

**9.6. Council submission - draft 'A New Approach to Strategic Planning':  
Discussion Paper, Sydney Plan, and Statewide Industrial Lands Policy**

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<b>ATTACHMENTS</b>	Nil
<b>CSP LINK</b>	<p><b>Outcome 1 – A healthy environment with thriving ecosystems and strong climate resilience</b> E2. Increase canopy cover to reduce urban heat island effects E3. Build climate resilience</p> <p><b>Outcome 2 – A connected and socially inclusive community where everyone is valued</b> S2. Provide new and improved public and community spaces for people to meet and connect</p> <p><b>Outcome 3 – An active community with space for everyone to exercise and enjoy the outdoors</b> O1. Deliver additional space for sports and recreation O4. Manage our open space and recreational facilities to ensure that they are well maintained and shared</p> <p><b>Outcome 4 – A connected LGA where safe, active and sustainable travel is preferred</b> T1. Deliver infrastructure and programs that support healthy and active travel T2. Promote sustainable transport options and make it easier for people to get around without a private car</p> <p><b>Outcome 5 – A thriving and resilient local economy</b> ED1. Revitalise and grow the North Sydney CBD as an accessible high-amenity top-tier office precinct ED3. Create vibrant villages and local centres that attract and retain visitors</p> <p><b>Outcome 6 – A vibrant LGA where culture and creativity is enjoyed by all</b> C2. Preserve and celebrate North Sydney’s heritage C4. Increase the number of places and spaces available for cultural and creative participation and production</p> <p><b>Outcome 7 – Housing that meets the needs of a growing population</b> H1. Support the delivery of affordable and diverse housing H2. Support the delivery of additional dwellings to meet housing targets H3. Protect the amenity of our LGA through design excellence and provision of appropriate infrastructure in growth areas</p>

## **PURPOSE:**

The purpose of this report is to provide an overview of the NSW Department of Planning, Housing and Infrastructure's (DPHI) draft *A New Approach to Strategic Planning: Discussion Paper, Sydney Plan*, and *Statewide Industrial Lands Policy*, and to discuss the key issues and implications for North Sydney Council as the basis for Council's submission.

## **EXECUTIVE SUMMARY:**

On 10 December 2025, the DPHI released three strategic planning documents for community consultation, namely a draft *A New Approach to Strategic Planning: Discussion Paper, Sydney Plan*, and *Statewide Industrial Lands Policy*.

This report provides an overview of the strategic planning documents, discusses the key issues and implications for North Sydney Council, and makes recommendations on how they could be improved and be more effective. Whilst many of the exhibited documents' aspirations and objectives are supported, the following concerns and observations have been identified:

1. The Plan fails to provide clear policy positions, spatial detail and directions to assist planning at the local level. This is somewhat the product of the removal of the District Planning level of strategic guidance that characterises the current hierarchy of regional plans.
2. There is a lack of guidance on how actions are to be achieved and what outcomes should be delivered, including performance indicators, reporting, and measurable targets.
3. The Plans fails to provide any vision or certainty regarding future infrastructure provision which is critical for councils to better plan and prepare for additional housing and jobs.
4. The inclusion of long-term council-based housing targets and centre specific jobs targets is required as the most transparent way to express the degree of growth that needs to be planned for and for Council to undertake meaningful strategic planning. However, any targets should be contingent upon satisfactory arrangements being in place, such as the State Government providing new and upgraded infrastructure, and providing councils with greater flexibility with regards to the collection and expenditure of local infrastructure contributions.
5. Dwelling and employment targets should be determined based on capacity, rather than actual delivery, which Council does not play a role in.
6. The ad hoc nature of Housing Delivery Authority (HDA) facilitated concurrent rezonings via State Significant Development (SSD) processes that are contrary to the policy positions established by adopted State and local governments in their strategic plans, conflicts with the planned housing growth advocated for in the draft Sydney Plan. The

Plan misses the opportunity to provide criteria for growth that could provide some transparency for assessing concurrent rezonings and planning proposals.

7. The absence of a District Plan highlights the lack of place specific guidance to assist with the assessment of planning proposals and SSD and the relative ease which is likely to be provided to demonstrate consistency with the Plan and strategic merit, particularly when it is primarily focused on the delivery of housing and jobs in the absence of critical considerations, such as social and environmental planning, local character, heritage and good urban design.
8. The State Government needs to take the lead in increasing the amount of affordable housing, such as providing more social housing units and amending planning controls to mandate the delivery of affordable housing in perpetuity within appropriate built forms.
9. Policy reforms associated with the Crows Nest TOD rezoning, permitting build-to-rent (BTR) housing in the E2 Commercial Centre zone, and the introduction of the HDA and SSD Pathway have resulted in a significant reduction of commercial capacity which conflicts with the Plan's objective for jobs growth.
10. The employment targets for the North Sydney CBD have been combined with the Sydney CBD. Separate and clearly defined employment projections, targets, and vision are required for the North Sydney CBD to ensure that planning measures support its economic growth, recognising its distinct function from the Sydney CBD.
11. Whilst the draft Plan mentions focusing housing development within a close (30-minute) public transport journey from key centres and destinations, it does not go beyond this to specify an objective of a 30-minute city where services such as health and education facilities, and other population serving activities, are located in centres to support households' access to these facilities. Investment in delivery of quality public transport and connected active transport infrastructure is critical to supporting the aspiration of a 30-minute city.
12. The need to increase public open space and improve connections to existing open space is particularly challenging in the North Sydney Local Government Area (LGA) where land values are high, and there is generally little to no availability of undeveloped land. Funding and collaboration support from the State Government is required to assist Council in increasing the provision and quality of public open space for both passive and active recreation. Models beyond the traditional acquisition of ever increasingly expensive land to create open space, needs to be explored.
13. No information is provided on the research undertaken to justify the establishment of the three industrial land categories of State, regional, and locally significant. There is concern with Council's potentially limited influence in managing and planning regionally significant industrial land, especially if it is subjected to requests for rezoning.

14. In recognition of the tight timeframes for completing actions within the Plan, it is recommended that councils be provided a degree of flexibility and support from the State Government to assist with implementation.

The recommended amendments to the strategic documents discussed in this report will inform Council's submission to the DPHI.

Once finalised, the *Sydney Plan* will replace the *Greater Sydney Region Plan – A Metropolis of Three Cities* (2018) and associated district plans, including the *North District Plan*.

**RECOMMENDATION:**

**1. THAT** Council endorse the contents of this report to form a submission to the NSW Department of Planning, Housing and Infrastructure (DPHI) on the draft *A New Approach to Strategic Planning: Discussion Paper, Sydney Plan, and Statewide Industrial Lands Policy*.

## BACKGROUND

There are 5.3 million people living in Sydney (2025) with the population expected to grow by 23% to 6.5 million people by 2045. To manage this population growth over the next 20 years, the NSW Government has released a suite of strategic planning documents that aim to provide a clearer, more coordinated approach to land use planning that delivers homes in the right locations, creates more jobs, invests in infrastructure, and protects our environment. The exhibition comprises three strategic draft documents:

1. The draft *A New Approach to Strategic Planning: Discussion Paper* sets out how the NSW Government wants to guide and manage population and economic growth across the State over the next 20 years. It proposes a three-tiered strategic planning framework which includes State, region and local plans, and introduces seven Statewide priorities to guide consistent land use planning across NSW.
2. The draft *Sydney Plan* (the Plan) will guide how the NSW Government manages growth in the Sydney region over the next 20 years. It intends to lay out a plan for housing, infrastructure, jobs, sustainability and vibrant communities. The aim of the Plan is to make Sydney a great place to live, work, and enjoy now and into the future. The *Sydney Plan* is the first of the new regional strategic plans to be delivered across NSW.
3. The draft *Statewide Industrial Lands Policy* provides the overarching framework for the classification of industrial lands, with this classification forming the basis for how industrial lands will be planned and managed in NSW. This categorisation framework is incorporated into the draft *Sydney Plan*.

The documents are currently on public exhibition for feedback until 27 February 2026. After the exhibition period, the DPHI will review the feedback before releasing the final plans later in 2026. A copy of the draft Plans is available on the DPHI's website at [www.planning.nsw.gov.au/policy-and-legislation/planning-reforms/a-new-approach-to-strategic-planning](http://www.planning.nsw.gov.au/policy-and-legislation/planning-reforms/a-new-approach-to-strategic-planning); [www.planning.nsw.gov.au/plans-for-your-area/the-sydney-plan](http://www.planning.nsw.gov.au/plans-for-your-area/the-sydney-plan); and [www.planningportal.nsw.gov.au/draftplans/exhibition/statewide-policy-industrial-lands](http://www.planningportal.nsw.gov.au/draftplans/exhibition/statewide-policy-industrial-lands).

Once finalised, the *Sydney Plan* will replace the *Greater Sydney Region Plan – A Metropolis of Three Cities* (2018) and associated district plans, including the *North District Plan*.

## DRAFT A NEW APPROACH TO STRATEGIC PLANNING: DISCUSSION PAPER

### Overview

The new approach to strategic planning proposed in the Discussion Paper sets out how the NSW Government wants to guide and manage population and economic growth across the State over the next 20 years. It proposes a three-tiered strategic planning framework which includes State, region and local plans. This framework attempts to provide a “line of sight”

from the State and regional level to planning and delivery at the local level. Figure 1 further below provides an overview of the strategic planning framework which is discussed below.

1. The *NSW State Land Use Plan* sets out what must happen and why by:
  - establishing 7 Statewide planning priorities in key land use planning areas, such as housing, jobs, infrastructure, environment and liveability that provide the policy foundation for regional and local planning. For these priorities, policy responses and technical guidance is provided to help councils and agencies make consistent, evidence-based decisions and balance competing priorities more effectively;
  - providing clear land use change policy positions to guide rezoning and investment;
  - embedding statutory mechanisms and system directions for coordination; and
  - ensuring the State Government is accountable for setting direction and enabling delivery.

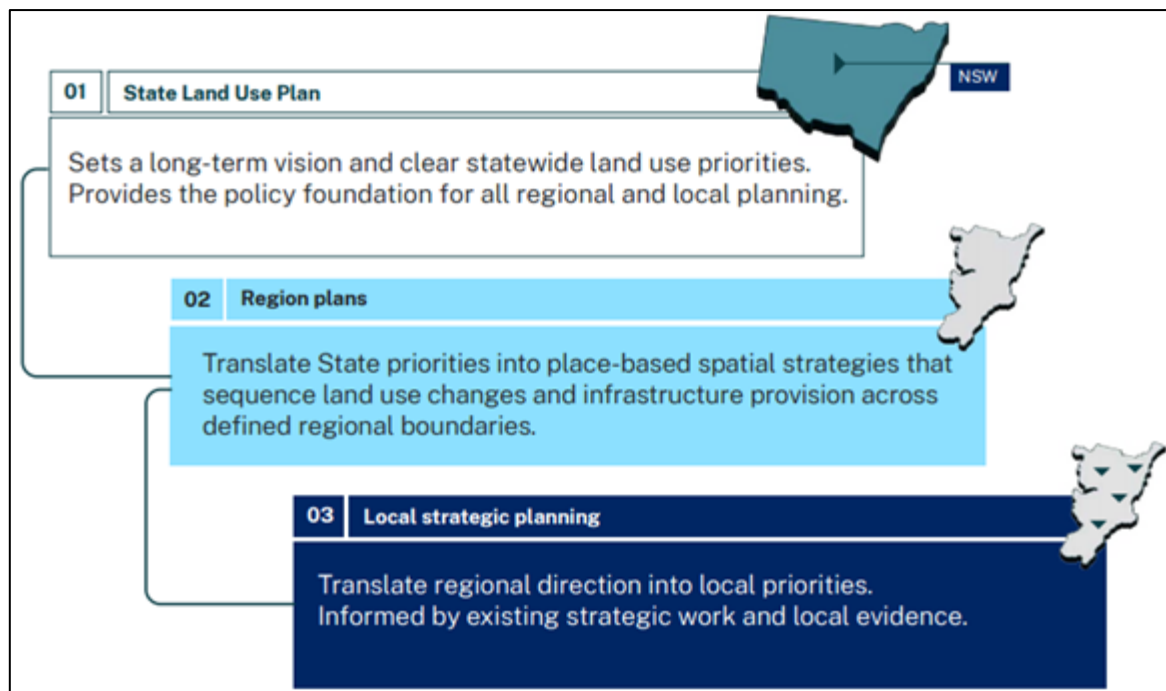
The *NSW State Land Use Plan* is expected to be released by the State Government by the end of 2026.

2. Region plans identify where and when growth should occur, including new homes, jobs and infrastructure, by:
  - converting State priorities into regional land use responses and actions for State and local governments to implement;
  - guiding the sequencing of development and infrastructure delivery within precincts, by aligning growth with infrastructure provision; and
  - supporting accountability across State agencies and delivery partners.

The draft *Sydney Plan* released with the discussion paper for comment is the first of the new region plans to be released and is the applicable region plan for the North Sydney local government area (LGA). It is notable that there will not be a district level plan as was previously the case in the last iteration of Metro-level planning documents.

3. Local strategic planning outlines how broader priorities are reflected in local planning frameworks. They describe how the Plan will be delivered in each LGA by:
  - setting out how councils will implement State and regional directions in their local context;
  - streamlining strategic content and outlining local strategic planning vision and aspirations; and
  - holding councils accountable for zoning, local planning and other planning decisions, ensuring they align with regional sequencing and infrastructure coordination.

Local strategic planning is implemented by councils through strategic plans, such as local strategic planning statements (LSPS), housing and employment strategies, master plans, local environmental plans (LEPs), development control plans, (DCPs) and infrastructure contribution plans.



**Figure 1** – Three-tiered framework (Draft A New Approach to Strategic Planning: Discussion Paper (Page 24), DPHI, December 2025)

The *State Plan* establishes seven Statewide planning priorities in key land use planning areas, such as housing, jobs, infrastructure, environment and liveability that every State, regional and local plan must respond to. The aim is to ensure a consistent focus across NSW and make it easier to align strategic planning with infrastructure investment, funding decisions, and statutory planning pathways.

The proposed priorities are:

- **Aboriginal Outcomes:** Embedding co-design to recognise Country in planning outcomes. Success means that land use plans recognise Country and custodianship to support use and benefit opportunities for Aboriginal landowners to achieve social, cultural, environmental and economic self-determination.
- **Housed:** Delivering affordable, diverse housing in accessible locations. Success means more homes are built faster, close to jobs and transport.
- **Prosperous:** Growing resilient, innovative economies. Success means land use decisions help create jobs, supports emerging and diverse industries, and strengthens supply chains.
- **Connected:** Linking communities with efficient transport systems. Success means homes, jobs, and services are easier to reach and are more accessible.
- **Resilient:** Supporting a sustainable environment and biodiversity to help achieve net zero and build climate resilience. Success means communities can better withstand hazards and environmental pressures.
- **Liveable:** Building vibrant places that support quality of life. Success means more public spaces, better urban design, and stronger social cohesion.
- **Coordinated:** Aligning land use with infrastructure delivery. Success means major infrastructure investments directly support planned growth areas.

The stated purpose of the new approach to strategic planning is to have a single consistent, clearer, simpler, and more effective strategic land use planning framework of strategic plans, policies and guidelines across NSW that shape how land use and development decisions are made, balancing social, economic, and environmental priorities. It aims to support the delivery of better outcomes in terms of housing affordability, economic resilience, and environmental sustainability.

The proposed new approach aims to:

- reduce duplication across the planning system;
- align housing, jobs and infrastructure planning;
- support councils with clearer guidance and direction; and
- make planning priorities and policies easier to navigate and implement.

It is intended that the new approach will:

- apply a consistent structure across NSW to improve coordination and make the system easier to understand and use;
- consider the future role of existing planning layers, recognising the maturity and coverage of LSPs across NSW;
- clarify the role of council-led strategies, such as housing or employment plans, in supporting LSPs and aligning with State and regional directions; and
- encourage consolidation of local strategies to reduce duplication and streamline planning efforts.

The ideas in the Discussion Paper form part of the NSW Government's steps towards a more streamlined strategic planning framework. The new approach to strategic planning proposed in the Discussion Paper is distinct from, but complementary to, the statutory planning reforms enacted through *the Environmental Planning and Assessment (Planning System Reforms) Bill 2025* which passed the NSW Parliament on 11 November 2025. The statutory planning reforms focus on development assessment pathways and accelerated development delivery.

### Council Officer Comments

#### *Effectiveness*

NSW has a complex planning system so changes to reduce duplication, confusion, and complexity are supported, not just at the strategic planning level but also legislatively. The introduction of a new strategic planning framework must not add to the complexity of the system and should add value by improving planning processes, certainty, and outcomes. Opportunities to streamline the planning system must be pursued but if the changes represent just another layer of policy, with additional work and reporting requirements for already busy stakeholders, then the opportunities presented by the new framework will be eroded.

Local government and local communities can better plan for the future of their areas when a clear 'line of sight' exists between State, regional, and local planning. A clear line of sight through a tiered strategic planning framework is therefore supported. It should be noted that

this strategic “line-of-sight” concept is not new and was described at some length under the previous Greater Sydney Commission’s *A Metropolis of Three Cities* (2018) strategic documents.

The proposed three-tiered framework of State, Region, and Local has removed the District level which was introduced by the former Greater Sydney Commission (GSC) in 2018 through their Metropolitan Plan to provide a clear ‘line of sight’ between regional and local planning. While the District plans added another layer of policy, they provided more specific guidance and spatial detail relevant at the LGA level for councils to action in their local plans and identified district scale infrastructure planning and delivery, including transport infrastructure, by the State Government.

### *District Level and Local Planning*

Whilst the removal of District plans is understood to simplify the system, this has resulted in a Region Plan (i.e. the *Sydney Plan*) being very broad and high level with no specific vision, actions, spatial detail or directions for councils to aim for and implement at the local level. The Sydney region comprises many distinct LGAs with their own characteristics, challenges and opportunities. Specific guidance relevant at the LGA level for councils to action in their local plans needs to be provided, such as specific and measurable targets that consider the unique place-specific environments and communities of LGAs. Details of district scale infrastructure planning and delivery, including transport infrastructure, hospitals, and schools, should also be provided so that councils and the community know where future infrastructure is planned and where future additional housing and jobs should be located.

Within this top-down strategic planning framework, it is understood that the *State Plan* is to set the overarching priorities and policy directions that inform the Region Plan and ultimately local plans. It is important to understand how the priorities work at a state level to better understand how they should be applied at the regional and local levels. However, the *State Plan* has not been released, resulting in a significant gap in the framework between the Region Plan and the *State Plan*.

### *Housing Delivery Authority*

With the establishment of the Housing Delivery Authority (HDA) in December 2024, there has been a significant increase in the number of developments in the North Sydney LGA being declared State significant, including those involving an amendment to planning controls (i.e., concurrent rezonings), a planning pathway that was not previously available to SSDs.

Many of these State Significant Developments (SSD) clearly challenge the existing statutory framework, the State Government’s Metropolitan Plan, and Council’s adopted policy position, including the NSW Government assured LSPS. Two particularly concerning issues are the loss of commercial floor space on key employment sites in the North Sydney CBD and St Leonards centre through the rezoning of E2 Commercial Centre land and approval of build to rent developments. Another concern is the declaration of SSDs on sites that recently benefited from an uplift in planning controls under the recent strategic Crows Nest Transport Oriented Development (TOD) precinct rezoning and are now seeking further significant increases in

building height, such as 19-33 Chandos Street, St Leonards; 294 Pacific Highway, Crows Nest, and several others.

Concerns are raised that if the HDA and State Government are considering ad hoc concurrent rezonings via SSDs that are contrary to the policy positions established and adopted by State and local governments in their strategic plans, the proposed strategic planning framework, including the Sydney Plan and local strategic plans, will not be considered and will be further compromised as a result.

Empowering local planning should include a presumption against proponent led planning proposals and SSDs with concurrent rezonings. With robust local planning and the requirement that LEPs be updated regularly, there should be little need for site specific rezonings. This will free up significantly restricted council resources currently spent reviewing and assessing planning proposals and SSDs which can be more effectively deployed on proactive strategic planning.

Strategic planning undertaken by councils allows local communities to create a shared vision and have informed discussions about goals and objectives for the future, including actions required to achieve the shared vision. Local government is best placed to achieve State intent but in a manner that is more responsive to local context which considers the needs of diverse local communities. Decisions should be made at a local level reflecting regional and state priorities, wherever possible, rather than by a central authority.

#### *Role of the LSPS*

Greater weight and consideration need to be given to local strategic plans as a key tool for delivering housing, jobs, infrastructure, and resilience. Given the importance of local planning, councils should be provided support by the State Government, such as grant funding to undertake strategies to inform an update to the LSPS (e.g., environmental, housing, and employment studies) and investment in infrastructure to support growth. Councils have limited ability to fund infrastructure with restrictions on how development contributions can be collected and expended. Without councils being empowered to directly make decisions for the benefit of their communities, and without adequate support from the State Government, the ability for councils to deliver on State objectives will be compromised.

The draft *A New Approach to Strategic Planning: Discussion Paper* states that “the Department is concurrently undertaking a review with councils on the current LSPS framework and how it can be updated to make sure it meets the requirements of the new strategic planning framework and councils local planning needs.” However, no details have been provided of what changes can be expected or when councils will be notified or consulted of these changes. Nonetheless, any changes to the current LSPS framework should continue to afford councils flexibility in the content and structure of their LSPS to ensure it remains a robust and relevant strategic plan. Similar to the current LSPS, the State Government should endorse the updated LSPS and give it determinative weight in the consideration of SSDs and policy reforms.

Greater confidence should be embedded both at a community and governance level that significant resourcing and engagement into the preparation of the Council's LSPS will not be undermined by individual decisions of agencies like the HDA.

### *Certainty*

The new strategic land use planning framework is intended to be dynamic and responsive to emerging challenges and opportunities driven by shifts in infrastructure requirements, investment, policy and population. A more agile, modular approach is proposed, enabling updates to individual components or technical appendices without rewriting the entire plan.

The intention of strategic plans being more adaptable and responsive to changes associated with infrastructure and population is supported. Undertaking updates in an efficient manner to ensure plans remain effective is also supported. However, any changes to policy positions and priorities should not occur without public consultation with councils and the community.

The proposed high level *State Land Use Plan* priorities are generally supported and cover a broad spectrum of key issues that should be addressed in any effective strategic plan. However, minimal guidance is provided to councils on how to address these priorities and what the expected outcomes should be, as discussed below in relation to the draft *Sydney Plan*.

### *Monitoring, review, and updates*

The stated intention to introduce coordinated and regular reviews of the strategic planning framework is supported. However, the discussion paper provides limited detail on how monitoring, reporting and performance tracking will be achieved in practice.

In the absence of clear metrics and measurable key performance indicators, it is difficult to assess the effectiveness of both the current framework and the proposed reforms. A clear performance and reporting framework including agreed measures of success will be critical to ensuring transparency, accountability, and continuous improvement over time.

It is noted that the strategic planning package places a strong emphasis on housing supply, which is acknowledged as a critical priority. However, the framework would be strengthened by clearer and more measurable Key Performance Indicators (KPIs) and targets across a broader range of outcomes. In particular, there is a need for defined measures relating to climate risk and resilience, natural hazards, waste management, open space provision, environmental systems, and transport-mode shift. Establishing balance and transparent performance measures across these areas will help ensure that housing delivery is supported by integrated, sustainable and resilient planning outcomes, rather than progressed in isolation.

### **Recommendations**

- Provide guidance relevant at the LGA level for councils to address in their local plans, such as specific vision, actions, and directions, including measurable targets that consider the unique place-specific environments and communities of LGAs.
- Provide details of district scale infrastructure planning and delivery, including transport infrastructure, hospitals, schools, and utilities, to assist with planning for housing and jobs growth.
- Give greater weight and consideration to local strategic plans as a key tool for delivering housing, jobs, infrastructure, and resilience, in light of the state-led planning pathways.
- Provide support to councils for local planning to inform an update to the LSPS (e.g., environmental, housing and employment studies) and investment in infrastructure to support growth.
- Undertake public consultation with councils and the community on future amendments to State Government plans when changes are proposed to policy positions and priorities.
- Provide a clear performance and reporting framework, including clearer and more measurable KPIs and targets across a broader range of outcomes, particularly relating to climate risk and resilience, natural hazards, waste management, open space provision, and environmental systems.

## **DRAFT THE SYDNEY PLAN**

### Overview

The draft *Sydney Plan* is the first of the four new regional strategic plans to be delivered across NSW. It demonstrates how the new Statewide approach, outlined in *A New Approach to Strategic Planning: Discussion Paper*, is applied at a regional scale.

The *Sydney Plan* will guide how the NSW Government manages growth in the Sydney region over the next 20 years. It covers 33 local government areas anchored by the Sydney and Parramatta CBDs, as well as the new Bradfield City Centre (around the Western Sydney Airport).

The purpose of the draft *Sydney Plan* is to set out strategies and major policy reforms in housing generally, affordable housing, industrial lands, infrastructure delivery, vibrancy, and resilience for the state. The aim of the Plan is to make Sydney a great place to live, work, and enjoy, now and into the future.

The Plan aims to guide:

- state and local strategic planning and assessments;
- infrastructure planning and prioritisation; and
- public and private investment decisions.

Stated highlights of the draft *Sydney Plan* according to the DPHI's website include:

- supporting our growing and changing population by rebalancing housing growth and delivering accessibility to a choice of housing, jobs, and services throughout the Sydney region;
- jobs guidance to support economic and population growth, supported by a strong, connected network of employment centres;
- a more liveable and vibrant Sydney to enhance quality of life, creating places where people genuinely want to live;
- securing industrial lands to support their critical role in driving economic growth and implementing the Draft *Statewide Industrial Lands Policy*;
- promoting resilient and sustainable land-use planning and urban design principles to enhance environmental outcomes and help to manage natural hazard risk to communities.

The *Sydney Plan* is structured by the seven state priorities discussed above. The Plan spatially applies the state priorities to Sydney with 12 regional responses. A single response may address multiple priorities. The responses focus on interventions to support Sydney's growth and development by informing actions for both the DPHI and local councils to implement over the next five years.

Councils will be able to align their local planning documents, such as the LSPS and LEP, with the finalised *Sydney Plan* to deliver the priorities for their local areas.

The draft *Sydney Plan* also includes appendices which contain technical information and guidance for councils, practitioners, and others to support implementation.

Once finalised, the *Sydney Plan* will replace the *Greater Sydney Region Plan – A Metropolis of Three Cities* (2018) and associated district plans, including the *North District Plan*.

#### Council Officer Comments

The draft *Sydney Plan* largely comprises background information and broad statements. However, no background documents have been provided to accompany the plans to demonstrate the research that has informed the Plan, such as the 10-year and 20-year jobs ranges.

The Plan fails to provide clear policy positions, spatial detail, and directions for local planning. Whilst the actions clearly define whether State or local government is responsible, they lack guidance on how the action is to be achieved and what outcomes should be delivered. As discussed above, the Plan should focus on providing actions and guidance to councils on how to achieve these actions at the LGA level, along with performance indicators and measurable targets to know what to aim for and provide a clear understanding to the community of what the expected outcome is.

The inclusion of performance indicators and measurable targets would assist in the implementation of the Plan at the local level. This includes the assessment of planning proposals and SSDs as development proposals would need to demonstrate how they deliver

on the stated outcomes. As it stands, the Plan provides little guidance for how proposals are to demonstrate consistency with the Plan and strategic merit, particularly when it is focused on the delivery of housing.

It is also noted that most actions for councils in the Plan are required to be completed by 2027. Concerns are raised regarding how achievable these timeframes are given the commencement of some of these are dependent on the release of information from the DPHI, such as an Affordable Housing Contribution Scheme (AHCS) toolkit, revised LSPS framework, and housing targets. These timeframes are further challenged by other competing priorities and finite and increasingly burdened council resources.

In light of these challenges in meeting the timeframes, it is recommended that councils be given some flexibility, and additional resources and funding be provided by the State Government to assist in completing actions in a timely manner with high quality outcomes.

To ensure that actions are satisfactorily completed by the State Government and councils in a timely manner, a robust monitoring and reporting framework is required. Both State and local governments should report regularly and publicly on the progress of their actions. For councils, this could include incorporating the actions within the Integrated Planning and Reporting (IP&R) framework.

The Three Cities Concept of the Sydney CBD, Greater Parramatta and Bradfield anchoring a network of 43 interconnected centres, where a large share of jobs and services across the region is distributed, is generally supported. However, the Plan lacks recognition of the important role these supporting centres provide, including not identifying any key strategic centres.

Furthermore, the *Greater Sydney Region Plan* is built on a vision of three cities where most residents live within 30 minutes of their jobs, education and health facilities, services, and great places. Whilst the draft Plan refers to focusing housing development within a close (30-minute) public transport journey from key centres and destinations, it does not go beyond this to specify an objective of a 30-minute city where services such as health, education, and recreation facilities, are located in centres to support households' access to these facilities.

The Plan focuses on the delivery of dwellings and jobs in the absence of critical considerations, such as social and environmental planning. When planning for this growth, the Plan has very limited to no consideration of local character, heritage, and good urban design which are important in ensuring places are functional whilst respecting the character and unique attributes of a place. Furthermore, the Plan fails to give weight to sustainability with no mention of renewable energy or the provision of environmental performance targets and benchmarks.

Following is an outline of each 'Response' as presented in the draft *Sydney Plan*, along with commentary and recommendations.

## Draft SYDNEY PLAN - RESPONSE 1: Implement Sydney housing targets

### Outline

This response discusses revising existing plans and accelerating them to intensify housing development, including higher density at Metro stations closer to central Sydney.

This response identifies the five-year housing targets that respond to the National Housing Accord and identifies the requirement for accelerating delivery above the current pipeline of supply. It states that councils should plan for the feasible number of homes in their local area to meet their housing targets, not just the theoretical capacity. This means building a bigger pipeline of potential homes to ensure that targets can be met. Since not all land available for housing is developed, the pipeline of opportunities needs to be significantly larger to make sure targets can be delivered.

Aligned with the National Housing Accord of delivering 377,000 new homes in NSW between 2024-2029, of which Sydney is to contribute 264,000 homes, the Plan identifies a 2024-2029 target of 5,900 additional dwellings in the North Sydney LGA.

To achieve these housing targets, the Plan requires, as an action for councils, to review and update local strategic planning and LEPs to align with the Sydney Plan and provide sufficient feasible capacity to meet housing targets.

Complementary to land use changes, the response also states that councils should assess development applications (DAs) in line with the benchmarks set out in the Ministerial Statement of Expectations to help speed up the delivery of new homes.

### Council Officer Comments

The draft *Sydney Plan* is focused primarily on the delivery of housing, which aligns with the recent amendments to the *Environmental Planning and Assessment Act 1979* to include an objective to promote housing supply.

As discussed above, the Plan only identifies a housing target for the North Sydney LGA to 2029 of 5,900 dwellings. Since January 2025 when the HDA commenced considering expressions of interest for proposals to be declared SSDs or SSDs with a concurrent rezoning, more than 10 proposals in the North Sydney LGA have been so declared by the Minister for Planning, with many more in the HDA pipeline (noting that this does not include those that were made eligible for the SSD pathway once the Crows Nest TOD was finalised). Those SSD proposals, if approved by the Minister or his delegate, will account for more than 3,000 new dwellings on a handful of sites. That is, half of the five-year housing target of 5,900 without factoring in the significant contribution of Low to Mid-Rise Housing (LMRH) or the Crows Nest TOD.

No updated housing targets for the next 20 years has been provided in the draft *Sydney Plan*. Councils and communities need to have greater clarity regarding the degree of growth

expected within the lifetime of the Plan. For this reason, the inclusion of council-based housing targets and centre-specific jobs targets within the Plan is required as the most transparent way to express the degree of growth that needs to be planned for and for Council to undertake meaningful strategic planning.

Expectations around housing need to be provided to enable councils to plan for and manage this growth through their LSPS. It is noted that new targets are expected to be released at the end of the Housing Accord. However, 10-year targets are required sooner as councils need to start preparing their LSPS in order to complete them by 2027, as required by the Plan. Without the provision of targets, this work cannot commence effectively.

Targets need to be based on the provision and capacity of large-scale infrastructure, such as public transport, hospitals, and schools, with evidence provided demonstrating an area's infrastructure capacity to support the anticipated population and housing target. This will provide councils and the community the confidence that adequate infrastructure is available to support population growth and provide for an appropriate level of amenity and liveability. However, as discussed above, the Plan lacks a vision by not identifying where future infrastructure is planned and where future additional housing should be located. Targets should also be contingent upon satisfactory arrangements being in place regarding the funding of local infrastructure. Existing arrangements involving the cap on local infrastructure funding are clearly not satisfactory nor are they recognised as significant constraints to facilitate or accommodate growth.

The Plan emphasises the importance of locating new developments in infill areas where there is existing infrastructure, including to avoid higher infrastructure costs in greenfield areas. This is supported in principle; however, the State Government needs to provide councils with support by providing new and upgraded infrastructure to replace existing old and inadequate infrastructure to support these developments. Similarly, as above, satisfactory arrangements also need to be in place for the provision of local infrastructure. In the case of North Sydney Council, it needs to be recognised that it is one of the densest local government areas in Sydney.

The ad hoc and speculative nature of concurrent rezonings via the HDA that are contrary to the policy positions established by adopted State and local governments in their strategic plans, conflicts with the planned housing growth advocated for in the draft *Sydney Plan*. The Plan misses the opportunity to provide clear criteria for growth that could provide some transparency for assessing concurrent rezonings and planning proposals.

Housing targets apply to dwelling completions in the Plan. Councils have little control over whether the market 'takes up' LEP capacity and acts on development approvals. Councils can only facilitate development through rezonings, changes to planning controls, and assessing and determining DAs lodged. There are many factors outside of the planning system that affect the delivery of development, such as land values, property values, construction costs, availability of skilled labour, and financing.

A significant number of dwellings have been approved recently within the North Sydney LGA. 1,738 dwellings were approved in the North Sydney LGA between July 2024 and November

2025, representing over 29% of the 5,900-dwelling target for the North Sydney LGA within the Housing Accord period of 2024-2029. However, if and when these approved dwellings are built, will be determined by many of the factors outside the planning system listed above.

In recent years, there have been numerous instances across inner Sydney areas where older multi-unit residential buildings have been demolished and replaced with developments that provide fewer units, often prioritising larger, high-end apartments over affordable and diverse housing options. This trend contributes to a reduction in housing supply, exacerbates housing affordability challenges, and undermines efforts to accommodate a growing and diverse population. This is especially prevalent in highly urbanised and dense areas like North Sydney. Therefore, dwelling and employment targets should be based on capacity, rather than delivery. Furthermore, it is recommended that the State Government implement a policy that would prevent the net loss of housing units on a site in new developments.

The Plan focuses on the delivery of dwellings and jobs, with little to no mention of the consideration of local character, heritage, and amenity when planning for this growth. Concerns are raised that developments with poor amenity and urban design outcomes will be built in the current drive to build more homes and more quickly. In addition, concerns are raised with the relaxation of the Apartment Design Guide (ADG), which if not regulated appropriately, may result in poor amenity and design outcomes – as per *Action 2.4 - Update guidance to consent authorities, industry and the community to make sure the Apartment Design Guide is being used flexibly to achieve positive objectives evaluated through merit assessment*.

With regards to assessing DAs in line with the benchmarks set out in the Ministerial Statement of Expectations to help speed up the delivery of new homes, Council was given a determination target of 115 days after lodgement with the target reduced to 105 days from 1 July 2025, 95 days from 1 July 2026, and 85 days from 1 July 2027. As previously reported to Council on 24 March and 27 October 2025, Council staff have actively embarked on various initiatives to reduce DA processing times.

Council's performance since January 2025 has been characterised by consistent month on month improvements. For the first quarter of 2025/26, Council averaged an 81-day determination time for DAs. This is an excellent result and well under the 105-day timeframe imposed by the Ministerial Order. Furthermore, the time taken by Council to qualitatively assess the completeness of such DA prior to accepting it as being formally "lodged" is now averaging five days which is an enormous improvement (90%) on the same period in 2024/25 and below the Ministerial target.

#### **Recommendations**

- Provide longer term council-based housing and centre specific jobs targets within the Plan that are based on capacity, to enable councils to commence an update to their LSPS.
- Identify where future infrastructure is planned.
- Implement a policy that would prevent the net loss of housing units on individual development sites.
- Recognise the need to consider local character, heritage, and amenity when planning for growth.

## **Draft SYDNEY PLAN - RESPONSE 2: Increase housing diversity and choice**

### Outline

This response is about providing a mix of housing types to accommodate housing needs and a changing population. The Plan recognises that the Low to Mid Rise Housing (LMRH) Policy and Transport Oriented Development (TOD) Program will provide the greatest opportunity to increase housing diversity and more choice for residents. The Crows Nest TOD Precinct within the North Sydney, Lane Cove, and Willoughby LGAs is identified to provide 5,900 dwellings and 2,500 jobs.

The Plan states that councils should continue to plan around train stations and major bus interchanges and investigate other high-density options to meet housing targets. This may include considering new locations suitable for the LMRH Policy. Accordingly, the Plan specifies actions for councils to undertake these investigations.

### Council Officer Comments

The provision of a mix of housing types to accommodate the needs of a growing population is supported. The diversity of housing will depend on an analysis of the needs of local and incoming populations. Local housing strategies should provide an evidence base and analysis of demographics to determine the appropriate mix of housing specific for each LGA. This analysis would be undertaken in conjunction with a review of housing targets and additional areas to accommodate more housing through the LSPS. Therefore, as discussed above, this work is best informed by the release of longer-term housing targets.

Any plans to accommodate more housing needs to be accompanied by the State Government providing new and upgraded infrastructure and providing councils with greater flexibility with regards to the collection and expenditure of local infrastructure contributions.

#### **Recommendation**

- Provide new and upgraded infrastructure and provide councils with greater flexibility with regards to the collection and expenditure of local infrastructure contributions to address the limitations of the local infrastructure contributions system.

## **Draft SYDNEY PLAN - RESPONSE 3: Secure the supply of affordable housing**

### Outline

This response discusses the mechanisms the State Government has implemented to increase the supply of affordable housing, such as developing surplus government-owned land for affordable housing and establishing affordable housing contribution rates in the TOD Precincts.

Actions specified for councils include preparing and adopting an Affordable Housing Contributions Scheme (AHCS) and identifying surplus council-owned land for affordable housing.

### Council Officer Comments

The inclusion of a response in the draft *Sydney Plan* to secure the supply of affordable housing is supported. As indicated in the Mayoral Minute of 8 December 2025 - MM02: Affordable housing and rental affordability challenges, Council remains committed to an affordable housing program and has resolved to undertake a review of Council landholdings to identify whether there is land that has potential for affordable housing provision in partnership with a community housing provider.

Council recognises the important role planning mechanisms play in enabling affordable housing but considers that the *Sydney Plan* does not adequately reflect the scale of need or practical constraints council faces in delivering these outcomes. The framework should explicitly encompass social housing, which requires sustained State Government leadership, funding, and delivery – not reliance on local government, whose landholdings and resources are limited. The delivery of social housing by both Federal and State Governments has been in decline for decades. Australia, when compared to other equivalent nations, has not invested enough in social and affordable housing over the last four decades or more. Equivalent nations have levels of government housing at approximately 10% of supply or higher. Whilst it is acknowledged that the private sector is required to play a role, the reliance almost solely on the private sector to provide the bulk of affordable housing, through bonuses, is a misplaced policy setting.

Council is endeavouring to increase its stock of affordable housing but needs continued support from the State Government. It needs to be acknowledged that whilst councils play a role in this area, its access to the significant levers, capital, and resources available to State and Federal Governments, is comparatively very limited.

Council is currently undertaking an economic feasibility study to support the development of an AHCS. The Plan's inclusion of a NSW Government action to deliver an AHCS toolkit to support councils to fast-track the preparation and adoption of an AHCS is noted. However, this is expected to be released in 2026-2027 while the deadline for councils to prepare and adopt an AHCS is 2027. The deadline should be extended to afford councils sufficient time to prepare and adopt an AHCS following the release of the toolkit. Additional support and guidance from the DPHI would also be welcomed to assist councils with preparing their AHCS, including grant funding and tailored advice from the DPHI's affordable housing team.

Whilst Council is undertaking initiatives to increase the amount of affordable housing in the LGA, the existing affordable housing stock (as well as lower cost general rental stock) is under threat from new developments. These include SSDs that may not be required to provide any affordable housing or limited affordable housing (i.e., not in perpetuity). For example, the SSD for 64-66 Lavender Street and 3-7 Middlemiss Street, Lavender Bay (SSD-86797708) proposes the demolition of five existing residential flat buildings and construction of a 20-storey residential flat building providing approximately 140 apartments, including the provision of

3% affordable housing in perpetuity. The five existing modest apartment blocks that will be demolished for this development will see the loss of 32 market rental affordable units whilst in return, the developer is offering 3% affordable housing (equivalent to only three or four apartments).

Another concern with regards to SSDs and the provision of affordable housing is the lack of guidance available on how monetary contributions are calculated. For example, a SSD at 378-398 Pacific Highway, Crows Nest (SSD-79240223) located in the Crows Nest TOD was approved in 2025, requiring affordable housing as a condition of consent. The applicant has chosen to provide a monetary contribution rather than dedicate affordable housing. The matter is currently unresolved as Council seeks guidance from the DPHI on how the monetary affordable housing contribution should be calculated and ultimately distributed.

With threats and uncertainties regarding the provision of affordable housing, it is clear that Council alone cannot provide enough affordable housing to meet the needs of the community. Affordable housing should primarily be the responsibility of the State Government, and a Sydney-wide approach should be applied. For example, the Plan should set minimum targets for affordable housing, regardless of whether the rezoning or development is assessed by a state agency or local council, so there is an expectation by the development industry that affordable housing is required to be provided and in perpetuity. This can be factored in early when determining the viability of a development project. If applied widely, this will ensure an “even playing field” for the development industry. Council AHCS’ should then have the ability to justify a higher percentage of affordable housing required beyond the minimum established benchmarks.

It is acknowledged that the State Government implemented minimum affordable housing rates for the Crows Nest TOD, requiring a minimum of 3% affordable housing in all new residential development, and between 5% and 18% for several key sites. The base affordable housing contribution of 3% is a significant reduction from the 10-15% proposed under the exhibited draft TOD. However, the delivery of affordable housing in perpetuity better aligns with Council’s advocacy of affordable housing.

The following NSW Government action is noted – *3.2 Maximise the affordable housing outcomes delivered under TOD and infill affordable housing programs by creating more flexible arrangements for contributions*. Questions are raised regarding what these flexible arrangements will entail given applicants already have the flexibility to dedicate affordable housing dwellings or pay a monetary contribution. Regardless, any flexible arrangements introduced should ensure that the required affordable housing is provided and in perpetuity.

To increase the amount of affordable housing, the State Government can also assist by incentivising affordable housing by amending planning controls. This may include reducing parking requirements for affordable housing in high amenity, transit-oriented centres. Many parts of the North Sydney LGA are very accessible by public transport, particularly with the opening of the Metro line. The *North Sydney DCP 2025* also has maximum parking rates, reflecting the accessibility of the LGA. Council’s planning controls should be complemented by State planning controls that reduce parking requirements. Other policy levers to facilitate

the supply of affordable housing, such as taxation concessions, co-funding, and security, should also be explored at a State and Federal level.

#### **Recommendations**

- Expand the framework to explicitly include social housing, supported by sustained State Government funding and delivery.
- Lead the policy development, funding and delivery of affordable housing, including incentivising the delivery affordable housing in perpetuity by amending planning controls and through the assessment of SSDs.
- Establish clear partnership mechanisms between councils and State agencies to unlock suitable sites and accelerate delivery.
- Ensure affordable housing outcomes are embedded within a broader place making and liveability framework, not treated in isolation.

### **Draft SYDNEY PLAN - RESPONSE 4: Grow well-located jobs**

#### Outline

This response has the aim of improving access to jobs by delivering jobs in centres close to public transport, particularly corporate and service-oriented jobs.

The North Sydney CBD is identified as part of a significant jobs area, forecasted to provide more than 50,000 jobs (combined with the City of Sydney CBD) (per 100 Hectares) by 2044. North Sydney is said to complement other centres by providing commercial floor space and rail and Metro connections. This includes connections with the southern part of the Sydney CBD and centres along the north-west jobs corridor. It is anticipated that most jobs will remain in business services, aligning with the CBD's concentration of existing and planned commercial office space. Growth in retail and hospitality and tertiary education will support the CBD's office-based functions.

The draft *Sydney Plan* groups the North Sydney CBD with the City of Sydney CBD to form the 'Sydney CBD', which includes Darlinghurst, Chippendale, Eveleigh, Green Square, North Sydney, Newtown, Pyrmont, Redfern, The Rocks and Circular Quay, Surry Hills, and Ultimo.

The St Leonards Centre, which is shared with the Lane Cove and Willoughby LGAs, has been classified as a 'Commercial Centre', the second-highest employment categorisation after CBDs. The Plan states that jobs growth will build on strengths in business services, industrial uses in Artarmon and hospital jobs surrounding the Royal North Shore Hospital. Its proximity to Crows Nest Metro station, combined with trains and buses, means over 150,000 workers will live within 30 minutes by public transport of St Leonards in 2044.

## Council Officer Comments

### *Loss of commercial floorspace*

The draft *Sydney Plan's* objective of increasing jobs, particularly around public transport, is supported. However, recent planning reforms and policy changes undermine the Plan's objectives to ensure "*centres drive business activity and jobs growth*". The Crows Nest TOD rezoning, amendments to Part 4 of the State Environmental Planning Policy (Housing) 2021 (Housing SEPP) that permit Build to Rent (BTR) housing in the E2 Commercial Centre zone, and the introduction of the HDA SSD Pathway, have resulted in a significant reduction of commercial capacity. Rather than co-locating employment lands and residential lands, they have effectively displaced employment lands, weakening the strategic commercial role of centres. Without action, these policies may further erode the employment capacity of centres and progressively diminish their ability to accommodate the long-term job growth envisioned within the Plan.

To date, there are seven SSDs lodged in the North Sydney CBD via the HDA and BTR SSD pathways. If approved, these SSDs will convert 10% of the North Sydney's E2 zone to primarily residential purposes. As a result:

- approximately 191 currently operational businesses will be displaced;
- floorspace for an estimated 3,963 existing jobs will be displaced (equivalent to a loss of approximately \$1.3b gross value added (GVA) per annum); and
- floorspace capacity for an estimated 14,900 jobs will be displaced (equivalent to a loss of approximately \$5b GVA per annum).

By permitting residential uses in commercial zones, the HDA and BTR pathways seek to both increase and expedite housing supply in well-located, well-serviced areas. However, the compact nature of the North Sydney CBD means that housing supply can be accommodated at the edges of the CBD, providing high accessibility to public transport and jobs. There is therefore no justification for displacing commercial floor space with residential uses within the limited commercial core and enabling a complete loss of the CBD's commercial function. Greater clarity is required for councils and the industry regarding employment policy and capacity.

These policies come just after the multi-billion-dollar investment into the North-West Metro. Since opening, Victoria Cross has become the fourth most popular Commercial Centre station (after Sydney CBD stations, Parramatta, and Chatswood). In 2025 alone, it supported approximately four million trips (Train and Metro Station Entries and Exits Data for 2025, TfNSW). Given that Victoria Cross primarily supports work-based trips, loss of employment lands surrounding the Metro site is not considered the highest and best use of this major infrastructure investment. Whilst housing supply remains critical, the effect of these policies run contrary to the Plan's objectives to "*grow well-located jobs*" and "*align land use with infrastructure delivery*". Their displacing effect directly undermines the Plan's view that "*commercial cores need to be prioritised for productive employment uses*".

Locally, the displacement of several population-serving services will disadvantage the residential populations that flank the North Sydney CBD. Regionally, the North Sydney CBD

plays an important ancillary function to the Sydney CBD, serving as a primary node in the network of centres and jobs corridor. Allowing the HDA and BTR pathways to further erode the North Sydney CBD's commercial function is neither strategic nor consistent with the Plan's objectives. The Plan thus requires clearer guidance and mitigating measures to address these impacts.

Similarly, in the St Leonards Commercial Centre, the Crows Nest TOD rezoning has reduced non-residential FSRs, reducing the commercial capacity of the centre by approximately 102,000m<sup>2</sup>, or 19%. This is equivalent to a loss of approximately 7,000 jobs, with an associated Gross Value Added (GVA) of approximately \$1.66b. In addition, the precinct's non-residential FSR controls now translate to predominantly mixed-use development, with retail floorspace concentrated at ground and lower podium levels, and limited provision for commercial offices or other population serving, and professional services. Consequently, non-residential land-use settings in St Leonards now trend towards that of a predominantly retail-oriented centre, rather than a commercial employment centre. Given that the Plan identifies a 40% business-services and 20% community and health services industry mix in St Leonards, the loss of dedicated business and population-serving floorspace represents a clear misalignment between the Plan's stated objectives and the recently implemented planning policy (November 2024). This needs to be addressed.

In addition, several SSDs lodged via the TOD pathway are seeking amendments to the non-residential FSR requirements of their mixed-use developments, or replacing the commercial floorspace with other uses, such as hotels. These proposals will further reduce commercial floorspace across the St Leonards Commercial Centre.

Other SSDs lodged in the St Leonards Commercial Centre propose the replacement of commercial floorspace with BTR, further eroding St Leonard's commercial capacity. Notably, a 13-storey, fully commercial tower was planned and approved for the site at 270-272 Pacific Highway, Crows Nest. However, the site is now proposed to be redeveloped as a residential mixed-use tower via the BTR pathway. This represents a loss of approximately 20,000m<sup>2</sup> of commercial floorspace, equivalent to approximately 1,681 jobs. Similarly, a 41 storey, fully commercial tower was planned for the site at 601 Pacific Highway, St Leonards. This site is now proposed to be redeveloped as a residential mixed-use tower via the HDA pathway, representing a loss of approximately 50,000m<sup>2</sup> of commercial floorspace, equivalent to approximately 5,000 jobs.

The site-by-site assessment process inherent to the HDA and BTR pathways do not account for the cumulative loss of commercial floorspace at the precinct level. As a result, St Leonard's remaining commercial floorspace is increasingly vulnerable to future displacement.

This continued loss of employment floor space undermines the Plan's employment vision for the Commercial Centre. Protective mechanisms or targeted strategies are therefore required to address St Leonard's compromised commercial function and ensure the Centre can achieve its strategic role. Alternatively, the Plan should explicitly reflect what has been occurring on the basis of the TOD planning changes and HDA approvals, and plan for a different outcome to that espoused by the Plan which, given recent decisions, may be unachievable.

The loss of commercial floorspace in St Leonards places additional pressure on the North Sydney CBD to both retain and augment its commercial function. Protecting commercial floorspace in the North Sydney CBD will be critical to supporting jobs and amenities, absorb the loss of commercial floorspace in St Leonards (and potentially other centres like Chatswood and Macquarie Park), and curtail further fragmentation across the broader jobs corridor.

### *Job targets*

Similar to the absence of longer-term housing targets, the Plan fails to provide centre-specific job targets for the next 20 years, which are essential to providing communities and local councils certainty regarding the level of growth anticipated over the lifetime of the Plan and supporting policies and infrastructure decisions. The inclusion of targets is the most transparent mechanism for conveying the scale of growth to be planned.

The employment targets for the North Sydney CBD have also been combined with the Sydney CBD, leaving the North Sydney CBD's specific target unclear. The Plan has also not considered how jobs targets for the Sydney CBD will be managed at the council level, given that the Sydney CBD sits across two LGAs.

The North Sydney CBD complements the City of Sydney CBD but has a distinctly different role with a mature commercial function. Subsuming the North Sydney CBD into the Sydney CBD without clear employment targets fails to account for its administrative and geographic separation from the southern portion of the Sydney CBD. The lack of employment vision for the North Sydney CBD has the potential to weaken its economic contribution to both the local and regional economy particularly give the incursion of residential development. Since 10- and 20-year job ranges have been provided for the Sydney CBD as a whole, separate, and clearly defined employment projections, targets, and vision are required for the North Sydney CBD to ensure that planning measures support its economic growth and longer-term certainty is established.

As discussed above, clear employment expectations are essential to enable councils to plan for this growth through their LSPS and for the community to understand the anticipated development. It is also important to send a strong and unambiguous message to the development and investment sector about the future of the centre. This is especially important given the ambiguous approvals process introduced by the HDA.

It is noted that councils are required to have their LSPS completed by 2027 but without the provision of tangible targets, this planning work cannot meaningfully commence. A clear long-term strategic direction is required with respect to jobs across Sydney.

As discussed above, employment targets should be based on capacity, rather than actual delivery of development. Councils can only facilitate development through rezonings, changes to planning controls, and approvals. There are many factors outside of the planning system that affect the delivery of development, such as land values, access to labour, and construction costs.

## Centres typology

The draft *Sydney Plan* states that a network of 43 interconnected centres will distribute a large share of jobs and services across the region, anchored by three CBDs – Sydney CBD, Greater Parramatta, and Bradfield (emerging). However, no guidance is provided on what role these supporting centres should play. The former District Plan categorised these supporting centres within an identified hierarchy that indicated the intended role of these centres, allowing land-use settings to be tailored to achieve these objectives. Many of these supporting centres have since been removed, leaving only CBDs, Commercial Centres, and Retail Centres in the Plan, as identified in *Figure 22: Centres* (see Figure 2 below). This may place additional pressure on the remaining centres to deliver particular economic outcomes but without a clearly articulated vision, and no clearly defined actions and priorities for centres, the strategic framework and planning system may not be primed to support these outcomes effectively. Furthermore, smaller centres, such as neighbourhood and local centres, continue to play an important role in supporting surrounding residential developments, particularly with the rise of hybrid working arrangements and the convenience of services and facilities within walking distance.

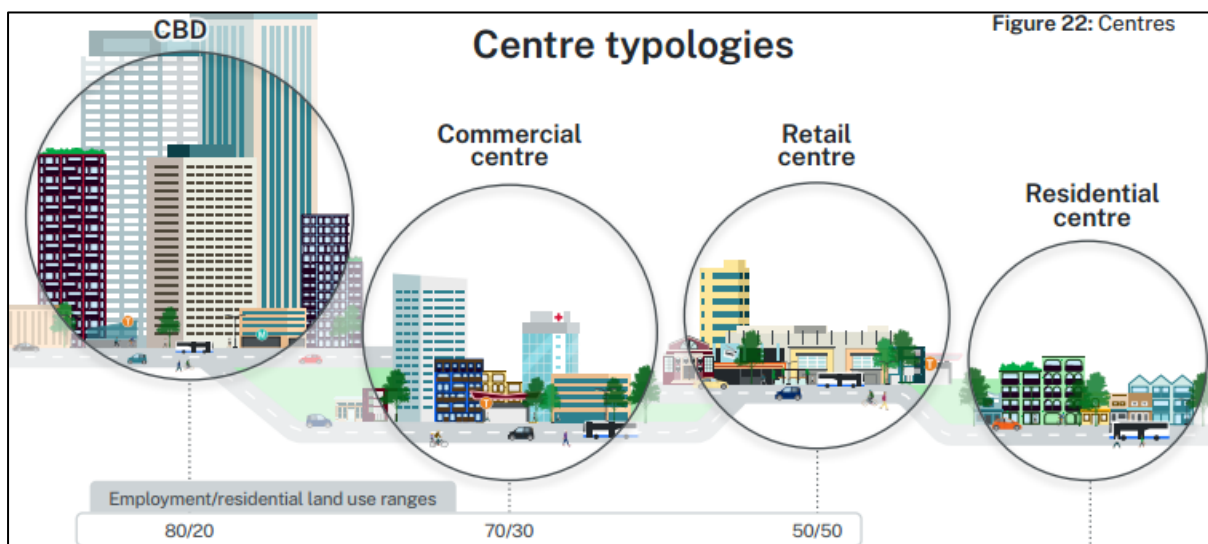


Figure 2 – Centre's typology (Draft Sydney Plan (Page 29), DPHI, December 2025)

According to the Plan's Centres Typology, the St Leonards Commercial Centre should achieve a 70/30 commercial/residential land-use mix. However, the reduction of commercial floorspace under the Crows Nest TOD rezoning and incremental but significant HDA decisions, means that the E2 and MU1 zones within the Centre are unlikely to achieve this split (commercial/residential). The prospective commercial/residential split will be more greatly skewed towards residential. Whilst the Plan's Centre Typology provides a useful framework for the delivery of better integrated land-uses, the Plan does not include mechanisms to address Centres unable to meet the target land use ratio. This lack of strategic direction will make the delivery and management of commercial floorspace in the St Leonards Commercial Centre challenging and its Commercial Centre function is unlikely to be achieved.

Whilst Appendix E outlines the industry composition of the Sydney CBD (which includes the North Sydney CBD) and St Leonards Commercial Centre, it is unclear whether these represent

aspirational targets for centres, or projected estimates of likely future composition. Further, there is no evidence to suggest that the industry composition has been informed by a broader assessment of local or regional employment land needs or a networked strategy of complementary employment lands. As a result, the connection between the Centres Typology framework and the overall network of centres strategy remains unclear.

Furthermore, the relationship between the Centres typology and industry composition with the Standard Instrument is unclear. This is particularly concerning when the Standard Instrument employment zones were amended recently.

The Employment Zones Reform was introduced to the Standard Instrument in 2021 and implemented by the amendment of 134 LEPs in mid-2023. Five (5) new employment zones and 3 supporting zones were introduced into the Standard Instrument. The reform was designed to ensure land-use controls could accurately reflect the objectives of strategic plans and planning priorities; and similarly, that land-use settings bolster job creation and increased productivity.

The Plan needs to consider how the industry composition of centres, and the desired integration of residential and commercial land-uses, can be achieved through the Standard Instrument. Whilst the Standard Instrument can ensure commercial uses happen at a particular zone/site, greater manipulation of the controls may be required to ensure the Plan's desired outcomes for jobs are realised.

### *Global Economic Corridor*

The previous Regional Plan identified three key Economic Corridors across each of the 'Three Cities' regions. The Plan does not clearly identify these corridors in its new economic vision. What was previously the 'Eastern Economic Corridor' is now the 'jobs corridor', whilst the Greater Parramatta and Olympic Peninsula (GPOP) and Western Economic corridors are not mentioned. The productivity and agglomeration benefits of these corridors are well-known, and their economic and employment value remains relevant. The Plan should retain these corridors and build upon the economic development achieved under the previous Regional Plan.

In the North Sydney context, the North Sydney CBD (as a component of the Sydney CBD) and the St Leonards Commercial Centre remain significant hubs for employment and economic activity. However, their role within the 'jobs corridor' and integration with the broader 'network of centres' is not clearly stated. Under the North District Plan, these centres were identified as playing an important role in the Eastern Economic Corridor; spatially, they connected the north-west region to the Sydney CBD, and economically, they hosted primarily white-collar industries to support diversification in other Districts.

In the draft Plan, commercial and retail centres are identified along the jobs corridor but their relationship to each other, and their contributions to the broader Sydney and global economies, are not clearly defined. As a result, the 'jobs corridor' does not form a cohesive, competitive network. This is a missed opportunity, particularly as what was the 'Eastern Economic Corridor' is now supported by the North-West Metro line and the imminent

opening of the Sydenham-Bankstown Metro which will further connect additional labour markets in Sydney's south-west to the north.

The Plan should aim to strengthen the jobs corridor along the North-West Metro line with recognition of the major employment centres, including the Norwest and Macquarie Park business parks, Chatswood, and St Leonards, and the North Sydney CBD. Strengthening these centres will avoid a large proportion of the northwest and North Shore's working population having to cross the harbour, ensuring reduced congestion and the longevity of our transport infrastructure.

Significant opportunities still exist within the corridors, but a stronger vision with clearer strategic intent are needed to realise them. The Plan should also take advantage of the Global Economic Corridor with the enhancement of public transport links, such as extending the Metro from Epping to Parramatta. Doing so will enable the Plan to capitalise on the newly delivered Metro network and build upon the economic development already achieved under the previous Regional Plan.

#### **Recommendations**

- Retain and enhance employment in centres through the assessment of SSDs and development of planning controls to protect the E2 Commercial Centre zone in the North Sydney CBD for employment purposes.
- Provide clearer guidance and mitigating measures in the Plan to address the impacts of diminishing employment functions in commercial centres.
- Provide separate and clearly defined employment projections, capacity targets, and vision for the North Sydney CBD to ensure that planning measures support its economic growth and longer-term certainty is established.
- Clarify how State led pathways (including HDA processes) will protect employment land and maintain an appropriate balance between jobs, housing and services.
- Recognise and provide guidance on the role of smaller supporting centres, such as neighbourhood and local centres.
- Provide mechanisms to address centres unable to meet the target land use ratio of commercial/residential, such as the St Leonards Commercial Centre.
- Consider how the industry composition of centres, and the desired integration of residential and commercial land-uses, can be achieved through the Standard Instrument.
- Retain and strengthen the job corridors, including the Eastern Economic Corridor, particularly along the North-West Metro line.

### **Draft SYDNEY PLAN - RESPONSE 5: Align infrastructure to planned growth**

#### Outline

This response is about delivering infrastructure to support housing growth. It discusses the mechanisms for collecting contributions, including the Housing and Productivity Contributions (HPC) to fund State infrastructure identified in the Sydney Infrastructure Opportunities Plan (IOP), and local infrastructure contributions by councils.

## Council Officer Comments

The alignment of land use and infrastructure planning should be a core function of the draft *Sydney Plan*. The best way to ensure that land use planning and infrastructure planning is aligned is for the State Government to focus on the provision of large-scale city-shaping infrastructure, such as public transport, schools, and hospitals, and for each local place to be able to evolve and respond to the potential that results from improved infrastructure. Councils should then be empowered to plan for growth in a way that combines this with local characteristics and aspirations.

It is understood that the remit of the former Greater Cities Commission (GCC) was a coordinating authority linking land use and transport planning. Now that the GCC has been disbanded, its role needs to be undertaken by the DPHI to ensure large-scale infrastructure is provided in accordance with the spatial strategies and position statements of the government's strategic plans. Without this approach, large-scale infrastructure, particularly transport infrastructure, will continue to be planned and provided without appropriate consideration of broader land-use planning and city-making objectives.

Whilst it is understood that the intention of the *Sydney Plan* is to be a simpler, outcomes-focused strategic plan by only including actions within the responsibility of the DPHI, this results in a Plan that fails to provide any vision or certainty regarding future infrastructure provision. The Plan contains little information on how this infrastructure will be planned for and provided over the coming years. In particular, the Plan lacks vision, new thinking, new initiatives, and new investigations regarding the development of a world-class transportation system. Collaboration with other State Government agencies is required to develop an effective Plan with tangible infrastructure outcomes. This was one of the strengths of the GSC model when released in 2018. For example, the DPHI should collaborate with Transport for NSW (TfNSW) to deliver walking, cycling, road, and public transport infrastructure.

As discussed above, the draft *Sydney Plan* fails to identify any new planned or upgraded infrastructure, including transport, hospitals, schools, and utilities, to support population growth. The opening of the Metro line between Sydenham and Tallawong is a significant piece of infrastructure that has enabled more people to live, work, and visit these areas. The Plan should capitalise on this infrastructure with Plans on how to expand the network and complete any missing link to achieve an integrated metro rail network. For example, the link between Epping and Parramatta should be prioritised to provide a network better connecting Sydney's growing employment centres of Macquarie Park and Parramatta, which is identified in the Plan as a CBD. It would also ensure that Western Sydney's growing population would have improved access to the knowledge jobs in centres such as Macquarie Park, St Leonards, and North Sydney. Residents on the north shore would also have improved access to the emerging jobs growth in Parramatta.

To plan for additional housing and jobs, it is critical that councils and the community know where future infrastructure is planned to determine how and where future additional housing and jobs should be located.

An adequate infrastructure contributions framework is required to deliver essential supporting infrastructure and facilities, including open space, community facilities, access, and public domain improvements. However, the current framework is inadequate with the limitations on local infrastructure contributions, and lack of detail and certainty on the Housing Productivity Contribution (HPC) Fund and expenditure of funds collected.

The *North Sydney Local Infrastructure Contributions Plan (2020)* currently allows Council to levy new development to help fund local infrastructure such as open space and recreation facilities, community facilities, public domain works, and active transport. However, there are legislative requirements that constrain how much in development contributions that councils can collect and utilise, with the \$20,000 cap per dwelling, as well as nexus and apportionment requirements. In an established area like North Sydney, a Contributions Plan can generally only fund a proportion of local infrastructure, as the cost of new and upgraded facilities cannot usually be attributed entirely to the incoming population. As a result, Council needs to find alternate sources of funding, such as grants or general revenue to deliver new and upgraded facilities. The constraints on this expenditure should be reviewed as a matter of urgency to ensure that the increased housing targets can be supported with local infrastructure. The liberation of these contributions funds is critical.

Council's ability to negotiate voluntary planning agreements (VPAs), with applicants, to deliver public benefits and supporting infrastructure, is increasingly challenging, with fewer planning proposals being lodged, as developers lodge concurrent rezonings through the HDA and SSD pathway. Substantial height and density are awarded, and the resulting profits are generally privatised.

It is noted that the Urban Development Program is currently preparing the first iteration of the Infrastructure Opportunities Plans (IOP) which will guide the NSW Government budget decisions and agency investment in infrastructure that supports the delivery of new homes in regions where the HPC is collected. It is also understood that they will be updated annually to reflect current infrastructure needs and the intention is for councils to use these plans to align their local infrastructure programs with State priorities, ensuring coordinated and timely infrastructure delivery.

Reflecting this intention is the following action for the State Government in the draft *Sydney Plan* to – *Develop and annually update the Sydney Infrastructure Opportunities Plan (Action 5.1)*. It is noted that this action in the draft *Sydney Plan* has an 'ongoing' timeframe, with no clear timeframe for the delivery of the IOP relevant to the Crows Nest TOD and wider North Sydney LGA. Council needs to understand what infrastructure can be funded under the HPC and therefore, where local contributions and voluntary planning agreements can be directed to other infrastructure that helps support growth.

Furthermore, no measurable targets are identified in the Plan to aim towards and determine whether they have been achieved over the life of the Plan. For example, measurable targets could include travel demand management and mode-shift outcomes that result in fewer and shorter journeys being made with a greater share of walking, cycling, and public transport journeys. Key indicators should be included for these areas. This target would then align with

what should be a vision of the Plan for a 30-minute city where services such as health and education facilities are located in centres to support households' access to these facilities.

#### **Recommendations**

- Deliver large-scale infrastructure, such as public transport, schools and hospitals in accordance with the spatial strategies and position statements of the government's strategic plans.
- Collaborate with other State Government agencies to provide a vision and certainty regarding future infrastructure provision.
- Address the limitations of the local infrastructure contributions framework and provide detail on the Housing Productivity Contribution (HPC) Fund and expenditure of funds collected.

### **Draft SYDNEY PLAN - RESPONSE 6: Create a more vibrant Sydney**

#### Outline

This response is about how to make centres vibrant, so they are the focal points for social, cultural, and economic activity. This may include special entertainment precincts which have extended trading hours and favourable sound controls. These vibrant areas may be walkable and accessed by public transport with usable outdoor spaces. Residential communities within and around these employment and mixed-use zones would contribute to the vibrancy of these areas.

#### Council Officer Comments

The objective of making centres vibrant by considering community infrastructure and responding to community needs is supported. The Plan identifies elements that contribute to centre vibrancy, including community infrastructure, access to active and public transport, quality public spaces, safety, extended trading hours, heritage, and arts. However, it does not adequately recognise a critical element that supports trading activity: active frontages, particularly fine-grain retail at ground level and commercial uses at podium levels.

With the introduction of the TOD and LMRH planning reforms, a substantial increase in residential population is expected in and around centres, which will increase demand for population-serving commercial floor space, such as retail and hospitality, community, and health and professional services. However, the supply of retail and commercial uses will continue to decline in centres due to:

- HDA-enabled concurrent rezonings, which can replace retail and commercial uses with residential uses; and
- BTR developments in E2 zones, which can reduce commercial floorspace in favour of residential uses.

In addition, Council's recent experience with SSD applications in the North Sydney LGA shows that many residential mixed-use and BTR developments now tend to prioritise residential amenity and service spaces at ground level, including large lobbies, multiple vehicular access

points, and service areas (such as waste storage, building service, or maintenance rooms). These design choices significantly limit opportunities for active retail frontages and consequently diminish the vibrancy of the surrounding public domain. Without explicitly recognising the importance of active uses and frontages and encouraging mechanisms to retain and enhance retail and commercial ground floor uses, the Plan risks undermining the vibrancy of centres.

As discussed above, the Plan focuses on the numerical delivery of dwellings and jobs and fails to acknowledge the importance of design-led place-based planning and good urban design, which is critical to creating vibrant places. Local government is best placed to undertake design-led place-based planning, and this role should be formally acknowledged and supported throughout the Plan. Councils have the local knowledge and community networks to undertake this collaborative fine-grain and place-based planning approach.

The Plan also fails to mention or provide guidance on how to grow and manage the visitor economy. North Sydney should be the focus for the investigation of opportunities to expand business tourism. North Sydney's existing and expanding business community, increasingly vibrant night life, transport connections, and views to the Sydney CBD, Harbour Bridge, and Opera House, mean that it is uniquely placed to capitalise on business tourism. To capitalise on the North Sydney LGA's existing assets, opportunities to work with the State Government, to plan for and develop cultural infrastructure within the North Sydney LGA, would be welcomed.

#### **Recommendations**

- Acknowledge the important role of local government in design-led place-based planning and good urban design in creating vibrant places.
- Acknowledge and provide guidance on how to grow and manage the visitor economy, including investigating opportunities to expand business tourism in North Sydney.

### **Draft SYDNEY PLAN - RESPONSE 7: Grow and connect public open space**

#### Outline

This response is about improving connections to existing open space and progressing opportunities to provide new open space to accommodate population growth, particularly in areas with lower open space provision. This includes the North Sydney LGA, which is identified as having a low provision of public open space per capita, and should be prioritised over the next 20 years for securing additional public open space. As urban growth continues, there should be no reduction in total area of existing public open space.

The blue-green grid provides an opportunity to improve access to public open space by connecting waterways and green infrastructure with centres, public transport, walking and cycling routes, and residential areas. The Bondi to Manly Walk which traverses the North Sydney LGA is identified in the draft *Sydney Plan* as a high-priority corridor, which strategic land-use planning should seek to protect and enhance.

Land-use planning and infrastructure investment mechanisms to support the blue-green grid include additional local clauses in LEPs, setback provisions in DCPs, direct investment in open space, urban greening, and planning agreements.

To inform local planning, the DPHI will set reasonable and achievable open space targets for each LGA.

#### Council Officer Comments

With the inevitable increase in population, the need to increase public open space and improve connections to existing open space, including the blue-green grid, is supported. However, this is particularly challenging in an existing high-density LGA such as North Sydney where 89.3% of dwellings are medium and high density compared to Greater Sydney (46%) (ABS, Census of Population and Housing, 2021). Furthermore, it is also expected that the LGA will experience a steep increase in population growth due to the Crows Nest TOD and large residential developments progressing through the HDA, SSD, and LMRH process. This anticipated growth will give rise to an even greater need for public open space as residents of high-density apartments seek open space for their health, wellbeing, and social connection.

Whilst the intent to secure and enhance public open space is supported, land values in the North Sydney LGA are high compared to Greater Sydney, and the availability of undeveloped land is generally not available, making it almost impossible for Council to acquire significant tracts of land for open space. Furthermore, as discussed above, the limitations on councils collecting and expending local infrastructure contributions seriously inhibit Council's ability to acquire land for public open space.

The Plan does not explain how open space targets will be funded, how land will be secured in established areas, nor how targets will be applied in high-density and transit-oriented contexts. With finite land supply, open space planning must move beyond traditional acquisition models and consider more innovative approaches to delivering accessible, high-quality public spaces, especially in areas with high land values.

It is noted that the State Government will provide open space targets as per Action 7.3 – *Provide open space provision guidance and targets of the draft Sydney Plan*. Given the LGA's high density character, low open space provision, and high land values, questions are raised about how "reasonable and achievable open space targets" will be calculated for each LGA. It is suggested that the DPHI provide clear guidance on how councils can meet targets where land values are prohibitively high, and provide the necessary support to implement mechanisms, such as those discussed below. Targets should consider both quantity (hectares per 1,000 people) and quality (amenity, accessibility, ecological value).

Improving existing open spaces to meet diverse community needs, including upgrades for accessibility, shade, and multi-functional use, is strongly supported. However, increasing the capacity of existing open spaces to cater for an increased population is only feasible up to a point; beyond this, overuse will result in degradation and a reduction in visual, user amenity, and safety. Additional quality open space is urgently needed, particularly in an area of low

open space provision, such as the North Sydney LGA, to prevent overuse, excessive wear-and-tear, and a reduction in amenity value of existing open space.

The principle of improving equity in accessing public open space across Sydney is also supported. Current inequities and areas where provision of open space is very low should be considered when addressing future open space provision.

The draft Plan emphasises focusing on LGAs with low open space provision and high growth (e.g., Burwood, Bankstown, and Hornsby) but does not identify North Sydney which has a well-documented low level of open space provision (both active and passive) when compared to other Northern Sydney Regional Organisation of Councils, and across Sydney as a whole (*North Sydney Open Space and Recreation Needs Study 2025*).

For example, a desktop analysis of open space provision in North Sydney may indicate a certain quantum of availability. However, areas identified as open space on zoning maps, like the Hume Street Park in Crows Nest and Cammeray Golf course, are misleading. The former contains two significant buildings and very limited access to open space, and the latter is essentially a private golf course with very limited public access.

It is recommended that the DPHI, in collaboration with councils, provide maps which indicate projected population growth and density to guide future equitable distribution of open space. The long-term vision of a connected blue-green grid to link open spaces with residential areas, transport, walking, and cycling networks is supported to enhance resilience, biodiversity, and community access to open space. While the idea of a continuous corridor is supported, North Sydney's topography, harbourside location and built-up, urbanised character, make implementing this difficult and costly.

The Plan's identification of the Bondi to Manly Walk as a high-priority corridor is supported. With limited opportunities for new corridors, maintaining and enhancing the regionally significant open space (that forms part of the Bondi to Manly Walk in the North Sydney LGA) is important. However, the value of smaller open spaces and connections that form the open space network is equally important, such as walking and cycling infrastructure (in association with 'green' streetscape enhancement, such as soft landscaping rather than pavers as a surface material) to improve connectivity and amenity. In heavily built up LGAs, such as North Sydney, smaller open spaces and connections add substantial value and are vital to the liveability and amenity of the area. They cater to the day-to-day needs of the community for open space and recreation.

The draft *Sydney Plan* relies heavily on high-level statements without outlining the implementation mechanisms, concrete steps, funding, resources, governance, and accountability measures needed to translate these statements into real outcomes.

The Plan needs to provide details on funding mechanisms and acquisition processes to support councils in providing more public open space and embellishment of existing open space. State-led intervention, significant grant funding, or other innovative solutions (such as partnerships, or repurposing of redundant or underutilised land, are needed to enable the provision of more open space in the LGA. Council also needs support from the State

Government to develop and implement acquisition strategies, such as partnerships with State agencies and developers to secure land early in the planning process for open space and identify current and future opportunities for open spaces. Collaboration between councils and State agencies is supported but early engagement with councils is required to ensure the alignment of local strategies with State priorities. Strong support is also given to continued investment through programs such as the Metropolitan Greenspace Program and Greening Our City Program.

The Plan states that “in infill areas, new developments should consider the provision of open space and explore opportunities such as delivery of innovative public open space and expand areas adjoining existing open space”. The meaning of ‘innovative public open space’ in the context above requires clarification, including examples showing how this could be achieved to assist councils in implementing such a mechanism. Perhaps an example could be sharing school spaces and facilities with the broader community, including non-government schools, particularly given the number of schools in the North Sydney LGA. However, support from the State Government would be required to successfully implement this mechanism. Opportunities also exist for the State Government to ameliorate the impacts on open space acquired by the Western Harbour Tunnel and Western Freeway Upgrade. This includes the return of previously accessible public open space within St Leonards and Cammeray Park to Council (as Crown Land Manager) for the use and enjoyment of the North Sydney community.

The Plan suggests “partnerships with Aboriginal peoples must inform the open space location, design and management to authentically embed Aboriginal perspectives, knowledge, values and heritage.” Authentic engagement with Aboriginal communities in the design and management of open spaces is supported in principle. However, this is difficult to achieve in practice in areas such as North Sydney where there are few formally identified traditional owners/owner groups, and where opportunities to acquire additional open space are severely limited.

#### **Recommendations**

- Acknowledge that open space targets should consider both quantity (hectares per 1,000 people) and quality (amenity, accessibility, ecological value).
- Explain how open space targets will be funded, how land will be secured in established areas, and how targets will be applied in high density and transit-oriented contexts.
- Provide maps in collaboration with councils which indicate projected population growth and density to guide future equitable distribution of open space.

### **Draft SYDNEY PLAN - RESPONSE 8: Secure an ongoing pipeline of productive industrial lands**

#### Outline

This response recognises the importance of industrial lands in servicing the growing population and supporting the broader State and national economy.

In January 2024, the NSW Government released the *Industrial Lands Action Plan* which outlined four initiatives to support the strategic planning of industrial lands in NSW. These actions include:

- deliver a Statewide categorisation policy for industrial lands to replace the existing Retain and Manage policies;
- make planning and policy amendments to increase flexibility on land zoned for industrial purposes;
- finalise and release a Statewide pipeline for supply of industrial lands; and
- implement an Employment Land Development Program (ELDP) to coordinate infrastructure investment for the supply of industrial land.

The draft *Sydney Plan* seeks to implement the draft *Statewide Policy for Industrial Lands* which is discussed below. This includes categorising industrial land as either State, regional or locally significant.

### Council Officer Comments

Industrial lands are vital to productivity; they support the essential functions of our city and contribute significantly to NSW's economic output. In 2024, industrial-related activities contributed over \$90b to Sydney's economy (16% of Sydney's Gross Regional Product) and 18% of total jobs in Sydney. However, industrial land supply is highly constrained, representing 2% of the Sydney region. It is under pressure from competing land uses and many areas of NSW are facing an immediate shortfall in industrial lands, resulting in increased operation costs, rising rents, and the relocation of businesses interstate.

The draft *Statewide Policy for Industrial Lands* proposes that the State Government will have the responsibility to plan and manage, protect, and intensify industrial uses on lands categorised State and regionally significant, which comprises 59% of industrial precincts in Sydney, equating to 97% of all industrial land area.

Industrial lands identified as locally significant, which comprises 41% of Sydney's industrial precincts, and equating to 3% of all industrial land area in Sydney, will be planned and managed by local councils and have the potential to be rezoned to non-industrial and non-employment uses.

This represents a significant policy change to the existing 'retain and manage' approach, where Council is currently responsible for planning and managing its industrial and urban service lands, and ensuring it is safe guarded from competing land uses and retained for specialised employment purposes.

Concerns are raised regarding this new approach to categorising and managing industrial lands as discussed below under the draft *Statewide Industrial Lands Policy*.

## **Draft SYDNEY PLAN - RESPONSE 9: Minimise the impact of natural hazards to communities**

### Outline

This response is about protecting people, communities, and built environments from natural hazards, such as bush fires, floods, sea level rise, and urban heat. These risks are to be managed by applying a risk-based framework to land use and infrastructure planning decisions. This includes utilising Aboriginal cultural knowledge and land management practices, and understanding and managing flood risk through the development of flood risk management plans.

### Council Officer Comments

Council is committed to protecting people, communities, and built environments from natural hazards, such as bush fires, floods, sea level rise, and urban heat, so the inclusion of this response in the draft Plan is supported.

Council's *Floodplain Risk Management Study and Plan (FRMS&P)* was adopted by Council in 2022 and outlines how Council and property owners in North Sydney can mitigate flood risk and manage the impact of flooding now and in the future.

A comprehensive Flood Study, which utilised historical data, climate change forecasts, and flood simulation models to identify flood risk and the potential extent, level, and velocity of floodwaters in the North Sydney area, was completed to help guide the FRMS&P.

Council has also developed a *Bush Fire Risk Management Plan (BFRMP)*, in consultation with Mosman and Willoughby Councils, that provides information on bush fire risks within the community. It also outlines how land managers and fire authorities will effectively manage those risks through implementing various treatment strategies.

Utilising Aboriginal cultural knowledge and land management practices to minimise the impact of natural hazards to communities is supported. However, as discussed above, this is difficult to achieve in practice in areas such as North Sydney where there are few formally identified or established relationships with traditional owners/owner groups.

## **Draft SYDNEY PLAN - RESPONSE 10: Sequence planned growth in greenfield areas within the urban footprint**

This response is about supplying land for new housing and employment in greenfield new release areas in Sydney and is not directly relevant to the North Sydney LGA.

## **Draft SYDNEY PLAN - RESPONSE 11: Manage land uses beyond the urban footprint**

This response is about managing rural and conservation areas outside Sydney's urban footprint, formerly known as the Metropolitan Rural Area, and is not relevant to the North Sydney LGA.

## Draft SYDNEY PLAN - RESPONSE 12: Protect and enhance the natural environment

### Outline

This response is about protecting natural assets and areas with biodiversity values, including protecting and enhancing waterways, biodiversity, bushland, rural lands, and connected green spaces and corridors. Land-use planning can protect what is left, and restore what is degraded, to improve the natural environment. For example, with regards to urban greening, the NSW government has set a 40% tree canopy target for Sydney by 2036 to reduce urban heat, enhance biodiversity, and provide health and wellbeing benefits to communities. With canopy coverage varying across suburbs, councils should lead the strategic planning of local urban forests to maximise the cooling benefits of trees and green cover. The Plan requires councils to develop locally appropriate canopy and greening targets (Action 12.3).

Land-use planning can also protect and manage the impact of development on sensitive waterways, coastal environments, drinking water catchments, and stormwater infrastructure. Planning approaches should consider integrated water cycle management, water-sensitive urban design, and landscape restoration to improve ecosystem health, wastewater and stormwater management, and ensure access to water for recreation.

### Council Officer Comments

The NSW Government's target of 40% tree canopy by 2036 is supported. However, similar to the provision of open space discussed above, achieving this target in LGAs such as North Sydney, that are already highly urbanised and identified for future growth, is extremely difficult.

Council's well established and regarded *Urban Forest Strategy (2019)* also has a target of 40% tree canopy cover, as well as an aim of no net loss of canopy cover. Despite ongoing implementation of the Strategy, the amount of urban forest and canopy cover in North Sydney is declining. The decline is primarily due to the loss of existing mature trees on private land, especially development sites as well as major State infrastructure projects, including works associated with the Western Harbour Tunnel and Warringah Freeway Upgrade construction, and implementation of the B-line bus routes along the Military Road corridor.

State Government programs and incentives are needed to increase the number of trees in areas such as North Sydney. However, it should be noted that new trees do not increase canopy cover in the short term, and the environmental amenity provided by mature trees cannot be replaced. Mature trees are retained where possible in public spaces that can accommodate trees in North Sydney (including parks, bushland reserves, streetscapes etc) but there are limited opportunities for substantive additional tree-planting in the public realm. For this reason, it is imperative that new development includes the provision of publicly accessible space, tree planting, and green connections.

Whilst councils can promote the retention of existing trees and planting of new trees through landscaping and open space controls in the LEP and DCP, it should be recognised that many developments do not follow the traditional DA pathway. For example, implementation of the

LMRH controls in the Housing SEPP, which permit generous site coverage with minimal deep soil, challenges the ability of councils to meet tree canopy targets. With many developments being approved through complying development and the SSD pathway, the State Government needs to review existing landscaping, site coverage, deep soil, and open space controls in the SEPPs and ADG to achieve the 40% tree canopy target, to ensure that the target is realistic and achievable. It should be noted that, given the urbanised form of the North Sydney LGA, infill and high-density development is the main contributor to the reduction in tree canopy cover.

Whilst the long-term approach to protecting and enhancing waterways, biodiversity, bushland, and connected green spaces is supported, the Plan fails again to provide much more than broad visionary statements. No targets or guidance on implementation are provided to councils and local communities to assist in translating the broad vision of the Plan to local strategic planning.

#### **Recommendations**

- Provide programs and incentives to increase the number of trees in areas such as North Sydney.
- Review existing landscaping, site coverage, deep soil and open space provisions in the SEPPs and ADG to achieve the 40% tree canopy target.
- Provide targets and guidance to protect and enhance waterways, biodiversity, bushland, and connected green spaces.

## **DRAFT STATEWIDE INDUSTRIAL LANDS POLICY**

### Overview

The draft *Statewide Industrial Lands Policy* provides guidance on planning for employment and industrial land across NSW. The draft Policy is to provide the overarching framework for the classification of industrial lands, with this classification forming the basis for how industrial lands will be planned and managed in NSW. The draft Policy also outlines matters for consideration when planning for new and intensified industrial lands, and when planning for land uses adjoining industrial lands. Two technical practice notes accompany the draft Policy to provide guidance for the implementation of the Policy.

The draft Policy is underpinned by six objectives:

- secure, intensify, and actively manage industrial lands;
- support a pipeline of development ready industrial lands to meet future needs;
- plan for new industrial lands close to transport and freight networks;
- respond to the changing needs of industry, including emerging industries;
- support other government initiatives relating to industry attraction and investment; and
- allow for appropriate alternative uses where they are strategically justified and consistent with predetermined criteria.

## Application of the Policy

The draft Policy states that it generally applies to the following land use zones:

- standard instrument zones:
  - E3 Productivity Support
  - E4 General Industrial
  - E5 Heavy Industrial
  - W4 Working Waterfront
  - Some SP4 Enterprise
- relevant SEPPs including the three ports of Botany, Newcastle, and Port Kembla, Western Sydney Aerotropolis, and Western Sydney Employment Area.
- legacy industrial zones still active (IN1 General Industrial, IN2 Light Industrial, IN3 Heavy Industrial).
- “Other” LEP Standard Instrument zones relevant for industrial lands, such as lands used for defence, airports, power stations.

The North Sydney LGA has limited industrial land (5.4Ha) which is primarily developed. It is confined to small pockets of:

- E3 Productivity Support (formerly IN2 Light Industrial) zoned land in McMahons Point – 2.6Ha of developed land; and
- W4 Working Waterfront zoned land in the southern-most part of the LGA close to the Sydney Harbour waterfront in Wollstonecraft (North Sydney Fisheries Centre), Waverton (Berry’s Bay), McMahons Point (Boatyard), Kirribilli (Careening Cove) – 1.8Ha of developed industrial land and 0.9Ha of undeveloped industrial land (i.e. not occupied by a permanent structure). The undeveloped portion refers to Berry’s Bay, which is currently vacant and earmarked as public open space as part of the Western Harbour Tunnel and Warringah Freeway Upgrade project (Berry’s Bay Masterplan). This land is likely to be rezoned for non-industrial related uses.

There are also three small pockets of land in the North Sydney LGA zoned:

- SP2 (Infrastructure) which relates to defence and Commonwealth infrastructure land in Waverton (HMAS Waterhen), Kirribilli (Sub-base Platypus), and Neutral Bay (Australian Border Force Training College).

## Council Officer Comments

The small pocket of W4 Working Waterfront zoned land in Wollstonecraft (North Sydney Fisheries Centre) is not identified in the draft Sydney Industrial Lands Categorisation map. Since this land is zoned for industrial uses, is currently occupied by the NSW Department of Primary Industries, and used for maritime research and ancillary maritime uses, including berthing and refuelling of water vessels, it should be captured in the Employment Land Development Monitor (ELDM) and categorised in accordance with the draft Policy.

Further clarification is also required on whether the draft Policy applies to SP2 (Infrastructure) zoned land utilised for defence purposes. These lands are not currently included in the ELDM or identified in the draft Sydney Industrial Lands Categorisation map.

### **Recommendations**

- Categorise the W4 Working Waterfront zoned land in Wollstonecraft (North Sydney Fisheries Centre) in the Policy and include in the ELDM.
- Clarify the application of the Policy to SP2 (Infrastructure) zoned land utilised for defence purposes.

### Categorisation of Industrial Lands

The draft *Statewide Industrial Lands Policy* categorises industrial lands into three categories based on their contribution to employment and/or economic activity, and their importance in a network of industrial lands.

The categorisation of industrial precincts by their strategic value determines their level of protection from competing land use pressures. Industrial lands of greater significance must be retained for critical economic purposes, whereas a more flexible approach to permit non-industrial uses is afforded to lands with less significance.

The categorisation of industrial lands also determines the role and responsibilities of stakeholders (DPHI, local councils, landholders) in the planning and management of industrial land, and assists decision-makers to prioritise investment and infrastructure that aligns with each area's role and contribution.

The categorisation of Sydney's industrial land will be through the regional planning process. The draft Sydney Industrial Lands Categorisation map and Appendix H of the draft Sydney Plan outline the proposed categorisation of all industrial land in Sydney. This is based on the DPHI's 2024 ELDM precincts and the principles and criteria for categorisation within the draft Policy.

Over time, the review and recategorisation of industrial land will be undertaken by the DPHI in line with a proposed six-step categorisation process. This process is to include:

- identification of industrial land for categorisation;
- assessment against set categorisation criteria;
- referral to government agencies;
- public exhibition;
- drafting of categorisation; and
- post-exhibition/finalisation.

The mechanism through which categorisation is to be formalised remains unclear, however, the draft Policy notes that if categorisation is implemented via Environmental Planning Instruments (SEPP or LEP), the relevant amendments would be required to these Instruments.

The draft Policy states that a quantitative and qualitative assessment that considers the impact, contribution, growth potential, and overall significance of the industrial land will be required when categorising or reviewing the categorisation of industrial land. However, these considerations are not accompanied by clear metrics. It is unclear what the threshold is

between locally and regionally significant industrial land. Furthermore, some industrial precincts may be of regional importance in terms of their role and function and service catchment but local in terms of scale and employment/economic contribution. A summary of the industrial land categories is provided in Table 1 below.

<b>TABLE 1: Categories of Industrial Lands</b>			
<b>Categories</b>	<b>Classification industrial land in North Sydney LGA</b>	<b>Role/Responsibilities of DPHI, Councils and Landholders</b>	<b>Level of protection</b>
<p><b>State significant</b> Areas directly linked to critical State or nationally significant infrastructure, such as airports, ports, intermodals &amp; defence facilities.</p>	N/A	<ul style="list-style-type: none"> <li>- DPHI sets strategic direction &amp; planning framework, determines planning outcomes</li> <li>- Councils to reflect State priorities in local planning strategies &amp; controls, support implementation via local planning mechanisms</li> <li>- Landholders contribute to strategic planning &amp; rezoning discussions, align development proposals with State priorities</li> </ul>	<ul style="list-style-type: none"> <li>- Alternative land uses not permitted</li> </ul>
<p><b>Regionally significant</b> Areas of scale that contribute significantly to regional economies &amp; broader city functions or provide infrastructure that supports the region through employment or economic contribution.</p>	E3 Productivity Support-zoned land, McMahons Point (2.6Ha developed land)	<ul style="list-style-type: none"> <li>- DPHI provides strategic guidance in coordination with councils &amp; agencies</li> <li>- Council to monitor local implementation of regional strategies &amp; collaborate with DPHI on planning outcomes</li> <li>- Landholders provide input on regional needs and constraints</li> </ul>	<ul style="list-style-type: none"> <li>- Alternative employment land uses may be considered only if demonstrated that it will not compromise the industrial land uses and future industrial demand of the area.</li> <li>- Residential uses not supported.</li> </ul>
<p><b>Locally significant</b> Areas that do not meet the metrics for State &amp; regionally significant. Areas</p>	W4 Working Waterfront zoned land in Waverton (Berry's Bay), McMahons Point	<ul style="list-style-type: none"> <li>- DPHI advise on key decisions &amp; provide oversight to ensure alignment with broader objectives</li> </ul>	<ul style="list-style-type: none"> <li>- Alternative employment land uses may be supported.</li> <li>- Non-employment</li> </ul>

that serve the local catchment & lack critical mass.	(Boatyard), Kirribilli (Careening Cove)  (1.6Ha developed land, 0.9Ha undeveloped/ currently vacant)	<ul style="list-style-type: none"> <li>- Councils identify and plan for local industrial needs, &amp; manage planning and zoning at a local level</li> <li>- Landholders to align development with local economic &amp; infrastructure priorities</li> </ul>	uses may be considered via a planning proposal if alternative employment land uses have been determined unviable.
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North Sydney’s W4 Working Waterfront-zoned land has been collectively classified as locally significant, however these zones (with the exception of the W4 zone at Berrys Bay, which is earmarked for public open space) play an important role in local and regional industry and harbour-wide activities. Nature of activities include highly skilled and specialised maritime activities. Due to their waterfront location, this land is vulnerable to residential development and warrants protection. Considering the limited amount and high cost of waterfront land in these locations, such services are not easily relocated or replicated elsewhere.

North Sydney’s E3 Productivity Support-zoned land in McMahons Point has been classified regionally significant. However, this pocket has particularly unique characteristics and evolved from accommodating historic light industrial and urban services into a specialised employment hub, with the emergence of a cluster of businesses in media production and advertising. A 2019 audit of the precinct identified 43% of land comprising residential uses, 54% occupied by a range of businesses providing local services, and only one manufacturing business.

Council Officer Comments

No background paper is provided on the research undertaken to establish the three industrial land categories of State, regional, and locally significant. This research is important for justifying the categories, particularly when locally significant industrial lands have the opportunity to be converted to non-employment uses. This is in light of the importance of industrial land and the existing pressure from competing land uses, with many areas in Sydney facing a shortfall in industrial lands. Furthermore, the expected population growth will drive an increasing demand for industrial uses, with per capita rates of provision of industrial land declining.

The criteria for categorisation also needs to more clearly define regional significance and include metrics to distinguish regionally significant from locally significant industrial lands. The E3 Productivity Support zone in McMahons Point may be better categorised ‘locally significant industrial land’, as the characteristics of this zone are more akin to the objectives proposed for locally significant industrial land in the draft Policy, and its capacity for intensification of industrial uses is highly constrained by existing permissible residential uses within the E3 zone, and immediately adjacent to the zone. Categorisation to locally significant should still require future development to meet the objectives of the zone and satisfy local strategic plans.

At a high level, the State is proposed to lead the strategic planning for industrial lands classified State and regionally significant, whilst councils will be responsible for planning and managing locally significant industrial lands. There is concern with Council's potentially limited influence in managing and planning regionally significant land.

#### **Recommendations**

- Publicly release the research undertaken to establish the three (3) industrial land categories of State, regional and locally significant.
- Recategorise the E3 Productivity Support zone in McMahons Point to locally significant industrial land.

### **Policy Implementation/ Roles and responsibilities of local councils**

#### **Regionally significant industrial land**

Categorisation is intended to have an impact on how industrial lands are protected from encroachment and the level of land use flexibility that may be permitted. Planning controls should align with the objectives of the categorisation. The regionally significant categorisation will grant strong protections against incompatible land uses to ensure these lands are generally retained for industrial uses, whilst providing pathways for alternative employment uses (such as retail and commercial uses), provided they do not compromise current or future industrial demand. It is noted, however, that these protections conflict with the current E3 Productivity Support zone objectives under the *North Sydney LEP 2013*, which currently permits residential uses.

The draft Policy states (p. 10) that the role and responsibility of local councils with respect to regionally significant industrial land will be limited to 'monitor local implementation of regional strategies' and 'collaborate with the Department on outcomes.' It is unclear whether this means the role of councils will be limited to monitoring or whether councils will have a role and responsibility in implementing outcomes (i.e. amending LEP and DCP controls), consistent with the draft Policy's objectives for industrial land classified as regionally significant.

The draft Sydney Plan (Action 8.1, p. 58) indicates the DPPI will be responsible for investigating interventions to support the intensification of significant industrial lands. It is unclear whether this specifically refers to all State and regionally significant industrial lands. Notwithstanding, it suggests that councils will have limited control over the future rezoning of significant industrial lands.

The draft Policy also states (p. 13) that existing planning pathways for DAs on industrial lands remains unchanged and consistency with statutory planning controls, including LEPs and relevant SEPPs is required. It further states that the DPPI is considering planning mechanisms and interventions, which may include a review of development controls that apply to industrial land to support innovation and changing technologies.

## Council Officer Comments

The role and responsibility of local councils in planning and managing regionally significant industrial land is unclear. Further clarification is required on whether Council's role will be limited to monitoring and what this may entail, or whether it will also include the implementation of draft Policy objectives (i.e., reviewing and potentially amending development controls in LEPs and DCPs for regionally significant industrial land). It should be recognised that councils are generally better placed to plan and manage regionally significant industrial land and should therefore have a greater role in their planning and management.

### **Recommendations**

- Clarify the role of councils in planning and managing regionally significant industrial land.
- Provide councils with greater autonomy in managing and planning regionally significant land.

## **Locally significant industrial land**

Local councils will be responsible for identifying the needs and determining the key planning directions for industrial land classified locally significant. These responsibilities are reflected as council actions in the draft *Sydney Plan* (Actions 8.7 and 8.8, p. 58), which require councils to review locally significant industrial lands and update local zoning to be consistent with the draft *Statewide Industrial Lands Policy*.

The objective for the locally significant categorisation is that the development and ongoing success of industrial land uses is to be prioritised. However, it provides pathways for alternative employment land uses (i.e., retail and/or commercial uses) to be developed. Where all options for alternative employment land uses have been exhausted and determined unviable, there is the potential for locally significant industrial lands to be rezoned for non-employment (i.e., residential) uses via a planning proposal, provided they do not impede the operations of nearby industrial lands.

Technical Note No.2 accompanying the draft Policy outlines the matters for consideration when determining applications seeking alternative land uses. These include:

- strategic alignment
  - consistency with the Region Plan, relevant State-led precinct plans, Local strategic plans
  - alignment with the objectives of the current zoning
- economic alignment
  - the adequacy of industrial land supply to meet demand
  - the site's economic contribution and proximity to key infrastructure
- viability and connectivity
  - site viability for industrial uses
  - impact on adjoining industrial uses

- public benefit
  - net material benefit of alternative uses (affordable housing, infrastructure contributions, environmental remediation)

The criteria are considered a guide and it is not necessary to satisfy all criteria when considering alternative uses.

Council Officer Comments

It is unclear how the criteria is to be implemented, particularly when an existing industrial zone (such as E3 Productivity Support zone) already permits a range of alternative employment and non-employment land uses.

Where an existing industrial zone (e.g. W4 Working Waterfront) does not permit a particular alternative employment or non-employment use, if only one criterion is required to be satisfied; this may lead to the approval of uses that undermine the strategic objectives of the draft Policy. For example, decisions to allow residential uses may be heavily weighted on the material public benefit offered and not the strategic land use considerations of the other criteria. Decisions to permit alternative uses should be made on a precinct-wide basis with consideration to all criteria and not allow for owner-initiated planning proposals.

**Recommendations**

- Clarify how the matters for consideration are intended to be implemented when determining applications seeking alternative land uses.
- Ensure that decisions to permit alternative uses should be made on a precinct-wide basis with consideration to all criteria and not allow for owner-initiated planning proposals on individual sites.

**Consultation Requirements**

The draft *A New Approach to Strategic Planning: Discussion Paper, Sydney Plan, and Statewide Industrial Lands Policy* are on public exhibition until 27 February 2026. Council staff will be submitting a formal submission to the DPHI raising the issues and concerns discussed in this report.

After the exhibition period, the DPHI will review the feedback before releasing the final plans later in 2026. It is unclear as to the extent of any amendments that may be incorporated and whether further consultation will be held.

Once finalised, the *Sydney Plan* will replace the *Greater Sydney Region Plan – A Metropolis of Three Cities* (2018) and associated district plans, including the *North District Plan*.

## **Financial/Resource Implications**

The draft *Sydney Plan* includes actions for Council to review and update LEPs and local strategic plans, such as the LSPS, contribution plans, and DCPs to align with the Plan. The review and development of these plans will require significant Council staff resources and budget to engage consultants to assist in undertaking the work.

Furthermore, Council will be required to accommodate a growth in population and jobs, requiring funding to meet the increased demand for infrastructure, including active transport, roads, open space, recreation and community facilities, which can only be partially met under the *North Sydney Local Infrastructure Contributions Plan (2020)*.

Council will strongly advocate for support from the State Government, such as grant funding to undertake updates to LEPs and local strategic plans, and investment in infrastructure to support growth. Council will also strongly advocate for the adequate, fair, and transparent allocation of HPC funds for State and local infrastructure.

## **Legislation**

The preparation of the various strategic planning documents described in this report, are created under the provisions of the *Environmental Planning and Assessment Act, 1979*.