

Item 4.

Public Exhibition – Planning Proposal – Waterloo Estate (South) – Sydney Local Environmental Plan 2012 Amendment

File No: X030481

Summary

At a time when the wait list for social housing in NSW is almost 50,000 people, the demand for social housing has never been greater. With a five to 10 year waiting period for social housing in the City of Sydney, and the extra demand that will be created by the health, social and economic impacts of Covid-19, there is a critical need to deliver more social and affordable housing in the area.

Sustainable Sydney 2030 sets a direction to increase the supply of diverse and affordable housing for our ever-growing community. The NSW Government's renewal of social housing estates is a critical opportunity to help achieve the City's social and affordable housing targets, which are based on the maintaining the proportion of social and affordable housing in the local area from 2006. The City's recently adopted Local Housing Strategy found that almost 2,000 additional social dwellings and about 10,800 affordable dwellings would be needed between 2016 and 2036. Social and affordable housing is delivered by the NSW Government and other approved housing providers. Without maximising the supply of social and affordable housing on NSW Government-owned sites, the relative amount of social and affordable housing near the city centre will continue to shrink.

In November 2019, the NSW Government announced a new approach to precinct planning putting greater responsibility for planning in the hands of councils and giving councils and communities a greater say. The renewal of several social housing estates in the city, including the Waterloo Estate, were identified as council-led rezonings, being projects where councils are best placed to deliver the detailed planning within their locale.

The NSW Land and Housing Corporation (LAHC) submitted a planning proposal request in May 2020 to change the planning controls for the southern part of the Waterloo Estate - referred to as Waterloo Estate (South). The request included a Planning Justification Report, an Urban Design and Public Domain study and a number of other technical studies. The planning proposal request is provided at Attachment B.

Waterloo Estate (South) is bounded by Raglan Street in the north, Cope Street in the west, McEvoy Street in the south, and Waterloo Park, Kellick Street, Gibson Street, Wellington Street and George Street to the east. It is approximately three kilometres south of Sydney Town Hall, one kilometre north of Green Square Town Centre and adjacent the future Waterloo Metro station and Waterloo Metro Quarter development. There are currently 749 social housing dwellings and 120 private dwellings within Waterloo Estate (South).

The proposed redevelopment of Waterloo Estate (South) is part of the NSW Government Communities Plus program, a large scale \$22 billion scheme to renew its social housing portfolio.

The City has assessed the planning proposal request and associated technical studies and prepared the Planning Proposal: Waterloo Estate (South) (the Planning Proposal), provided at Attachment A. The Planning Proposal is supported by more detailed planning controls in the draft Waterloo Estate (South) Design Guide (the draft Design Guide), provided at Attachment C. The proposed planning controls will facilitate the following development outcomes on Waterloo Estate (South):

- about 230,894 square metres of residential floor space (including future design excellence floor space) on LAHC owned sites, facilitating 3,067 dwellings, including 920 social housing dwellings (30 per cent of all dwellings), 613 affordable housing dwellings (20 per cent of all dwellings) and 1,534 market dwellings (50 per cent of all dwellings);
- about 19,743 square metres of residential floor space on privately owned sites, facilitating about 127 additional market dwellings;
- 10 per cent of affordable housing on LAHC-owned land being provided for Aboriginal and Torres Strait Islander households, with existing proportions of Aboriginal and Torres Strait Islander households being maintained or increased in social housing;
- a large, appropriately scaled park adjoining Waterloo Metro station of more than two hectares and a small park in the south;
- about 18,000 square metres of non-residential floor space, including 13,000 square metres for retail and commercial uses and 5,000 square metres for community and ancillary facilities on LAHC owned sites;
- three towers of about 30 storeys and most other buildings generally around 8 storeys (with some 4 storeys and others up to 13 storeys where development fronts parks or George Street);
- new streets and through-site links; and
- a new cycleway along Wellington Street.

The Planning Proposal has been informed by the technical studies and the Consultation and Visioning Report, prepared by Elton Consulting on behalf of LAHC. The Planning Proposal facilitates an improved planning and urban design outcome to that proposed by LAHC.

There are several similarities between the two schemes, including:

- the total floor area achievable under the proposed controls;
- the total dwelling numbers achievable within the built form;
- the amount of non-residential floor area; and
- the size and location of new public open space.

LAHC have advised the City they do not support the recommendations/improvements made to their planning proposal request to achieve better planning outcomes, citing impacts on assumed revenue as their predominant concern. However, the City's Planning Proposal achieves good planning outcomes consistent with the NSW Government's objectives to renew social housing under the Communities Plus program and the City and the NSW Government's shared objectives to increase the supply of social, affordable and market housing and achieve better design outcomes in the future. The Planning Proposal has retained the overall dwelling yield sought by LAHC but improves the planning and urban design outcomes. To achieve this, a range of changes have been made to the City's 'alternate approach' that was adopted by Council in April 2019. These changes include the introduction of three towers and reduced expectations for the amount of social housing to align with Communities Plus.

The provision of public infrastructure required to meet the projected population growth on the Waterloo Estate (South) has been the subject of extensive review by the City. The public infrastructure needed for the area includes:

- the construction of new streets and through-site links and upgraded existing streets;
- the provision of new open space and its embellishment; and
- adequate community facilities to support the growing population.

Additional infrastructure costs are associated with the ongoing maintenance and operation of open space, recreational and community facilities, flood mitigation works and whether the potential for a water recycling facility is realised.

However, the costs of the essential infrastructure arising from Waterloo Estate (South) are expected to exceed contributions received and the City's long-term financial plan and capital works plan does not currently incorporate infrastructure delivery costs associated with the population growth generated by the Waterloo Estate (South) proposal.

In addition, Waterloo Estate (South), depending on the value of future stages, is likely to be State Significant Development and assessed and determined by the NSW Government. This follows changes to the State Environmental Planning Policy (State and Regional Development) 2011 on 5 February 2021 to specify that development carried out by or on behalf of LAHC with a value of over \$100 million is State Significant Development.

Under the current planning framework, should a stage be identified as State Significant Development, contributions will be paid to Infrastructure NSW under the Redfern Waterloo Authority Contributions Plan 2006 rather than to the City under its Development Contributions Plan 2015. This will be considerably less at 1 percent of construction cost.

The City requested the NSW Department of Planning, Industry and Environment repeal the Plan in 2019 due to the age and redundancy of the plan and the inability for it to deliver works. This report recommends the City again write to the Department of Planning, Industry and Environment to resolve the matter to ensure contributions are paid to the City under its contributions plan.

On 27 January 2021, the City received a letter of offer from LAHC to enter into a voluntary planning agreement for the delivery of public benefits, including the provision of public infrastructure, in conjunction with the redevelopment of Waterloo Estate (South). The letter of offer proposes:

- the 'dedication' and embellishment of land for public open space within Waterloo Estate (South). However, this is to be offset to the value of \$128.5 million against future development contributions (including \$103 million for the park and \$25.7 million for embellishment);
- the construction and the dedication of new public roads to Council, to be provided as part of the development at no cost to Council;
- the provision of up to 6,700 square metres of community facilities, to be offset to the value of \$19 million against future development contributions; and
- some sustainability commitments.

The 'offer' is unacceptable for the following reasons:

- it is contingent on LAHC's original, unamended planning proposal request being progressed rather than the planning controls in the City's Planning Proposal;
- it claims an unjustified and unreasonable offset for dedicating the open space as park land which the City would need to improve and maintain;
- it assumes a financial burden on the City that has not been accounted for in future in any capital works planning.

This report recommends that the Central Sydney Planning Committee note that Council will continue to negotiate and seek LAHC's commitment to the delivery of public infrastructure at a reasonable contribution offset prior to requesting Gateway Determination from the Minister for Planning and Public Spaces.

The renewal of the Waterloo Estate will result in one of the largest and densest communities of its size in Australia and should be designed to last for many generations. The planning controls as proposed by LAHC would enable a scale of project that is significantly out of context with the surrounding area and will not enable high-quality public domain necessary for a project of this scale and density. These important issues are addressed by the City's Planning Proposal, which will facilitate much improved planning and urban design outcomes consistent with state and local planning strategies.

This report recommends the Central Sydney Planning Committee approve the Planning Proposal for submission to the Minister for Planning and Public Spaces with a request for Gateway determination, subject to a commitment being made for the adequate funding of essential infrastructure arising from the redevelopment. Following the issue of a Gateway determination, it is recommended the Planning Proposal, draft Design Guide and draft Sydney Development Control Plan: Waterloo Estate (South) be placed on public exhibition for an extended consultation period of at least 60 days.

Recommendation

It is resolved that:

- (A) the Central Sydney Planning Committee note Planning Proposal - Waterloo Estate (South), shown at Attachment A to the subject report, will create substantial infrastructure demand without an appropriate commitment for delivery having been made by Land and Housing Corporation;
- (B) the Central Sydney Planning Committee note the recommendation to Council's Transport, Heritage and Planning Committee on 15 February 2021 that the Lord Mayor be requested to write to the NSW Premier, the NSW Minister for Planning and Public Spaces and the NSW Minister for Housing, requesting a commitment on behalf of the NSW Government to provide the necessary infrastructure to support the City's revised planning proposal for the Waterloo Estate (South) with an acceptable parkland valuation if dedicated to Council and no offset exceeding the contributions otherwise payable;
- (C) the Central Sydney Planning Committee note the recommendation to Council's Transport, Heritage and Planning Committee on 15 February 2021 that the Chief Executive Officer be requested to write to the Secretary of the Department of Planning, Industry and Environment to request the repeal the Redfern Waterloo Authority Plan 2006 as a matter of urgency;
- (D) the Central Sydney Planning Committee approve Planning Proposal - Waterloo Estate (South) to be sent the Minister for Planning and Public Spaces with a request for gateway determination, once the NSW Government has made an appropriate offer for the delivery of the necessary infrastructure;
- (E) authority be delegated to the Chief Executive Officer to make any minor variations to Planning Proposal - Waterloo Estate (South), in accordance with the gateway determination;
- (F) the Central Sydney Planning Committee approve Planning Proposal - Waterloo Estate (South) for public authority consultation and public exhibition in accordance with any conditions imposed under the gateway determination for a period not less than 60 days, with the public exhibition not commencing until appropriate commitment from the NSW Government to provide the necessary infrastructure has been made;
- (G) the Central Sydney Planning Committee note where a gateway determination requires significant changes to Planning Proposal - Waterloo Estate (South), the Planning Proposal will be first reported to the Central Sydney Planning Committee for their consideration prior to public exhibition;
- (H) the Central Sydney Planning Committee note the recommendation to Council's Transport, Heritage and Planning Committee on 15 February 2021 that Council seek authority from the Minister for Planning and Public Spaces to exercise the delegation of all the functions under section 3.36 of the Environmental Planning and Assessment Act 1979 to make the local environmental plan and to put into effect Planning Proposal - Waterloo Estate (South);

- (I) the Central Sydney Planning Committee note the recommendation to Council's Transport, Heritage and Planning Committee on 15 February 2021 that Council approve the draft Design Guide - Waterloo Estate (South) shown at Attachment C to the subject report for public authority consultation and public exhibition concurrent with the Planning Proposal;
- (J) the Central Sydney Planning Committee note the recommendation to Council's Transport, Heritage and Planning Committee on 15 February 2021 that Council approve the draft Design Guide - Waterloo Estate (South) shown at Attachment C to the subject report as a draft development control plan, that amends Sydney Development Control Plan 2012, for public authority consultation and for public exhibition concurrent with the Planning Proposal;
- (K) the Central Sydney Planning Committee note the recommendation to Council's Transport, Heritage and Planning Committee on 15 February 2021 that Council approve the draft Sydney Development Control Plan - Waterloo Estate (South), shown at Attachment D to the subject report, for public authority consultation and public exhibition concurrent with the Planning Proposal;
- (L) authority be delegated to the Chief Executive Officer to make any minor variations to the draft Design Guide - Waterloo Estate (South), shown at Attachment C to the subject report, and Sydney Development Control Plan - Waterloo Estate (South), shown at Attachment D to the subject report, to correct any drafting errors or inconsistencies, or to ensure consistency with the Planning Proposal following the gateway determination.

Attachments

- Attachment A.** City of Sydney Planning Proposal - Waterloo Estate (South)
 - Appendix 1 - Waterloo Estate (South) Urban Design Study (City of Sydney)
 - Appendix 2 - Waterloo Estate (South) Environmental Wind Assessment (City of Sydney)
 - Appendix 3 - Waterloo Estate (South) Retail Review (City of Sydney)
 - Appendix 4 - Community Facilities Peer Review (CRED)
- Attachment B.** Planning Proposal Request – Introduction (LAHC)
 - Appendix 1 - Planning Proposal Request (LAHC)
 - Appendix 2 - Planning Proposal Report
 - Appendix 3 - Location of Responses to City of Sydney Checklist and Study Requirements (LAHC)
 - Appendix 4 - Sydney LEP 2012 Maps (LAHC)
 - Appendix 5 - Draft Waterloo South DCP (LAHC)

Appendix 6 - Consistency with Strategic and Statutory Plans (LAHC)

Appendix 7 - Urban Design and Public Domain Study (LAHC)

Appendix 8 - 3D Model (LAHC)

Appendix 9 - Consultation and Visioning Report (LAHC)

Appendix 10 - Visual Impact Assessment (LAHC)

Appendix 11 - Transport Study (LAHC)

Appendix 12 - Housing Diversity and Affordability Study (LAHC)

Appendix 13 - Utilities and Infrastructure Servicing Study (LAHC)

Appendix 14 - Social Baseline Study (LAHC)

Appendix 15 - Social Sustainability Study (LAHC)

Appendix 16 - Climate Change Adaptation Report (LAHC)

Appendix 17 - Heritage Impact Statement (LAHC)

Appendix 18 - Aboriginal Cultural Heritage Study (LAHC)

Appendix 19 - Urban Forest Study (LAHC)

Appendix 20 - Flora and Fauna Study (LAHC)

Appendix 21 - ESD Study (LAHC)

Appendix 22 - Water Quality, Flooding and Stormwater Study (LAHC)

Appendix 23 - Noise and Vibration Assessment (LAHC)

Appendix 24 - Air Quality Study (LAHC)

Appendix 25 - Light Spill Study (LAHC)

Appendix 26 - Pedestrian Wind Environment Study (LAHC)

Appendix 27 - Aeronautical Study (LAHC)

Appendix 28 - Geotechnical and Contamination Study (LAHC)

Appendix 29 - Population and Demographics Study (LAHC)

Appendix 30 - Economic Development, Local Retail and Service Study (LAHC)

Appendix 31 - Feasibility and Economic Benefits Letter of Assurance (LAHC)

Appendix 32 - Public Art Plan (LAHC)

Attachment C. Draft Waterloo Estate (South) Design Guide

Attachment D. Draft Sydney Development Control Plan 2012 Amendment - Waterloo Estate (South)

Attachment E. Letter of Offer for Public Benefit

Background

1. At a time when the wait list for social housing in NSW is almost 50,000 people, the demand for social housing has never been greater. With a 5 to 10 year waiting period for social housing in the local area, and the extra demand that will be created by the health, social and economic impacts of Covid-19, there is a critical need to deliver more social and housing in the City of Sydney.
2. The Waterloo social housing community is the largest in Australia with over 2,630 social housing properties, housing 3,650 people in Waterloo. Waterloo has a significant population of Aboriginal and Torres Strait Islander peoples, comprising 8 per cent of the suburb's total population. Redfern/Waterloo is a place of cultural significance for First Nation peoples and an entry point for people coming into the city for work opportunities, housing and connections with community and family.
3. Since 2010, a range of schemes have been proposed by the NSW Government for the renewal of the Waterloo Estate and nearby sites. These include:
 - (a) A draft renewal plan (BEP2) was drawn up for Redfern and Waterloo in 2010 and was placed on public exhibition by the Redfern Waterloo Authority in 2011. This plan retained tower buildings but did not propose to refurbish them and infilled the remaining sites in Redfern and Waterloo.
 - (b) UrbanGrowth released the Urban Transformation Strategy in November 2016 to guide the renewal of around 50 hectares of government-owned land in and around the rail corridor from Central to Erskineville Stations. The Department of Family and Community Services and UrbanGrowth started master planning the Waterloo Estate to align with the delivery of the new Sydney Metro station.
 - (c) In 2017, Waterloo Estate and Waterloo Metro Quarter were declared as two State Significant Precincts. This process required the preparation of a State Significant Precinct Study to inform new planning controls. Study Requirements were issued in 2018 by the (then) NSW Department of Planning and Environment as a basis for setting new planning controls.
 - (d) In August 2018, the NSW Government released three concept options in a brochure for the redevelopment of the Waterloo Estate, proposing up to 7,200 dwellings, multiple towers of up to 40 storeys, and the redevelopment of Waterloo Estate as part of the NSW Government's Communities Plus program. The brochure options proposed a mix of 30 per cent social and 65 per cent private housing and allowed for 5 per cent of new dwellings to be delivered as affordable housing.
 - (e) After exhibiting three options for the site in 2018, the Land and Housing Corporation (LAHC) released its preferred masterplan for the site in January 2019. The preferred option proposed that existing buildings would be replaced by around 6,800 dwellings built over 20 years, with towers of up to 40-storeys and a target of 30 per cent social housing and 5 per cent affordable housing.
4. At an extraordinary meeting on 4 March 2019, the Council endorsed an alternative approach for Waterloo Estate and called on the NSW Government to hand over planning for the Waterloo Estate and Waterloo Metro Quarter redevelopment to the City of Sydney.

5. The Council's alternative approach proposed lower building heights, with most buildings to be seven to nine storeys with a large park to be provided adjacent to the new Metro station. It proposed the 30 storey towers, Matavai and Turanga, and two of the four slab block buildings be retained and refurbished.
6. The Council also resolved there should be more social and affordable housing on the site. LAHC's preferred masterplan was for 5 per cent affordable, 30 per cent social housing and 65 per cent private housing. Alternatively, the Council resolved that the mix should be 20 per cent affordable housing, 50 per cent social housing and 30 per cent private housing.
7. In the second half of 2019, the Department of Planning, Industry and Environment sought to find agreement between the City's alternative approach and LAHC's preferred masterplan. In a series of alignment workshops chaired by the NSW Government Architect, the City and LAHC endeavoured to find a better urban design solution for the site.
8. Following the alignment workshops, LAHC agreed some key amendments were required to the preferred masterplan. These included reducing proposed building heights to meet Sydney Airport restrictions and not locating development on land they do not own. While these changes reduced the anticipated development yield that had been proposed in the preferred masterplan, they were required and agreed as they could not reasonably be achieved.
9. LAHC also made some improvements to their preferred masterplan in response to City feedback, including:
 - (a) relocation of the proposed open space to the City's preferred location (adjacent to the Waterloo Metro station);
 - (b) keeping George Street as a street, open, avoiding the diversion of an existing regional cycleway;
 - (c) widening the southern extension of West Street; and
 - (d) introducing additional setbacks to the new east-west street parallel to McEvoy Street.
10. These changes, while welcome, did not address the leading concerns of the City, including the number and size of the proposed towers and their adverse environmental, social and economic effects, and the proposed street layout with narrow streets.

11. In November 2019, the current Minister for Planning and Public Spaces announced a new approach to precinct planning. As a result, NSW Land and Housing Corporation (LAHC) sites previously announced as State Significant Precincts in the City of Sydney would now be considered through a local council planning process with a request to amend *Sydney Local Environmental Plan 2012* (Sydney LEP 2012).
12. On 20 February 2020, the City wrote to LAHC with formal pre-lodgement advice which set out a range of planning matters to be addressed prior to the submission of a planning proposal request. The City advised that LAHC's planning proposal request must demonstrate that future development can achieve standards of amenity set out in the Apartment Design Guide (ADG), justify the appropriateness of the built form, ensure access for people of all abilities, facilitate streets with better amenity, deliver appropriate tree canopy coverage, and to consider the implementation of a precinct-based approach to sustainability.
13. In its advice to LAHC, the City also requested LAHC prepare a range of supporting technical studies as required by the Study Requirements issued by the Department of Planning, Infrastructure and Environment in March 2018 for the Waterloo State Significant Precinct. The study requirements were issued before the City was handed over planning responsibility for Waterloo Estate, however the City provided input into their content.
14. A planning proposal request was lodged by LAHC with the City of Sydney in May 2020 to change the planning controls for the southern part of the Waterloo Estate - referred to as Waterloo Estate (South). The request included a Planning Justification Report, a Design Report and technical studies.
15. LAHC aims to rezone and redevelop the whole of Waterloo Estate over three stages and has identified three precincts: Waterloo South, Waterloo Central and Waterloo North. Waterloo Estate (South), which is the subject of LAHC's planning proposal request, has been identified as the first stage for renewal. The three precincts within Waterloo Estate, and the adjoining Waterloo Metro Quarter are shown in Figure 1 below.

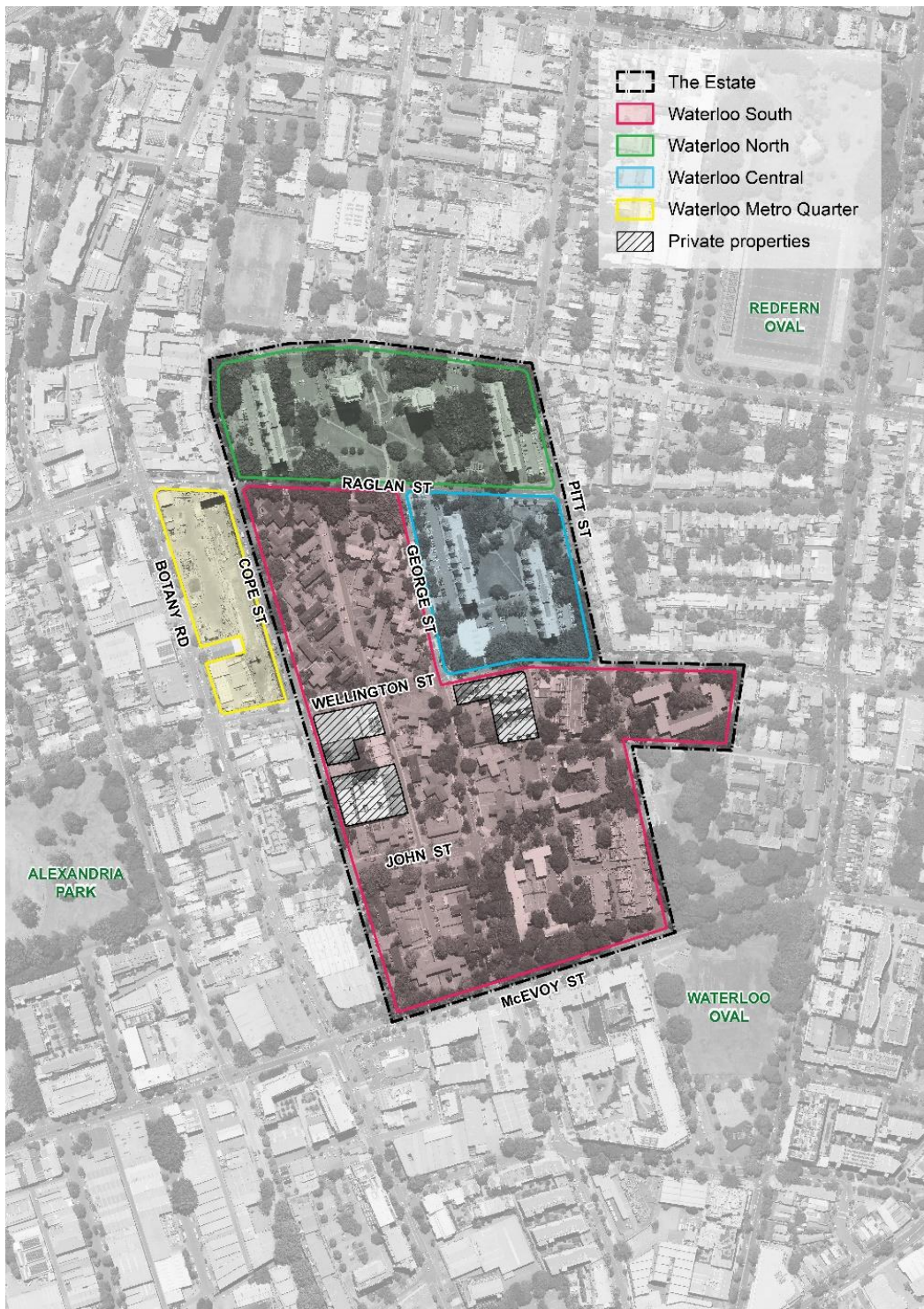


Figure 1 Waterloo Estate precincts

16. The request differs from the preferred masterplan released by LAHC in January 2019, taking into consideration some of the matters raised by the City in its alternate plan. The request seeks to amend planning controls in Sydney LEP 2012 and Sydney Development Control Plan 2012 (Sydney DCP 2012) to enable development of:
 - (a) around 3,048 dwellings on the land owned by LAHC;
 - (b) a total of 247 dwellings on privately-owned sites (120 existing and 127 potential additional dwellings);
 - (c) a park adjoining Waterloo Metro station of more than 2 hectares and another smaller park in the south of the precinct;
 - (d) about 250,000 square metres of floor space (gross floor area) including retail and community spaces;
 - (e) nine tower buildings between 20 and 32 storeys;
 - (f) three tall buildings of 15 storeys and other buildings up to 8 storeys; and
 - (g) a housing mix of up to 30 per cent social, 65 per cent market and 5 per cent affordable housing.
17. The City undertook a preliminary assessment of the planning proposal request and met with LAHC in June 2020 to discuss the following concerns:
 - (a) the number of proposed towers and their effect on wind conditions at ground level, sunlight access to streets, visibility from nearby parks and open space and suitability in the wider urban context;
 - (b) that streets and walkways are not accessible for people of all abilities;
 - (c) some narrow streets lacking light and trees;
 - (d) dwelling amenity standards not being universally achieved, including separations, sun access, cross ventilation; and
 - (e) the low proportion of affordable housing on the site.
18. In consideration of LAHC's request, the City revised its alternate plan, adopted by Council in March 2019, as a new draft, to better align with NSW Government's Communities Plus program and shared NSW and City objectives for the supply of social, affordable and market housing. The City's recommended revision aims to achieve almost the same development yield to LAHC's request using a modified street arrangement to improve access and modified building envelopes that reduce the number of towers and improve amenity outcomes.

19. On the basis of the assessment of LAHC's request and the revisions to the City's scheme, the City has prepared the Planning Proposal: Waterloo Estate (South) (the Planning Proposal) and draft Waterloo Estate (South) Design Guide (the draft Design Guide), that are the subject of this report. The Planning Proposal and draft Design Guide:
 - (a) maintain a similar residential development yield (around 3,067 dwellings on LAHC-owned land) by distributing residential floor space more evenly across the site;
 - (b) reduce the number of towers in the precinct from nine to three, producing better amenity in the surrounding streets necessary for a development precinct of this scale and density;
 - (c) provide for a minor reduction in street and park dedications to be made, resulting in an estimated reduction of about 5,000 square metres from the planning proposal request, increasing the available usable site area so that it is less intensely developed and reduces the cost of creating the new streets and parks;
 - (d) contain better streets with more winter sunlight and more space for trees;
 - (e) distribute non-residential floor space along George Street, providing a main street and better opportunity to integrate service, employment opportunities and retail development;
 - (f) realign streets and walkways in the south-east corner of the site, enabling better access for people with disability; and
 - (g) improve the potential amenity of buildings, including sun access and cross ventilation performance, ensuring easier future compliance with the NSW Government's Apartment Design Guide (ADG).
20. The City's revision was unanimously supported by the City's Design Advisory Panel on 11 June 2020 as an exemplary first response to a complex urban renewal site.
21. On 20 July 2020, the City sent a letter to LAHC providing further feedback on its planning proposal request. LAHC was advised about modifications the City intended to make to its request in progressing the Planning Proposal for the consideration of Council and the Central Sydney Planning Committee (CSPC).
22. In addition to the significant improvements made to the planning and urban design outcomes on Waterloo Estate (South), the City's letter to LAHC also noted the benefits of a built form that provides smaller development lots with greater flexibility for involving Community Housing Providers (CHP) in the development of social and affordable housing.
23. The City has since been in ongoing discussion with LAHC to resolve differences in the approach to the planning controls for the site. The key issue cited by LAHC is the impact the City's revisions will have on the anticipated revenue the NSW Government may generate from the development.

24. The City's Planning Proposal balances a range of planning considerations with the NSW Government's objectives to renew social housing under the Communities Plus program and the City and the NSW Government's shared objectives to increase the supply of social, affordable and market housing. The City's Planning Proposal has retained the overall dwelling yield sought by LAHC but improves the planning and urban design outcomes. To achieve this, significant changes have been made to the City's alternative approach from March 2019. These changes include the introduction of three towers and reduced expectations for social housing to align with Communities Plus.
25. In addition to seeking advice from the City's Design Advisory Panel on the proposal, the City invited a number of Australia's most prominent urban designers and planners to participate in a Design Challenge Review on 10 November 2020. The review was observed by staff of the City of Sydney, Department of Planning, Industry and Environment and the NSW Government Architect as well as the Greater Sydney Commission's District Commissioner for Eastern City and North District. Participants included:
- Ken Maher AO, AIA Gold Medallist 2009 President of the Australian Sustainable Built Environment Council and Honorary Professor of Practice in the Built Environment Faculty at UNSW, who chaired the review;
 - Kerry Clare, AIA Gold Medallist 2010;
 - Richard Johnson MBE, AIA Gold Medallist 2008 Professor of Architectural Studies in the Built Environment Faculty at the UNSW;
 - Professor Nicole Gurrán, Chair of Urbanism USYD;
 - Peter Mould, NSW Government Architect Emeritus;
 - Matthew Pullinger, Acting Commissioner NSW Land and Environment Court;
 - Rod Simpson, former Environment Commissioner Greater Sydney Commission; and
 - David Riches, former Head of Projects Infrastructure NSW.
26. The review panel were asked to critically challenge the City's Alternative Approach in relation to LAHC's submitted planning proposal request and were asked whether the City's approach delivers sufficiently better design and planning than the submitted planning proposal. All panel members agreed that it did and that it was preferred.
27. They concluded the City's approach has a street structure and subdivision pattern that is more likely and able to achieve good urban design and that amenity in both the public space and the built form is more able to achieve other planning objectives including activation of the street, accessibility, social mix and affordable housing.

Future Planning Framework

28. The Planning Proposal, provided at Attachment A, follows the City's assessment of LAHC's planning proposal request. The Planning Proposal is to incorporate new planning controls into the Sydney LEP 2012 for LAHC-owned sites, which are currently subject to the South Sydney LEP 1998, South Sydney Development Control Plan 1997 (South Sydney DCP 1997) and Sydney DCP 2012. It will also make changes to the planning controls in the Sydney LEP 2012 for the privately-owned sites in Waterloo Estate (South).
29. More detailed planning controls for the site are provided in the draft Design Guide, at Attachment C. The draft Design Guide has been prepared because the site has been identified as State Significant Development under the recent changes to planning policy by the Minister. A Design Guide is needed because a development control plan is excluded from consideration in the assessment of State Significant Development applications. A proposed clause in the Sydney LEP 2012 will require the Design Guide to be considered if the subsequent DAs are not delegated to the City of Sydney.
30. It is also recommended the draft Design Guide is simultaneously exhibited as a draft amendment to the Sydney DCP 2012.
31. The draft Design Guide includes site specific planning controls for the Waterloo Estate (South), discussed in detail in this report, and also requires the provisions contained in the Sydney DCP 2012 be applied where they do not conflict with the site-specific provisions.
32. Complementary amendments are also required to Sydney DCP 2012 to ensure consistency across the local government area. Proposed changes include updates to maps, incorporation of the locality statement for Waterloo Estate (South) and adjustment of other locality statements affected by the changes in the area. The draft Sydney Development Control Plan: Waterloo Estate (South) (Draft DCP) is provided at Attachment D.
33. The City of Sydney Development Contributions Plan 2015 currently applies to Waterloo Estate (South). It is noted that as the Estate site is identified as State Significant Development, contributions will be paid to Infrastructure NSW under the Redfern-Waterloo Authority Contributions Plan 2006 (currently one per cent of development costs). The City has requested this matter be addressed and resolved by the Department as soon as possible to ensure the City's contribution plan applies.

Site details

34. The site, outlined in blue at Figure 2, forms part of the Waterloo Estate. It is bounded by Raglan Street in the north, Cope Street in the west, McEvoy Street in the south, and Waterloo Park, Kellick Street, Gibson Street, Wellington Street and George Street to the east.

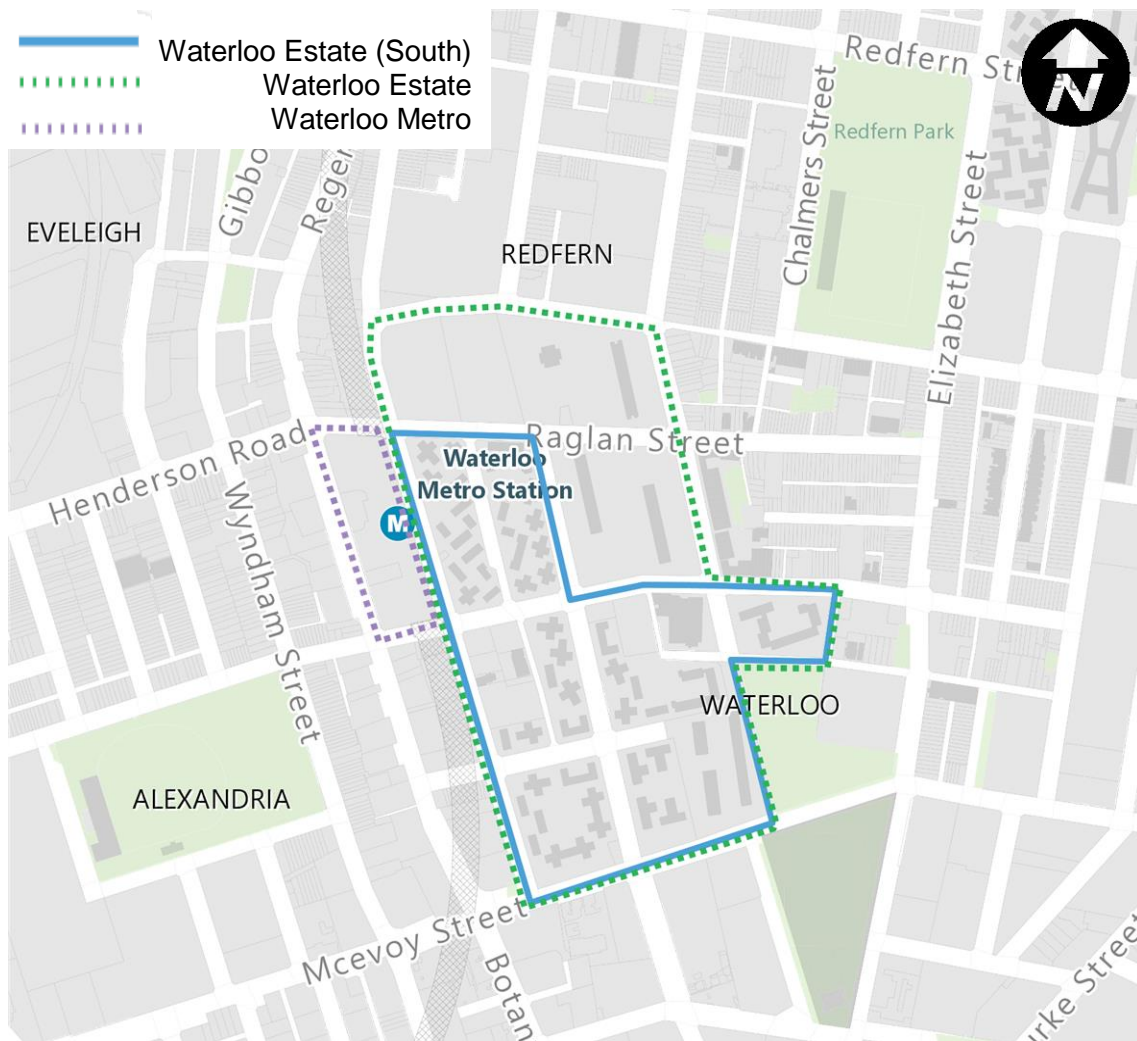


Figure 2 Site location

35. The site comprises 21 separate land holdings, including seven privately-owned properties comprising residential, light industrial and commercial development; two infrastructure sites owned by the NSW Government; and 12 LAHC-owned properties containing social housing apartment blocks. Figure 3 shows the land uses distributed across the site.

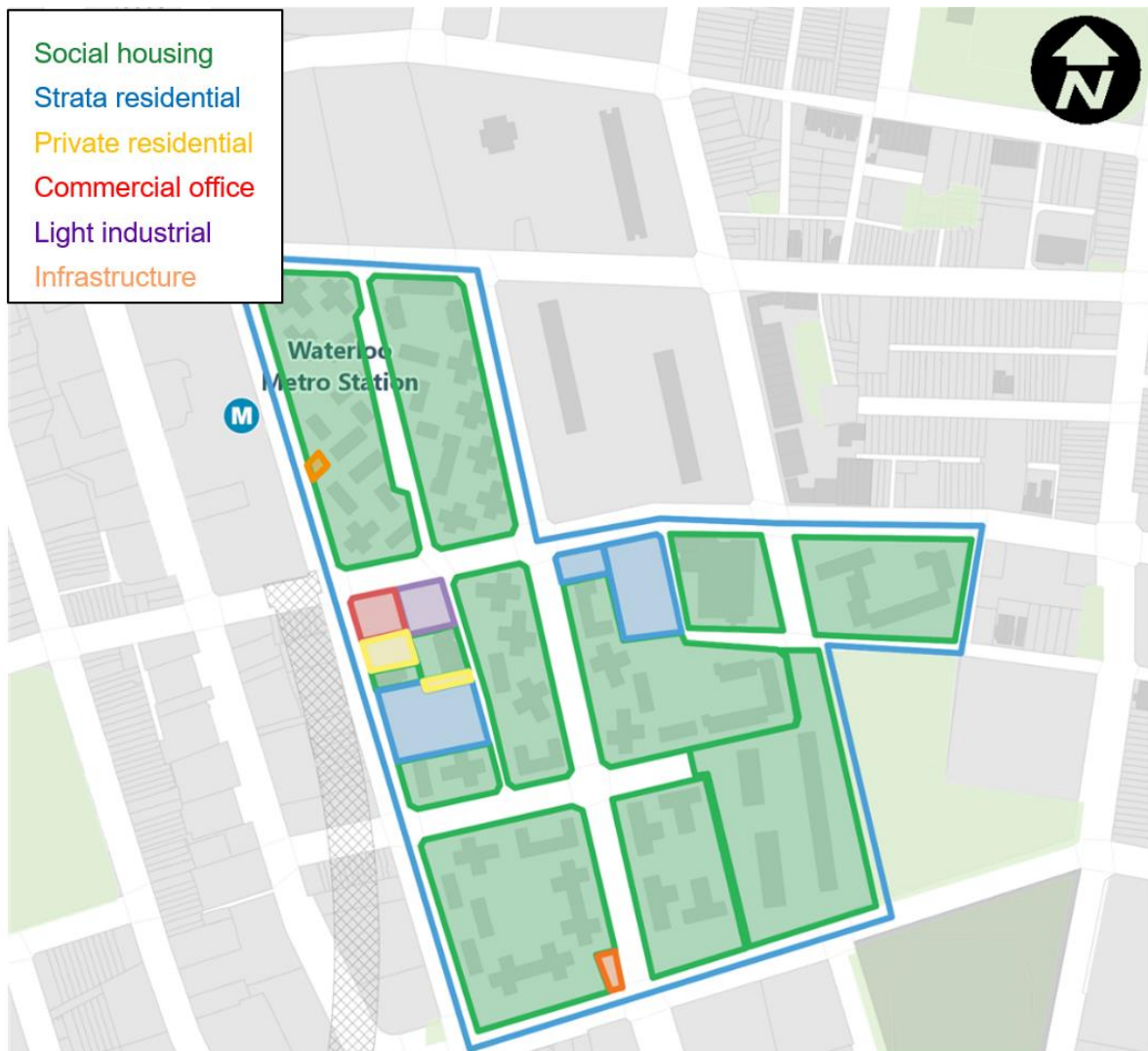


Figure 3 Distribution of existing land uses

36. The site currently contains:

- (a) Approximately 80,000 square metres of existing residential floor area on LAHC-owned land, comprising of 749 social housing dwellings;
- (b) Approximately 12,000 square metres of existing residential floor area on privately-owned sites, comprising 120 private dwellings;
- (c) Approximately 3,000 square metres of existing non-residential floor area on privately-owned sites; and
- (d) Approximately 60 workers as of the City of Sydney's 2017 Floor Space and Employment Survey.

37. The Waterloo Estate comprises building forms ranging in scale from taller towers to low scale terraces. Waterloo Estate (South) comprises mostly low-rise walk up flats, with terrace housing located along the western boundary and medium density residential buildings in the eastern portion. The following building types are located within all of Waterloo Estate:
- (a) Medium-density - A series of concrete block and reinforced concrete structures (Drysdale, Dobell and Camella) ranging from four to seven storeys situated in the eastern and southern portions of the site.
 - (b) Low rise walk-ups - A series of primarily three storey concrete and brick walk-up structures with varying orientations situated predominantly in the western and southern half of the site.
 - (c) Terrace housing - Traditional three storey brick terrace homes situated at the western edge of the site.
 - (d) Non-residential - Small retailers, vehicle repair shops, commercial office spaces and manufacturing/warehouse uses are located throughout the Estate.
 - (e) Towers - Two 30 storey concrete towers (Turanga and Matavai) comprising approximately 200 units each are located north of Raglan Street (Waterloo North).
 - (f) Residential Slab Buildings - Four 16 storey concrete slab buildings (Marton, Daniel Solander, Joseph Banks, James Cook) comprising approximately 200 units each are located on the northern half of the Estate (Waterloo Central and Waterloo North).

38. Photographs of the building types are shown in Figure 4 to Figure 12.



Figure 4 An example of three storey walk-up buildings (existing social housing)



Figure 5 An example of a mid-rise building (existing social housing)



Figure 6 Mid-rise building named "Dobell" (existing social housing)



Figure 7 An example of a single-storey cottage building containing three dwellings (note the building in the background is not part of Waterloo Estate (South) stage)



Figure 8 LAHC-owned terraces on Cope Street



Figure 9 Non-residential commercial and industrial buildings on Wellington Street



Figure 10 Strata residential buildings on Cope Street



Figure 11 'Slab' building located in Waterloo Estate (Central) [existing social housing]



Figure 12 'Tower' building located in Waterloo Estate (North) [existing social housing]

39. There are currently no formalised public parks within the whole of Waterloo Estate. Existing open space areas are LAHC owned and predominantly private or communal open space for residents. The northern open lawn areas are publicly accessible providing facilities such as bench seating co-located under or near tree clusters. Waterloo Green is part of the open space network within the Estate, and is a publicly accessible, LAHC-owned space. Semi-enclosed open space to the west and east of the open lawn areas provide facilities such as community gardens, barbecue areas, outdoor fitness equipment and play spaces for local residents. These open space areas are not Council-owned and are not maintained consistent with Council's levels of service but function as de facto local or neighbourhood parks.

Site context

40. The site is located within the City of Sydney local government area, approximately three kilometres south of Sydney Town Hall and one kilometre north of Green Square Town Centre. As shown in Figure 13 below, the site is broadly located between Redfern in the north and Green Square Town Centre to the south, with Alexandria to the west and the northern parts of the Green Square Urban Renewal Area to the east.

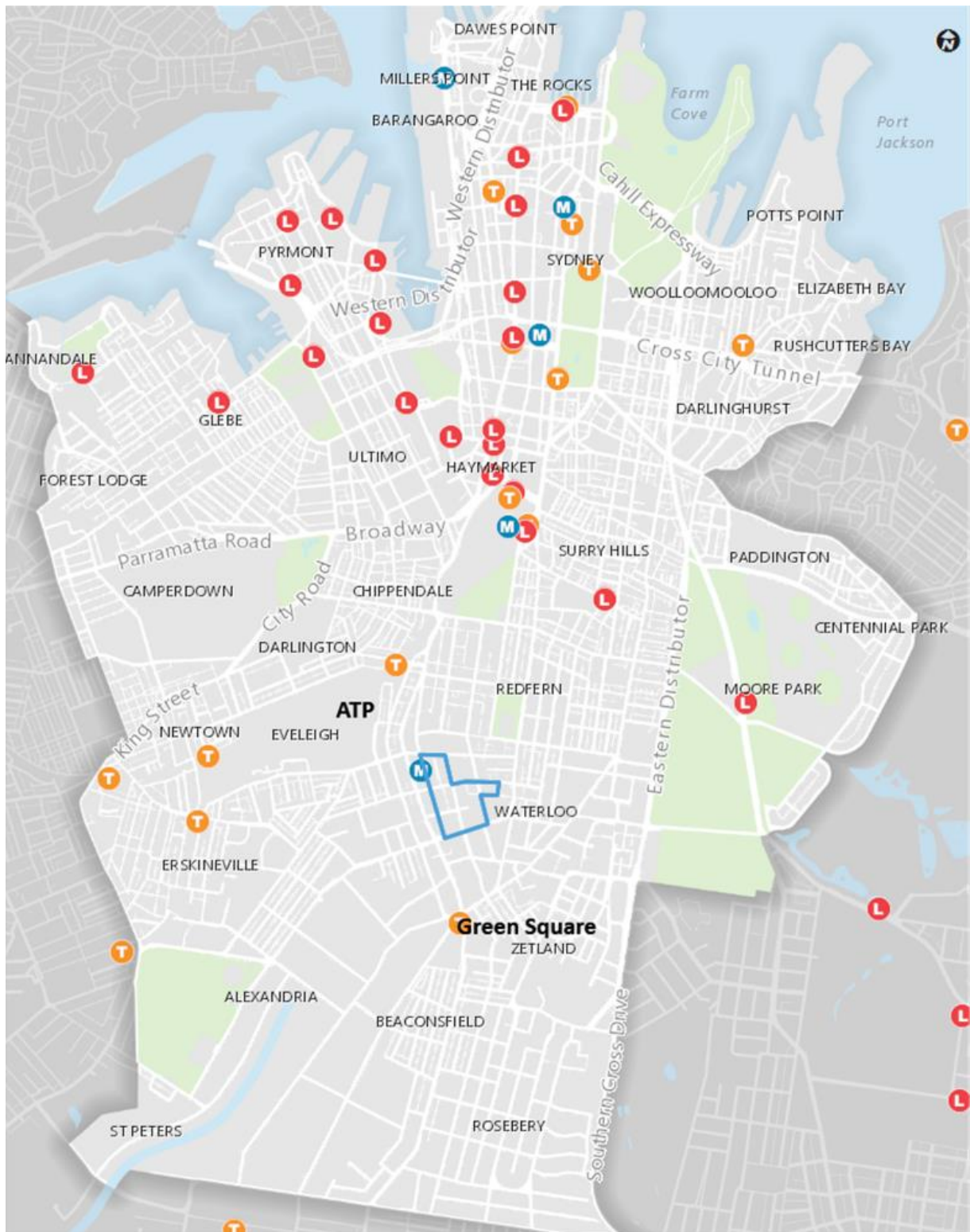


Figure 13 Site context

41. Adjacent to the northern portion of the site is the future Waterloo Metro station and Waterloo Metro Quarter development. The proximity of the Metro site is shown in Figure 14. The latest State Significant Development concept proposal is for two mid-rise buildings of nine storeys above the Metro station buildings along Cope Street, and three towers of 17, 24 and 25 storeys along Botany Road, above an underground station on the Sydney Metro line. The proposal includes 70 social and 24 affordable housing dwellings.



Figure 14 Waterloo Metro site on Cope Street (right) and Waterloo Estate (South) (left)

42. The former Australian Technology Park (ATP), now known as South Eveleigh, is within walking distance of the site. ATP is a growing centre for employment and has seen significant addition of commercial and retail floor area in recent years, with more planned in the near future.
43. Green Square Town Centre is close to the site and offers a train station connecting to Central Sydney and Sydney Airport, as well as a growing employment, retail and services offering. Green Square Library, Joynton Avenue Creative Centre, Perry Park Recreation Centre and Gunyama Park Aquatic and Recreation Centre are among the recently delivered community facilities.

44. The locality has undergone change in recent years, including significant redevelopment along Bourke, Lachlan and Danks Streets. These new developments have resulted in change to the character and density of the area as well as changes to the resident population, including attracting more tertiary students, people from culturally and linguistically diverse backgrounds, professionals, young families, couples without children as well as some older people looking to age in place.

Existing planning controls

45. The statutory planning controls for the site are currently contained in Sydney LEP 2012 and South Sydney Local Environmental Plan 1998 (South Sydney LEP 1998), with additional planning controls contained in the Sydney Development Control Plan 2012 and the South Sydney Development Control Plan 1997. Key planning controls applying to the site are provided at Table 1.

Planning control	LAHC owned sites	Privately owned sites
Zoning	<p>Zone No 2 (b) – Residential (Medium Density).</p> <p>Part of the site is identified within the Rail Access Corporation Consultation Area, which is the approximate location of the Airport Line tunnel under the site. This has been superseded by referrals to Transport for NSW which are done routinely.</p>	R1 – General Residential.
Height	Those sites west of George Street are 9 metres, and east of George Street are 15 metres.	18 metres for the lots on West Street and Wellington Street, and 15 metres for the lots on Cope Street.
Floor space ratio	1.5:1	1.75:1

Table 1 Current planning controls applying to Waterloo Estate (South)

46. The site has five local heritage listed items within its boundaries, including:
- (a) Item 2085: Duke of Wellington Hotel including interior at 291 George Street, Waterloo Local historic, aesthetic and social significance. Good example of inter-war Free Classical style hotels with a prominent corner location. There has been a hotel of the same name at the site since 1876 and has close associations with development of the Waterloo area. The building was converted into a five storey residential apartment building in 2015 and is no longer a public bar. Photo of site as of 24 November 2020 is shown at Figure 15.



Figure 15 Duke of Wellington Hotel, with associated residential development

- (b) Item 2086: Electricity substation No. 174 at 336 George Street, Waterloo Modest red face brick inter-war electricity substation. Built in 1925 by the Municipal Council of Sydney to expand electricity supply to the suburbs and serve the growing industrial and manufacturing base of South Sydney. It is still being used as a substation, and now features a mobile phone tower.

- (c) Item 2077: Former Waterloo Pre-school including interior at 225 Cope Street, Waterloo. Originally the Waterloo Congregational Chapel in 1870, then the Waterloo Ragged School in 1887, and between 1928 and 1997 the Sydney City Mission Waterloo Kindergarten. The building has historic, social and aesthetic significance, providing moral support and education for the underprivileged local residents, particularly the children of the poor, during a period when Waterloo was one of the most disadvantaged areas in Sydney. It is currently being used as a private residence.
 - (d) Item 2078: Terraces houses at 229-231 Cope Street, Waterloo
Two storey Victorian terrace houses, featuring pitched roofs, French doors flanked with windows at first level and two windows at ground level, and two chimneys standing on the middle of the ridge. A lasting example of 19th Century residences in Waterloo prior to development of Waterloo Estate and may have associations with the former Waterloo Pre-school next door.
- 47. The site also contains a state heritage listed high pressure water tunnel running beneath the south of the site.
 - 48. There are a number of local and state heritage listed items in proximity to the site. Figure 16 shows the location of the site with respect to local heritage listed items.
 - 49. The site adjoins the Waterloo heritage conservation area, covering the area between Pitt Street and Morehead Street, Phillip Street and McEvoy Street, except “Kensington Mews” on the corner of Morehead Street and McEvoy Street, and 74-76 Wellington Street, a LAHC-owned property.
 - 50. The conservation area includes several mid- to late-Victorian era subdivisions, the largest and most intact being the c1880s “Victoria Town” subdivision between Phillip Street, Morehead Street, Wellington Street and Elizabeth Street, consisting of highly intact groups of terrace houses development. Elizabeth Street forms the spine of the area, with shopfronts and civic buildings, including Mount Carmel, the Uniting Church and former Waterloo Town Hall.
 - 51. The statement of significance for the Waterloo conservation area notes the development on the Estate, particularly the current large-scale social housing, affects the integrity of the conservation area.
 - 52. The site is also within proximity of Redfern Estate, Zetland Estate, Alexandria Park and North Alexandria Industrial heritage conservation areas.

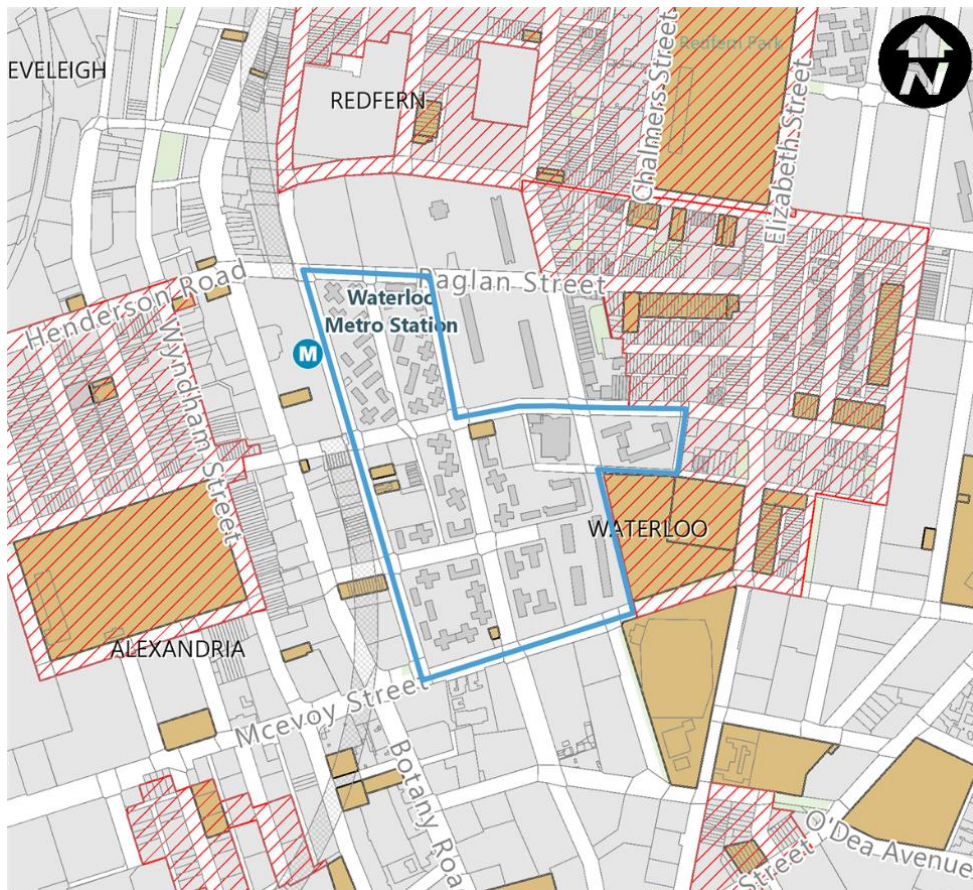


Figure 16 Heritage items and conservation areas

Community consultation undertaken by LAHC

53. In 2017, LAHC undertook consultation with more than 1,500 residents, members of the community and other key stakeholders to prepare a vision for the redevelopment of the Waterloo Estate.
54. Using the feedback from the visioning phase, three redevelopment options were presented in the second stage of consultation in 2018. More than 1,000 members of the community and other interested stakeholders were involved, providing feedback on three potential options for the Waterloo Estate.
55. The Consultation and Visioning Report prepared by Elton Consultancy on behalf of LAHC provides an outline of the community's views and concerns regarding the three potential masterplans. A summary of the feedback from participants is as follows:
 - (a) Density: Concerns with the proposed densities on the site were raised, with some people proposing a lower density as being more appropriate for the site. People were concerned about overshadowing, the impact on surrounding areas, amenity and potential strain on services and facilities. Some people thought that if redevelopment was to occur at the proposed densities, that more open space, services and affordable and social housing should be provided.

- (b) Building height: There were mixed views on the building heights in the three development options. It noted the preferred plan should seek to maximise amenity and minimise impacts for residents of the site and surrounding area. Key issues include maximising solar access and addressing potential wind effects.
 - (c) Social and affordable housing: The Report provides limited guidance about what the community understands to be an appropriate amount of social and affordable housing. There were some respondents that supported more market housing being provided on the site, but also some respondents who felt that given the proposed densities, more affordable and social housing should be provided.
 - (d) Community facilities: Community facilities were identified as a high priority for the redevelopment to help bring people together, support social interaction and provide opportunities for learning, growth and leadership. Participants expressed a desire for Waterloo to include a range of spaces to support community life including places for residents to meet, socialise and gather for larger scale events.
 - (e) Aboriginal culture and heritage: Participants in the consultation expressed a strong desire for the redevelopment to recognise and celebrate Aboriginal culture and heritage as intrinsic to the past, present and future of Waterloo as a place and community. Dedicated Aboriginal affordable housing was regarded as important to ensure that Waterloo remains a place that First Nations residents can call home.
 - (f) Commercial floor area: Participants were supportive of community facilities, services and shops to create a centre of activity. There was a preference for there to be clusters or hubs of community facilities, services and shops but also with some spread throughout the site for ease of access. They placed a strong importance on affordability of retail options to prevent gentrification and exclusion of existing residents, particularly social housing residents. They expressed desire for economic development opportunities for the Aboriginal community, including space for events, workshops and retail shopfronts, as well as economic development activities highlighting Indigenous-owned businesses.
 - (g) Access and connectivity: Feedback included that community facilities, services and shops should be located within easy access of homes to create small 'villages' and support a walkable neighbourhood. It was noted that the elderly, people with disability and families with children require consideration to support a high level of access across the precinct for all.
 - (h) Sustainability: Feedback emphasised the importance of the redevelopment supporting environmentally sustainable outcomes, including designing new buildings for reduced running costs through good solar access, cross flow ventilation and renewable energy initiatives.
56. Feedback from the options testing phase of consultation was used to inform preparation of the 'preferred masterplan' that was released for public comment in January 2019.

57. In preparing the Planning Proposal the City closely considered the outcomes of the consultation and has sought to address the key concerns raised by the community. The City's engagement with the community is ongoing and is described in more detail later in this report.

Planning proposal request submitted by LAHC

58. A planning proposal request (the request) was submitted by LAHC in May 2020 to change the planning controls that apply to the Waterloo Estate (South). The request is shown at Attachment B. LAHC have indicated later requests will be made for Waterloo Estate (Central) and Waterloo Estate (North).
59. The request applies to both LAHC-owned land and privately-owned land and is to facilitate the redevelopment of the site for the following:
- (a) nine tall tower buildings between 20 and 32 storeys and three tall buildings of 15 storeys and other buildings up to 8 storeys;
 - (b) approximately 257,000 square metres of floor area on the LAHC-owned land, comprising:
 - about 239,100 square metres of residential accommodation, providing for approximately 3,048 dwellings (comprising up to 30 per cent social and 70 per cent private, including 5 per cent affordable housing);
 - about 11,200 square metres for commercial premises including, but not limited to, supermarkets, shops, food and drink premises and health facilities, mainly located within a new local retail hub; and
 - about 6,700 square metres of community facilities.
 - (c) public open space, comprising:
 - a large park located in the centre of the wider Waterloo Estate next to the Waterloo Metro station; and
 - a smaller park located in the south of the precinct.
 - (d) new streets.
60. The indicative masterplan for Waterloo Estate (South) included with LAHC's planning proposal request, is provided at Figure 17. It shows proposed building heights, the location of proposed open space and future road network.

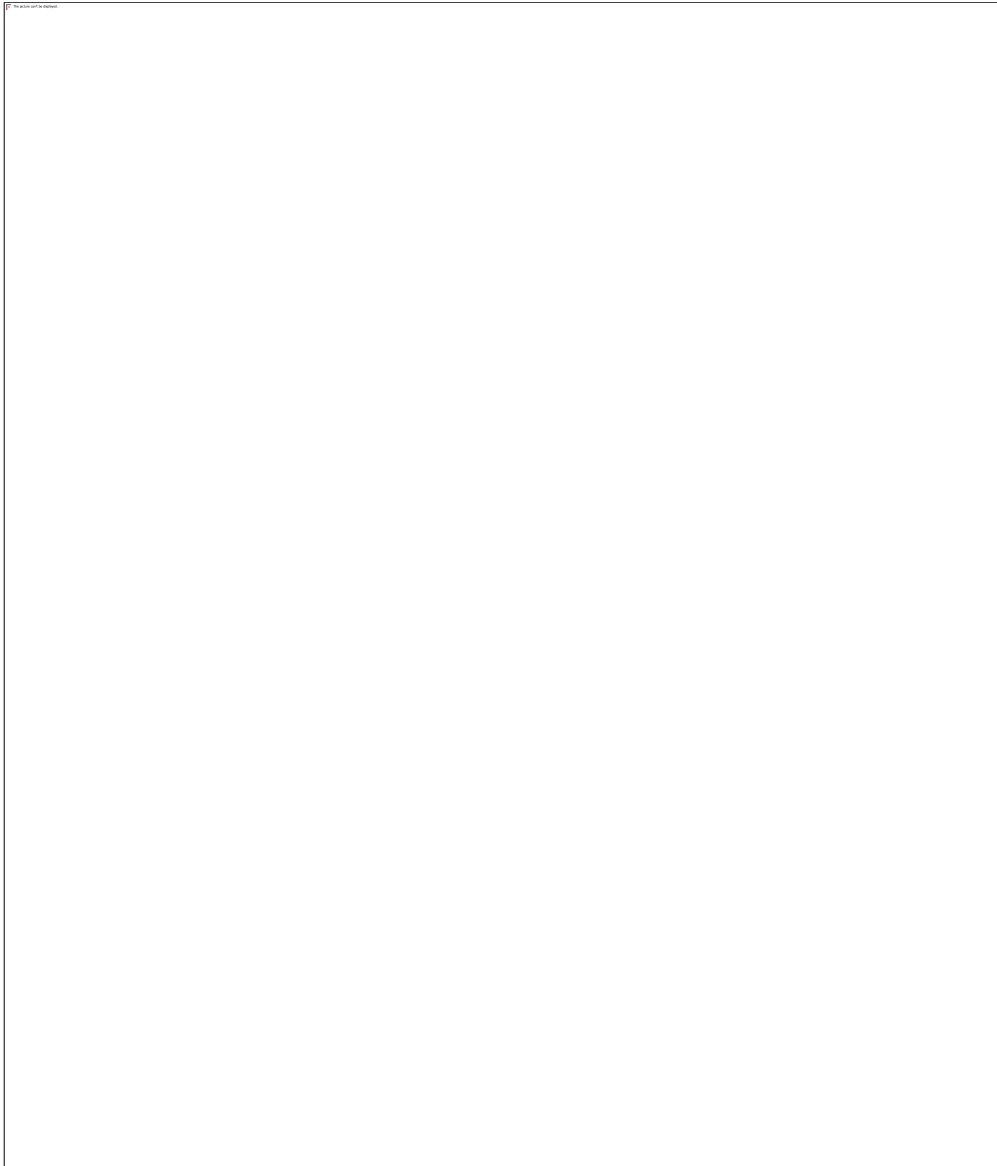


Figure 17 Planning proposal request - indicative masterplan (see Appendix 7 of Attachment B)

61. The request was supported by 27 technical studies and reports, that are provided as appendices to Attachment B and discussed in more detail below.

Communities Plus

62. The redevelopment of Waterloo Estate (South) is part of the NSW Government's Communities Plus program, a large scale \$22 billion scheme to renew its social housing portfolio.

63. The NSW Government's 'Future Directions for Social Housing in NSW' (2016) (Future Directions) sets out its vision for social housing, with a 10-year plan to drive better social housing outcomes. It says that over the next 10 years the Department of Family and Community Services (now the Department of Communities and Justice), will:
- (a) work with the non-government and private sector to deliver 23,000 new and replacement social homes through the Communities Plus program, with an additional 40,000 new private market homes also delivered through the program;
 - (b) transfer management of government-owned homes to the non-government sector, moving from around 18 per cent to 35 per cent of all social housing in NSW being managed by the Community Housing sector; and
 - (c) continue to introduce measures to make sure social housing meets the changing needs of tenants.
64. Future Directions establishes the Communities Plus program as the mechanism by which LAHC properties will 'renew and grow supply' of social housing. The Program leverages the value of LAHC's existing portfolio by engaging private sector developers and community housing providers (CHPs) to design, fund, build and manage social (affordable rental) and private housing.
65. Large redevelopments generally target a 70:30 ratio of private to social housing, with an increased number of social housing where practicable. No allowance is made in the Communities Plus program for the provisions of affordable housing which, if provided, is a component of the 70 per cent of private dwellings.
66. The Social Sustainability Report, prepared by Elton Consulting on behalf of LAHC and appended to the planning proposal request, says redeveloping current sites will offer tenants better quality social housing in mixed communities, with a combination of social housing and private rental tenants living in the same area. It also says redeveloped properties will ensure new and improved housing that is better designed to suit tenants' needs and will be close to amenities, transport, education and employment.

Revised scheme - The City's Planning Proposal

67. The City has assessed the planning proposal request and 27 associated technical studies submitted by LAHC in May 2020 and prepared the Planning Proposal: Waterloo Estate (South), which is the subject of this report. The City's Planning Proposal facilitates a different form factor (built form) to that proposed by LAHC but with similar development yields between the two schemes.
68. In preparing the Planning Proposal, the City was informed by the technical studies and the Consultation and Visioning Report, prepared by Elton Consulting on behalf of LAHC and shown at the appendices of Attachment B. Given the similarities between LAHC's planning proposal request and the Planning Proposal, most of the technical studies provided relevant guidance and do not require update to inform the Planning Proposal.

69. The City's Planning Proposal makes significant changes to the built form and the location of non-residential floor area proposed by LAHC, and as such an Urban Design Study, an updated Wind Impact Study, a retail review and a peer review of LAHCs social sustainability report has been prepared by the City, shown at the appendices to Attachment A).

Key Development Outcomes

70. The planning controls proposed in the Planning Proposal and draft Design Guide will facilitate the following key outcomes for Waterloo Estate (South):
- (a) about 249,000 square metres of floor area, including about 18,000 square metres of non-residential floor area for retail, commercial and community uses;
 - (b) about 3,067 dwellings on LAHC-owned land, including:
 - (i) 920 social housing dwellings (30 per cent of all dwellings);
 - (ii) 613 affordable dwellings (20 per cent of all dwellings); and
 - (iii) 1,534 market dwellings (50 per cent of all dwellings).
 - (c) approximately 247 total market dwellings on privately owned sites, comprising 127 new dwellings, replacement of 104 dwellings and retention of 16 existing dwellings;
 - (d) 10 per cent of affordable housing on LAHC-owned land being provided for Aboriginal and Torres Strait Islander households, with current proportions of Aboriginal and Torres Strait Islander households being maintained or increased in social housing;
 - (e) a large park adjoining Waterloo Metro station of more than two hectares and a small park in the south of the site;
 - (f) three towers of about 30 storeys and most other building generally around 8 storeys (with some 4 storeys and others up to 13 storeys where development fronts parks or on George Street);
 - (g) new streets and through site links; and
 - (h) a new cycleway along Wellington Street.

Development Outcomes

71. The following details the development outcomes arising from the Planning Proposal and draft Design Guide.

Planning and Design Principles

72. The following principles have guided the intended development outcomes and proposed planning controls for Waterloo Estate (South).
- (a) Diverse land uses to support a diverse community:
 - (i) Capitalise on the proximity of Waterloo Metro station by creating a vibrant mixed-use neighbourhood that blends residential, retail, commercial, community and recreational uses.
 - (ii) Provide a range of dwelling types and housing choices to accommodate mixed tenure development that support a range of households and living choices.
 - (iii) Development will respond to the existing surrounding local character and its history, particularly its significance as an urban meeting place for Aboriginal and Torres Strait Islander people.
 - (iv) Design non-residential spaces to accommodate a range of commercial and retail activities, that may change over time in response to community needs.
 - (v) Meet the objectives of the City of Sydney Local Strategic Planning Statement and Housing Strategy by ensuring that at least 20% of all floor space to be allocated as affordable housing dwellings.
 - (vi) Ensure alignment with the NSW State Government's Communities Plus policy by ensuring a minimum of 30 per cent of all residential floor space to be allocated to social housing dwellings.
 - (vii) Retail spaces and local services need to be provided which can meet the local daily shopping needs of a dense residential population.
 - (viii) George Street is to become the focal point of pedestrian and commercial activity, and will have continuous ground level retail, commercial and community uses. This facilitates a main retail street environment that contributes to the identity, activation and vibrancy of the area.
 - (ix) Provide additional retail opportunities in a continuous retail frontage along McEvoy Street with retail ground floor to tower buildings.
 - (b) The right type, height and scale of buildings for Waterloo:
 - (i) Building heights will respond to the hierarchy of streets and open spaces with taller buildings facing parks and George Street.
 - (ii) Building forms, their separation, and orientation will promote sunlight into streets, open sky views from the streets, and will minimise wind effects.
 - (iii) Tower forms are limited to the southern part of the precinct near McEvoy Street to minimise overshadowing impacts to open space and surrounding residential properties.

- (iv) To ensure an appropriate setting for heritage items on Cope Street, heights are limited to two storeys between Cope and Cooper streets closer to these items.
 - (v) Multiple buildings along each street block will promote architectural diversity.
 - (vi) The built form and land uses will be located to manage noise, pollution (particularly along McEvoy Street) and other potential land use conflicts as best as possible.
 - (vii) Development intensity will be spread evenly across the precinct to eliminate very high peaks of development and provide equity between sites.
 - (viii) All residential development, irrespective of tenure, will be of high quality.
- (c) Streets prioritise pedestrians and cyclists:
- (i) existing large street blocks will be subdivided to form a finer grained street network.
 - (ii) the precinct includes a permeable network of streets, pedestrian links, public open space and cycle connections that: respond to key connections within and surrounding the locality; accommodate multiple users and needs; are accessible for people of all abilities; maximise opportunities for walking and cycling; maximise the safety of vulnerable users; require slow traffic speeds; respond to stormwater management considerations; and respond local traffic and access requirements.
 - (iii) George Street is the main street of the community, with a continuous ground floor active frontage (including a large supermarket) and awnings.
 - (iv) maintain and expand the City's regional bike network by retaining the regional north-south connection along George Street and implementing a new regional east-west connection along Wellington Street.
 - (v) street orientation and widths are to maximise sunlight at street level; and
 - (vi) streets are to provide high quality streetscapes, new footpaths, tree planting and street furniture.
- (d) Public parks and community facilities will provide for the community's diverse needs:
- (i) a large main park of over 2 hectares, adjacent to the new Waterloo Metro station will be the focus of community recreational activity.
 - (ii) the main park will be flat; open and welcoming; provide opportunity for a range of recreational opportunities; active day and night and highly accessible to public transport, cyclists and pedestrians.

- (iii) a smaller park is to be provided in the south of the precinct on flat land surrounded forming a square and will be a place for smaller scale but similarly diverse activity; and
- (iv) community facilities will be provided close to active public space.
- (e) Create a green, low-carbon precinct that is resilient to climate change:
 - (i) Retain and protect established trees, and plant new trees to provide shade and good amenity.
 - (ii) Landscaping is to assist in the management of stormwater quality.
 - (iii) Create a strong and consistent landscape character throughout the precinct.
 - (iv) To ensure that buildings are resilient and sustainable, their width and floorplates are sized to fit the lots and are ideal for natural cross ventilation and daylight.

Urban strategy

73. The urban strategy from the draft Design Guide, shown at Figure 18 shows the location of new parks, the distribution of building heights, modified street layout and opportunity sites for community uses.

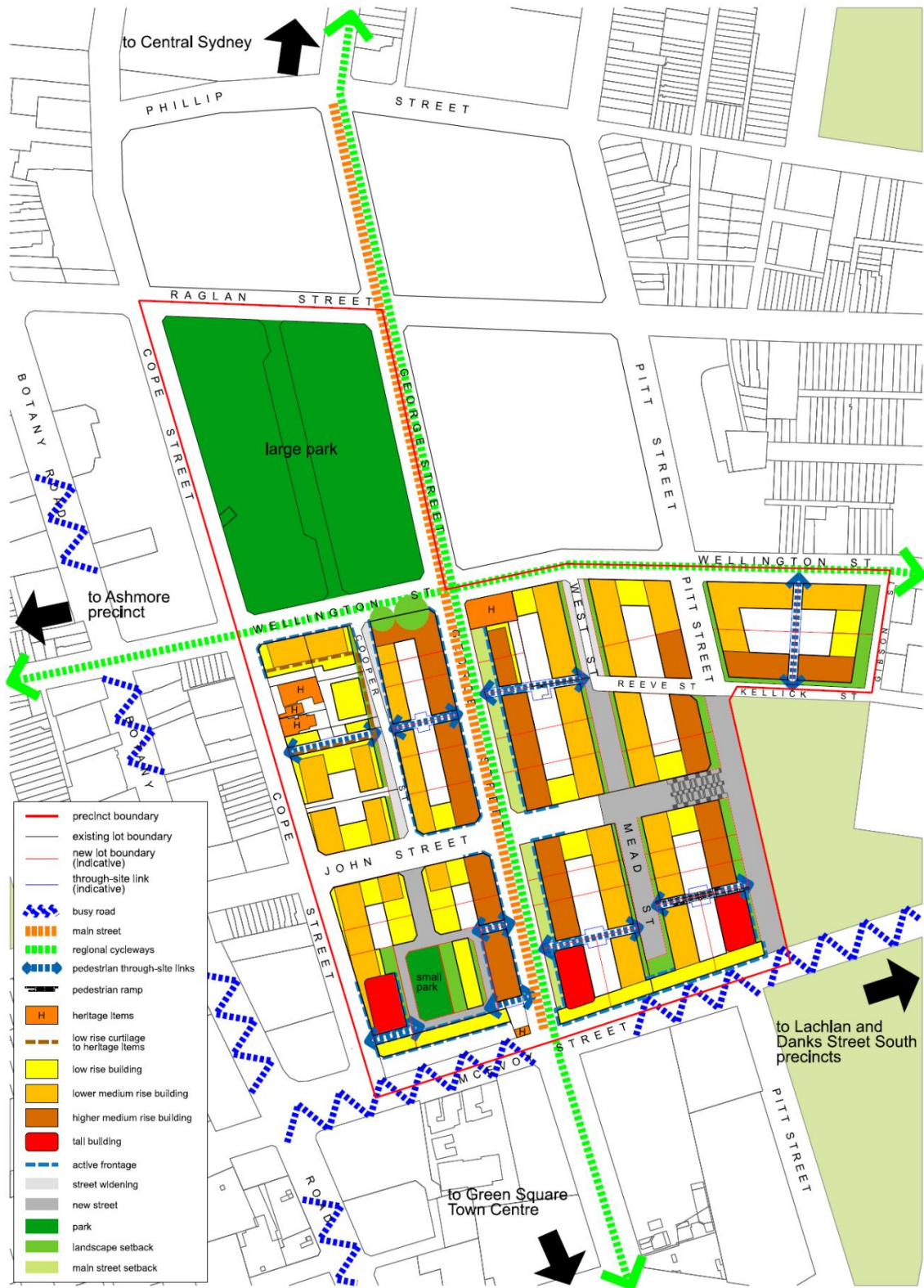


Figure 18 Urban strategy

Building height and form*Provisions in Sydney LEP 2012*

74. The Planning Proposal is to amend the Height of Buildings map in Sydney LEP 2012 to allow building heights primarily ranging between 9 metres to 48 metres across the site. The majority of buildings will be no more than 35 metres in height (13 storeys), with the three tower buildings to the south of the site being about 105 metres (30 storeys). Allowance may also be made for rooftop solar panels to penetrate the mapped maximum building height if no additional visual and amenity impacts will result.
75. Figure 19 shows building heights distributed across the site. Most of the building heights on the map are to be shown in metres, however the three towers at the south of the site are shown as Reduced Levels (RLs) due to their relationship with the maximum RLs established by Sydney Airport for Procedures for Air Navigation Services - Aircraft Operations (PANS-OPS).



Figure 19 Proposed Height of Buildings Map (LEP)

- 76. The proposed heights in the Planning Proposal will result in a distribution of heights as shown in the cross section at

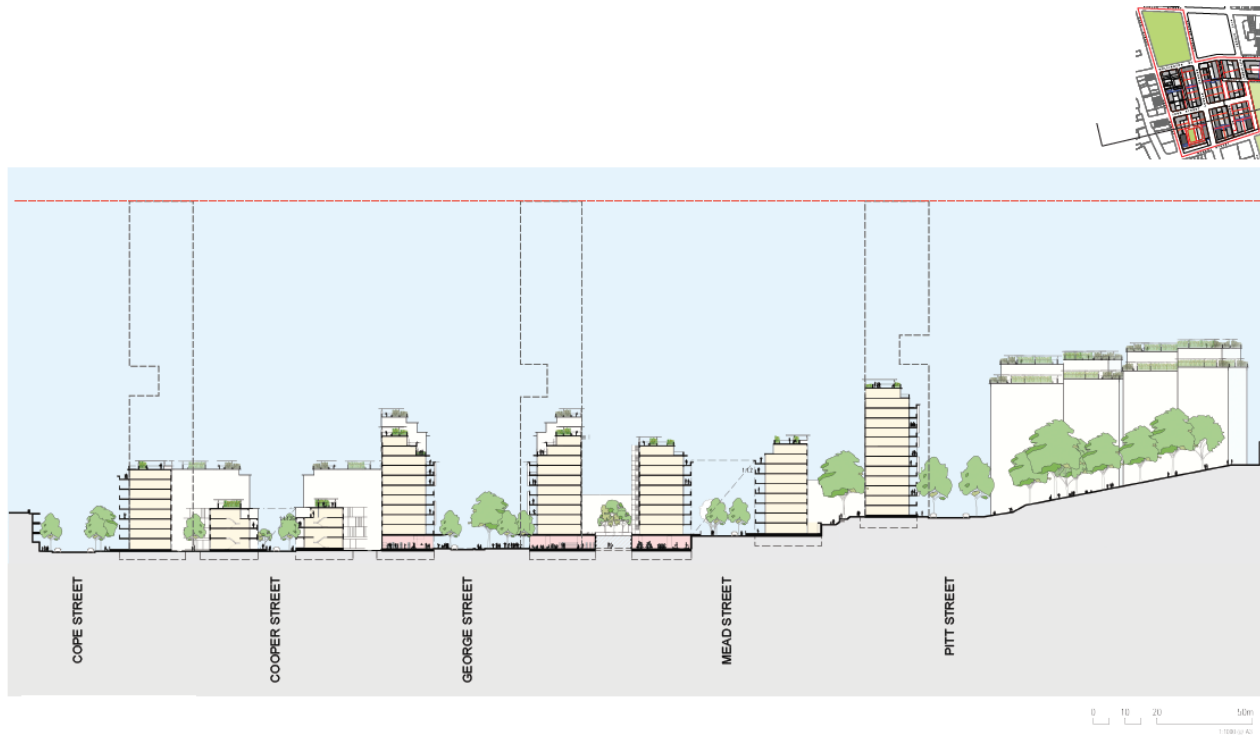


Figure 20.

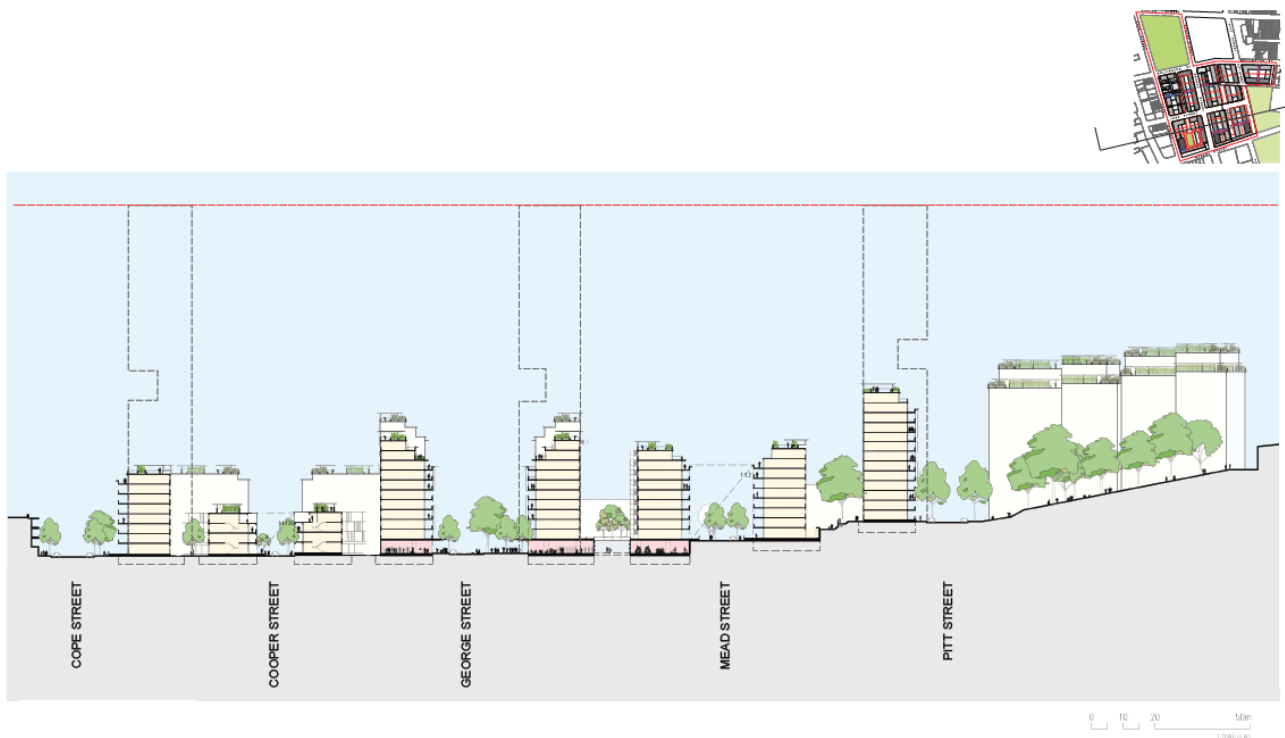


Figure 20 Proposed heights - cross section through south of site

Additional requirements in Waterloo Estate (South) Design Guide

77. The draft Design Guide provides more detailed guidance on building height in storeys and street wall heights, shown at Figure 21.



Figure 21 Height in storeys (draft Design Guide)

78. The draft Design Guide includes the following additional guidance on building heights:
- (a) a table is provided showing the relationship between building height in storeys (draft Design Guide) and building height in metres (Sydney LEP 2012);
 - (b) minimum floor-to-floor and floor-to-ceiling heights are specified for residential and non-residential uses;
 - (c) provision for variation to the location and distribution of heights within street blocks where it can be demonstrated there will be improved sun access to public space and to residential properties, and compliance with the Apartment Design Guide; and
 - (d) provisions for tall buildings to include design elements to minimise wind impacts generated by towers.

Wind impacts

79. The planning proposal request prepared by LAHC contains a large number of tall buildings. Tall buildings may produce wind environments at ground level in public space, parks and streets that are not comfortable and may not be safe for people. The Pedestrian Wind Environment Study submitted with LAHC's planning proposal request showed a number of exceedances of the safety and walking comfort criteria (shown in Figure 22 **Error! Reference source not found.**) with the majority of exceedances located around the perimeter of the precinct close to high rise towers. The exceedances of the safety criterion are all caused by the strong prevailing wind directions from the north-east, south and west. The wind report made some recommendations that may mitigate the wind conditions in these areas but they were not included in the planning proposal.



Figure 22 Wind impacts of LAHC's planning proposal request (see Appendix 26 to Attachment B)

80. The windy conditions experienced along Pitt and McEvoy Streets are generally due to the flow being channelled along the wall of taller buildings relative to the surroundings. It should be noted that McEvoy Street was generally bounded by eight storey buildings, with a 15 storey building on the Cope Street corner, and still resulted in strong wind conditions. This is the reason to slowly build-up the height of the buildings towards the middle of the new developed area.
81. The comfort wind conditions at majority of open areas were assessed against the walking criterion, only the north half of the Village Green was assessed against the pedestrian standing criterion. Most of the locations between buildings were close to the walking criterion and therefore would be expected to be associated with the wind speed associated with pedestrian sitting for only about 50 per cent of the time.
82. The City's Planning Proposal contains three towers that have been designed to minimise the effects of wind down wash discharging into heavily trafficked pedestrian accessible areas. These measures to address wind effects include:
- setting back the buildings above lower scale buildings from the south by a minimum of nine metres;
 - rounding the corners of the towers;
 - continuous awnings to retail frontages and building entries on all sides of the towers that adjoin public space, streets and walkways; and

- (d) open floors between half and two thirds the tower height for at least the equivalent of three floors high.

83. To inform the built form and building layout proposed in the Planning Proposal, the City has undertaken additional wind consideration as shown at Appendix 2 to Attachment A. The study shows one point to the south west of the south western tower remains a potential concern due to its exposure to the west and the City has adjusted the building layout to mitigate this.

How does the Planning Proposal differ from the planning proposal request made by LAHC?

84. The LAHC request seeks to amend building height controls to allow tower building heights of up to RL 126.40 metres to enable the development of nine towers between 20 and 32 storeys, three 15 storey buildings, and other buildings up to eight storeys. A single maximum building height is proposed to be mapped for each street block in LAHC's proposal. Maximum heights are based on the tallest building in each block under LAHC's indicative concept proposal.
85. LAHC's planning proposal request would result in a predominantly high-rise precinct that would have significant impact on the amenity of Waterloo Estate (South) and will be out of character with the area.
86. In contrast, building heights proposed by the Planning Proposal will result in substantially different building form, reducing the number of tall buildings (over 20 storeys) from nine to three, and more evenly distributing height across the precinct. The difference can be observed comparing Figure 21 above in this report, and Figure 23 below.

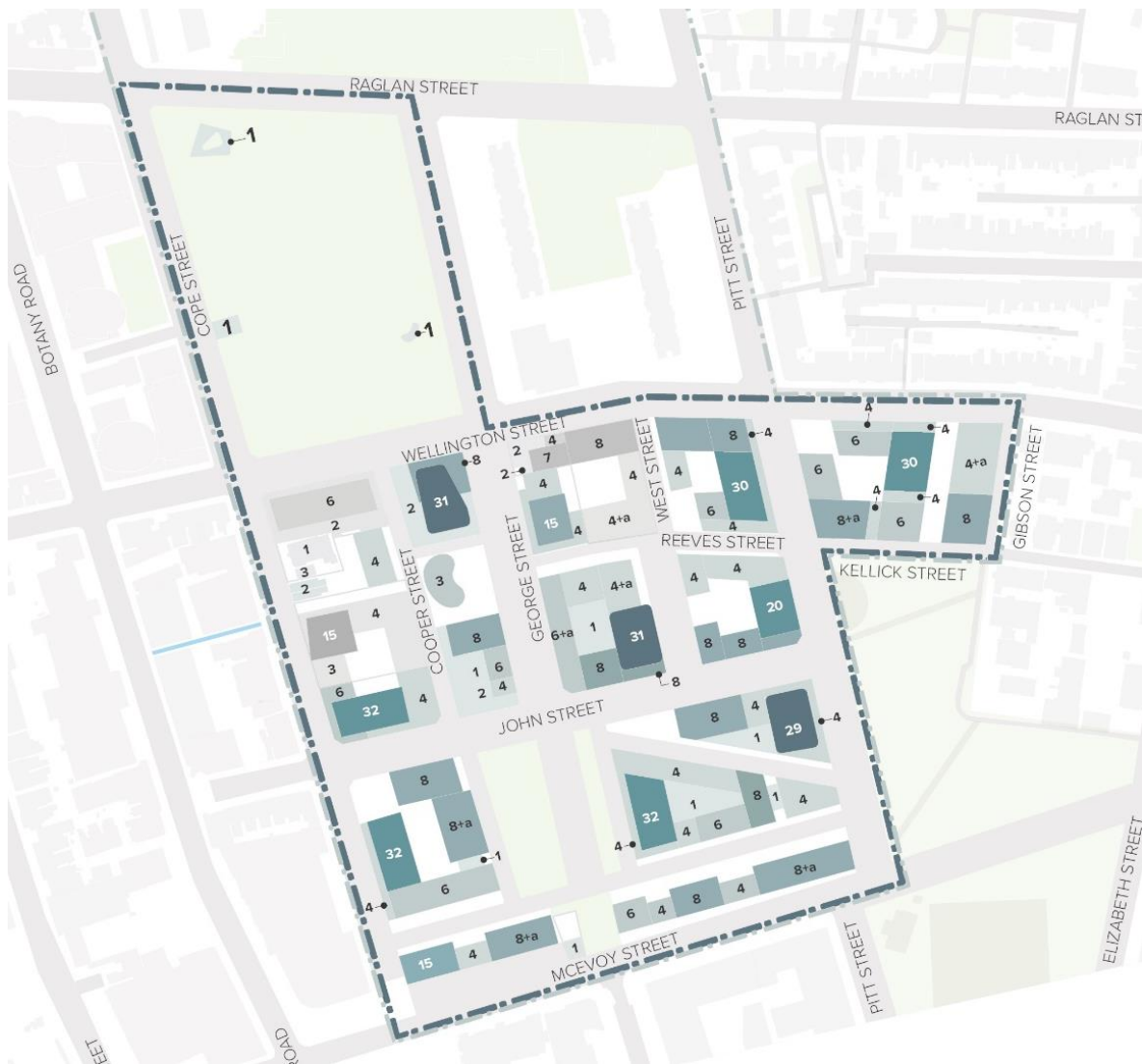


Figure 23 Building height in storeys from LAHC's planning proposal request

87. The relative merits of heights proposed by LAHC and the Planning Proposal are explored in the Waterloo Estate (South) Urban Design Study, shown at Appendix 1 to Attachment A. While both LAHC's planning proposal request and the City's Planning Proposal result in a similar floor area and number of dwellings, the summary and figures below demonstrate the relative impact the different approaches have on the urban environment:

- (a) A place for people - the Planning Proposal results in a more human scale with better sunlight to the street. Figure 24 shows the view looking south along George Street based on the City's Planning Proposal. This shows the generous setback along the east side of George Street which will be filled with trees, outdoor dining and goods display. Figure 25 shows the view looking south east across the new large park. Figure 26 shows a comparative cross section of a typical street and Figure 27 demonstrates the greater level of sunlight access to streets in the Planning Proposal (on the left), compared to LAHC's proposal (on the right).



Figure 24 Possible view looking south along George Street – Indicative City of Sydney Planning Proposal



Figure 25 Possible view looking south east across the new large park – Indicative City of Sydney Planning Proposal

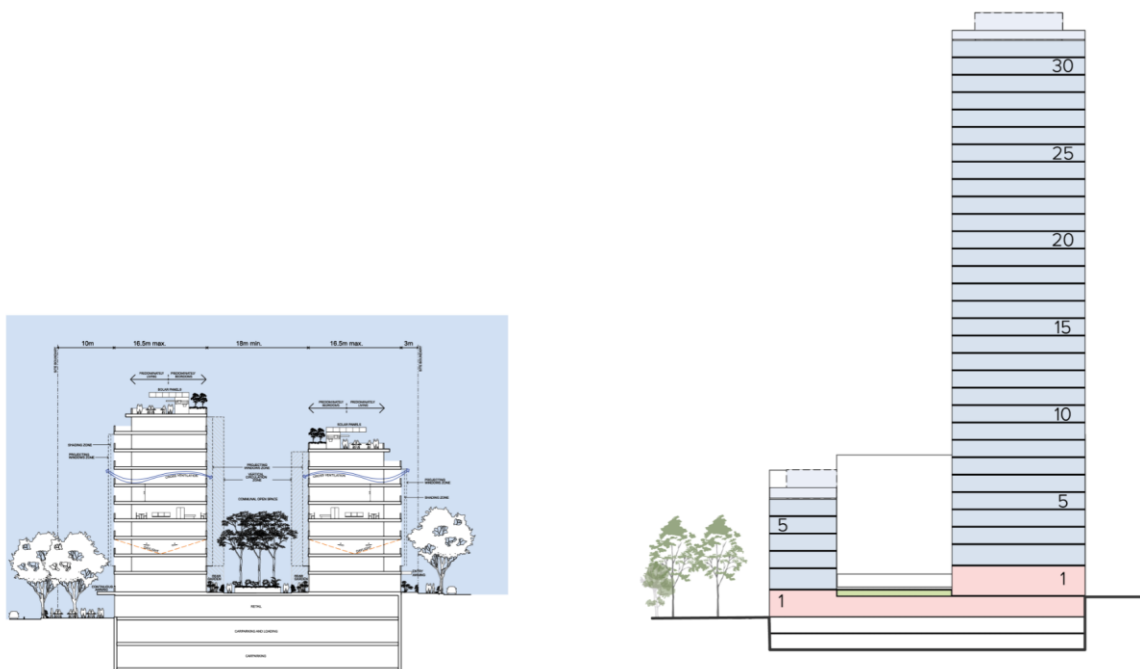


Figure 26 Comparative section through site

SUNLIGHT TO STREETS – June 21



Figure 27 Comparison of sunlight to streets in mid-winter

- (b) A better fit into the wider urban context - the City’s approach maintains a far greater view of the sky and fits more comfortably into the existing skyline when viewed from the main public spaces that surround Waterloo including Redfern, Alexandria and Waterloo parks and the new park. Figure 28 to Figure 33 compare the potential skyline and tower locations within LAHC’s planning proposal and the City’s Planning Proposal. Figure 34 to Figure 37 are more detailed indicative renderings comparing views across the new main park and from Redfern Park.



Figure 28 View from Redfern Park looking south west (LAHC request)



Figure 29 View from Redfern Park looking south west (the Planning Proposal)



Figure 30 View from Alexandria Park looking east (LAHC's request)



Figure 31 View from Alexandria Park looking east (the Planning Proposal)

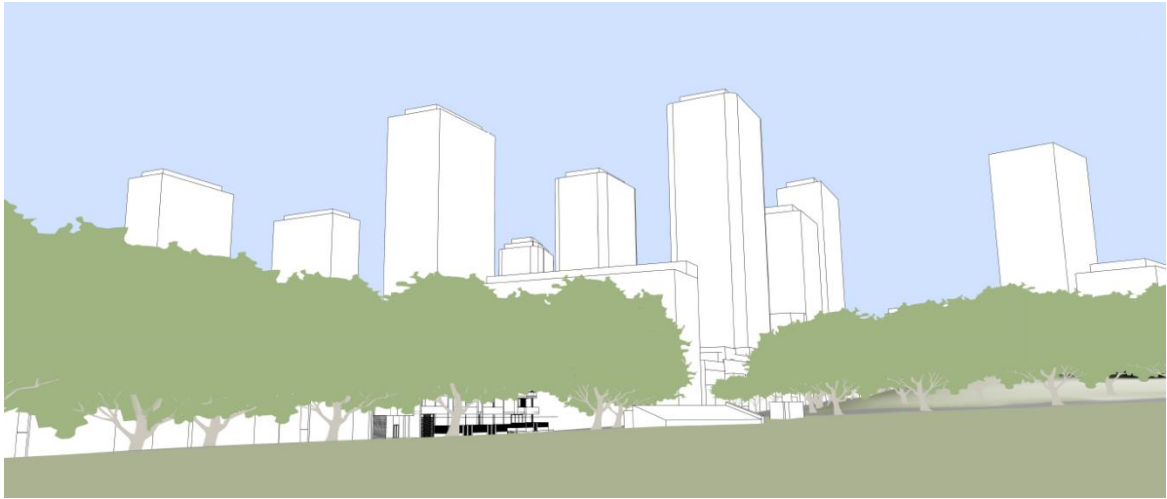


Figure 32 View from Waterloo Park South looking north west (LAHC's request)



Figure 33 View from Waterloo Park South looking north west (the Planning Proposal)



Figure 34 View from Redfern Park looking south west – LAHC Planning Proposal Request



Figure 35 View from Redfern Park looking south west – City of Sydney Planning Proposal



Figure 36 View across the new park looking south – LAHC Planning Proposal Request



Figure 37 View across the new park looking south – City Of Sydney Planning Proposal

- (c) A better distribution of floor area - the Planning Proposal results in a relatively even height so development intensity is more evenly spread without peaks of density. LAHC proposes an uneven spread of development, causing peaks in density adjacent to significantly less dense lots. This is rarely seen in a residential community and is more comparable to development intensity in parts of central Sydney.

Floor space ratio

88. The Planning Proposal maps all LAHC-owned land in the Waterloo Estate (South) as having an FSR of 1.5:1, facilitating approximately 123,092 square metres of floor area. This is a direct conversion of floor area that is currently available on the land under floor space ratio controls in the South Sydney DCP 1997.
89. In addition to the FSR that is mapped, additional FSR of 1.26:1 is available as an incentive for social and affordable housing, community and non-residential uses sustainability, and public open space if all of the following requirements are satisfied:
 - (a) no less than 30% of the total residential gross floor area being provided on the site is for social housing;
 - (b) no less than 20% of total residential floor space being provided on the site is for affordable housing;
 - (c) no less than 13,000 square metres of floor space being used for a use that is not residential accommodation;
 - (d) no less than 5,000 square metres of floor space being used for the purpose of community facilities, health services facilities or centre based childcare facilities;
 - (e) BASIX affected development exceeds the BASIX commitments for water and energy by not less than 10 points for energy and 5 points for water; and
 - (f) arrangement for the provision of publicly accessible open space has been made, to the satisfaction of Council.
90. In addition to the above, up to 10 per cent additional FSR, calculated on all the mapped plus incentive FSR described above, may be achieved subject to a competitive design process.
91. This Planning Proposal facilitates an average FSR of about up to 3:1 across the entirety of Waterloo Estate (South), including 3.04:1 on LAHC-owned land and up to 2.47:1 on privately-owned land. The total available floor area on all LAHC-owned land on the site is 249,137 square metres yielding about 3,067 dwellings.

92. Table 2 shows how the FSR (and resulting floor area) is to be achieved on LAHC-owned lots.

	Quantum (excludes design excellence)	Explanation
Total site area on current land holdings	82,061 sqm	N/A
Total 'mapped' floor area	123,092 sqm	All land mapped with 1.5:1 FSR (this aligns with current FSR under exiting controls in South Sydney DCP 1997)
Total 'incentive' floor area	103,397 sqm	<p>The incentive floor space ratio of 1.26:1 equates to an additional 103,397 sqm of GFA that can be achieved if all the following are provided:</p> <ul style="list-style-type: none"> • no less than 30% of the total residential GFA is used for social housing; and • no less than 20% of the total residential GFA is used for affordable housing; and • no less than 13,000 sqm of the total GFA is a non-residential use; • no less than 5,000 sqm of the total GFA is used for community facilities, health services facilities or centre based childcare facilities; and • BASIX commitments for water and energy are exceeded by no less than 10 points for energy and 5 points for water; and • arrangement for the provision of publicly accessible open space has been made, to the satisfaction of Council.
Design excellence floor area (calculated on mapped FSR and all available additional and incentive FSRs)	22,649 sqm	Calculated on all the above (i.e. 10% x (Total mapped floor area + Total incentive floor area)).

	Quantum (excludes design excellence)	Explanation
Total floor area proposed to be available in Sydney LEP 2012	249,137 sqm	Assumes that mapped FSR and incentive FSR is taken up.

Table 2 Explanation of FSR provisions and resulting floor area for LAHC-owned sites

93. A staged development application is required to apportion floor area to development sites within the Waterloo Estate (South) prior to development. This is discussed in more detail later in this report.

Provisions in the Sydney LEP 2012 on privately owned land

94. The Planning Proposal maps privately-owned sites in the Waterloo Estate (South) as having various FSRs as shown at Table 3.

Privately-owned land	Proposed FSR
233 Cope Street, Waterloo, being Lot 12 DP 1099410	2.15:1 (increased from 1.75:1)
221-223 Cope Street, Waterloo, being Lot 6 DP 10721, Lot 7 DP 10721, Lot 9 DP 10721 and Lot 8 DP 1147179	2.61:1 (increased from 1.75:1)
116 Wellington Street, Waterloo, being Lot 10 DP 10721 and Lot 11 DP 10721	2.66:1 (increased from 1.75:1)
110 Wellington Street, Waterloo, being Lot 101 DP 1044801	2.32:1 (increased from 1.75:1)
111 Cooper Street, Waterloo, being Lot 15 DP 10721	1.75:1 (no change)
225-227 Cope Street, Waterloo, being Lot 4 DP 10721 and Lot 5 DP 10721	1.75:1 (no change)
291 George Street, Waterloo, being Lot 10 DP 1238631.	1.75:1 (no change)

Table 3 Proposed FSR on privately-owned land

95. Of those sites with a proposed FSR of 1.75:1, this is a direct conversion of floor area that is currently available under the Sydney LEP 2012. It has been applied where sites are heritage listed, where the proposed development is less than the existing FSR (that is, the FSR has not been reduced), or where redevelopment is not envisaged as part of the redevelopment of Waterloo Estate (South).
96. Other privately-owned sites in the Waterloo Estate (South) have been mapped with FSRs ranging 2.15:1 to 2.66:1. These sites may redevelop over time at the initiative of the landowner but are not relied on to facilitate the wider redevelopment of the Estate.
97. Non-BASIX affected development and BASIX-affected development that exceeds the minimum BASIX commitments for energy by not less than 10 points and water by 5 points can be awarded an additional 0.25:1 FSR (being about 2,096 square metres of floor area) above the mapped FSR.
98. Up to 10 per cent additional FSR, calculated on all the FSR described above, may be achieved subject to a competitive design process. A site-specific provision will limit the 10 per cent design excellence bonus to FSR (no additional height).
99. Altogether, the total available floor area on all privately-owned sites in the Waterloo Estate (South) is 20,735 square metres of floor area.
100. There are currently 120 dwellings on privately-owned sites. With the additional development capacity from the new controls, there is potential for 127 additional dwellings increasing total private dwellings to 247.
101. The proposed FSR for all lots within Waterloo Estate (South) are shown at Figure 38.

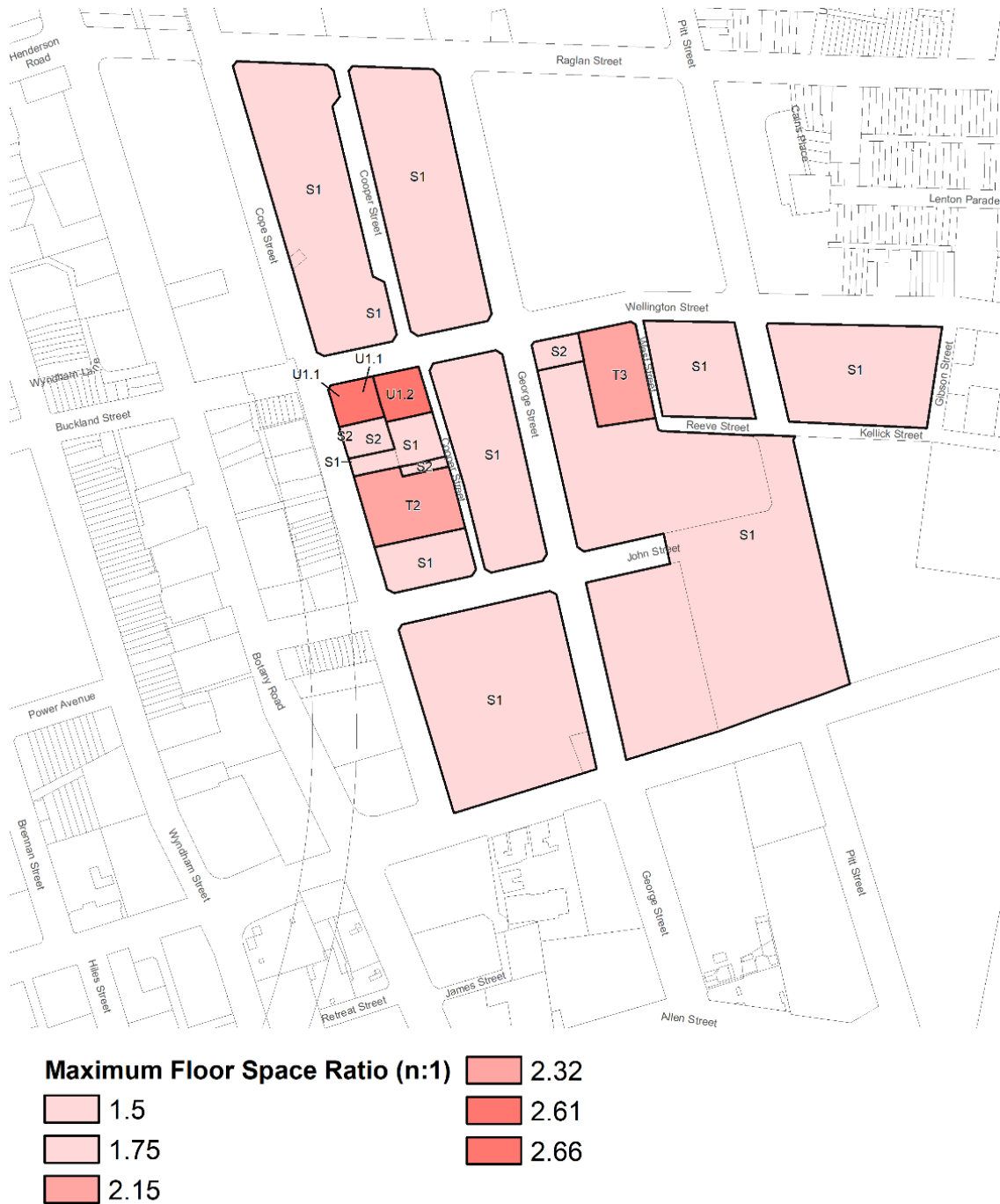


Figure 38 Floor space ratios as proposed to be mapped in Sydney LEP 2012

Additional requirements in the Waterloo Estate (South) Design Guide

102. The draft Design Guide provides additional guidance for how floor area is to be distributed across future street blocks, shown at Figure 39, on LAHC-owned land in any future staged development application.

103. Table 4 below shows an indicative distribution of floor area on LAHC-owned land. It is noted the below Table does not identify on what street blocks affordable and social housing is to be provided. This is a matter that is to be resolved in a future Stage 1 development application.



Figure 39 Street blocks and building lots

Street block	Estimated street block area**	Indicative residential floor area	Indicative non-residential floor area
1	20,013 sqm***	None	401 sqm
2****	2,918 sqm	5,738 sqm	1,455 sqm
3	5,874 sqm	25,749 sqm	3,924 sqm
4	6,049 sqm	19,167 sqm	3,003 sqm
5	3,452 sqm	15,000 sqm	None
6	3,551 sqm	14,016 sqm	None
7	6,684 sqm	24,300 sqm	None
8	10,421 sqm***	41,198 sqm	2,898 sqm
9	7,249 sqm	32,787 sqm	3,930 sqm
10	7,116 sqm	31,947 sqm	973 sqm
Total		209,903 sqm	16,584 sqm

Table 4 Indicative floor area distribution on LAHC owned land, by street block

* Floor area estimates provided assume all floor space available under the Sydney LEP 2012 is being utilised, but does not include additional floor area that may be achieved where the development demonstrates design excellence under the Sydney LEP 2012

** Street block areas are indicative and ultimately determined by a detailed survey (to be provided with a Stage 1 (concept) development application) showing minimum dimensions for public space are being achieved.

*** Includes land for open space and amenities

**** Includes 368sqm of floor area for the retention of the heritage listed terraces at 229-231 Cope Street

How have FSRs been established?

104. The FSRs have been derived for each site based on the building envelopes established by building height (in the Sydney LEP 2012), setbacks (in the draft Design Guide), and industry accepted building efficiencies as applied to a particular land use.

How does the Planning Proposal differ from the planning proposal request made by LAHC?

105. The FSRs proposed in the Planning Proposal are similar to LAHC's planning proposal request that stated an FSR about 3.09:1 across the entirety of Waterloo Estate (South). This FSR was applied to both LAHC-owned land and privately-owned land.
106. It is noted however the FSRs proposed in LAHC's request were calculated on incorrect land area sizes. The FSR of LAHC's request based on updated site area the Planning Proposal has used is 3.13:1.
107. The request included in the site area calculation one lot owned by the City of Sydney, another owned Alpha Distribution Ministerial Holding Corporation. The site areas used were not verified by survey. The City has used site areas noted on surveys supplied on request after lodgement by LAHC that do not match the areas stated in the request, and excluded land not owned by LAHC. The areas stated on the surveys have not been verified.

Zoning and land use

108. The Planning Proposal amends and introduces land use zoning in Sydney LEP 2012 to the entire Waterloo Estate (South) precinct. It proposes sites fronting George Street on both sides will be zoned B2 - Local Centre, to facilitate a main street environment with retail, employment and community uses. The remainder of the site will be zoned B4 - Mixed Use. The proposed zoning is shown at Figure 40.



Figure 40 Proposed land use zoning

109. The Planning Proposal includes provision to ensure an appropriate balance of uses, including residential uses (incorporating social, affordable and market housing), commercial uses and community uses.

How does the Planning Proposal differ from the planning proposal request made by LAHC?

110. The LAHC planning proposal request proposes the site be primarily zoned B4 – Mixed Use, except for the large park and LAHC’s proposed linear park along George Street which LAHC proposed to zone RE1 - Public Recreation.

111. The City and LAHC agree that the RE1 – Public Recreation zone is the most appropriate zoning for parks once the final locations and areas are confirmed. The two parks will be re-zoned RE1 - Public Recreation following construction and dedication to the City.

Apartment Design Guide - Performance

112. The Apartment Design Guide (ADG) provides consistent planning and design standards for apartments across the State. It provides design criteria and general guidance about how development proposals can achieve the nine design quality principles identified in State Environmental Planning Policy No 65 - Design Quality of Residential Apartment Development (SEPP 65).
113. The urban design approach undertaken by the City ensures that development will meet the objectives and design criteria of the ADG, and in some cases exceed requirements.
114. A detailed study of the lots bound by George Street, John Street and West Street meet and exceed the ADG's requirements in 'Part 3 Siting the development' and 'Part 4 Designing the building'. The City's approach also addresses all matters outlined in 'Part 2 Developing the Controls', which provides tools for preparing planning controls.

How does the Planning Proposal differ from the planning proposal request made by LAHC?

115. LAHC's urban design approach in the urban design report submitted with its planning proposal request does not meet objectives and design criteria of the ADG.
116. Part 2 of the ADG, which supports strategic planning process and the preparation of planning controls, has not been followed in numerous respects, including:
 - (a) site specific building envelopes are not included;
 - (b) building heights in storeys are not adjusted for the topography;
 - (c) secondary height controls to transition built form are not included where necessary;
 - (d) net floor areas for development parcels are not defined;
 - (e) floor area controls for each different use are not included;
 - (f) building envelopes for the noise effected part of the site facing McEvoy Street are not developed or illustrated;
 - (g) building depth controls are not set;
 - (h) minimum separation distances for buildings are not set and the illustrated design does not meet the ADG requirements;
 - (i) at zone boundary changes along Gibson Street setbacks are not provided;
 - (j) setbacks for street widening where inadequate footpaths exist are not provided; and
 - (k) setbacks for deep soil zones are not provided.

117. Parts 3 and 4 of the ADG has not been followed by LAHC in a number of ways, including:
- (a) A park proposed next to George Street does not respond to the existing neighbourhood pattern, would be unsafe and disrupt the intended main street character of George Street;
 - (b) New east-west streets and a proposed diagonal walkway do not respond to the existing pattern of the neighbourhood;
 - (c) Building siting and layout along McEvoy Street will not address noise impacts; and
 - (d) The building strategy in LAHC's urban design study for a typical building lot is inadequate because:
 - deep soil zones will not support healthy plant and tree growth;
 - there is inadequate building separation;
 - solar access to apartments is not optimised;
 - natural cross ventilation is not maximised; and
 - common circulation spaces serve too many apartments.

Public infrastructure

118. A range of public infrastructure is required to support the significant population growth and demographic change brought about by the redevelopment of Waterloo Estate (South), including:
- (a) public open space;
 - (b) through-site links, new streets and the upgrade of existing streets;
 - (c) flood mitigation works in public space; and
 - (d) community facilities.
119. However, the costs of the essential infrastructure arising from Waterloo Estate (South) are expected to exceed contributions received and the City's long-term financial plan and capital works plan does not currently incorporate infrastructure delivery costs associated with the population growth generated by the Waterloo Estate (South) proposal.
120. In addition, Waterloo Estate (South), depending on the value of future stages, is likely to be State Significant Development and assessed and determined by the NSW Government. This follows changes to the *State Environmental Planning Policy (State and Regional Development) 2011* on 5 February 2021 to specify that development carried out by or on behalf of LAHC with a value of over \$100 million is State Significant Development.

121. Under the current planning framework, should a stage be identified as State Significant Development, contributions will be paid to Infrastructure NSW under the *Redfern Waterloo Authority Contributions Plan 2006*, rather than to the City under its Development Contributions Plan 2015. This will be considerably less at 1 percent of construction cost.
122. The City requested the NSW Department of Planning, Industry and Environment repeal the Plan in 2019 due to the age and redundancy of the plan and the inability for it to deliver works. This report recommends the City again write to the Department of Planning, Industry and Environment to resolve the matter to ensure contributions are paid to the City under its contributions plan.
123. If the contributions are collected under the City's contribution plan, it is estimated about \$30 million in future development contributions may arise from Waterloo Estate (South), with further development contributions also payable with the later redevelopment of other precincts within the Estate.
124. Irrespective of the above, the infrastructure costs arising from the redevelopment of Waterloo Estate (South) are likely to be far greater than either plan contributions. It is noted the City's long-term financial plan and capital works plan does not currently include the allocation of funding for infrastructure required to support the population influx arising from the redevelopment of the Estate.
125. Before progressing with the redevelopment of the site, an appropriate commitment from the NSW Government is required to ensure the necessary public infrastructure is delivered in a timely manner, provided to a suitable standard to support the future population and does not place unreasonable financial burden on the City.
126. On 27 January 2021, the City received a letter of offer from LAHC to enter into a voluntary planning agreement for the delivery of public benefits (public infrastructure) in conjunction with the redevelopment of Waterloo Estate (South). The letter of offer is provided at Attachment E.
127. The letter of offer proposes a number of public benefits, with a total of \$147.5 million of land and works, with a requirement that they be offset against future development contributions, including:
 - (a) the 'dedication' and embellishment of land for public open space within the Waterloo Estate (South) site, to be offset to the value of \$128.5 million against future development contributions (including \$103 million for land and \$25.7 million for embellishment);
 - (b) the construction and the dedication of new public roads to Council, and the upgrade of all existing roads within the development area to be provided as part of the development at no cost to Council;
 - (c) the provision of up to 6,700 square metres of community facilities, to be offset to the value of \$19 million against future development contributions; and
 - (d) some sustainability commitments.

128. The City is unable to support the offer for the following reasons:
- (a) it is contingent on LAHC's original planning proposal request being progressed, rather than the planning controls proposed in the City's Planning Proposal;
 - (b) it claims an unjustified and unreasonable offset amount for the 'dedication' of land that is currently publicly owned and is provided for a public use with the maintenance costs being met by the City;
 - (c) the proposed total offset amount of \$147.5 million far exceeds the \$30 million in contributions that may be received under the City of Sydney Development Contributions Plan 2015 in conjunction with the redevelopment.
 - (d) the offset amount proposed for the land to be 'dedicated' for open space does not align with the City's Development Contributions Plan 2015 that says land that is dedicated to the City and the floor space is transferred to the remaining part of the site without loss, is to be offset to the value of \$200 per square metre. In Waterloo Estate (south), floor space is not only transferred to other parts of the site but is also increased. LAHCs proposal for the land to be offset to the value of \$4000 per square metre is unacceptable, being 20 times greater than the amount nominated in City's policy. Applying this rate would undermine the City's policy, that has been consistently applied to date, and create an unacceptable precedent on other development sites within the local area;
 - (e) the offset amount proposed for the 'dedication' and embellishment of open space is unreasonable and inequitable and does not consider there is no loss to development potential and increased public benefit arising from the parks to LAHC, because:
 - (i) the parks are necessary to support NSW Government redevelopments, including the future residents of the Waterloo Estate (South) and the Waterloo Metro Quarter; and
 - (ii) the parks are likely to be integral to the marketing and sales of the proposed private market housing demonstrating the proposed open space is valuable to LAHC, yet they propose the full costs be passed to the City's rate payers.
 - (f) the proposed sustainability measures, while committing to some beneficial outcomes, explicitly excludes a commitment to achieving higher BASIX targets. It also excludes any commitment to infrastructure to support a future water recycling facility, such as dual reticulation in buildings where a facility is developed.
129. This report recommends the Central Sydney Planning Committee resolve to adopt the Planning Proposal, but not forward it for Gateway request without negotiation of appropriate commitments in the form of an acceptable offer from the NSW Government for the delivery of necessary supporting public infrastructure.

130. In doing so, Council and the Central Sydney Planning Committee are ensuring the community can consider the proposed changes to the planning controls alongside any proposed public infrastructure that to support the redevelopment. It also ensures reasonable certainty (to the best of the City's ability) that no planning proposal will proceed on the site without a guaranteed pathway for the delivery of much needed public infrastructure within appropriate timeframes and to Council standards.

Open space

131. The draft Design Guide identifies land to be dedicated by LAHC to the City for a large park adjacent to the future Waterloo Metro station, and a small park in the south of the site. The total amount of land proposed to be dedicated for open space is about 21,000 square metres. The dedication areas are shown in Figure 41.



Figure 41 Dedications and easements

Streets and through site links

132. The draft Design Guide identifies land to be dedicated by LAHC to the City for new streets, totalling about 9,028 square metres dedication land. The proposed dedication areas are shown at Figure 41.
133. Figure 41 also shows through-site links where an easement for public access is to be provided.

Community facilities, childcare and healthcare

134. The Social Sustainability Study and the Social Baseline Study, prepared for LAHC by Elton Consulting and GHD respectively, provides an analysis of existing social infrastructure in the wider area that may be utilised by current and future residents on the Waterloo Estate (South) (see Appendix 14 and Appendix 15 of Attachment B). It also provides an assessment of what additional community facilities and services are required to support the future population by applying estimated population growth to benchmarks for provision of facilities.
135. The LAHC reports identify the extra demand arising from the Planning Proposal. They are not intended to identify the wider demand for community facilities and services in the area, nor do they take into consideration the community services and facilities that may arise from other large redevelopment sites in the area, or the remainder of Waterloo Estate.
136. The City commissioned a peer review of LAHC's reports by CRED Consultants. The report is at Appendix 4 of Attachment A. The peer review was to test LAHC's reports and make recommendations for addressing the identified demand for community facilities and services. It takes into account existing facilities and services in the wider area, as well as the opportunities offered by the redevelopment of the Estate, such as possible locations for facilities.
137. LAHC's reports and the peer review found that generally the Estate has reasonable access to community facilities and services, but there are some impediments to access, existing gaps and increased demand arising from the proposed redevelopment of the Estate.
138. The peer review identifies up to 5,000 square metres of community facilities, childcare and healthcare in Table 5 as needed to support the increased population in the Waterloo Estate (South). The needs analysis also allows for some additional space to service the potential future population of the whole of the Waterloo Estate (South).

Community facilities	Recommendation
Typically operated by Council	
Multipurpose community centre	<p>1,000 sqm of multipurpose community centre floor space to be located in Waterloo Estate (South). Preferably in standalone facilities connected to outdoor space.</p> <p>This amount of floor space would service the new local population on Waterloo Estate (South) and would also service the potential future population of the whole of the Waterloo Estate (South).</p> <p>The facility could include:</p> <ul style="list-style-type: none"> • Multipurpose hall that can be used for social and recreational programs, activities and functions (e.g. dance, table tennis, tai chi, youth activities, seniors' lunches, mah jong) - see Ultimo Community Centre hall/sports court as an example • Smaller meeting rooms for meetings and programs • Office space (staff/administration) • Amenities (kitchen, toilets, halls etc) <p>Further consultation with community is required to determine what might be included in the multi-purpose facility.</p>
Library floorspace	<p>100sqm – 200sqm for a library link in the multipurpose community centre.</p> <p>The upgrade of Waterloo Library to include study space, tech access, and co-work desks would also assist in meeting demand.</p>
Indoor recreational space	<p>About 500sqm of flexible indoor recreational space to be provided in the multi-purpose community centre (for example, in any multi-purpose hall space provided),</p> <p>There is also potential for improved recreation space in any redevelopment of the Redfern PCYC. The current Redfern PCYC is an ageing facility with indoor courts that provides mostly programs for children and young people. This facility may be displaced or renewed by LAHC's future redevelopment of the land on which it is located. There are opportunities for rebuilding this centre to service a broader catchment, including the future residents of the Waterloo Estate (South) precinct.</p>

Community facilities	Recommendation
Creative spaces	<p>About 700sqm of creative space to be co-located with the multipurpose community centre (see above) and could include:</p> <ul style="list-style-type: none"> • Artists' studios • Creative arts participation spaces/maker space • Indigenous meeting space • Community kitchen/social enterprise space • Waterloo Recycling Workshop and Cycle Repair Club <p>Connection to outdoor space for cultural events, creative workshops, bike repairs etc is preferable.</p>
Typically operated by others (government agencies, private sector, not-for profits)	
Early education and care	<p>45 place centre minimum (approximately 600 sqm)</p> <p>To be located within Waterloo Estate (South) to support social housing families and replace existing centre within Waterloo Estate (South).</p> <p>Must be an obligation on the provider to provide subsidised spaces.</p>
Health care – Health One*	<p>1,800sqm – 2,000sqm to be provided in Waterloo Estate (South) where not otherwise provided in the immediate area.</p> <p>This may include about 100sqm – 150sqm to accommodate community health services that provide outreach to the community.</p> <p>It may also accommodate some general consulting space for bulk billing General Practitioners.</p> <p>There is opportunity for this to locate in mixed use development along George Street.</p>

Table 5 Community facilities, childcare and healthcare needs in Waterloo Estate (South)

* The City has been in discussion with NSW Health about the need for additional Health One facilities in the area. While NSW Health is exploring a number of avenues to provide additional facilities, it has indicated a strong preference for floor space within the Waterloo Estate, pointing to the high demand for services in Waterloo, particularly those needed to support lower income earners.

139. The above table identifies that up to 2,400 square metres of the identified need could be accommodated in a purpose-built multi-purpose community facility (or multiple facilities). Typically, such facilities would be provided and managed by Council. The City will work with LAHC to agree an appropriate funding provision and delivery model for the facility or facilities. Should agreement be reached, it will form part of a future planning agreement between LAHC and the City. Any planning agreement would be placed on public exhibition for community comment.
140. The delivery of the community facility is likely to be towards the end of the redevelopment process. The exact makeup of the multi-purpose community facility requires extensive consultation with the community in the design and delivery phases.
141. The remaining 2,600 square metres of identified need can be owned and managed by commercial, not-for-profit or state government operations. The floor space required for these facilities and services is to be provided by the developer and incorporated into residential or mixed-use buildings, predominantly in the mixed-use buildings along George Street where they can be easily accessed by the community.
142. To ensure the delivery of identified need, the Planning Proposal requires that no less than 5,000 square metres of floor space for community facilities, childcare facilities and health facilities must be provided in Waterloo Estate (South). The represents the upper end of the ranges provided by the needs analysis and allows for other community facilities where there is a tendency for smaller facilities to be provided.
143. The draft Design Guide describes the above-mentioned community facilities and services required to be provided in Waterloo Estate (South), however facilitates a flexible approach to ensure identified needs can be updated over time. It also includes additional provisions for:
- (a) community rooms within social housing and affordable housing buildings for delivery of education/training programs, tenant meetings, and tenant events. Generally these rooms are between 60 square metres to 100 square metres each and managed by CHPs;
 - (b) Office space for housing providers within social housing affordable housing buildings may be required by providers in the building which they manage.
144. While LAHC's planning proposal request included 6,700 square metres for community facilities in Waterloo Estate (South), the City's Planning Proposal reduces this to 5,000 square metres because:
- (a) the peer review confirms an alternate approach for some elements;
 - (b) some items, such as communal rooms, are not defined as 'community facilities', but are still required to be provided as part of the development in the draft Design Guide; and
 - (c) an assessment of how the requirement can be accommodated be physically accommodated in the proposed built form.

145. There is no incentive or requirement for the provision of community facilities on privately-owned sites in Waterloo Estate (South). Private developments will make development contributions towards the provision of local infrastructure under the City's contributions plan.

Schools

146. The LAHC Social Sustainability Study and the Social Baseline Study estimate approximately 194 children aged 5 to 11 and 218 young people aged 12 to 17 will reside in Waterloo Estate (South), and that six primary school classrooms and three high school classrooms would be needed as a result of redevelopment. Further consultation will be required with the Department of Education during the public exhibition period to ensure there is sufficient capacity in schools to support additional growth.

Water recycling facility

147. Sustainability studies supporting LAHC's planning proposal request make multiple references to the opportunities and benefits of using recycled water. The studies include recommendations to explore options to use decentralised technologies such as recycled water networks, and the installation of a third pipe system.
148. The City's draft Design Guide includes requirements that where a water recycling facility is built, all buildings are constructed to be capable of providing a dual reticulation water system for water services which connect to a non-potable recycled water network, and configured to supply all toilets, washing machine taps, car wash bays, cooling towers and irrigation usage.
149. LAHC have not committed to on-site water recycling, however the City is investigating options for how this may be realised.

The hierarchy of centres and retail

150. The Planning Proposal establishes the George Street corridor within Waterloo Estate (South) as a local centre within the hierarchy of centres of the City South. The hierarchy of centres is described in Sydney DCP 2012, and supported with clauses in Sydney LEP 2012.
151. The City undertook a review of the retail proposed in LAHC's planning proposal request, shown at Appendix 3 to Attachment A. It establishes four key principles to guide the delivery of retail floor area in Waterloo Estate (South), including:
- (a) affordability and flexibility, to accommodate a diverse retail and non-retail services offering;
 - (b) convenience and ease of access, reflecting the expected type and role of retail in the area;
 - (c) concentration and clustering, enabling agglomeration effects and efficient use of public and private investment; and
 - (d) room for growth, to accommodate potential for higher demand in the future.

Provisions in the Sydney LEP 2012

152. The Planning Proposal maps lots fronting either side of George Street as Zone B2 Local Centre in Sydney LEP 2012 with the remaining lots proposed to be zoned B4 Mixed Use (see Figure 40 Proposed land use zoning).
153. The objectives of the B2 Local Centre zone best match the future vision for retail planning on the site and the George Street corridor. The objectives are to provide a range of retail and services to meet the needs of local residents, encourage local employment opportunities, maximise public and active transport use and allow appropriate residential uses to support the centre.
154. Extending this zoning to full lots along the extent of George Street enables an active high street environment that comprises:
 - (a) retail premises on multiple lots along a high activity corridor,
 - (b) retail fronting the street to enable access to pedestrians,
 - (c) flexible business premises for creative industries, offices and light manufacturing,
 - (d) side streets, through-site links and laneways providing overflow and affordable retail and employment space, and
 - (e) space on the ground floor of larger lots for accessible single-level shopping centres.
155. The Planning Proposal maps the site on the Retail Premises Map in Sydney LEP 2012. Figure 42 shows George Street is excluded from the Restricted Retail Premises provision, while the remainder of the site is subject to this provision. In accordance with Sydney LEP 2012 clause 7.23 'Large retail development outside of Green Square Town Centre and other planned centres', larger retail premises, such as larger supermarkets, will be allowed along George Street but elsewhere (those areas that are hatched on Figure 42) shops and markets are limited to 1,000 square metres.

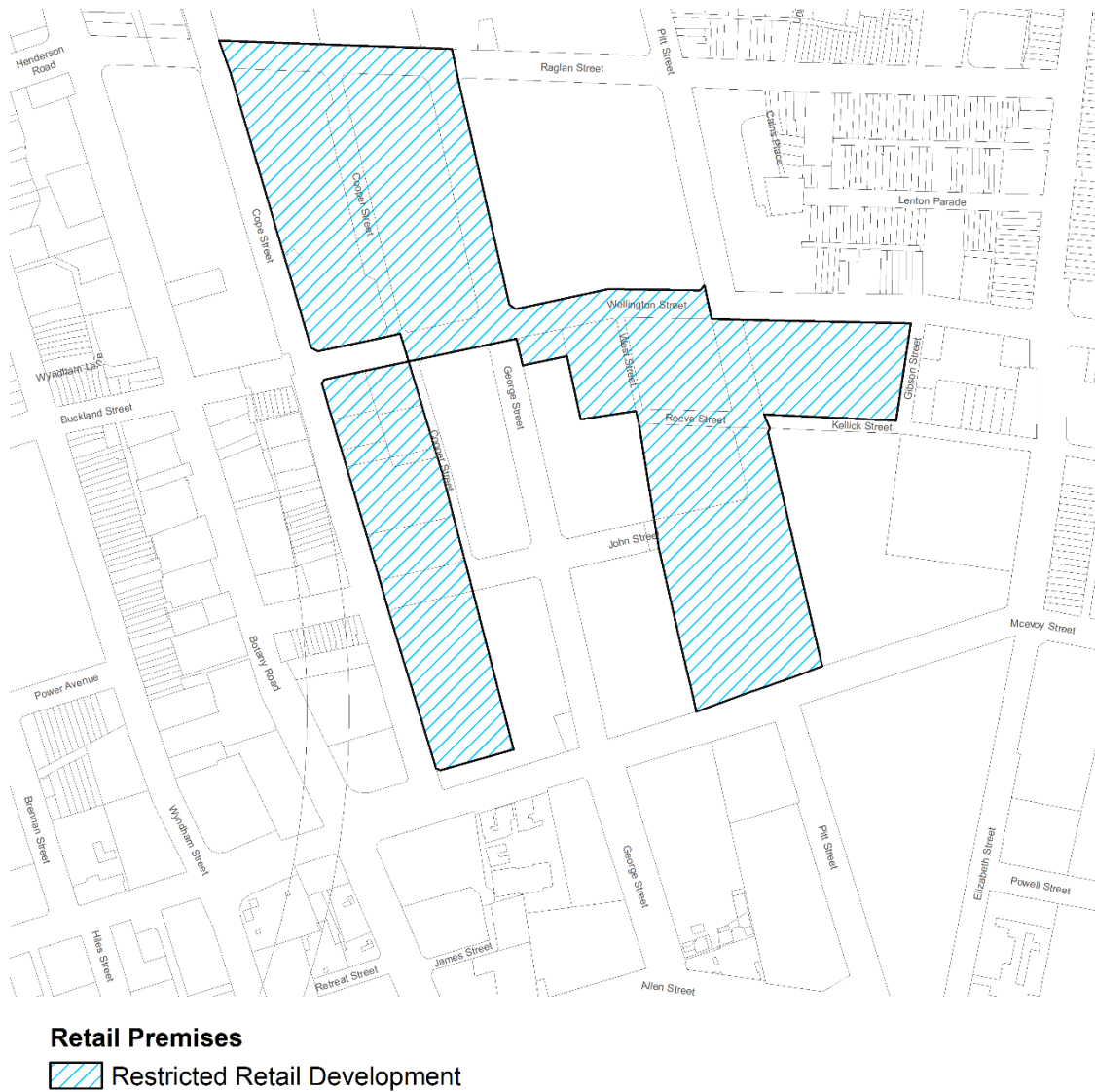


Figure 42 Proposed restricted retail development map

156. The Planning Proposal is consistent is with other B2 zoned areas, and will enable large retail developments, including full-line supermarkets and large speciality stores to act as anchor tenants. Restricting retail development to 1,000 square metres outside the George Street corridor will encourage retail to concentrate in the planned new centre.
157. The Planning Proposal also maps Active Street Frontages in Sydney LEP 2012, as shown in Figure 43, along the extent of George Street and on corners and laneways extending off the sides of George Street. Clause 7.27 'Active street frontages' of Sydney LEP 2012 requires all premises on the ground floor of mapped frontages to be used for business premise or retail premises, and for those premises to have an active street frontage. The Planning Proposal includes a clause that in Waterloo Estate (South), community facilities, childcare and healthcare facilities are also permitted on active frontages.

158. The identified active frontages will ensure:

- (a) delivery of retail, business premises and community use along the extent of the main street Waterloo Estate (South), being George Street, Waterloo, helping support clustering of retail, a lively and continuous strip of activity, and providing convenient, easy access to retail by residents. Identifying side streets and laneways will deliver overflow and more affordable retail space, to support a diversity of uses and provide room for growth;
- (b) additional retail and commercial floor space is provided on streets and corners adjoining George Street to deliver more affordable retail space; and
- (c) ensure the ground floor of premises fronting McEvoy Street are used for commercial, retail or community uses, that are less likely to conflict with noise and air quality impacts arising from the busy road.

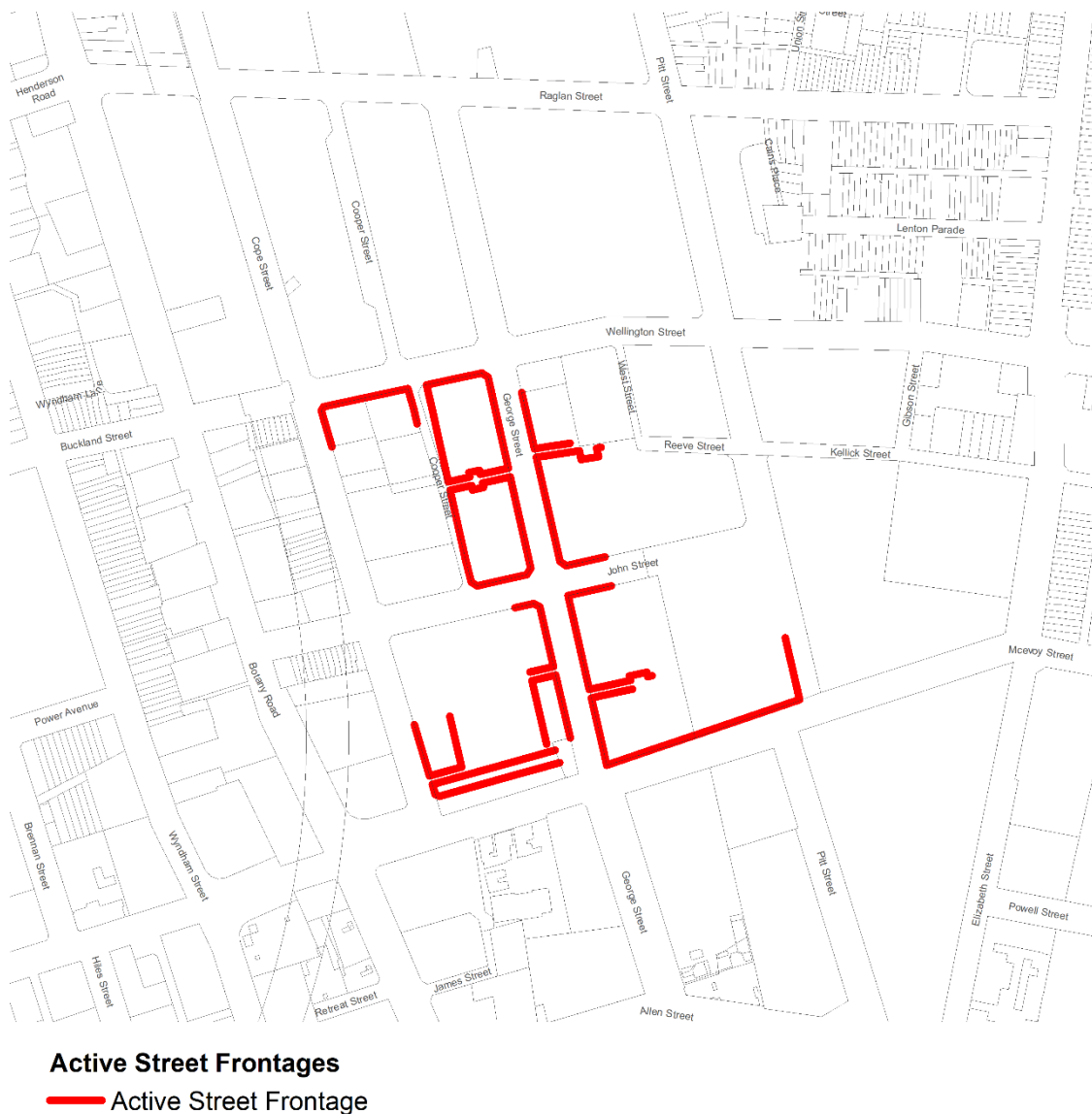


Figure 43 Proposed Active Street Frontages map

Additional requirements in the Waterloo Estate (South) Design Guide

159. The draft Design Guide includes provisions to support retail planning on the site and contribute to the four key principles as outlined above. These include:
- (a) identifying a new local centre within Waterloo Estate (South);
 - (b) establishing objectives for a continuous ground level retail, commercial and community uses on George Street to facilitate a main retail street environment; and
 - (c) providing a vision for the George Street corridor as a focal point for the community, with guidance on appropriate urban design outcomes and retail provision to support this.

How does the Planning Proposal differ from the planning proposal request made by LAHC?

160. The planning proposal request made by LAHC takes a fundamentally different approach to the provision of retail in Waterloo Estate (South). Retail and community uses are distributed in small lots across the site, with a large retail block located at the corner of George Street and John Street. The urban design report submitted in support of the LAHC planning proposal request (see Appendix 7 of Attachment B) proposes accommodating additional retail in first floors and basements, as well as in additional distributed lots on the ground floor across the site. The proposed location of retail in LAHC's request is shown at Figure 44.

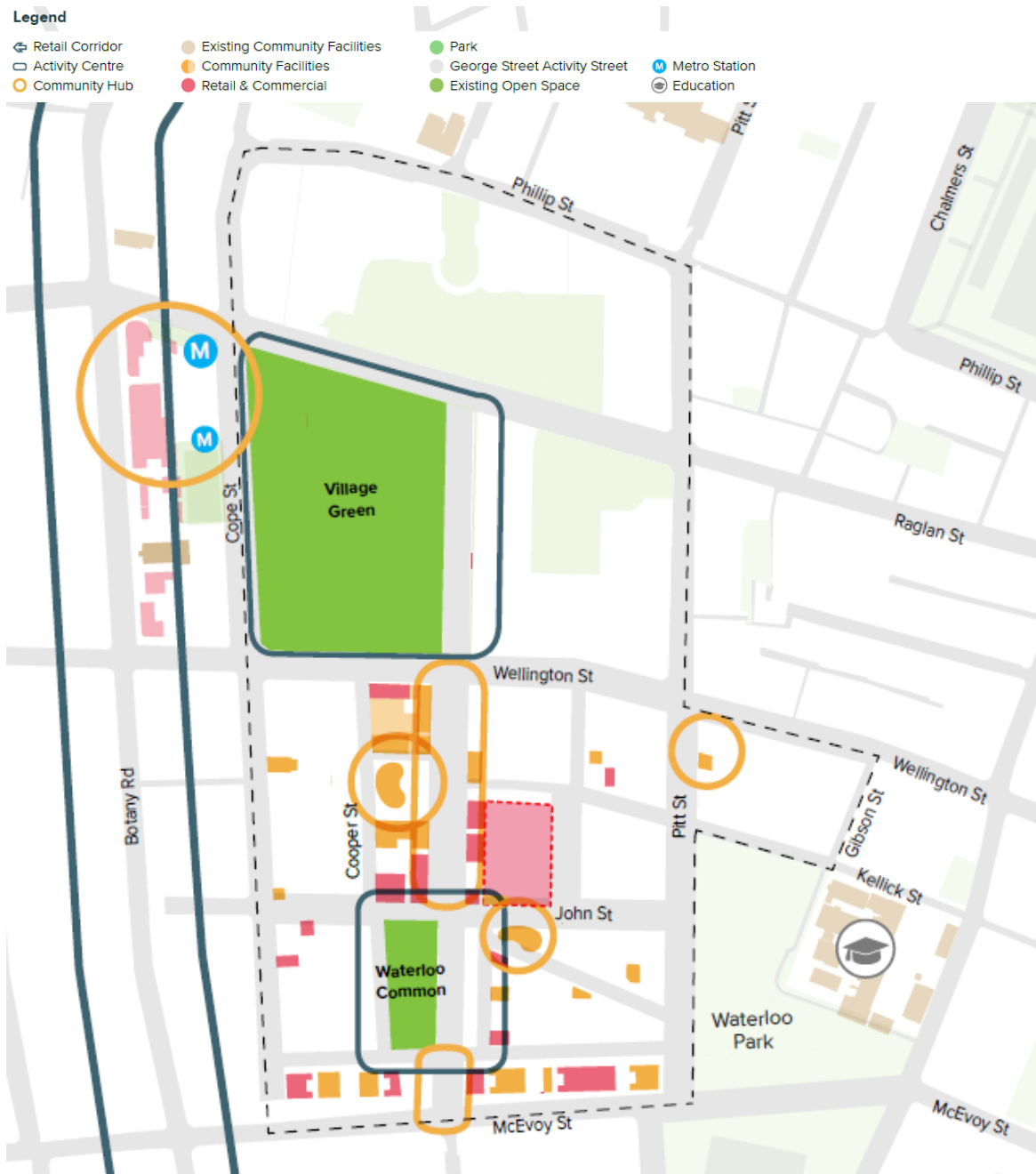


Figure 44 Locations of retail identified in LAHC planning proposal request

161. Supporting this distributed approach is a proposed blanket B4 Mixed Use zoning and the Restricted Retail Premises map layer is only applied to the privately-owned sites and none of the LAHC-owned sites.
162. Overall, the approach to planning retail in the LAHC request is characterised by a central, privatised retail space within a single lot on George Street and John Street, and very small ground floor locations in apartment buildings across the site. This approach is not capable of achieving the four key principles for retail planning in the City's retail strategy for Waterloo Estate, nor is it compatible with the City's retail planning framework in the DCP and Retail Action Plan.

163. A single shopping centre location does not provide affordable and flexible retail floor area and support retail diversity to serve the unique community. It does not provide easy access to retail and services to support convenience and daily services given destination and leisure retail is well served elsewhere. Moreover, it does not provide a neutral, civic and public space for residents to gather and engage in a diversity of activities as will the City proposed public main street retail environment which has a generous 10-metre-wide setback connected to a large park and metro station.
164. Additional retail on upper floors and basements does not provide easy and convenient access and does not provide a viable space for retailers and businesses to inhabit outside some specific uses. The Planning Proposal's approach to providing more affordable overflow retail floor area in laneways and side streets better contributes to achieving, and capturing the beneficial effects of, critical mass of foot traffic and retail activity.
165. Distributed, isolated retail sites throughout the site has the advantage of providing some additional convenience, but in the City's experience these small ground floor retail spaces in residential buildings do not provide a viable space for retailers and businesses. Without the economic agglomeration effects of concentrating and clustering retail, these isolated retail locations have limited scope for diversity of business uses and often remain vacant. Additionally, they do not make best use of public and private investment in centres, such as public transport, parks and public realm upgrades, and cannot be captured by economic development programs such as temporary events and marketing. The Planning Proposal's approach to create a shopping street environment along the extent of George Street will provide the appropriate balance of convenient access for residents and the benefits of concentrating retail in centres.
166. The approach to zoning B4 Mixed Use across the site, and not applying the Restricted Retail Development map to any of the LAHC sites, encourages disparate retail development and fails to account for the beneficial effects of clustering and concentrating retail, which creates competition and specialisation leading to improved services for the community.

Social and affordable housing

Provisions in the Sydney LEP 2012 on LAHC-owned land

167. While the FSR that is currently available on LAHC-owned sites under the South Sydney DCP 1997 is maintained by the Planning Proposal and mapped on the FSR map, it is proposed additional floor area be available to incentivise a range of development outcomes including the delivery of social and affordable housing.
168. The Planning Proposal includes a clause in Sydney LEP 2012 that, on LAHC-owned land, facilitates potential for an additional FSR of 1.26:1 where 20 per cent of all residential floor area is provided as affordable housing and 30 per cent as social housing. This bonus of 1.26:1 is also contingent on the provision of non-residential floor space, community facilities, open space, and exceeding minimum BASIX commitments.
169. There is no additional requirement for contributions to affordable housing on LAHC owned land under Clause 7.13 of the Sydney LEP 2012.
170. It is estimated that about 920 social housing dwellings (171 additional) and 613 affordable housing dwellings (all additional) will result from the redevelopment of Waterloo Estate (South).

Provisions in the Sydney LEP 2012 on privately-owned land

171. The Planning Proposal introduces a new clause and schedule into Sydney LEP 2012 to identify 'planning proposal land' and require an affordable housing contribution commensurate with the increase in development capacity.
172. The new clause and schedule were first proposed in the City's Planning Proposal: Affordable Housing Review, that was adopted by Council and the Central Sydney Planning Committee on 17 September 2018 and 13 September 2018 respectively. However, while providing in principle support, the Department advised the new schedule could not be included until such time that a site was proposed to be identified on it. It is proposed the privately-owned land in the Waterloo Estate (South), where there is an increased FSR as a result of the Planning Proposal, be the first 'planning proposal land' identified on the new schedule.
173. The new clause and schedule are intended to streamline and improve certainty and the availability of information by publishing the affordable housing requirement in the LEP rather than in a planning agreement.
174. Land will be identified on the schedule as 'planning proposal land' where additional residential floor area has been allocated through a planning proposal process. The affordable housing contribution on that land is commensurate with any increase in development capacity achieved through the planning proposal.
175. The new clause in the Sydney LEP 2012 will refer to the City of Sydney Affordable Housing Program, adopted by Council on 24 August 2020, for how the contribution will be applied and administered. The Program provides a standardised approach to establishing the affordable housing contribution rate that will be applied to planning proposal land. The total contribution to affordable housing that applies on each site will depend on the amount of new floor area that has been created on the site as a result of the Planning Proposal. Different rates will apply to floor area that was available before the planning proposal and the floor area that was available because of the planning proposal.
176. Under the Program, the land in Waterloo Estate (South) is located in the City South precinct. The total affordable housing contribution rate is therefore:
 - (a) 9 per cent of new floor area, being floor area created as a result of the Planning Proposal; and
 - (b) 3 per cent of existing residential floor area; and
 - (c) 1 per cent of existing non-residential floor area.
177. The above contribution rates can be satisfied by way of providing finished dwellings, or as an equivalent monetary contribution (as provided by the Program).
178. The planning proposal land contribution rates have been tested with reference to the various housing sub-markets in the local government area ensuring development viability is not adversely affected. The testing, updated in November 2020, concluded development viability would not be affected by the requirement because the contribution only applies to new floor area achieved in the change to planning controls.

179. It is estimated if all the privately-owned sites in the Waterloo Estate (South) are redeveloped, that up to 11 affordable housing dwellings may be provided.

Additional requirements in the draft Waterloo Estate (South) Design Guide

180. The draft Design Guide includes principles for the provision of social and affordable rental housing in the Waterloo Estate (South), including:
- (a) social and affordable housing is to be provided so that a socially diverse residential population, representative of all income groups, is created;
 - (b) affordable housing is to be made available to a mix of households on very low to moderate incomes and rented at no more than 30 per cent of gross household income;
 - (c) affordable housing is to be managed so as to maintain use for affordable rental housing in perpetuity;
 - (d) social and affordable housing is to be constructed to a standard which, in the opinion of the consent authority, is consistent with other dwellings in Waterloo Estate (South); and
 - (e) affordable housing is to be owned and/or managed by government or a Tier 1 or Tier 2 community housing provider.

How does the Planning Proposal differ from the planning proposal request made by LAHC?

181. The LAHC planning proposal request proposes an inclusionary zoning mechanism in the Sydney LEP 2012 requiring a minimum of 5 per cent of the total residential floor area on the site be provided as affordable housing, about 150 affordable housing dwellings.
182. The request by LAHC indicates a target of up to 30 per cent of dwellings on the site be provided as social housing. However, no mechanism was identified to secure social housing in the Sydney LEP 2012 and less than 30 per cent could be provided depending on the outcomes of LAHC's delivery process.
183. In its assessment of LAHC's request, the extent of affordable housing needs in the local government area was considered.
184. The high cost of housing is an important economic and social issue in Sydney, particularly with the City's local government area where housing prices are amongst the highest in Australia. Increasing the amount of affordable rental housing available for lower income households is an urgent priority for the City.
185. The City of Sydney Local Strategic Planning Statement (Planning Statement) and City of Sydney Local Housing Strategy (Housing Strategy) were adopted by Council in February 2020. The Planning Statement was endorsed by the Greater Sydney Commission in March 2020.
186. The Planning Statement and the Housing Strategy acknowledge the housing affordability crisis facing Australian cities. The decline in housing affordability is detrimental to the socio-economic diversity which underpins the city's rich social fabric. Economic growth and social cohesion rely on opportunities to participate, and barriers like housing affordability must be addressed.

187. To address affordability issues, more affordable rental housing and social housing is needed for lower income households. The Planning Statement and the Housing Strategy establish a target that in 2036, 7.5 per cent of all private housing will be social housing and 7.5 per cent will be affordable housing, continuing the targets set by Sustainable Sydney 2030 in 2008. This requires about 2,000 additional social housing dwellings and 11,000 affordable housing dwellings to be provided in the local government area to 2036.
188. The Planning Statement and the Housing Strategy includes actions for more affordable rental housing and social housing with a particular focus on encouraging greater engagement from the Australian and NSW governments to address this critical issue. A key opportunity to increase the stock of social and affordable housing is on NSW Government owned sites such as the Waterloo Estate (South).
189. The Planning Proposal requires 30 per cent of residential floor area be provided as social housing and 20 per cent as affordable housing. The redevelopment of Waterloo Estate (South) provides a once in a generation opportunity to substantially increase the quantum of affordable housing in one of the least affordable areas of Australia.

First Nations housing

190. Waterloo's Traditional Custodians are the Gadigal people of the Eora Nation. Aboriginal peoples have always lived in Waterloo and the area has become an entry point for people coming into the city for work opportunities, shelter and connections with community and family. Waterloo holds great cultural and political significance to Aboriginal and Torres Strait Islander peoples and the broader community.
191. Housing for Aboriginal and Torres Strait Islander peoples is a priority in the City's Local Strategic Planning Statement and Housing Strategy, which set out the opportunity to partner with the community to advocate for affordable and social housing that meets the needs of Aboriginal and Torres Strait Islander peoples.
192. The City of Sydney Stretch Reconciliation Action Plan 2020-2023 includes actions to work with Aboriginal and Torres Strait Islander communities, housing providers, the NSW government and others to provide culturally appropriate affordable and social housing for Aboriginal and Torres Strait Islander peoples in Redfern, Waterloo and other areas in the city to prevent their displacement from the area.
193. The proportion of the City's population that are Aboriginal and Torres Strait Islander people is declining. Between 2001 and 2016, the proportion of First Nations peoples living in Redfern, Waterloo (including Zetland) decreased from 4.5% to 2.1%. The City is working with Aboriginal organisations and leaders to identify opportunities to bring Aboriginal and Torres Strait Islander peoples back to Redfern and Waterloo, and the redevelopment of Waterloo Estate offers clear opportunities to contribute to this goal.

194. On 14 December 2021 Council resolved to support the Aboriginal Affordable Housing Campaign. The campaign advocates for 10 per cent of all redevelopment on government land in Redfern/Waterloo to be Aboriginal affordable housing; and an increase in Aboriginal social housing in partnerships. In supporting the campaign, Council committed to:
- (a) advocate for public housing tenants living in Redfern/Waterloo to be offered affordable or social housing within the City of Sydney local government area for the duration of the redevelopment of Waterloo Estate (South);
 - (b) ensure any new or renewed partnerships with community housing providers to manage City-owned affordable housing, or affordable housing developed from City-owned land or land provided to affordable housing providers with in-kind support from the City of Sydney, delivers ten per cent Aboriginal Affordable Housing;
 - (c) increasing Aboriginal employment in the provision of ongoing Council services, both contracted or in-house, in the Redfern/Waterloo area; and
 - (d) ensure culturally appropriate design and community consultation where the City's tenders and contracts are part of the overall area redevelopment.
195. In addition to the above, in early 2020 Council approved a grant under its Affordable and Diverse Housing fund to support community housing providers to improve affordable housing opportunities for Aboriginal and Torres Strait Islander peoples in community housing. The City's recently adopted Stretch Reconciliation Action Plan includes actions to investigate guidance for and advocate to LAHC for the inclusion of culturally appropriate social and affordable housing for Aboriginal and Torres Strait Islander households as part of the development of Waterloo Estate.
196. LAHC made no explicit provision in its planning proposal request for the provision of additional housing for Aboriginal and Torres Strait Islander households, it is noted however that current residents of the Waterloo Estate (South), who will be rehoused during the redevelopment, have a right of return into the new housing.
197. The NSW planning framework does not enable local environmental plans to establish requirements for who may occupy buildings, only how a building may be used. For affordable housing delivered through the planning framework, the occupants are allocated on the basis of household income but there cannot be a requirement for who occupies the housing within those income bands.
198. Notwithstanding this, the draft Design Guide includes tenure and dwelling mix provisions that provide an aspirational framework for future development to incorporate a mix of dwelling types catering to the needs of the existing and future resident population. Provisions are included to encourage LAHC, and any future community housing providers to:
- (a) deliver in excess of 10 per cent or more of the affordable housing for Aboriginal and Torres Strait Islander peoples;
 - (b) maintain or increase the current proportion of social housing provided to Aboriginal and Torres Strait Islander peoples; and

- (c) ensure Aboriginal and Torres Strait Islander housing is culturally appropriate housing and developed in consultation with Aboriginal and Torres Strait Islander peoples. It is noted LAHC have advised they are developing a Waterloo Aboriginal Housing and Cultural Needs Strategy to inform the planning and delivery of housing and services to specifically support the needs of First Nations households on Waterloo Estate (South).
199. In addition to this, the draft Design Guide requires that Indigenous influence is embedded in the design of Aboriginal housing by encouraging the participation of Aboriginal and Torres Strait Islander architects and firms in the design of housing.
 200. The NSW Department of Communities and Justice are ultimately responsible for the allocation of social housing within the estate, and community housing providers for the allocation of affordable housing. The City does not own or manage the dwellings and as such cannot guarantee current Aboriginal and Torres Strait Islander households will be prioritised in allocation processes.
 201. The City will continue advocating to the NSW Government to encourage more social housing be allocated to Aboriginal and Torres Strait Islander households. It will also advocate to LAHC so that its tendering processes act towards the increase of Aboriginal and Torres Strait Islander affordable housing as a result of the redevelopment of Waterloo Estate
 202. The City will also continue working with community housing providers that operate in the City of Sydney to encourage the increase of appropriate housing for Aboriginal and Torres Strait Islander households.

Design excellence

203. To ensure that development is of high architectural quality and diversity, design excellence requirements are proposed in the draft Design Guide. The draft Design Guide proposes a design excellence strategy for identified 'competitive design sites' based on a preferred subdivision pattern. If a subdivision pattern is approved as part of a Stage 1 development application that does not follow the one prescribed in the draft Design Guideline, then an updated Design Excellence Strategy would need to be prepared and approved by Council.
204. A competitive design process will need to be undertaken for each 'competitive design site' identified within in the draft Design Guide. Once the process is completed, an additional 10 per cent of the permissible floor area for that site in Sydney LEP 2012 may be allowed.
205. Separate competitive design alternatives processes, with a minimum of three competitors, will need to be undertaken for each competitive design process site. On sites where planning controls permit tower buildings, an invited architectural design competition with at least five competitors is required.

Heritage

206. The Planning Proposal corrects some anomalies that relate to existing heritage items listed in both South Sydney LEP 1998 and Sydney LEP 2012. It is not proposed to remove or add any new items. The corrections relate to two of the existing items as follows:
- (a) Existing heritage item, Electricity substation No. 174 at Lot 3 DP 12086 – This is listed in Schedule 2 Heritage Items of South Sydney LEP 1998. The Planning Proposal merges and updates the identification and mapping of this heritage item from the two plans that apply to different parts of this site: South Sydney LEP 1998 and the Sydney LEP 2012. This substation is identified on the Heritage Map in Sydney LEP 2012 as item number I2086 and part of the site is shaded as a heritage item. However, it is not identified as a heritage item in Schedule 5 of Sydney LEP 2102 and the full site is not shaded as a heritage item on the Heritage Map. This error is likely caused by the boundary between the South Sydney and Sydney local environmental plans cutting through the centre of the substation site. The Planning Proposal merges and updates the heritage schedule and mapping in Sydney LEP 2012 by describing this heritage item in schedule 5 and shading the full land parcel in the Heritage Map.
 - (b) Existing heritage item, Terrace Houses at 229-231 Cope Street (Item: I2078) - Like the substation, this item is identified in the schedule of heritage items of South Sydney Local Environmental Plan 1998. However the item is omitted from the schedule of heritage items in Sydney Local Environmental Plan 2012. It is however shown as a heritage item with the item number I2078 on the heritage map in Sydney Local Environmental Plan 2012, although the item number is not currently used in the schedule. The Planning Proposal corrects this error by including the item in the schedule of heritage items in Sydney Local Environmental Plan 2012.

Sustainability

Provisions in the Sydney LEP 2012 – LAHC and privately-owned land

207. Energy use in buildings continues to be a significant contributor to greenhouse gas emissions in the City. High performing buildings are essential to community resilience and the upfront investment will reduce operating costs for housing providers and the cost of living for social and affordable housing tenants.
208. The Planning Proposal provides that buildings on privately owned land comprising residential development in the Waterloo Estate (South) may achieve additional FSR of 0.25:1, above the mapped FSR, if the building exceeds BASIX scores by not less than 10 points for energy and 5 points for water.
209. Higher energy performance targets for high rise buildings have been determined through the performance standard pathways project which the City is currently undertaking. This project aims to improve building performance through energy efficiency and onsite and offsite renewable energy in the planning system. The pathways cover new office, multi-unit residential, hotel, shopping centre and mixed-use developments in Greater Sydney, as well as major refurbishments of existing buildings. A robust evidence base informs the proposed standards including energy modelling of actual development typologies and a cost benefit and broader benefits analysis.

210. Table 6 shows the BASIX targets in the planning proposal compared to existing targets for energy and water in the BASIX SEPP. These are based on building height (low-rise, mid-rise, high-rise) under BASIX.

Building height type	BASIX Energy target (current requirement)	LEP BASIX Energy target (incentive in LEP)	BASIX Water target (current requirement)	LEP BASIX Water target (incentive in LEP)
Low-rise (3 storey units)	45	55	40	45
Mid-rise (4-5 storey units)	35	45	40	45
High-rise (6 storey units and above)	25	35	40	45

Table 6 Minimum and LEP incentive BASIX targets

Additional requirements in the Waterloo Estate (South) Design Guide

211. The draft Design Guide repeats the BASIX targets proposed in the Planning Proposal and includes additional sustainability ratings as follows:

- (a) 6 star Green Star Communities
- (b) NABERS Energy Commitment Agreement of 5.5 stars for the base building of commercial office buildings with a net lettable area of 1,000 square metres or more.
- (c) NABERS Water rating of 4.5 stars for commercial office buildings with a net lettable area of 1,000 square metres or more.

212. The draft Design Guide also includes requirements for green infrastructure such as dual reticulation (where a water recycling facility is provided), waste management and vehicle charging; and provisions maximising the use of recycled materials at the building construction phase.

How does the Planning Proposal differ from the planning proposal request made by LAHC?

213. The Ecologically Sustainable Development (ESD) Study prepared by AECOM on behalf of LAHC, makes several observations and recommendations to support the sustainable redevelopment of Waterloo Estate (South). Multiple references are made to the opportunity for, and benefits of, using recycled water in the consultant studies. This includes exploring options for a recycled water network and installing a third pipe system to plumb toilets and laundries with recycled water.

214. Despite the recommendations in the study, the planning proposal request submitted by LAHC does not include any provision for sustainability performance in the Sydney LEP 2012, and only limited measures proposed in LAHC's submitted draft development control plan.
215. The Planning Proposal and the draft Design Guide establishes a range of sustainability benchmarks that respond to the City's strategic objectives and actions provided in the City's Local Strategic Planning Statement, as well LAHC's ESD report. Further commitments in relation to sustainability were foreshadowed by LAHC's offer to enter into a planning agreement.

Street network

Provisions in the draft Design Guide

216. The draft Design Guide identifies land for dedication from LAHC to the City for an improved road network to service new development.
217. The proposed street layout ensures that all new streets are accessible to people of all abilities. The proposed layout of streets and walkways has been designed to meet the Australian Standards for accessibility and ensure that people living in all parts of the Waterloo Estate (South) are able to traverse the site and access the train station, shops and open space.
218. Figure 45 compares the accessibility of new streets in the Planning Proposal (on the left) with the LAHC request (on the right) with those areas shown in blue being accessible. While some existing streets will remain not accessible, all future streets in the Planning Proposal can achieve contemporary accessibility standards.

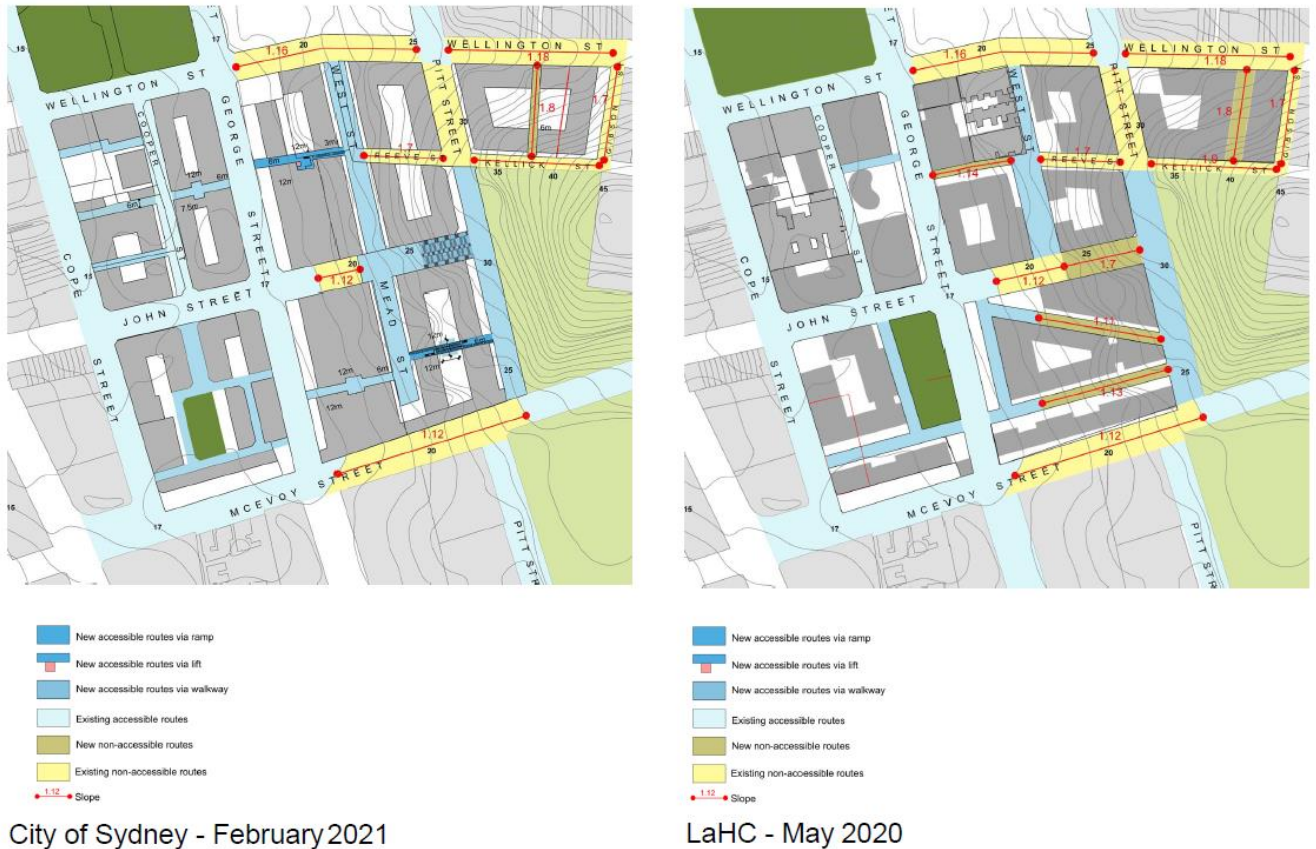


Figure 45 Comparison of pedestrian accessibility

Transport, traffic and parking

Provisions in the Sydney LEP 2012

219. The precinct's accessibility supports the application of the most restrictive parking rates in Sydney LEP 2012 (Part 7 of Division 1 – car parking ancillary to other development) for Waterloo Estate (South). This requires that:

- (a) the Land Use and Transport Integration Map is amended to categorise Waterloo Estate (South) as “Category A”; and
- (b) the Public Transport Accessibility Level Map is amended to categorise Waterloo Estate (South) as “Category D”.

220. Parking rates in Sydney LEP 2012 identify the maximum number of car parking spaces that may be provided to service particular land uses and seek to minimise the amount of vehicular traffic generated by new development. Based on these rates, the future redevelopment of Waterloo Estate (South) could result in approximately 1,790 residential and 114 commercial and retail parking spaces.

221. The most restrictive rates are justified because of the site's high accessibility to public transport, existing and proposed regional cycleways and the City of Sydney's pedestrian network within the precinct. These include:
- (a) Metro - Waterloo Metro station will provide access to the Sydney Metro City & Southwest, with connections to the suburban rail network at interchanges like Central Station, and major employment locations in Central Sydney, North Sydney and Macquarie Park. Waterloo Metro station is planned to commence operation in 2024.
 - (b) Train - Four suburban rail lines are accessible via Redfern Station, giving direct access to strategic centres, including major employment locations in central Sydney, Parramatta, and North Sydney. Green Square station provides direct access to Central Sydney and Sydney Airport, and access to other strategic centres via interchange with other lines.
 - (c) Bus - The bus network in and around Waterloo is focussed on north-south travel, particularly for access to Central Sydney.
 - (d) Cycleways - The City's regional bicycle routes plan includes two routes that cross at the centre of the Waterloo estate. The north south route along George Street and the east west route along Wellington Street. Cycling will be increasingly important to access the Waterloo Metro station and key employment and education centres including South Eveleigh, Central Sydney, Sydney University and UTS. Waterloo Metro station is likely to be a key cycling destination and interchange node.
 - (e) Pedestrian connections – proposed controls in the planning proposal and Waterloo Estate (South) Design Guide will combine to create a fine grain urban grid. Pedestrian access will be prioritised, with a permeable network of streets, pedestrian and cyclist connections, and ensure accessibility for people of all abilities.

Additional requirements in the Waterloo Estate (South) Design Guide

222. Additional provisions in the draft Design Guide provide guidance on such matters as:
- (a) basement car parking;
 - (b) pedestrian walkways and ramps;
 - (c) bike routes through and surrounding the site (existing and future);
 - (d) the location, layout and function of streets and laneways;
 - (e) road closures and access points into the site;
 - (f) vehicular entry points for car parking;
 - (g) street speeds;
 - (h) intersections; and
 - (i) shared driveways.

223. Figure 46 shows the proposed pedestrian, bicycle and vehicular movement within and around Waterloo Estate (South). General transport and parking provisions contained within the Sydney DCP 2012 will apply to future development to manage other transport and parking matters not addressed in the draft Design Guide.



Figure 46 Access and circulation

How does the Planning Proposal differ from the planning proposal request made by LAHC?

224. A transport study prepared by Jacobs has been provided in support of the planning proposal request submitted by LAHC (Appendix 11 of Attachment B). It considers future travel mode share, parking and demand management and vehicular access throughout Waterloo Estate (South) and found the overall transport network will be sufficient to cater for all demands generated by the site, assuming the following interventions:
- (a) bus service improvements, noting no commitment has been made by Transport for NSW to improve services;
 - (b) the delivery of a fine grain urban grid with improved pedestrian permeability, through-site links and the transformation of George Street into an activity street;
 - (c) the provision of safe and dedicated cycling routes along Wellington Street and George Street;
 - (d) the extension of Pitt Street southwards to connect to McEvoy Street with a signalised intersection; and
 - (e) traffic calming measures.
225. Overall, the Planning Proposal improves on LAHC's request because it will reduce through traffic, and through better design, prioritise access for people instead of vehicles. Key features of the future circulation network include:
- (a) Pitt and Wellington streets connect to the surrounding area to provide access, while George and Cope streets remain closed to traffic from McEvoy Street;
 - (b) closing John Street off from Pitt Street is preferred as it will reduce through traffic using this street;
 - (c) John Street contains the majority of carpark entries and connects to most of the other streets and is the main internal circulation street;
 - (d) There are no car park entries directly off Wellington, Cope, Cooper, West, Mead and Pitt streets which reduces potential conflicts between vehicles and pedestrians and cyclists;
 - (e) Cooper, West and Mead streets have slow traffic speeds and are quiet residential streets; and
 - (f) Cooper and Mead streets do not connect to McEvoy Street.

Trees and greening

226. Established and significant Fig and Eucalyptus trees which define key streets and open spaces and are characteristic of the wider area will be protected during redevelopment. The draft Design Guide provides a number of greening and urban ecology measures to protect and enhance urban biodiversity and deliver urban green infrastructure for habitat and ecological health.

227. The draft Design Guide includes requirements to ensure the adequate provision of deep soil, as well as additional requirements for planting of trees to facilitate canopy cover.

Staging and implementation

228. Waterloo Estate (South) is the first of three precincts in the Waterloo Estate planned for redevelopment and it is envisaged this first stage will take place over 10 years. As development will result in a substantial increase in the number of people over this period, it is important that redevelopment is coordinated in an orderly manner to ensure effects on the public domain, adjacent sites and amenity of neighbours is managed.
229. While Waterloo Estate will continue to provide an important source of social housing, some sites that are currently owned by LAHC may be sold or leased to developers to build private market housing and to community housing providers to provide social and affordable housing.
230. Public infrastructure, facilities and services are needed to support the existing and growing population will need to be provided as the site is developed. The draft Design Guide provides guidance on the necessary public infrastructure and the City is working with LAHC to explore options for its delivery. This is discussed in more detail elsewhere in this report.
231. The Planning Proposal requires that a Stage 1 development application is submitted. This is needed to subdivide land owned or managed by LAHC, form development lots, streets and street blocks and distribute the floor area allocated for social housing, affordable housing, community facilities and retail and commercial uses. A staging plan will also need to be submitted, addressing the sequence of development, the provision of public space.
232. It is noted the City has no role in the future tendering process, because it is not managed in the planning framework. The City's proposed planning framework provides LAHC with flexibility for the delivery and tendering model.

Stormwater management

233. A Water Quality, Flooding and Stormwater Study has been prepared by AECOM supporting LAHC's planning proposal request (Appendix 22 to Attachment B). This study provides baseline investigations for flooding and stormwater impacts and concludes that flooding risks can be mitigated using appropriate on-site detention, Water Sensitive Urban Design (WSUD), water quality targets, flood planning levels, building setbacks, improved drainage and sound emergency response frameworks.
234. The recommendations in AECOM's study are detailed and specific and will be considered during the detailed design phase of the project. Development will need to consider these recommendations and further flooding and stormwater investigations will be required.
235. The draft Design Guide requires that integrated water management is incorporated throughout Waterloo Estate (South). It requires that: water is key consideration in public domain planning, WSUD measures are incorporated to detain and treat runoff from development areas; development to incorporate a mix of flood detention within the public domain and on-site detention; and where land is affected by the Probable Maximum Flood (PMF) flood management plans will need to be prepared.

236. The draft Design Guide embeds the overland flow paths recommended in the AECOM study through the requirements of right of ways over walkways, including overland flow paths between Cooper Street and Cope street not provided for in the draft DCP lodged with LAHC's planning proposal request. The LAHC draft DCP indicates car park entries from Cooper Street which would be subject to flooding, and private sites with frontages to Cope Street, Wellington Street and Cooper Street that are subject to flooding are not provided with car park entry points. Shared driveways that allow basement entries to be located above flood levels are indicated in the draft Design Guide. Building heights are calculated considering flood planning levels. The rearrangement of the small park and its surrounding streets and walkways in the Planning Proposal varies from the arrangement discussed in the AECOM study. Its arrangement is derived from design principles that place the public space and right of ways to relieve ponding and provide overland flow paths that carry stormwater from higher to lower areas.
237. Any future development application for the public domain will need to address any issues raised in that report and provide mitigation strategies.

Public Art

238. A preliminary Public Art Strategy will be required to be submitted with the Stage 1 development application which:
- (a) considers the City of Sydney's policies and plans for public art;
 - (b) addresses themes based on history of the site;
 - (c) is informed by consultation with the local community, including Aboriginal and Torres Strait Islander peoples;
 - (d) provides examples of relevant public art types;
 - (e) provides information on who will deliver artworks, and how many across each development block;
 - (f) describes how temporary projects will be delivered during or after construction; and
 - (g) details ownership of property and public art assets, maintenance implications for owners and budgets and funding expectations.
239. When development applications are submitted, a Public Art Plan is then to be submitted for development applications that responds to the Preliminary Public Art Strategy.

Development equity between publicly and privately-owned sites

240. Part of the City's design approach to Waterloo Estate (South) has been to ensure that State Significant Study Requirement 27.9 issued in 2018 by the Department of Planning, Industry and Environment in relation in the (then) Waterloo State Significant Precinct is addressed. This requires the proposal result in a fair and impartial distribution of development potential between private and government-owned land.

241. The planning proposal request submitted by LAHC proposed envelopes for the privately-owned sites without a clear urban design rationale and were assigned a generic floor space ratio.
242. The urban design approach in the Planning Proposal is impartial to site ownership, with dedications for parks and streets on both public and private sites. Both new parks are proposed on publicly owned land, and street widening and new pedestrian through-site links are distributed among public and private sites. For example, West Street is widened on private sites on one side and public sites on the other, and Cooper Street is widened with a mix of public and private sites on one side and entirely public sites on the other.
243. Built form controls are generally consistent across public and private sites, with eight storey buildings in a north-south orientation and four storey buildings between them on east-west streets. The exception is for heritage items, which maintain their existing planning controls to ensure conservation, and adjoining sites which have a lower height to maintain the setting of heritage items.

Related matters outside the planning framework

Other benefits of the Planning Proposal

244. In addition to the improved planning outcomes brought about by the Planning Proposal, relative to LAHCs planning proposal request, there are also a number of other benefits that arise from a revised approach:
 - (a) Improved competition - the Planning Proposal potentially increases developer market competition, with more builders available to build medium rise than high rise, smaller and more flexible development packages to meet changing circumstances, reducing individual projects debt exposure decreases risk, helps accelerate future approvals as the issues are less complex.
 - (b) Opportunities for community housing providers – the community housing provider sector currently has limited capacity to develop large sites with buildings exceeding 100 - 180 dwellings. LAHC's proposal for nine tower buildings (which accounts for around two-thirds of all dwellings) will make most of the development opportunities of a scale that is inaccessible to community housing providers. The Planning Proposal creates the opportunity (not a requirement) for more community housing providers to be involved in the development and support the delivery of affordable housing in Waterloo Estate (South).
 - (c) Smaller strata groups - smaller towers will decrease the number of large complex strata management groups and reduce potential identifiable difference between social and market housing. The City's approach allows for fewer apartments in tower buildings, with most of the residential floor area contained within lower to medium rise buildings.

- (d) Housing affordability and reduced ongoing costs - LAHCs planning proposal request would result in a high proportion of dwellings at the upper level of towers. These dwellings would typically be high value, and while this may be beneficial to project revenue, it also impacts on the overall affordability of the area from a purchaser perspective. Moreover, lower buildings generally result in lower ongoing management costs (tall buildings use more energy are more expensive to run) and require less mechanical intervention for cooling, reducing energy bills. This is particularly important for lower income households and for reliance during crises or periods of economic stress.
- (e) Tenure blind development - A more consistent scale and form of development, as enabled by the Planning Proposal, will allow social, affordable and market housing tenants and owners to live side by side in a genuinely mixed, tenure blind community. This built form approach provides opportunity for market and social housing to be designed so they cannot be differentiated from each other in appearance and can promote social integration without affecting property prices.

Human Services Plan

- 245. Local not for profit agencies and residents have been advocating since 2004 to the NSW Government to develop a comprehensive Waterloo Human Services Plan. The vision for the plan is to coordinate all local services to work together to address the complex needs of residents and facilitate system improvements.
- 246. Advocates state the proposed redevelopment of the Waterloo Housing Estate while seeking to improve the built environment, does not address the issues affecting residents and have raised concerns the redevelopment will increase stress on an already vulnerable community.
- 247. In 2018, preliminary work on a Human Services Plan was conducted by LAHC who developed a draft Human Service Framework. The City of Sydney participated in the consultation process for this work. The draft Framework was never released publicly.
- 248. In parallel to the work of LAHC, Sydney Local Health District consulted the community and local service sector on the health impacts of the redevelopment in 2018 and prepared a Health Impact Assessment. The City of Sydney participated in the consultation process for this work and in the drafting of the Health Impact Assessment.
- 249. In August 2020, the NSW Government agreed to resume work on human services planning for Waterloo with the Department of Communities and Justice and Sydney Local Health District to lead on this work. NSW Land and Housing Corporation are funding a project officer located within the Department of Communities and Justice to manage this work.
- 250. The Department of Communities and Justice has prepared a draft term of reference for human services planning which outlines the governance framework and scope of the human services planning process. This draft is on consultation with key stakeholders. The City of Sydney will participate in the working group that has been established to lead the human services planning and coordination.

Re-occupancy of existing tenants

251. LAHC is responsible for relocating current residents of the Waterloo Estate during any redevelopment period. LAHC has advised that residents are given choice wherever possible about where they will be located during the redevelopment, and that all residents in social housing have a right to return to the Waterloo Estate, if that is their preference.
252. LAHC have made a commitment to a six-month notice period for residents including the assignment of a relocation officer to assist them in the process. Tenants have expressed concerns of relocating including loss of social support networks, access to health and support services, and links to their cultural communities.
253. The City has funded the Redfern Legal Centre to provide tenancy legal support in relation to the relocation process. This program was in place from March 2018 to June 2020. No relocations have taken place during this time due to extended redevelopment timeframes.

Financial effect on development

254. LAHC have raised concerns with the City about the projected revenue loss of the differences between the City's proposed built form and that in LAHC's planning proposal request. Limited information has been made available to understand the nature and effect of the financial impact of the changes.
255. In very general terms, LAHC have advised that the built form facilitated by the planning proposal results in lower revenue from apartment sales (with views) than LAHC's redevelopment concept. LAHC's proposal has more towers which typically return higher residential sales values, particularly for larger apartments on upper levels of the buildings. Larger apartments return lower sales values compared to smaller apartments at lower levels. As with other developers, LAHC wish to maximise returns.
256. On the other hand, development facilitated by the Planning Proposal is likely to be somewhat cheaper to build, with lower building forms costing less to construct than tower forms. The Planning Proposal also has less area of streets and roads to construct which will also reduce costs. However, the City acknowledges the lower revenues may not be entirely offset by lower costs.
257. In addition to the above, LAHC have raised concern that the incentive in the Planning Proposal for 20 per cent of residential floor area be provided as affordable housing, if the 1.5:1 FSR is to be exceeded, will also have a negative financial impact.
258. The Planning Proposal balances a range of planning considerations with the NSW Government's objectives to renew social housing under the Communities Plus program and the City and the NSW Government's shared objectives to increase the supply of social, affordable and market housing. The Planning Proposal has retained the overall dwelling yield sought by LAHC but improves the planning and urban design outcomes. To achieve this, significant changes have been made to the City's 'alternate approach' that was adopted by Council in April 2019. These changes include the introduction of three towers and reduced expectations for the amount of social housing to align with Communities Plus.

259. LAHC is a 'non-funded' government organisation which requires the renewal of existing and development of new social housing to be funded by redevelopment of current land holdings. Nevertheless, the City argues for increased investment of government investment into the provision of affordable and social housing in this precinct to improve social and economic outcomes.
260. It is the City's view that examining different delivery models and the use of other available policy levers and funding sources will support the provision of additional affordable housing. These models, policies and funding sources are independent of the planning and urban design approach in the Planning Proposal and Draft Design Guide. They include:
- (a) allowing community housing providers to lead the development and maximise the benefits of loans from the Affordable Housing Bond Aggregator (AHBA);
 - (b) early transfer of social housing stock to CHPs and access to Commonwealth Rent Assistance;
 - (c) smaller stages of development to lower the peak project debt;
 - (d) infrastructure grants and loans from the National Housing Infrastructure Facility (NHIF);
 - (e) state or federal government upfront funding; and
 - (f) state or federal government funding arising out of Covid-19 response.

Strategic Alignment

Region and District Plan

261. A Metropolis of Three Cities – The Greater Sydney Region Plan is the Greater Sydney Commission's strategic plan for Greater Sydney. It is a 20-year plan with a 40-year vision, seeking to transform Greater Sydney into a metropolis of three distinct but connected cities: the Eastern Harbour City, the Central River City and the Western Parkland City. The overarching aspirations of this strategy are:
- (a) Liveability
 - (b) Productivity
 - (c) Sustainability
 - (d) Infrastructure and collaboration
262. The Planning Proposal and associated draft Design Guide is consistent with the following objectives of the Greater Sydney Region Plan:
- (a) Objective 1: Infrastructure supports the three cities – Sydney Metro City and Southwest is a city-shaping transport infrastructure project that creates an opportunity for the renewal of the Waterloo Estate (South);
 - (b) Objective 7: Communities are healthy, resilient and socially connected – the Planning Proposal will create a walkable place with active street life and opportunities for cycling and use of public transport;

- (c) Objective 8: Greater Sydney's communities are culturally rich with diverse neighbourhoods - the significant First Nations culture and heritage of the area is to be acknowledged, respected and celebrated as an integral part to placemaking.
- (d) Objective 10: Greater housing supply – the Planning Proposal increases the number of dwellings in the local area, including social and affordable housing;
- (e) Objective 11: Housing is more diverse and affordable – the planning proposal will deliver 30 per cent of residential floor area as social housing and 20 per cent affordable housing, including a minimum proportion of social and affordable housing to be provided as First Nations specific housing;
- (f) Objective 12: Great places that bring people together – Waterloo Estate (South) will be a connected and walkable place with open space, community facilities and a vibrant high street;
- (g) Objective 13: Environmental heritage is identified, conserved and enhanced – the built form will conserve and enhance the heritage items and adjoining conservation areas;
- (h) Objective 14: Integrated land use and transport creates walkable and 30-minute cities – Waterloo Estate (South) is an opportunity to locate new dwellings in a well-connected precinct supported by a public transport, walking and cycling network;
- (i) Objective 30: Urban tree canopy cover is increased – Existing trees are protected where possible opportunities for tree planting and tree canopy growth provided;
- (j) Objective 31: Public open space is accessible, protected and enhanced – The Planning Proposal provides two parks, a main park adjoining Waterloo Metro station and a small park for passive recreation and small-scale community events.
- (k) Objective 33: A low-carbon city contributes to net-zero emissions by 2050 and mitigates climate change, including sustainability measures to improve the environmental performance of the precinct;
- (l) Objective 34: Energy and water flows are captured, used and re-used – The City is exploring opportunities to provide a precinct wide water recycling facility plant. It is envisaged that as part of any future planning agreement that all buildings will be dual reticulated to enable connection to the plant; and
- (m) Objective 38: Heatwaves and extreme heat are managed – Increased deep soil provision will promote future tree canopy cover and green roofs will mitigate the urban heat island effect.

263. The Eastern City District Plan sets out the Greater Sydney Commission's vision for the Eastern City District, of which the City of Sydney is a part. The Planning Proposal and associated draft Design Guide is consistent with the following planning priorities of the Eastern City District Plan:
- (a) Planning Priority E3 Providing services and social infrastructure to meet people's changing needs - The proposed planning controls provide for two new parks and a FSR bonus where that floor area is used for the purpose of community facilities such as community rooms, a Health One facility and a cultural space.
 - (b) Planning Priority E4: Fostering healthy, creative, culturally rich and socially connected communities – The proposed planning controls facilitate a predominately medium rise precinct to provide diversity of housing, including social, affordable and market housing in Waterloo Estate (South). This Proposal also provides for non-residential uses in a high street environment along George Street, fostering vibrant street life and creating meeting places.
 - (c) Planning Priority E5: Providing housing supply, choice and affordability with access to jobs, services and public transport - The proposed planning controls make a significant contribution to the supply of new market, social and affordable housing. The site is an appropriate location for increased housing supply, being a 15-minute walk to Redfern and Green Square stations, and directly adjacent to the future Waterloo Metro station on the Sydney Metro line, which is planned to open in 2024.
 - (d) Planning Priority E6 Creating and renewing great places and local centres, and respecting the District's heritage - The proposed planning controls will create a walkable and accessible neighbourhood, with a mix of land uses including community facilities, two new parks and a vibrant local centre. The significant First Nations culture and heritage of the area is to be acknowledged, respected and celebrated as an integral part to placemaking.
 - (e) Planning Priority E10: Delivering integrated land use and transport planning and a 30-minute City - The proposed planning controls will deliver around 3,000 dwellings, comprising private market housing, social housing and affordable housing and 18,000 square metres of non-residential floor area for retail, commercial and community facilities, all within walking distance of the Waterloo Metro station.
 - (f) Planning Priority E17: Increasing urban tree canopy cover and delivering Green Grid connections - The proposed planning controls will maintain and increase tree canopy cover in Waterloo Estate (South). The draft Design Guide identifies established and significant fig and eucalyptus trees which define key streets and open spaces and are characteristic of the wider area will be protected during redevelopment. Canopy cover will be increased with further planting on development lots and street tree planting which is supported by good levels of sunlight at street level.

- (g) Planning Priority E18: Delivering high quality open space - The location of open space is identified in the draft Design Guide. The City will work with LAHC for the delivery of the open space in Waterloo Estate (South) to support the growing population. The main park will accommodate a broad range of uses, events, experiences and activities, both active and passive and the small park will provide for passive recreation, social interaction opportunities and small-scale community events.
- (h) Planning Priority E19: Reducing carbon emissions and managing energy, water and waste efficiently - The proposed planning controls will encourage new developments to use energy, water and waste efficiently through an FSR bonus for developments that exceed BASIX commitments for water and energy.

Sustainable Sydney 2030 Vision

264. Sustainable Sydney 2030 is the visions for sustainable development of the City of Sydney to 2030 and beyond. It includes 10 strategic directions to guide the future of the City. The proposed planning controls facilitate the City's vision for a green, global and connected city and sets targets, objectives and actions to achieve this vision. The Planning Proposal is aligned with the following relevant strategic directions and objectives:

- (a) A leading environmental performer, including:
 - 2.1 Greenhouse gas emissions are reduced across the city Sydney in 2030
 - 2.2 Waste from the city is managed as a valuable resource and the environmental impacts of its generation and disposal are minimised
 - 2.3 Across the city, potable water use is reduced through efficiency and recycling and gross pollutant loads to waterways are reduced
 - 2.6 The extent and quality of urban canopy cover, landscaping and city greening is maximised
- (b) Integrated transport for a connected City, including:
 - 3.1 Investment in public transport and walking and cycling infrastructure encourages more people to use these forms of transport to travel to, from and within the city
 - 3.2 Transport infrastructure is aligned with city growth
 - 3.3 The amenity of the city centre and villages is enhanced through the careful management and integration of transport
 - 3.4 Public transport, walking and cycling are the first choice transport modes within the city
 - 3.5 Transport services and infrastructure are accessible

- (c) A city for walking and cycling, including:
- 4.1 The city and neighbouring areas have a network of accessible, safe, connected pedestrian and cycling paths integrated with green spaces
 - 4.3 The number of people who choose to walk and cycle continues to increase
- (d) Resilient and inclusive local communities, including:
- 6.1 Our city comprises many unique places – a ‘city of villages’ – for communities to live, meet, shop, study, create, play, discover, learn and work
 - 6.2 Our city is a place where people are welcomed, included and connected.
 - 6.3 Local economies are resilient, meet the needs of their community, and provide opportunities for people to realise their potential
 - 6.4 There is equitable access to community facilities and places, parks and recreational facilities to support wellbeing in daily life
- (e) A cultural and creative City, including:
- 7.1 Creativity is a consistent and visible feature of the public domain and there are distinctive cultural precincts in the city and its villages
 - 7.4 The continuous living cultures of Aboriginal and Torres Strait Islander communities is visible and celebrated in our city
- (f) Housing for a diverse community, including:
- 8.1 The supply of market housing in the city meets the needs of a diverse and growing population
 - 8.2 The supply of affordable housing supports a diverse and sustainable community and economy
 - 8.3 The supply of safe and sustainable social housing in the inner city is available for those who need it
- (g) Sustainable development, renewal and design, including:
- 9.1 The City of Sydney leads by example to facilitate great places
 - 9.2 The city is beautiful, sustainable and functions well
 - 9.3 There are great public buildings, streets, squares and parks for everyone to use and enjoy
 - 9.5 The urban environment promotes health and wellbeing

- (h) Implementation through effective governance and partnerships, including:
- 10.5 The community is engaged and active in shaping the future of the city
 - 10.6 Strategic partners and collaborators support the delivery of Sustainable Sydney 2030

Local Strategic Planning Statement

265. City of Sydney's recently endorsed Local Strategic Planning Statement sets out the land use planning context, 20-year vision and planning priorities to positively guide change towards the City's vision for a green, global and connected city. The planning statement explains how the planning system will manage that change to achieve the desired outcomes and guides future changes to controls, including those sought by proponents through planning proposals.
266. The Planning Proposal gives effect to the following planning priorities of the planning statement:
- (a) I1 Movement for walkable neighbourhoods and a connected city
 - (b) I2 Align development and growth with supporting infrastructure
 - (c) I3 Supporting community wellbeing with social infrastructure
 - (d) L1 A creative and socially connected City of Sydney
 - (e) L2 Creating great places
 - (f) L3 New homes for a diverse community
 - (g) S1 Protecting and enhancing the natural environment for a resilient City of Sydney
 - (h) S2 Creating better buildings and places to reduce emissions and waste and use water efficiently
 - (i) G1 Open, accountable and collaborative planning
267. The proposed planning controls are also consistent with the site-specific principles for growth outlined in the LSPS, as demonstrated in Table 7.

Site-specific principles for growth	Comment
Proposals must locate development within reasonable walking distance of public transport that has capacity (assuming development capacity will be delivered) and is frequent and reliable.	Consistent. Waterloo Estate (South) is within reasonable walking distance of both Redfern Station and Green Square station and will be directly adjoining the new Waterloo Metro station where services are scheduled to commence in 2024.

Site-specific principles for growth	Comment
Proposals must meet high sustainability standards and mitigate negative externalities.	Consistent. The proposed planning controls will encourage new developments to use energy, water and waste efficiently through an FSR bonus for developments that exceed BASIX commitments for water and energy. Tree canopy cover targets and design guidelines for green roofs will help to mitigate the impacts of the urban heat island effect.
Proposals must include an amount and type of non-residential floor space appropriate to the site's strategic location and proximity to or location within a centre or activity street.	<p>Consistent. The proposed planning controls will deliver approximately 18,000 sqm of non-residential floor area for retail, commercial and community facilities.</p> <p>The Planning Proposal includes a new local centre to be zoned B2 to service the population of Waterloo Estate (South). George Street is to become the main street of the community, with continuous ground floor retail frontage and a range of community facilities.</p>
Proposals must create public benefit.	<p>Consistent. The proposed planning controls facilitate the delivery of numerous public benefits, including the following:</p> <ul style="list-style-type: none"> • the renewal of social housing with 161 additional social housing dwellings • increased supply of affordable housing, comprising 20 per cent of residential floor area • increased supply and diversity of new private dwellings to help meet projected demand from population growth • new streets, pedestrian links and two new public parks, including a main park of over 2 hectares • new pedestrian footpaths and cycleways to improve connectivity and access • provision of community serving facilities and services • development that achieves high levels of water, energy and waste efficiency

Site-specific principles for growth	Comment
<p>Proposals must be supported by an infrastructure assessment and demonstrate any demand for infrastructure it generates can be satisfied, assuming existing development capacity in the area will be delivered.</p>	<p>Consistent. A range of public infrastructure is required to support the significant population growth and demographic change brought about by the redevelopment of Waterloo Estate (South), including:</p> <ul style="list-style-type: none"> • public open space; • new streets and the upgrade of existing streets; • flood mitigation works in public space; and • community facilities. <p>The City is working with LAHC to ensure an appropriate commitment to the provision of public infrastructure.</p> <p>This report recommends Council resolve to adopt the Planning Proposal, but not forward it for Gateway request without appropriate commitments from the NSW Government being in place for the delivery of critical public infrastructure.</p>
<p>Proposals must make a positive contribution to the built environment and result in an overall better urban design outcome than existing planning controls.</p>	<p>Consistent. The proposed planning controls will result in the replacement of aged housing stock with a new fit-for-purpose, master planned built form appropriate for the site. Large public open spaces and a range of community facilities and spaces will be provided through the Planning Proposal. The Planning Proposal also introduces new streets, pedestrian through site links and cycleways, improving connectivity and accessibility throughout the site.</p>
<p>Proposals must result in high amenity for occupants or users.</p>	<p>Consistent. The proposed planning controls provides for a high amenity precinct for both future residents and visitors. The built form modelling of the proposed controls undertaken by the City ensures that the amenity standards of the Apartment Design Guide will be met. This is shown in the City's urban design study at Appendix 1 to Attachment A. The tower buildings are located and separated in the southern part of Waterloo Estate (South) to limit impacts on the amenity of public places.</p>

Site-specific principles for growth	Comment
	In addition, a competitive design process will ensure new development contributes high quality design to the public domain and delivers high levels of amenity.
Proposals must optimise the provision and improvement of public space and public connections.	Consistent. The proposed planning controls identify the location of open space in the draft Design Guide. The City will work with LAHC for the delivery of the open space in Waterloo Estate (South) to support the growing population. The main park will accommodate a broad range of uses, events, experiences and activities, both active and passive and the small park will provide for passive recreation, social interaction opportunities and small-scale community events. It also includes new cycleways and pedestrian connections to improve accessibility within and through the precinct.

Table 7 Consistency with site-specific principles for growth

Budget Implications

268. The provision of public infrastructure required to meet the projected population growth on the Waterloo Estate (South) has been the subject of extensive review by the City. In addition to cost of delivering public infrastructure discussed earlier in this report, additional costs will arise from the ongoing maintenance and operational of any public infrastructure in the City ownership and/or management.
269. Waterloo Estate (South) is very likely to be State Significant Development (SSD). This follows changes to the *State Environmental Planning Policy (State and Regional Development) 2011* on 5 February 2021 to specify that development carried out by or on behalf of LAHC with a value of over \$100 million is SSD.
270. Under the current planning framework, should the site be identified as SSD, contributions will be paid to Infrastructure NSW under the Redfern Waterloo Authority Contributions Plan 2006 rather than to the City under its Development Contributions Plan 2015. The contributions levy under the 2006 Plan is 1% (one percent) of development costs and less than the levy under the City's Plan.
271. The City has previously requested the 2006 Plan be repealed. This report recommends the City writes to the Department of Planning, Industry and Environment to resolve the matter to ensure contributions are paid to the City under its contributions plan.
272. If the contributions are collected under the City's contribution plan, it is estimated about \$30 million in future development contributions may arise from Waterloo Estate (South), with further development contributions also payable with the later redevelopment of other precincts within the Estate.

273. Irrespective of the above, the infrastructure costs arising from the redevelopment of Waterloo Estate (South) are likely to be far greater than the estimated contributions. It is noted the City's long-term financial plan and capital works plan does not currently include the allocation of funding for infrastructure required to support the growing population arising from the redevelopment of the Estate.
274. While a new contributions plan could be prepared for the Waterloo Estate (South), it is unlikely any future plan could levy enough funding that the costs of providing the necessary infrastructure at Waterloo Estate (South) could be covered, given NSW Government contribution caps and the City's current approach to excluding social and affordable housing from paying contributions. There is also a need to ensure that infrastructure is delivered in a timely manner - which is not able to be achieved through a contributions plan, particularly in an environment where the payment of contributions has been deferred to the end stage of development.
275. As discussed above in this report, the City received a draft letter of offer from LAHC to enter into a voluntary planning agreement to deliver public infrastructure in conjunction with the redevelopment of Waterloo Estate (South). While the offer is unable to be supported, the City will continue to work with LAHC to ensure that any redevelopment of the Waterloo Estate (South) is supported by adequate public infrastructure before the planning proposal progresses.
276. This report recommends the Central Sydney Planning Committee approve the Planning Proposal for submission to the Minister for Planning and Public Spaces with a request for Gateway determination, but only subject to a commitment being made by the NSW Government for the adequate funding and / or provision public infrastructure.

Relevant Legislation

277. Environmental Planning and Assessment Act 1979
278. Environmental Planning and Assessment Regulation 2000

Critical Dates / Time Frames

279. Should Council and the CSPC endorse the recommendations of this report, the City will undertake further discussions with the NSW Government to ensure that an adequate commitment is made to the provision of infrastructure.
280. Subject to appropriate commitment being made to infrastructure, the Planning Proposal will be forwarded to the Department of Planning, Industry and Environment in accordance with section 3.34 of the Act for Gateway determination to proceed with consultation.
281. Following the Gateway determination, the Planning Proposal may go on public exhibition. The typical timeframe is 21 days for public authority consultation and 28 days for public exhibition, however this report recommends a public exhibition period of 60 days.
282. The Gateway determination will also determine the general date for the completion for the amendment to the LEP.

283. Following public authority consultation and public exhibition, the outcomes will be reported back to Council and the CSPC.

Public Consultation

284. The City of Sydney is committed to community engagement and has undertaken preliminary engagement with local community organisations, residents and stakeholders in Waterloo during the period July to November 2020.
285. The City's engagement has focussed on status of the project and the process for the assessment of LAHC's request and the City's preparation of a planning proposal. Engagement has also sought input on the design of the public exhibition in 2021. The objectives of the early engagement were for:
- (a) capacity-building and preparing the community for the upcoming community engagement,
 - (b) strengthening relationships in the community, including established groups such as the Waterloo Redevelopment Group (tenants and advocates group established by LAHC during their consultation process),
 - (c) understanding the current environment and needs, sharing information, and discussing practical suggestions for communication and community engagement
 - (d) clarifying the scope of the proposal being assessed (the southern part of the Estate only),
 - (e) clarifying with the community, the roles and responsibilities of the different parties, and the many steps and decision-makers in the planning proposal process, and
 - (f) discussing the City of Sydney's approach to community engagement, including the adopted Community Engagement Strategy and Community Engagement Principles.
286. The process included targeted engagement with local Aboriginal and Torres Strait Islander community representatives and organisations to seek information and insights in relation to the desired design and attributes of Aboriginal and Torres Strait Islander housing.
287. Stakeholders reached throughout this process included:
- (a) Counterpoint Community Services
 - (b) REDWatch
 - (c) Inner Sydney Voice
 - (d) Waterloo Redevelopment Group – a subsidiary of the Waterloo Neighbourhood Advisory Board

- (e) Groundswell: Sydney Local Health District, WEAVE Youth and Community Services, The Fact Tree, Shelter NSW, Counterpoint Community Services, REDWatch, Inner Sydney Voice, Local Community Services Association
 - (f) Tenant representatives – Waterloo Redevelopment Group
 - (g) Waterloo Public Housing Action Group (WPHAG)
 - (h) Inner Sydney Aboriginal Interagency Network
 - (i) Redfern Waterloo Aboriginal Affordable Housing Campaign
288. With the challenges and restrictions of the Covid-19 pandemic, most of the engagement was undertaken via online teleconferences. The outcomes from these meetings informs the design of the future public exhibition, with a focus on the reach, inclusiveness and effectiveness of the community engagement.
289. In addition to the above, the Lord Mayor convened a forum of Community Housing Providers (CHPs) in October 2020 to discuss the state of the sector and implications of the Covid-19 pandemic. This forum included:
- (a) Bridge Housing
 - (b) CityWest Housing
 - (c) Community Housing Industry Association of NSW
 - (d) Evolve Housing
 - (e) Henry Halloran Trust, Sydney University
 - (f) Link Housing
 - (g) Metropolitan Local Aboriginal Land Council
 - (h) NSW Aboriginal Land Council Housing Ltd Inc
 - (i) St George Community Housing
 - (j) University of NSW
290. The forum provided an opportunity to understand the participants' objectives for social housing and Aboriginal Housing in the City of Sydney, including developments such as the Waterloo Estate (South).
291. The City has undertaken a range of communication activities since the planning proposal request was lodged by LAHC in May 2020, including:
- (a) direct communication with key individuals, organisations and stakeholders about the planning proposal and the planning process;
 - (b) providing information and updates on its website at: city.sydney/waterloo-estate. This page had 2,370 unique page views from the period June to October 2020;

- (c) the staff recorded a webinar, which replicated a presentation about the planning proposal request, given to the community group REDWatch in July 2020. This webinar was placed on the City's website and has been viewed more than 500 times;
 - (d) technical studies and reports, submitted by LAHC with its planning proposal request, have been made available on the City's website to enhance the community's understanding of the proposal;
 - (e) more than 100 community members have signed up to receive email updates from the City, when new information is available on the website;
 - (f) the City has sent four electronic direct mail campaigns (EDMs) during July to October 2020; and
 - (g) responding to the community's feedback for the need for print communication, the City is producing a flyer outlining the current status of the project and the next steps in the planning process.
292. The engagement was positively received by the representatives of the Waterloo community, with many stakeholders interested in the process of designing the future community engagement. However, the City notes that many people expressed frustration and disappointment about the delays and changes to the scope of the project since initial consultation was undertaken by LAHC. The participants also reported concerns and anxiety around the timing and process for the future relocation of tenants while the redevelopment work takes place.
293. The community has identified the following considerations for future public exhibition and community engagement:
- (a) continuing to work with the community in the lead up to the public exhibition including testing engagement materials (such as documents and plans);
 - (b) collaborating with community organisations and local media to reach more people and support their participation;
 - (c) ensuring information is available in community languages (and having translators available) and easy English versions of materials;
 - (d) ensuring information is available on site where people live and at businesses or services they visit;
 - (e) providing opportunities for people to participate in person and online;
 - (f) developing a range of tools, including models, to help people understand the proposal;
 - (g) encouraging structured and focussed feedback on areas the community can have the most influence;
 - (h) being clear on the process, what is being decided by the planning proposal and what issues will be addressed in other steps in the redevelopment process; and

- (i) reporting back to the community about how their feedback has been considered, and their influence on the final decision.

294. This report recommends an extended consultation process of 60 days (a usual period for consultation is 28 days) for the Planning Proposal, draft Design Guide, draft DCP and any draft planning agreement. The consultation will be in accordance with the requirements of:

- (a) the gateway determination issued by the Department of Planning, Industry and Environment under section 3.34 of the Act;
- (b) the Environmental Planning and Assessment Regulation 2000;
- (c) the City of Sydney Community Participation Plan 2019;
- (d) the principles identified by the community engagement described above.

GRAHAM JAHN AM

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