

AGENDA



INNER WEST COUNCIL

**ADJOURNED COUNCIL MEETING FROM 21
NOVEMBER**

TO BE HELD ON TUESDAY 12 DECEMBER 2017

6.30pm

Live Streaming of Council Meeting

In the spirit of open, accessible and transparent government, this meeting of the Inner West Council is being streamed live on Council's website. By speaking at a Council meeting, members of the public agree to being recorded and must ensure their speech to the Council is respectful and use appropriate language. A person who uses defamatory, discriminatory or offensive language may be exposed to liability for which Council takes no responsibility. Any part of this meeting that is held in closed session will not be recorded

Pre-Registration to Speak at Council Meetings

Members of the public must register by 2pm of the day of the Meeting to speak at Council Meetings. If you wish to register to speak please fill in a [Register to Speak Form](#), available from the Inner West Council website, including:

- your name;
- contact details;
- item on the Agenda you wish to speak to; and
- whether you are for or against the recommendation in the agenda.

Are there any rules for speaking at a Council Meeting?

The following rules apply when addressing a Council meeting:

- keep your address to the point, the time allowed for each speaker is limited to three minutes. This time limit applies, no matter how many items are addressed by the speaker;
- when addressing the Meeting you must speak to the Chairperson;
- only 3 speakers for and against an Agenda Item are allowed.

What happens after I submit the form?

Your request will then be added to a list that is shown to the Chairperson on the night of the meeting.

Are there any rules for speaking at a Council Meeting?

The following rules apply when addressing a Council meeting:

- keep your address to the point, the time allowed for each speaker is limited to three minutes with one extension of not more than three minutes with the approval of the Council. This time limit applies, no matter how many items are addressed by the speaker;
- when addressing the Meeting you must speak to the Chairperson;
- the Chairperson may curtail public participation where the information being presented is considered repetitive or irrelevant.

Where Items are deferred, Council reserves the right to defer speakers until that Item is heard on the next occasion.

Accessibility

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Persons in the public gallery are advised that under the Local Government Act 1993, a person may NOT tape record a Council meeting without the permission of Council.

Any persons found recording without authority will be expelled from the meeting.

"Record" includes the use of any form of audio, video and still camera equipment or mobile phone capable of recording speech.

An audio recording of this meeting will be taken for the purpose of verifying the accuracy of the minutes.

SUMMARY OF ITEMS

The following provides a summary of the items to be considered at the meeting.

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- 2 Apologies**
- 3 Notice of Webcasting**
- 4 Disclosures of Interest (Section 451 of the Local Government Act and Council's Code of Conduct)**
- 5 Staff Reports**

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Item No: C1117 Item 4

Subject: POST EXHIBITION REPORT - SYDENHAM STATION CREATIVE HUB
PLANNING PROPOSAL

Prepared By: Kieren Lawson - Student Town Planner

Authorised By: Gill Dawson - Group Manager Strategic Planning

SUMMARY

This report concerns the public exhibition of a planning proposal to amend Marrickville Local Environmental Plan 2011 to support the establishment of the 'Sydenham Station Creative Hub' to operate as an entertainment and employment precinct, where live music venues, small bars, restaurants and cafes thrive alongside traditional and creative industries.

The planning proposal was publicly exhibited in accordance with the Gateway determination from 16 June 2017 to 14 July 2017. A total of 109 submissions were received in response to the exhibition of the planning proposal, of which approximately 75% (82 submissions) were in support of the proposal without amendment, approximately 17% (19 submissions) in support of the proposal subject to amendments and approximately 7% (8 submissions) opposed to the proposal. Whilst there was underlying support from the wider community for an entertainment and employment space in the area, there was opposition from a number of direct stakeholders.

The Gateway determination issued by the Department of Environment and Planning for the planning proposal gave conditional approval for the planning proposal to proceed to public exhibition. One of those conditions required the planning proposal to be updated to "*include an economic impact assessment*".

The *Sydenham Creative Hub (SCH): Economic impact analysis report, prepared by SGS Economics & Planning* dated June 2017 raised significant concerns with the planning proposal, in relation to the economic impacts of the creative hub proposal on the existing business operations, in relation to certain additional permitted uses proposed in the area and issues generally in relation to size of the industrial zoned area to which the planning proposal related.

The report recommended (in part) that "*If the target industries are introduced in the SCH as additional permitted uses, these uses should be concentrated in a specific area of the SCH. This would assist in reducing the impact of these uses and protecting the remainder of the precinct. Containment in a specific area will also help to mitigate any uncertainty over the continuing function of the rest of the precinct. If hospitality uses are introduced, it is considered that Marrickville Road (particularly the western end) is the most appropriate location for these businesses.*"

The studies and consultation highlight the need for amendments to be made to the planning proposal to satisfy professional recommendations and community feedback. In light of the above it is considered that the planning proposal should not proceed in its current form.

To balance the concerns raised, changes need to be made to the planning proposal to delete the additional proposed use '*business and office premises relating to creative purposes*' and to reduce the size of the area to which the other proposed additional permitted uses "*small bars, restaurants and cafes*" would apply.

In this regard it is recommended that the area be limited to properties fronting Marrickville Road between Railway Parade and Sydney Street and the 2 properties fronting Railway Parade between Marrickville Road and Buckley Lane (the properties 21-71 Marrickville Road and 101-103 Railway Parade, Marrickville respectively).

Under the Department's *Guide to preparing local environmental plans* if "a RPA varies its proposal following the initial Gateway determination, it must inform the Minister, GSC or delegate, who may issue a revised Gateway determination, depending on the nature of the variations." (page 21)

The recommended changes to the planning proposal would result in a different intended outcome. The Department advised that it would not be necessary to seek a revised Gateway Determination but Council (as the RPA) would be required to consult with the Department in accordance with Section 58 of the *Environmental Planning and Assessment Act 1979*.

The report recommends that Council amend the planning proposal as follows:

- i. Confine the land to which the planning proposal relates to the properties fronting Marrickville Road, Marrickville between Railway Parade and Sydney Street and the 2 properties fronting Railway Parade between Marrickville Road and Buckley Lane (the properties 21-71 Marrickville Road and 101-103 Railway Parade, Marrickville respectively); and
- ii. Limit the additional permitted uses on such land to "restaurant or café", and "small bars".

As the recommended changes would result in a different intended outcome than the original planning proposal that was exhibited, it is also recommended that the planning proposal, as amended, be placed on public exhibition for community consultation.

RECOMMENDATION

THAT:

1. **Council amend the planning proposal as follows:**
 - i. **Confine the land to which the planning proposal relates to the properties fronting Marrickville Road, Marrickville between Railway Parade and Sydney Street and the 2 properties fronting Railway Parade between Marrickville Road and Buckley Lane (being the properties 21-71 Marrickville Road and 101-103 Railway Parade, Marrickville respectively); and**
 - ii. **Limit the additional permitted uses on such land to "cafes, restaurants and small bars".**
2. **The Department of Planning and Environment be advised accordingly and Council request a 6 month extension of time to finalise the LEP; and**
3. **The amended planning proposal be publically exhibited and a further report be prepared for Council's consideration following the conclusion of the community consultation.**

BACKGROUND

For approximately the last three years, Council has been progressing the vision for the Sydenham Station creative hub - an entertainment and employment space where live music venues, small bars, restaurants and cafes thrive alongside traditional and creative industries.

At its meeting of 2 September 2014 the former Marrickville Council resolved to:

- *“give in-principle support to the development of a long term vision for revitalization of the industrial lands adjacent Sydenham Station for traditional industry, creative industry and business with a potential night economy; and*
- *consider preparing a Planning Proposal to implement the vision for the precinct when the findings of the Marrickville Employment Lands Study Review and Future Cities Program are completed.”*

The former Marrickville Council considered an update report on the project at its 15 August 2015 meeting and resolved to endorse the recommended action plan and allocate funding to progress the preliminary actions.

A further report on the matter was last considered at the Council meeting on 25 October 2016. A copy of that report is attached as **ATTACHMENT 1**.

In dealing with that report the Administrator determined (in part) that Council:

- “3. Prepares a planning proposal for the Sydenham Station creative hub precinct and submits it to the Department of Planning & Environment for Gateway determination subject to Areas A & B as shown on the map at Attachment 2 being combined into one area to allow small bars, restaurants, cafes and creative uses as specified in Clause 6.12 of MELP 2011 to be permitted within the existing IN1 General Industrial zone; and*
- 4. Prepares and places on public exhibition with the planning proposal an economic study and strategy for a Development Control Plan (DCP) for the precinct should the planning proposal receive Gateway approval. The DCP to include (among other things) a creative industries policy, licensed premises controls and plans for public domain improvements.”*

A Planning Proposal for the Sydenham Station creative hub precinct was prepared in accordance with the above resolution.

Gateway Determination

The planning proposal was forwarded to the Department of Planning and Environment on 9 November 2016 for gateway determination.

A Gateway determination for the proposal, giving conditional approval for the planning proposal to proceed to public exhibition, was issued by the Department on 12 January 2017 (Department Ref: PP 2016 IWEST 001_00). A copy of the Gateway Determination is attached at **ATTACHMENT 2**.

One of the conditions of the Gateway Determination was a requirement for the planning proposal to be updated to *“include an economic impact assessment”* (condition 1(f)).

Economic Impact Assessment

SGC Economics & Planning were engaged by Council to prepare an economic impact assessment report for the Sydenham Creative Hub (SCH). A copy is attached at **ATTACHMENT 3**.

The Sydenham Creative Hub: Economic impact analysis report dated June 2017 concluded that:

“Based on the research undertaken as part of this study and the analysis and impacts detailed within this report, three recommendations have been formed.

Council should not introduce additional permitted uses in the SCH

This is due to a number of reasons:

- *The precinct is functioning well, being in high demand and having a low vacancy rate. Industrial lands are still valuable and are required to support the local population and local businesses. There is a shortage of industrial land in inner Sydney and the SCH is a highly active industrial area. Manufacturing is not in decline, but rather employment in manufacturing is expected to increase over the long term in SCH and the broader Sydenham-Marrickville industrial area.*
- *There does not appear to be a strong reason to introduce hospitality or commercial uses within the SCH and there are risks associated with doing so. There is a risk that introducing the targeted industries would have an adverse impact on the precinct's role and function and impacting particularly on the urban manufacturers (creative industrial uses) which Council is seeking to promote. Including additional permissible uses is not considered to be an appropriate land use response to support an evolving industrial precinct.*
- *Business premises and/or office premises which will be used for a creative purpose are already permissible in IN2 Light Industrial and B7 Business Zones in the Marrickville LEP and therefore these businesses could be accommodated in other industrial precincts as well as more broadly all commercial areas where business and office premises are permissible.*

If the target industries are introduced in the SCH as additional permitted uses, these uses should be concentrated in a specific area of the SCH. This would assist in reducing the impact of these uses and protecting the remainder of the precinct. Containment in a specific area will also help to mitigate any uncertainty over the continuing function of the rest of the precinct. If hospitality uses are introduced, it is considered that Marrickville Road (particularly the western end) is the most appropriate location for these businesses.

Council should solidify its vision for the SCH and provide clarification around the zoning and the types of land uses it would like to promote in the SCH

Uncertainty around the land use zoning and controls for the SCH, as well as more broadly a range of proposals to rezone industrial lands across inner Sydney, is considered to have been driving speculative property banking.

A clear vision will:

- *provide certainty to local businesses that they will be able to continue to operate within the precinct and give them the confidence to invest in the precinct.*
- *assist in avoiding developer speculation and manage expectations around rezonings.*

It is recommended that the vision clearly states that the IN1 General Industrial zone will be retained and identifies the uses which are permissible and Council would like to encourage.

Council should review the controls and allowable uses for Marrickville and Illawarra Roads and look for opportunities to encourage creative commercial uses in this centre

The existing Marrickville Road and Illawarra Road local centre is considered to be an appropriate location for retail and commercial uses. While these uses are currently permissible, it would be beneficial to review the existing controls and identify how business or office premises which are used for a creative purpose could be better facilitated. Any new

residential developments could incorporate first floor commercial above ground floor retail. This would also assist in supporting the existing retail uses and support the growth of this centre. Parking and access will be an issue and solutions to address this should also be considered as part of a review of the controls.” (pages 42-43)

Public Exhibition

The updated planning proposal was publicly exhibited in accordance with the Gateway Determination from 16 June 2017 to 14 July 2017.

A total of 109 submissions were received. Details of those submissions are discussed later in this report under the heading “Public Consultation”.

DISCUSSION

A number of concerns have been raised with the planning proposal in its current form. The three key planning issues of concern relate to the following matters:

- a. The size of the precinct;
- b. Compatibility of uses; and
- c. Uncertainty of future land uses in precinct

Those key planning issues are discussed below:

a. Size of the Precinct

Safety and accessibility

The planning proposal and additional permitted uses are likely to lead to an increase in pedestrian activity within the SCH precinct. The area carries a substantial volume of traffic along Railway Parade, Marrickville Road, Buckley Street and Sydenham Road, with heavy vehicles and industrial movements distinctive of the precinct’s movement network. Increased pedestrian movements along paths, driveways and crossings across both local and classified roads pose significant safety concerns generated from the proposed additional permissible uses. A number of safety concerns were raised as part of additional entertainment uses in the precinct and have been raised in the social impact assessment (SIA), public consultation and economic impact assessment (EIA). In summary, the safety and accessibility concerns relate to:

- A lack of pedestrian crossing points along Sydenham Road, a classified road and regional freight route;
- Increased risk between vehicles and people with an increase in pedestrian activity across industrial driveways that are in constant use by existing industrial businesses; and
- Increased likelihood of intoxication and anti-social behavior in areas of potentially hazardous industrial activity.

The recommended changes to the proposal seek to make improvements to pedestrian and active transport links between Sydenham Station and nearby retail and residential areas of Marrickville. Public domain, traffic improvements and infrastructure upgrades as part of the Sydenham to Bankstown Urban Renewal Corridor Strategy will improve the condition along the eastern portion of Marrickville Road and Railway Parade. However pedestrian and traffic movement issues throughout the remainder of the Sydenham industrial area would essentially remain unchanged.

Protection of industrial lands

The 2014 *Marrickville Employment Lands Strategy* (MELS) Review explains that within the former Marrickville Local Government Area (LGA), demand for traditional industrial land is declining, but Marrickville is well positioned to accommodate increasing demand from newer more contemporary creative industries. These can be broadly classified as population-serving industry, urban manufacturers, Central Business District (CBD) backroom operations and creative industries. With diminishing industrial stocks in the City of Sydney and City of Botany Bay, Marrickville's industrial areas may also experience greater demand from industries that have been displaced from those areas. A key challenge for Council is to allow its employment locations to respond to industry trends and meet the requirements of business operators. To achieve this, flexibility is needed – in the design of buildings and the planning policy framework. This can be achieved by increasing the flexibility of industrial zones by increasing the range of permissible uses in designated locations. The recommended changes to the original planning proposal, as detailed in this report, aims to support creative and traditional industrial uses whilst providing increased flexibility for entertainment uses through additional uses such as small bars, cafes and restaurants in a designated area within the precinct.

The protection of industrial lands is further advised in *A Plan for Growing Sydney* (APfGS) (2014) under Action 1.9.2 Support Key Industrial Precincts with Appropriate Planning Controls and Productivity Action 5 Develop better understanding of the value and operation of employment and urban services land in the *Draft Central District Plan* (dCDP) (2016). Those actions emphasize the importance of employment and urban services land to Greater Sydney's productivity, particularly those located in close proximity to the Sydney CBD in the southern sub-region. The SCH proposal is situated within the significant industry cluster of creative-manufacturing industries in Marrickville and Sydenham and works towards supporting their contribution to the national economy, aided by their close proximity to key economic infrastructure at Port Botany, the Airport and the CBD.

The previous Council report (**ATTACHMENT 1**) included an assessment of the SCH proposal against the Industrial Lands Strategic Assessment Checklist. Council staff developed a set of employment land rezoning principles to guide future rezoning proposals in light of the strong interest in rezoning industrial land in the former Marrickville Council area. An assessment of the proposal in relation to those principles was included in the October 2016 Council report. Further amendments to the proposal towards preserving large agglomerations of industrial land to avoid industrial fragmentation strengthen Principles 7 and 8 relating to the preservation of large industrial sites and reduced fragmentation of these areas.

Though the newly-permitted creative industries could potentially occupy large IN1 General Industrial sites, however it is envisaged the new creative industries would naturally seek smaller sites.

At the time of preparation of this report, there was a total of 177 hectares of IN1 General Industrial zoned land across the Inner West Council area, all which is located in the former Marrickville LGA. Council's *Statement of Vision and Priorities* (2017) includes provisions towards retaining diversity of industrial lands and employment generating use (Priority 1) and supporting innovation and creative industries (Priority 6). To further safeguard employment lands in the Inner West LGA, this report recommends that the area to which the SCH planning proposal relates be reduced in size from the 20 hectares originally proposed to approximately 1.9 hectares. That change to the SCH planning proposal aims to support these priorities but also supplement intentions towards social vitality, creativity and quality of life (Priority 3) and delivering vibrant night-time economies in main streets and town centres (Priority 6).

Property Values

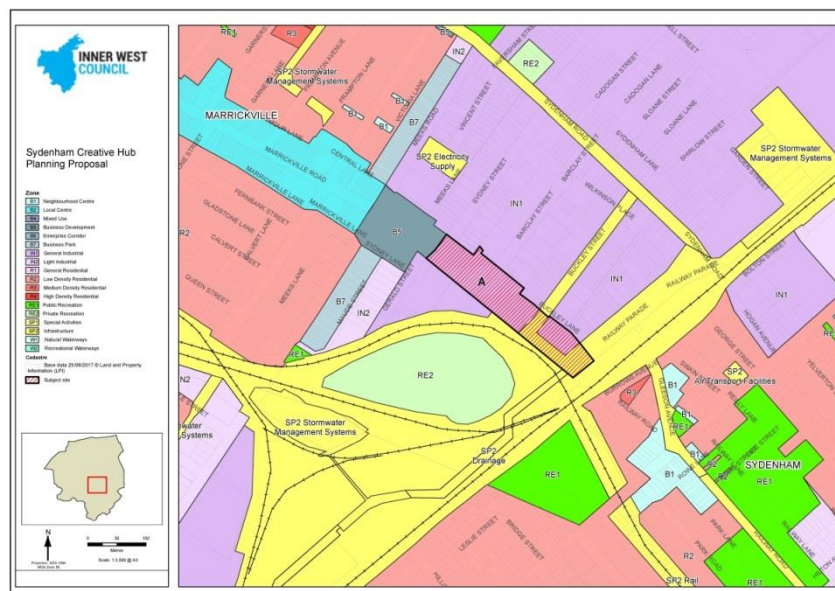
Development speculation and potential land use rezoning in Inner Sydney have continually contributed to a loss of affordability for industrial/manufacturing businesses across Inner Sydney. Sydenham-Marrickville is recognized as the last major mixed industrial precinct in

Inner Sydney and occupation in the precinct is in high demand. The MELPS 2014 Review identified a 6% vacancy rate for industrial properties within the precinct, with this rate lowering as a result of industrial relocations of businesses from ex-industrial lands in the City of Sydney (i.e. Alexandria, Zetland, Waterloo, Rosebery, Mascot) to the precinct. Industrial property values in Sydney's southern submarket have significantly increased in value over recent years and are significantly more expensive compared to other industrial submarkets in Sydney, with average land values in the area approximately \$1,625 per sqm (see page 19, EIA). This property value speculation occurs as a result of increased scarcity of heavy industrial precincts in inner Sydney and 'banking land' tactics by developers in hope for residential development potential (see page 25, EIA). The recommended changes to the planning proposal, aim to support a creative, industrial and entertainment precinct that minimizes speculation of land prices, prioritized affordable land use options for all lower-middle income sectors, particularly manufacturing and hospitality. The recommended changes aim to strike a balance to protect industrial lands as well as providing an opportunity for small bars, cafes and restaurants in part of the precinct where employment and entertainment uses may thrive alongside creative and traditional industries.

In this regard it is recommended that the SCH area be limited to properties fronting Marrickville Road between Railway Parade and Sydney Street and the 2 properties fronting Railway Parade between Marrickville Road and Buckley Lane (the properties 21-71 Marrickville Road and 101-103 Railway Parade, Marrickville respectively).

The report recommends a revised area for the SCH precinct to only allow for those additional permitted uses on IN1 General Industrial zoned properties (identified as A on Figure 1).

Recommended change to Sydenham Station Creative Hub area



**Figure 1: Recommended area for the proposed
Sydenham Station Creative Hub**

Justification for a reduction in the size of the SCH precinct is as follows:

- Mitigate traffic movement conflicts in the industrial area surrounding congestion, parking, operating hours between industrial use movements and pedestrians. This further protects the operational viability of those industrial uses with increased pedestrian traffic volumes focused towards the Marrickville Road part of the area;
- Reduced displacement and reduced land price speculation of existing industrial tenants in the area;

- Concentrates additional permitted uses and associated night-time activity along the Marrickville Road portion of the precinct. Concentrating potential new uses in this area is likely to strengthen the active transport link between Sydenham Station and Marrickville Commercial Precinct and improve safety for patrons in the area; and
- The proposed additional permitted uses will respond and interrelate with the draft public domain upgrades in the Marrickville Road East Streetscape Improvement Master Plan.

b. Compatibility of Uses

Business and office premises in industrial zones

Concerns were raised regarding whether introducing 'business and/or office premises' were appropriate additional permissible uses for the SCH planning proposal. In October 2016, Council resolved to retain the existing IN1 – General Industrial zoning for the SCH in response to concerns raised during the 2016 public consultation. The basis of that decision Council was to protect higher-impact industrial uses such as smash repairers, supporting their continued operation in the long term, even though they would benefit from existing use rights if the zoning changed (see October 2016 Council Report, page 9). The exhibited planning proposal includes business and/or office premises relating to creative purposes as an additional permissible use, with 'creative purposing' assessed to the satisfaction of Council at the development application stage. Further assessment of that additional permitted use found that maintaining creative purposing would be difficult to control because of circumstances beyond Council's control. *State Environmental Planning Policy (Exempt and Complying Development Codes) 2008* (Codes SEPP) permits a 'change of use' application under Exempt Development in Part 2, Division 1, Subdivision 10A – Change of use of premises and/or in Complying Development in Part 5, Division 1, Subdivision 2 – Change of use of premises. Those clauses of the Codes SEPP allow business and/or office premises uses to change to non-creative 'Column 2' uses without the need for Council approval. This 'change of use' pathway may result in uses within the precinct that are inconsistent with the employment and entertainment uses desired as part of the planning proposal. Business and office premises used for a creative purpose are permissible with consent in the IN2 Light Industrial and B7 Business Park zones under Marrickville LEP and therefore could be accommodated in other industrial precincts in the Inner West LGA. Excluding "creative purposing" from the planning proposal would also be consistent with the recommendations of the EIA (see page 4).

The revised SCH planning proposal recommends that business and/or office premises be removed as additional permitted uses from the planning proposal. The emergence of conventional business or office uses in the precinct would change the character of the Sydenham and Marrickville industrial area, displacing existing uses and change market perceptions of the areas. This would in turn lead to higher rents for light industrial uses and displace those uses from these critical industrial sites. This in turn would result in the closure of businesses that require proximity to supply chains and markets and that depend on those interconnections.

Compatibility with building stock

The quality of the existing building stock in the SCH precinct has been identified as poor quality and would require notable reinvestment to meet commercial occupancy standards. The EIA also highlights that existing building stock in the precinct is considered to be of poor quality and would require reinvestment to meet commercial use standards required to meet occupation requirements by Council and/or under the *Building Code of Australia* (BCA) (see page 23, EIA).

The development feasibility of providing those additional uses in the existing building stock would need to be carefully examined on a case by case basis. Potential proponents wishing to utilize additional permissible uses in the precinct would need to proceed with caution and

carefully consider their development feasibility options in accordance with the potential building upgrades required before occupation.

Discouraging 'creative servicing' uses

Potential for losses to manufacturing jobs in the existing precinct was a significant concern raised as part of the planning proposal. The EIA included discussion relating to the creative precinct with employment estimates comparing 2016 figures with a base case, scenario 1 and scenario 2 for the site (see page 25-28, EIA).

Scenario 1 is characterised as an *evolving creative precinct* with growing employment in professional services, media and telecommunications, while still containing a significant proportion of employment in traditional industrial uses (e.g. Mascot-Green Square and Central to Eveleigh).

Scenario 2 is characterised as a *mature creative precinct* with a concentration of professional and technology services, media and telecommunications, as well as accommodation and food services (e.g. Surry Hills and Ultimo/Pymont).

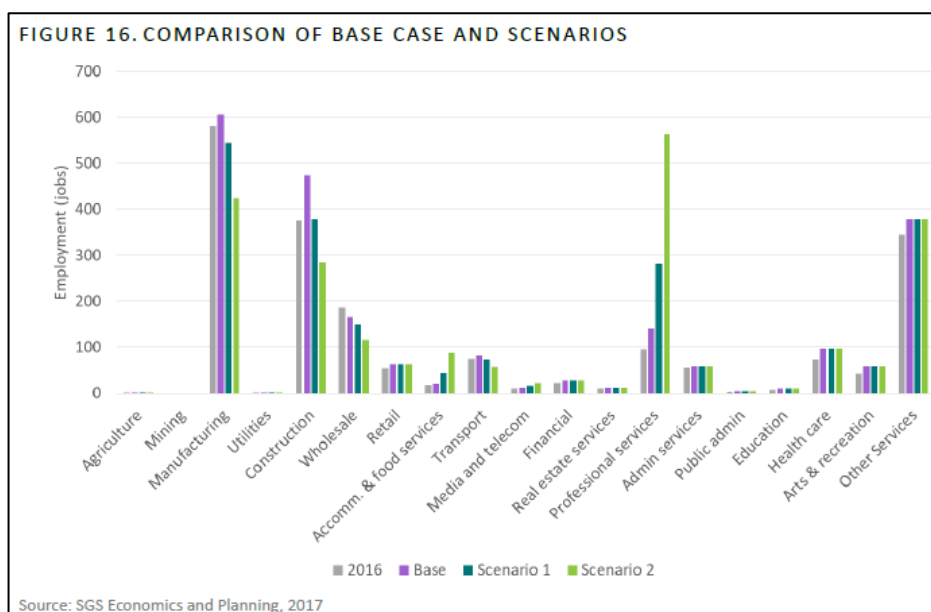


Figure 2: Forecast changes in employment under planning proposal scenarios (see page 39, EIA)

Figure 2 reveals a significant increase in professional services (albeit approved for 'creative purposes') in the precinct with expected losses in manufacturing and construction jobs. This potential increase in 'creative servicing' uses facilitated by business and/or office premises is likely to see significant displacement of manufacturing and construction jobs. This may lead to:

- A loss in local GDP output (see page 39, EIA),
- Dislodgement of lower-middle income workers in the local area,
- Entrench supply chain inefficiencies between existing industrial uses utilized for 'CBD backroom' operations (see page 41, EIA).

The 2014 MELS Review advocated under *Action 1.3: prevent the spread of retailing and services into the Marrickville-Sydenham precinct*. The importance of protecting those creative production uses is highlighted in the Australian Research Council's August 2017 report *Made in Marrickville*. Trends show that international best practice in urban planning and policy making that focuses on deepening relationships between creative industries and urban manufacturing are connected to future urban growth, investment, city marketing and

employment generation (see page 6, *Made in Marrickville*). Those existing traditional industrial and creative production uses invigorate the Inner West's successful place branding and need to be protected to ensure the social and economic vitality of the area. *Made in Marrickville* highlights the risks of displacing those uses through conversion of spaces to commercial, shop front and retail purposes, with accompanying escalating rents (see page 62).

In response to those concerns, this report recommends that the planning proposal be amended with a reduction in the size of the precinct and removal of business and/or office premises from the additional permitted uses. The recommended changes to the planning proposal aim to balance community and stakeholder positions, protect traditional manufacturing, support creative production uses in a collaborative entertainment and already highly functioning employment precinct.

The EIA provided details relating to financial turnover of retail floor space and estimated turnover to provide insight into the appropriateness of small bars, cafes and restaurants. As part of the EIA's impact testing, it found that up to 20 hospitality businesses could be accommodated without undue impact on nearby commercial precincts such as Marrickville Town Centre and Marrickville Metro. Whilst the EIA does not recommend introducing additional hospitality floor space in the precinct, the planning proposal recommends that the provision of additional hospitality and night time entertainment uses in existing IN1 General Industrial zoned land along Marrickville Road will improve connectivity between Sydenham Station and nearby commercial precincts. The proposed public domain and traffic changes proposed under the Marrickville Road East Streetscape Improvements Master Plan will provide improved safety and through an active link for the additional uses proposed to be permitted ("cafes, restaurants and small bars") in the reduced precinct.

Live Music Permissibility

Substantial community backing for the SCH supported improvements to the precinct to encourage night-time activity and a local late night economy within the local Inner West area. Community consultation indicated support for night time entertainment and live music in the precinct, and provided comments that included:

- Turning the precinct into an entertainment hub to offer a destination for artists and creative;
- Offer a destination for more entertainment, artists, creative activities; and
- Allowing a new entertainment/arts precinct where live music thrives through late night bands and parties adjacent to creative industries would have nominal amenity impacts given its located away from residential areas.

Existing zoning provisions under MLEP 2011 that apply to land within the SCH already provide opportunities for creative industries, live music venues and ancillary night-time uses and a number of such uses are located in the precinct.

The EIA notes that any demand for commercial uses such as small bars, cafés and restaurants could be accommodated within existing retail areas adjacent to SCH such as Marrickville Metro Shopping Centre or Marrickville Town Centre.

Whilst the small bars, cafes and restaurants are uses permissible with Council consent on the Marrickville Metro Shopping Centre site and on land within the Marrickville Town Centre zoned B2 Local Centre it is considered that allowing such uses on a small section of the SCH would not unreasonably impact on the viability of those areas. It is also considered that permitting such uses on a selected part of the precinct as recommended would help to support the night time entertainment and live music in the precinct.

Recommended solution

The additional permitted uses originally proposed in the planning proposal for the SCH precinct have been reviewed. In view of the circumstances and for the reasons detailed in this report it is recommended that the additional uses to be permitted, in the reduced precinct, should be limited to small bars and restaurants and cafes only.

The amendments to Marrickville Local Environmental Plan 2011 to effect the recommended changes are as follows:

- i. Insert the following additional matters in Schedule 1 Additional permitted uses of MLEP 2011 reading as follows:

Use of certain land at Marrickville, known as the Sydenham Station Creative Hub

- (1) This clause applies to land coloured blue and identified as “K” on the Key Sites Map.
- (2) Development for the purposes of small bars, and restaurants and cafes are permitted with consent.

- ii. That the properties known as 21-71 Marrickville Road and 101-103 Railway Parade, Marrickville be identified as “K” on Key Sites Map KYS_004.

Figure 3 shows the proposed amendment to the Key Sites Map:



Figure 3: Proposed Key Sites Map amendment
for amended Sydenham Station Creative Hub planning proposal

Justification for proceeding with the additional permitted uses “small bars, restaurants and cafes” but not proceeding with the additional permitted uses of “business and office premises relating to creative purposes” is as follows:

- To ensure that the proposed additional uses permitted in the creative hub remain focused on entertainment and employment uses for industrial, creative and entertainment purposes.
- The deletion of the previously proposed additional permitted uses of ‘business and office premises’ is in response to concerns raised, and aims to protect existing industrial zoned land and support creative and traditional industrial uses.
- The inclusion of small bars, restaurants and cafes as additional permitted uses on certain existing IN1 General Industrial zoned land aim to facilitate the provision of an active night time link between Sydenham Station and Marrickville Town Centre.

c. Uncertainty of Future Land Uses in Precinct*Draft State Government Plans*

The report on the original planning proposal was considered by Council before the release of the Greater Sydney Commissions' draft Central District Plan (dCDP). The planning proposal has been reviewed against the provisions of the dCDP.

The dCDP aims to provide flexibility in land uses for creative industries, providing affordable space for creative hubs and enhancing urban synergies through *Productivity Action 5 Develop better understanding of the value and operation of employment and urban services land* (see page 4, dCDP). The dCDP encourages councils to take a 'precautionary approach' to the conversion of employment and urban services land. Another focus of the Plan is improving 30-minute access to jobs and services across the district and Greater Sydney area.

A number of changes to the original planning proposal are recommended as detailed in this report.

A revised precinct size and removal of business and office premises as an additional permitted use aims to safeguard local jobs and businesses relating to traditional and creative industries and lower-middle income earners. Displacement of these uses to other regions in Sydney as a result of land price speculation and rezoning would act contrary to the priorities of the dCDP and would inflict social and economic costs to the local area.

The creative hub planning proposal is located within the Sydenham Station Precinct under the Sydenham to Bankstown Urban Renewal Corridor Strategy. In June 2017, the Department of Planning and Environment released the revised draft strategy in response to the community engagement completed during 2015-16. The revised strategy recognizes:

- The need to protect Sydenham's unique creative character and its employment opportunities,
- The risk of rezoning and potential loss of creative industries and artist spaces in the area,
- The retention of the industrial warehouse building stock that contribute to the character of the area,
- The importance of protecting local employment including small businesses, creative industries and independent businesses,
- The need for connectivity through active transport links between the precinct and surrounding areas, and
- The potential for improvements to the streetscape and public realm to enhance livability.

The revised draft plan identifies the subject land as part of the Sydenham Enterprise Area. The draft plan recognizes the need to protect the creative hub site from rezoning on the basis that it provides valuable industrial and employment uses in close proximity to the Sydney CBD, Sydney Airport and Port Botany. The proposed rezoning of industrial land as suggested in the revised draft strategy will significantly reduce the industrial land supply in the sub region and the ability to meet future demand for industrial land activity and employment targets, failing to address this question in the industrial lands strategic assessment checklist.

It is considered that the provision of the additional uses proposed to be permitted in a select part of the SCH as recommended in this report, will provide balanced support for the vision of the Sydenham Station precinct under the Sydenham to Bankstown Urban Corridor Strategy, focused on industrial enterprise and public domain renewal. It is considered that confining the SCH to the eastern portion of Marrickville Road, as recommended in this report, is a balanced approach which sufficiently protects industrial zoned lands but also provides connectivity for

active transport links and supports improvements to streetscape and public realm to enhance livability.

Depending on the final outcome of the Sydenham to Bankstown Urban Renewal Corridor Council may wish to review the extent of the area of the SCH proposed to include properties along Railway Parade to the proposed entryway of Sydenham Station under the final Sydenham to Bankstown Urban Corridor strategy.

Nearby rezoning of industrial lands

The cumulative loss of industrial land will result in a deficit of industrial land in the Inner West LGA, and limit the scope for existing industrial enterprises in the area to grow and adapt. The loss of industrial floor space in nearby industrial precincts would mean that many existing uses would find it impractical to relocate to western Sydney and will cease trading or leave the region altogether. This would result in losses of industrial jobs, unique award winning businesses, specialist experience, world class creative enterprises and talent that cannot be offset by short term jobs in construction or longer term low value retail and leisure employment. Industrial zoned land in the Inner West LGA is under increasing threat to rezone them to retail and residential uses. Such rezonings have the potential to have long term growth and productivity implications.

FINANCIAL IMPLICATIONS

Given the scope of changes relating to the size of the precinct and the recommended reduction in the additional uses proposed to be permitted in the precinct, it is considered that the amended planning proposal should be placed on exhibition for community consultation.

Funding would be required to facilitate the public exhibition of the amended proposal.

OTHER STAFF COMMENTS

Feedback was sought from Council's public domain planning team with regards to the SCH planning proposal. The SCH planning proposal will be supported by streetscape improvements proposed as part of the Marrickville Road East Streetscape Master Plan. Comments relating to the SCH proposal and impacts for the Streetscape Improvements Plan are included below:

Marrickville Road East Streetscape Improvements Plan

The Marrickville Road East Master Plan is occurring concurrently with the Sydenham Station Creative Hub Project. The brief for the master plan has been to support existing uses, while planning for future development and increased pedestrian and bicycle activity particularly from the Marrickville Town Centre to the Sydenham Station area.

The former Marrickville Council adopted an updated Our Place, Our Vision – Marrickville Community Strategic Plan (CSP) with a vision that articulated the desired character of public spaces as:

"In 2023, Marrickville has innovative urban planning that protects the character and heritage of the area. Public spaces are enticing, clean and well maintained, lively and accessible, with a street life that connects the community and welcomes visitors. Industrial areas remain an important part of the local community, while high technology, creative and eco-enterprises thrive."

The Master Plan aims to fulfil this vision along Marrickville Road East with the project undertaking extensive community and business engagement. The Master Plan responds to the results of that engagement. The Plan includes elements including the following:

- Provision of traffic calming measures along the street, to provide a safe street environment for users;
- Planting of additional shade trees and general greening of the street;
- Provision of pedestrian and bicycle infrastructure including seating, bicycle lanes and bike racks;
- Provision of additional and safer pedestrian crossings;
- Upgrading and improvement to pedestrian pavements; and
- Provision of better pedestrian lighting along the street.

The project is in the final draft stages with staff across Council disciplines reviewing the proposals. The project is also being reviewed to ensure it meets operational and safety needs. The next steps for the project include issuing the draft master plan to the Traffic Committee for approval, seeking Council endorsement for the plans and a final round of community and business engagement through a public exhibition process. The timeframes for the master plan project finalization are not dependent on the Sydenham Station Creative Hub project.

PUBLIC CONSULTATION

The planning proposal was updated in accordance with the Gateway Determination conditions prior to community consultation. The updated planning proposal and associated documentation were placed on public exhibition from 16 June 2017 to 14 July 2017. The exhibition included:

- An updated planning proposal for Sydenham Creative Hub,
- A copy of the Gateway Determination,
- Maps of the precinct including existing and proposed key sites maps and proposed land zoning map,
- Social Impact Assessment,
- Economic Impact Assessment,
- Proposed Marrickville Development Control Plan 2011 amendments to Part 6.5 Creative Industries and Part 9.43 Sydney Steel Precinct,
- Council reports on the project from August 2015 and October 2016,
- Draft Creative Industries Policy for the precinct, and
- Draft Opportunities and Constraints of public domain improvements.

Consultation

Direct consultation was also completed with a number of stakeholders including:

- Submitters to preliminary engagement on the project,
- Business operators and landowners within the precinct and peripheral area,
- Non-landowner residents within the precinct and peripheral area,
- Patrons of venues, artists and performers, commuters and customers of businesses in the precinct, and
- Government agencies listed in the gateway determination.

Responses to the consultation were categorized with regards to their level of support for the proposal. Council received 109 submissions in total and are summarized in the table below.

Table 1: Summary of Consultation submissions

Submission Category	Total received	Number with comments	Number without comments
Supportive without amendment	82	40	42
Supportive with changes to additional permitted uses within the IN1 General Industrial zoning	2	1	1

Supportive with changes to the boundaries of the precinct	3	3	0
Supportive with other changes	14	10	4
Not supportive	8	8	0
TOTAL	109	62	47

Those who indicated support of the proposal in its current form made comments on improving the amenity and safety of the public domain, support for night time activity in the precinct, opportunities for live music, improved pedestrian safety and steady protection of existing industries and new uses. Many of the responses received in support of the current proposal did not include detailed comments or their reasons for support. Much of the feedback received that was supportive without amendment was from members of the public who resided outside of the area.

Feedback that challenged the current form of the Sydenham Creative Hub proposal requesting further changes or were not supportive of the proposal generally provided substantive reasoning for their stance, with a significant number of those submitters being based within the precinct, or in close proximity of the precinct. Council completed a series of information sessions with a number of those stakeholders in August-September 2016, however a number of their concerns remain unresolved by the proposal.

Submissions that were not supportive or requested further changes raised concerns relating to:

- Whether the size and boundaries of the creative hub were suitable for the additional permitted uses proposed;
- Traffic and safety concerns within the precinct (particularly around Sydenham Road) due to the heavy industrial related vehicle movements, pedestrian activity, parking availability and expanse of driveways and hardstand spaces;
- Conflicting activities within the precinct (particularly at night) between factory and freight industrial uses and potential pedestrian safety related issues for local bar and restaurant consumers who may be intoxicated;
- Loss of industrial space, employment lands and GDP output if existing industrial uses are competing for space with retail and business premises;
- Uncertainty of vision for the precinct before the release of revised draft (and finalization) of the Sydenham to Bankstown Urban Corridor Strategy; and
- Displacement of traditional industrial uses in close proximity to Sydney Airport and Port Botany due to speculation of industrial land uses.

CONCLUSION

The appropriateness of the additional uses proposed to be permitted in the SCH and the extent of the area of the SCH were reviewed following the conclusion of the community consultation and the release of other strategic planning documents and reports.

The studies and consultation highlight the need for amendments to be made to the planning proposal to satisfy professional recommendations and community feedback. In light of the above it is considered that the planning proposal should not proceed in its current form.

To balance the concerns raised, changes need to be made to the planning proposal to delete the additional proposed use '*business and office premises relating to creative purposes*' and to reduce the size of the area to which the other proposed additional permitted uses "*small bars, restaurants and cafes*" would apply.

In this regard it is recommended that the area be limited to properties fronting Marrickville Road between Railway Parade and Sydney Street and the 2 properties fronting Railway

Parade between Marrickville Road and Buckley Lane (the properties 21-71 Marrickville Road and 101-103 Railway Parade, Marrickville respectively).

ATTACHMENTS

1. [!\[\]\(f15d3c54be60b4fd0ce1da9fb3f67256_img.jpg\)](#) Council Report - October 2016
2. [!\[\]\(7bf135d42c40a6430c927b2fd03d7659_img.jpg\)](#) Gateway Determination - January 2017
3. [!\[\]\(2bcc37677ea6b96900e4d746ad300082_img.jpg\)](#) Sydenham Creative Hub: Economic Impact Analysis

**Council Meeting
25 October 2016**

Item No: C1016 Item 2
Subject: PLANNING PROPOSAL FOR SYDENHAM STATION CREATIVE HUB
File Ref: 14/5489/51061.16

Prepared By: Maxine Bayley - Strategic Planner, Marrickville

Authorised By: Phil Sarin - Director, Planning and Environment

SUMMARY

Work has progressed towards developing a planning proposal for the Sydenham Station Creative Hub precinct since the project was last reported to Council in August 2015. A Social Impact Assessment, commissioned for the project, is attached to (and discussed in) this report. Initial community engagement in April-May 2016 generated extensive feedback on the proposal. Whilst community feedback has been generally supportive, concerns were raised from some existing business operators regarding potential negative impacts on their current and future operations. In response to these concerns, a series of information sessions were held with business operators in August-September 2016, with participants given the opportunity to make written submissions after the sessions. The results of the additional consultation have led to modest amendments to original proposal which aim to progress the original vision whilst addressing business operators' concerns. The amendments seek to retain the existing IN1 General Industrial zoning, whilst permitting select additional uses including creative uses and small bars, cafes and restaurants in select areas only.

This report recommends that Council prepares a planning proposal for the precinct and submits it to the Department of Planning & Environment for Gateway determination. Should Gateway approval be granted, the report recommends that Council prepares and places on public exhibition with the planning proposal an economic study and a strategy for a Development Control Plan (DCP) for the precinct – the latter including licensed premises controls and plans for public domain improvements.

RECOMMENDATION

THAT Council:

1. receives and notes this report;
 2. endorses the Social Impact Assessment prepared for this project, at ATTACHMENT 1;
 3. prepares a planning proposal for the Sydenham Station creative hub precinct and submits it to the Department of Planning & Environment for Gateway determination. In Area A shown on the map at ATTACHMENT 2, creative uses specified in MLEP 2011 Clause 6.12 would be permitted within the existing IN1 General Industrial zone, while in Area B, small bars, restaurants and cafes would be permitted in addition to the Clause 6.12 creative uses; and
 4. prepares and places on public exhibition with the planning proposal an economic study and strategy for a Development Control Plan (DCP) for the precinct should the planning proposal receive Gateway approval. The DCP to include (among other things) a creative industries policy, licensed premises controls and plans for public domain improvements.
-

BACKGROUND

For two to three years, Council has been progressing the vision for the Sydenham Station creative hub - an entertainment and employment space where live music venues, small bars, restaurants and cafes thrive alongside traditional and creative industries.

At its meeting of 2 September 2014 Council resolved to:

- “give in-principle support to the development of a long term vision for revitalisation of the industrial lands adjacent Sydenham Station for traditional industry, creative industry and business with a potential night economy; and
- consider preparing a Planning Proposal to implement the vision for the precinct when the findings of the Marrickville Employment Lands Study Review and Future Cities Program are completed.”

Council considered an update report on this project at its 15 August 2015 meeting and resolved to endorse the recommended action plan and allocate funding to progress the preliminary actions. One of the actions identified was development of a Social Impact Assessment (SIA). Accordingly, the SIA was commissioned and completed for the project (at **ATTACHMENT 1**), and its findings are discussed in this report.

Whilst the action plan had identified a preliminary economic assessment, it was subsequently determined the funding allocated was not sufficient. It was considered appropriate to pursue a full economic study following Gateway determination and rely at this stage on the broad support lent to the proposal by the 2014 *Marrickville Employment Lands Study* (MELS) through *Action 3.2: Continue to plan for a Sydenham music/entertainment precinct*. Further discussion of the MELS and other supportive plans and strategies is in the discussion section of this report below.

Notwithstanding these supportive plans and strategies, the Department of Planning & Environment (DP&E) could (appropriately) require further investigation of employment lands or any other relevant issue after Gateway determination.

DISCUSSION

Social Impact Assessment

The abovementioned SIA (at **ATTACHMENT 1**) was commissioned by Council and completed in May 2016 by social planning academics/consultants Dr Alison Ziller and Prof Peter Phibbs.

Council's brief for the SIA required the following outputs:

1. *identification of current social issues within this precinct, relating this to lock-out laws and issues within the Newtown entertainment precinct and nearby areas, including Marrickville Road and Victoria Road;*
2. *an assessment of likely negative social impacts if the precinct were to be developed as proposed, including impacts particularly relevant to late-night venue issues, such as:*
 - *alcohol and drug related violence;*
 - *other crimes, including break and enter, personal theft, assault, vandalism and antisocial behaviour;*
 - *night-time pedestrian safety risks;*
 - *night-time transport issues, such as access to taxis and late-night public transport;*
 - *night-time car parking safety issues.*

- *an assessment of likely positive social impacts if the precinct were to be developed as proposed, including those relevant to late-night venue issues, such as:*
 - *assisting with the changing role of Marrickville's industrial areas and responding pro-actively to change that is already occurring (this issue will also be covered by the economic study);*
 - *improved safety through surveillance from people on the street;*
 - *creation of a vibrant precinct that facilitates positive social interactions;*
 - *creation of new venues for creative expression by performers and variety of artists; and*
 - *strengthening of creative industry sector beyond this precinct.*
- 3. *recommendations for mitigating/managing negative impacts and facilitating/promoting positive social impacts; and*
- 4. *a recommendation that reaches a conclusion about whether the Sydenham Station creative hub project should proceed based on the assessment - and if so, in what form.*

The resultant report examines the potential social impacts of the proposal specifically relating to:

1. alcohol-related harm from an increase in the number of licensed premises and/or extended trading hours;
2. increased risks for pedestrians (particularly those affected by alcohol); and
3. potential loss of low-skilled manufacturing jobs.

The SIA's overall conclusion (p.30) is that *"there are a number of risks inherent in establishing a CTI [creative and traditional industries] and entertainment precinct... at the same time, we identify a number of benefits could arise from facilitation of the creative and traditional industries already in the area by providing additional amenities, financial and management support for small scale initiatives to 'test the waters' for further initiatives, general improvements in urban design and amenity including traffic controls, improved access to Sydenham station and public toilet facilities."*

A number of risks and benefits in establishing the creative hub are identified in the SIA report, which suggests that the promotion of live music requires a well thought-out, robust and consistent policy framework. Further, the report suggests that policies should anticipate perverse consequences and proceed with caution (the precautionary principle) where adverse consequences are likely and difficult to prevent.

The SIA examines the current legislative framework regulating liquor licences - including the Liquor Act 2007, Liquor Amendment (Small Bars) Act 2013 and the roles of the Office of Liquor, Gaming and Racing (the Independent liquor authority) and local councils.

The report notes there is a relationship between alcohol-related harm and later trading and density of licences premises, and notes there are opportunities for Council to control trading hours or to limit the density of licenced premises. Consequently, the report (p. 21) states that *"Council should exercise caution in seeking to introduce live music venues to the Sydenham Creative and Traditional Industries precinct so that in the context of poor density controls, it does not lose control of the density of such venues"*. The report also identifies other anti-social impacts related to alcohol consumption - including noise and amenity issues such as public urination and safety.

The report recommends the following actions:

1. *treat live music as one of the creative industries so as to avoid expectations and pressures associated with designating an entertainment precinct. This would also encourage day time creative activities and protect existing night time industries (e.g. bakeries) from incompatible nearby uses;*
2. *prepare a creative and traditional industries precinct policy/strategy which takes account of the epidemiology of alcohol-related harm, diversity of current industries, diversity of industries in the precinct in future, the current built form and its limits and opportunities. Carry the strategy findings into both the Local Environmental Plan (LEP) and the DCP;*
3. *set clear and specific standards in the DCP to apply to development applications, including specific limits on the size and density of licensed premises, presence of packaged liquor outlets, and trading hours in the precinct and on its borders;*
4. *establish a precinct-wide limit to service of alcohol of (say) 2.00 am (consistent with the proposal's emphasis on small bars) so as to ensure that the precinct's primary raison d'être is creative and traditional industries rather than an entertainment precinct; and*
5. *use the project to require improvements in acoustics when buildings are upgraded (to protect occupants from aircraft noise).*

The report states that creation of the precinct will result in an increased risk for pedestrians, particularly if there is an increase in the number of licenced premises. It states that risks currently exist due to the relatively high level of traffic traversing the precinct (including trucks and other large vehicles) combined with a relatively poor quality of public domain and lack of lighting. Currently, there are limited pedestrian crossings in the precinct despite its close proximity to Sydenham Railway Station and the Marrickville Road commercial centre.

Potential mitigation measures are identified in the report as follows:

1. *create a quieter precinct on weekends (perhaps via posted speed limit restrictions, traffic calming devices or possibly by re-routing of traffic from Buckley Street to Sydney Street on weekends), whilst ensuring trucks are able to access roads and lanes to deliver goods to factories;*
2. *improve pedestrian routes between the precinct and major public transport routes aimed at separating pedestrians from major traffic concentrations. (For example, provide an access trail from Sydenham Station to Barclay Street along the (unnamed) lane connecting Railway Parade with Barclay Street);*
3. *improve existing pedestrian crossings and increase pedestrian crossings on Sydenham Road. In the longer term, investigate the feasibility of a pedestrian tunnel running from Sydenham station to Railway Parade; and*
4. *improve street lighting and apply crime prevention through urban design principles to street improvements and upgrades.*

The SIA highlights the importance of the creative hub proposal not displacing existing industries and employment within the precinct. It states that should the area be rezoned impacts on existing industries can be reduced by existing use rights provisions (in accordance with the Environmental Planning & Assessment (EP&A) Act) and maintaining the current subdivision pattern. Further, it states that that if the change is gradual, negative social impacts will be minimised.

Mitigation measures identified in the SIA to support existing creative and traditional industries are:

1. *in order to reduce risks to existing industries use the proposed consultation strategy to anticipate impacts of any built form changes on business operation or viability (impact of street works on truck access); and*
2. *introduce a weekend street market (perhaps in Barclay Street) based on creative and traditional industries already in the area. Encourage traditional businesses to participate as a way of increasing their turnover.*

Potential impacts on employment lands

As previously discussed, an economic study will be developed and exhibited with the planning proposal should it receive Gateway determination. This study will be required to examine (among other things) potential economic impacts of the creative hub proposal on the existing business operations.

In the absence of an economic study, it is appropriate to assess the creative hub's potential impact on employment and industrial lands against relevant current NSW Government and Council plans and strategies - *A Plan for Growing Sydney* (2014), the draft *Sydenham to Bankstown Urban Renewal Corridor Strategy* (2016) and the *Marrickville Employment Lands Study* (2014). A key forthcoming strategy is the District Plan for the Central subregion, currently being drafted by the Greater Sydney Commission with a view to public exhibition later this year. It is also appropriate to assess the creative hub proposal against the current planning proposal for the Victoria Road precinct and 'principles for rezoning employment lands' developed by Council staff as discussed further in this report.

A Plan for Growing Sydney includes an objective to identify and protect strategically important industrially-zoned land. The Plan includes *Action 1.9.2: Support key industrial precincts with appropriate planning controls*. The Plan states that the *Industrial Lands Strategic Assessment Checklist* will guide the assessment of proposed rezonings of industrial lands. The checklist poses questions about whether the site is near or within direct access to key economic infrastructure, how it contributes to a significant industry cluster, and how the proposed rezoning would impact on industrial land stocks and employment objectives in each subregion. Although the proposal is not proposing to rezone the land from its IN1 General Industrial zoning, it is considered appropriate to consider the questions raised within the checklist as follows:

- *Is the proposed rezoning consistent with State and/or council strategies on the future role of industrial lands?*

The proposal seeks to retain the current IN1 General Industrial zoning for the precinct whilst also permitting a limited range of additional land uses. As the proposal will retain the industrial function of the area it is considered to be consistent with State and Council strategies to retain industrial land.

- *Is the site:*
 - o *near or within direct access to key economic infrastructure?*
 - o *contributing to a significant industry cluster?*

The subject precinct itself is considered to be a significant industry cluster. The proposal ensures the ongoing utilisation of this land for industrial land uses through the retention of the current IN1 General Industrial zoning. The additional permitted land uses of creative industries will ensure that the precinct continues to respond to an evolving industrial sector into the future.

- *How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?*

The proposal is not seeking to rezone the industrial land from IN1 General Industrial but permits additional land uses to complement their current function. Therefore, the proposal will not negatively impact upon the available stock of industrial land to meet the future demands of industry.

- *How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?*

The inclusion of creative industries within the precinct, and small bars, cafes and restaurants within a limited section of the precinct, is anticipated to contribute to the employment rates within the LGA through increased commercial activity within the precinct. Creative industries are generally able to operate within smaller spaces, therefore employment generation across the precinct is expected to increase through their inclusion.

- *Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?*

The proposal is to keep utilising the site for industrial purposes whilst introducing a range of additional land uses including creative industries, and small bars, restaurants and cafes in a select part of the precinct. The aim of the proposal is retain the area's industrial function, whilst allowing the space to modernise and respond to current trends.

- *Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?*

The land is not considered critical to meeting an identified alternative purpose in either a NSW Government or endorsed council planning strategy.

The draft Sydenham to Bankstown strategy identifies areas that can accommodate additional dwellings and jobs within walking distance (800m radius) of 11 railway stations on the Bankstown line from Sydenham to Bankstown. In the future, this part of the Bankstown line is proposed to be upgraded to a high frequency service as part of the Sydney Metro line that extends from Rouse Hill to Bankstown via Chatswood, the City and Sydenham.

The Sydenham-Bankstown strategy identifies two areas of change within the 'Sydenham precinct'. The first is a small area outside (but adjacent to) the creative hub precinct at Meeks Road, Gerald Street and Marrickville Road. This area is identified for predominantly residential use, which is supported by Council. Land use conflicts are not anticipated, as this residential area is separated from the creative hub precinct by Marrickville Road. The second area, identical to the creative hub precinct, is identified as the 'Sydenham enterprise area'. This area is identified for intensification of employment uses, with a shift toward more contemporary creative uses. The creative hub proposal is thus considered to be consistent with the Sydenham to Bankstown strategy.

Regarding employment areas within the Sydenham precinct, the Sydenham to Bankstown strategy states: *"It is anticipated that Sydenham, an area that has traditionally been dominated by industrial activities, will have more businesses with lighter industrial activities, such as food manufacturing and distribution. Additionally it is expected that more 'creative' sectors will occupy the business areas in Sydenham. It is anticipated that an additional 1101 jobs will be*

created within the precinct by 2036 (based on Bureau of Transport Statistics forecasts). 36% of all employment in the precinct is in retail and hospitality and 29% in industry."

As has been mentioned above, the creative hub proposal has broad support from the 2014 MELS. MELS Action 3.2 - *Continue to plan for a Sydenham music/entertainment precinct* – states:

[The Sydenham Station precinct] "already has a number of live music venues. The more affordable warehouse-style buildings have been highlighted by the Live Music Reference Group as being able to assist in the area's evolution as a live music hub. The encouragement of a live music hub in the industrial area closest to Sydenham Station may require some relaxation of the controls – however, any increase in the resident population (e.g. through mixed-use zoning on the precinct fringe) should be resisted as this would jeopardise the development and operation of venues. Again, care is needed that any relaxation of controls does not jeopardise the role and function of the industrial precinct and the ability to meet forecast demand. We note that residential uses are not proposed for the Sydenham Station creative precinct due to very high aircraft noise levels and potential for noise complaints against live music venues."

The Victoria Road planning proposal (currently on public exhibition) relates to an area around Victoria Road, Marrickville to the north-west of the creative hub precinct. It proposes the rezoning of IN1 General Industrial land to a mix of medium and high density housing and a variety of business uses. The residential zonings would result in around 1,100 dwellings and the business zonings would increase the variety and density of business uses compared to that which current exists. Whilst the Victoria Road precinct does not adjoin the creative hub precinct, it is located nearby. It is not expected at this stage that the proposed land use changes in these two precincts would result in significant conflicts.

Council staff have developed a set of employment land rezoning principles to guide future rezoning proposals in light of the strong interest in rezoning industrial land in the former Marrickville Council area. It is considered useful to assess creative hub proposal against these principles, as follows:

- *Principle 1: Council will take a cautious approach to rezoning industrially zoned lands and generally only support rezoning where supported by a State and/or local planning strategy.* The creative hub proposal is consistent with this principle in that it seeks to slightly alter zoning provisions to allow additional employment uses while retaining the existing IN1 zoning. Furthermore, a cautious approach is recommended for the additional late night economy uses with small bars, cafes and restaurants only recommended to be allowed in select areas in the first instance.
- *Principle 2: Any rezoning submission that seeks to rezone industrial land must be wholly or predominantly for other employment uses (other than retail).* The creative hub proposal is consistent with this principle in that it seeks to slightly alter zoning provisions to allow additional employment uses, and no retail is proposed.
- *Principle 3: Where a rezoning submission seeks to rezone industrial land to a new employment use, the new use(s) must be based on a needs/supply & demand assessment.* At this stage, the creative hub proposal is consistent with this principle. The 2014 MELS acknowledges and supports the principle of a creative hub in this location, but warns that *"care is needed that any relaxation of controls does not jeopardise the role and function of the industrial precinct and the ability to meet forecast demand."* There is anecdotal evidence about strong demand for the additional uses proposed to be permitted, and this will be further tested by an economic study to be prepared and exhibited with the planning proposal should Gateway approval be granted.

- *Principle 4: A rezoning submission that seeks to create a predominantly residential zone / use should generally not be supported on the basis that this would result in permanent loss of employment lands. Such proposals will only be considered / supported where a needs assessment establishes that there is no viable employment uses and there is a State and / or local planning strategy that identifies a need for housing on the land. This principle is not relevant, as no residential uses are associated with the creative hub proposal.*
- *Principle 5: Marrickville Local Environmental Plan 2011 created buffer areas (B7, IN2) in some location between the core industrial area and surrounding residential areas. The continuation of this approach in suitable locations is appropriate to minimise conflicts between industrial and residential uses and act as a buffer or transition area. A minor live/work component can be included as part of this buffer area where it can be shown to provide for emerging / knowledge based and creative industries. This principle is not relevant as no residential uses are associated with the creative hub proposal.*
- *Principle 6: Retail uses will only be supported as part of mixed use developments where they are small scale and provide for the needs of the local population. This principle is not relevant as no retail uses are associated with the creative hub proposal. The creative hub proposal does not alter the permissibility or extent of small-scale retail uses that are ancillary to manufacturing within the IN1 General Industrial zone.*
- *Principle 7: Large industrial lots should be preserved for traditional IN1-type industries and any fragmentation or encroachment of incompatible land uses should be avoided. At this stage, the creative hub proposal is consistent with this principle. The creative hub precinct is predominantly made up of smaller industrial lots, and lot size was a factor in determining the precinct's location and boundary. Notwithstanding, the creative hub proposal would retain the IN1 General Industrial zoning and would thus not prohibit any IN1-type activities. Though the newly-permitted creative industries could potentially occupy large IN1 sites, it is envisaged the new creative industries would naturally seek smaller sites. This will be tested by the proposed economic study.*
- *Principle 8: Land-use changes which create fragmented or isolated industrial land holdings should be avoided. Avoiding the creation of isolated or fragmented industrial holdings was a consideration in choosing the location and boundary of the creative hub precinct.*
- *Principle 9: Land use changes that may cause conflict with the traditional land uses should not be supported. The proposed revised plan retains an IN1 General Industrial zone for the precinct in response to concerns raised by existing businesses. It is not considered likely that conflict will exist between traditional IN1 General Industrial uses and creative uses. However, the economic study will further investigate any potential for conflict between existing businesses and additional permitted land uses within the proposal and identify mitigation measures as required.*

LEP Amendments Proposed

As has been mentioned above, the recent concerns raised by business operators within the creative hub precinct has led Council staff to make modest changes to the creative hub proposal.

The proposal, as exhibited in April-May 2016, was to change the zoning of the entire precinct from IN1 General Industrial to IN2 Light Industrial and allow additional creative business uses as well as small bars, restaurants and cafes. This report however recommends that the IN1 zoning be retained, additional creative business uses be allowed across the entire precinct, and small bars, restaurants and cafes only be allowed in part of the precinct – on properties

fronting Marrickville Road and lots fronting the road running parallel to Railway Road (opposite Sydenham Station).

The rationale for retaining the IN1 zoning is that certain higher-impact industries, such as smash repairs, would be able to continue operating in the long term, even though they would benefit from existing use rights if the zoning changed. This addresses concerns expressed by several of business operators that the change in zoning would force them out (even if only in the longer term). It is not anticipated that retention of the IN1 zoning would lead to land-use conflicts between these types of industries and the newer creative businesses that would be permitted to operate.

The rationale for restricting the area where small bars, restaurants and cafes would be permitted is to avoid a situation where these uses are widely scattered throughout the precinct away from activity areas. This would be problematic from a pedestrian and personal safety perspective, particularly at night, as it would result in scattered pedestrian activity and would necessitate pedestrians crossing main roads and walking along poorly lit, secluded back streets. Several business operators raised this concern, pointing out that these kinds of businesses would most likely not survive without high levels of pedestrian traffic and good surveillance.

Accordingly, this report recommends that small bars, restaurants and cafes only be permitted along a strip fronting Marrickville Road and the road running parallel to Railway Road opposite Sydenham Station. This strip, as the main walking route between the Marrickville Road commercial strip and Sydenham Station, already has high levels of pedestrian traffic during the day, with some traffic by night. Operation of small bars and restaurants would boost pedestrian traffic levels at night and improve night-time surveillance (hence safety) along this strip. This would be supported by improved lighting, upgraded footways, new pedestrian crossings and other public domain improvements proposed to be identified in a precinct-specific Development Control Plan and implemented in the longer term. This strip could be viewed as an extension of the small bar / restaurant activity that is already becoming established along Marrickville Road. The route would become a 'gateway' link between the centre and the station. Notwithstanding, the potential establishment of an "entertainment facility" (e.g. music hall, concert hall, dance hall etc.) would continue to be permitted throughout the precinct as is currently the case in the IN1 zone under Marrickville Local Environmental Plan (MLEP) 2011.

To implement the proposal to allow additional uses in the creative hub precinct, MLEP 2011 would be amended by adding the two areas shown on the map at **ATTACHMENT 2** to the LEP's Key Sites Map. A clause would also be added to the LEP within *Schedule 1: Additional permitted uses*, as follows:

"Use of certain land at Marrickville

- (1) *This clause applies to certain land in Marrickville as shown coloured blue on the Key Sites Map.*
- (2) *Development for the following purposes is permitted with consent:*
 - (a) *on land identified as "K" on the Key Sites Map — business premises and office premises, but only where the consent authority is satisfied that the business premises and/or office premises will be used for a creative purpose such as media, advertising, fine arts and craft, design, film and television, music, publishing, performing arts, cultural heritage institutions or other related purposes.*
 - (b) *on land identified as "L" on the Key Sites Map — restaurants or cafes, small bars and business premises and office premises, but only where the consent authority is satisfied that the business premises and/or office premises will be used for a creative*



purpose such as media, advertising, fine arts and craft, design, film and television, music, publishing, performing arts, cultural heritage institutions or other related purposes."

Land to be identified as "K" on the key sites map corresponds to "Area A" on the map at **ATTACHMENT 2** and land identified as "L" corresponds to "Area B". The only difference between Areas A and B is that Area B permits restaurants, cafes and small bars in addition to the creative business/office uses permitted across the precinct.

Community Engagement

Council undertook a preliminary, non-statutory 'public exhibition' of the creative hub proposal which included:

- a dedicated 'Your Say Marrickville' webpage;
- letters posted to occupiers and owners of all properties within the creative hub precinct;
- flyers explaining the proposal distributed to occupants (letterboxes) in a wider area around the precinct (around 8,000 in total);
- an article about the creative hub proposal in the Saturday edition of the Sydney Morning Herald in April 2016; and
- links to the project's Your Say page from other social media, including Twitter and Instagram.

The engagement was undertaken in two stages:

1. Broad community engagement to inform and obtain feedback via a survey and interactive map hosted Council's (then) *Your Say Marrickville* website – 12 Apr-17 May 2016; and
2. Additional targeted stakeholder engagement (business operators and landowners in the precinct), to provide an opportunity for one-on-one meetings with relevant Council staff to answer questions about specific properties within the precinct. Business operators and landowners were invited to make submissions directly to Council – August 2016.

375 submissions were received via the survey and interactive map hosted by Council's (then) *Your Say Marrickville* website, while a further 24 individual submissions were either emailed or posted directly to Council.

A summary report of all submissions received is included at **ATTACHMENT 3** to this report.

Whilst the majority of the 375 submissions received via the survey and interactive map were partially or completely supportive of the proposal, the majority of the 24 individual submissions to Council (which were generally from land owners / business operators in the area) objected to and / or raised concern with the proposed rezoning.

Some of the more commonly raised issues that have not been addressed in the main body of this report are discussed in detail below.

Lack of consultation

The timeframe for the project is in excess of five years, and this recent preliminary non-statutory consultation aims to commence an ongoing dialogue with business operators within the precinct and the wider community. The proposal is still in an early development phase and there is opportunity for refinement as it evolves. Should the proposal obtain Gateway approval

from the DP&E, a further statutory round of consultation will be undertaken and the outcomes reported to Council.

Impacts on existing & future business operations

The designation of the precinct as a creative and traditional industrial hub aims to ensure existing business can continue to operate within the precinct. Any public domain improvements will need to be designed to ensure that existing operations are not compromised. For example, the routes and turning paths of large vehicles will need to be considered as part of any proposed public domain modifications. The current objective of accommodating existing industries will continue to play a role in the further development of the strategy for the precinct. In general terms, it is anticipated that the public domain improvements proposed will benefit both new and existing industries through improved amenity for owners, visitors and employees.

The concerns expressed in submissions regarding the future of business operations have been noted and the proposal modified accordingly. It is noted that general industries are a prohibited land use within the IN2 Light Industrial zone and, although they can continue to operate indefinitely under the existing use right provisions of the EP&A Act, their long term viability is compromised. The ability of a business operating with existing use rights to expand or intensity may be limited and this may impact upon the ability of general industrial operations to expand over time. Accordingly, the amendments seek to retain the existing IN1 General Industrial zoning, whilst permitting select additional uses including creative uses and small bars, cafes and restaurants in select areas only.

Lack of supply of employment lands

The Inner West LGA is within the Central subregion defined by the current NSW Government metropolitan strategy - *A Plan for Growing Sydney*. Council is currently awaiting release of the applicable District Plan to guide future development in the Inner West Council area. *A Plan for Growing Sydney* identifies certain industries as priority industries, including creative industries. It also identifies one of the priorities of the central subregion to “*identify and protect strategically important industrial-zoned land*”. As is stated in other parts of this report, the creative hub proposal, by retaining the existing IN1 zoning and allowing some additional uses, is considered to represent a minor change that is consistent with the aim of retaining strategically-important industrial land.

Compensation for existing businesses

As noted above, a key objective of this project is that existing and new businesses can operate simultaneously. By retaining the existing IN1 zoning for the precinct, the aim is for the industrial character of the precinct to be retained whilst supporting new businesses through the introduction of additional complementary land uses.

Development of a strategy for the Sydenham Station creative precinct

The creation of the Sydenham Station creative precinct is a longer-term (5+ years) project involving a two-phase process, commencing with the rezoning of the area. The second phase would involve physical works to activate the area, including public domain improvements such as traffic calming and street greening. Phase two actions have ongoing financial and maintenance implication for Council.

As is noted in the SIA, a sound policy framework is integral to the successful establishment of the precinct. Hence a strategy for the precinct should be developed to cover both the initiation phase, as well as ongoing management. The strategy should address matters raised by the

SIA and the community submissions, and should propose actions to manage them within established timeframes. It should also be linked to a works program for the area which identifies infrastructure needs, costings and timeframes. The strategy should also link to a site specific Development Control Plan (DCP) for the precinct which would specify development requirements for new businesses.

Should the proposal proceed through Gateway, Council should develop such a strategy and associated DCP to guide the precinct's development and ongoing management.

FINANCIAL IMPLICATIONS

No financial commitments are required or recommended for this project at this stage of the process. Should the planning proposal receive Gateway determination, Council funding will be required to support the public exhibition, undertake an economic study and to develop a strategy for a DCP for the precinct that would include actions for public domain improvements. In the longer term, funding will be required for development of the DCP and the public domain works identified in the DCP.

PUBLIC PARTICIPATION

The public engagement process is discussed in further detail above. Relevant Council staff have been involved in this project at various stages in recent years, and some of these staff have been involved in the drafting of this report. As the precinct is well within the boundaries of the former Marrickville LGA, specific additional consultation with staff from former Leichhardt and Ashfield councils is not required. Should the planning proposal receive Gateway approval, a formal public consultation process will be undertaken that would include a minimum 8 week exhibition period.

CONCLUSION

Initial planning for the Sydenham Station creative precinct, including the development of a SIA and planning proposal, has been completed. Initial community consultation has generated extensive feedback – mostly in support, but valid concerns have also been raised by existing business operators. Though the proposal overall is considered to have strategic merit, changes to the proposal that was originally proposed are warranted, with the detail of, and rational for these changes explained above. Accordingly, it is appropriate that the proposal proceed in accordance with the recommendations of this report – that a planning proposal be prepared and forwarded to the DP&E for Gateway determination.

To manage the precinct effectively, this report recommends the development of a strategy for the precinct. The strategy offers a sound means to communicate the aims of the project; identify matters requiring further work or improvement (including social and economic considerations and associated costs); and provide details to be included within an precinct-specific DCP. It is recommended that Council develop this strategy should the planning proposal receive Gateway approval.

ATTACHMENTS

1. Map showing proposed Sydenham Station creative hub precinct
2. Social Impact Assessment for Sydenham Station Creative Precinct
3. Engagement Report - Sydenham Creative Hub



**Planning &
Environment**

Gateway Determination

Planning proposal (Department Ref: PP_2016_IWEST_001_00): to amend Schedule 1 of Marrickville Local Environmental Plan 2011 to include additional permitted uses (restaurants, cafes and small bars; and business and office premises relating to creative purposes) on industrial land adjacent to Sydenham Station and to amend the Key Sites Map.

I, the Director, Sydney Region East, at the Department of Planning and Environment as delegate of the Greater Sydney Commission, have determined under section 56(2) of the *Environmental Planning and Assessment Act 1979* (the Act) that an amendment to the Marrickville Local Environmental Plan (LEP) 2011 to amend Schedule 1 of Marrickville Local Environmental Plan 2011 to include additional permitted uses (restaurants, cafes and small bars; and business and office premises relating to creative purposes) on industrial land adjacent to Sydenham Station and to amend the Key Sites Map should proceed subject to the following conditions:

1. Prior to community consultation, the planning proposal is to be updated to:
 - (a) correct any errors and/or inconsistencies within the planning proposal documents relating to, in particular, contradictory references to the zoning/rezoning of the precinct and the identification of the precinct within the draft *Sydenham to Bankstown Urban Renewal Corridor Strategy* (2015);
 - (b) provide further justification for inconsistencies with Section 117 Directions 4.1 Acid Sulfate Soils and 4.3 Flood Prone Land;
 - (c) demonstrate consistency with State Environmental Planning Policy (Urban Renewal) 2010;
 - (d) demonstrate consistency with the draft Central District Plan, released on 21 November 2016;
 - (e) demonstrate consistency with any re-exhibited draft or final *Sydenham to Bankstown Urban Renewal Corridor Strategy*;
 - (f) include an economic impact assessment;
 - (g) include a draft Development Control Plan to address matters including, but not exclusively, potential flooding issues, and those matters that have been or may be identified within both the planning proposal's Social Impact Assessment (May 2016) (as submitted to the Department) and economic impact assessment (as required by Condition 1(f)); and
 - (h) provide an extract from both the current and proposed Marrickville LEP 2011 Key Sites maps.
2. Community consultation is required under sections 56(2)(c) and 57 of the Act as follows:
 - (a) the planning proposal must be made publicly available for a minimum of **28 days**; and
 - (b) the relevant planning authority must comply with the notice requirements for public exhibition of planning proposals and the specifications for material that must be made publicly available along with planning proposals as identified in section 5.5.2 of *A Guide to Preparing LEPs* (Department of Planning and Infrastructure 2013).
3. Consultation is required with the following public authorities under section 56(2)(d) of the Act and/or to comply with the requirements of relevant S117 Directions:
 - Arts NSW
 - Transport for NSW
 - Fire And Rescue NSW

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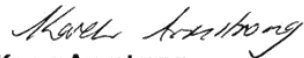
**Planning &
Environment**

- NSW Police Force
- NSW Roads and Maritime Services
- Australian Railtrack Corporation (ARTC); and
- Sydney Water.

Each public authority is to be provided with a copy of the planning proposal and any relevant supporting material, and given at least 21 days to comment on the proposal.

4. A public hearing is not required to be held into the matter by any person or body under section 56(2)(e) of the Act. This does not discharge Council from any obligation it may otherwise have to conduct a public hearing (for example, in response to a submission or if reclassifying land).
5. The timeframe for completing the LEP is to be **12 months** from the week following the date of the Gateway determination.

Dated 12th day of JANUARY 2017

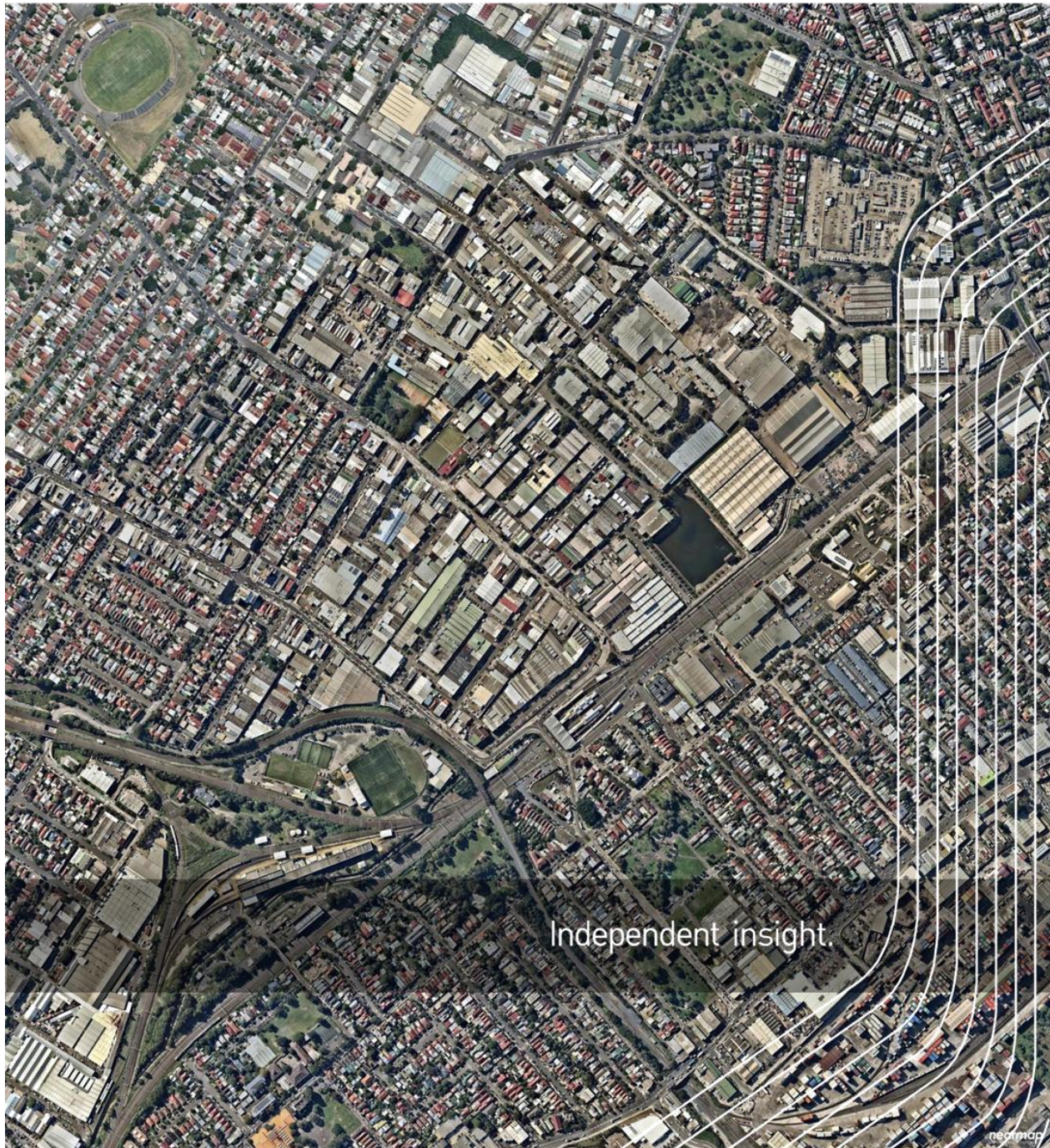

Karen Armstrong
Director, Sydney Region East
Planning Services
Department of Planning and Environment

Delegate of the Greater Sydney Commission

Sydenham Creative Hub: Economic impact analysis

Final report

Inner West Council
June 2017





This report has been prepared for Inner West Council. SGS Economics and Planning has taken all due care in the preparation of this report. However, SGS and its associated consultants are not liable to any person or entity for any damage or loss that has occurred, or may occur, in relation to that person or entity taking or not taking action in respect of any representation, statement, opinion or advice referred to herein.

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EXECUTIVE SUMMARY

Introduction

Inner West Council has received conditional approval from the NSW Department of Planning and Environment (DP&E) (via Gateway determination) to undertake a public exhibition process for the Sydenham Creative Hub (SCH) proposal.

Council's vision for the SCH proposal is to create a diverse employment and entertainment focused precinct by retaining the existing IN1 General Industrial zone whilst expanding the range of permissible uses. These additional uses include:

*restaurants or cafes, small bars and business premises and office premises, but only where the consent authority is satisfied that the **business premises and/or office premises will be used for a creative purpose** such as media, advertising, fine arts and craft, design, film and television, music, publishing, performing arts, cultural heritage institutions or other related purposes.*

Herein these will be referred to as the target industries. These land use changes are also proposed to be supported with associated amenity improvements.

SGS Economics and Planning (SGS) has been commissioned to assess the potential economic impacts of these additional land uses on existing businesses and employment within the SCH.

Current position

The SCH is located in the Sydenham-Marrickville employment lands which is a strategic industrial precinct in inner Sydney. The SCH has been evolving with new creative industrial uses emerging over the last few years, however traditional industrial uses, such as mechanics, clothing and food manufacturing and warehousing, still occupy a significant proportion of the precinct.

These two industrial uses are distinct due to the scale of operations. Often creative industrial uses or businesses are referred to as urban manufacturers. Urban manufacturers tend to be small (generally employing fewer than 20 people), provide a highly specialised or niche product and are horizontally integrated in networks of numerous clients, suppliers, distributors, and subcontractors¹.

Rezoning has been increasingly sought across a number of other local industrial precincts in both the Inner West Council area, as well as more broadly across inner Sydney.

Land within the SCH is in high demand due to its proximity to Sydney Airport and Port Botany, as well as more broadly the Sydney CBD and growing residential population of the inner west of Sydney.

Existing tenants have chosen this location due to its accessibility and proximity to the markets it serves and want to remain in this precinct as this is important for the business.

High demand and low vacancy rates have driven up rental prices across the precinct. The traditional industrial land uses present in the SCH are considered more likely to be able to sustain these high rents compared to the newer creative industrial/manufacturing businesses. The urban manufacturers

¹ SGS Economics and Planning 2014, The rise of urban manufacturing?, <https://www.sgsep.com.au/publications/rise-urban-manufacturing>

generally occupy a lower rung on the value add ladder and are at significant risk of displacement from locations such as the SCH due to the threat of being outbid in the market for commercial space.

In addition, development speculation and general supply constraints have driven up land values, particularly over the last two years. This raises an important question around the feasibility of reinvestment in the precinct and the potential for the target industries to be attracted to the SCH. Feasibility testing will assist in further understanding this.

Impact assessment

An anticipated profile of the creative precinct in terms of industry types and sizes was developed based on an assessment of the market depth for creative/ entertainment/ restaurant use types and likely profile of employment based on other creative precincts. Three scenarios were adopted for the purpose of the economic impact assessment

- **Base case:** retain existing role and function as an industrial precinct accommodating primarily industrial uses including emerging creative industrial uses.
- **Scenario 1: evolving creative precinct** with growing employment in professional services and media and telecommunications, while still containing a significant proportion of employment in traditional industrial uses. This scenario involves a transition from primarily industrial employment to increasing professional creative services and food/restaurants (target industries).
- **Scenario 2: mature creative precinct** with a concentration of professional and technical services and media and telecommunications, as well as accommodation and food services (target industries). This involves a significant transition from primarily industrial to professional services and food/restaurants which are the target industries for the SCH. This would involve significant reinvestment in the building stock to cater for these businesses.

Scenario 1 is estimated to generate a very marginal increase in total jobs in the precinct, and a net loss to the local economy of \$6.4m GVA, reflecting the replacement of manufacturing and construction industry jobs with insufficient professional services jobs to close the overall Value-Added shortfall.

Scenario 2 is estimated to provide a net economic gain to the precinct due to the significant number of professional services jobs that have replaced the significant decline in manufacturing.

Therefore, in order to generate a significant positive economic impact and generate a greater contribution to GVA, the SCH would need to attract a significant amount of employment in professional services (representing the target industries) to counteract the loss in employment in manufacturing.

This highlights the significant contribution of the existing industrial uses established in the precinct. Small scale creative manufacturing businesses are unlikely to be able to generate this scale of GVA. A significant increase in the number of businesses and workers employed in the target industries, being creative professional services businesses, would be required to generate similar levels of GVA compared to the base case.

A greater appreciation of the potential for these scenarios to significantly disrupt the value chain of these businesses could be developed through a broader economic impact evaluation. This assessment would involve quantifying the costs to individual businesses associated with potential relocation or closure as well as the flow-on impacts for suppliers, customers and clients.

The results naturally raises questions about the likelihood of scenario 2 eventuating given the land dynamics reported for the SCH and site specific feasibility.

The potential impacts on different land uses are detailed below:

– **Impact on traditional industrial uses:**

Due to the significant increase in land prices and rents observed over the last two years, it is likely that the industrial uses which would be impacted most significantly by increased competition and rent prices would have likely already been impacted.

In addition, the more established traditional industrial businesses generally seemed to be owner occupiers rather than tenants which reduces the likelihood of these businesses being impacted by rent increases.

However, this does not preclude the established businesses being impacted in the future. Rent increases would impact these businesses. However, the threshold level at which these businesses would be forced to relocate is yet to be determined.

An increase in streetscape amenity and the pedestrian population may have operational impacts on the remaining businesses including congestion and parking, operating hours, lack of available space for expansion and potential land use conflict if uses are incompatible.

– **Impact on smaller creative industrial uses or urban manufacturers:**

These businesses are likely to be more significantly impacted in terms of rent increases compared to more established industrial businesses. The urban manufacturers generally occupy a lower rung on the value add ladder and are at significant risk of displacement from locations such as the SCH due to the threat of being outbid in the market for commercial space.

– **Impact on mainstreet retail:**

Retail simulation testing indicates that 3,750 sqm of additional hospitality floorspace could be accommodated by 2021 without impacting the turnovers of businesses in the Marrickville and Illawarra Roads centre by greater than 10 per cent. Assuming approximately 200 sqm GLA per business, around 20 hospitality businesses could be accommodated in the SCH without undue turnover impact or the RTDs of existing businesses dropping excessively.

Key findings

As discussed above, Scenario 1, which involves a slight shift in employment from industrial to the target industries is likely to only result in a very marginal increase in employment and a net loss for the economy. This is considered to be more of a realistic scenario compared to Scenario 2. This highlights the value of these uses to the economy and further emphasises the importance of the SCH and the broader Sydenham-Marrickville industrial precinct.

Sydenham-Marrickville is the last major mixed industrial precinct in inner Sydney and it is in high demand as reflected by the market data. Pushing more 'low value' uses out to cheaper land in the west may create or even entrench supply-chain inefficiencies resulting in a range of broader economic impacts (higher supply/ production costs, more traffic on the road, even job losses in the extreme case of products/ services being imported).

Future population growth, coupled with major urban renewal projects, will place pressure on remaining industrial lands to turn over to higher value land uses whilst simultaneously increasing demand for population-serving industries.

While the SCH planning proposal will not result in a rezoning, if industrial uses were to be pushed out of the precinct by the target industries, these industrial uses will need to find alternative locations. The

research undertaken as part of this study highlights that businesses do not want to relocate and the options are limited. Similarly, there is a lack of supply in the inner city which has led to increasing demand for land in the SCH and broader Sydenham-Marrickville industrial area.

Under Scenario 1, there would likely be a slow shift in the role and function of the SCH overtime. Further evidence on the rental thresholds for business types will assist in further quantifying this impact.

Under Scenario 2, there would likely be a much larger shift in the role and function of the SCH. However, as alluded to previously, the likelihood of this shift occurring requires a greater understanding of development feasibility. This testing would seek to understand the threshold rent price required for development to be feasible. In this case, the testing would be focussed on assessing whether buildings suitable for office based creatives (i.e. professional services) are feasible under current market conditions and proposed controls. If the testing shows that such buildings are feasible then significant land use change is likely (and scenario 2 rather than scenario 1 is most likely). This would have greater economic impacts as outlined above.

Recommendations

Council should not introduce additional permitted uses in the SCH.

This is due to a number of reasons:

- The precinct is functioning well, being in high demand and having a low vacancy rate. Industrial lands are still valuable and are required to support the local population and local businesses. There is a shortage of industrial land in inner Sydney and the SCH is a highly active industrial area. Manufacturing is not in decline, but rather employment in manufacturing is expected to increase over the long term in SCH and the broader Sydenham-Marrickville industrial area.
- There does not appear to be a strong reason to introduce hospitality or commercial uses within the SCH and there are risks associated with doing so. There is a risk that introducing the targeted industries would have an adverse impact on the precinct's role and function and impacting particularly on the urban manufacturers (creative industrial uses) which Council is seeking to promote. Including additional permissible uses is not considered to be an appropriate land use response to support an evolving industrial precinct.
- Business premises and/or office premises which will be used for a creative purpose are already permissible in IN2 Light Industrial and B7 Business Zones in the Marrickville LEP and therefore these businesses could be accommodated in other industrial precincts as well as more broadly all commercial areas where business and office premises are permissible.

If the target industries are introduced in the SCH as additional permitted uses, these uses should be concentrated in a specific area of the SCH. This would assist in reducing the impact of these uses and protecting the remainder of the precinct. Containment in a specific area will also help to mitigate any uncertainty over the continuing function of the rest of the precinct. If hospitality uses are introduced, it is considered that Marrickville Road (particularly the western end) is the most appropriate location for these businesses.

Council should solidify its vision for the SCH and provide clarification around the zoning and the types of land uses it would like to promote in the SCH.

Uncertainty around the land use zoning and controls for the SCH, as well as more broadly a range of proposals to rezone industrial lands across inner Sydney, is considered to have been driving speculative property banking.

A clear vision will:

- provide certainty to local businesses that they will be able to continue to operate within the precinct and give them the confidence to invest in the precinct.
- assist in avoiding developer speculation and manage expectations around rezonings.

It is recommended that the vision clearly states that the IN1 General Industrial zone will be retained and identifies the uses which are permissible and Council would like to encourage.

Council should review the controls and allowable uses for Marrickville and Illawarra Roads and look for opportunities to encourage creative commercial uses in this centre.

The existing Marrickville Road and Illawarra Road local centre is considered to be an appropriate location for retail and commercial uses. While these uses are currently permissible, it would be beneficial to review the existing controls and identify how business or office premises which are used for a creative purpose could be better facilitated. Any new residential developments could incorporate first floor commercial above ground floor retail. This would also assist in supporting the existing retail uses and support the growth of this centre. Parking and access will be an issue and solutions to address this should also be considered as part of a review of the controls.

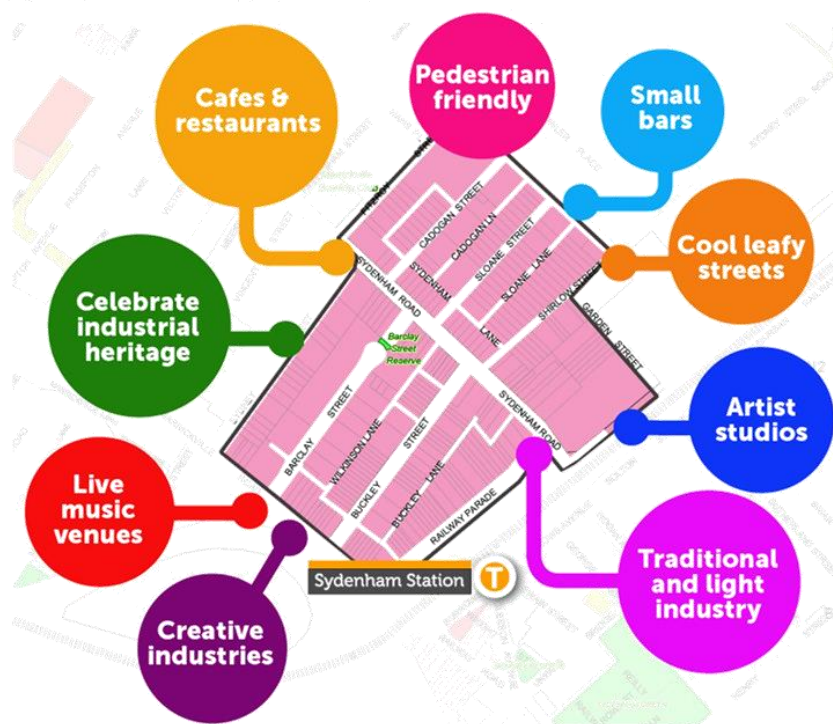
1 INTRODUCTION

1.1 Introduction

Inner West Council has received conditional approval from the NSW Department of Planning and Environment (DP&E) (via Gateway determination) to undertake a public exhibition process for the Sydenham Creative Hub (SCH) proposal. Council's vision for the SCH proposal is to create a diverse employment and entertainment focused precinct by retaining the existing IN1 General Industrial zone whilst expanding the range of permissible uses to include creative industries (including associated businesses and office premises), small bars, cafes and restaurants to activate a night-time economy within the area. These land use changes would be supported with associated amenity improvements.

SGS Economics and Planning (SGS) has been commissioned to assess the potential economic impacts of these additional land uses on existing businesses and employment within the SCH (refer to Figure 1).

FIGURE 1. SYDENHAM CREATIVE HUB



Source: Inner West Council, 2016

1.2 Planning proposal

The planning proposal was initially proposed as a rezoning of the SCH from IN1 General Industrial to IN2 Light Industrial under *Marrickville Local Environmental Plan (LEP) 2011* and an expansion of permissible uses. This was intended to phase out the general industrial uses and promote creative uses. However, following consultation in 2016 and the preparation of a Social Impact Assessment (refer to Appendix), the planning proposal was revised, particularly in response to some of the concerns raised by some of the existing business operators regarding potential negative impacts on their current and future operations².

As mentioned above, the current planning proposal involves retaining the existing IN1 General Industrial zoning and including additional permitted uses under Schedule 1 of the Marrickville LEP. The uses include:

*restaurants or cafes, small bars and business premises and office premises, but only where the consent authority is satisfied that the **business premises and/or office premises will be used for a creative purpose** such as media, advertising, fine arts and craft, design, film and television, music, publishing, performing arts, cultural heritage institutions or other related purposes.*

Herein these will be referred to as the target industries.

Under the Marrickville LEP, business premises or office premises which are used for a creative purpose such as media, advertising, fine arts and craft, design, film and television, music, publishing, performing arts, cultural heritage institutions or other related purposes are currently permissible in both the IN2 Light Industrial and B7 Business Park zones.

1.3 Report structure

The remainder of this report is structured as follows:

- **Section 2: Current position assessment** which documents the current position of the precinct in terms of site context, strategic context, land use profile, and the property market. The section also identifies key issues and opportunities based on consultation.
- **Section 3: Impact assessment** which focuses on understanding the various potential economic impacts associated with the planning proposal including impacts on existing businesses, retail businesses and broader economic impacts.
- **Section 4: Conclusions** which contains a summary of the key findings and recommendations based on the analysis undertaken.

² Inner West Council 2016, Council Meeting Report 25 October 2016

2 CURRENT POSITION

2.1 Introduction

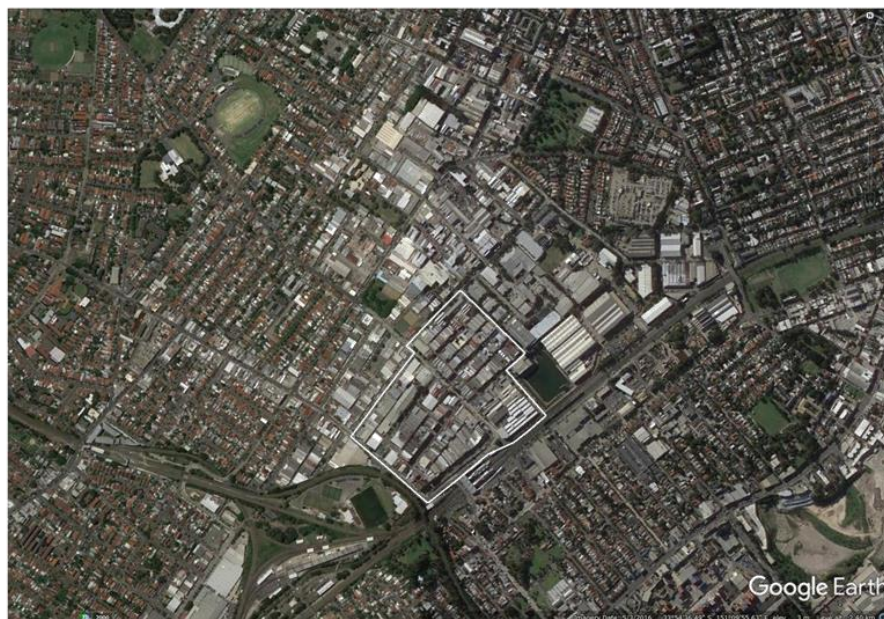
This section of the report details the current position of the SCH in terms of its location, position in the subregional employment lands context and land use profile. Property market trends are also detailed including both inner city and local market trends, identifying how the market has changed, particularly over the last two years. A number of issues and opportunities have also been identified based on consultation.

2.2 Site context

The proximity of the SCH to major employment centres, transport networks, Sydney airport and a dense residential population emphasises its strategic position as a valuable industrial precinct, contributing to the local and subregional economy.

The SCH is located directly north of Sydenham train station and forms part of the wider Sydenham-Marrickville industrial precinct in the Inner West local government area (LGA). The precinct is bounded by Marrickville Road, Sydney Street, Fitzroy Street, Saywell Street, Garden Street and Railway Parade. The SCH is located within the Marrickville Sydenham industrial precinct which is one of the largest industrial precincts in inner Sydney (refer to Figure 2 and Figure 3).

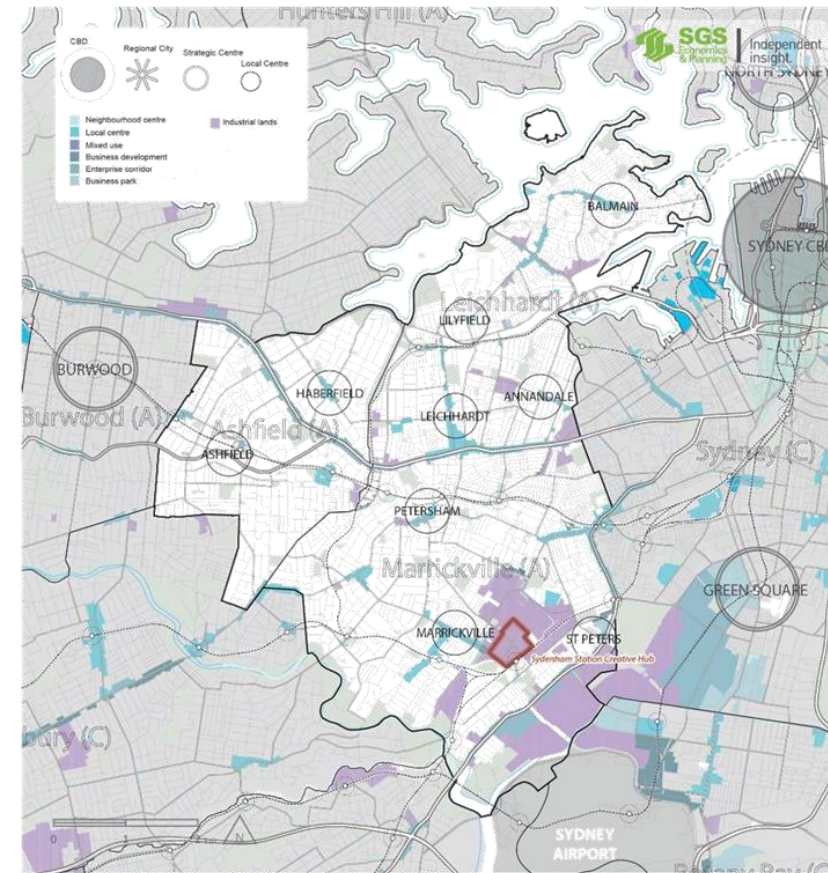
FIGURE 2. AERIAL OF SCH AND SURROUNDS



Source: Google Earth, 2017

The SCH is approximately five kilometres south west of the Sydney CBD and less than two kilometres from Sydney Airport (refer to Figure 3). It is located in-between the Marrickville Road local retail centre and St Peters. It is also proximate to the Green Square strategic centre.

FIGURE 3. EMPLOYMENT CONTEXT OF THE SCH



Source: SGS Economics and Planning, 2017

2.3 Strategic context

Metropolitan strategic plans recognise the strategic value of inner city industrial lands and the fundamental role they play in serving local, subregional and international markets.

Action 1.9.2 of *A Plan for Growing Sydney* identifies the importance of employment and urban services land to Greater Sydney's productivity. In response to this action a priority (Productivity Priority 5) in the draft Central District Plan is to protect and support employment and urban services land.

The draft Central District Plan notes that 'investment and planning for employment and industrial lands will support local urban services, national and global offerings, and the needs of start-ups, the new creative economy and smart logistics'³. This recognises that industrial lands uphold local and subregional

³ Greater Sydney Commission 2016, *Draft Central District Plan*, p.1

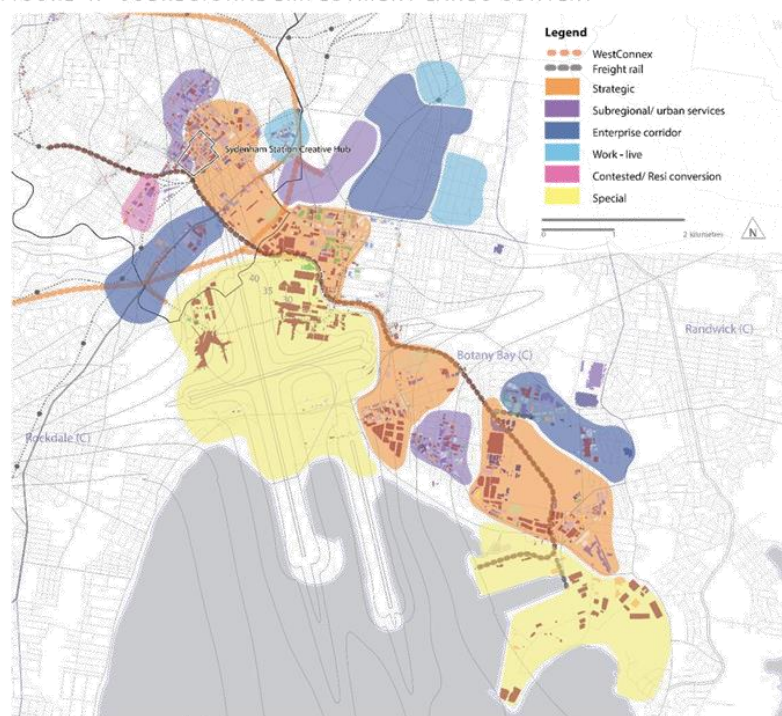
value in terms of the scale of markets they serve and the importance of having access to these markets. Accommodating and encouraging creative uses in the SCH must consider the nature of the existing industrial uses and the factors influencing the need for them to operate within the precinct. In order to ensure existing uses are retained, it is important to understand the factors which may impact future operations.

The Greater Sydney Commission (GSC) states that relevant planning authorities should take a precautionary approach to rezoning employment and urban services lands, or adding additional permissible uses that would hinder their role and function⁴. This highlights the importance of understanding the economic impact that adding additional permissible uses could have on the subregional role and function of these strategically important industrial lands.

The SCH is located in the Sydenham-Marrickville precinct which is identified in the Marrickville Employment Lands Study as a strategically important inner city industrial precinct.

The Sydenham-Marrickville industrial precinct is currently zoned IN1 (General Industrial) which provides for a wide range of industrial and warehouse land uses. The Marrickville Employment Lands Study (2014) notes that this is the largest and most important employment area within the former Marrickville LGA. A review of the subregional employment lands context (refer to Figure 4) highlights that the SCH and the broader Marrickville Sydenham industrial precinct is part of a band of strategic industrial precincts located in close proximity to Sydney Airport and Port Botany, and also the Sydney CBD. These precincts are strategically important to the long term employment land supply and economic development of Sydney.

FIGURE 4. SUBREGIONAL EMPLOYMENT LANDS CONTEXT



Source: SGS Economics and Planning, 2017

⁴ Greater Sydney Commission 2016, *Draft Central District Plan*, p.68

The SCH benefits from its proximity to major motorways, the airport and Port Botany.

There remains a need to ensure that employment activities associated with the CBD, Sydney Airport and Port Botany and the needs of the rapidly growing population in the inner city remain within the subregion. These uses include:

- Port Botany and airport related activity – such as freight and logistics warehousing and operations;
- Urban services – for example council depots and concrete batching plants that need to be located throughout the city.
- CBD 'backroom' operations – which support centrally-located services but cannot afford CBD rents (for example archives for city firms)
- Urban manufacturing – small-scale, highly specialised manufacturing replacing traditional production line manufacturing and developed with a strong relationship to knowledge industries, capitalising on urban locations and sophisticated design and market insights.

It is likely that there will be future demand from these types of activities deriving advantage from locating close to the CBD, Port Botany and airport. The draft Central District Plan proposes a series of priorities and actions to achieve a productive Central District, focusing on the 'emerging and future needs of industrial activities and urban services, particularly those linked to Sydney Airport and Port Botany'⁵.

As noted previously, the SCH is located in close proximity to Sydney Airport and Port Botany. It also benefits from access to major arterial roads such as the M5 Motorway, Princes Highway, Canterbury Road as well as passenger and freight rail infrastructure.

Inner city industrial precincts have evolved and accommodate a wide range of employment uses...

The industrial market is rapidly evolving with various macro influences such as competition from low production cost countries forcing many firms to reduce costs and micro trends such as the growth of metropolitan land values. However, it is important to note that some higher value manufacturing and other industrial uses still require inner city space due to networks and contracting chains and an inherent need to be located in close proximity to customers. Activities like these are present in the SCH and will continue to require space in the inner Sydney area.

...including the creative industries which favour older-style warehouses found in inner-city industrial areas such as Surry Hills and Marrickville.

This desire is driven in part by the identity that such buildings offer to creative industries, or more simply for the aesthetic and practical purposes of open plan, high-ceilinged office spaces. This is coupled with the lower rent and relative proximity to clients that such buildings and locations present. This pattern is evident in the wider Sydenham-Marrickville industrial precinct with the emergence of creative industries establishing organically in the SCH.

Creative industries may look to start up in the SCH in some of the transitioning industrial areas or may migrate to the precinct after being priced out of the longer established creative precincts on the city-fringe such as Surry Hills and Ultimo-Pymont.

There are new creative uses emerging in the SCH

Despite the Marrickville to Sydenham containing predominately light industrial uses, it is evident that creative industries are starting to emerge in the SCH. This is particularly in the form of urban manufacturers (such as fine food production, breweries and textiles) where innovation and creativity are

⁵ Greater Sydney Commission 2016, *Draft Central District Plan*, p.4

at the core of business. Urban manufacturers are drawn to the SCH precinct for the industrial nature of the building typologies, varying floorspace and proximity to markets. There are also office type creative industries emerging, occupying industrial floorspace. Creative firms greatly benefit from the agglomeration benefits presented by Marrickville/Sydenham's location and urban environment.

The SCH also contains local population and business serving uses.

The SCH, situated close to the core of metropolitan Sydney, offers a dense urban environment, populated with a relatively affluent and highly skilled resident workforce, well served by major transport routes and within relatively close proximity to the economic hubs of the Sydney CBD.

There is a need for the SCH to retain a stock of industrial land that is focused on providing for the needs of the local resident population. These industrial areas are typically characterised as 'local service industrial' and include uses such as automotive repairs, trade supplies and household storage.

The industrial lands in the precinct are well positioned to accommodate demand from local (population serving) industrial activity as well as more strategic industries that serve a wider catchment. With diminishing industrial land stocks in the City of Sydney LGA, the SCH may also experience greater demand from industries that have been displaced from these areas.

Industrial lands now face increasing pressure from a range of competing land uses, particularly residential.

Intense pressure for housing is driven by a desire from residents to access the significant and diverse employment on offer nearby, particularly within the City of Sydney LGA. There is potential for this pressure to increase if a number of rezonings of industrial land to alternative uses, particularly residential occur around the SCH, as this will set a precedent for future rezonings.

While the Marrickville Employment Lands Study (2014) notes that the potential to rezone the SCH is constrained by aircraft noise, acid-sulfate soils and flood levels, rezonings have the potential to fragment significant industrial precincts, and reduce the supply and increase demand for industrial land which will impact land values and rents.

The Victoria Road Precinct planning proposal will impact the supply of industrial land in the subregion.

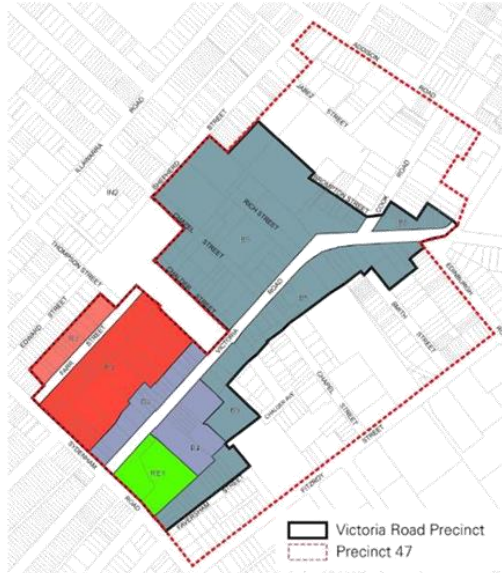
The Victoria Road Precinct is 18 hectares and bounded by Fitzroy Street, Shepherd Street, Farr Street and Sydenham Road (refer to Figure 5). SGS has previously reviewed an earlier version of the planning proposal for the former Marrickville Council and noted within the Marrickville Employment Lands Study (2014) that it is 'vital that zone changes do not threaten the integrity of the Marrickville-Sydenham precinct as an industrial area. As such we would not suggest any rezoning from industrial in the area to the south of Victoria Rd and would urge caution in rezoning areas north of Victoria Rd'⁶.

A revised planning proposal for the Victoria Road Precinct was conditionally approved at Gateway by DP&E in March 2016 and submitted to the then Marrickville Council for public exhibition.

The proposal seeks to rezone part of the precinct from IN1 (General Industrial), IN2 (Light Industrial), B7 (Business Park), B4 (Mixed Use) and RE2 (Private Recreation) to B4 (Mixed Use), R3 (Medium Density Residential), R4 (High Density Residential) and B5 (Business Development).

⁶ SGS Economics and Planning 2014, *Marrickville Employment Lands Study*, p. 66

FIGURE 5. VICTORIA ROAD PRECINCT

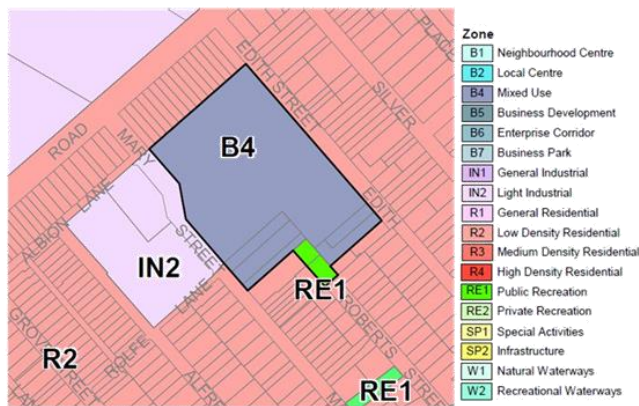


Source: JBA, 2016

A number of other industrial precincts are also facing rezoning pressures including land known as Precinct 75, St Peters.

In September 2015, the former Marrickville Council received a planning proposal to rezone Precinct 75 in St Peters⁷ from IN2 (Light Industrial) and R2 (Low Density Residential) to B4 (Mixed Use) and RE1 (Public Recreation). The proposal was expected to accommodate 180 new residential apartments. The site contains a mix of light industries and commercial uses including design businesses, recording studios, coffee roaster and a microbrewery.

FIGURE 6. PROPOSED ZONING



Source: Marrickville Council, 2016

⁷ Precinct 75 is located on the southern side of the SCH precinct in St Peters and comprises of 67, 69, 71 and 73 Mary Street, 50 and 52 Edith Street, and 43 Roberts Street, St Peters.

The Planning Proposal was reported to Council in February 2016 and Council recommended support of the proposal subject to amendments.

Council deferred the application for consultation to occur with nearby residents. Following the consultation, a further report was prepared and considered by Council in March 2016. The report contained an assessment of the proposal against existing strategic directions relating to industrial land. Council's report considered that the industrial lands were not strategic. However, on initial review, this is considered to be contrary to the findings of the Marrickville Urban Strategy (2007) and Marrickville Employment Lands Study (2014). At this time, Council refused the application. However, the refusal was not related to the loss of industrial land.

A pre-gateway review was lodged by the proponent with DP&E. Council has since been notified that the proposal will proceed through Gateway and is currently considering whether it will adopt the role as the relevant planning authority for the proposal.

The proposal has the potential to threaten the sustainability of industrial lands in the Inner West LGA. Under the proposal that was approved at Gateway, there is no retention of industrial land. It proposes commercial floorspace through the B4 (Mixed Use) zone, however the specified quantum of commercial floorspace remains unknown at this stage. There could potentially be significant economic impacts from the loss of industrial floorspace. The current occupiers are considered to be creative uses that could remain onsite. However, the expected uplift in land values associated with a B4 zoning could push out these uses in favour of residential development. As a result these creative uses will likely look for similar sites in the SCH and broader Sydenham-Marrickville industrial precinct.

Rezoning of industrial land is also implied as part of the Sydenham to Bankstown Urban Renewal Corridor Strategy

The NSW Government's Draft Sydenham to Bankstown Urban Renewal Corridor Strategy (2015) contains a draft land use and infrastructure plan for the Sydenham Precinct which includes the SCH (refer to Figure 7). The Draft Strategy suggests that medium to high rise residential will be concentrated in the west of the precinct, north of Frazer Park, which borders the SCH. It is understood that this would require a rezoning as these sites are currently zoned IN1 General Industrial. The NSW Government has also identified an enterprise business area which is expected to allow for an increasing range of permissible business activities including creative industries and start-up businesses⁸. This vision has implications for the traditional industrial uses which have been established in the precinct for a significant period of time. The Draft Strategy does not consider the potential displacement of industrial floorspace for creative industries.

⁸ NSW Government 2015, Sydenham to Bankstown Urban Renewal Corridor Strategy, p22

FIGURE 7. SYDENHAM PRECINCT LAND USE AND INFRASTRUCTURE PLAN


Source: NSW Government, 2015

The Marrickville Employment Lands Study identified the need to protect the Sydenham-Marrickville precinct from fragmentation and incompatible land uses.

The Marrickville Employment Lands Study (2014) contained a number of actions that sought to protect the role and function of the Sydenham-Marrickville precinct which are relevant to the SCH including:

- Restrict further subdivision and/or strata titling of larger lots in the Marrickville-Sydenham precinct core to prevent fragmentation (Action 1.2)
- Prevent the spread of retailing and services into Marrickville-Sydenham precinct core (Action 1.3)
- Protect population-serving industrial land (Action 2.1)
- Prohibit large format retail from locating in the Marrickville-Sydenham precinct (Action 5.1).

The Study also supported the continued planning for a Sydenham music/ entertainment precinct, (Action 3.2). However, it specifically noted the need for the role and function of the industrial precinct to be protected.

2.4 Land use profile

The SCH contains three main industrial land uses: local light service industry, light manufacturing and freight and logistics.

The 2014 Marrickville Employment Lands Study included a capacity analysis of the six employment precincts in the former Marrickville LGA to identify the floorspace by ANZSIC industry. The findings of the capacity analysis for Marrickville-Sydenham precinct by broad land use category (BLC) are illustrated in Figure 8. The uses operating in the precinct today still reflect the findings in the capacity analysis undertaken in 2014. This indicates that the primary role of the precinct has continued to function as a strategically important industrial precinct. Creative industries are starting to emerge, however operating under the appropriate broad land use categories as the types of creativity are still classified under Manufacturing Light and Local Light industrial.

FIGURE 8. BROAD LAND USE CATEGORIES ACROSS THE SCH



Source: SGS Economics and Planning, 2014

The land audit results from the Marrickville Employment Lands Study (2014) have been extracted for the SCH (refer to Table 1). The SCH contains 163,546 square metres (sqm) of floorspace. The top industries located in the SCH precinct by Broad Land Use Category include Local Light, Manufacturing Light and Freight and Logistics. Retail Main Street and Urban Services account for a small portion of total floorspace with employees mostly reliant on activity outside the precinct for access to local retail services.

The 2014 capacity study found that 6% of building floorspace was vacant. This is likely to have decreased in light of the evolving nature of industrial uses. This will further be discussed in Section 2.5 of the report.

TABLE 1. FLOORSPEACE PROFILE FOR SCH

BLC	GFA sqm
BP - Business Park	-
D - Dispersed	5,606
FL - Freight & Logistics	30,471
LL - Local Light (local service)	69,044
ML - Manufacturing Light	40,724
O - Office	4,840
RBG - Bulky Goods Retail	
RES - Residential	1,789
RM - Main Street Retail	1,583
US - Urban Services	63
VBL - Vacant	9,425
Total floorspace	163,546

Source: SGS Economics and Planning

The Local Light broad land use category accounts for almost half of the total floorspace in the precinct at 42% and includes a range typical local service industrial uses.

Activities typically include a wide range of small scale industrial businesses which provide services to other businesses or individuals, such as car service and repair, joinery, construction and building supplies and domestic storage.

Manufacturing Light also has a strong presence in the SCH precinct, representing 25% of land uses including food production, clothing manufacturing and electrical equipment manufacturing.

Manufacturing Light uses are characterised by smaller scale production activities and lower levels of noise and emissions than Heavy Industrial. These uses tend to co-locate within industrial zones, however they have a lower requirement of distance between themselves and residential areas than heavy manufacturing due to their lower levels of impact. Examples of uses operating under this category include food production, clothing manufacturing and electrical equipment manufacturing. There are creative industries starting to emerge under this category such as fine food production, jewellery manufacturing and shared workshop space for woodwork, textiles and other aspects of design.

Freight and logistics uses are also present in the precinct including warehousing and distribution services.

The Freight and Logistics category accounts for 19% of the total precinct floorspace in the SCH precinct. Freight and Logistics are typified by activities such as warehousing and distribution services and intermodal terminals. In terms of physical characteristics, sites within this category will typically have buildings with docking facilities, large 'hard stand' areas with trucks and goods awaiting distribution and storage and warehouse facilities (see Figure 9). Examples of these uses in the SCH precinct include distribution centres for retail goods and packaging businesses.

The SCH contains both traditional industrial uses as well as creative industrial uses.

These two uses are distinct due to the scale of operations. Often these creative industrial uses or businesses are referred to as urban manufacturers. Urban manufacturers tend to be small (generally employing fewer than 20 people), provide a highly specialised or niche product, have fast turnarounds and be horizontally integrated in networks of numerous clients, suppliers, distributors, and subcontractors⁹.

⁹ SGS Economics and Planning 2014, The rise of urban manufacturing?, <https://www.sgsep.com.au/publications/rise-urban-manufacturing>

FIGURE 9. EXAMPLE OF TRADITIONAL INDUSTRIAL USES IN SCH PRECINCT



Source: SGS Economics and Planning, 2017

2.5 Property market trends

Inner city market trends

The south industrial submarket is considered to be tight with low vacancies and strong demand.

The SCH is defined by property market agents as being located within the south industrial submarket in Sydney. A report prepared by Colliers (2017) notes that the industrial market in the south:

'continues to be a very tight market as low vacancies and strong demand from a mix of owner occupiers and developers have risen land and capital values up to record growth rates (19.4 per cent average growth in land values over 2016)'¹⁰.

Rents are high and have been increasing rapidly for the south precinct.

The South industrial submarket (refer to Figure 11) has the highest net prime rents in Sydney at \$166 per square metre (sqm) (refer to Figure 10). Rents increased 8.2% between October 2015 and October 2016, which is far greater than across any other precinct in Sydney. For comparison, the next largest increase in rents was experienced by the Outer West precinct by 3.1% over the same period.

¹⁰ Colliers Industrial Research and Forecast Report, 2017, p8

FIGURE 10. SYDNEY INDUSTRIAL MARKET INDICATORS (OCTOBER 2016)

Precinct	Avg Prime Rent [†]		Avg Secondary Rent		Core Market Yields [^]		Avg Land Values			
	\$/m ² net	(% p.a)	\$/m ²	(% p.a)	Prime	Secondary	\$/m ²	(% p.a)	\$/m ²	(% p.a)
Outer West	111	3.1	95	0.7	5.75 - 6.75	7.00 - 8.00	483	16.0	400	15.9
Inner/Central West	123	0.5	105	0.0	6.25 - 7.25	7.25 - 8.25	573	1.1	410	4.1
South West	103	1.9	84	3.1	6.75 - 7.25	7.50 - 8.50	377	7.7	290	1.8
North	166	2.3	139	2.8	6.50 - 7.50	7.75 - 8.75	725	12.4	555	5.7
South	166	8.2	147	11.4	5.50 - 6.25	6.25 - 7.00	1,625	18.2	1,225	19.5
Sydney Average	134	3.2	114	3.6	6.15 - 7.00	7.15 - 8.10	478*	8.3*	367*	7.3*

Source: Knight Frank Research

[†] reflects average rents for existing buildings. Pre-lease rents average above these indicative rates.

^{*} Average Outer West, Inner/Central West and South West

[^] Core yields assume five year WALE.

Source: Knight Frank, Sydney Industrial Market Brief November 2016

FIGURE 11. INDUSTRIAL SUBMARKETS ACROSS SYDNEY


Source: Knight Frank, 2015

Land values are also significantly greater in the south submarket compared to other industrial submarkets in Sydney.

In the south submarket, average land values are \$1,625 per sqm which compares to \$725 per sqm for the north and less than \$500 per sqm for outer west Sydney. This pattern is similarly reflected for large industrial sites (refer to Figure 10).

Some redevelopment of industrial sites for industrial uses is occurring and there are strong take-up rates.

Recent industrial developments in the south submarket have been multi-story industrial units in order to maximise floorspace and market value, particularly within Alexandria and Botany.

The Colliers report (2017) highlighted that there has been a strong take-up for smaller industrial sites, encompassing co-located warehouse and office space, with demand from a mix of users and increasingly from creative users. It was noted that the demand from industrial users is driven by relocation from city locations including Surry Hills and Pyrmont due to rental premiums.

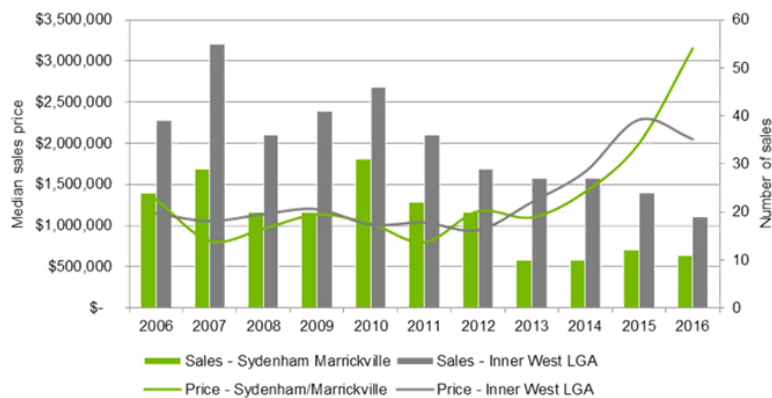
Local market trends

The sales price of industrial properties in Sydenham/Marrickville has increased significantly over the last four years.

The price of industrial stock in Sydenham/Marrickville has reflected similar trends across the Inner West LGA (refer to Figure 12). The median sales price for general industrial stock was generally under \$1.5 million prior to 2013. From 2013, the median sales price of general industrial stock increased significantly, with properties in Sydenham/ Marrickville experiencing the greatest growth in land value to 2016.

The number of sales in Sydenham/Marrickville has been lower since 2012. However, they still represent a significant proportion of total sales across the Inner West LGA reflecting the significance of the precinct in the context of the local area.

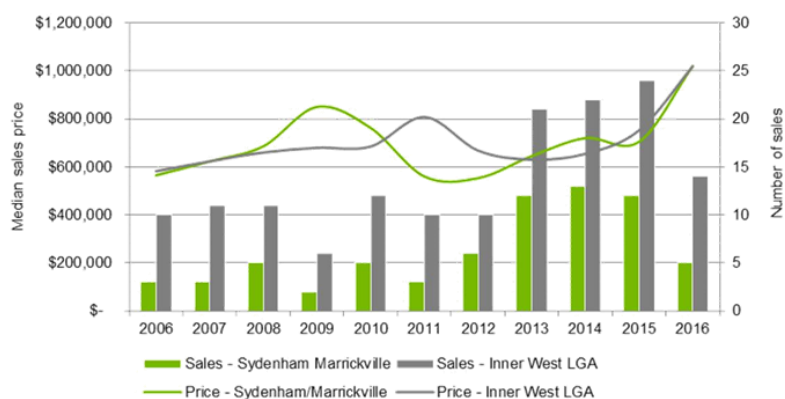
FIGURE 12. GENERAL INDUSTRIAL SALES OVER THE LAST TEN YEARS



Source: RP Data, 2017

Similar trends are evident across industrial strata unit sales (refer to Figure 13). Over the last year, the value of industrial strata units in Sydenham/Marrickville has increased at the same rate as stock across the broader Inner West LGA.

FIGURE 13. INDUSTRIAL STRATA UNIT SALES OVER THE LAST TEN YEARS



Source: RP Data, 2017

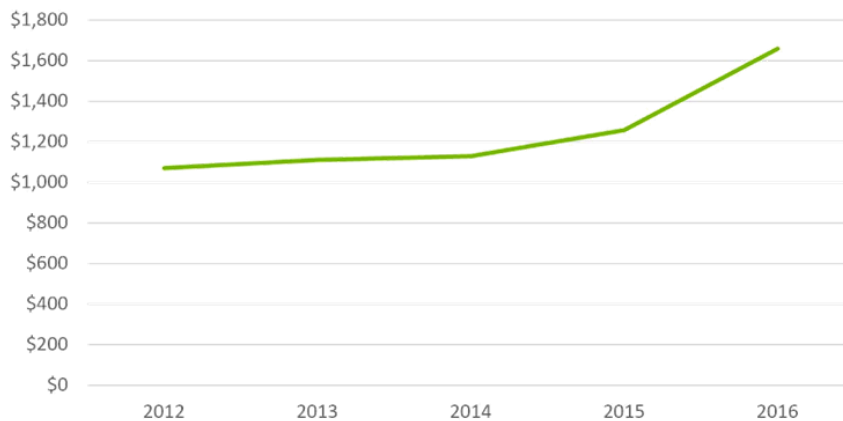
The industrial lands have transitioned over the last two years.

Agents highlighted that this transition was evident with 'trendy bars and breweries'¹¹ moving in. It was identified that this transition has led to 'demand outweighing supply'¹² with firms attracted to the evolving culture of the transitioning industrial lands. Proximity was highlighted as an important factor influencing demand in the area with proximity to the CBD market and the airport attractive to import export businesses. However, traditional industrial land uses remain prominent in the precinct.

The SCH has experienced a significant increase in land values over the last two years.

Land values over the last five years for 40 lots across the SCH were extracted from the NSW Valuer General database and used to develop an average land value (refer Figure 14). Based on this data, there has been a significant increase in land values over the past two years, particularly between 2015 and 2016.

FIGURE 14. AVERAGE LAND VALUES ACROSS THE SCH



Source: Average based on extraction of NSW Valuer General land value data for 40 properties across the SCH. Land values as at 1 July each year.

This increase in land values has likely been driven by developer speculation...

The increase in land values observed through the data has been confirmed through consultation with real estate agents. Land values and rents have increased significantly over the last two years.

One agent noted that a property within the SCH (55 Marrickville Road, Marrickville) sold for \$8.16 million in 2016. The property previously sold for \$3.3 million in 2014¹³. This is a 147% increase in the property price. The agent advised that the new owner is speculating about opportunities for residential (shop top housing) on the site¹⁴. This highlights that the price paid by the new landowner is mostly reflective of the perceived land value rather than the potential for site improvements under current planning controls.

Further, consultation found that owners of industrial lands are not selling, but rather land banking in anticipation of an offer from a developer. This is likely in response to the above reported sale.

¹¹ Consultation with Ray White

¹² Consultation with Ray White

¹³ Corelogic RP Data 2017

¹⁴ Consultation with CBRE

...as well as reduction in supply in the market.

The Colliers report (2017) noted that State planning frameworks have been directly impacting this industrial market. These include various infrastructure projects including WestConnex and Sydney Metro, as well as industrial rezonings to allow for residential development.

According to one real estate agent, a reduction in the supply of industrial land in the south submarket, particularly Alexandria and Mascot, has been driving up demand and land values, and therefore rents across Marrickville¹⁵.

Rents have also substantially increased.

Consultation with agents confirmed that the industrial lands are thriving with low vacancy rates and 'rentals doubling over the last two years'¹⁶. One agent noted that an industrial site for lease located on Fitzroy Street, Marrickville received the most views on realestatecommercial.com for industrial sites in Australia during the last week of April 2017¹⁷. Industrial rents were reported as varying from \$160-200/sqm which is consistent with the rents for the south Sydney industrial submarket reported above.

One agent also noted that a tenant recently had their rent increased from \$150/sqm to \$250/sqm and was forced to accept this new rent as the location is important for their business¹⁸. This was a traditional industrial use tenant. The rents are the highest they have ever been.

Agents noted that tenants that are either priced out of the Sydenham-Marrickville area, or struggle to find available leasable space, often move to the St Peters industrial area.

The smaller creative uses that are occupying the precinct cannot sustain these high rents.

As mentioned previously, the creative uses currently located within the precinct are primarily industrial uses, typically urban manufacturing. These uses are generally occupying the smaller spaces which are not suitable for traditional industrial uses. Some of this building stock is considered to be poor quality.

Creative industrial uses or urban manufacturers generally occupy a lower rung on the value add ladder and are at significant risk of displacement from the locations that nurture them, with the threat of being outbid in the market for commercial space and pressure for residential rezoning ever-present¹⁹.

This was evident through consultation with businesses where one particular land owner noted that a previous tenant operating a creative manufacturing business went broke.

In addition, the more established traditional industrial businesses generally seemed to be owner occupiers rather than tenants which reduces the likelihood of these businesses being impacted by rent increases.

¹⁵ Consultation with CBRE

¹⁶ Consultation with LJ Hooker

¹⁷ Consultation with Ray White

¹⁸ Consultation with CBRE

¹⁹ SGS Economics and Planning 2014, The rise of urban manufacturing?, <https://www.sgsep.com.au/publications/rise-urban-manufacturing>

The current building stock is not considered appropriate for the target industries identified as part of the SCH planning proposal.

Consultation revealed that the building stock in the precinct is considered to be of poor quality. It is considered by agents to be suitable for industrial uses but not commercial uses and the agent noted that significant investment in the buildings would be required to bring them up to standard for the target industries identified for the SCH, for example architecture firms, designers, advertising²⁰.

This raises the important question of the feasibility of commercial and industrial reinvestment in the SCH.

The quality of stock is an important consideration when determining the likelihood of the SCH attracting the target industries as per the planning proposal.

This study is focused on understanding the potential economic impacts of opening the SCH up to these more commercial creative land uses. An important consideration in determining the potential economic impact is the nature of the current market and whether the change in land use permissibility is likely to result in a change in land uses in the SCH.

If reinvestment in the precinct is required to bring the current stock up to a standard suitable these target industries, or even new and innovative industrial uses, feasibility remains an important consideration. Another factor which will potentially impact feasibility is the cost associated with meeting the building code requirements for locations impacted by aircraft noise, which includes the SCH. With the significant increase in land values that have already occurred, and the reported speculation among land owners and developers, there may already be a significant feasibility issue impeding development. Development feasibility testing can provide insights on industrial and commercial reinvestment viability given current land prices through testing scenarios of a number of sites within the SCH. This testing would seek to understand the threshold rent price required for development to be feasible (and compare this to prevailing rents).

2.6 Perspectives of business operators in the precinct

As part of this study, consultation was undertaken with businesses in the SCH to explore issues from two distinct groups operating in the SCH precinct, namely traditional industrial uses as well as the emerging creative industrial uses. These uses are different to the target industries for the SCH as part of the planning proposal. The purpose of the consultation was to better understand the current nature of operations, linkages with neighbouring businesses, threshold points for rent increase before business becomes unfeasible in the precinct; and, operational impacts (resulting from traffic generation, public foot traffic, vehicle movements, etc.).

On 26 April, SGS conducted four face to face surveys with businesses in the SCH precinct including JetMaster Fireplace Design, Ganton Shirts, Makerspace and Batch Brewing. Following this, SGS undertook a series of telephone surveys between 28 April and 3 May 2017.

The following is a summary of the commonly cited themes from consultation:

- There are a wide range of businesses operating in the precinct including traditional industrial uses such as food production, warehousing, clothing manufacturing and mechanics, as well as emerging creative industrial uses such as bespoke manufacturing and makers and a brewery.
- The location is desirable for businesses due to its accessibility to an existing and potential workforce (workers who live in the south, east and inner west of Sydney).

²⁰ Consultation with CBRE

- The industrial building stock is considered desirable for industrial uses due to the ability to accommodate a wide variety of operations in the one building, including manufacturing, showroom, warehousing and back office functions.
- The industrial zoning is important for many businesses. Some businesses noted that they were restricted to industrial zones due to business operations and/or potential noise generation and the SCH is an ideal location protected from residential uses.
- Close proximity to local retail on Marrickville Road is a positive. However, some businesses noted that it was too far to walk to Marrickville Road so driving to Marrickville Metro was easier.
- The close proximity of the SCH to a significant trade area across inner Sydney is important as many businesses supply other businesses in the inner city.
- Additionally, proximity to Sydney Airport and Port Botany is also important, particularly for businesses that import and/or export.
- There is evidence of supply chain links within precinct with colocation of related businesses which service each other.
- The desirability of the location has resulted in high rents associated with strong demand and low vacancies.
- There are limited locations across Sydney that offer what the SCH and surrounding Sydenham-Marrickville precinct offers as an employment lands precinct.

A more detailed summary of the consultation is contained in Appendix B of this report.

2.7 Summary of current position

The SCH is located in the Sydenham-Marrickville employment lands which is a strategic industrial precinct in inner Sydney. The SCH has been evolving with new creative industrial uses and urban manufacturing emerging over the last few years, however traditional industrial uses, such as mechanics, clothing and food manufacturing and warehousing, still occupy a significant proportion of the precinct.

Rezoning has been occurring and proposed across a number of other local industrial precincts in both the Inner West Council area as well as more broadly across inner Sydney. The property market indicators for this submarket compared to other industrial submarkets across Sydney vary significantly reflecting the high land prices and rents associated with short supply of land and pressure for conversion to residential uses.

The SCH is in high demand due to its proximity to Sydney Airport and Port Botany, as well as more broadly the Sydney CBD and growing residential population of the inner west of Sydney.

Existing tenants have chosen this location due to its accessibility and proximity to the markets they serve and want to remain in this precinct as this is important for the business.

High demand and low vacancy rates have driven up rental prices across the precinct. The traditional industrial land uses present in the SCH are considered more likely to be able to sustain these high rents compared to the newer creative industrial/manufacturing businesses as the traditional industrial businesses are generally owner occupied rather than tenants. The urban manufacturers generally occupy a lower rung on the value add ladder and are at significant risk of displacement from locations such as the SCH due to the threat of being outbid in the market for commercial space.

In addition, development speculation and general supply constraints have driven up land values, particularly over the last two years. This raises an important question around the feasibility of reinvestment in the precinct and the potential for the target industries to be attracted to the SCH. Feasibility testing will assist in further understanding this.

3 IMPACT ASSESSMENT

3.1 Introduction

This section of the report considers the likely land use scenarios associated with the change in permissible land uses under the planning proposal. Business impacts have been explored through consultation with existing tenants, as reported above, and retail modelling. A traditional economic impact assessment has been undertaken based on the anticipated creative precinct profile. A broader economic impact framework has been proposed which identifies the potential impacts of this proposal across the wider subregion.

3.2 Creative precinct profile

An anticipated profile of the creative precinct in terms of industry types and sizes has been developed. This is based on an assessment of the market depth for creative/ entertainment/ restaurant use types and likely profile of employment based on other creative precincts. This has been supported by the understanding of the current property market, as reported above. Three scenarios have been developed for 2036 and these are detailed below.

Base case

The existing employment profile of the SCH has been derived using land audit data from the Marrickville Employment Lands Study (2014). This land audit floorspace data was translated from BLCs to ANZSIC²¹ 1 digit industries of employment and then into jobs using floorspace to job ratios developed by SGS.

The current employment profile was forecast out to 2036 based on the projected growth across the wider Sydenham-Marrickville employment lands using land use projections developed by NSW Government's Transport Performance and Analytics (TPA)²² in 2016. These forecasts are based on metropolitan and subregional scale assumptions and therefore do not take account of precinct scale variables and market factors.

The base case for the SCH for 2036 is detailed in Table 2. Under the base case, growth is expected in a variety of industries, particularly professional services. However, manufacturing, construction and other services will remain the dominant industries of employment. Under the base case, manufacturing is expected to experience growth in employment, rather than decline.

²¹ Australian and New Zealand Standard Industrial Classification

²² Former Bureau of Transport Statistics

TABLE 2. EXISTING EMPLOYMENT PROFILE OF THE SCH AND PROJECTED GROWTH UNDER BASE CASE

ANZSIC	2016	2036	2016-36	2016-36%
Agriculture	1	1	0	4.63%
Mining	0	0	0	
Manufacturing	582	605	24	4.06%
Utilities	0	1	0	36.50%
Construction	376	473	97	25.80%
Wholesale	186	167	-20	-10.54%
Retail	54	63	9	15.78%
Accomm. & food services	18	22	4	21.55%
Transport	75	82	7	8.89%
Media and telecom	11	11	0	1.73%
Financial	23	29	6	26.01%
Real estate services	10	13	3	26.60%
Professional services	95	141	46	47.99%
Admin services	55	59	3	6.21%
Public admin	3	4	1	29.20%
Education	7	10	2	31.86%
Health care	74	97	23	30.34%
Arts & recreation	42	58	16	39.20%
Other Services	345	378	34	9.79%
Total	1,959	2,162	204	10.41%

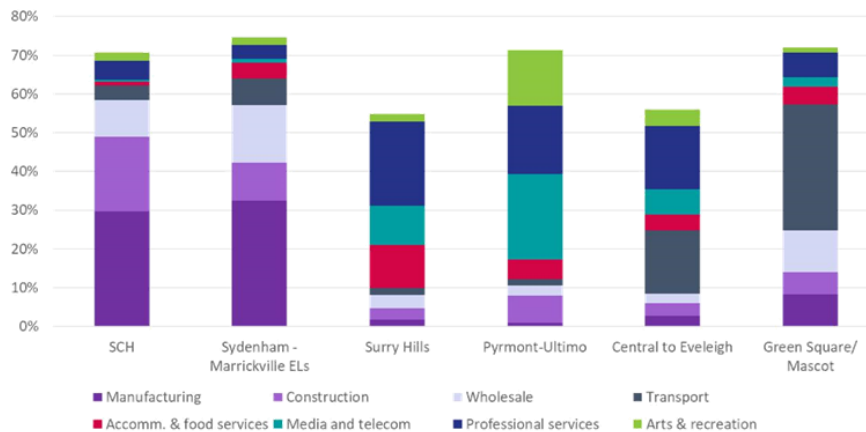
Source: SGS Economics and Planning, 2017 using land audit data from SGS Economics and Planning, 2014 and TPA, 2016

Scenarios

Based on the analysis above, and a review of the profile of other employment centres, two scenarios were developed for 2036. The employment profiles of a number of other centres were reviewed with a focus on centres which are evolving or have evolved from industrial to more creative employment precincts.

The industry profiles of these comparator locations in 2016 are detailed in Figure 15²³.

²³ Note, that this only includes the industries of interest – traditional industrial industries as well as creative industries and hospitality industries.

FIGURE 15. INDUSTRIES OF EMPLOYMENT 2016


Source: SGS Economics and Planning, 2017 and TPA, 2016

Two main scenarios were identified through this analysis:

- **Scenario 1: evolving creative precinct** with growing employment in professional services and media and telecommunications, while still containing a significant proportion of employment in traditional industrial uses, e.g. Central to Eveleigh and Mascot-Green Square.

This scenario involves a transition from primarily industrial employment to increasing professional creative services and food/restaurants (target industries). From an employment perspective, industrial employment in transport, wholesale or manufacturing remains a significant industry of employment.

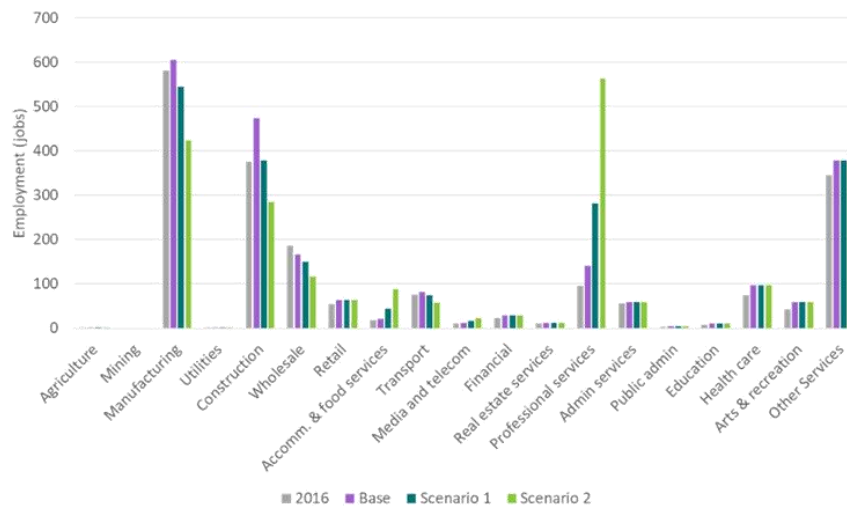
This scenario is considered to be a more realistic scenario reflecting the slow transition of other inner city industrial precincts over 20 or more years. Additionally, a review of the property market, including consultation, suggested that the depth of the market for the identified target industries is relatively limited due to the quality of the building stock and significant investment required. As a result, only a small shift in professional services employment has been adopted under this scenario to reflect a few smaller businesses relocating to the SCH and occupying the small floorplate spaces available.

- **Scenario 2: mature creative precinct** with a concentration of professional and technical services and media and telecommunications, as well as accommodation and food services (target industries) e.g. Surry Hills and Ultimo/Pymont.

This builds on scenario 1 and involves a significant transition from primarily industrial to professional services and food/restaurants which are the target industries for the SCH. From an employment perspective, a significant decline in employment in manufacturing would occur with professional services being the largest industry of employment.

This scenario would involve significant reinvestment in the building stock to cater for these businesses and assumes that this development is feasible in the context of the current land prices and rents.

These scenarios are compared in Figure 16 and detailed in Table 3.

FIGURE 16. COMPARISON OF BASE CASE AND SCENARIOS


Source: SGS Economics and Planning, 2017

TABLE 3. EMPLOYMENT PROFILES UNDER PROPOSED SCENARIOS FOR 2036

ANZSIC	2016	2036			Change	
		Base	Scenario 1	Scenario 2	Scenario 1	Scenario 2
Agriculture	1	1	1	1	0	0
Mining	0	0	0	0	0	0
Manufacturing	582	605	545	424	-61	-182
Utilities	0	1	1	1	0	0
Construction	376	473	379	284	-95	-189
Wholesale	186	167	150	117	-17	-50
Retail	54	63	63	63	0	0
Accomm. & food services	18	22	44	88	22	66
Transport	75	82	74	57	-8	-25
Media and telecom	11	11	17	23	6	11
Financial	23	29	29	29	0	0
Real estate services	10	13	13	13	0	0
Professional services	95	141	282	564	141	423
Admin services	55	59	59	59	0	0
Public admin	3	4	4	4	0	0
Education	7	10	10	10	0	0
Health care	74	97	97	97	0	0
Arts & recreation	42	58	58	58	0	0
Other Services	345	378	378	378	0	0
Total	1,959	2,162	2,201	2,267	39	105

Source: SGS Economics and Planning, 2017

3.3 Business impacts

Other businesses in the SCH

The impact on businesses in the precinct is expected to be largely related to either operational impacts (traffic movement, pedestrian activity, noise complaints, etc.) or land value and rent increases.

Operational impacts

Consultation undertaken as part of this study, as well as the consultation undertaken by Inner West Council as part of the development of the planning proposal, has identified a number of potential operational impacts:

- **Congestion and parking:** existing businesses, particularly the larger scale operations such as logistics and food production, have expressed concerns regarding the impact of a change to land uses on congestion and parking, particularly businesses which rely on deliveries from large semi-trailers.
- **Incompatibility of uses:** existing businesses are also concerned about the potential incompatibility of land uses. The majority of businesses are located in the SCH as it is an industrial area which allows them to generate noise and conduct operations with limited complaints from neighbouring uses due to the industrial nature of the area and expectations. Opening up the precinct to additional uses raises concerns about incompatibility of uses and potential for new uses to complain about impact of longstanding industrial businesses.
- **Operating hours:** a number of existing industrial businesses have extended operating hours, with some even operating 24 hours a day. There are concerns about the impact on introducing new uses on these businesses and their ability to operate for extended hours.
- **Availability of space for expansion:** a number of existing businesses would like to expand their operations and are concerned about the availability of space to expand and the potential for this space to be occupied by new uses.

Land value and rent impacts

Through consultation alone, it has been difficult to identify a particular threshold rent price at which businesses would be significantly impacted and forced to move locations. As mentioned previously, some businesses noted that if the cost was too significant it would be cheaper to close business than relocate due to the significant cost of relocating and lack of suitable space in a desirable location.

Based on the property market analysis, land values and rents have significantly increased over the last two years due to high demand and speculation. Therefore, it may be the case that the impact has already occurred. Further research is required to identify specific businesses that may have been pushed out.

As mentioned previously, creative industrial businesses, typically urban manufacturers, are at more risk of displacement as they are more exposed to the threat of being outbid in the market for commercial space. There could be more of a turnover of these uses rather than the traditional industrial uses if any additional significant increases in land values and rents occur. Further research is required to identify the specific rent threshold points.

As discussed previously, if land values have been pushed up due to speculation, in particular related to the potential for residential development, there is a possibility that the land values already reflect a residential land use profile and it would be unfeasible for any industrial or commercial reinvestment to

occur. This can be confirmed through feasibility modelling. If this is the case, this will further support the statement that the rent and land price impacts have already occurred.

Centres

Existing Activity Centres

SGS has a proprietary retail gravity model which has been used to estimate the impacts on businesses along Marrickville and Illawarra Roads and Marrickville Metro if additional hospitality businesses were to establish in the SCH. References to 'retail' in this section includes hospitality expenditure and supply due to the constrained nature of the additional uses proposed.

A simple local market was modelled. Modelling the detailed retail network at a district level would require considerable floorspace surveying to establish supply levels.

This section provides an outline of the methodology of the gravity model, the model inputs (demand, supply) and the outcomes of scenario testing to estimate impacts on nearby businesses from hospitality businesses in the SCH.

The approach and method adopted, using the simplified retail gravity model, is detailed in Appendix C.

Resident retail expenditure

The estimated resident population and expenditure per capita are taken into consideration to estimate the retail expenditure generated by the residents in the defined local retail market. The definition of this local market is based on a spatial analysis of likely customer behaviour and known trade patterns from businesses based within the market. Behaviour and expenditure patterns have been estimated to reflect logical travel patterns (refer to Figure 17).

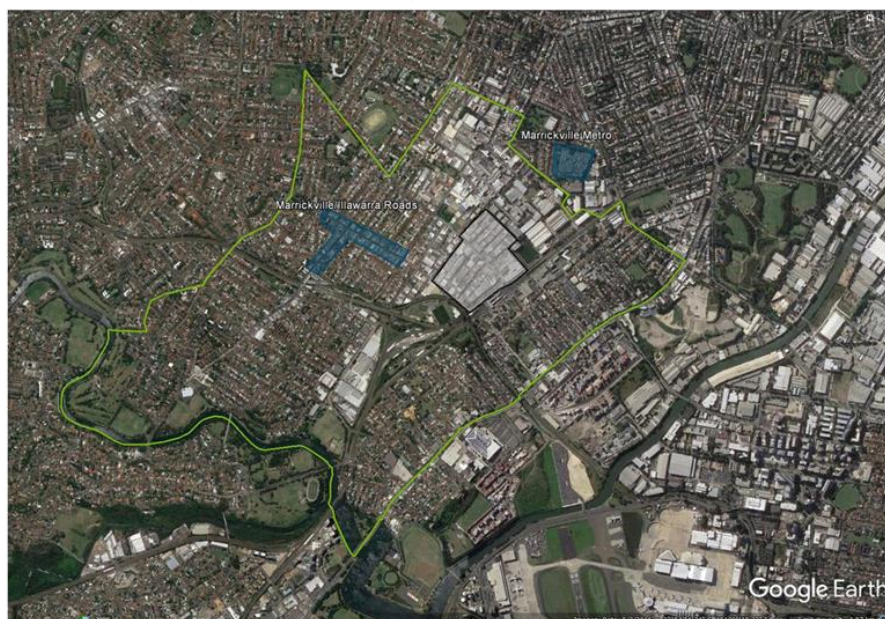
This has been informed by a review of the geographic features which may obstruct travel and limit the number of retail centres which can be conveniently accessed. Shoppers will be prepared to travel further and longer for specialised, higher order centres where travel is offset by convenience of the wide variety of goods available in one location. This behaviour is serviced by sub-regional and regional centres, and the local market definition has reflected the retail centre hierarchy in the district.

The estimated population of this local retail market is detailed in Table 4.

TABLE 4. LOCAL RETAIL MARKET ESTIMATED POPULATION BY YEAR

	2016	2021	2026	2031	2036
PTA population	22,371	23,826	26,062	29,340	32,777

Source: TPA, 2016 with SGS Economics and Planning calculations, 2017

FIGURE 17. LOCAL RETAIL MARKET AND NEARBY RETAIL CENTRES


Source: Google Earth, 2017 and SGS Economics and Planning, 2017

Data from Market Data Systems (MarketInfo) has been used to determine current expenditure profiles of residents in the local retail market in Table 5. MarketInfo profiles expenditure of Australian households per capita by nine categories and is regarded as an industry standard. The estimates incorporate sources such as the ABS Household Expenditure Survey and Census to reflect local expenditure patterns including demand drivers such as age, ethnicity and household structure.

TABLE 5. AVERAGE COMMODITY EXPENDITURE PER CAPITA

	Food	Hospitality	Clothing and Soft Goods	Household Goods	Other Retail
Annual per cap expenditure (\$)	\$5,518	\$2,434	\$1,214	\$2,689	\$1,298

Source: Market Research Systems – MarketInfo, 2016 with SGS Economics and Planning calculations, 2017

As noted, network-wide gravity modelling (e.g. for the broader inner Western Sydney retail market) was beyond the scope of this study as this would require floorspace surveys or research for several dozen retail centres. A simplified assumption has been made that expenditure from residents is spent in the local market or at Marrickville Metro, whereas in reality much of it will be dispersed throughout a wider geographic area. Therefore, caution should be taken when interpreting the results.

MarketInfo data (available at a Statistical Area 1 level) was applied to the estimated populations. Total modelled market expenditure is summarised in Table 6.

TABLE 6. MODELLED DEMAND – TOTAL RETAIL EXPENDITURE BY YEAR

	Food	Hospitality	Clothing and Soft Goods	Household Goods	Other Retail
2016	\$123,302,985	\$55,267,124	\$27,601,242	\$59,032,770	\$28,941,297
2021	\$131,167,436	\$58,831,661	\$29,334,887	\$62,599,956	\$30,695,848

Source: Market Research Systems – MarketInfo, 2016 with SGS Economics and Planning calculations, 2017

Supply – retail floorspace and estimated turnover

Two retail precincts have been identified of particular relevance to the study and these are the neighbourhood-scale activity centre located along Marrickville and Illawarra Roads, and the Marrickville Metro regional centre (refer to Figure 17).

Retail floorspace estimates for the Marrickville/Illawarra Roads were derived from TPA LU16 employment by ANZSIC category, floorspace per worker and retail business category estimates from previous SGS studies. The gross floor area (GFA) estimates are presented in Table 7. These estimates should be treated as 'high level' and a floorspace audit is required for further precision. In addition, Marrickville Metro has approval to expand the centre by 16,000 sqm which will add significant supply to the market.

TABLE 7. ESTIMATED FLOORSPACE SUPPLY AS AT MAY 2017 (OCCUPIED SQM)

	Food	Hospitality	Clothing and Soft Goods	Household Goods	Other Retail
Marrickville & Illawarra Roads	5,329	10,096	1,743	2,000	3,254
Marrickville Metro Centre	7,619	827	7,727	1,036	2,009

Source: Market Research Systems – MarketInfo, 2016 with SGS Economics and Planning calculations, 2017

Turnover estimates were derived from average Retail Turnover Densities (RTDs) data (refer to Table 8). These were modified to reflect knowledge on the high trading performance of the Marrickville Metro centre from the Property Council of Australia retail centres database.

TABLE 8. ESTIMATED AVERAGE RETAIL TURNOVER DENSITIES BY CATEGORY

Business Type	Marrickville & Illawarra Rds avg. RTDs (\$/ sqm)	Marrickville Metro avg. RTDs (\$/ sqm)
Supermarket	\$14,890	\$21,200
Other Food	\$12,885	\$14,651
Hospitality & Services	\$10,519	\$11,285
Other Retail	\$8,007	\$10,764
Clothing & Soft Goods	\$5,859	\$7,037
Department Stores	\$5,842	\$5,003
Household Goods	\$5,311	\$7,521

Source: Urbis, 2009, Property Council of Australia, 2015, with SGS Economics and Planning calculations and estimates, 2017

The RTDs were applied to estimated floorspace to generate total business turnover (refer to Table 9). Note that supermarket and food turnover has been consolidated to one category, as has department store and household goods expenditure.

TABLE 9. ESTIMATED TURNOVERS

Centre	Food	Hospitality	Clothing and Soft Goods	Household Goods	Other Retail
Marrickville & Illawarra Rds	\$70,665,426	\$106,191,219	\$10,210,912	\$10,621,203	\$26,049,949
Marrickville Metro	\$152,231,806	\$9,337,234	\$40,340,607	\$7,794,599	\$21,630,969

Source: SGS Economics and Planning, 2017

To model the local retail market, these turnovers have been reduced (by approximately 50% for all categories except household goods) to meet the supply – demand equilibrium requirement of the model. This reduction also reflects known trade distributions for businesses in comparable centres, which typically draw significant trade from outside the local area in metropolitan markets. This is especially the case for Marrickville Metro, which draws customers from throughout the region with its large retail range, including discount department stores and specialised mini-major retail businesses.

With the current value of supply estimated, impact testing could be undertaken to model the impact of hospitality businesses in the SCH.

Impact Testing

To test the impact of the planning proposal, hospitality floorspace was modelled in the SCH and gradually increased to observe the reduction in trade on businesses in the Marrickville/Illawarra Roads centre. The multi-category configuration of the SGS Retail Gravity Model allows this testing to be undertaken on both the **centre overall** as well as **individual retail business categories**. This is important as whilst overall centre impacts may not be particularly significant (e.g. clothing retailers will be unaffected by bars and dining in the SCH), impacts on hospitality business within the precinct may be relatively large.

A 10% impact threshold is commonly used as a reasonable competitive impact from new businesses on existing firms and floorspace quantities were increased until this was reached. This level was reached at 3,750 sqm of hospitality floorspace by 2021 in the SCH. The impacts are detailed in Table 10.

TABLE 10. CALCULATED IMPACTS: MARRICKVILLE/ILLAWARRA ROADS

PTA Turnover (2021)	Overall centre	Hospitality business
Base	\$155,584,395	\$54,118,565
Impacted	\$150,167,375	\$48,701,544
% Impact	-3%	-10%

Source: SGS Economics and Planning, 2017

Note that Marrickville Metro has predominantly food court dining which is very different to the hospitality mix in the Marrickville/Illawarra Roads centre, as well as proposed in the SCH. Therefore, this centre was disregarded.

Another common impact testing threshold used to determine how much competitive floorspace can be reasonably introduced to a market is to review turnover densities. This impact limit is to ensure the RTDs of impacted businesses do not fall below industry averages (which may preclude their viability). Table 11 illustrates that the 3,750 sqm of hospitality floorspace would drop turnovers in the Marrickville/Illawarra Roads centre slightly below the modelled RTDs and below the averages calculated earlier (refer to Table 8 above).

TABLE 11. CALCULATED IMPACTS ON HOSPITALITY TURNOVER DENSITIES

PTA Turnover (2021)	Marrickville /Illawarra Roads
Hospitality Floorspace	10,096 m ²
Modelled RTD (\$ p/sqm)	\$11,406
Impacted RTD (\$ p/sqm)	\$10,264

Source: SGS Economics and Planning, 2017

Conclusions

The limited scope of the data inputs (particularly the geographic area and number of retail centres modelled) required very simplified assumptions, and represents an indicative 'worst case' in terms of competitive impacts. With this caveat in mind, retail simulation testing indicates that 3,750 sqm of additional hospitality floorspace could be accommodated by 2021 without impacting the turnovers of businesses in the Marrickville and Illawarra Roads centre by greater than 10 per cent.

Assuming approximately 200 sqm GLA per business, around 20 hospitality businesses could be accommodated in the SCH without undue turnover impact or the RTDs of existing businesses dropping excessively (for example, below industry averages). However, caution should be taken in interpreting

these results. There is a significant expansion proposed at Marrickville Metro which will add additional supply to the market. A more detailed understanding of the performance of Marrickville and Illawarra Roads centre is required and opportunities to grow the existing local centre should be prioritised prior to allowing hospitality uses in SCH.

3.4 Economic impacts

Prima facie economic impact

The creative precinct scenarios detailed above have been used to estimate direct and indirect economic changes and provide an indication of the potential net economic impacts for each scenario.

Input – Output Method overview

An Input- Output (IO) econometric modelling technique has been used to convert the direct change in industry mix into indirect impacts in terms of employment, output and wealth generation at an LGA level.

Inter-industry relationships (buyer-supplier transaction) from the ABS National Accounts have been scaled down to estimate these relationships at a state and LGA level, using available datasets and accepted mathematical techniques. The results of this scaling process are a set of LGA industry specific multipliers which estimate how changes and stimuli in an industry flow through other industries in the local economy, in terms of:

- Output (or income): the total amount of output (or income) induced across all industries by the requirement to satisfy the additional demand from the construction work.
- Gross Value Added (GVA): the additional wages, salaries and supplements, and Gross Operating Surplus earned by local residents and businesses in the process of producing the extra output induced by the initial stimulus from the markets.
- Full time equivalent (FTE) jobs: the full time equivalent (FTE) positions of employment generated from the economic stimulus. Both direct and indirect flow-on effects are captured from the stimulus.

Limitations

Though a cost-effective and widely used technique for economic impact analysis, IO modelling has some limitations:

- The input output (econometric) model assumes relationships between industries are static over the forecast period. That is, productivity improvements are not factored in and historic relationships are assumed to hold.
- The input output (econometric) model derives relationships between industries using total production estimates. Consequently, the relationships are 'average', whereas the stimulus used as an input is 'marginal'. Such an approach does not account for any 'underutilised capacity' at the industry level or additional economies of scale that might ensue, as production expands from its existing base.
- All of the stimuli are assumed to be 'new' economic activities for each regional economy. Crowding out or industry substitution effects are assumed to be negligible, meaning that key economic inputs such as labour and capital are assumed to be unconstrained, i.e. there is sufficient slack in the economy to service these stimuli without transferring significant resources from other productive uses. It also means that the activities that are promoted by the subject project do not adversely affect operations elsewhere.

The alternatives to using IO modelling for economic impact assessments is to utilise partial or general equilibrium econometric models, which are beyond the scope of this study.

Direct Economic Impacts

Estimates of GVA per worker by ANSZIC 1 digit industries have been applied to the number of jobs projected under each scenario (refer to Table 12).

TABLE 12. INCREMENTAL DIRECT FTE AND GVA BY SCENARIO (2036)

	2036 Base	Incremental workers (FTE)		2036 Base	Incremental GVA (\$m in 2016 \$ equiv.)	
		Scenario 1	Scenario 2		Scenario 1	Scenario 2
Agriculture, Forestry and Fishing	1	0	0	\$0.1	\$0.0	\$0.0
Mining	0	0	0	\$0.0	\$0.0	\$0.0
Manufacturing	605	-61	-121	\$50.7	-\$5.1	-\$10.1
Electricity, Gas, Water and Waste Services	1	0	0	\$0.1	\$0.0	\$0.0
Construction	473	-95	-95	\$54.3	-\$10.9	-\$10.9
Wholesale Trade	167	-17	-33	\$26.4	-\$2.6	-\$5.3
Retail Trade	63	0	0	\$4.5	\$0.0	\$0.0
Accommodation and Food Services	22	22	44	\$1.4	\$1.4	\$2.8
Transport, Postal and Warehousing	82	-8	-16	\$8.8	-\$0.9	-\$1.8
Information Media and Telecommunications	11	6	6	\$2.5	\$1.3	\$1.3
Financial and Insurance Services	29	0	0	\$9.6	\$0.0	\$0.0
Rental, Hiring and Real Estate Services	13	0	0	\$4.7	\$0.0	\$0.0
Professional, Scientific and Technical Services	141	141	282	\$15.1	\$15.1	\$30.2
Administrative and Support Services	59	0	0	\$6.4	\$0.0	\$0.0
Public Administration and Safety	4	0	0	\$0.5	\$0.0	\$0.0
Education and Training	10	0	0	\$0.9	\$0.0	\$0.0
Health Care and Social Assistance	97	0	0	\$7.2	\$0.0	\$0.0
Arts and Recreation Services	58	0	0	\$4.9	\$0.0	\$0.0
Other Services	378	0	0	\$25.2	\$0.0	\$0.0
Total	2,162	39	66	\$223.3	-\$1.7	\$6.2

Source: SGS Economics and Planning, 2017

The direct impacts are summarised in Table 13.

TABLE 13. SUMMARY - DIRECT FTE AND GVA BY SCENARIO (2036)

Direct Impact	Scenario 1	Scenario 2
Gross GVA uplift	\$17.7	\$34.2
Net GVA uplift	-\$1.7	\$6.2
%	-0.8%	2.0%
Jobs	39	66

Source: SGS Economics and Planning, 2017

Applying the calculated IO multipliers per industry to the direct impacts generates a number of potential indirect economic impacts which are detailed in Table 14.

TABLE 14. INDIRECT FTE AND GVA BY SCENARIO (2036)

	IO - scenario 1		IO - scenario 2	
	Indirect FTE	Indirect GVA (\$m in FY16 \$ equiv.)	Indirect FTE	Indirect GVA (\$m in FY16 \$ equiv.)
Agriculture, Forestry and Fishing	0	\$0.0	0	\$0.0
Mining	0	\$0.0	0	\$0.0
Manufacturing	-26	-\$2.9	-53	-\$5.8
Electricity, Gas, Water and Waste Services	0	\$0.0	0	\$0.0
Construction	-87	-\$11.1	-87	-\$11.1
Wholesale Trade	-11	-\$1.5	-21	-\$3.0
Retail Trade	0	\$0.0	0	\$0.0
Accommodation and Food Services	5	\$0.7	10	\$1.4
Transport, Postal and Warehousing	-4	-\$0.4	-9	-\$0.8
Information Media and Telecommunications	4	\$0.5	4	\$0.5
Financial and Insurance Services	0	\$0.0	0	\$0.0
Rental, Hiring and Real Estate Services	0	\$0.0	0	\$0.0
Professional, Scientific and Technical Services	85	\$9.9	171	\$19.7
Administrative and Support Services	0	\$0.0	0	\$0.0
Public Administration and Safety	0	\$0.0	0	\$0.0
Education and Training	0	\$0.0	0	\$0.0
Health Care and Social Assistance	0	\$0.0	0	\$0.0
Arts and Recreation Services	0	\$0.0	0	\$0.0
Other Services	0	\$0.0	0	\$0.0
Total	-34	-\$4.7	15	\$1.1

Source: SGS Economics and Planning, 2017

Summary and Findings– Net Economic Impact

The conceptual limitations of IO multipliers mean that the indirect economic impacts calculated in this section should be considered a ‘high impact case’. The results of the modelling are summarised in Table 15.

TABLE 15. SUMMARY - INDIRECT FTE AND GVA BY SCENARIO (2036)

Net Economic Impact	Scenario 1	Scenario 2
Net GVA uplift	-\$6.4 million	\$7.3 million
Jobs	5	81

Scenario 1 is estimated to generate a very marginal increase in total jobs in the precinct, and a **net loss** to the local economy of \$6.4 million GVA, reflecting the replacement of manufacturing and construction industry jobs with insufficient professional services jobs to close the overall Value-Added shortfall.

Scenario 2 is estimated to provide a **net economic gain** to the precinct due to the significant number of professional services jobs that have replaced the significant decline in manufacturing.

Broader economic impact

Traditional input output analysis has limitations and has been criticised for its blinkered view of impacts which often result in inflated figures. This issue is particularly relevant here where the true impact on the economy is much broader than just the net change of jobs in the precinct.

Industries within the precinct serve the local population and business and as such there will be network effects resulting from any change. These broader economic considerations sit in the context of dwindling industrial land supplies in the inner metropolitan area.

Subregional balances for industrial zoned land

There is a lack of new supply in the Inner West LGA with reductions in supply experienced in both the former Ashfield and Leichhardt LGAs over the last five years (refer to Table 16). Employment lands in the former Marrickville LGA will also be impacted by the proposed rezoning of the Victoria Road Precinct, should it proceed.

There has been some new supply generated in the Central district through the rezoning of over 100 hectares of land for the development of the Enfield Intermodal Freight interchange terminal (Strathfield) and the expansion of Port Botany through land reclamation in Botany Bay. Under DP&E's Employment Lands Development Monitor (ELDM), future employment lands are only proposed in outer western Sydney.

TABLE 16. CHANGE IN INDUSTRIAL LAND IN CENTRAL DISTRICT BY LGA, 2011-2016

LGA	Total Industrial lands 2011 (Ha)	Total industrial lands 2016 (Ha)	Net change (2011 to 2016) (Ha)
Ashfield	7.9	6.9	-1.0
Botany Bay*	398.6	481.4	82.8
Burwood	1.2	0.7	-0.5
Canada Bay	31.1	30.3	-0.8
Leichhardt	106.6	100.7	-5.9
Marrickville	167.2	169.3	2.1
Randwick	234.7	204.3	-30.4
Strathfield **	198.7	286.6	87.9
City of Sydney	154.1	169.7	15.6
Waverley	0.0	0	0.0
Woollahra	0.0	0	0.0
Total	1,300.1	1,449.9	149.8

Source: NSW DP&E Employment Lands Development Monitor, 2011-2016

* In 2012, Port Botany expanded its capacity by over 100 hectares through land reclamation in Botany Bay

** In 2014, over 100 hectares was rezoned for the Enfield Intermodal Freight interchange terminal in Strathfield

Demand for these lands is evident when examining the amount of undeveloped industrial land across each LGA in the Central district (refer to Table 17).

TABLE 17. INDUSTRIAL LANDS VACANCY RATE, 2016

LGA	Vacancy rate (percentage of undeveloped land)
Ashfield	1%
Botany Bay	5%
Burwood	0%
Canada Bay	1%
Leichhardt	3%
Marrickville	4%
Randwick	0%
Strathfield	8%
City of Sydney	4%
Total	4%

Source: NSW DP&E Employment Lands Development Monitor 2016

SGS has undertaken industrial land studies for the former Marrickville and Leichhardt LGAs. Future demand was compared to supply in both the Marrickville and Leichhardt studies. If no additional floorspace was created and the current lot arrangements and usage across industrial precincts in both LGAs were maintained, there would be a deficit of almost 100,000sqm by 2036.

A study was undertaken by SGS for the City of Sydney's industrial and employment lands in 2013. This found that there was sufficient zoned land to accommodate the LGA's future demand, however the precinct's proximity to the airport and port mean that industries requiring this proximity will look to locate in the City of Sydney and possibly push industries without such a tie to nearby precincts such as Marrickville and Leichhardt.

Across inner Sydney, landowners and businesses are seeing continued demand for the type of floorspace and location that these industrial precincts provide and are seeking to adapt them to meet emerging needs of a diverse set of industries.

Future population growth, coupled with major urban renewal projects, will place pressure on remaining industrial lands to turn over to higher value land uses whilst simultaneously increasing demand for population-serving industries.

While the SCH planning proposal will not result in a rezoning, if industrial uses were to be pushed out of the precinct by the target industries, these industrial uses will need to find alternative locations. The research undertaken as part of this study highlights that businesses do not want to relocate and the options are limited. Similarly, there is a lack of supply in the inner city which has led to increasing demand for land in the SCH and broader Sydenham-Marrickville industrial area.

This highlights the need for a broader understanding of the economic impacts that could result from this potential shift. These are detailed below.

Potential economic impacts

An economic impact assessment should consider the broader economic impacts associated with a shift in the employment composition of the SCH rather than just the net change in employment. This is mostly due to the supply/value chain links between businesses and the flow on impacts associated with this. The following list includes likely costs and benefits that should be captured in a full economic appraisal of the SCH:

- Opportunity cost of land and land value uplift: including the financial benefit to owners.
- Value chain disruption: estimation of industrial land productivity benefits using land value as a proxy, but taking account of the non-linear change in values where the loss of scale / specific clusters result

in a breakdown in the value chain (e.g. where critical mass for a marketable business cluster is lost – determining critical mass requires a separate piece of work but there is Sydney evidence of tipping points being reached).

- Costs to individual businesses: higher operating cost from value chain disruption (above).
- Costs to existing industrial business owners resulting from relocation or closure.
- Cost to existing/ prospective business resulting from the loss of low rent business space – i.e. business start-ups, craft / office creative.
- Equivalent job density (productivity spillovers).
- Social and environmental costs and benefits: including avoided costs of local (rather than remote) access to services, as well as any amenity improvements and avoided costs/benefits of development elsewhere in the district housing market.
- Transport behaviour, public transport use, congestion, travel time and accident savings/costs associated with additional travel to access more remote business / services.
- Any changes in retail spend among existing or incoming workers.

3.5 Summary of impact assessment

An anticipated profile of the creative precinct in terms of industry types and sizes was developed based on an assessment of the market depth for creative/ entertainment/ restaurant use types and likely profile of employment based on other creative precincts. Three scenarios were adopted for the purpose of the economic impact assessment

- **Base case:** retain existing role and function as an industrial precinct accommodating primarily industrial uses including emerging creative industrial uses.
- **Scenario 1: evolving creative precinct** with growing employment in professional services and media and telecommunications, while still containing a significant proportion of employment in traditional industrial uses. This scenario involves a transition from primarily industrial employment to increasing professional creative services and food/restaurants (target industries).
- **Scenario 2: mature creative precinct** with a concentration of professional and technical services and media and telecommunications, as well as accommodation and food services (target industries). This involves a significant transition from primarily industrial to professional services and food/restaurants which are the target industries for the SCH. This would involve significant reinvestment in the building stock to cater for these businesses.

Scenario 1 is estimated to generate a very marginal increase in total jobs in the precinct, and a net loss to the local economy of \$6.4m GVA, reflecting the replacement of manufacturing and construction industry jobs with insufficient professional services jobs to close the overall Value-Added shortfall.

Scenario 2 is estimated to provide a net economic gain to the precinct due to the significant number of professional services jobs that have replaced the significant decline in manufacturing.

Therefore, in order to generate a significant positive economic impact and generate a greater contribution to GVA, the SCH would need to attract a significant amount of employment in professional services (representing the target industries) to counteract the loss in employment in manufacturing.

This highlights the significant contribution of the existing industrial uses established in the precinct. Small scale creative manufacturing businesses are unlikely to be able to generate this scale of GVA. A significant increase in the number of businesses and workers employed in the target industries, being creative professional services businesses, would be required to generate similar levels of GVA compared to the base case.

A greater appreciation of the potential for these scenarios to significantly disrupt the value chain of these businesses could be developed through a broader economic impact evaluation. This assessment would involve quantifying the costs to individual businesses associated with potential relocation or closure as well as the flow-on impacts for suppliers, customers and clients.

The results naturally raises questions about the likelihood of scenario 2 eventuating given the land dynamics reported for the SCH and site specific feasibility.

The potential impacts on different land uses are detailed below:

– **Impact on traditional industrial uses:**

Due to the significant increase in land prices and rents observed over the last two years, it is likely that the industrial uses which would be impacted most significantly by increased competition and rent prices would have likely already been impacted.

In addition, the more established traditional industrial businesses generally seemed to be owner occupiers rather than tenants which reduces the likelihood of these businesses being impacted by rent increases.

However, this does not preclude the established businesses being impacted in the future. Rent increases would impact these businesses. However, the threshold level at which these businesses would be forced to relocate is yet to be determined.

An increase in streetscape amenity and the pedestrian population may have operational impacts on the remaining businesses including congestion and parking, operating hours, lack of available space for expansion and potential land use conflict if uses are incompatible.

– **Impact on smaller creative industrial uses or urban manufacturers:**

These businesses are likely to be more significantly impacted in terms of rent increases compared to more established industrial businesses. The urban manufacturers generally occupy a lower rung on the value add ladder and are at significant risk of displacement from locations such as the SCH due to the threat of being outbid in the market for commercial space.

– **Impact on mainstreet retail:**

Retail simulation testing indicates that 3,750 sqm of additional hospitality floorspace could be accommodated by 2021 without impacting the turnovers of businesses in the Marrickville and Illawarra Roads centre by greater than 10 per cent. Assuming approximately 200 sqm GLA per business, around 20 hospitality businesses could be accommodated in the SCH without undue turnover impact or the RTDs of existing businesses dropping excessively.

4 CONCLUSION

4.1 Key findings

The purpose of this report is to assess the potential economic impacts of the proposed additional land uses on existing businesses and employment within the SCH. These additional uses include:

*restaurants or cafes, small bars and business premises and office premises, but only where the consent authority is satisfied that the **business premises and/or office premises will be used for a creative purpose** such as media, advertising, fine arts and craft, design, film and television, music, publishing, performing arts, cultural heritage institutions or other related purposes.*

As discussed above, Scenario 1, which involves a slight shift in employment from industrial to the target industries is likely to only result in a very marginal increase in employment and a net loss for the economy. This is considered to be more of a realistic scenario compared to Scenario 2. This highlights the value of these uses to the economy and further emphasises the importance of the SCH and the broader Sydenham-Marrickville industrial precinct.

Sydenham-Marrickville is the last major mixed industrial precinct in inner Sydney and it is in high demand as reflected by the market data. Pushing more 'low value' uses out to cheaper land in the west may create or even entrench supply-chain inefficiencies resulting in a range of broader economic impacts (higher supply/ production costs, more traffic on the road, even job losses in the extreme case of products/ services being imported).

Future population growth, coupled with major urban renewal projects, will place pressure on remaining industrial lands to turn over to higher value land uses whilst simultaneously increasing demand for population-serving industries.

While the SCH planning proposal will not result in a rezoning, if industrial uses were to be pushed out of the precinct by the target industries, these industrial uses will need to find alternative locations. The research undertaken as part of this study highlights that businesses do not want to relocate and the options are limited. Similarly, there is a lack of supply in the inner city which has led to increasing demand for land in the SCH and broader Sydenham-Marrickville industrial area.

Under Scenario 1, there would likely be a slow shift in the role and function of the SCH overtime. Further evidence on the rental thresholds for business types will assist in further quantifying this impact.

Under Scenario 2, there would likely be a much larger shift in the role and function of the SCH. However, as alluded to previously, the likelihood of this shift occurring requires a greater understanding of development feasibility. This testing would seek to understand the threshold rent price required for development to be feasible. In this case, the testing would be focussed on assessing whether buildings suitable for office based creatives (i.e. professional services) are feasible under current market conditions and proposed controls. If the testing shows that such buildings are feasible then significant land use change is likely (and scenario 2 rather than scenario 1 is most likely). This would have greater economic impacts as outlined above.

4.2 Recommendations

Based on the research undertaken as part of this study and the analysis and impacts detailed within this report, three recommendations have been formed.

Council should not introduce additional permitted uses in the SCH.

This is due to a number of reasons:

- The precinct is functioning well, being in high demand and having a low vacancy rate. Industrial lands are still valuable and are required to support the local population and local businesses. There is a shortage of industrial land in inner Sydney and the SCH is a highly active industrial area. Manufacturing is not in decline, but rather employment in manufacturing is expected to increase over the long term in SCH and the broader Sydenham-Marrickville industrial area.
- There does not appear to be a strong reason to introduce hospitality or commercial uses within the SCH and there are risks associated with doing so. There is a risk that introducing the targeted industries would have an adverse impact on the precinct's role and function and impacting particularly on the urban manufacturers (creative industrial uses) which Council is seeking to promote. Including additional permissible uses is not considered to be an appropriate land use response to support an evolving industrial precinct.
- Business premises and/or office premises which will be used for a creative purpose are already permissible in IN2 Light Industrial and B7 Business Zones in the Marrickville LEP and therefore these businesses could be accommodated in other industrial precincts as well as more broadly all commercial areas where business and office premises are permissible.

If the target industries are introduced in the SCH as additional permitted uses, these uses should be concentrated in a specific area of the SCH. This would assist in reducing the impact of these uses and protecting the remainder of the precinct. Containment in a specific area will also help to mitigate any uncertainty over the continuing function of the rest of the precinct. If hospitality uses are introduced, it is considered that Marrickville Road (particularly the western end) is the most appropriate location for these businesses.

Council should solidify its vision for the SCH and provide clarification around the zoning and the types of land uses it would like to promote in the SCH.

Uncertainty around the land use zoning and controls for the SCH, as well as more broadly a range of proposals to rezone industrial lands across inner Sydney, is considered to have been driving speculative property banking.

A clear vision will:

- provide certainty to local businesses that they will be able to continue to operate within the precinct and give them the confidence to invest in the precinct.
- assist in avoiding developer speculation and manage expectations around rezonings.

It is recommended that the vision clearly states that the IN1 General Industrial zone will be retained and identifies the uses which are permissible and Council would like to encourage.

Council should review the controls and allowable uses for Marrickville and Illawarra Roads and look for opportunities to encourage creative commercial uses in this centre.

The existing Marrickville Road and Illawarra Road local centre is considered to be an appropriate location for retail and commercial uses. While these uses are currently permissible, it would be beneficial to review the existing controls and identify how business or office premises which are used for a creative purpose could be better facilitated. Any new residential developments could incorporate first floor commercial above ground floor retail. This would also assist in supporting the existing retail uses and support the growth of this centre. Parking and access will be an issue and solutions to address this should also be considered as part of a review of the controls.

APPENDIX A: SUMMARY OF SIA RECOMMENDATIONS

The following actions were identified in the Social Impact Assessment (SIA) prepared by Alison Ziller and Professor Peter Phibbs for Inner West Council.

Recommended actions:

1. treat live music as one of the creative industries so as to avoid expectations and pressures associated with designating an entertainment precinct. This would also encourage day time creative activities and protect existing night time industries (e.g. bakeries) from incompatible nearby uses;
2. prepare a creative and traditional industries precinct policy/strategy which takes account of the epidemiology of alcohol-related harm, diversity of current industries, diversity of industries in the precinct in future, the current built form and its limits and opportunities. Carry the strategy findings into both the Local Environmental Plan (LEP) and the DCP;
3. set clear and specific standards in the DCP to apply to development applications, including specific limits on the size and density of licensed premises, presence of packaged liquor outlets, and trading hours in the precinct and on its borders;
4. establish a precinct-wide limit to service of alcohol of (say) 2.00 am (consistent with the proposal's emphasis on small bars) so as to ensure that the precinct's primary raison d'être is creative and traditional industries rather than an entertainment precinct; and
5. use the project to require improvements in acoustics when buildings are upgraded (to protect occupants from aircraft noise).

Potential mitigation measures are identified in the report as follows:

1. create a quieter precinct on weekends (perhaps via posted speed limit restrictions, traffic calming devices or possibly by re-routing of traffic from Buckley Street to Sydney Street on weekends), whilst ensuring trucks are able to access roads and lanes to deliver goods to factories;
2. improve pedestrian routes between the precinct and major public transport routes aimed at separating pedestrians from major traffic concentrations. (For example, provide an access trail from Sydenham Station to Barclay Street along the (unnamed) lane connecting Railway Parade with Barclay Street);
3. improve existing pedestrian crossings and increase pedestrian crossings on Sydenham Road. In the longer term, investigate the feasibility of a pedestrian tunnel running from Sydenham station to Railway Parade; and
4. improve street lighting and apply crime prevention through urban design principles to street improvements and upgrades.

Mitigation measures identified in the SIA to support existing creative and traditional industries are:

1. in order to reduce risks to existing industries use the proposed consultation strategy to anticipate impacts of any built form changes on business operation or viability (impact of street works on truck access); and
2. introduce a weekend street market (perhaps in Barclay Street) based on creative and traditional industries already in the area. Encourage traditional businesses to participate as a way of increasing their turnover.

The SIA recommends that:

small bars, restaurants and cafes only be permitted along a strip fronting Marrickville Road and the road running parallel to Railway Road opposite Sydenham Station. This strip, as the main walking route between the Marrickville Road commercial strip and Sydenham Station, already has high levels of pedestrian traffic during the day, with some traffic by night. Operation of small bars and restaurants would boost pedestrian traffic levels at night and improve night-time surveillance (hence safety) along this strip. This would be supported by improved lighting, upgraded footways, new pedestrian crossings and other public domain improvements proposed to be identified in a precinct-specific Development Control Plan and implemented in the longer term. This strip could be viewed as an extension of the small bar / restaurant activity that is already becoming established along Marrickville Road. The route would become a 'gateway' link between the centre and the station. Notwithstanding, the potential establishment of an "entertainment facility" (e.g. music hall, concert hall, dance hall etc.) would continue to be permitted throughout the precinct as is currently the case in the IN1 zone under Marrickville Local Environmental Plan (MLEP) 2011.

APPENDIX B: CONSULTATION SUMMARY

Consultation with business owners found that the location of the SCH precinct is vital for industrial operations in light of proximity to major markets, the CBD, airport and Port Botany.

Various manufacturing, local light industrial and freight and logistics businesses in the SCH precinct such as Edco Cleaning and Food Service Products and Ganton Shirts require proximity to the airport and port botany for distribution purposes which is a critical element in the business operation. A significant number of business participants identified that market distribution primarily serves the local inner west commercial market and local residential population. These businesses include Adora Handmade Chocolates, Batch Brewery and various smash repairs.

Food manufacturing businesses have a strong presence in the precinct, particularly fine food producers. These businesses, including Juice & Co, Birch & Waite, PFD and M&J Chickens, are reliant on the location within the precinct as they directly serve operations at the airport. Accessibility is key for these business. Relocating to industrial lands in Western Sydney would involve significant costs associated with greater travelling distance and providing more drivers.

Traditional industrial uses that have been present in the precinct for over 20 years identified that the central location and land value were the primary factors contributing to the early establishment in the precinct.

With the transition of inner city industrial land, these businesses highlight the need to be centrally located to CBD, airport and Port Botany.

For businesses that have located in SCH more recently, the inner city location, including the cultural identity of the place, is a drawcard.

The precinct's inner city location was perceived as a drawcard for businesses that have established in the precinct in the last three years. Location was identified as a benefit in terms of proximity to Sydenham train station and major markets in the CBD, airport and Port Botany. Accessibility to Sydenham station for employees and the ability to distribute freight to major markets were important factors associated with proximity for these businesses. The cultural identity of Marrickville was also identified as a draw card attracting businesses to the precinct. In particular, Batch Brewing Company was attracted to the 'trendy culture of Marrickville' and the ability to serve the residential population and the surrounding local market which account for 95% of their clients.

Local businesses and the local residential population provide significant market opportunities for businesses.

Both industrial uses that have been in the precinct for over ten years and newly established businesses identified the growth of the local inner west market as a strength of the location. Both local businesses and the local residential population are key clients or customers. Businesses that have been in the precinct for over 10 years have established a network with local trade, contributing to the local economy. Parking was identified as a strength for the precinct with businesses identifying that the availability of

unrestricted parking, particularly on weekends is critical to the operations of businesses reliant on showroom trade and incubator spaces.

The versatility of industrial space is also important for businesses.

It was identified that quite often new industrial uses require co-located showroom and warehouse space for operations such as car mechanics, JetMaster Fireplace Design and Adore Handmade Chocolates. These businesses often sell to directly to trade and cannot operate exclusively online and need a showroom. Findings highlighted that this type of industrial stock is available in the precinct and in high demand. One business in particular noted that leasing warehouse floorspace is more expensive than showroom floorspace. It is apparent that there are a range of industries seeking traditional inner city industrial stock which is reflective through the current state of the property market (low vacancy rates and high rental values). Most tenants indicated that in the lead up to the end of the lease period, they would prefer to stay, however the decision is strongly dictated by the whether there is a rental increase.

ICT infrastructure was identified as a potential barrier for some businesses to locate in the SCH.

Internet speed is a challenge for emerging creative industries and as a result, some have already left the SCH precinct. This is a considerable weakness for office type creative start-ups who have turned to the precinct for the industrial culture that is evident in inner city locations such as Alexandria, however at a slightly more affordable rate.

Concerns were raised regarding the proposed upgrades to the streetscape, particularly potential impact on traffic.

Council's focus on 'greening the space, making it more pedestrian friendly' as part of the proposal – including street planting, public street furniture and café seating - raised concerns among those consulted. Some businesses are concerned that these upgrades will create disruptions on the nature of industrial activities including freight movement and warehouse operations. This was primarily a concern for traditional industrial uses that have been operating in the precinct for over 10 years. Manufacturers such as food production, machinery and equipment, construction industries and wholesale traders receive semi-trailer deliveries throughout the day which require access to parking bays, turning circles and adequate surrounding space for dispatching operations.

There is evidence of supply chain links within SCH and also nearby precincts in inner Sydney.

Batch Brewery noted that they have a number of suppliers in the SCH. They source materials and products including tap handles, clothing merchandise and beer bottle labels from local manufacturers within the precinct. This type of supply network was identified as critical in supporting the local market and developing a network for local businesses.

Some businesses believe there are opportunities associated with the industrial zone permitting creative uses.

It was identified by some businesses that with the introduction of commercial creative industries, there is an opportunity to benefit from a mix of land uses. JetMaster Fireplace Design expect that they would benefit from exposure to a wider design network such as architects and marketing firms.

Creative businesses that have been operating in the business for less than three years such as Makerspace and Batch Brewing Company, identified that the precinct's location and cultural identity upholds opportunities to form a network with the surrounding residential population whom make up a large portion of business cliental. The proposal to upgrade the streetscape was encouraged by these businesses as there is an opportunity for greater pedestrian accessibility.

Without a degree of certainty regarding the long-term zoning of industrial land, owners may have a perverse incentive not to invest in their property in the hope that rezoning will occur in the imminent future. Businesses that have been operating in the precinct for over ten years emphasised how active the market is, however land owners are offering tenants shorter lease periods suggesting some are land banking in anticipation for a development offer. This was perceived as a threat to the industrial precinct given the growing interest in development opportunities on higher land values in the inner city such as the proposal for the Victoria Road precinct which borders the SCH precinct.

Businesses indicated a strong intent to remain in SCH...

A business who distributes domestic cleaning products, predominately to the local market, indicated that 'it would be cheaper for them to close or move the entire business interstate as the costs of relocating would be in excess of \$1 million'. This business noted that it would need to outlay \$12-15 million to find suitable alternative space for the business anywhere within Sydney. It was considered cheaper to close the business than relocate.

and Western Sydney is not perceived as an option

For the majority of businesses consulted, industrial land in Western Sydney was not perceived as an option if they were pushed out of the SCH. This is mainly due to the fact that the majority of clients are local and close proximity to the airport and Port Botany are important. It was emphasised by most businesses that moving out of the precinct to Western Sydney would double operational costs as it would mean more drivers on the road, increased employees and greater costs involved in warehousing.

The newer creative industry businesses are likely to be more sensitive to rent increases

Demand for floorspace in the SCH is high and vacancy rates are slow which is likely to place pressure on rents and this was a concern for many businesses.

Firms that have been in the precinct for a significant period of time are less likely to be impacted by land value and therefore rent increases as they are more likely to be owner occupiers. New businesses in the precinct including MakerSpace are particularly sensitive to a rent increase. It is expected that the businesses that are most vulnerable to rent increases have likely already been pushed out of SCH due to the significantly high rents when compared to other industrial precincts across Sydney.

APPENDIX C: RETAIL GRAVITY MODEL

The SGS Gravity Model distributes the retail expenditure using a gravity distribution mechanism. A gravity model, as its name implies, looks at the likelihood or propensity of a particular person to gravitate towards a retail centre. These types of models estimate how much of a person's retail expenditure will be spent at a particular centre based on two opposing forces.

- **An attracting force** – if all retail centres were at your doorstep people will still have a preference to visit one centre over the other. This is a result of floorspace (as shoppers tend to enjoy greater variety and choice), the quality of the retailers, the price, the supplementary businesses (for example cinemas, entertainment) and so on.
- **A detracting force** – this is generally represented as how far away the centre is. Given the associated costs of travel (all other things equal between two centres) a shopper will try and shop at the closer centre.

These two forces determine the market pull of a particular centre which is then used to determine how much of each resident's retail expenditure (that is, market share) will be spent at that particular centre. For a particular group of residents the market pull of a centre is calculated as follows:

$$\text{Market Pull} = \frac{\text{Attraction Force}}{\text{Detracting Force}}$$

$$= \frac{(\text{'Attractiveness' of the centre}) * (\text{Floorspace of the centre})}{(\text{Travelling time from the customer to the centre})^2}$$

As described above, the 'attractiveness' is a measure of a wide range of factors that make a shopper prefer one centre over another. All these factors are captured in the actual current performance of the centre. The market share, or percent of expenditure that is likely to be spent at a particular centre, is then calculated as follows:

$$\text{Market Share} = \frac{(\text{Market Pull of Centre X})}{\text{Sum of (Market Pull to all Centres within the Model)}}$$

As opposed to making assumptions to try to directly calculate the relative 'attractiveness' of each centre, the 'attractiveness' of a centre is determined within the model, using the estimated retail turnover as a basis and working backwards to find the 'attractiveness' value at the present time.

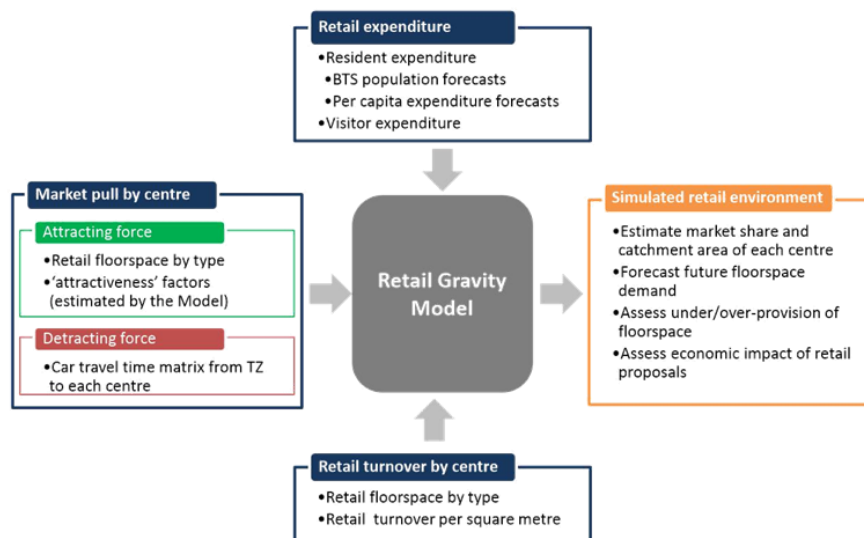
The calculated 'attractiveness' index value will be set as a constant for each centre, unless otherwise altered in a specific scenario. In order to simulate current and future retail environments in Western Sydney, using the gravity model, four basic components are required:

- Retail expenditure by travel zone (that is the smallest geography used by the official population forecast);
- Retail turnover by centre;

- The attracting force of each centre;
- The detracting force of each centre (in relation to customers residing in different travel zones).

The above components as well as the model outputs are illustrated in the diagram below:

FIGURE 18. RETAIL GRAVITY MODEL INPUTS AND OUTPUTS



Source: SGS Economics and Planning, 2017

A fundamental premise for the gravity model is that the current local retail market is in balance. That means that the total retail expenditure equals the total turnover at various retail centres within the system. The model then estimates the 'source' of retail turnover and 'destination' of retail expenditure based on the market pull equation described above.

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Item No: C1117 Item 6

Subject: 469-483 BALMAIN ROAD, LILYFIELD - PLANNING PROPOSAL

Prepared By: Svetlana Kotevska - Executive Strategic Planner

Authorised By: Gill Dawson - Group Manager Strategic Planning

SUMMARY

The Roche Group Pty Ltd requested a Rezoning Review for a Planning Proposal with the Department of Planning and Environment (DPE) to amend *Leichhardt Local Environmental Plan (LLEP) 2013* to add an additional permitted use for residential accommodation to the IN2 - Light Industrial zoning of the site at 469 – 483 Balmain Road, Lilyfield. The Planning Proposal also seeks to introduce new development standards for building heights up to 6 storeys with a Floor Space Ratio of 2.54:1. The Planning Proposal would retain 6,000sqm of light industrial floor space and provide 142 apartments.

The Rezoning Review was considered by the Sydney Eastern City Planning Panel (the Panel) on the 12 October 2017 who determined that the Planning Proposal should proceed to Gateway subject to a number of concerns being considered including land use conflicts between industrial and residential uses and the rationale for the proposed building height and Floor Space Ratio. The Panel has invited Council to be the Relevant Planning Authority (RPA) for this proposal and has requested that Council advise in writing within 42 days of its letter if it would like to be the Relevant Planning Authority (RPA) for this matter.

It is recommended that Council resolve to accept the role of RPA and advises the Panel accordingly. The role of RPA will enable Council to manage the Gateway process more closely and better influence the final outcomes of the Planning Proposal.

RECOMMENDATION

THAT Council:

- 1. Receive and note this report;**
- 2. Accepts the role of Relevant Planning Authority for the Planning Proposal at 469 – 483 Balmain Road, Lilyfield;**
- 3. Request the Department of Planning and Environment delegate to Council the Plan Making functions to make the LEP amendment; and**
- 4. Submits the Proponent's Planning Proposal to the Department of Planning and Environment for a Gateway Determination.**

BACKGROUND

The site is 6,823sqm and provides large floor plates for an existing furniture warehouse (Sounds Like Home), an aluminum door/window manufacturer, an import business as well as artist studios, photography and jewellery businesses. The industrial floor space supports valuable urban services for the local population and businesses and accommodates 26 employees and 50 artists.

The Planning Proposal was submitted to Council on the 16 December 2016 requesting the following amendments to *LLEP 2013*:

- rezoning from IN2 – Light Industrial to B4 - Mixed Use;
- increasing the Floor Space Ratio from 1:1 to 2.3:1 (170 residential units); and

- a range of building heights from 15 metres to 31 metres in several 1 to 9 storey buildings.

An amended Planning Proposal was submitted on the 21 June 2017, refer to **ATTACHMENT 1** for:

- retention of the IN2 - Light Industrial zoning;
- 6,000sqm of flexible employment industrial/office floor space including 400sqm for art studios and an 80sqm neighbourhood shop;
- an additional permitted use for residential accommodation through a local provision;
- an increase of building heights up to 6 storeys across the site;
- an increase in Floor Space Ratio from 1:1 to 2.54:1;
- residential gross floor area of 11,325sqm facilitating 142 apartments;
- 185 car parking spaces; and
- provision of 5% affordable housing.

On 25 August 2017 Council received notification that a Rezoning Review application for the Planning Proposal had been submitted to the DPE and that Council had 21 days to respond. Council made a submission dated 15 September 2017 to the DPE including an assessment of the merits of the Planning Proposal, refer to **ATTACHMENT 2**.

A detailed timeline of the current Planning Proposal and two previous 2005 and 2012 Planning Proposals lodged for this site is provided at **ATTACHMENT 3**.

On 12 October 2017, the Panel considered the Planning Proposal and found it demonstrated both strategic and site specific merit and should proceed to Gateway, refer to Panels letter and record of decision at **ATTACHMENT 4** and **ATTACHMENT 5**. The Panel required the further exploration of the compatibility of use between industrial and residential uses. The Panel also recommended that the delegate amend the planning proposal to:

1. *"Include a provision that enables residential development to occur on the site subject to meeting objectives which include but are not limited to:*
 - a. *retain the viability of industrial uses on the site; and*
 - b. *no detrimental impact on the uses (current or future) on the adjoining IN2 zoned land.*
2. *Ensure a rationale for the height, floor space ratio, and building massing and modulation for the site is prepared and exhibited with the planning proposal.*
3. *Ensure mechanisms are provided for creative employment space.*
4. *Retain the two buildings on the site which have historical importance.*
5. *A site specific development control plan is prepared in accordance with clause 6.14 Development control plans for certain development of Leichhardt Local Environmental Plan 2013."*

Subsequent to the above, Council received a letter on 16 October 2017 inviting Council to be the RPA for this planning proposal and to advise the Planning Panel Secretariat of its decision within 42 days, refer to **ATTACHMENT 4**.

RATIONAL FOR WHY COUNCIL SHOULD BE THE RELEVANT PLANNING AUTHORITY

The RPA can play a more active role in influencing the final outcome for this Proposal. The RPA can negotiate on behalf of the community to improve the final design and development standards. It can also reference the planning principles for the site established during the 2007 community consultation.

If Council is not the RPA the Panel will be the RPA and it cannot be a party to a Voluntary Planning Agreement (VPA). Council as RPA can reach a VPA for community benefits such as affordable housing, protection of historical buildings, retention of creative artist studio spaces, creation of a pedestrian through site link and a 5 Green Star rated sustainable development.

If Council is not the RPA and the DPE is nominated as the RPA, there is a risk that DPE may not amend the Planning Proposal or negotiate with the proponent to address any concerns raised during community consultation, as was the case with the Lords Road Planning proposal. This is considered an unacceptable risk.

This report recommends submitting the Proponent's June 2017 Planning Proposal for a Gateway Determination and at the same time setting out the issues with the Proposal that should be addressed by the Gateway process. These issues are summarised below.

The role of RPA will not compromise Council's ability to support or not support the Planning Proposal.

KEY ISSUES WITH THE PLANNING PROPOSAL

An assessment of the proposal against relevant strategic policies and on its merits has been undertaken. This is detailed in Council submission to the DPE dated 15 September 2017 (refer to **ATTACHMENT 2**). In brief the key issues are:

- **Land Use Conflicts**
- **Height, FSR and bulk and scale**
- **Creative Artists studio space**

(i) Land Use Conflicts

The Planning Proposal has not satisfactorily addressed how the proposed design and operation of the development would integrate industrial and residential uses to avoid land use conflicts. The concern is that the proposed 6,000sqm of industrial floor space could not be readily used for industrial activities because of inherent potential conflicts with the occupants of the proposed residential apartments. The residential accommodation could also hinder the role and function of the wider industrial precinct that currently supports 23 businesses. This concern of Council Officers was also shared by the Panel who stated:

"The Panel supports the protection of the existing amount of industrial floor space (min. 6,000sqm) on the site and any residential use of the site must be designed to ensure the viability of this industrial use".

Retention of this zone and 6,000sqm light industrial floor space in one of the few remaining light industrial land precincts in the former Leichhardt LGA would however ensure that there was no net loss of industrial floor space. The site is almost 40% of the Balmain Road industrial precinct and future uses of the site will have an impact on the role and function of the remainder of the area. It is critical that potential land use conflicts are avoided and minimised.

If a favourable Gateway Determination is issued it should therefore address access, operating hours, uses and separation, noise, amenity and impact on the broader industrial precinct.

(ii) Urban design, height, FSR and bulk and scale

A detailed urban design report and concept plans accompanied by a site specific Development Control Plan that meets the requirements of State Environmental Planning Policy 65 – Residential Flat Design Code (SEPP 65) and the Apartment Design Guide (ADG) are required to determine compatibility with the character and residential amenity of the area and whether the proposed development standards of height and FSR are acceptable.

The Proposal's height, bulk and scale and the FSR of 2.54:1 are incompatible with the low density character of the area, adjacent Local and State Heritage Items and heritage significant buildings on site.

(iii) Creative Artists studio space

The proposed 400m² of art studio space is insufficient given that currently part of the site accommodates 50 artists and has consent for 1,200sqm of studio space. This 400m² needs to be increased to support the creative uses on site and to be consistent with State and Local policies that aim to protect arts and culture.

FINANCIAL IMPLICATIONS

The proponent has paid the Council's Stage 1 - Planning Proposal fee and the SGS peer review already completed. The proponent must also pay for any further Council's peer reviews of new supporting studies or additional independent studies should these be deemed necessary.

The Proponent has also submitted an offer to enter into a VPA. The revised VPA offer will be the subject of evaluation and negotiation with the proponent. The final terms of the offer can be finalised after a Gateway determination and prior to the final determination of the Planning Proposal. Matters for consideration could include affordable housing, public domain improvements, sustainability initiatives, retention of affordable artist studios and protection of the significant heritage character buildings.

PUBLIC CONSULTATION

No public consultation has been undertaken to date.

Statutory public consultation processes will be undertaken at the next stage in the assessment of the planning proposal. This process would be administered by Council whether it accepts the RPA role or not.

Council's standard community engagement framework includes exhibition for at least 28 days with notification:

- on the Inner West Council Your Say website
- in the Inner West Courier
- in writing to the owners and occupiers of adjoining and nearby properties

The outcomes of the public authority consultation and public exhibition would be reported to Council.

CONCLUSION

It is recommended that Council write to the Panel and accept the role of RPA to give it more influence over the Planning Proposal and final design and planning outcomes, seek delegation of the plan making function and submit the proponent's Planning Proposal request.

ATTACHMENTS

1. [↓](#) Planning Proposal With Addendum : 469 - 483 Balmain Road, Lilyfield
2. [↓](#) Letter to Department of Planning and Environment Councils submission on Rezoning Review request
3. [↓](#) History and timeline of Current and Previous Planning Proposals for this Site
4. [↓](#) Letter from Panel to Council advising of Panel decision
5. [↓](#) Record of Panels Decision 12 October 2017

Addendum to Planning Proposal for 469-483 Balmain Road, Lilyfield

1 Objectives or intended outcomes | Part 1

The objectives and intended outcomes of this proposal are:

- To facilitate redevelopment of an underutilised site in a main street location in close proximity to a range of services and public transport options.
- To provide for an improved cultural and community hub and foster the growth of creative industries which add to the richness and diversity of the local community.
- To retain the character buildings on the site maintaining a link with the existing neighbourhood character while allowing for improved built form outcomes in the surrounding lower scale residential streets.
- To maintain and enhance the uses in the IN2 Light Industrial Zone through the provision of a modern flexible employment space, while also incorporating a range of housing types including affordable housing for the Leichhardt area.
- To take advantage of good existing public transport and high quality open space that is in close proximity to the site.
- To facilitate redevelopment of the site that takes advantage of the site's characteristics to minimise any impact on surrounding developments.
- To provide a high quality design outcome and a sustainable development.
- To assist in achieving State and Local Government's employment and housing targets.

The planning proposal seeks to achieve these objectives by allowing the redevelopment of the site for employment purposes including creative industries, affordable or key worker housing, residential development and a neighbourhood shop.

2 Explanation of provisions | Part 2

The planning proposal seeks the proposed amendments to the *Leichhardt Local Environmental Plan 2013* as follows:

- Add *residential accommodation* as additional permitted use to the currently IN2 Light Industrial Zoned site;
- Amend the maximum floor space ratio map to show the FSR for the site as 2.54:1.
- Introduce the following new local provision applying to the site:

6.1x Development on certain land at Lilyfield

(1) This clause applies to Lot 2 DP 101583

(2) Despite any other provision of this Plan, development consent may be granted to a single development application for development on land to which this clause applies that is both of the following:

(a) a proposal to develop the 469-483 Balmain Rd site in its entirety, and

(b) a proposal for development with a maximum floor space ratio of 2.54:1, inclusive of a component of residential accommodation.

(3) Development consent must not be granted under subclause (2) unless the consent authority is satisfied that:

(a) a high standard of architectural and urban design appropriate to the building type and location will be achieved, with articulated height and massing providing an appropriate transition to the existing streetscape, and

(b) the total gross floor area of the part of the development that is used for non-residential or employment purposes is a minimum of 6,000 square metres, and

(c) the development will not exceed 6 storeys in height, and

(d) the development will cause no adverse overshadowing impact of neighbouring properties, and

(e) the development will provide and facilitate pedestrian access connecting Fred Street to Alberto Street, and

(f) the development will incorporate environmentally sustainable design principles, and

(g) the development will include the necessary design and acoustic measures to ensure that light industries within the development, as well as any existing industrial uses on land surrounding the development, do not have a significant adverse impact on the amenity of future residents of the development.

3 Part 3 | Justification

3.1 Section A | Need for the planning proposal

Q1. *Is the planning proposal a result of any strategic study or report?*

The Planning Proposal is the result of an analysis that balances an outcome that will best serve the needs of the future community and be able to be delivered consistent with market demand in the locality.

Additionally, the proposal supports a number of strategic objectives at the state and local level:

- Objectives of the Leichhardt 2021 plan strongly encourage providing local employment of a type that meets the needs of the local population encouraging jobs close to home and a vibrant local economy.
- The site has reached the end of its economic life and the Leichhardt Employment and Economic Development Plan advocates transforming appropriate industrial land (such as the subject site) into different land uses including affordable housing for key workers and students. Under this proposal, the equivalent floor space and zoning is maintained but transformed into a modern flexible space likely to ensure the longevity of permissible uses.
- The proposal is consistent with the key directions of the *A Plan for Growing Sydney* relating to employment, urban renewal and housing growth in areas with good amenity and connectivity in the Central Subregion.
- The proposal is consistent with the direction in the Draft Central District Plan with regard to taking a precautionary approach to rezoning of employment lands in maintaining the current zoning and will deliver a greater amount of employment than the existing use of the site.
- The proposal while not in the Bays Precinct is in close proximity to plans for major open space and high tech employment outcomes which are a key priority of *A Plan for Growing Sydney* and the NSW Government.

Q2. *Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?*

The Planning Proposal is the best means of ensuring an appropriate redevelopment that increases the number of jobs on the site, provides a closer match of employment to the needs of the local population, provides a continuation and improvement to the employment/arts/community uses on the site and provides an additional housing supply, including affordable housing.

3.2 Section B | Relationship to the strategic planning framework

Q3. *Is the planning proposal consistent with the objectives and actions of the applicable regional or sub-regional strategy (including the Sydney Metropolitan Strategy and exhibited draft strategies)?*

A Plan for Growing Sydney

A Plan for Growing Sydney released in 2014 represents the current NSW Government policy for land use planning in Sydney. An analysis against the relevant aims for employment, lifestyle and housing is below.

As noted in the revised Hill PDA Economic Impact Assessment (June 2017), the subject site is part of an isolated industrial area and not a key industrial precinct. Most of the Plan for Growing Sydney's objectives are around supporting employment in Strategic Centres and other key areas.

Notwithstanding the above the proposal retains the current IN2 Light Industrial Zoning and will provide a minimum of 6,000 sqm of modern flexible employment space.

Table 1 – Analysis against Action 1.9.2 of A Plan for Growing Sydney

ACTION 1.9.2: SUPPORT KEY INDUSTRIAL PRECINCTS WITH APPROPRIATE PLANNING CONTROLS states that the Industrial Lands Strategic Assessment Checklist will guide the assessment of proposed rezoning of industrial lands	
Is the proposed rezoning consistent with State and/or council strategies on the future role of industrial lands?	An analysis of the former Leichhardt Council's strategies is listed below. In short both the former Leichhardt Council's Economic Development Plan and Leichhardt 2020+ both support the tailoring of jobs to the local population, the lifestyle benefits of jobs close to home and the provision of a diverse and affordable housing supply. By retaining 6,000sqm of employment space and allowing for residential development. The proposal adds to the local supply of jobs and housing.
Near or within direct access to key economic infrastructure? Contributing to a significant industry cluster	<p>The site is well located close to the Sydney CBD with good access to transport infrastructure and very near the proposed redevelopment of a major high tech jobs precinct planned at White Bay.</p> <p>The site is home to a mix of uses not belonging to any particular industry cluster and not predominantly industrial in nature. The development of the site into flexible modern employment space of an equivalent amount of floor space will likely result in a fivefold increase of employment onsite.</p>
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	The subject site represented approximately 0.7 percent of zoned employment lands in the former Leichhardt LGA in 2015 and just 0.2 percent of the supply within the newly defined Inner West LGA. The retention of an equivalent amount of floor space will result in no net loss and a likely increase in utilisation.
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	The proposal will deliver significantly greater employment than presently exists on the site. Hill PDA predict that the new flexible space could accommodate 131 jobs compared to the existing 26.

Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	The former Leichhardt Council's own economic development plan acknowledges that the site would not be viable for redevelopment as a stand-alone industrial use. The addition of residential component enables the redevelopment for an equivalent amount of flexible employment space that will foster small business, light industrial, high tech and creative industries.
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No and the existing use of the land is being retained.

Table 2 – Analysis against Goal 2 of A Plan for Growing Sydney

Goal 2 – A city of housing choice, with homes that meet our needs and lifestyles	
<p>Direction 2.1 – Accelerate housing supply across Sydney</p> <p>2.1.1 Accelerate housing supply and local housing choices.</p> <p>2.1.2 Accelerate new housing in designated infill areas (established urban areas) through the Priority Precincts and Urban Growth NSW programs.</p> <p>Direction 2.2 – Accelerate urban renewal across Sydney – providing homes closer to jobs</p> <p>2.2.2 Undertake urban renewal in transport corridors which are being transformed by investment, and around strategic centres.</p> <p>Direction 2.3: Improve housing choice to suit different needs and lifestyles</p> <p>2.3.3 Deliver more opportunities for Affordable Housing</p>	<p>The redevelopment of the subject site to retain the same quantum of employment floor space and add medium density housing development will contribute to housing supply across Sydney and deliver more housing in a key strategic location that reflects the demographic needs of the community.</p> <p>A total of 142 residential apartments is proposed as part of the redevelopment of the site which will incorporate a mix of one bedroom, two bedrooms and three bedroom residential apartments.</p> <p>The subject site is currently supporting 26 jobs and the proposal is expected to generate approximately 131 jobs.</p> <p>By redeveloping the site to more than five times the amount of employment in a type of employment closely matched to the surrounding areas demographics the proposal will provide more jobs close to home.</p> <p>The site is in close proximity to two light rail stops, Callan Park and the Bays Precinct. A high degree of amenity is provided by the transport and recreational infrastructure in the immediate vicinity.</p> <p>The proposal is accompanied by a VPA offer to deliver five percent affordable housing on the site.</p>

Table 3 – Analysis against Goal 3 of A Plan for Growing Sydney

Goal 3 – A great place to live with communities that are strong, healthy and well connected
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Direction 3.1 Revitalise existing suburbs	<p>The subject sites are located within an established suburb in Sydney. Redeveloping the sites will improve residents' access to jobs, services and creation which will enhance the liveability of Sydney.</p> <p>The redevelopment of the former industrial site to provide a supply of modern employment space more compatible with the demographics of the surrounding area will reduce need for overall vehicle commuting trips and result in lifestyle improvements from shorter journey to work trips.</p> <p>The redevelopment of the site will result in significant amenity improvements for the surrounding residential areas, particularly on the Fred Street frontage.</p> <p>The redevelopment of the site will specifically address this objective, and will support urban renewal.</p>
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Table 4 – Analysis against the Central Subregion objectives of A Plan for Growing Sydney

Central Subregion – Objectives <ul style="list-style-type: none"> • A competitive economy • Accelerate housing supply, choice and affordability and build great places to live • Protect the natural environment and promote its sustainability and resilience 	<p>The proposal is consistent with the Central Subregion priorities to accelerate housing supply, choice and affordability and build great places to live.</p> <p>By providing greater local employment, housing, community/cultural facilities and affordable housing the proposal will contribute significantly to achieving the plans objectives for the subregion.</p> <p>The proposal is also well located to encourage sustainable public transport and active transport use, such as walking and cycling.</p>
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Draft Towards our Greater Sydney

In November 2016, the Greater Sydney Commission released a draft update to *A Plan for Growing Sydney 2014*, it proposes an amendment to the previous metropolitan plan and contains the following revised priorities.

A Productive Sydney	A Liveable Sydney	A Sustainable Sydney
A growing city A city with smart jobs A 30-minute city	An equitable, polycentric city A city of housing choice and diversity A collaborative city	A city in its landscape An efficient city A resilient city

Figure 1 - Towards Our Greater Sydney Priorities

The amendment proposes a large increase in jobs and housing, 817 000 jobs and 725 000 new homes. In housing terms this is at least a 9% increase in homes beyond that sought by *A Plan for Growing Sydney in 2014*. The draft states that the need for additional capacity is greatest in the North and Central Districts,

The objectives relating to smart jobs and a 30-minute City are particularly relevant to this proposal as it will supply a greater density of employment and housing matched to the needs of the local population than presently exists on the current underutilized site.

The proposal also aims to deliver a supply of medium density and subsidized affordable housing that will directly contribute to the housing choice and diversity of the local area.

Draft Central District Plan

The Draft Central District Plan was put on public exhibition in November 2016 until the end of March 2017. While the draft plan makes no specific reference to housing and employment targets for Lilyfield, it does reinforce the role of housing and employment in local and strategic centres. It is important to note that the plan is still in draft form and subject to a process of consultation.

Within the current hierarchy of NSW strategic plans, the District Plans are intended to give effect to the aims and objectives of the metropolitan strategy *A Plan for Growing Sydney 2014*). The planning proposal and included Hill PDA Economic Impact Assessment contains a comprehensive assessment of the proposals ability to deliver to deliver a supply of housing and greater employment in an area well serviced by transport and community infrastructure satisfying the consolidated objectives of this plan.

The draft Central District Plan reiterates the importance of three main principles from *A Plan for Growing Sydney* and states that these underpin its proposed priorities. These principles are

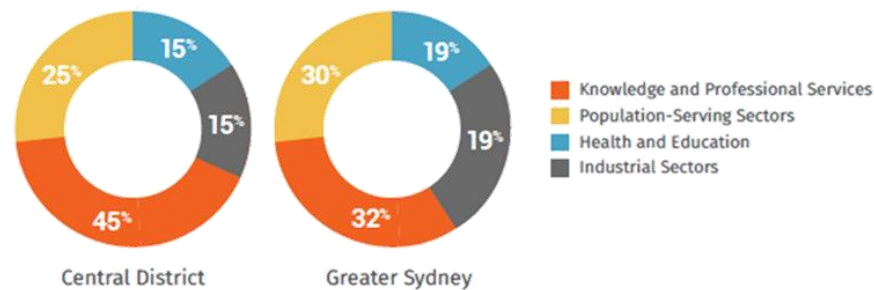
1. *Principle 1: Increasing housing choice around all centres through urban renewal in established areas*
2. *Principle 2: Stronger economic development in strategic centres and transport gateways*
3. *Principle 3: Connecting centres with a networked transport system*

The first objective is of particular relevance to this proposal as it increases housing supply, choice and employment in an established area. It also builds on the cultural and creative richness of the area by providing space for a continuation and enhancement of cultural and creative activities on the site.

The draft District Plan contains further evidence which can be used to determine the proposals fit with the *A Plan for Growing Sydney 2014* objectives. The proposal is designed to provide a supply of employment that better matches the demographics of the surrounding area. The Draft District Plan contains the following information;

In the 20 years between 1996 and 2016, the growth of the District's jobs was largely in knowledge and professional services (67% growth), health and education (56%) and population-serving (46%) sectors. A modest decline occurred in industrial sector jobs. (Pg37)

Figure 3-2: Employment profile by sector in Central District vs Greater Sydney (2016)



Source: Transport Performance & Analytics (TPA) [formerly known as Bureau of Transport Statistics], Transport for NSW, Greater Sydney Employment Forecasts, 2011 to 2041 (2016 Release), NSW Government, Sydney

Figure 2 - Draft Central District Plan Employment Profile

The planning proposal will provide the equivalent amount of employment space as presently exist on the site that is a better fit with the employment needs of the current demographics of the area. Spaces suited to small professional firms, start-ups, urban services and creative industries. The greater density of employment of a kind matched to the local area, will provide more jobs closer to where people live.

The draft Central District Plan contains a number of relevant priorities to the proposal, these are discussed below;

Relevant Priorities

The Draft Central District Plan groups its priorities under the categories of productivity, liveability and sustainability.

Productivity

The overarching productivity priorities are:

- Driving the growth of the Eastern City
- Enhancing the Eastern City's role as a global leader
- Planning for job target ranges for strategic and district centres
- Growing economic activity in centres
- Improving 30-minute access to jobs and services
- Managing Sydney's trade gateways

When measured against the priorities of the draft plan the proposal will deliver significant employment and housing growth on a site which has remained stagnant and underutilised for many years. The proposal aims to match employment to the demographics of the surrounding area and provide a diversity of housing in close proximity to local and CBD jobs in accordance with the ambition of a 30-minute city.

The draft plan expresses concern about the erosion of employment and urban services land in the Central District. It urges Councils to take a precautionary approach and proposes that proposals which seek to rezone industrial land should demonstrate that there is a net community benefit and this should take into account the economic, social and environmental considerations of the change of use.

Hill PDA have completed an Economic Impact Assessment of the planning proposal and this along with a further response to issues raised by Council and the draft Central District Plan are attached to the planning proposal.

In applying the above net community benefit considerations to the current proposal it is clear that the outcome for the site will remain unchanged if the proposal does not proceed. The site is an isolated pocket of industrial land landlocked by very fragmented residential land with quite narrow streets. Clearly the current built form is not conducive to an intensified employment use and the Hill PDA analysis shows that none of the current uses on the site could be characterised as providing urban services for the surrounding area. the Hill PDA economic analysis shows that there will be a significant increase in employment on the site and there is a substantial economic benefit to the redevelopment of the site.

From a social perspective, the site currently contributes relatively little in the way of employment and provides for only two dwellings. There is currently provision for artist space on the site however this space is in poor condition. Redevelopment will allow for a range and diversity of housing types, new community and creative space and a kind of employment space that matches the local need.

Regarding the environmental considerations of the proposal there are no significant additional impacts from overshadowing and the opportunity for local employment and active transport options for future residents will have a positive environmental impact.

Liveability

The overarching liveability priorities are:

- Improving housing choice
- Improving housing diversity and affordability
- Coordinating and monitoring housing outcomes and demographic trends
- Creating great places
- Fostering cohesive communities
- Responding to people's need for services

While medium density housing exists in the local area the draft district plan states that the Northern and Central Districts are in greatest need for increased housing supply and diversity. The proposal will provide approximately 142 new dwellings of which 5% are proposed to be affordable rental accommodation. The proposed dwellings, employment and community space is located adjacent to Callan Park, good services and transport and will provide a highly desirable place to live and work.

The proposal creates opportunities for living and working either onsite or in close proximity. It also proposes a significant community space which should generate synergies with the office component of the proposal given the presence of creative industries in the area.

Sustainability

The overarching sustainability priorities are:

- Enhancing the Central District in its landscape
- Protecting the District's waterways
- Managing coastal landscapes

- Protecting and enhancing biodiversity
- Delivering Sydney's Green Grid
- Creating an efficient Central District
- Planning for a resilient Central District

Proximity of employment, housing and recreation both on the site and in a location with high quality walking cycling and public transport connections adds to the efficiency of the urban area and reduces pressure on greenfield and less suitable locations.

Q4. Is the planning proposal consistent with a council's local strategy or other strategic plan?

An assessment against the following local strategies have been provided below

- *Leichhardt 2020+.*
- *Leichhardt Employment and Economic Development Plan (2013).*
- *Leichhardt Community and Cultural Plan 2011 - 2021*
- *Leichhardt Integrated Transport Plan*
- *Draft Inner West Council Affordable Housing Policy*

Leichhardt 2020+
Table 5 – Analysis against Leichhardt 2020+

Leichhardt 2020 + This Plan was adopted by Leichhardt Council in May 2007. The Leichhardt 2020+ Plan identifies current and emerging long term issues and priorities for Leichhardt LGA and the wider community.	
Objective 1.3- Engage and connect all local people, people with special needs, businesses and institutions to build our community.	The proposal has been developed with a focus on meeting local community needs for both employment, housing and cultural activities. The opportunity to work live and recreate in the locality will help connect members of the local community and result in increased quality of life.
Objective 2.1- Develop integrated plans to reduce our dependence on private cars for local regular community activities and trip purposes;	By creating local employment that fit the demographics of the surrounding area it provides the opportunity for people to live close to work. Providing dwellings in an accessible location also means that that more often public or active forms of transport are the optimal choice for commuter and non-commuter trips. This is the most effective measure to reduce car dependence.
Objective 2.4- Plan local community facilities and services to fit the places we live and the way we want to live;	As shown in Figure 3 and discussed above the site is located in close proximity to a wide variety of community facilities and local services. This is important for both employment and residential uses on the site. The provision of a café, gallery, artist studio and convenience shopping will also contribute to the amenity of the local area and the lifestyle of its inhabitants.
Objective 3.1- Our town plan and place plans optimise the potential of our area through integrating the built and natural environment with a vision of how we want to live as a community, and how areas should develop to meet future needs;	<p>The provision of studio spaces and a type of employment offering that will appeal to small professional suites, creative and technical business will provide a type of employment that is not only closely matched to the local population but by providing jobs close to home will contribute to the quality of life of the local community.</p> <p>The close proximity of existing and planned open space also directly supports this objective.</p>

<p>Objective 5.1: Develop integrated planning to promote thriving and diverse businesses that build on the demands and characteristics of the community, and reduce our dependence on private cars; and</p>	<p>The proposal will provide a greater level of business activity than exists on the site as demonstrated in the Hill PDA Economic Impact Assessment.</p> <p>Currently 75 percent of residents of the former Leichhardt local government area travel outside the area for work. The following statistics on the former Leichhardt local government area from Profile.id demonstrate that the proposal will deliver an employment outcome closer to the demand and characteristics of the local community.</p> <ul style="list-style-type: none"> • A larger percentage of persons employed in professional, scientific and technical services (16.9 percent compared to a Sydney average of 9.6 percent) • A larger percentage of persons employed in information media and telecommunications (6.5 percent compared to a Sydney average of 3.0 percent) • A smaller percentage of persons employed in manufacturing compared to a Sydney average (4.7 percent compared to 8.5 percent)
<p>Objective 5.2: Develop accessible and environmentally sustainable businesses that help to build local communities</p>	<p>A renewed modern more flexible built form is more likely to be sustainable and attractive to a wider range of industries in the longer term than the declining industrial and manufacturing uses presently on the site.</p> <p>The redevelopment of the site as part of this proposal will allow for the building of a more sustainable building form and provide better amenity for the surrounding residents.</p>

Leichhardt Employment and Economic Development Plan (2013)

The Leichhardt Employment and Economic Development Plan (EEDP) is a 10-year strategic plan for economic development in the former Leichhardt local government area.

Key considerations relevant to the proposed development include:

- Demand for industrial land is in locations which enable large modern industrial facilities to maintain low cost operations. Land suitable for new industries is largely in Western Sydney.
- The percentage of office space versus commercial space is changing with a larger proportion of office space required than in the past.
- Recommendations for Council to respond to industrial trends are to increase the amount of office space in industrial areas and transform appropriate industrial land into affordable housing for key workers and students.
- Strategic sites and underutilised land provide the opportunity to be transformed into other uses such as affordable housing for key workers and students;
- Smaller industrial sites in the Leichhardt LGA are surrounded by residential development which increases the likelihood of opposition to new industrial uses and reduces the viability of industrial property.

Objective 3 of the Plan is to embrace the new economy, it lists two relevant strategies to achieve this;

- Strategy 3.1 Support small business and start-ups.
- Strategy 3.3: Support the growth of creative industries.
-

The provision of 400 square metres community arts space included in 6000 square metres of flexible employment space zoned Light Industrial equals the existing floor space on site and is likely to attract a greater density of employment and services than presently exists on the site. The Hill PDA Economic Impact Assessment predicts a fivefold increase in employment density.

Q4. Is the planning proposal consistent with applicable State Environmental Planning Policies?

An analysis of the consistency of the proposed amendments with relevant State Environmental Planning Policies (SEPPs) is listed in Table 6.

Table 6 – Analysis against State Environmental Policies

Policy	Assessment
SEPP 55 – Remediation of Land	SEPP 55 introduces planning controls for the remediation of contaminated land. The policy states that the planning authority must consider whether the land is contaminated, and if so that the land is suitable in its contaminated state for the permitted uses in the zone, or that the land requires remediation before the land is developed for that purpose.

Policy	Assessment
	<p>A preliminary contamination assessment conducted by Douglas Partners has concluded that the site has a low to moderate potential for significant or broad scale contamination. There may be moderate to high concentrations of contamination at point sources of contamination.</p> <p>The report finds that the site has potential to accommodate a change of use, subject to the completion of any remediation deemed necessary as a result of a Phase 2 assessment, which Douglas Partners advises would be required prior to any future development application for mixed use development on the land. Notwithstanding future residential uses would be located above ground level.</p> <p>This is consistent with the Managing Land Contamination, Planning Guidelines SEPP 55–Remediation of Land (1998).</p> <p>The Douglas Partners report is attached at Appendix E.</p>
SEPP 65 – Design Quality of Residential Apartment Development	<p>Roberts Day have conducted an assessment of the proposal, and have concluded that the proposal has the ability to comply with SEPP 65 and the Apartment Design Guideline.</p> <p>This will be further assessed at the development application stage.</p>
SEPP (Buildings Sustainability Index: BASIX) 2004	<p>SEPP BASIX requires all future residential developments to achieve mandated levels of energy and water efficiency, as well as thermal comfort.</p> <p>BASIX Certificates are included as part of future development applications that is being lodged concurrently with the planning proposal which demonstrates compliance with SEPP BASIX requirements.</p>
SEPP (Infrastructure) 2007	<p>As part of the proposal a Traffic Impact Assessment is included which assesses the transport impacts that may arise from the proposal.</p>
Development Near Rail Corridors and Busy Roads (Interim Guideline)	<p>There are referral requirements at development application stage.</p>

Q6. *Is the planning proposal consistent with applicable Ministerial Directions (s.117 Directions)?*

The proposal is consistent with all relevant Ministerial directions under Section 117(2) of the *Environmental Planning and Assessment Act 1979*.

An assessment of the proposal against the applicable Section 117 directions is supplied in Table 7.

Table 7 – Assessment against Section 117 Direction

Section 117 Direction	Assessment
<p>Business and Industrial Zones</p> <p>The objectives of this direction are to:</p> <p>encourage employment growth in suitable locations,</p> <p>protect employment land in business and industrial zones, and</p> <p>support the viability of identified strategic centres.</p>	<p>The planning proposal will deliver a significantly greater number of jobs than are currently available on the site (131 from 26). Further the jobs created are likely to be better match to the local demographics of the area.</p> <p>The current proposal will result in no net loss in land zoned for industrial uses. However, the site is currently underutilized and the majority of uses on site are not industrial in nature.</p> <p>The Planning Proposal would result in a more intensive use of space and increase in employment on site in a locality with good access to transport and amenities,</p> <p>The provision of a modern purpose built flexible employment space will ensure the longevity of industry, creative uses and employment on the site.</p>
<p>Environment and Heritage</p> <p>2.3 Heritage Conservation</p>	<p>No state or local listed heritage items exist on the subject site, a full heritage assessment has been completed by NBRIS which found the character buildings on the site did not meet the criteria for heritage listing.</p>
<p>Housing, Infrastructure and Urban Development</p> <p>3.1 Residential Zones</p> <p>3.4 Integrating Land Use and Transport</p>	<p>The existing Lilyfield housing stock is comprised of a majority of single or semidetached dwellings. The introduction of a greater range of medium density dwelling of a range of sizes and types will satisfy this direction by providing a greater supply of more affordable and accessible types of dwellings.</p> <p>The Lilyfield/Roselle area has good access to infrastructure, open space and a range of services</p> <p>The increased activity both industrial, commercial and residential will provide further activation to the Rozelle local centre and a more sustainable source of local employment over the longer term.</p> <p>Redevelopment of the site will provide future residents the opportunity to live and work locally introducing a potential for further containment in the area, resulting in overall reduction in vehicle kilometres travelled.</p> <p>The proposal also aims to improve access to housing, jobs and services by allowing people to live and work in areas where walking, cycling and public transport are viable alternatives to car based transport.</p>
<p>Hazard and Risk</p> <p>4.1 Acid Sulphate Soils</p> <p>4.3 Flood Prone Land</p>	<p>The proposal is consistent with the Standard Instrument and has provisions which aim to ensure suitability of any development and will manage the impact of any acid sulphate soils.</p> <p>The site is not in a flood prone area.</p>
Local Plan Making	<p>The proposal can be achieved through the amendment of local provisions and mapping changes to the LLEP, no concurrences, or public land reservation is proposed.</p>

Leichhardt Community and Cultural Plan 2011 - 2021

The Plan identifies five Strategic Objectives for social inclusion, equity, access, creative expression, cultural engagement and community wellbeing:

1. Connecting people to each other
2. Connecting people to place
3. Developing community strengths and capabilities
4. Enlivening the arts and cultural life
5. Promoting health and wellbeing.

The table below contains an assessment of the proposal against the five strategic objectives of the *Leichhardt Community and Cultural Plan 2011 – 2021*.

Objective	Assessment
1. Connecting people to each other	<p>The provision of a supply of employment closely matched to the demographics of the surrounding area enables more people to work locally and create stronger connections with the local community and spend less time commuting.</p> <p>The addition of a renewed significant arts space will foster connections with the local creative community as well as allowing for potential connections with employment uses onsite and in the surrounding area. The design of the proposal allows for the possibility of live/work arrangements.</p>
2. Connecting people to place	<p>The preservation of the older building forms of the site provides a historical built form reference to the history and previous use of the area. This will have the effect of connecting the future community to the area.</p> <p>The ability to live and work in the locality is probably the strongest element of connection to place, reduces travel times and travel by foot or cycle will allow future workers and residents to fully appreciate the desirable local environment.</p>
3. Developing community strengths and capabilities	<p>The supply of 6,000 square metres of new adaptable floor space will generate approximately 131 local jobs, this kind of space is likely to be attractive to urban services and creative industries, particularly with the planned artist facilities.</p> <p>The proposed affordable housing will assist in ameliorating housing stress experienced in the local area and enable some members of the community to</p>

	remain in the local area who would have otherwise been forced to relocate due to rising housing costs.
4. Enlivening the arts and cultural life	The provision of 400 square metres of space dedicated to creative uses including artist studios, art gallery and creative space is directly consistent with this objective.
5. Promoting health and wellbeing.	The location of housing and employment in an area that has good access to public transport and that encourages working in the local area will increase work and recreational travel by active means and reduce reliance on car based trips. This has been shown to have positive health benefits. Additionally, the sites close proximity to a number of existing and planned areas of high quality open space creates an environment that promotes health and wellbeing.

The proposal will replace an underutilised site which is home to a mix of uses not belonging to any particular industry cluster and not predominantly industrial in nature.

The current uses on the site have little role in servicing the local area and the proposal is to replace these with local housing, employment, affordable housing and an arts/cultural facility. As such the proposal is directly consistent with the objectives of the *Leichhardt Community and Cultural Plan 2011 – 2021*.

Leichhardt Integrated Transport Plan

The Leichhardt Integrated Transport Plan states "Approximately 18% of Leichhardt LGA residents work within the LGA and a total of 63% work either within the Leichhardt LGA or in one of the adjoining LGAs". This relatively high level of containment is evidence of the areas high level of transport accessibility and the significant employment options in the local area. As stated in the planning proposal Lilyfield is extremely close to the Sydney CBD and the new planned employment precinct of White Bay as well as significant sources of local employment.

The transport plan contains nine objectives which are shown below and followed by a table providing an assessment of the proposal against these objectives.

1. Improve accessibility within and through the LGA.
2. Create a legible, direct and safe pedestrian and cycling environment.
3. Encourage public transport use.
4. Provide a safe and efficient road network for all road users.
5. Provide appropriate levels of parking.
6. Facilitate integration of land use, transport and community & cultural activities.
7. Provide convenience for users of Leichhardt.
8. Promote health and wellbeing.
9. Improve environmental conditions.

Objective	Assessment
1. Improve accessibility within and through the LGA.	The provision of a supply of employment closely matched to the demographics of the surrounding area enables more people to work locally and create stronger connections with the local community and spend less time commuting.
2. Create a legible, direct and safe pedestrian and cycling environment.	A new Fred St pedestrian connection is proposed and it is also proposed to incorporate widened footpaths to enhance neighbourhood amenity and pedestrian circulation around the site
3. Encourage public transport use.	The proposal will result in the placement of significant employment and housing in close proximity to
4. Provide a safe and efficient road network for all road users.	<p>In providing for an improved pedestrian environment and minimising vehicle movements through the residential area the proposal meets this objective.</p> <p>The traffic report states that the future development would have minimal impact on the surrounding area and adequate transport infrastructure exists to cater for the future development.</p>
5. Provide appropriate levels of parking.	<p>The proposal is capable of complying with the parking provisions in the Leichhardt DCP. This will be further assessed at development application stage.</p> <p>Vehicular access to the development is proposed to be provided from Alberto Street, Fred and/or Cecily Street. The existing driveways to the site from Balmain Road, and two of the existing site driveways from Alberto Street, will be removed. This will improve parking in these streets.</p>
6. Facilitate integration of land use, transport and community & cultural activities.	The proposal integrates employment, housing, and arts/community space all in close proximity to established centre and in easy walking distance of high quality public transport.
7. Provide convenience for users of Leichhardt.	Employment space matched to the demographics of the local area will allow for more people to live and work locally which has significant quality of life and convenience advantages. It is also a more sustainable travel option.
8. Promote health and wellbeing.	The proposal has been designed to provide opportunities for live/work onsite and encourage local employment for local people. This should result in

	<p>greater use of active transport options such as walking and cycling.</p> <p>The improvement and provision of new pedestrian footpaths and provision of a pedestrian link connecting Fred Street to Alberto Street will further encourage walking and cycling.</p>
9. Improve environmental conditions.	<p>The current operations of the site involve larger delivery vehicles, at grade above ground parking and present a poor interface to the adjoining residential area.</p> <p>Vehicular access to the development can be provided in a number of configurations as demonstrated by the traffic report. The redevelopment of the site is likely to result in improved environmental conditions in the immediate vicinity.</p>

Draft Inner West Council Affordable Housing policy

Released in November 2016 for public comment the Draft Inner West Affordable Housing Policy was formulated in response to decreased housing affordability in the LGA and an increase in the number of households experiencing housing stress.

The draft strategy states that *“redevelopment is most likely to take place in older industrial areas and areas of low quality commercial development. The strategy suggests that a levy of 15% is likely to be sustainable for developments of six stories and above in such areas, particularly given the order of accuracy of the modelling and the relatively conservative assumptions used”*.

The planning proposal will allow the redevelopment of an older isolated pocket of former industrial land to be developed to meet the aims of the strategy.

The draft Central District Plan suggests that affordable housing of up to 5-10% would be appropriate and an analysis of existing affordable housing schemes in Sydney shows that on the ground outcomes of between 3% and 4% have been delivered.

The current planning proposal is proposing rather than deliver the entire public benefit in the form of affordable housing a balance of community/cultural facilities, employment outcomes and affordable housing is more appropriate given the state and local strategic aims. The proposed 5% provision of affordable housing will deliver a best practice example when measures against existing schemes while also delivering on a range of other objectives.

Provision of artist spaces, provision of employment space and the provision of 5% affordable housing represents a balanced approach to the delivery of a public benefit to the local area.



Art Haus

469-483 BALMAIN ROAD

Supplementary Submission
21 June 2017

 **ROCHE**
GROUP



Attachment 1

Item 6

01

Revised Concept

Overview

In response to feedback received from Inner West Council on 6th June 2017, RobertsDay has revised the design concept for the Planning Proposal for 469 – 483 Balmain Road, Lilyfield.

The revised Proposal retains all of the key features of the submitted concept including affordable housing, public domain improvements, artist studios, retention of character buildings and a sustainability framework able to achieve a 5 star, green star rating.

In addition, the revised Proposal incorporates all of Council's recommendations. Specifically, there has been a significant increase in employment floor space, reduction in maximum building height to 6 storeys and increased setbacks. Further, the revised Proposal demonstrates ADG compliance, acceptable solar / privacy for adjoining neighbours and the possibility for a vertically integrated mixed-use project where conflicts are minimised.

Revised Concept - Summary of Changes

Industrial land and floor space

Council request	Design response
Council supports the retention of a minimum of 6,000m ² for employment uses.	The revised Proposal has 6,000m ² of employment floor space located across the entire ground floor and part of the first floor around the retained character buildings. With generous floor to ceiling heights set by the retained character buildings, the employment floor space is adaptable and flexible.

Height and building envelopes

Council request	Design response
Council will consider a maximum 6 storey building height including both employment and residential uses.	The revised Proposal has a maximum 6 storey height located towards the Balmain Rd frontage. A context responsive building envelope then steps down in height towards the other street frontages including: 2 to 4 stories along Alberto St; 3 to 6 stories along Cecily Street; and, 2 stories along Fred St.
Maximum height controls will be specified for both the employment and residential components.	The revised Proposal vertically integrates employment and residential uses. As such, the proposed maximum height is 6 storeys.
Concept design are ADG compliant and minimise privacy and solar impacts on adjoining properties.	At this stage of the process the Proposal is ADG compliant. Consistent with the original Planning Proposal, the revised Planning Proposal provides adequate solar amenity to adjoining properties. Between 9am and 11am on 21 June, although there is some overshadowing on adjoining properties along Alberto St, it essentially falls onto blank walls, garages and fences. Similarly, properties along Fred St receive full sunlight during the morning. Whilst there is increased overshadowing in the afternoon it is located with the road and existing built form, rather than private open spaces.
One and two storey residential should be considered nearest to Fred St and Alberto St properties.	It is noted the existing buildings largely present as 3 storey blank walls to the surrounds. Notwithstanding, the revised Proposal presents as two storey buildings to Fred St and Alberto St.
Responding to the above will determine appropriate floor space.	In responding to the above the proposed FSR is 2.54:1. Despite a reduction in building height and residential floor area from the original Proposal, the proposed FSR has increased due to the significant increase in employment floor space requested by Council.

Setbacks

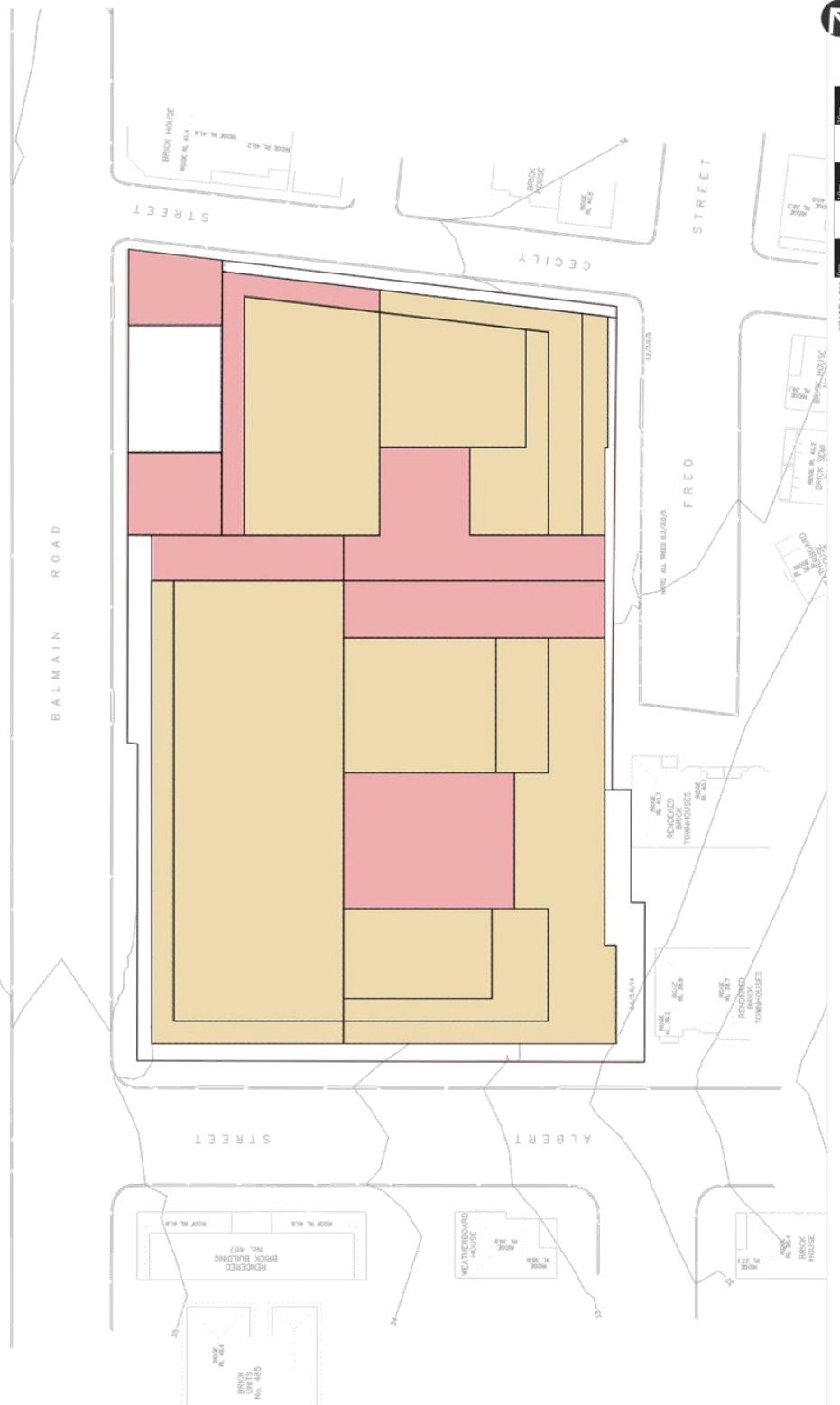
Council request	Design response
Council will consider additional controls for the site such as a minimum residential setback from the eastern boundary in light of the site's interface with other industrial uses.	There are no existing, adjoining land uses to the east that would result in a land use conflict. But, the revised Proposal does provide appropriate horizontal and vertical setbacks to avoid any future conflicts.
The residential component adjacent to the heritage character buildings should be setback further so that the six storey component is not directly adjacent to these buildings to ensure the heritage integrity of these buildings is retained.	It is noted the retained character buildings are not classified as 'heritage'. Notwithstanding, based on Council's advice the residential component has been setback an additional 3m from the retained character buildings.

Other matters

Council request	Design response
Consideration of access / deliveries and floor to ceiling heights.	The revised Proposal provides flexibility for access and deliveries including possibilities from all street frontages (except Balmain Rd). Based on the retained character buildings, a generous ground floor floor to ceiling height will create attractive employment floor space.
Other measures that could be implemented to mitigate land use conflicts within the site include:-	1. Separate street access to residential cores; 2. Smart technology to separate residential and employment access, including parking; 3. Higher acoustic treatment for the slab separating employment and residential components.



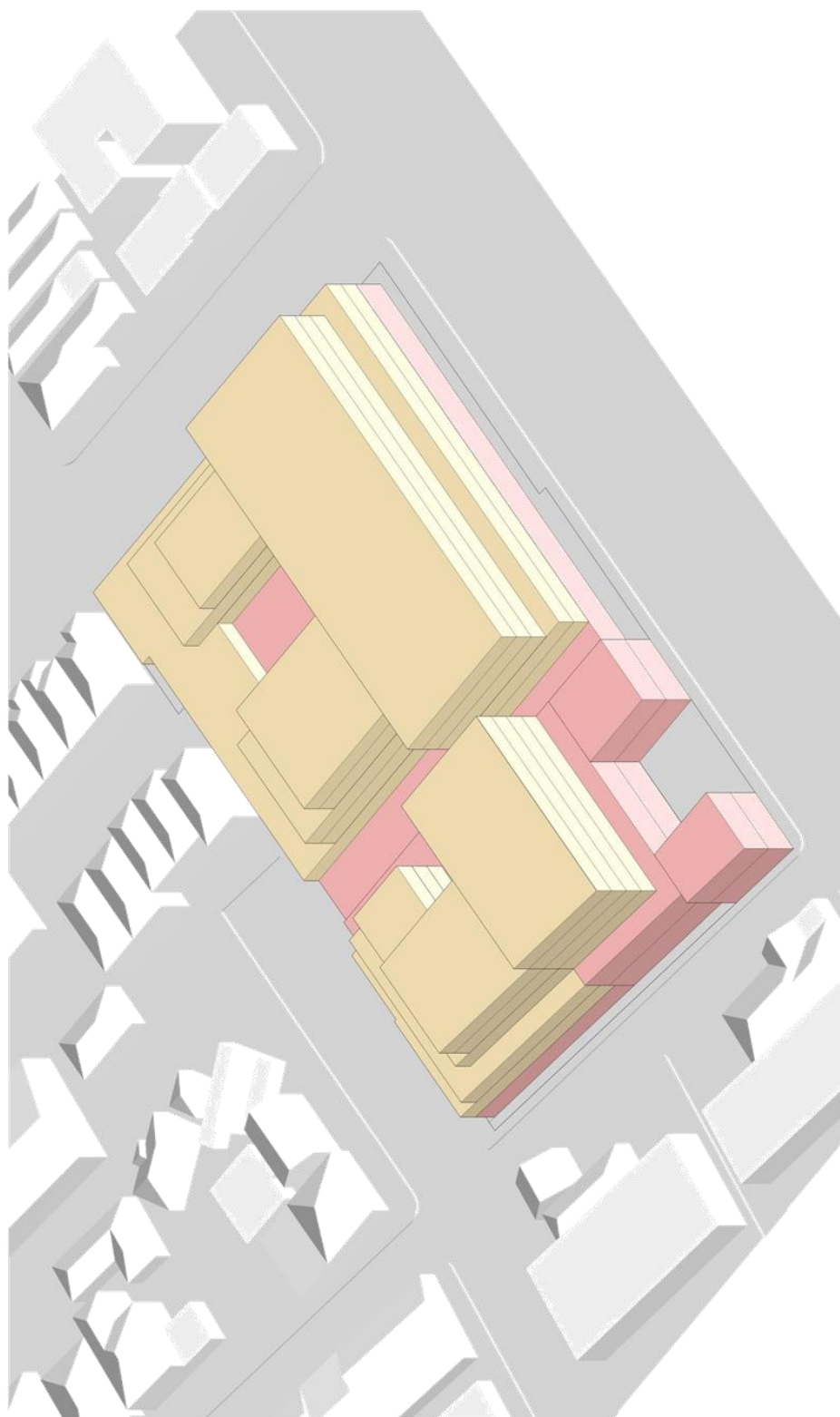
Revised Concept - Plan View



SCALE 1:500



Revised Plan - Axonometric View



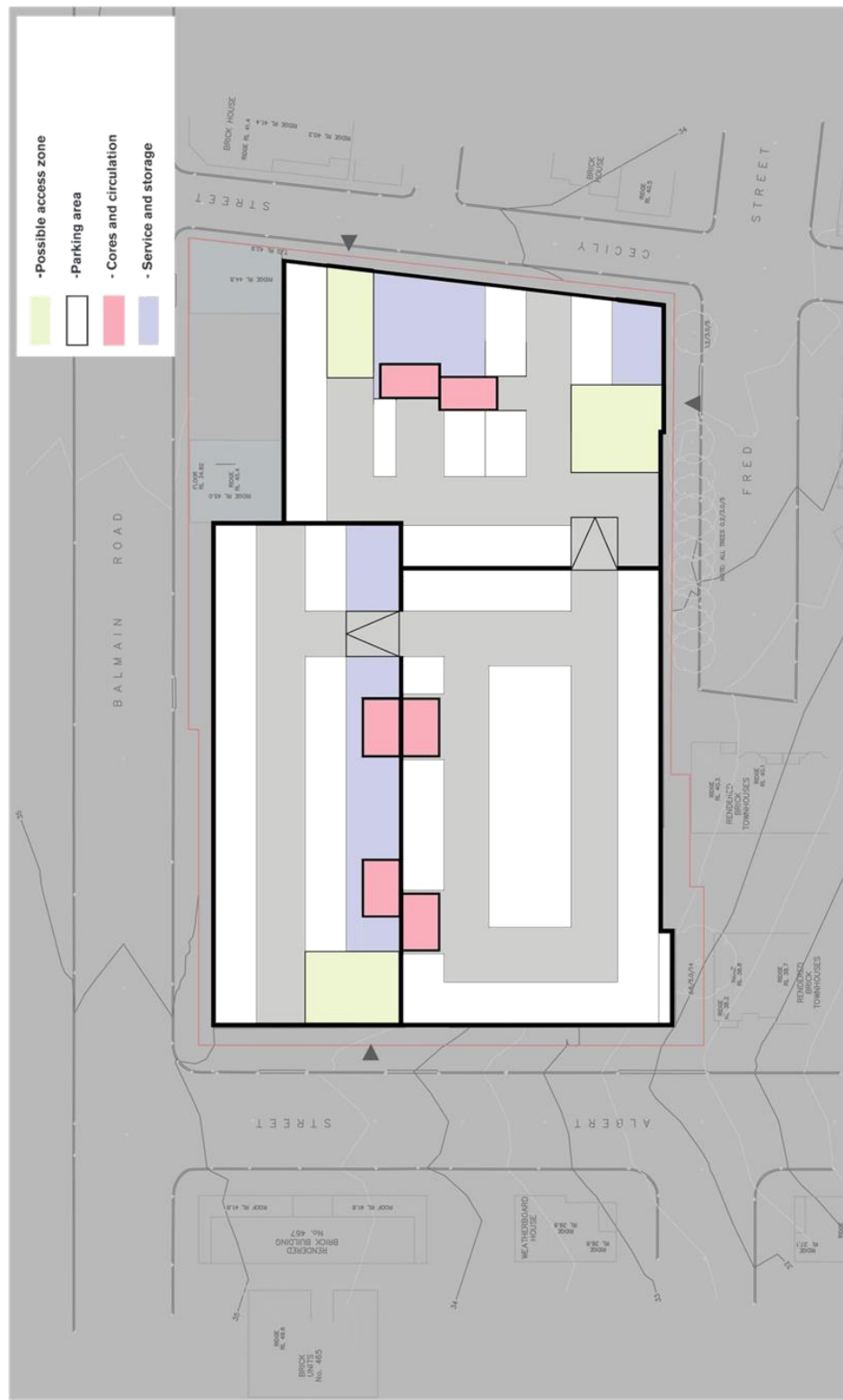
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Revised Ground Floor - Employment and Circulation









Revised Indicative Parking (Basement)



Revised Height Plan

Legend

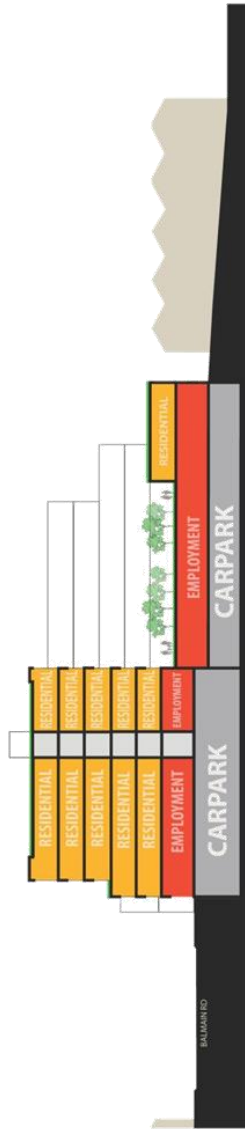
-  - Retained character buildings
-  - 1 storey
-  - 2 storeys
-  - 3 storeys
-  - 4 storeys
-  - 6 storeys



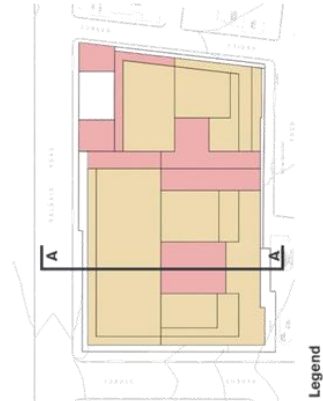
SCALE 1:500
10m 20m 30m



Revised Height - Illustrative Cross section



Section AA



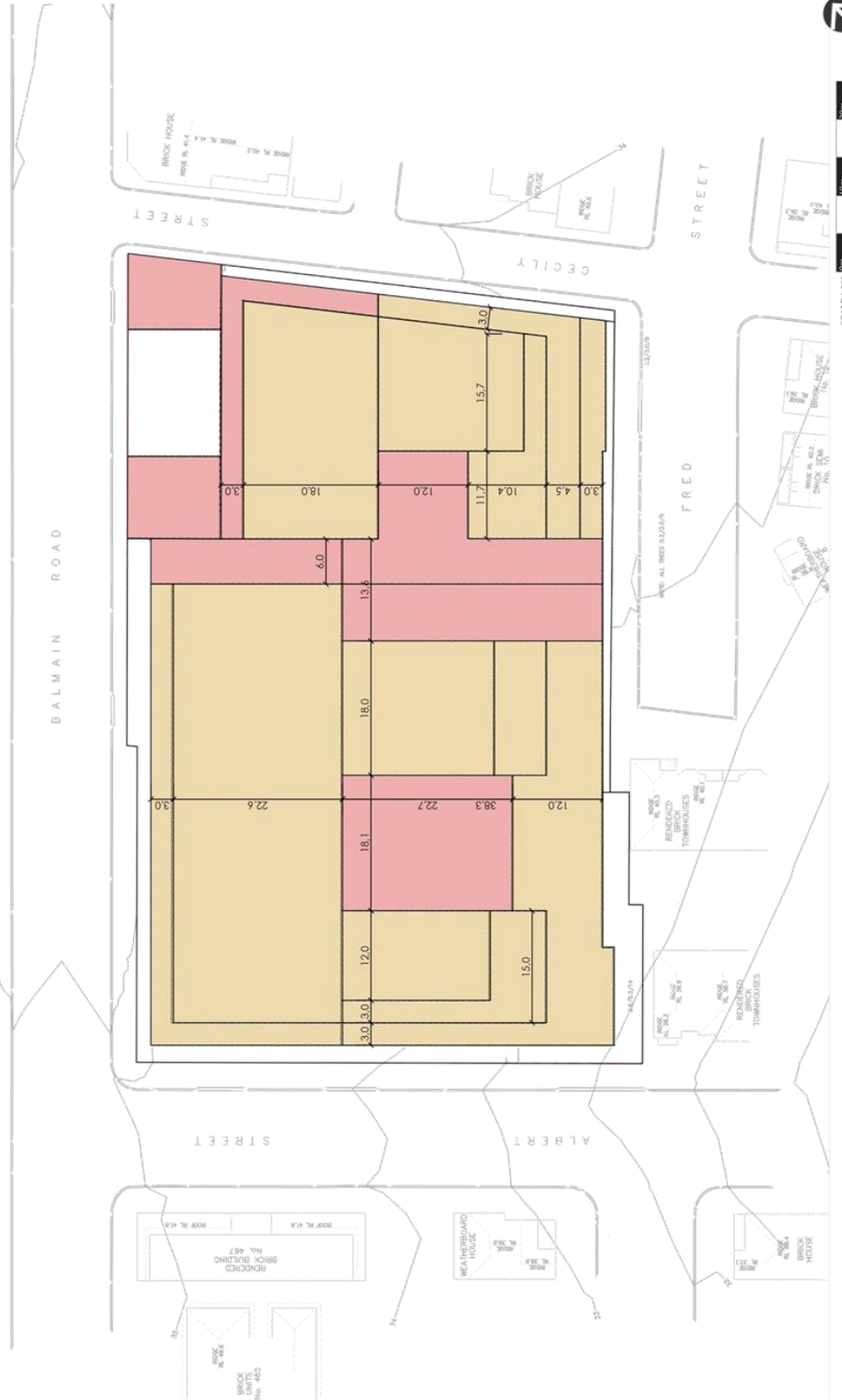
SCALE 1:500 0m 10m 20m



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Revised Setbacks and Building Separation



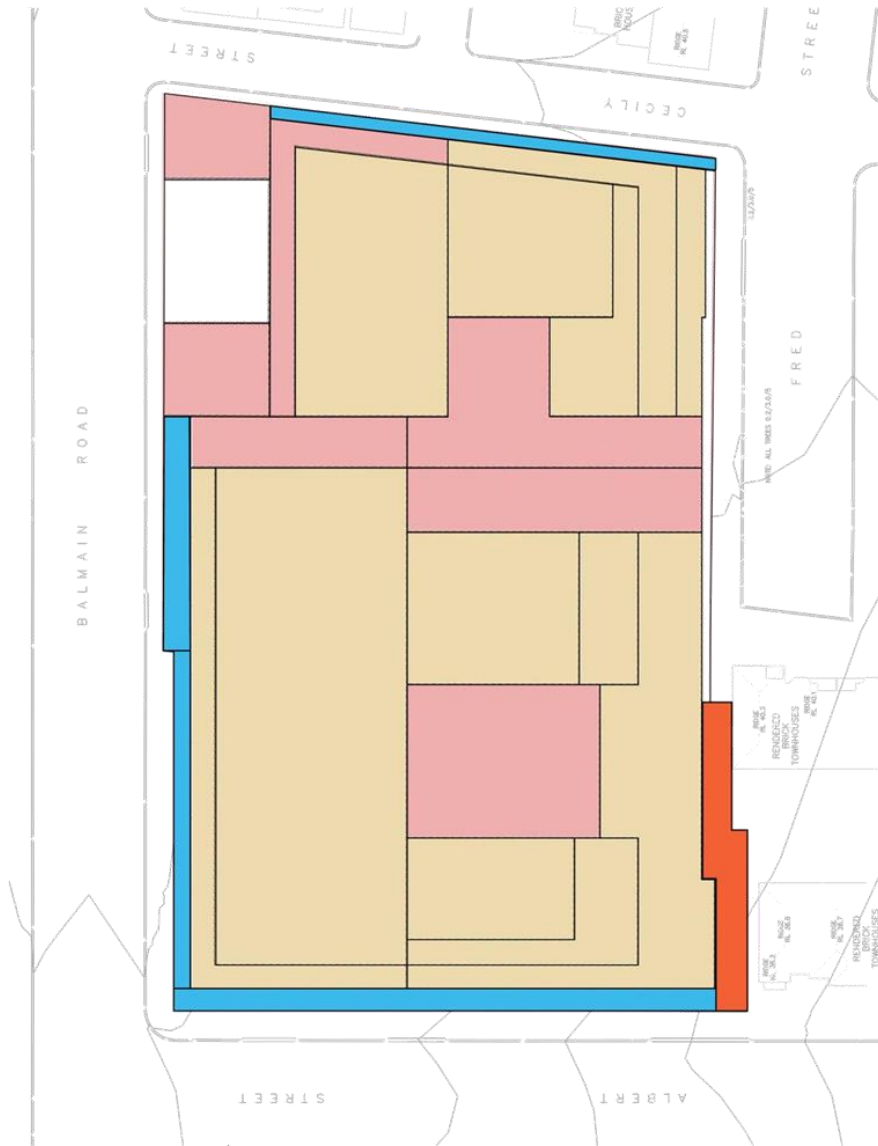
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Revised Concept - Proposed Public Benefit

Legend

	- Widened footpath	394.0 sqm
	- Pedestrian link between Alberto St and Fred St ranging from 3.5-3.8 m wide	142.0 sqm
Total Pedestrian Benefit		536.0 sqm



SCALE 1:500
NTS

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Revised Yield Summary Table

FLOOR AREA	GBA	Efficiency	NSA	GFA
Residential	15,774	82	12,935	11,325
Employment	6,667	90	6,000	6,000
Total (m²)	22,441		18,935	17,325

DWELLINGS	Unit mix (%)	# of dwellings
1B	24	34
2B	46	65
3B	30	43
Total		142

PARKING	minimum spaces	maximum spaces
Residential	91	145
Employment	24	40
Total	115	185

FSR - FLOOR SPACE RATIO	
Site Area (m ²)	6,824
GFA (m ²)	17,325
FSR	2.54

Revised ADG Compliance

At this early stage of the process a preliminary assessment of the design has been undertaken against SEPP 65 to demonstrate compliance along with the Apartment Design Guide 'Rule of Thumb' Assessment.

Criteria	Requirement	Response
Developing the Controls		
2A Primary Controls	Demonstrate context responsiveness	Compliant – Proposal demonstrates context responsive design process responding to local context and solar amenity to generate building envelopes.
2B Building Envelopes	Carefully test primary controls	Compliant – In preparing the Planning Proposal three alternate concepts were tested. The submitted concept optimises the concept's contribution to the local context, public domain and commercial feasibility
2C Building Height	Site specific building envelopes	Compliant – A variety of building heights have been proposed synthesising solar amenity, solar envelope, adjoining streetscape character and built form, and desire to create a quality pedestrian experience and human scale.
2D Floor Space Ratio	Floor space ratio aligns with desired density and provides opportunity for articulation	Compliant – The proposed FSR is a by-product of a context responsive design process providing the desired density and significant opportunity for building articulation.
2E Building Depth	10 – 18m for adequate daylight and natural ventilation. Greater building depths with increased building articulation, perimeter wall depth and where higher ceilings provided (e.g. building reuse).	Compliant – Proposed buildings fronting Alberto St, Cecily St and Fred St have apartment building depths ranging between 10m to 18m. The major apartment building fronting Balmain Rd has a depth of 25m to: 1) accommodate deeper adaptable first floors and second floor to allow other uses to evolve over time 2) take advantage of the Callian Park amenity whilst optimising the floor plate to facilitate a variety of quality apartment types through the detail design process including 'up and over' apartments 3) to facilitate increased building articulation to create a fine-grain building mass.
2G Street Setbacks	Determine street setback controls relevant to desired streetscape character, including increased setbacks where street or footpath widening is desired.	Compliant – Except for a building setback on Alberto Street for the at-grade car park, the existing building has zero front setbacks to Balmain Rd, Cecily St and Fred St. With extensive blank walls, the existing building does not positively contribute to the adjoining streetscape character. The proposed front setbacks will enhance the character of the adjoining streetscape and improve the pedestrian experience. On Balmain Rd the buildings are setback 1.8m to 3m to create a widened footpath and improved main street experience. On Cecily St the buildings are setback 1.5m to widen a very narrow footpath and improve pedestrian flows. On Fred St and Alberto St, the buildings are setback between 1.0m and 3.8m to create an appropriate transition to the adjoining streetscape and improve pedestrian connections. In addition, the proposed active facades will improve the sense of safety, comfort and enjoyment.
2H Side and rear setbacks	NA	NA - The site forms a complete urban block and therefore does not have any side or rear setbacks.



ADG Compliance

At this early stage of the process a preliminary assessment of the design has been undertaken against SEPP 65 to demonstrate compliance along with the Apartment Design Guide 'Rule of Thumb' Assessment.

Criteria	Requirement	Response
Sitting the Development		
3A Site analysis	Site analysis demonstrates decisions have been based on local opportunities and surrounding context	Compliant – The design sequence diagrams in the Planning Proposal demonstrate decisions have been based on local influences.
3B Orientation	Buildings respond to streetscape and solar amenity.	Compliant – Buildings envelopes address the street and also ensure existing solar amenity of surrounding properties is not adversely impacted upon. This is explained further in the Solar Analysis.
3C Public Domain Interface	Transition between private and public domain is achieved without compromising safety and security.	Compliant – The existing buildings on-site largely present blank walls of approximately 9.55m to the adjoining public realm. The blank walls are not conducive to safety. The proposal significantly improves the transition between the private and public realm. Employment floor space covers the entire ground floor with residential component on the upper levels.
3D Communal Open Space	Communal open space has a minimum area of 25% of the site area achieving a minimum of 50% sunlight for 2hrs between 9am and 3pm on 21 June.	Compliant – With a site area of 6,825m ² the proposal requires 1,706m ² of communal open space. The proposal provides a total of 3,958m ² of communal open space including 2,568m ² at the podium floor and balance as communal roof gardens. The communal open space receives adequate sunlight.
3E Deep Soil Zones	7 to 15% of site must provide for deep soil.	Compliant – The proposal provides 820m ² being 12% of the site which is a good outcome given the large employment floor plate across the ground floor.
3F Visual Privacy	Minimum separation between windows and balconies is 1 to 4 storeys: 3m – 6m 5 to 8 storeys: 4.5m to 9m 9 storeys plus: 6m to 12m	Compliant – The proposal satisfies the minimum separation for apartment buildings to facilitate compliance during detail design. Where the 'terrace' style buildings address the proposed Fred St thru-site link, internal planning can prevent overlooking of adjoining dwelling.
3G Pedestrian Entries	Building entries connect to the public realm, are easy to find and large sites provides key pedestrian links.	Compliant – The proposal provides for direct building entries from the adjoining public realm. Further, the proposal provides a pedestrian link connecting Fred St to Alberto St.
3H Vehicle Access	Vehicle access points are safe and minimise conflict.	Compliant – Vehicle access is flexible and includes all street frontages (except Balmain Rd).



Solar Analysis

Winter Solstice (21 June)

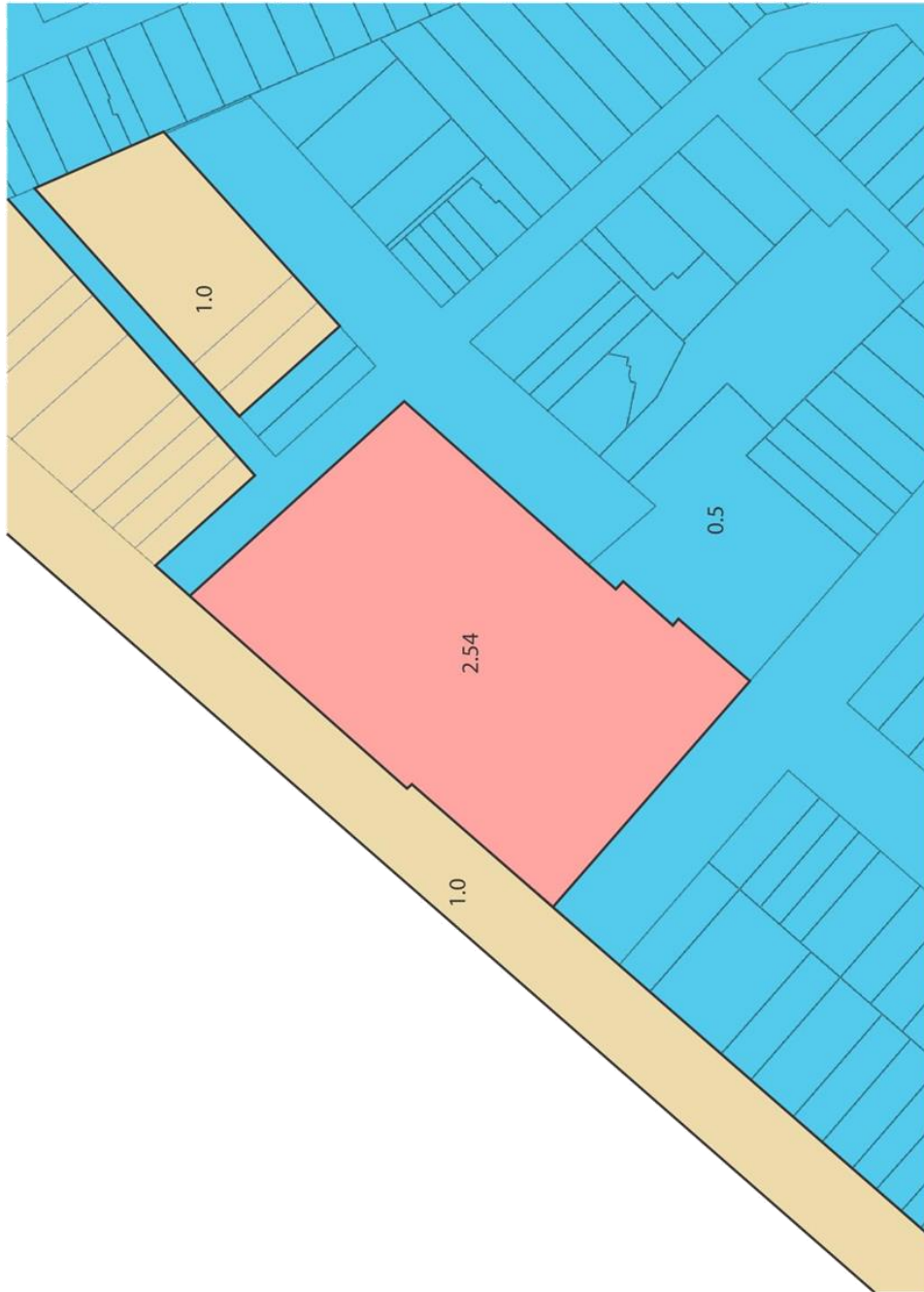
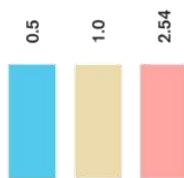


Building envelopes for the site are stepped down towards Alberto Street and Fred Street, allowing sunlight to reach adjoining properties and not be adversely impacted. The shadow diagrams show that there is very little impact on existing private and public open space and it is balanced throughout the day.

Between the hours of 9am and 11am on 21 June, although there is some overshadowing on adjoining properties along Alberto Street, it essentially falls onto blank walls and garages. Shadowing in this area decreases throughout the day.

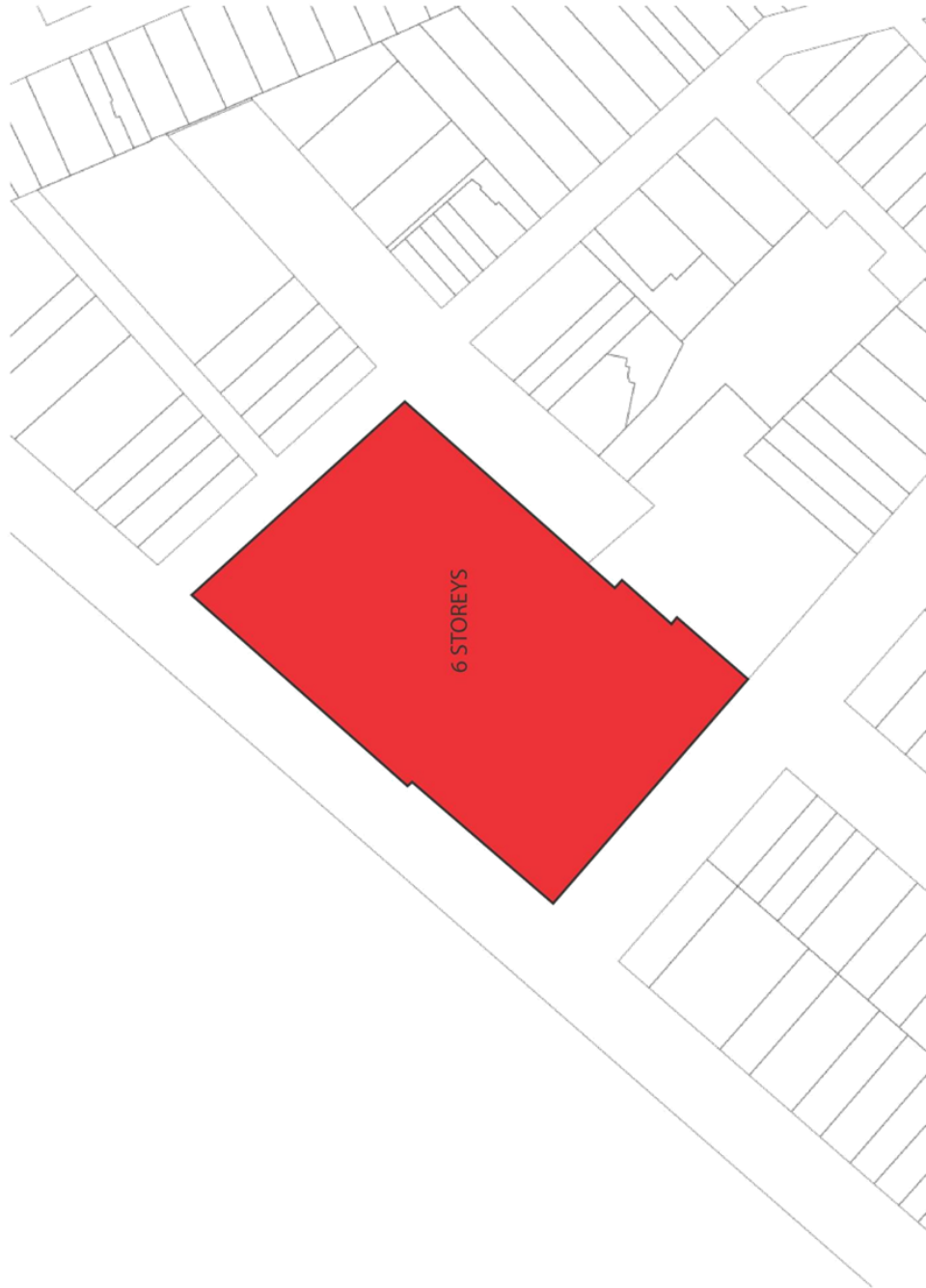
Similarly, properties along Fred Street receive full sunlight during the morning. While there is increased overshadowing in the afternoon, it is located within the road and existing built form, rather than private open spaces.

Revised Floor Space Ratio



Revised Height of Building

 6 STOREYS



ms 2

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FPD

Item 6

Planning Proposal



469-483 Balmain Road, Lilyfield

Prepared on behalf Roche Group
November 2016

Attachment 1

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Executive Summary

This request for an amendment to the *Leichhardt Local Environmental Plan 2013* (LLEP) has been prepared by FPD on behalf of Roche Group. The subject site is owned by Roche Group Pty Ltd, it is located at 469 – 483 Balmain Road, Lilyfield and is in single ownership. The site is currently zoned IN2 – Light Industrial under the provisions of the LLEP. Maximum permissible FSR is limited to 1:1. There is no height of building control applicable to the site.

The proposal is to rezone the site B4 Mixed Use with an FSR of 2.3 and a mix of heights from 10 to 30 metres. These controls will allow for mixed use development of approximately 1200 square metres of employment generating floorplate that will support small offices and work spaces that are likely to attract small business and creative industries, a community/cultural space of approximately 400 square metres, up to 170 dwellings and a contribution of four percent affordable housing.

The proposal will accommodate built form of between one and nine storeys with the majority of the height contained mid-block in the north western part of the site and only 15 percent of the site at the higher nine storey form.

The proposal has been designed to provide a mix of uses consistent with the current and future needs of the local area and to make a positive addition to the Balmain Road streetscape while providing significant amenity improvements to the surrounding residential development. Much attention has been paid to providing no additional adverse impact on the surrounding area.

The proposal will provide more local employment than currently exists on the site and employment of a type that matches the demographics of the local area, this type of employment is likely to prove more sustainable over the longer term and will have the effect of reducing vehicle trip and improving local quality of life as people have the choice to live and work locally. A substantial body of evidence has been provided that looks at the change in employment type and the supply of industrial land over the whole of the new Inner West Council area, recognising the regional nature of employment and industry.

In recognition of the longstanding occupation by groups of local artist's provision has been made to provide a high amenity studio and gallery space in the form of a purpose built community/cultural space.

The proposal provides a significant amount of medium density housing which will add to the variety and mix of the local housing stock providing a diversity and in some cases more affordable type of housing than presently exists in the locality.

In recognition of the need for affordable/key worker housing in the locality Roche Group have committed to the provision of an amount of affordable housing consistent with recent precedents in the Leichhardt area and Sydney metropolitan best practice.

A draft planning proposal was lodged with the Inner West Council for feedback. A letter highlighting a number of clarification and request for further information was received in response. This letter and the detailed response is included at Appendix F.

Report Structure

This report has been prepared consistent with the Department of Planning and Environment's *A guide to preparing planning proposals 2012* for the purpose of requesting the Inner West Council to initiate the request for a gateway determination pursuant to *section 55* of the *Environmental Planning and Assessment Act 1979*.

It is structured as follows:

- A description of the site, state and regional context, local context and the current planning framework.
- An outline of the strategic context and justification for the proposal.
- A description of the planning proposal and the proposed public benefits.
- The planning proposal analysis and detail as required by the Department and Environment's *A guide to preparing planning proposals 2012*:
 - Part 1** – A statement of the objectives and intended outcomes of the planning proposal.
 - Part 2** – An explanation of the provisions that are to be included in the proposed instrument.
 - Part 3** – The justification for those objectives, outcomes and the process for their implementation.
 - Part 4** – Maps, where relevant, to identify the intent of the planning proposal and the area to which it applies.
 - Part 5** – Details of the community consultation that is to be undertaken on the planning proposal.
 - Part 6** – Details of the project timeline
- Summary of the benefits of the planning proposal.

Supporting Evidence

The Planning Proposal is supported by the following supporting documentation:

- Appendix A: Urban Design Analysis
- Appendix B: Economic Assessment
- Appendix C: Heritage Assessment
- Appendix D: Transport Study
- Appendix E: Contamination Report
- Appendix F: Pre-lodgment advice from Council and response

Project Team

SG Haddad Advisory	Strategic
FPD	Planning
Roberts Day Architects	Urban Design and Architecture
Hill PDA	Economics
Douglas Partners	Contamination
NBRS	Heritage
Colston Budd Rogers & Kafes	Traffic

1 Site analysis and context

The site is located at 469 – 483 Balmain Road in the suburb of Lilyfield. Lilyfield is located in the newly formed Inner West Council local government area.



Figure 1 – Site location



Figure 2 – Aerial photo of surrounds

2 Local Context

A map showing the sites relationship to the surrounding area is provided in Figure 3.



Figure 3 – Local context

The site is located on Balmain Road just beyond the main retail strip of Rozelle. It is an isolated pocket of aging industrial buildings surrounded on the north by similar development, on the east and southern boundaries the area contains a mix of medium density and small lot housing. Directly to the West the large open space of Callan Park is located.

The site has a number of characteristics that support its redevelopment for a significant mixed use outcome. Key attributes are listed below:

- Well connected by road network, being located on Balmain Road, the main road leading through to Balmain, and 500 metres from Victoria Road.
- Within five kilometres of the Sydney CBD which contains a host of amenities and services as well as being the largest employment area in Australia.
- There are a number of significant bus routes which service the site. Buses operate along Balmain Road (Route 440) up to every 10 minutes in the peak hours and 500 metres from the site services operate even more frequently along Victoria Rd.
- The site is located in a walkable neighbourhood that is 800 metres from Lilyfield Light Rail Station and approximately 800 metres to Rozelle Light Rail Station. There also good cycling and pedestrian connections to Rozelle, Balmain, local open space and the CBD.
- Close proximity to retail and services, including Balmain's high street, educational, community and creative uses. Regional size shopping facilities exist at Birkenhead Point, Broadway and the site is within a few kilometres of the Sydney CBD.
- Significant open spaces, most notably Callan Park across the road, the Drummoyne Bay, Rozelle Common, Easton Park Oval and significant planned open space at the Rozelle Goods Yard less than 600 metres from the site.

3 Description

This Planning Proposal is in relation one lot, within the Inner West Local Government Area, as detailed in Table 1.

Table 1 Site summary

Site	469-483 Balmain Road, Lilyfield
Land description	Lot 2 DP 101583
Site area	6,824 square metres.
Existing uses	<p>A mix of residential, retail and light industrial uses occupy the site.</p> <p>A full analysis of the uses and employment on the site is provided in Appendix B</p>
Existing built form	<p>The site contains a series of early and late 20th Century buildings which were formerly the Pitcher Bakery Company of Balmain Road, Leichhardt with a c 1964 addition to the Alberto Street factory.</p> <p>The buildings are primarily constructed of brick with the 1964 building of steel and concrete structure and brick facades.</p> <p>All buildings are between one and two storeys but are large in scale due to the former and current industrial and warehousing uses. They have a height ranging between two and four storeys (approximately seven metres to 14 metres) depending on the building, with the tallest section of the building at the corner of Fred and Cecily Street.</p> <p>A car park is located in the south western corner of the site, accessed from Alberto Street, with space for approximately 15 vehicles.</p>

4 Current Planning Controls

The principal instrument applying to the site is the LLEP. The site is zoned Light Industrial IN2. No height of building map applies and a maximum floor space ratio of 1:1 applies.



Figure 4 – Current zoning



Figure 5 – Floor space ratio

5 Strategic context

The subject site is located in a part of Sydney that is experiencing significant growth and investment. The current uses of the site do not represent the best utilisation of the site for the local residents or for the city as a whole.

Roche Group's proposal aims to deliver a mix of employment, housing, community/cultural uses and affordable housing that will complement the existing character of the area and add to the future character of the area.

5.1 A Plan for Growing Sydney

A *Plan for Growing Sydney* was released by the current State government in 2014 as a guide to overall metropolitan planning in Sydney. Two of its most central themes are encouraging urban growth around supporting infrastructure (particularly transport) and a focus on mixed use centres.

The subject site is located in the Central Subregion and the relevant key priorities of the plan to the subject site are discussed in Part3 of this report.

The employment uses on the site have little connection with the surrounding area and could not be categorised as strategically important. Sound planning principles would suggest that land uses in an area should closely relate to the needs of the local area.

As such the proposal has been designed to provide a supply of employment that is matched to the demographics and advantages of the area. This will result in a greater number of jobs onsite as well as contributing to the community of the area, reducing overall vehicle trips and providing opportunities for jobs close to home for both new and existing residents.

The former Leichhardt Council's employment plan, the *Leichhardt Employment and Economic Development Plan 2013-2023*, recommends "Policy options available to Council include allowing a greater amount of office space in industrial areas and nominating appropriate industrial land to be transformed into affordable housing for key workers and students."

The former Leichhardt Council's *Leichhardt 2020+* plan also strongly supports local jobs and jobs close to home, these can only be achieved by matching the employment offering to the demographics of the area. As such redevelopment to a higher concentration of local employment represents a better and more environmentally and economically sustainable use of the site.

The site is located within walking distance of major bus routes, two light rail stops on the Inner West Light Rail. The subject site is adjacent to the Rozelle local centre and will provide an opportunity for local employment and housing of a type that matches the demand in the local area.

5.2 The Bays Precinct

In 2015 the NSW Government announced its intention to redevelop the area known as the "Bays Precinct". Two of the main precincts, Rozelle Goods Yards and the White Bay Power Station, are within the 10 minute to 15 minute walking catchment of the site. There are a number of objectives of The Bays Precinct that complement redevelopment of the site for mixed use development. In particular, the following objectives will support the redevelopment of the site:

- "To deliver a hub of export orientated knowledge intensive jobs that can increase Sydney's global competitiveness."
- "To deliver a world class active transport solution that unlocks the economic and human potential of the Bays Precinct and demonstrates a model of environmental excellence."



Figure 6 - The Bays Precinct (Urban Growth NSW)

A Plan for Growing Sydney has a key priority for the Bays Precinct of:

Implement the UrbanGrowth NSW urban renewal program for the Bays Precinct to provide capacity for housing and employment, improve public access to foreshore areas, revitalise the White Bay Power Station heritage asset, maintain working port functions and provide opportunities for maritime activities.

The two main areas likely to have a significant relationship with the subject site are the Rozelle Goods Yards and the White Bay Power Station Site

Rozelle Goods Yard

The government has announced its intentions for the Rozelle Goods Yard to become a major public open space area following the completion of WestConnex. This will constitute a major addition to the open space network in the Lilyfield area, it has potential to integrate with Bicentennial Park in Glebe and constitutes a major regional open space area.

White Bay Power Station

In June 2016 the NSW Government abandoned a private sector request for proposals process and tasked its development organization Urban Growth with redeveloping the White Bay site as a major employment area as an immediate priority. Urban Growth NSW plans to commence the redevelopment of the White Bay Power Station in 2017.

The 10-hectare White Bay Power Station site will provide a major employment destination within easy walking distance of the site and will also provide opportunities for collaboration with proposed employment uses on the Lilyfield site.

Light Rail

As depicted in Figure 4, the site is within the walking catchment of two light rail stations on the Inner West Light Rail. This line is currently being extended and by 2019 services will commence on an additional 12 km route extending from Circular Quay along George Street to Central Station, through Surry Hills to Moore Park, then to Kensington and Kingsford via Anzac Parade.

The NSW *Long Term Transport Masterplan* and *Sydney's Light Rail Futures 2012* also nominate the potential for light rail or bus rapid transit on Victoria Road as a "*priority corridor for further investigation*". Over the longer term this would further improve the already excellent accessibility of the site.

6 The Proposal

The Planning Proposal would facilitate a mixed use development comprising medium density residential, retail, commercial and community uses to a maximum floor space ratio of 2.3:1 or 15,695 square metres.

While the exact form and mix will be subject to a development application it is expected that the proposed planning controls will deliver:

- 170 apartments with a GFA of 13,600 square metres (average of 80 square metres);
- Approximately 1,600 square metres GFA of non-residential uses comprising:
 - 400 square metres for a studio space for artists; and
 - 1,200 square metres of flexible commercial/retail space.

6.1 Urban Design

Roberts Day Architects have prepared an urban design analysis which is included at Appendix A. The previous design principles developed by Council have been used to define the proposed envelope as well as recent examples of similar development sites in Leichhardt. The Robert Day analysis also contains an overview of these proposals for context.

Key urban design elements of the proposal are listed below

- 400 square metres of space dedicated to creative uses including artist studios, art gallery and creative space
- 1,200 square metres of new adaptable floor space to generate local 66 jobs, primarily on the ground floor main street Balmain Road frontage.
- 11 per cent of the site area is dedicated to the public realm, including new plaza and widened tree-lined footpaths
- Provision of a pedestrian link connecting Fred Street to Alberto Street.
- Retention of the character buildings with the land between the two character buildings being transformed into a north-facing plaza
- A detailed solar analysis has informed the building envelopes ensuring solar amenity to adjoining properties
- Retained character buildings and new plaza provides an opportunity for a creative hub with possible uses including an arts gallery, artist studios, cafe etc
- The stepped envelope is divided into a series of smaller buildings with their own character reflecting the diverse building forms and fine grain of the surrounding area.
- Balmain Road, Cecily Street and Alberto Street footpaths may be widened to improve the pedestrian experience
- The building envelope is typically setback at the fourth storey to engage the eye and create a human scale experience for people
- Proposed buildings fronting Fred Street are reduced in height to be no taller than existing residential buildings on the Eastern side of Fred Street.

It is intended that the project will explore sustainability and amenity features during the development application stage such as green roofs, walls and water efficiency measures.



Figure 7 – Transition to neighbouring Balmain Road properties (Roberts Day)



Figure 8 – Low scale interface to Fred Street (Source: Roberts Day)

As depicted in Figure 9 below, only a very small percentage of the site is at the higher building form and this is sensitively located mid-block. The proposal has been designed to provide a sensitive interface and transition to the surrounding area.

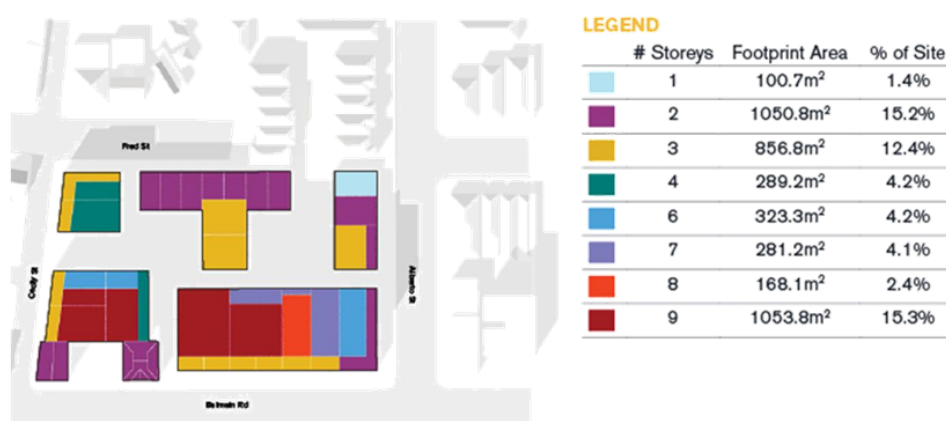


Figure 9 – Height allocation (Source: Roberts Day)

6.2 Analysis against the previous design principles for the site.

In 2007, the former Leichhardt Council adopted a set of nine design principles to guide future development on the site. These were prepared in conjunction with an established Resident Reference Group and were informed by previous proposals (2005) on the site. While significant time has elapsed and the general level of amenity in the area improved the surrounding built form and site have not changed significantly. As such the proposal has been developed in line with these principles, an analysis of the proposal against each of the principles is provided below.

Principle 1 – Heritage conservation

Any re-development of buildings on the Former Bakery site at 469-483 Balmain Road must conserve and not detract from the cultural heritage significance of the former bakery buildings and operation, particularly in terms of size, form, scale, orientation, sitting, materials and landscaping.

The assessment conducted by NBRF finds that the level of potential heritage value of the former ABBCO site does not demonstrate one or more criteria at a level that would warrant listing as a heritage item at the local level.

In spite of the lack of formal heritage significance Roche Group have elected to attempt to integrate the remnant bakery and ABBCO site into the proposed development. This is consistent with the previous design principles developed by the former Leichhardt Council in 2007 for the site. These character building will provide a level of interest to the streetscape, allowing the future development to harmonise with the surrounding neighbourhood character. They will also attractively frame a proposed public plaza between the two buildings on Balmain Road.

Principle 2 – Land use

Any future development must maintain or increase employment for industrial purposes.

The proposal will generate significantly more employment onsite. Currently only 26 jobs exist on site and under the proposal it is anticipated this will increase to approximately 66 jobs, these jobs are expected to be a closer match to the employment needs of the local area and are more likely to be professional, creative or small service business jobs.

In recognition of the changing demographics and needs of the Lilyfield area, the proposal has been designed to accommodate a range of employment types that both reflect the employment demands of the surrounding area, service the needs of the surrounding community and maximise the advantages of the local area.

Rather than a blanket prescription towards industrial uses the proposal has been designed to attract start-up creative and technical businesses and maximize potential for local residents to live and work in close proximity.

Principle 3 – Local amenity

Any development must not adversely affect the amenity of nearby land uses, particularly that of surrounding residences and Callan Park including noise, air, visual, solar and streetscape amenity.

An overshadowing analysis has been conducted by Roberts Day and this is contained in Appendix A.

In keeping with good planning and the 2007 design principles, a sensitive approach has been taken to ensure that no additional adverse impact is created from the subject site, building envelopes are stepped down towards Alberto Street and Fred Street allowing sunlight to reach adjoining properties.

During the AM hours an additional shadow created by the future buildings is essentially located within roads and driveways. Where shadowing peaks after 3pm, it is generally located on existing built form. There is very little impact on existing private and public open space.

Vehicular access to the development is proposed to be provided from Alberto Street. The existing driveways to the site from Balmain Road, and two of the existing site driveways from Alberto Street, will be removed. This will improve parking in these streets.

Principle 4 – Built form/ building envelope

In retaining the heritage integrity of the early former bakery buildings, any increase in floor space should be contained within the existing building envelope.

Building envelopes over the remainder entire site should sensitively relate to the spatial and built form characteristics of the existing built environment.

In keeping with good planning and the 2007 design principles a sensitive approach has been taken to ensure that no additional adverse impact is created from the subject site, building envelopes are stepped down towards Alberto Street and Fred Street allowing sunlight to reach adjoining properties.

Principle 5 – Parking and vehicular access

The location and design of driveways, parking spaces and other areas used for the movement of vehicles must be efficient, safe, convenient and integrated into the design of the development to minimise their visual impact.

Parking is all underground basement level.

Principle 6 – Traffic generation

Traffic congestion is a significant issue in the locality, therefore, traffic associated with any redevelopment of the site should have minimal impacts on the local road network. Ingress and egress should be encouraged from Balmain Road or to be equitably distributed across the site.

Vehicular access to the development is proposed to be provided from Alberto Street. The existing driveways to the site from Balmain Road, and two of the existing site driveways from Alberto Street, will be removed. This will improve parking in these streets.

Principle 7 – Site/block permeability

A public pedestrian connection should be provided through the site and between Fred and Alberto Streets to better enable block permeability.

A pedestrian connection will be provided as part of the proposal.

Principle 8 – Open Space

Any development must provide sufficient open space and landscaped areas to accommodate the needs of the current and future land uses on site.

11% of the site area is dedicated to the public realm, including new plaza and widened tree-lined footpaths, a pedestrian link connecting Fred St to Alberto St is proposed and Balmain Road, Cecily St and Alberto St footpaths may be widened to improve the pedestrian experience.

Principle 9 – Ecologically sustainable development

Any redevelopment design for the site must demonstrate incorporation of ecologically sustainable development principles.

The development of the site is intrinsically sustainable due to the following factors;

MIXED USE – the provision of a significant supply of employment matched to the local populace will encourage more local trips and jobs close to home. These will result in a reduction in car use and increased likelihood of walking.

PROXIMITY TO TRANSPORT - The light rail stops and buses within walking distance to the site, will encourage active transport.

INCLUSION OF CAR & BIKE SHARE Car & bike share schemes will reduce reliance on car use and result in improved physical health.

WALKABLE STREETSCAPE - Wide footpaths and new pedestrian links that are pleasant to walk down promotes walking and active transport.

It is proposed to explore a number of sustainability measures through the development of the site such as solar panels, green roofs and walls, water harvesting, urban agriculture, and the use of natural ventilation where possible.

7 Proposed Public Benefits

The following elements of the proposal have been designed to enhance the employment and residential outcomes on the site and make a wider contribution to the Rozelle locality. They are the subject of a concurrent Voluntary Planning Agreement offer to Council.

7.1 Community art space/Artist studios

A space of approximately 400 square metres is planned in recognition of the long standing association a group of local artists has had with the site. The space is proposed to be publicly accessible and provide a venue for the continuation of an arts based community space in the area.

7.2 Public domain improvements (footpath widening and Fred Street pedestrian link)

As mentioned above a new Fred St pedestrian connection is proposed and it is also proposed to incorporate widened footpaths to enhance neighborhood amenity and pedestrian circulation around the site.

7.3 Affordable housing

In recognition of the affordability issues facing the area, particularly the importance of a supply of housing for key workers in the locality, Roche Group is proposing to dedicate 3-4% percent of the residential component of the site to Council as affordable housing or key worker housing.

This has a strong strategic basis, with Goal 2 of *A Plan for Growing Sydney* recognising the need for a greater diversity of housing and in particular a need for more affordable housing in Sydney.

Further, the former Leichhardt Council in 2011 released an affordable housing strategy which identified the following key issues in the local government area:

- Lack of affordable housing for rental for low and moderate income earners.
- Declining housing diversity particularly the stock of low cost accommodation including older residential flat buildings and boarding houses that have been providing affordable private rental housing. The loss of boarding house stock is a critical issue in Leichhardt, particularly given the high proportion of residents in the private rental market and in housing stress. Boarding house accommodation traditionally provides more affordable private rental accommodation, largely for single people.
- The need for more one bedroom, studio and boarding house-style accommodation to assist in meeting the needs of the community through different stages of the housing life cycle and particularly for young people, key workers and elderly people on lower incomes.
- The development capacity of (the former) Leichhardt Council is limited. Its heritage provisions, limited land supply and few remaining major former industrial redevelopment sites restrict its ability to produce new affordable housing.
- Tighter public housing eligibility criteria focusing housing to those most in need.
- (The former) Leichhardt Council's *Leichhardt Employment and Economic Development Plan 2013-2023* recognises the potential of underutilised industrial

sites contributing to affordable housing. The *Leichhardt 2020+* plan also has an objective to increase the supply affordable housing.

The percentage of affordable housing is consistent with current best practice in Sydney for inclusionary zoning and is proportionate to that achieved in areas such as Ultimo Pymont, the Kolotex/Labelcraft sites and Redfern Waterloo.

8 Objectives or intended outcomes | Part 1

The objectives and intended outcomes of this proposal are to:

- To facilitate redevelopment of an under utilised site in a main street location in close proximity to a range of services and public transport options.
- To provide for an improved cultural and community hub which adds to the richness and diversity of the Rozelle community.
- To retain the character buildings on the site maintaining a link with the existing neighbourhood character while allowing for improved build form outcomes in the surrounding lower scale residential streets.
- To provide high quality residential development, incorporating a range of housing types including affordable housing for the Leichhardt area.
- Take advantage of good existing public transport and high quality open space that is in close proximity to the site.
- Facilitate redevelopment of the site that takes advantage of the site's characteristics to minimise any impact on surrounding developments.
- Remove heavy vehicles associated with existing industrial uses from the predominately residential area.
- Assist in achieving State and local government's housing targets.

The planning proposal seeks to achieve these objectives by allowing the redevelopment of the site for community purposes, commercial premises, affordable or key worker housing, residential development and a cafe.

9 Explanation of provisions | Part 2

The planning proposal seeks to achieve the intended outcomes outlined in Part 1 of this report by proposing amendments to the LLEP as follows:

- Rezone the site to B4 Mixed Use as per the Standard Instrument Template, and;
- Modify the FSR for the site to 2.3:1.
- Introduce a height of buildings map showing a clear transition to the lower scale residential development at the rear of the site, with height ranging from 15 metres at the rear to 31 metres at the Balmain Road frontage.

The B4 Mixed Use Zone would permit commercial, community, residential uses and a café on the site. The objectives and provisions of the LLEP B4 Mixed use zone are reproduced below:

Zone B4 Mixed Use

1. Objectives of zone

- To provide a mixture of compatible land uses.
- To integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling.
- To support the renewal of specific areas by providing for quality medium density residential and small-scale retail and commercial uses.
- To ensure that development is appropriately designed to enhance the amenity of existing and future residents and the neighbourhood.
- To constrain parking and restrict car use

2. Permitted without consent

Home-based child care; Home occupations.

3. Permitted with consent

Boarding houses; Child care centres; Commercial premises; Community facilities; Educational establishments; Entertainment facilities; Function centres; Home industries; Hotel or motel accommodation; Information and education facilities; Medical centres; Passenger transport facilities; Recreation facilities (indoor); Registered clubs; Residential flat buildings; Respite day care centres; Restricted premises; Seniors housing; Serviced apartments; Shop top housing; Any other development not specified in item 2 or 4.

4. Prohibited

Agriculture; Air transport facilities; Airstrips; Animal boarding or training establishments; Boat building and repair facilities; Boat launching ramps; Boat sheds; Camping grounds; Car parks; Caravan parks; Cemeteries; Charter and tourism boating facilities; Correctional centres; Crematoria; Depots; Eco-tourist facilities; Environmental facilities; Exhibition homes; Exhibition villages; Extractive industries; Farm buildings; Forestry; Freight transport facilities; Heavy industrial storage establishments; Helipads; Highway service centres; Home occupations (sex services); Industrial retail outlets; Industrial training facilities; Industries; Jetties; Marinas; Mooring pens; Moorings; Mortuaries; Open cut mining; Port facilities; Recreation facilities Recreation facilities (outdoor); Research stations; Residential accommodation; Rural industries; Service stations; Sewerage systems; Sex services premises; Storage premises; Tourist and visitor accommodation; Transport depots; Truck depots; Vehicle body repair workshops; Vehicle repair stations; Warehouse or distribution centres; Waste or resource management facilities; Water recreation structures; Water supply systems; Wharf or boating facilities; Wholesale supplies.

10 Part 3 | Justification

10.1 Section A | Need for the planning proposal

Q1. *Is the planning proposal a result of any strategic study or report?*

The planning proposal is the result of an analysis that balances an outcome that will best serve the needs of the future community and be able to be delivered consistent with market demand in the locality.

Additionally, the proposal supports a number of strategic objectives at the state and local level:

- Objectives of the Leichardt 2021 plan strongly encourage providing local employment of a type that meets the needs of the local population encouraging jobs close to home and a vibrant local economy.
- The site has reached the end of its economic life and the Leichhardt Employment and Economic Development Plan advocates transforming appropriate industrial land (such as the subject site) into different land uses including affordable housing for key workers and students.
- The proposal is consistent with the key directions of the *A Plan for Growing Sydney* relating to employment, urban renewal and housing growth in areas with good amenity and connectivity in the Central Subregion.
- The proposal while not in the Bays Precinct is in close proximity to plans for major open space and high tech employment outcomes which are a key priority of *A Plan for Growing Sydney* and the NSW Government.

Q2. *Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?*

The Planning Proposal is the best means of ensuring an appropriate redevelopment that increases the number of jobs on the site, provides a closer match of employment to the needs of the local population, provides a continuation and improvement to the arts/community uses on the site and provides an additional housing supply, including affordable housing.

10.2 Section B | Relationship to the strategic planning framework

Q3. *Is the planning proposal consistent with the objectives and actions of the applicable regional or sub-regional strategy (including the Sydney Metropolitan Strategy and exhibited draft strategies)?*

The Planning Proposal is consistent with the objectives and actions contained within the following plans and strategies.

NSW Premiers Priorities – NSW State Plan

In 2014 the NSW Premier Mike Baird released his 13 key priorities for NSW. The relevant key priority for this proposal is *Increase housing supply across NSW - Deliver more than 50,000 approvals every year*. Without a ready supply of zoned land in places where people want to live, this aim will not be achieved.

The subject site is located in a high demand area with good access to social and physical infrastructure and as such represents a sustainable and economically efficient option for meeting Sydney's housing supply needs.

A Plan for Growing Sydney

A Plan for Growing Sydney released in 2014 represents the current NSW Government policy for land use planning in Sydney. An analysis against the relevant aims for employment, lifestyle and housing is below.

As noted in the attached Hill PDA report the subject site is an isolated industrial area and not a key industrial precinct. Most of the Plan for Growing Sydney's objectives are around supporting employment in Strategic Centres and other key areas.

The Plan provides a set of principles for use when considering the change of use of industrial land in a key industrial precinct. While the land not a key industrial precinct an analysis against these principles serves as a useful guide in considering the change of use.

Table 2 – Analysis against Action 1.9.2 of A Plan for Growing Sydney

ACTION 1.9.2: SUPPORT KEY INDUSTRIAL PRECINCTS WITH APPROPRIATE PLANNING CONTROLS states that the Industrial Lands Strategic Assessment Checklist will guide the assessment of proposed rezoning of industrial lands	
Is the proposed rezoning consistent with State and/or council strategies on the future role of industrial lands?	An analysis of the former Leichhardt Council's strategies is listed below. In short both the former Leichhardt Council's Economic Development Plan and Leichhardt 2020+ both support the tailoring of jobs to the local population, the lifestyle benefits of jobs close to home and the provision of a diverse and affordable housing supply.
Near or within direct access to key economic infrastructure? Contributing to a significant industry cluster	The site is well located close to the Sydney CBD with good access to transport infrastructure and very near the proposed redevelopment of a major high tech jobs precinct planned at White Bay. The site is home to a mix of uses not belonging to any particular industry cluster and not predominantly industrial in nature.
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	The subject site represented approximately 0.7 percent of zoned employment lands in the former Leichhardt LGA in 2015 and just 0.2 percent of the supply within the newly defined Inner West LGA.
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	The proposal will deliver significantly greater employment than presently exists on the site.

Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	The former Leichhardt Council's own economic development plan acknowledges that the site would not be viable for redevelopment, amenity issues on surrounding resident and the reuse of the character building would make this even more unlikely. The proposal is to redevelop for a community arts space and workspaces that will foster small business, high tech and creative industries.
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No

Table 3 – Analysis against Goal 2 of A Plan for Growing Sydney

Goal 2 – A city of housing choice, with homes that meet our needs and lifestyles	
<p>Direction 2.1 – Accelerate housing supply across Sydney</p> <p>2.1.1 Accelerate housing supply and local housing choices.</p> <p>2.1.2 Accelerate new housing in designated infill areas (established urban areas) through the Priority Precincts and UrbanGrowth NSW programs.</p> <p>Direction 2.2 – Accelerate urban renewal across Sydney – providing homes closer to jobs</p> <p>2.2.2 Undertake urban renewal in transport corridors which are being transformed by investment, and around strategic centres.</p> <p>Direction 2.3: Improve housing choice to suit different needs and lifestyles</p> <p>2.3.3 Deliver more opportunities for Affordable Housing</p>	<p>The redevelopment of the subject site for a mix of employment uses and medium density housing development will contribute to housing supply across Sydney and deliver more housing in a key strategic location that reflects the demographic needs of the community.</p> <p>A total of 206 residential apartments is proposed as part of the redevelopment of the site which will incorporate a mix of one bedroom, two bedrooms and three bedroom residential apartments.</p> <p>The subject site is currently supporting 26 jobs and the proposal is expected to generate approximately 66 jobs.</p> <p>By redeveloping the site to more than double the amount of employment in a type of employment closely matched to the surrounding areas demographics the proposal will provide more jobs close to home.</p> <p>The site is in close proximity to two light rail stops, Callan Park and the Bays Precinct. A high degree of amenity is provided by the transport and recreational infrastructure in the immediate vicinity.</p> <p>The proposal is accompanied by a VPA offer to deliver four percent affordable housing on the site.</p>

Table 4 – Analysis against Goal 3 of A Plan for Growing Sydney

Goal 3 – A great place to live with communities that are strong, healthy and well connected	
Direction 3.1 Revitalise existing suburbs	<p>The subject sites are located within an established suburb in Sydney. Redeveloping the sites will improve residents' access to jobs, services and creation which will enhance the livability of Sydney.</p> <p>The redevelopment of the former industrial site to provide a mix of employment more compatible with the demographics of the surrounding area will reduce need for overall vehicle commuting trips and result in lifestyle improvements from shorter journey to work trips.</p> <p>The redevelopment of the site will result in significant amenity improvements for the surrounding residential areas, particularly on the Fred Street frontage.</p> <p>The redevelopment of the site will specifically address this objective, and will support urban renewal.</p>

Table 5 – Analysis against the Central Subregion objectives of A Plan for Growing Sydney

Central Subregion – Objectives <ul style="list-style-type: none"> • A competitive economy • Accelerate housing supply, choice and affordability and build great places to live • Protect the natural environment and promote its sustainability and resilience 	<p>The proposal is consistent with the Central Subregion priorities to accelerate housing supply, choice and affordability and build great places to live.</p> <p>By providing greater local employment, housing, community/cultural facilities and affordable housing the proposal will contribute significantly to achieving the plans objectives for the subregion.</p> <p>The proposal is also well located to encourage sustainable public transport and active transport use, such as walking and cycling.</p>
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Q4. *Is the planning proposal consistent with a council's local strategy or other strategic plan?*

An assessment against the following local strategies have been provided below

- *Leichhardt 2020+.*
- *Leichhardt Employment and Economic Development Plan (2013).*

Leichhardt 2020+
Table 6 – Analysis against Leichhardt 2020+

Leichhardt 2020 + This Plan was adopted by Leichhardt Council in May 2007. The Leichhardt 2020+ Plan identifies current and emerging long term issues and priorities for Leichhardt LGA and the wider community.	
Objective 1.3- Engage and connect all local people, people with special needs, businesses and institutions to build our community.	The proposal has been developed with a focus on meeting local community needs for both employment, housing and cultural activities. The opportunity to work live and recreate in the locality will help connect members of the local community and result in increased quality of life.
Objective 2.1- Develop integrated plans to reduce our dependence on private cars for local regular community activities and trip purposes;	By creating local employment that fit the demographics of the surrounding area it provides the opportunity for people to live close to work. Providing dwellings in an accessible location also means that that more often public or active forms of transport are the optimal choice for commuter and non-commuter trips. This is the most effective measure to reduce car dependence.
Objective 2.4- Plan local community facilities and services to fit the places we live and the way we want to live;	As shown in Figure 3 and discussed above the site is located in close proximity to a wide variety of community facilities and local services. This is important for both employment and residential uses on the site. The provision of a café, gallery, artist studio and convenience shopping will also contribute to the amenity of the local area and the lifestyle of its inhabitants.
Objective 3.1- Our town plan and place plans optimise the potential of our area through integrating the built and natural environment with a vision of how we want to live as a community, and how areas should develop to meet future needs;	<p>The provision of studio spaces and a type of commercial offering that will appeal to small professional suites, creative and technical business will provide a type of employment that is not only closely matched to the local population but by providing jobs close to home will contribute to the quality of life of the local community.</p> <p>The close proximity of existing and planned open space also directly supports this objective.</p>

<p>Objective 5.1: Develop integrated planning to promote thriving and diverse businesses that build on the demands and characteristics of the community, and reduce our dependence on private cars; and</p>	<p>The proposal will provide a greater level of business activity than exists on the site as demonstrated in the Hill PDA report.</p> <p>Currently 75 percent of residents of the former Leichhardt local government area travel outside the area for work. The following statistics on the former Leichhardt local government area from Profile.id demonstrate that the proposal will deliver an employment outcome closer to the demand and characteristics of the local community.</p> <ul style="list-style-type: none"> • A larger percentage of persons employed in professional, scientific and technical services (16.9 percent compared to a Sydney average of 9.6 percent) • A larger percentage of persons employed in information media and telecommunications (6.5 percent compared to a Sydney average of 3.0 percent) • A smaller percentage of persons employed in manufacturing compared to a Sydney average (4.7 percent compared to 8.5 percent)
<p>Objective 5.2: Develop accessible and environmentally sustainable businesses that help to build local communities</p>	<p>The type of commercial and retail businesses proposed tailored to meet the need so the local area is more likely to be sustainable in the longer term than the declining industrial and manufacturing uses presently on the site.</p> <p>The redevelopment of the site as part of this proposal will allow for the building of a more sustainable building form and provide better amenity for the surrounding residents.</p>

Leichhardt Employment and Economic Development Plan (2013)

The Leichhardt Employment and Economic Development Plan (EEDP) is a 10-year strategic plan for economic development in the former Leichhardt local government area.

Key considerations relevant to the proposed development include:

- Demand for industrial land is in locations which enable large modern industrial facilities to maintain low cost operations. Land suitable for new industries is largely in Western Sydney.
- The percentage of office space versus commercial space is changing with a larger proportion of office space required than in the past.
- Recommendations for Council to respond to industrial trends are to increase the amount of office space in industrial areas and transform appropriate industrial land into affordable housing for key workers and students.
- Strategic sites and under utilised land provide the opportunity to be transformed into other uses such as affordable housing for key workers and students;
- Smaller industrial sites in the Leichhardt LGA are surrounded by residential development which increases the likelihood of opposition to new industrial uses and reduces the viability of industrial property.

Objective 3 of the Plan is to embrace the new economy, it lists two relevant strategies to achieve this;

- Strategy 3.1 Support small business and start-ups.
- Strategy 3.3: Support the growth of creative industries.
-

The provision of 400 square metres community arts space and approximately 1200 square metres of small flexible workspaces or offices

Q4. Is the planning proposal consistent with applicable State Environmental Planning Policies?

An analysis of the consistency of the proposed amendments with relevant State Environmental Planning Policies (SEPPs) is listed in Table 7.

Table 7 – Analysis against State Environmental Policies

Policy	Assessment
SEPP 55 – Remediation of Land	SEPP 55 introduces planning controls for the remediation of contaminated land. The policy states that the planning authority must consider whether the land is contaminated, and if so that the land is suitable in its contaminated state for the permitted uses in the zone, or that the land requires remediation before the land is developed for that purpose.

Policy	Assessment
	<p>A preliminary contamination assessment conducted by Douglas Partners has concluded that the site has a low to moderate potential for significant or broad scale contamination. There may be moderate to high concentrations of contamination at point sources of contamination.</p> <p>The report finds that the site has potential to accommodate the proposed change of use, subject to the completion of any remediation deemed necessary as a result of a Phase 2 assessment, which Douglas Partners advises would be required prior to any future development application for mixed use development on the land.</p> <p>This is consistent with the Managing Land Contamination, Planning Guidelines SEPP 55–Remediation of Land (1998).</p> <p>The Douglas Partners report is attached at Appendix E.</p>
SEPP 65 – Design Quality of Residential Apartment Development	<p>Roberts Day have conducted a preliminary assessment of the proposal, and have concluded that the proposal has the ability to comply with SEPP 65 and the Apartment design guideline.</p> <p>This will be further assessed at the development application stage.</p>
SEPP (Buildings Sustainability Index: BASIX) 2004	<p>SEPP BASIX requires all future residential developments to achieve mandated levels of energy and water efficiency, as well as thermal comfort.</p> <p>BASIX Certificates are included as part of future development applications that is being lodged concurrently with the planning proposal which demonstrates compliance with SEPP BASIX requirements.</p>
SEPP (Infrastructure) 2007	<p>As part of the proposal a Traffic Impact Assessment report by Colston Budd is included at Appendix D, which assesses the transport impacts that may arise from the proposal.</p>
Development Near Rail Corridors and Busy Roads (Interim Guideline)	<p>There are referral requirements at development application stage.</p>

Q6. *Is the planning proposal consistent with applicable Ministerial Directions (s.117 Directions)?*

The proposal is consistent with all relevant Ministerial directions under Section 117(2) of the *Environmental Planning and Assessment Act 1979*.

An assessment of the proposal against the applicable Section 117 directions is supplied in Table 8.

Table 8 – Assessment against Section 117 Direction

Section 117 Direction	Assessment
<p>Business and Industrial Zones</p> <p>The objectives of this direction are to:</p> <p>encourage employment growth in suitable locations,</p> <p>protect employment land in business and industrial zones, and</p> <p>support the viability of identified strategic centres.</p>	<p>The rezoning of the site will deliver a significantly greater number of jobs than are currently available on the site (66 from 26). Further the jobs created are likely to be better match to the local demographics of the area.</p> <p>A mixed use development on the site would result in a net loss in land zoned for industrial uses. However, the site is currently underutilised and the majority of uses on site are not industrial in nature. The desired retention of the character buildings limits potential uses and intensification opportunities.</p> <p>The Planning Proposal would result in a more intensive use of space and increase in employment on site in a locality with good access to transport and amenities,</p> <p>The proposed rezoning would result in a loss in land zoned for industrial uses. However, the site is in a predominantly residential area, which impacts on its ongoing suitability for many industrial uses.</p> <p>From a future supply perspective, the site represented approximately 0.7 percent of zoned employment lands in the former Leichhardt local government area in 2015 and just 0.2 percent of the supply within the newly defined Inner West local government area.</p> <p>The limited industrial uses currently on site do not directly service the neighbouring commercial zone or local residents.</p>
<p>Environment and Heritage</p> <p>2.3 Heritage Conservation</p>	<p>No state or local listed heritage items exist on the subject site, a full heritage assessment has been completed by NBRS which found the character buildings on the site did not meet the criteria for heritage listing.</p>

Section 117 Direction	Assessment
Housing, Infrastructure and Urban Development	The existing Lilyfield housing stock is comprised of a majority of single or semidetached dwellings. The introduction of a greater range of medium density dwelling of a range of sizes and types will satisfy this direction by providing a greater supply of more affordable and accessible types of dwellings.
3.1 Residential Zones	
3.4 Integrating Land Use and Transport	The Lilyfield/Roselle area has good access to infrastructure, open space and a range of services The increased activity both commercial and residential will provide further activation to the Rozelle local centre and a more sustainable source of local employment over the longer term. Redevelopment of the site will provide future residents the opportunity to live and work locally introducing a potential for further containment in the area, resulting in overall reduction in vehicle kilometres travelled. The proposal also aims to improve access to housing, jobs and services by allowing people to live and work in areas where walking, cycling and public transport are viable alternatives to car based transport.
Hazard and Risk	
4.1 Acid Sulphate Soils	The proposal is consistent with the Standard Instrument and has provisions which aim to ensure suitability of any development and will manage the impact of any acid sulfate soils.
4.3 Flood Prone Land	The site is not in a flood prone area.
Local Plan Making	The proposal can be achieved through the amendment of mapping changes to the LLEP, no concurrences, or public land reservation is proposed.
Metropolitan Planning	Consistent, discussed previously in the report
7.1 Implementation of the Metropolitan Plan	

10.3 Section C | Environmental, social and economic impacts

Q7. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

The proposal is contained within a site long used for industrial purposes, no critical habitat or threatened species will be affected as a result of this proposal.

Q8. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed.

10.3.1 Overshadowing and Visual impact

An overshadowing analysis has been conducted by Roberts Day and this is contained in Appendix A.

In keeping with good planning and the 2007 design principles, a sensitive approach has been taken to ensure that no additional adverse impact is created from the subject site, building envelopes are stepped down towards Alberto Street and Fred Street allowing sunlight to reach adjoining properties.

During the AM hours an additional shadow created by the future buildings is primarily located within roads and driveways. Where shadowing peaks after 3pm, it is generally located on existing built form. There is very little impact on existing private and public open space.

10.3.2 Heritage

As part of the current proposal Roche Group are proposing to retain the character buildings of the former bakery and ABBCO site.

A heritage assessment completed by NBRS Architecture and Heritage is provided in Appendix C, it finds that while the site is in proximity to a range of heritage items the site of itself does not meet the recognised criteria for heritage listing and in spite of ample opportunity has not been listed to date.

Following is an extract of the heritage assessment completed NBRS Architecture and Heritage.

Site

The site contains a number of masonry buildings, constructed at various dates between 1907 and ca.1960. The site contains three principal buildings, namely:

- *Pilchers Bakery;*
- *Former ABBCO Pty Ltd office; and*
- *Factory building with two residential apartments above.*

Heritage Assessment

The assessment finds the former ABBCO Factory site, while having low historic and associative significance, does not demonstrate the heritage criterion set by the NSW Heritage Council at a level sufficient to warrant listing as an item on any local or state heritage register. The site occupies an entire block facing Balmain Road opposite Callan Park Hospital and adjoins the Eastern Residential Sub Area which is predominantly one- and two-storeys in scale.

The former ABBCO Bread Factory complex is the result of several construction phases dating from 1907. Open areas, including cart areas and stables have been enclosed and adapted, or redeveloped resulting in the irreversible loss of original fabric. Original machinery and ovens were removed in ca1990, and the surviving original building fabric does not demonstrate the earlier significant bread-making use associated with the site.

While prominent due to its location, the buildings have little aesthetic value and limited ability to demonstrate the historic processes that led to their construction. The original use for bread production ceased in the last third of the 20th century and the complex has subsequently been fragmented by a variety of uses in its component parts.

The site has not been identified by any other heritage authority despite its obvious prominence and proximity to other heritage items.

Conclusions and Recommendations

The assessment finds that the level of potential heritage value of the former ABBCO site does not demonstrate one or more criteria at a level that would warrant listing as a heritage item at the local level.

The external form of the northern section of the complex exhibits the characteristics of a warehouse or factory and may be suitable for adaptation for other uses subject to planning approval. The complex no longer operates as a bakery and the equipment and spaces associated with bread-making were removed in the early 1990s.

Other warehouse and factories situated in the northern Balmain Road Commercial /Industrial Sub Area have been retained and progressively adapted for other uses, such as artist studios, architect office, coffee roasting, light manufacturing (glass window and shop fitout fabrication) in recent years.

In the event that the buildings are demolished, appropriate recording of the site and on site interpretation might be considered.

In spite of the lack of formal heritage significance Roche group have elected to attempt to integrate the remnant bakery and ABBCO site into the proposed development, this is consistent with the previous design principles developed by the former Leichhardt Council in 2007 for the site.

These character building will provide a level of interest to the streetscape, allowing the future development to harmonise with the surrounding neighbourhood character. They will also attractively frame a proposed public domain area between the two buildings on Balmain Road.

10.3.3 Transport

Colston Budd Rogers & Kafes were engaged to review the transport aspects of the planning proposal. The report considered the planning proposal would provide for some 1,600 square metres commercial plus 170 residential apartments, the report makes the following key points:

Traffic generation and transport capacity

- Traffic generated by development anticipated in the planning proposal would have its greatest effects during weekday morning and afternoon peak periods when it combines with other traffic on the surrounding road network
- The development would have a traffic generation of some 40 to 50 vehicles per hour two-way at peak times. The report describes this as modest traffic generation.
- With allowance for traffic generated by the existing site uses, traffic increases in Alberto Street would be some 20 to 30 vehicles per hour two-way at peak times. Traffic increases in other streets would be lower at some 10 to 20 vehicles per hour two-way.
- The analysis found that the signalised intersection of Balmain Road with Cecily Street is operating with average delays of less than 15 seconds per vehicle during peak periods. This represents level of service A/B, a good level of service.

- The unsignalised intersection of Balmain Road with Alberto Street is operating with average delays for the highest delayed movement of less than 20 seconds during peak periods. This represents level of service B, a reasonable level of service.
- The intersection of Cecily Street with Fred Street is operating with average delays for the highest delayed movement of less than 15 seconds per vehicle during peak periods. This represents level of service A/B, a good level of service.
- The site therefore has good access to public transport services, being local in close proximity to bus routes and light rail.

Parking

- According to the Leichhardt DCP and based on a mix of 30 percent one bedroom, 60 percent two bedroom and 10 percent three bedroom apartments, the provision would be in the range of some 141 to 230 spaces. These would all be underground basement parking.
- The DCP also includes the following requirements:
 - one bicycle space per two dwellings for residents;
 - one bicycle space per 10 dwellings for visitors;
 - one bicycle space per 10 employees for commercial development; and
 - one bicycle space per 400 square metres GFA for commercial development.

Access

- Vehicular access to the development is proposed to be provided from Alberto Street. The existing driveways to the site from Balmain Road, and two of the existing site driveways from Alberto Street, will be removed. This will improve parking in these streets.
- The report states there may be also potential for a secondary residential access off Fred Street, this would allow for increased permeability and have minimal effect on the surrounding area due to low trip generation from the residential use.

In conclusion, the future development would have minimal impact on the surrounding area and adequate transport infrastructure exists to cater for the future development.

10.3.4 Contamination

Given the industrial history of the site Douglas Partners were commissioned to undertake an assessment of potential contamination of the site. A full phase 1 contamination assessment is attached at Appendix E.

The phase one assessment concludes the site has low to moderate potential for significant contamination mainly in areas previously used for underground storage tanks and potential for chemical spills, areas of fill from unknown sources will warrant further investigation at the next phase of assessment.

The Douglas Partners report acknowledges the proposal is at planning proposal stage and concludes that given appropriate treatment the site can be made safe to accommodate the future mixed use land use change.

Q9. Has the planning proposal adequately addressed any social or economic effects?

10.3.5 Economic Analysis

HillPDA was commissioned by Roche Group to undertake an Economic Assessment of the proposal. The advice is included at Appendix B.

The HillPDA advice deals with a number of key issues;

- The merit of the change of use
- The employment generating potential of the project
- The consistency with state and local policy
- The suitability of the site for an amount of residential development
- The economic benefits arising from the proposal.

With regard to the change of use the report finds that given the present nature of industrial demand in Sydney and the fact that the site is not in a key strategic location characterised by specific industry cluster or privileged access to road or freight infrastructure the present state of under utilisation is expected to continue.

The light industry on the site does not serve a unique local purpose and the redevelopment of the site to small office spaces is more likely to appeal to the local employment demographic. Taking a more regional approach now that planning for the area is the preserve of the new Inner West Council shows that while industrial land in Leichhardt may be somewhat limited there is a surplus in supply in the Marrickville LGA.

From a supply perspective, the subject site represented approximately 0.7 percent of zoned employment lands in the Leichhardt LGA in 2015 and just 0.2 percent of the supply within the newly defined Inner West LGA.

The report evaluates the present uses on the site and a survey of employees was conducted by Roche Group as an input. The subject site is characterised by limited parking, narrow surrounding roads and close proximity to small lot residential. Uses on the site consist of residential (three percent), storage (seven percent), wholesale (56 percent), artistic space (12 percent) and light manufacturing (17 percent). The total employment on the site and its economic benefit are summarised in the table below.

Table 9 – HillPDA Analysis of Employment generation and activity

	Current uses	Planning Proposal
Total jobs generated	26	66
Total salaries (\$m) generated	\$1.5m	\$2.9m
Industry value added (to GDP)	\$2.3m	\$4.4m
Construction costs	-	\$63.7
Total economic activity from construction	-	\$210m
Job years in construction	-	666

It should be noted that the significant increase in employment is a closer match to the local workforce. This will result in decreased congestion from the possibility of more local trips and improved quality of life for the future employees as they work closer to home. It is also consistent with both the state and local planning objectives.

The share of Leichhardt's workforce classified as managers and professionals rose from 33.2 percent in 2001 to 62 percent in 2011. Leichhardt residents are more likely to be employed in service sectors than in primary and secondary industries, with a 16.8 percent share of employment within the professional, scientific and technical services sector the highest of any industry subsector. The changing demographic profile of Leichhardt is consistent with an influx of high income young white collar professionals.

The Planning Proposal's provision of studio spaces and a type of commercial offering that will appeal to businesses requiring small professional suites will cater for employment uses that are not only closely matched to the local population, but by providing jobs close to home will also contribute to the quality of life of the local community.

Providing office-based employment on the subject site will also have benefits in terms of reducing congestion and increasing passing trade

The report states that an increase in supply of medium density housing in the Lilyfield area is likely to contribute to downward pressure on housing prices that in first quarter 2016 were 22.5 percent higher than the former Leichhardt LGA generally.

Finally, the report concludes that the Planning Proposal would lead to a net increase in jobs (+40 jobs), salaries generated (+\$1.4m) and value added contributed (+\$2.1m). Moreover, the Planning Proposal would generate additional economic activity (+\$210m) and jobs (+666 job years directly and indirectly) during the period of construction and stimulate investment in the locality.

11 Section D | State and Commonwealth interests

Q10. Is there adequate public infrastructure for the planning proposal?

The subject site is currently serviced with electricity, water supply, telecommunications, sewer and stormwater. The site is also located in an inner city location with a multitude of services available in the locality. Transport availability is discussed in earlier sections of this report.

Q11. What are the views of state and Commonwealth public authorities consulted in accordance with the gateway determination?

The Department of Planning and Environment will have responsibility for considering the gateway request, likely process for consultation any conditions. It is unlikely that the amendments proposed in this proposal will raise any issues of interest to state or commonwealth public authorities.

12 Part 4 | Mapping

The subject site is currently zoned IN2 – Light Industrial under the provisions of the LLEP. An outline of the existing controls is contained in Section 3.

The planning proposal proposes the amendment of three maps under the LLEP:

- 1 Amendment to zoning map to zone site B4 – Mixed Use
- 2 Amendment to maximum floorspace map to increase FSR to 2.3:1
- 3 Amendment to height of building maps to introduce two height zones across the site of 10 metres and 30 metres.

The figures below represent the proposed mapping changes to the Leichhardt LEP.

Amendment to Leichhardt LEP Zoning Map

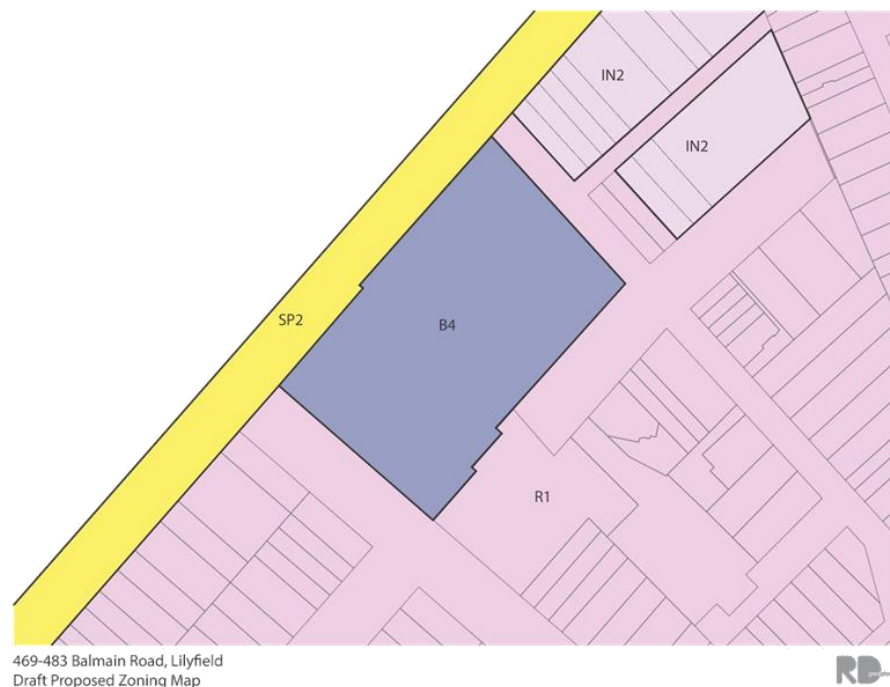


Figure 10 - Land Zoning Map (Source: Roberts Day)

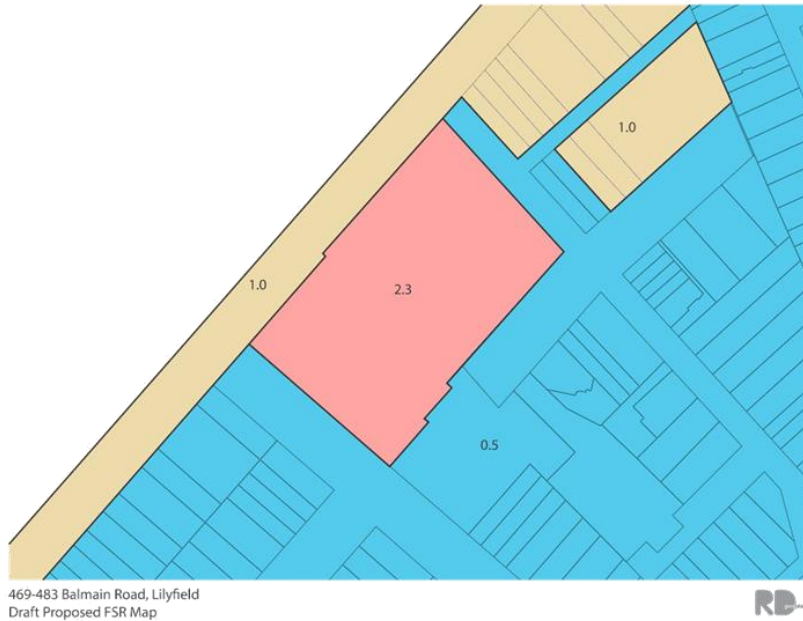


Figure 11 - Maximum Floor Space Ratio Map (Source: Roberts Day)



Figure 12 - Height of Buildings Map (Source: Roberts Day)

13 Part 5 | Community consultation

An engagement strategy is being prepared by KJA, to support and inform the planning proposal.

14 Part 6 | Project timeline

An indicative timeframe is set out below in Table 10.

Table 10 – Project timeline

Planning Proposal Stage	Date
Lodgment of planning proposal	September 2016
Inner West Council Reviews and prepares Planning Proposal	October 2016
Inner West Council consideration of Planning Proposal and any resultant DCP Amendment.	November 2016
Inner West Council submits Planning Proposal to Department of Planning and Environment (DP&E) for Gateway Determination.	November 2016
Receive Gateway Determination	November/December 2016
Public exhibition and public authority consultation of Planning Proposal	February 17
Inner West Council reviews submissions received during public exhibition and public authority consultation.	March 2017
Drafting of instrument and finalisation of mapping.	April 2017
Amendment to LLEP notified.	April/May 2017

15 Summary of Benefits

The following summarises the key benefits of the proposal.

Supply of diversity of housing products	✓ ✓	One, two, three bedroom units Creates greater diversity in local housing market by addition of medium density housing stock and range of dwelling sizes
Better Employment Outcome	✓ ✓ ✓	Closer match to demographics of area Jobs close to home Small commercial/creative workspaces will foster creative industries and small/startup businesses
Affordable housing	✓	Provision of four percent affordable housing
Retention of cultural uses	✓	Retention and improvement of cultural and community space



Contact: Harjeet Atwal
Phone: 9335 2247

15 September 2017

Mrs Karen Armstrong
Director Sydney Region East, Planning Services
Department of Planning and Environment
GPO Box 39
SYDNEY 2001

E-MAIL: karen.armstrong@planning.nsw.gov.au

Dear Mrs Armstrong,

RE: 469 – 483 BALMAIN ROAD, LILYFIELD – PLANNING PROPOSAL

I refer to your letter to Council dated 25 August, 2017 regarding the above Planning Proposal that seeks to amend Leichardt Local Environmental Plan 2013.

The Rezoning Review request submitted to the Department of Planning and Environment (the Department) includes a Rezoning Review Report dated August 2017. This document has not previously been submitted to Council. With the exception of the Rezoning Review Report dated August 2017, all other documents submitted to the Department are the same.

The Planning Proposal was submitted to Council on 16 December 2016. The amended proposal was submitted to Council on the 21 June 2017 and is the subject of the Rezoning Request with the Department. The two proposals differ significantly in terms of the zone and all of the proposed development standards as shown in the table below.

	Original Planning Proposal	Amended Planning Proposal (APP)
Zone	B4 Mixed Use	IN2 Light Industrial with residential accommodation as an additional permitted use
FSR	2.3:1	2.54:1
Height	Max 9 storeys - 31m/15m	Max 6 storeys
Employment Floor space	1,600 sqm	6,000 sqm
Residential Floor space GFA/units	14,042 sqm/ 170 units	12,935 sqm / 142 units

The retention of the IN2 Light industrial zone and provision of a minimum 6,000sqm of existing light industrial floor space should be sought as part of any Planning Proposal seeking to redevelop this site. The protection of industrial land for industrial uses is a long standing Council policy consistent with S.117 Ministerial Directions, the Draft Central District Plan precautionary principle for protecting employment land, and Council's position on two previous rezoning proposals for this site.

Customer Service Centres

Petersham | P (02) 9335 2222 | E council@marrickville.nsw.gov.au | 2-14 Fisher Street, Petersham NSW 2049

Leichhardt | P (02) 9367 9222 | E leichhardt@lmc.nsw.gov.au | 7-15 Wetherill Street Leichhardt NSW 2040

Ashfield | P (02) 9716 1800 | E info@ashfield.nsw.gov.au | 260 Liverpool Road Ashfield NSW 2131

The proponent has submitted the Rezoning Review request before Council had considered or agreed how the proposed design and operation of the development would integrate industrial and residential uses. Consequently as it stands the amended Planning Proposal submitted for the Rezoning Review would amend Leichhardt Local Environmental Plan 2013 controls that are less than 5 years old.

Under Planning Circular PS 16-004 the amended Planning Proposal can therefore only be considered if it meets the Strategic Merit Test.

The 2015 HillPDA Industrial Precinct Review for the NSW Department of Planning which underpins the Draft Central District Plan identifies the Balmain Road precinct as one of the most successful small precincts in Greater Sydney.

The amended Planning Proposal could create a development where the proposed industrial floor space cannot be used for this purpose because of inherent conflicts with the residential element. The amended Planning Proposal additional permitted uses would therefore as Productivity Priority 5 of the Draft Central District Plan puts it hinder the role and function of the industrial floor space. In addition Productivity Priority 5 requires any relevant Planning Proposal to demonstrate how this type of issue is taken into account. The amended Planning Proposal does not do this.

The current amended Planning Proposal therefore fails the Strategic Merit Test and Council recommends that the Panel rejects the Proposal. A more detailed assessment outlining Council's concerns is provided in Attachments 1 and 2 with supporting studies at Attachment 3 and 4 and a relevant Australian Research Council report on the importance of artistic creative manufacturing businesses in the Inner City titled Made in Marrickville at Attachment 5 (as a hyperlink).

Should you have any questions or require additional information, please contact Harjeet Atwal on 9335 2247 or Svetlana Kotevska on 9392 5232.

Yours sincerely



Harjeet Atwal
PLANNING OPERATIONS MANAGER

ATTACHMENT 1 – DETAILED COMMENTS**Amended Planning Proposal 469-483 Balmain Road, Lilyfield****POTENTIAL LAND USE CONFLICTS**

The amended Planning Proposal urban design for additional permitted use for residential accommodation on this IN2 Light Industrial site would be incompatible with the existing and many other potential industrial activities. Conflicts are likely to arise over access arrangements between vehicles, pedestrians and residential/employment land uses, loading and operating hours as well location of land uses, noise, odour, dust and separation between uses.

The proposed built form does not demonstrate that land use conflicts in the proposed vertically integrated development can be minimised or avoided. The proponent's response to date on the issue of land use conflicts is limited with reference made to having flexibility for access and deliveries from all street frontages except Balmain Road, but the concept plans do not show separate access for the residential or industrial components. The proponent's Supplementary submission on urban design aspects refers to other measures that could be implemented to mitigate land use conflicts within the site that include:

- Separate street access to residential cores
- Smart technology to separate residential and employment access including parking (no details provided)
- Higher acoustic treatment for the slab separating employment and residential components.

Evidence and design solutions for these approaches are not provided.

A precautionary approach would be consistent with the Department's Gateway determination on 16 March 2016 regarding the Victoria Road Precinct, Marrickville that required review of the Residential zoning to retain the IN1 General Industrial Zone. The Gateway Assessment Report as prepared by Department officers indicates that residential development was not supported in part of the precinct given the direct interface with the core industrial lands and the likely land use conflict that would arise.

INCONSISTENCY WITH STRATEGIC PLANS

Council officers have assessed the Planning Proposal against the following State Government planning strategies and directions and Council policies:

- a. Directions for a Greater Sydney 2017 – 2056
- b. A Plan for Growing Sydney 2014, Towards our Greater Sydney 2056 draft amendment
- c. Draft Central District Plan 2016
- d. Section 117 Directions
- e. Leichhardt 2025+
- f. Leichhardt Community and Culture Plan 2011 – 2021
- g. Leichhardt Employment and Economic Development Plan 2013 – 2023
- h. Leichhardt 2014 Industrial Lands Study and Leichhardt Industrial Precinct Planning Report 2016
- i. Leichhardt Local Environmental Plan 2013
- j. Relevant SEPPs including SEPP 55; SEPP 65; SEPP 70
- k. Inner West Council Affordable Housing Strategy 2017
- l. Leichhardt Development Control Plan 2013
- m. Leichhardt Integrated Transport Plan 2013 - 2023

DIRECTIONS FOR A GREATER SYDNEY 2017 – 2056

The Planning Proposal does not address the new policy document titled *Directions for a Greater Sydney 2017 – 2056* and the 10 principles in its Justification.

A PLAN FOR GROWING SYDNEY 2014

A Plan for Growing Sydney 2014, amended by the draft Towards our Greater Sydney 2056, establishes the regional planning framework for new housing, jobs and the growth of strategic centres and gateways close to transport infrastructure. It has several relevant goals, directions and actions.

Goal 1 - A competitive economy with world class services and transport

- Direction 1.9 Support priority economic sectors
 - Action 1.9.2 Support Key Industrial Precincts with appropriate planning controls

The Plan for Growing Sydney, that was amended by the draft Towards our Greater Sydney 2056 released in November 2016, has a vision for Sydney as a metropolis of three cities that is shaped by three main priorities:

<u>Productive Sydney</u>	<u>A Liveable Sydney</u>	<u>A Sustainable Sydney</u>
A growing city	An equitable, polycentric city	A city in its landscape
A city with smart jobs	A city of housing choice and diversity	An efficient city
A 30-minute city	A collaborative city	A resilient city

Towards our Greater Sydney 2056 and Action 1.9.2 of a Plan for Growing Sydney aim to support key industrial precincts with appropriate planning controls. A productivity priority is the 30 minute city. The Plan for Growing Sydney's 2014 *Action 1.9.2 Support Key Industrial Precincts with Appropriate Planning Controls* referenced the Industrial Lands Strategic Assessment Checklist (page 49 Draft Metropolitan Strategy for Sydney to 2031) for the assessment of proposed rezonings of industrial lands and poses the following questions.

Is the proposed rezoning consistent with State and/or Council strategies on the future role of industrial lands?

The Proponent's Economic Impact Assessment states that the proposal is consistent with State strategies on the future role of industrial lands, adopted Council Policy and the SGS Industrial Land Study 2014 that recommends the retention of all industrial lands to meet increased demand from a growing population.

The EIA also states that "it is unlikely that a commercially viable redevelopment for currently permissible IN2 uses could be found and therefore the site would remain underutilised for IN2 uses without the rezoning to allow residential accommodation as an additional permitted use". This is incorrect as the site is fully occupied and utilised and therefore does not need to be transformed from industrial to flexible office/industrial space and commercial uses. The overall Balmain Road precinct has 23 businesses and is suitable for a broad range of employment uses. The SGS Peer Review (Attachment 4) of the proponent's original EIA noted that it did not provide sufficient detail of the businesses and employment on the site nor evidence that the site is underutilised.

The Proponent's EIA has not adequately addressed the potential impact of the proposed flexible employment office/retail floor space on existing businesses or other potential industrial tenants. The introduction of business or office uses, will change the character of the precinct, displace existing uses and change market perceptions of the site. This would in turn lead to higher rents for light industrial uses and displace these uses from the site. This is strongly inconsistent with Council's Employment and Economic Development Plan, Leichhardt

SGS Industrial lands study 2014, SGS Industrial Precinct Planning Final Report 2016. New commercial uses could also create potential land use conflicts with existing industrial uses.

Given the projected deficits of industrial land in the former Leichhardt LGA and the wider Inner West LGA, it is unlikely that there are alternative sites for these uses in the local area they serve. There is a supply and demand gap for industrial land in the Inner West and a need to increase the stock of industrial floor space. The existing uses are urban services for local population and businesses. They should be retained to support a diverse local community and economy.

Is the site: Near or within direct access to key economic infrastructure? Contributing to a significant industry cluster?

The Proponent's EIA states that the subject site is not contributing to a significant industry cluster. Council disputes this as the entire Balmain Road industrial precinct is currently functioning well with 23 businesses providing **urban services** for the area that encourage economic growth, business opportunities and employment.

Despite the amended Planning Proposal's claim about poor accessibility for industrial uses road and public transport accessibility is good. In addition, the West Connex Rozelle portal will be approximately 1km from the site so its subregional and regional accessibility to the north of the Harbour, the Airport and Port Botany will improve.

How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?

Former Leichhardt Council's Industrial Lands Study 2014 and the Leichhardt Industrial Precinct Planning Report 2016 recommended the protection and intensification of industrial floor space with retention of industrial sites because there is a shortage of industrial land at a subregional level.

The former Leichhardt LGA in particular has a small, dwindling stock of industrial land, which means its residual stock of lands must be protected.

The Leichhardt 2014 Industrial Land Study showed that even without any further rezonings at that point in time, the former Leichhardt LGA would have a shortfall of up to 54,965sqm of industrial floor space by 2036 and in the Balmain Road precinct alone, a shortfall of up to 3,297sqm.

Consequently, the approximately 6,000sqm of existing industrial floor space on the site must be retained without any limitations on its use for light industry.

In 2008 the former Leichhardt LGA had 108.9ha of industrial land, including the Rozelle Rail yards/Bays Precinct. Since then around 93ha of industrial land have been or due to be rezoned as follows:

- 4.9ha at George Street and Allen Street, Leichhardt and Terry Street, Rozelle
- Camperdown and Tebbutt Street Parramatta Road Urban Transformation Strategy (PRUTS) – 12.2 ha
- Bays Precinct (Rozelle Railyards) - 75.8 hectares

Total projected loss - 93ha or 85% of the total 2008 Leichhardt LGA industrial land supply (with pre 2016 rezoned sites included).

In other words the zoned land supply will fall from 108.9 ha to 15.9ha in approximately 10 years. This makes it even more important to protect the existing industrial floor space on this site that is almost 40% of the Balmain Road industrial precinct. If it were rezoned, the pressure to rezone the rest of the precinct will be difficult to resist. The whole precinct is 1.8 ha and 12% of the residual industrial land supply of 15.9ha in the former Leichhardt LGA.

How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?

The Balmain Road industrial precinct is currently functioning well with 23 businesses providing urban services for the area and light industrial employment. These businesses contribute to economic growth, business opportunities and employment with 26 mainstream jobs and 50 artists working on the site. Given the cumulative loss of industrial land in the former Leichhardt Local Government Area the capacity of the site to accommodate these jobs should be protected.

The amended Planning Proposal's suggested introduction of flexible employment floor space for offices/retail would potentially have a negative impact on the existing site's industrial floor space provision as well as the rest of the Balmain Road industrial precinct and erode its viability as a locally significant industrial precinct.

The attached SGS Peer Review notes that the proponents original Economic Impact Assessment (EIA) area overview fails to consider the negative impact of the Planning Proposal on adjacent industrial properties in the Balmain Road industrial precinct. SGS recommended that the adjacent sites should be considered in any overview of the area to gain a full understanding of the risk of fragmentation of the precinct.

The site is 6,823sqm and provides large floor plates for an existing furniture wholesaler, an aluminium door/window manufacturer, an import business as well as artist studios and a photography and jeweller business. The loss of the largest site in the precinct to non-industrial employment uses or another zone could damage the role and function of the Balmain Road industrial precinct, thereby setting an undesirable precedent for other industrial precincts that would have a negative impact on subregional employment objectives and targets.

Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?

The Planning Proposal provides no compelling evidence that the site cannot be used for an industrial purpose. It can readily accommodate a wide range of traditional and new industrial land uses. Indeed the original EIA states:

“recent research from Colliers International suggests that there is a significant shortage of industrial properties for lease within the Inner West market...As a consequence, rents and capital values have been experiencing strong growth...some of the demand is being driven by tenant migration with many occupiers being pushed out by rezoning, conversion and infrastructure development. Compulsory land acquisition associated with the West Connex project and the proposed planning changes associated with Parramatta Road Urban Transformation Strategy will result in a decrease in industrial lands supply within the Inner West LGA which will need to be factored into future land use planning” (pg 25 Proponents EIA).

The site is fully tenanted and sufficient demand exists to attract new tenants and based on the shortage of sites in the area, the industrial floor space should be retained as pure industrial floor space unhindered by concepts of flexible business and commercial floor space.

Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?

The land is not critical to meeting the need for land for an alternative purpose.

The proposal is also inconsistent with the following Goals of the Plan for Growing Sydney.

Goal 2 - A city of housing choice, with homes that meet our needs and lifestyles

- Direction 2.1 Accelerate housing supply across Sydney
 - Action 2.1.1 Accelerate housing supply and local housing choices
- Direction 2.3 Improved housing choice to suit different needs and lifestyles
 - Action 2.3.3 Deliver more opportunities for affordable housing

The plan identifies the most suitable urban renewal areas as well connected to employment in centres and strategic centres, with frequent public transport. This site is not in an identified centre or strategic centre and is not identified for significant renewal.

Goal 3 – A great place to live with communities that are strong, healthy and well connected

- Direction 3.1 Revitalise existing suburbs
- Direction 3.3 Create healthy built environments
- Direction 3.4 Promote Sydney's heritage, arts and culture

Goal 4 – A sustainable and resilient city that protects the natural environment and has a balanced approach to the use of land and resources

- Direction 4.3 Manage the impacts of development on the environment
 - Action 4.3.1 Apply urban green cover technical guidelines

The Planning Proposal does not adequately address Goals 3 and 4. The substantial reduction of art studio space from the existing approved 1,200m² to 400m² would adversely effect the existing community. The concept design plans provided so far do not demonstrate compliance with the Apartment Design Guide to ensure that the low density character of the local environment and nearby heritage items including Callan Park are not adversely impacted. Further details would be required to establish if the Proposal could adequately address Goal 4.

DRAFT CENTRAL DISTRICT PLAN 2016

The Greater Sydney Commission (GSC) Draft Central District Plan has productivity, liveability and sustainability priorities. With regard to the productivity priorities, the draft Central District Plan advocates a precautionary approach to the protection of industrial land for urban services and the addition of permitted uses, as Productivity Priority 5. In 2015, the Central subregion had 1,490 hectares of zoned employment and urban services land, as 11% of Greater Sydney's total stock. Only 4% of this land was undeveloped. That employment land stock should be protected. The Plan also confirms that smaller parcels of employment and urban services land are important to the District's economy and that rezonings for other non-industrial uses reduce potential long term growth and improvements in productivity.

The 2015 HillPDA Industrial Precinct Review for the NSW Department of Planning and GSC District Plans, provides a health check for all 135 industrial precincts in Greater Sydney.

Each precinct was scored on job generation, function and output with an overall scale of 0 to 15. Only the largest and most successful precincts such as that around Sydney Airport scored over 11. The most successful small precincts scored between 9 and 10.5. They include this Balmain Road industrial precinct with a score of 9.5.

The 2015 Hill PDA Precinct Review also identified the important role such small precincts play in providing important local urban services. The Balmain Road precinct supports 23 businesses (refer Table 9) including:

Fred Street:

- glass and aluminium industry (domestic and commercial);
- Atom industries (lawn and garden manufacturer);
- coffee roasters;
- architect;
- Thirst for Life (importer, distributor and retailer of premium drinks) and
- art studios.

Balmain Road:

- crystal shop;
- Hanoi restaurant
- beauty centre;
- Balmain timber yard;
- framing shop;
- physiotherapist,
- offices (101 Capital investment services; 5 senses marketing & brand business and a stock broker),
- Revel systems (high tech company for ipad point of sales systems),
- computer support business

This same review also recognises the challenges of creating new employment lands in inner city areas and the following key review points, support the retention of industrial floor space on this site:

- there is strong price driven demand for small industrial spaces (under 500sqm) in the Central Subregion pg 81
- more creative types of uses (designers, food production and sale etc) are attracted to the Subregion pg 81
- small local industries (furniture storage and renovation, printerries, food production and creative industries) flourish in these locations (Leichhardt LGA is specifically mentioned), given nearby local demographics pg 83.
- in terms of industrial trends, there is a growing and evolving demand for industrial areas within inner city and middle ring suburbs of Sydney to serve the needs of the growing local population (i.e. panel beaters and household trades) pg 68-69
- growing demand for more intensive backroom data storage and archives close to inner city offices pg 68
- growing demand for urban support services as a result of forecast rate of residential and business population growth pg 68
- in the Bays Precinct, "the maritime-related industrial uses in the area are well supported. which will see kindred support industry encouraged to move to the area" pg 83. The subject site could accommodate uses to support these maritime industries.

This precinct is functioning well with an urban services light industrial character and some non-industrial commercial activity. Consequently, the Planning Proposal objective of retain light industrial floor space in the IN2 zone can be supported.

The Proposal's 5% affordable housing offer only meets the minimum liveability District Plan target of 5% to 10% affordable housing and improving housing choice and affordability. The Planning Proposal does not sufficiently explain how its proposed Development Control Plan (DCP) linked to a Voluntary Planning Agreement (VPA) will achieve District Plan sustainability priorities.

SECTION 117 MINISTERIAL DIRECTIONS

Question 6 of "A Guide to Preparing Planning Proposals (2016)" prepared by the Department of Planning and Environment, asks "Is the Planning Proposal consistent with applicable Ministerial Directions" (section 117 Directions).

Direction 1.1 Business and Industrial Zones, Clause 4(d) states that a Planning Proposal "should not reduce the total potential floor space area for industrial uses in industrial zones". To be consistent with this direction the Planning Proposal must retain the existing industrial floor space e.g. a minimum of 6,000sqm.

Council's policies, recent industrial lands studies and the 2015 Hill PDA Industrial Precinct Review prepared for the NSW Department of Planning to inform the GSC Draft Central District Plan do not support or justify any loss of industrial/employment land at Balmain Road. The precinct is suitable for and well positioned to retain and attract light manufacturing and creative industries.

Further evidence is required to clarify whether the Planning Proposal is consistent with Direction 2.3 Heritage Conservation given the heritage significant buildings on or close to the site including the State Heritage listed Callan Park. The proposal must include a report assessing its impacts on these heritage items.

LEICHHARDT 2025+ STRATEGIC PLAN

Leichhardt 2025+ is the strategic plan for the former Leichhardt LGA. It's six key service areas underpin Council planning for social, environmental, economic and civic leadership outcomes over a 10 year period.

The height, bulk and scale of the proposed development will have an impact on community wellbeing and the places where residents of the area live and work. Further architectural and urban design details are required to determine the Planning Proposal's consistency with the following objectives, key goals and strategies of the Plan:

- maintain and enhance the character of the urban environment
- "to promote thriving and diverse businesses that build on the demands and characteristics of the community"
- support and share innovation and creativity to develop the local economy
- promote affordable, accessible, adaptable and diverse housing types
- promote a high standard of urban design in the public and private domain

Retention of 6,000sqm of light industrial floorspace, would be consistent with the objectives of promoting diverse businesses, supporting creativity and developing the local economy as well as protecting economic assets and the supply of industrial land.

LEICHHARDT COMMUNITY AND CULTURE PLAN 2011 - 2021

The Leichhardt Community and Culture Plan is a 10 year strategic plan that addresses social and cultural aspirations, challenges and related issues. It underpins the Community Strategic Plan.

The first floor of the former bakery part of the site provides approximately 1,200sqm of studio space for 50 artists. The proposed 400m² of art studio space would be a significant reduction. Consequently, the Proposal is inconsistent with the following objectives and strategies of the Community and Culture Plan:

- foster strong clusters of creative and recreational activities (Strategy 2.1.3)
- enlivening the arts and cultural life (Objective 4)
- the Leichhardt Local Government Area is a place where arts and cultural practice is energised and connected (Outcome 4.3)
- support artists to access affordable work, rehearsal, exhibition and living spaces that are permanent or transitional (Strategy 4.3.2)

LEICHHARDT EMPLOYMENT AND ECONOMIC DEVELOPMENT PLAN (EEDP) 2013 SGS INDUSTRIAL LAND STUDY 2014 SGS INDUSTRIAL PRECINCT PLANNING 2016

The Balmain Road industrial precinct is recognised in the EEDP as one of the Leichhardt LGAs main industrial precincts. In 2011, 18% of LGAs jobs and 17% of the LGAs residential workforce (approx. 4,988) people were employed in light industry, logistics and wholesale trade and this grew at a rate of 6% between 2006 – 2011 or more than 1% per year (the 2016 Census employment figures are not available yet). The former Leichhardt LGA had a 3% industrial land vacancy rate in 2015 (% of undeveloped land) based on NSW DoPE Employment Lands Development Program 2011-2015.

The former Leichhardt Council commissioned SGS to undertake two industrial land studies in 2010 and 2014 and an industrial precinct study in 2016. The Planning Proposal has been assessed against these studies.

The Balmain Road precinct floor space is 18,072sqm comprised of:

• local light industry (services)	7,365sqm
• office	5,534sqm
• light manufacturing	<u>3,613sqm</u>
Total	<u>18,072sqm</u>

(SGS Leichhardt Industrial Precinct Planning Report April 2016 Table 6)

The Planning Proposal site is 6,824sqm or almost 40% of the precinct. The precinct is predominantly an urban services area with industrial trade supplies, small scale manufacturing, retail and wholesale functions supporting an array of light industrial uses. The Balmain Road precinct is projected to have a shortage of 3,297sqm of land by 2036 under SGS's medium supply scenario. It will be the third largest industrial precinct left in the former Leichhardt LGA after current rezonings, Bays Precinct and PRUTS are implemented.

SGS Leichhardt Industrial Precinct Planning Review April 2016 notes that "The precinct has large floorplates considering the relatively small size of the precinct and the clear vehicular access around three of the precinct's sides are an important attribute, especially as vehicles do not have to travel along many local roads to access the precinct" (pg. 54).

There is a shortage of industrial land for local urban services within the former Leichhardt LGA and the 2014 Industrial Lands Study shows a projected deficit of between 7,000sqm to 55,000sqm of industrial floor space by 2036.

Retention of all existing light industrial floor space on site (minimum of 6,000sqm) is consistent with key objectives of the EEDP. These include:

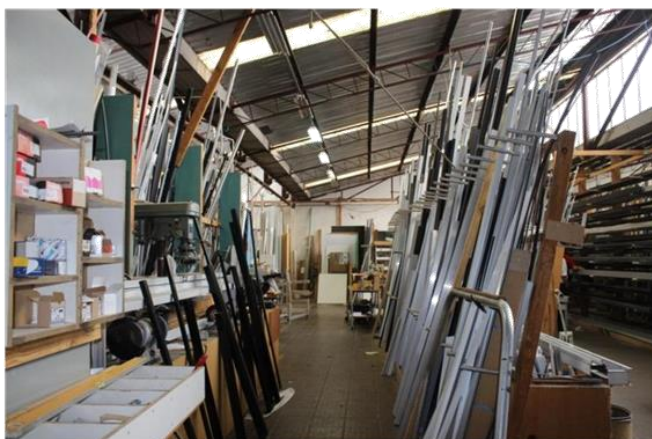
- to protect and leverage economic assets and enhance key employment lands (objective/strategy 4)
- encourage industries and services by location such as light industry, logistics, wholesale (printers, panel beaters, cabinet makers, timber supplies, auto repairs) in the Balmain Road area
- to retain enough industrial land to meet the current and future needs of the local area.

The creative industry sector is recognised as an important element of the New Economy. In 2006 creative industries employed 5% of the NSW workforce. Employment in the creative industries grew at twice the rate of other industries, increasing by 28%, against 13.5% for all industries in the 10 years to 2006. By 2011 the number of Leichhardt LGA residents working in creative industries had increased to 2,800 (9%). The planning proposal would reduce the 1,200m² of artist studio/creative space to 400m².

The 10 Year EEDP built on the SGS 2010 industrial site review methodology by setting out a more detailed analytical approach for the review of proposed rezonings of industrial land from the following three perspectives:

- quantitative (is there enough industrial land to meet current and forecast demand?)
- qualitative (does the industrial land have the attributes required by potential tenants?)
- economic viability (are industrial uses viable on the land?)

These perspectives are detailed in several EEDP criteria which are effectively synonymous with the Plan for Growing Sydney's 2014 Industrial Lands Strategic Assessment Checklist assessed above in this report.



Photos:
**Aluminium window and door
framer light industry**



*Photo:
Aluminium window and door
framer light industry*

**ATTACHMENT 2 – BACKGROUND FOR DETAILED COMMENTS IN ATTACHMENT 1
and KEY PLANNING ISSUES**

<p>1 Zone and revised Economic Impact Assessment</p> <p>Retention of IN2 – Light Industrial Zone and existing industrial floor space</p> <p>The sites IN2 – Light Industrial zone should be retained for the following reasons:</p> <ul style="list-style-type: none"> • The site currently accommodates an aluminium window manufacturer, warehouse/Sounds Like Home, an online auction business and creative industries/artist studios. • The industrial floor space supports valuable urban services for the local population and businesses • One of the LEP IN2 objectives is to support and protect industrial land, consistent with local and State Government policies including Council's industrial land studies and Economic and Employment Development Plan • The zone objectives seek to retain existing employment uses and foster a range of new industrial uses to meet the needs of the community. The objectives encourage employment opportunities whilst supporting the viability of centres by not introducing uses such as retail that would compete with centres. Neighbourhood shops and take away food and drink premises which do not detract from local centres are permissible. • The IN2 zone objectives aim to provide a wide range of light industrial, warehouse and related land uses. • Retention of this zone and 6,000sqm light industrial floor space in one of the few remaining light industrial land precincts in the former Leichhardt LGA, ensures no net loss of employment floor space from this site. • This zone will help sustain local light industrial employment opportunities in the inner west where industrial land is increasingly scarce and under extreme pressure from property speculation. It will maintain the existing supply of industrial land in the area, cater for future increased demand for urban services land and enable Council to meet its employment land targets. • Leichhardt LEP Clause 6.9 Business and office premises in the IN2 Light Industrial Zone, permits business and office premises associated with the creative sector such as media, advertising, fine arts and craft, design, film and television, music, publishing, performing arts and cultural heritage. The intent is to place a restriction on IN2 zone office or businesses that might otherwise locate in a town centre. • The existing employment floor space must be protected for light industrial uses in a future redevelopment. An LEP local provision can specify the minimum floor space area for light industry as 6,000sqm thereby ensuring no net loss of industrial floor space. This is consistent with the S.117 Direction 1.1 to not reduce the potential floor space area for industrial uses in industrial zones. <p>Other Business Zones</p> <p>Council officers considered the proponents original Planning Proposal seeking a B4 – Mixed Use zoning and concluded that this could not be supported for the above reasons relating to protecting the IN2 zoned land and also because:-</p> <ul style="list-style-type: none"> • Given the projected shortage of industrial land in the former Leichhardt LGA and loss of two of the former Leichhardt LGAs largest light industrial IN2 zones to Business zones in the Parramatta Road Urban Transformation Strategy (PRUTS), with B4 – Mixed Use at Taverners Hill and B5 – Business Development at Camperdown, there is no need or justification for rezoning this Balmain Road site to B4 land • Under Standard Instrument LEP provisions the B4 - Mixed Use Zone objectives include –“To integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling”. The zone encourages retail development and
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- as the site is not part of the current B2 Local Centre at Rozelle this is not supported.
- The mandated permitted uses in B4 zones include commercial premises and shop top housing, which would allow inappropriate large retail uses on this site in addition to mainstream business and office premises having an adverse impact on the Rozelle/Balmain centres
 - The LLEP 2013 B4 Zone also includes residential flat buildings as permitted with consent. If the site was zoned B4, there would be no mechanism for Council to require the retention of 6,000sqm light industrial employment as the zone would permit residential flat buildings without any employment uses.
 - The LLEP 2013 B4 Zone prohibits Industries. This includes general industry, heavy industry and light industry and rezoning this site to B4 would result in a loss of light industrial employment uses/floor space.

No other business zone is appropriate for this site for the following reasons:

- The Zone B5 Business Development Standard Instrument Objective is a mix of business and warehouse uses, bulky goods premises that require a large floor area, in locations that are close to and support the viability of centres. This zone permits with consent the following uses: Bulky goods premises; Child care centres; Garden centres; Hardware and building supplies; Landscaping material supplies; Passenger transport facilities; Respite day care centres; Warehouse or distribution centres.

Leichhardt LEP 2013 does not have a B5 zone although this zone is proposed in the PRUTS area. PRUTS does not support residential accommodation in the proposed B5 zone.

- The Zone B6 Enterprise Corridor Standard Instrument Objective is to promote businesses along main roads (including business, office, retail and light industrial uses). This zone mandates the following uses as permitted with consent: Business premises; Community facilities; Garden centres; Hardware and building supplies; Hotel or motel accommodation; Landscaping material supplies; Light industries; Passenger transport facilities; Plant nurseries; Warehouse or distribution centres.

Leichhardt LEP 2013 does not have a B6 zone although it is proposed by PRUTS which would make residential a permitted use in the LLEP 2013. This would be inappropriate for Balmain Road which does not meet Enterprise Corridor criteria.

- The Zone B7 Business Park Standard Instrument objective is to provide a range of office and light industrial uses, to encourage employment opportunities and to enable other land uses that provide facilities or services to meet the day to day needs of workers.

The Leichhardt LEP 2013 B7 zone prohibits shop top housing and residential flat buildings. It does permit live/work units provided the dwellings accommodate offices or light industrial uses on the ground floor and the dwelling and ground floor premises are occupied by the same persons or persons. This zone would not enhance the level of industrial floor space in the precinct.

Comment on revised Economic Impact Assessment

It is noted that the Proponent's revised EIA does not address S.117 Directions. The Proponent's justification for the Planning Proposal is that the site has reached the end of its economic life. However, the site is fully occupied by an array of light industrial tenants and artists and generates rental income. This is reflected in the 2015 HillPDA Industrial Precinct Review for the NSW Department of Planning and GSC District Plans, health check for each industrial precinct that scored the Balmain Road industrial precinct 9.5

within the category of the most successful small precincts scoring between 9 and 10.5.

The proponent's planning proposal provides conflicting statements. For example, it states that the redevelopment will maintain and enhance the uses in the IN2 Zone through the provision of modern flexible employment space. However, elsewhere it states that a renewed and modern more flexible built form will be attractive to a wider range of land uses compared to the declining industrial and manufacturing uses presently on the site (pg 13). The Economic Impact Assessment (EIA) also states it will not be viable to include light industrial uses in a redevelopment, as follows:

"it is also unlikely that there would be a commercially viable redevelopment option for the Subject Site for traditional light industrial uses given the constraints around accessibility, parking and the need for appropriate buffer zones on account of the surrounding residential uses". pg 6

The Planning Proposal (pg 5) refers to the retention of existing uses of land but the supporting EIA contradicts this stating that there will be provision of 5,520sqm of flexible office/industrial space or office/retail floor space for employment. The EIA states that the non-residential uses would predominantly be office and retail uses (5,520sqm) as follows:

"Approximately 6,000sqm GFA of non-residential uses comprising:

- o 400sqm for a studio space for artists;*
- o 80sqm for a neighbourhood shop; and*
- o 5,520sqm for office suites and retail uses"*

Council is concerned that the proponent is making a superficial attempt and not genuinely seeking to retain industrial floor space for existing uses. A minimum 6,000sqm of light industrial floor space must be retained to ensure no net loss of industrial land. This should not be encroached into by other uses such as non-creative conventional offices as per Clause 6.9(3) of LLEP 2013.

Employment in a shrinking local light industry sector would also become more difficult to find in the IWC area. The sort of office and retail jobs that might materialise from conventional office uses on the site can be readily found in Inner West centres and in the Sydney CBD.

The EIA claim that the EEDP advocates transforming appropriate industrial land into affordable housing for key workers and students is erroneous. The analysis section of the EEDP dealing with generic Industrial Trends actually only states that transforming appropriate industrial land into affordable housing is a **policy option** for investigation by Council. In addition such a rezoning if found to have merit would have to be for a 100% affordable housing project.

2 Urban Design, Building Heights and Distinctive Neighbourhood Character

The proponent has not provided a full ADG compliance assessment of the Proposal's concept designs against SEPP 65. It is considered that the bulk and scale and the FSR of 2.54:1 is excessive and incompatible with the low density character of the area, adjacent Local and State Heritage Items and heritage significant buildings on site.

The design has negative amenity impacts including poor streetscape outcomes due to the height, bulk and scale, limited residential building setbacks, overshadowing of proposed common open space areas that are located to the south of the tallest residential buildings and overlooking of the front and rear yards of Fred and Alberto Street properties.

A detailed urban design report and site specific DCP, supported by concept design plans to demonstrate compliance with the SEPP 65 and Apartment Design Guide are required to determine appropriate heights that complement the character of the surrounding low density neighbourhood.

No sections or floor heights have been provided to allow accurate confirmation of the maximum building height (in metres). The industrial component requires greater floor to ceiling heights in recognition of the proposed industrial uses. This may have a further impact on total building height and its impact on the streetscape and neighbouring properties.

Building envelopes that demonstrate compliance with the ADG are required to determine an appropriate height. A maximum stepped building height of up to 4 residential storeys with plant/lift overruns above the ground floor employment floor space and limited to the Balmain Road frontage may be considered if an urban design can demonstrate unequivocally that is appropriate for the site and local context. This is important with existing heritage buildings adjacent to the site, two heritage character buildings on site and Callan Park opposite. It should be noted that the closest existing flat building on the corner of Balmain Road/Alberto Street is only 4 storeys.

The proposed residential component on the eastern side of the site should be appropriately setback to address the streetscape along Cecily Street. Significant residential setbacks would be required (a minimum 15m) towards the existing eastern industrial precinct with the majority of residential development located to the west of the site closest to Alberto Street.

Greater setbacks are required to the upper stories on Balmain Road to reflect proximity to Callan Park and align with the rear of the on site heritage buildings to be retained.

Appropriate setbacks should be provided to Alberto Street to respond to the low rise residential area on the western side of the development. Additional overshadowing of the properties on Alberto Street should be addressed through adequate setbacks.

The Proponent suggests the two buildings with heritage character on the north east corner of the site have potential to be adaptively reused depending on their structural integrity. Council's inspection found that the buildings are structurally sound and worthy of retention due to their heritage significance. This includes retaining part of the corner building on Balmain Road/Cecily Street and the rear section along Cecily Street where demolition is proposed. The proposal should also be setback further to minimise impact on its curtilage.

Further details to establish how the proposed development would address Leichhardt DCP controls for the Nanny Goat Hill Distinctive Neighbourhood (C1, C2, C5, C7 and C11) are needed. These controls seek to preserve the low-rise, low density character of the area, ensure consistent architectural styles, enhance heritage items and encourage the viability of existing industrial uses. Leichhardt LEP Clause 6.14 (4) requires a site specific DCP for sites of this size.

The Planning Proposal should also address the NSW Government adopted Better Placed policy released by the NSW Government Architects Office that champions good design and great places.

3 Floor Space Ratio/Density

The current Floor Space Ratios for this part of Lilyfield are:

R1 General Residential Zone - 0.5:1

IN2 Light Industrial Zone – 1:1

The proposed Floor Space Ratio is 2.54:1, that has an estimated yield of 142 units. The site area is 6,824m² and the proposed total gross floor area is 17,325m² made up of:

- 11,325m² of residential
- 6,000m² of employment

A reduction in density is required to keep integration with the low density character of the local area and reduce visual privacy impacts/overlooking of neighbouring properties plus overshadowing of open space areas.

Given that the surrounding context is a low density residential and industrial neighbourhood next to the Callan Park State Heritage Item and local heritage items, the proposed FSR of 2.54:1 is excessive. This FSR cannot be justified and is not supported by detailed concept design plans demonstrating compliance with the Apartment Design Guide. The proponent needs to reduce the FSR to ensure:

- higher quality urban design outcomes in keeping with the existing low density neighbourhood character
- minimal amenity impacts on existing properties
- better outcomes for the residents of the proposed development in respect of elements such as solar access and extent of landscaped area

The proposal must demonstrate consistency with the design quality principles of SEPP 65 especially Principle 3: Density. Generally where Council has supported rezoning of industrial land for residential flat buildings developments in similar low density areas an FSR of 1.5:1 has been shown to have more acceptable bulk and scale outcomes.

4 Solar Access, Overshadowing and Visual Privacy

Solar Access and Overshadowing

Insufficient details have been provided to determine whether:

- 70% of the apartments within the development receive 2 hours of sunlight and
- a minimum of **2 hours** direct sunlight to over 50% of the common open spaces, in compliance with the *Apartment Design Guide*

Leichhardt DCP 2013 Part C3.9 Clause C17 requires that new developments must ensure that solar access is retained for three hours between 9am and 3pm during the winter solstice to 50% of the total area of north facing private open spaces of neighbouring dwellings. The proposal appears to comply with this requirement, however detailed solar access diagrams should be submitted to clarify this.

Visual Privacy

Inadequate separation distances are proposed between buildings and are non compliant with the ADG, which would have a negative impact on visual privacy. The ADG requires that buildings 6 storeys in height have a minimum building separation of 18m whereas only 6m and 13.6m separation is provided. Also, between the 6 storey and 4 storey components 15m is required and 12m to 13.6m is provided.

The 3.5m to 3.8m setbacks between the 14-22 Alberto Street townhouses to the south of the Planning Proposal's 2 storey buildings, would be inadequate in privacy terms. The ADG requires that for buildings up to four storeys there is 6 metres separation to habitable rooms/balconies and 3 metres to non-habitable rooms and that this is increased by 3m when adjacent to a different zone that permits lower density residential development to provide for a transition in scale and increased landscaping. Consequently, a 6m to 9m (where there are habitable rooms) setback would be required to the townhouses to the south. The proposed development only has a 3.8m setback to the townhouses and it is occupied by a proposed public footpath right on the boundary which would further reduce the privacy of the immediately adjacent townhouses.

5 Amenity and open space

The ADG requires communal open space to be at least 25% of the site. The subject site area is 6,825sqm. A minimum of 1,706sqm of communal open space is required. Detail is required to be shown on the plans confirming the open space provided on site.

The ADG requires that at least 60% of apartments are naturally cross ventilated and details need to be submitted to confirm this.

The proposed Fred Street/Alberto Street pedestrian link is a narrow strip abutting the proposed buildings with no passive surveillance. In order to create integration with the local community and enhance pedestrian safety, there should be a through site link provided from Fred Street to Balmain Road. This link was an agreed upon principle set for the site following community consultation in 2007. This would create a buffer and separation between uses, plus an opportunity for ground floor businesses to have shop fronts to this laneway. Further, it could be designed to allow shared pedestrian access to Balmain Road and use by service and delivery vehicles. A vehicular cul-de-sac with bollards and other design measures could be used to prevent vehicles exiting onto Balmain Road. A through site path designed in accordance with the principles of Crime Prevention Through Environmental Design and Principle 7 – Safety of SEPP 65 will be safer and more socially inclusive.

The building footprint is to all site boundaries with minor exceptions and this limits the available deep soil zone for planting and landscaping. The ADG requires 7-15% of the site to provide deep soil planting. The Proponent's statement suggests that 820sqm (12% of the site) of deep soil planting will be provided, but this is not shown on any plans. The footpath widening would not be sufficient.

6 Affordable Housing

Council's Affordable Housing Policy requires 15% affordable housing in high density redevelopments on private land based upon a GFA of 1,700m² or more. This equates to 22 units in this proposed development. The proponents offer of 5% (7 units) represents a deficiency of 15 units. The proponent suggests that 400m² artist studio space, employment space, 11% of the site for footpath widening and a pedestrian link from Fred Street to Alberto Street will be public benefits in lieu of affordable housing.

Minimum public benefit benefiting the public interest is derived from footpath widening and the pedestrian link through to Alberto Street. This will benefit the future occupants of the development more so than the existing community and cannot be used as grounds to reduce the affordable housing provision. The proposed artist studio space is grossly deficient compared to the current artist studio space on the site.

The proponent fails to acknowledge that there is a disproportionate and growing number of local people in housing stress and a chronic shortage of affordable housing in the Inner West local government area (LGA). Council policy is to increase the supply of affordable housing for very low, low and moderate income households.

The Subregional Draft Central District Plan has a target of between 5% to 10% affordable rental housing to be applied in rezonings for residential development and the proponent is only aiming to achieve the lowest benchmark.

7 Traffic and Transport

The Proponent's Updated Transport Aspects Report of the revised Planning Proposal indicates that there will be little or no significant impact on the existing road network or intersections. In summary it suggests:

- that SIDRA capacity analysis indicated that with the additional development traffic:
 - the signalised intersection at Balmain Road and Cecily Street would have a good level of service A and B as would the Fred Street/Cecily Street intersection
 - unsignalised intersection of Balmain Road and Alberto Street would have a reasonable service level of B.
- a likely peak period traffic generation of 70 vehicles per hour, 2-way
- traffic increases on the four surrounding streets would be between 5 to 35 vehicles per hour two-way at peak times (+35 on Alberto and Fred Streets)
- parking and access details will be finalised as part of the development application process, however, the report states that *"Appropriate access will be provided to the development from Alberto Street, Fred Street and/or Cecily Street"*.

Between 115 and 185 on-site parking spaces will be provided depending upon the final residential unit mix. This huge range creates a substantial uncertainty about the traffic that would be generated by the development. While the study indicates traffic generation based on RMS guidelines, these guidelines are not specifically based on the provision of parking, which can have an impact on the ultimate traffic generation of a development.

In accordance with the Council's *Development Control Plan 2013*, the total required parking is a minimum of 174 and a maximum of 276 car spaces for the entire development including residential, commercial/industrial/shops and visitor parking. The proponents suggested minimum parking provision of 115 to 185 car spaces does not achieve this. The proponents suggested Draft DCP parking and access controls states that "subject to an agreed 'green travel' plan, parking rates may be discounted from existing rates to reflect proximity to public transport and other measures (e.g. car share).

In relation to potential increased loading on existing public transport services the Study provides mode share estimates. It does not provide current patronage rates for local bus services so the estimates of mode share do not allow any assessment of the impact of the development on overcrowding of bus services.

Council considers however that from a transport and traffic perspective the proposal is unlikely to have major impacts on local amenity, street network operation or the adjacent public transport system.

Concern is expressed, however, that without details of the access arrangements and number of movements through each point of access, safety considerations cannot fully be addressed. Additional details are required to accurately assess the proposal.

Council's Traffic Engineers have advised that the residential access driveway to the site should be via Fred Street as it has wider footpaths, and has less traffic and pedestrian movements. Given the industrial access will have to accommodate service vehicles it is recommended that this vehicular access should be via Alberto Street. This will distribute the traffic more evenly across the road network as Alberto Street is much wider than Cecily Street there would be improved manoeuvrability for larger vehicles associated with industrial land uses.

It is unclear where the residential traffic generation rates have been derived from. Further details should be provided regarding the rates used in the assessment.

8 Contamination

Council has reviewed the Phase 1 Contamination Assessment site investigation report provided by the Proponent in respect of the *State Environmental Planning Policy No 55 Contaminated Land* (SEPP 55).

At this stage, Council is not satisfied that the site can be made suitable for the proposed residential development and use in accordance with SEPP 55. There are concerns relating to fill from unknown sources as a result of past activities (e.g. asbestos use and the presence of Underground Storage Tanks) on the site. The preliminary site investigation recommends that further investigation is warranted. Consequently, a Phase 2 / Detailed Site Investigation is required. If the Department issues a Gateway determination the following information is required prior to exhibition:

1. a Detailed Site Contamination Investigation by an independent appropriately qualified environmental consultant.
2. the investigation is to be carried out in accordance with Leichhardt's Local Environment Plan 2013 and relevant NSW EPA Guidelines for Contaminated Sites. Under SEPP 55 – Remediation of Land the report should assess the nature, extent and degree of land contamination.
3. if the Detailed Site Investigation Report does not find any contamination of land and groundwater, it must clearly conclude that 'the land is suitable for its intended land use' posing no immediate or long term risk to public health or the environment and is fit for occupation by persons, together with clear justification for this conclusion.
4. if the Detailed Site Investigation Report finds that the land is contaminated and requires remedial works to meet the relevant Health Based Investigation Level, a Remediation Action Plan (RAP) will be required so that Council can satisfy itself the site can be remediated before the site is used for residential development.
5. any RAP is to be prepared in accordance with the relevant Guidelines or approved by NSW Environmental Protection Authority, including the Guidelines for Consultants Reporting on Contaminated Sites. The RAP should include procedures for the following:
 - excavation of Hydrocarbon-contaminated soil;
 - site management planning;
 - validation sampling and analysis;
 - prevention of cross contamination and migration or release of contaminants;
 - groundwater remediation, dewatering, drainage, monitoring and validation; and
 - unexpected finds.
6. a Hazardous materials survey will be required prior to the commencement of any works.

9 Social Impact Assessment

The Proponent's Social Impact Assessment prepared by Hill PDA identifies construction disturbance as the only negative impact of this Planning Proposal. This disregards several other potential negative social impacts.

The SIA states that the social infrastructure requirements in table 16 show a negligible demand for certain social infrastructure. This is incorrect as 142 dwellings represents 2.8% of the Central District Plans 5 year 5,900 dwelling target for the IWC area. The SIA fails to consider the cumulative impacts of placing additional demand on existing infrastructure in respect of recently approved developments such as Allen Street, Leichhardt and future development earmarked for Balmain Leagues, Bays Precinct and general IWC population growth.

Creative Arts / Artists' Studios

The Greater Sydney Commission's Central District Plan (4.7.2) details the importance of arts and culture for connected communities and vibrant public places and states that; "Arts and cultural policy, investment and actions should be well integrated into urban development. This can be achieved through planning proposals for urban renewal areas and priority precincts...". A Plan for Growing Sydney, Direction 3.4 aims to 'Promote Sydney's heritage, arts and culture'. Similarly, Leichhardt Community and Cultural Plan aims to enliven the arts and cultural life by promoting and supporting local creative clusters and helping artists find affordable work, rehearsal, exhibition and living spaces that are permanent or transitional.

The proponents original economic impact assessment report states that 802m² is currently tenanted by approximately 50 artists in partitioned spaces. The days/hours of usage of the partitioned spaces varies for each artist. The reduction of artist studio space from the 1,200sqm approved to the 400sqm proposed in this development would be a significant loss of affordable local artist space and is inconsistent with local and state policies. Attachment 5 demonstrates the importance of such artistic clusters in Sydney's inner city.

The primary demand from the artistic segment of creative industries is for affordable spaces which are suitable for versatile activities, including large scale work such as sculpture. Cheap rent industrial warehouse-style spaces are critical for local artists. Newly built office spaces and shop are likely to be too expensive for most artists and occupied by more conventional commercial businesses that can afford higher rents. Larger affordable work spaces should be incorporated into the proposal to meet this need. The offer of artist studio space in the planning proposal has not detailed whether the artist studios will be dedicated to Council in perpetuity as part of a VPA. Affordable space is key for the existing 50 artists to continue their art and maintain their connection to the place and the arts community.

The assertion that the artist space is underutilised in terms of intensity of usage and that artists could use the space more efficiently by using areas for storage when not on site,



rather than requiring a permanent partitioned space is not supported. It fails to understand the creative process and the needs of artists. This inherently requires more space for working, displaying their pieces, drying paintings and inspirational collective areas for a variety of artists such as ceramists, glass artists and painters. Packing and unpacking their work would disrupt the continuity of the creative process and spaces for processes that are not traditional desk based activities.

The social and cultural aspirations of the local arts community will be diminished unless the Proposal replaces the existing studio space with a similar amount of floor space with favourable rents and terms.

Recreational Impacts

Balmain Road sporting ground is 56m from the site and is not identified in the open space and recreational facilities section of the SIA (Table 15). Council's recreational planners have advised that the Balmain Sports Ground is fully booked and intensively used by sports clubs for training Tuesday, Wednesday, Thursday and Friday evenings up to 9pm with associated flood lights and on weekends until sunset. The use of this sporting ground may result in conflicts with the proposed residential land use of the subject site particularly with night games, noise and flood lights. These recreational activities must not be curtailed as a result of the introduction of new residential development. Council's recreational planner advises that the Planning Proposal relies largely on existing Council and State managed open space to meet its requirements to provide recreational facilities for new residents. The former Leichhardt Council's recreation needs study highlighted that Rozelle had an open space provision of 1.68 per 1,000 people. This figure is below the NSW benchmark figure of 2.83 ha per head of population. Under Councils S.94 Plans, it is likely that s94 levies payable would be circa \$2,738,186, part of which would be directed to improving existing open space facilities and enhancing access to these.



Out of School Hours and Child Care (OSHC) Services

There are 12 Local Child Care Centres within 2km of the site with 66% of centres almost at capacity according to the SIA (Table 14). A March 2017 Council survey of out of school hours care (OSHC) services in the Inner West LGA highlighted unmet demand for OSHC across the LGA. At nearby Rozelle Out of School Hours Care, the waiting list for after school care during this period was 60. OSHC services in Lilyfield also had waiting lists for after school care or were very close to capacity. The re-zoning proposal is likely to increase demand for OSHC services in an area already at capacity. This is not addressed in the SIA which only identifies capacity in Birchgrove and Leichhardt which

are remote from the site.

Education facilities – primary and high schools

The NSW Department of Education (DoE) has advised that the number of units proposed (originally 170), would generate 10-15 primary school aged students and only a couple of secondary school aged students (based on 2011 ABS data). The DoE advised that there is no current capacity at the existing 3 local primary schools, but future potential expansion of Orange Grove PS could address capacity issues. While all the local Sydney Secondary College's campuses are near capacity, the Planning Proposal demand is very minor (2 students) and can be accommodated. Further, the new inner Sydney high school to open in 2020 will create capacity at the local high schools.

Adaptable Dwellings: The SIA states that some of the dwellings will be adaptable with disabled access, however little detail has been provided.

SIA Methods

If this Proposal was to receive a favourable Gateway determination it is recommended that the SIA demographic analysis section 3 is updated before public exhibition to reflect the latest census statistics for 2016. Current information is needed to ensure accurate community profiling and understanding of potential impacts on the community and infrastructure.

The following omissions and errors in the SIA plus inconsistencies with the Planning Proposal have been identified:-

- it is suggested that the proposed 142 dwellings would accommodate 255 residents. This should be updated to reflect the 2016 census household occupancy rates.
- no consultation has been undertaken with existing tenants, the artists, neighbours or other stakeholders (e.g Friends of Callan Park). The SIA does not adequately address the needs of target social groups such as young people, Aboriginal or Torres Strait Islanders, culturally and linguistically diverse people)
- there is no draft Central District Plan section in the SIA under Planning Policy – section 2 State Planning Policies and Strategies and should address the following draft District Plan Liveability and Sustainability Actions and related outcomes:
 - Liveability Action 5: Increase in affordable rental housing
 - Liveability Action 6: Increase in affordable housing
 - Liveability Action 13: Conserve and enhance environmental heritage
 - Liveability Action 15 & Sustainability Actions 4 & 5: Increase in the provision of community facilities including open space and its utilisation
 - Sustainability Actions 8 and 9: Embed NSW Climate Change Policy framework into local planning and support initiatives for a low carbon future
 - Sustainability Action 11: Mitigate the urban heat island effect in renewal projects and reduce ambient temperatures
- the SIA refers to Leichhardt's residential development strategy and 2008 Inner West subregional dwelling target of 2000 by 2031. This policy and target is now superseded by the Draft Central District Plans 5 year and 20 year dwelling targets It is noted the Inner West Council is already on target to achieve the Draft Central Plans targets and the Liveability Priority 3: Implement the Affordable Rental Housing Target
- the Planning Proposal does not refer to retail uses in the development but on page 5 does state that small offices and work spaces will be provided to attract small businesses, whereas the SIA page 6 refers to retail uses in the new floor space
- SIA refers to flexible commercial/retail space and no definition of what this would be is provided (pg 9)

The Proponent's Planning Proposal request must be supported by a more

comprehensive, robust and updated SIA that addresses the concerns outlined in the assessment above.

10 Sustainability and Stormwater

The Planning Proposal must make a clear commitment to deliver the sustainability measures as illustrated in the proposed urban design in relation to water harvesting/management, solar panels, green roofs/green walls through a site specific draft DCP that also incorporates relevant Leichhardt *DCP 2013* controls.

This full site specific DCP should address water sensitive urban design fully, indoor air quality, transport, building materials and emissions to demonstrate innovation and best practice environmental sustainability. Such an approach is consistent with the objectives of the Council's Climate Change Plan which encourages adaptation to climate change via water sensitive urban design, energy efficiency, renewable energy use of sustainable building materials, connected, walkable neighbourhoods, active and public transport, greening and shading.

The proposal should demonstrate that it will achieve a Green Star Multi-Unit Residential v1 5 star rating as per the Proponents documents submitted and amended Urban Design Report. The former Leichhardt Council attained a very high standard of environmental sustainability performance for the rezoning of industrial land at Terry Street, Rozelle with the developer achieving a Green Star 5 star rating. The Leichhardt Council Environmental Sustainability Strategy encourages the use of Voluntary Planning Agreements as a mechanism to achieve development with environmental performance above NSW Government BASIX SEPP requirements.

Council's Stormwater Engineers noted that the development would exceed the capacity of the existing stormwater pit in Fred Street and that Council's stormwater infrastructure and drainage system would need to be extended by the developer to address this issue.

11 Heritage

Council's independent heritage assessment of the site by GML Heritage Pty Ltd confirms that two existing character buildings meet the historic and rarity, heritage significance criterion for listing (refer Attachment 3). The assessment concluded that:

- The 1907 and 1917 buildings demonstrate local heritage significance for historic and rarity values. The remainder of the site does not demonstrate sufficient heritage value to warrant retention.
- Council may wish to consider undertaking a planning agreement with the proponent which encourages the conservation and adaptive re-use of the 1907 and 1917 buildings as part of any future redevelopment of the site.
- Opportunities to conserve and adaptively re-use the 1907 building and 1917 administrative building should be explored by the developer in consultation with Council.
- Further investigation should be undertaken to determine the extent of original fabric which remains in situ and a strategy put in place that encourages maximum retention of original fabric where possible and the conservation of their rare industrial character. A heritage architect should provide input into the design.
- The history and significance of the retained buildings should be communicated to the public via interpretation and the restoration of significant components, for example the painted 'Pilchers Bakery' sign to Cecily Street, the internal features that relate back to the site's original use and early timber/masonry structural elements.

The ABBCO office building, Pilchers Bakery (2 storey brick building on the corner of Balmain Road and Cecily Street) and the connecting building between these two fronting Balmain Road (refer to Figure 1) are therefore worthy of heritage listing under Leichhardt LEP given their significant fabric and must be protected. The proposed concept design currently shows that a significant part of the Pilchers Bakery building would be demolished and must be amended to show its protection and retention. Council's Heritage Advisor site inspection established that the structural walls, floors and ceilings appear intact. The internal partitions and alterations such as false ceilings are reversible and the original floor plan is recoverable. The condition of these buildings do not warrant demolition.



The Proponent's Heritage Assessment must be revised to assess the Proposals impact on Callan Park, a State Heritage Item opposite the site and on the local heritage item on Fred Street, as it currently fails to mention these items. The Heritage Assessment needs to be updated as part of the minimum requirements for a Planning Proposal that include a justification of the proposal under S.55 of the Act and against S.117 Directions with heritage conservation being a relevant Direction.

The Proponent's Heritage Impact Statement's (HIS) assessment of the physical fabric and heritage significance of the buildings is inadequate, particularly in respect of the ABBCO office building. Further assessment is required for the two buildings referenced as the 'character buildings'. The applicant should refer to the Heritage Office of NSW maintenance series of guideline documents (specifically those regarding timber and masonry structures), Australia ICOMOS *Conservation Guidelines for Building Surveyors and Engineering Heritage and Conservation Guidelines* published by the Institute of Engineers. The HIS must be updated to rank not only the heritage significant fabric but also the spaces that relate to each building. This will guide development of the site. For instance in large open spaces any infill should be designed to allow an understanding and appreciation of the original space and any exposed timber structures. An archival recording of all three buildings should also be undertaken.

This will underpin a revision of the Planning Proposal to propose the heritage listing of the ABBCO, Pilchers Bakery and connecting buildings shown in Figure 1.

A VPA could recognise heritage constraints that will be addressed in the required site specific DCP.



Photo: Automatic Bread Baking Company (ABBCO - Office Building) and Pilchers Bakery (corner with Balmain Road and Cecily Street)

12 Site Specific Local Provision Clause 6.1

Should the Department support the amended Planning Proposal in its current form and issue a Gateway Determination, Council requires an updated local provision to ensure that the future development will address the following matters:

Development consent may be granted to a single development application for development on land to which this clause applies that addresses the following:

- a. A proposal to develop the 469- 483 Balmain Road site in its entirety,
- b. A proposal for the purpose of light-industry and residential development
- c. Not less than 6,000 sqm of the total gross floor area of the development must be used for light industry as defined by permissible uses in LLEP 2013, in the land use table for Zone IN2 and Part 6.9.

This local provision must also include elements for:

- d. Protection and conservation of the heritage significant buildings on the site as shown in Figure 1
- e. A pedestrian through site link between Fred Street and Balmain Road
- f. Minimum setbacks from the site boundaries to the residential component
- g. The height of the development should be specified in metres and AHD with provision for greater floor to ceiling heights in the light industrial component. Specifically, the ground and first floor levels related to the non-residential and employment floor space must have a floor to ceiling height of 5.2m, with the ground floor of the development reserved exclusively for employment purposes as part of any redevelopment of the land.

Conclusions and recommendations:

1. Any Planning Proposal for 469 – 483 Balmain Road, Lilyfield must retain the IN2 Light industrial zone and dedicate a minimum 6,000sqm of floor space for IN2 Light Industry permissible uses (including business and offices uses for creative purposes as defined in Clause 6.9(3) of Leichhardt Local Environmental Plan 2013).
2. The amended Planning Proposal has not demonstrated that residential accommodation as an additional permitted use in a vertically integrated development will not hinder the role and function of the industrial zone and the wider industrial precinct.
3. The amended planning proposal is inconsistent with A Plan for Growing Sydney; the draft Central District Plan; the Leichhardt Employment and Economic Development Plan 2013 – 2023, Leichhardt 2014 Industrial Lands Study and Leichhardt Industrial Precinct Planning Report 2016.
4. The amended planning proposal does not propose an adequate level of affordable housing and does not comply with the recommendations of the draft Central District Plan or the Inner West Council's Affordable Housing Policy.
5. The height, bulk, scale and form of the building envelopes sought are excessive and incompatible with the low density character of the neighbourhood and State Heritage listed Callan Park and local heritage items.
6. The planning proposal does not adequately respond to identified heritage impacts.

Should the Department support the Planning Proposal in its current form and issue a Gateway Determination, the following **additional information** should be provided prior to public exhibition:

- a. an urban design report and concept plans accompanied by a detailed site specific Development Control Plan that meets the requirements of State Environmental Planning Policy 65 – Residential Flat Design Code and the Apartment Design Guide (ADG) and achieves a 5 Green Star Rating. These are required to determine compatibility with the character of the area and whether the proposed development standards of height and FSR are acceptable.
- b. additional details of how land use conflicts between the industrial land uses/IN2 zone and existing businesses in the rest of the Balmain Road industrial precinct and new residential accommodation on the site could be avoided or mitigated. This must address building/floor space configuration, separation of uses, access arrangements that should be separate for the residential and employment components, servicing, loading and operating hours and provide research and evidence of successful examples of vertically integrated developments accommodating different land uses.
- c. Evidence of the existing number of businesses, employees and floor space areas.
- d. Provision of at least 15% affordable housing
- e. A Phase 2 / Detailed Site Contamination Investigation to demonstrate that the site is suitable for residential development in accordance with SEPP 55
- f. An updated local provision reflecting the concerns raised in this letter

Amended:

- g. Heritage impact assessment
- h. Economic impact assessment
- i. Social Impact assessment
- j. VPA offer reflecting the above

ATTACHMENT 3

Heritage Significance assessment prepared by GML Heritage Pty Ltd June 2017

ATTACHMENT 4

4a.SGS Peer Review of Economic Impact Assessment

4b. SGS letter of additional advice

Item 2**Attachment 2**

ATTACHMENT 5**Made in Marrickville – Creative-Manufacturing Industries Report**

(Click on the title/hyperlink to the report)

http://www.urbanculturalpolicy.com/wp-content/uploads/2017/08/Made_in_Marrickville_DP170104255-201702.pdf

HISTORY

The landowners Roche Group Pty Ltd have submitted two previous Planning Proposals to rezone the site to a mixed use zone with residential development as outlined in the Table below.

Previous Planning Proposals

August 2005	<p>Planning Committee meeting considered a report where the Proponent's consultants proposed three (3) options for the site:</p> <ol style="list-style-type: none"> 1. retain the industrial zoning, retrofit the existing building with FSR of 2.9:1 2. rezoning for residential 3. rezoning for mixed use at FSR of 2.6:1 with buildings between 5 to 7 storeys and total GFA of 17,751sqm <p>The Planning Committee (PC05/41) resolved that the report be received and noted; precinct and local area briefings and a separate Councillor briefing be organised prior to any endorsement regarding the usage of the site and the applicant is to fund a public briefing and notification. Further, the ordinary Council meeting resolved (373/05) that:</p> <ul style="list-style-type: none"> • Council does not intend to rezone this site • Staff advise Roche Group the owners that the concept plans for a mixed use development which would require rezoning would not be given in principle approval • Council develop strategic planning guidelines for the precinct • Council in consultation with residents, businesses and landholders develops planning guidelines for the site to inform a DA to Council • Council conduct a public meeting to inform the planning guidelines <p>The community response to the public meeting was reported to the November 2005 Planning Committee meeting (PC05/67) noting no rezoning was supported and the site should be heritage listed and artists' studios retained. It was resolved that Council establish a resident reference group to work in detail with Council to establish planning guidelines</p>
14 June 2007	<p>A report to Council's Planning Committee for the former bakery site (DA00/0511) set planning and development principles for the site following community consultation with a resident reference group. Council adopted 9 design principles which any new proposal would need to respond to before it would consider any proposed changes to existing industrial zoned land. This included Principle 2 – Land Use <i>"Any future development must maintain or increase employment for industrial purposes"</i> and Principle 7 – <i>site/block permeability</i>. A heritage assessment and character study had also been prepared dated July 2006</p>
3 July 2012	<p>Council considered a report on a new Planning Proposal to rezone the site from industrial to a B2 – Local Centre business zone including 4200m² for employment (retail and business) and 89 residential units. The Proposal was based on an indicative concept design informed by the 9 design principles from 2007 and had an FSR of 2:1, through site links east-west and north-south. Council resolved to defer consideration of Proposal until Leichhardt Employment and Economic Development Plan would be adopted in 2013</p>

Current Planning Proposal – timeline

15 August 2016	Pre-Planning Proposal submission meeting with Council officers regarding the specialist reports that would be required to support a rezoning request
September 2016	Pre lodgement draft Planning Proposal accompanied by an Economic Impact Assessment and urban design report submitted on behalf of the owner Roche Group Pty Ltd
14 October	Council's response raised 18 points of concern and questions particularly

2016	regarding the loss of industrial land and the proponents Economic Impact Assessment
4 Nov 2016	The proponent submitted a partial response to Councils queries
9 December 2016	Council letter reiterated most of the initial concerns and requested additional information including survey plans and architectural drawings (indicative floor plans, apartment design layouts)
16 December 2016	Planning Proposal formally lodged after meeting with Council officers and an undertaking by proponent to provide additional supporting information before Christmas 2016
14 February 2017	Additional information requested by Council submitted including further economic justification, concept design diagrams and details addressing the strategic policy context
21 Feb 2017	Design diagrams, elevations and details of compliance with the Apartment Design Guide submitted
22 March 2017	Social Impact Assessment submitted to Council
29 March 2017	Voluntary Planning Agreement letter of offer submitted to Council
17 May 2017	Meeting between Council officers, Roche Group and their design and planning consultants
26 May 2017	Proponents submitted an outline of a revised concept Planning Proposal
6 June 2017	Council letter in response to the new concept Planning Proposal outlined the need to retain the IN2 industrial zone and floor space, in principle height of no more than 6 storeys, provide greater setbacks and information to be updated in a revised Planning Proposal
21 June 2017	Proponents submitted a revised Planning Proposal Economic Impact Assessment, Transport assessment, supplementary urban design concept block plans, VPA offer and a supporting letter
25 June 2017	Proponent submitted revised Planning Proposal document
22 August 2017	Proponent submitted a request for a Rezoning Review with the Department of Planning and Environment
25 August 2017	Letter to Council from the Department of Planning and Environment advising of the Proponents Rezoning Review request and requiring a submission within 21 days
15 September 2017	Council wrote to the Department of Planning and Environment outlining its concerns with the Planning Proposal and recommending it is rejected
12 October 2017	Sydney Eastern City Planning Panel (the Panel) met with Council, the Proponent and Department of Planning staff on the 12 October 2017 and determined that the Planning Proposal should proceed to gateway subject to conditions.
16 October 2017	Sydney Eastern City Planning Panel (the Panel) letter to Council inviting Council to be the Relevant Planning Authority (RPA) for this proposal (refer to Attachment 2) and advising that a Planning Proposal would need to be submitted 42 days after nominating to be the RPA.



Mr Rik Hart
General Manager
Inner West Council
council@innerwest.nsw.gov.au

16 October 2017

Dear Mr Hart

Request for a Rezoning Review – 2017SCL049 - PGR_2017_IWEST_002_00

I refer to the request for a Rezoning Review for a proposal 469-483 Balmain Road Lilyfield to amend Leichhardt Local Environmental Plan 2013. The proposal seeks to introduce a Maximum Building Height equivalent to 6 storeys for the site, increase the maximum FSR, introduce residential accommodation as an additional permitted use and introduce a minimum non-residential/employment floor space of 6,000 sqm.

The Sydney Eastern City Planning Panel (Planning Panel) has determined that the proposal should proceed to Gateway determination stage. In making this decision, the Planning Panel considered the request and advice provided by Council. A copy of the Panel's decision is attached.

Consequently, Council is invited to be the Relevant Planning Authority (RPA) for this proposal and to advise the Planning Panels Secretariat within 42 days of the date of this letter whether it will accept the role of RPA for this proposal. Should Council agree to be the RPA, it will need to prepare a planning proposal under section 55 of the *Environmental Planning and Assessment Act 1979*, and submit it for a Gateway determination within 42 days after accepting this role.

If Council does not wish to progress this matter, the Planning Panel will be appointed as the RPA to prepare the planning proposal.

If you have any queries on this matter, please contact Stuart Withington, Manager, Planning Panels Secretariat on (02) 8217 2062 or via email to stuart.withington@planning.nsw.gov.au

Yours sincerely



Maria Atkinson
Chair, Sydney Eastern City Planning Panel

encl. Rezoning Review Record of Decision

Planning Panels Secretariat

320 Pitt Street Sydney | GPO Box 39 Sydney NSW 2001 | T 02 8217 2060 | www.planningpanels.nsw.gov.au


**Planning
Panels**
**REZONING REVIEW
RECORD OF DECISION**

SYDNEY EASTERN CITY PLANNING PANEL PLANNING PANEL

DATE OF DECISION	12 October 2017
PANEL MEMBERS	Maria Atkinson (Chair), Sue Francis, John Roseth, Debra Laidlaw Brian McDonald
APOLOGIES	None
DECLARATIONS OF INTEREST	None

REZONING REVIEW

2017SCL049 – Inner West - PGR_2017_IWEST_002_00 at 469-483 Balmain Road Lilyfield (AS DESCRIBED IN SCHEDULE 1)

Reason for Review:

- ☐ The council has notified the proponent that the request to prepare a planning proposal has not been supported
☒ The council has failed to indicate its support 90 days after the proponent submitted a request to prepare a planning proposal or took too long to submit the proposal after indicating its support

PANEL CONSIDERATION AND DECISION

The Panel considered: the material listed at item 4 and the matters raised and/or observed at meetings and site inspections listed at item 5 in Schedule 1.

Based on this review, the Panel determined that the proposed instrument:

- ☒ **should** be submitted for a Gateway determination because the proposal has demonstrated strategic and site specific merit
☐ **should not** be submitted for a Gateway determination because the proposal has
 - ☐ not demonstrated strategic merit
 - ☐ has demonstrated strategic merit but not site specific merit

The decision was unanimous.

REASONS FOR THE DECISION

The Panel accepts that the planning proposal demonstrates both strategic and site specific merit and should proceed to Gateway.

The Panel believes the site specific merits of compatibility of use between industrial and residential requires further exploration.






 The Panel supports the protection of the existing amount of industrial floor space (minimum 6,000m²) on the site and any residential use of the site must be designed to ensure the viability of this industrial use.

The Panel recommends that the delegate give consideration to the following matters:

1. Include a provision that enables residential development to occur on the site subject to meeting objectives which include but are not limited to:
 - a. retain the viability of industrial uses on the site;
 - b. no detrimental impact on the uses (current or future) on the adjoining IN2 zoned land
2. Ensure a rationale for the height, floor space ratio, and building massing and modulation for the site is prepared and exhibited with the planning proposal.

3. Ensure mechanisms are provided for creative employment space.
4. Retain the two buildings on the site which have historical importance.
5. A site specific development control plan is prepared in accordance with clause 6.14 Development control plans for certain development of Leichhardt Local Environmental Plan 2013.

While the majority of the Panel supported the proposed FSR of 2.5:1, Panel members Brian McDonald and Debra Laidlaw were of the opinion that the FSR and the height (approximately 23 metres) were too large to achieve desirable outcomes for both industrial and residential function and amenity.

PANEL MEMBERS	
 Maria Atkinson (Chair)	 John Roseth
 Sue Francis	 Debra Laidlaw
 Brian McDonald	

SCHEDULE 1		
1	PANEL REF – LGA – DEPARTMENT REF - ADDRESS	2017SCL049 – Inner West - PGR_2017_IWEST_002_00 at 469-483 Balmain Road Lilyfield
2	LEP TO BE AMENDED	Leichhardt Local Environmental Plan 2013
3	PROPOSED INSTRUMENT	The Rezoning Review request seeks to amend the Leichhardt Local Environmental Plan 2013 for 469 – 483 Balmain Road, Lilyfield. The proposal seeks to introduce a Maximum Building Height equivalent to 6 storeys for the site, increase the maximum FSR, introduce residential accommodation as an additional permitted use and introduce a minimum non-residential/ employment floor space of 6,000 sqm.
4	MATERIAL CONSIDERED BY THE PANEL	<ul style="list-style-type: none"> Rezoning review request documentation Briefing report from Department of Planning and Environment
5	MEETINGS AND SITE INSPECTIONS BY THE PANEL	<ul style="list-style-type: none"> Site inspection and briefing meeting with Department of Planning and Environment (DPE): Thursday 12 October 2017 at 10:00am <ul style="list-style-type: none"> Panel members in attendance: Maria Atkinson (Chair), Sue Francis, John Roseth, Debra Laidlaw, Brian McDonald Department of Planning and Environment (DPE) staff in attendance: Martin Cooper, Brendan Metcalfe Briefing meeting with Council: Thursday 12 October 2017 at 1:30pm <ul style="list-style-type: none"> Panel members in attendance: Maria Atkinson (Chair), Sue Francis, John Roseth, Debra Laidlaw, Brian McDonald Department of Planning and Environment (DPE) staff in attendance: Martin Cooper, Brendan Metcalfe, Karen Armstrong Council representatives in attendance: Harjeet Atwal, Svetlana Kotevska, Roger Rankin Briefing with Proponent: Thursday 12 October 2017 at 2:00pm <ul style="list-style-type: none"> Panel members in attendance: Maria Atkinson (Chair), Sue Francis, John Roseth, Debra Laidlaw, Brian McDonald Department of Planning and Environment (DPE) staff in attendance: Martin Cooper, Brendan Metcalfe, Karen Armstrong Council representatives in attendance: Harjeet Atwal, Svetlana Kotevska, Roger Rankin Proponent representatives in attendance: Sam Haddad, Michael File, Dominic Roches, Wes Van Der Garden, Day Perez, Stephen Moore

Item No: C1117 Item 11

Subject: **COUNCIL SUBMISSION TO REVIEW OF ENVIRONMENTAL PLANNING
AND ASSESSMENT REGULATIONS 2000**

Prepared By: Katie Miles - Strategic Planner

Authorised By: Gill Dawson - Group Manager Strategic Planning

SUMMARY

The NSW Department of Planning & Environment (the Department) are conducting a review of the *Environmental Planning and Assessment Regulations 2000* (the Regulations). The review follows proposed changes to the *Environmental Planning and Assessment Act 1979* (the Act) that provides the overarching framework for the NSW Planning System. The Regulations supports the day-to-day requirements of this system. Council's submission (attached) will inform the preparation of a draft Regulation which is expected to be released by the Department in 2018.

RECOMMENDATION

THAT Council:

- 1. Receives and notes this report including the draft submission (Attachment 1); and**
 - 2. Endorses the submission and send to the Department of Planning and Environment by 24 November 2017.**
-

BACKGROUND

The *Environmental Planning and Assessment Regulations 2000* (the Regulations) describe key operational provisions for the NSW Planning System, as it relates to:

- Planning instruments, including requirements and procedures for planning proposals and procedures for making and amending development control plans.
- Procedures relating to development applications for local development and complying development certificates;
- Existing uses and designated development;
- Requirements for environmental assessment and Part 5 of the Act and applications for State Significant Development (SSD);
- Environmental impact statements (requirements that apply to designated development, state significant infrastructure, and certain other activities under Part 5 of the Act);
- Building regulation and subdivision certification, including provisions for construction certificates, occupation certificates and subdivision certificates, as well as fire safety and Building Code of Australia (BCA) matters;
- Fees and charges, including for development applications and building certificates, as well as other planning services;
- Development contributions, including the preparation of contribution plans; and
- Planning certificates which provide information about land.

The Department's objectives of the Regulations review are to:

- Reduce administrative burden and increase procedural efficiency;
- Standardise and consolidate provisions governing the administration of the planning system;
- Update definitions and preliminary provisions in Part 1 of the Regulations.

- Remove redundant provisions;
- Update the numbering and names of parts, divisions, sections and schedules;
- Refine some terms and definitions to clarify policy intent; and
- Update provisions to reflect advancements in technology, innovation, and communications methods, and the NSW Planning Portal, which provides online access to planning information tools and services.

The remainder of this report will discuss opportunities to improve the Regulation's functionality as it relates to the Inner West Council. It should be noted that the Department have not released details on the proposed amendments at this stage, and have only released a discussion paper upon which to comment. As such the issues raised in this report are broad in nature, the intent is to highlight these issues to the Department so that they can analysis and investigate the issues prior to the released of the Draft Regulation Amendments in 2018.

REPORT

The intent of this section is to highlight opportunities and concerns as they relate to the Regulations. The following sections broadly discuss inefficiencies or problematic sections of the Regulations for the Department to further investigate and address.

1. Local Environmental Plans

The Department's Issues Paper discusses the possibility of inserting a time limitation for councils to assess Planning Proposals once lodged. This would be similar to time limitations placed on assessing and reporting development applications. It is noted that in the DPE's Planning Circular PS 16-004 published on 30 August 2016 already refers to a 90 day period that Council must provide its response to the proponent of a Planning Proposal Application.

Since the Planning Circular was published Council officers have endeavored to assess and report Planning Proposals within this timeframe with moderate success. Small site-specific or moderately sized Planning Proposals are generally able to be addressed within the 90 day timeframe. However, the advent of the State Government Urban Renewal Strategies endorsed by Section 117 Ministerial Directions has generated a surge of large Planning Proposals, some encompassing whole precincts or proposed developments exceeding 20-30 storeys in height. The 90 day timeframe for assessing and reporting these types of Planning Proposals is often insufficient.

The Urban Renewal Strategies require that comprehensive reviews are undertaken of Council's Local Environmental Plans (LEP), Development Control Plans (DCPs) and Section 94 Developer Contribution Plans, and that multiple public and private agencies are consulted as part of the preparation of any Planning Proposals. The 90 day limitation is an unreasonable timeframe to conduct these initial referrals, preliminary assessment, peer-review of documents, and the initial report to Council for determination. To ameliorate such issues, the Department should consider the following recommendations:

- i. Establish categories that scale the type and size of Planning Proposals with the view of establishing appropriate assessment and reporting timeframes. This is similar to the approach taken in Part 6 of the Regulations to determine the assessment timeframes of development applications by the type and scale of the proposed development. Additional allowances should be made for Planning Proposals occurring in Urban Renewal Corridors given the complexity of the assessment process prior to comprehensive reviews of the relevant LEP/DCP/Section 94 Plan.
- ii. Similar provisions regarding 'stop the clock', ability to request additional information, and details regarding the extension or modification of Planning Proposals should be outlined in the Regulations. This would be a similar approach to that currently described for development applications under Part 6 of the Regulations, in particular sections 51-56, 58-64, 95, 106-110, 112-113A, 123B-123F, and 123G and 123I.

- iii. Consider inserting mandatory regulations for requiring Pre-Planning Proposal meetings for Proponent-led Planning Proposals (or rezoning applications). At present, Council conducts Pre-Planning Proposal meetings as part of providing planning services to the public. The process is generally viewed constructively as initial concerns can be raised and mitigated prior to the formal lodgment. This can have flow-on advantages for assessment and referral processes, and likewise council is able to prepare for additional resources if the project requires it. Notwithstanding, there are many instances where councils have no knowledge of proposals until they are formally lodged, and this process generally leads to increased assessment timeframes or inadequate resourcing to fully assess the initial Planning Proposal.

2. Development Control Plans

As a general comment there are largely no problems with the existing provisions of Part 3 of the Regulations.

3. Development Assessment Regulation

The following recommendations are made to the regulatory functions of development assessment under Part 6 of the Regulations:

- i. There are numerous environmental planning instruments (EPIs) that describe different public exhibition requirements for different types of development. The review should consider consolidating and simplify these public exhibition requirements into the Regulations.
- ii. Council supports the simplification of Clauses 100 and 101; however, notes that the Department's suggestion to include the detail of the reasons for the determination would seemingly undermine the "simplification" objective. The reasons for the determination are detailed in the relevant assessment report which is made publicly available. Accordingly, the suggestion to include the reasons for determination in the notice is considered unnecessary.
- iii. The review should seek to enable notices to be sent via email (if given) to remove administrative burdens of mailing consents.
- iv. The State Government initiative to reduce assessment timeframes could be assisted if the Department considered inserting mandatory provision for lodging Pre-Development Application for major developments and any development occurring in areas identified as Urban Renewal Corridors endorsed by a Section 117 Ministerial Direction.
- v. Additionally, Schedule 1 should be reviewed so that the Regulations require a higher level of quality information to be prepared as part of the Development Applications. This would be a reasonable response to enable ease and clarity of assessment for consent authorities as considerable time can be spent on deciphering plans or correcting errors on plans (particularly regarding scaling/architectural details). The Department may wish to consider establishing a 'guideline DA template' to replace or complement Schedule 1.

4. Fees & Charges

To meet the costs of providing various planning services to applicants, consent authorities charge fees which are set out in the Regulations (Part 15 describes fees for development applications, building occupation, construction, and subdivision certificates, planning certificates, or review of decision to review a refusal determination). It is acknowledge that in most circumstances, these fees and charges have not been reviewed in 5+ years or addressed in an ad hoc manner as successive amendments are made to the Act regarding particular development types.

In recognition of the costs associated with implementing and resourcing new planning legislation, new procedures, new types of development activities, the natural attrition of service costs over time, and that the type and scale of development activity varies across NSW, the fees should be reviewed taking account of the real costs of processing applications. The current cost setting is inappropriate for areas undergoing significant changes. It is recommended the Department investigate creating a more flexible and responsible approach to fees and charges that may examine annual rate-pegging or creating exemptions for areas undergoing significant change that require additional resourcing.

Additionally, The Department should refrain from determining policies regarding fees and charges for Pre-Planning Proposals, Planning Proposals and Voluntary Planning Agreements (VPAs). This acknowledges that there are different levels of resourcing, development types/scales, and varied levels of development activity across NSW. It would be inappropriate to impose a one-size-fits-all approach on this issue.

5. Development Contributions

The regulations describe sections includes Section 94, 94A and Voluntary Planning Agreements (VPAs). Currently, the Regulation does not require consideration of the Secretary's VPA Practice Notes however the Department's review would change this to make consideration of such guidelines mandatory. To avoid negative outcomes and to ensure public benefit objectives are met, the Department should undertake further consultation with councils regarding the application and functionality of the Secretary's Practice Notes for VPAs to assess its efficiency in existing contexts prior to making such considerations mandatory.

The Department is also suggesting removing the need for councils to have hard copies of all planning agreements available for public inspection at Council offices, and to instead upload copies of the planning agreements to the NSW Gov't Planning Portal. Council supports this proposal as it would remove an unnecessary administrative burden.

It is strongly recommended that the Department review and investigate implementation costs and procedures associated with the establishment and/or amendment of Section 94, 94A and VPAs Policy. There is a varied array of infrastructure costs, development activity, and envisioned growth across NSW, and as such any State Government policy approach to VPAs is not likely to appropriately outline all local costs/issues and may set unreasonable expectations on stakeholders. Additionally, the Department should be mindful that the State Government endorsed Urban Renewal Corridors heavily depend on the VPA framework to delivery infrastructure costs not currently encompassed by existing Section 94 & 94A framework and (yet to be established) SIC levies. Development along the Urban Renewal Corridors in the Inner West is currently subject to a high-degree of uncertainty as an 'interim' approach is needed until comprehensive planning reviews can be undertaken.

It is recommended that the Department afford some degree of flexibility to address locally-specific issues in their review of the Regulations, noting a staged approach to implementing changes may be warranted.

6. Planning Certificates

The contents of Planning Certificates are detailed in Schedule 4 of the Regulations which seek to condense an array of planning information from numerous statutes. Recent State Government reforms have changed numerous elements of this section via the public exhibition and implementation of legislative reforms and amendments to existing State Environmental Planning Policies (SEPPs). Subsequently, Council is in a constant state of monitoring to update the relevant sections of the Planning Certificates given its legal status to ensure compliance.

The following recommendations are made in regard to this section:

- i. The Department should seek to establish a notification process to alert councils of changes to S149 Planning Certificates prior to the changes coming into effect;

- ii. Consider establishing a general template for Planning Certificates to remove complexities, however acknowledge that some degree of flexibility will be needed to address locally-specific issues and legacy areas, such as the remaining Regional Environmental Plans.
- iii. Where applicable, State Infrastructure Contribution levies should be identified similar to the existing provisions relating to Section 94 and 94A contribution plans;
- iv. Hard copy planning certificates should be replaced by an online system through NSW Planning Portal, and ensure that 'check-points' are incorporated to ensure that the correct information is provided.

FINANCIAL IMPLICATIONS

Nil

CONCLUSION

The Regulations review provides an opportunity to highlight some long-standing inefficiencies and concerns to be investigated by the Department. As outlined in this report, emphasis has been placed on providing flexibility to the Urban Renewal Precincts, as a 'one-size-fits-all' approach is unlikely to deliver positive outcomes. It is noted that Council will have another opportunity to comment on the review in 2018.

ATTACHMENTS

1. [!\[\]\(2a133ebb0337313d16cc068f19494aa2_img.jpg\)](#) Draft Submission to Regulations Review



21 November 2017

Director, Legislative Updates
NSW Department of Planning and Environment
GPO Box 39
SYDNEY NSW 2000

To whom it may concern,

RE: Submission on the Issues Paper - EP&A Regulations Review

Thank you for providing Council with the opportunity to comment on the Issues Paper for the Review of the *Environmental Planning & Assessment Regulations 2000* (the Regulations).

The following sections comment on the functionality of the Regulations and make 16 recommendations to improve overall processes. It should be noted that Council has placed emphasis on providing regulatory flexibility for areas subject to the State Government's Urban Renewal Strategies. These areas are undergoing rapid change and a 'one-size-fits-all' regulatory approach is unlikely to deliver positive outcomes in these areas. Interim approaches are needed until comprehensive planning reviews of the State Infrastructure Contribution levies, local environmental plans, development control plan and Section 94/94A Developer Contribution Plans are completed.

Local Environmental Plans

The Department's Regulation Review Issues Paper discusses the possibility of inserting a time limitation for councils to assess Planning Proposals once lodged. This would be similar to time limitations placed on assessing and reporting development applications. It is noted that in the DPE's Planning Circular PS 16-004 published on 30 August 2016 already refers to a 90 day period that Council must provide its response to a Planning Proposal Application.

Since this was published, Council officers have endeavored to assess and report Planning Proposals within this timeframe with moderate success. Small site-specific or moderately sized Planning Proposals are generally able to be addressed within the 90 day timeframe. However, the advent of the State Government Urban Renewal Strategies endorsed by Section 117 Ministerial Directions in the Inner West has generated a surge of large Planning Proposals, some encompassing whole precincts or proposed developments exceeding 20-30 storeys in height. The 90 day timeframe for assessing and reporting these Planning Proposals is often insufficient.

The Urban Renewal Strategies require that comprehensive reviews are undertaken of Council's LEP/DCPs and Section 94 Developer Contribution Plans and that multiple State

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Government agencies and stakeholders are consulted as part of the preparation of any Planning Proposals. The 90 day limitation is an unreasonable timeframe to conduct these initial referrals, preliminary assessment, peer-review of documents, and the initial report to Council for determination. To ameliorate these issues, the Department should consider the following recommendations:

1. Establish categories that scale the type/size of Planning Proposals and set appropriate assessment and reporting timeframes accordingly. This is similar to the approach taken in Part 6 of the Regulations to determine the assessment timeframes of development applications by the type and scale of the proposed development. Additional allowances should be made for Planning Proposals occurring in Urban Renewal Corridors given the complexity of the assessment process prior to comprehensive reviews of the relevant LEP/DCP/Section 94 Plan.
2. Similar provisions regarding 'stop the clock', ability to request additional information, and details regarding the extension or modification of Planning Proposals should be outlined in the Regulations. This would be a similar approach to that currently described for development applications under Part 6 of the Regulations, in particular sections 51-56, 58-64, 95, 106-110, 112-113A, 123B-123F, and 123G and 123I.
3. The Department should consider inserting mandatory regulations for requiring Pre-Planning Proposal meetings for Proponent-led Planning Proposals (or rezoning applications). At present, Council conducts Pre-planning proposal meetings as part of providing planning services to the public. The process is generally viewed constructively as initial concerns can be raised and mitigated prior to the formal lodgment. This can have flow-on advantages for assessment and referral processes, and likewise council is able to prepare for additional resources if the project requires it. Notwithstanding, there are many instances where councils have no knowledge of proposals until they are formally lodged, and this process generally leads to increased assessment timeframes or inadequate resourcing to fully assess the initial Planning Proposal.

Development Control Plans

As a general comment there are largely no problems with the existing provisions of Part 3 of the Regulations.

Development Assessment Regulation

The following recommendations are made to the regulatory functions of development assessment under Part 6 of the Regulations:

4. Council supports the Department's initiative to review numerous environmental planning instruments to consolidate public exhibition requirements into the Regulations.
5. Council supports the simplification of Clauses 100 and 101; however, notes that the Department's suggestion to include the detail of the reasons for the determination would seemingly undermine the "simplification" objective. The reasons for the determination are detailed in the relevant assessment report which is made publicly available. Accordingly, the suggestion to include the reasons for determination in the notice is largely considered unnecessary.
6. The review should seek to enable notices to be sent via email (if given) to remove administrative burdens of mailing consents.

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7. The State Government initiative to reduce assessment timeframes could be assisted if the Department considered inserting mandatory provision for lodging Pre-Development Application for major developments and any development occurring in areas identified as Urban Renewal Corridors endorsed by a Section 117 Ministerial Direction.
8. Schedule 1 should be reviewed so that the Regulations require a higher level of quality information to be prepared as part of Development Applications. This would be a reasonable response to enable ease and clarity of assessment for consent authorities, as considerable time can be spent on deciphering plans or correcting errors. In particular, the reference to 'sketches' should be removed and emphasis placed on providing professionally scaled and accurate architectural plans. The Department may wish to consider establishing a 'guideline DA template' to replace or complement Schedule 1.

Fees & Charges

To meet the costs of providing various planning services to applicants, consent authorities charge fees which are set out in the Regulations (Part 15 describes fees for development applications, building, occupation, construction and subdivision certificates, planning certificates, or review of decision to review a refusal determination). It is acknowledge that in most circumstances in this section, these fees and charges have not been reviewed in 5+ years or addressed in an ad hoc manner as successive amendments are made to the Act regarding particular development types.

In recognition of the costs associated with implementing and resourcing new planning legislation, new procedures, new types of development activities, the natural attrition of service costs over time, and that the type and scale of development activity varies across NSW, the fees should be reviewed taking account of the real costs of processing applications. The current cost setting is inappropriate for areas undergoing significant changes. It is recommended that the Department:

9. Investigate creating a more flexible and responsible approach to setting fees and charges, this may examine annual rate-pegging or creating exemptions for areas undergoing significant change that require additional resourcing.
10. Refrain from determining policies regarding fees and charges for Pre-Planning Proposals, Planning Proposals and Voluntary Planning Agreements (VPAs). This acknowledges that there are different levels of resourcing, development types/scales, and varied levels of development activity across NSW. It would be inappropriate to impose a one-size-fits-all approach on this issue.

Development Contributions

Council supports the Department's initiative to remove the need for councils to have hard copies of all planning agreements available for public inspection at Council offices, and to instead upload copies of the planning agreements to the NSW Gov't Planning Portal.

Concern is raised regarding the Department's initiative to make the Secretary's Practice Notes for VPAs mandatory. The Department must consider the implementation costs, procedures, and regulatory limitations associated with the establishment and/or amendment of Section 94 and 94A. The Department must understand that VPAs provide a mechanism by which 'interim responses' to the provision of local and state infrastructure can be

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delivered in the absence of a relevant Section 94/9A Plans or State Infrastructure Contribution (SIC) levies. Further investigations will need to be mindful that the State Government endorsed Urban Renewal Strategies heavily depend on the VPA framework to delivery infrastructure costs not currently encompassed by existing Section 94 & 94A framework and (yet to be established) SIC levies.

Development along the Urban Renewal Corridors in the Inner West is currently subject to a high-degree of uncertainty and 'interim' flexible approaches are needed until comprehensive planning reviews can be undertaken. Likewise, across NSW there is a varied array of infrastructure costs, development activity, and envisioned growth over the short, medium and long term. A State Government policy approach to VPAs is not likely to appropriately outline all local costs/issues and may set unreasonable expectations on stakeholders. Accordingly, it is recommended that the Department:

11. Affords some degree of flexibility to address locally-specific issues in their review of the Regulations, noting a staged approach to implementing changes may be warranted; and
12. Further consultation is undertaken with councils regarding the application and functionality of the Secretary's Practice Notes for VPAs to assess its efficiency in existing contexts prior to making it a mandatory consideration.

Planning Certificates

The contents of Planning Certificates are detailed in Schedule 4 of the Regulations which seek to condense an array of planning information from numerous statutes. Recent State Government reforms have changed numerous elements via the public exhibition and implementation of legislative reforms and amendments to existing State Environmental Planning Policies. Subsequently, Council is in a constant state of monitoring to update the relevant sections of the Planning Certificates given its legal status to ensure compliance.

It is recommended that this Department further investigate the following issues:

13. Seek to establish a notification process to alert Councils of changes to S149 Planning Certificates prior to the changes coming into effect;
14. Consider establishing a general template for Planning Certificates to remove complexities; however, afford some degree of flexibility to address locally-specific issues and legacy areas, such as the remaining Regional Environmental Plans.
15. Where applicable, State Infrastructure Contribution (SIC) levies should be identified similar to the existing provisions relating to Section 94 and 94A contribution plans;
16. Hard copy planning certificates should be replaced by an online system through NSW Planning Portal. However, given the complexity of ensuring information is correct during the implementation period, and that 149 Planning Certificates are a legal document, the Department should be mindful that 'check-points' will be needed to ensure that the correct information is provided.

Council would ask that the issues identified in this letter be investigated and addressed prior to the Draft Regulations Review documentation being released for further consultation in 2018.

If you wish to discuss the matter please contact Katie Miles, Strategic Planner (Leichhardt Division, Inner West Council) on 9367 9114.

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Yours sincerely

Gill Dawson
Acting Group Manager Strategic Planning

DRAFT

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Item No: C1117 Item 12

Subject: DRAFT FUTURE TRANSPORT STRATEGY 2056 - COUNCIL SUBMISSION

Prepared By: Gunika Singh - Strategic Planner and Ken Welsh - Transport Planner

Authorised By: Gill Dawson - Group Manager Strategic Planning

SUMMARY

This report provides Council's submission on the recently released Draft *Future Transport Strategy 2056* and associated plans.

The Strategy is part of a package of plans produced by the State Government including:

- Draft Future Transport Strategy 2056;
- Draft Greater Sydney Services and Infrastructure Plan;
- Draft Regional Services and Infrastructure Plan;
- Draft Tourism and Transport Plan;
- Draft Road Safety Plan.

This report provides Council with a brief summary of *Draft Future Transport Strategy 2056* and the *Draft Greater Sydney Services and Infrastructure Plan*. It also provides a draft submission for Council's endorsement prior to lodging with Transport for NSW/RMS

While the new transport strategy recognises the importance of public transport in the post 10 year time frame it continues to pursue commitment to urban motorways in the 1-10 year period.

Key issues likely to impact on the Inner West Council include:

- A lack of alignment between the Greater Sydney Commission draft *Sydney Region Plan* and Transport for NSW draft *Future Transport Strategy 2056*;
- Focus on urban motorways in the 1-10 year committed projects, leading to increased traffic volumes and greater reliance on private vehicles as a primary mode of travel;
- Absence of reference to upgrading of Sydney's ferry fleet and increasing the number of ferry wharves;
- Lack of recognition to the need for greater north-south connectivity through sustainable transport improvements;
- Absence of commitment and prioritisation of additional major public transport improvements in the immediate term;
- Limited commitment to funding for active transport in the immediate term;
- Limited reference to connectivity between the existing Sydney (Kingsford Smith) Airport and the proposed Western Sydney Airport; and
- Absence of reference to the need to enhance local connections to Sydney Airport, particularly in relation to existing fare penalties associated with the airport railway station access fees.

RECOMMENDATION

THAT:

1. This report be received and noted; and
 2. Council endorse the draft submission included in this report and that it be lodged as such with Transport for NSW/RMS.
-

BACKGROUND

On October 2017 the State Government released a package Future Transport Plans and Strategies under the heading “Future Transport 2056”. This package is the next stage of the State’s long term transport master planning process. The Government is requesting public feedback by 3 December 2017.

Copies of the executive summary of the *Draft Future Transport Strategy 2056* and *Draft Greater Sydney Services and Infrastructure Plan* are included as attachments to this report (Attachment - 1 & 2).

A separate report will be prepared for council; summarising the Greater Sydney Commission’s Regional Plan and providing a draft submission of Council’s consideration.

Future Transport is an update of the NSW Long Term Transport Master Plan (2012) and has been prepared in concert with the draft Greater Sydney Commission’s Region Plan, Infrastructure NSW’s State Infrastructure Strategy, and the Department of Planning and Environment’s regional plans, to provide an integrated vision for the state through until 2056.

To reflect the interrelationship of land use, transport, infrastructure and community development the *Future Transport* package comprises three key documents (Figure 1):

- Draft Future Transport Strategy 2056;
- Draft Greater Sydney Services and Infrastructure Plan; and
- Draft Regional Services and Infrastructure Plan.

The package also includes a series of supporting plans including Draft Tourism and Transport Plan and Draft Road Safety Plan.

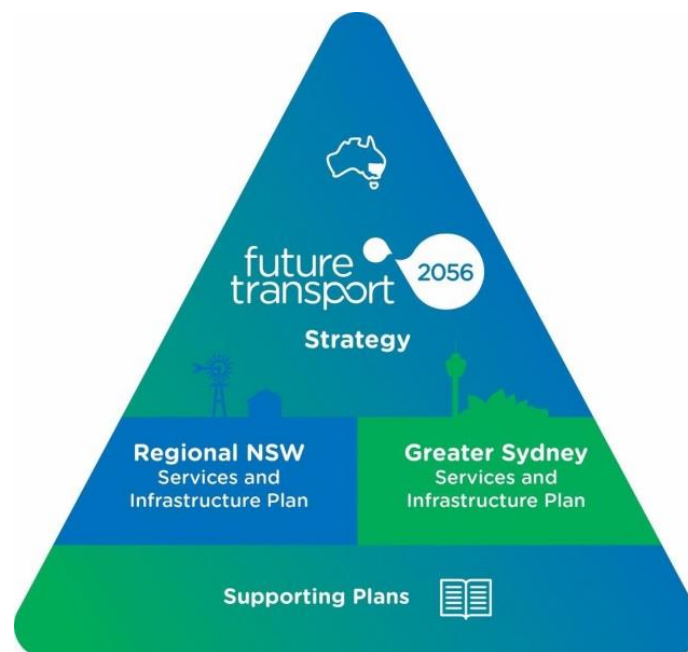


Figure 1 - Suite of Draft Future Transport 2056 documents

Future Transport attempts to coordinate travel responses to the multiple land use strategies currently underway, however some conflict appear to occur as many of the transport projects committed to were announced in advance of the land use strategies. Additionally, *Future Transport*’s attempts at integration with the land use strategies results in multiple references to the creation of more sustainable, liveable cities. However, the establishment of numerous

motorway and road capacity improvement projects is considered counter to the creation of a sustainable, liveable city.

Future Transport has been designed to respond to land use propositions in the Greater Sydney Commission's Regional Plan; being based on a *Metropolis of Three Cities* (Figure 2).

Additionally, this vision for Greater Sydney proposes the *30 Minute City*; a city which provides people with access to key services and facilities (such as education, jobs and services) within 30 minutes by public transport regardless of where they live. This requires a transport structure that can ensure people can reach their nearest Metropolitan and Strategic Centres within 30 minutes, 7 days a week.

The 30 Minute City concept has been based on research that indicates that if people are required to travel more than 90 minutes a day, it impacts on quality of life and the liveability of a city.

The two components identified for a 30 minute city are:

- Connecting people in each of the three cities with jobs and essential services in their nearest Metropolitan City Centre.
- Connecting residents in each of the five districts to one of their Strategic Centres by public and active transport, giving people 30 minute access to local jobs, goods and services. Strategic Centres are major centres for transport, health and education.

In order to make this work, each City must contain multiple Strategic Centres, providing local economies and providing jobs and services close to where people live.

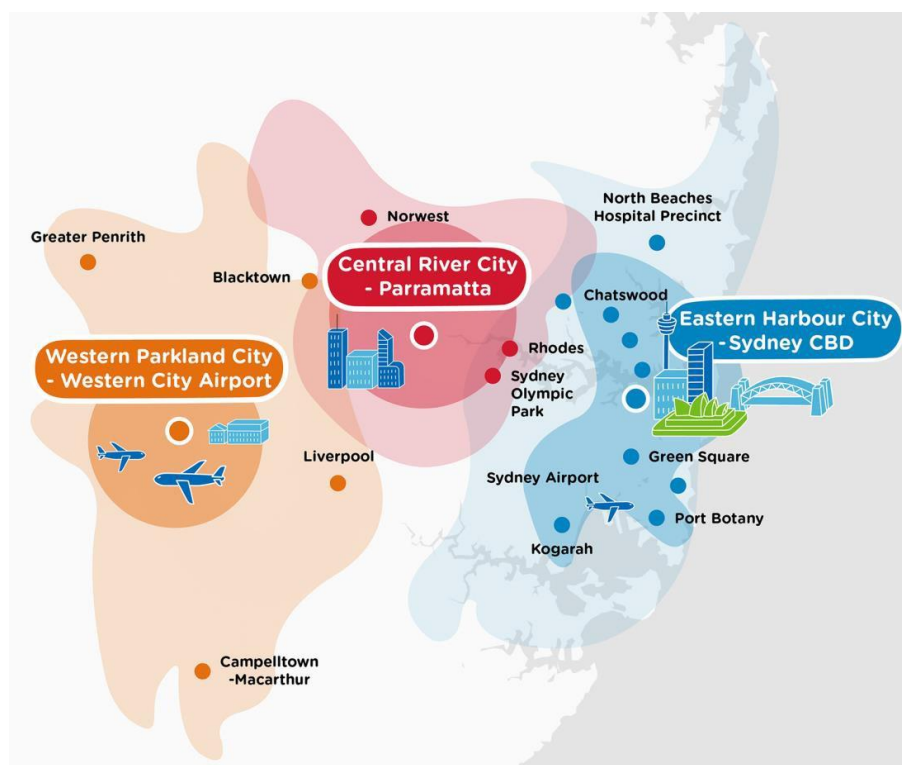


Figure 2 – Vision for Greater Sydney as a metropolis for three cities

This Council Report has been prepared specifically in response to the actions relating to Sydney Region, as identified in the Draft Future Transport Strategy 2056 (The Strategy) and Draft Greater Sydney Services and Infrastructure Plan (The Plan). Particular focus has been provided on the Inner West Council LGA to assist in informing Council's proposed submission (included later in this report), noting that it is a high level strategy.

Consultation on the *Future Transport Technology Road Map (2016)*

At the end of 2016 the *Future Transport Technology Road Map* was released for public comment. Subsequently, based on this feedback and on-going research, the *Draft Future Transport Strategy 2056* was prepared.

The Draft Future Transport package has been jointly prepared by Transport for NSW (TfNSW) and Roads & Maritime Services (RMS) to inform future transport decisions and to influence land use planning for NSW over the next 40 years. It attempts to identify emerging technology that will influence travel behaviour across the State and to assist in developing more liveable, sustainable cities through an iterative process of land use and transport development.

During the preparation of *Future Transport* some 5,000 people responded to online surveys, and more than 40,000 people were involved in digital or face-to-face consultations. A total of 27 engagement sessions were held across the state involving councils, business associations and community groups.

Draft Future Transport Strategy

The Strategy's vision is built on six outcomes:

- A Customer Focus;
- Successful Places;
- A Growing Economy;
- Safety and Performance;
- Accessible Services; and
- Financial and Environmental Sustainability.

It then provides a structured discussion which explores the likely future for the following:

- Customers;
- Mobility;
- Services;
- Networks;
- Sustainability;
- Approach to planning; and
- Monitoring and Review (including measures of success).

In an effort to meet these outcomes, for the Sydney Region, the Strategy proposes broad approaches which include:

- Continued support for several urban motorways including WestConnex, Western Harbour Tunnel/Beaches Link and F6 Extension;
- Sydney Metro and light rail projects (currently under construction or being planned);
- Increased use of smartphone/platform technology – ticketing, real-time information, active transport routing advice, direct access to network-wide Mobility as a Service (MaaS) rather than individual service providers – including demand responsive transport solutions;
- Encouragement of amenable local living environments with high levels of connectivity to multiple centres (eg Sydney will become a combination of the *Eastern Harbour City*, *Central River City* and *Western Parkland City* as well as the *Western Sydney Airport* and *Badgery's Creek Aerotropolis*). The transport/land use focus will be to foster 30 minutes cities (cities with a commute time of 30 minutes or less);
- Use of the *Safe Systems Approach* for road safety; targeting a near trauma free transport network by improving roads, speeds, vehicles and people (behaviour);

- Customer choice; ensuring market-driven access to transport, whether private, public or share vehicles (including potential for autonomous share vehicles and demand responsive transport systems);
- Enhanced physical accessibility for all bus stops and railway stations in the Sydney Region;
- Support for more environmentally sustainable travel by moving people from private vehicles to more sustainable transport modes and encouraging increased uptake of electric vehicles.

Examples of specific initiatives foreshadowed in the draft strategy include:

- **Emerging Technologies**
 - Introduction of automated metro systems (currently planned and/or under construction);
 - Recognition of the likelihood of increased uptake of autonomous/driverless vehicles (private, public or shared) providing enhanced mobility and reduced road trauma;
 - The need to ensure airspace controls which provide for guided and autonomous drones to deliver small freight items; and
 - Use of alternative fuels to benefit the environment.
- **Future Services**
 - Use of technology to create a MaaS service model where all modes and all payment options are fully integrated with seamless service and seamless transfer, providing a fully personalised travel experience;
 - Customer led services where on-going monitoring of customer behaviour (and focus group surveys etc) will lead to modifications in service provision and structure; and
 - Recognition of increased reliance on virtual shopping.

Draft Greater Sydney Services and Infrastructure Plan

The Plan has been designed to link closely with the Strategy. Proposals and timeframes for both documents appear identical; however The Strategy provides a greater level of detail, particularly in relation to the public transport/mass transit network.

Examples of key proposals, provided with more detail, within the Plan include:

- **Working with Councils to:**
 - develop city-wide parking guidelines;
 - Implement Movement & Place Framework and Road Space Allocation Policy to enhance local liveability;
- Introduction of a framework for the management of assisted mobility devices;
- Management mechanisms to facility safety and efficiency associated with Connected and Autonomous Vehicles (CAV);
- Development of a Last Mile Freight Policy;
- Implementation of Mobility as a Service (Maas) model in collaboration with industry, where private operators can sell integrated, multi-modal, end-to-end journeys to customers;
- More convenient interchanges to encourage public transport use. This includes making interchanges more attractive and providing more services, such as retail outlets;
- Trial of artificial intelligence applications to improve network management and/or customer service.

Overview of specific proposals

Both documents group actions into 4, timeframe-based, categories:

- 0-10 years already committed (Figure - 1, Attachment - 3);
- 0-10 years for further investigation (Figure - 2, Attachment - 3);
- 10-20 years for further investigation (Figure - 3, Attachment - 3);
- 20+ years for further investigation (Figure - 4, Attachment - 3).

Specific Tangible Initiatives Proposed

In summary, Sydney's 0-10 year timeframe includes the following committed projects (projects specifically relevant to Inner West Council are **highlighted**):

- **WestConnex Motorway;**
- **Western Harbour Tunnel and Beaches Link Rail (subject to final business case);**
- **F6 Motorway Extension Stage 1 – WestConnex to Kogarah (subject to final business case);**
- **Sydney Metro West (subject to final business case);**
- **Sydney Metro – City & Southwest**
- **Parramatta Light Rail (Stage 2 subject to final business case);**
- **Bus priority infrastructure program;**
- **Improvements to Sydney's active transport network;**
- **Safer Roads Program CBD & SE Light Rail;**
- **Sydney's road-based "pinch point program";**
- Sydney Metro Rail (subject to final business case);
- Sydney Airport road upgrades;
- Sydney Metro Northwest;
- B-Line buses (northern beaches);
- M4 Smart Motorway Project;
- Sydney Growth Trains"
- Bus replacement program;
- Western Sydney Growth Roads Project;
- As well as on-going improvements to bus stops, railway stations and ferry wharves.

Additional projects to be investigated for Sydney during the 0-10 year timeframe include the following proposals projects specifically relevant to Inner West Council are **highlighted**):

- **Victoria Road public transport improvements;**
- **Parramatta Road public transport improvements;**
- **Additional cruise ship capacity;**
- **Upgrading of Port Botany access (road and rail);**
- **General capacity and reliability upgrades for Sydney's rail and bus network;**
- **F6 Motorway Extension Stage 2 –Kogarah to Loftus;**
- **Rollout of electric vehicle charging points;**
- **General enhancements to Sydney's active transport network.**
- Southern Sydney Freight Line;
- Improved access to Western Sydney Airport/Badgery's Creek Aerotopolis (road and rail);
- Suburban train improvements to Macarthur Area;
- Northern Sydney Freight Corridor;
- Rail fleet replacement program;
- Metropolitan Interchange Program (rail);
- Smart Motorways/Smart Roads Programs;

Outside the 0-10 year timeframe there are no further urban motorways proposed, however western Sydney will be provided with significant road improvements, particularly targeting the Western Sydney Airport and its associated *Aerotropolis* (eg *M12 Motorway*). The 10+ year timeframe places significant emphasis on investigations into longer term public transport improvements, however no detail is provided regarding funding for these studies or the projects themselves. The Strategies funding statements focus on the need to develop more sustainable and equitable transport funding and to explore alternative/third party funding sources.

Additionally, The Strategy states that:

In some instances, the role for government will be to get out of the way and allow the market to deliver services. This may be the case where demand for services is high or where the private sector is better equipped to meet customer needs.

The Strategy highlights the need for further investigation of numerous opportunities (referred to in the Plan) in the longer term (10-20+ years) including:

- Light rail to the Bays Precinct;
- Light rail extension to Maroubra Junction;
- A mass transit link to the southeast (CBD to Botany/Maroubra);
- Mass transit links between Epping, Parramatta and Kogarah;
- Turn Up and Go (public transport) services on trunk corridors in metropolitan areas – including city-to-city and centre-to-centre corridors;
- Flexible or on-demand services – to support trunk services.
- Completion of active transport networks to and within centres;
- Increased availability of autonomous vehicles particularly in the form of shared vehicles and taxi-type services;
- Demand responsive bus services;
- Creation of more integrated, personalised travel solutions (MaaS) through the application of technology;
- Potential use of drones for parcel delivery.

Consideration

Transport technology is changing on a daily basis and the prescription of a 40 year horizon means that much of the information in *Future Transport* includes broad statements with only limited data provided as evidence to support any potential decisions. Consequently, *Future Transport* proposes nearly 100 issues/initiatives for Future Investigation and few if any specific proposals; other than those already committed to.

There are numerous references to integration and coordination between the various land use and transport strategies, including the need to create sustainable liveable cities. However it appears that many of the committed 1-10 year projects focus on providing increased capacity for private car use (including construction of urban motorways), which runs counter to the creation of sustainable, liveable cities. Additionally, many projects were committed to prior to the release of the various land use and urban redevelopment strategies.

Further, while *Future Transport* is part of a package of plans which include land use initiatives, there is only limited evidence that the transport projects identified are in direct response to specific land use initiatives. While this relationship may occur it is considered that it should be made more apparent in both documents. Consequently it is considered that the interrelationship between the documents is unclear.

Key actions proposed in the 0-10 year timeframe are projects that have already been committed to by the State Government. A second group of projects is proposed in the 0-10

year timeframe; however all of these are subject to further investigation and may or may not proceed.

A major improvement in *Future Transport*, when compared to the State's Government's *NSW Long Term Transport Master Plan 2012*, is *Future Transport's* greater focus on public transport and technology in the medium to longer term

While *Future Transport* continues to pursue WestConnex, Western Harbour Tunnel/Beaches Link and F6 Extension no additional urban motorway project are apparent once these have been completed. With the exception of improvements to assist accessibility in Western Sydney/ Badger's Creek (e.g. the M12 Motorway) projects in the 10+ year timeframes appear to be predominantly related to public transport.

Future Transport's medium to long-term vision for public transport is clearly and illustrated in Figures 3 and 4.

Similarly, proposed active transport, road and freight networks have been shown for each timeframe.

Further, attention given to longer term public transport/mass transit can be seen in additional detail such as setting of frequency targets to achieve 30 minute cities (Shown in Figure 5).

2017

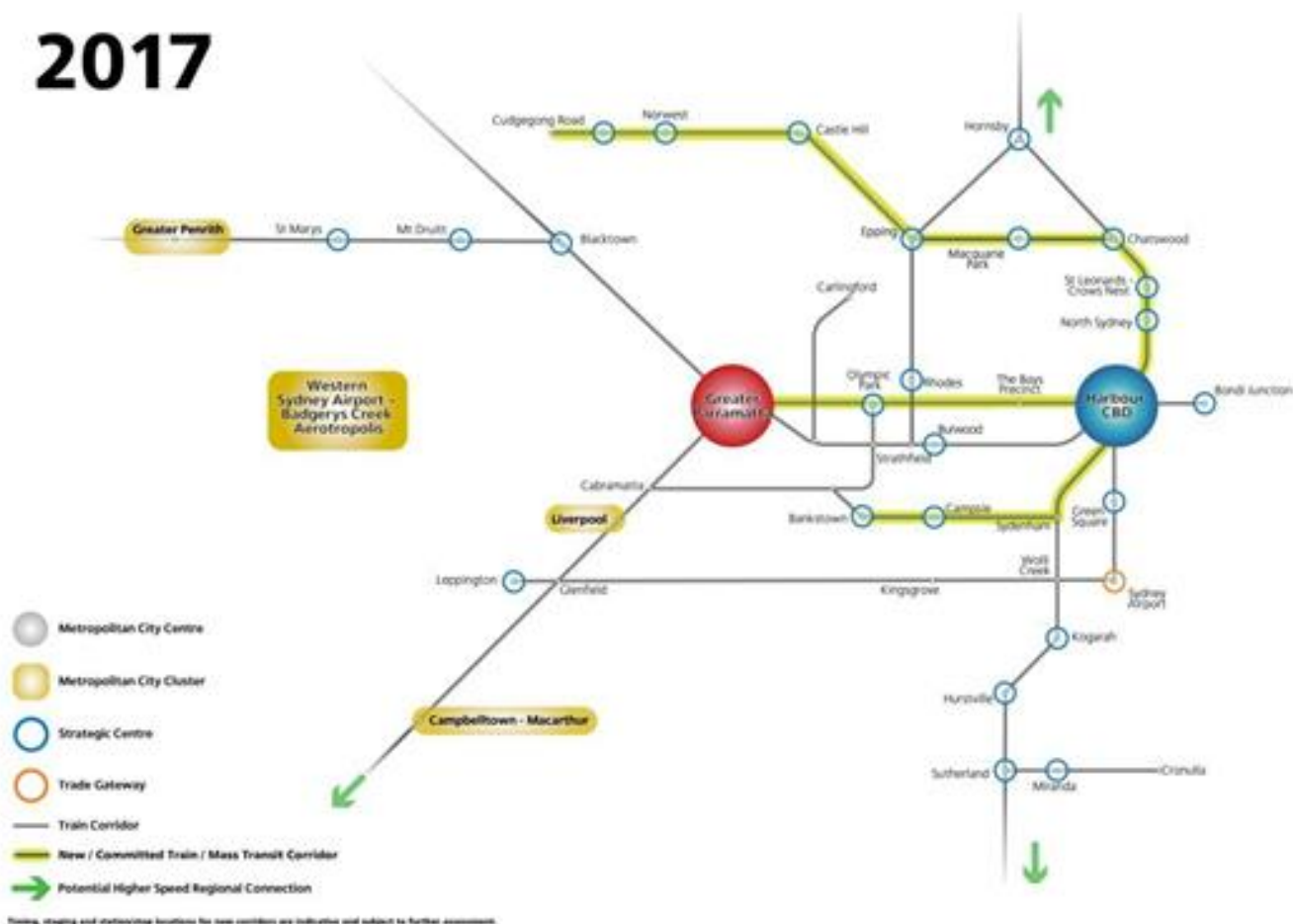


Figure 3 – Greater Sydney Mass Transit Network 2017 (existing and committed 1-10 years)

2036

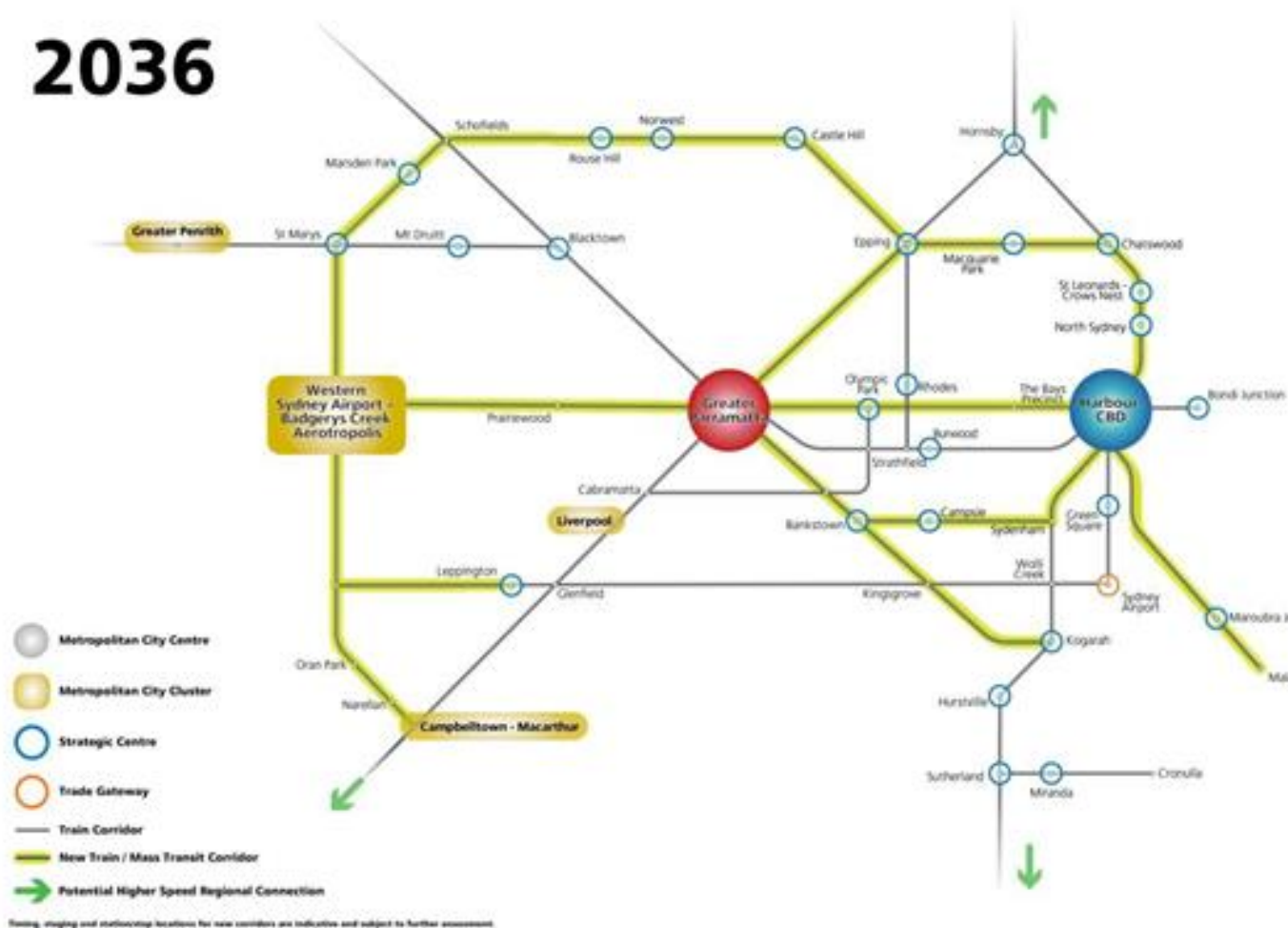


Figure 4 – Greater Sydney Mass Transit Network 2036

Service-type ^a	Peak-frequency ^a	Off-peak-frequency ^a	Service-type ^a	All-day-frequency ^a
Metro ^a	3-5 mins ^a	5-7 mins ^a	City-city ^a	Turn-up-and-go (<5 mins) ^a
Train ^a	3-30 mins ^a	5-30 mins ^a	Centre-centre ^a	Turn-up-and-go (<5 mins) ^a
Rapid bus ^a	10 mins ^a	10 mins ^a	CBD mass-transit ^a	High frequency (<10 mins) or on-demand ^a
Suburban bus ^a	10 mins ^a	15 mins ^a	Local ^a	High frequency (<10 mins) or on-demand ^a
Local bus ^a	15-30 mins ^a	30-60 mins ^a		
Light rail ^a	8 mins ^a	15 mins ^a		
Ferry ^a	10-30 mins ^a	30-60 mins ^a		

Figure 5 – Proposed service frequencies to support the 30 Minute City

Ultimately, it is disappointing that the *Future Transport* continues to pursue urban motorways in the 0-10 year timeframe and that no new public transport projects are guaranteed in this decade. It is, however, considered that the renewed emphasis on public transport in its second decade is a significant improvement over the State's previous long term transport plan. Early

prioritization of public transport is essential to ensure the creation of a truly loveable and sustainable city.

Concern is, however, expressed that:

- Many of the projects proposed are subject to future investigation and may not proceed;
- No clear funding mechanisms have been identified for such projects, or even for the associated investigative studies, and
- It is uncertain whether any mechanisms are available to ensure that future governments, regardless of party, would proceed with these longer term projects.

With the exception of a brief reference to the upgrading of existing ferry wharves, *Future Transport* generally ignores the significance of ferries as a future transport mode. It is considered essential that recognition be given to the importance of Sydney's waterways as a travel corridor and that an on-going program be established to upgrade the ferry fleet and establish new wharves.

Specific initiatives requiring greater attention include:

- Public transport improvements for Parramatta Road (including detailed consideration of Council's Guided Electric Transit/ *Track-free Tram* proposal);
- Public transport improvements for Victoria Road;
- Sydenham – Bankstown Metro (including the proposed east-west greenway);
- Connectivity between the existing Sydney (Kingsford Smith) Airport and the proposed Western Sydney Airport;
- Enhanced usability of public transport to Sydney Airport, particularly in relation to existing station access fees;
- Light rail access to the Bays Precinct (including access to White Bay)
- Reinstatement of Glebe Island Bridge as an active transport link between Rozelle and Pyrmont;
- The City West Cycle Link - a separated cycleway connecting the Greenway/Bay Run to a reinstated Glebe Island Bridge, running within the light rail corridor (and possibly within the proposed Rozelle Rail Yards Linear Park);
- Enhancement of the Greenway (active transport and environmental corridor between Iron Cove and the Cooks River) through the development of an active transport feeder route network
- Development of north-south connectivity between the various heavy rail lines (including metro lines) through enhancement of both the public and active transport networks;
- Establishment of an efficient, transparent road pricing regime which encourages through-traffic to use major routes in preference to local streets and/or other routes with sensitive frontage uses such as shopping centres, aged care facilities, schools and parks and residential areas.

Additionally, it is essential that local councils and communities be included in each individual project's community consultation process.

Council's Proposed Draft Submission

It is proposed that Council's submission contains the following:

1. Council commends the State Government for preparing a Draft Future Transport Strategy and associated plan, and its efforts to envisage a likely future for transport in New South Wales, particularly the Sydney Region. Council also appreciates *Future Transport's* recognition of the need to ensure an integrated approach to transport, land use, infrastructure and community development as the most critical step in achieving a more liveable, sustainable city.
 - a. Council strongly supports the State's appreciation of the need to improve public and active transport and is keen to assist in developing a modern, efficient network for inner Sydney.
 - b. Further, Council recognises the inherent difficulty in trying to predict future transport technology with a 40 year horizon and provides this submission in recognition of the magnitude of this task.
 - c. However, based on community feedback provided during the *Future Transport Roadmap* exhibition; Council anticipated, at least for the 0-10 year timeframe, a stronger commitment to initiating community consultation on a series specifically significant, city-shaping, sustainable transport enhancements.
2. In addressing the need to create sustainable, liveable cities (as referenced in Future Transport and the associated land use strategies) the revised strategy should provide a prioritisation of projects to assist in refining their timeframes. It is requested that this prioritisation reflect the urgent need for improved public and active transport in preference to encouragement of increased private car dependency, particularly for inner Sydney. Additionally, it is essential that new technology leading to better coordinated, more effective mode choices should be embraced.
3. Council supports *Future Transport's* encouragement of public and active transport for Sydney's future however it expresses its disappointment in the State's continued pursuit of urban motorways that have already been proposed (but not built), most notably the Western Harbour Tunnel, Beaches Link and F6 extension.
4. In recognition of the value of many of the medium - long term public transport proposals Council requests that formal mechanisms, supported by treasury guarantees, be established to ensure that realistic, publicly transparent studies be carried out to investigate the benefits of these projects.
5. Council recognises the need for a limited number of location specific road improvements, particularly in less densely populated areas, but requests that these be supported by significant public transport improvements and that all relevant factors be taken into consideration when developing each project's business case. Issues for consideration should include long term environmental, public health, community well-being costs/benefits, as well as potential for road capacity upgrades to both induce additional private car travel and leach patronage for public transport.
6. Inclusion of the 30 Minute City concept is supported, however it is requested that Future Transport also include reference to the creation of 10 Minute Walkable Neighbourhoods. This concept proposes that creation of walkable neighbourhoods enhance:
 - Liveability;
 - Public health;
 - Social connectivity;

- Community well-being.

7. It is requested that Future Transport provide increased detail on how the 30 Minute City will be achieved.

8. To ensure the vitality of the Greater Sydney Region it will be essential to ensure seamless ease of travel between the three, consequently it is requested that *Future Transport* set travel time targets for connectivity between the cities.

9. In recognition that the proposed Western Sydney Airport will be a regional attractor, access from the Eastern Harbour City and existing Sydney Airport should be affordable, efficient and convenient.

10. Reduced trauma is highlighted as a key target in *Future Transport*; however this is considered to conflict with targets that are linked to increased vehicle speeds (noting that increased speed generally relates to increased severity of crashes). Council considers that safety should be paramount in any transport plan and consequently requests that detailed investigations be carried out to ensure that vehicle speeds are managed in a manner which does not have the potential to increase crash severity. In order to improve overall road safety, Council requests that *Future Transport*, propose:

a. A reduction of speed limits in residential streets and areas of high pedestrian activity to 30 kph;

b. Less restrictive design policies for Shared Zones, permitting the establishment of safe affordable implementation of shared zones in appropriate locations.

11. When examining the viability, or otherwise, of public and active transport projects; it is inappropriate to simply establish a standard Return on Investments (RoI). In such an examination it is essential that the “big picture” benefits of such projects be considered. It is essential that business cases for public and active transport projects include consideration of long term environmental benefits, public health, community well-being, social inclusion and connectivity, as well as catalytic effects in encouraging urban revitalisation.

12. In response to Future Transport’s highlighting of the importance of developing a more sustainable transport system, Council requests that the revised strategy provide a commitment to ensuring that there is no longer a reliance on increased surface road traffic capacity particularly for streets with sensitive frontage uses such as shopping centres, aged care facilities, schools, parks and residential areas.

13. While Council recognises the difficulty in developing an interactive, iterative approach to the simultaneous provision of transformative land uses and transport, it is concerned that there is insufficient interaction between the Greater Sydney Commission’s planning, Urban Growth’s redevelopment proposals (particularly noting the Parramatta Road Urban Transformation Strategy and Sydenham to Bankstown Redevelopment Strategy) and transport initiatives proposed in The Strategy and Plan.

14. While Future Transport does recognise the significance of public transport in the medium to long terms it is considered that this should be supported by a clear set of targets to encourage a move away from the existing car centric city. This could be included as a set of policies, developed in close consultation with local councils, directly fostering reduced car dependence particularly in association with significant major planning proposals around the Sydney Metro upgrades where an increase in density is being justified due to these metro rail links. Such policies could include significant reductions to car parking, as well as provision of State government incentives (including financial) to reduce car dependence.

15. The proposed F6 extension analysis should consider its impact on the connectivity of the green grid and biodiversity, particularly given that significant environmental restoration and

regeneration efforts have gone into restoring bushland and habitat for fish and other endangered ecological communities, in the corridor reserved for the F6 Extension, especially in the Bayside Council area.

16. It is requested that, as proposed project investigations proceed, local councils and the community be comprehensively involved in the development of proposals particularly in relation to proposals for public transport improvements to Victoria Road and Parramatta Road.

Should the M4 – M5 link and Iron Cove Link both proceed, Parramatta and Victoria Roads have potential to experience reduced demand and hence spare capacity. It is considered essential that this spare capacity be dedicated to active and sustainable transport, as well as streetscape and public domain improvements, before it is taken up by additional private vehicles responding to free-flowing traffic (induced demand).

Consequently, Council requests that these proposed studies be broadened to include active transport and streetscape/public domain improvements in addition to public transport and that they be expedited to ensure that all plans are in place prior to the completion of WestConnex (should the M4-M5 Link proceed).

17. Of particular significance to Council is the opportunity to provide a contemporary, attractive and highly sustainable public transport solution to cater for the likely increase in demand for travel along the Parramatta Road corridor. Approval conditions for Stage 1 of WestConnex include a requirement for provision of two lanes of Parramatta Road for public transport (one lane in either direction) between Burwood and the City.

In response to this condition, and the Parramatta Road Urban Transformation Strategy (PRUTS), Inner West and Canada Bay Council's jointly produced the Parramatta Road Public Transport Opportunities Study in March 2017. This study identified potential for a Guided Electric Transit System (GETs) along the corridor and proposed detailed investigations into the feasibility of providing the GETs.

The GETs would use a number of emerging technologies (including rapid charge electric power plants driving all wheels of the vehicle, relatively narrow gauge vehicles, Wi-Fi communication between traffic signals and vehicles to provide instantaneous prioritisation and optical guidance - which could ultimately be retrofitted with autonomous control when appropriate). These vehicles would be designed as a contemporary centre-running service to act as a catalyst for both the increased public transport uptake and enhanced public confidence essential to ensure the desired population densities envisaged by the PRUTS.

The GETs project is specifically proposed to provide support for the land use, public domain and community development initiatives designed by Urban Growth, GSC and Department of Planning. The GETs offers greater capacity than a comparable bus system, while its slimmer design (combined with optical guidance/lane assistance) requires narrower lanes than centre running light rail. Further, the GETs offers an electrically powered/clean transport solution, envisaged as a highly desirable form of transport in The Strategy; one that embraces many of the key elements of the *Future Transport Strategy 2056*.

If vehicles were to be designed specifically for an Australian environment metro style seating could be used, with doors on either side, thus permitting vehicles to run kerbside in suburban areas with centre running on trunk routes. Centre running has been proposed for Parramatta Road to permit kerbside parking outside peak periods in support of active frontage uses.

Consequently, Council requests that TfNSW include detailed investigation (in the 1-10 year timeframe) of the development of a GETs pilot program for Parramatta Road; which would have the potential to be expanded across Sydney's trunk network. This study should be expedited to ensure that all plans are in place before the opening of WestConnex Stage 1.

18. Council requests that an Inner Sydney Main Street Improvements Program be established, with State agencies and relevant Councils working together to examine opportunities for public transport, active transport streetscape and public domain improvements. Such a program should include relevant section of the following streets from the Inner West LGA:

- Addison Road, Petersham;
- Darling Street, Rozelle & Balmain;
- Enmore Road, Enmore;
- Illawarra Road, Marrickville;
- Johnston Street, Annandale;
- King Street, Newton;
- Liverpool Road, Ashfield;
- Marion Street, Leichhardt;
- Marrickville Road, Marrickville;
- New Canterbury Road, Dulwich Hill;
- Norton Street, Leichhardt;
- Old Canterbury Road, Lewisham;
- Ramsay Street, Haberfield;
- Stanmore Road, Stanmore;
- Sydney Road Marrickville/Sydney;
- Sydenham Road, Sydenham/Marrickville;
- Unwins Bridge Road, St Peters
- Victoria road, Marrickville.

19. While *Future Transport* indicates a desire to construct active transport infrastructure no specific details are provided. Of particular note is an absence of reference to the Inner Sydney Regional Bike Plan which has been unanimously adopted by all inner Sydney Councils and supported by both TfNSW and RMS. Consequently, Council requests that the Inner Sydney Regional Bike Plan specifically be included in the 0-10 year timeframe.

20. Noting that *Future Transport* includes the Sydney Metro – City & Southwest project it is requested that the revised strategy also refer to completion of the associated South-West GreenWay active transport and environmental corridor.

21. It is considered essential that recognition be given to the importance of Sydney's waterways as a travel corridor and that an on-going program be established to upgrade the ferry fleet and establish new wharves.

22. In examining potential for additional cruise ship capacity (0-10 year Initiative for Investigation) Council requests that the long term suitability of the existing White Bay Cruise Passenger Terminal be examined, particularly in relation to its impacts on residents of Balmain and Pyrmont and the likelihood that increasing proportions of cruise ships will be too tall to obtain clear passage under the Harbour Bridge.

23. Council specifically requests that the following additional projects be included in the 0-10 year timeframe:

- a. the reinstatement of Glebe Island Bridge as an active transport link between Rozelle and Pyrmont;
- b. the City West Cycle Link - a separated cycleway connecting the Greenway/Bay Run to a reinstated Glebe Island Bridge, running within the light rail corridor (and possibly within the proposed Rozelle Rail Yards Linear Park);

- c. provision of a light rail spur line between the Inner West Light Rail and White Bay (Power Station and Cruise Passenger Terminal Site);
 - d. enhancement of the Greenway (active transport and environmental corridor between Iron Cove and the Cooks River) through the development of an active transport feeder route network
 - e. development of north-south connectivity between the various heavy rail lines (including metro lines) through enhancement of both the public and active transport networks;
 - f. the establishment of an efficient, transparent road pricing regime which encourages through-traffic to use major routes in preference to local streets and/or other routes with sensitive frontage uses such as shopping centres, aged care facilities, schools and parks and residential areas.
24. Connectivity should be provided between the existing Sydney (Kingsford Smith) Airport and the proposed Western Sydney Airport;
25. In order to encourage greater use of public transport for travel to and from Sydney Airport (particularly for workers) existing fare penalties associated with the airport railway station access fees should be removed;
26. In relation to emerging technologies it is requested that the revised strategy should provide guiding principles for appropriate land use-transport responses to ensure reduced private car dependency for all travel. In this respect attention should be given to:
- a. Development of new road hierarchies to accommodate autonomous vehicles and an increased proportion of fleet being devoted to shared vehicles;
 - b. Working closely with local councils to develop appropriate land use responses, and built forms that recognise the need to be adaptable. Noting that recent studies show a strong correlation between reduced on-site parking and reduced car ownership, these responses could include, but should not be limited to, consideration of:
 - i. Placing ‘caps’ on parking provision in specific areas including DCPs that set maximum rather than minimum standards for on-site parking provision;
 - ii. Provision of car-free developments;
 - iii. Accessibility-based parking provision (with lower parking provision in areas well served by public transport);
 - iv. Use of disengaged and disassociated parking to assist in moving toward a less car dependent development pattern (*disassociated parking* has parking spaces on separate titles from dwellings and/or businesses, while *disengaged parking* locates all parking for a specific precinct on specifically suitable sites – eg not necessarily directly adjoining dwellings and businesses);
 - v. Built form which recognises the transient nature of some uses, consequently lending itself more readily to adaptive re-use (eg disengaged parking stations should be designed a manner which permits them to be incrementally re-used as parking becomes less necessary).
 - c. As part of the MaaS approach; mode transfer systems that provide comprehensive coordination between connecting modes should be investigated. Systems are currently available that analyse, in real-time, origin and destination information associated with mode or service transfers and have the ability to “hold” connecting vehicles in order to ensure a convenient and optimised transfer experience for passengers. Such systems can examine the number of people requiring a transfer and weight that against the likely transfer penalty should

the connection be missed. This can either be a real-time responsive system where passengers are required to identify their proposed destination or can be based on data previously collected regarding transfer demand and tolerance.

d. Investigations should be carried out into emerging technologies which could be retrofitted to existing infrastructure in order to minimise their impacts (eg use of low noise road surfaces, acoustic barrier applications which absorb/convert pollutants, road surfaces which use tyre friction to generate electricity, induction charging plates embedded in road surfaces and parking lanes/areas, use of soft surfaces and landscaping to minimise heat island effect).

27. It is requested that the revised strategy also include a detailed commitment to comprehensive community consultation for each new project and that all projects be subject to transparent processes of assessment. These processes should include detailed business cases which examine all costs to the community; including public health, environmental impacts, heritage considerations, social isolation, traffic and construction impacts.

FINANCIAL IMPLICATIONS

Nil

OTHER STAFF COMMENTS

Comments from other staff members have been incorporated in the submission.

PUBLIC CONSULTATION

Not applicable.

CONCLUSION

While *Future Transport* moves toward a more reasonable approach to long term transport planning it is considered that in the revised strategy and infrastructure plans should include:

- A higher level of integration with proposed land use plans and urban redevelopment proposals;
- Specific targets for reduced private car dependency;
- Addition focus on public transport projects in the 1-10 year timeframe;
- Increased emphasis on consultation with the community and local councils;
- Increased north-south connectivity between transit services;
- Greater emphasis on active transport;
- Greater emphasis on
- The numerous specific initiatives raised in Council's submission points.

ATTACHMENTS

1. [!\[\]\(8355073e142dc50a1ca12e74a2b70822_img.jpg\)](#) Attachment 1 - Executive Summary - Future Transport Strategy
2. [!\[\]\(a4fc743cb7fd53b993f4a3d25401683e_img.jpg\)](#) Attachment 2 - Executive Summary - Greater Sydney Services and Infrastructure Plan
3. [!\[\]\(186d5b84fc2deeef38d8f92b59230a21_img.jpg\)](#) Attachment 3 - Overview of specific proposals



Draft Future Transport Strategy 2056



Item 4

Attachment 1

1. About Future Transport 2056

Engaging customers on the future of transport

The transport system in New South Wales (NSW) is on the cusp of being transformed. We are more mobile than ever and our lives more interconnected. Technology is equipping us with new ways to travel and plan our journeys, and new ways to deliver services to our customers.

Future Transport starts with a vision of the future we want, so we can address challenges as they arise and meet our economic, social and environmental goals. Future Transport will not predict what is to come, but will ensure we are ready to seize opportunities to harness the rapid changes in technology and innovation and create an efficient and reliable transport system for our customers.

Future Transport is engaging extensively with customers across Greater Sydney and Regional NSW to raise awareness, stimulate discussion and place the customer's voice at the centre of the Strategy and its Plans. We are keen to hear from you before we finalise the Strategy and Plans in early 2018.

To date, more than 5,000 people have responded to our online surveys, and more than 40,000 people have been involved in digital or face-to-face consultations. We have held 27 engagement sessions with councils, business associations and community groups in rural and Regional NSW including Inverell, Wauchope, Griffith and Cobar, as well as business roundtables to discuss the future of connected and automated vehicles and placemaking.



Figure 1 Engaging our customers on Future Transport 2056



The Draft Future Transport Strategy and Plans

Future Transport is an update of NSW's Long Term Transport Master Plan. It is a suite of strategies and plans for transport developed in concert with the Greater Sydney Commission's Sydney Region Plan, Infrastructure NSW's State Infrastructure Strategy, and the Department of Planning and Environment's regional plans, to provide an integrated vision for the state.

The Draft Future Transport Strategy sets the 40 year vision, directions and outcomes framework for customer mobility in NSW, which will guide transport investment over the longer term. It will be delivered through a series of supporting plans.

The Draft Services and Infrastructure Plans set the customer outcomes for Greater Sydney and Regional NSW for the movement of people and freight to meet customer needs and deliver responsive, innovative services. The plans will define the network required to achieve the service outcomes.

The Draft Supporting Plans are more detailed issues-based or place-based planning documents that help to implement the Strategy across NSW.

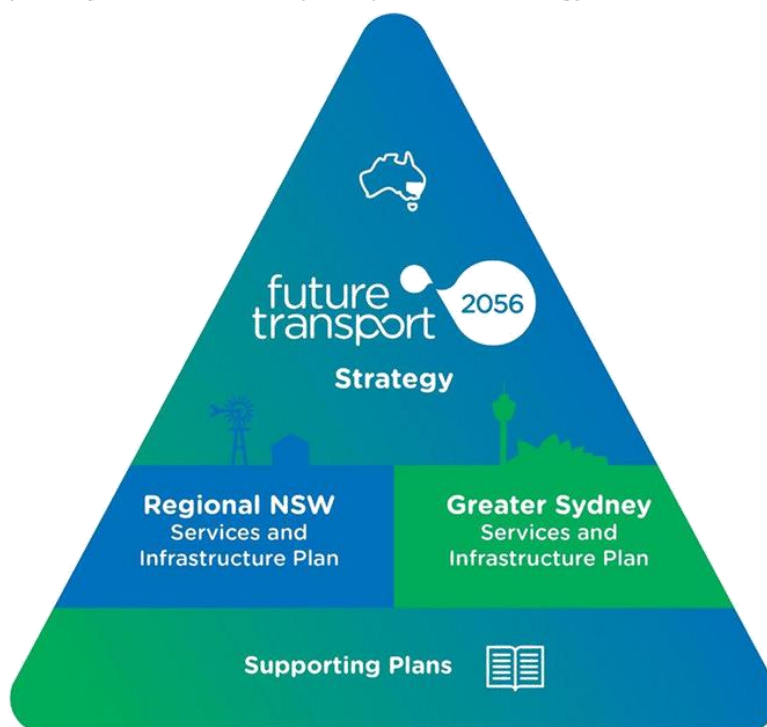


Figure 2 Suite of Draft Future Transport 2056 documents



Ministers' Message

Transport is critical to the future of NSW. Our transport system serves every one of our state's 7.5 million residents, 800,000 businesses and 30 million visitors – and today, it is undergoing rapid change, making us more mobile than ever before, and our lives more interconnected.

By 2056, NSW will have 11.2 million residents and be the country's first trillion dollar state economy¹. Sydney, one of the developed world's fastest growing cities, will be a global city similar in size to London or New York today. This growth will mean our networks will handle 28 million trips a day and double the current metropolitan freight task.

These challenges and opportunities highlight the importance of our choices today and call for bold, new ideas and approaches that ensure the productivity, liveability and sustainability of our communities.

The draft Future Transport Strategy is an update of the 2012 Long Term Transport Master Plan for NSW. It is a 40 year strategy, supported by plans for Regional NSW and for Greater Sydney. It is the first transport plan in Australia to harness technology to improve customer and network outcomes, and it starts with a long term vision for our communities and places. For the first time, we are aligning how we plan the future of the transport network with how we plan places and land use by working closely with the Greater Sydney Commission, Infrastructure NSW and the Department of Planning and Environment.

Future Transport builds on the achievements of the Long Term Transport Master Plan, which has unlocked unprecedented local and international investment in the NSW transport network and placed our customers at the centre of everything we do.

The draft Strategy also continues our program of innovation – starting with the Future Transport Technology Roadmap, the Smart Innovation Centre, automated vehicle and on-demand services pilots, and our development of contactless payment systems.

Continued planning is critical if NSW is to have a world-class transport system with infrastructure investments and initiatives that support growth, and meet our aspirations for how we want to travel and live.

We want to thank everyone who has contributed to the draft Future Transport Strategy and its Plans. This is your opportunity to provide input on the work we have done so far and we encourage the community and industry to work with us in coming months.



The Hon Andrew Constance MP
Minister for Transport and Infrastructure



The Hon Melinda Pavey MP
Minister for Roads, Maritime and Freight

¹ NSW Intergenerational Report 2016



Greater Sydney

Draft Services and Infrastructure Plan



Item 4

Attachment 2

About this plan

The Draft Greater Sydney Services and Infrastructure Plan sets a 40 year vision for transport in the Greater Sydney Region, its role in both shaping the city and enabling mobility, and responds to the changes that are transforming our city and our customers' needs. Our aspiration for Greater Sydney is to support the growth of our city, whilst maintaining the liveability for Sydneysiders, and sustaining and enhancing Sydney's role as a global city and harnessing technology for the benefit of customers.

The land use and transport vision for Sydney

A metropolis of three cities

In response to forecast growth and to help shape Sydney's future, the Greater Sydney Commission (GSC) has developed a strategic land use plan for the city. The land use vision for Greater Sydney is a metropolis of three cities, providing convenient access to jobs and services for people across the city.

The cities include the Eastern Harbour City with the established Harbour CBD and economic corridors, the Central River City anchored by Greater Parramatta and the Olympic Peninsula (GPOP), and the emerging Western Parkland City focussed around the Metropolitan City Cluster of Western Sydney Airport-Badgerys Creek Aerotropolis, Greater Penrith, Liverpool and Campbelltown-Macarthur.

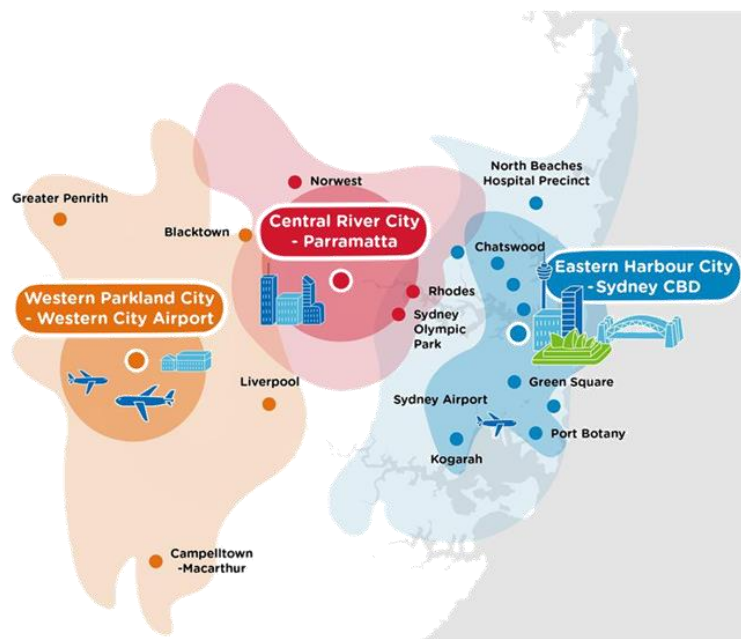


Figure 1 Vision for Greater Sydney as a metropolis of three cities



The 30 minute city

The vision for Greater Sydney is one where people can conveniently access jobs and services. The 30 minute city is a guiding principle that provides people with access to education, jobs and services within 30 minutes by public transport regardless of where they live. This means people can reach their nearest Metropolitan and Strategic Centres within 30 minutes 7 days a week.

It is based on established research that indicates that if people are required to travel more than 90 minutes a day, it impacts on quality of life and the liveability of a city

The Greater Sydney Commission's Region Plan establishes the vision for Greater Sydney as a 30 minute city. As the city transitions to a metropolis of three cities, convenient and reliable access for customers by public and active transport to their nearest centre is increasingly important for:

- Productivity –reducing the time people spend travelling and increasing people's access to jobs and business' access to workers
- Liveability– improving the quality of life in Greater Sydney by reducing the need for long commutes and helping to manage congestion by better spreading transport demand
- Sustainability– increasing the share of trips by public and active transport and reducing the need to drive or reducing average journey lengths, thereby reducing emissions and improving air quality

There are two components to the 30 minute city:

- Connecting people in each of the three cities with jobs and essential services in their nearest Metropolitan City Centre. These are the largest employment and service centres in each of the three cities – the Harbour CBD in the Eastern Harbour City, Greater Parramatta in the Central River City and WSA –Badgerys Creek Aerotropolis in the Western Parkland City.
- Connecting residents in each of the five districts to one of their Strategic Centres by public and active transport, giving people 30- minute access to local jobs, goods and services. Strategic centres are major centres for transport, health and education, such as Chatswood, Norwest and Liverpool. Each City contains multiple Strategic Centres, boosting local economies and providing jobs and services close to where people live

The 30 minute city has important implications for transport. In planning transport services and infrastructure, we must consider how customers can conveniently reach their nearest Metropolitan or Strategic Centre within this time frame.

To support this service outcome we will improve journey times on public transport through a range of initiatives, including:

- Demand management initiatives to encourage customers to change their behaviour and travel at different times of day. For example, the Travel Choices Program has been successful in encouraging customers to retime their travel to and from the Harbour CBD, reducing crowding and delays on peak services
- Better use initiatives to optimise the capacity of our existing networks. For example, we will allocate road space on the basis of prioritising the efficient





- movement of people and goods, which means better bus priority to improve the reliability and journey times of bus services
- New capacity initiatives. We will invest in new busways and rail links to improve journey times on trunk corridors that connect to centres. Combined with 5 minute interchanges and more frequent services, this will make journeys faster for both those living on these corridors as well as those in adjacent areas
- Policy and service initiatives, including more frequent services

The overarching policy and investment approach

Service & Infrastructure Initiatives – a flexible, agile investment approach

We are planning to improve the outcomes of our customer's journeys through a range of initiatives extending across the 40 year timeframe of Future Transport, including both policy and service improvements as well as infrastructure improvements. These include initiatives that the NSW Government has committed to (over the next 10 years), initiatives for investigation (in the 0-10 year and 10-20 year timeframes) and visionary initiatives (in the 20+ year timeframe) that will be considered in the future.

With a forecast population of 8 million by 2056, Greater Sydney will require new transport infrastructure capacity to allow the city to grow whilst maintaining liveability. This includes new transport links or significant upgrades to existing transport links. All identified initiatives are subject to detailed feasibility studies, business cases and funding.

The vision for the transport system

A better integrated transport system

Safe, efficient, reliable and easy-to-understand transport is crucial to supporting the productivity, liveability and sustainability of our city. This will require an integrated transport system that safely, efficiently and reliably carries more people and goods that are undertaking a range of different journeys, including journeys across our three cities, journeys within them as well as local journeys.

Efficient and reliable public transport relies on designing our services and infrastructure to reliably provide customers with more efficient journeys through:

- A network that provides convenient access to where people live and work based on integrated land use and transport planning
- Frequent services that minimise the time customers need to wait
- Policies that support the prioritisation of more efficient modes of transport on the road network
- Better use of existing infrastructure and investment in new infrastructure to boost capacity and improve journey times





Improved journey times through more frequent and better connected services

To encourage more Sydneysiders and visitors to use public transport and to support 30 minute access to the nearest centre, we plan to improve the frequency of services across Greater Sydney. Key to this objective will be Greater Sydney's trunk transport corridors, which form the backbone of our public transport network, connecting the Metropolitan and Strategic Centres. 'Turn-up-and-go' services are planned on both city-city and centre-centre corridors. This means that once customers reach their nearest main station or stop on a trunk corridor, they will not have to wait any longer than 5 minutes across the day and in the evenings.

For people living within ~10km of our Metropolitan Centres as well as on local corridors, customers will have access to high frequency services (at least every 10 minutes) that will enable them to reach their nearest Strategic Centre within 30 minutes or to connect to a nearby trunk corridor, where they can continue their journey.

On CBD mass transit and local corridors where high frequency services are not provided, on-demand services can offer a more efficient, personalised and effective way of serving customers by operating flexible routes and picking-up and dropping-off customers based on their requests.

Priority for on street public transport

Although the NSW Government is investing record amounts in new infrastructure, a growing population will also require us to better use the capacity we have. This will mean that on movement corridors, we will need to prioritise road space to most efficiently move people and goods. Improved bus priority will be essential to this. Buses use nearly 20 times less space to transport the same number of people than private cars (Source: UTIP), this is particularly key in road corridors with limited road space.

In a contrasting setting, we will provide and protect bus priority routes on major new road links as they are developed in the Western Parkland City. This will ensure high-quality public transport access to Western Sydney Airport – Badgerys Creek Aerotropolis and our growth areas to ensure equality of transport access and minimise the need for car ownership.

The importance of interchanges

Convenience and choice for customers

All public transport customers use interchanges or change transport modes as part of their journey, whether accessing the network, for example walking to their local bus stop, or transferring between services. Convenient transfers are therefore essential for improving the customer experience.

Interchanges also provide choice for customers by enabling more destinations to be reached from a single origin. For example, customers that transfer from a local bus to train have significantly more destinations available to them than a single service could efficiently provide.





Supporting our places

Interchanges also support the development of centres by acting as a catalyst for urban growth. As they provide access to different services, they attract people and jobs in the areas that surround them.

Integrating interchange and land use planning is essential for achieving this outcome as it provides opportunities to locate transit-supportive land uses close to transport nodes, establish pedestrian-friendly precincts and encourage centre renewal through integrated development.

Enabling the 30 minute city

The vision for Greater Sydney is to provide 30 minute access for residents to local jobs and services. It is a city where you can easily access the places you need to visit on a daily basis, no matter where you live.

Interchanges contribute to 30 minutes cities by:

- Attracting jobs and services at locations that have good public transport accessibility and travel choice across Sydney
- Improving customer travel times by connecting local feeder services with trunk corridors; and
- Expanding travel opportunities and providing more varied travel choices to jobs, services and recreational destinations

Interchanging will be required

In addition to improving access to jobs and services across Greater Sydney, the future network will also provide more choice for customers on destinations they can access by opening up interchange opportunities. It will also help reduce dependence on some of the busiest transport corridors in Greater Sydney – around the Harbour CBD – by reducing the need for customers to travel through Sydney CBD to access other parts of Greater Sydney.

The vision for the road network

More efficient 'road space allocation'

To support the efficient movement of people and goods we will need to prioritise higher productivity vehicles (such as freight vehicles, buses), and active transport (primarily walking) in busy commercial centres.

TfNSW will develop and implement a Road Space Allocation Policy. The key principle will be to prioritise the efficient throughput of people and goods on movement corridors, requiring more priority for higher productivity vehicles such as buses and shared vehicles; and the development and implementation of a Greater Sydney Parking Guideline in collaboration with local government.





Improving the sustainability and liveability of Sydney through a 'Movement and Place' framework

The key principle of the Movement and Place Framework is to balance the efficient movement of people and goods with supporting the liveability of places on our road network

The Movement and Place Framework will form a future suite of technical documents that provides the framework for road planning and management based on a 'one integrated road network' approach. It identifies different street environments that have supporting functions, contributing to better places in our urban areas and more sustainable travel opportunities through considering the:

- movement needs of all our customers and the modes they use to travel; and
- places where our customers are starting and finishing their journeys

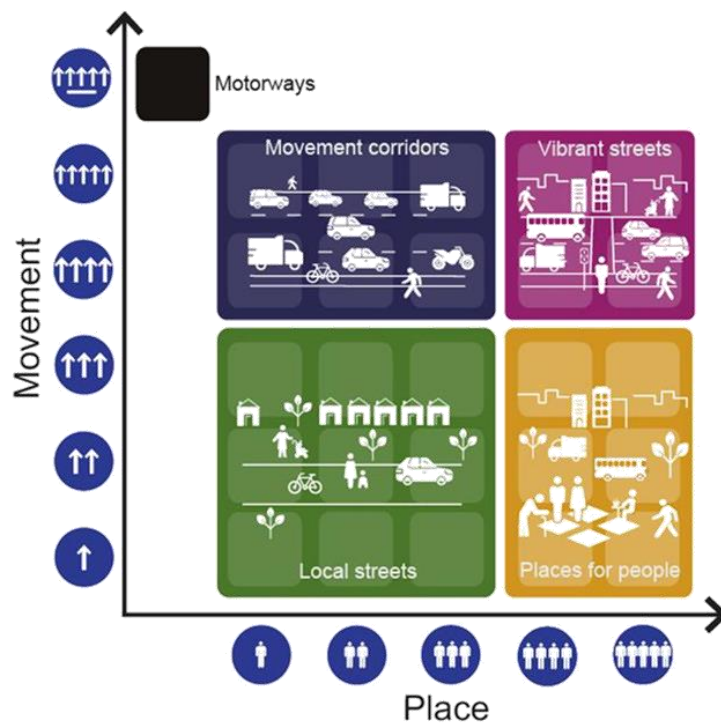


Figure 2 'Movement and Place' framework



Investment in motorways and tunnels

Why we invest in motorways and tunnels:

- Motorways are important city to city and centre to centre movement corridors
- Motorways move people and goods over long distances and, along with trunk public transport corridors, form part of the backbone of the Greater Sydney transport system
- They will continue to support journeys on trunk routes in Greater Sydney as well as journeys to and from regional areas
- Motorways linking with movement corridors on the outskirts of Metropolitan and selected Strategic Centres, support city to city and key centre to centre journeys
- The motorway network will have a particularly important function in supporting road freight travelling in and around Sydney. This will minimise amenity and safety impacts on places on local roads
- The function of motorways will evolve over the life of the plan, moving more towards a mass movement function for people and freight with increased automation.



Draft Greater
Sydney Services
and Infrastructure
Plan – October 2017

10



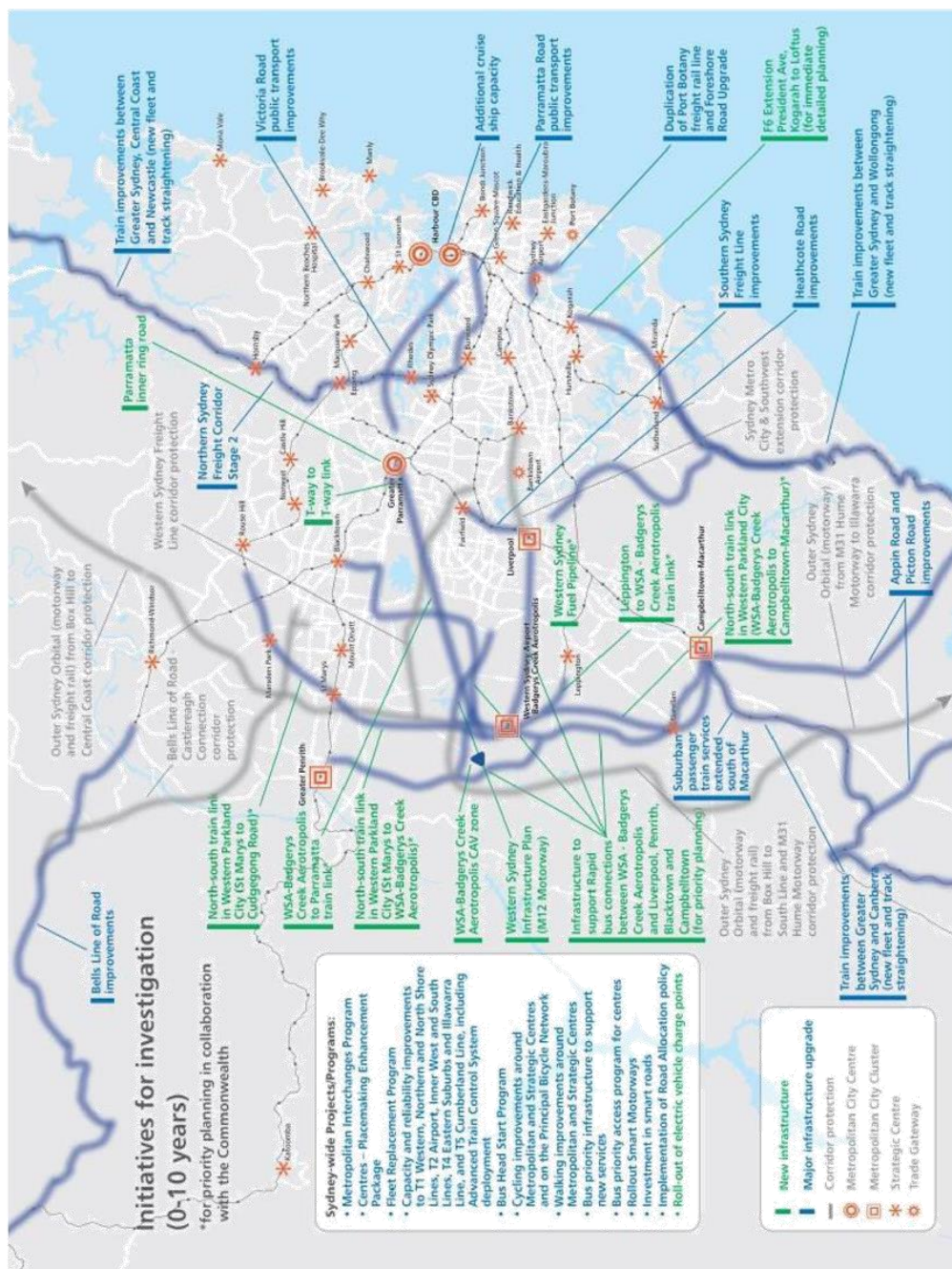


Figure - 3 10 - 20 year Projects for Investigation

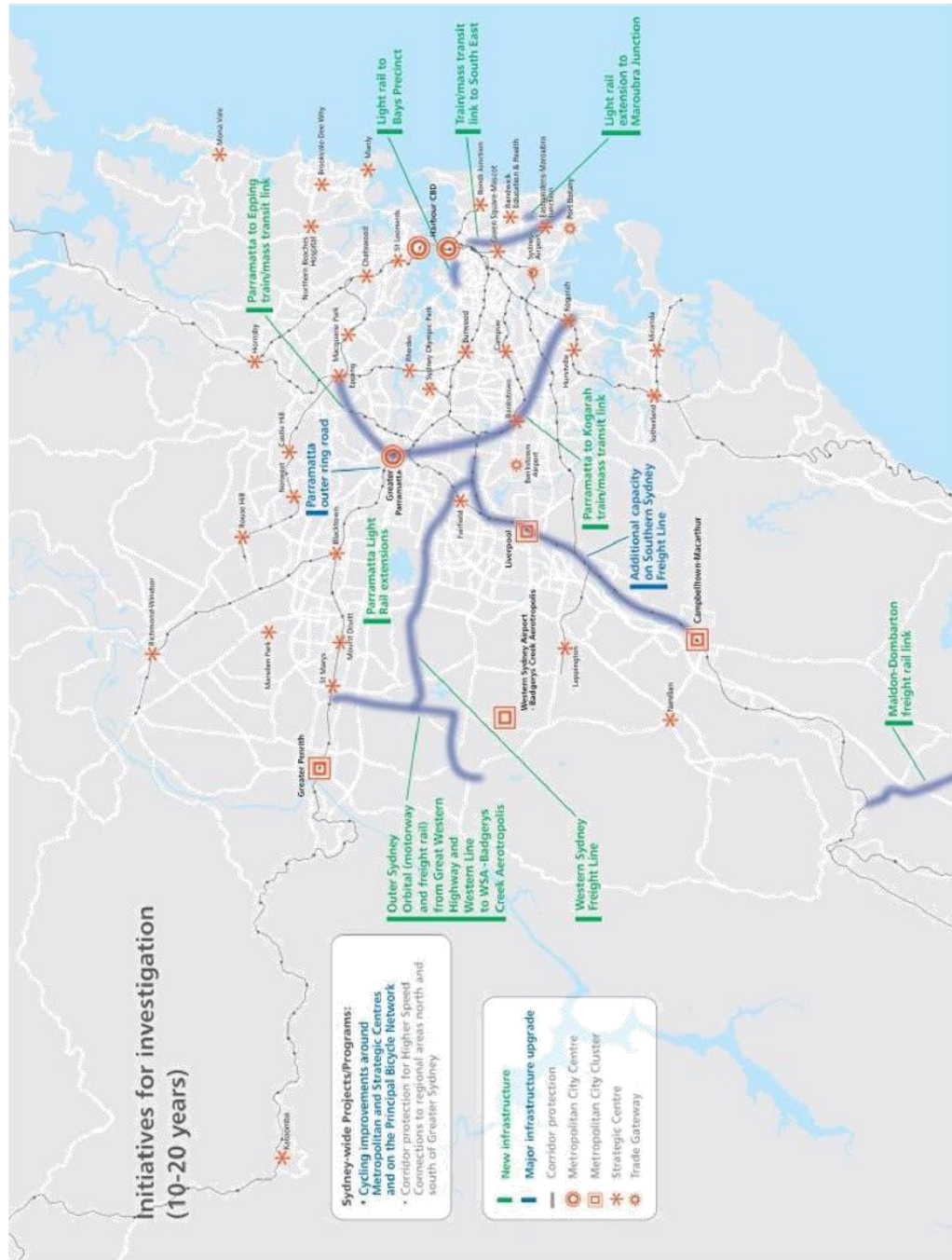
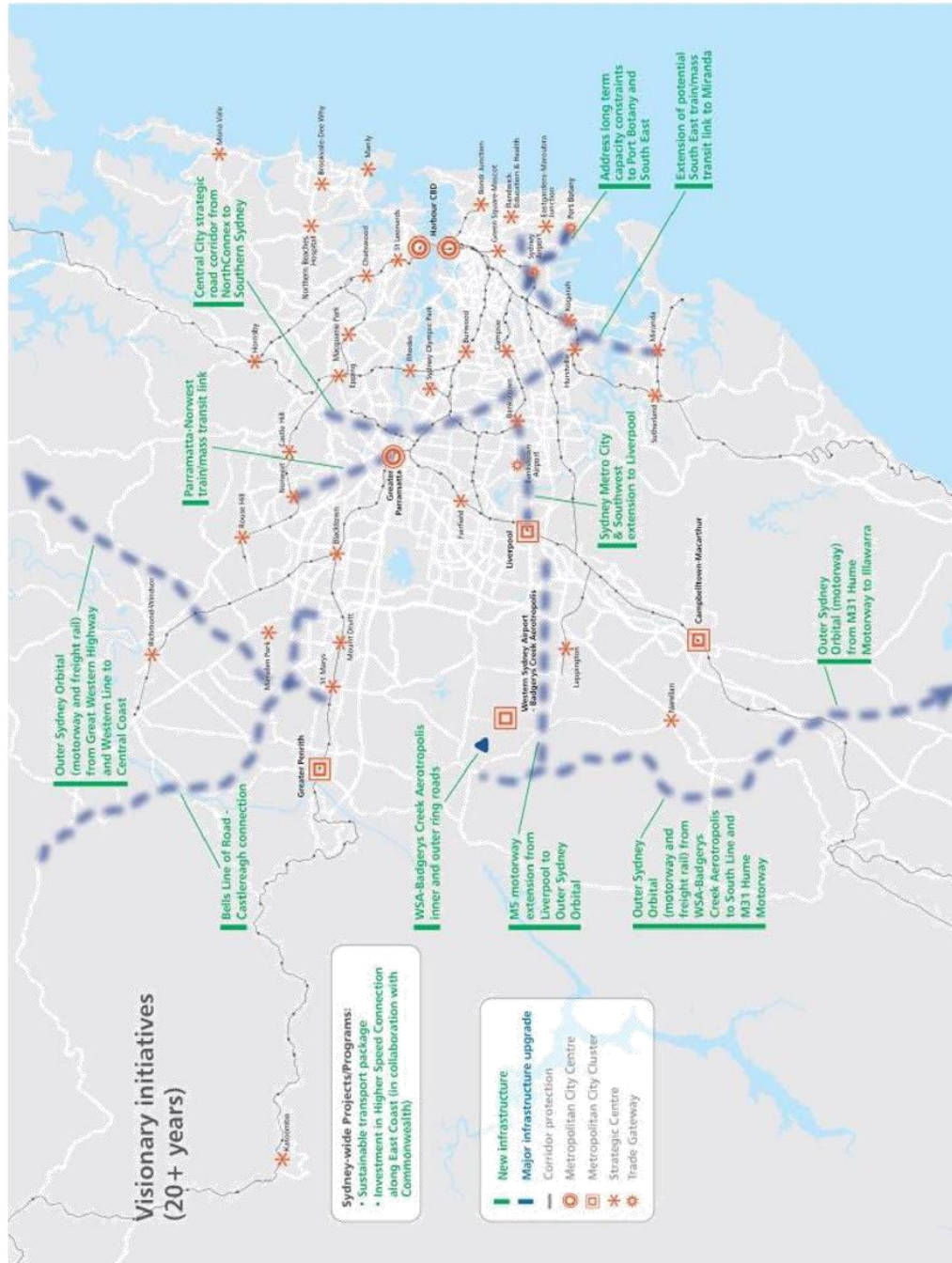


Figure - 4 20 + year Projects for Investigation



Item No: C1117 Item 15

Subject: **NAMING OF NEW LANE BETWEEN GROVE AND ALFRED STREETS, AND PERPENDICULAR TO ALBION AND ROLFE LANES, ST PETERS**

Prepared By: Ranji Nadarajah - Senior Civil Engineer Investigation and Design

Authorised By: Wal Petschler - Group Manager Footpaths, Roads, Traffic and Stormwater

SUMMARY

This report deals with the naming of a new lane between Grove and Alfred Streets, and perpendicular to Albion and Rolfe lanes, St Peters. At the Council meeting on 27 June 2017, Council selected "Dangura Lane" as its preferred naming option and resolved to undertake public exhibition of the preferred name.

Following the required period of public exhibition, this report recommends that Council proceed with the naming proposal.

RECOMMENDATION

THAT:

- 1. The unnamed lane running between Grove and Alfred Streets, and perpendicular to Albion and Rolfe lanes, St Peters be named *Dangura Lane*;**
- 2. A suitable notice be published in the NSW Government Gazette and local newspaper;**
- 3. The relevant statutory bodies and emergency services be notified; and**
- 4. Persons who made submissions and landowners and residents whose property adjoins the lane be notified of Council's determination.**

BACKGROUND

As a result of the redevelopment of 63 Grove Street, St Peters and its subdivision into 34 properties, a new lane was created running between Rolfe Lane and Albion Lane as shown in **Attachment 1**.

Representatives of the developer initially made submissions to Council for the naming of the newly created lane as "Lata Lane" in memory of Zois Prillis, one of the developers of these properties, who passed away before the development work was completed. "Lata" is a small village in Greece from which Zois family originated.

Council's History Services advised that the naming of this lane as "Lata Lane" was appropriate from a historical perspective, particularly given the historical connection of the municipality with Greek migration.

A report recommending naming this lane as "Lata Lane" was presented to the former Marrickville Council's Infrastructure, Planning and Environmental Services Committee in 2015. Council deferred action and resolved to review its Road Naming policy and confirmed its commitment to:

- 1 Naming roads to recognise the traditional Aboriginal custodians and the contribution of Aboriginal Australians to the Marrickville local government area. This includes through the potential use of Aboriginal language names or the recognition of significant Aboriginal historical figures or events;
- 2 Recognising important historical figures who lived in or contributed to the Marrickville local government area through the naming of local roads, noting that this should not be limited to historical landowners but where possible include others who have made significant contribution to Marrickville's social and political history.

Though the name "**Lata Lane**" was proposed, particularly given the historical connection of the municipality with Greek migration, the possibility of naming this lane with a suitable Aboriginal name was also investigated in line with the former Marrickville Council's revised Road Naming Policy. Aboriginal words were selected from Jakelin Troy's Sydney Language document reflecting the history of the arts in the area and endorsed by the Marrickville Aboriginal Consultative Committee. The Aboriginal word "**Dangura**" meaning "to dance" was selected and endorsed by Council at its meeting on 27 June 2017, for public exhibition.

DISCUSSION

The public exhibition period concluded on 20 October 2017. Seven (7) submissions from five (5) residences were received as summarised below:

Comments by respondents
A resident of Mary St, St Peters suggested this lane should be named 'Lata Lane' to reflect the diverse history of the area and the many waves of migration that helped build the area.
Two residents from a property in Grove St requested Council to name this lane 'Lata Lane'. One of the residents, who was one of the original partners of this development, mentioned that Mr Zois Prillis was instrumental to the rezoning of the site from industrial to residential use. He also mentioned that Mr Zois Prillis worked with Council in relation to the layout and design of the terraces to achieve this result. Unfortunately Mr Zois Prillis died before the development completed. They suggested the name 'Lata Lane' in honour of Mr Zois Prillis. Lata is a small village in Greece where Mr Zois Prilis left as a young man and came to Australia. Mr Zois Prillis was well known in the Marrickville area for over 40 years. Both residents mentioned that they would love to see the name 'Lata Lane' to honor his hard work and his family's wishes.
Two residents from a property in Grove St requested Council name this lane 'Lata Lane'. These residents knew Mr Zois Prillis who was well known to Marrickville Council and to businesses throughout Marrickville. Mr Zois Prillis passed away before he could see the finished development. If it wasn't for him, Grove St would be full of trucks, noise, industrial machinery etc. Both residents requested council name this lane 'Lata Lane' in memory of the founder of this development.
A resident of Alfred St did not support the Council's preferred name 'Dangura Lane'. The resident mentioned Council asks residents to comment on the preferred name and then makes their own decision. This resident asks Council to select a European name to match with surrounding street names like Alfred, Grove, Sutherland, Rolfe, Mary and Albion.
A resident of Grove St did not support the Council's proposed name 'Dangura Lane'. The resident supports 'Lata Lane' and mentioned that the name 'Lata Lane' is mostly appropriate for this local area.

Of 34 properties bordering the lane, responses were received from 4 properties (6 residents) and a resident of Mary Street. Responses expressed strong support for "Lata Lane" in

recognition of Mr Zois Prillis, one of the developers of the site, and in line with European names in surrounding streets.

The former Marrickville Council had expressed a desire to introduce Aboriginal language into the naming of public places in recognition of the traditional Aboriginal custodians and the contribution of Aboriginal Australians to the former Marrickville local government area. The recommendation to proceed with the name “Dangura” is based on this understanding by staff. Similarly, in this vein, “Daburi” meaning “to paint” was recently adopted for another newly created lane in St Peters.

The Geographical Names Board (GNB) has raised no objections to naming the unnamed lane either ‘*Dangura Lane*’ or ‘*Lata Lane*’. Services authorities were also notified of the proposals through the automated GNB online system and no objections have been received. Accordingly Council is free to choose either name and proceed to gazetting of its preferred option.

FINANCIAL IMPLICATIONS

The cost associated with naming this unnamed lane arise from the cost of advertising in local papers, placing a notice in the Government Gazette and installation of street name signs. The estimated cost is approximately \$1,500 which can be funded from the Operating Budget.

OTHER STAFF COMMENTS

PUBLIC CONSULTATION

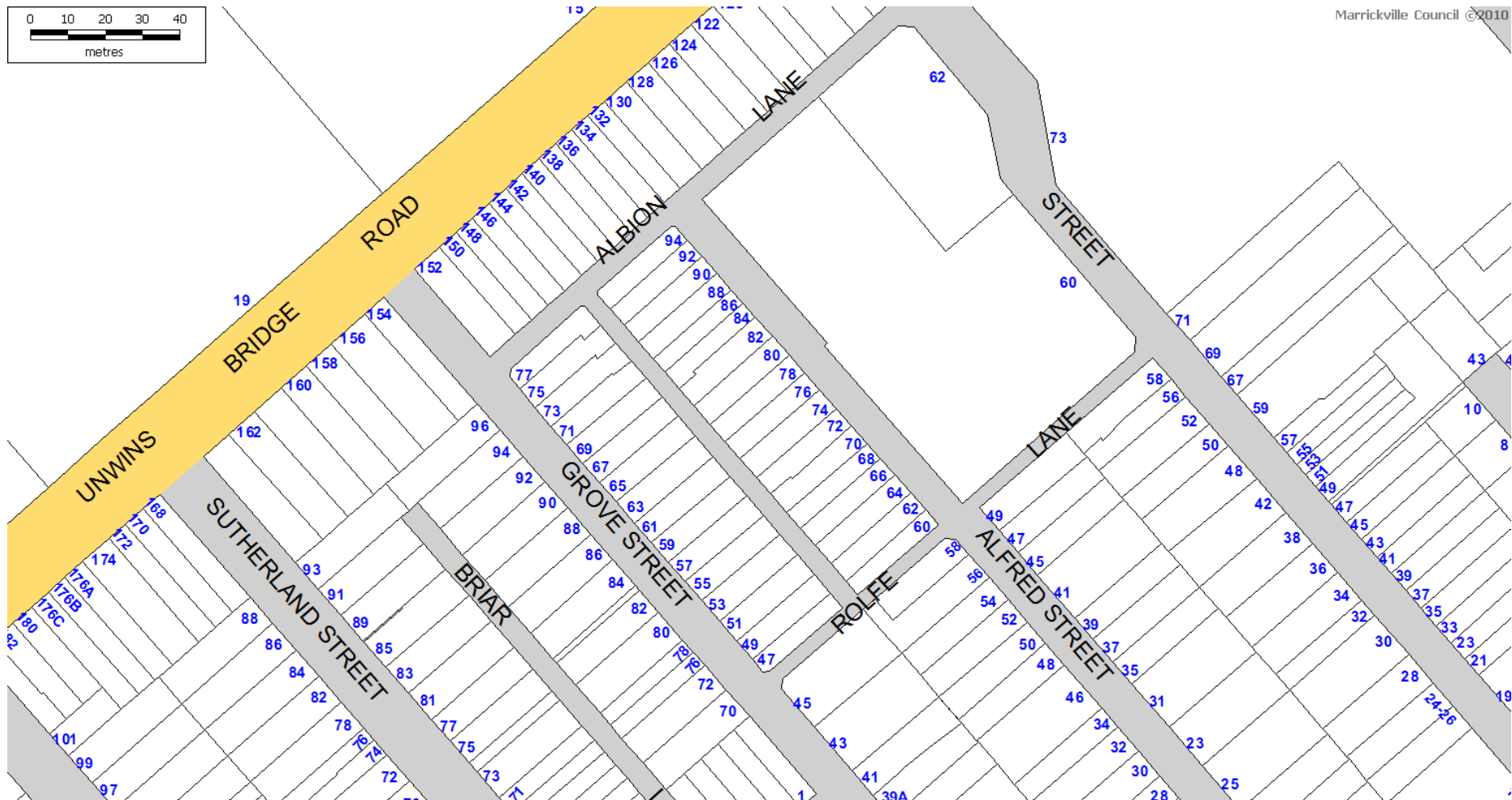
The proposal was publicly exhibited as follows:

- letters advising of the proposal to name the lane *Dangura Lane* were distributed to all nearby and adjoining property owners and residents in in Grove Street, Alfred Street and Unwins Bridge Road;
- Advertisements were placed in the Inner West Courier (12/9/2017) and Inner west times (20/9/2017); and
- Information was placed on Council’s *Your Say Marrickville* website.
- GNB and relevant statutory authorities were notified via the GNB online system.

The public exhibition period ended on 20 October 2017. In total, seven (7) written submissions from five (5) residences were received.

ATTACHMENTS

1.  Locality Plan



Item No: C1117 Item 16

Subject: **LOCAL TRAFFIC COMMITTEE MEETING HELD ON 2 NOVEMBER 2017
AND EXTRA-ORDINARY LOCAL TRAFFIC COMMITTEE MEETING HELD
ON 3 NOVEMBER 2017**

Prepared By: George Tsaprounis - Coordinator Traffic Engineering Services

Authorised By: Wal Petschler - Group Manager Footpaths, Roads, Traffic and Stormwater

SUMMARY

The minutes of the Local Traffic Committee Meeting held on 2 November 2017 and the minutes of the Extra-Ordinary Local Traffic Committee Meeting held on 3 November 2017 are presented for Council consideration.

RECOMMENDATION

THAT the Minutes of the Local Traffic Committee Meeting held on 2 November 2017 and the Minutes of the Extra-Ordinary Local Traffic Committee Meeting held on 3 November 2017 be received and the recommendations be adopted.

BACKGROUND

The Inner West Council Local Traffic Committee met on 2 November 2017 at Petersham. The minutes of the November meeting are shown at **ATTACHMENT 1**. An extra-ordinary Local Traffic Committee meeting was held on 3 November 2017 via email. The minutes of the extra-ordinary Local Traffic Committee meeting are shown at **ATTACHMENT 2**.

FINANCIAL IMPLICATIONS

Projects proposed for implementation in 2017/18 are funded within existing budget allocations.

PUBLIC CONSULTATION

Specific projects have undergone public consultation as indicated in the respective reports to the Traffic Committee. Members of the public attended the meeting to address the Committee on specific items.

ATTACHMENTS

1. [↓](#) Minutes of the Local Traffic Committee Meeting on 2 November 2017
2. [↓](#) Minutes of the Extra-Ordinary Local Traffic Committee on 3 November 2017

**Minutes of Local Traffic Committee Meeting
Held at Petersham Service Centre, 2-14 Fisher Street, Petersham**

Meeting commenced at 10am

ACKNOWLEDGEMENT OF COUNTRY BY CHAIRPERSON

I acknowledge the Gadigal and Wangal people of the Eora nation on whose country we are meeting today, and their elders past and present.

COMMITTEE REPRESENTATIVES PRESENT

Clr Marghanita Da Cruz	Councillor – Leichhardt Ward (Chair)
Mr Bill Holliday	Representative for Jamie Parker MP, Member for Balmain
Sgt Dan Chilvers	NSW Police – Leichhardt
Mr Ryan Horne	Roads and Maritime Services

OFFICERS IN ATTENDANCE

Mr Peter Whitney	State Transit Authority
Mr Wal Petschler	IWC's Group Manager, Roads, Traffic and Stormwater
Mr George Tsaprounis	IWC's Coordinator, Traffic Engineering Services
Mr Boris Muha	IWC's Traffic Projects Engineer
Mr Emilio Andari	IWC's Traffic Engineer
Mr Manod Wickramasinghe	IWC's Traffic & Planning Engineer
Mr David Yu	IWC's Traffic Engineer
Ms Christina Ip	IWC's Administration Assistant

VISITORS

Ms Judy Platt	Item 13
Mr Angus McInnes	Item 13
Mr Will Platt	Item 13
Ms Lesley Wilson	Item 14

APOLOGIES:

Ms Jo Haylen MP	Member for Summer Hill
Ms Sarina Foulstone	Representative for Jo Haylen MP, Member for Summer Hill
SC Anthony Kenny	NSW Police – Newtown
Sgt John Micallef	NSW Police – Ashfield
Clr Julie Passas	Deputy Mayor – Ashfield Ward
Mr John Stephens	IWC's Traffic & Transport Services Manager

DISCLOSURES OF INTERESTS: Nil.

CONFIRMATION OF MINUTES

The Local Traffic Committee recommendations of its meeting held on 3 August 2017 and 7 September 2017 were adopted at Council's Extraordinary Meeting held on 12 October 2017, with the exception of Items 1 and 6 of the August Traffic Committee minutes and Item 16 of the September Traffic Committee minutes, where Council resolved as follows:

- Item 1 (Local Route 16 - Addison Road) of the August Traffic Committee minutes has been deferred and that interested Councillors and community representatives be invited to attend an onsite meeting;
- Item 6 (Marrickville Road, Marrickville – Temporary Full Road Closures For Dulwich Hill Village Fair) of the August Traffic Committee minutes has been approved by RMS;
- Item 16 (Traffic Calming, Intersection of Croydon Road and Church Street) of the September Traffic Committee minutes has been deferred and that interested Councillors and community representatives be invited to attend an onsite meeting.

The Local Traffic Committee recommendations of its meeting held on 5 October 2017 were adopted at Council's Ordinary Meeting held on 24 October 2017.

MATTERS ARISING FROM COUNCIL'S RESOLUTION OF MINUTES

Nil.

T1117 Item 1 ANTHONY STREET, CROYDON - ANNUAL ROAD OCCUPANCY (CHRISTMAS STREET PARTY) ON SATURDAY 16 DECEMBER 2017

SUMMARY

Council seeks the support of the committee for a temporary full road closure of Anthony Street, Croydon, between Croydon Road and Etonville Parade, to be supported in order to conduct an annual Christmas Street party on Saturday, 16 December 2017 as recommended below.

Officer's Recommendation

THAT:

Support be provided for the temporary full road closure of Anthony Street, Croydon, between Croydon Road and Etonville Parade, to conduct an annual Christmas Street Party on the Saturday 16 December 2017, from 4.00pm - 9.00pm, subject to the following conditions:

1. The organiser is responsible to erect the signs and barricades in accordance of the Traffic Control Plan (TCP) attached, and arrange the management of the closure with RMS accredited traffic controllers.
2. Council Rangers be requested to oversee the event to assure that the traffic control arrangements are correctly in place.
3. The event would only entail the placement of tables and chairs upon the public footway or street, and be covered under Council (Casual Hire) insurance.
4. A clear passage of at least 4.0m must be provided for emergency vehicle access as required by Police.
5. The organiser is to arrange waste bins for litter control and make the area neat and tidy prior to the re-opening of the road.
6. The organiser is to arrange the dismantling of the temporary signs and barricades, and place the material in a designated area for Council to pick up after the completion of the event; and
7. The organiser is responsible for notifying the residents in the area at least one week prior

to the event

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT:

Support be provided for the temporary full road closure of Anthony Street, Croydon, between Croydon Road and Etonville Parade, to conduct an annual Christmas Street Party on the Saturday 16 December 2017, from 4.00pm - 9.00pm, subject to the following conditions:

1. The organiser is responsible to erect the signs and barricades in accordance of the Traffic Control Plan (TCP) attached, and arrange the management of the closure with RMS accredited traffic controllers.
2. Council Rangers be requested to oversee the event to assure that the traffic control arrangements are correctly in place.
3. The event would only entail the placement of tables and chairs upon the public footway or street, and be covered under Council (Casual Hire) insurance.
4. A clear passage of at least 4.0m must be provided for emergency vehicle access as required by Police.
5. The organiser is to arrange waste bins for litter control and make the area neat and tidy prior to the re-opening of the road.
6. The organiser is to arrange the dismantling of the temporary signs and barricades, and place the material in a designated area for Council to pick up after the completion of the event; and
7. The organiser is responsible for notifying the residents in the area at least one week prior to the event

For motion: Unanimous

T1117 Item 2 RED LION STREET, ROZELLE, ROAD OCCUPANCY.

SUMMARY

This report seeks approval for the temporary road closure of Red Lion Street, Rozelle to facilitate the annual 'Christmas Street Party' event that has been successfully conducted since 2009.

Officer's Recommendation

THAT:

1. The temporary road closure of Red Lion Street between Darling Street and Evans Street, Rozelle on Saturday, 9th December 2017 between 4.00pm and 11.00pm be supported, subject to the following conditions:
 - a. That an unencumbered passage minimum 4.0m wide be available for emergency vehicles through the closed section of Red Lion Street, Rozelle.

- b. The occupation of the road carriageway must not occur until the road has been physically closed.
 - c. That the organiser be advised to arrange accredited traffic controllers to manage the road closure.
 - d. That the applicant notifies all affected businesses, residents and other occupants of the temporary road closure prior to the event. Any concerns or requirements in relation to the road closure raised by business proprietors, residents and other occupants must be resolved or accommodated. The notification shall involve at the minimum an information letterbox drop distributed one week prior to the commencement of the event. The proposed information, distribution area and period must be submitted to Council's Traffic section for approval two weeks before the event.
 - e. That the supported Traffic Control Plan (TCP) be implemented at the applicant's expense.
 - f. That the Fire Brigade (Balmain) be notified of the intended closure by the applicant.
 - g. That the applicant provide and erect barricades and signs, in accordance with the current Australian Standard AS 1742.3: Traffic Control Devices for Works on Roads. As a minimum the following must be erected at both ends of the road closure area:
 - i. Barrier Boards
 - ii. 'Road Closed' (T2-4) signs
 - iii. 'Detour' (T5-1) signs
 - i. That the applicant be advised Council provides barricades and 'Road Closed' signs free or at minimum cost. The applicant is required to arrange delivery by Council at cost, or arrange pickup from and return to Council's Depot at no cost. Any non-standard signs may be provided at cost.
 - j. That the areas to be used for the activities must be maintained in a clean and tidy condition to the satisfaction of Council's Group Manager Roads & Stormwater, or else the applicant will be required to reimburse Council for any extraordinary cleaning costs.
 - k. That the conduct of any activities or use of any equipment required in conjunction with the road occupancy and temporary road closure not results in any 'offensive noise' as defined by the Protection of the Environment Operations Act 1997.
 - l. That a copy of the Council approval be available on site for inspection by relevant authorities.
 - m. That Council reserves the right to cancel the approval at any time.
 - n. That the applicant complies with any reasonable directive from Council Officers and NSW Police; and
2. That the applicant be advised of the Committee's recommendation.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT:

1. The temporary road closure of Red Lion Street between Darling Street and Evans Street, Rozelle on Saturday, 9th December 2017 between 4.00pm and 11.00pm be supported, subject to the following conditions:
 - a. That an unencumbered passage minimum 4.0m wide be available for emergency vehicles through the closed section of Red Lion Street, Rozelle.

- b. The occupation of the road carriageway must not occur until the road has been physically closed.
- c. That the organiser be advised to arrange accredited traffic controllers to manage the road closure.
- d. That the applicant notifies all affected businesses, residents and other occupants of the temporary road closure prior to the event. Any concerns or requirements in relation to the road closure raised by business proprietors, residents and other occupants must be resolved or accommodated. The notification shall involve at the minimum an information letterbox drop distributed one week prior to the commencement of the event. The proposed information, distribution area and period must be submitted to Council's Traffic section for approval two weeks before the event.
- e. That the supported Traffic Control Plan (TCP) be implemented at the applicant's expense.
- f. That the Fire Brigade (Balmain) be notified of the intended closure by the applicant.
- g. That the applicant provide and erect barricades and signs, in accordance with the current Australian Standard AS 1742.3: Traffic Control Devices for Works on Roads. As a minimum the following must be erected at both ends of the road closure area:
 - i. Barrier Boards
 - ii. 'Road Closed' (T2-4) signs
 - iii. 'Detour' (T5-1) signs
- i. That the applicant be advised Council provides barricades and 'Road Closed' signs free or at minimum cost. The applicant is required to arrange delivery by Council at cost, or arrange pickup from and return to Council's Depot at no cost. Any non-standard signs may be provided at cost.
- j. That the areas to be used for the activities must be maintained in a clean and tidy condition to the satisfaction of Council's Group Manager Roads & Stormwater, or else the applicant will be required to reimburse Council for any extraordinary cleaning costs.
- k. That the conduct of any activities or use of any equipment required in conjunction with the road occupancy and temporary road closure not results in any 'offensive noise' as defined by the Protection of the Environment Operations Act 1997.
- l. That a copy of the Council approval be available on site for inspection by relevant authorities.
- m. That Council reserves the right to cancel the approval at any time.
- n. That the applicant complies with any reasonable directive from Council Officers and NSW Police; and

2. That the applicant be advised of the Committee's recommendation.

For motion: Unanimous

T1117 Item 3 SHORT STREET, BALMAIN – ROAD OCCUPANCY (BALMAIN WARD/BALMAIN ELECTORATE/LEICHHARDT LAC)

SUMMARY

Council has received an application from a resident of Short Street, Balmain to conduct a Christmas street party in Short Street between Spring Street and Curtis Road. This is an annual event.

Officer's Recommendation

THAT:

1. The temporary road closure of Short Street between Spring Street and Curtis Road, Balmain on Saturday, 16th December 2017 between 6.00pm and 11.30pm be supported,

subject to the following conditions:

- a. That an unencumbered passage minimum 4.0m wide be available for emergency vehicles through the closed section of Short Street, Balmain.
- b. The occupation of the road carriageway must not occur until the road has been physically closed.
- c. That the organiser be advised to arrange accredited traffic controllers to manage the road closure.
- d. That the applicant notifies all affected businesses, residents and other occupants of the temporary road closure prior to the event. Any concerns or requirements in relation to the road closure raised by business proprietors, residents and other occupants must be resolved or accommodated. The notification shall involve at the minimum an information letterbox drop distributed one week prior to the commencement of the event. The proposed information, distribution area and period must be submitted to Council's Traffic section for approval two weeks before the event.
- e. That the supported Traffic Control Plan (TCP) be implemented at the applicant's expense.
- f. That the Fire Brigade (Balmain) be notified of the intended closure by the applicant.
- g. That the applicant provide and erect barricades and signs, in accordance with the current Australian Standard AS 1742.3: Traffic Control Devices for Works on Roads. As a minimum the following must be erected at both ends of the road closure area:
 - i. Barrier Boards
 - ii. 'Road Closed' (T2-4) signs
 - iii. 'Detour' (T5-1) signs
- i. That the applicant be advised Council provides barricades and 'Road Closed' signs free or at minimum cost. The applicant is required to arrange delivery by Council at cost, or arrange pickup from and return to Council's Depot at no cost. Any non-standard signs may be provided at cost.
- j. That the areas to be used for the activities must be maintained in a clean and tidy condition to the satisfaction of Council's Group Manager Roads & Stormwater, or else the applicant will be required to reimburse Council for any extraordinary cleaning costs.
- k. That the conduct of any activities or use of any equipment required in conjunction with the road occupancy and temporary road closure not results in any 'offensive noise' as defined by the Protection of the Environment Operations Act 1997.
- l. That a copy of the Council approval be available on site for inspection by relevant authorities.
- m. That Council reserves the right to cancel the approval at any time.
- n. That the applicant complies with any reasonable directive from Council Officers and NSW Police; and

2. That the applicant be advised of the Committee's recommendation.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT:

1. The temporary road closure of Short Street between Spring Street and Curtis Road, Balmain on Saturday, 16th December 2017 between 6.00pm and 11.30pm be supported, subject to the following conditions:
 - a. That an unencumbered passage minimum 4.0m wide be available for emergency

- vehicles through the closed section of Short Street, Balmain.
- b. The occupation of the road carriageway must not occur until the road has been physically closed.
 - c. That the organiser be advised to arrange accredited traffic controllers to manage the road closure.
 - d. That the applicant notifies all affected businesses, residents and other occupants of the temporary road closure prior to the event. Any concerns or requirements in relation to the road closure raised by business proprietors, residents and other occupants must be resolved or accommodated. The notification shall involve at the minimum an information letterbox drop distributed one week prior to the commencement of the event. The proposed information, distribution area and period must be submitted to Council's Traffic section for approval two weeks before the event.
 - e. That the supported Traffic Control Plan (TCP) be implemented at the applicant's expense.
 - f. That the Fire Brigade (Balmain) be notified of the intended closure by the applicant.
 - g. That the applicant provide and erect barricades and signs, in accordance with the current Australian Standard AS 1742.3: Traffic Control Devices for Works on Roads. As a minimum the following must be erected at both ends of the road closure area:
 - i. Barrier Boards
 - ii. 'Road Closed' (T2-4) signs
 - iii. 'Detour' (T5-1) signs
 - i. That the applicant be advised Council provides barricades and 'Road Closed' signs free or at minimum cost. The applicant is required to arrange delivery by Council at cost, or arrange pickup from and return to Council's Depot at no cost. Any non-standard signs may be provided at cost.
 - j. That the areas to be used for the activities must be maintained in a clean and tidy condition to the satisfaction of Council's Group Manager Roads & Stormwater, or else the applicant will be required to reimburse Council for any extraordinary cleaning costs.
 - k. That the conduct of any activities or use of any equipment required in conjunction with the road occupancy and temporary road closure not results in any 'offensive noise' as defined by the Protection of the Environment Operations Act 1997.
 - l. That a copy of the Council approval be available on site for inspection by relevant authorities.
 - m. That Council reserves the right to cancel the approval at any time.
 - n. That the applicant complies with any reasonable directive from Council Officers and NSW Police; and

2. That the applicant be advised of the Committee's recommendation.

For motion: Unanimous

T1117 Item 4 DAY STREET, MARRICKVILLE – TEMPORARY FULL ROAD CLOSURE FOR STREET PARTY (MARRICKVILLE WARD/SUMMER HILL ELECTORATE/MARRICKVILLE LAC)

SUMMARY

An application has been received from a resident for the temporary full road closure of Day Street, between Hampden Avenue and Mansion Street, Marrickville (for a period of two and a half hours on Sunday 28 January 2018) in order to hold a street party.

It is recommended that the proposed temporary road closure be approved, subject to the conditions outlined in this report.

Officer's Recommendation

THAT:

The proposed full road closure of Day Street, Marrickville (between Hampden Avenue and Mansion Street) on Sunday 28 January 2018 between 4:30pm and 7:00pm be APPROVED, to hold a street party, subject to the following conditions;

1. The temporary full road closure be advertised in the local newspaper for a period of 28 days in advance of the proposed closure;
2. A 4-metre wide emergency vehicle access must be maintained through the closed road areas during the course of the event;
3. The applicant is to set out the road closure as per the attached typical Traffic Control Plan (TCP);
4. Notice of the proposed closure be forwarded to the NSW Police, the NSW Fire Brigades, the NSW Ambulance Services and the Transport Management Centre (TMC);
5. All affected residents and businesses shall be notified in writing of the proposed temporary road closure at least 7 days in advance of the closure with the applicant making reasonable provision for residents;
6. Vehicular and pedestrian access for residents to their off-street car parking spaces be maintained where possible during the road closure; and
7. The applicant is to comply with all conditions of Council's Street Party Guidelines.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT:

The proposed full road closure of Day Street, Marrickville (between Hampden Avenue and Mansion Street) on Sunday 28 January 2018 between 4:30pm and 7:00pm be APPROVED, to hold a street party, subject to the following conditions;

1. The temporary full road closure be advertised in the local newspaper for a period of 28 days in advance of the proposed closure;
2. A 4-metre wide emergency vehicle access must be maintained through the closed road areas during the course of the event;
3. The applicant is to set out the road closure as per the attached typical Traffic Control Plan (TCP);
4. Notice of the proposed closure be forwarded to the NSW Police, the NSW Fire Brigades, the NSW Ambulance Services and the Transport Management Centre (TMC);
5. All affected residents and businesses shall be notified in writing of the proposed temporary road closure at least 7 days in advance of the closure with the applicant making reasonable provision for residents;

6. Vehicular and pedestrian access for residents to their off-street car parking spaces be maintained where possible during the road closure; and
7. The applicant is to comply with all conditions of Council's Street Party Guidelines.

For motion: Unanimous

T1117 Item 5 KINGSTON LANE, CAMPERDOWN – TEMPORARY FULL ROAD CLOSURE FOR STREET PARTY (STANMORE WARD/NEWTOWN ELECTORATE/NEWTOWN LAC)

SUMMARY

An application has been received from a resident for the temporary full road closure of Kingston Lane, between Salisbury Road and Marmion Street, Camperdown (for a period of four hours on Saturday 2 December 2017) in order to hold a street party.

It is recommended that the proposed temporary road closure be approved, subject to the conditions outlined in this report.

Officer's Recommendation

THAT:

The proposed full road closure of Kingston Lane, Camperdown (between Salisbury Road and Marmion Street) on Saturday 2 December 2017 between 3:00pm and 7:00pm be APPROVED, to hold a street party, subject to the following conditions;

1. The temporary full road closure be advertised in the local newspaper for a period of 28 days in advance of the proposed closure;
2. A 4-metre wide emergency vehicle access must be maintained through the closed road areas during the course of the event;
3. The applicant is to set out the road closure as per the attached typical Traffic Control Plan (TCP);
4. Notice of the proposed closure be forwarded to the NSW Police, the NSW Fire Brigades, the NSW Ambulance Services and the Transport Management Centre (TMC);
5. All affected residents and businesses shall be notified in writing of the proposed temporary road closure at least 7 days in advance of the closure with the applicant making reasonable provision for residents;
6. Vehicular and pedestrian access for residents to their off-street car parking spaces be maintained where possible during the road closure; and
7. The applicant is to comply with all conditions of Council's Street Party Guidelines.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT:

The proposed full road closure of Kingston Lane, Camperdown (between Salisbury Road and Marmion Street) on Saturday 2 December 2017 between 3:00pm and 7:00pm be APPROVED, to hold a street party, subject to the following conditions;

1. The temporary full road closure be advertised in the local newspaper for a period of 28 days in advance of the proposed closure;
2. A 4-metre wide emergency vehicle access must be maintained through the closed road areas during the course of the event;
3. The applicant is to set out the road closure as per the attached typical Traffic Control Plan (TCP);
4. Notice of the proposed closure be forwarded to the NSW Police, the NSW Fire Brigades, the NSW Ambulance Services and the Transport Management Centre (TMC);
5. All affected residents and businesses shall be notified in writing of the proposed temporary road closure at least 7 days in advance of the closure with the applicant making reasonable provision for residents;
6. Vehicular and pedestrian access for residents to their off-street car parking spaces be maintained where possible during the road closure; and
7. The applicant is to comply with all conditions of Council's Street Party Guidelines.

For motion: Unanimous

**T1117 Item 6 CONSTITUTION ROAD, DULWICH HILL - PROPOSED PEDESTRIAN
REFUGE ISLAND UPGRADE DESIGN PLAN
(ASHFIELD WARD/SUMMER HILL ELECTORATE/MARRICKVILLE LAC)**

SUMMARY

A detailed design plan has been finalised for the proposed traffic calming improvements in Constitution Road, Dulwich Hill, at its intersection with Williams Parade, as part of the Dulwich Hill North LATM study implementation. The proposal to upgrade the existing pedestrian refuge islands and associated signs will improve pedestrian safety at this location.

Consultation was undertaken with the registered sporting clubs to the adjacent field at Arlington Oval, regarding the proposal. A summary of the consultation results are presented in this report for consideration. It is recommended that the proposed detailed design plan be approved.

Officer's Recommendation

THAT the design of the upgrade to the existing pedestrian refuge islands with associated signs in Constitution Road, Dulwich Hill, at the intersection with Williams Parade (as per design plan No. 6154) be APPROVED.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT the design of the upgrade to the existing pedestrian refuge islands with associated signs in Constitution Road, Dulwich Hill, at the intersection with Williams Parade (as per design plan No. 6154) be APPROVED.

For motion: Unanimous

T1117 Item 7 ADDISON ROAD, PETERSHAM – PROPOSED RAISED PEDESTRIAN CROSSING & KERB EXTENSIONS DESIGN PLAN (STANMORE WARD/NEWTOWN & SUMMER HILL ELECTORATES/MARRICKVILLE LAC)

SUMMARY

A detailed design plan has been finalised for the proposal to upgrade the existing at-grade pedestrian crossing in Addison Road, Petersham at its intersection with Coronation Avenue as part of the NSW Government's Pedestrian Infrastructure Safety Around Schools Program and as part of the Henson LATM study implementation. The proposal to upgrade the existing at-grade pedestrian crossing to a new raised pedestrian crossing with kerb extensions and associated signs and line markings will improve pedestrian safety and traffic conditions at this location.

Consultation was undertaken with owners and occupiers of properties adjacent to Addison Road, Albert Street and Coronation Avenue, regarding the proposal. A summary of the consultation results are presented in this report for consideration. It is recommended that the proposed detailed design plan be approved.

Officer's Recommendation

THAT the design of the raised pedestrian crossing with new kerb extensions and associated signs and line markings in Addison Road, Petersham, at the intersection of Coronation Avenue (as per design plan No. 6111) be APPROVED.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT the design of the raised pedestrian crossing with new kerb extensions and associated signs and line markings in Addison Road, Petersham, at the intersection of Coronation Avenue (as per design plan No. 6111) be APPROVED.

For motion: Unanimous

T1117 Item 8 VICTORIA ROAD, MARRICKVILLE – PROPOSED RAISED PEDESTRIAN CROSSING WITH MEDIAN ISLAND & KERB EXTENSION DESIGN PLAN (MARRICKVILLE WARD/NEWTOWN ELECTORATE/MARRICKVILLE LAC)

SUMMARY

A detailed design plan has been finalised for the proposal to upgrade the existing at-grade pedestrian crossing in Victoria Road, Marrickville at its intersection with Edgeware Road as part of the NSW Government's Pedestrian Infrastructure Safety Around Schools Program and as part of the Marrickville East LATM study implementation. The proposal to upgrade the existing at-grade pedestrian crossing to a new raised pedestrian crossing with a median island and kerb extensions and associated signs and line markings will improve pedestrian safety and traffic conditions at this location.

Consultation was undertaken with owners and occupiers of properties adjacent to Victoria Road and Edgeware Road, regarding the proposal. A summary of the consultation results are presented in this report for consideration. It is recommended that the proposed detailed design plan be approved.

Officer's Recommendation

THAT the design of the raised pedestrian crossing with a median island and kerb extensions and associated signs and line markings in Victoria Road, Marrickville, at the intersection of Edgeware Road (as per design plan No. 6185) be APPROVED.

DISCUSSION

The RMS representative expressed concern with the width of the proposed raised pedestrian crossing and the two traffic lanes on the departure of the proposed crossing and approach to Edgeware Road intersection. It was stated that this arrangement would potentially allow for a two lane approach to the proposed pedestrian crossing. The RMS representative suggested the design incorporate a kerb extension or kerb blister on approach to the crossing to reduce the road width.

Council Officers advised that the design will be revised to incorporate the suggested kerb blister treatment, whilst also considering other issues on its placement such as drainage and turning movements out of Empire Lane.

It was agreed that a revised plan be distributed to Committee members via email for comment and support. The revised final design will then be submitted to Council for consideration.

COMMITTEE RECOMMENDATION

THAT the design of the raised pedestrian crossing in Victoria Road, Marrickville, at the intersection of Edgeware Road (as per design plan No. 6185) be revised to incorporate a kerb blister on the northbound approach to the raised pedestrian crossing to reduce the width of the crossing.

For motion: Unanimous

**T1117 Item 9 WINDSOR ROAD, DULWICH HILL - PROPOSED PEDESTRIAN
REFUGE ISLAND DESIGN PLAN (ASHFIELD WARD/SUMMER HILL
ELECTORATE/MARRICKVILLE LAC)**

SUMMARY

A detailed design plan has been finalised for the proposed traffic calming improvements in

Windsor Road, Dulwich Hill, near its intersection with Weston Street and Rosedale Street, as part of the Dulwich Hill North LATM study implementation. The proposal for a pedestrian refuge island and associated signs and line markings will improve pedestrian safety and traffic conditions at this location.

Consultation was undertaken with owners and occupiers of properties adjacent to Windsor Road, regarding the proposal. A summary of the consultation results are presented in this report for consideration. It is recommended that the proposed detailed design plan be approved.

Officer's Recommendation

THAT the design of the pedestrian refuge island with associated signs and line markings in Windsor Road, Dulwich Hill, near its intersection with Weston Street and Rosedale Street (as per design plan No. 6146) be APPROVED.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT the design of the pedestrian refuge island with associated signs and line markings in Windsor Road, Dulwich Hill, near its intersection with Weston Street and Rosedale Street (as per design plan No. 6146) be APPROVED.

For motion: Unanimous

T1117 Item 10 MINOR TRAFFIC FACILITIES (LEICHHARDT & BALMAIN WARDS/BALMAIN & SUMMER HILL ELECTORATE/ LEICHHARDT & ASHFIELD LAC)

SUMMARY

This report deals with minor traffic facility applications received by Inner West Council, Leichhardt and Ashfield and includes 'Disabled Parking' applications.

Officer's Recommendation

THAT:

1. The 6m 'Disabled Parking' zone in front of No.37 Tebbutt Street, Leichhardt is removed as it is no longer required.
2. The Committee endorses the removal of the 6m 'Disabled Parking' zone in front of No.10 John Street, Ashfield as it was no longer required.
3. A 6m 'Disabled Parking' zone is installed in Glover Street on the side boundary of No.31 Perry Street, Lilyfield extending north from the existing garden bed; and
4. A 6m 'Disabled Parking' zone is installed in Elswick Street in front of No.53 Elswick Street, Leichhardt, subject to a copy of the applicants Mobility Parking Scheme being provided to Council

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION**THAT:**

1. The 6m 'Disabled Parking' zone in front of No.37 Tebbutt Street, Leichhardt is removed as it is no longer required.
2. The Committee endorses the removal of the 6m 'Disabled Parking' zone in front of No.10 John Street, Ashfield as it was no longer required.
3. A 6m 'Disabled Parking' zone is installed in Glover Street on the side boundary of No.31 Perry Street, Lilyfield extending north from the existing garden bed; and
4. A 6m 'Disabled Parking' zone is installed in Elswick Street in front of No.53 Elswick Street, Leichhardt, subject to a copy of the applicants Mobility Parking Scheme being provided to Council

For motion: Unanimous**T1117 Item 11 NORTON STREET, LEICHHARDT – PART-TIME LOADING ZONE
(LEICHHARDT WARD/BALMAIN ELECTORATE/LEICHHARDT LAC)****SUMMARY**

Council has received a request to change the existing 1/4P parking restriction in front of 294-298 Norton Street, Leichhardt to a 'Loading Zone' to facilitate deliveries for local businesses in the area.

Officer's Recommendation

THAT a 6m 'Loading Zone 8am-5pm Mon-Sat' be installed on the western side of Norton Street, Leichhardt (adjacent to No. 294-298 Norton Street) replacing the existing '1/4P' zone in order to better facilitate deliveries for local businesses.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT a 6m 'Loading Zone 8am-5pm Mon-Sat' be installed on the western side of Norton Street, Leichhardt (adjacent to No. 294-298 Norton Street) replacing the existing '1/4P' zone in order to better facilitate deliveries for local businesses.

For motion: Unanimous**T1117 Item 12 SMITH STREET, SUMMER HILL - PROPOSAL FOR 15 MIN PARKING
ZONE (ASHFIELD WARD/SUMMER HILL ELECTORATE/ASHFIELD
LAC)****SUMMARY**

Council has received representations from a resident to consider establishing a 15 min parking zone adjacent to the new Post Office in Smith Street, Summer Hill.

The proposed 15 min parking restrictions are considered adequate for the short term parking needs of both the Post Office and the surrounding businesses.

It is recommended that establishment of one parking space limited to 15 minutes parking adjacent to the new Summer Hill Post Office, at 93 Smith Street, Summer Hill be approved to

assist the new post office and other surrounding businesses.

Officer's Recommendation

THAT a parking zone of one space (6 m length) , signposted "P 15 min, 8.30am-6.00pm Mon-Fri, 8.30am-12.30pm Sat" be approved to replace the existing 1 P restriction, on the northern side of Smith Street, Summer Hill, adjacent to No. 95 Smith Street, Summer Hill.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT a parking zone of one space (6 m length) , signposted "P 15 min, 8.30am-6.00pm Mon-Fri, 8.30am-12.30pm Sat" be approved to replace the existing 1 P restriction, on the northern side of Smith Street, Summer Hill, adjacent to No. 95 Smith Street, Summer Hill.

For motion: Unanimous

T1117 Item 13 EDITH STREET, LEICHHARDT – RESIDENT PARKING SCHEME (LEICHHARDT WARD/BALMAIN ELECTORATE/LEICHHARDT LAC)

SUMMARY

Council has received correspondence from a number of residents of Edith Street (south of Marion Street), raising concerns regarding increased parking demands generated by residents, commuters, and employees/patrons of businesses in Marion Street.

This report provides the result of a resident parking scheme investigation in Edith Street, Leichhardt.

Officer's Recommendation:

THAT the proposed Resident Parking Scheme in Edith Street (South of Marion Street) not be supported at the present time due to less than 50% support received from the consulted residents.

DISCUSSION

Public speakers: Ms Judy Platt, Mr Will Platt, Mr Angus McInnes, residents of Edith Street (attended at 10.03am)

Ms Platt expressed her support for a Resident Parking Scheme in Edith Street and stated the following:

- Density in the area has increased in the last 10 years due to new development which has caused problems with parking and safety in Edith Street.
- A number of options were investigated by Council since the issues were first raised in 2012 and it was decided that a Residential Parking Scheme was the best option.
- Council's policy assumes that residents who did not respond to the survey are against a Resident Parking Scheme. However, residents that did not respond may not necessarily be against a Scheme.

Mr McInnes noted that:

- there is an inconsistency with the operating times of a Resident Parking Scheme.
- the survey to residents only referenced one timeframe for both sides of the street whilst the report indicated two timeframes.
- the current policy assumes that no response means opposition to a Scheme.

(Ms Platt, Mr Platt and Mr McInnes left at 10.13am)

The current policy of the former Leichhardt LGA requires a 50% resident support rate from the area consulted in order to support a Resident Parking Scheme.

Committee members discussed as a compromise whether one side of the street could be treated with a Resident Parking Scheme as a trial. Council Officers advised that if a Scheme were to be implemented on one side of the street only, it would be recommended that the Scheme operate from '8am-10pm, Mon-Fri' due to the street's proximity to restaurants.

Council Officers advised that a review of the Resident Parking policies from the former Leichhardt, Ashfield and Marrickville Councils is planned for 2018 to create one policy for the Inner West.

Given the high parking occupancy levels in Edith Street, Committee members agreed to defer the item to provide the opportunity for residents to elicit additional support for a Resident Parking Scheme to meet Council's current policy.

COMMITTEE RECOMMENDATION

THAT the matter be deferred for the receipt of additional support for a Resident Parking Scheme in Edith Street to meet Council's policy.

For motion: Unanimous

T1117 Item 14 ELSWICK STREET, LEICHHARDT – RESIDENT PARKING SCHEME (LEICHHARDT WARD/BALMAIN ELECTORATE/LEICHHARDT LAC)

SUMMARY

Council has received correspondence from a number of residents of Elswick Street, raising concerns regarding increased parking demands generated by long stay parking from non-residents and commuters.

This report provides the results of a residential parking scheme investigation in Elswick Street, Leichhardt.

Officer's Recommendation

THAT the proposed Resident Parking Scheme in Elswick Street not be supported at the present time due to less than 50% support received from the consulted residents.

DISCUSSION

Public speaker: Ms Lesley Wilson (attended at 10.24am)

Ms Wilson stated that she supports a Resident Parking Scheme in Elswick Street and made

the following comments:

- This is the second time Council has proposed a Resident Parking Scheme in the street. The first time failed as less than 50% of residents indicated support and it has failed again for the same reason.
- More than 50% of responses received were in favour of the Scheme. However, Council assumes that those who did not respond are opposed to implementing a Scheme.
- She often has to park in Macaulay Street and Carlisle Street as parking in Elswick Street is often occupied by non-residents, which puts her at risk of fines as both those streets have timed parking.

(Ms Wilson left at 10.33am)

The current policy of the former Leichhardt LGA requires a support rate of 50% of residents surveyed in order to support introduction of a new Resident Parking Scheme.

Given the high parking occupancy levels in Elswick Street, Committee members agreed to defer the item to provide the opportunity for residents to elicit additional support for a Resident Parking Scheme to meet Council's current policy.

COMMITTEE RECOMMENDATION

THAT the matter be deferred for the receipt of additional support for a Resident Parking Scheme in Elswick Street to meet Council's policy.

For motion: Unanimous

T1117 Item 15 STATION STREET, PETERSHAM – REQUEST FOR TEMPORARY ‘NO PARKING COUNCIL VEHICLES EXCEPTED’ RESTRICTIONS (STANMORE WARD/NEWTOWN ELECTORATE/MARRICKVILLE LAC)

SUMMARY

Council's Parks Capital Works section is requesting a temporary 'No Parking' zone in Station Street, Petersham to accommodate the Magic Yellow Bus community service at Petersham Park. The purpose of this proposal is to maintain the community service while there is upgrade works occurring at Petersham Park.

It is recommended that the temporary 'No Parking' restrictions be installed in Station Street, Petersham to provide clear access for the Magic Yellow Bus community service adjacent to Petersham Park.

Officer's Recommendation

THAT the installation of 'No Parking Monday 9:00am-12:30pm Council Vehicles Excepted' restrictions (total of 12 metres in length) on the western side of Station Street, Petersham, adjacent to Petersham Park (directly opposite property no. 67A & 67B Station Street, Petersham), for a period of up to two (2) months, be APPROVED.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT the installation of 'No Parking Monday 9:00am-12:30pm Council Vehicles Excepted' restrictions (total of 12 metres in length) on the western side of Station Street, Petersham, adjacent to Petersham Park (directly opposite property no. 67A & 67B Station Street, Petersham), for a period of up to two (2) months, be APPROVED.

For motion: Unanimous

T1117 Item 16 MORTON AVENUE (LANE) LEWISHAM PROPOSED INSTALLATION OF 'NO PARKING' AND 'NO STOPPING' RESTRICTIONS (STANMORE WARD/SUMMER HILL ELECTORATE/MARRICKVILLE LAC)

SUMMARY

Following representations from residents, Council is proposing to implement 'No Parking' and 'No Stopping' restrictions in Morton Avenue, (laneway section) Lewisham. The proposed restrictions would optimise parking for residents in the laneway by allowing for access to offstreet parking in the laneway whilst also maintaining as much on-street parking as possible.

Officer's Recommendation

THAT:

1. '10m No Stopping' (both sides) in Morton Avenue (laneway section) at Frazer Street be APPROVED
2. '10m No Stopping' (both sides) in Morton Avenue at the intersection with Morton Avenue be APPROVED
3. 'No Parking' for a length of 25m on the eastern side of Morton Avenue (laneway section) from the end of the proposed 10m 'No Stopping' zone to the property boundary at the rear of 49 Morton Avenue be APPROVED
4. 'No Parking' for a length of 30m on the western side of Morton Avenue (laneway section) from the end of the proposed '10m 'No Stopping' zone to the property boundary at the rear of 45 Frazer Street be APPROVED

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT:

1. '10m No Stopping' (both sides) in Morton Avenue (laneway section) at Frazer Street be APPROVED
2. '10m No Stopping' (both sides) in Morton Avenue at the intersection with Morton Avenue be APPROVED
3. 'No Parking' for a length of 25m on the eastern side of Morton Avenue (laneway section) from the end of the proposed 10m 'No Stopping' zone to the property boundary at the rear of 49 Morton Avenue be APPROVED
4. 'No Parking' for a length of 30m on the western side of Morton Avenue (laneway section) from the end of the proposed '10m 'No Stopping' zone to the property boundary at the rear of 45 Frazer Street be APPROVED

For motion: Unanimous

**T1117 Item 17 FRAMPTON LANE, MARRICKVILLE - PROPOSED 'NO PARKING'
RESTRICITONS (STANMORE WARD/SUMMER HILL
ELECTORATE/MARRICKVILLE LAC)**

SUMMARY

Following representations from residents, Council is proposing to implement 'No Parking' and 'No Stopping' restrictions in a section of Frampton Lane, Marrickville. The proposed restrictions would optimise parking for residents in the area and allow for access to off-street parking in the laneway as well as ensuring safety for line of sight at the intersections.

Officer's Recommendation

THAT:

1. Conversion of 'unrestricted' parking to 10m 'No Stopping' (both sides) in Frampton Lane at Frampton Avenue be APPROVED
2. Conversion of 'unrestricted' parking to 'No Parking' on the northern side of Frampton Avenue at the rear of property nos. 116 to 120 Sydenham Road inclusive be APPROVED
3. Conversion of 'unrestricted' parking to 'No Parking' on the southern side of Frampton Avenue opposite the rear of property nos 116-120 Sydenham Road be APPROVED

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT:

1. Conversion of 'unrestricted' parking to 10m 'No Stopping' (both sides) in Frampton Lane at Frampton Avenue be APPROVED
2. Conversion of 'unrestricted' parking to 'No Parking' on the northern side of Frampton Avenue at the rear of property nos. 116 to 120 Sydenham Road inclusive be APPROVED
3. Conversion of 'unrestricted' parking to 'No Parking' on the southern side of Frampton Avenue opposite the rear of property nos 116-120 Sydenham Road be APPROVED

For motion: Unanimous

**T1117 Item 18 REQUESTS FOR MOBILITY PARKING SPACES
(MARRICKVILLE, STANMORE & ASHFIELD WARDS/SUMMER HILL &
NEWTOWN ELECTORATES / MARRICKVILLE & NEWTOWN LACS)****SUMMARY**

A number of requests have been received from residents for the provision of dedicated mobility parking space outside their residence. It is recommended that the following 'Mobility Parking' spaces be approved as the applicants current medical conditions warrants the provision of the space and they have constrained or no off-street parking opportunities.

Officer's Recommendation:

THAT:

1. southern side of Lewisham Street, Dulwich Hill in front of property no. 25 Lewisham Street, Dulwich Hill;
2. northern side of Charles Street, Marrickville in front of property no. 65 Charles Street, Marrickville;
3. eastern side of Lincoln Street, Dulwich Hill in front of property no. 20 Lincoln Street, Dulwich Hill;
4. eastern side of Wardell Road, Marrickville adjacent to property no. 2A George Street , Marrickville;
5. northern side of Addison Road, Marrickville in front of property no.227 Addison Road, Marrickville;
6. northern side of Camden Street, Enmore in front of property no. 67 Camden Street, Enmore;

be APPROVED as a 'mobility parking' space, subject to:

- a) the operation of the dedicated parking space be valid for twelve (12) months from the date of installation;
- b) the applicant advising Council of any changes in circumstances affecting the need for the special parking space; and
- c) the applicant is requested to furnish a medical certificate and current mobility permit justifying the need for the mobility parking space for its continuation after each 12 months period.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT:

1. southern side of Lewisham Street, Dulwich Hill in front of property no. 25 Lewisham Street, Dulwich Hill;
2. northern side of Charles Street, Marrickville in front of property no. 65 Charles Street, Marrickville;
3. eastern side of Lincoln Street, Dulwich Hill in front of property no. 20 Lincoln Street, Dulwich Hill;
4. eastern side of Wardell Road, Marrickville adjacent to property no. 2A George Street ,

Marrickville;

5. northern side of Addison Road, Marrickville in front of property no.227 Addison Road, Marrickville;
6. northern side of Camden Street, Enmore in front of property no. 67 Camden Street, Enmore;

be APPROVED as a 'mobility parking' space, subject to:

- a) the operation of the dedicated parking space be valid for twelve (12) months from the date of installation;
- b) the applicant advising Council of any changes in circumstances affecting the need for the special parking space; and
- c) the applicant is requested to furnish a medical certificate and current mobility permit justifying the need for the mobility parking space for its continuation after each 12 months period.

For motion: Unanimous

**T1117 Item 19 REQUEST FOR 'WORKS ZONE' ADJACENT TO
CONSTRUCTIONSITES
(MARRICKVILLE WARD/ HEFFRON & SUMMER HILL ELECTORATES /
NEWTOWN&MARRICKVILLELACS)**

SUMMARY

A number of requests have been received from builders for the provision of 'Works Zone' to facilitate construction deliveries and permit the parking of construction vehicles during loading and unloading activities.

It is recommended that the 'Works Zone' be approved for the construction works subject to Council fees and charges.

Officer's Recommendation

THAT:

1. the installation of a 'Works Zone 7AM-5.30PM Mon-Sat' (total of 10 meters in length) on the eastern side of Church Street in front of property no. 148 Church Street, St Peters be APPROVED for a period of twelve (12) months, for the proposed construction works; and
2. the installation of a 'Works Zone 7AM-5.30PM Mon-Sat' (total of 25 metres in length) on the southern side of Arthur Street in front of property no. 2-8 Arthur Street, Marrickville be APPROVED for a period of twelve (12) months, for the proposed construction works; and
3. the costs of the supply, installation and removal of the signs and 'Works Zone' fees in accordance with Council's Fees and Charges are to be borne by the applicants.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT:

1. the installation of a 'Works Zone 7AM-5.30PM Mon-Sat' (total of 10 meters in length) on the eastern side of Church Street in front of property no. 148 Church Street, St Peters be APPROVED for a period of twelve (12) months, for the proposed construction works; and
2. the installation of a 'Works Zone 7AM-5.30PM Mon-Sat' (total of 25 metres in length) on the southern side of Arthur Street in front of property no. 2-8 Arthur Street, Marrickville be APPROVED for a period of twelve (12) months, for the proposed construction works; and
3. the costs of the supply, installation and removal of the signs and 'Works Zone' fees in accordance with Council's Fees and Charges are to be borne by the applicants.

For motion: Unanimous

T1117 Item 20 SHEPHERD STREET, MARRICKVILLE – PROPOSED ANGLE PARKING RESTRICTIONS DESIGN PLAN & CONSULTATION RESULTS (MARRICKVILLE WARD/SUMMER HILL ELECTORATE/MARRICKVILLE LAC)

SUMMARY

A detailed design plan has been finalised for the proposal to introduce a section of 90 degree angle parking in Shepherd Street, Marrickville, between property no. 6 Shepherd Street and property no. 34 Shepherd Street, as part of the Henson LATM study implementation. The proposal to introduce a section of 90 degree angle parking in Shepherd Street, Marrickville with associated signs and line markings will provide additional on-street parking opportunities and improve traffic conditions at this location.

Consultation was undertaken with owners and occupiers of properties adjacent to Addison Road, Albert Street and Coronation Avenue, regarding the proposal. A summary of the consultation results are presented in this report for consideration. It is recommended that the installation of 90 degree angle parking on the western side of Shepherd Street, Marrickville, between property no. 6 Shepherd Street and property no. 34 Shepherd Street, with associated signs and line markings not be approved, as there was a majority of responses opposing to the proposal from affected properties within the street. It is also recommended that an investigation for a permit parking scheme be undertaken in Shepherd Street, Marrickville.

Officer's Recommendation

THAT:

1. The design of the 90 degree angle parking on the western side of Shepherd Street, Marrickville, between property no. 6 Shepherd Street and property no. 34 Shepherd Street, with associated signs and line markings (as per design plan No. 6187) NOT be approved; and
2. An investigation for a permit parking scheme be undertaken in Shepherd Street, Marrickville.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT:

1. The design of the 90 degree angle parking on the western side of Shepherd Street, Marrickville, between property no. 6 Shepherd Street and property no. 34 Shepherd Street, with associated signs and line markings (as per design plan No. 6187) NOT be approved; and
2. An investigation for a permit parking scheme be undertaken in Shepherd Street, Marrickville.

For motion: Unanimous

T1117 Item 21 LOCAL TRAFFIC COMMITTEE MEETING SCHEDULE FOR 2018

SUMMARY

The proposed schedule of the Local Traffic Committee meetings has been prepared for the 2018 calendar year. It is recommended that the proposed meeting schedule be received and noted.

Officer's Recommendation:

THAT the proposed schedule of meetings of the Local Traffic Committee for the 2018 calendar year be received and noted.

DISCUSSION

An amendment was proposed to hold Local Traffic Committee meetings on the first Tuesday of the month for the 2018 calendar year (excluding January).

The Committee members agreed with the Officer's revised proposal. Council Officers advised that the revised schedule will be provided to Committee members.

COMMITTEE RECOMMENDATION

THAT meetings of the Local Traffic Committee for the 2018 calendar year be held on the first Tuesday of each month (excluding January).

For motion: Unanimous

**Late Item UNNAMED LANEWAY BETWEEN MAY STREET AND THE
BOULEVARDE, LILYFIELD - ANNUAL ROAD OCCUPANCY (STREET
PARTY)
(LEICHHARDT WARD/BALMAIN ELECTORATE/LEICHHARDT LAC)**

Prepared By: Manod Wickramasinghe – Traffic and Parking Engineer

Authorised By: John Stephens - Traffic and Transport Services Manager

SUMMARY

This report seeks approval for the temporary road closure of the Unnamed Laneway between May Street and The Boulevarde, Lilyfield to facilitate an annual 'Christmas Street Party' event (4pm-10pm) on Saturday, 23rd December 2017.

Officer's Recommendation

THAT:

1. The temporary road closure of the Unnamed Laneway between May Street and The Boulevarde, Lilyfield (section at the rear of Nos.355-367 Balmain Road) on Saturday, 23rd December 2017 between 4.00pm and 10.00pm be supported, subject to the following conditions:
 - a. That an unencumbered passage minimum 3.0m wide be available for emergency vehicles through the closed section of the laneway.
 - b. The occupation of the road carriageway must not occur until the road has been physically closed.
 - c. That the organiser be advised to arrange accredited traffic controllers to manage the road closure.
 - d. That the applicant notifies all affected businesses, residents and other occupants of the temporary road closure prior to the event. Any concerns or requirements in relation to the road closure raised by business proprietors, residents and other occupants must be resolved or accommodated. The notification shall involve at the minimum an information letterbox drop distributed one week prior to the commencement of the event. The proposed information, distribution area and period must be submitted to Council's Traffic section for approval two weeks before the event.
 - e. That the supported Traffic Control Plan (TCP) be implemented at the applicant's expense.
 - f. That the Fire and Rescue NSW (Leichhardt) be notified of the intended closure by the applicant.
 - g. That the applicant provide and erect barricades and signs, in accordance with the current Australian Standard AS 1742.3: Traffic Control Devices for Works on Roads. As a minimum the following must be erected at both ends of the road closure area:
 - i. Barrier Boards
 - ii. 'Road Closed' (T2-4) signs
 - iii. 'Detour' (T5-1) signs
 - h. That the applicant be advised Council provides barricades and 'Road Closed' signs free or at minimum cost. The applicant is required to arrange delivery by Council at cost, or arrange pickup from and return to Council's Depot at no cost. Any non-standard signs may be provided at cost.
 - i. That the areas to be used for the activities must be maintained in a clean and tidy condition to the satisfaction of Council's Group Manager Roads & Stormwater, or else the applicant will be required to reimburse Council for any extraordinary cleaning costs.
 - j. That the conduct of any activities or use of any equipment required in conjunction with the road occupancy and temporary road closure not results in any 'offensive noise' as defined by the Protection of the Environment Operations Act 1997.

- k. That a copy of the Council approval be available on site for inspection by relevant authorities.
- l. That Council reserves the right to cancel the approval at any time.
- m. That the applicant complies with any reasonable directive from Council Officers and NSW Police.

2. That the applicant be advised of the Committee's recommendation.

BACKGROUND

Council has received an application for approval of a street party in the Unnamed Laneway between May Street and The Boulevarde, Lilyfield (section at the rear of Nos.355-367 Balmain Road).

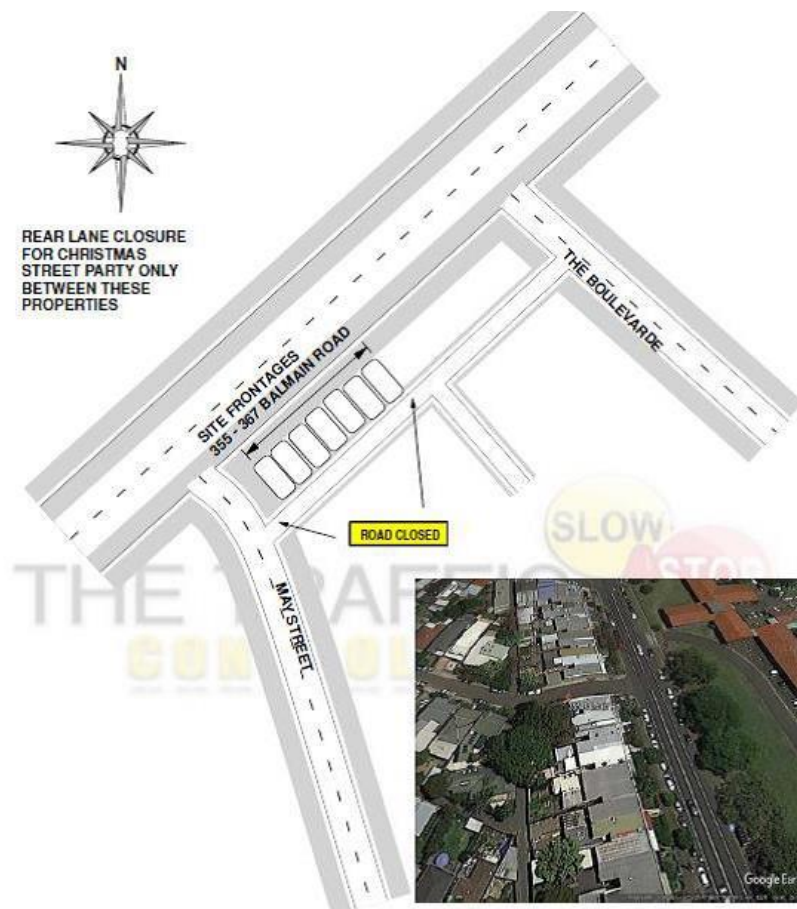
The street party is proposed to be held on Saturday, 23rd December 2017 between 4.00pm and 10.00pm. The applicant is seeking permission for a temporary full road closure the unnamed laneway.

FINANCIAL IMPLICATIONS

The Street Party Co-ordinator will bear all costs associated with the road closure.

OTHER STAFF COMMENTS

The Traffic Control Plan for the closure is as follows:



According to the RMS 'Guide to Traffic and Transport Management for Special Events' (Version 3.4) a small street party is considered as a 'Class 3' event.

Council encourages properly conducted neighbourhood street parties as a means of building community spirit and improving neighbourhood security. Fees for road occupancy are waived by Council for small community street parties.

Where the following conditions apply, organisers are only required to obtain approval for a street party involving a temporary road closure:

- the party is to be held outdoors for fewer than 100 people
- no temporary structures or jumping castles are to be erected,
- participants are to bring their own food and drinks, and food and drink are not for sale
- there will be no performers or amplified music involved

For approved street parties, Council will provide barricades and 'Road Closed' signs free or at minimum cost. Any non-standard signs may be provided at cost. The Street Party Co-ordinator will need to arrange delivery by Council at cost, or arrange pickup from and return to Council's Depot at no cost.

PUBLIC CONSULTATION

The proposed temporary full-road closure is currently advertised in the local newspaper for a period of 28 days.

CONCLUSION

It is recommended that the temporary closure of the Unnamed Laneway between May Street and The Boulevarde, Lilyfield (section at the rear of Nos.355-367 Balmain Road) on Saturday, 23rd December 2017 between 4.00pm and 10.00pm be supported subject to the conditions listed in the recommendation.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT:

1. The temporary road closure of the Unnamed Laneway between May Street and The Boulevarde, Lilyfield (section at the rear of Nos.355-367 Balmain Road) on Saturday, 23rd December 2017 between 4.00pm and 10.00pm be supported, subject to the following conditions:
 - a. That an unencumbered passage minimum 3.0m wide be available for emergency vehicles through the closed section of the laneway.
 - b. The occupation of the road carriageway must not occur until the road has been physically closed.
 - c. That the organiser be advised to arrange accredited traffic controllers to manage the road closure.
 - d. That the applicant notifies all affected businesses, residents and other occupants of the temporary road closure prior to the event. Any concerns or requirements in relation to the road closure raised by business proprietors, residents and other occupants must be resolved or accommodated. The notification shall involve at the minimum an information letterbox drop distributed one week prior to the commencement of the event. The proposed information, distribution area and

period must be submitted to Council's Traffic section for approval two weeks before the event.

- e. That the supported Traffic Control Plan (TCP) be implemented at the applicant's expense.
- f. That the Fire and Rescue NSW (Leichhardt) be notified of the intended closure by the applicant.
- g. That the applicant provide and erect barricades and signs, in accordance with the current Australian Standard AS 1742.3: Traffic Control Devices for Works on Roads. As a minimum the following must be erected at both ends of the road closure area:
 - i. Barrier Boards
 - ii. 'Road Closed' (T2-4) signs
 - iii. 'Detour' (T5-1) signs
- h. That the applicant be advised Council provides barricades and 'Road Closed' signs free or at minimum cost. The applicant is required to arrange delivery by Council at cost, or arrange pickup from and return to Council's Depot at no cost. Any non-standard signs may be provided at cost.
- i. That the areas to be used for the activities must be maintained in a clean and tidy condition to the satisfaction of Council's Group Manager Roads & Stormwater, or else the applicant will be required to reimburse Council for any extraordinary cleaning costs.
- j. That the conduct of any activities or use of any equipment required in conjunction with the road occupancy and temporary road closure not results in any 'offensive noise' as defined by the Protection of the Environment Operations Act 1997.
- k. That a copy of the Council approval be available on site for inspection by relevant authorities.
- l. That Council reserves the right to cancel the approval at any time.
- m. That the applicant complies with any reasonable directive from Council Officers and NSW Police.

2. That the applicant be advised of the Committee's recommendation.

For motion: Unanimous

GENERAL BUSINESS

The RMS representative provided an update on the upgrade to the pedestrian crossing in Frederick Street, Ashfield. The Committee members were advised that the design plan is being finalised and community consultation will start in late January 2018 with construction to be completed by the end of 2017/18 financial year. RMS will provide a copy of the final plan.

Meeting closed at 11am.

**Minutes of Extra-Ordinary Local Traffic Committee Meeting
Held on Friday 3 November 2017 via Email****COMMITTEE REPRESENTATIVES**

Clr Marghanita Da Cruz
Ms Cathy Peters
SC Stephen Flanagan
Mr Ryan Horne

Councillor – Leichhardt Ward (Chair)
Representative for Jenny Leong MP, Member for Newtown
NSW Police – Marrickville
Roads and Maritime Services

**T1117 Item 8 VICTORIA ROAD, MARRICKVILLE – PROPOSED RAISED
PEDESTRIAN CROSSING WITH MEDIAN ISLAND & KERB EXTENSION
DESIGN PLAN (MARRICKVILLE WARD/NEWTOWN
ELECTORATE/MARRICKVILLE LAC)****SUMMARY**

Following the Inner West Council Local Traffic Committee held on 2 November 2017, a revised design plan (see attached revised design plan No. 6185_A) for *Item 8 Victoria Road, Marrickville – Proposed Pedestrian Crossing with Median Island & Kerb Extension Design Plan* of the 2 November 2017 Local Traffic Committee Agenda was distributed to Committee members via email for comment and support. The comments from the Committee members are presented below.

Officer's Recommendation

THAT the revised design of the raised pedestrian crossing with a median island and kerb extensions and associated signs and line markings in Victoria Road, Marrickville, at the intersection of Edgeware Road (as per revised design plan No. 6185_A) be APPROVED.

DISCUSSION

Based on Committee member feedback, the following issues were further investigated:

1. The relocation of the 'pedestrian crossing' sign on the western side of Victoria Road, (northbound) closer to kerb line to improve its visibility – Plan amended accordingly; and
2. An amendment to the proposed median island and kerb and gutter alignment on the eastern side of Victoria Road (southbound) was investigated to reduce the lane width; however, turning movements from vehicles on Edgeware Road into Victoria Road were affected and therefore a reduction to the lane width was not feasible.

COMMITTEE RECOMMENDATION

THAT the revised design of the raised pedestrian crossing with a median island and kerb extensions and associated signs and line markings in Victoria Road, Marrickville, at the intersection of Edgeware Road (as per revised design plan No. 6185_A) be APPROVED.

For motion: Unanimous

Meeting closed at 5pm Tuesday, 7 November 2017.

Item No: C1117 Item 18

Subject: **TARGETING A NON FOSSIL FUEL INVESTMENT PORTFOLIO FOR INNER WEST COUNCIL**

Prepared By: Brendhan Barry - Manager Financial Services

Authorised By: Michael Tzimoulas - Deputy General Manager Chief Financial and Administration Officer

SUMMARY

This report provides a review of Council's aim of achieving 100% exposure to non-fossil fuel aligned investments, including changes to Council's investment risk profile, estimated expected returns and the prudent transition to a non-fossil fuel investment.

RECOMMENDATION

THAT the report be received and noted.

BACKGROUND

In May 2017, the Inner West Council adopted an investment policy that targeted 70% portfolio investment in non fossil fuel (NFF) aligned approved deposit institutions by June 2018. The risk parameters included within the policy were aligned to achieving a target of 70% in NFF institutions.

The 70% NFF investment mix was achieved well in advance of the June 2018 target timeframe, consequently the Inner West Council is seeking to target a 100% NFF investment portfolio.

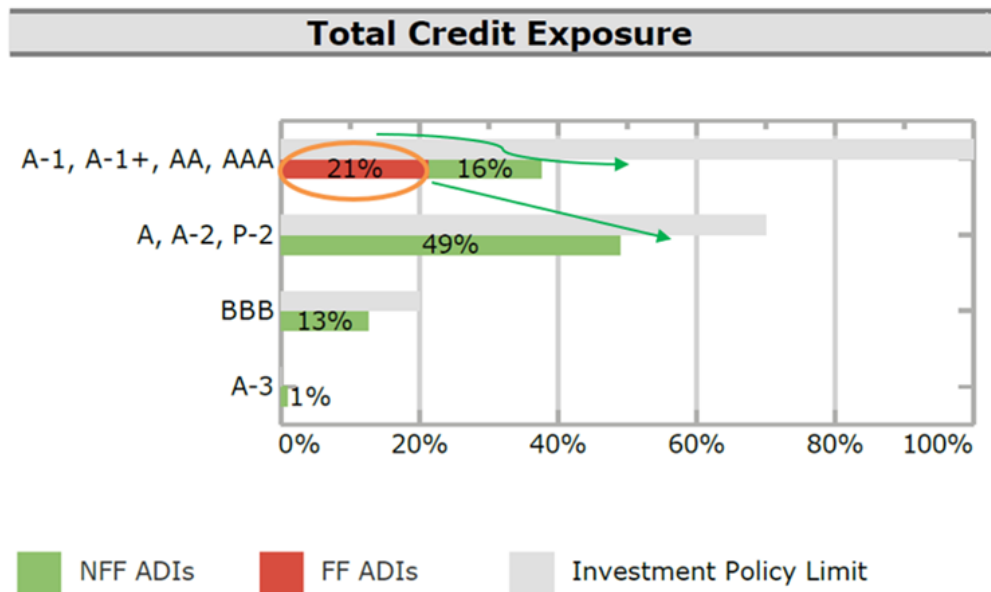
To achieve this target a number of factors must be considered:

1. The ability to achieve 100% NFF investment within the current approved investment policy risk parameters (credit rating and individual institution limits) allow for a target of 100%;
2. Timeframe required to achieve 100% without requiring the Inner West Council to break investments and forgo interest in the process.

Investment Policy Risk Limits

A review of the current investment policy limits has determined that, while achievable under current policy limits, reaching 100% non-FF portfolio would be aided by allowing higher exposure to lower rated institutions, both individually and as a whole, within Council's investment policy.

The circled area below in Council's Total Credit Exposure table shows the remaining 21% of which should be re-invested with NFF aligned banks. As the individual investments that make up the \$40m gradually mature their proceeds can be distributed to non-FF aligned banks in the top two categories as represented by the green arrows and still be within Council's current investment policy limits (grey bars):



As the chart indicates, providing at least a small amount of the FF maturities get reinvested into the top credit rating category (achievable by using Suncorp) the balance can go into A-2 rated banks to reach a 100% non-FF investment portfolio. However, Council may not be able to secure the most attractive returns available at the time, instead having to opt for lower interest returns to ensure policy limit compliance.

Alternatively, should Council wish to maintain interest revenue at current (or higher levels) then an increase of the allowable limits for BBB long term and A2 short term exposures will likely be required. The current investment policy limits are:

Overall Portfolio

ADI Portfolio Credit Limits/Ratings		
Long Term	Short Term	Maximum
AAA	A-1+	100%
AA	A-1	100%
A	A-2	70%
BBB	N/A	20%
Unrated	Unrated	10%
Specific Ministerial Approved Forms of Investment		
NSW Treasury Corp Deposits and TCorpIM Funds		100%

Individual Institution

ADI Portfolio Credit Limits/Ratings		
Long Term	Short Term	Maximum
AAA	A-1+	45%
AA	A-1	20%
A	A-2	20%
BBB	N/A	10%
Unrated	Unrated	5%
NSW Treasury Corp Deposits and TCorp IM Funds		
11am, Term Deposits or Bonds		35%
TCorpIM Cash Fund		35%
TCorpIM Strategic Cash Fund		20%

A total portfolio allowance of 100% among A2 short term rated ADIs (from 70% circled above) and at least 30% with any individual ADI (from 20% circled above) would likely be sufficient to give Council room under policy limits to reach 100% with non-FF aligned investments.

With the expected increase in market rates and the additional margin available from lower rated non-FF aligned banks, it is expected Council's average term deposit yield will be in the 2.80-90% range over the next 12-18 months.

Timeframe

Complying with global banking regulations, banks no longer allow for the early withdrawal of term deposits without significant interest rate penalty. Therefore, a redistribution of the proceeds from existing fossil fuel bank deposits as they mature will continue to be the recommended course of action.

Based on the current investment portfolio, it is estimated that by the end of May 2019 Council can achieve a 100% non-FF investment portfolio when the last existing FF bank term deposit is scheduled to mature.

Monthly progression to 100% non-Fossil Fuel

Month ending	FF bank maturities	non-FF bank maturities	Non-FF investment % after redistribution
Nov-17	2,000,000	11,000,000	80%
Dec-17	5,500,000	17,000,000	82%
Jan-18	2,000,000	20,000,000	83%
Feb-18	0	19,000,000	83%
Mar-18	5,000,000	17,500,000	86%
Apr-18	5,000,000	22,000,000	89%
May-18	0	17,000,000	89%
Jun-18	9,000,000	3,000,000	93%
Jul-18	6,000,000	0	96%
Oct-18	2,000,000	0	97%
Nov-18	0	3,000,000	97%
Jan-19	0	2,000,000	97%
Feb-19	3,000,000	0	99%
Apr-19	0	1,000,000	99%
May-19	2,000,000	0	100%

Investment Options

As Council progresses to 100% NFF investment portfolio, a review of the mix between term deposits and bank issued bonds (floating rate notes) will need to be carefully considered. The 4 major banks (which are FF aligned) occasionally issue socially focused bonds (eg ANZ "Green" Bond). These are the only avenue for Council to utilize investment in the 4 major banks while still maintain a 100% NFF portfolio. It is important to note that these are rare and will need to coincide with when Council is looking to invest cash. The last 3 issues of socially focused bonds:

March 2017: CBA Climate Bond

June 2016: WBC Climate Bond

June 2015: ANZ Green Bond

Summary

- Inner West Council has taken a leading role within the local government industry in targeting a non-FF aligned investment portfolio. Council is able to show firm results since making the pledge to give preference to non-FF aligned banks.
- Current policy limits were put in place with a target of 70% non-FF. While it is possible to reach 100% non-FF under the existing limits, Council may not be able to secure the most attractive returns available at the time, instead having to opt for less optimal alternatives to ensure policy limit compliance.
- As part of the next Investment Policy review, the allowable limits for the BBB long term and A2 short term exposures is recommended to be increased to assist in achieving a 100% non-FF aligned portfolio.

ATTACHMENTS

1. [↓](#) IWC Targeting full non-FF v2

9 November 2017

Mr Pav Kuzmanovski
Group Manager Finance
Inner West Council
2-4 Fisher Street
Petersham, NSW 2049

Dear Pav,

Targeting a 100% non-Fossil Fuel Investment Portfolio

- As requested, please find attached a review of considerations for Council's aim of achieving 100% exposure to non-fossil fuel aligned investments, including recommendations for future changes to Council's Investment Policy limits.
- This is intended as a working document whose parts can be cut & pasted by you as required (left in Word for that reason).
- Please call me on 0414 611 827 with any questions.
- Yours sincerely,



- **Erik Gates**

Director

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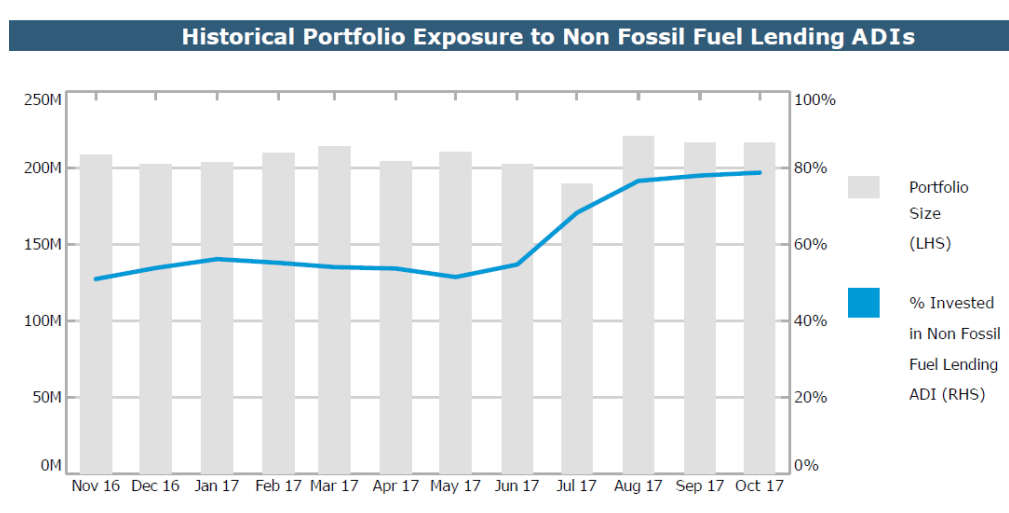
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Background – Targeting a 100% non-Fossil Fuel portfolio

In May 2017, Inner West Council adopted a target of 70% of its investment portfolio to be in non-fossil fuel (non-FF) aligned banks by June 2019.

Inner West Council has taken a leading role in the divestment from fossil fuel (FF) aligned banks showing firm results since making the pledge to give preference to non-FF aligned banks.

The chart below shows Council's total monthly portfolio (grey bars; left hand scale) overlaid by the percentage exposure to non-FF aligned banks (blue line; right hand scale). Since May Council's non-FF aligned exposure has sharply increased from below 60% to nearly 80%:



The 70% target was achieved within three months and Council is now considering a full divestment from FF aligned banks.

A fully non-FF aligned investment portfolio would put Inner West Council in a category of its own within local government: from just giving “preference” to actually mandating non-FF aligned banks investments.

This review considers changes to Council's investment risk profile, estimated expected returns and the prudent transition to a non-FF investment.

Change to Council's Risk Profile

As part of the investment strategy review in May 2017, Council adopted an updated Investment Policy which was aimed at allowing for a greater exposure to non-FF ADIs (Authorised Deposit-taking Institutions which include banks, credit unions and building societies regulated by APRA).

A primary change to the policy was the allowance for a greater exposure to lower rated ADIs. Non-FF ADIs are predominately in lower credit rating categories than the larger FF aligned ADIs such as the Australian four major banks.

While the four majors have long-term credit ratings in the AA category, the vast majority of non-FF ADIs have long term ratings in the BBB category. Standard and Poor's Credit Rating Agency's category definitions are as follows:

Credit Rating & Definition	Comments
AAA ("extremely strong") An obligation/obligor rated AAA has the highest rating assigned by S&P. The obligor's capacity to meet its financial commitment on the obligation is <u>extremely strong</u> .	There are currently no Australian ADIs with a AAA rating.
AA ("very strong") An obligation/obligor rated AA differs from the highest rated obligations only in a small degree. The obligor's capacity to meet its financial commitment on the obligations is <u>very strong</u> .	The four major Australian banks and their wholly owned subsidiaries are in this category, the highest available among Australian ADIs. There are no non-FFs in this category.
A ("strong") An obligation/obligor rated A is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations/obligor in higher rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still <u>strong</u> .	The large "2nd tier" banks are in this category such as Macquarie Bank, ING Bank (Aust) and AMP Bank - all FF ADIs. The largest non-FF banks, Suncorp & Rabobank (Aust), are also in this category.
BBB ("adequate") An obligation/obligor rated BBB exhibits <u>adequate</u> protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to the obligor to meet its financial commitment on the obligation.	Most non-FF ADIs are in this category.

While Council's investment policy now allows for a total of only 20% in BBB **long term** rated investments, most banks in this category have **short-term** credit ratings of A2, which

apply to deposits of less than 1 year. Council is able to invest up to 70% of its total portfolio in banks with **short term** ratings of A2. The rating categories of the majority of non-FF banks, and Council's limits to them, are circled in green below:

Total portfolio limits:

ADI Portfolio Credit Limits/Ratings		
Long Term (> 1yr)	Short Term (≤ 1yr)	Maximum
AAA	A1+	100%
AA	A1	100%
A	A2	70%
BBB	N/A	20%
Unrated	Unrated	10%
Specific Ministerial Approved Forms of Investment		
NSW Treasury Corp Deposits and TCorpIM Funds		100%

No more than 20% may be invested with any single A2 rated bank, thereby requiring a diversified selection of ADIs within the portfolio:

Individual bank limits:

ADI Portfolio Credit Limits/Ratings		
Long Term (> 1yr)	Short Term (≤ 1yr)	Maximum
AAA	A1+	45%
AA	A1	30%
A	A2	20%
BBB	N/A	10%
Unrated	Unrated	5%
NSW Treasury Corp Deposits and TCorp IM Funds		
11am, Term Deposits or Bonds		35%
TCorpIM Cash Fund		35%
TCorpIM Strategic Cash Fund		20%

While the credit rating framework provides sound risk management structure for a 70% non-FF portfolio, the allowable limits for the BBB long term and A2 short term exposures will likely need to be increased to assist in achieving a 100% non-FF aligned portfolio.

A total portfolio allowance of 100% among A2 short term rated ADIs and at least 30% with any individual ADI would likely be sufficient to give Council room under policy limits to reach 100% with non-FF aligned investments.

Prudent Transition to 100% non-Fossil Fuel

Council has acknowledged the importance of making a prudent transition toward a 100% non-FF investment portfolio.

Complying with global banking regulations, banks no longer allow for the early withdrawal of term deposits without significant interest rate penalty. Therefore, a redistribution of the proceeds from existing FF bank deposits as they mature will continue to be the recommended course of action.

The table below shows Council's current maturity schedule for FF aligned investments:

Monthly progression to 100% non-Fossil Fuel

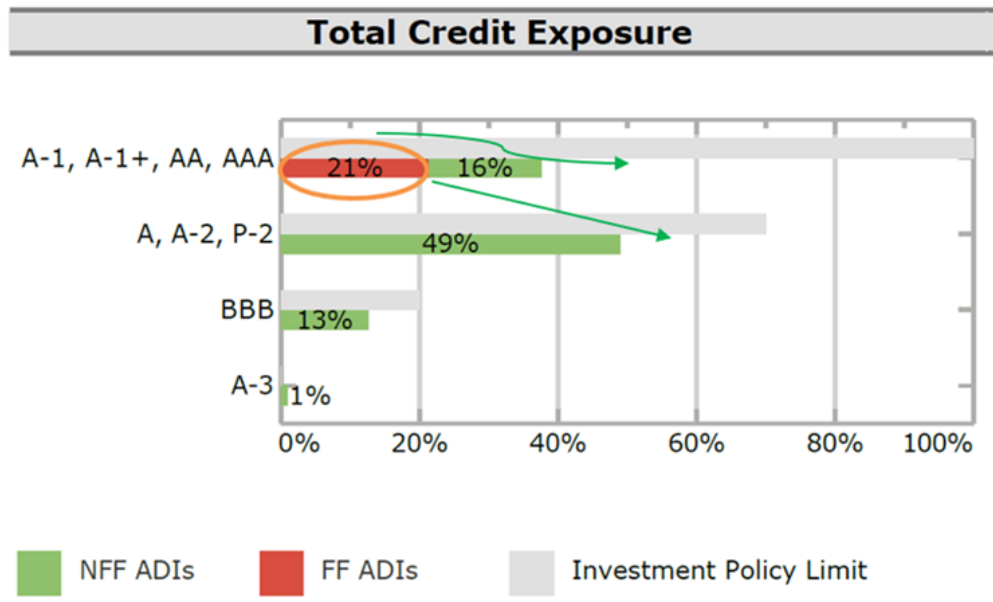
Month ending	FF bank maturities	non-FF bank maturities	Non-FF investment % after redistribution
Nov-17	2,000,000	11,000,000	80%
Dec-17	5,500,000	17,000,000	82%
Jan-18	2,000,000	20,000,000	83%
Feb-18	0	19,000,000	83%
Mar-18	5,000,000	17,500,000	86%
Apr-18	5,000,000	22,000,000	89%
May-18	0	17,000,000	89%
Jun-18	9,000,000	3,000,000	93%
Jul-18	6,000,000	0	96%
Oct-18	2,000,000	0	97%
Nov-18	0	3,000,000	97%
Jan-19	0	2,000,000	97%
Feb-19	3,000,000	0	99%
Apr-19	0	1,000,000	99%
May-19	2,000,000	0	100%

Based on the current investment portfolio, by May 2018 approximately 90% of Council's investment portfolio will be non-FF aligned, providing all reinvestments are distributed among non-FF banks. Likewise, it is estimated that by the end of May 2019 Council can achieve a 100% non-FF investment portfolio when the last existing FF bank term deposit is scheduled to mature.

While achievable under current policy limits, reaching 100% non-FF portfolio would be aided by allowing higher exposure to lower rated institutions, both individually and as a whole, within Council's investment policy.

The circled area below in Council's Total Credit Exposure table shows the remaining 21% of which remains invested with FF aligned banks. As the individual investments that

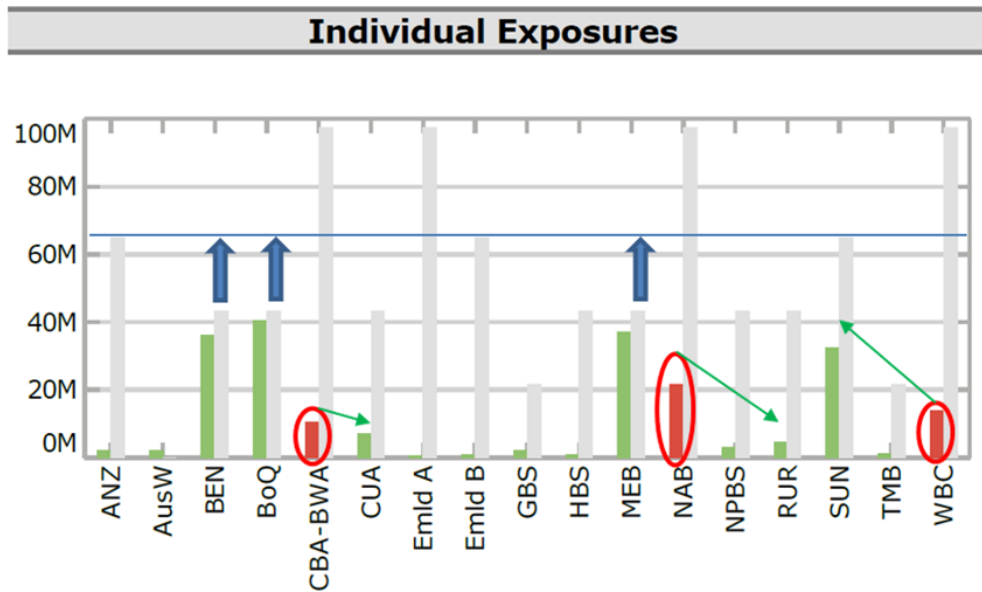
make up the \$40m gradually mature their proceeds can be distributed to non-FF aligned banks in the top two categories as represented by the green arrows and still be within Council's current investment policy limits (grey bars):



As the chart indicates, providing at least a small amount of the FF maturities get reinvested into the top credit rating category (achievable by using Suncorp) the balance can go into A-2 rated banks to reach a 100% non-FF investment portfolio.

Current policy limits were put in place with a target of 70% non-FF. While it is possible to reach 100% non-FF under the existing limits, Council may not be able to secure the most attractive returns available at the time, instead having to opt for less optimal alternatives to ensure policy limit compliance.

By way of example, the graph below shows Council's current exposures with each bank (green bars = non-FF banks) versus policy limits (grey). Council is near its limit with Bank of Queensland, Bendigo and ME Bank, the non-FF banks that currently offer the best rates:



Consequently, under the current policy limits, proceeds of maturing FF deposits (CBA, NAB & Westpac) will have to be directed to banks which may not be offering rates comparable to Bank of Queensland, Bendigo and ME Bank.

At Council's next Investment Policy review, it is recommended to increase the total A2 short-term limit to 100% and individual A2 rated bank exposure to 30%, represented by the blue line above. This will help Council invest more with the non-FF banks that historically offer better rates.

The blue arrows on the chart above show the additional allowance for Bank of Queensland, Bendigo and ME Bank if exposure to A2 rated banks were increased to 30% each.

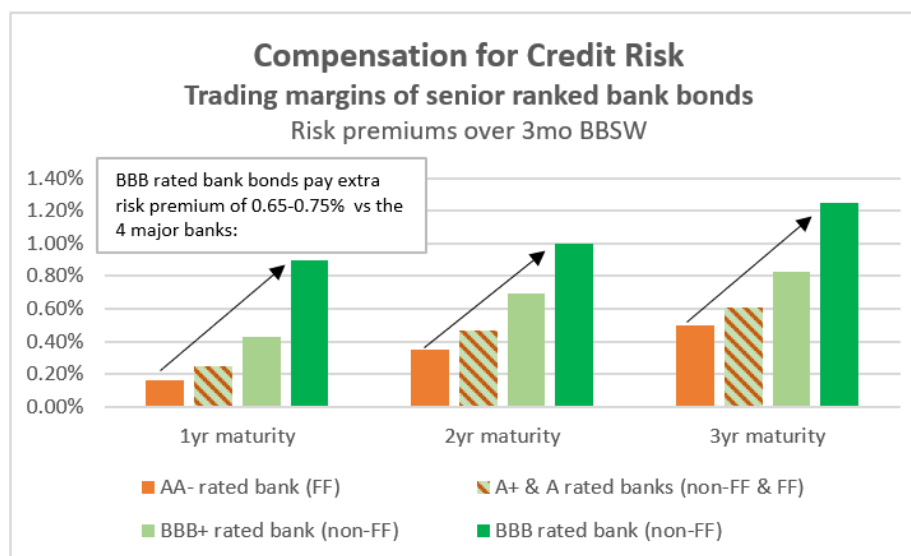
Estimated Expected Returns

Lower rated investments typically provide investors with a higher rate of return as compensation for taking on higher perceived risk. However, since the global financial crisis, interest rates on term deposits from Australian banks have had little correlation with the banks' credit ratings. Over the past several years, term deposit rates from NAB and CBA/Bankwest (FF aligned banks) have been inline with or exceeded those from the lower rated non-FF banks.

This anomaly is slowly reverting to the norm. Current term deposit rates show that the average 3-12 month rates from widely utilised non-FF banks exceed the average FF aligned banks by approximately 0.05 - 0.15%:

		3mos	6mos	9mos	12mos	LT Rating
Fossil-fuel aligned banks						
Bankwest	A1+	2.40	2.45	2.50	2.55	AA-
CBA	A1+	2.18	2.40	2.51	2.55	AA-
NAB	A1+	2.44	2.48	2.48	2.52	AA-
Westpac	A1+	2.20	2.39	2.43	2.53	AA-
AMP (<\$5m total)	A1	2.30	2.40	2.40	2.40	A
ING Bank	A1	1.96	2.28	2.41	2.60	A
Macquarie (<\$1m)	A1	2.15	2.20	2.15	2.35	A
Avg margin above BBSW		0.53	0.47	0.56	0.69	
Non-fossil fuel banks						
Suncorp	A1	2.30	2.55	2.55	2.50	A+
Bank of Queensland	A2	2.40	2.60	2.60	2.60	BBB+
Bendigo/Adelaide	A2	2.25	2.40	2.50	2.55	BBB+
ME Bank	A2	2.47	2.57	2.57	2.60	BBB
Rural Bank	A2	2.32	2.51	2.53	2.55	BBB
Avg margin above BBSW		0.65	0.63	0.70	0.75	

Compared to term deposits, margins offered on bank issued bonds better reflect the underlying investment risk of the banks. The table below shows how much more margin BBB rated banks (typically non-FF) pay on floating rate notes (bonds) versus the AA- rated 4 majors:

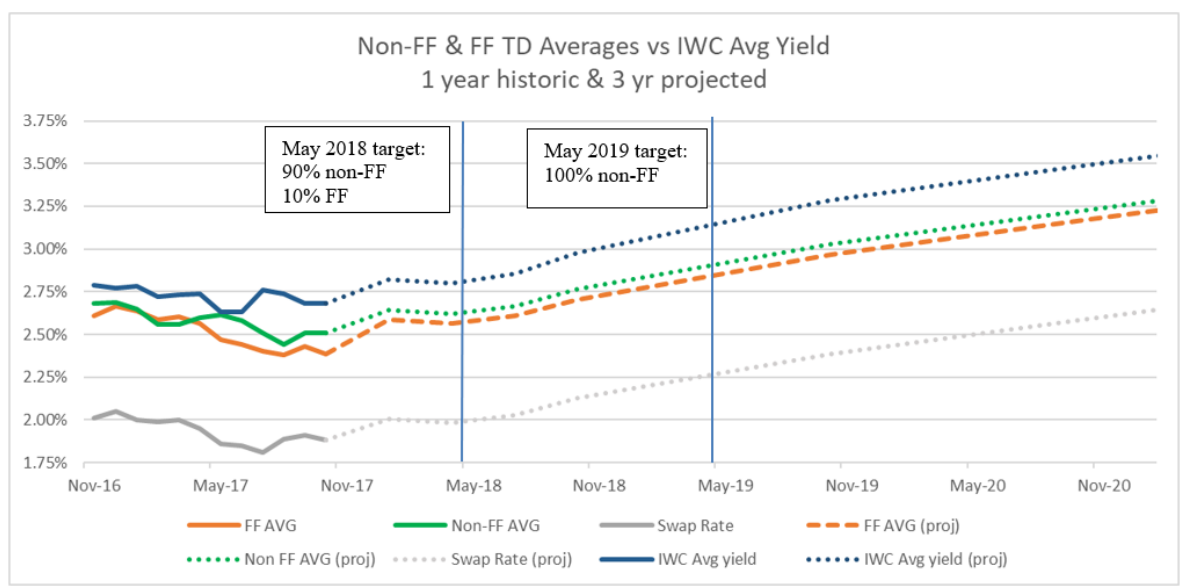


Council has a well diversified portfolio of longer dated bank issued bonds from non-FF banks. In moving toward a 100% non-FF portfolio it is recommended that more of these bonds are utilised as opportunities arise, providing Council's cash flow allows. These have historically provided Council with higher returns on its non-FF exposures versus term deposits from the same bank for the same maturity.

Another non-FF investment option are socially focused bonds, like Council's ANZ "Green" Bond, which the 4 majors occasionally issue. The funds raised by these bond issues are earmarked for sustainable projects. Investors are not directly exposed to the success of the underlying projects and the bonds rank equal to other senior bonds issued by the bank. Consequently, the margins on these types of bonds are in line with those

shown on the previous chart for AA- banks. These will continue to be considered for Council's portfolio as they come to market.

Council's actual returns over the past year have been well above the average FF and non-FF term deposits due to selective exposure to higher yielding deposits and the inclusion of Council's bond holdings. Based on historical margins and forward rate expectations, the chart below shows the projected return of Council's portfolio (blue dotted line) over the next 3 years:



As Council's remaining FF investments mature over the next 18 months, a diversified allocation of non-FF term deposits, bonds and 4-major issued sustainable bonds will be recommended.

Projecting this strategy forward and adjusting for the expected increase in market rates, it is estimated that the average yield of Council's portfolio may be in the 3.15% area by May 2019 when the portfolio hits 100% non-FF and as much as 3.40% by the following year.

The table below shows the estimated returns of the portfolio under various allocation scenarios, including keeping the current weighting unchanged:

Portfolio %: non-FF/FF	Estimated Average Yield % of IWC Portfolio as at:		
	May 2018	May 2019	May 2020
80% non-FF / 20% FF (current)	2.78	3.05	3.30
90% non-FF / 10% FF (approx May 2018)	2.80	3.10	3.35
100% non-FF (approx May 2019)	--	3.15	3.40

Summary

- Inner West Council has taken a leading role within the local government industry in targeting a non-FF aligned investment portfolio. Council is able to show firm results since making the pledge to give preference to non-FF aligned banks.

- A 70% non-FF target was achieved within three months as maturity proceeds from existing FF deposits were reinvested in non-FF banks. Now Council is considering a 100% non-FF investment portfolio.
- Current policy limits were put in place with a target of 70% non-FF. While it is possible to reach 100% non-FF under the existing limits, Council may not be able to secure the most attractive returns available at the time, instead having to opt for less optimal alternatives to ensure policy limit compliance.
- As part of the next Investment Policy review, the allowable limits for the BBB long term and A2 short term exposures is recommended to be increased to assist in achieving a 100% non-FF aligned portfolio.
- Projecting Council's current investment allocation strategy forward and adjusting for the expected increase in market rates, it is estimated that the average yield of Council's portfolio may be in the 3.15% area by May 2019 when the portfolio hits 100% non-FF and as much as 3.40% by the following year.

Disclaimer: The statements and opinions contained in this report are based on currently prevailing conditions in financial markets and are so contained in good faith and in the belief that such statements and opinion are not false or misleading. In preparing this report, Prudential Investment Services Corp has relied upon information which it believes to be reliable and accurate. Prudential Investment Services Corp believes that this report and the opinions expressed in this report are accurate, but no warranty of accuracy or reliability is given. Prudential Investment Services Corp does not warrant that its investigation has revealed all of the matters which a more extensive examination might disclose. This report may not be reproduced, transmitted, or made available either in part or in whole to any third party without the prior written consent of Prudential Investment Services Corp. AFS Licence No. 468145.

Item No: C1117 Item 19

Subject: PENSIONER REBATES

Prepared By: Brendhan Barry - Manager Financial Services

Authorised By: Michael Tzimoulas - Deputy General Manager Chief Financial and Administration Officer

SUMMARY

This report provides Council with summary information on Pensioner rebates and a plan for Council to harmonise its pensioner rebates for the 2018/19 financial year.

RECOMMENDATION

THAT Council:

1. **Receive and note the report; and**
2. **Officers prepare the 2018/19 Domestic Waste Management Charge (as a part of the 2018/19 budget process) based on the former Leichhardt voluntary pensioner rebate model.**

BACKGROUND

At the October 2017 Extraordinary Council meeting, a Notice of Motion requesting information on voluntary pensioner rebates relating to rates. The report also requested a plan to harmonise pensioner rebates. This report provides Council with information of the existing Council rebates relating to rates.

DISCUSSION

Currently, the three former Council's offer varying voluntary pensioner rebates. They are as follows:

- Former Ashfield (\$75) available to all eligible pensioners (including Stormwater);
- Former Leichhardt (DWM and Stormwater charge). To be eligible must be a resident ratepayer for ten years or more. Rebate is applied to Domestic Waste Service charge;
- Former Marrickville (\$92.70) available to all eligible pensioners (including Stormwater).

The pensioner rebate scheme of the former Leichhardt Council is financially the most generous. If Council resolves to increase the Voluntary Pensioner rebate in line with the former Leichhardt approach, this will see a net increase of \$1.9 million of rebates in the form of reduced domestic waste management charges.

Former LGA Area	Marrickville	Ashfield	Total A&M	Leichhardt	Total Inner West
Total Number of Pensioners	3817	2012	5829	1298	7127
Number of Pensioners Greater than 10 years	3224	1601	4825	921	5746
Number of Pensioners Less than 10 years	593	411	1004	377	1381

Of the 5829 pensioners in Ashfield and Marrickville, 83% have lived in the area more than 10 years and would be eligible for the rebate. This would mean that they would receive a rebate of \$536.50 (former Marrickville) and \$350.40 (former Ashfield).

The rebate will need to be recovered as a part of the domestic waste management charge. The average increase to non-pensioners in their domestic waste charge would be an increase between \$23 (Ashfield) and \$46 (Marrickville) based on the individual 2017/18 Domestic Waste Management charges.

For Pensioners who do not meet the tenure criteria, Council will need to determine whether they continue to grandfather the legacy provisions of the former Ashfield (\$75) and Marrickville (\$92.70) until such time as pensioners attain 10 years resident status. This will result in a grandfathered rebate totalling \$86K per annum.

It is recommended that any policy to harmonise voluntary pensioner rebates be included as a part of the 2018/19 Domestic Waste Management Charge and begin from July 1, 2018.

If Council resolves to harmonise voluntary pensioner rebates to the former Leichhardt model, the DWM charge for non-pensioner residents will increase (as mentioned above) to recover \$2.3M of gross pensioner rebates (for former Marrickville and Ashfield residents).

Consequently, \$419K of legacy voluntary pensioner rebate savings will occur as 83% are proposed to be funded via the above DWM levy.

FINANCIAL IMPLICATIONS

\$419K annual savings for Council, however, \$2.3M increased DWM levy to fund harmonized voluntary pensioner rebate.

OTHER STAFF COMMENTS

Nil

PUBLIC CONSULTATION

Not applicable

ATTACHMENTS

1. [↓](#) Pensioner rebate Summary

Former LGA Area	Marrickville	Ashfield	Total A&M	Leichhardt	Total Inner West
Total Number of Pensioners	3817	2012	5829	1298	7127
Number of Pensioners Greater than 10 years	3224	1601	4825	921	5746
Number of Pensioners Less than 10 years	593	411	1004	377	1381
Current Voluntary Pensioner Rebate Rate	\$92.70	\$75.00		\$533.00	
Proposed Voluntary Pensioner Rebate - DWM Rate - Full	\$536.50	\$350.40		\$533.00	
Current Voluntary Pensioner Rebate (\$)	\$353,835.90	\$150,900.00	\$504,735.90	\$490,893.00	\$995,628.90
Proposed Voluntary Pensioner Rebate - DWM (\$)	\$1,729,676.00	\$560,990.40	\$2,290,666.40	\$490,893.00	\$2,781,559.40
Grandfathered Pensioner Rebate	\$54,971.10	\$30,825.00	\$85,796.10	\$0.00	\$85,796.10

Item No: C1117 Item 21
Subject: NOTICE OF MOTION: AFFORDABLE HOUSING FOR THE INNER WEST
From: Councillor Tom Kiat

MOTION:

THAT:

- 1. The General Manager in consultation with the Housing Affordability Strategic Reference Group provide Council a strategic report for the consideration of the community and Councillors (Report);**
- 2. The Report present options on how Council in collaboration with local communities, state and federal governments, and/or non-government organisations, will identify appropriate sites and properties in the LGA for development as affordable housing projects;**
- 3. The Report assess the viability of Council identifying and developing affordable housing projects in partnership with relevant stakeholders and community partners;**
- 4. The Report present options on how Council can create an Empty Dwellings Levy, by which Council would raise funds for affordable housing projects and increase rental supply by imposing a levy on residential properties left empty for an extended period (e.g. by tripling rates on properties left empty for at least 12 months);**
- 5. The Report identify where funds generated by Council's affordable housing projects are directed, and present options as to how such funds can be set aside for spending within Council's affordable housing portfolio;**
- 6. The Report present options on how Council will work toward the following affordable housing targets at 5 and 10 year periods:**
 - a. 30% of all new housing stock in new developments to be affordable housing;**
 - b. 50% of all Crown or Council land that is zoned residential to be affordable housing; and**
 - c. 10% of total housing stock to be affordable housing.**
- 7. The Report should reflect the wide diversity of needs when it comes to housing, including with reference to the life cycle of residents; and**
- 8. The Report should include assessment of the current strategic and staff resources available to deliver identified potential affordable housing initiatives.**

Background

A report be provided to Council to identify options for Council's strategic direction in this area based on identified targets and priorities.

During the Administration period the Council adopted an Affordable Housing policy based on the detailed work of the Housing Officer and consultants engaged by Council. This work produced a report which showed that the market would provide almost no affordable housing

(ie no more than 30% of median household income spent on rent/repayments) in the Inner West.

The existing policy focuses on options for Council to acquire affordable housing units as part of new, large residential developments. At present, the tool available to Council is the voluntary planning agreement, which requires the developer to voluntarily provide Council affordable housing units. Council is in the process of negotiation with the Department of Planning to gain access to a planning tool which would allow Council to require certain developments to provide a small percentage of affordable housing.

These are each useful tools for Council to expand the amount of affordable housing in the Inner West. However there are other tools available that Council should investigate:

- Almost 10% of dwellings in the Inner West were empty according to the most recent Census data. Council should investigate how it could encourage these to be put to market and build affordable housing fund through a levy imposed on dwellings left empty for an extended period.
- Council should work with communities, community housing providers, and/or other stakeholders to consider appropriate sites and properties for development as affordable housing projects.
- Council should identify best practice policies and tools in municipal/city governments nationally and internationally for possible adaptation in the Inner West.

ATTACHMENTS

Nil.

Item No: C1117 Item 22
Subject: NOTICE OF MOTION: ENSURING AN AFFORDABLE, QUALITY EARLY EDUCATION AND CHILDCARE PLACE FOR EVERY CHILD
From: Councillor Tom Kiat

MOTION:

THAT:

1. The General Manager provide Council an early education and childcare (EEC) strategic report (Report) for the consideration of the community and Councillors;
 2. The Report include an analysis of current and projected EEC supply and demand for Council residents;
 3. The analysis of current and projected EEC supply to include assessment of cost, location, service type, and number of places. This analysis should include a breakdown by operator type (ie Council, community and private); and
 4. The analysis of current and projected EEC demand to include assessment of number and type of places required, accessibility and affordability issues, preferred location of services, and community preference by operator type (ie Council, community or private).
-

Background

The relevant officer to prepare a strategic report on the supply and demand for early education and childcare within the LGA for Council.

Ensuring accessibility to affordable, quality early education and childcare (**EEC**) is recognised by our community as a key responsibility of Council. There has been no comprehensive supply/demand analysis for the amalgamated Council, with the most recent analysis the 2013 report commissioned by Leichhardt Council. That report found that parents wanted more affordable and Council or community operated services within walking distance from their home. An up to date, comprehensive needs analysis for the entire LGA is necessary in order that Council can set its strategic direction in this important area of service.

ATTACHMENTS

Nil.

Item No: C1117 Item 23
Subject: NOTICE OF MOTION: RAINBOW TUNNEL
From: Councillor, Anna York

MOTION:

THAT the pedestrian underpass at Phillip St Enmore be repainted and maintained by Council in rainbow colours, in recognition of those in our community who led and supported the marriage equality campaign, and the many residents who decorated their homes and workplaces in support of marriage equality.

Background

The pedestrian underpass tunnel at Phillip St Enmore is maintained by Council with regular painting, and is the site of graffiti and tagging.

The tunnel was painted in the colours of the rainbow flag by local community members in September in support of the marriage equality campaign.

The rainbow tunnel was well-received by local residents who embraced both the look and the message of the rainbow flag colours in the underpass.

In late October, the rainbow was re-painted white as part of Council's regular anti-graffiti maintenance.

ATTACHMENTS

Nil.