

A detailed street map of a residential area in Marrickville, Sydney. A specific precinct along Victoria Road is highlighted in light pink and outlined with a thick black border. A vertical red bar is positioned to the left of the text box.

# VICTORIA ROAD PRECINCT MARRICKVILLE

Employment Strategy

■ March 2015



# Contents

<b>EXECUTIVE SUMMARY</b>	<b>4</b>	<b>6.0 RECOMMENDATIONS AND IMPLEMENTATION</b>	<b>54</b>
<b>INTRODUCTION</b>	<b>6</b>	6.1 Conclusion	54
<b>THE VICTORIA RD PRECINCT</b>	<b>8</b>	6.2 Recommendation	54
<b>STRUCTURE AND METHODOLOGY</b>	<b>10</b>	6.3 Pathway Forward	54
<b>1.0 STRATEGIC FRAMEWORK</b>	<b>12</b>	<b>7.0 REFERENCES</b>	<b>55</b>
1.1 NSW State Plan	12	<b>APPENDICES:</b>	
1.2 A Plan for Growing Sydney	13	Precinct 47 Land Use Survey	
		Review of MELS Methodology and Findings	
<b>2.0 TRENDS IN INDUSTRIAL LANDS</b>	<b>16</b>		
2.1 Industrial Land and Employment in Sydney	16		
2.2 Inner-city employment trends	20		
2.3 Marrickville LGA	22		
2.4 Sydenham-Marrickville Industrial Precinct and Victoria Road	26		
2.5 Victoria Road Precinct	30		
<b>3.0 FUTURE SHAPERS</b>	<b>36</b>		
3.1 Infrastructure	36		
3.2 Demographics	38		
3.3 Changing business needs	38		
<b>4.0 FUTURE TRAJECTORY</b>	<b>40</b>		
4.1 Key Future Changes	40		
4.2 Assessment of MELS Recommendations	43		
4.3 Expected Business Outcomes	45		
<b>5.0 EMPLOYMENT STRATEGY</b>	<b>46</b>		
5.1 Objectives of employment strategy	46		
5.2 Employment Strategy	48		
5.3 Land use compatibility analysis	50		

# EXECUTIVE SUMMARY

## THIS STUDY

*This report is an Employment Strategy for the Victoria Road Precinct. It has been prepared by JBA on behalf of the Danias family, who have substantial land holdings and are a long-time business operator in the Sydenham-Marrickville Industrial Precinct.*

This report has been prepared with input from Macken Planning Solutions and Hill PDA. The majority of the Danias family's land is located within an 18 hectare precinct of land known as the Victoria Road Precinct, which sits at the western edge of the broader Sydenham-Marrickville industrial lands.

We have prepared this strategy to address what we consider to be substantive weaknesses in the methodology and conclusions of the 2014 Draft Marrickville Employment Lands Study (the MELS) prepared by SGS Economics & Planning on behalf of Marrickville Council.

The purpose of this Employment Strategy is to present an accurate assessment of the current and future trajectory of employment and business in the Victoria Road Precinct. Our analysis of key statistical data/trends and review of latest strategic planning policy and government initiatives have formed the basis for our strategy aimed at boosting employment and the area's economic productivity, improving the urban environment and achieving key overarching strategic planning objectives. Importantly, these recommendations are grounded in the objectives and vision contained in *A Plan for Growing Sydney*, the NSW Government's recently released metropolitan strategy.

## METHODOLOGY

The MELS provided a high-level assessment of macroeconomic forces and trends at play in industrial activity at a subregional level, but failed to consider this information in either broader metropolitan employment trends or in ground-level business activity occurring in Marrickville. The floorspace audit underpinning the MELS mischaracterises a number of premises, and fails to give an accurate impression of the area's employment levels or economic productivity.

In preparing this strategy, JBA has analysed high-level macroeconomic trends and assessed how these are affecting employment at the metropolitan, subregional and local level. Valuable information about business activity and employment levels the Victoria Road Precinct has been gathered through direct consultation with local businesses. This has provided a far more accurate and detailed account of the employment trends occurring at a local level.

Most importantly is that the methodology for this strategy has closely considered the implications of the NSW Government's recently released *A Plan for Growing Sydney*, which was released subsequent to the finalisation of the MELS. This Plan is the basis for forward strategic planning and infrastructure investment, and supersedes older strategic planning documents that formed the basis of the MELS and which adopted a far more conservative and historic approach to employment lands.

## KEY FINDINGS

This Employment Strategy finds that there has been a dramatic decline in traditional industrial activities within the Marrickville area in recent decades, along with a substantial shift in the demographic and employment characteristics of Marrickville's residents. Marrickville's residents are increasingly forced to leave the LGA for employment in

professional and service-sector jobs, whilst employers in Marrickville's industrial precincts are increasingly having to look further afield to find suitably skilled employees. This disconnect between the local workforce and local employment opportunities has significant social, economic and environmental impacts.

Competition from purpose-designed industrial precincts with high quality and purpose-built infrastructure in Sydney's west has seen many businesses permanently leave Marrickville and the Victoria Road Precinct. The result for Marrickville is a run-down industrial area that is under-utilised and provides fewer jobs each year.

Economic weakness in the industrial precinct is seen in the number of non-industrial businesses that have infiltrated the edges of the Sydenham-Marrickville Industrial Precinct in recent years and the number of traditional industrial businesses that have left the area. This shift has resulted in increased land use conflict and further compromised the viability of these fringe areas for industrial uses. This has particularly been the case in the Victoria Road Precinct, which sits at the transition from the broader industrial lands to the adjoining residential area.

Investments by the NSW Government in freight rail and motorway infrastructure is specifically designed to help industrial businesses with connections to Port Botany and Sydney Airport bypass the inner-city LGAs and boost employment precincts in Western Sydney. This, along with broader economic pressures on industrial activity in Australia, will further compound the industrial decline that Marrickville has experienced in recent decades.

Without changes to the planning controls for the Victoria Road Precinct, employment and economic productivity will continue to decline into the future, urban amenity will worsen, and the infiltration of non-industrial uses will begin to impact upon the viability of the core industrial lands centred around Fitzroy Street.

## EMPLOYMENT STRATEGY FOR THE VICTORIA ROAD PRECINCT

*The Victoria Road Precinct presents an opportunity to re-connect Marrickville's residents with local employment opportunities and facilitate urban renewal.*

The Employment Strategy recommends that land predominately to the west of Victoria Road be considered for a broader mix of business uses that meet the employment, lifestyle and service needs of Marrickville's local community. These uses have the potential to create a vibrant and active precinct that will boost employment and economic productivity and ensure that appropriate interfaces are put in place to resolve land use conflicts between existing residential, industrial and community uses to improve local amenity and safety.

Our strategy recommends that a range of new uses be permitted in specific parts of the Victoria Road Precinct, including:

- creative industries;
- art studios and galleries;
- recreation and leisure uses;
- home improvement showrooms;
- wholesale food retail with some limited ancillary direct-to-public sales; and
- professional offices and local services.

Opportunities to deliver these new employment uses as part of mixed use residential development have also been considered, given the high accessibility of the area by public transport and proximity to local retail services, town centres, recreation and leisure facilities and open space. Opportunities to deliver new housing to support population growth have been investigated with regard to the key underlying constraints affecting

the precinct, and have been informed by the workshop held with Marrickville Council, the NSW Department of Planning & Environment and the Victoria Road project team in March 2015.

Specific land use planning controls to implement the Employment Strategy within the Victoria Road Precinct will form part of a revised Planning Proposal to be submitted to Council in coming months.

### RECOMMENDATION

It is our expert opinion that this Employment Strategy should be adopted in lieu of the recommendations of the MELS for the Victoria Road Precinct. This Employment Strategy will ensure that there is a positive vision for employment in Marrickville, and will form the basis for further detailed strategic planning investigations.

Whilst our strategy and recommendations have only been made with respect to the Victoria Road Precinct, we also believe that there are wider implications for other areas of Marrickville's industrial precincts that should also be considered by Council.

# INTRODUCTION

*Over the past two years, JBA has been working with local land owners and a multi-discipline project team comprising Titfa Consulting, Macken Planning Solutions, Hill PDA and Turner Associates in order to progress a strategic planning vision for an area of industrial land known as the Victoria Road Precinct.*

This submission is made on behalf of the Danias family, who are a substantial land owner within the precinct and long-time business operators in the Marrickville area.

The Victoria Road Precinct, which is located within the western edge of the Sydenham-Marrickville Industrial Precinct, has been the subject of detailed planning investigation over the past 18 months, with a Planning Proposal forwarded by Council to the Department of Planning & Environment in October 2014. Feedback from the Department and Marrickville Council officers has been provided and a workshop was convened by Council in early-March 2015 to discuss the process forward.

This submission has been prepared by JBA on behalf of Danias Holdings in response to the public exhibition of the Draft 2014 Marrickville Employment Lands Study Review (the MELS) prepared by SGS Economics & Planning. The MELS was prepared on behalf of Marrickville Council over the course of 2014 using funding from the NSW Government's Planning Reform Fund. The MELS includes an audit of all land zoned IN1 General Industrial and IN2 Light Industrial under the *Marrickville Local Environmental Plan 2011*.

We have separately raised our concerns regarding serious flaws in the methodology, scope and findings of the review of the Marrickville Employment Lands Study prepared by SGS Economics and Planning. Whilst we support the broad conclusion of the MELS that there is scope

to revisit planning controls within the Victoria Road Precinct, the narrow focus of the MELS results in the study overlooking the broader strategic context and opportunity presented by this area.

Given our in-depth knowledge of the Victoria Road Precinct and our concerns about the Draft MELS, we determined that the most appropriate course of action was to prepare an Employment Strategy for the area.

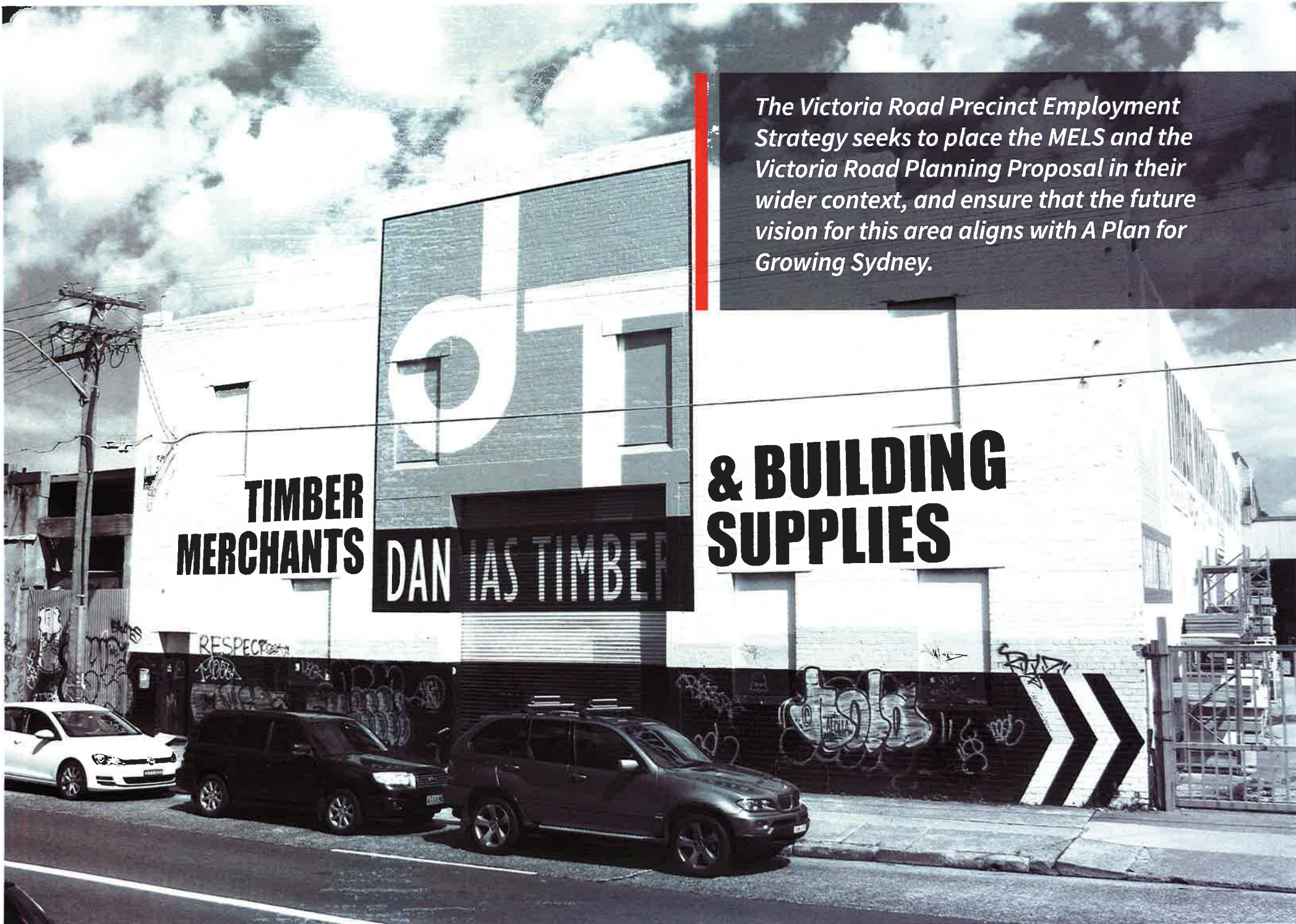
Accordingly, the Victoria Road Precinct Employment Strategy seeks to place the MELS and the Victoria Road Planning Proposal in their wider context, particularly in light of the subsequent release of *A Plan for Growing Sydney* in December. Our methodology in preparing this strategy is set out later in this report, but broadly speaking our approach combines statistical data, analysis of key relevant strategic planning policies and actions, and ground-truths these findings using local intelligence gathered through a comprehensive employment survey and consultation with the local business community. This approach ensures that the recommendations of the strategy accurately reflect what is actually happening at ground level, and ensures that future planning is consistent with *A Plan for Growing Sydney*.

*The Victoria Road Precinct Employment Strategy seeks to place the MELS and the Victoria Road Planning Proposal in their wider context, and ensure that the future vision for this area aligns with A Plan for Growing Sydney.*

**TIMBER  
MERCHANTS**

**DAN IAS TIMBER**

**& BUILDING  
SUPPLIES**

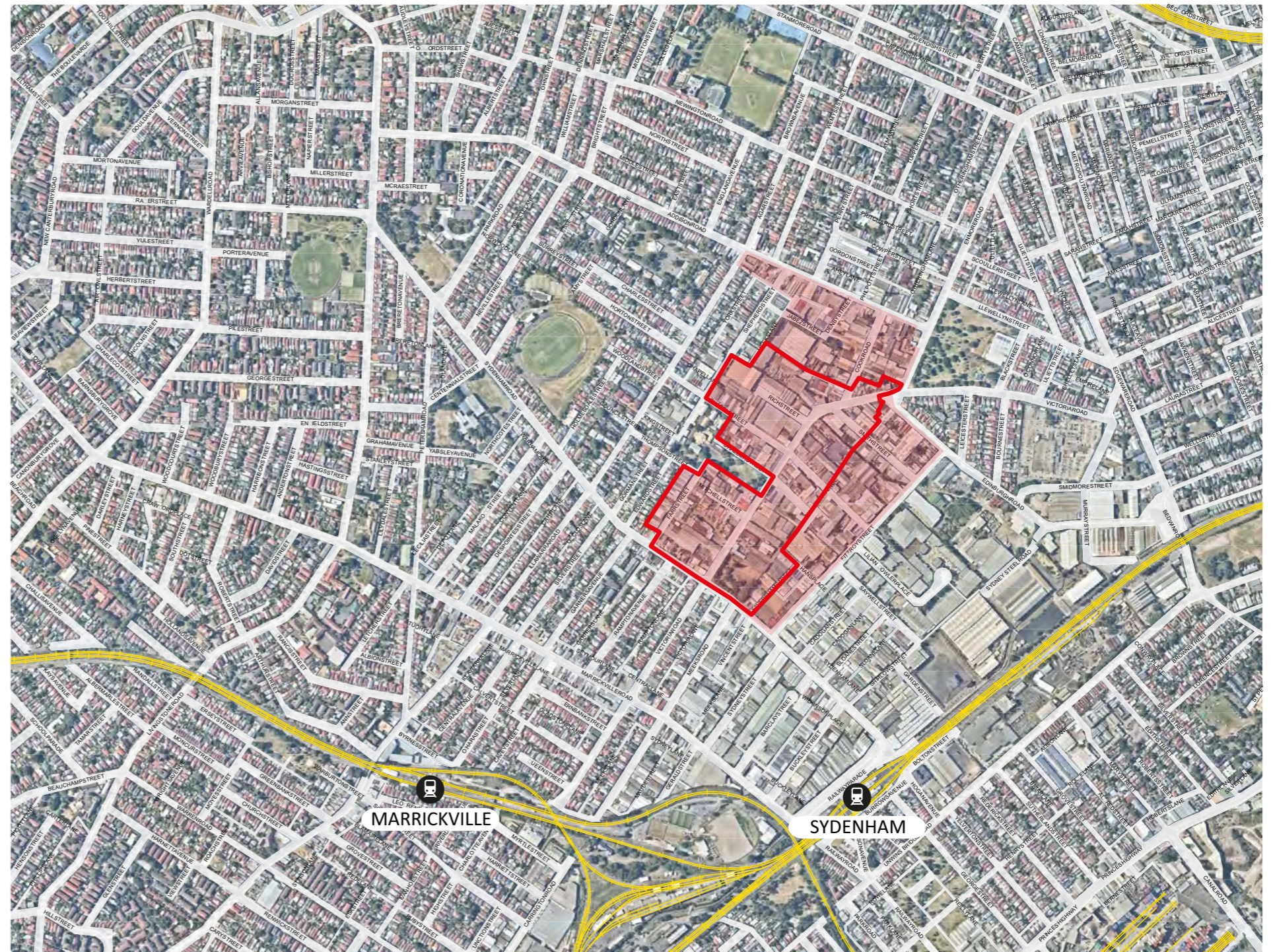


# THE VICTORIA ROAD PRECINCT

*The Victoria Road Precinct comprises approximately 18 hectares of land located around Victoria Road, Marrickville to the north of Sydenham Road. It is located at the western edge of a larger 100 hectare industrial area known as the Sydenham-Marrickville Industrial Area, and also sits within an 36 hectare area designated as Precinct 47 under the Marrickville Development Control Plan 2011.*

The Victoria Road Precinct is predominately zoned IN1 General Industrial, with Wicks Park zoned for public recreational purposes. Marrickville Council has now resolved on a number of occasions to investigate changes to the land use planning framework for this precinct. A Planning Proposal was submitted by the Victoria Road Precinct project team in mid-2014, and this document was publicly exhibited for comment concurrently with the MELS.

The Victoria Road Precinct is characterised by many dated and run-down industrial buildings, with some non-industrial uses slowly creeping into the precinct as higher-order industrial businesses vacate the area. Residential uses, in the form of shop-top housing, warehouse conversions and terraces, are interspersed throughout the precinct. This is particularly the case with the pockets of the residential areas to the south, west and north of the Victoria Road Precinct. Marrickville Public School and an adjoining childcare centre also sit in the centre of the Victoria Road Precinct, and at present are surrounded by industrial activities that give rise to land-use conflict and raise safety concerns. The physical and employment characteristics of the area are discussed in further detail in Part 3 of this report.



## LEGEND

- Precinct 47 Boundary
- Victoria Road Precinct Boundary

Figure 2: Context and boundaries of Precinct 47 and the Victoria Road Precinct





# STRUCTURE & METHODOLOGY

## OUR APPROACH

The 2014 MELS Review prepared by SGS Economics & Planning and Marrickville Council is based on a high-level analysis of the economic trends influencing employment in Sydney, which has then been applied broadly to industrial lands throughout the Marrickville LGA. The key weakness of this approach is the failure to consider key strategic planning objectives, government and industry actions and initiatives that will drive change and have a significant influence on the future makeup and composition of the employment land in metropolitan Sydney.

*More needs to be done in a local employment land study to translate such strategic initiatives into outcomes on a block-by-block level within Marrickville's industrial areas.*

Quantitative data is an important, but limited, source of knowledge when making planning decisions for employment areas. To be most effective, it is critical that data is grounded in a thorough understanding of the strategic planning framework, high-level trends and the major forces that will shape the metropolitan area over future decades. Even more importantly, however, is the need for a local employment study to be able to analyse, interpret and translate macroeconomic trends into meaningful information that informs strategic planning decisions at the ground level.

This strategy is therefore grounded in an in-depth understanding of the key strategic planning and infrastructure directions of the Sydney metropolitan area. Looking forward to Sydney's future development patterns, using the NSW State Government's State Plan, *A Plan for Growing Sydney* and infrastructure plans, the strategy places Marrickville in its strategic context and allows a forward-looking approach to be adopted in land use planning.

Official projections of employment and population released by government agencies in late-2014 are up to date and form the basis for official planning of infrastructure and services by the NSW State Government. Data has been drawn from official sources, being the Australian Bureau of Statistics, the NSW Department of Planning & Environment and the NSW Bureau of Transport Statistics.

The Victoria Road Precinct project team has been studying and monitoring development and business activity patterns across this precinct over the past two years. A number of the land owners have been in the area for decades, and have a keen awareness of trends and details of business and employment activity throughout the precinct. This local knowledge is invaluable, and is integral to understanding how the broader economic forces have affected actual employment and built form outcomes in the Victoria Road Precinct. This strategy draws on this local knowledge-base, and combines it with key relevant macroeconomic statistics to effectively to explain how local forces and broader trends have and will shape current and future employment in the Sydenham-Marrickville industrial precinct and wider LGA into the future.

JBA's research approach is methodologically sound and bridges the gap between high-level economic forecasting, strategic planning and local business intelligence. This covers the significant gap in the methodology for the MELS, which looks at the broader economic trends but then seeks to translate these directly into local land use recommendations without appreciating the strategic planning framework and ground-level business trends.

## STRUCTURE

In preparing this Strategy, and with regard to the objectives and research approach outlined above, we have adopted the following structure for this strategy:

### ■ PART 1 – STRATEGIC FRAMEWORK

This Strategy starts from what we believe should be the basis of all strategic planning – the State Plan and the NSW Government’s new metropolitan strategy, *A Plan for Growing Sydney*. The state government’s strategic plan for housing, employment, infrastructure and daily life in Sydney sets out a vision for where the city should be in 2031 and is expected to have a significant influence on shaping the future direction and growth of metropolitan Sydney into the future. The Plan sets the overarching objectives for managing urban change and identifies key infrastructure and policies to deliver on this vision. This strategic framework articulates the overarching vision, and all subordinate strategic planning should be framed to achieve these outcomes. Local planning should be forward-looking and be consistent with this State framework, rather than looking backward to past strategies.

### ■ PART 2 – TRENDS IN INDUSTRIAL LANDS

With the strategic framework established, our report then seeks to understand the trends occurring in employment at the metropolitan and national level down to the precinct-scale changes occurring in Marrickville.

Official data from the NSW Government is up to date and reliable – the NSW Department of Planning & Environment issued forecasts for ‘business-as-usual’ population growth in late-2014 based on expected growth and planned urban development projects. The NSW Bureau of Transport Statistics also issued its employment forecasts for NSW in late-2014, accounting for previous and future trends in employment

across Sydney. This data, along with the data from the Australian Bureau of Statistics that forms the basis for the NSW Government’s projections, has formed the basis of our analysis.

### ■ PART 3 – KEY DRIVERS FOR LAND USE PLANNING IN MARRICKVILLE

To understand the forces that will shape the future of industrial lands in Marrickville, Part 3 of this strategy will draw on the strategic framework and existing industrial land trends to summarise the key changes that are likely to affect employment and industrial lands in Marrickville over the next 10-20 years.

### ■ PART 4 – VICTORIA ROAD PRECINCT AND SYDENHAM-MARRICKVILLE EMPLOYMENT FORECAST

Part 4 sets out our view of how the future expected changes identified in previous sections will influence the future of employment (both industrial and non-industrial) within the Victoria Road Precinct. This is based on a ‘business as usual’ scenario under which no changes to the planning controls are implemented and the land use scenarios proposed in the MELS.

### ■ PART 5 – EMPLOYMENT STRATEGY

Based on the findings of our forecast of the future trajectories of the Victoria Road Precinct and the broader Sydenham-Marrickville Industrial Precinct, Part 5 sets out a positive strategy to boost the employment, productivity and relevance of continued business uses within the Victoria Road Precinct.

Based on the employment uses proposed, this Strategy also considers the potential for other uses to be incorporated into future development in order to improve the vitality of the area and contribute toward other non-employment strategic planning goals.



# 1.0 STRATEGIC FRAMEWORK

## 1.1 NSW STATE PLAN

*NSW 2021* is the NSW State Government's vision and objectives for the state's near-term future. It is the overarching document that guides all government action, and sets a series of targets designed to rebuild the economy, deliver quality government services, improve infrastructure, strengthen our local environment and communities and improve governance structures.

### Employment

The NSW State Plan aims to grow employment by an average of 1.25% per annum to 2021 and grow business investment by 4% per annum over the same period. This will be achieved through improvements to infrastructure and support for key industries in the State. Recognising NSW's role as Australia's gateway to international trade, and the post-industrial shift to a modern service-sector economy, *NSW 2021* seeks to increase the skills-base of the workforce that will support the growth of the knowledge-economy.

### Public Transport and Travel Times

*NSW 2021* aims to improve utilisation of public transport through improved service and new infrastructure investment, and improve the community's quality of life by ensuring that more employment is accessible by public transport. A key goal is to increase the percentage of the population living within 30 minutes by public transport of areas with suitable employment.

### Housing

Delivery of 33,000 new dwellings per annum, with more diverse dwelling typologies to better cater to the community's housing needs. Average household sizes have fallen consistently in recent years, driven by changes in the community's lifestyle preferences and profile, with more lone-person households and across the state, as well as an ageing population with fewer traditional family households.



Figure 3: NSW 2021

## 1.2 A PLAN FOR GROWING SYDNEY

*A Plan for Growing Sydney* is the NSW Government's new vision for the Sydney metropolitan area. It sets out how Sydney will accommodate an extra 1.6 million new residents by 2031, and how the city will facilitate the delivery of substantial housing, infrastructure and employment to sustain this growth.

### *A Plan for Growing Sydney aims to make the city:*

- *a competitive economy with world-class services and transport;*
- *a city of housing choice with homes that meet our needs and lifestyles;*
- *a great place to live with communities that are strong; healthy and connected; and*
- *a sustainable and resilient city that protects the natural environment and has a balanced approach to the use of land and natural resources.*

### Infrastructure

Major new infrastructure investments by the NSW and Australian Governments form the backbone of the Plan. A new international airport at Badgerys Creek, the WestConnex and the delivery of Rapid Transit from Rouse Hill to Bankstown will support economic growth, increased productivity and provide new opportunities for urban renewal.

Increasing the utilisation of freight rail between Port Botany/Sydney Airport and major freight distribution precincts is a key action of the Plan, with the aim of reducing inner-city congestion and getting trucks off local roads. The WestConnex seeks to ease congestion on inner-city roads by allowing heavy vehicles to bypass surface roads when travelling between the city, major transport gateways and industrial precincts.

A doubling of the proportion of container freight transported through NSW ports is also targeted by 2021 under the NSW State Plan through investments in freight rail infrastructure and new intermodal terminals.

### Urban Renewal

The Plan seeks to “accelerate urban renewal across Sydney” by supporting Council-led urban infill projects and capitalising on new transport infrastructure investments, such as the Sydenham-Bankstown Rapid Transit conversion and the delivery of the WestConnex. The Plan notes that urban renewal creates an opportunity to deliver new housing and employment whilst also increasing the amenity of surrounding areas by revitalising run-down and under-utilised land. Done well, this represents a win-win for both present and future communities.

### Housing Supply and Choice

According to the Plan an extra 1.6 million people will live in Sydney in 2031. They will have different family structures, living arrangements, lifestyle choices and housing preferences. This presents a dual-challenge of providing more housing and diversifying the overall supply of housing. The Plan is clear in its strategic intent for new housing to be provided in areas that are close to public transport, services, existing centres, recreational facilities and where they can be supported by existing infrastructure.

### Economy and Employment

Sydney drives 70% of NSW's total economic output, and underpins a healthy, vibrant and competitive local economy. Economic productivity is fundamental to meeting the needs of the community and ensuring that community needs for employment, services, infrastructure and lifestyle can continue to be met into the future. Sydney's economy has moved into its post-industrial phase, with strong growth in the financial, professional and other service sector industries, whilst the

manufacturing and transport industries now make up less than 15% of Sydney's gross regional product (Regional Development Australia 2013). The Plan focuses on supporting Sydney's continued growth as a major service-sector economy and Australia's gateway to international trade. Supporting growth in professional jobs is a major focus, whilst trade-related industries will benefit from the release of new industrial land and infrastructure in planned business precincts in Sydney's west.

### Industrial Lands

The Plan includes a number of actions to support freight movement, protect transport gateways and manage industrial precincts throughout Sydney.

Important industrial land around Sydney Airport/Port Botany required to support the transport gateways is identified as the area from the Princes Highway in Sydenham across to Port Botany. The Sydenham-Marrickville Industrial Precinct to the west of Sydenham Station is outside of this identified area. Supporting the growth of planned, serviced and purpose-built industrial precincts in Sydney's west is a key action in the Plan, with new motorway and freight rail connections and the designation of two areas, Bankstown-Milperra and the Broader Western Sydney Employment Area, as priority employment growth precincts.

A review of how the NSW Government assesses the conversion of under-utilised industrial to other land uses is envisaged in the Plan through an update to the Industrial Lands Strategic Assessment Checklist. Importantly, the Plan predicts situations where planning controls should be updated to support the ongoing evolution of industrial activities into more intensive commercial activities.

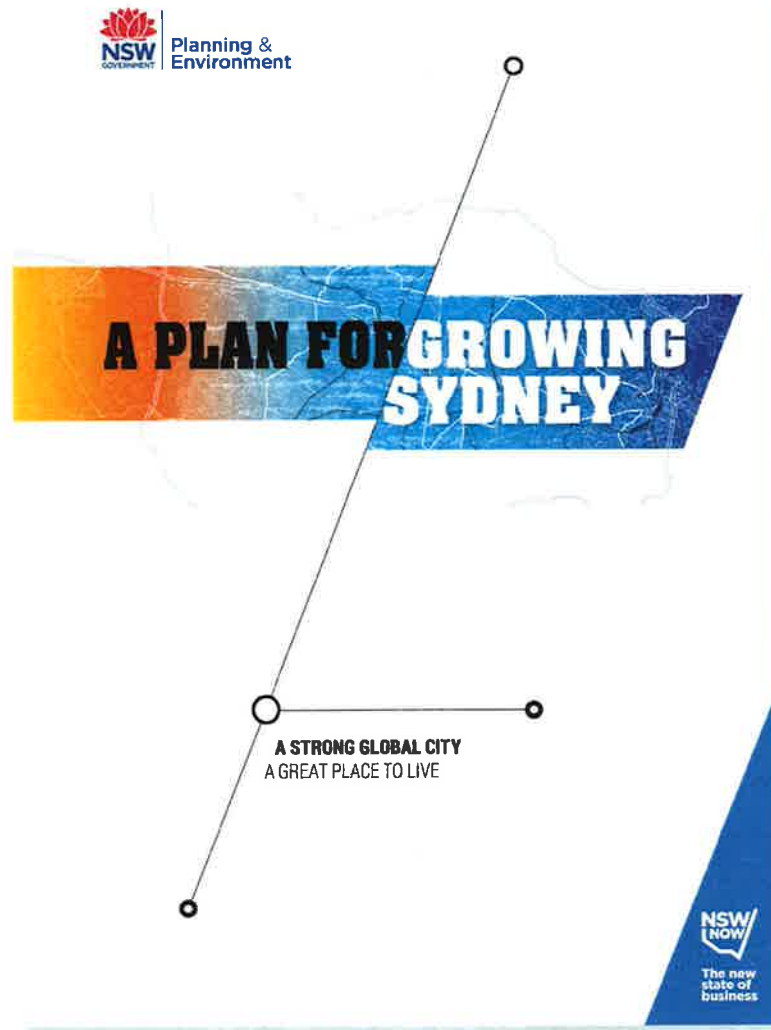


Figure 4: A Plan for Growing Sydney

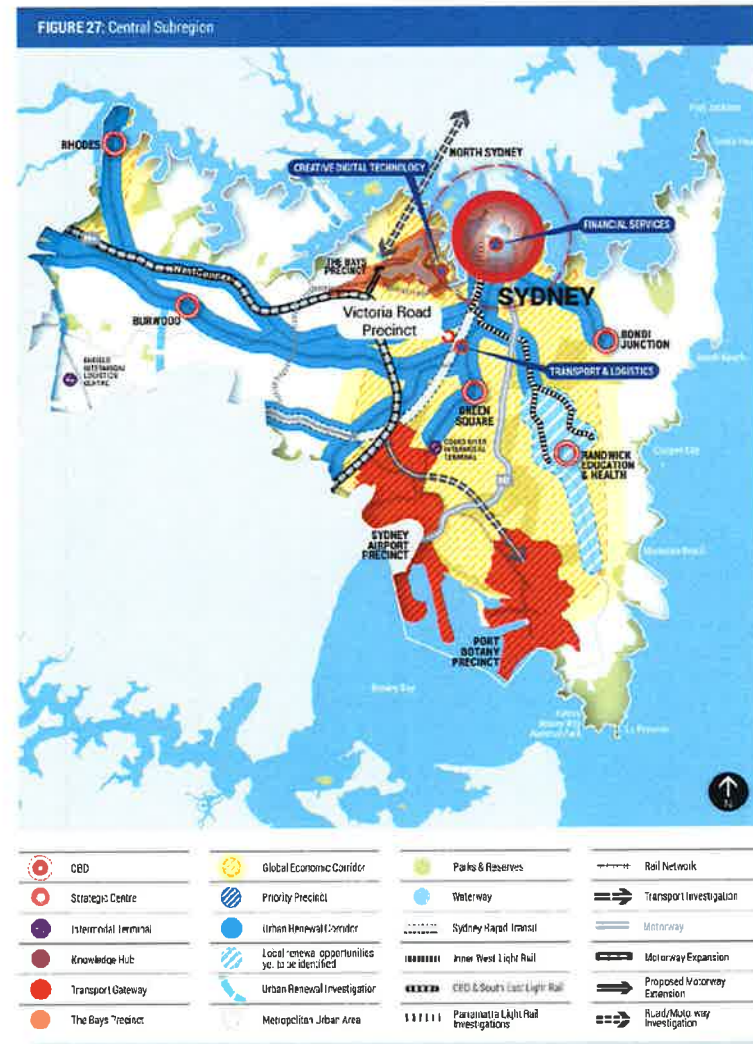


Figure 5: A Plan for Growing's Sydney - key actions for Central Region

# Direction 1.4: Transform the productivity of Western Sydney through growth and investment

A productive, liveable Western Sydney is pivotal to Sydney's long-term prosperity. Expanding the economic role of Western Sydney's key centres, particularly Greater Parramatta, and improving the scale and mix of job opportunities will benefit Sydney's overall productivity.

In 20 years, 900,000 more people will live in Western Sydney than today. Within 25 years, Western Sydney will be home to more than half of all Sydneysiders. Significant population growth will occur in the North West and South West Growth Centres and around Parramatta.

Long-term planning in Western Sydney will be necessary to create a setting for jobs, infrastructure and services to meet the needs of current and future populations so that

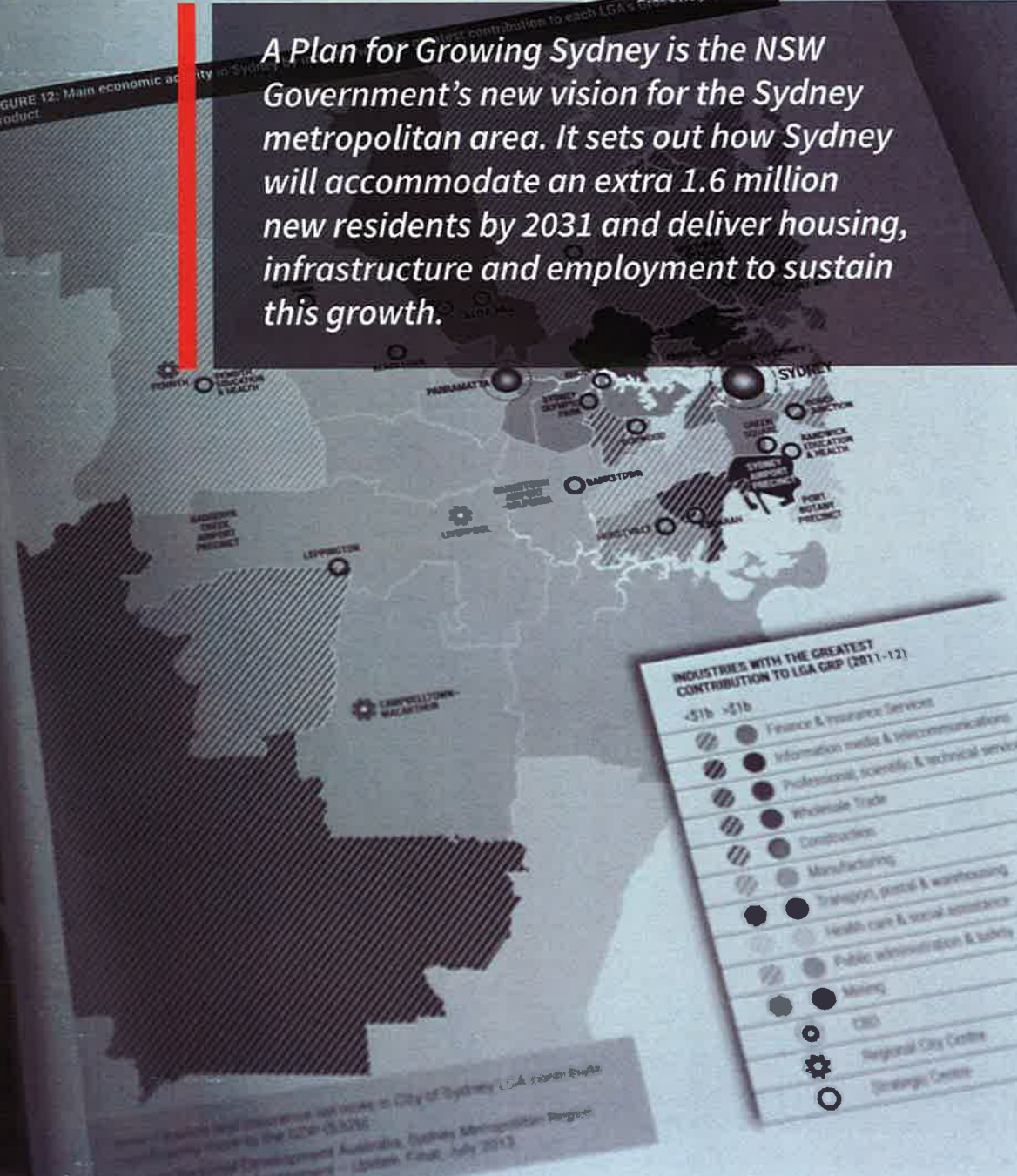
growth is targeted towards strategic areas in Western Sydney. This will be taking advantage of opportunities from new infrastructure investments such as Badgerys Creek Airport, the Sydney Rail Link, North West Rail Line and G: The Northern Road, Elizabeth Road and Berrima Road.

Western Sydney will require new ways to connect and transport, providing to knowledge and strategic planning. Appropriate transport links to strengthen the driver and between Western Sydney and Sydney CBD.

Expanding the scale and mix of job opportunities will help more people closer to home and reduce commuting, making Sydney more productive.



FIGURE 12: Main economic activity in Sydney's LGA's Gross Regional Product



# 2.0 TRENDS IN INDUSTRIAL LANDS

## 2.1 INDUSTRIAL LAND AND EMPLOYMENT IN SYDNEY

*In considering the future of a particular industrial precinct in Sydney, it is critical to understand the broad underlying economic forces shaping business activity and employment across the region.*

Manufacturing in Australia is facing significant pressures, including wages growth, fluctuations in the Australian dollar and international competition. As noted in the MELS, for manufacturing to remain relevant in Australia it must be able to move up the value chain. Skills-based engineering and manufacturing have emerged as a model for high-value manufacturing/businesses, with the co-location of advanced engineering, product development and innovation businesses such as has occurred at North Ryde/Macquarie Park around Macquarie University. In Melbourne, this relationship between university-led research and businesses in the knowledge-based engineering, manufacturing and product development has been further strengthened through formal partnerships such as the Monash Science Technology Research and Innovation Precinct.

Traditional manufacturing activities will continue in Australia where they can take advantage of proximity to local markets (for both labour and customers), have in-built competitive advantages from existing capital improvements or connections to local supply chains, and can leverage off local infrastructure. These advantages can allow local manufacturers to better withstand competition from low-cost manufacturing countries, however, they favour the transition of employment to cheaper, unconstrained land within metropolitan areas.



### 2.1.1 Employment change in manufacturing

Employment in manufacturing is expected to decline in only four LGAs across Sydney to 2031 – City of Sydney, Botany, Marrickville and Leichhardt – representing the continued decline of manufacturing in inner-ring Council areas (NSW Bureau of Transport Statistics 2014). In the middle-ring LGAs, from Kogarah to Auburn, employment growth in manufacturing is expected to remain stagnant, whilst significant growth is expected in the modern industrial estates emerging in Sydney’ west. These modern precincts take advantage of cheaper, less constrained land, good access to labour markets and good transport infrastructure.

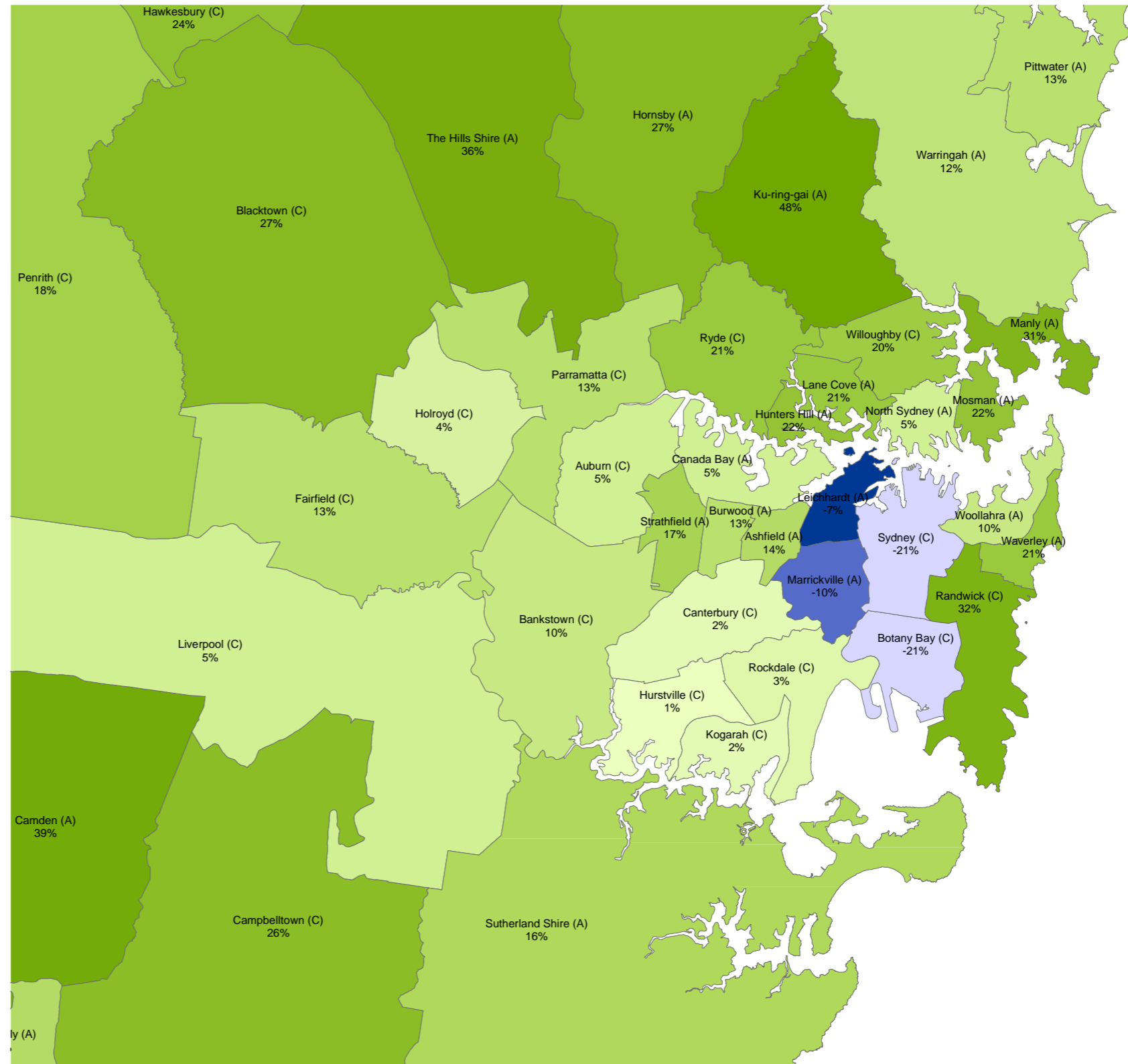


Figure 6: % Change in jobs - Manufacturing employment to 2031

Data Source: Bureau of Transport Statistics 2014

### 2.1.2 Employment change in transport and logistics

Transport and logistics businesses have been quick to locate around new road infrastructure, and this trend is expected to continue. Major logistics hubs located at the intersections of Sydney's arterial roads and motorways, particularly in the Western Sydney Employment Area at the M4/M7 interchange, have emerged based on good transport connectivity and the availability of land in master-planned business estates with large, serviced lots. These estates are purpose-built for modern manufacturing and logistics operations, and are not constrained by sensitive land uses such as residential, allowing 24-hour operations and safe movement of heavy vehicles. Major industrial precincts are certified by NSW Roads and Maritime Services to allow B-double trucks to service businesses, and new employment precincts are being designed to accommodate super-B-double and B-triple vehicles. Employment forecasts predict that much of the new employment in transport and logistics will occur in these modern industrial estates located around the Sydney Orbital and national highway network.

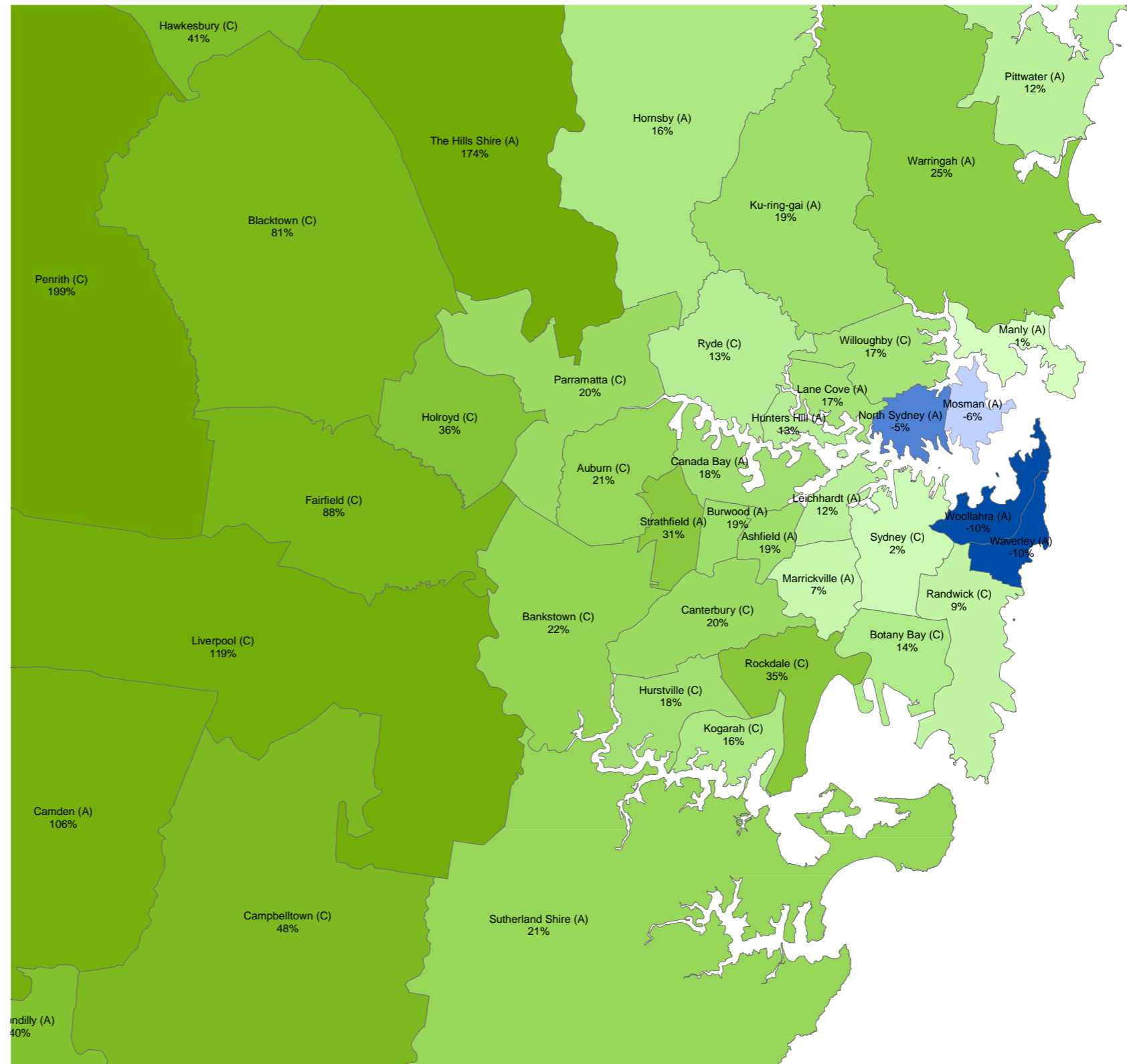


Figure 7: % Change in jobs - Transport and logistics employment to 2031  
Data Source: Bureau of Transport Statistics 2014

### 2.1.2 Total employment growth

Overall, employment in the Sydney metropolitan area is expected to grow rapidly, however, the most rapid employment growth will be experienced in Sydney's regional centres and employment precincts in Western Sydney. In contrast, growth in inner-city areas will be more modest, however, the rate of overall growth will be significantly higher than the rate of growth in employment (or in some instances decline) in manufacturing, transport/logistics and other traditional industries. Instead, employment growth in inner-ring LGAs will be driven by the increasing professionalisation of the workforce and the growth in service-sector employment.

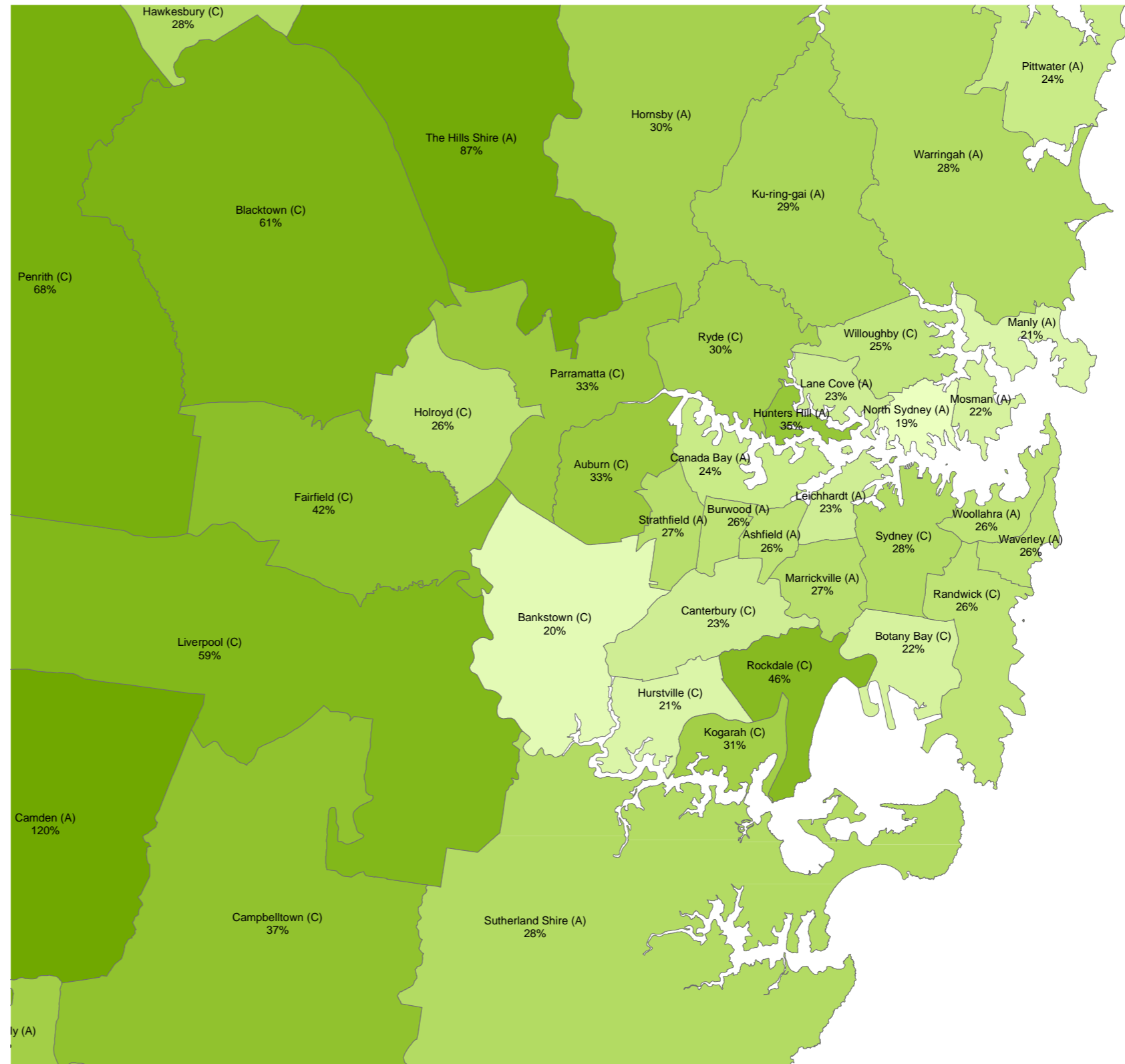


Figure 8: % Change in total employment to 2031  
Data Source: Bureau of Transport Statistics 2014

## 2.2 INNER CITY EMPLOYMENT TRENDS

Taking advantage of cheap land, proximity to blue-collar labour markets and maritime transport gateways around Sydney Harbour and Port Botany (in the days before motorways), industrial lands emerged in Sydney’s inner-suburbs due to the competitive advantages provided by these factors.

*Today, many of the factors that determine where a business chooses to locate are still as relevant as they were in the 19th century. Sydney has changed dramatically, however, and these factors no longer direct industrial businesses to the inner-city.*

A number of forces have dramatically altered the nature of inner-city industrial employment, including:

- cessation of ‘working harbour’ activities in Port Jackson, including around Ultimo/Pyrmont and Darling Harbour;
- development of the Sydney Orbital motorway network and the increased role of road freight, facilitating the release of cheaper and less-constrained industrial lands in Sydney’s west and south-west;
- increased road congestion in Sydney’s inner suburbs and the exclusion of larger vehicle types from local roads;
- rise of professional and office-based employment in the Sydney CBD;
- changes in skills mix of the inner-city residential workforce, with a greater alignment to office-based employment types; and
- population growth and demand for housing in inner-city and inner-ring suburbs.

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

These factors have given western Sydney an edge in attracting traditional industrial businesses, and this is likely to continue into the future as Sydney continues to grow and change.

The effect of this shift of industrial businesses to Western Sydney will be the continued decline of traditional industrial business and employment in inner-city LGAs. This will be more than offset, however, by significant growth in employment for these purposes in western Sydney.

**Manufacturing, Transport and Logistics Employment 2011 to 2031**

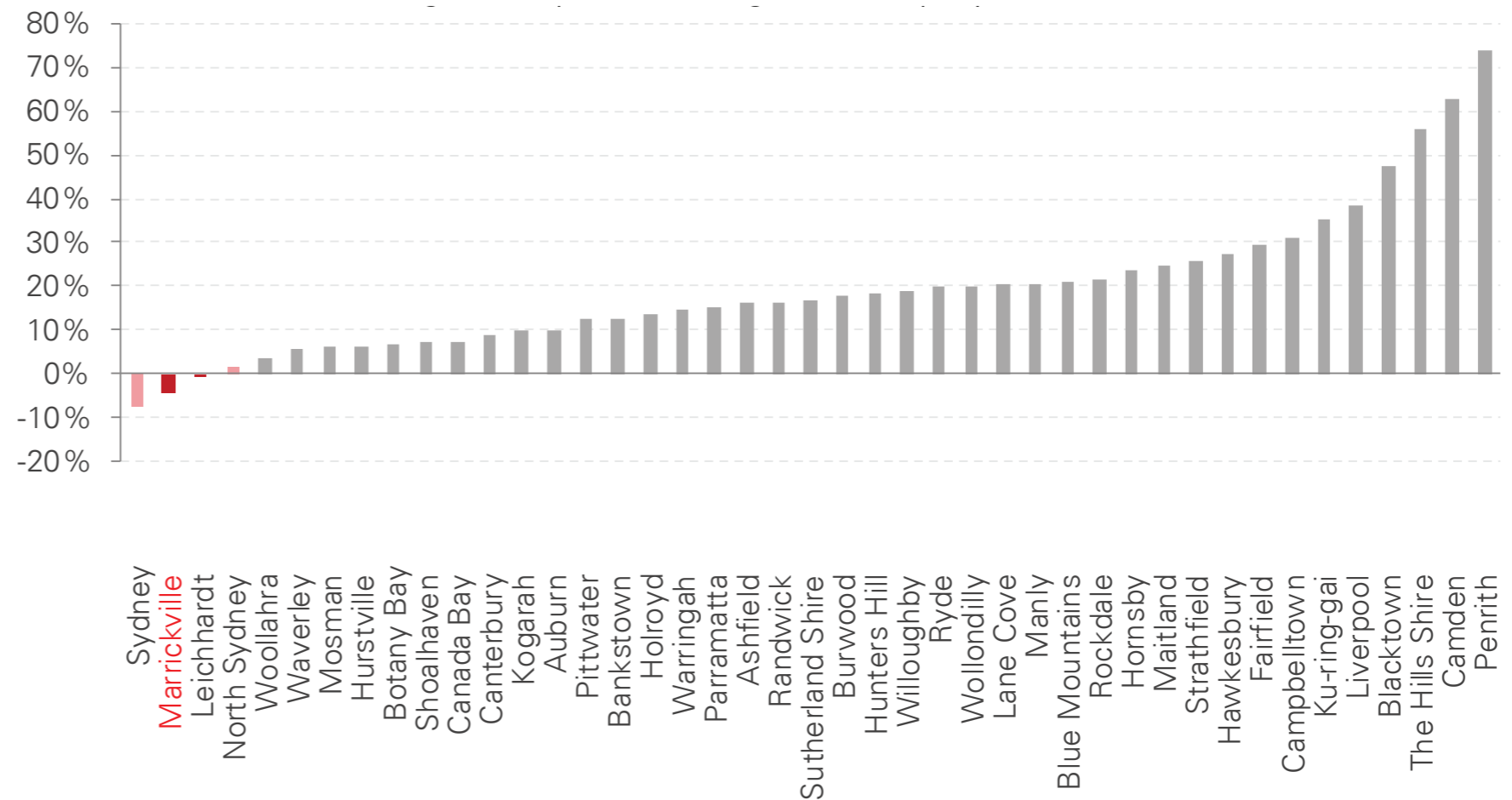


Figure 9: Projected change in manufacturing, transport & logistics employment: 2011 to 2031  
Data Source: NSW Bureau of Transport Statistics 2014

Offsetting job losses in traditional industries, the fastest growth in employment in inner-ring LGAs will be in service-sector jobs including retail, education, health and social support services. This reflects both the growing demand for services in these areas from inner-ring residential populations, and the increased number of skilled workers living in these sectors living in inner-city LGAs.

As a result of these changes, many historic inner-city industrial lands have re-purposed in an attempt to remain relevant as employment precincts by instead providing business and local support services. This has seen the conversion of industrial precincts to a range of office premises, scientific/engineering laboratories, media spaces, storage facilities, warehouses and showrooms. These uses often have synergies with surrounding land uses, such as hospitals or universities, or draw on the inherent characteristics of these areas, such as proximity to other employment centres, recreational or entertainment facilities and natural characteristics, and reflect the growing demand for local services. These new uses are generally quieter and less intensive than the industrial uses they replace, with lower environmental impacts in terms of noise and traffic generation. Where accommodated in new premises, these uses offer opportunities to improve streetscape and urban design, and are more compatible with mixed use development and sensitive land use interfaces. The employment offered is also better-aligned with the skills and employment needs of local residential workforces, and tends to be in higher value-add sectors than traditional industrial uses.

LEGEND

- Health Care & Social Assistance
- Education & Training
- Retail Trade
- Construction
- Information Media & Telecommunications
- Wholesale Trade

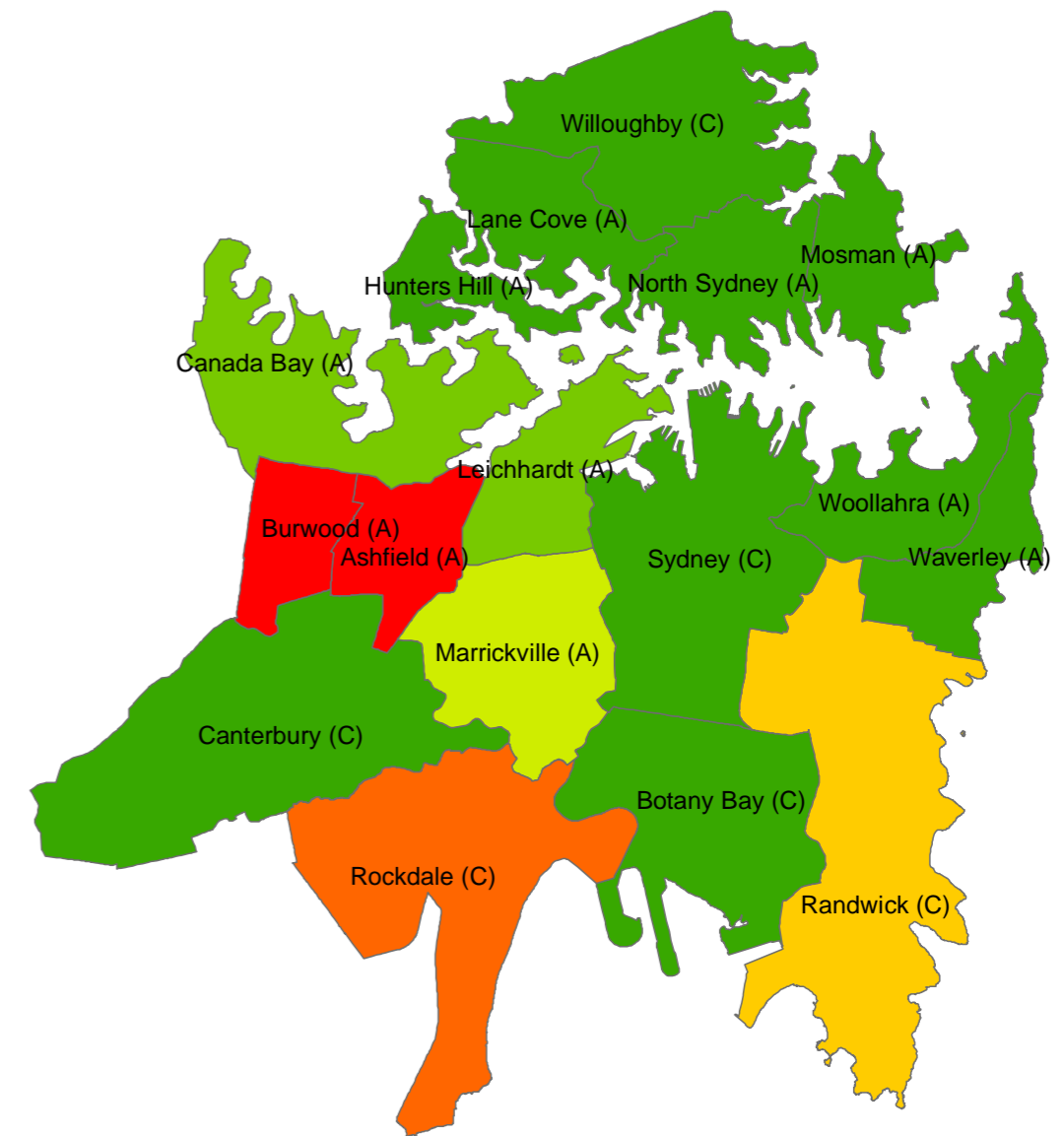


Figure 10: Fastest growing industries to 2031 in Inner-ring Councils  
Data Source: Bureau of Transport Statistics 2014

## 2.3 MARRICKVILLE LGA

### 2.3.1 Brief History of Marrickville's Industrial History

Manufacturing and industrial activities began to emerge in the Marrickville LGA in the late 19th century when the area was effectively an edge-of-city location. Precincts of industrial activity principally focused around new heavy rail and tram lines, particularly in the lower-lying, cheaper land in the Sydenham-Marrickville area. The emergence of industry in these locations was consistent with the patterns driving the development of other inner-city industrial precincts throughout Sydney. As a working-class area, industrial businesses had good access to local labour markets that were appropriately skilled to match their needs. The areas developed for industrial uses generally focused on land that had good proximity to rail and road services, and which was generally cheaper due to constraints that precluded residential uses (e.g. flooding).

Up until WWII, residential and industrial uses had been interspersed throughout Marrickville's industrial areas, however, following WWII significant industrial growth resulted in the governing authorities adopting a stricter planning approach in an attempt to separate residential and industrial uses. This growth period saw the area to the north of Sydenham Station evolve into the LGA's core industrial precinct, with many of the existing residential dwellings that had existed in the area up until that point being redeveloped as factories and warehouses. Since this post-war industrial boom, there has been little expansion of the footprint of industrial lands in the area, with some fringe areas being converted back to residential or business uses.

Industrial land in the Marrickville LGA is today defined by the large, consolidated precinct around Sydenham-Marrickville and a number of much smaller local precincts dispersed throughout the LGA. In total, there is currently 139.9 hectares of land zoned either IN1 General Industrial or IN2 Light Industrial in the Marrickville LGA (NSW Department of Planning & Environment 2014). This has declined by over 25 hectares since 2010 (NSW Department of Planning & Environment 2010 & 2014).

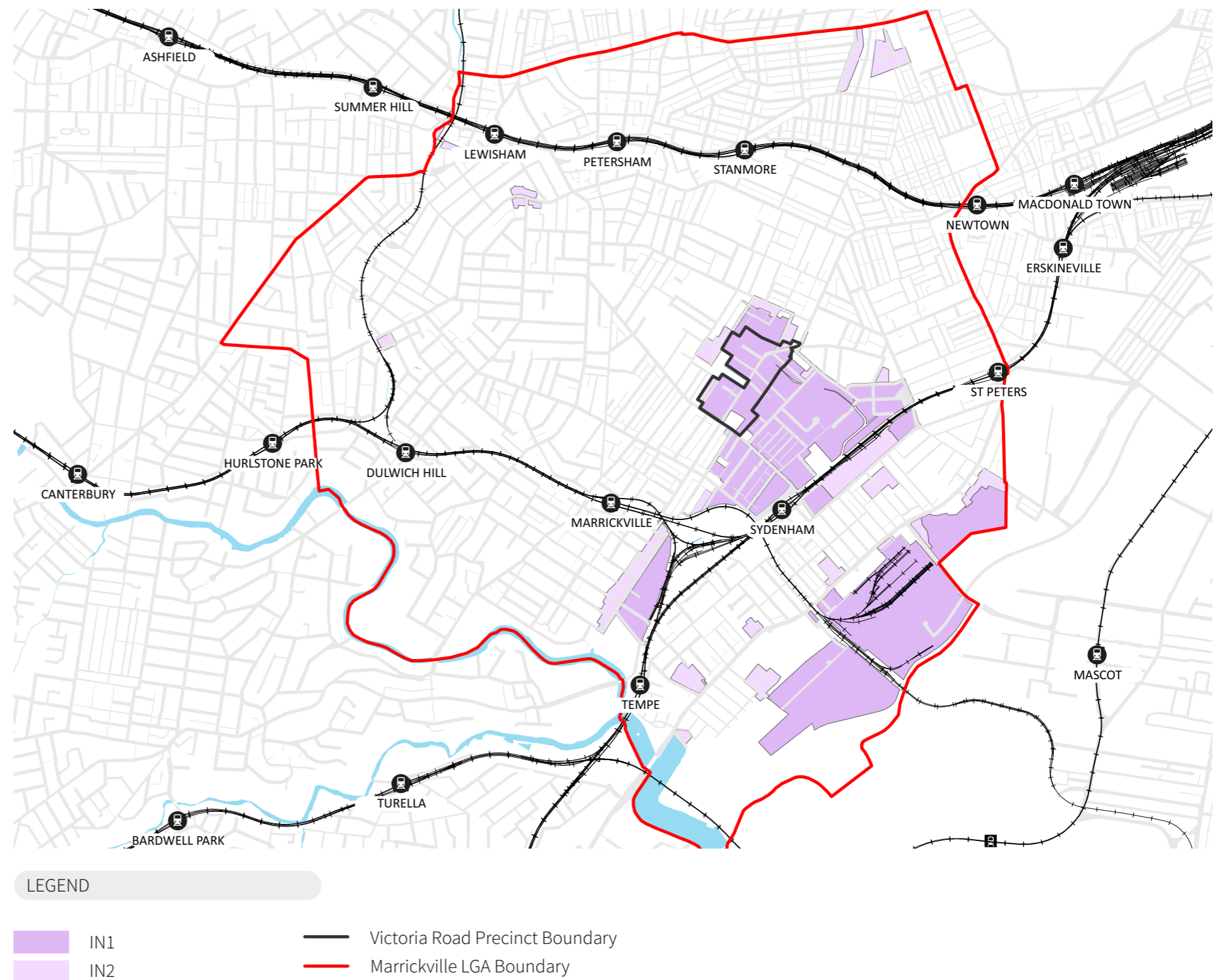


Figure 11: Industrial zoned land in Marrickville LGA  
Source: JBA

### 2.3.2 Trends in Industrial Employment in Marrickville

#### Overall Employment

The 2011 Census recorded that 3,479 persons were employed in the Marrickville LGA in manufacturing business, representing just 15% of total employment in the LGA at this time (Australian Bureau of Statistics 2014). The number of persons employed in manufacturing has therefore fallen by more than 40% since 2001, and by more than half since the 1996 Census (*Figure 12*). This decline in manufacturing employment was substantially faster than the general manufacturing decline experienced across NSW, where total employment in this sector fell by only 17% from 2001 to 2011.

In the other traditional industrial sectors, wholesale trade employment fell by 18% in Marrickville between 2001 and 2011, while employment in transport & logistics increased by 65% off a small base. Including manufacturing, a total of 2,213 jobs were lost in these traditional industrial uses over this ten year period. This forms part of a steady decline in industrial employment in Marrickville over the past two decades.

*The number of persons employed in manufacturing in Marrickville has fallen by 40% since 2001*

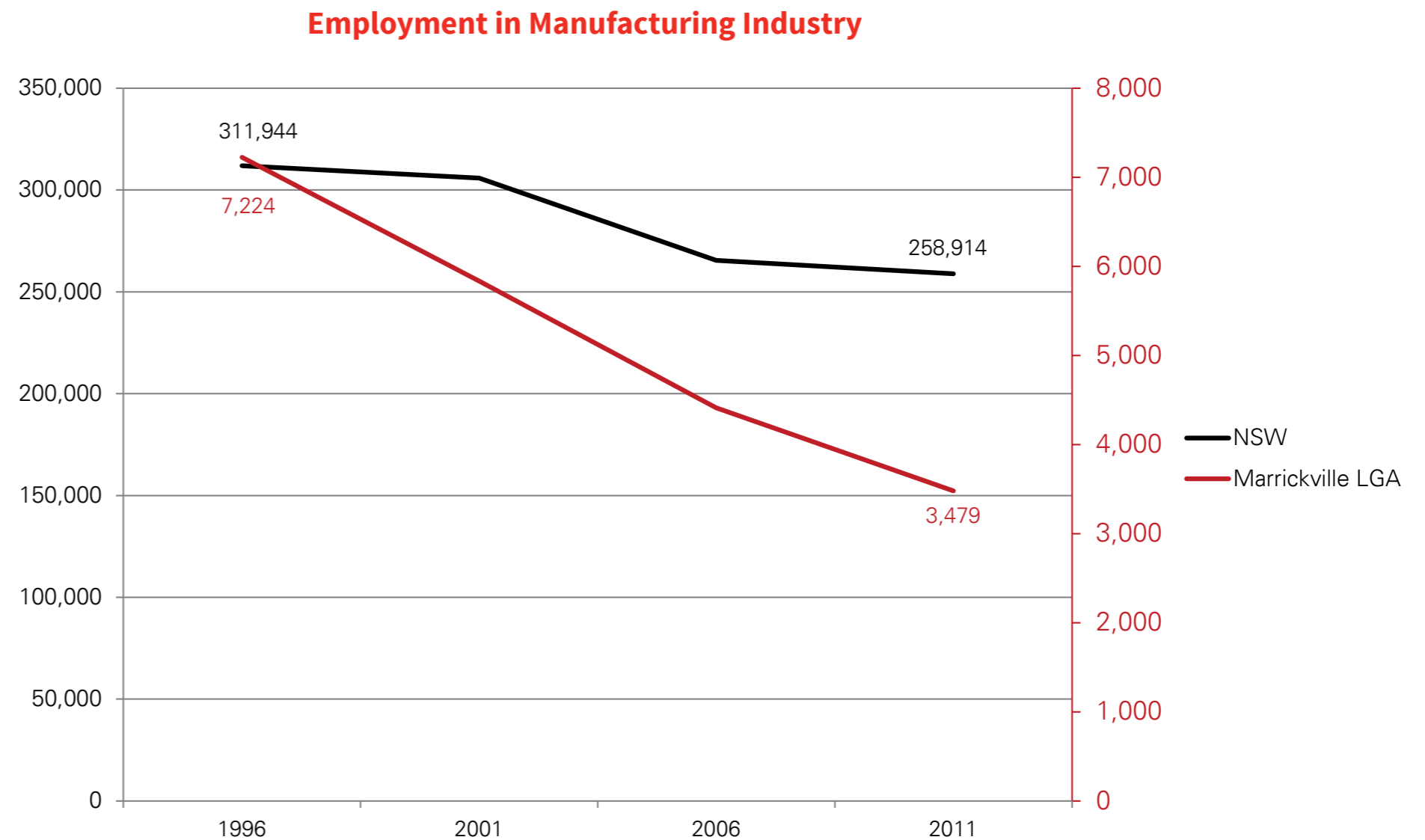


Figure 12: Manufacturing employment in Marrickville LGA and NSW, 1996 to 2011  
Data Source: Australian Bureau of Statistics 1996-2011

### Employment Density

The MELS found that the transport, postal and warehousing industry accounts for nearly 40% of total land usage within Marrickville's industrial lands. ABS data notes that 1,453 persons were employed in this industry throughout the Marrickville LGA in 2011, and that many of these people are employed in business zoned land (e.g. post offices) rather than IN-zoned lands.

By comparison, despite representing less than half of the floorspace occupied by transport, postal and warehousing sector, manufacturing employed 3,479 people in 2011 – more than double the number of persons employed in transport, postal and warehousing.

This contrast lies at the heart of the employment decline in Marrickville's industrial lands. As manufacturing businesses relocate from the LGA, or cease operations entirely, lower-intensity employment uses have taken up the surplus floorspace.

### Vacancy Rates

The MELS estimates there is currently a vacancy rate of 4.8% for industrial land throughout Marrickville. However, this vacancy rate does not tell the full story, and hides the fact that a significant proportion of occupied floorspace is being utilised by non-industrial land uses.

As the demand for traditional industrial uses has declined and existing businesses have relocated elsewhere, substantial quantities of floorspace have become available for less employment-intensive land uses or for uses that are non-industrial. Weak demand from industrial tenants can be seen throughout Marrickville's industrial precincts, with a range of alternative uses becoming more prominent in the area including wholesale and bulky goods retail, residential and business storage facilities, cafes, creative industries and artist studios. According to the MELS, the second-highest consumer of floorspace in the precinct is administrative and support services, which is not a traditional industrial use and include business such as recruitment services, cleaning services and office administrative services.

Industry (ANZSIC)	% of Total Floorspace
Transport, Postal and Warehousing	39.1%
Administrative and Support Services	19.3%
Manufacturing	15.9%
Inadequately described and Not Stated	6.5%
Other Services	4.9%
Arts and Recreation Services	3.1%
Wholesale Trade	2.5%
Professional, Scientific and Technical Services	2.0%
Construction	1.5%
Public Administration and Safety	1.4%
Retail Trade	1.1%

*Table 1: Industry Floorspace %  
Source: SGS Planning & Economics*

### 2.3.3 Changing Workforce Demographics

As the characteristics of persons employed in Marrickville has been changing, so has the characteristics of the local residential workforce. Back in 1971, half of all Marrickville's working residents were employed in the manufacturing, transport or construction industry. In 2011, only one in every seven employed residents were involved in these industries (ABS 2011). Conversely, in 1971 only 5% of Marrickville residents described themselves as professionals (ABS 1971) with this figure increasing more than seven-fold to 36% in 2011. Despite this dramatic shift in the local workforce the physical characteristics of local employment lands has changed very little since 1971.

The 'Employment Lands Study' prepared looks only at the employment role of industrial-zoned lands, yet today the significant majority of people work in Marrickville's business and mixed-use zones in professional and service-sector jobs.

While businesses in Marrickville's industrial areas historically relied on the skills of the local workforce living in the immediate surrounding area, these days 75% of the people working in the Marrickville LGA travel into the area from other LGAs (BTS 2014). At the same time, 85%

of Marrickville residents are forced to travel outside of the LGA for work, highlighting a major disconnect between the type of employment sought by Marrickville residents and the type of employment being provided in the area. Given that NSW 2021 and a Plan for Growing Sydney both seek to reduce commuting times and provide more jobs closer to home, opportunities to re-align the community employment needs with local employment opportunities should be seriously considered.

The NSW Bureau of Transport Statistics predicts that in the future, Marrickville residents will be working increasingly in the tertiary economy. Employment in the health care, education and professional services industries is expected to comprise the majority of growth in local employment, whilst manufacturing will fall from 15% of total employment to 10%. These projections are based on historical patterns of change and the blunt impact of macro-economic forces. Without strategic intervention, these high-level forces will result in a significant disconnect between the skills of the local workforce (as discussed below) and the type of jobs provided in the local area.



### Projected Employment Change in Marrickville to 2031



In 1971 **5%** of workers were employed in professional occupations, compared to **36%** in 2011



In 1971 **51%** were employed in manufacturing, construction and transport, compared to **16%** in 2011

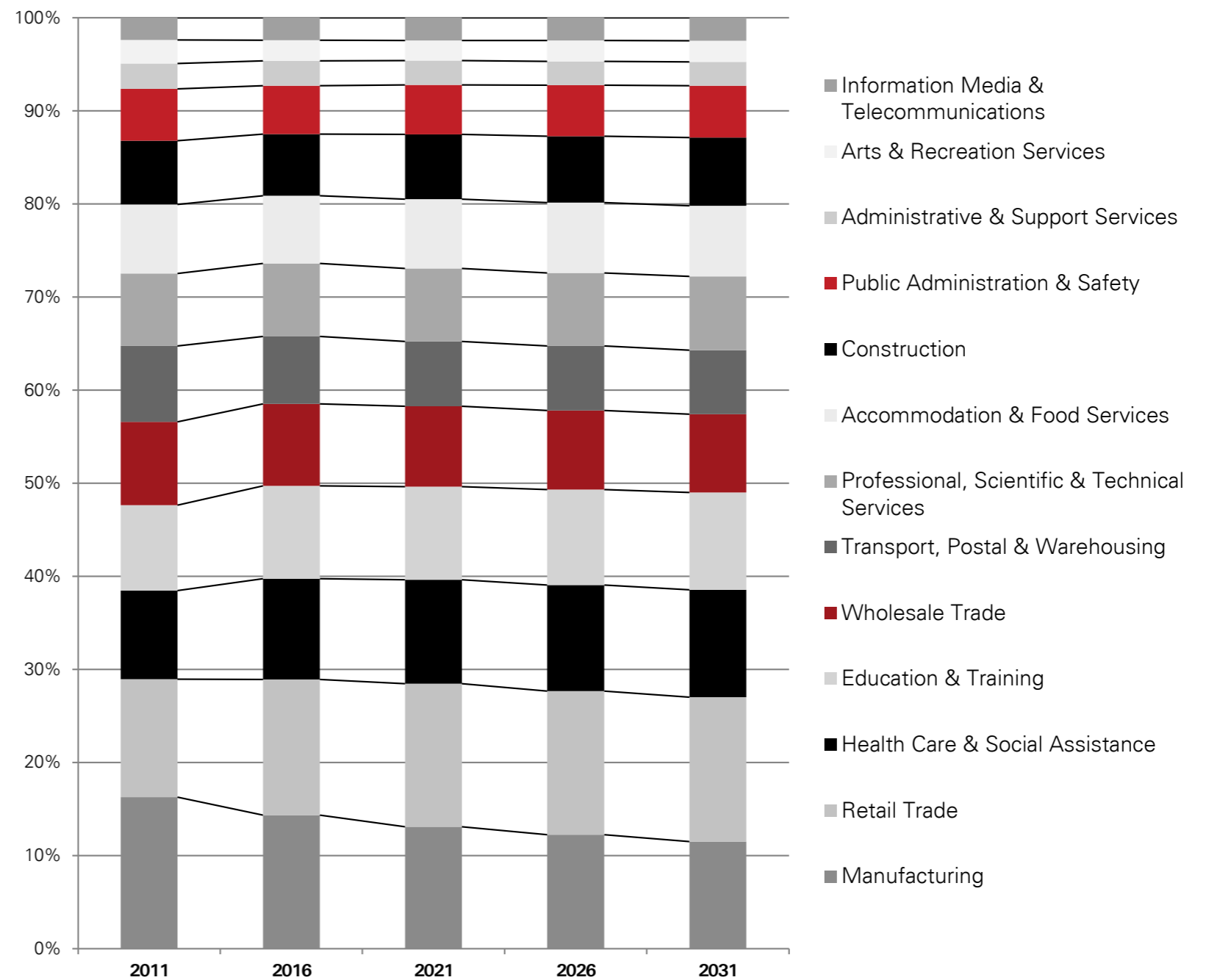


Figure 13: Projected changes in employment within the Marrickville LGA  
Source: BTS

## 2.4 SYDENHAM-MARRICKVILLE INDUSTRIAL PRECINCT AND VICTORIA ROAD

### 2.4.1 History

As with the broader Marrickville LGA, the Sydenham-Marrickville Industrial Precinct developed over the course of the late-19th and early 20th centuries. Following WWII, rapid industrial growth and stricter land use planning saw most of the existing residential dwellings, which in the 1940s accounted for about one-quarter of all land in the Sydenham-Marrickville industrial precinct, being redeveloped for industrial purposes (Marrickville Council 2014).

The extent of land zoned for industrial purposes in the Marrickville-Sydenham Industrial Precinct has changed little in over 60 years, as illustrated in the accompanying map extract from the 1951 County of Cumberland Planning Scheme. This zoning largely reflects the extent of industrial land that had already developed or was in the process of being developed at the beginning of the 1950s.



Figure 14: Extract from County of Cumberland Plan 1951  
Source: City of Sydney 2015

#### 2.4.2 Key Attributes

##### Size and Location

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

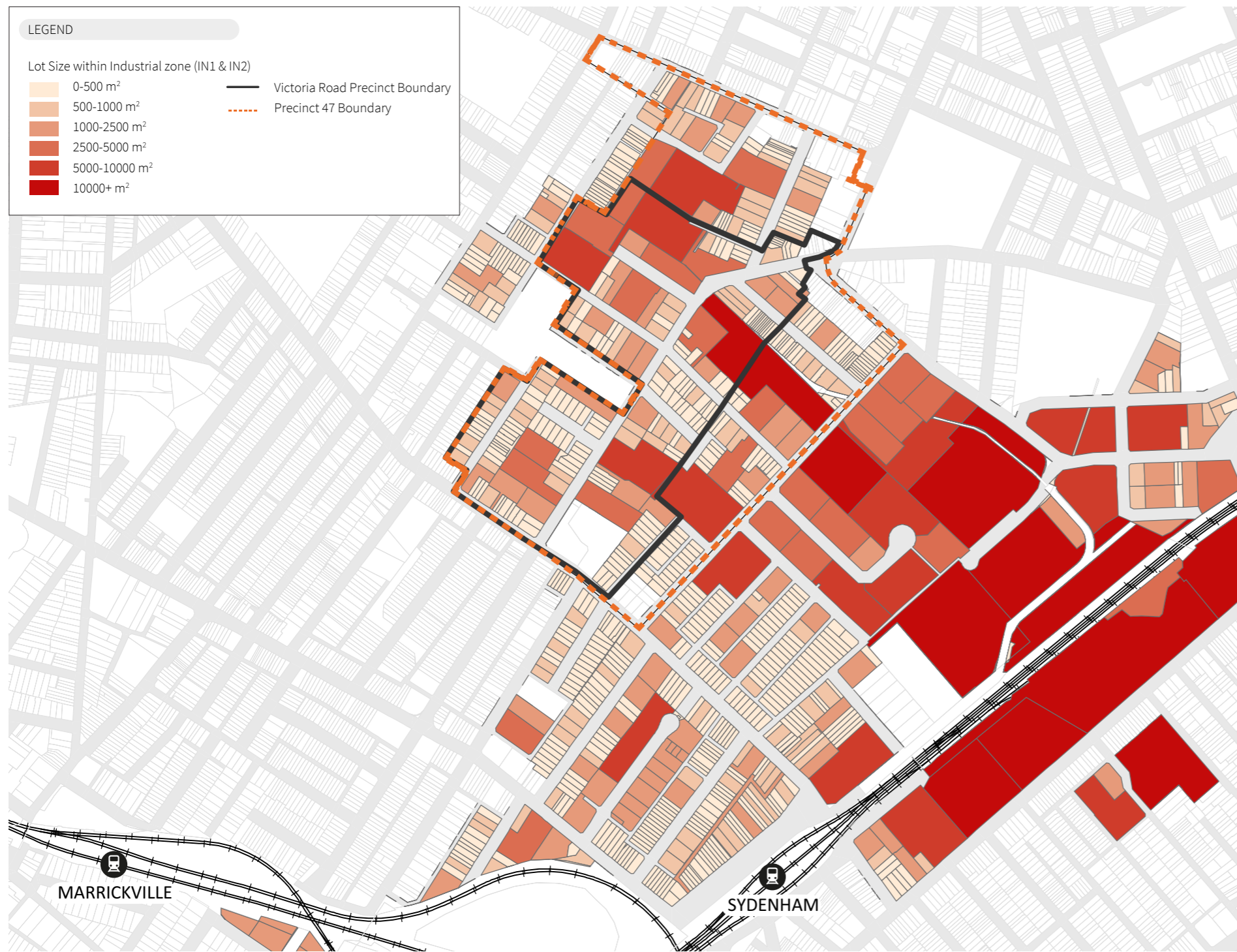
##### Transport

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

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



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



LEGEND

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

**Land Fragmentation and Fine-Grain Street Pattern**

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

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

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

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

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

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

**Land Use Interface**

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

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

**2.4.3 Employment Trends**

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

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

**Marrickville-Sydenham Industrial Precinct Change in Total Employment**

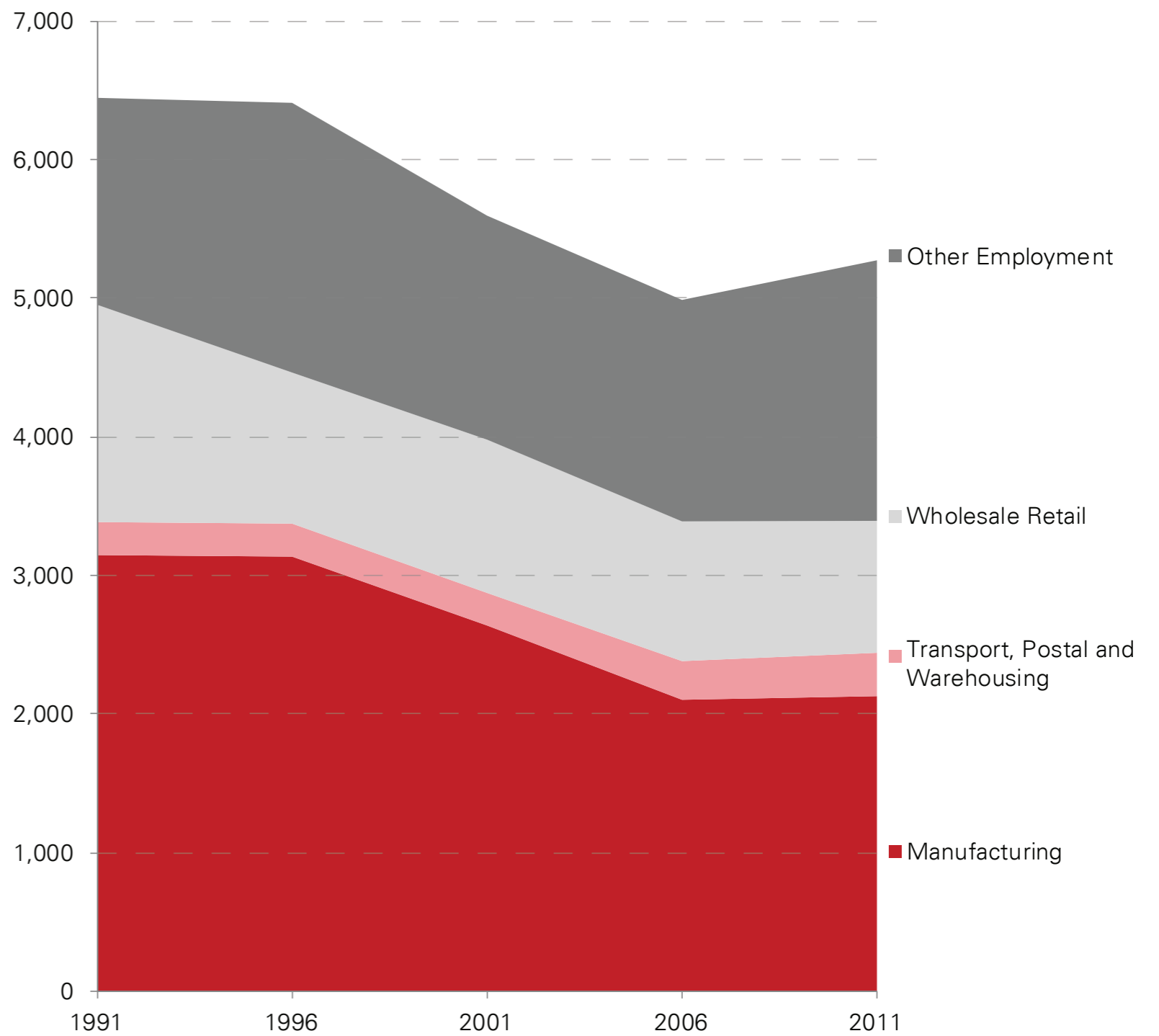


Figure 16: Change in employment within Sydenham-Marrickville Industrial Precinct  
Source: Bureau of Transport Statistics 1991-2011

## 2.5 VICTORIA ROAD PRECINCT

### 2.5.1 Context

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

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

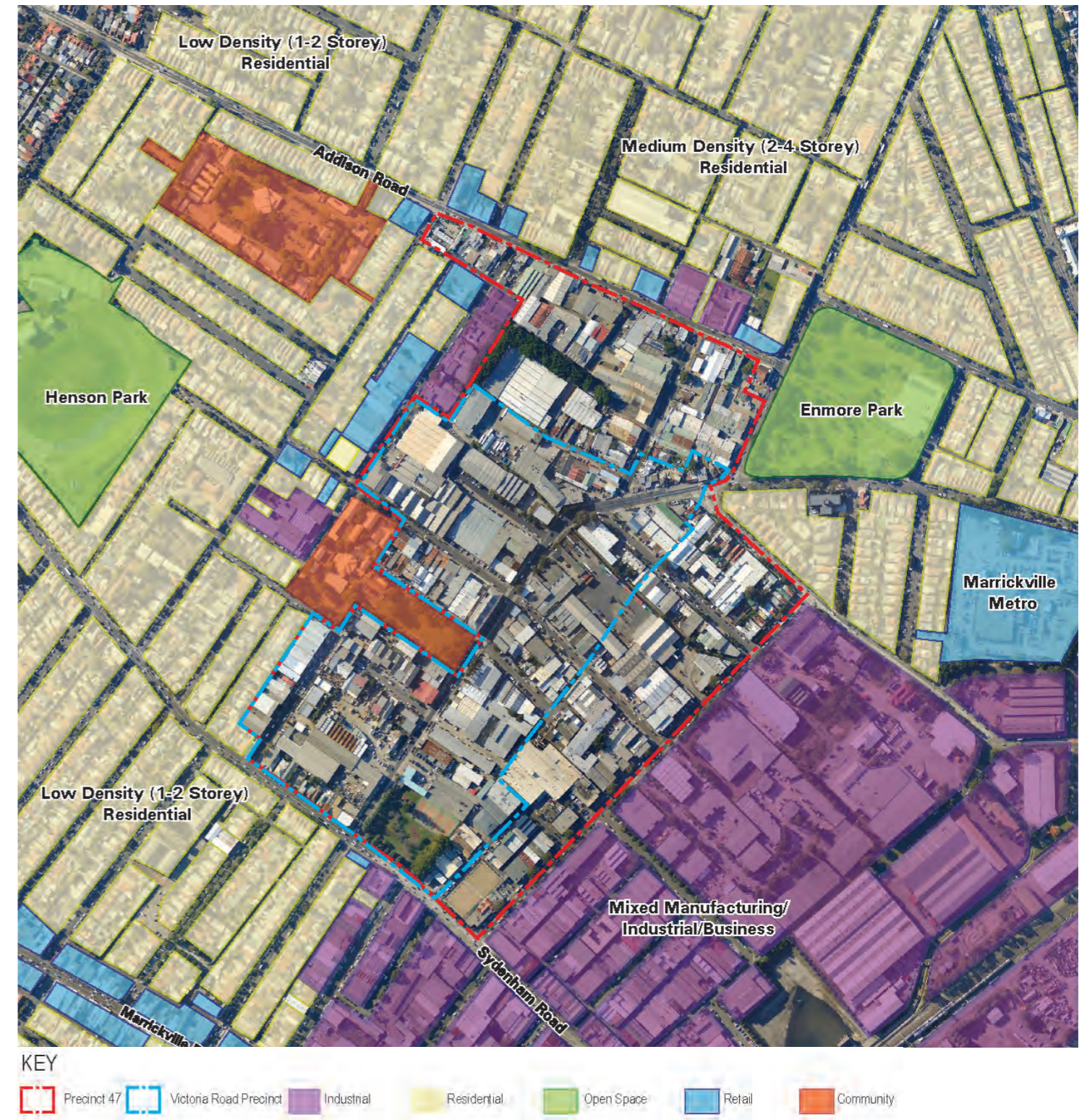


Figure 17: Local context of Victoria Road Precinct  
Source: JBA

### 2.5.2 Existing Business Activity

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

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

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

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

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

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

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

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

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

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

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

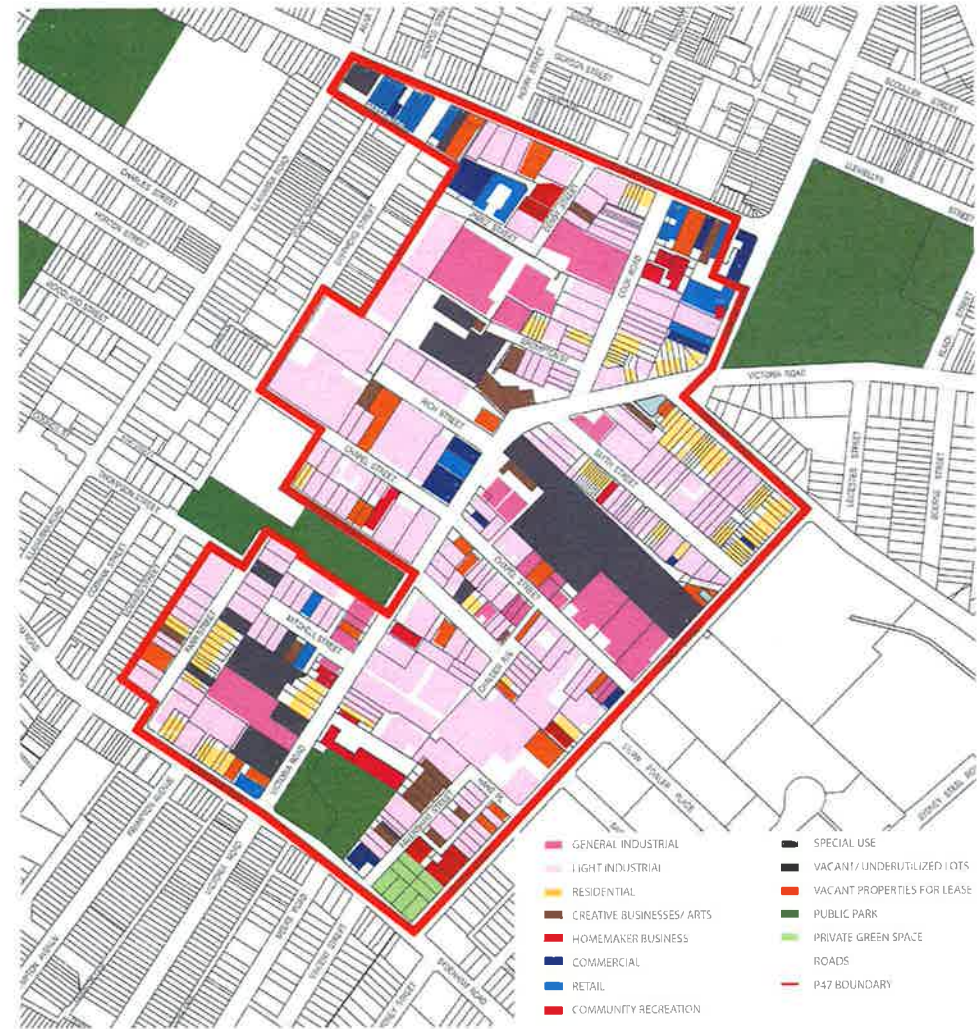
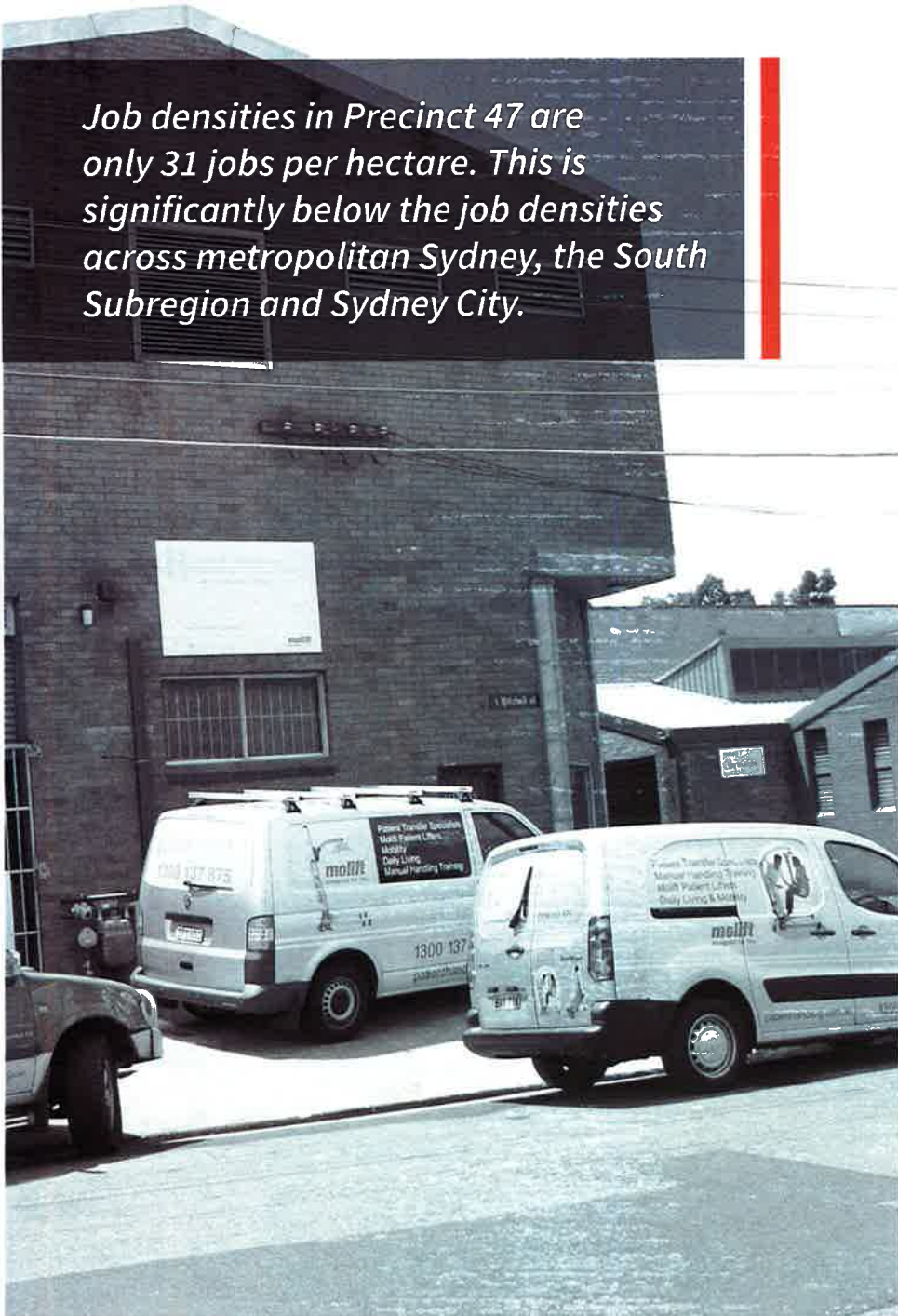


Figure 18: Business survey results  
Source: Victoria Road project team



### 2.5.3 Recent Business Trends

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

#### Moving Out

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

#### Moving Around

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

#### Moving In

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

#### On the market

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



Existing business trends



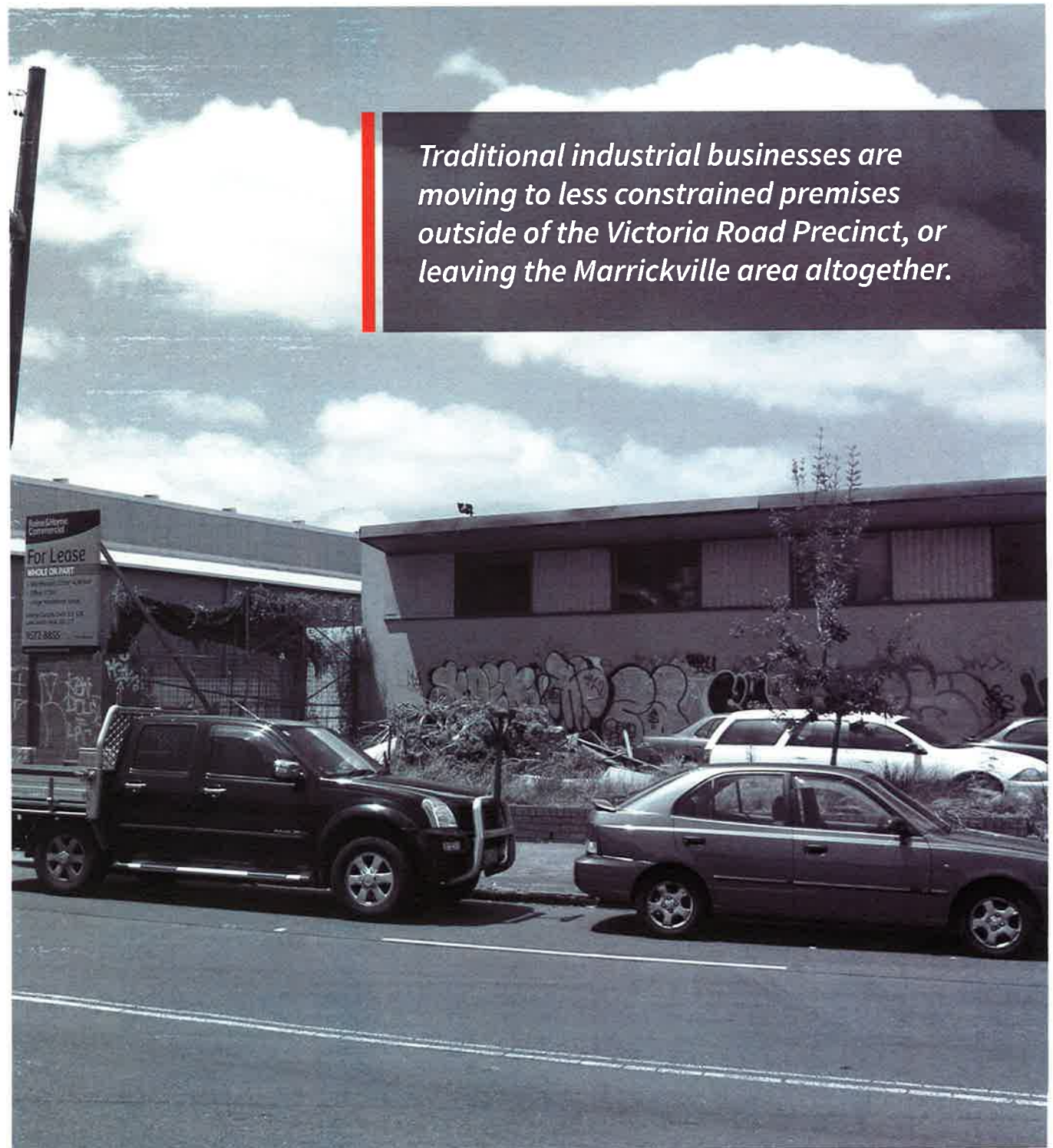
#### 2.5.4 Existing Business Situation

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

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

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

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



## 3.0 FUTURE SHAPERS

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

### 3.1 INFRASTRUCTURE

#### 3.1.1 Sydenham-Bankstown Rapid Transit

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



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

#### 3.1.2 WestConnex

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

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

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

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

#### 3.1.3 Freight Connectivity

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

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

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

### 3.1.4 New Airports and New Aircraft

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

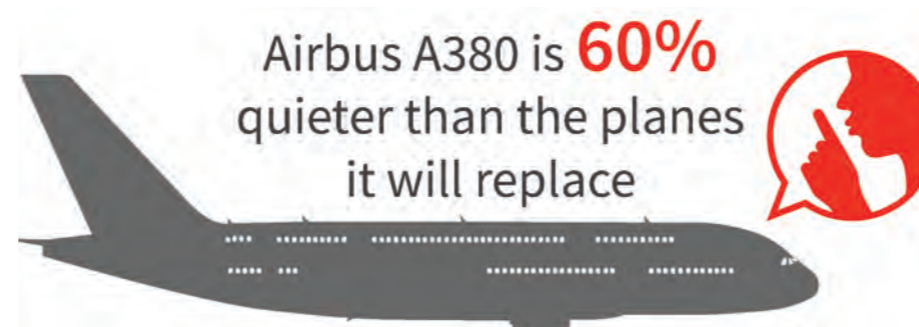
*SGS Economics and Planning, Strategic Review of WestConnex Proposal, February 2015*

#### Badgerys Creek Airport

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

#### Reduction in Aircraft Noise

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



### 3.2 DEMOGRAPHICS

#### 3.2.1 Population Growth

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

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



#### 3.2.2 Change in Local Workforce Skills and Employment Demand

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

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

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

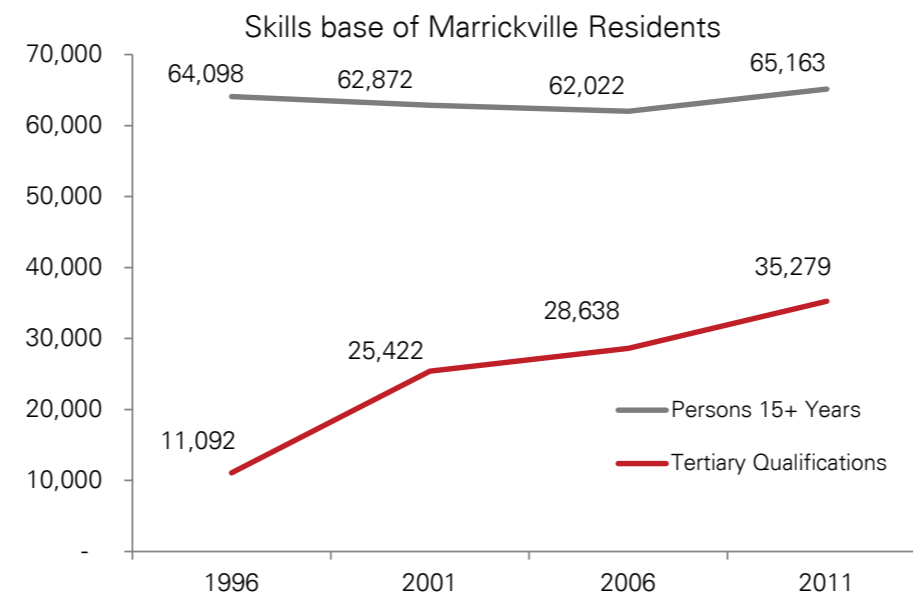


Figure 19: Shifts in local work force skills base  
Source: Hill PDA

### 3.3 CHANGING BUSINESS NEEDS

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

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

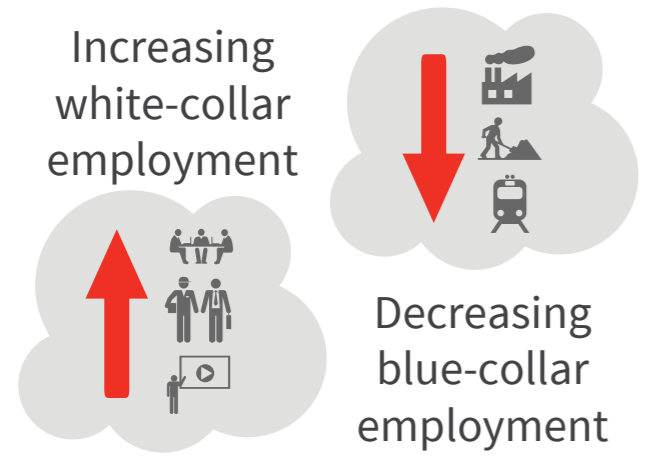
Manufacturing and industrial activities began to cluster in the Marrickville area when it was essentially an edge-of-city location. Taking advantage of cheap land, proximity to working-class labour markets and Port Botany (in the days before motorways), industrial lands emerged in Marrickville because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

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

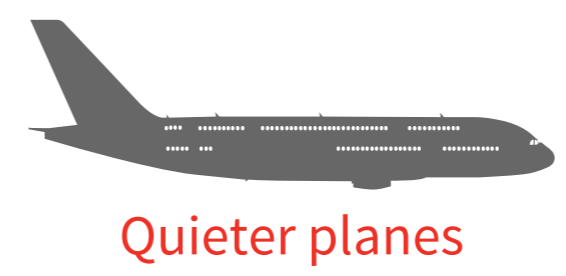
Many inner-city industrial lands have re-purposed in an attempt to remain relevant as employment precincts by providing business and local support services, however, the overall demand for these areas has declined significantly. This is most obvious in areas where retail services, creative uses and other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

# MARRICKVILLE IN

● 2031



# FUTURE SHAPERS



# 4.0 FUTURE TRAJECTORY

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

## 4.1 KEY FUTURE CHANGES

### 4.1.1 Impact of Competition from other Industrial Precincts

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

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

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

### 4.1.2 Land Use Conflict

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

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





#### 4.1.3 Impact of Competition within the Sydenham-Marrickville Industrial Precinct

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

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

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

#### 4.1.4 Impact of Land Owner Expectation for Land Use

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

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

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

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

#### 4.1.5 Impact of Community Expectations for Land Use

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

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

#### 4.1.6 Physical Environment

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

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

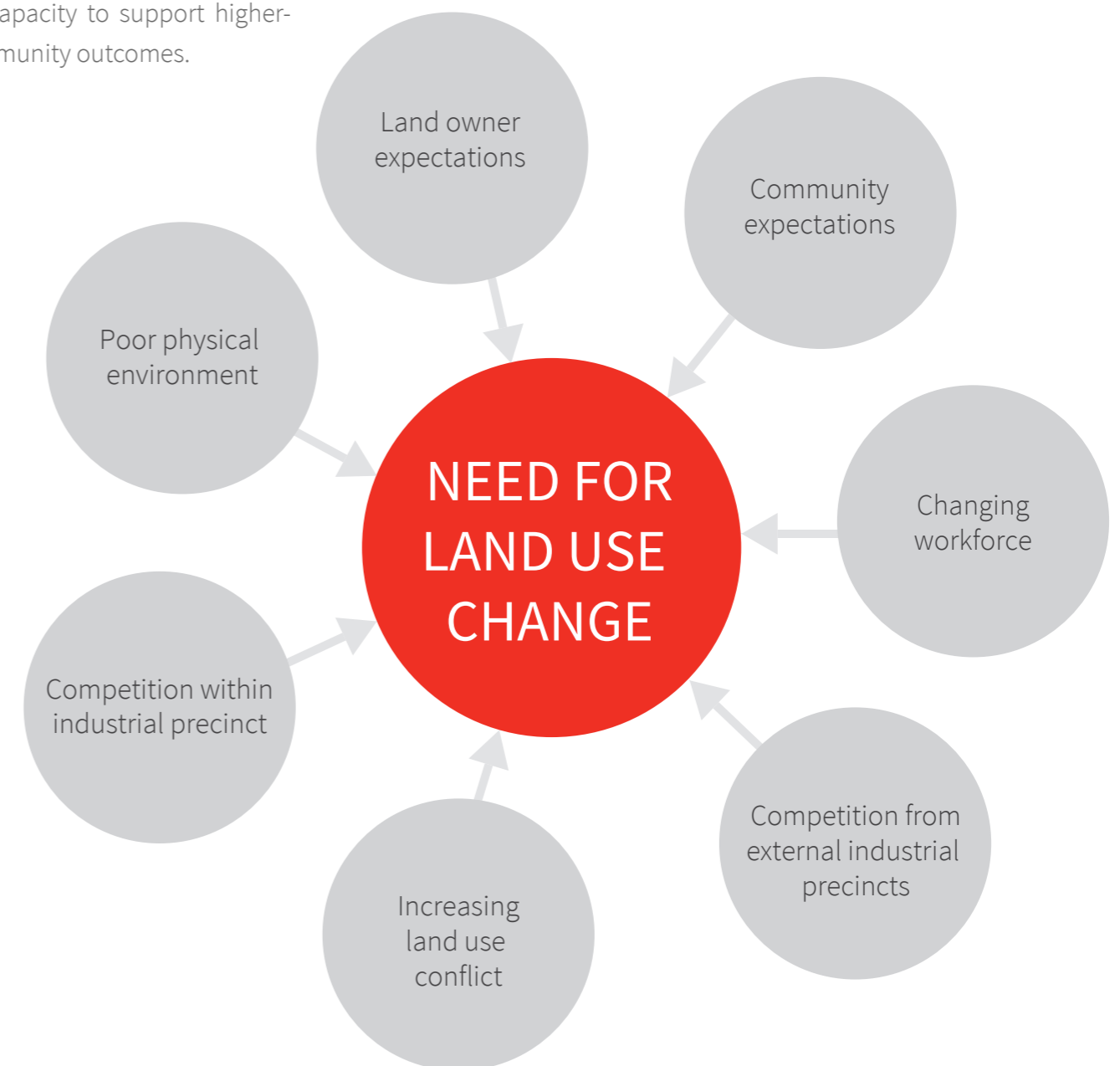
#### 4.1.7 Labour Force

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

#### 4.1.8 Lost Opportunities

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

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



## 4.2 ASSESSMENT OF MELS RECOMMENDATIONS

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

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

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

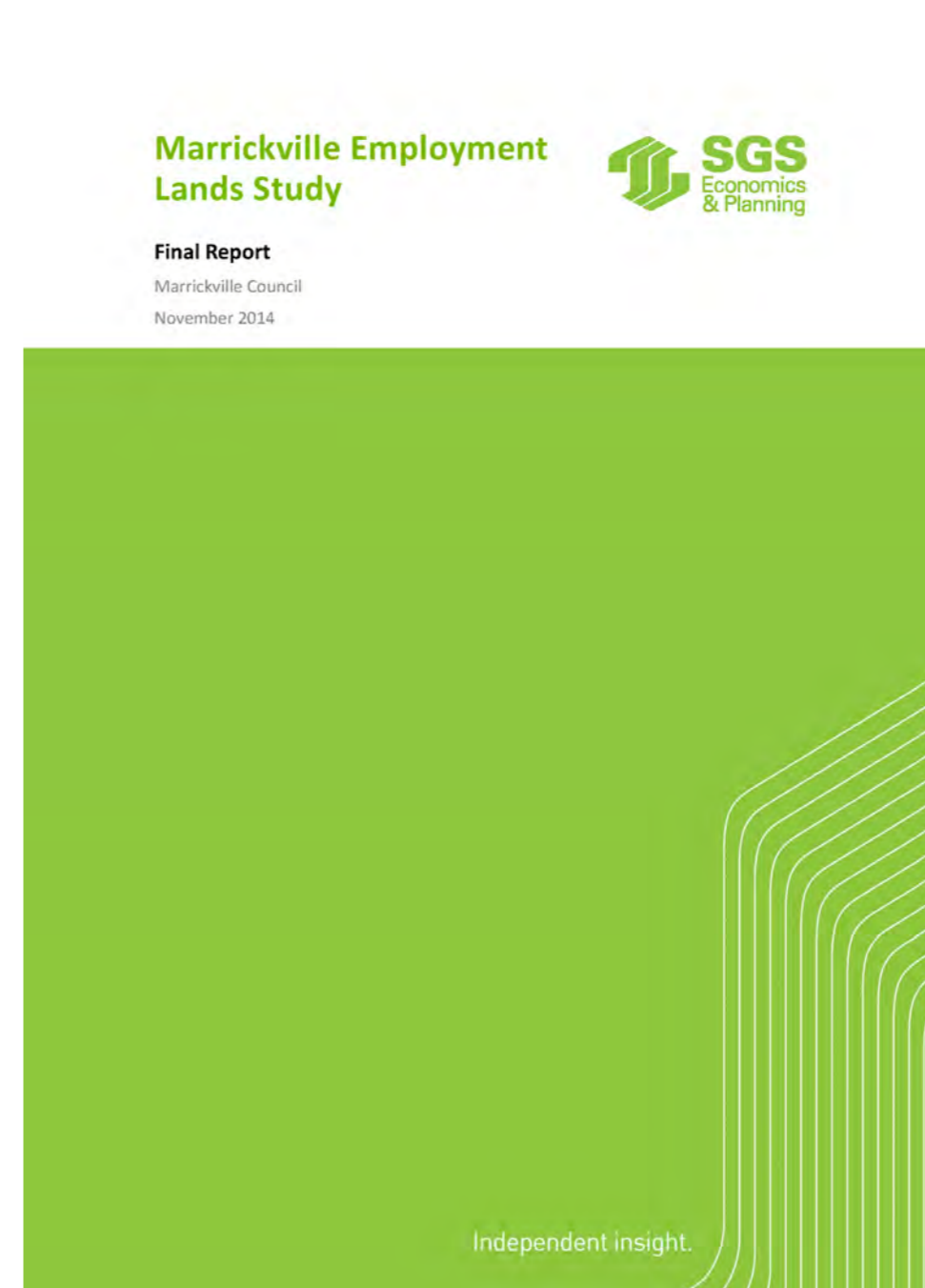


Figure 20: Draft 2014 Marrickville Employment Lands Study

#### 4.2.1 Scenario 1 - Business

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

#### 4.2.2 Scenario 2 - Mixed Business and Apartments

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

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

#### 4.2.3 Scenario 3 - Live/Work

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

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

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

#### 4.2.4 Retention of IN 1 General Industrial Zone

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

#### 4.2.5 Summary

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

### 4.3 EXPECTED BUSINESS OUTCOMES

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

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

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

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



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

# 5.0 EMPLOYMENT STRATEGY

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

## 5.1 OBJECTIVES OF EMPLOYMENT STRATEGY

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

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

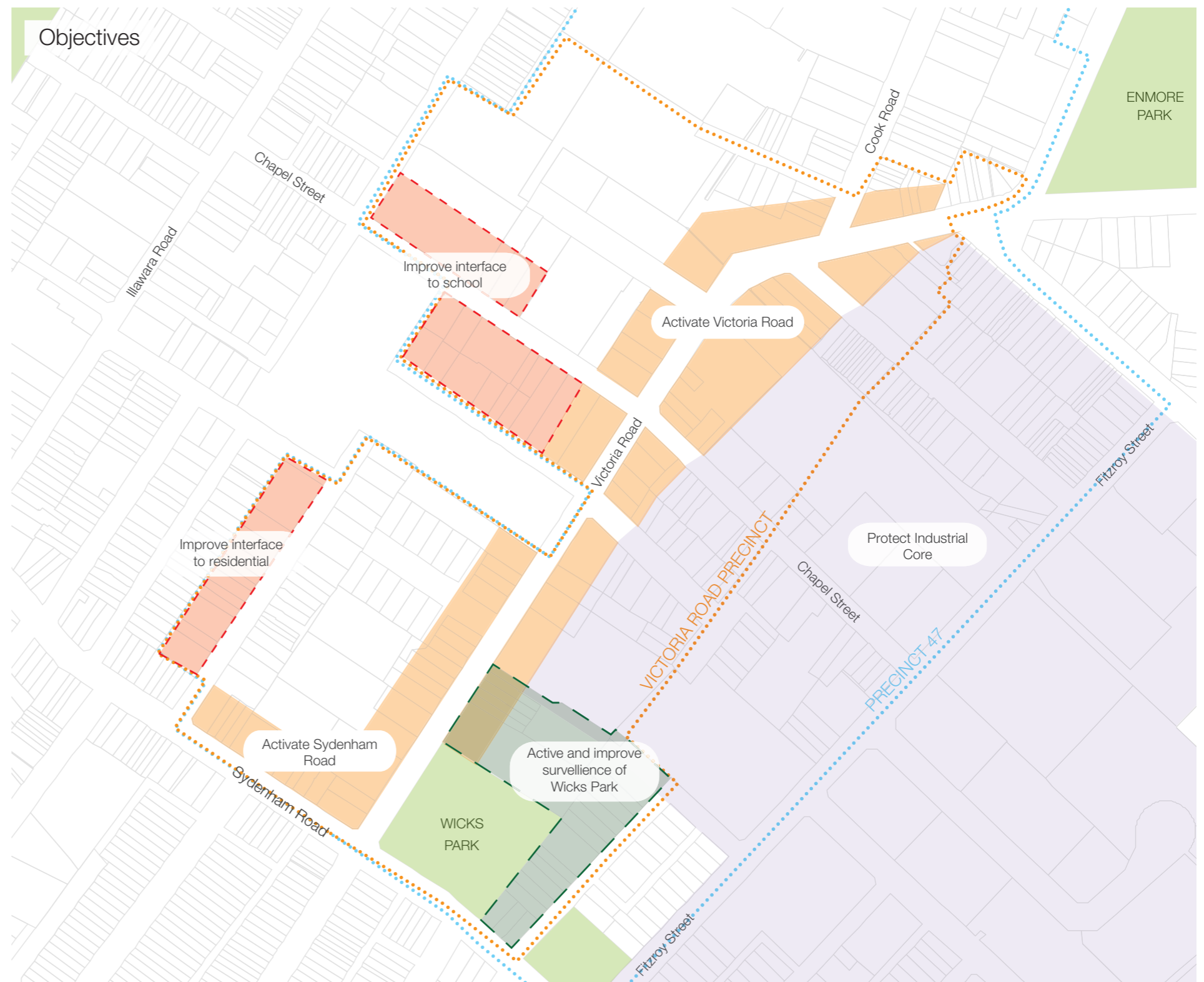
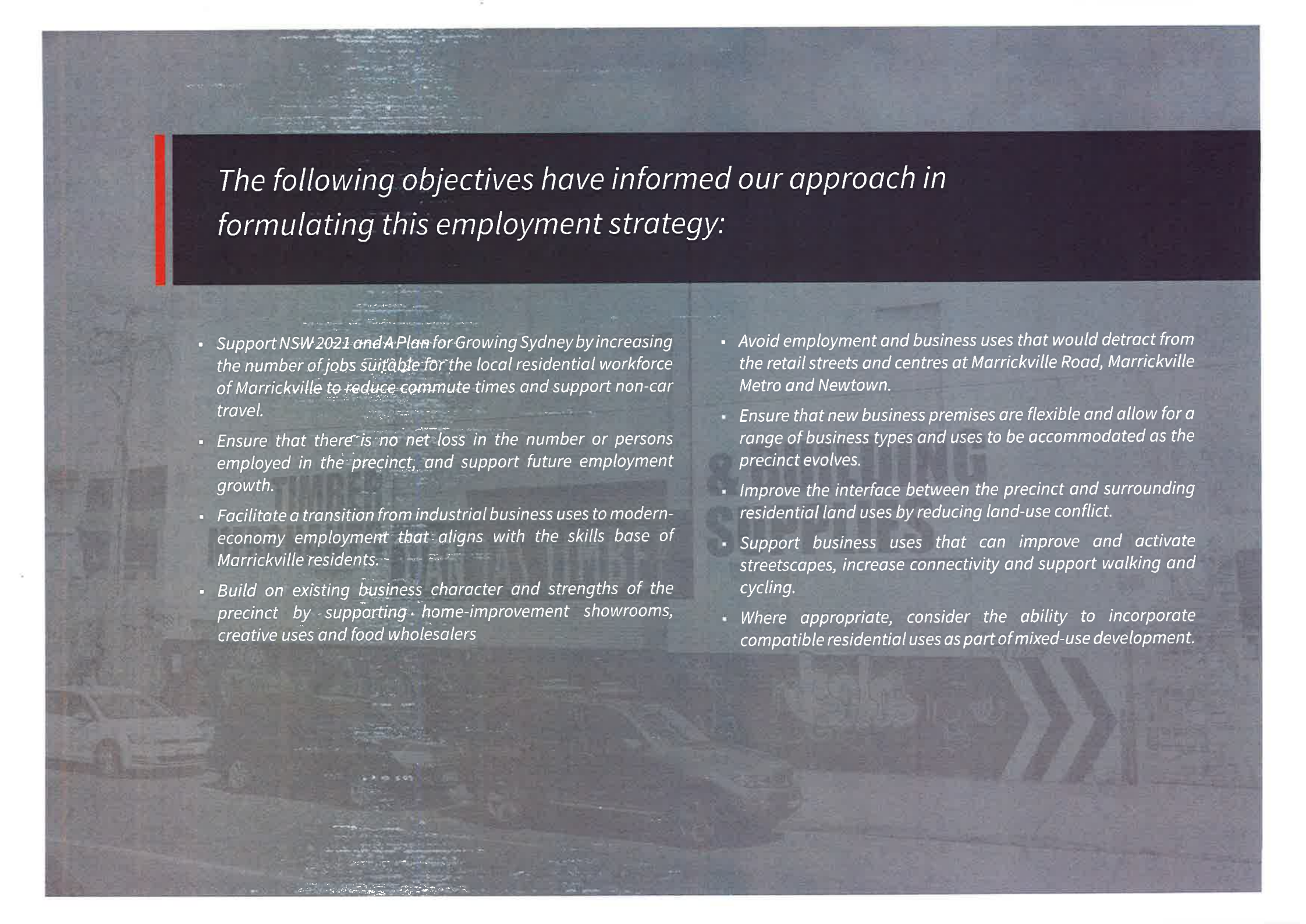


Figure 21: Objectives Map  
Source: JBA



*The following objectives have informed our approach in formulating this employment strategy:*

- *Support NSW 2021 and A Plan for Growing Sydney by increasing the number of jobs suitable for the local residential workforce of Marrickville to reduce commute times and support non-car travel.*
- *Ensure that there is no net loss in the number or persons employed in the precinct, and support future employment growth.*
- *Facilitate a transition from industrial business uses to modern-economy employment that aligns with the skills base of Marrickville residents.*
- *Build on existing business character and strengths of the precinct by supporting home-improvement showrooms, creative uses and food wholesalers*
- *Avoid employment and business uses that would detract from the retail streets and centres at Marrickville Road, Marrickville Metro and Newtown.*
- *Ensure that new business premises are flexible and allow for a range of business types and uses to be accommodated as the precinct evolves.*
- *Improve the interface between the precinct and surrounding residential land uses by reducing land-use conflict.*
- *Support business uses that can improve and activate streetscapes, increase connectivity and support walking and cycling.*
- *Where appropriate, consider the ability to incorporate compatible residential uses as part of mixed-use development.*

## 5.2 EMPLOYMENT STRATEGY

*JBA and the Victoria Road project team have identified a range of employment typologies that satisfy the overarching objectives of this employment strategy and support the evolution of the employment precinct in tandem with the needs of the local community.*

To achieve the objectives for the Victoria Road Precinct, we have identified a number of targeted employment types that:

- reflect the broader economic and strategic planning trends,
- draw upon the existing strengths and character of existing businesses operating successfully within the precinct; and
- can reasonably be expected to be viable in the context of market demand, business preferences and the broader economic competition framework.



Figure 22: Employment Strategy Map  
Source: JBA



### 5.2.1 Industrial Uses

#### Industrial Core

Industrial land around Fitzroy Street has been shown to be more suitable for continuing industrial activities, given the less-restrictive land use interface, easier vehicular access and underlying constraints from aircraft noise and potential flooding. The larger lot sizes in this area are conducive to continued industrial activities and support the more economically productive and employment-intensive land uses. Council could consider imposing minimum lot sizes throughout this core area to prevent land fragmentation and protect this industrial core.

#### Existing Industrial Businesses

It is necessary to recognise that a number of existing industrial premises in the peripheral areas provide necessary services to the local community, have existing capital investments in relation to their premises/equipment or otherwise have a desire to continue to operate throughout the Victoria Road Precinct. These services include uses ranging from automotive repairers to furniture manufacturers. The ability of these businesses to continue operating is protected under the Environmental Planning and Assessment Act 1979 through protections for existing use rights, and development controls and detailed site planning will need to ensure that these existing uses are allowed to continue unimpeded. Detailed planning controls should recognise that land uses within the precinct will change over time, and that a complete transition may take some 15-20 years.

### 5.2.2 Creative Industries, Arts & Recreation and Leisure Uses

Creative uses could include integrated design and light-manufacturing workshops, artist studios and galleries as well as other multi-function creative spaces. These uses are well-suited to the skills and employment pursuits of the local residential workforce, and can also provide a direct benefit to the community by supporting cultural engagement in the local area.

Community recreation and leisure uses could also be considered to cater to community needs for some larger sites, for example gymnasiums or other indoor recreation facilities (yoga studios, indoor sports), that complement existing public recreation facilities and contribute to the health of the Marrickville community. These uses can operate in noisy areas and parking can be provided on-site, and have little impact on the continued operation of established industrial precincts.

### 5.2.3 Active Corridor Uses

To improve the quality of the streetscape of Victoria Road, it is imperative to facilitate future development and land uses that activate the street. At the same time, it is essential that new development does not detract from the established retail main streets in Newtown and Marrickville. As such, this strategy builds on the existing character of the precinct to support active uses that are distinct from main-street retail uses.

#### Home Improvement Showrooms

The Victoria Road Precinct has an established presence in the home-improvement sector, with a number of wholesalers and light manufacturing businesses providing separate showrooms that are open to their distributors and the general public. These uses typically maximise their street presentation with direct line of sight into showrooms and display areas, injecting a greater sense of activity into the public domain.

### Wholesale Food Retail

There are a number of specialist wholesale food retailers located throughout the precinct who service local restaurants and specialty food stores. A number of these businesses also conduct limited direct-to-public retail trade, often without development consent, with small informal ancillary retail spaces to support these operations. These businesses typically deal only in specific types of goods (cured meats, cheeses etc.) and would not compete with general grocery or supermarket businesses. Planning controls should be implemented to ensure that these operations remain as a genuinely ancillary operation to the predominant purpose of wholesale (not to public) retailing. Formalising planning controls to support these direct-to-public spaces will have the benefit of allowing businesses to regularise their operations and ensure improved built form outcomes that address the street.

### 5.2.4 Professional Offices and Local Services

There is a significant number of professional, home-based businesses operating in the Marrickville LGA, which is consistent with the high number of professional and skilled workers. As these businesses grow, they are normally faced with the prospect of relocating out of the Marrickville area into CBD-fringe locations such as Redfern and Surry Hill. Providing opportunities for these businesses to evolve and gradually grow in locally-based serviced or shared office spaces would assist in providing opportunities for local residents to keep their businesses local.

In addition to office premises, there is also the opportunity to accommodate professional service firms that deal directly with the public on an intermittent basis, such as legal practices, design firms and medical practitioners. These are all skilled occupations that align well with the employment and service needs of Marrickville's local population.

### 5.3 LAND USE COMPATIBILITY ANALYSIS

*The employment strategy facilitates a transition in employment away from the intensive and noisy industrial uses to a more diverse range of less-offensive mixed business premises. This transition presents an opportunity to investigate the provision of new employment typologies as part of mixed use developments with housing.*

#### 5.3.1 Constraints Analysis

##### Aircraft Noise

Noise emitted by aircraft is decreasing as modern technologies and innovation allow the production of quieter, more efficient aircraft. New generation passenger aircraft, such as the Airbus A380 and Boeing 787 Dreamliner, emit less than half of the noise of the aircraft that they replace and are being brought into service quickly by major airlines. It is expected that further technological advances will continue this trend, and that the resultant impact of aircraft noise on urban areas and residential amenity will also decrease.

Aircraft noise is the most significant constraint on housing delivery within the Victoria Road Precinct, with the area otherwise enjoying a very high level of amenity through close proximity to public transport, leisure and recreational facilities, retail shopping streets, local centres and services.

The S117 Direction facilitates the delivery of new housing within the ANEF 25+ noise contours where an Aircraft Noise Strategy supports this action. The Department of Planning & Environment has advised Council and the Victoria Road project team that there is scope to develop an aircraft noise strategy that demonstrates how residential uses could be incorporated into areas of the Victoria Road Precinct within the ANEF 25-

30 noise contour. This Strategy would ensure that future development minimises the acoustic impact of aircraft noise through building design standards, whilst also ensuring that a high level of residential amenity is achieved for new dwellings through other design measures

or improvements to available facilities. The Victoria Road project team intends to work with Council to establish this strategy as planning for the Victoria Road Precinct progresses.

##### Flooding

A Preliminary Flood Study was prepared by WMA Water and accompanied the initial Planning Proposal for the Victoria Road Precinct. Flood constraints are most significant in the eastern and northern areas of the Sydenham-Marrickville Industrial Precinct, and pose less of a constraint around the southern and western sectors of the Victoria Road Precinct. Based on this advice, it is expected that suitable design solutions would not be a significant impediment to residential development in the western and south-western areas of the precinct to the west of Fitzroy Street.

##### Land Use Interface

Existing residential uses outside of the precinct, as well as community uses such as the Marrickville Public School, require sensitive treatment and this limits the extent and nature of future employment. Options for low-density employment and accompanying housing provides a good opportunity to improve the interfaces between these existing uses and the Victoria Road Precinct.

Interfaces between the core industrial precinct and areas with housing also need to be appropriately addressed to protect the integrity of these precincts. Design controls and a transition in residential densities is required to ensure that the legitimate operations of industrial businesses in this core area does not give rise to land use conflict.

#### 5.3.2 Residential Overlay

Having regard to the constraints on the inclusion of housing within the Victoria Road Precinct, this residential overlay seeks to strategically position areas of housing to manage interfaces between uses, respect existing constraints and maximise the utilisation of land to meet strategic housing objectives.

##### Residential Apartment Buildings

The south-western corner of the Victoria Road Precinct is 800 metres from Sydenham Station and 400 metres from the Marrickville Road retail main-street. Community and recreational facilities are also located in close walking distance of this area. This block is the least constrained by aircraft noise, being located within the ANEF 25-30 noise contour, and can sustain higher residential densities subject to implementation of an Aircraft Noise Strategy. Employment proposed for this precinct is principally office-based employment, showrooms and limited local services to support the immediate residential population. These uses are highly compatible with residential apartments. Further urban design work should inform the desired development densities, however, we note that the high level of accessibility and amenity of this area should be capitalised upon.

The redevelopment of land surrounding Wicks Park has the potential to significantly enhance the interface between this park and the surrounding areas by improving connectivity, causal surveillance and usage of this park. Located in the ANEF 25-30 noise contour, good residential amenity can be achieved subject to implementation of an Aircraft Noise Strategy. The employment land uses proposed for this area are predominately showroom and wholesale retail uses, which are generally compatible with residential apartments. Design consideration is also required to ensure that the interface between any residential component and the core industrial area to the north is appropriately managed.

**Medium Density Residential Transition Areas**

Medium density residential development, with the potential to include live-work style components, is recommended for sensitive interfaces along Far Street, Chalder Street and Chapel Street. This will allow for an appropriate transition between continuing industrial and other noisy uses, and facilitate improvements to streetscape treatments, casual surveillance and reduce the overall intensity of land use from the existing industrial uses. This will provide a significant improvement in the amenity and safety of the adjoining low-density residential uses and Marrickville Primary School. Located in the ANEF 25-30 noise contour, good residential amenity can be achieved subject to implementation of an Aircraft Noise Strategy, and the proposal to include housing in these areas is consistent with the good access to services, leisure and recreational facilities.

**Future Live-work Investigation Area**

The incorporation of residential development on land within the ANEF 30+ noise contour would require careful consideration and significant design and amenity testing. However, there may be a future opportunity to incorporate limited residential development as part of live-work arrangements that are compatible with the creative and leisure uses that are supported under this Employment Strategy. This may include the potential to establish housing as part of a creative ‘noisy precinct’, for example with artists living in dwellings attached to music recording studios or arts workshops.

We acknowledge, however, that the inclusion of housing in this area may not be supported by the Aircraft Noise Strategy in the short-term, and may need be subject to further detailed consideration at a later stage.



Figure 23: Residential Overlay Map  
Source: JBA

*Creative Uses, Recreation and Home Improvement Showroom Examples*



*Creative Uses, Recreation and Home Improvement Showroom Examples*

*Integrated Employment and Housing Examples*



*Integrated Employment and Housing Examples*

# 6.0 RECOMMENDATION & IMPLEMENTATION

## CONCLUSION

This Employment Strategy identifies a positive vision for employment in Marrickville, and seeks to ensure that there is a synergy between the employment needs of the local community and the types of employment provided in the areas employment precincts. Change takes time to occur, and the recommendations of this strategy are likely to play out in stages over a 15-20 year timeframe if implemented.

The strength of the Victoria Road Precinct as an industrial area has been in decline for a number of decades, and intervention is required to support the area's future contribution to employment and other strategic planning objectives. A significant disconnect has emerged between the business services and employment types offered within the precinct and the employment needs of the local residential workforces. As a result, local workers are forced to travel out of Marrickville for employment whilst businesses need to recruit from outside of the area to find suitable employees.

This Employment Strategy sets clear objectives for the future direction of employment and business in the Victoria Road Precinct, and ensures that these are aligned with the core strategic planning and infrastructure decisions of the NSW Government. If implemented, they will deliver significant economic, social and environmental benefits to the Marrickville community.

## RECOMMENDATION

We respectfully recommend that this Employment Strategy for the Victoria Road Precinct be adopted by Council in lieu of the land-use recommendations made in the MELS, and that this Employment Strategy forms the basis for future land uses planning for the Victoria Road Precinct. As discussed throughout this report, we believe that our vision for the Victoria Road Precinct will have substantial economic and community benefits for the Marrickville LGA, and represents a superior outcome to the conservative, business-as-usual recommendations in the MELS.

## PATHWAY FORWARD

JBA and the Victoria Road project team have taken on board the feedback received from the NSW Department of Planning & Environment and from Marrickville Council following a workshop between the parties held on 2 March 2015. In response, a revised Planning Proposal will be prepared that deals with the matters raised in the workshop and in this Employment Strategy.

This Employment Strategy does not include definitive recommendations for land use zones that should be implemented, nor does it include other detailed planning controls that would be required to support the realisation of this Employment Strategy. JBA and the Victoria Road project team will work with Council to develop these detailed planning controls, and these will be incorporated in the revised Planning Proposal that is submitted to Council.

# 7.0 REFERENCES

Australian Bureau of Statistics 2011, Census of Population and Housing, Canberra ACT, <http://www.abs.gov.au/websitedbs/censushome.nsf/home/census>

Australian Department of Infrastructure and Regional Development 2014, Noise Impacts at Badgerys Creek, Canberra ACT, [https://www.pm.gov.au/sites/default/files/media/14-04-15\\_fact\\_sheet\\_5\\_-\\_noise\\_impacts\\_at\\_badgerys\\_creek.pdf](https://www.pm.gov.au/sites/default/files/media/14-04-15_fact_sheet_5_-_noise_impacts_at_badgerys_creek.pdf)

AEC Group 2013, Regional Development Australia Sydney Metropolitan Region Economic Baseline Assessment – Update, Sydney NSW, [http://www.rdasymetropolitanregioneconomicbaselineassessment2013final2\\_1.pdf](http://www.rdasymetropolitanregioneconomicbaselineassessment2013final2_1.pdf)

Hill PDA 2015, Marrickville Victoria Road Precinct Economic Assessment (unpublished), Sydney NSW

NSW Bureau of Transport and Statistics 2012, 1991-2011 Journey to Work data, Sydney NSW, <http://www.bts.nsw.gov.au/Statistics/jtw/default.aspx#top>

NSW Bureau of Transport and Statistics 2014, Employment Forecasts (September 2014) release, Sydney NSW, <http://www.bts.nsw.gov.au/Statistics/Employment-Forecasts/default.aspx>

NSW Department of Planning & Environment 2014, A Plan for Growing Sydney, Sydney NSW, <http://www.strategy.planning.nsw.gov.au/sydney/>

NSW Department of Planning & Environment 2014, NSW Population, Household and Dwelling Projections, Sydney NSW, <http://www.planning.nsw.gov.au/projections>

NSW Government 2011, NSW 2021: A Plan to Make NSW Number One, Sydney NSW, <http://www.nsw.gov.au/2021>

SGS Economics & Planning 2015, Strategic Review of the WestConnex Project, Final Report for City of Sydney, Sydney NSW, [http://www.cityofsydney.nsw.gov.au/\\_\\_data/assets/pdf\\_file/0005/226868/150223\\_COUNCIL\\_ITEM37\\_ATTACHMENTA.PDF](http://www.cityofsydney.nsw.gov.au/__data/assets/pdf_file/0005/226868/150223_COUNCIL_ITEM37_ATTACHMENTA.PDF)

Sydney Airport Corporation Limited 2010, Submission to the Senate Standing Committee on Rural and Regional Affairs and Transport, Inquiry into the effectiveness of Airservices Australia's management of aircraft noise, Sydney NSW



urban development services

[www.jbaurban.com.au](http://www.jbaurban.com.au)