

**MINUTES OF THE LOCAL PLANNING PANEL – 18 JUNE 2025
THE HILLS SHIRE COUNCIL**

DETERMINATION OF THE LOCAL PLANNING PANEL

PRESENT:

Graham Brown	Chair
Peter Brennan	Expert
Vincent Hardy	Expert
Lashta Haidari	Community Representative

COUNCIL STAFF:

The Panel were briefed by Council staff on 18 June 2025

Nicholas Carlton - Manager - Forward Planning
Brent Woodhams - Principal Coordinator, Forward Planning
Dragana Strbac - Senior Town Planner, Forward Planning
Jack Fulton - Town Planner, Forward Planning

DECLARATIONS OF INTEREST: No conflicts were declared by the Panel for the listed items.

ITEM 1: LOCAL PLANNING PANEL – PLANNING PROPOSAL – 40 SOLENT CIRCUIT, NORWEST (7/2025/PLP)

COUNCIL OFFICER’S RECOMMENDATION:

The planning proposal is capable of demonstrating adequate strategic and site-specific merit and is recommended to be submitted to the Department of Planning, Housing and Infrastructure, subject to the following matters being resolved to Council’s satisfaction:

1. Amendment of the planning proposal to retain the existing total Gross Floor Area restriction of 1,000m² for shops on the site, rather than limiting the size of individual shops or tenancies to 1,000m²;
2. Submission of a Traffic and Parking Assessment to assess the potential traffic impacts of the proposed LEP amendments.

PANEL’S ADVICE:

The planning proposal is capable of demonstrating adequate strategic and site-specific merit and is recommended to be submitted to the Department of Planning, Housing and Infrastructure, subject to the following matters being resolved to Council’s satisfaction:

1. Amendment of the planning proposal to retain the existing total Gross Floor Area restriction of 1,000m² for shops on the site, rather than limiting the size of individual shops or tenancies to 1,000m²;
2. Submission of a Traffic and Parking Assessment to assess the potential traffic impacts of the proposed LEP amendments.

VOTING:

Unanimous

ITEM 2: LOCAL PLANNING PANEL – ACTIVATION OF HIGH-DENSITY RESIDENTIAL AREAS (FP244)

COUNCIL OFFICER’S RECOMMENDATION:

The council-initiated planning proposal for activation of high-density residential areas be submitted to the Department of Planning, Housing and Infrastructure for Gateway Determination.

PANEL’S ADVICE:

1. The Panel was of the view that reference to “commercial premises” within the definition of Shop Top Housing has the impact of permitting all uses that fall within the definition of “commercial premises” (including shops, restaurants or cafes, and business premises), even where those uses are specifically prohibited within the applicable land use zone. Advice should be sought by Council on this matter. If the advice confirms this position, there would be no need for Council’s planning proposal to progress.
2. If the advice confirms that a “commercial premises” within a proposed shop top housing development must be limited to types of “commercial premises” that are otherwise permitted within the applicable land use zone, as submitted by Council officers, the council-initiated planning proposal for activation of high-density residential areas be submitted to the Department of Planning, Housing and Infrastructure for Gateway Determination.
3. If the planning proposal proceeds, Council consider the following matters:
 - a. Provision of clarity with respect to the interpretation and description of “ground floor” to ensure that the additional permitted uses do not occur on multiple levels;
 - b. Inclusion of a new zone objective for the R4 High Density Residential zone to protect the residential amenity of the zone;
 - c. Ensure that the inclusion of the additional uses within ground floors (with higher floor to ceiling heights) do not result in widespread breaches of the Height of Buildings standard within The Hills LEP 2019.

VOTING:

Unanimous

ITEM 3: LOCAL PLANNING PANEL – PLANNING PROPOSAL, DRAFT DCP AMENDMENTS & DRAFT PUBLIC DOMAIN PLAN AMENDMENTS – NORWEST SERVICE AND HILLS SHOWGROUND PRECINCT (FP224 & FP223)

COUNCIL OFFICER’S RECOMMENDATION:

1. The council-initiated planning proposal be forwarded to the Department of Planning, Housing and Infrastructure to amend The Hills Local Environmental Plan (LEP) 2019 to increase the maximum building height for certain land in the Norwest Service Precinct from between 21m – 40m to between 26.3m - 42m (depending on the FSR applicable to the land).

PANEL’S ADVICE:

1. The council-initiated planning proposal be forwarded to the Department of Planning, Housing and Infrastructure to amend The Hills Local Environmental Plan (LEP) 2019 to increase the maximum building height for certain land in the Norwest Service Precinct from between 21m – 40m to between 26.3m - 42m (depending on the FSR applicable to the land).

VOTING:

Unanimous

END MINUTES

ITEM	LOCAL PLANNING PANEL – ACTIVATION OF HIGH-DENSITY RESIDENTIAL AREAS (FP244)
THEME:	Shaping Growth
MEETING DATE:	18 JUNE 2025
	LOCAL PLANNING PANEL
GROUP:	SHIRE STRATEGY
AUTHOR:	TOWN PLANNER JACK FULTON
RESPONSIBLE OFFICER:	MANAGER – FORWARD PLANNING NICHOLAS CARLTON

PURPOSE

This report presents a Council-initiated planning proposal for the activation of high-density residential areas to the Local Planning Panel (LPP) for advice, in accordance with Section 2.19 of the *Environmental Planning and Assessment Act 1979*.

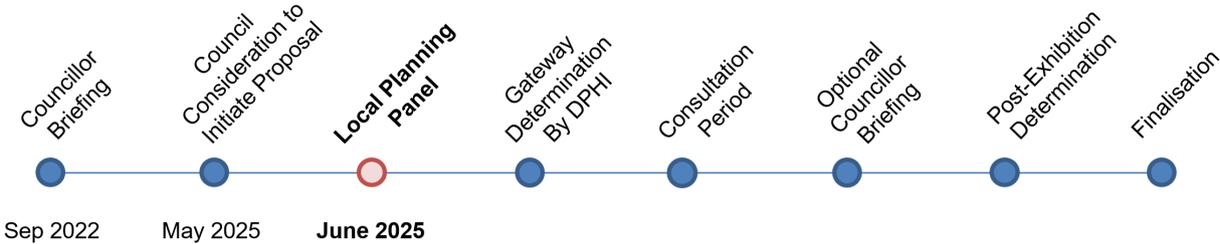


Figure 1
Approach to Date and Next Steps

RECOMMENDATION

The council-initiated planning proposal for activation of high-density residential areas be submitted to the Department of Planning, Housing and Infrastructure for Gateway Determination.

1. BACKGROUND AND RATIONALE

The COVID-19 Pandemic has highlighted the importance of having access to everyday necessities and feeling connected within a ‘5-minute neighbourhood’. Encouraging appropriate active uses on the ground floor of high-density residential developments will assist in providing safe and lively streetscapes whilst also providing for day-to-day conveniences in closer proximity to residents.

Street activating uses typically include non-residential uses on ground level that enhance the liveliness of a neighbourhood by providing places to shop, sit or socialise. Most commonly, these uses are 'neighbourhood shops', 'business premises' or 'cafes and restaurants'. There are currently limited opportunities to provide active uses in the R4 High Density Residential Zone under Council's Local Environmental Plan, with 'neighbourhood shops' being the only 'active' use that is permitted with consent in this zone.

Whilst the land use term neighbourhood shops allows for the sale of general merchandise, such as newspapers, foodstuffs and personal care products, it does not permit the sale of other items which are considered to also provide for the day-to-day needs of people who live in the area, such as small-scale retail shops, certain businesses such as hairdressers, and cafes and restaurants. The size of neighbourhood shops is also limited to not more than 100m² retail floor area under clause 5.4 of The Hills LEP 2019, which sets size controls for miscellaneous permissible uses.

Council's adopted Local Strategic Planning Statement and Precinct Plans for Norwest and Castle Hill Strategic Centres include priorities and actions to promote more activity, vibrancy and walkability within emerging areas of high-density residential development within The Shire. In response to these priorities and actions and to feedback received from landowners and developers within R4 High Density Residential areas, Council staff have undertaken a strategic review of higher density residential areas to investigate potential opportunities and mechanisms to encourage more active ground floor uses in these areas.

At the Council Meeting of 13 May 2025, Council considered a report on opportunities to encourage more active and vibrant uses in high density residential areas of the Shire. Council resolved as follows:

1. *Council initiate a Planning Proposal to amend The Hills LEP 2019 to:*
 - a. *Introduce a new zone objective for the R4 High Density Residential zone that encourages ground floor activation to improve the walkability and vibrancy of high density residential neighbourhoods;*
 - b. *Permit shops (excluding neighbourhood supermarkets), restaurants or cafes and business premises, with consent, in the R4 High Density Residential zone; and*
 - c. *Introduce a new local provision that applies to non-residential uses as part of mixed use developments in the R4 High Density Residential zone, restricting such uses to the ground floor of developments and limiting the total gross floor area of individual non-residential uses to 200m².*
2. *The planning proposal be reported to the Local Planning Panel for advice. Provided the Panel's advice does not warrant any material changes to the planning proposal, the planning proposal then be forwarded to the Department of Planning, Housing and Infrastructure for Gateway Determination.*
3. *Draft amendments to The Hills Development Control Plan (DCP) 2012, as detailed in Section 5 of this report and included in Attachments 2 and 3, be publicly exhibited for a period of 28 days concurrently with the Planning Proposal.*

A copy of the Council Report and Minute is provided as Attachment 1 to this report.

For context the R4 High Density Residential zone is typically applied to areas of The Shire concentrated around transport nodes and centres. Under The Hills LEP 2019, there is approximately 193.76 hectares of land zoned R4 High Density Residential, located in the suburbs of Castle Hill, Norwest, Rouse Hill, Baulkham Hills, Bella Vista, Kellyville, Gables and West Pennant Hills. Maps of areas containing R4 High Density Residential zoned land are contained within Attachment 1.

2. DESCRIPTION OF PLANNING PROPOSAL

The planning proposal has three components, being:

- a) Introducing a new objective for the R4 High Density Residential zone encouraging ground floor activation to improve the walkability and vibrancy of high density neighbourhoods;
- b) Listing 'shops' (excluding neighbourhood supermarkets), 'restaurants or cafes' and 'business premises' as permissible uses within the R4 High Density Residential zone; and
- c) Introducing a new local provision to limit the size of individual non-residential uses and restricting non-residential uses to the ground floor of shop top housing and mixed use developments in the R4 High Density Residential zone.

These are discussed in more detail below.

a) New Objective

Under LEP 2019, the current objectives of the R4 High Density Residential zone are as follows:

- *To provide for the housing needs of the community within a high density residential environment.*
- *To provide a variety of housing types within a high density residential environment.*
- *To enable other land uses that provide facilities or services to meet the day to day needs of residents.*
- *To encourage high density residential development in locations that are close to population centres and public transport routes.*

This planning proposal seeks to introduce a new additional zone objective for the R4 High Density Residential zone: *"To encourage small scale non-residential ground level activation to enhance the walkability and vibrancy of neighbourhoods in a high density residential environment"*.

Most developments approved to date in the R4 High Density Residential zone do not include any active uses at the ground level, forcing residents in high density areas to travel further to satisfy their day-to-day needs and rely more heavily on car usage. The application of an additional zone objective, combined with some more permitted uses, should create the opportunity for an increase in the vibrancy and walkability of high density neighbourhoods by providing lively, engaging streetscapes and a mix of uses in proximity to where people live.

b) Permissibility Changes

The permissible land uses within the R4 High Density Residential zone ultimately shapes the future success and vibrancy of these areas. Table 1 of the Council Report (Attachment 1) provides an overview of current land use permissibility within the R4 High Density Residential zone under LEP 2019.

This planning proposal seeks to permit 'shops' (excluding neighbourhood supermarkets), 'restaurants or cafes' and 'business premises' with consent in the R4 High Density Residential zone. The proposed new land use opportunities align with Council's policies and objectives for encouraging active uses on the ground floor of high density residential developments to activate streetscapes and create vibrant and walkable neighbourhoods.

- **Shops**

This planning proposal seeks to permit 'shops' with consent in the R4 High Density Residential zone, with the exception of 'neighbourhood supermarkets' which would be listed as prohibited.

Shop is defined as follows:

means premises that sell merchandise such as groceries, personal care products, clothing, music, homewares, stationery, electrical goods or the like or that hire any such merchandise, and includes a neighbourhood shop and neighbourhood supermarket, but does not include food and drink premises or restricted premises.

Shops is a 'group term' which includes the subset terms of 'neighbourhood shop' and 'neighbourhood supermarket'. These are both separately defined with size restrictions of 100m² and 1,000m² respectively under the provision of clause 5.4 of The Hills LEP 2019, which sets controls for miscellaneous permissible uses.

Permitting the group term 'shops' with consent in the R4 High Density Residential zone is intended to expand the variety of shop typologies in high density residential areas to provide more retail options and offer more services for residents within walking distance of where they live.

'Neighbourhood supermarkets' are proposed to be prohibited in the R4 High Density Residential zone as they have high potential to generate adverse amenity impacts for nearby residents given their large size and potential for increased noise from deliveries and loading facilities. Furthermore, neighbourhood supermarkets are an integral land use within established centres, particularly smaller scale local, transit and neighbourhood centres. Supermarkets cater to the needs of residents on a weekly basis to purchase a broader selection of goods, as opposed to quick and easy purchases from smaller retail shops. Continuing to focus the distribution of supermarkets (both full size and neighbourhood scale) in commercial land use zones at centre locations reinforces and protects the hierarchy of centres, which is also identified as an action of Council's LSPS and Productivity and Centres Direction.

- **Restaurants or cafes**

This planning proposal seeks to permit 'restaurants or cafes' with consent in the R4 High Density Residential zone.

Restaurants or cafes are defined as follows:

means a building or place the principal purpose of which is the preparation and serving, on a retail basis, of food and drink to people for consumption on the premises, whether or not liquor, take away meals and drinks or entertainment are also provided, but does not include the preparation and serving of food and drink to people that occurs as part of—

- (a) an artisan food and drink industry, or*
- (b) farm gate premises.*

Allowing restaurants or cafes should create opportunities for residents within high density areas to have their day-to-day dining and takeaway needs met within a walkable distance. It will also allow for more activation and vibrancy within the public domain fronting buildings and increased social opportunities for residents. The best example of suitable establishments envisaged for these areas is cafes, which allow for activation of the street often through aesthetic facades, potentially outdoor seating, encouragement of social opportunities and increased foot traffic.

- **Business premises**

This planning proposal seeks to permit 'business premises' with consent in the R4 High Density Residential zone.

Business premises are defined as follows:

means a building or place at or on which—

- (a) an occupation, profession or trade (other than an industry) is carried on for the provision of services directly to members of the public on a regular basis, or*
- (b) a service is provided directly to members of the public on a regular basis,*

and includes funeral homes, goods repair and reuse premises and, without limitation, premises such as banks, post offices, hairdressers, dry cleaners, travel agencies, betting agencies and the like, but does not include an entertainment facility, home business, home occupation (sex services), medical centre, restricted premises, sex services premises or veterinary hospital.

Allowing business premises should create opportunities for essential services to be closer to residents of high density residential areas. Examples of suitable business premises envisaged for these areas include hairdressers, post offices and dry cleaners. It is anticipated that the market will determine the best use outcomes for business premises in the R4 High Density Residential zone to improve the vibrancy of street frontages and enhance the walkability of high density residential neighbourhoods.

The proposed changes to the permissibility of these uses is shown in the following table. As identified, no changes are being proposed to the permissibility of 'neighbourhood shops' or 'neighbourhood supermarkets' in the R4 High Density Residential zone as part of this planning proposal.

Land Use Terms	Current Permissibility	Proposed Permissibility
Shops	x	✓
Neighbourhood shops*	✓	✓
Neighbourhood supermarkets	x	x
Restaurants or cafes	x	✓
Business premises	x	✓

Table 1

Summary of recommended approach for permissibility in R4 zone

**Note: Mandated under the Standard Instrument*

c) New Local Provision

This planning proposal also seeks to introduce a new local provision for 'shops', 'restaurants or cafes' and 'business premises' in the R4 High Density Residential zone within The Hills LEP. The local provision includes maximum floorspace controls to restrict the individual size of these uses to no more than 200m², as well as a control to restrict them to the ground floor of shop top housing and mixed use developments in the R4 High Density Residential zone.

7.34 Non-residential uses in Zone R4

1. *The objectives of this clause are—*

- a) to ensure that non-residential uses as part of shop top housing and mixed use development are appropriate in scale for their location and do not detract from the established centres hierarchy;*
- b) to ensure that non-residential uses as part of shop top housing and mixed use development provide for street activation.*

2. *This clause applies to development for the purposes of shop top housing and mixed use development on land zoned R4 High Density Residential.*
3. *Development consent must not be granted to development on land to which this clause applies unless the consent authority is satisfied that–*
 - a) *The total gross floor area of individual shops on the land will not exceed 200m²,*
 - b) *The total gross floor area of individual business premises on the land will not exceed 200m²,*
 - c) *The total gross floor area of individual restaurants or cafes on the land will not exceed 200m².*
4. *Development consent must not be granted to development on land to which this clause applies unless the consent authority is satisfied that shops, restaurants or cafes and business premises will be limited to the ground floor of developments.*

In determining the proposed size restrictions, consideration has been given to those sites where additional permitted uses have been allowed by way of amendment to Schedule 1 of LEP 2019 (refer Section 4e) of Council Report – Attachment 1). These size restrictions are considered to strike the appropriate balance between providing flexibility for developers to feasibly incorporate these uses into their developments, whilst also managing potential amenity impacts and ensuring opportunities do not detract from the established centres hierarchy.

In addition, limiting non-residential uses to the ground floor level of developments in the R4 High Density Residential zone will allow for activation of the streetscape and contribute to walkable neighbourhoods that can service the day-to-day needs of residents. It will also ensure that the key function of the R4 zone to provide for the housing needs of the community within a high density residential environment is retained as the flexibility of non-residential uses will be limited to the ground floor. This limitation therefore effectively acts as a maximum cap on the total amount of non-residential floor space that can be provided within an apartment development.

3. DRAFT DCP AMENDMENTS

Council has also resolved to progress with supporting amendments to Part B Section 8 – Shop Top Housing and Mixed Use Development, Part C Section 1 – Parking and other relevant sections of The Hills DCP 2012, to include new objectives and controls for non-residential uses in high density residential areas. A summary of changes to each DCP section is as follows:

- Part B Section 8 – Shop Top Housing and Mixed Use Development: controls to complement the proposed permissibility and local provision within the LEP and assist in managing the scale, design and operation of new land uses to encourage small scale ground level active uses and street frontages in high density environments, enhancing neighbourhood walkability and vibrancy.
- Part C Section 1 – Parking: ensure that car parking requirements for any shops, restaurants or cafes or business premises in the R4 High Density Residential zone will be assessed on merit, having regard to a list of considerations (i.e., nature of non-residential uses, hours of operation etc.).
- Other DCP sections (which apply to certain land zoned R4 High Density Residential within The Hills Shire): include a note ensuring that future developments that propose shops, restaurants or cafes or business premises on the ground floor of shop top housing and mixed use developments in the R4 High Density Residential zone also refer

to Part B Section 8 – Shop Top Housing and Mixed Use Development of The Hills DCP 2012 for relevant development controls.

While the Local Planning Panel's advice is being sought specifically with respect to the planning proposal (LEP amendments), the proposed amendments to the DCP are included within Attachments 2 and 3 of the Council Report for the Panel's information and context.

4. STRATEGIC MERIT CONSIDERATIONS

a) Greater Sydney Region Plan and Central City District Plan

The Greater Sydney Region Plan and Central City District Plan recognise the importance of delivering housing in the right locations and co-locating them with local infrastructure and services. The relevant objectives and planning priorities of these Plans are as follows:

- Objective 7 – Communities are healthy, resilient and socially connected.
- Objective 12 – Great places that bring people together.

The Plans recognise how providing the right mix of services, programs and infrastructure can promote convenient access to basic needs within walking distance of homes and create compact communities that are liveable and walkable with reduced car dependence. They also acknowledge the essential role of fine grain urban form and well-designed developments in creating enjoyable and attractive places. The Plans articulate that residents should have access to places with a range of authentic local experiences and opportunities for social interaction and connection.

This planning proposal is consistent with the priorities in these Strategic Plans as it encourages increased opportunities to provide basic services that cater to the day-to-day needs of residents, by locating these services where they live whilst activating the streetscape of neighbourhoods, particularly in high density residential areas.

b) Section 9.1 Ministerial Directions

Section 9.1 of the Environmental Planning and Assessment Act 1979 (EP&A Act) enables the Minister for Planning to issue directions that Councils must address when preparing planning proposals. The following Ministerial Directions are relevant to the subject proposal:

- 1.16 North West Rail Link Corridor Strategy
- 5.1 Integrating Land Use and Transport
- 6.1 Residential Zones

The planning proposal is consistent with these Directions as detailed below.

Direction 1.16 North West Rail Link Corridor Strategy – requires that any planning proposal that applies to land located within the North West Rail Link (NWRL) Corridor be consistent with the proposals of the Corridor Strategy, including proposed future character for each of the NWRL precincts, and promote the principles of transit-oriented development.

Direction 5.1 Integrating Land Use and Transport – requires that any planning proposal that seeks to change the provisions of a zone, including residential zones, must ensure the changes to provisions are consistent with the aims, objectives and principles of the *Improving Transport Choice – Guidelines for planning and development* (DUAP 2001) and *The Right Place for Business and Services – Planning Policy* (DUAP 2001). In the context of the planning proposal, the objective of this direction is to ensure that development designs improve access to housing and services by walking, cycling and public transport.

The planning proposal is consistent with the expectations of both Direction 1.16 and Direction 5.1 as the large majority of R4 High Density Residential zoned land in The Hills Shire is concentrated within and around NWRL precincts, including Castle Hill and Norwest, with the proposal anticipated to encourage a range of small scale commercial uses within close proximity to transit nodes and residential development that improve liveability and make these areas convenient and attractive area to live and walk within.

Direction 6.1 Residential Zones – requires that any planning proposal that affects land in an existing or proposed residential zone, including the R4 High Density Residential zone, must include provisions that encourage the provision of housing that will diversify housing, make more efficient use of existing infrastructure and services and be of good design.

The planning proposal is consistent with the expectations of Direction 6.1 as it encourages non-residential uses in shop top housing and mixed use developments in the R4 High Density Residential zone, allowing for efficient use of the ground floor of high density residential developments to support the day-to-day shopping and dining needs of local residents within a close and walkable proximity to where they live. Proposed changes to The Hills DCP are aimed at ensuring quality built form, urban design and liveability outcomes by incorporating non-residential uses to the ground floor of developments in the R4 High Density Residential zone.

c) State Environmental Planning Policies

Chapter 4 Design of residential apartment development of State Environmental Planning Policy (Housing) 2021 (Housing SEPP), associated design principles and Apartment Design Guide aim to improve the design of residential apartment development, including shop top housing and mixed use development, to achieve better built form, streetscapes and public spaces, maximise amenity, safety and security and contribute to housing diversity.

Whilst the design principles and outcomes in the context of any given site will be a matter for detailed assessment at the development assessment stage, the planning proposal provides greater flexibility for developments to respond to the design considerations by allowing for more active ground floor uses. The proposal will assist in encouraging vibrant amenity outcomes and social interaction opportunities for local residents in high density residential neighbourhoods. Additionally, the planning proposal is supported by a variety of draft DCP amendments that aim to improve built form, scale, public domain, amenity, safety and urban design outcomes when incorporating non-residential uses in shop top housing and mixed used developments.

d) Local Strategic Planning Statement and supporting strategies

Council's Local Strategic Planning Statement (LSPS) articulates the importance of renewing and creating great places, particularly in areas that are envisaged to undergo change and development in the future (Planning Priority 9). Given there is forecast to be a significant shift towards apartment living, rather than the traditional detached home that has historically been seen within The Hills Shire, it is prudent that Council's planning framework adapt to better align with these evolving trends and more dense urban environments in certain areas of The Shire.

Council's Housing Strategy states that future residential development within The Hills Shire must feature high quality built form, whilst simultaneously meeting the amenity and lifestyle needs of the local community. It recognises that lifestyles are evolving, with a growing dependence placed on publicly accessible social, recreational and entertainment opportunities and increased social interaction, activity and vibrancy in common areas.

Council's Housing Strategy articulates that Council will investigate measures to encourage land uses that will promote vibrancy in higher density residential zones. The planning proposal responds to this action and seeks to achieve this through LEP amendments that provide increased flexibility for small scale shops, restaurants or cafes or business premises on the

ground floor of shop top housing and mixed use developments in the R4 High Density Residential zones.

Council's Productivity and Centres Strategy includes a 'Hierarchy of Centres' which serves as a framework for land use decision-making to support orderly and sustainable development in centres that is appropriate in scale and design for their location. Reinforcing and protecting the hierarchy of centres is a key action and serves to ensure resident needs are met and we are able to plan for viable and diverse centres and walkable and vibrant communities. By including a restriction on the scale of non-residential uses within high density residential areas and limiting the provision of these uses to the ground floor of a development, the planning proposal will balance the need for greater flexibility in land use with the need to protect and complement the commercial role of existing centres.

e) Precinct Plans – Norwest and Castle Hill Strategic Centres

Council's recently adopted Precinct Plans for the Norwest and Castle Hill Strategic Centres include objectives for new high density residential areas to be transit-oriented, vibrant, active, safe and walkable. To achieve this, the Precinct Plans include the following actions:

- **Action C4 of the Norwest Precinct Plan:** *“Amend The Hills Local Environmental Plan to permit additional uses within the high density residential area”.*
- **Action A1 of the Castle Hill Precinct Plan:** *“Amend The Hills Local Environmental Plan to permit additional uses within appropriate high density residential areas and promote more vibrant and active streetscapes”.*

The Precinct Plans identify the intent for Council to permit 'neighbourhood shops', 'business premises' and 'cafes and restaurants' in these areas, to enhance the liveliness of high density neighbourhoods by providing places for nearby residents to shop, gather or socialise. The planning proposal gives effect to these actions.

f) The Hills Public Domain Strategy

The need for more activated frontages within high density urban areas of The Hills Shire was also identified as part of The Hills Shire Public Domain Audit and Analysis commissioned by Council in late-2020. This informed the preparation of Council's Public Domain Strategy (adopted in March 2024) which articulates that Council will apply a range of "design strategies" when planning for The Hills Shire, to improve amenity and public domain areas.

Of particular relevance, Design Strategy 4.1.2 is to *“activate ground level buildings to create vibrant frontages”*, including *“encouraging fine-grain street façade presentation”* and *“encouraging activated facades on the ground floor in centres, such as cafes and small shops, extending outdoor dining and activation of shared public spaces”*. The planning proposal gives effect to elements of this design strategy.

5. OTHER CONSIDERATIONS

a) Environmental considerations

Land use and amenity conflicts generated by proximity of commercial uses to residential development can occur due to the nature of non-residential operations (i.e., hours of operations, light-spill, noise, traffic and deliveries). However, part of the objective of the R4 High Density Residential zone is to create vibrant areas and activated streetscapes that provide more than just housing. Striking the right balance between land use conflicts and creating vibrant streetscapes will be achieved through carefully limiting the type and scale of non-residential uses that would be permitted under LEP 2019, as well as including new development controls

within The Hills DCP which provides further guidance to regulate outcomes as part of the Development Assessment process.

There is unlikely to be any significant traffic implications arising from the planning proposal as it is anticipated that where opportunities for small-scale non-residential uses are pursued, there would be limited patronage from customers outside the walkable catchment of the surrounding high density residential areas. Whilst some local residents may still access the uses by private vehicle, this is most likely to be part of a linked trip which was already occurring, not as an additional isolated trip generated as a result of the non-residential use.

Smaller scale premises, as envisaged for high density residential areas, are generally expected to have lower parking demand and a smaller catchment area compared to larger shopping centres. In support of the planning proposal, amendments to the Parking Section of The Hills DCP are proposed to adopt a merit-based approach for the specific non-residential uses under consideration when proposed as part of high density residential development (shops, business premises, restaurants or cafes). The appropriate provision of parking will be largely dependent on the specific uses proposed, employee numbers, the hours of operation and the amount of patronage likely to originate from locations within walking distance of the sites.

These considerations are further discussed in Sections 3 d) and g) of the Council Report provided as Attachment 1.

b) Economic considerations

The planning proposal aims to strike the right balance between providing flexibility for developers to include small scale non-residential uses in high density residential developments, whilst also managing potential amenity impacts and ensuring the opportunities do not detract from the established centres hierarchy.

At a strategic level, it is critical that any non-residential uses that become permitted within high density residential areas do not compete with Council's centres and established centres hierarchy. In addition to providing greater shopping convenience and potential for social interaction and engagement, these non-residential uses should aim to avoid duplication of activities which are more appropriately concentrated in centres by providing a more specialised and bespoke range of goods and services and also aim to service the essential day-to-day needs of local residents who live nearby.

Ground floor level activation is heavily contingent upon market forces. It is highly unlikely that these opportunities will be taken up as part of all new high density residential development. However, the demand for incorporating non-residential uses on the ground floor of new residential development in the R4 High Density Residential zone has been demonstrated over recent years with developer interest in the Hills Showground Station Precinct and site specific planning proposals in the Norwest Station Precinct.

Amendments to the planning framework, as proposed, provides flexibility to allow the market to determine the specific non-residential uses on the ground floor of high density residential developments, and whether these uses are viable or desirable in specific locations. The planning proposal, by limiting the scale and location of non-residential uses in the R4 High Density Residential zone, seeks to prevent risk of excessive development of non-residential uses, thereby not detracting from the established centres located in land zones such as B4 Mixed Use and B2 Local Centre.

These considerations are further discussed in Section 3 e) and f) of the Council Report provided as Attachment 1.

c) Infrastructure considerations

Proposed amendments to The Hills LEP and The Hills DCP as part of this planning proposal will not result in increasing permissible residential density across The Hills Shire. Rather, it will create opportunities for small-scale non-residential to be incorporated into shop top housing and mixed use developments within the R4 High Density Residential zone for the benefit of residents.

It is intended that current contributions requirements for residential and non-residential development will continue to apply unchanged to all applications for development post-finalisation of the planning proposal. For some R4 High Density Residential zone locations, the relevant Section 7.11 Contributions Plan enables the levying of contributions for non-residential development (Contributions Plans No. 9 – Castle Hill Town Centre, No. 18 – Bella Vista & Kellyville Station Precincts and No. 19 – Showground Precinct).

For other R4 High Density Residential zone locations, Council's Shire wide Section 7.12 Contributions Plan will enable levying of contributions for the non-residential component of mixed use developments and assists in providing, extending or augmenting public facilities required to maintain and enhance amenity and service delivery such as open space, community facilities, stormwater management and roads and traffic facilities.

6. CONCLUSION AND NEXT STEPS

It is considered appropriate to extend the permissibility of 'shops' (excluding neighbourhood supermarkets), 'restaurants or cafes' and 'business premises' to the R4 High Density Residential zone to encourage non-residential uses in high density residential areas that improve the walkability of neighbourhoods and support the day-to-day shopping and dining needs of residents. The inclusion of a new local provision within Council's LEP to limit the individual sizes of non-residential uses and restrict them to the ground floor of shop top housing and mixed use developments will reduce the potential for adverse amenity impacts to neighbouring residents, activate street frontages, increase foot traffic and ensure that the function of existing centres are not detracted from or adversely affected.

This report recommends that the Local Planning Panel provide its support for the progression of the council-initiated planning proposal. The next step is for Council officers to forward the proposal to Department of Planning and Environment for Gateway Determination. Once the Gateway Determination has been issued, it is anticipated that the planning proposal and the draft DCP amendments then be publicly exhibited concurrently for a period of 28 days, before then being reported back to Council for post-exhibition consideration and finalisation.

ATTACHMENTS

1. Council Report and Minute, 13 May 2025 (74 pages)

