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21 July 2020

Mr Michael Midson
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Dear Mr Midson

Draft Planning Proposal – LEP Review Phase 1 (Ref: RZ-14/2015)
Draft Local Housing Strategy
Draft Liverpool Centres and Corridors Strategy
Draft Liverpool Industrial and Employment Lands Strategy

The Property Council of Australia welcomes the opportunity to provide comments to Liverpool City Council (Council) on the above package of draft policies.

As Australia's peak representative of the property and construction industry, the Property Council's members include investors, owners, managers and developers of property across all asset classes. We are pleased to provide the following comments to Council on each of the documents released for public consultation.

Given the unusual circumstances faced by the economy due to the COVID-19 pandemic, it is critical that support be provided to the construction and housing industry. We would encourage Council to give careful consideration to accelerating the next stage of its LEP review. It is vital that this work be brought forward to encourage new development projects to commence and supports jobs in our economy.

Should you have any questions in respect of the matters raised in this submission, do not hesitate to contact Troy Loveday, Senior Policy Advisor, on 0414 265 152 or tloveday@propertycouncil.com.au

Yours sincerely

A handwritten signature in blue ink, appearing to read "Adina Cirson".

Adina Cirson
Property Council of Australia (NSW/ACT Division)

Draft Planning Proposal – LEP Review Phase 1

The Property Council understands that Council is one of eighteen (18) councils in Greater Sydney that are participating in the Accelerated LEP Review Program. The identification of certain local government areas for accelerated translation of the relevant District Plan during 2020 (one year ahead of the remaining 15 councils in Greater Sydney) was appropriate. Liverpool City Council's participation in this program is also appropriate.

Council has been given financial assistance from the NSW Government to complete milestones under the program. The completion of this Planning Proposal (PP_2019_LPOOL_007_01) is one such milestone. Finalisation of Council's Local Strategic Planning Statement (LSPS) and Local Housing Strategy (LHS) being other important steps in this program.

We note that this planning proposal begins to implement the actions of Council's LSPS and further actions will be addressed in subsequent planning proposals. Page 5 of the Planning Proposal makes reference to *Liverpool Local Environmental Plan 2008 (Amendment 52)* which rezoned land in Liverpool City Centre from B3 Commercial Core to B4 Mixed Use and was the result of a comprehensive review of the Liverpool City Centre. That amendment, made in September 2018, provided substantial alignment of Liverpool's planning controls to the Western City District Plan and avoids the need for a major overhaul of the LEP at this time.

The staged approach being taken by Council is appropriate given Council has already commenced the process of implementing previous strategic planning work and is currently exhibiting a draft Local Housing Strategy and draft Industrial Lands Strategy.

Housing Targets

The Greater Sydney Commission (GSC) issued Council with a letter of support on 30 March 2020 which included a 6-10 year housing target range between 11,000 and 12,500 additional dwellings. This involves the production of more than 2,200 additional dwellings annually.

The Western City District Plan imposed a 0-5 year housing target upon Council of 8,250 additional dwellings from 2016/17 to 2020/21 (being production of about 1,650 new dwellings each year). In the first three years of this period (2016/17 to 2018/19 there have been about 5,884 new dwellings completed in the Liverpool City Council LGA). Council must take necessary action to ensure that its policy settings are appropriate for the continuation of new housing supply at or above the current level.

General Comments on the Planning Proposal

The intent of the current Planning Proposal is to:

Implement actions of Council's LSPS, including:

- Rezone and update development standards for certain R4 High Density Residential zoned land in Moorebank;
- Rezone land within the Casula Crossroads Industrial Precinct;
- Update Schedule 5 Environmental Heritage inventory;
- Expand existing heath and research uses in Liverpool CBD;
- Insert an exempt development provision for the use of Council land for community events; and

- Insert a waste management provision as part of design excellence considerations for development within Liverpool CBD.

Strengthen the Liverpool Local Environmental Plan 2008, as follows:

- Update the overarching aims of the LEP;
- Rezone and amend development standards for land owned/operated by Sydney Water;
- Amend permissible uses in various zones and Schedule 1 Additional Permissible Uses;
- Remove additional Floor Space Ratio (FSR) provisions for dwelling houses in R3 Medium Density Residential Zones;
- Removes minimum street frontages in the B6 Enterprise Corridor zone;
- Remove minimum lot width requirements for residential subdivision;
- Includes a clause to ensure residential subdivision and development considers the existing locality and any sensitive land uses;
- Updates the objectives of the B1 Neighbourhood Centre zone; and
- Amends additional local provisions requiring specific uses within business zones to ensure the outcome for these zones are achieved.

It is also intended to correct anomalies within the written instrument and mapping inconsistencies, introduce a new savings and transitional clause to ensure that proposed amendments do not affect any development applications or appeal processes.

The following comments are provided on specific aspects of the proposal relevant to our members:

Moorebank High Density Residential Zone

The Planning Proposal is seeking to rezone certain land (148 lots) within Moorebank surrounding the commercial centre from R4 High Density Residential to R3 Medium Density Residential. This has been supported by Council's draft Local Housing Strategy which has found that there is adequate capacity within the local government area to accommodate housing demand to 2036. The current R4 High Density Residential area has a hypothetical capacity for 712 dwellings and the proposal would likely reduce the dwelling yield from this precinct by 177 dwellings.

Council's draft Local Housing Strategy has found that not all land is currently feasible to be developed for residential flat buildings within R4 zones outside the Liverpool CBD for several reasons, including small lot sizes and high land values/development expectations.

The Planning Proposal indicates that R3 Medium Density Residential will likely generate additional housing capacity due to its feasibility, be potentially easier to develop, allow land use/built form outcomes more consistent with the surrounding land uses and have less land conflict with adjoining lower density residential areas. It also indicates that Moorebank town centre does not have good public transport connections with other centres and there may be other parts of Moorebank better suited to high density residential use.

Property Council response

We have considered the details regarding this change that are provided within the Planning Proposal, draft Local Housing Strategy and the SGS Moorebank Rezoning Advice and generally support the proposed changes.

The change to R3 Medium Density Residential (supported by appropriate development standards) is more likely to bring about greater development activity and urban renewal that is consistent with the predominant built form within surrounding areas.

We fully support the inclusion of a savings clause in the Planning Proposal to avoid affecting current development applications or appeal processes.

Casula Industrial Precinct

The Planning Proposal intends to rezone a small (21 hectare) industrial area at Casula from IN3 Heavy Industrial to IN1 General Industrial. The current planning controls involve a maximum building height of 18 metres on land fronting Campbelltown Road and 30 metres on land facing the M5 Motorway. A minimum lot size of 2,000m² applies. There is no maximum floor space ratio requirement under Liverpool LEP 2008.

Apart from the zoning change, no changes to the site's development standards are proposed.

Property Council response

We have reviewed this aspect of the Planning Proposal and having regard to the site's location and proximity to nearby residential and business uses, we question whether the current IN3 Heavy Industrial zoning is appropriate.

Based on the information provided by Council in the Planning Proposal we generally support this the rezoning of this industrial precinct from IN3 to IN1 and maintaining the site's development standards (maximum building heights and minimum lot size).

Sydney Water sites

The Planning Proposal intends to rezone a total of twelve sites from their current zonings to special purpose (SP2) zones that align with their use as either water supply system or sewerage system.

Property Council response

The Property Council supports these zoning change, which we understand has the support of Sydney Water.

Draft Liverpool Local Housing Strategy

The Property Council welcomes the opportunity to comment on Council's draft Liverpool Local Housing Strategy.

The implementation of the draft Strategy is intended to deliver the Liverpool Housing Vision. We support the housing vision.

We note that the draft LHS found under current planning controls there is sufficient capacity for 84,366 additional dwellings (being 18,886 separate homes, 18,493 medium density homes and 46,987 apartments). Despite this, the actual number that can be delivered is closer to 50,000 taking account development feasibility (including 25,695 apartments).

From an industry perspective it is concerning when local councils claim they have more than sufficient supply of zoned land to meet housing targets up to 2036. In many cases, the supply is only theoretical and is not economically viable. We welcome Liverpool City Council looking into the feasibility issue and its implications in terms of housing supply and meeting housing needs.

Council should look at how land zones and development standards impact on the feasibility of housing development and ensure that its LEP/DCP controls and development contributions are appropriate so that they do not become obstacles to the supply of new housing that the Liverpool LGA needs.

It is also important that Council takes active steps to achieve a diversity of housing types and tenures. The Housing Strategy should consider the planning controls that are needed to encourage a pipeline of that meets the community's needs both in terms of size and geographic location. Consideration of measures within the draft Strategy to encourage special housing types such as seniors housing, seniors housing and adaptable housing is encouraging.

Priorities

The table below provides Council with our response to the six housing priorities that have been developed to implement the Liverpool Housing Vision.

| Priority | Response |
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| <u>Housing Priority 1 – Diverse housing to meet the needs of the community</u> | The draft Strategy has identified a significant challenge that exists within Liverpool LGA which is to provide a diverse supply of housing. It is appropriate that Council focus on this challenge and develop a policy response that addresses the barriers preventing the development of the right mix of dwellings in the right locations. |
| <u>Housing Priority 2 – Focus growth in and around town and strategic centres close to transport and services</u> | We support housing growth being focused on town centres and strategic centres that are close to transport and services. The draft Strategy must identify both the quantity and type of housing growth needed and embed this into the Council's statutory planning controls (Liverpool LEP 2008). |
| <u>Housing Priority 3 – The low scale character of suburban areas is respected</u> | We acknowledge Council's position regarding the low scale character of suburban areas. In many cases these locations will only be suitable for low rise detached housing. |
| <u>Housing Priority 4 – Increase affordable housing across Liverpool</u> | It is important that there is more affordable housing provided within Liverpool LGA and Council is encouraged to work with stakeholders across government and industry to design a model that will provide for more affordable housing dwellings to be planned and delivered. |
| <u>Housing Priority 5 – Ensure sustainability principles and climate resilience in new development</u> | The BASIX SEPP provides a good tool for energy and water efficiency in housing. We understand that BASIX will be updated in 2021 to be included in the new Design and Place SEPP. Planning for climate resilience from flooding and bushfire is also important and we support Council working with the RFS and SES to develop appropriate policy responses to those threats. |

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| <u>Housing Priority 6 – Support housing growth with appropriate infrastructure</u> | Investment in new infrastructure is vital and we note that Liverpool will benefit from a significant boost in infrastructure associated with the development of the Western Sydney Airport and adjacent Aerotropolis. Council needs to ensure that it can meet local infrastructure needs without heavy reliance on development contributions and planning agreements. |
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Key recommendations of the draft Strategy are:

Housing growth and location.

This recommendation involves Council implementing actions to support housing growth including:

- Prepare precinct plans for relevant areas identified for short term investigation in this Strategy;
- Progress sustainable, high density transit and landscape-oriented development along the Fifteenth Avenue Smart Transport (FAST) Corridor;
- Work with the Department of Planning, Industry and Environment (DPIE) to review the planning controls in the Growth Centres SEPP and DCP to address land fragmentation, ensure consistency across the Liverpool local government area and encourage high quality and diverse residential development; and
- Ensure increased density is consistent with the housing vision, principles and objectives, and locational requirements.

Property Council response:

These actions are appropriate and supported.

Housing diversity

This recommendation involves Council implementing provisions and actions to increase housing diversity including:

- Review existing land use and development controls for R1, R2 and R3 zones to encourage greater medium density and housing diversity in the context of the Medium Density Housing Code;
- Explore mechanisms to permit manor homes, with appropriate development controls in residential zones;
- Review controls in the R3 zone to improve development feasibility having consideration to appropriate built form outcomes;
- Prepare a new DCP with specific controls for medium density housing to ensure design quality and preservation of local character;
- Identify opportunities to encourage appropriate densities for medium density housing through building height and floor space ratio provisions;
- Encourage a greater range of apartments in the Liverpool city centre through reconfiguration of minimum and maximum apartment mix controls, with consideration to extending these controls to the broader Liverpool local government area where residential flat buildings are permitted;
- Explore the application of a minimum Liveable Housing Standard to a higher proportion of dwellings delivered in multi-dwelling and residential flat building developments; and
- Collaborate with DPIE, other councils and university representatives to develop a definition of student housing and a range of land use and development guidelines for student housing.

Property Council response:

Part 3.2 of the draft Strategy addresses housing diversity issues.

The steps being taken to encourage greater diversity of housing (size and tenure) are welcome. Council's LEP and DCP planning controls should be designed to encourage the development of well designed and located medium density housing. Council should look at providing examples of what is good design in its DCP using case studies or a pattern book for good housing design that can be replicated to improve design outcomes.

Housing Affordability

Part 3.3 of the draft Strategy addresses housing affordability issues.

This recommendation involves Council implementing mechanisms to deliver additional affordable housing across the LGA including:

- Partner with the NSW Government to investigate the potential for master planned precincts (such as Hargrave Park in Warwick Farm and social housing in the 2168 postcode) by rezoning land to renew and increase social and affordable housing;
- Partner with the NSW Government to review the Masterplan for Miller Town Centre;
- Advocate to the NSW Government for more investment in social and affordable housing; and
- Investigate other non-planning mechanisms to increase affordable housing in the local government area, such as partnerships with community housing providers.

Property Council response:

These actions are supported.

Built Form and Sustainability

Part 3.4 of the draft Strategy addresses built form and sustainability.

This recommendation involves Council implementing mechanisms to deliver high quality development across the LGA including:

- Collaborate with the State Government to review the Growth Centre medium density controls to encourage an appropriate mix of medium density dwellings, ensuring that controls align with the broader Liverpool LEP controls while preserving local character and amenity of low-density suburbs;
- Introduce place-based strategic planning controls to respect and preserve Liverpool's built heritage and local character, and
- Ensure new housing is sustainable and high quality, demonstrating climate resilience in design and materials.

Property Council response:

The intention to high quality development across Liverpool LGA is supported in-principle as are the three actions above. We look forward to Council working closely with industry partners and other stakeholders to develop the details specific to each of these.

Draft Liverpool Centres and Corridors Strategy

The Property Council welcomes the opportunity to comment on Council's draft Liverpool Centres and Corridors Strategy.

It is understood this draft strategy has been prepared in response to Action 11.3 of Council's Local Strategic Planning Statement and re-defines and re-categorises Liverpool's retail centres and corridors to enable direction for future planning. This is an appropriate opportunity to carry out this strategic planning work to 'give effect' to the Western City District Plan.

The primary issues that have been considered in the draft strategy are retail access and gaps, placing limitation on out of centre retail land uses and an update to Liverpool's retail hierarchy.

Guiding Criteria for Planning Proposals

| Guiding Criteria | Property Council Response |
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| Proposals must not have a significant negative impact on the retail operation of the Liverpool City Centre, town centres and local centres (including planned future centres). | This is appropriate and supported. Proponents should be made aware of the requirements Council expect to be prepared when they are intending to submit a planning proposal that involves commercial and retail development in Liverpool LGA. |
| The creation of new out of centre retail developments are not encouraged. | There are several retail formats that are appropriate and permissible in out of centre locations including hardware and bulky goods retail. Other retail formats may have merit and should be considered on a case by case basis. |
| In all centres (except neighbourhood centres), proposals must retail the existing amount of retail and commercial floor space as part of a mixed-use development. | This is appropriate and supported. |
| Proposals for redevelopment or expansion of town centres and local centres must demonstrate improved integration with the public domain and with nearby open space, social infrastructure and other services. | It is appropriate the Council detail what requirements apply in these situations in its DCP and associated guidelines so that proponents can determine their obligations well in advance of developing a proposal. |

Actions & Delivery Plan

The draft Strategy has identified seven actions to be delivered in the short (2020/2021), medium (2021/2022 to 2024/2025) and long-term (2025/2026 to 2035-2036). A response to each of the actions is provided in the table below.

| Action | Property Council response |
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| <u>Action 1: Review land use planning controls to ensure quality built form outcomes and ensure consistency with the retail hierarchy.</u> | We agree that it is important for commercial and retail buildings to be well designed and meet with community expectations. Council LEP/DCP controls should provide guidance to landowners and proponents regarding the Council's design requirements. This should include examples of good design features that can be replicated by similar development projects. |
| <u>Action 2: As part of the existing planning proposal, review planning controls in Middleton Grange and encourage development of a Town Centre consistent with the retail hierarchy.</u> | The Property Council supports this action. It is important that new communities are provided with an appropriate level of retail and support services (such as medical and financial services). Council must ensure that there is an appropriate supply of land zoned for this purpose. |
| <u>Action 3: As part of the existing planning proposal, encourage the development of a local centre in Holsworthy consistent with the retail hierarchy.</u> | The Property Council generally supports this action. Ideally the local centre should be located close to the existing railway station to service the daily needs of commuters using public transport. |
| <u>Action 4: Investigate and address any impediments for the timely delivery of centres in Austral.</u> | The Property Council generally supports this action. It is important that new communities, such as Austral, are provided with an appropriate level of retail and support services (such as medical and financial services). Council must ensure that there is an appropriate supply of land zoned for this purpose and consider a strategy to resolve obstacles such as fragmented land ownership. |
| <u>Action 5: Amend LEP to replace permissibility of 'shops' in the B6 Enterprise Corridor zone with 'neighbourhood shops'.</u> | This action is not supported. Although retail floor space in centres should be prioritised, there are many instances in which out of centre supermarkets is necessary and appropriate. Population growth is driving scarcity of land in centres, excess or unanticipated out of centre demand, the emergency of new, out of centre hubs (around public transport interchanges and nodes) and a need to disperse traffic movements. |
| <u>Action 6: Review LEP zoning of key sites (LEP schedule 1, clause 9) if they have been developed for the purposes of service stations</u> | This action is supported. It is appropriate for Council to review all sites that are identified on the LEP's Key Sites Map that have been developed for the purpose of a service station or a food and drink premises and rezone those sites B6 Enterprise Corridor. |

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| <u>or food and drink premises. Undertake a site analysis and consider rezoning to B6.</u> | |
| <u>Action 7: As part of the planning for the FAST corridor, consider appropriate location of TODs.</u> | This action is supported. This action should be considered as part of the broader planning and feasibility of the FAST corridor. |

Draft Liverpool Industrial and Employment Lands Strategy

The Property Council welcomes the opportunity to comment on Council's draft Liverpool Industrial and Employment Lands Strategy (the draft Strategy).

The draft Strategy is released as a package of documents that have been placed on exhibition concurrent with Council's Phase 1 LEP Review and sets a vision for the various present and future employment areas in the LGA.

From this vision, a hierarchy of sorts is developed which spells out the unique function envisaged for each category of industrial land, culminating in the case for the introduction of a B7 Business Park Zone to facilitate the development of "innovation precincts". Many of the actions, including the new zoning, will be considered in the LEP Phase 2 Review.

Actions

The following table includes our response to each of the nine actions identified within the draft Strategy.

| Actions | Property Council response |
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| <u>Action 1: Review development standards objectives for industrial land.</u> | The Property Council supports this objective and we look forward to seeing the output of this review reflected in Stage 2 of the LEP review. |
| <u>Action 2: Review and manage employment land within the eastern portion of the LGA</u> <u>Action 3: Plan and manage employment lands within the western portion of the LGA.</u> | <p>The Property Council supports this objective. We commend Council on its decision to distinguish between areas of industrial land based on their stage of economic evolution and note the industrial lands on the eastern side of the LGA (particularly east of the river) have a number of characteristics in common with employment lands in the Central and Eastern Cities as described in the GSC's <i>Metropolis that Works</i> paper.</p> <p>We note the draft strategy identifies this priority as one for the short-term. Given the changing employment and industrial landscape, we would encourage Council to retain an open mind to future review, noting the important role these lands play in providing urban services, logistics, manufacturing and future employment.</p> |
| <u>Action 4: Facilitate industrial development to support the operation of the Western Sydney International (Nancy Bird Walton) Airport and Western Sydney Aerotropolis.</u> | <p>There is significant interest from the Property Council's membership base in the development of the Western Sydney Aerotropolis and nearby land. We have provided feedback on the design principles underpinning the Aerotropolis in our submission to the NSW Government's draft Western Sydney Aerotropolis Plan.</p> <p>Council's plan states "Industrial development within the Aerotropolis must be designed strategically to improve efficiency, connectivity and avoid amenity impacts. Additionally, industrial development must avoid compromising agricultural land and the scenic landscapes that define this regions character, especially as agri-tourism opportunities develop over time."</p> <p>The Property Council is keen to work with local and state government to ensure the achievement of these objectives does not compromise with the viability of employment-generating projects on these lands. We look forward to future engagement in this area.</p> |
| <u>Action 5: Increase industrial development density, efficiency and colocation.</u> | This action applies to new industrial development, and the adaptive reuse of older industrial stock. In spelling out the rationale for this action, Council states that increasing land use efficiency in industrial |

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| | <p>precincts can assist businesses and industries in making better use of existing sites and allow for an increase in job density; and that innovative and efficient approaches for industrial developments and tenancy configuration is to be encouraged. The Property Council supports this aspiration.</p> <p>In achieving this outcome, Council will explore increases to building heights and updated DCP controls in the short term. In exploring these changes, the Property Council encourages Council to also consider the option of removing maximum heights on areas where this may be warranted and present minimal conflict with neighbouring land uses.</p> <p>Over the medium term, Council will investigate incentive provisions for architectural design excellence, construction and operational environmental sustainability, and for consolidated master planned estates. The Property Council encourages wide-ranging industry engagement as part of any move in this direction.</p> |
| <u>Action 6: Prioritise public domain improvements and vegetation within industrial precincts.</u> | <p>This section identifies short and medium-term actions including a review of public domain and landscaping provisions within the DCP (short term) and updating the contributions plan (medium term).</p> <p>The Property Council encourages Council to take a targeted approach to selecting precincts where this may be warranted (such as the future B7 zones), being mindful of the need for functionality and affordability in other areas.</p> |
| <u>Action 7: Improve connectivity between public transport and industrial precincts.</u> | <p>The Property Council supports the rationale behind this action. While the Property Council does not oppose the consideration of public and private transport in assessing future planning proposals, consideration of “active transport” for remote industrial lands should occur in a way that does not inhibit creation of local jobs.</p> |
| <u>Action 8: Introduce innovation precincts within LGA</u> | <p>This Action discusses the introduction of B7 Business Park Zones to the Liverpool LGA. Without commenting on the merits of any site-specific proposal, the Property Council support the introduction of the B7 zone to Liverpool’s employment lands hierarchy. We also note the introduction of the zone is likely to necessitate the creation of relevant DCP provisions for this zone.</p> |

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| | We understand this will occur in Phase 2 of the LEP Review and look forward to further industry engagement later this year. |
| <u>Action 9: Clarify the intended role and function of industrial precincts</u> | <p>This action refers to the “refinement” of permissible uses between industrial zones in order to “cluster” similar industries together. The Property Council has reservations regarding the potential for a loss of flexibility, which runs counter to recent planning directions, such as the creation of broader zoning terminology as reflected in the Western Sydney Aerotropolis Plan.</p> <p>The Property Council will make a more detailed submission in this area once more details become available as part of Phase 2 of the LEP Review.</p> |
| <u>Action 10: Advocate for local jobs, community outcomes and high quality industrial design at the Moorebank Intermodal site.</u> | <p>The Property Council notes the history of advocacy from Liverpool City Council regarding the Moorebank Intermodal.</p> <p>In this Action, Council is proposing to achieve its advocacy outcome through its “Moorebank Intermodal Committee” however the functions of this committee as listed on Council’s website do not relate do economic development and employment outcomes. The Property Council encourages the implementation steps be amended to include industry peak bodies in addition to resident committees as part of an advocacy program seeking to maximise the benefits of the Moorebank Intermodal.</p> |