

Marrickville Employment Lands Study



Final Report

Marrickville Council

November 2014

Independent insight.



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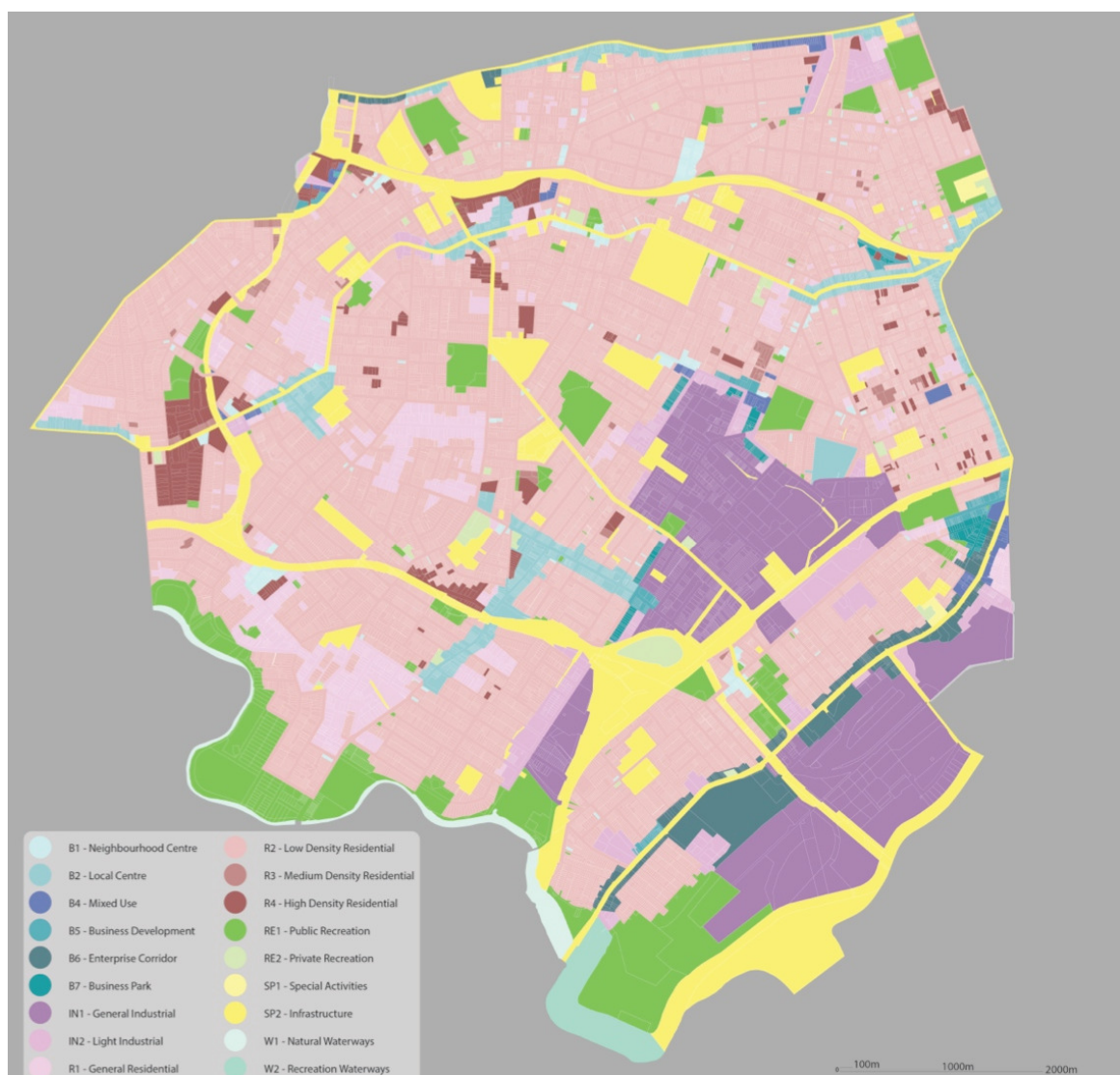
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EXECUTIVE SUMMARY

1.1 Scope

SGS Economics and Planning (SGS) was commissioned by Marrickville Council to review the Marrickville Employment Lands Study (2008) with funding from the Department of Planning and the Environment's Planning Reform Fund. The study area is all land zoned IN1 General Industrial and IN2 Light Industrial under the *Marrickville Local Environmental Plan 2011* (MLEP 2011).

FIGURE 1. CURRENT LAND-USE ZONES IN MARRICKVILLE LGA



Source: Marrickville Council 2014

1.2 Strategy and policy framework

Key policies and strategies guiding metropolitan development in Sydney have set out support for preservation of industrial and employment lands. There is an agreed focus on ensuring that fragmentation of well-sited industrial lands is minimised in order to ensure the long-term economic sustainability of inner urban areas.

Industrial and employment lands, particularly in inner urban areas, are increasingly under threat from residential re-zoning, which attracts higher land values and which meets the competing strategic objective of housing Sydney's growing population. The City of Sydney's most recent Employment Lands Strategy – the Employment Lands and Associated Draft Development Control Plan Amendment (14 June 2014) – demonstrates a potential way forward in negotiating this tension, in particular through planning for affordable housing opportunities in the proposed B7 Business Park zone, coupled with an affordable housing contribution scheme. This will ensure that there is provision made for housing to suit 'key workers' that will be employed in the area. Importantly, this strategy sits alongside a commitment to maintaining a core industrial zone in the South West part of the City that will continue to accommodate 'traditional industrial' uses.

The Marrickville LGA contains significant parcels of industrial land which are of strategic importance to the long term employment land supply and economic development of Sydney. In particular, the Marrickville-Sydenham precinct falls within the Global Economic Corridor as defined in the draft Metropolitan Strategy and the draft Subregional Plans. The ELDP 2014 Update Report identified 139.9 hectares of zoned employment land (both developed and undeveloped) in the Marrickville LGA, representing just under ten percent of such land in the Central subregion (total 1,477.9 Ha). There was no change in the amount of employment land within Marrickville between 2013 and 2014; however there has been a significant net loss in zoned employment land of 28.1 hectares since 2010. These losses have been due to incremental losses across the majority of precincts, rather than significant losses in one or two precincts. Those experiencing the greatest net change between 2010 and 2014 are:

FIGURE 2. MAJOR PRECINCT CHANGES, MARRICKVILLE 2010-2014

Precinct	Total employment land (2010) (hectares)	Total employment land (2014) (hectares)	Change (hectares)
Lewisham, Old Canterbury Rd	3.1	0.6	-2.5
Marrickville precinct	70.7	66.2	-4.5
Princes Highway frontages	13.7	7.9	-5.8
St Peters, Princes Highway	12.1	16.6	+4.5

Source: ELDP, 2011, 2014

Although some additional capacity has been added to the St Peters, Princes Highway precinct over the four years since 2010, these gains are outweighed by losses across the LGA.

Land use constraints surrounding the airport and port may limit the precinct's ability to deliver the 8,000 additional jobs projected in the Draft Metropolitan Strategy to 2031. This may have implications regarding demand for Marrickville's industrial land supply, in particular due to its location adjacent the Cooks River intermodal terminal. Further, Marrickville's recent inclusion within the Central Subregion (changed from the South Subregion) is an indication of its strategic importance, as well as shared characteristics and strength of economic linkages with the Sydney CBD. Inclusion within the Central Subregion will likely lead to increased focus on maintaining and strengthening existing employment (industrial) lands in and around Marrickville.

Marrickville has successfully implemented the recommendations of relevant strategies and plans that have surveyed the supply and use of industrial and employment lands within the LGA, implementing controls through its LEP and DCP that limit residential development in strategic industrial areas, and work to protect further fragmentation of light industrial areas. A caveat to this is the recommendation within the 2008 Employment Land Study which noted that while in general employment land should be

preserved, declining manufacturing sectors and increasing advanced professional and service sector employment mean that provision should be made to allow a wider range of uses at sites where manufacturing land uses are minor to provide a smoother transition of older industrial stock.

Marrickville's Urban Strategy Report (2007) acknowledges this creeping evolution of land use requirements and reinforces the suggestion to widen the allowable uses within employment lands. Marrickville Council have adopted a proactively 'reactive' approach to employment land use pressures; assessing the needs of emerging and creative industries and, within the broad parameters of employment land protection, accommodating it within existing employment lands. This approach supports the expectation held in the Draft South Subregional Strategy that future industrial land provision will come from the regeneration of existing employment land. It is a finer grain approach than that employed by some other LGAs and may play a significant role in Marrickville's ability to attract and develop its creative industries.

1.3 Subregional trends and drivers

Marrickville, situated close to the core of metropolitan Sydney, offers a dense urban environment, populated with a relatively affluent and highly skilled resident workforce, well served by major transport routes and within relatively close proximity to the economic hubs of the Sydney CBD, Sydney Airport, and Port Botany. Marrickville's industrial lands are well positioned to accommodate demand from local (population serving) industrial activity as well as more strategic industries that serve a wider catchment. With diminishing industrial land stocks in Botany and the City of Sydney, Marrickville industrial areas may also experience greater demand from industries that have been displaced for these areas.

Activity with declining demand for Marrickville's industrial land:

- **Traditional manufacturing and open storage.** High land values threaten the existence for lower value traditional industrial activity (especially those requiring larger floor areas) which is increasingly looking further west for lower cost land. There may also be some demand from industries deriving advantage from locating close to the CBD, port, and airport. Major destination hubs prefer ready access to motorways and many parts of Marrickville's industrial areas are not suited to this type of activity. However, the construction of the Westconnex infrastructure would likely improve the competitive offer of Marrickville's industrial precincts.

Activity with persistent or growing demand for Marrickville's industrial land

- **Population serving industry.** Marrickville will need to maintain a stock of industrial land that is focussed on providing for the needs of the local resident population. These industrial areas are typically characterised as 'local service industrial' and include uses such as automotive repairs, trade supplies, household storage, etc. There may also be some demand from industries deriving advantage from locating close to the CBD, port, and airport.
- **Urban manufacturers.** These are manufacturing firms for whom innovation and creativity are at the core of their business. These firms benefit greatly from the agglomeration benefits presented by Marrickville's location and urban environment. Additionally, being in close proximity to residential areas is increasingly appealing to manufacturers when choosing where to locate, with the attraction and retention of quality staff of growing importance (Colliers, 2014). Furthermore, owners of and investors in businesses are increasingly drawn from the young, inner city-based entrepreneurial class. They will be seeking an inner urban location (like Marrickville) for their business
- **CBD 'backroom' operations.** Activities that support Sydney's 'global' centre, such as freight and logistics use, storage and archiving.
- **Creative industries.** Creative industries in particular may look to start up in Marrickville in some of the transitioning industrial areas or may migrating there after being priced out of the longer established creative precincts on the city-fringe such as Surry Hills and Ultimo-Pyrmont.

These activity types can be mostly accommodated within existing industrial precincts under current planning controls. However, perhaps the greatest pressure on Marrickville's industrial land comes from non-industrial sectors – particularly residential development.

A key challenge for the Marrickville Council is to effectively and efficiently allow its employment locations to respond to industry and market trends and meet the ever-changing requirements of occupiers. To achieve this, a significant degree of flexibility is important, both in terms of the design of the buildings and also the planning policy framework. This may include increasing the flexibility of industrial zones by increasing the range of mandatory permissible uses, allowing additional local uses in specialised locations

1.4 Capacity and land use profile

Capacity

This study has assessed the capacity in each precinct to accommodate growth. In this analysis we have included four capacity scenarios:

- **Minimum.** Vacant floorspace plus floorspace on vacant sites assuming these will be developed up to the maximum allowable under current controls.
- **Medium (40).** The 'minimum' capacity scenario plus capacity on occupied sites. In this scenario we only include capacity on occupied sites where the current FSR is less than 40% of the existing observed FSRs in that precinct. On these sites we assume there is development capacity up to the precinct average FSR. If a site's existing FSR is 40% or more than the current average FSR we assume that it has no capacity.
- **Medium (60).** The 'minimum' capacity scenario plus capacity on occupied sites. In this scenario we only include capacity on occupied sites where the current FSR is less than 60% of the existing observed FSRs in that precinct. On these sites we assume there is development capacity up to the precinct average FSR. If a site's existing FSR is 60% or more than the current average FSR we assume that it has no capacity.
- **Maximum.** Again, this includes the 'minimum' capacity scenario plus capacity on occupied sites. However, in this case, all occupied sites are included and capacity is the difference between existing floorspace and the maximum allowable under current controls.
- The table below shows the results of the capacity analysis. This shows that in total Marrickville's industrial land has a capacity of between 101,137 sqm GFA and 891,522 sqm GFA across the scenarios.

FIGURE 3. CAPACITY SUMMARY (SEE FIGURE 42 FOR PRECINCT LOCATIONS)

Precinct	Min	Med 40	Med 60	Max
Carrington Rd	2,475	4,330	13,794	32,002
Dulwich Hill	-	193	193	650
Lewisham	351	627	1,198	5,153
Marrickville Sydenham	39,517	153,981	211,202	272,013
Princess Highway	47,902	136,491	150,699	563,731
Stanmore	-	3,076	3,076	7,080
TOTAL	90,245	298,698	380,162	880,629

Source: SGS 2014

In Marrickville's industrial areas there is some potential for further development and intensification within the current controls but this is not likely to be close to the maximum theoretical potential. We suggest that the medium scenarios are the most appropriate for use in strategic planning

Constraints

Many of the industrial areas are flood affected. The most severely affected industrial precincts are the Princes Highway corridor and the Marrickville-Sydenham precincts. In addition, the Marrickville-Sydenham precinct and the Princes Highway corridor are affected by aircraft noise, with large parts of these precincts being within the ANEF 25 and ANEF 30 contours. Australian Standard AS 2021—2000 provides guidance on the siting and construction of buildings impacted by aircraft noise and determining what measures might be used to reduce the impacts and provide acceptable indoor sound levels. While for the most part this does not impact industrial development, land with an ANEF level of greater than 25 ANEF is generally regarded as being not acceptable for new residential dwellings and other land uses such as schools and community facilities notwithstanding the ability to vary this if supported by an adopted strategy. Section 117 Direction states that for 20-25 ANEF, new residential is acceptable if insulated.

Profile

From the capacity analysis and profiling it is possible to broadly categorise Marrickville's industrial precincts as follows:

- **Large mixed industrial precinct.** The Marrickville-Sydenham precinct is the largest industrial precinct in the LGA and one of the most significant industrial precincts in the subregion. It has a mixed industrial profile with light and population serving industry making up 44% of total floorspace alongside more traditional industrial activity on larger lots and in the core of the precinct. Light manufacturing makes up 22% of floorspace and freight and logistics accounts for 16%.
- **Two small population-serving light industrial precincts.** Lewisham and Dulwich Hill industrial precincts are dominated by local light industry (36% and 45% respectively). However, both of these precincts have a significant level of retail activity – 36% and 13% respectively.
- **One medium-sized and mixed industrial precinct on Carrington Road.** The Carrington Road precinct has predominantly local light industrial land use (48%) with some light manufacturing (22%) and freight and logistics activity (10%). The precinct also has 7,289 sqm GFA business park use (7%).
- **One mixed commercial-industrial precinct.** The Stanmore industrial precinct has a mixed profile with 5% office, 58% local light industrial, 19% dispersed and 12% freight and logistics activity. The western cluster in the precinct sits at the Salisbury Road end of Bridge Road in Stanmore with employment activity spreading down into Stanmore from Parramatta Road. Uses here are a mix of local service industrial and office. The eastern cluster is at the Parramatta Rd end of Australia and Denison streets. It consists of a light industrial/ local service industry park on Denison street and community uses on Australia street (child care and Catholic University building)
- **An enterprise corridor with fragmented industrial activity.** The Princes Highway corridor has a mixture of industrial, retail and commercial land use. In the industrial zoned areas, land-use is made up predominantly of local light industry (28%), freight and logistics (20%), business park (23%) and light manufacturing (13%). The corridor is a natural place for large format retail and lower intensity, 'edge of centre'. The corridor also provides some large lots that house heavier industrial activity and open storage. Port accessibility is a driver for these uses.

Marrickville's industrial lands not only have economic significance in terms of productivity and jobs, but cultural and historical significance. Cultural tourism is a good example of the cultural significance of Marrickville's industrial lands. There are a number of 'food tours' of these areas by bus, bicycle and foot. Some of these are co-ordinated by Council, others by commercial tour operators. Local industry representatives have explained that customer catchment of Marrickville's industrial lands has been widening as people from outside the area are attracted by Marrickville industrial area's unique offerings and qualities, e.g. boutique breweries. Locals and visitors alike value the contribution of the industrial lands to the colourful and vibrant 'look and feel' of Marrickville.

Floorspace forecasts

The employment forecasts are translated into floorspace forecasts for the period 2014-2036 for the audited areas in Figure 56 based on the way that businesses in each ANZSIC category use land in the audited areas of Marrickville LGA:

- **BTS 2012.** The forecast decline in jobs in industrial sectors produces an overall fall in floorspace of 36,398 sqm GFA
- **BTS 2014.** The BTS 2014 figures are markedly different from the BTS 2012 release and suggest demand for an additional 98,966 sqm GFA in the period 2014-2036
- **SGS Adjusted.** The adjusted scenario shows a growth in demand for floorspace in the audited industrial areas of 130,182 sqm GFA in the period 2014-2036

When compared with the capacity assessment, this provides a picture of supply demand gaps for each 2014-2036 forecast:

- **BTS 2012.** This shows that there is capacity to accommodate the floorspace forecast in all precincts. Under the minimum scenario there is a surplus of 101,137 sqm GFA, with between 309,591 sqm GFA and 391,055 sqm GFA in the medium scenarios assuming some redevelopment potential
- **BTS 2014.** Using the BTS 2014 forecast employment numbers, the stronger employment growth results in a deficit of 8164 sqm GFA under the minimum scenario. Under the medium scenarios there is capacity of between 200,290 and 281,754 sqm GFA
- **SGS Adjusted.** In the adjusted scenario there is a deficit of 39,933 sqm GFA in the minimum capacity scenario with between 168,521 and 249,985 sqm GFA in the medium capacity scenarios.

1.5 Issues & strategic directions

The BTS 2012 forecast for the LGA translates to contracting demand for industrial floorspace. However, key projects within the LGA and inner city will change the industrial landscape – and likely increase demand for industrial land. SGS adjusted floorspace forecasts suggest a growth in demand for floorspace of 130,000 sqm GFA in the period 2014-2036. This is slightly higher than the BTS 2014 forecasts. We also should not forget that there has been rezoning from industrial in other LGAs in the subregion and this places a greater emphasis on Marrickville's land stock to meet subregional needs.

Even with the SGS adjusted demand forecast, there is sufficient capacity in Marrickville's industrial lands to accommodate projected growth. In this light, some rezoning from industrial is possible and will likely produce better social and economic outcomes.

It is evident that inner urban industrial land use is changing. Traditional industrial uses are moving away from inner urban areas, 'pulled' to undeveloped large vacant and unencumbered land. Urban manufacturers are visible in Marrickville. These are firms for whom innovation and creativity are at the core of their business. These firms benefit greatly from the agglomeration benefits presented.

There is evidence of an informal economy in Marrickville's industrial areas – particularly within the Marrickville-Sydenham precinct. Businesses in the area are attracted by low rents, lack of neighbour complaints, short supply chains and relatively close proximity to the CBD. The mix of uses adds to the character of the area and makes for an interesting and fine-grained urban environment

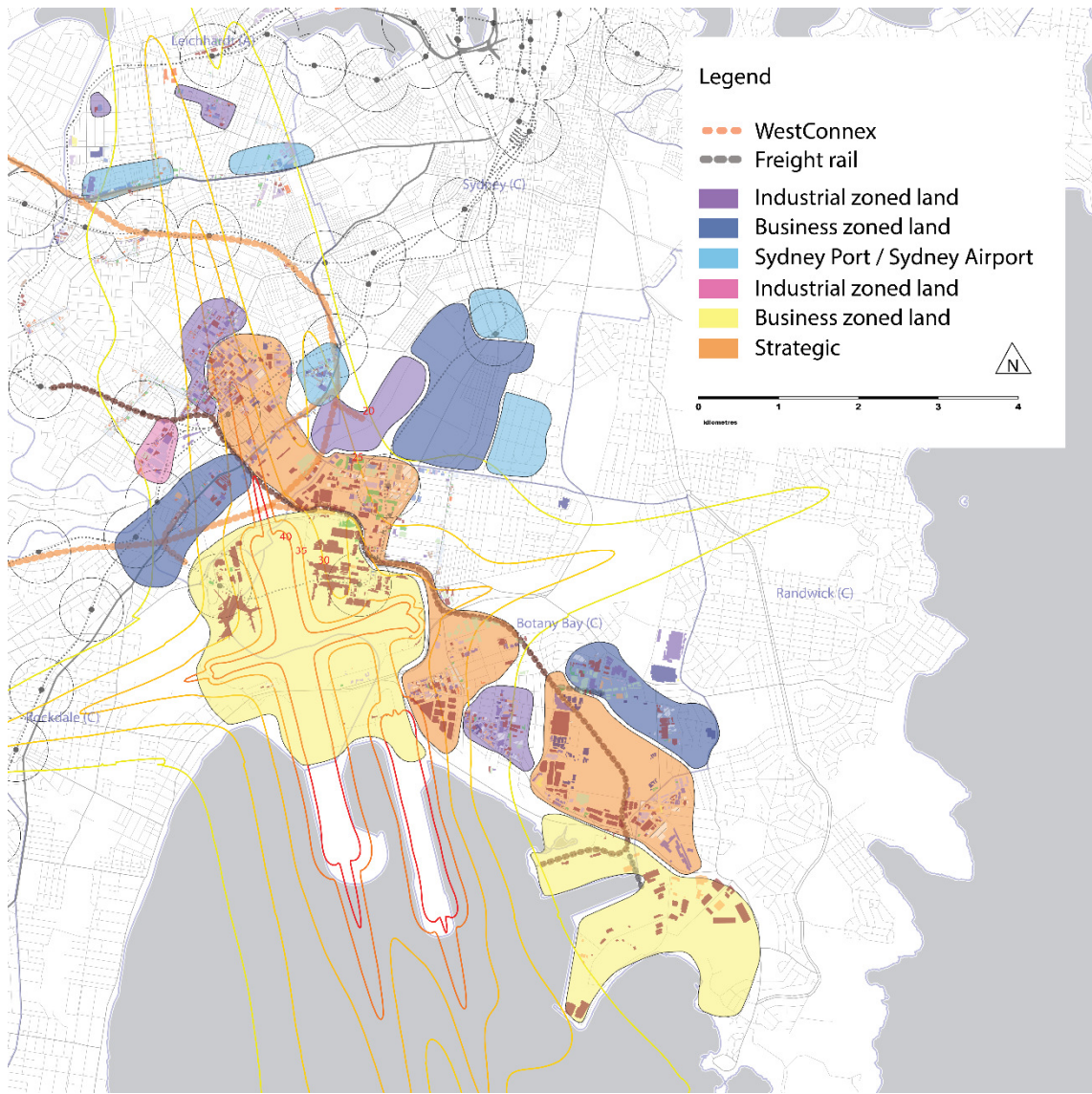
It is important that an overall, coordinated and strategic approach to planning the Inner Sydney employment lands be undertaken. It is not up to Marrickville Council or this study to undertake the planning for neighbouring LGAs but it is appropriate to suggest some directions for these inner Sydney areas just to ensure that the proposed local directions and actions 'make sense' in context.

To do so, the following typology assists in clarifying and simplifying the approach to employment lands planning.

- **Strategic activities** - Land uses of metropolitan or state significance which are tied to particular infrastructure or assets such as the large lot industrial areas near motorway infrastructure or land near the port and the airport along the freight line, or which acts both as a buffer and as a land resources for airport and port related freight and logistics activities. In the Inner Sydney context industrial land near the port and airport, but also extending into Marrickville to the large lots in the central part of the Marrickville-Sydenham area, might be considered 'strategic'.
- **Subregional activities or 'urban services'** - Activities that need to have access to clients in more tightly defined subregions throughout the metropolitan area such as postal warehouses, concrete batching plants, council depots and, in this Inner Sydney area in particular, some CBD related 'back of house' activities. Parts of the main Marrickville industrial area might also be considered as suitable for this category of activities but such uses would not necessarily be excluded from the strategic precincts.
- **Local service and enterprise activities** - Uses dependent on resident populations and local business connections and often service local catchment, including domestic storage, some minor local or 'urban' manufacturing and motor repairs. In Marrickville LGA it is expected that low impact but innovative enterprises and service activities, already active in the area, will continue to develop.
- **Enterprise corridor** – Similar to local services and enterprise activities but particularly depends on exposure to main roads and could include a higher component of office and may 'cross over' into or include large format retail.
- **'Work-live'** – Genuine mix of light enterprise and low impact residential in converted light industry areas. Could include warehouse conversions, and other residential and business configurations. Residential might be car restricted and contained to existing building footprints or 'industrial' FSRs to provide for low cost living options for artists, artisans and 'creatives'. This 'work-live' option recognises the nexus with services, education and entertainment in the inner Sydney area.
- **Contested** - Any industrial land not identified or allocated to the above categories would be considered for residential or a mixed-use conversion. Typically the contest will be with the local services and enterprise activity category because the other two categories (strategic and subregional) are considered more significant. Conversions would be expected only after a comprehensive local review of need.

The policy directions, and constraints including the ANEF contours, subdivision patterns and road transport infrastructure, also inform the planning directions. Figure 4 identifies some directions for employment lands planning in Inner Sydney, including Marrickville using these precinct categories as a guide.

FIGURE 4. INNER SYDNEY SUBREGIONAL EMPLOYMENT LANDS CONTEXT AND POSSIBLE DIRECTIONS



Source: SGS Economics and Planning, 2012

Strategy 1 Protect subregionally significant industrial lands

Action 1.1 Designate the Marrickville-Sydenham precinct as a subregionally significant industrial precinct and zone accordingly

The Marrickville-Sydenham precinct is the largest industrial precinct in Marrickville. It provides space for local service/ light industrial operations as well as larger lots for more traditional industrial activity. The precinct plays an important role within the subregion – being of a significant scale and offering some larger lots while being in relatively close proximity to the port and airport and having increased future accessibility potential by virtue of WestConnex. Notwithstanding recommendations for the Victoria Road corridor, the precinct should be protected as subregionally significant industrial land and zoned IN1 and IN2 accordingly.

Action 1.2 Restrict further subdivision and/or strata titling of larger lots in the Marrickville-Sydenham precinct core to prevent fragmentation

Larger lots are a feature of the Sydenham Marrickville industrial precinct. These are of particular value given the dwindling supply of industrial land within the subregion and should be protected. Subdivision and/ or strata titling of lots in the core of the precinct should be resisted.

Action 1.3 Prevent the spread of retailing and services into Marrickville-Sydenham precinct core

Ancillary retail and convenience retail should be carefully monitored in the precinct. Ancillary should be defined on a per lot basis with a maximum percentage of floorspace per building area. The Marrickville LEP 2011 Clause 5.4 (4) sets controls for industrial retail outlets, i.e. 11% of GFA or 400 sqm whichever is the lesser.

The MELP 2011 controls are appropriate but we would also suggest that consideration be given to capping retail floorspace within the IN1 precinct core to minimise the spread of retailing activity through the precinct while allowing for some retail to service workers' needs. Council may explore the potential to assess worker and business needs for retail activity in the industrial core of the precinct through market research.

Action 1.4 Lobby state government to consider the provision and protection of strategic industrial and employment lands at a subregional level

A regional approach is required to determine the necessary supply of inner metropolitan Sydney employment lands (with industrial lands being an important subset) needed to service the airport and port, provide subregional urban services and provide appropriate service industry land for the resident population. Clear action should be taken to ensure that these lands are protected. This will reduce the likelihood of the industrial lands becoming overburdened and consequently unviable for lower value uses. It will also allow for enhanced transport planning and neighbouring residential planning.

The ongoing Sub-regional Growth and Infrastructure planning (SGIP) process could provide this framework. However, it is important that Council is engaged in this process to provide 'bottom-up' information about land uses, operational and interface issues, etc. This should also provide a mechanism for discussion of the relative merits of land in the various Council areas (City of Sydney, Botany, Marrickville and Leichhardt) to accommodate activity that needs to exist in the subregion but is also relatively footloose at this level so could exist in any of the Council areas. If the SGIP process does not allow for sufficient Council interaction or involvement then

Council should explore the potential to establish a subregional working group to discuss these issues.

Action 1.5 Consolidate planning and urban design guidance in a Marrickville-Sydenham precinct plan

Council should consider preparing a precinct structure plan for the Marrickville-Sydenham precinct. This would incorporate LEP and DCP information as well as broader economic development and urban design and transport visioning for the precinct. This would include a long term vision for the Sydenham live music hub and the Victoria Road corridor. The intention is that the precinct plan will also raise the profile of the precinct as an industrial area of subregional importance.

Strategy 2 Ensure sufficient stocks of industrial land to meet requirements of the local population

Action 2.1 Protect population-serving industrial land

Much of the industrial activity in the LGA is classed as population serving industry (rather than more traditional heavier industrial activity). The population of Marrickville is expected to rise and demand for population serving industrial activity will be closely linked to this increase. Planning for the LGA should ensure that there is sufficient capacity to meet the local service industry needs of residents.

Strategy 3 Explore economic development opportunities in some industrial precincts

Action 3.1 Consider rezoning of selected lots to B7 Business Park as 'Live-Work' space

Rezoning to B7 Business Park use should not compromise existing industrial activity and should not jeopardise the future role and function of the industrial precinct. Business park zoning may be appropriate in areas at the fringe of existing industrial precincts that front major roads and have good accessibility (including public transport accessibility).

The mix of industrial and commercial activity allowable in this zone may be used to target some creative businesses – although it should be recognised that the rezoning may trigger land value increases that push the properties out of the reach of some lower density/ lower value creative uses. Care should also be taken that uses encouraged by B7 zoning could not otherwise locate in centres.

The B7 zone may be applied as a specific planning tool to create true live-work space in the industrial area. The introduction of a zone allowing residential activity within the industrial precinct needs to be carefully managed so that encroachment of straight residential activity does not jeopardise the role and function of the industrial precinct.

Action 3.2 Continue to plan for a Sydenham music/ entertainment precinct

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

Strategy 4 Consider residential conversion opportunities

Action 4.1 Consider the Carrington Road precinct as an opportunity for Urban Renewal

The Carrington Road precinct currently has around 106,219 sqm GFA of occupied industrial floorspace and has been highlighted as an area that might be considered for rezoning for residential use.

The Carrington Rd precinct is a good rezoning prospect. The precinct is not ANEF constrained and although it is flood affected this could be managed by development. The southern part of the precinct is also close to Tempe train station. Rezoning for some combination of residential, and light industrial would be appropriate.

Action 4.3 Consider rezoning of select residential interface sites to B4 Mixed Use

Some industrial sites that are peripheral to the main industrial precincts, or are fragmented, but have good public transport accessibility and are not constrained may be appropriate for mixed use zoning. Rezoning to B4 Mixed Use should not compromise existing industrial activity and should not jeopardise the future role and function of industrial precincts and should not risk the ability of the LGA to meet demand employment targets.

Strategy 5 Encourage the development of Princes Highway strategic corridor

Action 5.1 Prohibit large format retail from locating in the Marrickville-Sydenham precinct

Large format retail uses will seek out industrial areas as they provides low cost land with the large lot areas required for this retail form. High visibility sites with good accessibility are prime targets. Rezoning proposals in identified industrial precincts should be resisted as they can threaten the integrity of the industrial area. Proposals that break up a consolidated industrial area (such as the approved Edinburgh Rd proposal previously discussed) are particularly damaging.

In contrast the Princes Highway corridor is well suited for large format retail having excellent accessibility and visibility and offering some larger lots. The corridor should be promoted as the preferred location for this type of land use.

Action 5.2 Retain IN1 and IN2 zones for remnant industrial operations in the Princes Highway corridor

The corridor contains a mixture of industrial uses alongside retail and large format retail. B6 Zoning is appropriate for the corridor generally. There are a number of existing industrial operations within the IN1 and IN2 zoned areas along the corridor. These are appropriate in their location and appear to rely on Princes Highway access and/ or port/ airport proximity. These sites should retain their current zoning.

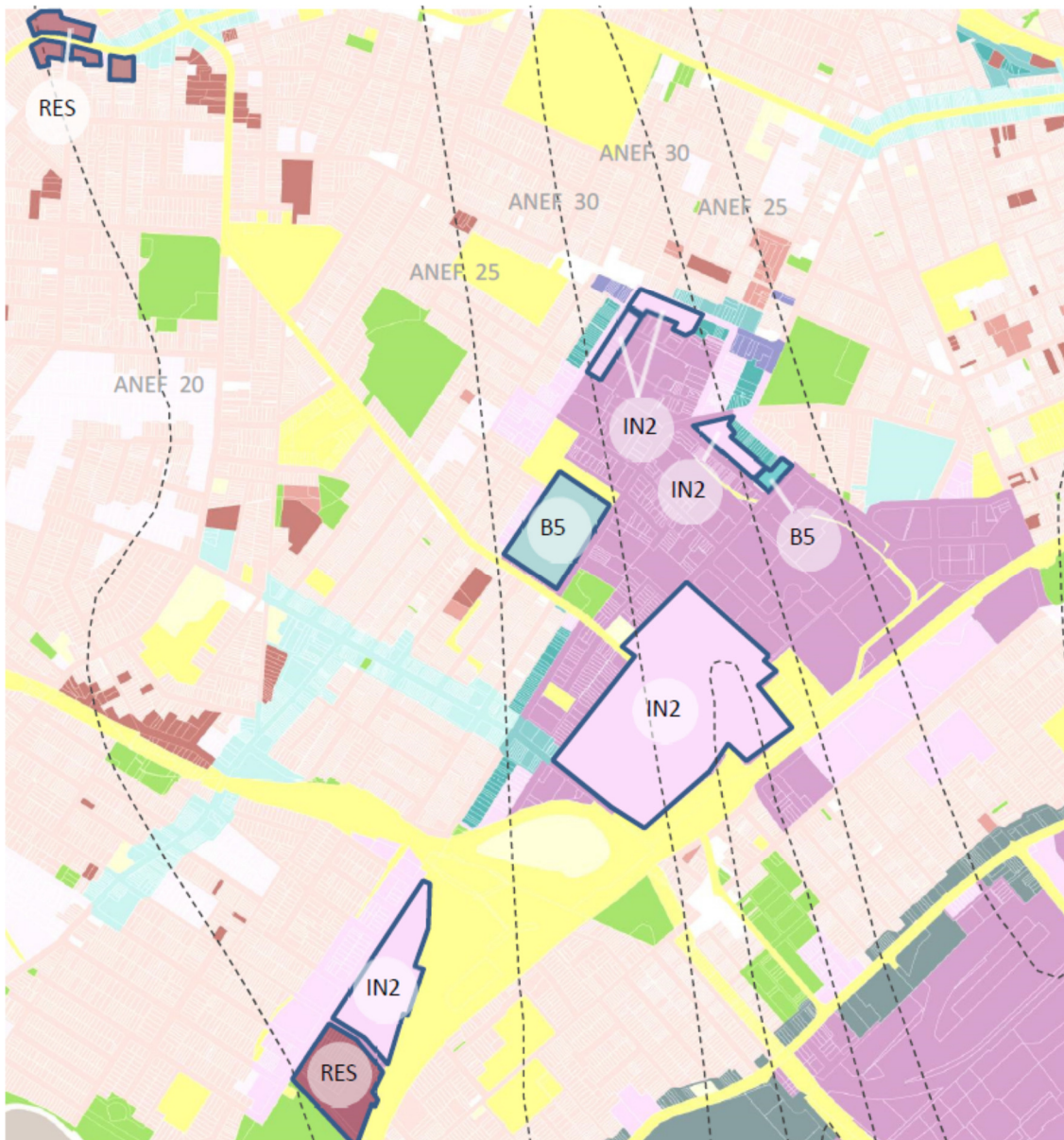
1.6 Future Land Use Scenarios

We have prepared three future land use scenarios to respond to floorspace demand forecasts for the industrial precincts and to take account of the rezoning proposals and the attributes of the industrial precincts. The scenarios become progressively less conservative (with 3 being the least conservative) in terms of rezoning potential. The way the ANEF contours are treated is a significant difference between the scenarios. In scenario 1 there is no rezoning to permit residential development in areas above the ANEF 25 contour. In scenarios 2 and 3, residential development is permitted between ANEF 25 and ANEF 30. Scenario 3 is the most aggressive in seeking renewal opportunities within the industrial areas.

Future Land Use Scenario 1 – ‘Employment focussed’

Proposed zone changes for scenario 1 are illustrated in Figure 5.

FIGURE 5. SCENARIO 1: PROPOSED REZONING



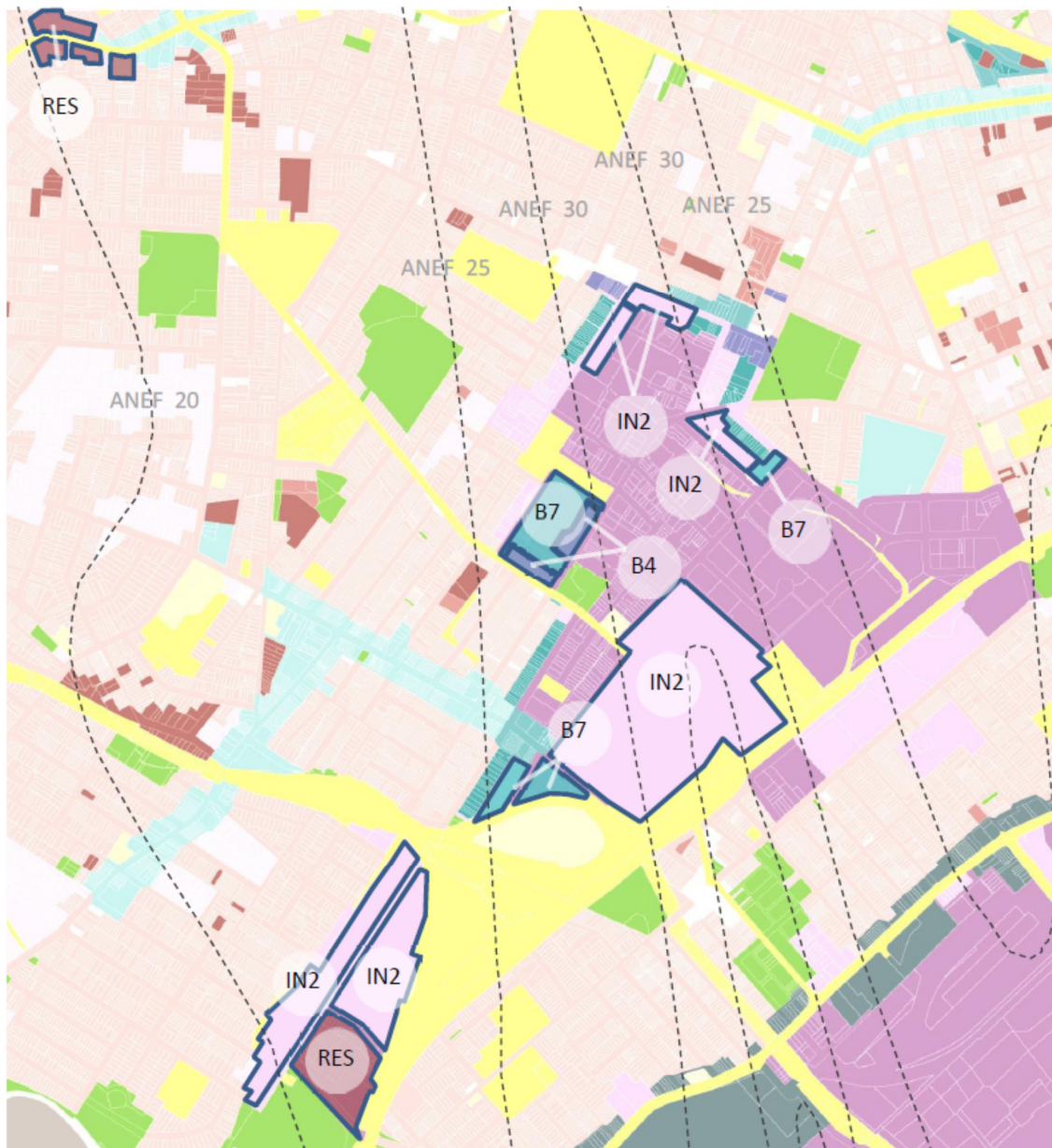
Source: SGS 2014

This scenario considers the rezoning proposals as well as opportunities for rezoning of other sites in light of site and location attributes, development constraints (ANEF and flood), existing land use profiles and zoning. Rezoning prospects are suggested taking account of forecast demand and available supply under medium capacity scenarios.

Future Land Use Scenario 2 – ‘Live-work focussed’

Proposed zone changes for scenario 2 are illustrated in Figure 6.

FIGURE 6. SCENARIO 2: PROPOSED REZONING



Source: SGS 2014

This scenario considers the rezoning proposals as well as opportunities for rezoning of other sites in light of site and location attributes, development constraints (ANEF, flood), existing land use profiles and zoning. Unlike Scenario 1, in this scenario we have assumed that mixed live-work can occur between ANEF 25 and ANEF 30. It is our understanding that the Department has previously accepted proposed residential above

the 25 ANEF as it was consistent with the MUS and draft Subregional Strategy. This opens up opportunities along Victoria Road. Rezoning prospects are suggested taking account of forecast demand and available supply under medium scenarios.

The use of the B7 zone is intended to open up opportunities for work-live space (with an emphasis on 'work') within the industrial precinct. As well as formalising small-scale residential activity within industrial spaces that already occurs, this is intended to create a vibrant employment area that is able to offer flexible employment workspace and low cost housing outcomes. This is consistent with the application of the B7 zone in the MLEP

Clause 6.13 of MLEP 2011 currently reads (incorporating changes proposed as part of Amendment No. 2) as follows:

6.13 Dwellings and residential flat buildings in Zone B7 Business Park

- (1) The objective of this clause is to provide for limited residential development for small scale live-work enterprises, to assist in the revitalisation of employment areas and to provide a transition between adjoining land use zones.
- (2) This clause applies to land in Zone B7 Business Park.
- (3) Development consent must not be granted to development for the purpose of a dwelling or a residential flat building on land to which this clause applies unless the consent authority is satisfied that the development is part of a mixed use development that includes business premises or office premises or light industry on the ground floor.

The following types of "residential accommodation" are permitted in the B7 Business Park zone under MLEP 2011:

- Dwelling houses (under Clause 6.11, but only purpose built dwelling houses existing on the land that were erected before the commencement of MLEP 2011)
- Residential flat buildings (under Clause 6.13, but only as "part of a mixed use development that includes business premises or office premises or light industry on the ground floor")
- Shop top housing

The objective of the clause refers to "small scale live-work enterprises", a term not specifically defined or used elsewhere in the instrument.

MDCP 2011 supplements the provisions of MLEP 2011 and provides more detailed provisions to guide future development including some provisions which place restrictions, or limitations, on residential development in the B7 Business Park zone. Those controls are primarily contained in Part 6 – Industrial Development of MDCP 2011 and include:

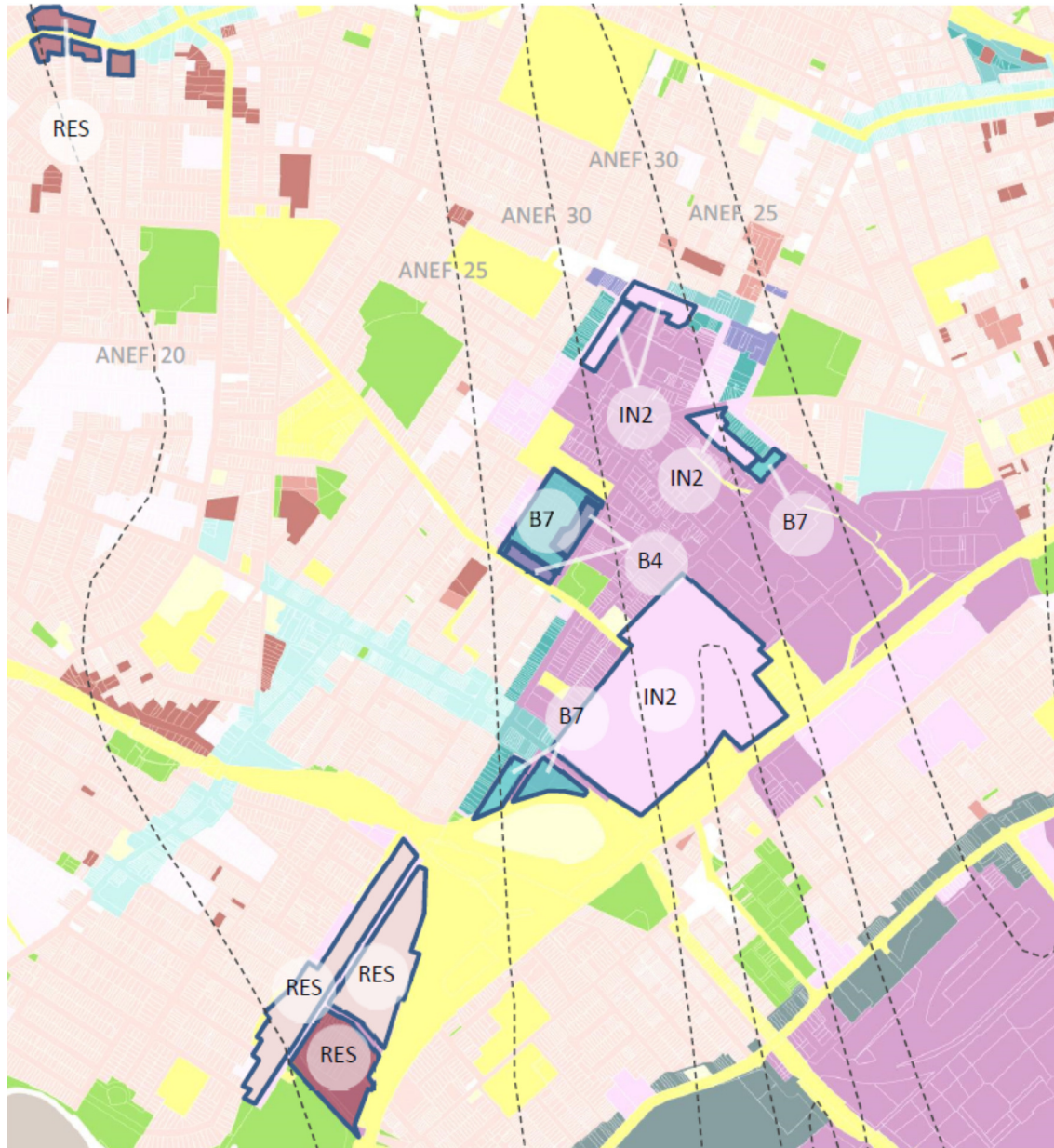
- C78 The area of the premises used for small scale creative industries must not exceed 300m2 of gross floor area
- C87 Dwellings (including live/work studios) must not be an individual lot in a strata plan or community title scheme
- C88 A minimum of 60% of the total gross floor area must be used for non-residential purposes

Careful planning is required to ensure that the application of the B7 zone does not lead to residential encroachment in the industrial area. We would suggest that the controls are adjusted so that no new strata title development is permitted. Proposed zone changes are illustrated in Figure 6

Future Land Use Scenario 3 – ‘Renewal/ residential focussed’

Proposed zone changes for scenario 3 are illustrated in Figure 7

FIGURE 7. SCENARIO 3: PROPOSED REZONING



Source: SGS 2014

This scenario considers the rezoning proposals as well as opportunities for rezoning of other sites in light of site and location attributes, development constraints (ANEF, flood), existing land use profiles and zoning. As with Scenario 2, we have assumed that residential activity can occur between ANEF 25 and ANEF 30 which opens up opportunities for ‘higher value’ land uses along Victoria Road. Rezoning prospects are suggested to maximise renewal/ regeneration rather than being constrained by capacity to accommodate forecast demand.

As with Scenario 2 the use of the B7 zone is intended to open up opportunities for work-live space (with an emphasis on ‘work’) within the industrial precinct. The intention is to create a vibrant employment

area that is able to offer flexible employment workspace and a low cost housing solution. Again, this is consistent with the application of the B7 zone in the MLEP but we would suggest that the controls are adjusted so that no new strata title development is permitted.

As a quantitative test of the proposed rezoning, we have recalculated capacity gaps after accommodating forecast demand using the following inputs/ assumptions:

- Medium capacity scenarios and adjusted employment forecasts
- Retention of industrial use in B7 zone is tested at 20%
- Retention of industrial use in B5 zone is tested at 100%, 75% and 50%
- Retention of industrial use in residential zone is 0%
- Displaced industrial activity and demand that cannot be accommodated in other precincts is allocated to Marrickville-Sydenham and the Princes Highway corridor on the basis of an 80:20 split.

FIGURE 8. SCENARIO 1: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [HIGH INDUSTRIAL RETENTION]

Precinct	Before rezoning					Rezoning		Reallocation					Final gaps	
	Current GFA	Capacity		Gap				Reallocation (FROM)		Reallocation (TO)			Gap	
		Med 40	Med 60	Med 40	Med 60	Retained GFA	Displaced GFA	Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	106,219	0	7,653	0	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	640,596	12,612	0	0	80%	17,618	11,484	24,849	88,204
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	4,405	2,871	124,526	140,267
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	50,409	6,534	14,061	14,061	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	952,740	19,146	22,023	14,355	1	22,023	14,355	149,375	228,471

FIGURE 9. SCENARIO 2: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [HIGH INDUSTRIAL RETENTION]

	Before rezoning					Rezoning		Reallocation					Final gaps	
		Capacity		Gap				Reallocation (FROM)		Reallocation (TO)			Gap	
Precinct	Current GFA	Med 40	Med 60	Med 40	Med 60	Retained GFA	Displaced GFA	Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	106,219	0	7,653	0	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	607,627	45,580	0	0	80%	17,618	11,484	-8,120	55,235
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	4,405	2,871	124,526	140,267
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	50,409	6,534	14,061	14,061	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	919,772	52,114	22,023	14,355	1	22,023	14,355	116,406	195,502

FIGURE 10. SCENARIO 3: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [HIGH INDUSTRIAL RETENTION]

Precinct	Before rezoning					Rezoning		Reallocation					Final gaps	
		Capacity		Gap				Reallocation (FROM)		Reallocation (TO)			Gap	
	Current GFA	Med 40	Med 60	Med 40	Med 60	Retained GFA	Displaced GFA	Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	-	106,219	113,872	104,408	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	603,459	49,749	0	0	80%	102,593	95,010	-97,263	-32,460
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	25,648	23,752	103,283	119,386
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	50,409	6,534	14,061	14,061	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	809,384	162,502	128,241	118,762	1	128,241	118,762	6,019	86,926

FIGURE 11. SCENARIO 1: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [MEDIUM INDUSTRIAL RETENTION]

Precinct	Before rezoning					Rezoning		Reallocation					Final gaps	
	Current GFA	Capacity		Gap		Retained GFA	Displaced GFA	Reallocation (FROM)		Reallocation (TO)			Gap	
		Med 40	Med 60	Med 40	Med 60			Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	106,219	0	7,653	0	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	632,036	21,172	0	0	80%	18,349	12,214	15,559	78,913
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	4,587	3,054	124,344	140,085
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	49,496	7,447	14,974	14,974	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	943,267	28,619	22,936	15,268	1	22,936	15,268	139,902	218,998

FIGURE 12. SCENARIO 2: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [MEDIUM INDUSTRIAL RETENTION]

Precinct	Before rezoning					Rezoning		Reallocation					Final gaps	
	Current GFA	Capacity		Gap		Retained GFA	Displaced GFA	Reallocation (FROM)		Reallocation (TO)			Gap	
		Med 40	Med 60	Med 40	Med 60			Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	106,219	0	7,653	0	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	602,100	51,108	0	0	80%	18,349	12,214	-14,378	48,977
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	4,587	3,054	124,344	140,085
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	49,496	7,447	14,974	14,974	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	913,331	58,555	22,936	15,268	1	22,936	15,268	109,966	189,062

FIGURE 13. SCENARIO 3: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [MEDIUM INDUSTRIAL RETENTION]

Precinct	Before rezoning					Rezoning		Reallocation					Final gaps	
	Current GFA	Capacity		Gap		Retained GFA	Displaced GFA	Reallocation (FROM)		Reallocation (TO)			Gap	
		Med 40	Med 60	Med 40	Med 60			Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	-	106,219	113,872	104,408	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	597,336	55,872	793	0	80%	103,958	95,740	-104,751	-39,313
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	25,990	23,935	102,941	119,203
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	49,496	7,447	14,974	14,974	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	802,348	169,538	129,948	119,675	1	129,948	119,675	-1,810	79,890

FIGURE 14. SCENARIO 1: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [LOW INDUSTRIAL RETENTION]

Precinct	Before rezoning					Rezoning		Reallocation					Final gaps	
	Current GFA	Capacity		Gap				Reallocation (FROM)		Reallocation (TO)			Gap	
		Med 40	Med 60	Med 40	Med 60	Retained GFA	Displaced GFA	Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	106,219	0	7,653	0	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	623,476	29,731	0	0	80%	19,079	12,945	6,268	69,623
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	4,770	3,236	124,161	139,902
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	48,583	8,360	15,887	15,887	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	933,795	38,091	23,849	16,181	1	23,849	16,181	130,429	209,525

FIGURE 15. SCENARIO 2: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [LOW INDUSTRIAL RETENTION]

Precinct	Before rezoning					Rezoning		Reallocation					Final gaps	
		Capacity		Gap				Reallocation (FROM)		Reallocation (TO)			Gap	
	Current GFA	Med 40	Med 60	Med 40	Med 60	Retained GFA	Displaced GFA	Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	106,219	0	7,653	0	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	596,572	56,635	1,557	0	80%	20,324	12,945	-21,881	42,719
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	5,081	3,236	123,850	139,902
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	48,583	8,360	15,887	15,887	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	906,891	64,995	25,405	16,181	1	25,405	16,181	101,969	182,621

FIGURE 16. SCENARIO 3: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [LOW INDUSTRIAL RETENTION]

Precinct	Before rezoning					Rezoning		Reallocation					Final gaps	
		Capacity		Gap				Reallocation (FROM)		Reallocation (TO)			Gap	
	Current GFA	Med 40	Med 60	Med 40	Med 60	Retained GFA	Displaced GFA	Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	-	106,219	113,872	104,408	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	591,213	61,995	6,916	0	80%	109,587	96,471	-116,503	-46,167
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	27,397	24,118	101,534	119,021
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	48,583	8,360	15,887	15,887	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	795,312	176,574	136,984	120,588	1	136,984	120,588	-14,969	72,854

Summary of land use options

The employment and floorspace forecasts have shown that forecast demand for the LGA is modest when compared with existing capacity even with the most bullish projections. Some change from traditional industrial zoning is warranted. However, this must be balanced with the fact that Marrickville hosts some the subregion's most significant industrial land – particularly when viewed in the light of industrial land rezoning across the subregion. The Marrickville-Sydenham precinct being a large consolidated precinct that offers large lots and good highway, port and airport access has importance at the subregional level. Its significance should be recognised and its role and function as an industrial area protected.

The rezoning proposals have been reviewed in this context and three future land use scenarios have been prepared. All three propose rezoning of the Lewisham cluster to residential use (or potentially B4 mixed use) and rezoning of all or part of the Carrington Rd precinct for residential use. All three scenarios also propose some change in the Marrickville-Sydenham precinct and include recognition of the Sydenham entertainment precinct, rezoning on the north-eastern fringes of the precinct and on the western fringe along the Victoria Rd corridor. Further rezoning along the Victoria corridor is not included in the scenarios as this would threaten the integrity of the precinct – risking isolating the larger industrial lots in the northernmost part of the precinct.

The first scenario balances site and location attributes, current land use profiles, development constraints and floorspace demand forecasts in light of capacity in the precincts. The first scenario is the most conservative of the three – producing a comfortable supply demand excess of 130,429 sqm GFA and 209,529 sqm GFA in 2036 even with low industrial activity retention the rezoned areas.

The second scenario assumes that residential activity can occur between ANEF 25 and ANEF 30. It is our understanding the Department has previously accepted residential development above the 25 ANEF contour as it was consistent with the MUS objective of encouraging creative industries through live-work zones. B7 live-work zoning is proposed for suitable sites between ANEF 25 and 30. As well as formalising small-scale existing residential activity within industrial spaces, this is intended to create a vibrant employment area that is able to offer flexible employment workspace and a low cost housing solution. This is consistent with the application of the B7 zone in the MLEP. Scenario 2 produces a supply demand excess of 101,969 sqm GFA and 182,621 sqm GFA with low industrial use retention the rezoned areas.

The third scenario pushes for the greatest zoning changes. As with Scenario 2 assumes that residential activity can occur between ANEF 25 and ANEF 30 but does not permit residential development above ANEF 30. Carrington Rd precinct is zoned entirely for residential use – being the most suitable for residential development. This scenario produces a supply deficit of 14,969 sqm GFA under the 'medium 40' capacity scenario and with low industrial retention.

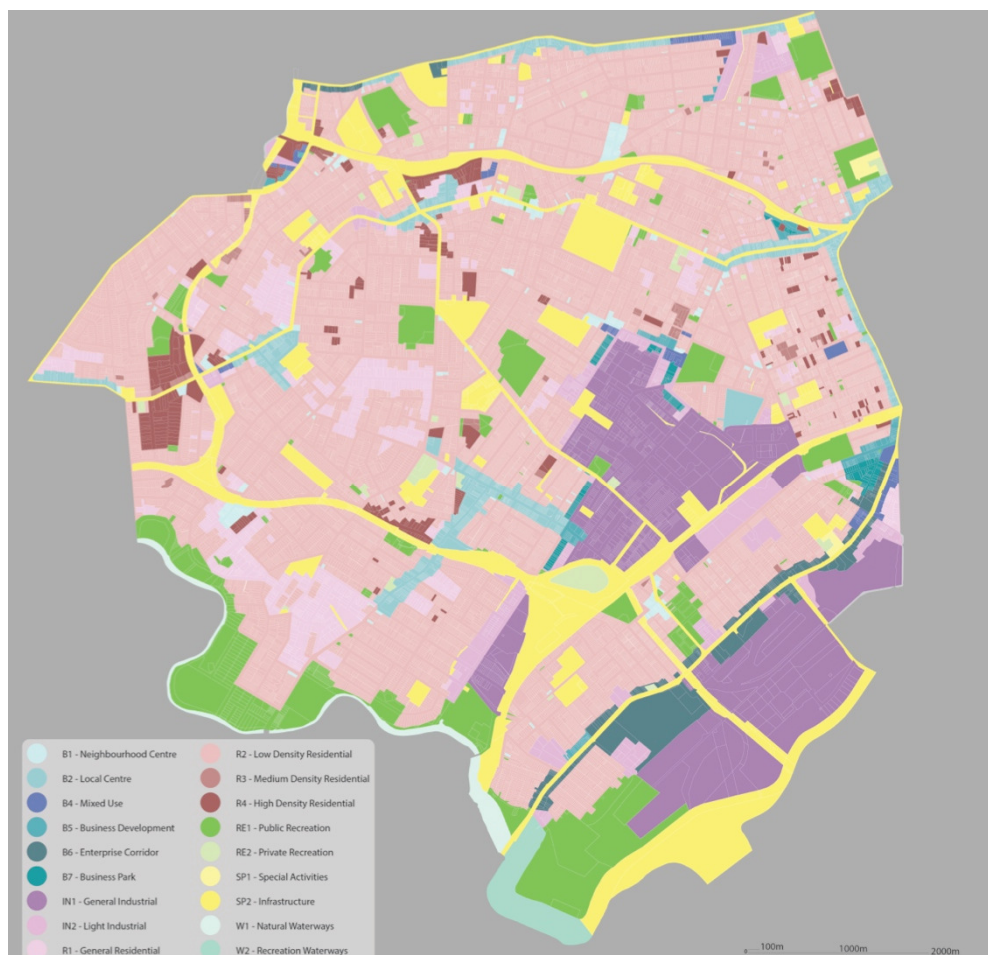
2 INTRODUCTION

2.1 Scope of the study

SGS Economics and Planning (SGS) was commissioned by Marrickville Council to review the Marrickville Employment Lands Study (2008) with funding from the Department of Planning and the Environment's Planning Reform Fund.

The study area, shown in the figure below, is all land zoned IN1 General Industrial and IN2 Light Industrial under the *Marrickville Local Environmental Plan 2011* (MLEP 2011). This study provides Council with baseline information against which to assess current and future proposals to rezone industrial and other employment land, in line with the state and local planning policy context, and changing economy, infrastructure and demographics. It will also inform any future review of the 2007 *Marrickville Urban Strategy* (MUS) and MLEP 2011.

FIGURE 17. CURRENT LAND-USE ZONES IN MARRICKVILLE LGA



Source: Marrickville Council 2014

The study focuses on the LGA's largest and most important employment area – the 'core' Marrickville/Sydenham industrial area. It also assesses three large industrial sites in the suburb of Marrickville that are currently subject to investigations and/or applications for rezoning from industrial to other uses, namely:

- 74 Edinburgh Road (Masters now approved)
- the Victoria Road corridor
- the Carrington Road precinct.

Council's brief for the project states that the purpose of this study is to undertake and document:

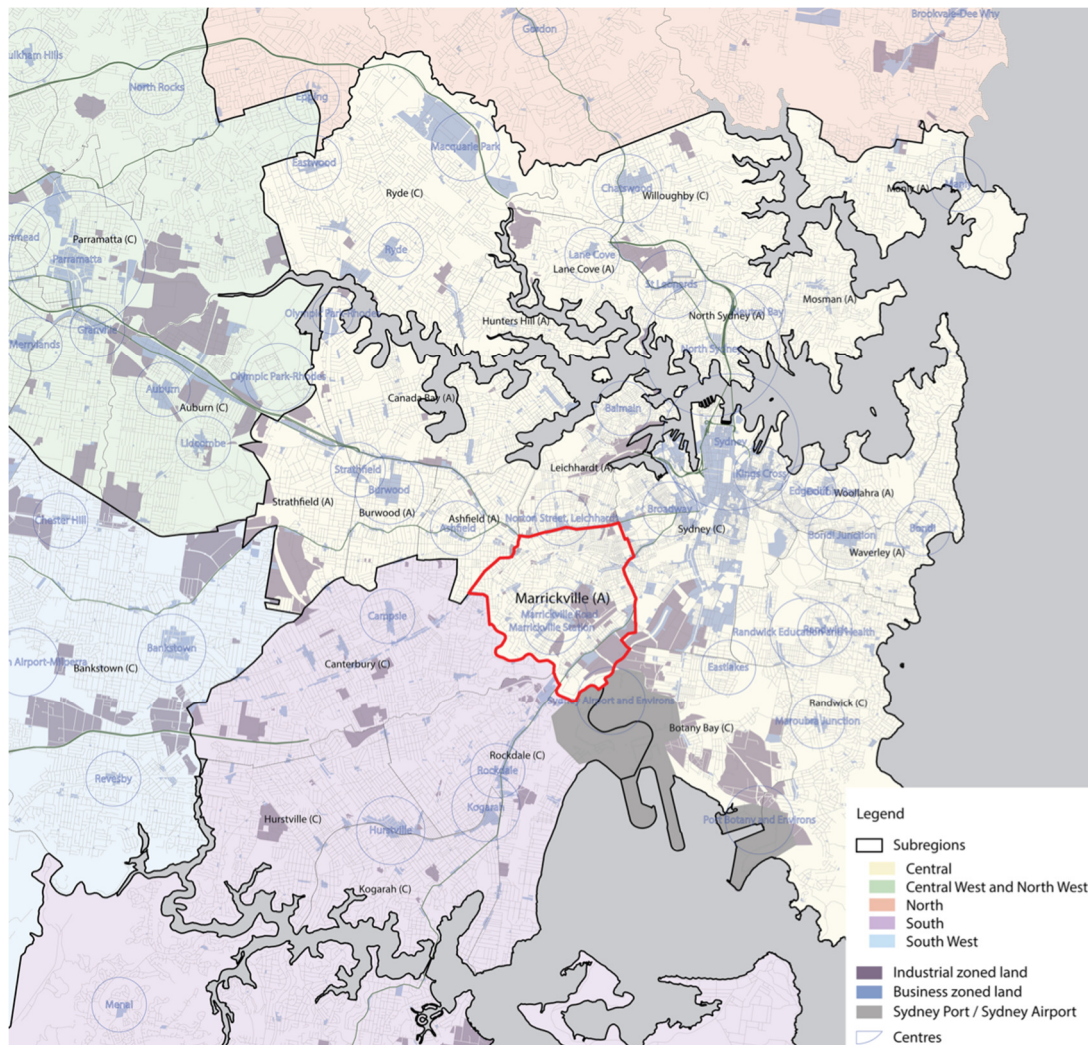
- 1 an updated strategic context based on a brief review of international, national, metropolitan and local trends, projects and plans related to employment lands, including reports from the NSW Government's Employment Lands Development Program and Employment Lands Task Force and identification of likely impacts for Marrickville's industrial lands
- 2 an updated employment lands audit undertaken for the 2008 Marrickville Employment Lands Study (MELS) – in the form of updated audit data/mapping and a written assessment of audit outcomes including vacancy rates, types of businesses operating within areas, and a building and land use assessment
- 3 an analysis of the key features, benefits and constraints of Marrickville's existing IN1 and IN2 industrial lands
- 4 a review of industrial floorspace and land requirements by business type and any recommended amendments to controls within MLEP 2011 and Marrickville Development Control Plan (MDCP) 2011
- 5 a review of emerging industries, their land requirements and extent of clustering, with implications for the Marrickville LGA, e.g. creative industries, versus the demand and land requirements for traditional industries such as manufacturing
- 6 an assessment of the land needs and impacts of Port Botany and Sydney Airport operations and implications for the Marrickville LGA to include meetings with these stakeholders
- 7 an examination of cross-border issues – in particular, the borders with the City of Sydney and City of Botany Bay
- 8 a brief access and traffic assessment to identify any accessibility constraints, their impact on Marrickville's employment lands and ways they can be addressed
- 9 consideration of relevant issues (beyond those listed above) as they are identified and as permitted by the project budget
- 10 a summary of findings from the stakeholder meetings
- 11 recommendations for the future of Marrickville's employment lands, taking into account the updated audit, review of trends/plans and stakeholder meetings
- 12 specific recommendations for the rezoning of the abovementioned three industrial precincts.

3 STRATEGIC CONTEXT

3.1 Local context

The Marrickville LGA is located in the inner-western suburbs of Sydney, about 4-10 kilometres west of the Sydney GPO. The Marrickville LGA is bounded by the Leichhardt Council area in the north, the Cities of Sydney and Botany Bay in the east, Rockdale and Canterbury Cities in the south, and the Ashfield Council area in the west. The Marrickville LGA's boundaries are Parramatta Road in the north, Mallett Street, Salisbury Road, Church Street, King Street, Barwon Park Road and Canal Road in the east, the Alexandra Canal and the Cooks River in the south, and Garnet Street, New Canterbury Road, Old Canterbury Road and the Hawthorne Canal in the west.

FIGURE 18. MARRICKVILLE LGA IN THE SUBREGION



Source: SGS Economics and Planning, 2014

3.2 Transport context

Sydney context

The NSW *Long Term Transport Master Plan* identified major transport challenges facing Sydney, including congestion issues in inner Sydney (especially classified roads such as Parramatta Road, Oxford Street and Victoria Road), and proposed a coordinated and integrated approach to address these. With Sydney's population forecast to increase from 4.3 million to 5.6 million by 2031, and the number of trips made each day around the city expected to increase by 31% from 16 to 21 million, significant pressure is likely to be placed on the existing transport network.

WestConnex and Parramatta Road

WestConnex will be a continuous 33km motorway, linking Sydney's west with the CBD, Sydney Airport and Port Botany, that will include the widening of the M4 and M5 motorways and the construction of a connecting tunnel. The planned route is provided below, with parts of stages 2 and 3 to be located in Marrickville LGA and constructed in 2016-20 and 2019-23 respectively, including a connection to St Peters.

FIGURE 19. WESTCONNEX ROUTE



Source: www.westconnex.com.au, 2014

WestConnex was identified as an immediate priority in the NSW *Long Term Transport Master Plan* to complete links in Sydney's motorway network and address the following challenges:

- Keeping the city's most important transport corridors moving
- Improving connections across an expanded Sydney CBD
- Building a fully integrated city-wide transport system
- Providing better connections and services to Sydney's growth areas.

The NSW Government also proposes that the motorway will provide an opportunity for urban renewal along the Parramatta Road corridor, with better links between local centres and improved connections along and across the road. The *Draft Metropolitan Strategy for Sydney* identified Parramatta Road as a 'City Shaper' because it presents significant opportunities to influence how the city functions. Priorities include:

- revision of current planning controls (10 councils along a 24km corridor)
- investigation of streetscape improvements, improved cycling pedestrian crossing points and reinstatement of selected right turn bays along Parramatta Road
- provision of 10km of additional bus lanes on Parramatta Road, from Burwood to the CBD.

Investment in WestConnex was also recommended by the *State Infrastructure Strategy*, which identified the benefits as:

- relieving congestion on the existing M4/Parramatta Road and M5 East
- supporting freight movements between Sydney's Gateways and the logistics hubs in western and south western Sydney
- supporting people movements to Sydney Airport
- acting as a catalyst for urban regeneration along key corridors, particularly Parramatta Road
- enhancing orbital road connectivity south and west of the CBD
- facilitating improvements in public transport, particularly on the Parramatta Road corridor.

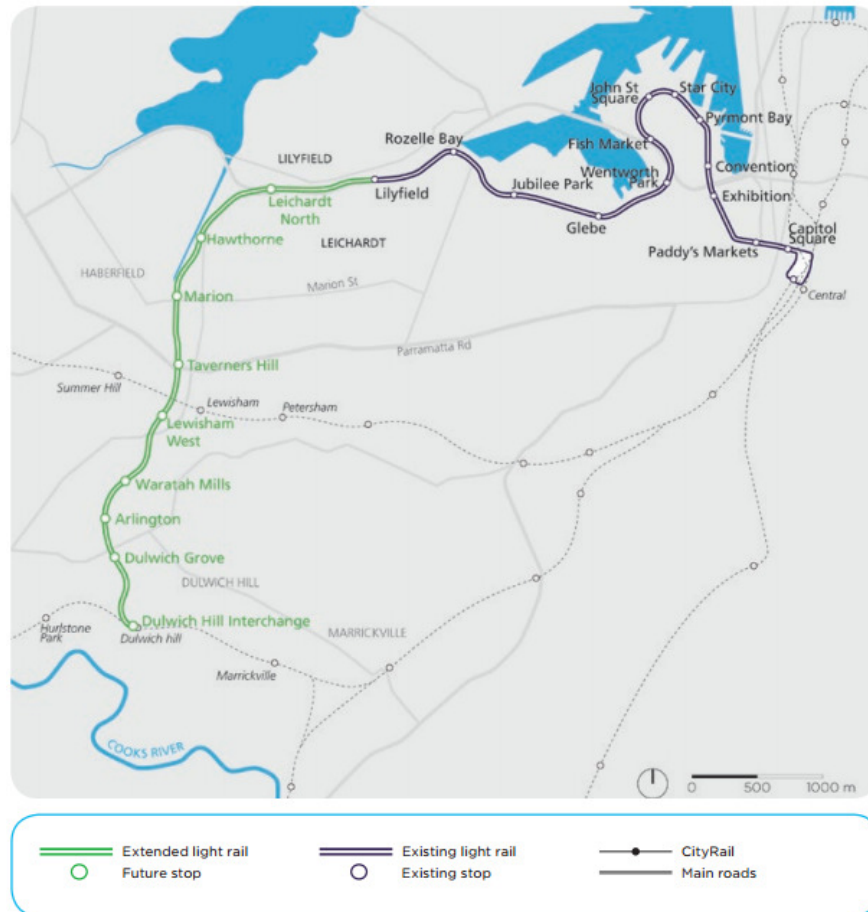
Heavy Rail

The NSW Long Term Transport Master Plan, released by the NSW Government in December 2012 identifies the upgrade of the Bankstown heavy rail line to rapid, single deck trains in the medium to long term. Such an upgrade will increase the line's capacity, enabling greater passenger volumes from stations such as Marrickville and Sydenham in to the CBD

Light rail

Sydney's Light Rail Future, released by the NSW Government in December 2012, noted the 5.6 kilometre Inner West Light Rail extension as the first stage of extending light rail in Sydney. The route opened in 2014 and extends light rail services through Leichhardt and Marrickville LGAs to Dulwich Hill, as shown below.

FIGURE 20. INNER WEST LIGHT RAIL EXTENSION ROUTE MAP



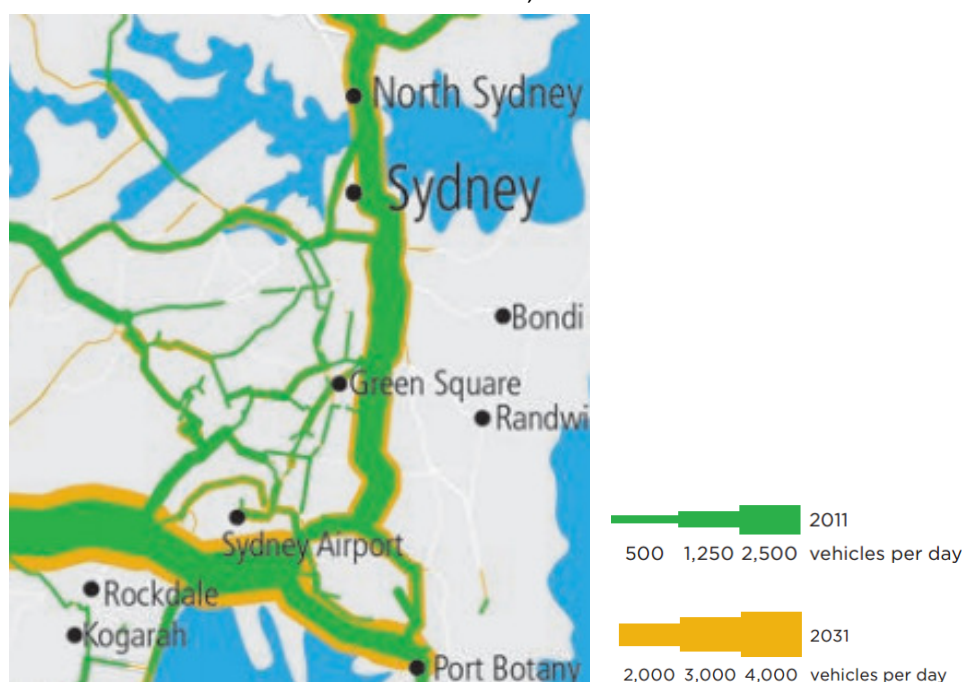
Source: TfNSW, 2012

Heavy vehicles

The NSW *Long Term Transport Master Plan* highlighted where heavy vehicle traffic is concentrated in the vicinity of the Marrickville industrial areas, namely along the Princes Highway and Railway Road and Sydenham Road in Marrickville LGA. This is a heavy vehicle 'desire line' from Port Botany to Parramatta Road (then on to Western Sydney and beyond). It runs right through the LGA and has an amenity impact on sensitive uses such as residential, schools etc. The Marrickville part of the route is: Canal Road, Princes Highway, Railway Road, Gleeson Avenue, Buckley Street, Sydenham Road, Livingstone Road, Gordon Street, West Street, Parramatta Road. The entire route is a State or RMS road, classified as such because of its role as a freight route.

The construction of WestConnex may divert some heavy vehicles from local roads in the LGA, which may lead to improvements in local travel speeds and reliability, urban amenity, and public transport services at least in the short term.

FIGURE 21. HEAVY VEHICLE MOVEMENTS, 2011 AND 2031



Source: TfNSW, 2012

Public transport summary

Public transport has an important influence on urban form, as development has historically focused on public transport. The resulting development patterns have supported the financial and service viability of public transport, and it is evident that this relationship is strong in Marrickville. Marrickville has a comprehensive public transport network by Sydney standards.

- **Buses.** The Marrickville LGA is well serviced by Sydney Buses. This is the result of Marrickville's inner-city location, its development in the pre-car era and the fact that Sydney's radial road and bus network tends to converge within Marrickville as bus routes from the south and west approach the CBD.
- **Rail.** The Marrickville LGA is well serviced by Sydney Trains with stations on the Bankstown Line, Inner West Line and Illawarra Line. Sydney Trains also provides a late night bus service (NightRide) during early morning hours when most trains do not run. The NightRide network mirrors the rail network, but some routes and stopping patterns are different

- **Light rail.** The Inner West light rail extension opened in March 2014. The newly-renamed L1 Dulwich Hill Line extends the previous Central to Lilyfield light rail service through to Dulwich Hill station.

3.3 State and metro-level strategies

The NSW Government's *Metropolitan Plan for Sydney 2036* (2010), draft *South Subregional Strategy* (2007) and the draft *Metropolitan Strategy for Sydney to 2031* (2013) have all placed emphasis on the retention of significant strategic industrial lands and contain strategies and policies that effectively prevent the loss of industrial land where it cannot be clearly justified. This emphasis is echoed in the reinstatement of the Employment Lands Development Program in 2008, to monitor supply and demand for employment lands and plan for new employment lands. The ELDP is the State Government's key program for managing the supply of Employment Lands for the Sydney Region and assisting associated infrastructure coordination, and its 2010 report and 2011 report update provide important baseline data for monitoring the supply and utilisation of employment lands across the Sydney region.

NSW 2021

NSW 2021 is the State-wide 10-year plan to guide policy and budget decision making and, in conjunction with the NSW Budget, to deliver on community priorities. It sets long-term goals and measurable targets, and outlines actions that will help achieve the set goals. "Growing critical industries and investment" is a core objective, along with making more land available for housing and jobs. A key priority was to increase the percentage of the population living within 30 minutes by public transport of a city or major centre in metropolitan Sydney, through ensuring planning policy encourages job growth close to where people live (p.40).

Industry Action Plans developed as part of NSW 2021 cover the following industries:

- the visitor economy (tourism)
- creative industries
- the digital economy (such as information)
- communications technology)
- professional services
- manufacturing
- international education and research.

Metropolitan Plan for Sydney 2036

In 2010, the NSW Government released its *Metropolitan Plan for Sydney 2036* – a guiding strategic planning document for Metropolitan Sydney. It provides directions for making Sydney more connected, sustainable and competitive and sets residential and employment targets for the subregions. The subregional strategies have been maintained in draft form. The subject site is located within the South Subregion.

Table D1 in the *Housing Sydney's Population* chapter identifies a housing target for the South Subregion of 58,000 new dwellings between 2006 and 2036.

Table E1 in the *Growing Sydney's Economy* chapter identifies an employment target of 52,000 additional jobs for the South Subregion.

Action E3.2 of the *Metropolitan Plan* is to *identify and retain strategically important employment lands*. Under this Action, the Metropolitan Plan advises that the categorisation of industrially zoned land in the current draft subregional strategies will be removed and instead the subregional strategies will assess the strategic importance of "employment lands". This will be guided by a strategic assessment checklist, summarised below, to provide a more consistent approach and common set of criteria to consider a site's strategic importance.

FIGURE 22. METROPOLITAN PLAN ACTION E3.2

SUMMARY OF THE STRATEGIC ASSESSMENT CHECKLIST

- Consistency with Subregional Strategies
- Current use of the area, and existing transport infrastructure
- Impacts on the long-term viability of the employment land precinct and any industry clusters in the precinct or surrounding area
- Whether the employment lands support national or state significant infrastructure
- Trends in local land use activity
- Suitability and extent of measures implemented to improve an area's employment lands viability
- Potential to redevelop for industrial uses and/or new industrial uses (e.g., creative industries)
- Impacts on stocks of local employment lands and the ability of remaining stocks to meet future local industrial needs

Source: Department of Planning and Infrastructure, 2010

Draft South Subregional Strategy

The draft South Subregional Strategy was released in November 2007. The purpose of the subregional strategies is to provide for targeted and specific regional responses to the state level strategic objectives and aims set for Metropolitan Sydney.

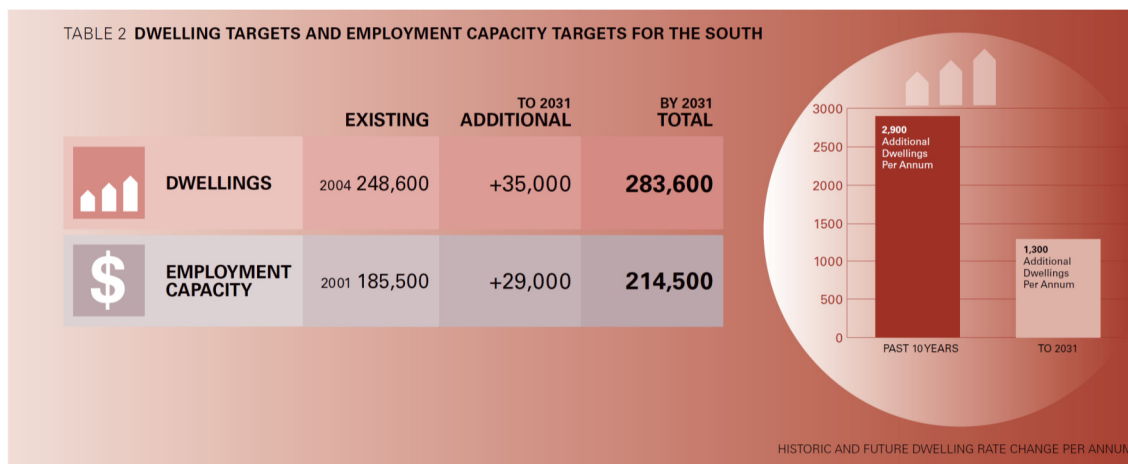
The draft Strategy notes that the South region is a key economic driver of the Greater Metropolitan Region, with a mix of natural and built environment assets along with employment opportunities that continue to attract new population growth. However, it is also noted that there is a relatively small supply of employment lands within the South Subregion in comparison to other subregions in the Sydney metropolitan area. The South Subregion has approximately 782 ha of employment zoned land which includes Sutherland (376 ha), Canterbury (171.5 ha) and Marrickville (187.5 ha), Hurstville (84 ha), Rockdale (66.5 ha) and Kogarah (15 ha). Over 13 per cent of land in Marrickville LGA is zoned for industrial uses, which is comparable to western Sydney LGAs.

The South Subregion contains a number of older industrial developments built on large sites in close proximity to Sydney Airport and Port Botany with good access to the M5 Motorway, Princes Highway, Canterbury Road and rail infrastructure. These key sites are recommended to be retained for residential support services, light industry and more intensive employment land use opportunities

'Manufacturing' is the main industry located within the South subregion's Employment Lands, accounting for 30 per cent of all jobs (15,700 jobs in total). This is followed by the 'Wholesale Trade' sector accounting for 13 per cent of all jobs (6,900 jobs), and the 'Retail Trade' and 'Construction' sectors, both accounting for approximately 9 per cent of all jobs (4,800 jobs). The 'Manufacturing' sector is especially significant for Employment Lands within Sutherland (5,300 jobs), Marrickville (4,100 jobs) and Canterbury (2,850 jobs) LGAs.

The Strategy vision recognises the importance of allowing residents to live and work within the subregion (Vision, p.4), supported by the Key Directions 'Retain Strategic Employment Lands'; 'Plan for Employment Growth at Sydney Airport and Environs', and 'Strengthen Hurstville's Commercial Centre'. These Directions support limiting residential development in strategic employment areas, as well as planning for additional employment lands to meet employment targets. An employment capacity target of 214,500 is set for 2031, up from a 2001 base of 185,500.

FIGURE 23. DWELLING AND EMPLOYMENT CAPACITY TARGETS FOR THE SOUTH



Source: Dept Planning NSW, 2007.

The Strategy notes that the Marrickville LGA is located within the Global Economic Corridor, within 10kms of the CBD and on the way to the key hubs of Sydney Airport and Port Botany. It has a strong history of manufacturing sector employment, however there has been a shift away from this sector, and it is also one of the most densely populated areas of Sydney, with a low-employment self-containment rate (a large percentage of workers are employed in Sydney City). The focus of the strategy in terms of commercial activity is the Hurstville and Kogarah major activity centres, however, Marrickville LGA is of strategic importance, as it has the highest employment in industrial zones (p.24).

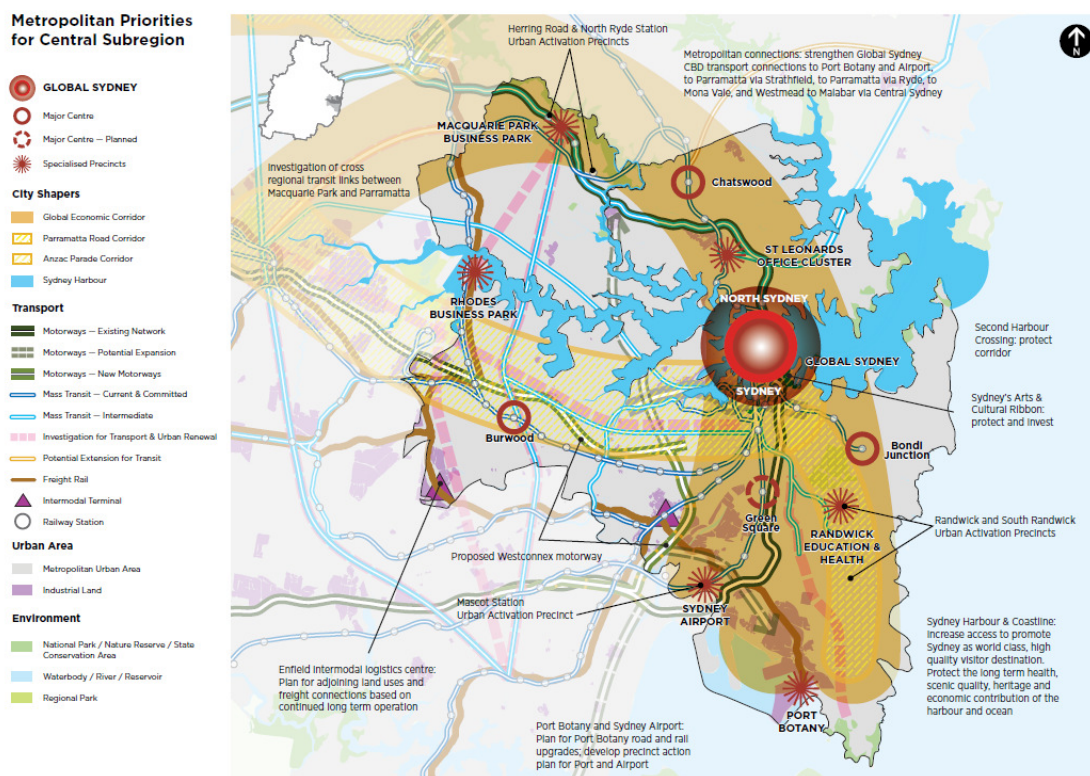
The draft Strategy sets out the key land parcels to be retained for industrial purposes in Marrickville, including key freight and logistics sites in Sydenham, Sydney Airport and environs and Tempe. Land identified for potential to allow for a wider range of employment uses included Princes Highway Frontages, and St Peters, May ST/South Side and Lackey Streets. Generally, future provision for industrial uses is expected to come through regeneration of existing lands, especially within Marrickville and Canterbury LGAs.

Draft Metropolitan Strategy for Sydney to 2031

The draft Metropolitan Strategy for Sydney to 2031 was released in 2013. It is expected that by 2031, 1.3 million more people will be located in the city. The draft Strategy aims to provide 545,000 new homes and 625,000 new jobs across the metropolitan area, aiming for a greater choice of housing that is more affordable; with jobs closer to homes. The draft Strategy is intended to align with the NSW Long Term Transport Master Plan and the NSW State Infrastructure Strategy.

Critically, the draft Strategy redefines the Sydney subregions based on a new assessment of their population and economic catchments, placing Marrickville LGA in a large Central subregion and the Global Economic Corridor. This is recognition of Marrickville's shared characteristics with the central Sydney CBD, and depth of economic linkages.

FIGURE 24. DRAFT METROPOLITAN STRATEGY - CENTRAL SUBREGION - PRIORITIES



Source: Dept. of Planning, NSW (2013)

Priorities for this region relevant to Marrickville include enabling housing intensification within established centres and along key transport corridors, as well as enhancing the role of the subregion as Sydney's global economic driver, including strengthening connections within the 'Global Sydney and Global Economic Corridor city shaper' (p.83).

Recommendations related to the airport and environs will also have an impact on the Marrickville LGA, with a commitment to protect and enhance industrial areas related to the economic function of Sydney Airport and manage the impact of surrounding development and passenger and freight growth on airport operations and transport systems. There is a vision to providing capacity for at least 8,000 additional jobs in this precinct in 2031 (p.84).

There is a strong focus on supporting the land use requirements of industries with high potential and providing a well-located supply of industrial lands (Objectives 11 and 13), which in turn supports Goal 4 of NSW 2021 to increase the competitiveness of doing business in NSW and Goal 20, to encourage growth close to where people live. Supporting business innovation and growing knowledge industries is a particular focus, with Strategic Centres, Specialised Precincts and industrial lands earmarked as the prime location for new clusters and agglomeration economies.

The draft Strategy identifies that existing industrial lands, especially in established areas, are under pressure to be rezoned to other uses. Recent data reveals a noticeable increase in rezoning of employment lands to non-industrial and wider employment uses.

To provide a framework to assess proposals to rezone industrial land, the draft Strategy includes a strategic assessment checklist, developed in consultation with key stakeholders on the NSW Government's Employment Lands Task Force. Proposals to rezone existing industrial lands must be consistent with the Industrial Lands Strategic Assessment Checklist, copied below.

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

- Is the site:
 - near or within direct access to key economic infrastructure?
 - contributing to a significant industry cluster?
- How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?
- How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?
- Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?
- Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?

Ministerial Directions

Pursuant to section 117(2) of the Environmental Planning and Assessment Act 1979 (EP&A Act), the Minister for Planning issues directions that must be followed in the preparation of Planning Proposals. Should this study make recommendations regarding rezoning, development standards, local clauses and the like, it would be necessary for the following directions to be considered:

- Direction 1.1 – Business and Industrial Zones
- Direction 2.3 – Heritage Conservation
- Direction 3.1 – Residential Zones
- Direction 3.4 – Integrating Land Use and Transport
- Direction 3.5 – Development near Licensed aerodromes
- Direction 4.1 – Acid Sulphate Soils
- Direction 4.3 – Flood prone land
- Direction 7.1 – Implementation of the Metropolitan Plan for Sydney 2036.

Employment Lands Development Program

The Employment Lands Development Program is the NSW Government's key program for managing the supply of Employment Lands in the Sydney Region and assisting associated infrastructure coordination. The program has a strategic objective of supporting job creation and economic growth across Sydney, as part of the State Plan target to get 'Jobs Closer to Home'.

The Employment Lands Development Program 2014 Update Report (the 'ELDP 2014 Update Report'), released in September 2014 and provides an updated assessment of Employment Lands across the Sydney Region. It provides data down to a precinct level (320 employment land precincts in total) which are defined as contiguous areas of zoned industrial land which form the basis of data collection for the ELDP. It also re-assigns LGAs into current subregional boundaries, in line with the draft Metropolitan Plan.

A key finding is that there are approximately 463 hectares (or 2.5 years supply) of undeveloped zoned and serviced Employment Lands currently available across the Sydney region. This is below the desirable minimum standard of 5-7 years stock (based on a high-take-up scenario of 300 hectares per annum). A further 4,087 hectares of undeveloped land and 2,902 hectares of proposed land is identified, driven largely by land releases in Sydney's west. The report notes that maintaining an adequate stock of Employment Lands is essential in providing for economic growth and competitiveness as well as the affordability of Employment Lands and that for adequate land stocks to be maintained, it is necessary to have stocks of land at progressive stages in the planning and development process.

While the majority of jobs in Employment Lands are concentrated in the middle and outer suburbs of the Sydney Region, the 2011 ELDP report noted that inner suburbs contribute significantly to the share of jobs in Employment Lands, especially in higher-value and high-technology industries. They tend to have a

disproportionately greater share of jobs, compared to land stock, due to the more intensive nature of industrial activity. For example, the (now altered) Inner North subregion has only 1 per cent of total Employment Lands stock but 6 per cent of all jobs located in Employment Lands. The 2011 report further noted that demand for industrial space in Sydney is expected to continue to grow in the short to medium term, driven by: forecast economic growth; ongoing efficiency drives in the logistic sectors; growth in imports; and dwelling construction. This is reflected in the 2014 ELDP update report.

Overall the ELDP 2014 Update Report found an increase of 159 hectares in zoned employment lands over the Sydney region in 2013 (p.2), and an increase in approved industrial building activity, up from \$510 million in 2011/12 to \$650 million in 2012/13. There was also an increase in land taken up by industrial development, from 120 hectares in 2011 and 143 hectares in 2012 to 196 hectares in 2013.

Marrickville is located within the Central subregion of Sydney in the ELDP.

The ELDP 2014 Report identified 139.9 hectares of zoned employment land (both developed and undeveloped) in Marrickville, representing a 17% decrease from the 167.2 hectares of zoned employment land identified in the 2011 ELDP Update Report.). This represents just under 10% of the zoned employment land in the Central subregion. A significant proportion of this decrease took place between 2011 and 2012, where total zoned land reduced from 167.2 to 141.8 hectares. This decrease was largely accounted for by the rezoning of employment land in the precincts fronting the Princes Highway corridor and the Marrickville-Sydenham precinct.

The value of industrial approvals for 2012/13 in Marrickville was \$5.57 million, contributing to an overall value for the Central subregion of \$103.27 million. The total for the whole Sydney region during this period was \$650.9million.

3.4 Council-level strategies

City of Sydney

A new zoning plan and planning controls for much of the City of Sydney's employment lands has been recently endorsed by the City of Sydney Council for exhibition, the City of Sydney Employment Lands Strategy: Employment Lands and Associated Draft Development Control Plan Amendment (14 June 2014). This plan covers much land currently zoned for business or industrial purposes and seeks to align planning controls with a more contemporary understanding of the role of the employment lands in the wider Sydney context.

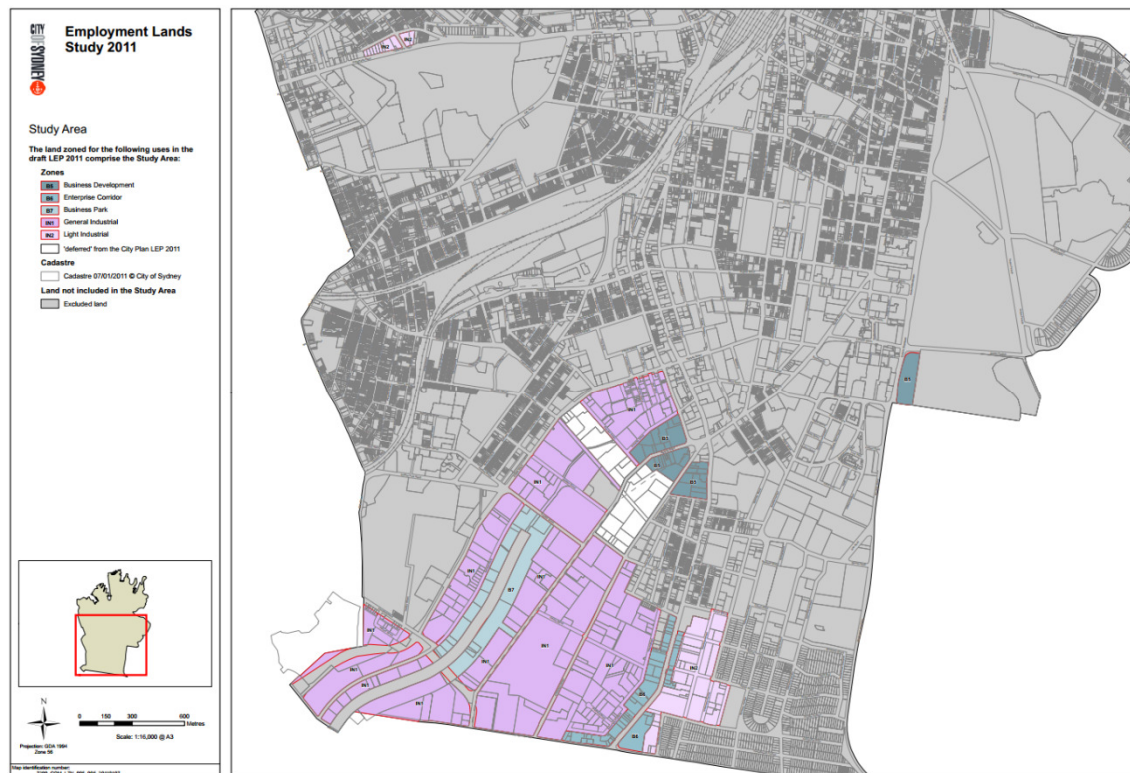
Some industrial areas are expected to be retained for traditional uses, while other zones are to be introduced or expanded. This includes a B6 Enterprise Corridor zone to add to the B7 Business Park zone.

The following key changes were proposed:

- A core industrial zone in the South West that will continue to accommodate 'traditional industrial' uses;
- A flexible enterprise corridor zone through the centre part that will accommodate lower density industrial and commercial uses; and
- Business park zones in the North West and South East parts that are close to transport, services and amenities and that will provide for denser commercial activity over time.

There is an express intent in this strategy to ensure that land value remains relatively affordable, allowing non-residential uses to locate in the area. The City of Sydney is committed to providing opportunities for innovative, creative and cultural industries to locate in the City.

FIGURE 25. CITY OF SYDNEY EMPLOYMENT LANDS



Source: City of Sydney, 2011

Private residential development will be restricted on employment lands, however affordable housing opportunities will be provided for in the proposed B7 Business Park zone, coupled with an affordable housing contribution scheme, similar to that which operates in Green Square, and potential site specific planning proposal where affordable housing, and other public benefits, are provided. This will ensure that there is provision made for housing to suit the 'key workers' needed to complement the high-value, higher paid technical skills that will be employed in the area.

To ensure future development is supported by adequate infrastructure, the City intends to prepare the Southern Employment Lands Infrastructure Plan in conjunction with the NSW Government. The plan is to identify a delivery path for public infrastructure (roads, sustainable transport, open space, flood management works and social infrastructure), indicative costs, funding, staging and responsibility for delivery.

City of Botany Bay

The City of Botany Bay contains significant strategically important industrial lands, in particular the airport and ports precincts.

This significance is recognised and reinforced in the draft Metropolitan Strategy for Sydney to 2031 which recognises the importance of Sydney Airport and Port Botany and recommends industrial lands be protected to support the Port and Airport activities. Guidelines are being developed to provide principles and mitigation measures for development adjoining residential uses and zone boundaries. The Botany Bay Local Environmental Plan 2013 has also protected some industrial land for airport related uses by zoning land north of the Sydney Airport as IN1 — General Industrial, B5 — Business Development and B7 — Business Park. However, major areas within this airport precinct have been converted to residential use. This has severely restricted the stock of industrial or business land within immediate access to the airport.

Constraints to the further development of this area have been identified and as being addressed, including issues of congestion. One of the priorities within the draft Metropolitan Strategy for Sydney to 2013 is to

“implement works to relieve major congestion around Sydney Airport and Botany Bay and improve public transport access to the Airport”.

Leichhardt Council Area

Leichhardt Council has a relatively small stock of industrial land remaining, all zoned IN2 Light Industrial, which is under increasing pressure to be rezoned for residential purposes due to factors such as access to the city and harbour views. It currently sits within the Inner West Subregion of Sydney, however has been re-categorised under the Draft Metropolitan Strategy for Sydney to 2031 to the Central Subregion.

The draft Inner West Subregional Strategy identifies a housing target for Leichhardt of 2,000 new dwellings to 2031 and an employment target of 500 new jobs to 2031.

Action 1.2.3 of the draft strategy, Council to ensure retention of sufficient small Employment Lands parcels to support local service industries, notes that across the subregion, especially in Leichhardt, Ashfield and Canada Bay, there are many smaller parcels of employment lands which provide for a range of local economic services. It identifies that these sites should be retained for industrial uses unless it can be clearly illustrated that they are not required to meet future demand for employment lands.

The draft strategy identifies industrial land within the Leichhardt LGA as Category 1 land (to be retained for industrial purposes) and Category 2 land (with potential to allow for a wider range of employment uses). However, Action E3.2 of the 2010 Metropolitan Plan advises that these categories will no longer be included in the subregional strategies.

Priorities for Leichhardt LGA in the draft Metropolitan Strategy for Sydney to 2031 include enabling housing intensification within established centres and along key transport corridors, as well as enhancing the role of the subregion as Sydney’s global economic driver, including strengthening connections within the Global Sydney and Global Economic Corridor city shaper (p.83).

Leichhardt Council has pursued a strong agenda of planning for continued supply and preservation of its industrial and employment lands, through ensuring land zonings are maintained in industrial areas, limiting residential development, and having a strategic focus on emerging creative and other light industrial uses that will help to transition the Leichhardt economy.

3.5 Marrickville Council Planning Framework

Marrickville Urban Strategy (2007)

The Marrickville Urban Strategy was adopted by Council in April 2007. The Strategy provides the planning context for future development across the Marrickville LGA., establishing a vision and co-ordinated directions addressing a range of planning, community, and environmental issues, to guide short, medium and long term strategic planning policies. The Urban Strategy reviewed current land use and zoning issues at a strategic level with key recommendations relevant to this study including rezoning select industrial areas and rezoning select special uses sites.

While the study has a focus on residential growth, it also noted the changing local employment base, as the proportion of manufacturing and blue collar jobs has declined across the LGA. Stronger connections to the CBD labour market, as well as a growing arts and creative sectors have opened new business and industry opportunities for the LGA. Constraints on responding to the demand for more employment lands were noted, including heritage, small lot sizes, noise (aircraft, road and rail freight), environment (flooding, contamination and acid sulphate soils), patterns of land ownership, and high land values in currently developed areas.

The Strategy recommended strengthening and renewing the Marrickville/Sydenham strategic employment lands to contain various employment activities such as factories, warehouses, transport logistics or major storage operations with some associated offices as these places are vital to the economy and ability to service the city (area shaded in purple in Figure 26

Marrickville Employment Land Study (2008)

The Marrickville Employment Land Study (2008) provided strategic planning advice on Marrickville's industrially zoned employment lands, identified regional trends and issues and identified future employment lands prospects in Marrickville. Key findings from this Study were that in order to address future land demand and address industry and policy trends Marrickville LGA would need to:

- Preserve current employment lands in the core employment lands and in proximity to the Airport in recognition of their importance to freight and logistics sectors and local industrial land needs;
- Intensify employment land use on fragmented employment land sites and appropriate sections of the core employment lands; and
- Turn over isolated industrial lands to mixed use land uses.

FIGURE 26. MARRICKVILLE LGA URBAN STRATEGY MAP



Source: Marrickville Council (2007) Marrickville Urban Strategy.

The Study acknowledged that there was potential in some locations to support both employment uses and additional new uses, such as residential development and open space, and suggested an approach whereby some sites could work towards a hybrid approach of generating new employment uses for land, whilst also investigating new housing opportunities. These sites included Meeks Road south and Alice Street in Marrickville, and, to a more limited extent, Bridge Road in Stanmore, and Trafalgar Street in Petersham.

The Study also noted that while in general employment land should be preserved, declining manufacturing sectors and increasing advanced professional and service sector employment, suggests provision be made to allow a wider range of uses at sites where manufacturing land uses are minor to provide a smoother transition of older industrial stock.

Key objectives and actions related to the current study fall under the “Employment and Economy” theme, and include:

3. Respond to future employment land supply needs
 - 3.1: Monitor the supply and demand for employment lands.
 - 3.2: Preserve and strengthen strategic employment lands.
 - 3.3: Improve amenity in industrial areas.
 - 3.4: Review the existing industrial code.
4. Realise economic growth opportunities
 - 4.1: Identify opportunities for strategic employment lands renewal.
 - 4.2: Investigate opportunities to support centre revitalisation.
 - 4.3: Support activities in enterprise corridors.
 - 4.4: Support creativity and innovation.

Marrickville Local Environmental Plan and Development Control Plan 2011

In 2006 all councils were required by the NSW Government to review their Local Environmental Plans (LEPs) to make them consistent with the Sydney Metropolitan Strategy and Standard Instrument, and to create a consolidated Development Control Plan (DCP).

In late 2011 the Marrickville LEP commenced, setting the direction for future growth in the LGA by providing controls and guidelines for development. It determines what can be built, where it can be built and what activities can occur on land.

Key features of the LEP included implementing the recommendations and findings of the Marrickville Urban Strategy, as well as the requirements for industrial land preservation as set out in the draft Subregional plans. Much of the existing industrial land in the St Peters, Sydenham, Tempe and Marrickville areas was identified in the Subregional Plan as core industrial land of strategic importance, and therefore was required to be retained for industrial purposes within LEP. In some cases, Council intensified the zoning of sites considered to be on the periphery to allow for additional employment uses - or, in some cases, to be allowed for residential use.

Marrickville’s Entertainment Precinct

The entertainment precinct is within the large Marrickville-Sydenham industrial precinct. It is located at the southern or Sydenham Station end of an existing entertainment corridor that starts at the Seymour Centre at Sydney University, runs along City Road, King Street, Enmore Road, Victoria Road and Sydenham Road and ends at Sydenham Station. Entertainment venues at the southern end include The Factory Theatre, Red Rattler Theatre and Marrickville Bowling Club. There are also some venues within the nearby Marrickville Road shopping strip, e.g. Lazy Bones music venue on the corner of Illawarra and Marrickville Roads.

The precinct is characterized by a fine-grained development pattern. It is served by a major station and has development that is very much a part of Marrickville’s character. The traditional industrial character appeals to tenants and while it appears the industrial area has low vacancy rates, the properties that don’t appear to be doing so well (with higher vacancy rates) are the recently-developed factory unit sites. The Future Cities project (managed by Ed Blakely), wrote to mayors asking if they would like to participate in planning projects around the ‘sustainable cities’ theme. Marrickville chose the entertainment precinct idea. It is an unusual project as it doesn’t propose a change in the built form. There is some retailing in the industrial area, but it can only operate if it is ancillary to manufacturing, e.g. Batch Brewery sells its beer in bottles and has a bar. The quirkiness of the industrial area makes it an attractive destination for

these kinds of outlets. WestConnex presents an opportunity to improve access on Sydenham Road by reducing traffic, particularly heavy vehicles. The project looks at the idea of 'business as usual', but with a vision of more creative uses co-existing and benefitting from the industrial uses - such as benefits from different uses operating at different times of the day. One of the concerns about this precinct is loss of fine grain if consolidations proceed

Council officers have suggested that the intention is to move this precinct toward 'people-oriented' business and a rezoning from IN1 to IN2 with an overlay to permit creative uses, e.g. bars – but not retail, unless ancillary to manufacturing. This would be complemented cost-effective public domain improvements, traffic calming etc. It would be a cautious step-by-step approach involving: (1) zoning overlay; (2) public domain improvements; and (3) a further overlay to allow accommodation, but only if short-term or linked to the business operation (not housing).

3.6 Summary and implications

Key policies and strategies guiding metropolitan development in Sydney have set out support for preservation of industrial and employment lands, and an agreed focus on ensuring that fragmentation of well-sited industrial lands is minimised in order to ensure the long-term economic sustainability of inner urban areas.

Industrial and employment lands, particularly in inner urban areas, are increasingly under threat from residential re-zoning, which attracts higher land values and which meets the competing strategic objective of housing Sydney's growing population. The City of Sydney's most recent Employment Lands Strategy – the Employment Lands and Associated Draft Development Control Plan Amendment (14 June 2014) – demonstrates a potential way forward in negotiating this tension, in particular through planning for affordable housing opportunities in the proposed B7 Business Park zone, coupled with an affordable housing contribution scheme. This will ensure that there is provision made for housing to suit the 'key workers' needed to complement the high-value, higher paid technical skills that will be employed in the area. Importantly, this strategy sits alongside a commitment to maintaining a core industrial zone in the South West part of the City that will continue to accommodate 'traditional industrial' uses.

In terms of regional performance, the Employment Lands Development Program 2010 Report found that the South Subregion, in which Marrickville currently sits (though set to change to the Central Subregion in the draft Sydney Metropolitan Strategy), was found to have a higher than average job density in Employment Land, of approximately 58 jobs/ha, compared to the Sydney Region average of 43 jobs/ha. This is significantly higher than job densities in the North West (31 jobs/ha) and South West (23 jobs/ha) but lower than the highest densities of 146 jobs/ha in the Inner North and 131 jobs/ha in Sydney City. These higher density areas are characterised by longer periods of development, higher land values and supply constraints, and which also support a large proportion of high-tech and high-office component developments.

Notwithstanding the subregion's high job density, the Draft South Subregional Strategy acknowledges that Marrickville has a low employment self-containment rate, due primarily to the LGA's residential density and proximity to the City of Sydney. The strategy identifies the drive for a greater proportion of people to both live and work in the same subregion.

The Marrickville LGA contains significant parcels of industrial land which are of strategic importance to the long term employment land supply and economic development of Sydney. In particular, the Marrickville-Sydenham precinct falls within the Global Economic Corridor as defined in the draft Metropolitan Strategy and the draft Subregional Plans. The ELDP 2014 Update Report identified 139.9 hectares of zoned employment land (both developed and undeveloped) in the Marrickville LGA, representing just under ten percent of such land in the Central subregion (total 1,477.9 Ha). There was no change in the amount of employment land within Marrickville between 2013 and 2014; however there has been a significant net loss in zoned employment land of 28.1 hectares since 2010. These losses have been due to incremental

losses across the majority of precincts, rather than significant losses in one or two precincts. Those experiencing the greatest net change between 2010 and 2014 are:

FIGURE 27. MAJOR PRECINCT CHANGES, MARRICKVILLE 2010-2014

Precinct	Total employment land (2010) (hectares)	Total employment land (2014) (hectares)	Change (hectares)
Lewisham, Old Canterbury Rd	3.1	0.6	-2.5
Marrickville precinct	70.7	66.2	-4.5
Princes Highway frontages	13.7	7.9	-5.8
St Peters, Princes Highway	12.1	16.6	+4.5

Source: ELDP, 2011, 2014

Although some additional capacity has been added to the St Peters, Princes Highway precinct over the four years since 2010, these gains are outweighed by losses across the LGA.

Land use constraints surrounding the airport and port may limit the precinct's ability to deliver the 8,000 additional jobs projected in the Draft Metropolitan Strategy to 2031. This may have implications regarding demand for Marrickville's industrial land supply, in particular due to its location adjacent the Cooks River intermodal terminal. Further, Marrickville's recent inclusion within the Central Subregion (changed from the South subregion) is an indication of its strategic importance, as well as shared characteristics and strength of economic linkages with the Sydney CBD. Inclusion within the Central subregion will likely lead to increased focus on maintaining and strengthening existing employment (industrial) lands in and around Marrickville.

Marrickville has successfully implemented the recommendations of relevant strategies and plans that have surveyed the supply and use of industrial and employment lands within the LGA, implementing controls through its LEP and DCP that limit residential development in strategic industrial areas, and work to protect further fragmentation of light industrial areas. A caveat to this is the recommendations within the 2008 Employment Land Study which noted that while in general employment land should be preserved, declining manufacturing sectors and increasing advanced professional and service sector employment mean that provision should be made to allow a wider range of uses at sites where manufacturing landuses are minor to provide a smoother transition of older industrial stock.

Marrickville's Urban Strategy Report (2007) acknowledges this creeping evolution of land use requirements and reinforces the suggestion to widen the allowable uses within employment lands. Marrickville Council have adopted a proactively 'reactive' approach to employment land use pressures; assessing the needs of emerging and creative industries and, within the broad parameters of employment land protection, accommodating it within existing employment lands. This approach supports the expectation held in the South Subregional Strategy that future industrial land provision will come from the regeneration of existing employment land. It is a finer grain approach than that employed by some other LGAs and may play a significant role in Marrickville's ability to attract and develop its creative industries.

4 TRENDS, DRIVERS AND SUBREGIONAL CONTEXT

4.1 Industry trends and drivers

Slowing manufacturing jobs growth

At a Greater Sydney Metropolitan level the proportion of jobs in the industrial sector is predicted to decline although the actual number of jobs is still expected to increase through to 2036. Job growth is not expected in traditional industrial sectors but rather the highly specialised and technological manufacturing (advanced manufacturing). As a consequence an increasingly skilled workforce will be required.

Manufacturing's role in the knowledge economy

Manufacturing's decline in Australian cities over the last half century has been well documented, with the process of globalisation and the decoupling of the value chain resulting in many manufacturing processes relocating overseas to lower cost countries. In more recent times, the impact of this macroeconomic restructuring has been compounded by a high Australian dollar and globally soft economic conditions that have reduced aggregate demand (Adonis, 2013). However, the experience of other manufacturing nations has been that manufacturing can still play a relevant role in the economy if, much like other sectors of the economy, production moves up the value chain.

In the global value chain, developing nations (for example China) initially utilise their relatively cheap labour to manufacture less sophisticated, more labour intensive products. Over time, as their manufacturing base expands there is a move towards robotics, intellectual property and other attributes to produce goods and services with a greater degree of sophistication (as witnessed in Germany, Japan and Korea). This specialisation in industries of comparative advantage is impacting all economies and industries, acting as a catalyst for them to evolve from their historical economic configuration into dynamic, adaptive and internationally competitive industries.

Supply-chain fragmentation

Greater efficiencies of technology and mechanisation are changing the way that traditional industrial businesses operate. The global economy today consists of sophisticated linkages between businesses, which are designed to enable the efficient sharing of information and the delivery of goods through a global supply chain. Supply-chains have become more fragmented and business components are often scattered across wide areas – sometimes internationally. An example of this change can be seen in the motor industry. Once concentrated in cities, the motor industry has evolved into a process where design, manufacture, and assembly occur in many different locations worldwide. All this has heightened time-based competition and flexibility, with implications for the functional characteristics and spatial disposition of industrial activity.

Growing service economy

The decoupling of the value chain and movement of production activities across national borders has had a profound impact on the structure of Australia's economy. Australia's economic backbone has transitioned from one built on agriculture and manufacturing to one predominately supplying services. We used to produce much of what we consumed but this is no longer the case. In this transition,

competitive advantage has increasingly been gained through specialising in activities higher up the value chain where high levels of innovation and creativity are central.

This movement up the value chain has been most prominent (and indeed profitable) in the advanced business services sector, particularly in the Finance and insurance, and Professional, scientific and technical service industries. These advanced business services are therefore often dubbed 'knowledge industries' and the backbone of the 'knowledge economy'.

In high value-add sectors, competitive advantage is gained and maintained by offering environments that promote innovation and creativity, and are able to attract a sufficient supply of the highly skilled labour required to enable high productivity firms to flourish. These environments are known as agglomeration economies.

Agglomeration economies

'Agglomeration economies' is a term used in spatial economics to describe the benefits that flow to firms from locating in areas that have a high density of economic activity. The benefits that arise from locating in a denser economy include:

- **economics of scale and scope:** with a larger customer base firms are able to develop efficiencies through operating at a large scale. This also enables firms to focus the scope of their expertise in a particular field, gaining improved efficiencies through specialisation.
- **deep and diverse pool of clients/employers/employees:** A competitive marketplace presents people and firms with a multitude of potential options. This frees them from reliance on a single (or limited) client or employer base, allowing firms to better align their specific skills, again improving productivity.
- **technological spillovers:** With multiple firms located together there will be a higher level of technological and knowledge spillovers and transfers, which will help bolster innovation. This transfer occurs both directly, through stronger supply chain linkages and connections between local firms, and indirectly, when skilled labour moves between firms and transfers knowledge, as well as through incidental exchanges.

These benefits, while experienced by all firms and residents, have particularly benefitted those in the advanced business services sectors, with macroeconomic conditions and Australia's position in the world economy allowing these sectors to be competitive in producing services higher up the global value chain.

Changing economic geography

The industrial or employment lands that remain in inner Sydney are a product of early relationships between central Sydney and its hinterland. Generally speaking the 'ring' of employment lands around the CBD – particularly to the west and south – were the locations for the city's production, distribution and 'heavy' industry activities until around the second World War. These old industrial areas are rapidly transforming.

Competition from low cost countries has affected industry in Australia as a whole, forcing many firms to reduce costs as much as possible. This has resulted in relocations from the 'old' inner Sydney industrial lands to areas in the outer suburbs, particularly Western Sydney; and others offshore. This relocation process is a function of utility and opportunity cost, that is, the cost of land and rents versus increased transport cost, relocation costs and level of infrastructure support. Many industries have relocated to larger lots with lower land values (and therefore rents), in areas where there are fewer conflicts with residential activities. As firms relocate to lower cost land, the land left behind becomes available, potentially for other uses.

In response to the changing format of industrial activities and the growth of inner metropolitan land values, there has been a spatial redistribution of more traditional forms of industrial activity. Activities with rent

sensitivities have relocated to less expensive land often on the urban periphery. Others have simply stopped operations in Sydney altogether.

The ongoing trend is for new industries to favour a location with features that allow the development of large modern industrial facilities while maintaining low cost operations. The most sought after characteristics include:

- Undeveloped large vacant and unencumbered land for purpose built operations
- Low priced and serviced industrial zoned land
- Availability of an appropriately skilled local workforce
- Agglomeration or synergies with other industries in the area
- Good access to major arterial road and transport infrastructure

Land with these characteristics is largely found on the fringe of metropolitan Sydney, such as Eastern Creek and Erskine Park, where a large amount of recent industrial development has been occurring. This land is more affordable, developing in these areas is cheaper, and the large tracts of vacant land available provide a range of flexible subdivision options..

Some higher value manufacturing and other industrial uses, however, still require urban space, due to networks and contracting chains and an inherent need to be located in close proximity to customers and craftsmen (Sassen 2008). It is for these activities that the remnant industrial lands in the inner Sydney area are likely to have a continuing role. There remains a need to ensure that employment activities associated with the CBD, airport and port and the needs of the rapidly growing population in the inner city remain within the subregion. These uses include:

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

Growing need for space to house 'office' functions

Research into business parks shows that in line with the increasingly advanced nature of manufacturing, the buildings housing these activities have moved from a split of 50/50 (office/warehousing) to 80/20. Another contributing factor to this shift was that office occupiers tend to be more reactive, only being attracted to a new location once it had been established and gained momentum. Ample car parking and good access to major road infrastructure were stated as key requirements.

Urban manufacturers

With these underlying drivers, contemporary urban manufacturers derive competitive advantage from their focus on innovation and creativity, facilitated by their specific location within cities. Their location within dense urban networks allows them to capitalise on sophisticated design and local market insights, attract and retain valuable labour, and adjust quickly to shifts in local demand (Friedman and Byron, 2012). The urban manufacturing sector therefore appears to operate and prosper on many of the same attributes central to the success of advanced business services, namely the benefits gained through agglomeration.

Taking advantage of these competitive edges, urban manufacturers tend to be: small (generally employing fewer than 20 people); provide a highly specialised or niche product; have fast turnarounds; and be horizontally integrated in networks of numerous clients, suppliers, distributors, and subcontractors (Pratt Centre, 2013). This embeds manufacturers in place, as does the nature of their work, which due to its often customised nature, requires frequent face-to-face contact.

These modern manufactures more closely resemble their productive counterparts prior to the industrial revolution, offering high-value add design orientated products. They produce a wide range of products, operating in fields of all types, from fashion textiles and jewellery to food and beverage, print and media, auto and bike customisation, musical equipment, and niche electronics, to name but a few.

With these characteristics, small urban manufacturers typically operate in networks with other manufacturers. The flexibility of these networks and temporary partnerships/collaborations means small firms are not required to carry the large fixed overhead costs for all the equipment, space or labour required to produce an entire product. This networking is reflected in the preference of these enterprises to lease space in multi-tenant workspaces, with large traditional industrial premises often partitioned to create multiple smaller production spaces. This presents the possibility of developing high value-add manufacturing precincts at greater densities. Such an approach has been realised in Singapore, where lighter and cleaner manufacturing activities have been funnelled into medium-rise industrial complexes (Chan, 2011).

Traditional users of urban industrial zones

In addition to these contemporary manufacturers, industrial zones house a raft of essential population servicing industries, including panel beaters, depots requiring an inner city location to service construction sites, distribution centres, utilities provision, and facilities for concrete batching and waste management. In the more connected global economy, there are strategic industries (particularly logistics) deriving advantages from locating close to the port and airport. Furthermore, the placement of particular industries, firms and facilities (such as Council depots) on the fringe of the CBD is vital to providing essential support services to large population centres.

Threats and challenges to urban manufacturers

Against the macroeconomic trends driving a resurgence in urban manufacturing relative to residential and commercial land users, manufacturers occupy a lower rung on the value add ladder and do not command the same rent. As such they are at significant risk of displacement from the locations that nurture them, most obviously through rezoning, but also through land speculation associated with possible rezoning and the erosion of industrial zones for non-industrial uses.

These activities bid up rents and erode the productivity of the remaining industrial firms, not because firms become any less efficient, but because of the cost of their inputs (most notably the land upon which they produce) increases at a faster rate than their improvements in internal productivity. Furthermore, without a degree of certainty regarding the long-term zoning of industrial land the owners of such land may have a perverse incentive not to invest in their property in the hope that rezoning will occur in the imminent future.

Incumbent communities sometimes resist this residential growth, however, decisions to re-zone employment land areas for residential should not necessarily be resisted 'across the board'. There are major sustainability and economic productivity gains to be had from having more resident workers close to the pool of jobs available in central Sydney. However, this needs to be sensibly weighed up against any economic role that the employment lands still fulfil. This study is ultimately aiming to better inform these decisions and trade-offs

Another driver of change in employment lands, associated with residential growth in Inner Sydney, is pressure from large format retailers and factory outlets. The emergence of these forms of retailing can be attributed to various social and demographic trends, increased disposable income, house price inflation and availability of credit along with the increasing popularity of 'Do-it-Yourself' home improvement products. These retailers need large sites typically only found in industrial areas.

4.2 Subregional context

Marrickville forms part of a broader Inner Sydney subregion of the metropolitan region. This dynamic subregion (shown in Figure 28) includes the LGAs of Sydney, Randwick, Waverley, Woollahra, Botany Bay, Leichhardt and Marrickville and is in many ways the powerhouse of the national economy. Within the subregion exists an interplay between high value job concentrations, cultural and tourism assets and activities, universities, natural amenities, dockland and old industrial areas in transition and in general a highly educated, professional resident population making for a highly productive urban environment. Features of this subregion include:

- The Sydney CBD which is Australia's premier commercial hub containing in the order of 300,000 jobs across a range of high value sectors.
- Sydney Airport which handles around 36 million domestic and international passengers per annum and 470,000 tonnes of freight per year.
- The Port of Sydney three kilometres to the south east from the airport is Australia's second largest port in terms of freight volumes (behind Melbourne).
- UrbanGrowth NSW is the state government's renewal authority and is now responsible for major inner Sydney renewal projects including Green Square, Central to Eveleigh, the Bays Precinct and the eastern end of Parramatta Road providing 20,000 to 40,000 new residents and a similar number of jobs over the next 20 to 30 years.
- Barangaroo, on the western edge of the CBD, is now taking shape and will accommodate over 20,000 jobs in the next 5 to 10 years.
- The subregion contains major educational and health assets including three universities and two major hospitals.
- Major new transport infrastructure including the inner west light rail extension and planned infrastructure including the South West Light Rail and WestConnex motorway.

FIGURE 28. THE STUDY AREA IN CONTEXT



Source: SGS Economics and Planning, 2013

The Inner Sydney subregion – at the southern end of the so-called Global Economic Corridor – has a concentration of high value jobs and economic activity, accommodating more than half of all metropolitan Sydney’s new jobs over the last decade

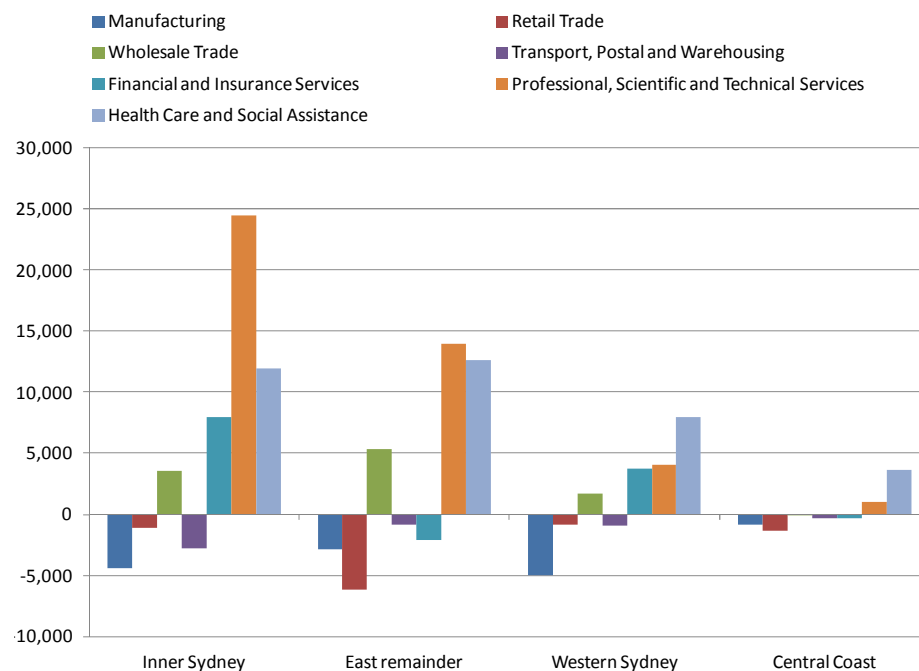
FIGURE 29. EMPLOYMENT GROWTH IN SYDNEY REGIONS, 2007-8 TO 2012-13

Subregion	2007-08	2012-13	Annual Growth Rate	Contribution to Growth
Inner Sydney	778,990	855,872	1.9%	54%
Eastern remainder	590,755	619,316	1.10%	20%
Western Sydney	776,708	808,610	2.30%	22%
Central Coast	113,683	119,105	0.9%	4%
Sydney	2,260,136	2,402,904	1.2%	100%

Source: SGS Economics and Planning

Figure 30 shows the change in employment in selected sectors across the Sydney subregions in the last five years. There has been strong growth in Professional services employment particularly in the Inner Sydney region (focussed in the City of Sydney) but also in centres within the rest of Eastern Sydney (e.g. Macquarie Park and North Sydney). This professional services employment growth has reinforced the higher order economic role of Inner Sydney.

FIGURE 30. CHANGE IN EMPLOYMENT IN SELECTED SECTORS IN SYDNEY SUBREGIONS 2007-8 TO 2012-13



Source: SGS Economics and Planning, 2014

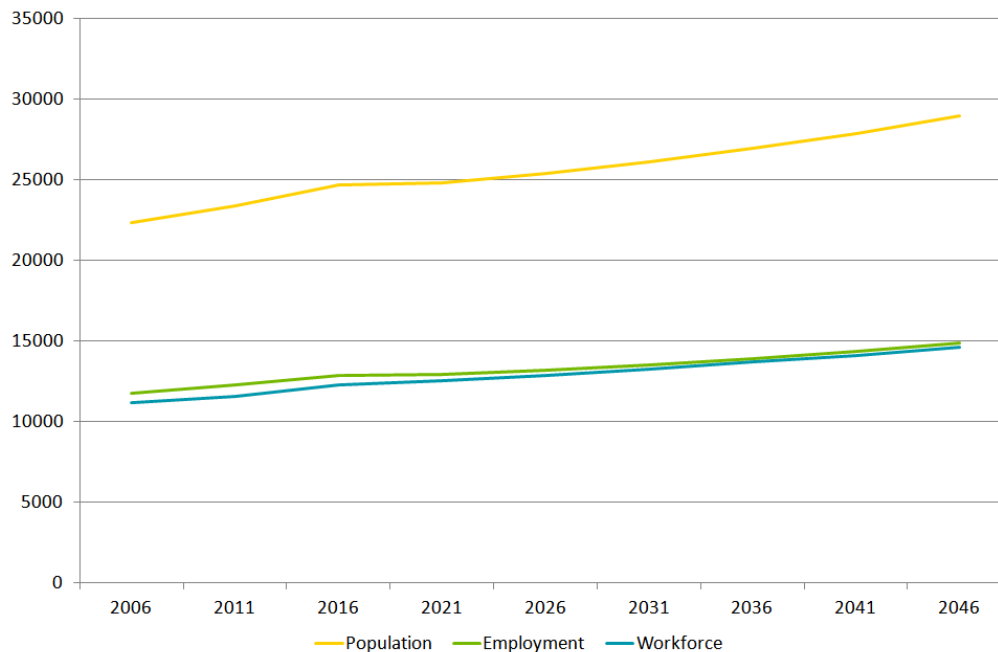
The economic significance of this strong Inner Sydney employment growth is the way it enables 'agglomeration' economies to be generated. Driven by globalisation, it is likely to continue driving the separation between the 'thinking' part of the value chain (namely design, brokerage, marketing, strategy formulation) and the manufacturing and distribution part, in the form of transport, logistics, and after sales service. Inner Sydney, as shown in the growth of professional services employment, is home to a concentration of knowledge related jobs (in the 'thinking part' of the value chain). Productivity in this employment sector is particularly driven by agglomeration economies.

4.3 Marrickville Economic profile

Socio-economics

Between 2006 and 2011, the population of Marrickville LGA grew by 1082 people, or 4.9%. Between 2011 and 2046 the population is projected to grow by 5537 people, or 23.7% – an annual average growth rate of 1.4%. Over the same period, employment is projected to grow by 21.3%, while the workforce is projected to grow by 26.3%, indicating a relatively stable rate of employment self-sufficiency.

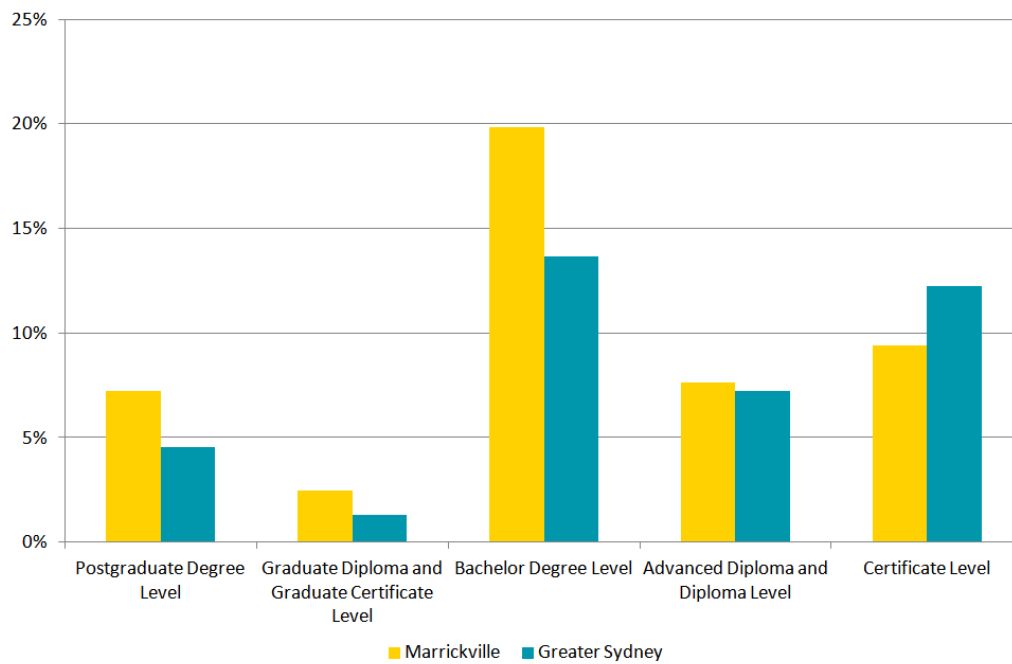
FIGURE 31. POPULATION, EMPLOYMENT AND WORKFORCE PROJECTIONS



Source: Bureau of Transport Statistics, NSW

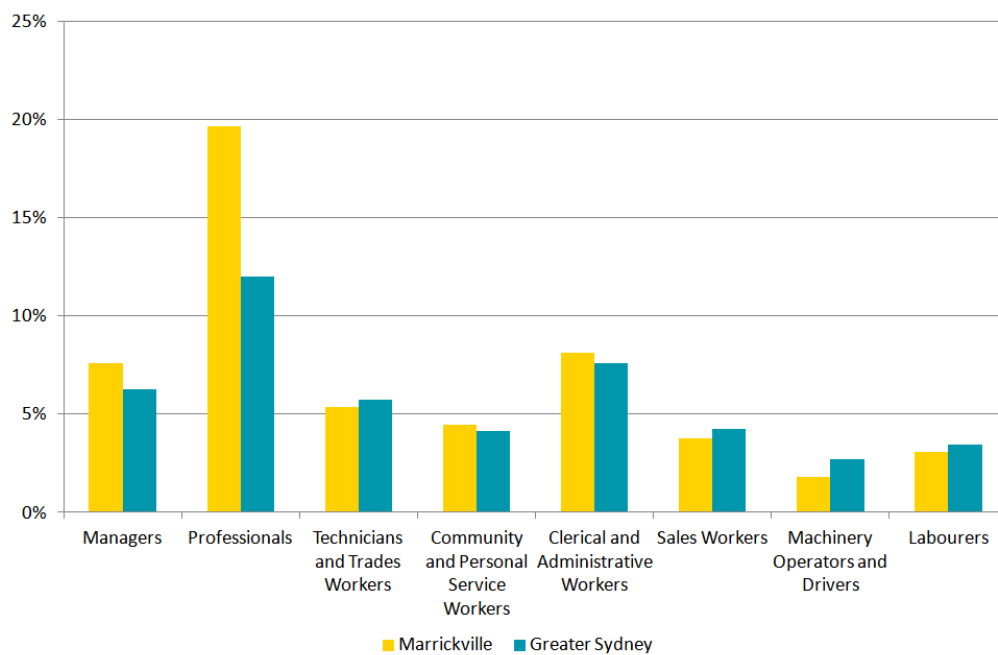
The resident population of Marrickville LGA is relatively more educated than that of Sydney as a whole. Around 30% of Marrickville residents have some tertiary education, compared to 19% of Greater Sydney residents; with 7% of Marrickville residents holding a postgraduate degree compared to 5% of Greater Sydney residents. Similarly, Marrickville residents are more likely to be employed in professional or managerial occupations, and less likely to be tradespeople or labourers. This probably reflects the LGA's location close to the higher value employment of the CBD.

FIGURE 32. SKILL COMPOSITION BETWEEN MARRICKVILLE AND SYDNEY SD



Source: ABS Census Data 2011

FIGURE 33. OCCUPATION COMPOSITION BETWEEN MARRICKVILLE SYDNEY SD



Source: ABS Census Data 2011

Employment profile

The labour force participation rate for residents in Marrickville LGA, defined as the proportion of people of working age either currently employed or seeking work, is 68%. This is somewhat higher than the participation rate in Greater Sydney (62%). The unemployment rate in Marrickville LGA is 5.3%, slightly lower than the 5.7% figure in Greater Sydney, but higher than the comparison LGA of neighbouring Leichhardt, where the unemployment rate is 4.1%.

Employment amongst Marrickville LGA's resident workforce is spread over a range of industry sectors. As shown below, the most common industry sector of employment is Professional, Scientific and Technical Services (12.4%), followed by Health Care and Social Assistance (11.3%), Education and Training (11.1%), and Retail Trade (7.7%) – indicating a mostly white collar workforce. By comparison, Leichhardt has a larger percentage of workers in the professional services or finance sectors, but less in the healthcare and education sectors. Marrickville LGA's employment profile is very similar to Randwick LGA's. When compared with Botany Bay LGA, however, the latter has a higher proportion of workers in the Retail Trade and Transport, Postal and Warehousing sectors. Marrickville has a higher proportion of workers in the professional services sector than Greater Sydney.

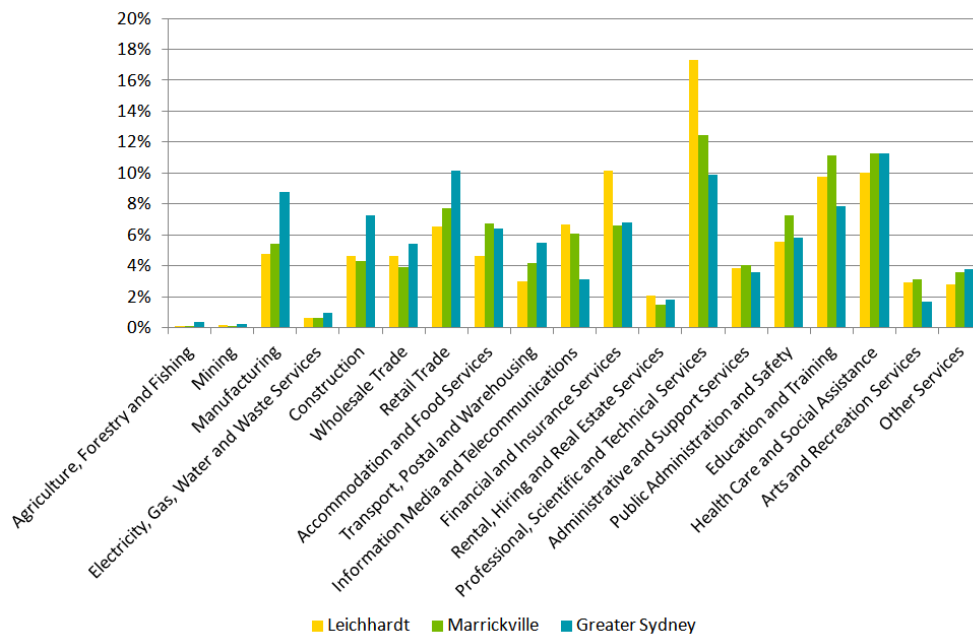
FIGURE 34. INDUSTRY EMPLOYMENT SHARE: INTER-LGA COMPARISONS*

Industry of employment	Marrickville	Leichhardt	Botany Bay	Randwick	Greater Sydney
Agriculture, Forestry and Fishing	0.1%	0.1%	0.1%	0.1%	0.4%
Mining	0.1%	0.2%	0.1%	0.2%	0.2%
Manufacturing	5.4%	4.7%	7.5%	4.4%	8.7%
Electricity, Gas, Water and Waste Services	0.6%	0.6%	0.7%	0.7%	0.9%
Construction	4.3%	4.6%	5.9%	6.1%	7.2%
Wholesale Trade	3.9%	4.6%	5.4%	3.8%	5.4%
Retail Trade	7.7%	6.5%	10.4%	7.9%	10.1%
Accommodation and Food Services	6.7%	4.6%	7.6%	6.8%	6.4%
Transport, Postal and Warehousing	4.2%	3.0%	10.3%	5.1%	5.4%
Information Media and Telecommunications	6.1%	6.6%	2.5%	4.0%	3.1%
Financial and Insurance Services	6.6%	10.1%	5.6%	7.7%	6.7%
Rental, Hiring and Real Estate Services	1.5%	2.1%	1.9%	2.2%	1.8%
Professional, Scientific and Technical Services	12.4%	17.2%	7.1%	12.2%	9.9%
Administrative and Support Services	4.0%	3.9%	4.1%	3.6%	3.6%
Public Administration and Safety	7.2%	5.6%	6.9%	6.5%	5.8%
Education and Training	11.1%	9.7%	6.5%	10.4%	7.8%
Health Care and Social Assistance	11.3%	10.0%	11.5%	12.6%	11.2%
Arts and Recreation Services	3.1%	2.9%	2.1%	2.6%	1.6%
Other Services	3.6%	2.8%	3.8%	3.2%	3.8%

Source: ABS Census Data 2011

* Top three industry sectors are highlighted in red

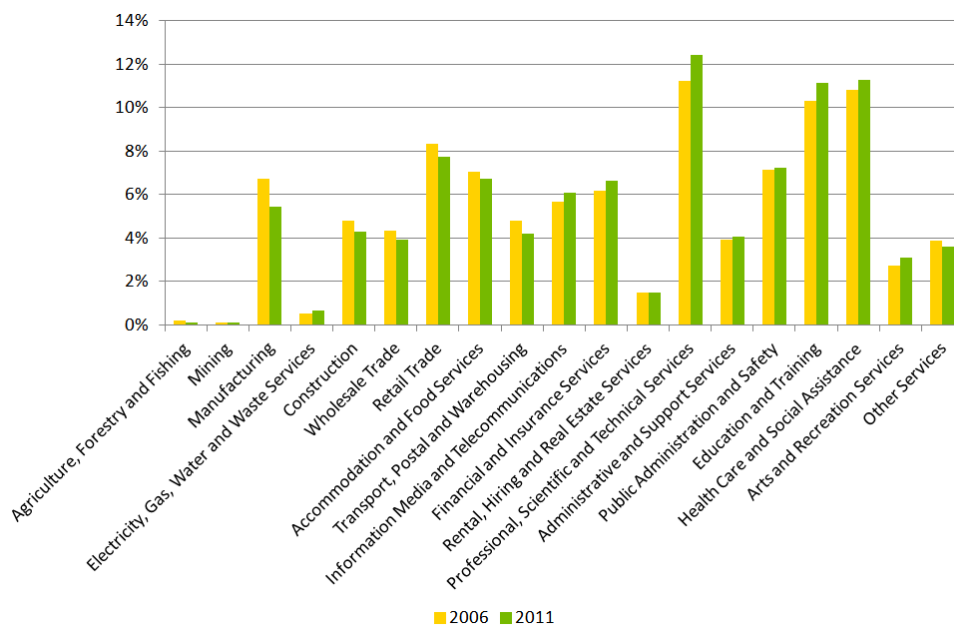
FIGURE 35. INDUSTRY EMPLOYMENT SHARE – LEICHHARDT, MARRICKVILLE, SYDNEY SD



Source: ABS Census Data 2011

Between 2006 and 2011, five industry sectors have experienced a contraction in terms of employment numbers. The largest contraction occurred in the Agriculture, Forestry and Fishing sector (10%), followed by the Manufacturing sector (2.1%) and the Transport, Postal and Warehousing sector (0.6%). On the other hand, the Electricity, Gas, Water and Waste Services sector had the largest employment growth rate (5.9%), followed by the Arts and Recreation Services sector (4.8%) and the Professional, Scientific and Technical Services sector (2.5%).

FIGURE 36. CHANGE IN INDUSTRY OF EMPLOYMENT BETWEEN 2006 AND 2011 – MARRICKVILLE LGA



Source: ABS Census Data 2006 and 2011

In both 2006 and 2011, Marrickville had the largest proportion of its workforce doing home-based work while Botany Bay had the smallest. The proportion of workforce engaged in home-based work increased between 2006 and 2011 for all four LGAs.

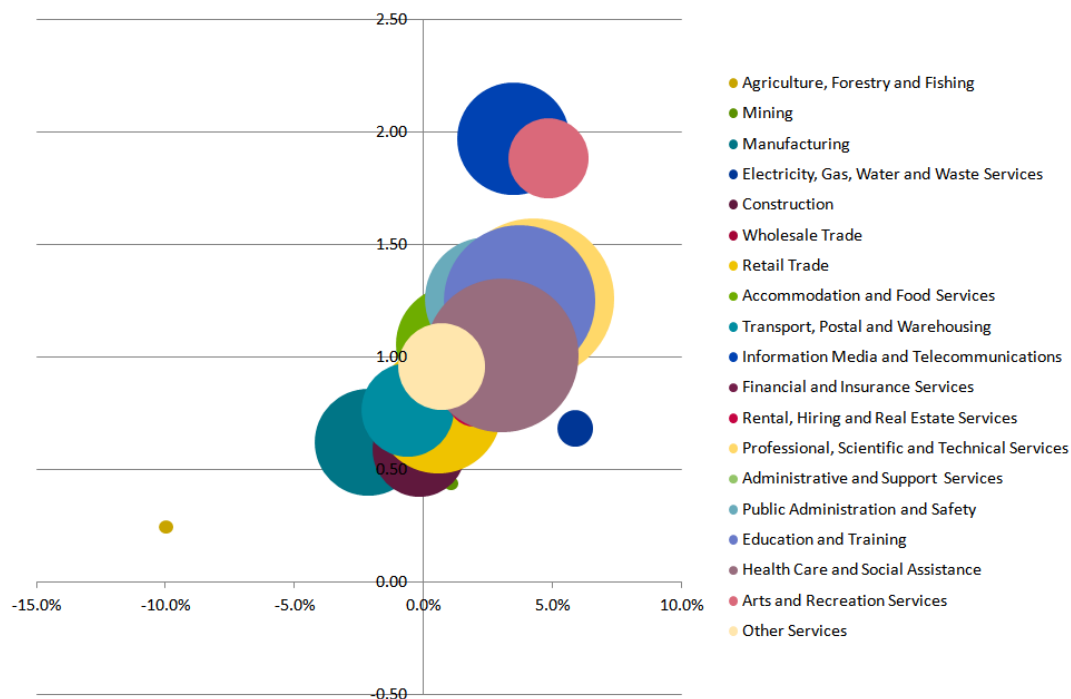
FIGURE 37. HOME-BASED WORK (% OF WORKFORCE)

LGA	2006	2011
Botany Bay	1.8%	1.9%
Leichhardt	4.9%	5.6%
Marrickville	11.7%	13.9%
Randwick	3.1%	3.3%

Source: ABS Census Data 2006 and 2011

Growth-share analysis involves an assessment of the relative size and specialisation of key industries, or industry clusters, and their recent change relative to the benchmark total growth in employment. Progression can be understood and assessed by comparing the recent relative growth against the benchmark, specialisation and size of key industries. Analysing industries or clusters in this way assists in the understanding of appropriate policies to guide their further growth and development, or to prioritise actions for economic development facilitation across various industry sectors.

FIGURE 38. GROWTH-SHARE MATRIX OF MARRICKVILLE



Source: SGS Economics and Planning, 2014

The Location Quotient¹, which shows the relative prominence or specialisation of particular industries (and therefore sectors of comparative strength), is shown on the vertical axis, while the change in employment from 2006 to 2011 is on the horizontal axis. The size of the circle represents the relative size of the industry within the LGA. The 'north-eastern' quadrant shows specialised industries experiencing

¹ A Location Quotient (LQ) is calculated by dividing the proportion of local jobs within a particular industry by the proportion of jobs within that industry in a benchmark area. If the proportion of jobs in a local industry is higher than that of the benchmark area, the industry will show a location quotient of greater than 1. The LQ analysis indicates the relative proportion of an industry given the nature of the local economy.

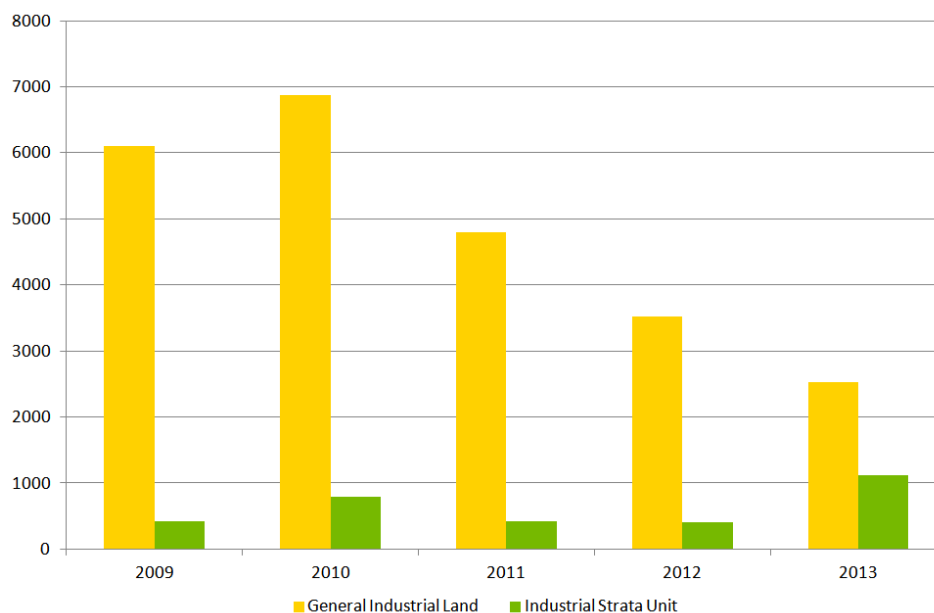
growth in employment, while the 'south-eastern' quadrant shows employment growth and low specialisation. The left half of the diagram shows industries experiencing a decline in employment with the 'north-western' quadrant indicating high specialisation and the 'south-western' quadrant indicating low specialisation.

Figure 38 presents a growth-share matrix for the Marrickville LGA. In producing this matrix, the LGA's location quotient is compared with Sydney SD as the benchmark. The matrix shows that the industry sectors likely to be in the expanding stage of the industry cycle (north-east quadrant), i.e. high employment growth rate and high industry concentration ($LQ > 1$), include: (i) Arts and Recreation Services; (ii) Information Media and Telecommunications; (iii) Professional, Scientific and Technical Services; and (iv) Education and Training.

The industries likely to be in the emerging stage of the industry cycle (south-east quadrant), i.e. high employment growth rate and low industry concentration ($LQ < 1$), include: (i) Electricity, Gas, Water and Waste Services; (ii) Financial and Insurance Services; and (iii) Rental, Hiring and Real Estate Services.

Market data

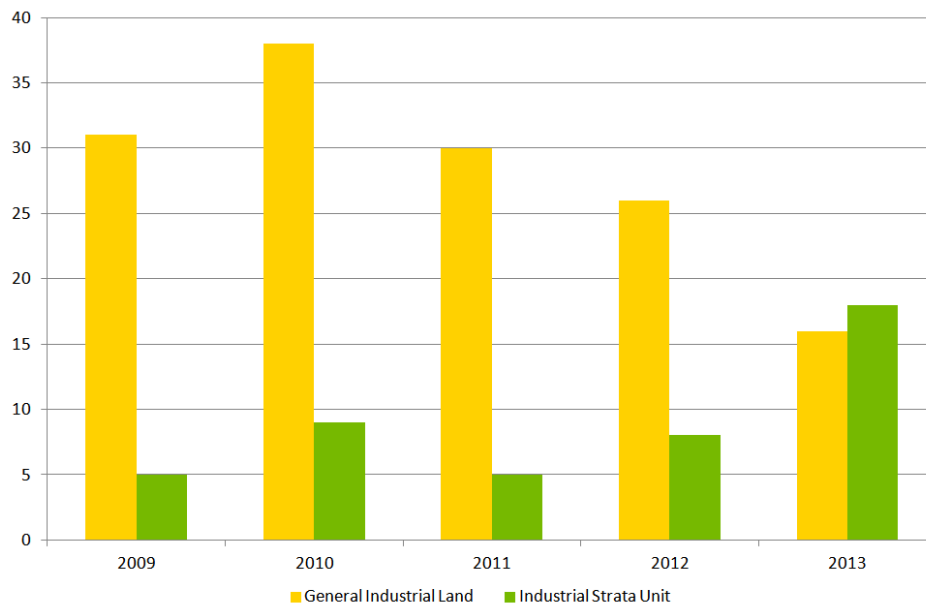
FIGURE 39. MARRICKVILLE INDUSTRIAL PROPERTY SALES VOLUME (HECTARES)



Source: RPData, 2014

Analysis of the industrial property sales volume data shows a downward trend in sales volumes for general industrial land since 2010. Despite a relatively strong rise in industrial strata unit sales volume between 2012 and 2013, sales volume in this category of industrial property had been generally stable between 2009 and 2012.

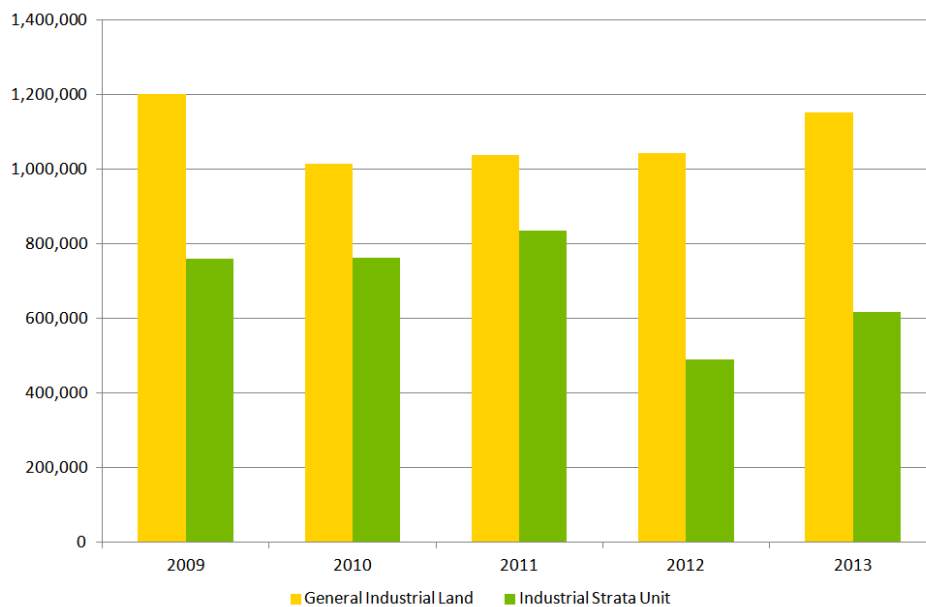
FIGURE 40. MARRICKVILLE INDUSTRIAL PROPERTY SALES NUMBER



Source: RPData 2014

Analysis of the industrial property sales number data also shows a downward trend in sales number for general industrial land. The sales number for industrial strata units similarly exhibited a relatively stable trend between 2009 and 2012 despite a relatively strong uplift in numbers between 2012 and 2013.

FIGURE 41. MARRICKVILLE INDUSTRIAL PROPERTY SALES MEDIAN PRICE (\$)



Source: RPData 2014

Analysis of the median price of industrial property sold indicates a slight upward trend for general industrial land between 2010 and 2013. For industrial strata units, however, there appears to be a relatively big fall in the median price from 2011.

4.4 Marrickville industrial lands

Marrickville's industrial lands not only have economic significance in terms of productivity and jobs, but cultural and historical significance. Cultural tourism is a good example of the cultural significance of Marrickville's industrial lands. There are a number of 'food tours' of these areas by bus, bicycle and foot. Some of these are co-ordinated by Council, others by commercial tour operators. Local industry representatives have explained that customer catchment of Marrickville's industrial lands has been widening as people from outside the area are attracted by Marrickville industrial area's unique offerings and qualities, e.g. boutique breweries. Locals and visitors alike value the contribution of the industrial lands to the colourful and vibrant 'look and feel' of Marrickville.

The role of these industrial lands in shaping Marrickville also has an interesting history. The core Sydenham/ Marrickville industrial area sits on the former Gumbramorra Swamp. The swamp originally served the local aboriginal population for hunting/gathering, but was unsuitable for agriculture and residential use by the Europeans. In the early 1900s drainage works transformed the swamp to dry land suitable for industry. Its value for industry was enhanced by its inner-Sydney location, a local workforce and rail transport.

In the latter half of last century, the workforce was largely derived from non-English speaking immigrants, which helped shape the multicultural character of Marrickville. Gentrification is reducing Marrickville's multicultural character, and the higher educated local workforce tends to fill the higher-skilled jobs in the core industrial area, with unskilled workers commuting to Marrickville from lower-cost suburban areas.

On 26 March 2013 Leichhardt Council considered a report about a Parramatta Road Live Music and Cultural Precinct. The report noted that the area was home to a number of live music venues and performance spaces, together with ancillary businesses such as musical instrument retailers, repair shops, teaching and recording studios. In response Council resolved to:

1. Investigate policies and programs that could be implemented to support the development of Parramatta Road as a live music and cultural precinct
2. Investigate the establishment of a live music development control plan
3. Liaise with other organisations, including Marrickville Council, the City of Sydney

In October 2013 Council resolved to establish a Parramatta Road Live Music Zone Taskforce. The purpose of the Taskforce was to provide independent recommendations about how live music and live performance could be encouraged and promoted on Parramatta Road and throughout the inner west. The establishment of the taskforce:

- was one of a series of Council initiatives aimed at reviving and promoting live music and performance on Parramatta Road
- also occurred in the context of the City of Sydney releasing its wide-ranging 2013 Live Music and Performance Action Plan.

The Reference Group began its work in February 2014 with the following terms of reference:

- Consideration of the recommendations of the City of Sydney 2013 Live Music and Performance Action Plan
- Site inspections of Parramatta Road and Sydenham
- Identifying issues and opportunities and making recommendations to build on the work completed by the City of Sydney and enhance the potential of Parramatta Road and Sydenham as future cultural, live music and performance destinations, in particular:
 - i. The existing nature of the two study areas
 - ii. Impediments to operators and venues establishing in the two study areas
 - iii. Traffic, Transport and Compliance issues likely to affect the two study areas

- iv. Making the areas recognisable and promoting the range of cultural, live music and performance experiences provided in the two study areas
- v. Audience development opportunities
- vi. Opportunities to assist potential venue operators in identifying locations and preparing applications.

Priority topic areas are:

- The City of Sydney, Marrickville and Leichhardt Councils must continue to work together on the broader state and regional issues, in particular those identified in the City's 2013 Live Music and Performance Action Plan,
- Determining "Off Broadway" as the framework for the proposed Parramatta Road Cultural, Entertainment, Performance and Live Music Precinct
- Expanding and supporting small bars and ancillary land uses
- Define initial activation area boundaries – Parramatta Road and Sydenham. The group noted that the industrial area between Marrickville commercial centre and Sydenham station already has a number of live music venues such as the Camelot Lounge, Gasoline Pony wine bar and Red Rattler theatre. This area's more affordable warehouse-style buildings also assist in its evolution as a live music hub.
- Public domain improvements
- Working with existing businesses and land owners
- Activating vacant premises
- Marketing and promotion
- Developing partnerships

4.5 Implications for Marrickville's industrial precincts

Marrickville, situated close to the core of metropolitan Sydney, offers a dense urban environment, populated with a relatively affluent and highly skilled resident workforce, well served by major transport routes and within relatively close proximity to the economic hubs of the Sydney CBD, Sydney Airport, and Port Botany. Marrickville's industrial lands are well positioned to accommodate demand from local (population serving) industrial activity as well as more strategic industries that serve a wider catchment. With diminishing industrial land stocks in Botany and the City of Sydney, Marrickville industrial areas may also experience greater demand from industries that have been displaced from these areas.

Activity with declining demand for Marrickville's industrial land:

- **Traditional manufacturing and open storage.** High land values threaten the existence for lower value traditional industrial activity (especially those requiring larger floor areas) which is increasingly looking further west for lower cost land. There may also be some demand from industries deriving advantage from locating close to the CBD, port, and airport. Major destination hubs prefer ready access to motorways and many parts of Marrickville's industrial areas are not suited to this type of activity.

Activity with persistent or growing demand for Marrickville's industrial land

- **Population serving industry.** Marrickville will need to maintain a stock of industrial land that is focussed on providing for the needs of the local resident population. These industrial areas are typically characterised as 'local service industrial' and include uses such as automotive repairs, trade supplies, household storage, etc. There may also be some demand from industries deriving advantage from locating close to the CBD, port, and airport.

- **Urban manufacturers.** These are manufacturing firms for whom innovation and creativity are at the core of their business. These firms benefit greatly from the agglomeration benefits presented by Marrickville's location and urban environment. Additionally, being in close proximity to residential areas is increasingly appealing to manufactures when choosing where to locate, with the attraction and retention of quality staff of growing importance (Colliers, 2014). Furthermore, owners of and investors in businesses are increasingly drawn from the young, inner city-based entrepreneurial class. They will be seeking an inner urban location (like Marrickville) for their business
- **CBD 'backroom' operations.** Activities that support Sydney's 'global' centre, such as freight and logistics use, storage and archiving.
- **Creative industries.** Creative industries in particular may look to start up in Marrickville in some of the transitioning industrial areas or may migrating there after being priced out of the longer established creative precincts on the city-fringe such as Surry Hills and Ultimo-Pyrmont.

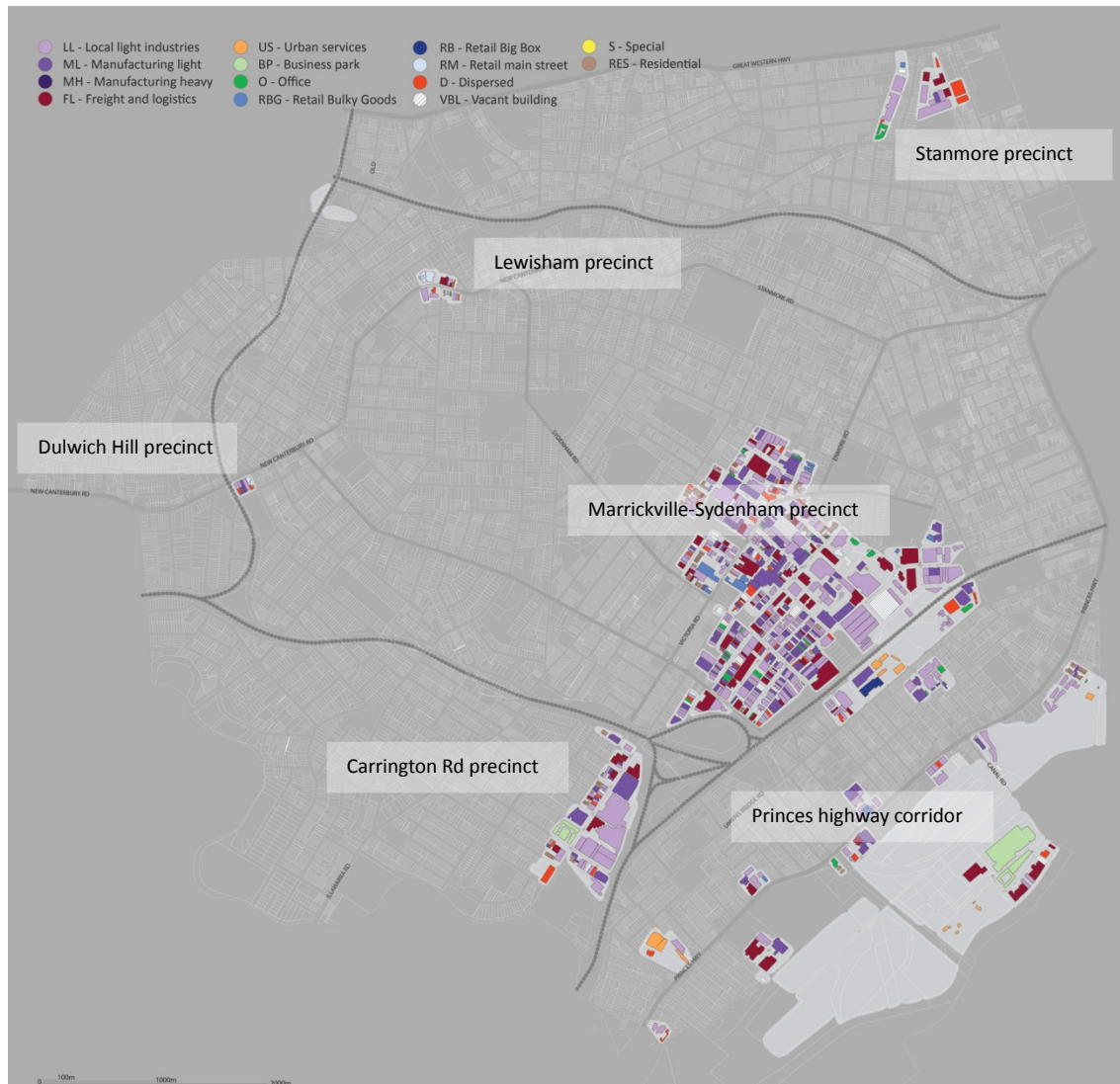
These activity types can be mostly accommodated within existing industrial precincts under current planning controls. However, perhaps the greatest pressure on Marrickville's industrial land comes from non-industrial sectors – particularly residential development.

A key challenge for the Marrickville Council is to effectively and efficiently allow its employment locations to respond to industry and market trends and meet the ever-changing requirements of occupiers. To achieve this, a significant degree of flexibility is important, both in terms of the design of the buildings and also the planning policy framework. This may include increasing the flexibility of industrial zones by increasing the range of mandatory permissible uses, allowing additional local uses in specialised locations.

5 CAPACITY ASSESSMENT

5.1 Land-use audit results

FIGURE 42. OVERVIEW OF INDUSTRIAL PRECINCTS



Source: SGS 2014

5.2 Floorspace by precinct

FIGURE 43. PRECINCT PROFILE: STANMORE



Total floorspace: 47,670 sqm

Developed: 47,670 sqm

Vacant: 0 sqm

ANZSIC (GFA)		BLC (GFA)	
Agriculture, Forestry and Fishing	-	BP - Business Park	-
Mining	-	D - Dispersed	-
Manufacturing	2,536	FL - Freight & Logistics	529
Electricity, Gas, Water and Waste Services	-	LL - Local Light (local service)	9,261
Construction	-	ML - Manufacturing Light	5,867
Wholesale Trade	5,343	O - Office	27,870
Retail Trade	-	RBG - Bulky Goods Retail	1,317
Accommodation and Food Services	748	RES - Residential	2,374
Transport, Postal and Warehousing	12,724	RM - Main Street Retail	-
Information Media and Telecommunications	682	US - Urban Services	452
Financial and Insurance Services	-	VBL - Vacant	-
Rental, Hiring and Real Estate Services	-		
Professional, Scientific and Technical Services	3,054		
Administrative and Support Services	12,000		
Public Administration and Safety	-		
Education and Training	1,306		
Health Care and Social Assistance	1,670		
Arts and Recreation Services	1,013		
Other Services	985		
Inadequately described and Not Stated	5,609		

FIGURE 44. PRECINCT PROFILE: LEWISHAM



Total floorspace: 10,177 sqm

Developed: 9,826 sqm

Vacant: 351 sqm

ANZSIC (GFA)		BLC (GFA)	
Agriculture, Forestry and Fishing	-	BP - Business Park	-
Mining	-	D - Dispersed	-
Manufacturing	-	FL - Freight & Logistics	-
Electricity, Gas, Water and Waste Services	-	LL - Local Light (local service)	945
Construction	93	ML - Manufacturing Light	1,294
Wholesale Trade	520	O - Office	3,689
Retail Trade	1,902	RBG - Bulky Goods Retail	-
Accommodation and Food Services	-	RES - Residential	190
Transport, Postal and Warehousing	3,085	RM - Main Street Retail	-
Information Media and Telecommunications	-	US - Urban Services	-
Financial and Insurance Services	-	VBL - Vacant	81
Rental, Hiring and Real Estate Services	-		
Professional, Scientific and Technical Services	-		
Administrative and Support Services	1,577		
Public Administration and Safety	161		
Education and Training	-		
Health Care and Social Assistance	-		
Arts and Recreation Services	401		
Other Services	2,088		
Inadequately described and Not Stated	351		

FIGURE 45. PRECINCT PROFILE: DULWICH HILL



Total floorspace 4,485 sqm

Developed: 4,485 sqm

Vacant: 0 sqm

ANZSIC (GFA)		BLC (GFA)	
Agriculture, Forestry and Fishing	-	BP - Business Park	-
Mining	-	D - Dispersed	-
Manufacturing	677	FL - Freight & Logistics	-
Electricity, Gas, Water and Waste Services	-	LL - Local Light (local service)	530
Construction	356	ML - Manufacturing Light	-
Wholesale Trade	-	O - Office	2,004
Retail Trade	-	RBG - Bulky Goods Retail	1,237
Accommodation and Food Services	125	RES - Residential	-
Transport, Postal and Warehousing	1,594	RM - Main Street Retail	-
Information Media and Telecommunications	-	US - Urban Services	-
Financial and Insurance Services	-	VBL - Vacant	113
Rental, Hiring and Real Estate Services	-		
Professional, Scientific and Technical Services	311		
Administrative and Support Services	562		
Public Administration and Safety	-		
Education and Training	-		
Health Care and Social Assistance	-		
Arts and Recreation Services	125		
Other Services	736		
Inadequately described and Not Stated	-		

FIGURE 46. PRECINCT PROFILE: LEWISHAM



Total floorspace: 139,591 sqm

Developed: 135,321 sqm

Vacant: 4,269 sqm

ANZSIC (GFA)		BLC (GFA)	
Agriculture, Forestry and Fishing	-	BP - Business Park	-
Mining	1,119	D - Dispersed	32,151
Manufacturing	14,735	FL - Freight & Logistics	-
Electricity, Gas, Water and Waste Services	2,913	LL - Local Light (local service)	5,041
Construction	3,858	ML - Manufacturing Light	27,427
Wholesale Trade	4,153	O - Office	39,068
Retail Trade	2,187	RBG - Bulky Goods Retail	18,423
Accommodation and Food Services	99	RES - Residential	916
Transport, Postal and Warehousing	54,237	RM - Main Street Retail	-
Information Media and Telecommunications	-	US - Urban Services	1,629
Financial and Insurance Services	-	VBL - Vacant	2,889
Rental, Hiring and Real Estate Services	3,547		
Professional, Scientific and Technical Services	1,329		
Administrative and Support Services	32,244		
Public Administration and Safety	5,810		
Education and Training	947		
Health Care and Social Assistance	703		
Arts and Recreation Services	2,262		
Other Services	4,258		
Inadequately described and Not Stated	5,193		

FIGURE 47. PRECINCT PROFILE: MARRICKVILLE-SYDENHAM)



Total floorspace: 646,259 sqm

Developed: 607,244 sqm

Vacant: 39,015 sqm

ANZSIC (GFA)		BLC (GFA)	
Agriculture, Forestry and Fishing	-	BP - Business Park	-
Mining	-	D - Dispersed	-
Manufacturing	115,926	FL - Freight & Logistics	-
Electricity, Gas, Water and Waste Services	1,030	LL - Local Light (local service)	23,227
Construction	7,813	ML - Manufacturing Light	101,100
Wholesale Trade	9,295	O - Office	283,955
Retail Trade	5,738	RBG - Bulky Goods Retail	142,209
Accommodation and Food Services	3,716	RES - Residential	16,278
Transport, Postal and Warehousing	259,667	RM - Main Street Retail	5,852
Information Media and Telecommunications	1,899	US - Urban Services	11,825
Financial and Insurance Services	-	VBL - Vacant	15,635
Rental, Hiring and Real Estate Services	-		
Professional, Scientific and Technical Services	12,205		
Administrative and Support Services	124,097		
Public Administration and Safety	6,939		
Education and Training	330		
Health Care and Social Assistance	1,021		
Arts and Recreation Services	23,919		
Other Services	29,311		
Inadequately described and Not Stated	43,353		

FIGURE 48. PRECINCT PROFILE: CARRINGTON ROAD



Total floorspace: 106,219 sqm

Developed: 103,743 sqm

Vacant: 2,475 sqm

ANZSIC (GFA)		BLC (GFA)	
Agriculture, Forestry and Fishing	-	BP - Business Park	-
Mining	-	D - Dispersed	7,289
Manufacturing	17,438	FL - Freight & Logistics	-
Electricity, Gas, Water and Waste Services	-	LL - Local Light (local service)	7,675
Construction	2,473	ML - Manufacturing Light	11,061
Wholesale Trade	4,089	O - Office	50,780
Retail Trade	271	RBG - Bulky Goods Retail	23,712
Accommodation and Food Services	255	RES - Residential	-
Transport, Postal and Warehousing	41,576	RM - Main Street Retail	-
Information Media and Telecommunications	-	US - Urban Services	-
Financial and Insurance Services	-	VBL - Vacant	3,225
Rental, Hiring and Real Estate Services	1,389		
Professional, Scientific and Technical Services	2,319		
Administrative and Support Services	13,581		
Public Administration and Safety	-		
Education and Training	-		
Health Care and Social Assistance	4,295		
Arts and Recreation Services	1,408		
Other Services	9,697		
Inadequately described and Not Stated	7,427		

5.3 Constraints analysis

Figure 49 shows the ANEF contours affecting Marrickville LGA. Clearly, the Marrickville-Sydenham precinct and the Princes Highway corridor are the most affected with large parts of these precincts being within the ANEF 25 and ANEF 30 contours. Australian Standard AS 2021—2000 provides guidance on the siting and construction of buildings impacted by aircraft noise and determining what measures might be used to reduce the impacts and provide acceptable indoor sound levels. While for the most part this does not impact industrial development, land with an ANEF level of greater than 25 ANEF is generally regarded as being not acceptable for new residential dwellings and other land uses such as schools and community facilities.

In high aircraft noise areas there is the added constraint of the Sydney Airport Obstacle Limitation Surface (OLS). This restricts the heights of buildings and other structures such as cranes. Permission from Sydney Airport is required for any structure that may penetrate the OLS. The OLS becomes more restrictive on land close to the runways and in higher altitude areas

FIGURE 49. ANEF CONTOURS

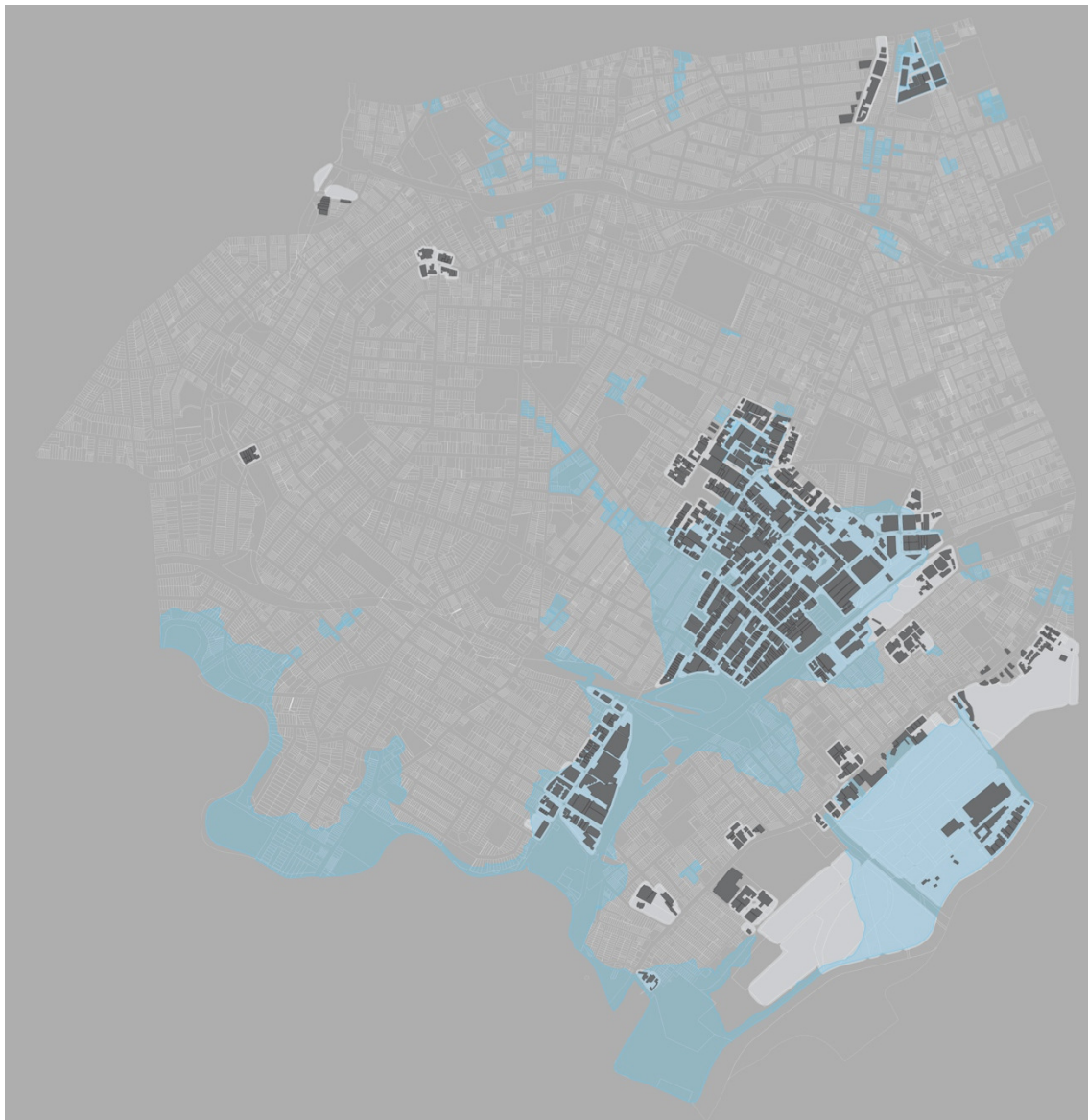


Source: SGS 2014

Figure 50 shows the flood affected land in Marrickville LGA. Again, the most affected industrial precincts are the Princes Highway corridor and the Marrickville-Sydenham precincts.

The former Gumbramorra Swamp, upon which the Marrickville-Sydenham industrial area sits, is low lying land that drains to the Cooks River. As such, the area is susceptible to flooding. Flooding is the key factor that had made this area unsuitable for residential development. Once drained, the area was suitable for industrial development. Most of the Carrington Road precinct is subject to 1-in-100 year mainstream flooding from the Cooks River, whilst most of the Marrickville-Sydenham precinct is subject to 1-in-100 stormwater flooding (overland flow) only. Portions of other smaller industrial areas in the LGA are subject to overland flow flooding. Whilst flooding is an important constraint, it does not necessarily prevent further development. Flood-related development controls are applied to new developments in these areas as appropriate.

FIGURE 50. FLOOD AFFECTED LAND



Source: SGS 2014

As the core Marrickville/Sydenham industrial area sits on a former wetland, most of the soils have the potential to oxidise to produce sulfuric acid. This acts as a constraint to development, as excavation (for example, in the creation of basement car parks) will result in acidic runoff and the possibility of acid damage to structures in the long-term. If excavation extends to below the water table, there may also be a need to include a pumping system. MDCP 2011 includes development controls for properties within acid sulfate soils areas

5.4 Capacity analysis

The capacity analysis indicates the capacity in each precinct to accommodate growth. In this analysis we have included four capacity scenarios:

- **Minimum.** Vacant floorspace plus floorspace on vacant sites assuming these will be developed up to the maximum allowable under current controls.
- **Medium (40).** The 'minimum' capacity scenario plus capacity on occupied sites. In this scenario we only include capacity on occupied sites where the current FSR is less than 40% of the existing observed FSRs in that precinct. On these sites we assume there is development capacity up to the precinct average FSR. If a site's existing FSR is 40% or more than the current average FSR we assume that it has no capacity.
- **Medium (60).** The 'minimum' capacity scenario plus capacity on occupied sites. In this scenario we only include capacity on occupied sites where the current FSR is less than 60% of the existing observed FSRs in that precinct. On these sites we assume there is development capacity up to the precinct average FSR. If a site's existing FSR is 60% or more than the current average FSR we assume that it has no capacity.
- **Maximum.** Again, this includes the 'minimum' capacity scenario plus capacity on occupied sites. However, in this case, all occupied sites are included and capacity is the different between existing floorspace and the maximum allowable under current controls.

Figure 51 shows the results of the capacity analysis. This shows that in total Marrickville's industrial land has a capacity of between 101,137 sqm GFA and 891,522 sqm GFA across the scenarios.

FIGURE 51. CAPACITY SUMMARY

Precinct	Min	Med 40	Med 60	Max
Carrington Rd	2,475	4,330	13,794	32,002
Dulwich Hill	-	193	193	650
Lewisham	351	627	1,198	5,153
Marrickville Sydenham	39,517	153,981	211,202	272,013
Princess Highway	47,902	136,491	150,699	563,731
Stanmore	-	3,076	3,076	7,080
TOTAL	90,245	298,698	380,162	880,629

Source: SGS 2014

5.5 Summary

From the capacity analysis and profiling it is possible to broadly categorise Marrickville's industrial precincts as follows:

- **Large mixed industrial precinct.** The Marrickville-Sydenham precinct is the largest industrial precinct in the LGA and one of the most significant industrial precincts in the subregion. It has a mixed industrial profile with light and population serving industry making up 44% of total floorspace alongside more traditional industrial activity on larger lots and in the core of the precinct. Light Manufacturing makes up 22% of floorspace and Freight and Logistics accounts for 16%.
- **Two small population-serving light industrial precincts.** Lewisham and Dulwich Hill industrial precincts are dominated by local light industry (36% and 45% respectively). However, both of these precincts have a significant level of retail activity – 36% and 13% respectively.
- **One medium-sized and mixed industrial precinct on Carrington Road.** The Carrington Road precinct has predominantly Local Light industrial land use (48%) with some Light Manufacturing (22%) and Freight and Logistics activity (10%). The Precinct also has 7,289 sqm GFA Business Park use (7%).
- **One mixed commercial-industrial precinct.** The Stanmore industrial precinct has a mixed profile with 5% office, 58% local light industrial, 19% Dispersed and 12% Freight and Logistics activity. The western cluster in the precinct sits at the Salisbury Road end of Bridge Road in Stanmore with employment activity spreading down into Stanmore from Parramatta Road. Uses here are a mix of local service industrial and office. The eastern cluster is at the Parramatta Rd end of Australia and Denison streets. It consists of a light industrial/ local service industry park on Denison street and community uses on Australia street (child care and Catholic University building)
- **An enterprise corridor with fragmented industrial activity.** The corridor has a mixture of industrial, retail and commercial land use. In the industrial zoned areas, land-use is made up predominantly of Local Light industry (28%), Freight and Logistics (20%), Business Park (23%) and light manufacturing (13%). The corridor is a natural place for large format retail and lower intensity, 'edge of centre'. The corridor also provides some large lots that house heavier industrial activity and open storage. Port accessibility is a driver for these uses.

6 DEMAND & GAP ANALYSIS

6.1 Employment forecast

Base case

Figure 52 shows the BTS employment forecasts for the LGA at 1 digit ANZSIC. In total employment is forecast to grow by 3,769 jobs by 2036. However, within this total growth there are some sharp declines in industrial sectors with Manufacturing forecast to decline by 1,473 jobs (30%), Electricity, Gas and Waste Water Services falling by 29 jobs (64%) and Transport, Postal and Warehousing declining by 163 jobs (11%)

FIGURE 52. MARRICKVILLE LGA EMPLOYMENT FORECASTS (1 DIGIT ANZSIC)

ANZSIC	2014	2016	2021	2026	2031	2036	Change
Agriculture, Forestry & Fishing	60	59	59	61	65	71	11
Mining	1	2	3	3	3	3	2
Manufacturing	4417	4,131	3,428	3,204	3,019	2,944	-1473
Electricity, Gas, Water & Waste Services	29	18	8	4	1	0	-29
Construction	1705	1,771	1,846	1,812	1,819	1,854	149
Wholesale Trade	2563	2,619	2,786	2,951	3,088	3,233	670
Retail Trade	4066	4,288	4,318	4,395	4,466	4,571	505
Accommodation & Food Services	2174	2,235	2,246	2,302	2,375	2,474	300
Transport, Postal & Warehousing	1486	1,455	1,417	1,325	1,317	1,323	-163
Information Media & Telecommunications	547	567	588	615	638	664	117
Financial & Insurance Services	459	453	485	499	522	542	83
Rental, Hiring & Real Estate Services	398	402	409	412	427	451	53
Professional, Scientific & Technical Services	1978	2,046	2,306	2,544	2,737	2,894	916
Administrative & Support Services	766	793	790	796	797	806	40
Public Administration & Safety	1572	1,658	1,760	1,863	1,963	2,070	498
Education & Training	2594	2,629	2,942	3,204	3,407	3,586	992
Health Care & Social Assistance	2720	2,838	3,116	3,352	3,528	3,675	955
Arts & Recreation Services	637	652	646	660	668	675	38
Other Services	1690	1,683	1,650	1,640	1,635	1,642	-48
Unclassified	1041	1,052	1,084	1,122	1,154	1,188	147
Total	30903	31,351	31,887	32,766	33,627	34,664	3761

Source BTS: 2012

Adjusted scenario

There are several factors that might drive a higher employment forecast for Marrickville than the 2012 BTS figures suggest. These are:

1. Persistent manufacturing employment in inner city areas ('urban manufacturers')
2. Expanded port and airport activity
3. Rezoned industrial land in port and airport proximate land (Botany and City of Sydney)
4. Westconnex entry/ exit points in St Peters/ Tempe

Analysis conducted for the Botany Bay Planning Study (SGS Economics and Planning, 2008), as part of a background study into airport development, highlighted the requirements for additional land to accommodate airport-related uses (particularly for freight) surrounding Sydney Airport. The model that was developed at that time indicated demand for an additional 48 hectares of land to 2025, with 14 hectares of that demand not able to be met in the immediate vicinity of the airport.

The Airport Related Activities Land Use Model has been updated at Figure 53 to include updated freight forecasts, with other inputs unchanged. The model indicates that 44 hectares of additional land will be required to accommodate airport-related land uses to 2029.

FIGURE 53. UPDATED AIRPORT RELATED ACTIVITIES LAND USE MODEL

Sydney Airport			Source
Existing throughput (2007)	471,000	tonnes	Airport Master Plan 2009
Existing land take: on and off site (2007)	70	ha	SGS Land Audit 2008
Existing land take: per unit throughput	0.00015	ha per tonne	SGS calculation
Throughput: 2029	1,077,000	tonnes	Airport Master Plan 2009
Land take 2029: existing density	160	ha	SGS calculation
Intensification allowance	1.4		SGS assumption
Land take 2029: future density	114	ha	SGS calculation
Additional land take 2029: future density	Approx 44	ha	SGS calculation

Assumptions

- Throughput: 2029: an estimate of future throughput based on projections in the 2009 Airport Master Plan.
- Land take 2029 (existing density): the future land use needs based on existing density, a product of the land take per unit throughput and future throughput.
- Intensification allowance: an allowance for more intensive land use in the future, based on more efficient land use at other airports and the assumption that land prices in Botany Bay LGA and surrounding areas will continue to escalate. An example of intensification is container stacking. The allowance is higher for the airport than port, on the basis that the airport freight tends to be lower volume which makes it more amenable to intensification.
- No displacement assumption was made for the airport. Airport freight tends to be high value and low volume, and often requires immediate transit (for example fresh flowers or seafood) so is less likely to suit displacement.
- Land take 2029: (future density): the future land use needs based on intensification and displacement assumptions, a product of the indirect land take per unit throughput, future throughput and the intensification allowance.
- Additional total future land take: (future density): the net additional land take in 2029 at the future density minus the existing land take – indirect.

From 2014 ELDP data of zoned employment lands stock (excluding the addition of the expanded Port Botany facilities in 2013), we know that between 2012 and 2014, 21.7 hectares of industrial land has been rezoned in Botany and 3.9 hectares has been rezoned in the City of Sydney. Given the port and airport expansion we would expect some overflow activity from these areas into Marrickville LGA.

FIGURE 54. MARRICKVILLE INDUSTRIAL ZONES FLOORSACE FORECAST 2014-2036

BLC	Base Case				Adjusted				Adjustment
	2014	2036	Change		2014	2036	Change		
Office	30,155	35,536	5,381	18%	30,155	35,536	5,381	18%	0
Large Format Retail	30,855	33,466	2,611	8%	30,855	33,466	2,611	8%	0 ^a
Freight and Logistics	165,801	158,538	-7,263	-4%	165,801	187,355	21,554	13%	28,817 ^b
Light Manufacturing	196,262	160,683	-35,579	-18%	196,262	186,449	-9,813	-5%	25,766 ^c
Local Light Industry	411,578	398,361	-13,218	-3%	411,578	510,357	98,779	24%	111,997 ^d
Dispersed	42,592	48,576	5,984	14%	42,592	48,576	5,984	14%	0
Main Street Retail	5,783	6,003	219	4%	5,783	6,002	219	4%	0 ^e
Urban Services	12,420	17,770	5,350	43%	12,420	17,770	5,350	43%	0
Big Box Retail	5,852	6,297	446	8%	5,852	6,298	446	8%	0 ^f
Short Term Accommodation	2,116	3,333	1,217	58%	2,116	3,333	1,217	58%	0
Business Park	39,440	37,893	-1,547	-4%	39,440	37,893	-1,547	-4%	0
Total	942,853	906,455	-36,398	-4%	942,853	1,073,034	130,181	14%	166,580

a Increases in large format retail assumed to be accommodated in non-industrial zones

b Freight and logistics growth assumes 5% overflow of port & airport related activity from City of Sydney and Botany

c Smaller decline in light manufacturing driven by persistent urban manufacturing activity

d Growth in local light industry driven by population growth

e Increases in main street retail assumed to be accommodated in non-industrial zones

f Increases in big box retail assumed to be accommodated in non-industrial zones

6.2 Floorspace forecasts

The employment forecasts are translated into floorspace forecasts for the audited areas in Figure 55 based on the way that businesses in each ANZSIC category currently use land in the audited areas of Marrickville LGA.

- **BTS 2012.** The forecast decline in jobs in industrial sectors produces an overall fall in floorspace of 36,398 sqm GFA
- **BTS 2014.** The BTS 2014 figures are markedly different from the BTS 2012 release and suggest demand for an additional 98,966 sqm GFA in the period 2014-2036
- **SGS Adjusted.** The adjusted scenario shows a growth in demand for floorspace in the audited industrial areas of 130,182 sqm GFA in the period 2014-2036

FIGURE 55. MARRICKVILLE INDUSTRIAL ZONES FLOORSPACE FORECAST 2014-2036

1 digit ANZSIC	2014	BTS 2012 release		BTS 2014 release		SGS Adjusted	
		2036	Change	2036	Change	2036	Change
Agriculture, Forestry & Fishing	-	-	0	0	0	-	0
Mining	1,119	2,686	1,568	1,718	600	2,686	1,568
Manufacturing	156,700	107,026	-49,674	131,959	24,741	126,971	-29,729
Electricity, Gas, Water & Waste Services	3,836	-	-3,836	4,490	654	-	-3,836
Construction	14,811	16,104	1,293	19,859	5,047	20,073	5,261
Wholesale Trade	24,014	30,902	6,888	27,929	3,915	33,141	9,127
Retail Trade	15,080	16,953	1,873	20,866	5,786	18,034	2,954
Accommodation & Food Services	7,257	9,196	1,939	10,212	2,955	9,635	2,378
Transport, Postal & Warehousing	388,014	349,932	-38,082	423,160	35,146	429,772	41,758
Information Media & Telecommunications	2,580	3,130	550	3,232	652	3,819	1,239
Financial & Insurance Services	-	-	0	0	0	-	0
Rental, Hiring & Real Estate Services	5,603	6,351	748	7,003	1,400	6,834	1,232
Professional, Scientific & Technical Services	18,964	28,446	9,482	24,335	5,371	32,046	13,083
Administrative & Support Services	190,852	206,458	15,606	223,010	32,158	244,797	53,945
Public Administration & Safety	11,469	16,997	5,528	15,998	4,529	16,997	5,528
Education & Training	2,583	3,571	988	3,510	927	3,699	1,116
Health Care & Social Assistance	7,688	10,386	2,698	10,093	2,405	10,444	2,756
Arts & Recreation Services	31,042	34,060	3,017	38,944	7,902	36,277	5,235
Other Services	49,421	50,769	1,348	63,557	14,136	62,705	13,284
Unclassified	11,819	13,488	1,670	11,974	155	15,102	3,283
TOTAL	942,853	906,455	-36,398	1,041,850	98,996	1,073,035	130,182

Source: BTS 2012 and SGS 2014

The floorspace forecast by ANZSIC is converted to Broad Land Use Categories (BLCs) in Figure 56.

- **BTS 2012.** This shows a decline in floorspace for several traditional industrial BLCs. These are: Freight and Logistics with a decline of 7,263 sqm GFA, Light Manufacturing with a decline of 35,579 sqm GFA, Local Light Industry with a decline of 13,218 sqm GFA. In total, the forecasts imply a contraction of 36,398 sqm GFA for the audited areas as part of this study.
- **BTS 2014.** The BTS 2014 figures translate into a much more projection for floorspace requirements by BLC. In total there is a forecast demand for an additional 98,966 sqm GFA in the audited areas of Marrickville. The only contracting sector is Light Manufacturing – with an expected contraction of 7,722 sqm GFA.
- **SGS Adjusted.** The adjusted numbers show a total increase of 130,182 sqm GHFA. For traditional industrial land use, this is broken down into a decline in Light Manufacturing of 9,813 sqm GFA, a growth in local light industry of 98,779 sqm GFA and a growth in Freight and Logistics of 21,554 sqm GFA.

FIGURE 56. MARRICKVILLE INDUSTRIAL ZONES FLOORSPACE FORECAST 2014-2036 (BLC)

BLC	2014	BTS 2012 release		BTS 2014 release		SGS Adjusted	
		2036	Change	2036	Change	2036	Change
Office	30,155	35,536	5,381	35,985	5,831	35,536	5,381
Large Format Retail	30,855	33,466	2,611	36,432	5,576	33,466	2,611
Freight and Logistics	165,801	158,538	-7,263	182,749	16,948	187,355	21,554
Light Manufacturing	196,262	160,683	-35,579	188,490	-7,772	186,449	-9,813
Local Light Industry	411,578	398,361	-13,218	467,685	56,107	510,358	98,779
Dispersed	42,592	48,576	5,984	53,411	10,819	48,576	5,984
Main Street Retail	5,783	6,003	219	6,653	870	6,003	219
Urban Services	12,420	17,770	5,350	17,378	4,959	17,770	5,350
Big Box Retail	5,852	6,297	446	6,759	907	6,297	446
Short Term Accommodation	2,116	3,333	1,217	3,696	1,580	3,333	1,217
Business Park	39,440	37,893	-1,547	42,610	3,170	37,893	-1,547
Employment floorspace sub-total	942,853	906,455	-36,398	1,041,850	98,996	1,073,035	130,182
Car parking	529						
Vacant building	46,612						
Residential	26,355						
Non-employment floorspace sub-total	73,496	-	-	-	-	-	-
TOTAL	1,016,349	906,455	-36,398	1,041,850	98,996	1,073,035	130,182

Source: BTS 2012 and SGS 2014

6.1 Supply-demand gap analysis

Figure 57 the relationship between the demand forecast and the capacity analysis for each precinct.

- **BTS 2012.** This shows that there is capacity to accommodate the floorspace forecast in all precincts. Under the minimum scenario there is a surplus of 101,137 sqm GFA, with between 309,591 sqm GFA and 391.055 sqm GFA in the medium scenarios assuming some redevelopment potential
- **BTS 2014.** Using the BTS 2014 forecast employment numbers, the stronger employment growth results in a deficit of 8164 sqm GFA under the minimum scenario. Under the medium scenarios there is capacity of between 200,290 and 281,754 sqm GFA
- **SGS Adjusted.** In the adjusted scenario there is a deficit of 39,933 sqm GFA in the minimum capacity scenario with between 168,521 and 249,985 sqm GFA in the medium capacity scenarios.

FIGURE 57. SUPPLY-DEMAND GAP 2014-2036 (BY PRECINCT)

Precinct	BTS 2012 release				BTS 2014 release				SGS Adjusted			
	Min	Med 40	Med 60	Max	Min	Med 40	Med 60	Max	Min	Med 40	Med 60	Max
Carrington Rd	4,291	6,146	15,610	33,818	-9,001	-7,146	2,318	20,526	-9,508	-7,653	1,811	20,019
Dulwich Hill	1,815	2,008	2,008	2,465	-609	-417	-417	41	-486	-293	-293	164
Lewisham	2,166	2,442	3,014	6,968	-1,591	-1,315	-743	3,211	-291	-15	557	4,511
Marrickville /Syd	41,332	155,797	213,017	273,829	16,392	98,073	155,293	216,105	59,386	55,079	112,299	173,111
Princess Highway	49,718	138,307	152,514	565,546	27,148	115,737	129,945	542,976	40,342	128,931	143,138	556,170
Stanmore	1,815	4,892	4,892	8,896	-7,719	-4,643	-4,643	-638	10,603	-7,527	-7,527	-3,523
Total	101,137	309,591	391,055	891,522	-8,164	200,290	281,754	782,221	39,933	168,521	249,985	750,451

Source: SGS 2014

The adjusted forecasts take into account some of the most significant actors likely to produce employment numbers in Marrickville LGA higher than the 2012 BTS numbers. The BTS 2014 release is close to the SGS adjusted figures, though the SGS projection remains the most bullish of the forecasts discussed in this report. Within Marrickville's industrial areas there is some potential for further development and intensification within the current controls but this is not likely to be close to the maximum theoretical potential. We suggest that the medium scenarios are the most appropriate for use in strategic planning.

7 ISSUES & STRATEGIC DIRECTIONS

7.1 Review of emerging issues

	Emerging Issue	Key points
1	Marrickville hosts some sub-regionally significant industrial land	▪ The subregional industrial landscape is dominated by the port and airport and the industrial precincts that serve them. While we would expect the majority of port and airport serving land to be in Botany and City of Sydney LGAs, Marrickville's main industrial area is also well-positioned in this regard. ▪ Marrickville LGA contains significant areas of industrial land that have strategic importance to long-term employment land supply and economic development of Sydney. The largest precinct in Marrickville (the Marrickville-Sydenham precinct) is well positioned in the subregion – being in close proximity to both the airport and port, connected along the freight rail network, serviceable by the Cooks River intermodal terminal. ▪ Industrial land immediately surrounding Sydney airport and port is facing pressures from commercial and industrial uses. Land use constraints surrounding the airport and port may limit the ability to deliver the 8,000 additional jobs projected in the Draft Metropolitan Strategy to 2031. ▪ The Marrickville-Sydenham precinct is one of the few industrial precincts in the subregion that offers larger lot sizes and can accommodate more traditional industrial activity. The core of the precinct is surrounded by a finer-grained land-use pattern with smaller lots and a mixture of lighter, local service industrial uses. These provide a buffer for residential areas as well as accommodating a range of population-serving industries. ▪ Marrickville's recent inclusion within the Central Subregion (changed from the South subregion) is an indication of its strategic importance, as well as shared characteristics and strength of economic

		linkages with the Sydney CBD. Inclusion within the Central subregion will likely lead to increased focus on maintaining and strengthening existing employment (industrial) lands in and around Marrickville
2	The BTS 2012 forecast for the LGA translates to contracting demand for industrial floorspace.	The BTS forecast suggests a total growth in employment of 3,761 jobs in the period 2014-2036. However, much of this growth is in service sectors and industrial sectors are reported to decline sharply. For example, manufacturing employment is expected to fall by 1,473 jobs (or 33%) in this period. Translated into floorspace requirements for the audited areas as part of this study, this means a contraction of 36,398 sqm GFA.
4	Key projects within the LGA and inner city will change the industrial landscape – and likely increase demand for industrial land. Adjusted floorspace forecasts suggest a growth in demand for floorspace of 130,000 sqm GFA in the period 2014-2036.	- The Marrickville-Sydenham industrial precinct has good road access to the M5, providing links to Sydney's southwest. The construction of the Westconnex motorway (in particular Stage Two scheduled for completion in 2019) is likely to increase the value of Marrickville's industrial land as strategic locations for CBD-servicing land uses requiring good access to Sydney's motorway network. This will likely increase demand for industrial land in Marrickville beyond the current BTS forecasts. - Upgrade of Bankstown line to single-deck, rapid services into the CBD will improve employee access to Marrickville's industrial area for workers in Sydney's south-west - Adjusted forecasts take into account persistent manufacturing employment in inner city areas, expanded port and airport activity and rezoned industrial areas in the City of Sydney and Botany. These adjusted floorspace forecasts suggest a growth in demand for floorspace of 130,000 sqm GFA.
3	There is sufficient capacity in Marrickville's industrial lands to accommodate the employment forecast	- There is capacity to accommodate the employment forecast in all precincts. - Using BTS 2012 figures, there is capacity to accommodate the floorspace forecast in all precincts. Under the minimum scenario there is a surplus of 101,137 sqm GFA, with between 309,591 sqm GFA and 391.055 sqm GFA in the medium scenarios assuming some redevelopment potential - Using the BTS 2014 forecast employment numbers, the employment growth results in a deficit of 8164 sqm GFA under the minimum scenario. Under the medium scenarios there is

		capacity of between 200,290 and 281,754 sqm GFA Using SGS adjusted figures there is a deficit of 39,933 sqm GFA in the minimum capacity scenario with between 168,521 and 249,985 sqm GFA in the medium capacity scenarios
5	Industrial land in the subregion is diminishing	- The rezoning of industrial lands in areas such as Botany Bay and the South Sydney industrial area to residential and mixed business may push industrial uses to surrounding LGAs such as Marrickville. - Between January 2010 and January 2014, the Employment Land Development Program (ELDP) identified a reduction of 28.2 Hectares of industrial-zoned land in Marrickville. In the neighbouring LGA of Botany Bay, excluding the expansion of port facilities, there was a loss over the same period of 7.7 hectares.
6	Inner urban industrial land use is changing	- Notwithstanding the demand generated by the airport and port, across Sydney traditional industrial uses are moving away from inner urban areas, 'pulled' to undeveloped large vacant and unencumbered land with purpose built facilities with lower ground rent charges and fewer land use conflicts - The corresponding 'push' factors come from an increase in high-value industries (and other uses such as residential) competing for land that can offer proximity to markets and access to a high skilled workforce. Increasing land values result in lower-value, less intensive activities struggling to operate. - The LGAs employment profile shows a shift away from traditional industrial uses towards a professional service based economy. - Urban manufacturers are visible in Marrickville. These are firms for whom innovation and creativity are at the core of their business. These firms benefit greatly from the agglomeration benefits presented by Marrickville's location and urban environment. Being in close proximity to residential areas is appealing to many of these niche manufacturers. - Some creative industries may look to start up in the transitioning industrial areas. Some may migrate there after being priced out of longer established creative precincts in city-fringe areas.

7	There is population-driven demand for industrial land in Marrickville	▪ Marrickville's current population equates to demand for 392,735 sqm GFA of industrial land. With 954,400 sqm GFA of audited floorspace, clearly the industrial precincts are serving a broader catchment than the LGAs resident population. Forecast population growth in the period 2014-2036 equates with an additional need for 22,561 sqm GFA. This can easily be accommodated by existing capacity in the audited precincts. ▪ With rezoning of industrial land in Botany Bay, City of Sydney and Leichhardt, there may be increasing pressure for Marrickville to accommodate some overflow demand from these areas.
8	Marrickville's industrial lands are under pressure to be rezoned for alternative uses	▪ The proposed Masters store at 74 Edinburgh Rd has been approved by the JRPP. The development is symptomatic of increased pressure on industrial lands from large format retail seeking large accessible and visible lots at relatively low cost. Although 'edge of centre' in term of proximity to Marrickville Metro, the development is within the Marrickville-Sydenham precinct and is south of Victoria Rd in an area highlighted as strategic industrial land in this study. In addition to the risk of fragmenting the core industrial precinct, the development risks setting a precedent and further large format retail in the Marrickville-Sydenham precinct should be strongly resisted. ▪ There has been pressure for residential development and a wider range of employment uses in the Victoria Road corridor and in the Carrington Rd precinct. ▪ Princes Highway corridor is a developing as a location for large format retail
9	Aircraft noise, acid-supphate soils, and flood levels affect Marrickville's key industrial areas	▪ The Marrickville-Sydenham precinct is approximately two kilometres from Sydney airport's main north-south runway and much of the precinct is affected by aircraft noise related development restrictions ▪ Much of the Marrickville-Sydenham precinct is above 20 ANEF, which imposes constraints for residential development. A significant amount is above 25 ANEF. Development of residential within ANEF 25 is a contravention of Direction 12 of s.117 of the Environment and Planning Act. Heavier industrial use is permitted irrespective of ANEF contours and light industrial development is permitted, with conditions up to 40 ANEF.

		▪ The Carrington Road and Marrickville-Sydenham precincts are significantly flood affected. To a lesser extent, the Stanmore and Princes Highway precincts are also impacted by flood levels. This affects development potential for residential and community uses. The Marrickville LGA is divided into three catchments. Industrial sites in the south-east of the LGA, around Sydenham, may impact on the Botany Sands Aquifer that flows to Botany Bay. The main Marrickville industrial precinct is within the catchment that flows to the Cooks River. Industrial uses in both may have adverse impacts on groundwater systems if site pollutants are not managed ▪ As the core Marrickville/Sydenham industrial area sits on a former wetland, most of the soils have the potential to oxidise to produce sulfuric acid. This acts as a constraint to development, as excavation (for example, in the creation of basement car parks) will result in acidic runoff and the possibility of acid damage to structures in the long-term. If excavation extends to below the water table, there may also be a need to include a pumping system ▪ Industrial land uses in the Marrickville-Sydenham precinct are permitted to draw from the groundwater supplies for industrial uses. This reduces the impact these land uses have on potable water supplies.
10	There are emerging opportunities for more flexible use of some industrial areas	▪ Based on NSW Government and Council strategic studies, Council's LEP and DCP limits residential development in strategic industrial areas, and limit further fragmentation of industrial areas. ▪ The 2008 Employment Land Study noted that while in general employment land should be preserved, declining manufacturing employment and increasing advanced professional and service sector employment mean that provision should be made to allow a wider range of uses to transition older industrial stock, where this does not impact on the ability of the LGA to meet floorspace demand/ employment targets. ▪ There are reported to be some 2300 creative businesses in the LGA. This number includes niche manufacturing businesses such as: Marathon Robotics, Acme packing cases, New Directions Cosmetics, numerous artisan food producers and artisan urban manufacturers ▪ There is evidence of an informal economy in Marrickville's industrial areas – particularly within

		the Marrickville-Sydenham precinct. Businesses in the area value low rents, lack of neighbour complaints, short supply chains and relatively close proximity to the CBD. The mix of uses adds to the character of the area and makes for an interesting and fine-grained urban environment. ▪ Marrickville's Urban Strategy Report (2007) acknowledges the evolution of land use requirements and reinforces the suggestion to widen the allowable uses within employment lands. Marrickville Council have adopted a proactive approach to employment land use pressures; assessing the needs of emerging and creative industries and, within the broad parameters of employment land protection, accommodating it within existing employment lands. This approach supports the expectation held in the South Subregional Strategy that future industrial land provision will come from the regeneration of existing employment land.
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7.2 Strategic Directions

It is important that an overall, coordinated and strategic approach to planning the Inner Sydney employment lands be undertaken. It is not up to Marrickville Council or this study to undertake the planning for neighbouring LGAs but it is appropriate to suggest some directions for these inner Sydney areas just to ensure that the proposed local directions and actions 'make sense' in context.

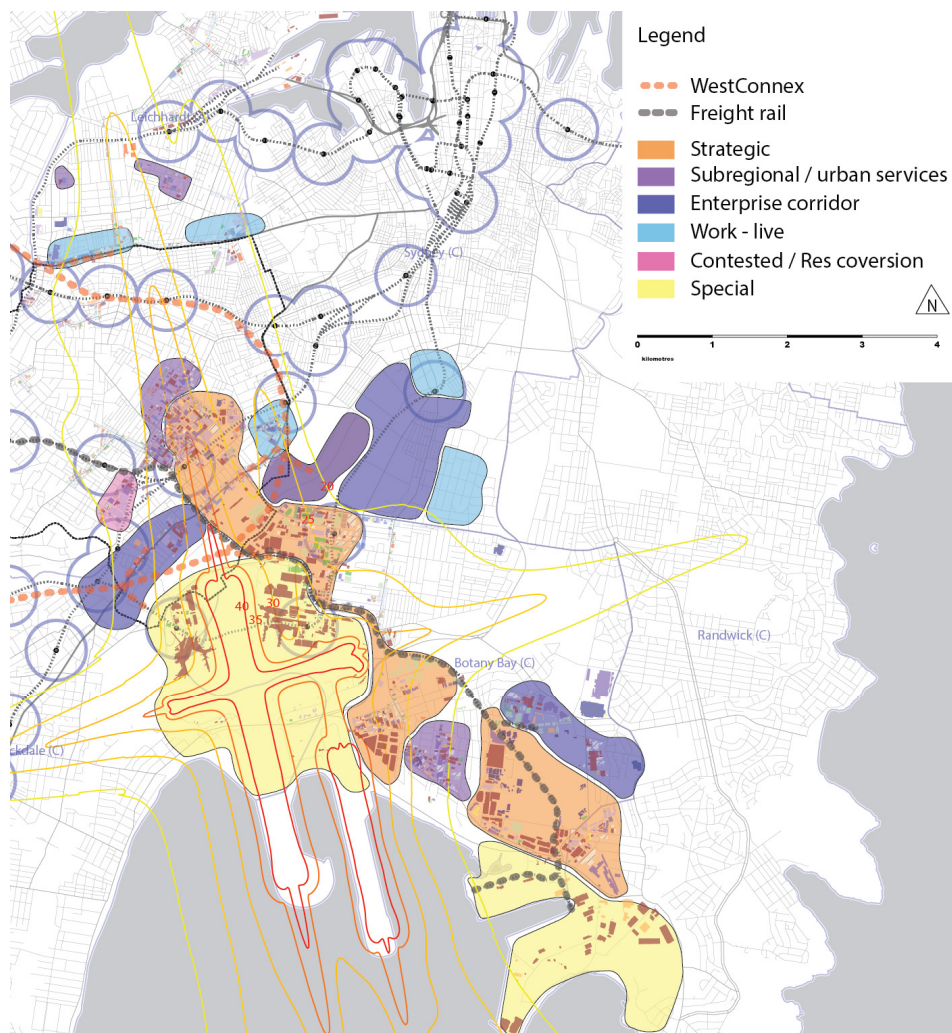
To do so, the following typology assists in clarifying and simplifying the approach to employment lands planning.

- **Strategic activities** - Land uses of metropolitan or state significance which are tied to particular infrastructure or assets such as the large lot industrial areas near motorway infrastructure or land near the port and the airport along the freight line, or which acts both as a buffer and as a land resources for airport and port related freight and logistics activities. In the Inner Sydney context industrial land near the port and airport, but also extending into Marrickville to the large lots in the central part of the Marrickville-Sydenham area, might be considered 'strategic'.
- **Subregional activities or 'urban services'** - Activities that need to have access to clients in more tightly defined subregions throughout the metropolitan area such as postal warehouses, concrete batching plants, council depots and, in this Inner Sydney area in particular, some CBD related 'back of house' activities. Parts of the main Marrickville industrial area might also be considered as suitable for this category of activities but such uses would not necessarily be excluded from the strategic precincts.
- **Local service and enterprise activities** - Uses dependent on resident populations and local business connections and often service local catchment, including domestic storage, some minor local or 'urban' manufacturing and motor repairs. In Marrickville LGA it is expected that low impact but innovative enterprises and service activities, already active in the area, will continue to develop.
- **Enterprise corridor** – Similar to local services and enterprise activities but particularly depends on exposure to main roads and could include a higher component of office and may 'cross over' into or include large format retail.

- **‘Work-live’** – Genuine mix of light enterprise and low impact residential in converted light industry areas. Could include warehouse conversions, and other residential and business configurations. Residential might be car restricted and contained to existing building footprints or ‘industrial’ FSRs to provide for low cost living options for artists, artisans and ‘creatives’. This ‘work-live’ option recognises the nexus with services, education and entertainment in the inner Sydney area.
- **Contested** - Any industrial land not identified or allocated to the above categories would be considered for residential or a mixed-use conversion. Typically the contest will be with the local services and enterprise activity category because the other two categories (strategic and subregional) are considered more significant. Conversions would be expected only after a comprehensive local review of need.

The policy directions, and constraints including the ANEF contours, subdivision patterns and road transport infrastructure, also inform the planning directions. Figure 58 identifies some directions for employment lands planning in Inner Sydney, including Marrickville using these precinct categories as a guide

FIGURE 58. INNER SYDNEY SUBREGIONAL EMPLOYMENT LANDS CONTEXT AND POSSIBLE DIRECTIONS



Source: SGS Economics and Planning, 2012

Strategy 1 Protect subregionally significant industrial lands	
Action 1.1	Designate the Marrickville-Sydenham precinct as a subregionally significant industrial precinct and zone accordingly The Marrickville-Sydenham precinct is the largest industrial precinct in Marrickville. It provides space for local service/ light industrial operations as well as larger lots for more traditional industrial activity. The precinct plays an important role within the subregion – being of a significant scale and offering some larger lots while being in relatively close proximity to the port and airport and having increased future accessibility potential by virtue of WestConnex. Notwithstanding recommendations for the Victoria Road corridor, the precinct should be protected as subregionally significant industrial land and zoned IN1 and IN2 accordingly.
Action 1.2	Restrict further subdivision and/or strata titling of larger lots in the Marrickville-Sydenham precinct core to prevent fragmentation Larger lots are a feature of the Sydenham Marrickville industrial precinct. These are of particular value given the dwindling supply of industrial land within the subregion and should be protected. Subdivision and/ or strata titling of lots in the core of the precinct should be resisted.
Action 1.3	Prevent the spread of retailing and services into Marrickville-Sydenham precinct core Ancillary retail and convenience retail should be carefully monitored in the precinct. Ancillary should be defined on a per lot basis with a maximum percentage of floorspace per building area. The Marrickville LEP 2011 Clause 5.4 (4) sets controls for industrial retail outlets, i.e. 11% of GFA or 400 sqm whichever is the lesser. The MELP 2011 controls are appropriate but we would also suggest that consideration be given to capping retail floorspace within the IN1 precinct core to minimise the spread of retailing activity through the precinct while allowing for some retail to service workers' needs. Council may explore the potential to assess worker and business needs for retail activity in the industrial core of the precinct through market research.
Action 1.4	Lobby state government to consider the provision and protection of strategic industrial and employment lands at a subregional level A regional approach is required to determine the necessary supply of inner metropolitan Sydney employment lands (with industrial lands being an important subset) needed to service the airport and port, provide subregional urban services and provide appropriate service industry land for the resident population. Clear action should be taken to ensure that these lands are protected. This will reduce the likelihood of the industrial lands becoming overburdened and consequently unviable for lower value uses. It will also allow for enhanced transport planning and neighbouring residential planning. The ongoing Sub-regional Growth and Infrastructure planning (SGIP) process could provide this framework. However, it is important that Council is engaged in this process to provide 'bottom-up' information about land uses, operational and interface issues, etc. This should also provide a mechanism for discussion of the relative merits of land in the various Council areas (City of Sydney, Botany, Marrickville and Leichhardt) to accommodate activity that needs to exist in the subregion but is also relatively footloose at this level so could exist in any of the Council areas. If the SGIP process does not allow for sufficient Council interaction or involvement then

	Council should explore the potential to establish a subregional working group to discuss these issues.
Action 1.5	Consolidate planning and urban design guidance in a Marrickville-Sydenham precinct plan Council should consider preparing a precinct structure plan for the Marrickville-Sydenham precinct. This would incorporate LEP and DCP information as well as broader economic development and urban design and transport visioning for the precinct. This would include a long term vision for the Sydenham live music hub and the Victoria Road corridor. The intention is that the precinct plan will also raise the profile of the precinct as an industrial area of subregional importance.
Strategy 2 Ensure sufficient stocks of industrial land to meet requirements of local population	
Action 2.1	Protect population-serving industrial land Much of the industrial activity in the LGA is classed as population serving industry (rather than more traditional heavier industrial activity). The population of Marrickville is expected to rise considerably and demand for population serving industrial activity will be closely linked to this increase. Planning for the LGA should ensure that there is sufficient capacity to meet the local service industry needs of residents.
Strategy 3 Explore economic development opportunities in some industrial precincts	
Action 3.1	Consider rezoning of selected lots to B7 Business Park as ‘Live–Work’ space Rezoning to B7 Business Park use should not compromise existing industrial activity and should not jeopardise the future role and function of the industrial precinct. Business park zoning may be appropriate in areas at the fringe of existing industrial precincts that front major roads and have good accessibility (including public transport accessibility). The mix of industrial and commercial activity allowable in this zone may be used to target some creative businesses – although it should be recognised that the rezoning may trigger land value increases that push the properties out of the reach of some lower density/ lower value creative uses. Care should also be taken that uses encouraged by B7 zoning could not otherwise locate in centres. The B7 zone may be applied as a specific planning tool to create true live-work space in the industrial area. The introduction of a zone allowing residential activity within the industrial precinct needs to be carefully managed so that encroachment of straight residential activity does not jeopardise the role and function of the industrial precinct..
Action 3.2	Continue to explore potential for music/ entertainment precinct Sydenham already has a number of live music venues. The more affordable warehouse style buildings have been highlighted by the Live Music Reference Group as being able to assist in the area’s evolution as a live music hub. The encouragement of a live music hub in the industrial area closest to Sydenham station may require some relaxation of the controls – however, any increase in resident population (e.g. through mixed-use zoning on the precinct fringe) should be resisted as this would jeopardise the development and operation of venues. Again, care is needed that any relaxation of controls does not jeopardise the role and function of the industrial precinct and the ability to meet forecast demand. We note that residential uses are not proposed for the Sydenham Station creative precinct due to very high aircraft noise levels and potential for noise complaints against live music venues.

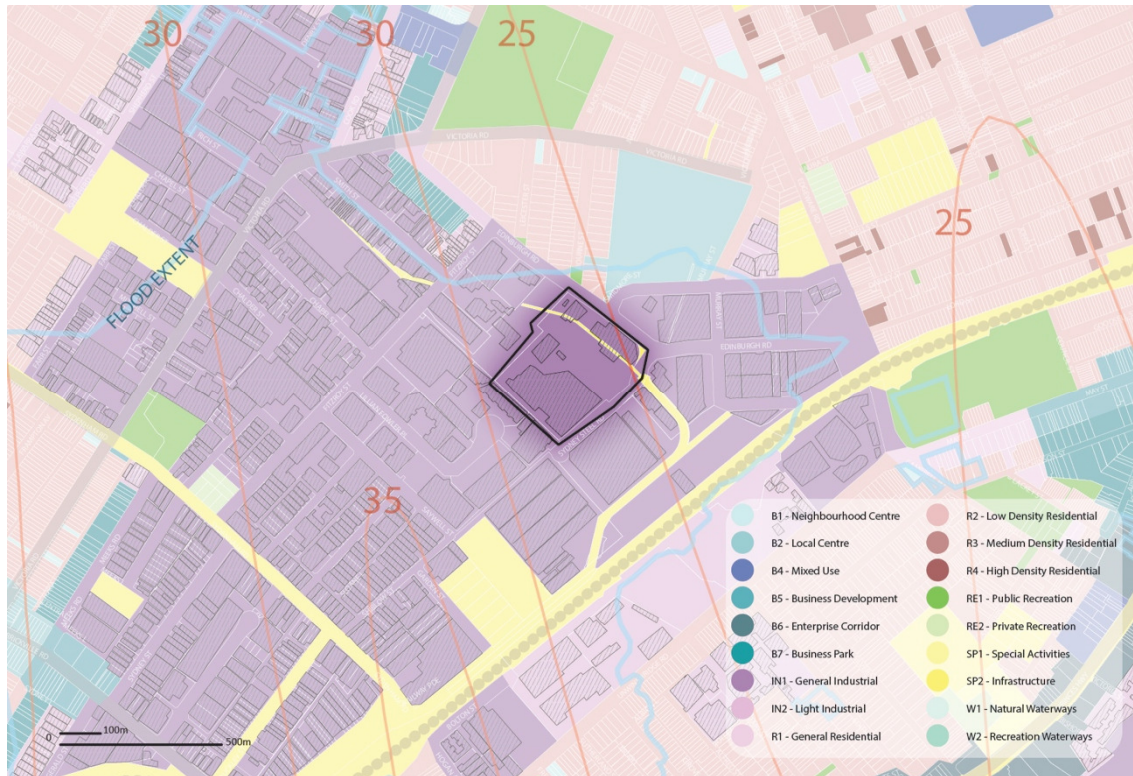
Strategy 4 Consider residential conversion opportunities	
Action 4.1	Consider the Carrington Road precinct as an opportunity for Urban Renewal The Carrington Road precinct currently has around 106,219 sqm GFA of occupied industrial floorspace and has been highlighted as an area that might be considered for rezoning for residential use. The Carrington Rd precinct is a good rezoning prospect. The precinct is not ANEF constrained and although it is flood affected this could be managed by development. The southern part of the precinct is also close to Tempe train station and the northern end is close to Marrickville station. Rezoning for some combination of residential, and light industrial would be appropriate.
Action 4.3	Consider rezoning of select residential interface sites to B4 Mixed Use Some industrial sites that are peripheral to the main industrial precincts, or are fragmented, but have good public transport accessibility and are not within the ANEF 25 contour may be appropriate for mixed use zoning. Rezoning to B4 Mixed Use should not compromise existing industrial activity and should not jeopardise the future role and function of industrial precincts and should not risk the ability of the LGA to meet demand employment targets.
Strategy 5 Encourage the development of Princes Highway strategic corridor	
Action 5.1	Prohibit large format retail from locating in the Marrickville-Sydenham precinct Large format retail uses will seek out industrial areas as they provides low cost land with the large lot areas required for this retail form. High visibility sites with good accessibility are prime targets. Rezoning proposals in identified industrial precincts should be resisted as they can threaten the integrity of the industrial area. Proposals that break up a consolidated industrial area (such as the approved Edinburgh Rd proposal previously discussed) are particularly damaging. In contrast the Princes Highway corridor is well suited for large format retail having excellent accessibility and visibility and offering some larger lots. The corridor should be promoted as the preferred location for this type of land use.
Action 5.2	Retain IN1 and IN2 zones for remnant industrial operations in the Princes Highway corridor The corridor contains a mixture of industrial uses alongside retail and large format retail. B6 Zoning is appropriate for the corridor generally. There are a number of existing industrial operations within the IN1 and IN2 zoned areas along the corridor. These are appropriate in their location and appear to rely on Princes Highway access and/ or port/ airport proximity. These sites should retain their current zoning.

7.3 Consideration of rezoning proposals

Edinburgh Road

The proponent sought a rezoning from IN1 General Industrial to a use suitable for development of this large industrial site as a home improvement store. The development is predominantly a Masters home improvements store - a retail outlet with a bulky goods component.

FIGURE 59. EDINBURGH RD REZONING PROPOSAL AREAS, CURRENT ZONING, ANEF AND FLOOD CONTOURS



Source: Marrickville Council 2014 and SGS 2014

The site was not identified as a suitable site for rezoning in the Marrickville Urban Strategy or the draft Subregional Strategy. Although close to Marrickville Metro shopping centre, it is not close to traditional commercial centres and is not well served by public transport. The site is within the main Marrickville-Sydenham precinct and is in a part of the precinct that offers larger lots.

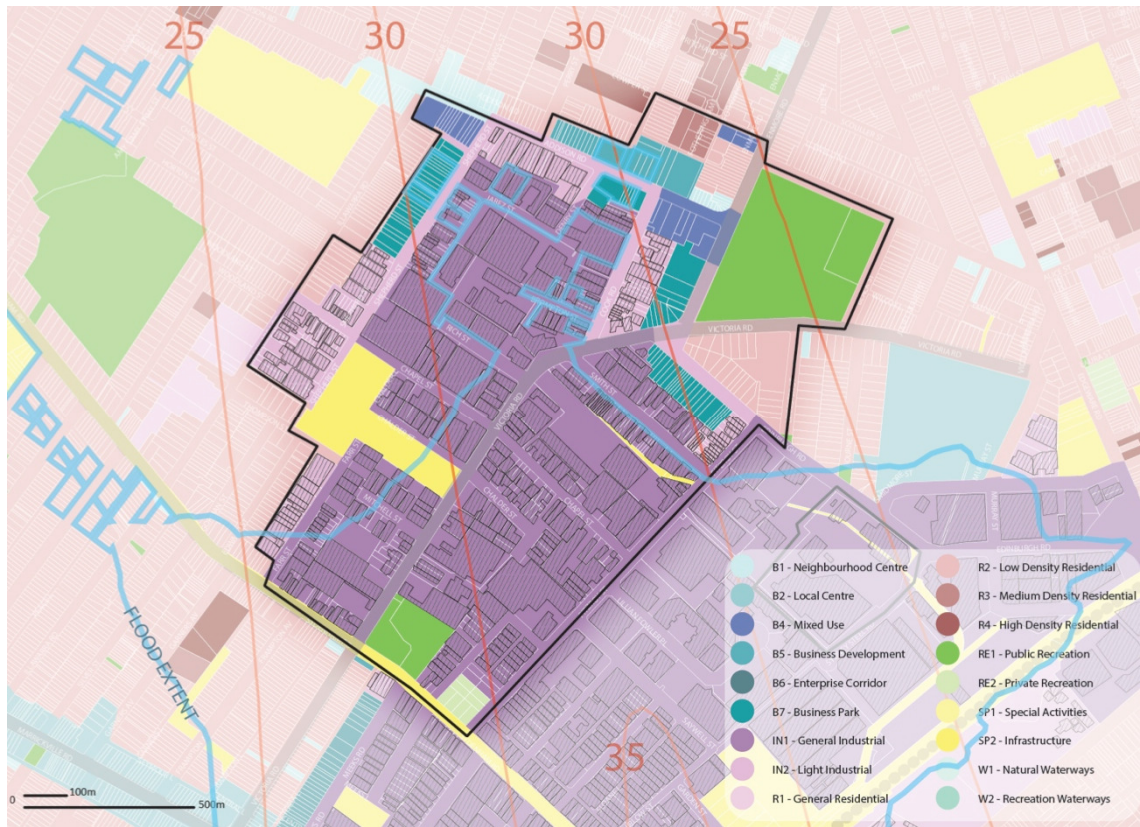
The Marrickville-Sydenham precinct in general, and the area south of Victoria Rd in particular, should be highly valued as industrial land. This area has subregional significance as industrial land in addition to its role in responding to the LGAs industrial land requirements.

In addition to the loss of the parcel of industrial land from Marrickville's most significant industrial precinct, the rezoning may also threaten the function of the remaining industrial lots in this part of the Marrickville-Sydenham precinct. Being a retail operation, the Masters development will be likely to generate significant traffic volumes and this will be exacerbated by the Marrickville Metro expansion. This may impact of the movement of business vehicles and trucks to service industrial activity.

Victoria Road

'The proponent seek a rezoning of an existing industrial area from the current IN1 General Industrial zoning to a zoning suitable for redevelopment of this site for mixed uses, including medium/high-density residential, retail, commercial and industrial uses.

FIGURE 60. VICTORIA RD REZONING PROPOSAL AREA, CURRENT ZONING, ANEF AND FLOOD CONTOURS



Source: Marrickville Council 2014 and SGS 2014

In support of the proposal,

- The Victoria Road precinct has reasonable access to public transport and commercial centres. Previous work by SGS for Marrickville Council has identified the precinct as being suitable for a more diverse range of uses.
- Some lots at the fringe of the precinct are small, well served by public transport and are bordered by existing residential or commercial use. A greater level of commercial activity – potentially achieved through business park zoning may be appropriate. In particular we would suggest that lots currently zoned IN2 at the corner of Edinburgh Rd and Fitzroy St are suitable for B7 Business Park zoning.
- The block stretching along Victoria Road from Sydenham Rd to Chalder Street may also be suitable for a higher value use given the lot configuration and accessibility. B5 Business Development may be appropriate here to give some flexibility in use while keeping an employment focus. Given the ANEF constraints, residential use would not generally be considered appropriate in this area. However, if development between ANEF 25 and 30 were to be considered appropriate this part of the precinct would be suitable for higher value uses such as residential and commercial development.

However, there are a number of factors counting against the proposal:

- The proposed change of use is not supported by the MUS or the dSSS
- As with the Edinburgh Rd proposal, the area identified for rezoning around Victoria Rd is within the Marrickville-Sydenham precinct – the most significant industrial precinct in the LGA and among the most important in the subregion. The introduction of residential retail development into the precinct has the potential to significantly affect the role and function of the precinct.

- The rezoning proposal study area covers a very large area, around 416,000 sqm of land area and an estimated 243,000 sqm employment GFA. The loss of this volume of traditional industrial land would be a significant loss for the subregion. In addition, the loss within the LGA would risk inadequately meeting forecast industrial demand
- All of the developable area within the rezoning proposal boundary is within the ANEF contour. Australian Standard AS 2021—2000 provides guidance on the siting and construction of buildings impacted by aircraft noise and determining what measures might be used to reduce the impacts and provide acceptable indoor sound levels. While for the most part this does not impact industrial development, land with an ANEF level of greater than 25 ANEF is generally regarded as being not acceptable for new residential dwellings and other land uses such as schools and community facilities.
- Much of the area proposed for rezoning is flood affected. While this wouldn't be an absolute constraint for development, it does present some difficulties for the construction of residential buildings and the provision of basement parking.

In summary, we support some of the principles of the rezoning proposal. Specifically we believe some loosening of industrial zoning in the Victoria Rd corridor could invigorate the area, better reflect site and location attributes and achieve job generation without compromising the role and function of the industrial precinct. However, it is vital that zone changes do not threaten the integrity of the Marrickville-Sydenham precinct as an industrial area. As such we would not suggest any rezoning from industrial in the area to the south of Victoria Rd and would urge caution in rezoning areas north of Victoria Rd. Where we differ significantly from the proposal is on residential development.

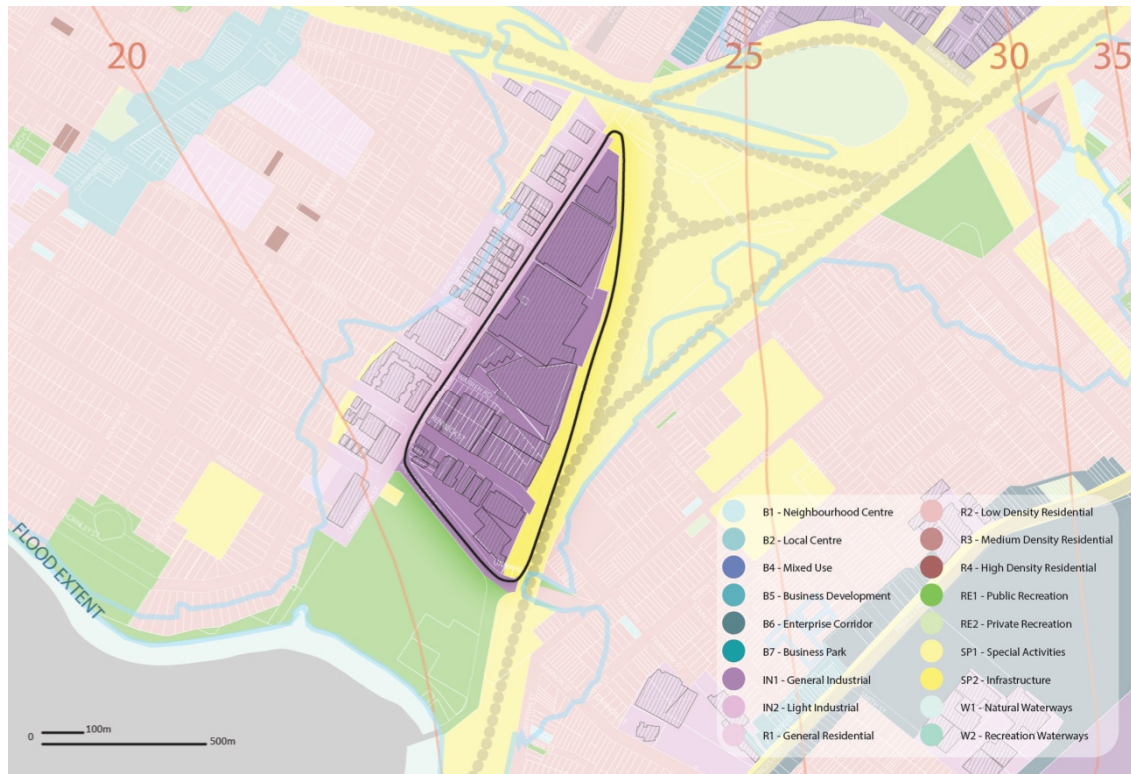
Land use options for the area around Victoria Rd are explored in more detail in the Future land use sections over the following pages.

Carrington Road

The proposal is for a rezoning from IN1 General Industrial zoning to a zoning suitable for development of the site for mixed uses - including medium-density residential, retail, commercial and industrial uses. This large site, comprising numerous lots on the eastern side of Carrington Road, is currently used for a variety of industrial land uses

Preliminary concepts propose a development with an overall FSR of 2:1 and height of up to ten (10) storeys comprising approximately 900-1,500 residential units, 12,000-15,000 sqm of retail space, 20,000-50,000 sqm of commercial space, 12,000-24,000 sqm of light industrial and creative industry space

FIGURE 61. CARRINGTON RD REZONING PROPOSAL AREAS, CURRENT ZONING, ANEF AND FLOOD CONTOURS



Source: Marrickville Council 2014 and SGS 2014

The Carrington Rd precinct is a good rezoning prospect. The precinct is not ANEF constrained and although it is significantly flood affected (more affected than the Marrickville-Sydenham precinct) this could be managed by development. The southern part of the precinct is also close to Tempe train station and the northern part is close to Marrickville station. Rezoning for some residential in the southern part of the site would be appropriate, with light industrial or potential business zoning in the northern portion.

Other rezoning prospects

- **Stanmore.** Council has recently resolved that all lots on the eastern side of Bridge Road, Stanmore (i.e. No's 5 to 43 Bridge Road) be rezoned from IN2 Light Industrial to B5 Business Development and the FSR be increased from 0.85:1 to 2:1 contingent upon a study being prepared by the submitter and placed on public exhibition with MLEP 2011 Amendment 2 that assesses built form, traffic and other key impacts associated with the proposed zoning and FSR changes.
- **Lewisham.** A planning proposal has recently been lodged for rezoning to residential (with ground floor commercial) of Georgiou's Chocolate Factory site at 147 New Canterbury Rd - next to Office Works. Other property owners in this precinct have sought a similar rezoning.
- Although not assessed in detail as part of this study, these rezoning prospects both appear reasonable and are consistent with the study's findings. In subsequent quantitative analysis, these rezonings have been included the numbers.

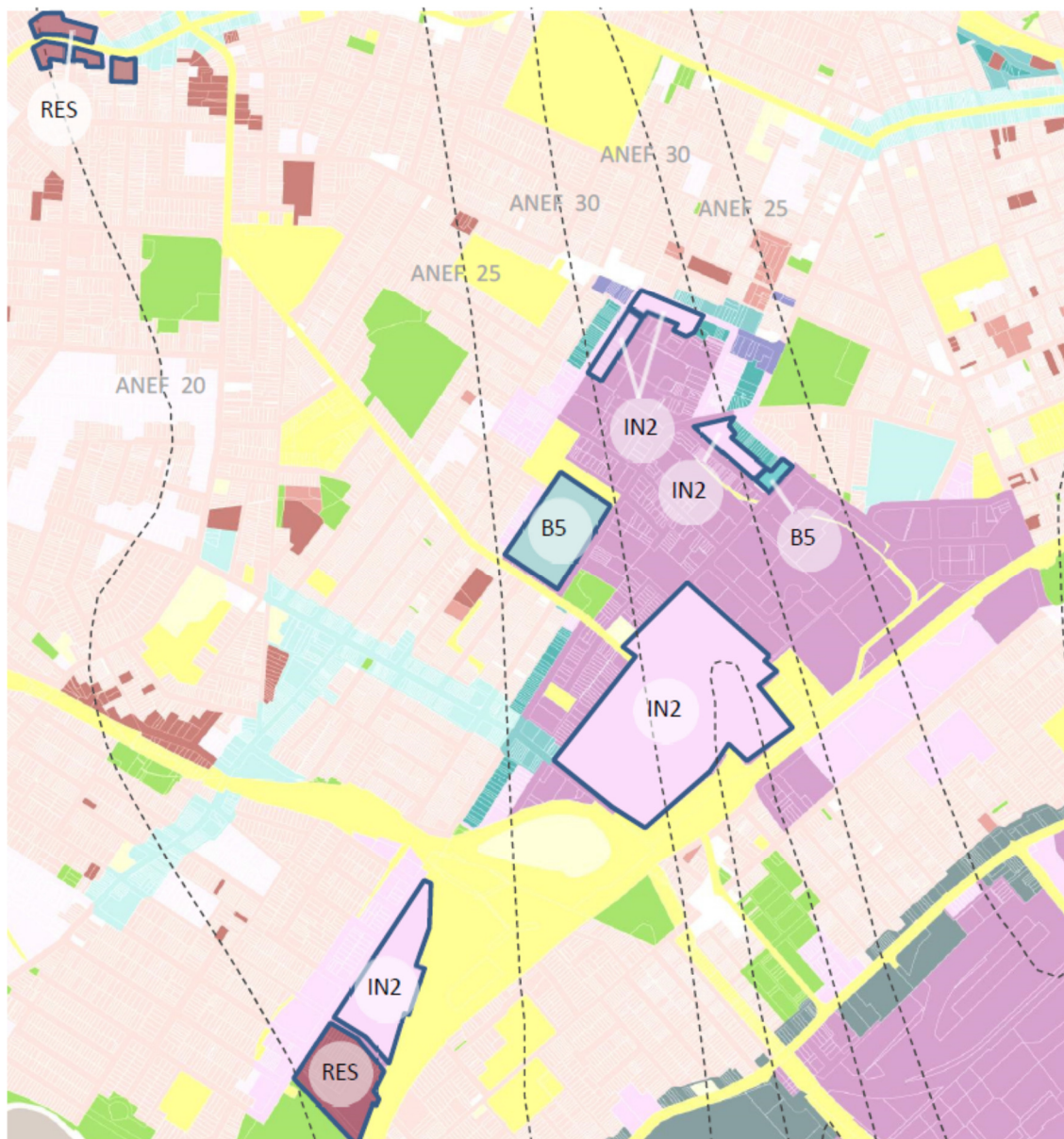
7.4 Future Land Use Scenarios

Background

We have prepared three future land use scenarios to respond to floorspace demand forecasts for the industrial precincts and to take account of the rezoning proposals and the attributes of the industrial precincts. The scenarios become progressively less conservative (with 3 being the least conservative) in terms of rezoning potential. The way the ANEF contours are treated is a significant difference between the scenarios. In scenario 1 there is no rezoning to permit residential development in areas above the ANEF 25 contour. In scenarios 2 and 3, residential development is permitted between ANEF 25 and ANEF 30. Scenario 3 is the most aggressive in seeking renewal opportunities within the industrial areas.

Future Land Use Scenario 1 – ‘Employment focussed’

FIGURE 62. SCENARIO 1: PROPOSED REZONING

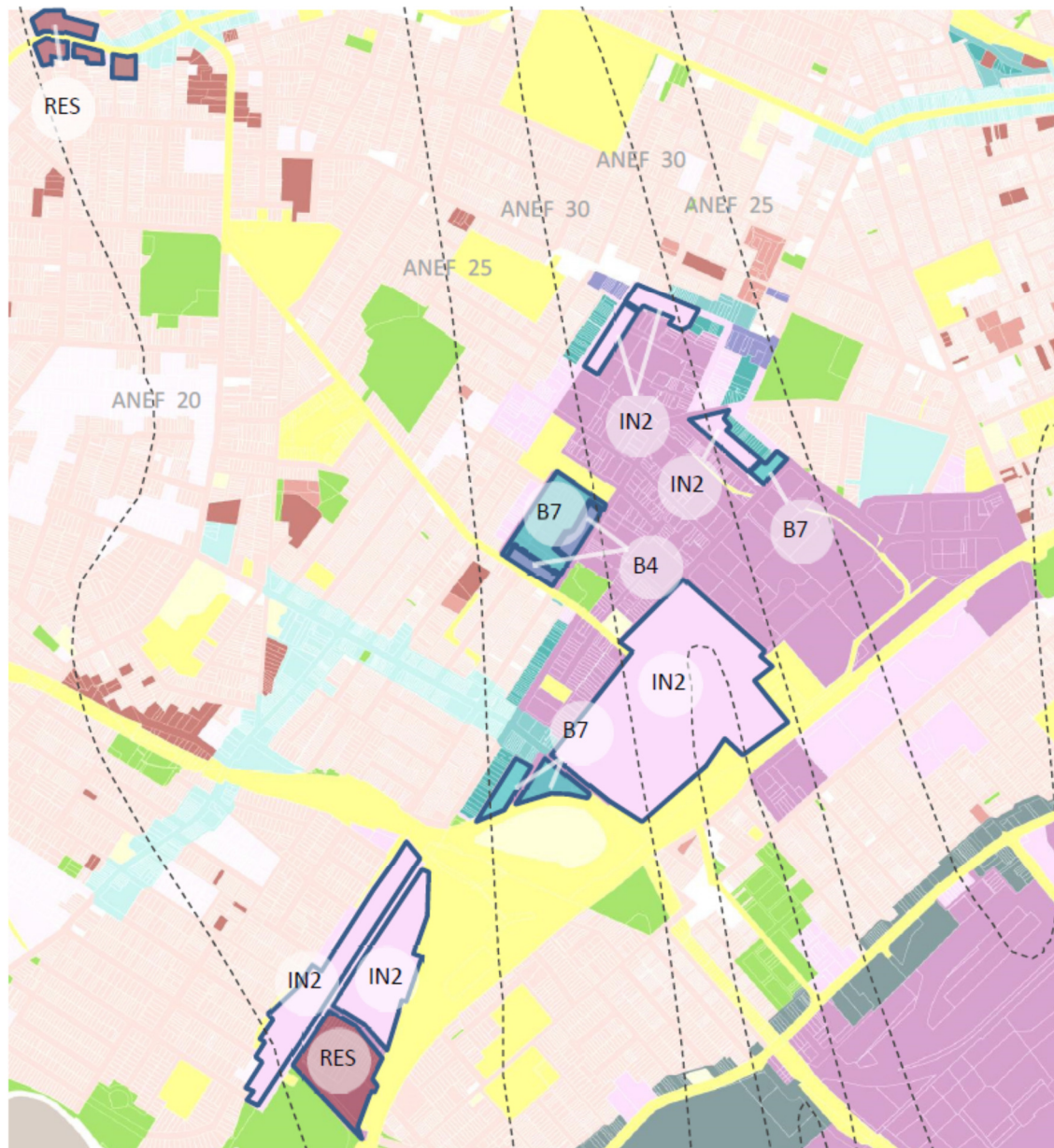


Source: SGS 2014.

This scenario considers the rezoning proposals as well as opportunities for rezoning of other sites in light of site and location attributes, development constraints (ANEF and flood), existing land use profiles and zoning. Rezoning prospects are suggested taking account of forecast demand and available supply under medium capacity scenarios. Proposed zone changes are illustrated in Figure 62.

Future Land Use Scenario 2 – ‘Live-work focussed’

FIGURE 63. SCENARIO 2: PROPOSED REZONING



Source: SGS 2014

This scenario considers the rezoning proposals as well as opportunities for rezoning of other sites in light of site and location attributes, development constraints (ANEF, flood), existing land use profiles and zoning. Unlike Scenario 1, in this scenario we have assumed that residential activity can occur between ANEF 25 and ANEF 30. It is our understanding that the Department has previously accepted residential development above the 25 ANEF contour as it was consistent with the MUS objective of encouraging

creative industries through live-work zones. This opens up opportunities along Victoria Road. Rezoning prospects are suggested taking account of forecast demand and available supply under medium scenarios.

The use of the B7 zone is intended to open up opportunities for work-live space (with an emphasis on 'work') within the industrial precinct. As well as formalising small-scale residential activity within industrial spaces that already occurs, this is intended to create a vibrant employment area that is able to offer flexible employment workspace and a low cost housing solution. This is consistent with the application of the B7 zone in the MLEP

Clause 6.13 of MLEP 2011 currently reads (incorporating changes proposed as part of Amendment No. 2) as follows:

6.13 Dwellings and residential flat buildings in Zone B7 Business Park

- (1) The objective of this clause is to provide for limited residential development for small scale live-work enterprises, to assist in the revitalisation of employment areas and to provide a transition between adjoining land use zones.
- (2) This clause applies to land in Zone B7 Business Park.
- (3) Development consent must not be granted to development for the purpose of a dwelling or a residential flat building on land to which this clause applies unless the consent authority is satisfied that the development is part of a mixed use development that includes business premises or office premises or light industry on the ground floor.

The following types of "residential accommodation" are permitted in the B7 Business Park zone under MLEP 2011:

- Dwelling houses (under Clause 6.11, but only purpose built dwelling houses existing on the land that were erected before the commencement of MLEP 2011)
- Residential flat buildings (under Clause 6.13, but only as "part of a mixed use development that includes business premises or office premises or light industry on the ground floor")
- Shop top housing

The objective of the clause refers to "small scale live-work enterprises", a term not specifically defined or used elsewhere in the instrument.

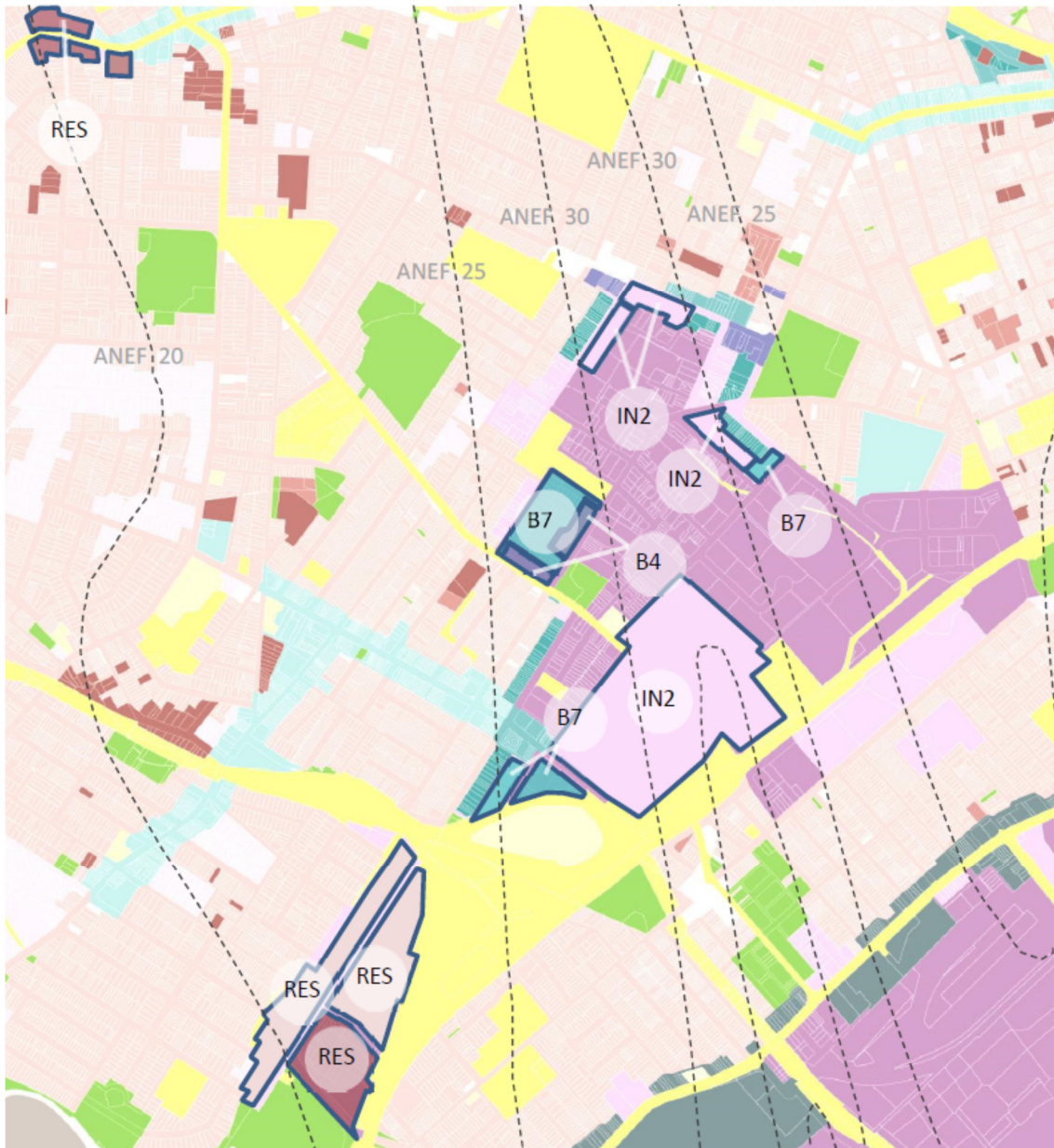
MDCP 2011 supplements the provisions of MLEP 2011 and provides more detailed provisions to guide future development including some provisions that place restrictions, or limitations, on residential development in the B7 Business Park zone. Those controls are primarily contained in Part 6 – Industrial Development of MDCP 2011 and include:

- C78 The area of the premises used for small scale creative industries must not exceed 300m² of gross floor area
- C87 Dwellings (including live/work studios) must not be an individual lot in a strata plan or community title scheme
- C88 A minimum of 60% of the total gross floor area must be used for non-residential purposes

Careful planning is required to ensure that the application of the B7 zone does not lead to residential encroachment in the industrial area. We would suggest that the controls are adjusted so that no new strata title development is permitted. Proposed zone changes are illustrated below.

Future Land Use Scenario 3 – ‘Renewal/ residential focussed’

FIGURE 64. SCENARIO 3: PROPOSED REZONING



Source: SGS 2014

This scenario considers the rezoning proposals as well as opportunities for rezoning of other sites in light of site and location attributes, development constraints (ANEF, flood), existing land use profiles and zoning. As with Scenario 2, we have assumed that residential activity can occur between ANEF 25 and ANEF 30, which opens up opportunities for ‘higher value’ land uses along Victoria Road. Rezoning prospects are suggested to maximise renewal/ regeneration rather than taking account of capacity to accommodate forecast demand.

As with Scenario 2 the use of the B7 zone is intended to open up opportunities for work-live space (with an emphasis on ‘work’) within the industrial precinct. The intention is to create a vibrant employment area that is able to offer flexible employment workspace and a low cost housing solution. Again, this is

consistent with the application of the B7 zone in the MLEP but we would suggest that the controls are adjusted so that no new strata title development is permitted. Zone changes are illustrated in Figure 64

As a quantitative test of the proposed rezoning, we have recalculated capacity gaps after accommodating forecast demand using the following inputs/ assumptions:

- Medium capacity scenarios and adjusted employment forecasts
- Rezoning in line with Figure 64
- Retention of industrial use in B7 zone is tested at 20%
- Retention of industrial use in B5 zone is tested at 100%, 75% and 50%
- Retention of industrial use in residential zone is 0%
- Displaced industrial activity and demand that cannot be accommodated in other precincts is allocated to Marrickville-Sydenham and the Princes Highway corridor on the basis of an 80:20 split.

FIGURE 65. SCENARIO 1: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [HIGH INDUSTRIAL RETENTION]

Precinct	Before rezoning					Rezoning		Reallocation					Final gaps	
	Current GFA	Capacity		Gap				Reallocation (FROM)		Reallocation (TO)			Gap	
		Med 40	Med 60	Med 40	Med 60	Retained GFA	Displaced GFA	Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	106,219	0	7,653	0	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	640,596	12,612	0	0	80%	17,618	11,484	24,849	88,204
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	4,405	2,871	124,526	140,267
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	50,409	6,534	14,061	14,061	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	952,740	19,146	22,023	14,355	1	22,023	14,355	149,375	228,471

FIGURE 66. SCENARIO 2: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [HIGH INDUSTRIAL RETENTION]

Precinct	Before rezoning					Rezoning		Reallocation					Final gaps	
	Current GFA	Capacity		Gap				Reallocation (FROM)		Reallocation (TO)			Gap	
		Med 40	Med 60	Med 40	Med 60	Retained GFA	Displaced GFA	Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	106,219	0	7,653	0	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	607,627	45,580	0	0	80%	17,618	11,484	-8,120	55,235
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	4,405	2,871	124,526	140,267
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	50,409	6,534	14,061	14,061	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	919,772	52,114	22,023	14,355	1	22,023	14,355	116,406	195,502

FIGURE 67. SCENARIO 3: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [HIGH INDUSTRIAL RETENTION]

Precinct	Before rezoning					Rezoning		Reallocation					Final gaps	
		Capacity		Gap				Reallocation (FROM)		Reallocation (TO)			Gap	
	Current GFA	Med 40	Med 60	Med 40	Med 60	Retained GFA	Displaced GFA	Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	-	106,219	113,872	104,408	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	603,459	49,749	0	0	80%	102,593	95,010	-97,263	-32,460
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	25,648	23,752	103,283	119,386
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	50,409	6,534	14,061	14,061	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	809,384	162,502	128,241	118,762	1	128,241	118,762	6,019	86,926

FIGURE 68. SCENARIO 1: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [MEDIUM INDUSTRIAL RETENTION]

Precinct	Before rezoning					Rezoning		Reallocation					Final gaps	
	Current GFA	Capacity		Gap				Reallocation (FROM)		Reallocation (TO)			Gap	
		Med 40	Med 60	Med 40	Med 60	Retained GFA	Displaced GFA	Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	106,219	0	7,653	0	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	632,036	21,172	0	0	80%	18,349	12,214	15,559	78,913
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	4,587	3,054	124,344	140,085
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	49,496	7,447	14,974	14,974	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	943,267	28,619	22,936	15,268	1	22,936	15,268	139,902	218,998

FIGURE 69. SCENARIO 2: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [MEDIUM INDUSTRIAL RETENTION]

Precinct	Before rezoning					Rezoning		Reallocation					Final gaps	
		Capacity		Gap				Reallocation (FROM)		Reallocation (TO)			Gap	
	Current GFA	Med 40	Med 60	Med 40	Med 60	Retained GFA	Displaced GFA	Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	106,219	0	7,653	0	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	602,100	51,108	0	0	80%	18,349	12,214	-14,378	48,977
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	4,587	3,054	124,344	140,085
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	49,496	7,447	14,974	14,974	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	913,331	58,555	22,936	15,268	1	22,936	15,268	109,966	189,062

FIGURE 70. SCENARIO 3: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [MEDIUM INDUSTRIAL RETENTION]

Precinct	Before rezoning					Rezoning		Reallocation					Final gaps	
		Capacity		Gap				Reallocation (FROM)		Reallocation (TO)			Gap	
	Current GFA	Med 40	Med 60	Med 40	Med 60	Retained GFA	Displaced GFA	Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	-	106,219	113,872	104,408	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	597,336	55,872	793	0	80%	103,958	95,740	-104,751	-39,313
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	25,990	23,935	102,941	119,203
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	49,496	7,447	14,974	14,974	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	802,348	169,538	129,948	119,675	1	129,948	119,675	-1,810	79,890

FIGURE 71. SCENARIO 1: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [LOW INDUSTRIAL RETENTION]

Precinct	Before rezoning					Rezoning		Reallocation					Final gaps	
	Current GFA	Capacity		Gap				Reallocation (FROM)		Reallocation (TO)			Gap	
		Med 40	Med 60	Med 40	Med 60	Retained GFA	Displaced GFA	Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	106,219	0	7,653	0	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	623,476	29,731	0	0	80%	19,079	12,945	6,268	69,623
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	4,770	3,236	124,161	139,902
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	48,583	8,360	15,887	15,887	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	933,795	38,091	23,849	16,181	1	23,849	16,181	130,429	209,525

FIGURE 72. SCENARIO 2: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [LOW INDUSTRIAL RETENTION]

Precinct	Before rezoning					Rezoning		Reallocation					Final gaps	
		Capacity		Gap				Reallocation (FROM)		Reallocation (TO)			Gap	
	Current GFA	Med 40	Med 60	Med 40	Med 60	Retained GFA	Displaced GFA	Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	106,219	0	7,653	0	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	596,572	56,635	1,557	0	80%	20,324	12,945	-21,881	42,719
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	5,081	3,236	123,850	139,902
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	48,583	8,360	15,887	15,887	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	906,891	64,995	25,405	16,181	1	25,405	16,181	101,969	182,621

FIGURE 73. SCENARIO 3: CAPACITY TO ACCOMMODATE DEMAND AFTER REZONING [LOW INDUSTRIAL RETENTION]

Precinct	Before rezoning					Rezoning		Reallocation					Final gaps	
		Capacity		Gap				Reallocation (FROM)		Reallocation (TO)			Gap	
	Current GFA	Med 40	Med 60	Med 40	Med 60	Retained GFA	Displaced GFA	Med 40	Med 60	Split 40	Med 40	Med 60	Med 40	Med 60
Carrington Rd	106,219	4,330	13,794	(7,653)	1,811	-	106,219	113,872	104,408	0%	0	0	0	0
Dulwich Hill	4,485	193	193	(293)	(293)	4,485	0	293	293	0%	0	0	0	0
Lewisham	10,177	627	1,198	(15)	557	10,177	0	15	0	0%	0	0	0	0
Marrickville Sydenham	653,208	153,981	211,202	55,079	112,299	591,213	61,995	6,916	0	80%	109,587	96,471	-116,503	-46,167
Princess Highway	140,855	136,491	150,699	128,931	143,138	140,855	0	0	0	20%	27,397	24,118	101,534	119,021
Stanmore	56,943	3,076	3,076	(7,527)	(7,527)	48,583	8,360	15,887	15,887	0%	0	0	0	0
TOTAL	971,886	298,698	380,162	168,521	249,985	795,312	176,574	136,984	120,588	1	136,984	120,588	-14,969	72,854

7.5 Summary of land use options

The employment and floorspace forecasts have shown that forecast demand for the LGA is modest when compared with existing capacity even with the most bullish projections. Some change from traditional industrial zoning is warranted. However, this must be balanced with the fact that Marrickville hosts some the subregion's most significant industrial land – particularly when viewed in the light of industrial land rezoning across the subregion. The Marrickville-Sydenham precinct being a large consolidated precinct that offers large lots and good highway, port and airport access has importance at the subregional level. Its significance should be recognised and its role and function as an industrial area protected.

The rezoning proposals have been reviewed in this context and three future land use scenarios have been prepared. All three propose rezoning of the Lewisham cluster to residential use (or potentially B4 mixed use) and rezoning of all or part of the Carrington Rd precinct for residential use. All three scenarios also propose some change in the Marrickville-Sydenham precinct and include recognition of the Sydenham entertainment precinct, rezoning on the north-eastern fringes of the precinct and on the western fringe along the Victoria Rd corridor. Further rezoning along the Vitoria corridor is not included in the scenarios as this would threaten the integrity of the precinct – risking isolating the larger industrial lots in the northernmost part of the precinct.

The first scenario balances site and location attributes, current land use profiles, development constraints and floorspace demand forecasts in light of capacity in the precincts. The first scenario is the most conservative of the three – producing a comfortable supply demand excess of 130,429 sqm GFA and 209,529 sqm GFA in 2036 even with low industrial activity retention the rezoned areas.

The second scenario assumes that residential activity can occur between ANEF 25 and ANEF 30. It is our understanding that the Department has previously accepted residential development above the 25 ANEF contour as it was consistent with the MUS objective of encouraging creative industries through live-work zones. B7 live-work zoning is proposed for suitable sites between ANEF 25 and 30. As well as formalising small-scale existing residential activity within industrial spaces, this is intended to create a vibrant employment area that is able to offer flexible employment workspace and a low cost housing solution. This is consistent with the application of the B7 zone in the MLEP. Scenario 2 produces a supply demand excess of 101,969 sqm GFA and 182,621 sqm GFA with low industrial use retention the rezoned areas.

The third scenario pushes for the greatest zoning changes. As with Scenario 2 assumes that residential activity can occur between ANEF 25 and ANEF 30 but does not permit residential development above ANEF 30. Carrington Rd precinct is zoned entirely for residential use – being the most suitable for residential development. This scenario produces a supply deficit of 14,969 sqm GFA under the 'medium 40' capacity scenario and with low industrial retention.

APPENDIX A - STAKEHOLDER CONSULTATION

Review of Marrickville Employment Lands Study

Summary of notes from meetings with stakeholders

In August 2014, as part of the stakeholder consultation process for this project, a set of meetings was held between SGS staff, Council staff, Department of Planning & Environment staff and selected local industry representatives. Notes from these meetings were taken by Council staff, and a summary of the discussions is as follows.

Local business & industry

- There is less traditional manufacturing in Marrickville than in the past
- Currently most businesses in Marrickville are viable and manufacturers are making a good living
- Today's clothes, food and other manufacturers tend to be operating at the top-end of the market
- Food manufacturers tend to supply high-end and fresh food to the CBD, Airport, and Inner West area
- There are around 743 manufacturers in Marrickville and around 2,300 creative industries
- There is a wide variety of businesses, and most operate at the top-end of the market, e.g. wrought iron security doors, robotics, print media, boutique breweries
- The Marrickville Manufacturers' Association and the 'Made in Marrickville' brand were formed by Council to promote local business
- The Marrickville Business Association was established by the business community to represent small businesses across the LGA
- There are many small ('micro') businesses in Marrickville, and they are not only located in the industrial area, but all over the place
- Anecdotal information suggests that some operations are being squeezed out of the City of Sydney and City of Botany Bay industrial areas and are moving to Marrickville
- There are few isolated factories outside the central industrial area - any factory operating in or near residential areas has trouble due to noise complaints
- Traffic, parking and loading can be problematic as there is little space for vehicles – noise is a further common issue
- To address traffic and loading issues, Council is encouraging common delivery services for industry clusters
- The low-end unskilled jobs, which tend to attract workers from outside the area, have become mechanised

- Most jobs today are top-end, highly skilled jobs, which tend to attract workers who live locally or in the inner-Sydney region
- There is little tension between the different operators as most own their own premises, so will invest in relationships
- Council is trying to strengthen relationships through promotion and recognition
- Owners of industrial properties will hang on hoping for a higher price on sale – this means the turnover of properties is slow
- There is a good mix of old and new businesses at the moment
- People accept rents appropriate to the location and their business - closer in to the City, rents are too high, whereas further out rents are less, but it is too far from the City
- Business properties form about 10% of Council's rate base, but pay around 40% of rates - this situation is partly the result of a community attitude from the past that successful businesses are more readily able to cover the cost of rates than the generally less well off surrounding residents, many of whom worked in these businesses
- People like the unique products available in the industrial area
- Council doesn't charge for footway dining, which is a further encouragement for factory-type businesses to set up an ancillary retail front
- Newer style businesses are bringing in customers from outside Marrickville and there are now bus and walking tours of the industrial area
- One of the key attractions of the industrial area is that it is still authentic and gritty
- In the mainstreet strips, e.g. Illawarra Road Marrickville, there have been vacant shops in past years, but that is changing and the shops are being activated as the business climate improves
- Many of the suppliers for the mainstreet shops are located in the industrial area

Employment land planning issues

- Currently in NSW there are pressures to rezone industrial land, but a lack of planning policies to manage this
- In the past, the NSW Government wanted to protect traditional industries, but this appears to be no longer the case
- The main question for Council is how to go forward – Should we rezone industrial and include residential? Should residential only be included as part of a mixed-use zoning? Should zonings be general or specific? Do we hold on to large lots?
- It may be appropriate to rezone industrial land on the fringes of the main industrial area to accommodate creative uses, as MLEP 2011 did to a minor extent
- Council wants to retain employment uses, but one of the problems with mixed-use zones is that the market will push for as much residential as possible
- Council and the DP&E need a strategy to guide these kinds of actions, e.g. City of Sydney's employment lands study has a separate strategy or statement of intent
- The strategy will help us identify areas to be protected and those that can move to something else

The Victoria Road proposal

- There is general acceptance of the need to accommodate a change in the nature of employment lands, and changes to the zonings of the Victoria Road precinct could fit well with the move to creative uses
- The main concern is with the large residential component proposed
- The two critical issues are loss of employment lands and residential development under the flight path
- Parts of the Victoria Road precinct could be rezoned from industrial to business zones, with a limited residential component - St Peters triangle could be used as a model
- The business zones have residential above commercial, and specify the relative proportions of each
- The St Peters model is likely to be viable in Victoria Road, as it has been in St Peters
- When it comes to Victoria Road, we need to work with what is there, and some of the change toward creative industries and live/work is happening organically anyway
- The Victoria Road rezoning proposal provides an opportunity for a community benefit such as affordable housing
- The Victoria Road proposal includes 75% residential and 60% of this in the >30 ANEF contour, which conflicts with the s.117 Direction on aircraft noise
- The proportion of residential proposed has increased significantly in the current proposal compared to the original version considered about two years ago
- Most traditional manufacturing uses are in decline and there are many creative uses currently operating that don't have approval
- With the anticipation of a rezoning, there may be an increase in rents, which could lead to a further decline in traditional manufacturing – this shows that expectations for rezonings to higher uses can be a self-fulfilling prophecy
- Public transport isn't bad along Victoria Road, but it is far from perfect – hence there is a need to carefully manage traffic and parking

The Traditional & Creative Industries Hub concept

- This concept comes from the City of Sydney's initiatives to promote live music
- An area between the Marrickville Road commercial centre and Sydenham Station has been identified for this
- Marrickville was selected by the University of Sydney to join this year's Future Cities program with the arts and industries hub idea
- Developing a vision for the precinct is part of this project
- It is an unusual urban project as it doesn't propose any significant change to the built form
- Currently the area near Sydenham Station is productive industrial land
- There is some retailing in the industrial area, but retail can only operate if it is ancillary to manufacturing
- The precinct is located at the southern end of an existing entertainment corridor that starts at the Seymour Centre at Sydney University, runs along City Road, King Street, Enmore Road, Victoria Road and Sydenham Road and ends at Sydenham Station
- The industrial look is in fashion and the quirkiness of the industrial area makes it an attractive destination for certain businesses and customers

- Currently there are 'trendy' new businesses co-existing with traditional industries - an important question is: will the new businesses force out the traditional industries?
- In looking at the music precinct idea, an important requirement is that there be no permanent residential use in or near this precinct, otherwise there will be noise complaints
- With the Traditional and Creative Industries Hub concept, we don't want to ruin something that is already working well
- The precinct is fine-grained, is served by a major station, currently has a range of interesting land uses and appears to have a low vacancy rate
- WestConnex presents an opportunity to improve access on Sydenham Road through reduced traffic, particularly reduced heavy vehicles
- The project looks at the idea of business-as-usual, but with a vision of more creative uses co-existing and benefitting from the industrial uses - such as benefits from different uses operating at different times of the day
- Council wants to foster community partnerships and move this precinct toward people-oriented businesses – away from freight and logistics
- To achieve this, there would be some rezoning from general to light industrial with an overlay to permit creative uses
- A night-time economy might also be promoted for bars etc.
- There is no intention to allow retail, unless ancillary to manufacturing
- This would be complemented with cost-effective public domain improvements, traffic calming etc.
- It would be a cautious step-by-step approach involving: firstly a zoning overlay; secondly public domain improvements; and thirdly a further overlay to allow a form of accommodation where the terms of the accommodation are managed for a fixed period, e.g. artist-in-residence
- The tourist/visitor accommodation and hotel industries have expressed interest in Marrickville due to its proximity to Sydney Airport and the fact that many hotel customers prefer to stay in interesting buildings in places that have surrounding services, e.g. Marrickville Road

The Employment Lands Development Program (ELDP)

- The Employment Lands section of the DP&E administers the ELDP and undertakes research and analysis to provide an evidence-base for planning of employment lands
- The ELDP monitors stocks of industrial land, what is changing, the takeup of new industrial land, the amount of vacant land, what is being developed and the type of services being provided
- The ELDP publishes reports, and the 2014 Update Report is to be released in September 2014
- The ELDP is not a policy program, but its work feeds into NSW Government policies and plans, including subregional delivery plans and the new Metropolitan Strategy
- Analysis shows there is a strong east-west divide with industrial land in Sydney in terms of activity, changes and strategic value
- At present there is pressure to rezone industrial land in the east, and strong data is needed if a case is to be made that it be retained
- For areas in the east like Marrickville, the main issue is conversion of industrial areas to business, retail and residential uses
- The ELDP provides data to inform rezoning decisions

- In doing so, the ELDP recognises that industrial land has an important strategic function at the metropolitan level
- At a regional level, some industrial lands have particular strategic value because of their large size and locational attributes such as proximity to port, airport and transport links
- The Industrial Lands Strategy Assessment checklist in the draft Metropolitan Strategy is not statutory, but is an important consideration - it is always difficult to prove the case for rezoning or not rezoning industrial land
- When assessing rezoning proposals, the DP&E uses ELDP data, but this is one part of a comprehensive assessment which considers the long-term future of the land or area
- The rezoning of industrial land to business, retail or residential is a 'one-way street' - once lost, it is gone forever
- The DP&E provides the broad context and relies on the councils for the local view
- The ELDP would particularly like to examine: the 'professional displacement effect', where industry keeps moving from inner to outer Sydney (east to west); and airport and port related industries
- These issues will need to be examined as part of the development of the new Metropolitan Strategy and subregional delivery plans

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