

# **Attachment B**

**Assessment of Strategic Merit and Site  
Specific Merit**

# Assessment of strategic merit and site specific merit

According to Planning circular PS 16-004 *Independent reviews of plan making decisions*, the key factor in determining whether a planning proposal should proceed to a Gateway determination should be its strategic merit. If a proposal can meet at least one identified strategic test, the proposal must then meet all the site-specific merit tests.

The City has assessed a planning proposal request for 44-78 Rosehill Street, Redfern. It is the view of the City that the planning proposal request does not demonstrate any strategic or site specific merit. Assessment of the request against the tests identified in the planning circular is detailed below.

## Strategic merit tests

### Strategic test 1

*Consistent with the relevant regional plan outside of the Greater Sydney Region, the relevant district plan within the Greater Sydney Region, or corridor/precinct plans applying to the site, including any draft regional, district or corridor/precinct plans released for public comment.*

### Greater Sydney Region Plan

#### Objective 2 – Infrastructure aligns with forecast growth.

In the Region Plan, the Greater Sydney Commission outlines a collaborative model for aligning growth and infrastructure, where new infrastructure increases the development capacity of an area and development provides funding for infrastructure investment. This is the approach being taken in the Central to Eveleigh Land Use and Infrastructure Implementation Plan (LUIIP), in response to the Waterloo Metro station and other public investment in the local area. The LUIIP will assess the need and funding mechanisms for additional infrastructure to support a higher local population.

The progression of this planning proposal request would pre-empt the sequenced process of the LUIIP. The request makes use of public knowledge of Waterloo Metro station being delivered to propose significantly increasing density on a single site. The planning proposal request does not take a place-based approach to managing the additional development capacity provided by the Waterloo Metro station across the Redfern-Waterloo area, and it does not consider the additional infrastructure needs to support an increased population besides transport.

#### Objective 4 - Infrastructure use is optimised.

To support community need for infrastructure and be efficient with new infrastructure investment, the Region Plan advocates evaluating and managing demand on existing infrastructure. This calls on using demand management techniques, making choices about land use and sharing road space, and encouraging behaviour change.

This planning proposal request, if accepted, would result in a substantial increase in local residential population, a net reduction in commercial space, and up to 243 parking spaces.

The predominantly residential high rise building proposed would contribute to the Redfern-Waterloo area being a dormitory suburb, where residents travel out of the area to access jobs and services using Redfern Station, the Sydney Metro or their cars. This would put additional strain on

already congested systems. A genuinely mixed-use precinct, with housing, jobs and services co-located in well connected centres, reduces reliance on roads and transport networks and makes more efficient use of infrastructure.

There are limitations with justifying additional density due to access to Redfern Station, as it is currently the sixth busiest station in the Sydney Trains network and remains one of the least accessible with lifts to only 2 platforms.

#### Objective 10 – Greater housing supply

The Region Plan identifies the need for greater housing supply in the right locations, and increased housing diversity and choice. The planning proposal request includes about 320 new apartments, delivered close to Redfern Station and the proposed new Waterloo Metro. This would suggest alignment with the Region Plan’s objective for increased housing supply close to existing and proposed infrastructure.

However, the Region Plan also outlines how additional housing should be delivered with proposed new infrastructure. The Region Plan says that “where there is significant investment in transit corridors [...] corridor investigations can provide a longer term strategic context while the development of precincts within the corridor is sequenced over time”, which is the approach of the Central to Eveleigh LUIP.

In contrast, this site-specific planning proposal request pre-empts the appropriate sequencing of development across the corridor, and does not have consideration for the urban renewal of the wider corridor in response to the infrastructure investment. The location of additional housing in this area should be appropriately considered through the LUIPP and detailed strategic planning process, rather than significant amounts of potential future housing being allocated to one site prior to the finalisation strategic considerations.

#### Objective 11 – Housing is more diverse and affordable

The Region Plan sets a framework for delivering affordable rental housing out of an uplift in land value created as a result of a rezoning decision. The GSC suggests a proportion in the general range of 5-10 per cent of new residential floor space to be dedicated as affordable rental housing, but notes that this will be tailored to each nominated local area according to a range of criteria.

The City of Sydney recently exhibited a draft Affordable Housing Program. The Program includes provisions for “planning proposal lands”, where 50% of the value uplift resulting from a rezoning decision directed towards an affordable rental housing purpose. This has been determined according to the Region Plan’s parameters for affordable housing targets, has been tested for viability, and is specific to the City of Sydney local government area.

The planning proposal request includes a five to eight per cent dedication for affordable rental housing, which is on the bottom end of the Region Plan’s range and far less than the amount that would be required under the draft Affordable Housing Program.

#### Objective 18 – Harbour CBD is stronger and more competitive

The site is within the Harbour CBD area, which the Region Plan identifies as being Australia’s financial capital and host to unique assets that support its global significance. The site is also within the Innovation Corridor, a cluster of high tech industries, start up hubs and health and education institutions that the Region Plan identifies as crucial for Greater Sydney’s innovation economy. The Region Plan also identifies a future limit to office supply of 10 years in the Harbour CBD, and to overcome this limit southward growth towards Redfern needs to be secured. The Region Plan says

that “maintaining a long term supply of office space is critical to maintaining Greater Sydney’s global economic role, and should not be compromised by residential development”.

The planning proposal request, being for a predominantly residential high rise building, does not meet this objective of the Region Plan. It will result in a net reduction in lettable commercial space on a strategically important site, and may compromise future commercial development and night life activity on nearby sites through land use conflicts. This threatens the ability for this strategically important location to contribute to the Innovation Corridor and Harbour CBD for the long term.

### Objective 22 – Investment and business activity in centres

The site is located within the Harbour CBD, a metropolitan centre at the top of the centres hierarchy identified by the Region Plan as a focus for delivering jobs and investment.

The Region Plan advocates a balanced approach to providing mixed use and residential development close to centres. Centres benefit from a high local population, and there are benefits to locating housing close to the jobs, services and transport that centres offer. However, residential development can also compete with commercial activity for well located land, and threaten the long term viability of centres.

The site is located in a strategically important location, close to Redfern Station, the planned Waterloo Metro station, and the Australian Technology Park. The Central to Eveleigh LUIP will consider the balance of supporting investment and business activity in centres and providing housing near centres, by taking a comprehensive assessment of the wider area. This planning proposal request, which is concerned with one site in isolation, cannot consider this balance and the site’s most appropriate contribution to a future vision for the wider area.

### Eastern City District Plan

**Planning Priority E1 – Planning for a city supported by infrastructure.**

**Planning Priority E2 – Working through collaboration.**

The delivery of the Sydney Metro with a station at Waterloo may be a catalyst for increased development and densities in the Redfern-Waterloo area, including this site. This process of change is to be managed through the Central to Eveleigh LUIP currently being developed by the Department of Planning and Environment with input from the City of Sydney. The LUIP will identify what uplifts in density and additional development may be appropriate given the new Metro station, as well as additional infrastructure, improvements to Redfern Station, open space and community facilities required to serve the increased population.

A site specific planning proposal for one block within this area before an overarching plan is finalised would pre-empt this collaborative process and misalign the delivery of infrastructure and additional development capacity.

Cumulative increases in demand for public resources is difficult to assess for individual site-specific planning proposals. The need for additional open space, community facilities and other public resources will be identified as part of the LUIP, taking into account total population growth in the wider area. This process is in line with the District Plan’s collaboration planning priority, where the provision of new public resources is connected with development and population growth, to ensure adequate provision and efficient utilisation.

**Planning Priority E3** – Providing services and social infrastructure to meet people’s changing needs.

The services and additional social infrastructure necessary to serve a growing population in the Redfern-Waterloo area needs to be assessed holistically. At the present time, there is not yet the understanding of future additional population growth, or an analysis of the future demographic make up of the area, necessary to ensuring appropriate services and social infrastructure are provided alongside development. Site-specific planning proposal requests such as this preclude a long term and strategic understanding of population growth, demographic change, and catering to a future population’s needs. If accepted, the planning proposal request would make future delivery of infrastructure to meet those needs difficult, with the financial burden pushed onto other sites or the community.

**Planning Priority E5** – Providing housing supply, choice and affordability with access to jobs, services and public transport.

This is addressed earlier under Objective 10 of the Region Plan – “Greater housing supply”.

**Planning Priority E6** – Creating and renewing great places and local centres, and respecting the District’s heritage.

Australian Technology Park and Redfern are in transition to a metropolitan centre, offering jobs, retail, entertainment and night life. Increasing nearby housing is important to supporting centres and meeting the 30-minute goal, however care must be taken to ensure that housing does not supplant the non-residential components necessary for a centre to flourish. Housing supply within the Redfern-Waterloo area needs to be strategically located to be close to centres, but not in the place of them.

**Planning Priority E7** – Growing a stronger and more competitive Harbour CBD

**Planning Priority E8** – Growing and investing in health and education precincts and the Innovation Corridor

The site is located within the Innovation Corridor, a key component in the Greater Sydney Commission’s strategy for growing a strong and globally competitive Harbour CBD. The Innovation Corridor is identified by the District Plan as an area attractive to digital and cultural industries. The Corridor features a diverse pool of talent and expertise, research facilities, customers and investors. According to the District Plan, the availability of suitable workspaces in the Innovation Corridor has seen a reduction, and commercial rents have seen a substantial increase, due to a recent expansion of digital and creative industries.

To align with the objectives of the District Plan for the Innovation Corridor, development on sites such as this one should be focused on delivering new supply of flexible, adaptable commercial floor space, as well as fostering a vibrant creative and entertainment environment including night time uses. New housing should be diverse in character, and offer multipurpose flexibility to enable home-based businesses and start-ups.

Instead, the planning proposal request is primarily residential, featuring conventional high rise apartments above some commercial floor space. The planning proposal request represents a net reduction in commercial floor space compared to the current development. The predominantly residential makeup of the proposed development will hamper the ability to provide a wide range of employment uses, entertainment, leisure and night time operations in the area through land use conflicts, making it incompatible with the vision for the Innovation Corridor as described in the District Plan.

### Planning Priority E10 – Delivering integrated land use and transport planning and a 30-minute city

The District Plan sets a long term aspirational goal for a 30-minute city, so that people can access jobs and services within 30 minutes. A key aspect of this is to encourage the growth of strategic and local centres that provide transport, jobs, education, health and other facilities within a short distance of housing, reducing the need for people to travel long distances.

The planning proposal request relies on nearby train stations (Redfern Station and the proposed Waterloo Metro) to justify significant increases in density and residential population on the site. This vision for the future of the site is effectively dormitory, with residents travelling out of the area by train to access jobs and services. This is counter to the vision of the District Plan, which would have a well-connected site within the Innovation Corridor such as this be home to the jobs and services that residents should have easy access to.

### Planning Priority E19 – Reducing carbon emissions and managing energy, water and waste efficiently

The District Plan identifies urban renewal in Redfern – Waterloo as an opportunity to upgrade ageing infrastructure and create a low-emissions, high efficiency precinct.

As this is a planning proposal request for a single site, it cannot contribute to a precinct-wide approach to reducing emissions. Precinct approaches have the benefit of scale which cannot be achieved on a single site. For example, recycled water networks and precinct scale renewable energy production require a wider urban renewal area to be considered holistically.

If this single site planning proposal request were accepted, any future development on the site will be limited in how much energy efficiency and on-site renewable energy production it can realistically achieve. Including precinct-wide initiatives through the LUIP will be a more effective way to deliver on the District Plan's vision for a low emissions and high efficiency precinct in Redfern – Waterloo.

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## Strategic test 2

*Consistent with a relevant local strategy that has been endorsed by the Department.*

The Department of Planning and Environment has set a timeframe of mid 2019 for local councils to prepare local strategic planning statements. This statement will describe a 20-year vision for land use planning in the local area, the special characteristics which contribute to local identity, shared community values to be maintained and enhanced, and how growth and change will be managed into the future. The statement will also include housing and productivity targets, and identify growth areas and infrastructure needs, to act as the strategic link between the Eastern City District Plan, Sustainable Sydney 2030 and the City's planning controls.

The City of Sydney is currently preparing its local strategic planning statement, for endorsement by the Department. Without a draft or final version, it is not possible to assess the consistency of this planning proposal request with the local strategic planning statement.

### Sustainable Sydney 2030

Sustainable Sydney 2030 is the City of Sydney's endorsed Community Strategic Plan. Relevant directions and actions include:

### Strategic direction 1

“A globally competitive and innovative city” in Sustainable Sydney 2030 includes objectives to secure space and infrastructure to support sustainable economic growth, and for the planning system to support diverse economic activity in the city. It also emphasises how creativity and innovation are fostered through collaboration between businesses, academia, government, the creative sector and the wider community. Redfern and Australian Technology Park typifies this cluster of activities, and makes up an important current and future part of the Innovation Corridor identified by the District Plan.

The planning proposal request, by proposing a predominantly residential high rise building, and a net reduction in commercial floor space, within this area would be contrary to the directions in Sustainable Sydney 2030.

### Strategic direction 3

“Integrated transport for a connected city” sets a vision for public transport, walking and cycling being the first choice transport modes in the city.

Sustainable Sydney 2030 emphasises aligning transport infrastructure with growth and distribution of population and employment centres. Sites with good connections to villages and the City centre are strategically important to realising this vision of an integrated and connected city.

The site is well connected to the City centre and villages, being within close walking distance of Redfern Station and Waterloo Metro. Its location between Redfern Village and ATP also makes it an accessible and well served employment centre within the Innovation Corridor. If it were to be developed as a predominantly residential high rise building as per the planning proposal request, this site’s ability to contribute would be forgone, and may reduce the suitability of surrounding sites for employment uses due to land use conflicts.

Sustainable Sydney 2030 emphasises managing demand for parking spaces constrained road capacity, in order to preference critical services.

The planning proposal request allows for 243 car spaces, using the maximum rates under Sydney LEP 2012. Given the site’s strategically located position close to Redfern Station and the planned Waterloo Metro, and the extremely constrained road network surrounding the site, a development on the site should minimise the amount of parking necessary to support critical services and equitable access.

### Strategic direction 8

“Housing for a diverse community” sets out the City’s housing priorities, including high quality, high amenity and well serviced housing, and affordable rental housing delivered through planning and policy levers.

Sustainable Sydney 2030 advocates for balancing land supply across residential development, employment uses, social infrastructure and other uses, to ensure that housing in the local area can be well serviced by infrastructure and jobs. Development on this site for a predominantly residential building as per the planning proposal request would involve replacing space for employment and services with housing, and relying on residents to travel out of the area to access these needs.

Acting on the strategic objective to enact all planning and policy levers to increase the supply of affordable housing, the City has recently exhibited a draft Affordable Housing Program. The

inconsistency between the affordable housing offer in this planning proposal request and the draft Program is discussed earlier in this table under Objective 11 of the Region Plan – “Housing is more diverse and affordable”.

#### Strategic direction 9

“Sustainable development, renewal and design” outlines the improvements that should result from urban renewal development. This encompasses a better built form with design excellence and high environmental performance, great public spaces and parks, and resilience to respond to future needs.

Sustainable Sydney 2030 emphasises the need to provide space for economic growth and innovation, and that the businesses, services and activities the city needs to function efficiently are well located.

This site is located within the Innovation Corridor, and has been identified by the City and the Greater Sydney Commission a technology sector cluster and centre of innovation. The site is very well connected to other employment and innovation districts. It is within walking and cycling distance of Australian Technology Park and the planned Eveleigh technology precinct. Redfern Station connects the site to Sydney CBD, Parramatta and the rest of Greater Sydney. The planned Waterloo Metro station will connect the site via the Sydney Metro to Barangaroo and Macquarie Park.

If the planning proposal request is accepted, this strategically located site would be developed as a predominantly residential high rise building, strata subdivided and unable to contribute to the area’s future vision as a centre of innovation and knowledge economy jobs. The economic advantages of its excellent location and connectivity to the rest of Sydney will be foregone, and may hamper the ability for nearby sites to develop for employment uses through land use conflicts.

Sustainable Sydney 2030 envisages that development and urban renewal will result in great public buildings, streets, squares and parks for everyone to be use and enjoy, and create an urban environment that encourages people to meet, talk, be active, enjoy the city and participate in its social, civic and cultural life.

The planning proposal request includes a through site link, and laneway widening on Cornwallis Lane and Margaret Street. The resulting area will not be big enough to be of benefit to the public, will receive limited sun light, and be subject to high wind impacts due to the lack of setbacks in the building above. Together this will create a narrow, dark, windy and unpleasant environment, not the “urban environment that encourages people to meet, talk, be active, enjoy the city and participate in its social civic and cultural life” that Sustainable Sydney 2030 envisages.

The planning proposal request does not include any offer to upgrade the nearby parks or reserves to the standard required to serve the proposed additional 314 apartments.

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#### Strategic test 3

*Responding to a change in circumstances, such as the investment in new infrastructure or changing demographic trends that have not been recognised by existing planning controls.*

The delivery of the Sydney Metro City & Southwest will involve a new station within 450m of this site in 2024. With the Sydenham to Bankstown extension, capacity on the City Circle will also be freed up, increasing capacity at Redfern Station.

These changes may be a catalyst for increased population growth and higher density development in the Redfern-Waterloo area, particularly between the two stations along the Botany Road corridor. The additional capacity for population growth, where along the corridor growth should be delivered, the most suitable mix of land uses, and any additional requirements for non-transport related infrastructure to support growth are all being assessed as part of the Central to Eveleigh LUIP, currently being undertaken by the Department of Planning and Environment.

This site-specific planning proposal request for an individual block within the corridor, if accepted, would pre-empt the LUIP and ignore the wider strategic context besides transport infrastructure investment. This would be an inequitable outcome, with this site absorbing a fixed amount of additional development potential for the area before a proper strategic process can fairly allocate and distribute it.

## Site specific merit tests

### Site specific test 1

*The natural environment (including known significant environmental values, resources or hazards).*

A wind report undertaken for the site shows that it is exposed to strong winds, particularly from the south. To effectively mitigate down draft at street level, a podium with an 8m tower setback would be required, which given the dimensions of the site would prohibit a tall tower.

The proposed built form in the planning proposal request features insufficient setbacks, which would magnify wind impacts at street level and create an uncomfortable environment in the proposed laneways, through site link and public realm. Given the size of the block, appropriate setbacks to mitigate wind impacts would not leave sufficient room for the building. The planning proposal request relies exclusively on special treatments, such as vertical gardens, to mitigate wind impacts, but they are subject to failure over the life of the building.

The proposed built form also locates its mandatory communal open space on the roofs of towers, which given the wind environment, would not be comfortable or usable. With the size of the block, there is no other suitable room for communal open space.

As no deep soil areas are provided at street level the proposal will need to rely on alternative measures for stormwater management on the site. Given that the proposal includes a 4.5 storey basement carpark, meeting these requirements will pose a significant challenge.

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### Site specific test 2

The existing uses, approved uses and likely future uses of land in the vicinity of the land subject to the proposal.

#### Heights

The proposed heights of 30 and 18 storeys are not contextually appropriate, given the existing, permissible or likely future developments in the local vicinity.

Nearby Australian Technology Park includes lower-rise buildings close to this site, and transitions to taller buildings further west. Even at its tallest, ATP will have buildings 9 to 12 storeys tall.

The high rise development near Redfern Station is 14 to 18 storeys. This cluster of buildings forms a centre near the station, and heights should transition down away from the station. The RL of the proposed development would be higher than the buildings at Redfern Station, even though the site is downhill.

A proposal for over station development at Waterloo Metro Quarter includes a 30 storey tower and smaller towers transitioning away from the area.

The site is located some distance from both Redfern Station and the proposed Waterloo Metro, where it would be expected that heights would taper down away from the two key activity centres. Instead, the proposal includes heights that are significantly greater than anything in the surrounding area, and is not related to an activity centre or sensible cluster of tall buildings.

Other factors, such as the size of the block and the required separation to neighbouring developments (discussed below) also contribute to this site being more suited to a medium-rise development.

#### [Terraces on Rosehill Street](#)

The site shares a block with five terraces, located immediately to the south. If the site were to be developed according to the planning proposal request, the height transition to these terraces would be an exceptionally poor urban design outcome, with significant amenity impacts. The transition (or “stepping down”) of a 30 storey tower to a 19 storey tower and then to the existing 2 storey terraces would not effectively ameliorate the enormous height difference across the single block.

#### [Cornwallis Lane](#)

The planning proposal request includes the “transformation” of Cornwallis Lane, including widening and on-street activation with commercial tenancies on the ground floor. The lane continues south of the site along the 5 terraces, and is built up on both sides. The planning proposal request does not encompass this section of the laneway, so it will remain in its current state indefinitely. Transforming one portion of the laneway outside the development while leaving a significant portion of it undeveloped and narrow significantly reduces its potential as an active, pedestrianised and lively public space.

#### [Building separation – Cornwallis Lane](#)

On the eastern side of Cornwallis Lane is a low rise apartment building. The planning proposal request incorrectly quotes the Apartment Design Guide in stating that 12m building separation between habitable residential spaces is adequate to satisfy ADG requirements and allow additional development on this site. The ADG requirements for separation between two habitable residential spaces for 8+ storey buildings is 24m, and 18m for habitable facing non-habitable residential spaces. Given the size of the blocks, and the narrow width of the laneway, setbacks to provide minimum required building separation for buildings over 8 storeys are not possible on either side of Cornwallis Lane.

#### [Building separation – Margaret Street](#)

On the northern side of Margaret Street is a medium rise apartment building. The planning proposal request also includes inadequate separation to this building. To meet ADG requirements, the northern edge of the subject site would either have to be set back 18m, which is not viable given the

size of the block, or have a blank/inactive frontage, which would result in a poor urban design outcome.

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### **Site specific test 3**

*The services and infrastructure that are or will be available to meet the demands arising from the proposal and any proposed financial arrangements for infrastructure provision.*

The planning proposal request takes a narrow approach to infrastructure delivery, relying heavily on existing and the planned Waterloo Metro station to justify a large increase in population and development density.

While transport is an important infrastructure consideration, it is a very narrow approach to ensuring that the needs of the future population are met. The Central to Eveleigh LUIP, in planning for any uplift in density and development as a result of the future Waterloo Metro station, will consider the full scope of infrastructure required to serve a future population. This planning proposal request, if accepted, would pre-empt this process, and may reduce opportunities to deliver infrastructure needs identified in the LUIP on this site.

The LUIP may include a Special Infrastructure Contribution (SIC) for development within the Central to Eveleigh corridor. This planning proposal request, if accepted, would not be subject to a SIC because it pre-empts the LUIP. The landowner therefore avoids making a contribution to the infrastructure required to serve the future population of the area, but will benefit from its delivery.

A Community Needs Assessment submitted by the proponent states that the future population would be adequately served by existing and planned childcare, health and education facilities in the surrounding area.

The City of Sydney has identified an inadequate supply of child care spaces in the area. Health and education facilities are the responsibility of the NSW Government, and the need for additional infrastructure (as well as funding mechanisms to delivery it) will be considered as part of the LUIP.

The assessment also states that the City of Sydney has identified need for affordable housing, which will be improved through the public benefit offer to include 5% affordable housing on-site.

Affordable housing is a crucial infrastructure need for the Redfern area. The included public benefit offer to dedicate 5% of residential floor space to on-site affordable housing is at the bottom end of the Greater Sydney Region Plan's range of 5-10% affordable housing and falls well short of the requirements for "planning proposal land" (or land seeing a value uplift from a change to planning controls) in the exhibited draft Affordable Housing program.

The assessment identifies the need for improved open space, but the proposal does not make a meaningful contribution. The parks and reserves nearby will require significant improvements to support the new residents, and no funding mechanisms for this are included in the planning proposal request.