

# City of Sydney Employment Lands Strategy 2014 - 2019

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# 1 Introduction

## 1.1 Introduction

This City of Sydney Employment Lands Strategy (strategy) is to guide growth and change to 2030 in the employment lands in the City of Sydney local government area (LGA). The employment lands (shown at Figure 1) comprise three precincts in the LGA, including:

- the southern employment lands – this area is about 265 hectares and stretches from the south-west corner of the Green Square Town Centre to the south-west corner of the LGA within the suburbs of Rosebery and Alexandria. Generally the area is bordered by Gardeners Road to the south, Euston Road/McEvoy Street on the west and Mentmore Avenue and Botany Road on the east;
- the South Dowling Street precinct – this area is about 3.6 hectares in size and includes a single large lot of land in Moore Park on which the Moore Park Supa Centa is currently located; and
- the Parramatta Road precinct – this area is about 2.1 hectares in size and includes several small lots. The area is located in Glebe, bordered by Arundel Street and Parramatta Road and divided by Ross Street.

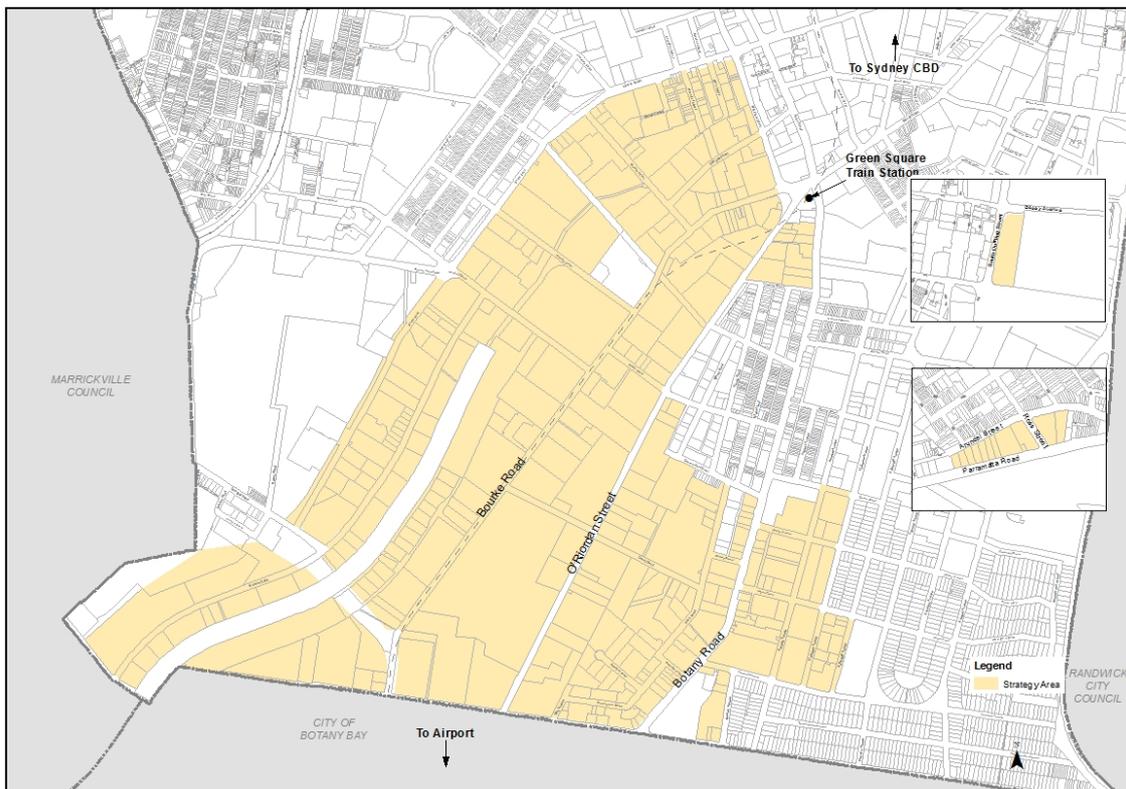


Figure 1 – Employment Lands

This strategy flows from an extensive review of land use and planning controls in the employment lands. The review incorporated multiple research projects, exhibition of the City of Sydney Draft Employment Lands Strategy (draft strategy), internal reviews of key policy areas and a number of stakeholder meetings with landowners, Port Botany, government, community groups and affordable housing providers.

While this strategy is mainly focused on the southern employment lands, the fundamental objective across all three employment precincts is to ensure they continue to accommodate productive uses. In the local and subregional context, the primary role of the employment lands going forward is to facilitate new business and industry opportunities, provide employment across a range of sectors, and provide land for strategic industrial activity and essential urban services.

This strategy contains a number of actions and land use and planning recommendations that work towards that primary role while remaining responsive to the broader objectives of the NSW Government and the City of Sydney's *Sustainable Sydney 2030* Plan. It forms the foundations of change in the planning framework as it relates to the employment lands. In those areas where changes are recommended to planning controls, a planning proposal/s for a draft local environmental plan (LEP), as well as an associated development control plan (DCP), will be required.

## 1.2 Policy Framework

A range of strategic policy documents relate to the employment lands and recognise their importance for future employment and economic growth. The strategic policies most relevant are the *draft Metropolitan Strategy for Sydney to 2031* (the draft Metropolitan Strategy), the City of Sydney's *Sustainable Sydney 2030* Plan and the NSW Government's *Long Term Transport Master Plan*.

### **Draft Metropolitan Strategy for Sydney to 2031**

The draft Metropolitan Strategy was released by the Department of Planning and Infrastructure in early 2013. The draft Metropolitan Strategy, like the *Metropolitan Plan for Sydney 2036* (2010) and the *Sydney Metropolitan Strategy: City of Cities* (2005) before it, continues to locate the southern employment lands within the 'Global Economic Corridor'. This is the collection of assets and centres that runs between Parramatta and Castle Hill, through Chatswood and North Sydney, through the Central Business District (CBD) and on to Sydney Airport and Port Botany.

These strategies and plans have all placed an emphasis on the retention of significant strategic industrial lands. They contain strategies and policies that effectively prevent the reduction of industrial land where its removal cannot be justified.

The draft Metropolitan Strategy provides housing and employment targets for new subregions and strategic centres within metropolitan Sydney. Sydney LGA, together with 17 other LGAs, is located within the Central Subregion, which has a target of 230,000 additional jobs to 2031 (from 2011). Within the City of Sydney, the draft Metropolitan Strategy identifies two 'strategic centres', being Central Sydney<sup>1</sup> and Green Square<sup>2</sup> with a minimum target of 102,000 and 7,000 additional jobs, respectively, between 2011 and 2031. This represents about 29 percent jobs growth in strategic centres in the City between 2011 and 2031 or an annual growth rate of around 1.3 percent.

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<sup>1</sup> Central Sydney consists of the Sydney CBD, Pyrmont-Ultimo, Sydney Education and Health (Broadway and Camperdown), City East and Central to Eveleigh

<sup>2</sup> 'Green Square' is not readily defined, however it is assumed it remains broadly the same as the area identified in the Draft Sydney City Subregional Strategy, which includes the Green Square Town Centre and some land to the east of the Town Centre, including the Epsom Park and Victoria Park precincts.

The draft Metropolitan Strategy does not provide targets specifically for the areas that fall outside of the strategic centres, however it recognises the need to harness opportunities and support economic growth by ensuring adequate stocks of well-located commercial and industrial land are always available.

The City's Floor Space and Employment Survey 2012 (FES 2012) establishes around 437,000 jobs are currently located within the City of Sydney local government area. This is a growth of 13.6 percent or an annual jobs growth rate of around 2.6 percent over the 5 year period since the FES 2007. This represents two times the growth rate is required by the draft Metropolitan Strategy target.

This growth is substantial in this period given the 2008 Global Financial Crisis (GFC) would have had a significant impact on jobs growth in 'type' of jobs located in the LGA. Should job growth continue at this rate, a simple extrapolation shows that as the impacts of the GFC slow, the targets for the City of Sydney contained in the draft Metropolitan Strategy should be achievable.

Notwithstanding this, it is important to recognise there are potential constraints that will act to limit growth in strategic centres over the next 20 years. Because of this it is essential to ensure jobs growth can occur in other parts of the City.

The capacity of the road and public transport networks to accommodate growth may also act to constrain employment opportunities over time. The City's strategic transport strategy *Connecting Our City* (2012) identified serious limitations within the current networks, particularly within the CBD, with both Wynyard and Town Hall train stations unable to accommodate projected jobs growth.

An additional key constraint to employment growth is land / site availability for employment generating uses. While densities may increase to accommodate jobs growth, both in terms of the built form as well as how many jobs are accommodated within a given area, at some point, new locations will need to be found to accommodate job growth.

Land/site availability is further constrained by the displacement of employment generating uses by residential uses. In areas such as Green Square where the predominant zone is B4 – Mixed uses, which allows residential uses, it can be challenging to ensure that some employment uses are retained because of the generally much higher return for residential uses.

In the southern employment lands, permitting residential uses would likely result the majority of employment generating uses being displaced. Restricting residential development is essential to ensuring employment uses can continue to locate in the area long term.

This approach is consistent with the Green Square Urban Framework that identifies a general land use structure within Green Square of:

- residential uses for land to the east, north and north-west of the urban renewal area in the now master planned sites of Victoria Park and Lachlan, and for the established residential areas in Beaconsfield and Zetland;
- mixed uses proposed for sites to the north of the Town Centre along Botany Road and Bourke Road, and for sites in the south of the area;
- business uses proposed for the area to the west of the Town Centre; and
- Industrial uses proposed for sites to the west of the area.

While the southern employment lands falls largely outside of the Green Square Urban Renewal Area, because the potential for jobs growth is likely to be limited in Green Square, they are essential to accommodate some of the growth that is projected by the draft Metropolitan Strategy.

This strategy seeks to improve the capacity of the southern employment lands to contribute towards employment targets in the draft Metropolitan Strategy while balancing the need to maintain appropriately zoned land to accommodate traditional industrial uses that service the local population and key state infrastructure.

### **Sustainable Sydney 2030**

*Sustainable Sydney 2030* is the City of Sydney's overarching strategic plan which guides growth and change in the LGA to 2030 and beyond. It includes ten strategic directions as well as ten targets against which to measure progress. This strategy aligns in particular with the following strategic directions:

- Direction 1 - A Globally Competitive and Innovative City – The employment lands play an important role both in supporting the growth of new economic activities in Sydney (creative uses, knowledge industry, flexible office space) as well as providing for strategic activities associated with the airport and port and essential services for the City's growing population. The draft strategy provides a proposed framework for changes to planning controls in the employment lands to facilitate this growth.
- Direction 3 - Integrated Transport for a Connected City – The southern employment lands contain the main transport corridor between the airport and port and the City. This strategy proposes the City work with the NSW Government to find solutions to improve the transport network and public transport system that service the employment lands.
- Direction 8 - Housing for a Diverse Population – while providing housing is not the primary focus of the southern employment lands, this strategy seeks to create opportunities for the provision of affordable housing.

### **NSW Long Term Transport Master Plan**

The *NSW Long Term Transport Master Plan 2012* (NSW Transport Master Plan) is the NSW Governments 20-year vision for public transport, roads and freight network. It seeks to:

- integrate transport services;
- modernise the NSW transport system;

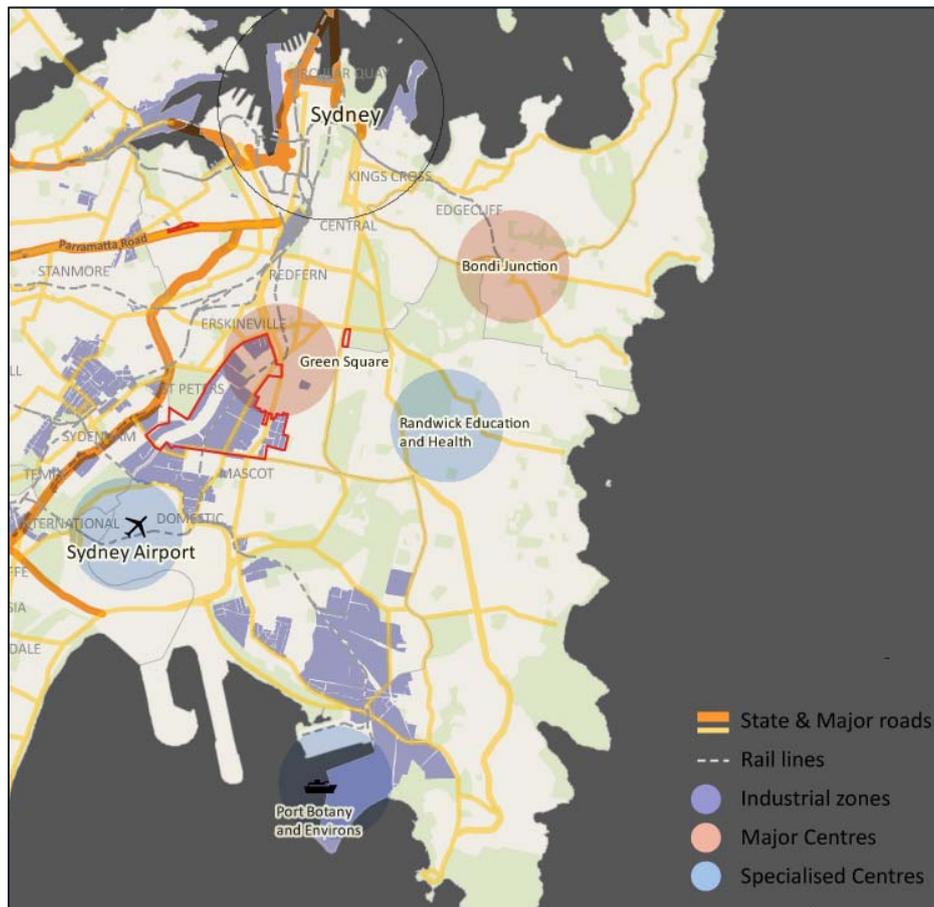
- grow the networks to meet future demand (including corridor preservation); and
- Maintain important road and public transport assets.

In and around the southern employment lands, the Master Plan highlights a number of future constraints, particularly with regards to capacity of major roads and public transport. In addition it acknowledges mass transit solutions will be required to accommodate the growth of the Green Square and Mascot Station Precinct.

The Master Plan proposes a number of actions to address issues that may affect the southern employment lands, the most significant of these being the proposed WestConnex, a 33 kilometre motorway connecting the M4 and M5 corridors. Other actions work towards improving freight connections, improving road capacity and providing traffic solutions.

### 1.3 Southern employment lands in context

The southern employment lands are some of the most strategically located areas of employment lands in Australia, being of local, metropolitan, state and national economic significance. They hosts regional and global roles and connections, are bookended by two major planned centres, being Green Square Town Centre to the north and Mascot Station Precinct to the south, and contains the major transport corridor between Sydney CBD and the Sydney airport and Port Botany. Figure 2 shows the southern employment lands in context.



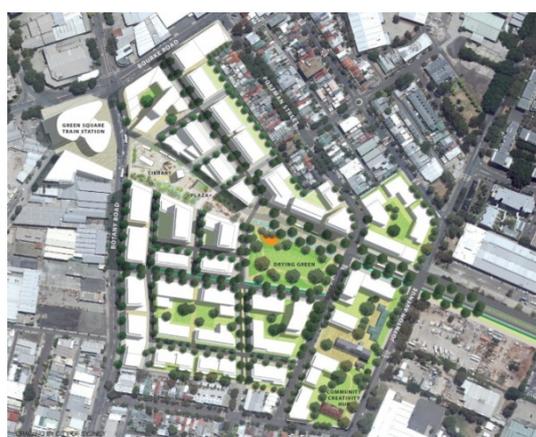
**Figure 2: Employment Lands in context**

The southern employment lands are located just three kilometres south of Sydney CBD. This is Australia's premier commercial hub. It contains in the order of 300,000 jobs across a range of high value sectors including finance, insurance, business and technical services, education, technology, media, retail, arts, entertainment and tourism services. It is the engine room of the business services economy of Australia and the gateway for international capital.

Sydney Airport is two kilometres south of the southern employment lands. It handles around 37 million domestic and international passengers per annum and is the gateway for most international visitors visiting Australia. The *Sydney Airport Master Plan 2033* envisages Sydney Airport remaining as the sole international and domestic airport for Sydney. The Master Plan projects that by 2033 the airport will accommodate about 74 million passengers (an average annual growth rate of 3.4 percent) and 388,000 passenger aircraft movements (an average annual growth rate of 1.4 percent from current levels). Total freight is forecast to grow from 600,000 tonnes in 2012 to over one million tonnes in 2033. Sydney Airport directly and indirectly generates almost 300,000 jobs which will increase to 400,000 by 2033. Many of these jobs and economic benefits will be generated locally in the areas around the airport.

Port Botany is just three kilometres to the south-east of the southern employment lands. It is Australia's second largest port in terms of freight volumes (behind Melbourne) with about 1.3 million Twenty-foot Equivalent Units (TEUs)<sup>3</sup>, expected to grow to around six million by 2030-31<sup>4</sup>.

Green Square is a Planned Major Centre in the draft Metropolitan Strategy. The Green Square Urban Renewal Area, with the Green Square Town Centre and train station at its centre, overlaps with the northern section of the southern employment lands. This is Australia's largest urban renewal area comprising about 280 hectares, and is projected to host 40,000 additional residents and 22,000 additional workers by 2030 (from 2008 numbers)<sup>5</sup>.



**Master plan of Green Square Town Centre**



**Artist's impression of Green Square Plaza**

To the south of the southern employment lands is the Mascot Station Town Centre Precinct. In April 2012 a Master Plan of the precinct was completed by Botany Council to

<sup>3</sup> The twenty-foot equivalent unit (TEU) is a broadly accepted term for a unit of cargo capacity of container ships and container terminals.

<sup>4</sup> NSW Freight and Ports Strategy

<sup>5</sup> These projections are under review

accommodate a future population of up to 11,000 people and 35,000 jobs. The precinct has since been identified by the NSW Government as an Urban Activation Precinct (UAP). While investigations are preliminary, its identification as a UAP signals the precinct has been earmarked by the NSW Government as playing a major role in providing housing and jobs in Sydney.

The southern employment lands contain the main corridor between the Sydney CBD and Sydney Airport and Port Botany. The NSW Transport Master Plan identifies this corridor as highly constrained. The Master Plan also identifies much higher traffic volumes are expected as the airport and port both expand operations and Green Square and Mascot Station precinct grow. In addition, southern employment lands are themselves an origin for significant business to business (freight and small commercial vehicle), heavy truck movements that service heavier industries towards the south west, and commuter traffic and workers (residents nearby leaving or workers in the precinct arriving).

The principal north-south roads near or through the southern employment lands include the Princes Highway to the west, the Eastern Distributor to the east, Botany Road on the east and O'Riordan Street through the centre connecting the airport to Green Square. Bourke Road is a local but major distributor road which also runs north-south through the southern employment lands. Botany Road, O'Riordan Street, Bourke Road and Bourke Street (running to the north) form a five way junction at Green Square train station just on the north east edge of the southern employment lands.

Between the southern employment lands and the Sydney CBD is the Redfern-Waterloo renewal area. This area is gradually being redeveloped, and is a focus for significant new investment in housing, including the redevelopment of public housing areas, employment primarily within the Australian Technology Park and community and cultural services with Redfern as the principal focus of the urban Aboriginal community in Australia.

The subregion contains major educational and health assets. Less than three kilometres to the east of the southern employment lands is the University of New South Wales in Kensington, which with the Prince of Wales Hospital and other medical facilities, forms part of the Randwick Education and Health Precinct, as defined in the draft Metropolitan Strategy. To the north-west of the southern employment lands and to the south-west of the Sydney CBD is the University of Sydney, the University of Technology of Sydney and the Royal Prince Alfred Hospital.

Elsewhere within the inner Sydney area, in the Botany Bay and Marrickville LGAs nearby, are additional significant and strategically important industrial areas, shown in Figure 2.

#### 1.4 Current Planning Controls

The employment lands currently comprise a number of land use zones that, in the main, permit only 'employment' uses. Most of the employment lands are currently subject to *Sydney Local Environmental Plan 2012* (Sydney LEP) and primarily zoned IN1 General Industrial but also include some IN2 Light Industrial, B5 Business Development, B6 Enterprise Corridor and B7 Business Park zones. In addition, a small part of the southern employment lands is currently excluded from the Sydney LEP and are zoned 10(e) and 10 (d) Mixed uses under the *South Sydney Local Environmental Plan 1998* (South Sydney LEP).

## 2 Long term vision for the employment lands

The primary role of the employment lands is to facilitate new business and industry opportunities, provide employment across a range of sectors, and provide land for strategic industrial activity and essential urban services. The employment lands will continue to play a crucial role in supporting growth of the local, metropolitan, state and national economies whilst facilitating regional and global network connections.

A more flexible approach to land use in parts of the employment lands will facilitate higher density employment and new economic activities such as new industrial uses, creative uses, knowledge industry development and flexible commercial, retail, industrial and community spaces.

Affordable housing is to be provided in and around the southern employment lands as employment grows and the demand for low paid essential workers, such as child care workers and cleaners, increases.

Other parts of the employment lands will accommodate land uses that are essential to the efficient functioning of the City. This ensures activities associated with key state infrastructure, including the airport and port, and other activities that need access to the CBD, can locate in the area. It will also ensure the rapidly growing residential and worker population in the inner city subregion can access essential services.



**Southern Employment Lands looking north to Sydney CBD**

### 3 Strategy directions

This section contains the objectives of this strategy. It includes a brief discussion of the issues to be addressed and the principal actions to address them.

<p><b>Advocate a subregional approach to the protection of employment lands</b></p>	<p><b>Issue</b></p> <p>In the recent past there has been a loss of industrial lands in neighbouring local government areas (LGAs). A regional approach needs to be taken to determine the extent of employment lands (with industrial lands being an important subset) required to service the port and airport and ensure these lands are protected. This in turn will ensure the industrial lands in the southern employment lands are not overburdened and remain viable for lower value uses.</p> <p><b>Principal action</b></p> <p>Lobby the NSW Government to consider the provision and protection of strategic industrial and employment lands at a subregional level. The objective should be to develop a state planning instrument that protects and maintains inner Sydney employment lands for strategic and other uses consistent with their attributes and location.</p>
<p><b>Recognise and address traffic and transport issues in the southern employment lands</b></p>	<p><b>Issue</b></p> <p>The transport network in and around the southern employment lands will continue to come under considerable pressure from growth at the airport and port, as well as population growth in Green Square and Mascot, and other surrounding areas. Managing traffic and improving public transport accessibility are key issues.</p> <p><b>Principal action</b></p> <p>As key transport drivers in and around the southern employment lands are resolved, for example the location and timing of WestConnex, work with Transport for NSW, Roads and Maritime Services and Botany Council to establish long term mode share targets for the area and identify strategies for their achievement.</p>
<p><b>Recognise and address flooding issues in the southern employment lands</b></p>	<p><b>Issue</b></p> <p>Flooding will continue to be an issue in parts of the in the southern employment lands. There is a need to manage flooding and ensure new development is responsive to flooding constraints.</p> <p><b>Principal actions</b></p> <ul style="list-style-type: none"> <li>• Ensure the City’s Liveable Green Network provides a green corridor along Alexandra Canal and its tributaries to assist in managing the impacts of flooding and to improve safety and amenity.</li> <li>• Integrate the outcomes of the Alexandra Canal Floodplain Risk Management Study and Plan into planning controls.</li> </ul>
<p><b>Improve the public domain in the southern employment lands</b></p>	<p><b>Issue</b></p> <p>Improvements to the public domain are required in the southern employment lands to satisfy demand created by growing numbers of workers and to attract new businesses across a range of industries. Public domain improvements will encourage renewal in appropriate areas and provide a higher level of amenity for workers, residents and visitors.</p>

	<p><b>Principal action</b></p> <p>Implement planning controls that improve the public domain. Improvements should respond to the future vision for area and support the employment focus by respecting functionality, accessibility and environmental gains.</p>
<p><b>Implement planning solutions that work towards the objectives and targets provided by <i>Sustainable Sydney 2030</i></b></p>	<p><b>Issue</b></p> <p>New development opportunities facilitated by new land use zones will in turn create opportunities for the provision of new community infrastructure and other public benefits. The range of community infrastructure and other public benefits sought are articulated in <i>Sustainable Sydney 2030</i> and include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• affordable housing;</li> <li>• transport infrastructure, new roads or enabling works;</li> <li>• provision of open space and public domain improvements;</li> <li>• childcare facilities and creating child friendly places;</li> <li>• green infrastructure, such as tri-generation and water re-use facilities, and other contributions to improved environmental outcomes and flood management for the broader community;</li> <li>• additions and/or improvements to the pedestrian and cycling network; and</li> <li>• public facilities and community spaces.</li> </ul> <p><b>Principal action</b></p> <p>Ensure the planning controls which implement the vision for the employment lands are aligned with the directions of <i>Sustainable Sydney 2030</i> and actively work toward achieving its objectives and targets.</p>
<p><b>Encourage a sustainable, high quality and functional built form that respects the history of the southern employment lands</b></p>	<p><b>Issue</b></p> <p>As the southern employment lands evolve over time to an area of higher density employment, the built form will change to accommodate new forms of industry and employment. It is essential that new development or the adaptive reuse of existing buildings for more intense employment uses results in a built form that is sustainable, of high quality and fit for purpose. The built form should respect the industrial heritage of the employment lands.</p> <p><b>Principal action</b></p> <ul style="list-style-type: none"> <li>• Implement planning controls that improve encourage a sustainable, high quality and fit for purpose built form.</li> <li>• Complete a heritage study of industrial buildings and implement its recommendations in planning controls.</li> </ul>
<p><b>Ensure the southern employment lands are adequately serviced by public infrastructure</b></p>	<p><b>Issue</b></p> <p>Demand for essential infrastructure in the southern employment lands will increase as the intensity of uses increases. More workers will increase the demand for childcare, open space (both passive and active), affordable housing, a finer grain road network and better roads, footpaths and cycleways.</p> <p><b>Principal action</b></p> <p>Prepare the Southern Employment Lands Infrastructure Plan in partnership with the NSW Government. The Infrastructure Plan is to</p>

	<p>identify a delivery path for public infrastructure (roads, transport, open space, flood management works, social infrastructure), including funding streams.</p>
<p><b>Ensure that key workers can access affordable housing</b></p>	<p><b>Issue</b></p> <p>As employment grows the demand for low paid key workers, such as child care workers and cleaners, will increase. Given the high cost of living in the area, it is essential that some affordable rental housing is managed by community housing providers for low income households. This will ensure key workers have an opportunity to live in the communities in which they work.</p> <p><b>Principal action</b></p> <ul style="list-style-type: none"> <li>• Introduce an affordable housing contribution in those areas in the southern employment lands that are not part of Green Square (where an affordable housing contribution already applies).</li> <li>• Make affordable housing a permitted land use in the B7 Business Park zone contingent on it not undermining the primary purpose of the employment zone.</li> </ul>

## 4 Facilitating employment uses

This section outlines key changes to the land use and planning controls proposed by this strategy. It includes a description of the future vision of each zone.

The proposed zoning is at Figure 3.

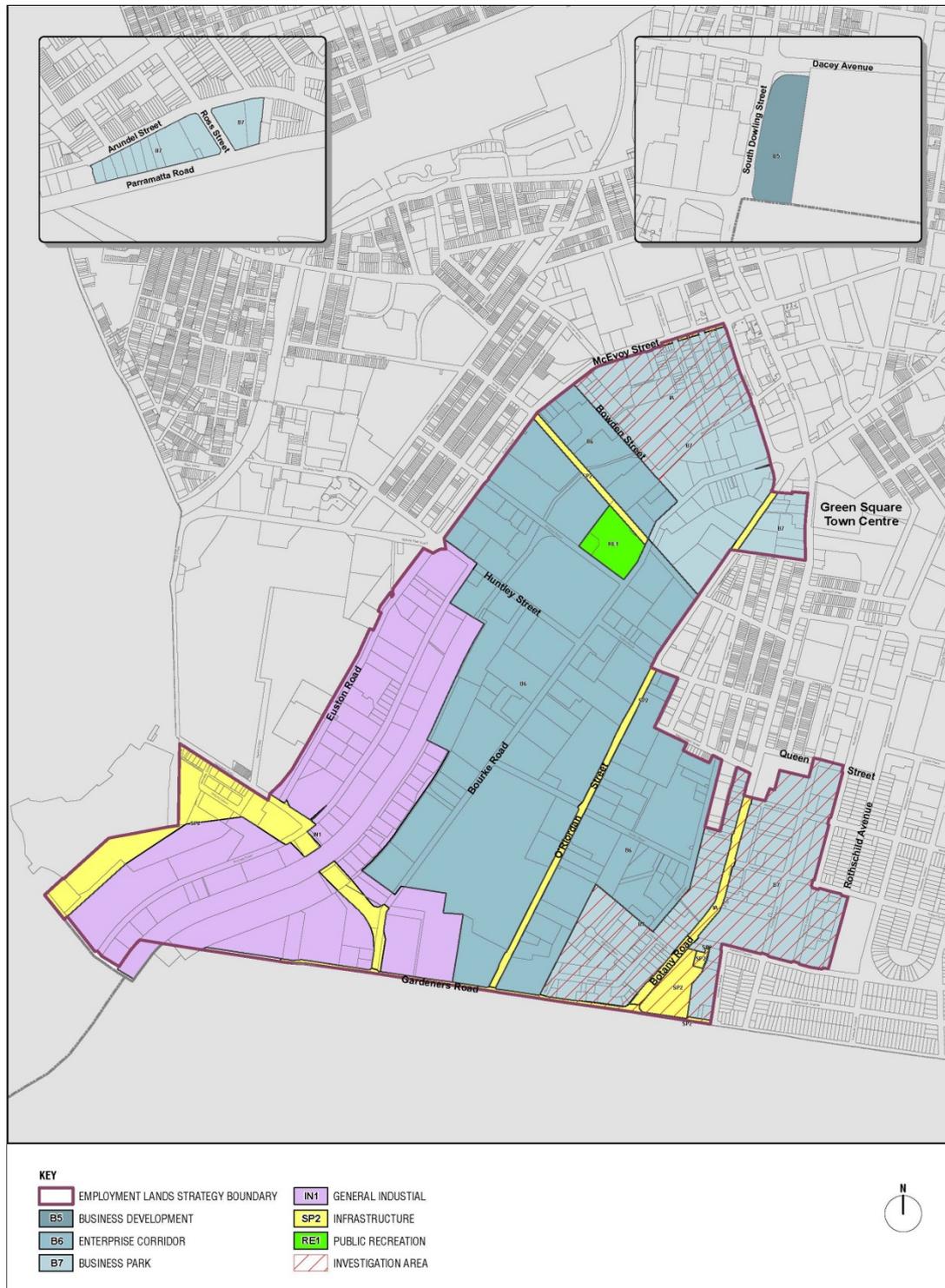


Figure 3 - Proposed zoning

#### 4.1 IN1 General Industrial

The IN1 General Industrial zone will accommodate both heavy and light industry. The zone is to allow for uses such as local light industrial and urban services uses required to service the current and projected population of the LGA and strategic industrial uses, for example, airport related uses.

The long term aspiration for the zone is for 'pure industrial' with only minimal 'ancillary' uses to support the industrial uses and employment in the zone.

In changing the land use and planning controls that apply to the industrial zone, the following key actions are to be implemented by the planning proposal and/or draft DCP amendment:

- land along the Alexandria Canal that is currently zone B7 Business Park is to be rezoned to IN1 General Industrial;
- adequate provision is to be made to achieve the Liveable Green Network;
- amend the land use table to ensure heavy and light industrial uses can continue to operate in the zone in the long term;
- allow for ancillary uses that support the working population of the zone, for example kiosks and office space. However, ensure that the scale of those uses does not compete with the purpose or efficient functioning of the zone; and
- make some changes and additions to the indicative road network;
- make minor adjustment of current height controls to facilitate greater floor to ceiling heights that may be required in some forms of industrial development; and
- include built form provisions that generally work towards improving amenity, but also enable a safe and functional built environment.



Container facility in St Peters



Concrete plant in Alexandria

#### 4.2 B5 Business Development

The B5 Business Development zone which applies in the South Dowling precinct will remain substantially the same zone. This zone remains the most appropriate for the precinct because of its focus on bulky goods, which is the predominant use currently on the site.

To allow for a similar approach to retail that is found elsewhere in the southern employment lands, minor expansion of general retail uses in the precinct is proposed. This will be facilitated by Schedule 1 of the Sydney LEP 2012 which is to permit up to 1000sqm of 'shops' on the site.

### 4.3 B6 Enterprise Corridor

The B6 Enterprise Corridor zone will facilitate a wide variety of economic activities, as well as 'other' uses likely to attract and support higher value activities and promote better amenity.

The long term aspiration for the zone is a mixed business precinct facilitated by a flexible approach to land use. In the short to medium term the zone is likely to remain reasonably industrial in character, with higher value uses moving in slowly over time. To enable this slow change, the B6 zone will continue to support warehouse and light industrial uses but also facilitate higher value employment such as offices where appropriate.

While residential development is not to be permitted in the B6 zone, as demand for key workers increases with higher job densities, it is appropriate that development contributes to the provision of affordable rental housing in and around the employment lands.

While the built form will intensify over time, it will recognise the industrial history of the area and remain responsive to heritage considerations.

Retail will continue to be limited in scale to complement the Green Square Town Centre and other defined centres. Bulky goods retail and motor showrooms will also continue to be prohibited in most land in the zone so as to not distract from the areas primary function.

In changing the land use and planning controls that apply to the B6 zone, the following key actions are to be implemented by the planning proposal and/or draft DCP amendment:

- introduce a significantly altered B6 Enterprise Corridor land use table than what is currently in the Sydney LEP. Permissible land uses are to facilitate a broad range of employment generating uses;
- introduce a new zone objective that recognises the important role the B6 zone in separating more sensitive zones in the employment lands from the IN1 – General Industrial zone and thereby facilitating the ongoing viability of the IN1 zone;
- include built form provisions that generally work towards improving amenity, but also enable a safe and functional built environment;
- prohibit bulky goods and vehicle sales or hire premises except where they are currently permitted along O'Riordan Street;
- identify some buildings as being of heritage interest and make provision for their interim protection;
- introduce an affordable housing contribution for the purpose of providing affordable rental housing managed by a community housing provider;

- introduce provisions to encourage modal shift to more sustainable forms of transport;
- make some changes and additions to the indicative road network to ensure it supports growth and intensification of uses; and
- introduce provisions to increase the amount of open space and improve the quality of the public domain and support growth.

#### 4.4 B7 Business Park

The B7 Business Park zone will facilitate a wide variety of economic activities, as well as 'other' uses likely to attract and support higher value activities and promote better amenity. The long term aspiration for the B7 zone is a relatively higher density mixed business precinct that will accommodate a range uses, including creative and knowledge based uses.

In the short term the northern B7 zone in Alexandria is likely to experience low levels of development. However as the Green Square Town Centre develops, new businesses, often knowledge based or creative in nature, will seek flexible spaces with out-of-centre rents with the in-centre benefits of higher amenity and access to services. In the southern B7 zone in Rosebery, the more flexible zoning will continue to enable change and growth in an area already characterised by a variety creative and knowledge based uses.

The B7 zone will continue to support warehouse and light industrial uses but will not permit activities that are generally of a more intense industrial nature. Over time the B7 zone will act as a buffer between the more 'industrial' B6 zone and existing and planned residential areas.

Given the generally higher levels of amenity and the proximity to services, the B7 zone can accommodate affordable housing where it does not impede employment generating uses in the zone.

While the built form will intensify over time, it will recognise the industrial history of the area and remain responsive to heritage considerations.

In changing the land use and planning controls that apply to the B7 zone, the following key actions are to be implemented by the planning proposal and/or draft DCP amendment:

- introduce a significantly altered B7 Business Park land use table than that which is currently in the Sydney LEP. Permissible land uses are to facilitate a broad range of employment generating uses;
- include built form provisions that generally work towards improving amenity, but also enable a safe and functional built environment;
- permit shop top housing where it is currently permitted in the Sydney 2012 (the current B6 Enterprise Corridor zone located along Botany Road);
- identify buildings and areas of heritage interest and make provision for their interim protection;
- introduce an affordable housing contribution where located in the southern employment lands;

- permit affordable rental housing in appropriate locations where provided by a community housing provider;
- introduce provisions to encourage modal shift to more sustainable forms of transport;
- make some changes and additions to the indicative road network to ensure it supports growth and intensification of uses; and
- introduce provisions to increase the amount of open space and improve the quality of the public domain and support growth.

## 5 Providing housing for an essential workforce

### 5.1 Affordable housing

As the number of jobs increases it is essential that workers are able to access appropriate and affordable housing close to where they work.

The southern employment lands will undergo substantial change in the next 20 years as the area transitions from traditional manufacturing industries to more modern employment uses. The price of land in the southern employment lands will increase as a result of rezoning with landowners being the beneficiaries of those increases.

The increase in land value and gentrification of these areas will continue to produce upward pressures on property values beyond the means of low to moderate income groups. Without provision of more affordable forms of housing, the market can be expected to continue to produce more expensive housing in the area, so that housing will only be affordable to households on relatively high incomes. Lower income households would need to move out of the area or may be prevented from finding housing in the area close to new employment opportunities.

As the area grows, a proportion of new jobs will be relatively low paid. In addition, more businesses and workers will increase demand for services that employ lower income workers, such as childcare workers, cleaners, construction workers and tradesmen. These workers are critical the efficient functioning of the area.

### 5.2 Encouraging Affordable Housing

To ensure there is sufficient housing for low income workers close to new employment opportunities resulting from this strategy, the City will take a multi-pronged approach to encouraging the provision of affordable housing.

#### 5.2.1 Permitting affordable housing in the B7 – Business Park zone

It is proposed that in the B7 zones, that do not permit residential development, that affordable housing be a permitted where appropriate and where it does not undermine the broader employment objectives of the zone.

The City is cognisant of the fact that, given the high return for residential uses in the inner City, permitting residential uses in the proposed B7 zones would likely result in the majority of employment generating uses being displaced over time.

Notwithstanding the need to accommodate employment generating uses, it is considered that the proximity of the proposed B7 zones to amenities and services makes it suitable for modest amounts of residential development.

The B7 zones are serviced by good levels of public transport access, including Green Square train station in the north and a high frequency bus service along Botany Road to the south, as well as the amenities and social infrastructure being provided in Green Square. Allowing only affordable housing in the areas will limit the potential risk that residential uses would compete with non-residential uses over time.

In addition, the B7 zones will accommodate 'higher value' employment uses over time, potentially in the short to medium term, that are generally more able to co-locate with residential uses with less potential for conflict than what may occur in other zones in the employment lands.

### 5.2.2 Affordable housing contribution

To facilitate the provision of affordable housing, an affordable housing contribution is proposed in the B6 zone and the B7 zone. It is noted that a contribution already applies in those areas that are also located in the Green Square urban renewal area and that only one contribution will apply to a site.

The City will develop a draft Southern Employment Lands Affordable Housing Program with specific reference to the principles established by SEPP No 70 - Affordable Housing (Revised Schemes). The program will establish contribution rates and the operational aspects of delivering affordable housing in and around the southern employment lands.

### 5.2.3 Site Specific Planning Proposals

Site specific planning proposals in the investigation areas identified in Figure 1 will be considered by the City's Director of City Planning, Development and Transport. Any proposal must be consistent with the following principles:

- Fifty percent of any new development comprising residential uses must be for the purpose of affordable rental housing managed by a community housing provider.
- New development is to achieve no net loss of jobs.
- New development is to contribute to the public benefit. Public benefits are articulated in *Sustainable Sydney 2030* and include, but are not limited to:
  - transport infrastructure, new roads or enabling works;
  - provision of open space and public domain improvements;
  - childcare facilities and creating child friendly places;
  - green infrastructure, such as tri-generation and water re-use facilities, and other contributions to improved environmental outcomes and flood management for the broader community;
  - additions and/or improvements to the pedestrian and cycling network; and
  - public facilities and community spaces.
- New development is to be sensitive to existing uses. Where existing uses are operating legally, new development should not impact on its ongoing ability to operate.
- New development is to encourage sustainable transport choices and minimise its impact on the existing road network.
- New development is to be of high aesthetic standard.
- New development is to maximise sustainability measures.
- New development is to be responsive to the heritage qualities of existing development and of the area more generally

In addition, the site specific planning proposal must:

- be consistent with the objectives of this strategy, NSW Government objectives and the City's policy directions and/or targets as identified in Part 1 of this strategy;
- be adequately supported by technical studies; and
- have the appropriate fee paid in accordance with the *City of Sydney Fees and Charges* schedule.

It is recommended an intention to prepare a planning proposal is first discussed with council officers.