Leichhardt industrial lands study

Final report

Leichhardt Council

December 2014

SGS Economics & Planning

Independent insight.

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EXECUTIVE SUMMARY

Leichhardt has eleven identified industrial precincts scattered throughout the LGA. These vary both in their size and mix of uses, however the predominant characteristic of Leichhardt's industrial lands is their servicing of local industrial need.

Across all precincts, Leichhardt currently has 308,902 sqm of floorspace within industrially-zoned land, split across broad land-use categories (BLCs).

In order to determine whether Leichhardt has sufficient industrially-zoned land to satisfy future demand, employment projections are used to forecast how much additional floorspace will be required. This enables Leichhardt Council to assess whether other complimentary uses (such as creative industries) could be accommodated within the existing precincts.

Given Leichhardt's relatively low provision of industrial land, it is forecast that the LGA will not have sufficient land within existing precincts to accommodate the future demand of 63,094 sqm by 2036. Even within various scenarios that test degrees of development within these precincts, **Leichhardt is projected to have a shortfall of between 7, 570sqm and 54,965sqm by 2036**. Table 1 identifies each precinct in different development scenarios, with floorspace shortfalls in red. The two outlying scenarios – minimum and maximum – assume no additional development to increase floorspace and development to 100% of the current 1:1 FSR respectively. The maximum scenario in particular is unlikely and the minimum scenario acts as a conservative baseline.

TABLE 1. LEICHHARDT INDUSTRIAL ZONES FLOORSPACE SUPPLY-DEMAND GAP 2014-2036 (SQM)

	Development scenarios			
Precinct	Min	Med (40%)	Med (60%)	Max
Balmain East industrial	(637)	824	824	1,144
Terry St	(3,060)	(2,279)	(1,562)	1,873
White Bay	(15,371)	(13,656)	(11,192)	(7,709)
Balmain Rd	(3,297)	(3,297)	(2,886)	(2,886)
Lilyfield Rd	(669)	(669)	(669)	(169)
Moore St North	(1,502)	(1,502)	(1,502)	(976)
Moore St South	2,285	11,151	13,455	16,518
Allen Street[1]	(6,778)	(6,778)	(6,778)	(6,778)
Marion St	(1,788)	(1,788)	(296)	(296)
Lords Rd	(10,704)	(10,704)	(10,704)	(10,704)
Tebbutt St/ Parramatta Rd	(5,283)	(1,325)	(549)	1,950
Camperdown	(8,161)	(3,788)	(476)	465
TOTAL	**(54,965)**	**(33,811)**	**(22,334)**	**(7,570)**

[1] Although Allen Street has been re-zoned away from IN2, it is included in the modelling from a demand-side point of view. Although it no longer provides capacity, it is assumed that the current industrial floorspace will need to be accommodated elsewhere in the LGA. It therefore shows as a 'gap' of 6,778sqm, contributing to Leichhardt's overall total.

Source: SGS Economics and Planning, 2014

Separate forecasting methods, using population growth projections, project that those industries servicing local populations will see demand increase by 33,909sqm by 2036 within the LGA. The employment and population-driven demand forecasts are based on Bureau of Transport Statistics (BTS) 2014 release and do not consider the potential redevelopment of the Bays Precinct or Parramatta Road urban renewal corridor.

Leichhardt's proximity to the Sydney CBD, improving transport links and identified development possibilities within the Bays Precinct and the Parramatta Road Corridor, means that the LGA's remaining industrial land is under increased pressure to develop for non-industrial uses, in particular residential. While residential development is important right across Metropolitan Sydney, so too is the protection of industrial land to service a growing population.

In light of these competing pressures and Council's desire to explore additional uses such as creative industries within these precincts, this report makes a number of recommendations. In summary, these include all of Leichhardt's industrial lands being retained and protected from re-zoning, that additional industrial floorspace be provided and that Council's planning controls be revised to facilitate the protection and growth of industrial precincts.

The table below outlines in greater detail six recommendations for the management of Leichhardt's industrial lands, of which a number of actions are aimed to assist in the delivery of these. These are:

Recommendation 1: **Protect Leichhardt's industrially-zoned precincts for their important employment and service functions.**	
Action 1.1	Refuse any proposal to rezone land from Council's small pool of industrial land within any of the industrial precincts
Action 1.2	Protect the industrial nature of the key precincts of Moore Street South, White Bay and Camperdown from rezoning and non-industrial redevelopment that may be a permitted use within IN2 zoning.
Action 1.3	Rezone the key industrial precinct of Moore Street South from IN2 to IN1 to maximise its industrial nature
Action 1.4	Amend the clause within the Leichhardt LEP that allows for the continued provision of creative industries within any IN2 land and identify specific precincts in which it is permitted.
Recommendation 2: **Develop a profile and plan for each industrial precinct**	
Action 2.1	Develop a profile of each precinct to assist in planning for their future function, including: i. Precinct context and current mix of land uses ii. Physical characteristics of precincts & lots (size, configuration etc) iii. Available floorspace and development potential
Action 2.2	Develop a coherent vision for each precinct, as part of a broader industrial land strategy, which: i. Considers the pressures and potential demands the precinct may face ii. Considers each precinct's ability to support particular industrial uses or mix of uses iii. Includes specific detail on zoning, controls and permitted uses iv. Can be incorporated into the Development Control Plan or similar policy document
Action 2.3	Facilitate intensification of existing precincts, where possible, to make better use of the LGA's existing industrial land supply
Action 2.4	Develop an LGA-wide industrial land strategy that encapsulates the findings of precinct plans and provides a clear position with regards to Council's approach to industrial land protection and development
Action 2.5	Consult with industry groups to ensure future precinct development meets the needs of users

Recommendation 3: **Develop clear vision for the future of the Camperdown precinct and maintain industrial zoning**	
Action 3.1	Maintain current IN2 zoning for Camperdown precinct
Action 3.2	Permit no further retail use (including large-format retail) within Camperdown precinct
Recommendation 4: **Ensure adequate provision of industrial land for population-serving industries**	
Action 4.1	Maintain current provision of IN2-zoned land
Action 4.2	Provide an additional 33,909 sqm of IN2 floorspace by 2036
Action 4.3	Prohibit large-format retail in industrial zones
Action 4.4	Consider the establishment of a B5 and/or B6 zone along major arterial roads to accommodate the demand for large-format retail
Recommendation 5: **Ensure the vision for Leichhardt's industrial lands considers possible impacts of the Bays Precinct redevelopment**	
Action 5.1	Advocate as a key stakeholder on behalf of the Leichhardt LGA community, including local businesses, to protect and enhance their interests
Action 5.2	Adopt urban design/strategic plan framework to respond to the Bays Precinct redevelopment
Action 5.3	Ensure Council is a key stakeholder in discussions regarding the redevelopment of the Bays Precinct
Action 5.4	Maintain industrial zoning of White Bay industrial precinct
Recommendation 6: **Work with neighbouring councils to ensure a sub-regional approach to industrial land provision**	
Action 6.1	Engage with Marrickville Council and state agencies on Parramatta Road-focused renewal schemes

1.1 Differences in reporting outputs

This study examines Leichhardt's existing supply of industrial lands (lands zoned IN2) and the forecast demand for this land out to 2036. An earlier study by SGS in 2008 (updated in 2010) examined supply and demand for commercial and industrial land in the LGA.

In terms of industrial zoned land, the 2010 and 2014 SGS reports differ in their assessment of industrial floorspace demand and the subsequent demand-capacity gap assessment. This 2014 report suggests that there is a shortage of industrial land in the LGA. Differences in the demand-capacity conclusions in the two SGS reports are driven by the following:

- **Differences in underlying data sets.** To forecast demand for employment floorspace SGS uses employment projections by industry type, which are then converted to floorspace forecasts.

  The 2014 report uses Bureau of Transport Statistics (BTS) employment forecasts released in September 2014. These forecasts use 2011 census data as the base to forecast from. The 2010 report used the 2009 Transport Data Centre (TDC) forecasts (the TDC was subsumed into the BTS in 2010). These forecasts use 2006 census data as the base to forecast from.

  The 2014 BTS employment forecasts show a different profile for forecast employment in the LGA compared to the 2009 TDC numbers. In broad terms this can be summarised as follows - employment in industries that require industrial zone locations are forecast to increase and consequently, so too is the demand for the floorspace that they require.

This is witnessed in the larger forecast growth in construction and wholesale trade and to a lesser extent, the reduction in forecast manufacturing job decline between the two reporting periods. These types of industry growth changes mean that there is an overall increase in demand for floorspace in the LGA to accommodate these types of industry. These are the types of industry that locate in industrial lands. This contributes to an overall greater forecast demand for industrial floorspace which is reflected in the 2014 SGS report.

- **Differences in floorspace capacity.** The 2014 SGS report assessed the same industrial precincts as in the 2010 SGS report (with the exception of the Allen Street precinct which was excluded from the 2014 report due to its proposed rezoning from industrial). Changes throughout Leichhardt's overall industrial lands supply, such as the rezoning of precincts or the development of specific sites resulted in a change to industrial floorspace figures between the two reporting years. This has a flow-on impact on the capacity-demand gap identified in the 2014 report.

- **Development within the broader inner Sydney environment.** Neither the 2012 nor the 2014 BTS employment and population forecasts indicate that they have factored in development of the Bays Precinct or the Westconnex project. The Bays Precinct will have a particularly significant effect on Leichhardt LGA. A conservative approach to the retention of existing industrial precincts is therefore recommended in the 2014 report given the likely increase in demand once these projects' impacts are considered.

2 INTRODUCTION

2.1 Context

Changes in the global economy have reshaped metropolitan Sydney's industrial structure, in particular the traditional inner city industrial areas that are now characterised by new types of commercial and industrial development, or have been converted for residential use. In Leichhardt LGA, around 40 hectares of employment lands have been rezoned over the past 20 years, including the recent rezoning of the former 'Kolotex' and 'Labelcraft' sites at 22 and 30-40 George Street (from IN2 Light Industrial to B4 Mixed Use Zone and R3 Medium Density Residential respectively).

Leichhardt Council (Council) has a relatively small stock of industrial land remaining, all zoned IN2 Light Industrial, which is under increasing pressure to be rezoned for residential purposes due to factors such as access to the city and harbour views. While some of this land might be better suited to other uses and zonings, it is essential that sufficient industrial zoned land is retained within the Leichhardt Local Government Area (the LGA) to ensure that the current and future needs of the local area are met.

In particular, Council must reconcile significant land-use pressures with regard to the industrial zoned land within the LGA, namely:

- The need to retain viable industrial lands to serve the population
- The long-standing direction of the NSW Government that requires significant employment lands be protected and retained
- The aspirations of landowners that advocate for zoning that allows higher order uses such as residential or retail
- Determining if/ how higher order uses can proceed within industrial zones without undermining their ongoing functioning as industrial areas.

2.2 Scope of the study

SGS Economics and Planning (SGS) were commissioned by Leichhardt Council to undertake an industrial lands study for the Leichhardt Local Government Area. The study area, shown in the figure below, is all land zoned IN2 Light Industrial under the *Leichhardt Local Environmental Plan 2013* (LLEP 2013).

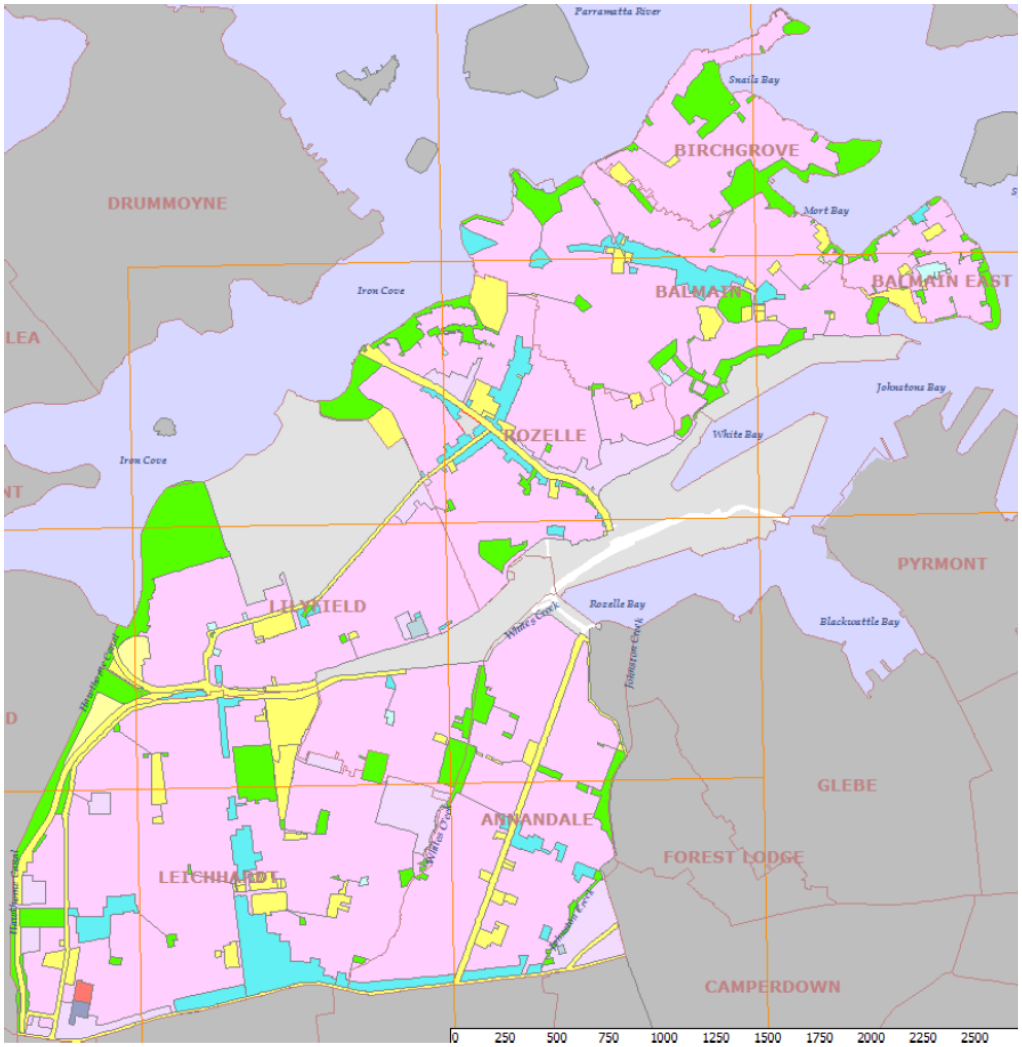
This study provides Council with baseline information against which to assess future proposals to rezone industrial land, in line with the state and local planning policy context, and changing economy, infrastructure and demographics. It will also be used to inform Council's Strategic Sites, Centres and Corridors Project which aims to develop a masterplan for the area bounded by Parramatta Road and Catherine, Albion, Susan, Chester, Taylor, Booth and Mallett Streets to inform the future direction of the development of the area.

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

- Provide Council with baseline information against which to consider proposals for the rezoning of industrial land
- Identify the trends and long-term demand and supply for industrial zoned land in the context of the LGA and the subregion
- Establish the relative strategic positioning of the industrial precincts within the LGA
- Consider the LGAs industrial zoned land against criteria for the rezoning of industrial land
- Assess the capacity of the industrial zoned land within the LGA to accommodate future demand for industrial land

- Establish if there is a basis for change in the Study Area
- Consider what uses may need to be accommodated in Leichhardt's industrial zoned land in the future
- Guide future decision making in relation to industrial land within the LGA
- Understand the implications of WestConnex on industrial zoned land within the LGA, in particular the Camperdown Industrial Precinct
- Make recommendations for the Camperdown Industrial Precinct to inform the direction of the Strategic Sites, Centres and Corridors Project and future amendments to the LLEP 2013 and DCP 2013
- Make recommendations for the industrial precincts of Moore Street Industrial Precinct (Leichhardt); Lords Road Industrial Precinct (Leichhardt); Leichhardt A Industrial Precinct (Marion Street); Balmain Road Industrial Precinct (Lilyfield); Victoria Road South/White Bay Industrial Precinct (Rozelle); and Terry Street Industrial Precinct (Rozelle).

FIGURE 1. STUDY AREA



Source: Leichhardt Council, 2014

2.3 Report contents

This report is structured in to the following sections:

Section 1 Introduction	Provides an overview of the report context and scope of study
Section 2 Strategic context	Identifies the locational, infrastructure and policy context of Leichhardt and the key issues facing the subregion.
Section 3 Current position assessment	Provides a profile of the local economy with a focus on employment profiles and industrial real estate market trends. It also provides an overview of broader macro trends being experienced across Sydney that impact on Leichhardt.
Section 4 Capacity assessment	This section identifies the land uses, the gross floor area (GFA) for each land use and the identification of vacant lands within each of the audited industrial precincts. It identifies the capacity that each precinct has under four scenarios and identifies areas within the LGA most suited to particular land use types.
Section 5 Demand and gap analysis	This section outlines employment forecasts for employment land use categories and converts these forecasts to floorspace forecasts to determine how much additional floorspace is required in the future for different employment land uses. It forecasts the amount of floorspace needed for local servicing industries due to residential population growth and assesses the gap between projected demand and capacity across the precincts.
Section 6 Findings and recommendations	This section builds on the analysis undertaken in sections two to five. It outlines key issues facing Leichhardt's industrial lands and makes recommendations for strategies and actions in Leichhardt's approach to managing these employment assets.

3 STRATEGIC CONTEXT

3.1 Local context

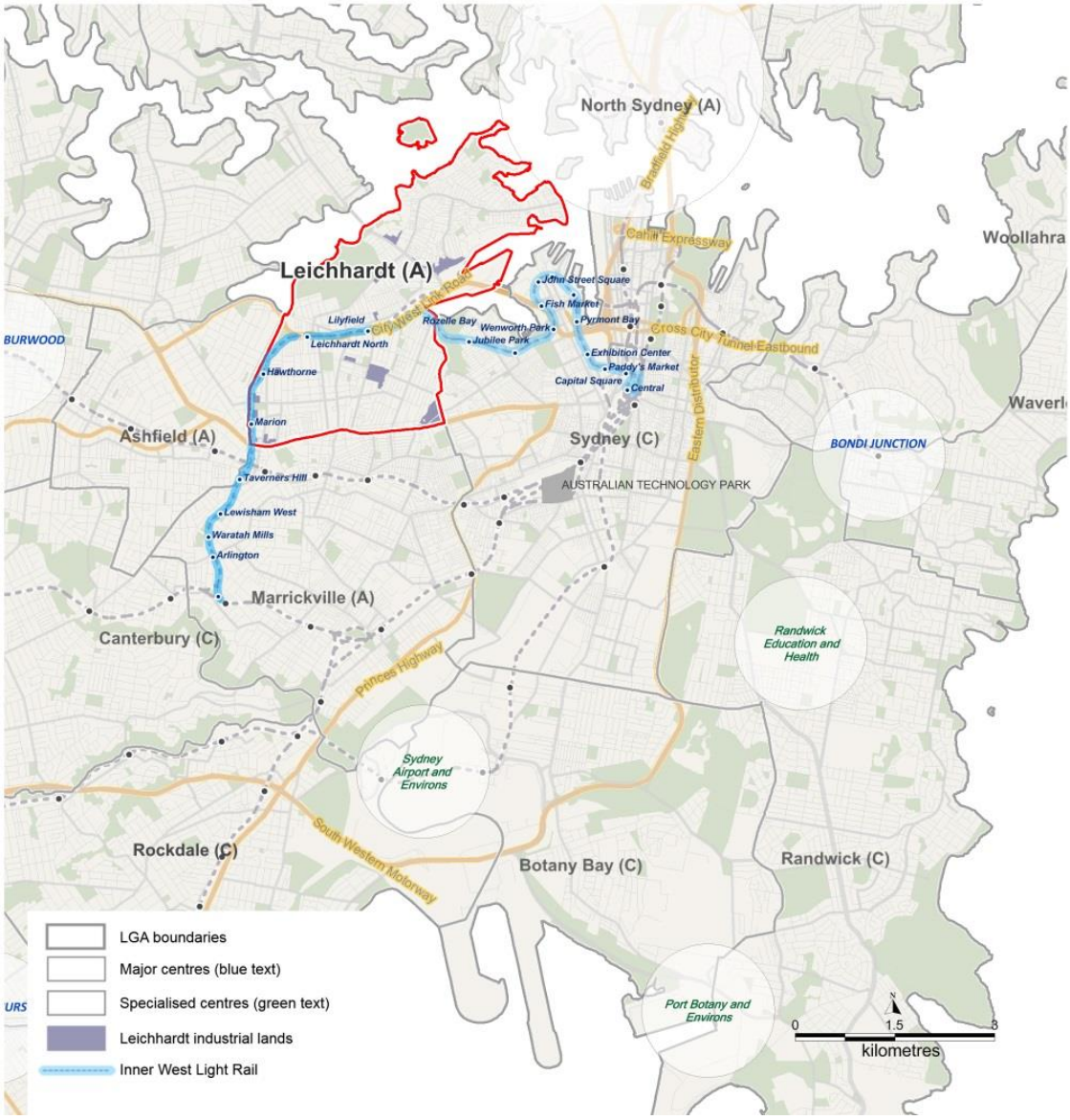
The LGA of Leichhardt is located directly west of the Sydney CBD, on the inner reaches of Sydney Harbour. It is bound by the harbour to its north and Parramatta Road to its south and is surrounded by the LGAs of the City of Sydney, Ashfield and Marrickville. It is also connected via the Iron Cove Bridge to Canada Bay. The LGA has extensive harbour frontage and a number of foreshore parks, including Ballast Point Park, Illoura Reserve and the grounds of Callan Park and the Dawn Fraser Pool. Leichhardt Oval, in the LGA's west, is home to the West Tigers NRL team.

The area has a long-standing industrial history. Sydney's only coal mine was located along the Birchgrove Ridge and it has variously been the location of maritime production, port services, coal mining and power generation. The area's large working population gave rise to the Australian Labor Party in 1891. Much of the area's industrial legacy remains, with the now redundant White Bay power station dominating the skyline. Supporting industrial infrastructure, including the Rozelle train sidings and port facilities, have been repurposed to support newer industries.

The LGA has a number of educational facilities; 16 primary schools (nine government and seven non-government), two government secondary schools and two university campuses. One hospital is located within the LGA. Leichhardt is well connected through a number of transport links. Parramatta Road, Victoria Road, City West Link, the Anzac and Iron Cove bridges and the proposed Westconnex motorway all provide good road access. The inner west light rail connects much of the LGA's southern area to the city and the north is well serviced by ferries.

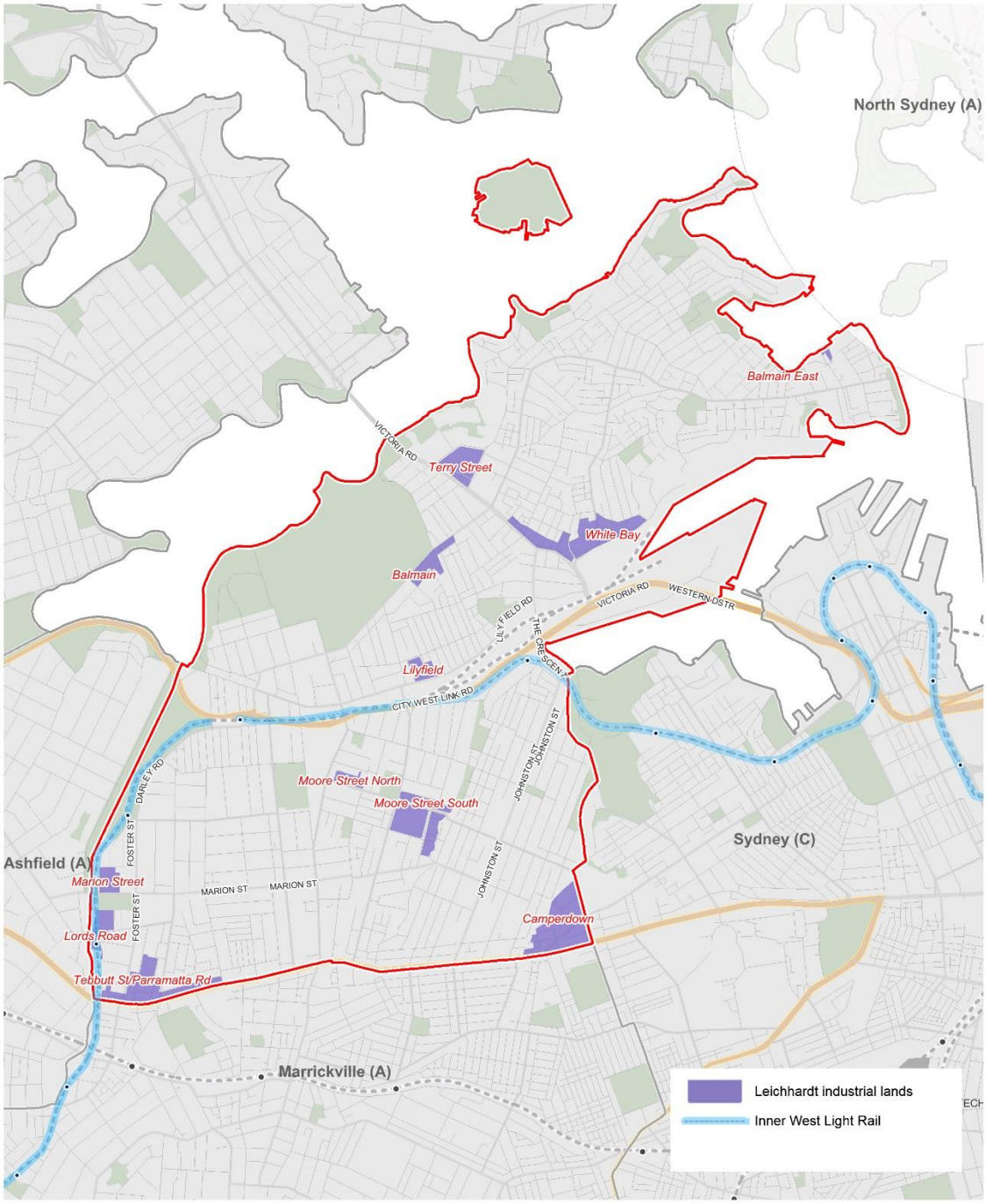
Leichhardt's employment lands are scattered throughout the LGA, with the majority located on or south of Victoria Road. This report identifies eleven employment precincts that vary in size and offering. A large amount of residual maritime industrial lands exists around Rozelle and White bays, whilst the rest are surrounded by residential and commercial land uses.

FIGURE 2. LEICHHARDT LGA IN CONTEXT



Source: SGS Economics and Planning, 2014

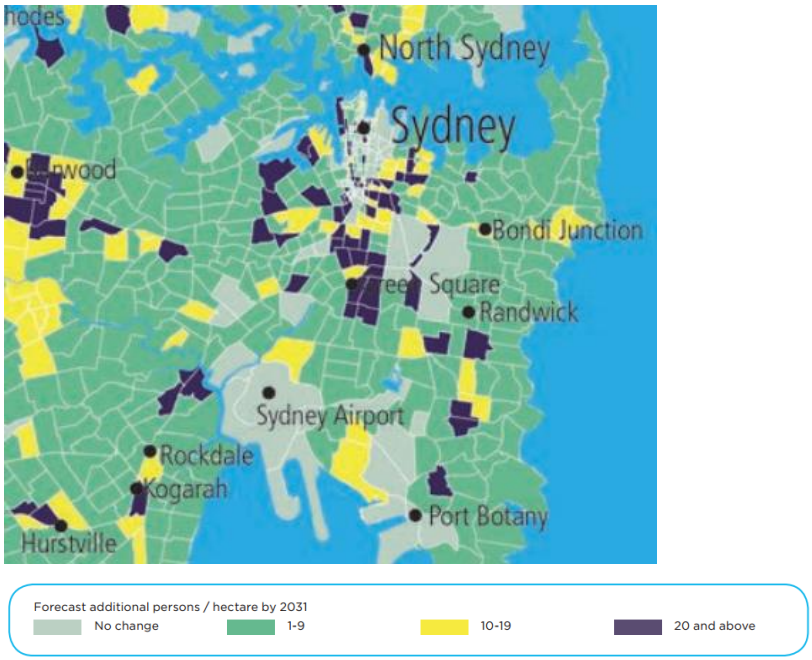
FIGURE 3. LEICHHARDT INDUSTRIAL PRECINCT LOCATIONS



Source: SGS Economics and Planning 2014

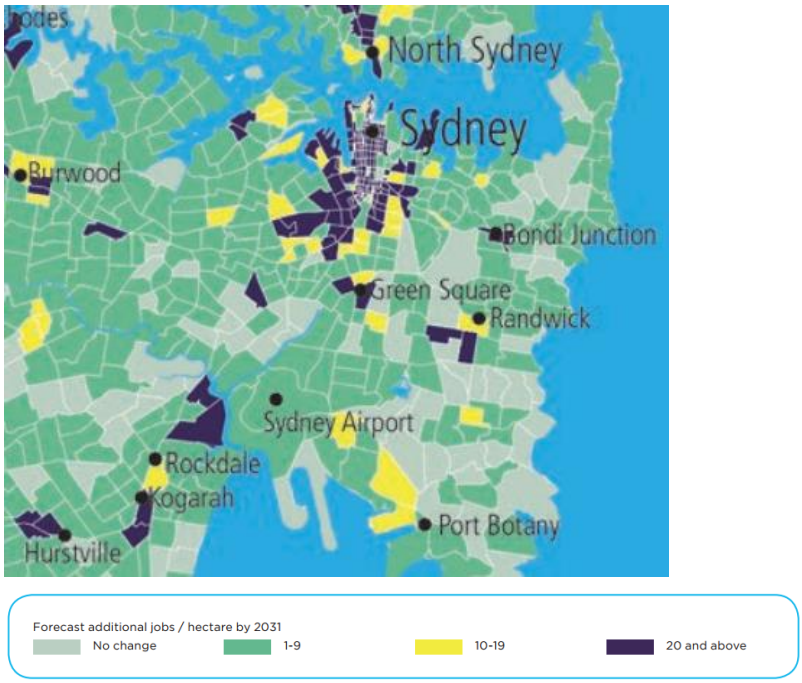
The NSW *Long Term Transport Master Plan* provides projections for residents and jobs to 2031. The figures below show that Leichhardt LGA is expected to accommodate few additional residents (no more than nine additional people shown per hectare, with no change in some areas), and higher levels of employment growth in some parts of the LGA.

FIGURE 4. SYDNEY'S POPULATION GROWTH FORECAST, 2011 TO 2031



Source: TfNSW, 2012

FIGURE 5. SYDNEY'S JOBS GROWTH FORECAST, 2011 TO 2031



Source: TfNSW, 2012

3.2 Transport context

Sydney context

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

WestConnex and Parramatta Road

WestConnex will be a continuous 33km motorway, linking Sydney's west with the CBD, Sydney Airport and Port Botany that will include the widening of the M4 and M5 motorways and the construction of a connecting tunnel.

The 2014 publicised conceptual route is provided below, with the Leichhardt section currently identified as Stage 3 with a construction date of 2018-23.

FIGURE 6. WESTCONNEX ROUTE

Source: www.westconnex.com.au, 2014

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

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

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

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

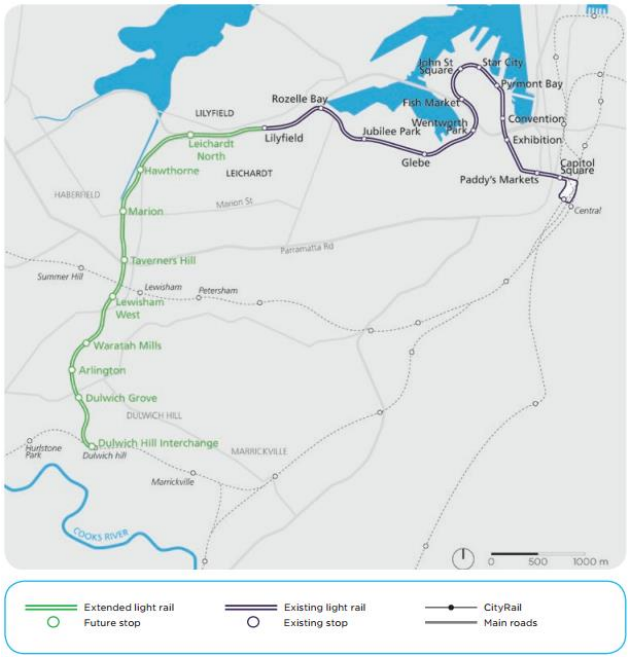
Investment in WestConnex was also recommended by the *State Infrastructure Strategy*, which identified the benefits as:

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

Light rail

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

FIGURE 7. INNER WEST LIGHT RAIL EXTENSION ROUTE MAP



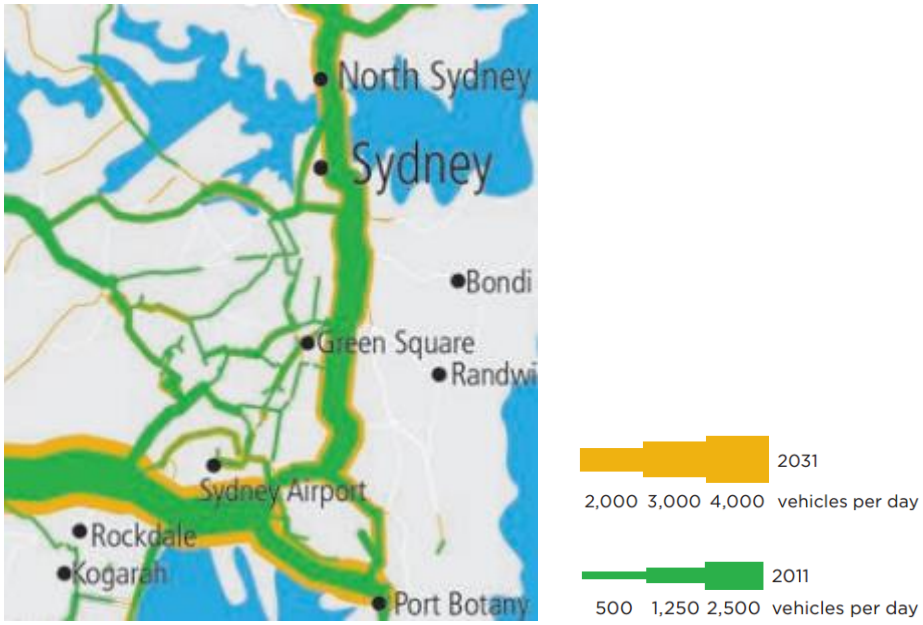
Source: TfNSW, 2012

Heavy vehicles

The NSW *Long Term Transport Master Plan* highlighted where heavy vehicle traffic is concentrated, in the vicinity of Leichhardt's industrial areas, namely along the Parramatta Road in Leichhardt LGA.

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

FIGURE 8. HEAVY VEHICLE MOVEMENTS, 2011 AND 2031



Source: TfNSW, 2012

3.3 Strategies and policies

State and metropolitan

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

NSW 2021

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

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

- the visitor economy (tourism)
- creative industries

- the digital economy (such as information communications technology)
- professional services
- manufacturing
- International education and research.

Metropolitan Plan for Sydney 2036

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

Table D1 in the Housing Sydney's Population chapter identifies a housing target for the Inner West Subregion of 35,000 new dwellings between 2006 and 2036.

Table E1 in the Growing Sydney's Economy chapter identifies an employment target of 25,000 additional jobs for the Inner West Subregion.

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

FIGURE 9. METROPOLITAN PLAN ACTION E3.2

SUMMARY OF THE STRATEGIC ASSESSMENT CHECKLIST

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

Source: Department of Planning and Infrastructure, 2010

Draft Inner West Subregional Strategy

The draft Inner West Subregional Strategy was released in July 2008. The purpose of the subregional strategies is to provide for targeted and specific regional responses to the state level strategic objectives and aims set for Metropolitan Sydney.

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

Action 1.2.3 of the draft strategy, Council to ensure retention of sufficient small Employment Lands parcels to support local service industries, notes that across the subregion, especially in Leichhardt, Ashfield and Canada Bay, there are many smaller parcels of employment lands which provide for a range of local

economic services. It identifies that these sites should be retained for industrial uses unless it can be clearly illustrated that they are not required to meet future demand for employment lands.

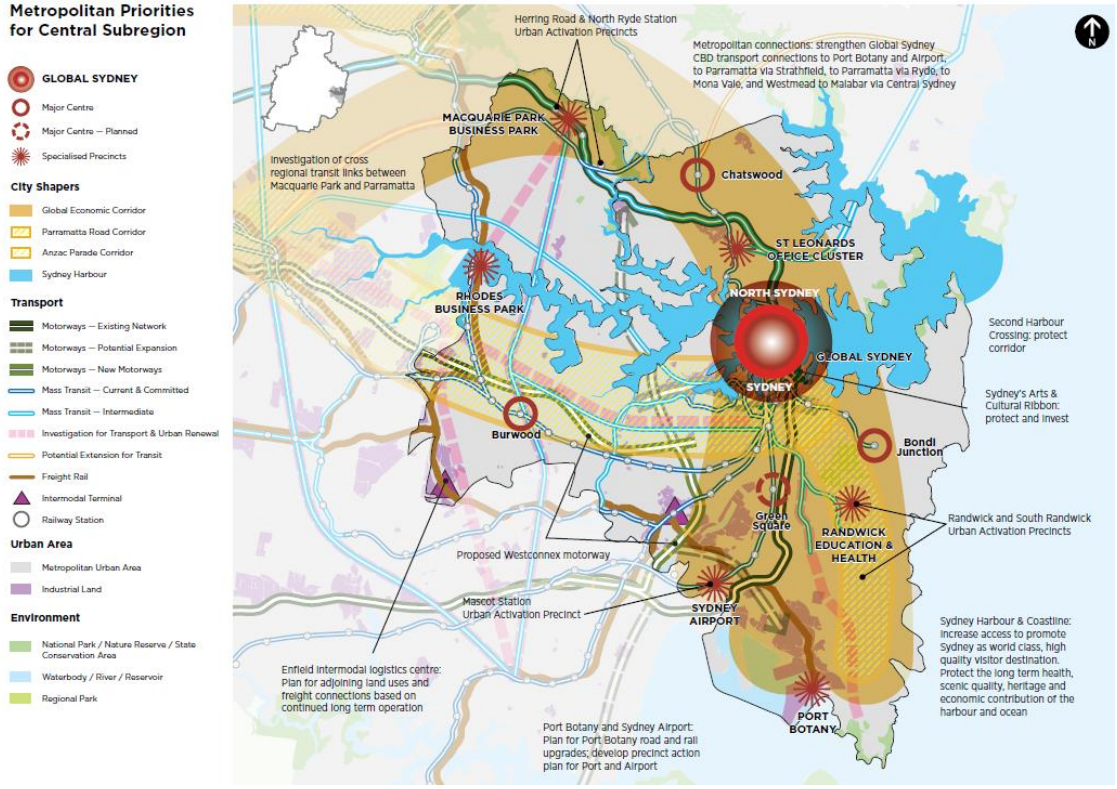
The draft strategy identifies industrial land within the Leichhardt LGA as Category 1 land (to be retained for industrial purposes) and Category 2 land (with potential to allow for a wider range of employment uses). However, as discussed above, Action E3.2 of the Metropolitan Plan advises that categories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

Draft Metropolitan Strategy for Sydney to 2031

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

Critically, the draft Strategy redefines the Sydney subregions based on a new assessment of their population and economic catchments, placing Leichhardt LGA in a large Central subregion (Figure 10) and forming part of the Global Economic Corridor. This is recognition of Leichhardt's shared characteristics with the central Sydney CBD, and depth of economic linkages.

FIGURE 10. DRAFT METROPOLITAN STRATEGY FOR SYDNEY TO 2031 - CENTRAL SUBREGION - PRIORITIES



Source: Dept. of Planning, NSW (2013)

Priorities for this region relevant to Leichhardt include enabling housing intensification within established centres and along key transport corridors, as well as enhancing the role of the subregion as Sydney's global economic driver. This includes strengthening connections within the identified Global Sydney metropolitan centre (covering the CBD and North Sydney) and Global Economic Corridor city shaper (p.83), both of which Leichhardt sits immediately next to

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

The draft Strategy identifies that existing industrial lands, especially in established areas, are under pressure to be rezoned to other uses. The Draft Metropolitan Strategy identifies a "noticeable increase in rezoning of employment lands to non-industrial and wider employment uses" (NSW Department of Planning & Environment, Draft Metropolitan Plan for Sydney to 2031, p48).

To provide a framework to assess proposals to rezone industrial land, the draft Strategy includes a strategic assessment checklist, developed in consultation with key stakeholders on the NSW Government's Employment Lands Task Force. It continues the 2010 Metropolitan strategy's identification of the need for assessment when rezoning industrial land. Proposals to rezone existing industrial lands must be consistent with the Industrial Lands Strategic Assessment Checklist, copied below.

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

Source: NSW Department of Planning and Environment, 2013

Ministerial Directions

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

- Direction 1.1 – Business and Industrial Zones
- Direction 2.3 – Heritage Conservation
- Direction 3.1 – Residential Zones
- Direction 3.4 – Integrating Land Use and Transport
- Direction 7.1 – Implementation of the Metropolitan Plan for Sydney 2036.

Employment Lands Development Program

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

The Employment Lands Development Program 2010 Report (the 'ELDP 2010 Report'), released in March 2011, provides a preliminary assessment of Employment Lands across the Sydney Region. A key finding was that there were approximately 900 hectares (or three years supply) of undeveloped zoned and serviced Employment Lands available across the Sydney region in 2010, which is below the desirable minimum standard of 5-7 years stock (based on a high-take-up scenario of 300 hectares per annum). The report notes that maintaining an adequate stock of Employment Lands is essential in providing for economic growth and competitiveness as well as the affordability of Employment Lands and that for adequate land stocks to be maintained, it is necessary to have stocks of land at progressive stages in the planning and development process.

While the majority of jobs in Employment Lands are concentrated in the middle and outer suburbs of the Sydney Region, it was noted that inner suburbs contribute significantly to the share of jobs in Employment Lands, especially in the higher-value and high-technology industries. They tend to have a disproportionately greater share of jobs, compared to land stock, due to the more intensive nature of industrial activity. For example, the Inner North has only 1 per cent of total Employment Lands stock but 6 per cent of all jobs located in Employment Lands.

The report further noted that demand for industrial space in Sydney is expected to continue to grow in the short to medium term, driven by: forecast economic growth; ongoing efficiency drives in the logistic sectors and growth in imports.

In 2012, the NSW Government released the 'ELDP 2011 Update Report'. It provides data down to a precinct level (320 employment land precincts in total) that are defined as contiguous areas of zoned industrial land, which form the basis of data collection for the ELDP.

Overall the ELDP 2011 Update Report found a modest increase in zoned employment lands over the Sydney region of 205 hectares in 2010 (p.5). This was driven heavily by an expansion of industrial land in the north-west subregion (2058 hectares), while the majority of subregions saw a decline. The 2011 ELDP also identifies a decrease in approved industrial building activity, down from $574 million in 2008/09 to $400 million in 2009/10. There was also a decrease in land taken up by industrial development, from 205 hectares in 2009 and 264 hectares in 2008 to 153 hectares in 2010.

The Inner West was found to have a higher than average job density in Employment Land, of approximately 65 jobs/ha, compared to the Region average of 43 jobs/ha. This is significantly higher than job densities in the North West (31 jobs/ha) and South West (23 jobs/ha) but lower than the highest densities of 146 jobs/ha in the Inner North and 131 jobs/ha in Sydney City. These highest density areas are characterised by a longer history of development, higher land values and supply constraints. They also support a large proportion of high-tech and high-office component developments.

Overview of Neighbouring Industrial Lands

Marrickville Council

Marrickville adjoins the Leichhardt LGA. It contains fragmented light industrial land, as well as a strategically important, coherent industrial land parcel, north-west of the airport. Marrickville is partially covered by the Global Economic Corridor, with important linkages to the CBD, Sydney Airport and Ports.

Key findings from the Marrickville Employment Land study (2008) were that in order to address future land demand and address industry and policy trends Marrickville LGA should:

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

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

The study also noted that while in general employment land should be preserved, declining manufacturing sectors and increasing advanced professional and service sector employment, suggests provision be made to allow a wider range of uses on sites where manufacturing land uses are minimal or that more intensive employment activity would be suited. This would facilitate a smoother transition for older industrial stock.

Marrickville contains a significant industrial precinct along Victoria Road. The precinct provides 66 hectares of industrially-zoned land and like Leichhardt, the precinct faces pressure to redevelop for other uses such as residential. The hypothetical rezoning of this precinct would place significant pressure on other nearby inner-city industrial precincts. This would include Camperdown and possibly Moore Street South in Leichhardt.

City of Botany Bay

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

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

Constraints to the further development of this area have been identified and are being addressed, including issues of congestion. One of the priorities within the draft Metropolitan Strategy for Sydney to 2013 is to "implement works to relieve major congestion around Sydney Airport and Botany Bay and improve public transport access to the Airport".

City of Sydney

A new employment lands strategy was adopted by the City of Sydney in June 2014. This strategy covers land currently zoned for business or industrial purposes and has informed the proposed changes to zoning and planning controls for much of the City of Sydney's employment lands. These changes are on exhibition until mid-December 2014 and seek to align planning controls with a more contemporary understanding of the role of the employment lands in the wider Sydney context.

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

The following key changes were proposed:

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

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

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

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

FIGURE 11. CITY OF SYDNEY EMPLOYMENT LANDS STUDY MAP

Source: City of Sydney, 2011

Leichhardt Council planning framework

Leichhardt 2025+

Leichhardt 2025+ is the strategic plan for the Leichhardt Local Government Area that identifies the community's main priorities and aspirations for the future and guides the delivery of Council services over the next ten years.

The vision statement from Leichhardt 2025+ is:

> *Community and Council will work together to promote and develop Leichhardt as a sustainable, liveable and connected community.*

The Leichhardt 2025+ further refines this vision by identifying the following goals:

- A Leichhardt community that is equitable, cohesive, connected, caring, diverse, healthy, safe, culturally active, creative and innovative, and has a strong sense of belonging and place
- Easy access for people, services, information and facilities that promotes the amenity, health and safety of the community and that reduces private car dependency for all travel
- A liveable community – socially, environmentally and economically
- A sustainable environment created by inspiring, leading and guiding our social, environmental and economic activities
- Thriving businesses and a vibrant community working together to improve the local economy
- Accountable civic leadership that delivers services and assets to support the community now and in the future.

A strategic and integrated approach to planning and reporting enables local government to achieve multiple outcomes for the community through cross-Council and community planning.

The Leichhardt Community Strategic Plan, Leichhardt 2025+, is supported by 10 Year Strategic Service Plans (Community and Cultural Plan; Environmental Sustainability Strategy; Employment and Economic Development Plan; Integrated Transport Plan; Long Term Financial Plan; and LLEP 2013), and 4-Year Service Delivery Plans.

10 year Strategic Service Plans and 4 year Service Delivery Plans

The Leichhardt 10-year Community and Cultural Strategic Service Plan 2011 - 2021 (the Plan) was the first of Leichhardt Council's integrated strategic service plans to sit under Leichhardt 2020+. The Leichhardt 2020+ plan has since been replaced by Leichhardt 2025+. The Plan informs other key Council documents, including the Employment and Economic Development Strategy.

The Plan identifies five Strategic Objectives for social inclusion, equity, access, creative expression, cultural engagement and community wellbeing:

1. Connecting people to each other
2. Connecting people to place
3. Developing community strengths and capabilities
4. Enlivening the arts and cultural life
5. Promoting health and wellbeing.

For each of these five Strategic Objectives the Plan identifies Outcomes and Strategies to achieve the community and cultural aspirations of the Leichhardt community to 2021. Actions to address the Outcomes and Strategies identified in this 10-year Plan are articulated in four-year Service Delivery Plans for the key Council sectors.

The Plan places a strong emphasis on community building and sustainability to reach the vision of "Sustainable and Liveable Community", recognising the interrelationship between a safe and vibrant community, and a thriving business sector with strong delivery of services and assets to support the community. Relevant "Key Service Areas" of the Plan are "Place where we live and work" and "A Sustainable Environment + Business in the Community".

Leichhardt Employment and Economic Development Plan

The Leichhardt Employment and Economic Development Plan (EEDP) is a 10-year strategy for the future economic development of Leichhardt LGA. Its purpose is to identify initiatives that can make a fundamental improvement to Leichhardt's economy.

The EEDP identifies significant barriers to renewing the LGA's industrial precincts, including:

- the ongoing shift of light industrial, manufacturing and logistical businesses to Western Sydney locations that can offer better value premises that suit their needs (e.g. larger floorplates, better access for trucks)
- a mismatch between the needs of contemporary light industrial businesses and the characteristics and quality of the available space in the LGA
- relatively small lots and fragmented land ownership
- Limited feasibility of making improvements to existing industrial sites due to low rental returns and significant capital expenditure requirements.

The EEDP suggests that Council can help the LGA's industrial areas adapt to changing market forces by permitting a broader range of uses in them. It acknowledges, however, that any policy decisions on increasing the flexibility of uses in nominated industrial precincts should be approached strategically and informed by thorough market research. It should also consider criteria such as amenity, privacy, traffic generation and urban design with full consideration being given to the protection of key industrial lands.

In practical terms, this recommendation has three key components:

1. A co-ordinated approach to reviewing sites (and where possible concurrent approach) to ensure an LGA wide perspective is maintained particularly in relation to the need for, and suitability of, the sites for various uses both today and in the future
2. A consistent approach is achieved by reviewing the sites against standard criteria
3. Where sites are found to be surplus to requirements and proposed to be rezoned, their suitability against a range of alternative uses is considered. For example, their potential rezoning and use for creative industries, commercial office space or affordable housing.

As noted above, the EEDP advocates the use of standardised criteria which has been designed to qualify the suitability of sites from a quantitative perspective (i.e. is there enough industrial land to meet current and forecast demand), a qualitative perspective (i.e. does the industrial land have the attributes required by potential tenants) and from the perspective of economic viability (i.e. are industrial uses viable on the land).

The EEDP establishes the following criteria against which proposed rezoning of industrial land should be assessed:

- Would the rezoning result in insufficient land industrial land being available for current and future demand for industrial land in the LGA, at a minimum?
- Would the rezoning of the site result in the fragmentation of a larger industrial precinct or erode the viability of a locally or regionally significant industrial precinct?
- Would the rezoning be consistent with adopted Council and/or State Government Policy regarding the future role and demand for industrial land? What impact would it have on Council's employment targets?
- Does the site(s) have characteristics required by light or high tech industrial uses and other uses permitted in the zone/seeking floorspace in the LGA or subregion (e.g. floorspace, access, proximity to economic infrastructure, parking, infrastructure, storage, building configuration and land value)?
- Would it be economically viable to improve the site to attract new tenants or to adapt to changing industry requirements and to ensure that the land uses on the site address compatibility with surrounding uses?
- Would the retention of industrial uses on the site result in a positive net benefit to the community as a whole?

Rezoning proposals that can best respond to the criteria may be considered to have merit.

The following Actions of the EEDP 4-Year Service Delivery Plan are considered relevant to this study:

Outcome 3: The LGA is a place that supports and shares innovation and creativity.

Strategy 3.3: Support the growth of creative industries.

Action

1 Amend LEP to permit creative industries in the LGA's business and industrial zones and, once implemented, promote the policy to land owners and real estate agents.

Outcome 4: The LGA's economic assets are strategically managed for current and future generations

Strategy 4.1: Protect and enhance key employment lands

Action

1 Protect existing employment lands that are of good quality and in locations that are highly accessible and close to magnet infrastructure (such as hospitals and universities).

2 Facilitate an oversupply or surplus of employment-zoned land in order to provide a range of opportunities and types of sites for businesses.

4 Discourage residential uses in industrial zones, Victoria Road and Parramatta Road corridors unless an evidence-based assessment confirms the suitability of specific sites for student, key worker or aged care accommodation.

5 Increase the range of uses permitted with consent in industrial zone in order to encourage greater flexibility of land use and to attract a range of suitable businesses to the LGA – particularly creative industries.

Local Environmental Plan and Development Control Plan

The Leichhardt Local Environmental Plan 2013 (LLEP 2013) and Development Control Plan 2013 (DCP 2013) commenced on Monday 3 February 2014.

The Local Environmental Plan 2013 represents a 'translation' of the former Leichhardt Local Environmental Plan 2000. This means, wherever practicable, zones, provisions and controls were matched with an equivalent under the NSW Government's Standard Instrument.

DCP 2013 largely consolidates the provisions of the former DCPs, with the exception of outdated controls that were removed or updated and other changes to reflect Council's adopted strategic plans and policies.

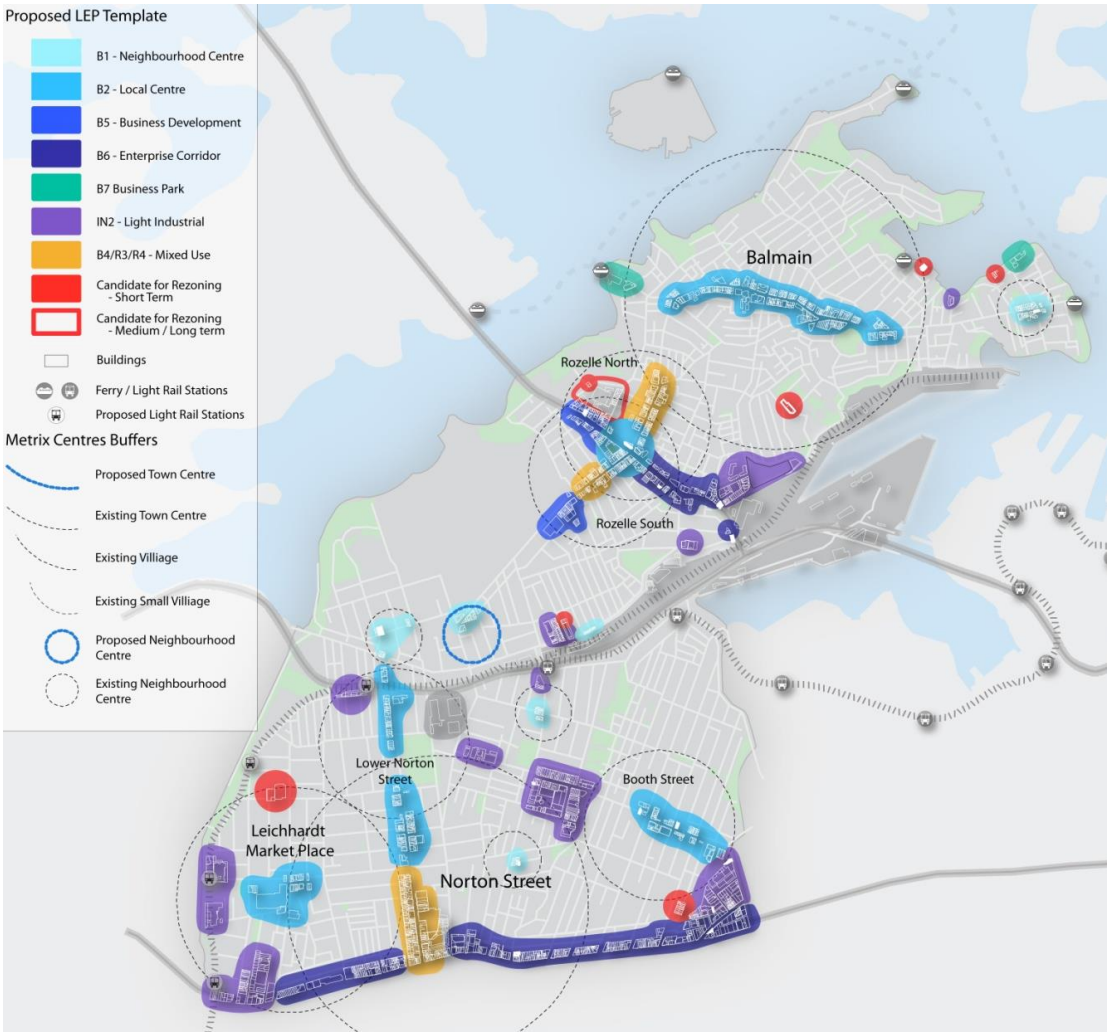
Leichhardt Employment Lands Study (2011)

This Study, prepared by SGS Economics and Planning on behalf of Council, noted the proximity of Leichhardt to the Sydney CBD, and the fragmentation of industrially zoned land that had occurred over the previous 30 years as a result of steady gentrification. At the time this report was drafted, it was expected that Leichhardt would accommodate 2,000 new homes and 500 new jobs to 2031. The 2007 Employment Lands Action Plan for Sydney identified 118 hectares of employment lands within the LGA (although this included land in Glebe that has since become part of the City of Sydney).

This study recommended an integrated strategy for Leichhardt that would work to preserve and reinforce existing industrial clusters and support emerging competitive industries. Strategies included increasing the attractiveness for creative industry activity (Strategy 1) and protecting and improving strategic industrial

lands (Strategy 4). These actions emphasised the importance of maintaining strategic and well connected areas for industrial uses in order to maximise their effectiveness. Figure 12 illustrates these strategies in terms of possible future zoning and centre designation.

FIGURE 12. LEICHHARDT EMPLOYMENT LANDS STUDY (2011) MAP



Source: SGS Economics and Planning, 2011

Leichhardt Community and Cultural Plan 10 year Strategic Plan (2011- 2021)

The Leichhardt Community and Cultural Plan 10 year Strategic Plan (2011- 2021) is a Strategic Service Plan under Leichhardt 2025+. Relevantly, Strategic Objective 4: Enlivening the Arts and Cultural Life emphasises supporting and developing local creative industries and business in creative clusters and hubs (Strategy 4.2.1) as well as promoting and supporting the growth of local creative industries (Strategy 4.2.2). It notes that Creative industries are one of the fastest growing sectors in the inner city areas and Leichhardt has a rich arts and cultural community as well as important education and cultural assets such as Callan Park, film production facilities and studios (p.45).

3.4 Subregional context, trends and drivers

Manufacturing's role in the knowledge economy

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

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

Slowing manufacturing jobs growth

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

Supply-chain fragmentation

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

Agglomeration economies

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

- **Economics of scale and scope.** With a larger customer base firms are able to develop efficiencies through operating at a large scale. This also enables firms to focus the scope of their expertise in a particular field, gaining improved efficiencies through specialisation.
- **Deep and diverse pool of clients/employers/employees**. A competitive marketplace presents people and firms with a multitude of potential options. This frees them from reliance on a single

(or limited) client or employer base, allowing firms to better align their specific skills, again improving productivity.

- **Technological spillovers**. With multiple firms located together there will be a higher level of technological and knowledge spillovers and transfers, which will help bolster innovation. This transfer occurs both directly, through stronger supply chain linkages and connections between local firms, and indirectly, when skilled labour moves between firms and transfers knowledge, as well as through incidental exchanges.

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

Growing service economy

The decoupling of the value chain and movement of production activities across national borders has had a profound impact on the structure of Australia's economy. Australia's economic backbone has moved from agriculture and manufacturing to services. We used to produce much of what we consumed but this is no longer the case. In this transition, competitive advantage has increasingly been gained through specialising in activities higher up the value chain where high levels of innovation and creativity are central to business identity and differentiation.

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

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

Growing need for space to house 'office' functions

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

Urban manufacturers

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

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

These modern manufacturers of high-value add design orientated products resemble pre-industrial revolution producers or makers. Their products range from fashion textiles and jewellery to food and

beverage, print and media, auto and bike customisation, musical equipment, and niche electronics, to name but a few.

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

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

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

The growth of large-format retail

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

Traditional users of urban industrial zones

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

Changing economic geography

In response to the changing format of industrial activities and the growth of inner metropolitan land values, there has been a spatial redistribution of more traditional forms of industrial activity. Activities with rent sensitivities have relocated to less expensive land often on the urban periphery. Others have simply stopped operations in Sydney altogether.

The emerging trend is for many new industries to favour locations that allow the development of large modern industrial facilities while maintaining low cost operations. The most sought after characteristics include:

- Undeveloped large vacant and unencumbered land for purpose built operations
- Low priced and serviced industrial zoned land
- Availability of an appropriately skilled local workforce

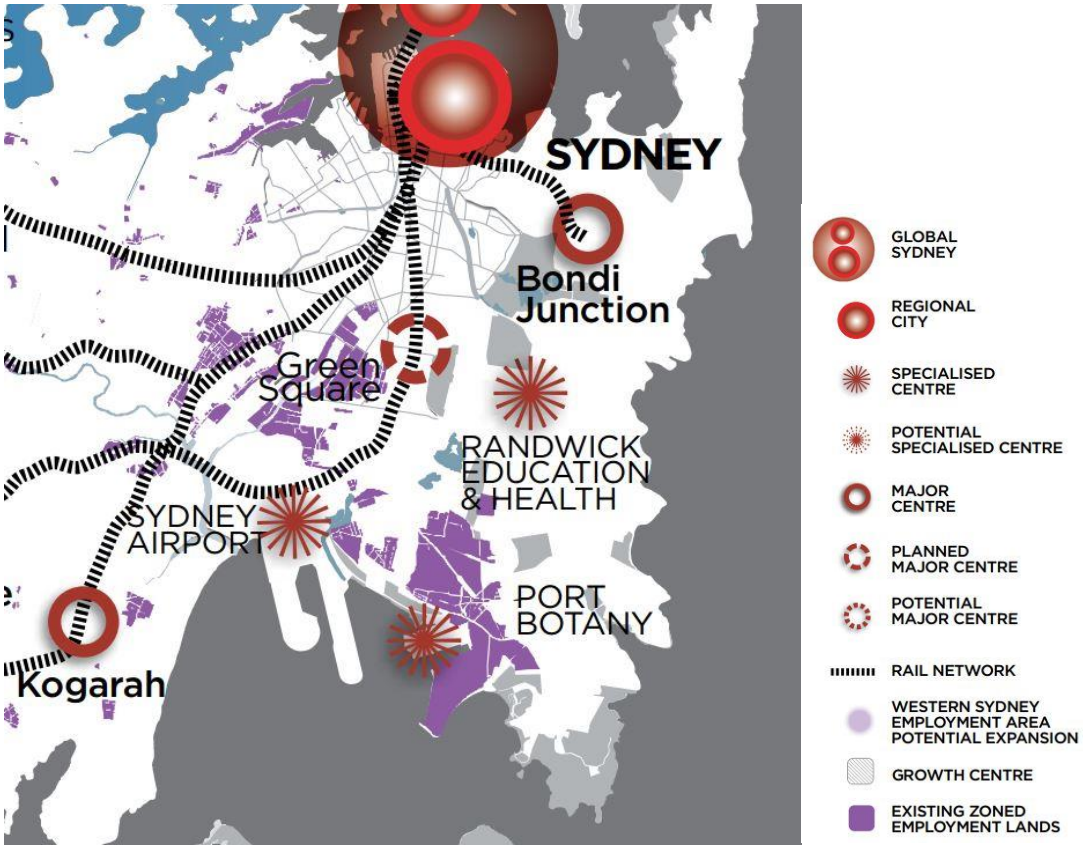
- Agglomeration or synergies with other industries in the area
- Good access to major arterial road and transport infrastructure

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

Simultaneously, there is a trend for creative industries such as architecture and design to favour older-style warehouses found in inner-city industrial areas such as Leichhardt's. This desire is driven in part by the identity that such buildings lend to a creative industry organisation, or more simply for the aesthetic and practical purposes of open plan, high-ceilinged office spaces. This is coupled by the lower rent and relative proximity to clients that such buildings and locations present.

Leichhardt forms part of a broader Inner Sydney subregion of the metropolitan region. This area (shown in Figure 13) includes the LGAs of Sydney, Randwick, Waverley, Woollahra, Botany Bay, Leichhardt and Marrickville and is in many ways the powerhouse of the national economy. A number of macroeconomic trends are impacting on inner urban industrial lands. These trends are being seen across Australia and other developed countries, and have a direct impact on Sydney's industrial lands.

FIGURE 13. SUBREGIONAL INDUSTRIAL LANDS



Source: NSW Department of Planning & Environment, 2010

Subregional character

Within this inner city area there is an interplay of high value job concentrations, cultural and tourism assets and activities, universities, natural amenities, dockland and old industrial areas in transition and in general a highly educated, professional resident population making for a highly productive urban environment.

Features of this subregion include:

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

The Inner Sydney region – at the southern end of the so-called Global Economic Corridor – has a concentration of high value jobs and economic activity, accommodating more than half of all metropolitan Sydney's new jobs over the last decade (see Table 2).

TABLE 2. EMPLOYMENT GROWTH IN SYDNEY REGIONS, 2007-08 TO 2012-13

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

Source: SGS Economics and Planning

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

Changing nature of employment lands in Inner Sydney

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

Employment lands now face pressure from a range of competing land uses. The most obvious pressure on employment lands in Inner Sydney is from residential development. Intense demand for housing sites is driven by a desire from residents to access the significant and diverse employment on offer nearby, particularly in the City of Sydney. Planning proposals are in progress to rezone industrial lands in precincts such as at Eastgardens, Botany Bay, which may potentially reduce stocks of industrial lands in surrounding LGAs.

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

3.5 Implication of macro and subregional trends on Leichhardt's industrial precincts

A typology for subregional employment lands planning

It is important that a coordinated and strategic approach to planning the Inner Sydney employment lands be undertaken. A new typology may be required to inform this approach. The categories of 'strategic', 'subregional' and 'local services and enterprise' may assist in clarifying and simplifying the approach to employment lands planning. The residual category of 'contested' (where conversions to residential might be contemplated) could also be introduced.

- **Strategic activities -** Land uses of metropolitan or state significance, which are tied to particular infrastructure or assets such as the port, the airport and major transport infrastructure such as the motorway network. (Clearly, industrial land near the port and airport - where the 'freight and logistics' clusters are identified in Figure 13 - might be considered 'strategic').
- **Subregional activities -** Activities that need to have access to clients in more tightly defined subregions throughout the metropolitan area such as postal warehouses, concrete batching plants and council depots. It may be that Leichhardt does not host many of these activities (and subregional activities are more appropriately located in the City of Sydney or Marrickville).
- **Local service and enterprise activities -** Uses dependent on resident populations and local business connections and typically servicing local catchments, including domestic storage, some minor local or 'urban' manufacturing and motor repairs. In Leichhardt LGA it is expected that low impact but innovative enterprises and service activities will continue to develop in this category.
- **Contested -** Any land not identified or allocated to the above categories would be considered for residential or a mixed-use conversion. Typically the contest will be with the local services and enterprise activity category because the other two categories (strategic and subregional) are considered more significant. Conversions would be expected only after a comprehensive local review of need**.**

Implications for Leichhardt

Leichhardt, situated close to the core of metropolitan Sydney, offers a dense urban environment, populated with a relatively affluent and highly skilled resident workforce, well served by major transport routes and within relatively close proximity to the economic hubs of the Sydney CBD, Sydney Airport, and Port Botany.

In very basic terms, Leichhardt's character and position translate to high land values, which make it difficult for some industrial activities to find suitable sites.

Activity with declining demand for Leichhardt's industrial land:

- **Traditional manufacturing and open storage.** High land values threaten the existence of lower value traditional industrial activity (especially those requiring larger floor areas) that is increasingly looking further west for lower cost land. Demand may also come from specific industries that derive advantage from locating close to the CBD, port, and airport and can therefore absorb the higher land values. Major destination hubs prefer ready access to motorways and many parts of Leichhardt's industrial areas are not suited to this type of activity.

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

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

These activity types can be mostly accommodated within existing industrial precincts under current planning controls as they typically require the building stock, floorplates and permitted uses that industrial zoning enables.

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

3.6 Summary and implications

Key policies and strategies guiding metropolitan development in Sydney set out broad-based strategic support for preservation of industrial and employment lands, and an agreed focus on ensuring that fragmentation of well-sited industrial lands is minimised in order to ensure the long-term economic sustainability of inner urban areas. These include s.117 Ministerial Directions that seek to safeguard employment land.

Industrial and employments lands, and particularly those in inner urban areas, are increasingly under threat from residential re-zoning, which attracts higher land values and which meets the competing strategic objective of housing Sydney's growing population. The City of Sydney's most recent Employment Lands

Strategy – the Employment Lands and Associated Draft Development Control Plan Amendment (14 June 2014) – demonstrates a potential way forward in negotiating this tension, in particular through planning for affordable housing opportunities in the proposed B7 Business Park zone, coupled with an affordable housing contribution scheme. This will provide housing for 'key workers' needed to complement the high-value, higher paid technical skills that will be employed in the area.

Importantly, this strategy sits alongside a commitment to maintaining a core industrial zone in the South West part of the City of Sydney that will continue to accommodate 'traditional industrial' uses.

In terms of regional performance, the Employment Lands Development Program 2010 Report found that the Inner West, in which Leichhardt sits (though set to change to the Central subregion), was found to have a higher than average job density in Employment Land compared not only to the subregion but to other subregions, including the north west and south west – two areas where manufacturing is moving to.

The ELDP 2011 Update Report identified 106.6 hectares of employment land (both developed and undeveloped) in Leichhardt, representing just under a third of such land in the Inner West region (total 345.8 hectares). However, the land within the Bays Precinct, totalling 73 hectares, is not in the control of Leichhardt Council and has not been used in the modelling in this report.

Over the past five years, Leichhardt Council has developed a series of interrelated strategies and plans that aim to protect and enhance the use of industrial and employment lands, including implementing standardised criteria to determine the suitability of sites from a quantitative perspective (i.e. is there enough industrial land to meet current and forecast demand), a qualitative perspective (i.e. does the industrial land have the attributes required by potential tenants) and from the perspective of economic viability (i.e. are industrial uses viable on the land). These criteria are precautionary, requiring that employment lands be appraised with future potential demand in mind, as well as the potential for alternative light industrial uses such as creative industries.

These plans and policies should be reviewed on a regular basis, to determine whether the Leichhardt Council's strategic objectives have been achieved and whether there is evidence of a decline or maintenance of industrial activity. Further, this study will investigate the potential for introducing planning controls that can meet the twin objectives of preserving and enhancing the use of industrial land, whilst maintaining a supply of housing for key workers in the sector.

The complex nature of inner urban employment land use and the various competing pressures placed upon them makes for an oft-confusing policy landscape. Metropolitan objectives simultaneously seek the retention of strategically important employment lands whilst recognising that unconstrained operating environments are key to attracting other uses and activities. Increasing this complexity is the need to intensify housing provision, in particular in central locations near good public transport opportunities. Leichhardt's central location on key existing and proposed motorway infrastructure, high degree of public transport accessibility and its desirable inner-city amenity make the determination of best use of its employment lands a complex issue.

Although fragmented, much of Leichhardt's industrial zoned land is located towards the LGA's south-western boundary, between Parramatta Road and the City West Link. The construction of the Westconnex Motorway will provide connection opportunities for these industrial lands to the Sydney motorway network and, by extension, the Greater Metropolitan Area. Better accessibility resulting from these infrastructure improvements will improve business supply-chain links and access to customers for population-serving industries. This will increase the competitive position of these areas and will likely result in increased demand.

The Draft Metropolitan Strategy identifies housing intensification in the area as a priority. Increased passenger capacity along the extended Inner West Light Rail line (identified in the NSW Long Term Transport Master Plan) further supports this priority, given the number of people living in the LGA and working in the City of Sydney. This will be a cause of tension between land uses, given the fragmented nature of Leichhardt's industrial land and much of its proximity to the light rail corridor.

The goals set out in Leichhardt's 2025+ Plan support Council's intention to attract new, creative industries into the LGA, in particular the desire to foster a 'sustainable environment created by inspiring, leading and

guiding our social, environmental and economic activities'. The strict application of commitments to protect industrial land for industrial uses does not appear to have been successful in inducing the creative and emerging industries to take root within the LGA. The Council's Employment and Economic Development Plan recommends a broadening of market uses within these lands to enable them to evolve past traditional industrial uses that are moving westward. This recommendation is in line with some State strategic thinking. It is tempered, however, by the understanding that such a shift in policy must be met with a good understanding of market need (at a subregional or as well as a local level and accounting for the requirement of the LGA population), a thorough understanding of industrial land provision and a consistent approach to reviewing applications.

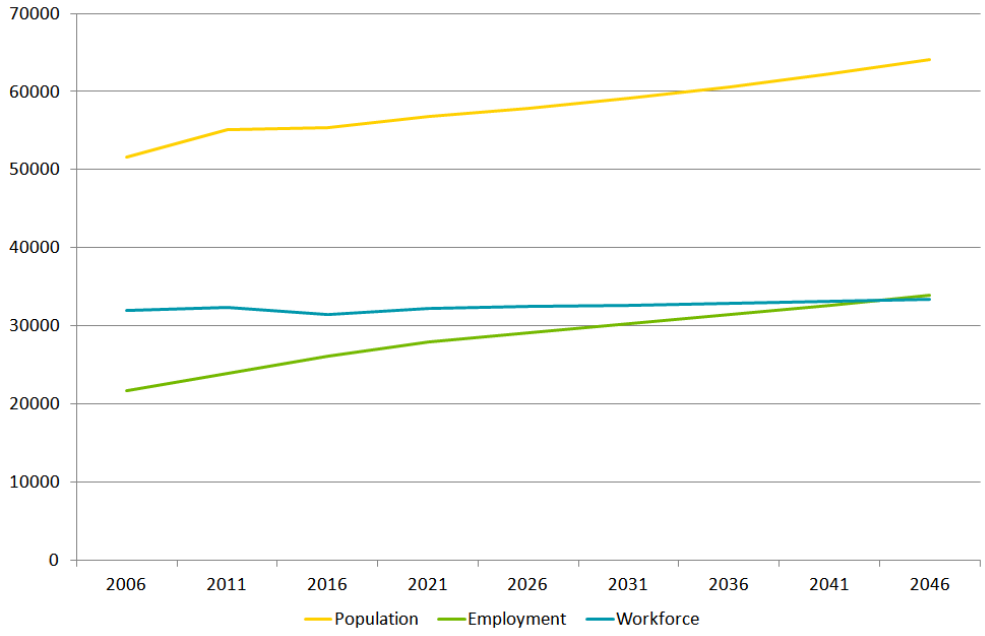
4 CURRENT POSITION ASSESSMENT

4.1 Economic profile

Socio-economics

Between 2006 and 2011, the population of Leichhardt LGA grew by 3,500 people, or 6.8%. Between 2011 and 2046 the population is projected to grow by 9,000 people, or 16% – an annual average growth rate of 0.4%, as shown in Figure 14.

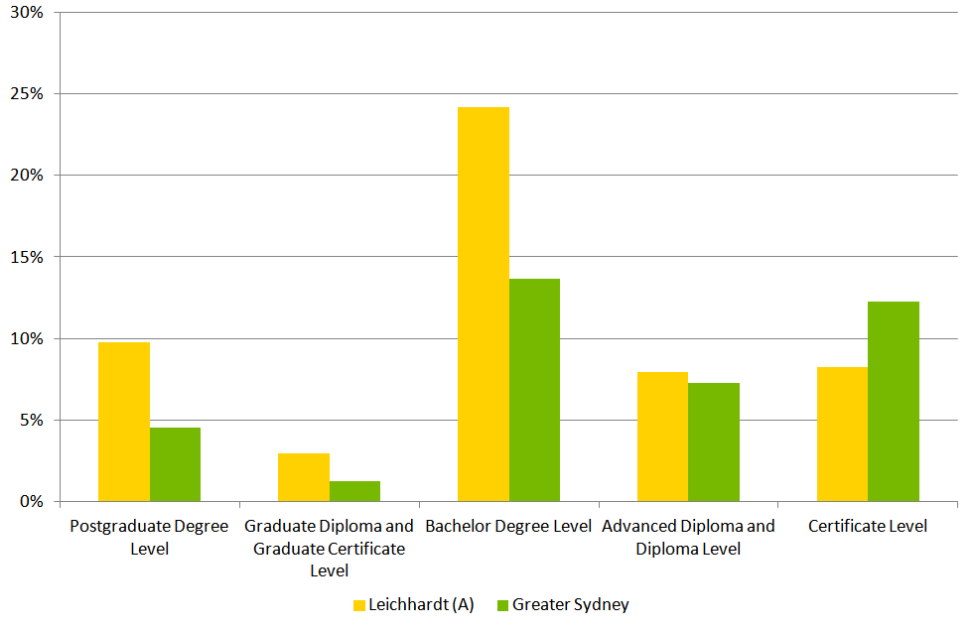
FIGURE 14. POPULATION, EMPLOYMENT AND WORKFORCE PROJECTIONS



Source: Bureau of Transport Statistics, NSW

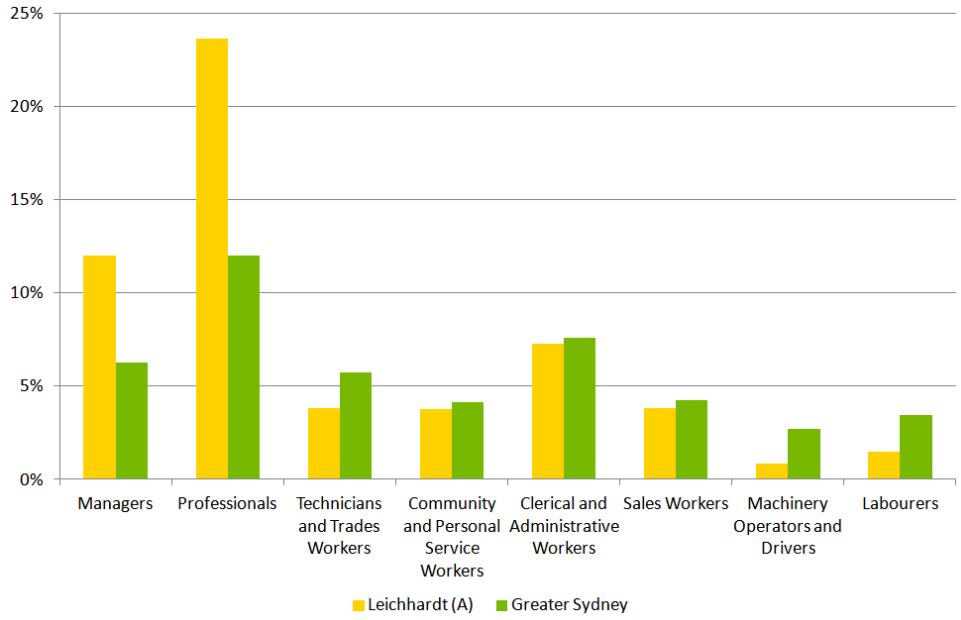
The resident population of Leichhardt LGA is relatively more educated than that of Sydney as a whole. As shown in Figure 15, around 37% of Leichhardt residents have some tertiary education, compared to 19% of Greater Sydney residents; with 10% of Leichhardt residents holding a postgraduate degree compared to 5% of Greater Sydney residents. Similarly, Leichhardt residents are more likely to be employed in professional or managerial occupations, and less likely to be tradespeople or labourers. This reflects the LGA's location close to the higher value employment of the CBD.

FIGURE 15. SKILL COMPOSITION BETWEEN LEICHHARDT AND GREATER SYDNEY, 2011



Source: ABS Census Data 2011

FIGURE 16. OCCUPATION COMPOSITION BETWEEN LEICHHARDT AND GREATER SYDNEY, 2011



Source: ABS Census Data 2011

Employment profile

The labour force participation rate for residents in Leichhardt LGA, defined as the proportion of people of working age either currently employed or seeking work, is 72%. This is somewhat higher than the participation rate in Greater Sydney (62%). The unemployment rate in Leichhardt LGA is 4.1%, lower than the 5.7% figure in Greater Sydney, and also lower than the comparison LGA of neighbouring Marrickville,

where the unemployment rate is 5.3%. This is likely due to the relatively more educated population of Leichhardt.

The resident workforce profile in Leichhardt LGA is spread over a range of industry sectors. As shown below, the most common industry sector of employment is Professional, Scientific and Technical Services (17.2%), followed by Financial and Insurance Services (10.1%), Health Care and Social Assistance (10%), and Education and Training (9.7%) – indicating a mostly white collar workforce. By comparison, Marrickville has a smaller percentage of workers in the professional services or finance sectors, but more in the healthcare and education sectors. Leichhardt LGA's employment profile is also similar to Randwick LGA's, although the former has a much higher proportion of workers in the professional services sector. When compared with Botany Bay LGA, however, the latter has a higher proportion of workers in the Retail Trade and Transport, Postal and Warehousing sectors. Greater Sydney has a smaller proportion of workers in the professional services and financial sectors than Leichhardt.

Taken together, this information suggests that Leichhardt residents are more likely to be economically better off than those in surrounding LGAs such as Marrickville or in Greater Sydney as a whole, with higher workforce participation, lower unemployment and greater concentration of workers in white collar industries.

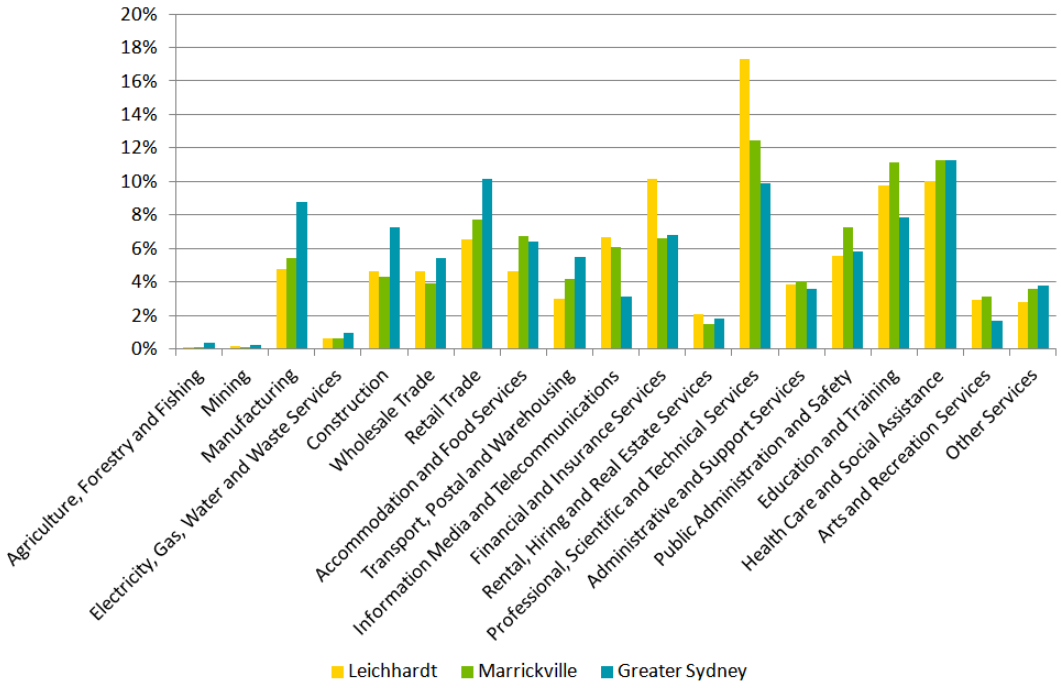
TABLE 3. INDUSTRY EMPLOYMENT SHARE: INTER-LGA COMPARISONS*

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

Source: ABS Census Data 2011

* Top three industry sectors are highlighted in red

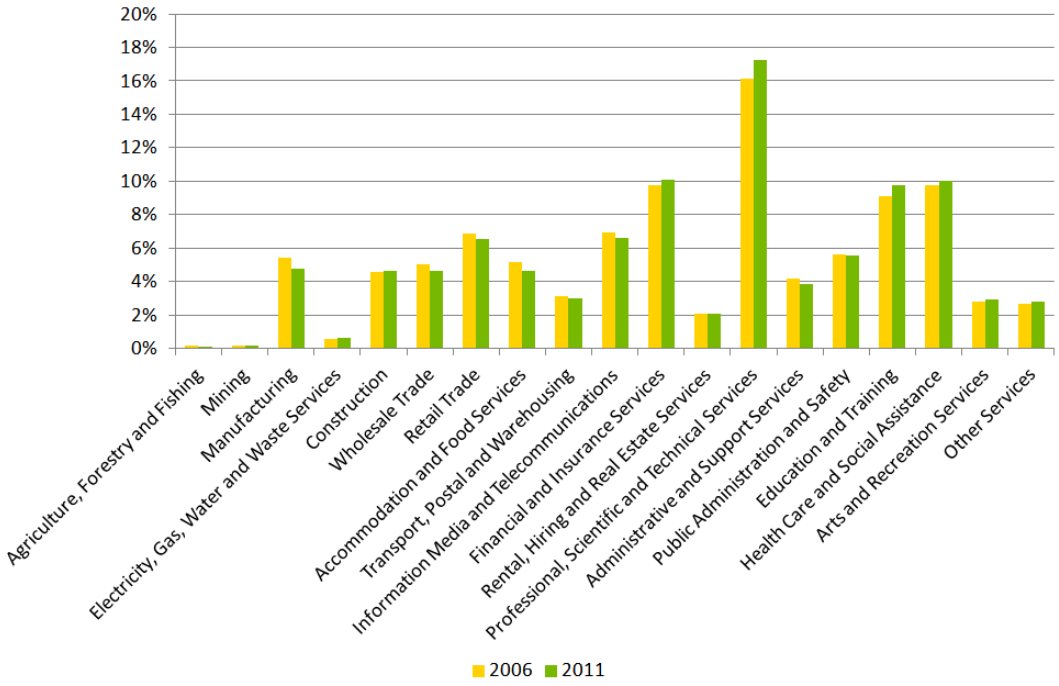
FIGURE 17. RESIDENTIAL WORKFORCE INDUSTRY EMPLOYMENT SHARE – LEICHHARDT, MARRICKVILLE, GREATER SYDNEY, 2011



Source: ABS Census Data 2011

Between 2006 and 2011, five industry sectors have experienced a contraction in terms of employment numbers within Leichhardt. The largest contraction occurred in the Agriculture, Forestry and Fishing sector (a change of 8.5%), followed by the Manufacturing sector (a decrease of 1.7%) and the Accommodation and Food Services sector (a decrease of 1.0%). On the other hand, the Electricity, Gas, Water and Waste Services sector had the largest employment growth rate (an increase of 4.1%), followed by the Professional, Scientific and Technical Services sector (an increase of 2.5%) and the Education and Training sector (an increase of 2.5%). This is shown in Figure 18.

FIGURE 18. LEICHHARDT RESIDENTIAL WORKFORCE CHANGE IN INDUSTRY OF EMPLOYMENT BETWEEN 2006 AND 2011



Source: ABS Census Data 2006 and 2011

Although the manufacturing sector experienced a decline over the five years to 2011, it is still accounts for 4.7% of the workforce participation in Leichhardt and is the 8th highest sector.

Leichhardt has seen an increase in the percentage of the workforce doing home-based work, significantly lower than neighbouring Marrickville although higher than other nearby LGAs. The proportion of the workforce engaged in home-based work increased between 2006 and 2011 for Leichhardt, Marrickville, Botany Bay and Randwick LGAs.

TABLE 4. HOME-BASED WORK (% OF WORKFORCE)

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

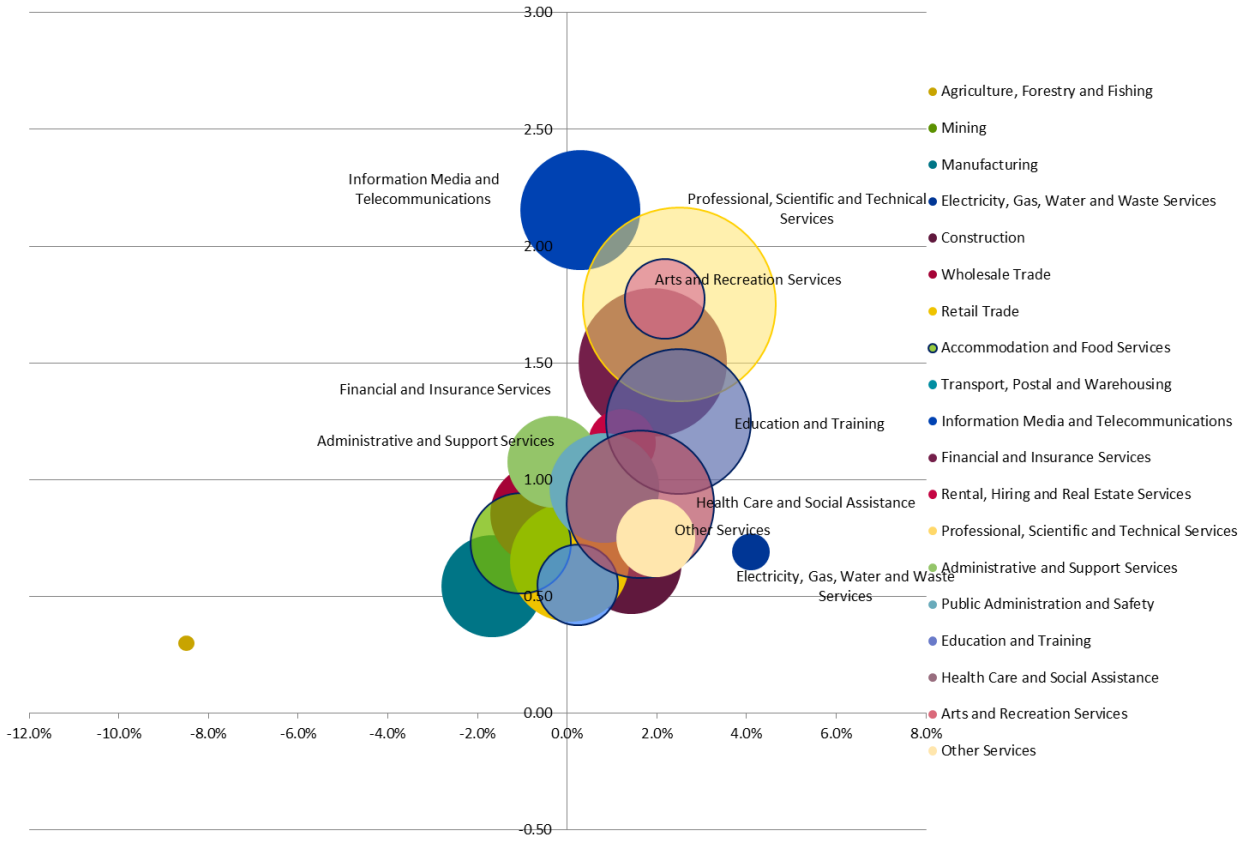
Source: ABS Census Data 2006 and 2011

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

The Location Quotient[2], which shows the relative prominence or importance of particular industries compared to others in the LGA (and therefore sectors of comparative strength), is shown on the vertical axis, while the change in employment from 2006 to 2011 is on the horizontal axis. The size of the circle represents the relative size of the industry within the LGA. The 'north-eastern' quadrant shows specialised industries experiencing growth in employment, while the 'south-eastern' quadrant shows employment growth and low specialisation. The left half of the diagram shows industries experiencing a decline in employment with the 'north-western' quadrant indicating high specialisation and the south-western quadrant indicating low specialisation.

Figure 19 presents a growth-share matrix for the Leichhardt LGA. In producing this matrix, the LGA's location quotient is compared to Greater Sydney as the benchmark. The matrix shows that the industry sectors likely to be in the expanding stage of the industry cycle (north-east quadrant), i.e. high employment growth rate and high industry concentration (LQ > 1), include: (i) Professional, Scientific and Technical Services; (ii) Education and Training; and (iii) Arts and Recreation Services.

FIGURE 19. GROWTH-SHARE MATRIX OF LEICHHARDT



Source: SGS Economics and Planning, 2014

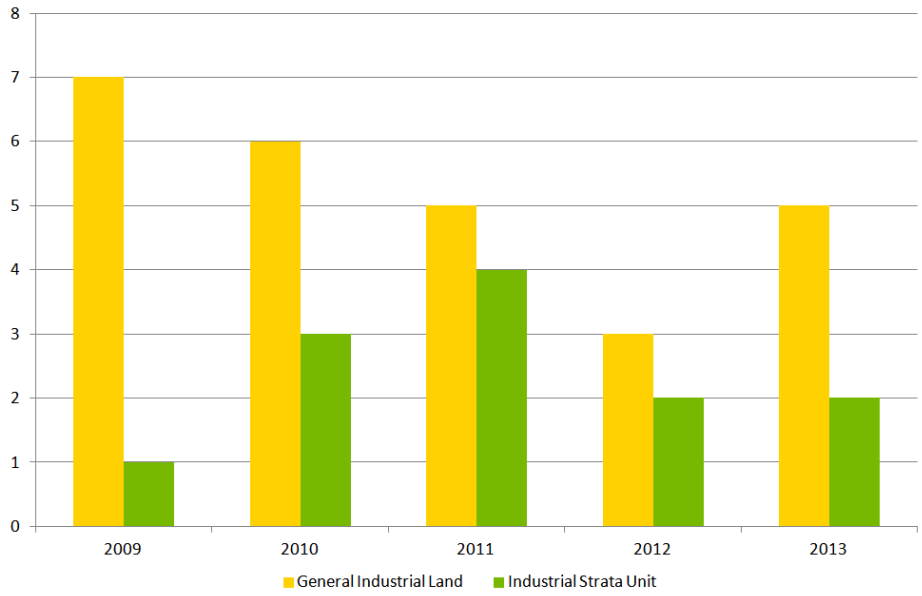
The industries likely to be in the emerging stage of the industry cycle (south-east quadrant), i.e. high employment growth rate and low industry concentration (LQ < 1), include: (i) Electricity, Gas, Water and Waste Services; (ii) Health Care and Social Assistance; and (iii) Other Services.

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

Market data

Analysis of the industrial property sales number data shows a downward trend in sales number for general industrial land between 2009 and 2012. This was followed by a rise of 2 units in 2013. Although sales number for industrial strata units went up from 2009 and 2011, the number declined in 2012 and remained stable since.

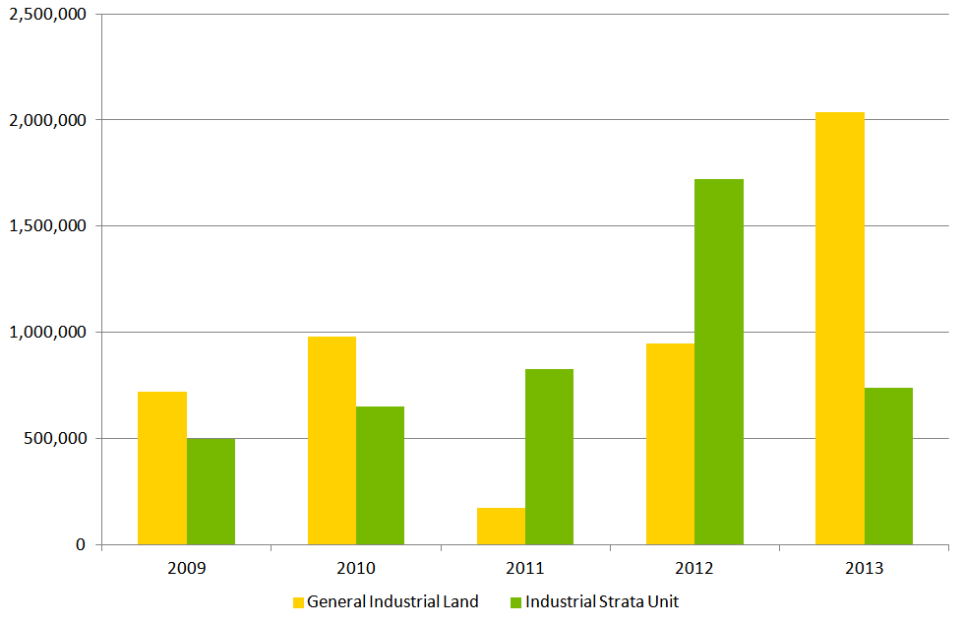
FIGURE 20. INDUSTRIAL PROPERTY SALES NUMBER. LEICHHARDT LGA



Source: RP Data, 2014

Analysis of the median price of industrial property sold indicates high volatility in the median price of general industrial land with a significant fall in 2011 followed by a sharp upward trend in subsequent years. On the other hand, the median price of industrial strata units consistently rose between 2009 and 2012 before recording a greater than 50% fall in 2013.

FIGURE 21. INDUSTRIAL PROPERTY SALES MEDIAN PRICE ($), LEICHHARDT LGA



Source: RP Data, 2014

Implications

The volatility experienced in Leichhardt's industrial lands market can be attributed, at least in part, to the relatively small pool of industrial lands in the LGA. Although a downward trend is seen in number of sales from 2006 to 2012, in real terms this is a decrease from seven units sold in 2006 to three units sold in 2012. Because of this small pool and the volatility that can be caused by a small increase or decrease in sales numbers, it is difficult to determine a driver behind these fluctuations.

Sales volume data for 2013 from RP Data show that 1,082sqm of general industrial land was sold in 2013 across five properties. Notwithstanding the possibility of one lot accounting for a significant amount of this, with only five general industrial units sold in 2013, this suggests an average general industrial lot of slightly over 200sqm. This is small in terms of what traditional manufacturing require, however, it may better suit niche urban manufacturing or emerging industries requiring the type of building structure and open floorspace industrial lands tend to provide.

4.2 Summary and implications

The volatility of Leichhardt's recent industrial land sales history highlights the relatively small-scale nature of the LGA's industrial precincts and the value of land within its boundaries. Five general industrial units were sold in 2013 with an average price in excess of $2 million. Such high property prices indicate the value of land in the area and the pressure that non-employment uses are putting on the remnants of this fragmented land use in driving up property value. If this trend continues, some of the existing industrial uses within the LGA may be forced to move further way from the inner city, reinforcing the trend seen with industrial lands in recent years.

In light of high property costs and relatively small floorplates, higher value industries that rely on inner city locations to maximise supply chain and customer and supplier networks may be suited to these locations. Their location both in relation to the knowledge centre of the CBD and, more locally, to improved public transport, regional motorway access and a highly skilled resident population mean that they are well suited to leveraging these surrounding assets.

The Location Quotient matrix indicates that Professional services, Education and training and Arts and recreation are industries experiencing high growth in the area. Additionally, infrastructure services (such as electricity, water & gas) and health services are emerging as growth sectors. Elements of these industries may be well suited to employment lands within the LGA.

Whilst many inner city industrial precincts are shedding traditional manufacturing services due to changing economic geography and land use pressures, some traditional uses need to be retained. Local service providers such as panel beaters, printers and council depots are required throughout the city, irrespective of land values and cannot simply be relocated to the urban fringe, as they depend on proximity to the population they serve.

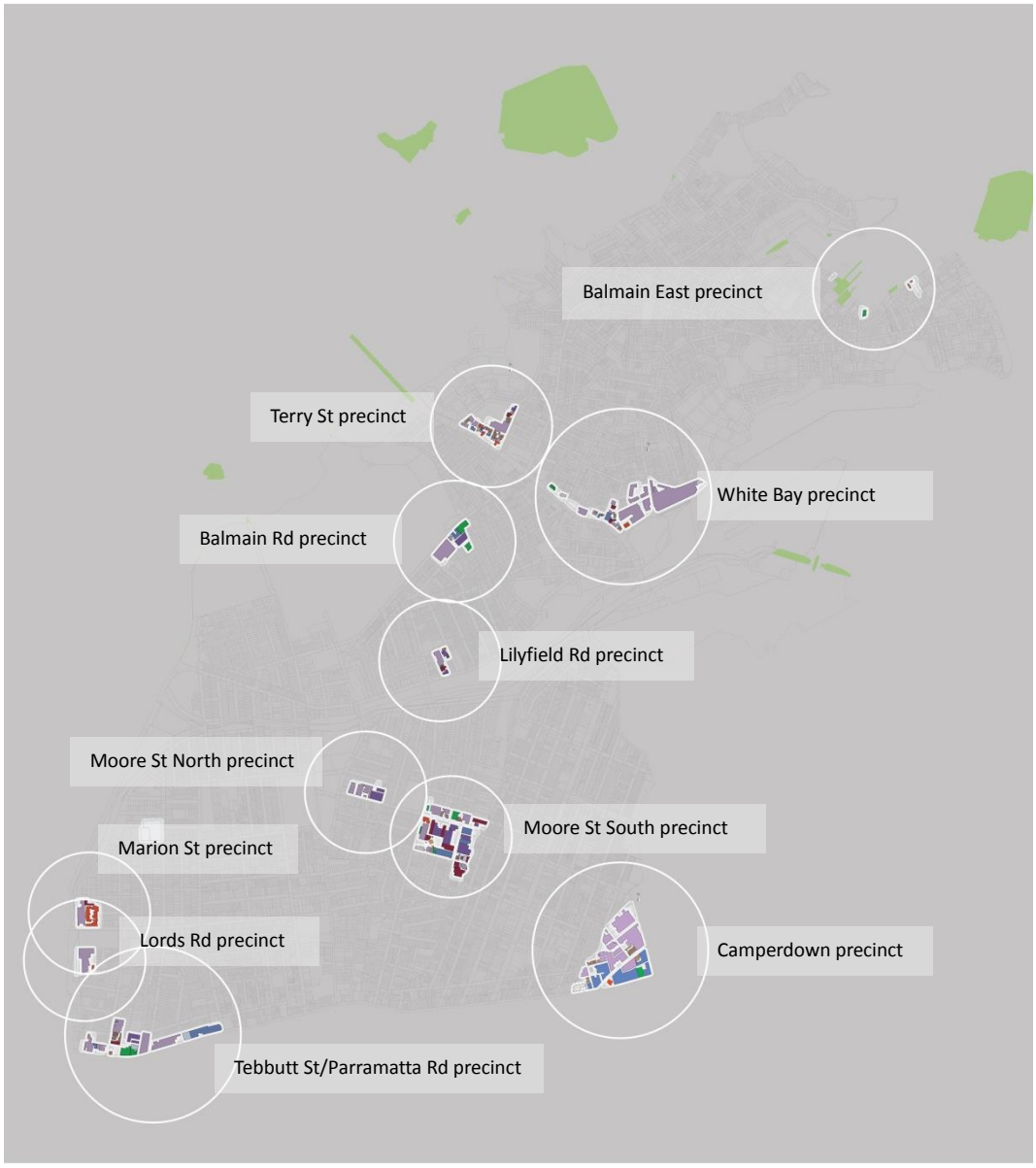
The high value of industrial lands may have implications for these small businesses in continuing to provide local services to residents and businesses in Leichhardt. A loss of these local suppliers would be detrimental to Leichhardt as people would be forced to locate services in neighbouring areas. This would inhibit the growing agglomeration of uses within the LGA, around creative industries such as architecture and design. This is particularly the case for printing companies. It may also place pressure on adjacent areas to accommodate increased demand. The potential negative impact of losing local services in the Leichhardt LGA may be mitigated by their relocation to suitable adjacent areas in Marrickville and the City of Sydney.

5 CAPACITY ASSESSMENT

5.1 Land audit results

A land audit of eleven industrial precincts across Leichhardt was undertaken by SGS for this study. The audit assessed the predominant type of land use, the gross floorspace for each lot and the amount of vacant land or vacant units in each precinct. The following section details the make-up and GFA for each precinct.

FIGURE 22. OVERVIEW OF INDUSTRIAL PRECINCTS



Source: SGS Economics and Planning, 2014

The floorspace audit undertaken by SGS was conducted using both ANZSIC industry categories and SGS's own broad land-use categories (BLCs). ANZSIC categories are standardised industry classifications used in Australia and New Zealand to capture employment data for censuses and other formal studies. BLCs are broad groupings of employment land use developed by SGS to standardise our employment land study results.

Table 5 and Table 6 outline both ANZSIC and BLC categories.

Each precinct is addressed in the following section. This assessment provides a map of each precinct and identifies the dominant BLC of each building. The breakdown of floorspace by ANZSIC and BLC is also provided along with a short commentary of the precinct's use and context.

Additionally, each precinct has been reviewed against the 2013 Draft Metropolitan Strategy's industrial land assessment criteria checklist to determine its value as industrial land. This has been used given its similarity to the 2010 criteria and assumes that each precinct is being considered for rezoning as one, rather than individual lots within it.

TABLE 5. AUSTRALIAN AND NEW ZEALAND STANDARD INDUSTRIAL CLASSIFICATION (ANZSIC) DEFINITION

ANZSIC categories
Agriculture, Forestry and Fishing
Mining
Manufacturing
Electricity, Gas, Water and Waste Services
Construction
Wholesale Trade
Retail Trade
Accommodation and Food Services
Transport, Postal and Warehousing
Information Media and Telecommunications
Financial and Insurance Services
Rental, Hiring and Real Estate Services
Professional, Scientific and Technical Services
Administrative and Support Services
Public Administration and Safety
Education and Training
Health Care and Social Assistance
Arts and Recreation Services
Other Services
Inadequately described and Not Stated

Source: ABS, 2013

TABLE 6. BROAD LAND USE CATEGORIES (BLC) DEFINITION AND CONTEXT

Land use	Description
Freight and logistics (FL)	Warehousing and distribution activities: includes buildings with a number of docking facilities, 'hard stand' areas with trucks or goods awaiting distribution, and large storage facilities. Warehousing and distribution is a metro level issue with activities preferably locating close to air, sea and inter-modal inland ports, or with access to the motorway system.
Local light industrial (LL)	Includes a wide range of businesses that service other business (components, maintenance and support) and subregional populations. For example, car service and repair, joinery, construction and building supplies, and domestic storage.
Heavy manufacturing (MH)	Large scale production activity: likely to be characterised by high noise emission, emission stacks, use of heavy machinery, and frequency of large trucks. Heavy manufacturing is best positioned in industrial areas away from populated areas given its impacts. It will often require motorway access and access to a rail spur. There are strong arguments for co-location in terms of raw material delivery and to concentrate externalities (though impacts on surrounding uses are generally moderate).
Light manufacturing (ML)	Small scale production with lower noise and emission levels than heavy manufacturing. For example, clothing manufacturing, boat building. Light manufacturing is less likely to be found in populated areas and requires proximity to motorway on/ off ramps. Suited to industrial areas but with a lower requirement for distance from population than heavy manufacturing.
Urban services (US)	Concrete batching, waste recycling and transfer, construction and local and state government depots, sewerage, water supply, electricity construction yards. These typically have noise, dust and traffic implications and need to be isolated or buffered from other land uses. Needed in each sub-region.
Office (O)	Administration, clerical, business services, research. Office uses are heavily influenced by transport accessibility and as a result the most suitable areas are clustered around designated centres – especially those on transport nodes and with railway stations to provide good accessibility for office workers.
Business/office parks (BP)	Integrated warehouse, storage, R&D, 'back-room' management and administration with typically a higher office component.
Retail – main street (RM)	Retailing services traditionally found in main street locations (such as supermarkets) and small cluster or strips of stores located next to a street or road.
Retail – big box (RB)	Large shopping complexes, including Westfield.
Retail – bulky goods (RBG)	Typically large, one-storey buildings surrounded by car-parking, usually located out of centre and in high exposure (main road) locations. Bulky goods retail is generally dependent on arterial road access and high visibility but also requires large lots.
Special Activities (S)	Tertiary level education, health, and community services. Typically require strategic locations and needed in each sub-region.
Dispersed Activities (D)	Primary and secondary education, lower level health, social and community services, trades construction, other 'nomads'.
Residential (RES)	Residential development.
Accommodation (short term) (AST)	Hotels and motels (not including pubs), backpacker establishments.
Car park (CP)	Stand-alone car parking stations.
Vacant sites/lots (VSI)	Vacant sites.
Vacant buildings (VBL)	Vacant buildings.

5.2 Floorspace by precinct

Precinct profile: Balmain East

FIGURE 23. AUDIT MAP

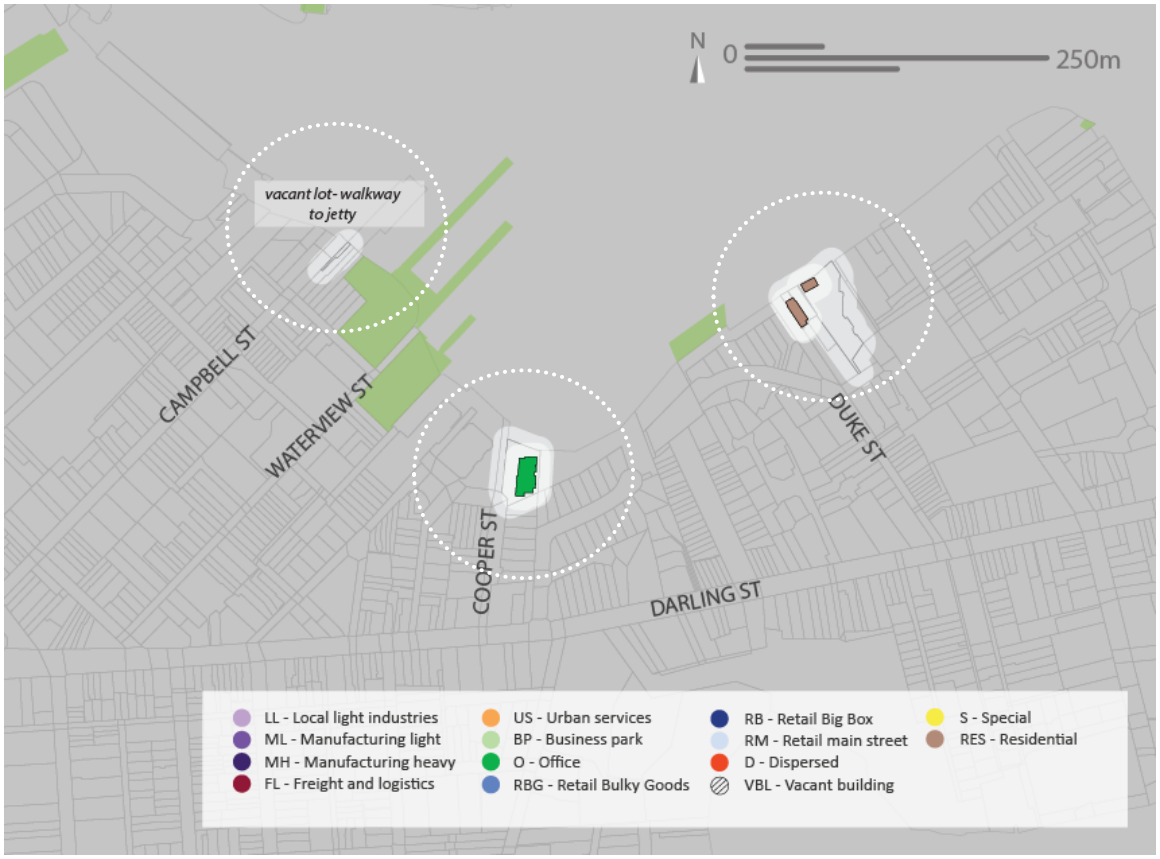


TABLE 7. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	No
Is the site contributing to a significant industry cluster?	No
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Non-core industrial uses currently, although loss of industrially-zoned land would place increased pressure on LGA
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of office floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	Not currently used for industrial use; awkward road access for vehicles, although the precinct serves a marine function and requires water access
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No

TABLE 8. FLOORSPACE AUDIT

Total floorspace 1,398 sqm

Developed 1,398 sqm

Vacant 0 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing		Business Park	-
Mining		Dispersed	-
Manufacturing		Freight and Logistics	-
Electricity, Gas, Water and Waste Services		Local Light	-
Construction		Manufacturing Light	-
Wholesale Trade		Office	916
Retail Trade		Retail Bulky Goods	-
Accommodation and Food Services		Residential	482
Transport, Postal and Warehousing		Retail Main Street	-
Information Media and Telecommunications		Urban Services	-
Financial and Insurance Services		Vacant Block of Land	-
Rental, Hiring and Real Estate Services		Manufacturing Heavy	-
Professional, Scientific and Technical Services		Retail Big Box	-
Administrative and Support Services	916	Vacant building	-
Public Administration and Safety		Special	-
Education and Training			
Health Care and Social Assistance			
Arts and Recreation Services			
Other Services			
Inadequately described and Not Stated	482		
Totals*	**1,398**		**1,398**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The largest of the three sites in the precinct, and the only one with employment uses currently on site, contains a modern two to three storey office building with maritime services attached. The main office building is set back from the cul-de-sac it is located in. The surrounding built form is varied, with a mixture of new waterfront terraces, industrial warehouses converted to residential and original weatherboard and brick workers cottages.

The main site is located on Mort Bay and provides industrial land with direct water access and contains employment (office) uses. It is adjacent to a small foreshore park and at the end of a narrow street, which is indicative of the area.

The precinct also consists of two other separate industrially-zoned sites, one of which houses residential uses and the other is an easement with no building on it. The fragmented precinct is small and contributes little in terms of floorspace to true industrial uses in the LGA.

Precinct profile: Terry Street

FIGURE 24. AUDIT MAP

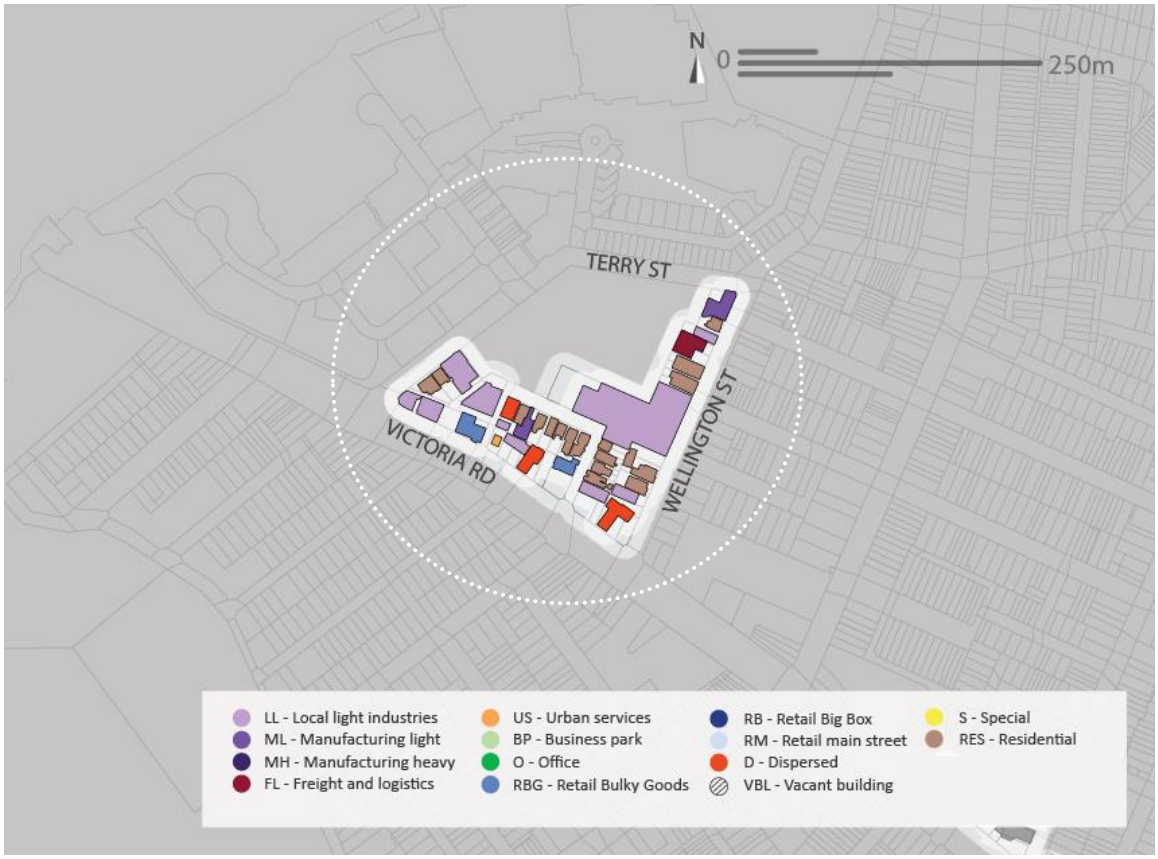


TABLE 9. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Yes – Victoria Road corridor
Is the site contributing to a significant industry cluster?	No
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Some impact on light industrial provision in LGA and pressure on remaining precincts to accommodate displaced uses as a result of the loss
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	Dispersed nature of the precinct and mix with residential may cause conflict
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No

TABLE 10. FLOORSPACE AUDIT

Total floorspace 15,161 sqm

Developed 15,161 sqm

Vacant 0 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	1,007
Manufacturing	1,937	Freight and Logistics	560
Electricity, Gas, Water and Waste Services	52	Local Light	8,929
Construction	203	Manufacturing Light	976
Wholesale Trade	-	Office	-
Retail Trade	1,122	Retail Bulky Goods	728
Accommodation and Food Services	77	Residential	2,907
Transport, Postal and Warehousing	5,498	Retail Main Street	-
Information Media and Telecommunications	-	Urban Services	52
Financial and Insurance Services	-	Vacant Block of Land	-
Rental, Hiring and Real Estate Services	-	Manufacturing Heavy	-
Professional, Scientific and Technical Services	-	Retail Big Box	-
Administrative and Support Services	3,863	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	-		
Health Care and Social Assistance	-		
Arts and Recreation Services	314		
Other Services	1,629		
Inadequately described and Not Stated	464		
Total*	**15,161**		**15,161**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The Terry Street precinct is a local service industrial precinct consisting of auto repairs, auto parts, trade supplies, car sales and household storage, etc. and adjoins Victoria Road. The built form is varied, with the major industrial site being a two-storey brick storage facility. The industrial functions are interspersed with several residential dwellings of what appear to be original building stock (consisting of workers cottages and terraces). The more modern light industrial site on Terry Street is the largest in scale with three storeys.

The northern part of the site (the former Carrier site) has been rezoned and is currently under development for residential use.

Along with White Bay, the precincts are the only ones in the LGA with direct Victoria Road frontage. Given the road's arterial nature and location at the edge of the predominantly residential area, it is an important precinct as it has good transport access and the ability to operate with minimal direct contact with residential uses.

A small number of submissions have been made to Council requesting that all or part of the precinct be rezoned from industrial. Suggestions for use include residential or mixed-use development. The current amount of residential uses within the precinct are used to support these claims, as are the site's transport accessibility and inability to further develop as an industrial precinct, given its fragmented nature. The arguments for accessibility however also stand for the retention of current industrial uses.

Precinct profile: White Bay

FIGURE 25. AUDIT MAP

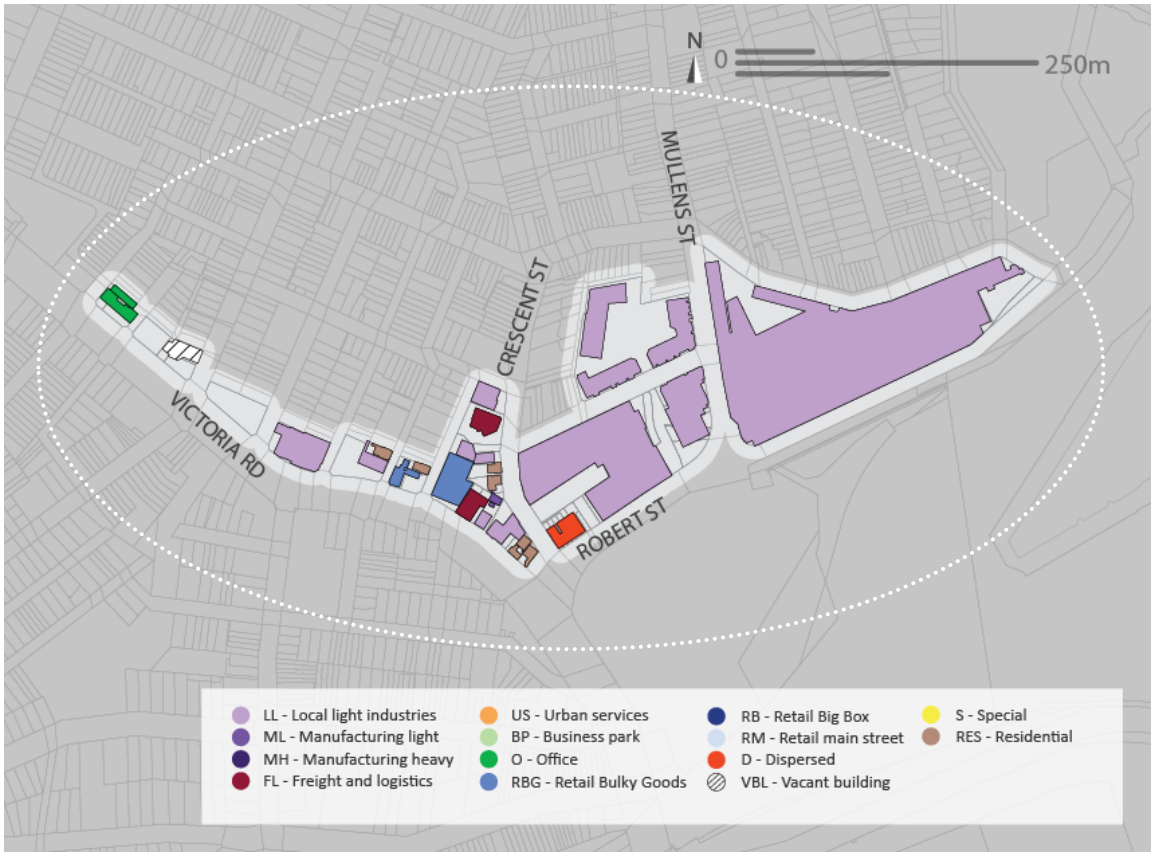


TABLE 11. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Yes – Bays precinct and ports
Is the site contributing to a significant industry cluster?	Yes – one of the largest in the LGA
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Significant pressure on remaining industrial precincts to accommodate White Bay's local light industrial services
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	No
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	Yes – the redevelopment of the Bays Precinct may see the zoned land increase in value and attract pressure for alternative uses

TABLE 12. AUDIT FLOORSPACE

Total floorspace 60,075 sqm

Developed 59,699 sqm

Vacant 376 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	480
Manufacturing	6,679	Freight and Logistics	1,483
Electricity, Gas, Water and Waste Services	-	Local Light	37,948
Construction	181	Manufacturing Light	16,393
Wholesale Trade	1,052	Office	897
Retail Trade	919	Retail Bulky Goods	1,650
Accommodation and Food Services	192	Residential	847
Transport, Postal and Warehousing	20,101	Retail Main Street	-
Information Media and Telecommunications	11,091	Urban Services	-
Financial and Insurance Services	-	Vacant Block of Land	376
Rental, Hiring and Real Estate Services	388	Manufacturing Heavy	-
Professional, Scientific and Technical Services	1,716	Retail Big Box	-
Administrative and Support Services	3,126	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	-		
Health Care and Social Assistance	288		
Arts and Recreation Services	2,392		
Other Services	9,565		
Inadequately described and Not Stated	2,384		
Total*	**60,075**		**60,075**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The White Bay industrial precinct is one of the LGA's largest and contains industrial buildings with some of the largest footprints. It has some presence along Victoria Road, although access is better along Mullens and Robert Streets. Surrounding residential is low-density in scale, with original workers cottages the prevailing architectural style – giving Balmain its distinctive urban character. The precinct currently faces onto maritime-servicing land and therefore has few competing land uses. The large warehouse buildings vary in age but are consistent in their form – brick and three to four storeys.

The large lots and proximity to port and arterial road infrastructure mean that the precinct is currently one of the most important in the LGA.

Businesses in this location are diverse and include a gym and film studio. There are numerous auto-repairers such as along Mullens Street, as well as show room uses along Victoria Road. Port facilities at Glebe Island and White Bay are the primary adjacent land uses. Current and future operations at this location have the potential to impact upon amenity in the area, and previous proposals for widening the range of uses in this area have not been supported by State Government. Residential areas are located to the north and west of this employment land precinct.

This precinct will be affected by the proposed adjacent Bays Precinct Urban Transformation Program which covers around 80 hectares of Government owned land including sites such as the heritage-listed White Bay Power Station, Glebe Island, White Bay, Rozelle Bay, Rozelle Rail Yards and Blackwattle Bay, including the Sydney Fish Market.

There have been a couple of submissions made to enquire about rezoning of the sites along Victoria Road, given the difficulty in accessing the units and the surrounding residential use. The linear nature of the Victoria Road frontage and small lots would make any precinct-wide industrial redevelopment difficult along this stretch.

Precinct profile: Balmain Road

FIGURE 26. AUDIT MAP

TABLE 13. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Close proximity to Victoria Road and opposite regionally significant Callan Park
Is the site contributing to a significant industry cluster?	No
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Place pressure on remaining precincts to provide for loss of industrial land
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	No
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No

TABLE 14. AUDIT FLOORSPACE

Total floorspace 18,072 sqm

Developed 18,072 sqm

Vacant 0 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	-
Manufacturing	1,307	Freight and Logistics	-
Electricity, Gas, Water and Waste Services	-	Local Light	7,365
Construction	293	Manufacturing Light	3,613
Wholesale Trade	704	Office	5,534
Retail Trade	1,496	Retail Bulky Goods	1,027
Accommodation and Food Services	133	Residential	-
Transport, Postal and Warehousing	5,833	Retail Main Street	533
Information Media and Telecommunications	-	Urban Services	-
Financial and Insurance Services	-	Vacant Block of Land	-
Rental, Hiring and Real Estate Services	-	Manufacturing Heavy	-
Professional, Scientific and Technical Services	2,578	Retail Big Box	-
Administrative and Support Services	3,101	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	-		
Health Care and Social Assistance	495		
Arts and Recreation Services	-		
Other Services	293		
Inadequately described and Not Stated	1,840		
Total*	**18,072**		**18,072**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The Balmain Road precinct is predominantly a local service industrial trade supplies, with small scale manufacturing, retail and office functions. Its built form is varied, with detailed brick two-storey buildings with Edwardian-style facades adjacent more modern brick buildings of the same height. Further west, along Balmain Road, single-storey brick buildings with little street character present a long blank wall. The frontage to Alberto Street presents an attractive ivy-covered green wall with vehicular access to the industrial buildings. The two to three storey blank brick facades facing Cecily and Fred Streets enable industrial functionality within the building but present a bland street frontage opposite the vernacular working cottages. Additional car parking is located to the rear off Alberto Street.

The precinct has large floorplates considering the relatively small size of the precinct and the clear vehicular access around three of the precinct's sides are an important attribute, especially as vehicles do not have to travel along many local roads to access the precinct.

A submission to Council has been made to increase the permissible uses to accommodate community uses such as educational facilities and markets as well as storage facilities. The community uses in particular could link to any redevelopment of Callan Park, existing industrial uses notwithstanding.

Precinct profile: Lilyfield Road

FIGURE 27. AUDIT MAP

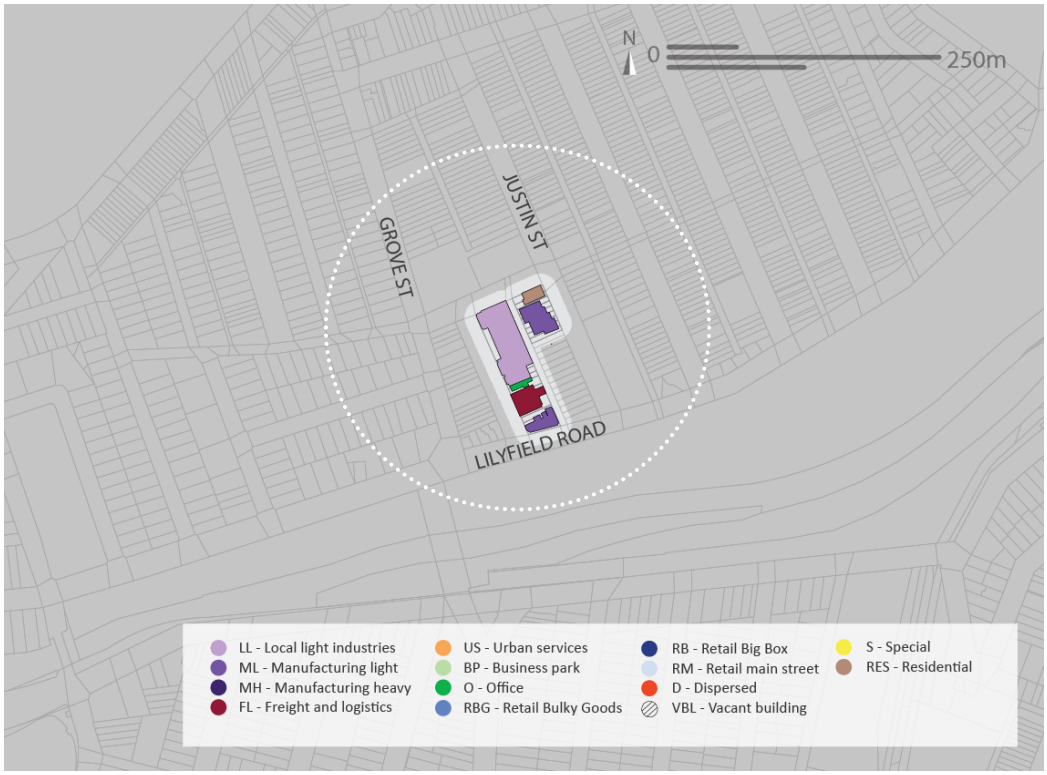


TABLE 15. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Close to city west link and proposed WestConnex route
Is the site contributing to a significant industry cluster?	No
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Place pressure on remaining precincts to provide for loss of industrial land
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	No, although recent rezoning of 55 Justin Street suggests that the site is not deemed a high industrial priority
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No

TABLE 16. AUDIT FLOORSPACE

Total floorspace 5,364 sqm

Developed 5,364sqm

Vacant 0 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	-
Manufacturing	538	Freight and Logistics	779
Electricity, Gas, Water and Waste Services	-	Local Light	2,794
Construction	-	Manufacturing Light	1,150
Wholesale Trade	223	Office	214
Retail Trade	-	Retail Bulky Goods	-
Accommodation and Food Services	-	Residential	428
Transport, Postal and Warehousing	1,079	Retail Main Street	-
Information Media and Telecommunications	-	Urban Services	-
Financial and Insurance Services	-	Vacant Block of Land	-
Rental, Hiring and Real Estate Services	-	Manufacturing Heavy	-
Professional, Scientific and Technical Services	107	Retail Big Box	-
Administrative and Support Services	1,474	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	-		
Health Care and Social Assistance	-		
Arts and Recreation Services	-		
Other Services	1,943		
Inadequately described and Not Stated	-		
Total*	**5,364**		**5,364**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The Lilyfield Rd precinct is characterised as local service industrial – consisting of plumbing and other trade supplies, automotive services, textiles, with some creative industries (furniture manufacture, jewellery, glass, textiles), and some small scale professional services. The area is surrounded by residential development comprising of medium density walk up flats and workers cottages. The recently-rezoned Justin Street lots reduce the size of the precinct, however the laneway access along the eastern edge provides good frontage for the multiple site users.

The small precinct's built form is characterised by predominantly double-height garage-fronted light-industrial units, with regular openings for vehicle access. Some units have been redeveloped, however the scale remains predominately two storeys. Halloran Street's width and the mix of residential building heights on the opposite side of the road mean the precinct fits comfortably into the surrounding residential area.

Precinct profile: Moore Street North

FIGURE 28. AUDIT MAP

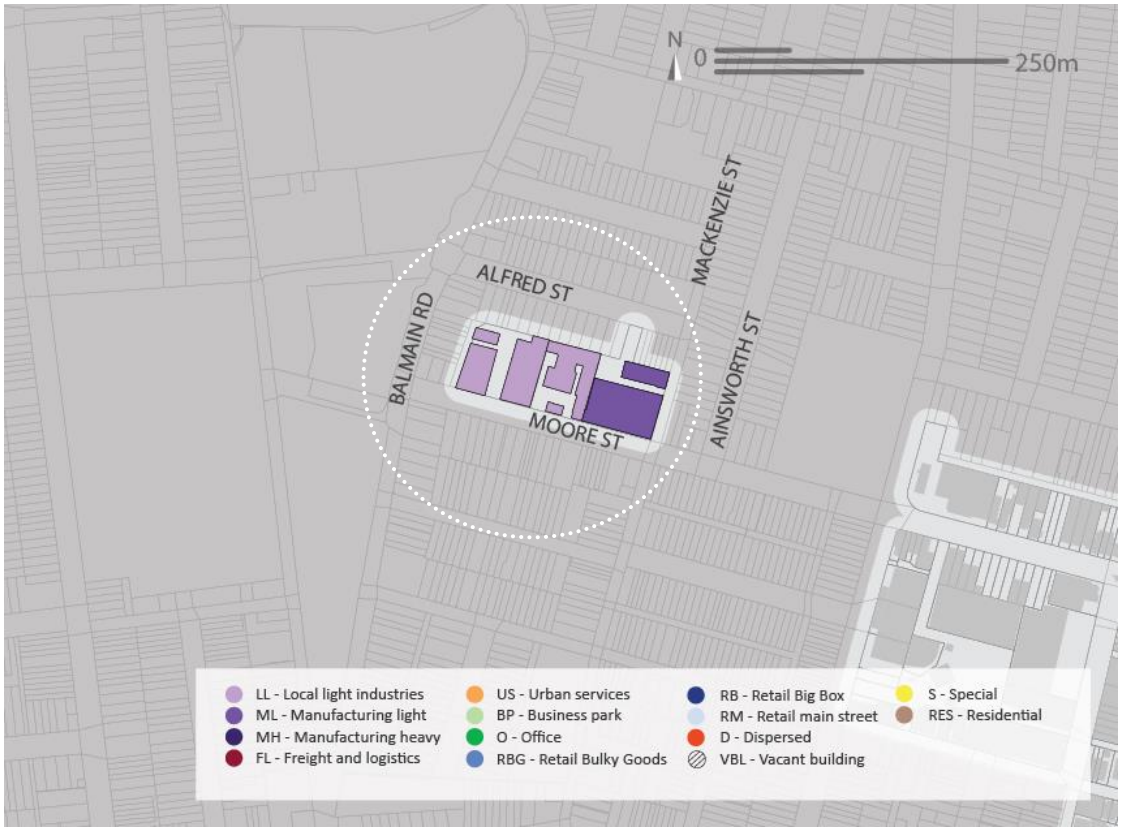


TABLE 17. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Close to city west link and proposed WestConnex route
Is the site contributing to a significant industry cluster?	No
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Place pressure on remaining precincts to provide for loss of industrial land, especially locally-servicing industries
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	No
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No

TABLE 18. AUDIT FLOORSPACE

Total floorspace 11,616 sqm

Developed 11,616sqm

Vacant 0 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	-
Manufacturing	1,822	Freight and Logistics	-
Electricity, Gas, Water and Waste Services	-	Local Light	6,360
Construction	445	Manufacturing Light	5,256
Wholesale Trade	296	Office	-
Retail Trade	390	Retail Bulky Goods	-
Accommodation and Food Services	117	Residential	-
Transport, Postal and Warehousing	2,294	Retail Main Street	-
Information Media and Telecommunications	1,230	Urban Services	-
Financial and Insurance Services	-	Vacant Block of Land	-
Rental, Hiring and Real Estate Services	-	Manufacturing Heavy	-
Professional, Scientific and Technical Services	2,164	Retail Big Box	-
Administrative and Support Services	2,160	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	-		
Health Care and Social Assistance	-		
Arts and Recreation Services	-		
Other Services	698		
Inadequately described and Not Stated	-		
Total*	**11,616**		**11,616**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The Moore Street North precinct contains a small cluster of industrial uses with a mixture of local light industrial and light manufacturing activity. The building stock varies in age but the precinct maintains a consistent one to two-storey presence along Moore Street and Mackenzie Street. Long blank walls along Moore Street are punctuated by vehicle access points into the precinct along its southern and eastern perimeter. Street art along some walls provides visual relief from these long stretches. The age of the building stock varies throughout the precinct, with early twentieth century brick buildings interspersed with stock from the late twentieth century. The building heights are consistent with the surrounding residential building stock, which are predominantly small detached cottages.

The precinct's importance lies in its local servicing uses and surrounding residential population that it serves. The light manufacturing uses within the precinct are in close proximity to the City West Link and therefore distribution channels for products.

Precinct profile: Moore Street South

FIGURE 29. AUDIT MAP

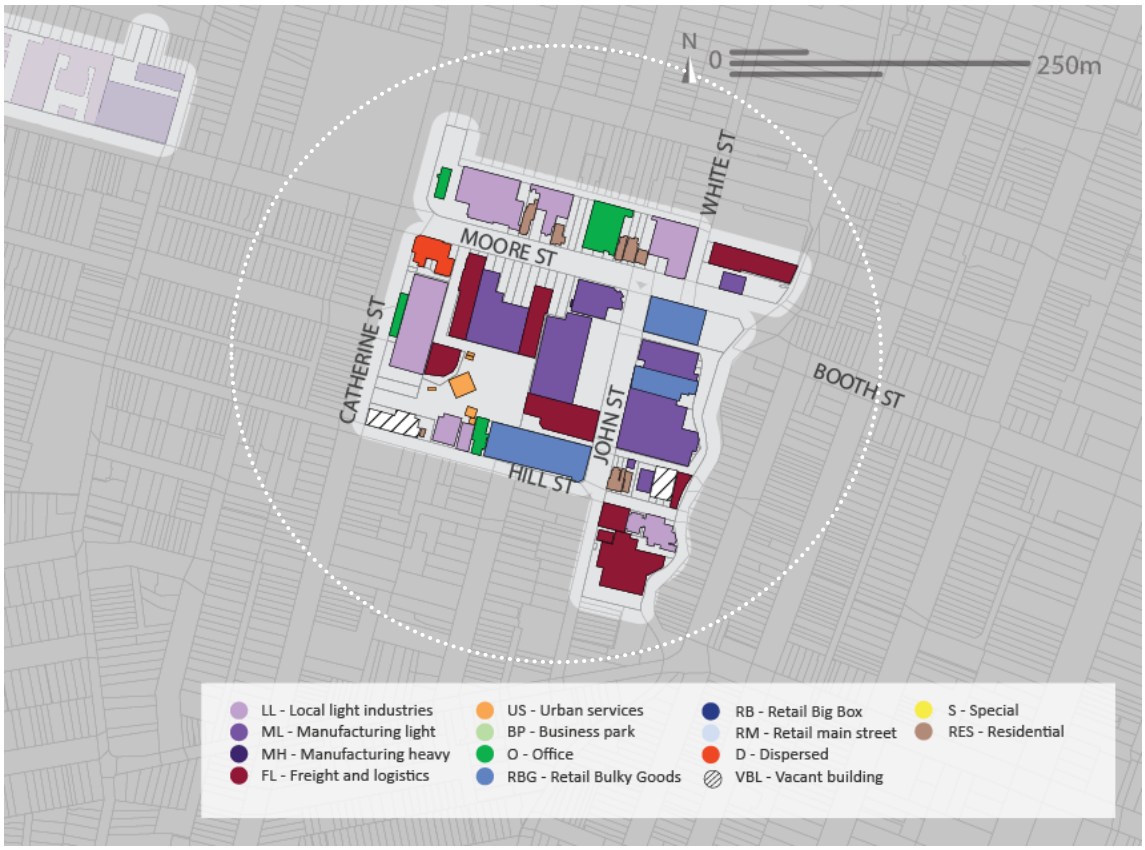


TABLE 19. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Close to city west link and proposed WestConnex route
Is the site contributing to a significant industry cluster?	Yes – one of the largest in the LGA
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Place pressure on remaining precincts to provide for loss of industrial land, especially locally-servicing industries
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	No
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No

TABLE 20. AUDIT FLOORSPACE

Total floorspace 49,490 sqm

Developed 47,530 sqm

Vacant 1,960 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	1,111
Manufacturing	7,362	Freight and Logistics	11,375
Electricity, Gas, Water and Waste Services	-	Local Light	10,216
Construction	3,968	Manufacturing Light	13,875
Wholesale Trade	114	Office	3,314
Retail Trade	4,426	Retail Bulky Goods	6,098
Accommodation and Food Services	-	Residential	1,107
Transport, Postal and Warehousing	14,914	Retail Main Street	-
Information Media and Telecommunications	-	Urban Services	434
Financial and Insurance Services	440	Vacant Block of Land	1,960
Rental, Hiring and Real Estate Services	-	Manufacturing Heavy	-
Professional, Scientific and Technical Services	3,468	Retail Big Box	-
Administrative and Support Services	8,005	Vacant building	-
Public Administration and Safety	434	Special	-
Education and Training	-		
Health Care and Social Assistance	2,404		
Arts and Recreation Services	-		
Other Services	1,969		
Inadequately described and Not Stated	1,985		
Total*	**49,490**		**49,490**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The Moore Street South precinct consists of a number of lots, with a mixture of large and small floorplate units. The precinct has good vehicular access with John Street acting as an internal access road, in addition to the formal internal road along the precinct's eastern edge. The precinct has a diverse mix of office-based, industrial and bulky goods retail activities. Activities with high shares include Building and Construction Services and Warehousing. It is one of the most important precincts in the LGA as well as playing an important population-serving use within the broader subregion.

The majority of the Moore Street South precinct currently contains a mixture of local light industrial and light manufacturing. Smaller land uses include dispersed land uses and freight and logistics activities. Office uses and some detached residential are located on Moore Street. There are also residential properties located in the vicinity of Hill Street.

The built form varies, with large open warehouse structures and smaller brick industrial buildings along Moore Street. The building setback, two to three storey unit heights and consistent street tree presence along Moore Street mean that the precinct effectively retreats from the road. Given the large size of the precinct, it is discreetly situated. The building setback is quite large along John Street, with a large concrete parking forecourt along its western edge. The precinct is not far from the City West Link. It is surrounded by residential uses, which is important given its predominantly local-light industry mix that often services local catchments. The precinct's size and mix of uses identifies it as one of the key industrial precincts in the LGA.

A submission has been made to consider affordable housing at the north-eastern corner of the precinct as an expansion to the current St Vincent de Paul operations at 5 White Street. Separate submissions have requested the precinct be rezoned to B7 Business Park due to road access issues and proximity to residential development and more broadly rezoned to mixed use residential uses given the close interaction with surrounding residential development.

Precinct profile: Marion Street

FIGURE 30. AUDIT MAP

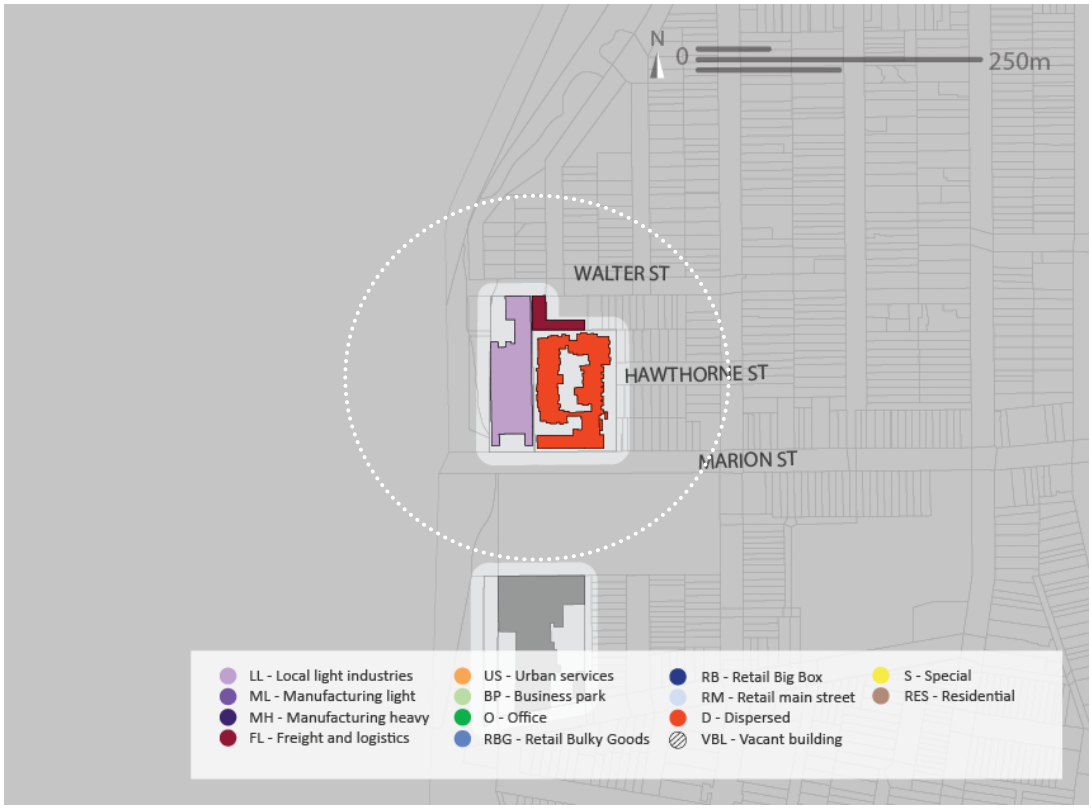


TABLE 21. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Close proximity to Inner West Light Rail
Is the site contributing to a significant industry cluster?	No (significant proportion not industrial use)
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Some impact on light industrial provision in LGA and pressure on remaining precincts to accommodate its loss
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	Current residential care home suggests land not highly valued for industrial use
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No

TABLE 22. AUDIT FLOORSPACE

Total floorspace 12,844 sqm

Developed 12,844sqm

Vacant 0 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	8,441
Manufacturing	-	Freight and Logistics	651
Electricity, Gas, Water and Waste Services	-	Local Light	3,752
Construction	-	Manufacturing Light	-
Wholesale Trade	-	Office	-
Retail Trade	-	Retail Bulky Goods	-
Accommodation and Food Services	211	Residential	-
Transport, Postal and Warehousing	521	Retail Main Street	-
Information Media and Telecommunications	-	Urban Services	-
Financial and Insurance Services	2,626	Vacant Block of Land	-
Rental, Hiring and Real Estate Services	-	Manufacturing Heavy	-
Professional, Scientific and Technical Services	1,256	Retail Big Box	-
Administrative and Support Services	422	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	-		
Health Care and Social Assistance	7,808		
Arts and Recreation Services	-		
Other Services	-		
Inadequately described and Not Stated	-		
Total*	**12,844**		**12,844**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

This small precinct is dominated by an aged care facility and Mazda car service centre fronting Marion Street. The service centre is set back from the road to allow car parking for serviced vehicles. The building itself is low in profile, with a high-ceilinged single storey workshop. The aged-care facility is a two-storey building, stepping up to three storeys and built to the lot boundary. It has slight indentations along its length to allow for incidental planting but presents a strong presence to Marion Street. Both buildings sit opposite Lambert Park, which provides a long blank façade to Marion Street that has been covered in street art. There are some small scale creative businesses and light industrial businesses on the Walter Street side of the precinct.

More than half of the site is given to the aged care facility, suggesting a previously determined lack of industrial need. The car service centre however is an important local (and possibly subregional) light – industrial use, given its specific servicing of Mazda vehicles. Both facilities would benefit from good road access, proximity to the newly opened Marion Light Rail stop and the Market Place shopping centre further to the east. Although small, it serves an important function with its current usage.

A submission has been made arguing for the motor repair site to be rezoned to accommodate B4 Mixed Use or R4 High Density Residential uses suggested as more in keeping with the surrounding area. Such a use would benefit from proximity to the light rail and local shopping centre access.

Precinct profile: Lords Road

FIGURE 31. AUDIT MAP

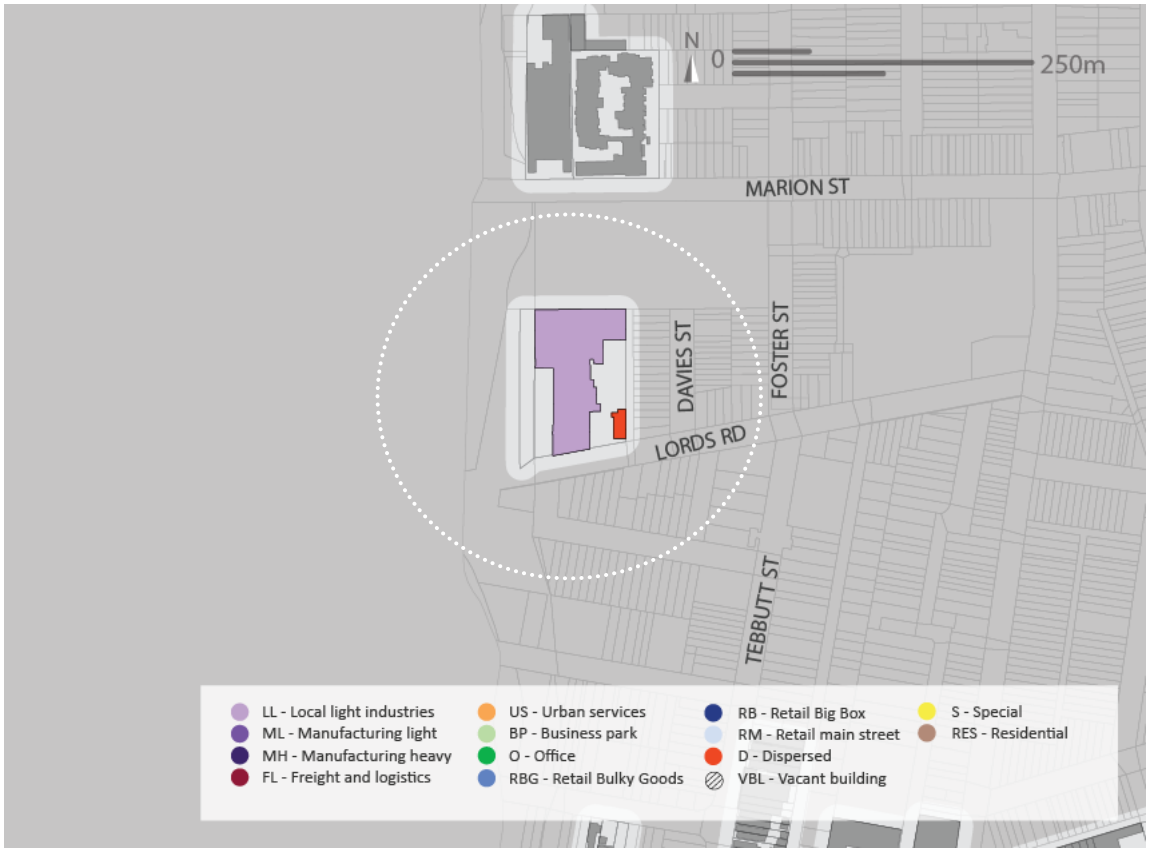


TABLE 23. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Close to Inner West Light Rail
Is the site contributing to a significant industry cluster?	No
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Some impact on light industrial provision in LGA and pressure on remaining precincts to accommodate its loss
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	No
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No

TABLE 24. AUDIT FLOORSPACE

Total floorspace 11,354 sqm

Developed 11,354 sqm

Vacant 0 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	243
Manufacturing	1,278	Freight and Logistics	-
Electricity, Gas, Water and Waste Services	-	Local Light	11,111
Construction	556	Manufacturing Light	-
Wholesale Trade	-	Office	-
Retail Trade	-	Retail Bulky Goods	-
Accommodation and Food Services	-	Residential	-
Transport, Postal and Warehousing	6,111	Retail Main Street	-
Information Media and Telecommunications	-	Urban Services	-
Financial and Insurance Services	-	Vacant Block of Land	-
Rental, Hiring and Real Estate Services	-	Manufacturing Heavy	-
Professional, Scientific and Technical Services	-	Retail Big Box	-
Administrative and Support Services	556	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	-		
Health Care and Social Assistance	-		
Arts and Recreation Services	2,298		
Other Services	556		
Inadequately described and Not Stated	-		
Total*	**11,354**		**11,354**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

This precinct is a small light industrial complex at the western end of Lords Road. It consists of a number of units within a single building complex, with vehicular access at two points running into the site at either side of the building. The low profile and mature street trees along Lords Road effectively screen the precinct from the street. Current uses are predominantly local service industrial (warehousing, small scale manufacturing) with some 'dispersed' activities (such as a martial arts school, church, arts auction rooms).

The precinct backs onto a sportsfield and the light rail line, meaning that its industrial functions have minimal impact on the surrounding residential area. This makes the site ideal for a range of industrial functions.

Although small, the Lords Road Precinct contributes a large floorplate site to the light industrial make up of Leichhardt's employment lands. In a predominantly residential area, this lot and building size, coupled with its relative isolation from surrounding residential uses, makes it an important precinct to accommodate the future industrial demands within the LGA.

A submission to Council has requested the site be rezoned to accommodate residential uses.

Precinct profile: Tebbutt Street/Parramatta Road

FIGURE 32. AUDIT MAP

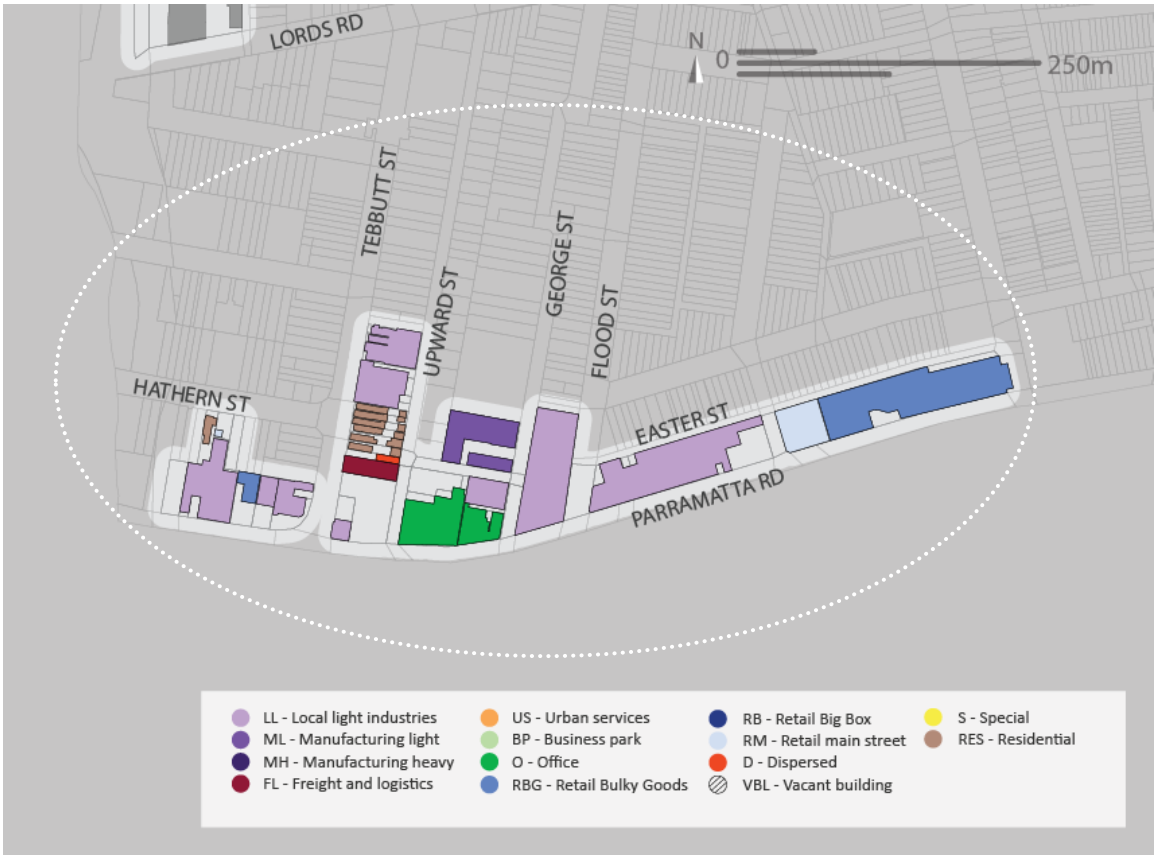


TABLE 25. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Yes. Parramatta Road corridor
Is the site contributing to a significant industry cluster?	One of the larger precincts in the LGA
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Some impact on light industrial provision in LGA and pressure on remaining precincts to accommodate its loss
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	Loss of some industrially-zoned land to retail and office functions
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	Dependent upon long-term vision for Parramatta Road Corridor

TABLE 26. AUDIT FLOORSPACE

Total floorspace 47,196 sqm

Developed 47,196 sqm

Vacant 0 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing		Business Park	-
Mining		Dispersed	104
Manufacturing	4,938	Freight and Logistics	639
Electricity, Gas, Water and Waste Services	104	Local Light	21,142
Construction	823	Manufacturing Light	3,130
Wholesale Trade	2,999	Office	7,776
Retail Trade	10,019	Retail Bulky Goods	11,108
Accommodation and Food Services	-	Residential	1,205
Transport, Postal and Warehousing	7,504	Retail Main Street	2,092
Information Media and Telecommunications	-	Urban Services	-
Financial and Insurance Services	-	Vacant Block of Land	-
Rental, Hiring and Real Estate Services	-	Manufacturing Heavy	-
Professional, Scientific and Technical Services	1,417	Retail Big Box	-
Administrative and Support Services	9,529	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	577		
Health Care and Social Assistance	-		
Arts and Recreation Services	371		
Other Services	4,229		
Inadequately described and Not Stated	4,688		
Total*	**47,196**		**47,196**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The precinct is a long precinct extending along Parramatta Road. It contains street frontage properties to Parramatta Road and properties with frontage to Tebbutt Street. The precinct is bounded by residential areas to the north and some residential development has occurred within the industrial zoned area.

The built form along Parramatta Road is varied, with a number of different uses, building forms and setbacks. This is consistent with the variety of uses and the precinct as a whole retains the prevailing building height of this section of Parramatta Road.

The precinct's location along Parramatta Road and Tebutt Street (which is an important north-south link to the City West Link) gives the precinct a strategic location to service both a local and subregional catchment. This location also means that there is a mix of uses relating to other stretches of Parramatta Road, including office and retail functions. It is one of the larger industrial precincts in Leichhardt.

Unlike the remainder of the Parramatta Road corridor, this precinct is not affected by a heritage conservation overlay nor does it contain any heritage items.

There is however, a heritage conservation area to the north of some of the Parramatta Road frontage properties. Tebbutt Street provides access to the Brown Street Parramatta Road overpass and experiences heavy traffic. Back from Parramatta Road, land uses are mostly 'local service industrial' in nature such as equipment hire, storage, automotive parts, etc. Fronting Parramatta Rd, activities are more retail/ trade supplies focussed with uses such as electrical equipment supplies, DJ equipment supplies as well as automotive services. There are also significant printing operations in this location.

Precinct profile: Camperdown

FIGURE 33. AUDIT MAP

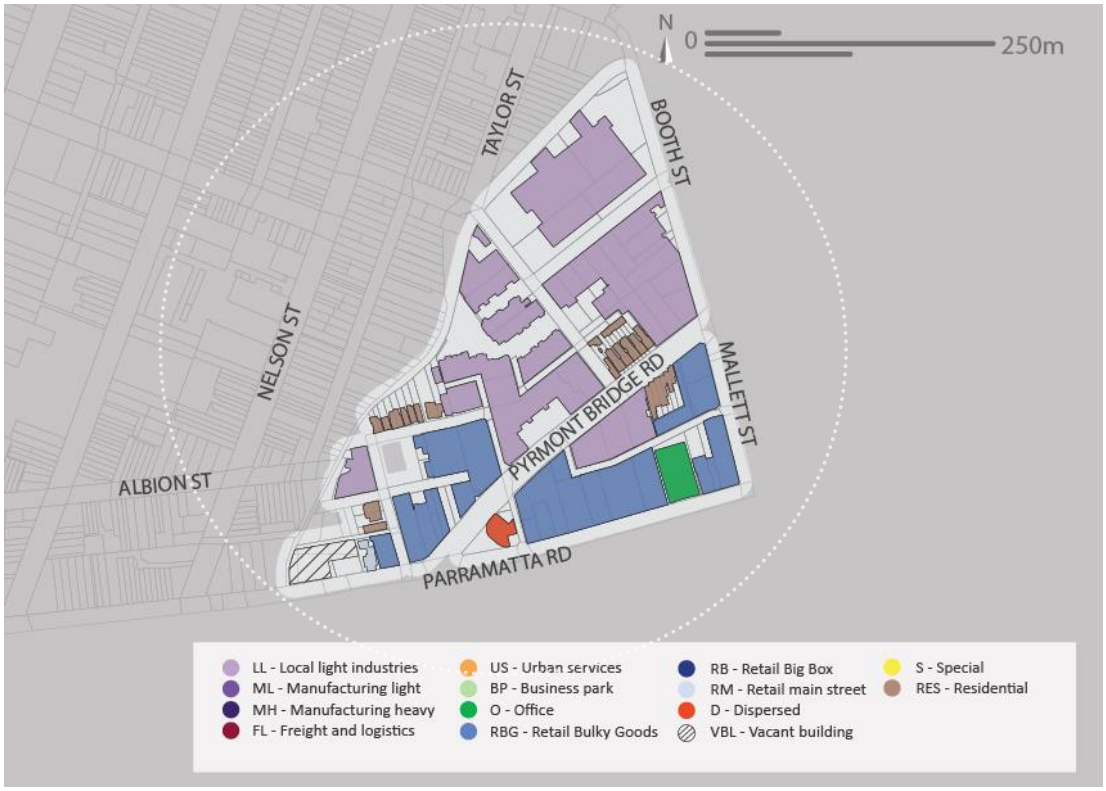


TABLE 27. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	Re-zoning to residential would be consistent with state government desire to increase housing stock in areas with public transport accessibility
Is the site near or within direct access to key economic infrastructure?	Yes – Parramatta Road corridor, Sydney University, Sydney CBD
Is the site contributing to a significant industry cluster?	Yes – largest in LGA
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Some impact on light industrial provision in LGA and pressure on remaining precincts to accommodate its loss
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	No, although turn-over of some land to large-format retail suggests higher value uses are in demand
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	Dependent upon Parramatta Road Corridor development

TABLE 28. AUDIT FLOORSPACE

Total floorspace 75,523 sqm

Developed 74,846 sqm

Vacant 677 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	474
Manufacturing	3,065	Freight and Logistics	-
Electricity, Gas, Water and Waste Services	-	Local Light	40,983
Construction	367	Manufacturing Light	-
Wholesale Trade	2,621	Office	2,587
Retail Trade	12,668	Retail Bulky Goods	26,339
Accommodation and Food Services	179	Residential	4,134
Transport, Postal and Warehousing	31,724	Retail Main Street	330
Information Media and Telecommunications	-	Urban Services	-
Financial and Insurance Services	-	Vacant Block of Land	677
Rental, Hiring and Real Estate Services	2,578	Manufacturing Heavy	-
Professional, Scientific and Technical Services	2,945	Retail Big Box	-
Administrative and Support Services	13,206	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	-		
Health Care and Social Assistance	-		
Arts and Recreation Services	3,156		
Other Services	1,238		
Inadequately described and Not Stated	1,775		
Total*	**75,523**		**75,523**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The precinct is located on Parramatta Road, and is dissected by Pyrmont Bridge Road in close proximity to Sydney University and is adjacent to new high-density housing developments south of Parramatta Road in Marrickville LGA. It is the largest industrial precinct in the LGA and one of the closest industrial precincts to the CBD. The precinct fronts Pyrmont Bridge and Parramatta Roads. Its proximity to the CBD and surrounding retail functions has influenced the current land uses within the precinct with a strong bulky goods retail (kitchen showroom, furniture, etc.) presence along main roads and a significant amount of storage floorspace.

The Parramatta Road frontage is consistent in height (two storeys) and building setback, with all buildings presenting a unified building line abutting the footpath. The building facades, however, differ throughout.

The precinct's internal streets are narrow and irregular block shapes contain large floorplate warehouse-style buildings, varying in height between one to two storeys. The build stock age varies from early twentieth century warehouses to late century local industrial parks. A recurring characteristic is the narrow footpaths and lack of active frontages within the precinct's internal streets.

The precinct's proximity to the CBD and good arterial road access, coupled with its size and large floorplate units, mean that the Camperdown precinct is a strategically important light industrial area for both Leichhardt and the wider central subregion.

Leichhardt Council has received a number of submissions requesting that the precinct, or lots thereof, be rezoned to increase flexibility. These requests primarily relate to mixed-use and residential uses (including affordable housing), as well as increased FSRs, with access and serviceability cited as a deterrent for industrial development and the site's location cited as a reason for a mixed-use scheme.

5.3 Current capacity summary

In total, Leichhardt currently has 308,092sqm of land zoned for industrial land use.

TABLE 29. SUMMARY OF CURRENT PRECINCT FLOORSPACE, 2014

	Broad Land Use Categories (BLCs) (sqm)											
Precincts	**BP**	**D**	**FL**	**LL**	**ML**	**O**	**RBG**	**RES**	**RM**	**US**	**VBL**	**Total**
Balmain East	-	-	-	-	-	916	-	482	-	-	-	**1,398**
Balmain Road	-	-	-	7,365	3,613	5,534	1,027	-	533	-	-	**18,072**
Camperdown	-	474	-	40,983	-	2,587	26,339	4,134	330	-	677	**75,523**
Marion Street	-	8,441	651	3,752	-	-	-	-	-	-	-	**12,844**
Lilyfield Road	-	-	779	2,794	1,150	214	-	428	-	-	-	**5,364**
Lords Road	-	243	-	11,111	-	-	-	-	-	-	-	**11,354**
Moore Street South	-	1,111	11,375	10,216	13,875	3,314	6,098	1,107	-	434	1,960	**49,490**
Moore Street North	-	-	-	6,360	5,256	-	-	-	-	-	-	**11,616**
Tebutt Street/ Parramatta Rd	-	104	639	21,142	3,130	7,776	11,108	1,205	2,092	-	-	**47,196**
Terry Street	-	1,007	560	8,929	976	-	728	2,907	-	52	-	**15,161**
White Bay	-	480	1,483	37,948	16,393	897	1,650	847	-	-	376	**60,075**
Total	**-**	**11,860**	**15,487**	**150,600**	**44,393**	**21,238**	**46,951**	**11,109**	**2,955**	**487**	**3,013**	**308,092**

Source: SGS Economics and Planning, 2014

5.4 Capacity analysis

Following the audit of each precinct, the total current capacity of Leichhardt's industrial lands can be determined. The precinct audits identify the existing floorspace for each land use type. In order to determine how much land is likely to be available in the future, a series of scenarios are used that consider varying degrees of development and intensity of use on these industrial lands. The capacity analysis indicates the capacity in each precinct to accommodate growth. In this analysis we have included four capacity scenarios:

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

These scenarios do not consider the feasibility of development or utilise market assessments within each scenario. They are used as an incremental examination into the theoretical ability for Leichhardt's industrial lands to accommodate any future growth. However, they have been established with consideration to realistic development possibility.

In order to calculate these scenarios, an average FSR was derived for each precinct.

TABLE 30. LEICHHARDT INDUSTRIAL LANDS AVERAGE PRECINCT FSR

Precinct	Ave. FSR
Balmain East	0.9
Terry St	0.7
White Bay	1.0
Balmain Rd	1.5
Lilyfield Rd	0.8
Moore St North	1.2
Moore St South	1.1
Marion St	1.2
Lords Rd	1.2
Tebbutt St/ Parramatta Rd	1.1
Camperdown	1.0

Source: SGS Economics and Planning, 2014

Some precincts have observed average FSRs greater than the maximum permissible 1:1. The medium scenarios use this as their basis because it is an accurate reflection of prevailing conditions within precincts. The maximum scenario is more hypothetical, giving an indication of what could be delivered if all industrially zoned land was re-developed in accordance with current policy. This approach allows realistic scenarios to be compared with hypothetical policy scenarios.

TABLE 31. LEICHHARDT INDUSTRIAL LANDS CAPACITY SUMMARY

Precinct	Min	Med (40)	Med (60)	Max
Balmain East	145	1,606	1,606	1,926
Terry St	-	781	1,498	4,933
White Bay	2,502	4,217	6,682	10,164
Balmain Rd	-	-	411	411
Lilyfield Rd	-	-	-	500
Moore St North	-	-	-	527
Moore St South	3,612	12,477	14,782	17,844
Marion St	-	-	1,491	1,491
Lords Rd	-	-	-	-
Tebbutt St/ Parramatta Rd	-	3,958	4,734	7,233
Camperdown	677	5,050	8,362	9,303
TOTAL	**6,936**	**28,090**	**39,567**	**54,331**

Source: SGS Economics and Planning, 2014

The capacity analysis in Table 31 shows that with minimal development of industrial lands within Leichhardt, there is very little surplus capacity within the existing industrial precinct profiles (just under 7,000sqm). Under two medium capacity scenarios, which considered varying levels of site redevelopment potential, excess capacity rises by 28, 090sqm or 39, 567sqm. When compared to the total floorspace within Leichhardt's industrial precincts, these scenarios demonstrate that even with some degree of development, only 9% or 13% of the floorspace would be in excess of demand, or 'spare' floorspace.

5.5 Opportunities and constraints analysis

Precincts face a number of pressures from competing land uses. In order to determine what pressures each precinct may face, it is useful to determine what type of land use activities may be suited to locating there. The following maps assess the suitability of each lot within the Leichhardt LGA for particular land uses. This analysis uses a number of attributes to determine how suitable a site is for these land uses. These attributes include lot size, the lot's proximity to infrastructure and its proximity to population density. The attributes are given greater or lesser influence depending on the importance they have for the land use being analysed.

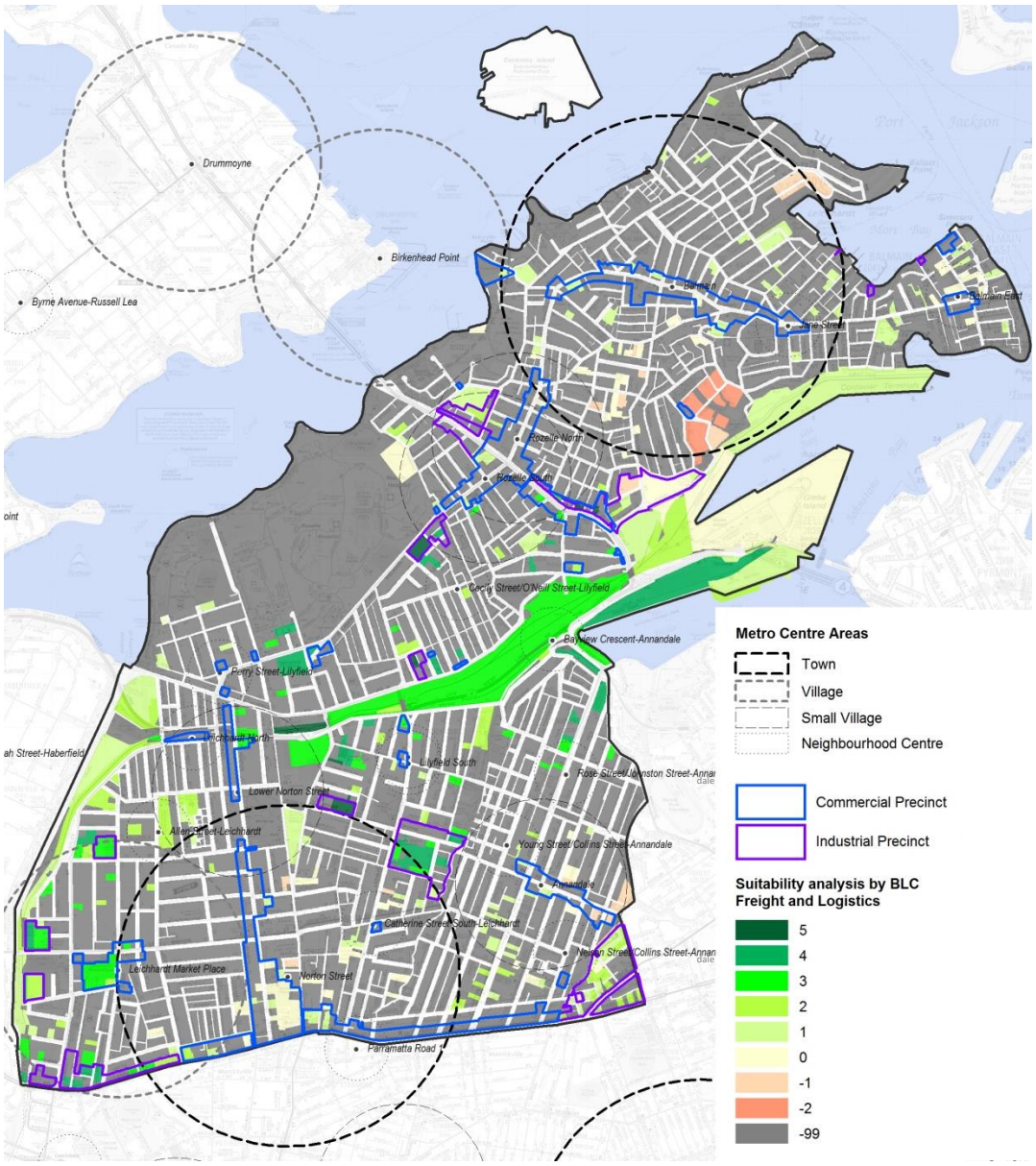
The following maps provide an overall picture of areas 'more' or 'less' suitable to each land use type. Lots given a dark green are assessed to be most suitable for the land use being assessed. This does not mean that the lot is currently zoned for such a use. Nor does it determine that it should be located in this area. It is used in this case as a means to assess what likely land use pressures the precincts may come under and may help to guide re-zoning of precincts or decision-making in relation to the most suitable location for different industries.

A site rated 5 or 6 is 'more' suitable. A site rated around 0 or -1 is neutral or bordering on unsuitable. A site rated -99 is a site that is deemed highly unsuitable for the land use being assessed. This can also be read as 0-5 increasing in suitability and -99 being highly unsuitable.

The maps also identify the local centres within and surrounding Leichhardt. These are classified by the 2010 Metropolitan Strategy definitions as Towns, Villages, Small Villages or Neighbourhood centres and are reflected in the catchment circles on each of the maps. These circle radii are based on approximate walking catchments identified in the 2010 Metropolitan Strategy and are as follows:

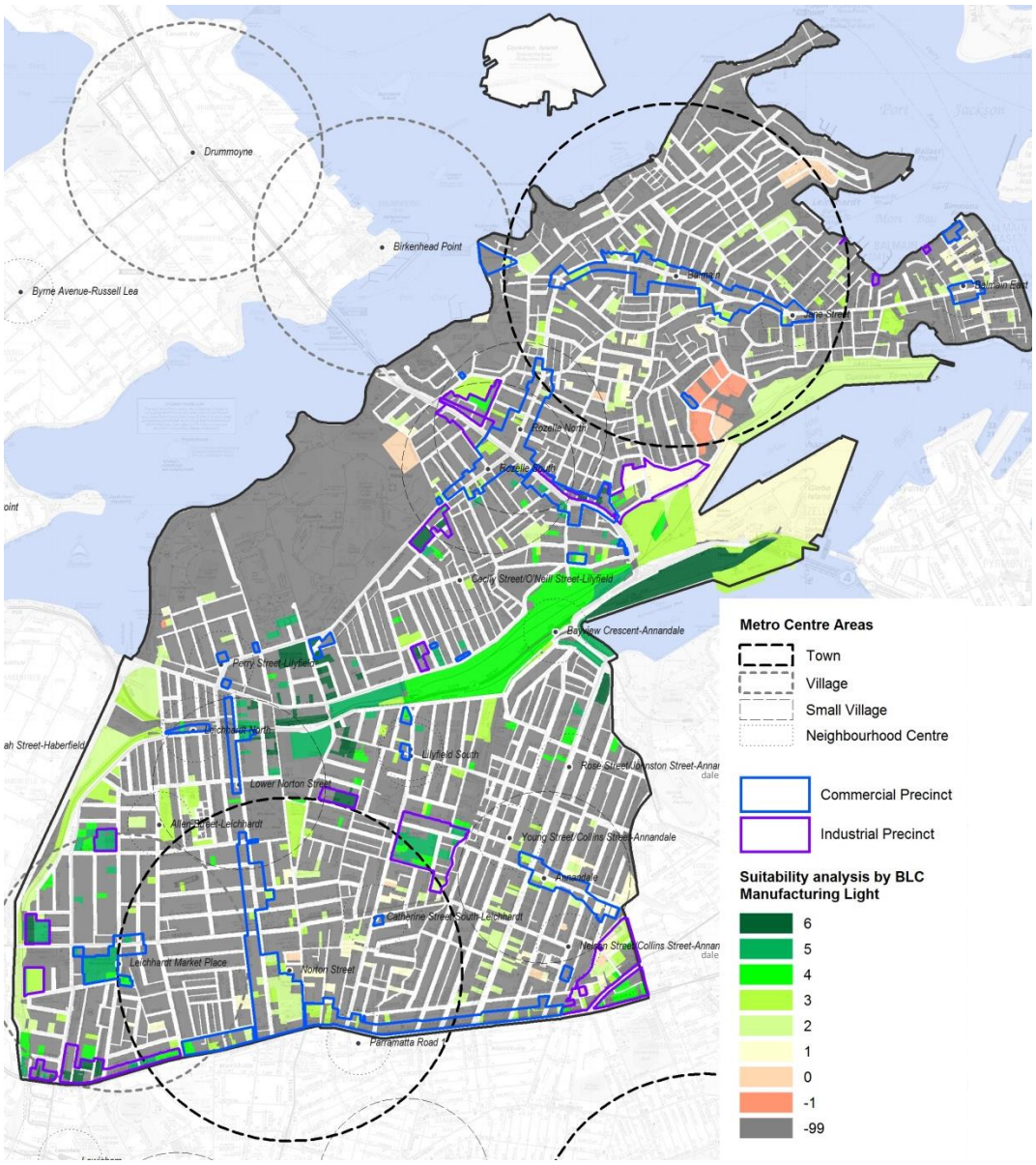
- Town Centres – 800 metres
- Village Centres – 600 metres
- Small Village Centres – 400 metres
- Neighbourhood Centres – 150-200 metres.

FIGURE 34. SUITABILITY ANALYSIS: FREIGHT & LOGISTICS



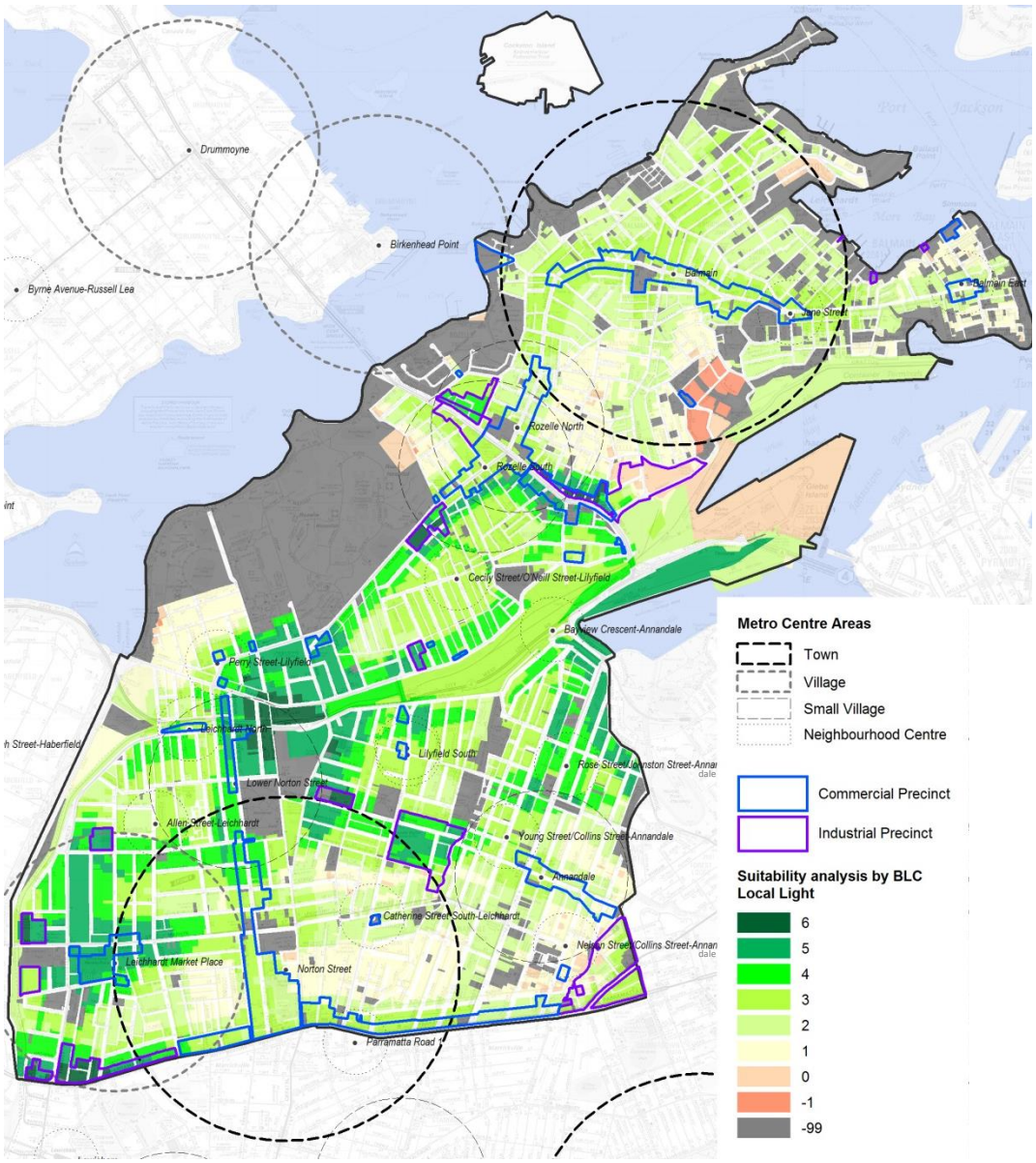
Source: SGS Economics and Planning, 2014

FIGURE 35. SUITABILITY ANALYSIS: LIGHT MANUFACTURING



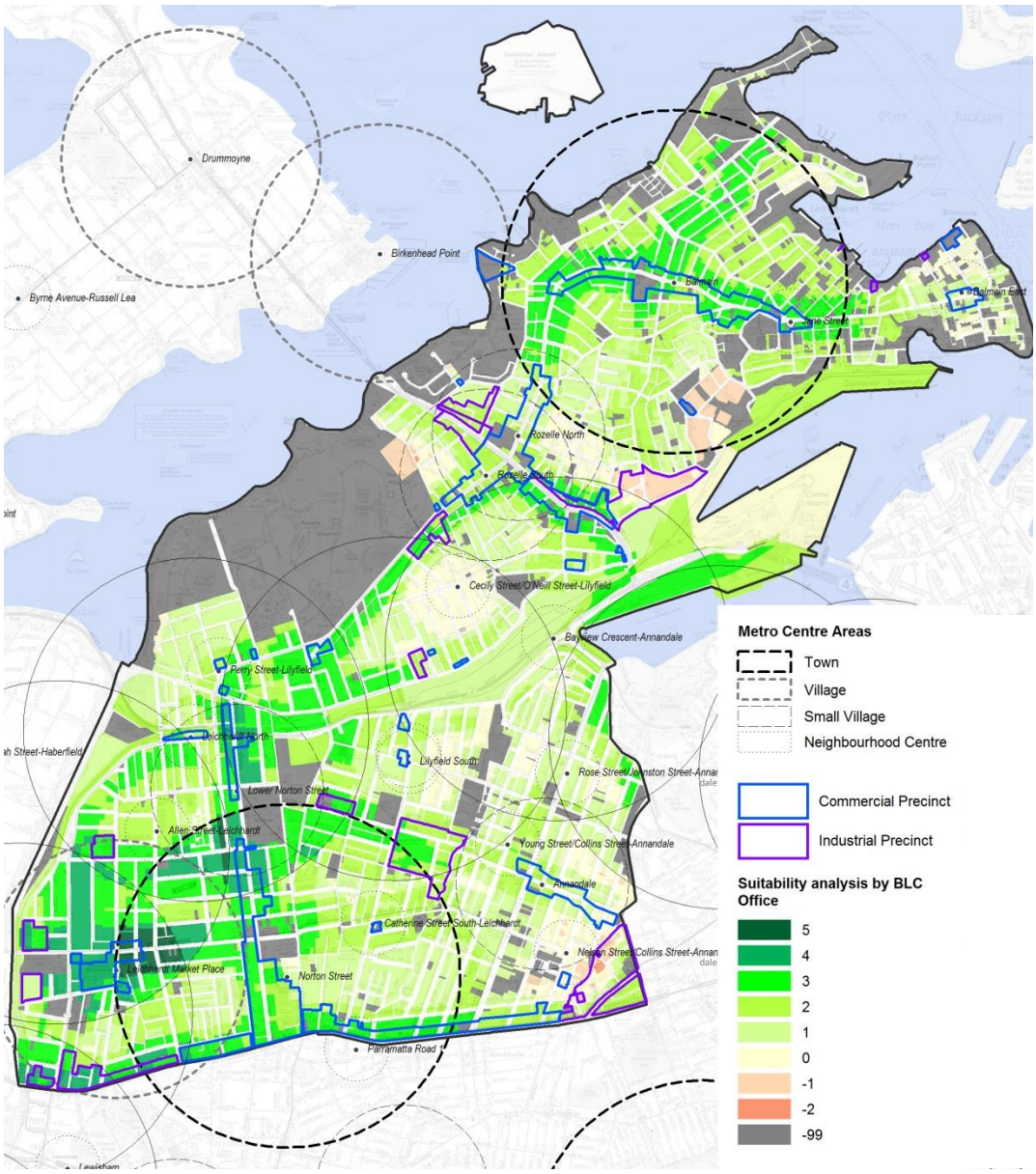
Source: SGS Economics and Planning, 2014

FIGURE 36. SUITABILITY ANALYSIS: LOCAL SERVICE INDUSTRY



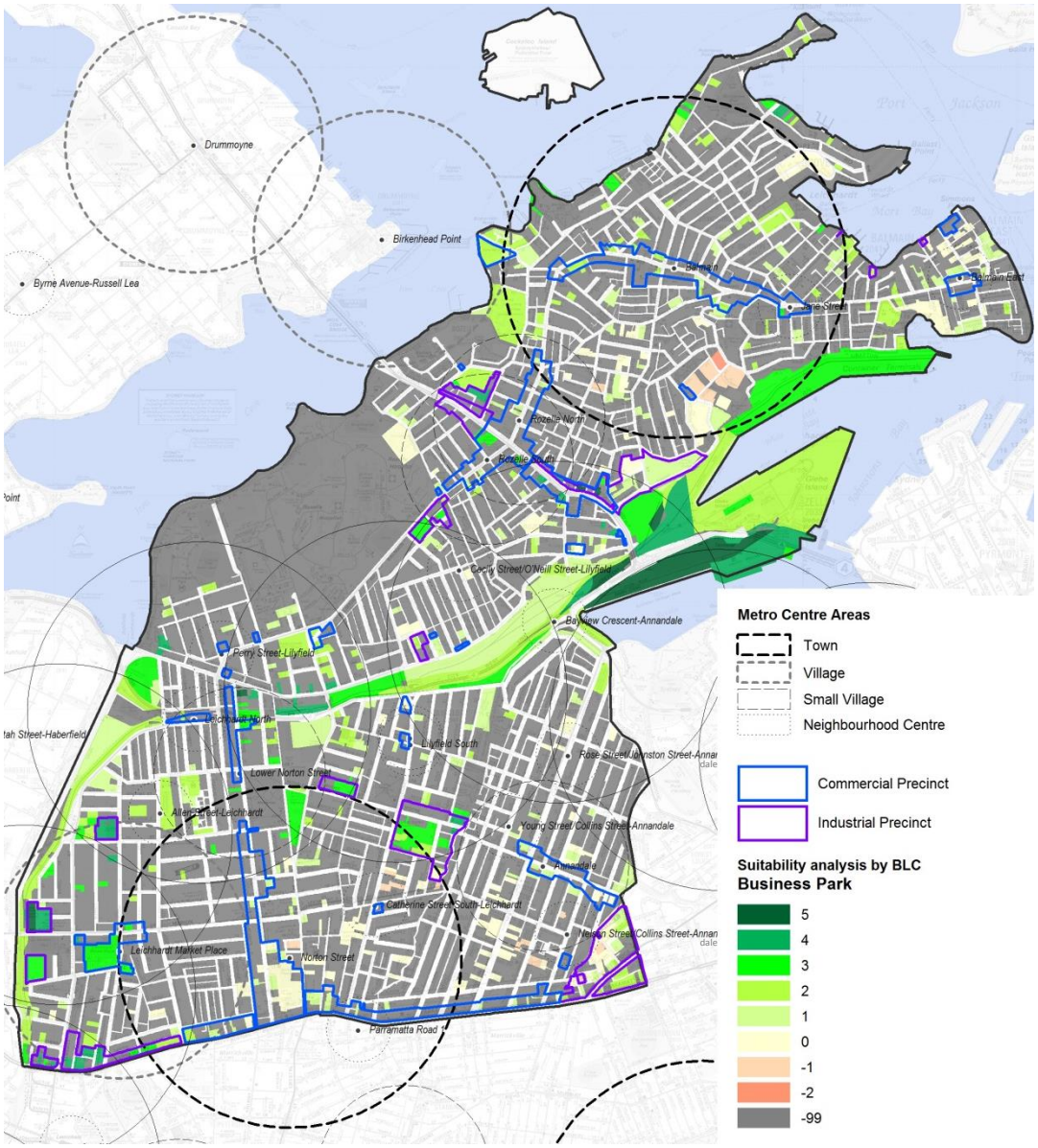
Source: SGS Economics and Planning, 2014

FIGURE 37. SUITABILITY ANALYSIS: OFFICE



Source: SGS Economics and Planning, 2014

FIGURE 38. SUITABILITY ANALYSIS: BUSINESS PARK



Source: SGS Economics and Planning, 2014

5.6 Summary

From the capacity analysis and profiling it is possible to broadly categorise Leichhardt's industrial precincts.

- **One large mixed industrial precinct**. The Moore Street South is Leichhardt's most significant industrial precinct in industrial profile mix (49,490sqm). It has within it floorspace for all BLCs except business park and retail main street use. Camperdown is the LGA's largest in terms of size (75,523sqm) followed by White Bay (60,075sqm). However, both of these are dominated by light industrial uses.
- **Four small population-serving light industrial precincts**. Local light industrial uses make up a significant amount of several precincts. These include Terry Street (59%), Lilyfield Road (52%), Lords Road (98%) and Moore Street North (55%); all of which are small precincts dominated by local service industries.
- **One large population-servicing precinct facing significant change.** The White Bay industrial precinct is predominantly local industry but is facing major change from the proposed redevelopment of the adjacent Bays Precinct. Although not in the Bays Precinct, this land will face pressures for re-zoning when adjacent land is developed for residential and commercial functions.
- **One small maritime-servicing precinct**. The Balmain East precinct is a small precinct focusing exclusively on maritime uses around Mort Bay.
- **Four mixed commercial-industrial precincts.** Marion Street, Lords Road and Tebutt Street Precincts feature a mix of local industry mixed with a range of commercial and entertainment facilities. The Camperdown precinct is larger and also includes instances of large format retail.

The assessment of land suitability for industrial land uses shows a pattern of suitable land along several major corridors and at key nodes. The City West Link and light rail corridor, Norton Street and, to a lesser extent, Johnson Street show a recurrence of suitability for industrial land uses. The nodes of the Victoria Road/Mullens Street /City West Link and the intersection of Norton Street and the light rail corridor also show as suitable locations for these uses. The recurrence of these areas in the analysis primarily stems from their access to residential population, transport accessibility and lot sizes.

6 DEMAND AND GAP ANALYSIS

6.1 Base case employment forecast

In order to determine how much industrial land there is likely to be within the LGA in the future, demand for this land is the next piece of information to establish after existing capacity. Table 32 shows the BTS employment forecasts for the LGA at 1 digit ANZSIC level. This data projects future employment by ANZSIC categories. In total, employment in the LGA is forecast to grow by 5,383 jobs by 2036. However, within this total growth there is a sharp decline in manufacturing of 34 jobs (28%). The reason for the discrepancy between these figures and those outlined in the Location Quotient (Figure 19) is due to these figures being absolute changes to employment numbers, whereas the location quotient is comparing the relative growth or decline of Leichhardt's industries against the whole of Sydney. Note that although 2014 forecasts do not exist in BTS data, they have been extrapolated for the purposes of this report to be commensurate with the year in which the land audit was undertaken.

TABLE 32. EMPLOYMENT FORECASTS (1 DIGIT ANZSIC), LEICHHARDT LGA

	ANZSIC	2011	2014	2016	2021	2026	2031	2036	Change
A	Agriculture, Forestry and Fishing	51	56	59	73	87	102	116	60
B	Mining	3	4	4	4	5	6	6	3
C	Manufacturing	1,216	1,188	1,169	1,148	1,140	1,142	1,154	(34)
D	Electricity Gas, Water and Waste Services	33	43	50	50	52	53	55	12
E	Construction	1,488	1,590	1,659	1,748	1,842	1,939	2,036	446
F	Wholesale Trade	863	919	957	981	1,022	1,075	1,139	220
G	Retail Trade	2,946	3,029	3,083	3,287	3,464	3,647	3,844	816
H	Accommodation and Food Services	1,821	1,937	2,014	2,129	2,252	2,378	2,519	582
I	Transport, Portal and Warehousing	630	653	668	658	673	696	730	77
J	Information, Media and Telecommunications	643	735	796	813	830	849	872	137
K	Financial and insurance Services	442	478	503	523	556	588	623	145
L	Rental, Hiring and Real Estate Services	521	544	559	587	616	645	681	137
M	Professional, Scientific and Technical Services	2,850	2,813	2,787	2,802	2,870	2,968	3,074	262
N	Administrative and Support Services	1,112	1,144	1,166	1,242	1,320	1,411	1,517	373
O	Public Administration and Safety	1,383	1,296	1,239	1,303	1,372	1,436	1,497	200
P	Education and Training	1,652	1,719	1,763	1,921	2,087	2,250	2,415	696
Q	Health Care and Social Assistance	3,269	3,467	3,600	3,838	4,030	4,215	4,410	942
R	Arts and Recreation Services	546	547	547	545	562	580	600	53
S	Other Services	1,070	1,089	1,102	1,126	1,162	1,202	1,242	153
X	Inadequately Described/ Not Stated	600	658	697	714	733	747	762	103
	TOTAL	**23,138**	**23,908**	**24,421**	**25,494**	**26,675**	**27,928**	**29,291**	**5,383**

Source: BTS 2014

6.2 Floorspace forecasts

The BTS employment forecasts are translated into floorspace forecasts in Table 33 by applying percentage growth observed in BTS forecasts to audited floor space in industrial precincts. Although there is a decline in manufacturing jobs and therefore forecast floorspace (totalling 823sqm), Leichhardt's industrial precincts will see a significant total increase in floorspace of 63,094 sqm (GFA).

TABLE 33. FLOORSPACE FORECAST (SQM) 2014-2036 (1 DIGIT ANZSIC), LEICHHARDT INDUSTRIAL ZONES

	ANZSIC	2014	2036	Change
A	Agriculture, Forestry and Fishing	-	-	-
B	Mining	-	-	-
C	Manufacturing	28,927	28,105	-823
D	Electricity Gas, Water and Waste Services	156	199	42
E	Construction	6,529	8,753	2,224
F	Wholesale Trade	6,964	9,923	2,960
G	Retail Trade	29,150	39,400	10,250
H	Accommodation and Food Services	820	1,183	363
I	Transport, Portal and Warehousing	93,322	106,897	13,575
J	Information, Media and Telecommunications	12,321	14,623	2,302
K	Financial and insurance Services	3,066	3,997	930
L	Rental, Hiring and Real Estate Services	2,966	3,711	745
M	Professional, Scientific and Technical Services	15,343	17,106	1,763
N	Administrative and Support Services	41,146	60,870	19,724
O	Public Administration and Safety	434	501	67
P	Education and Training	577	810	234
Q	Health Care and Social Assistance	10,995	13,982	2,987
R	Arts and Recreation Services	8,405	9,364	959
S	Other Services	22,119	25,227	3,108
X	Inadequately Describes/ Not Stated	10,728	12,411	1,683
	TOTAL	**293,970**	**357,064**	**63,094**

Source: SGS Economics and Planning, 2014

The floorspace forecast by ANZSIC is converted to Broad Land Use Categories (BLCs) in Table 34. Although a decline in some industries is present in the ANZSIC forecasts, they are amalgamated into BLCs and hence the losses originally seen are counterbalanced by growth in similar industries. Because of this, the BLC forecasts show growth in all land use categories. There is no change shown in residential or vacant buildings because are not relevant to the industrial use floorspace forecasts and would not be considered to grow.

TABLE 34. LEICHHARDT INDUSTRIAL ZONES FLOORSPACE FORECAST (SQM) 2014-2036 (BLC)

	BLC	2014	2036	Change
1	Retail bulky goods	46,951	59,600	12,649
2	Office	21,238	26,117	4,879
3	Main Street Retail	2,955	3,543	588
4	Residential	11,109	11,109	0
5	Freight and Logistics	15,487	18,149	2,662
6	Local Light Industrial	150,600	183,716	33,115
7	Dispersed	11,860	15,422	3,195
8	Vacant Buildings	3,013	3,013	0
9	Light Manufacturing	44,393	50,317	5,924
10	Urban Services	487	568	81
	TOTAL[3]	**293,970**	**357,064**	**63,094**

Source: SGS Economics and Planning, 2014

Figure 39 demonstrates the method by which floorspace forecasts are calculated between 2014 and 2036. Floorspace demand is derived by applying LGA-level employment growth rates by BLC (converted from ANZSIC categories used in Bureau of Transport Statistics employment projections using SGS's in-house ANZSIC-BLC conversion matrix) to current precinct floorspace by BLC.

Once applied to each precinct, their unique mix of BLC floorspace will mean each precinct grows in a different way. BLCs with larger increases (at an LGA level) therefore see greater increases in demand than BLCs that have a lower level of growth. In the instance of residential and vacant buildings, which are not desirable within IN2-zoned land, they are not projected to grow.

It is important to note that although the precinct demand forecasts are calculated based on their individual BLC mix, they use LGA-wide BLC forecasts and assume the following:

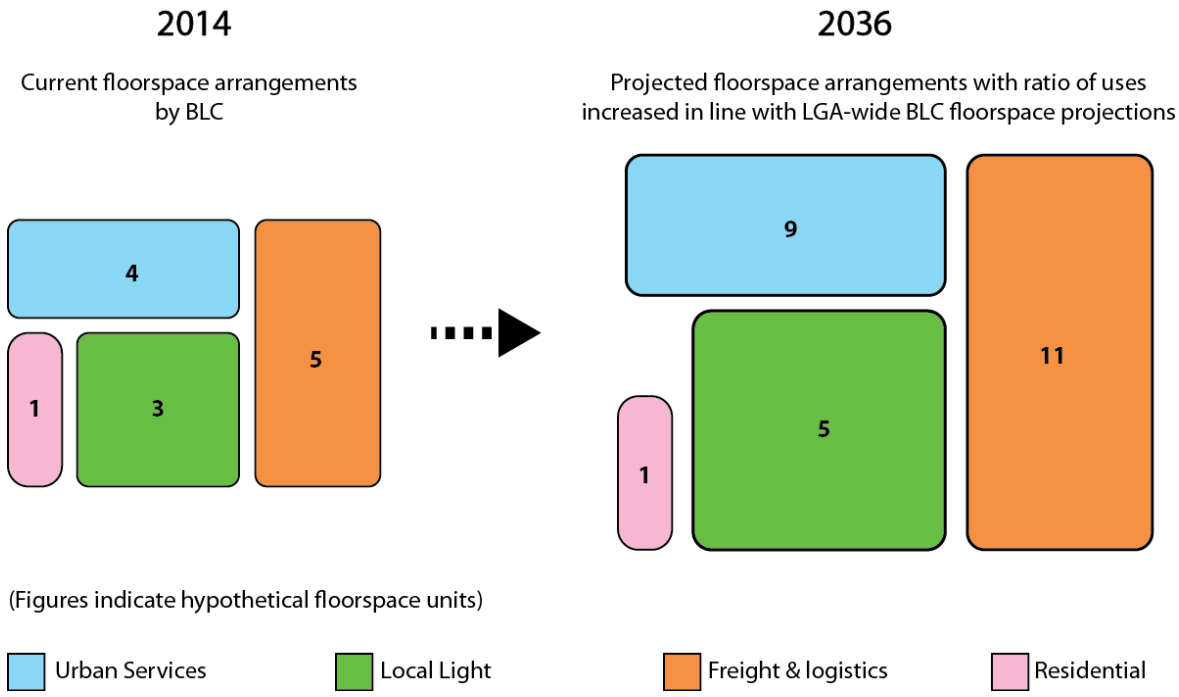
- The relationship between ANZSIC and BLC is constant over the forecast timeframe

- That there are no sub-LGA dynamics favouring one precinct over another

- That there is a constant relationship between jobs and required floorspace for each BLC.

[3] This total excludes residential buildings in industrial zones

FIGURE 39. EXPLANATION OF FLOORSPACE DEMAND BY PRECINCT FORECAST PROCESS



Source: SGS Economics and Planning, 2014

6.3 Supply-demand gap analysis

Table 35 shows the relationship between the demand forecast and the capacity analysis for each precinct. It assesses the projected increase in demand for floorspace within each precinct between 2014 and 2036 and compares this to the LGA's industrial land capacity within each scenario. Where demand is greater than capacity, a negative floorspace figure is shown. Where there is a surplus (where capacity is greater than demand), the figure is shown as positive.

Given the degree of demand projected over the timeframe and the relatively small amount of existing industrial land, in every scenario, the majority of precincts show a gap, or an undersupply of land to accommodate demand. Approximately half of the precincts (Balmain East, Terry Street, Lilyfield Road, Moore Street South, Tebbutt Street and Camperdown) do have some capacity in a maximum development scenario, and Moore Street South indicates surplus land across all scenarios. This, however, is the exception and is due to some existing capacity being extended out through the forecasting process.

Although the Allen Street precinct is in the process of being rezoned from IN2 to R1 General Residential, and can therefore provide no additional capacity, the existing uses must be accommodated elsewhere in the LGA. As a consequence, it is included in the gap analysis on the demand side only.

Overall, it is projected that irrespective of development scenario, Leichhardt will not have enough industrial land to accommodate demand with the deficit ranging from 7,570sqm under a maximum development scenario to 54,965sqm under a conservative minimal development scenario.

TABLE 35. LEICHHARDT INDUSTRIAL ZONES FLOORSPACE SUPPLY-DEMAND GAP 2014-2036 (SQM)

	Development scenarios			
Precinct	Min	Med (40%)	Med (60%)	Max
Balmain East industrial	(637)	824	824	1,144
Terry St	(3,060)	(2,279)	(1,562)	1,873
White Bay	(15,371)	(13,656)	(11,192)	(7,709)
Balmain Rd	(3,297)	(3,297)	(2,886)	(2,886)
Lilyfield Rd	(669)	(669)	(669)	(169)
Moore St North	(1,502)	(1,502)	(1,502)	(976)
Moore St South	2,285	11,151	13,455	16,518
Allen Street	(6,778)	(6,778)	(6,778)	(6,778)
Marion St	(1,788)	(1,788)	(296)	(296)
Lords Rd	(10,704)	(10,704)	(10,704)	(10,704)
Tebbutt St/ Parramatta Rd	(5,283)	(1,325)	(549)	1,950
Camperdown	(8,161)	(3,788)	(476)	465
TOTAL	**(54,965)**	**(33,811)**	**(22,334)**	**(7,570)**

Source: SGS Economics and Planning, 2014

6.4 Population-driven forecasts

Another method SGS uses to forecast land use demand is to apply ratios to each BLC derived from the correlation between an area's population and the amount of floorspace that exists for each category. These are separate from the employment-driven forecasts outlined in section 5.2 and act as a 'second opinion' in assessing demand for certain industries.

By assessing these relationships at a metropolitan level, a series of ratios have been derived that are applied to the population of Leichhardt. These forecasts are particularly important for industries whose customer base is the local community. For example, a car servicing garage or a storage facility relies on a relatively close customer base for business. As populations increase, the demand for these services will increase commensurately. Population projections forecast Leichhardt to increase by 13,440 people between 2014 and 2036. Table 36 shows the growth from 2014 to 2036 and the increased floorspace required to service the Leichhardt population over this time. Of particular focus are the population-servicing industries highlighted in green. This forecasts an increase of 33,909 sqm of population-servicing industrial land over this time and should be used as a bare minimum target for accommodating industrial land demand within Leichhardt.

The figures in Table 36 differ from those in Table 34 because they are derived from forecast increases in Leichhardt's residential population. The figures in Table 34 use forecast growth in employment to calculate their projected demand. It is noted however, that although the two forecasting methods use different data (employment forecasts versus population forecasts), the total gap is similar in both (63,094sqm with employment forecasts and 63,551sqm with population forecasts).

With the redevelopment of the Bays Precinct by the NSW Government, population-driven employment projections will increase commensurate with the level of residential development. There are as yet no specific residential forecasts for the development, but any growth in the local population will increase the demand for local services using this modelling tool.

TABLE 36. LEICHHARDT LGA POPULATION-DRIVEN FORECAST (SQM) 2014-2036 (BLC)

BLC	Population-driven floorspace projections (sqm)		
	2014	2036	Change 2014-2036*
Short-term Accommodation	143	176	34
Business Park	1,429	1,765	336
Freight and Logistics	14,287	17,647	3,360
Local light	39,432	48,706	9,274
Manufacturing - Heavy	-	-	-
Manufacturing - Light	40,232	49,694	9,462
Office	6,001	7,412	1,411
Retail - Big Box	35,603	43,976	8,373
Retail Bulky Goods	18,516	22,870	4,355
Retail - Main Street	23,831	29,435	5,604
Urban Services	30,288	37,412	7,123
Dispersed	60,462	74,682	14,219
TOTAL	**270,224**	**333,774**	**63,551**
POPULATION-SERVICING INDUSTRIAL TOTAL	**144,184**	**178,093**	**33,909**

Source: BTS 2014, SGS Economics and Planning, 2014

* The figures in this table are rounded to the nearest integer. There may be a discrepancy of 1 in the change figures

6.5 Future industry dynamics within Camperdown precinct

The Camperdown precinct's location makes it an important industrial precinct due to its proximity to the CBD. The continued need for supporting or 'backroom' operations close to the business district is likely to see demand for the existing storage facilities within the precinct continue.

The increase in residential development in this part of the city (and more generally within the CBD) is also likely to see large-format retail demand grow. This demand will be furthered by the Parramatta Road Urban Renewal project, as more residents require access to retail outlets in close proximity to homes.

The proximity to the CBD will almost certainly see pressure increase for the precinct to accommodate residential development and this tension between residential and industrial functions is something that the precinct must reconcile.

It is unlikely that the precinct will attract more traditional industrial uses due to its narrow street network, however it may see an increase in newer higher-value industries seeking to locate there due again to its CBD proximity.

6.6 Summary

Across all industries, BTS figures forecast a total increase of 5,383 jobs across Leichhardt to 2036; the exception being the manufacturing sector where a reduction is forecast. Converting these job forecasts into floorspace forecasts and categorising them by Broad Categories of Land-use (BLCs), across all industries, Leichhardt will require an additional 63,094sqm of employment floorspace by 2036.

Certain industries are dependent upon their surrounding residential population as a major source of customers. Referred to as population-servicing industries, an increase in residential population will drive up the floorspace for these industries. Within Leichhardt, the population-driven forecast separately estimates

that 33,909sqm of floorspace will be required to adequately service the local population. Although derived through a separate forecasting method, this figure would form some part of the total floorspace demand.

A comparison between capacity and projected demand (outlined in Section Four) highlights whether there is sufficient capacity in Leichhardt LGA's audited industrial precincts to accommodate the BTS forecast employment growth. Using the latest BTS figures, released in 2014, it is clear that even under an optimistic redevelopment scenario, the growing demand for industrial uses within Leichhardt outweighs capacity, with a gap of 7,570sqm projected. When compared to the current scenario (of minimal development), this situation is significantly worse, with a shortfall of over 54,965sqm forecast.

The medium capacity scenarios are more likely to reflect future development patterns than the maximum scenario, due to unlikelihood of landowners redeveloping their site to capture only an incremental increase of floorspace. However, given the significant shortfall in the minimum scenario (that assumes a continuation of current industrial development patterns), the minimum scenario should be the focus for strategic planning purposes as it is the most conservative. In the medium scenario where sites under 40% of their capacity are redeveloped, there is forecast to be a deficit of floorspace by 33,811sqm. In a medium scenario where sites with under 60% of capacity, the forecast gap falls to 22,334sqm.

Given the unlikelihood of all sites being redeveloped to full capacity under existing FSR conditions (as is modelled in the maximum capacity scenario), the 40% to 60% scenarios are more realistic. This suggests that within Leichhardt's existing industrial land supply, there is a significant shortfall of industrial lands to accommodate future demand. Due to the predominantly local-servicing nature of Leichhardt's employment lands and the small amount of zoned land that exists, this highlights the importance of protecting this land for industrial and employment land uses.

Although some precincts do have surplus capacity under several of the scenarios, only Moore Street South is forecast to have any significant amount of development capacity (up to 16,518 under a maximum development scenario). Overall, however, the availability of land is scant and demand will continue to rise between 2014 and 2036.

7 FINDINGS AND RECOMMENDATIONS

7.1 Review of findings and issues

TABLE 37. EMERGING ISSUES

Emerging Issue	Supporting evidence
Leichhardt's industrial lands are 'local service' in character	– The lot sizes and land use profile of Leichhardt's industrial land precincts demonstrate that it is predominantly focused on local services. 49% of the existing land uses are local light industry, which tends to have strong local customer bases.
Supply of industrial lands in Leichhardt is minimal and stocks are dwindling	– Under a minimum capacity scenario (including only vacant floorspace plus max potential on vacant sites), there is 3,013sqm of currently available capacity in the LGA. – Even under the two medium capacity scenarios, there would be a capacity shortfall of between 22,334sqm and 33,811sqm in the LGA. This takes into account some degree of redevelopment opportunity in industrial lands and is a more likely scenario than the maximum development scenario. – According to ELDP data, between January 2010 and January 2013, Leichhardt has actually seen an overall increase in industrial land of 8.3 hectares of employment land. This occurred in the Bays Precinct; however, the Bays precinct is not under the control of Leichhardt Council, given its state significance. Across the rest of the LGA, there was a slight decline in the provision of employment lands by 0.1 hectare.
Demand for industrial lands is increasing	– Total floorspace demand for employment land is projected to increase by 63,094sqm (21%) to 357,064sqm by 2036. – Demand for local light industrial land is forecast to grow by 22% to 183,716sqm, Freight and logistics by 17% to 18,149sqm and Light manufacturing by 13% to 50,317sqm. – Growing demand may increase the value of industrial land for some industrial uses in future market scenarios. Increased demand may enable development of this land to improve the intensity of its land-use (which may increase job density) as development becomes more feasible. Currently, the land is viewed as more financially valuable under alternative land uses such as residential. Some industrial uses may be able to intensify their operations. Others, however, cannot (for example storage) and may be forced out of precincts or the LGA.
Surplus industrial land is non-existent	– There is no surplus industrial land forecast in any development scenario. This ranges from a deficit of only 334sqm under a maximum development scenario through

Emerging Issue	Supporting evidence
	to a 48,187sqm deficit under a minimum development scenario. – If no intensification of existing industrial land takes place, the shortage of industrial land is only going to increase by 2036. Even with optimistic development scenarios, demand still outweighs supply.
Key projects within the LGA and inner Sydney subregion are changing the industrial landscape – and are likely increase demand for industrial land	– Local demand for industrial land uses is likely to be affected by proposed redevelopment of the Bays Precinct around White Bay and Rozelle Bay. We would anticipate some spill-over effects from development – through supply chain linkage arising from the construction phase and the increased population once developed. The study does not include the Bays Precinct in the modelling so there will be no direct loss of LGA industrial land. A loss of industrially-zoned land may come from increased pressure on neighbouring land from increased property values as the Bays Precinct develops. If lost, this will place additional pressure on remaining locally-servicing precincts. – The construction of the Westconnex motorway (in particular Stage three scheduled between 2018-2023) may increase the value of Leichhardt's industrial land as a strategic location for CBD-servicing land uses requiring access to Sydney's motorway network. In particular this could impact the Marion Street, Lords Road, Tebbutt Street and Camperdown precincts. – The extension of the inner west light-rail service to Dulwich Hill via Lilyfield increases public transport accessibility along Leichhardt's western boundary. Prevailing planning ideology encourages residential development in close proximity to public transport infrastructure. This may place increased pressure, due to station locations, on the precincts of Tebbutt Street, Lords Road, Marion Street, Moore Street North and Lilyfield Road. Retention of employment lands would increase the precincts' role as employment centres, however their relatively small size would not generate any significant 'reverse commuting' patterns. – Expanded port operations at Port Botany, Sydney airport's continuing role as a key freight port and the LGA's proximity to both of these and the CBD mean that Leichhardt's industrial lands are well placed to increase their strategic function within the city. – In combination these effects may well lead to higher employment projections for the LGA than the current BTS forecasts.
Inner urban industrial land use is changing	– Traditional industrial uses are moving away from inner urban areas to undeveloped large vacant and unencumbered land for purpose built operations with lower ground rent charges and fewer land use conflicts. – Increased land values in inner urban areas are increasing competition for centrally-located industrial land. – The LGA's location close to Sydney CBD, airport and port facilities and future link to Sydney's motorway network provide high levels of customer and service accessibility, in particular to higher value add industries.

Emerging Issue	Supporting evidence
New opportunities are emerging within industrial lands	– A cross-LGA reference group was established to explore the opportunity of developing a music and cultural precinct on the back of existing venues in the Camperdown area along Parramatta Road. Their intention is to attract a wider cultural base to the area, built on current characteristics, vacancy rates and floorspace opportunities that the precinct provides. – Creative industries, from architectural and design to media firms see industrial lands as desirable from a characteristic and locational point of view. Close access to partner manufacturers, print firms and other creatives is desirable and a manifestation of broader knowledge sharing and collaboration forces within these industries. Many creative industries are attracted to these areas simply due to low rents. Care must be taken not to attract these office-based firms who would otherwise locate in centres. Rather, creative industries that require the type of floorspace structure that industrial precincts provide should be targeted. – Niche manufacturing higher value-chain industries are replacing traditional industrial uses due to proximity to clients, access to highly skilled workforce and agglomeration opportunities. The LGAs employment profile shows a strong shift away from traditional industrial uses towards a service based economy.
There is strong population-driven demand for industrial land in Leichhardt	– A correlation exists between an LGA's resident population and the provision of services that support local populations. Population projections forecast Leichhardt to increase by 13,440 people between 2014 and 2036. Demand for population-driven services will increase in line with this, with an additional 33,909 sqm for local population-servicing industries forecast to be required by 2036. This does not take into consideration the Bays Precinct and Parramatta Road revitalisation as no specific development yield figures have been produced. The BTS population forecasts do, however, factor in increased overall trend-based development within the LGA that would affect the population.
Low availability and high land values narrow the type of industries attracted to Leichhardt	– According to sales data, only 38 industrial properties were sold between 2009 and 2013. – In 2013, the median sales price was over $2 million for the five general industrial properties sold. – High land prices force traditional industrial land users away and reduce the type of business that can afford to buy or rent in the area.
The provision of creative industries and complementary land uses within precincts is desirable but difficult to achieve	– Given the current demand forecasts and lack of industrial lands, the retention of IN2 land for industrial uses must take precedence. The shortfall of between 7,570sqm and 54,965sqm by 2036 highlights this need.

7.2 Review of industrial precincts against relevant Employment and Economic Development Plan (EEDP) Actions

Leichhardt's industrial precincts face constant and increased pressure to rezone to higher value land uses, in particular residential. These pressures come from a number of angles, with state government requirements to justify their industrial value, local residents and developers seeking to maximise land values of inner Sydney lots and from broader market pressures, with the continued demand for residential development to satisfy housing shortages.

In addition to the State government assessment of industrial lands undertaken for each precinct, Leichhardt Council's employment and Economic Development Plan outlines a number of actions to ensure the sustained development of the local economy. The following table assesses Leichhardt's industrial lands in total against the actions.

TABLE 38. REVIEW OF LEICHHARDT'S INDUSTRIAL LANDS AGAINST EEDP ACTIONS

Relevant EEDP Action	Response
Outcome 3: The LGA is a place that supports and shares innovation and creativity *Strategy 3.3: Support the growth of creative industries*	
Action 1: Amend LEP to permit creative industries in the LGA's business and industrial zones and, once implemented, promote the policy to land owners and real estate agents.	There are already some creative industries within Leichhardt's industrial precincts. The demand forecasting assumes that the current proportion of these uses will grow over time in line with demand for other industrial uses within Leichhardt. The demand modelling also shows that demand for industrial floorspace is growing considerably between 2014 and 2036. Permitting additional creative industries within the LGA's industrial zones would reduce the amount of floorspace available for traditional industrial uses. Amending the LEP to permit these creative industries will therefore place additional pressure on the LGA's industrial precincts and impact on their ability to adequately provide population-serving uses, which according to the demand-capacity gap analysis already face a significant shortfall in land by 2036, even within an optimistic redevelopment scenario.
Outcome 4: The LGA's economic assets are strategically managed for current and future generations *Strategy 4.1: Protect and enhance key employment lands*	
Action 1: Protect existing employment lands that are of good quality and in locations that are highly accessible and close to magnet infrastructure (such as hospitals and universities).	Leichhardt's industrial lands are scattered throughout the LGA and vary in size. Some precincts already have non-industrial uses within them (including Marion Street, Terry Street and Balmain East) with residential and dispersed uses within precinct boundaries. Some precincts continue to be re-zoned from industrial to other uses, including 55 Justin Street within the Lilyfield Road precinct and the entire Allen Street precinct. Given the significant demand for industrial land between 2014 and 2036, all industrial land in the LGA is therefore important and should be protected.

Relevant EEDP Action	Response
	Smaller sites with locally-servicing uses are important for the LGA as they provide services such as car repairs, storage, manufacturing and repairs that are used by local populations. Larger precincts such as White Bay, Moore Street South and Camperdown have a wider reach, given their road accessibility, larger precinct size and larger lot sizes. Each of these characteristics is desirable for industries seeking to serve a larger consumer base across a wider area. Irrespective of size, the protection of these precincts should extend beyond just those near magnet infrastructure, as the locally – servicing industries play an important role in the functioning and development of suburbs. All of Leichhardt's industrial precincts are in close proximity to major arterial roads.
Action 2: Facilitate an oversupply or surplus of employment zoned land in order to provide a range of opportunities and types of sites for businesses.	Leichhardt's limited industrial land and significant demand for this land between 2014 and 2036 mean that even in an optimistic development scenario, no oversupply or surplus of industrial land is forecast.
Action 4: Discourage residential uses in industrial zones, Victoria Road and Parramatta Road corridors unless an evidence based assessment confirms the suitability of specific sites for student, key worker or aged care accommodation.	Some residential development already exists in some industrial precincts, such as Camperdown, Tebutt Street and Terry Street. As with the above actions, irrespective of evidence supporting the promotion of residential development, there is an equally important need to protect remaining industrial stock in Leichhardt. Innovative design solutions could be implemented to develop residential above some current uses in the industrial precincts and this has precedent in other cities. Any residential development, however must be thoroughly examined and not reduce the opportunity for further industrial development within the precincts. In practice, this is extremely difficult, given that once non-industrial uses are in a precinct, precedent is set and it is difficult to further develop industrial uses. There is already pressure on Council to rezone a number of the area's industrial precincts to accommodate residential development. With the obvious increase in land values central to these submissions, Council must be very cautious in adopting such recommendations.
Action 5: Increase the range of uses permitted with consent in industrial zone in order to encourage greater flexibility of land use and to attract a range of suitable businesses to the LGA – particularly creative industries.	As with Action 1 of Outcome 3, the finite (and diminishing) industrial land in the LGA means that non-core industrial uses should not be encouraged, outside their current ratios. The demand for 'traditional' industrial uses to serve local and sub-regional populations are such that increasing land use competition will undermine the LGA's ability to accommodate future industrial demand.

Additionally, the EEDP outlines six criteria for individual industrial sites to be assessed against when proposed for rezoning. These criteria are specific to individual lots, whilst this report is assessing Leichhardt's industrial lands at a precinct and LGA level. As many of the criteria responses are relevant irrespective of location, they have been addressed at an LGA level in Table 39 for the purposes of this report.

TABLE 39. REVIEW OF LEICHHARDT'S INDUSTRIAL LANDS AGAINST EEDP ASSESSMENT CRITERIA

Assessment criteria	Response
Would the rezoning result in insufficient land industrial land being available for current and future demand for industrial land in the LGA, at a minimum?	There is forecast to be demand for an additional 63,094sqm of industrial floorspace in Leichhardt by 2036. With limited supply, even in optimistic development scenarios, capacity is forecast to be less than demand by 2036. Consequently, rezoning of any lot or precinct within Leichhardt away from industrial use would exacerbate this industrial land shortfall.
Would the rezoning of the site result in the fragmentation of a larger industrial precinct or erode the viability of a locally or regionally significant industrial precinct?	The degree of impact that a rezoning would have on a precinct is dependent upon which precinct it is in and how large the site is. A number of Leichhardt's precincts (Balmain East, Terry Street, Balmain Road, Lilyfield Road, Moore Street North, Marion Street, Lords Road and Tebutt Street) are small precincts which would see a large proportion of their floorspace lost if a site (or sites) were to be rezoned. The larger precincts (White Bay, Moore Street South and Camperdown) would see proportionally less land lost through a rezoning. However, given their strategic importance to a wider subregion, such fragmentation could have an adverse impact on their ability to function effectively. Irrespective of precinct and size, any loss of industrial land use would impact on the precinct's and the LGA's ability to accommodate future demand for industrial land.
Would the rezoning be consistent with adopted Council and/or State Government Policy regarding the future role and demand for industrial land? What impact would it have to Council's employment targets?	Both local and state policy requires the protection of industrial lands as a priority. Assessment criteria checklists in both the 2013 draft Metropolitan Strategy and the 2010 Metropolitan Plan outline what considerations should be made when assessing such rezonings. Given Leichhardt's low supply and forecast demand, any loss of industrial land would be detrimental to the LGA and wider subregion. The 2007 draft subregional plan for the inner west subregion (of which Leichhardt was included) identifies an additional job target of 500 jobs in Leichhardt by 2031. Intensification of these employment lands would help to achieve this, especially considering Leichhardt does not have a significant commercial centre where these jobs may cluster.
Does the site(s) have characteristics required by light or high tech industrial uses and other uses permitted in the zone/seeking floorspace in the LGA or subregion (e.g. floorspace, access, proximity to economic infrastructure, parking, infrastructure, storage, building configuration and land value)?	The varied nature of Leichhardt's precincts, in terms of size and location, suggests that some sites and precincts are more conducive to accommodating emerging and high tech industries than others. Such a comparison must also be weighed up against whether the site or precinct characteristics remain suitable to more traditional population-serving industries. If the LGA does attract an increasing number of high-tech industries, these businesses may compete with traditional industries for floorspace as not all traditional industries will be in decline or wishing to relocate outside the LGA.

Assessment criteria	Response
Would it be economically viable to improve the site to attract new tenants or to adapt to changing industry requirements and to ensure that the land uses on the site address compatibility with surrounding uses?	Economic viability is something that must be undertaken at a more detailed precinct or lot level. The four capacity scenarios outlined in this report consider varying degrees of development likelihood, which factor in consideration of viability at a broad level.
Would the retention of industrial uses on the site result in a positive net benefit to the community as a whole?	The retention of population-serving industries within the LGA is important as it retains various functions required by local residents, businesses and people operating in the area. Although there are benefits to be gained from increasing diversity of uses within industrial precincts, given the acute lack of capacity within Leichhardt, priority must be given to the retention of land that can facilitate such local services. There would be a significant disbenefit to residents and businesses who are forced to go further afield to source services currently contained within the LGA's industrial precincts if these sites were developed as residential precincts. For businesses in particular that rely on these business-to-business relationships, it may require them to move to areas where they can continue such associations. This disbenefit, at both a local and subregional level, would outweigh the benefit of locating residential development in these locations.

7.3 Strategies and actions

A number of possible strategies and actions have been developed following SGS's analysis of land use, forecast demand and future capacity scenarios and the subsequent identification of key issues affecting Leichhardt's industrial lands. These strategies and actions are outlined in Table 40.

The table is structured so that strategies are listed in order of priority. It is imperative that, due to the relatively low amount of employment lands in Leichhardt, precedence is given to forecast demand for industrial land use, population-driven demand and employment targets when considering the future use of Leichhardt's industrial lands. Furthermore, maintaining the integrity of industrial precincts is of paramount importance when considering their long-term viability.

TABLE 40. STRATEGIES AND ACTIONS

Strategy 1: Acknowledge the role and function of key industrial precincts	
Recommendation 1: **Protect Leichhardt's industrially-zoned precincts for their important employment and service functions.**	
Action 1.1	Refuse any proposal to rezone land from Council's small pool of industrial land within any of the industrial precincts
Action 1.2	Protect the industrial nature of the key precincts of Moore Street South, White Bay and Camperdown from rezoning and non-industrial redevelopment that may be a permitted use within IN2 zoning.
Action 1.3	Rezone the key industrial precinct of Moore Street South from IN2 to IN1 to maximise its industrial nature
Action 1.4	Amend the clause within the Leichhardt LEP that allows for the continued provision of creative industries within any IN2 land and identify specific precincts in which it is permitted.

Supporting justification

Leichhardt has a number of industrial precincts scattered throughout the LGA with varying sizes, locations or mix of lot sizes and land uses. As the forecast demand for IN2 zoned land significantly outweighs current capacity, it is important that all of this land be protected.

Several key precincts have locational and operational characteristics that make them important to Leichhardt and the broader inner Sydney subregion. These precincts are:

- Moore Street South
- White Bay
- Camperdown

The small pool of industrial lands within Leichhardt and the forecast demand for this land means that all of it is necessary to meet future demand. Any proposal to rezone this land from current industrial use should be refused. Notwithstanding this, **the precincts identified above are the most valuable now and in the future** and whose industrial function should be most highly valued.

By rezoning the strategically important Moore Street South precinct to IN1 General Industrial, it would set the Council's intention for this precinct to act as a subregionally valuable industrial area close to the city. Such a rezoning would require non-industrial uses currently within the precinct to move elsewhere within the LGA. This in turn would facilitate the agglomeration of some non-industrial uses that require IN2 land in some of the LGA's smaller precincts that are less suitable for industrial use agglomeration.

Recommendation 2: **Develop a profile and plan for each industrial precinct**	
Action 2.1	Develop a profile of each precinct to assist in planning for their future function, including: i. Precinct context and current mix of land uses ii. Physical characteristics of precincts & lots (size, configuration etc) iii. Available floorspace and development potential
Action 2.2	Develop a coherent vision for each precinct, as part of a broader industrial land strategy, which: i. Considers the pressures and potential demands the precinct may face ii. Considers each precinct's ability to support particular industrial uses or mix of uses iii. Includes specific detail on zoning, controls and permitted uses iv. Can be incorporated into the Development Control Plan or similar policy document
Action 2.3	Facilitate intensification of existing precincts, where possible, to make better use of the LGA's existing industrial land supply
Action 2.4	Develop an LGA-wide industrial land strategy that encapsulates the findings of precinct plans and provides a clear position with regards to Council's approach to industrial land protection and development
Action 2.5	Consult with industry groups to ensure future precinct development meets the needs of users
Supporting justification Developing a profile of each of the key industrial precincts will assist in planning for their future. By understanding the current mix of land uses within the precinct and its surrounds, as well as the potential for change, due to lot configuration, floorspace availability and emerging industries, a coherent vision for each precinct can be developed. A plan for each precinct would ensure sufficient industrial land is preserved for current, emerging and population-driven industries. Precinct-specific plans, rather than a single LGA-wide approach to industrial lands, will consider the different pressures facing each precinct and the opportunities their location or floorspace mix and availability allows. These may form part of Development Control Plans or similar policy documents and include specific detail on zoning controls and permitted uses. Some existing industrial uses may be able to increase the intensity of their operations by fitting more on existing lots or reducing the size of their operations whilst maintaining output. Such moves would potentially open up more useable land and increase land-use efficiency. This approach must be cognisant of the fact that some land uses, such as storage, cannot easily increase the intensity of their operations or operate as effectively within a smaller footprint. This requires a detailed understanding of the profiles of different industries as well as of each precinct's characteristics and would require a more detailed precinct-level strategy. In order to attract emerging industries to relevant precincts, consultation with industry groups and existing occupants will provide an insight into the physical and locational aspects these industries seek when locating. This will assist the Council in better understanding the ability for the LGA's employment lands to accommodate these changing uses; where best to accommodate them and, if viable, how development of certain parts of identified precincts can be tailored to suit these needs.	
Recommendation 3: **Develop clear vision for the future of the Camperdown precinct and maintain industrial zoning**	
Action 3.1	Maintain current IN2 zoning for Camperdown precinct
Action 3.2	Permit no further retail use (including large-format retail) within Camperdown precinct
Supporting justification The Camperdown precinct is important to both Leichhardt and the central sub-region, as it is one of the closest industrial areas to the CBD. It currently supports a range of uses, with large format retail fronting the main roads and a number of storage facilities internally. The proximity to the CBD has placed pressure for some or all of the precinct to be developed for residential or mixed use. The internal road network is narrow and dominated by cul-de-sacs, making access for large vehicles to service	

the industrial lots difficult.

Notwithstanding the obvious value large sites with close CBD proximity would have to residential uses, the precinct should maintain its current zoning. This is due to the overwhelming demand for industrial space in the LGA, but also because the precinct offers strategically important functions that support CBD operations – in particular storage.

It is acknowledged that some of the precinct has allowed large-format retail, however given the demand for traditional industrial uses in the future (both within the precinct and throughout the LGA), it is recommended that no further retail uses be permitted in order to prevent the precinct from losing further lots to non-industrial uses.

There may be an opportunity to maintain existing industrial uses whilst developing residential or commercial above. This must be approached with caution, however, as once residential is located there, it increases the risk of land use conflicts as well as setting a precedent for residential uses within the precinct. Any non-industrial development would also constrain the precinct's ability to intensify its industrial uses in the future.

As the precinct is the largest in the LGA and a significant industrial precinct in the subregion, the risk of losing this amount of industrially-zoned land would have significant ramifications for other precincts in Leichhardt, Marrickville and the City of Sydney as these required uses would need to relocate nearby.

Strategy 2 Protect population-servicing industrial land

Recommendation 4:
Ensure adequate provision of industrial land for population-serving industries

Action 4.1	Maintain current provision of IN2-zoned land
Action 4.2	Provide an additional 33,909 sqm of IN2 floorspace by 2036
Action 4.3	Prohibit large-format retail in industrial zones
Action 4.4	Consider the establishment of a B5 and/or B6 zone along major arterial roads to accommodate the demand for large-format retail

Supporting justification

Certain industrial and employment uses need to be located throughout urban areas, irrespective of the broader trend of industrial land uses moving to the city's western edge. This is due to their role as population-servicing industries. With Leichhardt's population expected to increase by 24% to 70,588 by 2036, there will be an increased demand for these local industrial services. Although the BTS forecasts do not specifically reference the impact of development within the Bays Precinct and within the Parramatta Road corridor (due to figures not being available), these additional populations will place further pressure on industrial land to provide locally-servicing uses.

At a minimum, the projected increase in population-servicing industrial land of 33,909sqm, based on population growth forecasts, should be the bare minimum target for Leichhardt to achieve by 2036. This aligns closely with the 40% development scenario.

Large-format retail development favours locating in industrial lands due to their large lot sizes. Due to the low excess capacity of Leichhardt's industrial lands once population-driven services are factored in, there is minimal land available to accommodate large-format retail.

In larger precincts, where large-format retail already exists (for example, Camperdown), further fragmentation of remaining industrial lands can impact on the ability for the precincts to function in a coherent way.

Large-format retail centres increase vehicle traffic due to their retail function and the need for private vehicles to transport bought goods. The location of many of Leichhardt's industrial precincts, away from arterial roads, will increase traffic volumes through residential and commercial areas. Large-format retail also drives up surrounding land values, increasing pressure on lower value industrial lands to change to other uses.

Any additional large-format retail required in Leichhardt should be located in areas zoned for business uses (for instance, B5 or B6) along or near major arterial roads. This, however, must be done with due consideration to the proximity to established business and retail centres (for instance, Norton Street) with the express intent that it does not draw businesses and customers away from these important community centres. Instead, any large-format retail should be complimentary to offerings within established centres.

While the additional industrial floorspace required is based on BTS 2014 population forecasts, it does not take into account the additional population that may result from the Parramatta Road Urban Renewal and the redevelopment of the Bays Precinct (due to figures not being available) which will create further demand for population-serving industrial floorspace.

Strategy 3 Planning for the redevelopment of Parramatta Road and the Bays Precinct

Recommendation 5:
Ensure the vision for Leichhardt's industrial lands considers possible impacts of the Bays Precinct redevelopment

Action 5.1	Advocate as a key stakeholder on behalf of the Leichhardt LGA community, including local businesses, to protect and enhance their interests
Action 5.2	Adopt urban design/strategic plan framework to respond to the Bays Precinct redevelopment
Action 5.3	Ensure Council is a key stakeholder in discussions regarding the redevelopment of the Bays Precinct
Action 5.4	Maintain industrial zoning of White Bay industrial precinct

Supporting justification

Due to the complexity and timeframe for delivery of a redevelopment of the Bays precinct, communication channels between the major stakeholders (Department of Planning and Environment, UrbanGrowth NSW, Roads and Maritime Services, Leichhardt Council and so on) should be established as a priority.

The importance of the White Bay industrial precinct's current functions should not be underestimated. It contains a mix of industrial uses totalling 60,075sqm of floorspace, 63% of which is used for local population-servicing light industry. The redevelopment of the Bays Precinct is likely to place pressure on the adjacent industrial-zoned land through increases to property values. Maintaining current zoning will protect these lands, however in light of these anticipated pressures, establishing multi-stakeholder engagement at the commencement of the Bays precinct project will make clear the importance of this precinct, anticipate the effects it will have and aid the redistribution of local services, where required, throughout the rest of the LGA.

A strategic plan for the Bays Precinct redevelopment will identify the mix of residential and commercial development likely to take place around the foreshore. A coordinated development vision for the area will enable the viability of the adjacent White Bay industrial precinct over the long term to be assessed. The confirmation of residential population increases as a result of the development will enable population-servicing industrial land demand to be calculated and planned for as part of a wider industrial lands plan.

Recommendation 6:
Work with neighbouring councils to ensure a sub-regional approach to industrial land provision

Action 6.1	Engage with Marrickville Council and state agencies on Parramatta Road-focused renewal schemes

Supporting justification

LGA boundaries often run along major roads. In Leichhardt's case, Parramatta Road forms its boundary with the Marrickville LGA. Given the strategic interest in the Parramatta Road corridor from a state and local viewpoint, any renewal strategy stemming from the development of proximate industrial lands (Tebbutt Street and Camperdown) must consider the inclusion of and impact on both sides of Parramatta Road.

This can only be done in close consultation and agreement with Marrickville Council and state agencies such as Department of Planning and Environment and the Roads and Maritime Services, to ensure that schemes build upon broader visions for the road and effectively cross LGA boundaries. An example of this is the 'Off Broadway' Live Music Reference Group report prepared for both Leichhardt and Marrickville Councils in response to a council and music industry push for the formalisation of a precinct in inner Sydney.

7.4 Timeframes

In light of the changing nature of the central subregion over the coming years, particularly with the redevelopment of the Bays Precinct, proposals for the Parramatta Road corridor and construction of the WestConnex motorway, it is prudent that a review of industrial land demand and the function of individual precincts be undertaken within two to three years of this report (and a maximum of five). This is due to the current uncertainty over residential and commercial growth across the area. The increased demand for industrial use between the 2012 and 2014 versions of the BTS employment forecasts attest to the potential for significant change over a short period.

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