

PLANNING PROPOSAL 74 EDINBURGH ROAD, MARRICKVILLE

Title:

Planning Proposal to amend Marrickville Local Environmental Plan (LEP) 2011

Planning Proposal Number:

PP_2013_MARRI_001_00

1.0 OVERVIEW

This planning proposal seeks to amend the *Marrickville Local Environmental Plan 2011* (Marrickville LEP 2011) by allowing '*hardware and building supplies*' and '*garden centre*' as additional permitted uses for the site. The Planning Proposal will support the subsequent lodgement of a Development Application (DA) for a Masters Home Improvement Centre development.

The Home Improvement Centre will comprise approximately 12,000-13,000sqm including a main floor area for a range of home improvement products, a nursery for landscape and garden products, a trade area for drive-thru sales of all goods, restaurant/café and associated parking. A site of approximately 3 hectares is required to support the Masters building, loading and car parking facilities.

The site is currently zoned IN1 General Industrial under Marrickville LEP 2011. '*Hardware and building supplies*' and '*garden centre*' are not permissible in the IN1 zone.

The majority of the floor area of the use (approximately 70%) is proposed to be devoted to products that fall within the definition of '*hardware and building supplies*'. The proposed Masters Home Improvement format also has elements that fall into '*garden centre*' which is estimated to comprise up to 25% of the floor area with the remaining 5% being items that would normally fall within the definition of '*bulky goods premises*'.

The Department of Planning and Infrastructure (DPI) has confirmed that the inclusion of the term '*principal purpose*' in the new Standard Instrument allows the Masters proposal to be defined as '*hardware and building supplies*' and '*garden centre*' notwithstanding that the use also comprises a small component of '*bulky goods*' use. A number of land uses now include some built-in flexibility recognising there may be a combination of uses. The flexibility has been accommodated by indicating the '*principal purpose*' of that premises. This position has been presented in the '*How to Characterise Development*' Planning Circular issued by DPI in February 2013.

2.0 LAND TO WHICH THE PLANNING PROPOSAL APPLIES

Site Details

The street address of the subject site is 74 Edinburgh Road, Marrickville. The legal description of the land is Lot 202 in DP 1133999 and has an area of approximately 2.8ha. The site is currently occupied by a number of industrial buildings and associated car parking.

The property has frontages to both Edinburgh Road to the north and Sydney Steel Road to the east and is set on the fringe of an industrial precinct to the south, east and west.

The Marrickville Metro retail development lies immediately to north of the site. Expansion of the Marrickville Metro centre was approved by the Planning and Assessment Commission (PAC) in March 2012, extending the retail area south east to front Edinburgh Road.

A number of easements are registered on the property title including:

- Sewerage easement running diagonally from the eastern corner to the western corner of the site.
- Electricity easement located in the mid-point of the allotment, including a right of way to the western boundary for access.
- Lot 3 DP 318232 and associated access easements run through the site that benefit Sydney Water.

An aerial Locality Map of the site is contained in Appendix 1 to this report.

Surrounding Area

The site is on the northern periphery of the Marrickville/Sydenham industrial area. This forms part of a large industrial precinct approximately bounded by Edinburgh Road to the north, Railway Parade and the railway line to the east, Marrickville Road/the railway line to the south and Meeks Road/Farr Street/Shepherd Street to the west.

The Marrickville Industrial area includes the following buildings and uses:

- Large free stranding industrial buildings.
- Industrial estates as well as smaller buildings.
- Uses such as manufacturing, freight and logistics.

As stated above, the site is located in close proximity to a large landholding comprising Marrickville Metro Shopping Centre on the northern side of Edinburgh Road. The expansion of the retail centre approved by the PAC will see the shopping centre extend further south east, towards the site's frontage on Edinburgh Road.

Residential uses are well separated from the site to the south and east and are separated physically from housing to the north west of the site on the northern side of Edinburgh Road.

3.0 PART 1 – OBJECTIVES OR INTENDED OUTCOMES

The planning proposal seeks to amend the Marrickville Local Environmental Plan (LEP) 2011 to allow the uses that would be required to enable the subsequent lodgement of a Development Application for a Home Improvement Centre at 74 Edinburgh Road, Marrickville.

4.0 PART 2 – EXPLANATION OF PROVISIONS

The planning proposal seeks to make the following amendment:

1. To amend Marrickville LEP 2011 by allowing '*hardware and building supplies*' and '*garden centres*' as additional uses within Schedule 1 – Additional Permitted Uses for the land at 74 Edinburgh Road, Marrickville.

5.0 PART 3 – JUSTIFICATION

Need for the Planning Proposal

Background

- **19 September 2011:** The planning proposal was lodged with Marrickville Council (Council).
- **17 April 2012:** The planning proposal was considered by Council at its meeting resolving that the proposal not be supported.
- **15 October 2012:** The planning proposal was referred to the PAC by the Director General at DPI.
- **19 November 2012:** The PAC assessment found that the planning proposal has strategic planning merit and recommended that it be submitted for a Gateway Determination.
- **9 April 2013:** The Minister for Planning and Infrastructure appointed the Sydney East Joint Regional Planning Panel (JRPP) as the relevant planning authority for the planning proposal. The Minister's direction required that the planning proposal be progressed as a site specific amendment to the Marrickville LEP 2011.
- **21 October 2013:** The planning proposal was the subject of a pre-gateway review application considered by the JRPP, which recommended the matter proceed to gateway determination. The recommendation was subject to a requirement that the additional information regarding traffic provided by the applicant, be submitted to Transport for NSW and that its response be included in the material forming part of any exhibition of the planning proposal.

The additional traffic information provided by the Applicant and the response from Transport for NSW is provided in Appendix 5.

Lack of Suitable Sites

As outlined in the *Revised Analysis of Potential Alternative Sites* submitted to the JRPP in July 2013 (attached in Appendix 5), there are no alternative suitable sites currently zoned (or proposed to be zoned) under the Marrickville LEP 2011 which permit '*hardware and building supplies*' and '*garden centres*' and are of a sufficient size to support a large Masters Home Improvement Centre. The analysis of alternative sites demonstrated that the limited sites that are large enough are already developed and unlikely to be redeveloped in the short to medium term.

Assessment of potential amalgamation of numerous sites presently tenanted has demonstrated that this is not a realistic or practical option to provide for the proposed development in the medium term.

Decline in Industrial Jobs and Opportunity to Increase Economic Activity and Employment

The *Industrial Market Impact Assessment* contained in Appendix 5 demonstrates that:

- There has been an overall decline in industrial jobs in the Marrickville LGA between 2006 and 2011 and the surrounding IN1 General Industrial land is suffering from high vacancy rates of 28%.

- The future viability of the precinct will be largely dependent on the capability of existing industrial accommodation, consisting primarily of transport and logistics buildings and warehouses, from adapting to accommodate emerging industrial sectors including construction, transport and postal and warehousing in Marrickville LGA.

The proposed rezoning to facilitate a Home Improvement Centre will support trade and construction industry and therefore offers a land use which is 'highly complementary' to the changing nature of the industrial area.

There are approximately 15 workers employed on the site currently. The Masters Home Improvement Store is expected to result in a net increase of jobs within the precinct including:

- Approximately 180 direct jobs created during construction.
- Approximately 130-150 jobs once open.
- Anticipated additional jobs sustained indirectly through supply-side and multiplier effects.

The positive employment impacts as a result of the Home Improvement Centre are highly consistent with DPI's objective of providing more jobs closer to people's homes.

The *Industrial Market Impact Assessment* also concludes that the Home Improvement Centre would generate more employment than would be generated if another distribution centre occupied the site, with average employment densities for distribution centres/warehouses ranging from 1 job per 110sqm to 1 job per 262sqm of floor space compared to an average of 1 job per 90-105sqm for the Masters Home Improvement Centre.

Compatibility with adjoining Industrial and Retail Land Uses

The land to the north is zoned B2 and is occupied by Marrickville Metro. The expansion of the retail centre was approved by PAC on 19 March 2012 permitting the centre to be extended further south east towards the site's frontage on Edinburgh Road and the IN1 zone. The *Industrial Market Impact Assessment* (Appendix 5) finds that the site's location adjacent to the approved expanded shopping centre and in an area containing a number of trade supplies will group and consolidate uses. This will be convenient and advantageous for both household shoppers and the trade sector.

The subject site will provide an appropriate transition from the existing manufacturing, freight and logistic uses to the south and the retail land to the north. 'Hardware and building supplies' and 'garden centre' are permissible in the IN2 zone and other land on the fringe of Sydenham Employment lands has been zoned IN2. This includes sites which border Edinburgh Road, Victoria Road and Addison Road.

As demonstrated in the *Industrial Market Impact Assessment*, the site occupies approximately less than 2% of industrial land in Marrickville LGA. The Home Improvement Centre will therefore not erode the core purpose or the economic contribution of the Sydenham Industrial land precinct. Furthermore the site's location on the periphery of the Sydenham Industrial precinct will ensure the integrity of the precinct is maintained.

The planning proposal is site specific, which would limit additional land uses to 74 Edinburgh Road rather than a generic change to all IN1 General Industrial zoned land. For this reason, the planning proposal will not undermine the industrial role of the large Sydenham industrial precinct.

Consistency with Strategic Planning Framework

- On 19 November 2012, the planning proposal was found by PAC to have strategic planning merit recommending that it be submitted for a Gateway Determination. On 9 April 2013 the Minister directed that the Sydney East JRPP be the relevant planning authority and that the planning proposal be progressed as a site specific amendment to the Marrickville LEP 2011. The planning proposal is consistent with these recommendations and the Minister's direction. While the planning proposal is not the result of any strategic study or report, an *Industrial Market Impact Assessment* accompanies the planning proposal in Appendix 5.
- Objective B1 of the Metropolitan Strategy for Sydney 2036 (2010) states that activity should be focussed in accessible centres. The subject site does not lie within any strategic centre and is generally surrounded by other IN1 General Industrial zoned land. The Updated Analysis of Potential Alternative Sites (Appendix 5) demonstrates that there are no alternative sites of sufficient size in existing or planned activity centres or edge of centre locations that could accommodate the proposed large Home Improvement Centre. Further, the site meets the 'site suitability criteria' contained in the Draft Activity Centres Policy (May 2010).
- The planning proposal is consistent with Objective E2 of the Metropolitan Strategy for Sydney (2010) as it enables economic activity, investment and will have a positive employment impact creating approximately 180 direct jobs during construction as well as 130-150 operational jobs. The proposal is also anticipated to result in additional jobs sustained indirectly through supply-side and multiplier effects.
- The Metro Strategy demonstrates a broad perspective on industrial lands reflecting changing needs and employment generation. The *Industrial Market Impact Assessment* (Appendix 5) indicates that the Marrickville LGA has been subject to a large decrease in manufacturing jobs while experiencing an increase in the construction sector. A Home Improvement Centre would service the construction and trade sector and is considered to appropriately reflect the changing nature of the area. The proposal is inconsistent with Objective E3 of the Metropolitan Strategy for Sydney 2036 as it does not retain strategically important industrial land. With consideration to the site's location on the periphery of a larger industrial precinct and an established retail area and its ability to provide employment opportunities, the inconsistency is considered to be acceptable.
- The proposal would offer opportunity to generate an increase in economic activity and employment with 130-150 people expected to be employed by the Masters Home Improvement Centre compared to the 15 workers employed on the site currently. While the proposal is inconsistent with the Objective 13 of the Draft Metropolitan Strategy for Sydney to 2031 by decreasing the supply of industrial land, as indicated in the *Industrial Market Impact Assessment* (Appendix 5) there has been an overall decline in industrial jobs in Marrickville LGA and the industrial area is suffering high vacancy rates (28%). The Market Impact Assessment also finds that the nature of a Home Improvement Centre is highly complementary to the changing industrial structure occurring in Marrickville in recent years and what is expected in the future.
- The Planning Proposal is partially inconsistent with the Draft South Subregional Strategy and Marrickville Urban Strategy (2007) which strategically underpins the Marrickville LEP 2011 and Marrickville Employment Lands Study (2008) as they identify the subject site and the entire core of Sydenham/ Marrickville Industrial Precinct as strategically important industrial land to be retained for industrial purposes. However, considering the site's location on the periphery of the industrial precinct, its close proximity to the expanding Marrickville Metro Shopping Centre and its ability to provide a net increase of construction

and operational jobs, the inconsistency is considered acceptable. Furthermore, the proposal will provide economic growth and employment in the established employment centres of Sydenham Industrial area in proximity to public transport corridors and residential zones.

Although the proposal is partially inconsistent with Metropolitan Strategy for Sydney 2036 (2010), Draft Metropolitan Strategy for Sydney 2031 and Draft South Subregional Strategy (2007), the additional uses proposed are site specific and the proposal will not erode the core purpose of the Sydenham Industrial Land Precinct. The IN1 General Industrial land is in decline and suffering high vacancy rates. The proposed rezoning to support a Home Improvement Centre provides a complementary land use to the changing industrial structure in Marrickville.

Environmental Social Economic Impacts

There are no known critical habitats; threatened species or ecological communities located on the site and therefore the likelihood of any negative environmental impacts are minimal.

The proposal will enable a use which will increase a range of goods and services options in the region. The Home Improvement Centre development will provide increased employment opportunities and highly complementary uses to the existing industrial area as outlined in the Review of Industrial Area contained in the additional information submitted to the JRPP in July 2013 attached in Appendix 5.

6.0 MAPPING

The proposed amendment does not require any mapping changes. Maps to support the planning proposal that seeks to amend Marrickville LEP 2011 are included in Appendix 1-2.

7.0 PART 4 – COMMUNITY CONSULTATION

Community consultation is required under sections 56(2)(c) and 57 of the *Environmental Planning and Assessment Act 1979* ("EP&A Act") as follows:

- The planning proposal must be made publicly available for a minimum of 28 days (excluding school holiday period); and
- Notification requirements for public exhibition of planning proposals and the specifications for material that must be made publicly available along with planning proposals as identified in section 5.5.2 of A Guide to Preparing LEPs (Department of Planning & Infrastructure, 2013).
- Consultation is required with Transport for NSW in terms of the additional information regarding traffic provided by the proponent.
- Consultation is required with Marrickville Council, Sydney Water, Department of Infrastructure and Regional Development and Office of Environment and Heritage.

The agencies are to be provided with a copy of the planning proposal and any relevant supporting material, and given at least 21 days to comment on the proposal.

A public hearing is not required to be held into the matter by any person or body under section 56(2)(e) of the EP&A Act. This does not discharge the Panel from any obligation it may

otherwise have to conduct a public hearing (for example, in response to a submission or if reclassifying land).

8.0 PROJECT TIMELINE

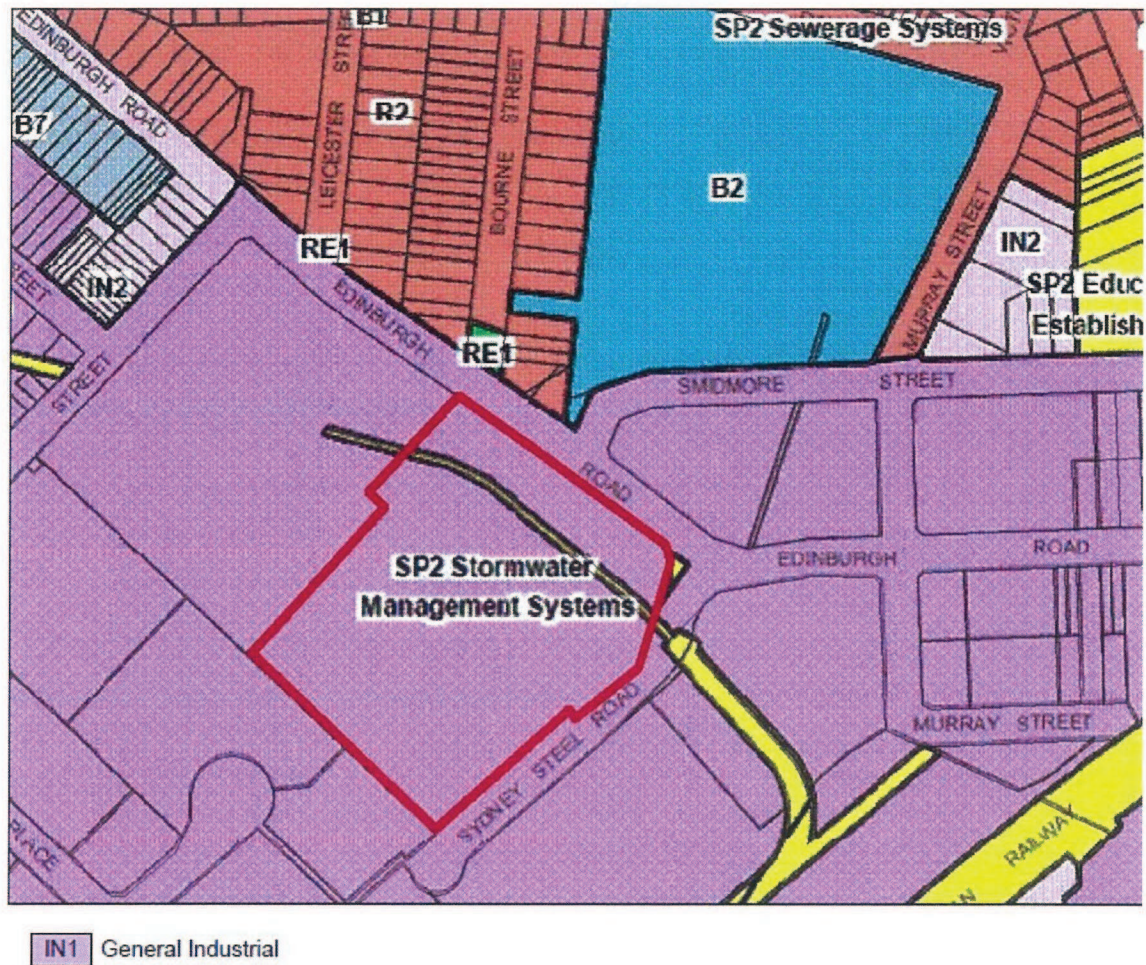
Milestone	Timeframe	Estimated Completion Date
Gateway Determination		29 November 2013
Additional information provided by the proponent to be submitted to Transport NSW for comments (condition of Gateway Determination)	4 weeks from Gateway Determination	21 December 2013
Public exhibition	28 days - commence exhibition 28 January 2014	25 February 2014
Consideration of submissions	4 weeks from close of exhibition	25 March 2014
Consideration of draft planning proposal post-exhibition by the JRPP	4 weeks from submissions report being received	22 April 2014
Plan to be made	Includes processing by PC	9 June 2014

The estimated timeframe for this planning proposal is nine (9) months.

APPENDIX 1 – LOCALITY MAP



APPENDIX 2 – LAND USE MAP



APPENDIX 3 – CHECKLIST SEPP

The following SEPPs are relevant to the Marrickville Local Government Area. The Table below identifies which of the relevant SEPPs apply to the Planning Proposal (or not) and if applying, is the Planning Proposal consistent with the provisions of the SEPP.

Title of State Environmental Planning Policy(SEPP)	Applicable	Consistent	Reason for inconsistency
SEPP No 1-Development Standards	YES	YES	
SEPP No 4- Development Without Consent and Miscellaneous Exempt and Complying Development	YES	YES	
SEPP No 6 –Number of Storeys in a Building	YES	YES	
SEPP No 14 –Coastal Wetlands	NO	N/A	
SEPP No 21-Caravan Parks	NO	N/A	
SEPP No 22-Shops and Commercial Premises	YES	YES	
SEPP No 26- Littoral Rainforest	NO	N/A	
SEPP No 30- Intensive Agriculture	NO	N/A	
SEPP No 32-Urban Consolidation(Redvelopment of Urban Land)	NO	N/A	
SEPP No 33-Hazardous and Offensive Development	NO	N/A	
SEPP No 44- Koala Habitat Protection	NO	NA	
SEPP No 50- CANAL Estate Development	NO	NA	
SEPP No 55- Remediation of Land	YES	YES	The Environmental Site Assessment Report recommended that no further investigation is required and the site is deemed suitable for the intended land use.
SEPP No 60-Exempt and Complying Development	YES	YES	
SEPP No 62- Sustainable Aquaculture	NO	N/A	
SEPP No 64-Advertising and Signage	YES	YES	
SEPP No 65- Design Quality of Residential Flat Development	NO	NA	
SEPP No 70-Affordable Housing(Revised Schemes)	NO	NA	
SEPP No 71-Coastal Protection	NO	NA	
SEPP (Affordable Rental Housing) 2009	NO	NA	
SEPP (Building Sustainability Index BASIX) 2004	NO	NA	
SEPP(Housing for Seniors or people with a Disability) 2004	NO	NA	
SEPP(Infrastructure) 2007	YES	YES	The proposal has considered the relevant part of the SEPP namely traffic generating development and is considered consistent.

SEPP(Major Development) 2006	NO	N/A	
SEPP(Mining, Petroleum Production and Excavation Industries) 2007	NO	N/A	
SEPP(Rural Lands) 2008	NO	NA	
SEPP (Temporary Structures) 2007	NO	N/A	
SEPP (Urban Renewal) 2010	NO	NA	

APPENDIX 4 – CHECKLIST s117 Directions

1 Employment and Resources

Direction	Applicable	Consistent
1.1 Business and Industrial Zones	YES	NO
1.2 Rural Zones	NO	N/A
1.3 Mining, Petroleum Production and Extractive Industries	NO	N/A
1.4 Oyster Aquaculture	NO	N/A
1.5 Rural Lands	NO	N/A

Justification

Direction 1.1 Business and Industrial Zones applies to the planning proposal as the subject site is within the existing industrial zone. The proposal represents approximately less than 2% of industrial land in Marrickville and offers a land use which is 'highly complementary' to the changing nature of the precinct. While the planning proposal is partially inconsistent with Direction 1.1 as the outcome of the proposal would reduce potential floor space for industrial uses, the proposal is complementary to the growth in the construction industry in the LGA whilst also providing a net increase of jobs.

The proposal will not significantly undermine the integrity and core purpose of Sydenham Industrial Land as it proposes a site specific change rather than a generic change to all IN1 - General Industrial zoned land with the LGA. This is in line with the justification as set out under 5(a) of 1.1 Direction. The agreement of the Director General is recommended as the inconsistency is of minor significance.

2 Environment and Heritage

Direction	Applicable	Consistent
2.1 Environmental Protection Zones	NO	N/A
2.2 Coastal Protection	NO	N/A
2.3 Heritage Conservation	NO	N/A
2.4 Recreation Vehicle Areas	NO	N/A

Justification

There are no inconsistencies.

3 Housing, Infrastructure and Urban Development

Direction	Applicable	Consistent
3.1 Residential	NO	N/A
3.2 Caravan Parks and Manufactured Home Estates	NO	N/A
3.3 Home Occupations	NO	N/A
3.4 Integrating Land Use and Transport	YES	NO
3.5 Development Near Licensed Aerodromes	YES	YES
3.6 Shooting Ranges	NO	N/A

Justification

The planning proposal is partially inconsistent with Direction 3.4 Integrated Land Use and Transport. The site exhibits reasonable access to public and private transport and is within reasonable proximity to major arterial road and existing retail services. The traffic assessment has found no change to the level of service of surrounding intersections with consideration of future traffic generation. It does not reduce car dependency and increases travel demand. The agreement of the Director General is recommended as the inconsistency is of minor significance. Further, the proposal will provide additional employment within the Marrickville LGA, which is within close proximity to existing residential areas and services with potential to reduce the extent of travel within and outside the Marrickville LGA.

Direction 3.5 Development Near Licensed Aerodromes is relevant to this site specific planning proposal as it proposes to alter the permissible land use relating to the land in the vicinity of Sydney Airport. The planning proposal is consistent with Direction 3.5 Development Near Licensed Aerodromes as the Australian Standards for building with respect to interior noise levels can be adequately dealt with at

development application (DA) stage. In addition, compliance with Sydney Airport Corporation Obstacle Limitation Surface height restrictions can also be dealt with at the DA stage, as required by clause 6.6 in the Marrickville LEP 2011. Consultation will be required with the Department of Infrastructure and Regional Development prior to the exhibition of the planning proposal.

4 Hazard and Risk

Direction	Applicable	Consistent
4.1 Acid Sulphate Soils	YES	NO
4.2 Mine Subsidence and Unstable Land	NO	N/A
4.3 Flood Prone Land	YES	NO
4.4 Planning For Bushfire Protection	NO	N/A

Justification

Direction 4.1 Acid Sulphate Soils is relevant to the proposal as the subject site lies within a potential Acid Sulphate Soils Area on the Acid Soils Map for MLEP 2011. The proposal is inconsistent with this Direction as the proposed additional uses would result in an intensification of land uses and it requires an acid sulphate soil study assessing the appropriateness of the change of land use given the presence of acid sulfate soils. Clause 6.1 of Marrickville LEP 2011 provides appropriate provisions that can be suitably considered at the Development Application stage prior to any development taking place. Given that the proposal includes a relatively minor intensification of land use as a factory building and car parking is already located on the site and the clause 6.1 provision under MLEP 2011, the agreement of the Director General is recommended as the inconsistency is considered to be of minor significance.

The site is identified as a flood planning area under Marrickville LEP 2011. The proposal's inconsistency with Direction 4.3 Flood Prone Land is considered minor as it only proposes additional uses on the subject site and clause 6.3 of Marrickville LEP 2011 provides appropriate provisions that can be considered and suitably determined at the Development Application stage prior to any development taking place. A full assessment of the land's potential flood hazards is required prior to any development. The agreement of the Director General is recommended as the inconsistency is of minor significance.

5 Regional Planning

Direction	Applicable	Consistent
5.1 Implementation of Regional Strategies	NO	N/A
5.2 Sydney Drinking Water Catchments	NO	N/A
5.3 Farmland of State and Regional Significance on NSW Far North Coast	NO	N/A
5.4 Commercial and Retail Development along the Pacific Hwy, North Coast	NO	N/A
5.5 Development in the vicinity of Ellalong, Paxton and Millfield	NO	N/A
5.8 Second Sydney Airport: Badgerys Creek	NO	N/A

Justification

There are no inconsistencies.

6 Local Plan Making

Direction	Applicable	Consistent
6.1 Approval and Referral Requirements	NO	N/A
6.2 Reserving Land for Public Purposes	NO	N/A
6.3 Site Specific Provisions	YES	NO

Justification

The proposal is inconsistent with 6.3 Site Specific Provisions as it proposes to add additional uses permissible on the subject site under Schedule 1- Additional Permitted Uses.

The planning proposal was referred to the PAC on 15 October 2012 by the Director General. The PAC assessment dated 19 November 2012 found that the planning proposal has strategic planning merit and recommended that it be submitted for a Gateway Determination.

On 9 April 2013 the Minister for Planning and Infrastructure directed that the Sydney East Joint Regional Planning Panel (JRPP) is to be the relevant planning authority for the planning proposal. The Minister's recommendation specifically identified that the planning proposal be progressed as a site specific amendment to the Marrickville LEP 2011 rather than a generic change to all IN1 General Industrial zoned land across the Marrickville LGA.

The planning proposal was then the subject of a pre-gateway review application considered by the JRPP on 21 October 2013, which recommended the matter proceed to gateway determination.

Following these separate determinations and recommendations, the agreement of the Director General is recommended as the inconsistency is considered to be of minor significance.

7 Metropolitan Planning

Direction

7.1 Implementation of the Metropolitan Strategy

Applicable

YES

Consistent

NO

Justification

The planning proposal is partially inconsistent with Metropolitan Strategy (2010) and draft Metropolitan Strategy for Sydney to 2031. Whilst development enabled by this proposal would technically result in the loss of strategic industrial land, the development would promote economic activity, investment and generation of job in the local area. Furthermore, the proposed additional uses are site specific and do not affect other industrial land in the region the inconsistency is considered to be minor and entirely acceptable in this instance.

APPENDIX 5 – Revised Documentation to JRPP