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Australia's property industry

Creating for Generations

30 July 2020

Mr Ken Gouldthorp
General Manager
North Sydney Council
PO Box 12
NORTH SYDNEY NSW 2059

Email – council@northsydney.nsw.gov.au

Dear Mr Gouldthorp

North Sydney – Civic Precinct Planning Study

The Property Council of Australia welcomes the opportunity to provide comments to North Sydney Council (Council) on the Civic Precinct Planning Study.

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 the draft planning study and its recommendations.

Housing Targets

The completion of the new Metro rail service and the Victoria Cross station presents a significant opportunity for greater public transport use and urban renewal within the Civic Precinct. The precinct also has the potential to make a contribution towards North Sydney Council's long-term housing and jobs targets that will be developed through the North District Plan.

Action 1 of the planning study, which recommends the creation of more jobs and housing opportunities near the Metro is supported. Where opportunities for additional housing close to public transport exist, those opportunities should be realised through development of appropriate planning controls.

Non-Residential Floor Space

Action 3 of the planning study recommends an increase in the quantity of commercial floor space within the Civic Precinct. In principle we support Council's desire to pursue this outcome however the amount of non-residential floor space must be commercially viable and appropriate for the location.

The sites within the B4 Mixed Use zone will have minimum non-residential FSR of between 0.5: and 1:1. Sites located along the Pacific Highway must provide a full commercial podium of 2-3 storeys.

PROSPERITY | JOBS | STRONG COMMUNITIES

We are concerned about the viability of the minimum non-residential floor space indicated on page 30 of the draft planning study. We recommend Council undertake further testing to confirm the current viability of non-residential development, especially given the potential effects of COVID-19 on the office and retail sectors.

Planning proposal process

We urge Council to lead the rezoning process by initiating a precinct-wide planning proposal where the planning study finds there is merit in changing the planning controls for the Civic Precinct. It should also develop a contributions plan that reflects the infrastructure needs for both the existing and future residents and workers within the precinct.

It is concerning that North Sydney Council instead has the expectation that landowners will submit planning proposals to give effect to the recommendations of the planning study. As part of accepting a planning proposal, Council will expect an offer for a Voluntary Planning Agreement to be made.

Given the improved transport and accessibility that will be provided to the precinct from the development of the Metro service, it is appropriate that the current LEP planning controls be reviewed to reflect these improvements. Without a review of the precinct's planning controls, the full potential of the transport investment will not be realised and the opportunity to make a shift to a transit-oriented community will be lost.

Planning agreements should be used as an alternative mechanism to deliver local infrastructure that has a direct nexus to the development being proposed. Funding unrelated public benefits is inappropriate and contrary to the intent of the Department of Planning, Industry and Environment's Practice Note for Planning Agreements.

Affordable Housing

Page 39 of the draft planning study Council has identified an apparent gap in the provision of affordable housing for the LGA. However, no clarity is provided around the mechanism that will be employed to increase the supply of affordable housing.

Should Council intend to implement an affordable housing contribution scheme or rely upon planning agreements for this purpose, the costs involved with meeting any affordable housing contribution levy must be taken into consideration during the early stages of planning a development project.

The costs to development associated with meeting affordable housing contributions can significantly affect a project and potentially stifle development. If Council is not clear up front on the value of any contributions, those costs cannot be factored into the feasibility of each development project. It is crucial that Council proceed with any affordable housing contribution scheme consistent with the GSC's model for affordable rental housing targets, that include only levying the development yield arising from uplift (subject to development feasibility).

Cumulative impact of infrastructure contributions

The Property Council is concerned about the increasing trend for local councils to impose layer upon layer of contributions and charges on development projects. As with the recent planning study for the Military Road Corridor, there was no costing provided of the community infrastructure that is expected to be delivered. This makes it very difficult to accurately determine project feasibility.

As part of testing viability of development under the scenarios recommended in the planning study, Council should ensure that feasibility testing is carried out on a number of sites within the precinct to demonstrate that any proposed infrastructure contributions (section 7.11 or 7.12 plus any public benefits imposed through a planning agreement). These must be considered in their entirety to ensure that these contributions do not undermine the viability of development projects.

Car Parking

The draft planning study does not mention car parking requirements that will be applied to sites within the Civic Precinct. Given the improvements to transport that will be delivered by the Metro station at Victoria Cross and Crows Nest, there will be some locations where lower rates of car parking would be appropriate.

However, some sites will be located a considerable distance from the Metro stations and will still require car parking for the convenience of residents and workers. Council should provide an indication of potential off-street carparking rates when it finalises the planning study.

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



Belinda Ngo
Acting NSW Executive Director
Property Council of Australia