

1 Strategic Merit Test and the site-specific merit test

In the recently reviewed *A Guide for Preparing Local Environmental Plans 2016* it proposes that a request for rezoning review must pass two main tests. The strategic merit test and the site-specific merit test. Whilst this application is not for a rezoning review, the proposal has been considered against the two tests to demonstrate that the Planning Proposal has strategic merit.

1.1 Strategic Merit Test

The strategic merit test poses three main criteria for assessing the strategic merit of a Planning Proposal:

1. Proposals must be consistent with the relevant district plan within the Greater Sydney Region, or corridor/precinct plans applying to the site, including any draft regional, district or corridor/precinct plans released for public comment; or
2. Consistent with a relevant local strategy that has been endorsed by the Department; or
3. Responding to a change in circumstances, such as the investment in new infrastructure or changing demographic trends that have not been recognized by existing planning controls.

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The Planning Proposal provides an assessment against *A Metropolis of Three Cities – The Greater Sydney Regional Plan* and the *North District*. Set out below is an analysis of the Planning Proposal's consistency with these strategic planning documents.

The Greater Sydney Regional Plan – A Metropolis of Three Cities

The Greater Sydney Regional Plan, "A Metropolis of Three Cities" provides a long-term guide for land use planning for the greater Sydney region. The vision for the region is to transform into a metropolis of three cities; Western Parkland City, Central River City and Eastern Harbour City. The subject site is located within the northern portion of the Eastern Harbour CBD City and within the Eastern Economic Corridor.



Figure 1 – Three Cities Mapping Extract

Source: *The Greater Sydney Regional Plan*

The Plan sets additional housing targets of 46,550 in the next 0-5 years and 157,500 up to 2036 for the Eastern City and will focus additional residential accommodation in centres to encourage walkable communities. The Plan also sets employment targets to create 817,000 jobs over the next 20 years to 2036 which are to be focused within metropolitan and strategic centres. The Plan aims to achieve a 30-minute City through investment in infrastructure, locating housing and jobs in the right places and improving accessibility to places where people want to be.

The Precinct is isolated and dislocated from the North Sydney CBD and it was acknowledged by the JRPP and North Sydney Council that the site is not a suitable location for employment growth. Furthermore, given the site is located in close proximity to residential accommodation, the site is considered suitable for a change in zoning to allow for residential uses.

The Plan includes 40 Objectives that outline the intended outcomes of the Plan. The Objectives are supported by a series of Strategies and Actions to will give effect to the vision. These Strategies are to be adopted and Actions implemented by NSW Government agencies and Local Government. An assessment of the proposal against the relevant criteria and objectives is provided in the table below:

Table 1 – Assessment against the relevant Directions of the Greater Sydney Regional Plan

Criteria	Objectives	Response
Infrastructure and collaboration	A city supported by infrastructure <ul style="list-style-type: none"> • Infrastructure supports the three cities • Infrastructure aligns with forecast growth • Infrastructure adapts to future needs • Infrastructure use is optimised 	<p>The proposal is located within proximity to a number of public transport services and North Sydney CBD which includes employment opportunities, health and education, retail and other services. The proposal seeks to utilise new transport infrastructure in the Sydney Metro City and South West accessible via Victoria Cross Station.</p>
	A Collaborative City <ul style="list-style-type: none"> • Benefits of growth realised by collaboration of governments, community and business 	<p>The proposal has been subject to discussion and collaboration with Council in relation to realising the vision for the site and providing an outcome that is consistent with the directions of strategic planning.</p>
Liveability	A City for people <ul style="list-style-type: none"> • Services and infrastructure meet communities changing needs • Communities are healthy, resilient and socially connected • Greater Sydney's communities are culturally rich with diverse neighbourhoods • Greater Sydney celebrates the arts and supports creative industries and innovation 	<p>The proposal will facilitate additional housing in a location well serviced by education, health and community facilities and other infrastructure.</p> <p>The Proposal will establish improved pedestrian connections and links and ground floor retail, which will encourage socially connected communities.</p> <p>The proposal will create a walkable place with the provision of retail and commercial uses conveniently located close to residential accommodation.</p>
	Housing the City <ul style="list-style-type: none"> • Greater Housing Supply • Housing is more diverse and affordable 	<p>The reference scheme will account for a total of 156 dwellings which will contribute to the housing targets as mandated by the GSC. The Planning Proposal would provide additional housing supply of varying typologies and the additional supply would contribute to the affordability of housing within the area.</p>
	A City of great places <ul style="list-style-type: none"> • Great places that bring people together • Environmental heritage is identified, conserved and enhanced 	<p>The proposal will enable the initial steps toward the enhance of the sense of place for the Precinct. This will be achieved through urban design, amenity and safety improvements for the precinct and provide wider place making benefits for the North Sydney CBD.</p> <p>The proposal has been designed so that it is respectful to and will not adversely</p>

Table 1 – Assessment against the relevant Directions of the Greater Sydney Regional Plan

		impact the Whaling Road Heritage Conservation Area adjacent to the site.
Productivity	<p>A well connected city</p> <ul style="list-style-type: none"> • A Metropolis of Three Cities – integrated land use and transport creates walkable and 30-minute cities • The Eastern, GOP and Western Economic Corridors are better connected and more competitive 	The proposal provides housing and employment in close proximity to public transport services. It also will provide improved links between North Sydney CBD and the surrounding area improving walkability to jobs and services within 10 minutes of the centre.
	<p>Jobs and skills for the city</p> <ul style="list-style-type: none"> • Harbour CBD is stronger and more competitive • Investment and business activity in centres 	<p>The site is within the Eastern Economic Corridor. However, the Precinct is considered to be isolated from the North Sydney CBD and adjoins a residential zone and therefore is not considered appropriate for employment growth. Whilst the proposal will result in the loss of some commercial floor space, there appears to be in the order of 806,000m² of additional commercial supply capacity in the North Sydney Centre which would provide 40,300 additional jobs and exceed the job targets for the North District Plan.</p> <p>The proposal will still provide some 10,127m² of modern commercial floor space for potential small businesses, creative and start ups within the Precinct. The proposed commercial spaces will be for businesses that can not afford the rents within the CBD and will play a supportive role to the North Sydney CBD.</p>
Sustainability	<p>A city in its landscape</p> <ul style="list-style-type: none"> • Urban tree canopy cover is increased • Public open space is accessible, protected and enhanced • The Green Grid links parks, open spaces, bushland and walking and cycling paths 	The proposal includes tree canopy improvements to the streetscape of Little Alfred Street and Alfred Street with some elevated podium areas along Little Alfred Street for further landscaping opportunities. The proposal will provide links to surrounding open spaces and walking and cycling paths.
	<p>An efficient city</p> <ul style="list-style-type: none"> • A low-carbon city contributes to net-zero emissions by 2050 and mitigates climate change 	The proposal will contribute to a more sustainable and resilient city through natural revegetation of the site and its surrounds. The proposal will create a development which integrates employment (commercial/retail) and

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	<ul style="list-style-type: none"> • Energy and water flows are captured, used and re-used • More waste is re-used and recycled to support the development of a circular economy 	<p>housing which reduces the need to travel by car. The proposal will also incorporate sustainable construction methods and energy efficient design measures within the building which will be explored further as part of the Development Application process.</p> <p>The proposal will facilitate a mix of land uses that can utilise recycled water for landscaping and WSUD which will be explored further at Development Application stage.</p>
	<p>A resilient city</p> <ul style="list-style-type: none"> • People and places adapt to climate change and future shocks and stresses • Exposure to natural and urban hazards is reduced • Heatwaves and extreme heat are managed 	<p>The proposal will deliver a gradual improvement of vegetation across the site by providing landscaping for mature trees.</p>

The Northern District Plan

The Planning Proposal provided an assessment of the proposal against the planning Priorities in the Northern District Plan.

Planning Priority N5 seeks to provide housing supply, choice and affordability with access to jobs, services and public transport. A housing supply target of 3,000 additional dwellings by 2021 in the North Sydney LGA has been set. The Precinct is within walking distance to jobs, health and education, retail and other services as well as a number of public transport services. The rezoning of the site to B4 Mixed Use will allow for residential accommodation to be provided in the Precinct. The reference scheme will include 156 residential units which will contribute to housing targets. A diversity of dwelling types will be provided through a range of studios, 1, 2 and 3 bedroom units and will provide for a range of price points.

The Northern City District Plan expresses a need for housing to be coordinated with local infrastructure provided with adequate access to public transport and strategic centres which provide jobs and services. Strategic centres accessible from the Precinct via public transport include the Sydney CBD and St Leonards. Planning Priority N12 seeks to integrate land use and transport planning to create a 30 minute city.

The Planning Proposal capitalises on the investment and planned investments of the Sydney Metro City and South West, the Western Harbour Tunnel and Beaches Link. Development resulting from the Planning Proposal will increase the number of jobs and dwellings within the 30-minutes to a strategic centre through public and active transport.

The Planning Proposal is considered to be consistent with all of relevant strategic planning priorities outlined in the Northern City District Plan. The proposal will provide new housing opportunities supported by social infrastructure, public transport, connections to employment centres.

2. Consistent with a relevant local strategy that has been endorsed by the Department;

Whilst the local strategies in North Sydney Council have not been endorsed by the DP&E, the proposal will be consistent with the following strategies:

- Draft Alfred Street Precinct Planning Study;
- North Sydney Centre Review - Capacity and Land Use Study (CLUS);
- North Sydney Local Development Strategy (2009);
- North Sydney Residential Strategy (2009); and
- North Sydney Community Strategic Plan 2018 - 2028.

The key strategies are discussed in further detail below:

Draft Alfred Street Precinct Planning Study

Whilst, the draft Precinct Planning Study was not adopted by Council, the purpose of the Study was to create a framework for a future land owner led Planning Proposal for the entire Precinct. The Study considers site specific and wider implications with regard to solar access, building separation, visual impact, built form and heritage.

The subject Planning Proposal has been prepared as a result of the draft Precinct Planning Study and whilst it is not a strict translation of Council's preferred option, it is generally consistent with the Study's objectives and design requirements.

North Sydney Centre Review – CLUS and the Planning Proposal

The CLUS was prepared to address a number of issues relating to land use matters, including residential uses, within the North Sydney Centre in relation to future development capacity and expansion opportunities. It is noted that the Precinct falls outside of the North Sydney Centre, however key objectives of the CLUS seek to:

- *"identify residential development opportunities in mixed use periphery"* and
- *"identify and facilitate specific land uses to contribute to the Centre's diversity, amenity and commercial sustainability."*

While the CLUS considers the importance of the Precinct as an employment generator, the economic viability of the existing commercial floor space is reaching stagnation. Therefore, the provision of an appropriate mix of residential and commercial use will ensure the ongoing economic feasibility of the Precinct.

North Sydney Community Strategic Plan 2018-2028

The North Sydney Community Strategic Plan 2018 – 2028 (CSP) is an extensive plan developed from the ground up and based on the vision and desires of the North Sydney community.

The Planning Proposal seeks to enable the redevelopment of the Alfred Street Precinct which would provide for renewal of commercial, business and residential structures. The proposal would also allow for improved access to and through the Precinct improving integration with the broader area.

3. Responding to a change in circumstances, such as the investment in new infrastructure or changing demographic trends that have not been recognised by existing planning controls.

The Precinct is located in between North Sydney CBD and the low scale Heritage Conservation Area and the existing commercial floor space is in need of upgrading given it is coming to the end of its economic useful life. The introduction of residential accommodation will allow for a better transition with the adjoining Heritage Conservation Area. The uplift in density will encourage the future redevelopment of the Precinct, while the provision of residential accommodation will provide a more efficient floor plate, thereby reducing significant bulk

and scale. The proposal will provide further commercial and residential floor space within proximity to the future Victoria Cross Metro Station.

1.2 Site-specific merit test

A *Guide for Preparing Local Environmental Plans 2016* states that having met the strategic merit test the Planning Proposal must demonstrate that it has site-specific merit. In order to establish site-specific merit, the guidelines put forward the following criteria.

1. The natural environment (including known significant environmental values, resources or hazards);
2. The existing uses approved uses and likely future uses of land in the vicinity of the land subject to the proposal; and
3. The services and infrastructure that are or will be available to meet the demands arising from the Planning Proposal and any proposed financial arrangements for infrastructure provision.

The Planning Proposal contains a number of specialist reports demonstrating the site is appropriate for the type of development proposed. The main studies are listed below and discussed in more detail above in Part 4 of this report. The reports include:

- Urban Design Analysis;
- Economic Impact Assessment;
- Economic Feasibility Analysis; and
- Traffic Impact Assessment.

An assessment of the sites key characteristics against the site-specific criteria is provided below. More detailed assessment is provided in the attached Planning Proposal and specialist reports.

1. *The natural environment (including known significant environmental values, resources or hazards);*

The Precinct has been previously used for residential and commercial purposes. Consideration of hazards relating to contamination, stormwater management and geotechnical considerations are to be considered as part of a future Development Application.

2. *The existing uses, approved uses and likely future uses of land in the vicinity of the land subject to the proposal; and*

The land is currently zoned B3 Commercial Core and has primarily been used for commercial purposes with a smaller residential component. To ensure a more appropriate transition between North Sydney CBD and the residential Heritage Conservation Area, the proposal seeks to amend the land use zone to B4 Mixed Use to allow for a mixed use Precinct which will incorporate residential accommodation.

Accompanying the Planning Proposal is a reference scheme which demonstrates how the Precinct could be redeveloped as mixed use development. The proposal incorporates ground floor retail which activates Alfred Street and the pedestrian arcade and encourages foot traffic within and through the Precinct. The commercial floor space will provide spaces for small businesses, creative uses and start ups which will play a supportive role to the North Sydney CBD. The residential accommodation (with fine grain residential accommodation along Little Alfred Street) will provide a better transition with the adjoining Conservation Area.

Based on the Urban Design Report undertaken, the proposed reference scheme will not have an unreasonable impact on surrounding development. The reference scheme will minimise overshadowing to the Conservation Area and will not impact upon the privacy of adjoining residential properties given the generous separation distances and orientation of the units.

3. *The services and infrastructure that are or will be available to meet the demands arising from the proposal and any proposed financial arrangements for infrastructure provision.*

Services and infrastructure already available within the locality will meet the demands of proposal.

The Traffic Impact Assessment (TIA) demonstrates the proposal will reduce the trips generated from the Precinct by 31 trips at the AM peak and 23 trips at the PM peak given the residential trip generation rates are lower than the commercial rates. The TIA concludes that the proposal is not expected to result in any noticeable traffic impacts on the surrounding road network and therefore, no mitigation measures are required as the existing road network is expected to accommodate the proposed development traffic.