



03 Productivity

Productivity is about enabling jobs and skills growth and a well-connected city to create conditions for a stronger economy through collaborative planning.

Sydney continues to be Australia's leading global and most economically productive city. Our local area attracts global talent and plays a significant role in the national, regional and district economy. We need to continue managing growth sustainably and promoting economic diversity and collaboration by ensuring that internationally competitive industries and sectors can innovate, agglomerate and grow.

The following local priorities identify how the City will continue to foster an economic environment that is competitive, resilient and equitable:

Priorities



Growing a stronger, more competitive Central Sydney



Developing innovative and diverse business clusters in City Fringe



Protecting industrial and urban services in the Southern Enterprise Area and evolving businesses in the Green Square-Mascot Strategic Centre

Priority **P1**

Growing a stronger, more competitive Central Sydney

In giving effect to *A Metropolis of Three Cities* and the Eastern City District Plan, this Local Priority delivers on the following planning priorities:

- ▶ E7 – Growing a stronger and more competitive Harbour CBD
- ▶ E13 – Supporting growth of targeted industry sectors

In giving effect to Sustainable Sydney 2030, this Local Priority delivers on the following directions:

- ▶ 1 – A globally competitive and innovative City of Sydney
- ▶ 5 – A lively and engaging city centre
- ▶ 7 – A cultural and creative city

Objective

- ▶ Central Sydney is Australia's global and most economically productive centre that:
 - a) is home to a diverse mix of regionally and globally focused industry sectors and businesses, retail, tourism and entertainment uses
 - b) embodies design excellence, celebrates heritage and has buildings and spaces of high amenity and sustainability performance to attract people to work, visit and play
 - c) fosters the innovation, collaboration and economic resilience and diversity of the Sydney region

Central Sydney – the economic powerhouse of the nation

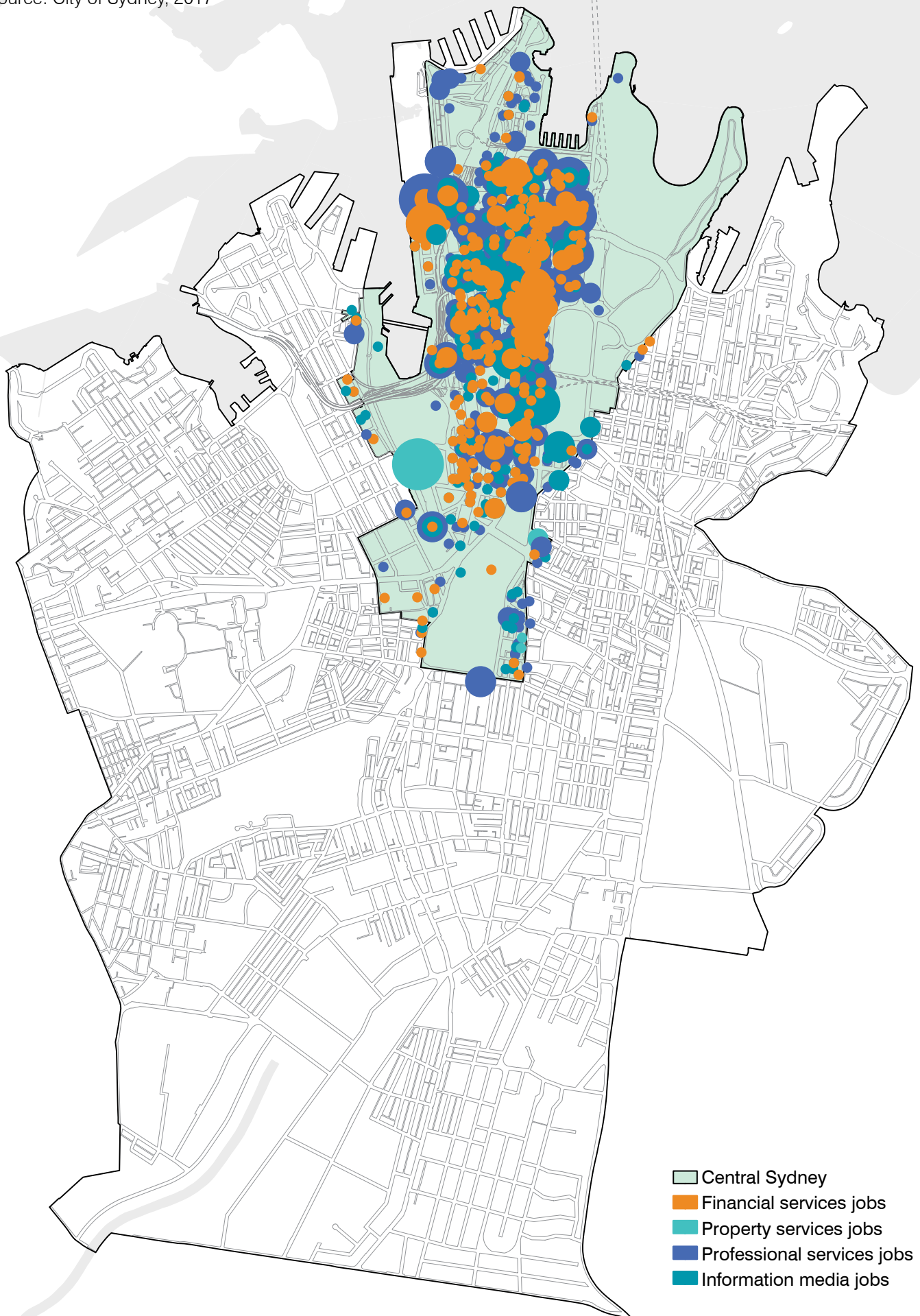
Central Sydney is the most economically productive and internationally competitive area in Greater Sydney. It is the main commercial centre of Australia and the nation's largest retail centre, generating over \$90 billion of economic activity annually (as at 2017/18)^{vii}.

Central Sydney competes on an international stage and plays a fundamental role in metropolitan Sydney's standing as one of the 20 most advanced, globally connected and competitive cities in the world^{viii}. It is, to a large degree, Australia's business brand with a number of globally influential and innovative firms' headquarters concentrated in the CBD. It maintains a strong global business, talent and investment reach with the highest concentration of top 500 companies and mainstream artistic and cultural institutions in Australia^x.

Central Sydney is home to the most economically productive clusters in the region driven by finance and financial services, professional services, property development, information media, government and retail clusters. It also has advanced creative and cultural industries that serve markets internationally and export expertise globally.

Central Sydney accommodates more than 12,600 businesses and 340,000 workers^x. Much more than a business district, it is home to over 31,600 residents^{xi} and receives a large proportion of the city's 660,000 daily visitors^{xii}. Central Sydney is a hub for tourism, business visitors, students and faculty that are attracted to its world-class educational institutions, iconic landmarks, heritage buildings, civic and cultural places, and night-time economy.

Figure 55: Key industry clusters in Central Sydney
Source: City of Sydney, 2017



Planning for growth

The District Plan states that planning controls in Central Sydney need to support commercial developments, otherwise there will be insufficient floor space to accommodate the forecast demand for jobs. There is increasing competition for space fuelled by projected business demand, demand for inner city living and escalating population growth. Central Sydney has limited capacity to grow and adapt due to its natural containment, heritage considerations and the growth in residential strata buildings resulting in the loss of sites for business development.

Between 2012 and 2016, 52 per cent of the new floor space developed in Central Sydney was residential. Without intervention, this will continue to constrain economic and employment growth^{xiii} and Central Sydney's capacity to contribute up to 101,800 additional jobs by 2036 to meet the baseline District Plan jobs targets for the Harbour CBD.

Catalytic projects by both the NSW Government and private sector will further elevate Central Sydney's market profile and perception. Central Sydney must be positioned to best take advantage of these investments and accommodate the likely increase in demand for employment floor space.

The community and industry told us that it is important to prioritise and increase economic and employment growth in Central Sydney.

The draft Central Sydney Planning Strategy framework proposes controls tailored to Central Sydney's unique characteristics. They enable opportunities for development that preserve and grow commercial, retail, cultural and other economically productive uses. It supports Central Sydney's economic role as a compact metropolitan centre by:

- prioritising employment growth and increasing employment capacity through genuine mixed-use controls, and changes to height limits in key areas and ensuring strategic uses are not inadvertently undermined by residential amenity provisions

- ensuring development responds to context by providing minimum setbacks for outlook, daylight and wind
- consolidating and simplifying planning controls by integrating The Rocks, Darling Harbour, areas around Ultimo, the University of Technology Sydney and the Central Railway Station
- providing for employment growth in new tower clusters
- ensuring infrastructure keeps pace with growth to sustain a resilient city with a strong community, economy and high standard of living
- moving towards a more sustainable city with planning controls that require best practice energy and water standards and for growth sites to drive net-zero energy outcomes
- protecting, enhancing and expanding Central Sydney's heritage, public places and spaces
- moving people more easily by prioritising streets for walking and cycling and expanding the pedestrian and public space network
- reaffirming commitment to design excellence
- monitoring outcomes and responding to issues that arise over time.

The draft Central Sydney Planning Strategy framework can facilitate up to 1.6 million square metres of additional employment floor space, which can accommodate approximately 46,650 jobs^{xiv}. This potential capacity accounts for over a quarter of the baseline jobs target for the City set in the District Plan and is critical to preserve the economic diversity and vitality of Central Sydney.

Figure 56: Central Sydney Structure Plan
Source: Draft Central Sydney Planning Strategy



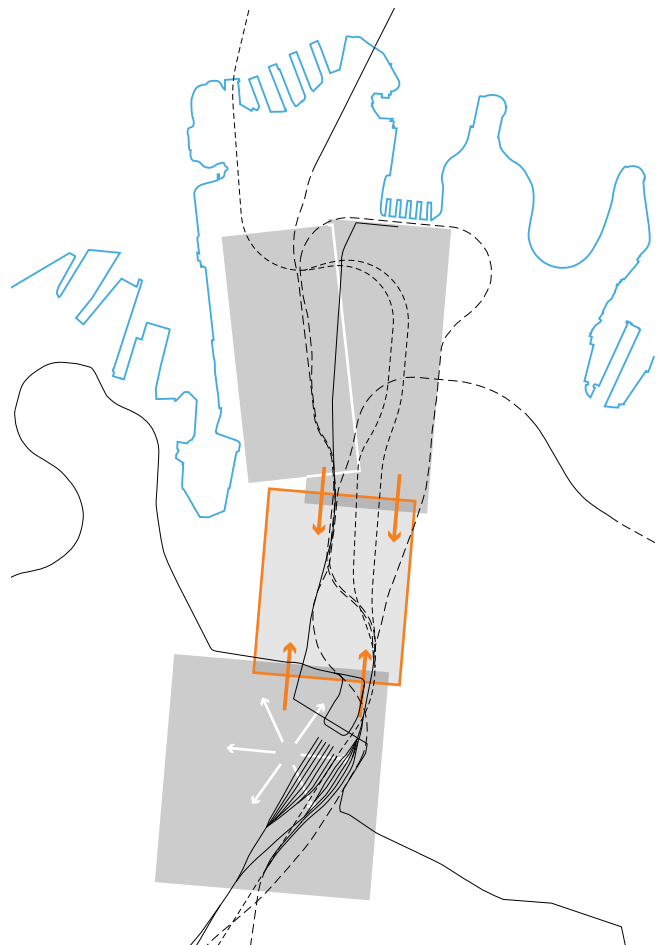
Central Sydney South

The draft Central Sydney Planning Strategy identifies the Central Sydney South precinct, which covers Chinatown and CBD South, for investigation for future potential economic and employment intensification.

It is a strategically important employment area given its location within Central Sydney and proximity to the Camperdown-Ultimo Health and Education Precinct and the growing knowledge and creative clusters in Chippendale, Surry Hills, Pyrmont and Ultimo. Influenced by planned infrastructure investments at Central and George Street and NSW Government's direction on the potential Sydney Technology and Innovation Precinct, the area is expected to experience pressures to change, including an increase in employment floor space demand and a change in social and economic profile. The Central Sydney South precinct can capitalise on these catalytic infrastructure investments and government initiatives while maintaining its culturally rich clusters, strong economic connections to Asian markets, and culturally distinct entrepreneurial culture.

Central Sydney South is expected to accommodate overflow demand from the rest of Central Sydney. However, the area is constrained by a lack of suitable employment floor plates and conversions to accommodation uses and student housing. It is important for the City to ensure that planning controls deliver built forms and appropriate typologies to accommodate the likely shift towards higher-order employment uses. This includes controls that will cater to the needs of both larger tenants in the financial and tech industries and knowledge-intensive small businesses and start-ups.

Figure 57: Central Sydney South: Future focus

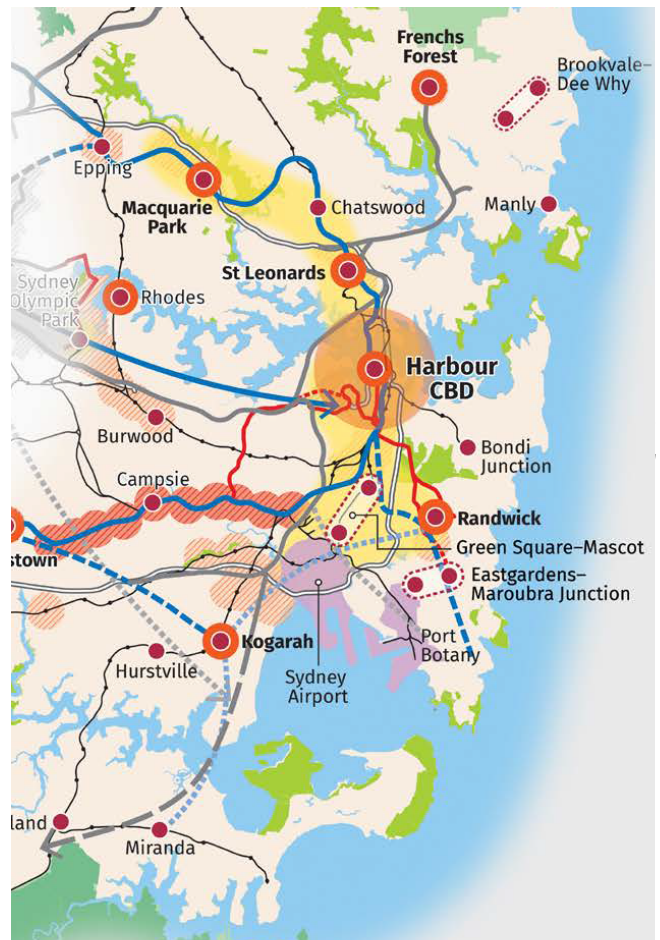


Source: Draft Central Sydney Planning Strategy

Supporting the Eastern Economic Corridor

The Eastern Economic Corridor is Greater Sydney's most productive economic asset, which covers strategic areas including Macquarie Park, Chatswood and St. Leonards through the Harbour CBD to Green Square-Mascot, Randwick and Sydney Airport. Central Sydney is an integral part of the Harbour CBD and Eastern Economic Corridor. It supports highly productive sectors that interacts globally and across Australia and economic activity that serves and is supported by other economically important areas within the city and the rest of the Eastern Economic Corridor. It is therefore important for the City to consider employment clusters and commercial market dynamics in areas beyond Central Sydney and our local area. It is also critical for us to continue contributing and collaborating with the rest of the Eastern Economic Corridor to ensure economic and employment growth in all centres. In particular, the City will focus on capitalising on market and industry cluster relationships within strategic economic and employment areas such as North Sydney CBD, in collaboration with North Sydney Council.

Figure 58: Eastern Economic Corridor



Source: Greater Sydney Commission

Actions

When will
it happen?

P1.1

Prioritise and increase capacity for economic and employment growth in Central Sydney to contribute towards achieving the jobs target for the Harbour CBD.

2021

P1.2

Provide an appropriate mix of land uses that support Central Sydney's role as the metropolitan centre and its visitor and night-time economies, including a range of retail, recreational, community, cultural and entertainment activities and hotel accommodation in the right locations.

2021

P1.3

Deliver diverse spaces to support the range of nationally important industries and clusters including financial and professional services, creative industries, information and communications technology and other knowledge-based industries and clusters.

2021

P1.4

Enhance connectivity in Central Sydney by prioritising streets for walking and cycling and expanding and improving public spaces.

2021

P1.5

Finalise and implement the draft Central Sydney Planning Strategy framework, including:

2021

- a) prioritising and increasing capacity for employment and economic growth in Central Sydney through genuine mixed-use controls and refined height limits in key areas
- b) protecting sunlight to important public spaces and parks
- c) ensuring that development responds to context and enhances amenity for building occupants and people in the public domain (including outlook, daylight and wind) through setbacks and design excellence requirements
- d) requiring best practice energy and water standards that contribute to net-zero energy outcomes
- e) enhancing and protecting Central Sydney's diverse heritage characteristics
- f) improving connectivity and enhancing and expanding Central Sydney's public places and spaces and pedestrian and open space network.

Actions

When will
it happen?

P1.6

Work with NSW Government and other relevant stakeholders to develop and implement a land use framework for Central Sydney South that:

- a) promotes employment growth, including affordable enterprise space, high technology industry, retail, community and cultural uses
- b) respects the area's unique character, setting and social and economic role
- c) continues to support Central Station's role as the primary mass transport interchange in Greater Sydney including support for additional metro stations and any future high-speed rail station in or in close proximity to it
- d) facilitates new public open space – in particular the third city square at Central – that improves people's safe and comfortable access to the station and the general enjoyment of the city for all
- e) facilitates improved environments and space for people walking and cycling
- f) facilitates precinct-scale energy, water and waste solutions.

2021

P1.7

Continue collaboration with North Sydney Council to support cluster and commercial market interdependencies between Central Sydney and North Sydney CBD.

Ongoing

Sydney's visitor economy

Receiving close to 45 per cent of all international visitors last year^{xv}, over 480,000 day visitors^{xvi} and containing close to 20 per cent of the hotel room supply across all major cities in Australia (as at 2018), the city maintains its foothold as Australia's primary international gateway and most visited city.

The community told us to ensure a mix of land uses that support the visitor and night-time economies.

Tourism plays a major role in our local area's character and economy – contributing more than \$7 billion with related businesses accounting for 11 per cent of the city's workforce (up to 50,000 jobs)^{xvii}. Every dollar spent on tourism generates almost as much spend elsewhere in the economy. Tourism also creates international and national business networks as more than one third of Sydney's visitors are drawn to the city for conferences, exhibitions or meetings.

The tourism and visitor economy is an important sector for the whole council area and is a priority for the City. We must continue to support it by providing a diversity of accommodation opportunities that respond to the different levels of demand in the market. However, land values across the city provide a major cost barrier to the development of a range of hotel accommodation. In Central Sydney, high land values affect the delivery of mid-range and budget accommodation. This has resulted in more larger-scale, high-end accommodation types being delivered in the area, with more than three quarters of rooms in Central Sydney being in the four and five-star categories.

Lower-rated accommodation is generally achieved through the conversion of older-style building stock. Three-star hotel accommodation therefore tends to be located in City Fringe and other areas across the city where land values are lower and appropriate building types are available for redevelopment. Development for visitor accommodation in these areas, however, experiences competition from other land uses such as apartments.

Supporting the visitor economy

The city is expected to continue to receive an increasing number of international and domestic visitors. Demand for hotels in Sydney is expected to grow by 4.7 per cent annually to 2020^{xviii}, which will continue to drive high occupancy and demand for three-star visitor accommodation.

The implementation of the City's Visitor Accommodation Plan will help deliver a range of new tourist accommodation to meet increasing demand. Since 2016, almost 7,000 new rooms have been approved across the city, with 40 per cent currently under construction. Around 85 per cent of these new rooms are located within Central Sydney. This will assist in delivering a variety of accommodation types that suit visitor needs in highly visited areas across the city, including in Central Sydney, City Fringe and activity streets.

The City will continue to ensure that Sydney remains a drawcard for tourists. This involves taking a place-led and people-focused approach to unlock new sites for a diverse range of future hotel accommodation and deliver more world-class public spaces that characterise Sydney as the nation's premier destination city. This will be assisted by the City's continued work on draft Central Sydney Planning Strategy, future planning for the City Fringe and key enterprise areas and activity streets, and collaboration with NSW Government and key stakeholders in key projects such as the Bays Market District, Central Station and Circular Quay.



Circular Quay

Circular Quay is the tourism gateway to the city. It is one of Australia's most recognisable destinations and a critical transport interchange that attracts large crowds every day and night. It is a celebrated natural gathering place connected to Sydney's local, national and international identity.

Warrane (the Aboriginal name for what is now Circular Quay), is also a highly significant place for both the Aboriginal and non-Aboriginal communities. It is the site of first contact between the Eora and Europeans. Warrane and Sydney Harbour were integral to the everyday lives of the Eora people.

Transport for NSW is preparing for an update to the Circular Quay wharves and associated public space, which aims to improve Circular Quay's transport services and interchange function to meet the high and increasing demand. This will be beneficial to visitors and workers and provides an opportunity to upgrade the associated public space in the precinct.

Any future development in Circular Quay must be appropriate to the importance of the place and its economic role and increases the extent and quality of the precinct's public domain and spaces. This is in line with Sydney's 2030 vision to establish Circular Quay as "a lively, people-friendly and premium business centre reconnected to the harbour". It will also ensure that Warrane and Sydney Harbour maintain their integral connection to the Aboriginal community and be enjoyed by future generations of both our local community and visitors alike.



A more balanced, diverse and inviting night-time economy

The city is Australia's global centre of economic activity, society and culture and a destination for night-time activity, events, cultural activities and performances. Over the past decade, legislation changes, including the lockout laws, have affected the night-time economy in the city.

Historically, Sydney's night-time has been characterised by licensed premises. The result has been a culture focused on one activity. A more inclusive, vibrant and diverse night-time offering is important to the long-term economic competitiveness of the city, including its ability to attract talent and investment^{xix}.

The City's OPEN Sydney Strategy and Action Plan sets a vision and directions, to improve the diversity of the night-time, performance and cultural offerings in the city over the next 20 years. The Plan led to the recent review of the Late Night Trading planning controls and the Open and Creative City discussion paper.

The recently adopted Late Night Trading planning controls will support a more balanced, diverse and inviting night-time by: incentivising cultural activities and performance.; providing more opportunities for late trading in appropriate locations; discouraging the negative effects of clustering and encourage later trading for shops and businesses.

The later opening of shops, cafes, medical facilities, libraries and theatres will complement both the day and night economy.

The integration of a range of day and evening activities into local areas and strategic locations will attract and serve businesses and employees.

As part of the Open and Creative City planning reforms, we are investigating allowing shops and local businesses in established retail areas to extend their opening hours to 10pm without a new development consent, protecting live music through the agent of change principle and allowing minimal impact small-scale cultural uses as exempt development in appropriate areas.

These reforms will promote a more balanced, inviting and safe night-time economy and encourage a range of cultural, entertainment, arts and leisure activities. They support our global city offering and help attract visitors, workers and investment.

Priority **P2**

Developing innovative and diverse business clusters in City Fringe

In giving effect to *A Metropolis of Three Cities* and the Eastern City District, this Local Priority delivers on the following planning priorities:

- ▶ E7 – Growing a stronger and more competitive Harbour CBD
- ▶ E8 – Growing and investing in health and education precincts and the Innovation Corridor
- ▶ E11 – Growing investment, business opportunities and jobs in strategic centres
- ▶ E13 – Supporting growth of targeted industry sectors

In giving effect to Sustainable Sydney 2030, this Local Priority delivers on the following directions:

- ▶ 1 – A globally competitive and innovative City of Sydney
- ▶ 5 – A lively and engaging city centre

Objectives

- ▶ City Fringe is a leading place for investment and innovation and is known for its specialised economic role, knowledge-intensive clusters, urban amenity and character
- ▶ Walkable, high amenity and technologically connected places support knowledge-sharing and collaboration between diverse businesses, institutions and global talent
- ▶ The Innovation Corridor is globally competitive with specialised knowledge-intensive, research and innovation-based clusters, industries and institutions
- ▶ The Eastern Creative Precinct is a thriving, regionally significant cluster of creative sector business, arts and cultural enterprises
- ▶ Genuine mixed-use village areas celebrate distinct economic, social, heritage and cultural characteristics

City Fringe covers strategically important and jobs-rich areas within the District Plan's Harbour CBD metropolitan centre but also outside Central Sydney. It features some of the most diverse and mature knowledge-based and creative clusters in the District, which are concentrated within the Innovation Corridor identified in the District Plan and the Creative Precinct emerging in the eastern part of the city. These clusters include:

- Specialised research, health and education clusters anchored around major institutions in Central Sydney south, Camperdown and Ultimo
- Professional services and specialised technology-based industries such as digital industries and information media in Pyrmont through to Redfern-Waterloo
- Creative industries with key concentrations in Surry Hills, Chippendale and through to Darlinghurst and eastern part of the city.

Specialised high-value clusters in City Fringe make an important contribution to the city's economy, employing up to 130,000 workers and contributing up to \$33 billion, about 25 per cent, of our local economic output annually^{xx}. Knowledge-intensive clusters represent some of the fastest-growing sectors in our local area. Between 2012 and 2017, employment in professional services, information media and creative industries grew by over 30 per cent, making the Crown and Baptist Streets, Harris Street and Redfern Street villages, the three most economically productive villages outside Central Sydney.

Over the last two decades across the globe, advanced economies have restructured with an emphasis on knowledge-based and technology-driven activities^{xxi}. In this 'new economy', innovation and creativity are central for driving economic growth, which is increasingly based on clusters, agglomeration and the competitive attractiveness of places and cities.

Figure 59: ■ City Fringe

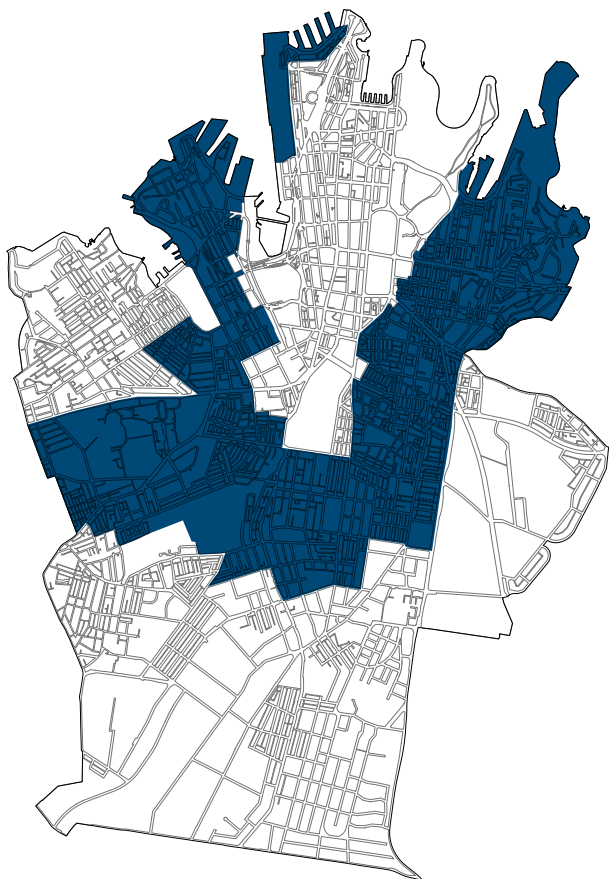


Figure 60: ■ Innovation Corridor

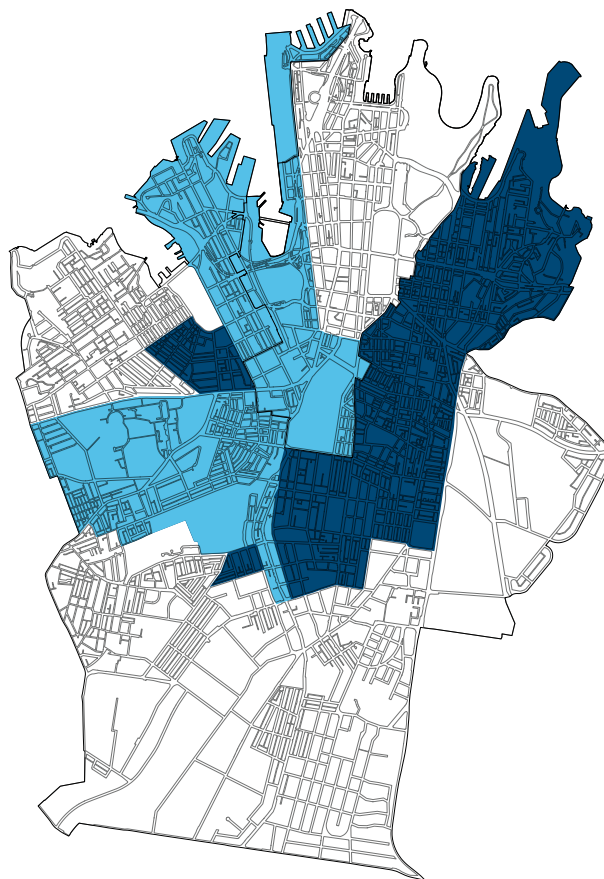


Figure 61: ■ Camperdown-Ultimo Health and Education Precinct

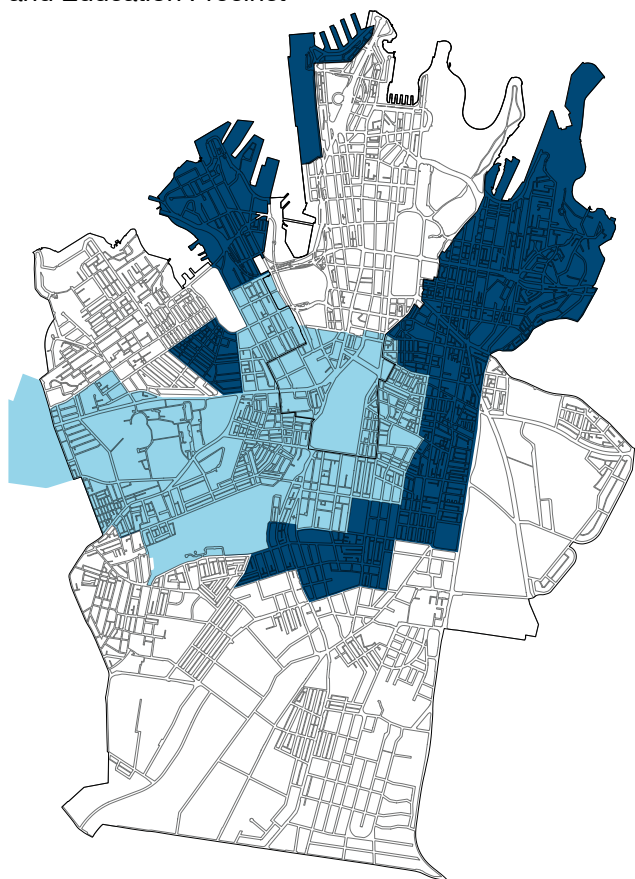
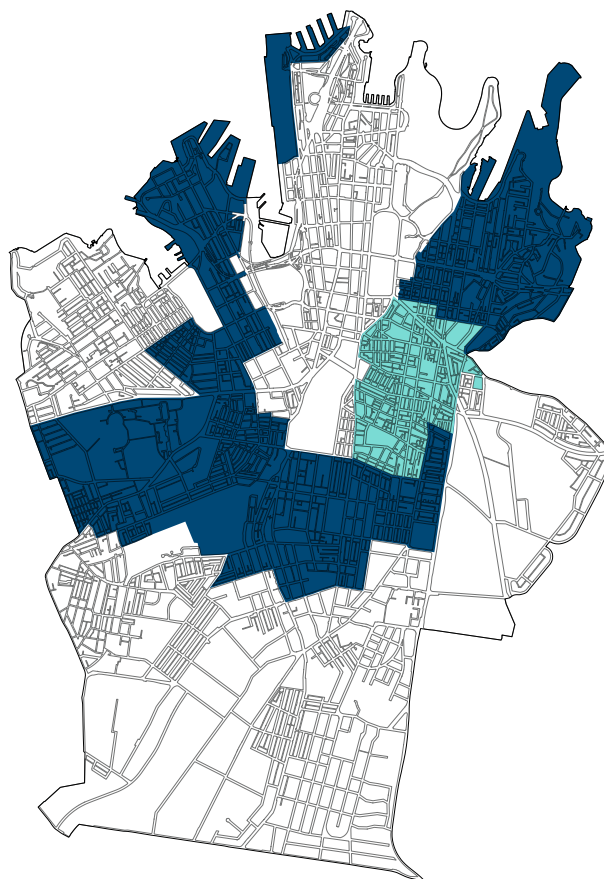


Figure 62: ■ Eastern Creative Precinct



The community told us to ensure a mix of land uses to support lively and thriving village economies.

Within City Fringe, the Innovation Corridor and the emerging Eastern Creative Precinct support businesses and knowledge-based clusters to achieve economies of scale through access to an extensive customer base. This larger customer base presents opportunities for enterprises to gain efficiencies by specialising in a particular field. This process encourages agglomeration and provides opportunities for businesses to exchange ideas, innovate and gain access to a diverse and highly skilled labour force.

The high-value clusters across City Fringe are at the forefront of the type of innovative and diverse clusters needed for global economies to be competitive in the 21st century. The city's economic success in the new economy relies on its ability to diversify and leverage off the proximity, relationships and culture of existing and emerging businesses and clusters and their ability to agglomerate.

The City's planning proposal for 225-279 Broadway, Glebe establishes innovative and unique site-specific planning controls to create strategic land use outcomes and can be a model for activity streets and other places in the City Fringe.

The new controls provide additional floor space for uses that align with the education, creative and knowledge-intensive focus of City Fringe within an urban form that responds to the context

Innovation Corridor

The Innovation Corridor includes places conducive for innovation and knowledge-intensive growth such as the Camperdown-Ultimo Health and Education precinct and areas within Pyrmont through to Central including the Sydney Innovation and Technology Precinct, Redfern and Waterloo, including the Botany Road Corridor.

These places benefit from proximity to dense economic activity in Central Sydney, major health and education institutions and significant private and public investment including existing transport infrastructure and urban amenities that attract talented labour force

These places also benefit from industry and cross-government collaboration to develop economic development strategies to ensure their long-term productivity and ability to adapt to future economic and technological change.

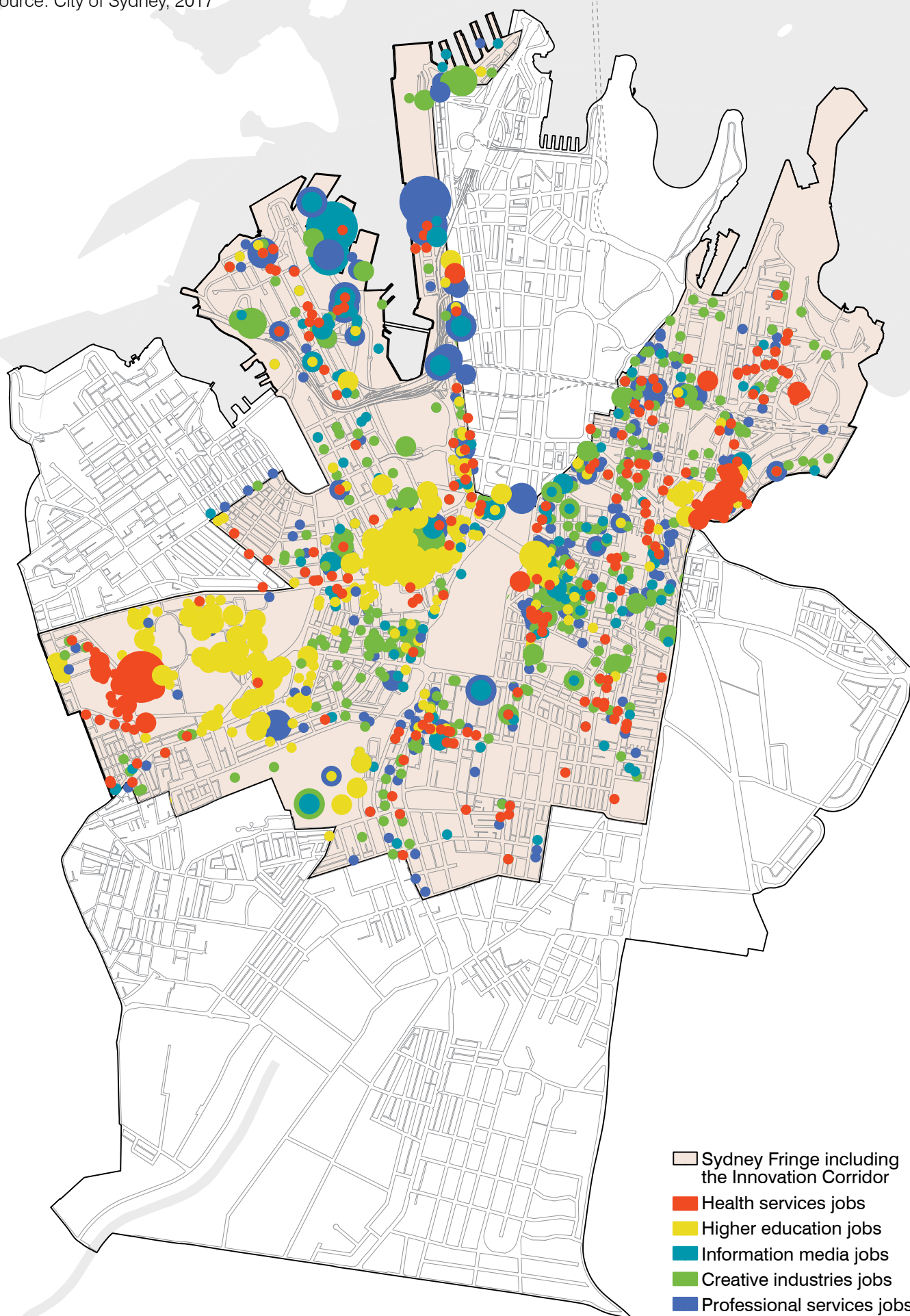
Within the Innovation Corridor, the District Plan identified the Camperdown-Ultimo Health and Education precinct as a potential area that could develop into a mature 'Innovation District'. It is one of the largest and most comprehensive health and education precincts in Greater Sydney, accommodating more than 97,000 workers^{xxii} in the specialised health and life sciences, education and research services, creative industries and information media sectors.

The Greater Sydney Commission's Camperdown-Ultimo Place Strategy establishes a vision for the precinct to attract high-growth sectors, new jobs and investment that make a major economic and social contribution to New South Wales through research, discovery, collaboration and innovation.

In the Central to Eveleigh corridor, the NSW Government has committed to creating a globally competitive innovation and technology precinct. The vision is to create 25,000 new innovation jobs, 100 new scale-up companies and to triple NSW's technology exports. This is an opportunity to deliver catalytic economic outcomes by linking internationally focused finance and professional services clusters in Central Sydney to those within the Innovation Corridor.

Redfern-Waterloo experienced strong employment growth – growing by up to 51 per cent in jobs between 2007 and 2017^{xxiii}. This growth was accommodated within existing development and despite a reduction in employment floor space. The area is expected to continue attracting demand from businesses unable to secure suitable space in Central Sydney and other areas in City Fringe such as Surry Hills and Chippendale but growth will be constrained if the loss of business floor space continues. This overflow demand will be influenced by the area's proximity to Central Sydney, existing clusters and attractors within the Camperdown-Ultimo Health and Education precinct, such as the Australian Technology Park, and infrastructure investments around Redfern station and the future Waterloo Metro station.

Figure 63: Key industry clusters in City Fringe
Source: City of Sydney, 2017



The Harris Street and Pyrmont area contains 7 per cent of the city's employment and contains clusters of creative industries, information media, tourist and cultural industries, and higher education and research. The area is increasingly a sought-after location for specialised information media, technology and creative industries, which has led to a continuous decline in office vacancy rates^{xxiv}.

The demand for space in the area is influenced by businesses seeking a cheaper alternative to Surry Hills and Central Sydney, as well as the presence of anchor institutions such as Google, Fairfax and the University of Technology Sydney. The area's ability to cope with the increase in demand from more knowledge-intensive businesses is constrained by the limited availability of building stock, particularly high-quality stock with appropriate floor plates. Providing more capacity for commercial uses is also constrained by the increasing demand for residential development, including student housing and lack of transport accessibility.

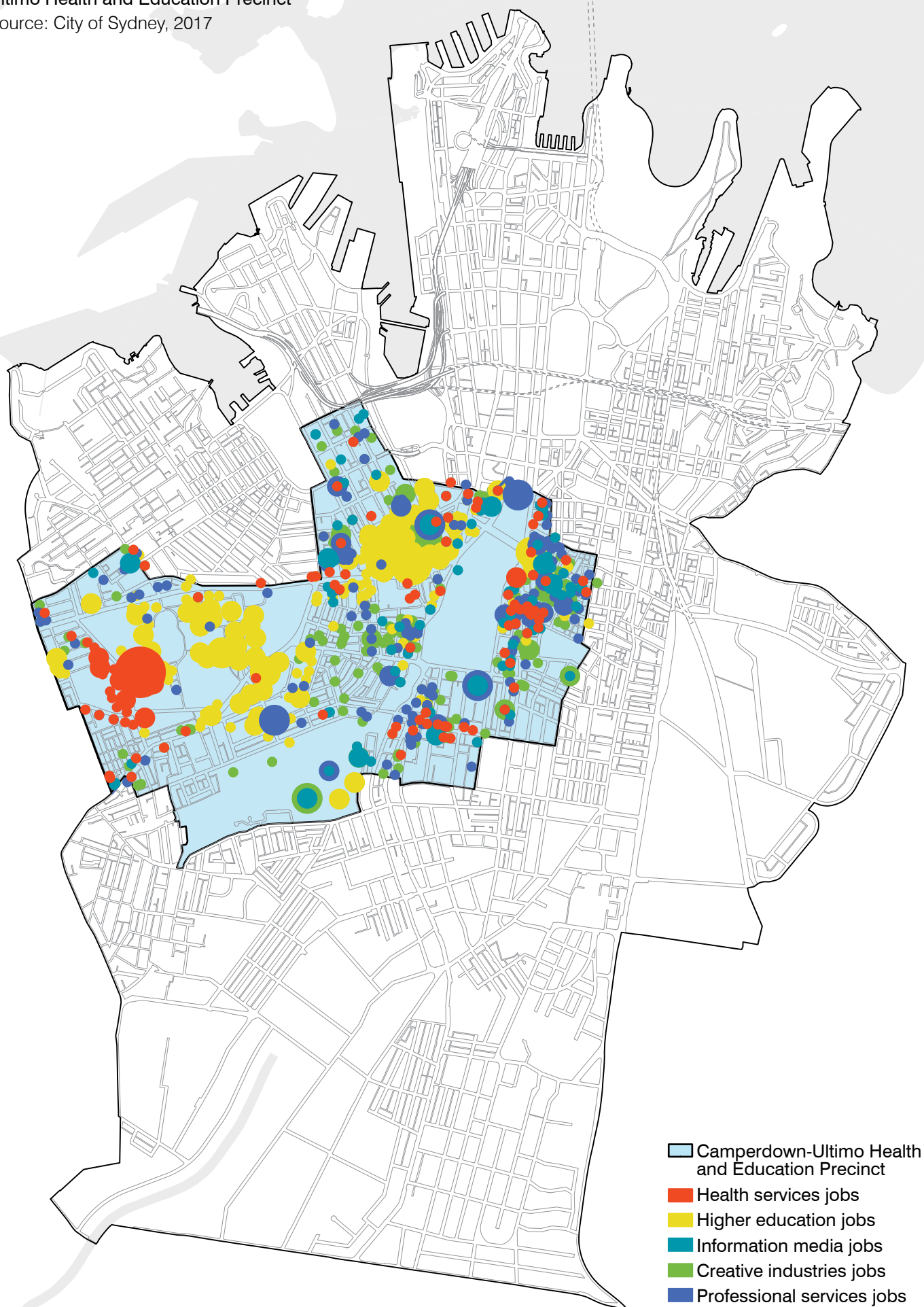
The review of planning controls in Pyrmont will focus on unlocking opportunities for economic development and jobs growth. The NSW Government's development of The Bays Market District in particular provides an opportunity to deliver a renewed hub for leading edge, innovative and creative workplaces within the Innovation Corridor. The area will also feature a rejuvenated Sydney Fish Market, posed to be the largest market of its kind in the Southern Hemisphere, which could receive up to 5 million visitors a year^{xxv}.

Pyrmont peninsula

Following a review by the Greater Sydney Commission in August 2019, the NSW Government has announced it will develop new planning controls with the objective of Pyrmont and the Western Harbour Precinct becoming the "gateway to the CBD" and Sydney's next "economic and jobs hub".

Pyrmont has been identified as a precinct for 'collaborative planning' between the NSW Government and council. The City will work with the NSW Government in its place based review of Pyrmont. The review should respect the existing character of the area and prioritise employment growth and economic development to deliver a genuine mixed-use precinct.

Figure 64: Key industry clusters in the Camperdown-Ultimo Health and Education Precinct
Source: City of Sydney, 2017



Eastern Creative Precinct

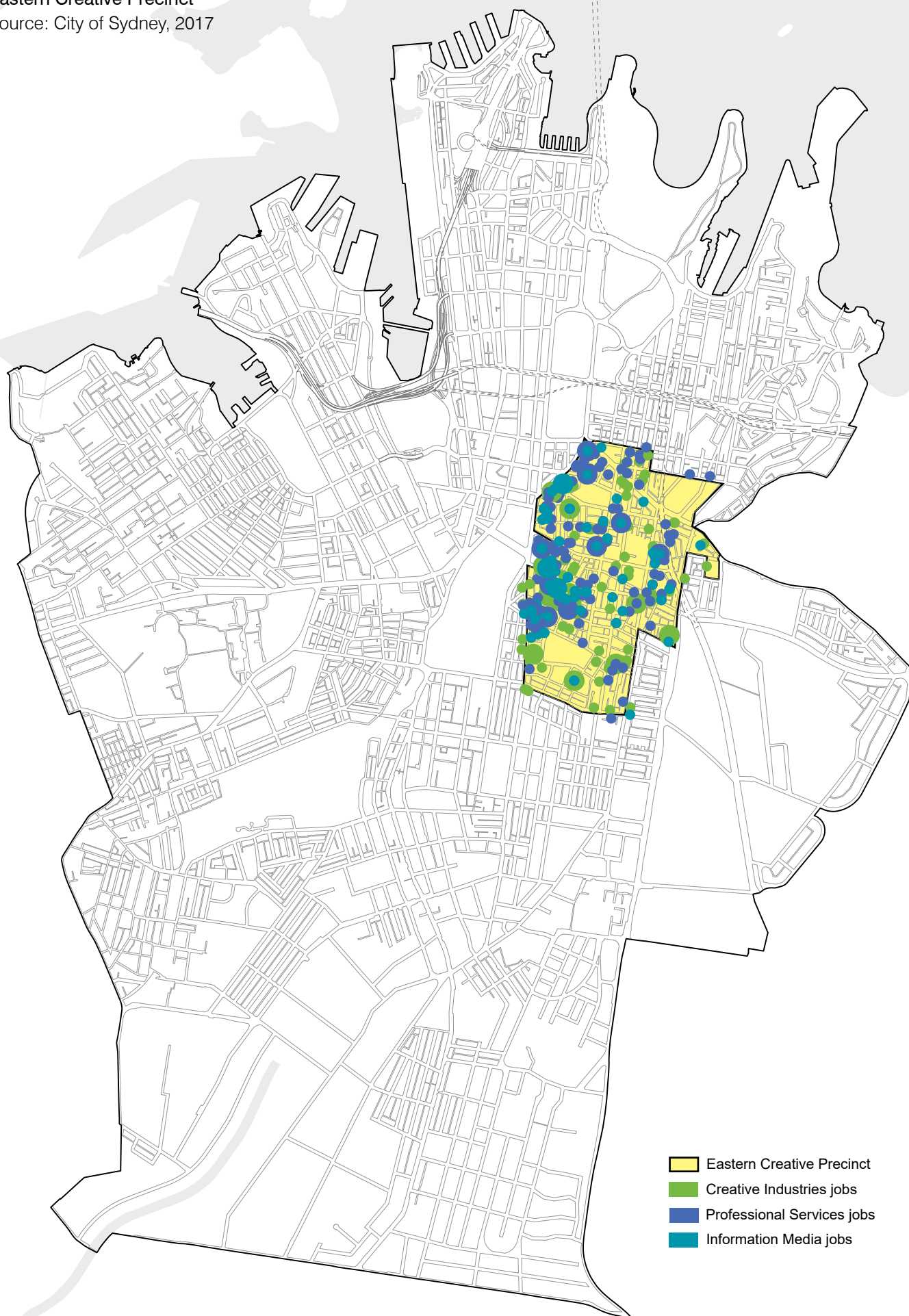
Creative industries are distributed throughout the villages within City Fringe, with concentrations in Surry Hills (around Central station) and in high streets throughout Redfern Street, Crown and Baptist Streets and Oxford Street villages.

Businesses and workers in creative industries are attracted to accessible areas with good amenity and diversity in character and built forms. The City will continue to prioritise and encourage diverse and well-designed workplaces, ranging in size, type and price points, to support emerging and established creative and cultural industries in parts of Surry Hills. The City will continue to protect and encourage creative and cultural uses around Taylor Square and Oxford Street to support existing and emerging clusters within the Eastern Creative Precinct. This will capitalise on the City's cultural spaces, such as the Eternity Playhouse and East Sydney Community and Arts Centre, and the recently announced long-term lease for the National Art School and other existing institutions, businesses and cultural activities.

There is a strong correlation between where businesses in professional services, information media and creative industries choose to locate and the presence of retail and food and drink clusters. The employment opportunities, social and cultural offering, urban character and proximity to Central Sydney make areas along the Eastern Creative Precinct attractive for a range of businesses and workers and residents alike. The diversity in built form and spaces within it also appeal to businesses looking for a different offering from conventional workspaces offered elsewhere in the city.

Figure 65: Key industry clusters in the Eastern Creative Precinct

Source: City of Sydney, 2017



- Eastern Creative Precinct
- Creative Industries jobs
- Professional Services jobs
- Information Media jobs

Driving innovation through planning

City Fringe has experienced significant growth over the last 10 years. City Fringe accommodates more than 125,000 residents, up to 127,000 workers and over 7,500 businesses. As one of the most desirable areas in the city and given its strong public and private interest and its locational benefits, the City needs to manage the pressures of change and prioritise capacity for a diverse range of knowledge-based business and enterprise activities.

The diverse mix of industry and the relationship between sectors that make up the city's dynamic economic ecosystem will continue to drive the city's and Harbour CBD's overall productivity. Central Sydney's financial and professional services are dominant sectors in the city's economy. Economic competitiveness, innovation and resilience will be supported by growth in education, health, technology and creative sectors throughout City Fringe. Further, the finance sector's global and national focus could be leveraged by the knowledge-intensive sectors and clusters in City Fringe.

The economic opportunities of the City Fringe relies in part on the capacity for clusters to grow. Our capacity study shows that 52 per cent of the remaining floor space capacity available within current planning controls in City Fringe is likely to be for uses other than residential. However, 70 per cent of this available capacity is within business zones that allow residential development.

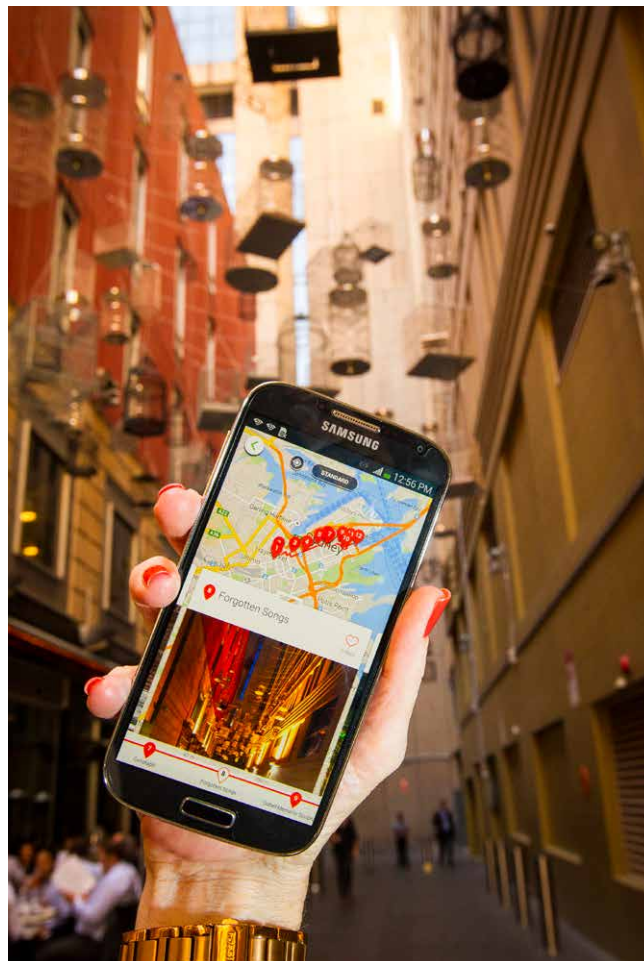
Without intervention, residential development may constrain City Fringe's capacity to contribute up to 53,800 additional jobs by 2036 to meet the baseline District Plan jobs targets for the Harbour CBD. We also need to improve the diversity of enterprise spaces and balance other uses, including housing, community, recreational and cultural uses, or risk losing out to other global economies that are continually moving towards a knowledge-based innovation economy.

The City will continue taking a place-based and sector-focused approach in planning for City Fringe. This involves prioritising the delivery of a wide variety of spaces, ranging in type and price points, to support the growth of specialised clusters within the Innovation Corridor, the Camperdown-Ultimo Health and Education Precinct and the Eastern Creative Precinct. This also includes unlocking capacity to meet the increasing demand for enterprise floor space in the Crown and Baptist Streets village areas and working with the NSW Government to ensure future planning controls in the Harris Street village area (which includes Pyrmont) can facilitate appropriate growth while remaining sensitive to areas with unique built form and heritage qualities.

The ability of businesses and clusters to continue to grow and agglomerate also relies on their ability to connect, both physically and technologically. The City will continue advocating and facilitating ongoing transport and digital infrastructure investments to improve connectivity within clusters in City Fringe and to the rest of the Eastern Economic Corridor, including the rest of the Harbour CBD and the Green Square-Mascot Strategic centre.

Smart Sydney

Cities and economies across the world are experiencing a technological revolution amidst rapid urbanisation, globalisation and climate change. We need to ensure that we can harness technology and digital intelligence to enable an environment in which people, businesses, processes and policies work cohesively to weave technology into the fabric of everyday life. Moving towards a 'smart city' is vital for the City to sustain our global reputation as a liveable, resilient and competitive place that attracts innovation, investment and global talent. We will continue our participation in developing a platform of digital connectivity and infrastructure that integrates physical, digital and human systems, enables collaboration and unlocks collective intelligence to solve pressing challenges and discover new opportunities.



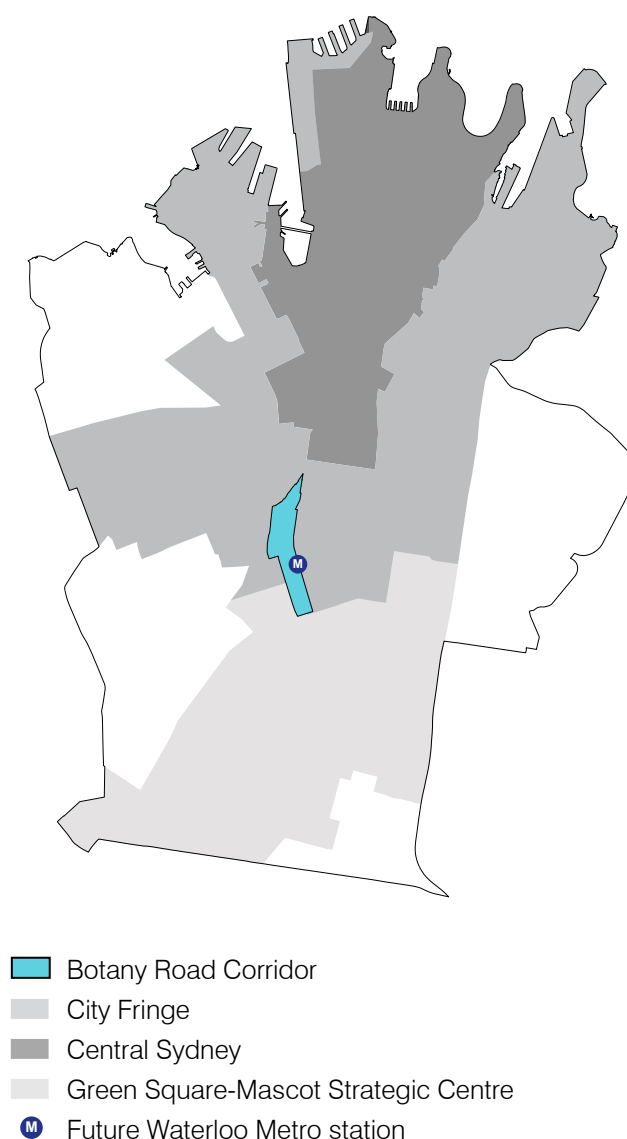
To realise our vision for a connected and innovative multi-centre economy, the City will focus on safeguarding the economic role of key places within City Fringe experiencing the pressures of change. This involves prioritising business, knowledge-intensive, creative and other enterprise activities in mixed use areas (B2 Local Centre and B4 Mixed Use zones).

The City will also investigate opportunities to increase non-residential capacity in the Botany Road Corridor. The Botany Corridor is an opportunity to grow the Eveleigh node of the Camperdown-Ultimo Health and Education precinct to support the NSW Government's Sydney Technology and Innovation precinct and link to the future Waterloo Metro station. The corridor has the potential for private sector business and investment to leverage off and support the offering of Australian Technology Park.

We will continue to collaborate with the NSW Government on projects and initiatives, including The Bays Market District and the Sydney Technology and Innovation Precinct, to deliver places that attract knowledge-based industries and highly skilled workers and create flow-on benefits for the surrounding precincts. We will also continue collaborating with the NSW Government, Inner West Council, the universities, TAFE, RPA and other stakeholders on the commitments and directions in the Greater Sydney Commission's Camperdown-Ultimo Place Strategy.

Within the Eastern Creative Precinct, the City will plan for and support creative, cultural, food and drink and entertainment businesses in key areas and vibrant high streets within the Oxford Street and Crown and Baptist Streets village areas, including Surry Hills. This includes improving planning controls to support night-time businesses, creative uses and performance activities. The City will also work with businesses, land owners and institutions to encourage appropriate creative and cultural uses and anchor the Precinct around institutions and clusters in Taylor Square and Oxford Street, including the National Arts School.

Figure 66: Botany Road Corridor



Actions

When will
it happen?

P2.1	Deliver diverse, suitable and well-designed spaces and places to support City Fringe's contribution to the city's and the District's economic diversity, affordability and resilience with a focus on knowledge-intensive sectors.	2021
P2.2	Enhance physical and technological connectivity and legibility within City Fringe to support the ability of people, businesses, institutions and clusters to interact, grow and agglomerate.	2021
P2.3	Investigate opportunities to unlock capacity for enterprise floor space in parts of the Crown and Baptist Streets village areas, including lower Surry Hills, to support productivity, cluster growth and contribute towards achieving the jobs target for the Harbour CBD.	Post 2021
P2.4	Ensure a genuine mix of uses to support lively and thriving village economies within City Fringe, including residential development provided it does not compromise commercial or enterprise uses.	Ongoing
P2.5	Strengthen the economic and productive role of the Innovation Corridor by: <ul style="list-style-type: none"> a) prioritising and safeguarding space for specialised and knowledge-based clusters and businesses, including, health, education, creative industries, professional services and information media b) identifying and supporting opportunities to appropriately increase capacity for commercial and other enterprise uses particularly those contributing to specialised and knowledge-based clusters, in mixed use (B2 and B4) zoned areas, including the Botany Road Corridor c) continuing our collaboration with NSW Government, Inner West Council, TAFE NSW, University of Notre Dame, University of Sydney, University of Technology Sydney, NSW Health and the Local Health District and other relevant stakeholders to ensure that productivity and industry cluster growth outcomes are prioritised in the Camperdown-Ultimo Health and Education precinct and Sydney Technology and Innovation Precinct. 	Ongoing

Actions

When will
it happen?

P2.6

Strengthen the economic and cultural role of the Eastern Creative Precinct by:

- a) safeguarding the capacity for a range of diverse and well-designed business, retail and office spaces, particularly for the creative industry sector
- b) encouraging the delivery of affordable space in developments for tech start-ups, innovation, creative industries, cultural infrastructure and community uses
- c) protecting and enhancing the entertainment, arts, performance and cultural role of areas and high streets within the Eastern Creative Precinct, including through the provision and preservation of space for cultural performance and production.

2021

P2.7

Continue advocacy to ensure delivery of sufficient and appropriate commercial, business, office and retail floor space in current and future NSW government projects in The Bays Market District, Waterloo Metro Quarter and Waterloo Estate, Central station, Redfern station and North Eveleigh and South Eveleigh.

Ongoing

P2.8

Work with the NSW Government to review planning controls for Pyrmont to facilitate appropriate economic and employment growth while remaining sensitive to Pyrmont's unique built form and heritage qualities.

2021

Sydney's retail sector

Sydney is Australia's premier retail destination providing a variety of retail options in the city centre and thriving main streets in our villages that match those found in comparable global cities.

The retail sector comprises over 8,700 businesses and employs over 15 per cent of the city's workforce. It provides employment opportunities for a broad level of skills and plays an important role in attracting global businesses and their highly skilled workers who seek a high-quality lifestyle and work environment. Contributing up to an estimated 6.1 per cent of the city's economic output (2017/18), the sector is not only a major economic driver but also contributes to the city's liveability. The sector offers vital services to our residents, workers and visitors and enriches the everyday cultural and social fabric of the city.

The City's policies and plans, including the City of Sydney Retail Action Plan and other initiatives recognise the diversity of retail in the city. The City will continue working with industry and government partners to help create an environment for retail businesses to flourish. Our planning approach will continue to support retail businesses across various formats and target market segments within a sustainable centres and transport framework.

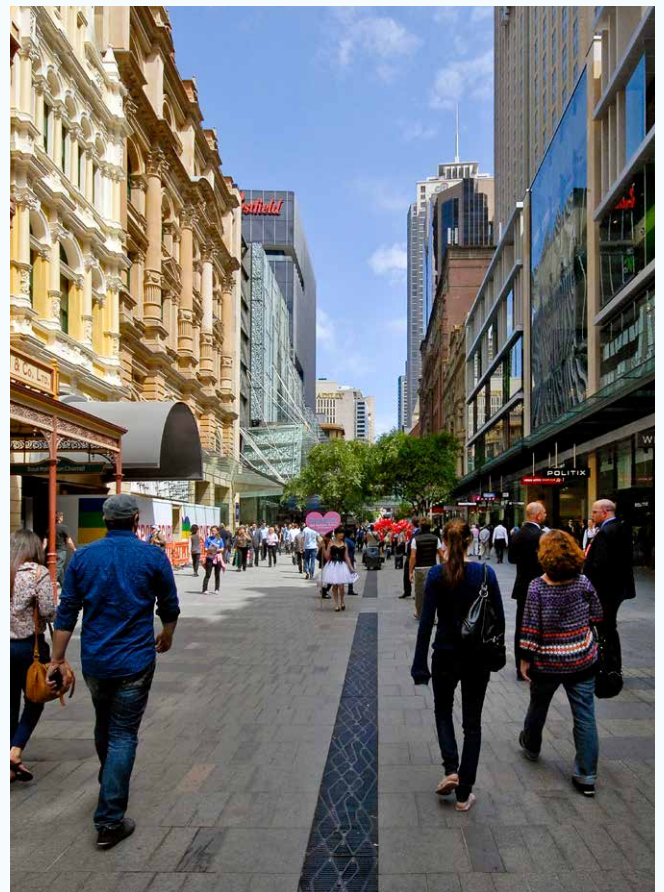
The Central Sydney Planning Strategy framework recognises the importance of retail premises in Central Sydney, which is home to one-third of the city's retail premises.

Action P1.2 focuses on providing an appropriate mix of land uses that support Central Sydney's role as the metropolitan centre and its diverse retail offering including tourism, culture, shopping, personal services and food and drink options.

In the City Fringe and high streets, the City will focus on ensuring a genuine mix of uses, including diverse retail options to support lively and thriving village economies (see Action P2.4).

The City will continue its approach in planning for large-scale retail development in planned centres to ensure that residents, visitors and workers have access to goods and services across the city.

Through the review of the City of Sydney Employment Lands Strategy, the City will ensure that industrial and urban services that are vital to the long-term productivity of the city and District are protected and managed. The review will consider enterprise uses, including retail that caters to the needs of strategically important industrial and urban services businesses in the Southern Enterprise Area and the wider Green Square-Mascot Strategic Centre. In particular, the City will identify and support opportunities for desirable non-residential uses, including retail, cultural and enterprise activities in the B7 zoned land in North Alexandria (see Action P3.1).



Priority **P3**

Protecting industrial and urban services in the Southern Enterprise Area and evolving businesses in the Green Square-Mascot Strategic Centre

In giving effect to *A Metropolis of Three Cities* and the Eastern City District Plan, this Local Priority delivers on the following planning priorities:

- ▶ E9 – Growing international trade gateways
- ▶ E11 – Growing investment, business opportunities and jobs in strategic centres
- ▶ E12 – Retaining and managing industrial and urban services lands

In giving effect to Sustainable Sydney 2030, this Local Priority delivers on the following direction:

- ▶ 1 – A globally competitive and innovative city

Objective

- ▶ The Green Square-Mascot Strategic Centre and Southern Enterprise Area continue to support a range of evolving businesses, services and specialised industries that contribute to the productivity of the Eastern Economic Corridor, Harbour CBD and international trade gateways

The Southern Enterprise Area in the Green Square-Mascot Strategic Centre comprises some of Sydney's most strategically located areas of business, industry and urban services. The area offers unique value from its locational efficiency close to the economic powerhouse of Central Sydney and the global gateways of Port Botany and Sydney Airport.

The role of the Southern Enterprise Area is to facilitate new businesses and industry opportunities, provide employment across a range of sectors, and make land available for key industrial activities and essential urban services. Businesses within this area currently deliver both direct and indirect support services to facilitate the development and operation of the critical international trade gateways of Sydney Airport and Port Botany as well as Central Sydney and business and community needs throughout the District. The Southern Enterprise Area will continue to play a crucial role in supporting the growth of the local, metropolitan, state and national economies, while facilitating regional and global network connections.

Situated within the Eastern Economic Corridor and just three kilometres from Central Sydney, the Green Square-Mascot Strategic Centre, including the Southern Enterprise Area may accommodate up to 11,400 additional jobs by 2036 to meet the District Plan's baseline jobs target. It is two kilometres from Sydney Airport, which handles around 44.4 million domestic and international passengers per year^{xxvi}. Around 530,000 tonnes of freight passes through the airport, and it is a major generator of both direct and indirect jobs, many of which are located in the Enterprise Area^{xxvii}. Also located just three kilometres to the south of the Strategic Centre is Port Botany, which is Australia's largest port by volume, handling over 2.5 million twenty-foot equivalent units (TEU) of freight^{xxviii}.

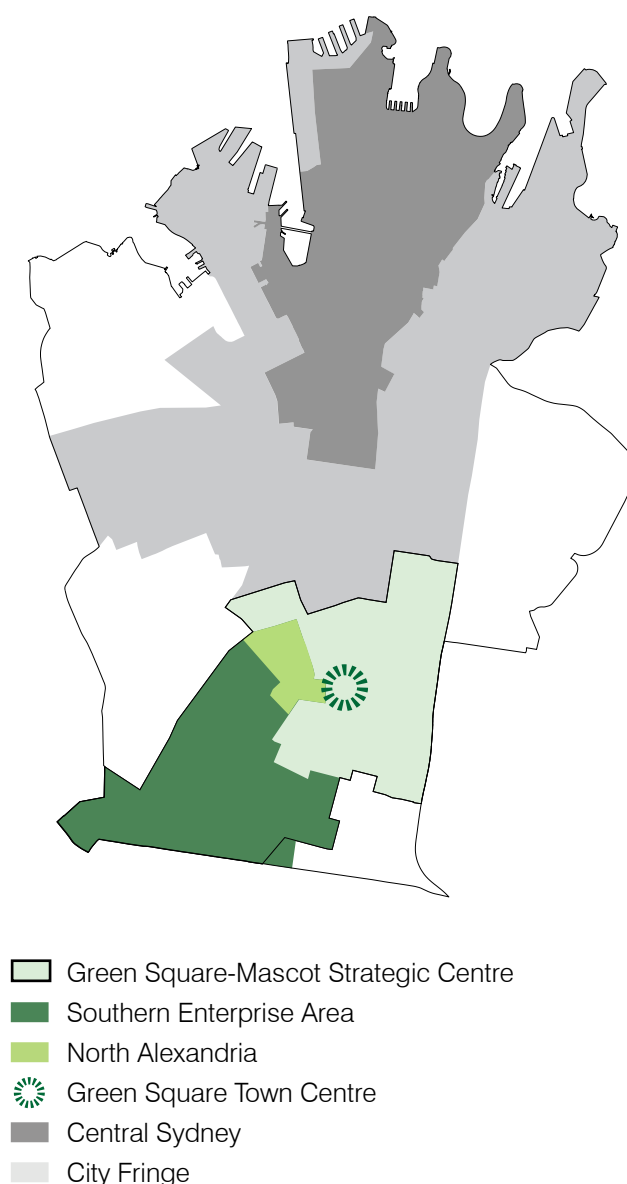
The Southern Enterprise Area contains 60 per cent of the District's B6 Enterprise Zone and B7 Business Park zoned land and 11 per cent of all industrial and urban services lands in the District^{xxix}. Given the area's importance in providing opportunities for business, industry and services, residential development is not permissible within these zones, with the exception of suitable affordable rental housing in the B7 Business Park zone.

By maintaining the area for employment, the City continues to provide opportunities for ongoing growth in specialised employment sectors as a means to meeting the jobs target within the Green Square-Mascot Strategic Centre as well as the wider Eastern City District. Keeping land mainly for employment ensures that these uses are not displaced by residential dwellings. There is a strong demand within the city for industrial land use that is essential to the efficient and effective functioning of the city, together with adaptively re-used spaces for non-industrial commercial use, including more knowledge-intensive and creative sectors that require more affordable space.

The importance of industrial and urban services lands is recognised through the implementation of the City's Employment Lands Strategy to ensure ongoing, adequate and appropriate supply of suitable land for business, industry and services and to guide employment growth to 2030^{xxx}. The Strategy ensures that enterprise-focused zones are protected in the long term and continue to facilitate emerging businesses and industry opportunities. It introduced a more flexible approach to land use in parts of the Southern Enterprise Area to facilitate higher-density employment and new economic activities such as new industrial uses, creative uses, knowledge-intensive uses and more flexible commercial, retail, industrial and community spaces. At the same time, it sought to ensure that industrial-focused lands are not overburdened and continue to remain viable for important lower-value uses.

The Southern Enterprise Area accounts for 68 per cent of all businesses within the Strategic Centre. Within the city, the manufacturing sector is largely concentrated in the Southern Enterprise Area, accommodating a 43 per cent share of all businesses in this sector. Over one quarter, 28 per cent, of the city's transport and logistics businesses are in the Enterprise Area and 32 per cent of all motor vehicle-related businesses^{xxxi}. The importance of the Southern Enterprise Area can be seen in terms of the floor space used by these key sectors: 70 per cent of manufacturing sector floor space, 46 per cent of motor vehicle industry-related, and 18 per cent of the transport and logistics sector within the city are located within the Southern Enterprise Area^{xxxii}.

Figure 67: Green Square-Mascot Strategic Centre



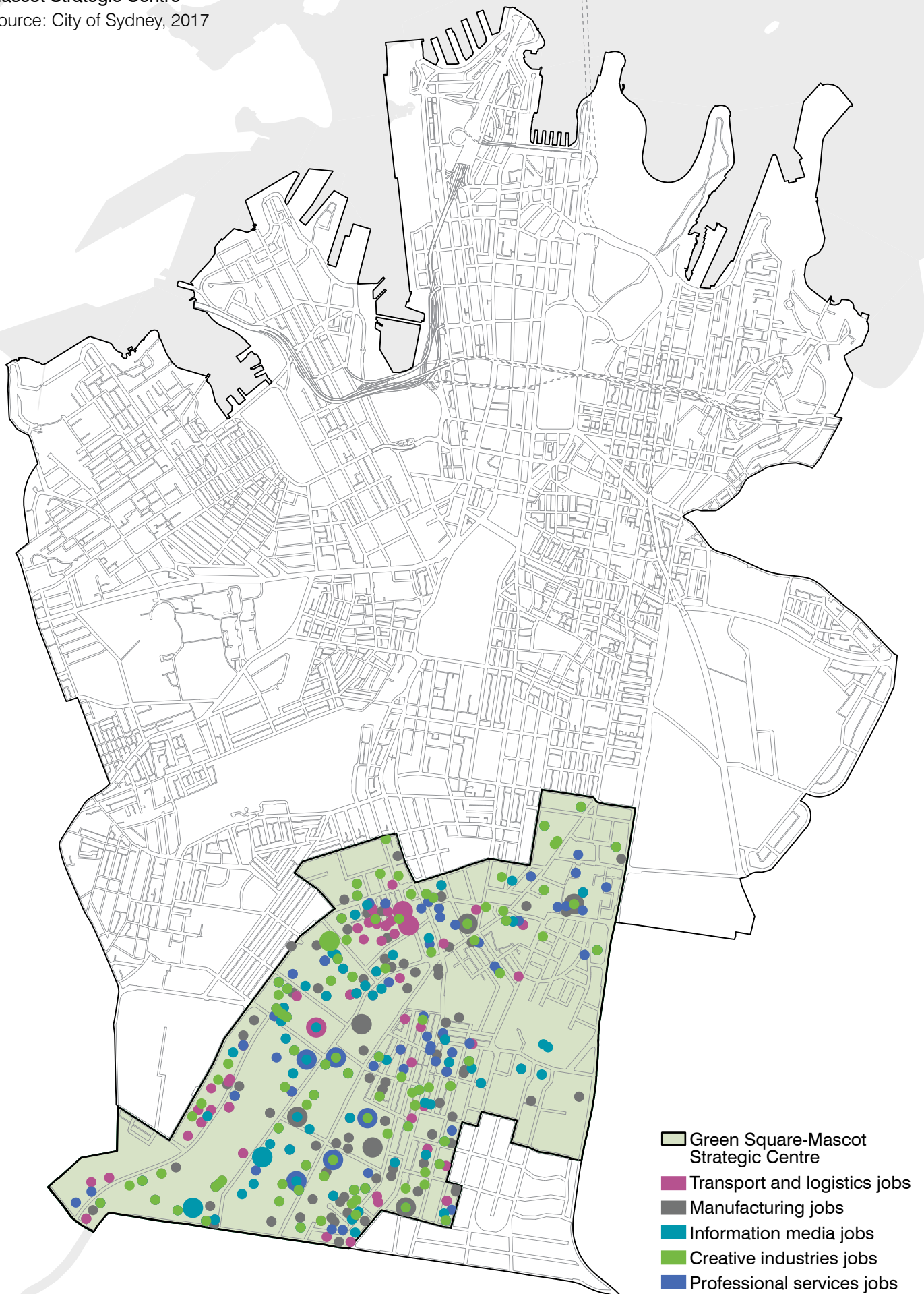
The city has a strong employment share nationally in digital economy-related businesses and those in the financial sector. There is an ongoing need for suitable land to house digital and data infrastructure to support these sectors while making room for growth in these knowledge-based economies. Old manufacturing centres have been moving out of the Eastern District as new innovation hubs become the engines driving the city's prosperity. Increased productivity costs have seen manufacturing relocate to areas in the outer suburbs of Sydney or offshore due to the advantageous opportunity costs in doing so. As these lands are vacated, there is the opportunity for other uses to move south from Central Sydney, taking advantage of the lower rents on offer, while still being strategically located within the local area. The decline of manufacturing-dominated industries has been matched by a rise in a new service-dominated economy. Despite the decline in the manufacturing sector, there is still a need to retain affordable and well-located land for urban services needed by the city's and the District's growing population and economy.

North Alexandria, located near Green Square station, is a strong area for potential business transformation from the former industrial activities towards a range of higher-density, more knowledge-intensive and creative industry employment sectors. High rental costs in the Harbour CBD have resulted in a mix of businesses moving south, drawn by good public transport provision at the station. These are supported by a high amenity environment within the Green Square Town Centre.

As residential uses develop in the urban renewal area, more retail and personal services businesses are attracted to the area to provide essential goods and services to the people living there. Its proximity to both the industrial lands and the urban renewal area enables it to act as a business transition zone and capture overflow demand from Central Sydney as well as to provide services and amenity for nearby Green Square. Protecting the existing B7 Business Park zoning in North Alexandria against residential encroachment enables future employment demand to be accommodated. The City will undertake a precinct-based review of planning controls to facilitate desirable non-residential uses within the B7 zoned land in North Alexandria.

South Alexandria offers opportunities for manufacturing sectors which still require proximity to both Central Sydney and the trade gateways due to existing networks, supply chains and customer base. Wholesale trade, transport and logistics services and the postal and warehousing sectors benefit from locating in less dense areas where rental costs are lower. Logistics service providers get additional advantages from being located close to the port and airport. In addition, some public services, such as waste management facilities and council depots, are best suited to the fringes of urban areas due to the support services they provide to these residential areas.

Figure 68: Key industry clusters in the Green Square-Mascot Strategic Centre
Source: City of Sydney, 2017



Actions

When will
it happen?

P3.1

Enable economic and specialised sector growth which supports Central Sydney, the Eastern Economic Corridor and the international trade gateways, and contributes towards the jobs targets for the Green Square-Mascot Strategic Centre by:

2021

- a) retaining and managing the Southern Enterprise Area for industrial and urban services uses while enabling new business opportunities which reinforce the economic role of the Strategic Centre
- b) undertaking the five year review of the City's Employment Lands Strategy
- c) identifying and supporting opportunities for cultural activities and enterprise uses to grow in appropriate locations
- d) undertaking precinct-based planning to investigate appropriate land use and built form controls to facilitate desirable non-residential uses within B7 zoned land in North Alexandria
- e) reviewing the permissibility of shop-top housing along Botany Road, south of Green Square Town Centre
- f) continuing collaboration with Bayside Council in giving effect to the District Plan's actions for the Green Square-Mascot Strategic Centre.

