



Planning &
Infrastructure

PLANNING PROPOSAL:

**Kolotex and Labelcraft sites: 22 and 30-40 George Street,
Leichhardt**



August 2013

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1 EXECUTIVE SUMMARY

Catylis Properties Pty Ltd, on behalf of KGS (VIC) Pty Ltd, and Mr T.D Rowney ('proponent'), seek to rezone a 1.46 hectare industrial zoned site at 22 and 30-40 George Street, Leichhardt. The proposal seeks R3 Medium Density Residential and B4 Mixed Use zones at the site, comprising 4-8 storey buildings and a 2.15:1 floor space ratio.

It is estimated a gross floor area of 31,500 m² of residential and commercial development could be provided across the site. This could provide up to 350 new homes and 125 commercial and retail jobs.

The planning proposal seeks to amend *Leichhardt Local Environmental Plan 2000* ('Leichhardt LEP') to establish land use zones, building heights, floor space ratio controls and development controls to facilitate the site's redevelopment.

A site specific draft development control plan ('DCP') has also been prepared to guide future development to ensure the underlying objectives of the planning proposal could reasonably be achieved.

The Director General has been appointed by the Minister to be the Relevant Planning Authority ('RPA') under s.54(2) of the *Environmental Planning and Assessment Act 1979* ('Act') for the planning proposal.

In March 2013, the Minister's delegate issued a Gateway Determination in relation to the planning proposal, containing several conditions to be addressed prior to public exhibition. The department prepared a planning proposal report in support of the Gateway Determination, and this report updates and supersedes that report.

This report considers the merits and justification for commencing the preparation of a local environmental plan to amend the Leichhardt LEP and responds to the conditions required to be addressed in the March 2013 Gateway Determination. It is considered there is sufficient information to support a recommendation that an amended Gateway Determination be made and the proposal proceed to public exhibition.

2 INTRODUCTION

This report explains the intended effect of, and justification for an amendment to Leichhardt LEP to change the current land use controls for two large landholdings bound generally by Treadgold Street to the north, Flood Street to the east, McAleer Street to the south and Tebbutt Street to the west at Leichhardt ('site') to allow for residential and some employment uses.

The planning proposal has been prepared in accordance with section 55 of the Act and the relevant Department's local plan making guidelines, including *A Guide to Preparing Local Environmental Plans* and *A Guide to Preparing Planning Proposals*.

The planning proposal has been prepared in support of an application for an amended Gateway Determination by the Minister under section 56 of the Act.

3 PROJECT SITE

3.1 Site Details and Location

The site is located in Leichhardt, in the south-western corner of Leichhardt Local Government Area ('LGA'), and comprises the land described in Table 1 below, and as shown in Figure 1.

Table 1 Site identification details				
Lot	Deposited Plan	Folio Identifier	Address	Owner
5	1080665	Auto Consol 10931-85	22 GEORGE ST, LEICHHARDT	KGS (VICTORIA) PTY LTD
6-9	79950	Auto Consol 10931-85		
10-13	83665	Auto Consol 10931-86		
1	102461	1/102461		
2	102461	2/102461		
1	104359	1/104359		
B	327352	B/327352		
1	1108695	1/1108695		
15	1081840	15/1081840		
1	745978	1/745979	30-40 GEORGE ST, LEICHHARDT	T.D. ROWNEY
1	745979	1/745979		
1	920105	1/920105		
1	972151	1/972151		
16	69760	16/69760		
5	745976	5/745976		
6	745976	6/745976		
7	448755	7/448755		
9	666322	9/666322		



Figure 1: Site ownership map

The site has an area of 1.46 hectares, and is zoned for industrial uses under Leichhardt LEP, consisting of the former 'Kolotex' warehouse and 'Labelcraft' manufacturing business as described below.

The Labelcraft Facility: 30-40 George Street

This 4,500 m² site extends between George Street and Upward Street, containing one to two storey brick and concrete factory facilities that appear to have been built in the 1940 – 1950s, used for an industrial label printing business. The site adjoins residential uses to the north, east and west and Kolotex site to the south.

The Kolotex Facility: 22 George Street

The 10,100m² Kolotex site is bound by the Labelcraft site to the north, part of McAleer Street to the south and George Street and Upward Streets to the east and west. The site contains one to three storey brick and concrete factory, warehouse and office facilities approximately 40-50 years old that were formerly used for the manufacture of clothing.

Some of the site's buildings are in poor condition and in a state of disrepair. A number of the buildings are also vacant. The entrance to the office section of the site is used for car parking for the adjoining Labelcraft factory. Part of the premises are also used for the storage of vehicles to be sold at car dealerships, and part of the former factory building is leased for commercial uses.



Figure 2: Photographs of site and surrounding area



Figure 3: Aerial photograph of site and surrounding area

3.2 Surrounding Land Uses

The site is surrounded by residential zoned land to the north and east, characterised by predominately 1920s one and two storey detached dwellings.

Commercial, manufacturing and light industrial uses are located south and west of the site, extending east and west along Parramatta Road. Industrial zoned properties between Flood Street and Elswick Street to the east area are predominately used for retail bulky goods activities. Within the industrial zoned land to the south and south west, there is a mixture of light industrial and manufacturing uses, including several sites used for at grade car parking.

The corner of Upward Street and Lords Road is a reserve used by Kegworth Public School. To the north of the site, on the eastern side of Upward Street, are weatherboard and brick houses mainly dating from the 1920s, some of which are heritage listed, and include a mix of renovated and un-renovated properties. The street is narrow with parking restrictions applying to both sides of the street. Upward Street has access to both Lords Road to the north and Parramatta Road to the south.

The site is within 100m of the Parramatta Road strategic bus corridor, within 300m of the future Taverners Hill light rail station, scheduled to open in 2014, and within 600m of Lewisham train station.

There are a number of parks and reserves within 1km of the site, including a pocket park on the corner of Flood and Myrtle Streets, Lambert Park on Marion Street, Petersham Park on the southern side of Parramatta Road and the open space of Hawthorne Canal.

The site is within 400m of the Leichhardt Market Place retail centre, and within several kilometres of Norton Plaza and the Italian Forum. A variety of retail uses are also located along Parramatta Road.

There are number of education facilities within 1km of the site, including seven preschools, six primary schools and four secondary schools. Four tertiary institutions are within 3km of the site.

Local health facilities include up to 10 medical centres and general practitioners within 1km of the site. Sydney Private Hospital is within 1.8km of the site, and the Royal Prince Alfred Hospital is approximately 3km to the east. There are nine sites that provide community services or space within 2km of the site.

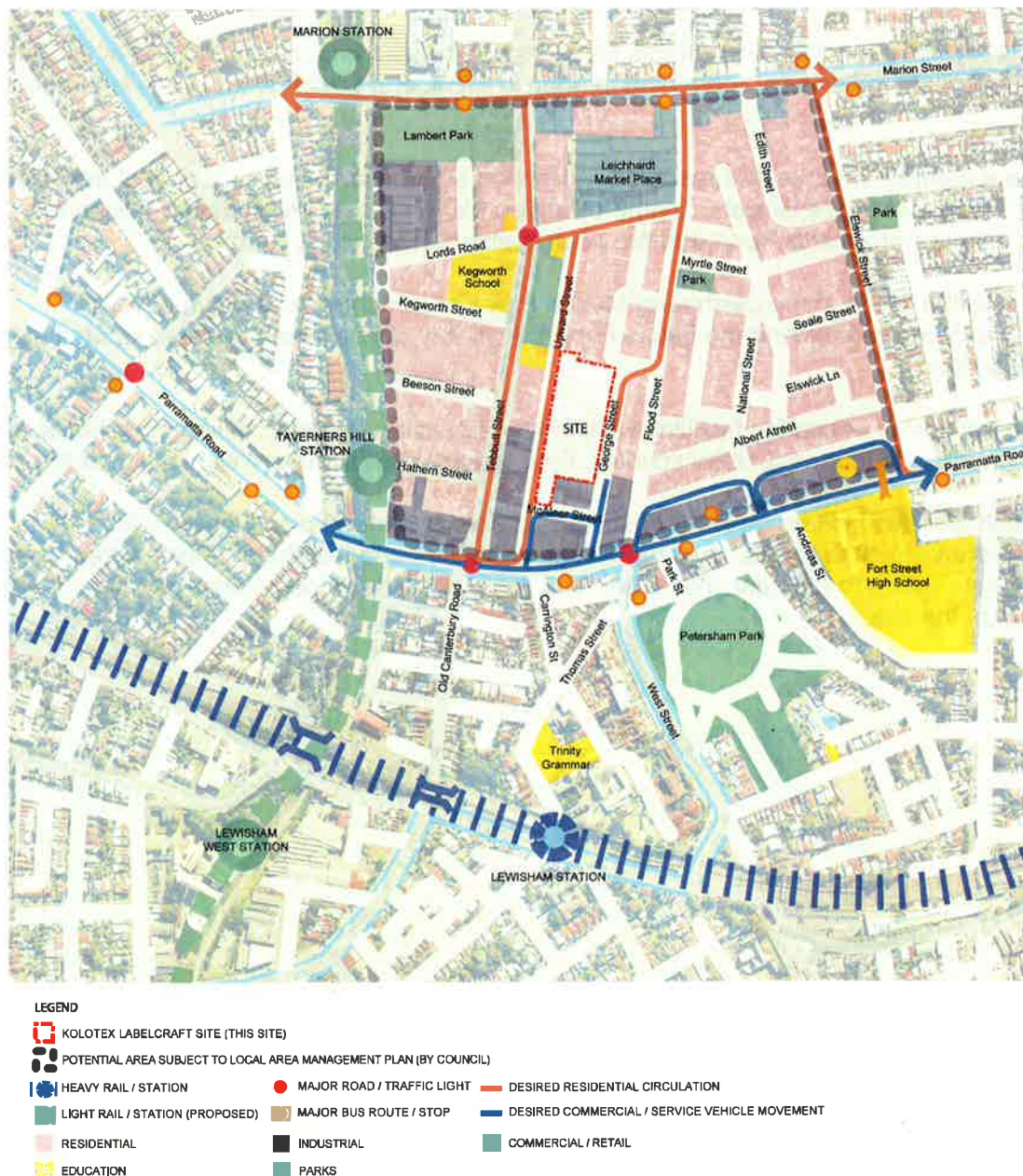


Figure 4: Site and surrounding area

4 THE PROPOSAL

4.1 Background to the Proposal

The owners of the site at 22 George Street, Leichhardt ('the Kolotex site') have been attempting to rezone their land to allow a mix of residential and employment uses from at least 2006, at which time Leichhardt Municipal Council ('Council') resolved to initiate the rezoning process.

The Kolotex site owner subsequently prepared a number of technical studies to address issues raised by Council and the Department. During this time, the adjoining Labelcraft site was also incorporated as part the study area.

On 22 March 2011, Council resolved to defer the progression of the rezoning proposal, with further clarification required on a number of matters. The Council unanimously resolved the following:

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That the application to rezone be deferred with clarification that the following issues be addressed:

- *FSR no greater than 1.5:1*
- *Maximum 4 storeys*
- *Maximum 2 levels to street fronts*
- *Dedication of a significant proportion of open space as a public park*
- *Addresses risk of overshadowing*
- *Addresses privacy issues*
- *Key environmental sustainability principles*
- *And all recommendations as outlined in the Council officer's report.*

It was considered by the Kolotex site owner that the level of detail required to be addressed in Council's resolution was premature within the context of the Gateway process and the need for subsequent development applications.

On 18 January 2012, the Kolotex site owner submitted the planning proposal to the Department, requesting the referral of the matter to the Planning Assessment Commission and the appointment of an alternate 'Relevant Planning Authority' under s.54(2) of the Act.

The PAC subsequently undertook a review of the background to the planning proposal and consulted with Council and the proponent. On 10 May 2012, the PAC determined the planning proposal had strategic merit and recommended to the Minister that the proposal proceed to the Gateway determination process.

The PAC advised it did not carry out a detailed assessment of the planning proposal, and its recommendation did not indicate a support of the planning proposal, including matters such as proposed floor space ratio or building height controls. Rather, those matters would be considered in the course of the Gateway determination process.

On 7 June 2012, the Minister directed the Director General to be the RPA for the planning proposal under s.54(2)(c) of the EP&A Act.

On 13 March 2013, the Minister's delegate issued a Gateway Determination under s56(7) of the Act for the planning proposal. The Gateway determined the proposal should proceed and contained several conditions to be addressed prior to public exhibition, as discussed at Part 5 this report.

A chronology of events is set out at Table 2 below.

Table 2: Chronology of Events	
2006	Planning proposal to rezone the Kolotex site from industrial to allow for mixed use, predominantly residential, lodged with Council. Council resolved under s.54 of the Act to initiate the rezoning process and commence a draft amending LEP.
2007	Department advised Council it was unlikely to support the proposed LEP amendment, including due to the need for additional justification for the loss of industrial land.
2009	Department advised the proponent that a new Council resolution was required before any additional information would be considered by the Department under the Gateway determination process.
April 2010	A new planning proposal to rezone the Kolotex and Labelcraft sites was submitted to Council by the proponent. In April, Council resolved to refer the proposal to the Department for a Gateway Determination under s.56 of the EP&A Act.
June 2010	The Department determined the Gateway determination should not proceed, including due to inadequate justification regarding the consistency of the planning

	proposal with Council's strategic framework for the area.
2011	The Department advised the proponent it would not support a request to consider the proposal as a concept plan under the now repealed Part 3A of the EP&A Act.
22 March 2011	Council resolved to defer the progression of a new planning proposal for the site...
June 2011	The Director-General wrote to Council requesting that it submit a planning proposal for the site to the Department for a Gateway determination. No response was received.
18 January 2012	The proponent submitted a planning proposal for the site to the Department, requesting the referral of the matter to the PAC and the appointment of an alternate RPA under s.54(2) of the Act.
10 May 2012	The PAC noted the planning proposal for the site had strategic merit and recommended the proposal proceed to the Gateway determination process.
7 June 2012	The Minister directed the Director General to be the RPA for the planning proposal under s.54(2)(c) of the Act.
July 2012 onwards	Department and the proponent in continuing discussions regarding the extent of existing studies that have been prepared, and additional investigations that may be required as a condition of any Gateway determination.
5 February 2013	Department representatives met with Councillors and Council staff to provide an overview of strategic investigations undertaken following Director General's appointment as Relevant Planning Authority and to seek Council feedback and comments on the planning proposal.
22 March 2013	Minister's delegate issued a Gateway Determination confirming the proposal should proceed and that it be finalised in 6 months from the week following the date of the Gateway Determination.
6 August 2013	Department representatives met with Councillors and Council staff to provide an overview of strategic investigations undertaken following the Gateway Determination and to seek Council feedback and comments prior to public exhibition of planning proposal.

4.2 Land Use Controls

The site is zoned 'Industrial' and has a floor space ratio of 1:1 in Leichhardt LEP. Those controls are proposed to be retained in *draft Leichhardt Local Environmental Plan 2012* ('Draft LEP 2012'), with the site identified as IN2 Light Industrial. The Draft Leichhardt LEP 2012 came off public exhibition on 28 February 2012 and is yet to be gazetted.

There are no building height controls in Leichhardt LEP, with building heights generally controlled through a site's floor space ratio controls and the provisions of Leichhardt Development Control Plan 2000 ('Leichhardt DCP'). This approach is proposed to be continued in Draft LEP 2012.

4.3 Investigation area

The department has considered whether the site boundary should be expanded to incorporate any surrounding land uses, including the 10 lot strata title commercial site at 10-12 George Street that adjoins the Kolotex site, as identified in Figure 5 below.



Figure 5: Potential investigation area

In April 2013, the department wrote to each owner at 10-12 George Street, seeking their respective positions whether the site should be included in the planning proposal's study area boundary.

No written response was received, although the owner of 2 of the strata lots verbal advised the Department that their preference, after consulting with other owners, would be to await the determination of the Kolotex and Labelcraft planning proposal before considering whether their site should be considered for future rezoning.

The department notes the southern end of the site is approximately 75m from Parramatta Road, and the proposed mixed uses on the site would likely complement the future urban renewal opportunities along the corridor with the introduction of WestConnex. Accordingly, the department considers it appropriate that any potential renewal of the site at 10-12 George Street be considered as part any strategic planning investigations into the future character of the area.



Figure 6: Amalgamated land zoning map: Marrickville LEP 2011 and Draft Leichhardt LEP 2012

5 GATEWAY DETERMINATION: MARCH 2013

On 22 March 2013, the Minister's delegate issued a Gateway Determination, establishing that the proposal should proceed and that it be finalised in 6 months from the week following the date of the determination.

A copy of the Gateway Determination is attached at Appendix B. The department prepared a planning proposal report in support of the Gateway Determination, and this report updates and supersedes that report.

The Gateway Determination contained several conditions to be addressed prior to public exhibition of the planning proposal, including:

- contamination investigations to satisfy the requirements of State Environmental Planning Policy No 55 – Remediation of Land
- built form and urban design analysis, including the preparation of development controls to guide future development of the site
- feasibility modelling analysis to identify an appropriate affordable housing contribution to be set aside at the site.

The department has been working with the site's landowners and Council staff to address the conditions of the Gateway Determination prior to public exhibition of the planning proposal. An overview of the Gateway conditions are discussed below and further set out at Section 3 of Part 5 of the report.

5.1 Contamination

A phase 1 environmental site assessment has been undertaken for the proposed residential and mixed uses. The assessment found there is potential for soil and groundwater contamination.

The environmental assessment recommended a phase 2 contamination assessment be undertaken to determine the extent of any contamination. This would be required to be prepared following any rezoning and prior to undertaking future development at the site.

The Department is satisfied this condition of the Gateway Determination has now been addressed.

5.2 Built Form

The Department has prepared a draft site specific development control plan that would guide future development at the site. These development controls include:

- built form controls, including site coverage, building setbacks, building depths and bulk, building design and materials, overshadowing and landscaping design
- streetscape and public domain objectives, including open space requirements
- access, movement and parking controls, and pedestrian and cyclist connections
- environmental management controls, such as flooding and stormwater management measures
- pedestrian amenity, including acoustic and visual privacy

The draft development control plan would be included as part of the public exhibition material for the planning proposal.

The Department is satisfied this condition of the Gateway Determination has now been addressed.

5.3 Affordable Housing

The Department engaged an independent economic consultant to provide feasibility modelling analysis to identify an appropriate affordable housing contribution to be set aside at the site.

This advice informed the Department in subsequent negotiations with the site's landowners. Those negotiations led to the Department receiving a letter of offer to enter into draft voluntary planning agreements ('VPAs') for the construction and dedication of affordable housing apartments at the site.

The site's owners have offered to construct and transfer ownership of 11 units at the site to an affordable housing provider and a further 2 units to be leased by an affordable housing provider for at least 10 years.

This affordable housing contribution represents between 3 - 4% of the site's development yield potential, as contemplated by the planning proposal. This is consistent with the recommendations provided by the Department's economic consultant.

The draft VPAs have been finalised and would be included as part of the public exhibition material for the planning proposal.

The Department is satisfied this condition of the Gateway Determination has now been addressed.

5.4 Proposed change in land use zone

The Gateway determined an amendment to Leichhardt LEP should proceed to rezone the site from 'Industrial' to 'R1 Residential' and 'B4 Mixed Use,' subject to conditions.

The Department recommends the Gateway Determination be amended to replace reference to 'R1 Residential' with 'R3 Medium Density Residential'. The proposed medium density residential development at the site is considered to be more appropriately categorised as a R3 Medium Density Residential zone, rather than an R1 Residential zone, having regard to the respective zone objectives.

The Department has discussed the proposed change to a R3 zone with Council's senior staff and received verbal advice this would be appropriate. The Department also advised Councillors of this proposed amendment at the Council briefing on 6 August 2013.

5.5 Timeframe for completing the planning proposal

A condition of the Gateway Determination required the planning proposal be completed by the end of September 2013, being 6 months from the week following the date of the Gateway Determination.

The timeframe for completing the proposal is not likely to be met. The planning proposal and draft VPAs are proposed to be publicly exhibited from mid August 2013, and it is estimated the planning proposal would be completed in October or early November 2013.

The reason for the delay in publicly exhibiting and finalising the planning proposal has been due to extensive negotiations between the Department and the site's landowners concerning:

- the proposed conditions of the site's draft development control plan
- the quantum and nature of the affordable housing contribution to be set aside at the site the conditions of the draft voluntary planning agreements for the provision of affordable housing.

These negotiations have concluded, and the substantive issues between the parties have now been resolved.

Accordingly, the Department anticipates the planning proposal can be made within 9 months from the date of the Gateway Determination in March 2013, being an additional 3 months than originally envisaged.

6 DEPARTMENT'S CRITERIA FOR JUSTIFYING PLANNING PROPOSAL

PART 1 - OBJECTIVES OR INTENDED OUTCOMES OF THE PROPOSED INSTRUMENT

The principle objective of the planning proposal is to amend Leichhardt LEP to rezone the site from its existing industrial zoning to land use zones that will accommodate a mixed use development comprising retail, commercial and medium density housing.

The proponent has determined the proposal could deliver:

- an indicative residential yield of 350 apartments
- the creation of approximately 715 direct and 1,067 indirect planning and construction phase jobs, and 125 direct and 238 indirect on-going jobs during the operating phase.
- a total of 280 to 360 car parking spaces
- improved pedestrian and cyclist connections through the site and surrounding area
- improved traffic and parking conditions compared to existing approved uses at the site.

The planning proposal is guided by the following principles:

1. Enable the redevelopment of the site for a mix of uses that:
 - a. contribute to sub-regional housing targets through the provision of medium density housing;
 - b. provide small scale retail and commercial uses;
 - c. take advantage of access to public transport;
 - d. enhance the amenity and environment of the local area.
2. Maximise the use of public transport, walking and cycling by integrating land uses and improving connectivity throughout the surrounding area, including to the proposed Taverners Hill light rail station.
3. Encourage the development of buildings that achieve design excellence and a public domain that is safe, accessible and attractive.
4. Provide the opportunity for a 'whole of precinct' traffic solution, including:
 - a. Minimising site access and egress points
 - b. Minimising conflict with local residential traffic
 - c. Minimising the provision of on-site parking
 - d. Providing a safer local road and pedestrian environment by restricting the use of heavy vehicle movements within the adjoining residential area.
5. Ensure an appropriate amount of affordable housing is provided on the site
6. Ensure the use of land is appropriate to managing and minimising risks from flooding.
7. Provide sustainable development and encourage best practice.

PART 2 - EXPLANATION OF PROVISIONS

The planning proposal would insert a new part into Leichhardt LEP to include site-specific planning controls for the site, based on the Standard Instrument local environmental plan.

The new planning controls would allow medium density residential dwellings and retail and commercial activities, including:

- An R3 Medium Residential zone that would allow medium density housing
- Provision for some retail and commercial uses in the southern and central portion of the site, through a potential B4 Mixed Use zone.
- A floor space ratio control of 2.15:1 across the site to guide the future development yield outcomes.
- Building heights that would allow a transition of building heights across the site. Taller buildings would be located towards the Parramatta Road industrial end of the site, up to a maximum of 32m (8 storeys). A maximum 16m (4 storey buildings) would be permitted

on the northern part of the site to mitigate overshadowing of surrounding residential properties.

If approved, the planning proposal would include the maps described below.

Provision	Explanation
1. Land Application Map	This map will show the land to which the planning proposal applies.
2. Land Zoning Map	This map will show the proposed land use zones that will apply to the land.
3. Height of Buildings Map	This map will show the maximum height of buildings in 'Australian Height Datum Reduced Levels', with building heights permissible up to 32m (8 storeys).
4. Floor Space Ratio Map	This map will show the maximum floor space ratio for the site.

Further details of the material prepared in support of the planning proposal can be found at Appendix E. The proposed land use zones, height of buildings and floor space ratio maps are shown at Appendix D and Figures 6 to 9 below.

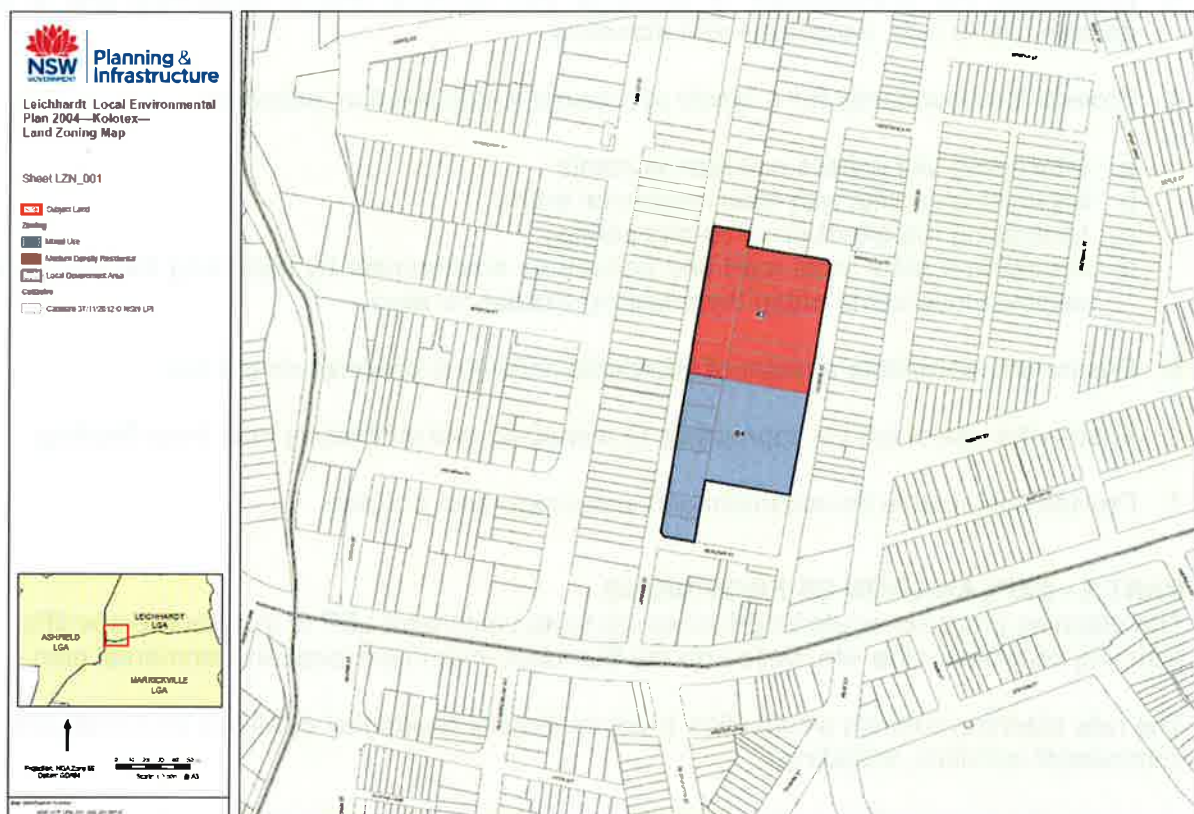


Figure 7: Proposed Land Zoning Map



Figure 8: Indicative Height of Buildings map



Figure 9: Indicative Floor Space Ratio map

PART 3 – JUSTIFICATION

This section describes the reasoning for the proposed rezoning and key development controls for the site, taking into consideration the intended outcomes and objectives outlined above.

It address the need for the planning proposal, its strategic planning context, the environmental, social and economic impacts and the implications for State and Commonwealth government agencies, as set out in the Department of Planning's *A Guide to Preparing Planning Proposals*.

Section A - Need for the planning proposal

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

The planning proposal has been informed by the *George Street Precinct Industrial, Commercial and Residential Study*, prepared by Urbis in 2010 ('Urbis Study').

Urbis Study

In June 2010, the proponent engaged Urbis to assess the opportunity for industrial, commercial and residential development on the site and to assess the employment impacts of rezoning the site for mixed employment and medium density housing uses.

Key points from the Urbis Study included:

- The demographic and employment profile of Leichhardt has changed significantly over the years, moving away from its roots as a working class suburb. In 2006, Leichhardt residents with white collar occupations had risen to 77%, being higher than the Inner West subregion and Sydney metropolitan benchmarks. However, only 45% of jobs in the LGA were white collar jobs. In contrast, 12% of Leichhardt residents worked in blue collar occupations in 2006, representing an 8% decline since 1996.
- Investor demand for industrial premises in Leichhardt remained stagnant between 2008 and 2010, reflected by a limited number of industrial property transactions and stagnant property values. Similarly, there was limited leasing demand for industrial properties over the same period.
- The location and features of the site are not conducive to industrial development with a number of constraints including limited access to blue collar workers, poor vehicle access to the site, a lack of main road frontage and a lack of appropriate buffers between surrounding residential properties.
- The Kolotox factory was vacated in 2008 and has remained predominately vacant since that time. The owners have been unable to attract either a long term tenant or identify any potential buyers of the site since 2008. The Labelcraft factory remains occupied, however its owner indicated their manufacturing business is no longer required in an inner city location as few of their employees live locally.
- In relation to housing, the report found the construction of new dwellings had fallen significantly since 1998. This contributed to a housing supply shortfall, and deterioration in housing affordability. Since 2000, Leichhardt experienced a 68% increase in median unit prices, compared with a 34% increase across the Sydney metropolitan area over the same period.
- Leichhardt LGA would experience a shortage of 2,231 dwellings by 2036, having regard to the LGA's population projections, housing targets in the Inner West Subregional Strategy and approved and proposed residential developments.

The Urbis Study determined that replacing the existing industrial premises on the Kolotex and Labelcraft sites with mixed residential and commercial development would represent the most optimal use for the site and would not result in any loss of employment. Residential development would address the LGA's projected dwelling supply shortage. The provision of

commercial uses would also help address the undersupply of office space that was forecast to emerge by 2021 and better reflect the changing demographic and employment profile of Leichhardt.

The Urbis Study is consistent with Council's subsequent Council's *Employment Land Study*, dated January 2011 in relation to the future use of the Kolotex and Labelcraft sites.

Employment Land Study

The study aimed to provide guidance to Council to, amongst other things:

- identify and protect strategically important employment lands;
- ensure sufficient land is zoned to accommodate existing and potential employment growth; and
- to inform opportunities for regenerating underutilised or redundant employment lands within the LGA

The Employment Land Study examined the Tebbutt Street Parramatta precinct (see Figure 10), which comprises the eastern bookend of the Parramatta Road corridor and includes the site the subject of this planning proposal.

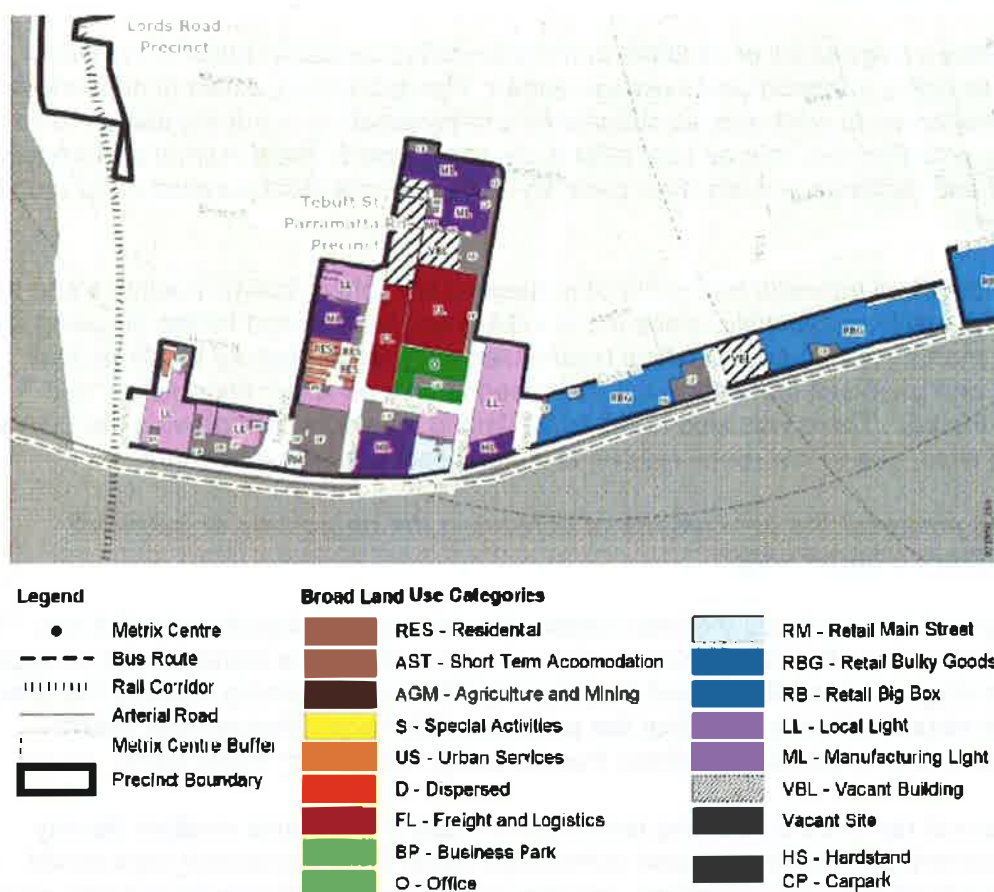


Figure 10: Tebbutt Street/Parramatta Road Precinct principal land use by lot.

The report tested the implications of removing the Tebbutt Street/Parramatta Road precinct from the total stock of employment land supply. The analysis found the LGA could support a rezoning at a strategic level.

A subsequent report to Council dated 15 February 2011 concluded that it could accommodate potential future growth across a range of employment types, and rezone a number of sites currently zoned Industrial – including George Street (ie Kolotex/Labelcraft site). The report to Council on the Employment Lands Study (15 February 2011) recommended that:

*Council meet the State Government's long term employment target for the Leichhardt Local Government Area (LGA). That target is currently 500 new jobs to be created between 2004 and 2031 although it is expected to increase to approximately 1,500 additional jobs (based on more recent 2009 Transport Data Centre forecasts). **The Study has factored in these new forecasts and confirms that Council can accommodate potential future growth across a range of employment types and rezone a number of sites currently zoned Industrial – including Terry Street and George Street sites.** (emphasis added)*

Draft Development Plan

Council's 'Leichhardt Employment and Economic Development Plan: 2013-2023 ('Development Plan') sets the direction for economic development in the LGA over the next ten years. The Development Plan was adopted by Council on 25 June 2013.

The Development Plan determined that the opportunity exists to make more effective use of the LGA's main industrial precincts:

"the LGA has a large stock of obsolete and underutilised industrial buildings in close proximity to public transport and existing centres. The opportunity exists to convert some of these properties to work spaces suitable for professional service firms and creative industries, provided they can be cost-effectively configured to meet market preferences. Many of these buildings are however currently zoned for industrial purposes and prohibit office uses."

A mismatch was identified between the needs of contemporary light industrial business and the characteristics and quality of available space in the LGA. This is evidenced by the on-going shift of light industrial, manufacturing and logistical businesses to Western Sydney locations that offer better value and premises that better suit their needs (such as larger floor plates, and better access for trucks). There was also found to be limited feasibility of improving the LGA's existing industrial sites, due to low rental returns and significant capital expenditure.

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

The planning proposal is considered the best means of achieving the objectives for the site. The Urbis Study noted that since the former Kolotex factory was vacated, the owners have struggled to either secure a long term tenant or to sell the property. The current zoning restricts the uses of the site and it is reasonable to expect that the predominately vacant Kolotex site would remain disused for industrial purposes without the site being rezoned for mixed uses.

The planning proposal removes an existing restriction on uses and permits medium density residential development and some retail and commercial uses. These proposed uses would align with state and local planning objectives, and are considered appropriate for the site, given its proximity to existing and proposed public transport connections, retail services, open space and surrounding residential uses.

3. Is there a net community benefit?

The Draft Metropolitan Plan for Sydney 2031 has identified that 27,500 new homes need to be built each year to accommodate an extra 1.3 million people in Sydney over the next two

decades. This includes an additional 138,000 new homes in the Central Subregion, in which the site is located.

The planning proposal has the potential to increase the supply of housing in an area accessible to public transport and jobs that would contribute towards meeting the housing targets identified in the Draft Metropolitan Plan.

A number of other net community benefits would also arise from the rezoning of the site, including:

- Creating additional employment:
 - The Urbis Study identified that the rezoning of the site would generate:
 - an estimated 715 direct jobs and 1,067 indirect jobs during the planning and construction phase of the Kolotex and Labelcraft sites' redevelopment.
 - an estimated 125 direct jobs and an additional 238 indirect on-going jobs during the operating phase.
- Enhancing the amenity and environment of the local area through improved streetscapes and footpaths, and new public access in the form of pedestrian and cyclist linkages through the site and a new internal road network.
- Providing a safer local road and pedestrian environment by reducing the use of heavy vehicle movements within the adjoining residential area.
- Improving the interface between industrial uses adjoining the study area to the south and surrounding residential areas to the north.
- Increasing the supply of residential land for housing and improve the diversity of housing types, including through the provision of "entry level" priced dwellings and affordable housing.
- Contributing towards the social and economic wellbeing of Leichhardt.
- Maximising the use of existing public transport infrastructure, walking and cycling by locating residents and workers in an accessible location that is close to a range of public transport services.
- Ensuring the development of buildings achieve design excellence and a high standard of sustainability.
- Improving overland drainage and reduce local flooding impacts that currently exist in the surrounding area, by ensuring the use of land is appropriate to manage and minimise risks from flooding.

Section B - Strategic planning framework

4. Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy

NSW 2021

The proposed rezoning of the site both supports the State's planning objectives and will have wider benefits to the community. The NSW 2021 State Plan confirms that restoring economic growth is the Plan's number one priority. A key task that will support this aim is ensuring that an adequate supply of land for housing and employment is delivered. Rezoning of the site would provide a contribution towards the delivery of the dwelling target for the Inner West subregion (discussed below).

The proposal would also provide housing within close proximity to the significant employment area of Sydney University, and within close proximity to existing and proposed public transport. This is consistent with the strategic directions of the Metropolitan Plan for Sydney 2036.

Draft Metropolitan Strategy for Sydney 2031

One of the guiding principles for the Draft Strategy is to provide housing choice, while substantially increasing housing supply to capitalise on existing and planned infrastructure.

The site is strategically located near existing and proposed public transport, and is also close to the Parramatta Road corridor, which the draft Strategy identified as one of nine 'city shapers' that will play an important role in shaping growth in Sydney. Accordingly, the planning proposal provides an opportunity to deliver housing supply in keeping with one of the key principles of the Draft Strategy.

Draft Inner West Subregional Strategy

The planning proposal is consistent with the principles of the draft Inner West Subregional Strategy by:

- Ensuring an adequate supply of land and sites for residential development. The conversion of the site's industrial zoning for medium density housing would increase housing diversity in a location that is accessible to nearby retail and commercial activities, services, schools and existing and proposed public transport.
- Improving liveability through the provision of new north-south and east-west pedestrian and cycle connections across the site, improved streetscapes, and the provision of passive open space for future residents.
- Providing a mix of housing. The Urbis Study found that the demographic profile of Leichhardt LGA would be suitable to provide a large number of one and two bedroom dwellings within the new development. Smaller units that cater to diverse price points would assist first home buyers entering the market, key workers and elderly people on lower incomes. The site could also accommodate for some affordable housing for low and moderate income earners, as discussed below.

NSW Long Term Transport Master Plan

The study area adjoins land to the south identified as part of the Parramatta Road corridor. The Parramatta Road corridor is a significant regional employment area that provides a unique business environment consisting of small offices, retail, significant clusters of car yards and bulky goods outlets.

In December 2012, the NSW Long Term Transport Masterplan confirmed the NSW Government's intention to construct the 33km WestConnex motorway as Sydney's motorway priority. The WestConnex project will divert heavy traffic away from Parramatta Road, which will create a catalyst for urban renewal along the corridor. This will include the potential for improved liveability and open space, additional mixed use residential and potential employment uses, improved local traffic speeds, reduced congestion and the potential for improved public transport services.

The proposed mixed uses on the site would likely complement the future urban renewal opportunities along the corridor with the introduction of WestConnex.

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

The *Leichardt 2020+ Strategic Plan 2007* (Strategic Plan) aims to guide development within Leichardt over the next 10 years. It focuses on making Leichardt "a sustainable, liveable community" being a community that meets the needs of the present without compromising the ability of future generations to meet their own needs.

The Strategic Plan includes goals to achieve economic, social and environmental sustainability and acknowledges the need to integrate the three. Whilst the economic goals focus on providing

for employment growth to meet the needs of future generations, the Strategic Plan also looks to meeting the other social needs of the community, such as provision of housing and connecting communities.

The Strategic Plan includes objectives which seek to achieve social sustainability through creating cohesive and connected communities. The following objectives are relevant to this proposal:

- Objective 1.3 – Engage and connect all local people, with special needs, businesses and institutions to build our community.
- Objective 2.1 – Develop integrated plans to reduce our dependence on private cars for local regular community activities and trip purposes.
- Objective 5.4 - Plan for business & employment growth that allows greater opportunities for our residents to work locally.

The planning proposal is consistent with these objectives. The development of the site for residential land uses provides an opportunity to locate housing in an accessible and connected location. The site will provide housing close to employment opportunities and public transport reducing the need for private car travel.

6. Is the planning proposal consistent with applicable state environmental planning policies?

The planning proposal is consistent with applicable State Environmental Planning Policies (SEPPs). Table 4 identifies the relevant SEPPs with which the planning proposal is consistent. A discussion of key issues for the planning proposal arising from particular SEPPs is discussed in Section C below.

Table 4: Relevant State Environmental Planning Policies		
State Environmental Planning Policy	Summary	Comment
SEPP No 1 - Development Standards	Seeks to provide flexibility in the application of planning controls where strict compliance of development standards would be unreasonable, unnecessary or hinder the attainment of specified objectives of the Act.	SEPP No 1 is proposed to not apply within Leichhardt LGA under clause 1.9 of Draft Leichhardt LEP 2012.
SEPP No 4 – Development Without Consent and Miscellaneous Exempt and Complying Development	Aims to permit development for a purpose which is of minor environmental significance, development for certain purposes by public utility undertakings and development on certain land reserved or dedicated under the <i>National Parks and Wildlife Act 1974</i> without the necessity for development consent. Also regulates complying development for conversion of fire alarms.	Clause 6 and Parts 3 and 4 are proposed to not apply within Leichhardt LGA under clause 1.9 of Draft Leichhardt LEP 2012.
SEPP No. 6 - Number of Storeys in a Building	Seeks to remove confusion arising from the	The planning proposal seeks to introduce a height of buildings map for

	interpretation of provisions in EPIs controlling the height of buildings	the study area. The height of buildings definition included in Draft Leichhardt LEP 2012 is proposed to be included in the planning proposal.
SEPP No. 22- Shops and Commercial Premises	Seeks to permit change of use from commercial premises to commercial premises, and shop to shop even if the change is prohibited by another EPI, provided only minor effect and consent is obtained from relevant authorities.	The planning proposal does not seek to permit a change of use.
SEPP No.-32- Urban Consolidation (Redevelopment of Urban Land)	Seeks to facilitate surplus urban land redevelopment for multi-unit housing and related development in a timely manner.	The planning proposal involves urban renewal for medium density residential uses and commercial uses at a density and height appropriate to its location. The proposed R3 Medium Density Residential and B4 mixed use zones and development controls will reflect this.
SEPP No.55-Remediation of Land	Land must not be rezoned unless contamination has been considered and, where relevant, land has been appropriately remediated.	A phase one environmental site assessment identified the potential for soil and groundwater contamination at the site as a result of its former uses. It was recommended a stage two environmental site assessment be undertaken to assess the site's soil and groundwater contamination conditions. This would be required to be prepared following any rezoning and prior to undertaking future development at the site.
SEPP No. 65 – Design Quality of Residential Flat Buildings	Includes design principles to raise the design quality of residential flat buildings. It also requires that in the preparation of Environmental Planning Instruments and DCPs. Provisions are included to ensure the achievement of design quality principles.	Subsequent future development applications would need to demonstrate how the proposal satisfies the design principles and objectives of SEPP 65.
SEPP (Building Sustainability Index: BASIX) 2004	Operates in conjunction with Environmental Planning and Assessment Amendment (Building Sustainability Index: BASIX) Regulation 2004 to ensure the effective introduction of BASIX in NSW. The SEPP ensures consistency in the implementation of BASIX throughout the State by overriding	Subsequent future development applications would need to demonstrate design principles and objectives consistent with BASIX requirements.

	competing provisions in other environmental planning instruments and development control plans, and specifying that SEPP 1 does not apply in relation to any development standard arising under BASIX.	
SEPP (Exempt and Complying Development Codes) 2008	Seeks to provide for exempt and complying development in certain local government areas that have not provided for those types of development through a local environmental plan	Any exempt or complying development on the site will need to apply the provisions of the SEPP
SEPP (Infrastructure) 2007	Aims to facilitate the effective delivery of infrastructure across the State. Specifies exempt and complying development controls that apply to the range of development types listed in the SEPP.	The planning proposal does not seek to amend the application of the Infrastructure SEPP within the study area.
SEPP (Temporary Structures and Places of Public Entertainment) 2007	Encourages protection of the environment at the location/vicinity of temporary structures by managing noise, parking and traffic impacts and ensuring heritage protection	The planning proposal does not seek to amend the application of the Temporary Structures SEPP within the study area.
SEPP (Affordable Rental Housing) 2009	Provides a consistent planning regime for the provision of affordable rental housing and facilitates the effective delivery of affordable housing.	Subsequent future development applications that propose to incorporate affordable housing would need to demonstrate compliance with the Affordable Rental Housing SEPP.

- **Is the planning proposal consistent with applicable ministerial directions (s.117 directions)?**

The Ministerial Directions under section 117(2A) of the EP&A Act requires planning proposals to be consistent with the terms of the relevant direction. The s.117 Directions relevant to the planning proposal are considered in Table 5 below:

Table 5: Section 117 Directions		
Direction	Objectives	Comment
1. Employment & Resources		
1.1 Business and Industrial Zones	To encourage employment growth in suitable locations. To protect employment land in business and industrial zones, and support the viability of identified strategic centres.	The site has previously been identified by the Department as suitable for a wider range of uses than industrial land (see Appendix C). Council's Report of 15 February 2011 confirmed that Council can accommodate potential future growth across a range of employment types and rezone a number of sites currently zoned industrial – including the Kolotex and Labelcraft sites, while still meeting its subregional employment targets. Council's Development Plan also identified the opportunity to convert some of the LGA's large stock of obsolete and underutilised industrial buildings in close proximity to public transport and existing centres for other uses. The site falls within this category of industrial land that is suitable for rezoning to allow residential and potential employment uses.
2. Environment and Heritage		
2.3 Heritage Conservation	To conserve items, areas, objects and places of environmental heritage significance and indigenous heritage significance.	A small portion of the site is identified as having a heritage building in the Heritage Conservation Map of Leichhardt LEP 2000. Draft Leichhardt LEP 2012 proposes to remove this heritage listing.
3. Housing, Infrastructure and Urban Development		
3.1 Residential Zones	To encourage a variety and choice of housing types to provide for existing and future housing needs. To make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services. To minimise the impact of residential development on the environment and	The proposal meets the objectives of this direction as it seeks to provide medium density residential development and potential employment uses to satisfy existing and future housing needs. The site is in a location that can make efficient use of existing and proposed infrastructure. Environmental impacts of intensified

	resource lands.	development will be managed through Council's planning policy framework as part of any subsequent development assessment process.
3.3 Home Occupations	To encourage the carrying out of low-impact small businesses in dwelling houses.	The planning proposal will not restrict the carrying out of low-impact small businesses in dwelling houses as no change to the permissibility of home occupations is proposed.
3.4 Integrating Land Use and Transport	To ensure that urban structures, building forms, land use locations, development designs, subdivision and street layouts: • improve access to housing, jobs and services by walking, cycling and public transport, • increase transport choice and reduce travel demand and reducing dependence on cars, • reduce travel demand including distances travelled, especially by car, • support the efficient and viable operation of public transport services, and • provide for the efficient movement of freight.	The planning proposal seeks to increase development intensity through medium density residential development and mixed uses, within walking distance of existing and proposed public transport. It is expected that increased development intensity in this area would result in increased viability and patronage of public transport, reduced travel demand and increased accessibility to housing, jobs and services. The site is strategically located to maximise the use of existing bus services on Parramatta Road, rail services at Lewisham Station, and future proposed light rail services at Taverners Hill light rail station. Accordingly, the planning proposal is likely to reduce trip generation and distance travelled by car and also support the efficient and viable use of public transport services.
4. Hazard and Risk		
4.3 Flood Prone Land	To ensure that development of flood prone land is consistent with the NSW Government's Flood Prone Land Policy and the principles of the Floodplain Development Manual 2005. To ensure that the provisions of an LEP on flood prone land is commensurate with flood hazard and includes consideration of the potential flood impacts both on and off the subject land.	The site is subject to localised flooding. To ensure any future proposed development is not affected by flood waters during and up to the 1 in 100 year flood event, it is recommended development controls for the site contain a control requiring a flood planning level be adopted which is above the 1 in 100 year event, and future development comply with Section A3.0 (Sustainable Water & Risk Management) of Council's Development Control Plan 2000 ('SWRM DCP').
5. Regional Planning		
5.1 Implementation of Regional Strategies	To give legal effect to the vision, land use strategy, policies, outcomes and actions contained in regional strategies.	The planning proposal is consistent with the Draft Inner West Subregional Strategy as referred to previously.
6. Local Plan Making		

6.1 Approval and Referral Requirements	To ensure that LEP provisions encourage the efficient and appropriate assessment of development.	The planning proposal does not include provisions that would require the concurrence, consultation or referral of development applications to a Minister or public authority.
6.3 Site Specific Provisions	To discourage unnecessarily restrictive site specific planning controls.	The planning proposal relies on zones that are consistent with Standard Instrument, and generally reflects existing zones contained in Leichhardt LEP 2000.
7. Metropolitan Planning		
7.1 Implementation of the Metropolitan Plan for Sydney 2036	To give legal effect to the vision, transport and land use strategy, policies, outcomes and actions contained in the Metropolitan Plan for Sydney 2036.	The planning proposal is inconsistent with the Metropolitan Plan for Sydney 2036 which identifies the site as Category 1 Industrial Lands. The Draft Metropolitan Strategy is moving away from these categorisations favouring instead a "Strategic Assessment Checklist". The Department has also previously endorsed re-categorising this land as Category 2 lands to enable a broader range of uses, as set out above.

Section C - Environmental, social and economic impact

8. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

The planning proposal does not apply to land that has been identified as containing critical habitat or threatened species, populations or ecological communities, or their habitats.

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

Other likely environmental effects that may result from the planning proposal are discussed below, including:

- Urban Design
- Traffic and transport
- Parking
- Noise
- Flooding
- Contamination
- Overshadowing and privacy

URBAN DESIGN

The planning proposal is guided by the objectives previously referred to at Part 5, including the following key urban design principles.

distributing land uses across the site that are better suited to surrounding uses, including complementary retail and commercial uses with active ground floor frontages.

modulating building heights across the site to create a relationship with the streetscape and surrounding buildings that responds to existing development patterns. This would include concentrating taller buildings on the southern part of the site to mitigate overshadowing of surrounding low rise residential properties.

maximising the site's strategic location close to existing and proposed public transport, by improving pedestrian and cyclist connections and local amenity.

As discussed at section 5.2 of the report, the Department undertook further built form analysis following the Gateway Determination in March 2013, to identify the appropriate floor space ratio, building height controls, distribution and mix of land uses and development controls across the site. The site's proposed planning controls have also been informed by Council's existing and draft development controls.

The Department has prepared a draft site specific development control plan that would guide future development at the site to ensure the underlying objectives of the planning proposal could reasonably be achieved.

TRAFFIC AND TRANSPORT

The site is located to the north of Parramatta Road with frontage to George Street, Upward Street and McAleer Street, all local roads.

Flood Street and Tebbutt Street act as collector roads facilitating connections between surrounding regional and local roads. Parramatta Road is an important State Road providing regional access to the east and west. It carries large traffic volumes, approximately 76,000 vehicles per day, and currently experiences delays.

A traffic impact assessment undertaken by McLaren Traffic Engineering, dated October 2012 indicates that the proposed development will not generate significantly more traffic than the existing use of the site. Based on RTA guideline rates:

- existing operation of the site (being 24,000m² of industrial floor space) will generate approximately 1,228 movements per day.
- proposed operation of the site (being 2,250m² commercial floor space and 326 residential units) would generate approximately 1,535 movements per day.

The traffic impact assessment found that to accommodate this increase, traffic upgrades may be required, including:

- implementing a seagull or channelised intersection of Treadgold Street and (south) Flood Street
- introduce a one way circulation on Treadgold Street
- reviewing on-street parking provisions.

The Department subsequently engaged Cardno to provide an independent peer review of the McLaren Traffic Engineering traffic impact assessment.

Cardno noted some discrepancies between McLaren's modelled and observed queue lengths, and advised the traffic assessment did not consider growth in background traffic volumes for future development.

However, Cardno supported the recommended seagull or channelised intersection of Treadgold Street and (south) Flood Street proposed by McLaren, provided that any loss of on-street parking spaces is minimised. Cardno did not consider the introduction of a one-way circulation on Treadgold Street was warranted.

Cardno recommended that further traffic analysis would need to be undertaken at the development application stage, particularly in relation to the assessment of traffic network impacts.

The Department notes that if the site is rezoned, further detailed traffic assessments may be required to accompany individual development applications for proposed uses at the site.

PARKING

To encourage the use of public transport and active forms of transport, reductions in on-site car parking should be considered along with other measures to reduce private car travel, such as car share schemes.

The McLaren traffic and parking assessment noted the development would include between 280-360 parking spaces, comprising 218-298 residential spaces, 33 residential visitor spaces and 29 commercial spaces. Those parking rates are consistent with Roads and Maritime Services (RMS) and Council's respective parking requirement guidelines.

The Department engaged Cardno to provide a peer review of the McLaren assessment's proposed parking rates to inform the parking controls to be included in the site's draft development control plan.

Cardno's review of the proposed parking had regard to the RMS guidelines, Council's DCP parking standards and the parking controls for the residential and mixed use developments at 118-124 Terry St Rozelle, and the Balmain Leagues Club precinct.

Cardno advised the proposed parking rates should be significantly reduced, having regard to:

- the surrounding road network has limited capacity to accommodate future increases in traffic levels generated by new development due to existing congestion, particularly on Parramatta Road
- the development provides a good opportunity to reduce reliance on private car use, due to the site's access to existing and proposed public transport
- proposed pedestrian and cyclist links through the site would improve connectivity to surrounding public transport.

Cardno's parking recommendations have been incorporated as car parking controls in the draft development control plan. It is noted the proposed parking controls for the site are more stringent than at the Terry Street site and the parking controls in Council's DCP.

The draft DCP also requires at least 2 percent of all parking spaces at the site to be publicly accessible car share spaces.

NOISE

The site experiences noise generated from nearby traffic, including the Parramatta Road corridor, the site's existing industrial operations, surrounding industrial uses and aircraft noise.

Aircraft noise impacts most of the southern part of the Leichardt LGA. The site is located outside high aircraft noise areas, and is within ANEF 20-25, which is considered 'acceptable' for residential development. Residential development within this area needs to comply with the Australian Noise standard for aircraft noise intrusion AS2021.

Vipac Engineers & Scientists Ltd undertook an assessment (dated June 2010) of the potential noise impacts on residential and mixed use development proposed at the site and

the impact of noise generated at the site. The assessment considered the impacts of traffic noise, aircraft noise and industrial noise generation.

The Vipac assessment identified that noise attenuation measures (such as acoustic glazing) will be required within new dwellings to meet the minimum standards for both traffic and aircraft noise on the site. Provided that appropriate noise attenuation is undertaken, the report concludes that the proposed residential and mixed use development will not be adversely affected by noise.

The assessment also concludes that traffic noise generated from the site will comply with noise standards. In addition, construction noise and potential noise generation from plant operation on the site can be appropriately managed.

It is noted the proposed residential uses at the site would generate less noise than the site's existing industrial uses. Notwithstanding this, it is recommended that a more detailed noise assessment be undertaken once facilities currently operating at the site have ceased operation if the Gateway determination is approved. The requirement for appropriate noise attenuation controls would also be considered in the preparation of development controls to guide future development applications at the site.

FLOODING

In June 2010, Council completed the *Leichhardt Flood Study*, which studied and modelled the impact of flooding as a consequence of major storm events throughout the LGA. The study, prepared by Cardno, identified that the site has the potential to be affected by the 1 in 100 year flood event.

Cardno also undertook a review of the flood information available for the site on behalf of the proponent in June 2010. As shown in Figure 10, the southern part of the site is subject to flooding during the 1 in 100 year flood event. Piping exists on the site to manage stormwater during less extreme events, which are mostly experienced at the low point of the site, located on the upward street boundary. The proponent's preliminary investigations suggest the capacity of the pipe may need to be upgraded to accommodate the proposed development.

Council officers have advised the site is located at a key point within the existing catchment. The site's buildings act as a dam/detention basin which restricts the flow of stormwater through downstream sites during flood events. At the same time, this 'damming' causes elevated flood levels upstream of the site which impacts on upstream properties.

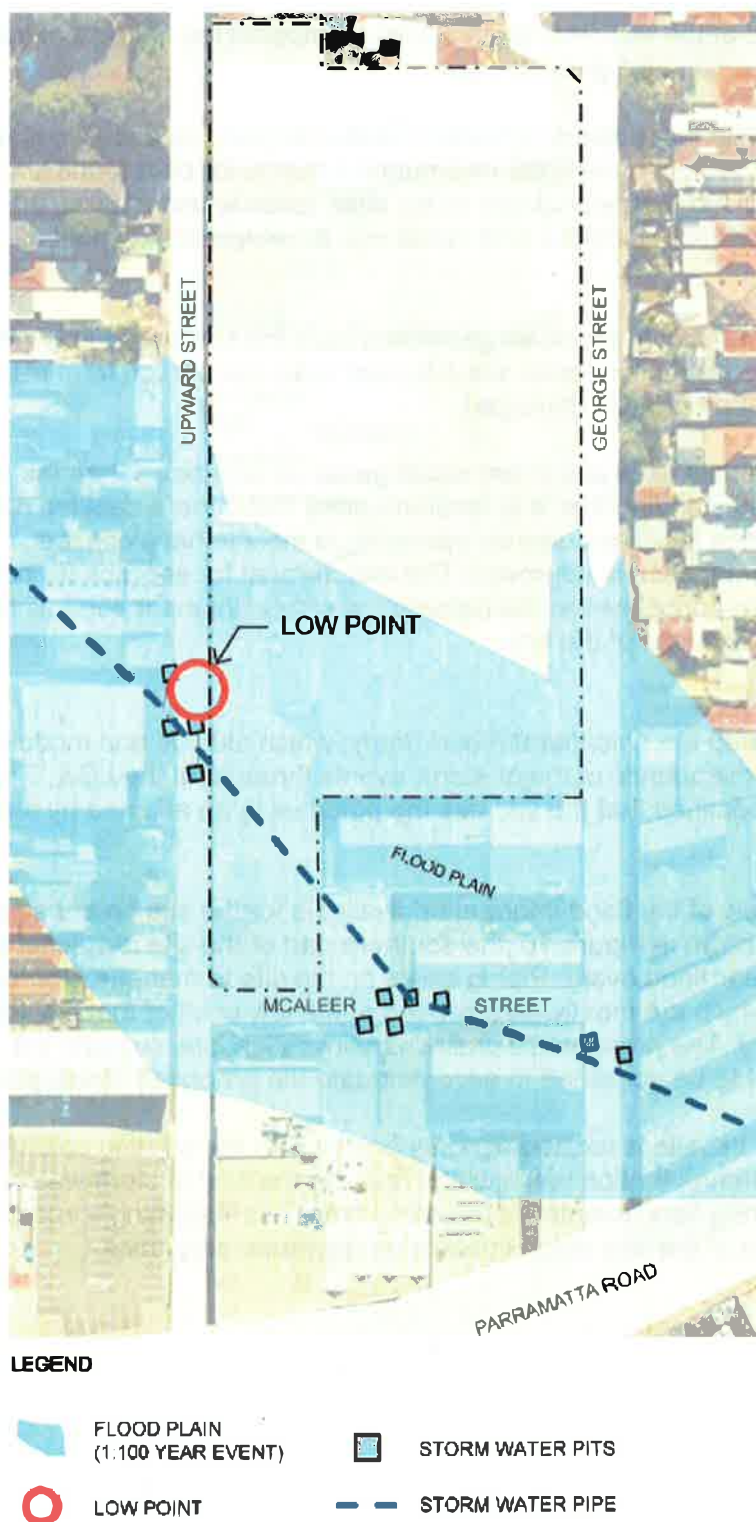


Figure 11: 1 in 100 year flood event

The site is identified as a 'flood control lot' in Section A3.0 (Sustainable Water & Risk Management) of Council's Development Control Plan 2000 (SWRM DCP). This identification confirms the site has the potential to be affected by a 1 in 100 year flood event, with a number of risk management measures that may be required with development application(s) for the proposed development at the site, including those set out in Table 6 below:

Table 6: Risk Mitigation Measures	
Risk Management Report	Requirements
Flood Risk Management Report	A Flood Risk Management Report (FRM Report) is required for potentially flood prone lots to ensure that the risks associated with flooding are clearly identified, and where appropriate, the development is modified to minimise those risks. The FRM Report must include, amongst other things: • a description of the existing stormwater drainage system and the extent of the 100 year Average Recurrence Interval (ARI) flood event in the vicinity of the development • the site's Flood Planning Level and Probable Maximum Flood (PMF) Level • measures to minimise the risk to persons, property damage and to protect the development from flood impacts from 100 ARI and PMF events • a flood evacuation strategy
Stormwater Drainage Concept Plan	Required for all proposed developments that include alterations or additions to existing roof areas and must demonstrate how stormwater will be managed on the site and how it will be collected, conveyed and disposed from the site.
Integrated Water Cycle Plan	The purpose of the Integrated Water Cycle Plan (IWCP) is to ensure an integrated development response to all issues affecting the water cycle where large scale developments are proposed. The IWCP must be prepared by a suitably qualified civil engineer, in consultation with Council, Sydney Water and the NSW Office of Environment and Heritage (OEH).

It is also a requirement of the SWRM DCP that any proposed flood mitigation works that modify the stormwater drainage system or flood behaviour within a site do not have an adverse impact on any surrounding property. Council confirmed it would be necessary for the flooding behaviour, both upstream and downstream of the site, to be analysed in detail to demonstrate there would be no adverse impact on any other property or lands.

Council has advised that proposed buildings at the site should be designed to incorporate a future overland flow path through or around the site's buildings as part of the site's flood mitigation works. In the long term, an upgrade to the existing pipelines across the site may also be required in conjunction with future upgrades to the drainage network throughout the catchment.

To ensure the proposed development is not affected by flood waters during and up to the 1 in 100 year flood event, it is recommended that a flood planning level is adopted which is above the 1 in 100 year event, consistent with the requirements of the SWRM DCP.

The Department is satisfied that adequate controls are in place in the SWRM DCP to confirm that appropriate flood studies will be carried out in association with future development applications, and associated flood mitigation works implemented to ensure that any on-site and off site flooding and stormwater impacts resulting from the proposed works could be appropriately managed.

CONTAMINATION

Clause 6 of *State Environmental Planning Policy No 55 – Remediation of Land* (SEPP 55) requires that the Minister is not to rezone land unless consideration has been given to whether the land is contaminated. Clause 6 requires that:

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

Clause 6(2) provides that the Minister is to obtain and have regard to a report specifying the findings of a preliminary investigation of the land carried out in accordance with the contaminated land planning guidelines.

The Department reviewed a Hazardous Building Materials report for the Kolotex site prepared by EIS in 2008, which confirmed the presence of polychlorinated biphenyls, asbestos and synthetic mineral fibre containing materials that would require specific handling and disposal protocols to be met. This Hazardous Building Materials report did not include the Labelcraft site.

As referred to at section 5.1 above, a phase 1 environmental site assessment has been undertaken for the proposed residential and mixed use development on the site. The assessment found there is potential for soil and groundwater contamination.

The environmental assessment recommended a phase 2 contamination assessment would be required. This would be prepared following any rezoning and prior to undertaking future development at the site to determine the extent of any contamination within the study area.

Any future residential and commercial development at the site would also be subject to development application(s) before any development can be carried out. This would include the requirement for the development to comply with Council's Development Control Plan No. 42 – Contaminated Land Management, and the site specific development controls for the site to be prepared following Gateway Determination.

Accordingly, in order to satisfy the requirements of SEPP 55, further contamination assessment may be required to support such development applications.

OVERSHADOWING AND PRIVACY

The proponents prepared overshadow studies for each of the Kolotex and Labelcraft sites, and the Department also commissioned consultants to undertake an overshadow assessment. The Department's overshadow diagrams are set out at Figures 12-15 below.



Figure 122 Potential Overshadowing at 9am, 21 June (JBA, 2013)

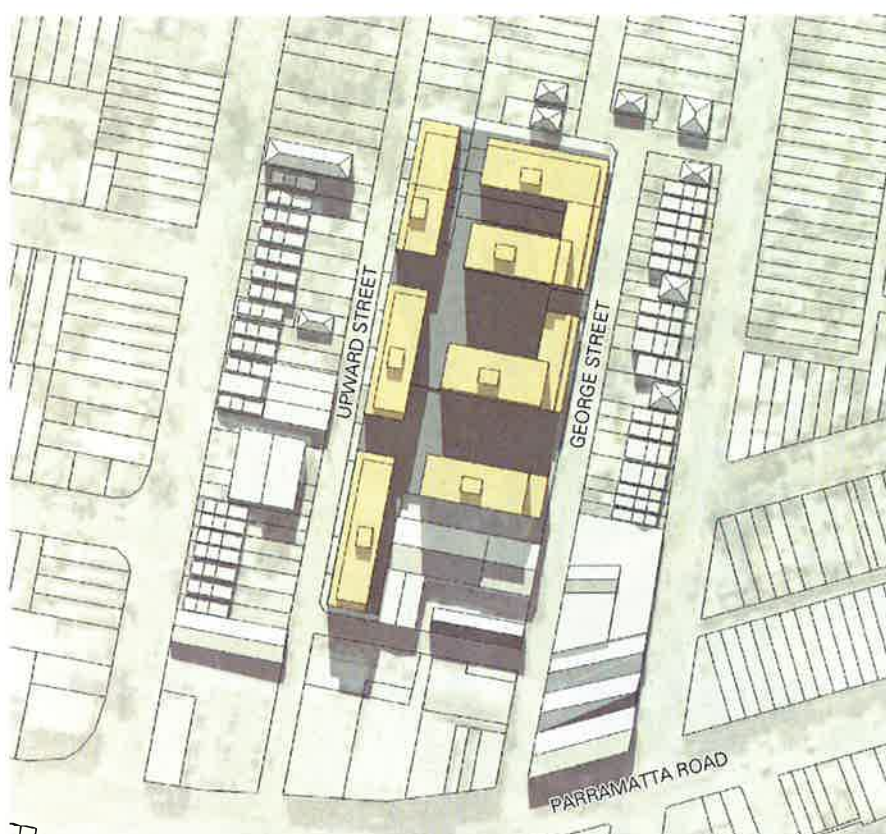


Figure 13 Potential Overshadowing at 12pm, 21 June (JBA, 2013)

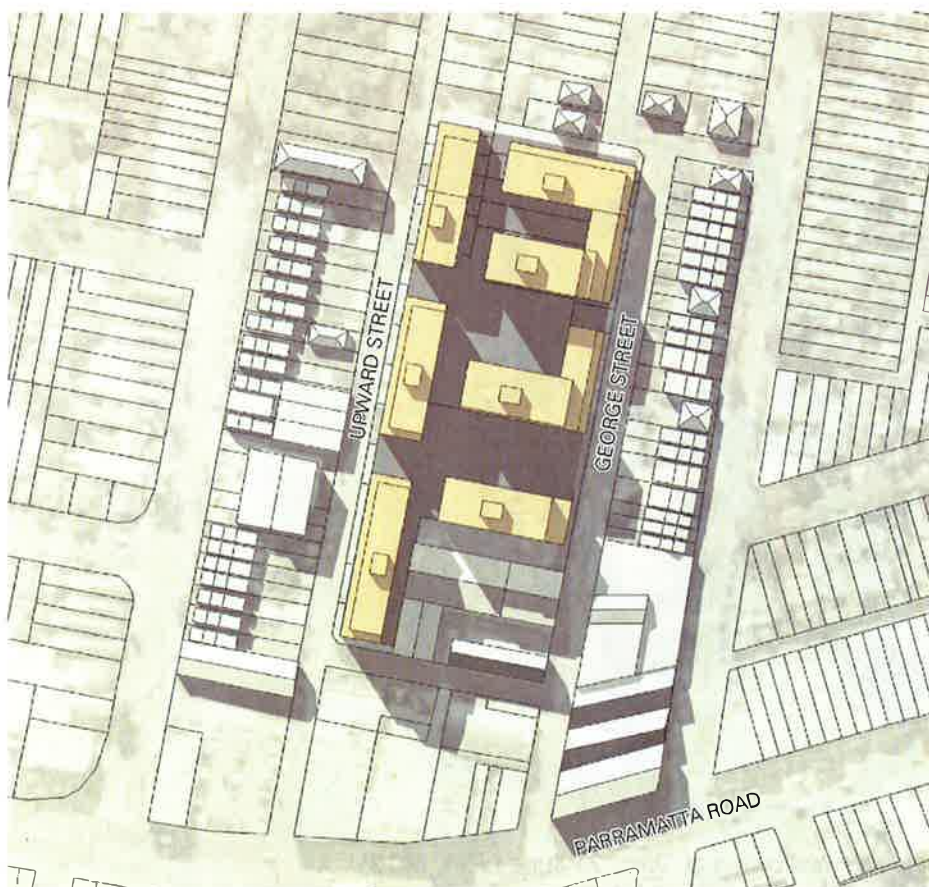


Figure 14 Potential Overshadowing at 2pm, 21 June (JBA, 2013)

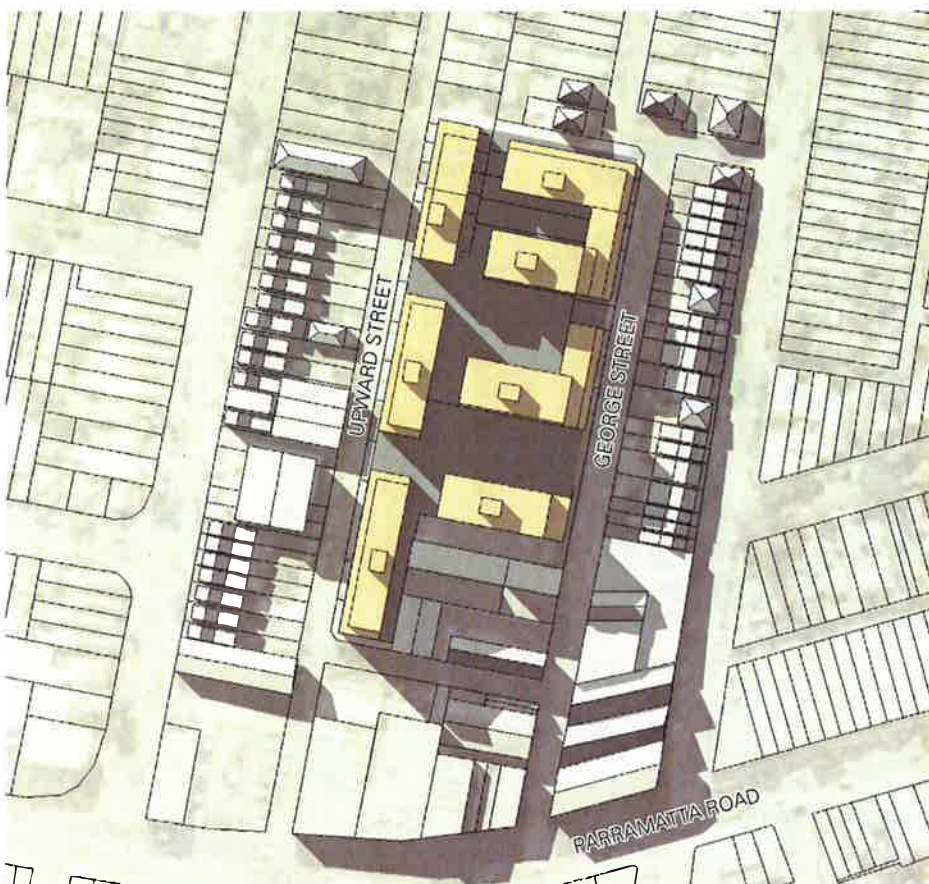


Figure 15 Potential Overshadowing at 3pm, 21 June (JBA, 2013)

Indicative building envelopes demonstrate there will be no overshadowing of adjacent residential properties the west of the site on Upward Street by 12pm on the shortest day of the year (21 June). There will also be some overshadowing at the rear of some residential properties on George Street from 2pm on 21 June.

Development Controls to Reduce Overshadowing

The draft DCP aims to limit overshadowing on adjoining residential areas as far as practical. A control in the draft DCP would require new development to retain appropriate solar access to adjoining residential properties to adjoining residential properties, being:

- At least three hours of direct sunlight to 50% of the primary private open space and living rooms of adjoining residential areas between 9am and 3pm on 21 June; or
- The existing levels of direct sunlight between 9am and 3pm on 21 June (whichever is less)

Leichhardt Council's DCP also requires future development applications to provide detailed overshadowing studies for individual developments to limit overshadowing and maximise solar access on surrounding properties, habitable rooms and private open space of proposed new dwellings.

10. How has the planning proposal adequately addressed any social and economic effects?

SOCIAL IMPACTS

A Social Impact Assessment (SIA) of the Koltex and Labelcraft sites has been undertaken by Urbis dated January 2011. The SIA provides an overview of the existing community and review of the capacity of social infrastructure.

Population change

Based on the 2006 census the SIA indicates that the surrounding suburb of Leichhardt has the following population characteristics when compared with the broader Sydney statistical division:

- A greater number of children aged between 0 and 24 and a lower proportion of people aged over 65;
- A high and increasing number of people working in professional fields, including the banking and finance sector, education and scientific and technical services. The number of people working in manufacturing has declined.
- An increasing number of rented dwellings coupled with a shift towards apartment style housing.

The 2011 Census data, released since the time this report was prepared, shows a continuation of these trends. The SIA also estimates that based on recent population trends a large proportion of the new residents will be young professionals and renters.

Capacity of social infrastructure

A broad range of community infrastructure and social services are located within the vicinity of the site including education institutions, medical facilities, community centres, places of worship and public transport. The SIA indicates that these existing services and infrastructure are generally adequate to service the needs of the existing population and the demands of the new residents. With the exception of provision of child care services and open space, which have been raised as an issue in consultation with Council and service providers.

While a number of child care services are located within vicinity of the site, consultation with operators indicates there is limited capacity in these existing services. The SIA concludes that as the proposed land use change is not likely to attract a large number of children or families it is not likely to further exacerbate this issue. Despite this, the proposal to rezone the site for mixed use and residential would allow for the development of private child care services within the site if feasible in the future.

Council raised concerns about the additional demand on public open space from new residents and workers. The conceptual plan for the site included with the proponent's planning proposal demonstrates opportunities to provide communal open space within the site to meet the needs of the new residents. In addition, the SIA notes that there are a number open space areas within the vicinity of the site that could service the new community.

Provision of open space within the site and requirement for local development contributions to address the demand placed on surrounding areas of public open space can be addressed as part of future development applications for the site.

Housing affordability

Redevelopment of the site provides an opportunity to enhance housing affordability within Leichardt, in an area accessible to the city. Development of the site will meet some demand for affordable housing through an increase in housing supply as well as the provision of lower-cost housing stock driven through smaller unit sizes. Further, the need for affordable housing can also be addressed through the provision of a variety of housing types (including one, two and three bedroom dwellings) that cater to diverse price points.

Leichardt Council's 'Affordable Housing Strategy' dated 2011 seeks a minimum 10% affordable housing contribution for all new significant development projects in the LGA. Council has a preference for dwellings to be provided on site to be set aside as affordable housing, or alternatively an equivalent monetary contribution.

As referred to at section 5.3, the Department engaged an independent economic consultant to provide feasibility modelling analysis to identify an appropriate affordable housing contribution to be set aside at the site.

Council's 10% affordable housing target was used as the economic consultant's starting point, with a range of possible affordable housing scenarios tested to determine what would be feasible.

The site's owners subsequently offered to construct and transfer ownership of 11 units at the site to an affordable housing provider and a further 2 units to be leased by an affordable housing provider for at least 10 years.

This affordable housing contribution represents between 3 - 4% of the site's development yield potential and is consistent with the recommendations provided by the Department's economic consultant and would provide a key public benefit to the community as a consequence of the site's rezoning.

ECONOMIC IMPACTS

The change from the existing industrial zoning to enable residential and potential retail and commercial uses on the site is considered consistent with market demand and likely to generate positive economic outcomes for the surrounding area and Leichardt LGA.

The proposed increase in residential development within the area would contribute to the housing targets in the Inner West Subregional Strategy. As outlined in Section A of this

report, it is estimated Leichhardt LGA could experience a shortage of 2,231 dwellings by 2036. The proposed 350 dwellings would assist in meeting this shortfall.

In terms of the loss of employment generating land, the study undertaken by Urbis identified that the rezoning would generate an estimated 715 direct jobs and 1,067 indirect jobs during the planning and construction phase and an estimated 125 direct jobs and 238 indirect on-going jobs during the operating phase.

Modelling undertaken as part of the Employment Lands Study in January 2011 demonstrates that adequate employment lands are available in the Leichhardt LGA to meet job targets. On this basis Council's Draft Development Plan identifies the opportunity to convert some of the LGA's large stock of obsolete and underutilised industrial buildings that area in close proximity to public transport and existing centre for other uses.

Section D - State and Commonwealth interests.

11. Is there adequate public infrastructure for the planning proposal?

The site is well serviced by public transport being in close to the Parramatta Road strategic bus corridor and within a walkable distance from three train stations – Lewisham, Petersham, and Summerhill. The site is also located within 300m of the future Taverners Hill light rail station. The close proximity of public transport assists in reducing dependence on private car travel and pressures on the local road network.

12. What are the views of state and commonwealth public authorities consulted in accordance with the gateway determination?

The Department will be seeking the views of relevant public authorities under section 57 of the EP&A Act, which will occur during the exhibition of the planning proposal. This will likely include consultation with:

- Leichhardt Municipal Council
- Roads and Maritime Services
- Transport for NSW
- NSW Police
- Housing NSW
- Office of Environment and Heritage

7 COMMUNITY CONSULTATION

A number of community and stakeholder consultation activities have previously been undertaken by the Council and proponent since the proposal to rezone the site commenced in 2006.

During 2005-2006, Council undertook consultation activities in relation to a rezoning proposal for the site that was subsequently not supported by the Department.

Between June and November 2010, Urbis, on behalf of the proponent, conducted a number of consultation activities in relation to a revised proposal that incorporated the Labelcraft site, including:

- Notification letters to surrounding properties and stakeholders
- Two community meetings and a community drop in and information session
- Meetings with an adjoining owners and Leichhardt Ward Councillors; and
- Distribution of a community newsletter

A public meeting was held at Leichhardt Town Hall on 24 February 2011 facilitated by the then Leichhardt Mayor. Council officers and representatives of the proponent made presentations in relation to the proposal and received Q&A feedback from attendees.

NSW Government

Department of Planning & Infrastructure

The Department was not involved with any of these previous consultation activities, and it is noted the current planning proposal differs from the proposals that formed the basis of previous consultation measures.

Since the Director-General's appointment as the RPA for the planning proposal in June 2012, a project working group involving representatives of the Department and Council has been established. Respective officers have met on several occasions and will continue to convene to consider all aspects of the planning proposal.

On 5 February 2012, officers of the Department also met with Leichhardt Councillors and Council staff to provide an overview of the work undertaken and to seek Council feedback and comments on the planning proposal.

On 6 August 2013, officers of the Department provided a further briefing with Leichhardt Councillors and Council staff to advise of the work undertaken since the initial Gateway Determination was issued in March 2013, and to seek Council feedback prior to public exhibition of the planning proposal.

A series of community consultation measures will be undertaken during public exhibition of the planning proposal, including:

- notification letters to surrounding properties, Government agencies and other stakeholders
- two community information drop in sessions
- public exhibition of the planning proposal

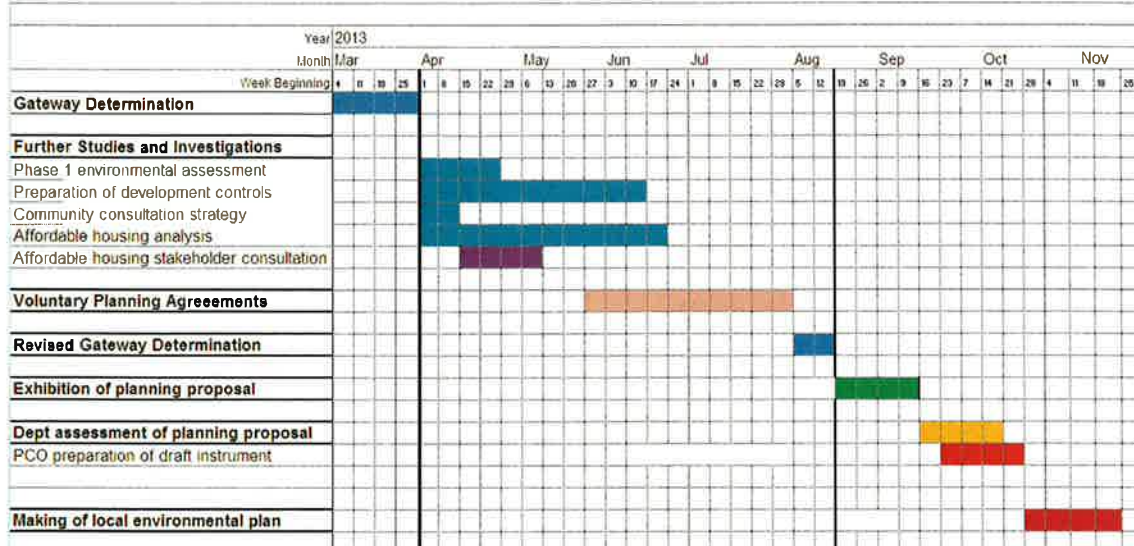
8 CONCLUSION

The proposal to amend Leichhardt LEP to allow medium density residential development and some employment uses at the site is acceptable in principle. Further technical studies have been prepared following the initial Gateway Determination in March 2013 and the Department is satisfied the proposal is sufficiently advanced to proceed to a revised Gateway Determination and public exhibition.

The Department anticipates the planning proposal can be made within 9 months from the date of the Gateway Determination in March 2013, being an additional 3 months than originally envisaged.

Table 7: Planning proposal timetable

Kolotex and Labelcraft sites planning proposal



9 RECOMMENDATIONS

It is recommended that the Department:

1. commence the process to prepare a local environmental plan to amend the relevant Leichhardt Local Environmental Plan in force at the time, in accordance with s54 of the Act, to allow medium density housing, with potential for some retail and commercial activities on the site;
2. adopt the planning proposal for the site, in accordance with section 55 of the Act; and
3. forward the planning proposal to the Minister for Planning & Infrastructure requesting a Gateway determination in accordance with section 56 of the Act.

Prepared by:

M. McDonald

Malcolm McDonald
A/Team Leader
Strategic Assessment

Approved by:

Michael File

Michael File
Director
Strategic Assessment

APPENDIX A
ADVICE FROM PLANNING ASSESSMENT COMMISSION TO MINISTER
DATED 10 MAY 2012



Planning Assessment Commission

The Hon Brad Hazzard MP
Minister for Planning and Infrastructure
Minister Assisting the Premier on Infrastructure NSW
Level 33 Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

10 May 2012

Dear Minister

**Advice: Planning Proposal for the Kolotex and Labelcraft Sites,
George Street, Leichhardt (A052-12)**

I refer to correspondence dated 4 April 2012 from the Director General of the Department of Planning and Infrastructure, referring the above planning proposal to the Planning Assessment Commission ('the Commission') for advice under Ministerial delegation.

The letter sought advice and a recommendation to you under section 23D(1)(b)(i) of the *Environmental Planning and Assessment Act 1979* ('the Act') as to whether the proposed planning proposal should be submitted for a Gateway determination (s56 of the Act).

I was nominated to chair the Commission constituted to consider this matter. Mr Garry West is the other member to constitute the Commission.

The Commission has considered the Department's preliminary planning report and accompanying documents. The Commission visited the site, and met with both Leichhardt Municipal Council and the proponent to discuss the planning proposal.

From its review and as set out in the accompanying report dated 10 May 2012, the Commission's recommendation is that the proponent's planning proposal has strategic merit, and that it should proceed to the Gateway determination process.

Yours sincerely

Mr Richard Thorp
Planning Assessment Commission

cc. Mr Sam Haddad
Director-General
Department of Planning and Infrastructure
GPO Box 39
SYDNEY NSW 2001



10 May 2012

**PAC ADVICE ON PLANNING PROPOSAL FOR THE KOLOTEX AND
LABELCRAFT SITES, GEORGE STREET, LEICHHARDT**

1. APPOINTMENT OF THE COMMISSION

On 10 April 2012, the Planning Assessment Commission received a request from the Hon. Brad Hazzard, Minister for Planning and Infrastructure regarding a planning proposal for the Kolotex and Labelcraft site in the Leichhardt Local Government Area (the 'LGA').

Under s 23D(1)(b)(i) of the *Environmental Planning and Assessment Act* ('the Act') the Minister requested the Commission's advice and a recommendation, as to whether the proposed instrument for the site should be submitted for a Gateway determination.

The Commission appointed to consider the proposal consisted of Mr Garry West, and Mr Richard Thorp as the Chair.

The proponent is also seeking that either the Director General of the Department, the PAC or the JRPP are designated as the 'relevant planning authority' (RPA) to manage the planning proposal process, which is for the Minister to decide under s54 of the Act.

2. DEPARTMENT OF PLANNING AND INFRASTRUCTURE RECOMMENDATION

The Project Delivery Unit of the Department of Planning and Infrastructure ('the Department') has prepared a briefing in the form of a Preliminary Planning Report dated March 2012. This report aims to 'provide background information and an objective investigation in to proposed rezoning requirements of the proponent'.

The recommendation of the Department's preliminary planning report is that the PAC:

Endorse the planning proposal and this Preliminary Planning Report for the Kolotex and Labelcraft sites and form the opinion that the planning proposal should be referred to Gateway in accordance with Section 54.2(c) of the Act.

The Commission has considered the Department's Preliminary Planning Report, which was accompanied by the proponent's planning proposal and submission to the Department dated 18 January 2012, the Report of the General Manager to Council on the prior planning proposal dated 15 March 2011 and the resultant Council resolution dated 22 March 2011.

3. THE SITE

Both Commission members independently visited the site and its surrounds.

The site is rectangular shaped, with an area of 1.46ha. The address is 22 and 30-40 George Street, Leichhardt, and the site is bounded by George Street to the east, Upward Street to the west and McAleer Street to the south. To the north it abuts residential.

The site is made up of two separate portions in different ownership, consisting of the Kolotex site (to the south) and the Labelcraft site (to the north) and it is occupied by industrial buildings with limited vegetation.

The current zoning is Industrial in accordance with *Leichhardt Local Environmental Plan (LEP) 2000*. The northern-most portion of the site is subject to a heritage listing, which appears to be an anomaly and the *draft Leichhardt LEP 2011* removes any heritage listing within the site, although it is retained for the row of dwellings to the north fronting Upward Street.

The site is proposed to be zoned IN2 Light Industrial in the draft Leichhardt LEP 2011.

4. THE PLANNING PROPOSAL

The process to date is discussed further in section 6 below, and it has culminated in a planning proposal being submitted by Urbis under covering letter dated 18 January 2012 to the Department of Planning and Infrastructure ('the Department') seeking a Gateway determination for the Kolotex and Labelcraft site. The proponent confirmed that the planning proposal submitted to the Department was that considered by Leichhardt Council at its meeting of 22 March 2011.

The planning proposal seeks to change the land use zones on site to:

- Retain IN2 – Light Industrial at the southern end of the site;
- Introduce B6 Enterprise Corridor in a central 'mixed use zone' incorporating 20% of the gross floor area (GFA) within this zone for small-scale retail and commercial uses, with the remainder being medium density housing; and
- Introduce R1 General Residential for the northern portion of the site allowing for medium density housing.

The proponent has also indicated that a site specific DCP will be prepared. Indicative development standards and other features include:

- A maximum FSR of 2:1;
- A height range of 2-6 storeys;
- Residential yield of some 336 dwellings; and
- Central open space.

Should the planning proposal progress through to a Gateway determination (s56 of the Act), an assessment of the specific merits of the planning proposal and its supporting documentation, will then be made in consultation with the community and Government agencies. As such, the Commission has not commented on detailed design aspects including FSR and height, and has focussed on the strategic merits of the planning proposal.

5. CONSULTATION

The Commission met with Leichhardt Council on 8 May 2012, at which time the Council raised the following points:

- Leichhardt's demographics and community needs are changing at a rapid rate, with a population increase of 5,000 people in the past 5 years and increasing numbers of young families.
- The demographic shift has impacted on demand for employment, housing, and social infrastructure including open space.
- Housing affordability is an issue in the LGA and the area in which the site sits has a significant deficiency in open space provision.
- Employers are experiencing high staff turnover, as many key workers do not live in the area and must commute.
- The Council will exceed its housing targets.
- The Council has worked closely with proponents' redeveloping other sites, with particular reference to the Anka site (Terry Street) in Rozelle, resulting in development that is within Council's guidelines, well received by the community, and provides significant community benefits.
- The Council previously identified parameters for redevelopment of this site and worked with the proponents since the mid 2000s.
- Through prior consideration of an adaptive reuse scheme for the site, it was evident that amenity impacts would arise.
- Adaptive reuse of the site would allow for an incentive based FSR of 2:1 on environmental grounds, which should not apply to a new build development where an FSR of 1.5:1 should be applied.
- It is not enough to provide housing close to public transport, there is a need to enhance housing provision and services, particularly a need to include an area of open space with true accessibility for all users.
- The Council has commissioned SGS to prepare employment and economic development studies which are due in September. This evidence base would influence the land uses and open space provision the Council would seek for this site, and the rezoning process should await release of this study.
- Community concern was raised with regard to the proponent's prior community consultation. The Council should be the RPA and it is the most appropriate authority to carry out community consultation.
- The Council confirms that more detailed plans (e.g. blocks, heights, overshadowing) supported by the recommended reports within an integrated package is required for appropriate community consultation.

The Commission then met with the proponent on 8 May 2012, with the following main points raised:

- The proponent has experienced undue delay and uncertainty to date.
- The Council's deferral seeks a level of detail and requirements that are inappropriate for this stage of the rezoning process resulting in significant uncertainty.
- In order for the proponent to commit further resources more certainty is required. Hence the planning proposal has been referred to the Department in order to get to the 'starting line' of the rezoning process, and to request that an independent body is appointed to oversee the planning proposal process.
- The Department's issues raised in the prior Gateway determination have been satisfactorily resolved, and sufficient plans and community consultation for this stage of the process have been prepared/undertaken.
- The planning proposal before the Commission was that considered by the Council in its resolution dated 22 March 2011 and by the community in the proponent-led consultation.

- The costs of remediating the site from off-site impacts are some \$4 million and this cost and others inevitably influence viability and the FSR sought.
- Communities often give more weight to 'tangible' benefits such as open space, with less appreciation of 'intangible' benefits such as remediation.
- Project benefits are set out in the planning proposal, and include remediation, through-site links, traffic improvements and a link to bicycle paths.
- The Council's acceptance of a 2:1 FSR was consistent between 2006 and 2010, and therefore not related to the abandonment of an adaptive reuse scheme.

6. BACKGROUND TO THE PLANNING PROPOSAL

A detailed project chronology is set out in section 1.6 of the Department's briefing and in Appendix 1 of the proponent's correspondence dated 18 January 2012, with the main relevant points set out below.

The proposal to rezone the Kolotex site only, commenced in 2006, with the Council resolving to initiate the rezoning process and commence a draft amending LEP, then seeking authorisation from the Department to exhibit a draft LEP.

The Department advised it was unlikely to support the proposed LEP amendment and that three issues needed to be addressed:

1. Justification for the loss of industrial land in the context of the amount and quality of adjoining and LGA-wide land available for industrial purposes.
2. Consideration of the 2005 Metropolitan Strategy; and
3. Evidence that the future use of the Kolotex site for mixed uses would not further compromise the LGA's ability to provide local services and employment through its impact on the adjoining industrial land (i.e. the Labelcraft site).

The proponent addressed these concerns, in part by preparing an Employment Study relating to the Kolotex site (George Street Employment Study, Urbis, June 2008) and Labelcraft also confirmed it was supportive of the rezoning proposal.

The site is identified in the *draft Inner West Subregional Strategy* as 'Category 1 Employment Land' to be retained for industrial purposes. However, on 24 July 2009 the Department advised it supported re-classification of all existing industrially zoned property north of McAleer Street as 'Category 2 Employment Land', including both the Kolotex and Labelcraft sites. This support was contingent on some employment uses being retained on site.

Following introduction of the revised plan making process in 2009, the proponent lodged a planning proposal with Leichhardt Council in April 2010 to rezone both the Kolotex and Labelcraft sites. In April 2010 the Council unanimously passed a resolution to rezone the site.

On 26 June 2010, in response to the Council's request for a Gateway determination, the Department advised that there did appear to be a justifiable need to rezone these sites to allow for a broader range of uses which would contribute to Council achieving its sub-regional employment targets. However, the Department determined that the Gateway determination should not proceed for the following reasons:

1. There is insufficient information to determine the 'split' between employment and non-employment land uses and to ensure that employment generating uses will remain the dominant land use. This is particularly relevant within the context of the current Inner West sub-regional employment targets.

2. No details (maps etc) have been provided relating to zone boundaries, height and FSR controls which would allow assessment of the impact of any future development; and
3. Inadequate justification has been provided in relation to the consistency of the planning proposal within Council's strategic framework for this area.

The Council's consultants SGS Economics and Planning carried out an *Employment Land Study* for the site and other industrial land in the LGA. The site is within the Tebbutt Street/Parramatta Road precinct, and the Study identified that the broader area west of Flood Street (including the site) should be set aside for industrial land uses subject to more detailed local study. The Council then carried out further modelling assessing the interaction of supply and demand under a range of scenarios, and in a report to Council on 15 February 2011 it concluded that the Council could meet employment targets while accommodating rezoning of selected sites including the planning proposal site.

Community consultation was also carried out by Urbis in November 2010 and by Council in February 2011 with regard to rezoning the site.

On 22 March 2011, Council considered an officer's report (dated 15 March 2011) on the planning proposal with a number of recommendations including responding to the Department's outstanding Gateway determination issues. The Council unanimously resolved the following:

That the application to rezone be deferred with clarification that the following issues be addressed:

- *FSR no greater than 1.5:1*
- *Maximum 4 storeys*
- *Maximum 2 levels to street fronts*
- *Dedication of a significant proportion of open space as a public park*
- *Addresses risk of overshadowing*
- *Addresses privacy issues*
- *Key environmental sustainability principles*
- *And all recommendations as outlined in the Council officer's report.*

The proponent met with the Council in June 2011 to discuss the resolution, and the proponent advises that at this meeting Councillors made clear their resolution of 22 March 2011 would stand.

In June 2011 the Department requested that the Council bring forward a planning proposal for the site, and advises no response was received.

On 18 January 2012 the proponent formally submitted their planning proposal to the Department, citing unreasonable delay by the LPA and that the Council's resolution of 22 March 2011 requires a level of detail commensurate with a development application, rather than a Gateway determination.

7. COMMISSION'S COMMENTS

The site is within an established inner ring suburb that is experiencing transition in its demographics and land values, impacting on employment and housing needs. The location is well connected to public transport, including buses along Parramatta Road and being within walking distance of Summer Hill, Lewisham and Petersham railway stations. A light rail stop is also proposed near Parramatta Road. Retail and commercial precincts are also in close vicinity including Leichhardt Market Place and Norton Street. Social infrastructure and public open space is convenient to the site.

The *Metropolitan Plan for Sydney 2036* expects that an additional 12,500 new jobs would need to be accommodated within the Inner West Subregion by 2031. Leichhardt, situated within this Subregion, under the *draft Inner West Subregional Strategy* is targeted to create 500 additional jobs and 2,000 extra dwellings between 2004 and 2031.

The site provides a good opportunity for provision of additional employment and housing in a sustainable location with good access to public transport and services, which is consistent with strategic planning objectives.

The area is a mix of industrial, commercial, retail and residential. To the west, north, and east of the site are residential properties. To the south are commercial/light industrial properties. The proposed land use split into commercial at the south end, mixed use centrally and residential to the north is sensible and would reinforce the surrounding uses with a transition from commercial at the south through to residential to the north.

The Council has previously devoted considerable resources relevant to rezoning this site including preparation of industrial land use studies, employment studies, meetings with the proponent, preparation of Council reports and maps, and having recommended to the Department twice that the site should progress through a rezoning process.

On 22 March 2011 the Council deferred its decision on the rezoning, and Council officers advised the Commission that the resolution is the Council's most recent on the matter. The Commission considers that the level of detail required as set out in the Council's reasons for deferral is premature within the context of the Gateway process and the need for subsequent development applications.

The Commission notes that the Department's preliminary report has provided a summary and evaluation of the project against the Four Parts of a planning proposal contained in the Department's *A guide to preparing planning proposals*, July 2009.

8. COMMISSION'S RECOMMENDATION

The Commission considers that the proponent's planning proposal has strategic merit, and recommends that it proceed to the Gateway determination process.

The Commission's recommendation does not indicate a support of the planning proposal as presented, including aspects such as FSR or building height, as it has not carried out a detailed assessment of the planning proposal. These matters will be considered in the course of the Gateway determination process.



Mr Richard Thorp (Chair)
PAC Member



Mr Garry West
PAC Member

APPENDIX B
GATEWAY DETERMINATION
22 MARCH 2013

Gateway Determination

Planning Proposal (Department Ref: PP_2013_LEICH_001_00): to rezone land at 22 and 30-40 George Street, for medium density housing purposes, with potential for some retail and commercial uses.

I, the Deputy Director General, Department of Planning and Infrastructure, as delegate of the Minister for Planning and Infrastructure, have determined under section 56(2) of the Environmental Planning and Assessment Act ('EP&A Act') that an amendment to the relevant *Leichhardt Local Environmental Plan* to rezone land at 22 and 30-40 George Street, Leichhardt from 'Industrial' to 'R1 Residential' and potentially also 'B4 Mixed Use' to facilitate the redevelopment of industrial land, should proceed subject to the following conditions:

1. Prior to undertaking public exhibition, the planning proposal is to contain sufficient information to demonstrate that the planning proposal satisfies the requirements of State Environmental Planning Policy No 55 – Remediation of Land. An initial site contamination investigation report is to be prepared to demonstrate that the site is suitable for rezoning to the proposed zones. This report is to be included as part of the public exhibition material.
2. Prior to undertaking public exhibition, the planning proposal is to contain further built form and urban design analysis to identify the appropriate floor space ratio, building height controls, distribution and mix of land uses and development controls across the site. This is to include the preparation of development controls to guide the future development of the site to ensure the underlying objectives of the planning proposal could reasonably be achieved. The built form and urban design analysis is to be included as part of the public exhibition material.
3. The Department is to undertake feasibility modelling analysis to identify an appropriate and economically feasible affordable housing contribution to be set aside at the site. The Department is to consult with Leichhardt Municipal Council, the site's landowners and Housing NSW and amend the planning proposal, if necessary, to take into consideration any comments made prior to undertaking public exhibition.
4. Community consultation is required under sections 56(2)(c) and 57 of the Environmental Planning and Assessment Act 1979 ("EP&A Act") as follows:
 - (a) the planning proposal must be made publicly available for **28 days**; and
 - (b) the relevant planning authority must comply with the notice requirements for public exhibition of planning proposals and the specifications for material that must be made publicly available along with planning proposals as identified in section 4.5 of *A Guide to Preparing LEPs (Department of Planning 2009)*.
5. Consultation is required with the following public authorities under section 56(2)(d) of the EP&A Act:
 - Leichhardt Municipal Council

- Transport for NSW
- Transport for NSW – Roads and Maritime Services
- NSW Police
- Housing NSW
- Office of Environment and Heritage

Each public authority is to be provided with a copy of the planning proposal and any relevant supporting material. Each public authority is to be given at least 21 days to comment on the proposal, or to indicate that they will require additional time to comment on the proposal. Public authorities may request additional information or additional matters to be addressed in the planning proposal.

6. A public hearing is not required to be held into the matter by any person or body under section 56(2)(e) of the EP&A Act. This does not have any bearing on the need to conduct a public hearing under the provisions of any other legislation.
7. The timeframe for completing the LEP is to be **6 months** from the week following the date of the Gateway determination.

Dated 22nd day of March 2013.



Stephen McIntyre
Deputy Director General
Planning Strategies, Housing & Infrastructure

APPENDIX C
LETTER FROM DEPARTMENT TO PROPONENT
DATED 24 JULY 2009



NSW GOVERNMENT
Department of Planning

Mr Richard Hughes
Director
Catylis Properties Pty Ltd
Level 15, 124 Walker Street
NORTH SYDNEY NSW 2060

Y09/2256

Dear Mr Hughes,

I refer to your request to reclassify the Kolotex site in George Street, Leichhardt as Category 2 Employment Land in the Inner West Sub-Regional Strategy.

I would like to advise you that the Department supports the classification of all land north of McAleer Street (including the Labelcraft site) as Category 2 Employment Land, and will take the necessary steps to ensure this occurs when it finalises the Inner West Sub-Regional Strategy. However, this support is contingent on some employment uses being retained on the site.

I would also like to advise you that the Department will expect any redevelopment plans for this precinct to have close regard to the proposed West Metro and the likely location of its station.

If you have any further enquiries about this, I suggest you contact Faye Roberts who is the Director of the Department's Sydney East Regional Team.

Yours sincerely,

dkitto 24/7/09

David Kitto
A / Executive Director
Major Projects Assessment

APPENDIX D

DRAFT REZONING MAPS



Leichhardt Local Environmental Plan 2004—Kolotex—
Land Zoning Map

Sheet LZN_001

Subject Land

Zoning

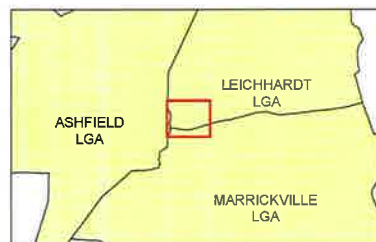
B4 Mixed Use

R3 Medium Density Residential

Local Government Area

Cadastre

Cadastre 07/11/2012 © NSW LPI



Projection: MGA Zone 56
Datum: GDA94

0 10 20 30 40 50 m
Scale: 1:2,000 @ A3

Map Identification Number

4800_KLT_LZN_001_002_20130716





Planning & Infrastructure

Leichhardt Local Environmental Plan 2004—Kolotex—
Height of Buildings Map

Sheet HOB_001

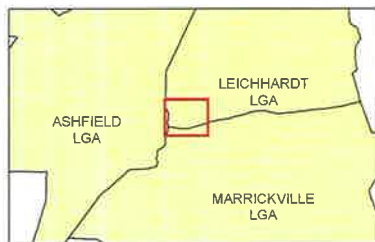
- Subject Land
Local Government Area
Maximum Building Height (m)

16

32

Cadastre

Cadastre 08/05/2013 © NSW LPI



Projection: MGA Zone 56
Datum: GDA94

Scale: 1:2,000 @ A3

Map Identification Number
4800_KLT_FR_001_002_20130510





Planning &
Infrastructure

Leichhardt Local Environmental
Plan 2004—Kolotex—
Floor Space Ratio Map

Sheet FSR_001

 Subject Land

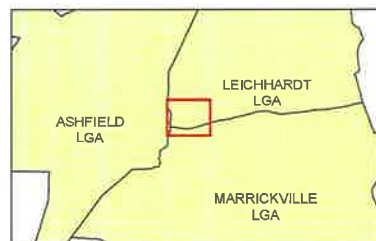
Maximum Floor Space Ratio (n:1)

 2.15

 Local Government Area

Cadastre

Cadastre 07/11/2012 © NSW LPI



Projection: MGA Zone 56
Datum: GDA94

0 10 20 30 40 50 m
Scale 1:2,000 @ A3

Map Identification Number
4800_KLT_FSR_001_002_20130718



APPENDIX E
PROPONENT'S SUPPORTING DOCUMENTATION
