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NSW Department of Planning, Industry and Environment
Locke [REDACTED]
Parra [REDACTED]

Attention: [REDACTED] Employment Zones

**RE: [REDACTED] SUBMISSION IN RELATION TO NSW GOVERNMENT PROPOSED
EMPLOYMENT ZONES FRAMEWORK**

Dear Sir / Madam,

This Submission has been prepared by Willowtree Planning Pty Ltd on behalf of Qualitas, in relation to the NSW Government Proposed Employment Zones Framework.

Whilst this Submission considers the Employment Zones Framework holistically, it also focuses on the relationship of the Framework to the proposed industrial-led creative cooperative ('Your Space Marrickville') at 3 Myrtle Street and 3-5 Carrington Road, Marrickville (Lot 3 & 4 DP 774207). 'Your Space Marrickville' is proposed to comprise Build-To-Rent (BTR) Housing targeted towards the creative and cultural industries and complimentary creator/maker workspace, gallery and exhibition space, and an artisan food and beverage offering.

To facilitate this outcome, a Planning Proposal (PPAP/2020/0010) is currently under assessment by Council for amendment to *Marrickville Local Environmental Plan 2011* (MLEP2011) to include additional building height up to seven (7) storeys, additional Floor Space Ratio (FSR) of 3.82:1, and an Additional Permitted Use (APU) for BTR Housing within the IN2 Light Industrial zone.

BTR has been proposed for two (2) key reasons; affordability and security in perpetuity. BTR would support affordability, as creatives would benefit from a better return on finite capital through deploying that capital into their business rather than into their housing needs. Secondly, BTR would ensure that the stratum could never be sold off as Build-To-Sell (BTS) to other employment denominated purchasers. Accordingly, the BTR stratum would ensure that the industrial land is retained, for the use of the creative sector. Given creatives are transient in any case, this means that the proposal would be able to help far more people through turning over a lease multiple times within the same community.

The Planning Proposal for 'Your Space Marrickville' seeks to facilitate flexibility within employment zones, reflecting the overriding objectives of the NSW Government's Proposed Employment Zones Framework. 'Your Space Marrickville' responds to the guiding rationale underpinning the Framework and would contribute to achieving the Framework's aims by responding to the evolution of the economy, supporting the growth of key industry sectors, and facilitating innovation in live-work arrangements.

Accordingly, this Submission proceeds to express support for the Framework generally, whilst proposing specific recommendations focused primarily on the relationship between residential and employment opportunities, and the creative industries. This Submission simultaneously highlights the ways in which the Planning Proposal for 'Your Space Marrickville' is key to achieving the guiding objectives of the NSW Government's Proposed Employment Zones Framework.

Planning Submission

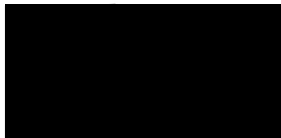
NSW Government Proposed Employment Zones Framework

This Submission is structured as follows:

1. Support for the Framework generally
2. Recommendations to support the employment and living needs of creatives
3. Recommendations for implementation
4. Summary of recommendations and conclusion

We look forward to the opportunity of engaging with the Department of Planning, Industry and Environment (DPIE) on the Employment Zones Framework and the Planning Proposal.

Yours faithfully,




Managing Director
Willowtree Planning

1. SUPPORT FOR THE FRAMEWORK GENERALLY

We commend DPIE on its Framework for reforming employment zones in order to respond to the evolution of working and living across the State, and promote flexibility, innovation and growth. It is agreed that, within the context of changing employment functions and land uses, the framework for managing employment land uses must be flexible and able to respond to unexpected challenges. In particular, the formal recognition of growing industry sectors (eg. creative industries) and acknowledgement of increasingly hybrid arrangements of working and living, are considered to reflect economic and societal realities, yet to-date have encountered statutory barriers constraining growth, productivity and liveability.

'Your Space Marrickville' is one such example of a live-work model that responds to the expressed needs of the creative sector by innovatively integrating employment and housing solutions on a single site in a strategic location. The significant barriers that have been encountered to-date and delayed the on-the-ground strategic outcomes, however highlight the dire need for reform.

2. GUIDELINES FOR RESIDENTIAL OPPORTUNITIES

The Framework describes an 'employment zone' as one 'in which the *primary* objective is to promote employment generating activities'. This statement is agreed with, although as an aside it is clarified that this *primary* purpose for employment generating activities, does *not* preclude certain other complementary uses from being highly appropriate for co-existing (or even being essential for promoting improved outcomes owing to symbiotic relationships). An example of this symbiosis, is creative live-work, which jointly achieves productivity, affordability and flexibility.

Having regard to the Proposed Land Use Matrix, it is noted that residential uses are generally not mandated as either permissible or prohibited in the employment zones (excepting Shop Top Housing in E1 Local Centre and MU Mixed Use zones, and Group Homes, Boarding Houses and Seniors Housing in select other zones). This approach would provide Councils with discretion to include or exclude residential uses in the various employment areas under their jurisdiction. This flexibility is supported as it recognises that opportunities exist in some employment zones and locations for residential uses to appropriately co-exist with employment uses. It is however recommended that guidelines are developed to assist Councils in identifying those locations where residential accommodation would be an appropriate permissible use in employment zones. It is recommended that the guidelines also address the specific types or form of residential development that would be suitable for the various employment zones, in order to promote compatible productivity and liveability outcomes.

'Your Space Marrickville' provides a pioneering model of live-work development in a highly strategic location, being on the transitionary edge of an evolving creative industrial cluster and growing residential area, in immediate proximity to a new Metro station and established shops and services. Amongst the existing creative community in the area, there is significant demand for innovative and diverse live-work solutions, to address current affordability issues and a general shortage of spaces that meet their needs. Accordingly, 'Your Space Marrickville' exemplifies the needs, demands, responses and strategic merits, that may be incorporated in the guidelines for residential uses in employment zones, across Greater Sydney.

In light of the merits and significant benefits demonstrated in 'Your Space Marrickville', it is considered that the reference to residential uses in the 'strategic intent' section of the Framework should be reframed. In particular, the Productivity Support zone states that it 'generally does not support residential uses'. The adoption of the wording 'generally' suggests that there *may* be circumstances where residential uses are appropriate, however it is recommended that this suitability of residential in the Productivity Support zone in certain contexts, should be made more explicit. The aforementioned recommended guidelines would also support this aspect of the Framework.

The Framework states that the General Industrial zone 'does not support residential uses'. Given that the E4 General Industrial zone is intended to generally replace the current IN1 *and* IN2 zones, it is considered that there should be recognition that residential uses *would* be appropriate and provide for strategic outcomes in some E4 zones, particularly where these exhibit a light industrial character. Otherwise, the rezoning of former IN2 zones would need to be a highly strategic exercise, with the selection of the new E3

Productivity Support zone or E4 General Industrial zone having major implications on where different uses have opportunities to establish and flourish. It is recommended that criteria is developed (and made available for public comment) to guide Councils in selecting whether the E3 zone or E4 zone would be more appropriate for each parcel of former IN2 land.

3. RECOMMENDATIONS TO SUPPORT CREATIVE INDUSTRIES

The Framework describes that emerging businesses blur historically distinct land uses and technological improvements reduce traditional land use conflicts. It is considered that the creative sector is the epitome of this, and should be more explicitly recognised as such within the Framework.

The Framework further describes that it is intended to support the direction set in State and local strategic planning, which sets the future vision for centres, precincts, cities and regions. This is particularly important for the creative sector, given that creative industries are promoted in all levels of strategic planning and for from a statutory perspective. To-date, this mismatch has served as an impediment to realising what the strategic plans set out.

The LEP review findings documented within the Framework document, earmark that there is no clear home for urban services land uses in the existing zoning framework. Yet urban services are critical to a sustainable and well-functioning city, but cannot compete with higher value land uses commonly found in centres. We would argue that a similar problem is being encountered by the creative sector, thereby validating the need for the distinct land use definition and the mandating of creative industries as a permissible use in appropriate zones. In light of the affordability issues often encountered by creatives, the need to support solutions that promote affordable employment spaces coupled with affordable living options, is highlighted. It is specifically to these dual affordability issues (ie. work space and living space) that 'Your Space Marrickville' seeks to respond, by ensuring that creatives can afford to work and live in locations that meet their needs and those of the City at large.

On this note, further reference is made to the findings of the LEP review documented within the Framework. The critical value of industrial lands is affirmed as is the need to ensure industrial activities can continue. However, it needs to be acknowledged that industries themselves have evolved, and continue to evolve, and must be accommodated accordingly. 'Separation' is not necessarily required, and may be unhelpful. This is particularly evident in the creative industrial sector, as creatives emphasise the importance of co-locating or being in close proximity to complementary (but not necessarily traditionally-industrial) services and uses.

With respect to the Proposed Land Use Matrix, it is noted that creative industries are treated consistent to light industries generally, being mandated as permissible in the E3 Productivity Support, E4 General Industrial, MU Mixed Use and W4 Working Foreshore zones. There are no mandated prohibitions for creative industries (or other light industries). These mandated uses (of permissibility in certain zones and no prohibitions) are supported, as it enables opportunities for creative industries to locate with other employment uses and mixed uses with which they may synergise.

Finally, it is understood that DPIE commissioned background analysis to gain an insight on new and emerging industries, which considered how creative industries are accommodated in the NSW planning framework, where and how creative industries are located, and any current inefficiencies. An extensive amount of research and consultation with the creative sector, have been undertaken as part of the Planning Proposal for 'Your Space Marrickville', and we are willing to share further feedback and insights with Government if requested.

4. RECOMMENDATIONS FOR IMPLEMENTATION

It is understood that the intention is for all LEPs to be updated by the respective Council. As self-repealing SEPPs will be prepared by DPIE, Councils will *not* be required to prepare individual Planning Proposals. Although it is understood that the self-repealing SEPPs will be exhibited for public comment, questions are raised in relation to the opportunity for public involvement in controversial rezonings within specific areas

of specific LGAs (eg. the rezoning of former IN2 land to either E3 or E4). It is requested that further details are provided with respect to such aspects of implementation.

5. SUMMARY OF RECOMMENDATIONS AND CONCLUSION

This Submission has reviewed the Proposed Employment Zones Framework, and commends its commitment to supporting the evolution and growth of employment through flexible and innovative Planning mechanisms.

The Submission has also highlighted the key ways in which 'Your Space Marrickville' models the flexibility and innovation that needs to be built into the new zoning provisions, in order to achieve the underlying objectives of the reforms.

The following recommendations are summarized.

- [REDACTED] recognize the opportunity for live-work models in strategic contexts, to promote affordability and flexibility.
- [REDACTED] guideline for Councils outlining key criteria for the suitability of residential uses in certain employment zones in strategic locations. In the guidelines, also address the specific types or form of residential development that would be suitable for the various employment zones, for example BTR. 'Your Space Marrickville' is considered to provide an exemplary innovative model.
- In particular, develop criteria (and make it available for public comment) to guide Councils in selecting whether the E3 zone or E4 zone would be more appropriate for each parcel of former IN2 land, particularly in light of the different uses that are permitted or encouraged in the respective zones.
- Respond to the evolution of industries and ensure they are accommodated accordingly. 'Separation' is not necessarily required, and may be *unhelpful*. This is particularly evident in the creative industrial sector, as creatives emphasise the importance of co-locating or being in close proximity to complementary (but not necessarily traditionally-industrial) services and uses.
- Align strategic and statutory planning, particularly in relation to the creative industries, which have to-date been promoted in all levels of Government strategic plans yet not adequately supported by the statutory framework.
- Consistent with the exhibited material, mandate permissibility for creative industries in all Productivity Support, General Industrial and Mixed Use zones. Avoid mandating any prohibitions for creative industries or residential uses, in order to achieve flexibility and promote live-work arrangements where suitable in specific locations in individual LGAs.
- In light of the affordability issues often encountered by creatives, the need to support solutions that promote affordable employment spaces coupled with affordable living options, is highlighted. It is specifically to these dual affordability issues (ie. work space and living space) that 'Your Space Marrickville' seeks to respond, by ensuring that creatives can afford to work and live in locations that meet their needs and those of the City at large.
- An extensive amount of research and consultation with the creative sector, have been undertaken as part of the Planning Proposal for 'Your Space Marrickville', and we are willing to share further feedback and insights with Government if requested.
- Regarding implementation of the Framework, questions are raised in relation to the opportunity for public involvement in controversial rezonings within specific areas of specific LGAs (eg. the rezoning of former IN2 land to either E3 or E4). It is requested that further details are provided with respect to such aspects of implementation.

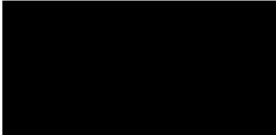
Planning Submission

NSW Government Proposed Employment Zones Framework

We look forward to the opportunity of engaging with DPIE on the Employment Zones Framework and the Planning Proposal for 'Your Space Marrickville'.

Should you wish to discuss the matter further, please do not hesitate to contact Willowtree Planning.

Yours faithfully,



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