential to significantly impact on the retail hierarchy in the nearby established areas (Kingston, Manuka) and other sites in Fyshwick precinct 'b' areas. The potential for several bulky goods retail outlets to congregate in this location also has strategic planning implications.

This is a policy change that is not appropriate to introduce without undertaking extensive consultation with all relevant stakeholders.

I think the Assembly would agree that major changes to planning policy should be subject to the same rigorous planning consultation processes as is undertaken for a draft variation.

Finally, Mr Speaker, Recommendation No 11 of the Committee' Report is that the Government undertake further detailed reviews into industrial land use policies across Canberra.

The Government has noted this Recommendation but I must say that it does seem to be at odds with the detailed analysis already undertaken on industrial land issues.

DV175 analysed 20 years of uptake of industrial land and concluded that there is sufficient industrial land for about 20 years for industrial uses.

If industrial areas allow for even more diverse retailing facilities this will be unsustainable for two reasons:

- the lower cost of industrial land and premises will cause retailers to move to industrial areas, thus jeopardising the viability of commercial centres; and
- the influx of higher rent retailing will make industrial premises too expensive for industrial trades and storage uses, so that they will either relocate to Queanbeyan or demand the release of more vacant industrial land by the Government.

Permitting more higher value uses in industrial areas may create an improved revenue stream for the Government, through higher rates, but will price out of the market lower cost uses and

encourage more commercial uses, to the detriment and possibly higher vacancy rates in commercial centres particularly mixed services (trades) areas.

Government revenue from industrial areas is also generated by sale of unleased land in accordance with the 5-year land release program, which is prepared by the Government and published each year with the Budget. As outlined in the Background Paper released with DV 175, the demand for industrial land is currently quite low (5-8 hectares each year). It has been necessary for the Government to restrict land auctions to specific industries to ensure that needs are met for lower cost activities requiring large sites such as freight transport.

As mentioned in the response to Recommendation 8, the Government agrees that a modification to the proposed policy could allow a limited opportunity to provide some small warehouse spaces without jeopardising the strategy to protect larger sites for future use by large land take uses.

DV 175 encourages investment in light manufacturing and heavy transport industries through the policy objectives and through the listing of permitted land uses in Precinct 'a'.

Mr Speaker, after careful consideration of the Committee's Recommendations, draft Variation 175 was further revised to take account of those recommendations of the Committee with which the Government agrees, and the Government has approved that Variation.

I now table Variation No.175 to the Territory Plan concerning the Industrial B3 Land Use Policies.

I also table the Government's response to Report No.14 of the Standing Committee on Planning and Environment.

**AUSTRALIAN CAPITAL TERRITORY
LEGISLATIVE ASSEMBLY**

**STANDING COMMITTEE ON PLANNING AND
ENVIRONMENT**

**REPORT NO 14 – VARIATION TO THE
TERRITORY PLAN NO 175**

GOVERNMENT RESPONSE

**Circulated by authority of
Simon Corbell MLA
Minister for Planning**

17 June 2003

Recommendation 1

The Committee has formed a strong view that this Draft Variation is not forward looking; lacks strategic, spatial and economic analysis with surrounding and adjacent residential areas; ignores practical and sensible business issues for small business, and contradicts its proposed new policies for Industrial Land Use. The Committee recommends that Draft Variation 175 be adopted as amended by the recommendations contained in this Report, but only as an interim measure while further work is undertaken.

Agreed in part.

The Government does not accept the criticisms about draft Variation No 175 (DV 175) contained in this recommendation. However, it does agree to adopt an amended draft Variation that incorporates some, but not all of the Committee's recommendations.

DV 175 has resulted from a comprehensive review of trends and issues associated with industrial land use in the ACT. Although the Spatial Plan and Economic White Paper, currently being prepared, will set the higher level strategic context and implementation initiatives, it is simply not accurate to say that DV 175 lacks strategic, spatial and economic analysis or ignores business concerns. The Government would be prepared to make available the comprehensive documentation associated with DV 175 for any member who is interested in scrutinising it.

The objectives for the Industrial Land Use Policies and the primary purpose statement for each of the individual precincts provides a forward-looking view of how the industrial areas fit within the metropolitan structure of Canberra.

The policies make it clear that each industrial precinct has a different role to play in Canberra's economic development. This both facilitates marketing of industrial land and encourages clustering of activities as recommended by the Synectics Study of 1998.

Planning and Land Management (PALM) has undertaken a complete inventory of every block in industrial areas and commercial centres every two years from 1995 to 2001. Further analyses, specifically for activities in industrial areas, were included in the Background Paper released for public comment as Attachment B of DV175. In addition, PALM conducted field surveys in Mitchell, West Fyshwick and Hume to confirm and review policies for DV175 before its submission to the Executive and the Committee.

Spatial analysis was also undertaken for the commercial land release program and the results are contained in the Background Paper and in more detail in the draft Industrial Land Planning Strategy 2000. This document lists vacant industrial blocks by area and priority for release.

The Committee did not clarify what information was lacking in regard to economic analysis. Attachment B to DV 175 contained detailed market analysis of supply and demand for industrial blocks. Land Group DUS has been monitoring the demand for industrial land from individual businesses and has released blocks to meet requirements.

The draft Variation process and Committee hearings provided an opportunity for small business to raise their concerns. Whilst PALM considered all submissions made, it is not possible to meet the expectations and desires of all respondents, whilst maintaining sound planning practices. Decisions about land use are established on the fundamental principle of meeting metropolitan planning objectives for the benefit of the whole community.

Recommendation 2

The Committee recommends that the Government accept full responsibility to ensure that suitable methods of notifications are employed to guarantee relevant stakeholders are notified.

Agreed.

The Government is committed to taking all reasonable action to ensure that relevant stakeholders are notified. However, it is not possible to guarantee that any extensive consultation practice will not miss notifying someone who can claim stakeholder status. PALM is unaware of any consultation practice that is flawless in this regard. The Committee recommendation did not include suggestions on how the existing PALM process could be improved.

Recommendation 3

The Committee recommends that:

- a) the Government immediately begin to prepare a Master Plan for the area bounded by the Kingston Foreshore Development, the Monaro Highway, Canberra Avenue and Dairy Flat Road, so as not to lose access to the concept plan; and**
- b) the area described is specifically considered in the Spatial Plan.**

Agreed in part.

It is agreed that the concept for the development of the land adjacent to Jerrabomberra Wetlands, put forward by a consultant to one of the interested lessees, may have merit and is worthy of further exploration. However, it is not agreed that the Government should immediately prepare a Master Plan for the area. It is the Government's view that the concept should first be given

consideration as part the Spatial Plan process before a commitment is made to the preparation of a Master Plan. It should also be noted that much of this land is not within the Industrial Land Use Policy Area and therefore it is outside of the scope of DV 175.

Recommendation 4

The Committee recommends that Blocks 11 and 12 Section 38 Fyshwick - the 'Old' Commonwealth Department of Administrative Services Fleet Operations Site be included as a 'b' classification so that bulky goods retailing is allowed immediately in lieu of any transport industry usage.

Not agreed.

The impact of changing this site to Precinct 'b' has the potential to significantly impact on the retail hierarchy of nearby established areas (Kingston, Manuka) and other sites in Fyshwick Precinct 'b' areas. The potential for several bulky goods retail outlets to congregate in this location also has strategic planning implications that need to be supported by the Spatial Plan. In addition, major changes to planning policy should be subject to the same rigorous planning consultation processes as any draft variation, rather than being inserted in the revised final Variation document tabled in the Assembly without further opportunity for public comment.

The appropriate action is to retain the existing policy and let the Spatial Plan consider the merits of the proposal for the land adjoining the Jerrabomberra Wetlands put forward by the lessee. This allows the proposal to be considered in a strategic context and also allows public input.

Recommendation 5

The Committee recommends that:

- a) the site as described in Recommendation No. 4, is better suited, in the long term, as a flexible mixed use precinct, in keeping with the need for more flexibility in industrial land uses highlighted in the 1998 Synectics Study and the Government's pursuit of sustainable development, affordable housing and future revenue generating opportunities; and**
- b) the Government immediately undertakes to include mixed-use land usage policies in the development of the Spatial Plan.**

Noted.

Refer to the response to Recommendation 4 above. While the applicable land use policy does not currently permit residential use or bulky goods retailing it does permit a wide range of uses. The lessee has the option of applying to vary the lease to include additional uses and development rights, subject to

the approval of a development application and the payment of any applicable change of use charges.

Canberra residents have recently commented on the Spatial Plan that they value Canberra as a planned city where amenity and safety of residential areas are protected from incompatible uses. Land use planning in Canberra seeks to identify specific areas for uses such as large warehouses, freight transport depots, activities which generate noise, dust, smells and vehicle sales and repair etc which are not acceptable in residential areas and which cannot afford to locate in commercial centres.

The Committee Report plus this Response has been referred to the Spatial Planning Team for consideration of the comments made in regard to the Spatial Plan.

Recommendation 6

The Committee recommends that the Block 1 Section 22 Mitchell be included as a precinct 'b' land use policy that will allow the development of a 'bulky goods super centre' and other industries with a strong service orientation and associated retailing.

Not agreed.

This is the former Brickworks site. The recommendation put forward by the Committee has the potential to significantly and adversely impact on the development of the Gungahlin Town Centre and the future supply of land for industrial uses in North Canberra and therefore this recommendation is not supported. The potential for several bulky goods retail outlets to congregate in this location has strategic planning implications. Such major changes to planning policy should be subject to the same rigorous consultation processes as the draft Variation. Similar to the response to Recommendation 4, it is inappropriate to insert such a major policy change in a revised final Variation without opportunity for affected stakeholders to comment.

The Government proposes to retain the existing land use policy in place and let the Spatial Plan consider the merits of the proposal. This allows the proposal to be considered in a strategic context and allows opportunity for public input.

Recommendation 7

The Committee recommends that:

- a) Section 18 Block 41 Mitchell be immediately classified as Industrial Land Use 'b' in the Territory Plan; and**

- b) The Government further investigates current and actual land use in Mitchell to reflect the fact that many other businesses in Mitchell are already undertaking commercial, industrial and retailing activities, which do not easily fit into current classifications.**

Agreed.

a) Section 18 Block 41 Mitchell is the site of the Posh Pots business. The adoption of the Committee recommendation allows the protracted compliance issues, about this business conducting retailing activities from a Precinct 'a' area, to be resolved.

b) Most of the activities conducted in Mitchell are in accordance with the planning policy and lease provisions. Retailing activities are undertaken within the Precinct 'b' areas or are ancillary to the primary industrial use of the sites within Precinct 'a'.

An inventory of land uses in industrial areas is undertaken every two years. The Mitchell review of the existing inventory will be undertaken in July 2003.

Recommendation 8

The Committee recommends that:

- a) to encourage and protect the present and future opportunities for small business in Hume, and to encourage the future sustainability of locally based small business, that Draft Variation 175 is amended:**
- (i) to cater for storage unit sizes of a minimum of 100m²;**
 - (ii) to allow the minimum block size for blocks to be subdivided from small blocks to be 1,000m², with no restriction on the number of units per block for specific small business purposes; and**
 - (iii) to implement a monitoring framework to ensure large blocks remain available for long-term industrial expansion.**

Agreed in part.

This recommendation results from representation to the Committee from a developer who specialises in developing warehouse-like building complexes in Hume which he then unit titles into numerous smallholdings.

DV 175 proposed controls that would limit the ability to fragment the larger sites in Precinct 'a' areas.

The policy position proposed by DV 175 relates to land holdings; it does not place a restriction on floor space of buildings or the number of tenancies within a building. The proposed minimum block size (5000m²), and maximum number of units (5 of a minimum size of 1000m²), was about protecting large sites for future large land take uses.

PALM analysis indicates there was sufficient availability of smaller units. There were 23 vacant units with a floor area less than 600 m² in Hume in 2001. 16 of these were less than 400 m².

However it is agreed that the Committee recommendation could be partially met by amending the policy to delete the minimum size of a unit holding. This would allow some limited opportunities for smaller size units to be made available.

It is further proposed that the subdivision policy should be amended to include a clause that requires the lease to be varied, to stipulate the number of unit title holdings permissible (maximum 5), prior to an application for unit title being approved. This will mean that unit titling in Industrial areas will be subject to the change of use charge provisions of the *Land (Planning and Environment) Act 1991*. This is similar to the approach proposed in Draft Variation No 200. Recognising, that the changes relating to subdivision and unit-titling could impact adversely on projects that had already commenced, it is further proposed to include a modification that will mean the new provisions will not apply to applications lodged before the date that Variation 175 commences under the Land Act.

The demand and supply of industrial land is under constant review. A complete inventory of every block has been undertaken every 2 years since 1995 as well as ongoing liaison with industry and the Government's Land Group DUS.

Recommendation 9

The Committee recommends that:

- a) the ACT Heritage Council immediately provide Blocks 5 and 6 Section 6 Hume with approval to develop and implement alternative proposals to its current core business that would be compatible with the policies of precinct 'a' as has been highlighted in this Report;**
- b) the Government seek to joint venture with the owners of Hill Station or any future owners of Hill Station to develop arrangements for more heritage control;**

PALM immediately rewrite the Specific Site Controls to allow for alternative uses including showroom space and professional office accommodation compatible with precinct 'a'; andd) the Legislative Assembly note the potential loss of Hill Station to the ACT economy due to the industrial land use policies in Hume.

Agreed in part.

This recommendation refers to the property known as Hill Station.

It is not the role of the ACT Heritage Council to develop and implement proposals as suggested, nor is it the role of Government to enter into joint venture agreements as suggested. This property is subject to a lease arrangement the same as any other property holding in the Territory. It is the responsibility of the lessee to put forward a proposal for consideration.

The lessee approached PALM whilst the industrial policy review was being undertaken and explained the situation that had evolved as a result of past planning policies i.e. that the existing Territory Plan reflected the use of Hill Station in 1991 (Entertainment Accommodation and Leisure) and the former NCDC industrial policy for Hume. Meanwhile industrial development has progressed and now surrounds Hill Station resulting in the loss of its former attractive rural setting. PALM acknowledged this situation and agreed that the planning policy for this site needed to be reviewed.

PALM worked through options with the lessee and agreement was reached that the planning policy needed to reflect the range of land use options under the current land use policy, the uses permitted on surrounding sites and the heritage value of the site. The best way of doing this was to introduce an area specific policy based on the Industrial Precinct 'a' Land Use Policy (thereby expanding the uses permitted and achieving compatibility with surrounds), retaining existing uses (with an overlay provision) and protecting heritage values (overlay provision). This policy already includes provision for a shop that would cover the concept of a showroom, albeit subject to some restrictions.

The planning policy put forward in DV 175 expands the opportunities available to the Hill Station lessee. For example 'Light Industry' includes craft workshop, 'Industrial trades' includes agricultural and building supplies including displays of building materials. 'Indoor recreation facility' includes uses such as gyms and fitness centres etc. The use 'Retail plant nursery' has been added to specifically highlight that this would be a permissible use in its own right.

It is agreed that limited office use could be supported and therefore the revised DV 175 has been amended to allow 'office' use to operate from the existing buildings.

Recommendation 10

The Committee recommends that:

- a) West Fyshwick be included as a precinct 'b' land use policy;**
- b) the Government revisits the East and West Fyshwick proposals with all major lease holders and independent planning experts to discuss what economic and strategic direction will better position Fyshwick**

- for future development to respond to long term changing retail and wholesale trends and patterns and other commercial activity; BUT
- c) the Government develops an area specific overlay for the Fyshwick Fresh Food Markets (Block 1 Section 7 Fyshwick).

Not agreed.

The Committee recommendation to change the West Fyshwick policy from Precinct 'c' to Precinct 'b' is not supported. This change would allow bulky goods retailing along Canberra Ave and has the potential to significantly impact on the retail hierarchy in the nearby established areas (Kingston, Manuka) and other sites in Fyshwick Precinct 'b' areas. The potential for several bulky goods retail outlets to congregate in this location also has strategic planning implications.

Again, this is a policy change that is not appropriate to introduce without undertaking extensive consultation with all relevant stakeholders. Major changes to planning policy should be subject to the same rigorous planning consultation processes as is undertaken for a draft variation.

With the exception of the ACTEW site (block 12 section 30) the Government proposes to retain the existing precinct arrangement and use the Spatial Plan process to consider the merits of the proposal put forward from the Committee. This allows the proposal to be considered in a strategic context and allows public input. The proposal to change the blocks fronting Canberra Avenue to Corridors and Office Sites has therefore been deleted.

The inclusion of a specific overlay for block 1 section 7 (Fyshwick Markets) will not be required as 'Produce Market' will continue to be permissible under the Precinct 'c' policies.

Recommendation 11

The Committee recommends that the Government undertakes further detailed reviews into industrial land use policies across Canberra, noting that the proposed policies are too inflexible to encourage commercial, industrial growth and development in Fyshwick, Symonston, Hume and Mitchell, or residential investment in appropriate areas such as the area adjacent to the Jerrabomberra Wetlands. The land use policies must be reframed to provide for:

- more sustainable use of available land and sites across Canberra;
- an improved revenue stream for the ACT;
- improved and more diverse retailing facilities that meet current and future trends in retailing, and are complementary to other retail hierarchies;

- **ample opportunities to meet small business requirements for smaller warehouse/storage space; and**
- **investment and reinvestment in the ACT for light manufacture and light industrial enterprises, and heavy transport industry.**

Noted.

It should be noted that most of the land adjacent to the Jerrabomberra Wetlands is not within the Industrial Land Use Policy area and therefore falls outside of the scope of DV 175. The future use of this land for residential and other uses is a strategic issue that is appropriate for consideration by the Spatial Plan.

Achieving sustainability involves balancing supply and demand. DV 175 analysed 20 years of uptake of industrial land and concluded that there is sufficient industrial land for the next 20 years for industrial uses. If industrial areas allow even more diverse retailing facilities it will be unsustainable for two reasons:

- the lower cost of industrial land and premises will cause retailers to move to industrial areas, thus jeopardising the viability of commercial centres, and
- the influx of higher rent retailing will make industrial premises too expensive for industrial trades and storage uses, so that they may choose to relocate to Queanbeyan or demand the release of more vacant industrial land by the Government.

Another indicator of sustainable economic use of industrial areas is the floorspace inventory which for 2001 revealed 70,000m² of vacant space in industrial areas. This was a slight decrease from 1999, but still indicates that for smaller spaces, additional land should not be released. Release of more land may also delay the desirable redevelopment of the older parts of Fyshwick, thus maintaining vacant sites or unsustainable land uses.

Government revenue from industrial areas is generated by sale of unleased land in accordance with the 5-year land release program which is prepared by the Government and published each year with the Budget. As outlined in Attachment B of DV 175, the demand for industrial land is currently relatively low (5-8 hectares each year). It has been necessary for the Government to restrict land auctions to specific industries to ensure that needs are met for lower cost activities requiring large sites such as freight transport.

Rates revenue also contributes to ACT Government revenue and is based on land valuations. Permitting more higher value uses in industrial areas may create an improved revenue stream for the Government but will price out of the market lower cost uses and encourage more commercial uses, to the detriment and possibly higher vacancy rates in commercial centres particularly mixed services (trades) areas.

DV 175 provides for future trends in bulky goods retailing by removing the 3,000 m² limit on floorspace in Fyshwick. The draft Variation also varies the Precinct policy for Fyshwick Section 48 to Precinct 'b'. This is unleased Territory land and was specifically identified to provide for expansion and location of new bulky goods retailers who have expressed interest in locating to this area, near to existing outlets.

As mentioned in the response to Recommendation 8, the Government agrees that a modification to the proposed policy could allow a limited opportunity to provide some small warehouse spaces without jeopardising the strategy to protect larger sites for future use by large land take uses.

DV 175 encourages investment in light manufacturing and heavy transport industries through the policy objectives and through the listing of permitted land uses in Precinct 'a'.

