

Item 2.

Post Exhibition - Draft Local Strategic Planning Statement and Draft Local Housing Strategy

File No: X019011

Summary

The City of Sydney attracts people, business, visitors and investment for the amenity and opportunities it provides, a trend that will continue over time, requiring the city to grow and change. More people will be living in apartments and higher density precincts. The city's economy will need to continue evolving to stay competitive. More people will be using the city's public spaces, parks and facilities.

On 19 August 2019 Council approved the public exhibition of City Plan 2036: Draft City of Sydney Local Strategic Planning Statement (draft planning statement), Housing for All: Draft City of Sydney Housing Strategy (draft housing strategy) and Housing for All: Draft City of Sydney Housing Strategy – Technical Paper (housing technical paper).

The draft planning statement, as shown at Attachments B1 to B6, sets out a 20-year land use vision and the planning priorities and actions to achieve the vision. It links the Greater Sydney Commission's plans, the Greater Sydney Region Plan: A Metropolis of Three Cities (Region Plan) and Eastern City District Plan (District Plan), and Sustainable Sydney 2030, with the City's planning controls. It guides future changes to planning controls, informs decisions about infrastructure and sets out how we will work with others on planning matters that affect the city.

The draft housing strategy, as shown at Attachment D, describes how the City will meet the District Plan's housing (liveability) priorities. It establishes the City's priorities, objectives and actions which will guide future housing growth in the council area to 2036. This strategy is supported by the housing technical paper, as shown at Attachment E, which provides a detailed evidence base for the priorities, objectives and actions.

The draft planning statement and draft housing strategy envisage an additional 56,000 homes, including 50,000 private homes and 6,000 non-private homes (boarding and student housing), and 200,000 jobs being delivered by 2036. These new homes can be achieved with little changes to the residential densities currently permitted in the planning controls. The additional jobs floor space needed for Sydney to stay competitive will be achieved through implementing the Planning Proposal: Central Sydney 2020 and prioritising employment floor space in strategic centres.

The draft planning statement, draft housing strategy and technical paper were on public exhibition from 30 August 2019 to 11 October 2019. The City received 90 submissions from a range of stakeholders including residents, community groups, industry peak bodies, planning consultants representing developers or large land owners and state agencies. A summary of the submissions and the City's response is at Attachment A.

The City also sought input from community and industry via community workshops and an industry roundtable to understand if the draft planning statement and draft housing strategy are reflective of the city's needs and aspirations. The participants at each workshop were overall supportive of the approach and aspirations and appreciative of the City taking a leadership role in planning for the future of Sydney.

Feedback was also sought on the Sydney Your Say website via two online surveys created for the draft planning statement, which was completed by 145 people, and draft housing strategy, which was completed by 44 people. Key takeaways included the community wanting increased infrastructure provision with population growth, increased tree canopy and environmental performance, future focused economy and a diversity of housing types.

The Greater Sydney Commission (Commission) also provided feedback on the draft planning statement as part of their assurance process. Overall, comments received were positive and the Commission commended the detailed evidence-base analysis, priorities, actions and overall consistency with the Region and District Plans.

Key matters raised in written submissions and consultation activities are addressed in this report. Following consideration of all feedback received during the public exhibition, there is no substantial change proposed to the priorities, objectives and actions in the draft planning statement and draft housing strategy. Some minor amendments have been made to text and figures to address oversights, respond to matters raised, improve presentation, readability and correct grammatical errors.

The NSW Government requires all Sydney councils to finalise and publish a planning statement by 31 March 2020. Prior to Council finalising the planning statement, the Commission must provide assurance that the statement is consistent with the regional and district plans. If Council approves the planning statement at Attachments B1 to B6 it will be referred to the Commission with a request for assurance. If significant amendments are required by the Commission the planning statement will be reported to Council in March for its consideration, otherwise it is recommended the Chief Executive Officer be delegated the authority to make and publish the planning statement.

Once assurance has been received, the City will commence implementation of the planning statement and its review of the local environmental plan and development control plan, as required by the NSW Government. The planning statement and housing strategy will guide the update, as well as consideration of any planning proposal requests that may be received in the interim. This report seeks Council's support and approval of the draft planning statement to be referred to the Commission for their assurance. It also seeks approval of the draft housing strategy, so it may be referred to the Department seeking approval.

Recommendation

It is resolved that:

- (A) Council note the matters raised in submissions to the public exhibition of *City Plan 2036: Draft City of Sydney Local Strategic Planning Statement, Housing for All: Draft City of Sydney Local Housing Strategy and Housing for All: Draft City of Sydney Local Housing Strategy - Technical Paper* as shown at Attachment A to the subject report;
- (B) Council endorse *City Plan 2036: Draft City of Sydney Local Strategic Planning Statement*, as shown at Attachments B1 to B6 to the subject report, for referral to the Greater Sydney Commission for their support under section 3.9(3A) of the *Environmental Planning and Assessment Act 1979*;
- (C) authority be delegated to the Chief Executive Officer to make *City Plan 2036: City of Sydney Local Strategic Planning Statement*, as shown at Attachments B1 to B6 to the subject report, if the Greater Sydney Commission provides support under section 3.9(3A) of the Act without requiring any changes be made or with minor changes that do not alter the targets or intent of the priorities or actions of the planning statement;
- (D) Council adopt *Housing for All: Draft City of Sydney Local Housing Strategy and Housing for All: Draft City of Sydney Local Housing Strategy - Technical Paper*, as shown at Attachment D and Attachment E respectively to the subject report, and if required, refer it to the Department of Planning, Industry and Environment for their approval;
- (E) authority be delegated to the Chief Executive Officer to make any minor amendments to *City Plan 2036: City of Sydney Local Strategic Planning Statement*, as shown at Attachments B1 to B6 to the subject report, and *Housing for All: Draft City of Sydney Local Housing Strategy and Housing for All: Draft City of Sydney Local Housing Strategy - Technical Paper*, as shown at Attachment D and Attachment E respectively to the subject report, to correct any drafting errors or to ensure it is consistent with any direction given by the Greater Sydney Commission in assuring the *City Plan 2036*, so long as the direction does not alter the intent, priorities or actions of *City Plan 2036*; and
- (F) Council note the intended program for implementation of the planning statement and update of the planning controls as described in the subject report.

Attachments

- Attachment A.** Summary of submissions and City's response
- Attachment B1.** City Plan 2036: Draft City of Sydney Local Strategic Planning Statement
- Attachment B2.** City Plan 2036: Draft City of Sydney Local Strategic Planning Statement
- Attachment B3.** City Plan 2036: Draft City of Sydney Local Strategic Planning Statement
- Attachment B4.** City Plan 2036: Draft City of Sydney Local Strategic Planning Statement
- Attachment B5.** City Plan 2036: Draft City of Sydney Local Strategic Planning Statement
- Attachment B6.** City Plan 2036: Draft City of Sydney Local Strategic Planning Statement
- Attachment C.** City Plan 2036: Draft City of Sydney Local Strategic Planning Statement Overview
- Attachment D.** Housing for All: Draft City of Sydney Local Housing Strategy
- Attachment E.** Housing for All: Draft City of Sydney Local Housing Strategy - Technical Paper

Background

1. The City of Sydney attracts people, business, visitors and investment for the amenity and opportunities it provides, a trend that will continue over time, requiring the city to grow and change. Over the next 20 years more people will be living in apartments and higher density precincts, the city's economy will need to continue evolving to stay competitive and more people will be using the city's public domain, parks and facilities.
2. The City of Sydney's land use planning framework, including the local environmental plans, development control plans, contributions plans and various strategies, plays a critical role in guiding good planning outcomes and achieving the green, global and connected city envisaged by Sustainable Sydney 2030. It guides the development of the places where we live, work and play and helps us strengthen the character and amenity of places, wellbeing and resilience of the community, management of the environment and competitiveness of the economy.
3. In March 2018, the NSW Government introduced changes to the *Environmental Planning and Assessment Act 1979* (the Act) to embed strategic planning into the NSW planning framework. This requires the NSW Government to prepare regional and district plans and councils to prepare local strategic planning statements.
4. City Plan 2036: Draft City of Sydney Local Strategic Planning Statement (draft planning statement), at Attachments B1-B6, is the City's first such planning statement. It sets out a 20 year land use vision and the planning priorities and actions to achieve the vision. It links the Commission's plans, the Greater Sydney Region Plan: A Metropolis of Three Cities (Region Plan) and Eastern City District Plan (District Plan), and Sustainable Sydney 2030, with the City's planning controls. It guides future changes to planning controls, informs decisions about infrastructure and sets out how we will work with others on planning matters that affect the city. The draft planning statement has been summarised in an overview document at Attachment C.
5. In addition to preparing a planning statement, the District Plan requires all councils prepare a local housing strategy to guide the quantity, location and types of all future housing. The local housing strategy must be prepared in accordance with the Department of Planning, Industry and Environment's (Department) Local Housing Strategy Guideline, which provides a template and detailed direction for the evidence base required to underpin the strategy. The Department is responsible for approving all local housing strategies and will consult with the Commission as part of the approval process.
6. Housing for All: Draft City of Sydney Housing Strategy (draft housing strategy) at Attachment D, describes how the City will meet the District Plan's housing (liveability) priorities. It establishes the City's priorities, objectives and actions which will guide future housing growth in the council area to 2036. This strategy is supported by Housing for All: Draft City of Sydney Housing Strategy – Technical Paper (housing technical paper), prepared in accordance with the Department's Guideline, which provides a detailed evidence base for the priorities, objectives and actions. The housing technical paper is shown at Attachment E.

7. On 19 August 2019 Council approved the draft planning statement and draft housing strategy for public exhibition for 43 days. This report describes the consultation activities undertaken and addresses key matters raised by stakeholders, including state agencies, business and industry and the wider community. It also provides an overview of feedback received from the Commission and highlights recent NSW Government announcements relevant to the draft planning statement. The report also describes the program for implementing the draft planning statement and draft housing strategy and updating the City's planning controls.
8. This report seeks Council's approval of the draft planning statement for referral to the Commission for their endorsement and support. It also seeks approval of the draft housing strategy, so it may be referred to the Department seeking their approval.

Public Exhibition and Consultation

9. The draft planning statement and draft housing strategy were publicly exhibited from 30 August until 11 October, a total of 43 days. Other documents that supported the public exhibition include the draft planning statement overview document, the housing technical paper and the City of Sydney Capacity Study (capacity study).
10. All documentation was made available through the Sydney Your Say website and public notices were placed in the Sydney Morning Herald, Inner West Courier, Southern Courier and Wentworth Courier newspapers. Notifications on social media platforms such as Facebook reached 71,776 people compared to LinkedIn, which reached 48,889 people. Emails were sent to over 2,500 community, industry and government stakeholders advising of the exhibition. City staff hosted four industry and three community briefings and briefed the City's relevant advisory panels.
11. The City received 91 submissions from a range of stakeholders including residents, community groups, industry peak bodies, planning consultants representing developers or large land owners and state agencies. A summary of the submissions and the City's response is at Attachment A. Key issues raised are discussed in more detail later in this report.
12. The City also sought input from community and industry via a community workshop and an industry roundtable during the public exhibition period. The aim was to seek feedback on whether the draft planning statement and draft housing strategy reflect the city's needs and aspirations.
13. The community workshop was held over two sessions and involved 30 participants representing people who live, work and study in the council area. Participants provided high-level feedback on all the 10 key moves in the draft planning statement and were asked to select the key moves they would like to explore further. Participants chose to further analyse six of the key moves including:
 - greening the city and pathways to net zero
 - movement for walkable neighbourhoods and a connected city
 - making great places
 - new and diverse housing

- build internationally competitive and knowledge-intensive business clusters in the Innovation Corridor
 - support creative and cultural industries in the Eastern Creative Precinct.
14. The industry roundtable workshop involved 35 participants representing developers, peak bodies and planning consultants. The workshop focused on the capacity and targets set for jobs and housing and was designed to assist the City in understanding areas of support or concern, and identify any gaps and new ideas.
15. The participants of the community workshop and industry roundtable were overall supportive of the approach and aspirations of the draft planning statement and draft housing strategy. There is an appreciation of the City taking a leadership role in planning for the future of Sydney. Both the community and industry were asked about the priorities the City should focus on over the next 20 years. The top five responses are outlined in Table 1.

Table 1: Top 5 priorities of the community deliberative and industry roundtable workshops

Community deliberative workshop	Industry roundtable workshop
<p><i>More and better public spaces</i></p> <p>The City must ensure all public places and spaces welcome people and support a variety of uses. This will help create a truly great city.</p>	<p><i>Flexibility that allows for responsive planning and innovation</i></p> <p>The City needs to provide flexibility within the planning framework, which is important for allowing responsive land use planning and innovation in the city.</p>
<p>Response: Priorities I3 and S1 guide the provision of public spaces.</p>	<p>Response: The priorities support innovation through the planning framework.</p>
<p><i>Putting people and cyclists first</i></p> <p>The City must consider pedestrians and cyclists just as much as cars. Reallocating space and prioritising pedestrians and cyclists is key to making Sydney a great place.</p>	<p><i>Certainty that gives the industry confidence</i></p> <p>The City needs to provide statutory controls supported by strategic thinking that gives the industry confidence in developing, and delivering on, long term plans.</p>
<p>Response: Priorities I1, L2 and S1 guide the improvement of pedestrian and cycling access and networks.</p>	<p>Response: The priorities set the strategic planning framework to support the City's statutory controls.</p>

Community deliberative workshop	Industry roundtable workshop
<p><i>A diversity of housing types</i></p> <p>The City should ensure new housing is of high quality, in the right locations and supported by infrastructure in order to meet the needs of a diverse and growing community.</p>	<p><i>Adopting new housing models</i></p> <p>The City needs to provide a variety of housing types and tenures, which is key to meeting housing targets and addressing affordability.</p>
<p>Response: The Principles for Growth, Priority L3 and the draft housing strategy will guide appropriate housing in the right locations.</p>	<p>Response: Priority L3 and the draft housing strategy encourage diverse housing types and tenures to meet community needs.</p>
<p><i>Sustainability as a core planning value</i></p> <p>The City should consider sustainability as a core land-use planning value (not in isolation) that underpins all planning decisions.</p>	<p><i>Defending the commercial core</i></p> <p>The City must protect the CBD for commercial and employment uses to achieve job targets and reinforce the City's role as a global capital.</p>
<p>Response: Priorities S1, S2 and S3 aim to clarify and clearly identify the expectations of delivering sustainability measures in developments.</p>	<p>Response: Priority P1 guides the process of growing a stronger, more competitive Central Sydney.</p>
<p><i>Leadership in planning</i></p> <p>The City should have greater control over land use planning and infrastructure for the council area.</p>	<p><i>Processes that help achieve targets</i></p> <p>The City should work towards streamlining the planning system to ensure timely approvals.</p>
<p>Response: The priorities demonstrate the City's drive to provide leadership in planning.</p>	<p>Response: The draft planning statement will be reviewed in a timely manner to monitor and understand progression towards targets.</p>

16. The community also provided feedback on the Sydney Your Say website via two online surveys. A total of 164 people completed the survey for the draft planning statement and 42 people completed the survey for the draft housing strategy. The top five key insights from each of the surveys are outlined in Table 2.

Table 2: Five key issues from the online surveys

Online survey - draft planning statement	Online survey - draft housing strategy
<p><i>Infrastructure provision must align with growth</i></p> <p>Infrastructure (public transport, cycling, parks, health and education and community facilities) delivered with housing, which is essential to Sydney's growth.</p>	<p><i>Public transport is essential</i></p> <p>Reliable and efficient public transport in close proximity to housing is needed.</p>
<p>Response: Priority I2 addresses the alignment of development and growth with supporting infrastructure.</p>	<p>Response: Priority I1 focuses on improving movement for walkable neighbourhoods and a connected city.</p>
<p><i>Prioritise people along transport corridors and activity streets</i></p> <p>Streets that are safe for people to move and linger to support economic, cultural and night-time activity in the right places.</p>	<p><i>Increase affordable rental and social housing</i></p> <p>Investment in provision of affordable rental and social housing for an equitable city.</p>
<p>Response: Priorities I1, L1 and L2 aim to ensure streets and places are planned and designed to support the desired land uses.</p>	<p>Response: Priority L3 and the draft housing strategy aim to increase the diversity and number of homes available for lower-income households.</p>
<p><i>Increase tree canopy and monitor air quality</i></p> <p>Tree canopy to be increased as much as possible on private and public land and monitor the quality of Sydney's air and make data publicly available.</p>	<p><i>Ensure beautiful, active neighbourhoods that are safe and green</i></p> <p>Quality building and urban design with plenty of plants, trees and green open space.</p>
<p>Response: Priorities L2, S1 and S3 aim to protect and increase tree canopy and vegetation and work with other levels of government to manage air quality.</p>	<p>Response: Priorities I3, L2, L3 S2 and S3 guide good design to create great places for everyone.</p>
<p><i>Improve environmental performance</i></p> <p>Encourage innovation, research and data to drive action on improved environmental performance.</p>	<p><i>Be a leader in environmental performance</i></p> <p>Improve water and energy efficiency in new and existing buildings.</p>

Online survey - draft planning statement	Online survey - draft housing strategy
Response: Priorities S1, S2 and S3 set out new initiatives to improve environmental performance, including planning for net zero buildings and water efficiency.	Response: Priority S2 aims to create better buildings and places by reducing emissions and waste and using water efficiently.
<p><i>A future focused economy</i></p> <p>The city's visitor and night-time economies should be supported to thrive.</p>	<p><i>Increase diversity of housing types</i></p> <p>Innovative housing models to support affordability, ageing in place, accessibility and environmental targets.</p>
Response: Priorities P1 and P2 aim to encourage a mix of land uses to support the city's visitor and night-time economies.	Response: Priority L3 and the draft housing strategy aim to increase housing diversity and choice to meet the needs of the diverse population.

17. The discussion and feedback recorded at the community and industry roundtable workshops and the online surveys demonstrate strong support for the priorities, objectives and actions in the draft planning statement and draft housing strategy. Where relevant, feedback has been incorporated and used to inform amendments to support and clarify priorities and actions in the draft planning statement and draft housing strategy.

Submissions received and matters raised

18. The City received 91 submissions during the public exhibition period through the Sydney Your Say website. Submissions came from a range of stakeholders including residents, community groups, industry peak bodies, planning consultants representing developers or large land owners and state agencies. Over 85 per cent of submissions stated overall support for the draft planning statement or draft housing strategy. A summary of all submissions received and the City's response is at Attachment A. Key matters raised in submissions are outlined below.

Requests to change planning controls

19. The City received over 40 submissions from landowners requesting site-specific changes to the planning controls. Most submissions requested increases to floor space ratio and/or height development standards to facilitate increased development capacity for both residential and non-residential uses. Some also outlined other public benefit outcomes that would be associated with the proposal, for example, more affordable housing.

Response:

20. Broadly, submissions requesting site-specific changes to the planning controls fall into three categories, including those that are:
 - located in an area identified in the draft planning statement for strategic investigation for changes to the planning controls;
 - located in Central Sydney and subject to the draft Central Sydney Planning Strategy; or
 - located outside an area identified in the draft planning statement for strategic investigation.
21. The draft planning statement cannot make changes to planning controls. Changes to planning controls can only be made following analysis of the strategic or site specific merits of a planning proposal, when a request is lodged under Part 3 of the Act to change the local environmental plan. An analysis of the strategic or site specific merits of submissions that propose changes to planning controls is not provided in this report and receipt of these submissions does not constitute a planning proposal request under the Act.
22. The draft planning statement identifies a number of precincts in the council area where the City will review the planning controls including the Southern Enterprise Area (including the North Alexandria precinct), the Botany Road corridor and the Oxford Street precinct. It does not identify any individual sites where changes will be considered. The City received more than 15 submissions relating to sites within the strategic investigations areas. These submissions will be further considered as part of the review of these areas and landowners will be invited to participate in further consultation as the City progresses its investigations.
23. The City received three submissions relating to sites in Pyrmont that are within the boundary of the area where the NSW Government has recently announced it will be reviewing the planning controls. Landowners are encouraged to engage with the NSW Government in their investigations for any planning control changes that may occur on their site.
24. The City received less than 10 submissions relating to sites within Central Sydney. In December 2019 the City and the NSW Government reached an in-principle agreement to progress the Central Sydney Planning Strategy and Planning Proposal with changes. Landowners will be invited to make submissions to the exhibition of the Central Sydney Planning Proposal. Alternatively, the Act enables land owners to request the City prepare a site specific planning proposal. The City will assess any request, lodged with the appropriate fee and justification reports, on its strategic and site-specific merits.
25. The City received 15 submissions relating to sites outside an area identified for strategic investigation in the planning statement. The draft planning statement does not identify any site-specific changes being considered by the City, instead it focuses on areas and precincts identified in the draft planning statement for strategic investigation. Notwithstanding the above, the Act enables land owners to request the City prepare a site specific planning proposal. The City will assess any request, lodged with the appropriate fee and justification reports, on its strategic and site-specific merits.

Affordable rental housing

26. The City received 22 submissions supporting the need to increase the amount of affordable rental housing in the council area. Some submissions highlighted the need to undertake further demographic and demand analysis work to support the type of affordable housing required. There were also requests to implement the Affordable Housing Review Planning Proposal.
27. Several submissions requested greater flexibility in the planning controls, design excellence requirements and assessment process for affordable housing developments. Some were concerned affordable housing contribution requirements impacted on development viability and that providing development incentives to encourage affordable housing would result in more affordable housing being built.

Response:

28. The draft planning statement and draft housing strategy recognise that more needs to be done increase the stock of affordable housing in Sydney. The City agrees that affordable housing is critical infrastructure needed to service a socially and economically diverse global city. Additional wording has been added in Priority L3 of the draft planning statement to this effect. It is important to acknowledge that a range of policy interventions are required by the federal and state government to address the issue. The mechanisms that the City has in place to increase the provision of affordable rental housing are only part of, not wholly the solution.
29. The draft housing technical paper contains an evidence-based chapter providing thorough analysis of demographics, housing demand and supply across the council area. This analysis covers affordable housing and provides a solid framework that underpins the priorities and actions relating to all housing types in the draft housing strategy.
30. The City's Affordable Housing Review planning proposal has been approved by Council and the Central Sydney Planning Committee and is with the NSW Government for implementation. This proposal is consistent with the Region and District Plans and does not impact on development viability. Priority L3 of the draft planning statement and the draft housing strategy currently have actions to implement this planning proposal.
31. Affordable housing contribution schemes are a proven approach to ensuring long term affordable rental housing stock is provided in the city. As at October 2019, 685 affordable rental homes were owned and managed by City West Housing, the beneficiary of the City's contribution schemes, with an additional 312 in the development pipeline.
32. Incentive schemes for affordable housing, such as those available under State Environmental Planning Policy (Affordable Housing) 2009 have limited effectiveness and have resulted in little affordable housing in the council area. In addition, incentive schemes generally rely on increasing development capacity beyond the existing planning controls, with associated impacts on amenity and neighbourhood character.
33. Priority H4 of the draft housing strategy and technical paper acknowledges community housing providers play an increasingly important role in providing affordable housing and the City agrees government policy should support the sector as it matures. Priority L3 of the draft planning statement has been amended to include greater recognition of their role in the housing sector.

Draft Central Sydney Planning Strategy

34. The City received 20 submissions about the draft Central Sydney Planning Strategy. While there is general support for the draft Strategy and the focus on planning for employment growth, concerns were raised about restricting residential development, the impact of levies and the need to engage more on the details of the proposed draft Strategy and its associated documents. Some submissions also raised concerns about the length of time it has taken to process the draft Strategy and implications on site specific planning proposals and issues with the current supply of heritage floor space.

Response:

35. In December 2019 the City and the NSW Government reached an in-principle agreement to progress the Central Sydney Planning Strategy and Planning Proposal with changes.
36. The City has prepared a revised planning proposal and a new contributions plan for consideration by Council and the Central Sydney Planning Committee. Subject to support, the revised planning proposal, supported by the Draft Central Sydney Planning Strategy, will be sent to the Department for a Gateway Determination to enable public exhibition.
37. The proposed public exhibition of the updated planning controls and new contributions plan will enable further detailed consultation and assessment of issues. Submitters will be invited to participate in the public exhibition of the revised planning proposal and draft Central Sydney Planning Strategy. Landowners will be able to provide further submissions through the public exhibition process noting modifications to the planning proposal.
38. No amendment has been made to the draft planning statement or draft housing strategy following consideration of these submissions.

Pathway to net zero

39. Eight submissions were received in strong support of the City's ambition to achieve net zero energy buildings and the net zero emissions 2050 target. There were several requests to ensure a phase-in period is provided allowing industry to adapt to any new changes in building performance standards.

Response:

40. The pathway to net zero project is to develop an evidence base to transition new office, hotel, multi-unit residential, shopping centres and mixed-use developments and major refurbishments to net zero energy. The project will investigate how off-site renewable energy generation or renewable energy offsets can be factored into the NSW planning system.
41. The City has engaged a consortium of consultants to develop the performance standard pathways to net zero energy, including energy modelling, cost benefit analysis, stakeholder engagement and drafting planning controls to implement the pathways. Feedback will be sought from the property industry and government on the evidence base research and pathways proposed.

42. The City agrees phase-in periods are important to transitioning to net-zero buildings. The draft planning statement notes that a key element of the project is to ensure the resulting planning framework provides a clear pathway to net zero energy with the required action known upfront with advance notice of changes to performance standards. No amendment has been made to the draft planning statement following consideration of these submissions.

Capacity and targets

43. The City received five submissions about the capacity study and housing targets. While generally supportive of the robust methodology and findings of the study, they raised concerns that not all of the identified capacity could be achieved because of impediments in the planning controls or because development was not viable on some sites. Some submissions suggested the draft planning statement and draft housing strategy should identify areas or sites where changes to the planning controls should be made to increase capacity for housing to ensure targets could be achieved.

Response:

44. The City's Capacity Study measures the amount of floor space ('capacity') in the city that is available for development. The study is a point-in-time model of theoretical development capacity available under current planning controls. It excludes from the calculation of available floor space sites that are unlikely to develop, for example, sites that are strata subdivided or sites that are heritage listed although it is acknowledged that these sites may still develop. It also excluded or made modest assumptions about development on key NSW Government sites where there was limited information available about likely outcomes. To this extent the study is conservative in its findings.
45. The Capacity Study, together with dwelling forecasts prepared by ID Consulting and job projections issued by Transport for New South Wales, has been used to guide the City in establishing its housing and jobs targets.
46. The City commissioned AEC Group to analyse likely market take-up rates of development opportunities and produce estimates of market capacity. These estimates are a proxy for likely housing supply based on the capacity available to 2036 and derived from an understanding of the feasibility for each village under current planning controls.
47. An estimated 19,510 dwellings are anticipated to be delivered after feasibility is taken into account and when the take-up rates to the theoretical development capacity are applied. This is split between 18,293 private dwellings and 1,217 non private dwellings. When NSW Government projects and the pipeline are also taken into account, AEC Group estimate a total of 50,219 private dwellings and 5,608 non private dwellings are likely to be delivered.
48. Notwithstanding the above, the City acknowledges that capacity and forecast development outcomes will change over time as sites develop, planning controls change, market trends shift and site availability becomes more constrained. The City will continue to annually audit and report development outcomes, and every five years, in line with the census and the City's Floor Space Employment Survey, undertake a capacity study to ensure the City's planning controls remain fit for purpose.

49. The City of Sydney's residential monitor and housing audit show that at 30 June 2019, a total of 34,389 dwellings had been completed since 30 June 2016 (including 11,008 private and 2,856 non-private dwellings) or are currently in the development pipeline (including 17,831 private and 2,694 non-private dwellings). This represents about 90 per cent of the total 0–10 year aggregated dwelling target.
50. With only 3,519 dwellings not yet accounted for in the 0-10 aggregated target (including 3,461 private and 58 non-private dwellings), it is likely the remainder will be accommodated in development applications yet to be lodged. This is evidenced by an average of 4,400 dwellings entering the development pipeline each year between 2008 and 2018.
51. Development is likely to become more constrained in the 11 to 20 year period as sites become scarcer. However, the capacity study has identified sufficient capacity under the City's planning controls and on NSW Government sites to achieve the target. To ensure the City's planning controls remain fit for purpose to achieve the stated housing target, the City will consider planning proposals to unlock existing capacity where there is impediment in the planning controls, clear site-specific and strategic merit and alignment with the City's principles for growth.
52. The City's total contribution of 50,000 private dwellings over the 20 years to 2036 represents one third of the total target of 157,500 private dwellings for the nine councils in the Eastern City District. Additional population will be accommodated in 6,000 non-private dwellings over the 20 year period.
53. The context section of the draft planning statement has been amended to clarify the outcomes of the capacity study and how it informed the housing targets.

Build-to-rent housing model

54. The City received five submissions about the build-to-rent housing model. The draft planning statement and draft housing strategy recognise build-to-rent as an emerging dwelling typology. However submitters have requested changes to planning controls to encourage this housing model, including providing planning incentives that promote best practice design. There are also calls for the City to advocate for consistent planning controls across the State to facilitate this housing type.

Response:

55. The City has a strong supply of rental housing, with about half of the city's residents living in rental accommodation. There is no identified shortage of rental premises in the council area.
56. The planning system creates no impediment to build-to-rent development that is well designed and appropriate to the surrounding context. Regardless of whether housing is held by an owner-occupier, individual investor or an institutional investor, all housing should be of a high standard, amenity and quality.
57. The City already promotes best practice design through its design excellence requirements, which aim to ensure the highest standard of architectural, urban and landscape design across the council area. Building owners are also eligible for up to an additional 10 per cent floor space ratio or building height through this process.

58. As an emerging asset class in Australia, built-to-rent faces challenges outside the planning system compared to other forms of market housing from a developer perspective. The City does not support incentives in the planning system, such as floor space incentives, or exclusion from the requirements of the Apartment Design Guide, to promote institutional ownership over owner-occupier or individual investor ownership.
59. Notwithstanding the above, Priority L3 in the draft planning statement and Priority H3 of the draft housing strategy include actions to increase housing diversity and choice across the city, with build-to-rent being recognised as a form of development that is encouraged, albeit not incentivised in the planning system over other forms of residential development. No amendment has been made to the draft planning statement or draft housing strategy.

Retail land uses

60. The City received five submissions relating to the retail sector and planning for its current and future needs, including large format retail in the Southern Enterprise Area. Feedback included the need for specific discussion about the retail sector's role and importance, investigating more flexibility in the planning controls for retail uses, setting retail floor space targets and removing restrictions on the size of retail premises in the southern part of the council area.

Response:

61. The City's planning controls generally provide a high level of flexibility for a range of retail uses within its centres and mixed use zones. In areas to the south (including Green Square), where retail is limited to a maximum 1,000 square metres outside of centres, the City's planning controls are intended to focus significant retail in centres that are a focal point for the community and are supported by good access to public transport. Removal of the 1,000 square metre retail floor space cap from the planning controls is not supported.
62. While specific retail targets in the draft planning statement are not supported (beyond the more general jobs target provided), additional information has been introduced in the productivity section of the draft planning statement, which highlights the important contribution of the retail sector to the City's economic success and diversity. The draft planning statement also includes actions P1.2, P2.4 and L2.1 to ensure that non-residential floor space continues to be provided in the city, creating opportunity for a range of economic uses, including retail, and supporting a lively and thriving economy.
63. The City will continue to focus on ensuring a genuine mix of uses, including diverse retail options. The City will also continue its approach in planning for large-scale retail developing in planned centres to ensure that residents, visitors and workers have access to goods and services.

Housing for older people

64. The City received four submissions about the need to plan for more seniors housing and aged care facilities for the growing ageing population. Submissions stated that seniors housing is an important aspect of housing diversity and that the draft planning statement and draft housing strategy should consider housing for all ages and people with disabilities. Other submissions called for planning incentives to encourage seniors housing in the council area.

Response:

65. There is a growing cohort of older people living in the city, which has implications for the types of housing required. Seniors housing and aged care facilities are generally a market-driven product. While there are no impediments in the City's planning controls to develop this housing type, the value of land in the council area can make it difficult for this type of housing to be viable.
66. The City has actively promoted aged care in the council area by granting funds to the HammondCare Darlinghurst Project and towards the Holdsworth Community pilot, which is a HomeShare program.
67. The City's planning controls ensure a proportion of large residential developments are adaptable dwellings, which facilitates ageing in place. The draft planning statement and draft housing strategy aim to increase this and includes actions to:
 - (a) increase the number of larger apartments on the ground floor
 - (b) increase the number of dwellings that are universally designed for older people or/and people with disability.
68. The draft planning statement and the draft local housing strategy will also continue to encourage housing that is suitable for older people through:
 - (a) co-operative housing models to provide the opportunity for older people to retain independence as they age and have community support, and
 - (b) supported housing models for older people who require assistance to age in place.
69. Additional wording has been introduced into Priority L3 of the draft planning statement and Priority H3 of the draft housing strategy clarifying the role of planning in providing housing for older people.

Enterprise Area Strategy

70. The City received 13 submissions relating to the upcoming review of the Employment Lands Strategy (known as the Enterprise Area Review). Some submitters supported the need to protect this area from residential encroachment. Submitters recommended this review recognise the important role and growth of specialised retail premises and consider encouraging mixed-use precincts that incorporate urban services along with residential, retail, commercial and health care uses. Also requested was the opportunity for collaboration with stakeholders as part of the review process.

Response:

71. The Enterprise Area Review will inform the preparation of the City of Sydney Enterprise Area Strategy, which will replace the City of Sydney Employment Lands Strategy 2014-2019. The review aims to ensure that planning controls continue to protect and manage industrial and urban services land, in accordance with the principles for managing industrial and urban services land in the District Plan. This involves ensuring that all existing industrial and urban services land is safeguarded from competing pressure, especially from residential encroachment. The review will also consider retail, large format retail (bulky goods), commercial and other business uses at appropriate locations that support the Central Business District, international trade gateways and overall productivity of the Greater Sydney Region.
72. The review will also investigate opportunities to support evolving businesses in the B7 zoned land in North Alexandria to cater for the changing needs of the Green Square-Mascot Strategic Centre.
73. The City will collaborate with key stakeholders as part of its preparation of the new Southern Enterprise Area Strategy. Consultation will aim to understand the aspirations and needs of evolving businesses, industrial and urban services uses in the area. No amendment has been made to the draft planning statement or draft housing strategy.

Greater Sydney Commission and matters raised

74. Following public exhibition, the City met with the Commission to receive comments from its preliminary review of the draft planning statement. Overall, comments received were positive and the Commission commended the readability and presentation of the document, the high quality of the research and analysis underpinning the targets, priorities and actions, and the overall consistency with the Region and District Plans.
75. Clarification was sought from the Commission regarding the assumptions and methodology used to prepare the City's Capacity Study and how the outcomes influenced the housing targets. There were also questions about what strategies the City would employ to ensure sufficient capacity would be available to achieve its housing targets. Requests were made to pinpoint locations where the delivery of more diverse, affordable and social housing should be prioritised.
76. A previous section of this report described how the capacity study was used to inform the City's targets. It also describes the review timeframes for the capacity study and planning controls, which will enable close monitoring of progress towards targets and allow for adjustment should any shortfall become apparent over time.
77. To enable better understanding of where both housing and jobs are to be located over time, the draft planning statement has been amended to include maps that identify the amount of capacity for growth under the planning controls in each village area, hence where housing and jobs will locate over time. These maps show the focus for housing in the City's urban renewal areas, particularly Green Square, and on NSW Government sites. This compares to modest growth anticipated within the City's heritage conservation areas, which will focus on opportunities to increase housing diversity.

78. The evidence-based analysis in the draft housing technical paper states that diverse, affordable and social housing is required across the whole council area. The City allows for and encourages affordable and social housing wherever residential development is appropriate. The City also permitted affordable housing in a business only precinct as an incentive. It is difficult to predict where affordable housing and social housing will locate, and thus has not been identified on the map, however, the City continues to advocate a large amount of this housing should be provided on NSW Government sites.
79. Other minor changes sought from the Commission to the draft planning statement, including:
- Identify areas of environmentally sensitive waterways and important green grid corridors in the sustainability section: A new figure has been introduced into Priority S1 illustrating a blue/green grid that maps waterways, water dependent ecosystems, canopy cover, areas of biodiversity value and corridors, open space and the active travel network.
 - Identify important freight routes such as Botany Road in the infrastructure section: A new figure has been introduced into the context section illustrating the existing NSW freight and servicing routes that affect the city.
 - Clarify that the Principles for Growth apply to all planning proposals in the governance section: The existing action relation to Principles for Growth in Priority L3 has been moved to Priority G1. This action has also been amended to ensure all planning proposal requests are consistent with the principles.
 - Introduce information about local infrastructure identified in the City's capital works program in the context section: The context section has been amended to include a table listing key local infrastructure categories and associated expenditure from the 10-year capital works program. It represents the City's capacity to deliver a number of significant projects in the future that will expand and/or significantly upgrade the provision of infrastructure and facilities for the community.
 - Introduce a requirement for social and affordable housing delivered on NSW Government sites to be universally designed. Priority L3 has been amended to advocate for 100% of social and affordable housing dwellings delivered on NSW Government sites to be in accordance with the Liveable Housing Guideline's gold level, which aligns with the target set by the National Dialogue on universal housing design.
 - Clarify the role of the tourist and visitor economy in the productivity section: Priorities P1 and P2 have been amended to clarify that the tourist and visitor economy is an important sector for the whole council area and that Central Sydney and City Fringe areas will play a critical role in supporting and strengthening this economy.
 - Introduce information about the regional air quality monitoring network in the liveability and sustainability sections: Priorities L2 and S3 have been amended to recognise existing air quality monitoring locations and acknowledge collaboration with NSW Government and others to increase air quality monitoring across the council area.

- Convey changes that will occur over the 5, 10 and 20 year horizon: The actions have been updated to include approximate timeframes for when they will be undertaken.
- Ensure mapping illustrates the most up to date information relating to open space and heritage items: Maps have been updated to ensure all open space areas and local and state heritage items and heritage conservation areas have been incorporated.
- Introduce a new Structure Plan in the context section to translate the vision of the draft planning statement: A new Structure Plan for the council area has been introduced in the context section.

NSW Government recent announcements

80. The NSW Government made a number of announcements since the draft planning statement and draft housing strategy were reported to Council in August 2019. The following provides an explanation of the NSW Government planning announcements and how it affects the targets, priorities and actions of the draft planning statement and draft housing strategy.

NSW population projections

81. Guidelines issued by the Department for the preparation of planning statements recommended councils use its population and dwelling projections to prepare housing targets. The projections were based on 2011 census data and estimated about 60,000 dwellings would be required in the City of Sydney council area.
82. Notwithstanding the above, the City, concerned with projections based on the 2011 census, instead based the analysis in the housing technical paper on population and dwelling forecasts prepared by ID consulting. These forecasts are informed by the 2016 Census, and therefore reflect substantial shifts in population trends that have occurred since 2011, such as average household size. Other matters are also taken into consideration when forecasts are prepared (as opposed to projections), such as land availability and market trends.
83. The capacity study, together with ID forecasts, have been used to guide the City in the preparation of its housing targets.
84. In December 2019 the Department released its updated population projections based on the 2016 Census. The Department has advised the City is not required to modify the draft planning statement or draft housing strategy based on the new projections. Nevertheless, the proposed housing targets are not affected as the City's Capacity Study and evidence base analysis demonstrates there is capacity under the existing planning controls to deliver 56,000 new dwellings by 2036. No amendment has been made to the draft planning statement or draft housing strategy.

Draft Central Sydney Planning Strategy

85. In December 2019, the Lord Mayor and the Minister for Planning and Public Spaces announced an in-principle agreement between the City and the Department to amend the planning proposal for Central Sydney subject to three key amendments.

86. The three key amendments are:
- (a) removing the proposed 50 per cent cap on residential accommodation, and instead removing the existing residential accommodation bonus in the LEP
 - (b) replacing the proposed site-specific planning proposal process with an additional design excellence pathway in four mapped tower cluster areas of Central Sydney
 - (c) preparing a new development contributions plan to help fund the delivery of new public infrastructure.
87. The City is now preparing a revised planning proposal and associated new contributions plan to be reported to Council and the Central Sydney Planning Committee for their consideration in early 2020. Subject to Gateway Determination, the proposed controls and contributions plan will be placed on public exhibition.
88. Priority P1 of the draft planning statement has been amended to reflect the in-principle agreement.

Reintegration of NSW Government sites into the City's planning controls

89. In November 2019 the Department announced a “new approach” to precinct planning to provide certainty and a way forward for NSW Government sites that are undergoing urban renewal. The new approach describes four pathways, as well as planning for the Aerotropolis, to progress 51 existing urban renewal NSW Government sites across Greater Sydney, including:
- (a) State-led strategic planning - these projects will involve early investigations and high-level strategic planning work led by the Department, to inform future rezoning processes. There are no examples of this in the City of Sydney.
 - (b) Collaborative planning between the State and councils - the Department will play a coordination role to facilitate collaborative partnerships between the Department and council. Subsequent rezonings will generally be implemented by council, although in certain cases they could become state-led. An example of this in the city is Pyrmont with the review of its planning controls.
 - (c) State-led rezoning - state-led rezonings will be focused on where there is a strategic imperative for the Department to direct the process. Within the city, the Bays Market District and North Eveleigh fall into this category.
 - (d) Council-led rezoning - the new approach provides an opportunity for councils to progress and lead rezoning for some existing NSW Government sites. A number of NSW Government sites in the city fall into this category including Elizabeth Street Redfern, South Eveleigh, Waterloo Estate, Franklyn Street Glebe and Cowper Street Glebe.
90. The draft planning statement recognises the need to collaborate with the NSW Government on a range of planning matters affecting NSW Government sites to achieve good built form, public domain and infrastructure outcomes. The draft planning statement and draft housing strategy have been updated to reflect the change in planning approaches on NSW Government sites.

Central Station

91. In June 2019, the Minister for Planning and Public Spaces announced that Central Station will be investigated as a State Significant Precinct under the new 'state-led rezoning' approach. The announcement aligns with both the District Plan and the City's draft Central Sydney Planning Strategy.
92. The Central Station investigations will be carried out in two stages. Stage 1 is a strategic vision for the whole precinct along with an expedited planning pathway for the Western Gateway sub-precinct. Stage 2 will consider the remainder of the State Significant Precinct including development over the station and railway lands.
93. In October 2019 a vision document for the Central Station Precinct was released for public exhibition, along with more detailed plans for the first stage of rezoning. The City will continue to work with the Department on planning for the precinct.
94. Additional jobs arising from the redevelopment of the Central Station Precinct, above those already accounted for by the City's capacity study, will contribute to the City's jobs target.
95. Priority G1 of the draft planning statement has been amended to reflect the Central Station project.

Pymont Review

96. Following a review by the Commission in August 2019, the NSW Government has announced it will develop new planning controls with the objective of Pymont and the Western Harbour Precinct becoming the 'gateway to the CBD' and Sydney's next 'economic and jobs hub'. The precinct has been identified as a precinct for collaborative planning between the NSW Government and council.
97. The City will work with the Department in its place based review of Pymont to ensure future planning controls facilitate appropriate employment growth and economic development while remaining sensitive to existing character and unique built form and heritage qualities.
98. The NSW Government's development of the Bays Market District in particular provides an opportunity to deliver a renewed hub for leading edge, innovative and creative workplaces within the Innovation Corridor. The area will also feature a rejuvenated Sydney Fish Market, posed to be the largest market of its kind in the southern hemisphere.
99. Priorities P2 and G1 of the draft planning statement have been amended to reflect the announced review of Pymont. It also includes a new Action P2.8 to work with the NSW Government in its review.

Metro West

100. Sydney Metro West was first announced by the NSW Government in November 2016, providing a connection from the Sydney CBD to Parramatta. On 21 October 2019, the location of seven stations on the Metro West line were confirmed. These were the Bays Precinct, Five Dock, Burwood North, North Strathfield, Sydney Olympic Park, Parramatta and Westmead. The location of the metro west station in Sydney's city centre is still to be determined following further planning, including community and stakeholder engagement. A metro west station in Pyrmont is being investigated by the NSW Government as a strategic option, and will be subject to feasibility testing.
101. The City is strongly advocating for the delivery of a metro west station at Pyrmont due to the importance of this location within the Eastern City District's Innovation Corridor, and to provide a continuous employment corridor linking Central Sydney, Pyrmont and The Bays Precinct. A metro station at Pyrmont would also increase public transport access to visitor destinations including the new Sydney Fish Market and the Maritime Museum, and allow for improved movement corridors, such as Harris Street, to support walking and cycling for residents, workers and visitors.
102. Action I1.4 in Priority I1 of the draft planning statement has been retained and advocates for the delivery of new metro stations at Pyrmont, as well as Green Square (Zetland). Relevant maps within the draft planning statement have also been amended to reflect the status of the metro stations following the announcement of station locations.

Medium Density Housing Code

103. The Low Rise Medium Density Housing Code forms part of the NSW Government's State Environmental Planning Policy (Exempt and Complying Development Codes) 2008. Its purpose is to deliver on the NSW Government's commitment to facilitate more diverse housing and faster housing approvals.
104. In September 2019, the Minister for Planning and Public Places again deferred the operation the Code until 1 July 2020 for 45 Sydney councils to allow them to progress their strategic planning initiatives and demonstrate how they intend to meet their local housing needs.
105. Medium density housing, such as dual occupancies, manor houses and terraces are important to facilitate housing choice in the city. However, it is critical that the community is involved in decisions on new medium density development and that the development respects the existing neighbourhood character, provides high quality design and levels of amenity for both the new residents and the existing community.
106. Priority L3 of the draft planning statement has been amended to include information about the progress of the Code implementation. Also, action L3.4 has been be amended for the City to work with NSW Government to facilitate medium density housing that is designed and built to respect the established local character and the amenity of future residents and the existing community through a process in which the community is consulted.

Other minor amendments

107. Minor amendments have been made to text and figures to address oversights, provide clarification of strategic direction, improve presentation, readability and correct grammatical errors.

Implementation of planning statement and housing strategy

108. The following outlines the NSW Government's pathway to finalise the draft planning statement and draft housing strategy before they can be implemented.

Planning Statement

109. The Commission requires all planning statements to be finalised by 31 March 2020. Several steps need to be completed to meet this deadline.
110. Councils are required to endorse the draft planning statement before it can be considered by the Commission for final assurance. Should Council endorse the draft planning statement, as recommended by this report, it will be submitted to the Commission no later than 25 February 2020 for their consideration for final assurance.
111. On 3 March 2020, the Commission's Local Strategic Planning Statement Assurance Panel will convene to determine if the City's draft planning statement is consistent with the relevant objectives and actions of the District Plan. If the Panel grants assurance, a letter of support will be issued to the City, which may include conditions or terms for support.
112. Once the City receives the letter of support, the draft planning statement can then be 'made' by Council, subject to any conditions or terms (if applicable) in the letter. This report recommends delegation be given to the Chief Executive Officer to make the draft planning statement if assurance is received and no changes are required that alter the intention of the priorities and actions.
113. Once finalised, *City Plan 2036: City of Sydney Local Strategic Planning Statement* will be published on the Department's planning portal, as required by NSW Government.

Local Housing Strategy

114. The Department, in consultation with the Commission, is responsible for approving local housing strategies. However, the Department has not yet released details of the process by which local housing strategies will be approved, or the process by which the Department may seek changes to strategies following their adoption by councils.
115. While this report recommends Council adopt *Housing for All: City of Sydney Housing Strategy* and *Housing for All: Technical Paper*, it is acknowledged further review may be required if instructed by the Department. In this instance, proposed changes that alter the intention of the priorities and actions will be reported to Council.

Review of planning statement, housing strategy and planning controls

116. The NSW Government's changes to the Act in 2018 implemented a strategic planning process of regular reviews of planning controls informed by long term state and local strategic plans. The City intends to implement a rolling program of review, research, strategic plan update and planning control update over a five year cycle to ensure strategic plans and planning controls remain current and aligned.
117. The City's planning statement and housing strategy will be reviewed regularly to ensure the latest evidence continues to inform strategic planning objectives and actions. In the first instance, the planning statement will be reviewed following the finalisation of Sustainable Sydney 2050 to ensure it aligns with the directions of that plan.
118. The Act requires the planning statement to be reviewed at least every seven years. However, it is intended that reviews will be aligned with the release of the Australian Bureau of Statistics' Census of Population and Housing and the City's Floor Space and Employment Survey, which are undertaken on a five year cycle. The Commission's Regional and District Plans are also required to be reviewed every 5 years. A review will integrate the updated evidence base while ensuring alignment with the broader aims in the region and district plans and goals of the community. It will also ensure capacity aligns with housing and jobs targets. The next major review process will likely start in 2023.
119. The review will also be informed by annual reporting on the implementation of the planning priorities in the planning statement as part of its corporate reporting under the Integrated Planning and Reporting Framework of the Local Government Act 1993, and consider the inclusion of key projects into the City's four-year Delivery Program and annual Operational Plan. The City will also report on a series of indicators to show progress towards the objectives of the strategic plans.
120. The review of the planning statement will inform the subsequent review of the City's planning controls, which must be undertaken every five years in accordance with the requirement in the Act. Planning controls are also required to be reviewed and updated after a District Plan is made. This new process of strategic planning and more regular reviews of the controls is intended to contain the need for site specific rezoning.

Implementation and update of planning controls

121. With the changes to the Act in 2018 the NSW Government set out a program for Sydney councils to prepare planning statements and then update planning controls. Under this program the City needs to make an update to the LEP implementing one action of the planning statement by June 2021. The Central Sydney Planning Proposal will satisfy this requirement. Work has also started on comprehensive update to the planning controls and implementing the priorities and actions in the draft planning statement and draft housing strategy through the projects described below.

LEP and DCP Update

122. Sydney Local Environmental Plan 2012 and Sydney Development Control Plan 2012 will be updated to implement several of the priorities and actions in the draft planning statement and also make other amendments to improve the operation of existing controls. A planning proposal and draft DCP is programmed to be reported to council in late 2021 with Gateway Determination, exhibition and finalisation in 2022. Key projects identified in the draft planning statement and informing changes to planning controls include:
- (a) Oxford Street Investigation - The project investigates opportunities to support a creative arts and cultural precinct around Oxford Street and Taylor Square through land use planning changes in collaboration with institutions, businesses and other stakeholders in the precinct and along Oxford Street.
 - (b) Enterprise Area Review and North Alexandria Urban Design Study - The review will ensure planning controls continue to support and protect land for industrial and urban services. The review will inform the preparation of the City's Enterprise Area Strategy, which will replace the Employment Lands Strategy 2014-2019. It will also guide the investigation of any planning control changes to support evolving businesses in the B7 zoned land in North Alexandria to cater for the changing needs of the Green Square-Mascot Strategic Centre.
 - (c) Botany Road Corridor Urban Design Study - The study investigates potential planning control changes in the corridor from Redfern to Green Square to respond to the directions of the Harbour CBD Strategic Centre, the new Waterloo Metro station, the development of Australian Technology Park and the City's jobs targets.
 - (d) Conservation areas review - The review aims to improve the planning controls applying to conservation areas to more effectively protect the significance of the areas while providing for housing and business diversity and creating highly liveable places. The review focuses on the built form of typical buildings, such as terraces houses, and the alignment of height, floor space and heritage controls.
 - (e) Sustainability planning controls - New and revised planning controls are being investigated to support increased tree canopy, biodiversity corridors and solar panels and improve water efficiency.

Central Sydney Planning Proposal and DCP

123. The Central Sydney Planning Proposal and DCP is being progressed on the basis the in-principle agreement between the City and the NSW Government. The Planning Proposal is a key move in the planning statement and makes a major contribution to the City's and NSW Government's jobs targets. The Planning Proposal and DCP is intended to be exhibited shortly and completed in 2020.

Other major strategic projects identified in the planning statement:

124. Affordable Housing Review and Planning Proposal - The Planning Proposal expands the current affordable housing schemes city-wide and streamlines the processes for levying affordable housing contributions. It also introduces a framework to implement the affordable housing target in the District Plan. The Planning Proposal has been approved by Council and the Central Sydney Planning Committee and is currently with the Department for implementation. The City will continue to work collaboratively with the NSW Government to implement this proposal.

125. Performance Standard Pathways to Net Zero Energy - The project is developing a pathway to deliver net zero energy buildings by strengthening the City's planning controls over time. This is the key strategic planning project to address the climate emergency. The City is collaborating with industry and government to ensure developers have a clear pathway to net zero energy with the required actions known up front. A draft framework for implementing the pathway and any planning control changes is intended to be reported to Council later in 2020.
126. Open and Creative Planning Reforms - The project is developing new planning controls to support the city's cultural and night life by facilitating later opening shops, increasing flexibility for small scale cultural uses and improving entertainment sound management (agent of change). Draft planning controls will be reported to Council in early 2020.
127. Activity Streets Studies - A series of studies will review the planning controls for the city's key retail and community activity centres and high streets. The studies investigate movement, urban design and heritage values for these places and may recommend changes to planning controls to support their character and local centre function. Key implications

Strategic Alignment - Sustainable Sydney 2030 Vision

128. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. The draft planning statement and draft housing strategy are aligned with the following strategic directions and objectives:
 - (a) Direction 1 - A Globally Competitive and Innovative City - The draft planning statement recognises the economic role of the City and sets a land use planning strategy to meet the employment targets set by the Commission and grow valuable employment, business and enterprise clusters in key locations.
 - (b) Direction 2 - A Leading Environmental Performer - The planning statement provides a road map of land use planning actions to develop a pathway to net zero energy buildings, review canopy targets for private land and improve biodiversity corridors and waterways.
 - (c) Direction 3 - Integrated Transport for a Connected City - The planning statement integrates land use planning and transport by planning for employment in areas well serviced by the Sydney transport network and setting out advocacy positions for transport to Green Square and Zetland to serve existing and future populations.
 - (d) Direction 4 - A City for Walking and Cycling - The planning statement sets a strategy for creating walkable neighbourhoods by locating local services, shops and recreation options in centres and continuing to roll out the City's liveable green network and reprioritising space for active transport.
 - (e) Direction 5 - A Lively and Engaging City Centre - The planning statement integrates the Draft Central Sydney Planning Strategy that will guide development and land use.

- (f) Direction 6 - Vibrant Local Communities and Economies - The planning statement identifies centres and activity streets which will be the economic and service focus for each village area. The statement also sets out a people first approach to urban design and place making.
- (g) Direction 7 - A Cultural and Creative City - The planning statement includes actions to implement the City's proposed Open and Creative planning reforms that support live performance venues, small scale cultural activities and later opening shops.
- (h) Direction 8 - Housing for a Diverse Population - The housing strategy sets 5, 10 and 20 year housing targets and sets actions to guide a diverse supply of housing to meet the needs of the community, including particular groups such as Aboriginal and Torres Strait Islander peoples.
- (i) Direction 9 - Sustainable Development, Renewal and Design - The planning statement sets a strategy to create great places through design excellence, celebrating local character and protecting heritage.
- (j) Direction 10 - Implementation through Effective Governance and Partnerships - The planning statement and housing strategy set out how the priorities will be monitored and the opportunities for collaboration with neighbouring councils and councils in the Eastern City District and Eastern Economic Corridor.

Organisational Impact

129. The draft planning statement and draft housing strategy will guide the ongoing land use planning activities of the City Planning, Development, Access and Transport division including the update to the local environmental plan and development control plan to 2021. This is core business of the division and has no significant implications for staffing.

Budget implications

130. Actions in the draft planning statement and draft housing strategy will be largely resourced from the ongoing operational budgets of the Planning, Development, Access and Transport division. Additional funding requirements in future years will be incorporated within regular budget planning processes.

Relevant legislation

131. Division 3.1 Strategic planning of the *Environmental Planning and Assessment Act 1979* (the Act)
132. Section 3.9 of the Act sets out the requirement to prepare a planning statement and its content. Under section 3.9(3A), a council must not make the statement unless advice has been received from the Commission that it is consistent with the region and district plans.

Critical dates / time frames

133. Environmental Planning and Assessment (Savings, Transitional and Other Provisions) Regulation 2017 clause 11A currently requires the planning statement to be made by 31 March 2020.

Next steps

134. The City must submit a Council endorsed final draft planning statement to the Greater Sydney Commission by 25 February 2020 for an Assurance Panel meeting on 3 March 2020. Subject to receiving assurance from the Commission, the planning statement will be made by the Chief Executive Officer under delegation if there are no changes to the intent of the priorities or actions. If significant changes are required by the Commission, a report will be prepared for Council seeking endorsement to enable making of the planning statement by the deadline 31 March 2020.

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