

Planning Services

Gateway Determination Report

LGA	Strathfield
PPA	Strathfield Council
NAME	Proposal to amend zoning, floor space ratio and height controls under the Strathfield Local Environmental Plan 2012 for 7-23 and 25-33 Water Street, Strathfield South
NUMBER	PP_2018_STRAT_001_00
LEP TO BE AMENDED	Strathfield Council Local Environmental Plan 2012
ADDRESS	7-23 and 25-33 Water Street, Strathfield South
DESCRIPTION	Lots 1 and 2 DP 603465 Lot 3 DP 217450 Lot 22 DP 402062 Lots 23 and 24 DP 29213
RECEIVED	18 May 2018
FILE NO.	IRF18/4522
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.

INTRODUCTION

Description of planning proposal

The planning proposal relates to 7-23 and 25-33 Water Street, Strathfield South and seeks to amend the Strathfield Local Environmental Plan (LEP) 2012 by:

- amending the land zoning map and rezoning the site from IN1 General Industrial to R4 High Density Residential;
- amending the maximum floor space ratio (FSR) from 1:1 to 1.85:1; and
- amending the maximum height in metres from 11m to 28m.

A concept design has been provided with the proposal comprising the following:

- five buildings of 3-8 storeys across the site with a maximum building height of 28m;
- 361 apartments (115 apartments on Site A and 246 apartments on Site B);
- approximately 595 basement car parking spaces (195 spaces on Site A; 400 spaces on Site B);
- 34,873sqm of gross floor area, representing a floor space ratio of 1.84:1.



Figure 1: View of 7-23 (Site A) and 25-33 (Site B) Water Street, Strathfield South.

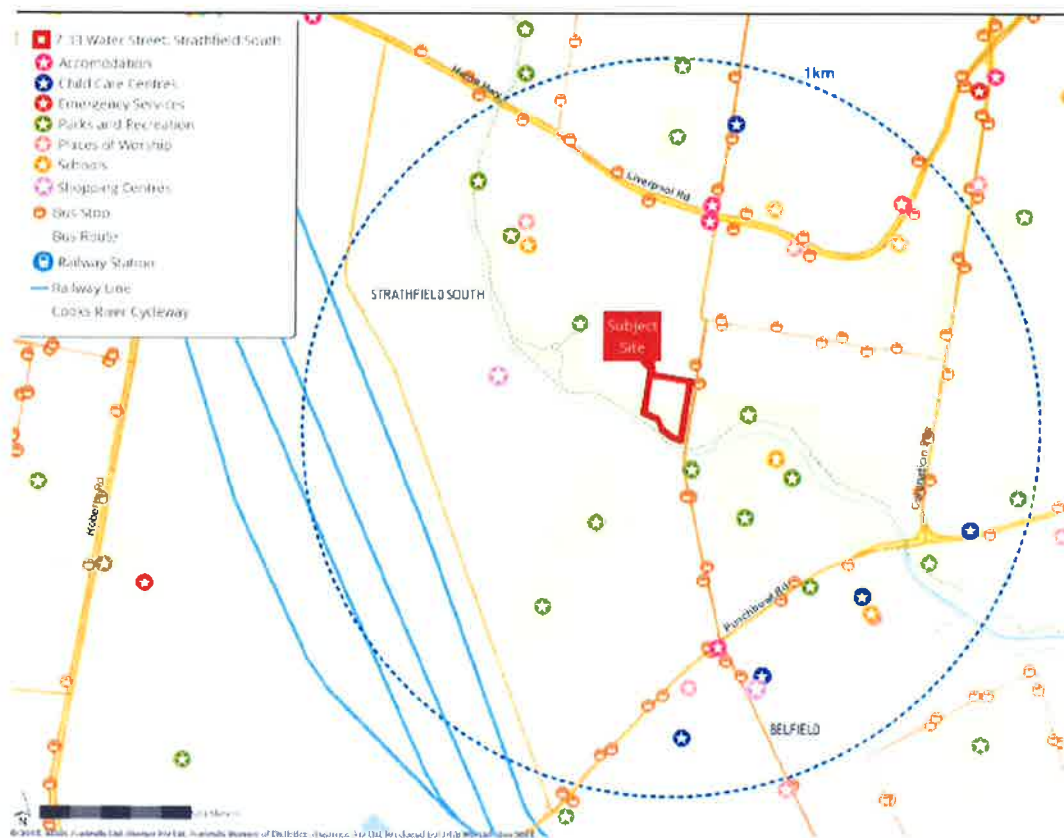


Figure 2: Context map



Figure 3: View of Water Street Employment Land Precinct.

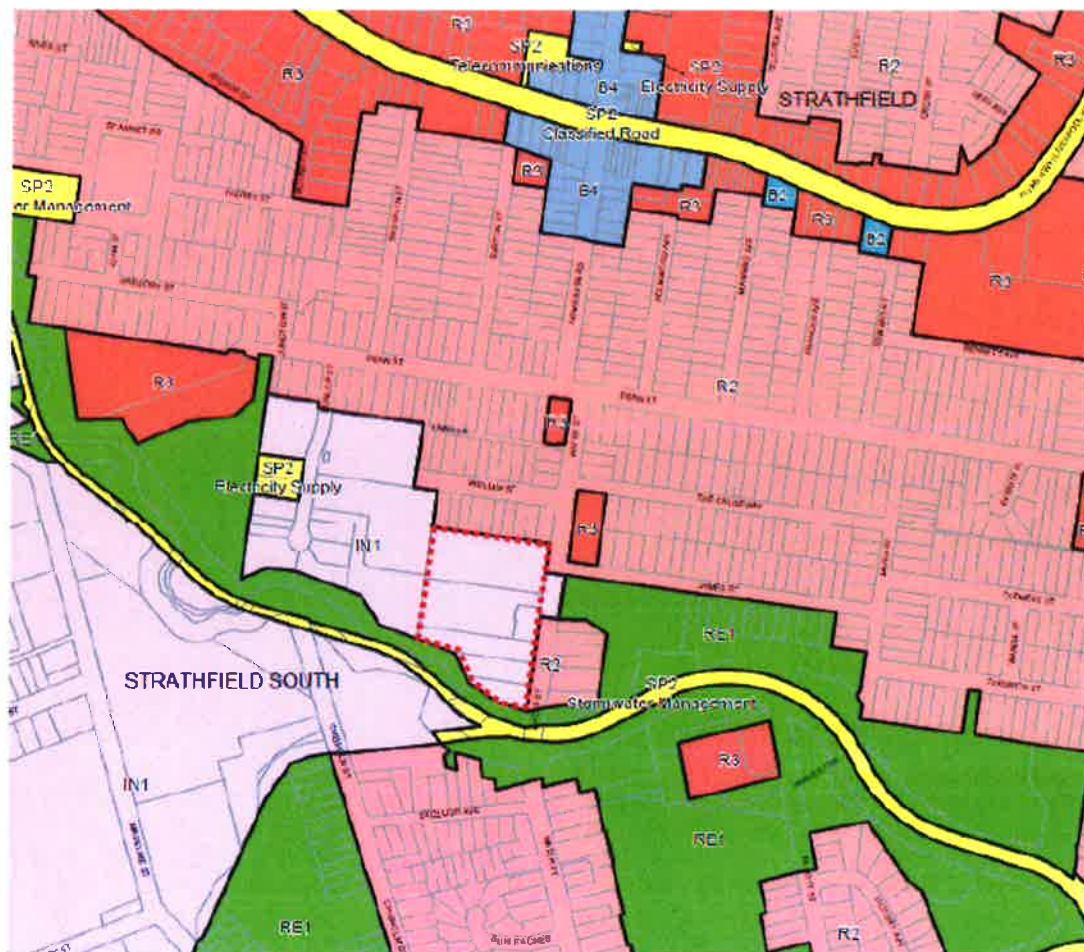


Figure 4: Land-use zoning map.



Figure 5: Building height map.



Figure 6: FSR map.

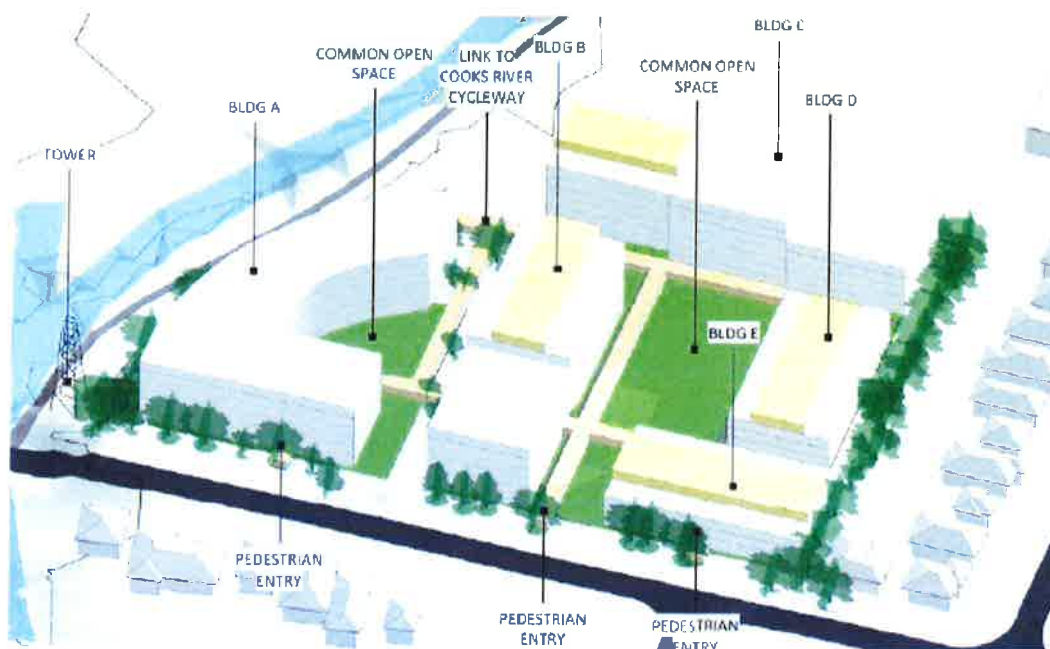


Figure 7: Original concept design.

Site description

The site for the proposal comprises six lots and has a total area of 18,952.7m² (Figures 1 and 2, page 2). The site is used for a variety of industrial purposes, including household trades, distribution centres and vehicle repairs. An electrical transmission tower and power lines are located adjacent to the southern boundary. Access to the site is from Water Street to the east of the site.

The site forms part of the 5ha Water Street Precinct shown in Figures 3 and 8. The Water Street Precinct is used for a variety of industrial uses, including a concrete batching plant and warehouse and logistics centre. Access to the remaining parts of the precinct is from Dunlop Street to the west of the site.

The precinct is isolated from most of Strathfield's industrial and employment lands and access is via residential streets. The Cooks River separates the precinct from the 175ha South Strathfield/Enfield Employment Land Precinct (Figure 3) and the site is approximately 3km east of the 211ha Chullora Employment Land Precinct.

Existing planning controls

7-23 and 25-33 Water Street

In accordance with the Strathfield LEP 2012, the subject site is zoned IN1 General Industrial (Figure 4), has a maximum building height of 12m and a maximum FSR of 1:1 (Figures 5 and 6, page 4).

Water Street Employment Land Precinct

The remainder of the Water Street Employment Land Precinct (Water Street Precinct) is zoned IN1 General Industrial apart from two properties to the western side at 7-9 Dunlop Street (Lot 15 and Lot 16 DP29223), which are zoned SP2 Infrastructure. The FSR controls are the same for all properties within the precinct. The maximum building height control is the same for all properties apart from 7-9 Dunlop Street, which does not have a specified height.

Surrounding area

Immediately to the north of the site are 10 allotments that contain 1-2-storey residential dwellings zoned R2 Low Density Residential. Sharing the southern boundary of the site is the Cooks River, the Cooks River cycle path and high-density voltage power lines and a tower. East of the site across Water Street is a series of 1-2-storey residential dwellings, Ford Park and a three-storey residential flat building.

The adjacent industrial area to the west is used for a variety of industrial uses, including a concrete batching plant and warehouse and logistics centre. Further industrial land including the Enfield Intermodal Logistics Centre is located to the south and separated from the subject site by the Cooks River.

The site is 500m south of Liverpool Road, which contains small-scale retail outlets at the corner of Homebush Road and Liverpool Road. Belfield local retail area is approximately 600m south of the site along the intersection of Burwood Road and Punchbowl Road. The closest railway station is Belmore station, which is approximately 2.6km to the south of the site. Homebush station is approximately 3.4km to the north and Strathfield station is approximately 3.5km to the north of the site.

BACKGROUND

Previous rezoning proposals

In 1998 and 2003, rezoning applications seeking to rezone 7-23 Water Street from industrial to residential were lodged with Council. The planning proposal states that both were refused due to concerns with the management of land contamination and impacts associated with increasing the maximum building height.

In December 2009, Council resolved to endorse a planning proposal to rezone 7-33 Water Street and 8-10 Dunlop Street from industrial to medium-density residential.

In February 2010, the Department determined not to support the proposal because:

- the proposal is premature given the imminent completion of Council's economic and employment land-use study. This study will inform Council in relation to the future of employment land throughout the LGA and the importance of retaining category 1 employment lands to meet Council's employment targets; and
- if the study shows that the rezoning of the subject land is appropriate, Council should consider extending the planning proposal to cover all the industrially zoned land in the South Strathfield Water Street Precinct to avoid future land-use conflicts.

History of current planning proposal

Proposal submitted to Council

On 22 April 2016, the subject planning proposal was lodged with Council. On 19 July, Council resolved that the proposal should not proceed to Gateway determination for the following reasons:

- a lack of a comprehensive flood study to support the zoning change;
- a lack of detail and consultation with external agencies regarding the proposed voluntary planning agreement;
- the proposed maximum height of 28m and maximum FSR of 1.85:1 are excessive considering the context of the site; and
- the potential land-use conflict between the proposed R4 High Density Residential zoning and neighbouring IN1 General Industrial zoning.

Council resolved that the proponent be advised to amend the planning proposal in accordance with a maximum height of 11m and maximum FSR of 1.2:1, consistent with the established Strathfield LEP 2012 spatial hierarchy, and to submit additional information to satisfy the flooding issues and voluntary contributions. The resolution does not state whether this would need to be submitted as an amended proposal or a new planning proposal.

Pre-Gateway review

On 8 August 2016, the proponent lodged a pre-Gateway review of the planning proposal with the Department. On 31 August 2016, the Department wrote to Council seeking additional comments. Council reiterated that it did not support the planning proposal for the reasons outlined in its resolution to refuse the proposal.

On 5 April 2017, the Sydney Central Planning Panel reviewed the pre-Gateway review request and decided the proposal had strategic and site-specific merit and the matter should proceed to Gateway determination (**Attachment E**).

The panel considered the precautionary principle contained in the former draft Central District Plan relating to a concern for the loss of industrial and urban service land use. However, in this case, having regard to the strategic planning work undertaken by Council in respect of the residential needs and employment land strategy, the panel considered that the site and surrounding precinct had strategic merit for rezoning for residential purposes. This consideration was made on the following grounds:

- *the current IN1 Industrial land sits within and is accessed exclusively through low density residential housing and street network;*
- *the land the subject of the planning proposal accounts for only 0.7% of the employment land in the municipality with the whole (Water Street) precinct accounting for 1.3% of local employment land;*

- *the location of the land adjacent to the Cooks River, which Council has been improving with landscaping, cycleway improvements etc; and*
- *the rezoning would allow for increased housing supply to assist housing affordability.*

The panel also considered that the site should not be rezoned in isolation since the co-location of the proposed residential zone adjacent to IN1-zoned land would be undesirable. The panel considered this would be contrary to planning land-use principles and inconsistent as the proximity of residential to the industrial uses is one of the reasons the panel supports the rezoning. Accordingly, the panel agreed to progress the planning proposal to Gateway and recommended that:

- *any rezoning to residential use be for the whole Water Street Precinct of which the site only forms a part (Figure 8);*
- *that the existing expert reports attached to the planning proposal for sites A and B be augmented to include analysis of the larger precinct having regard to flooding, contamination, traffic, noise and emissions, economic impact in existing neighbouring employment lands and Masterplan/urban design analysis;*
- *that prior to public exhibition, the adjoining landowners within the precinct be informed in relation to the prospective rezoning of the whole precinct; and*
- *the augmented reports (referenced in b) be available for exhibition.*

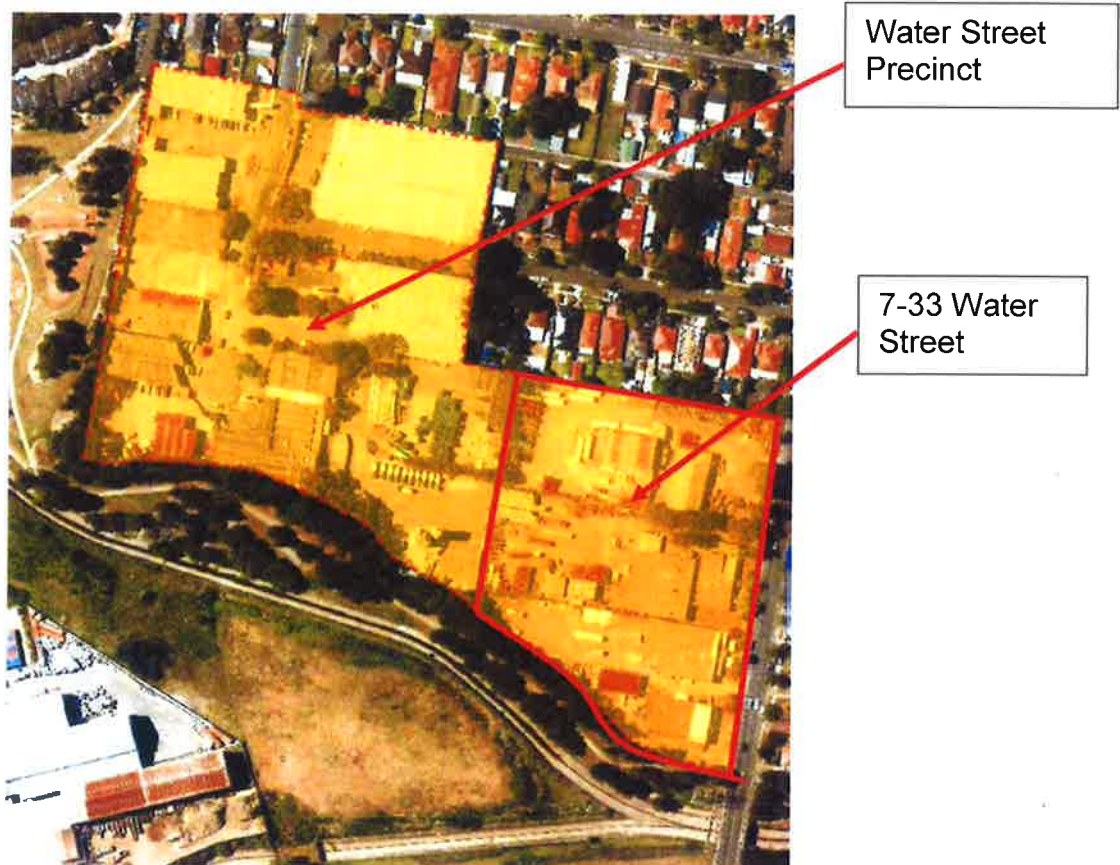


Figure 8: Comparison map of subject site and Water Street Employment Land Precinct.

Council's views

Following the panel recommendation, Council was invited to be the planning proposal authority (PPA). On 20 July 2017, Council accepted the role but advised that it did not support the proposal extending to the entire Water Street Precinct as recommended by the panel. Council noted that the heavy industrial nature of numerous properties within the precinct that were unlikely to cease operating in the short to long term, together with the fragmented ownership, jeopardised the holistic rezoning approach.

Council did not submit the proposal for Gateway determination but advised that it was working on a preferred masterplan restricted to the original site without any extension to the wider Water Street Precinct.

The Department advised Council that this approach was not in keeping with the panel recommendation. Following discussions, on 1 May 2018 Council resolved to continue in the role of PPA (**Attachment F**). Council's resolution included requesting several conditions be included in any Gateway issued by the Department, including that the proposal be extended to include the entire Water Street Precinct.

Relevant studies

Strathfield Residential Land Use Study

In 2011, Council commissioned JBA Urban Planning Consultants to prepare a residential land-use study (**Attachment K**) to inform the development of the comprehensive Strathfield LEP 2012. This study was developed to assist Council in accommodating new dwellings over the next 25 years. It identifies areas where residential growth is predicted to occur and where the character of neighbourhoods is to be maintained.

The study identified the Water Street Precinct as forming part of the South Strathfield Precinct, characterised by a high level of residential amenity and with a low-scale residential nature that should be protected. The Water Street Precinct was identified as being isolated from most of Strathfield's industrial and employment lands and access was via residential streets. However, the Water Street Precinct was identified as having contamination and flooding issues.

The study concluded that further investigation is needed to support the conversion of this land for residential purposes and that this support would be subject to acceptable management of flooding and contamination issues.

Strathfield Economic Land Use and Employment Strategy

In 2010, Council commissioned SGS Economics and Planning to prepare an Economic Land Use and Employment Strategy (**Attachment J**) to investigate Strathfield's economic base and issues facing the Strathfield LGA. The strategy focused on how new jobs could be encouraged through appropriate land-use planning and identified tools to protect business and industrial areas. It identified the need to modernise planning controls to reflect local circumstances and the changing nature of employment.

The strategy states that Strathfield LGA presents a good location for industrial land, particularly for warehousing and redistribution across Sydney. The Water Street Precinct was identified as a site for investigation. The strategy states that 'more work is required to investigate alternative uses for the Water Street/Dunlop Street Precinct' and that "there is a need for a precinct wide approach to ensure an equitable outcome for landowners'.

The strategy states that alternatives should include land pooling and the designation of flood-affected land as parkland to expand the open space corridor along the Cooks River while allowing a comprehensive redevelopment of the precinct for medium density. The strategy states that 'a coordinated redevelopment of the precinct will result in high quality, medium density residential development and improved open space links along the Cooks River'. The strategy suggested investigating whether the state government can contribute towards funding the open space link along the Cooks River.

Medium-density residential zoning was recommended for the precinct, with an open space zone to be applied along the waterway (Figure 9). The strategy recommends a 'pooled' comprehensive redevelopment for medium-density residential. Flood-affected areas would be designated as parkland, with the remainder of the site to be developed as medium-density residential. Earthworks would address the drainage and flooding issues and could moderate noise impacts from the intermodal terminal. A new road would provide separation between open space and residential land uses. This would require negotiation with owners and a sharing of redevelopment returns.

The strategy states that a coordinated redevelopment of this precinct will result in high-quality, medium-density residential development and improved open space links along the Cooks River.

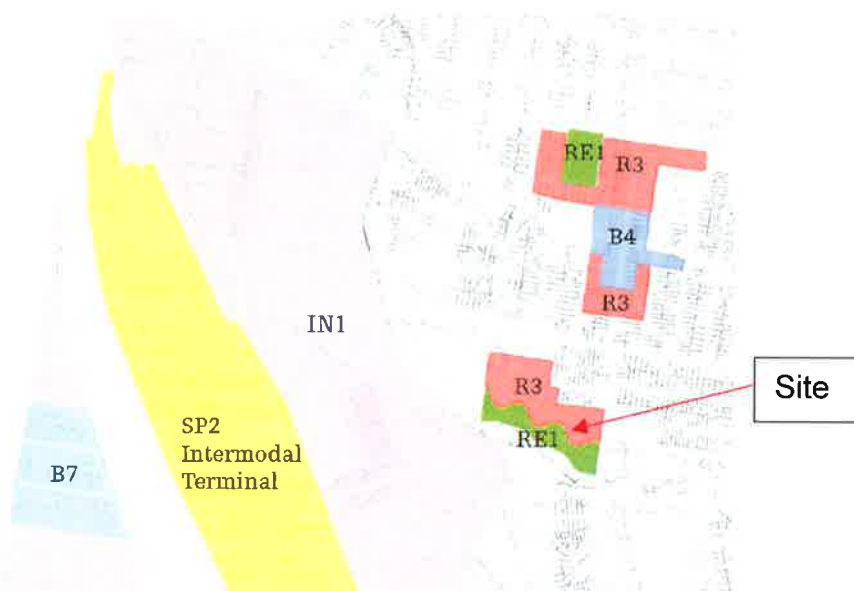


Figure 9: Extract from recommended zoning within the Strathfield Economic Land Use and Employment Strategy.

Voluntary planning agreement

The proposal states the proponent is prepared to discuss with Council about contributing to a range of public benefits including:

- funding a portion of the implementation of Sydney Water's Cooks River Bank Naturalisation Project along Cox's Creek between Chisholm and Water Streets and along the section of the Cooks River immediately adjacent to the site;
- enhancement works to the Cooks River foreshore reserve and cycleway adjacent to the site;
- the relocation and replacement of the north-bound and south-bound Water Street bus stops adjacent to the site, with improved covered facilities and associated landscaping; and
- funding of a widened pedestrian/cycle path cantilevered off the Water Street bridge over the Cooks River.

Council states that the VPA offer includes elements that extend beyond Council's jurisdiction and would therefore require further consultation/negotiation with relevant state agencies, such as Sydney Water and Transport for NSW.

Regarding the works to the Cooks River, Council states it has been collecting funding through contributions to improve the amenity along the Cooks River foreshore reserve and cycleway. This contribution works program will be undertaken whether or not this rezoning proposal proceeds.

Summary of recommendation

It is recommended that the proposal proceed subject to conditions in keeping with the recommendation of the former Sydney Central Planning Panel. The land sits within an isolated industrial land setting and provides the opportunity for residential zoning to be introduced in keeping with the surrounding land north of the Cooks River.

The progression of the proposal to Gateway is consistent with the GSC's advice of 5 October 2018 (**Attachment I**). The information note states that proposals that were recommended to proceed to Gateway by a planning panel, and that were submitted prior to the release of the relevant district plan, can proceed.

The panel's recommended expanded planning proposal requirements are considered necessary for assessing the overall merits of the proposal. A precinct-wide proposal will provide Council, state agencies and the community with an understanding of the likely cumulative impacts and development outcomes for the area.

PROPOSAL

Objectives or intended outcomes

The objectives and intended outcomes of the planning proposal will need to be updated to reflect the recommended extension of the proposal to the entire Water Street Precinct. A Gateway condition is included outlining this requirement.

Explanation of provisions

The proposal intends to amend the Strathfield LEP 2012 by:

- amending the land zoning map and rezoning the site from IN1 General Industrial to R4 High Density Residential;
- amending the height of buildings map to set a maximum height of 28m; and
- amending the FSR map to set a maximum FSR of 1.85:1.

A Gateway condition is included requiring the explanation of provisions to be updated to respond to the entire Water Street Precinct.

Mapping

The planning proposal will need to be updated to reflect mapping for the extended precinct. A Gateway condition is included outlining this requirement.

NEED FOR THE PLANNING PROPOSAL

The proponent states that the planning proposal references the Strathfield Economic Land Use and Employment Strategy (**Attachment J**) and the Strathfield Residential Land Use Study (**Attachment K**), which both propose a medium-density outcome for the site and adjacent allotments.

The proposal states that the concept designs provided are the product of feasibility studies involving an economic analysis of the indicative design and relevant policies. This study (**Attachment A10**) considers that the retention of the site for industrial uses would not meet market demand, would negatively impact amenity in a predominantly residential area north of the Cooks River, and would maintain land-use conflicts between residential and industrial uses, limiting further development of the site.

The proponent considers that if the current controls remain, industrial activity and employment will continue to decline. The proposal considers that the rezoning and concept medium-density residential scheme is the most appropriate way of increasing housing opportunities in the LGA while improving amenity on the site and in the immediate vicinity through the naturalisation of the Cooks River bank.

The Department notes that the Water Street Precinct has been identified for residential use in Council's strategic work subject to further assessment of flooding and contamination issues. It is considered that the isolated nature of the site from the remainder of the industrial precinct to the south provides an opportunity for residential conversion that will improve land-use conflicts in the area.

A planning proposal is the best way to amend the zoning, height of buildings and FSR development standards under the Strathfield LEP 2012.

STRATEGIC ASSESSMENT

The planning proposal references the former A Plan for Growing Sydney and the draft Central District Plan as these plans were in place at the time of the pre-Gateway review. Due to the length of time that has lapsed between the pre-Gateway review and the planning proposal being submitted for Gateway determination, current strategic plans have not been addressed in the proposal. Conditions are included requiring the proposal to be updated prior to community consultation to address the strategic framework discussed below.

Greater Sydney Region Plan

The Greater Sydney Region Plan was released by the GSC on 18 March 2018. It provides a 40-year vision for Greater Sydney and is designed to inform district plans, local plans and the assessment of planning proposals. The plan includes 10 objectives outlining priorities and actions in relation to infrastructure, liveability, productivity and sustainability. A Gateway condition is included requiring analysis of the proposal against the plan.

Eastern City District Plan

The Eastern City District Plan was released on 18 March 2018. The plan contains planning priorities and actions to guide the growth of the Eastern City District while improving the district's social, economic and environmental assets. It contains the planning priorities and actions for implementing the Greater Sydney Region Plan at a district level and is a bridge between regional and local planning.

A Gateway condition is included requiring the proposal to be updated to address the priorities of the plan. The relevant priorities have been identified below, with comments in relation to the subject proposal.

Priority E1: Planning for a city supported by infrastructure

The level of increased density of the expanded planning proposal will place a greater demand on infrastructure in the area. The updated planning proposal will need to provide further information responding to this issue and how infrastructure requirements will be met. Consultation is to be undertaken with relevant public agencies to provide further advice on infrastructure impacts.

Priority E3: providing services and social infrastructure to meet people's changing needs

The proposal will provide for a range of demographics that will require schools, open space and accessibility for older people. A Gateway condition is included requiring a social impact assessment to be prepared to assess and provide recommendations to help achieve the social sustainability of the area. This study should include an assessment of a range of issues including the adequate provision of open space and community facilities, accessibility to services, pedestrian and cycling infrastructure and general cohesion of R4 High Density Residential zoning in the subject location.

A Gateway condition is included requiring consultation with relevant public agencies.

Priority E4: fostering healthy, creative, culturally rich and socially connected communities

This priority states that a multifaceted and place-based approach is required to focus on the local inter-relationships between healthy, creative, culturally rich and socially connected communities. The updated planning proposal will need to provide further information responding to this priority.

Priority E5: Providing housing supply, choice and affordability, with access to jobs, services and public transport

This priority outlines a housing target of 3650 dwellings for the Strathfield LGA from 2016 to 2021. The priority states that some areas are not appropriate for additional housing due to natural or amenity constraints, or a lack of services and public transport.

Further information is required to demonstrate the suitability of the Water Street Precinct for residential uses, such as flooding, contamination and noise. Consultation with relevant agencies is needed to determine the potential increased services for the expanded planning proposal.

Priority E9: Growing international trade gateways

This priority seeks to manage the interfaces of industrial areas, trade gateways and intermodal facilities by:

- providing buffer areas to nearby activities, such as residential uses, that are sensitive to emissions from 24-hour port and freight functions;
- protecting industrial lands for port, intermodal and logistics uses from the encroachment of commercial, residential and other non-compatible uses that would adversely affect industry viability to facilitate ongoing operation and long-term growth;
- requiring sensitive developments within the influence of port and airport operations to implement measures that reduce amenity impacts; and
- identifying and preserving land for future port, airport, intermodal and rail infrastructure

The subject proposal will reduce the industrial land in the precinct. However, the site is isolated from most of Strathfield's industrial and employment lands and access is via residential streets. The conversion of the land to residential will reduce land-use conflicts with low-density residential uses around the site.

Priority E10: Delivering integrated land use and transport planning and a 30-minute city

This priority seeks to ensure that more housing, jobs, health and education facilities will be planned in metropolitan and strategic centres and more people will have public transport access to their closest metropolitan or strategic centre within 30 minutes. Further consultation is required with Transport for NSW to ascertain potential public transport upgrades in the area. The updated planning proposal should provide further information to demonstrate how the proposal will achieve this priority.

Priority E12: Retaining and managing industrial and urban services land

This priority seeks to retain and manage industrial and urban services land by safeguarding all industrial-zoned land from conversion to residential development, including conversion to mixed-use zones. The priority states that these industrial lands are required for economic and employment purposes. Therefore, the number of jobs should not be the primary objective, but rather a mix of economic outcomes that support the city and population.

In April 2018, the Department wrote to the Greater Sydney Commission (GSC) seeking clarification on whether the subject planning proposal could proceed to Gateway determination considering it seeks to rezone industrial land.

On 5 October 2018, the GSC issued an information note providing advice regarding planning proposals affecting industrial and urban services land (**Attachment I**). The information note refers to limited instances where the GSC agrees to planning proposals proceeding that are not consistent with the retain and manage approach for industrial and urban services land of the Greater Sydney Region Plan and District Plans. In accordance with the information note, as the planning proposal was submitted before the adoption of the district plan and had been referred to and supported by the Sydney Eastern City Planning Panel, it can proceed to Gateway determination.

The GSC information note stated that if the planning proposal proceeds, any Gateway determination issued for any transitional proposal relating to employment lands is required to satisfy certain conditions of the Gateway before the matter proceeds to public exhibition. These conditions include the following:

- the planning proposal must be updated to meet any conditions recommended by the panel prior to public exhibition;
- adherence to a set time frame by the Department within which to satisfy the condition of the panel, after which no extensions of time for the Gateway determination will be granted; and
- inclusion of a sunset provision as part of the scope of the proposed amendments in the planning proposal. The sunset clause will require that a development application be lodged within a certain time frame determined by the Department. If no development application is lodged within the time frame, the effect of the amendments will cease.

Conditions are included responding to these requirements. The proposal will need to be updated to address this priority taking into consideration the GSC advice.

Priority E14: Protecting and improving the health and enjoyment of Sydney Harbour and the District's waterways

This priority seeks to:

- protect environmentally sensitive areas of waterways and the coastal environment area;
- enhance sustainability and liveability by improving and managing access to waterways, foreshores and the coast for recreation, tourism, cultural events and water-based transport;
- improve the health of catchments and waterways through a risk-based approach to managing the cumulative impacts of development, including coordinated monitoring of outcomes; and
- work towards reinstating more natural conditions in highly modified urban waterways.

As discussed earlier in this report, the proposal states that the proponent is prepared to discuss with Council contributing to a range of areas regarding the enhancement of the Cooks River and public access. This priority will need to be addressed and a Gateway condition is included requiring consultation with Sydney Water.

Priority E17: Increasing urban tree canopy cover and delivering Green Grid connections

The Sydney Green Grid is a long-term vision for a network of high-quality green spaces that connects communities to the natural landscape. It links tree-lined streets, waterways, bushland corridors, parks and open spaces with centres, public transport and public places.

The Cooks River Open Space Corridor has been identified as a priority project as outlined under this priority. It states it 'will become a regionally significant parkland corridor, improving water quality and providing high quality open space with links to nearby centres including Strathfield, Sydney Olympic Park, Campsie, Canterbury, Dulwich, Marrickville and Wolli Creek. This is a priority green grid project for both the Eastern city and South City Districts'.

The proposal needs to be updated to provide further information on impacts to the Cooks River and general consistency with this priority.

Priority E18: Delivering high quality open space

This priority seeks to provide opportunities to expand a network of diverse, accessible, high-quality open spaces that respond to the needs and values of communities as populations grow. The updated planning proposal should provide further information on how it intends to address this priority. The updated planning proposal will need to clearly assess (including through a social impact assessment) the need for open space and how it intends to achieve adequate open space provision for current and future residents.

Local

Strathfield 2030 Community Strategic Plan

The Strathfield 2030 Community Strategic Plan was adopted in June 2018 and identifies the main priorities and aspirations for the future of the LGA until 2030. The document draws together what the Strathfield community has identified as important priorities and community aspirations for Council to achieve within the Strathfield LGA by 2030. It contains five key themes: connectivity; community wellbeing; civic pride and place management; liveable neighbourhoods; and responsible leadership.

This community strategic plan has not been endorsed by the Department. The proposal is consistent with the intent of the liveable neighbourhood goal as it seeks to provide for a range of housing types to suit several lifestyle needs.

Section 9.1 Ministerial Directions

Direction 1.1 Business and Industrial Zones

The proposal is inconsistent with this Direction as it would reduce the ongoing employment-generating capacity of the site and reduce floor space currently zoned for industrial purposes. The Direction states that a planning proposal may be inconsistent with the terms of this Direction if justified by a study (prepared in support of the planning proposal) that considers the objective of this Direction.

The proposal is supported by an economic impact assessment (**Attachment A10**) prepared by HillPDA, which considers the rezoning of the land against this Direction. The assessment explores the economic impact of retaining the current zoning compared to amending the zoning to allow for strata residential development.

The study concludes that the retention of the subject site for industrial uses would not meet market demand, would negatively impact amenity in what is a predominantly residential area north of the Cooks River, and would maintain land-use conflicts between industrial and residential uses, limiting further development of either use.

The study considers that rezoning the site would not significantly impact on the supply of industrial lands in the LGA and broader subregion given that the Water Street Precinct does not represent a significant cluster of industrial activity.

A Gateway condition is included requiring the economic impact assessment to be updated to analyse the impacts of the expanded planning proposal. Until then, the inconsistency with this Direction remains unjustified. However, sufficient information has been provided to demonstrate the suitability and merits of the proposal proceeding to Gateway determination.

Direction 3.1 Residential Zones

The proposal is generally consistent with this Direction as it will assist in broadening the choice of housing types and locations available in the housing market. It will make efficient use of existing infrastructure and services even though it is not located within a priority area or town centre.

Further information will be required regarding design quality through the preparation of a development control plan. A Gateway condition is included outlining this requirement, which will assist in guiding the future density and scale of the precinct. This will need to be provided for community consultation and will allow a greater understanding of the built form relationship to the surrounding area.

The extent to which infrastructure augmentation will be required can be confirmed by infrastructure providers during the agency consultation phase of the Gateway process. A Gateway condition is included outlining this requirement.

Direction 3.4 Integrating Land Use and Transport

This Direction seeks to ensure development is appropriately located to improve access and transport choice and reduce car dependency. The proposal includes a transport impact assessment, which highlights the following:

- a comparison of the traffic generation from an industrial use and the proposed residential use indicates that the proposed development would generate about 101 additional vehicle trips during peak hour compared to the existing industrial use; and
- the proposed residential development would generate predominantly light vehicle movements, and these would replace the relatively high proportion of heavy vehicle movements generated by an industrial use.

The recommended extension of the planning proposal will add to the predicted vehicle movement identified in the traffic assessment. It is considered that the proposal will likely result in an increase in light vehicle movements and a reduction in heavy vehicle movements in the area.

The site does not have access within a reasonable walking distance of any railway stations. The closest stations are the following:

- Belmore station – approximately 2.6km from the site;
- Homebush station – approximately 3.4km from the site; and
- Strathfield station – approximately 3.5km from the site.

The transport impact assessment provided with the proposal outlines that Punchbowl Bus Company operates the 450 bus route from Hurstville to Strathfield station using Water Street adjacent to the site. This service operates at 15-minute intervals during the morning and afternoon peak periods and at 30-minute intervals during the off-peak period.

A cycleway is located along the southern boundary of the site, which provides additional transport choice potential. This cycleway is part of a 23km track running from Settlers Park in Ryde to Botany Bay, with much of the track running alongside the Cooks River. Council has advised that works are ongoing to improve the amenity along the Cooks River foreshore reserve and cycleway.

The proposal is generally consistent with this Direction as:

- it will likely reduce the number of heavy vehicles using residential streets;
- it will provide housing opportunities in a reasonably located public transport location that has access to a bus route connecting to further surrounding metropolitan transport and jobs; and
- it is located along a substantial cycleway network that connects to the surrounding area.

Because the planning proposal was prepared in 2016, a Gateway condition is included requiring this information to be updated to reference up-to-date bus services along Water Street. Additional bus services may be required at greater frequencies to service the increased density implications of the rezoning. Consultation with Transport for NSW will need to be undertaken as part of the consultation process.

Direction 4.1 Acid Sulfate Soils

The objective of this Direction is to avoid significant adverse environmental impacts from development on land that is likely to contain acid sulfate soils.

The site is within a class 4 acid sulfate soil zone (identified in the Strathfield LEP 2012). The proposal does not include any information to demonstrate the likelihood of acid sulfate soils at the site. Further information is required to justify consistency or inconsistency with this Direction. A Gateway condition is included outlining this requirement.

Direction 4.3 Flood Prone Land

The objectives of this Direction are to ensure that development on flood-prone land is consistent with state policy and that LEP provisions are commensurate with flood hazard.

The proposal includes a flood impact assessment, which states that the site is subject to local overland flows from the north and mainstream flooding from the Cooks River. The site is vulnerable to flash flooding (the modelled probable maximum flood would peak 1.5 hours after the commencement of rain but begin to inundate the ground at the site after 25 minutes). Evacuation of the site is not considered practical and evacuation to higher flood levels is considered to be a safer course of action.

The proposal is inconsistent with this Direction as it fails to address this Direction in adequate detail. While the proposal includes a flood impact assessment that recommends how the flood risk can be generally managed, it does not address the proposal's ability to comply with the *Floodplain Development Manual 2015*, as outlined in this Direction.

A Gateway condition is included requiring additional information to justify the inconsistency with this Direction. A comprehensive flood study is required to be undertaken to demonstrate how the proposal will achieve an acceptable flooding outcome for the entire Water Street Precinct.

State environmental planning policies (SEPPs)

SEPP 55 – Remediation of Land

Clause 6 of SEPP 55 requires that the planning authority consider whether the land is contaminated and the suitability of the land for the proposed use under the planning proposal.

A contamination audit has been provided, which is based on the results of a 2007 site audit report and site audit statement to support a previous rezoning proposal for several sites in the Water Street/Dunlop Street precinct, including 7-33 Water Street. The previous proposal was for 14 2-9-storey residential developments, open space and areas of tree planting.

The site at 7-23 and 25-33 Water Street is located on top of a backfilled quarry. The audit notes the 2007 site audit report found data was lacking in relation to several aspects, but these were mostly considered acceptable to manage during remediation or as contingencies after remediation.

The concept design proposes two basement levels within the known footprint of the filled quarry. An analysis of the depth of various basements in respect of the groundwater table has yet to be performed. The audit recommends that:

- a more accurate delineation of the filled quarry boundary and assessment of landfill gas conditions in proximity to this boundary be required if this depth of basement were to be retained in the area; and
- to be consistent with the previous remediation action plan, the basement depths be maintained above the level of groundwater table within the footprint of the fill quarry.

The entire Water Street Precinct has not been considered as part of the contamination audit. A Gateway condition is included requiring a new contamination study to address the entire precinct to adequately address SEPP 55.

SEPP 65 – Design Quality of Residential Apartment Development

SEPP 65 is relevant as the current proposal includes a concept design for a mixed-use development of more than three storeys and more than four dwellings. The proposal states that the concept design can satisfy the requirements of the SEPP. A basic assessment against the *Apartment Design Guide* has been provided with the proposal.

The extension of the planning proposal requires further analysis against this SEPP. Further information is required to demonstrate that an acceptable built form can be achieved in the precinct while providing appropriate amenity. An amended concept design should be provided demonstrating that an appropriate outcome can be achieved in areas such as building depth, envelope capacity, building separation and setbacks. Once this is determined, further analysis should be provided regarding amenity impacts on the site and surrounding public and private domain.

A Gateway condition is included requiring the proposal to be updated to address SEPP 65 in association with the expanded planning proposal requirements.

SITE-SPECIFIC ASSESSMENT

The panel recommendation to extend the proposal to the entire Water Street Precinct will require several reports that were submitted with the planning proposal to be updated to address the extended precinct area. Below is an assessment of the proposal when considered as an extended proposal.

Social

The Strathfield Residential Land Use Study released in 2011 (**Attachment K**) considers that the population of the Strathfield LGA is expected to increase to 47,100 by 2031, an annual growth rate of 1.7%. The proposal outlines that the amount of housing stock will be increased on a site close to services, facilities and employment opportunities. It is recommended that the proposal be referred to Transport for NSW and relevant medical and emergency service providers for further comment.

The proposal will likely generate an increased demand for social infrastructure such as schools and child care facilities. Therefore, it is recommended that the NSW Department of Education be consulted on the proposal. A Gateway condition is included requiring a social impact assessment to be prepared to assess and provide recommendations to help achieve the social sustainability of the area. This study will need to assess a range of issues including the adequate provision of open space and community facilities, accessibility to services, pedestrian and cycling infrastructure and the general cohesion of R4 High Density Residential zoning in the subject location.

Environmental

Flooding

The proposal includes a flood impact assessment, which states that the site is subject to local overland flows from the north and mainstream flooding from the Cooks River. The site is vulnerable to flash flooding (the modelled probable maximum flood would peak 1.5 hours after the commencement of rain but begin to inundate the ground at the site after 25 minutes). Evacuation of the site is not considered practical and evacuation to higher flood levels is considered to be a safer course of action.

Council states that the proposal intensifies the development of land from industrial to residential and presents a possible danger to personal safety, risk to lives and the potential for significant structural damage to buildings. Council considers that the proposal fails to demonstrate how vehicles can enter and exit the site safely (i.e. the proposed locations of vehicular access are located within areas of high flood risk). Council is also concerned about evacuation, stating there is insufficient time for people to evacuate to a place of refuge above the 100-year or PMF flood level.

The Department agrees that further investigation and assessment are required regarding the flood impacts on future development. A Gateway condition is included requiring a comprehensive flood study to be undertaken for the Water Street Precinct to demonstrate that it can comply with relevant flooding requirements, including the *NSW Floodplain Development Manual 2005*.

Critical habitats and threatened species

The planning proposal states that the site is highly modified and there are no known critical habitat or threatened species, populations or ecological communities on or near the site. The planning proposal should be updated to confirm any impacts from the extended proposal.

Acid sulfate soils

The Water Street Precinct contains properties identified as class 4 and class 5 on the acid sulfate soils map in the Strathfield LEP 2012. A Gateway condition is included requiring further information to demonstrate acid sulfate soil requirements.

Noise

The proposal includes a preliminary noise assessment of potential environmental noise impacting the original site at 7-23 and 25-33 Water Street. It is apparent that the most intrusive noise impact potential is from existing industrial uses (Figure 11, next page). Minimal information has been provided to determine the impacts of the existing industrial noise use and the impacts on amenity.

The recommended extension of the proposal to the wider Water Street Precinct will assist in removing potential land-use conflicts between properties to the north of the Cooks River. However, due to the fragmented ownership of the land, a staged redevelopment for residential use could occur. It is therefore considered appropriate for an amended noise assessment to be provided that assesses:

- noise impacts of existing industrial uses within the Water Street Precinct; and
- noise impacts from the adjoining industrial land to the south. The extended proposal will potentially result in residential housing closer to the industrial land to the south.



Figure 10: Potential noise impacts from adjoining industrial land

Urban design

The neighbouring residential context of the area is predominantly detached low-scale residential dwellings. One exception is a contemporary three-storey residential flat building near the north-east of the site on the corner of Water Street, James Street and the Causeway.

The proposed height and FSR uplift will enable higher-density development than the surrounding context. However, its position adjacent to the Cooks River and to the south of lower-scale residential development provides an appropriate context and opportunity to develop a transitional density.

The Water Street Employment Land Precinct contains several large land parcels that will likely need to be restructured to support the change of land use, building height and density. The appropriate subdivision of these large land parcels to cater for future development could assist in creating a finer urban grain and achieving diversity in building design.

The urban design report submitted with the proposal includes a basic precinct-wide analysis for the wider Water Street/Dunlop Street precinct (Figure 12, next page). The report states that this 'over-arching concept and guidelines will ensure a cohesive development outcome for the precinct with the subject site as the first phase of potential rezoning'.

The concept comprises the following key principles:

- provide lower-scale buildings along the northern boundary in response to the existing context, with medium scale towards Water Street and the existing parks;
- allow for a small increase in street wall height on the corners to mark the entries to the precinct;
- create a series of communal open spaces integrated with the new pedestrian and cycle network;

- create new road connections and shared areas allowing access for the wider community from the north and east; and
- concentrate taller built form towards the river and marking the main links.



Figure 11: Conceptual design analysis within the urban design study.

A site-specific draft DCP should be developed to further expand on this analysis. The draft DCP should expand on the initial concept plan and detail several objectives and provisions to guide the future redevelopment of the precinct. This should include:

- streets, a pedestrian/cycling network and through-site links;
- open space and deep soil;
- built form, character, building envelopes and heights;
- amenity considerations such as visual privacy, solar access, ventilation;
- setbacks;
- maps; and
- public dedication.

The updated planning proposal should demonstrate testing of building envelopes against the site constraints and alternative solutions to achieve design criteria principles under SEPP 65 and the *Apartment Design Guide*. Further testing is also required to demonstrate that the R4 High Density zoning and height and FSR controls can achieve appropriate built form and amenity outcomes for the precinct and surrounding area.

The provision of adequate communal and public open space will be required to provide amenity to the area. A Gateway condition is included requiring a social impact assessment to be undertaken to support the proposal. The condition will include the requirement for an assessment of existing public open space in the area and will be required to adequately support the proposal. The urban design report should consider these findings and ensure the design of the precinct responds to these findings. This should include connectivity and how the proposal will be able to contribute to public open space.

SP2 Special Infrastructure zoning

As discussed earlier in this report, the properties at 7-9 Dunlop Street are zoned SP2 Infrastructure. Ausgrid announced in October 2017 that it is planning to build a substation at this address to replace a substation in Hillcrest Avenue, Enfield (**Attachment M**).

A Gateway condition is included requiring consultation with Ausgrid regarding the site at 7-9 Dunlop Street and the development of a new substation. This information is to be provided as part of the amended planning proposal and considered and catered for in any updated expert reports and the draft DCP. The SP2 zoned land is not included in the expanded rezoning specified in the Gateway determination.

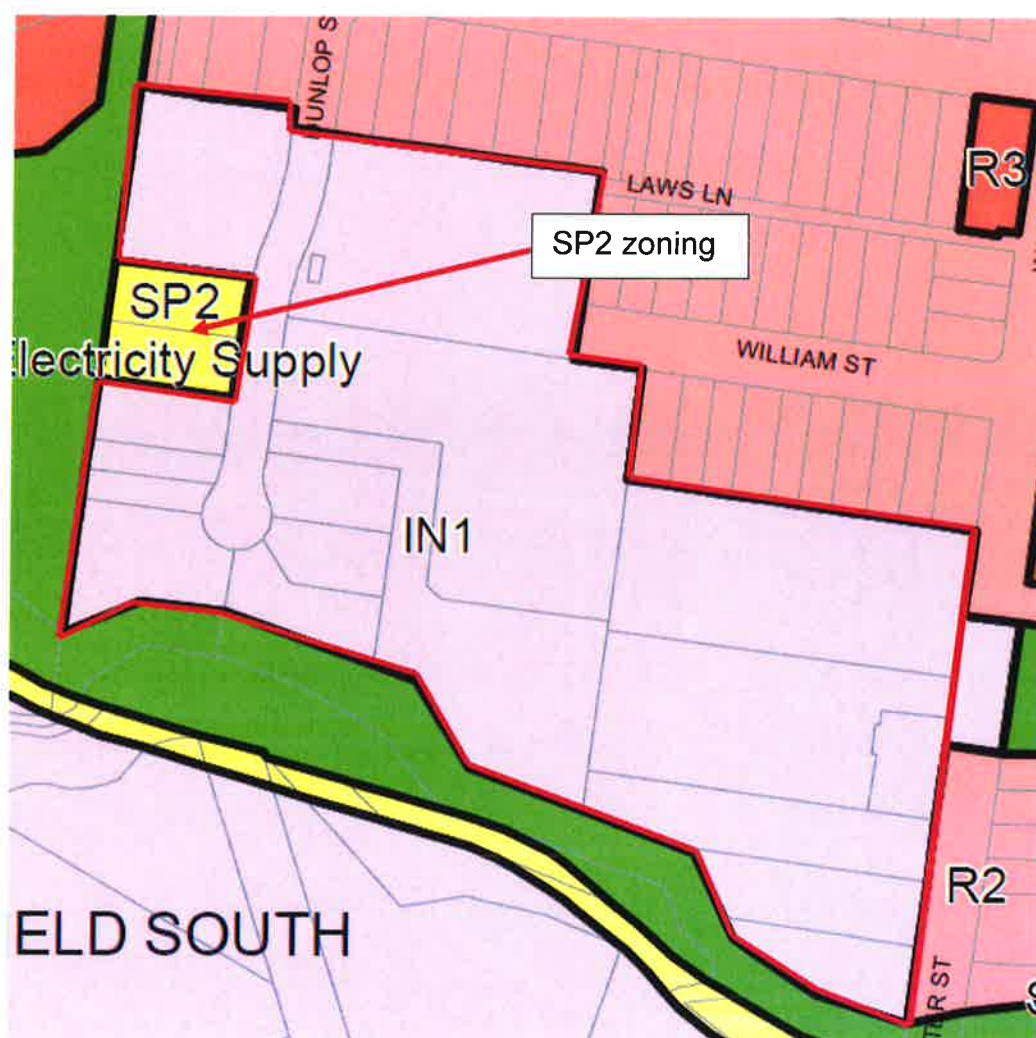


Figure 12: SP2 zoning at 7-9 Dunlop Street.

Overshadowing

The proposal includes overshadowing diagrams to provide an understanding of the impacts of the original proposal. The orientation of the site means overshadowing will be experienced predominantly to the expanded site and the Cooks River/open space to the south of the site.

The extension of the proposal will require further overshadowing analysis to be undertaken as part of any future concept design/draft DCP building envelope requirements extending to the wider Water Street Precinct. However, it is generally considered that the context and orientation of the site is reasonably positioned to minimise overshadowing impacts to neighbouring residential properties.

Traffic and transport

A transport impact assessment prepared by GTA Consultants was submitted with the planning proposal. This assessment is based on a development consisting of 361 residential apartments with 579 car spaces, reflecting the size of the original planning proposal. The study indicates that this development would generate about 101 additional vehicle trips during the peak hour compared to the existing use. This is considered to be relatively minor and would not have any adverse traffic impact on the road network near the site. The study notes that the conversion to residential use would generate predominantly light vehicle movements and these would replace the relatively high proportion of heavy vehicle movements generated by an industrial use.

This assessment will need to be updated to reflect the potential development of the extended proposal, which will further decrease heavy truck movements associated with the existing industrial uses.

A Gateway condition is included requiring an updated traffic and transport assessment to be undertaken to include the wider precinct. This should include assumptions regarding entry and egress points of future development.

Electromagnetic radiation

There are high-voltage power lines to the south of the site. An electromagnetic radiation report has been provided with the proposal stating that a survey was conducted at the site to measure the electromagnetic fields and the impact on the health and safety of occupants of a future residential development. It concludes that:

- no habitable rooms should be located within 11 radial metres of the power lines;
- no unreasonable magnetic field will occur beyond 23 radial metres of the power lines; and
- mitigation measures will need to be applied between 11 and 23 radial metres of the power lines to mitigate the otherwise unacceptable magnetic fields, which would affect general electronic and medical equipment.

A Gateway condition is included requiring this report to address the impacts of the extended planning proposal to the wider Water Street Precinct.

Economic

Employment

The economic impact assessment (**Attachment A10**) submitted with the proposal states that rezoning 7-23 and 25-33 Water Street would not significantly impact on the supply of industrial lands in the LGA and broader subregion given that the Dunlop Street/Water Street precinct does not represent a significant cluster of industrial activity. The site represents 0.7% of total employment lands supply in the Strathfield LGA.

The report states that the benefits of rezoning for R4 High Density Residential and the development of 350-400 strata units includes the:

- generation of approximately \$206 million in direct construction costs, with a further \$476 million generated through economic multipliers; and
- creation of 2161 job years, 588 from direct construction costs, with a further 1573 job years created from economic multiplier impacts.

The recommended extension of the planning proposal to the wider Water Street Precinct will result in further additional loss of industrial land (an overall loss of 1.3% of local employment land). A Gateway condition is included requiring the analysis to be updated to address the impact of the expanded planning proposal.

Affordable housing

The Eastern City District Plan recommends the NSW Government adopt affordable rental housing targets for very low to low-income households in Greater Sydney to deliver affordable housing. The plan identifies the need for further work by the GSC to support the implementation of the targets, including the consideration of allocation, ownership, management and delivery models.

Strathfield Council is currently in the process of reviewing the Strathfield LEP to give effect to the Eastern City District Plan. As part of this process, Council will be required to undertake a local housing strategy which will need to consider affordable housing needs for the Strathfield LGA. This analysis will provide a basis for discussions to occur between the proponent and Council for the provision of affordable housing.

Infrastructure

The site's development potential arising from this proposal is such that it is likely additional infrastructure will be required to meet the additional infrastructure demands. A Gateway condition is included requiring a utility services report to investigate and assess the availability and provision of utility services infrastructure to service the rezoning and the impacts on existing infrastructure, including electrical, sewer, water, telecommunications and gas.

CONSULTATION

Community

The planning proposal states that community consultation will be undertaken according to the Gateway determination. A Gateway condition is included requiring an exhibition period of 28 days.

Agencies

The planning proposal does not mention which agencies will be consulted. It is recommended the following agencies be consulted:

- Transport for NSW;
- Transport for NSW – Sydney Trains;
- Roads and Maritime Services;
- Department of Education
- Office of Environment and Heritage;
- Fire and Rescue NSW;
- NSW Ambulance;
- NSW Police Force;
- NSW State Emergency Service;
- NSW Health;
- Energy Australia;

- Ausgrid; and
- Sydney Water.

TIME FRAME

The planning proposal does not include a project timeline. A Gateway condition is included requiring a project timeline to be provided to monitor the plan-making process.

LOCAL PLAN-MAKING AUTHORITY

Council has not requested plan-making delegations for the proposal. Considering this and as the proposal was initially submitted as a pre-Gateway review, plan-making delegation is not issued to Council to make this plan.

CONCLUSION

It is recommended that the planning proposal proceed subject to conditions as:

- it is in keeping with the pre-Gateway review recommendation of the Sydney Central Planning Panel;
- the GSC released an information note on planning proposals that apply to employment land. The information note states that proposals relating to employment land that were recommended to proceed to Gateway by a district panel and were submitted prior to the release of the relevant district plan could proceed;
- it will assist in delivering increased housing in a reasonably serviced area; and
- the extension of the planning proposal to the wider Water Street Precinct will assist in minimising land-use conflicts in the area.

The Water Street Precinct contains several landowners and the proponent did not originally propose to rezone all properties. The expansion of the proposal will require consultation with all affected landowners, so a comprehensive planning proposal is developed.

RECOMMENDATION

It is recommended that the delegate of the Secretary:

1. Agree that the proposal is consistent with section 9.1 Directions 3.1 Residential Zones and 3.4 Integrating Land Use and Transport; and
2. Note that the inconsistency with section 9.1 Directions 1.1 Business and Industrial Zones, 4.1 Acid Sulfate Soils and 4.3 Flood Prone Land requires justification.

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


1. Prior to community consultation, the planning proposal is to be updated to extend the proposal to include all IN1-zoned land within the Water Street Employment Land Precinct (identified within Figure 8 of the Gateway determination report). The planning proposal is to be amended to:
 - (a) address and justify the inconsistency with section 9.1 Direction 1.1 Business and Industrial Zones;
 - (b) address and justify the inconsistency with section 9.1 Direction 4.1 Acid Sulfate soils;
 - (c) address and justify the inconsistency with section 9.1 Direction 4.3 Flood Prone Land;
 - (d) provide updated reports and information for the entire precinct including:

- (i) a detailed flooding assessment to address compliance with the NSW Government's Flood Prone Land Policy and the principles of the *Floodplain Development Manual 2005*;
 - (ii) a contamination assessment to demonstrate consistency with SEPP 55 – Remediation of Land requirements;
 - (iii) an updated electromagnetic radiation analysis addressing the impact of power lines near the site;
 - (iv) a new traffic and transport analysis report to address the impacts of the expanded proposal;
 - (v) noise and emissions studies to demonstrate the impact of the proposal on the ongoing function of industrial land adjoining the site and within the site should the of the site occur in a staged manner;
 - (vi) an updated economic impact analysis to address the impact of the proposal of the expanded precinct;
 - (vii) a new urban design report to analyse, develop and recommend appropriate height and FSR development standards across the precinct. The analysis must assess built form outcomes having regard to design criteria principles of SEPP 65 – Design Quality of Residential Apartment Development and the *Apartment Design Guide*. The report must test and justify an appropriate built form outcome that responds to the context of the site, character of the area and will provide an appropriate amenity outcome.
 - (viii) a social impact assessment addressing a range of issues including adequate provision of open space and community facilities, accessibility to services, pedestrian and cycling infrastructure and the general cohesion of R4 High Density Residential zoning in the subject location;
 - (e) provide a project timeline outlining the anticipated time frames for the plan-making process;
 - (f) reference and address all relevant priorities and actions in the Greater Sydney Region Plan and all relevant priorities and actions in the Eastern City District Plan, including the provision of affordable housing;
 - (g) provide a site-specific draft DCP to guide the future redevelopment of the expanded site having regard to SEPP 65 and the *Apartment Design Guide*; and
 - (h) include an intention to require that a development application pertaining to the site for residential and/or mixed-use development will be lodged within three years of the LEP being made. If no development application is lodged within this time frame, the effect of the amendments to rezone the site will cease.
2. Prior to community consultation, consultation is to occur with Ausgrid regarding the site at 7-9 Dunlop Street and the development of a new substation. This information is to be provided as part of the amended planning proposal and considered and catered for where relevant in any updated expert reports and draft DCP.
 3. The amended proposal is to be forwarded to the Department for review and endorsement prior to community consultation.
 4. Public exhibition is required under section 3.34(2)(c) and schedule 1 clause 4 of the Act as follows:
 - (a) the planning proposal must be made publicly available for a minimum of **28 days**; and

- (b) the planning proposal authority must comply with the notice requirements for public exhibition of planning proposals and the specifications for material that must be made publicly available along with planning proposals as identified in section 5.5.2 of *A guide to preparing local environmental plans* (Department of Planning and Environment 2016).
5. Consultation is required with the following public authorities/organisations under section 3.34(2)(d) of the Act and/or to comply with the requirements of relevant section 9.1 Directions:
- Transport for NSW;
 - Transport for NSW – Sydney Trains;
 - Roads and Maritime Services;
 - Department of Education;
 - Office of Environment and Heritage;
 - Fire and Rescue NSW;
 - NSW Ambulance;
 - NSW Police Force;
 - NSW State Emergency Service;
 - NSW Health;
 - Energy Australia;
 - Ausgrid; and
 - Sydney Water.

Each public authority/organisation is to be provided with a copy of the planning proposal and any relevant supporting material and given at least 21 days to comment on the proposal.

6. A public hearing is not required to be held into the matter by any person or body under section 3.34(2)(e) of the Act. This does not discharge Council from any obligation it may otherwise have to conduct a public hearing (for example, in response to a submission or if reclassifying land).
7. The time frame for completing the LEP is to be **24 months** from the date of the Gateway determination.



23/01/2019

Laura Locke
Team Leader, Sydney Region East
Region



Amanda Harvey
Director Regions, Sydney
East
Planning Services

Contact officer: Kris Walsh
Senior Planner, Sydney Region East
Phone: 9274 6299