



Planning,
Industry &
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Gateway determination report – PP_2020_IWEST_002_00

1-5 Chester Street, Annandale

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1 Introduction

1.1 Overview of planning proposal

The planning proposal is supported by the following reports and plans:

- Better Outcomes Study (Inner West Council)
- Traffic and Parking Assessment Report (Varga)
- Urban Design Report (9 September 2020, DKO Architecture)
- Peer Urban Design Review (15 July 2019, Architectus)
- Draft letter of offer to enter into a VPA from the proponent (12 February 2020)
- Leichhardt and Camperdown Precincts Public Domain Master Plan (9 September 2019, Tract)
- Economic Impact Assessment (March 2019, AEC)
- Update to Economic Impact Assessment (16 September 2020, AEC)
- Site Specific Development Control Plan (Inner West Council)
- Remediation Action Plan (31 July 2017, EI Australia)
- Heritage Impact Statement (September 2017, Architectural Projects)
- Flooding & Stormwater Management Planning Report (7 September 2017, Sparks and Partners)
- DA Acoustic Report (6 September 2017, West & Associates)
- Social Impact Assessment (April 2019, Cred Consulting)
- Independent assessment of land value uplift (29 January 2020, HillPDA)

Table 1 Planning proposal details

LGA	Inner West
PPA	Inner West Council
NAME	1-5 Chester Street, Annandale
NUMBER	PP_2020_IWEST_002_00
LEP TO BE AMENDED	Leichhardt LEP 2013
ADDRESS	1-5 Chester Street, Annandale
DESCRIPTION	Lot 11 DP 499846
RECEIVED	17/09/2020
FILE NO.	EF20/23060
POLITICAL DONATIONS	There are no donations or gifts to disclose and a political donation disclosure is not required
LOBBYIST CODE OF CONDUCT	There have been no meetings or communications with registered lobbyists with respect to this proposal

1.2 Site description and surrounding area

The site at 1-5 Chester Street, Annandale is a triangular shaped lot on the western side of the Chester Street (Figure 1). The site is located at the end of the Chester Street roadway, with pedestrian access provided towards the north to a bridge over Johnstons Creek. A playground known as Douglas Grant Park is located across the creek (Figure 3). The creek extends along the northern boundary of the site, which forms the base of a steep slope up to the site's southern boundary.

The site has an area of 1,307 sqm and a 44m frontage to Chester Street. It is occupied by a part one and two storey industrial building, presently used as a car repair service (Figure 2).

The site is adjoined to the south by a two storey commercial warehouse unit estate. A large Kennards Self Storage warehouse is located opposite the site across the street.

A series of one to two storey dwelling houses within the Annandale Heritage Conservation Area back onto Johnstons Creek to the site's north-west.

The site is located on the northern edge of an industrial area formed around the junction of Pymont Bridge Road and Parramatta Road, predominantly in the suburb of Camperdown (See Figure 4). Annandale's local centre is to the north on Booth Street. Frequent bus services run along Booth Street and Parramatta Road.



Figure 1 Subject site (source: Nearmap)

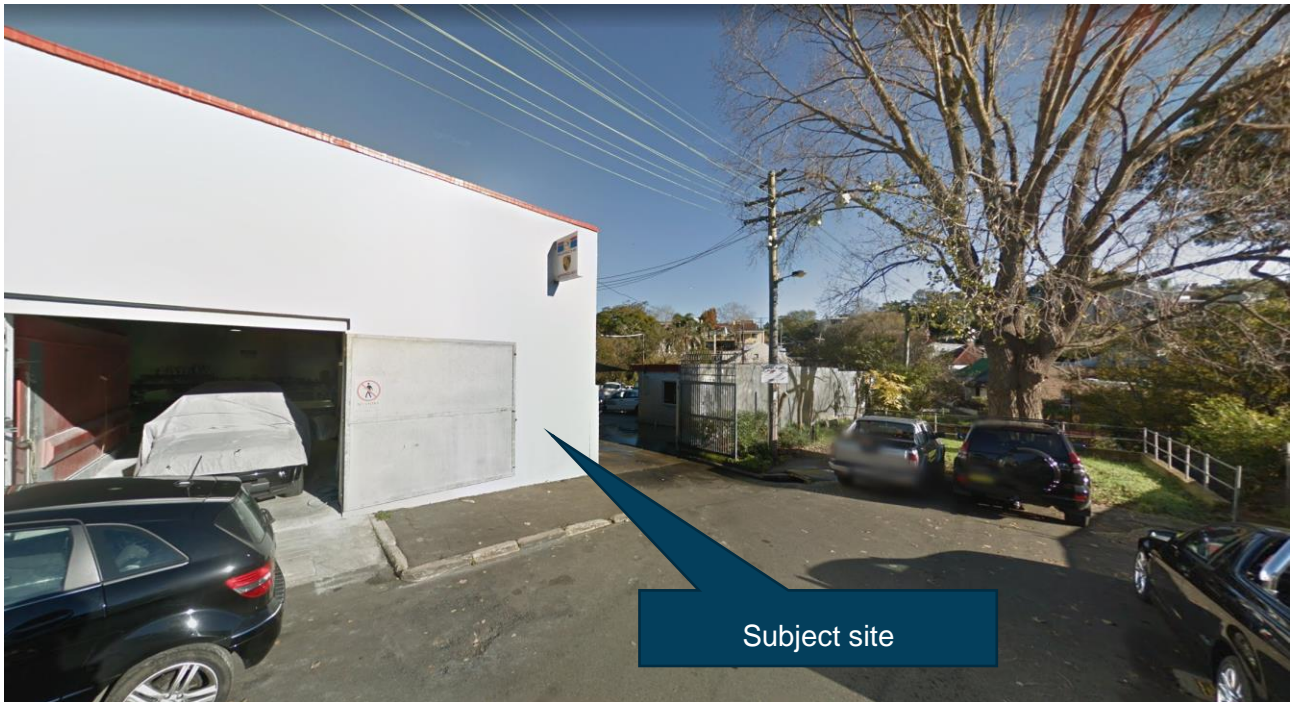


Figure 2 Site frontage to Chester Street, looking west (source: Google)



Figure 3 Site from Douglas Grant Park playground (source: DPIE)



Figure 4 Site context (source: DPIE)

2 Proposal

2.1 Objectives or intended outcomes

The planning proposal contains objectives and intended outcomes that adequately explain the intent of the proposal.

The objectives of the planning proposal are to:

- Enable the redevelopment of 1-5 Chester Street, Annandale for a combination of light industrial and business uses with student housing above;
- Ensure that new development responds appropriately to the surrounding built form, land uses and desired future character of the area;
- Provide a north-south pedestrian and cycling path and landscaping along Johnstons Creek; and
- Deliver appropriate State and local infrastructure contributions.

The objectives of this planning proposal are clear and adequate.

2.2 Explanation of provisions

The planning proposal seeks to amend the Leichhardt LEP 2013 per the changes below:

Table 2 Current and proposed zone

Control	Current	Proposed
Zone	IN2 Light industrial	B7 Business park

And to include a new additional local provision to:

- Confirm the objective of the clause to encourage commercial, education, health and cultural sectors and associated industries in the Camperdown-Ultimo Collaboration Area;
- Allow a development to be carried out on the site with a maximum building height of 17m (currently no maximum building height) or the equivalent of 5 storeys, including any lift overruns, and a maximum FSR of 2:1 (current maximum FSR of 1:1), so long as:
 - A minimum FSR of 0.75:1 is provided for businesses and light industries in the technology, bio-medical, arts, production and design sectors;
 - 1.25:1 FSR is to be used for a boarding house for student accommodation that would comply with the requirements of *State Environmental Planning Policy Affordable Rental Housing 2009*;
 - The development does not rely on any other bonus floor space provisions;
 - No form of residential accommodation other than a boarding house is to be consented to;
 - Clause 6.12, which permits live-work enterprises in the B7 zone, not apply to the development;
 - No (strata) subdivision of the land is to be consented to;
 - The development will not result in significant adverse amenity impacts on the surrounding neighbourhood;
 - The development will include the necessary design and acoustic measures to ensure that business and light industries within the development, as well as any existing industrial uses on land surrounding the development, do not have a significant adverse impact on the amenity of future residents of the development;
 - The development will provide a 6m wide landscaped pedestrian and cycle path through the site along Johnstons Creek;
 - The development will not significantly increase the amount of traffic on the adjoining street network, including but not limited to Chester Street, Chester Street West, Susan Street, Taylor Street and Pyrmont Bridge Road;
 - Environmentally sustainable design principles will be incorporated including the minimum achievement of a 4-star Green Star rating and provisions for recycled water use; and
 - Active frontages will be provided to Chester Street and Johnstons Creek.

The land will be shown on the Key Sites Map to assist in its identification.

The planning proposal contains an explanation of provisions that adequately explains how the objectives of the proposal will be achieved.

The inclusion of the intended local provision is considered suitable to assist the community's understanding of the proposal's intended outcomes. However, it is subject to legal drafting with

NSW Parliamentary Counsel's Office and is therefore subject to change. A Gateway condition is included requiring this to be clarified for the community.

2.3 Mapping



Figure 5 Existing Land Zoning map

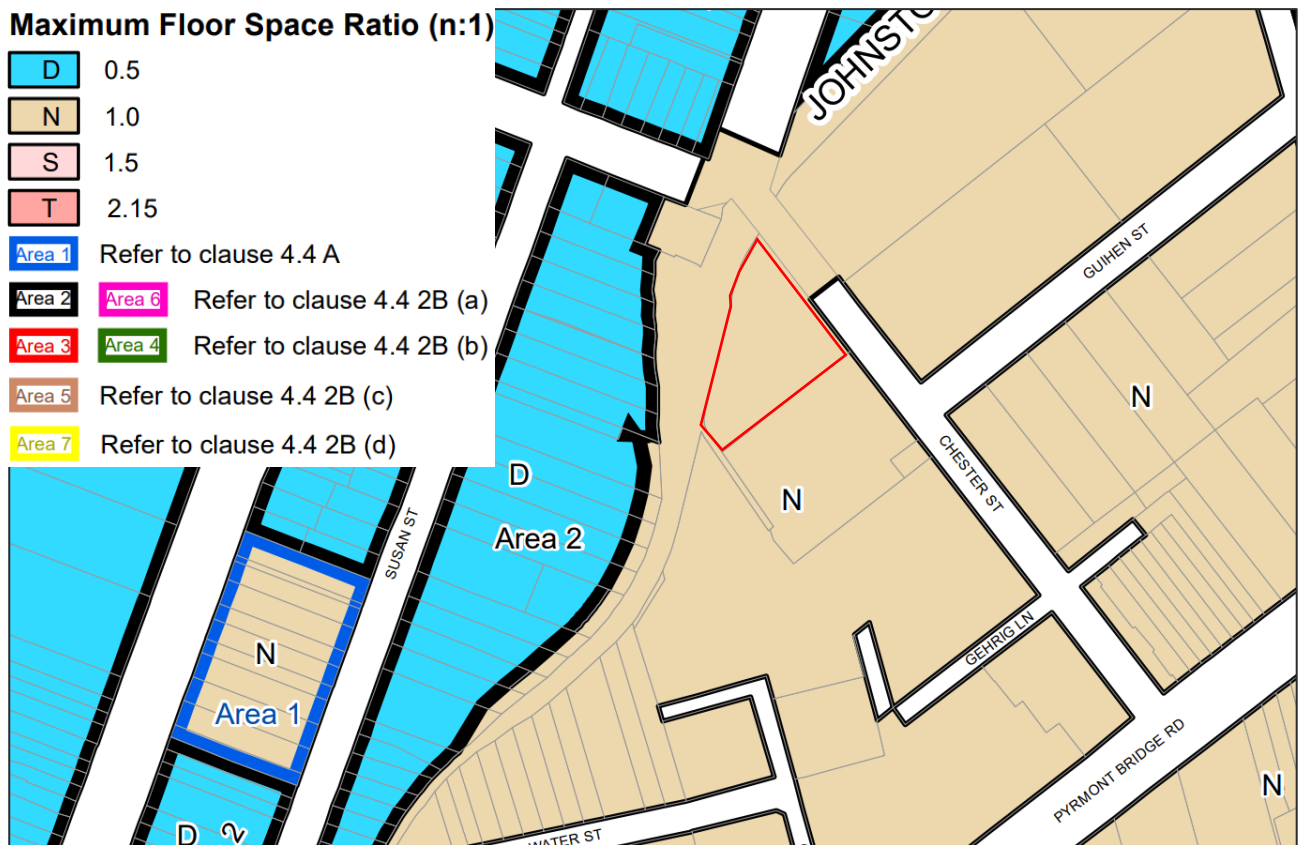


Figure 6 Existing Floor Space Ratio map

The planning proposal does not include mapping to show the proposed changes to the Land Zoning and Key Sites maps. The other proposed development standards form part of a local provision and would not be accompanied by mapping.

A Gateway condition requires Council to amend the planning proposal prior to exhibition to depict the proposed amendments to the LEP mapping.

3 Need for the planning proposal

The planning proposal is justified by:

- The vision for the site as part of a health, education and research anchor under the Camperdown-Ultimo Collaboration Area Place Strategy (See **Part 4.2** for more detail);
- A Better Outcomes Study prepared by Council (**Attachment D**) which demonstrates that the student housing and commercial development would deliver superior outcomes to the Parramatta Road Corridor Urban Transformation Strategy (PRCUTS) vision for an entirely residential zone at the site (See **Part 4.6** for more detail); and
- An Urban Design Report which details the feasibility of the proposed controls and provision to deliver the development concept (See below for more detail).

The accompanying Urban Design Report by DKO Architecture tests the proposed controls with an indicative development plan. The report justifies the proposed built form controls in the following manner:

- The building envelope formed by the controls may accommodate 1.25:1 of FSR for student accommodation and 0.75:1 of employment generating floor space suitable for an office;
- The proposed commercial uses are accommodated on the lower two floors with appropriate floor to ceiling heights and basement parking spaces (See **Figure 7**);

- The proposed scheme can fit within the 17m height limit (See **Figure 8**);
- The proposed scheme would have a negligible overshadowing impact on neighbouring residential properties (See **Part 5.1** for more detail), and would not unreasonably affect future residential redevelopment of the adjoining commercial land;
- An approximate layout of student accommodation is provided which does not comply with the requirements of SEPP (Affordable Rental Housing) 2009, but with refinement at development application stage to ensure compliance with those requirements, such as a reconfiguration of the units and the provision of additional amenities such as a communal living room, a similar scheme could likely be delivered;
- The proposed building form is similar to the future desired character of the Camperdown Precinct under PRCUTS for medium density residential flat buildings with a height of 5 storeys;
- The proposed development will be built to the front setback in alignment with existing industrial buildings in the vicinity;
- The proposed height is consistent with the 17m height limit recommended for the site in the Camperdown Precinct of PRCUTS;
- The proposed landscaped path will enhance the site's interface with Johnstons Creek; and
- The proposed student accommodation, including a rooftop communal space, will provide surveillance of Chester Street and the open space along Johnstons Creek.

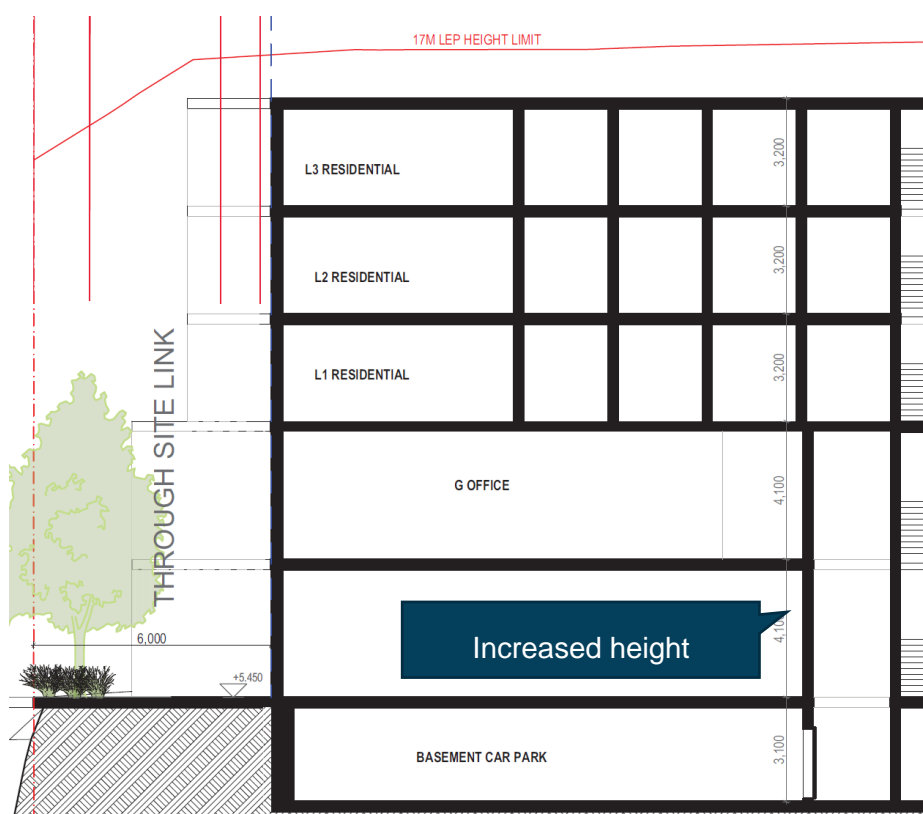


Figure 7 Concept section (source: Urban Design Report) – Note the greater heights of the lower floors identified for office use

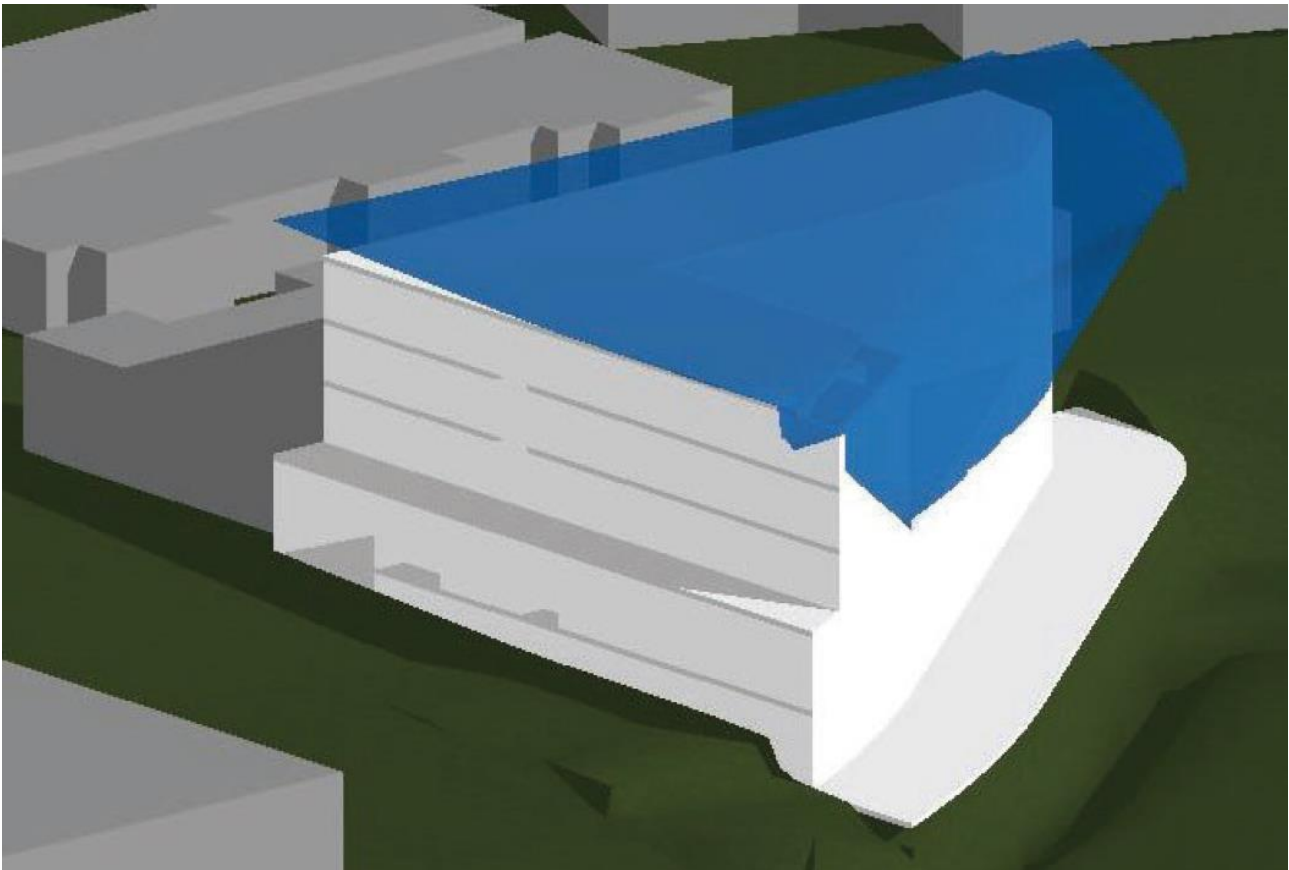


Figure 8 Concept scheme within the 17m height control (source: Urban Design Report)

4 Strategic assessment

4.1 District Plan

The site is within the Eastern City District and the Greater Sydney Commission released the Eastern City District Plan on 18 March 2018. The plan contains planning priorities and actions to guide the growth of the district while improving its social, economic and environmental assets.

The planning proposal is consistent with the priorities for infrastructure and collaboration, liveability, productivity, and sustainability in the plan as outlined below.

The Department is satisfied that the planning proposal gives effect to the District Plan in accordance with Section 3.8 of the *Environmental Planning and Assessment Act 1979*. The following table includes an assessment of the planning proposal against relevant directions and actions.

Table 3 District Plan assessment

District Plan	Justification
Planning Priority E5: Providing housing supply, choice and affordability with access to jobs, services and public transport	The planning proposal intends to facilitate student accommodation close to the University of Sydney Campus and within a short bus ride of the University of New South Wales. This is in keeping with this priority which seeks to provide diverse housing options in suitable locations to optimise existing use and to maximum investment in new infrastructure.
Planning Priority E8: Growing and investing in health and education precincts and the Innovation Corridor	The site is located within the Camperdown-Ultimo health and education precinct which is one of the largest and most comprehensive health and education precincts in the Greater Sydney region. The proposal is consistent with Action 27 to support the precinct with services, and to facilitate student housing.
Planning Priority E12: Retaining and managing industrial and urban services land	<p>The site is located within the Parramatta Road Corridor, subject to the PRCUTS. As articulated in Planning Priority E12, the site is not subject to the industrial land strategies and actions of the District Plan, including Action 51 to retain and manage all industrial and urban services land.</p> <p>As a result, the proposed conversion to a mixed-use zone is not prohibited by the District Plan.</p>
Planning Priority E17: Increase urban tree canopy and delivering Green-Grid connections	The planning proposal intends to contribute towards the realisation of a north-south pedestrian and cycling path and landscaping along Johnstons Creek. This is in keeping with this priority which seeks to improve community access to recreation and exercise, encourage social interaction and support walking and cycling connections.

4.2 Camperdown-Ultimo Collaboration Area Place Strategy

The Greater Sydney Commission (GSC) have identified Camperdown-Ultimo as a collaboration area which is articulated in the Eastern City District Plan. The area includes a mix of activities which create an innovation eco-system supported by health and education institutions including the Royal Prince Alfred Hospital, TAFE NSW, University of Notre Dame, University of Sydney and University of Technology Sydney.

The GSC produced the Place Strategy with these stakeholders in 2019 to:

- Establish a vision and narrative for the Collaboration Area;
- Identify impediments and opportunities;
- Set priorities for the Collaboration Area; and
- Identify actions to deliver the vision.

The Place Strategy builds on the vision of the Eastern City District Plan to facilitate the efforts of all stakeholders by addressing existing impediments including a lack of affordable space, loss of employment floor space, limited opportunities to create new commercial floor space, the need for

suitably zoned employment land, and rising property and accommodation costs for students and key workers.

The planning proposal is consistent with the Place Strategy in the following manner:

- It achieves Action 14 to provide affordable housing, including in a mixed-use development;
- It achieves Action 15 to provide diverse housing, including student accommodation within proximity to key education anchors;
- It achieves Action 26 by retaining employment floorspace; and
- It achieves Action 29 by assisting in implementing the Green Grid share path connection along Johnstons Creek.

4.3 Parramatta Road Corridor Urban Transformation Strategy

4.3.1 The Strategy

UrbanGrowth NSW (now Landcom) released the Parramatta Road Corridor Urban Transformation Strategy (PRCUTS) in November 2016. The Strategy aims to plan for how the Parramatta Road corridor will grow for 30 years. The subject site is located within the Camperdown Precinct of the corridor and is identified for rezoning to Zone R3 Medium density residential after 2023 under the Implementation Plan 2016-2023. Further detail of the PRCUTS recommendations for the site are located at **Part 4.6**.

A Section 9.1 Ministerial Direction gives the PRCUTS statutory force and outlines how it is to be considered in the assessment of planning proposals. In this instance, the planning proposal does not correspond with the land use recommendations for the site. However, the Department is satisfied that the planning proposal demonstrates a superior outcome by responding to the more recent Camperdown-Ultimo Collaboration Area Place Strategy. This is discussed further under **Part 4.6** of this report.

4.3.2 Urban Amenity Improvement Plan

The Parramatta Road Urban Amenity Improvement Plan is a \$198 million initiative to stimulate the transformation of the Parramatta Road Corridor with targeted infrastructure upgrades. It forms part of the PRCUTS Implementation Toolkit which was released alongside the Strategy in 2016.

The 2016 Plan identifies a new north-south shared path along Johnstons Creek between Booth Street and Parramatta Road (**Figure 9**). The path is depicted to run along the northern boundary of the subject site.

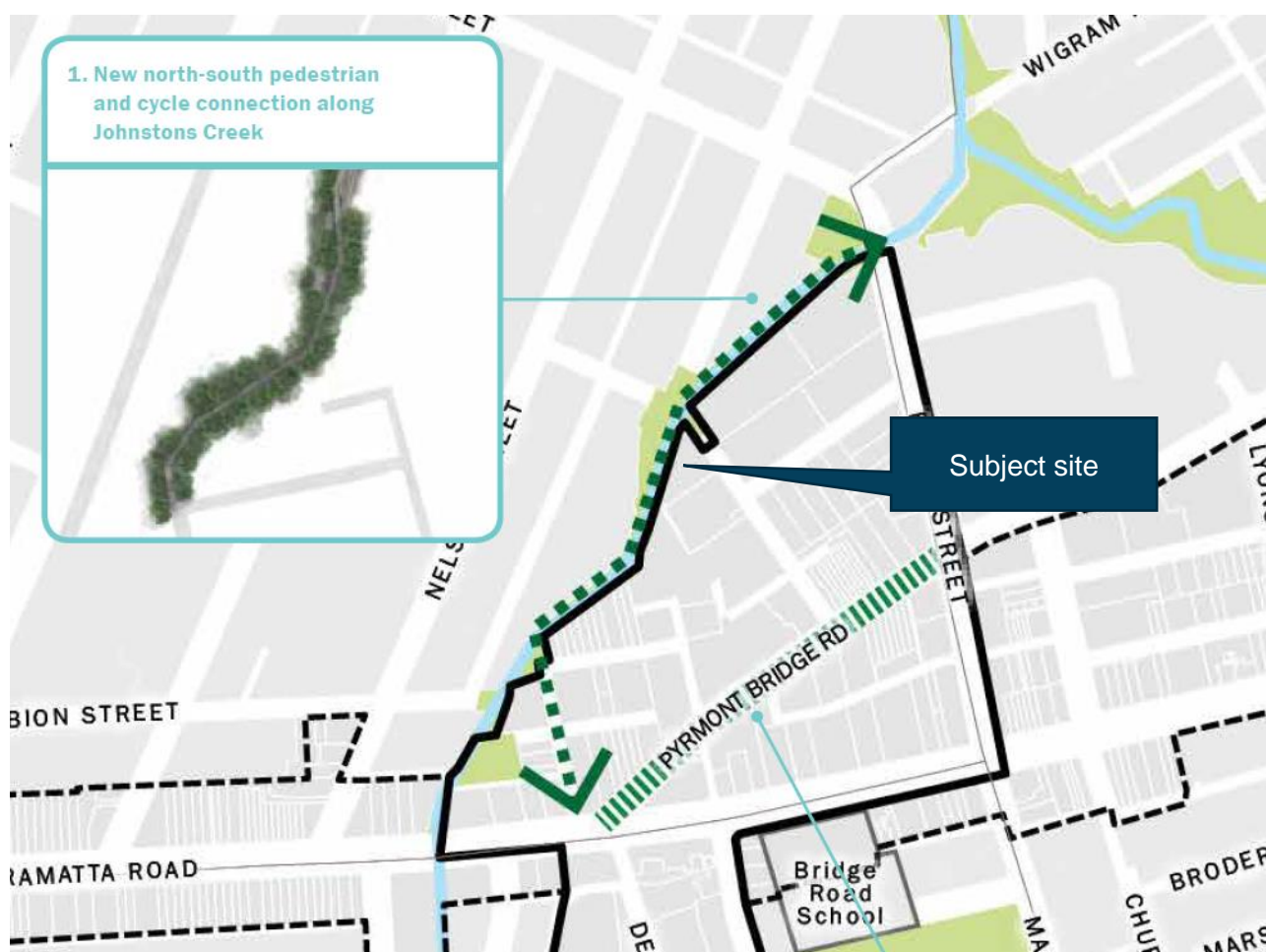


Figure 9 Camperdown Precinct urban amenity works (source: Parramatta Road Urban Amenity Improvement Plan)

Council and the Department agreed to refine the works identified in the 2016 Amenity Improvement Plan with the 2019 Leichhardt and Camperdown Precincts Public Domain Master Plan. These refinements include:

- Delivery in two stages, with the Amenity Plan funding being used to build the first stage from Chester Street to Booth Street.
- The second stage being funded by Inner West Council to provide a link from Chester Street to Parramatta Road. The subject site is within this stage.
- Refinements to the design of the shared path, including its delivery within the northern setback of the site through works-in-kind and eventual dedication, as offered by the proponent in a Voluntary Planning Agreement (VPA) (See **Figure 10**).
- The design of a 3.5m wide shared path through the site within the northern setback, incorporating a landscaped edge to the creek, as per **Figure 11**.

The planning proposal is accompanied by a VPA offer from the proponent which includes the works-in-kind delivery of the 3.5m wide shared path within a dedicated landscaped 6m setback along the northern boundary. As such, the planning proposal is considered to enable delivery of part of the Johnstons Creek shared path project, consistent with the 2016 Urban Amenity Improvement Plan and the 2019 Public Domain Master Plan.

The delivery of the link south-west of the site to Parramatta Road relies on the redevelopment of other sites which is beyond the scope of the planning proposal.

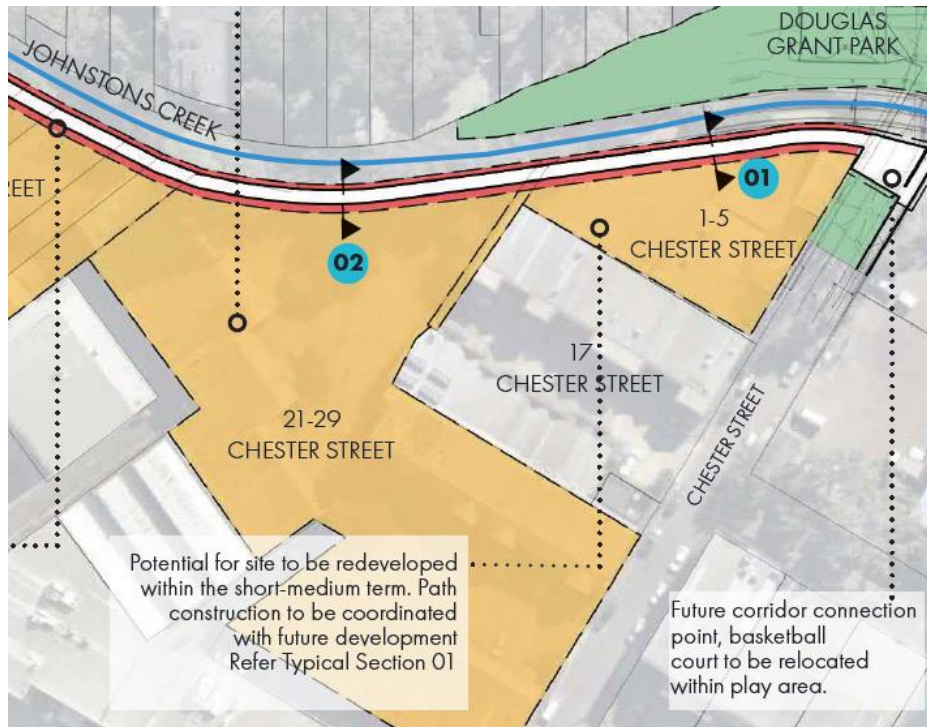


Figure 10 Zone 1 of the Johnstons Creek master plan (to be delivered by Council) (source: Leichhardt and Camperdown Precincts Public Domain Master Plan)

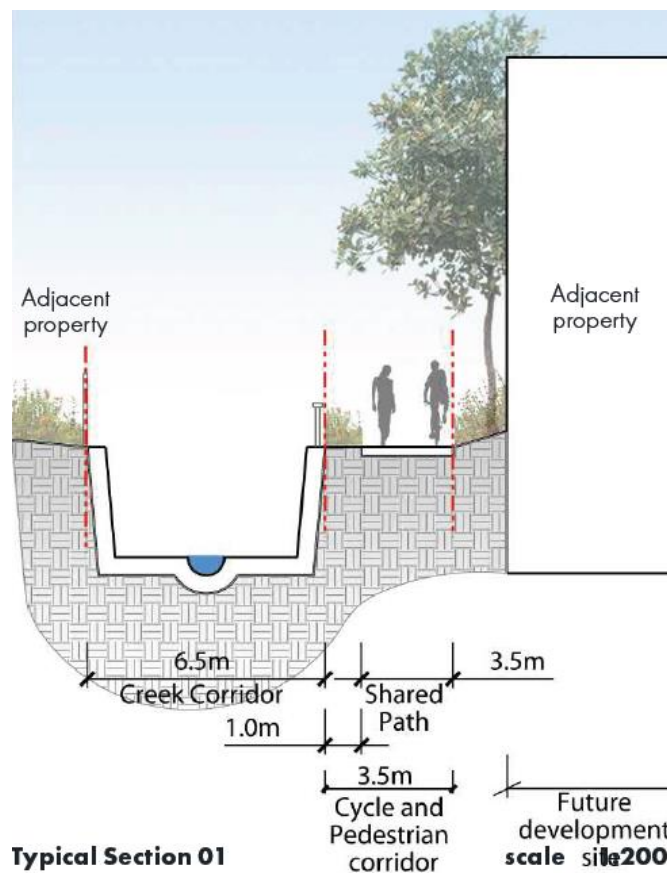


Figure 11 Section across Johnstons Creek, the planned 3.5m wide shared path, and the future building at 1-5 Chester Street (source: Leichhardt and Camperdown Precincts Public Domain Master Plan)

4.4 Local

The proposal states that it is consistent with the following local plans and endorsed strategy, as stated in the table below:

Table 4 Local strategic planning assessment

Local Strategies	Justification
Local Strategic Planning Statement	<p>The planning proposal is consistent with the endorsed LSPS, including the following relevant actions:</p> <ul style="list-style-type: none"> • The planning proposal achieves Action 3.1 by enhancing the biodiversity corridor along Johnston's Creek with the provision of a new landscaped share path; • The planning proposal achieves Action 9.1 to implement the Employment and Retail Lands Strategy by requiring employment uses on the site; and • The planning proposal achieves Planning Priority 13 by retaining floor space available for employment uses to support the health and education functions of the Camperdown-Ultimo Collaboration Area.
Employment and Retail Lands Strategy	<p>The Inner West Employment and Retail Lands Strategy (EARLs) outlines Councils approach to managing employment lands and commercial centres in the LGA. The strategy was adopted by Council on 9 September 2020.</p> <p>The planning proposal is consistent with the endorsed EARLs, including the following relevant actions and strategies:</p> <ul style="list-style-type: none"> • The planning proposal achieves Action 1.5.4 by supporting the growth of biotechnology and innovation industries in Camperdown through the retention of employment uses on the site, contrary to the residential rezoning recommended under PRCUTS; • The planning proposal is consistent with Strategy 3.1 to retain a diversity of employment land by facilitating a mixed use development on the site; and • The planning proposal is consistent with Strategy 5.2 to manage land use conflicts between employment land and residential uses by including a draft site-specific DCP with controls to provide adequate separation between the uses, and adequate buffering from surrounding residential and industrial land.

4.5 Local planning panel (LPP) recommendation

The planning proposal has been the subject of a number of revisions and has been considered by the Inner West Local Planning Panel (LPP) on three separate occasions.

See **Appendix 1: Planning proposal LPP & Council meeting chronology** for detail of the lengthy LPP recommendations and Council resolutions.

Original planning proposal

In February 2018, the proponent submitted a planning proposal to Council to:

- Rezone the site from Zone IN2 Light industrial to Zone R3 Medium density residential;
- Increase the FSR from 1:1 to 2.6:1; and
- Introduce a building height control of 17m to facilitate a part 5, part 6 storey residential development.

Council resolved at its meeting of 30 October 2018 to uphold the Inner West LPP's recommendation to not support the planning proposal, primarily because it was inconsistent with PRCUTS.

First revised planning proposal

In May 2019, the proponent submitted a revised planning proposal reflecting the following amendments:

- Retention of the IN2 light industrial zone;
- Introduction of a boarding house as an additional permitted use;
- An increase in FSR to 2.75:1, with a minimum of 0.75:1 reserved for non-residential uses; and
- Introducing a maximum building height control of 17m to facilitate a six storey development.

At its meeting of 23 July 2019, the Inner West LPP considered the amended planning proposal and recommended Council not support it because it remained inconsistent with PRCUTS, and ahead of the strategic planning work underway, such as the PRCUTS traffic study.

However, the LPP agreed with the Council staff recommendation that the site has potential merit for redevelopment. The LPP supported the following principles to guide a further revision of the planning proposal:

- *'Rezone the site to B7 Business Park and allow boarding house as an additional permitted use;*
- *Increase the FSR of the site up to 2:1 with a minimum non-residential floor space of 980 sqm (or FSR 0.75:1) dedicated to business and office premises and light industries in the technology, bio-medical, arts, production and design sectors. Refer to the alternate scheme developed by Architectus;*
- *Establish a 17m height limit which would facilitate a five-storey development on the site with minimum floor to ceiling heights for employment uses to be incorporated in the DCP;*
- *Ensure that the proposed boarding house will not have an adverse impact on the surrounding industrial uses and that the development will include the necessary design and acoustic measures to ensure that there are no significant adverse impacts on the amenity of future residents of the site;*
- *Ensure that a minimum percentage of non-residential floor space is made available as affordable space for tech start-ups, innovative creative industries, community uses and artists to align with the objectives of Camperdown Ultimo Collaboration area Place Strategy;*
- *Incorporate appropriate mechanisms to ensure that 'new gen' boarding house rents are affordable in perpetuity;*
- *Ensure that the development provides a pedestrian and cycle access through the site along Johnstons Creek to align with the objectives of the Parramatta Road Corridor Urban Amenity Improvement Plan and Camperdown Public Domain Masterplan;*
- *Ensure that the development will incorporate environmentally sustainable design principles which exceed the PRCUTS sustainability targets;*
- *Update the site - specific DCP to reflect Architectus's urban design recommendations and in particular, the re-orientation of the building form to front Chester Street and the southern boundary of the site and create open space facing Johnstons Creek;*
- *Update the proposal in response to the outcomes of the precinct-wide traffic study once completed;*
- *Update the IIDP and ensure that satisfactory arrangements are made for the provision of State and local infrastructure;*

- *Consider DCP requirements to provide infrastructure or the capacity for EV charging points, including appropriate charging outlets in each parking space*
- *Future-proof the development by incorporating for recycled water use; and*
- *Update the Out of Sequence Checklist assessment to reflect achievement of the above objectives.'*

Current planning proposal

In December 2019, the proponent submitted a further revised planning proposal to address the latest LPP principles. Council undertook further amendments to align the planning proposal with relevant strategic planning policies.

The planning proposal was then re-referred to the Inner West LPP on the 30 March 2020. The LPP supported the Council staff recommendations and decided to recommend to Council that it be supported, subject to minor modifications (See **Appendix 1** for more detail).

Council accepted the advice of the LPP at its meeting of 26 May 2020, albeit with minor modifications to the local provision to require additional consideration of noise and privacy impacts, and resolved to submit the planning proposal to the Department for a Gateway determination.

4.6 Section 9.1 Ministerial Directions

The planning proposal's consistency with relevant section 9.1 Directions is discussed below:

Table 5 9.1 Ministerial Direction assessment

Directions	Consistent/ Not Applicable	Reasons for Consistency or Inconsistency
1.1 Business and industrial zones	No, but justified	<p>Direction 1.1 seeks to:</p> <ul style="list-style-type: none"> • Encourage employment growth in suitable locations; • Protect employment land in business and industrial zones, and; • Support the viability of identified centres. <p>The planning proposal is inconsistent with (4)(c) and (d) because it will:</p> <ul style="list-style-type: none"> • Reduce the total potential floor space area for employment uses and related public services in the existing IN2 zone (from 1:1 to a minimum of 0.75:1); and • Reduce the total potential floor space area for industrial uses in industrial zones, due to the change to the FSR control described in the point above, and since the site will be rezoned to B7 Business Park, in which a greater range of non-industrial uses are permitted. <p>However, the inconsistencies are justified in accordance with 5(b) of the Direction in the Better Outcomes Study prepared by Council in support of the proposal. The Better Outcomes Study cites modelling undertaken in an accompanying Economic Impact Assessment which shows that the proposal, including creative office space and operation of the student accommodation business, will:</p> <ul style="list-style-type: none"> • Support an estimated 89 direct new jobs in operation; and • Result in approximately \$68.5 million in economic output.
2.6 Remediation of contaminated land	Yes	<p>The planning proposal is accompanied by a Remediation Action Plan by EI Australia which concludes that the site can be made suitable for the proposed uses, including the residential boarding house.</p> <p>As such, the planning proposal is consistent with (4) & (5) of the Direction.</p>

Directions	Consistent/ Not Applicable	Reasons for Consistency or Inconsistency
3.5 Development near regulated airports and defence airfields	Yes	<p>A Gateway condition will require Council to consult with Sydney Airport, in line with (5)(a) of the Direction.</p> <p>It is considered that the existing clause 6.8 Development in areas subject to aircraft noise in Leichhardt LEP 2013 will apply to the development concept at the development application stage. This provision is considered to address the need for the residential development to meet the relevant Australian Standard for interior noise levels in areas where the ANEF is between 20 and 25, as is the case for part of the site.</p>
4.1 Acid sulfate soils	Yes	<p>The site is located within Class 3 land on the Acid Sulfate Soils Map of Leichhardt LEP 2013.</p> <p>The planning proposal is accompanied by a Remediation Action Plan (RAP) by EI Australia. The plan recommends that an acid sulfate soils investigation should be undertaken by an appropriately qualified consultant prior to site excavation and dewatering works.</p> <p>It is considered appropriate that this work be undertaken at the development application stage, as per the recommendation of the RAP.</p> <p>As such, the planning proposal is consistent with the Direction.</p>
4.3 Flood prone land	Yes	<p>The subject site is located adjacent to Johnstons Creek, and is on flood prone land, but is not identified as a flood planning area in Leichhardt LEP 2013.</p> <p>The planning proposal is accompanied by a Flood Assessment report which identifies a flood planning level at RL 5.45. The report contains recommendations about how the development can be delivered to avoid flood hazard and impacts upon neighbouring properties.</p> <p>The planning proposal is considered to be consistent with the Direction. Further detailed assessment of flood protection is appropriate at the development assessment stage.</p>

Directions	Consistent/ Not Applicable	Reasons for Consistency or Inconsistency
6.3 Site specific provisions	No, but justified	<p>The planning proposal is inconsistent with the Direction in the following manner:</p> <ul style="list-style-type: none"> • The proposal does not allow the new land use (a boarding house for student accommodation) in the current zone, instead it proposes to change the zone to from IN2 to B7; and • The proposed local provision seeks to impose development standards and requirements for the development which are additional to those already contained in the zone and Leichhardt LEP 2013. <p>However, in accordance with 6(a) of the Direction, any inconsistency is considered to be of minor significance since:</p> <ul style="list-style-type: none"> • The proposed additional development standards and requirements are considered necessary rather than onerous to deliver objectives of the proposal; • The proposed additional development standards and requirements will facilitate a mixed-use development outcome which is considered superior to the recommendation under PRCUTS to rezone the site to Zone R3 Medium density residential; • The proposal to rezone the site to B7 is not subject to these additional development standards and requirements; • As such, the local provision does not prevent other appropriate development being carried out on the site, should the development conceived by the planning proposal not proceed.

7.3 Parramatta Road Corridor Urban Transformation Strategy (PRCUTS)

The objectives of Direction 7.3 are to:

- Facilitate development within the Parramatta Road Corridor that is consistent with the Parramatta Road Corridor Urban Transformation Strategy (November 2016) and the Parramatta Road Corridor Implementation Toolkit;
- Provide a diversity of jobs and housing to meet the needs of a broad cross-section of the community; and
- Guide the incremental transformation of the Parramatta Road Corridor in line with the delivery of necessary infrastructure.

The Direction applies to the planning proposal since the subject site is located within the Camperdown Precinct of PRCUTS (**Figure 12**).

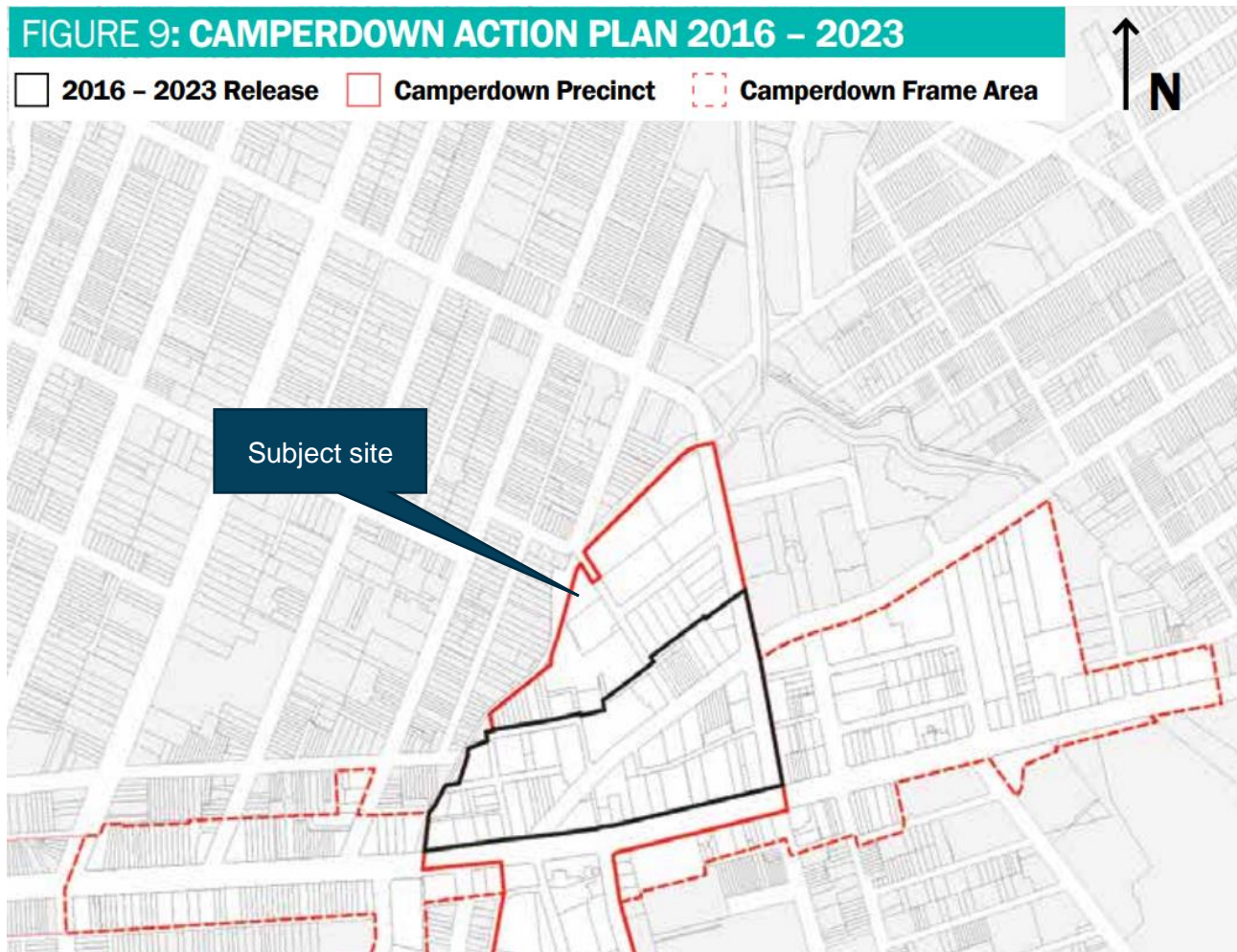


Figure 12 Camperdown Precinct – release areas (source: Parramatta Road Implementation Plan 2016-2023)

The Parramatta Road Corridor Implementation Toolkit includes the Implementation Plan 2016-2023. The Camperdown Action Plan 2016 – 2023, within the Implementation Plan, identifies the site for rezoning after 2023 (As denoted outside the thick black line in **Figure 12**). The intent of the staging and sequencing of PRCUTS is to align infrastructure delivery with growth and development.

The Planning and Design Guidelines also form part of the Implementation Toolkit. The Guidelines include the following recommendations for the site:

- Rezoning from Zone IN1 Light industrial to Zone R3 Medium Density Residential (**Figure 13**);
- Introducing a building height of 17m (**Figure 14**); &
- Increasing the FSR from 1:1 to 1.5:1 (**Figure 15**).

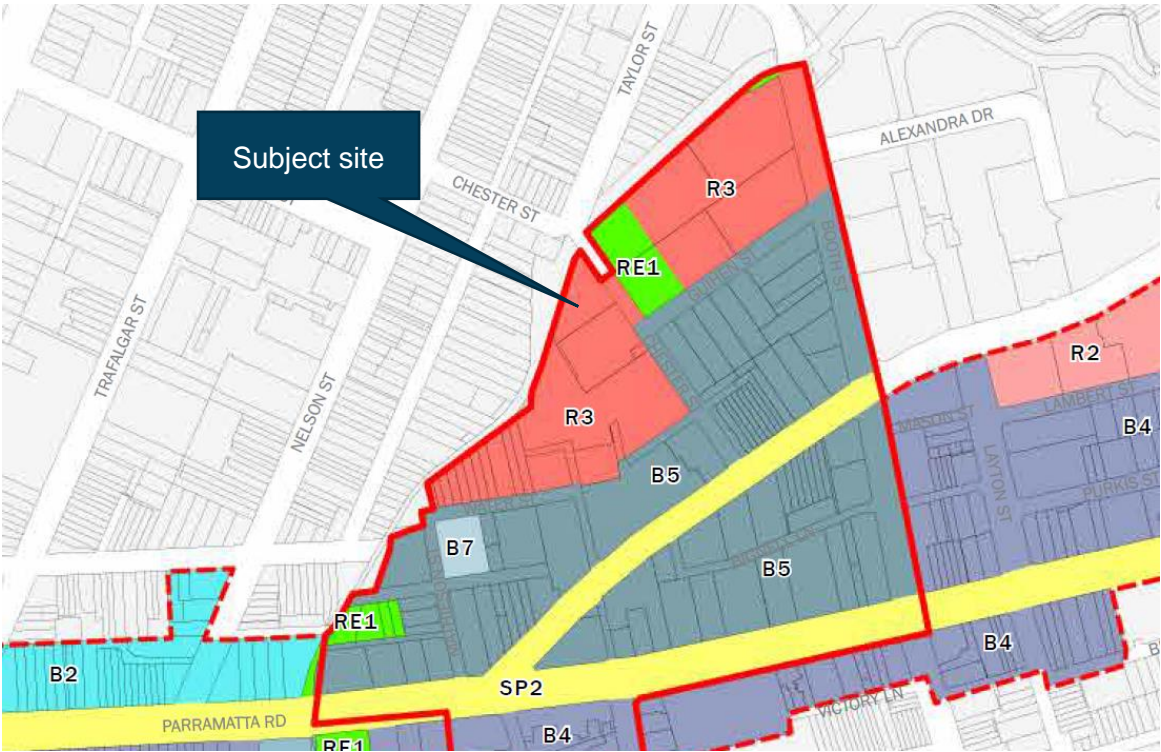


Figure 13 Camperdown recommended land uses (source: Planning and Design Guidelines)

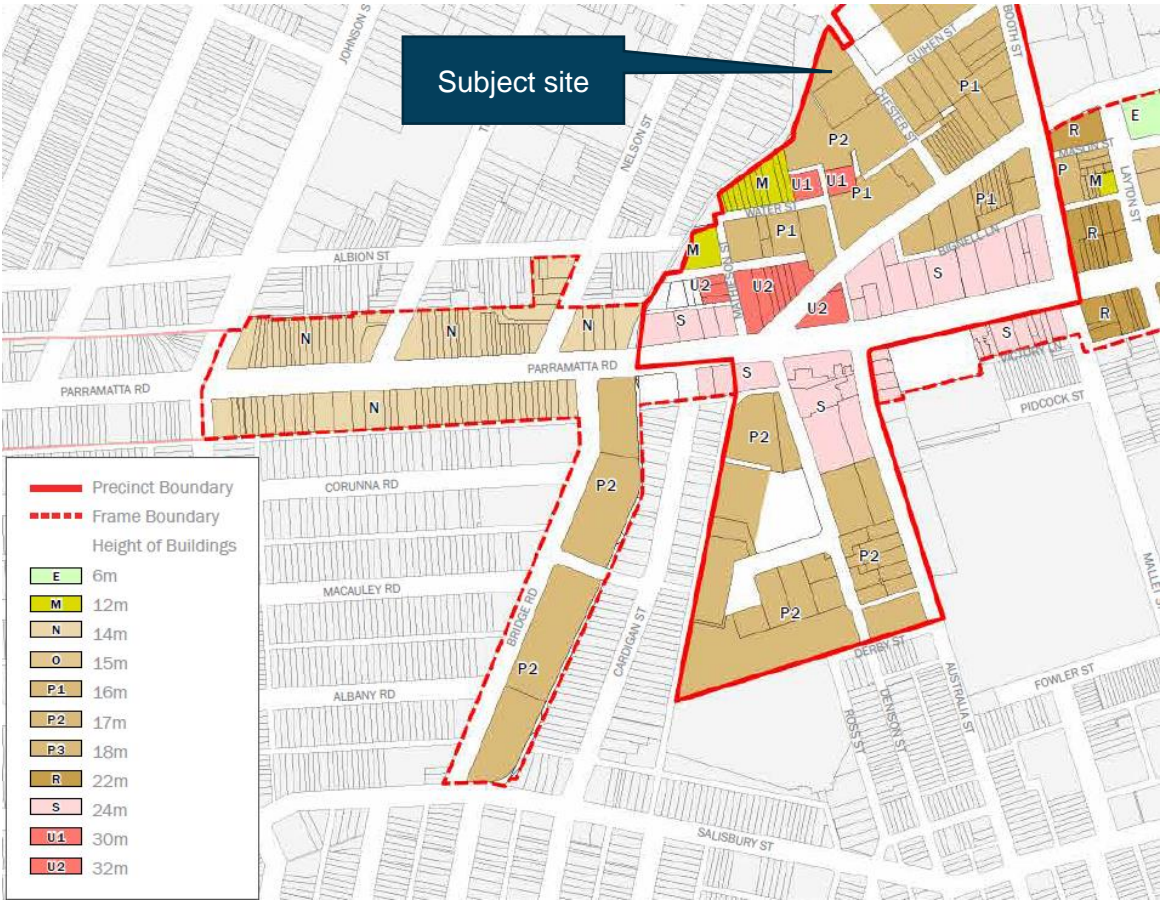


Figure 14 Camperdown recommended building heights (source: Planning and Design Guidelines)

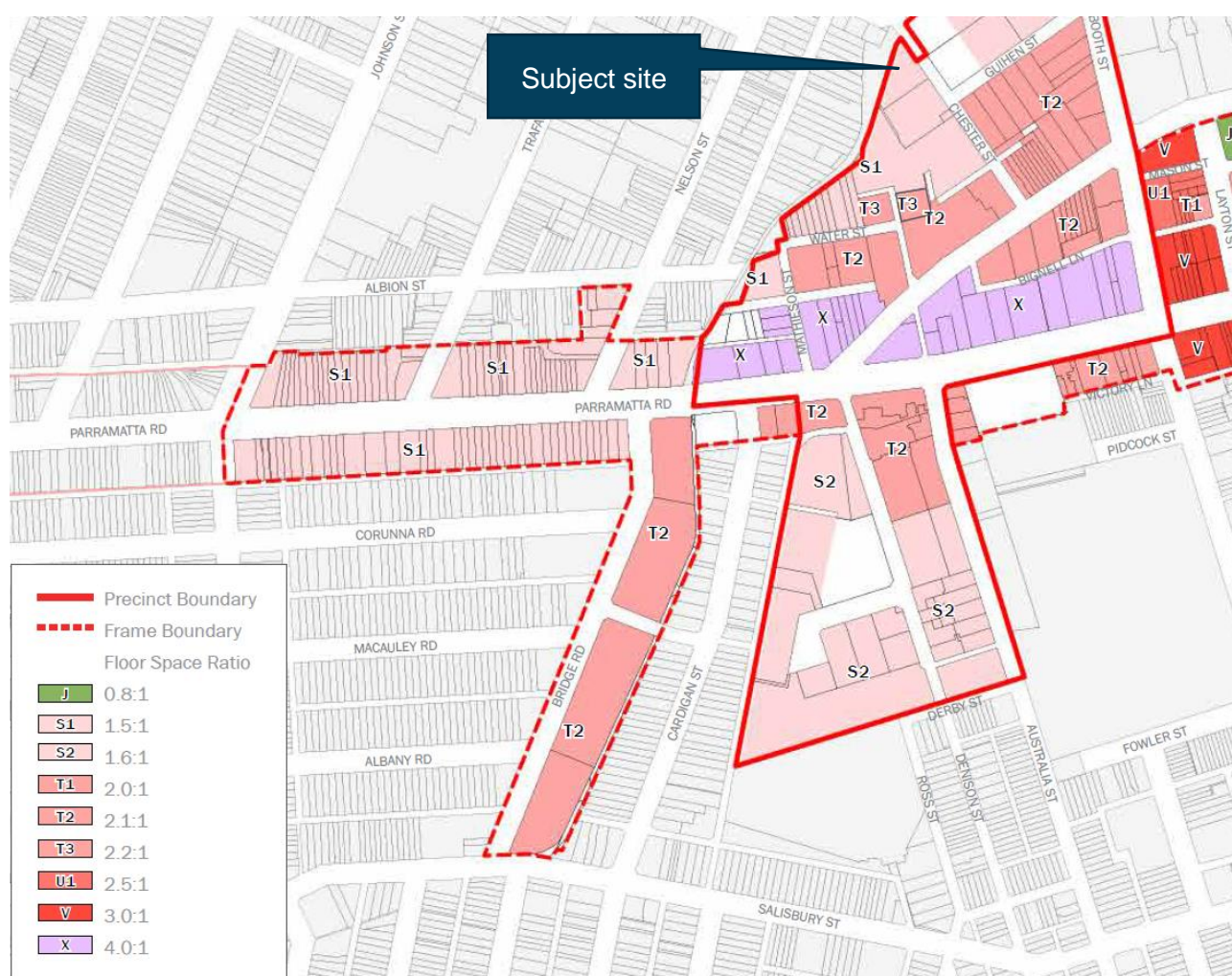


Figure 15 Camperdown recommended densities (source: Planning and Design Guidelines)

The planning proposal is inconsistent with these recommendations within PRCUTS and the accompanying Implementation Toolkit in the following manner:

Table 6 Comparison of the planning proposal with key PRCUTS recommendations

	PRCUTS recommendation	Proposed
Rezoning staging	After 2023 and after a precinct wide traffic study being completed	Prior to 2023, with the results of the traffic study being incorporated following a Gateway determination.
Zone	R3 Medium density residential	Zone B7 Business park, with an additional local provision permitting a boarding house for the purpose of student accommodation, subject to the provision of a minimum of 0.75:1 FSR being provided for business premises and light industries in the technology, bio-medical, arts, production and design sectors

	PRCUTS recommendation	Proposed
FSR	1.5:1	<p>2:1 via a new additional local provision for a mixed-use development, comprising:</p> <ul style="list-style-type: none"> • At least 0.75:1 for business premises and light industries, as described above; and • A maximum of 1.25:1 FSR for the purpose of a boarding house for student accommodation.

These differences result in the planning proposal being inconsistent with the following terms of the Direction:

- (4)(b): To be consistent with the Strategic Actions within the PRCUTS;
- (4)(c): To be consistent with the Parramatta Road Corridor Planning and Design Guidelines; and
- (4)(d): To be consistent with the staging and other identified thresholds for land use change identified in the Implementation Plan 2016-2023.

Council has prepared a Better Outcomes Study to demonstrate that these inconsistencies are justified, as per the terms of (5)(b) of the Direction. The Study has had regard to the vision and objectives of PRCUTS and has been prepared in support of this planning proposal.

The Study also has regard to the more recent strategic planning context of the site, including the 2019 Camperdown-Ultimo Collaboration Area Place Strategy, as discussed in Part 4.2.

Rezoning staging

The Better Outcomes Study seeks to justify the proposed rezoning ahead of the 2023 threshold, and before the completion of a precinct wide traffic study, in the following manner:

- The Traffic and Parking Assessment Report prepared in support of the planning proposal demonstrates that the concept scheme will not lead to additional traffic impacts;
- In addition, due to the lack of car parking spaces required for student accommodation, and constrained off-street parking provision for the proposed commercial use (at a reduced rate of 1 per 150 sqm of employment floor space in the supporting DCP), which is considered appropriate given the site's high accessibility by public transport, bicycle and walking, the proposal will not result in significant parking impacts;
- In summary, the report anticipates that with these reduced parking rates, the concept development would generate 12 vehicle trips per hour during peak periods, which is one vehicle less than generated from a commercial redevelopment possible of the site at its existing FSR of 1:1; and
- Due to the lack of traffic or parking impacts from the concept scheme, the planning proposal is acceptable to proceed to Gateway, subject to a condition which requires it to be updated should the PRCUTS traffic study be completed.

The Department notes that the opportunity to deliver additional density on the site is subject to delivering a particular development outcome. The planning proposal has provided sufficient information to adequately demonstrate that:

- this development outcome will not lead to adverse traffic and parking impacts.
- local infrastructure improvements will be ensured by a VPA offer to deliver a component of the Johnstons Creek shared path, itself an item of community infrastructure identified by the Implementation Plan as a priority for delivery within the 2016-2023 timeframe.

The Department is satisfied that this provides sufficient reasoning to grant a Gateway approval to allow the planning proposal to proceed to public exhibition. The additional density proposed with the planning proposal will be accompanied by a significant contribution to public space, and the provision for contributions to be made for State infrastructure needs generated by cumulative development along the PRCUTS corridor will be addressed by a Gateway condition (See Part 5.3). This responds to the intent of the Implementation Plan to align growth with infrastructure provision.

Proposed zone

The Better Outcomes Study justifies the proposed B7 Business park zone, rather than the R3 Medium density residential zone recommended in PRCUTS, by:

- Arguing that the retaining a commercial zone and permitting student housing by the proposed local provision ensures that student housing will be delivered, whereas a residential zone would allow other forms of residential uses, such as residential flat buildings;
- Stating that this mechanism will implement actions of the Camperdown-Ultimo Collaboration Area Place Strategy to provide diverse and affordable housing which supports the education anchors of the area;
- Noting that the provision of the B7 zone allows at least 980 sqm of business and light industries in the technology, bio-medical, arts, production and design sectors to be provided on the site, whereas the R3 zone would eliminate this possibility. Encouraging mixed use development is consistent with the actions of the Camperdown-Ultimo Collaboration Area Place Strategy.
- Concluding that rezoning the site to B7, with a provision enabling a specific affordable housing development whilst retaining employment uses, will result in a better outcome than rezoning the site to enable wholly residential uses.

The Department concurs that the proposed rezoning to B7 Business Park, with a provision to allow student accommodation, will result in a better outcome for the site than the recommendations of PRCUTS. It is consistent with the more recent objectives and actions of the 2019 Camperdown-Ultimo Collaboration Area Place Strategy which stress the need to support health and education anchors in the area with mixed use developments and affordable housing. On the other hand, the recommendation of PRCUTS for a R3 Medium density zone would not guarantee the delivery of student housing, nor would it enable the retention of employment uses on the site to complement establishing the innovation industries of the Collaboration Area.

Proposed FSR

The Better Outcomes Study considers that retaining the existing FSR of 1:1, and adding a local provision to allow a maximum FSR of 2:1 for a mixed use development is justified because:

- The 1.5:1 FSR recommended by PRCUTS, when combined with the bonus FSR of 0.5:1 awarded for including affordable housing under SEPP (Affordable Rental Housing) 2009, would equate to 2:1;
- As such, both PRCUTS and the planning proposal recognise that a FSR of 2:1 along with a building height of 17m will facilitate an appropriate built form outcome for the site;
- Nevertheless, Council commissioned urban design reports by Architectus and DKO Architecture to demonstrate that the proposed mixed-use development can be facilitated with a FSR of 2:1 (comprising at least 0.75:1 of employment space) and a building height of 17m (See Part 3); and

- The urban design reports demonstrate that the proposed FSR of 2:1 will not result in adverse amenity impacts upon surrounding properties, nor will it unreasonably restrict the residential redevelopment of nearby industrial properties (See Part 3).

The Department is satisfied that the proposed approach of retaining a FSR of 1:1, but permitting 2:1 for the envisaged mixed-use development will result in a better outcome for the site than the 1.5:1 control recommended by PRCUTS. The proposed approach will guarantee that the residential floor space delivered is for a student accommodation. It will also require that employment space be retained for uses likely to support the Collaboration Area.

In conclusion, the Department is satisfied that the Better Outcomes Study demonstrates that the proposal will deliver better outcomes for the site than the recommendations of PRCUTS. As such, the planning proposal is considered to have addressed Direction 7.3 of (5)(b) for inconsistency with PRCUTS.

4.7 State environmental planning policies (SEPPs)

The planning proposal is consistent with all applicable SEPPs.

5 Site-specific assessment

5.1 Environmental

The following table provides an assessment of the potential environmental impacts associated with the proposal.

Table 7 Environmental impact assessment

Environmental Impact	Assessment
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Built form

The planning proposal is accompanied by an Urban Design Report by DKO Architecture which demonstrates that the built form resulting from the proposed development standards is appropriate.

The proposed L-shape for the residential component along the Chester Street frontage and south boundary will minimise bulk near the public space at Johnstons Creek and visual impact to dwellings in Annandale HCA (Figure 16).

In addition, the shape of the proposed building minimises overshadowing of Johnstons Creek and residential properties to the west, as depicted in Figure 16.

The overshadowing diagrams also depict how a larger redevelopment of the industrial sites to the south could be achieved in the future, since most north-facing dwellings in the concept scheme could achieve more than two hours of sunlight between 9am and 3pm in mid-winter.

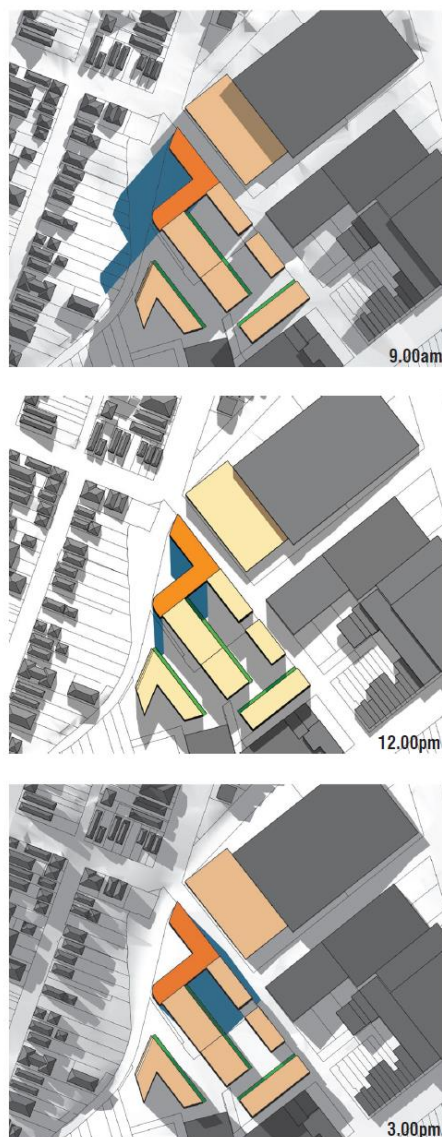


Figure 16 Overshadowing at mid-winter (source: Urban Design Report, DKO Architecture)

Heritage	<p><u>Sandstone Kerb and Guttering</u></p> <p>The sandstone kerb and guttering of Chester Street along the site's frontage is a heritage item of local significance in Leichhardt LEP 2013.</p> <p>The Heritage Impact Statement accompanying the proposal states that the kerb and guttering will be retained. It is anticipated that a future condition of consent to the development application will address this matter.</p> <p><u>Annandale Heritage Conservation Area</u></p> <p>The Heritage Impact Statement accompanying the proposal considers that the proposed landscaped setback to Johnston's Creek will provide a buffer to the HCA. The planning proposal is considered acceptable in this regard, with further assessment of heritage impact more appropriate at the DA stage when the detailed design of the building is considered.</p> <p>The planning proposal will not adversely affect the heritage significance of any other heritage items in the vicinity.</p>
Traffic and parking	<p>The planning proposal is accompanied by a Traffic and Parking Assessment Report.</p> <p>It details how the site is highly accessible by frequent public transport, walking and bicycle.</p> <p>The report anticipates that with the reduced parking rates detailed in the site-specific DCP, the proposal would generate 12 vehicle trips per hour during peak periods, which is one vehicle less than generated from a commercial redevelopment possible of the site at its existing FSR of 1:1</p> <p>A detailed assessment of its findings that the proposal will result in no adverse traffic or parking impacts is located in Part 4.6.</p> <p>The Department is satisfied that the concept scheme, with reduced parking rates for commercial development required under the draft accompanying DCP, and zero residential parking for the student accommodation, will result in negligible traffic and parking impacts.</p> <p>The PRCUTS precinct traffic study is incomplete at the time of this Gateway assessment. It is considered appropriate that the proposal proceed due to its negligible traffic and parking impact, as detailed in Part 4.3. Nevertheless, a Gateway condition requires that the planning proposal be updated to address the recommendations of the PRCUTS precinct traffic study, should it be completed prior to finalisation. Consultation with TfNSW is also a requirement of the Gateway determination.</p>
Flooding	<p>The planning proposal is accompanied by a Flood Assessment Report which identifies an appropriate flood planning level of RL 5.45. The report contains recommendations about how the development can be delivered to avoid flood hazard and impacts upon neighbouring properties. It considers that the development can be designed to comply with the relevant flooding controls of Leichhardt DCP 2013.</p> <p>The planning proposal has considered flood impacts. The Environment, Energy and Science group within the Department of Planning Industry and Environment cluster will be consulted during exhibition. Further detailed assessment of flooding is appropriate at the development assessment stage.</p>

5.2 Social and economic

The planning proposal is accompanied by a Social Impact Assessment and an Economic Impact Assessment. The Social Impact Assessment is prepared in support of a previous proposal which sought to address the PRCUTS Out of Sequence Checklist. It does not address the present proposal and it has not been considered in this assessment.

The Economic Impact Assessment assists in supporting Council's Better Outcomes Study and Section 9.1 Ministerial Direction 1.1 Business and industrial zones. Further discussion of its recommendations is located in Table 5.

The planning proposal will not result in adverse social or economic impacts.

It is considered that the proposed local provision requiring residential development to be for the purpose of student accommodation will have a positive social impact. It will allow students to live close to the key education institutions of the Camperdown-Ultimo Collaboration Area.

In addition, the proposed B7 Business park zoning, and minimum employment FSR component for a mixed-use development, will help to retain floor space in the Collaboration Area. The positive benefits of retaining employment floor space at the site with regards to State and local strategies is discussed in Part 4.2 and 4.4.

5.3 Infrastructure

Details of the proposed works-in-kind and dedication for a new shared path along Johnstons Creek are located in Part 4.3.2.

In addition, the Department considers there is likely to be a cumulative impact of the development with other development that is likely to be carried out within the Parramatta Road corridor subject to PRCUTS. As such, it is considered appropriate that the planning proposal be amended to include provisions applying to the site which will require concurrence of the Planning Secretary prior to development consent being granted. In deciding whether to grant concurrence, the Planning Secretary must consider:

- the direct and cumulative impact of the development on existing State public infrastructure and the need for additional State public infrastructure, and
- the steps taken to address the above impacts (for example whether a planning agreement has or will be entered into contributing to State public infrastructure).

The Planning Secretary will also be required to consult any public authorities that the Planning Secretary considers relevant to the development.

The concurrence of the Planning Secretary will not be required if all or part of the land on which the development is to be carried out is in a special contributions area to which a determination under section 7.23 of the Act applies.

This State public infrastructure for the purpose of this provision includes:

- (a) *State and regional roads,*
- (b) *bus interchanges and bus lanes,*
- (c) *rail infrastructure and land,*
- (d) *regional parks and public space,*
- (e) *social infrastructure and facilities (including schools, hospitals, emergency services and justice facilities).*

A Gateway condition requires the planning proposal to be amended prior to community consultation to include the proposed provision requiring concurrence of the Planning Secretary.

6 Consultation

6.1 Community

Council did not propose a community consultation period length.

A public exhibition period of 28 days is considered appropriate and forms a condition of the Gateway determination.

6.2 Agencies

It is recommended the following agencies be consulted about the planning proposal:

- Transport for NSW
- Sydney Water Corporation
- Environment, Energy and Science Group of the Department
- Sydney Airport
- Commonwealth Department of Infrastructure, Regional Development and Cities

7 Timeframe

The Department recommends a timeframe of nine months to allow for some flexibility following submissions of the planning proposal for finalisation.

A condition to the above effect is recommended in the Gateway determination.

8 Local plan-making authority

Council has advised that it would like to exercise its functions as a Local Plan-Making authority.

The site is located within the PRCUTS corridor, however the Department considers that this proposal has merit to proceed ahead of the staging and rezoning thresholds of the Implementation Toolkit, as discussed in Part 4.6.

The following Gateway conditions are recommended to ensure the planning proposal addresses future developments in the implementation of PRCUTS:

- A Gateway condition requires the planning proposal be updated to address the recommendations of the PRCUTS traffic study, if it is completed prior to finalisation; and
- A Gateway condition requires a provision be added to require the Secretary's concurrence to be obtained prior to development consent to ensure the requirement for State public infrastructure contributions has been addressed.

It is considered important that the Department retain plan making authority to ensuring compliance with these conditions through to the finalisation of the proposal. Retention of local plan-making authority will also allow the Department to respond to any developments of PRCUTS policy, should they occur. These matters are of State significance.

As such, it is not considered appropriate for Council to be delegated the role of local plan-making authority.

9 Assessment Summary

The planning proposal is supported to proceed with conditions for the following reasons:

- It is consistent with the Eastern City District Plan and gives effect to the Inner West Local Strategic Planning Statement;
- It will enable a mixed-use development comprising student housing and employment uses, thus achieving the vision for the area in the Camperdown-Ultimo Collaboration Area Place Strategy and Council's Employment and Retail Lands Strategy;
- It is acceptable with regards to relevant section 9.1 Ministerial Directions and SEPPs;
- The proposed built form is appropriate for its context and will not cause adverse amenity impacts;
- The traffic and parking impacts are negligible;
- The proposal's inconsistencies with the land use recommendations of PRCUTS are considered to be justified since they will deliver a superior outcome for the site; and
- The planning proposal's inconsistency with the staging requirement of PRCUTS to be after 2023, and its proceeding ahead of the PRCUTS precinct traffic study, are considered acceptable in this case since the proposal has demonstrated that no traffic or parking impacts will occur. In addition, the accompanying VPA offer includes the delivery of infrastructure which is identified in PRCUTS as being required in the Camperdown Precinct.

As discussed in the assessment report, the proposal should be updated to:

- Include draft LEP mapping of the proposed changes; and
- Include a provision requiring the Secretary's concurrence to be obtained prior to granting development consent for the purpose of assessing the need for contributions towards State infrastructure in the PRCUTS corridor.

10 Recommendation

It is recommended that the delegate of the Secretary:

- Be satisfied that any inconsistency with section 9.1 Ministerial Directions 1.1, 6.3 and 7.3: are justified in accordance with the terms of the Directions.

It is recommended that the delegate of the Minister determine that the planning proposal should proceed subject to the following conditions:

1. The planning proposal is to be updated prior to community consultation to:
 - Include draft LEP mapping of the proposed changes;
 - Clearly articulate for the community that the intended new local provision is subject to legal drafting with NSW Parliamentary Counsel's Office and is subject to change; and
 - Include a provision requiring the Secretary's concurrence to be obtained prior to granting development consent for the purpose of assessing the need for contributions towards State public infrastructure in the PRCUTS corridor.
2. Prior to community consultation, the amended planning proposal responding to condition 1 is to be forwarded to the Department for review and endorsement.
3. Consultation is required with the following public authorities:
 - Transport for NSW
 - Sydney Water Corporation
 - Environment, Energy and Science division of the Department
 - Sydney Airport
 - Commonwealth Department of Infrastructure, Regional Development and Cities

4. The planning proposal should be made available for community consultation for a minimum of 28 days.
5. The planning proposal is to be updated to address the recommendations of the PRCUTS traffic study, should it be completed prior to the proposal's finalisation.
6. The timeframe for completing the LEP is to be nine months from the date of the Gateway determination.
7. Given the nature of the proposal, Council should not be authorised to be the local plan-making authority.



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9 October 2020
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