



INNER WEST COUNCIL

Council Ref: 4097083

Contact: Roger Rankin
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Date: 9 December 2016

Email: Michael@fileplanning.com
Attn: Michael File

Dear Michael,

469 - 483 Balmain Road, Lilyfield - Pre Planning Proposal

Thank you for submitting your 4 November 2016 response to my 14 October 2016 letter regarding the additional information Council would require to do an adequate assessment of the possible impact on the local industrial land supply of the Pre Planning Proposal for 469 - 483 Balmain Road.

I pointed out in my letter that Council must consider two core questions in deciding whether to support the Planning Proposal. These questions are:

- Of all the existing industrial sites in the former Leichhardt Local Environmental Plan (LEP) 2013 area is this one more suitable for rezoning to mixed use than the others?
- If it is in principle the most suitable industrial site for rezoning should it be rezoned with a resultant loss of industrial land if there is sufficient capacity on identified alternative mixed use and residential prospective sites to accommodate projected household growth in the area?

The responses to my letter still do not provide a sufficiently detailed evidence base for that consideration. Council would recommend that the submitted Planning Proposal is as detailed as possible to smooth its passage through the process.

I have commented below (text in *italics*) on your 4 November 2016 responses to my 14 October 2016 letter on the Pre Planning Proposal to further clarify where insufficient information has been supplied.

This letter also sets out other elements or expanded elements that the Planning Proposal will need to provide, including urban design, assessment of sub-regional and local strategies, community engagement strategy, and proposed site specific controls.

Loss Of Industrial Land Issue

The Proposal would lead to loss of an important local industrial precinct and jobs when the Greater Sydney Commission draft Central District Plan advocates a precautionary approach to the protection of industrial land for urban services as its *Productivity Priority 5*. Council's recent industrial land studies demonstrate that Balmain Road should be retained as an industrial precinct.

More particularly the Parramatta Road Urban Transformation Strategy (PRUTS) has now been published as established State government policy for that area and the following

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three Leichhardt LEP 2013 industrial precincts have been designated for business, mixed use and/or residential development:

- Parramatta Road, Mallet Street, Pyrmont Bridge Road - known as Camperdown by Council.
- Parramatta Road, Tebbutt Street - known as Tebbutt Street by Council.
- Lords Road.

The first two are large precincts and the third is smaller, but significant in its local importance.

The area will also lose Bays Precinct, and particularly Rozelle Railyards to WestConnex and a light rail stabling facility.

This completely changes the context for the Balmain Road site. When you prepared the submitted Pre Planning Proposal the above three precincts had not been confirmed for rezoning by PRUTS. Now they have and this means that the industrial land supply percentages in the HillPDA assessment of the S117 Direction 1.1 on page 19 of their Economic Impact are incorrect and need to be updated to reflect the PRUTS and the new draft Central District Plan.

Based on the draft Central District Plan precautionary principle the relative importance of retaining this Balmain Road site as industrial land is also clearly illustrated by the following summaries of the recent and prospective short term loss of industrial land in the former Leichhardt LGA:

The significance of the potential loss of industrial land at the subject site is clearly demonstrated by the following figures:

Site / Precinct Areas Existing Industrial Land -Former Leichhardt LGA

Source : Leichhardt Council Lords Road Planning Proposal Assessment 2014, SGS Employment Lands Study 2011 & Inner West Subregion Draft Subregional Strategy 2008.

In 2008 Leichhardt LGA had 108.9 ha of industrial land, including the Rozelle Rail yards/ Bays Precinct.

Up until 2015, 4.9 ha of this land had been rezoned to residential or mixed use, primarily at the George Street and Allen Street, Leichhardt sites and Terry Street, Rozelle.

In the short to near medium term future the other prospective losses include:

Camperdown and Tebbutt Street (PRUTS) - 12.2 ha
Bays Precinct (Rozelle Railyards) - 75.8 ha
Lords Road (PRUTS) - 1.07 ha

Therefore the total projected loss (with pre 2015 sites included) is 93.97 ha or 86.29 % of the total 2008 Leichhardt LGA Industrial Land Supply.

In other words the zoned land supply will fall from 108.9 ha to 14.93 ha in approximately 10 years. At 0.6824 ha the Balmain Road site will then comprise 4.57% of the residual industrial land supply of 14.93 ha.

In summary Council continues to have serious concerns regarding the loss of industrial lands in the area. Council considers that if it is to properly assess this prospective

Planning Proposal the proponent needs to review and update the previously submitted September 2016 Economic Impact Assessment against the following policies and reports:

- Leichhardt Employment and Economic Development Plan (EEDP) 2013 page 55 criteria for rezoning industrial land.
- The detailed conclusions and information presented in the two studies "Leichhardt Industrial Land Study Final Report" released December 2014 and the "Leichhardt Industrial Precinct Planning Final Report" released April 2016 prepare by SGS Economics and Planning for the former Leichhardt Council.
- Draft Central District Plan

I have commented on the the HillPDA economic impact comments attached to your 4 November 2016 letter below in *italics* text in brackets next to Council's previous comments in its 14 October 2016 letter to you.

1. Full and detailed assessment of the Planning Proposal against the Council's Employment and Economic Development Plan (EEDP) page 55 criteria for consideration of proposed rezonings of industrial land, including and thorough market analysis and the matters specified in the following points 2 to 18.
2. Detailed consideration of the importance of the Leichhardt LEP area industrial precincts identified in the August 2015 HillPDA Industrial Precinct Review for the NSW Department of Planning and their relative suitability for industrial uses.

(The August 2015 HillPDA Industrial Precinct Review specifically states in its Summary that "Smaller precincts that were functioning well generally scored between 9 and 10.5" and their 4 November comment is about Leichhardt LGA in general and not the small Balmain Road in particular. In addition page 83 of the August 2015 HillPDA Industrial Precinct Review also states that "Small local industry,(furniture storage and renovation, printeries, food production and creative industries) would however flourish in this location" apparently meaning Leichhardt LGA and again the 4 November comment does not address this issue of the potential for Balmain Road to flourish. The draft Central District Plan echoes this theme with its references to "employment and urban services land" precincts.

The 4 November comment refers to agents saying there was lower demand by large users in Leichhardt LGA, while ignoring the p81 reference in the August 2015 HillPDA Industrial Precinct Review to there being " a stronger price-driven demand for smaller industrial space (under 500 sqm)". Balmain Road is pre-eminently suitable for the creation of small units within the property. We would also need to see the evidence collected from agents in order to establish how comprehensive and detailed that data is in relation to Balmain Road in particular.)

3. In particular the Economic Impact Assessment (EIA) should model the impacts of the loss of the four precincts identified above and the prospective residential population growth that would be generated by the rezoning of these sites.

(The 4 November HillPDA comment on this point is speculative and Council will need a more conclusive evidence base to assess this Planning Proposal thoroughly. The key issue here is the potential use of these precincts for industrial enterprises. If they are gone they cannot be used for industrial land to serve the rapidly growing city and inner city population and economy. The PRUTS proposed transformation of Camperdown to "biotechnology, education and health research uses" is not going to provide the type of industrial uses and employment that might evolve at Lords Road, Rozelle Railyards or the Balmain Road industrial precinct.

The 4 November 2016 HillPDA comment says this modelling is outside the scope of an Economic Impact Assessment. However, Councils and proponents can set the scope for such Assessments. Indeed the second line on page 5 of "A guide to preparing planning proposals" states that the RPA is responsible for the content of the planning proposal and the quality of the information provided in support of the proposal.)

4. Similarly as you and HillPDA consider that the existing industrial land supply in the Marrickville LEP area can provide population serving industrial land for the growing populations of the Leichhardt, Marrickville and by implication Ashfield LEP areas the Economic Impact Assessment should model how the existing Marrickville industrial land would accommodate the projected residential population growth in these three LEP areas and the loss of industrial land in Marrickville through the Sydenham to Bankstown Urban Renewal Corridor and other projects.

(We need evidence to substantiate the HillPDA claim and their 4 November 2016 point about the scope of an EIA and transport analysis is incorrect as per page 5 of "A guide to preparing planning proposals".)

5. A transport analysis of whether population serving industrial land in the southern part of the Marrickville LEP area would be accessible to residents of northern Lilyfield and Rozelle in practical terms such as travel times using active / public / private transport in peak period traffic, if such industries would be open to customers at weekends if weekday travel times were impractically long etc.

(See comment above regarding line 2 of page 5 of "A guide to preparing planning proposals".)

6. Analysis of whether development of a technology park at White Bay Power Station and parallel improvements to road and public infrastructure, including the major Westconnex / Iron Cove / Beaches tunnels Rozelle Railyards interchange, would increase demand for industrial floorspace in the north Lilyfield and Rozelle suburbs.

(See comment above regarding line 2 of page 5 of "A guide to preparing planning proposals".)

7. A numerical breakdown of how the existing first floor space available to artists will be replaced and the current artist tenants accommodated in the proposed redevelopment. This should include information on how many artists currently work in the first floor studio space, how much floorspace each occupies, how these spaces will be provided in the redevelopment, comparative rental costs and lease terms and any mechanism that would be used to prevent rentals for artists' spaces becoming prohibitively expensive.

(The 4 November 2016 HillPDA response to this point suggests around 50 artists sharing 400 sqm including storage space for these artists. Can the Planning Proposal please document the consultation and engagement that has taken place with the artists on this matter.)

8. Clarification of the full time equivalent nature of the existing and estimated new jobs and the nature of the skills that the existing workers and new workers would have. A comparative estimate and analysis of full time equivalents in the existing property, and for full time equivalents that would work in the Planning Proposal development or in a redevelopment for uses permitted in the IN2 zone. This

section of the additional information should indicate what mechanism would be applied to ensure the full time equivalent jobs estimated by HillPDA would be created and sustained in the short, medium and long term.

(The 4 November 2016 HillPDA response is unhelpful. Evidence requires to be provide there will be a better employment outcome for the site if it is rezoned than retaining the existing industrial zoning.)

9. Details of the market areas served by the existing businesses.

(The HillPDA 4 November 2016 response appears to assume this question is simply about whether the existing businesses serve the local community and economy, when in fact Council wants to establish whether these businesses and this property perform a wider servicing role for the Central District and beyond from this location. Again the need for "employment and urban services land" needs to be addressed more thoroughly.)

10. Analysis of the impact of the loss of almost 60% (10577sqm) of the total current overall industrial floorspace of 18,072 sqm (SGS Leichhardt Industrial Precinct Planning Review April 2016 Table 6) that would result from the proposed rezoning. This analysis should address the risk that a rezoning might lead to the fragmentation and eventual total loss of the remainder of the precinct.

(The HillPDA 4 November 2016 conclusion about the probability of the rest of the precinct being lost to industrial uses if the subject site is rezoned needs to be included in the Planning Proposal along with an analysis of how this would contribute to the cumulative loss of industrial land in the former Leichhardt LGA.)

11. Comparative and numerical impact analysis of the suitability of 469 - 483 Balmain Road for rezoning using the August 2015 HillPDA Industrial Precinct Review for the NSW Department of Planning as a frame of reference and in particular Appendix C Summary of Health and Results By Precincts Table 26. This scores several Leichhardt LEP 2013 area industrial precincts as less suitable for industry than the Planning Proposal site. This is also the case for some of the industrial precincts in the Marrickville LEP area.

(The HillPDA 4 November 2016 response sidesteps the issue of whether this site is better than other poorer scoring industrial sites in the area. Their selective focus on conversations with agents is insufficient evidence as it avoids other relevant findings of the August 2015 HillPDA Industrial Precinct Review as pointed in the Council comment provided under point 2 above.)

12. A similar comparative and numerical impact analysis of the suitability of 469 - 483 Balmain Road for rezoning against the SGS Leichhardt Industrial Precinct Planning Review April 2016 is required. This should particularly address why this property as the cornerstone of the Balmain Road industrial precinct should be rezoned when the SGS study recommends that if any Leichhardt LEP 2013 industrial precincts should be rezoned from IN2 the strategic best options would be Camperdown and Tebbutt Street, with Balmain Road retained.

(The HillPDA 4 November 2016 response does not answer this question. PRUTS rezones Camperdown and Tebbutt Street and justification for losing the Balmain Road precinct with its new ranking as the third largest industrial precinct left in the former Leichhardt LGA is required.)

13. Council also needs a numerical analysis of why the residential land needs for projected population growth for the Leichhardt LEP and the Inner West Council areas cannot be met on other sites that are already zoned for or are identified in State government strategies for residential or mixed use development. This analysis should include intensification of development on suitable residential lots and existing use non-residential lots in residential and business zones.

(All industrial precincts in the former Leichhardt LGA would meet the NSW Government "imperative" for growth in housing supply in areas close to transport corridors stated by HillPDA so their 4 November response. Evidence is required that the need for residential land cannot be met on other more appropriate sites.)

14. Statistical evidence should be provided to support the HillPDA Economic Impact Assessment assertion on pages 24 and 25 that the Planning Proposal site could not be commercially viable for light industrial uses such as high value urban manufacturing, creative businesses and local services. The HillPDA reference to accessibility constraints is incorrect as their own August 2015 Industrial Precinct Review for the NSW Department of Planning scores the site on the higher side of average under "Location, Functions and Connections" and the SGS Leichhardt Industrial Precinct Planning Review April 2016 confirms the site's accessibility for industrial uses as good. The HillPDA Economic Impact Assessment suggestion that this site has parking and buffer zone constraints is also misleading in that all inner city industrial precincts will tend to have this type of characteristic at the interface with neighbouring land uses, without this being a strong planning reason to rezone such precincts to residential or mixed use.

(The HillPDA 4 November 2016 response that an EIA does not hypothesise about potential viability for light industrial uses is flawed, as the EIA already hypothesises about other uses for the site such as commercial suites for professional services. It is noted that no evidence is provided as to whether there is currently a shortage of such floorspace in the former Leichhardt LGA.)

15. The Economic Impact Assessment Inner West Supply Pipeline section should be expanded to cover additional aspects of supply such as the time parameters; the reliability and comprehensiveness of Cordells Connect for example in relation to exempt and complying industrial developments; the impact of the prospect of continuing loss of zoned industrial land in relation to serving the needs of a growing population; and analysis of the point at which a potential shortage of zoned industrial land renders it more valuable than residential land.

(The HillPDA 4 November 2016 response asserts the significance of Cordells without providing any independent documentary evidence of the comprehensiveness or reliability of this data source.)

16. The Residential Assessment section of the Economic Impact Assessment needs to address the affordability of the proposed apartments for very to low income, moderate income and key workers such as police, fire service, nurses and teachers. Very low income is defined as less than 50% of the Sydney median income, low income as between 50% and 80% of the Sydney median and moderate as between 80% and 120% of the Sydney median.

(The new draft Central District Plan nominates an Affordable Rental Housing Target of 5 -10% for land that would be subject to upzoning. The draft Central District Plan also states that this target "does not preclude councils from negotiating additional affordable housing". The land value uplift model employed in

the draft Inner West Council Affordable Housing Policy allows 50% of the land value uplift to be shared by Council for the public benefit of which affordable housing would be an important component. Given the significant value uplift that is generated by brownfield and redevelopment sites such as the subject site if this project were to proceed a target of 15% affordable housing would be appropriate. This needs to be reflected in the Planning Proposal.)

17. The Employment Demographics and Policy Perspective sections of the Economic Impact Assessment makes a number of claims that need to be substantiated as follows:

- Office-based employment would reduce congestion and increase passing trade - demonstrate that these factors would not apply equally to uses if the industrial zoning is retained.
- The character of the area is a mix of business, industry, residential, institutional and parkland - demonstrate why rezoning would be a better planning outcome than retaining this mix.
- Proximity to the CBD, light rail and major bus routes makes the site more suitable for residential development - demonstrate why this proximity is not equally or more beneficial for IN2 zoning land uses.
- Developing the site for residential uses will support the local centre - demonstrate why more intensive use of the site by IN2 permissible uses would not provide more local centre support than a potentially largely dormitory apartment development.

(The HillPDA 4 November 2016 response seems to be predicated on a concept of "traditional IN2 uses" and relies on unsubstantiated claims.)

18. What would the economic impacts be for the construction phase of a new industrial development for use by multiple urban manufacturers, creative businesses and local services?

Urban Design

The Planning Proposal needs to include a detailed clause by clause Apartment Design Guide compliance table.

I would also expect to have the following maps, plans and documents:

- A set of survey plans for the site
- Transport and accessibility map
- Landscape and topography map with contours
- Elevations and cross sections
- Site specific controls, both illustrated in the urban design report and in a proposed site specific Development Control Plan with diagrams
- Confirmation of the date of the analysis (I assume this is 21 June, but it is not stated)
- Development Yield Analysis - Potential residential yield and employment generation (Refer to *Planning Proposal Requirements Checklist Clause 7b*).
- Indicative building floor plans (all levels including basement)

Subregional And Local Strategies

The Planning Proposal needs to include assessments of the Proposal against:

- Draft Central District Plan with particular reference to section 3.5.2
- Leichhardt Community and Cultural Plan
- Leichhardt Integrated Transport Plan
- Draft Inner West Council's Affordable Housing Policy 2016

Social Impact

The Planning Proposal should include social impact and affordable housing assessments.

Should you have any questions or require additional information, please contact Roger Rankin 9367 9174.

Yours sincerely



Gill Dawson

MANAGER ENVIRONMENT AND URBAN PLANNING