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KP (P&E)

2 December 2025

Dear Ms Ezzy

**RE: RESPONSE TO REZONING REVIEW REQUEST (RR-2025-15): 166-188 and 198-214  
MILITARY ROAD, NEUTRAL BAY**

I refer to your letter dated 11 November 2025, notifying Council of the lodgement of a Rezoning Review request (RR-2025-15) in relation to Planning Proposal (DPHI Ref PP-2024-1241; Council Ref PP4/24) applying to land at 166-188 and 198-214 Military Road, Neutral Bay.

Thank you for the opportunity to provide comments on the proposal. The following comprises Council's response to your invitation to provide comment on the proposal. This submission should be read in conjunction with the detailed assessment report undertaken by Ingham Planning, which was considered by the North Sydney Local Planning Panel (dated 26 August 2025) and Council's report and resolution (dated 22 September 2025). It is noted that a copy of these reports are available on the Department's Rezoning Review website.

## **1. Background**

The subject Planning Proposal was lodged with Council by the proponent, Arkadia Property Services Pty Ltd, on 29 October 2024 and amended on 11 April 2025.

An independent planning consultant (Ingham Planning) was engaged by Council to undertake the assessment of the proposal on its behalf, given the the extended planning history for the Neutral Bay precinct as well as the current Expressions of Interest/Tender process for the potential delivery of a future Grosvenor Plaza, located adjacent to the subject site.

Following a preliminary assessment, a meeting was held on 7 March 2025 between the applicant, the consultant and Council staff to discuss issues raised by the consultant and a Request for Further Information (RFI) letter was issued. The applicant's response (which included an updated concept design and car park options) was received on 11 April 2025.



## 2. Subject site

The subject site comprises nine individual allotments of land (166-188 and 198-214 Military Road, Neutral Bay). Consent has been obtained for Arkadia to lodge the Planning Proposal from eight of the nine landowners. The owner of 180-182 Military Road, Neutral Bay (Blue and White Dry Cleaners site) has not provided consent.

The site is divided into two parcels separated by land owned by North Sydney Council (190-192 Military Road that provides an existing community centre) and two heritage listed buildings (194-196 Military Road), which do not form part of the Planning Proposal. The western portion is referred to as Site 2A (which has an area of 2,280 sqm) and the eastern portion is Site 2B (which has an area of 1,838 sqm).

The subject site is located within the area covered by the *Neutral Bay Village Planning Study* (NBVPS), adopted by Council as the strategic framework for the precinct on 27 May 2024.

## 3. Neutral Bay Village Planning Study (NBVPS)

The *Neutral Bay Village Planning Study* (NBVPS) was developed and adopted by Council as the strategic framework for the Neutral Bay Centre in May 2024 after the previous *Military Road Corridor Planning Study* (MRCPS) was rescinded by the newly elected Council in January 2022. These studies were prepared to guide future development, protect existing employment opportunities and deliver much-needed improvements to the public domain and community facilities through carefully managed height increases, inline with the objectives and planning priorities for local centres in the *North District Plan*.

Both the current NBVPS and previous MRCPS identified the subject site as a 'key site' for the delivery of public domain improvements and community facilities. A key objective of the studies undertaken by Council for the precinct is to leverage a range of pre-determined public domain and community benefits from carefully planned development whilst maintaining the village atmosphere of Neutral Bay.

It should be noted that the previously adopted MRCPS recommended 8 to 12 storeys on the subject site and a non-residential FSR of 1.5:1, however, concerns were raised regarding the compatibility of such heights with the Study's local character objectives. Accordingly, in January 2022, Council resolved to rescind the MRCPS in order to achieve 'a better balance between development height and the provision of additional public open space'.

The draft NBVPS recommended 6 to 8 storeys and a non-residential FSR of 1.2:1 on the subject site. The NBVPS was subsequently adopted by Council on 27 May 2024, subject to some amendments, including the reduction of the maximum building heights across the precinct to 6 storeys and the inclusion of affordable housing in all new developments.

## 4. Planning Proposal

The Planning Proposal seeks to amend the NSLEP 2013 as follows:



- increase the maximum building height control for the site from the current height limit of 16 metres to 36-45 metres (excluding 180-182 Military Road and the areas where through-site links are proposed) and;
- increase the minimum non-residential floor space ratio control from 0.5:1 to 1.2:1.

The intent of the Planning Proposal is to facilitate the development of four mixed-use buildings on the site ranging from 9 to 12 storeys in height. Two buildings are proposed on the western portion (Site 2A) and two buildings on the eastern portion (Site 2B). The Planning Proposal is accompanied by an indicative concept scheme that seeks to demonstrate how the site could be developed if the proposed amendments to the planning controls were implemented.

The Planning Proposal is accompanied by a non-binding letter of offer to enter into a Voluntary Planning Agreement (VPA) with Council to deliver a 730sqm community centre with a 40-year peppercorn lease term to Council, two publicly accessible through-site links, footpath widening, and other public domain upgrades.

## 5. Assessment

The following is a high-level overview of the independent assessment undertaken by Ingham Planning (on behalf of Council) which concludes that the Planning Proposal does not demonstrate the required strategic and site-specific merit for the following reasons:

- the Planning Proposal is inconsistent with the endorsed place-based study for the locality (the NBVPS) and the *North Sydney Local Strategic Planning Statement, North District Plan* and *Greater Sydney Region Plan*;
- it requests amendments to existing planning controls that will facilitate an overly excessive and intense built form in its context, with unreasonable impacts to the public and private domain;
- it will deliver public spaces and community facilities of compromised amenity; and
- it undermines the development potential of 180-182 Military Road and other properties by an inequitable application of the increased height control and inadequate building tower side setbacks.

## 6. Key issues

### Height

The independent assessment report formed the position that the maximum height of 6-storeys, adopted by Council, may not allow for the feasible redevelopment of the site and the overall objectives of the NBVPS and higher order strategic planning documents (*North District* and *Region Plan*), to provide additional housing and great places with improved public domain and community facilities, to be achieved.

The independent assessment report also held the view that a building height range of 7 to 12 storeys may be considered appropriate and acceptable in the context of recent changes to the local planning context since the NBVPS was adopted, these being the State Government's Low-Mid Rise Housing (LMRH) and Infill Affordable Housing provisions under *State Environmental*



*Planning Policy (SEPP) Housing 2021.* The height limits of many of the areas around the Neutral Bay and Cremorne town centres have effectively been increased by the State Government to permit 4 to 6-storey buildings, which could potentially be in the order of 5 to 8-storeys if the State Government's affordable housing bonuses are also applied.

Notwithstanding these perspectives with respect to height, the independent assessment report found that the proposal needs to demonstrate consistency with the core built form principles of the NBVPS, provide an appropriate transition in heights to protect solar access to public open space, and provide an appropriate interface to the future plaza and surrounding development.

The proposed 11-storey height to the west of a future Grosvenor Plaza would result in additional overshadowing to the southwestern portion of the future Plaza and create an undesirable sense of enclosure to an important future public space, contrary to the NBVPS *Built Form Placemaking Strategy 4 – Provide height transition and protect solar access*. The 11-storeys proposed at the northern part of Building 2A-1, where 6-storeys had been identified in the Study, would result in poor place-making outcomes for the Neutral Bay town centre, contrary to the strategic planning objectives of the Study.

#### Built Form

The independent assessment report found that the overall bulk and scale of the proposed built form is unacceptable as it provides inadequate setback and building separations, having regard to the provisions of the *State Environmental Planning Policy (Housing) 2021* and *Apartment Design Guide (ADG)*.

The proposed 12m separation between Building 2B-1 and 2B-2 does not comply with the minimum building separation requirements of the ADG and whilst 'non-habitable' interfaces are indicated, this does not appear achievable given the indicative design. Furthermore, the proposed habitable elevations, with openings along the western and eastern side boundaries, will not meet Building Code of Australia (BCA) requirements and are non-compliant with ADG setback requirements. Whilst a blank wall would achieve technical compliance with the ADG, this would result in a poor visual outcome in a village centre environment, and is therefore not supported.

#### Public domain and community facilities

The achievement of development opportunities beyond what is currently permitted under the NSLEP 2013 has, in both the current and previous Council studies undertaken for the precinct, required a contribution towards the provision of pre-determined high quality public domain improvements and community facilities to support growth.

Whilst the proposal incorporates the provision of two through-site links, a new 730sqm community centre for a 40-year lease term to Council, and footpath widening, they fall short of the requirements of the NBVPS. The independent assessment report concludes that the overall function and amenity of the public space around the site would be compromised by:

- inadequate setbacks to the public domain (NBVPS requires 2.5m whole of building setback to Military Road at Site 2A and 1.5m setback to Grosvenor Plaza at Site 2B);



- the proposed location and reduced 4m width (NBVPS and NSDCP 2013 require minimum 6m width) of the western through-site link, which is not aligned with the existing laneway to the north (as envisaged by the NBVPS);
- the proposed enclosure and reduced 4m width of the eastern through-site link; and
- the proposed location, size and tenure of the community centre is contrary to the NBVPS requirements.

Council also previously resolved to consider affordable housing in the redevelopment of land within the Neutral Bay town centre as part of any future VPA-related contribution.

### Site Isolation

The NBVPS identifies the site at 180-182 Military Road, Neutral Bay (Blue and White Dry Cleaners site) for additional height. This site forms an integral part of key 'Site 2A' under the Study. Two submissions have been received on behalf of the landowner of this site raising concerns about the impacts of the proposal on the future development potential of their site.

The Planning Proposal, as originally submitted by the proponent, excluded 180-182 Military Road from the proposal, and relied on maintaining a lower scale development on the site to provide adequate separation between the proposed tower elements on Sites 2A, thus limiting the future redevelopment potential of the site.

Following a preliminary assessment, a RFI was issued to the proponent in March 2025, requesting the proponent consider various amendments to the proposal. These included incorporation of 180-182 Military Road to facilitate a coherent built form outcome, address the alignment of the western through-site link, and enable vehicular basement access from Grosvenor Lane to the proposed Building 2A-2.

The proponent's updated concept scheme submitted in April 2025, includes this land, however, the existing building height control is proposed to remain at 16m, which is contrary to the intended outcomes of the NBVPS and will result in this property not having the opportunity to potentially benefit from any increased height or contribute to more coherent built form outcomes as intended under the Study.

### Vehicular basement access

Basement car park access is proposed to Site 2A from the existing access point off Grosvenor Lane, and access to Site 2B is proposed off the eastern end of the future plaza where at-grade parking is intended to be retained (under the concept schemes contained in the NBVPS).

Without incorporating 180-182 Military Road into the proposal or reaching an agreement with the landowner for access across that parcel of land, access to the basement of any future Building 2A-2 could only be achieved below ground level under public land (i.e., under the existing carpark or a future plaza).



## **7. Local Planning Panel recommendation**

The NSLPP considered the Planning Proposal at its meeting of 26 August 2025, where it agreed with the recommendations of the consultant's assessment report, that the proposal should not be supported to proceed to a Gateway Determination in its current form.

The Panel's recommendations was as follows:

*The Panel advises Council that the planning proposal has strategic merit for buildings from 8 to 12 storeys provided it will deliver the key public domain and public benefits outlined in the Neutral Bay Village Planning Study.*

*However, it is recommended that the Planning Proposal, in its current form, not be supported to proceed to Gateway. The Panel is of the view that the following amendments to the Planning Proposal are required:*

- *The proposed height and FSR controls should apply to 180-182 Military Road, Neutral Bay;*
- *A mechanism be included to exclude additional heights above 8 to 12 stories through the application of Clause 4.6 or any bonus provision in other planning instruments.*
- *The reference document be amended to resolve key issues raised in the assessment report including the inconsistencies with the Neutral Bay Village Planning Study (NBVPS):*
  - *The location, width and form of the proposed through-site links.*
  - *Compliance with the ADG building separation requirements and reliance on blank walls.*
  - *The location and size of the proposed Community Centre.*
  - *The building setbacks generally on the ground floor.*

It should be noted that there was a dissenting view by one of the Panel members. The dissenting view *'supports the Panel recommendation that the Planning Proposal, in its current form, should not proceed to Gateway and that further amendments are required. However, in her opinion, the proposed changes to the height of buildings (HOB) map, to permit up to 45m (12-storeys) do not have strategic or site-specific merit.'*

The panellist *'acknowledged that heights above the 6-storeys nominated in the adopted NBVPS could be appropriate due to planning changes and other recent proposals. However, the maximum height needs to be considered within the context of the town centre and its surrounds.'*

In their opinion, *'increased residential yield and an optimum urban form could be achieved if changes to HOB and FSR for all land to the north of the proposed plaza were included in the planning proposal. Also, greater certainty as to the urban form and public domain outcomes sought for the location of through site links; street wall heights; and setbacks, would be provided through a more detailed HOB map or a site specific LEP clause. Furthermore, the mechanism to achieve the provision of affordable housing should form part of the planning proposal and its supporting information.'*



## **8. Council decision**

On 22 September 2025, Council considered a report on the planning proposal and resolved the following:

1. **THAT**, consistent with the independent planning assessment and the recommendation of the North Sydney Local Planning Panel of 26 August 2025, Council not support the Planning Proposal proceeding to a Gateway Determination.
2. **THAT** Council reaffirms its support for a maximum building height of 21 metres adopted in the Neutral Bay Village Planning Study;
3. **THAT**, should the Planning Proposal progress via an alternate approval pathway, it be required to be amended to resolve the key issues raised in the detailed assessment report (by Ingham Planning) and by the North Sydney Local Planning Panel, including:
  - the proposed height and FSR controls also apply to 180-182 Military Road, Neutral Bay;
  - a mechanism be included to exclude additional heights above 8 to 12 storeys through the application of Clause 4.6 or any bonus provision in any other planning instruments;
  - the indicative concept scheme be amended to resolve key issues raised in this report, including the inconsistencies with the Neutral Bay Village Planning Study;
  - the location, width and form of the proposed through-site links;
  - compliance with the NSW Apartment Design Guide building separation requirements and undesirable reliance on blank walls to satisfy these;
  - the location, size and tenure of the proposed community centre; and
  - the building setbacks generally on the ground floor.
4. **THAT**, any letter of offer to enter into a Voluntary Planning Agreement with Council be amended to provide a new community centre, publicly accessible through-site links, Military Road footpath widening, public domain improvements, and landscaping that are consistent with Council's adopted Neutral Bay Village Planning Study (NBVPS), and that any revised Voluntary Planning Agreement offer be reported to Council. In addition, that consideration be given to the provision of affordable housing.
5. **THAT**, Council immediately implement a moratorium on provision of landowner's consent to any owner of land adjoining the Grosvenor Lane Carpark precinct pending consideration and determination of Council's Expressions of Interest process for a future Grosvenor Plaza currently underway, and any subsequent tender process that may follow.
6. **THAT**, Council urge the Proponent, in the interests of the orderly and economic use of land, to avoid isolation of adjoining sites and pursue site amalgamation by negotiating and collaborating with the sites currently isolated by virtue of the current proposal.
7. **THAT**, Council withdraw landowner's consent to lodge a Development Application issued to Arkadia in September 2023 as Arkadia did not subsequently lodge any Development Application and circumstances have changed, including State Government planning reforms and Council's current Expressions of Interest process for a future Grosvenor Plaza.



8. *THAT, affordable housing be included in perpetuity and as part of the maximum building height.*

## 9. Applicant's submitted documentation for Rezoning Review

Council staff have reviewed the documentation uploaded to the NSW Planning Portal by the proponent in support of their Rezoning Review request. The following documents did not form part of the planning proposal assessed by Ingham Planning (on behalf of Council):

- Attachment E – Request to amend planning proposal (dated 12 September 2025)
- Attachment F – Revised indicative concept scheme (dated 12 September 2025)

All other documents submitted, including the proponent's Planning Proposal report (dated 29 August 2024) appear the same as the documents considered by Ingham Planning (on behalf of Council).

The proponent's rezoning review request letter (dated 24 October 2025) refers to the lodgement of these two additional documents on the NSW Planning Portal on 12 September 2025. The proponent's request to amend the planning proposal was not accepted or considered by Council as it was submitted after the assessment had been completed and considered by the NSLPP on 26 August 2025.

Furthermore, following a preliminary assessment of the proposal, the proponent was provided the opportunity to submit an amended scheme addressing the issues raised by the consultant in March 2025. These included site isolation of 180-182 Military Road, setback and through-site link requirements, building separation and basement vehicular access. The proponent's response (which included an updated concept design and car park options) was submitted on 11 April 2025 and was considered by the consultant in their assessment.

Additional amendments not considered by Ingham Planning prepared by the proponent as documented in Attachments E and F appear to include:

- An amended HOB map to extend the proposed 42m building height across 180-182 Military Road and the proposed through-site link (western link);
- An amended non-residential FSR map to extend the proposed minimum non-residential FSR of 1.2:1 across 180-182 Military Road and the proposed through-site link (western link); and
- An increase in the 4m wide through-site link at Site 2A to 6m (western link).

## 10. Planning Proposal Authority (PPA) Role

As Council resolved to not support the progression of the Planning Proposal, it is understood that in accordance with the NSW Government's 'LEP Making Guideline' (August 2023), that should the Planning Proposal proceed to a Gateway Determination then the relevant Regional Planning Panel will act as the Planning Proposal Authority (PPA) in this matter.



**Conclusion**

For the reasons outlined in this submission, the Planning Proposal is not considered to demonstrate the required strategic and site-specific merit to proceed to a Gateway Determination.

The amendments required to address the key issues raised in the detailed assessment report (by Ingham Planning) and by the NSLPP would necessitate a substantial re-design, including potentially a change in height or form, which could give rise to other non-compliances and impacts that would need to be carefully considered in their context and demonstrate that they are of a nature that could be resolved at a future Development Application (DA) stage.

The delivery of public domain improvements and community facilities to support the growth and renewal of the Neutral Bay town centre has been a long standing Council objective. The redevelopment of this key site presents a rare opportunity to deliver public benefits. Should the Planning Proposal progress in the absence of a suitable mechanism to secure public domain and community benefits, there is a significant risk that they will ultimately not be delivered with the future redevelopment of the site and undermine the years of strategic planning work by Council to guide and deliver a vibrant local centre that meets the needs and aspirations of the community.

We look forward to the opportunity to address the Sydney North Planning Panel to further discuss the matters raised in this letter.

Should you have any further queries on this matter, please contact Katerina Papas of Council's Strategic Planning department on [katerina.papas@northsydney.nsw.gov.au](mailto:katerina.papas@northsydney.nsw.gov.au) or 9936 8100.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N. McCarry'.

**NEAL McCARRY  
MANAGER STRATEGIC PLANNING**