

PRE-GATEWAY REVIEW – Information Assessment and Recommendation Report

LGA:	Leichhardt	
Amended LEP:	Leichhardt Local Environmental Plan 2013	
Address:	67-73 Lords Road, Leichhardt	
Reason for review:	☒ Council notified proponent it will not support proposed amendment	☐ Council failed to indicate support for proposal within 90 days
Is a disclosure statement relating to reportable political donations under s147 of the Act required and provided?	☐ Provided ☒ N/A Comment: There are no donations or gifts to be disclosed.	

1. SUMMARY OF THE PROPOSAL

The proposal ([Tab 1](#)) seeks to amend the Leichhardt Local Environment Plan (LEP) 2013 to facilitate residential development, as follows:

- rezone the site from IN2 Light Industrial to R3 Medium Density Residential; and
- increase the floor space ratio from 1:1 to 2.4:1.

The site is Lot 1 DP940543 and Lot 1 DP550608, and has an area of 10,691sqm (with a 78m southern frontage to Lords Road). The site is currently occupied by a series of brick buildings up to a height of 11.5m which are used for a range of purposes including storage, internet-based furniture sales, a karate school, a gymnasium and an art school. The site is not currently subject to any height control in the LEP 2013 and under the existing zoning, residential accommodation is prohibited.

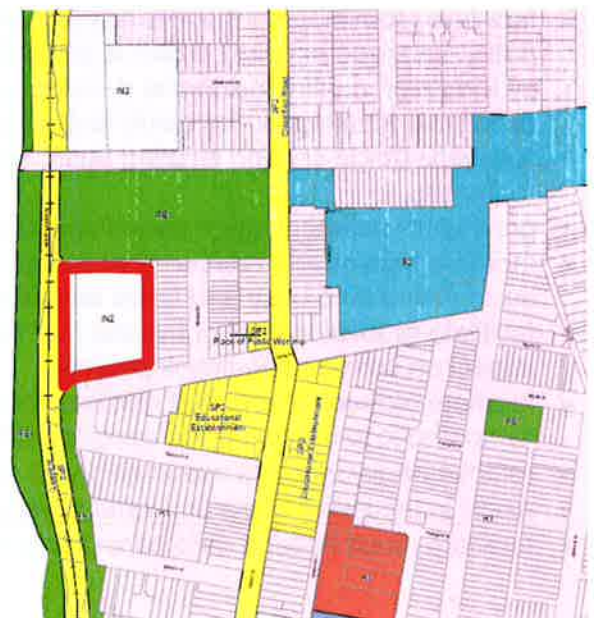


Figure 1: Site Location and zoning map

Lambert Park is located immediately to the north of the site, and a laneway separates the eastern edge of the site from low density residential development. The inner west light rail line runs adjacent to the site's western boundary and the Marion Street Light Rail stop is approximately 150m from the site. The site is located within 1km of a number of services/facilities including Kegworth Public School and pre-school, Leichhardt Market Place, Parramatta Road bus services, Fort Street High School, Summer Hill Railway Station, and the main Leichhardt commercial area on Norton Street. A location map and aerial photo of the site attached at Tab 2. Land surrounding the site is zoned R1 General Residential, RE1 Public Recreation, and SP2 Railway under Leichhardt LEP 2013 (Figure 1 below, and Tab 3).

The development resulting from the rezoning could provide approximately 315 dwellings, including 16 affordable dwellings and include ancillary uses such as childcare facilities. Taller buildings would be located adjacent to the light rail line, with lower buildings adjacent to existing residential properties. Council's Industrial Lands Study was adopted by Council in February 2015 and in broad terms, concludes that the LGA will not have sufficient land within existing precincts to accommodate future demand for industrial floorspace.

The Department considers that the site is not, as a whole, currently being used for the purposes intended by the IN2 Light Industrial zone and current uses could be accommodated in other zones elsewhere in the LGA. Despite concerns over loss of employment lands, the site is not suitable for industrial intensification. The location of the site is considered appropriate for residential development.

The site is within the Taverners Hill precinct in the UrbanGrowth NSW Draft Parramatta Road Urban Transformation Strategy and is identified as appropriate for 8-12 storey residential development.

The proposal is **recommended** to proceed to the Sydney East Joint Regional Planning Panel (JRPP) for independent review. The proposal demonstrates strategic and site specific merit for the following reasons:

- proximity to public transport;
- the loss of industrial land is justified;
- the site is identified for residential development potential under the draft Parramatta Road Urban Transformation Strategy;
- the site is not being used for its intended purposes under the IN2 Light Industrial Zone; and
- the site is located within a residential locality and as such the proposal demonstrates an improved alignment with surrounding land uses.

2. REQUIREMENTS UNDER SECTION 55 OF THE EP&A ACT

2.1 Objectives and intended outcomes

The Department **notes** the Proponent's stated objectives of the planning proposal are to:

- facilitate redevelopment of the site (in a prime location in close proximity to a range of services and public transport options), which is currently being under-utilised;
- provide high quality residential development, incorporating a range of housing types including affordable housing for the Leichhardt area;
- take advantage of good existing public transport and high quality open space that is in close proximity to the site;
- provide for potential future pedestrian and bicycle connections along the light rail corridor;
- facilitate high quality architectural design that responds to the surrounding topographical features, surrounding land uses and takes advantage of the site's north-south orientation;
- facilitate redevelopment of the site that takes advantage of the site's characteristics to minimise any impact on surrounding developments;
- facilitate redevelopment that reinforces the street and relationship to Lambert Park, while being sympathetic to the fine grain development pattern of the area;
- remove heavy vehicles associated with existing industrial uses from the predominately residential area;
- assist in achieving State and local government's housing targets; and
- facilitate much needed child care places for the inner west.

2.2 Explanation of provisions

The following provisions are suggested by the applicant for the amendment of Leichhardt LEP 2013:

- amend the applicable Zoning Map by rezoning the site to R3 Medium Density Residential; and
- amend the applicable Floor Space Ratio Map to permit a maximum FSR of 2.4:1 for the site.

The proposal includes a draft site specific development control plan (DCP), which provides for a range of building heights from 3 – 8 storeys (18.5m – 31.5m), as Leichhardt LEP 2013 does not have provisions relating to building heights across the local government area. The draft DCP also includes objectives and controls relating to a range of other matters, including setbacks and building siting, unit mix and solar access. The explanation of the provisions is considered **adequate**.

The Department recommends that should the planning proposal proceed to Gateway, it should be amended to include maximum building height controls in the LEP.

2.3 Justification and process for implementation (including compliance with S117 Directions)

The proposal provides an assessment of its consistency with the strategic planning framework, specifically, the *NSW State Plan 2021*, *draft Metropolitan Strategy for Sydney to 2031*, *Metropolitan Plan for Sydney 2036*, *draft Inner West Subregional Strategy*, *NSW Long Term Transport Master Plan*, Council's local strategies (*Leichhardt 2025+*, *Leichhardt Employment and Economic Plan*), State Environmental Planning Policies (SEPPs) and Section 117 Ministerial Directions.

The proponent's assessment of consistency with the strategic planning framework is considered **adequate**.

The proposal pre-dates the release of, and does not therefore consider, *A Plan for Growing Sydney* (2014) or the draft Parramatta Road Urban Transformation Strategy (2015). The Department has considered the proposal's consistency with these plans, as detailed later in this report.

2.4 Mapping

The proposal provides sufficient information to identify the site, but zoning and FSR mapping information is inadequate. Whilst provided maps indicate the proposed zoning and FSR, the maps do not show the context of zonings and FSRs of surrounding properties. Should the proposal proceed to Gateway, it should be subject to a condition requiring the exhibition of appropriate current and proposed zoning and FSR maps, both showing the relative zonings and FSRs of the surrounding area/context, to enable the community to clearly understand the proposed changes to Leichhardt LEP 2013.

2.5 Community consultation (including agencies to be consulted)

The proposal states that a four week exhibition period would apply, and that it is expected that Transport for NSW, Roads and Maritime Services (RMS), Telstra and Transgrid will need to be consulted. The proposal states that the draft DCP would be exhibited with the planning proposal.

A 28 day consultation period is considered appropriate, but it is recommended that in addition to the above agencies, the following agencies should also be consulted:

- Urban Growth NSW – for comments in relation to the urban renewal of Parramatta Road.
- Department of Education and Communities - for comments in relation to the capacity and provision of education or childcare facilities, particularly as Council has raised 'cumulative' impacts of such proposed rezonings as an issue of concern;
- Housing NSW - for comments in relation to the need and/or provision of affordable housing;
- NSW Environment Protection Agency - regarding remediation of potential contamination; and
- Energy Australia and Sydney Water - for advice in relation to the provision of utility infrastructure.

The proposed community and public authority consultation (including those additional agencies recommended by the Department) is considered **appropriate**.

3. VIEWS OF LEICHHARDT COUNCIL

The Department advised Council of the pre-Gateway review request in writing on 9 October 2014. Council advised the Department on 29 October 2014 that it does not support the planning proposal, for the following reasons:

- loss of employment land and jobs (currently employing 62 people), and the consequent inability to provide sufficient industrial land to accommodate demand;
- the site is fully occupied and is economically viable;
- the site performs an important local economic function;
- the planning proposal is inconsistent with s.117 Direction 1.1 Business and Industrial Zones as the proposal:
 - is not justified by relevant strategies in relation to the retention of employment lands, including the *draft Metropolitan Strategy for Sydney to 2031* and the *draft Inner West Sub-regional Strategy*;
 - is not adequately justified by an economic study prepared in support of the planning proposal;
 - the site is of substantial significance to the local government area's employment land supply;
- inappropriate FSR and building heights;
- inadequate communal open space;
- unsuitable reduction in street widths and traffic impacts;
- uncertainty associated with WestConnex and Parramatta Road Urban Renewal; and
- inadequate contamination information.

Council had also separately advised that it commissioned a draft Industrial Lands Study (September 2014) and provided a summary of its objections (by email dated 9 October 2014), highlighting the following:

- in 2008 there were 108.9ha of Employment Lands in Leichhardt Local Government Area;
- the percentage of industrial land in the Leichhardt Council Area is decreasing with the recent and pending rezonings of industrial land at the:
 - Kolotex and Labelcraft site (approximately 1.46ha);
 - ANKA site – Terry Street, Rozelle (approximately 1.42ha); and
 - 141 and 159 Allen Street, Leichhardt (approximately 1ha);
- while the Lords Road site, with an area of 1.07ha, represents less than 1% of total industrial land in the Leichhardt LGA, if the Allen Street and Lords Road sites are rezoned to residential uses, then in combination with the already rezoned Terry Street and Kolotex and Labelcraft sites, the total loss of employment land would be 4.95ha, which is 4.5% of the 2008 industrial land supply;
- in addition, the recently announced State Government Urban Renewal Program for the Bays Precinct, incorporates some 78.5ha of industrial zoned land, and the Parramatta Road revitalisation could also result in the loss of up to another (approximately) 12.2ha of industrial land; and
- in a worst case scenario, if all this land were lost to non-employment uses, the result would only leave Leichhardt with 18.02ha of its 2008 supply of Employment Lands.

The study was adopted by Council in February 2015.

4. VIEWS OF URBAN GROWTH NSW

On 19 February 2015, the Department received a response from UrbanGrowth NSW. The response did not provide comment on the proposal, but noted the subject proposal is located within the Taverner's Hill Precinct, identified as having potential for future growth. The Department met with UrbanGrowth NSW to discuss the status of planning and broad directions for the Parramatta Road corridor. Subsequently, on 17 September 2015 UrbanGrowth NSW released for public consideration the *Draft Parramatta Road Urban Transformation Strategy*. The draft Strategy articulates proposed principles and strategic actions for the future of the Parramatta Road Corridor, including the Taverners Hill precinct which is envisioned as an urban village. The site is identified in the draft strategy for 8-12 storey residential development. This is discussed in detail in section 5.2 below.

5. STRATEGIC MERIT ASSESSMENT

5.1 A Plan for Growing Sydney (2014)

The proponent assessed the proposal against the previous Metropolitan Plan for Sydney 2036, Draft Metropolitan Strategy for Sydney to 2031, and Draft Inner West Subregional Strategy (2007). The Department has subsequently reviewed and considered the proposal against A Plan for Growing Sydney (2014) (the Plan), including the following relevant housing objectives and actions:

- Direction 2.1 Accelerate housing supply across Sydney (Actions 2.1.1 & 2.1.2);
- Direction 2.2 Accelerate urban renewal across Sydney (Action 2.2.2);
- Direction 2.3 Improve housing choice to suit different needs and lifestyles (Actions 2.3.2 & 2.3.3);
- Direction 3.1 Revitalise existing suburbs; and
- Central Subregion priority to accelerate housing supply, choices and affordability and build great places to live.

The proposal demonstrates consistency with the above directions and actions in that it provides for approximately 315 dwellings (16 of which would be affordable) in close proximity to the Marion Light Rail Stop, the retail and commercial services provided at Leichhardt Market Place and Norton Street, in addition to Parramatta Road bus services, the Summer Hill railway station and Lambert Park. The planning proposal states that Lords Road is also part of the Leichhardt cycling network, providing opportunities for greater use of public transport, walking and cycling.

5.1.1 Industrial Lands Strategic Assessment Checklist

The proposal has also been considered against *Direction 1.9: Support priority economic sectors*, and *Action 1.9.2 Support key industrial precincts with appropriate planning controls*. This Action requires that rezoning proposals are assessed under the *Industrial Lands Strategic Assessment Checklist* (draft Metropolitan Strategy for Sydney to 2031), which aims to prevent encroachment on important industrial sites. The Checklist poses questions about the appropriateness of rezoning industrial land to other uses.

The proponent has provided an assessment of the proposal against the Checklist in the submitted Industrial Rezoning Economic Justification (October 2013) (Appendix 5). In relation to the Checklist, and in summary, the proponent contends that:

- the site is not considered of strategic importance in Council's Employment and Economic Development Plan (Employment Plan) (June 2013), the Metropolitan Plan 2036 or the draft Metropolitan Strategy to 2031, and the draft Subregional Strategy is out of date, with recent analysis identifying the site as no longer economically viable;
- the site is separated and distant from key economic infrastructure and is not part of a significant industry cluster;
- there are sufficient industrial land stocks at a regional and metropolitan level to meet current and future demand, such that the loss of the site is insignificant;
- redevelopment of the site will generate construction employment and future permanent site-related employment, and will not materially impact on the LGA's employment capacity;
- given the site's modest size, poor location, the unlikely replacement of existing buildings and the attractiveness of other better located industrial sites, the subject site will not attract the necessary investment; and
- the site is suitable for residential development.

The Department's consideration of the proposal against the checklist is summarised as follows:

- the proposed rezoning is inconsistent with State and council strategies on the future role of industrial lands; however, the inconsistencies are justifiable;
- the site does not contribute to a significant industry cluster on the basis of the broader consistency with the draft Parramatta Road Urban Transformation Strategy;
- the proposed rezoning would result in a less than 1% loss in industrial land across the local government area.
- the proposed rezoning would result in the loss of 62 jobs from the site and remove the ability of the site to maintain permanent employment and therefore to contribute to employment capacity targets and objectives. However, not all uses at the site are 'industrial' uses and could operate within other zones in the LGA;

- the site currently accommodates a range of local service/light and non-industrial and small office space components. Despite its physical constraints, the site may be able to support new industrial uses, such as high-tech and creative industries; and
- the site is not considered as 'critical' within in the context of other NSW Government or endorsed Council policies, but given its location within the Taverners Hill Precinct, as identified in the draft Parramatta Road Urban Transformation Strategy (and its proximity to the Inner West Light Rail), the site has the ability to accommodate some of the corridor's future housing growth.

Detailed consideration of the Checklist is attached at Tab 6 of this report. When considered against the Checklist, the Department's view is that on balance, the proposal has sufficient merit to proceed to the Joint Regional Planning Panel (the Panel) for independent review.

5.2 Draft Parramatta Road Urban Transformation Strategy (UrbanGrowth NSW September 2015)

This Strategy seeks to increase the quantity and diversity of housing, expand transport choices, increase the number of job opportunities and improve liveability along the Parramatta Road corridor. It identifies eight precincts considered appropriate for growth and where land use may change in the future.

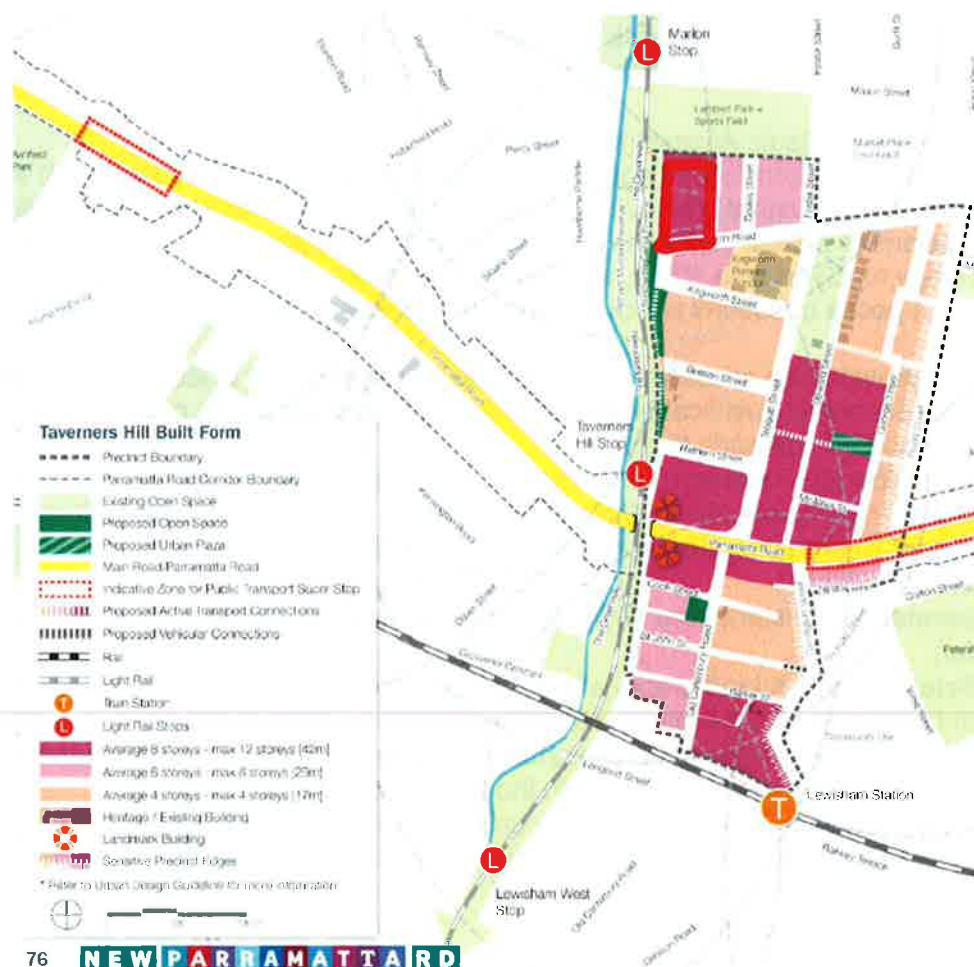


Figure 2: Extract from Taverners Hill Built Form Map, Draft Parramatta Road Urban Transformation Strategy

The subject site is located within the Taverners Hill precinct, which has been identified for future growth due to its accessibility to transport infrastructure and services, and employment opportunities in the Sydney CBD. The Strategy indicates that the precinct could evolve to support higher scale residential development, while maintaining the precinct's existing focus on the creative industries, and has long term potential to accommodate 2,700 new dwellings and 1,000 new jobs. The draft Structure Plan identifies the site as future residential, with a building height of 8-12 storeys (as shown in Figure 2 above). At the northern edge of the designated precinct, it is adjacent to the existing Lambert Park sports field which forms a logical boundary to the proposed redevelopment area.

The draft Strategy states that *"Leichhardt's future employment potential is likely to be as a commercial hub for professional or creative services"*. This is supported by a *Retail and Commercial Market Demand*

Analysis which states that there will remain a need for local services business such as panel beaters, appliance repairs, etc., which will require industrial floor space in proximity to their key markets...*"Industrial uses require good vehicular access and the ability to operate in a conflict-free environment (including conflicts with sensitive uses such as residential)."* The site does not meet these requirements as it is not located on a main road and is surrounded by residential uses.

Priority 1 'immediate strategic action' identified in the strategy is for the Department to work with councils to rezone land and update the planning provisions within the Precincts consistent with the draft Strategy through LEP amendments. The strategy however provides a 30 year vision so implementation will be necessarily staged.

The proposal would make a significant contribution (approximately 315 dwellings) to achieving the potential growth envisaged by the draft Parramatta Road Urban Transformation Strategy. As the proposal is solely for residential purposes, it will not facilitate the delivery of creative industries within this precinct as identified in the Strategy.

5.3 Local Strategy

Council's Industrial Lands Study (December 2014) covers land zoned IN2 Light Industrial. The study in summary states that:

- much of the local government area's industrial lands are focussed on local services and local light industry which tends to have strong local customer bases;
- the supply of industrial land in the local government area is minimal and stocks are reducing;
- demand for industrial land is increasing and the increasing demand may enable development to improve the intensity of its land use as development becomes more feasible;
- key projects within the local government area and inner Sydney subregion are changing the industrial landscape and are likely to increase demand for industrial land (including the proposed redevelopment of the Bays Precinct, the proposed WestConnex motorway, and expanded operations at Port Botany and Sydney Airport);
- inner urban industrial land uses are changing: traditional industrial uses are moving out of inner urban areas to large greenfield and unencumbered sites; increased land values in inner urban areas are increasing competition for centrally-located industrial land, and the local government area's location close to Sydney Airport, CBD, motorway network and port facilities provide high levels of accessibility to higher value add industries;
- new opportunities are emerging within industrial lands, such as for the creative industries and niche manufacturing industries replacing traditional industries;
- there is strong population-driven demand for industrial land in Leichhardt, in that a correlation exists between population numbers and the provision of services that support local populations;
- the provision of creative industries and complimentary land uses within precincts is desirable but difficult to achieve. Given forecast demand and the lack of industrial lands, the retention of IN2-zoned land must take precedence.

The study suggests a number of strategies and actions to be undertaken, including to:

- refuse any proposal to rezone land within any of the industrial precincts;
- develop a profile of each industrial precinct and a coherent vision for each, as part of a broader industrial land strategy;
- facilitate intensification of existing precincts to make better use of existing industrial land;
- consult with industry groups to ensure future precinct development meets the needs of users;
- ensure adequate provision of industrial land for population-serving industries by maintaining current provision of IN2 zoned land and prohibiting large-format retail in industrial zones;
- ensure the vision for Leichhardt's industrial lands considers possible impacts of the Bays Precinct redevelopment; and
- engage with Marrickville Council and state agencies on Parramatta Road-focussed renewal schemes.

Council's adopted Industrial Lands Study seeks to justify the retention of the site's industrial zoning. The proposal is considered inconsistent with this study and its recommendations. However, the change in use is justified through consistency with the draft Parramatta Road Strategy (2015) which demonstrates the

Government's long term vision for land along the Parramatta Road corridor and envisages a changing residential and employment character in the precinct. On this basis, the proposal is considered to have sufficient strategic merit to be referred to the Panel for independent assessment.

5.4 State Environmental Planning Policies (SEPPs)

The Department considers that the proposal is generally consistent with the applicable SEPPs, including:

- SEPP 32 Urban Consolidation (Redevelopment of Urban Land);
- SEPP 65 Design Quality of Residential Flat Development;
- SEPP 70 Affordable Housing (Revised Schemes);
- SEPP (Infrastructure) 2007, and
- SEPP 55 Remediation of Land

The preliminary site contamination assessment has found that the site is contaminated, but that there are remediation measures available to render the land suitable for residential development. The assessment has determined it is unlikely that there are any contamination related impediments to the rezoning. However, Council contends that further investigation is required in the form of a Preliminary Site Investigation and, if required, a follow-up Detailed Site Investigation / Remedial Action Plan. The Department recommends that should the planning proposal proceed to Gateway, the NSW Environment Protection Agency is consulted at exhibition stage so that remediation of potential contamination is fully addressed and planned for.

5.5 S117 Local Planning Directions

The relevant s117 directions for this proposal include:

- 1.1 Business and Industrial Zones;
- 3.1 Residential Zones;
- 3.3 Home Occupations;
- 3.4 Integrating Land Use and Transport;
- 4.1 Acid Sulphate Soils;
- 4.3 Flood Prone Land;
- 5.1 Implementation of Regional Strategies;
- 6.1 Approval and Referral Requirements;
- 6.2 Reserving Land for Public Purposes;
- 6.3 Site Specific Provisions; and
- 7.1 Implementation of A Plan for Growing Sydney.

The proposal is potentially **inconsistent** with the four following s117 Directions:

Direction 1.1 Business and Industrial Zones

The planning proposal is inconsistent with this Direction as it seeks to rezone industrial land to residential which will reduce the area of existing industrial zones. To be 'justifiably inconsistent' with the Direction, the proposal must be justified by an approved strategy, or be of minor significance.

The Department acknowledges that Council's Employment Plan adequately considers the objectives of the Direction, and identifies the site as one of a number of small fragmented industrial sites that could be investigated for a broader range of employment uses and/or rezoning. Notwithstanding, given the minor scale of the industrial site, the Department considers that there is sufficient justification for the proposal to proceed to review by the Panel. The site is relatively small and a limited employment generator, and industrial activity at the site will not have the ability to intensify significantly in the future due to the potential conflict with the surrounding residential environment.

The supporting *Retail and Commercial Market Demand Analysis* for the draft Parramatta Road Corridor Strategy acknowledges the difficulty of maintaining such small isolated pockets of light industrial land for similar use in the future.

As identified earlier in this report, the proposal demonstrates clear consistency with the Government's long term direction for the Parramatta Road corridor. The proposal would introduce housing within a residential area supported by established transport services and facilities and a variety of jobs across the precinct. According to the draft Parramatta Road Urban Transformation Strategy, the Taverners Hill precinct

currently accommodates 2,745 jobs, and by 2050 it is anticipated that it will accommodate 3,708. The current site employs approximately 60 persons on site and represents 2% of the total current workforce in this precinct.

Direction 4.1 Acid Sulfate Soils

This Direction seeks to avoid significant adverse environmental effects from the use of land that has acid sulfate soil. The proposal is potentially inconsistent with this Direction as it proposes to intensify use on land with Class 5 acid sulfate soil. Neither the preliminary contamination nor flooding assessments provided by the proponent address this issue.

If the proposal proceeds, further information should be provided by the proponent prior to public exhibition and compliance with Acid Sulfate Planning Guidelines should be assessed at development application stage.

Direction 4.3 Flood Prone Land

This Direction seeks to ensure that consideration is given to the Government's Flood Prone Land policy and the potential for flood impacts both on and off the subject land.

The LEP contains a flood planning clause which seeks to minimise flood risk and impact, and applies to land at or below the projected sea level rise and other land at or below the flood planning level. The proposal is potentially inconsistent with this Direction as neither the planning proposal nor Council's response to it clarify whether the site is at or below these levels. However, Council's Stormwater and Development Assessment Team advises that the site is at risk of stormwater flooding, and that to manage such risk, the development would have to include stormwater infrastructure upgrades.

If the proposal proceeds, further information should be provided by the proponent prior to public exhibition to demonstrate compliance with this Direction.

Direction 7.1 Implementation of A Plan for Growing Sydney

This Direction gives legal effect specifically to the planning principles, directions, and priorities for subregions, strategic centres and transport gateways contained in *A Plan for Growing Sydney* (2014). The planning proposal contributes to the overall achievement of the plan, consistent with the intention of the Direction. It seeks to increase residential density in an accessible location (within the indicative urban renewal corridor identified as running along Parramatta Road) and reduce land use conflict between residential and industrial zones. However, while the proposal is consistent with housing objectives, it is inconsistent with the broad objective to protect industrial land.

Further consideration against A Plan for Growing Sydney has been provided earlier in in this report at section 5.1.

6 SITE-SPECIFIC MERIT ASSESSMENT

6.1 Existing, approved, likely future use of land

The site is zoned IN2 Light Industrial with a 1:1 FSR and is currently occupied by a range of uses including a gymnasium, art school, auction rooms, martial arts school, storage and other light industrial uses including an insulation and roof space cleaning business. The proposal aims to rezone the site to R3 Medium Density Residential with a 2.4:1 FSR, to facilitate a high quality residential development of approximately 315 dwellings, incorporating a range of housing types including affordable housing, as well as child care facilities.

Council's identified opportunities to retain industrial zoning on the site include:

- a number of fragmented sites, such as at Lords Road, could be investigated for a broader range of employment uses and/or rezoning;
- although having a partial local service/light industrial character, the precinct also supports some non-industrial activity as well as a small component of office space. The site may be suitable as a more flexible industrial area, and is well positioned to attract creative industries and/or higher value light manufacturing;
- the Inner West Light Rail could be a draw for more flexible industrial uses, just as it is for residential development;
- there may be future economic opportunities for the site resulting from demand generated by such drivers as WestConnex and the Bays Precinct Urban Renewal; and

- Council's Industrial Lands Study 2014 indicates that the site is not unsuitable for a number of non-residential uses, not necessarily traditional or unneighbourly industrial uses.

The proponent contends that the site and its buildings are becoming obsolete with little prospect of future investment in industrial uses. Identified constraints to retaining industrial zoning include:

- the site is fragmented and is largely bounded by residential development;
- the site is only accessible via residential collector streets;
- the site is not attractive to higher order industrial investment and as such, rents will remain low, attracting only lower order uses;
- costs involved in bringing existing buildings up to date, or providing purpose-built structures to accommodate alternative industrial uses; and
- potential/likely community resistance to new or intensified industrial uses.

The Department considers that the economic considerations put forward both by Council and the proponent provide justification both for and against the proposal.

The site's location within a predominantly residential area, with good public transport links and proximity to local facilities and services, is well suited to residential development. The site has limited potential to intensify its use without generating adverse impacts upon traffic and amenity. A number of the existing uses could operate elsewhere in the local government area under a variety of zones and are not necessarily reliant on being located within the IN2 zone. While potential does exist for the site to be used for other employment uses, such as creative industries, it is unlikely the required investment would make this a viable proposition.

As the proposal would better align to adjoining uses and would be supported by existing transport infrastructure, services and facilities, the Department supports the proposal and recommends it to proceed for independent review by the Panel.

6.2 Natural environment

Given the historic development for industrial purposes and extent of disturbance across the precinct, it is unlikely that any critical habitats or threatened species or ecological communities exist on the site.

The Department considers that there are no apparent environmental matters or hazards that prevent the re-zoning. However, as identified earlier in this report, should the proposal proceed to Gateway, a preliminary contamination assessment would be required to satisfy SEPP 55 Remediation of Land prior to exhibition, and flooding should also be addressed as the site is located in close proximity to the Hawthorne Canal Stormwater Channel (on the other side of the light rail line).

6.3 Traffic and transport

The site is located within reasonable walking distance of bus routes operating along Marion Street and Parramatta Road, and of Leichhardt Market Place. The site is also located approximately 150m from the Marion Street light rail stop.

The proponent has provided a Traffic and Parking Assessment, based on the concept plan for the site, which concludes that nearby intersections will be able to operate at current levels of service, with only minor increases in total average vehicle delays under projected additional traffic demands. In terms of road network capacity, the study found there would be no unacceptable traffic impacts, nor would there be any need for road improvements or upgrades as a result of the site's redevelopment. The planning proposal indicates that up to 253 off-street parking spaces will be provided in accordance with Council's DCP 2013.

Council's Traffic and Transport Assessment Report ([Tab 4](#)) concluded that the proposal does not adequately address relevant traffic and transport considerations and further justification is required in relation to:

- impact upon Davies Lane and its residents;
- impact upon other major intersections in the vicinity of the site; and
- parking analysis for Saturdays, taking into account the site's proximity to Leichhardt Market Place and Lambert Park.

The Department considers that the site is well serviced by public transport and the traffic and parking assessment concludes there will be no significant impacts on traffic in the vicinity of the site. However, the issues raised by Council in relation to detailed traffic and parking matters will need to be resolved at development application stage. It is recommended that Roads and Maritime Services be consulted, should the proposal proceed to Gateway. Further consultation with UrbanGrowth NSW would also be required regarding the draft Parramatta Road Urban Transformation Strategy.

6.4 Services and utilities infrastructure

As the site is located in an existing urban area, it is likely existing utility infrastructure is available. The site is considered potentially suitable for residential development. However, should the proposal proceed to Gateway, infrastructure providers would also be formally consulted to determine whether any augmentation of existing utility infrastructure is required.

6.5 Social Infrastructure

The proponent has provided a net community benefit analysis. In summary the proposal would facilitate housing development which would contribute to meeting the housing needs of an increasing population, be a sustainable use of a brownfield site, improve long term amenity including removal of heavy vehicle movements, and would provide social infrastructure in the form of child day care places and a new playground. The proponent commissioned a Social Impact Assessment (SIA), focussing on child care, out of school hours care and vacation care, primary school and high school capacities. The assessment concludes that due to the inclusion of a 60-place child care centre on the site, and the small forecast number of school age children who might live within the proposed development, the proposal is considered to have minimal impacts on local child care and school facilities.

Council contends that the proponent's SIA is insufficiently robust and is limited in its scope, focussing on school and childcare numbers and not the wider social impacts of the development. The net community benefit test is also considered limited in its application and does not provide a thorough assessment of community and social impacts. However access to open space and other community facilities are addressed in the supporting documentation. The site is located in proximity to the Hawthorne Canal Reserve, with good walking and cycling linkages. Leichhardt Marketplace is located 200m to the east of the site providing a full range of retail services.

Council is also concerned that the proposed 5% provision of affordable housing does not meet its adopted policy on affordable housing, which seeks a minimum of 10%. Council's commissioned peer review of the SIA and Housing Affordability Assessment (HAA) ([Tab 5](#)) concludes that the proposed smaller dwellings that the proponent contends would be affordable as a result of their smaller size would be unlikely to be affordable to those in need of affordable housing, such as key workers. Given the concerns expressed by Council regarding net community benefit and affordable housing, should the proposal proceed to Gateway, the Department of Education and Communities and Family and Community Services – Housing NSW be consulted on the planning proposal.

The Parramatta Road Corridor Strategy *Open Space and Social Infrastructure Schedule* identifies the need in the Taverners Hill precinct for a local park, daycare centre, community space and streetscape improvements to be delivered through development contributions plans.

6.6 Design Outcomes

The proposal contends that the massing of the proposed building envelopes is responsive to the surrounding context: a maximum of four storeys adjacent to existing residential areas, with taller buildings fronting the light rail corridor. Visual impact, privacy and solar access for existing residential development have been considered.



Figure 3: Proposed height controls in the draft DCP (left) and in the draft Parramatta Road Transformation Strategy (right).

The draft Parramatta Road Strategy envisages 8-12 storey residential development on the site. The planning proposal with a maximum of 8 storeys is consistent with this vision.

Council has assessed the proposed bulk and scale as unacceptable. The Council-engaged peer review of the SIA recommends design solutions such as development stepping back from boundaries, altered orientation and landscaping to address privacy issues. It is considered that these matters can be addressed at the development application stage.

7 BACKGROUND SUPPORTING INFORMATION

7.1 Adequacy of existing information

The proposal was supported by relevant documentation, and is considered adequate.

Is the supporting information provided more than 2 years old?
If 'yes', explain/detail currency of information

Yes ☐ No ☒

Is there documented agreement between the proponent and the council regarding the scope/nature of supporting information to be provided?

Yes ☐ No ☒

Is there evidence of agency involvement in the preparation of any supporting information or background studies?

Yes ☐ No ☒

7.2 Requirement for further information

No further information is required.

8 CONCLUSION

The Department considers that:

- the proposal demonstrates strategic merit in relation to the provision of housing to meet the needs of Sydney's growing population, and as such is generally consistent with the housing related aims and objectives of the strategic planning framework for this precinct, including A Plan for Growing Sydney and the draft Parramatta Road Urban Transformation Strategy. The proposal is also considered generally consistent with applicable section 117 Directions and SEPPs;

- the proposal is, on balance, consistent with the Industrial Lands Strategic Assessment Checklist, particularly considering the Government's planning for the Parramatta Road Corridor;
- the site is appropriate for consideration for residential rezoning due to its location in proximity to the Inner West Light Rail and the Parramatta Road corridor, and the presence of existing infrastructure, facilities and services;
- the site is not, as a whole, currently being used for the purposes intended by the IN2 Light Industrial zone and current uses could be accommodated in other zones elsewhere in the local government area. The site is not suitable for industrial intensification. The location of the site is, in itself, appropriate for residential development.

However, the proposal is inconsistent with strategic objectives to protect industrial/employment land from being rezoned for residential purposes. A key issue for consideration raised by this proposal is the loss of industrial land in a local government area that has a limited and decreasing supply of industrial zoned land, and whether this loss is justified. The information and documents provided by Council, in addition to the wider context of other industrial sites in the local government area being subject to rezoning proposals and approvals, provides an argument for the proposal not to proceed. It is acknowledged that the rezoning could contribute to reducing Council's ability to provide sufficient industrial land to accommodate current and future demand.

On balance, it is considered the proposal has sufficient merit to be independently considered by the Panel, given the access to transport, inclusion in Taverners Hill Precinct and evidence to suggest this is not a significant location for industrial uses.

It is **recommended** the proposal for 67-73 Lords Road, Leichhardt proceed to the Sydney East Joint Regional Planning Panel for independent review.

RECOMMENDATION

It is **RECOMMENDED** that the Deputy Secretary:

- form the opinion that the request **is eligible** for review and sufficient information **has been** provided; and
- the request **may proceed** to review by the Joint Regional Planning Panel (the Panel).

Endorsed by:


Simon Manoski 19.10.15
 A/General Manager, Metropolitan


Brett Whitworth 19 October 2015
 A/Executive Director, Regions


Mathew Jones 23/10/15
 A/Deputy Secretary
 Planning Services

