



INNER WEST COUNCIL

ELECTRONIC ATTACHMENTS

for

BUSINESS PAPER

6.30PM, TUESDAY, 10 DECEMBER, 2019

Item 5 Planning Proposal - 245 Marion Street, Leichhardt

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ATTACHMENT 1 – COUNCIL OFFICERS' ASSESSMENT REPORT**1. BACKGROUND**

On 18 September 2019, Council received a planning proposal application from P & C Consulting Pty Ltd, for 245 Marion Street, Leichhardt (the 'site'). The planning proposal (refer to **ATTACHMENT 3**) seeks to amend *Leichhardt Local Environmental Plan 2013* (LLEP 2013) by including a local provision to facilitate a mixed use development including residential accommodation and a minimum of 5,200sqm of non-residential floorspace, while retaining the IN2 Light Industrial zoning. The non-residential GFA is to comprise a minimum of 3,200sqm of light industrial uses with the remaining to include a childcare centre, health service facilities, restaurant, café or shops. The planning proposal also seeks to increase the FSR from 1:1 to 3:1 and introduce a maximum height of building of 30m for a mixed-use development.

No meetings were sought by the proponent to discuss the merits of the proposal prior to lodgement. The submitted planning proposal was not accompanied by site-specific DCP provisions as encouraged by Council's Planning Proposal guidelines.

A previous planning proposal for the site was submitted to the former Leichhardt Council on 14 August 2014. The proposal sought to rezone the site from IN2 Light Industrial to either R1 General Residential zone or an unspecified business zone, increase the FSR from 1:1 to 3.3:1 and introduce a new building height control of 50m to facilitate a 15 storey residential development. No site specific DCP controls were proposed.

On 25 November 2014, former Leichhardt Council resolved to not support the planning proposal due to the loss of industrial land and lack of strategic and site-specific merit.

The proponent subsequently submitted a pre-Gateway review application (now known as a Rezoning Review) to the former Department of Planning and Environment. On 20 November 2015, the Department determined the application did not have sufficient merit to proceed to Gateway.

2. THE SITE AND SURROUNDING

The rectangular site is oriented north-south with frontages of 40 metres to Marion Street and 35 metres to Walter Street and an approximate total area of 5,210sqm (refer to **Figures 1 and 2**). Primary access to the site is from Marion Street, with secondary access from Walter Street. The site is occupied by a one storey, brick, post 1940s industrial building with saw tooth roof, currently used by a car repair business.

The surrounding locality is predominately characterised by one and two storey residential dwelling houses. Adjoining the eastern boundary is a 2-3 storey seniors housing development. Lambert Park is located to the south of the site and the Inner West light rail line runs adjacent to the western boundary, atop an embankment, with Marion light rail stop adjoining the site. Hawthorne Canal Reserve and the GreenWay are located to the west of the light rail corridor. The site is located approximately 350m from Leichhardt Marketplace.

Following the light rail corridor, 67-73 Lords Road, Leichhardt and the Canal Road Film Centre are located 230m south and 800m north of the site, respectively. 67-73 Lords Road accommodates a range of light industrial and commercial uses including warehousing/storage, small scale manufacturing including furniture and joinery businesses as well as a private art school, 'Art Est Art School and Gallery'. The Canal Road Film Centre accommodates multiple businesses related to the film production industry.

The site is located in the vicinity of a local heritage item (I655), comprising a 'former house, including interiors', located at 20-22 Foster Street, Leichhardt. This heritage item is currently utilised as a child care centre. Haberfield Heritage Conservation Area (HCA) is located to the west of the Inner West light rail corridor.

The site is identified as a flood affected lot under Leichhardt DCP 2013.



Figure 1 - The site (within red boundary)

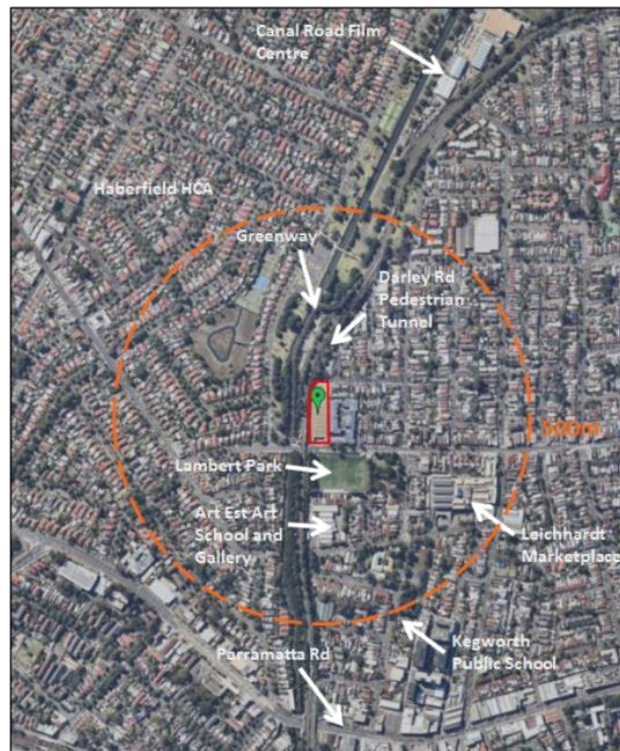
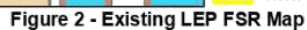


Figure 2 – Local context of the site

3. CURRENT PLANNING CONTROLS

Leichhardt Local Environmental Plan 2013

Figures 3 and 4 show the zoning and FSR maps as they apply to the site.



4. KEY FEATURES OF PLANNING PROPOSAL

The Planning Proposal seeks to amend LLEP 2013 by introducing a site-specific additional local provision to Part 6 to:

- allow residential accommodation as part of a mixed-use development that includes a minimum GFA of 5,200m² of non-residential uses, including:
 - a minimum of 3,200m² of uses permissible in the IN2 Light Industrial zone
 - a maximum of 2,000m² of childcare centre and health service facilities
 - a maximum of 250m² of restaurant, café or shops
- increase the maximum FSR from 1:1 to 3:1 for mixed-use development;
- introduce a maximum height of building of 30 metres (approx. 8 storeys) for mixed-use development;
- remove application of Clause 6.9 to the site (under Clause 6.9, consent can be granted to office and business premises if Council is satisfied that the development will be used for creative purposes);
- amend the Key Sites Map (Sheet 2) to identify the site (to be referenced in the additional local provision).

Proponent's proposed concept design plans are contained in **ATTACHMENT 4**.

5. ASSESSMENT

Part 3 of the Department of Planning, Industry and Environment's '*A Guide to Preparing Planning Proposals*' outlines questions to be addressed when justifying a planning proposal. The questions consider consistency with state and local government plans including the Region Plan, the District Plan, State Environmental Planning Policies, local strategic and community plans, applicable Ministerial Directions and other planning considerations. Council officers have assessed the subject planning proposal and supporting documentation against the questions contained in Part 3 of the Guide.

5.1. Section A – Need for the planning proposal

- *Is the planning proposal a result of an endorsed local strategic planning statement, strategic study or report?*

The planning proposal is not the result of an endorsed Local Strategic Planning Statement (LSPS), strategic study or report. The Inner West LSPS is currently a draft, having been exhibited from 23 September to 27 October 2019.

The Planning Proposal acknowledges the above and cites consistency with the "recent rezoning of 469-483 Balmain Road, Lilyfield" and achievement of the intent of Council's local planning strategies, including the Industrial Lands Study (2014) and Leichhardt Industrial Precinct Planning Report (2016) as reasoning.

This justification is flawed for the following reasons:

- The proposed amendment for 469-483 Balmain Road, Lilyfield has not been approved for gazettal. It is under consideration by the Sydney Eastern City Planning Panel, having recently been exhibited. The Greater Sydney Commission's Information Note (SP2018-1) permits this planning proposal to proceed to Gateway as it was submitted prior to the adoption of the District Plans and was referred to and supported by the relevant Sydney

District Planning Panel. The Information Note directs that any planning proposals regarding the change of use of industrial and urban services land submitted after the adoption of the District Plans are to consider the 'retain and manage' approach set out in the relevant District Plan.

- The planning proposal is inconsistent with the Leichhardt Industrial Lands Study (2014) and Leichhardt Industrial Precinct Planning Report (2016). The planning proposal is contrary to the Study's recommendation to protect industrial lands in the former Leichhardt LGA. This is discussed in detail below.

The planning proposal is not a result of a Council endorsed LSPS, strategic study or report and as such fails this criterion.

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

The objective of the Planning Proposal is to facilitate the redevelopment of 245 Marion Street, Leichhardt in a manner that will increase employment and housing opportunities. The Planning Proposal outlines three options that were considered to facilitate the objectives and intended outcomes:

Option 1 – Do nothing;

Option 2 – Re-develop the site with an industrial development; or

Option 3 – Seek to amend Part 6 – Additional Local Provisions of the LEP to facilitate the development of a mixed-use development (preferred option).

The proponent notes that Option 3 was deemed the most appropriate means of achieving the desired future redevelopment.

The Planning Proposal does not demonstrate sufficient merit to justify the objectives and intended outcome. The existing zoning and controls should be retained to help maintain the supply of industrial lands in the LGA, the Eastern City District and the broader Sydney.

5.2. Section B – Relationship to strategic planning framework

- *Will the planning proposal give effect to the objectives and actions of the applicable regional, or district plan or strategy (including any exhibited draft plans or strategies)?*

The planning proposal has been considered in relation to the Greater Sydney Region Plan – A Metropolis of Three Cities (Region Plan) and Eastern City District Plan (District Plan), which were adopted in March 2018. The planning proposal's inconsistency with the Region Plan and District Plan is discussed below.

Direction: A city for people

Objective 6 – Services and infrastructure meet communities' changing needs

Planning Priority E3 – Providing services and social infrastructure to meet people's changing needs

The planning proposal is supported by a Voluntary Planning Agreement (VPA) offer that includes affordable housing, monetary contribution to Lambert Park and a new pedestrian through-site link between Marion Street and Walter Street. However, the proposed public benefit is considered insignificant and inconsistent with Council's Affordable Housing Policy. This is discussed in detail later in the report.

Given the above, the planning proposal is inconsistent with this priority as it provides inadequate public benefit and affordable housing.

Objective 9 – Greater Sydney celebrates the arts and supports creative industries and innovation

The proposed industrial floor space is physically constrained – located within a basement, without natural light and ventilation and with restricted vehicular access, floor to ceiling heights and floor plates. This, together with the proposed introduction of non-industrial uses to the site, will restrict the uses that can locate on the site, including creative industries. The site is in a contiguous line with the Art Est art school to the south and the Canal Road film studios and other creative uses to the north. Further affordable spaces for relatively dirty making and fabrication are required in the area including sculpture, prop making and other industrial scale creative uses. In contrast, the tailored nature of the proposed floor space and introducing additional uses will remove opportunities for creative industries.

Direction: Housing the City

Objective 10 – Greater housing supply

Objective 11 – Housing is more diverse and affordable

Planning Priority E5 – Providing housing supply, choice and affordability, with access to jobs, services and public transport

The planning proposal claims that it is consistent with this priority as it introduces additional housing, comprising a mix of apartment types, and contributes to the housing target for the Inner West. However, the gap analysis in Our Inner West Draft Housing Strategy indicates Council is currently on track to meet and exceed the District Plan housing target of 5,900 dwellings by 2021 and is well positioned to accommodate future dwelling targets to 2036.

The proposal seeks to provide housing in a location identified as unsuitable under Council's draft Local Housing Strategy and provides insufficient affordable housing. Accordingly, the planning proposal is inconsistent with the relevant objectives and priorities.

Direction: A city of great places

Objective 12 – Great places that bring people together

Planning Priority E6 – Creating and renewing great places and local centres and respecting the District's heritage

This priority outlines the principles for local centres which includes the need to protect or expand employment opportunities. It also highlights that although locating housing close to public transport creates walkable centres, housing should not compromise a centre's primary role to provide goods and services, and the opportunity for the centre's employment function to grow and change over time.

The planning proposal is inconsistent with this priority as it proposes sensitive uses that may compromise the viability and future function of the Marion Street Industrial Precinct, and encourages out-of-centre retail and commercial spaces. In addition, the planning proposal is inconsistent with Council's draft Local Housing Strategy and draft Employment and Retail Land Strategy and Study.

The proposed built form would substantially detract from the prevailing local character due to its excessive bulk and scale, visual impact, overshadowing and overlooking. This is at odds with the principle of delivering great places that are walkable and of high amenity with a fine-grain urban form.

Direction: A well-connected city

Objective 14 – A Metropolis of Three Cities – integrated land use and transport creates walkable and 30-minute cities

Planning Priority E10 – Delivering integrated land use and transport planning and a 30-minute city

The proposal will remove capacity to increase the provision of industrial and urban services floor space on the site as well as the potential to adapt as demands for this floor space change and new uses emerge. As population increases in line with the identified targets, restricting the ability of the site to address changing and growing needs will potentially compromise delivery of the 30-minute city.

Direction: Jobs and skills for the city

Objective 22 – Investment and business activity in centres

Planning Priority E11 – Growing investment, business opportunities and jobs in strategic centres

The Region Plan establishes a three-level hierarchy of centres – metropolitan, strategic and local – to manage investment and business activity in Greater Sydney. The subject site is located approximately 350m from Leichhardt Market Place shopping centre, which is identified as a 'Local Centre' important for access to day-to-day goods and services.

Planning Priority 11 includes principles for managing local centres. It states that the management of these centres is best considered at the local level and should be informed by a place-based strategic planning process. The planning proposal is inconsistent with Council's draft ERLS, in particular the centre hierarchy, as well as Council's draft Local Strategic Planning Statement. This is discussed in detail below.

The proposed development encourages out-of-centre retail and commercial growth on existing industrial and urban services land. This will not only negatively impact the viability and future function of an industrial zoned site to provide day-to-day urban services, but also locate retail and commercial activity away from an existing local centre.

Objective 23 – Industrial and urban services land is planned, retained and managed

Planning Priority E12: Protecting industrial and urban services land

The Region Plan and District Plan include the following principle to manage industrial and urban services land for the Eastern City District:

"Retain and manage: All existing industrial and urban services land should be safeguarded from competing pressures, especially residential and mixed-use zones. This approach retains this land for economic activities required for Greater Sydney's operation, such as urban services. Specifically, these industrial lands are required for economic and employment purposes. Therefore the number of jobs that support the city and population should not be the primary objective rather a mix of economic outcomes."

Both the Region Plan and ECDP outline the importance of retaining a sufficient supply of industrial and urban services land. This is needed to provide local support services for the community and accommodate evolving population-serving employment uses as well as maintaining downward pressure on land values. To relinquish industrial sites is costly in the long term as it cannot be converted back. This warning is reinforced in the Greater Sydney Commission's thought leadership paper, 'A Metropolis that Works'.

The Plans also acknowledge the value of smaller industrial precincts in the Eastern City District. While these precincts may appear to be only a small part of the industrial land supply, they are important for accommodating urban services and creative industries.

The planning proposal is inconsistent with the 'retain and manage' approach as it introduces competing land uses on an existing industrial site. Although it seeks to retain the industrial zoning and provide a minimum GFA for IN2 uses, the proposed residential accommodation, commercial and retail spaces would undermine the long term function and viability of the existing industrial site and preclude the future expansion of industrial uses.

On 5 October 2018, the Greater Sydney Commission (GSC) released an Information Note (SP2018-1). The Information Note is prepared to assist planning authorities with their assessment of planning proposals that relate to areas covered by the 'retain and manage' approach. It states that the **'retain and manage' approach prevails over other District Plan objectives relating to delivery of housing or retail floor area.**

'A Metropolis that Works' cautions that allowing additional permitted uses would impact on the long term productivity of industrial and urban services land. It advises that a "no regrets" approach is required in any decisions affecting industrial and urban services land, with the ramifications of any displacement of activity fully understood and strategically managed".

The proposal to facilitate a mixed use development on the site could potentially undermine the site's long term industrial function. Therefore, the planning proposal is considered inconsistent with the relevant Region Plan and District Plan objectives.

Direction: A city in its landscape

*Objective 27 – Biodiversity is protected, urban bushland and remnant vegetation is enhanced
Planning Priority E15 – Protecting and enhancing bushland and biodiversity*

The site is located in a 'biodiversity corridor', identified as 'supporting habitat' and 'supporting area'. This is a reflection of its location adjacent to the GreenWay corridor. The proposal shows a nil setback to the western boundary which would adversely impact delivery of the ecological objectives for the corridor as identified in the GreenWay Masterplan, including enhancing biodiversity, protection of remnant vegetation and creating habitat.

- *Will the planning proposal give effect to a council's endorsed local strategic planning statement, or another endorsed local strategy or strategic plan?*

Our Place Inner West Draft Local Strategic Planning Statement

Council's draft Local Strategic Planning Statement (LSPS) guides land use planning and development in the area to 2036 and provides the link between the Eastern City District Plan and priorities of Council's Community Strategic Plan. Council's draft LSPS was exhibited from 23 September to 27 October 2019.

The draft LSPS identifies that new out of centre mixed use areas in business and industrial zones have the potential to threaten the viability of existing centres, employment, urban services and productive uses.

As per the strategy, projections, based on recent trends, indicate that by 2036 an additional 316,000sqm of gross floor area will be needed to accommodate industries and businesses in the employment lands. One of the key uses of the employment lands in the Inner West is the provision of essential urban services for local residents. It is important to protect these areas from competing land uses in order for the local population's needs to continue to be met.

The planning proposal is considered inconsistent with the following priorities and actions of the draft LSPS:

- **Planning Priority 6:** Plan for high quality, accessible and sustainable housing growth in appropriate locations integrated with infrastructure provision and with respect for place, local character and heritage significance.
 - **Action 6.1** - Implement the Local Housing Strategy including protecting the heritage and character values of the Inner West.
- **Planning Priority 9:** A thriving local economy
 - **Action 9.1:** Implement the Employment and Retail Lands Strategy

The planning proposal is inconsistent with Council's draft Local Housing Strategy and draft Employment and Retail Land Strategy and therefore does not align with the draft LSPS.

Our Inner West Draft Local Housing Strategy

Council's draft Local Housing Strategy is an evidence-based study that identifies suitability for housing development across the LGA, and types of housing that might be delivered. This draft Strategy was publicly exhibited from 23 September to 27 October 2019.

The Eastern City District Plan specifies a 5-year housing target of 5,900 dwellings for the Inner West LGA between 2016 and 2021. The subject planning proposal states that "Council is just falling short of their current five year target" (p.29), comparing recent building approvals in Inner West with the housing supply targets. However, the following deficiencies have been identified in the presented argument:

- the source of the data has not been provided, therefore it's veracity cannot be confirmed;
- the data only focuses on building approvals and does not consider new dwellings expected to be delivered through planning proposals or through current planning controls;
- The average housing target rate in the data sets an unrealistic expectation that new housing should be delivered at a flat rate and fails to consider housing market fluctuations.

In contrast to the Proponent's findings, Council's draft Housing Strategy (p.53) indicates that expected new dwellings in the Inner West LGA can sufficiently meet the 5-year housing target of the District Plan. Based on Council's data from a two-year period between July 2016 and June 2018, Inner West approved 3,620 dwellings. By considering projected growth for the next two years in the form of dwellings expected to be approved between 2019 and 2021 under current planning controls, Inner West has the capacity to accommodate another 2,047 new dwellings. Additionally, 1883 dwellings are expected to be delivered via private planning proposals that have been recently gazetted or are progressing (subject to merit testing under the planning proposal process). Therefore, the likely number of dwellings to be delivered in the Inner West is 7,550 between 2016 and 2021, which exceeds the 5-year housing target.

Council has also received a letter from the Greater Sydney Commission which confirms that Council is on track in meeting the minimum 5 year target:

"The DPE's housing supply forecast confirms that Inner West Council's housing supply is on track to deliver 5,790 new dwellings between 2016/17 to 2020/21 which is close to the minimum 0-5 year target of 5,900. This has been established by adding completions from July 2016 - September 2018 and a pro-rata of DPE's housing supply forecast from 2017/18 - 2021/22 (5,400 dwellings)."

The draft Housing Strategy has carried out longer term investigation into areas identified suitable to accommodate new housing from 2026. The Leichhardt Marketplace/Marion Street Precinct (which does not include the subject site) can potentially deliver 300-700 dwellings. The draft Housing Strategy also identifies the industrial land at Lords Road and Marion Street (the subject site) as imperative for the provision of urban services for these dwellings.

The planning proposal is inconsistent with Council's draft Housing Strategy.

Draft Inner West Employment and Retail Lands Strategy and Study

The draft Inner West Employment and Retail Lands Strategy (ERLS) and supporting Study provide an evidence based approach to managing employment lands and commercial centres in the LGA. The planning proposal was lodged before the draft ERLS and supporting Study were placed on exhibition from 23 September to 27 October 2019.

The planning proposal is inconsistent framework for the IN2 zone recommended in the draft Study:

- Protect remaining industrial zones;
- Prohibit all forms residential accommodation;
- Remove the additional local provision that permits office and business premises for creative uses in industrial zones;
- Incorporate an additional local provision that specifies the extent of space that can be used for restaurants and cafes in artisan food and drink premises; and
- Prohibit specialised retail premises.

The capacity analysis in the draft Study found that most industrial precincts in the Inner West are unable to accommodate future demand. Marion Street industrial precinct is identified to have a shortfall of industrial and urban services floor space of between 25,095sqm and 36,612sqm (p.202).

The draft Study (pp.200-203) recommends the IN2 zoning of the subject site be retained and a position established of no additional permitted residential uses. It identifies that future increases in commercial and residential floor space on the Leichhardt Marketplace site reinforces the need for urban services in the locality.

The planning proposal is inconsistent with relevant strategies and actions in the draft ERLS as outlined below:

Table 1: Assessment of proposal against Council's draft ERLS	
Strategy and Actions	Council Officer Comments
<p>Strategy 1.1: <i>Establish a clear retail centre hierarchy across the LGA</i></p> <p>Action 1.1.1: <i>Adopt the recommended retail centre hierarchy as defined in Table 3</i></p> <p>Action 1.1.3: <i>Enhance the vibrancy of town and local centres by:</i></p> <ul style="list-style-type: none"> • <i>Discouraging growth of out-of-centre retail and stand-alone shopping centres</i> 	<p>Inconsistent</p> <p>The proposal includes a maximum of 2,000sqm of commercial space (business and office premises, child care or health care services) and a maximum of 250sqm of retail, restaurants or cafes. The introduction of new commercial and retail floor space on the site encourages out-of-centre retail growth and does not support the existing stand-alone shopping centre, Leichhardt Marketplace, which is approximately 350m from the site.</p> <p>The Proponent's supporting Economic Impact Assessment (refer to ATTACHMENT 5) fails to consider or address the impacts associated with locating commercial and retail space away from established centres.</p> <p>The proposed retail and commercial growth as sought by the proposal is contrary to the desired future role and function of centres in the Inner West as indicated in the draft ERLS Strategy.</p>
<p>Strategy 1.2: <i>Build on the existing and evolving roles and functions of employment precincts to strengthen the local economy</i></p>	<p>Inconsistent</p> <p>The planning proposal limits the flexibility of the site to respond to future changes in industrial uses and, by allowing residential above, it effectively 'caps' the industrial site, precluding future adaptability and intensification.</p> <p>The draft ERLS identifies that future space must</p>

	be flexible to anticipate unknown new sectors and 'disruptors'.
<p>Strategy 1.5: Support and encourage the establishment of new enterprises in the Inner West:</p> <p>Action 1.5.4: Support the growth of targeted industry sectors as outlined in the Eastern City District Plan, including: urban services, specialised food manufacturing, logistics and other uses associated with the airport and Port Botany, the cultural and arts sector, night-time economies in appropriate centres, council depot/s and the establishment of an organic recycling centre, biotechnology and innovation industries in Camperdown.</p>	<p>Inconsistent</p> <p>As discussed previously, the District Plan states that all existing industrial and urban services land should be safeguarded from pressures, especially residential and mixed use. The retention of this land supports economic activities required for Greater Sydney and enables accommodation of evolving employment uses and urban services that benefit the local community.</p> <p>The planning proposal limits the provision of industrial and urban services on an IN2 zoned site by introducing additional uses, including residential accommodation, that would essentially push up land value, create reverse amenity impacts and displace industrial activity.</p>
<p>Strategy 3.1: Retain a diversity of industrial land, urban services land and employment generating uses</p> <p>Action 3.1.1: Adopt a clear position statement that there is to be no rezoning of industrial land.</p>	<p>Inconsistent</p> <p>The proposal does not rezone IN2 land and retains a minimum GFA (which corresponds with the existing floor space currently used by the vehicle repair and service centre) for uses permissible in the IN2 zone, however the proposed additional uses will introduce competing pressures and limit the flexibility of the site to intensify and expand its industrial function in the future.</p>
<p>Strategy 5.1: Provide certainty and clarity to businesses</p> <p>Action 5.1.1: Consolidate the provisions associated with employment lands into one Local Environmental Plan including amending the zoning and permissibility framework for consistency and to preserve industrial land. Priority recommendations include:</p> <ul style="list-style-type: none"> prohibit residential accommodation in IN1 General Industrial, IN2 Light Industrial, B5 Business Development, and B6 Enterprise Corridor zones 	<p>The planning proposal seeks to introduce residential accommodation to an existing IN2 zoned site which has the potential to create future reverse amenity impacts and displace industrial activities. The planning proposal does not adequately preserve and protect industrial land in the Inner West LGA.</p>
<p>Strategy 5.2: Manage land use conflicts between employment land and residential uses</p> <p>Action 5.2.1: Uses that are sensitive to impacts generated from noise, odour, dust, vibration, heavy vehicle traffic and/or 24 hours operation should not be permissible in industrial zones.</p> <p>Action 5.2.3: Investigate incorporating an</p>	<p>The planning proposal introduces a number of sensitive uses (health services, child care and residential accommodation) on land zoned industrial. SGS's strategic advice (discussed in detail in Section 5.3) concluded that the building typology proposed is more appropriate in a B4 or residential zone where urban services with low impact qualities could be considered as alternative ground floor (and basement) uses in</p>

<i>additional local provision that would require new development to demonstrate compatibility with nearby industrial uses (see agent of change principle - Action 1.4.6).</i>	mixed-use precincts. The proposed residential accommodation may create reverse amenity impacts, leading to conflict with and displacement of industrial activities.
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Under Clause 6.9 of LLEP 2013, consent can be granted to office and business premises if Council is satisfied that development will be used for creative purposes. The Planning Proposal seeks to switch off Clause 6.9 for the site, so as to allow all types of office and business premises. Conversely, the draft Study highlights that the existing clause has the potential to undermine the intent of the industrial zone and reduce the supply of land for traditional industrial uses. The draft Study recommends that Council investigate how the clause might be amended to address this issue and consider incentives for creative office and business premises to locate in business zoned areas. Amending LLEP 2013 to exclude 245 Marion Street from Clause 6.9 and expand the range of office and business premises that can locate on the IN2 zoned site would be inconsistent with the direction recommended by the draft Study.

Leichhardt Industrial Lands Study (2014)

The *Leichhardt Industrial Lands Study* (2014), undertaken for the former Leichhardt Council by SGS Economics and Planning (SGS), recommended protection and intensification of industrial sites in the local area due to a shortage of industrial land at the sub-regional level. The Study was endorsed by the former Leichhardt Council on 10 February 2015.

The Study forecast that there would be a shortfall of between 7,570m² and 54,965m² of floor space in the existing industrial areas by 2036. It identified the following activities as having persistent or growing demand for Leichhardt's industrial land:

- Population serving industry
- Urban manufacturers
- CBD 'backroom' operations
- Creative industries

The Study recommended that:

- all of Leichhardt's industrial lands be retained and protected from rezoning;
- additional industrial floor space be provided through intensification of existing precincts; and
- Council's planning controls be revised to facilitate the protection and growth of industrial precincts.

The planning proposal claims that it is consistent with the study because it is:

- *Retaining the IN2 zone;*
- *Increasing the employment floor space achievable within the IN2 zoned land by facilitating a multi-storey commercial development which utilises basement area for traditional light industrial uses and complements this with other compatible employment uses within the podium; and*
- *Protect and enhance existing urban services (i.e. auto repair services) by imposing minimum light industrial floor space requirements on any mixed-use redevelopment of the site.*

However, the planning proposal fails to address inconsistency with the following relevant recommendations and actions of the study:

Recommendation 1: Acknowledge the role and function of key industrial precincts

Action 1.1 Refuse any proposal to rezone land from Council's small pool of industrial land within any of the industrial precincts

Recommendation 2: Develop a profile and plan for each industrial precinct

Action 2.3 Facilitate intensification of existing precincts, where possible, to make better use of the LGA's existing industrial land supply

Recommendation 4: Ensure adequate provision of industrial land for population-serving industries

Action 4.1 Maintain current provision of IN2-zoned land

Action 4.2 Provide an additional 33,909 sqm of IN2 floor space by 2036

Although the proposal retains the IN2 zoning and makes provision for the existing industrial use, the introduction of residential, retail and commercial uses would constrain the site's ability to intensify its industrial function in the future.

Despite the broader trend of industrial land uses moving to the city's western edge, the Study highlights that certain industrial and employment uses need to be located throughout urban areas due their local population-serving function. Taking into account future population growth, there will be further demand for population-serving industries which makes it vital for the protection of the site as industrial and urban services land.

The planning proposal is inconsistent with this Study as it does not facilitate intensification of an existing industrial precinct and protect population-serving industrial land.

Leichhardt Industrial Precinct Planning (2016)

SGS Economics and Planning (SGS) was commissioned by the former Leichhardt Council in 2015 to undertake a second phase of investigation into Leichhardt's industrial precincts. This report provides guidance for Council to make informed decisions in the future planning and management of employment and industrial lands.

The Report identified four key issues impacting former Leichhardt's industrial precincts:

1. There is a shortage of industrial land at a subregional level.
2. There is a shortage of local services within Leichhardt.
3. There is a need to provide sufficient floor space and appropriate built form configurations to support emerging uses.
4. Industrial precincts are under threat from other uses.

Using select precincts, feasibility testing was undertaken for three development scenarios: industrial only, industrial + commercial, and industrial + commercial + residential. To arrive at recommendations for the future planning of Leichhardt's industrial precincts, the development options were assessed through a Multi-Criteria Analysis (MCA) framework. This framework brought together the findings of feasibility modelling, urban design assessment and policy/strategy assessment. The purpose of the MCA was to determine which option would most appropriately address the forecast industrial floor space deficit. The risks that each development scenario presented to a precinct or the overall supply of industrial floor space were then considered. The consequences of allowing residential development on industrial land were surmised as follows:

"The introduction of residential development brings with it extremely high risks of precinct fragmentation and land use conflicts that will significantly limit the ongoing function of the precinct. The extreme end of this scenario is that within a relatively short period of time, the pressure of residential will lead to the complete loss of precincts."

The recommendation of the Report for the Marion Street precinct was to retain the IN2 zoning and actively protect against future development or adjacent development that may lead to land-use conflicts. Conversely, the planning proposal seeks to introduce additional land uses which have the potential to conflict with the industrial and urban service role of the site and adversely impact its functionality and adaptability.

Inner West Draft Economic Development Strategic Plan

The purpose of the draft Economic Development Strategic Plan (EDSP) is to guide the growth of the Inner West's economy for the next three years. The EDSP was publicly exhibited from 23 September to 27 October 2019.

Priority 1 – Making the Inner West a hub for economic and employment growth. In relation to this priority, the EDSP outlines the following direction:

“Protecting and enhancing the economic base provided by our industrial and employment lands is fundamentally important to supporting our local economy...”

“Continuing pressure to convert employment lands to residential uses threatens the viability of local industrial and urban services and creates a vacuum of commercial activity that will impact on economic growth and the diversity of employment in the area that helps define our local character. Current issues include fragmented commercial space and a lack of retail anchors due to the small retail floor space that many developers favour. To address this Council will continue to retain and manage industrial and urban services through supporting provisions in its new Inner West Local Environmental Plan and undertaking a strategic review of industrial lands.

The new Local Environmental Plan will seek to deliver a framework that will safeguard the area's employment and industrial lands from competing pressures and support local employment and diversity of economic development.”

The planning proposal is inconsistent with the draft EDSP as it introduces competing pressures to an existing industrial site and encourages out-of-centre retail and commercial growth.

Draft Integrated Transport Strategy – ‘Going Places’

The draft Inner West Integrated Transport Strategy provides a high level framework to evaluate detailed transport initiatives and land use planning to guide Council in building an active and sustainable transport network. The Draft Integrated Transport Strategy was publicly exhibited from 24 June to 28 July 2019.

Principle 1 of the draft Strategy states to ‘*plan land use to support active and sustainable transport for reduced travel times and distance*’ and is supported by the following statement:

*“Many trips have more than one purpose; leaving work could be combined with a trip to the gym or hair dresser, and then dropping off a package at the post office. Reducing distances travelled between these trip purposes, **by providing retail and services close to home and work locations, will lead to more convenient, and shorter trips.** Reducing the need to travel can also be addressed through efficient delivery of goods and services and working from home or the local neighbourhood.*

The draft Strategy recommends protection of employment lands so those who work in or require industrial and urban services and products do not have to travel far to access these services.

The proposed design limits the number of potential uses that could occur on the existing industrial site. As population grows, it will drive demand for industrial and urban services land, and for

emerging employment uses. Potential displacement of such businesses may lead to increases in commuting time to access services as well as the price of maintenance.

The planning proposal is therefore inconsistent with the draft Integrated Transport Strategy.

Inner West Affordable Housing Policy

The Inner West Affordable Housing Policy was adopted in March 2017. The policy requires 15% of all GFA (not specifically residential GFA) to be dedicated to affordable housing when a proposed development exceeds 20 or more dwellings or a Gross Floor Area of 1,700sqm. This contribution applies to land that is subject to rezoning or amended planning controls that provide for increased density. The Policy also requires the title to be transferred to Council in perpetuity.

The planning proposal proposes to dedicate 5% of the GFA to an affordable housing provider for a period of 10 years. This proposed offer is inconsistent with Council's Affordable Housing Policy.

Our Inner West 2036 – Community Strategic Plan

The Inner West Community Strategic Plan (CSP) – Our Inner West 2036 provides the high level vision and future goals for the Inner West. The table below provides an assessment of the planning proposal against the relevant strategic directions outlined in the CSP.

Table 2: Assessment of proposal against Council's CSP	
Strategic Directions	Council Officer Comments
2.4 Everyone has a roof over their head and a suitable place to call home <ul style="list-style-type: none"> - Ensure the expansion of social, community and affordable housing, distributed across Inner West, facilitated through proactive policies. - Encourage diversity of housing type, tenure and price in new developments. 	Inconsistent The proposal is inconsistent with Council's Affordable Housing Policy, proposing a rate that is below the minimum contribution of 15% of GFA.
3.2 Inner West is the home of creative industries and services <ul style="list-style-type: none"> - Position Inner West as a place of excellence for creative industries and services and support them to thrive - Facilitate the availability of affordable spaces for creative industries and services - Encourage the establishment of new enterprises in Inner West 	Inconsistent As identified by SGS's strategic advice (discussed in detail in Section 5.3), the introduction of sensitive uses to the site and the design of the proposed industrial space, located in the basement, reliant on mechanical ventilation and artificial light and with restricted access, will limit the range of uses that can locate on the site. Furthermore, the introduction of residential to the site will prevent future intensification and adaption to accommodate the changing needs of industrial uses and the needs of an increasing population. This will preclude the establishment of new enterprises, creative industries and the provision of affordable spaces.
3.4 Employment is diverse and accessible <ul style="list-style-type: none"> - Support local job creation by protecting industrial and employment lands 	Inconsistent The planning proposal presents a significant departure from the objectives and

	<p>recommendations of Council's draft ERLS and Study. Although it retains the IN2 zoning, the introduction of additional uses (i.e. business and office premises, residential accommodation, child care facilities and health care services) would undermine the viability and functionality of the industrial site, and potentially displace industrial activity. The proposal fails to facilitate a long term supply of suitable land for industrial activity and businesses in the Inner West.</p>
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- *Is the planning proposal consistent with applicable State Environmental Planning Policies?*

State Environmental Planning Policy (SEPP) No 55—Remediation of Land

The objective of SEPP 55 is to provide a state-wide planning approach to the remediation of contaminated land. Clause 6 of SEPP 55 requires that in preparing an environmental planning instrument, a planning authority is not to permit a change of use of the land unless it has:

- considered whether the land is contaminated, and
- if the land is contaminated, the planning authority is satisfied that the land is suitable in its contaminated state (or will be suitable, after remediation) for all the purposes for which land in the zone concerned is permitted to be used, and
- if the land requires remediation to be made suitable for any purpose for which land in that zone is permitted to be used, the planning authority is satisfied that the land will be so remediated before the land is used for that purpose.

The planning proposal is supported by a Phase 1 Preliminary Contamination report which identifies a range of contamination issues across the site. Council's Environmental Protection team reviewed the submitted documentation and determined that due to the complexity of site contamination and remediation, contamination investigations must be adequately completed. This would require submission of a detailed site investigation to determine that the land can, and will be, remediated to make it suitable for the proposed additional uses.

State Environmental Planning Policy (SEPP) No 65—Design Quality of Residential Apartment Development

The Planning Proposal is inconsistent with *State Environmental Planning Policy No. 65 – Design Quality of Residential Apartment Development* (SEPP 65). Council's Architectural Excellence Panel (AEP) reviewed the Planning Proposal, the Proponent's concept design report and concept design and concluded that the urban design merit of the proposal has not been established. The comments of the AEP are contained in **ATTACHMENT 6**.

The proposed FSR of 3:1 and height of 30m are incompatible with the surrounding low density character. The 8-9 storey proposal is without precedent in the immediate context and does not provide an appropriate relationship with the GreenWay and light rail stop. Accordingly, the proposal is inconsistent with the following design quality principles of SEPP 65:

- Principle 1: Context and neighbourhood character
- Principle 2: Built form and scale
- Principle 3: Density
- Principle 9: Aesthetics

The proposal is also contrary to planning circular PS 18-001 'Stepping up planning and designing for better places: respecting and enhancing local character' which advocates the importance of character in local areas and neighbourhoods.

- *Is the planning proposal consistent with applicable Ministerial Directions (s.9.1 directions)?*

The planning proposal is inconsistent with the following Ministerial Directions as outlined below.

1.1 Business and Industrial Zones

This direction applies when a planning proposal affects land within an existing or proposed business or industrial zone. A planning proposal must:

- (a) *give effect to the objectives of this direction,*
- (b) *retain the areas and locations of existing business and industrial zones,*
- (c) *not reduce the total potential floor space area for employment uses and related public services in business zones,*
- (d) *not reduce the total potential floor space area for industrial uses in industrial zones, and*
- (e) *ensure that proposed new employment areas are in accordance with a strategy that is approved by the Secretary of the Department of Planning and Environment.*

The objectives of this direction are to:

- (a) *encourage employment growth in suitable locations,*
- (b) *protect employment land in business and industrial zones, and*
- (c) *support the viability of identified centres.*

The planning proposal claims that inconsistency with the direction is justified because the proposal will:

- *Retain the area and location of the IN2 zoned employment land;*
- *Increase the total potential floorspace for employment uses;*
- *Encourage employment growth through increased employment floorspace, in a suitable location; and*
- *Provide ongoing support for the Leichardt Marketplace local centre.*

This consideration is flawed for to the following reasons:

- Although the proposal retains the existing industrial zoning, the introduction of other uses is inappropriate as it fails to protect industrial lands as upheld in Council's draft LSPS, draft ERLS, draft Integrated Transport Strategy and Community Strategic Plan.
- The justification for retail and commercial floor space fails to consider that the inclusion of out-of-centre mixed use on the site could threaten the viability of existing urban services land and an existing commercial centre;
- The planning proposal claims that it would lead to additional employment generating uses and more jobs on the site. This consideration is simplistic and overlooks the value that urban services land can provide for the local community. This is emphasised in 'A Metropolis that Works':

"the value of Urban Services is not held in how many jobs they directly provide, but in the operational role and function they play throughout the city".

The paper also states that the 'retain and manage' approach prevails over other District Plan objectives relating to the delivery of housing and retail floor area.

The planning proposal's claim of providing ongoing support for Leichardt Marketplace shopping centre is not adequately justified. As previously discussed, the proposal is inconsistent with Council's draft ERLS and Study as it encourages out of centre retail and commercial growth. The

draft Study also outlines that the future expansion of commercial and residential development at Leichhardt Marketplace reinforces the need to retain the site as urban services land.

The planning proposal's inconsistency with this direction is unacceptable as it is not justified by any strategy or study which gives consideration to the objective of this direction; is not in accordance with the Greater Sydney Region Plan and Eastern City District Plan; and is not of minor significance.

3.1 Residential zones

This ministerial direction applies when a planning proposal affects land within an existing or proposed residential zone or any other zone in which significant residential development is permitted or proposed to be permitted.

The planning proposal generally aligns with the requirements of this direction as it encourages housing close to an existing light rail corridor and within an established urban area. However, the proposed amendment does not include provisions that will encourage "good design". Based on comments from Council's Architectural Excellence Panel, the proposed bulk and scale is excessive, resulting in visual impacts within public domain and it does not set an appropriate precedent for the built form integration of light industrial and residential uses.

Therefore, the planning proposal is inconsistent with this direction and requires justification of its inconsistency in relation to providing good design for new housing.

3.4 Integrating Land Use and Transport

Direction 3.4 applies when a planning proposal affects a zone or a provision relating to urban land that is zoned for residential, business, industrial, village or tourist purposes.

The objective of this direction is to ensure that urban structures, building forms, land use locations, development designs, subdivision and street layouts achieve the following planning objectives:

- a) improving access to housing, jobs and services by walking, cycling and public transport, and*
- b) increasing the choice of available transport and reducing dependence on cars, and*
- c) reducing travel demand including the number of trips generated by development and the distances travelled, especially by car, and*
- d) supporting the efficient and viable operation of public transport services, and*
- e) providing for the efficient movement of freight.*

Council's draft Integrated Transport Strategy recommends protection of employment land so those who work in or require industrial and urban services and products do should not have to travel far to access these services.

It should be noted that small, inner-city industrial precincts offer high proportions of urban services jobs and support services for local communities (i.e. vehicle service and repair). This generally facilitates an increase in locally contained trips by providing a range of services and facilities close to people who need them.

The proposed design is tailored to specific industrial uses, rather than being flexible so as to accommodate a range of uses permitted in the IN2 zone. This limitation will affect the site's ability to adapt to changes in industrial use and to provide for current and future tenants. The proposed underground location of the urban service floor space and the building of residential and commercial floor space above will restrict operational functionality and the viability of urban services on the site.

Impacting the supply of local population serving industrial and urban service uses, and precluding the ability to increase supply on this site, would result in people travelling greater distances to

access these services as supply is unable to keep pace with demand. The planning proposal is considered inconsistent with the objectives of this direction.

4.3 Flood Prone Land

This direction applies when a planning proposal that creates, removes or alters a zone or a provision that affects flood prone land. This direction applies as this planning proposal relates to a site identified as flood prone land.

The direction states that a planning proposal must not contain provisions that apply to the flood planning areas which:

- a) *permit development in floodway areas,*
- b) *permit development that will result in significant flood impacts to other properties,*
- c) *permit a significant increase in the development of that land,*
- d) *are likely to result in a substantially increased requirement for government spending on flood mitigation measures, infrastructure or services,*

The planning proposal is inconsistent with this Direction as it proposes intensification of a site that is identified as flood prone land and introduces sensitive uses such as residential accommodation, child care centres and health care facilities.

Council's Development Engineer team has provided comments on the concept design and raised a number of issues. This is discussed in Section 5.3.

The Proponent's claim that the planning proposal presents a minor inconsistency with this direction is unjustified.

6.3 Site Specific Provisions

This direction applies when a planning proposal enables a particular development to be carried out. The objective of Ministerial Direction 6.3 *"is to discourage unnecessarily restrictive site specific planning controls"*. A planning proposal must either:

- a) *allow that land use to be carried out in the zone the land is situated on, or*
- b) *rezone the site to an existing zone already applying in the environmental planning instrument that allows that land use without imposing any development standards or requirements in addition to those already contained in that zone, or*
- c) *allow that land use on the relevant land without imposing any development standards or requirements in addition to those already contained in the principal environmental planning instrument being amended.*

The subject planning proposal seeks to retain the IN2 zoning and include site specific clauses under Part 6 Additional Local Provisions which allow residential accommodation on the site only as part of a mixed-use development with a minimum non-residential component of 5,200m². The proposed local provision seeks to permit increased FSR of 3:1 and introduce a maximum height of 30m for mixed-use development on the site. It also proposes that Clause 6.9 (Business and office premises in Zone IN2) of LLEP 2013 would not apply to the site, thereby making all business and office premises permissible on the site. Clause 6.9 restricts office and business premises in the IN2 to creative uses. Accordingly, the planning proposal contravenes requirements a, b and c above.

The Direction allows a planning proposal to be inconsistent, but only where the provisions of the planning proposal are of minor significance. The proposed site specific provisions seek to facilitate a mixed use development comprising predominantly residential development. Overwhelmingly, a development of this nature would fail to satisfy the objectives of the IN2 zone:

- *To provide a wide range of light industrial, warehouse and related land uses.*

- *To encourage employment opportunities and to support the viability of centres.*
- *To minimise any adverse effect of industry on other land uses.*
- *To enable other land uses that provide facilities or services to meet the day to day needs of workers in the area.*
- *To support and protect industrial land for industrial uses.*
- *To retain existing employment uses and foster a range of new industrial uses to meet the needs of the community.*
- *To ensure the provision of appropriate infrastructure that supports Leichhardt's employment opportunities.*
- *To retain and encourage waterfront industrial and maritime activities.*
- *To provide for certain business and office premises and light industries in the arts, technology, production and design sectors.*

The focus of the above objectives is the provision, protection and support of existing and future employment uses. A development in accordance with the proposed provisions would contravene the zone objectives, in particular those relating to supporting and protecting industrial land for industrial uses and fostering a range of new industrial uses to meet the needs of the community. The last objective reinforces the intent of Clause 6.9 of LLEP 2013 which the planning proposal seeks to switch off for the subject site. Planning proposal provisions that would facilitate development that is inconsistent with the relevant zone objectives are not considered a matter of minor significance.

7.1 Implementation of A Plan for Growing Sydney

The objective of this direction is to give legal effect to the implementation of the principles within A Plan for Growing Sydney. This Plan is now superseded by the Greater Sydney Region Plan. As discussed above, the Planning Proposal is inconsistent with the GSRP and therefore with this direction.

5.3. Section C – Environmental, social and economic impact

- *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 site is located within an urban environment and does not contain known critical habitat or threatened species, populations or ecological communities, or their habitats. Notwithstanding, the site is located adjacent to the GreenWay and within a 'biodiversity corridor', identified as 'supporting habitat' and 'supporting area'. The proposal shows a nil setback to the western boundary which would adversely impact delivery of the ecological objectives for the corridor as identified in the GreenWay Masterplan. As a minimum, development adjacent to the GreenWay should provide a vegetation buffer zone.

- *Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?*

Urban Design

The Planning Proposal and accompanying concept design report and concept design were referred to Council's Architectural Excellence Panel (AEP). The detailed report is included as **ATTACHMENT 6**. Below are the key findings by the Panel:

- The urban design merit of the proposal has not been established. The 8/9 storey built form is out of context with the locality and creates a poor interface along the western boundary, adjacent to the light rail corridor and the GreenWay.

- Given the site's prominence on Marion Street, the proposed 8/9 storey built form will create visual impacts within the public domain.
- An accessible through-site link for pedestrians and cyclists should be located along the light rail corridor to augment the GreenWay.
- The location of urban services in a basement location – with no natural amenity – is not supported.
- The 'urban services' and the associated vehicle circulation driveway and ramp system results in a car-dominated environment, which is in conflict with the residential use and the desired future character of the area.
- There is a lack of meaningful deep soil area for soft landscaping and tree planting.
- The proposal sets an unconvincing precedent for built form integration of light industrial and residential uses, and is likely to compromise the viability of the light industrial use.

Heritage

Council's heritage officers have identified that the existing building at 245 Marion Street is the former State Clothing Factory, designed in 1950 to replace an earlier factory in Gloucester Street, The Rocks which could no longer cope with demand. It is thought that the building is most likely to have been designed by the NSW Government Architect Cobden Parkes (or Harry Rembert) and should be compared with the award winning factory buildings from the early 1950s. Council has yet to undertake a study of its 20th century factory buildings, but the above indicates that the subject building may have heritage significance and this should be further investigated.

The AEP also noted that a given the scale of the proposal, visual impacts on the Haberfield Heritage Conservation Area No. 42 should be tested, including views from Hawthorne Parade, the adjacent open space and Tressider Avenue.

Public Domain

The GreenWay is a 5.8km environmental and active travel corridor linking the Cooks River at Earlwood with the Parramatta River at Iron Cove. It mostly follows the route of the Inner West light rail line and Hawthorne Canal and features bike paths and foreshore walks, cultural and historical sites, cafes, bushcare sites and a range of parks, playgrounds and sporting facilities.

The Greater Sydney Commission identified the GreenWay as the number one priority "green grid" project in the Eastern City District Plan. The GreenWay Master Plan was adopted by Inner West Council on 14 August 2018.

The planning proposal shows a publically accessible walking and cycling through-site link between Marion and Walter Streets on the eastern side of the site. Action 1.39 of the GreenWay Masterplan identifies a link on the western side of the site which would leverage existing green space in the light rail corridor (which may in future become public open space) and provide a more legible and direct link to the light rail stop.

This through-site link would need to be accessible at least 18 hours per day (6am to midnight) in line with light rail operation) rather than only during daylight as proposed in the letter of public benefit. Relocation and upgrade of the traffic signals on Marion Street as referred to in action 1.41 of the GreenWay master plan is also required.

Flooding

The site is flood affected. A flooding report has been prepared and provides a preliminary investigation of flood impacts on the site.

The current concept design does not adequately cater for any flooding on-site and will have detrimental impacts to individuals and the surroundings. Council's Development Engineer team has provided the following comments on the concept design:

- *The proposed floor level of the Urban Services/Employment Uses at RL4.65m AHD is above the flood planning level (FPL).*
- *The entry to the basement driveway ramp has not been defined on the concept plans. The entry will need to be raised to be at or above the FPL. It appears there is sufficient length within the driveway to achieve this requirement however it may require the communal open space above the entry to be raised such that sufficient vehicular headroom can be provided.*
- *The floor level of the retail space and lift shaft at the Marion Street frontage has not been defined. The floor level will need to be raised to be at or above FPL.*
- *A flood risk management report addressing requirements of the Leichhardt DCP2013 will be required as part of any subsequent Development Application submission addressing the requirements of Leichhardt DCP2013 Part E (Water).*

Traffic and Parking

A traffic and parking impact assessment has been prepared which has considered the existing and future traffic and parking impacts. The development would generate additional 37 and 48 car movements per hour during AM and PM peaks respectively, in addition of 10 existing movements.

Vehicle queueing on Marion Street during the AM peak, combined with the likely requirement for left turn in/left turn out from Marion Street, will encourage vehicles to use Walter Street and as a result Walter Street would potentially experience addition 25-35 car movements during peak hours. The traffic and parking impact assessment has not included reference to existing queueing on Marion Street, particularly during AM peak period, nor considered weekend activity, most particularly for events staged at Lambert Park. Notwithstanding, the findings that Walter Street would potentially experience addition 25-35 car movements during peak hours represents significant increase to the local street's traffic.

As a result, clarification is required as to how much additional traffic has been included in the intersection operational analysis for the intersection of Walter/Foster Street.

Sustainability

The proposal does not adequately detail how the proposed design will facilitate an Ecologically Sustainable Development (ESD). Council's draft Climate and Renewables Strategy is a plan to mitigate and reduce carbon emissions from its own operations and community wide. The draft Strategy identifies 'zero carbon buildings and precincts' as a key area of focus, with the objective to 'increase the environmental performance of buildings in the Inner West'.

Planning Priority 2 ('Inner West is a zero emissions community') of the draft Inner West LSPS includes the objective that new developments achieve net zero carbon emissions.

Should the proposal proceed, ESD standards and requirements must be embedded in any draft Development Control Plan (DCP) provisions for the site.

- *Has the planning proposal adequately addressed any social and economic effects?*

Social Impacts

A Social Impact Assessment (SIA) has not been provided with the planning proposal. Without a SIA, there is insufficient information to demonstrate that relevant social, economic and other site-specific matters have been identified or adequately addressed and that the site is capable of supporting the proposal.

In November 2014, former Leichhardt Council's assessment report found the planning proposal premature in light of the former Department of Education and Communities' preparation of a planning strategy to understand and address the cumulative impact of approved and proposed rezoning requests of employment lands to residential in the Inner West. The report concluded that further analysis is required to understand if the public school system can accommodate further children in the area.

In addition, the Planning Proposal is inconsistent with Council's Affordable Housing Policy (discussed in **Section 5.2**).

In summary, the planning proposal has not provided adequate information of the social impacts of the proposed development and assessed whether the site is capable of additional housing.

Economic Impacts

Council commissioned SGS Economics and Planning (SGS) to provide strategic advice in relation to planning proposal (**ATTACHMENT 7**). Specifically, they were asked to consider:

- consistency of the proposal with the objective to retain and manage industrial and urban services land;
- the impact of the proposed commercial/office and residential floor space on the industrial/urban service function of the land, in particular constraining the ability to expand, intensify and adapt in the future;
- functionality of the proposed 'urban services' floor space;
- the potential for land use conflict;
- the suitability/relevance of the Economic Impact Assessment's consideration of the proposal with regard to the Industrial Land Strategic Assessment Checklist.

The advice highlights the amount of undeveloped land for urban services has decreased in the Eastern City District, and now represents only 2% of the total quantum of industrial zoned land. It cautions that the value of small, inner-city industrial precincts should not be underestimated as they offer "relatively affordable rents, provide high proportions of urban services jobs and support services for local communities". Displacement of businesses from these precincts will impact residents as it would increase their commuting time to access the next closest service and overall cost of maintenance.

SGS identified the following key issues in relation to the proposal:

- **Land use conflicts** – Potential conflicts relating to noise, vibrations, truck loading/unloading and operational hours, may arise between the proposed residential accommodation and certain general and light industrial uses that are permitted in the IN2 zone.
- **Floor space suitability and adaptability** – The proposed dedicated urban service floor space design is tailored towards the business currently occupying the site (car repair shop). If the current tenant moves out, the proposed design would inhibit other uses (e.g. the proposed underground location, and multi-level, urban service floor space may not support operational needs of other businesses). This significantly limits the overall adaptability and repurposing of the space into the future.

Additionally, the advice compares the proposed mixed use residential/industrial development with the previous experience of recent mix-used developments in Sydney that has resulted in vacant ground-floor retail floor space. The proposed delivery of new industrial space is likely to incur a premium rate, and would in effect price out the intended industrial user, leading to vacant floor space or the Proponent seeking to convert the urban service floor space to higher value uses with the argument that they cannot find a tenant.

The proposal is found to almost certainly prohibit further intensification of employment uses on the site and put a 'cap' on urban services floor space.

- **Impact of precedent** – SGS outlines the precedent set by approving this planning proposal is significant at an Eastern City level. If large proportion of small IN2 zones in the Eastern City were to follow suit, then it would impact the opportunity for these precincts, and the Eastern City District, to adapt to future growth.

The design has limitations in that it is tailored towards the current industrial use rather than providing flexibility to accommodate a range of uses permitted in the IN2 zone. The proposed design is found to reduce the site's ability to adapt, expand and intensify its industrial and urban services capacity.

- **Alignment with procedural frameworks** – The review states that the 'retain and manage' policy establishes the current, precautionary approach to the conversion of industrial land. The *Industrial Lands Strategic Assessment Checklist*, considered in the Proponent's EIA, has been superseded.

The strategic advice concludes that given the inconsistency with the 'retain and manage' approach, the risks presented, including the lack the flexibility and reduced functionality, and the absence of rationale, the proposal is unsuitable in this location.

5.4. Section D – State and Commonwealth interests

- *Is there adequate public infrastructure for the planning proposal?*

The site is located in an established urban area that is serviced with essential public infrastructure and public transport. However, consultation with relevant public infrastructure providers would be required to determine the adequacy of public infrastructure to accommodate the proposed development.

- *What are the views of state and Commonwealth public authorities consulted in accordance with the Gateway determination?*

The views of relevant State and Commonwealth public authorities will be sought during the exhibition of the planning proposal if it receives Gateway Determination.

6. OTHER PLANNING CONSIDERATIONS

Voluntary Planning Agreement (VPA)

The proponent has submitted a VPA offer. The proposed amendment would generate significant uplift in land value. Relative to this, the proposed public benefit in the VPA offer is considered insufficient for the community for the following reasons:

- Is not consistent with Council's existing Affordable Housing Policy adopted in March 2017;
- Monetary contribution to Lambert Park, which has exclusive lease and is generally not open to the public, will not afford a public benefit. Monetary contribution should be directed to

existing and proposed public domain (i.e. Richard Murden Reserve and Hawthorne Reserve); and

- The proposed location and operation of the through-site link is inappropriate and does not respond to Council's GreenWay Masterplan and the existing hours of operation of the light rail station.

In their strategic advice, SGS advise that councils should seek (at least) 50% of the value uplift through a VPA as public benefits. They note that proposed public benefits suggested in the planning proposal would, however, most likely fall well short of this.

1. *s7.11 contributions – represent normal contributions required of any development and so not a public benefit.*
2. *5% affordable housing for 10 years – some public benefit although this is required of developments in residential areas where land acquisition costs are higher.*
3. *Through site pedestrian link – required in configuration of the development therefore not some minor, localised public benefit.*
4. *Football stadium funding – report specifies "contribution value is to be offset against future s7.11 contribution obligations" therefore not considered an additional public benefit.*

Council's Strategic Investments Manager advised that the Proponent would need to consider Inner West Council's draft VPA Policy if the proposal proceeds to Gateway determination.

CONCLUSION

The Planning Proposal fails the Strategic Merit test as it is contrary to State, District and Council Plans and Policies that require protection of employment and urban services land. In addition, the subject site is not an appropriate strategic location for high scale residential development. There are significant concerns that the proposed bulk and scale would result in adverse impacts on the surrounding built environment.

The proposal lacks adequate information to ascertain social impact and the capacity of the site to support additional housing.

The proposed offer to enter into a VPA is insufficient and some elements would not deliver a public benefit.

It is recommended that Council not support the subject Planning Proposal for the following reasons:

- a) It fails the Strategic and Site Specific Merit Test of the Guidelines for preparing Planning Proposals pursuant to Section 3.33 of the Environmental Planning and Assessment Act 1979;
- b) It is inconsistent with the Greater Sydney Region Plan 2018 and the Eastern City District Plan 2018 in relation to retention of all industrial lands;
- c) Fails to give effect to Council's draft local Strategic Planning Statement;
- d) It is inconsistent with Council's draft Local Housing Strategy and draft Employment Lands and Retail Strategy and supporting studies;
- e) It is inconsistent with Inner West's Affordable Housing Policy (2016) for 15% affordable housing;
- f) It is inconsistent with Council's Community Strategic Plan - 'Our Inner West 2036';

- g) It is inconsistent with s.9.1 Local Planning Direction 1.1 - Business and Industrial Zones; 3.1 – Residential Zones; 3.4 – Integrating Land Use and Transport; 4.3 – Flood Prone Land; 6.3 – Site Specific Provisions; and 7.1 - Implementation of A Plan for Growing Sydney;
- h) Without a supporting Social Impact Assessment, there is inadequate information to assess whether the proposal has adequately identified or addressed relevant social matters;
- i) It is inconsistent with the Leichhardt Industrial Lands Study and Leichhardt Industrial Precinct Planning Report and would result in further loss of employment and urban services land in the Inner West LGA;
- j) The proposed built form controls and building typology is inappropriate due to adverse amenity impacts on the adjoining low density residential area;
- k) Support of this Planning Proposal would establish an adverse precedent and the associated loss of smaller, industrial precincts across the Inner West LGA;
- l) In the context of persistent demand for a limited and decreasing supply of industrial land, the proposal would dilute Council's ability to provide sufficient industrial land to accommodate future needs and emerging employment uses and urban services.

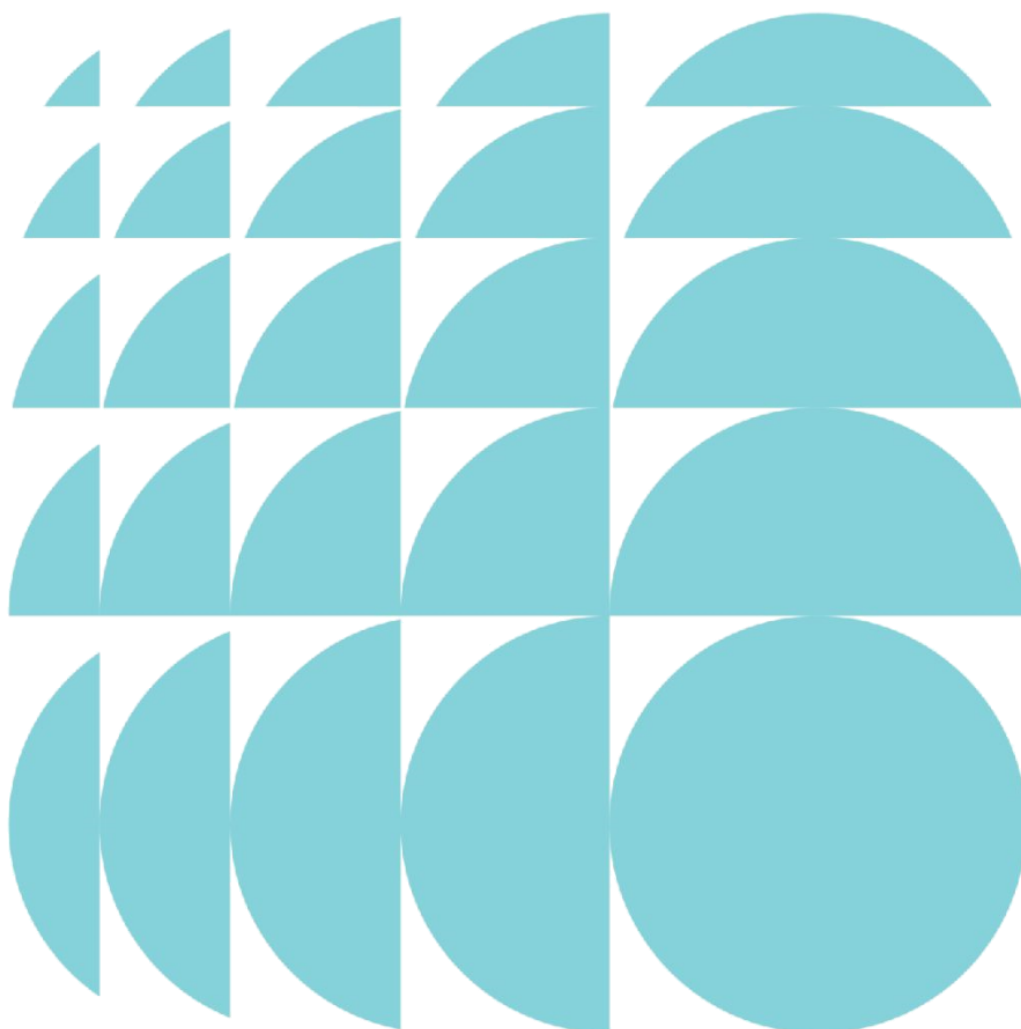
**ETHOS
URBAN**

Planning Proposal Report

245 Marion Street, Leichhardt

Submitted to Inner West Council
On behalf of P & C Consulting P/L

12 September 2019 | 218263



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- B** Site Survey
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- C** Employment Impact Assessment
HillPDA
- D** Public Benefit Offer
P&C Consulting P/L
- E** Preliminary Contamination Assessment
Douglas Partners
- F** Flooding Report
GEC Consulting Pty Ltd
- G** Preliminary Acoustic Assessment
Wilkinson Murray
- H** Traffic and Transport Report
TTPP

Executive Summary

This report has been prepared by Ethos Urban, on behalf of P&C Consulting P/L to seek support for a Planning Proposal to amend the Leichhardt Local Environmental Plan (LLEP) 2013. The Planning Proposal relates to lands at 245 Marion Street, Leichhardt which is located within the Inner West Local Government Area (LGA). Specifically, the Planning Proposal seeks to:

- Introduce an 'Additional Local Provision' to Part 6 of the LLEP 2013 that allows for the incorporation of residential uses as part of a mixed-use development at 245 Marion Street;
- Increase the maximum permissible floor space ratio (FSR) limit from 1:1 to a maximum FSR of 3:1, of which a minimum of 1:1 will be restricted to employment generating floor space; and
- Introduce a maximum height control of 30m for the site.

The proposed controls will facilitate the redevelopment of the site for a mixed-use development that retains the existing urban services use at the site, increases the quantum and diversity of employment generating floor space and provides for new residential dwellings in proximity to the Marion Street light rail station.

This Planning Proposal has been prepared for the purpose of section 3.33 of the *Environmental Planning and Assessment Act 1979* (EP&A Act) and the NSW Department of Planning and Environment's "A guide to preparing Planning Proposals". It is important to note that the guide outlines the following (on page 5) with regards to the level of information which support a Planning Proposal:

A planning proposal must demonstrate the strategic merit of the proposed amendment to the LEP proceeding.

A Planning Proposal must provide enough information to determine whether there is merit in the proposed amendment proceeding to the next stage of the plan-making process. The level of detail required in a planning proposal should be proportionate to the complexity of the proposed amendment.

Therefore, this Planning Proposal has been prepared with a focus primarily on the strategic merit and intent of the proposed concept, and an assessment of the proposed built form and land uses.

It is recommended that Council resolves to support this Planning Proposal to the NSW Department of Planning & Environment's Gateway Review Panel and the issuing of a Gateway Determination that facilitates the proposed amendments to the Leichhardt LEP 2013 for the following reasons:

1. The Planning Proposal has strategic merit, demonstrating consistency with regional, district and local planning policies;
2. The Planning Proposal has site-specific merit due to the following:
 - a) It protects and enhances existing light industrial/urban services employment opportunities at the site;
 - b) It will support the effective utilisation of existing infrastructure by locating commercial and residential development in proximity to an existing light rail station;
 - c) It allows for the renewal of the site in a manner consistent with adjoining residential land whilst protecting the important urban services use currently operating at the site;
 - d) It ensures potential land use conflicts between the existing light industrial and future residential uses are adequately addressed;
 - e) It improves the permeability of the street and improves access to the light rail station for surrounding residents by the creation of a new through-site link; and
 - f) It will facilitate the delivery of new affordable housing for essential workers.
3. The Planning Proposal will allow for the creation of a greater level of employment on the subject site whilst protecting the existing urban services (automotive repair facility);

4. The Planning Proposal will facilitate the delivery of approximately 97 new dwellings that will support housing diversity within the area, whilst facilitating the achievement of the 0-5 year targets set for the Inner West LGA and longer term targets for the Eastern City District; and
5. The Planning Proposal will deliver more housing within 30-minutes from surrounding jobs, services and existing infrastructure. Accordingly, it will provide an outcome that would be consistent with the approach to locate housing in highly accessible locations in existing centres.

Need for a Planning Proposal

The need to renew the planning controls for 245 Marion Street, Leichhardt arises from the constrained nature of the existing industrial land and the opportunity to enhance the employment capacity of the site whilst providing new housing. As such, the site offers the opportunity to increase the employment generation of the site through modern light industrial and commercial development combined with a viable above-ground residential development that is well-located to existing transportation links and nearby services and facilities.

Concept Design

An indicative concept scheme has been prepared by Figgis + Jefferson Tepa (**Appendix Error! Reference source not found.**) to demonstrate how the site could be redeveloped in accordance with the opportunity presented by the Planning Proposal. The concept scheme envisages an 8 storey built form, accommodating 5,200m² of employment generating uses (including at least 3,200m² of light industrial/urban services) within the basement, ground and podium levels and 97 apartments above.

The concept scheme has been designed in accordance with the principles of SEPP 65 and successfully integrates the proposed range of land uses through vertical separation and design treatments to ensure the amenity of dwellings is maximised and the operational requirements of the light industrial and commercial uses are met.

Public Benefits

The Planning Proposal provides an opportunity to deliver significant additional public benefits to the local area. The redevelopment of the site in accordance with the Concept Design would deliver in excess of \$2.5 million in s7.11 contributions (based on the maximum cap per dwelling of \$25,000 and proposed net increase in employment capacity). In addition, the applicant has prepared a letter of offer to enter into a VPA with Council for the following:

- Dedication of five percent of the gross floor area (GFA) of the residential component of the development to an affordable housing provider for a period of 10 years.
- A monetary contribution of \$250,000 to go towards upgrades and/or general maintenance of Lambert Park football stadium. Fifty percent of the contribution is to be paid upon finalisation of the Planning Proposal and the remaining fifty percent will be paid upon release of a Construction Certificate for a future mixed use development at the site. The contribution value is to be offset against future s7.11 contribution obligations.
- The provision of a north-south through-site pedestrian link between Marion Street and Walter Street to operate during daylight hours. Further details of this pedestrian link will be set out at DA stage.

Conclusion

The site is under single ownership and represents a rare opportunity to deliver a true transit-oriented development which increases the employment and housing capacity of a highly accessible site. Planning and technical investigations support the proposed changes to the existing planning controls and as such it is recommended that a gateway determination be issued to allow the further progression of planning for 245 Marion Street, Leichhardt.

1.0 Introduction

This report has been prepared by Ethos Urban in support of a Planning Proposal to amend the Leichhardt Local Environmental Plan (LLEP) 2013. This report has been prepared on behalf of P&C Consulting P/L and relates to the site at 245 Marion Street, Leichhardt.

The objective of this Planning Proposal is to seek an amendment to the LLEP 2013 to facilitate the redevelopment of the site for a mixed use development that retains the existing urban services use at the site (i.e. automotive repair centre), increases the quantum and diversity of employment generating floor space and provides for new residential dwellings in proximity to the Marion Street light rail station. This will be achieved through the inclusion of specific development standards for the site under the LLEP 2013.

The site is highly accessible, being located adjacent the Marion Street light rail station and in proximity to other necessary amenities and services. The indicative scheme provided in support of this Planning Proposal demonstrates that the development of the site for the purposes of a mixed use development is feasible and results in a positive planning outcome given the attributes of the site and its strategic planning context.

This Planning Proposal has been prepared in accordance with Section 3.33 of the *Environmental Planning & Assessment Act 1979* (EP&A Act), and 'A Guide to Preparing Planning Proposals' prepared by the NSW Department of Planning and Environment (the Department). **Section 7.0** of this report sets out the strategic justification for the Planning Proposal and provides an assessment of the relevant strategic plans, state environmental planning policies, ministerial directions and the environmental, social and economic impacts of the proposed amendment.

This Planning Proposal describes the site and the proposed LEP amendments. It is supported by an indicative scheme which demonstrates one way in which the site could be redeveloped in accordance with the proposed changes. This Planning Proposal should be read in conjunction with the indicative scheme prepared by Figgis + Jefferson Tapa (**Appendix A**), a letter of offer from the applicant outlining the public benefits proposed to support the proposal, and other specialist consultant reports appended to this Proposal (refer to Table of Contents).

We request that Council forward the Planning Proposal to the Minister for Planning for a 'Gateway' determination in accordance with section 3.34 of the EP&A Act.

2.0 Background

2.1 Previous Planning Proposal

A previous Planning Proposal for the site was lodged with the then Leichhardt Council in August 2014. The proposal sought to:

- Rezone the site from IN2 Light Industrial to R1 - General Residential;
- Increase the FSR from 1:1 to 3.3:1;
- Introduce a height control of 50m (15 storeys) with a 10m height control along street frontages; and
- Provide for up to 200 new dwellings.

This Planning Proposal was considered by Council at its meeting on 25 November 2014 where it was not supported. The Planning Proposal was then sent to the Department in December 2014 for a Pre-Gateway Review. The DPE advised that in this instance, the proposal did not demonstrate sufficient merit to proceed to Gateway in its current form, however noted the proposal had merit for urban renewal due to its proximity to the Marion light rail station. Specifically, in their assessment report, the Department concluded that:

"The Department recognises the site provides an opportunity for urban renewal, being located adjacent to the Marion light rail stop, within a broader industrial area that has already transitioned to residential land use (i.e. seniors housing), has direct access to a high frequency bus corridor along Marion Street and is in close proximity to existing services and facilities.

The proposal demonstrates strategic merit through the provision of housing to meet the needs of Sydney's growing population in a highly accessible location, which may, on balance, outweigh the potential loss of an isolated industrial site. It is noted that the potential loss of this industrial site is not supported by an employment assessment or market analysis, which would assist in justifying the departure from Council's recent Industrial Lands Study". It is also noted that the proposal offers a low level of balance in retaining an employment presence on site.

Whilst the Department supports renewal on this site, particularly considering its strategic location, the planning proposal would result in development that is out of character with the surrounding neighbourhood. The proposed bulk and scale of development is considered excessive, is beyond the maximum scale planned for the Taverners Road Urban Renewal Precinct and will have an adverse impact on the amenity of adjoining low scale residential uses".

This revised Planning Proposal has been prepared to address the issues raised by Council and the Department with the previously submitted proposal. The proposal has been amended to; ensure the existing employment opportunities of the site are retained and enhanced, reduce the scale of the proposed built form and provide sufficient information to demonstrate the strategic planning merits of the proposal. **Table 1** provides a summary of how the key issues raised by Council with the previous proposal have been addressed.

Table 1 Assessment against Council's reasons for refusal

Reason for refusal	Response
In the context of persistent demand and a low and decreasing supply of industrial land, a rezoning would dilute Council's ability to provide sufficient industrial land to accommodate the demand.	This Planning Proposal seeks to retain the IN2 Light Industrial zone of the site and insert site-specific provisions within the LLEP 2013 to ensure the existing quantum of IN2 uses is retained. Refer to Section 6.3 of this report.
The Planning Proposal is inconsistent with s117 Direction 1.1 Business and Industrial Zones on the following grounds: <ul style="list-style-type: none"> The Planning Proposal is not justified by relevant strategies in relation to the retention of industrial lands, including the Draft Metropolitan Strategy for Sydney to 2031 and the Draft Inner West Sub-Regional Strategy The Planning Proposal is not justified by an economic study Loss of this industrial land would be of substantial significance to the local government area's employment land supply. 	This Planning Proposal is consistent with the s117 (s9.1) Direction 1.1 as: <ul style="list-style-type: none"> It is justified by relevant strategies as it is consistent with the Leichhardt Employment Lands Study, the Greater Sydney Region Plan and the Eastern City District Plan (refer to Section 7.2); The Planning Proposal is justified by an economic study (refer to Appendix C); and The Planning Proposal will not result in the loss of employment capacity of the site, rather it will protect and improve the area's employment land supply.
The Planning Proposal is not supported by an: <ul style="list-style-type: none"> Economic Assessment Net Community Benefit Test Social Impact Assessment <p>Without the above listed supporting studies, there is not sufficient information to demonstrate that relevant social, economic and other site-specific matters have been identified or adequately addressed and that the site is capable of supporting the proposed zoning.</p>	This Planning Proposal is supported by an Economic Assessment and the proposal will deliver significant community benefits and have a positive social impact (refer to Sections 7.3 and 8.0). A Social Impact Assessment can be undertaken post lodgement of the Planning Proposal if necessary as it is not a determining issue for the site or the strategic merit test.
Without supporting documents, the Planning Proposal does not demonstrate that the proposal has strategic merit. Council recognises that 245 Marion Street could have potential for a modest increase in FSR to create additional employment generating floorspace.	This Planning Proposal demonstrates the clear strategic merit of the proposal and seeks to increase the FSR to create additional employment generating floor space as well as providing increased housing opportunities in the area.
The Planning Proposal includes a residential FSR of 3.3:1 and building heights of up to 50m for an R1 – General Residential zoning, or no limitations to the maximum height or FSR for a business zone. There is no precedence in Leichhardt LGA for the proposed FSR and maximum building heights for the proposed zoning and an adequate justification for the FSR and building height has not been provided.	A Concept Design Report has been prepared to determine an appropriate FSR and height limit for the site in context of its surroundings and the opportunities presented. This Planning Proposal seeks a maximum FSR of 3:1 and a maximum height limit of 30m which is significantly less than the previous proposal and is consistent with similar transit-orientated developments along the light rail line. Refer to Section 5.0 .

Reason for refusal	Response
There is no strategic justification for the proposed FSR and building height in higher order NSW Government State Planning Policy or guidelines or Council Environmental Planning Instruments, Policies or Guidelines	The proposed building height and density is consistent with that of other infill renewal sites along the light rail corridor and is justified by a Concept Design Report (Appendix Error! Reference source not found.). It is also noted that the Department recognises the site provides an opportunity for urban renewal as per their assessment of the previous Planning Proposal.
The proposed residential FSR and building heights would result in unacceptable amenity impacts on the local area, including: <ul style="list-style-type: none"> Overlooking of Water Street and residents of The Marion, Uniting Church Seniors Housing Development Inadequate landscaped area Visual impact from the bulk and scale of the building Inadequate access to daylight for future residents within the development 	An assessment of the amenity impacts the proposed FSR and height will have on the local area is included at Section 10.1 which demonstrates: <ul style="list-style-type: none"> Appropriate building separation and landscaping to minimise overlooking of Water Street and residents of adjacent development; High quality landscaping including podium and rooftop open space and a through-site pedestrian/cycle link; The bulk and scale of the building is appropriate in context of infill renewal sites along the light rail corridor; and The development is capable of achieving a high level of solar access to future dwellings in accordance with SEPP 65.
Inadequate supporting information has been provided to ascertain if the quantity and quality of landscaped areas, private open space and communal landscaped area, is acceptable and achieves minimum requirements of SEPP 65	An assessment of the concept scheme against SEPP 65 is included within the Concept Design Report at Appendix Error! Reference source not found.
The Planning Proposal does not include any affordable housing and is therefore not consistent with Section 3.3.3 of the Leichhardt Affordable Housing Strategy (2011) which seeks a 10% affordable housing contribution.	The provision of affordable housing forms part of a public benefit offer to support the Planning Proposal (refer to Section 8.0 and Appendix D).

2.2 The Planning Process

This planning report forms part of a Planning Proposal submitted to Inner West Council. The intent of this submission is to provide Council, as the Relevant Planning Authority (RPA), with sufficient information to form a view regarding the strategic merit of the Planning Proposal and to refer the matter to the Department's LEP Gateway Review Panel.

It is important to note that at this stage, both Council and the LEP Gateway Review Panel are only required to determine whether the Planning Proposal has strategic merit and is worthy of further detailed assessment. An LEP Gateway determination will allow for detailed site investigation, additional technical studies and further concept planning for the site where necessary.

The detailed site investigations will inform the finalisation of the Planning Proposal to allow it to be placed on public exhibition for community consultation, following which it will be fully assessed by Inner West Council with further input from the Department and other government agencies.

3.0 The Site

3.1 Site Location and Context

The site is located at 245 Marion Street, Leichhardt. It is situated approximately 6km south-west of the Sydney Central Business District (CBD), between the Leichhardt, Haberfield and Summer Hill town centres.

The site is located within an established urban area and is predominantly surrounded by residential development. It is situated directly to the east of the Dulwich Hill Line and adjoins the Marion Light Rail Station (refer to **Figure 1**). The Cooks River to Iron Cove Greenway also runs parallel to the light rail line.

245 Marion Street, Leichhardt | Planning Proposal | 12 September 2019

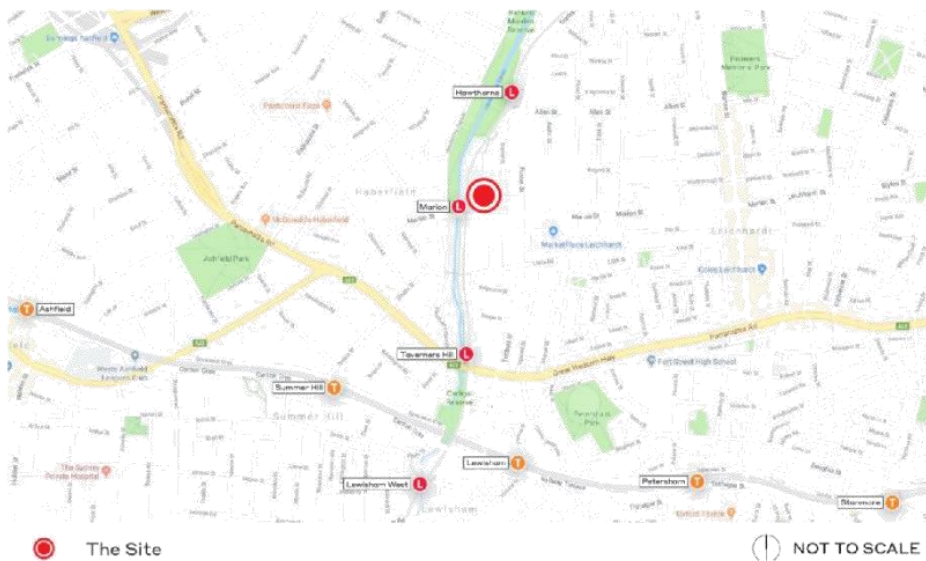


Figure 1 Site context

Source: Google Maps/Ethos Urban

3.2 Site Description

The site is legally described as Lot 1 DP507525 and has a total area of approximately 5,210m². It is generally rectangular in shape with frontages of approximately 40m along Marion Street and 35m along Walter Street. It has a depth of approximately 137m.

A Site Aerial is shown at **Figure 2** and a Site Survey is included as **Appendix B**. The land is owned by P&C Consulting, the applicant of this Planning Proposal.



Figure 2 Site aerial

Source: Nearmap/Ethos Urban

3.3 Existing Development

The site is currently occupied by a single storey, light industrial building of brick and metal construction. It is been used for the purpose of a motor vehicle repairs business for the past 32 years and this use continues to operate today. The site is isolated from other industrial land and forms one of a number of fragmented industrial sites within Leichhardt.

Photographs of the existing built form as viewed from Marion Street and Walter Street are shown at **Figures 3 and 4** respectively.



Figure 3 The site as viewed from Marion Street



Figure 4 The site as viewed from Walter Street

3.4 Topography

The site is located at a low valley point in the urban landscape at around RL 4.0 which sits well below the surrounding higher level ridges, such as along Norton Street at around RL 30 and Haberfield at RL 10. Within this topographical context, the built form of the site sits down into the landscape and below the adjacent light rail line.

3.5 Vegetation

There is no significant vegetation on the site, with the existing building and at-grade parking covering most of the site's area. A palm tree is located in the south western corner of the site and planter beds are located along the main street frontage. There are currently a few mature street trees along the northern footpath of Marion Street, with mature trees located along the northern boundary of Lambert Park. A few small trees/ tall shrubs are located along the northern narrow footpath of Walter Street.

3.6 Surrounding Development and Land Uses

The development surrounding the site is characterised by typically low density residential and commercial uses, open space and transport infrastructure.

North

To the north and north-east of the site is the residential area of Leichhardt. This area predominantly comprises one and two storey detached dwelling houses with the occasional medium density multi-dwelling development (refer to **Figure 5** and **Figure 6**). Further north, across the Inner West Light Rail Line is the Hawthorne Canal and Parramatta River.



Figure 5 Development on the opposite side of Walter Street



Figure 6 Development to the north of the site on Daniel Street

East

To the immediate east of the site is a 2-3 storey seniors housing development on industrial zoned land at 237 Marion Street, Leichhardt (refer to **Figure 7**). This seniors housing development maintains a close frontage along Marion Street and its western boundary which forms the interface of the subject site. This adjoining site was previously owned by the proponent and sold to the Uniting Church for the development of seniors housing.

Further east is the Leichhardt Town Centre which is predominantly based around Norton Street and comprises a range of local shops and services, including MarketPlace Leichhardt (refer to **Figure 8**).



Figure 7 237 Marion Street Development



Figure 8 Marketplace Leichhardt Development

South

To the south of the site is Lambert Park, which is a purpose-built soccer stadium predominantly used by APIA Leichhardt Tigers (refer to **Figure 9**). Adjoining the stadium is a publicly accessible area of passive open space that is also part of Lambert Park (refer to **Figure 10**).


Figure 9 Lambert Park Stadium

Source: Inner West Council


Figure 10 Lambert Park public open space

West

To the immediate west of the subject land is the Marion Street light rail stop on the Dulwich Hill Light Rail Line. The light rail stop sits approximately 5m higher than the ground level of the subject site (refer to **Figure 11** and **Figure 12**).

Further west, on the opposite side of the light rail stop is the Hawthorne Canal Reserve open space corridor. This corridor forms part of the Greenway which is currently being developed as a pedestrian/cycle link between Iron Cove to the Cooks River. Beyond this is the residential suburb of Haberfield.


Figure 11 Marion light rail stop showing the site in the background

Figure 12 The site, as viewed from Marion light rail stop

3.7 Site Access and Public Transport

Surrounding Road Network

The site has two road frontages and potential points of access, including along Marion Street to the south of the site and Walter Street to the north.

Marion Street is a regional road connecting Ramsay Street in the west to Leichhardt Street in the east. It dissects the north-south arterial road of Norton Street which provides direct access to Parramatta Road in the south and the City-West Link Road to the north.

Walter Street is a local no-through road, connecting the site to Forster Street to the east.

Rail

The site is within 20m of the Marion light rail station along the Inner West Light Rail Line. The light rail provides access to the Sydney CBD, including Central Station. The trip to Central Station takes approximately 25 minutes with services every 6-8 minutes in the peak periods.

The light rail also provides access south to Dulwich Hill Station and the Bankstown Railway Line which is currently being upgraded to a high frequency Metro service.

Bus

The site is located nearby to the following bus stops:

- Marion Street at Hawthorne Parade and Marion Street opposite Hawthorne Parade; and
- Lambert Park, Marion Street and Marion Street opposite Lambert Park.

These stops are located along a high-frequency bus corridor offering services (436, 438, 439, L38 and L39) to the Sydney CBD (Martin Place), Central Station, Leichhardt Town Centre, Haberfield, Abbotsford, Five Dock and Mortlake.

Pedestrian/Cycleway

The site is located adjacent the Cooks River to Iron Cove Greenway which is a planned north-south pedestrian and cycleway linking the two water bodies and beyond. The Greenway connects a series of open spaces and follows the old Rozelle goods rail freight line.

3.8 Surrounding Facilities

The site is located within walking distance of a number of key services and facilities. The site is within approximately 500m of the Leichhardt Market Place Village Centre, 1km of the Norton Street Leichhardt Town Centre, and 5km of Burwood Major Centre and Sydney City Centre. It is situated adjacent to public transport infrastructure in the form of the inner west light rail line and Marion light rail station, and bus routes along Marion Street adjacent to the site.

The subject site is also nearby to the following amenities and services:

- Lambert Park and other local parks and playgrounds;
- The Greenway along the Hawthorne Canal;
- Numerous schools, including Kegworth Public School, Leichhardt Public School, St Flacre's Catholic Primary School, Sydney Secondary College;
- Childcare facilities;
- Leichhardt library; and
- Places of public worship.

3.9 Regional Context

Figure 13 depicts the site's regional context and the pattern of development which has recently occurred along the light rail corridor. A number of residential and mixed use developments have been approved along the light rail corridor, many of these developments are on former industrial sites. The floor space ratios and heights of these developments range from 1.5:1 up to 3.3:1, with heights of up to 14 storeys.

245 Marion Street, Leichhardt | Planning Proposal | 12 September 2019

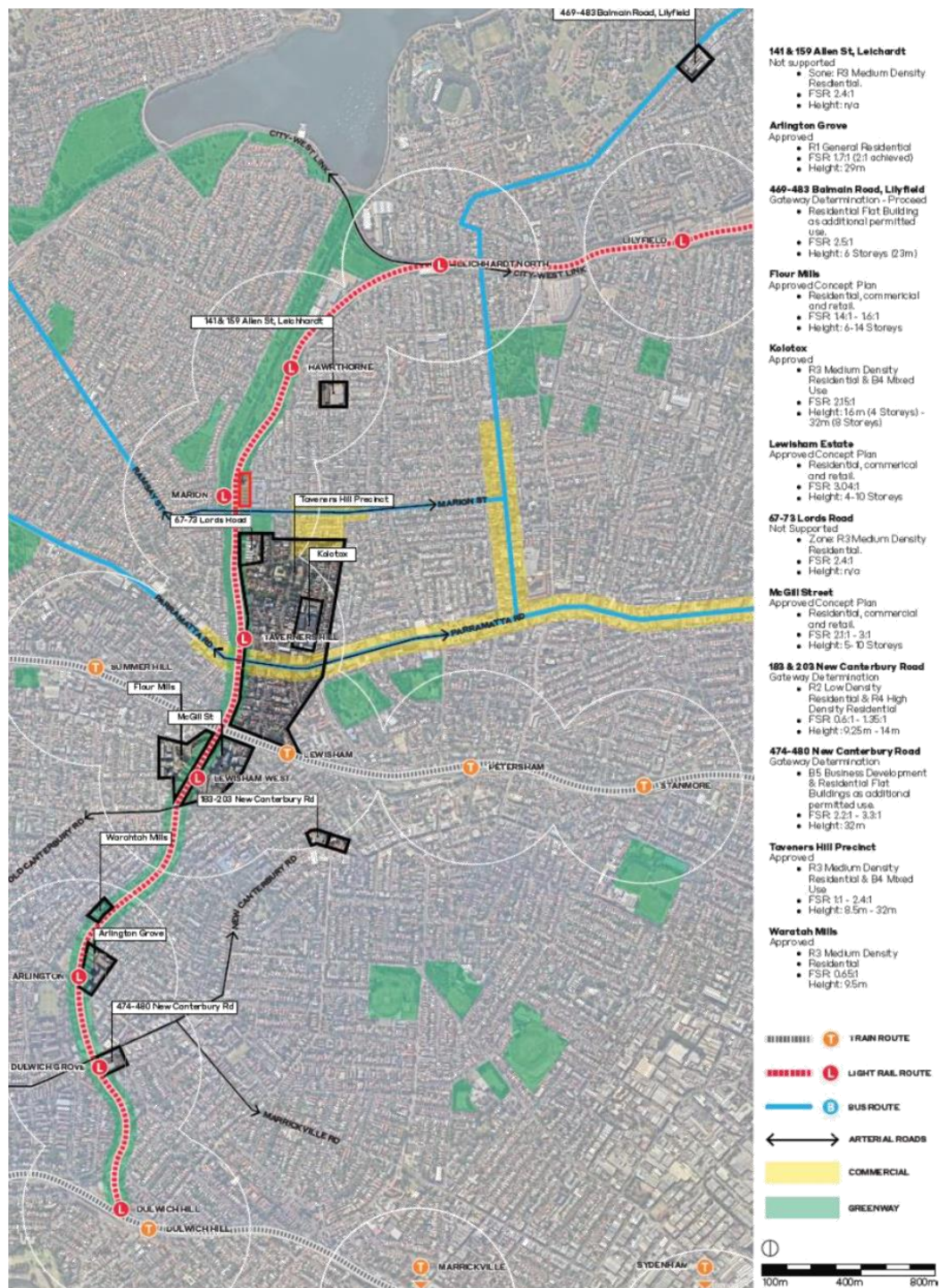


Figure 13 Regional Context

4.0 Current Planning Controls

4.1 Leichhardt Local Environmental Plan 2013

The LLEP 2013 is the primary environmental planning instrument that applies to the site. The key statutory controls under the LLEP 2013 are described below.

4.1.1 Land Use Zone

Under the LLEP 2013, the site is zoned IN2 Light Industrial as illustrated in **Figure 14**. The IN2 Light Industrial zoning permits a range of uses, including; depots, educational establishments, garden centres, general industries, hardware and building supplies, industrial training facilities, light industries, neighbourhood shops, places of public worship, storage premises and warehouse / distribution centres.

The zoning is inclusionary, permitting any development that is not specifically prohibited. Key uses specifically prohibited in the zone include; centre-based child care facilities, health service facilities, information and educational facilities (except for educational establishments), residential accommodation, restaurants and cafes.

It is noted that commercial premises are permissible at the site, however Clause 6.9 of the LLEP 2013 has the effect of restricting any business or office premises to 'creative purposes' such as media, advertising, fine arts and craft, design, film and television, music, publishing, performing arts, cultural heritage institutions or other related purposes.

The surrounding area is predominantly zoned R1 General Residential which accommodates a range of residential typologies. The adjacent site to the east contains a seniors housing development, however, has retained its IN2 Light Industrial zoning. As such, the site is the only true light industrial site in the block.

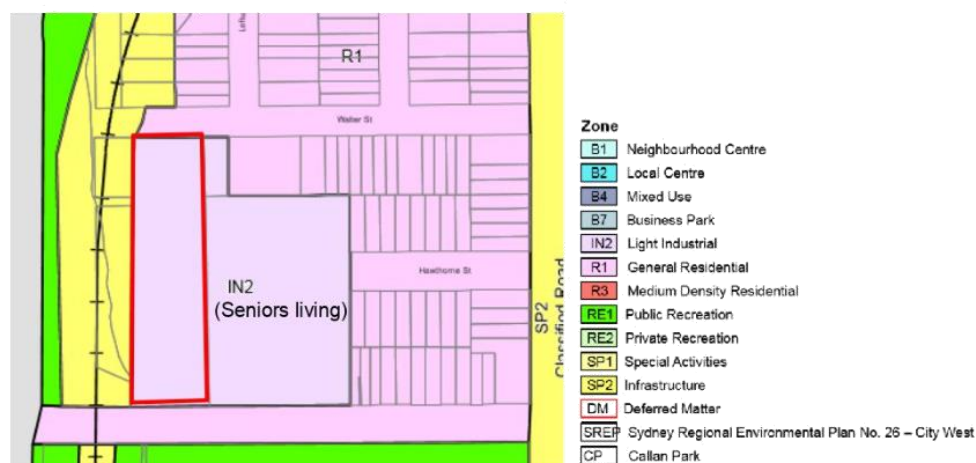


Figure 14 Land Use Zone

Source: Leichhardt LEP 2013

4.1.2 Height of Buildings

There is no building height currently applicable to the site.

4.1.3 Floor Space Ratio

As depicted in **Figure 15**, the LLEP 2013 allows for a maximum FSR of 1:1 on the subject site.

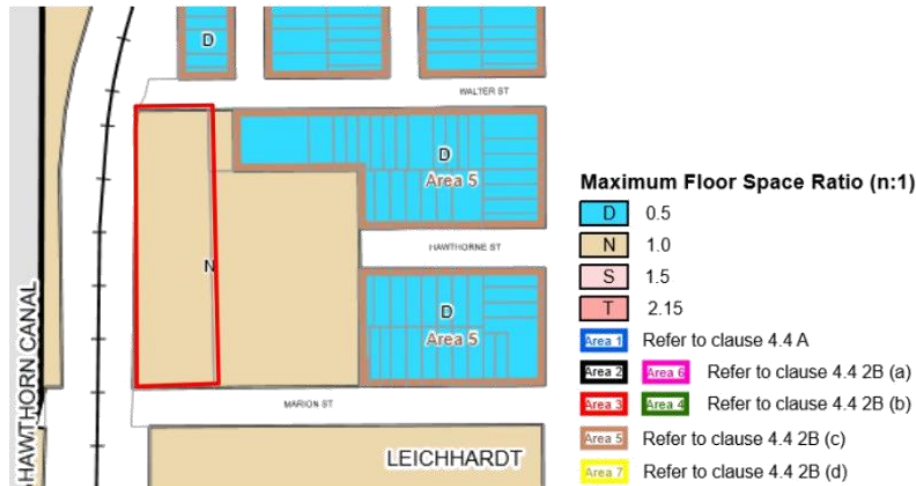


Figure 15 Floor Space Ratio

Source: Leichhardt LEP 2013

4.1.4 Heritage

The site is not listed as a heritage item and it is not located within a heritage conservation area. The site is, however, located opposite Lambert Park which is a locally listed heritage item as it contains a historic dwelling characteristic of the area at 22 Foster Street. The dwelling is currently used as a Council operated child care centre.

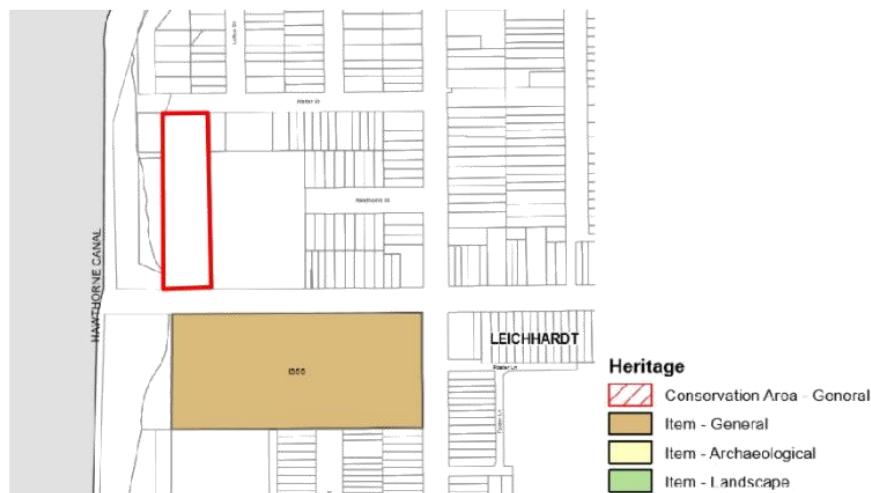


Figure 16 Heritage

Source: Leichhardt LEP 2013

5.0 Indicative Development Concept

The site is under single ownership and represents a rare opportunity to redevelop the site for a true transit-oriented development due to its location adjacent the Marion light rail station. In this regard, it is considered there is a unique opportunity to increase the employment generation of the site through a modern light industrial and commercial development combined with a viable above-ground residential component.

An indicative development concept scheme has been prepared by Figgis + Jefferson Tapa (**Appendix Error! Reference source not found.**) to demonstrate how the site could be redeveloped in accordance with the opportunity presented by the Planning Proposal. The design of the concept scheme is described below and illustrated within the perspectives at **Figure 17** and **Figure 18**.



Figure 17 Indicative development concept, as viewed from Marion Street

Source: Figgis + Jefferson Tapa



Figure 18 Indicative development concept, as viewed from Walter Street

Source: Figgis + Jefferson Tapa

5.1 Design Principles

The key principles that have been used to inform the indicative built form are:

- Ensure that existing employment capacity, in the form of the existing automotive servicing and repair facility, is retained;
- Establish a building podium that incorporates light industrial and commercial opportunities topped with communal open space;
- Maintain the amenity and solar access of surrounding sites, including adjacent detached dwellings, aged care service and Lambert Park;
- Facilitate a vertical split of land uses that protects the amenity and operational requirements of each use;
- Encourage a building form that reads 'in the round' due to its prominence in the surrounding urban context;
- Promote the activate of Marion Street through the inclusion of limited retail, food and drink premises or other compatible uses;
- Provide a new north-south through-site link to significantly improve permeability and access to the Marion light rail station for surrounding residents.

The indicative concept scheme is consistent with and helps meet the objectives of the *Eastern City District Plan* which identifies the need for 'more housing in the right locations' located within 'the catchment area that is within walking distance (up to 10 minutes) of centres with rail, light rail or regional bus transport'. Within this context, the existing Floor Space Ratio of 1:1 is insufficient. The existing use of the site as a light industrial automotive servicing and repair facility does not optimise the use of this advantageous spatial location and therefore does not represent the highest and best use of the site. Accordingly, it is proposed to introduce new site-specific controls which will facilitate a true transit-orientated development and optimise the use of the significant site.

5.2 Numeric Summary

The key numerical development information of the concept scheme is summarised below, in **Table 2**.

Table 2 Development Summary (Indicative)

Aspect	
Site area	5,210m ²
GFA/FSR	
• Light industrial/urban services	3,200m ² (0.61:1)
• Commercial/health consulting	1,800m ² (0.35:1)
• Restaurants/café's	250m ² (0.05:1)
• Residential	10,420m ² (2:1)
Total	15,630m ² (3:1) with 12,630m ² visible above ground (2.43:1)
Dwellings	97
Apartment Mix (indicative)	
• Studio	2 (2%)
• 1 bedroom	22 (23%)
• 2 bedroom	56 (58%)
• 3 bedroom	16 (16%)
• 4 bedroom	1 (1%)
Car spaces	
• Employment	41
• Residential	93
• Visitor	52
Total car spaces	145

Architectural elevation drawing of a building facade. The drawing shows a multi-story building with a complex roofline and multiple windows. On the left side, there are vertical height markers in meters: 0000 +04.95, 0000 +07.00, 0000 +09.00, 0000 +11.00, 0000 +13.00, 0000 +15.00, 0000 +17.00, 0000 +19.00, 0000 +21.00, 0000 +23.00, 0000 +25.00, 0000 +27.00, 0000 +29.00, 0000 +31.00, 0000 +33.00, 0000 +35.00, 0000 +37.00, 0000 +39.00, 0000 +41.00, 0000 +43.00, 0000 +45.00, 0000 +47.00, 0000 +49.00, 0000 +51.00, 0000 +53.00, 0000 +55.00, 0000 +57.00, 0000 +59.00, 0000 +61.00, 0000 +63.00, 0000 +65.00, 0000 +67.00, 0000 +69.00, 0000 +71.00, 0000 +73.00, 0000 +75.00, 0000 +77.00, 0000 +79.00, 0000 +81.00, 0000 +83.00, 0000 +85.00, 0000 +87.00, 0000 +89.00, 0000 +91.00, 0000 +93.00, 0000 +95.00, 0000 +97.00, 0000 +99.00, 0000 +101.00, 0000 +103.00, 0000 +105.00, 0000 +107.00, 0000 +109.00, 0000 +111.00, 0000 +113.00, 0000 +115.00, 0000 +117.00, 0000 +119.00, 0000 +121.00, 0000 +123.00, 0000 +125.00, 0000 +127.00, 0000 +129.00, 0000 +131.00, 0000 +133.00, 0000 +135.00, 0000 +137.00, 0000 +139.00, 0000 +141.00, 0000 +143.00, 0000 +145.00, 0000 +147.00, 0000 +149.00, 0000 +151.00, 0000 +153.00, 0000 +155.00, 0000 +157.00, 0000 +159.00, 0000 +161.00, 0000 +163.00, 0000 +165.00, 0000 +167.00, 0000 +169.00, 0000 +171.00, 0000 +173.00, 0000 +175.00, 0000 +177.00, 0000 +179.00, 0000 +181.00, 0000 +183.00, 0000 +185.00, 0000 +187.00, 0000 +189.00, 0000 +191.00, 0000 +193.00, 0000 +195.00, 0000 +197.00, 0000 +199.00, 0000 +201.00, 0000 +203.00, 0000 +205.00, 0000 +207.00, 0000 +209.00, 0000 +211.00, 0000 +213.00, 0000 +215.00, 0000 +217.00, 0000 +219.00, 0000 +221.00, 0000 +223.00, 0000 +225.00, 0000 +227.00, 0000 +229.00, 0000 +231.00, 0000 +233.00, 0000 +235.00, 0000 +237.00, 0000 +239.00, 0000 +241.00, 0000 +243.00, 0000 +245.00, 0000 +247.00, 0000 +249.00, 0000 +251.00, 0000 +253.00, 0000 +255.00, 0000 +257.00, 0000 +259.00, 0000 +261.00, 0000 +263.00, 0000 +265.00, 0000 +267.00, 0000 +269.00, 0000 +271.00, 0000 +273.00, 0000 +275.00, 0000 +277.00, 0000 +279.00, 0000 +281.00, 0000 +283.00, 0000 +285.00, 0000 +287.00, 0000 +289.00, 0000 +291.00, 0000 +293.00, 0000 +295.00, 0000 +297.00, 0000 +299.00, 0000 +301.00, 0000 +303.00, 0000 +305.00, 0000 +307.00, 0000 +309.00, 0000 +311.00, 0000 +313.00, 0000 +315.00, 0000 +317.00, 0000 +319.00, 0000 +321.00, 0000 +323.00, 0000 +325.00, 0000 +327.00, 0000 +329.00, 0000 +331.00, 0000 +333.00, 0000 +335.00, 0000 +337.00, 0000 +339.00, 0000 +341.00, 0000 +343.00, 0000 +345.00, 0000 +347.00, 0000 +349.00, 0000 +351.00, 0000 +353.00, 0000 +355.00, 0000 +357.00, 0000 +359.00, 0000 +361.00, 0000 +363.00, 0000 +365.00, 0000 +367.00, 0000 +369.00, 0000 +371.00, 0000 +373.00, 0000 +375.00, 0000 +377.00, 0000 +379.00, 0000 +381.00, 0000 +383.00, 0000 +385.00, 0000 +387.00, 0000 +389.00, 0000 +391.00, 0000 +393.00, 0000 +395.00, 0000 +397.00, 0000 +399.00, 0000 +401.00, 0000 +403.00, 0000 +405.00, 0000 +407.00, 0000 +409.00, 0000 +411.00, 0000 +413.00, 0000 +415.00, 0000 +417.00, 0000 +419.00, 0000 +421.00, 0000 +423.00, 0000 +425.00, 0000 +427.00, 0000 +429.00, 0000 +431.00, 0000 +433.00, 0000 +435.00, 0000 +437.00, 0000 +439.00, 0000 +441.00, 0000 +443.00, 0000 +445.00, 0000 +447.00, 0000 +449.00, 0000 +451.00, 0000 +453.00, 0000 +455.00, 0000 +457.00, 0000 +459.00, 0000 +461.00, 0000 +463.00, 0000 +465.00, 0000 +467.00, 0000 +469.00, 0000 +471.00, 0000 +473.00, 0000 +475.00, 0000 +477.00, 0000 +479.00, 0000 +481.00, 0000 +483.00, 0000 +485.00, 0000 +487.00, 0000 +489.00, 0000 +491.00, 0000 +493.00, 0000 +495.00, 0000 +497.00, 0000 +499.00, 0000 +501.00, 0000 +503.00, 0000 +505.00, 0000 +507.00, 0000 +509.00, 0000 +511.00, 0000 +513.00, 0000 +515.00, 0000 +517.00, 0000 +519.00, 0000 +521.00, 0000 +523.00, 0000 +525.00, 0000 +527.00, 0000 +529.00, 0000 +531.00, 0000 +533.00, 0000 +535.00, 0000 +537.00, 0000 +539.00, 0000 +541.00, 0000 +543.00, 0000 +545.00, 0000 +547.00, 0000 +549.00, 0000 +551.00, 0000 +553.00, 0000 +555.00, 0000 +557.00, 0000 +559.00, 0000 +561.00, 0000 +563.00, 0000 +565.00, 0000 +567.00, 0000 +569.00, 0000 +571.00, 0000 +573.00, 0000 +575.00, 0000 +577.00, 0000 +579.00, 0000 +581.00, 0000 +583.00, 0000 +585.00, 0000 +587.00, 0000 +589.00, 0000 +591.00, 0000 +593.00, 0000 +595.00, 0000 +597.00, 0000 +599.00, 0000 +601.00, 0000 +603.00, 0000 +605.00, 0000 +607.00, 0000 +609.00, 0000 +611.00, 0000 +613.00, 0000 +615.00, 0000 +617.00, 0000 +619.00, 0000 +621.00, 0000 +623.00, 0000 +625.00, 0000 +627.00, 0000 +629.00, 0000 +631.00, 00

Source: Figgis + Jefferson Tapa

Under the indicative development concept, two residential structures of five storeys are situated above the podium, with the provision of communal open space between them. The towers will contain a total of 97 apartments, taking advantage of the site's strategic location adjacent to public transportation infrastructure and the Leichhardt Town Centre, thereby representing an increase of housing supply adjoining the Inner West Light Rail. Although the development has a total FSR of up to 3:1, only 2.43:1 of this is visible as 3,000m² of the GFA is underground as part of the automobile service facility (urban services use).

The residential levels of the building are set back a minimum of 10m from the Marion Street boundary, 10-12.5m from the eastern boundary and at least 5m (with increased setbacks at upper levels) from Walter Street. These setbacks will provide adequate separation and ensure the development is scaled appropriately so as not to result in adverse overshadowing impacts or excessive bulk and scale when viewed from surrounding residential properties and Lambert Park.

5.4 Site Access and Through Site Link

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through-site link will also be of benefit to residents of Loftus Street, Daniel Street and the northern end of Foster Street looking to access the Marion light rail station.

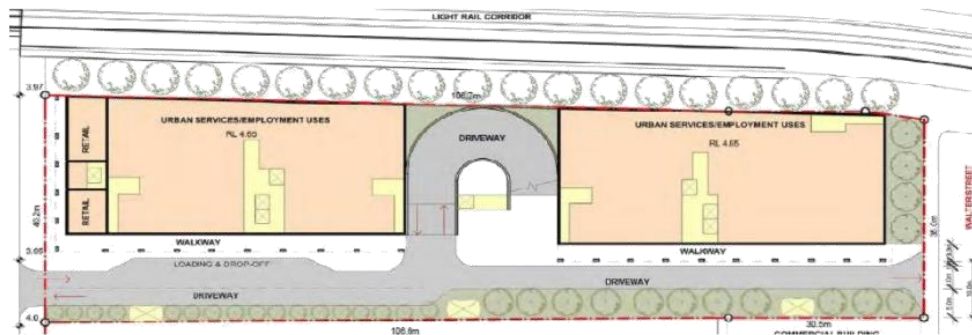


Figure 20 Ground floor plan, showing proposed driveway and pedestrian through site link

Source: Figgis + Jefferson Tapa

5.5 Distribution of Uses

The proposal seeks to facilitate light industrial urban services and compatible commercial uses within a mixed-use podium with residential uses located above ground. Many urban services businesses are 'low impact' and can co-exist with residential uses. In this regard, the uses will be provided with separate entries and access points, with urban services and commercial uses located at Basement and Ground Floor, while residential dwellings will be located above ground. This is important to ensure land use conflicts are adequately managed to ensure the sustainable co-existence of the uses. This will be considered in preparation of a site-specific Development Control Plan that will outline clear objectives and controls to manage the interface and relationship between light industrial/urban services and residential uses.

The existing automotive servicing and repair facility located on the site will be retained under the indicative development concept. The facility is proposed to be moved underground, to be located in two basement storeys with 4.5m floor to floor heights as shown in **Figure 21**. In accordance with the above, this will protect the existing urban services employment use at the site, whilst also enhancing employment opportunities through the provision of new Ground Floor and podium commercial tenancies. Locating the automotive servicing and repair services facility below ground also provides the following benefits:

- Removing a light industrial use from the streetscape improves the amenity of what is predominantly a residential area;
- Removing the light industrial use from the streetscape allows for opportunities for street activation on the Ground Floor of the indicative proposed development; and
- Moving the automotive servicing and repair facility underground does not hinder or otherwise obstruct its everyday function and use whilst creating potential for higher order commercial uses at Ground Floor to increase the employment yield of the site.

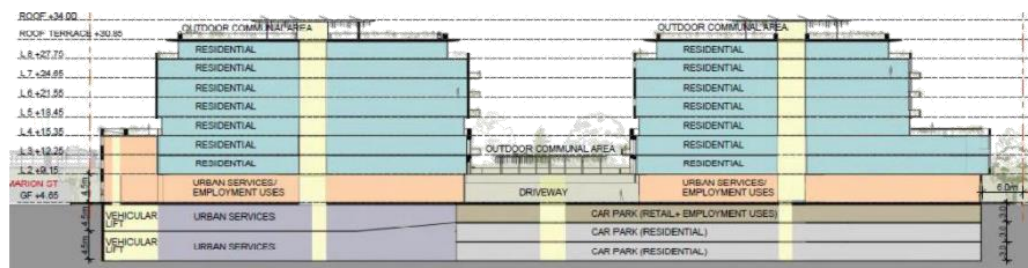


Figure 21 The existing automotive repair use will be retained in two basement levels

Source: Figgis + Jefferson Tapa

6.0 Planning Proposal

This Planning Proposal has been prepared in accordance with Section 3.33 of the EP&A Act and 'A Guide to Preparing Planning Proposals', prepared by the Department, which requires the following matters to be addressed:

- Objectives and intended outcomes of the amendment to the LEP;
- Explanation of provisions;
- Justification;
- Relationship to strategic planning frameworks;
- Environmental, social and economic impact;
- State and Commonwealth interests; and
- Community consultation.

The following Section outlines the objectives and intended outcomes and provides an explanation of provisions in order to achieve those outcomes, including relevant mapping. The justification and evaluation of impacts is set out in **Section 7.0** of this report.

6.1 Objectives of Planning Proposal

The objective of this Planning Proposal is to facilitate the redevelopment of land at 245 Marion St, Leichardt in a manner that will increase employment and housing opportunities. Specifically, the primary objective of the proposal is to establish strategic land use controls that will facilitate the future renewal and revitalisation of the site into a vibrant mixed-use development that will deliver housing, jobs, services and amenities to the local area. In doing so, the Planning Proposal seeks to provide an appropriate balance of uses that can support the key directions and actions of the Greater Sydney Region Plan and the Eastern City District Plan.

The key objectives are:

Employment and Economy

- Retain and enhance the existing light industrial use of the site to ensure the continuation of important urban services that support the local population;
- Facilitate a wider range of compatible higher order employment uses to increase the employment capacity of the site;
- Provide limited business/retail floorspace to support the local population and to benefit from the development's proximity to the Marion light rail station; and
- Create direct employment through the redevelopment stages as well as indirect employment in local businesses and construction support services.

Housing

- Provide for additional housing to meet the needs of Sydney's growing population;
- Encourage transit-orientated development by supporting additional housing adjacent to public transport infrastructure;
- Support housing affordability policies by increasing housing supply and diversity;
- Dedicate a quantum of affordable housing to Council to support key workers;
- Ensure that new housing has a high level of amenity in terms of location, access to services and facilities, solar access and acoustic attenuation;
- Co-locate additional housing within areas of high amenity features within the surrounding area, including open space and the linear corridor of parklands along the Greenway; and
- Ensure that the interface between existing and new housing with employment uses is appropriate.

Urban Design

- Stimulate the urban renewal of an aged light industrial development;
- Provide uplifts in urban density commensurate to the site's proximity to transport, local centres, services and recreational facilities;
- Establish a building height and density that is consistent with other infill renewal sites along the light rail corridor;
- Facilitate a building form that reads 'in the round' due to the development's prominence in the urban environment;
- Create a vibrant mixed-use development that promotes an active street frontage along Marion Street;
- Ensure that future development exhibits design excellence and high quality public domain treatments;
- Improve permeability within the area to encourage walking and cycling by the creation of a new through-site link which will significantly improve access to the Marion light rail station for surrounding residents;
- Provide a public domain that creates a pleasant, attractive and welcoming spaces;
- Minimise shadow and privacy impacts on surrounding neighbours; and
- Deliver a high-quality design outcome that appropriately responds to its surrounding context and interfaces.

Transport and Traffic

- Create a transit-oriented development that is appropriate for its location, given its direct access to Marion light rail station and high frequency bus routes, linking key destinations such as the Sydney CBD;
- Increase permeability and accessibility, both pedestrian and bicycle, to the light rail station and wider open space network;
- Create opportunities for jobs and housing to be located in close proximity to transport in order to reduce car dependency and congestion;
- Promote non-car methods of travel by facilitating the renewal and redevelopment of the site; and
- Contribute to the completion of Council's Greenway project.

Ecological Sustainable Development

- Accommodate growth by increasing urban densities in existing, under-utilised urban areas, with good access to retail, community services, public transport and recreational facilities.;
- Create an efficient and resilient built environment through the application of ecologically sustainable design principles and initiatives; and
- Promote non-car travel in favour of more sustainable transit modes.

6.2 Intended Outcomes

The intended outcome of the Planning Proposal is to amend the provisions of Part 6 of the LEP to introduce local provisions for the site to support a mixed use development as detailed at **Section 5.0**.

6.3 Explanation of Provisions

The Planning Proposal incorporates the following amendments to the LEP as it relates to the site. No changes are proposed to the LEP Maps (see **Table 3**) and the development is proposed to be facilitated through the inclusion of a site specific provision (as outlined at **Section 6.3.1**).

Table 3 Summary of Proposed Amendments to Leichardt LEP Maps

Control	Existing	Proposed
Land Use Zone	IN2 Light Industrial	No change
Building Height	No control	No change
Floor Space Ratio	1:1	No change
Part 6 – Additional Local Provision	Nil	Provide a site-specific provision as outlined below.

6.3.1 Site Specific Local Provision

It is proposed to include site specific clauses under Part 6 Additional Local Provisions of the LEP 2013 to facilitate the site's redevelopment. The proposed additional local provisions would include site-specific requirements that would have the effect of requiring any development seeking to incorporate residential accommodation to provide a minimum 5,200m² (equal to a FSR of approximately 1:1) of other compatible non-residential uses.

Of the 5,200m² of non-residential uses, a minimum of 3,200m² must comprise uses that are currently permissible in the IN2 zone which will ensure that, at a minimum, the current quantum of light industrial uses is maintained at the site. This takes into consideration the fact that its not possible to achieve 100% site coverage for traditional light industrial uses which typically include at-grade parking (refer to **Section 7.0**). The remaining 2,000m² of non-residential uses may comprise additional light industrial uses, a childcare centre, health service facilities and/or a small restaurant, café or shop. It is proposed to cap the childcare centre and health service facilities to a maximum GFA of 2,000m² and the restaurant, café or shop to 250m² to ensure the majority of employment generating uses are made up of light industrial urban services (such as the existing automotive service centre). A small amount of restaurant/café or retail floor space will help activate the Marion Street frontage and serve the local population, particularly those using the light rail.

It is proposed to switch off Clause 6.9 of the LEP 2013 for the site to diversify the range of employment generating uses permissible. As noted above, the proposed caps on certain types of non-residential uses will ensure that the existing light industrial floor space will be maintained and/or enhanced.

To accommodate the above ground residential dwellings, a total FSR of 3:1 is proposed (equating to a maximum residential FSR of approximately 2:1) and a maximum height limit of 30m. The proposed height limit will accommodate a maximum 8 storey building form, including structures for a rooftop terrace and sufficient floor to ceiling heights at Basement and Ground Floor to accommodate the light industrial/commercial uses.

6.3.2 Draft Site-Specific Clause

Part 6 Additional Local Provision

Clause 6.XX Development of land at 245 Marion Street, Leichhardt

1. The objective of this clause is to promote the development of land at 245 Marion Street, Leichhardt for light industrial and other population-serving employment uses whilst enabling the incorporation of residential uses as part of a mixed-use development.
2. This clause applies to 245 Marion Street, Leichhardt, being Lot 1, DP 507525, identified as 245 Marion Street Leichhardt on the Key Sites Map.
3. Development consent may be granted for residential accommodation on land to which this clause applies but only as part of a mixed-use development that includes a minimum GFA of 5,200m² of non-residential uses, comprising:

Min.	Max.	Use
3,200m ²	-	Uses permissible in IN2 zone
-	2,000m ²	Centre-based childcare centre, health service facility
-	250m ²	Restaurant or cafés, shops

4. Despite clauses 4.4 (2), the maximum floor space ratio for development for the purposes of a mixed-use development on land to which this clause applies is 3:1.
5. Despite clause 4.3 (2), the maximum building height for development for the purposes of a mixed-use development on land to which this clause applies is 30m.
6. Clause 6.9 does not apply to land to which this clause applies.

6.4 Mapping

This Planning Proposal will amend the Key Sites Map (Sheet 2) of the LEP as shown at **Figure 22**.

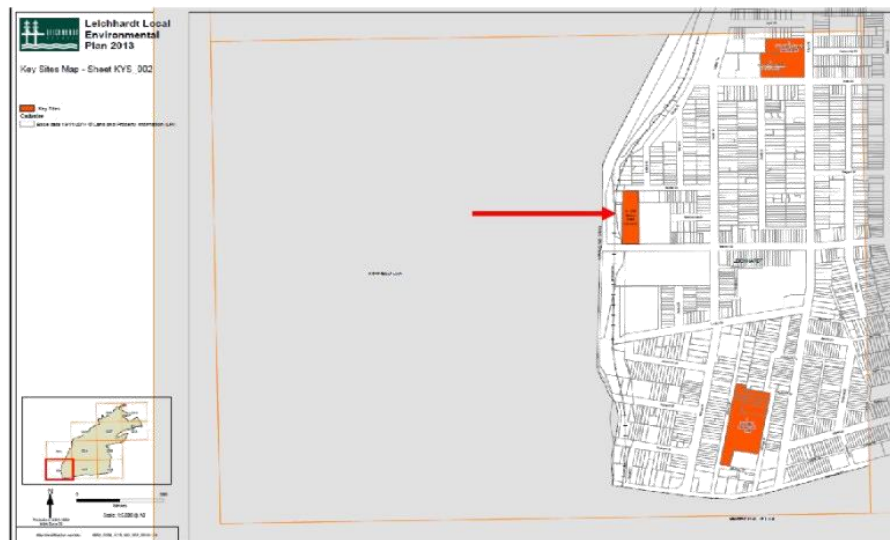


Figure 22 Proposed Key Sites Map

Source: Ethos Urban

7.0 Strategic Justification

7.1 The Need for a Planning Proposal

Q1 – Is the Planning Proposal a result of any strategic study or report?

No. However, the proposal is consistent with the recent rezoning of 469-483 Balmain Road, Lilyfield and achieves the intent of Council's local planning strategies, including the Industrial Lands Study (2014) and Leichhardt Industrial Precinct Planning Interim Report (2016)

The site is currently occupied by an automobile service centre, employing 13 workers. The current built form achieves a FSR of approximately 0.68:1 with the site currently providing 3,545m² of floorspace (comprising 2,855m² of automobile service centre and 690m² of professional offices). While the lot has a maximum permissible FSR of 1:1 it is not possible to fully develop the site to achieve the maximum possible floorspace due to the nature of light industrial uses which are typically single storey buildings requiring relatively large areas of non-built upon land for accessibility, parking and loading.

An Economic Impact Assessment has been undertaken by Hill PDA (**Appendix C**) that confirms the current auto service centre use is the highest and best use available to the site under the current zoning. The report found it is unlikely that there would be a commercially viable option to redevelop the site for employment uses under the current controls given its constraints around accessibility, parking and the need to appropriately buffer it from surrounding residential uses.

The site is also in a strategically important location, immediately adjacent to the Marion light rail station which justifies the inclusion of an increased range and density of employment generating uses and residential dwellings.

In order to respond to the recommendations for the Industrial Lands Study (2014) and Leichhardt Industrial Precinct Planning Interim Report (2016), the Planning Proposal proposes to:

- Retain the IN2 zone;
- Increase the employment floorspace achievable within the IN2 zoned land by facilitating a multi-storey commercial development which utilises basement area for traditional light industrial uses and complements this with other compatible employment uses within the podium; and
- Protect and enhance existing urban services (i.e. auto repair services) by imposing minimum light industrial floor space requirements on any mixed-use redevelopment of the site.

To deliver the strategic outcome of the Planning Proposal any future mixed-use development would be required to provide a minimum GFA of 5,200m² of non-residential uses, comprising:

- 3,200m² (or greater) uses permissible in the IN2 Light Industrial zone;
- A maximum 2,000m² of uses including centre-based childcare centre or health service facilities; and
- A maximum 250m² of restaurants, cafés or shops.

According to Hill PDA, the Planning Proposal would lead to a net increase in jobs of 119, workers remuneration of \$8.6m and gross value added (contribution to the local economy) of \$11.5m every year. In addition, construction of the development would directly generate 144 job years and a further 570 job years through production and consumption induced multiplier impacts. A summary of the economic benefits of the Planning Proposal compared to the base scenario is provided at **Table 4**.

Table 4 Summary of Economic Benefits

Economic Performance Indicator	Current Uses	Planning Proposal
Total Jobs on site	45	152
Total Workers Remuneration (\$/ann)	\$1.8	\$9.9
Gross Value Added (\$m/ann)	\$2.9	\$13.6
Construction Costs (4m)	-	\$67
Value of total Economic Activity from construction (\$m)	-	\$216
Jobs Years directly in construction	-	144
Total direct and indirect Job Years in construction	-	570

Source: HillPDA Economic Impact Assessment

Overall, the Planning Proposal would result in a more intensive use of space and an increase in employment uses as well as housing immediately adjacent to the Marion light rail station. It would retain the existing light industrial floor space to protect the urban services currently available to the community and offer flexible employment generating floorspace and residential apartments that will better reflect the requirements of the new live/work economy.

Q2 – Is the Planning Proposal the best means of achieving the intended outcome?

Yes. A Planning Proposal seeking to amend the LEP is the most effective way of providing certainty for Council, the local community and the landowner. In preparing this Planning Proposal, four options were considered to facilitate the intended outcomes as set out in **Section 6.1**. These are listed and discussed below:

- Option 1: Do nothing;
- Option 2: Re-develop the site with an industrial development; or
- Option 3: Seek to amend Part 6 – Additional Local Provisions of the LEP to facilitate the development of a mixed-use development.

Option 1 - Do nothing

As outlined at **Section 7.1** the 'do nothing' scenario would not facilitate a development commensurate with the strategic nature of the site. This would result in the underutilisation of the site for both employment and residential uses and would represent a failure to optimise the benefits provided by its location adjacent the Marion light rail station. In this regard, the 'do nothing' scenario would be inconsistent with the relevant local and regional planning strategies.

Option 2 - Re-develop the site with an industrial development

An economic study undertaken by Hill PDA (**Appendix C**) found it is highly unlikely that there would be a commercially viable option to redevelop the site for employment uses as it is simply not financially viable to demolish the existing building and redevelop the site for a similar or other complying use to a FSR of only 1:1. Therefore, to enhance the employment opportunities of the site it is necessary to facilitate a mixed use development which provides a wider range of employment uses and residential accommodation to support the economic case for redevelopment.

Option 3 – Amendment to Part 6 of the LEP

The site has been recognised previously as being capable of renewal from its existing industrial land use (see **Section 2.1**). The Planning Proposal is the best and most appropriate means of achieving the desired future redevelopment as it will maintain the existing IN2 Light Industrial land use zoning, facilitate the redevelopment of the site with greater employment capacity and facilitate the renewal of the site with high density housing in a location adjacent to public transport infrastructure. The inclusion of an additional local provision will facilitate the renewal of the subject site without undermining the strategic need to protect employment lands across other parts of the LGA.

7.2 Relationship with the Strategic Planning Framework

Q3 – Is the Planning Proposal consistent with the objectives and actions of the applicable regional, sub-regional or district plan or strategy (including any exhibited draft plans or strategies)?

Strategic Merit Test

A *Guide to Preparing Planning Proposals* sets out that in order to answer this question, a planning proposal needs to justify that it meets the Strategic Merit Test. The consistency of this Planning Proposal with the mandated assessment criteria is set out below.

a) Does the proposal have strategic merit?

Yes. The consistency of the Planning Proposal with State and Regional strategic frameworks is set out below.

A Metropolis of Three Cities – Greater Sydney Regional Plan

The NSW Government released '*A Metropolis of Three Cities – The Greater Sydney Regional Plan*' in March 2018. It outlines actions to achieve the Government's vision for Sydney to 'enhance its status as one of the most liveable global cities'. Leichhardt is within the Eastern Harbour City (a review of the Eastern Harbour City District Plan is provided further below).

Table 5 Consistency with the Greater Sydney Regional Plan

Objective	Planning Proposal Comment
Objective 4: Infrastructure use is optimised	The Planning Proposal will optimise the use of the existing light rail infrastructure by facilitating transit-orientated development which increases the employment and housing capacity of a highly accessible site.
Objective 10. Greater housing Supply	The Planning Proposal will contribute to delivering housing targets in the Eastern City District. Consistent with the objective it will link the delivery of new homes in the right locations with local infrastructure evidenced by the proximity of the Inner West Light Rail.
Objective 11. Housing is more diverse and affordable	The Planning Proposal will facilitate a diversity of housing types, sizes and price points that can help improve affordability. It will increase the supply of housing that is of universal design and adaptable to people's changing needs as they age which is increasingly important across Greater Sydney.
Objective 12. Great places that bring people together	The indicative development concept shows how the site can be redeveloped in a manner that will enable the creation of a new through site link that will make the locality more permeable, allowing greater access for local residents to the Marion light rail station.
Objective 14: A metropolis of three cities – integrated land use and transport creates walkable and 30-minute cities	The existing light rail and bus network locates the site within a 30-minute travel time from a number of strategic and metropolitan centres in the Eastern City. This makes the site highly accessible for existing and future residents. By transitioning the site to allow for residential as part of a mixed-use development, it will unlock the ability for workers and residents to access many of Sydney's key employment areas and recreation destinations within 30 minutes (the 30-minute city).
Objective 23. Industrial and urban services land is planned, retained and managed	The Planning Proposal will retain the IN2 Light Industrial land use, including urban services to support the local community, and will increase provision of employment floorspace while diversifying employment uses. The Planning Proposal will accordingly also create additional local employment opportunities.
Objective 33: A low-carbon city contributes to net-zero emissions by 2050 and mitigates climate change	The renewal of the site for a transit-orientated mixed use development will contribute to a low-carbon city by reducing the reliance on private motor vehicles. In addition, sustainability framework that addresses the management of water, energy, resources and waste of any future development at the site will be incorporated into a section of a future site-specific DCP that will ensure the holistic and comprehensive application of ecologically sustainable design principles
Objective 34: Energy and water flows are captured, used and re-used	

The Eastern Harbour City District Plan

The following Planning Priorities that are relevant to the Planning Proposal and the actions that the Planning Proposal is consistent with are summarised at **Table 6**.

Table 6 Consistency with the Central City District Plan Planning Priorities and Actions

Planning Priority	Relevant Actions	Planning Proposal Comment
Planning Priority E3 Providing services and social infrastructure to meet people's changing needs	<ul style="list-style-type: none"> Deliver social infrastructure that reflects the needs of the community now and in the future. 	<p>The Planning Proposal will facilitate the creation of a diverse and resilient community through high quality public domain improvements and community infrastructure that will support the social needs of the current and future population. The public benefits of the Planning Proposal are outlined at Section 8.0 and include:</p> <ul style="list-style-type: none"> Affordable housing; A monetary contribution towards upgrades and/or general maintenance of Lambert Park football stadium; and A new pedestrian through-site link to improve access to Marion light rail station for surrounding residents.
Planning Priority E5. Providing housing supply, choice and affordability with access to jobs, services and public transport	<ul style="list-style-type: none"> New housing must be in the right places to meet demand for different housing types, tenure, price points, preferred locations. Supply must be coordinated with local infrastructure to create liveable, walkable and cycle-friendly neighbourhoods with direct, safe and universally designed pedestrian and cycling connections to shops, services and public transport. Opportunities for urban renewal need to be considered by location and by capacity of existing and proposed infrastructure. Urban renewal should be encouraged in catchment areas within walking distance (10 minutes) of centres with rail, light rail or regional bus transport. Action 16. Prepare local or district housing strategies that address the following: <ul style="list-style-type: none"> a. the delivery of five-year housing supply targets for each local government area. b. the delivery of 6–10 year (when agreed) housing supply targets for each local government area. c. capacity to contribute to the longer term 20-year strategic housing target for the District. d. the housing strategy requirements outlined in Objective 10 of A Metropolis of Three Cities that include: <ol style="list-style-type: none"> creating capacity for more housing in the right locations. supporting planning and delivery of growth areas and planned precincts as relevant to each local government area. supporting investigation of opportunities for alignment with investment. regional and district infrastructure. supporting the role of centres. 	<p>The Planning Proposal is consistent with the Planning Priority and actions by facilitating new housing supply and choice which will put downward pressure on affordability. The site is in a key location that will be close to jobs, service and public transport.</p> <p>Importantly, the Planning Proposal supports the appropriate land use planning of sites proximate to public infrastructure, ensuring good utilisation of land.</p> <p>Refer to below for analysis on housing targets.</p>
Planning Priority E6. Creating and renewing great places and local centres, and respecting the District's heritage	<ul style="list-style-type: none"> Improving liveability in urban environments necessitates planning for a mix of high quality places that engage and connect people and communities. Use flexible and innovative approaches to revitalise high streets in decline. 	<p>The Planning Proposal will renew a highly accessible site that is capable of supporting additional density. It will enable revitalisation of the locality that will be activated by high quality spaces that will engage with the community.</p>

Planning Priority	Relevant Actions	Planning Proposal Comment
	<ul style="list-style-type: none"> Action 18. Using a place-based and collaborative approach throughout planning, design, development and management deliver great places by: <ul style="list-style-type: none"> prioritising a people-friendly public realm and open spaces as a central organising design principle. recognising and balancing the dual function of streets as places for people and movement. providing fine grain urban form, diverse land use mix, high amenity and walkability, in and within a 10-minute walk of centres. integrating social infrastructure to support social connections and provide a community hub. recognising and celebrating the character of the place and its people. 	<p>The indicative concept design shows a future built form has been designed and planned to respond to the local context, in particular providing a suitable and well-scaled built form relative to the locality.</p> <p>The proposal applies an innovative approach to the revitalisation of Marion Street by undergrounding the existing auto repair service use and providing active commercial uses at Ground Level. The addition of residential uses above will also provide a population base to help activate the nearby high streets.</p>
Planning Priority E10. Delivering integrated land use and transport planning and a 30-minute city	<ul style="list-style-type: none"> This strategy will acknowledge the unique character of station precincts and plan for an appropriate mix of housing and jobs. Action 33. Integrate land use and transport plans to deliver the 30-minute city. 	<p>The Planning Proposal will facilitate housing and jobs in a location close to public transport, consistent with the principles of the 30-minute city.</p>
Planning Priority E12. Retaining and managing industrial and urban services land	<ul style="list-style-type: none"> Industrial and urban services land is planned, retained and managed. This priority is reinforced by Action 50 – Manage industrial land in the Eastern City District by protecting all industrial zoned land from conversion to residential development, including conversion to mixed use zones. 	<p>The Planning Proposal will retain the IN2 Light Industrial land use and will increase provision of employment floor space while diversifying employment uses. The Planning Proposal will also create additional local employment opportunities.</p> <p>The Planning Proposal does not seek to convert the existing IN2 zone to a residential or mixed use zone. Rather, it seeks to insert site-specific provisions which ensure the protection of the existing light industrial use of the site as part of any future redevelopment.</p> <p>Refer below for further analysis of how the proposal will retain industrial zoned land.</p>

Eastern City District Housing Targets

The District Plan requires Council's to prepare housing strategies to make provision for the anticipated growth associated with the District housing targets of the Region Plan. The District Plan breaks these targets down by LGA and nominates a 0-5 year target for Inner West Council of 5,900 new dwellings (by 2021). Analysis of recent building approvals in the Inner West, suggests Council is just falling short of their current five year target (refer to **Figure 23**), with a large portion of the dwellings approved between 2014-2016. The Planning Proposal will help achieve current and future dwelling targets on a site that is well positioned to accommodate growth.

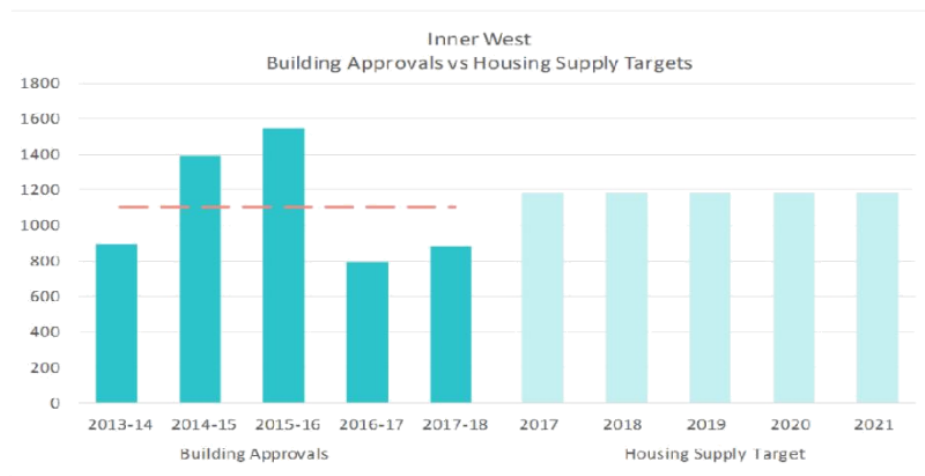


Figure 23 Building Approvals vs Housing Supply Targets

Greater Sydney Commission - Industrial and urban services land (Retain and manage) – transitional arrangements

On 5 October 2018, the Greater Sydney Commission released an Information Note (SP2018-1) relating to transitional arrangements for the management of industrial and urban services land. The note does not form part of the Region or District Plans and does not have any statutory weight under the EP&A Act 1979, however, provides guidance on how the retain and manage approach to industrial lands should be applied to Planning Proposals. Specifically, the Information Note states that:

'If a planning proposal involving change of use of industrial or urban services land to residential, retail or mixed uses in the areas covered by the Retain and manage approach is lodged after the adoption of the District Plans being March 2018 then it is to be considered on its strategic and site merits and the policy to Retain and manage industrial and urban services land set out in the relevant District Plan is to be applied. The Retain and Manage approach prevails over other District Plan objectives relating to delivery of housing or retail floor area.'

The approach taken for this Planning Proposal is consistent with the Information Note, by retaining the IN2 zoning of the land, while increasing the provision of employment floorspace overall. As described at Section 6.3 above, the proposed site-specific provisions have been carefully drafted to ensure the existing quantum of urban services land is retained at the site. Importantly, the Planning Proposal does not seek to change the zoning of the land to a pure residential or mixed use zone and the introduction of residential accommodation will only be permitted as part of a development which retains and improves the employment capacity of the site.

Future Transport Strategy 2056

The Future Transport Strategy is a 40-year strategy to achieve the Government's vision for the city's transport system. The Planning Proposal is consistent with the Strategy by:

- Integrating land use and transport by increasing density directly adjacent to the Marion light rail station;
- Improving liveability by providing housing and jobs close to high quality, reliable public transport; and
- Improving sustainability by locating jobs and homes close to public transport which will reduce reliance on private motor vehicles and encourages active transport.

NSW Making It Happen – Premier's Priorities

The NSW Premier's Priorities outline the NSW State Government's vision and objectives for the state's near-term future and are intended to guide all government action. The Planning Proposal is consistent with the Premiers Priorities in that it will:

- Support employment;
- Create construction jobs;
- Contribute to housing supply and improve affordability;
- Encourage business investment in Leichardt; and
- Develop a high-quality development in proximity to transport infrastructure delivered by the NSW Government (Inner West Light Rail).

b) Does the proposal have site-specific merit?

Having regard to the following:

- the natural environment (including known significant environmental values, resources or hazards); and
- the existing uses, approved uses, and likely future uses of land in the vicinity of the proposal; and
- the services and infrastructure that are or will be available to meet the demands arising from the proposal and any proposed financial arrangements for infrastructure provision.

The proposal is considered to have site-specific merit for the following reasons:

- It is a large urban development site that is relatively unencumbered with no significant natural environmental values;
- It protects and enhances existing uses and employment opportunities at the site;
- It ensures potential land use conflicts between the existing light industrial and future residential uses are adequately addressed;
- It can be readily serviced by utilities and infrastructure to support the proposed use and density;
- It is in direct proximity to the Inner West Light Rail network;
- Development of the site will not have any unacceptable environmental impact on key public spaces or surrounding development;
- The indicative development concept confirms that a design solution can be achieved for the residential component that is consistent with the objectives and guidelines of SEPP 65 and the Apartment Design Guide (ADG);
- Vehicular access and servicing can be achieved in an acceptable manner; and
- It improves the permeability of the street and improves access to the light rail station for surrounding residents.

Summary

This Planning Proposal achieves the assessment criteria as it demonstrates both strategic merit and site-specific merit. Therefore, this Planning Proposal meets the Strategic Merit Test.

Q4 – Is the Planning Proposal consistent with a Council's local strategy or other local strategic plan?

The following strategic planning documents are relevant to the Planning Proposal.

Our Inner West 2036

The Planning Proposal is consistent with the Community Strategic Plan as outlined at **Table 7**.

Table 7 Consistency with Our Inner West 2036 Strategic Plan

Outcome	Relevant Strategy	Planning Proposal Comment
Strategic direction 2: Unique, liveable, networked neighbourhoods		
2.1 Development is designed for sustainability and makes life better	<ol style="list-style-type: none"> Pursue integrated planning and urban design across public and private spaces to suit community and local environment needs Identify and pursue innovative and creative solutions to complex urban planning and transport issues Improve the quality, and investigate better access and use of existing community assets Develop planning controls that protect and support a sustainable environment and contribute to a zero emissions and zero waste community 	The Planning Proposal provides an innovative response that will meet the strategic need to retain important IN2 zoned land while facilitating redevelopment of a strategically important site for mixed uses, adjacent to the Marion light rail station. The proposed urban design response will locate appropriate density while facilitating improved access to employment and facilitating better access to Marion station for residents to the north of the site.
2.3 Public spaces are high-quality, welcoming and enjoyable places, seamlessly connected with their surroundings	<ol style="list-style-type: none"> Plan and deliver public spaces that fulfil and support diverse community needs and life Ensure private spaces and developments contribute positively to their surrounding public spaces Advocate for and develop planning controls that retain and protect existing public and open spaces 	The indicative development concept has been designed to ensure high amenity for local and surrounding residents is maintained, while facilitating a built form that is appropriate adjacent to a rail corridor.
2.4 Everyone has a roof over their head and a suitable place to call home	<ol style="list-style-type: none"> Ensure the expansion of social, community and affordable housing, distributed across Inner West, facilitated through proactive policies Encourage diversity of housing type, tenure and price in new developments Assist people who are homeless or sleeping rough 	A quantum of affordable housing will be included as part of the public benefit offer to Council. Refer to Section 8.0 below.
2.6 People are walking, cycling and moving around Inner West with ease	<ol style="list-style-type: none"> Deliver integrated networks and infrastructure for transport and active travel Pursue innovation in planning and providing new transport options Ensure transport infrastructure is safe, connected and well maintained 	The proposal will integrate with the surrounding locality by providing new through site connections that will connect Marion Road and Walter Street, providing improved access to and from Marion street station. It will significantly improve access to the station for surrounding residents to the north and north east.
Strategic direction 3: Creative communities and a strong economy		
3.3 The local economy is thriving	<ol style="list-style-type: none"> Support business and industry to be socially and environmentally responsible Strengthen economic viability and connections beyond Inner West Promote Inner West as a great place to live, work, visit and invest in 	The proposal will increase employment floor space across the site which will provide support for the local economy. Locating employment adjacent to the Marion light rail station supports efficient and sustainable transport.
3.4 Employment is diverse and accessible	<ol style="list-style-type: none"> Support local job creation by protecting industrial and employment lands 	The proposal protects the IN2 Light Industrial zoned land while delivering increased employment

Outcome	Relevant Strategy	Planning Proposal Comment
	2. Encourage social enterprises and businesses to grow local employment	floorspace. This will provide opportunities for the existing auto service business to stay, while provide new opportunities for enterprise and business to locate in the Inner West.

Leichhardt Industrial Lands Study

The Industrial Lands Study contains an analysis of the site against the Industrial Lands Assessment Checklist (see extract of the assessment at **Table 8**). Whilst the findings indicate the site itself is not contributing to a significant industrial cluster, the limited industrial land in the LGA means retention of the land use is recommended by the study.

Table 8 Extract of Industrial Lands Assessment Checklist from Council's Industrial Lands Study

Assessment Criteria	Met?
<i>Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?</i>	No
<i>Is the site near or within direct access to key economic infrastructure?</i>	Close proximity to Inner West Light Rail
<i>Is the site contributing to a significant industry cluster?</i>	No (significant proportion not industrial use)
<i>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?</i>	Some impact on light industrial provision in LGA and pressure on remaining precincts to accommodate its loss
<i>How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?</i>	Loss of floor space would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
<i>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?</i>	Current residential care home suggests land not highly valued for industrial use
<i>Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?</i>	No

Source: Leichhardt industrial lands study

The Planning Proposal is consistent with the recommendations of the Industrial Lands Study by:

- Retaining the IN2 zone;
- Increasing the employment floor space achievable within the IN2 zoned land by facilitating a multi-storey commercial development which utilises basement area for traditional light industrial uses and complements this with other compatible employment uses within the podium; and
- Protect and enhance existing urban services (i.e. auto repair services) by imposing minimum light industrial floor space requirements on any mixed-use redevelopment of the site.

Leichhardt Affordable Housing Strategy

The Planning Proposal is consistent with the Affordable Housing Strategy as residential GFA will be provided to an affordable housing provider as part of the public benefit offer to Council. Refer to **Section 8.0** below.

Leichhardt Employment Lands Study

The Employment Lands Study notes that there is an opportunity for increased residential densities in the land surrounding the Leichhardt centre as there is a lack of heritage items and high level of public transport services to this location. The Planning Proposal is consistent with this finding by accommodating residential dwellings in a

location close to public transport but only as part of a mixed use development which retains the current light industrial uses of the site.

Q5 – Is the Planning Proposal consistent with applicable State Environmental Planning Policies?

An assessment of the Planning Proposal against relevant State Environmental Planning Policies (SEPPs) is set out in Table 9 below.

Table 9 Consistency with State Environmental Planning Policies

SEPP	Consistency			Comment
	Yes	No	N/A	
SEPP (State and Regional Development) 2011	✓			The future development of the site is likely to be deemed as 'regional development' (meeting the relevant thresholds under Schedule 4A of the EP&A Act), with the Sydney Eastern City Planning Panel acting as the determining authority.
SEPP (Affordable Rental Housing)			✓	Not relevant to proposed LEP amendment
SEPP (Exempt and Complying Development Codes)			✓	Not relevant to proposed LEP amendment. May apply to future development on the sites.
SEPP No. 55 Remediation of Land	✓			SEPP 55 provides that a consent authority must not consent to the carrying out of development unless any contamination considered is remediated and the site is made suitable for the purpose which the development is proposed to be carried out. The Phase 1 Preliminary Site Investigation prepared by Douglas Partners is included at Appendix E and concludes that the site can be appropriately remediated for residential purposes in accordance with standard technologies (refer to Section 10.6). It is proposed that a detailed Phase 2 Detailed Contamination Assessment will be undertaken during the Development Application stage.
SEPP No. 64 Advertising and Signage			✓	Not relevant to the proposed LEP amendment
SEPP No. 65 Design Quality of Residential Apartment Development	✓			Detailed compliance with SEPP 65 will be demonstrated at the time of making a development application. Nonetheless, the Planning Proposal seeks to facilitate and achieve best practice compliance with SEPP 65. An assessment of how the concept scheme meets the principles of SEPP 65 is included within the Design Report at Appendix Error! Reference source not found..
SEPP (Infrastructure) 2007	✓			The future development is likely to be considered traffic generating development under the relevant thresholds of Schedule 3 and referral to RMS would be required. Due to the site's proximity to a rail corridor, a future development would also require referral to Sydney Trains,
SEPP (BASIX) 2004			✓	Not relevant to proposed LEP amendment. However it is noted that it will apply to future development on the site.
Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005			✓	The site is not located directly in the Sydney Harbour Catchment foreshore. Any potential impacts as a result of development on the site, such as stormwater runoff, will be considered and addressed appropriately at DA stage.

Q6 – Is the Planning Proposal consistent with applicable Ministerial Directions (s.9.1 directions)?

An assessment of the Planning Proposal against applicable section 9.1 Directions is set out in **Table 10** below.

Table 10 Consistency with section 9.1 directions

Direction	Consistency			Comment
	Yes	No	N/A	
1. Employment and Resources				
1.1 Business and Industrial Zones	✓			See further below.
1.2 Rural Zones			✓	Not applicable.
1.3 Mining, Petroleum Production and Extractive Industries			✓	Not applicable.
1.4 Oyster Aquaculture			✓	Not applicable.
1.5 Rural Lands			✓	Not applicable.
2 Environment and Heritage				
2.1 Environmental Protection Zones			✓	Not applicable.
2.2 Coastal Protection			✓	The site is not within coastal zone.
2.3 Heritage Conservation			✓	Not applicable.
2.4 Recreational Vehicle Area			✓	Not applicable.
2.5 Application of E2 and E3 Zones and Environmental Overlays in Far North Coast LEPs			✓	Not applicable.
3. Housing, Infrastructure and Urban Development				
3.1 Residential Zones	✓			The Planning Proposal is consistent with the objectives of this direction as it will increase residential densities and housing choice in a location that is close to public transport, shops, employment and recreational opportunities.
3.2 Caravan Parks and Manufactured Home Estates			✓	Not applicable.
3.3 Home Occupations	✓			No change is proposed to the current permissibility of home occupations.
3.4 Integrating Land Use and Transport	✓			<p>This Direction applies due to this Planning Proposal relating to provision of urban land. The Direction states that a Planning Proposal must be consistent with the aims, objectives and principles of:</p> <ul style="list-style-type: none">Improving Transport Choice – Guidelines for planning and development (DUAP 2001), andThe Right Place for Business and Services – Planning Policy (DUAP 2001). <p>The Planning Proposal is broadly consistent with the aims, objectives and principles of the above documents in that it will provide residential accommodation and employment generating uses in an area well serviced by public transport.</p>
3.5 Development Near Licensed Aerodromes			✓	Not applicable.
3.6 Shooting Ranges			✓	Not applicable.
3.7 Reduction in non-hosted short-term rental accommodation period			✓	Not applicable.
4. Hazard and Risk				
4.1 Acid Sulfate Soil	✓			The LLEP 2013 contains acid sulphate soils provisions and this proposal does not seek to amend them. Acid sulphate

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Direction	Consistency			Comment
				soils investigations and analysis will accordingly be undertaken as part of any future development of the land in accordance with the requirements of the LEP.
4.2 Mine Subsidence and Unstable Land			✓	The site is not identified as mine subsidence or unstable land.
4.3 Flood Prone Land	✓			Refer to below.
4.4 Planning for Bushfire Protection	✓			Not applicable.
5. Regional Planning				
5.10 Implementation of Regional Plans	✓			As outlined at Section 7.2 the Planning Proposal is consistent with the current Metropolitan Plan.
6. Local Plan Making				
6.1 Approval and Referral Requirements	✓			This Planning Proposal is consistent with this Direction in that it does not introduce any provisions that require any additional concurrence, consultation or referral.
6.2 Reserving Land for Public Purposes	✓			This Planning Proposal is consistent with this Direction in that it does not create, alter or reduce existing zonings or reservations of land for public purposes.
6.3 Site Specific Provision	✓			See further below.
7. Metropolitan Planning				
7.1 Implementation of A Plan for Growing Sydney	✓			The Planning Proposal is consistent with the Metropolitan Plan, as discussed in Section 7.2 .

Ministerial Direction - 1.1 Business and Industrial Zones

A Planning Proposal may be inconsistent with the s9.1 Directions if the relevant planning authority can satisfy the Director General of the NSW Department of Planning and Environment that the inconsistent provisions are justified by a study which gives consideration to the objective of this direction. The objectives of the Business and Industrial Zones S9.1 Direction are:

- a) encourage employment growth in suitable locations,
- b) protect employment land in business and industrial zones, and
- c) support the viability of identified strategic centres.

The Planning Proposal is accompanied by a detailed Economic Impact Assessment by HILL PDA (**Appendix C**), which provides the basis for providing the justification in accordance with the objectives of the Business and Industrial Zones S9.1 Direction as the Planning Proposal will:

- Retain the area and location of the IN2 zoned employment land;
- Increases the total potential floorspace for employment uses;
- Encourage employment growth through increased employment floorspace, in a suitable location; and
- Provide ongoing support for the Leichardt Marketplace local centre.

The subject site is currently occupied by a Mazda service centre, employing 13 workers. The current FSR is approximately 0.68:1 with the site currently providing 3,545m² floorspace. The Planning Proposal will require a minimum GFA of 5,200m² of non-residential uses, comprising:

- A minimum 3,200m² uses permissible in IN2 zone; and
- A maximum 2,000m² of uses including centre-based childcare centre, health service facility or office premises; and
- A maximum 250m² restaurant or cafés or shops.

The Planning Proposal would lead to a net increase in jobs of 119, workers remuneration of \$8.6m and gross value added (contribution to the local economy) of \$11.5m every year.

The Planning Proposal would result in a more intensive use of space and an increase in employment uses as well as housing immediately adjacent to the Inner West Light Rail station. It would provide flexible light industrial and office floorspace as well as residential apartments that will better reflect the requirements of the new live/work economy.

The site is located in the Leichhardt local centre within the Eastern City District. The site is strategically located to continue to support the viability for the local centre and as it is adjacent Marion light rail station, achieves a high level of access to surrounding strategic centres, including the Sydney CBD.

The delivery of new housing within proximity to existing transport infrastructure is an opportunity to support the delivery of homes near key employment locations. This will enable workers to easily access their employment destinations and support the economic viability of these Strategic Centres.

Ministerial Direction 4.3 Flood Prone Land

A Planning Proposal may be inconsistent with the S9.1 Directions if the relevant planning authority can satisfy the Director-General (or an officer of the Department nominated by the Director-General) that:

- a) *the planning proposal is in accordance with a floodplain risk management plan prepared in accordance with the principles and guidelines of the Floodplain Development Manual 2005, or*
- b) *the provisions of the planning proposal that are inconsistent are of minor significance.*

Appendix F confirms the indicative development concept is in accordance with the requirements of The Floodplain Risk Management Plan for the Upper Hawthorne Canal Catchment and therefore the Planning Proposal is consistent with the requirements of Ministerial Direction 4.3.

Ministerial Direction 6.3 Site Specific Provision

A Planning Proposal may be inconsistent with the S9.1 Directions if the relevant planning authority can satisfy the Director General of the NSW Department of Planning and Environment that the provisions of the planning proposal that are inconsistent are of minor significance.

The Planning Proposal seeks to introduce an Additional Local Provision to Part 6 of the LEP that preserve the IN2 Light Industrial zoned land, allows for the incorporation of residential and other compatible uses as part of a mixed-use development and realise an increase of employment floorspace than can currently be delivered.

The need to include a local provision is seen to be necessary, in particular in response to the need to retain industrial zoned land across the LGA. This will allow the LEP to respond to a site specific need to recognise the importance of industrial land and meet housing demands close to transport. Therefore, the proposed inclusion of a site-specific provision is seen to be justified and of minor significance.

7.3 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 site is located within a highly modified urban environment and does not contain critical habitat or threatened species, populations or ecological communities, or their habitats.

Q8 – Are there any other likely environmental effects as a result of the Planning Proposal and how are they proposed to be managed?

The site is an existing urban area devoid of significant vegetation with no ecological value. There are no likely ecological impacts as a result of this Planning Proposal. The environmental effects of the Planning Proposal are addressed in detail in **Section 11**.

Any future development of the site will be assessed against the environmental provisions of the applicable planning

instruments.

Q9 – Has the Planning Proposal adequately addressed any social and economic impacts?

The Planning Proposal will result in positive social and economic effects for the local area through the generation of local employment opportunities during construction and operation. It will improve local facilities, employment opportunities, increase housing stock close to public transport and amenities, provide greater housing choice as well as improve public domain facilities and the pedestrian interface with surrounding streets.

7.4 State and Commonwealth Interests

Q10 – Is there adequate public infrastructure for the Planning Proposal?

The site is located in an established urban area and has access to a range of existing services. Further investigations will be undertaken as part of the preparation of the DA to determine whether any upgrade of existing facilities is required as a result of the proposed development. These items would be appropriately addressed at DA stage.

Q11 – What are the views of State or Commonwealth public authorities consulted in accordance with the Gateway determination?

The views of State and Commonwealth public authorities will be known once consultation has occurred in accordance with the Gateway determination of the Planning Proposal.

8.0 Public Benefit

The Planning Proposal provides an opportunity to deliver significant additional public benefits to the local area. The redevelopment of the site in accordance with the Concept Design would deliver in excess of \$2.5 million in s7.11 contributions.

In addition, and in recognition of the changes sought to the LEP by the Planning Proposal, in accordance with Section 7.4 of the *Environmental Planning and Assessment Act 1979*, P & C Consulting P/L intends to offer into a VPA with Council to provide the following public benefits:

- Dedication of five percent of the gross floor area (GFA) of the residential component of the development to an affordable housing provider for a period of 10 years.
- A monetary contribution of \$250,000 to go towards upgrades and/or general maintenance of Lambert Park football stadium. Fifty percent of the contribution is to be paid upon finalisation of the Planning Proposal and the remaining fifty percent will be paid upon release of a Construction Certificate for a future mixed use development at the site. The contribution value is to be offset against future s7.11 contribution obligations.
- The provision of a north-south through-site pedestrian link between Marion Street and Walter Street to operate during daylight hours. Further details of this pedestrian link will be set out at DA stage.

On this basis, the applicant has prepared a letter of offer to enter into a VPA with Council (**Appendix D**). It is intended that should amendments to the LEP be made in accordance with this Planning Proposal that the offer will be formalised into a VPA with Council.

In addition, the urban renewal of the site will generate demand for community services and infrastructure within the local area. New development would therefore be required to contribute to local infrastructure in the form of Section 7.11 Development Contributions for recreational facilities, community facilities and traffic infrastructure.

9.0 Community Consultation

Community consultation will be conducted in accordance with Section 3.34 and Schedule 1 of EP&A Act and A *Guide to Preparing Planning Proposals*. Generally speaking, the Gateway determination will require consultation to occur with the community. Feedback collected during that consultation period will be addressed at the appropriate time.

10.0 Planning Assessment

This section considers the key planning issues associated with the Planning Proposal as well as those associated with a future development of the site.

In establishing the Planning Proposal, an indicative development concept was prepared by Figgis + Jefferson Tepa, as outlined in **Section 5.0** and at **Appendix Error! Reference source not found.**, to ensure all relevant built form, separation, amenity, and design parameters have been considered, and to establish a reasonable scale and density for the future building on this particular site. Accordingly, the outcomes of these investigations and analysis have largely guided the content of this Planning Proposal. By adopting this approach, the built outcomes and associated impacts of the Planning Proposal (and subsequent DA) can be tested, understood and clearly presented.

10.1 Urban Design, Built Form and Landscaping

As discussed in **Section 2.0** of this report, this proposal follows a previous proposal lodged in August 2014. Having considered the feedback from Council and the Department on the previous proposal, the proponent engaged Figgis + Jefferson Tepa to prepare an updated concept scheme which, as described in **Section 5.0**, reconsiders the scale of the development proposed. This revised concept scheme reduces the height of the building from 50m to 30m and the FSR from 3.3:1 to 3:1. Notwithstanding, it is noted that the undergrounding of the urban services use will result in approximately 3,200m² of the available GFA not being visible, thereby further reducing the bulk and scale to a maximum equivalent FSR of approximately 2.43:1.

The architectural plans at **Appendix A** show the additional 2:1 density proposed by the reference scheme is capable of compliance with the requirements of SEPP 65 and the ADG. The development concept accordingly incorporates:

- An 8 storey building form with low building heights in the form of a 3 storey podium fronting Marion and Walter Streets that integrates with the surrounding streetscapes of single and 2 storey built forms;
- The activation of Marion Street through the provision of Ground Floor active uses;
- A building form that reads 'in the round' due to its prominence in the surrounding urban context;
- Separation of 25m between the two residential components and generous setbacks to ensure compliance with SEPP 65 separation distances;
- Orientation and massing which promotes the delivery of a high level of solar access and amenity for future dwellings;
- Podium and roof top areas of communal open space to offer additional amenity to residents and free up the ground floor plane for a new through-site pedestrian link; and
- The provision of deep soil planting along the northern and eastern boundaries of the site.

The detailed design of the built form, including further design development, will form part of a future development application. However, it is noted that Council will require the preparation of a Development Control Plan (DCP) after the Planning Proposal has been considered by Council. This DCP will ensure the built form and urban design outcomes illustrated within the scheme are achieved by any future development application.

10.2 Residential Amenity

10.2.1 Privacy

The proposed built form massing and layout has been designed to avoid any adverse privacy impacts on existing uses surrounding the site. The site is located adjacent the light corridor to the west and has street frontages to the north and south. The site adjoins a seniors housing development to the west and a minimum 10m setback at podium levels with greater setbacks at upper levels is proposed to ensure appropriate separation between the uses. The setback will contain a landscaped through-site link with significant vegetation along the boundary to further improve privacy.

10.2.2 Acoustic

An Acoustic Statement has been prepared by Wilkinson Murray (**Appendix G**) to assess the potential acoustic impacts of co-locating light industrial, commercial and residential uses within a single development.

Wilkinson Murray has reviewed the concept scheme and conclude that given there will be a minimum of two concrete floor slabs between the car service workshop and the nearest residents, transmission loss will substantially reduce operational noise levels reaching residents. Activities producing noise impacts from the workshop will translate to below 30dBA in the most affected apartments, making workshop operations inaudible. Therefore, the proposed vertical split of uses is considered appropriate providing:

- All external air conditioning plant is located on the roof;
- All ventilation fans and intakes and exhausts are located on the roof; and
- Sufficient space is available to acoustically treat these with noise walls and attenuators, if required.

A full noise assessment will be required at DA stage and will include noise mitigation measures to ensure appropriate acoustic amenity is achieved for any future residential development. It is also noted that the undergrounding of the existing auto service repair use is likely to increase the acoustic amenity for the adjacent seniors housing development.

10.2.3 Solar Access and Cross Ventilation

The concept scheme provides a high level of solar access with a minimum of 2 hours solar access to all apartments in mid winter. This is significantly more than the ADG which recommends 70% of dwellings receive at least 2 hours of solar access. Similarly, the concept scheme ensures that all habitable rooms can be naturally ventilated, with the design providing cross ventilation to over 70% of apartments. This is in excess of the 60% of apartments required to be naturally ventilated in accordance with the ADG.

10.3 Overshadowing

Figgis + Jefferson Tapa has prepared shadow studies analysing the indicative concept scheme and to determine the shadowing impact the additional density may have on surrounding properties (refer to **Appendix A**).

An extract of the key diagrams is included at **Figure 24**. As illustrated, the overshadowing resulting from the indicative concept predominantly falls on the Greenway and public road to the west and south of the site. No adjoining residences will be overshadowed between 9am and 12 noon on 21 June. An insignificant proportion of Lambert Park will be overshadowed from midday and the western aspect of the adjacent seniors housing development will be shadowed from 1.30pm onwards on June 21. Notwithstanding, the eastern facades of this development will receive good sunlight in the morning period when it is most desirable and solar access is maintained to the central courtyard until 2.30pm on June 21.

The indicative development concept is considered suitable from an overshadowing perspective given the limited potential for overshadowing of adjoining residences which is in part due to the orientation of the land.



Figure 24 Extract of shadow diagrams

10.4 Traffic and Parking

A Traffic and Parking Assessment has been prepared by The Transport Planning Partnership to assess the potential impacts of the Planning Proposal on the surrounding road network (**Appendix H**). The key findings of the assessment are summarised below.

Vehicular Access and Parking

Vehicular access to the site as part of the indicative concept proposal will occur from Marion Street and Walter Street. The driveways, as proposed in the concept scheme, would provide access to the on-site parking area for use by residents, visitors, staff and service vehicles.

With regards to the Leichhardt DCP, the indicative concept would need to provide between 97 and 149 parking spaces, comprising:

- 61-100 residential spaces;
- 13-21 light industrial spaces;
- 18-23 commercial office spaces; and
- 5 retail spaces.

The indicative concept plan provides parking in accordance with the above requirement with a total of 146 car spaces able to be accommodated within the basement levels (plus loading). The final details of site access and parking provision will be determined in association with any future development application.

Traffic Impacts

SIDRA modelling has been used to determine the potential impact of the proposal on the key intersections surrounding the site, including the Marion/Foster Street and Foster/Walter Street intersections. The analysis demonstrates that the proposal would result in only a slight increase in the delays currently experienced at the Marion/Foster Street intersection during both the AM and PM peak periods. The Marion/Foster Street intersection would maintain its E LoS rating with an average 3 second delay in the AM peak and 3 second improvement during the PM peak. The Foster/Walter Street intersection would maintain its A LoS am rating and B LoS PM rating with no additional delays caused by the proposal.

Notwithstanding, the site's proximity to high quality public transport infrastructure and the Greenway provides an excellent opportunity to encourage alternative modes of transport to private vehicle usage. A concept Green Travel Plan has been prepared and appended to the Traffic and Parking Assessment which outlines potential initiatives which could be adopted at DA stage to further reduce traffic impacts.

10.5 Flooding

The site is covered in part by the probable maximum flood (PMF) level and is also touched on its northern and southern street boundaries by the 1 in 100 year flood level. The attached Initial Water Management and Flood Risk Assessment prepared by GEC Consulting Pty Ltd confirms the site is capable of being developed for the proposed residential or mixed use development with appropriate flood protection measures and no adverse flooding effects in downstream or upstream catchments.

The Planning Proposal provides the opportunity to have an overall positive effect on the management and conservation of water resources with the retention, reuse and treatment of stormwater in new development on the land to improve the quantity and quality of discharge, and improve water conservation performance on the subject land. Future residential development described in this Planning Proposal will need to comply with the statutory BASIX target for water conservation.

10.6 Contamination

The site has been used for light industrial purposes and is therefore potentially the subject of some form of localised contamination. A Preliminary Phase 1 Environmental Site Investigation has been prepared for the site by Douglas Partners Australia and is located at **Appendix E**. The results of the Phase 1 Contamination Assessment identified heavy metal, PAH and TRH soil contamination is likely to be present as a result of impacts from the introduction of filling containing slag and ash to the site. Douglas Partners conclude that this form of contamination is not uncommon in the Leichhardt area and typical remediation methods include the excavation and offsite disposal of contaminated soil to landfill followed by the validation of soils that are to remain at the site. It is therefore considered that the known soil contamination at the site can be remediated using standard technologies/practices to a standard suitable for a residential land use with garden/accessible soil.

11.0 Conclusion

This Planning Proposal seeks an amendment to Leichhardt LEP 2013 through the inclusion of Additional Local Provision relating to land at 245 Marion Street, Leichhardt. Specifically, this Planning Proposal seeks to:

- Introduce an 'Additional Local Provision' to Part 6 of the LEP 2013 that allows for the incorporation of residential uses as part of a mixed-use development at 245 Marion Street;
- Increase the maximum permissible floor space ratio (FSR) limit from 1:1 to a maximum FSR of 3:1, of which a minimum of 1:1 will be restricted to employment generating floor space; and
- Introduce a maximum height control of 30m for the site.

This Planning Proposal is justified for the following reasons:

- The proposal is consistent with the objects of the EP&A Act, in that it promotes the orderly and economic use and development of land;
- The proposal is consistent with the strategic planning framework for the site;
- The proposal has site-specific merit due to the following:
 - It protects and enhances existing light industrial/urban services employment opportunities at the site;
 - It will support the effective utilisation of existing infrastructure by locating commercial and residential development in proximity to an existing light rail station;
 - It allows for the renewal of the site in a manner consistent with adjoining residential land whilst protecting the important urban services use currently operating at the site;
 - It ensures potential land use conflicts between the existing light industrial and future residential uses are adequately addressed;
 - It improves the permeability of the street and improves access to the light rail station for surrounding residents by the creation of a new through-site link;
 - It will facilitate the delivery of new affordable housing for essential workers and facilitate the delivery of approximately 97 new dwellings that will support housing diversity within the area; and
 - It will deliver more housing and jobs within 30-minutes from surrounding services and existing infrastructure.
- The proposal is consistent with the applicable SEPPs and Ministerial Directions.

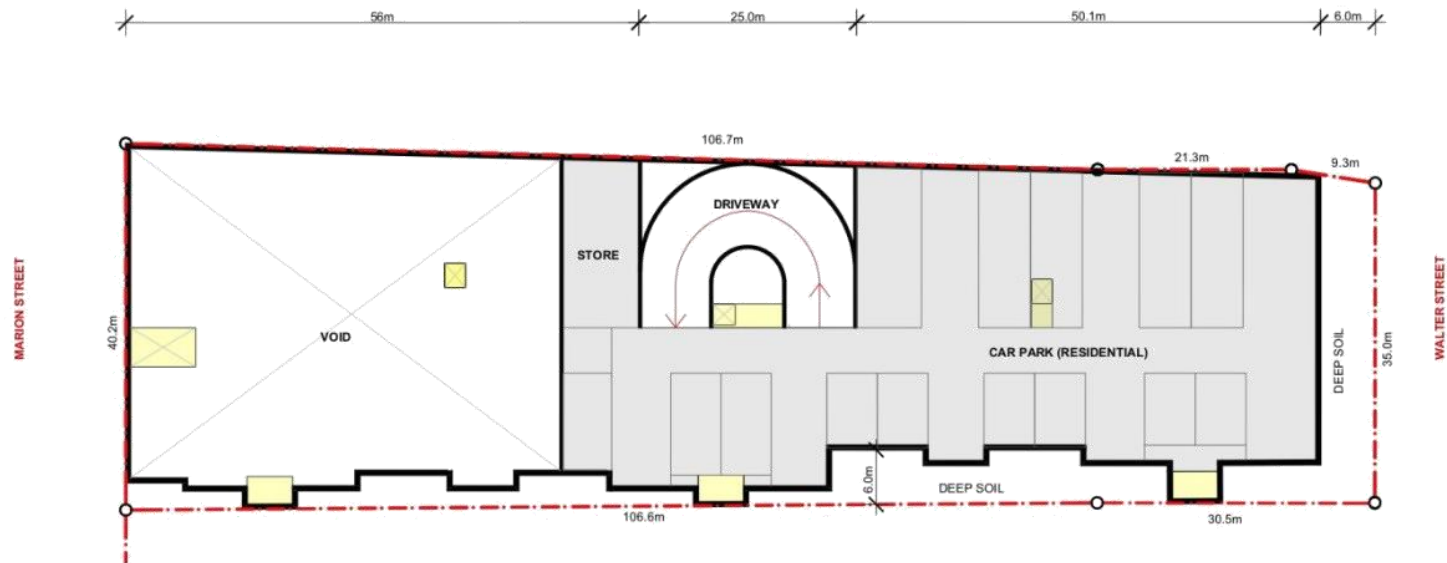
The site is under single ownership and represents a rare opportunity to deliver a true transit-oriented development which increases the employment and housing capacity of a highly accessible site. Planning and technical investigations support the proposed changes to the existing planning controls and a concept scheme has been prepared to demonstrate how the proposal will facilitate the public benefits afforded by the Planning Proposal.

In light of the above, we would have no hesitation in recommending that the Planning Proposal proceed through the Gateway to public exhibition.



BASEMENT 1





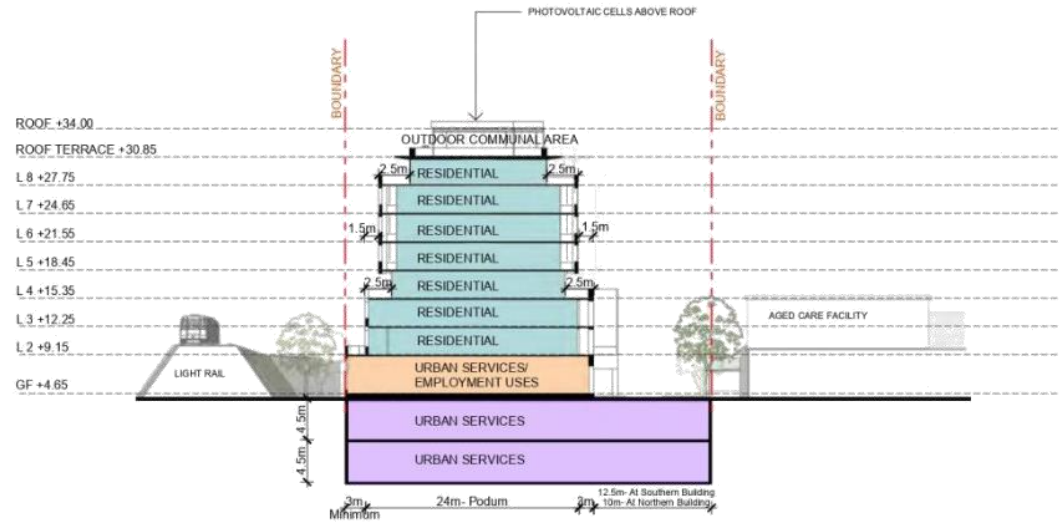
BASEMENT 2





BASEMENT 3





CROSS SECTION

REDEVELOPMENT OF 245 MARION STREET, LEICHHARDT - PLANNING PROPOSAL





EAST ELEVATION



NORTH ELEVATION

0m 5m 10m 15m 20m 25m
SCALE

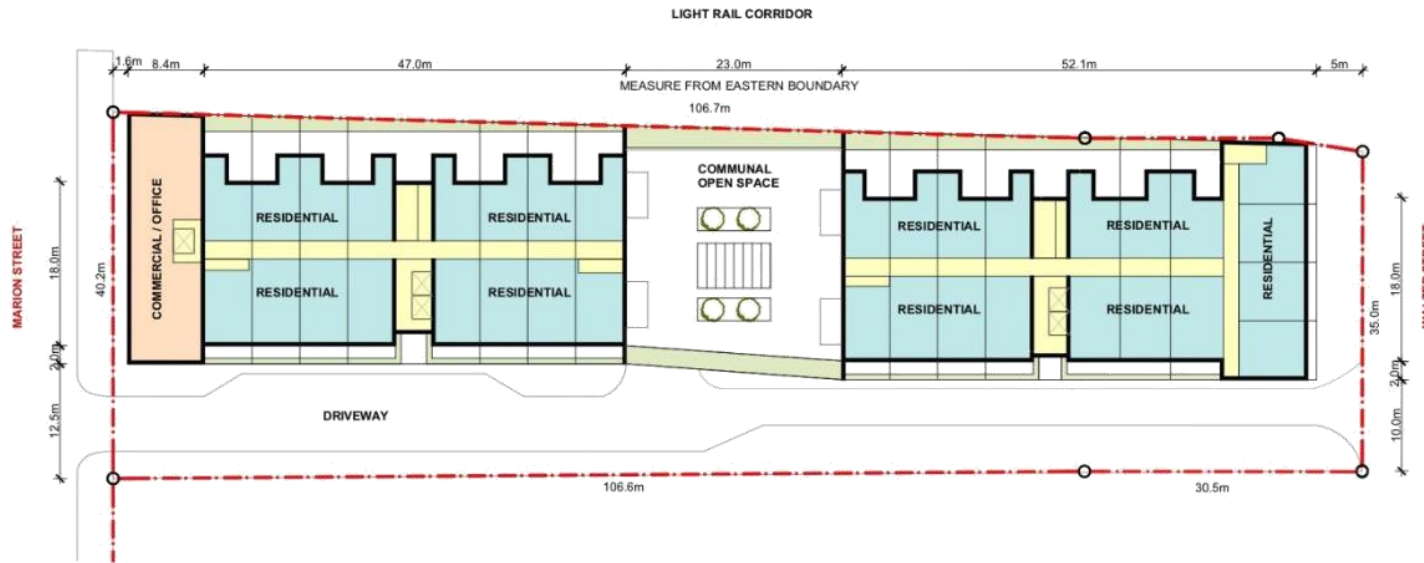
FIGGIS +
JEFFERSON
TEPA

REDEVELOPMENT OF 245 MARION STREET, LEICHHARDT - PLANNING PROPOSAL



REDEVELOPMENT OF 245 MARION STREET, LEICHHARDT - PLANNING PROPOSAL

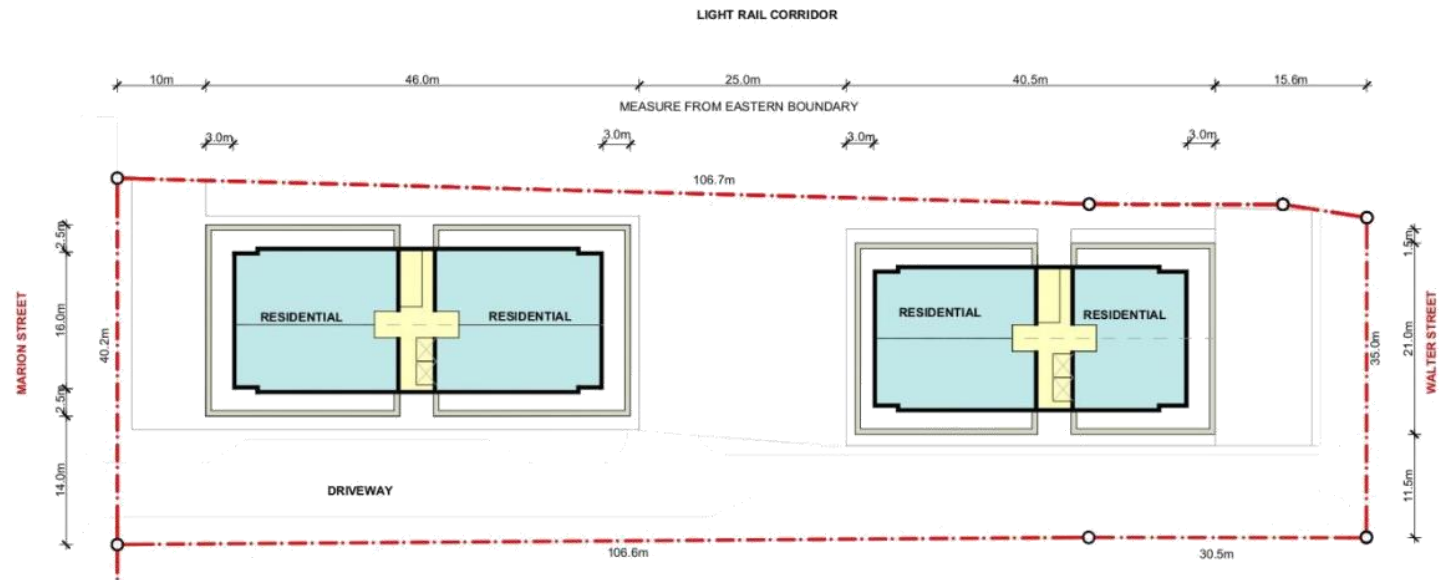










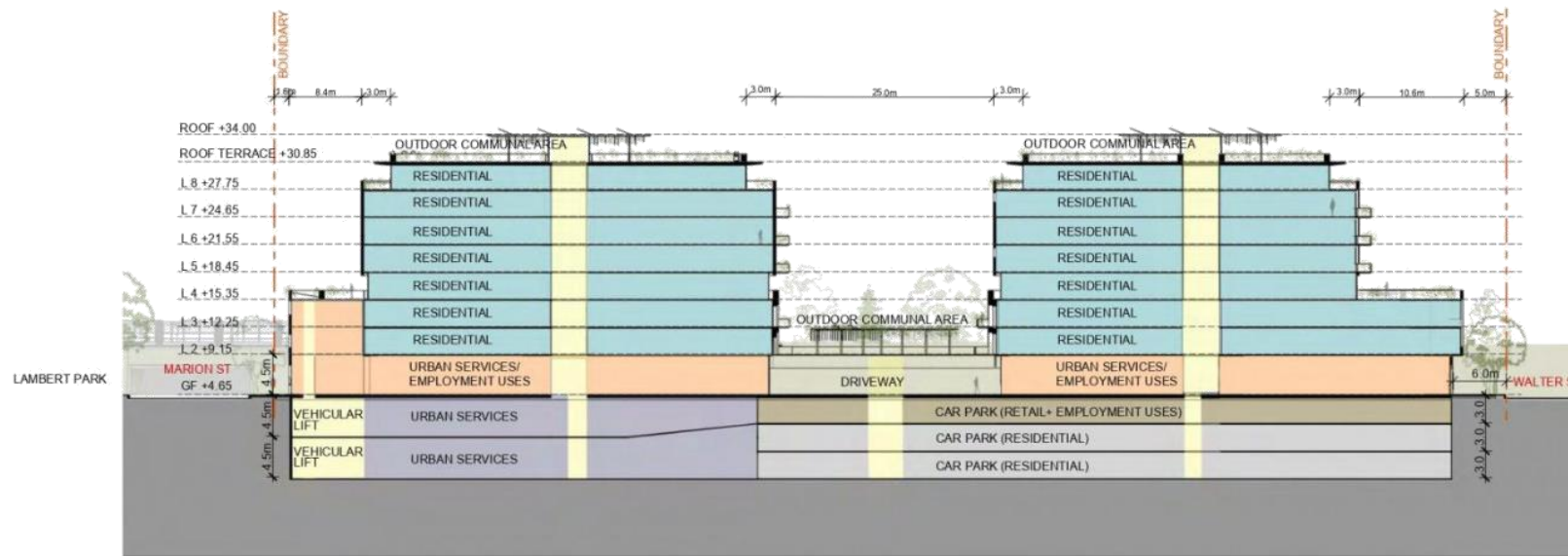


LEVEL 8



**FIGGIS +
JEFFERSON
TEPA**

REDEVELOPMENT OF 245 MARION STREET, LEICHARDT - PLANNING PROPOSAL



LONG SECTION

REDEVELOPMENT OF 245 MARION STREET, LEICHARDT - PLANNING PROPOSAL

0m 5m 10m 15m 20m 25m
SCALE

**FIGGIS +
JEFFERSON
TEPA**



PHOTOMONTAGE 1 - VIEW OF SITE FROM MARION STREET WEST WITH CONCEPT DESIGN





PHOTOMONTAGE 2 - VIEW OF SITE FROM MARION STREET EAST WITH CONCEPT DESIGN

REDEVELOPMENT OF 245 MARION STREET, LEICHHARDT - PLANNING PROPOSAL

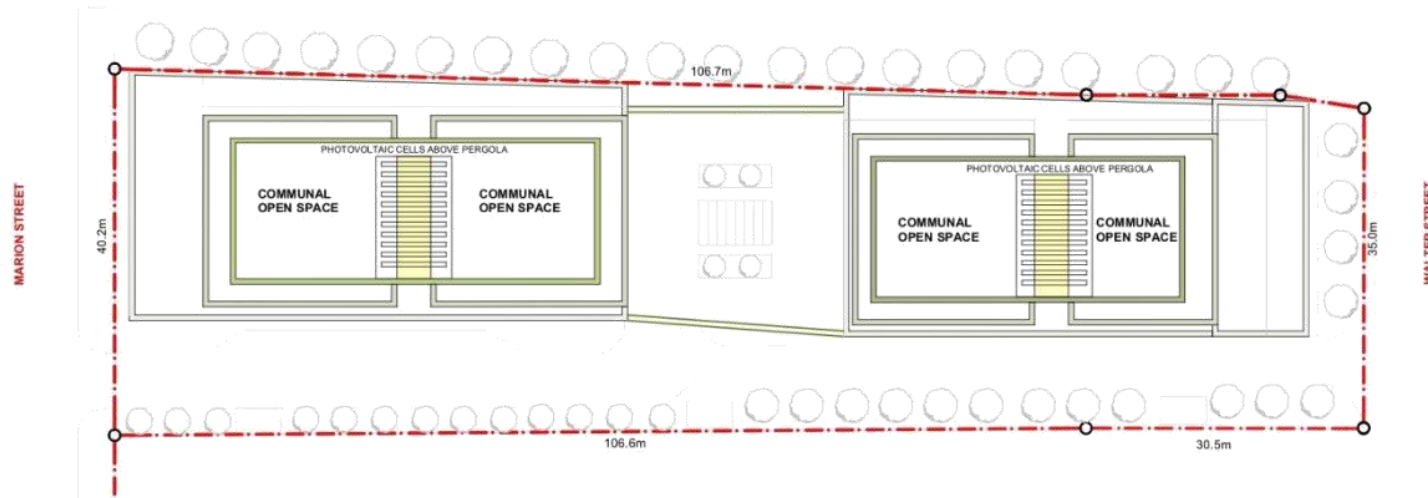




PHOTOMONTAGE 3 - VIEW OF SITE FROM WALTER STREET WITH CONCEPT DESIGN

REDEVELOPMENT OF 245 MARION STREET, LEICHHARDT - PLANNING PROPOSAL





ROOF TERRACE



0m 5m 10m 15m 20m 25m
SCALE

FIGGIS +
JEFFERSON
TEPA

REDEVELOPMENT OF 245 MARION STREET, LEICHHARDT - PLANNING PROPOSAL



WEST ELEVATION



SOUTH ELEVATION





LEICHHARDT 245 MARION STREET Economic Impact Assessment



Prepared for Francesco Morsello

February 2019

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Quality Control

This document is for discussion purposes only unless signed and dated by a Principal of HillPDA.

Reviewer

Signature



Dated

27/02/19

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Date Printed	27 February 2019



EXECUTIVE SUMMARY

HillPDA was commissioned by Francesco Morsello to undertake this Economic Assessment (hereafter referred to as 'the Study') of a Planning Proposal to add residential accommodation as a permissible use on land at 245 Marion Street Leichhardt (hence referred to as the subject site).

The site

The site is strategically located right next to the light rail station on the Inner West line providing a great opportunity for transit orientated development (TOD). On the other side is an aged care building known as "Uniting The Marion". Marketplace Leichhardt is only 300m to the east.

The Planning Proposal

The Planning Proposal seeks to introduce site-specific planning controls to facilitate the redevelopment of the site for a mix of uses, including the reinstatement of the automotive service centre, commercial and retail uses and residential apartments up to eight storeys above natural ground level.

Planning Review

The aims of the Greater Sydney Region Plan include a 30 minute commute time for residents of Sydney, more diverse and affordable housing and the planning of great walkable places for people to live, work and play.

The aims of the Eastern District Plan include nurturing quality lifestyles through well-designed housing in neighbourhoods close to transport and aligning growth with infrastructure, including transport, social and green infrastructure, and delivering sustainable, smart and adaptable solutions.

The site is zoned IN2 Light Industrial which prohibits residential use. The existing building on the subject site constrains the potential for intensification of use. It is unlikely that there would be a commercially viable option to redevelop the site for employment uses under the current zone given the constraints around accessibility, parking and the need to appropriately buffer it from surrounding residential uses. It is therefore likely that the site would not be redeveloped under its current zone.

The Planning Proposal would result in a more intensive use of space and an increase in employment uses as well as housing immediately adjacent to the Inner West Light Rail station. It would provide flexible light industrial and office floorspace as well as residential apartments that will better reflect the requirements of the new live/work economy.

Economic Impacts

The below table summarises the quantified economic benefits of the Planning Proposal compared to the base case (do nothing) option.

Economic Performance Indicator	Current Uses	Planning Proposal
Total Jobs on site	13	132
Total Workers Remuneration (\$m/ann)	\$0.5	\$9.1
Gross Value Added (\$m/ann)	\$0.8	\$12.4
Construction Costs (\$m)	-	\$67
Value of total Economic Activity from construction (\$m)	-	\$216
Jobs Years directly in construction	-	144
Total direct and indirect Job Years in construction	-	570

The Planning Proposal would lead to a net increase in jobs of +119, workers remuneration of +\$8.6m and gross value added (contribution to the local economy) of +\$11.5m every year. Construction would generate 144 job years directly in construction and a further 570 job years through production and consumption induced multiplier impacts.

There are considerable economic benefits of the Planning Proposal including the following:

- It will make some contribution towards meeting strong demand for, by increasing the supply of, housing in the local area;
- It will increase the supply of smaller apartments in a predominantly low density area;
- Accordingly it will assist in providing more affordable housing options for local residents;
- It will provide additional employment generating uses and more jobs on site in a wider range of industry types;
- It will add a further 244 residents in the locality;
- These residents and workers will generate an extra \$4.5m expenditure on retail goods and services that would support existing businesses in the locality;
- It is consistent with transit orientated development principles;
- These principles include the densification of housing and employment uses near major public transport nodes to support the viability of the public transport system;
- This would improve transport sustainability by reducing the need for private motor vehicle travel
- The proposal is consistent with the aims of relevant planning strategies including the Greater Sydney Region Plan and the Eastern District Plan.

INTRODUCTION

1.0 INTRODUCTION

HillPDA was commissioned by Francesco Morsello under supervision of P&C Consulting to undertake an economic impact assessment ('the study') of the proposed development at 245 Marion Street Leichhardt (the 'Subject Site').

1.1 The subject site

The subject site is located on the western edge of the suburb of Leichhardt adjacent to the Inner West light rail station. The site has a 40m frontage to Marion Street on its southern boundary and a 35m frontage on its northern boundary to Walter Street. Site area is 5,165sqm.

Figure 1: Aerial Image of the Subject Site



Source: www.mecone.com.au/mosaic/

The site is bounded by Marion Street to the south, the Inner West light rail line to the west, low density residential to the north and an aged care service "Uniting The Marion" to the east. Across Marion Street is a football field. Leichhardt Marketplace is 350m to the east. Most of the surrounding development is low to medium density housing with a small number of industrial pockets.

The site is zoned IN2 Light Industrial and is currently being used for the servicing of motor vehicles.



1.2 The Proposed Development

The Planning Proposal seeks to introduce site-specific planning controls to facilitate the redevelopment of the site for a mix of uses, including the reinstatement of the automotive service centre, commercial and retail uses and residential apartments up to eight storeys above natural ground level.

The current design shows two buildings 8 storeys above natural ground level. The basement includes a two level automotive repair business on the southern (Marion Street) end with a floor area of 3,000sqm. This replaces the existing auto servicing centre on the site. The northern end is a three level basement car park providing parking for residents and workers on the site.

The ground floor provides 1,810sqm of commercial (office) space and two small retail premises fronting Marion Street. At this stage these spaces are largely speculative. The retail space is likely to accommodate local services such as a convenience store, restaurant/café, hairdresser and/or the like. The commercial space could be medical services, professional suites or similar.

Above the ground floor are seven levels of residential apartments totalling 138 apartments. Bedroom mix is 34 by 1-bed (25%), 86 by 2-bed (62%) and 18 by 3-bed (13%).

PLANNING REVIEW

2.0 PLANNING REVIEW

This section undertakes an appraisal of the planning and statutory context relevant to considering issues of economic impact associated with the proposed development. Note that it considers matters relating to the proposed development from an economic perspective only.

2.1 State Planning Policies and Strategies

2.1.1 Greater Sydney Region Plan

The Greater Sydney Region Plan – A Metropolis of Three Cities (Region Plan) was finalised in March 2018 by the Greater Sydney Commission. The vision of the Region Plan is to create a metropolis of three cities, known as the Western Parkland City, Central River City and the Eastern Harbour City.

The Plan states that the Eastern Harbour City will focus on innovation and global competitiveness to underpin its continued growth. The Eastern Harbour City has Australia's global gateway and financial capital, the Harbour CBD, as its metropolitan centre. Well-established, well-serviced and highly accessible by its radial rail network, it has half a million jobs and the largest office market in the region.

The Greater Sydney Region Plan is built on a vision of people of Greater Sydney living within 30 minutes of their jobs, education and health facilities, services and great places.

Through its objectives, strategies and corresponding analysis, the Region Plan discusses a range of considerations that are particularly important to consider in an economic impact assessment.

Table 1: Greater Sydney Region Plan

Objective/ Strategy	Extracts from the Plan
Objective 6 - Services and infrastructure meet communities' changing needs	Optimise the use of available public land for social infrastructure.
Objective 10 - Greater housing supply	<p>The NSW Government has identified that 725,000 new homes will be needed to meet demand based on current population projections to 2036. 157,500 new homes will be required in the Eastern City District which includes Inner West LGA.</p> <p>Social infrastructure and opportunity – great places are inclusive of people of all ages and abilities, with a range of authentic local experiences and opportunities for social interaction and connection</p> <p>A range of housing types provides for the needs of the community at different stages of life and caters for diverse household types. It means that as people age they can move into smaller homes and age in their own neighbourhoods, while young adults leaving home can stay close to their families and communities.</p>

Objective/ Strategy	Extracts from the Plan
Objective 11 – Housing is more diverse and affordable	<p>There is a strong need for a more diverse housing supply in Greater Sydney</p> <p>Housing choices, including affordable rental housing reduces the need for people to go into social housing and also supports a pathway for people to move out of social housing</p> <p>A diversity of housing types, sizes and price points can help to improve affordability</p> <p>Increasing the supply of housing that is of universal design and adaptable to people's changing needs as they age is also increasingly important across Greater Sydney</p> <p>Foreshadows potential future innovative models to achieve more affordable homes through having smaller homes, shared facilities and having apartments and car spaces sold separately.</p>
Objective 12: Great places that bring people together	<p>Well-designed built environment: great places are enjoyable and attractive, they are safe, clean and flexible with a mix of sizes and functions.</p> <p>Social infrastructure and opportunity: great places are inclusive of people of all ages and abilities, with a range of authentic local experiences and opportunities for social interaction and connections.</p> <p>Fine grain urban form: great places are walkable of human scale, with a mix of land uses including social infrastructure and local services at the heart of communities.</p>

2.1.2 Eastern City District Plan 2018

In March 2017, the Greater Sydney Commission (GSC) finalised its District Plans for Sydney. The District Plans support the actions and outcomes of the Greater Sydney Region Plan with additional 'Planning Priorities' that are focussed on each district. Leichhardt is located within the Eastern City District, which covers the Bayside, Burwood, City of Canada Bay, City of Sydney, Inner West, Randwick, Strathfield, Waverley and Woollahra local government areas. The Eastern City District Plan is to have the district become more innovative and globally competitive, carving out a greater portion of knowledge intensive jobs from the Asia Pacific Region. The vision is to improve the District's lifestyle and environmental assets by:

- Strengthening the international competitiveness of the Harbour CBD, supported by the Innovation Corridor, health and education precincts and the District's strategic centres
- Boosting innovation and creative industries alongside knowledge-intensive jobs growth
- Nurturing quality lifestyles through well-designed housing in neighbourhoods close to transport and other infrastructure
- Sustaining communities through vibrant public places, walking and cycling, and cultural, artistic and tourism assets
- Aligning growth with infrastructure, including transport, social and green infrastructure, and delivering sustainable, smart and adaptable solutions.

The District Plan includes 22 Planning Priorities of which the principal ones relevant to this study include:

- E5: Providing housing supply, choice and affordability with access to jobs, services and public transport
- E10: Delivering integrated land use and transport planning and a 30 minute city
- E12: Retaining and managing industrial and urban services land

2.2 Industrial Lands Strategic Assessment Checklist

This action requires the completion of an Industrial Lands Strategic Assessment Checklist to guide the assessment of proposed rezonings of industrial lands. The Checklist allows for evidence-based decisions and aims to prevent encroachment on important industrial sites.

Table 2: Industrial Lands Strategic Assessment

Strategic Assessment Checklist	Response
Is the proposed rezoning consistent with State and/or council strategies on the future role of industrial lands?	<p>Yes. It is consistent with Council's endorsement of the Leichhardt Industrial Lands Study (2015) which recommends the retainment of industrial lands to meet the demand from future population and employment growth. The zoning of the Subject Site will remain IN2 Light Industrial but residential accommodation will be added as a permissible use. The level of floorspace and potential employment under IN2 uses will increase under the Planning Proposal compared to existing uses.</p> <p>Yes. Action 1.9.2 of A Plan for Growing Sydney states that Government should "identify where improved and innovative planning controls will allow for the ongoing evolution of industrial activities to more intensive commercial activities". 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 permissible use.</p>
Is the site: Near or within direct access to key economic infrastructure? Contributing to a significant industry cluster	<p>The Subject Site is not contributing to any significant industry cluster. It is an isolated site away from any industrial cluster</p> <p>The Subject Site is adjacent to the Light Rail Station.</p> <p>The site is surrounded mostly by residential and is 300m from Leichhardt Marketplace.</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?	<p>The Subject Site would retain its IN2 zoning but residential accommodation would be added as a permissible use. Therefore there will be no impact on industrial lands stock as a result of the rezoning.</p>
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	<p>The Planning Proposal will increase the level of employment on the Subject Site in IN2 permissible uses and will contribute to employment objectives with respect to both automotive services and commercial (office) activities through the provision of modern flexible floorspace in an attractive location with good transport connections to the city.</p>
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?	<p>The Planning Proposal is consistent with this criterion.</p> <p>The existing building limits potential uses and intensification opportunities. 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 permissible use.</p> <p>The Planning Proposal will increase the floorspace available for employment uses and will replace the existing older style industrial building with flexible spaces suitable for high-tech and creative industries.</p>
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	<p>The subject precinct has not been identified for an alternative purpose in NSW Government or endorsed council planning strategies.</p>

2.3 Local Policies and Guidance

On 12 May 2016 the Leichhardt LGA was merged with the Marrickville and Ashfield LGAs to form a single Inner West Council. The DCPs and LEPs of the former LGAs currently remain in place. However, the basis of future planning will reflect the requirements of the new LGA.

2.3.1 Leichhardt Local Environmental Plan (LEP) 2013

As stated previously the subject site is currently zoned IN2 Light Industrial. The objectives of the IN2 zone are described below.

- To provide a wide range of light industrial, warehouse and related land uses
- To encourage employment opportunities and to support the viability of centres
- To minimise any adverse effect of industry on other land uses
- To enable other land uses that provide facilities or services to meet the day to day needs of workers in the area
- To support and protect industrial land for industrial uses
- To retain existing employment uses and foster a range of new industrial uses to meet the needs of the community
- To ensure the provision of appropriate infrastructure that supports Leichhardt's employment opportunities
- To retain and encourage waterfront industrial and maritime activities
- To provide for certain business and office premises and light industries in the arts, technology, production and design sectors.

Residential development is prohibited within an IN2 zone, as are home businesses, child care facilities, registered clubs, restaurants and cafes and shops. Neighbourhood shops however are permitted with consent.

2.3.2 Leichhardt Industrial Lands Study (2015)

The Leichhardt Industrial Lands Study was endorsed by Council in 2015. The SGS Economics and Planning (SGS) study recommends that all existing industrial lands are retained within the LGA to meet the demand from future population and employment growth.

This analysis suggested that Leichhardt LGA would have an overall shortage of IN2 zoned land under the medium supply scenario by 2036.

The Planning Proposal would increase the floorspace available for IN2 permissible uses on the Subject Site and would be retained as an IN2 zoning. It is therefore consistent with Council's strategy.

2.4 Greater Sydney Commission Information Note on Industrial land

The GSC published an information note 2018-1 titled "Industrial and urban services land (retain and manage) – transitional arrangements" which states that:

"If a planning proposal involving change of use of industrial or urban services land to residential, retail or mixed uses in the areas covered by the Retain and manage approach is lodged after the adoption of the District Plans being March 2018 then it is to be considered on its strategic and site merits and the policy to Retain and manage industrial and urban services land set out in the relevant District Plan is to be applied. The Retain and Manage approach prevails over other District Plan objectives relating to delivery of housing or retail floor area."



The planning proposal is considered to be consistent with the information note. Whilst additional land uses, including residential, is proposed on the site there would be an overall increase in floor space available for light industrial or other permissible uses in the IN2 zone.

2.5 Summary

The existing building on the subject site constrains the potential for intensification of use. It is unlikely that there would be a commercially viable option to redevelop the site for employment uses under the current controls given the constraints around accessibility, parking and the need to appropriately buffer it from surrounding residential uses. It is therefore likely that the site would not be redeveloped.

The Planning Proposal would result in a more intensive use of space and an increase in employment uses as well as housing immediately adjacent to the Inner West Light Rail station. It would provide flexible light industrial and office floorspace as well as residential apartments that will better reflect the requirements of the new live/work economy.

ECONOMIC IMPACTS

3.0 ECONOMIC IMPACTS

The following chapter undertakes an assessment of the economic implications of proposed mixed use development measured against the base case (do nothing) option. Performance indicators include jobs, salaries and gross value added (contribution towards economic produce or gross domestic product).

3.1 The Base Case

The base case refers to the “do nothing” option – that is no changes to the planning controls. Whilst redevelopment to an alternative or similar complying land use is permissible it is highly unlikely to happen at anytime in the foreseeable future. The reason is that current use of the site (auto service centre) is the highest and best use. The current FSR is around 0.65:1 and it is simply not financially viable to demolish the existing building and redevelop the site for a similar or other complying use to a FSR of only 1:1. For this reason we consider the base case to be the current “as is” use of the site.

The Subject Site is currently occupied by a Mazda service centre. We have been advised that there are currently 13 workers on site.

Gross revenue from the business on site is estimated at \$3.0m per annum based on a rate of \$223,000 per worker¹. Average worker remuneration in auto servicing is \$39,700/annum². Total remuneration is estimated at \$0.5m per annum.

Gross value added (GVA) of an industry refers to the value of outputs less the costs of inputs. It also measures the contribution that the industry makes to the country’s wealth or gross domestic product (GDP). The main components that make up GVA include remunerations, company profits and taxes. GVA is 28.5% of gross revenue which equates to \$0.8m each year.

3.2 Employment under the Planning Proposal

The Planning Proposal would support permanent employment post-construction through the operation of retail and commercial uses as well as auto servicing and repairs on the site. The table below provides an estimate of the number of jobs on site based on the proposed floor areas.

Table 3: Employment Generation from Planning Proposal

Land Use	Employment Density*	GLA	Units	Jobs
Automotive servicing	1 / 150 sqm	3,000	sqm	20
Urban Services	1 / 75 sqm	150	sqm	2
Commercial	1 / 20 sqm	1,810	sqm	91
Retail	1 / 25 sqm	250	sqm	10
Work at Home**	1 / 14 units	132	units	9
Total				132

* Various sources including ABS Retail Surveys 1991 and 1999

** Home Based Businesses: 7.6% of workers undertake majority of work at home (ABS Locations of Work 2008 Cat 6275.0)

¹ Ibid

² IBIS World Industry reports for automotive repairs, maintenance and electrical services, 2018

The proposed development is likely to provide a total of 132 jobs on site when the building becomes fully occupied. This is an increase of 119 jobs from the base case. The increase has resulted from replacing the existing single level building with an FSR of less than 0.65:1 with more intense employment uses at an increased FSR of 1:1 – around 1,800 more square metres. Furthermore, the proposal will introduce some new employment uses – retail and commercial services that are likely to have four or more times the job density (jobs/sqm of GFA) than auto-servicing and repair services.

We also expect a small number of residents to undertake the majority of their work. According to the ABS 7.6% of workers undertake the majority of their paid work at home. Assuming one working resident per dwelling this would mean a further 9 jobs on site.

3.3 Staff Remuneration

The combined total of workers' remunerations currently is approximately \$0.5 million.

The Planning Proposal would increase the combined total of workers' salaries on site to approximately \$9.1 million as shown in the table below.

Table 4: Estimated remuneration of workers on site

Land Use	Jobs	Avg Annual Wage	Total (\$m)
Automotive servicing	20	\$39,700	\$0.8
Urban Services	2	\$39,700	\$0.1
Commercial	91	\$81,500	\$7.4
Retail	10	\$23,600	\$0.2
Work at Home	9	\$65,750	\$0.6
Total	132	\$69,014	\$9.1

Source: IBIS World Industry Reports, 2018.

On this basis, the Planning Proposal would increase total salaries by around \$8.6m every year.

3.4 Gross Value Added

The GVA generated from the existing business is \$0.8m every year. Under the planning proposal gross value added would be considerably higher as shown in the table below.

Table 5: Gross value added from the proposed development

Land Use	Jobs	GVA / Worker	Gross Value Added (\$m)
Automotive servicing	20	\$63,500	\$1.3
Urban Services	2	\$63,500	\$0.1
Commercial	91	\$108,400	\$9.8
Retail	10	\$33,600	\$0.3
Work at Home**	9	\$85,500	\$0.8
Total	132	\$93,604	\$12.4

Source: IBIS World Industry Reports and HillPDA Estimate.



Therefore the uses on site under the proposed development would contribute \$12.4m to gross regional product every year. This is an increase of \$11.5m every year over the base case (measured in current 2018 dollars).

3.5 Construction Impacts

The construction industry is a significant component of the economy accounting for 7.3% of Gross Domestic Product (GDP) and employing almost one million workers across Australia³. The industry has strong linkages with other sectors, so its impacts on the economy go further than the direct contribution of construction. Multipliers refer to the level of additional economic activity generated by a source industry.

There are two types of multipliers:

- Production induced: which is made up of:
 - first round effect: which is all outputs and employment required to produce the inputs for construction; and
 - an industrial support effect: which is the induced extra output and employment from all industries to support the production of the first round effect; and
- Consumption induced: which relates to the demand for additional goods and services due to increased spending by the wage and salary earners across all industries arising from employment.

We estimate that the total construction cost is expected to be around \$67m (in current 2018 dollars) based on the following construction rates.

Table 6: Estimated Construction Costs

	GFA (sqm)	\$/sqm	\$m
Residential	10,330	3,600	37.2
Automotive & urban services*	3,150	2,800	8.8
Commercial	1,810	2,200	4.0
Retail	250	2,200	0.6
Fitout	2,060	1,000	2.1
Car Parking (spaces)*	188	65,000	12.2
Site costs and external works (say 3%)			1.9
TOTAL (sqm)	17,600		66.8

* Includes the cost of excavation

Source: HillPDA estimate from various sources including Rawlinsons Construction Handbook, RLB Digest and various cost estimates from quantity surveyors on similar projects.

Multiplier impacts from construction are shown in the table immediately below.

³ IBIS World Construction Industry Report 2018

Table 7: Estimated Economic Multipliers

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Output multipliers	1	0.626	0.679	0.934	3.239
Output (\$million)	67	42	45	62	216

Source: ABS Australian National Accounts: Input-Output Tables 2015-16 (ABS Pub: 5209.0).

Construction to the cost of \$67m would generate a further \$87m of activity in production induced effects and \$62m in consumption induced effects. Total economic activity generated by the construction of the proposed development would be \$216m.

3.5.1 Construction Employment

HillPDA calculates that every one million dollars of construction generates 2.15 full time positions over 12 months directly in construction on site⁴. Based on the estimated cost of \$67m, approximately 144 job years⁵ would be directly generated.

Table 8: Estimated Jobs in Construction

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Multipliers	1	0.741	0.839	1.384	3.965
Employment No. per \$million	2.154	1.597	1.808	2.981	8.540
Total Job Years Generated	144	107	121	199	570

Source: HillPDA estimate from ABS Australian National Accounts: Input-Output Tables 2015-2016 (ABS Pub: 5209.0).

From the ABS 2015-16 ANA Input-Output tables Hill PDA has calculated the multipliers for first round, industrial support and consumption induced effects of 0.74, 0.84 and 1.39 respectively for every job year in direct construction. Including the multiplier impacts the proposed development would therefore have potential to generate 570 job years during the period of construction.

Note that the multiplier effects are national, and not necessarily local. The ABS notes that "care is needed in interpreting multiplier effects; their theoretical basis produces estimates which somewhat overstate the actual impacts in terms of output and employment." In particular they can leave the impression of additional economic activity when in reality the resources used in production including labour could have been put to an alternative use if the project did not proceed. Nevertheless, the estimates illustrate the high flow-on effects of construction activity to the rest of the economy. Clearly, through its multipliers, construction activity has a high impact on the economy.

3.6 Other Economic Benefits from the Planning Proposal

The development of a mixed use development containing residential, auto-servicing, commercial and retail uses would have the following economic benefits.

⁴ Source: Hill PDA and ABS Australian National Accounts: Input-Output Tables 2015-16 (ABS Pub: 5209.0)

⁵ Note: One job year equals one full-time job over one full year



3.6.1 Expenditure from Residents

The Planning Proposal would provide 138 new residential apartments on site. Assuming 96% of the apartments are occupied and an average occupancy rate of 1.84 persons per apartment we estimate 244 permanent residents on the subject site.

With income levels above NSW average these residents also have above average levels of expenditure – around \$16,900 per person per annum – some 21% higher than NSW average. Total expenditure on retail goods and services generated by residents on site would amount to \$4.1m every year. We would expect at least half of this expenditure would be captured by retailers in the general locality – particularly in food, food services and grocery expenditure which comprises 53% of total expenditure. Discretionary expenditure would likely be captured in the larger centres such as Broadway.

3.6.2 Expenditure from Workers

A recent survey⁶ found that Sydney CBD workers spend an average of \$230 a week or \$11,000 per annum on retail goods and services in the CBD localities. In smaller centres average spend is considerably lower due to the smaller size of retail offer. For the purpose of the assessment HillPDA has applied a more conservative weekly expenditure of \$65 per employee for the workers on the subject site which equates to an annual spend of \$3,000. With 123 non-resident workers on the Subject Site this amounts to \$0.37m per annum. This is expenditure that would be captured by retailers in the Leichhardt suburb.

3.6.3 Investment Stimulus

Where a significant property investment decision has been made it is generally viewed as a strong positive commitment for the local area. Such an investment can in turn stimulate and attract further investment. The direct investment in the Subject Site would support a wide range of economic multipliers as outlined above which would in turn support investment in associated industries. It would also raise the profile of the local area.

The provision of high density residential development on the subject site would increase the economic benefits of the scheme to surrounding businesses, services and the financial feasibility of public transport. The benefits of residential uses are recognised in planning policy. Residents would also create further demand for retail, commercial and transport services increasing the viability of these services.

The proposed development would create additional business opportunities in this locality associated with future residents and the commercial and retail uses on site. It would increase the profile of this area and in so doing increase the financial feasibility of mixed use development, potentially acting as a catalyst on surrounding sites.

3.6.4 Additional Dwelling Mix

The development would create additional dwellings and dwelling types in the suburb. The addition of dwelling stock and dwelling mix would improve dwelling affordability within the area. This additional dwelling generation and the subsequent improved affordability would be consistent with the policies and strategies reviewed in Chapter 2.

3.6.5 Transit Orientated Development

Any growth creates challenges and demand for additional and new social infrastructure and open space to accommodate the needs of the existing and future population. Transport orientated development (TOD)

⁶ 2013 National Office Workers Survey, Urbis (2013)

provides an opportunity to meet this demand through a network of well-designed, highly accessible, medium to high density urban developments within a short walking distance of transit stations.

Creating developments over or next to transit hubs provides numerous direct and indirect socio-economic benefits such as improved environmental sustainability through reduced energy and water conservation and decreasing car dependency therefore reducing greenhouse emissions.

Done well, TODs create people focused neighbourhoods which in turn increase pedestrianisation uptake (walking and cycling) whilst improving health and opportunities for improved social mix and interaction, quality of life and lifestyle for communities who live within them.

From a socio-economic perspective it makes sense to increase housing supply and jobs near transport hubs as this contains urban sprawl, which reduces costs to Government and the private sector in providing infrastructure to meet future growth.

The Planning Proposal will serve the objectives of the Greater Sydney Region Plan, Eastern City District Plan and YOUR future 2030 by facilitating an improved urban design outcome with substantial residential density close to public transport options. This will promote the use of public transport and reduce reliance on private motor vehicles.

3.6.6 Summary and Implications

The below table summarises the economic benefits of retaining the Subject Sites' current uses in comparison to the development of the Subject Site in accordance with the Planning Proposal.

Table 9: Economic Impact of Planning Proposal against the Base Case

Economic Performance Indicator	Current Uses	Planning Proposal
Total Jobs on site	13	132
Total Workers Remuneration (\$m/ann)	\$0.5	\$9.1
Gross Value Added (\$m/ann)	\$0.8	\$12.4
Construction Costs (\$m)	-	\$67
Value of total Economic Activity from construction (\$m)	-	\$216
Jobs Years directly in construction	-	144
Total direct and indirect Job Years in construction	-	570

Evidently the Planning Proposal is preferred over the 'do nothing' scenario as it would lead to a net increase in jobs (+107 jobs), salaries generated (+\$8m) and gross value added (contribution to GDP) (+\$11m). Construction would generate + 570 job years directly and indirectly during the period of construction.



List of abbreviations

ABS	Australian Bureau of Statistics
BTS	Bureau of Transport Statistics
DP&E	NSW Department of Planning and Environment
EIA	Economic Impact Assessment
FSR	Floor Space Ratio
GFA	Gross Floor Area
GLA	Gross Lettable Area
Ha	Hectares
LEP	Local Environmental Plan
LGA	Local Government Area
NLA	Net Lettable Area
PTA	Primary Trade Area
sqm	Square metres
STA	Secondary Trade Area
TTA	Tertiary Trade Area

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