

Draft Planning Proposal

City of Sydney Employment Lands

June 2014



Sydney2030 / Green / Global / Connected



city of villages

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Introduction

The *Draft Planning Proposal: City of Sydney Employment Lands* (draft planning proposal) explains the intent of, and justification for, amendment to *Sydney Local Environmental Plan 2012* (Sydney LEP 2012). It applies to land collectively referred to as the City of Sydney Employment Lands (employment lands). A detailed description of the subject land is described below.

The *City of Sydney Employment Lands Strategy* (Employment Lands Strategy), included as **Appendix C**, describes a new planning approach in the employment lands.

This draft planning proposal is to facilitate the Employment Lands Strategy which is to enable a more flexible approach to employment generating uses. It is supported by a comprehensive review of current land uses and future demand for land uses in the employment lands.

The amendments proposed by this draft planning proposal, include:

- incorporation of employment lands, which are currently subject to the *South Sydney Local Environmental Plan 1998* (South Sydney LEP), into the Sydney LEP 2012;
- repeal of the South Sydney LEP as it relates to the employment lands;
- some rezoning of land within the employment lands;
- some additions to Schedule 1 – Additional Permitted Uses of the Sydney LEP 2012;
- exclusion of the southern employment lands from the *State Environmental Planning Policy (Affordable Rental Housing) 2009* (Affordable Housing SEPP);
- amendment to land use tables for the B6 Enterprise Corridor zone, the IN1 General Industrial zone and the B7 Business Park zone;
- deletion of the IN2 Light Industrial zone from the Sydney LEP 2012;
- removal of the requirement for the preparation of a development control plan or Stage 1 development application in the B6 Enterprise Corridor zone unless the site area is greater than 5,000 square metres and the development is primarily for a commercial or retail use;
- addition of a clause to permit affordable housing, where appropriate, in the B7 Business Park zone;
- an additional provision that development in the employment lands, except those lands located in the IN1 General Industrial zone, are required to make a contribution for the purpose of affordable housing;
- an additional provision to ensure new development in the southern employment lands is adequately serviced by sustainable transport modes and contribute to the City's mode share targets for the southern employment lands;
- an additional provision that where the consent authority determines there is need for a public road in the southern employment lands, it may approve development where it exceeds the maximum building height or the maximum FSR by up to 15 percent;
- amendment to the following maps in the Sydney LEP 2012:
 - Acid sulphate soils;
 - Locality and Site Identification;
 - Special Character Areas and Retail Premises;
 - Floor Space Ratio;
 - Heritage;

- o Height of Buildings;
- o Land Application;
- o Land Zoning;
- o Land Use and Transport Integration; and
- o Public Transport Accessibility Level.

This draft planning proposal has been prepared in accordance with Section 55 of the *Environmental Planning and Assessment Act 1979* (the Act), the *Standard Instrument – Principal Local Environmental Plan* (Standard Instrument) and guidelines published by the Department of Planning and Environment, including *A guide to preparing planning proposals* and *A guide to preparing local environmental plans*.

This draft planning proposal relates only to those matters to be amended in the Sydney LEP 2012. More detailed planning provisions are contained in the *Sydney Development Control Plan 2012* (Sydney DCP 2012) and the draft amendment being prepared with this draft planning proposal. For a more complete understanding of the land use and planning controls being proposed, this draft planning proposal should be read in conjunction with the draft DCP amendment and the Employment Lands Strategy.

Site Identification

This draft planning proposal applies to land collectively referred to as the ‘employment lands’, which includes some land within the Sydney Local Government Area (LGA) currently zoned for employment purposes in the Sydney LEP 2012, including:

- all of the land zoned IN1 General Industrial zone;
- all of the land zoned IN2 Light Industrial zone;
- all of the land zoned B5 Business Development zone;
- all of the land zoned B6 Enterprise Corridor zone;
- all of the land zoned B7 Business Park; and
- some of the land zoned SP2 Special Uses.

The employment lands also include some of the land that is excluded from the Sydney LEP 2012 and currently subject to the South Sydney LEP 1998, including:

- all of the land zoned 10(d) Mixed Uses;
- some of the land zoned 10(e) Mixed Uses; and
- some of the land zoned 5 Special Uses.

The employment lands the subject of this draft planning proposal, and their applicable planning controls and current zoning are shown at Figure 1 below.

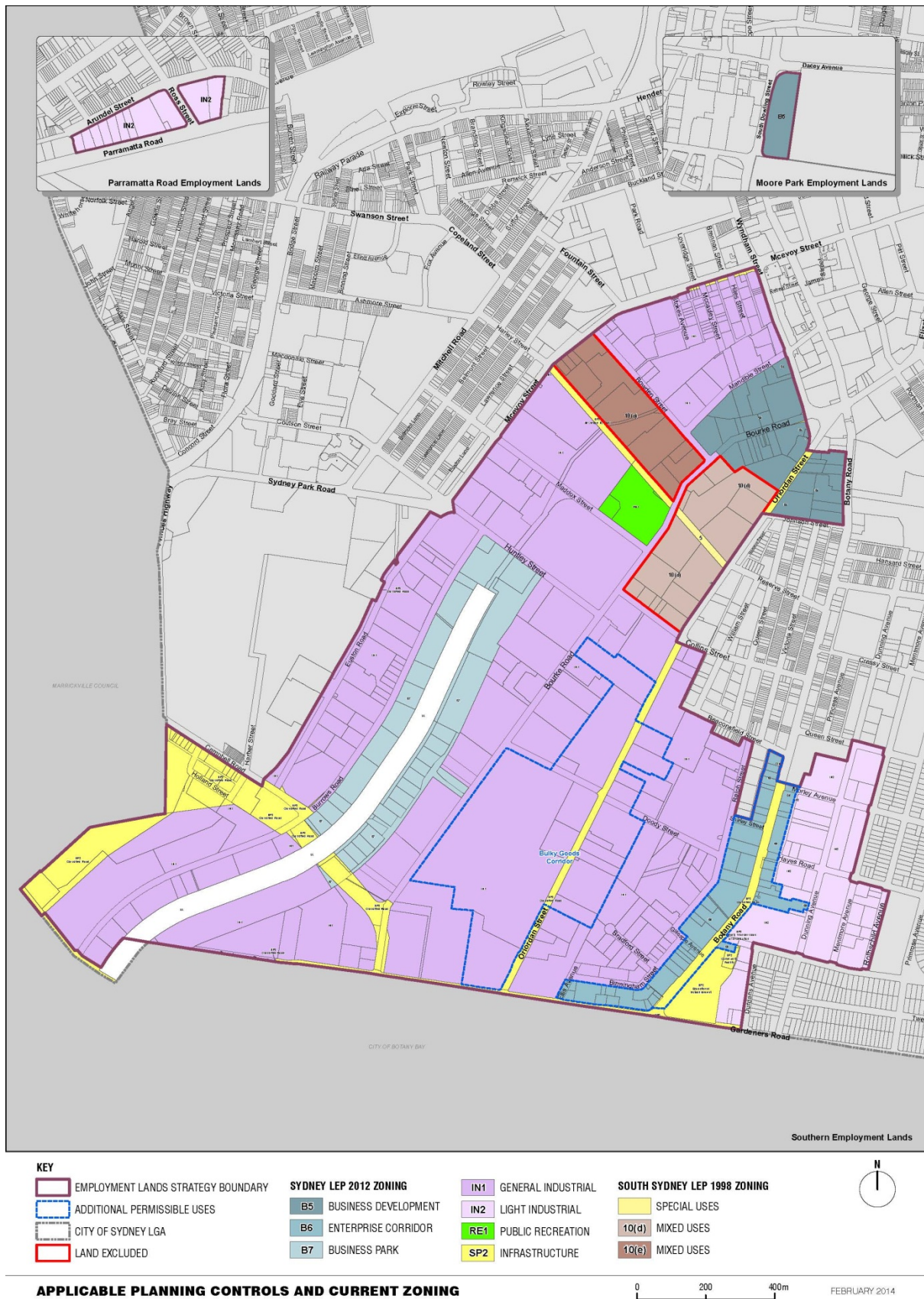


Figure 1 – Employment Lands – current controls

For reference purposes, this draft planning proposal broadly groups the employment lands into three precincts, including:

- the southern employment lands – this area is about 265 hectares in size within the suburbs of Alexandria and Rosebery. It stretches from the southwest corner of the Green Square Town Centre to the south west corner of the LGA. Generally the area is bordered by Gardners Road to the south, McEvoy Street on the west and Mentmorth Avenue and Botany Road on the east;
- the Parramatta Road employment lands – this area is about 2.1 hectares in size and includes several small lots located in Glebe. The area is bordered by Arundel Street and Parramatta Road and divided by Ross Street; and
- the Moore Park employment lands – this area is about 3.6 hectares in size and includes a single large lot in Moore Park on which the Moore Park Supa Centa is currently located.

Background

In 2012, the City commissioned the *City of Sydney Employment Lands Study* (employment lands study) that is provided as **Appendix B**. The employment lands study directly informed the preparation by the City of the *Draft City of Sydney Employment Lands Strategy* (draft Employment Land Strategy) that was subsequently exhibited for public comment in June and July 2013.

The preparation of the employment lands study and draft Employment Lands Strategy were largely prompted by submissions made by land-owners and other stakeholders to the public exhibition of the then draft *Sydney Local Environmental Plan 2010* (now ‘made’ Sydney LEP 2012). A number of these submissions asserted that the employment lands were being ‘down-zoned’ by Sydney LEP 2012 because the permissible land uses in the Standard Instrument land use zones are less flexible than those permitted under the South Sydney LEP 1998. They also argued there is reduced demand for expensive industrial land in the LGA because many industries can re-locate to cheaper sites in Sydney’s west.

In response to the concerns of landowners, in adopting the draft Sydney LEP 2010, Council noted an employment lands study was being prepared and that it may in future inform a draft planning proposal to change the new planning controls. The study was to provide an evidence base to establish if there is a need for change. It was also to recommend an appropriate framework for that change should it exist.

The employment lands study was completed in March 2012. It concluded there is sufficient evidence to support an alternate planning approach in the employment lands and recommended new land use zones, subject to detailed technical studies. The recommendations of the study are consistent with the subregional role of the City’s employment lands, recognise their national economic significance and support the fundamental role of the City of Sydney in securing metropolitan Sydney’s future competitiveness.

The draft Strategy was prepared by the City with close reference to the findings and recommendations of the study. The draft strategy recognised the continued primary function of the employment lands to facilitate employment and support the growth of the local, metropolitan, state and national economies and regional and global network connections. It also provided a consolidated set of recommendations about the future vision for the employment lands, including a package of land use and planning recommendations.

The draft Employment Lands Strategy was endorsed by Council for public exhibition on 13 May 2013 and noted by Central Sydney Planning Committee (CSPC) on 9 May 2013. It was exhibited from 4 June to 8 July 2013 and a summary of submissions and the City's response is included as **Appendix D**.

The Employment Lands Strategy, as amended with reference to submissions and the recommendations of the technical studies discussed later in this draft planning proposal, is included as **Appendix C**.

This draft planning proposal is to give effect to the Employment Lands Strategy.

Current Planning Controls

The current planning controls as they apply to the employment lands are contained in:

- Sydney LEP 2012;
- Sydney DCP 2012;
- South Sydney LEP 1998; and
- *South Sydney Development Control Plan 1997* (South Sydney DCP 1997).

The employment lands are currently zoned for primarily for employment uses, under the following zones:

- Sydney LEP 2012, all of the land zoned IN1 General Industrial;
- Sydney LEP 2012, all of the land zoned IN2 Light Industrial;
- Sydney LEP 2012, some of the land zoned B5 Business Development;
- Sydney LEP 2012, all of the land zoned B6 Enterprise Corridor;
- Sydney LEP 2012, all of the land zoned B7 Business Park;
- Sydney LEP 2012, some of the land zoned SP2 Special Uses;
- South Sydney LEP 1998, all of the land zoned 10(d) Mixed Uses zone;
- South Sydney LEP 1998, some of the land zoned 10(e) Mixed Uses zone;
- South Sydney LEP 1998, some of the land zoned 5 Special Uses.

The employment lands, their applicable planning controls and current zoning are shown at Figure 1 above.

The Sydney LEP 2012 contains height, floor space ratio (FSR) and other development controls for the employment lands, such as parking maximums and bonus floor space provisions, which are key determinants of development feasibility.

For those employment lands currently subject to the South Sydney LEP 1998, heights, FSRs and many other key development controls are in the South Sydney DCP 1997.

This planning proposal

This draft planning proposal is to give effect to the Employment Lands Strategy. A discussion of the key elements and effects of this draft planning proposal is provided below.

Drafting instructions for the LEP that will result from this draft planning proposal is included as

Appendix E.

Land use

The employment lands currently comprise of land use zones that are primarily intended to facilitate employment uses. In recognition of the strategic importance of retaining sufficient space for industrial activity over time, this draft planning proposal identifies a portion of the employment lands that should retain their current IN1 General Industrial zoning. These lands are essential to the efficient functioning of the City and ensure activities associated with key state infrastructure, including Sydney Airport (airport) and Port Botany (port), and other activities that require access to the Sydney Central Business District (Sydney CBD), can continue to locate in the LGA. It will also ensure the rapidly growing residential and worker population in the inner city subregion can access essential industrial services.

Other areas within the employment lands are proposed to move toward more flexible land use zones. This will generally allow existing uses to continue, but over time will also facilitate higher density employment and new economic activities such as new industrial uses, creative uses, knowledge intensive industries, retail and flexible commercial and community spaces. Private residential uses, including shop top housing as well as seniors housing, are only to be permitted on land along Gardeners Road / Botany Road where they are currently permissible under the Sydney LEP 2012.

A map of the proposed land use zoning is shown at Map 1B in **Appendix A**. A proposed land use table for each zone forms part of the LEP drafting instructions provided at **Appendix E**.

A detailed discussion of proposed land-uses and their appropriateness is provided in Part 2 of this draft planning proposal.

Built form

In the main, this draft planning proposal does not seek any amendment to the maximum height and floor space ratios (FSR) in the Sydney LEP 2012. The exception is those lands currently subject to the South Sydney LEP 1998 where height and FSR controls are to be incorporated into the Sydney LEP 2012. Current and proposed Height and FSR maps are shown at Maps 6A, 6B and Maps 5A, 5B respectively in **Appendix A**.

The *City of Sydney Employment Lands Economic Analysis and Opportunities Study*¹ (the economic study), which is provided at **Appendix F**, found that:

¹ The *City of Sydney Employment Lands Economic Analysis and Opportunities Study* was based on the zoning proposed by the Draft Employment Lands Strategy. It is noted that following consideration of submissions, stakeholder consultations and the recommendations of technical studies, including the economic study, some changes were made to the zoning described in the final Employment Lands Strategy.

- in the proposed IN1 General Industrial zone, good demand for warehousing and distribution is likely to continue, though new development is likely to be nominal in the short to medium term. Current densities in the Sydney LEP 2012 are sufficient for the proposed uses in the zone;
- in the proposed B6 Enterprise Corridor zone, demand for adaptively reused retail and commercial spaces, high tech industrial uses and mixed business spaces, for example some industrial, some retail and some office space, will increase over time. These uses can generally be accommodated in the existing built form envelopes facilitated in the Sydney LEP 2012. In the short to medium term the rate of development is likely to be nominal to moderate;
- in the proposed B7 Business Park zone, current densities and height in the Sydney LEP 2012 are generally higher and will accommodate the more intense commercial activity expected in that area.

The economic study also provides direction for the economic feasibility of development controls in the southern employment lands. It has concluded that the development controls resulting from this draft planning proposal are generally viable for the range of uses likely to locate in the various zones proposed in the employment lands.

Employment and dwelling projections

The economic study provides high level projections for three testing scenarios, being low, moderate and high levels of development in the southern employment lands. The purpose of the three testing scenarios was to provide an appreciation of the scale of development that may result from a range of land use and built form controls, in particular density controls.

The economic study provides projections of the number of jobs that are likely to result from the draft planning proposal. The projections assume moderate levels of development and an increase of job density in most zones resulting from this draft planning proposal. Likely job densities are informed by the employment lands study and economic study.

The job projections are provided at Table 1.

Proposed zone	FSR Range	Current job density / ha	Current jobs	Projected job density / ha	Projected jobs
B7 North	1.5 - 4:1	93	2,357	160	4,059
B7 South	1.5	86	3,013	140	4,893
B6	1.5	76	9,528	120	14,962
IN1	1.5	60	3,847	60	3,853
TOTAL			18,745		27,766

Table 1: Southern employment lands job projections

The Parramatta Road employment lands have a current job density of approximately 200 per hectare. It is not expected jobs would significantly increase in this location.

The Moore Park employment lands have a current job density of approximately 120 workers per hectare. It is not expected jobs would significantly increase in this location as a result of this draft planning proposal

The southern employment lands projections, and how they respond to NSW Government employment targets, are discussed later in this draft planning proposal.

Staging

Projected jobs growth in the southern employment lands will occur over the next 16 years to 2031. The rate of growth is sensitive to demand factors, proximity to public transport and proximity to planned centres and amenities. The economic study provides a table of anticipated development in the southern employment lands which is modified for the zoning proposed by the strategy and shown at Table 2.

Proposed zone	Projected jobs growth to 2031	2014 - 2017	2018 - 2022	2023 - 2027	2028 - 2031
B7 North	1,702	Moderate levels of new development	Moderate levels of new development	Substantial levels of new development	Substantial levels of new development
B7 South	1,880	Moderate levels of new development	Moderate levels of new development	Substantial levels of new development	Substantial levels of new development
B6	5,434	Nominal new development	Moderate levels of new development	Moderate levels of new development	Substantial levels of new development
IN1	6	Nominal new development	Nominal new development	Moderate levels of new development	Moderate levels of new development

Table 2: Anticipated development in the southern employment lands

It is noted that only moderate levels of development are expected in the southern employment lands in the short term.

Transport, traffic and parking

While the Parramatta Road and Moore Park employment lands are relatively well serviced by public transport, the southern employment lands are subject to a range of transport and access challenges.

Transport and access constraints represent the biggest ongoing challenge to sustainable growth in the southern employment lands. To assist in preparing controls to manage the impact of growth on the transport network, the City commissioned the *City of Sydney Employment Lands Transport and Traffic Study* (transport study) shown at **Appendix G to Attachment A**.

The southern employment lands are located in the Global Economic Corridor between some of Australia's major trip generators such as the airport, the port and Sydney CBD. Many thousands of trips pass through the area every day.

In addition, the southern employment lands are themselves an origin for significant business to business movements (freight and small commercial vehicle), heavy truck movements that service heavier industries towards the south west, and commuter traffic and workers (residents nearby leaving or workers in the precinct arriving).

There are a number of 'unknown' elements that are likely to have impact on the transport network in the subregion. There remains varying levels of uncertainty about how these strategically important traffic and transport drivers might impact the area in the future, for example:

- WestConnex, and the location of its entry and exit portals, will likely have a profound impact on the study area. While it is understood Roads and Maritime Services (RMS) are modelling the likely outcomes of various scenarios, no information is available to the City at this time;
- the pace of development of the Green Square Town Centre and staging of infrastructure;
- potential future review of the Green Square Transport Management and Accessibility Plan 2008 (TMAP), which was reviewed by Transport for NSW in 2012 but not publically released;
- the Mascot Town Centre where some development has occurred but which is currently on hold until WestConnex has been resolved;
- the timing of a second airport in the Sydney basin, which will likely impact on the function and transport demands on Sydney Airport and by extension the southern employment lands;
- the nature of growth at Sydney Airport;
- the review of the Airport station access fee and potential for its removal (currently not supported by NSW Government);
- a second rail crossing being provided on the Sydney Harbour Bridge, which is required to alleviate capacity pressures at Green Square and Mascot train stations;
- take up of development opportunities in the employment lands as they are rezoned;
- potential introduction of a one way pairing on Bourke Road and O'Riordan Street, as identified in the NSW Government's Long Term Transport Master Plan; and
- realignment of the O'Riordan Street/Bourke Road/Botany Road intersection at the Green Square rail station.

Growth in the southern employment lands must be considered in the context of the broader land use and transport drivers in the sub-region. However, given the long development timeframes for the southern employment lands, and the extent of uncertainty about key drivers, it is not feasible or practical for the City to undertake detailed modelling and assessment of cumulative transport impacts associated with subregional growth at this time.

It is noted that RMS have already developed a mesoscopic model which covers the entire southern employment lands as well as surrounding areas. A mesoscopic model models complex transport networks over a large area. It allows for various inputs including roads, public transport and walking and cycling paths. The City continues to liaise with RMS regarding the potential to utilise this model to test scenarios within the southern employment lands area.

In consultation with RMS about the Strategy, they noted the significant progress made by the transport study in establishing an interim framework to guide sustainable growth.

As this draft planning proposal progresses, RMS have requested some additional work be undertaken to complement the transport study, including further consultation with RMS and Transport for NSW (TfNSW) to ascertain any approved road infrastructure upgrades in the area, any increased improved public transport services, improvements in accessibility to public transport modes, and rail and bus capacity.

RMS have recommended the City further the RMS mesoscopic model to establish long term growth and mode share targets for the area. As mentioned above, this may be appropriate as more detailed information becomes available about key transport drivers in the area and when the model is made available for the City's use.

The City supports the aim of the RMS model to establish a basis for understanding future planning decisions in the sub-region. In future the model may inform a review of the Green Square TMAP, which could conceivably be expanded to incorporate the southern employment lands. Any future TMAP would:

- cumulatively assess transport demand in the sub-region;
- identify required road/transport based infrastructure improvements;
- determine mode share targets; and
- identify travel demand management measures.

Those actions within the current 2008 Green Square TMAP that have the most potential to address the transport challenges are the responsibility of the NSW Government, for example the provision of sufficient public transport. Notwithstanding this, it is noted the City has an important role in encouraging mode shift and managing road travel demand, for example by limiting parking.

As growth in the southern employment lands accelerates, and more information about key transport drivers in the area becomes available, it will be important that the City work with RMS, TfNSW and Botany Council to review and implement long term transport management strategies for both Green Square and the southern employment lands in the context of the sub-region.

While the appropriate forum to address growth in the southern employment lands is still to be determined, the Green Square Transport Working Group is an established forum, made up of representatives across agencies, which may be suitable to ensure coordination of transport in this area when needed to. The working group is chaired by the City and reports to the NSW Premier and Cabinet's Green Square Steering Group, of which the City is a member.

In the interim, while understood in the context of the sub-region projected growth in the southern employment lands is relatively small, it is important to establish that new development will not place unreasonable demands on the long term sustainability of the transport network in the corridor.

In terms of current levels of accessibility to sustainable transport options:

- the area to the north of the southern employment lands is well serviced by the Green Square train station as well as a number of bus services. This area is proposed to be zoned B7 Business Park which will encourage more dense employment activities;
- in the south-east, around Botany Road a high frequency bus service provides a good access to public transport. This area also is proposed to be zoned B7 Business Park;

- in the centre-south of the southern employment lands, around where Gardeners Road intersects with Bourke Road, good transport access is facilitated by the Mascot train station; and
- in the central core of the southern employment lands, west of O’Riordan Street, sustainable transport options are limited.

In testing the impact that growth may have on the functioning of the employment lands, the transport study concludes that growth can likely be accommodated provided that as development intensifies over time:

- adequate mode shift from private car usage to sustainable transport modes can be achieved;
- on-street and off-street parking is appropriately managed; and
- additions are made to the current road network to improve the permeability of the southern employment lands, move local traffic off the three regional roads transecting the area (Botany Road, Bourke Road and O’Riordan Street); and
- active transport modes like walking and cycling are facilitated.

To achieve these ends, additional transport related provisions are proposed in the draft planning proposal to be included in the amending LEP.

To assist in managing parking in the employment lands, the current approach in the Sydney LEP which establishes maximum parking rates is maintained by this draft planning proposal. In the main, the southern employment lands are currently identified as ‘Category C’ on the Land Use Transport Integration Map (LUTI map), which guide parking rates for residential development, and ‘Category F’ on the Public Transport Accessibility Level Map (PTAL map), which guides parking rates for non-residential development. While Category C and Category F have the lowest accessibility ratings, and thereby allow for the highest parking rates available under the Sydney LEP, as public transport and access to services improves over time, LUTI and PTAL ratings in the southern employment lands will be reviewed.

To assist in the delivery of a more permeable road network in the southern employment lands, the draft planning proposal includes a provision that where the consent authority determines there is need for a public road, it may approve development where it exceeds the maximum building height or the maximum FSR by up to 15 percent. The draft DCP includes a map of proposed roads in the southern employment lands. Where a site is affected by a proposed road the 15 percent additional height or floor space may be achieved.

To guide and encourage sustainable transport, the draft DCP establishes the following interim mode share targets:

- 45 percent of workers in the B7 Business Park zone in the north of the southern employment lands are to arrive at work by public transport or active transport;
- 40 percent of workers in the B7 Business Park zone in the south-east of the southern employment lands are to arrive at work by public transport or active transport;
- 35 percent of workers in the B6 Enterprise Corridor zone are to arrive at work by public transport or active transport.

The interim mode share targets are the result of internal review of the current mode share targets in the Green Square Urban Renewal Area and the findings of the transport study that established an indicative target based on the capacity of key intersections. The interim share targets are to be reviewed in the context of additional transport modelling as it becomes available.

To ensure new development in the southern employment lands is adequately serviced by sustainable transport modes and contribute to the City's mode share targets, the draft planning proposal includes a provision that the consent authority must have regard to:

- the extent to which the development is currently serviced by sustainable transport modes;
- the likely impacts on the transport network generated by the development;
- how the development will contribute to any mode share targets in the locality; and
- how the development will promote sustainable transport modes and reduce private vehicle usage.

Sydney DCP 2012 and the draft DCP amendment include provisions for the preparation of Green Travel Plans that demonstrate how initiatives to promote sustainable transport options are to be implemented and maintained over time.

Community infrastructure and social sustainability

Demand for essential infrastructure in the southern employment lands will increase as the intensity of uses increases. More workers will require more childcare, more open space (both passive and active), more affordable housing, a finer grain road network and better roads, footpaths and cycleways to improve access to, from and around the area.

This draft planning proposal includes provisions to encourage the dedication of land for roads. In addition, provisions are included in the draft employment lands DCP amendment to facilitate the delivery of essential and social infrastructure, including:

- requirements for open space;
- identification of road network additions to improve permeability of the southern employment lands;
- identification of new pedestrian and cycling linkages;
- identification of social infrastructure requirements and their consideration in making a development application.

The draft DCP amendment also includes a table of social sustainability requirements, with new development being encouraged to consider and address the social demands of the southern employment lands.

To better inform how and when essential infrastructure will be delivered in the employment lands, the City is to prepare the Southern Employment Lands Infrastructure Plan in consultation with the NSW Government.

Funding Infrastructure

Where the southern employment lands overlap with land located in the Green Square Urban Renewal Area, the floor space incentive for community infrastructure will continue to apply. The Green Square community infrastructure scheme remains significant to delivering essential infrastructure to support projected growth in the Green Square Urban Renewal Area.

Given that an increase to FSRs in the remainder of the employment lands is not proposed, the floor space incentive scheme has not been largely extended to the remaining employment lands in this draft planning proposal. The exception is in the proposed B6 Enterprise Corridor zone, where to assist in the delivery of a more permeable road network, this draft planning proposal includes provision that where the consent authority determines there is need for a public road, it may approve development where it exceeds the maximum building height *or* the maximum FSR by up to 15 percent. The draft DCP amendment includes the indicative location of future public roads.

Proponents of new development will be encouraged to work with the City to deliver essential infrastructure in the southern employment lands. However, given the limitations of incentivising infrastructure delivery, Section 94 contributions, or any similar mechanism resulting from the review of the NSW planning system, are expected to provide a significant portion of infrastructure funding in the southern employment lands. Additional funding may be required to deliver the identified infrastructure requirements.

The City is currently reviewing its *Section 94 Development Contributions Plan 2006*, with the aim of efficiently utilising developer contribution funding as part of the City's broader capital delivery program. The best and fairest approach to funding infrastructure in the southern employment lands will be explored in that review.

Supporting planned centres

Under the current controls, opportunities for retail in industrial zones are generally limited to those that service the working population. This draft planning proposal will result in an expansion of retail uses being permitted in the employment lands, specifically in the proposed B6 Enterprise Corridor, the B7 Business Park zones and the B5 Business Development zone.

Clause 7.23 - Large retail development outside of Green Square Town Centre and other planned centres of the Sydney LEP 2012, which limits the gross floor area for shops and markets outside of planned centres to 1,000 square metres, will continue to apply to all of the southern employment lands. This clause ensures major retail development is located in planned centres, thereby supporting the economic viability of planned centres, and by extension other benefits that result from focusing major retail activity in planned centres.

The Sydney DCP 2012 provides more detailed provisions to guide retail development in the City South area, with some changes proposed by the draft employment lands DCP amendment.

In the B5 Business Development zone which applies only to the Moore Park employment lands ('Supa Centa' site), up to 1,000 square metres of 'shops' will be permitted. This is to be facilitated by Schedule 1 of the Sydney LEP 2012.

Heritage

The European history of the southern employment lands has been characterised by the transformation from an area of polluting industries relocated from the city boundaries, to more warehouse and distribution industries supporting the city and airport. This draft planning proposal will facilitate more change to an area of higher density employment.

To improve the understanding of the City's historic industrial and warehouse resources and ensure Sydney's historic industrial past is appropriately protected from increasing development pressure, the City is undertaking the *City of Sydney Industrial and Warehouse Building Study* (heritage study). The heritage study will identify, assess and review the significance of the historic industrial and warehouses in the LGA.

While this draft planning proposal does not propose any additions to Schedule 5 – Heritage of the Sydney LEP 2012, the heritage study will inform any future amendments to heritage provisions and listings in the employment lands.

Affordable housing

This draft planning proposal ensures that as the number of jobs grow in the southern employment lands some housing is ensured for lower income workers in the locality, and where appropriate, within the southern employment lands themselves. Lower income workers, such as cleaners, baristas, administrative clerks, healthcare workers, childcare workers, and so on are likely to experience significant difficulties in finding affordable accommodation in the inner City close to the places they work. These workers are essential for the efficient functioning of the City, both in economic terms and to maintaining a healthy, tolerant and diverse community. The *Southern Employment Lands Affordable Housing Need Analysis* is provided as **Appendix H**, establishes the need for affordable housing in the southern employment lands.

A key target of *Sustainable Sydney 2030* is that in 2030, 7.5 per cent of all housing in the City of Sydney should be social housing and 7.5 per cent should be affordable rental housing. The *City of Sydney Affordable Rental Housing Strategy 2009-2014* provides the actions and strategies to achieve the City's affordable housing target and identifies the utilisation of the planning framework as a critical path to achieving the increase of affordable rental housing in the LGA.

Consistent with the City's affordable housing strategy, this draft planning proposal incorporates two complementary approaches to maximise the amount of affordable housing in the southern employment lands while minimising impact on development viability. The approaches are discussed in more detail in Part 2 of this draft planning proposal.

Stormwater and flood risk management

Under existing conditions a significant portion of the southern employment lands are subject to flooding in large storm events.

In October to November 2013, the City publically exhibited the draft Alexandra Canal Floodplain Risk Management Study and draft Alexandra Canal Floodplain Risk Management Plan which recommend a comprehensive suite of flood management measures for the Alexandra Canal catchment. The draft Flood Study and Plan have been prepared in accordance with the NSW Government's *Flood prone Land Policy and Floodplain Development Manual* (2005) and once finalised will inform future amendments to the Sydney LEP 2012, including a Flood Planning Map detailing flood planning levels.

In the interim, this draft planning proposal makes no amendment to the current flood planning clause in the Sydney LEP 2012. Future development applications will continue to be required to determine the flood planning level and demonstrate the proposed development minimises the risk of flooding.

It is noted the draft DCP amendment includes additional provisions relating to stormwater and flood risk management in the southern employment lands.

Contamination

The European history of the southern employment lands is characterised by the transformation of the area from a place where polluting industries primarily located to serve the early growth of Sydney, to a place of warehouses, distribution centres and generally lighter industries supporting the city and airport. Given this history of land uses, it is likely that a number of sites will have some level of contamination.

Preliminary investigations by the City, which have included a desktop analysis of past uses, have concluded that it is likely that land can be made suitable for uses proposed by this draft planning proposal. Consistent with *State Environmental Planning Policy No 55 – Remediation of Land* (SEPP 55) future development applications will be required to be accompanied by site assessment to be undertaken by independent experts engaged by individual landowners/developers. The appropriate level of investigation and remediation will depend upon the circumstance of each site as established by SEPP 55. The stages required may include detailed investigation, preparation of a Remedial Action Plan (RAP), validation and monitoring.

Part 1: Objectives and intended outcomes

The intended outcome of this draft planning proposal is to amend the Sydney LEP 2012 as it applies to the employment lands and to give effect to the Employment Lands Strategy.

The objectives of this draft planning proposal are to:

- encourage the timely delivery of infrastructure to support growth in the employment lands;
- implement socially, environmentally and economically feasible land use and planning controls to support the primary role of the employment lands, being to facilitate employment generating uses;
- retain sufficient industrial zoned land to service the growing population and support infrastructure of state significance;
- facilitate more flexible employment zones to accommodate the changing demands of business and industry;
- contribute to NSW Government employment targets by enabling a wider variety of land uses and greater employment density in appropriate locations;
- facilitate the provision of affordable housing in and around the employment lands to enable essential workers to live close to where they work;
- maximise the use of public transport, walking and cycling by locating more intense development activity close to well serviced transport routes and local services and limiting on-site parking;
- encourage a public domain that is safe, accessible and attractive.

Part 2: Explanation of provisions

The City's employment lands are, in the main, subject to the provisions of the Sydney LEP 2012, but also include some lands that are excluded from the Sydney LEP 2012 and subject to provisions of the South Sydney LEP 1998. A map of the employment lands, the current planning instrument that applies and the current zoning is shown at Figure 1.

The draft planning proposal is to:

- amend the Sydney LEP 2012 as it applies to land currently subject to the Sydney LEP 2012;
- incorporate land currently subject to the South Sydney LEP 1998 into the Sydney LEP 2012; and
- repeal the South Sydney LEP 1998 where it currently applies to the employment lands.

To achieve the intended outcomes described in Part 1, this draft planning proposal seeks to amend the Sydney LEP 2012 in manner described below.

Drafting instructions for the LEP that will put into effect this draft planning proposal are included as **Appendix E**.

Incorporation of land currently 'excluded' from Sydney LEP 2012

Sydney LEP 2012 excludes the land generally bound by McEvoy Street, Bowden Street, O'Riordan Street, the Sydney Water Easement and Perry Park. The excluded lands are shown at Figure 2. This land is currently subject to the South Sydney LEP 1998.

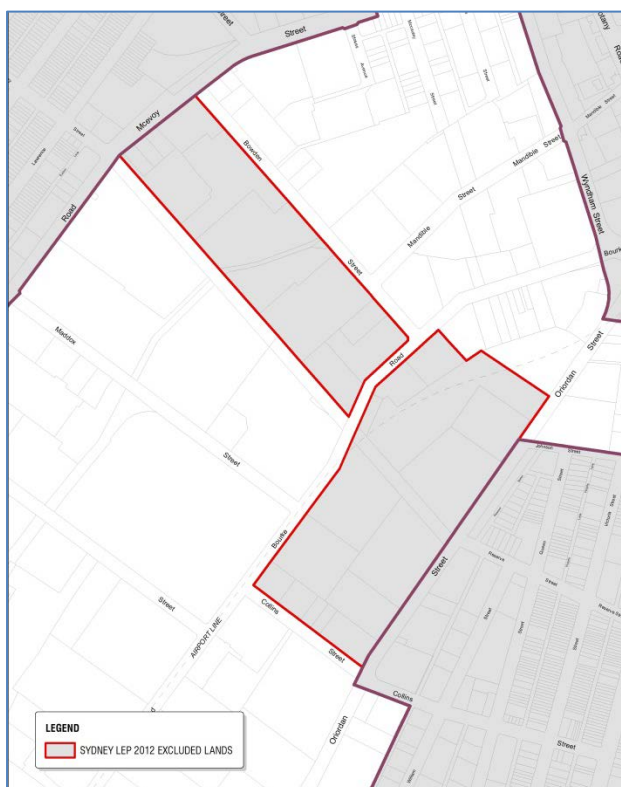


Figure 2: Land within the employment lands which is excluded from the Sydney LEP 2012

This draft planning proposal incorporates the excluded land into the Sydney LEP 2012. The effect of this is that the South Sydney LEP 1998 as it applies to the employment lands is repealed and the provisions of the Sydney LEP 2012 will apply. Those matters that were previously the subject of the South Sydney DCP 1997, that are now the subject of the Sydney LEP 2012, specifically height and FSR controls and parking controls, will also be incorporated into the Sydney LEP 2012 maps as shown at **Appendix A**.

It is noted that the draft DCP amendment will incorporate the employment lands into the Sydney DCP 2012, repealing the South Sydney DCP 1997 and other DCPs that may apply to the land.

Land-use table and zoning objectives

This draft planning proposal is to amend the current Sydney LEP 2012 land use table as it relates to the following zones:

- B7 Business Park;
- B6 Enterprise Corridor;
- IN1 General Industrial; and
- IN2 Light Industrial (to be deleted).

No amendment is proposed to the B5 Business Development land use table.

The Land Zoning Map, shown at Map 1B in **Appendix A**, details the proposed land use zones as they apply to individual sites in the employment lands.

The proposed land use zoning is informed by the Employment Lands Strategy, submissions to the draft Employment Lands strategy, meetings with stakeholders, technical studies and with reference to the long term aspirations for each zone.

Table 3 outlines amendments that are sought by this draft planning proposal to the current land use table in Sydney LEP 2012 with additions in **bold** text and deletions ~~struck through~~. Land uses and objectives mandated by the Standard Instrument are shown in black text with local additions in **red**.

B6 Enterprise Corridor		
Objectives of zone • To promote businesses along main roads and to encourage a mix of compatible uses. • To provide a range of employment uses (including business, office, retail and light industrial uses). • To maintain the economic strength of centres by limiting retailing activity. • To ensure uses support the viability of the adjoining IN1 General industrial zone for industrial uses. • To provide for residential uses, but only as part of a mixed use development.		
Permitted without consent	Permitted with consent	Prohibited
Nil	Agricultural produce industries; Business premises; Community facilities; Food and drink premises; Garden centres; General industries; Hardware and building supplies; Horticulture; Hotel or motel accommodation; Kiosks; Landscaping material supplies; Light industries; Markets; Passenger transport facilities; Plant nurseries; Roads; Shops; Seniors housing; Sewage reticulation systems; Shop top housing; Warehouse or distribution	Agriculture; Air transport facilities; Airstrips; Amusement centres; Boat building and repair facilities; Boat launching ramps; Boat sheds; Camping grounds; Caravan parks; Cemeteries; Charter and tourism boating facilities; Correctional centres; Eco-tourist facilities; Entertainment facilities; Environmental Protection Works; Exhibition homes; Exhibition villages; Extractive industries; Farm buildings;

	centres; Waste or resource transfer stations ; Any other development not specified in item 2 or 4	Forestry ; Heavy industrial storage establishments; Helipads; Highway service centres ; Industries; Jetties ; Marinas ; Mooring pens ; Moorings ; Port facilities ; Recreation facilities (indoor) ; Recreation facilities (major); Recreation facilities (outdoor) ; Registered clubs ; Residential accommodation; Retail premises ; Rural industries; Sewerage systems ; Tourist and visitor accommodation Transport depots ; Truck depots ; Waste disposal facilities ; Water recreation structures ; Water supply systems
B7 Business Park		
Objectives of zone • To provide a range of office and light industrial uses. • To encourage employment opportunities. • To enable other land uses that provide facilities or services to meet the day to day needs of workers in the area. • To ensure uses support the viability of nearby centres.		
Permitted without consent	Permitted with consent	Prohibited
Nil	Agricultural Produce Industries ; Child care centres; Food and drink premises; Horticulture ; Hotel or motel accommodation ; Kiosks; Light industries; Markets ; Neighborhood shops; Office premises; Passenger transport facilities; Plant nurseries ; Respite day care centres; Roads; Shops ; Warehouse or distribution centres; Any other development not specified in item 2 or 4	Agriculture ; Air transport facilities ; Amusement centres ; Camping grounds; Caravan parks; Cemeteries ; Correctional centres ; Depots ; Eco-tourist facilities; Exhibition homes; Exhibition villages; Extractive industries; Heavy industrial storage establishments; Heavy industries ; Helipads ; Home-based child care ; Home businesses ; Home occupations ; Home occupations (sex services) ; Industries ; Recreation Facilities (major) ; Residential accommodation; Retail premises; Rural industries ; Tourist and visitor accommodation; Truck depots
IN1 General Industrial		
Objectives of zone To provide a wide range of industrial and warehouse land uses. To encourage employment opportunities. To minimise any adverse effect of industry on other land uses. To support and protect industrial land for industrial uses. To ensure uses support the viability of nearby centres.		
Permitted without consent	Permitted with consent	Prohibited
Nil	Agricultural produce industries ; Boat building and repair facilities; Depots; Food and drink premises; Freight transport facilities; Garden centres ; General industries; Hardware and building supplies ; Horticulture ; Industrial training facilities; Kiosks; Light industries; Markets ; Medical centres ; Neighbourhood shops; Roads; Roadside stalls; Timber yards ; Warehouse or distribution centres; Water storage facilities ; Water treatment facilities ; Any other development not specified in item 2 or 4	Agriculture ; Air transport facilities; Airstrips; Amusement centres; Animal boarding or training establishments ; Boat launching ramps; Boat sheds; Camping grounds; Car parks; Caravan parks; Cemeteries; Charter and tourism boating facilities; Childcare centre ; Commercial premises; Community facilities ; Correctional centres; Eco-tourist facilities; Educational establishments; Entertainment facilities; Environmental protection works ; Exhibition homes; Exhibition villages; Extractive

		industries; Farm buildings; Forestry; Function centres; Health services facilities; Heavy industries; Helipads; Highway service centres; Home-based child care; Home businesses; Home occupations; Home occupations (sex services); Information and education facilities ; Jetties; Marinas; Mooring pens; Moorings; Passenger Transport facility ; Places of public worship; Recreation facilities (indoor) ; Recreation facilities (major); Recreation facilities (outdoor); Registered clubs; Residential accommodation; Respite day care centre ; Restricted premises; Rural industries; Self-storage units ; Sex services premises; Tourist and visitor accommodation; Veterinary hospitals; Water recreation structures; Water supply systems ; Wholesale supplies
IN2—Light Industrial		
Objectives of 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.		
Permitted without consent	Permitted with consent	Prohibited
Nil	Agricultural produce industries; Boat building and repair facilities; Depots; Food and drink premises; Freight transport facilities; Garden centres; Hardware and building supplies; Horticulture; Industrial retail outlets; Industrial training facilities; Kiosks; Light industries; Markets; Medical centres; Neighbourhood shops; Respite day care centres; Roads; Roadside stalls; Sewage reticulation systems; Timber yards; Warehouse or distribution centres; Waste or resource transfer stations; Any other development not specified in item 2 or 4	Agriculture; Air transport facilities; Airstrips; Amusement centres; Boat launching ramps; Boat sheds; Camping grounds; Car parks; Caravan parks; Cemeteries; Charter and tourism boating facilities; Commercial premises; Correctional centres; Eco-tourist facilities; Educational establishments; Entertainment facilities; Environmental protection works; Exhibition homes; Exhibition villages; Extractive industries; Farm buildings; Forestry; Function centres; Health services facilities; Helipads; Highway service centres; Home-based child care; Home businesses; Home occupations; Home occupations (sex services); Industries; Jetties; Marinas; Mooring pens; Moorings; Places of public worship; Port facilities; Recreation facilities (major); Recreation facilities (outdoors); Registered clubs; Residential accommodation; Restricted premises; Rural industries; Sewerage systems; Sex services premises; Tourist and visitor accommodation; Transport depots; Truck depots; Veterinary hospitals; Waste or resource management facilities; Water recreation structures; Water supply systems; Wholesale supplies

Table 3: Proposed amendment to Sydney LEP 2012 land-use table

The considerations and rationale for each zone are discussed below:

B7 Business Park

This draft planning proposal will rezone the following land to B7 Business Park:

- Parramatta Road employment lands;
- land in the north of the southern employment lands, which is close to the Green Square Town Centre and train station; and
- land in the south east of the employment lands.

The economic study identifies a clear demand for a range of business uses, many commercial-type uses that have to date been prevented from being accommodated in the southern employment lands owing to the current planning restrictions. There is strong demand for adaptively reused space by retail and other commercial businesses as well as creative uses traditionally located in Surry Hills and Paddington.

The intent of the B7 Business Park zone, as described in the Department of Planning and Environment's *Draft Centres Policy, Planning for Retail and Commercial Development 2009*, is to provide flexibility for large floor plate office premises to locate out of centres. It notes that business parks can provide for the co-location of warehousing, assembly, research and technology, with office administration and business services.

While the proposed B7 Business Park zone does not necessarily seek to achieve a discrete business park or parks, the aspiration for the zone is that it will provide for a range of commercial opportunities, ranging from office towers in appropriate locations (close to the Green Square Town Centre), to denser and more flexible spaces that support the land use requirements of the knowledge and creative industries. These industries are critical in the City of Sydney economy whose workforce produces almost eight per cent of the total Australian Gross Domestic Product, or about \$100 billion a year.

This approach is supported by a literature review of prominent thinkers on cities and economic geography including Enrico Moretti, Richard Florida and Edward Glaeser. They argue that successful modern urban economies are built around knowledge and creative industries, and attracting firms and workers in these industries, depends on economically diverse, dense and mixed use environments. These industries thrive in environments where they can cluster together with other 'like' uses, creating opportunities for synergies, knowledge sharing and collaboration to strengthen and grow a cluster.

The proximity of the proposed B7 Business Park zone to the Green Square Town Centre makes the area an attractive location for the knowledge and creative industries to locate. The 'just out of centre' location makes it more affordable, while at the same time ensuring easy access to the services and amenities generally located in a planned centre. In the Green Square Town Centre, these amenities include the future library, open space, retail and cafes opportunities and so on. Other benefits include its proximity to the Green Square train station, to an educated workforce, and a generally higher level of amenity. All of these factors are driving considerations for these kinds of industries when they are choosing where to locate their business.

In the south-east of the southern employment lands the B7 Business Park zone provides a transition between the residential development to the east, in particular Rosebery Estate, and the more industrially focused B6 Enterprise corridor zone. The area currently accommodates a number of creative and boutique activities and the generally smaller subdivision pattern will continue to support these activities.

Some submissions to the draft Employment Lands Strategy raised concerns that allowing commercial development outside of the Green Square Town Centre would dilute demand for commercial space inside it. While the current difficulties in attracting commercial development in the Town Centre are acknowledged, it is considered that rather than undermine demand in the Town Centre, the proposed B7 Business Park zone will cater to demand for non-traditional office uses and flexible spaces - uses that are unlikely to be accommodated in the Town Centre that will accommodate more traditional office facilities. Moreover, facilitating these uses outside of the Town Centre will encourage a more intense use of the land for employment activities. This will contribute to greater day time activity in the Town Centre, which is predominantly residential development.

Permitted land uses are to support existing light industrial activities and to facilitate a range of higher order employment generating uses, such as commercial offices, with some with large floor plate activities such as high tech sectors and research and development.

The B7 Business Park zone is also proposed along Botany Road, where land is currently zoned B6 Enterprise Corridor which permits shop-top housing (a land use that will not be permitted in the proposed B6 Enterprise Corridor land use table). Shop-top housing is proposed as an additional permitted use to be identified in Schedule 1 of the Sydney LEP. This will preserve the current permissibility of the use while allowing the application of the 'new' B6 Enterprise Corridor zone in other parts of the southern employment lands.

This draft planning proposal will also permit affordable rental housing in the B7 Business Park zone only where it is provided in accordance with an Affordable Housing Program to be considered by Council for public exhibition and adopted. The approach to affordable housing in the employment lands is discussed in more detail later.

B6 Enterprise Corridor

This draft planning proposal will rezone the central portion of the southern employment lands, which is currently predominantly zoned for industrial uses, to B6 Enterprise Corridor. No residential uses are proposed in the zone. Amendment to the current Sydney LEP B6 Enterprise Corridor land use table is therefore proposed to allow for a range of employment generating activities and to remove permissibility of shop-top housing and seniors housing.

The proposed B6 Enterprise Corridor zone recognises the economic importance of the corridor between Sydney Airport and Port Botany, and the City. The employment lands study found that while the reduction of the quantum of industrial land is supportable, the southern employment lands will nonetheless continue to play a critical strategic role in providing space for employment, providing space for industry that does not necessarily need to locate in an industrial zone, accommodating population serving uses and supporting the increasing need for uses associated with the airport and the port.

The economic study identifies:

- a clear demand for a range of business uses, many commercial-type uses
- strong demand for adaptively reused space by retail and other commercial businesses as well as creative users;
- retail and mixed business uses that support the growing Green Square Urban Renewal Area residential population will continue to thrive;
- demand for high-tech industrial strata units will continue to grow in response to rising rents and land values and an increasing amount of office component will be required; and
- bulky goods retail and showroom uses are expected to continue to experience high demand along O’Riordan Street to service the growing population.

The proposed B6 Enterprise Corridor zone responds to these identified demands by permitting a broader range of employment generating uses on the land. The area currently contains a wide range of industrial and commercial activities, ranging from warehousing activities to transport and logistics services to small scale retail spaces. Importantly, these uses will continue to be accommodated, while allowing for greater land use diversity over time.

Notwithstanding this, the employment lands study also recognises the constraining effects on development of the three main roads through the centre of the corridor, being Botany Road, O’Riordan Street and Bourke Road. This constraint only strengthens the need to ensure a balanced approach in developing planning controls for this area, one which encourages a more efficient use of land, allows for moderate growth and facilitates economic and employment opportunity, while at the same time ensuring retail and other ‘destination’ activities are limited in scale and complement the Green Square Town Centre, the Mascot Town Centre and other planned centres.

Generally, permitted land uses are to support existing general and light industrial activities and to facilitate some higher order employment generating uses. Prohibited uses are generally those that undermine the vision for the zone, in particular residential uses.

Given the prevalence of bulky goods and showroom developments along O’Riordan Street, the zone will continue to permit ‘bulky goods’ and ‘vehicle sales or hire purchases’ in areas currently identified in Schedule 1 of the Sydney LEP. While some submissions to the Draft Employment Lands Strategy expressed a view that the ‘bulky goods corridor’ should be expanded, these uses should continue to be consolidated within the existing Schedule 1 boundary where existing bulky goods and showroom premises are located. The expansion of the bulky goods corridor would negatively impact on the efficient functioning of the zone for wider employment purposes.

Amendments to the current zone objectives are proposed, including:

- removal of the objective ‘to provide for residential uses, but only as part of a mixed use development’. The Standard Instrument SEPP identifies this as a mandatory objective where residential uses are permitted in the zone. Given that residential uses are proposed to be prohibited in the B6 Enterprise Corridor zone, this objective is no longer relevant; and
- addition of a local objective ‘to ensure uses support the viability of the adjoining industrial zone for industrial uses’. This objective is proposed in recognition of the important role the B6 Enterprise Corridor zone has in separating the proposed IN1 General Industrial zone from more

sensitive uses that may impact on the ability of industrial uses to operate efficiently. A number of industrial activities require 24 hour operational flexibility. They may be noisier or result in dust. Some activities may result in an odour or have heavy truck movements associated with their activity. Where sensitive uses, such as child care facilities, are located close to these activities they can impact on the ability of the industrial use to function efficiently and undermine the long term viability of the use in particular and the zone more generally.

With reference to the Standard Instrument, the B6 Enterprise Corridor zone is the most appropriate zone for this land because:

- the mandated zone objectives are the best fit for the area, promoting a mix of employment uses (including business, office, retail and light industrial), while recognising the need to limit retail activity out of planned centres; and
- it allows bulky goods retailing to be prohibited throughout the zone, while facilitating the use by Schedule 1 of the Sydney LEP 2012 in key locations within the zone. This confines the land use, and its impacts, to the area within the LGA where it currently exists.

It is noted that this draft planning proposal will result in major changes to land uses currently permitted and prohibited by the B6 Enterprise Corridor in Sydney LEP 2012. These proposed changes reflect the different purpose, function and aspirations for the new B6 Enterprise Corridor zone.

B5 Business Development

The Moore Park employment lands are to remain zoned B5 Business Development. This zone remains the most appropriate for the precinct because of its focus on bulky goods, which is the predominant use currently on the site.

Minor expansion of general retail uses in the precinct is proposed. This will be facilitated by Schedule 1 of the Sydney LEP 2012 which is to permit up to 1,000 square metres of 'shops' on the site.

IN1 General industrial

This draft planning proposal will retain the IN1 General Industrial zone on land located in the south western corner of the southern employment lands.

It is envisaged this area will continue to accommodate both general and light industry and allow for uses serving the population (local light industrial and urban services uses required to service the current and projected population of the LGA) and strategic industrial uses (for example, airport related uses). The long term aspiration for the zone is for a pure industrial zone with only minimal ancillary uses to support the industrial activities and workers. Ancillary uses may include offices associated with the industrial operation and take away food kiosks and the like.

The employment lands study shows the quantum of land that has been identified for the IN1 General Industrial zone is sufficient to accommodate population serving industrial uses to 2036. This is estimated to be around 339,000 square metres of both heavy and light industrial floor space. This area also provides additional floor space of approximately 150,000 square metres to accommodate strategic industrial uses, for example those related to the airport. While the study shows a need for approximately 440,000 square metres of floor space for airport-related freight and logistics uses, some of this will continue to be accommodated in the other areas of the employment lands.

The rationale for concentrating the City's industrial activities in this area is:

- it consolidates heavier uses where they already exist. The location is relatively isolated and is buffered from other, more sensitive, uses by the Alexandra Canal, Sydney Park and main roads; and
- it provides good accessibility to airport and road networks, including the proposed exit of WestConnex along Qantas Drive, and therefore has potential to attract related freight and logistics uses.

With reference to the Standard Instrument, the IN1 General Industrial zone is the most appropriate zone for this land because:

- the mandated zone objectives are the best fit for the area. They identify that the zone caters specifically for industrial uses only and recognise the need to protect these areas and keep them separate from other uses;
- the mandated zone objectives offer highest protection for industrial uses against encroachment from other uses; and
- the mandated uses align with the long term aspiration for this area which is to support industrial uses.

Given the specific land economics of the industrial zone, the uses that are proposed to be permitted, existing and future demand for industrial uses and proposed development controls, it is reasonable to assume that while some densification of the area may occur, employment growth in the zone to 2036 is likely to be limited.

Built form

In the main, the draft planning proposal does not seek amendment to the maximum height and FSR in the Sydney LEP, the exception being those lands currently subject to the South Sydney LEP where height and FSR controls are to be incorporated into the Sydney LEP. The proposed heights and FSRs in the excluded lands generally reflect those currently achievable under the South Sydney LEP. The exception is the incentive of up to 15 per cent additional height or FSR to assist in the delivery of new roads in the B6 Enterprise Corridor zone (refer to the Background section earlier in this draft planning proposal and the drafting instructions at **Appendix E**).

The Height of Buildings Map and the Floor Space Ratio Map, shown at Map 6 and Map 5 respectively at **Appendix A**, detail the proposed maximum heights and FSRs.

Affordable housing

The *Southern Employment Lands Affordable Housing Need Analysis* (affordable housing needs analysis), provided as **Appendix H**, establishes the need for affordable housing resulting from this draft planning proposal.

Sydney remains Australia's least affordable city. It is widely acknowledged that development has not kept pace with demand, contributing to a tight rental market and rising house prices. The high cost of housing is an important economic and social issue in Sydney, particularly within the Sydney LGA where housing prices are amongst the highest in metropolitan Sydney.

As the number of jobs increases in the southern employment lands it is essential that workers are able to access appropriate and affordable housing close to where they work.

The southern employment lands will undergo substantial change in the next 20 years as the area transitions from traditional manufacturing industries to more modern employment uses. The price of land in the southern employment lands will increase as a result of rezoning with landowners being the beneficiaries of those increases.

The increase in land value and gentrification of these areas will continue to produce upward pressures on property values around the area beyond the means of low to moderate income groups. Without provision of more affordable forms of housing, the market can be expected to continue to produce more expensive housing in the area, so that housing will only be affordable to households on relatively high incomes. Lower income households would need to move out of the area or may be prevented from finding housing in the area close to new employment opportunities.

As the area grows, a proportion of new jobs will be relatively low paid. In addition, more businesses and workers will increase demand for services that employ lower income workers, such as childcare workers, cleaners, construction workers and tradesmen. These workers are critical to the efficient functioning of the area.

Consistent with the City's *Sustainable Sydney 2030* and *Affordable Rental Housing Strategy 2009-2014* objectives to encourage affordable housing through the planning framework, this draft planning proposal incorporates two complementary approaches to facilitate the provision of affordable housing in and around the southern employment lands.

Affordable Housing Contribution

This draft planning proposal includes provision that allows the consent authority to impose a condition on a development application requiring a contribution to affordable housing. The clause is introduced pursuant to Section 94F(1) of the Act, which allows a consent authority to impose an affordable housing contribution where a SEPP identifies there is a need for affordable housing. The City of Sydney is identified on SEPP No 70 - Affordable Housing (Revised Schemes) as having a need.

The effect of the provision is that development identified in the 'southern employment lands', which is shown at the Locality and Site Identification Map at Map 3B of **Appendix A** must make a monetary or in-kind contribution equivalent to three percent of residential floor area and one percent non-residential floor area². The contribution rate is established with reference to:

- the affordable housing needs analysis;
- the long term successful operation of the *Green Square Affordable Housing Scheme* that currently operates in the Green Square Urban Renewal Area which overlaps the southern employment lands in the north.

The monetary contribution rate, requirements and operational aspects of a *Southern Employment Lands Affordable Housing Program* (affordable housing program) are yet to be established. The

² It is noted the 'southern employment lands' identified in the Locality and Site Identification Map do not align with the southern employment lands as identified in this draft planning proposal. Those areas that are also located in Green Square have been deliberately excluded given they are already subject to an affordable housing contribution under the Green Square Affordable Housing Program.

Council has resolved to prepare a draft affordable housing program in consultation with the NSW Government's Centre for Affordable Housing and with community housing providers (CHPs). The draft affordable housing program will be publically exhibited and reported back to Council for their consideration for adoption. The program is to be developed with specific reference to the principles established by SEPP No 70 - Affordable Housing (Revised Schemes). It is noted that inclusion of the provision in the LEP is contingent on the adoption of a Program by Council.

The economic study, provided at **Appendix F**, provides some comment on the operation of affordable housing contributions in the City of Sydney with specific reference to the Green Square Affordable Housing Program. It notes a major advantage of a contributions scheme is that it is transparent in its operation and can be easily understood, thereby allowing the market to respond accordingly.

As is the case in the Green Square Urban Renewal Area, this draft planning proposal includes provision that SEPP (Affordable Rental Housing) 2009 would not apply to land in the 'southern employment lands'.

Permitting affordable housing in the B7 Business Park zone

In the proposed B7 Business Park zone, that includes the Parramatta Road employment lands as well as some lands in the southern employment lands, the draft planning proposal includes provision to allow affordable rental housing, where:

- it is provided in accordance with an affordable housing program adopted by Council;
- it is compatible with current and future development in the vicinity having regard to:
 - o the impact that the development (including its bulk and scale) is likely to have on the existing uses, approved uses; and
 - o the services and infrastructure that are or will be available to meet the demands arising from the development;
- no part of the ground floor of the building will be used for a residential purposes; and
- it will not adversely impact on the environment.

The City is cognisant of the fact that, given the high return for residential uses in the inner City, permitting residential uses in the proposed B7 Business Park zone would likely result in the majority of employment generating uses being displaced over time.

Notwithstanding the Employment Lands Strategy identifying the southern employment lands as being necessary to accommodate employment generating uses, it is considered that the proximity of the proposed B7 Business Park zoned land to amenities and services makes these areas suitable for modest amounts of residential development where it directly supports the vision for the zone.

Land within the proposed B7 Business Park zones is serviced by good public transport access, including Green Square train station in the north and a high frequency bus service along Botany Road to the south, as well as the amenities and social infrastructure being provided in Green Square. Allowing only affordable housing in these areas will limit the potential risk that residential uses would compete with non-residential uses over time.

In addition, these lands will accommodate 'higher value' employment uses over time, potentially in the short to medium term, that are generally more able to co-locate with residential uses with less potential for conflict than what may occur in other zones in the employment lands.

This approach is generally consistent with Division 5 of SEPP (Affordable Rental Housing) 2009 which permits social housing providers and public authorities to build affordable housing in land use zones that may otherwise not permit residential land uses. This is subject to certain locational requirements as well as the issue of a site compatibility certificate by the Department of Planning and Environment.

Currently, the SEPP (Affordable Rental Housing) 2009 does not apply in the Green Square Urban Renewal Area which includes the proposed B7 Business Park zone in the north of the southern employment lands. The draft planning proposal includes provision that the SEPP would also not apply in the remainder of the southern employment lands, including those lands proposed to be zoned B7 Business Park in the south of the southern employment lands.

It is uncertain how much affordable housing is likely to result from this provision. In consulting with CHPs they reiterated the difficulties they generally experience in securing land in the City of Sydney. This is mostly due to the very high cost of land, but also the highly competitive nature of the residential market in the inner-City. Part of the benefit of allowing only affordable housing provided by a CHP is that it will provide a competitive advantage for CHPs who will be more able to compete for land that does not generally permit residential development.

Transport in the southern employment lands

While the transport network in and around the southern employment lands is considerably constrained, the transport study concludes that growth can be accommodated provided that as development intensifies over time:

- adequate mode shift from private car usage to sustainable transport modes can be achieved; and
- additions are made to the current road network to improve the permeability of the southern employment lands, move local traffic off the three regional roads transecting the area, and promote walking and cycling.

To achieve these ends, two transport related provisions are proposed by this draft planning proposal.

Permeability of the road network in the southern employment lands

To assist in the delivery of a more permeable road network in the southern employment lands, this draft planning proposal includes provision that where the consent authority determines there is need for a public road within the B6 Enterprise Corridor zone, that it may approve development where it exceeds the maximum building height or the maximum FSR by up to 15 percent. The draft DCP amendment includes the indicative location of future public roads.

Sustainable transport

To ensure new development in the southern employment lands is adequately serviced by sustainable transport and contributes to the City's mode share targets for the southern employment lands, this draft planning proposal includes provision that the consent authority must have regard to:

- the extent to which the development is currently serviced by sustainable transport modes;
- the likely impacts of the development on the transport network;
- how the development will contribute to the achievement of mode share targets in the locality; and
- how the development will promote sustainable transport modes and reduce private vehicle usage.

The draft DCP amendment provides additional guidance about how development can contribute to mode share targets and promote sustainable transport modes, including, but not limited to, the preparation of a Green Travel Plan.

Development requiring preparation of a development control plan

This draft planning proposal is to amend clause 7.20 of the Sydney LEP 2012 so that a development control plan, or a Stage 1 development application, is not required in the B6 Enterprise Corridor unless the site area is greater than 5,000 square metres and it is primarily for a commercial or retail use.

The purpose of this amendment is to ensure that redevelopment of large sites that primarily accommodate industrial and/or warehouse uses is not required to prepare a development control plan, or a Stage 1 development application. Such a requirement is considered to be onerous for this type of development.

Amendment to maps

Table 4 outlines amendments to the maps of the Sydney LEP 2012 that are sought by this draft planning proposal. The Map Book, shown at **Appendix A**, includes a 'map set' for each map of the Sydney LEP 2012, which includes a map identifying the current control or zone as it applies to individual sites in the employment lands, and a proposed map, that identifies the proposed control or zone. Where a site is affected by an amendment to the current controls it is outlined in blue.

Map set	Current	Proposed	Purpose of amendment
Land Zoning Maps	Map 1A	Map 1B	Makes extensive changes to land use zoning in the employment lands. It also incorporates land currently subject to South Sydney LEP 1998 into the Sydney LEP 2012 and identifies zoning for that land.
Acid Sulfate Soils Maps	Map 2A	Map 2B	Incorporates land currently subject to South Sydney LEP 1998 into the Sydney LEP 2012 and classes the land.
Locality and Site Identification /Foreshore Building Line /	Map 3A	Map 3B	Incorporates land currently subject to South Sydney LEP 1998 into the Sydney LEP 2012.

Affordable Housing Levy Map			Identifies land subject to contribution for the purpose of affordable housing. Identifies land at Botany Road, Alexandria (between Gardeners Road and Morley Avenue), as having additional permissible use of 'shop top housing' and 'seniors housing'. Identifies the Moore Park employment lands on South Dowling Street, that are zoned B5 Business Development, as having an additional permissible use of 1,000 square metres of 'shops'.
Special Character Areas Map / Retail Premises Map	Map 4A	Map 4B	Incorporates land currently subject to South Sydney LEP 1998 into the Sydney LEP 2012 and identifies it as being in the restricted retail development area.
Floor Space Ratio Maps	Map 5A	Map 5B	Incorporates land currently subject to South Sydney LEP 1998 into the Sydney LEP 2012 and identifies maximum FSRs on that land.
Height of Buildings Maps	Map 6A	Map 6B	Incorporates land currently subject to South Sydney LEP 1998 into the Sydney LEP 2012 and identifies maximum building heights on that land.
Land Application Map	Map 7A	Map 7B	Incorporates land currently subject to South Sydney LEP 1998 into the Sydney LEP 2012 and identifies those lands as now being subject to Sydney LEP 2012.
Land Reservation and Acquisition Map	Map 8A	Map 8B	Incorporates land currently subject to South Sydney LEP 1998 into the Sydney LEP 2012.
Land Use and Transport Integration (LUTI) map	Map 9A	Map 9B	Incorporates land currently subject to South Sydney LEP 1998 into the Sydney LEP 2012 and identifies a LUTI category on that land. Some minor amendments are also proposed elsewhere in the southern employment lands.
Public Transport Accessibility Level (PTAL) Map	Map 10A	Map 10B	Incorporates land currently subject to South Sydney LEP 1998 into the Sydney LEP 2012 and identifies a PTAL category on that land. Some minor amendments are also proposed elsewhere in the southern employment lands.

Table 4: Proposed amendments to Sydney LEP 2012 maps

Standard Instrument compliant maps are to be provided following public exhibition of this draft planning proposal.

Part 3: Justification

Section A – Need for this planning proposal

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

Yes. This draft planning proposal is the result of the Employment Lands Study which provides a strategic analysis of the employment lands. It is also informed by a number of technical studies as described below.

City of Sydney Employment Lands Study

The Employment Lands Study, included as **Appendix B**, provides an evidence base for amendment to current land use and planning controls that apply to the employment lands.

Part 1 of the Employment Lands Study was the preparation of a background paper to inform the direction of the study and establish the 'base case'. Some key findings of the background paper include:

- globalisation is likely to continue to drive a separation between the 'thinking' part of the value chain (namely design, brokerage, marketing, strategy formulation) and the making or manufacturing, and distribution, in the form of transport, logistics, and after sales service. The employment lands are in a position to service multiple parts of this chain;
- cheaper land in western Sydney has been attractive largely to manufacturing users and smaller engineering firms, with Silverwater and Smithfield being popular relocation destinations. Freight and logistics users have also decentralised, but most have remained in the area owing to its strong link to the port, the airport and Sydney CBD;
- given increasing land values, there is likely to be pressure to accommodate higher order uses (including offices), which may affect traditional industries and require a planned approach;
- there is a considerable amount of vacant floor space in the southern employment lands, comprised of both vacant buildings and vacant sites;
- real estate agents noted that demand for industrial land remains solid despite the impact of the Global Financial Crisis, with land and median rental prices increasing steadily since 2008 and notable demand for creative and business service occupants. Businesses normally based in Surry Hills, Chippendale and Redfern, such as advertising, fashion, and business services firms, have been quick to relocate to Alexandria. This may be an indicator of the southern employment lands evolving into a second order business and services area outside the Sydney CBD;
- there are a range of factors affecting the likely future role and function of the employment lands. These include amenity, landuse (permissibility), parking, public transport, cycleways, truck access, and bulky goods retailing; and
- land values in the employment lands are high relative to industrial land values in adjoining LGAs.

Part 2 of the Employment Lands Study included extensive quantitative and qualitative analysis that was undertaken and interpreted in the context of the findings of the background paper. The study includes an analysis of:

- the current NSW Government planning framework for employment lands;
- targets in key state government and local government strategies;
- current land use and planning constraints that affect the employment lands;
- employment and dwelling projections which provide conservative estimates of achievable densities for the employment lands based on a range of given land use scenarios;
- forecasting and gap analysis, which compares forecast employment and land area requirements under the base case of the current zoning, against the capacity of employment lands as recorded in the FES 2012;
- development feasibility modelling which, via case study, explores the relationship between vacancies, demand for land / floorspace in the area, and the viability of development; and
- population serving industry test which explores whether rezoning of industrial land proposed in the scenarios would ensure sufficient quantity is retained to service the current and projected local population.

Key findings of quantitative data include:

- there is a significant over-provision of industrial land in the employment lands. The study shows that there will be an increase in demand of 52,000 square metres of floor space to accommodate industrial uses (including freight and logistics, heavy manufacturing, light manufacturing, local light industrial and urban services) to 2036. This is well in excess of the 743,000 square metres of floor space capacity that is currently available in the IN1 General Industrial and IN2 – Light Industrial zones;
- in testing the viability of development in the current industrial zones under existing planning controls in the southern employment lands, a case study was undertaken of the feasibility of a typical industrial development (a warehouse) within the existing planning controls. The case study allowed for two development scenarios including a modern high bay warehouse development (a typical built form for the storage of goods), first on a site with an existing industrial building that would require demolition, and second on a vacant site. Both development scenarios returned a negative feasibility ratio value, indicating sites are not viable for development. Viability is impaired by broader structural changes in manufacturing, which, in turn, are likely linked to the considerable vacancy in the area (19 per cent). In order to reduce vacancies in the main study area and facilitate renewal, zoning changes are required that will improve feasibility and encourage development; and
- it is estimated that the total population of the City of Sydney LGA in 2036 would require around 339,000 square metres of population-driven industrial floor space, ranging from heavy industry, light industry and industrial urban services. In addition the study shows a need for approximately 440,000 square metres of floor space for airport-related freight and logistics uses. While most airport-related functions do not need to be accommodated in an IN1 General Industrial zone, the study recommends it is prudent that some space be ensured for this type of growth within an industrial zone.

Based on the analysis, the Employment Lands Study concludes that there is sufficient evidence to support an alternate planning approach in the employment lands. An approach which:

‘seeks to more actively utilise the land in this strategic location; assumes employment above that projected by historical trends; diversifies economic prospects; and reduces the significant proportion of vacant sites and buildings.’

The Employment Lands Study recommends a new approach to land use for the employment lands, which is more consistent with the subregional role of the City’s employment lands and addresses the strategic employment context, which is fundamental to Sydney’s future competitiveness and is of national significance.

City of Sydney Employment Lands Economic Analysis and Opportunities Study

The economic study, included as **Appendix F**, was commissioned to inform the preparation of this draft planning proposal and the draft DCP amendment by providing an understanding of the impacts of the proposed land use and planning controls.

The economic study includes:

- a demographic analysis of the area’s existing and projected workforce and living population;
- a market appraisal of the southern employment lands that outlines the interaction between supply and demand factors across the southern employment lands, how they have translated into property and land values and how the market is likely to respond to the proposed changes;
- feasibility analysis to establish the viability of development under various FSR and height scenarios and the benefit (if any) conferred by density increases;
- an analysis of the best approach to funding essential infrastructure in the employment lands; and
- an analysis of the economic impact of the proposed land use and planning controls on planned centres.

The key findings of the economic study relate to a range of issues addressed by this draft planning proposal and have informed a number of provisions.

The findings and recommendations of the economic study are discussed in Part 2 of this draft planning proposal in the context the proposed provisions.

City of Sydney Employment Lands Transport and Access Study

The transport study, included as **Appendix G**, was commissioned to provide an understanding of the impacts on the transport network of additional jobs locating in the southern employment lands. The aim of the study was to establish transport principles and strategies to guide the development of planning controls.

Critically the transport study concludes that growth can be accommodated provided that as development intensifies over time:

- adequate mode shift from private car usage to sustainable transport modes can be achieved; and

- additions are made to the current road network to improve the permeability of the southern employment lands, move local traffic off the three regional roads transecting the area, and promote walking and cycling.

To achieve these ends, additional transport related provisions are proposed by this draft planning proposal and are discussed in detail in Part 2.

City of Sydney Employment Lands Strategy

The Employment Lands Strategy, included as **Appendix C**, recognises the continued primary function of the employment lands to facilitate employment and support the growth of the local, metropolitan, state and national economies and regional and global network connections.

The Strategy describes a vision for the long term transition of the employment lands from an area currently characterised largely by industrial type development, to an area accommodating a diverse range of employment generating uses.

The Strategy is the product of multiple research projects, public exhibition of a draft Employment Lands Strategy, and consultation with landowners, residents and community groups, government, peak interest groups and community housing providers. It is guided by the NSW Government strategic policy context for employment lands and the objectives, directions and targets of the City's *Sustainable Sydney 2030*.

The Strategy facilitates a more flexible approach to employment land uses, including uses that will house low income workers that are necessary to sustainable jobs growth.

This draft planning proposal is to give effect to the Strategy.

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

Yes. This draft planning proposal is the only means of achieving the objectives and intended outcomes described in Part 1.

Section B – Relationship to strategic planning framework

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

In March 2013 the NSW Government published the draft *Metropolitan Strategy for Sydney to 2031* (draft Metropolitan Strategy) and once adopted it will replace the *Metropolitan Plan for Sydney 2036* (Metropolitan Plan to 2036). However, until that time, the Metropolitan Plan to 2036 is the applicable adopted strategy. In assessing the consistency of this draft planning proposal with metropolitan wide objectives, both the Metropolitan Plan to 2036 and draft Metropolitan Strategy have been considered, together with the *Draft Sydney City Subregional Strategy 2008* (the draft Subregional Strategy).

The metropolitan planning framework locates the southern employment lands within the 'Global Economic Corridor'. This is the collection of assets and centres that runs from Macquarie Park, through Chatswood and North Sydney, through the Sydney CBD and onto the airport and port.

Successive metropolitan plans have consistently placed an emphasis on the retention of significant strategic industrial lands and contain strategies and policies that effectively prevent the reduction of industrial land where its removal cannot be justified.

The draft Subregional Strategy specifically identifies the importance of the southern employment lands, noting its role in supporting the economy and servicing the City by facilitating light industries, heavy industry manufacturing, urban services, warehousing and logistics and high-tech based activities. It also recognises the importance of the area in ensuring there is sufficient capacity available to maintain economic functions of the area in relation to the airport and the port.

The draft Subregional Strategy categorises employment land within the City of Sydney in terms of its significance. The southern employment lands and the Parramatta Road precinct are identified as 'Category 1', that is, lands to be retained for industrial purposes because of their role in the local, subregional and national economies. It notes 'Category 1' lands does not mean that sites cannot be intensified or redeveloped to meet modern industrial requirements and create additional employment benefits, but they should continue to accommodate industrial and related uses.

The draft Metropolitan Strategy groups the City of Sydney together with 17 other LGAs from Canada Bay to Woollahra and Ryde to Botany Bay into a new 'Central Subregion'. In the main, the Central Subregion includes LGAs that lie within the 'Global Economic Corridor', although not all LGAs have been included. Key objectives of the draft Metropolitan Strategy relevant to the employment lands include:

- Objective 10 – Provide capacity for jobs growth and diversity across Sydney – this objective provides minimum employment targets for the Central Subregion and strategic centres;
- Objective 11: Support the land use requirements of industries with high potential – this objective recognises the importance of providing a planning environment that encourages clusters of high performing businesses and industries. The objective is supported by a number of Industry Action Plans developed to support high growth industries;
- Objective 13: Provide a well-located supply of industrial lands – this objective recognises the need to ensure a supply of well-located industrial land with good accessibility to supply local and/or subregional demands. It also provides a framework to assess proposals to rezone industrial land, the 'Industrial Lands Strategic Assessment Checklist' for rezoning of existing industrial land to other uses; and
- Objective 16: Achieve productivity outcomes through investment in critical and enabling infrastructure – this objective acknowledges the importance of employment locations being supported by well-serviced, reliable transport links as well as ensuring sufficient infrastructure to support communities.

The draft Metropolitan Strategy provides updated housing and employment targets for new subregions and strategic centres. The revised targets provided in the strategic centres are 'maximums', which are not intended as caps or limits but are provided to set the minimum level to support the growth of metropolitan Sydney.

Within the City of Sydney, two strategic centres, being 'Central Sydney' and 'Green Square', are identified. Together these areas contain the majority of existing jobs and future potential for jobs in the City of Sydney. The draft Metropolitan Strategy does not provide targets specifically for the areas that fall outside of the strategic centres, however it recognises the need to harness opportunities and support economic growth by ensuring adequate stocks of well-located commercial and industrial land are always available.

The employment target for 'Central Sydney' in the draft Metropolitan Strategy is 102,000 additional jobs to 2031. The employment target for 'Green Square' is 7,000 additional jobs to 2031. This constitutes around a 29 percent jobs growth being required in strategic centres between 2011 and 2031, which equals an annual growth rate of around 1.3 percent.

It is noted that in real terms the jobs target in the draft Metropolitan Strategy has been increased by about 17.7 percent (an additional 25,000 jobs) to those in the current Metropolitan Plan for Sydney.

The City's *Floor Space and Employment Survey 2012* (FES 2012) establishes around 437,000 jobs are currently located within the City of Sydney LGA, showing a growth of 13.6 percent or an annual jobs growth rate of around 2.6 percent over the 5 year period since the FES 2007. This represents two times the growth rate required by the draft Metropolitan Strategy target.

This growth is substantial in this period given the Global Financial Crisis (GFC) would have had a significant impact on jobs growth in 'type' of jobs located in the LGA. Should job growth continue at this rate, a simple extrapolation shows that as the impacts of the GFC slow the targets for the City of Sydney contained in the draft Metropolitan Strategy are achievable.

Notwithstanding this, it is important to recognise there are potential constraints that will act to limit growth in strategic centres over the next 20 years. Because of this it is essential to ensure jobs growth can occur in other parts of the City.

The capacity of the road and public transport networks to accommodate growth may also act to constrain employment opportunities over time. The City's strategic transport strategy 'Connecting Our City' (2012) identified serious limitations within the current networks, particularly within the CBD, with both Wynyard and Town Hall train stations unable to accommodate projected jobs growth.

An additional key constraint to employment growth is land/ site availability for employment generating uses. While densities may increase to accommodate jobs growth, both in terms of the built form as well as how many jobs are accommodated within a given area, at some point, new locations will need to be found to accommodate job growth.

Land/ site availability is further constrained by the displacement of employment generating uses by residential uses. In areas such as the Green Square Urban Renewal Area where the predominant zone is B4 Mixed Uses, which allows residential uses, it is difficult to ensure that some employment uses are retained because of the generally much higher return for residential uses.

In the southern employment lands, permitting private residential uses would likely result in the majority of employment generating uses being displaced. Restricting residential development is essential to ensuring employment uses can continue to locate in the area.

This approach is consistent with the land use strategy for the Green Square Urban Renewal Area as applied under the current planning controls, which seeks to achieve:

- predominantly residential uses for land to the east, north and north-west, including the precincts of Victoria Park, Epsom Park, North Rosebery, Crown Square and Lachlan, and for the established residential areas in Beaconsfield and Zetland;
- mixed uses for sites to the north of the Town Centre, and along Botany Road and Bourke Road;
- business uses for the area to the west of the Town Centre; and
- mixed employment uses for sites to the north-west of the Town Centre.

While the southern employment lands fall largely outside of the Green Square Urban Renewal Area, because the potential for jobs growth is likely to be limited in Green Square, they are essential to accommodate some of the growth that is projected by the draft Metropolitan Strategy.

As shown at Table 1, this draft planning proposal will result in an increase of approximately 9,000 jobs in the southern employment lands to 2031. This will easily accommodate a reasonable portion of the 7,000 jobs required to be accommodated by the draft Metropolitan Strategy in the Green Square strategic centre, and will also allow room to accommodate growth resulting from capacity constraints in other parts of the LGA as well as growth associated with state significant infrastructure.

The consistency of this draft planning proposal with the objectives and directions of the Metropolitan Plan to 2036, draft Metropolitan Strategy, the *Industrial Lands Strategic Assessment Checklist* as provided in the draft Metropolitan Strategy, and *Draft Sydney City Subregional Strategy* is provided in Tables 5 to 8 respectively.

Consistency with Metropolitan Plan for Sydney 2036	
Relevant strategic directions and policy settings	Consistency
Strengthening a City of Cities • Make Sydney a more resilient, compact, connected, multi-centred and networked city • Strengthen Sydney's role as a globally competitive city • Support key economic gateways with integrated land use, infrastructure and transport planning • Plan to grow global businesses, investment, innovation and research & development • Strengthen links to NSW regional cities, Australian capital cities and South East Asia	This draft planning proposal is consistent with and contributes to this policy direction as detailed by this draft planning proposal. It strengthens Sydney's role in the Australian economy and supports employment and economic activity in the Global Economic Corridor.
Growing and Renewing Centre • Locate at least 80% of all new homes within the walking catchments of existing and planned centres of all sizes with good public transport • Focus activity in accessible centres • Plan for centres to grow and change over time • Plan for new centres in existing urban areas and greenfield release areas • Plan for urban renewal in identified centres • Support clustering of businesses and knowledge-based activities in Major Centres and Specialised Centres	This draft planning proposal is consistent with and contributes to this policy direction as detailed by this draft planning proposal. It facilitates employment growth close to the planned centres of Green Square Town Centre and Mascot Station Precinct.

Consistency with Metropolitan Plan for Sydney 2036	
Transport for a Connected City - Target development around existing and planned transport capacity - Enhance rail freight paths and intermodal terminals - Enhance capacity on Sydney's motorways at key locations - Improve local opportunities for walking, cycling and using public transport	This draft planning proposal is consistent with and contributes to this policy direction. By locating employment growth close to planned centers, It improves opportunities for walking, cycling and using public transport.
Housing Sydney's Population Plan for 770,000 additional homes with a range of housing types, sizes and affordability levels for a growing and ageing population	This draft planning proposal is consistent with and contributes to this policy direction. It facilitates the provision of affordable housing to accommodate low income workers in and around the employment lands.
Growing Sydney's Economy - Plan for 760,000 new jobs, with half planned for Western Sydney focusing on cities and centres - Support high growth and high value industries through clustering - Increase the proportion of homes within 30 minutes by public transport of jobs in a Major Centre, ensuring more jobs are located closer to home	This draft planning proposal is consistent with and contributes to this policy direction as detailed by this draft planning proposal. It facilitates employment growth and retains opportunities for high value industries to locate close to the City.
Achieving Equity, Liveability and Social Inclusion - Consider social impacts in planning and assessment - Protect places of special cultural, open space and heritage value - Strengthen the State's lead on best practice urban renewal for improved liveability - Set affordable housing targets for State urban renewal projects on a case by case basis	This draft planning proposal is consistent with and contributes to this policy direction. It facilitates the provision of affordable housing and increased jobs for a diverse population. It is supported by a draft DCP amendment which further contributes to this policy direction.

Table 5: Consistency with Metropolitan Plan for Sydney 2036

Consistency with draft Metropolitan Plan for Sydney to 2031	
Outcomes and key objectives	Consistency
Balanced growth - Strengthen and grow Sydney's centres - Make Sydney connected	This draft planning proposal is consistent with and contributes to this policy direction. It facilitates employment growth close to the planned centres of Green Square Town Centre and Mascot Station Precinct.
A liveable city - Deliver new housing to meet Sydney's growth - Deliver a mix of well-designed housing that meets the needs of Sydney's population - Deliver well-designed and active centres that attract investment and growth - Create socially inclusive places that promote social, cultural and recreational opportunities - Deliver accessible and adaptable recreation and open space	While this draft planning proposal is not generally concerned with facilitating residential growth, it is not inconsistent with this policy direction. The draft planning proposal and associated draft DCP amendment will facilitate urban renewal in employment areas. Provisions in the draft DCP amendment will ensure socially inclusive places that promote social, cultural and recreational opportunities.

Consistency with draft Metropolitan Plan for Sydney to 2031	
Productivity & prosperity • Provide capacity for jobs growth and diversity across Sydney • Support the land use requirements of industries with high potential • Provide a well-located supply of industrial lands • Provide a good supply of office space • Provide for a good supply of retail space	This draft planning proposal is consistent with and contributes to this policy direction. It supports the growth of high potential industries, for example the knowledge intensive industries and creative industries, it ensures a well located supply of industrial lands, and also facilitates office and retail space in appropriate locations.
Accessibility and connectivity • Plan and deliver transport and land use that are integrated and promote sustainable transport choices • Improve access to major employment hubs and global gateways • Improve accessibility and connectivity for centres and for new urban areas	This draft planning proposal is consistent with and contributes to this policy direction. By locating employment growth close to planned centers, It improves opportunities for walking, cycling and using public transport.

Table 6: Consistency with draft Metropolitan Plan for Sydney to 2031

Consistency with the draft Metropolitan Plan for Sydney to 2031 - Industrial Lands Strategic Assessment Checklist	
Criteria	Assessment
Is the proposed rezoning consistent with State and/or council strategies on the future role of industrial lands?	Yes. The City's direction and approach to ensure sufficient industrial land is established in the <i>City of Sydney Employment Land Strategy</i>. This draft planning proposal is consistent with City's strategy and other State planning objectives relating to the future role of industrial lands.
Is the site near or within direct access to key economic infrastructure?	Yes. The southern employment lands are located within the Global Economic Corridor, situated within 3km of Sydney CBD and 2km and 3km of the airport and port respectively. This draft planning proposal provides land for a range of commercial and industrial uses, including freight and logistics, urban services, light manufacturing and office uses, which will continue to support the area's key economic infrastructure, whilst creating a more flexible planning environment that will foster job creation facilitate economic growth. The Parramatta Road employment lands are not located close to key economic infrastructure.

Consistency with the draft Metropolitan Plan for Sydney to 2031 - Industrial Lands Strategic Assessment Checklist	
Is the site contributing to a significant industry cluster?	The Employment Lands Study found manufacturing was the largest industry sector in the southern employment lands, employing around 3700 people (or 20 percent of total jobs), followed by wholesale trade (19 percent), and transport and warehousing (17 percent). The dominance of these sectors in the southern employment lands is evident when compared against the Sydney Statistical Division. Going forward, the southern employment lands will continue to play an important role both in supporting the growth of these sectors as well as new economic activities, such as creative uses, knowledge intensive industries, and flexible office spaces. It will also continue to provide land for strategic activities associated with the airport and port. The Parramatta Road and Moore Park employment lands do not contribute to a significant industry cluster.
How would the proposed rezoning impact the industrial land stocks in the sub-region or region and the ability to meet future demand for industrial land activity?	Sufficient industrial land is retained within the southern employment lands to meet future demand for industrial land activity. The Employment Lands Study shows the quantum of land that has been identified for the IN1 General Industrial zone is sufficient to accommodate population serving industrial uses to service the current and projected population of the LGA to 2036. It also provides additional land of approximately 150,000 square metres to accommodate strategic industrial uses, including those related to the airport. While the employment lands study shows a need for approximately 440,000 square metres of land for airport-related freight and logistics uses, some of this will continue to be accommodated in other locations in the employment lands that are proposed to be rezoned to facilitate more flexible land uses. While this draft planning proposal will result in rezoning of the Parramatta Road employment lands from IN2 Light Industrial zone to B7 Business Park zone, it will not have a significant impact on the stock of industrial land in the subregion, and will remain available for other employment uses, including industrial related uses.

Consistency with the draft Metropolitan Plan for Sydney to 2031 - Industrial Lands Strategic Assessment Checklist

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

The Employment Lands Study and Strategy recognise the value of industrial lands is not only in their employment generation, it is in safeguarding land for critical strategic industrial uses, and for other uses that are essential to the efficient functioning of the City. There is an economic justification for having some low density employment uses in this area, where the economic benefits they bring to the City and the wider metropolitan Sydney region as a whole exceed the benefits of using the land for higher value and density uses such as commercial.

However, the Employment Lands Study found there is capacity within the employment lands to support and generate growth of other valuable sectors and industries which are likely to face capacity shortages under current planning controls within the next 25 years. In facilitating a higher density, mixed business economy, through more flexible land use and development controls, this draft planning proposal increases the long term employment potential of this area, increasing land availability and alleviating capacity constraints for both the City and the Global Economic Corridor.

Job estimates that will result from this draft planning proposal are provided at Table 1.

Consistency with the draft Metropolitan Plan for Sydney to 2031 - Industrial Lands Strategic Assessment Checklist

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

Yes. The Employment Lands Study found a high vacancy rate within the current extent of industrial land (19 percent) and identifies this may be the result of a range of factors, including, but not limited to:

- where possible and practical, business will locate in the cheaper employment lands in western Sydney;
- those businesses that need to locate in the area will generally seek cheaper industrial land within adjoining local government area;
- even for those industries connected with the airport and port, traffic constraints in the area and travel times from the port have seen businesses relocating at least part of their operations to cheaper, well-serviced land within neighbouring LGA's and western Sydney, with modern buildings and good transport accessibility;
- businesses face high land values and rates (relative to other industrial lands within the subregion) and this has made the area uncompetitive for many firms;
- the predominant built form in the strategy area is no longer suited to modern industrial activity;
- many industrial businesses are now more likely to be cleaner, quieter, smaller, and more geared towards high-tech than in the past. These businesses seek mixed use locations with greater amenity than industrial zoned lands. This draft planning proposal will continue to enable these activities to locate in the area, while protecting industrial land for industrial uses; and
- the industrial feasibility modelling undertaken for the Employment Lands Study examined two warehouse development scenarios and found neither were viable. This implies that in order to reduce vacancies in the southern employment lands and facilitate renewal, zoning changes are required that will improve feasibility and encourage development.

This draft planning proposal provides sufficient capacity for industrial activities in a 'typical' industrial zone. The industrial zoning will continue to limit land values in that location and will ensure essential and strategic industrial uses have sufficient access to suitable land.

The B6 Enterprise Corridor and B7 Business Park zones proposed by this draft planning proposal will continue to allow industrial activities, but also facilitate the co-location of warehousing, assembly, research and technology, with office administration and business services. This will support emerging industries that may be more industrial in nature, higher order employment generating uses, as well as high-tech or creative industries.

Consistency with the draft Metropolitan Plan for Sydney to 2031 - Industrial Lands Strategic Assessment Checklist	
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	Yes. The southern employment lands play a critical role in the local, metropolitan, state and national economies whilst facilitating regional and global network connections. It remains critical to supporting the airport and the port. The lands are also located close to emerging Major Centres at Green Square and Mascot. This draft planning proposal will increase viability for a greater variety of business uses, which will support the area's population, the operation of the airport and port, and the growth of Sydney's knowledge economy. The strategy will also provide additional employment capacity, helping to deliver employment targets and providing employment opportunities close to major population centres. The Parramatta Road and Moore Park employment lands are not critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies.

Table 7: Consistency with the draft Metropolitan Plan for Sydney to 2031- Industrial Lands Strategic Assessment Checklist

Consistency with Sydney City Draft Sub-regional Strategy	
Strategy A: Economy and Employment	
Directions	Consistency
A1: Provide suitable commercial sites and employment lands in strategic areas	This draft planning proposal is consistent with and contributes to this policy direction.
A2: Create innovation and skills development	It provides for commercial uses close to the planned centres of Green Square Town Centre and Mascot Station Precinct.
Strategy B: Centres and Corridors	
Directions	Consistency
B1: Provide places and locations for all types of economic activity and employment across the Sydney region	This draft planning proposal is consistent with and contributes to this policy direction.
B2: Increase densities in centres whilst improving liveability	It provides for a range of employment uses close to the planned centres of Green Square Town Centre and Mascot Station Precinct and leverages off improvements in 'livability' and significant infrastructure provision associated with those centres.
B3: Cluster business and knowledge based activities in strategic centres	
B4: Concentrate activities near public transport	
B5: Protect and strengthen the primary role of enterprise corridors	
B7: Recognise the role of enterprise corridors as locations for local employment.	
Strategy C: Housing	
Directions	Consistency

Consistency with Sydney City Draft Sub-regional Strategy	
C1: Ensure adequate supply of land and sites for residential development. C2: Plan for a housing mix near jobs, transport and services. C4: Improve housing affordability.	This draft planning proposal will facilitate affordable rental housing for low income essential workers close to jobs, transport and services.
Strategy D: Transport	
Directions	Consistency
D2: Improve the existing transport system D3: Influence travel choices to encourage more sustainable travel. D5: Ensure sufficient port capacity is available to serve Sydney D8: Minimise the adverse impacts from freight movements	This draft planning proposal is consistent with this policy direction, including provisions to facilitate the delivery of a finer grain road network and to promote sustainable transport usage and encourage mode shift to more sustainable travel choices.
Strategy E: Environment and Resources	
Directions	Consistency
E2: Protect Sydney's natural environment. E6: Conserve Sydney's cultural heritage.	This draft planning proposal is not inconsistent with this policy direction. Provisions in the draft DCP amendment encourage protection of ecologically sensitive lands, provision of Green Walls and Roofs and sustainable buildings. While this draft planning proposal does not propose any additions to Schedule 5 – Heritage of the Sydney LEP 2012, it is likely a heritage study currently being prepared by the City will inform any future amendments to heritage provisions and listings in the employment lands.
Strategy F: Parks and Public Places	
Directions	Consistency
F1: Increase access to quality parks and public places. F2: Provide a diverse mix of parks and public places.	This draft planning proposal is not inconsistent with this policy direction. Provisions in the draft DCP amendment identify requirements for new public domain as the area grows and changes.

Table 8: Consistency with Sydney City Draft Subregional Strategy

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

Sustainable Sydney 2030 is the vision for sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. Table 9 shows the consistency of this draft planning proposal with key directions of *Sustainable Sydney 2030*.

Consistency with <i>Sustainable Sydney 2030</i>	
Direction	Comment

Consistency with <i>Sustainable Sydney 2030</i>	
Direction	Comment
Direction 1 – A globally competitive and innovative city	This draft planning proposal and associated DCP amendment is consistent with and contributes to this policy direction by providing opportunities for employment and for businesses to locate in the employment lands. The draft planning proposal facilitates a more flexible approach to employment related land uses.
Direction 2 – A leading environmental performer	This draft planning proposal and associated DCP amendment is consistent with and contributes to this policy direction. Provisions in the draft DCP amendment encourage protection of ecologically sensitive lands, provision of Green Walls and Roofs and sustainable buildings. Additional opportunities to encourage development to utilise the City's future green Infrastructure network are under investigation.
Direction 3 – Integrated transport for a connected city	This draft planning proposal and associated DCP amendment is consistent with and contributes to this policy direction.
Direction 4 – A city for walking and cycling	This draft planning proposal and associated DCP amendment is consistent with and contributes to this policy direction. By locating employment growth close to planned centers, It improves opportunities for walking, cycling and using public transport.
Direction 5 – A lively and engaging city centre	This draft planning proposal and associated DCP amendment is not inconsistent with this policy direction.
Direction 6 – Vibrant local communities and economies	This draft planning proposal and associated DCP amendment is consistent with and contributes to this policy direction by facilitating urban renewal in employment areas. Provisions in the draft DCP amendment will ensure socially inclusive places that promote social, cultural and recreational opportunities for the growing working communities.
Direction 7 – A cultural and creative city	This draft planning proposal and associated DCP amendment is consistent with and contributes to this policy direction. By protecting the areas for employment uses, opportunities for creative and innovative businesses to locate close to the city will be preserved.
Direction 8 – Housing for a diverse population	While this draft planning proposal is not generally concerned with facilitating residential growth, it will facilitate the provision of affordable rental housing to accommodate low income essential workers in and in close proximity to the employment lands.
Direction 9 – Sustainable development, renewal and design	This draft planning proposal and associated DCP amendment is consistent with and contributes to this policy direction.

Consistency with <i>Sustainable Sydney 2030</i>	
Direction	Comment
Direction 10 – Implementation through effective partnerships	This draft planning proposal and associated DCP amendment is consistent with and contributes to this policy direction.

Table 9: Consistency with Sustainable Sydney 2030

5. *Is the planning proposal consistent with applicable State Environmental Planning Policies (SEPPs)?*

The consistency of this draft planning proposal with applicable State Environmental Planning Policies (SEPPs) is outlined in Table 10. Table 11 shows the consistency of this draft planning proposal with former Regional Environmental Plans (REPs) for the Sydney and Greater Metropolitan Regions. Those SEPPs which have been repealed or were never finalised are not included in this table.

State Environmental Planning Policy (SEPP)	Comment
SEPP No 1—Development Standards	Consistent. This draft planning proposal does not contain provisions that contradict or would hinder the application of this SEPP.
SEPP No 4—Development Without Consent and Miscellaneous Exempt and Complying Development	Not applicable.
SEPP No 6—Number of Storeys in a Building	Consistent. This draft planning proposal does not contain provisions that contradict or would hinder the application of this SEPP.
SEPP No 10—Retention of Low Cost Rental Accommodation	Not applicable.
SEPP No 14—Coastal Wetlands	Not applicable.
SEPP No 15—Rural Landsharing Communities	Not applicable.
SEPP No 19—Bushland in Urban Areas	Not applicable.
SEPP No 21—Caravan Parks	Not applicable.
SEPP No 22—Shops and Commercial Premises	Consistent. This draft planning proposal does not contain provisions that contradict or would hinder the application of this SEPP.
SEPP No 26—Littoral Rainforests	Not applicable.
SEPP No 29—Western Sydney Recreation Area	Not applicable.
SEPP No 30—Intensive Agriculture	Not applicable.
SEPP No 32—Urban Consolidation (Redevelopment of Urban Land)	Consistent. This draft planning proposal represents an opportunity for urban renewal and enables a range of uses appropriate to the site.

State Environmental Planning Policy (SEPP)	Comment
SEPP No 33—Hazardous and Offensive Development	Consistent. This draft planning proposal does not contain provisions that contradict or would hinder the application of this SEPP.
SEPP No 36—Manufactured Home Estates	Not applicable.
SEPP No 39—Spit Island Bird Habitat	Not applicable.
SEPP No 41—Casino Entertainment Complex	Not applicable.
SEPP No 44—Koala Habitat Protection	Not applicable.
SEPP No 47—Moore Park Showground	Not applicable.
SEPP No 50—Canal Estate Development	Not applicable.
SEPP No 52—Farm Dams and Other Works in Land and Water Management Plan Areas	Not applicable.
SEPP No 53—Metropolitan Residential Development	Not applicable.

State Environmental Planning Policy (SEPP)	Comment
SEPP No 55—Remediation of Land	This draft planning proposal will rezone some land from industrial zones to business zone. The new zones will accommodate more intense forms of employment uses as well as some sensitive uses, such as places of public worship or residential uses (affordable rental housing only) that may not be permissible under the current zoning. It is a requirement of SEPP 55 that Council, in rezoning these sites, must be satisfied that the proposed zoning could accommodate the potentially more sensitive land uses. However the efficiency and practicality of satisfying this requirement on such a large area of land is difficult, as is recognised in the SEPP 55 guidelines. To establish an approach to satisfy SEPP 55 requirements the City consulted the Department of Planning and Environment who advised that the City should undertake a preliminary desk-top investigation of the land and, where available, use historical information to review the uses that have occupied a site. Should the City be generally satisfied that the land can be made suitable and that contamination issues could be addressed at development application (DA) stage, then the level of contamination and remediation required can be determined on a site by site basis at DA stage. The City has undertaken a preliminary desk-top investigation of the land and is satisfied it is likely that land can be made suitable for uses proposed by this draft planning proposal. Consistent with SEPP 55 future development applications will be required to be accompanied by site assessment to be undertaken by independent experts engaged by individual landowners/developers. The appropriate level of investigation and remediation will depend upon the circumstance of each site as established by the SEPP. The stages required may include detailed investigation, preparation of a Remedial Action Plan (RAP), validation and monitoring.
SEPP No 59—Central Western Sydney Regional Open Space and Residential	Not applicable.
SEPP No 60—Exempt and Complying Development	Consistent. This draft planning proposal does not contain provisions that contradict or would hinder the application of this SEPP.
SEPP No 62—Sustainable Aquaculture	Not applicable.
SEPP No 64—Advertising and Signage	Consistent. This draft planning proposal does not contain provisions that contradict or would hinder the application of this SEPP.
SEPP No 65—Design Quality of Residential Flat Development	Consistent. This draft planning proposal does not contain provisions that contradict or would hinder the application of this SEPP.

State Environmental Planning Policy (SEPP)	Comment
SEPP No 70—Affordable Housing (Revised Schemes)	Consistent. This draft planning proposal does not contain provisions that contradict or would hinder the application of this SEPP. This draft planning proposal includes provisions for an affordable housing contribution scheme which is facilitated by the SEPP.
SEPP No 71—Coastal Protection	Not applicable.
SEPP (Building Sustainability Index: BASIX) 2004	Consistent. This draft planning proposal does not contain provisions that contradict or would hinder the application of this SEPP.
SEPP (Housing for Seniors or People with a Disability) 2004	Consistent. This draft planning proposal does not contain provisions that contradict or would hinder the application of this SEPP.
SEPP (Major Development) 2005	Consistent. This draft planning proposal does not contain provisions that contradict or would hinder the application of this SEPP.
SEPP (Sydney Region Growth Centres) 2006	Not applicable.
SEPP (Infrastructure) 2007	Consistent. This draft planning proposal does not contain provisions that contradict or would hinder the application of this SEPP.
SEPP (Kosciuszko National Park— Alpine Resorts) 2007	Not applicable.
SEPP (Mining, Petroleum Production and Extractive Industries) 2007	Not applicable.
SEPP (Temporary Structures) 2007	Consistent. This draft planning proposal does not contain provisions that contradict or would hinder the application of this SEPP.
SEPP (Exempt and Complying Development Codes) 2008	Consistent. This draft planning proposal does not contain provisions that contradict or would hinder the application of this SEPP.
SEPP (Rural Lands) 2008	Not applicable.
SEPP (Western Sydney Parklands) 2009	Not applicable.

State Environmental Planning Policy (SEPP)	Comment
SEPP (Affordable Rental Housing) 2009	Under the Sydney LEP 2012, this SEPP does not apply to land in the southern employment lands that is also located in the Green Square Urban Renewal Area. Given the proposed affordable housing contribution scheme in the southern employment lands, it is proposed that the exemption be extended to this area. Elements of the SEPP, in particular Division 5 that permits social housing providers for social housing providers and public authorities to build affordable housing in land use zones that may otherwise not permit residential land uses, are proposed to be incorporated into the new LEP by allowing affordable housing in the B7 Business Park zone where appropriate.
SEPP (Western Sydney Employment Area) 2009	Not applicable.
SEPP (Development on Kurnell Peninsula) 2005	Not applicable.

Table 10: Consistency with Regional Environmental Plans (REPs)

Regional Environmental Plan (REPs)	Comment
Sydney REP No 5—(Chatswood Town Centre)	Not applicable.
Sydney REP No 8 (Central Coast Plateau Areas)	Not applicable.
Sydney REP No 9—Extractive Industry (No 2—1995)	Not applicable.
Sydney REP No 11—Penrith Lakes Scheme	Not applicable.
Sydney REP No 13—Mulgoa Valley	Not applicable.
Sydney REP No 16—Walsh Bay	Not applicable.
Sydney REP No 17—Kurnell Peninsula (1989)	Not applicable.
Sydney REP No 18—Public Transport Corridors	Not applicable.
Sydney REP No 19—Rouse Hill Development Area	Not applicable.
Sydney REP No 20—Hawkesbury- Nepean River (No 2—1997)	Not applicable.
Sydney REP No 24—Homebush Bay Area	Not applicable.
Sydney REP No 25—Orchard Hills	Not applicable.
Sydney REP No 26—City West	Not applicable.
Sydney REP No 28—Parramatta	Not applicable.
Sydney REP No 29—Rhodes Peninsula	Not applicable.

Regional Environmental Plan (REPs)	Comment
Sydney REP No 30—St Marys	Not applicable.
Sydney REP No 33—Cooks Cove	Not applicable.
Sydney REP (Sydney Harbour Catchment) 2005	Consistent. This draft planning proposal does not contain provisions that contradict or would hinder the application of this REP.
Drinking Water Catchments REP No 1	Not applicable.
Greater Metropolitan REP No 2— Georges River Catchment	Not applicable.

Table 11: Consistency with former Sydney and Greater Metropolitan Regional Environmental Plans (REPs)

6. Is the planning proposal consistent with applicable Ministerial Directions (s.117 directions)?

This draft planning proposal has been assessed against each Section 117 direction. Consistency with these directions is shown in Table 12 below.

No.	Direction	Comment
1. Employment and Resources		
1.1	Business and Industrial Zones	Consistent (Business) Justifiably inconsistent (Industrial) This draft planning proposal will reduce the amount of land zoned for industrial purposes, however will increase the amount of land zoned for a wider range of employment generating uses, including commercial, retail and industrial activities. The employment projections resulting from this draft planning proposal are shown at Table 1. The Employment Lands Study has identified a significant over-provision of industrial zoned land in the employment lands and recommends a new approach to land use. The Study establishes a robust evidence base for the Employment Lands Strategy that describes a vision for the long term transition of the employment lands from an area currently characterised largely by industrial type development, to an area accommodating a diverse range of employment generating uses. The Strategy is for a reduction in the amount of land zoned for industrial purposes and the rezoning of that land so that it is more consistent with the sub-regional role of the City's employment lands. The proposed zoning will continue to facilitate industrial uses while allowing for higher density employment uses, such as retail and office, in appropriate locations.
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	Environment Protection Zones	Not applicable
2.2	Coastal Protection	Not applicable
2.3	Heritage Conservation	Consistent. A number of items in the employment lands are currently identified in Schedule 5 – Heritage of the Sydney LEP 2012. This draft planning proposal does not propose any additional heritage items. To improve the understanding of City's historic industrial and warehouse resources and ensure Sydney's historic industrial past is appropriately protected from increasing development pressure, the City has engaged consultants to undertake the <i>City of Sydney Industrial and Warehouse Building Study</i> (heritage study). The heritage study will identify, assess and review the significance of the historic industrial and warehouses in the LGA and will inform any future amendments to heritage provisions and listings in the employment lands.
2.4	Recreation Vehicle Areas	Consistent. This draft planning proposal does not specifically provide for recreation vehicle areas.
3. Housing Infrastructure and Urban Development		
3.1	Residential Zones	Justifiably inconsistent. This draft planning proposal will rezone some land currently identified in the 10(e) and 10(d) Mixed Use zones under the South Sydney LEP 1998. These zones, while predominantly identified for employment uses, would permit some residential development on appropriate development sites. The Employment Lands Study concludes that protecting the City's employment lands is critical to: • accommodate employment growth and achieve NSW Government employment targets; • to ensure sufficient land is protected to support the needs of state significant infrastructure; and • ensure sufficient industrial and business zoned land to support the substantial population growth projected in the sub-region. In the context of the City of Sydney LGA, permitting residential uses in locations where the key objective is to facilitate employment growth is economically incompatible. The economic study, shown at Attachment F, concludes that independent of zoning, residential uses in the area are by far the most profitable, clearly outstripping the other categories of land use with regard to feasibility

		and developer demand. It finds that in the context of the LGA where residential uses are permitted within employment zones, the viability of non-residential uses is limited. This holds with other mixed use zones in the LGA that have developed primarily into residential zones with only nominal amounts of non-residential uses achieved, for example Victoria Park or the Lachlan Precinct in the Green Square Urban Renewal Area. The Employment Lands Study and the economic study have directly informed the Employment Lands Strategy, which is prepared with reference to the 117 Directions and the Metropolitan Strategy for Sydney 2036, draft Metropolitan Plan for Sydney to 2031 and Sydney City Draft Sub-regional Strategy, all of which identify the importance of these lands for employment uses. Given the Employment Lands Study and Employment Lands Strategy identify these lands as being strategically important employment lands, and that the evidence indicates residential uses are likely to displace employment uses, it is justified that the land zoned 10(e) and 10(d) Mixed Use be rezoned for solely employment generating purposes.
3.2	Caravan Parks and Manufactured Home Estates	Consistent This draft planning proposal does not identify zones suitable for manufactured home estates, being mostly concerned with zoning for employment uses (see above). Given the high value of land in the City, this form of development is inappropriate within the context of the LGA.
3.3	Home Occupations	Consistent. This draft planning proposal does not contradict or hinder application of the home occupation provisions in Sydney LEP 2012.
3.4	Integrating Land Use and Transport	Consistent. This draft planning proposal achieves this Direction by: • locating more intense development activity close to well serviced transport routes to maximise the use of public transport; • locate development close to local services; • encourage sustainable transport choices by improving the public domain and limiting on-site parking; • including provisions to facilitate the delivery of a finer grain road network and to promote sustainable transport usage; • retaining the current Sydney LEP 2012 approach to parking that stipulates maximum car parking rates which will assist with managing car travel demand; • locating jobs close to public transport; • encouraging the provision of affordable housing so that key workers can live close to jobs; The proposed IN1 General Industrial zone, which is likely to experience the greatest demand for freight movement, is

		to be retained in the south west of the employment lands that are most easily accessed by the airport and port. In addition, the proposed WestConnex, that will provide a more efficient route for the movement of freight to western Sydney, is likely to be located south of the southern employment lands and will be easily accessed from the IN1 General industrial zone. This draft planning proposal is generally consistent with the aims, objectives and principles of <i>Improving Transport Choice – Guidelines for planning and development</i> (DUAP 2001), and <i>The Right Place for Business and Services – Planning Policy</i> (DUAP 2001).
3.5	Development Near Licensed Aerodromes	Consistent. The majority of the land subject to this draft planning proposal is outside the Australian Noise Exposure Forecast (ANEF) 20 contour. A small section in the south and south-western part is within the 20 and 25 contours. This draft planning proposal does not seek to increase the extent of permissibility for residential uses above those already established by Sydney LEP 2012. This draft planning proposal does not seek increases to those heights currently permitted under the Sydney LEP 2012. The exception is an incentive to facilitate the provision of public roads in the proposed B6 Enterprise Corridor zone, where up to 15% additional height (or FSR) may be permitted, only on sites where a new road has been identified. Additional consultation will be undertaken with Sydney Airports Corporation Limited (SACL) in publically exhibiting this draft planning proposal, once a Gateway determination is issued.
3.6	Shooting Ranges	Not applicable
4. Hazard and Risk		
4.1	Acid Sulfate Soils	Consistent. This draft planning proposal does not contradict or hinder application of acid sulphate soils provisions in Sydney LEP 2012. While this draft planning proposal incorporates an intensification of land uses in the employment lands, this is in part response to broader metropolitan planning objectives, particularly in regards to facilitating employment generating uses. Specific responses to the presence of acid sulfate soils can be addressed site by site through the development application process as a result of the acid sulfate soils clause. As such, discussion with the Department of Planning and Environment has indicated that further detailed assessment as required by section (4) of the Direction is not required at this stage.

4.2	Mine Subsidence and Unstable Land	Not applicable
4.3	Flood Prone Land	Consistent. This draft planning proposal does not increase development potential (in terms of floor space) currently achievable under Sydney LEP 2012, however it is noted that it will likely result in an intensification of use over time. In October to November 2013, the City publically exhibited the draft Alexandra Canal Floodplain Risk Management Study and draft Alexandra Canal Floodplain Risk Management Plan which recommend a comprehensive suite of flood management measures for the Alexandra Canal catchment. The draft Flood Study and Plan have been prepared in accordance with the NSW Government's <i>Flood prone Land Policy</i> and <i>Floodplain Development Manual</i> (2005) and once finalised will inform future amendments to the Sydney LEP 2012, including a Flood Planning Map detailing flood planning levels. In the interim, this draft planning proposal makes no amendment to the current flood planning clause in the Sydney LEP 2012. Future development applications will continue to be required to determine the flood planning level and demonstrate the proposed development minimises the risk of flooding.
4.4	Planning for Bushfire Protection	Not applicable
5. Regional Planning		
5.1	Implementation of Regional Strategies	Not applicable
5.2	Sydney Drinking Water Catchments	Not applicable
5.3	Farmland of State and Regional Significance on the NSW Far North Coast	Not applicable
5.4	Commercial and Retail Development along the Pacific Highway, North Coast	Not applicable
5.8	Second Sydney Airport, Badgerys Creek	Not applicable
6. Local Plan Making		
6.1	Approval and Referral Requirements	Consistent. The draft planning proposal does not include any concurrence, consultation or referral provisions nor does it identify any development as designated development.
6.2	Reserving Land for Public Purposes	Consistent This draft planning proposal does not create, alter or reduce existing zonings or reservations of land for public purposes.
6.3	Site Specific Provisions	Consistent

		The draft planning proposal does not propose any additional site-specific provisions related to allowing a particular development (with additional development standards or requirements attached).
7. Metropolitan Planning		
7.1	Implementation of the Metropolitan Plan for Sydney 2036	Consistent. The planning proposal does not contradict or hinder application of <i>the Metropolitan Plan for Sydney 2036</i> or <i>Draft Metropolitan Strategy for Sydney 2031</i>.

Table 12: Consistency with applicable Ministerial Directions under Section 117

Section C – Environmental, social and economic impact

(1) 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?

It is unlikely that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of this draft planning proposal.

It is noted however that the large industrial sites, warehouses and less intensely used sites that characterise much of the southern employment lands can provide habitat for a range of plant and animal species, including birds, bats and reptiles. This is particularly the case where sites have remained vacant or unused for an extended period of time.

To address this, the draft Employment Lands DCP amendment will incorporate provisions to mitigate any potential impact on habitat or species.

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

Flooding

Under existing conditions a significant portion of the southern employment lands are subject to flooding in large storm events.

The recently publically exhibited draft Alexandra Canal Floodplain Risk Management Study and draft Alexandra Canal Floodplain Risk Management Plan will, once finalised, inform future amendments to the Sydney LEP 2012.

In the interim, this draft planning proposal makes no amendment to the current flood planning clause in the Sydney LEP 2012. Future development applications will continue to be required to determine the flood planning level and demonstrate the proposed development minimises the risk of flooding.

It is noted the draft DCP amendment includes additional provisions relating to stormwater and flood risk management in the southern employment lands.

Contamination

The European history of the southern employment lands is characterised by the transformation of the area from a place where polluting industries primarily located to serve the early growth of Sydney, to a place of warehouses, distribution centres and generally lighter industries supporting the city and airport. Given the history of land uses in the southern employment lands, it is likely that a number of sites will have some level of contamination.

Council officers sought advice on the implementation of SEPP 55 when rezoning multiple sites and large areas and how these could be dealt with efficiently and practically. The Department of Planning and Environment have advised that contamination issues could generally be addressed at the development application stage where the City has had regard to a report specifying the findings of a preliminary desk-top investigation of the land.

To satisfy this requirement, the City undertook a desktop analysis to investigate whether contamination would preclude the rezoning of land pursuant to this draft planning proposal. Investigations concluded that it is likely that land can be made suitable and that, consistent with SEPP 55 and its guidelines, future development applications will be required to be accompanied by site assessment to be undertaken by independent experts engaged by individual landowners/developers. The appropriate level of investigation and remediation will depend upon the circumstance of each site as established by the SEPP. The stages required may include detailed investigation, preparation of a Remedial Action Plan (RAP), validation and monitoring.

(3) Has the planning proposal adequately addressed any social and economic effects?

This planning proposal is supported by the economic study discussed in detail at Section A, Question 1 of this Part. The economic study provides detailed analysis of the likely economic effects of this draft planning proposal.

The social effects of this draft planning proposal have also been considered.

The need to provide more affordable housing to accommodate an increasing workforce has been identified in both the economic study and the affordable housing needs analysis. This draft planning proposal contains provisions to increase the opportunities for more affordable housing in and around the southern employment lands.

More workers will require more childcare, more open space (both passive and active), a finer grain road network and better roads, footpaths and cycleways.

Where appropriate, additional provisions are included in the draft DCP amendment to facilitate the delivery of essential and social infrastructure, including:

- requirements for open space;
- identification of a finer grain road network to improve access;
- identification of new pedestrian and cycling linkages; and
- identification of social infrastructure requirements.

The draft DCP amendment also includes a table of social sustainability requirements, with new development being encouraged to consider and address the social infrastructure requirements of the southern employment lands.

To better inform how and when essential infrastructure will be delivered in the employment lands, the City is to prepare the *Southern Employment Lands Infrastructure Plan* in consultation with the NSW Government.

Section D – State and Commonwealth interests

(4) Is there adequate public infrastructure for the planning proposal?

The full range of utility services including electricity, telecommunications, water and sewer are all currently available across the employment lands. It is expected that these services would be upgraded where required as individual development occurs.

As mentioned above, to better inform how and when other essential infrastructure will be delivered in the employment lands, the City is to prepare the *Southern Employment Lands Infrastructure Plan* in consultation with the NSW Government to support growth in the southern employment lands.

(5) What are the views of state and Commonwealth public authorities consulted in accordance with the Gateway determination?

This section is to be completed after public authority consultation in accordance with Gateway determination.

Part 4: Mapping

Standard Instrument compliant maps are to be provided in this Part following public exhibition of this draft planning proposal.

The Map Book, shown at **Appendix A**, includes maps for the purpose of public consultation. It incorporates a 'map set' for each map, which includes a map identifying the current control or zone as it applies to individual sites in the employment lands, as well as a proposed map, that identifies the proposed control or zone. Where a site is affected by an amendment to the current controls it is highlighted in blue.

Part 5: Community consultation

The City of Sydney Employment lands Study and draft Employment Lands Strategy was endorsed by Council for public exhibition on 13 May 2013 and noted by Central Sydney Planning Committee (CSPC) on 9 May 2013. They were exhibited from 4 June to 8 July 2013 and a summary of submissions and the City's response is included as **Appendix D**.

The Employment Lands Strategy, as amended with reference to submissions and the recommendations of the technical studies, is included as **Appendix C**. This draft planning proposal is to give effect to the Employment Lands Strategy.

Notification of the public exhibition is proposed to be:

- on the City of Sydney website;
- in the Sydney Morning Herald and a relevant local newspaper/s; and
- public meeting/s.

Exhibition material is proposed to be on display at the following City of Sydney customer service centres:

- CBD
Level 2, Town Hall House
456 Kent Street
Sydney NSW 2000
- Kings Cross
50 - 52 Darlinghurst Rd
Kings Cross NSW 2011
- Redfern
158 Redfern Street
Redfern NSW 2016
- Green Square
100 Joynton Avenue
Zetland NSW 2017

The exact requirements for community consultation are to be set out in the Gateway Determination once issued by the Minister for Planning.

Part 6: Project Timeline

The following project timeline will assist with tracking the progress of the planning proposal through its various stages of consultation and approval. It is estimated that this amendment to Sydney LEP 2012 will be completed by mid-2015.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Milestone 1: Submit to the Department of Planning and Environment for Gateway Determination												
Gateway panel consider draft Planning Proposal and establish requirements												
Milestone 2: City receives Gateway Determination												
Preparation of draft Planning Proposal for public consultation and consultation with public authorities in accordance with Gateway Determination												
Milestone 3: Public exhibition and consultation with public authorities												
Statutory consultation												
Potential community meetings, meetings with landowners and other stakeholders												
Review of submissions and outcomes of public consultation and consultation with public authorities and resolution of issues												
Milestone 4: Report outcomes of public consultation and consultation with public authorities to Council and CSPC with recommendations for way forward for draft Planning Proposal												
Preparation of report												
Council and CSPC meetings												
Milestone 5: Forward draft Planning Proposal, as amended, to Department of Planning and Environment with a request it be made.												
Milestone 6: Draft Planning Proposal is legally drafted and made												

Appendix A	Map Book
Appendix B	City of Sydney Employment Lands Study
Appendix C	City of Sydney Employment Lands Strategy
Appendix D	Summary of Submissions to the draft City of Sydney Employment Lands Strategy
Appendix E	Drafting Instructions
Appendix F	City of Sydney Economic Opportunities Study
Appendix G	City of Sydney Employment Lands Traffic and Transport Study
Appendix H	City of Sydney Employment Lands Affordable Housing Needs Analysis