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The General Manager
Cumberland Council
PO Box 42
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email: submissions@cumberland.nsw.gov.au
Attention: Adan Davis

Dear Mr Davis

CUMBERLAND COUNCIL'S DRAFT EMPLOYMENT AND INNOVATION LANDS STRATEGY - LAND USE PLANNING FRAMEWORK

This submission has been prepared by *KEYLAN Consulting Pty Ltd* in collaboration with *SGS Economics & Planning* on behalf of PAYCE, a major landowner in the Cumberland Local Government Area (LGA) in response to the Cumberland Council's (Council) *Draft Employment and Innovation Lands Strategy (EILS) - Land Use Planning Framework (LUPF)*, which is currently on public exhibition until 3 November 2017.

This submission is supported by a Report titled *Potential Economic Land Use Opportunities at Manchester Road* prepared by *SGS Economics & Planning (Attachment A)*. This report investigates the potential for future viable employment uses for PAYCE's site at Manchester Road, Auburn.

The Report concludes that a viable employment precinct for the Site must provide for a variety of employment uses and is highly dependent on a mixed use/residential component as proposed on the Manchester Road Site as detailed in an extract below (Bold our emphasis):

*...The Manchester Road site provides an opportunity to realise the employment potential of the precinct, by increasing the intensification of urban services or industrial jobs on it through the **delivery of a mixed-use development**. This supports the accommodation of future industrial and urban services employment and floorspace demand in the LGA through facilities that provide **both industrial and associated office floorspace for business operations**. It also supports Cumberland's desire to meet wider social objectives such as the provision of new homes, improvement to public amenity and providing opportunities for jobs that align with the skills of many residents of the Cumberland LGA.*

The undertaking of an LGA-wide Employment Lands Study is necessarily high level. SGS acknowledges that the need to consider all precincts in light of local and regional strategy makes the interrogation of site-specific opportunities difficult.

Additionally, the scope of such a study does not consider other, non-employment objectives such as housing and social infrastructure delivery.

This report demonstrates that the Manchester Road site can play an important role in the future of the LGA's employment and innovation strategy while simultaneously supporting a wider range of local and regional objectives around liveability and environmental sustainability. To realise this potential, and to deliver a precinct that is in line with local and regional aspirations, a mixed-use approach as proposed by PAYCE is required so that the appropriate employment floorspace is provided to the north of the site. Without it, the site risks under-performing in its role as important employment land and under-utilising its locational assets.

We have undertaken a detailed review of the Draft EILS - LUPF and generally support the aspirations and recommended planning interventions.

We acknowledge and broadly support Council's aim to transition its economy into higher order and productive industries and the knowledge-intensive economy across the Cumberland LGA.

In particular, we note the following Council aspirations identified in the strategy:

- *Forming an Innovation eco-system and knowledge-intensive industrial sector.*
- *Fostering growth in priority productive sectors which will also leverage the diversity and skills of migrants.*
- *Ensuring employment lands are sustainable, able to adapt to and accommodate changing needs of industry and business.*

PAYCE are now finalising a revised Planning Proposal for its Manchester Road site which will soon be lodged with Council. The Site comprises of 14 ha of largely disused and vacant industrial zoned land, within the Clyburn Precinct. The revised scheme seeks to regenerate this underutilised site for a mix of land uses including 4ha of new employment land consistent with the identified aspirations for employment land.

A review of the Draft EILS - LUPF with our comments and recommendations on key aspects, particularly in relation to the Manchester Road site, is outlined below.

Opportunities, Vision and Strategy

We generally support the Draft EILS focus on the importance of innovation and acknowledge the opportunities in for Cumberland identified in the EILS, for the following industries:

- Business and supply chain clusters;
- Research and development;
- Technology and creative industries;
- Artisan Industries.

The proposed employment land at the Manchester Road Site is perfectly situated to provide opportunities for a range of new employment opportunities including the above industries.

It is envisaged that 4ha of land will accommodate non-traditional commercial accommodation while the revitalised open spaces (including the Duck River corridor),

new local retail area and proximity to community facilities will provide for worker amenity with good pedestrian and transport access.

The SGs Report finds that new employment precinct at the Manchester Road Site is suitable to deliver up to 470 new jobs (based on a relatively conservative report)as industrial or urban services floorspace which is consistent with the five key growth sectors identified in the strategy, that is; digital technologies/media, creative industries, fashion, allied health and advanced knowledge services. These key sectors are currently not well represented in Cumberland.

We also generally agree with Council's approach of reinforcing existing successful industries (that is, freight and logistics, advanced manufacturing and food and manufacturing) in the right locations in the short term while outlining aspirational vision for the long term.

Recommendation

1. That Council recognise opportunities for contemporary employment uses, including some of the key industry sectors identified in the EILS, on the northern 4ha of land at the Manchester Road site (to be identified in the PAYCE Planning Proposal)

Clyburn Precinct Boundary

The Draft EILS identifies 15 Precincts within the LGA. The Manchester Road site comprises of a 14.1ha of land within the Clyburn Precinct which has a total area of approximately 78ha. This represents approximately 19% of the total Clyburn Precinct.

We note that the Clyburn Precinct (as now defined in the Draft EILS) incorporates land both north and south of the railway line. This differs from the Clyde Precinct defined in the endorsed *Auburn Employment Lands Strategy 2015*, which does not include land north of the railway line in the Clyburn Precinct.

A comparison of the two Clyburn Precincts is shown in the table below.

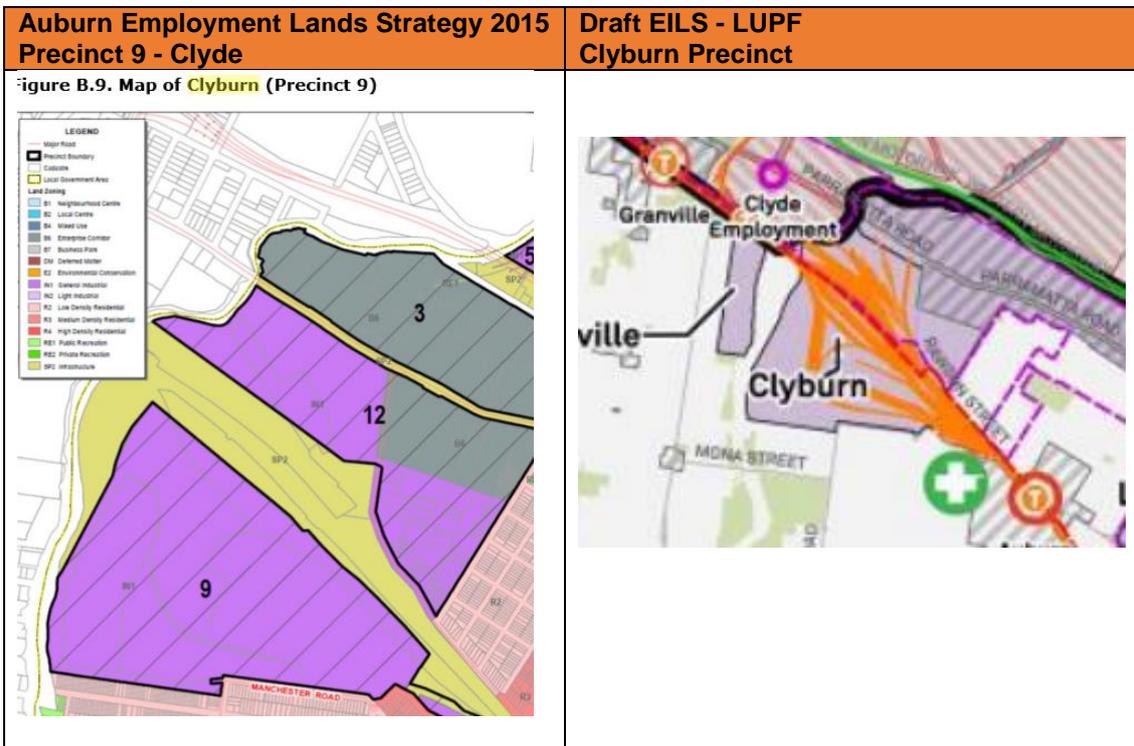


Table 1: Comparison of the Clyburn Precinct defined in the Draft EILS and the endorsed Auburn ELS 2015.

We contend that the endorsed Auburn ELS Clyde/Clyburn boundary is more logical as the areas north and south of the railway line have no physical connection being completely severed by the railway line.

The Precinct north of the railway line in the adopted Auburn ELS is the Auburn West Precinct and contains manufacturing and logistic users including Cement Australia and Boral Cement. The Clyde Intermodal Terminal, is also located north of the railway line. The importance of these uses is acknowledged, however the validity of these uses being treated as a *naturally occurring cluster* is questioned.

There is no physical connection between the area north and south of the railway land as the railway line acts as a physical barrier between the two areas, with no existing or proposed bridge connecting these areas and the uses/characteristics of the 2 precincts are very different.

Recommendation

- 2. That the areas north and south of the railway line be treated as separate areas in the Draft EILS, consistent with the adopted ELS.

Activity in the Clyburn Precinct

Table 2.1 in the Draft EILS-LUPF provides a description of each of the new proposed Precincts. The *Clyburn Precinct* is noted as having a vacancy level of circa 10% which

is the highest vacancy level (along with Smithfield and Lidcombe West) of all the Precincts, indicating a lower level of demand for the type of buildings currently located in the Precinct.

Table 4.4 in the Draft EILS-LUPF analyses development activity in each Precinct. Clyburn is noted as having “marginal” development activity, which is the lowest level of all the 12 Precincts (along with Holroyd and Greystanes).

In reference to the type of development in the Clyburn Precinct the table states:

Dearth of new development, both new builds and alterations, observed in the pipeline. Only major development observed in recent times has been two commercial office buildings at 148 Manchester Road for use by Sydney Trains

We note that the above development was undertaken by Sydney Trains on land zoned SP2 Infrastructure (Railway Uses) under the Auburn LEP 2010.

Notwithstanding our previous comments on the proposed extent of the Precinct, this analysis indicates a lack of demand and a general undesirability for the Clyburn Precinct from existing industrial users.

In this regard, it should be recognised that parts of the Precinct may be suitable for other employment uses which are currently not permissible under existing planning controls.

Recommendation

3. That the high vacancy levels and the lack of development activity in the Clyburn Precinct be acknowledged and that alternative and contemporary employment uses be investigated for part of the Manchester Road Site and reflect in new a planning control regime for the Site

Key Industry Sectors

We support the key industry sectors that Council has targeted for development and growth in Cumberland: These key sectors are:

- *Digital technologies/media*
- *Advanced knowledge services*
- *Creative industries*
- *Fashion*
- *Allied health*
- *Advanced manufacturing*
- *Food and beverage manufacturing*
- *Freight and logistics*

The proposed Employment Precinct at Manchester Road is suitable for the delivery of five key industry sectors, that is; digital technologies/media, creative industries, fashion, allied health and advanced knowledge services. We understand that these key sectors are currently not well represented across the LGA.

Further detailed analysis on potential viable employment land is provided in the SGS Report (**Attachment A**)

Recommendation

4. That parts of the Clyburn Precinct be identified as suitable for the key growth sectors of digital technologies/media, advanced knowledge services, creative industries, fashion and allied health.

Business Occupier and Landowner Feedback

Chapter 4.4 of the Draft EILS discusses business occupier and landowner feedback.

The report states:

Conflicts with surrounding residential uses was raised as the most serious threat to the continued viability (and attractiveness) of employment and innovation lands. Local real estate agents note that working hours around the Lidcombe West, Yennora and Smithfield precincts have been restricted in some parts due to complaints from nearby residents. Land buffers between employment and residential land are limited or non-existent in various areas, thereby detracting from the integrity and sustainability of these employment and innovation lands.

We note this broadly anecdotal evidence. The protection of existing railway and business uses from proposed residential development is important. The Manchester Road Planning Proposal will provide significant buffer zones and incorporate design measures to ensure that existing employment lands to the north are protected and enhanced.

Services for the Services Sector

The Draft EILS - LUPF contains vision themes that are intended to reinforce existing successful industries in the immediate term while outlining aspirational vision for the longer term.

The theme for the Clyburn Precinct is 'Services for the Services Sector' this is described as follows (page 81):

Services for the service sector includes those activities crucial to a city's metabolism including manufacturing and maintenance, rail maintenance, waste management and recycling and wholesale and logistics. Although these uses may not employ a high intensity of workers, they are nevertheless important for a city to function. A critical focus of activities in the precinct is the Clyde Transfer Terminal which is a designated intermodal terminal.

Operational since 2004, the Clyde Transfer Terminal is a significant piece of state infrastructure which utilises the freight rail network for transport and treatment of waste, and resource recovery as part of Sydney's long-term waste strategy. The facility supports existing source separated initiatives such as curbside recycling and provides access to Veolia's Woodlawn Bioreactor and Mechanical Biological Treatment Facility. The location of Clyburn adjacent Clyde Transfer Terminal and Sydney Trains marshalling yards functions is a naturally occurring cluster of these complementary activities.

The Clyde Intermodal Terminal is a relatively small-scale facility in metropolitan terms. It is located on the northern side of the main rail corridor, some 350-500m to the north of

the Manchester Road Site and benefits from direct access to Parramatta Road. The terminal contains a waste transfer facility operated by Veolia and an adjacent multi-user freight yard in which Boral operates a facility for the delivery of cement powder and fly ash. As there is no crossing over the rail corridor, the northern part of the Clyburn Precinct is physically separate from the southern side.

The Clyde Marshalling Yards are located on the southern side of the railway line and comprise of several facilities servicing the passenger rail network including; Auburn Rail and Maintenance Centre; Auburn Logistics Services Warehouse Centre; Auburn Network Base; Auburn Stabling Yard and UGL Unipart Rail Maintenance Centre. Their importance in the provision of state infrastructure is acknowledged. However, it is important to note that vehicular access to these operations is limited to Manchester Road and a private road.

Sydney Trains has recently completed construction of a new state-of-the art building known as The Hub. The Hub consists of a five storey office building with a two storey amenities building and car parking. Pedestrian pathways to Clyde Station have been upgraded as part of The Hub development. It has been constructed on Railcorp land which is zoned SP2 Infrastructure (Railway) and is located adjacent to north-western corner of the Manchester Road Site.

This facility significantly changes the character of the area. The Hub is essentially a large office complex which will accommodate 1,500 rail workers and will become the headquarters for all Sydney Train operations.

The recent construction and operation of The Hub in this location has significant implications for the Clyburn Precinct and warrants further investigation in terms of the impacts it will have on surrounding land uses and future development. It further reinforces the suitability of the area for alternative, technology intensive employment uses. The location of the proposed new Employment Precinct within the Manchester Road Site adjoining the Hub allows for opportunities for complimentary employment uses for both sites. This may include potential future expansion of rail-related uses within the new precinct.

The Manchester Road Site was originally owned by NSW State Rail Authority and was identified as surplus government land and disposed of in 1989. The Site has been used for non-rail related uses for nearly 45 years when it was originally leased to Bluescope on 20 August 1971. State Rail Authority of NSW later sold it to Janyon Pty Ltd on 5 April 1989. Much of the site remains vacant to this day. We note that 6ha (of the total 14 ha) has remained undeveloped.

There has been no demand for the Manchester Road site for rail or other industrial uses. There are several geographical and physical factors which are barriers for industrial use, including:

- lack of accessibility
- separation from the rail corridor by the rail marshalling yard; and
- residential interface along Manchester Road leading to potential operation conflict issue.

Expansion of the heavy rail uses or industrial uses in the south of the Clyburn Precinct is limited given that the only access is through a residential area.

The Manchester Road Site provides a unique opportunity for a master planned response which respects both the railway uses to the north and the residential areas to the south. This proposal will comprise of light industrial/business uses, a local retail centre serving both worker and residential populations, recreational open space and with residential uses toward the southern edge which adjoins the existing residential uses along Manchester Road.

Recommendation

5. That the Clyde Intermodal Terminal and Clyde Marshalling Yards be retained for industrial purposes
6. That the impacts of the recently constructed Sydney Trains building known as The Hub be investigated
7. That a Planning Proposal be prepared for the Manchester Road site which will provided a transition between the 'Services for the Service Sector' land to the north and the residential areas to the south

Land Use Planning Framework (LUPF)

We general support the vision themes and planning principles adopted in the LUPF.

The identification of key growth sectors and accompanying development of a “innovation toolbox” to unlock the employment and innovation lands to more high-knowledge workers over time is supported.

In particular, the use of the following incentives is encouraged:

- Floor space/land use incentives
- Live-in Work opportunities
- Affordable employment spaces
- Incentive based LEP provisions

In relation to the Clyburn Precinct, we support the overall vision, however, we consider the Manchester Road Site provides an opportunity to provide for key growth industries with high worker amenity, 'live-work' opportunities and a better transition to adjoining residential lands.

The Table below analyses the Vision and Strategies given for the Clyburn Precinct in the Draft EILS and LUPF and provides high level comments.

Vision and Strategies for Clyburn	
Draft EILS and LUPF	Comment
<p>Vision <i>The vision for the Clyburn Precinct is to provide Services for the Service Sector; high-value activities crucial to the city's metabolism including manufacturing and maintenance, rail maintenance, waste management and recycling, wholesale and logistics.</i></p>	<p>Agree for the majority of the Precinct, that is, lands north of the railway line and the existing railway uses immediately south of the railway line should be maintained and protected.</p> <p>However, the Manchester Road Site presents an opportunity to be planned and developed to provide a buffer/transition area between the railway/industrial lands to the north and the residential development to the south.</p>
<p>Planning Principles</p> <ul style="list-style-type: none"> • <i>Ensure the Clyde Intermodal Terminal and Clyde Transfer Terminal have primacy of operation as part of NSW freight infrastructure network.</i> • <i>Maintain functional industrial and logistic uses to support the important transport, freight and waste recycling function of the Precinct.</i> • <i>Council to work with NSW Government to improve vehicular access across the railway to improve the long-term desirability of the precinct for businesses.</i> • <i>Continue to restrict residential development north of Manchester Road to minimise land use conflict.</i> 	<p>Agree.</p> <p>Agree.</p> <p>While a bridge over the railway line in this location is desirable, we understand that previous investigations concluded that this is not feasible and therefore extremely unlikely.</p> <p>Agree. Well-designed residential development integrated with public open space and transitioning from employment uses to the north is an appropriate use of the land to the south of the railway land.</p> <p>The SGS Report concludes that a viable employment precinct for the site is dependent on a mixed use/residential component as proposed on the Manchester Road Site.</p> <p>Further, a large part of the Manchester Road Site is currently vacant and underutilised. Given its urban location this large landholding presents an opportunity revitalise not only the site but the adjoining Duck River corridor.</p> <p>The incorporation of public open spaces, community facilities and a local retail centre into the redevelopment of the Manchester Road Site will benefit not only future residents of the Site but also existing residents in adjoining areas as well as a significant improvement to existing and future worker amenity.</p>
<p>Target Activities</p> <ul style="list-style-type: none"> • <i>Target continued transport and logistics/freight industries.</i> 	<p>Agree for the lands adjacent to the railway line. Not appropriate for land with no direct</p>

Vision and Strategies for Clyburn	
Draft EILS and LUPF	Comment
<ul style="list-style-type: none"> • <i>Support employment uses and businesses that can co-exist within the transport and freight environment</i> 	<p>access to the railway line or where the only access is through residential areas.</p> <p>Agree. The northern part of the Manchester Road Site is ideally located to provide employment uses and business.</p>
<p>Barriers to Vision</p> <p><i>Businesses are currently constrained by poor vehicular access across the railway. Council should engage with NSW Government about options for new rail crossings.</i></p> <p><i>Residential growth in the surrounding area could create land use conflicts with the primacy of the logistics, rail and waste transfer activities in Clyburn. Council should ensure any new residential development will not impact upon the viability of these uses.</i></p>	<p>Agree that there is inadequate access across the railway. However, a new rail crossing is extremely unlikely in this location.</p> <p>Agreed. The Clyde Intermodal Terminal is located on the northern side of the railway line and will therefore be unaffected by residential in the south of the precinct.</p> <p>Appropriate planning (for example, the incorporation of open spaces and mixed-use zones as buffer areas) and design considerations (noise mitigation measures) will ensure that any new residential development will not impact the viability of these uses.</p> <p>The forthcoming Planning Proposal for the Manchester Road Site represents a considered and well-designed response which respects the existing industrial and railway uses to the north of the Site. The residential development contained in the Proposal has been designed with the importance of these facilities in mind.</p> <p>It is noted that the endorsed Auburn ELS (prepared by AEC) stated that should access issues not be resolved, that owing to the precinct's proximity to established residential areas, that alternate employment uses and residential uses could be considered.</p> <p>The Auburn ELS recommended that in the longer term a B5 Business Development zone be considered for the precinct, provided that a change of zone would not prejudice the operations of ongoing rail uses.</p>
<p>Actions</p> <p><i>The following short-term actions are recommended:</i></p> <ul style="list-style-type: none"> • <i>Retain employment uses in line with the vision, Services for the Service Sector.</i> 	<p>The existing industrial uses north of the railway line, the railway line and associated</p>

Vision and Strategies for Clyburn	
Draft EILS and LUPF	Comment
<ul style="list-style-type: none"> • Council to engage with NSW Government to include cross rail transport accessibility into strategic planning. <p>The following medium-term actions are recommended:</p> <ul style="list-style-type: none"> • No precinct specific amendments recommended to the planning framework, as the planning framework currently allows the key industries indicated in the vision. 	<p>uses and the lands south of the railway line, owned by RailCorp should be retained.</p> <p>As discussed previously – not feasible and highly unlikely to occur.</p> <p>Disagree. The Manchester Road Site is currently underutilised. It is unsuitable for further industrial development due to its immediate proximity to existing residential areas and lack of vehicular access.</p> <p>The single ownership of this Site provides an opportunity to develop this Site in a way that respects the significance of the industrial lands while being sensitive to the existing residential areas. This is demonstrated through the new 4ha Employment Precinct which could generate up to 470 new jobs</p> <p>It is recommended that the planning framework be amended to allow the appropriate redevelopment of this Site.</p>
<p>Planning Interventions</p> <ul style="list-style-type: none"> • Retain sufficient and adequate buffer areas to ensure long term sustainability of this important precinct for activities that support the city’s metabolism. <ul style="list-style-type: none"> • No precinct specific amendments recommended to the planning framework, as the planning framework currently allows the key industries indicated in the vision. 	<p>Agree. It is recommended that the planning framework be amended to allow additional employment uses on the northern 4ha section of the Site. This will provide an appropriate buffer to the redevelopment of the southern section of the Manchester Road Site.</p> <p>Disagree. Recommend that the planning framework be amended to:</p> <ul style="list-style-type: none"> • Allow additional permitted uses (for example, business, creative and artisan industries, ‘live-work’ dwellings) on the northern 4ha of the Manchester Road site. • Recognise the endorsed <i>Auburn ELS</i> in terms of the area of the Precinct • Provide a large public park adjacent Duck River and a series of pocket parks which will contribute to high worker amenity for the area. • Allow well designed residential development in the southern portion of the precinct.

Table 2: Assessment on Draft EILS and LUPF

Recommendation

8. That the planning framework for the Clyburn Precinct be amended to reflect the changes proposed in the forthcoming Planning Proposal for the Manchester Road site, as follows:
- Allow alternate employment uses, reflecting the key growth sectors identified in the EILS (that is, businesses, creative and artisan industries, live-work dwellings) on the northern 4ha of the Manchester Road site and retain the existing IN1 Industrial zoning for this part of the Site.
 - Provide a large public park adjacent to Duck River and a series of pocket parks which will contribute to the quality of worker and residential amenity.
 - Provide a local centre to provide services and facilities to both resident and worker populations.
 - Allow well-designed mixed-use development in the southern portion of the Manchester Road site, including affordable housing childcare, community facilities, and transport initiatives.

Innovation Criteria for Planning Proposals

We support the intention to allow for evidence-based decisions in the consideration of Planning Proposals that seek to change permissible land uses in industrial zones.

In this regard, the lack of demand for the vacant land at Manchester Road for industrial uses is indicative of its unsuitability for this purpose.

The Planning Proposal Manchester Road is consistent with the Criteria in that it will provide opportunities for the location of key growth employment sectors.

Should you require any additional information please do not hesitate to contact Michael Woodland on 0448 726 214 or email michael@keylan.com.au in the first instance.

Yours sincerely

A handwritten signature in black ink, appearing to be 'M Woodland', written over a light blue horizontal line.

Michael Woodland BTP
Director

A handwritten signature in blue ink, appearing to be 'D Keary', written over a light blue horizontal line.

Dan Keary BSc MURP MPIA
Director