

Planning Proposal Report

Amendments to Sydney Local Environmental Plan 2012

8-24 Kippax Street, Surry Hills

Prepared on behalf of Canva





'Gura Bulga'

Liz Belanjee Cameron

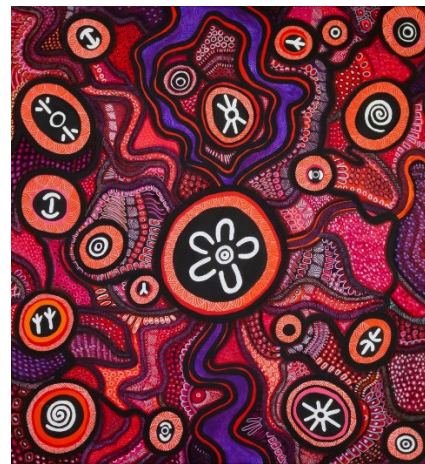
'Gura Bulga' – translates to Warm Green Country. Representing New South Wales.



'Dagura Buumarri'

Liz Belanjee Cameron

'Dagura Buumarri' – translates to Cold Brown Country. Representing Victoria.



'Gadalung Djarri'

Liz Belanjee Cameron

'Gadalung Djarri' – translates to Hot Red Country. Representing Queensland.



'Gura Bulga' – translates to Warm Green Country. Representing New South Wales.

By using the green and blue colours to represent NSW, this painting unites the contrasting landscapes. The use of green symbolises tranquillity and health. The colour cyan, a greenish-blue, sparks feelings of calmness and reminds us of the importance of nature, while various shades of blue hues denote emotions of new beginnings and growth. The use of emerald green in this image speaks of place as a fluid moving topography of rhythmical connection, echoed by densely layered patterning and symbolic shapes which project the hypnotic vibrations of the earth, waterways, and skies.

Ethos Urban acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and culture.

We pay our respects to their Elders past, present and emerging.

In supporting the Uluru Statement from the Heart, we walk with Aboriginal and Torres Strait Islander people in a movement of the Australian people for a better future.

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B.	Indicative Reference Scheme	Cox Architecture
C.	Landscape Report	Arcadia
D.	Survey Plan	C & A Surveyors
E.	Draft Sydney Development Control Plan 2012 Amendment	Ethos Urban
F.	Public Benefit Offer Letter	Ethos Urban
G.	Public Art Strategy	UAP
H.	Noise Impact Assessment	Pulse White Noise Acoustics
I.	Traffic and Parking Assessment	Transport and Traffic Planning Associates
J.	Sustainability Statement	E-LAB Consulting
K.	Structural Statement	Meinhardt
L.	Civil Engineering Report	Enstruct

Executive Summary

Ethos Urban has prepared this report on behalf of the Canva Pty Ltd (the Proponent) in support of a Planning Proposal to amend the *Sydney Local Environmental Plan 2012* (LEP 2012). The Planning Proposal intends to facilitate additional high quality commercial office floorspace at 8-24 Kippax Street (the site) through minor increases the maximum building height and floor space.

Specifically, the Planning Proposal seeks to amend the LEP 2012 to increase the site's maximum permissible building height from 22m to RL 66.060m and FSR to 9.85:1. This would be supported by a site-specific clause to SLEP 2012 tied to specific requirements for ground/lower ground level activation, removal of all on-site car parking on the site and exemplar sustainability standards.

The Planning Proposal will maximise the site's strategic value by facilitating additional employment within walking distance of the Central Station, the Central precinct and the expansion of Tech Central to help support the role of Sydney CBD in line with the objectives and actions in both State and Council Strategic Plans.

The Site

The land that is the subject of this planning proposal is located at the heart of the newly emerging technology precinct of 'Tech Central', at 8-24 Kippax Street, Surry Hills. The site currently comprises a ten-storey commercial building above one storey of basement, known as the KMS Building, covering an area of 1,032m². The building was wholly acquired by Canva Pty Ltd in December 2022, and is currently partially occupied, with Canva managing the exit of remaining tenants. The site is situated within the western edge of Surry Hills and forms part of the 'Surry Hills Central' precinct of Surry Hills, as identified under the Sydney DCP 2012. It sits approximately 100 metres east from the western entrance to Central Station. The site is approximately 2.3km south east of the Sydney CBD.

The existing KMS Building on the site currently has significant limitations which is leading to operational challenges. This prevents Canva Pty Ltd from accessing the unique opportunity to undertake a comprehensive refurbishment and fit out of the building to meet their ambition to create the best workplace for their employees. Considering the location of the site in the heart of the emerging 'Tech Central' precinct, the existing building is in need of renewal, enabling the conversion of an existing underutilised commercial asset, into a modern, sustainable benchmark and workplace that is within immediate proximity to Sydney's major transport hub.

Key Objectives and outcomes

The objective of the planning proposal is to amend the SLEP 2012 to enable the upgrade of the existing KMS Building to deliver a significantly improved commercial office outcome, within the emerging 'Tech Central' precinct, as Australian headquarters of Canva. The proposed amendments to the SLEP 2012 seeks to capitalise on government investment and proximity to infrastructure allow for improved commercial office outcome and investment, whilst responding the site's characteristics, and suitably responding to opportunities and constraints.

The intended outcomes of the planning proposal are to:

- Facilitate the renewal of the site by creating high quality, fine grain active frontages addressing Kippax Street, while also delivering high quality commercial office space that addresses the identified need to support innovative and digital industries within the 'Surry Hills Central' and emerging nearby 'Tech Central' precinct, as well as throughout the wider Sydney CBD.
- Achieve Canva's vision for the site and project for a world-class commercial office building that unlocks the full development potential of the site in delivering premium-grade floor space that accommodates emerging future work practices and support Sydney's role of Australia's global city.
- Support the 30-minute city concept by growing employment in an established centre within the Harbour CBD with a high level of existing amenity and infrastructure, including proximity to transport services.
- Realise a significant increase in employment capabilities within the vicinity of multiple Sydney Metro stations and other key transport networks (i.e., existing light rail and heavy rail).
- Apply a maximum building height and FSR standard that is commensurate with Surry Hill Central's role as the retail centre of Surry Hills, supported with active frontages and a mixture of commercial offerings.
- Provide an improved urban design and pedestrian experience at ground level, with enhanced street activation, the protection of sunlight and appropriate wind conditions.

- Support the provision of premium-grade floorplates of up to 895m² GFA in size.

The proposed changes to the LEP to increase the maximum FSR and height of building controls will enable the delivery of the expansion of the current building, of a bulk and scale that is respectful and recessive to the built form, bulk and scale of the existing building.

Proposed Amendments

The Planning Proposal seeks the following amendments to the Sydney LEP 2012:

- Propose a site-specific clause that enables the site's maximum permissible building height to increase from 22m to 42.7m (from an existing building of 39.5m) FSR of 9.85:1 (from an existing building FSR of 9.1:1). The clause will also include a restriction on any on-site car parking and residential uses, removes the potential for any additional designed excellence bonuses (up to 10%) and a requirement for active frontages.
- A concurrent site specific DCP amendments is also provided to provide guidance on the built form envelope, landscaping and canopy coverage, retail uses and ESD performance.

The proposed amendments to Sydney LEP 2012 are supported by the Urban Design Report and Concept Envelopes within the Indicative Reference Scheme prepared by Cox Architecture (**Appendix A & B**).

Strategic Justification

The Planning Proposal aligns with the fundamental strategic and site-specific principles that are established to guide growth in appropriate locations. The proposal, to provide the headquarters for Canva as owner/occupier with Surry Hills, seeks to adaptive reuse an existing vacant and underperforming building. The proposal leverages significant investment in transport infrastructure to provide world class employment space for more than 1,000 staff.

Environmental Assessment

The Planning Proposal provides an environmental assessment of an indicative proposal in accordance with the amended development standard, providing a summary of the detailed environmental investigations undertaken. It includes:

- Built form and Urban Design
- Overshadowing
- Visual Impacts
- Design Excellence
- Acoustic Impacts
- Flooding
- Traffic and Parking
- Structural Capability
- Public Art
- Ecologically sustainable design
- Social and Economic Impacts

The findings of the environmental assessment conclude that the proposed planning control is acceptable and does not compromise the amenity of the surrounding precinct.

Planning Process and Next Steps

It is requested that Council consider the proposed amendments contained in this Planning Proposal and, should Council form the view that there is strategic merit in proceeding with the recommended amendments:

- Refer the proposal to the NSW Department of Planning and Environment's Gateway Determination Panel.
- Post Gateway Determination.
- Publicly exhibit the Planning Proposal to obtain community and stakeholder input.

Future planning applications would be required for the detail and assessment of specific proposals to carry out works at the site.

1.0 Introduction

This planning proposal justification report forms part of a rezoning request submitted to the City of Sydney Council (Council) in support of proposed amendments to the Sydney Local Environmental Plan 2012 (SLEP 2012). The proposed amendments will facilitate the redevelopment of 8-24 Kippax Street, Surry Hills (the site). The planning proposal has arisen from the opportunity to renew the existing commercial building on the site, aligning with the need to upgrade existing commercial office space to a world class standard within the newly emerging technology precinct of 'Tech Central'.

The Planning Proposal seeks the following amendment to the LEP 2012

- Propose a site-specific clause that enables the site's maximum permissible building height to increase from 22m to 42.7m (from an existing building of 39.5m) FSR of 9.85:1 (from an existing building FSR of 9.1:1). The clause will also include a restriction on any on-site car parking and residential uses, removes the potential for any additional designed excellence bonuses (up to 10%) and a requirement for active frontages.
- A concurrent site specific DCP amendments is also provided to provide guidance on the built form envelope, landscaping and canopy coverage, retail uses and ESD performance.

As required by Section 3.33 of the Environmental Planning & Assessment Act 1979 (EP&A Act), and in reference to the Local Environmental Plan Making Guideline, this planning proposal report includes:

- a statement of the objectives or intended outcomes of the proposed instrument (**Section 6.0**);
- an explanation of the provisions that are to be included in the proposed instrument (**Section 7.0**);
- the justification for those objectives, outcomes and provisions and the process for their implementation (including whether the proposed instrument will comply with relevant directions under Section 9.1 of the EP&A Act) (**Section 8.0**);
- maps containing sufficient detail to indicate the substantive effect of the proposed amendments (**Section 10.4**);
- details of community consultation (**Section 10.5**); and
- project timeline (**Section 10.6**).

This planning proposal report describes the site, the proposed amendments to the SLEP 2012 and provides an environmental assessment of the proposed reference design. The report should be read in conjunction with the Urban Design Report prepared by Cox Architecture (refer to **Appendix A**) and specialist consultant reports appended to this proposal.

1.1 The Proponent

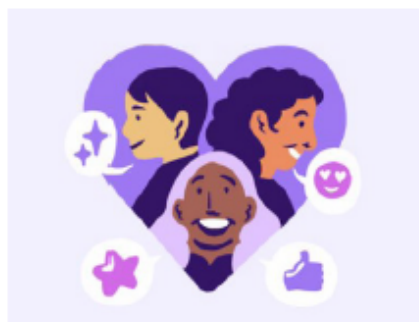
The proponent for the Planning Proposal is **Canva Pty Ltd.**

1.2 Background and Context

1.2.1 Canva

Launched in 2013, Canva is an online design and visual communication platform with a mission to empower everyone in the world to design anything and publish anywhere. They are a proud Australian success story with an annual Revenue of \$1.7B and are now an international company of 4,000+ people with offices in Australia, New Zealand, United States, United Kingdom, China, Austria, Philippines and Czech Republic. In Australia Canva have offices in Sydney, Melbourne, Brisbane, Adelaide and Perth with their headquarters located in Surry Hills.

As a global platform with a community across 190 countries, Canva strongly believe in the important responsibility it has to use their voice, platform, and each to stand behind these values that drive Canva. While different values might resonate more at various points in time for each Canva employee (Canvanaut), the one that intrinsically threads through everything Canva does is to be 'Be a Force For Good' and has been a core part of its mission, culture, and overall company DNA from the very beginning.



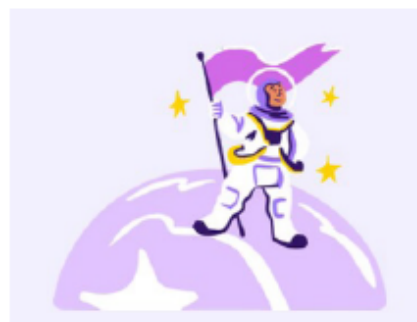
Be a Good Human

Value good communication. Be open, honest and constructive with yourself, with your team, with the company, and with the world.



Pursue Excellence

Maintain a high bar for ourselves and the people we work with. Continuous growth and development. Lead by example.



Set Crazy Big Goals

Set ambitious goals, prioritise, hustle to execute and celebrate success!



A force for Good

Making the world a better place through positive actions, inclusion and diversity



Make Complex things Simple

Always aim for the most simple, pragmatic and effective solution to any problem. Think of the user.



Empower Others

Empowering others to achieve their goals, both globally and within Canva.

Figure 1 Canva Values

Source: Canva + Cox

1.3 Site Vision

Surry Hills has been the home of Canva for nearly a decade – the company is embedded in its creative and vibrant pulse and are invested in continued growth and expansion of the ecosystem as part of the wider Tech Central precinct. In 2022, Canva purchased 8-24 Kippax Street, Surry Hills with a vision to create a new national headquarters whilst still retaining the Canva campus within Surry Hills.

The redevelopment of 8-24 Kippax Street (the site) provides a unique opportunity for Canva to expand their presence and commitment to the suburb of Surry Hills. In December 2022, Canva completed the acquisition of the site, with the existing building having been built in the 1960s, and having last underwent a refurbishment in the late 1990s. The project will involve undertaking a comprehensive refurbishment and fit out of the building to meet Canva's ambition to create the best workplace for their employees.

Located at the heart of the newly emerging technology precinct of 'Tech Central', the proposed development will integrate with existing Canva offices in the area (**Figure 2**) and deliver a new state-of-the-art central office for Canva that turns an existing underutilised commercial asset into a modern, sustainable benchmark and model workplace for the 21st century.

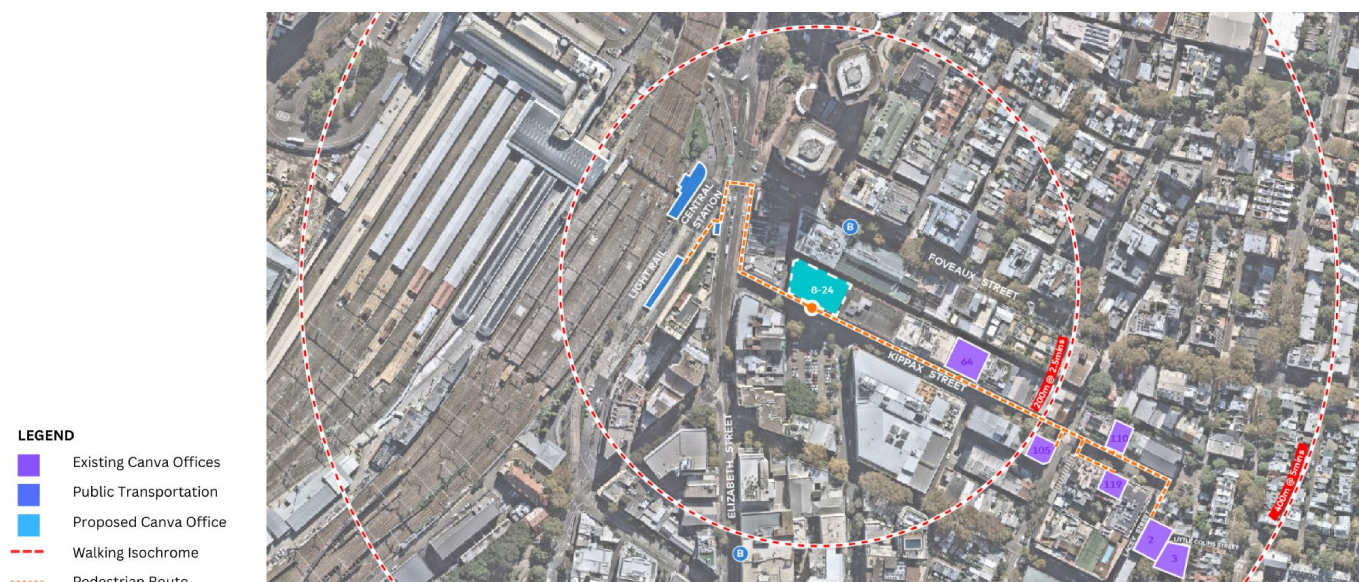


Figure 2 Position of the proposed development in relation to existing Canva offices (the 'Canva Campus')

Source: Cox Architecture

In keeping with Canva's aspirations of being a 'Force for Good', and the principle to 'do more with less', the proposed redesign maintains as much of the existing building as possible, making only pragmatic interventions where it improves functionality, or sustainability initiatives. The proposed redesign will offer a benchmark model in the re-use and rejuvenation of an existing tired commercial building.

The vision is for Canva to maintain the existing campus building within the Surry Hills precinct whilst expanding into the Site. This conveys the long-term commitment to the City of Sydney and Surry Hills, whilst maintaining great respect for connection to the city scape and the surrounding community they are part of.

Canva is a committed member of the Surry Hills community, occupying a number of buildings along Kippax Street and in its immediate vicinity.

Canva's investment in 8-24 Kippax Street will rejuvenate a tired and underutilised commercial asset. The expansion of Canva's Surry Hills footprint will enable it to expand its community offerings, enabling it to be "a force for good" in this precinct of Sydney. In addition to its ongoing community offerings the following items will form part of the future development of the site"

- Improvement of Sophia Street through Community Cafe/restaurant partnering with non for profits, creatives and Canva collaborators funded by the Canva Foundation
- Street upgrade to Sophia Street to City of Sydney to match proposed Terry Street shared way
- A public art strategy with art opportunities on the eastern and northern facade
- Achieving ESD commitments both as outlined in the planning framework and proposed by Canva
- Development of a private primary meeting and gathering space for 900 employees
- All car parking bays have been removed, to promote the use of public transport and bicycles and reduce the impact of vehicles to the congested city roads.

1.4 Consultation with Council

A meeting was held with the landowner and applicant (Canva), project architects (Cox) and Ethos Urban on 1 August 2023, followed by a further meeting on 20 November 2023 to discuss the proposal. The meetings informed the planning strategy for the project.

Following the meeting on 20 November 2023, pre-lodgement advice was provided by Council on 8 December outlining the items that are to be considered as part of the proposal as outlined below:

- GFA, built form and height
- Servicing
- Shared zone and public benefit offer
- Flooding
- Sustainability
- Building age

All of these items have been addressed in the proposal, as well as in the accompanying technical inputs.

2.0 The Site

2.1 Site location and context

The site is located at 8-24 Kippax Street, Surry Hills within the City of Sydney Local Government Area. Surry Hills is a popular inner-city suburb, located immediately south of the Sydney Central Business District and is bounded by Central Station to the west. Surrounding local centres include Haymarket, Darlinghurst, Paddington, and the Sydney CBD.

The site is located within the heart of the emerging 'Tech Central' precinct, which is characterised by a mixture of commercial and residential land uses, from large footprint warehouse buildings to small lot retail, shop top and terrace houses. There are also several educational establishments within the surrounding area, including the Australian Institute of Music, Global English College and the Academy of Film, Theatre and Television.

The site's locational context is shown at **Figure 3**.



Figure 3 Locational Context

Source: SIX Maps, edits by Ethos Urban

2.2 Site Description

8-24 Kippax Street is legally described as Lot 3 in DP547558. This allotment is 1,032m² in area, and irregular in shape. The site is characterised by a gently sloping topography from an RL of approximately 23m in the south-east corner to about RL20m to approximately RL 20m in the north-west corner. The site was acquired and has been wholly owned by Canva since December 2022.

A detailed Site Survey including a survey of existing floor plans, elevations and a 3D model has been prepared by C&A Surveyors and is provided at **Appendix D**. A site aerial is provided in **Figure 4** below.



Figure 4 Site Aerial Map

Source: Nearmap, edits by Ethos Urban

2.3 Existing Development

Existing development on the site comprises a ten-storey commercial building above one storey of basement (55 car parking spaces), known as the KMS Building. Due to the site's topography, the basement is accessed from the street level at the rear of the site along Sophia Street at the corner of Sophia and Terry Streets.

The building was wholly acquired by Canva in December 2022, and is currently partially occupied, with Canva managing the exit of remaining tenants (which is expected to be completed by the end of Q3 2023 with one remaining tenant vacating in Q1 2024). Originally built in the 1960s, the property has not undergone refurbishment since the late 1990s, and in its current form is dated and in need of renewal and upgrade for occupation of a commercial office user. The current building is not compliant with contemporary and required codes and standards.

The existing attributes of the building is provided in **Table 1**. The site's current condition is shown in **Figure 5** and **Figure 6** below.

Table 1 Existing building attributes

Attribute	Detail
Address	8-24 Kippax Street, Surry Hills
Building height	RL 62.91m
Building height (storeys)	9 storeys + 1 lower-ground level + 1 level of basement
Gross floor area (GFA)	9,374m ²
Floor space ratio (FSR)	9.1:1

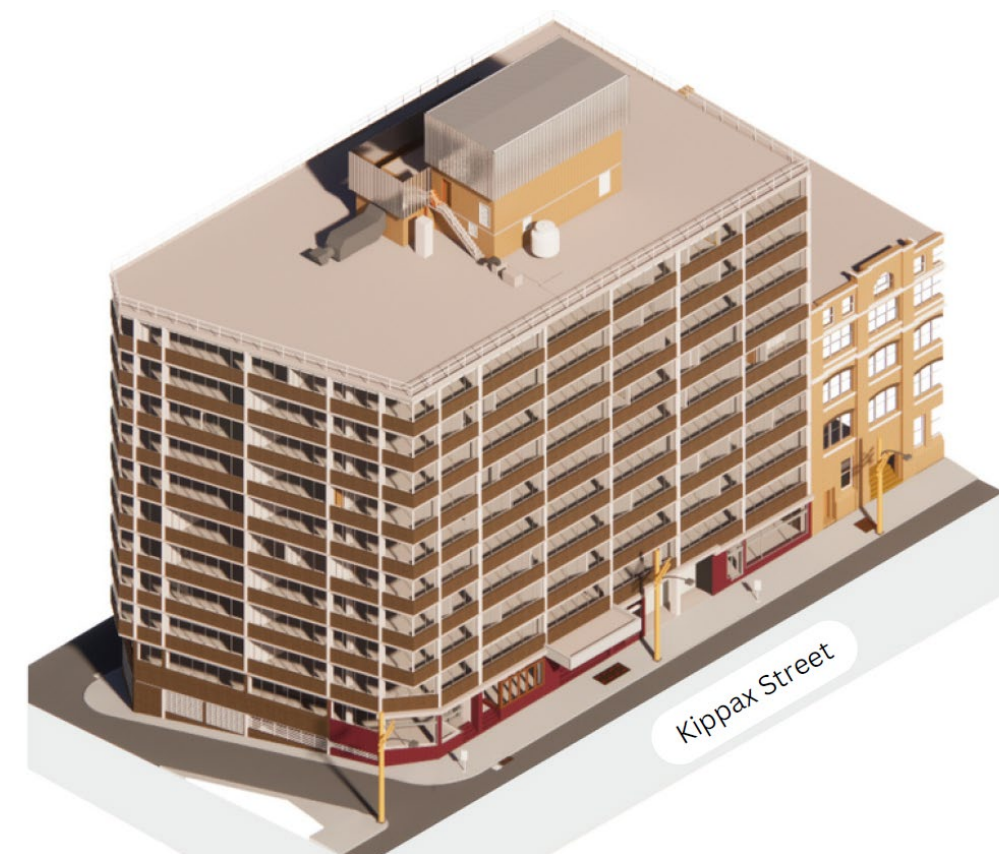


Figure 5 *Massing of the existing building*
Source: Cox Architecture



Figure 6 Photographs of the existing site condition
Source: Cox Architecture

2.4 Basement Car Parking – Existing

The current building incorporates 2 x levels of car parking, consisting of 55 spaces, with primary access from Kippax Street and secondary Access from Sophia Street.

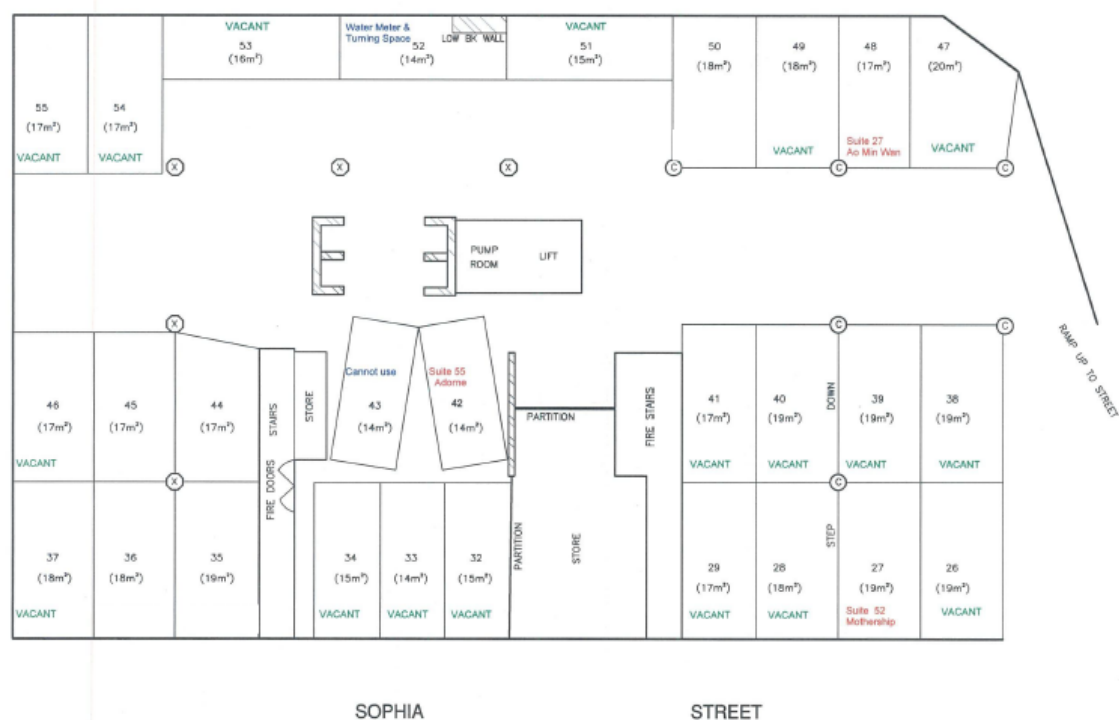


Figure 7 Basement (lower and upper) Car Parking – Existing

Source: Historic building plans

2.5 Access and transport

The site is located within the emerging 'Tech Central' precinct, as well as the 'Surry Hills Central' precinct as identified within the Sydney DCP 2012. The site benefits from excellent access to public transport and existing infrastructure and services. It is located approximately 100 metres east from the western entrance to Central Station, which provides access to the entire Sydney Trains and NSW Trainlink network, as well as the imminent Sydney Metro City and South-West network in mid-2024. Furthermore, the site is also serviced by several bus services, with the closest bus stop located at Foveaux Street, opposite Mary Street (directly adjacent to the site), which provides bus connections to the CBD, Circular Quay, Coogee, Maroubra and La Perouse via routes 338, 339, 374, 376 and 391. This adds significant connectivity to the entirety of the greater Sydney region and surrounding regional cities, as well as Sydney's eastern suburbs.

The nearby Foveaux Street is a regional road with moderate to high traffic volumes throughout the day, linking the site to the Elizabeth Street and the Sydney CBD further beyond as well as the Eastern Distributor to the east towards Moore Park. Vehicle access to the site is currently provided via Kippax Street via two garage doors which leads to basement car parking. The site is also in proximity to Elizabeth Street, a major north-south arterial road from Waterloo through to the Sydney CBD. The main pedestrian entrance is located at Kippax Street.

The site is very well serviced by public transport. It is located approximately 100 metres east from the western entrance to Central Station, providing access to the entire Sydney Trains and NSW TrainLink network. The closest bus stop is located at Foveaux Street opposite Mary Street directly adjacent to the site, which provides bus connections to the CBD, Circular Quay, Coogee, Clovelly, Maroubra, and La Perouse via routes 338, 339, 374, 376 and 391.

The site's locational context is shown at **Figure 3**.



Figure 8 Transport Infrastructure context

Source: SIX Maps + Ethos Urban

2.6 Heritage

The site is not a heritage item, nor is it located within a heritage conservation area. Although it is proximate to several heritage items, including the “Hibernian House” (item I1533) to the south at 328-344 Elizabeth Street, and the “Former Farleigh Nettheim & Co Ltd warehouse” (item I2267) at 17 Foveaux Street to the north, as the proposal maintains the envelope of the existing building on site, it is not considered to have adverse impacts on the heritage qualities or curtilage of those heritage items.

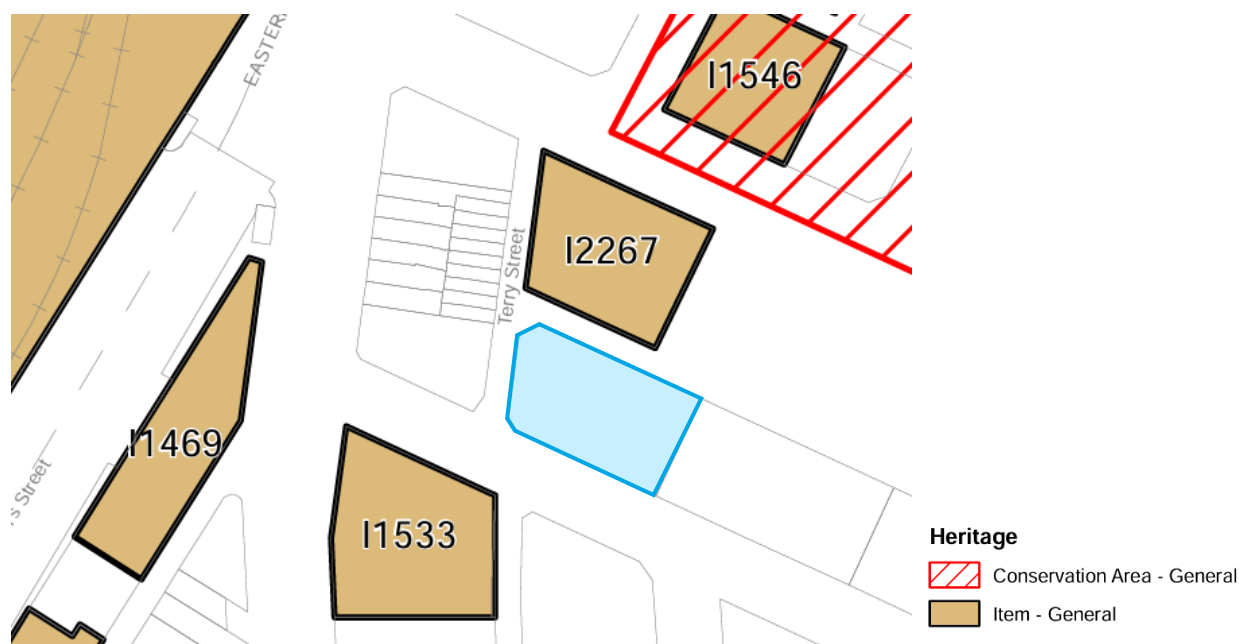


Figure 9 Sydney LEP Heritage Map

Source: Sydney LEP 2012 + Ethos Urban

2.7 Locality and Site Identification – Planning

The site is identified as being within the ‘residual land’ on the Sydney LEP 2012 Locality and Site Identification Map. As shown in **Figure 10** below, whilst the site is adjacent to the boundary of “Central Sydney” the setting straddles a visual catchment and accessibility as part of the of Sydney CBD context.

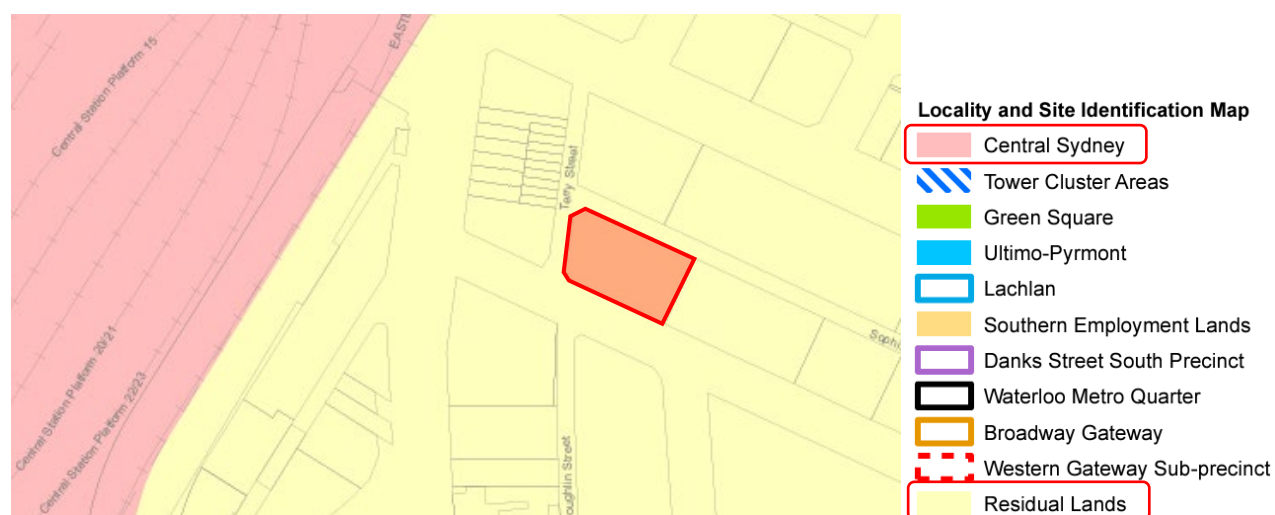


Figure 10 Locality and Site Identification Map (site in red) – Sydney LEP 2012

Source: Sydney LEP 2012 + Ethos Urban

2.8 Surrounding Development

Broadly, development surrounding the site comprises a mix of commercial offices and residential uses, with these buildings having a mix of ground floor retail (including limited food and beverage offerings), as well as purely commercial uses. Land surrounding the site is also likely to be subject to future development. The heights of the buildings within this section of Surry Hills and the City of Sydney more broadly are characterised by a mix of higher rise commercial buildings, integrated with smaller 4 to 6 storey buildings.

North

To the north of the site across Sophia Street are a collection of commercial buildings which range in height from two to five storeys and have a primary street frontage to Foveaux Street. Further beyond is Foveaux Street, with a series of commercial buildings with ground floor retail offerings, centred at Centennial Place Sydney, which is a collection of commercial buildings ranging from 10 to 17 storeys in height. Further north is the continuation of Surry Hills to Paddington, which is largely captured within the “Albion Estate” (C58) heritage conservation area and comprises of predominantly four to six storeys adaptively reused commercial buildings and lower density residential terrace housing.

South

To the immediate south of the site is Kippax Street, with a public car park currently present on the opposite side of the site. The surrounding buildings within the vicinity of the public car park and along Kippax are characterised by 5 to 6 storey adaptively reused commercial buildings. One of these buildings is known as “Dawesleigh”, which is identified as a heritage item of state significance (no I553) under the Sydney LEP. Further south is Cooper Street, with a series of mixed-use buildings, with Prince Alfred Park and the remainder of Surry Hills further beyond.

East

Immediately east is a series of commercial and residential buildings ranging from 4 to 8 storeys, which is then staggered into two to three storey residential and shop top housing buildings leading to Waterloo Street. This built form continues further east past Waterloo Street slightly, and then reduces to lower density terrace housing buildings, which are located within the “Little Riley Street” (C65) heritage conservation area under the Sydney LEP 2012. This typology continues further beyond to Moore Park West.

West

To the immediate west of the site across Terry Street are a collection of 3 to 4 storey buildings with retail shopfront offerings, which have a primary street frontage to Elizabeth Street. Further beyond Elizabeth Street is the Sydney City and South East network Central Chalmers Street station, which is directly adjacent to the Sydney Dental Hospital, with the extent of Central Station directly adjacent. Further west, beyond Central Station is the anticipated centre of ‘Tech Central’, with Broadway and the University of Technology Sydney further beyond.

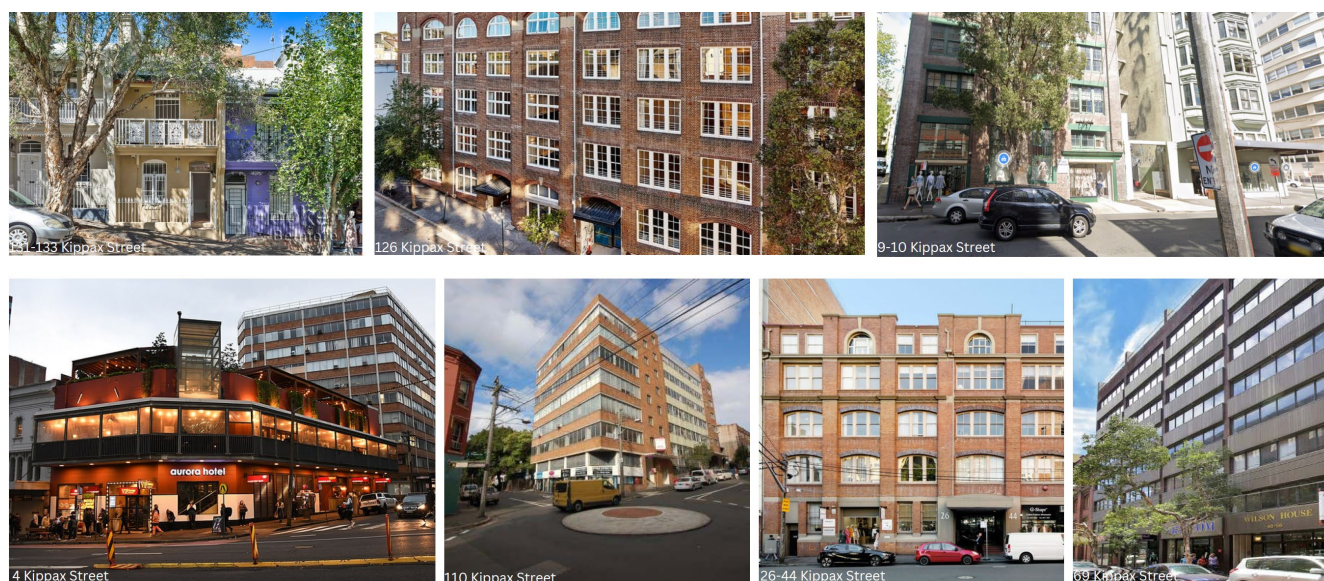


Figure 11 Surrounding built form context along Kippax Street

Source: Cox Architecture

2.9 Streetscape Context – Kippax Street

The streetscape of Kippax Street, between Elixabeth Street (west) and Waterloo Street (east) is varied and consists primarily of commercial and warehousing buildings in different styles and at different stages of lifecycle. As shown in the Streetscape section provided **Figure 12**, the building form and height of the existing buildings vary, with the relevant height of building controls being somewhat reflective of the context – with the exception of the subject site.

The area is not identified as a conservation area and no items of heritage significance are located in immediate proximity.

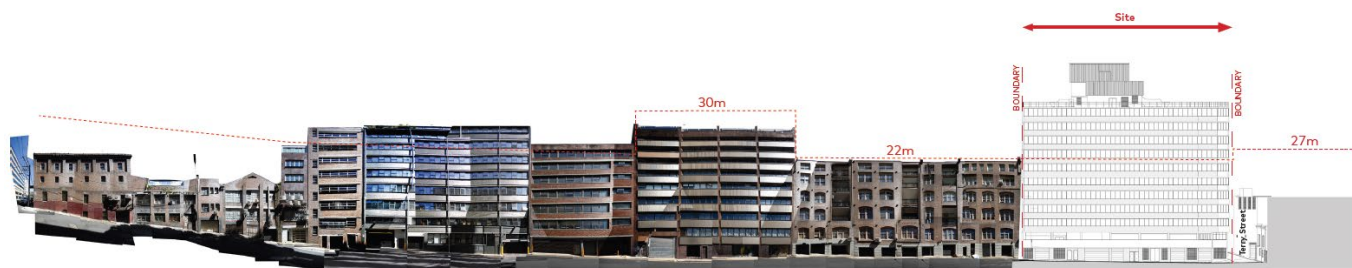
As shown below and within the Urban Design Report (**Appendix A**), the existing building on the site sits above the heights of surrounding buildings (with large lift motor room and over at the centre) but is afforded the same building height controls as the adjacent building to the east (22m).

Kippax Street is predominantly occupied by wholesale outlets and commercial office premises, many of which have been converted or repositioned from historic wholesaling, industrial retail units and warehousing uses. As a result, whilst some activation exists, the majority of the ground plane is occupied by service/operational uses, driveways and vehicle entries.

Limited food and beverage and retailing exists within the precinct, with four food and beverage uses, including the Aurora Hotel.



Existing Street Elevation A - Photo montage Kippax Street



Existing Street Elevation B - Photo montage Sophia Street

Figure 12 Kippax Street – Streetscape Views and Setting

Source: Cox Architecture

2.10 Council Public Domain Works – Terry Street

The Surry Hills Pedestrian Cycling and Traffic Calming Committee (PCTC) Plan adopted by City of Sydney Council in 2008 included a proposal to install Shared Zone in Terry Street, between Foveaux and Kippax Streets, to prioritise access for pedestrians, control vehicle speeds and preserve residential amenity.

In 2019, as part of a range of Streetscape upgrades across the city fringe area of the LGA (part of the better streets and spaces), Council approved an internal proposal to convert the existing Terry Street laneway (one way from Foveaux Street to Kippax Street) to a shared way.

The proximity to Central Train Station, the Chalmers Street Light Rail Stop and the Surry Hills commercial precinct and proximity to cafes, restaurants, shopping centre, hotel, pub and public transport was identified by Council as attracting a high volume of pedestrians to the area.

The current footpaths to Terry Street being less than one metre wide were identified as being substandard, resulting in pedestrians having to walk along the road. However, due to the narrow road/carriageway width footpaths cannot be widened, so a shared zone was identified. However, localised widening of the interface of Terry Street on Foveaux and Kippax Streets has been identified (see **Figure 13**).

On 20 March 2019, in compliance with RMS Technical Direction for the Design and implementation of Shared Zones the City sought RMS approval to install a Shared Zone which was granted on 29 March 2019. The works have not yet commenced.

The installation of the approved shared zone was confirmed by Council to affect traffic flows or result in any loss of parking but will create a pedestrian-friendly environment that allows pedestrians to walk safely and legally within the road carriageway. Visibly, the appearance and signposting of the shared way will provide clarity to motorists and pedestrians of the pedestrian priority.

Terry Street, Surry Hills Proposed Shared Zone



Figure 13 Terry Street Shared Way improvement Proposal – site annotated in red

Source: City of Sydney Business Papers – 2019 + Ethos Urban

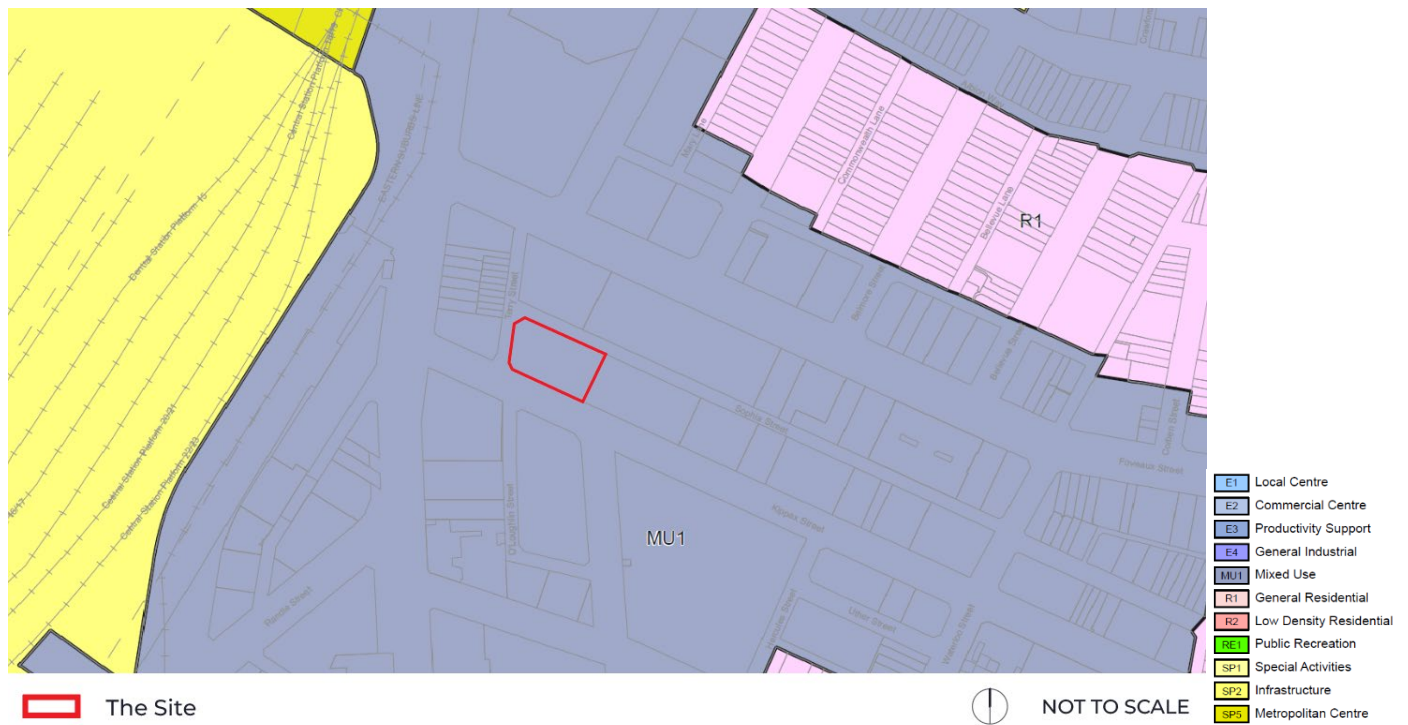
3.0 Current Planning Controls

3.1 Sydney Local Environmental Plan 2012

The current development standards applying to the site under the Sydney Local Environmental Plan 2012 (SLEP 2012) are outlined in **Table 2** and illustrated in the LEP map extracts at **Figures 14 to 18**.

Table 2 Current controls and provisions applying to the site under the SLEP 2012

Clause	Control
Clause 2.3 <i>Objectives and Land Use Table</i>	To encourage a diversity of business, retail, office and light industrial land uses that generate employment opportunities. To ensure that new development provides diverse and active street frontages to attract pedestrian traffic and to contribute to vibrant, diverse and functional streets and public spaces. To minimise conflict between land uses within this zone and land uses within adjoining zones. To encourage business, retail, community and other non-residential land uses on the ground floor of buildings. To ensure land uses support the viability of nearby centres. To integrate suitable business, office, residential, retail and other land uses in accessible locations that maximise public transport patronage and encourage walking and cycling.
<i>Permitted with Consent</i>	Amusement centres; Boarding houses; Car parks; Centre-based child care facilities; Commercial premises; Community facilities; Entertainment facilities; Function centres; Information and education facilities; Light industries; Local distribution premises; Medical centres; Oyster aquaculture; Passenger transport facilities; Places of public worship; Recreation areas; Recreation facilities (indoor); Registered clubs; Respite day care centres; Restricted premises; Shop top housing; Tank-based aquaculture; Tourist and visitor accommodation; Vehicle repair stations; Any other development not specified [as development without consent or prohibited]
<i>Prohibited</i>	Extractive industries; Heavy industrial storage establishments; Heavy industries; Pond-based aquaculture
Clause 4.3 <i>Height of Buildings</i>	The site is subject to a maximum height if buildings of 22m.
Clause 4.4 <i>Floor Space Ratio</i>	The site is subject to a mapped FSR of 3.5:1.
Clause 5.10 <i>Heritage Conservation</i>	The site is not a nominated heritage item or located within a heritage conservation area or
Clause 5.21 <i>Flood Planning</i>	The site is identified as being located on land subject to flooding – located within the Sydney harbour Catchment
Clause 6.13 <i>End of journey floorspace</i>	A building on land that is used for the purposes of a commercial premises that has showers, change rooms, lockers and bicycle storage areas together is eligible for an amount of additional floorspace.
Clause 6.21 +6.21A-E <i>Design Excellence</i>	Development consent must not be granted unless the consent authority believes it exhibits design excellence. The height of the building exceeding 25m triggers the application of this clause (including relevant provision for a waiver in certain circumstances)
Clause 7.6 <i>Office premises and business premises</i>	Each office and business premises has a maximum amount of car parking spaces permitted.
Clause 7.14 <i>Acid sulfate soils</i>	The site is mapped as Class 5 Acid Sulfate Soils (ASS).
Clause 7.20 <i>Development requiring or authorising preparation of a development control plan</i>	The height of the building exceeding 25m triggers the application of this clause (including relevant provision for a waiver in certain circumstances). This planning proposal seeks to implement a site-specific development control plan that would satisfy the requirements of this clause.
Clause 7.33 <i>Sustainability requirements for certain large commercial developments</i>	In accordance with the requirements of the Clause and the SB SEPP the proposal is defined as a "Large Commercial Development: As set out in subclause 2, in deciding whether to grant development consent, the consent authority must consider whether the development is designed to optimise energy efficiency and the use of renewable energy generated on-site.



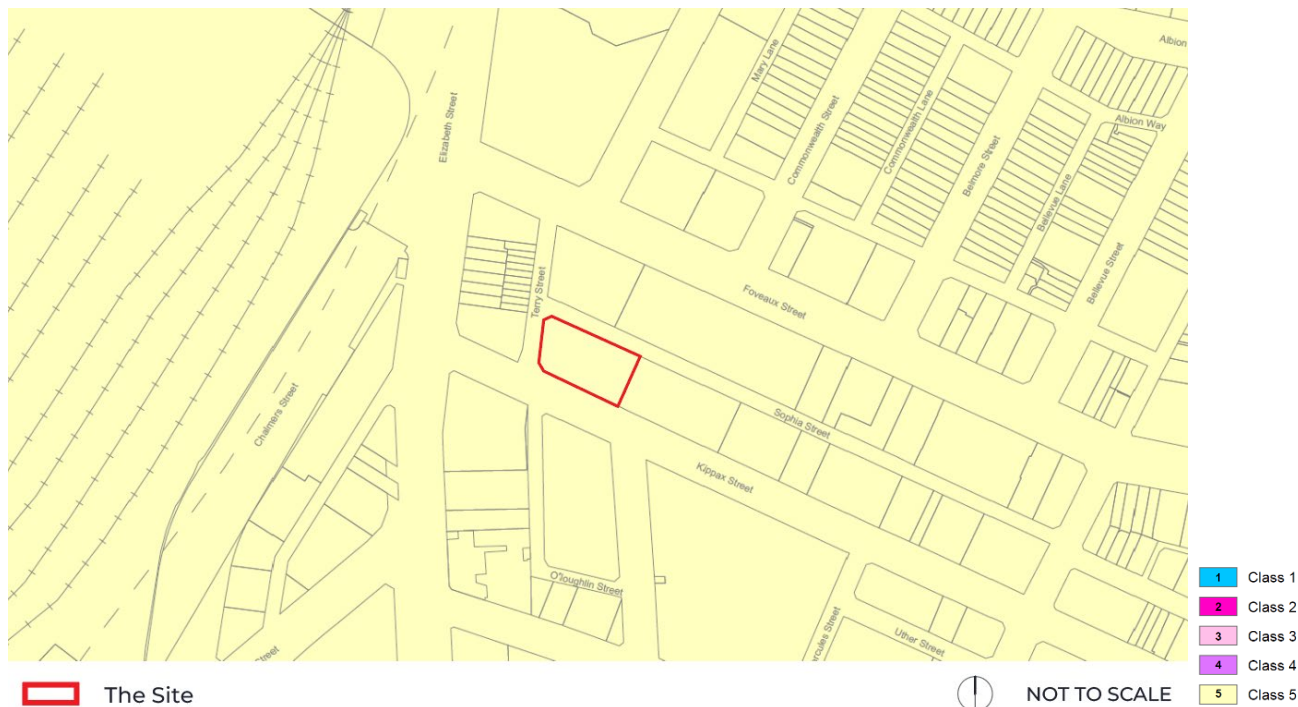


Figure 18 Extract of Acid Sulfate Soils Map

Source: SLEP 2012/ Ethos Urban

A discussion of the proposed changes to the SLEP 2012 development standards sought under this planning proposal is provided in **Section 7.0**. The proposed changes will seek to align the site with its position within the 'Surry Hills Central' precinct as discussed in **Section 8.1**.

3.2 Sydney Development Control Plan 2012

The Sydney Development Control Plan 2012 (SDCP 2012) builds upon and provides more detailed provisions than SLEP 2012. Under the SDCP 2012 the site falls within the Surry Hills locality, which is segmented into eight separate precincts. Specifically, the site is located on the western edge within the 'Surry Hills Central' precinct, which is situated within the central portion of the broader Surry Hills locality.

Locality Statement - Surry Hills Central

The site is located within the Surry Hills Central locality area. It is therefore subject to the relevant provisions of Section 2.7.11 of the Sydney DCP 2012 – Extract of the principles below:

This locality is bounded by Foveaux Street to the north, Devonshire Street to the south, the rear of lots fronting Elizabeth Street to the west, and the rear of lots fronting Bourke Street to the east.

The area is to continue to constitute the retail centre of Surry Hills with active frontages consolidated along Crown, Foveaux and Kippax Streets. The future built form character is to maintain the transition in scale and use, from large footprint warehouse buildings in the west to small lot retail, shop-top and terrace houses in the east.

The proposed development is keeping with the character and the design principles of both locality areas through the conversion of a relatively close streetscape/ground level interface and creation of active frontage to Kippax, Terry and Sophia Streets as well as having little impact to the existing scale and relationship between building on Kippax Street and in the western and eastern part of the locality, as mentioned. A summary of the proposal's consistency with the Surry Hills Centre Locality Principle is provided below (**Table 3**):

Table 3 Summary of Locality Statement and Principles – Surry Hills Central

Principle	Proposal
(a) Development must achieve and satisfy the outcomes expressed in the character statement and supporting principles.	Yes – Refer to commentary above
(b) Development is to respond to and complement heritage items and contributory buildings within heritage conservation areas, including streetscapes and lanes.	Yes – the proposal retained the existing building composition, structure and majority of materiality to the streetscape. Interventions to the lower levels of the building are proposed to improve activation, usability and amenity and additions to the rooftop are minor.
(c) Maintain consistent intact residential streets.	Noted – N/A for the proposal.
(d) Maintain views along Riley Street to Ward Park.	Noted – N/A for the proposal.
(e) Maintain the transition in built form scale, from taller buildings in the west, to consistent two storey areas in the east.	Yes - The proposal involves minor alterations and additions to the existing building, maintaining the existing built form and scale relationship between the site and surrounds.
(f) Provide a strong edge and passive surveillance to Ward Park Sites on the corner of Riley and Devonshire Streets while creating a gateway to Riley Street from the south.	Noted – N/A for the proposal.
(g) Retain the low scale of terrace houses along Richards Avenue. Single storey additions only are allowed at the rear of these houses to minimise the impact on Shannon Reserve.	Noted – N/A for the proposal.
(h) New development is to maintain and respond to intact low scale terrace areas.	Noted – N/A for the proposal.
(i) Retain and reinforce the two distinct retail characters; including the warehouse style retail outlets of Foveaux and Kippax Streets and the small lot pattern traditional retail strip of Crown Street with active uses dominated by restaurants, cafes and specialty shops.	Yes - The proposal for adaptive reuse of the building, and retention of the majority of the existing form and façade (with the exception of replacement of windows improvement for amenity, landscaping and environmental performance) seeks to retain and continue to enforce the characteristics of the identified sub character of large warehouse style development in the Foveaux and Kippax Street precincts
(j) Allow the commercial precinct around Waterloo Street between Kippax and Devonshire Streets to continue, defined by remnant commercial warehouses, and landmarks such as the Reader's Digest building.	Yes - The proposal aligns with this principle through the retention of the existing building in proximity of the areas specified.
(k) Retain the mixed use character of the north side of Devonshire Street.	Noted – N/A for the proposal.

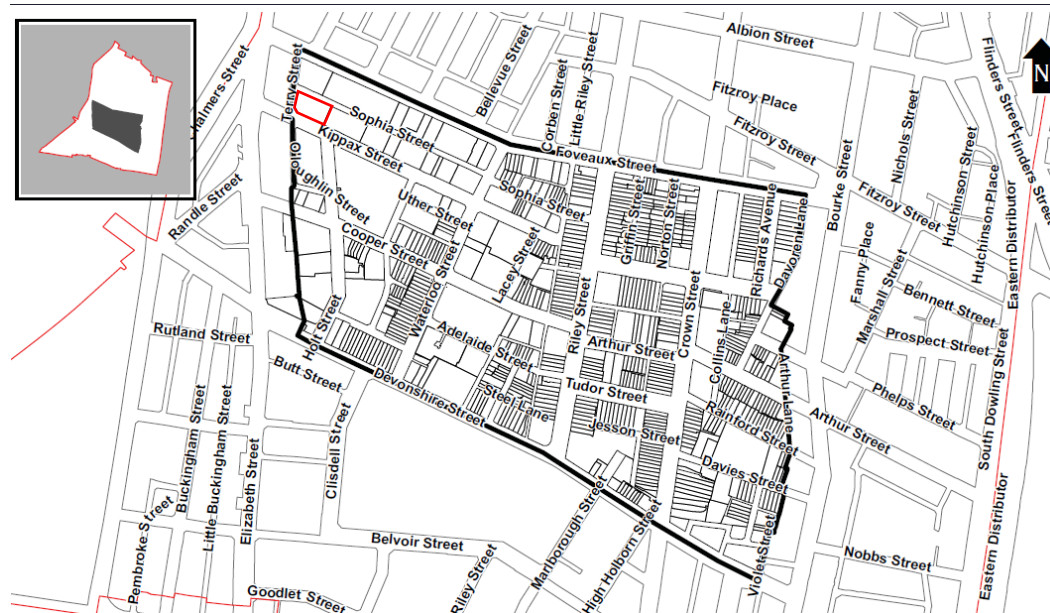


Figure 19 Surry Hills Central Locality – site shown in red

Source: City of Sydney DCP 2012 – Section 2.7.11

4.0 Strategic Context

This section identifies the relevant State and local strategic planning policies which are relevant to the site and this height-specific Planning Proposal. It provides an overview of the strategic framework that has been established to deliver the vision for the Greater Sydney Region, the Eastern City District, and the Sydney LGA.

4.1 Greater Sydney Region Plan – A Metropolis of Three Cities

The Greater Sydney Region Plan (**the Region Plan**) provides the overarching strategic plan for growth and change in Sydney. It is a 20-year plan with a 40-year vision that seeks to transform Greater Sydney into a metropolis of three cities – the Western Parkland City, Central River City and Eastern Harbour City.

The Region Plan includes objectives and strategies for infrastructure and collaboration, liveability, productivity and sustainability. These objectives are supported by job creation and infrastructure delivery targets that align with forecasted population growth across Greater Sydney.

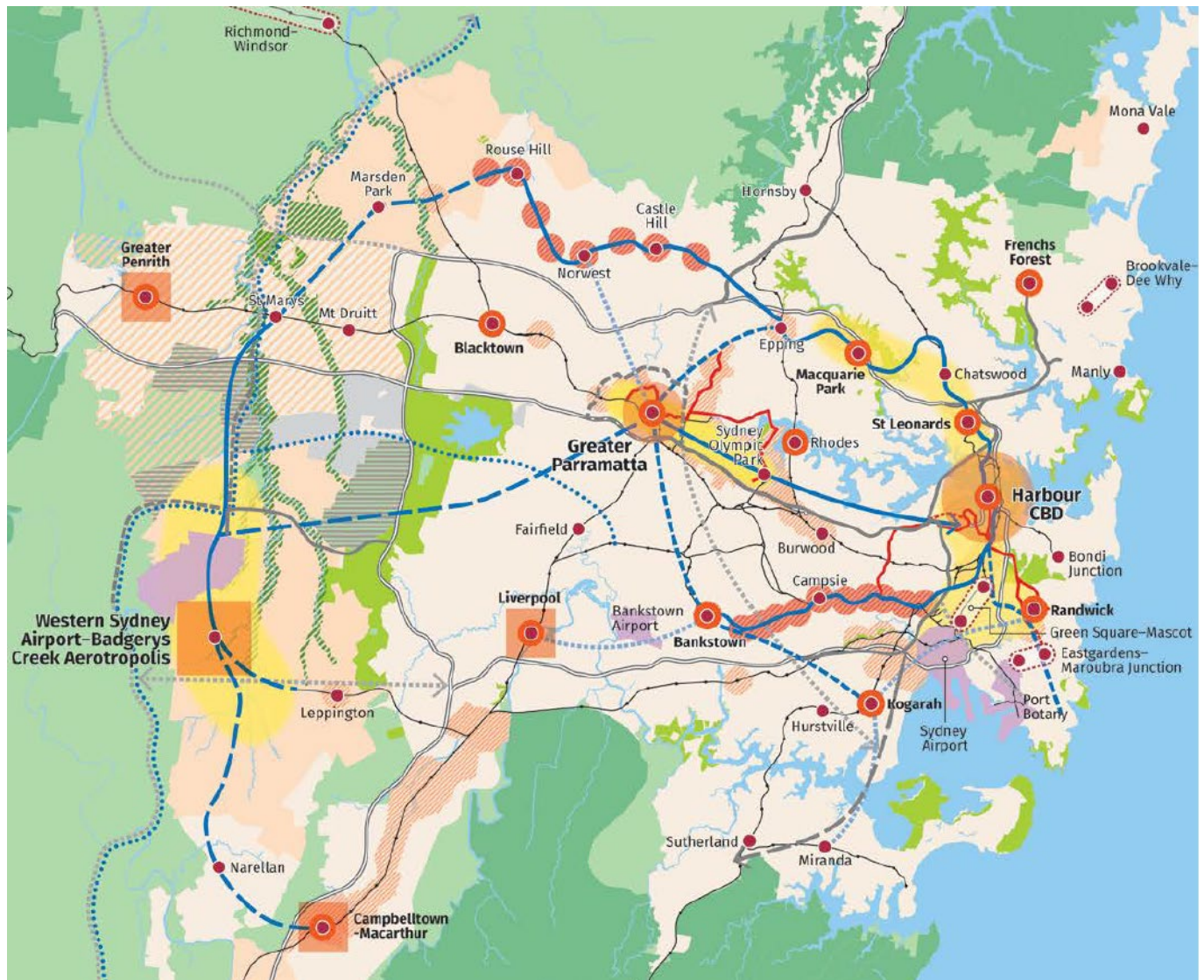


Figure 20 Location of the harbour CBD within the Sydney Region Plan

Source: Greater Cities Commission

4.2 Eastern City District Plan

The Eastern City District Plan (**the District Plan**) establishes planning priorities and actions to support strategic directives from the Region Plan. The District Plan sets the 20-year vision for the North District in the form of 24 'Planning Priorities'.

The District Plan includes a Structure Plan that identifies the key centres, economic and employment locations, land release and urban renewal areas, and existing and future transport infrastructure to support growth aspirations. Planning Priorities that are relevant to this height-specific Planning Proposal include those listed below. The location of the Sydney CBD (Harbour CBD) within the Eastern City is shown at **Figure 21**.

E1. Planning for a city supported by infrastructure

E7. Growing a stronger and more competitive Harbour CBD

E8. Growing and investing in health and education precincts and the Innovation Corridor

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

E13. Supporting growth of targeted industry sectors

E19. Reducing carbon emissions and managing energy, water and waste efficiently

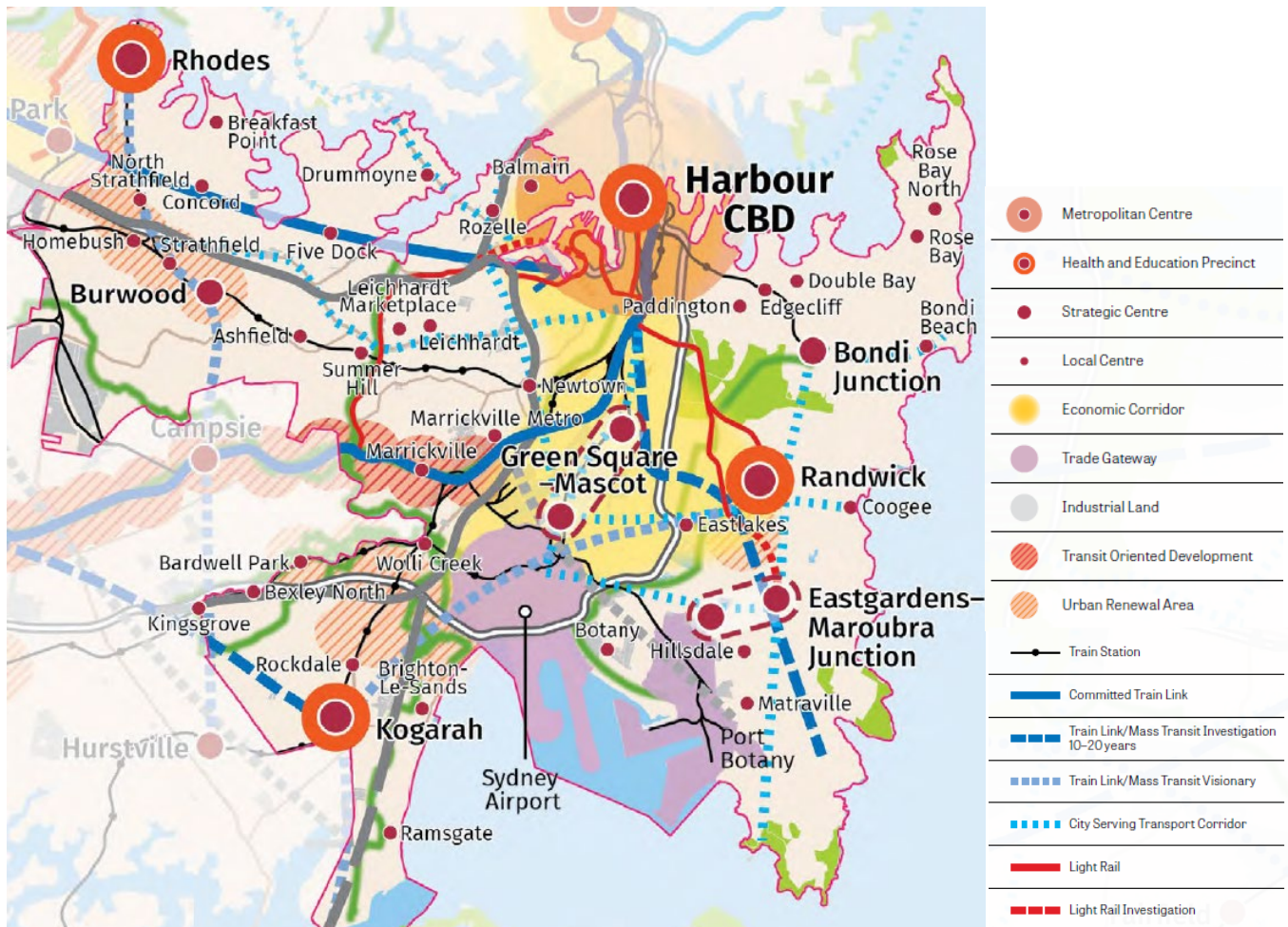


Figure 21 Location of the Sydney CBD within the Eastern City District Plan

Source: Greater Cities Commission

4.3 Sydney Local Strategic Planning Statement

The City of Sydney Local Strategic Planning Statement (the LSPS) is the principal strategic planning document guiding land use planning and development in the City of Sydney Local Government Area (LGA). The LSPS represents Council's 20-year vision for the LGA's future direction, and contains directions about infrastructure, liveability, productivity, and sustainability. The LSPS draws from the Greater Sydney Commission's Greater Sydney Regional Plan and Eastern City District Plan and implements the planning priorities identified from these larger strategic documents at a local level.

The LSPS identifies four (4) key themes, each with a suite of planning priorities. The planning proposal responds to each of these themes, which include the following:

- Productivity;
- Sustainability;
- Infrastructure; and
- Liveability.

The LSPS was prepared to align with the priorities and actions that have been established by the District Plan and Region Plan. The strategic intent of the LSPS is to implement these directives in the context of the Sydney LGA. Visions and Planning Priorities that are relevant to this height-specific Planning Proposal are listed below.

- **Planning Priority P2 (Productivity)** – Developing innovative and diverse business clusters in City Fringe.
- **Planning Priority S2 (Sustainability)** – Creating better buildings and places to reduce emissions and waste and use water efficiently.
- **Planning Priority S3 (Sustainability)** – Increasing resilience of people and infrastructure against natural and urban hazards.
- **Planning Priority I1 (Infrastructure)** – Movement for walkable neighbourhoods and a connected city.
- **Planning Priority I3 (Infrastructure)** – Supporting community wellbeing with social infrastructure.
- **Planning Priority L2 (Liveability)** – Creating great places.

Along with the Sydney Community Strategic Plan (the CSP), the LSPS is integral to the 'line of site' between local and district / regional level strategic plans, as shown at **Figure 22**.



Figure 22 'Line of Site' between Local and District / Regional Level Strategic Plans

Source: Greater Cities Commission; City of Sydney

5.0 Proposed Development Opportunity

5.1 Overview

The proposed height and floor space amendments via a site-specific clause will provide for additional floor space that will support the renewal of a key opportunity site that accommodates a vacant and underutilized building. The Planning Proposal leverages the site's proximity to the Central Station and the Central Precinct, which presents an unparalleled opportunity within Surry Hills for the adaptive reuse of an existing building, providing world class commercial space and ESD performance, along with access to rooftop space and canopy coverage.

The proposed height amendment has also sought to address opportunities and constraints that are integrated with the economic and character aspiration of the precinct and broader CBD including:

- **Employment targets.** - The commercial uplift that is being sought by this Planning Proposal will help provide greater capacity to achieve employment targets within the harbour CBD. This will maximise the current confidence in the market for an owner occupier, as opposed to general leasing requirements for future tenants.
- **Capitalisation Government investment in new infrastructure** - Sydney Metro is Australia's largest public transport project. The site is located to leverage the NSW State Government's investment in this project, which has continued to catalyse the evolution of the Sydney CBD and the southern fringe, including Surry Hills.
- **Activation and Economic Activity** - Design provision has been made for the introduction of active uses at ground level, including retail tenancies and food and beverage premises. This will further support the activation of the Sydney CBD and the fringe outside of regular office hours.
- **Owner Occupier investment** - As the harbour city, the strategic focus for Sydney is underpinned by innovation and global competitiveness. The attraction of market-leading companies that operate tech and creative services to Surry Hills and fringe of the CBD. These sectors will be integral to the continued viability of the Sydney CBD.

5.2 Summary of Proposal

The proposed development seeks approval for the adaptive reuse and reinvigoration of the existing 9 storey building with minor rooftop addition to allow for improve functionality and use of the site as Canva's Australian headquarters, whilst maintaining their existing Surry Hills Campus

The Ground Level, accessed from Kippax Street will visually connect to the Lower Ground Level along Sophia Street, creating permeability and sight lines through the building between the two streets, when compared to the closed and inactive facades to both street frontage. The existing car parking (55 spaces) will be removed to make way for necessary building services, plant, end of trip facilities and a community retail space located on the corner of Sophia and Terry Street.

To adaptively reuse the existing building and implement necessary structure and servicing upgrades as required, the existing central core is proposed to be relocated to the eastern end of the building. The majority of the façade material, with the exception of the lower levels, is sought to be retained and sympathetic, but functional, additions are proposed to the roof level.

The provision of additional access to the landscaped terraces will provide opportunity to invigorate the currently underutilised rooftop and provide much needed landscaping and landscaped canopy coverage whilst incorporating bio-solar for on site electricity generation. The addition of a function room level and terrace will provide opportunity to invigorate the currently under-utilised rooftop space through outdoor, undercover seating areas with views towards the Sydney CBD and surrounds.

The public domain around the site consists mainly of narrow streets with limited pedestrian access due to narrow footpaths, responding to the nature of use fronting Kippax Street and servicing requirements of Sophia Street at the rear. This is currently being addressed by the City of Sydney through their proposed Shared Zone along Terry Street, between Foveaux and Kippax Streets.

The proposed design offers opportunity to deliver an excellent working environment, providing whilst retaining and reusing a key building asset on the fringe of Sydney CBD.

The Planning Proposal is accompanied by an Urban Design Report (**Appendix A**) which includes a reference scheme and detailed analysis of the relevant urban design principles and assessment matters applicable to the Planning Proposal.



Figure 23 Artist Impression of Planning Proposal Scheme

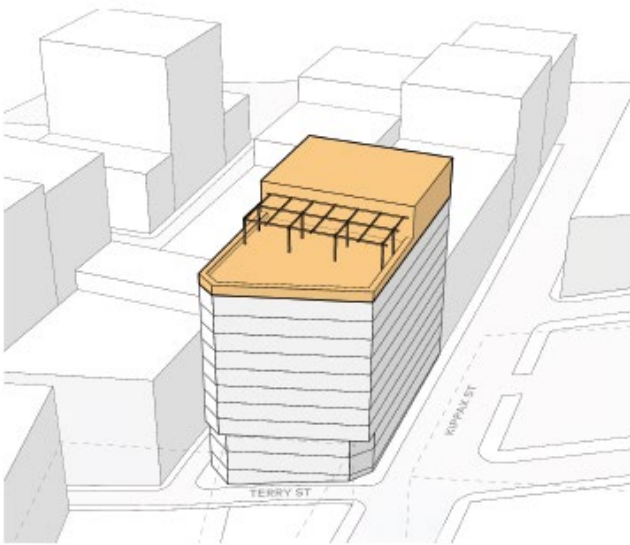
Source: Cox Architecture

5.3 Planning Proposal Principles

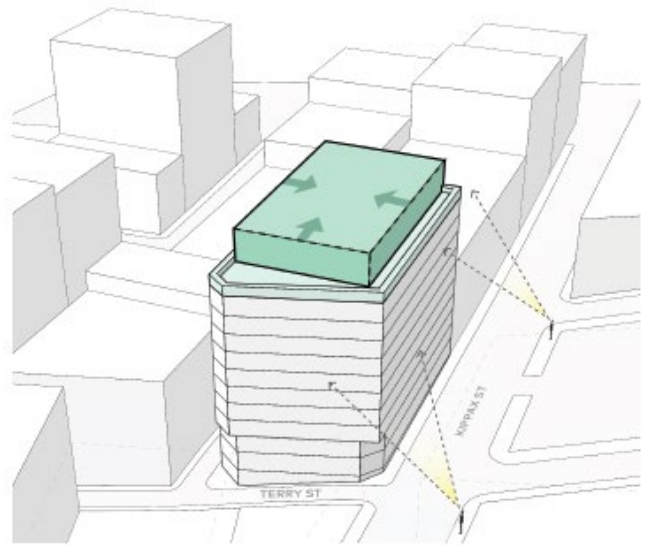
The Urban Design Report (**Appendix A**) sets out the design principles to the proposal which are summarised in the diagram below.

8-24 Kippax Street, located just off Elizabeth Street and only a two-minute walk from Central Station will firmly place Canva at the heart of the newly emerging technology precinct Tech Central. Additionally, the site's location places Canva in close proximity to the Central Precinct surrounding Central Station.

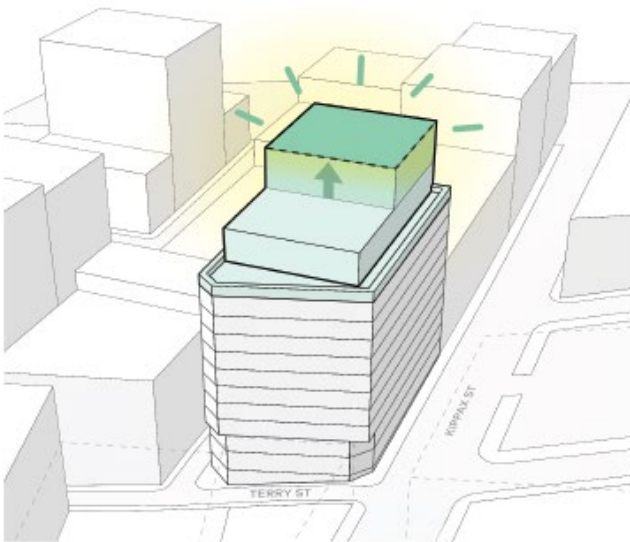
In keeping with Canva's aspirations of being a "Force for Good", and the principles to "do more with less", the proposed rooftop additions maintain as much of the existing building as possible and only makes pragmatic interventions where it improves functional planning or sustainability initiatives, such as introducing natural light. The proposed additions will offer a benchmark model in the re-use and rejuvenation of an existing tired commercial building.



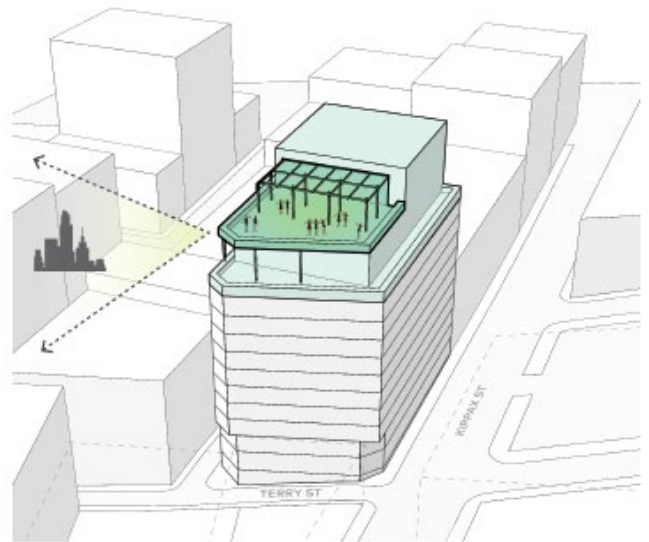
Massing (DA1)



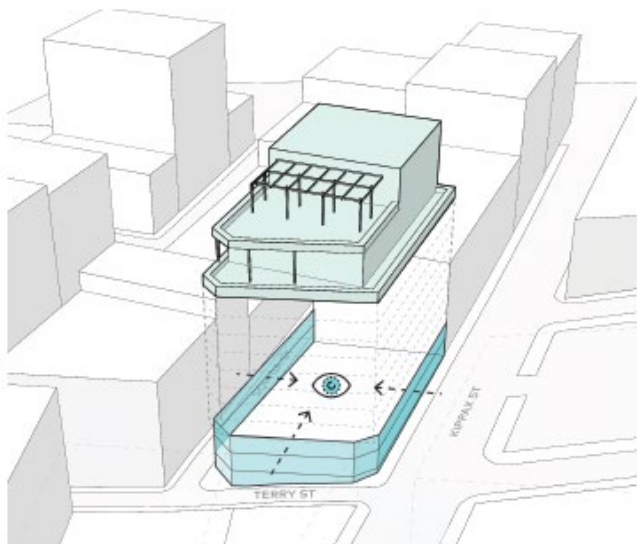
Setback and reduce visual bulk



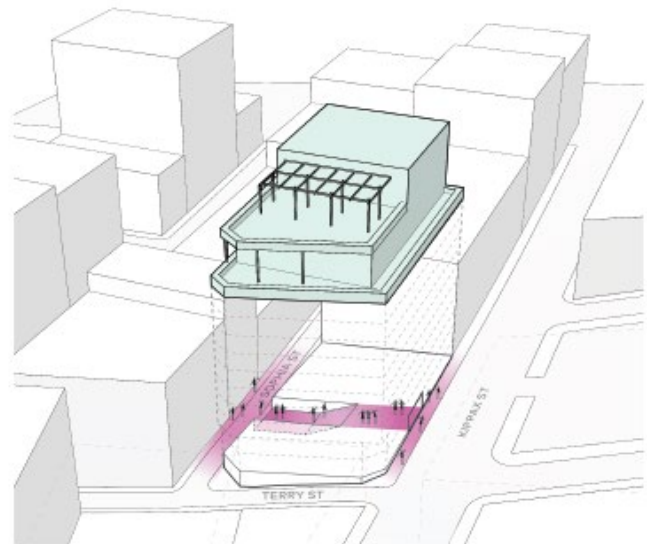
Touch the sky memorably



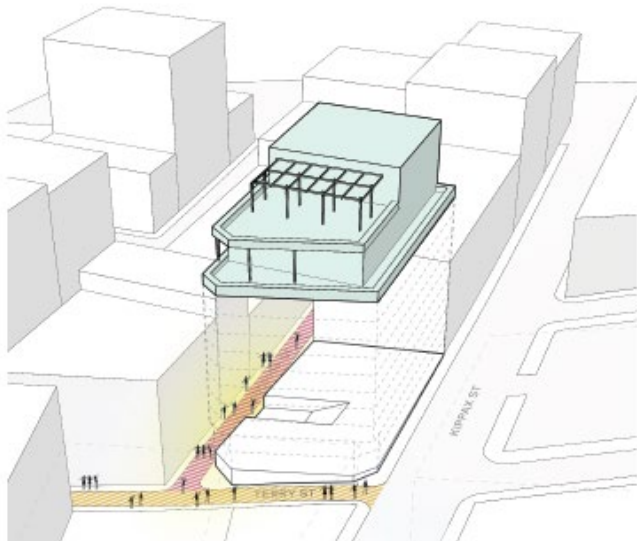
Reach out - Add roof terrace



Transparency



Connect



Activate Public Domain



Green Up

Figure 24 Planning Proposal Design Principles
Source: Cox Architecture

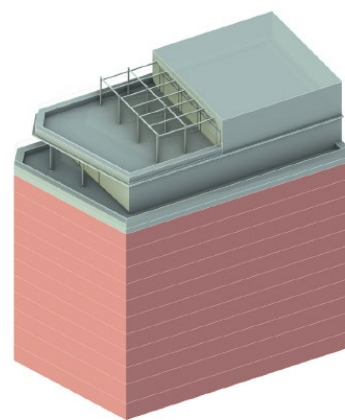
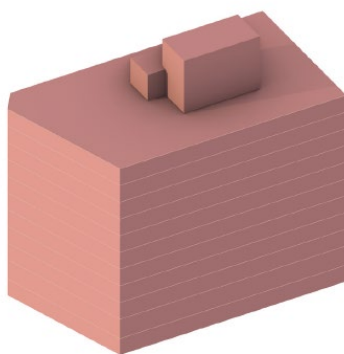


Figure 25 Existing vs proposed massing
Source: Cox Architecture

5.4 Public Benefits

In addition to its ongoing community offerings the following benefits will also be a direct result of the 8-24 Kippax Street upgrade.

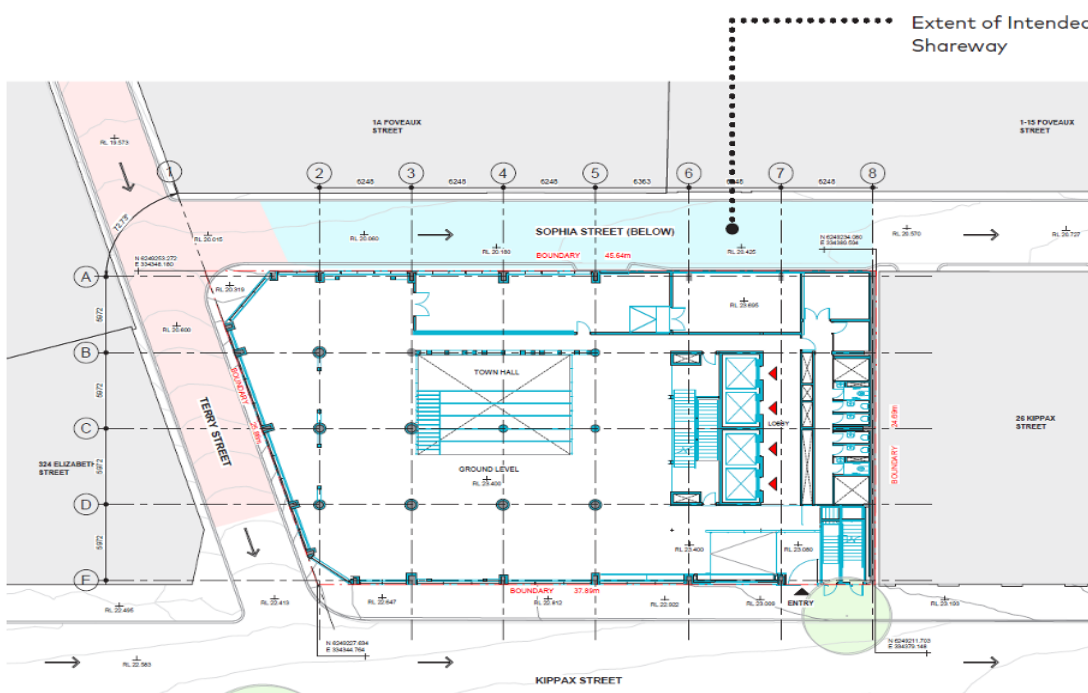
- Improvement of Sophia Street through Community Cafe/restaurant partnering with non for profits, creatives and Canva collaborators funded by the Canva Foundation
- Laneway upgrade to Sophia Street to City of Sydney to match proposed Terry Street Shared way
- A public art strategy with art opportunities on the eastern and northern facade
- ESD commitments
- All car parking bays removed and controlled in the site-specific provisions to promote the use of public transport and bicycles and reduce the impact of vehicles to the congested city roads
- Provision of a visual through site linkage from Kippax Street to Sophia Street, as well as a private gathering space for approximately 900 employees.

As outlined above, as part of the Planning Proposal and concurrent DA, Canva propose a Public Benefit Offer with Council to facilitate the construction and delivery of road works (shared way) amendments to the portion of Sophia Street between Terry Street and the extent of the site boundary at the east of the site.

It is acknowledged the land highlighted in red in **Figure 26** is subject to a shared zone under *The Surry Hills Pedestrian Cycling and Traffic Calming (PCTC) Plan* that was adopted by Council in 2008. It is noted approval was granted by RMS in 2019 but works are yet to commence.

Specifically, the works-in-kind proposal includes the following:

- Construction and delivery of a proposed shared way to Sophia Street between the corner of Terry Street and the extent of the site – with works proposed to the existing carriageway and southern kerb (adjoining the site) only. The kerb to the northern extent of Sophia Street and any associated stormwater infrastructure would not be impacted (with the exception of any necessary augmentation and connection works). The proposed works will consist of:
 - Amendments to the existing kerb and guttering on the southern side of Sophia Street in front of the site;
 - Regrading and reserving the carriageway – with material to be confirmed with Council;
 - Creation of a proposed share way for the extent of the roadway;
 - Installation of any necessary crash barriers to the southern side of the proposed shared way; and
 - Creation of a loading zone for a Small Rigid Vehicle (SRV) at the eastern of the site. This loading zone will not have any impact to the shared way or any opposing driveways.



6.0 Part 1 – Objectives and intended outcomes

This Planning Proposal has been prepared in accordance with Section 3.33 of the EP&A Act and 'A Guide to Preparing Planning Proposals' prepared by the NSW Department of Planning and Environment

The following section outlines the objectives and intended outcomes and provides an explanation of provisions in order to achieve those outcomes, including relevant mapping. The justification and evaluation of impacts is set out in **Sections 8.0** and **9.0** of this report.

6.1 Objective

The objective of the planning proposal is to amend the SLEP 2012 to enable the upgrade of the existing KMS Building to deliver a significantly improved commercial office outcome, within the emerging 'Tech Central' precinct, as Australian headquarters of Canva. The proposed amendments to the SLEP 2012 seeks to capitalise on government investment and proximity to infrastructure allow for improved commercial office outcome and investment, whilst responding the site's characteristics, and suitably responding to opportunities and constraints.

6.2 Intended Outcomes

The intended outcomes of the planning proposal are to:

- Facilitate the renewal of the site by creating high quality, fine grain active frontages addressing Kippax Street, while also delivering high quality commercial office space that addresses the identified need to support innovative and digital industries within the 'Surry Hills Central' and emerging nearby 'Tech Central' precinct, as well as throughout the wider Sydney CBD.
- Achieve Canva's vision for the site and project for a world-class commercial office building that unlocks the full development potential of the site in delivering premium-grade floor space that accommodates emerging future work practices and support Sydney's role of Australia's global city.
- Support the 30-minute city concept by growing employment in an established centre within the Harbour CBD with a high level of existing amenity and infrastructure, including proximity to transport services.
- Realise a significant increase in employment capabilities within the vicinity of multiple Sydney Metro stations and other key transport networks (i.e., existing light rail and heavy rail).
- Apply a maximum building height and FSR standard that is commensurate with Surry Hill Central's role as the retail centre of Surry Hills, supported with active frontages and a mixture of commercial offerings.
- Provide an improved urban design and pedestrian experience at ground level, with enhanced street activation, the protection of sunlight and appropriate wind conditions.
- Support the provision of premium-grade floorplates of up to 895m² GFA in size.

The proposed changes to the LEP to increase the maximum FSR and height of building controls will enable the delivery of the expansion of the current building, of a bulk and scale that is respectful and recessive to the built form, bulk and scale of the existing building.

7.0 Part 2 – Explanation of provisions

7.1 Amendments to the Sydney LEP 2012

The SLEP 2012 sets out the planning controls that apply to the site. This planning proposal seeks to amend the SSLEP 2015 to facilitate a better outcome for the site and support the redevelopment of the existing building into a higher quality commercial office offering, meeting the significant demand for world class commercial office space in the Harbour CBD and Surry Hills.

It is noted that the existing building on the site currently exceeds both the height of building and floor space ratio development standards allocated within the SLEP 2012. The proposed amendments to the SLEP 2012 controls are outlined below and justification is provided in **Section 8.0**.

Table 4 Proposed SLEP 2012 Amendments

Planning Controls	Existing Mapped Development Controls	Existing Height and FSR	Proposed Controls/Provisions
Clause 4.3 – Maximum Height of Buildings	22m	39.5m	42.7m
Clause 4.4 – Floor Space Ratio	3.5:1	9.1:1	9.85:1 Increase of 789sqm
As set out in Section 7.2 , it is proposed for a site-specific provision to be included in Part 6, Division 5 of LEP 2012 – Site Specific Provisions			

Height of buildings

The proposed maximum height of building development standard is proposed to be amended to 42.7m. This increase is appropriate to cater for the delivery of renewed commercial office space in Surry Hills within proximity of several public transport nodes and key services.

The proposed amendment seeks to apply a maximum building height standard that will be commensurate with 'Surry Hills Central' function as a retail and commercial precinct, integrated with medium density housing to the east, acting as a guide for future redevelopment throughout Kippax Street.

Floor Space Ratio

This planning proposal seeks to increase the maximum FSR across the site to 9.85:1. This is commensurate with the proposed maximum height of building, catering for a redevelopment that is consistent with the intent and desired outcomes identified throughout Surry Hills, and particularly the commercial and retail character of the 'Surry Hills Central' precinct. The floor space ratio is also reflective of the removal of an existing 55 car parking space within the basement that are to be available to be converted to other uses.

Use and Design Particulars

The site-specific provisions are proposed to incorporate detailed particulars that control development that is not intended within the proposed additional height and floorspace but would otherwise be permitted by virtue of the underlying zoning and generic building envelope controls. These provisions seek to secure the intended development outcome, permitting additional height and floorspace only if these aspects are complied with.

7.2 Proposed Site-specific Additional Local Provision – SLEP 2012

The Planning Proposal seeks to introduce a new site-specific clause to facilitate the proposed amendments.

This involves introducing a new additional local provision under Part 6, Division 5 of the LEP 2012 that reads as follows:

Clause 6.## 8-24 Kippax Street, Surry Hills

- 1) *This clause applies to 8-24 Kippax Street, being Lot 3, DP 547558.*
- 2) *Despite clauses 4.3 and 4.4, the consent authority may grant development consent to alterations or additions to an existing building on the land to which this clause applies that will result in a building—*
 - a) *with a maximum building height of RL 66.060 metres, and*
 - b) *with a maximum floor space ratio of 9.85:1*
- 3) *Development consent must not be granted under this clause unless the consent authority is satisfied that the resulting building—*
 - a) *will not be used for the purpose of residential accommodation or serviced apartments, and*
 - b) *does not include any car parking spaces on site*
 - c) *the development will result in activated commercial or retail premises at street level*
- 4) *This clause does not limit the operation of clause 6.13 in its application to the land to which this clause applies.*
- 5) *Clause 6.21D(1) and (3)(a) do not apply to the development.*

The above Clause is consistent with other clauses under Division 5, which facilitate additional building height and floor space whilst imposing specific additional controls (such as restricting particular uses or the ability for on-site car parking). The final wording of the proposed site-specific clause will be subject to further discussions with Council and for Parliamentary Counsel drafting and endorsement.

7.3 Amendments to the Sydney DCP 2012

Concurrent amendments are proposed to the supporting Sydney DCP 2012 through the addition of provisions at Section 6 (Specific Sites) that incorporates site specific details. Site specific provisions relating to the following items are provided, along with a site of site-specific diagrams that will control the future built form – with an extract provided below in **Figure 27**.

- Objectives
- Built Form
- Public Domain
- Landscaping and Tree Canopy
- Sophia Street Retail
- Building Articulation and Public Art

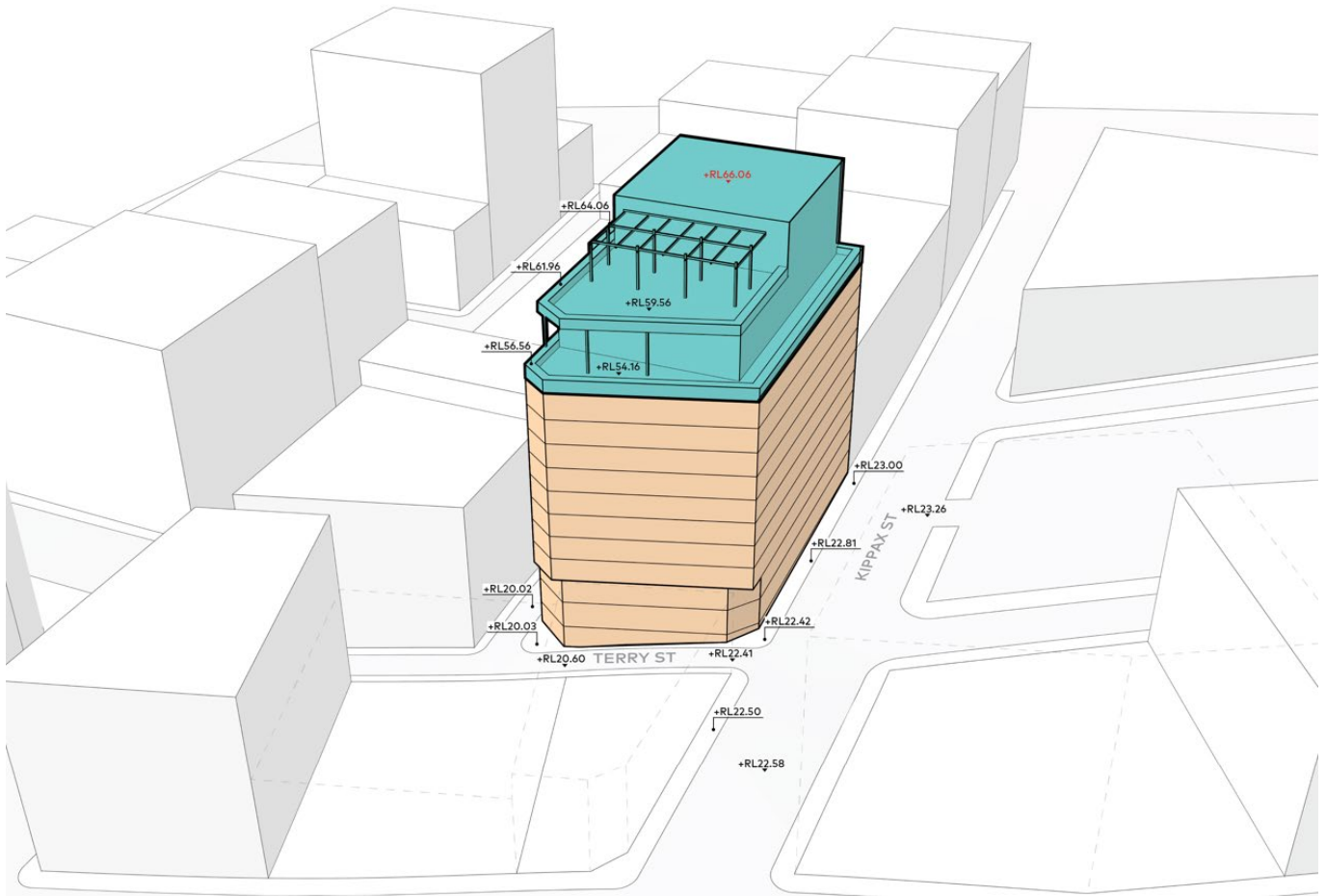


Figure 27 Massing of the Planning Proposal to be included in the site specific DCP
Source: Cox Architecture

8.0 Part 3 – Justification of strategic and site-specific merit

8.1 Strategic merit

8.1.1 Section A – need for the Planning Proposal

Q1. Is the Planning Proposal a result of an endorsed local strategic planning statement, strategic study or report?

This Planning Proposal has been derived from a detailed analysis of the site and its future use, as well as accommodating the intended the occupation of the main tenant, and owner of the site, Canva Pty Ltd.

This planning proposal has been initiated by the proponent so as to allow for a building envelope and floor plates that expand on the existing building core and is commensurate with height, scale and density of the locality and which seeks to provide for the conversion of an outdated commercial building into high quality employment floor space close to public transportation. Accordingly, the proposal is consistent with a range of key strategic planning documentation, including the Eastern City District Plan and the City of Sydney Local Strategic Planning Statement (LSPS).

Q2. Is the Planning Proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

Yes. In preparing this Planning Proposal, three options were considered to facilitate the intended outcomes for the site. These are listed and discussed below:

- **Option 1:** Do nothing.
- **Option 2:** Prepare a Development Application with supporting Clause 4.6 variations to Height and FSR and no Planning Proposal.
- **Option 3:** Prepare a Planning Proposal to amend the maximum floor space ratio and height for the site under SLEP 2012.

Option 1: Do nothing

Option 1 involves the continued operation of the existing commercial building in its current form. It is considered that this option represents a lost opportunity to expand on the site's potential in an established commercial and retail locality with a prime position within Surry Hills, close to major modes of transportation.

The existing building already exceeds the SLEP 2012 height and FSR control. Given this context, it is considered that development of the site, particularly for the provision of additional commercial floor space should be pursued, and as such, Option 1 is not viable and loses the opportunity to provide high quality commercial floor space within Surry Hills.

Option 2: Prepare a Development Application with supporting Clause 4.6 variations to Height and FSR and no Planning Proposal.

This option would involve the progression of a development application accompanied by 2 x clause 4.6 variations seeking to add additional commercial office floors to the building – beyond plant and equipment that is necessary to adaptively reuse the existing building and achieve necessary performance, safety and ESD standards. Given the nature of the existing height and floor space exceedances of the existing building as well as the proposed for additional building envelope and internal floorspace, this option was not considered the most appropriate pathway.

Option 3: Prepare a Planning Proposal to amend the maximum floor space ratio and height for the site under SLEP 2012.

This option allows the proponent to realise the most beneficial redevelopment scheme intended on the site through amending the height and FSR controls under SLEP 2012. Therefore, Option 3 is considered to be the most viable option.

8.1.2 Section B – relationship to the strategic planning framework

Q3. Will the Planning Proposal give effect to the objectives and actions of the applicable regional, or district plan or strategy (including any exhibited draft plans or strategies)?

A Guide to Preparing Planning Proposals sets out that in order to answer this question, a planning proposal needs to justify that it meets the Strategic Merit Test. The consistency of this planning proposal with the mandated assessment criteria is set out below.

(a) Does the proposal have strategic merit?

Yes. The strategic merit of the proposal is demonstrated to be consistent with relevant strategic planning documents, as discussed in the following sections.

Greater Sydney Region Plan – A Metropolis of Three Cities

This Planning Proposal will give effect to the directions of *The Greater Sydney Region Plan – A Metropolis of Three Cities*. The Greater Sydney Region Plan (GSRP) is the overarching strategy for growing and shaping the Greater Sydney Area. It sets a 40-year vision (to 2056) and establishes a 20-year plan to manage growth and change for Greater Sydney in the context of social, economic, and environmental matters. The plan was adopted in March 2018, with the site and seeks to reposition Sydney as a metropolis of three cities – the site is located in the Eastern Harbour City.

The Region Plan has established 40 overarching objectives to achieve this vision, which are broken down into the five themes of Infrastructure and Collaboration, Liveability, Productivity, Sustainability, and Implementation. Key themes and directions from the Region Plan that are applicable to this Planning Proposal include:

- **A Globally Competitive Harbour CBD**

The Region Plan emphasises the need to provide for the continued viability of the Harbour CBD as a globally competitive node for commercial activity.

- **Transit Oriented Development**

The Region Plan establishes a strong theme that promotes transit orientated development, including the integration of Greater Sydney's rapid transit network with economic corridors and centres.


- **Creating Conditions for a Stronger Economy**

The Region Plan establishes the goal to increase the number of jobs in Metropolitan and Strategic Centres, including Sydney CBD – Harbour City

The proposed height and FSR amendment will reinforce the above-listed themes to support the Strategic Directions from the Region Plan. Specifically, the Planning Proposal will facilitate an improved commercial uplift and urban design outcome for the site that will be consistent with the directions of the Region Plan. Relevant Strategic Directions from the Region Plan are further considered in relation to the proposed height and FSR amendment at **Table 5**.

Table 5 Consistency with Strategic Directions from the Region Plan

Direction	Consistency
Infrastructure supporting new development.	As mentioned, the Region Plan has a strong theme of promoting transit orientated development, including the integration of Greater Sydney's rapid transit network with economic corridors and centres. This Strategic Direction supports land use planning that is co-ordinated with the delivery of significant transport infrastructure investments, including Sydney Metro. As established, the proposed height amendment supports this approach. This Planning Proposal presents a height and FSR amendment that will enable commercial uplift at a site that will be serviced by a range of existing and planned infrastructure. This compliments the Strategic Direction to deliver infrastructure that supports new development.
A city of great places.	This Planning Proposal will facilitate an outcome for the site that responds to the unique characteristics that are associated with its context. As established, the site's current poor urban design outcomes and ground level activation will be addressed. In this regard, the Planning Proposal will deliver a positive urban design outcome that utilises a place-based and collaborative approach throughout planning, design, development and management by prioritising a people-friendly public realm and the public domain as a central organising design principle.

Direction	Consistency
	<p>“Respecting heritage” is also emphasised by this Strategic Direction. This should be noted in regard to the location of the site, which is not proximate to any heritage-listed buildings and is not within a Heritage Conservation Area. As highlighted, the proposal will respect nearby local heritage items and the character of heritage conservation areas.</p> <p>The Planning Proposal would facilitate an amalgamated development outcome with the capacity for additional rooftop planting and canopy cover, as well as the creation of Sophia Street as a Shared Way.</p>
Jobs and skills for the city.	<p>This Strategic Direction is supported by job creation and infrastructure delivery targets that align with forecasted population growth across Greater Sydney. The Region Plan has established this Strategic Direction to address the requirement for 817,000 additional jobs to be created across Greater Sydney by 2036. This Strategic Direction is also intended to support the ongoing objective of ensuring that the economy of Greater Sydney remains internationally competitive, including in relation to other advanced and emerging urban economies across the Asia Pacific Rim.</p> <p>As set out in Section 9.11.5, this Planning Proposal will support the achievement of various job creation targets that are established by state, regional and local strategic frameworks. The opportunity to deliver additional high-grade commercial floorspace to keep an international technology company in Canva within Surry Hills within proximity to the emerging Tech Central precinct is complimentary to this Strategic Direction.</p>
A city that is well-connected.	<p>A key outcome that is sought by this Strategic Direction is the achievement of a '30-minute city' model of urban development around three metropolitan clusters, including the Harbour CBD.</p> <p>This outcome is only achievable if state investments are leveraged through co-locating employment generating land uses and public transport nodes. As discussed, the site is within the walkable catchment of Central Train Station, the Central Chambers light rail station and the proposed Central Metro Station, which will be operational in 2024.</p> <p>The integration of land use, transport and infrastructure planning is re-emphasised by this Strategic Direction. It has already been established that this Planning Proposal supports this approach.</p> <p>It has also been established that the Planning Proposal will allow for the future pedestrian network and public domain network surrounding the site to be leveraged. This would be supported by the establishment of a shared zone on Terry Street, the widening to the footpath on the southern side of Foveaux Street, west of Terry Street and streetscape activation through the provision of activated retail space from Sophia Street.</p> <p>Further to the above, the Reference Scheme conveys the design intent for an activated ground plane that includes a dual-access public lobby from Kippax and Sophia Street. This would also support through-site movement, especially during periods of inclement weather. The lobby space would also be designed to provide informal gathering opportunities.</p> <div data-bbox="587 1547 1437 1816">  </div> <p>Region Plan: Vision Diagram for 'Fine Grain Walkable Places' Greater Sydney Commission</p>
An efficient city	<p>The Planning Proposal will aid an innovative resource management outcome of the site, which not only reduces transport-related greenhouse gas emissions but will also reduce energy use per capita. This will be realised within the reference scheme through a series of passive design controls and energy efficient methods, which include the following:</p>

Direction	Consistency
	<ul style="list-style-type: none"> • Providing photovoltaic (PV) solar panels on site. • Ensuring that by matching the energy demand of the reference scheme to grid-scale renewable energy generation, allowing further operational carbon reductions to be achievable with running cost renewable firming able to be realised. • Implement external shading, natural light and ventilation design features. • Installation of a bio solar green roof, producing solar energy and curbing the detrimental impacts of the urban heat island effect.

Eastern City District Plan

The Eastern City District Plan underpins the Greater Sydney Region Plan and sets the 20-year vision for the district through 'Planning Priorities' that are linked to the Region Plan. The Eastern City District Plan echoes the Region Plan in that it identifies the importance of aligning areas of employment growth with access to additional housing supply, through public transport services and services.

In particular, the District Plan provides detailed planning priorities which integrate relevant objectives, strategies and actions in response to the identified challenges and opportunities. The planning priorities relate to three key aims of the District Plan, being:

- A productive city;
- A liveable city; and
- A sustainable city.

The Surry Hills area, located within the Eastern City District, is considered a strategic location for the development and intensification of innovative commercial spaces. Surry Hills is located on the fringe of the Sydney CBD, which tends to be highly desirable location for creative and innovated industries. The District Plan recognises Surry Hills as an innovation corridor with digital and cultural industries requiring event spaces and affordable and scalable office spaces, normally seeking out character buildings in these areas. It is noted that the owner and intended main occupant, the Canva business model supporting digital and innovative employment, is a reflection of Surry Hill's innovative employment character.

The Surry Hills area presents a number of geographic, demographic and industry factors which increase the desirability and suitability for the location of collaborative commercial spaces, including:

- The Surry Hills area has a relatively young and highly educated population and workforce, with education qualifications in fields that are highly represented in digital and collaborative spaces. This has likely driven the growth of commercial spaces in the area;
- Residents and the local workforce are in industries that are conducive to new digital, innovative and "campus style" workspaces; and
- The Surry Hills area is in proximity to the CBD with an iconic pre-existing cluster of commercial spaces. The pre-existing cluster indicates strong demand for commercial spaces that are not necessarily required to be located within the Sydney CBD area.

The District Plan identifies a baseline employment target of 662,000 additional jobs for the Harbour CBD by 2036. This Planning Proposal will enable the delivery of additional employment generating floorspace at the site, which will support the achievement of this target.

An extended assessment against the Planning Priorities that are established by the East District Plan is provided at **Table 6**.

Table 6 **Consistency with the Planning Priorities from the District Plan**

Planning Priority / Objective <i>Established by the Region Plan</i>	Consistency <i>Consistency with the District Plan response to the Planning Priority / Objective</i>
E1. Planning for a city supported by infrastructure	
O.1 Infrastructure supports the three cities	The District Plan emphasises the importance of efficient transport connections within and between each of the three cities. The proximity of Central Train Station, Central Chalmers Street Light Rail Station, several bus

Planning Priority / Objective <i>Established by the Region Plan</i>	Consistency <i>Consistency with the District Plan response to the Planning Priority / Objective</i>
	<p>services and the future Central Metro Station to the site must be noted in this regard.</p> <p>While this Planning Proposal will not directly facilitate the delivery of additional public transport infrastructure, it does support an outcome that will utilise new and planned infrastructure that are/have been delivered to satisfy Objective O1 of the Region Plan.</p>
O.2 Infrastructure aligns with forecasted growth	<p>As above, while this Planning Proposal will not directly facilitate the delivery of additional public transport infrastructure, it does support an outcome for the site that will compliment Objective O2 of the Region Plan, which has been echoed by the District Plan.</p> <p>This is because it will provide additional commercial floorspace at a site that is well serviced by existing transport infrastructure and planned transport infrastructure, which will be delivered to address forecasted growth.</p>
O.4 Infrastructure use is optimised	<p>The site is well-serviced by existing public and active transport infrastructure. The level of access to public transport services will further improve once the Central Metro Station is operational (est. 2024).</p> <p>This Planning Proposal presents a height amendment that will achieve additional commercial uplift at an accessible location. This is considered to reinforce Objective O4 and Planning Priority N1. The proposed height and FSR amendments should also be considered in the context of Action 6 of the District Plan, which has been quoted below for reference.</p> <p>Action 6: <i>Maximise the utility of existing infrastructure assets and consider strategies to influence behaviour changes, to reduce the demand for new infrastructure, including supporting the development of adaptive and flexible regulations to allow decentralised utilities.</i></p> <p>The removal of the existing 55 car parking spaces will result in an overall reduction of vehicle traffic throughout the surrounding road network. Ultimately, the benefits of unlocking additional commercial uplift at the site have been well-established in relation to the accessibility and use of public transport.</p> <p>This height and FSR specific Planning Proposal is therefore considered to support the District Plan response to Objective O4.</p>
E7. Growing a stronger and more competitive Harbour CBD	
O.15 The Eastern, GPOP and Western Economic Corridor are better connected and more competitive	<p>In the Eastern District the Eastern Economic Corridor includes Surry Hills as part of the Harbour CBD, as well as Central Sydney and the strategic centre of Randwick. Several committed and potential transport infrastructure projects will improve accessibility between these agglomerations, in addition to areas of concentrated economic activity outside of the corridor area.</p> <p>Action 25 of the East District Plan identifies to review planning controls within transit-oriented centres as required to facilitate economic activity to deliver on job targets. It has been well-established throughout this report that the proposed height and FSR amendment will support this transit-oriented model of development.</p>
O.18 The harbour CBD is stronger and more competitive	<p>The need for a “stronger and more competitive Harbour CBD” is referenced commonly across the broader strategic framework for the site. The District Plan has sought to support this overarching goal through promoting the Harbour CBD as an attractive destination for high profile office tenants.</p>

Planning Priority / Objective <i>Established by the Region Plan</i>	Consistency <i>Consistency with the District Plan response to the Planning Priority / Objective</i>
	<p>The Planning Proposal directly responds to this objective through continually embedding Canva Pty Ltd, a leader in the digital and innovation industry within Surry Hills as part of the wider Tech Central precinct.</p>
E8. Growing and investing in health and education precincts and the Innovation Corridor	
<p>O.21 Internationally competitive health, education, research and innovation precincts</p>	<p>The need for additional commercial floorspace for digital and creative industries is displayed within the East District Plan. Action 26 seeks to facilitate an innovation corridor that not only delivers additional affordable and scalable commercial spaces, but also delivers a high amenity, highly walkable and safe corridor for the employment workforce.</p> <p>The Planning Proposal responds to this through its significant public benefit offerings, as well as flexible commercial floorspace provision.</p>
E10. Delivering integrated land use and transport planning and a 30-minute city	
<p>O.14 Integrated land use and transport creates walkable and 30-minute cities.</p>	<p>The East District Plan reinforces the vision for the '30-minute city' model of development to be achieved. It has been well-established throughout this report that the proposed height amendment will facilitate an outcome at the site that will support this objective.</p>
E13. Supporting growth of targeted industry sectors	
<p>O.24 Economic sectors targeted for success</p>	<p>The District Plan recognises the need to support the growth of internationally competitive industry sectors, which would in turn increase the rate of skilled job creation.</p> <p>Industry-leading businesses that operate in competitive knowledge, digital and innovation-based industries must be attracted to and accommodated in Surry Hills and the broader Harbour CBD to support this goal.</p> <p>It has been established that this Planning Proposal will support the accommodation of a high-profile commercial tenant in Canva Pty Ltd at the site. This is considered to compliment the District Plan in its response to Objective O24.</p>
E19. Reducing carbon emissions and managing energy, water and waste efficiently	
<p>O.33 A low carbon city contributes to net-zero emissions by 2050 and mitigates climate change</p>	<p>The District Plan establishes the overarching goal to provide for a 'low carbon district' under Planning Priority E19. This forms part of the district-level response to Objective O33 of the Region Plan, which has a strong emphasis on the utilisation of existing and future public transport infrastructure.</p> <p>The reference scheme achieved from the delivery of the height and FSR specific Planning Proposal will implement a series of Ecologically Sustainable Design (ESD) measures. These include the implementation of passive design controls, and the matching of energy demand to grid-scale renewable energy, both of which are discussed in further detail in Section 9.10 and Table 7.</p> <p>Notwithstanding the above, the commercial uplift that would be unlocked by the proposed height and FSR amendment is relevant to the assessment of this height-specific Planning Proposal. In this regard, the transit-orientated context for the site should be considered. It has been well-established that providing additional employment-generating floorspace at the site would encourage the uptake of sustainable public transport modes.</p>

Q4. Is the Planning Proposal consistent with a council LSPS that has been endorsed by the Planning Secretary or GSC, or another endorsed local strategy or strategic plan?

City Plan 2036: City of Sydney Local Strategic Planning Statement



The City of Sydney Local Strategic Planning Statement (the LSPS) is the principal strategic planning document guiding land use planning and development in the City of Sydney Local Government Area (LGA). The LSPS represents Council's 20-year vision for the LGA's future direction, and contains directions about infrastructure, liveability, productivity, and sustainability. The LSPS draws from the Greater Sydney Commission's Greater Sydney Regional Plan and Eastern City District Plan and implements the planning priorities identified from these larger strategic documents at a local level.

The LSPS identifies four (4) key themes, each with a suite of planning priorities. The planning proposal responds to each of these themes, which include the following:

- Productivity;
- Sustainability;
- Infrastructure; and
- Liveability.

An assessment of the planning proposal as an adaptively reused, mixed use commercial office building, has been made against the relevant priorities is detailed in **Table 7**.

Table 7 *Assessment against City of Sydney Local Strategic Planning Statement 2020*

Planning Priority (PP)	Assessment	Consistency
Planning Priority P2 – Developing innovative and diverse business clusters in City Fringe	<p>The LSPS highlights that the City Fringe covers strategically important and jobs-rich areas within the District Plan's Harbour CBD metropolitan area, but also outside Central Sydney. Specifically, it seeks to support the growth of knowledge-based and technology-driven activities through aiding innovation and creativity as central features for driving economic growth within the city fringe. In supporting this, it notes the importance of industry clusters and agglomeration of innovative and digital industries within the city fringe.</p> <p>The planning proposal directly aligns with Planning Priority P2 – Developing innovative and diverse business clusters in City Fringe by way of the following:</p> <ul style="list-style-type: none"> • Seeks to deliver a high quality, adaptively reused mixed use space that supports commercial office development to support the City Fringe's economic diversity and resilience with a focus on knowledge-intensive sectors. • Aims to provide additional commercial floorspace that will enhance the physical and technological connectivity and legibility of office workers within City Fringe. This will support the ability for Canva Pty Ltd and other digital/innovative businesses to interest, grow and agglomerate with other people, businesses and clusters within the immediate area. • Provide additional commercial floorspace, as well as an existing, adaptively reused commercial building that will be utilised by Canva Pty Ltd and other businesses within the digital and innovative industry. 	
Planning Priority S2 – Creating better buildings and places to reduce emissions and waste and use water efficiently	<p>The LSPS aims to ensure that all new buildings constructed within the City of Sydney LGA, as well as existing buildings undergoing upgrade works reduce their CO2 emissions and utilise waste and water more efficiently. The overarching goal of this initiative is to enable the healthy operation of circular economies on a precinct scale.</p> <p>The planning proposal directly aligns with Planning Priority S2 – Creating better buildings and places to reduce emissions and wastewater efficiently by way of the following:</p> <ul style="list-style-type: none"> • Providing photovoltaic (PV) solar panels on site, increasing renewable energy generation implementation opportunities throughout the reference scheme. • Ensuring that by matching the energy demand of the reference scheme to grid-scale renewable energy generation, allowing further operational carbon reductions to be achievable with running cost renewable firming able to be realised. 	

Planning Priority (PP)	Assessment	Consistency
	<ul style="list-style-type: none"> Implementation of passive design controls, such as external shading, natural light, and ventilation, as well as a bio solar green roof to reduce energy consumption. 	
Planning Priority S3 – Increasing resilience of people and infrastructure against natural and urban hazards	<p>The LSPS seeks to better understand the resilience challenges facing Sydney and identify ways to address them. Natural hazards that impacted the City of Sydney were identified such as the urban heat island effect and flooding. Urban hazards identified included water pollution, soil contamination, noise pollution and air pollution.</p> <p>The planning proposal is coordinated with Planning Priority S3 – Increasing resilience of people and infrastructure against natural and urban hazards by way of the following:</p> <ul style="list-style-type: none"> Developing a suitable design and development approach to address flooding concerns present on the subject site. Will provide a bio solar green roof that combines a green roof and PV solar array into one system, with the cooling effect of vegetation increasing solar output by up to 5%, whilst curbing the impacts of the urban heat island effect. Implementing sound building management practices to prevent pollution and reduce litter when handling waste during the construction and operation of the reference scheme. 	✓
Planning Priority I1 – Movement for walkable neighbourhoods and a connected city	<p>The LSPS emphasises the importance of aligning development and growth to maximise the liveability and productivity benefits of an integrated transport network are key to achieving a truly connected city. It also highlights that creating walkable neighbourhoods are integral in delivering the 30-minute city concept within the City of Sydney LGA.</p> <p>The planning proposal is consistent with Planning Priority I1 – Movement for walkable neighbourhoods and a connected city by way of the following:</p> <ul style="list-style-type: none"> Seeking to implement a zero-parking approach through removing all existing car parking spaces on the site, prioritising end of trip facilities and bicycle parking space instead. Prioritising the reduction of through traffic in Terry Street through the establishment of a shared zone, creating a pedestrian friendly environment that clearly communicates to road users that there is a change in the street environment that pedestrians have priority. 	✓
Planning Priority I3 – Supporting community wellbeing with social infrastructure	<p>The LSPS recognises that the wellbeing of the city's residents, workers and visitors is supported with high-quality and accessible community infrastructure. It also emphasises the importance for new employment generating development to be in proximity to functional open space, in order to support wellbeing and social cohesion. This is recognised as being particularly important in higher density urban environments, such as the urban area within the City of Sydney LGA.</p> <p>Accordingly, the planning proposal is coordinated with Planning Priority I3 – Supporting community wellbeing with social infrastructure, due to the subject site being located within 400 metres of quality, functional open space that is greater than 3,000sqm in area</p>	✓
Planning Priority L2 – Creating great places	<p>The LSPS emphasises the importance of protecting and celebrating the unique character of neighbourhoods such as Surry Hills. It recognises that a pathway to recognising this is through the prioritisation of walkable neighbourhoods through incorporating shared zones in the local road network, as well as wider footpaths and pedestrian priority at crossings.</p> <p>The planning proposal aligns with Planning Priority L2 – Creating great places by way of the following:</p> <ul style="list-style-type: none"> The establishment of a shared zone on Terry Street, creating a pedestrian friendly environment that clearly communicates to road users that there is a change in the street environment that pedestrians have priority. 	✓

Planning Priority (PP)	Assessment	Consistency
	<ul style="list-style-type: none"> Widening to the footpath on the southern side of Foveaux Street, west of Terry Street. This is proposed to be tied into the continuous footpath treat at Terry Street to help alleviate congestion on the footpaths leading to the Chalmers Street light rail stop and Central Station. Establishing streetscape activation through the provision of activated retail space from Sophia Street, with the tenancy offered to a tenant at free to low rent for emerging retailers which may consist of food and beverage operators. 	

Strategic and Site-Specific Principles for Growth

The proposal complies with the combined strategic and site-specific principles for growth as set out in the LSPS as set out below.

Strategic principles for growth:

- Proposals must be consistent with the Greater Sydney Region Plan and Eastern City District Plan.
- Proposals for sites in the Harbour CBD, Innovation Corridor (including Camperdown-Ultimo Health and Education Precinct) must be consistent with the objectives for these areas in the Eastern City District Plan.
- Proposals must be consistent with the relevant directions, objectives and actions of the City's community strategic plan, Sustainable Sydney 2030 and Sustainable Sydney 2050 in the future.
- Proposals must be consistent with the relevant liveability, productivity, infrastructure and sustainability priorities, objectives and actions in this Local Strategic Planning Statement.
- Proposals must be consistent with the relevant priorities, objectives and actions of the Local Housing Strategy.
- Proposals must support the strategic objectives in the City's adopted strategies and action plans.
- Proposals must not compromise non-residential development needed to meet employment targets for centres.
- Proposals which seek to respond to a significant investment in infrastructure must be considered in a wider strategic context with other sites. This may include, but is not limited to, consideration of other infrastructure demand and provision, appropriate distribution of development potential across an area, value capture for public benefit and infrastructure delivery and orderly sequencing of development.
- Proposals must give consideration to strategically valuable land uses that are under-provided by the market, such as but not limited to hotels, cultural space (including performance and production space), medical uses, education uses and childcare centres, and having regard to the appropriateness of the use for the context.

Site-specific principles for growth:

- Proposals must locate development within reasonable walking distance of public transport that has capacity (assuming development capacity will be delivered) and is frequent and reliable.
- Proposals must meet high sustainability standards and mitigate negative externalities.
- Proposals must include an amount and type of non-residential floor space appropriate to the site's strategic location and proximity to or location within a centre or activity street.
- Proposals must create public benefit.
- Proposals must be supported by an infrastructure assessment and demonstrate any demand for infrastructure it generates can be satisfied, assuming existing development capacity in the area will be delivered.
- Proposals must make a positive contribution to the built environment and result in an overall better urban design outcome than existing planning controls.
- Proposals must result in high amenity for occupants or users.
- Proposals must optimise the provision and improvement of public space and public connections.

City of Sydney Economic Development Strategy 2013

The City of Sydney's Economic Development Strategy 2013 (the Strategy) builds on and provides an update to the broad economic themes identified in the City of Sydney's previous LSPS, Sustainable Sydney 2030. The Strategy provides an overarching framework that guides the City's economic development aspirations, role, priorities, and approach. Of relevance to the Proposal is the Strategy's recognition of the subject site within a creative and innovative industry cluster, emphasising that support of development within the city's industry clusters can contribute to the transmission of ideas into innovation. This would enable the capacity for each of the clusters to provide a productivity base to realise the potential of the city fringe economy.

An extended assessment against the strategic economic priorities that are established within the Economic Development Strategy is provided at **Table 8**.

Table 8 Consistency with strategic economic priorities from the Economic Development Strategy

Strategic Economic Priority	Consistency
Strengthen Sydney's Competitiveness	The proposal is consistent with the priority to strengthen Sydney's competitiveness through enabling the renewal and adaptive re-use of an existing commercial building, as well as the incorporation of additional commercial floorspace for the use by Canva Pty Ltd. Ultimately, this directly supports an Australian business through fostering a space to operate and undertake business operations as leaders of the digital and innovative industry.
Improve productivity and capacity	As highlighted within Table 7 the proposal is within proximity to several key current and future public transport nodes, including Central Station, Chalmers Street light rail station, and the new Sydney Metro City and Southwest Central Station. Furthermore, the site's 400m proximity to significant greens space further aid's the proposals proximity to 'productive infrastructure' for the future workforce. In addition, affordable housing levies and infrastructure contributions within the DA stage will ensure appropriate provision is made to social infrastructure. Overall, the proposal is consistent with the productivity priorities of the strategy, with contributions at the DA stage and proximity to existing and future public transport infrastructure. This will ensure that the proposal continues to contribute to equitable infrastructure provision throughout the cities' economy.
Promote opportunity	The proposal contributes to the elevation of a key business (Canva Pty Ltd) within the creative and digital industry cluster. The increased presence of Canva Pty Ltd in Surry Hills will positively facilitate the continual development of informal networks, improving the overall amenity of Surry Hills, especially in proximity to the emerging 'Tech Central' precinct. Therefore, the placing of Canva Pty Ltd within this space can further encourage commercial interactions between the digital and innovation industries, encouragement of the exchange of ideas, as well as 'knowledge spill-overs' to other businesses.

Draft Economic Development Strategy Discussion Paper 2022

A new Economic Development Strategy is currently being developed for the City of Sydney and is proposed to be finalised in 2024. This updated strategy reflects the new economic conditions present within the locality, particularly focusing on the economic problems exposed and amplified during the COVID-19 pandemic such as barriers to participation and inequality, unaffordable space, lack of economic diversity, environmental damages, insecure jobs, as well as skill and labour shortage. The strategy focuses on four new strategic priorities:

- Transitioning to a green and circular economy.
- Building an innovation economy.
- Strengthening our inclusive economy.
- Revitalising our city centre.

The planning proposal and use of the site for the purpose of a mixed use and commercial office environment, supports the priorities of the draft Economic Development Strategy in that it will:

- Align with Canva's principle to 'do more with less'. Therefore, the operations of the proposed development will showcase strong leadership and commitment in demonstrating green and circular economy initiatives,

whilst undertaking education and knowledge sharing within the digital and innovation industry on green and circular economy benefits.

- Support the local innovation ecosystem, with the proposed development housing Canva Pty Ltd likely to share information and further drive innovation with the development of the nearby and emerging 'Tech Central' precinct. This will see the proposal act as a catalyst of innovation clusters and strengthen productivity gains within Surry Hills and the broader 'Tech Central' precinct.
- Enable inclusive economic development through incorporating affordable/free rent to the activated Sophia Street retail space for emerging retailers which may consist of food and beverage operators.
- Create an improved public domain outcome through the establishment of a shared zone on Terry Street, providing a pedestrian friendly environment, widening to the footpath on the southern side of Foveaux Street and establishing streetscape activation through the provision of an activated retail tenancy from Sophia Street.

Sydney Local Environmental Plan 2012

Consistency with Aims of SLEP 2012

The proposal's consistency with the overall aims of the SLEP 2012 is outlined in **Table 9** below.

Table 9 Consistency with the overall aims of the SLEP 2012

Aim	Proposal	Consistency
(aa) to protect and promote the use and development of land for arts and cultural activity, including music and other performance arts,	The proposal will not result in the loss of event spaces and land dedicated for arts and cultural activity, including music and other performing arts. Rather the provision of a public art wall on the eastern and northern facades will promote greater artistic expression within the proposal's design fabric.	✓
(a) to reinforce the role of the City of Sydney as the primary centre for Metropolitan Sydney,	The proposal will facilitate the delivery of additional commercial office floorspace within the site for usage from the main tenant Canva Pty Ltd, as well as other emerging and established businesses within the digital and innovation industry. This will increase employment and business opportunities within an established inner-city suburb, reinforcing the City of Sydney's role as the primary centre for Metropolitan Sydney.	✓
(b) to support the City of Sydney as an important location for business, educational and cultural activities and tourism,	The proposal will facilitate the promotion of the digital and innovative industries as key business activities within an inner-city suburb.	✓
(c) to promote ecologically sustainable development,	Future development of the site will incorporate the principles of ecologically sustainable development. The project will pursue a smart building design response, coupled with on-site solar photovoltaic (PV) systems to drive grid resilience and demand management outcomes to ensure a net-zero outcome is achieved.	✓
(d) to encourage the economic growth of the City of Sydney by— (i) providing for development at densities that permit employment to increase, and (ii) retaining and enhancing land used for employment purposes that are significant for the Sydney region,	The proposal will facilitate the retention ongoing use of employment land within the City of Sydney locality. Redevelopment of the site for the upgrade of existing commercial office floorplates and addition of new floorspace will provide additional employment opportunities within the digital and innovative industries in proximity to public transport and services.	✓
(e) to encourage the growth and diversity of the residential population of the City of Sydney by	The proposal does not seek to provide additional housing. However, it will deliver an enhanced commercial office building that will be able to	✓

Aim	Proposal	Consistency
providing for a range of appropriately located housing, including affordable housing,	accommodate more employees within an inner-city suburb close to housing, public transport and services, offering a flexible and accessible working environment.	
(f) to enable a range of services and infrastructure that meets the needs of residents, workers and visitors,	The proposal will facilitate the delivery of employment and business services through the provision of 10,173m ² of additional commercial floorspace, supporting the services of the building owner, Canva Pty Ltd, as well as other digital and innovative businesses.	✓
(g) to ensure that the pattern of land use and density in the City of Sydney reflects the existing and future capacity of the transport network and facilitates walking, cycling and the use of public transport,	The proposal does not seek to alter the pattern of land use within the locality. Rather, it will facilitate the redevelopment of the existing commercial building on site in accordance with the proposed design, maintaining a large proportion of the building core, expanding additional floors from the top level. It is intended that this will be commensurate to the existing built form of the site, and the higher density character of the western edge of the 'Surry Hills Central' precinct.	✓
(h) to enhance the amenity and quality of life of local communities,	The proposal seeks to facilitate the redevelopment of the site as an enhanced built form capable of fostering a highly adaptive, high quality, commercial office environment. In addition to the ground floor shopfront offerings, this will provide the opportunity for an integrated proposal that interacts with the amenity and high quality of life throughout the surrounding public domain. This will enhance the amenity and the quality of the local commercial context.	✓
(i) to provide for a range of existing and future mixed-use centres and to promote the economic strength of those centres,	The proposal seeks to facilitate the redevelopment of the site as an enhanced built form capable of fostering a high-quality commercial office space offering. The proposed future use of the site is commensurate to the growing technology, digital and innovation industry presence within Surry Hills, especially with the emergence of the 'Tech Central' precinct to the west.	✓
(j) to achieve a high quality urban form by ensuring that new development exhibits design excellence and reflects the existing or desired future character of particular localities,	The Development Concept has been designed to ensure high quality-built form that is commensurate to the staggered built form character (from higher to medium density) embedded with heritage of Surry Hills. Particularly, the heritage characteristics of the adjacent local heritage item "Former Farleigh Nettheim & Co Ltd warehouse" (no I2267) and nearby Albion Estate Conservation Area have been considered.	✓
(k) to conserve the environmental heritage of the City of Sydney,	As outlined in Section 2.6 , the site is located within the immediate proximity of a local heritage item and nearby to the Albion Estate Conservation Area. The proposed development is predominantly located within the building envelope, besides the additional levels proposed and provides an anchor to the transition of building storeys as it steps down from the west to east. The proposed building is not considered to visually dominate the heritage items and ensures a suitable visual curtilage around the heritage items and the conservation area.	✓

Aim	Proposal	Consistency
(l) to protect, and to enhance the enjoyment of, the natural environment of the City of Sydney, its harbour setting and its recreation areas.	The future redevelopment of the site will not result in any impacts on the harbour and setting.	✓

Consistency with Floor Space Ratio Objectives of SLEP 2012

The proposal's consistency with the objectives of the floor space ratio (FSR) under the SLEP 2012 is outlined in **Table 10** below.

Table 10 *Consistency with the floor space ratio objectives of the SLEP 2012*

Aim	Proposal	Consistency
(a) to provide sufficient floor space to meet anticipated development needs for the foreseeable future,	The Proposal seeks to provide sufficient floor space to facilitate the redevelopment of the site in accordance with relevant built form controls under the SLEP 2012 and SDCP 2012. The Proposal will provide additional commercial office floor space and ensure the ongoing operation of the site supports the operation of commercial uses and ground floor shopfront tenancies.	✓
(b) to regulate the density of development, built form and land use intensity and to control the generation of vehicle and pedestrian traffic,	<p>The proposed increase to the maximum FSR on the site will facilitate the enhancement of the existing commercial floorplates and the rooftop addition of commercial floor space above. The main increase in GFA is concentrated in the additional commercial office levels and landscaped rooftop terrace established at rooftop additions.</p> <p>Through the provision of a nil street setback, the proposed building envelope responds to the existing built form context of the site and surrounding locality and will be consistent with the setback pattern within the streetscape.</p> <p>With respect to vehicle and pedestrian traffic, the proposal is not anticipated to generate any vehicle traffic or significant pedestrian traffic, as the opportunity to provide parking on site has been removed in place of end of journey facilities and bicycle parking.</p>	✓
(c) to provide for an intensity of development that is commensurate with the capacity of existing and planned infrastructure,	The Proposal will result in the development of the site to a level that is commensurate with the capacity of existing and planned infrastructure. The deletion of on-site parking and the addition of end of trip facilities and bicycle parking is a distinct benefit of the scheme with respect to existing and planned infrastructure in the locality. Furthermore, the removal of car parking is also consistent with the extremely accessible nature of the site, which is approximately 160m east of Central station, which provides train services to the entire Sydney rail network, light rail services to the Sydney CBD and South-East, and in 2024, the Sydney Metro City and South-West.	✓
(d) to ensure that new development reflects the desired character of the locality in which it is located and minimises adverse impacts on the amenity of that locality.	The proposed development has been prepared with regard to the existing character of the site and surrounding locality. The identified use, built form setbacks, building height, ground floor and façade treatment and interaction with the surrounding public domain have been considered so as to minimise impacts on the amenity of the	✓

Aim	Proposal	Consistency
	Surry Hills locality and fit into the emerging 'Tech Central' precinct vision.	

Consistency with Height of Buildings Objectives of SLEP 2012

The proposal's consistency with the objectives for height of buildings (HOB) under the SLEP 2012 is outlined in **Table 11** below.

Table 11 Consistency with the height of building objectives of the SLEP 2012

Aim	Proposal	Consistency
(a) to ensure the height of development is appropriate to the condition of the site and its context,	The proposal seeks to provide an increased height to what currently exists on the site. The increased building height will be commensurate to the nature of maximum building heights in Surry Hills, which is currently staggered from higher buildings situated towards the west to Central station down to smaller heights along the east throughout Kippax Street. Therefore, it is considered that the proposed height of development is appropriate to the condition of the site and its context.	✓
(b) to ensure appropriate height transitions between new development and heritage items and buildings in heritage conservation areas or special character areas,	The proposed building will result in a similar bulk and scale through pushing back the additional floor envelopes to reduce visual bulk as well as providing planting to the façade and rooftop to cater more gentle scale with the surrounding area. These design interventions will ensure that appropriate height transitions between the local heritage item I2267 – <i>“Former Farleigh Nettheim & Co Ltd warehouse including interiors”</i> opposite the site on Sophia Street and the Albion Estate Conservation Area (C58) are maintained.	✓
(c) to promote the sharing of views outside Central Sydney,	The proposal will not result in a development that will restrict view sharing outside of Central Sydney. Rather, it will result in a development with subtle changes to height, with a commensurate bulk and scale to the surrounding built form. Thus, view sharing is likely to remain consistent with the existing building.	✓
(d) to ensure appropriate height transitions from Central Sydney and Green Square Town Centre to adjoining areas,	The proposal will develop a height and scale that is commensurate with the surrounding ‘Surry Hills Central’. Therefore, where possible, appropriate height transitions from Central Sydney will be maintained.	✓
(e) in respect of Green Square – (i) to ensure the amenity of the public domain by restricting taller buildings to only part of a site, and (ii) to ensure the built form contributes to the physical definition of the street network and public spaces.	Not applicable. The site of the planning proposal is not located within Green Square.	N/A

Q5. Is the planning proposal consistent with any other applicable State and regional studies or strategies

NSW State Infrastructure Strategy 2022

The NSW State Infrastructure Strategy 2022-2042 brings together the infrastructure investment and land use planning of the Future Transport Strategy 2056 and the Greater Sydney Region Plan and is underpinned by the State Infrastructure Strategy 2018-2038: Building Momentum that establishes a pipeline of investment for infrastructure that is underway or in advanced planning. The Strategy sets out the NSW Government's vision for infrastructure over the next 20 years, focussing on aligning investment with sustainable growth. For Metropolitan NSW, the primary goal is to provide residents with access to jobs and services within 30 minutes, known as the '30-minute city' model.

The Strategy sets out sets out nine directions for infrastructure in NSW, of which the following are relevant:

- Boost economy: wide productivity and competitiveness – the proposal will contribute to the additional supply of high-quality commercial floorplates, supporting digital and innovative industry employment within scalable office spaces.
- Integrate infrastructure, land use and service planning – the proposal will deliver additional jobs in line with the delivery of Sydney Metro, so that capital investment keeps pace with new jobs.

The proposal will deliver additional employment floor space to accommodate increased commuter numbers associated with the anticipated arrival of the Sydney Metro at Central Station. The new Central Metro Station entry is located to the immediate south west of the site and will provide greater transport access to the site. The new Central Station Metro entry is located approximately 160m south west of the site.

Future Transport Strategy 2056

The Future Transport Strategy (FTS) 2056 sets out the NSW government's vision for transport in a growing and changing state. It guides the community on strategic directions for future planning integrated with evolving transport networks throughout the Sydney metropolitan area and the state. The strategy delivers a framework that informs place-based planning and policy decisions to achieve successful outcomes, aiming to connect community to the city and state shaping infrastructure and services pipeline.

The proposal is consistent with the objectives of this plan through:

- supporting the expansion of the by providing significant employment opportunities in direct proximity to existing heavy rail stations and future metro stations;
- assisting in unclogging the Sydney CBD transport system by connecting more people to existing heavy rail and future metro rail infrastructure and encouraging patronage of an existing network with spare capacity; and
- encouraging public transport use by providing significant employment opportunities in close proximity to future metro, light rail, rail and bus services.

Q6. Is the Planning Proposal consistent with applicable State Environmental Planning Policies?

The State Environmental Planning Policies directly applicable to the planning proposal are identified in **Table 12**.

Table 12 Consistency with State Environmental Planning Policies

SEPP	Consistent			Comment
	Yes	No	N/A	
State Environmental Planning Policy (Biodiversity and Conservation) 2021	✓			Nothing in this amendment will prevent a future DA's ability to comply with the Biodiversity and Conservation SEPP.
State Environmental Planning Policy (Exempt and Complying Development Codes) 2008			✓	Not relevant to the proposed LEP amendment.
State Environmental Planning Policy (Housing) 2021			✓	Not relevant to the proposed LEP amendment.
State Environmental Planning Policy (Industry and Employment) 2021	✓			<p>The future development of the site, including ground floor uses will have signage that is compatible with the desired amenity and visual character of the 'Surry Hills Central' precinct.</p> <p>The design principles for signage provided in Schedule 5 of the Industry & Employment SEPP 2021 will be further addressed as part of the detailed development application after this planning proposal.</p>
State Environmental Planning Policy No 65—Design Quality of Residential Apartment Development			✓	Not relevant to the proposed LEP amendment.

SEPP	Consistent			Comment
State Environmental Planning Policy (Planning Systems) 2021			✓	Not relevant to the proposed LEP amendment.
State Environmental Planning Policy (Precincts—Central River City) 2021			✓	Not relevant to the proposed LEP amendment.
State Environmental Planning Policy (Precincts—Eastern Harbour City) 2021	✓			Nothing in this amendment will prevent a future DA's ability to comply with the Eastern Harbour City SEPP 2021.
State Environmental Planning Policy (Precincts—Regional) 2021			✓	Not relevant to the proposed LEP amendment.
State Environmental Planning Policy (Precincts—Western Parkland City) 2021			✓	Not relevant to the proposed LEP amendment.
State Environmental Planning Policy (Primary Production) 2021			✓	Not relevant to the proposed LEP amendment.
State Environmental Planning Policy (Resilience and Hazards) 2021	✓			Nothing in this amendment will prevent a future DA's ability to comply with the Resilience and Hazards SEPP.
State Environmental Planning Policy (Resources and Energy) 2021			✓	Not relevant to the proposed LEP amendment.
State Environmental Planning Policy (Sustainable Buildings) 2022	✓			Nothing in this amendment will prevent a future DA's ability to comply with the Sustainable Buildings SEPP in the near future.
State Environmental Planning Policy (Transport and Infrastructure) 2021	✓			Nothing in this amendment will prevent a future DA's ability to comply with the Transport and Infrastructure SEPP.

Q7. Is the Planning Proposal consistent with the applicable Section 9.1 Directions?

Yes. An assessment of the Planning Proposal against applicable Section 9.1 Directions is set out in **Table 13**.

Table 13 Assessment of Section 9.1 Directions

Ministerial Direction	Consistent			Comment
	Yes	No	N/A	
Focus area 1: Planning Systems				
1.1 Implementation of Regional Plans	✓			As discussed in Section 8.1.2 the planning proposal is consistent with the Greater Sydney Region Plan.
1.2 Development of Aboriginal Land Council land			✓	The planning proposal does not seek to develop on Aboriginal Land Council land.
1.3 Approval and Referral Requirements	✓			The planning proposal does not comprise designated development and does not require external agency concurrence.
1.4 Site Specific Provisions	✓			The proposed amendments to SLEP 2012 are uncomplicated and will not impose unnecessarily restrictive planning controls on the site.

Ministerial Direction	Consistent			Comment
1.4A Exclusion of Development Standards from Variation	✓			The proposed amendments do not minimise the exclusion of development standards from variation under clause 4.5 of a Standard Instrument LEP or an equivalent provision of any other environmental planning instrument.
Focus area 1: Planning Systems – Place-based				
1.5 Parramatta Road Corridor Urban Transformation Strategy			✓	The site of the planning proposal is not located in the Parramatta Road Corridor.
1.6 Implementation of North West Priority Growth Area Land Use and Infrastructure Implementation Plan			✓	The site of the planning proposal is not located in the North West Priority Growth Area.
1.7 Implementation of Greater Parramatta Priority Growth Area Interim Land Use and Infrastructure Implementation Plan			✓	The site of the planning proposal is not located in THE Greater Parramatta Priority Growth Area.
1.8 Implementation of Wilton Priority Growth Area Interim Land Use and Infrastructure Implementation Plan			✓	The site of the planning proposal is not located in the Wilton Priority Growth Area.
1.9 Implementation of Glenfield to Macarthur Urban Renewal Corridor			✓	The site of the planning proposal is not located in the Glenfield to Macarthur Urban Renewal Corridor.
1.10 Implementation of Western Sydney Aerotropolis Plan			✓	The site of the planning proposal is not located in the Western Sydney Aerotropolis.
1.11 Implementation of Bayside West Precincts 2036 Plan			✓	The site of the planning proposal is not located in any of the Bayside West precincts.
1.12 Implementation of Planning Principles for the Cooks Cove Precinct			✓	The site of the planning proposal is not located in the Cooks Cove precinct.
1.13 Implementation of St Leonards and Crows Nest 2036 Plan			✓	The site of the planning proposal is not located in the boundaries of the St Leonards and Crows Next Plan.
1.14 Implementation of Greater Macarthur 2040			✓	The site of the planning proposal is not located in the boundaries of the Greater Macarthur 2040 plan.
1.15 Implementation of the Pyrmont Peninsula Place Strategy			✓	The site of the planning proposal is not located in the boundaries of the Pyrmont Peninsula Place Strategy.
1.16 North West Rail Link Corridor Strategy			✓	The site of the planning proposal is not located in the North West Rail Link Corridor.
1.17 Implementation of the Bays West Place Strategy			✓	The site of the planning proposal is not located in the Bays West Precinct.
1.18 Implementation of the Macquarie Park Innovation Precinct			✓	The site of the planning proposal is not located in Macquarie Park.
1.19 Implementation of the Westmead Place Strategy			✓	The site of the planning proposal is not located in Westmead.
1.20 Implementation of the Camellia-Rosehill Place Strategy			✓	The site of the planning proposal is not located in Camellia, nor Rosehill.
1.21 Implementation of South West Growth Area Structure Plan			✓	The site of the planning proposal is not located in the South West Growth Area.
1.22 Implementation of the Cherrybrook Station Place Strategy			✓	The site of the planning proposal is not located in the Cherrybrook station precinct.

Ministerial Direction	Consistent			Comment
Focus area 2: Design and Place				
Focus area 3: Biodiversity and Conservation				
3.1 Conservation Zones			✓	The planning proposal is not proposed to infringe on any heritage conservation zones.
3.2 Heritage Conservation	✓			The planning proposal respects the heritage items surrounding the site, including the local heritage item “Former Farleigh Nettheim & Co Ltd warehouse including interiors” (I2267), directly adjacent to the site across Sophia Street.
3.3 Sydney Drinking Water Catchments			✓	Not relevant to the proposed LEP amendment.
3.4 Application of C2 and C3 Zones and Environmental Overlays in Far North Coast LEPs			✓	The site of the planning proposal is not located in, or in proximity to, any C2 or C3 zones.
3.5 Recreation Vehicle Areas			✓	The site of the planning proposal is not located in a Recreation Vehicle Area.
3.6 Strategic Conservation Planning			✓	The site of the planning proposal is not located in an area that requires Strategic Conservation Planning.
3.7 Public Bushland			✓	The site of the planning proposal is not located in an area of Public Bushland.
3.8 Willandra Lakes Region			✓	The site of the planning proposal is not located in the Willandra Lakes Region.
3.9 Sydney Harbour Foreshores and Waterways Area			✓	The site of the planning proposal is not located in the Sydney Harbour Foreshores and Waterways Area.
3.10 Water Catchment Protection			✓	The site of the planning proposal is not located in a Water Catchment Protection zone.
Focus area 4: Resilience and Hazards				
4.1 Flooding			✓	The site of the planning proposal is not located in a flood planning area, nor is it identified as flood prone land.
4.2 Coastal Management			✓	The site of the planning proposal is not located in a coastal management area.
4.3 Planning for Bushfire Protection			✓	The site of the planning proposal is not located in a bushfire prone land area.
4.4 Remediation of Contaminated Land			✓	The site of the planning proposal is not classified as contaminated land.
4.5 Acid Sulfate Soils	✓		✓	The site of the planning proposal is identified as having class 5 acid sulfate soil and will be managed through the DA process
4.6 Mine Subsidence and Unstable Land			✓	The site of the planning proposal is not located in land identified as mine subsidence or unstable land.
Focus area 5: Transport and Infrastructure				
5.1 Integrating Land Use and Transport	✓			The planning proposal improves access to new employment for workers by walking, cycling and public transport by taking into consideration the proximity of the site to existing networks.

Ministerial Direction	Consistent			Comment
5.2 Reserving Land for Public Purposes			✓	Not relevant to the proposed LEP amendment.
5.3 Development Near Regulated Airports and Defence Airfields			✓	Not relevant to the proposed LEP amendment.
5.4 Shooting Ranges			✓	Not relevant to the proposed LEP amendment.
Focus area 6: Housing				
6.1 Residential Zones	✓			Not relevant to the proposed LEP amendment.
6.2 Caravan Parks and Manufactured Home Estates			✓	Not relevant to the proposed LEP amendment.
Focus area 7: Industry and Employment				
7.1 Business and Industrial Zones	✓			The planning proposal will maintain and enhance the employment generating uses on the site and support the viability of the of the 'Surry Hills Central' precinct, as well as the Surry Hills innovation corridor.
7.2 Reduction in non-hosted short-term rental accommodation period			✓	Not relevant to the proposed LEP amendment.
7.3 Commercial and Retail Development along the Pacific Highway, North Coast			✓	The site of the planning proposal is not located along the Pacific Highway or North Coast.
Focus area 8: Resources and Energy				
8.1 Mining, Petroleum Production and Extractive Industries			✓	Not relevant to the proposed LEP amendment.
Focus area 9: Primary Production				
9.1 Rural Zones			✓	The site of the planning proposal is not located in a Rural Zone.
9.2 Rural Lands			✓	The site of the planning proposal is not identified as Rural Lands.
9.3 Oyster Aquaculture			✓	Not relevant to the proposed LEP amendment.
9.4 Farmland of State and Regional Significance on the NSW Far North Coast			✓	The site of the planning proposal is not identified as Farmland, nor is it located in a regional area.

8.2 Site-specific merit

8.2.1 Section C – Environmental, social and economic impact

Q8. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

The site's location within the urban inner-city area of Surry Hills, on the edge of the Sydney CBD significantly limits its exposure to critical habitat or threatened species, as well as the populations or ecological communities that are associated with them. As addressed in the Biodiversity and Conservation Ministerial Directions in **Table 13** the site of the planning proposal:

- is not located in, or in proximity to, any C2 Environmental Conservation or C3 Environmental Management land;
- is not located in an area that requires strategic conservation planning;
- is not located in an area of Public Bushland; and
- is not located in a Water Catchment Protection Zone.

Therefore, it is considered that the renewal and redevelopment of the site can be achieved without resulting in adverse impacts to the flora and fauna identified in the site and surrounding area.

Q9. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

A detailed assessment of the environmental effects as a result of this request for a planning proposal is identified in **Section 9.0** of this report. Relevant management measures are identified where appropriate and, on this basis, no unacceptable impacts are likely to result for a planning proposal or future development on the site.

Q10. Has the planning proposal adequately addressed any social and economic effects?

Yes. The economic and social impacts arising from this request for a planning proposal have been fully identified and addressed by specialised reports which are assessed at **Section 9.0**. The planning proposal will contribute to several positive social and economic effects, including:

- providing a significant uplift to the ground floor level fronting Kippax Street, enabling high quality, fine-grain shop frontages that will improve the activation of the site to Kippax Street, delivering a space that will encourage improved direct and incidental social interaction, improved foot traffic and improved amenity and safety for the public within the surrounding public domain;
- providing improved commercial office spaces that will support digital and innovative businesses within the Surry Hills innovation corridor and the nearby emerging 'Tech Central' precinct; and
- provision of 789sqm of additional high quality commercial office space that is in proximity public transport infrastructure and key services throughout Surry Hills and the nearby Sydney CBD.

Refer to **Section 9.11.5** for further social and economic assessment.

8.2.2 Section D – Infrastructure (Local, State and Commonwealth)

Q11. Is there adequate public infrastructure for the Planning Proposal?

The redevelopment of the site will be serviced by the existing public infrastructure and services including connections to power, telecommunications, water and sewerage. This infrastructure for the site has been considered by the project engineers, ADP.

8.2.3 Section E – State and Commonwealth Interests

Q12. What are the views of state and federal public authorities and government agencies consulted in order to inform the Gateway determination?

The site of the request for a planning proposal is located within the catchment of the 'Surry Hills Central' precinct, as well as within the Surry Hills innovation corridor, which is serviced by significant transport infrastructure and government investment. Where necessary, further consultation with relevant authorities will be undertaken as required in accordance with the Gateway Determination. State and Commonwealth authorities will have the opportunity to provide comment on the planning proposal as part of its formal exhibition.

9.0 Environmental Assessment

This section provides an environmental assessment of the proposed planning controls and the indicative reference scheme that those controls are capable of accommodating.

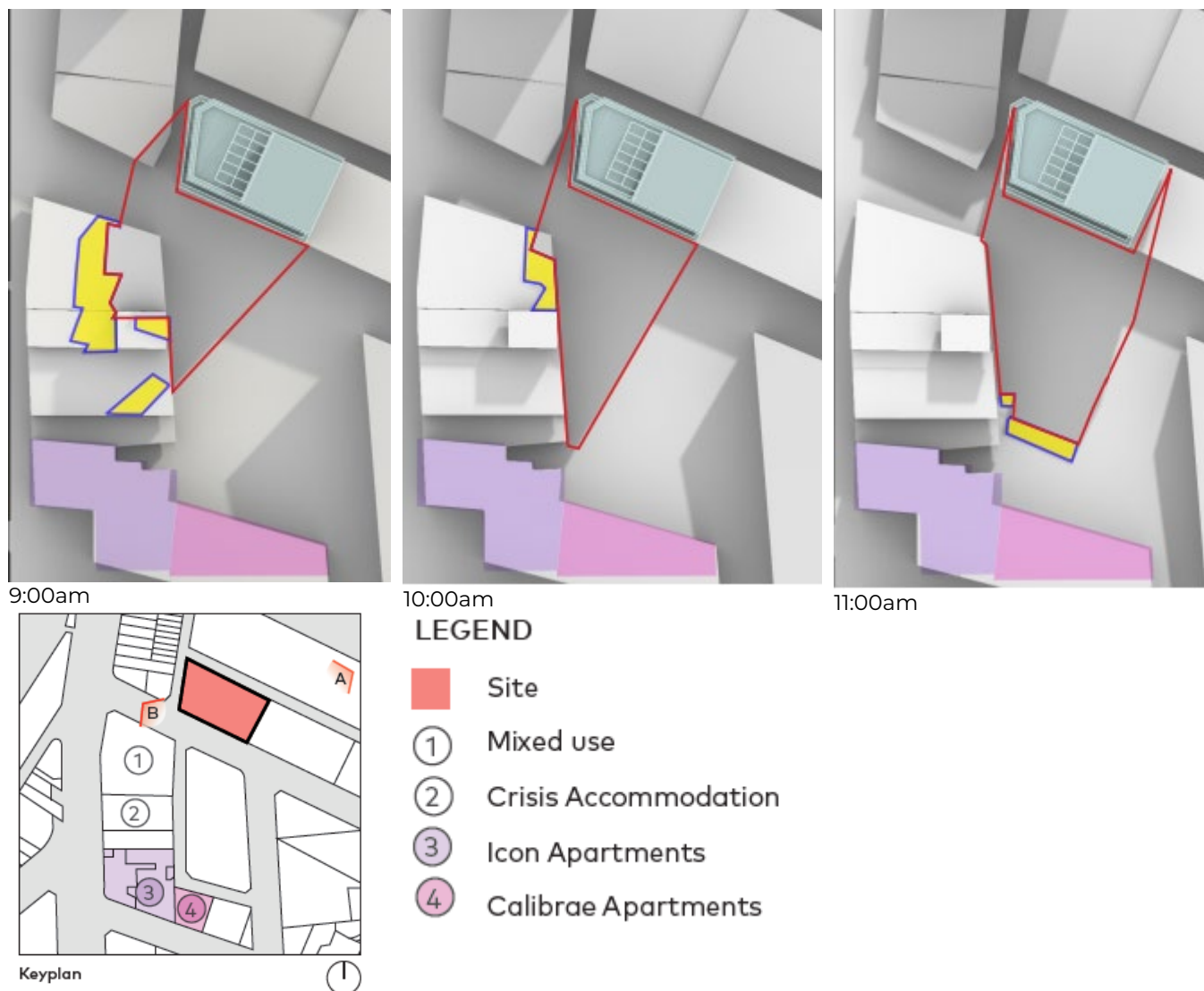
9.1 Built form and Urban Design

The proposal's built form and urban design have been considered in detail within the Urban Design Report set out at **Appendix A**. The design has been configured to be respectful and recessive to the existing building envelope, whilst providing high quality and high amenity floorspace and mitigating external impacts.

9.2 Overshadowing

A shadow analysis has been prepared by Cox Architecture and is provided in the Urban Design Report at **Appendix A**. The analysis has been undertaken in one-hour intervals between 9:00am to 3:00pm during the winter solstice (21 June) where the overshadowing impacts are considered to be the worst. The diagrams provided are replicated below in **Figure 28** below with the maximum extent of the Indicative Reference Scheme outlined in blue. The analysis demonstrates the overshadowing impacts are at their greatest on the commercial buildings located south west of the site which is the case with the existing building. It can be confirmed the Indicative Reference Scheme will not result in any overshadowing impacts to the residential properties (Icon Apartments and Calibrae Apartments) located to the south west of the site.

Cox Architecture have also undertaken testing on a hypothetical residential envelope on the carpark site (opposite the site) to ensure adequate sunlight is still achieved at the site. It was found that the Indicative Reference Scheme would not impact the site's ability to be designed for a mixed use development.



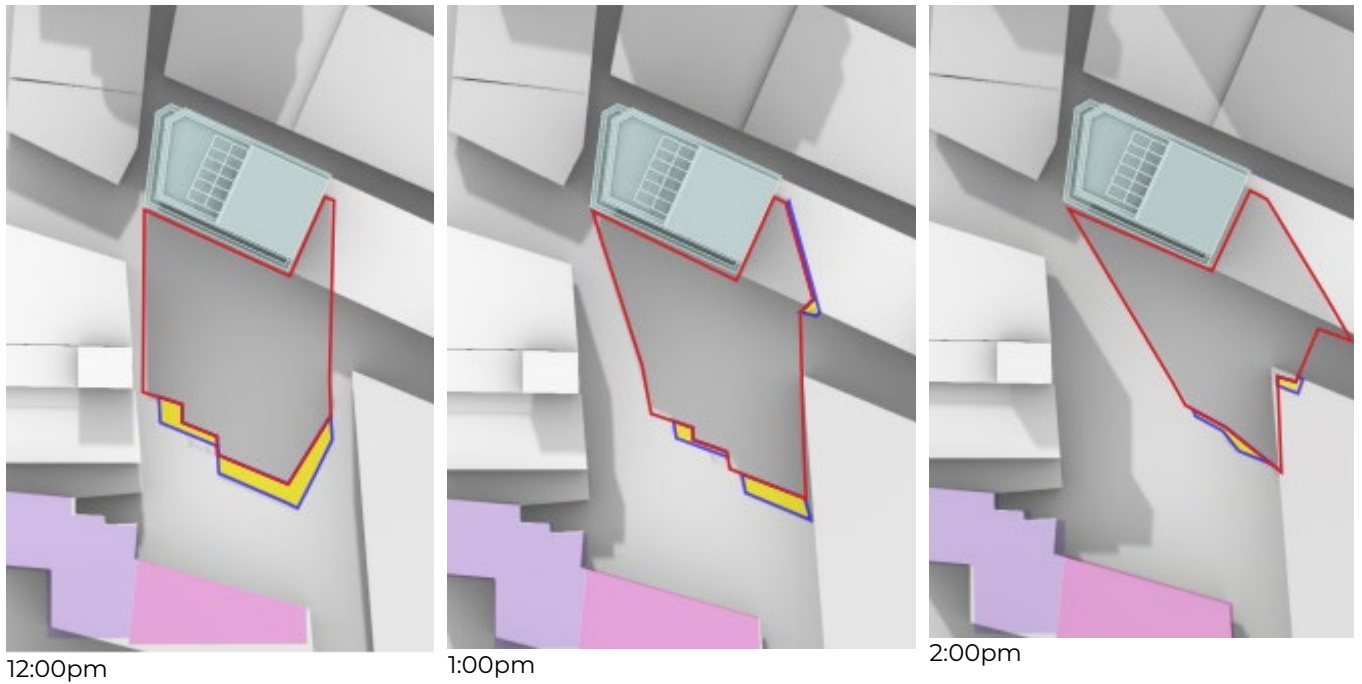
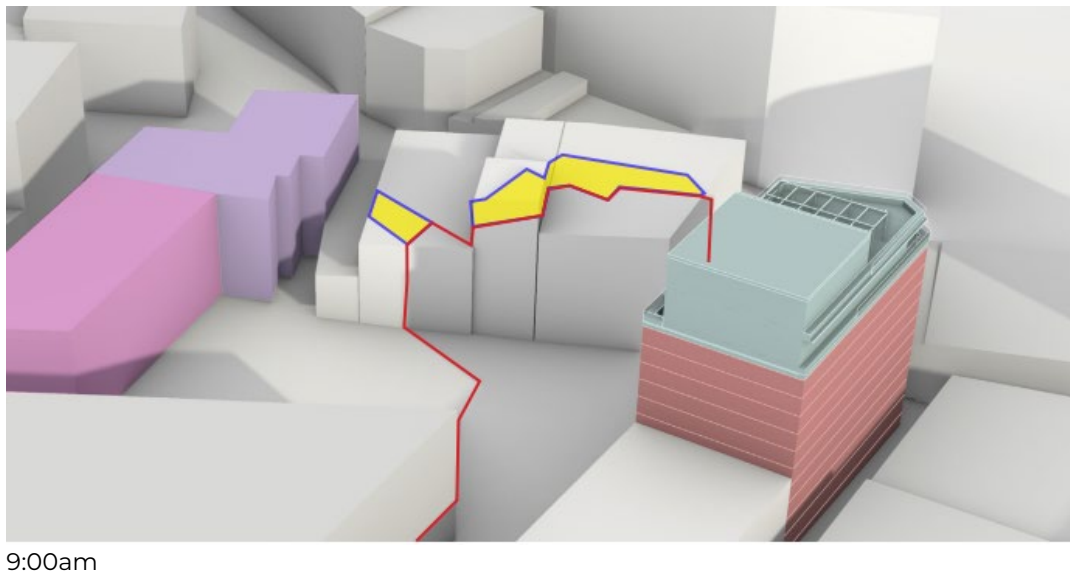
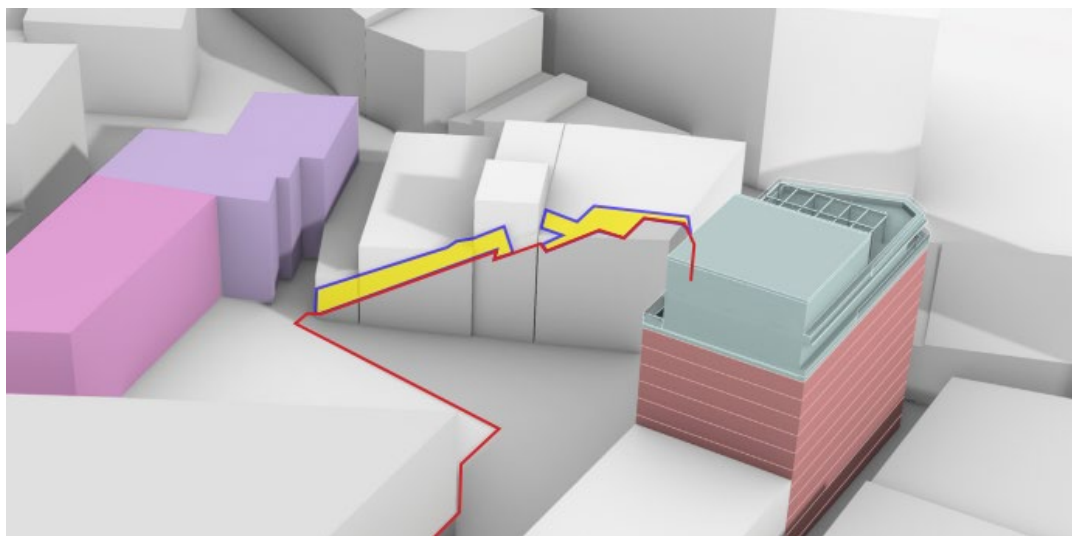


Figure 28 Hourly views of the Indicative Reference Scheme overshadowing impacts (total extent within blue outline) during the mid-winter solstice

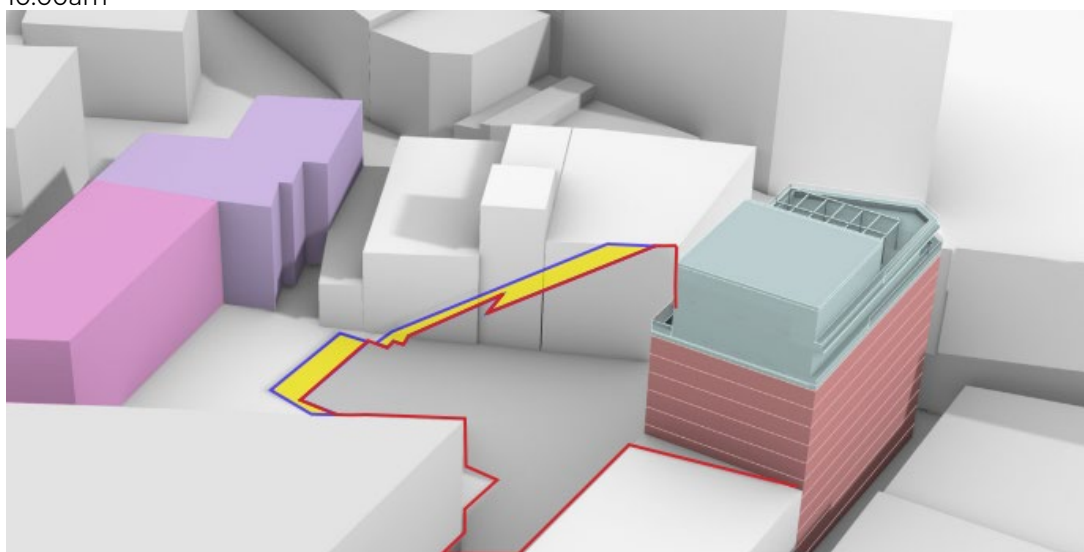
Source: Cox Architecture

Axonometric views of the overshadowing between 9:00am and 11:00am have been provided in **Figure 29** which further demonstrates the existing residential buildings within the vicinity of the site will not be impacted by the Indicative Reference Scheme envisaged under the Planning Proposal.





10:00am



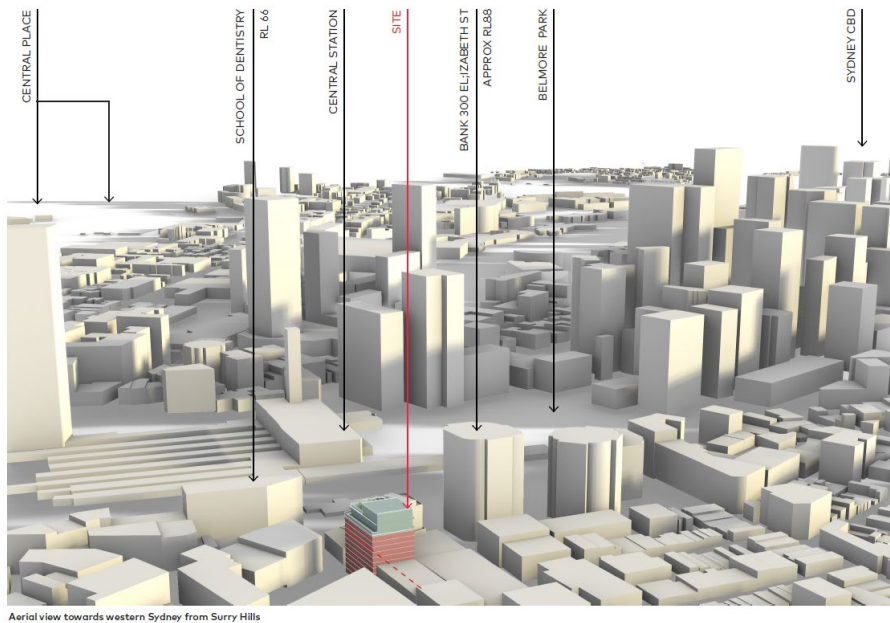
11:00am (after which shadow do not fall on building elevation)

Figure 29 Axonometric views of the Planning Proposal envelope Overshadowing (total extent within blue outline)

Source: Cox Architecture

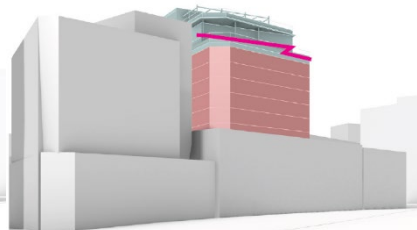
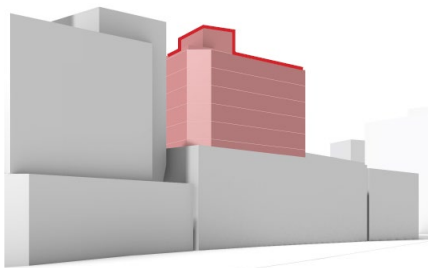
9.3 Visual Impacts

A selection of perspective views of the proposed building envelope additions, compared to existing are provided in **Figure 30** below. Whilst the proposed additional will be visible, the recessed scale of the form and tapering from west to east, reduces the appearance of bulk and massing. This will be future mitigated through the detailed design of the roof and canopy, along with the proposed landscaping and rooftop greening proposed and shown indicatively in the artist impression in **Figure 23**.

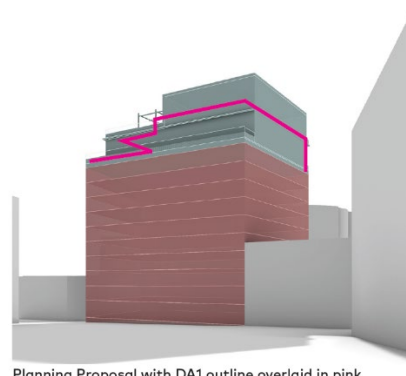
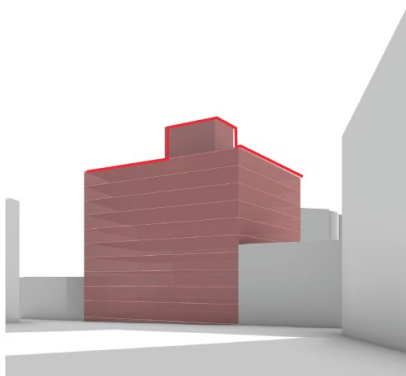
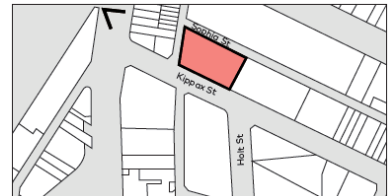


LEGEND

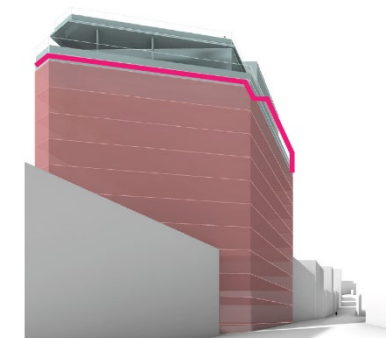
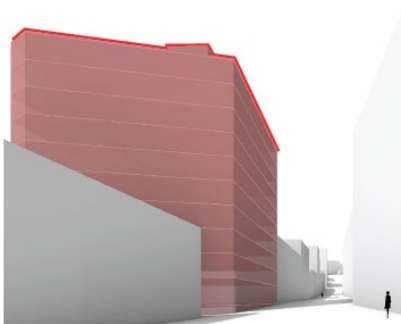
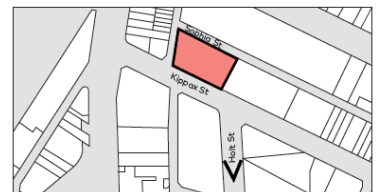
- Existing Building
- Indicative Planning Proposal Additions
- Existing height limit
- Existing Roof line
- DA1 Roofline



Planning Proposal with DA1 outline overlaid in pink



Planning Proposal with DA1 outline overlaid in pink



Planning Proposal with DA1 outline overlaid in pink

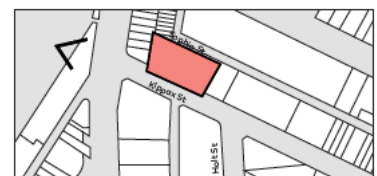


Figure 30 Visual Assessment of the proposal from key vantage points.

Source: Cox Architecture

9.4 Design Excellence

The proposed envelope and reference scheme as set out in **Appendix B** exhibits design excellence having regard to those matters under Clause 6.21C(2) of Sydney LEP 2012 thus achieving the objective of the design excellence clause to deliver the highest standard of architecture. A detailed assessment of the Planning Proposal's achievement of these principles is outlined in detail as part of the Urban Design Report at **Appendix A**.

Clause 6.21D of the LEP sets out a number of triggers for the requirement of a competitive design process, with those applicable to the site and proposal being:

- development in respect of a building that has, or will have, a height above ground level (existing) greater than 25 metres on any other land (outside of Central Sydney)
- development in respect of which a development control plan is required to be prepared under clause 7.20 (which will be addressed through the preparation of a site specific DCP accompanying this Planning Proposal,
- Notwithstanding the application of this Clause, subclause 6.21D(2) of the LEP gives power to the consent authority to waive the requirement for a competitive design process where it is satisfied that it would be unreasonable or unnecessary in the circumstances.

The requirement to conduct a competitive design process is considered unnecessary in the circumstances of this proposal for the following reasons:

- The proposal by Cox Architecture achieves design excellence, as it is of the highest standard of architectural design, demonstrates, materials and detailing, and is appropriate to the building type and location. The proposal exhibits design excellence having regard to those matters under Clause 6.21C(2) thus achieving the objective of the design excellence clause to deliver the highest standard of architecture.
- COX Architecture are highly credentialled and awarded Australian architects with demonstrated capability of designing buildings of the highest calibre. COX Architecture has delivered a number of award-winning projects including a number of adaptive reuse projects in the City Sydney.

Accordingly, the requirement to undertake a design competition is considered both unreasonable and unnecessary in the circumstances, and separately, meets all other criteria set out Clause 6.21D(2)(a)-(d).

9.5 Acoustic Impacts

A Noise Impact Assessment (NIA) has been prepared by Pulse White Noise Acoustics (PWNA) and is provided at **Appendix H**. The Assessment includes the acoustic investigation into the noise and vibration impacts expected from the Indicative Reference Scheme, including entertainment operations, as well as potential noise impacts from existing noise sources within the vicinity of the site from surrounding noise sources. This includes the specific elements of the proposal to the roof area including:

- level 10 roof terrace as internal function room with small adjoining terrace;
- constructing a new level 11 on top of the level 10 function room;
- level 11 external terrace; and
- ancillary works, including site services.

A site map showing the nearest nine (9) sensitive receivers to the site and the unattended and attended monitoring location is provided in **Figure 31**.

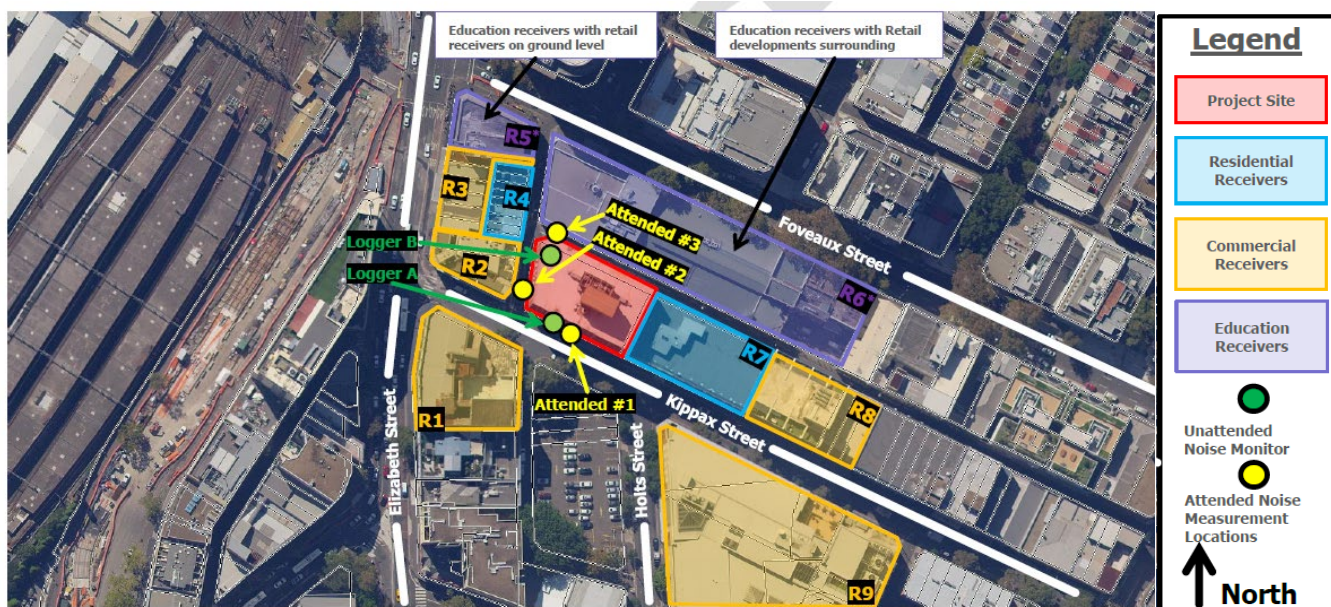


Figure 31 Measurement Locations and Surrounding Receivers
Source: PWNA

9.5.1 Operational Acoustic Assessment

Noise emissions are expected to be generated from engineering services, additional vehicles (negligible impact), the retail tenancy on Sophia Street, the loading dock on Sophia Street and the use of Level 10 as a function space and the rooftop as a recreational space.

Noise Associated with the Mechanical Equipment on Site

All future plant and equipment are to be acoustically treated to ensure the noise levels at all surrounding receivers comply with noise emission criteria identified. Acoustic treatments to mechanical equipment have been provided as part of the NIA and considered as being capable of complying with the relevant noise criteria.

Predicted rooftop terrace noise Levels

The predicted noise levels associated with the rooftop space envisaged as part of the Indicative Reference Scheme, based on the assumption 320 patrons using the space within the period of 7am to midnight has been provided. The worst-case predictions were identified for the nearest receivers and the results indicate the entertainment noise emissions from the proposed use of the rooftop area during the day period (7am-midnight) will comply with the City of Sydney entertainment noise criteria adopted. The following recommendations have been provided (based on operational hours of 7am-midnight):

- Operation hours are: 7:00 am – midnight – 7 days per week;
- Amplified music/sound is permitted on the roof terrace, however, must be limited to 85 dB(A) LAeq when measured as a sound pressure level within the space; and
- A 2.3 m high glass balustrade must be installed along the perimeter of the rooftop area (excluding the eastern façade).

Level 10 Function Space

The Indicative Reference Scheme includes a Level 10 Function Space which is anticipated to be similar in nature to the Level 11 roof terrace. As the Level 10 function space is proposed to be enclosed, the recommended façade glazing located in the NIA is considered to be sufficient to contain entertainment noise breakout from generating adverse noise impacts at nearby sensitive receivers. To ensure compliance is achieved, the following recommendations must be implemented:

- Operation hours are: 7:00 am – midnight – 7 days per week; and
- Amplified music/sound is permitted within the level 10 function space provided that the reverberant sound pressure level from the sound system is limited to 85 dB(A) LAeq when measured as a sound pressure level within the space.

9.6 Flooding

It is acknowledged that the site is identified as being located on land subject to flooding and that the Indicative Reference Scheme seeks to activate the perimeter of the site which is flood prone. A Stormwater Management Plan has been prepared by Enstruct and is provided at **Appendix L** which sets the application of flood planning levels in accordance with the relevant requirements of Council's Interim Floodplain Management Policy. The Indicative Reference Scheme has been found to:

- Be compatible with the established flood hazard of the land;
- Not significantly adversely affect flood behaviour, the environment, or cause avoidable erosion,
- Incorporate measures to manage risk to life; and
- Be consistent with the principles of Ecologically Sustainable Development.

In summary, the Indicative Reference Scheme proposes a considered response to mitigating the impacts of flooding on the site.

9.7 Traffic and Parking

A Traffic and Parking Assessment has been prepared by Transport and Traffic Planning Associates (TTPA) and is provided at **Appendix I**. The Indicative Reference Scheme seeks to remove the 55 existing car spaces and accommodate adequate end of trip facilities, comprising change facilities and bicycle parking within a combined area within the basement and lower ground floor.

In accordance with the proposed amendments Sydney LEP 2012 controls related to parking, no on-site car parking for future development on the site is proposed given the site's proximity to major public transport services including heavy rail, light rail and buses which all interchange at the recently ungraded Central Railway Station within walking distance from the site.

While the Planning Proposal will involve the provision of 789m² additional commercial floorspace from the existing building on the site, the traffic movements generated will be generally consistent with that of the existing building. It is understood the site will be used for meetings and functions which will involve visitors to the site however these are not expected to involve travel in the AM/PM peak period and will only involve minimal pick up/set down movements by motor vehicles.

The traffic generation of the proposed development on the basis the proposed no provision of parking spaces will be limited to the associated on-street set down/pick up and service/delivery vehicle movements.

This projected traffic generation will be very minor and significantly less than the movements generated by the existing site use with its on-side car parking and accordingly there will be no adverse traffic implications as a result of the proposed development.

- development will not result in any unsatisfactory traffic or parking implications particularly as:
- there will be no-site parking provision
- there will be suitable and appropriate on-site provision for bicycle parking and EoT facilities
- there will be excellent public transport services available in close proximity to the site.

In summary, the Planning Proposal is supportable from a traffic and parking perspective for the reasons outlined above.

9.8 Structural Capability

A Structural Statement has been prepared by Meinhardt and is provided at **Appendix K**. The Statement's structural recommendations have been incorporated within the Indicative Reference Scheme to ensure the existing structure together with the new structural elements will be able to support the proposed new loads. It is acknowledged there is a list of non-compliances against the building codes and standards that are expected due to the older nature of the existing building (refer to **Appendix K**).

9.9 Public Art

A Public Art Strategy has been prepared by UAP and is provided at **Appendix G**. The objective of the Strategy is to analyse and identify the best potential approaches for the inclusion of public art within a future proposal on the site. A number of locations have been identified across the site that are considered to be highly visible from the public realm that would be appropriate for public art intervention.

Public art for 8-24 Kippax Street will be developed to align with the City of Sydney's vision and goals for public art and drawing from the City's Sustainable Sydney 2030-2050 Continuing the Vision and related public art policies, strategies, and plans. The matrix (right) outlines the '8 Guiding Principles' for City of Sydney public art and provides an overview that demonstrates how public art for 8-24 Kippax Street will align with these principles.

The Curatorial Vision (as set out in the Public Art Strategy) is based on contextual analysis, including research into the history, aspirations, environment, urban character and users of the place. It ensures that the public art is conceptually connected by setting an overarching vision for art, describing what the artworks aspire to achieve, and providing thematic inspiration for artists. Directing artists in creating a site-specific response to public art, the Curatorial Vision provides a starting point for inspiration, not a prescriptive theme.

This curatorial vision also sits in alignment with the architectural drivers of the building redesign by Cox Architecture, a design heavily imbued with the desire to do 'More With Less'. In this project the details are critical – what materials are recycled, what can be re-used, and how can waste be minimised? It is the accumulation of these considered details that define the impact of the whole.

Possible typologies explored include mural and sculptural attachments with possible locations including:

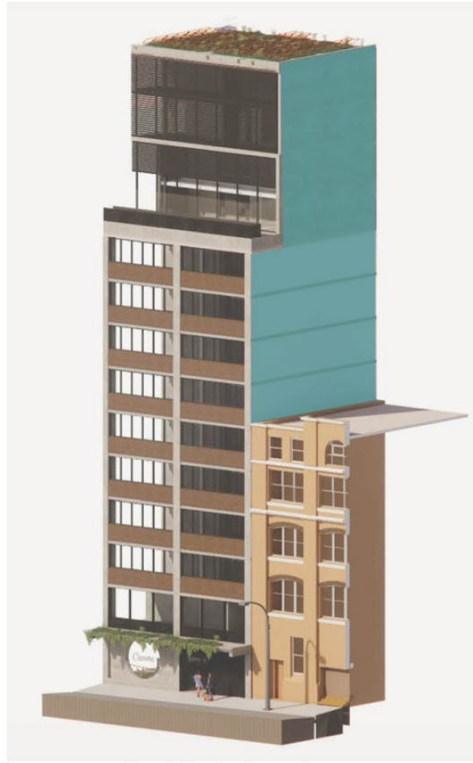
- Kippax Street eastern wall;
- Kippax Street Soffit; and
- Sophia Street Lanway.



Sophia Street – Location of potential art highlighted in blue



Kippax Street Soffit – Location of potential art highlighted in blue



Kippax Street Eastern Wall – Location of potential art highlighted in blue

Figure 32 Public Art Strategy – Potential locations

Source: Cox Architecture + UAP

9.10 Ecologically Sustainable Design

An Ecologically Sustainable Development (ESD) Report has been prepared by E-LAB Consulting for the proposal. It explores Canva's sustainability practices and goals and translates these into an implementation framework that showcases bold climate action in the built environment and demonstrates a Project design response that is aligned with the applicable statutory planning framework.

The proposal will enable a *large commercial development* (as defined in the Sustainable Building SEPP) of greater than 1,000m² involving the major refurbishment of an existing commercial office premises with a project value greater than \$10 million, will be subject to a range of statutory planning controls, policies, and guidelines at a local and state government level, and sustainability certification tools.

These controls, policies, guidelines, and tools are a material consideration when developing project sustainability requirements that reflect a credible, market-leading sustainability strategy and implementation framework for the Project.

- Sydney Local Environmental Plan 2012;
- Sydney Development Control Plan (DCP) 2012 – including Section 3.6 and Section 3.11;
- NSW Sustainable Buildings SEPP;
- Green Star (Green Building Council of Australia);
- NABERS Energy and Water for Offices; and
- A Guide to Office Building Quality (Property Council of Australia).

As set out in the ESD report, the site's future redevelopment and adoption of the reference scheme is capable of achieving the:

- ESD objectives and controls of the Sydney DCP 2012 and thereby achieving the objectives of Sydney LEP 2012;
- Energy and water standards, and net zero provisions) of the NSW Sustainable Buildings SEPP – as applicable; and
- Embodied emissions reporting requirements of the NSW Sustainable Buildings SEPP (by others).

Adaptive Reuse and Embodied Carbon

The proposal inherently responds to a whole life carbon shift in the built environment – minimising embodied carbon and capturing sequestered carbon through the adaptive reuse and relining of existing buildings. This ‘never demolish’ mindset is a core tenet of the whole life net zero ready design response.

Through the sensitive integration of a modern workplace that reinforces the Canva Community, the Indicative Reference Scheme seeks to retain a high proportion of the structure and envelope where not impacted by fundamental functional adjustments, including:

- Double brick cavity upstands on Levels 1 – 9 on north, and Levels 2 – 9 on west and south (subject to strengthening and internally lined)
- Party wall on east (subject to strengthening and internally lined)
- Columns and beams
- Suspended floors
- Existing pad footings to be retained and strengthened for re-use, where practicable

Smart Building

As extract of the ESD report below (**Figure 33**) is provided to demonstrating the proposal to pursue a smart building design response, coupled with on-site solar photovoltaic (PV) systems, to drive grid resilience and demand management outcomes.

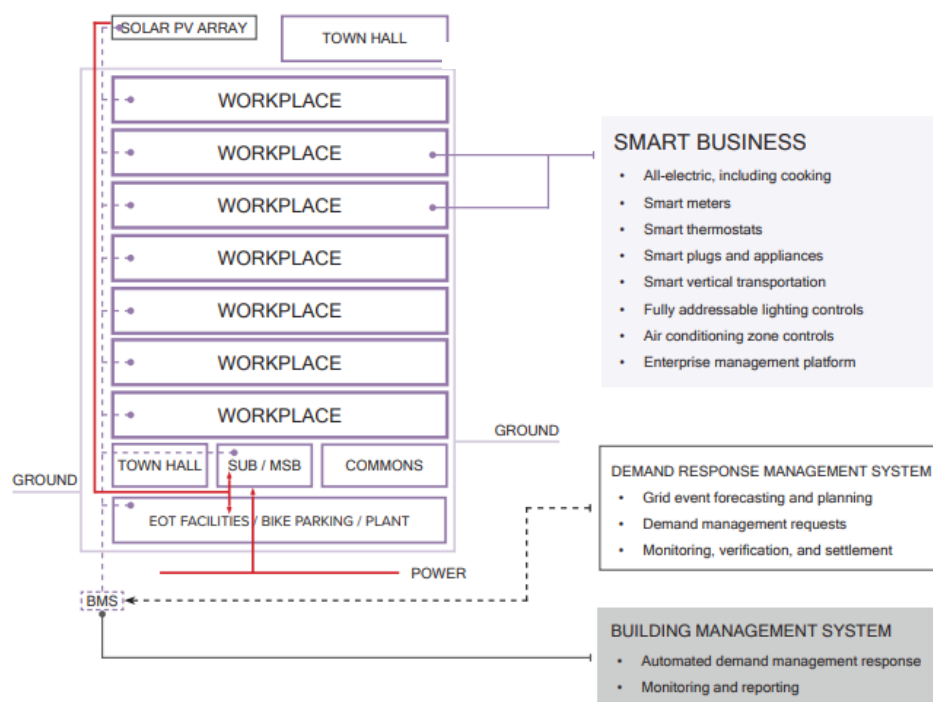


Figure 33 Proposed Smart Building design configuration

Source: E-LAB

9.11 Social and Economic Impacts

This section sets out a consideration of social and economic impacts and benefits of the proposal.

9.11.1 Strategic Planning and Policy Framework

A Plan for Growing Sydney

The Plan for Growing Sydney identifies a number of key challenges facing Sydney. Of relevance to the proposed development is the need to create 689,000 new jobs by 2031.

In this respect, the proposed development provides additional employment opportunities in a highly accessible location. Given the demographic characteristics of the area, the proposed development is likely to be an attractive place to work for local residents, allowing residents to work close to home.

Eastern City District Plan

The Eastern City District Plan identifies Surry Hills as part of the 'Innovation Corridor'. As such, Surry Hills needs to provide appropriately located and designed space for creative businesses, particularly in the technology sector. In addition, the Plan seeks to ensure sufficient amenity to attract local workers and ensure that market capacity exists to retain and grow local businesses, minimising the need for re-location.

An objective of the proposed development is to refurbish a commercial building that has become dated. This refurbishment will improve the overall façade of the building and continue the trend of revitalisation in the streets of Surry Hills. A number of additional benefits to the local commercial office market are discussed below. The refurbishment will also involve a modest increase in GFA, with a large proportion of this increase coming from the conversion of a carpark into end-of-trip facilities. Additional GFA will also involve improvements to overall worker amenity at the site (workplace amenities and circulation space) and provide additional workforce capacity.

The outcomes of the proposed development are expected to support the existing creative cluster within Surry Hills and help to maintain Surry Hills as an 'Innovation Corridor'.

Sustainable Sydney 2030: Community Strategic Plan (2013)

The Sustainable Sydney 2030 plan sets out the City of Sydney's Strategic Plan for achieving a sustainable city, including a number of key targets and objectives.

Of relevance to the proposed development is Target 7, aiming to have at least 10 per cent of City Trips made by bicycle and 50 per cent on foot.

In addition, several other objectives relate to incentivising and encouraging more sustainable travel options. For example, Objective 4.3 "Green Travel is the preferred transport choice to City workplaces and venue" notes insufficient end of trip facilities for cyclists and pedestrians. Action item 4.3.1 targets providing these end of trip facilities by 2030, as a key initiative to encourage walking and cycling to work.

Under the proposed development at Foveaux Street, the complete removal of the car park and conversion to an end-of-trip facility will assist in the City of Sydney achieving Target 7 and Objective 4.3. While the redevelopment will increase the building's GFA, as the current car park is excluded from the existing GFA calculation, this increase directly incentivises sustainable transport by providing workers with end of trip facilities. In addition, given the site's proximity to existing public transport nodes, it is expected that a significant proportion of workers will use local public transport services.

Overall, the proposed redevelopment will positively contribute to the City of Sydney in achieving its vision for a sustainable Sydney, as set out in the *Sustainable Sydney 2030: Community Strategic Plan (2013)*.

9.11.2 Future Community and Economic Profile

The population of Surry Hills is forecast to increase from 16,400 in 2016 to around 21,900 residents by 2036, a total increase of approximately +5,500 at an average annual growth rate of 1.5%.

This growth rate is much lower than for the City of Sydney (2.0%) and slightly lower than Greater Sydney's at 1.5%.

Importantly, approximately 61% of the total population growth is expected to be in the working age cohorts between 20 and 64 years of age. This suggests that the area will continue retain a large number of young professionals.

Between 2016 and 2036, the total number of jobs within Surry Hills are projected to increase by around 6,800 positions at an average annual growth rate of 1.1%. Within the City of Sydney, the number of jobs are forecast to grow at an average annual growth rate of 1.4%. This increase in employment in Surry Hills is projected to be concentrated in industries such as Professional, Scientific and Technical Services, Education and Training, and Health Care and Social Assistance.

9.11.3 Sydney Commercial Office Market

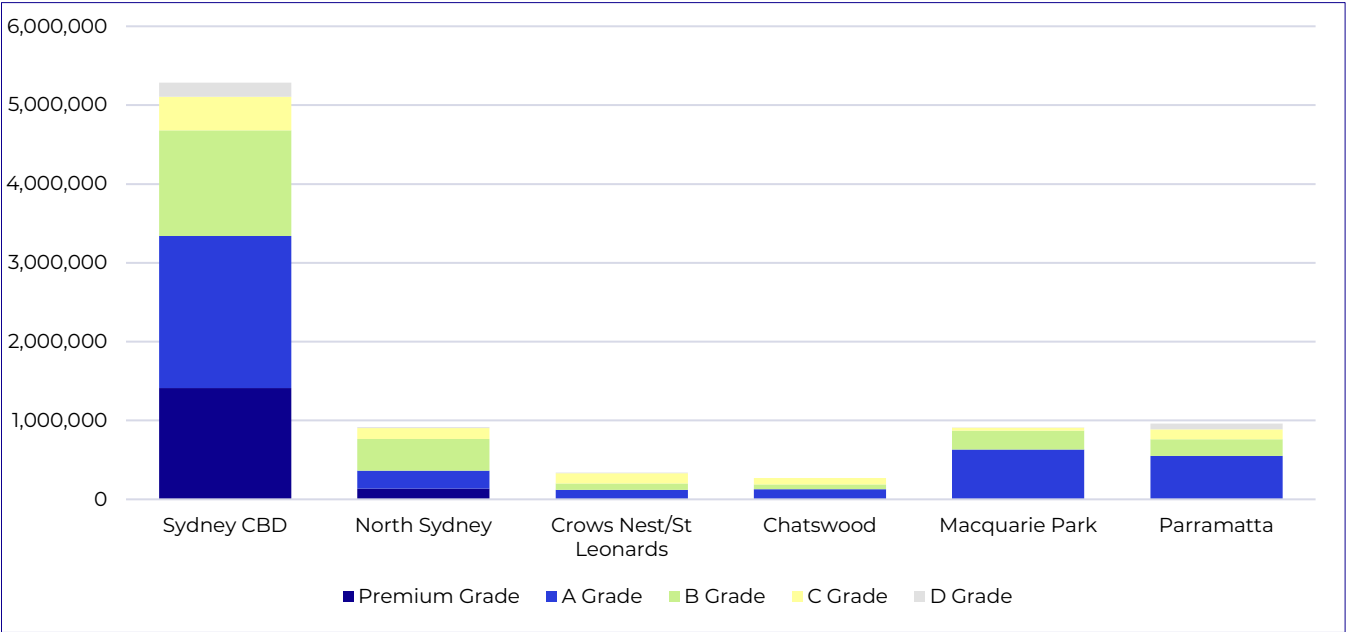
The Sydney CBD forms the major commercial office destination, providing over 5 million square metres of commercial office floorspace and serves a critical role in Australia's national economy. The role of the

metropolitan office markets across Greater Sydney also serves an important local and regional function that complement the higher-order role of the Sydney CBD.

A breakdown of the provision of commercial office floorspace across the Sydney CBD and major Sydney metropolitan office markets is outlined below. (Sourced from the PCA Office Market Report, January 2023).

Key markets and the provision of commercial office floorspace include:

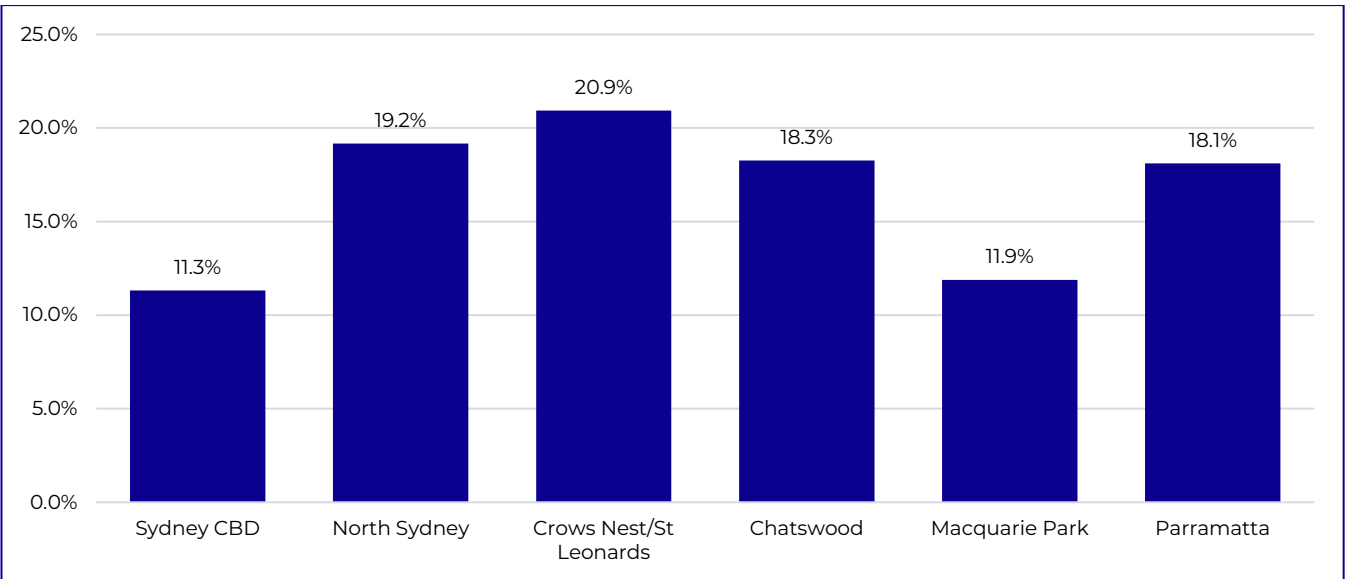
• Sydney CBD – 5,283,190m ²	• Macquarie Park – 908,870m ²
• Parramatta – 959,820m ²	• Crows Nest/St Leonards – 340,890m ²
• North Sydney – 918,140m ²	• Chatswood – 271,000m ²



Total Office Stock by Grade – Sydney CBD and Metropolitan Markets

Source: PCA Office Market Report, January 2023

As shown below, the level of vacancy across each commercial market varies quite substantially, with Sydney CBD the best performing market (with a 11.3% vacancy rate), followed by Macquarie Park (11.9% vacancy). Metropolitan markets in the Lower North Shore have the highest levels of vacancy, with St Leonards at 20.9%, and Chatswood at 18.3%.



Total Office Vacancy – Sydney CBD and Metropolitan Markets

Source: PCA Office Market Report, January 2023

As the core commercial office destination, the Sydney CBD benefits from a larger provision of higher quality commercial office stock, with 26.7% of stock classified as premium grade, and 36.5% as A grade quality. The only other market with premium grade floorspace is North Sydney. Remaining metropolitan office markets typically incorporate a higher proportion of secondary grade stock (classified as B, C or D grade floorspace). The exception is Macquarie Park, which includes some 69.4% of floorspace that is classified as A grade. As a result, Macquarie Park has established itself a key destination for modern tenants seeking larger 'campus' style facilities outside of the CBD.

The amount of new supply planned in the metropolitan office markets has also been steadily increasing. Currently there is significant amount of development activity underway or planned in markets such as the Sydney CBD (over 650,000m²) and North Sydney with 260,000m² of additional floorspace planned.

In addition to these metropolitan markets, a range of office tenants also seek out spaces in city fringe locations such as Redfern, Pyrmont and Surry Hills (the site). More recently, major development and investment in key areas such as South Eveleigh have emphasised the appeal of these types of locations, particularly with companies focused around technology, innovation and creative industries.

9.11.4 Canva

Canva has over 4,000 employees across the globe, with more than 1,750 employees calling Sydney home, based in the Surry Hills Campus of buildings. A snapshot of Canva is provided in **Figure 34**.

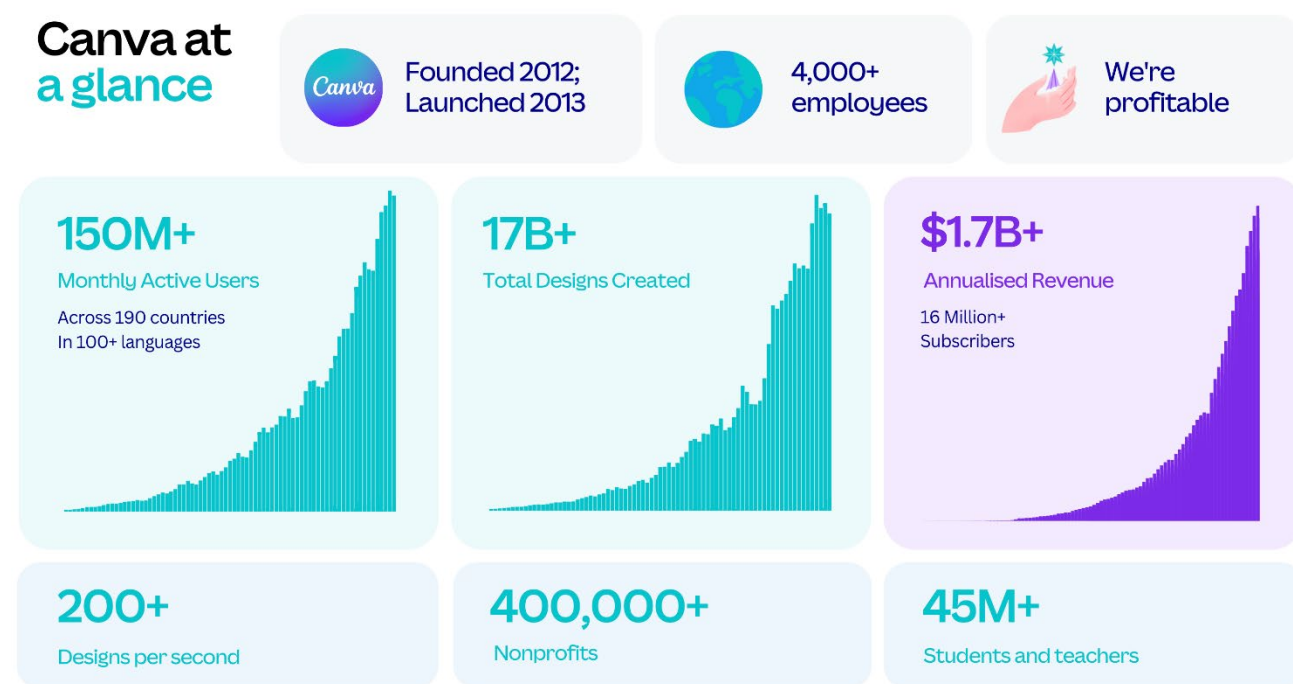


Figure 34 Canva – at a glance
Source: Canva

9.11.5 Social and Economic Benefits

The following section examines the social and economic benefits of the proposed development.

Employment Generation

The employment effects of the proposed development are considered in terms of employment effects during the construction phase and employment effects during the operation phase.

Construction Phase

The construction of the proposed project will create new employment opportunities for the local and regional economy. The Capital Investment Value (CIV) for proposed development MBM at approximately \$80-90 million over the lifetime of the project. A project with a CIV of \$80-90 million is estimated to support approximately 190-200 full-time equivalent jobs years during the construction phase of the project.

As construction of a project of this size, with the certainty of timing and the sole tenant occupancy relies on the input of a range of industries, the economic contribution and benefits extend beyond the direct capital expenditure for project goods and on-site employment. The flow-on benefits of construction activity are categorised for measurement into two types of economic multipliers described as a production induced effect and consumption induced effect:

- **Production induced effect** – including both a first-round effect which is all of the direct inputs and employment required to construct the project, and an industrial-support effect which relates to the flow-on employment and expenditure required to produce the inputs into the materials/services obtained in the first-round effect. For example, the purchase of reinforced steel bars from a supplier is measured in the first-round expenditure and employment, whilst the induced demand for mining, transport and manufacturing to produce this product is captured in the industrial-support effect.
- **Consumption induced effect** – being the forward effects of expenditure in all industries from wages/salaries of persons employed as a result of the direct and production-induced effects of the project.

The Australian National Accounts 2008/09, published by the Australian Bureau of Statistics, indicate that for every 1 job directly supported in construction, a further 0.57 jobs are supported within the region as a result of production induced and consumption induced effect within the local region. Input-output models for Australian construction projects indicate that for every 1 job directly provided directly by a construction project, an additional 0.3 to 0.9 jobs are supported throughout the broader Australian economy.

Therefore, based on the estimated direct employment for the construction phase of the project, it is estimated that the proposed developed will support a total flow on effect to approximately 110 jobs across the Australian economy. Cumulatively the project will therefore support more than 200 (including production and consumption induced) during construction.

Operation/Occupation Phase

Alignment with the LSPS for the cultural and creative uses in the corridor.

During the operations phase, it is expected that the indicative design concept would generate approximately 140 office jobs. This estimate is based on an assumption of 1 office job per 14 sqm of leasable floorspace.

Currently between its campus of offices, Canva employs approximately 1,500 employees. Across Australia the firm has approximately 3,000 employees.

Increased Local Expenditure

The additional workers located at the subject site will also increase retail expenditure available in the local area. This local retail expenditure is expected to be directed toward food-related purchases such as take-away, cafés, restaurant dining and take-home groceries.

Assuming that the proposal will provide for more than 1,000 additional workers who spend an average of \$12 per working day on local food and beverages, this would result in a net increase in annual spending on local businesses of around \$3million per annum. Spread across a number of traders, this will help support overall trading viability and profitability for businesses in the precinct.

The remainder of workforce expenditure is dedicated to spending on retail goods, such as clothing and accessories, entertainment, leisure activities and personal services. As a result, the trading conditions of retailers near the proposed development will likely improve. This will be to the benefit of the wider retail/commercial precinct along Foveaux Street and surrounding areas.

The level of spending by workers on these non-food categories is more difficult to specifically forecast. However, local non-food businesses are expected to experience a positive impact on sales associated with exposure to a larger local workforce population.

A key differentiator of this proposal as compared to a spec development were certainty of development and vacancy of the development is a factor, is that Canva is committed for its new Australian Headquarters. The way the building will be used will see local and international investment direction through Sydney CBD.

Revitalisation and Improvement of surrounding area

The proposed redevelopment will also contribute to the improvement of Sophia Street as a shared way, connecting to the Council endorsed improvement of Terry Street Shared way.

In recent years, the overall amenity of the surrounding precinct including significant public domain improvement in and surrounding Central Station, including improvement on Foveaux Street and other surrounding streets. This improvement is the result of combined investment by the NSW state Government and streetscape initiatives by the City of Sydney well as the number of new and refurbished buildings along the street.

The proposed development will continue this trend by revitalising a building and façade, patricianly at Street level. It will further incentivise improvements in the quality of other nearby buildings and be and anchor for investment and expansion of the Tech precinct surrounding Central Station.

Proposed Development will Incentivise Active Modes of Transport

As noted above, the proposed development will promote “green travel” and active modes of transport through the conversion of a 55-car parking into an end of trip facilities and other services, including a gym.

Workers will be encouraged to take active modes of transport, such as cycling, while discouraging private vehicle use. It will also assist the City of Sydney in achieving its vision under the *Sustainable Sydney 2030: Community Strategic Plan (2013)*.

In addition, given the site's proximity to existing public transport nodes, it's expected that a significant proportion of workers will walk to work from these nodes.

Efficient and Productive Use of Land

The proposed adaptive reuse and minor alterations and additions provide for a high quality and unique office environment within an area that already has a high number of office buildings and that has generally experienced tight office market conditions. Given the current circumstances of the market and hesitancy for delivery, the occupancy of Canva as an owner/occupier is considered to be a welcomed addition (whilst already being present within the the precinct).

Though minor additions to the rooftop, and reconfiguration of existing massing, the subject site can accommodate a scale of office that will be fit for purpose for Canva as an anchor and attractor for additional investment of other similar business in the area.

Overall, the site is an ideal location for office space. The building is located at the western end of Kippax Street, on the edge of the CBD. As set out elsewhere in this Planning Proposal, it is situated within the creative cluster around Surry Hills and there are already high levels of worker amenity. The desirability of the location as a commercial building is demonstrated through Canva's current commitment to the Surry Hill Campus, and further investment in the subject site.

Support Surry Hills as an 'Innovation Corridor'

The proposed development will help support Surry Hills as an “innovation corridor” and help to assist in the (previous) Greater Cities Commission (nor NSW Department of Planning and Environment) in achieving its objective related to innovation corridors. The planning proposal will help support this innovation corridor through the occupancy of a significant owner/occupier in Canva.

Within Sydney, creative industries have situated within the City Fringe due to its locational advantages. Creative industries tend to locate in high amenity areas outside the CBD, that provide a unique cultural experience, are close to where workers live and are cost-effective. In addition, creative industries tend to cluster near other similar businesses to take advantage of important agglomeration effects that benefit businesses and workers. The unique and high-quality office environment, as well as the culture of Canva, is considered to drive further business investment and commitment to Surry Hills.

9.11.6 Conclusion

The key findings of this report are as follows:

- The proposed development scheme is consistent with the land use and economic outcomes sought by relevant key strategic documents.
- Surry Hills is an attractive location for businesses operating in creative industries, as highlighted by discussions with local real estate agents. As such, the proposed development represents a tailored solution to provide the new national headquarters as a rapidly growing Australian technology company, in Surry Hills.

- The commercial office market in Sydney and the City Fringe, which includes Surry Hills, is tight by historic standards with only limited opportunities for new and expanding businesses, with very little willingness for owners to commit.
- Cumulatively the project will support approximately more than 200 jobs (production and consumption induced) during construction. While during the operation phase approximately 1,000 office jobs are expected to be provided for on-site. The increase in local expenditure will support local businesses in the area.
- The proposed development will support Surry Hills as an 'innovation corridor' and help to maintain the creative industry cluster within Surry Hills.
- The proposed development will incentive "green travel" and active modes of transport.

10.0 Planning Proposal Guideline - Summary

This section provide a summary of the proposal against the *NSW Department of Planning and Environment's Local Environmental Plan Making Guidelines (August 2023)*.

10.1 Part 1 – Objectives and Intended Outcomes

Section 6.0 of this report presents the Planning Proposal's objectives and intended outcomes.

10.2 Part 2 – Explanation of Provisions

Section 7.0 outlines how the Planning Proposal's objectives and intended outcome will be achieved through a proposed amendment to the *Sydney Local Environmental Plan 2012*.

10.3 Part 3 – Justification of Strategic and Site-Specific Merit

10.3.1 Section A – Need for the Planning Proposal

Q1 – Is the Planning Proposal a result of an endorsed local strategic planning statement, strategic study or report?

Yes. As detailed in **Section 8.1.1**, the Planning Proposal responds to the hierarchy of strategic plans, including the principles for growth and other priorities set out in the Sydney Local Strategic Planning Statement (LSPS)

Q2 – Is the Planning Proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

Yes. There is one alternative to a Planning Proposal to achieve the additional building height:

- Submit a development application supported by clause 4.6 variation requests.

The Planning Proposal was selected as the best option as it can establish the site's ability to accommodate additional height and floor space in accordance with an analysis of the potential impacts. Having established the site's capacity to meet these tests, strategic alignment and benefits, the full assessment of a detailed design can be the subject of a future DA.

This approach enables the Council to first undertake a detailed assessment of the environmental impacts of the built form through the Planning Proposal process before considering other more detailed matters at the DA stage. The Planning Proposal also responds to re-lodgement discussions with Council and pre-lodgement advice provided on 8 December 2023.

As an alternative to proposing a site-specific clause, the Planning Proposal could have sought to increase the site's maximum permitted height through an amendment to the Height of Buildings Map under Clause 4.3 and Floor Space Ratio under Clause 4.4 of the LEP 2012. However, such an approach would forfeit the public benefit of linking the other detailed components of the site that are capture through site specific controls.

10.3.2 Section B – Relationship to Strategic Planning Framework

Q3 – Will the Planning Proposal give effect to the objectives and actions of the applicable regional, or district plan or strategy (including any exhibited draft plans or strategies)?

Yes. **Section 8.1.2** details the Planning Proposal's alignment with the objectives and actions of the Region Plan and Eastern City District Plan.

Q4 – Is the planning proposal consistent with a council LSPS that has been endorsed by the Planning Secretary or GSC, or another endorsed local strategy or strategic plan?

Yes. **Section 8.1.2** details the Planning Proposal's consistency with the City of Sydney Strategic Planning Statement – City Plan 2036.

Q5 – Is the planning proposal consistent with any other applicable State and regional studies or strategies?

Yes. **Section 8.1.2** details the Planning Proposal's consistency with the hierarchy of Strategic plans.

Q6 – Is the Planning Proposal consistent with applicable State Environment Planning Policies?

Yes. Section 8.1.2 details the Planning Proposal's consistency with applicable State Environment Planning Policies.

Q7 – Is the Planning Proposal consistent with the applicable Section 9.1 Directions?

Yes. Section 8.1.2 details the Planning Proposal's compliance with applicable Section 9.1 Directions.

10.3.3 Section C – Environmental, Social and Economic Impact

Q8 – Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

No. The Planning Proposal is unlikely to result in any impact on critical habitat or threatened species, populations or ecological communities or their habitats. These matters can be appropriately considered at the DA stage, if relevant.

Q9 – Are there any other likely environmental effects as a result of the Planning Proposal and how are they proposed to be managed?

Section 9.0 provides an assessment of the Planning Proposal's anticipated environmental effects supported by various technical reports.

Q10 – Has the planning proposal adequately addressed any social and economic effects?

Yes. Section 9.11 identifies the Planning Proposal's anticipated social and economic effects.

10.3.4 Section D – Infrastructure (Local, State and Commonwealth)

Q11 – Is there adequate public infrastructure for the Planning Proposal?

Yes. Commercial developments place demand on public infrastructure, including nearby public transport, roads, cycle infrastructure, and public open space. The site is adequately serviced by these types of public infrastructure to accommodate additional commercial building height (and associated floorspace).

10.4 Part 4 – Mapping

This Planning Proposal seeks to incorporate a site-specific provisions under Division 5 of SLEP 2012. As such, the underlying zoning, height, or FSR maps of LEP 2012 are not proposed or required to be amended.

Concurrent amendments are proposed to the supporting Sydney DCP 2012 through the addition of provisions at Section 6 (Specific Sites) that incorporates site specific details. This will require some minor modification of site identification maps (to be completed by Council) and incorporates a number of figures that represent the proposed building envelope in detail.

10.5 Part 5 – Community Consultation

Formal public consultation will take place in accordance with Sections 3.34 and 3.35 of the EP&A Act. This is likely to involve notification of the Proposal:

- On Council's website;
- In newspapers that circulate widely in the Sydney LGA; and
- In writing to the adjoining and nearby landowners; relevant community groups; and the surrounding community in the immediate vicinity of the Site.

It is noted that confirmation of the public exhibition period and requirements for the Planning Proposal will be given by the Minister as part of the LEP Gateway determination. Any future DA for the site would also be exhibited in accordance with Council requirements, at which point the public and any authorities would have the opportunity to make further comment on the proposal.

10.6 Part 6 – Project timeline

Table 14 provides the project timeline anticipated for the subject planning proposal which is predicated on the nature and scale of the Planning Proposal.

Table 14 *Anticipated Project Timeline*

Action	Timeframe
Submission of Planning Proposal	December 2023
Reporting of Planning Proposal to Council including (Central Sydney Planning Committee)	March 2024
Referral to Minister for Gateway Determination	March/April 2024
Gateway determination	April 2024
Post-Gateway	May 2024
Public Exhibition and Assessment	June 2024 – July 2024
Post Exhibition Reporting to Council	August 2024
Finalisation	September 2024

11.0 Conclusion

This request for a planning proposal is submitted to the City of Sydney Council seeking amendments to SLEP 2012. The request for a planning proposal seeks to introduce a new maximum height of buildings and FSR development standards for the site, unlocking the potential of the site to provide additional, high quality commercial office space, as well as develop an improved public domain outcome throughout the existing building's Kippax Street frontage. Both of these outcomes are consistent with the vision and intent of the City of Sydney Local Strategic Planning Statement.

The Planning Proposal will maximise the site's strategic value by facilitating additional high quality commercial floorspace within immediate vicinity of Central Station, the grow of the Central Precinct and Tech Central, and help support the Sydney CBD's economic vitality consistent with the objectives and actions in State and Council Strategic plans.

The request for a planning proposal concurrently with a development application is the first stage of the redevelopment program for the site which will enable the delivery of additional commercial floor space and overall improvements to the existing building façade and internal floors accommodating:

- A maximum height of 42.7m.
- A maximum FSR of 9.86:1 equating to 10,173m² of GFA (and increase of 789sqm).

The subject site harnesses an opportunity to redevelop an existing outdated, commercial building within the Surry Hills Innovation Corridor in proximity to significant public transport connections. Ultimately, it will deliver on the expectations of the City of Sydney Local Strategic Planning Statement, providing an improved commercial building integrated in the boundaries of the corner site, as well as facilitating several community benefits.

The improved existing and additional commercial floor space will set a benchmark for the provision of world class office floorplates that are catered to suit digital and innovative industries. This will elevate the commercial office offerings within the Surry Hills Innovation Corridor, as well as in proximity to the emerging 'Tech Central' precinct designed in accordance with the vision of Canva Pty Ltd to create their Australian headquarters.

It is considered that the Proposal:

- Is consistent with the aims and objectives of the relevant strategic plans and policies, including the City of Sydney Economic Development Strategy 2013;
- Is consistent with the relevant statutory plans and policies including the aims of the SLEP 2012 and SDCP 2012;
- Demonstrates site specific merit;
- Will result in no adverse environmental, economic or social impacts; and
- Will deliver employment floorspace fostering the creation of new jobs and businesses within the digital and innovation industries.
- The proposal is In light of the above, we would have no hesitation in recommending that a planning proposal be prepared, endorsed and proceed through the Gateway to public exhibition.

Given the planning merits described above, and the significant public benefits associated with the site's redevelopment, we have no hesitation in recommending a planning proposal be prepared for Gateway Determination.