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Ms Carolyn McNally
Secretary
Department of Planning and Environment
GPO Box 39
SYDNEY NSW 2001

4 September 2017

Dear Ms McNally

INTERIM STATEMENT ON ST LEONARDS, CROWS NEST AND ARTARMON INDUSTRIAL AREA

Please find attached North Sydney Council's comments on the Department of Planning and Environment's (the Department) Interim Statement that was released on Friday 4 August 2017.

New development, and the infrastructure to support it, must be well planned and supported by the community. This can be achieved through close collaboration between the NSW Government, Lane Cove, Willoughby and North Sydney Councils and constructive engagement with the community.

I trust that you are aware of the significant amount of work North Sydney Council has already undertaken with the community and other major stakeholders in planning for growth in St Leonards and Crows Nest. Our key objectives for the area established by this work are that:

- the Metro is a catalyst for well-designed commercial and mixed use buildings;
- Crows Nest's much loved village atmosphere and heritage is maintained and enhanced;
- St Leonards and Crows Nest meet the employment needs of current and future generations;
- the social, intellectual, recreational, cultural and economic needs of the current and future communities are met;
- the amenity and safety of pedestrians is prioritised; and
- utilities and services are provided in a timely and cost efficient manner.

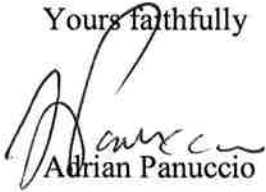
The Interim Statement represents the NSW Government's vision, objectives and principles for the precinct that are to inform a *Land Use and Infrastructure Implementation Plan* (LUIIP), which will guide development over the next 20 years. Going forward, there needs to be greater engagement with the community, more genuine regard for Council's community-endorsed plans for the area, a robust approach to planning for employment growth and better coordination at a State level in planning for development over the Crows Nest Metro site.

A handwritten signature in black ink, appearing to be the initials 'AL'.

I trust this will result in a planning framework that we can all support.

Please contact Joseph Hill, Director of City Strategy on 9936 8300 should you have any queries in relation to this matter.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Adrian Panuccio', is written over the typed name.

Adrian Panuccio
A/GENERAL MANAGER

Encl: Council's submission

1. Community consultation

1.1 The Department needs to consult the local community

The community has a right to be part of the planning process. They are the main stakeholders that will be the most affected by the Department's strategic planning work.

Council is concerned that there has been no consultation with the community to date. To alleviate some of this concern the Department should be seeking formal submissions on the Interim Statement, conducting a survey, workshops and briefing sessions following its release. Residents have complained to Council that accepting 'informal comments' on the statement for only one month is insufficient.

If the Department is to take over local area planning from local government through this priority precinct investigation, then it should undertake the same level of community consultation as Council would undertake.

Action 1: Council requests that at a minimum, the Department undertakes the same level of consultation with the community as proposed for other priority precincts in the Sydney Metropolitan Area including drop in sessions and a detailed survey prior to any further work on the draft plan (NSC letter 10 August 2017).

Action 2: The Department is invited to discuss the scheme with our Precinct Committees and other interested residents and stakeholders at your earliest convenience.

2. Working with local government

2.1 The Department needs to collaborate with local government

A collaborative approach to planning with local government will ensure shared understanding of the issues facing this investigation and elicit the best possible solutions.

Despite a Terms of Reference committing to a collaborative process with local government, Council is concerned that over the last year we have had limited opportunities to truly collaborate with the Department's consultants who are developing the majority of the strategies for the area:

- Urban design and economic consultants (limited meetings)
- Social infrastructure & open space consultant (1 meeting)
- Transport consultant (1 meeting)
- Utilities & services, heritage consultants and landscape architect (no meetings).

The lack of meetings has meant that the background analysis took over 8 months to complete. If this lack of collaboration continues, there is a risk that important issues are overlooked or poorly addressed.

Further, exhibition of the Interim Statement for one month during the local government caretaker period has denied local representatives an appropriate opportunity to consider the documents. This issue was foreseen and raised by Council (NSC letter 10 August 2017).

Action 3: The Department arranges a suite of regular workshops with the three councils and consultants to develop agreed strategies towards urban design, employment, social infrastructure, open space, heritage, transport, utilities & services and funding arrangements.

Action 4: The Department presents the scheme to the newly elected Councils as soon as practical following the election of the new Councils.

3. Draft vision objectives, guiding principles, character areas

3.1 The majority of the 20-year vision and accompanying statements are supported

The majority of the document contains high level statements that touch on themes of development being responsive, integrated, resilient, equitable and liveable, largely reflecting NSW Government’s design policy ‘*Better Placed*’ (GAO 2017). This is supported from a design perspective, although it would have been more consistent to reflect the productivity, liveability & sustainability themes of the draft *North District Plan*.

There are a few critical issues for Council that have been well addressed in the statement, those being the Department’s commitment to:

- achieving the ‘high target’ of 63,000 jobs under the *draft North District Plan*;
- protecting the fine grain nature and scale of Crows Nest Village; and
- protecting the heritage conservation areas.

Specific concerns on the Interim Statement are discussed in the following sections.

Action 5: Reviewing and replacing the statement’s ‘liveable’ principle with the ‘healthy’ design principle would better align the statement with NSW Government’s design policy.

Action 6: Work in Stage 2 should demonstrate how the LUIPP supports the relevant productivity, liveability and sustainability objectives of the draft North District Plan.

3.2 The vision statement should show a better understanding of St Leonards, Crows Nest and Artarmon’s strengths and future character

A vision statement should show a clear appreciation of a place’s strengths and set a clear direction for future development in the area. It should be developed in close collaboration with local government and the community.

There are a number of descriptions in the vision statement that could apply to almost any centre in Sydney. Compare the opening paragraph for example, to the vision statement under the *St Leonards Strategy* (2006) that lists five key strengths in its opening lines:

Interim Statement (2017)	St Leonards Strategy (2006)
<p>“The St Leonards and Crows Nest Station Precinct has a strategic role within the Sydney metropolitan area. It provides a unique opportunity to strengthen and develop many of the existing qualities which attract people to live, work and relax here. Future development will be responsive to place with a clear identity and purpose, which is inspiring, enjoyable and rewarding.”</p>	<p>“St Leonards will continue to develop as one of the major employment centres for knowledge-based industries within the Sydney metropolitan region, by capitalising on its location within Sydney’s ‘global arc’ and building on opportunities arising from its excellent accessibility and co-location with regional scaled health and education facilities.”</p>

Working in each of the ‘*Better Placed*’ themes also detracts from the purpose of this statement. What does an ‘integrated’ centre or a ‘resilient’ public domain look like?

Action 7: Consult the community to better understand what is most valued in St Leonards, Crows Nest and Artarmon and develop a more descriptive vision statement with the three Councils.

3.3 Character areas for Crows Nest, Pacific Highway and Artarmon should be amended

It is critical that new development reinforces the precinct's desired character. Based on our consultation and strategic planning work:

- St Leonards should be an attractive place to work for a mix of business sizes and start-ups. High quality mixed use buildings should occur only on selected sites in need of renewal and support public domain improvements and a thriving arts, culture & innovation hub.
- Crows Nest Village should continue to centre around the fine grained retail and restaurant strip of Willoughby Road and support a new commercial focus and emerging entertainment role around the Metro.
- A new Five Ways South Health and Education Centre should be centred around the Mater Hospital, supporting medical activities, ancillary retail and visitor, carer and aged care accommodation.
- The regionally significant Artarmon industrial area should be protected and not compete with employment growth in St Leonards.

Issues with the character areas have been previously raised with the Department.

Action 8: *As per our previous advice (NSC email dated 12 April 2017), please amend the character statements as follows:*

- *Crows Nest Village should extend to Oxley Street to protect its village atmosphere;*
- *there should be a health and education precinct around the Mater Hospital; and*
- *any suggestion of reducing regionally significant industrial land in Artarmon by enabling more commercial growth in the area should be removed from the statement.*

4. Well-designed built form

4.1 Further detail on built form principles is highly desirable, including Crows Nest Metro

Council appreciates the complexity of planning for new development in an already built up area, however there is very limited information in the statement regarding the future built form.

The draft guiding principles suggest additional height and density will be focused around and between the two stations. This is supported, however the principles could give greater clarity on matters that will determine appropriate heights and building typologies across the precinct:

- what constitutes 'appropriate transitions in built form' to the heritage areas?
- how will Willoughby Road be protected from overshadowing from any new development?
- how will the cumulative impacts on surrounding sites be considered?
- what constitutes 'good solar access at peak times' to green spaces & public plazas?

The need for greater collaboration and clarity of purpose with regard to built form is only too evident when Council observes separate State agencies address the future development potential over the Crows Nest Metro site. Council is concerned that Transport for NSW is overseeing a design process that is completely at odds with the Department's planning investigation of this important site. This silo approach to State land use planning clearly needs to be addressed.

Action 9: *The Department consult the community and local government on critical built form matters before progressing the draft plan.*

Action 10: *The Greater Sydney Commission is asked to coordinate a collaborative design process for the Crows Nest Metro with relevant state and local government agencies.*

4.2 Design should be considered early in the planning system

Higher densities will achieve greater support if designed well. In our experience, considering design early in the planning process, with input from our Design Excellence Panel, is resulting in far more robust and accepted planning proposals that better address environmental impacts and deliver improved outcomes for the community.

Action 11: The Interim Statement should include a statement on how design will be considered earlier in the planning process.

4.3 Comment on the Urban Design Study

The Urban Design background study by SJB is a high quality document that capably addresses the regional issues and provides a high level overview of existing studies that apply to the area. Some details at a site level are incorrect, however these can be picked up over time if SJB works more closely with the three Councils during Stage 2.

As per our comment on the character areas, the background maps should set Oxley Street as the boundary between St Leonards and Crows Nest.

There are a number of issues and proposals in Section 5 that require further consideration and discussion with the councils.

Council has yet to see advice from the Department's heritage consultant.

Action 12: SJB and heritage consultant work more closely with council during Stage 2.

Action 13: SJB amends the land use, character area maps and text to show Oxley St being the boundary of Crows Nest Village and recognise a health and education precinct around the Mater Hospital.

5. Long term employment growth

5.1 A long term Employment Strategy should be prepared as a matter of urgency

The Metro is a unique opportunity to support employment growth and reinforce the NSW Government's policy on Sydney becoming a 30-minute city. With only 16% of the North District residents currently able to access Greater Sydney's jobs within 30 minutes, strategically planning for employment growth in St Leonards and Crows Nest is critical.

To this end, the Interim Statement reinforces the strategic merit of delivering the Greater Sydney Commission's higher employment target of 63,000 jobs. This is supported.

Underestimating the employment floor space capacity that can be supported as a result of the new Metro infrastructure, and effectively allowing the sterilisation of that land via residential or mixed use developments, will have wide ranging social, economic and environmental implications for the North District as future generations are obliged to travel further for work.

Council has previously raised a number of concerns regarding the lack of work to date on planning for long term employment growth in the precinct (NSC letter 23 May 2017).

Action 14: An Employment Strategy is prepared in consultation with the councils to plan for long term employment growth and ensure opportunities are not missed in the LUIIP.

5.2 Statements proposing the loss of regionally significant industrial land in Artarmon are not supported

At only 7 hectares per 10,000 residents, the North District has the lowest level of industrial land in Sydney - over four times lower than the metropolitan average. The Artarmon industrial area therefore serves a regional function that must be protected.

Council does not support statements that imply the conversion of industrial land to higher order employment uses. Willoughby Council has been careful to protect the industrial land over the years and it is essential that the Department supports these efforts.

Further, the Department has yet to consider impact of encouraging jobs growth in Artarmon on St Leonards.

Action 15: Statements throughout the Interim Statement alluding to the future loss of industrial land in Artarmon are removed.

5.3 Comment on the Employment Study

The initial sections of the Employment background study by SGS are exceptionally strong and informative and make the case for strengthening the employment function of St Leonards and Crows Nest and protecting the Artarmon industrial area.

Our primary concerns, as per previous correspondence (NSC letter 23 May), relate to the limited and untested strategies towards the end of the document:

- Following a detailed review of the data, an additional 284,000sqm of employment floor space may be insufficient to meet the 2036 higher job target under the *draft North District Plan* (Greater Sydney Commission 2016).
- Preliminary details in both the urban design and employment studies suggest the majority of future employment capacity is expected to be met in the podiums of mixed use buildings with very little land maintained or rezoned to B3 Commercial Core.

Mixed use buildings are a more inefficient built form that require careful justification. They are also strata subdivided making them highly unlikely to be redeveloped in the future. Council therefore disagrees with SGS's assertion that mixed use buildings will 'catalyse' employment growth. Instead, it is considered that a heavy reliance on mixed use buildings will compromise future urban renewal opportunities and long term employment growth in the strategic centre beyond 2036.

- There is no justification as to how jobs growth has been apportioned across each sub-precinct and appears to reduce the employment potential of St Leonards and Crows Nest and overestimate Artarmon industrial area and Health & Education sub-precinct.
- Relating to the previous comments above, Council does not support SGS's recommendation to enable 'office/tech dynamic evolution for office/tech/warehousing' in the Artarmon industrial area. The industrial area is to be protected.

Council is more than willing to work with the Department and its consultants on a more robust employment strategy that ensures we deliver the best outcome for the North District and the NSW economy.

Action 16: Council's concerns regarding the employment floorspace forecast and limited, untested employment strategies towards the end of the document should be addressed in the Employment Strategy referred to in Action 14 (NSC letter 23 May 2017).

6. An accessible precinct that prioritises people over traffic

6.1 Long term, strategic transport planning should be undertaken as a matter of urgency

The priority precinct investigation is a major opportunity to strategically plan for future mode shift to public transport and reduce traffic demand.

The investigation must address how the travel demand management benefits of Sydney Metro and NorthConnex will reduce traffic demand and potentially free up road space, particularly on the Pacific Highway. The priority precinct investigation is a key opportunity to reallocate that road space to widen footpaths, introduce separated bike lanes and provide dedicated bus lanes on the highway.

Action 17: A Strategic Transport Masterplan should be prepared as a matter of urgency in consultation with local government.

6.2 Proposed regional road projects need to be discussed with Council

Improvements to local walking networks are critical to support the forecast Metro passenger demand and shift to public transport.

The NSW Government flagged the desire to fund road projects as early as July 2016 when the priority precinct investigation was announced, prior to any investigation of the area. One year on, Council is still not aware of NSW Government's plans for the road network.

Council will support projects that improve pedestrian access and amenity to cater to the additional 10,000 Metro passengers in the morning peak by 2032. This includes footpath widening and pedestrian crossings that better address pedestrian desire lines. Separated cycling infrastructure and dedicated bus lanes along the highway may also be options.

Council will not support road projects that aim to increase private vehicle traffic capacity. Any pedestrian overpass or underpass must be linked directly to the Crows Nest Metro and be in addition to high quality at grade pedestrian crossings that facilitate access to surrounding land uses.

Action 18: The Department work collaboratively with local government to identify suitable road projects that cater to the forecast passenger demand for Crows Nest Metro Station.

6.3 Pedestrian and cycling safety and amenity should be a priority of this investigation

It is disappointing to see earlier statements in the draft statement supporting the prioritisation of pedestrians have been removed. The 'key function' of the Pacific Highway is not just facilitating regional traffic movement. The highway must also accommodate safe, high amenity pedestrian and cycling access. Redevelopment along the Pacific Highway is a unique opportunity to achieve this.

Action 19: Reinstate missing statements that prioritise pedestrians and cyclists.

7. Liveable precinct with social infrastructure and open space

7.1 Support planned social infrastructure and consult the community on future needs

Healthy and engaged communities are supported by infrastructure that provides for the social, intellectual, recreational and cultural needs of the population.

The Interim Statement notes there are limited cultural facilities and community centres in the precinct but does not include such infrastructure as part of the proposed new State levy.

Council has a community-endorsed placemaking strategy for St Leonards and Crows Nest that includes delivering an arts centre, innovation hub, two day-care facilities and a recreation centre. The Interim Statement should support these projects and ensure there is a funding mechanism to deliver them.

Social facilities in addition to the placemaking strategy should be identified as part of any population increase through community consultation and discussion with the councils.

Action 20: The Interim Statement is amended to recognise the social infrastructure that is already planned for the area and ensure that it is funded.

Action 21: Objectives, principles and next steps relating to the delivery of desired new social infrastructure in the precinct are drafted in consultation with the community and council and included in the Interim Statement.

Action 22: Arup works more closely with the councils on planning necessary social infrastructure during Stage 2.

7.2 The 10 percent affordable housing requirement supported in principle

Council supports a regional approach to the creation of additional stock of affordable housing where appropriate. Given the significant health and education infrastructure, it is understood there is a need for affordable housing for key workers in the precinct.

There is, however, currently no information to understand the impact a 10% affordable housing requirement in addition to a new State levy (SIC), on Council's placemaking strategy, which is also funded through developer contributions.

Please be aware that Council has established an effective affordable housing partnership with Link Housing to manage Council's affordable housing assets.

Finally, the background studies show limited understanding of existing housing and rental stock in some of the precinct's older style apartments that may already be more affordable for young families, the ageing community and key workers etc. Any plans that incentivise the redevelopment of these apartments may price a proportion of the existing community out of the area. This would have significant social impacts.

Action 23: The Department provide advice on the impact of delivering 10% affordable housing in addition to the SIC on our placemaking strategy so the matter can be reported up to Council.

Action 24: The Department discuss affordable housing ownership and management arrangements with Council during Stage 2.

Action 25: The Department identify existing housing that is more affordable and cheaper rental stock that should be retained to assist housing affordability in the precinct.

7.3 More detail is required to deliver the aspirational statements on open space

St Leonards and Crows Nest currently lack sufficient open space to meet the needs of even the existing population (*North Sydney Open Space Provision Strategy 2009*).

The Department's plans for increased density will place huge pressures on existing open space and recreational facilities. The open space principles of encouraging healthy, active lifestyles and connections to a 'Green Grid' in the Interim Statement are supported, however there is no information as to how actual new open spaces will be delivered.

The difficulties in creating and/or acquiring new open space for parks and recreation in built-up areas are well-known. Council has been negotiating voluntary planning agreements to deliver new open space, however the new state levy may now prevent this from being an option.

Accordingly, there needs to be more detail on the types of open space, preferred locations and means of acquiring land at this early planning stage if a future network of parks, reserves, plazas and recreational facilities is to be realised.

Action 26: The Interim Statement be amended to recognise the open space upgrades that are already planned for the area and ensure that they are funded.

Action 27: The Department arrange a series of workshops with Arup, SJB, the landscape consultant and the councils to develop a workable strategy to deliver more open space.

8. Timely and efficient delivery of utilities and services

8.1 The statement lacks a commitment to deliver utility and service upgrades

Population increases must be supported by sewerage, power, water, drainage and telecommunication upgrades. These upgrades need to be planned and delivered *before* development occurs. Otherwise, upgraded streets will be constantly dug up to address poor performing infrastructure that is over-burdened. This would be an inefficient use of public money that can be avoided with appropriate coordination at a State level in consultation with local government.

The Interim Statement is silent on utility and service upgrades.

Action 28: The Department's provide the councils with any utility and services report prepared to date and the consultant liaise with our Engineering and Property Services Division to develop an agreed utility and services strategy.

Action 29: The Interim Statement includes a commitment to the timely and efficient delivery of utilities and services.

9. A new State levy (the 'Special Infrastructure Contribution' or SIC)

8.1 Imposition of a new State levy may adversely affect Council's placemaking plans

Developer contributions should fund community-endorsed public open space and social infrastructure projects in the area that supports additional density increases. Projects should be delivered in a timely fashion.

The NSW Government's intention to fund road projects, schools and regional open space upgrades via a new State levy on development was flagged as part of the announcement of the priority precinct investigation in mid-2016.

Over the last year there has been no consultation with the councils or the community on priorities for the area. We are unaware of the road projects the NSW Government intend to fund, and their justification. We are similarly unaware of which green space upgrades will be funded and which will not. We have yet to see justification for the NSW Government funding schools and road upgrades via developer contributions.

Of concern, there is no information on the impact a new State levy, in addition to the 10% affordable housing contribution, may have on Council's placemaking strategy, which is also funded through developer contributions.

Department staff have verbally advised that all money raised via the levy will be put into projects in the precinct, which is supported. It is noted, however, that the Interim Statement suggests the funds raised via the levy will be spent over a 20-year timeframe. It is therefore of concern that in addition to putting Council's community-endorsed placemaking strategy in jeopardy, the community may not see some of the State-level public benefits arising from the new development for twenty years.

Finally, the Interim Statement only commits the NSW Government to helping local government *cost* local infrastructure, not to fund it.

Action 28: *The Interim Statement makes a commitment that funds raised via a new State levy are spent in the areas most affected by the new development in the precinct.*

Action 28: *The Department provides justification for funding road projects and schools via a new State levy and its assessment of the impact of the levy on Council's ability to deliver the community-endorsed placemaking strategy for Crows Nest and St Leonards.*