

2.4.2 Key Attributes

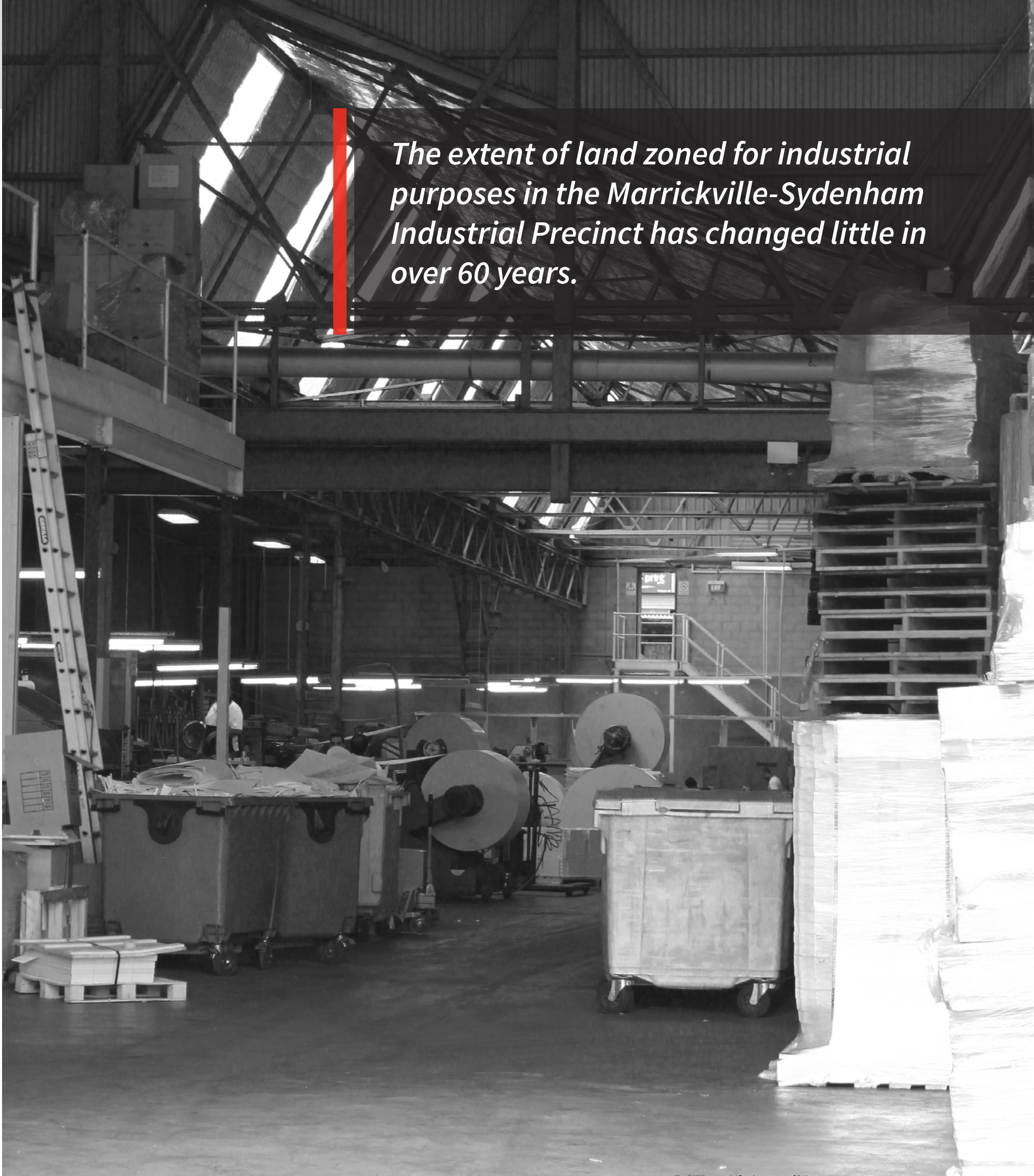
Size and Location

The Sydenham-Marrickville Industrial Precinct has an area of approximately 105 hectares (excluding the rail corridor). The precinct is located approximately 6km south-west of the Sydney CBD, 3km north of Sydney Kingsford-Smith Airport and 8km north-west of the Port Botany Container Freight Terminal.

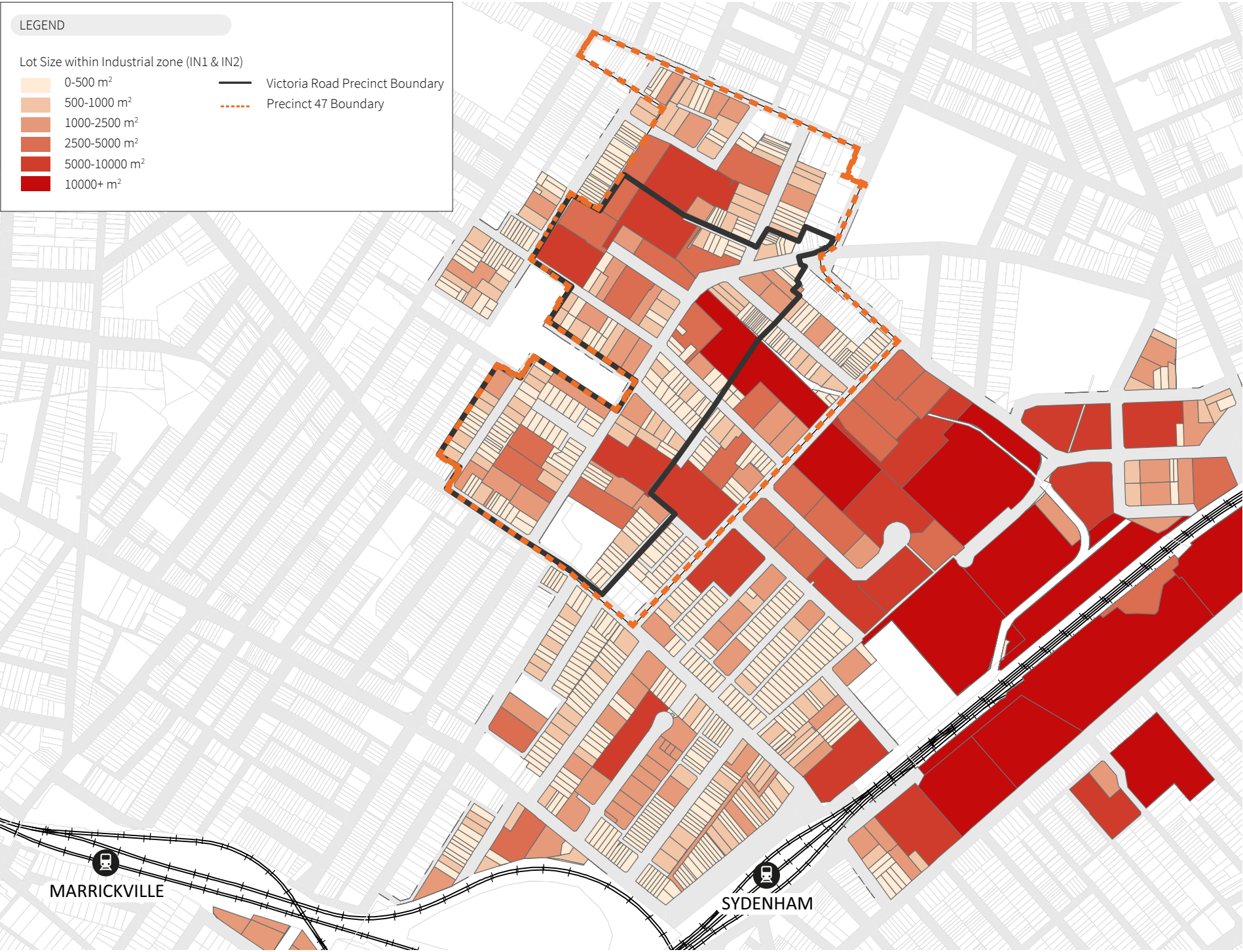
Transport

The precinct is approximately 25 minutes by road from the Port Botany Container Terminal and 20 minutes from the Sydney CBD (average daytime traffic outside of peaks) (Google Maps 2015).

B-double trucks are prohibited from accessing the Marrickville-Sydenham industrial precinct, which is very unusual for an industrial precinct in Sydney (even when compared to other inner-city industrial lands). This is largely due to the fact that many roads in the precinct are very narrow, and make access via trucks difficult without impeding the flow of general traffic – Shepherd Street, Chapel Street, Chalder Street and Farr Street being amongst the narrowest of these.



The extent of land zoned for industrial purposes in the Marrickville-Sydenham Industrial Precinct has changed little in over 60 years.



LEGEND

Figure 15: Lot sizes in Marrickville-Sydenham Industrial Area
Source: JBA

Land Fragmentation and Fine-Grain Street Pattern

The residential origins of the fringe areas of land within the Sydenham-Marrickville Industrial Precinct is reflected in the narrow streets and fine-grain cadastral pattern around the south-west and northern edges of the precinct.

Industrial businesses generally require larger, unencumbered production areas that are only achievable on larger sites. However, throughout all of Marrickville’s industrial-zoned land, less than 20% of serviced lots have a land area of more than 1,000m2 (NSW Land & Property Information 2015). The vast majority of lots are less than 500m2 – not dissimilar in size to the low density residential lots surrounding these industrial areas.

As illustrated in the accompanying map, there is a range of lot sizes present within the Sydenham-Marrickville Industrial Precinct, however, land in the western half of this precinct is substantially more fragmented than in the eastern half.

As land becomes more fragmented, its ability to be used for more intensive industrial uses decrease due to physical constraints and the increases in direct interfaces with other land uses. Small lots are also more susceptible to conversion for retail and residential purposes, as has occurred in some areas of the industrial precinct to the west of Victoria Road.

Lot Size	Number of Lots	Proportion of Lots
<500 m2	838	68%
500-999 m2	163	13%
1000-2,499 m2	112	9%
2500-4,999 m2	47	4%
5000-9,999 m2	35	3%
10,000 m2	34	3%

Table 2: Distribution of lot sizes in land zoned IN 1 General Industrial and IN 2 Light Industrial
Data Source: NSW Land and Property Information 2015

Land Use Interface

The Sydenham-Marrickville Industrial Precinct is bounded by residential uses to the north, west and east. In total, there is approximately 3.5 kilometres of direct interface (either via common boundary or directly across a street) between industrial and residential uses. This interface creates land use conflicts that impact the amenity of residents and constrain the ability of businesses to operate. Some residential uses (with or without development consent) also occur in the northern and western edges of the precinct, adding to this conflict. Marrickville Public School also protrudes into the western edge of the precinct along Chapel Street.

Interestingly, the 'green' buffer to the long western edge of the precinct identified in the County of Cumberland Plan to provide a buffer between the industrial precinct and the adjoining residential area, however, this has evidently been compromised by later development. The abandonment of this buffer through infringement by both industrial and residential uses has led, in part, to the modern land use conflict along the western edge of the Sydenham-Marrickville Industrial Precinct.

2.4.3 Employment Trends

There are approximately 1,000 fewer jobs in the Marrickville-Sydenham industrial precinct than there were two decades ago in 1991 (ABS 2011). Loss of employment in the manufacturing sector represents the bulk of these job losses, with employment in this sector falling by 32% during this period.

Employment in retail and food services grew by 90% between 2006 and 2011, with an additional 300 people in this sector. Whilst this figure captures some of the new retailing on the periphery of the industrial-zoned land, it also reflects the emergence of new cafes and retailers in the Marrickville-Sydenham precinct. This trend has clearly continued since 2011, with larger café and food retail facilities such Bourke Street Bakery and Double Roasters emerging in the precinct and a number of food wholesalers offering sales direct to public.

Marrickville-Sydenham Industrial Precinct Change in Total Employment

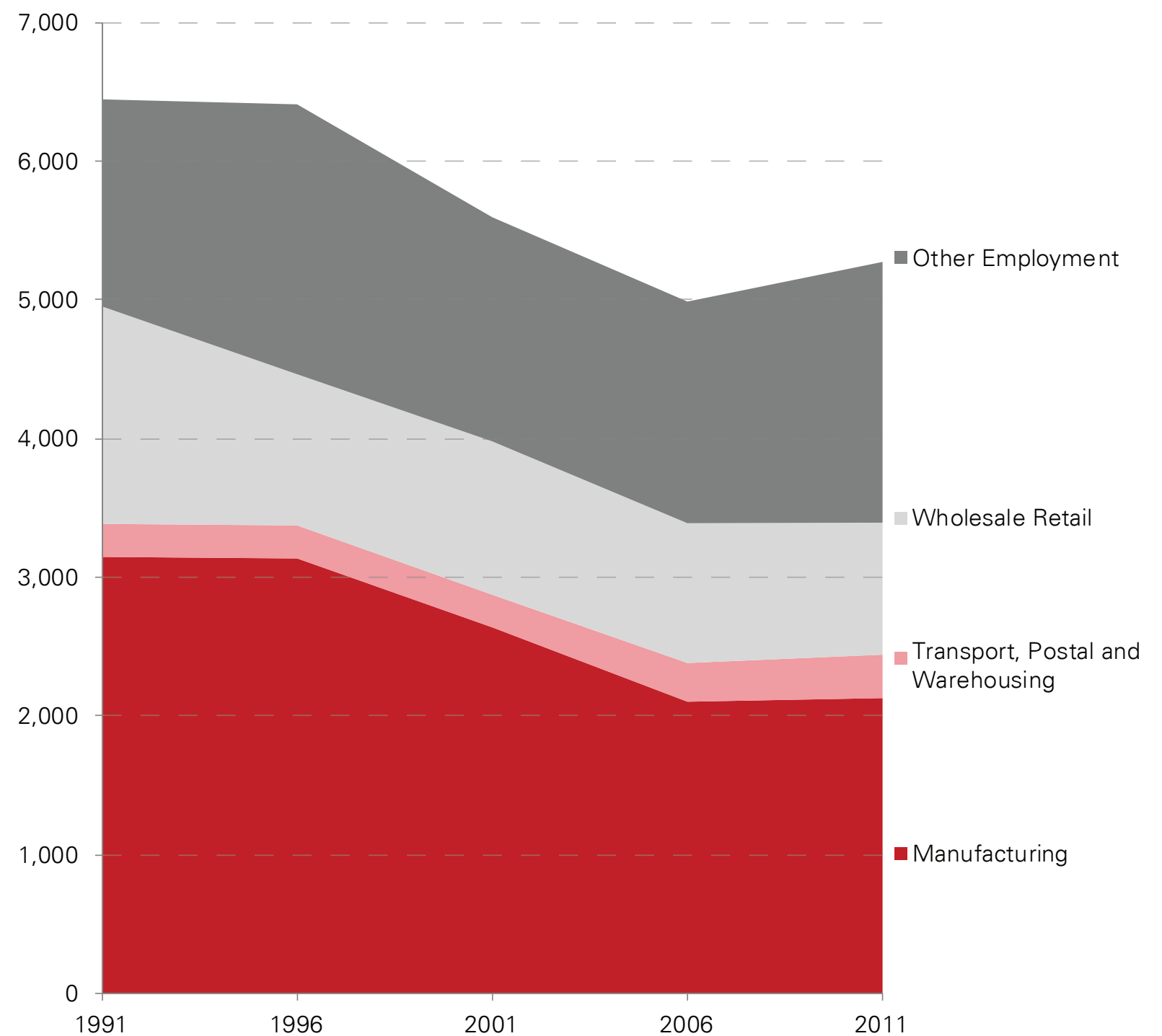


Figure 16: Change in employment within Sydenham-Marrickville Industrial Precinct
Source: Bureau of Transport Statistics 1991-2011

2.5 VICTORIA ROAD PRECINCT

2.5.1 Context

Precinct 47 is an area of land identified in the Marrickville DCP and comprises approximately 36 hectares of land at the western edge of the broader Sydenham-Marrickville Industrial Precinct. The Victoria Road Precinct is located within Precinct 47, and comprises approximately 18 hectares of land centred around the Victoria Road corridor and toward the western edge of the precinct as illustrated in the accompanying map.

The precinct abuts the low-density residential core of Marrickville to the west, and this transition is reflected by the inter-mingling of residential, businesses and industrial uses along the precinct's edges.

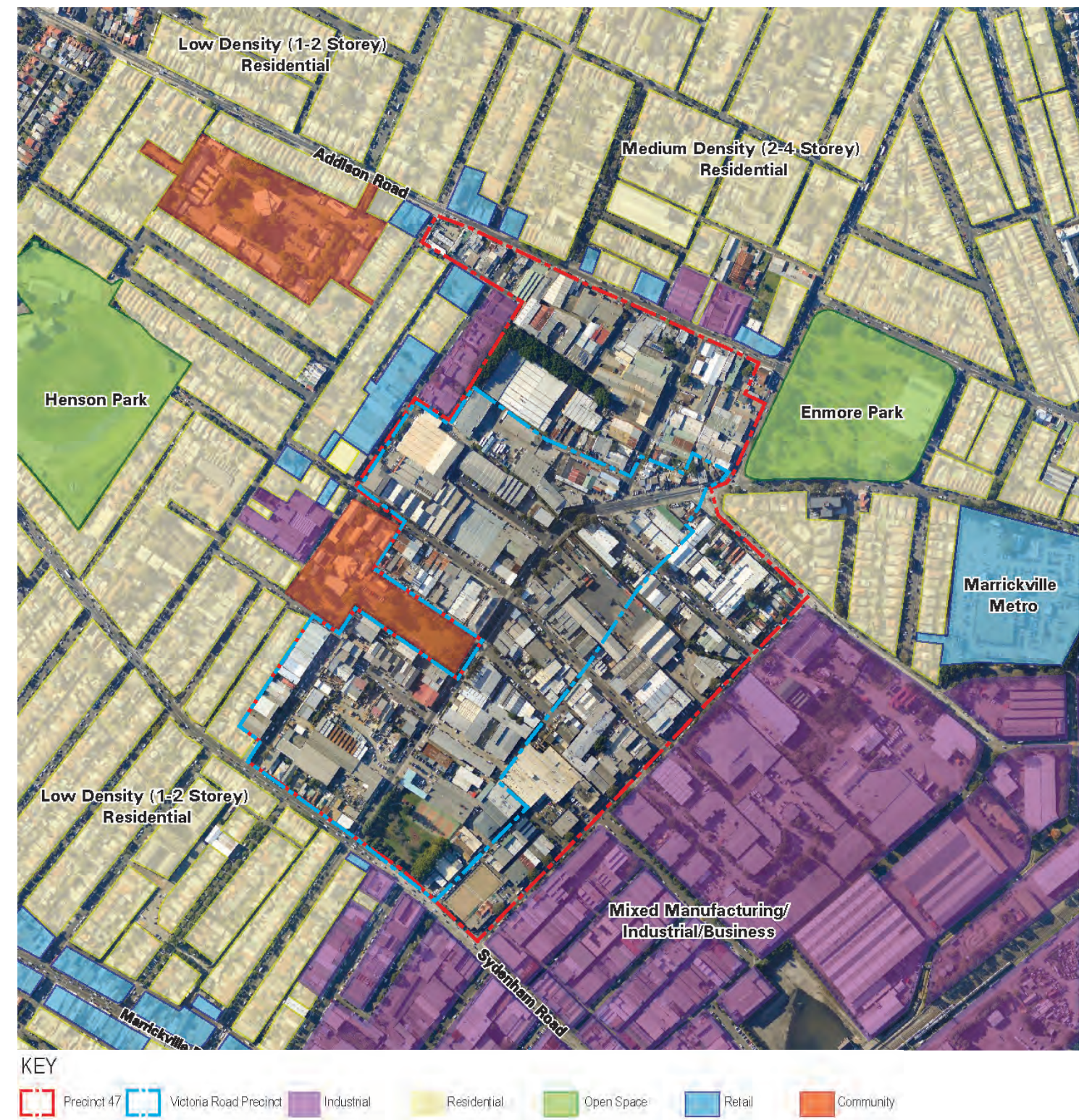


Figure 17: Local context of Victoria Road Precinct
Source: JBA

2.5.2 Existing Business Activity

An employment and business survey of Precinct 47 was undertaken by the Victoria Road project team in 2014 and involved a survey of all land owners and the collection of information about the nature of business operations and the number of employees. This has provided a much more accurate and clear picture of the nature of employment activities in this precinct, compared to the walk-around and desktop assessment carried out in the MELS. Rather than modelling floorspace, which is an in-exact process and does not easily correspond with the number of persons employed on a site, the land use and employment survey carried out by the Victoria Road project team provides far greater clarity and certainty of the employment value of these lands.

We note that there a number of errors in the categorisation of land in the floorspace audit undertaken in the MELS with regard to the Victoria Road Precinct. For example, the Bourke Street Bakery in Mitchell Street was categorised as ‘manufacturing-light’ when it is clearly a predominately retail use.

The results of the Precinct 47 survey were provided with the Victoria Road Planning Proposal, and are appended to this strategy. The key findings of the survey are that:

- a total of 1,116 persons are currently employed within Precinct 47;
- there are a range of business types within the precinct with a distinct presence of food wholesaling (with associated retail activities such as bakeries and cafes), fashion and cosmetics, furniture and homewares businesses;
- the limited manufacturing and industrial operations within the precinct would typically be categorised as ‘light industry’ or ‘vehicle repair’.

The land use survey indicates that Precinct 47 currently accommodates a total of 1,116 jobs across an area of 36ha, equating to approximately 31 jobs/ha. This is significantly below the average job density for Sydney (43 jobs/ha) and well below the job densities for the South Subregion (58 jobs/ha) or Sydney City (131 jobs/ha). The low employment densities achieved within Precinct 47 reflect a poor utilisation of land for employment uses compared to Sydney in general, but especially given the proximity of the site to the CBD, public transport and key economic infrastructure.

The land use survey reveals a significant discrepancy between the objectives of the IN1 General Industrial zone applying to the precinct and the actual land uses and business operations taking place. Whilst the objectives of the land use zone include ‘providing a wide range of industrial and warehouse land uses’, ‘to support and protect industrial land for industrial uses’ and ‘to protect industrial land in proximity to Sydney Airport and Port Botany’, it is evident that there is little correlation between these objectives and the actual land uses within this zone. No airport-related businesses were identified in the business survey. The businesses operating within the precinct could generally be accommodated within a mixed business zone as there is only a limited number of true ‘industrial’ uses present. Based on the survey results, the main industries by employment within the precinct are:

- food industries (approx.24%);
- textiles (approx.20%);
- miscellaneous office, display and sales-based activities (approx.15%);
- manufacturing and industry (approx.10%);
- homewares and furniture (approx.9%);
- automotive (approx. 5%);
- construction and building contractors and suppliers (approx.5%); and
- creative arts and industries (approx.4%).

The distribution of these uses throughout the precinct is illustrated in the accompanying map.

In terms of the most intensive business operations, it was also the non-industrial businesses which made the largest contribution to employment within the precinct. Of the ten largest employers within the precinct:

- six businesses (131 jobs) were involved in food production, packaging and wholesaling;
- two businesses were textile services (47 jobs);
- one business was a live entertainment venue (20 jobs); and
- only one business was a ‘traditional industry’, being a sheet metal fabricator (15 jobs).

Job densities in Precinct 47 are only 31 jobs per hectare. This is significantly below the job densities across metropolitan Sydney, the South Subregion and Sydney City.

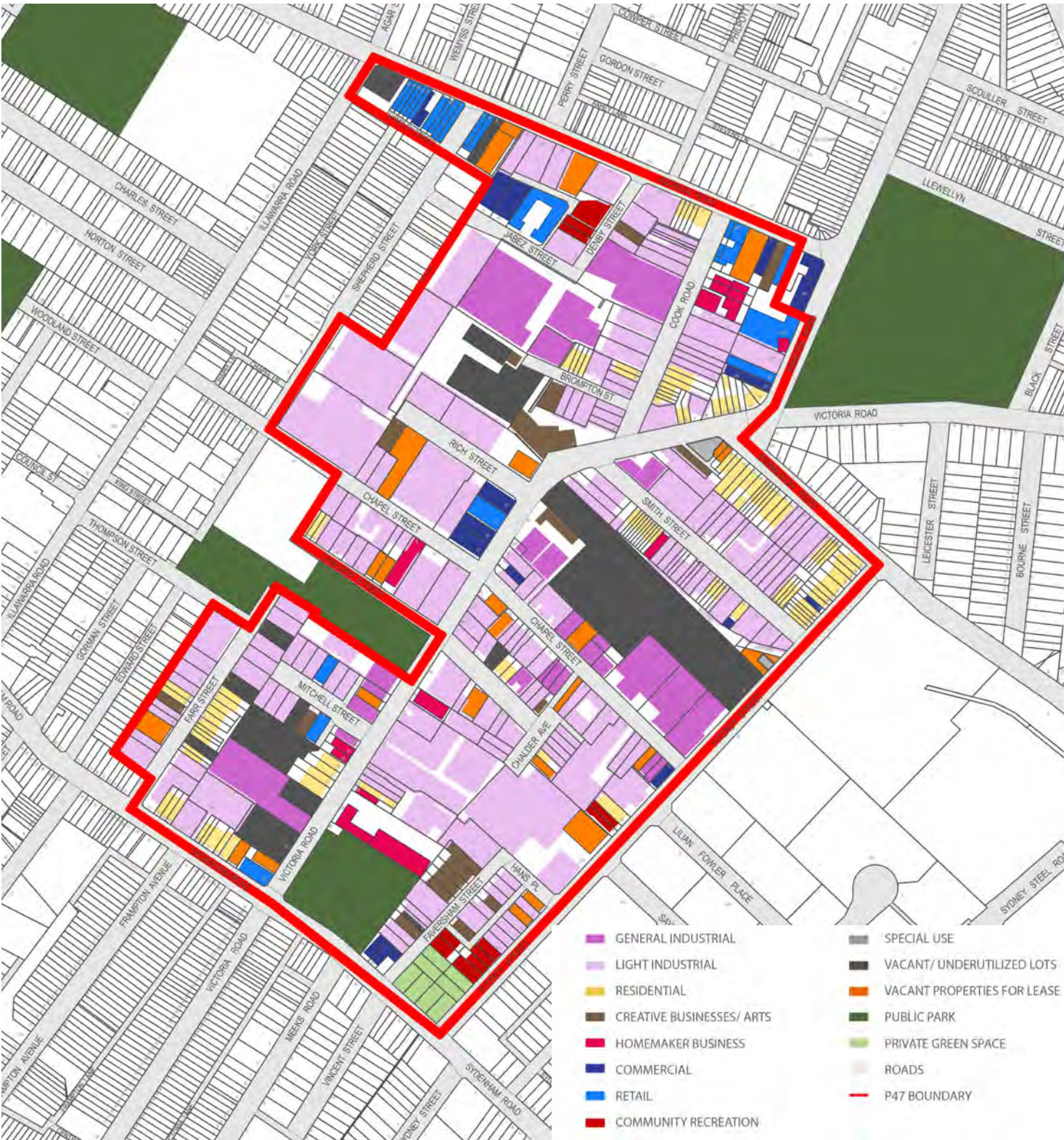
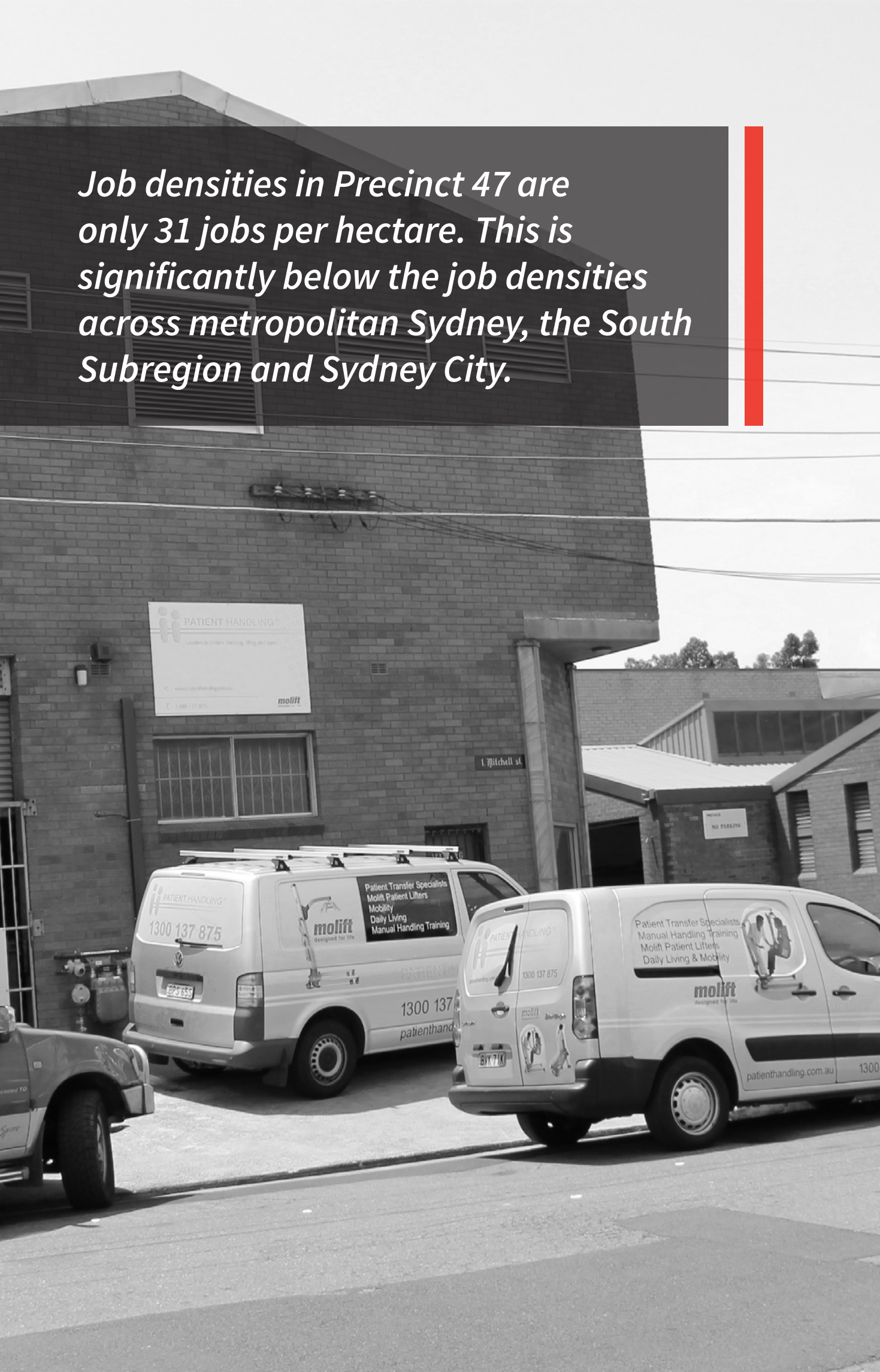


Figure 18: Business survey results
Source: Victoria Road project team

2.5.3 Recent Business Trends

Local businesses and land owners have a keen understanding of what is happening on the ground, and since the 2014 land use survey was conducted by the Victoria Road project team, there have been a number of further shifts by businesses in the precinct. Based on limited discussions with local land owners, JBA is able to provide a summary of some key recent changes:

Moving Out

- Hill-Rom, a medical supplies manufacturer, once employed over 60 people at 72-84 Shepherd Street. They have recently vacated their premises at Marrickville for premises in Auburn.
- The industrial laundry formerly located at 16 Faversham Street has moved out of the Marrickville industrial precinct (new premises unknown).
- Johnstons Transport Industries have moved from their large 1.2 hectare site at 56 Fitzroy Street (with access through to Victoria Road) to a new facility at Smithfield. Johnstons' provide a number of supply chain management services moving freight between Port Botany and customer warehouses, with 24/7 operations and using a variety of vehicles sizes up to B-double length. The Marrickville site cannot accommodate these larger vehicles, and is increasingly unsuitable for 24/7 operations due to proximity to residential receivers. The Marrickville property is being temporarily used for vehicle holding and layover whilst Johnstons attempt to lease the property.
- Hardwood Designs, a furniture manufacturer, recently moved out of its premises at 9 Rich Street. Half of their previous facility at Brompton Street had been destroyed by a fire in 2012 as a result of an electrical fault. They have now left the Sydenham-Marrickville Industrial Precinct altogether.
- Moreplas Pty Ltd, a specialist building supplies business, recently close its premises at 142 Victoria Road. The vacated premise is now being fitted out for a coffee shop/restaurant.

Moving Around

- Marrickville Freezers is moving from Farr Street at the western edge of the precinct to less constrained premises on Sydney Steel Road in the east of the precinct. This move aligns with a significant new capital investment (>\$1 million) by the business in new processing technology, and allows for the company to operate in a significantly less constrained environment.

Moving In

- A 3ha industrial site at 74 Edinburgh Road just outside of Precinct 47 to the north has been rezoned for a Masters Home Improvement centre which will sell a range of hardware, landscaping and home-improvement goods.
- The factory space at 10 Mitchell Street has been converted to a creative arts function space, the Create or Die Studio.
- A factory recently sold in Farr Street and was purchased by a motor vehicle enthusiast and is now used to store a private collection of vehicles.
- A furniture upholsterer has moved into the factory unit at 12 Mitchell Street.
- The factory unit at 1 Mitchell Street has been tenanted by a medical supplies company who have a showroom with some engineering services.
- A new café about to open in the existing factory unit at 157 Victoria Road (near corner of Mitchell Street).

On the market

- New factory units were constructed at 168 Victoria Road circa 2008. The 'For Lease' sign has not come down since the buildings were constructed.
- A property in Chalder Street is currently being fitted-out for a coffee shop.
- The former Malco office building at 1 Rich Street, adjacent to the Factory Theatre, has been on the market for a number of years. A number of enquiries have been received for very small office space requirements that would not commercially support the necessary upgrades to the building.



Existing business trends

2.5.4 Existing Business Situation

The findings of the land use survey and consultation conducted by the Victoria Road project team present a much deeper insight into the on-the-ground business activity within Precinct 47 and the Victoria Road Precinct than the MELS floorspace audit and analysis of broad macro-economic employment trends.

It is clear that business activity in the area has evolved significantly since its beginnings as a core manufacturing and industrial precinct. The continued loss of manufacturing has resulted in significant employment loss in the Victoria Road Precinct and Precinct 47 due to both macro-economic forces and local issues, and new business activities have much lower employment densities. Traditional industrial businesses, such as Marrickville Freezers, are either moving out of the precinct or to less constrained premises elsewhere in the area, such as to the east of Fitzroy Street.

Residential, food retail and creative uses have gained a strong foothold in the area of the precinct to the west of Victoria Road, facilitated by low demand from traditional industrial tenants for fragmented land that is heavily constrained by interfaces with low density residential uses and the Marrickville Public Primary School. This is compounding the constraints placed on traditional industrial businesses operating within the precinct, and is likely to result in the continued decline of traditional industrial uses in this precinct.

Traditional industrial businesses are moving to less constrained premises outside of the Victoria Road Precinct, or leaving the Marrickville area altogether.



3.0 FUTURE SHAPERS

The future of employment and development in Marrickville will be significantly influenced by major metropolitan and regional forces. Major infrastructure projects, demographic change and broader macro-economic forces will all directly impact upon activity at a local scale. The following sections provide an overview of these ‘future shapers’ and include analysis of how these forces will translate to trends in Marrickville.

3.1 INFRASTRUCTURE

3.1.1 Sydenham-Bankstown Rapid Transit

The NSW Government’s *Long Term Transport Master Plan and Sydney’s Rail Future* plan for the extension of Rapid Transit from the North West Rail Link across a new Sydney Harbour crossing and through the CBD with potential new stops at Barangaroo, Sydney University or Waterloo. The existing Sydenham to Bankstown rail corridor would be converted to Rapid Transit, with a train running every four minutes during peak hour.



Rapid Transit will provide considerable time savings for commuters travelling from south Sydney to the CBD and north of the harbour (Transport for NSW 2014). It is expected that Sydenham, which is 500 metres from the edge of the Victoria Road precinct, will be a major interchange station for commuters, allowing interchange between regular heavy rail services and Rapid Transit. Opportunities for renewal around Sydenham and Marrickville that take advantage of this new infrastructure should be explored and future planning for the area should take into account this planned strategic infrastructure.

3.1.2 WestConnex

The WestConnex is a \$15 billion road project that aims to provide better integration of Port Botany/Sydney Airport with the Sydney Orbital road network. The project involves the widening of the M4 Motorway and the construction of a new road tunnel between Strathfield and the M5 at Arncliffe via St Peters and Sydney Airport over three stages.

The M5 Motorway already provides significant time savings for vehicles travelling to and from Port Botany compared to local roads in the Inner West. In the time it takes to reach Rich Street, Marrickville from the Port Botany container terminals, a vehicle can travel along the M5 Motorway as far as the industrial area at Milperra (outside of peak periods). This area is designated as a focus for employment growth in *A Plan for Growing Sydney*. With the estimated 7 minute saving as a result of the WestConnex, vehicles could travel from Port Botany as far as Moorebank in the same time as it takes to reach the Sydenham-Marrickville Industrial Precinct (WestConnex Delivery Authority 2015).

By better linking Sydney Airport and Port Botany with the M4 and M5 Motorways, the WestConnex will significantly improve connectivity between this key economic infrastructure with industrial and business areas in western and southern Sydney. This increased connectivity will reduce the competitive advantage gained by established inner-city industrial areas from locating close to Botany Bay. With greater road

access to cheaper, better-serviced and less constrained employment lands on the city edges, demand for inner-city industrial land in proximity to the Airport and Port Botany is expected to fall, particularly in areas that are already transport-constrained.

3.1.3 Freight Connectivity

“The Moorebank Intermodal Terminal will enable more containerised freight to move by rail... directly linked by rail to Port Botany, bypassing Sydney’s constrained roads...resulting in up to 3,000 fewer truck journeys to and from Port Botany each day”

SGS Economics and Planning, Strategic Review of WestConnex Proposal, February 2015

The *NSW State Plan 2021* and *NSW Freight Strategy* aims to double the proportion of containers transported via rail to and from NSW’s ports. The primary purpose of this objective is to reduce the number of heavy vehicles on the road in and around Sydney Airport and Port Botany. To do this, new intermodal terminals are planned in south-west Sydney and western Sydney with good connectivity to major road connections. *A Plan for Growing Sydney* identifies the location of the new Enfield Intermodal, proposed Moorebank Intermodal and proposed Western Sydney Employment Area Intermodal terminals. These infrastructure improvements will increase the efficiency of moving freight directly between Port Botany and outer-Sydney, bypassing inner-city industrial areas.

3.1.4 New Airports and New Aircraft

“The building of a second Sydney Airport provides much greater flexibility in how demand for air passenger and freight travel is accommodated in the Sydney region. In particular, there is an opportunity for future airport associated industries to be located in Western Sydney where land would be more available and better access to workforce [sic]”

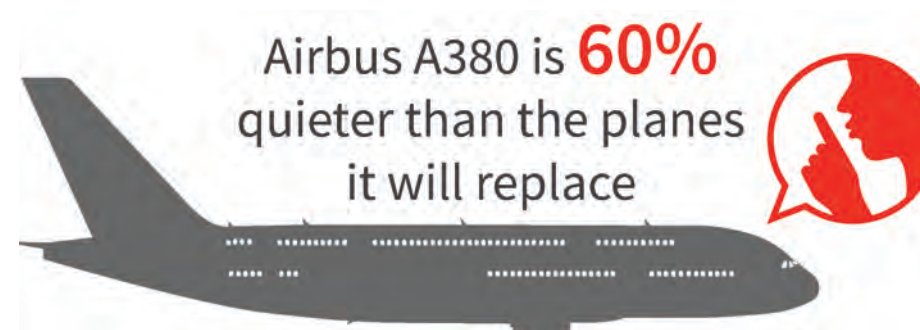
SGS Economics and Planning, Strategic Review of WestConnex Proposal, February 2015

Badgerys Creek Airport

In 2014 the Australian Government committed to the construction of a new airport for Western Sydney at Badgerys Creek. *A Plan for Growing Sydney* states that the new airport will be the single largest catalyst for infrastructure investment and employment growth in Western Sydney. The new airport is not expected to be subject to the curfews that restrict aircraft movements at Kingsford-Smith Airport, providing a competitive advantage for this new airport. Directly adjoining the Western Sydney Employment Area and with new motorway connections to the Sydney Orbital motorways and national highway network, it is likely that Badgerys Creek will over time capture a significant share of Sydney’s air freight movements. This will reduce demand for inner-city employment lands associated with Port Botany and Sydney Airport, which is noted in *A Plan for Growing Sydney* which confines the identified core industrial lands for these gateways to the east of the Princes Highway.

Reduction in Aircraft Noise

Modern aircraft are getting quieter as technology improves, and the resultant impacts on urban areas from airport operations are therefore expected to decrease significantly in the future. The Boeing 787 Dreamliner is expected to have a noise footprint that is 60% quieter than the aircraft it will replace (Australian Government 2015). Airservices Australia has found that the Airbus A380 will be 6 decibels quieter on departure than the aircraft it will replace, the Boeing 747-400 – for comparison, a 3 decibel reduction is regarded as a halving of an aircraft’s noise energy (Sydney Airport Corporation 2010). At the same time, noise insulation methods for buildings have become more efficient and better understood since the development of the current Australian Standard in 2000, AS 2021-2000 – Aircraft Noise Intrusion – Building siting and construction. Advancement in aviation technology and improvements in building standards is therefore likely to mean that aircraft noise from Kingsford Smith Airport will be less of a constraint on noise-sensitive development in the Inner-West into the future.



3.2 DEMOGRAPHICS

3.2.1 Population Growth

Sydney's population is projected to grow by 1.6 million people between 2011 and 2031. In Marrickville, the population is expected to grow by 26% between 2011 and 2031, with an additional 21,200 people requiring 9,800 new dwellings (Department of Planning & Environment 2014). This natural projected growth excludes additional population growth that could be expected to follow major infrastructure improvements such as the Sydenham-Bankstown Rapid Transit conversion and the WestConnex and Parramatta Road urban revitalisation project.

The fastest population growth is expected to comprise smaller household types, including one-person dwellings and single parent families, who typically require smaller dwellings. At present, only 1 in every 6 dwellings is a studio or one-bedroom dwelling, yet in 2031 more than 1 in 2 households will have 2 or less people. Opportunities to diversify housing stock will assist households to remain in their local communities and improve the availability of suitable, affordable housing to meet community needs.



3.2.2 Change in Local Workforce Skills and Employment Demand

The proportion of Marrickville residents employed in manufacturing fell by more than half between 1996 and 2011, whilst the proportion employed in transport and logistics fell by one-third (ABS 2011). During the same period, there was a significant increase in the proportion of residents employed in the professional, financial, education and health, IT and creative industries, which now account for over half of all employment.

Between 1996 and 2011, the proportion of residents with tertiary qualifications more than tripled. The number of residents with a Bachelor Degree qualification or higher quadrupled.

The trends described above are expected to compound further as the gentrification of Marrickville continues, reflecting the higher residential property prices, proximity to the CBD and universities, hospitals, inner-city lifestyle and high level of amenity in the area.

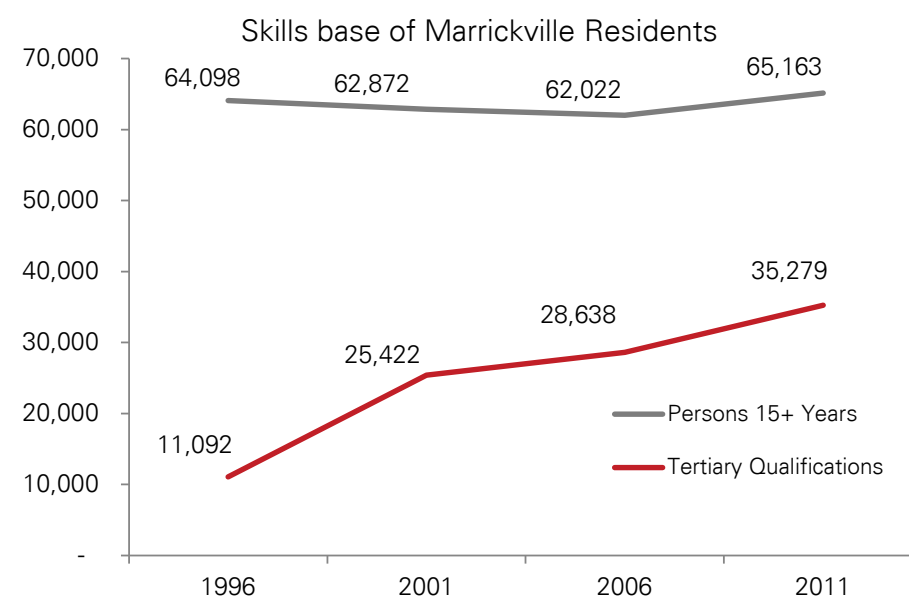


Figure 19: Shifts in local work force skills base
Source: Hill PDA

3.3 CHANGING BUSINESS NEEDS

“Economic restructuring of Sydney will continue to reduce manufacturing and transport-related jobs in Sydney’s east”

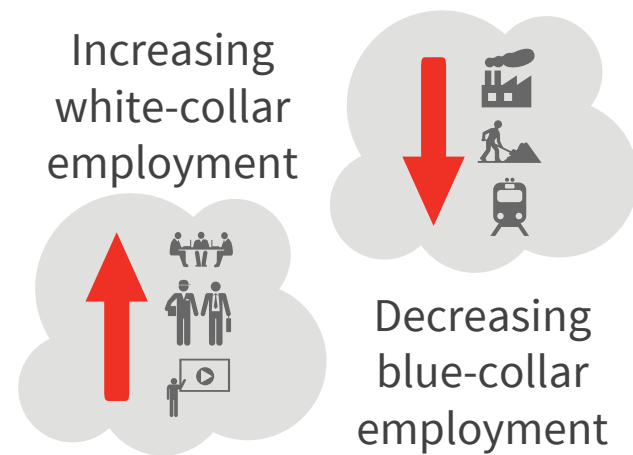
SGS Economics and Planning, Strategic Review of WestConnex Proposal, February 2015

Manufacturing and industrial activities began to cluster in the Marrickville area when it was essentially an edge-of-city location. Taking advantage of cheap land, proximity to working-class labour markets and Port Botany (in the days before motorways), industrial lands emerged in Marrickville because the area gave them a competitive advantage. Today, many of the factors that determine where a business chooses to locate are still as relevant as they were in the late-1800s, however, the urban landscape of Sydney has changed dramatically during this period.

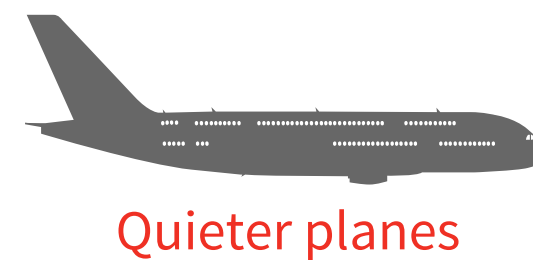
Cheap land and appropriately-skilled labour markets are located in Sydney’s western suburbs, and the development of the motorway network and consequent improvements in road freight has allowed businesses to locate further away from transport gateways whilst still remaining competitive. Modern industrial businesses require larger sites than in the past, and larger buildings with unencumbered floorplates are typically preferred.

Many inner-city industrial lands have re-purposed in an attempt to remain relevant as employment precincts by providing business and local support services, however, the overall demand for these areas has declined significantly. This is most obvious in areas where retail services, creative uses and other non-industrial uses have crept into traditional industrial precincts, demonstrating an absence in demand for space from industrial tenants.

MARRICKVILLE IN ● 2031



FUTURE SHAPERS



4.0 FUTURE TRAJECTORY

A range of existing and future forces are acting on business activity in the Victoria Road Precinct and the broader Sydenham-Marrickville Industrial Precinct at the international, metropolitan, subregional and municipal levels. The following sections consider the likely impact of these trends on the Victoria Road Precinct, and how these forces will affect business activity and urban development at a street-block level.

4.1 KEY FUTURE CHANGES

4.1.1 Impact of Competition from other Industrial Precincts

The reduction in travel times between Port Botany and the western suburbs to be delivered by the WestConnex motorway will further reduce any competitive advantage that businesses in the Sydenham-Marrickville Industrial Precinct gain from their location. Reduced travel time will benefit industrial precincts located along the M5 Motorway, which offers safer passage for heavy vehicles (and permits travel by larger vehicles such as B-doubles) than local streets in the Inner-West. The industrial precinct at Padstow would only be a few minutes further away from Port Botany than Marrickville outside of peak hours. Combined with increased government investment in freight rail, the proximity advantages for industrial business locating in Marrickville-Sydenham are expected to be virtually eliminated. It is considered unlikely that the larger-scale industrial operations and/or wholesale businesses that rely on this proximity advantage will remain in the area when these infrastructure improvements are delivered and cheaper, better-serviced land along the M5 motorway becomes viable for these uses.

In addition, strategic investment in infrastructure by the NSW Government and private sector will see a significant increase in the amount of containerised freight being shifted to and from Port Botany/Sydney Airport by freight rail. This will add to the quantum of freight goods bypassing the Inner-West to industrial precincts in Western Sydney. This is consistent with the State Plan objective of doubling the proportion of containerised freight moved by rail.

The withdrawal of traditional industrial businesses from the precinct will, without planning changes, result in increased vacancy rates across the precinct. These will be filled by low-value business uses such as storage facilities that are not industrial in nature and make only minimal contribution to employment. In the absence of a clear vision to support higher-value uses in the precinct, total employment and the economic productivity of the precinct will continue to fall.

4.1.2 Land Use Conflict

The western and northern edges of the Sydenham-Marrickville Industrial Precinct are expected to come under increasing pressure through the infringement of non-industrial land uses including residential, retail and creative uses. If this is allowed to continue to occur in an uncoordinated manner, it will result in a worsening of existing land use conflicts and will place additional pressures on the operations of legitimate existing industrial businesses.

If a policy decision is made that the precinct should remain for industrial or light-industrial business only, it is likely that the highest and best use would be for wholesale retailing, strata factory units and bulky goods retail. However, the market for factory units has been weak in the precinct as evidenced by higher vacancy rates for modern premises, and Council has expressed its strategic preference for bulky goods premises to be located on the Princes Highway corridor. Such uses typically generate more noise emissions and traffic by area than larger industrial sites and will further worsen the land use conflicts already occurring.



4.1.3 Impact of Competition within the Sydenham-Marrickville Industrial Precinct

There is already clear evidence of a weakening of the integrity of industrial land to the west of Victoria Road, which has largely stemmed from land fragmentation, land use conflict and physical constraints such as narrow streets. Industrial businesses within this area that still desire a Marrickville location have been relocating to less-constrained industrial land around Fitzroy Street in the east of the Sydenham-Marrickville Industrial Precinct (e.g. Marrickville Freezers). This trend is expected to see a significantly faster decline in the value and utility of land in the western half of the precinct for industrial purposes, whilst 'core' industrial land around Fitzroy Street is likely to have a much longer useful lifespan for industrial purposes.

The anticipated development of a Masters Home Improvement Centre at 74 Edinburgh Road in the north of the Sydenham-Marrickville Industrial Lands will also dramatically impact upon the viability of a number of business premises elsewhere within the precinct. Not least of these is the Danias Timber Yard, which is the second-largest consolidated land holding west of Victoria Road, and is substantially more constrained in terms of providing customer access.

In light of the above, we expect that there will be a significant disparity in development trajectories between the western and eastern halves of the Sydenham-Marrickville Industrial Precinct.

4.1.4 Impact of Land Owner Expectation for Land Use

Businesses invest in major capital improvements such as buildings, processing and plant equipment over multi-year and multi-decade investment timeframes. To ensure that return on investment is achieved, businesses must be confident that major investments in non-moveable assets will deliver a return over the long-term and will not be devalued by decreased demand or additional operating constraints.

Given the significant decline in demand for traditional industrial economy business services, and the continued encroachment of non-industrial uses into the Victoria Road Precinct, businesses do not have this confidence to invest. This is reflected in the poor physical quality of existing buildings and a very low rate of building activity within the precinct.

At the same time, businesses can see that the land throughout the Victoria Road Precinct benefits from close (walkable) proximity to public transport, retail main streets and shopping centres, recreation and leisure facilities. These attributes support higher value uses such as residential development. The constraints that limit these higher order uses are also lessening. Historical flood constraints are being gradually reduced through improved stormwater infrastructure within the catchment, and aircraft noise is decreasing as aircraft technology rapidly modernises. For businesses, there is a clear view that these development pressures and declining constraints support broad-based land use change in the Victoria Road Precinct within their forward investment timeframes. As a result, businesses are not investing in medium or long-term capital improvements that would compromise, or be compromised by, land use change. The result is that businesses are instead choosing to either leave the precinct to continue their business activities elsewhere, or land banking to capitalise on future change.

Where businesses do have a genuine desire or need to continue operating within the Marrickville area, they are relocating to less-constrained industrial areas. The relocation of Marrickville Freezers from the Victoria Road Precinct to the eastern side of the Sydenham-Marrickville Industrial Precinct is a recent example of this. There are a number of other businesses that have significant sunken costs in capital improvements in similarly constrained land in the Victoria Road Precinct who will reconsider their business location as existing improvements in buildings and significant equipment come to the end of their useful lives.

4.1.5 Impact of Community Expectations for Land Use

The local community is increasingly gaining benefits and amenity from non-industrial uses in the Victoria Road Precinct, including cafés, creative uses and direct-to-public sales from wholesale food retail and home improvement businesses. As community demand for these types of uses increases, businesses will respond to market demand by increasing supply. This natural demand-supply interaction will, however, work contrary to the protection of the precinct for industrial uses and will result in increased land use conflict.

As residential property prices continue to rise in the broader Marrickville area, there is also an implicit expectation that the quality of the built form and the urban amenity will also improve. This is likely to see less community tolerance for industrial noise, heavy vehicle traffic, overflow of business parking onto residential streets, poor quality public domains and areas that feel run-down and unsafe. Flowing on from this will be increased community pressure to facilitate land use change within the precinct that will affect the continued viability of existing industrial businesses, thus underlining the importance of achieving an appropriate land use interface.

4.1.6 Physical Environment

Decreased productivity, the loss of competitive advantage and increased business constraints in the precinct will contribute to a decline in the viability of assets for land owners. Much of the existing building stock in the Victoria Road Precinct is already dated and in poor physical condition due to the lack of any economic incentive to renew these assets. The dilapidated physical condition of private land is also reflected in the public domain that is characterised by robust concrete surfaces that can withstand the impacts of heavy vehicle movements, parking and spill-out loading dock activities from existing business premises. The vast majority of business premises do not have active street frontages, and surveillance and activity within the streetscape is low.

The poor physical condition of the precinct, connectivity and the absence of any substantive active uses can create an environment that feels uncomfortable and unsafe for pedestrians. This presents a major mental barrier to residents in the area who could otherwise walk through the area to access public transport running along Victoria Road and at Sydenham Station.

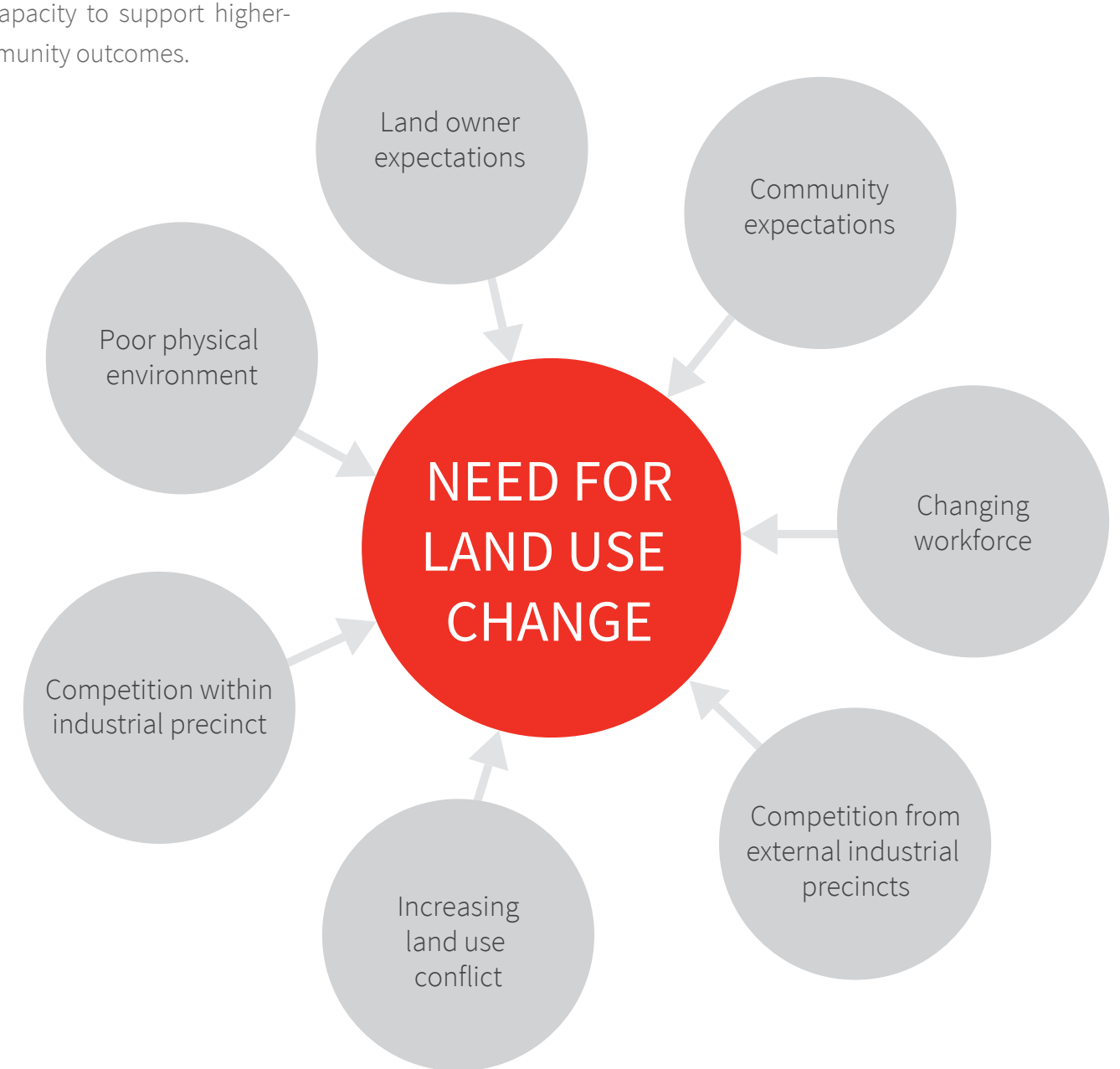
4.1.7 Labour Force

The gentrification of Marrickville's residential population is likely to continue, with the continued increase in people employed in professional and financial services, information technology and creative industries. Based on projected population growth, there will be an additional 9,850 working-age (20-65) persons living in Marrickville by 2031, on top of the existing residents who are already required to travel outside the LGA to find suitable employment (NSW Department of Planning & Environment 2014). Simultaneously, the available local labour force for industrial businesses in the Marrickville LGA is expected to continue to decline, resulting in a greater disconnect between businesses and their workforces and a greater proportion of workers commuting into the precinct.

4.1.8 Lost Opportunities

Without substantive intervention or demand from substantial industrial business uses, it is anticipated that land toward the western edge of the Marrickville-Sydenham Industrial Precinct will continue to fragment as smaller businesses take up surplus industrial land. Subdivision (whether land or strata) of sites for these low-intensity business uses will further fragment land in the precinct, locking it up and precluding it from redevelopment in the medium-term for higher-order uses or urban renewal.

Given the Victoria Road Precinct's proximity to major public transport corridors (Sydenham Station and the Victoria Road Strategic Bus Corridor), the sterilisation of land through subdivision would present a significant impediment to future opportunities for urban renewal that may present themselves as existing constraints (i.e. aircraft noise) are resolved. A basic principle of urban renewal is that large, consolidated sites can deliver dividends through their capacity to support higher-intensity uses whilst delivering positive community outcomes.



4.2 ASSESSMENT OF MELS RECOMMENDATIONS

The MELS proposes three alternative scenarios for the future development of the Victoria Road Precinct. All scenarios recommend that land adjoining to, and to the north of, Marrickville Primary School and to the east of Victoria Road remain zoned IN1 General Industrial. The primary difference in the three scenarios for the Victoria Road Precinct can generally be summarised as follows:

- **Scenario 1** – B5 Business Development zoning, with residential apartments and shop-top housing prohibited.
- **Scenario 2** – B7 Business Park and B4 Mixed Use zoning, with an indicative split of 60/40 business and residential uses respectively in B7 zones.
- **Scenario 3** – B7 Business Park and B4 Mixed Use zoning, but no strata subdivision permitted between residential and business premises to ensure that development is genuine live-work or small-office, home-office (SOHO) product.

Under all three scenarios, the remainder of the Victoria Road Precinct would predominately remain under an IN1 General Industrial Zoning. All of the scenarios proposed in the MELS would result in a substantial shift away from the existing IN1 General Industrial zoning in the south-western portion of the Victoria Road Precinct. The implications of each of the MELS land use scenarios is discussed in the following sections.

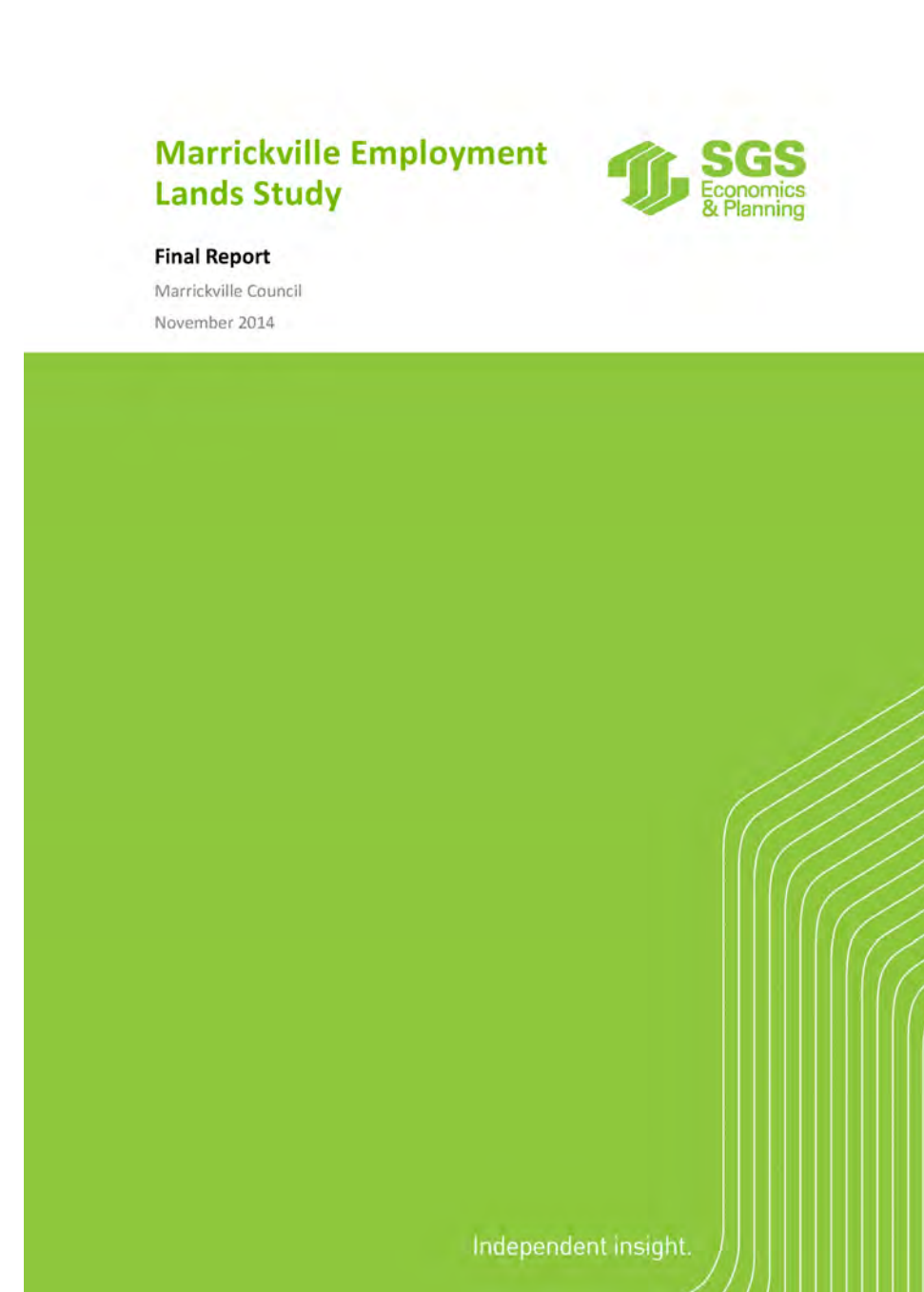


Figure 20: Draft 2014 Marrickville Employment Lands Study

4.2.1 Scenario 1 - Business

Scenario 1 would likely see the emergence of more factory-unit style development with a mix of light industrial, bulky goods retail and office premises, strata subdivided, that would fragment and lock up land that is within 400-800m of Sydenham Station and 400 metres from the Marrickville Road main street. This scenario does not address how the existing residential-employment interface would be resolved, and would likely see additional pressures on local roads and on-street parking availability. Similarly, the continuing business/light-industrial uses will have a negative contribution on activation, streetscape and walkability within and through the precinct.

4.2.2 Scenario 2 - Mixed Business and Apartments

Scenario 2 would facilitate some medium-density (approximately 3-4 storeys) mixed use development with residential apartments above business premises in the south-western corner of the Victoria Road Precinct. We agree that a mixed-use business and residential precinct could assist in resolving the declining viability of industrial uses in this part of the precinct whilst responding to the existing land use conflict issues. However, the modest residential density would make only a small contribution to housing supply in Marrickville, and does not appear to sufficiently capitalise on the proximity of this area to major public transport. It is questionable whether the mix and density suggested could be feasibly delivered in this location, particularly if basement car parking is to be provided that triggers a need to actively manage potential contamination and groundwater issues. If planning controls prove unfeasible, the precinct will continue along a 'business as usual' trajectory with continued industrial decline. Furthermore, the restrictive density and mix of uses would result in a lower-quality urban outcome at ground level (in terms of architectural and urban design quality, precinct activity levels, casual surveillance and local infrastructure contributions)

than could be achieved through a higher density development option. Strata subdivision associated with mixed use development would lock up land that is within 400-800m of Sydenham Station and 400 metres from the Marrickville Road main street at a sub-optimal capacity.

4.2.3 Scenario 3 - Live/Work

Scenario 3 would see the redevelopment of the south-western sector of the Victoria Road Precinct for combined live-work units and some limited mixed use development along Victoria Road and Sydenham Road. This option will result in substantial land fragmentation in the absence of minimum lot sizes, and result in a significant further reduction in employment intensity within this sector.

As well as entrenching a very substantial reduction in employment density, the proposed controls would also entrench a very low residential density that is not commensurate with the high level of amenity of this a location which is within 400-800m of Sydenham Station and 400 metres from the Marrickville Road main street. Once again, the issue of feasibility the scale of development proposed in the MELS is questioned, and in our opinion is insufficient to trigger the intended redevelopment outcomes.

In addition to the above, the proposed redevelopment scenario would make limited contribution to the streetscape and urban amenity of the Victoria Road Precinct. The scale of business activities envisaged are unlikely to have any substantive interaction with the street or generate any substantial pedestrian activity compared to more active and intensive land uses.

4.2.4 Retention of IN 1 General Industrial Zone

All land use scenarios presented for the Victoria Road Precinct in the MELS involve the continuation of a direct interface along Shepherd, Chapel and Chalder Streets between land zoned IN1 General Industrial and land zoned for low density residential uses and the Marrickville Primary School. This would perpetuate the existing land-use conflict and safety issues occurring in this area. It is unclear why this has occurred when the MELS also recommended rezoning nearly 20 hectares of land to the north-west of Sydenham Station for conversion from IN1 General Industrial to IN2 Light Industrial. The MELS does not provide any reasoning or logic for this action. It is apparent, however, that land use interface management measures have not been appropriately considered or prioritised in the MELS scenarios.

4.2.5 Summary

The land use recommendations made by the MELS for the Sydenham-Marrickville Industrial Precinct neither resolve the existing constraints affecting employment uses within the industrial areas nor capitalise on the opportunities presented by the precinct. Instead, they are grounded in a conservative, 'business as usual' scenario in a precinct where business as usual has a bleak outlook. Based on all of the scenarios presented, the issues identified by JBA in the preceding sections are expected to continue. Moreover, the recommendations in the MELS fail to capitalise on any of the opportunities that have been identified for this precinct. Instead, if implemented these recommendations would result in a sub-optimal outcome for the area that provide little benefit to the local community or businesses and will hinder the attainment of wider strategic planning objectives for the Sydney metropolitan area.

4.3 EXPECTED BUSINESS OUTCOMES

Assuming there is no change to the land use controls, or only the incremental and conservative changes proposed in the MELS, we expect that the following outcomes would occur in the Victoria Road Precinct in the future:

- further decline in traditional industrial activities throughout the Victoria Road Precinct at a faster rate than the broader Sydenham-Marrickville Industrial Precinct, with resultant job losses;
- continued land use conflicts between established residential areas and industrial uses at the fringe of the Victoria Road Precinct
- further encroachment of retail, residential and creative uses into the precinct, resulting in land use conflict and additional constraints on the operations of industrial businesses;
- some redevelopment of sites for light industrial, strata-subdivided factory units which increases the potential for land use conflict and precludes wholesale urban renewal at a future stage;
- increased spatial and skills mismatch between the employment needs of Marrickville residents and the labour needs of local businesses, resulting in longer commuting times; and
- continued decline in the quality of the physical environment due to the lack of business investment and low-grade light-industrial redevelopment, reinforcing the current status of the Victoria Road Precinct as a barrier between residential areas and major public transport corridors.

These outcomes are not considered to be acceptable or desirable from a strategic planning, economic or urban amenity perspective. The ‘business as usual’ scenario and incremental changes proposed in the MELS would perpetuate the existing decline and entrench land uses that have significant negative impacts on the Marrickville locality.

As such, JBA and the Victoria Road project team have formulated a forward-looking alternative employment strategy to meet the future needs of the Marrickville community and improve the contribution of this precinct to employment, the local urban environment and higher-order strategic planning objectives.



Continued land use conflicts between established residential areas and industrial uses at the fringe of the Victoria Road Precinct

5.0 EMPLOYMENT STRATEGY

The decline of traditional industrial uses in the peripheral areas of the Marrickville-Sydenham Industrial Precinct presents an opportunity to assess how future planning can ensure that the area continues to contribute to strategic planning objectives.

5.1 OBJECTIVES OF EMPLOYMENT STRATEGY

Our Employment Strategy seeks to make recommendations for the Victoria Road Precinct only – however our findings, objectives and recommendations may also be useful to Council in considering the appropriate land use direction for other industrial land within the Sydenham-Marrickville Industrial Precinct and across the LGA.

This Employment Strategy is based on our understanding of the strategic planning framework established in A Plan for Growing Sydney, historic and forecast economic trends, an assessment of the existing characteristics of the Victoria Road Precinct and ground-truthing against the intentions of local businesses.

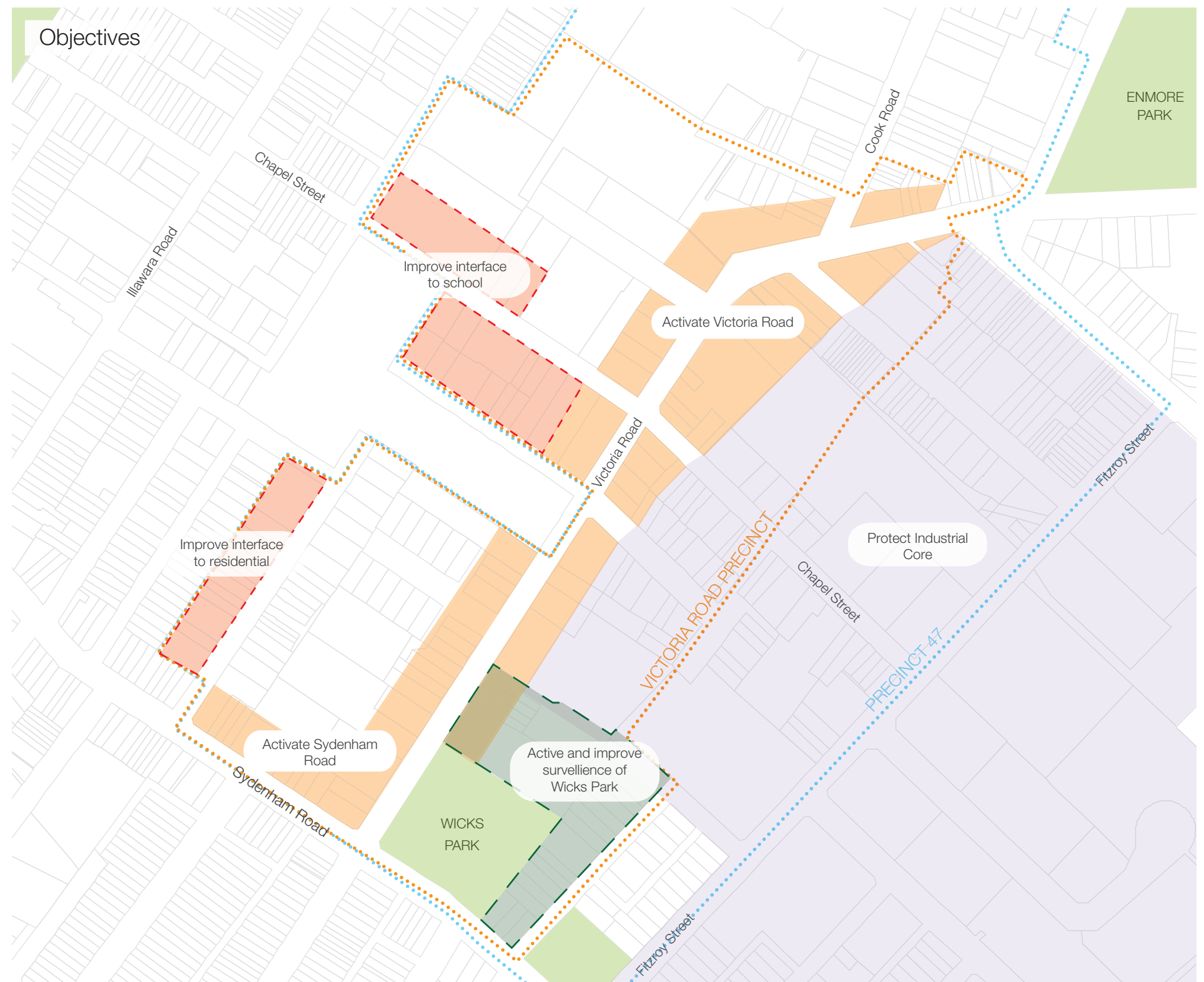


Figure 21: Objectives Map
Source: JBA