

ITEM 5. THE CENTRAL SYDNEY PLANNING STRATEGY - PLANNING PROPOSAL TO AMEND SYDNEY LOCAL ENVIRONMENTAL PLAN 2012 – AMENDMENTS TO SYDNEY DEVELOPMENT CONTROL PLAN 2012

FILE NO: S064204

SUMMARY

This Strategy is the product of the most detailed review of city centre planning controls since the City's first comprehensive planning strategy in 1971.

The Review was undertaken in response to community consultation for the preparation of the City's Sustainable Sydney 2030 program. The community asked us to ensure Sydney remained a globally competitive and innovative city, where change and growth in the city centre was planned and that growth was balanced with the attributes that make Sydney one of the world's most liveable cities.

The Review responds to directions in the NSW Government's A Plan for Growing Sydney to ensure that Central Sydney can accommodate employment growth, in the right places, supported by a vibrant mixture of cultural activity, iconic places and buildings.

The Review considered the planning controls and broader planning policies that guide development in Central Sydney. It looked at how Central Sydney has, will and should grow and the challenges associated with balancing land use and moving people in, out and around a compact city centre. The results of the Review are presented in the Strategy, as well as in the technical studies attached to the Strategy.

The Central Sydney Planning Strategy is the culmination of several projects to review the existing planning controls for Central Sydney. It sets a strong planning vision for Central Sydney's future. It outlines how Central Sydney will grow and includes aims, objectives and actions to promote Central Sydney's role as the State and nation's economic, cultural and social engine.

The Central Sydney Planning Strategy unlocks economic opportunities and investment in jobs, and supports public improvements that make Sydney an attractive place for business, workers, residents and visitors. The Central Sydney Planning Strategy outlines 10 key moves. These moves prioritise employment growth, increase capacity and ensure infrastructure keeps pace with growth. They make Central Sydney more sustainable and protect and enhance its heritage and public spaces.

Implementing these moves will unlock 2.9 million square metres of floor space, provide for over 100,000 jobs, deliver around 300-520 new affordable housing units and allow the City to work collaboratively with industry and the community to deliver additional open space and essential infrastructure. These benefits will be unlocked through a planning pathway that encourages innovative and world class development solutions. These moves will be delivered through the changes to the planning controls.

This report provides an overview of the Central Sydney Planning Strategy, its preparation and a planning proposal to start amending the planning controls. In addition, there are several supporting documents attached to this report that promote the aims and actions of the Central Sydney Planning Strategy, including an affordable housing program and an outline for a guideline for site-specific planning proposal requests. Collectively, these documents will provide the framework to support, promote and deliver the Central Sydney Planning Strategy in line with maintaining Sydney as Australia's only global city.

The report recommends the Committee endorse and exhibit the Strategy and related documents to implement the Strategy, including the Planning Proposal, draft DCP amendments and the affordable Housing program, and prepare and exhibit a guideline for preparing site-specific planning proposal requests.

The report recommends that the Committee approve the aims, objectives and actions in the Central Sydney Planning Strategy as matters for consideration for planning proposals that seek changes to the planning controls in Central Sydney. In support of the approach, it is also recommended that the City look to further engage with the Department of Planning and the Greater Sydney Commission to optimise several planning processes for clarity, consistency and certainty.

RECOMMENDATION

It is resolved that:

- (A) the Central Sydney Planning Committee endorse the Central Sydney Planning Strategy, shown at **Attachment A** to the subject report;
- (B) the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 19 July 2016 that authority be delegated to the Chief Executive Officer to prepare a draft *Guideline to Preparing Site-Specific Planning Proposal Requests in Central Sydney* document in accordance with the following principles to:
 - (i) provide opportunities for strategic floor space on appropriate sites that serve the workforce, visitors and wider community;
 - (ii) provide opportunities on Strategic Opportunity Sites for additional height where significant public benefit can be demonstrated;
 - (iii) ensure planning proposals align with the aims, objectives and actions of the Central Sydney Planning Strategy and have planning and architectural merit;
 - (iv) ensure that planning proposals commit to achieving sustainable development above minimum requirements;
 - (v) provide for an intensity of development that is commensurate with the capacity of existing and planned infrastructure, particularly public transport, open space and pedestrian infrastructure;
 - (vi) describe the City's priorities for public infrastructure needed to support growth;
 - (vii) provide a transparent and consistent approach to the evaluation of planning proposals in Central Sydney; and
 - (viii) describe the process for preparing site-specific planning proposals, including required supporting documentation, and the decision making process;
- (C) the Central Sydney Planning Committee endorse the nine aims in Section 1 of the Central Sydney Planning Strategy as matters to be addressed in any Planning Proposal for a site in Central Sydney which seeks to amend Sydney Local Environmental Plan 2012;

- (D) the Central Sydney Planning Committee approve the Planning Proposal: Central Sydney, shown at **Attachment B** to the subject report, for submission to the Greater Sydney Commission with a request for a Gateway determination;
- (E) the Central Sydney Planning Committee approve the Planning Proposal: Central Sydney, shown at **Attachment B**, for public authority consultation and public exhibition in accordance with any conditions imposed under the Gateway determination;
- (F) the Central Sydney Planning Committee note the recommendation to the Council's Planning and Development Committee on 19 July 2016 that Council seek authority from the Greater Sydney Commission to exercise delegation of the Greater Sydney Commission of all the functions under section 59 of the Environmental Planning and Assessment Act 1979 to make the local environmental plan to put into effect Planning Proposal: Central Sydney amendments to Sydney Local Environmental Plan 2012;
- (G) the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 19 July 2016 that Council approve for public exhibition the amendments to Sydney Development Control Plan 2012, shown at **Attachment C** to the subject report, concurrently with the Planning Proposal: Central Sydney;
- (H) the Central Sydney Planning Committee note that the Central Sydney Planning Strategy, shown at **Attachment A**, will be made available for public comment concurrently with the public exhibition of Planning Proposal: Central Sydney and amendments to Sydney Development Control Plan 2012;
- (I) the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 19 July 2016 that authority be delegated to the Chief Executive Officer to make any minor changes and any changes required by the Greater Sydney Commission to the Planning Proposal: Central Sydney, or Sydney Development Control Plan 2012 following receipt of the Gateway Determination prior to the exhibition;
- (J) the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 19 July 2016 that authority be delegated to the Chief Executive Officer to exhibit a draft Guideline to Preparing Site-Specific Planning Proposal Requests in Central Sydney document at the same time as the Planning Proposal: Central Sydney;
- (K) the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 19 July 2016 that Council approve the Draft Central Sydney Affordable Housing Program, shown at **Attachment D** to the subject report, for public exhibition with Planning Proposal: Central Sydney;
- (L) the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 19 July 2016 that authority be delegated to the Chief Executive Officer to make minor changes to the Draft Central Sydney Affordable Housing Program, shown at **Attachment D**, prior to public exhibition; and

- (M) the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 19 July 2016 that authority be delegated to the Chief Executive Officer to write to the Secretary of the Department of Planning and Environment requesting the Department of Planning and Environment and the City work together to:
- (i) prepare a new section 117 Direction from the Minister for Planning limiting any new additional floor space in Central Sydney to employment generating floor space;
 - (ii) streamline the Gateway process for planning proposals consistent with the Central Sydney Planning Strategy and Guideline;
 - (iii) monitor the ongoing net growth of employment floor space in conjunction with the Central Sydney Planning Committee;
 - (iv) expand the application of the Central Sydney provisions of the Sydney Local Environmental Plan 2012 to The Rocks, Central Station, Darling Harbour and Central Park;
 - (v) revise State-Significant cost thresholds for the City of Sydney; and
 - (vi) investigate how changes in strata or ownership models can enable the renewal of buildings as they approach the end of their economic life.

ATTACHMENTS

Attachment A: The Central Sydney Planning Strategy

Attachment B: Planning Proposal: Central Sydney

Attachment C: Amendments to Sydney Development Control Plan 2012 - Central Sydney Planning Strategy Amendment

Attachment D: Draft Central Sydney Affordable Housing Program

(Note - Attachments A to D will be circulated separately from the Agenda Paper in limited numbers. They will be available for inspection on Council's website and at the One Stop Shop and Neighbourhood Service Centres).

BACKGROUND

Introduction

1. The Central Sydney Planning Strategy is a 20-year growth strategy that revises previous planning controls and delivers on the City of Sydney's *Sustainable Sydney 2030* program for a green, global and connected city and the NSW Government's *Plan for Growing Sydney*. This report is the first stage in implementing the Strategy.
2. To maintain our standard of living, the State and nation depend on the growth of total gross output of Central Sydney. Where Central Sydney produces a \$68 billion gross output annually, Melbourne's city centre produces \$39 billion and Parramatta \$8 billion. Central Sydney must be positioned to accommodate future economic and employment growth. The draft Planning Proposal and the Draft DCP amendments provide the foundation for this to occur, with the Strategy and Guideline setting the long term vision and growth opportunity.
3. The Strategy, together with the proposed Guideline for changes to the planning controls, outline how 2.9 million square metres of new floor space for employment in new tower clusters can be created in Central Sydney. Implemented on a site-by-site basis, in collaboration with land owners, the innovative approach to delivering additional height and density within Central Sydney will ensure growth is sustainable, matched to demand and infrastructure and balanced with those attributes that make Sydney one of the world's most liveable cities.
4. Planning Proposal: Central Sydney and amendments to Sydney Development Control Plan 2012 (Draft DCP) refocus the City's successful planning controls to ensure economic and employment growth, recognising the role Central Sydney plays as the economic, cultural and social heart of the nation. They are a critical step in ensuring that the Central Sydney planning framework is positioned to provide for the employment growth projected by the NSW Government's *A Plan for Growing Sydney*, as well as in response to the demand generated by the largest commitment to new public transport infrastructure in Sydney since the 1980s – the Sydney Metro and the South East Light Rail.

The Central Sydney Planning Review

5. The Strategy is the product of the most detailed review of city centre planning controls since the City's first comprehensive planning strategy in 1971.
6. The Review was undertaken in response to community consultation for the preparation of the City's *Sustainable Sydney 2030* program. The community asked us to ensure Sydney remained a globally competitive and innovative city, where change and growth in the city centre was planned and that growth was balanced with the attributes that make Sydney one of the world's most liveable cities.
7. The Review responds to directions in the NSW Government's *A Plan for Growing Sydney* to ensure that Central Sydney can accommodate employment growth, in the right places, supported by a vibrant mixture of cultural activity, iconic places and buildings.

8. The Review considered the planning controls and broader planning policies that guide development in Central Sydney. It looked at how Central Sydney has, will and should grow and the challenges associated with balancing land use and moving people in, out and around a compact city centre. The results of the Review are presented in the Strategy, as well as in the technical studies attached to the Strategy. Key aspects of the Reviews findings are discussed below.
9. Central Sydney generally refers to land zoned B8 Metropolitan Centre and RE1 Public Recreation under Sydney Local Environmental Plan 2012 (SLEP2012), and includes four precincts: City Core, Western Edge, Midtown and Southern. Central Sydney is shown in Figure 1 and the four precincts are shown indicatively in Figure 2.

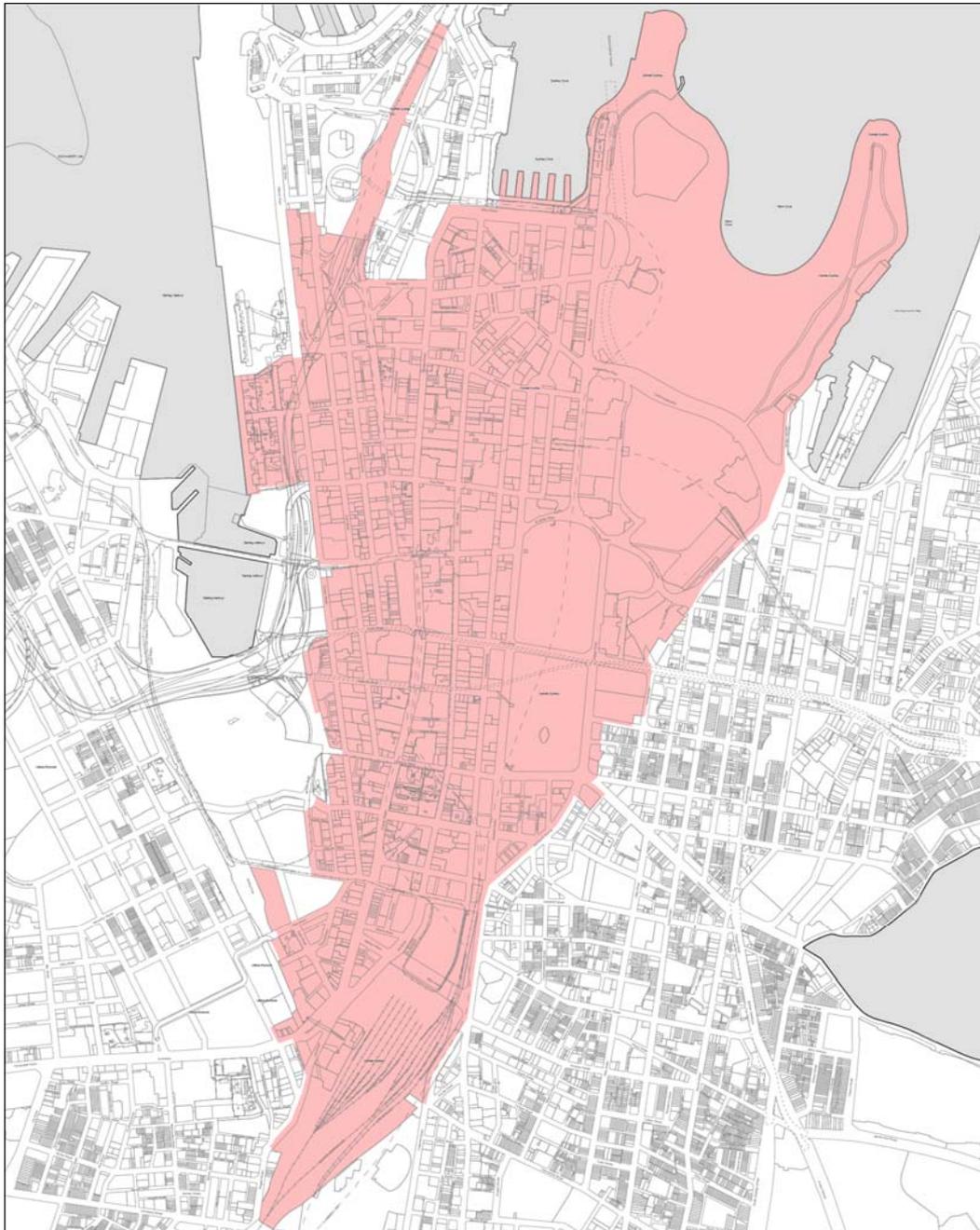


Figure 1 – Central Sydney Area



Figure 2 – Central Sydney’s precincts (shown indicatively)

Economic role

10. Central Sydney plays a crucial role in positioning Sydney as Australia's leading global city. It is at the core of the metropolitan area and is a key attractor for investment, talent and economic productivity in Australia. To maintain Sydney's global status, it is critical Central Sydney strengthens its role as an economic conduit between Australia and the rest of the world, builds on its strong position as a centre for ideas and innovation, and reinforces its specialist role in advanced business services and tourism.
11. Central Sydney is home to Australia's highest value workers. At \$104 per hour per worker (2012), Central Sydney has higher worker productivity than any other Australian centre of employment. This productivity is reflected in the large contribution of Central Sydney and its jobs to the national and State economies. Central Sydney generates more than \$68 billion gross output per annum and the greater City of Sydney generates \$108 billion.
12. It is important to prioritise space that can be occupied by a variety of commercial, retail, community and hospitality businesses. Floor space must be available in Central Sydney to facilitate economic growth and improve Sydney's productive capacity and respond to changing markets overtime.
13. With four out of five workers in commercial office environments it is essential that expansion and renewability of work places can continue into the future.

A compact urban centre

14. However, Central Sydney has limited capacity to grow outward as a result of its physical setting. While other Australian urban centres, like the Melbourne CBD, can expand outwards, this is prevented by Central Sydney's physical setting. Compared to other global cities, Central Sydney's commercial core is small, being the equivalent of one-quarter the size of New York's Central Park.
15. With limited physical space for Central Sydney to expand, land use must be carefully managed and negative effects to the setting and livability avoided.

Balancing growth with infrastructure in a compact urban centre

16. Central Sydney's growth must also be accompanied by high quality transport infrastructure. Public transport is fundamental to Sydney's role as a modern multicentre city. It is needed to connect people, talent, ideas and knowledge between places and across industries such as finance, education and technology. Improving the efficiency of the public transport network by connecting modes of transport will maximise metropolitan Sydney's economic potential.
17. As Central Sydney's population grows, more people will live, work and play in Central Sydney, increasing demand for public space. For global cities, great public spaces are extensions of their economic, social and cultural life.
18. Opportunities must be harnessed for new pedestrian links, cycle paths, public squares and green open space. Streets must be prioritised for people. Community and service infrastructure must also grow to meet increasing demand – libraries, childcare and cultural facilities, light rail, footpaths and affordable rental housing also being important components of Central Sydney's infrastructure.

Employment floor space

19. The predominant industry sectors in Central Sydney are finance and financial services and professional and business services. These two sectors combined employ over 50 per cent of the workforce, representing the greatest concentration of knowledge-intensive industries in Australia.
20. Overall, the City of Sydney is the workplace for 21 per cent of the entire finance sector, 15 per cent of the total information, media and technology industry and 11 per cent of creative and performing arts activity across Australia. Catering for employment growth and employment floor space in Central Sydney is critical for the economic resilience of Australia.
21. Between 1991 and 2012, Central Sydney's core employment population grew by close to 50 per cent. It is anticipated that it will grow by a further 30 per cent from 2012 to 2036 to approximately 380,000 workers. This growth in workforce includes that from State development, including Barangaroo, Darling Harbour and Central Park.
22. Currently, Central Sydney has capacity for an additional 745,000 square metres of floor space under existing controls. However, given approval trends over the last 10 years, it is highly unlikely that this will all be provided as employment floor space. Combined with employment floor space provided by State Significant development, projected capacity under current controls is one million square metres of commercial floor space.
23. Assuming on average across all sectors 20 square metres of floor space is required for every job located in Central Sydney, only 50,000 jobs are likely to be accommodated by current capacity. This is significantly less than the floor space required to accommodate projected jobs growth.
24. Without intervention to stabilise employment floor space losses and increase the amount of employment floor space within Central Sydney, there will be significant constraints on jobs growth and asset renewability to meet market needs. The Central Sydney Planning Strategy's floor space gap analysis indicates that a business-as-usual scenario may mean that space which could have been used for some 40,000 to 85,000 jobs may not be provided.

Residential floor space

25. Over the last four years, 52 per cent of new floor space approved in Central Sydney was residential. Between 1996 and 2012, the residential population of Central Sydney quadrupled from around 6,500 to 25,000 residents.
26. Central Sydney's residential population will grow by 80 per cent from 2012 to approximately 45,000 people by 2036. More than half of this population growth is expected to occur in the next 10 years, largely as a result of additional dwellings at sites such as Barangaroo and Darling Harbour's Darling Square.

27. In 2012, Central Sydney's 25,000 residents lived in approximately 12,000 dwellings. By 2036, Central Sydney will require an additional 10,000 dwellings to accommodate its projected residential population. Since 2012, approximately 3,000 new residential dwellings have been approved within Central Sydney. When combined with known State Significant development approvals, the number of residential dwellings since 2012 rises to over 10,000, with most in Darling Harbour, Barangaroo and Central Park. These dwelling approval figures indicate there is likely to be no dwelling supply issues for Central Sydney in the medium term.
28. By 2036, Central Sydney will have a similar-sized residential population as the suburbs of Pyrmont, Ultimo, Glebe and Harold Park combined. This population growth will change the look and feel of Central Sydney's precincts and have significant impacts on infrastructure demand. Importantly, new strata titled residential development will continue to displace existing office floor space, potentially sterilising the commercial development potential of sites better suited to employment uses.

Floor space supply

29. Due to our open zoning and incentives residential development offers the best immediate investment return under current planning controls. However, this means that sites better suited to employment-related investment in the medium term will be marketed, sold and redeveloped as residential properties and be Strata sub-divided into fragmented ownership.
30. Residential projects approved by the City since 2012 represent a net reduction of over 130,000 square metres of existing employment floor space and 285,000 square metres of potential employment floor space. Speculated office to residential conversions since 2012 represent a loss of over 380,000 square metres of existing employment floor space and a minimum loss of over 150,000 square metres of potential employment floor space under current planning controls.
31. Known and potential office to residential conversions since 2012 represent a total reduction of over 945,000 square metres of existing and potential employment floor space equal to over 15 years office floor space supply or over 45,000 jobs reduced from Central Sydney's capacity.
32. Residential strata projects approved in 2015 represented the largest recorded period of residential strata growth since 1971. Prior to 2015, the lead up to and following the 2000 Olympic games represented the biggest period for residential strata registration in Central Sydney. Sixty schemes were registered between 1998 and 2005, with a large proportion of these relating to approved serviced apartments converted to residential strata dwellings. Given the ability for serviced apartments to easily convert to residential strata dwellings, the Strategy treats them one and the same.

Visitor Accommodation

33. Central Sydney has a specific role in supporting visitors and their contribution to the economy.

34. At the end of 2012, metropolitan Sydney's accommodation providers recorded close to 80 million visitor nights. This is forecast to increase to over 130 million nights in 2022/23. The City of Sydney is home to 60 per cent of metropolitan Sydney's hotel rooms and around 27,500 people stayed within the City of Sydney on any given night in 2012. The majority of hotels are located in Central Sydney, but there are a growing number of hotels to the south in the precincts surrounding Central Railway Station and Broadway.
35. In 2012, about 60 per cent of City of Sydney visitors who stayed in paid accommodation were leisure travellers, almost 30 per cent were corporate travellers, and about 4 per cent visited for meetings, incentives, conventions and exhibitions. Although corporate travellers are fewer, they occupy a similar number of rooms as leisure travellers.
36. Other than ensuring sufficient capacity for the sustainable growth of visitor accommodation, it is important that planning controls and strategies support and promote Central Sydney as a place to visit. That means projecting an image of Sydney globally that focuses on Sydney's points of difference: protecting and enhancing the amenity of our special parks and places; and ensuring that visitors' basic requirements are provided for, including a range of accommodation options at different price points, efficient and effective transport options and accessible and equitable public amenities. It also means enhancing and celebrating our city and its public places throughout the year so as to provide a wide range of events and spaces, formal and informal, which attract a steady flow of visitors to our city.

Affordable Housing

37. Sydney remains Australia's least affordable city despite the residential supply increase over recent years. The high cost of housing is an important economic and social issue in Sydney, particularly within the City of Sydney Local Government Area (LGA) where housing prices are amongst the highest in Australia. For a global city, a sustainable and diverse housing supply is fundamental to the cultural and social vitality, economic growth and liveability of the city.
38. Housing quality and affordability affect Central Sydney's ability to attract and retain global businesses and a highly skilled workforce. Where relatively low paid key workers, who underpin and enable growth in high value sectors, cannot access appropriate and affordable housing, there is direct risk to metropolitan Sydney's global city status and, by extension, the Australian economy. These key workers are employed in a range of sectors. They are our health care technicians, cleaners, bus drivers, administrators, wait staff, tour guides, musicians and artists.
39. Without provision of more affordable forms of housing, the market can be expected to continue to produce housing in and around Central Sydney aimed at households on relatively high incomes. Lower income households will need to move out of the inner-city or, alternatively, be forced to live in less than optimal living conditions so as to be close to employment opportunities in Central Sydney.
40. As jobs growth occurs in Central Sydney, a proportion of the new workers will be part of very low to moderate income households. As competition for affordable housing options increases, the availability of affordable housing will decrease. Without affordable housing close to Central Sydney, businesses will have access to fewer of the workers needed in the City. Attracting necessary workers will increase costs for business and impact growth.

41. As Central Sydney's economic importance to the national economy continues to increase, new development will create an economic and social need for affordable housing.

Ecologically Sustainable Development

42. Total energy use across Central Sydney buildings has been decreasing since 2006, despite rapid economic growth. There are several reasons for this. Technological improvements, such as LED lighting, are now becoming mainstream, residents and businesses have been cutting back on energy use as prices rise, and awareness of energy efficiency benefits is increasing across the community. However, energy prices are now stable and interventions are required to continue to realise the full potential for Central Sydney buildings to contribute to reducing our carbon footprint.
43. In the City of Sydney more than three-quarters of total energy is consumed by non-premium office buildings, apartments, A-grade office buildings, hotel accommodation and car park sectors. Central Sydney accommodates the greatest proportion of each of these sectors making Central Sydney an obvious candidate for additional energy saving policies and programs. A small improvement in Central Sydney will make a marked difference in the ability for the City, the NSW Government and the Federal Government to achieve their energy savings targets, both by direct savings and by influencing other cities and sectors to follow suit.
44. Energy efficiency is the cheapest way of cutting greenhouse gas emissions. The benefits of energy efficiency include reducing household and business running costs, reducing future infrastructure costs, reducing emissions, saving precious resources and creating jobs.
45. Setting higher minimum BASIX targets tied to incentives and minimum NABERS rating targets were identified as two major energy savings opportunities in the City's Energy Efficiency Master Plan. These changes represent direct action that will assist in reducing the energy consumption of total buildings in the Local Government Area by 31 per cent by 2030. This equates to almost two million tonnes of CO₂-e savings, making these two actions one of the largest contributors toward meeting the City of Sydney's goal to reduce greenhouse gas emissions by 70 per cent by 2030.
46. Setting higher minimum BASIX Energy scores and minimum NABERS rating targets also means that future planning proposals and development applications seeking to demonstrate design excellence will need to do better than meeting minimum targets to qualify for design excellence.
47. Both BASIX and NABERS schemes use well established, sophisticated on-line calculation tools managed and maintained by State Government agencies and these schemes generate certificates or ratings that are already comprehended and verified by accredited industry professionals, including building designers, certifiers and assessors. Using these schemes, via extension, to drive better energy performance outcomes is a highly efficient policy solution.
48. The Investment Property Databank (IPD) Australian Green Property Index shows high NABERS rated offices outperform low rated buildings with:
 - (a) higher capital growth
 - (b) higher rent

- (c) higher operating income
- (d) lower capital expenditure
- (e) lower vacancy rates, and
- (f) longer weighted average lease expiry.

International Comparisons

49. Commercial centres of comparable global cities, such as London, UK, and Vancouver, Canada, are experiencing land use conflicts similar to Central Sydney. In those cities, residential development has become the highest and best use at the expense of valuable employment land. The cities of Vancouver and Westminster have also undertaken detailed analysis to address these issues through new planning approaches.

City of Vancouver

50. In 2005, the City of Vancouver initiated a *Metro Core Jobs and Economy Land Use Plan* to develop a long term land use policy to accommodate economic growth and jobs in the Metro Core.
51. The City of Vancouver introduced planning interventions to manage residential within the Metro Core area by:
- (a) a prohibition on market residential floor space in the CBD, except in limited situations that achieve other City strategic objectives such as heritage revitalisation, affordable housing or cultural amenity;
 - (b) in Metro Core fringe areas, a minimum commercial floor space requirement for all development; and
 - (c) a requirement to replace existing office floor space in the conversion of a significant office building to residential.
52. The City of Vancouver reports that the planning interventions have been successful. Since 2009, the City has approved over 640,000 square metres of office floor space in 45 developments. The viability of commercial investments improved.

City of Westminster

53. In 2014, the City of Westminster, London, initiated a similar review of their planning controls. The review considered policies for mixed use and office to residential conversions in the Central Activities Zone in the West End. The City of Westminster's initial report states that "*the importance of growing Westminster's office base, rather than shrinking or stabilising it, cannot be understated.*"
54. Despite the continuous rise of commercial rents, the review found that residential returns have been far stronger. This was a reversal of the conditions which had informed the planning controls that favoured residential accommodation.

55. Commercial floor space withdrawals, along with a lack of new commercial development, reduced the ability of the market to compete on a national and international scale. New residential product was delivering a prime and super prime product, inaccessible to the majority of the population. The public was losing out twice, as economic competitiveness and employment potential were being lost and the residential gain did not assist typical residents to access the property ladder.
56. The City of Westminster is addressing the issue by reversing their current policy position. Mixed use and office to residential conversion policies are being revised to require developments to include a minimum proportion of employment floor space at a rate that delivers growth. Controls now favour the delivery of office floor space by requiring that any loss of office floor space is replaced by an equal amount of office floor space elsewhere in the locality, ensuring there is no net loss of commercial office floor space.
57. The City of Westminster is also revisiting its policy on tall buildings. It is preparing a set of principles for consultation which encourage the development of additional office space in buildings with flexible floorplates to support the economy.
58. While acknowledging the different governance and planning structures, the City of Sydney is not alone in this need to manage land use to support economic growth and renewability.

CENTRAL SYDNEY PLANNING STRATEGY

59. Central Sydney is Australia's most productive and strategically important employment centre. To maintain this strong economic role, Central Sydney's planning controls must be able to accommodate expected growth, provide flexibility and respond to the needs of business, workers, visitors and people that live here. As Central Sydney grows, planning controls and planning strategies should ensure development opportunities are available for investors and developers to use the available land in ways that contribute to the sustainable economic growth of Sydney.
60. The Strategy uses existing successful planning controls to ensure that Central Sydney can continue to grow in the service of its workers, residents and visitors. It ensures that Central Sydney is well positioned to contribute to metropolitan Sydney being a globally competitive and innovative city, recognised internationally for its social and cultural life, liveability and natural environment. The Strategy presents 10 key moves and planning control amendments with the aim of providing certainty, consistency and continuity for planning.
61. The Strategy builds on past strategies and adapts to current needs, with a clear plan for action and implementation that recognises Central Sydney's role in metropolitan Sydney, New South Wales and Australia, and the need for it to maintain and grow its status as a global city with a dynamic economy and high quality of life.
62. The Strategy is summarised in the Overview document provided as part of Attachment A. It is underpinned by the following nine aims:
 - (a) promote sustainable buildings with great design and architecture;
 - (b) create opportunities for beautiful parks and places;
 - (c) enable the protection and adaption of our heritage;

- (d) ensure a resilient and diverse economy;
- (e) promote efficient and effective transportation;
- (f) make efficient use of land;
- (g) support great streets;
- (h) deliver a city for people; and
- (i) ensure strong community and service infrastructure accompanies growth.

The 10 key moves

63. Around 2.9 million square metres of floor space will be potentially unlocked through the Strategy. It will also protect sun access, public views and heritage that make Sydney an attractive global city. The growth opportunities will target employment floor space and income generating uses. The nine aims of the Strategy will be achieved through 10 key moves:
- (a) prioritise employment growth and increase employment capacity by implementing genuine mixed-use controls and lifting height limits along the western edge;
 - (b) ensure development responds to context by providing minimum setbacks for outlook, daylight and wind;
 - (c) consolidate and simplify planning controls by integrating disconnected precincts back into the city, unifying planning functions and streamlining administrative processes;
 - (d) provide for employment growth in new tower clusters;
 - (e) ensure infrastructure keeps pace with growth to sustain a resilient city with a strong community, economy and high standard of living;
 - (f) move towards a more sustainable city with planning controls that require best practice energy and water standards and for growth sites to drive zero-net energy outcomes;
 - (g) protect, enhance and expand Central Sydney's heritage and public places;
 - (h) move people more easily by prioritising streets for walking and cycling and expanding the pedestrian and open space network;
 - (i) reaffirm commitment to design excellence by continuing to work in partnership with community and industry to deliver collaborative, iterative and tailored solutions; and
 - (j) monitor outcomes and respond to issues that arise to ensure the Strategy's ongoing success.
64. The Strategy is divided into five main sections that provide an overview, introduce the Strategy in more detail, set the context, describe the why, what and how of growth, and describe the provisions and actions of the Strategy.

65. The Strategy will refresh existing successful planning controls, which currently favour residential use, to focus on meeting the needs for employment. In doing so, the City can ensure Australia's most productive and strategically important employment centre is resilient to global economic shifts. An easily adaptable city can evolve as economies and workplaces evolve, with spaces they require to conduct their business.
66. By planning for growth and permitting additional height without overshadowing Sydney's special parks and places, the City is best positioned to work with industry and the community to deliver the work places of the future, as well as ensuring that these taller developments contribute to their streets and neighbourhoods. By managing growth, the City is also able to work with land owners and communities to ensure the provision of additional essential community and cultural infrastructure, such as affordable housing for key workers, sustainable technologies, childcare centres and performance spaces.
67. The Strategy will be implemented through three key stages: immediate changes to the planning controls that will set conditions for orderly, economic and quality growth; site-specific planning proposals in accordance with a guideline over the medium term that will grow Central Sydney's employment floor space; and ongoing monitoring and facilitation where the City will work with the NSW Government to overcome barriers to fully implement the Strategy without requiring site-by-site planning amendments.
68. This report recommends the Central Sydney Planning Committee endorse the Central Sydney Planning Strategy at Attachment A, and that it is made available for public comment. This report also recommends that, until such time as a guideline to preparing site-specific planning proposal requests is in place, the Central Sydney Planning Committee approve that the Strategy is addressed in any planning proposals that relate to land in Central Sydney in the interim.

KEY IMPLICATIONS

Guideline to Preparing Site-Specific Planning Proposal Requests in Central Sydney

69. The Strategy proposes Key Move 4 - a managed approach to growth where additional height and density in new tower clusters will be negotiated on a site-by-site basis, for employment uses only, in collaboration with land owners and the community.
70. To guide the preparation and consideration of site-specific planning proposal requests, the City will prepare a draft *Guideline to Preparing Site-Specific Planning Proposal Requests in Central Sydney* (Guideline). The recommendation to Council's Planning and Development Committee is to delegate authority to the Chief Executive Officer to prepare and exhibit a draft Guideline in accordance with identified principles:
 - (a) ensure planning proposals align with the aims, objectives and actions of the Central Sydney Planning Strategy;
 - (b) provide opportunities for strategic floor space on appropriate sites that serve the workforce, visitors and wider community;
 - (c) provide opportunities on Strategic Opportunity Sites for additional height where significant public benefit can be demonstrated;

- (d) ensure planning proposals align with the aims, objectives and actions of the Central Sydney Planning Strategy and have planning and architectural merit;
 - (e) ensure that planning proposals commit to achieving sustainable development above minimum requirements;
 - (f) provide for an intensity of development that is commensurate with the capacity of existing and planned infrastructure, particularly public transport, open space and pedestrian infrastructure;
 - (g) describe the City's priorities for public infrastructure needed to support growth;
 - (h) provide a transparent and consistent approach to the evaluation of planning proposals in Central Sydney; and
 - (i) describe the process for preparing site-specific planning proposal, including required supporting documentation, and the decision making process;
71. The Guideline will provide a transparent framework for the consideration of site-specific planning proposal requests. The purpose of the draft Guideline is to:
- (a) provide a framework for sharing the planning gain resulting from changes to planning controls to fund infrastructure delivery;
 - (b) provide land use and built form principles to guide the preparation of site-specific planning proposal requests;
 - (c) provide a transparent and consistent approach to the evaluation of site-specific planning proposal requests;
 - (d) describe the City's priorities for infrastructure to support growth; and
 - (e) describe the process for preparing a site-specific planning proposal request, including required supporting documentation, applicable fees, preparation of planning agreement and the decision making process.
72. The draft Guideline is to ensure that, where a site-specific planning proposal requests to change the planning controls, and where it can be supported on its planning merits, any planning gain will be equally shared between the landowner/developer and the public. This is to ensure the adequate provision of infrastructure to support growth in Central Sydney.
73. This managed approach means the majority of the 2.9 million square metres of new floor space outlined by the Strategy can only be accessed via site-specific planning proposal requests that align with the terms of the Guideline.
74. This is an extension of the City's current planning proposal practice for Central Sydney that has delivered outcomes, including 200 George Street, 60 Martin Place and AMP Quay Quarter. However, where the existing examples listed only related to height increases and transfers of existing density (floor space), the Strategy and the Guideline provide opportunities for increased density as well. The Guideline also provides additional certainty to land owners and the community by outlining the opportunities for growth and the expectations for the City in making a planning proposal request.

75. Introducing a defined planning pathway for additional height and density will increase growth opportunities for employment floor space, promote the efficient use of land, and encourage innovative design. It will unlock opportunities for the delivery of cultural, social and essential infrastructure and improved public spaces commensurate with growth.
76. If increased height and density is provided for in the LEP as of right, it would create an immediate increase in land values (where small sites had access to unrealistic heights and densities); would promote residential and serviced apartment towers (where residential and serviced apartment development requires smaller sites and smaller tower floor plates and prefer height) and would promote speculative growth. This growth would be at the expense of income earning business floor space, as well those attributes that make Sydney one of the world's most liveable cities.
77. Managing growth is also in line with *A Plan for Growing Sydney's* recognition of Central Sydney's status as part of a multicentre metropolitan city. The market demand for floor space in some existing and planned centres in close proximity to Central Sydney is directly influenced by the growth or, more accurately, the constrained growth of Central Sydney. Existing centres like North Sydney, Pyrmont/Ultimo and, to a lesser extent, Macquarie Park and Parramatta become more viable locations for start-up and global businesses looking for floor space, as they are more accessible and affordable because of Central Sydney's limited capacity and high land values.
78. The guideline provides clarity on opportunities for site amalgamations to facilitate the highly desirable large floor plates required for contemporary work places. It acknowledges that not all sites are suitable and minimises valuation impacts by not changing base controls.
79. The opportunities for additional height in Central Sydney are formed by sun access planes, heritage, view controls and our international air-safety obligations imposed by prescribed airspace associated with Sydney Airport. The absolute maximum height opportunity is illustrated in the Environmental Height Terrain Map extract provided in Figure 3, with the full diagram provided in Attachment A. As growth opportunities are taken up over the next 20 years, new tower clusters will form within the height terrain.

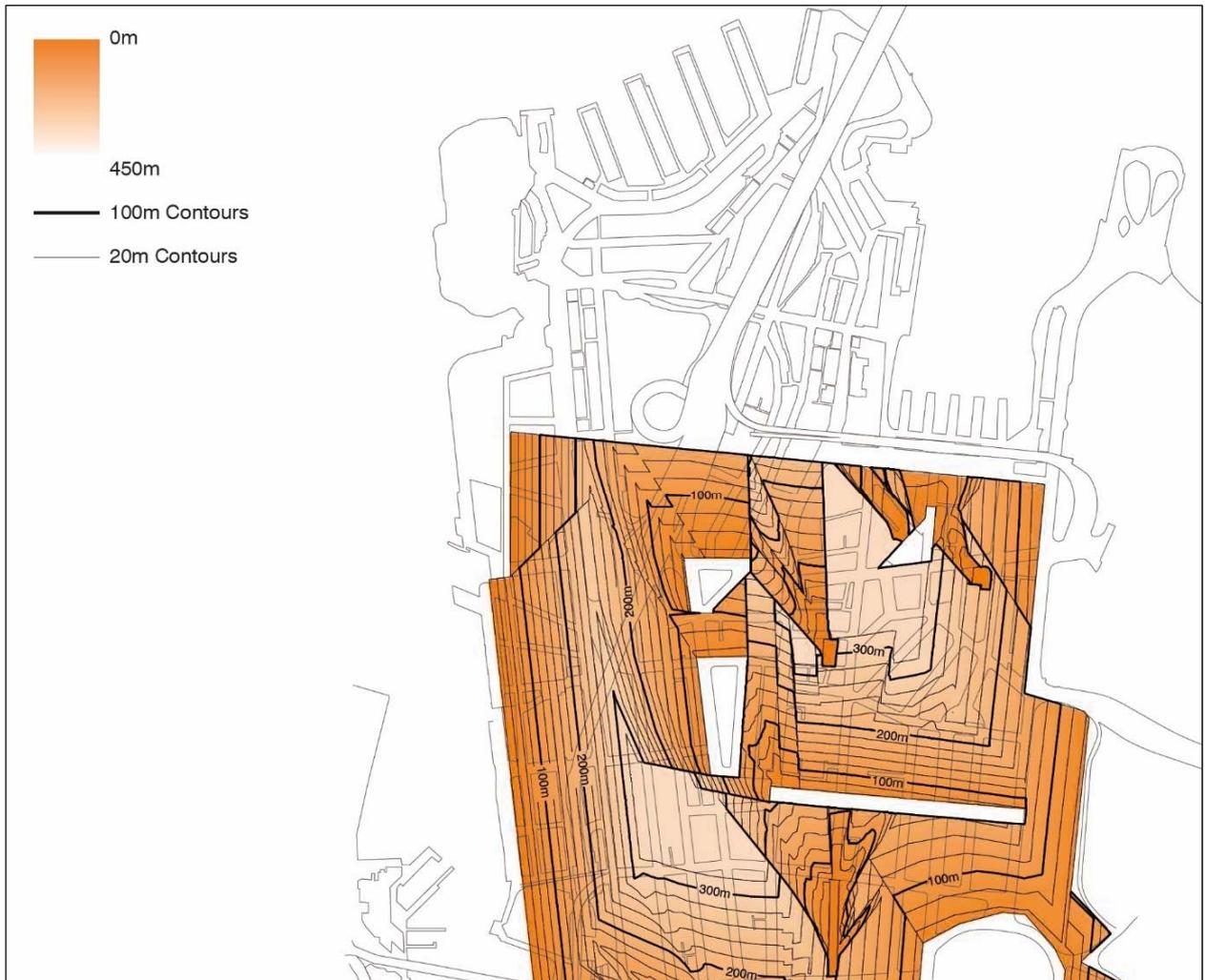


Figure 3 - Environmental Height Terrain Map extract

80. Under the Guideline, planning proposals will provide for additional floor space, building height, or both, in Central Sydney if a range of conditions to be outlined in the Guideline are met. The Guideline will clarify the opportunity for additional height and density to employment or income generating floor space that supports Sydney's competitive potential. The Guideline will provide a clear framework for the preparation and consideration of site-specific planning proposals and will ensure that planning proposals align with the aims, objectives and actions of the Strategy.
81. The Guideline will provide proponents with an early understanding of the opportunities of a site, assisting them in preparing feasibilities. The Guideline will provide clear guidance on built form possibilities for a site and is not intended to be an alternative set of planning controls in the LEP.
82. This approach provides greater certainty for proponents about the potential built form on a site or an amalgamated site at the early stage of the strategic planning process. This will reduce project timeframes, as much of the early-stage design and technical analysis has been undertaken by the City.

83. Planning proposals will likely increase the land value of a site due to increased development potential. A proportion of this increased value, or planning gain, will be explored for strategic community benefits that can be enjoyed by people that work, live and visit Central Sydney and align with Council's action plans and strategies.
84. The planning gain contributions or benefits must be equitable and not so onerous as to make a development project unfeasible and reduce supply of employment floor space.

Supporting the Central Sydney Planning Strategy

Department of Planning and Environment

85. To support the Central Sydney Planning Strategy and facilitate changes to the LEP, several actions are sought from the Department of Planning and Environment and the Minister for Planning. These actions would reinforce the key aims of the Central Sydney Planning Strategy, provide greater clarity to proponents and streamline planning processes.
86. The City has held workshops with the Department, including briefings on the Central Sydney Planning Strategy. The aim for both parties has been to ensure the ongoing viability of Central Sydney as Australia's premier location for employment, as outlined by both our guiding strategies: *Sustainable Sydney 2030* and *A Plan for Growing Sydney*.

Section 117 Ministerial Directions

87. The Strategy establishes a clear need to provide for employment generating land uses in Central Sydney. A direction from the Minister for Planning would require any planning proposal to protect and grow employment in Central Sydney. Known as section 117 Directions (made under the *Environmental Planning and Assessment Act 1979*), these directions provide guidance and requirements for preparing a planning proposal. In relation to the Guideline, a section 117 Direction could require any planning proposal for additional height or floor space to be limited to employment generating floor space only and limit Strata subdivision of a site. This would complement and strengthen the Guideline and provide consistency with the NSW Government's intent set out in *A Plan for Growing Sydney*.

Streamlining Gateway

88. Streamlining the Gateway process for planning proposals could also facilitate growth in employment generating uses. Opportunities to streamline the planning proposal process include minimising the timeframes for a gateway determination could be investigated with the Department and the Greater Sydney Commission.

Monitor outcomes and responding to issues

89. Monitoring development in Central Sydney will help the City and the Department understand whether the Strategy and the controls are protecting and growing employment generating uses. It will also enable action to be taken if it is needed to achieve the objectives of the Strategy.

90. Monitoring can extend to the continued growth of strata subdivision within Central Sydney and inform ongoing review of strata with the Department of Planning and Environment. Determining how strata subdivision of valuable land is dealt with in Central Sydney is important so as to ensure that strata does not prohibit the city from undergoing ongoing renewal and adaptation.

Consolidate and simplify planning controls

91. Large parts of the City adjacent to Central Sydney are excluded from the LEP. Also, many forms of major development are currently and automatically classified as State Significant. The City is seeking the NSW Government's support to re-integrate precincts and development types into the City's planning framework to ensure a consistent approach to achieving the aims and employment use growth under the Strategy.
92. While the City has demonstrated its ability to deliver large scale, high value and complex applications, the standard state significant development thresholds remain. In recent years the City has, through the Central Sydney Planning Committee, approved \$600M office projects and \$800M retail projects. Implementation of the opportunities identified in the Central Sydney Planning Strategy could see increased delivery of a range of projects which currently trigger the State Significant development process due to the relatively low development value thresholds or use types.
93. The City will work with the Department with a view to returning The Rocks, Darling Harbour and Central Park with Central Sydney under the LEP. The City will also seek to have State Significant development thresholds updated to make the City the consent authority for: alterations and additions over \$10 million if a State heritage item; hotels over \$100 million; development over \$10 million in The Rocks, Darling Harbour and Central Park; education establishments over \$30 million; and museums and art galleries over \$30 million.

International Air Safety Obligations

94. Changes to building heights are affected by Australia's International air safety obligations and Sydney Airport. Changes to building heights require approval and consultation with Sydney Airport, Air Services Australia and the Federal Department of Infrastructure and Regional Development. The City has consulted with each of these parties in the preparation of the Strategy and will seek concept approval for the Environmental Height Terrain Map to ensure greater certainty and a streamlined process for planning proposals.

Affordable housing contribution scheme and draft Program

95. Consistent with the objectives in the NSW Government's *Plan for Growing Sydney* and the City's *Sustainable Sydney 2030*, Planning Proposal: Central Sydney includes a requirement that all development contribute one per cent of non-residential floor space and three per cent of residential floor space to affordable housing.
96. The draft *Central Sydney Affordable Housing Program* (draft Program), shown at Attachment D, is to guide the operation of the proposed contribution scheme.

97. Where development comprises floor area for a residential or non-residential purpose, the contribution is to be made in the form of a monetary contribution. The draft Program includes the monetary contribution rates, to be indexed over time. The monetary contribution rates are consistent with the *Employment Lands Affordable Housing Program* adopted by Council in March 2015.
98. Monetary contributions are to be received by the City and allocated to a 'Recommended Community Housing Provider'. The money must then be used solely for the purpose of providing and managing affordable rental housing. A Schedule in the Program identifies the recommended community housing providers (CHPs). The Program describes the matters Council will consider in adding CHPs to the Schedule.
99. City West Housing is the only CHP currently identified on the Schedule in the draft Program. City West Housing is the recipient of monetary contributions and dedicated dwellings under the Green Square and Ultimo-Pyrmont affordable housing programs. The 2015 City West Housing annual report counts 635 affordable housing dwellings across 18 buildings in the City of Sydney, with an additional 417 dwellings in the development pipeline. Since the release of the annual report, City West Housing opened its development on Portman Street, Zetland, comprising 104 dwellings.
100. The Program requires all affordable rental dwellings to be managed so:
- (a) affordable rental dwellings are owned by government or a recommended community housing provider;
 - (b) affordable rental dwellings are provided in the LGA;
 - (c) affordable rental dwellings are managed for the purpose of providing affordable housing in the LGA in the long term;
 - (d) affordable rental dwellings are rented to very low, low and moderate income households for an absolute maximum of 30 per cent of gross household income;
 - (e) where 10 or more affordable rental dwellings are being provided, at least 15 per cent of dwellings are to be allocated to very low income households and 15 per cent of dwellings to low income households;
 - (f) all rent received after deduction of management and maintenance costs will be used only for the purpose of managing, improving, replacing, maintaining or providing additional affordable rental housing. This includes the investment of monies to meet cyclical maintenance costs and all rates and taxes payable in connection with the dwelling; and
 - (g) affordable rental dwellings are designed and constructed to a standard which, in the opinion of Council, is generally consistent with other dwellings in the LGA, that is, they are not identifiable as affordable housing compared with the design of other housing.
101. It is expected some 300-520 affordable housing units could result from the proposed Program. The number of dwellings achieved over the life of the Program will be a function of:

- (a) the amount and mix of development that occurs in Central Sydney which is influenced by market conditions and will affect the contribution rate; and
- (b) the approach to using any monetary contributions resulting from the Program (ie, whether affordable housing units are built by a developer or a CHP, whether units are purchased, and how well funds and dwellings are leveraged to provide additional stock).

102. This report recommends the draft Program be publicly exhibited with the draft Planning Proposal. Following exhibition, the draft Program will be reported to Council and the Central Sydney Planning Committee for its consideration.

PLANNING PROPOSAL: CENTRAL SYDNEY

103. Planning Proposal: Central Sydney and Draft DCP amendments attached to this report respond to the following key moves:

- (a) Key move (1):
 - (i) introducing a maximum 50 per cent residential and serviced apartment land use mix requirement for developments above 55 metres in height; and
 - (ii) increasing heights along Central Sydney's western edge from 80 metres to 110 metres.
- (b) Key move (2):
 - (i) ensuring tall buildings demonstrate appropriate setbacks and separation;
 - (ii) increasing the minimum size of tower sites to 1,000 square metres (to make required setbacks easier to achieve); and
 - (iii) strengthening and clarifying Special Character Area setback controls.
- (c) Key move (5):
 - (i) ensure all development (with some exceptions) contributes to the provision of new affordable housing;
- (d) Key move (6):
 - (i) requiring large residential projects to comply with higher BASIX targets where an incentive is provided and does not contravene State requirements; and
 - (ii) requiring office development to achieve at least a 5 star NABERS rating
- (e) Key move (7):
 - (i) strengthening sun protection to important public spaces;

- (ii) adding and strengthening sun protection for Prince Alfred Park, Harmony Park and the future Town Hall Square;
 - (iii) protecting significant public view corridors at Martin Place, Central Railway clock tower and Observatory Hill, and
 - (iv) removing ineffective Chifley Square winter sun protection.
104. The Outline document and the Strategy at Attachment A describes additional actions for all Key Moves that will be implemented in the short to medium term.
105. *Planning Proposal: Central Sydney*, at Attachment B, will amend the planning controls in the LEP in line with the *Central Sydney Planning Strategy*. This is the first phase needed to achieve the aims of the Strategy.
106. The revisions to the LEP will ensure that development outcomes in Central Sydney support Sydney's Global City functions and deliver good environmental and social outcomes.
107. Changes to six key parts of the LEP are proposed.

Zoning

108. It is proposed to amend the zone objectives for the B8 Metropolitan Zone and RE1 Public Recreation Zone to promote employment uses in Central Sydney, and to reinforce the important role that public space plays in a global city.

Density

109. It is proposed to amend floor space ratio controls to address the loss of, and prioritise opportunities for, employment floor space in Central Sydney. Key changes include:
- (a) removing land use requirements for additional floor space to provide an incentive for a broader mix of uses within a single development;
 - (b) providing a consistent approach to the provision of floor space incentives for employment generating land uses in Central Sydney's north and midtown precincts; and
 - (c) providing an additional floor space incentive to development within the western edge of Central Sydney.

Land Use Mix

110. To promote employment generating land uses and business growth, a new provision will place a 50 per cent cap on the proportion of floor space that can be used for the purposes of residential accommodation and serviced apartments in new development.

Height

111. It is proposed to amend sun access provisions that affect building height. The sun access plane and no additional overshadowing controls have been refined to ensure that important parks and places in Central Sydney continue to be protected from overshadowing by new development.

112. Building heights will be increased from 80 metres to 110 metres on the western edge of Central Sydney to capitalise on the changing character of the area.
113. An amended provision will require proposals for tall buildings to demonstrate they meet performance criteria that ensures good amenity to public places and the provision of adequate outlook. Building height is proposed to be limited to 55 metres on sites with an area of 1,000 square metres or less, or that cannot meet the performance criteria.
114. A new provision will preserve a number of significant views from public places by restricting encroachment by tall buildings.

Affordable Housing

115. A new provision will require development comprising floor area for a residential or non-residential purpose to make a monetary contribution, equivalent to a portion of the floor space to be developed, towards affordable housing. This provision will be phased in.
116. The *Draft Central Sydney Affordable Housing Program* has been prepared. The draft program contains the operational aspects, requirements and monetary and dedication rates.

Ecologically Sustainable Development

117. A new provision is proposed to improve the energy efficiency of new office developments. This will reduce energy intensity per square metre for new office buildings and major office refurbishments. The provision will require office premises to achieve a minimum rating of 5 stars under the NSW Office of Environment and Heritage (OEH) National Australian Built Environment Rating System (NABERS Energy).
118. A new clause requires residential development to comply with higher BASIX targets where an incentive for floor space is provided. The higher BASIX targets will apply to all BASIX affected development where a floor space ratio over 8:1 in the City Core, Western and Midtown precincts and 7.5:1 in the Southern precinct, is proposed.

DRAFT DEVELOPMENT CONTROL PLAN

119. Amendments to *Sydney Development Control Plan 2012* (the draft DCP) will support the proposed changes to the LEP. The amendments provide more detailed planning controls and guidance for proposed development within Central Sydney.
120. The revisions relate to built form, development outlook, heritage items, warehouses, special character areas, signage, building exteriors, sun protection of public parks and places, views from public places and managing wind impacts. Locality statements regarding the desired future character of Central Sydney's special character areas have also been revised.
121. The key new controls prepared for the draft DCP are outlined below. The draft controls are at Attachment C and are recommended for public exhibition alongside the Strategy and attachments.

Built Form

122. Proposed built form controls outline the desired future form of development in Central Sydney and provide detailed technical guidance on:
- (a) Street Frontage Height and Setbacks;
 - (b) Street Frontage Height and Setbacks in Special Character Areas;
 - (c) Side and Rear Setbacks and Building Separations; and
 - (d) Built form massing, tapering and maximum dimensions.

Outlook and amenity

123. The proposed controls aim to protect and enhance daylight and winter sunlight to public places and protect public views that are of benefit to the whole community. Proposed controls aim to ensure that sunlight access is maintained to public places and that private views do not restrict new development from occurring. To achieve this:
- (a) new developments will be required to provide adequate setbacks within their site boundaries to guarantee their own minimum outlook; and
 - (b) solar and daylight access for residential development and serviced apartments will be measured assuming neighbouring sites are fully developed in accordance with the LEP height and floor space ratio controls. This approach aligns with the Department of Planning and Infrastructure's *Apartment Design Guide*.

Managing Wind Impacts

124. This section provides development controls specific to Central Sydney for managing wind effects for new development.
125. The new controls provide a framework in which future wind assessments must demonstrate the real impact of proposed developments on the public domain in terms of safety, walking, sitting and standing.

Signage

126. In response to the City's Draft Signs and Advertising DCP, Sydney Observatory sought a control to help manage the impacts of sky glow. Sky glow is caused by upwardly directed or blue light associated with LED lights. This reduces the visibility of iconic astronomical objects, such as the Southern Cross, and affects the operation of the Observatory. The control is proposed as part of this Draft DCP, because it largely affects buildings in Central Sydney and to enable consultation.

STRATEGIC ALIGNMENT**A Plan for Growing Sydney**

127. *A Plan for Growing Sydney* is the NSW Government's strategic document that outlines a vision for Sydney over the next 20 years. It identifies key challenges facing metropolitan Sydney, including a population increase of 1.6 million by 2034, and the need for 689,000 new jobs and 664,000 new homes by 2031.
128. In responding to these and other challenges, *A Plan for Growing Sydney* sets out four goals:
- (a) a competitive economy with world-class services and transport;
 - (b) a city of housing choice with homes that meet our needs and lifestyles;
 - (c) a great place to live with communities that are strong, healthy and well connected; and
 - (d) a sustainable and resilient city that protects the natural environment and has a balanced approach to the use of land and resources.
129. *A Plan for Growing Sydney* establishes a series of directions for facilitating a competitive economy, housing choice, great places to live and a healthy environment. The Central Sydney Planning Strategy is consistent with these goals and directions
130. The *Central Sydney Planning Strategy* aligns with the following directions and actions in *A Plan for Growing Sydney*:
- (a) grow a more internationally competitive Sydney CBD (Direction 1.1);
 - (b) create new and innovative opportunities to grow Sydney CBD office space by identifying redevelopment opportunities and increasing building heights in the right locations (Action 1.1.1);
 - (c) create new opportunities to grow Sydney CBD office space by expanding the CBD's footprint, particularly along the Central to Eveleigh corridor (Action 1.1.2);
 - (d) diversify the CBD by enhancing the cultural ribbon which connects new and revitalised precincts including Barangaroo, Darling Harbour, Walsh Bay and the Bays Precinct (Action 1.1.3);
 - (e) expand the Global Economic Corridor (Direction 1.6);
 - (f) grow high skilled jobs in the global economic corridor by expanding employment and mixed-use activities (Action 1.6.1);
 - (g) invest to improve infrastructure and remove bottlenecks to grow economic activity (Action 1.6.2);
 - (h) support priority economic sectors (Direction 1.9);

- (i) support the growth of priority industries with appropriate planning controls (Action 1.9.1);
 - (j) deliver Infrastructure (Direction 1.9);
 - (k) improve housing choice to suit different needs and lifestyles (Direction 2.3);
 - (l) deliver more opportunities for Affordable housing (Action 2.3.3);
 - (m) promote Sydney's heritage, arts and culture (Direction 3.4); and
 - (n) continue to grow global Sydney's CBD as an international arts and cultural destination (Action 3.4.1).
131. The *Central Sydney Planning Strategy* provides the capacity for employment growth to accommodate the capital flows, business, visitors, knowledge workers, academics and their students, needed for Sydney to maintain its global status.

Sustainable Sydney 2030 Vision

132. *Sustainable Sydney 2030* is the vision for sustainable development of the City of Sydney Local Government Area to 2030 and beyond. It includes 10 strategic directions to guide the future of the City of Sydney. *Sustainable Sydney 2030* outlines the City's vision for a 'green', 'global' and 'connected' City of Sydney and sets targets, objectives and actions to achieve that vision.
133. The *Central Sydney Planning Strategy* directly responds to community consultation conducted in the preparation of the *Sustainable Sydney 2030* program. The community asked the City to ensure the City of Sydney remained a globally competitive and innovative city, where change and growth in the city centre was planned, and growth was balanced with the attributes that make Sydney one of the world's most liveable cities.
134. The *Central Sydney Planning Strategy* and supporting documents, including the first phase of planning control amendments; the affordable housing contribution program; and proposed Guideline for planning proposal requests, align with the following *Sustainable Sydney 2030* Directions.

Direction 1 - A Globally Competitive and Innovative City

135. The *Central Sydney Planning Strategy* outlines how Central Sydney is to grow and change in the future. Planning Proposal: Central Sydney is the first step in ensuring that the Strategy promotes the type of growth and change it envisages, where growth is balanced with Sydney's unique attributes that make it one of the world's most liveable cities.
136. The *Central Sydney Planning Strategy, Planning Proposal: Central Sydney* and Guideline for planning proposal requests support existing high-value workers and knowledge-intensive industries that contribute to the local, State and national economy by ensuring sufficient floor space is available for their growth, that the character of precincts is in line with their needs, and that sufficient infrastructure is provided to meet their demands.

Direction 2 provides a road map for the City to become A Leading Environmental Performer

137. Proposed changes to BASIX requirements for residential development in the LEP will establish higher thresholds for ecological sustainable development. New guidelines will require planning proposals seeking additional floor space or height to achieve a higher level of environmental performance, increasing the capacity for local energy generation and water supply.

Direction 3 - Integrated Transport for a Connected City

138. The *Central Sydney Planning Strategy* provides a range of ways to grow floor space in Central Sydney in line with the expected increase in public transport capacity and demand generated by these public transport improvements.

Direction 5 - A Lively and Engaging City Centre

139. The *Central Sydney Planning Strategy* supports the City's plan for a north-south central spine in Central Sydney, connecting three new squares at Circular Quay, Town Hall and Central with priority for public transport, cycling and pedestrians. It protects direct solar access to these spaces, ensuring they are inviting spaces that maintain Sydney's status as an outdoor city.
140. The *Planning Proposal: Central Sydney* provides the opportunity for small business, the businesses and industries of tomorrow, to locate in Central Sydney by managing the growth of residential and serviced apartments and allowing for more affordable employment floor space to be created.

Direction 6 - Vibrant Local Communities and Economies

141. The *Central Sydney Planning Strategy* responds to the existing and evolving character of Central Sydney's precincts: the commercial core north of Park Street; the mixed use and heritage character of the western edge; the civic qualities and retail nature of midtown; and the dynamic and youthful exuberance of Central Sydney south.
142. The *Planning Proposal: Central Sydney* continues to preserve mixed uses and 'fine grain' development, particularly west of George Street and south of Erskine Street to Chinatown. Together with the Strategy, it provides a solid foundation for the growth of cultural facilities, public art and exhibition spaces that will strengthen the identity of these precincts.

Direction 8 - Housing for a Diverse Population

143. New affordable housing contribution controls proposed in *Planning Proposal: Central Sydney*, and the *Draft Central Sydney Affordable Housing Program* will ensure that housing developments provide a diversity of housing opportunities for different lifestyle choices and household types, promote growth in the affordable housing sector and ensure Central Sydney business have access to the lower income workers needed for the city to flourish.

Direction 9 - Sustainable Development, Renewal and Design

144. The *Central Sydney Planning Strategy*, sets a strong foundation for Central Sydney to grow in a tailored and considered manner to maximise growth opportunities and for developments to contribute to the design, liveability and sustainability of the city. This will be achieved through a 'block planning' approach where first principle environmental controls shape future city form.

Direction 10 - Implementation through Effective Governance and Partnerships

145. To support the *Central Sydney Planning Strategy*, and complement *Planning Proposal: Central Sydney*, several actions are sought of the NSW Government. These include working collaboratively to prepare planning policy, streamlining processes and monitoring Central Sydney's growth.

RELEVANT LEGISLATION

146. *Environmental Planning and Assessment Act 1979*.

PUBLIC CONSULTATION

147. This report recommends that the *Planning Proposal: Central Sydney* and supporting documents are available for an extended public consultation period of eight weeks or 56 days. The consultation documents will include:
- (a) *Central Sydney Planning Strategy*;
 - (b) *Amendments to Sydney Development Control Plan 2012 – Central Sydney Planning Strategy amendment*;
 - (c) *Draft Central Sydney Affordable Housing Program*; and
 - (d) *Draft Guideline to Preparing Site-Specific Planning Proposal Requests*
148. At a minimum, the consultation will be undertaken in accordance with requirements in the Gateway Determination for the Planning Proposal. Notices will be published in local newspapers and documents made available on the City's website and at the One Stop Shops and Neighbourhood Service Centres. A comprehensive consultation plan will be developed to ensure the City receives comment and feedback from industry groups, the community and land owners on the consultation documents.
149. Initial and early engagement with some key stakeholders has commenced and will be expanded as part of the public consultation process.
150. Outcomes of public exhibition and public agency consultation will be reported back to Council and the Central Sydney Planning Committee for consideration.

GRAHAM JAHN, AM

Director City Planning, Development and Transport

(Tim Wise, Senior Specialist Planner, and Nicholas Knezevic, Specialist Planner)