



ALLIED FLOUR MILL SITE

SUMMER HILL

*Evaluation of Economic, Demographic and Social
Factors in Determining the Planning Classification of the
Site*

Daly Research Systems
August 2008



Executive Summary

This report was completed in August 2008 and addresses the demand and supply of land zoned for local service uses in the Inner West Sub Region. It's focus is the Allied Flour Mill site in Summer Hill and contends that it's reclassification from Category 1 to Category 3 Employment Land is a sensible amendment based on the existing oversupply of local service land in the area.

The Summary has three parts:

- ❖ a brief review of the Allied Flour Mill site issues in the context of the Metropolitan Strategy;
- ❖ an analysis of issues raised by the Subregional Strategy;
- ❖ a summary of the various sections of the body of the report.

1: The Allied Flour Mill site and the Metropolitan Strategy

The *Cities of Cities* publication (December 2005) outlined the processes and structures for the Metropolitan Strategy. It explained (p.64) that the metro area had been arranged into 10 subregions by combining local government areas with similar issues and challenges when it comes to planning for growth and managing change. Subregional strategies, amongst other things, provide for a framework for potential agreements between local governments concerning, amongst other things¹, housing targets and employment capacity targets for local planning. Effectively, Local Government will have to shoulder the responsibility for implementing key aspects of the strategies.

In this context the principal numerical targets are those of new dwellings and employment capacity targets; whilst visions, agreements between councils, roles of centres, renewal, transport, open space, and State infrastructure are critical elements of the Strategy, the starkest goals that Councils will face are those of achieving new dwellings and employment capacity targets.

The focus of this report is the Allied Flour Mill site at Summer Hill, and the most appropriate use for the site in terms of the Subregional strategy. The distinguishing thing about the Allied Mill site is that it lies at the boundary of the Inner West and South Subregions, with the bulk of the site within the Ashfield Municipal Council and part in Marrickville Council. This inevitably means consideration of various relevant economic and social factors in both Council areas to the determination of what might constitute the highest and best use for the site in terms of assisting the goals of the Subregion's strategies and targets.

¹ A vision for the future, future roles of centres, staging and prioritisation of renewal, and prioritisation of State infrastructure.

The historic use of the site has been industrial. Flour milling on the site dates back to the years immediately after the First World War. A new rail freight line was opened between the railway yards at Rozelle, and connected to Darling Harbour, through to Dulwich Hill. The freight line was a critical determinant of the opening of a flour mill in Summer Hill in 1922. Today, both the rail freight line and the flour mill have become redundant with the mill being the last user of the freight line, and the relocation of the mill to Picton (Section 2 and 4). The issue in terms of the Strategies is whether the current use of the land for industry is the most appropriate in terms of the current and prospective economic base of the Ashfield-Marrickville areas, and whether continuing that usage will assist the Councils in achieving their employment goals. The alternative is to opt for a mixed use classification of the site, which could include residential and commercial activities that would contribute towards both the dwelling targets and the job targets.

After analysis of these alternatives there are compelling arguments for the mixed use alternative.

2. Issues Raised by the Subregional Strategy

2031 Vision for the Inner West

In the Subregional Strategy for the Inner West there are 5 elements to its Vision (p.4). Two of these involve strengthened economic outcomes delivered (in part) by protected and supported industrial lands. The 7 Key Directions/Key Actions of the Strategy (p.5) include protection of employment lands and the working harbour, promoting the Parramatta Road enterprise corridor, improving housing choice, managing traffic growth, and protecting and promoting recreational activity and environmental assets. Each of these actions has implications for the use of the Allied Flour Mill site.

Economic Development and Employment Lands

There is little or nothing in the education of planners provided by the various University Planning schools that qualifies planners to engage in economic development programming. There is very little in the Environmental Planning and Assessment Act that engages planners in the role of promoting economic development. The Department of Planning acknowledges this deficit through the appointment of an international expert on economic development/planning issues as Infrastructure Analyst, and the subsequent tendering invitation to outside bodies to produce background analysis on the link between planning and economic growth. In April 2007 the Australian Planning Institute launched a new chapter to its structure introducing an economic development group within the Institute, an acknowledgement of the lack of interest or capabilities in this area until very recently. The Metropolitan Strategy has relied on planners (with some assistance provided by specialist groups in determining the structural features that would underline

their strategy-building exercises) to determine how land will be used to produce economic development outcomes.

Manufacturing

A great deal of the Economy and Employment chapter of the Strategy is concerned with manufacturing. The provision of land for manufacturing is given a high priority, with the implication that manufacturing is one of the most critical factors for economic development and job creation. This is a misconception, for the following reasons:

- Over 83% of NSW's industry income is from services reflecting the strength of knowledge-based industries. Manufacturing represents just 12% of industry income to the State economy². Over 40% of Australia's services exports come out of Sydney³. The fastest growing sectors of the NSW economy between 1996/97 and 2006/07 have been financial services (4.5% per annum) and service industries (5.3%).
- Higher-value added manufactured goods accounted for 16.7% of NSW exports in 2006-2007. These included medicinal and pharmaceutical products, photographic equipment and optical goods, printing, publishing and recorded media, office machines and computer equipment. There has been a fusion between service industries and knowledge-based industries, so that the clear-cut distinctions between them have faded. There is no longer the need to separate the sectors from each other in land allocations in the ways that have been followed in the past.
- The structure of global supply chains and the dispersal of manufacturing to developing countries has impacted on Australia's manufacturing base, and this fact will not be reversed between now and 2031. Instead there will be an increasing fusion of elements of the productive economy, which will be reflected in the use of land and the location of activities.
- The revolution in productive processes initiated by the rise of high-technology and knowledge-based industries has changed the nature of work. As the nature of work changes the structures within which work proceeds changes, and with that the character of the built-environment changes (in terms of space needs, infrastructure needs, and location needs). The Subregional Strategy does not display any real understanding of a phenomenon that will progressively change the nature of employment lands through to 2031.

² Department of State and Regional Development 26 May 2008.

³ This includes 66% of insurance services exports, 57% of financial services exports, 54% of computing and information services exports, 79% of professional services exports, and 77% of services between affiliated enterprises.

- The Strategy (p.27) lists six functions of employment lands. Four of these reflect the significance of manufacturing to the economy in the 1950s and 1960s. They do not reflect the reality of the diminished role of manufacturing within the economy.
- Curiously, the Subregional Strategy has based its employment capacity targets on 2001 data. The Strategy was released mid-year 2008, two years after the 2006 Census, and many months after the release of detailed information from the census. Yet, on page 27, the Strategy states that “these targets will be updated with 2006 Census Employment figures when they are available”. The lack of up-to-date figures necessarily restricts the planners from understanding the dynamics of change in the economic system. In 2001 manufacturing employed 12.6% of the metropolitan workforce. By 2006 the proportion employed had dropped to 10.1%, with a loss of 36,357 manufacturing workers⁴. Little, if any, of this shift has resulted from a rezoning of manufacturing land to other uses, as the Strategy continually implies. It simply indicates the fact that manufacturing is now a minor element of the Sydney economy and a minor employment source. It will remain so, no matter how much land is assigned for the exclusive use of manufacturing.
- The Inner West Subregion lost 1,299 workers in manufacturing between 2001 and 2006, leaving just 7.4% of persons who work in the region being engaged in manufacturing. The proportion of workers in manufacturing in Ashfield (4.9%) and Burwood (2.3%) were tiny, with the two areas having 0.7% falls since 2001. In the neighbouring area of Marrickville, one of the most significant manufacturing areas in inner Sydney, the proportion of manufacturing workers fell from 24.5% (2001) of the workforce employed there to 18.2% in 2006, a loss of 1,627 workers from the sector.
- The Census data also show that on the sites designated for manufacturing a very significant proportion of the workforce are engaged in occupations such as management and sales. In Sydney in 2006 45.1% of those employed in manufacturing in the metropolitan area belonged to these occupations. It signifies the fact that within the diminishing force of manufacturing as an employment agent, almost half of the manufacturing workforce has no direct role in the production process.
- The major source of employment throughout Sydney is service industries. In the metropolitan area, 2006, 51.6% all workers belonged to the service sector. This situation is the same throughout the Inner West Subregion: Ashfield 50.9%, Burwood 56.8%, Canada Bay 56.2%, Strathfield 49.6%, and Leichhardt 57.1%. When the second largest employment sector (government administration and education and training) are added to the service sector two thirds of the employment base are provided.

⁴ Australian Bureau of Statistics, Cat.2068.0 – 2006 Census Tables.

The Draft Subregional Strategy

This part reviews areas of the Draft Subregional Strategy directly relevant to the classification issue of the former Allied Flour Mill site at Summer Hill.

- Cover page: The Inner West will have a strengthened economic role with higher skilled jobs in Burwood and Rhodes. This message, repeated variously throughout the draft, identifies these areas as the principal drivers of employment in the Subregion.
- Page 5: in the Key Directions/Key Actions listings there is no direct mention of manufacturing, suggesting that it is seen as a minor force in meeting the employment strategies.
- Page 8: In a discussion on protecting employment lands and the working harbour the assertion is made that “across the subregion, small scale industrial plots which support a range of local urban services, such as auto repair centres, are coming under increasing pressure for conversion to other uses”. No evidence for this assertion is presented. In relation to Ashfield the assertion is directly contradicted by the economic development officer of Ashfield council in response to queries made for this report. The example of auto repair centres is not relevant to Summer Hill. Surveys (Section 4 of this report) shows that there is an abundance of such businesses in the areas around Summer Hill, and local inhabitants are 5.6 times better off for access to auto repair centres than the average for Sydney.
- Page 26: “Population in the Subregion is expected to grow faster than employment over the next 25 years”. This conclusion fits well with the analyses of housing and job growth in this report. The Strategy goes on to say: “The Subregion has a diverse service based economy and the more traditional industrial history of the subregion is in the past”. Ashfield has never had a strong industrial base. The Allied Flour Mills site provided an exception to this by establishing flour milling there in the early 20th century, based on its accessibility to the rail freight line. By the 21st century the industry is abandoning the site, and the freight line is no longer operational. The location factors that brought industry to the site were relevant to the past century, and have no relevance to this century’s needs.
- Page 28: The Strategy draft states: “Due to anticipated continued strong demand for Employment Lands across the metropolitan region the majority of sites are currently considered to be most appropriately placed in Category 1 (ie. to retain industrial purposes)”. This conclusion ignores the reality of the way in which Sydney’s economy has evolved over the past two decades, an evolution that

- necessarily involved a rapid and continuous decline in the contribution of manufacturing industries to the economy, and the capacity to engender jobs. It also suggests an ignorance of the ways in which once separated segments of the economy have fused into new forms. The determinant nature of statements in the Strategy, such as the one quoted above, goes against the critical need to provide flexibility so that the form of the economy that will develop over the next two and a half decades will not be hampered or distorted by planning obstacles. In this period of inevitable, but rapidly shifting change, planning directions should be developed in terms of successive approximations to goals by allowing a real level of flexibility. Category 3 classification should provide this flexibility.
- Page 30: The key functions of the employment land precincts of the constituent council areas in the Inner West are listed. In Ashfield, Burwood, Canada Bay and Leichhardt every precinct is labelled local industry or manufacturing-light. There are no Category 3 classifications for any of the 36 precincts in the Inner West. This bespeaks an infatuation with preserving industrial land as a means of boosting employment numbers and economic development. As discussed above these assertions are fatuous and unsupported by the evidence; manufacturing is now a minor element of both the economy and the employment structure of the Sydney. The preservation of small parcels of land does not provide any strategic value to the promotion of manufacturing within Sydney's economy. As stated above, it is very difficult to identify and separate processes that functionally sit somewhere between the traditional nomenclature of manufacturing and the breadth of what is called service industries. This is especially true of the categories of manufacturing-light and local industry. In fact, a miniscule amount of new material product is produced by light manufacturing/local industry. Mostly it provides repair and/or assembly products, and at the more advanced level, the development of high-technology variations and improvements of the functioning of certain industries. To illustrate the impact of this by an example: The Australian Bureau of Statistics introduced a number of changes to its definitions of "industry of employment" for the 2006 Census. It introduced a new classification: Professional, Scientific, and Technical Services. This category (unrecognised previously by the Census) had the fourth largest number of employees in Sydney out of the 19 categories of industry of employment. 162,983 people were employed in this category, just 26,969 short of the largest employment sector (retail trade). The term *Manufacturing* should now be limited to industries that actually create new material products, playing a real role within a product supply chain. The major centre for such industries in the vicinity of Summer Hill is in the southern part of Marrickville, based on strong manufacturing history and the modern day location importance of the airport and

Botany Bay shipping. At the northern end of Marrickville there is no genuine manufacturing, only a limited quantity of what the Strategy likes to describe as

manufacturing light/local industry. The largest such site adjoins the Allied Flour Mill site, with the whole site (including the Mill site) covering some 10 hectares. The major part of the site is in Lewisham (within Marrickville Council and the Southern Subregion). The Southern Subregional Strategy has classified this area as Category 3 land. If the historic accident of the boundary between the Ashfield and Marrickville Councils had not split the industrial site (along with the coincidental boundary of the two Subregions also splitting the site) there is no doubt that the entire site would have a Category 3 classification. Currently, there is a rag-bag of small businesses on the Lewisham section of the site primarily involved in service industries. There have been suggestions that the Category 3 classification of the Lewisham area results from Marrickville having a large industry base. This is a fatuous proposal. Spatial economic systems are not defined or created by Council or Subregional boundaries. Rather, they are shaped by such things as the demands and needs of local communities. The northern part of Marrickville Council area is linked to the demand/needs requirements of the communities, and such factors as transport settings, for an area that stretches from Newtown to Burwood. Both Ashfield and Burwood are tiny areas in a spatial economic sense. The lack of take-up of local industry/manufacturing-light opportunities in the Lewisham section of the site simply demonstrates the lack of demand for those facilities. In Section 4 of this report the evidence shows that there are copious small industries to provide services for the local communities now and into the future. The Allied Mills site became an industrial site for one primary reason: its flour milling activities were based on the advantage of a location along the rail freight line. Flour milling has left the metropolitan area, and the freight line is no longer operating. The data presented in the body of this report show that the primary challenge for Ashfield (and Marrickville) is not in meeting its employment targets, but in meeting its dwelling targets. Hence, a Category 3 designation is necessary for the whole of the 10 hectare site to allow the flexibility of managed change over the next two and a half decades.

- Page 31: The Strategy states that there are 361 hectares of Employment Lands in the Inner West. Given the very small area covered by the Inner West this is in fact quite a substantial quantity of reserved land. Most of this is concentrated at Strathfield South. Historically, the Inner West has not had a strong history of manufacturing, outside of those industries associated with the Parramatta River sites (and which have outlived their days as manufacturing sites). The concentration of industry at Strathfield (where it plays a critical role as an International Logistics Centre) and in some Harbour areas makes good sense. The Statement that “all Employment Land precincts are considered to be of strategic

importance and should be retained” does not make a great deal of sense. It smacks of mechanical planning: the adoption of inviolable rules throughout the

metropolitan area wherein unchallengeable positions are taken, producing a sense of sameness throughout the metropolitan area. Such an approach will always be unsuccessful in seizing the distinctive opportunities that different regions offer. The Inner West will never go far beyond its place as an important housing area; this, both historically and today, give it its considerably important role.

- Page 35: Various actions are discussed that involve directing councils to provide the means to achieve employment targets. Although there have been various contacts between councils and the Department of Planning in establishing the Strategy, some of the outcomes do not match the reality of opportunities and the problems that councils foresee (having detailed local knowledge) in matching local situations to the demands of the Strategy. Further, councils in general do not have strong records in terms of establishing strong economic development outcomes. This has never been a core function of the Local Government system, and will not become so, pressured as it is by inadequate staff resources in this area, substantial budgetary constraints, and massive infrastructure deficits that will take decades to overcome. Further, there is not much spatial logic attached to the small councils that make up the Inner West. This is counter-productive to the specific aims of planning: the allocation of uses in space to provide the best economic, social, and environmental outcomes for the region.
- Page 36: Councils are enjoined to ensure retention of sufficient small Employment Lands parcels to support local service industries. There are little data available to support the need for such a stricture in places like Ashfield.
- Page 37: The Department of Planning is to complete a metropolitan and subregional review of Employment Lands, prior to any significant rezoning of Employment Lands to non-employment uses within the Inner West Subregion. This will represent a bureaucratic obstacle to providing needed flexibility in accommodating the needs and opportunities that will grow out of rapidly changing economic development paths in the region. Moreover, as discussed above, the skills base within the Department of Planning in relation to economic development is somewhere between non-existent through to inadequate.
- Pages 62 and 94: The Strategy has set Ashfield the task of creating 2000 additional dwellings by 2031. This is going to be a Herculean task. The Strategy recognises that the suburbs contain “some of the nation’s most significant heritage suburbs”. Further, it states that: “The many built heritage items, places of significance, landscapes, vistas and relics in the Inner West Subregion make it a diverse and distinctive area”. The concentration of heritage items and the meticulous preservation systems, introduced by the Ashfield Council over a long period, substantially reduces the number of potential sites available to house the 2000 extra dwellings. It is this fact that suggests that every possible site that could



be made available to produce new dwellings should be identified and used. The Allied Mill site presents a very significant opportunity to assist reaching the dwelling target. The buildings of the Mill site are iconic features of the Summer

Hill landscape and are a significant part of the suburbs built-environment heritage. That heritage status could be preserved if the use of the major buildings on the Mill site were to be converted into residential units (there is already a fine example of how this can be achieved in the Ashfield area). The major Mill buildings are quite dysfunctional in terms of providing suitable tenants for manufacturing uses.

- Page 65: The Strategy refers to the Metropolitan Strategy aims of focusing residential development within centres and corridors with access to public transport and local services. The Summer Hill site is well placed in relation to existing railway stations, and has the prospect of being central to a possible light rail service that would boost the public transport opportunities considerably.
- Page 67: Summer Hill is identified as “a walkable, liveable and viable place”. Extending the industrial industries of the suburb will be counter to these attributes. The streets are narrow and restrictive, and cannot be made to accommodate increased traffic that would be related to the dedication of a mixed industry base on the old Mill site.
- Page 72: The Strategy provides a summary of travel modes and times for the Inner West. It mentions the high proportion of trips by public transport, walking and cycling (P. 85), but doesn’t give much attention to the car-ownership levels in the area (significant numbers of households with 1 or no vehicles) and the distinctive choices that inhabitants make in terms of using non-car means of transport. If the Light Rail system were to be introduced it would be well patronised on the evidence of non-car usage, and the admitted limitations (p.74) of the capacity of the existing train system to increase the number of trains servicing the Inner West.
- Page 95, 100, 102: The Strategy emphasises sustainable growth and the protection of the natural environment, and the implications of climate change challenges. The Green Way project (funded significantly by the Department of Planning, and managed by four councils) supports the development of residential development on the old mill site (as opposed to industrial development), as well as the introduction of the light rail system: both being practical solutions to the challenges of environmental management.

3. Report Structure

The report is divided into four Sections.

Section 1: Population and Housing: Determining Factors

Population and housing issues are considered in Section 1. This is both the first, and most significant, Section of the report because it provides the compelling information that shows that the most critical and most difficult goal of both Councils will be to achieve its 2031 dwelling targets. This is because both Ashfield and Marrickville have significantly lost both dwellings and populations since the mid-1990s. Both areas will need to have robust programs in the next decade if they are to turn around a long period of decline in their dwelling base and in their population numbers. In this context the mixed use classification of the Allied Mill site is demonstrably the most relevant outcome.

The Metro Strategy employment target for the Inner West is the second lowest of the 11 Subregions, and has a target of just 12,500 new jobs. The Inner North is most comparable to the Inner West Subregion in terms of location and size. The Inner North jobs target is five and a half times bigger than the Inner West. Relatively, the employment capacity target for the Inner West is of considerably less importance than its dwelling target which is the same as the Inner North's, is larger than the East, North, and North East Subregions, and slightly less than the extensive area of the South Subregion and the existing area of the Central Coast. Growth in the dwelling numbers of the Inner West is the primary focus of its Subregional targets.

Section 1 analyses the current state of the dwelling and population numbers in Ashfield and Marrickville, the Councils most relevant to the Allied Mill site, and the changes that have occurred since the mid-1990s. In the case of Marrickville both dwelling and population numbers fell considerably since 1996, and in Ashfield the population was static and the dwelling numbers fell in the same period.

The two councils face a substantial challenge in reversing these trends. Section 1 investigates the factors that have contributed to the declines.

One explanation might be the level of property price rises in the area but the data show that both Marrickville and Ashfield have moved with the median price averages for Sydney as a whole.

Section 1 shows that the reasons for the declines in dwelling and population numbers are quite complex and attributable to a range of interactive factors:

- ❖ Changes in family incomes relative to Sydney averages, with substantial increases in Marrickville and a reverse trend in Ashfield
- ❖ Shifts in incomes and housing repayments relationships, and the growth in both the number of home purchasers (relative to home owners) and the proportion of renters
- ❖ Demographic features, particularly the decline in the under 15 population group numbers, and the increase in the large proportion of lone households in what were previously family-building age groups
- ❖ Occupational changes with a rise in the proportions of professional and managerial workers
- ❖ Ethnic composition of the populations with a decline in the longer-term dominant groups and the entry of a number of new groups to the areas

Councils can do little to manage such forces. In fact, given a long term decline in both dwelling number and population, their principal action has to be their capacity to provide adequate land sites so that the market can respond to the dwelling targets by building new dwellings. In this context, the Allied Mill site should be classified as a mixed use site to assist in the process of reversing the trends of decline.

Section 2: Heritage Issues

Section 2 examines the heritage aspects of the Allied Mill site. Ashfield Council has one of the most outstanding heritage records in the metropolitan area. It has extensively conserved the quality housing of the late nineteenth and early twentieth centuries, and the historic buildings and sites relevant to other parts of its history. The scale and significance of the Allied Mill building complex immediately makes it a heritage site. The practical problem then is that there are few uses to which the buildings can be put, and certainly it is totally impractical for light service industries.

After its beginnings in the 1880s Summer Hill became an upper class suburb, declined in status after the First World War, was an established working class area by the 1950s-1960s, and has experienced a period of gentrification from the 1990s to the present day. It is now a sought-after area in the Inner West. The Allied Mill site is large enough to accommodate a substantial number of new dwellings, which would contribute to the primary Strategic need of reversing the declining trend. The heritage status of the building complex would be in accord with the revived status of the area. It would also be in accord with the large conservation area adjacent to the Allied Mill site.

Section 3: Transport Issues

Section 3 focuses on the now redundant rail freight line. There are two significant proposals for the rail corridor: an extension of the Light Rail system to Summer Hill, and the development of a Green Way along the corridor. The Light Rail proposition would bring an added transport means into the Inner West at no cost to the Government. The proposal, however, is contingent on increased dwelling and population growth at Summer Hill. The Green Way proposal is a community initiative that is supported with funds and resources by three Councils and the Department of Planning. As well it has received a \$1.85 million grant from the Environment Trust to structure the Green Way. The two proposals are complementary as the Green Way project gives a high priority to the Light Rail project.

The old rail freight line is now redundant and the corridor that runs from Balmain Road through to Dulwich Hill is open to redevelopment. Since it has long been a rail site, it makes sense to use the existing infrastructure to supplement the existing systems of rail and bus travel in the Inner West. The Inner West has a significantly lower rate of car ownership and a larger proportion of the population usage of public transport than is common in Sydney.

The most logical development is the proposal by Metro Transport Sydney to extend the existing City to Lilyfield Light Rail system to Summer Hill. The additional line would be built at no cost to the Government and would provide an alternative to the congested Inner West road links for people in the Lewisham, Petersham, Haberfield and Dobroyd



Point areas (as well as Summer Hill). The economics of the proposed extension stand up to critical appraisal, but are contingent on one important condition: that the Summer Hill

site produce sufficient new dwelling units to boost the required population demand for the new service.

Complementary to the extension of the Light Rail system is the Green Way Alliance of Councils' project to develop the old rail corridor into a well-managed biodiversity and environmentally significant link from Rozelle to Dulwich Hill. The Green Way would be open to access for the community in terms of parks and recreational facilities alongside environmentally-sensitive gains with new transport links.

Section 4: Identifying Land Use Priorities

Section 4 examines industry in the fabric of the economic base of both Marrickville and Ashfield. The conclusion is this: because both the South Subregion draft strategy and the Marrickville Council have identified the industrial site, that includes the Allied Mill land, for mixed use classification, and because the limited role of industry contributions to Ashfield's economic base and the Council's priority for developing Parramatta Road as an Enterprise Corridor, a mixed use classification is most suitable for the Allied Mill site.

Section 4 examines the Category 1 and Category 3 issues for the site. It demonstrates that whilst Marrickville has strong industrial base with employment lands being reserved for the future, most of this is in the southern part of Marrickville, and both the Marrickville Urban Strategy and the South Subregional Strategy have determined the industrial area in the north, of which the Allied Mill site is a part, to be classified Category 3.

It would be illogical to classify a part of this industrial area with another classification (Category 1). It would also lead to two different land classifications on the Allied Mill site, which stretches across the boundary of the two Subregions.



Ashfield's economic base is not strongly related to manufacturing and allied activities. Ashfield's area of 8 square kilometres ranks it as the third smallest Council in Sydney. The major emphasis of the council is in establishing an Enterprise Corridor along Parramatta Road which will have a mixed use base. Most of the 500 targeted jobs for 2031 will be found in this development. The Ashfield Council planners rightly recognise that there is no real need or demand for additional industrial land, and they want the small industrial area to the north of the Allied Mill site to change from an industrial zoning to a residential zoning.

The Allied Mill site was established as an industrial site because of the advantages that the freight rail line offered. The flour milling industry has now shifted out of inner Sydney, and with that happening the freight rail line is redundant. Both uses of that land belong to the 20th century; whilst history of the site requires heritage protection for some buildings and structures, there are no determinant location factors that would restrict the site to industrial zoning.

The argument that there is a need for local service industries in Ashfield is false. The research shows that the (small) area is well serviced with such, and that the determining location factors related to the siting of such industries are not met by the mill site. Within 3 kilometres of the Allied Mill site there are more service industry businesses relative to population, than can be found in almost any other part of Sydney.

SECTION 1

Population and Housing: Determining Factors

1.1 Metropolitan Strategy Background

Table 9 of the Sydney Metropolitan Strategy summarises the planning targets to be achieved by 2031 for the 11 Subregions. The two target measures are new dwellings and employment capacity. Relative to other parts of the metropolitan area the Inner North and Inner West Subregions have many similarities: these include their geographic locations, relatively similar areas, and relatively similar population sizes. The two Subregions have exactly the same new dwellings targets, 30,000, but substantially different employment targets. The Inner North target of 54,000 new jobs is almost five and a half times greater than the Inner West target (12,500 new jobs). It is clear that the employment targets in the Inner West are of less importance to the Strategy than the new dwellings target.

The population density of the Inner West is substantially higher than that of the Inner North: 3,568 persons per square kilometre compared to 3,099 per square kilometre. The areas of the two inner subregions are quite small compared to those in the West Central, North West, South West, North, North East and Central Coast Subregional areas. When compared to each other, however, the Inner North Subregion is 63% larger in area than the Inner West Subregion (101 square kilometres compared to 62 square kilometres).

Thus the Inner West Subregion, which is smaller in area and denser in population terms, has been set the target of creating the same number of new dwellings as the larger and less dense Inner North Subregion. As pointed out above, however, the Inner West has a much smaller new jobs target. Because of this obvious emphasis of dwellings over jobs in the Metro Strategy, this report focuses on the prime challenge for the Inner West: that of boosting the number of dwellings. Section 4 explores the employment issue and its relevance to zoning.

The particular focus of this report is the Allied Flour Mill site in Smith Street, Summer Hill. The site sits astride the boundary between the Inner West and South Subregions, and the boundary between the Ashfield and Marrickville Councils. The substance of this report, therefore, analyses the dynamics of change, and the opportunities and challenges associated with change, in both the Ashfield and Marrickville Council areas.

1.2 Population Shifts

In the period 1996 to 2001 Sydney's population grew by 6.8% (Table 1.2.1), but the rate of growth slipped to 3.8% in the period from 2001 to 2006. Marrickville's population fell from 76,017 in 1996 to 71,966 in 2006. Between 1996 and 2001 Marrickville lost 2,576 people, with a further loss of 1,465 through to 2006. Ashfield had a tiny increase of 38 in its population between 1996 and 2006 (40,077 to 40,115), after losing 583 people between 1996 and 2001.

Table 1.2.1

Population Changes 1996-2006: Sydney, Marrickville, Ashfield

	1996	2001	2006
Total Persons			
Sydney	3,741,290	3,997,321	4,148,571
Marrickville	76,017	73,431	71,966
Ashfield	40,077	39,494	40,115
Proportion (%) 0-14 age group			
Sydney	20.5		19.4
Marrickville	15.7		13.8
Ashfield	16.0		15.4
Proportion (%) of over 65 years			
Sydney	11.8		12.2
Marrickville	9.9		10.5
Ashfield	14.6		14.4

Source: Australian Bureau of Statistics 2006 Selected Person Characteristics Table T01

The declining or stagnant populations of Marrickville and Ashfield suggest that both Councils will struggle to meet the dwelling targets that are set by the Subregional Strategies. Breaking down the two Council's age structures, and comparing them with Sydney's average age structures, both Marrickville and Ashfield have a small proportion of children in their populations. In Marrickville 2006 there were 1,980 fewer people aged under 15 years than in 1996, and in Ashfield there were 251 fewer. The two Councils have contrasting patterns of the proportion of aged persons (Ashfield being higher than the Sydney average and Marrickville being lower). Marrickville's gain of over 65 year olds was just 36 people, whilst Ashfield lost 84 persons of that age group.



TABLE: 1.2.2

COMPARATIVE INFORMATION FOR ASHFIELD, MARRICKVILLE
AND SYDNEY METROPOLITAN AREA 1996, 2001, 2006

	1996			2006		
INDICATOR	SYDNEY	MARRICK- VILLE	ASHFIELD	SYDNEY	MARRICK- VILLE	ASHFIELD
Median Age	33	33	36	35	35	37
Median Individual Income (\$/week)	343	324	328	516	591	511
Median Family Income(\$/week)	864	782	805	1350	1460	1304
Median Household Income(\$/week)	747	669	679	1153	1158	1099
Median Housing Loan Repayment (\$)	1000	1083	1083	1800	1950	1800
Median Rent (\$)	165	155	165	250	250	250
Average Number Persons per Bedroom	1.2	1.3	1.3	1.1	1.2	1.2
Average Household Size	2.7	2.5	2.5	2.7	2.3	2.4

SOURCE: AUSTRALIAN BUREAU OF STATISTICS 2006 CENSUS OF POPULATION HOUSING TABLE: T19TABLE:

Table 1.2.2 provides a basic community profile of Ashfield and Marrickville. Marrickville's median age has moved in line with the metropolitan median, but Ashfield has a consistently higher proportion of older inhabitants. Income levels in Ashfield are below the Sydney median together with housing repayments. Income levels in Marrickville are higher than the Sydney median as are housing repayments. In both Ashfield and Marrickville households are smaller than the Sydney median.

In the following parts of Section 1 a number of social and economic indicators of Marrickville and Ashfield are explored to reveal the key differentiating factors that underlie the declines in population. These include property market shifts, changes in ethnic population characteristics, household composition and income factors, and labour force changes.

All of these factors have direct relevance to the future use of the Allied Mills site in Summer Hills. The 2.47 hectares of the site might be declared as Category 1 or Category 3 Employment Lands. If the dwelling targets for the Inner West Subregion are to be met large sites have to be made available. If they are not the probability is that both Marrickville and Ashfield Councils will struggle to succeed in meeting their dwelling targets, and the long stagnation in population growth will be prolonged, rendering the achievement of the planning goals more difficult. The relative merits of Category 1 or Category 3 classification, in the context of the structural changes examined in this section, is considered in Section 4, but there is a clear message from the analyses of this Section: the classification of the Allied Mill site as reserved for industry (Category 1) will make Ashfield's population targets more difficult to achieve, and (as shown in Sections 2 and 4) will not succeed as an industrial location after the closure of the Flour Mill.

1.3 Property Dynamics

1.3.1 Population and Dwelling Numbers

Between 1996 and 2006 138,757 dwellings were added to Sydney's housing base. This represented a 14.5% increase in the decade. Sydney's population grew by 10.9% in the same period. Dwelling construction outpaced population growth by a reasonably large amount.

Ashfield's population in the same decade grew by just 0.1% and Marrickville's declined by 5.3%. In 2006 there were 342 less dwellings in Ashfield than in 1996; a fall of 2.3%. In Marrickville 1,614 fewer dwellings in 2006 compared to 1996; a fall of 5.7% in the dwelling base. Both Council's therefore lost more dwellings than they lost population, an opposite trend to that of Sydney as a whole. Compounding these deficits, the 2006 Census showed that there were 2246 empty dwellings in Marrickville and 1136 empty dwellings in Ashfield.

In the South Subregional draft Strategy Marrickville is targeted to add 4,150 dwellings by 2031. This means that it has to arrest the substantial fall in its dwelling numbers. If the same decline were to follow over the next two decades Marrickville will have lost 3,228 dwellings by 2026, and another 807 dwellings by 2031. All up, this would mean that Marrickville would lose 4,035 dwellings. This loss is 115 short of the number of dwellings the Strategy aims to create. Of course, the Strategy itself is designed to set in place mechanisms to ensure that dwelling targets are reached. It is obvious that if targets are to be reached, the zoning system has to provide sufficient areas of land in the appropriate locations in Marrickville.

The dwelling target for Ashfield is 2,000 additional dwellings by 2031. If Ashfield's dwelling base were to be reduced at the rate that it had between 1996 and 2006, by 2031 it would have 855 fewer dwellings rather than the 2,000 that is planned. Again, the whole purpose of the Strategy is for the system to ensure that the dwelling targets will be met. Although the plans for the development of the Allied Mills Summer Hill site are still in progress, a medium density residential development on the site would substantially help to arrest the decade-long attrition of dwelling numbers in Ashfield.

If strategies are to be put in place to arrest the dwellings and population declines in numbers in Marrickville and Ashfield an understanding of the dynamics of changes that has brought about the declines from the mid-1990s to the mid-2000s needs to be considered. The rest of Section 1 is given over to such an analysis.



1.3.2 Property Market Facts

Based on property information supplied by Australian Property Monitor and the Real Estate Yearbooks the position of Marrickville and Ashfield within the Sydney property market can be gauged.

One possible explanation of the decline of both population and dwelling numbers in the two council areas is that their property values might have risen at levels that would put prospective purchasers off. It is clear, however, from the data discussed below that property values have not been the cause of the population or dwelling declines in either Marrickville or Ashfield.

HOUSES

In February 2008 the median price of a house in Sydney was \$553,000. Median house prices in Marrickville and Ashfield were very close to the metropolitan figure: \$7,000 higher in Marrickville and \$9,000 higher in Ashfield. The highest median housing price for a suburb of Sydney is \$2,947, 000, or 533%, greater than the metropolitan area's housing median; the lowest is \$308,000, or 126%, less than the metropolitan median. Marrickville and Ashfield therefore can be considered to sit almost precisely on the median value of houses in Sydney, with a 1.3% difference for Marrickville and a 1.6% difference in Ashfield. Neither area can then be considered as an example of the affordable housing challenges that have impacted so heavily on many other areas in Sydney. Housing prices by themselves cannot be considered as the major factor in the population and dwelling number losses in Marrickville and Ashfield.

Further evidence of this is the fact that the housing markets of both Council areas have remained strong over the decade to 2006. The year to year trend of housing prices in the Ashfield Council area has been 4.8% increase from 1995 to 2007. In 1994 the median price of a house in the Ashfield Council area was \$241,600. By 1997 it was \$312,500, averaging a price growth of 9.4% and 1,650 sales. From 1998 to 2001 the median price of a house was \$465,500, with price rises averaging 30.8% over the period for 1354 sales.

A somewhat similar picture is given by the Marrickville Council area. The year to year trend in Marrickville's house prices from 1995 to 2007 has been 8.5% per year. In 1994 the median house price was \$197,900 growing to \$265,750 in 1997, averaging a yearly increase of 11.4% with sales of 4924 houses. By 2001 the price had jumped to \$400,000 with an average increase of 40.4% and sales of 4,280 houses.

The jumps in prices in the Ashfield Council and Marrickville Council areas⁵ in the latter part of the 1990s and the first half of the new decade were around the norm for the metropolitan area.

The areas adjacent to the Summer Hill Allied Mills site contain some of the most sought after residential properties in Ashfield and Marrickville Council areas. In Summer Hill the median price of a house was \$725,000, representing a 19.6% increase on the Ashfield Council area level. In Lewisham-Petersham the median house price in 2007 was \$650,000, 29.0% above the median for the Marrickville Council area. Sales of houses in Summer Hill rose from 63 in 1995 to 145 in 2007, whilst sales in Lewisham-Petersham grew from 179 in 1995 to 199 in 2007.

UNITS and APARTMENTS

In 2007 the median price of units/apartments in Sydney was \$370,000, with the median price in the Marrickville Council area being \$318, 000 and that of the Ashfield Council area being \$334,000. The spread of units/apartments prices in Sydney is not as great as for houses, but is still a large range: the highest median in a suburb in Sydney is 269% greater than the metro median, and the lowest median is 159% below the metro figure.

Unit/apartment prices in the two Council areas show a positive price advantage of 16% less in Marrickville and 10.6% in Ashfield, suggesting that price is not an explanation of the population and dwelling numbers drop over a decade in the two areas.

Whereas house price in the localities adjacent to the Summer Hill Allied Mill site were significantly higher than those in other parts of their Council areas, unit/apartments prices were lower than the metro median in Summer Hill \$340,000 and slightly higher in Lewisham-Petersham \$400,000. In terms of other parts of the Marrickville Council area, however, the Lewisham-Petersham unit/apartments median price in 2008 is significantly lower than some other suburbs (Enmore, for example, \$560,000).

TENURE and COSTS

The attractiveness of an area to purchasers of housing depends on their income base relative to costs. There have been significant shifts in the tenure patterns in Sydney from 1996 to 2006. As Table 1.3.2.1 shows there was a substantial fall in the number of fully owned dwellings (from 40.6% of all dwellings in 1996 to 30.1% in 2006). Dwellings being purchased rose from 23.2% in 1996 to 31.1%, and proportions of renters fell from 30.8% in 1996 to 29.7% in 2006.

⁵ Marrickville with an area of 17 square kilometres is more than double the area of Ashfield (8 square kilometres).

TABLE: 1.3.2.1

TENURE TYPE: PROPORTIONS OF TOTAL DWELLINGS (%)

	SYDNEY 2006	SYDNEY 1996	MARRICK- VILLE 2006	MARRICK- VILLE 1996	ASHFIELD 2006	ASHFIELD 1996
FULLY OWNED	30.1	40.6	24.8	30.5	29.5	36.9
PURCHASING	31.1	23.2	28.3	19.9	24.5	14.9
RENTED	29.7	30.8	43.6	42.3	41.6	42.7
OTHER DWELLINGS	9.1	5.4	3.3	7.3	4.4	5.3

SOURCE: AUSTRALIAN BUREAU OF STATISTICS 2006 CENSUS OF POPULATION HOUSING
TABLE: T16

There have been different trends in Marrickville and Ashfield. Fully owned dwellings fell from a position already below the Sydney metro level in 1996 (Marrickville 30.5% and Ashfield 36.9%) to levels of 24.8% and 29.5% respectively in 2006.

The growth in number of people in the home purchasing group in Marrickville and Ashfield from 1996 to 2006 was greater than that for the metro region as a whole (Marrickville 19.9% to 28.3%, and Ashfield 14.9% to 24.5%). Clearly both areas moved from a dominance of fully owned dwellings to a situation of significant increases in the numbers of dwellings in the process of being purchased, with a larger number of people open to shifts in interest rates and to the vagaries of the property markets.

What is most striking about the tenure patterns of the Ashfield and Marrickville areas is the significantly higher number of renters compared to Sydney as a whole. In 2006 the proportion of renters in Marrickville was 43.6% and in Ashfield 41.6% of the dwelling totals compared to 29.7% in the Sydney metro area.

TABLE: 1.3.2.2

TENURE TYPE AND LANDLORD TYPE BY DWELLING STRUCTURE
SYDNEY 1996-2006
PERCENTAGE ADDED (+) OR LOST (-)

SYDNEY	SEPARATE HOUSE	SEMI- DETACHED	FLAT UNIT APARTMENT	TOTAL
FULLY OWNED	-19.5	+8.0	-7.5	
BEING PURCHASED	+45.0	+94.1	+128.5	
RENTED	+12.2	+18.2	+13.9	
TOTAL	+9.7	+35.7	+32.2	+14.5

TABLE: 1.3.2.2 (continued)

TENURE TYPE AND LANDLORD TYPE BY DWELLING STRUCTURE
SYDNEY 1996-2006
PERCENTAGE ADDED (+) OR LOST (-)

MARRICKVILLE	SEPARATE HOUSE	SEMI DETACHED	FLAT UNIT APARTMENT	TOTAL
FULLY OWNED	-22.4	-35.7	-23.8	
BEING PURCHASED	+41.0	+1.6	+66.3	
RENTED	+16.3	+2.1	-2.0	
TOTAL	+1.5	-6.1	-0.3	-5.7

TABLE: 1.3.2.2 cont

TENURE TYPE AND LANDLORD TYPE BY DWELLING STRUCTURE
ASHFIELD 1996-2006
PERCENTAGE ADDED (+) OR LOST (-)

ASHFIELD	SEPARATE HOUSE	SEMI- DETACHED	FLAT UNIT APARTMENT	TOTAL
FULLY OWNED	-1.6	-13.3	-59.4	
BEING PURCHASED	+60.1	+24.1	+87.4	
RENTED	+12.0	+13.6	-8.0	
TOTAL	+2.5	-13.3	-6.2	-2.3

SOURCE: AUSTRALIAN BUREAU OF STATISTICS 2006 CENSUS OF
POPULATION HOUSING TABLE: T16

Between 1996 and 2006 there were some very significant shifts in tenure patterns and dwelling types (Table 1.3.2.2). Across Sydney there was a fall in the proportion of fully owned dwellings with separate houses (-19.5%) and unit/apartments (-7.5%), with a big shift to the proportions of dwellings being purchased growing by +45% (separate houses), +94.1% (semi detached/town houses) and +125% for unit/apartments. The growth of the proportion of dwellings being purchased was not as strong in Marrickville and Ashfield as in the Sydney averages, but still large (Marrickville unit/apartments +66.3%; Ashfield + 87.4%).

As large numbers of people in both Marrickville and Ashfield moved into dwelling purchases, new relationships between income and repayments emerged. Table 1.3.2.3 shows the relative position of families in the two areas compared to Sydney averages between 1996 and 2006.

TABLE: 1.3.2.3

INCOME AND HOUSING REPAYMENT:

ASHFIELD AND MARRICKVILLE IN RELATION TO SYDNEY METROPOLITAN MEDIAN

	+ INDICATES % SYDNEY GREATER THAN ASHFIELD OR MARRICKVILLE - INDICATES % SYDNEY MEDIAN LESS THAN ASHFIELD AND MARRICKVILLE				
	MARRICKVILLE 1996	ASHFIELD 1996	MARRICKVILLE 2001	ASHFIELD 2001	MARRICKVILLE 2006
MEDIAN FAMILY INCOME	+10.5	+7.3	0	+1.5	-8.2
MEDIAN HOUSING LOAN REPAYMENT (\$)	-1.3	-1.3	-6.7	-3.9	-8.3

SOURCE: AUSTRALIAN BUREAU OF STATISTICS 2006 CENSUS OF POPULATION HOUSING TABLE: T19

In terms of family income there has been a strong shift in Marrickville from a position in 1996 where Sydney's median family income was 10.5% greater to Marrickville in 2006 having a median family income 8.2% greater than the Sydney average. The opposite change occurred in Ashfield. In 1996 Sydney's median family income was 7.3% greater than that of Ashfield rising to 12.0% greater in 2006. This has brought about a situation wherein median loan repayments in Marrickville (which were slightly above those of Sydney as a whole by 1.3%), had jumped to 8.3% above Sydney's median by 2006. Families purchasing properties in Marrickville in 2006 were spending a bigger proportion of their income on repayments than the average purchaser in Sydney even though property prices had risen by much the same rate as Sydney's as a whole. In Ashfield the repayment situation did not greatly change.

The relationships between rents and household incomes shifted across the decade (See Table 1 Appendix). The lowest income households (earning \$649/week or less) made up half of those in the cheapest renting situations (\$0-139/week) for Sydney as a whole and Marrickville. The relationship was weaker in Ashfield. By 2006 this relationship had fallen across the Metro area and in both Marrickville and Ashfield, but the declines in the latter were stronger than for Sydney as a whole.

For the higher income bracket (%3000 +/-week) compared to the highest weekly rent payments (\$350) in 1996 Marrickville's proportion was much lower than Sydney's (38.5% compared to Sydney's 52.8%). Ashfield had no people in either the high income or high rent brackets. By 2006 75% of the highest income earners in Sydney were paying rents in the highest rent group. Marrickville's proportion had grown to 67.8% and Ashfield's to 48.6%. Similar increases were in evidence for the income group (\$2000-3000/week). A significant increase in the rental payments of the highest income earners in both Marrickville and Ashfield brought a new element into the tenure relationships in the area.

1.4 Community Structures

1.4.1 Households and Dwellings

HOUSEHOLDS and DWELLING TYPES

Across Sydney the distribution of different household types according to dwelling types did not change greatly in the past decade (See Table 2 Appendix). For example, couples with children dominated the separate house section of the dwelling base (48.0% of separate house dwellers in 1996, and 44.9% in 2006). The semi detached/town house sector of the market has been fairly evenly spread between couples with children, couples without children, and lone persons. Lone person households dominated the unit/apartment sector in 1996 (41.1%) dropping to 36.1% in 2006.

The pattern for Marrickville has been quite similar to that of Sydney metro with one exception. Families with or without children made up 34.4% of those living in units/apartments in 1996, but this proportion fell to 28.8% of unit/apartment dwellers in 2006, including a significant 8.8% fall in the proportion of families with children living in units/apartments.

The pattern for Ashfield is similar to that of Marrickville, although the proportion of couples, with or without children, has been higher (38.4% of all unit/apartment dwellers in 1996, 36% in 2006). In Marrickville 2006 the proportion of the unit/apartment market had fallen to just 10%, and stood at 15.5% in Ashfield.

The Lone Person households will continue to dominate the unit/apartment sector of the dwelling bases of both Marrickville and Ashfield, with couples with children progressively occupying smaller proportions of that market.

The Lone Persons segment of the market includes a significant number of people aged 65 years and over. In Marrickville (2006) 49.5% of this group are lone persons (widowed or never married). In Ashfield the proportion of aged lone persons is smaller (32.6%), but still large. In both Council areas the aged portion of the population will continue to grow and add to the lone persons group.

Persons who have never married dominate the 15 to 44 years age groups in both Marrickville (67.0%) and Ashfield (55.5%). In particular those who have not married dominate those aged 25 to 44 years (Marrickville 67.0%; Ashfield 73.3%) and account for the largest section of the lone households. Lone persons in that age group often have substantial incomes and comparatively little in outgoings. It is this group that make up the principal section of those in the unit/apartment dwelling sector.

The data illustrate a complex pattern of relationship between household types and dwelling types that needs to be factored into any estimates of future dwelling growth in Marrickville or Ashfield. The future will be shaped by the housing goals of couples with and without children, and the proportions of lone person and group housing within the system, and the age characteristics of all these groups. A single dwelling target hides the complexity of understanding future needs. This multiplies the need to expand the land base for future housing in areas like Marrickville and Ashfield that have had a decadal decline in their housing base.

4.3.2 Households, Income, and Loans

There are differentiating factors in each of the family sectors (families with no children, families with children, and one parent families).

COUPLE with NO CHILDREN

From 1996 to 2006 the population of families with no children grew by 13.6% in Marrickville (15.3% for Sydney metro) but only by 6.1% in Ashfield (See Table 3 Appendix). Because this group is spread fairly evenly across the three dwelling types (separate house, detached/town house, unit/apartments) the group has been responsible for a reduction in demand in general in Ashfield.

Families with no children and with both partners employed are in the higher income brackets, especially in Marrickville where 63.9% of these earn over \$2000 a week (Ashfield 43.1%). Families with no children but with only one person employed fall into lower income groups. In Marrickville 43.5% of these sit in the \$1000-1999 weekly income group and in Ashfield 37.8% fall into the \$500-999 weekly income group.

Where neither partner is working most of the families with no children fall into the lowest income group (\$0-499): Marrickville 67.3% and Ashfield 59.9%.

COUPLE with CHILDREN

Whereas the size of the population of couples with no children grew in both Marrickville and Ashfield between 1996 and 2006, the population of couples with children fell in both areas (Marrickville by 22.6% and Ashfield by 7.5%) whilst this group's population increased by 4.9% across Sydney. Couples with children dominate the separate houses sector and the size of these declines explains why demand for houses, and the number of occupied dwellings, fell so dramatically in Marrickville, and more or less remained static in Ashfield.

By 2006 family incomes where both parties were employed did not vary much between couples with children to those without children, with most of these families bringing in over \$2000 a week. Where only one of the parents worked a smaller proportion gained the higher income bracket (20.4% less in Marrickville in the \$2000+ group and 18.2% less in Ashfield). The majority of couples where neither worked were in the sub-\$1999 income group.

The majority of one parent families, which are fairly evenly distributed across each of the three major dwelling types (around 10% of each), fall into the \$500-999 and \$1000-1099 weekly income brackets. Where the parent is unemployed most are in the lowest income group (\$0-499: 51.8% Marrickville and 58.1% in Ashfield), and where the parent does not work a third sit in the lowest income group and a further third are in the second lowest group (\$500-999/week). The number of one parent families in Marrickville fell by 4.6% from 1996 to 2006 and by 7.9% in Ashfield.

Loan Repayments

In 1996 just on one third (32.4%) of Sydney couples with no children who were purchasing dwellings, were in the lowest monthly repayment group, \$1-\$949. (See Table 4 Appendix). The proportions of purchasers in Marrickville and Ashfield in the lowest repayment group were around a quarter (24.8% and 24.4%). Few Marrickville or Ashfield couples were paying out the highest rates of repayment (\$3000+ per month: 1.5% in Marrickville and 2.9% in Ashfield and Sydney).

By 2006 the Sydney market had shifted considerably. By then 19.3% of dwelling purchasers were in the lowest bracket, less than the 19.5% of couples with no children that were paying the highest amounts (\$3000+). In the \$1-\$949 repayment group in 2006 Ashfield's couples with no children had fallen to 13.6% of home buyers, with Marrickville falling further to 8.5%. At the other end of the scale (\$3000+ per month) Ashfield's proportion was in line with the Sydney figure (19.4% of purchasers) while Marrickville's had moved to 28.2% of the couples with no children.

The rate of increase of couples with no children for Marrickville was less than the Sydney average but the expenditure levels had grown faster than the Sydney average.

Couples with no children on average have higher incomes than couples with children. In 1996 the proportion of couples with children who were paying the lowest amounts (\$1-\$949) per month across Sydney was 8% greater than the proportion of couples with no children. In Marrickville and Ashfield the difference was around 10%. In the upper level of repayments (\$3000+ per month) in 2006 there was a higher proportion of couples with

children (22.1%) than couples with no children (19.5%) across Sydney. Marrickville had an even higher proportion (22.5%) but Ashfield's was 5% below the Sydney figure.

With Single Parent families in 1996 60.1% were in the lowest repayment group across Sydney, and in both Marrickville and Ashfield the proportion was over 50%. By 2006 the percentage of Single Parent families in Sydney in the lowest monthly payment group had fallen to 22.2%. Both Marrickville (25.2%) and especially Ashfield (35.7%) were higher. At the other end of the scale Single Parent families that were in the top monthly repayment cluster (\$3000+) represented 8.7% of all Single Parent families in Sydney, with Marrickville and Ashfield being a few percentage points above and below.

OCCUPATION

From 1996 to 2006 the occupation sectors with the highest proportional gains in numbers in Sydney were managers (0.8%), professionals (3.5%), community and personal services (0.9), and machinery operators (1.3%). The biggest proportional gains in Marrickville and Ashfield were made with managers (3.1% and 1.7% respectively) and professionals (8.9% and 7.1%). These gains were much larger than for Sydney as a whole (Table 4.3.2.1). In contrast the machine operators group, which had the second highest increase for Sydney (1.3%), had substantial declines in Marrickville (-3.9%) and Ashfield (-2.6%).

The changes in Marrickville and Ashfield point to a substantial shift in the occupational make-up of the residents of the areas.

By 2006 professionals made up 32.4% of the workers living in Marrickville, by far the single largest occupational group. Managers constituted a further 12.7% of the occupational total, so that 45.1% of the residents of Marrickville were in these two occupational groups. This shift signals a substantial change in the social structure of Marrickville and relates to the various shifts in income and dwelling loans discussed above.

A similar change is recorded for Ashfield. 42.9% of the workers who live there belong to either the professional or manager sectors of the resident's occupational structure.

Table 4.3.2.1

Major Occupational Shifts Sydney, Marrickville, Ashfield 1996-2006
% gain or loss

	SYDNEY		MARRICKVILLE		ASHFIELD	
	Gain	Loss	Gain	Loss	Gain	Loss
Managers	0.8		3.1		1.7	
Professionals	3.5		8.9		7.1	
Technicians and trades workers		1.7		3.1		2.0
Community and personal services workers	0.9		0.5		0.1	
Clerical and administrative workers		1.8		0.6		1.1
Sales workers	0.1		0.2		1.4	
Machinery operators and drivers	1.3			3.9		2.6
Labourers		0.3		4.4		2.3

Source: Australian Bureau of Statistics 2006 Census of Population and Housing Table T26

4.3.3 Movement and Migration

In 2006 only 52.6% of Marrickville's population and 55.4% of Ashfield's population were living in the same dwelling that they had occupied in 2001.

There was some movement within the two Council areas (Marrickville 10.5% and Ashfield 7.8%), and substantial in-movement from other parts of Sydney or other parts of New South Wales (Marrickville 25.7% and Ashfield 21.8%). Overseas migration made up 7.6% of Marrickville's population and 12.6% of Ashfield's.

The proportion of new arrivals from overseas has changed in terms of numbers compared to the past. In 1996 almost half the population of Marrickville had been born overseas, but that the proportion dropped to 45.2% by 2006. In Ashfield in 1996 the majority of the population had been born overseas: 51.3%. This proportion grew to 52.3% by 2006. The social structure of the two areas has been built around the large number of migrants that have settled there.

UK migrants have formed the largest single migrant group in Sydney, 5.2% of the total population in 1996 and 4.2% in 2006. In Marrickville in 1996 UK-born people made up the third highest group (3.6% of the population) behind Vietnamese (5.6%) and Greeks (4.9%), with Chinese (3.4%) ranking fourth. In Ashfield in 1996 Chinese made up 8.3% of the population and Italians 6.6% with UK-born people ranking third with 4.9% of the population. In 2006 Chinese made up 9.8% of Ashfield's population and Indian's 3.2%.

Some of the migrant groups have been established in the two areas over a long period of time. 88.2% of Italians in Marrickville and 92.1% of Italians in Ashfield had arrived before 1991. 91.2% of Greeks in Marrickville had arrived before 1991. 81.7% of the Lebanese in Marrickville also arrived in Australia before 1991.

In Marrickville some of the longest standing migrant groups with long histories in the area have declined in numbers: Chinese from 3.4% of the 1996 population to 1.9% in 2006; Vietnamese from 4.9% of the 1996 population to 3.3% in 2006; Greeks from 4.9% of the population to 3.6% over the same period. In Ashfield similar changes have occurred. Italians have fallen from 6.6% of the population in 1996 to 4.9% in 2006.

There have been some very substantial increases in the numbers of migrants from certain countries settling in Marrickville and Ashfield in the 5 years up to 2006. 53.5% of the Chinese in Ashfield came in that period, and 29.7% of the Chinese in Marrickville did the same. 71.5% of the Indian population of Ashfield (making up 3.2% of the population in 2006) arrived between 2001 and 2006. There have also been fairly strong increases in the number of New Zealanders to Marrickville (25.5% coming between 2001 and 2006) and UK arrivals in Ashfield (19.0% in the same five years).

The changes to the composition and size of various migrant groups in both Marrickville and Ashfield, and the fact that substantial shifts have occurred recently, are quite salient to understanding various aspects of the population and dwelling changes in both areas.

When ethnic patterns are compared to histories of settlement in Marrickville and Ashfield over time, they add further to the complex nature of changing social structures, and the way that such dynamics play back into the economic fabric of the housing market. They relate to the occupational structures of the population, to the levels of investment in housing, to the preferences for types of housing, to family and household compositions, and to price structures. The relationships are so complex that it is difficult to suggest future requirements for dwelling types and locations of land reserved or zoned for dwelling developments. The message from all of this is that if Marrickville and Ashfield are going to be successful in achieving their Strategy targets more, rather than less, land given over to housing has to be available to cover the complexity of change in inner Sydney.



SECTION 2

Heritage Issues

2.1 Ashfield

Ashfield Municipal Council has, over a long period of time, focused on heritage conservation. In terms of both processes and outcomes Ashfield Council has developed one of the most complete systems of identifying and preserving its heritage. Amongst the 43 Councils within the metropolitan area Ashfield stands out for the scope and detail of its heritage program.

The Council-published Heritage Items lists 1,375 properties and sites registered within the municipality. Of the 8.1 square kilometres that comprise the Ashfield LGA, around 5.5 square kilometres is residential. Most of these areas are heritage impacted, if not actually listed. The entire suburb of Haberfield makes up one heritage conservation area by itself. Summer Hill, which contains the Allied Mills site, has over 100 listed items, and a number of other sites that have strong heritage qualities. Advice from Ashfield council suggests that as much as two thirds of Summer Hill could be listed. The Council has plans in train to make most of the Liverpool Road commercial precinct heritage listed, so it is extending from residential to existing older business premises. These developments have significant implications for the Allied Mill site.

The suburb of Summer Hill was born in the heady days of a property boom in the 1880s. In 1876 a land subdivision was called Summer Hill, and the name was then embraced for the district. In 1879 the railway was connected to Summer Hill, and the suburb became part of a huge boom in railway suburbs that included Ashfield, Burwood, Petersham, Stanmore and Summer Hill. Substantial homes were built in these districts with prices in 1885 of 700 to 800 pounds, compared to Sydney's average of 630 pounds. By 1890 prices topped 1,000 pounds in the district.

From the 1880s through to the 1910s, Summer Hill became an upper class suburb, with many professionals in the banking and insurance fields choosing to live there, utilising the relatively short rail trip to their City offices. From the 1920s the transport developments on the North Shore triggered a movement of professionals away from the Inner West and several of the larger residential sites were broken up and built on. Post-World War 2, Summer Hill became a working class suburb. In the 1970s many mansions close to the railway station were demolished to make way for home units. In more recent years, Summer Hill has undergone a process of gentrification. As shown in Section 1, property values have increased since the mid-1990s, with the finest older houses attracting many people in the professional and managerial positions.

In contrast to local areas that have been struggling to maintain population and dwelling numbers since the mid-1990s (Ashfield and Marrickville Council areas) Summer Hill has proved itself to be a magnet for in-coming dwelling-seekers.

2.2 The Allied Flour Mill site

The flour mill at Summer Hill was built in 1922. During the First World War a north-south rail freight line was built passing through Summer Hill and finishing at Dulwich Hill. The location of this railway was a determining factor in the construction of a flour mill on the Smith Street site. Over time, the flour mill has been owned by, or had shared interests with, various groups that underlie the history of flour milling in Australia. Over the years these included Mungo Scott, Gillespie Brothers Holdings, Bunge Australia, Goodman Fielder, White Rose Flour Mills, Defiance Milling, Sunshine Mills, Murrumbidgee Milling Cooperative, McLeods Milling, and Great Southern Flour Mills until finally owned by Allied Mills. Allied Mills was purchased in October 2002 by a joint venture between GrainCorp (60%) and Cargill Australia (40%).

The mill, therefore, is a part of Australia's long history of flour milling. Its various owners and linked partners stretch back through the history of milling in Australia, and in particular the history of milling in Sydney.

The silos were added from the 1950s onwards and by their scale and position became a landmark in the district. The 1950s and 1960s were the peak years of Summer Hill as a working class suburb. The mill and its silos form a significant monument to those years.

Allied Mills decided to build a new \$85 million plant at Picton capable of doubling the 468 tonnes of wheat used to process flour and other products at Summer Hill. The Picton plant will incorporate the latest technology, replacing the current hand-operated machines with high-tech computer systems and more energy-effective machines. The new mill at Picton will have a workforce of just 28, instead of the current workforce of 49 people (through to the end of 2008). A number of the current workers have been employed at the mill for as many as 40 years, and the closure of the mill in a sense coincides with the end of the working life of these people. The loss of workers will not affect the employment structure of the area. As noted in Section 1 there has been a strong growth of

professional and managerial people, and the unemployment figures are at, or close to, the average for Sydney.

In October 2007 the site and buildings of the Summer Hill mills were sold by Allied Mills, and the old industrial era for the site ended. The mill's location was determined by the transport access that the freight line provided. Now, the mill is the only user of the line, and when the mill relocates, the freight line will be redundant and the rationale for using the site for manufacturing and processing disappears.

The prime buildings of the mill, including the silos, stand as an important element of the history of Summer Hill's built environment. In the process of listing a property as a heritage item, the Council through its Heritage Consultants, will make a careful assessment of its historical, social, aesthetic and other accepted criteria to measure its historical significance. Most decisions are made around whether or not a particular site or property can be classed as having representative significance, either as a good example of a type, or because of its rarity.

Although the majority of heritage-declared items in the Ashfield municipal area are houses, there are a number of other buildings and sites that have been given heritage status. These include the Infants Home, Grosvenor Hospital (incorporating Carleton, Summer Hill's largest mansion and associated buildings), the Victoria Street Chapel, and the Louise Taplin Ward Buildings. The Summer Hill Station Booking Office has been preserved as the only surviving element of the 1892 Summer Hill Railway Station complex. The Summer Hill Central Conservation Area, including the Lackey Street shops, is in the process of being declared to have heritage significance.

A Heritage Study Review of the mill complex was undertaken in 2001. The report is attached. As the report states, the site represents a very important industrial complex with three particular core components: the five story mill building, the silo and workshop building, and ancillary structures including the unloading bay and service buildings.

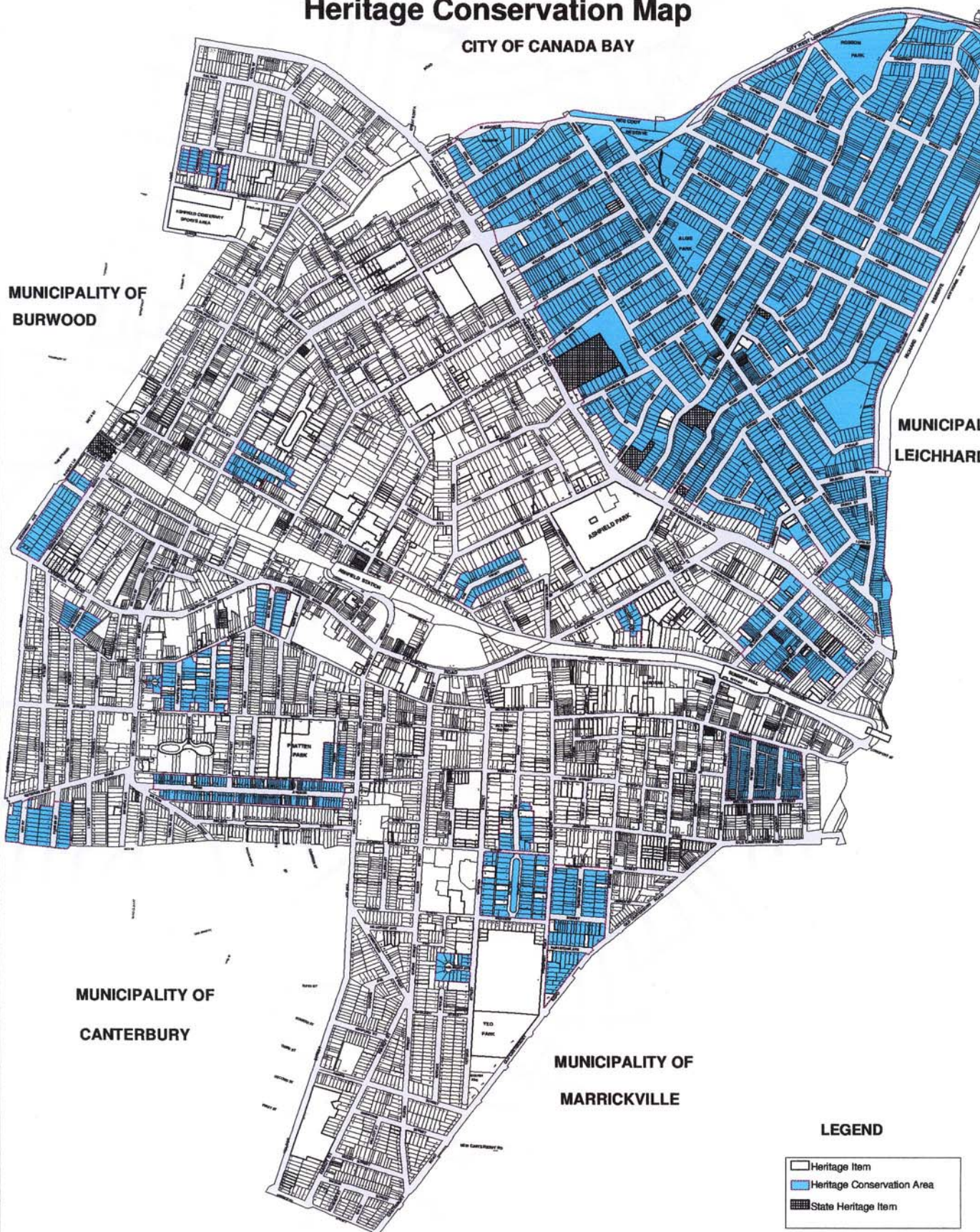
Technology and time have decreed that the complex cannot be used as an industrial site. The scale of the purpose-built structures do not lend themselves to either large scale manufacturing or (especially) to the service industries that are to be found in the adjacent areas of Summer Hill, Ashfield, Lewisham and Petersham. Yet the complex by its very size and historical importance will undoubtedly retain heritage status, and will thus need to be given over to uses that will allow the key buildings in the complex to be preserved and regenerated so that their significance is held for posterity.

A large area, between Spencer and Nowranie Streets, adjacent to the mill complex is declared a Heritage Conservation Area (see Figure 1), and the mill complex site adds further to the heritage importance of this part of Summer Hill.



Heritage Conservation Map

CITY OF CANADA BAY






MUNICIPALITY OF
BURWOOD

MUNICIPALITY OF
LEICHHARDT

MUNICIPALITY OF
CANTERBURY

MUNICIPALITY OF
MARRICKVILLE

LEGEND

-  Heritage Item
-  Heritage Conservation Area
-  State Heritage Item

This map has been produced using the Ashfield Council's Geographic Information System. This map must be read in conjunction with the current version of Ashfield Local Environmental Plan 1995 (as amended). Map users should obtain a Section 149 certificate from Council to obtain details of current town planning information. Council accepts no responsibility for any injury, loss or damage arising from the use of this map or errors or omissions therein. This map should not be relied upon for contract or any other legal purposes. While all care is taken to ensure a high degree of accuracy, users are invited to contact Council.

Ashfield Municipal Council

Scale 1:4000



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8/7/2005



D 2001 Ashfield Heritage Study Review of Areas Zoned 2(a)

Name of Item Allied Flour Mills mill complex

Reference N°

3 1902

Other Names

Address 2 Smith Street

Locality Summer Hill **Postcode** 2130

Item Type Building

Land Title

Group Name

Owner/s

Statement of Significance

A very important industrial complex, the only one of its kind in Ashfield and now an example of a very rare type fulfilling its original functions in the Sydney area. It has manifest historical associations, a compelling and impressive landmark scale and presence, considerable architectural and engineering values, and landscape interest. Strategically located on the edge of the municipality alongside the goods railway and over the Hawthorne Canal, the complex has an appropriate visual relationship with its surroundings. It also forms a dramatic contrast with and complement to the monumental St Andrew's Anglican Church, located at the opposite end of Smith Street.

Condition as observed from street-

☒ Intact

Minor alteration-

☐ Sympathetic

☐ Unsympathetic

Major alteration-

☒ Sympathetic

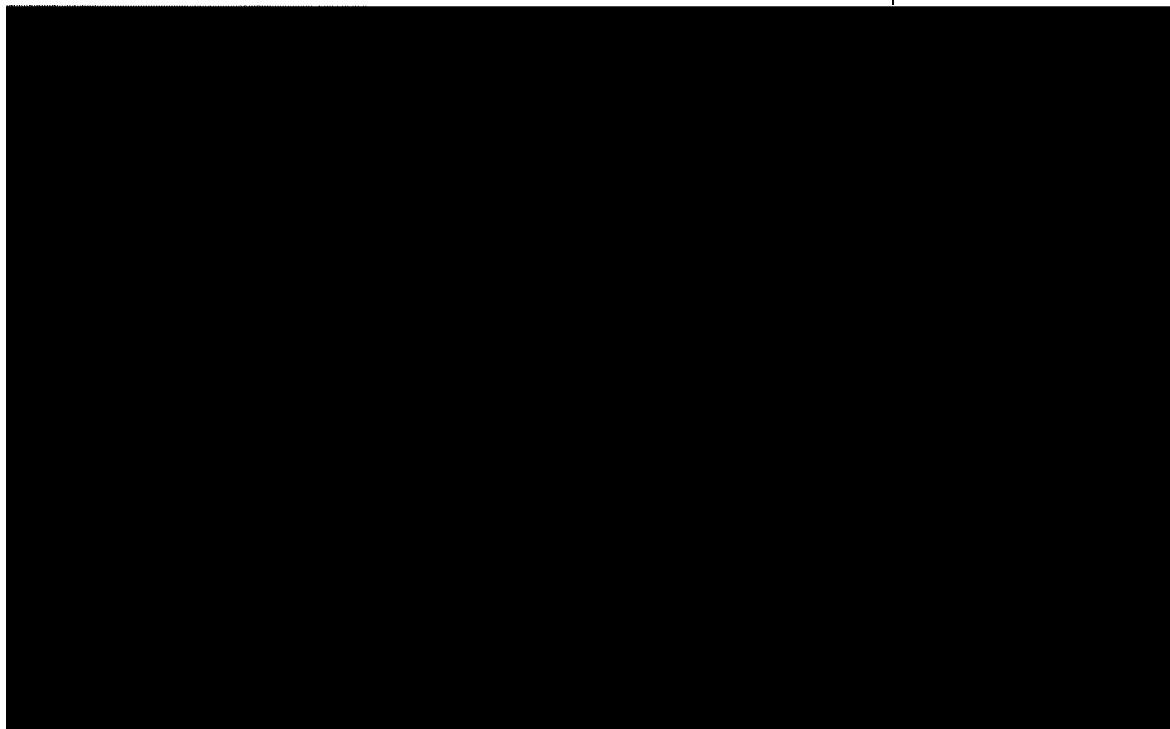
☐ Un sympathetic

Summary of Significance

	Rare	Associative	Representative
Historic	~	<input checked="" type="checkbox"/>	~
Aesthetic	<input checked="" type="checkbox"/>	~	~
Social	~	<input checked="" type="checkbox"/>	~
Scientific	<input checked="" type="checkbox"/>		~
Other	~	~	~

Modifications -

Many additional components effected over the years since inception



Surveyed by

Survey Date

Photo Roll N° 53

Frame N° 12

12/3/2003

RI



Ashfield Heritage Study Review of Areas Zoned 2(a)

Current Use

Allied Flour Mills mill complex, 2 Smith Street, Summer Hill

Reference N° I
3 1902

Heritage Listing Recommended

Themes : Local

Industry, commerce and retail trade

Themes : State

Industry. Technology. Towns, suburbs and villages

Historical Notes

This land was originally part of a grant of 30 acres made to Henry Kable in 1804, long before the municipal boundaries were fixed. The site is partly shown on the 1883 Higinbotham & Robinson map of Ashfield where it was designated as Fyle's Brickyard. John Fyle bought the land from Robert Campbell in about 1840. There is an evident discrepancy in the extent of the site because of what appears to have become a later re-alignment of the Long Cove Creek east of Edward Street. (1) John Fyle's Brickworks occupied a site of 5 acres. Fyle died in 1887 and left the brickworks site to his daughter Harriett Stratford. She died in 1904 and the land, which passed to her seven children, was sold by them to the Railways & Tramways Construction Authority for £1094. 10s, for the purpose of constructing a section of the Glebe Island-Darling Island goods railway line. It appears that the site reached its present form about then, when the goods line was constructed. In 1916 the land not required for the railway was sold to Mungo Scott Ltd for £3,000. A further portion of six-and-a-quarter perches was acquired by Mungo Scott in 1918. A building application was lodged in November 1920 for the erection of a flour mill, estimated to cost £12,500. The builder was John Dunkerley, of Burwood. (2) The original complex comprised the brick-built mill, the tall timber-framed bin building and its workshop appendages, and ancillary small structures including stables, with wheat unloading facilities served by a siding off the goods line. Since then several other large silo and bin structures of concrete and steel, and other buildings, including the office building in more recent years, as well as landscaping elements, have been added. The property was later acquired by Goodman Fielder Wattle Ltd and, latterly, by Allied Flour Mills. (3)

Physical Description

The historic core components are (a) the five-storey brick and metal-roofed mill building, displaying a remarkable interior structure of heavy timber storey posts and girders, (b) the voluminous timber framed and corrugated metal clad and roofed silo and workshop building, constructed of full-height log posts and heavy girders, and containing notably large bins and of heavy cross-plank construction, supported on robust posts and braces, (c) ancillary structures including the wheat unloading bay and chutes, and some smaller-scale service buildings such as the stables, now an amenities block. The brick building comprises two adjoining wide structural bays, each gabled and with a full-length roof monitor providing additional storey height. It contains impressive flour milling and conveying equipment, some of which has been in place since the mill was erected. The timber bin building also contains areas for materials handling and storage, as well as early workshop spaces still containing historic machinery.

During the years since its inception, there have been many campaigns of additions and alterations in response to the growth of the operation and improvements in industrial processes, the most obvious of them being several ensembles of very large silos and bins for wheat and flour, of both metal and concrete construction, including conveyor systems and access bridges.



The Technical Centre building, facing Smith Street, is a three-storeyed International-Style structure of concrete and brick with a pleasing streetscape presentation. Its front garden setting includes Brush Box, Butia Palms and a magnificent Chinese Elm.

Information Sources

- (1) *Ashfield Heritage Study 1993*, vol. 1, pp 32, 36. A copy of the Higinbotham & Robinson map is in Ashfield Council Archives.
- (2) Research by Nora Peek and Ashfield & District Historical Society, from Land Title documents and , from Ashfield Council records including BA 302 of 1920.
- (3) From site inspections and from research by Stuart Reid, 2002.

SECTION 3

Transport Issues

3.1 Summer Hill Light Rail Extension

3.1.1 The Extension Plan

The freight line that passes through Summer Hill provided the siding that serviced the flour mill over eighty six years. Now the mill is the only current user, and when it relocates to Picton at the end of 2008, there will be no freight trains operating on the line.

The freight line that was opened in 1919, was designed to reduce freight traffic on suburban rail lines. It ran from Darling Harbour (the principal freight goods yards in Sydney) through Pyrmont and Wentworth Park to eventually reach Dulwich Hill on the Bankstown rail line. The redevelopment of the Darling Harbour area in the 1980s changed the location and direction of freight movements in inner Sydney. A section of the line between Balmain Road and Wentworth Park was used to supply goods to the Edwin Davey Flour Mill at Wentworth Park until 1996. The line was then converted to a Light Rail system that by 2000 reached Lilyfield, bringing the length of the system to 7.2 kilometres.

Metro Transport Sydney (MTS), the company that operates the Sydney Monorail and Light Rail systems, has proposed extending the Light Rail line that operates from the city to Lilyfield on to Summer Hill. This would add a further 3.7 kilometres to the system.

MTS in proposing the extension argues that it would provide a complementary element to existing public transport services in the Inner West. The Smith Street mill site is intermediate to, and 300 metres from, the Summer Hill and Lewisham Cityrail stations. The extended line, and the stations that would be built along it, have a connection with a number of bus routes (436/437/438/461/480/483/413/445), and offer a more integrated off-road transport system for the Inner West.

The MTS plan puts in place 4 new stations that would provide people in Petersham, Leichhardt, Haberfield and Dobroyd Point with access to the light rail system.

The road systems linking the Inner West to the city have a notorious record of congestion. The yet-to-be-announced extension of the M4 motorway would assist in relieving some of this congestion but cannot, of itself, remove all of the problems owing to the nature and density of the built environment in that part of Sydney. The extension of the Light Rail system would provide an alternative to road transport, utilising the rail corridor that would otherwise have no other purpose.

Technically, the transformation of the freight line to light rail is relatively easy. The dual track is standard gauge and requires little in the way of modification since the line is set up for heavy freight loads. Electrification is available. There are no sharp radius curves and quite low gradients. The route is signalled.

3.1.2 Demand for Transport

Table 3.1.2.1

Travel to Work 2006 Sydney, Marrickville, Ashfield
% of persons aged 15 years and over

Method of Travel	Sydney	Marrickville	Ashfield
Public Transport	14.3	30.1	31.2
Car	67.2	30.1	31.2
Train plus 1 other means	4.2	5.2	0.9
Bus plus 1 other means	5.1	6.2	5.5
3 means	0.5	0.1	0.7
Bicycle	0.6	2.3	0.9
Walk	0.5	6.6	5.1
Work at home	4.3	3.5	3.4
Didn't go to work	10.8	9.5	10.0

Source: Australian Bureau of Statistics 2006 Census Table B45

In both Marrickville and Ashfield the journey to work patterns are distinctly different to those of Sydney as a whole. Whereas less than 15% of Sydneysiders use public transport to workplaces, over 30% of people in Marrickville and Ashfield travel by public transport.

Car usage for travel to work across Sydney is dominated by car travel (67.2% of workers). In both Marrickville and Ashfield less than 50% of journeys to work are made in cars (47.5% and 49.4% respectively).

The proportion of workers who walk to their workplace is distinctly high: Marrickville (6.6%) and Ashfield (5.1%) compared to just 0.5% for Sydney as a whole. Ashfield LGA has 3 railway stations in its small area, and Summer Hill Station is within walking distance to the residential area. Rail travellers walk from their homes to the rail stations.

Table 3.1.2.2

Number of Motor Vehicles per Dwelling
% of households

Sydney, Marrickville, Ashfield, 2006

No. per dwelling	Sydney	Marrickville	Ashfield
0	13.7	24.3	23.7
1	40.1	49.8	48.6
2	33.5	21.1	21.7
3	8.8	3.4	4.3
4	3.8	1.3	1.7

Source: Australian Bureau of Statistics 2006 Census Table B29

Residents of Marrickville and Ashfield have a very different pattern of vehicle ownership compared to Sydney as a whole. Whereas less than 14% of households in Sydney do not own a vehicle nearly a quarter of households in Marrickville (24.3%) and Ashfield (23.7%) do not have a vehicle. Almost half of the households in Marrickville (49.8%) and Ashfield (48.6%) have just one vehicle. Over a third of households in Sydney have two vehicles whilst just over one fifth of Marrickville and Ashfield households have two vehicles. There are more than double the proportions of households in Sydney that have 3 vehicles than in Marrickville or Ashfield, and more than four times the proportion of households with four vehicles in Sydney than in Marrickville or Ashfield.

It is clear that in the Inner West areas of Marrickville and Ashfield residents make strong use of public transport and are much less wedded to the car than people residing in the rest of Sydney. It is reasonable to assume that if more facilities are provided, such as Light Rail, patronage will be strong.

MTS has produced estimates of the number of passengers that the extended Light Rail line would carry: 1 million per year. According to MTS this is a reasonably conservative estimate. The system today averages 37 passengers per train and the forecast of 1 million passengers per year on the additional 3.7 kilometres is based on just 13.5 passengers per train.

Fares on the system would be higher than for the Public Transport network. The MTS estimate is that the extended journey from Lilyfield to Summer Hill would add \$1 to the present well used City-Lilyfield route. The area that would be serviced by the extension has above average household incomes, and the Light Rail can be used for various activities as well as work and shopping (such as visits to Darling Harbour facilities and the Fish Market). The cost of travelling on the train would be considerably less than the cost of parking in the city. The area is well serviced with east-west transport corridors but not north-south linkages.

Because the track is bordered by a large area of railway land, the extension to Summer Hill would not bring additional noise, or other factors, that could reduce the amenity of the housing areas that the line would service. Indeed the conversion of a rail freight system to a Light Rail system would largely remove problems of that kind.

The estimated cost of extending the line to Summer Hill is \$17 million, and the system could be operating a year beyond MTS receiving the requisite approvals.

The evidence suggests that the Light Rail extension to Summer Hill would bring benefits to the residents of that part of the Inner West, and would help relieve some of the transport and traffic problems linking the City to the Inner West. And, all of this would be accomplished without expenditure from the public purse.

There is one obstacle that would stand in the way of MTS pursuing its plans. That is the use to which the former mill site will be put. MTS have publicly stated that it would require the site to yield both a reasonably appropriate number of dwellings alongside commercial uses that would also yield a larger workforce on the site (compared to the current 49 workers on a 2.46 hectare site).

3.2 Further Proposals for the Use of the Freight Line

The future use of the old freight line that runs from the former Rozelle railway yards through Dulwich Hill has involved other interested parties as well as MTS. The other major groups are the GreenWay Alliance of Councils (GAC) and the Friends of GreenWay. As the name implies these groups are working towards creating a green corridor along the current space of the old freight line.

A central objective of GAC is to create a best practice model for multi-stakeholder sustainable management of the rail corridor.

To that end GAC has opened negotiations with the principal NSW Government stakeholder, RailCorp, to produce a Memorandum of Understanding that would enable the group to install sustainable management of the old rail corridor. There are a number of environmental goals that include protection of flora and fauna, stormwater and run-off improvements, and improved air and water quality. The corridor concepts include community engagement, and education, higher usage and better access to parks, sporting and recreational facilities.

A significant fourth objective concerns transport, and it is here that the concepts of the Light Rail extension and the GreenWay meet each other and form a complementary force in working towards sustainable management of the corridor.

GreenWay gives strong support to the provision of, what they call, a **vital** North-South alternative transport route that will decrease climate change impacts, improve air quality, and reduce noise pollution. One part of this objective is the provision of bicycle paths and pedestrian ways in the corridor. The other involves the extension of the Light Rail system.

The GreenWay project has links to the Cooks River Catchment Management Strategy (1999), the Lower Parramatta River Stormwater Management Plan (1999), the CMA Draft Catchment Action Plan Management targets (2007), the Biodiversity strategies for three Councils (Marrickville, Ashfield and Leichhardt), Marrickville Council's Transport Strategy (2007), RailCorp's Biodiversity Management Plan for the Metro South Region, and community initiatives. All of these come together in the GreenWay Coordination Strategy of 2007.

The GreenWay vision was initiated in 1999. In 2002 it was accepted by Marrickville, Ashfield and Leichhardt Councils. In 2006 the three Councils combined to fund 50% of the operating costs of the GreenWay Alliance of Councils whose staff are based at Ashfield Council. The other 50% of the funding has been provided by the NSW Department of Planning, indicating the significance of the concept.

The GreenWay Working Group has been administering the Coordination Strategy since 2005. The Working Group includes Council representatives and major State stakeholders such as RailCorp, RTA, and Sydney Water. The Steering Committee involves both official stakeholders and members of the community.

The Friends of GreenWay is a community group that supports and works with the GAC. There are 80 members of the Friends of GreenWay, and somewhere around 400 community members who have affiliations with GreenWay. These include the Leichhardt, Marrickville and Ashfield Bicycle Users Group and Inner West Environment Group.

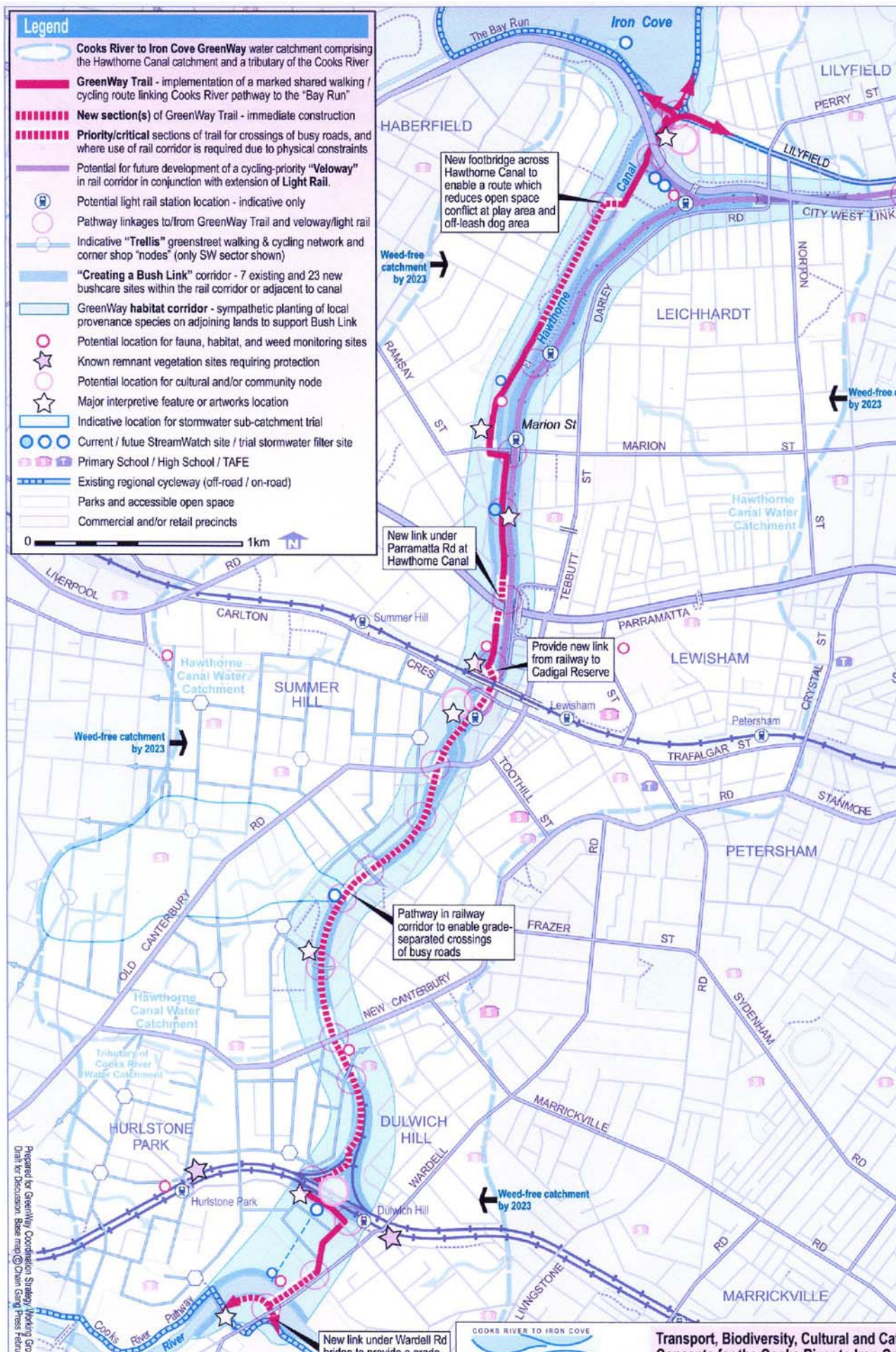
The GreenWay project arose from community interest and pressure. It involved a search for a best practice model for shared public assets. This has bred an interactive development of shared management guidelines and action between the community, Councils, and State Asset Managers (including RailCorp and the Department of Planning).

The strong engagement of the three Councils in this regional management program breaks new ground. Each of the Councils has given the project as a priority in their Management Plans. A fourth Council, Canterbury, also has connections with the project because the southern end of the corridor has links into its territory. Canterbury Council does not provide funding for GreenWay but does provide support in kind.

The significance of the Greenway project has been the GAC's receipt of \$1.83 million from the NSW Environment Trust to engage in a three year research project to develop the best practice model for sustainable management of the old freight corridor based on the GreenWay concept. This also involves \$445,300 of Council⁶ funds over the three years. With such support for the concept, and the obvious determination by the Councils and the Community, there is a high degree of probability that the GreenWay project will produce most of what is being envisaged for the rail corridor.

This probability then suggests a number of contingent outcomes. The GreenWay concept gives a high priority to the development of a Light Rail system in the corridor. MTS is prepared to extend the system to Summer Hill, but needs the additional population that would come about by a mixed development of residential and commercial buildings on the old mill site. Industrial uses of land along the corridor runs counter to the lofty environmental goals of the GreenWay concept. The mill site contains distinctive heritage buildings that, practically, can only be adopted for residential use. Thus, the system becomes circular, the circularity only being broken by a zoning system that can accommodate each of these elements.

⁶ Canterbury Council is part of the Alliance of Councils (Marrickville, Ashfield, and Leichhardt) in the research program.



SECTION 4

Identifying Land Use Priorities

4.1 Structural Change in Manufacturing Industry

4.1.1 The Boundary Issue

The Allied Mills site is split by the boundary which divides the Inner West Subregion and the South Subregion, and which is also the boundary of the Ashfield and Marrickville Council areas.

This complicates the strategic allocation of land uses. The South Subregion draft Strategy includes a detailed structure of employment lands and residential targets for the Marrickville Council area. The Strategy parallels, and has close affinities with, the Marrickville Urban Strategy, which was released on April 3 2007.

Manufacturing is one of the two key industries of the South Subregional area. The draft Strategy identifies 12 areas where land is to be retained for industrial purposes (Category 1) in the Marrickville Council area, an allocation of 144.5 hectares of land for industries. 60.2% of that land is located in the Sydenham area, 16.6% in the Tempe area, and 10.7% near the airport: these three districts make up 87.5 % of the Marrickville industrial lands. This distribution of industrial lands is in accord with the Marrickville Urban Strategy, particularly Objective 3 and Action 1.4.

The area on the northern fringes of the South Subregion and Marrickville Council, where the Allied Mills site sits, has only allocated 1.5 hectares of industrial land (1% of the Marrickville total), and this is located on New Canterbury Road, Lewisham.

In contrast to Marrickville, the Ashfield Council area is not a heavily industrialised district. Since the Inner West draft Strategy has not been released at the time of writing there is no indication of what role industrial reserved sites will play in the overall strategy for the Inner West. Whereas the Marrickville area has historically been a strong industrial zone within Sydney's economy, Ashfield has not. There is a distinct gradation of industrial concentration across the Marrickville area with a strong concentration in the south east fading to very little in the north- west. In sound planning terms this gradation should be reflected in the boundary area between the Inner West and South Subregions, simply because the economic base is dependent on such factors as infrastructure availability, transport connections, complementarity of uses, market structures and other factors. This defining and complex base relates to a certain spatial logic which has little do with administrative boundaries.

4.1.2 Historical Background

The process of defining and determining land use allocations historically relates to two key considerations: the separation of uses and the concept of highest and best use.

Separation of uses goes back to the congestion and pollution of the Victorian era cities, and the planning efforts of people like Ebenezer Howard. In Sydney, first the development of suburban railway lines, then the installation of an extensive tram system, and post-World War 2 the impact of motor vehicles, progressively led to developments and plans in which different uses were zoned on the basis of incompatibilities between them. The first metropolitan plan for Sydney (the Cumberland County plan) and successive plans/strategies at both the metropolitan level and Council levels reflected this approach.

The concept of highest and best use is largely based on land economics. Effectively this concept (easy to conceptualise but rather more difficult to determine in practice) has embedded zones of different uses which largely determine the commercial value of land and property.

In practice the two factors (separation of uses and highest and best use) have fused together through zoning. There is a hierarchy of property values dependent on the institutionalisation of zones of land uses.

Industrial land has been a very distinctive feature of this division. In the days of mass production (beginning in the 1920s and reaching its peak in the 1960s) large scale manufacturing sought large areas of land which were principally found on the moving fringes of Sydney. In the older suburbs air and noise pollution and traffic problems kept manufacturing bound in its own defined territory.

There has been a fundamental change in the nature of manufacturing in Sydney. The dispersal of manufacturing offshore and the development of global supply chains has affected the traditional manufacturing industries. Sydney from the 1970s to the 1990s reduced or shed a number of manufacturing industries, (that were retained significantly by Melbourne), while developing strengths in the global high-level service industries.

The relative economic importance of manufacturing today is shown by private new capital expenditure in New South Wales from 1999-2000 to 2005-2006⁷. \$ 108,300 million was expended across all industries, with manufacturing providing just \$17,400 million. In terms of Total Factor Income in the period 2000 to 2006, in half the years manufacturing's annual percentage change was either negative or less than 0.5%.

⁷ Australian Bureau of Statistics New South Wales in Focus 2007 1338.1 p.152-153

In terms of implications for land uses it has to be recognised that the nature of manufacturing has changed dramatically. The most successful industries of the next two decades (leading up to 2031, the target end-date for the metro strategy) will be based on nanotechnology, biotechnology, information technologies and neurotechnology⁸ according to James Canton, CEO and Chairman of the Institute for Global Futures. From 1999 to 2005 expenditure on research and development by the manufacturing sector in NSW totalled \$3,250 million, 36% of all R&D expenditure⁹. In each of the 6 years manufacturing was the top area of expenditure. High tech sectors of the manufacturing industry accounted for half of NSW's 5,387 Standard Patent Applications from 2000-2006.

Progressively over the next 20 years there will be a dramatic shift in manufacturing in Sydney, with the best opportunities available in the high-tech sector. These establishments work in air conditioned, climate-controlled environments. Increasingly it will be difficult to separate such industries in a land use sense from areas of commercial and service sector elements of the systems. It is notable that the two biggest sectors for expenditure on R&D (1999-2005 in NSW) were finance and services (\$1,409 million) and property and business services (\$1,984 million). In terms of spatial needs, location, and working environments there is not a great deal of difference between the high-tech, growth sectors of manufacturing and the high-tech product development areas of the key service sectors.

Inevitably there will be fusions between sectors which are currently separated by zoning. It is already happening in some ways where it is hard to disaggregate functions of manufacturing, assembly, storage and warehousing, wholesaling, and retailing, functions which meld together within increasingly complex supply chains. In the most successful large industrial estates in Sydney (such as NorWest) residential development becomes part of the mix of uses that suggest a path to the future.

The fusion of prescribed land use types will also have to recognise a change in the character of residential lands. With the advent of the communications revolution there is a growing trend towards working at home. This trend will increase over the next 20 years, further blurring the character differences of residential areas and their separation from work places.

In this context the Sydney Metro Strategy is taking positive steps in linking land uses to economy and employment. The concept of employment lands is a practical development, providing useful differentiations with the Categories 1, 2 and 3 definitions.

⁸ J.Canton *The Top Trends that will Shape the World in the Next 20 years* (Plume 2007) p.71

⁹ Australian Bureau of Statistics *NSW in Focus* 1338.1 p. 169-170



Category 1 employment lands are generally sites that presently function as industrial areas. They can provide regional/national economic roles (heavy and light industry or major freight facilities). Additionally they can play a subregional role (manufacturing and distribution links in the supply chain or utilities such as bus depots or water supplies). In some cases they can provide local services (auto repairs, local business services, trade supplies).

Category 2 involves land with potential to allow for a wider range of employment uses. This could include more intensive scale of employment activity than currently permitted under an existing industrial zone, and this could include office uses or commercial development.

Category 3 is land that could be investigated for alternative uses. This could include non-employment uses such as residential uses and new open space. From all that has been discussed previously in this report Category 3 suits the old Allied mill site very well. Both Ashfield and Marrickville areas has a most serious challenge in providing the targeted number of dwellings that the subregion strategies have laid down as prime goals. The site provides a significant opportunity to boost such numbers. It also fits well as a residential site in terms of the significant North-South Light Rail project. The Green Way development would open up a prime area of open space for the communities that surround it.

4.2 Zoning and the Allied Mills Site

4.2.1 Prospective Zoning

According to EG Funds Management, owners of the Allied Mills site, discussions have been held with the relevant Regional Director in the Department of Planning. The suggestion arising from these discussions is that there might be a preference to classify the old mill site as Category 1 employment land. This would make the land exclusive for industrial purposes. EG Funds Management desires a mixed use B4 zoning which could be accommodated by the Strategy defining the land as Category 3.

The Allied Mills site takes up a quarter of the area of a 10 hectare industrial zone bounded to the west by Edward Street, to the north by Smith Street and Longport Street, and to the west and south by Old Canterbury Road. The bulk of the industrial area is located in Lewisham, and is part of both Marrickville Council and the South Subregional metro area. There is a further complication in that the Allied Mill site has part of its own land within the South Subregional/Marrickville area.

Currently the South Subregional Strategy has the industrial land classified as Category 3; that is land that could be investigated for alternative uses, including non-employment uses such as residential. If the Inner West Subregional Strategy were to classify the Allied Mill site as Category 1 there would be a messy outcome in that a single site would sit under two different classifications.

As discussed earlier in this Section there is a strong logic in the South Subregional classification: that the great bulk of industrial land in the Marrickville Council area is in the south supported by a range of location attributes that support Category 1 needs. In the north east, however, the surrounding area is primarily covered by low and medium density residential development.

The part of the industrial zone that contains the old mill site and that is in the South Subregional/Marrickville area is already a mixed use site. The uses there include a printing business, a leisure centre, furniture centre, a laundry, and shops selling such things as office supplies and hardware. There are also a number of houses on the site. The Category 3 classification fits the functional role that is established and will continue.

The Allied Flour Mill is the only industry on the Ashfield side of the industrial zone the bulk of which lies in the South Subregion/Marrickville. As shown in Section 3 that industry was established in a former age, and now the Mill is to join the number of other closed flour mills that once operated in the inner city areas by now closing. Based on access to the rail freight line and established on a large purpose-built buildings complex, the Mill worked well over many decades. The freight line is now in the process of transferring its role into new functions, with the possible Light Rail extension and the GreenWay project. Both of these uses relate to residential areas and have no direct relationship to an industrial site. The heritage nature of the building complex and the size and formation of the buildings counter any possibility that they could be reused for new industrial purposes. If the Category 1 classification of the Allied Mill site were to be pursued in the Inner West Subregional strategy draft it would condemn much of the site to being practically unusable.

The Category 3 classification of the bulk of the site, of which the Allied Mill land is a minor part, fits well with the Marrickville Council Urban Strategy. Action 1.4 states that “selected industrial areas are considered for ‘mixed use’ activities”, where isolated industrial parcels that are seemingly redundant and/or present residential amenity conflicts which need to be resolved.

Ashfield Council has not advanced as far as developing an urban strategy, and is still dependent on its 1985 LEP. The existing use of the Allied Mill site, however, presents a number of existing problems for the residential area (which includes a significant conservation area) that is adjacent to the site. The streets are narrow and have had to carry large trucks servicing the road transport needs of the industry, and residents have had to compete with traffic and congestion problems and with industrial noise. The traffic congestion problem relates to restrictions on early morning truck movements into the site, causing a spill-over into other streets as trucks await their opportunity to gain entry.

There is another small area currently zoned for industry (bounded by Chapman, Smith and Longport Streets) opposite the northern boundary of the Allied Mill. Close to the main railway between Lewisham and Summer Hill Stations, this area is covered by houses and neither operates as an industrial area now, nor has done so in the past. Planners at Ashfield Council have stated that the area should be rezoned as residential.

Ashfield, unlike Marrickville, is not a traditional industrial area. The industry base is small, and much of what does exist is made up of service industries that serve the local residential population. The main consideration of Council planners leading into Ashfield’s potential role in the Metro Strategy is the Parramatta Road area, and the residential areas. The Parramatta Road focus springs from its major renewal role in the metro strategy and its potential to serve as an Enterprise Corridor. The residential role relates to the stagnant population growth of the district.

4.2.2 Evaluating a Category 1 Classification

From the foregoing it is clear that there are strong reasons why the Category 1 classification is inappropriate to the Allied Mills site. These include the different classification in one current industrial site (the Allied Mill site) with that already put forward for the bulk of the site. It includes major issues of residential amenity in the neighbourhood. It introduces issues to do with the heritage conservation areas of housing close to the site, and with the significant heritage and practical issues to do with the building complex on the site. It is out of step with the significant, proposed, development of improved transport use and environmental rejuvenation of the old freight rail corridor. It has no relation to the planning concerns of Ashfield Council in relation to the metro strategy. It is out of context with the industrial base of the Ashfield Municipality beyond the soon-to-be redundant flour mill. It fails to address the most compelling problems that face Ashfield: the decline in dwelling numbers and stagnation of its population growth (issues that similarly affect Marrickville).

As stated above the definition of Category 1 land (South Subregion draft Strategy p.28) states: “these are sites which presently function as industrial areas and provide a regional/national economic role.....or subregional role (such as manufacturing and distribution links in supply chains or utilities such as bus depot and water supply) or even a local role (such as auto repairs, local business services and trade supplies including building and plumbers).....whilst they may not all be significant employers, collectively these areas are vital to the health of local and regional economies and should be retained to accommodate the future range of economic services to sustain those economies”.

It is clear that the Allied Mills site potential is not going to include a national, regional or subregional role. The basis of a suggested Category 1 classification therefore can only lie with its potential local role.

A survey of industries that might be considered to be “vital for the health of local and regional economies”, or in more prosaic terms can provide useful services to local businesses and residents, was made. The data are based on information provided by Sensis and Truelocal.com.au.

Figure 1 shows the availability of smash repair businesses and motor mechanics within a three kilometre zone around the Allied Mill site. These industries are cited by the Metro Strategy as typical local industries that support local businesses and residents, and which might have a role in Category 1 employment land.

There are 45 smash repair businesses in the 3 km. zone. Breaking the zones down to 1 km, 2 km. and 3km from the site area suggests that there would be a smash repairer within 1 km. of the site for every 136 residents, within 2 km. of the site for 198 residents, and for 271 residents within 3 km. Across Sydney there are 1,245 smash repair businesses servicing 4.149 million people. Reducing that to an area basis suggests that the density of smash repair business sites on average in a 3 km. area is one business per 1,348 people.

The Summer Hill and adjacent area is five times better off in regard to smash repair access than the Sydney average.

There are 61 motor mechanics within the 3 km. zone around the Allied Mill site. This suggests that there is at least one motor mechanic within a 1 km zone from the site for every 101 residents, at least one per 146 people within 2 km. and at least one per 200 residents in a three km zone. There are 3,347 auto mechanics in Sydney. This relates to having 1 auto mechanics per 1,116 people on average in any 3 sq. km. zone.

The Summer Hill and adjacent area have the advantage of being 5.6 times better off for access to auto mechanics than the Sydney population at large.

Clearly the residents who live within 3 km of the Allied Mill site are very well supplied with smash repairers and auto mechanics compared with the general situation for the rest of Sydney. Moreover, the residents of the area have a much smaller level of car ownership and a larger use of public transport than the norm for Sydney: this makes the current level of facilities even more marked in the area.

Even if there had been a deficit in the number of service industries in the 3 km zone around the site, the Allied Mill location would not suit their needs. These industries are generally located on main roads (78% of the smash repairers within 3 km of the site are so located) and they are generally clustered within a short distance from each other. These location characteristics are not accidental. They relate to exposure to a large number of potential clients and the capacity to obtain parts and other inputs quickly. These businesses also operate on fairly small units of land, usually no more than two standard parcels. If one or more smash repair or auto mechanic businesses were to be located on the Allied Mill site (2.47 hectares) they would consume a tiny fraction of the site, and if a range of other local service industries were added it would still cover a small part of the site. As well, given the dominant presence of the Allied Mill buildings, any of the small local service providers of the type that might fit the Category 1 classification could only occupy a small section of the site. Given the nature of the existing heritage buildings themselves such small industries could not make use of the existing buildings; a smash repairer would face an impossible challenge in working with his clients' vehicles in a silo or in the five storey high office/workshop area.



The notion of classifying the Mill site as Category 1 has no real evidence to support it, and abundant reasons for not restricting the site to a Category 1 Classification..

