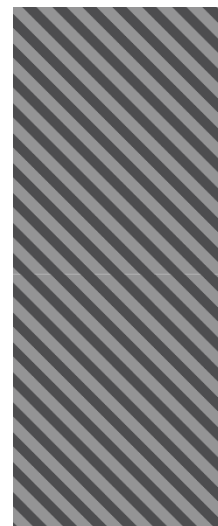


1-5 Chester Street Annandale IIDP – Peer Review Report – Elton Consulting

Peer Review

Client: Inner West Council

Date: 16 March 2020



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EXECUTIVE SUMMARY

Context

Elton Consulting have been engaged by Inner West Council (Council) to undertake a peer review of the Integrated Infrastructure Delivery Plan (dated 14 April 2019) and supplementary Integrated Infrastructure Delivery Plan (dated 16 December 2019) prepared by Northrop. The documentation relates to a Planning Proposal for 1-5 Chester Street, Annandale (the Site).

The site is located in the Camperdown Precinct of the Parramatta Road Corridor Urban Transportation Strategy (PRCUTS). The Planning Proposal is premature as the site is not within the 2016 – 2023 Release Area of the PRCUTS, and is therefore considered against the 'Out of Sequence' Checklist of the Implementation Plan. This ensures changes to land use zones or development controls do not occur without meeting the Principles and Strategic Actions of PRCUTS, such as necessary infrastructure to service a new population.

This Peer Review Report (the Report) assess the Integrated Infrastructure Delivery Plan (IIDP) against the PRCUTS, with a particular focus on the following criteria from the 'Out of Sequence' Checklist:

- » Criteria 2 – which requires an IIDP to be prepared in support of a planning proposal and to identify provision and cost recovery for the local infrastructure required to implement PRCUTS. The IIDP should demonstrate a cost offset to Council that aligns with timing for land development identified in the PRCUTS Implementation Plan.
- » Criteria 5 – which requires the planning proposal present a land use and development scenario that demonstrates economic feasibility with regard to the likely costs of infrastructure and the proposed funding arrangements available for the Precinct or Frame Area.

Key issues and recommendations

This Report has identified the following issues:

IIDP

- I. Since the supplementary IIDP document (dated 16 December 2019) was submitted, a Land Value Uplift Report by HillPDA (dated 29 January 2020) and amended VPA offer dated 12 February has been provided to support the Planning Proposal. This Peer Review of the IIDP has therefore been considered in the context of these more recent supporting documents.
- II. The full specifics of the amended Voluntary Planning Agreement (VPA) offer needs to be outlined in the IIDP. The amended VPA offer has three distinct components (not just the physical works as indicated in the IIDP). Accordingly, the IIDP should be amended to correspond with the formal VPA offer i.e.:
 - Works in Kind for the through site link - \$350,000
 - Land (stratum) dedication - \$580,000
 - Monetary contribution - \$95,000
 - Total - \$1.025M
- III. The IIDP should be updated to reflect the contribution methodology provided in the HillPDA Report dated 29 January 2020 (HillPDA Report).
- IV. The peer review of the IIDP with respect to Criteria 5 – of the 'Out of Sequence' Checklist (undertaken by WSP on behalf of Elton Consulting), concludes that the IIDP has not fully demonstrated, to the level of detail suggested under Criteria 5, the likely cost offsets for utilities and infrastructure services. Accordingly, it is recommended that the applicant:
 - undertake a high-level maximum demand calculation of utilities
 - submit a technical enquiry to be issued to Ausgrid as part of stakeholder engagement

- investigate treatment to overhead wires
 - provide cost estimation to demonstrate cost offset
- V. In addition to the above, WSP also recommend that the applicant investigate protection treatments to the Ausgrid overhead wires. Electrical overheads safe working and structural clearances are to be taken into consideration as part of the IIDP, to identify cost implication. Where electrical standards cannot be met, modification of the existing overheads can be achieved by means of permanently insulating power line, relocation and/or undergrounding. Undergrounding overhead assets in the Camperdown precinct is not a requirement set out by PRCUTS (Planning and Design Guidelines).
- VI. It is acknowledged that items IV and V above could be addressed in a post-Gateway determination or even at the Development Application (DA) stage, as these costs are usually standard connection fees borne by the developer and negotiated with the individual utility provider on commercial terms. Notwithstanding, any additional costs that might be identified under items II and III above should be borne by the applicant and specifically excluded from the VPA offer / IIDP.

Voluntary Planning Agreement

- VII. Total proposed contribution of \$1.025M (as set out in the formal VPA offer) appears to align with Council's VPA Policy. The applicant proposes to split the contribution as follows:
- > Land (stratum) dedication at \$580K (as identified in the HillPDA Report) appears reasonable, although additional and perhaps more comparable examples from other adjoining suburbs such as Glebe and Ultimo would likely assist the justification of values identified
 - > Works in Kind at \$350K (as identified in the Concept Plans) appear reasonable, although there is a veritable lack of detail upon which to make a clear judgement. Notwithstanding, Council should carefully consider the QS report (summarised in Part 5 and Table 2) and note that it believes the combined cost of soft and hard landscaping could be as high as circa \$412K. However, it is not known if this matches the level of embellishment required by Council to implement the Johnsons Creek Master Plan. If the QS report is correct, it could have implications for reducing the remaining VPA offer element (cash @ \$95K) by \$60K+.
 - > Monetary contribution of \$95K (as identified in the IIDP) appears reasonable, being the residual dollar value having taken account of the cost of land and value of Works in Kind as set out in the HillPDA Report.
- VIII. Notwithstanding point VII, Council may seek a revised Land Value Uplift Report (HillPDA), where the case studies used to calculate a base case for land value could be more comparable to the subject site and development, i.e. boarding houses/student accommodation around Ultimo/Camperdown in vicinity to tertiary institutions, rather than Ashfield and Leichhardt. Subsequently this could result in a higher base case land value and additional contributions payable.
- IX. The VPA offer should crystallise the precise infrastructure contributions included in the revised IIDP. Specifically, the 4 star Green Star rating and Electric Vehicle Charging Stations (identified in the VPA offer as part of the works in kind) should be excluded, as these are not considered 'material public benefit', i.e. they are a requirement of the development in accordance with PRCUTS, recommendations made by Council/IWLPP, and/or market considerations by the applicant.
- X. Council, at its discretion, should require a minimum standard 12-month defects liability period clause attached to any VPA offer for Works in Kind – in this case, specifically for the through-site link and associated landscaping and embellishment.
- XI. Council should satisfy itself at the DA stage, that the proposed through-site link will be delivered in accordance with the Parramatta Road Urban Amenity Improvement Program and the Camperdown Precinct Public Domain Master Plan (i.e. pathway widths, wayfinding, landscape standards, embellishments etc).
- XII. In addition to point XI above, at the DA stage, the applicant is to ensure that the land shall be capable of being adapted for use as public open space prior to dedication (i.e. ensure any required demolition, flood

mitigation works and or remediation has occurred and that the relevant stratum of land can be handed to Council, unencumbered).

Infrastructure Contributions

- XIII. The provision of affordable housing (in the form of a boarding house) in lieu of s7.11 Contributions is generally accepted, as confirmed by Councils s7.11 Contributions Policies No's 1 and 2. Boarding houses are a form of 'affordable housing under the *State Environmental Planning Policy (Affordable Rental housing) 2009* (ARH SEPP).
- XIV. Leichhardt Developer Contributions Plan No. 3 does not provide an exemption for Boarding House developments, therefore contributions for transport and access would normally apply to the proposed development. The IIDP should be revised to reflect the s7.11 contributions that would be applicable under this Plan, noting that these are sought to be offset by the proposed VPA offer.
- XV. Notwithstanding the above, it is not considered that this gap with the IIDP warrants refusal of the Planning Proposal, as these issues would ordinarily be addressed post-Gateway or at the Development Application (DA) stage.

Further studies

- XVI. An up to date traffic study and supporting modelling needs to be complete in order to fully assess the Planning Proposal impacts. It is acknowledged that this could be undertaken post-Gateway determination.

Conclusion

The peer review has identified some minor but no major concerns with the IIDP and methodology applied to determine relevant infrastructure contributions for the Planning Proposal, as set out in the HillPDA Report dated 29 January 2020.

The infrastructure contributions set out in the IIDP and proposed land uses generally align with the strategic planning framework where it contributes to housing affordability, provides employment generating land uses and Works in Kind (WiK) to deliver a critical component of the Johnstons Creek recreational corridor.

The IIDP is found to generally satisfy Criteria 3 – IIDP of the Out of Sequence Checklist, where it will have negligible impacts on surrounding infrastructure, including public and active transport, roads, open space and community facilities and services. This is by virtue of the Site's location, with good access to transport, services and facilities, as well as the proposed use for affordable housing in the form of boarding housing (targeted as student accommodation).

The Planning Proposal does not technically satisfy Criteria 5 – Feasibility of the 'Out of Sequence' Checklist, where it has not fully demonstrated to the likely costs associated with gaps to utilities and infrastructure services. Once again, it is acknowledged that this matter could be addressed in a post Gateway determination as these costs are usually standard connection fees borne by the developer and negotiated with the individual utility provider on commercial terms.

1 Introduction

1.1 Context

Elton Consulting have been engaged by Inner West Council (Council) to undertake a peer review of the Integrated Infrastructure Delivery Plan (dated 14 April 2019) and supplementary Integrated Infrastructure Delivery Plan (dated 16 December 2019) prepared by Northrop. The documentation relates to a Planning Proposal for 1-5 Chester Street, Annandale (the Site).

1.2 Purpose of this report

The purpose of this Report is undertaking an independent peer review of the IIDP against the requirements of the Parramatta Road Corridor Urban Transformation Strategy (PRCUTS), specifically the following criteria of the 'Out of Sequence' Checklist:

- » Criteria 2 - Integrated Infrastructure Delivery Plan

This Report makes recommendations as to whether the proposal meets Criteria 2 of the 'Out of Sequence' Checklist and whether it proposes sufficient contributions to local infrastructure costs to mitigate the development's impact. It will also consider whether the proposed density uplift and rezoning are reasonable.

- » Criteria 5 – Feasibility

This Report makes recommendations as to whether the Planning Proposal presents a land use and development scenario that demonstrates economic feasibility with regard to the likely costs of infrastructure and the proposed funding arrangements available for the Precinct.

Finally, the Report reviews the IIDP against the issues raised by council officers and the Inner West Local Planning Panel.

1.3 Scope of this Peer Review Report

In preparing this Peer Review Report, consideration has been given to the following Planning Proposal documentation:

- » Planning Proposal (dated May 2019) and revised Planning Proposal letter (dated 18 December 2019)
- » Council officer's assessment report (including appendices) to the Inner West Local Planning Panel (dated 23 July 2019)
- » Recommendations made by the Inner West Local Planning Panel to Council (dated 23 July 2019)

The above has been considered in the context of the relevant strategic planning framework, as well as Council's relevant policies and plans.

Infrastructure provisions which have been considered in this Report (consistent with the 'Out of Sequence' Checklist) include:

- » Public and active transport
- » Road upgrades and intersection improvements
- » Open space and public domain improvements
- » Community infrastructure, utilities and services

2 Background

This chapter explores the background of the Planning Proposal. The Planning Proposal has undergone a number of changes since it was originally lodged in January 2018, therefore it is prudent to consider the background in the context of the issues raised by Council and the Inner West Local Planning Panel (IWLPP), particularly, how these have been addressed in the revised (subject) Planning Proposal.

2.1 Chronology of Planning Proposal key milestones

Corvas Pty Ltd (the applicant) have submitted two planning proposals to Council, the key milestones of which are summarised as follows:

Table 1 Planning Proposal timeline key milestones

Date	Milestone description
2 February 2018	Original Planning Proposal lodged with Council sought to rezone the site from IN2 Light Industrial to R3 Medium Density Housing with an FSR of 2.6:1 and maximum height of 17m to facilitate a part 5 storey and part 6 storey residential development.
30 October 2018	The IWLPP and Council resolved not to support the original Planning Proposal on a number of grounds, the most relevant including inadequate contribution to affordable housing, local and state infrastructure contributions and the out of sequence nature of the proposal.
3 May 2019	Amended Planning Proposal lodged with Council to allow for a boarding house as an additional permitted use in the IN2 Light Industrial zone, increase the overall FSR of the site to 2.75:1 with a minimum of 0.75:1 for non-residential (creative employment) uses on ground floor and first floor, a maximum building height of 17m to facilitate a six-storey development. The proposal was accompanied by a letter of offer to negotiate a Voluntary Planning Agreement (VPA) with Council. This proposal responded to the concerns raised in the 11 September 2018 report to the Inner West Local Planning Panel and the 30 October 2018 Council report which did not support the original 2018 planning proposal.
23 July 2019	Revised planning proposal considered by the IWLPP who resolved not support the Planning Proposal on a number of grounds, including failure to meet the strategic outcomes of the PRCUTS and associated Out of Sequence Checklist and prematurity of the Planning Proposal in light of the prospective outcomes of the current state and local government strategic planning studies (i.e. LSPS, consolidated LEP,DCP and PRCUTS precinct-wide traffic study). It is noted that the IWLPP generally supported the proposed rezoning to B7 Business Park and to allow a boarding house as an additional permitted use, height of 17m, FSR of 2:1 with a minimum non-residential floor space of 980m ² (or 0.75:1) dedicated to business and office and light industrial.
18 December 2019	Based on the decision of the Local Planning Panel and the subsequent discussions with Council a revised proposal has been prepared to facilitate a five storey mixed use building to allow a 51 room boarding house for student accommodation with 194sqm of rooftop communal open space and retain 980m ² of non-residential floor space to accommodate light industries. Changes to the LEP include rezoning the site from IN2 light industrial to B7 Business Park, A maximum building height of 17m, and a maximum FSR of 2:1 and a minimum for non-residential uses of 0:75:1.

Date	Milestone description
	<p>The application also proposes Works in kind to deliver a 6m setback to Johnstons Creek and a through site link as part of a VPA offer, and the dedication of this land to Council.</p> <p>The revised Planning Proposal including the supporting supplementary documentation received up until the date of reporting is the subject of this Peer Review Report.</p>

3 Policy Review

This chapter outlines the strategic planning context for the planning proposal and summarises a review of policies that are relevant to the Peer Review. The purpose of the policy review is to ascertain consistency of the Planning Proposal (and IIDP) with relevant state and local strategic priorities and objectives.

3.1 Greater Sydney Region Plan

The Greater Sydney Region Plan: A Metropolis of Three Cities (Region Plan) is the metropolitan strategic plan for the Greater Sydney Region. It envisions Greater Sydney as a metropolis of three cities: the Western Parkland City, Central River City and Eastern Harbour City.

The Inner West LGA is part of the Eastern City District and the Eastern Harbour City which is focused around the Sydney CBD. The Plan aims to create a 30-minute city with jobs and services close to home and to make Greater Sydney more liveable, affordable productive and sustainable. The Region Plan highlights the need to improve transport, walking and connections between key hubs and upgrade the public domain.

3.2 Eastern City District Plan

The Eastern City District Plan (District Plan) is a strategic plan which implements the Greater Sydney Region Plan: A Metropolis of Three Cities (Region Plan) for the Eastern City District including the Inner West LGA. The Plan informs local land use and infrastructure planning and under section 3.8 of the *Environmental Planning and Assessment Act 1979* any planning proposals in the Inner West LGA must be consistent with the District Plan.

In addition to the objectives associated with the Region Plan, the District Plan has its own set of objectives and Planning Priorities.

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

This Planning Priority focuses on the need for services and infrastructure to meet communities’ changing needs, with major demographic changes occurring as well as growth in the population. Growth inevitably puts pressures onto existing services and facilities, requiring targeted and integrated delivery of services that take into account existing provision levels as well as future needs.

It is noted that there is a need for public places, parks, and community facilities that are safe and inclusive, so that all people can participate in community life. This includes the ageing population and people with a disability, with walkability an important element of this.

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

One of the key priorities in the Region Plan is to deliver greater housing supply and generate housing that is more diverse and affordable for more housing. Objective 11 relates to housing diversity and affordability. There is emphasis on providing housing such as smaller apartments for low to moderate income workers such as key workers in targeted employment areas such health and education precincts. The site is within the Camperdown-Ultimo Health and Education Collaboration Area This is of particular relevance as the proposed student housing will be occupied by students who will be seeking education in the evolving precinct, many of whom will in turn become key workers contributing to the operations of the health and education precinct in the profession which they are pursuing, as students, such as nurses and teachers.

This is of particular importance, where Inner West has a larger percentage of 'Young workforce' (20.3% compared to 16.1% average for Greater Sydney)

Planning Priority E7 Growing a stronger and more competitive Harbour CBD

The District Plan highlights that the Greater Sydney Commission will facilitate planning for complementary uses within the Collaboration Area that support the hospital and universities, provide a range of housing types and price points for key workers and students, improve transport, walking and cycling connections between key hubs, and upgrade the public domain.

Although not the focus of this Peer Review Report, it is noted that the amended Planning proposal provides for a mixed-use development facilitated by rezoning from IN2 Light Industrial to B7 Business Park (with an additional permitted uses clause to permit a boarding house development) and minimum FSR of 0.75:1 allocated to commercial floor space which can accommodate evolving and innovative employment uses such those provided by the bio-medical, arts and technology sectors.

Planning Priority E18 Delivering high quality open space

This planning priority is intended to ensure that public open space is accessible, protected and enhanced, recognising its importance to enhancing the character and quality of the District's neighbourhood and communities.

It is noted that urban renewal presents opportunities to increase the quantity of open space. The importance of people being able to walk to local open space is also noted, and the delivery of connected walking and cycling trails will maximise their use.

3.2.1 Camperdown- Ultimo Collaboration Area & Place Strategy

The site is within the Camperdown-Ultimo Health and Education Collaboration Area which is identified in the Region and District Plans as the area comprising the RPA Hospital, Sydney University, UTS, Notre Dame University, TAFE Ultimo and medical research institutions. The shared vision for the Camperdown-Ultimo Collaboration Area is to be:

"Australia's innovation and technology capital, where industry, business, health, education and skills institutions work together, and talent, creativity, research and partnerships thrive. Low carbon living, green spaces, places for people and easy connections support resilience, amenity, vitality and growth."

The Place Strategy's priorities include the need to integrate and connect the various components of the Collaboration Area, improve local transport options and amenity, provide civic and social infrastructure and, enhance public and open space.

A collaboration process has been established which seeks to facilitate the efforts of all stakeholders by addressing existing impediments including a lack of affordable space, loss of employment floor space, limited opportunities to create new commercial floor space, the need for suitably zoned employment land, and rising property and accommodation costs for students and key workers.

The surrounding high density and mixed-use precincts with workers, residents and students, occupants whom would be facilities by the subject Planning Proposal, will support the Collaboration Area's vitality and growth.

The mixed-use development with employment spaces will support creative industries and the student housing would help deliver the GSC's Camperdown-Ultimo Collaboration Area Place Strategy. The Site is located within walking and cycling distance of key destinations. This will encourage active transport.

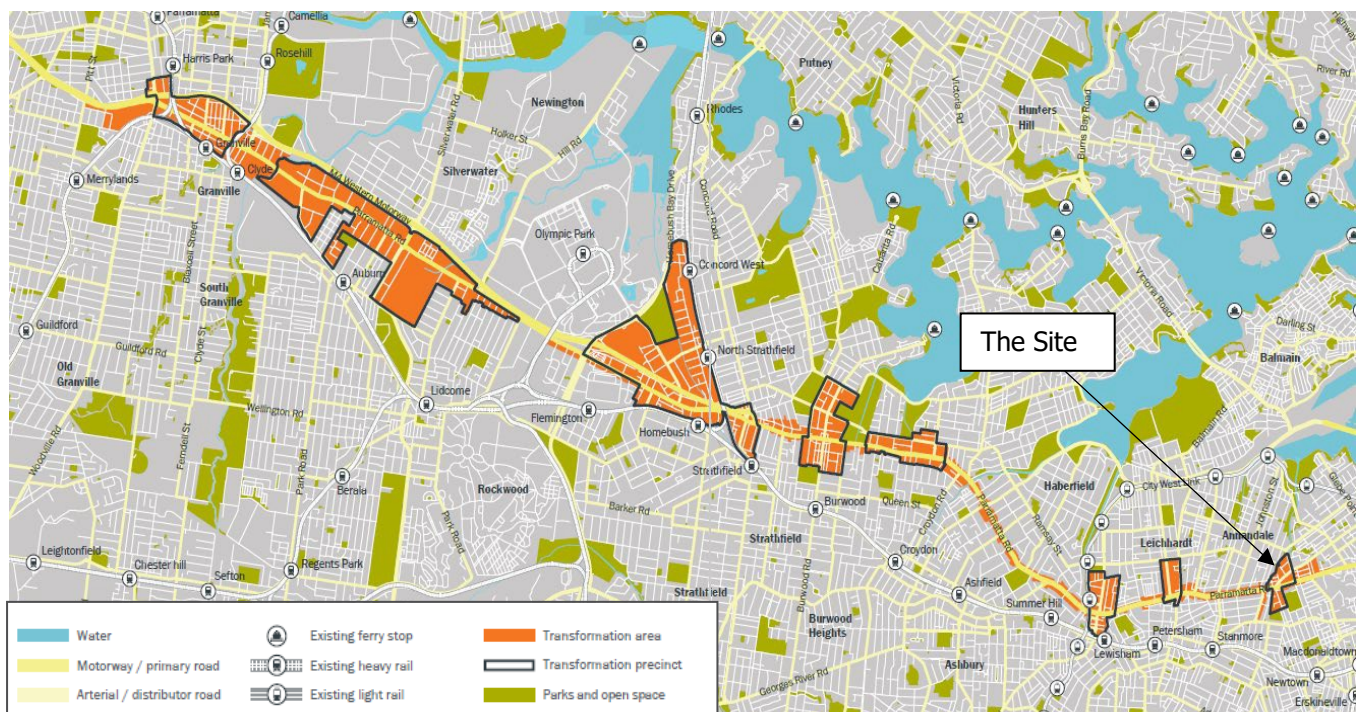
3.3 Parramatta Road Corridor Urban Transformation Strategy

The site is located in the Camperdown (Eastern) Precinct identified within the Parramatta Road Corridor Urban Transformation Strategy (PRCUTS) as highlighted in **Figure 1**. PRCUTS is the NSW Government’s 30-year plan setting out how the Parramatta Road Corridor (the Corridor) will grow and sets the direction for future rezonings.

It is a statutory planning instrument implemented by a Ministerial Direction under Section 9.1 of the *Environmental Planning and Assessment Act 1979*. PRCUTS is therefore a key policy used by State and local government to inform land use planning and development decisions concerning land encompassed by the Corridor.

The eight Precincts identified in the PRCUTS have been earmarked for renewal because of their access to jobs, transport, infrastructure and services and their ability to accommodate balanced growth. The Strategy includes the Implementation Tool Kit, used by Councils and other stakeholders when making land use decisions.

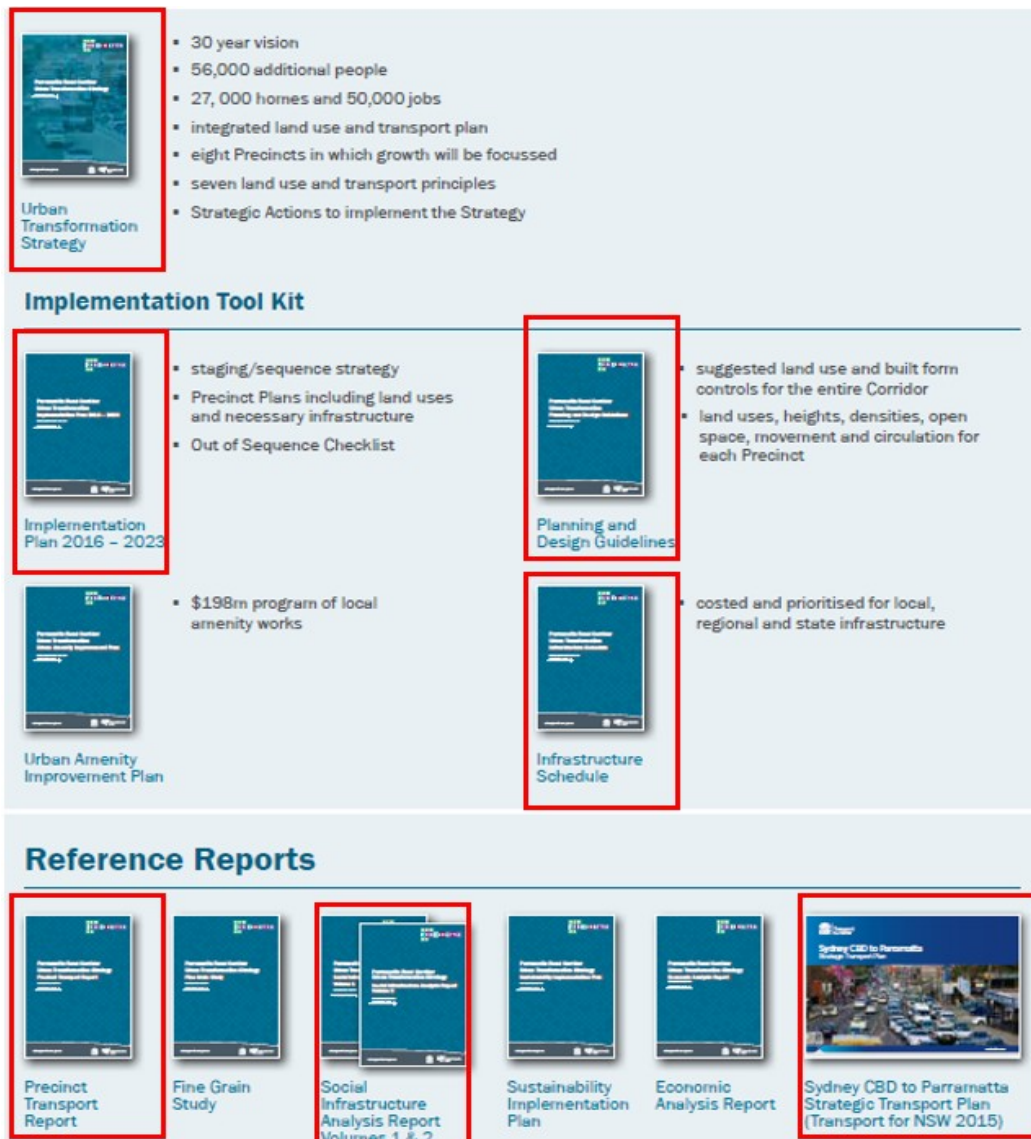
Figure 1 Parramatta Road Corridor



Source: Parramatta Road Urban Transformation Strategy (UrbanGrowth NSW)

In addition to the Implementation Tool Kit, there are many supporting documents and resources that have informed the PRCUTS and will continue to inform future land use and development activities and decisions in the Corridor. These are provided in **Figure 2** below, with the most relevant to this Report highlighted:

Figure 2 PRCUTS Policy Framework Hierarchy



Key:

Key PRCUTS documents which have been considered in this Peer Review Report

- » short term – 2016–2023
- » medium term – 2023–2036
- » long term – 2036–2050

It is envisioned that the Camperdown Precinct will be home to high-quality housing and workplaces right on the edge of the CBD, well connected to the surrounding city, parklands, health and education facilities and focused on a busy and active local centre.

PRCUTS identifies seven principles for transformation. These do not all apply in full across every precinct, but in general the most relevant include:

Principle 1: housing choice and affordability - Plan for a diversity of housing types to accommodate a wide range of community needs, including affordable housing, family housing, student housing and seniors housing.

Projected increases in the numbers of students in the area brings related changes in the types of dwellings required. The proposed student housing (under the pretext of a 'boarding house') will satisfy this principle where it will provide for small size residential accommodation (i.e single bedrooms) with no parking, which will generally yield comparatively lower rents. It would therefore provide a more affordable form of housing for students in close vicinity to the place where they may study and work and for which there is a projected increase in the area.

Council's *Inner West Affordable Housing Policy* indicates support for development of affordable housing through allowing boarding houses (amongst other forms of affordable housing under the ARHSEPP) in suitable infill locations. The supporting Evidence Base indicates:

Low income households at the upper end of the band can affordably rent a median studio/one-bedroom apartment in Dulwich Hill and Croydon and can generally affordably rent a median boarding house room in Camperdown, Enmore/Newtown, Lewisham/Petersham, Marrickville, Ashfield and Summer Hill.

It is acknowledged that a major constraint of the ARHSEPP in relation to boarding houses is that it doesn't require dwellings to be let at an affordable rent. For example, there are media reports of dwellings (particularly in 'new generation' boarding house developments) being let at up to \$500 per week, which does not meet the standard indicator of affordability (less than 30% of gross income for very low, low or moderate income households). It is understood that Council will continue to advocate to the state government for amendments to the ARHSEPP. Until such time, boarding houses remain a recognised form of affordable housing.

Principle 4: Vibrant communities and places - Deliver each Precinct along the Corridor as a '15 minute neighbourhood' through land use changes that implement the following principles:

- » Improved walkability, cycling and safety to support healthier communities
- » Improved usability of, and access to, safe open spaces
- » Access to public transport

The development proposes upgrade works along the site's northern edge through open space and a pedestrian and cycle link along Johnstons Creek, between Booth Street and Parramatta Road. This includes a 6m setback to Johnstons Creek. The through site link supports the principles and objectives of PRCUTS.

One of the strategic actions for housing diversity in the PRCUTS is to provide lower cost market housing for rent or purchase, including new generation boarding houses with high quality shared spaces and recognises student accommodation as a form of lower cost housing.

One of the strategic actions for affordable housing in the PRCUTS is to Provide a minimum of 5% of new housing as Affordable Housing, or in-line with Government policy of the day, as well as amend the Local Environmental Plan (LEP) to insert affordable housing principles. Another relevant action suggests incentives such as offsets, (i.e. the waiving of any relevant S7.11 contributions) to deliver more affordable housing in the Precincts.

The PRCUTS acknowledges the importance of the University of Sydney in providing access to creative, cultural and performance spaces to residents of the Camperdown Precinct. Considering that most residents will likely be university students, their respective institutions will adequately address many of their needs. Due to the target demographic of the proposed development, there is likely to be no demand generated for schools, child care services (including health and day care), or age care.

3.4 Implementation Plan 2016-2023

The purpose of the Implementation Plan 2016 –2023 (implementation Plan) is to inform and guide land use planning and development decisions in the Corridor in the short term. The Implementation Plan takes a short-term view of the transformation of the Corridor.

It provides a clear picture of what change was anticipated during this period and presents the various actions and resources required to deliver the desired outcomes. Key considerations include funding mechanisms, public transport and infrastructure delivery.

The Planning Proposal departs from the staging and sequencing identified by the Implementation and is therefore required to be considered against the 'Out of Sequence' Checklist. This Checklist prescribes a merit assessment process to determine whether proposals should be allowed to proceed.

3.4.1 'Out of Sequence' Checklist

The Site is outside the '2016 - 2023 Release Area' which means that its redevelopment should be between 2024 and 2050. The anticipated progress of the Camperdown Precinct and Frame Area over the period from 2016 to 2023 is illustrated within the black thick line in **Figure 3 Camperdown Action Plan 2016-2023** below.

Proposals that depart from the staging and sequencing identified by the Implementation Plan will need to be considered against the 'Out of Sequence' Checklist to ensure that changes to the land use zones and development controls can be justified against the underlying Principles and Strategic Actions of the Strategy. These include provision of necessary transport, services and social infrastructure to service a new population. The Checklist ascribes a merit assessment process to determine whether proposals that are not fully aligned with the Implementation Plan should be allowed to proceed.

For a Planning Proposal to be consistent with the 'Out of Sequence' Checklist, it must demonstrate (without relying on any future development application) that it will:

- » Satisfactorily meet all the underlying Principles and Strategic Actions of the Strategy; and
- » Achieve the benchmarks for high quality development and public domain outcomes.

Figure 3 Camperdown Action Plan 2016-2023



2016 - 2023 Release
 Camperdown Precinct
 Camperdown Frame Area

Source: Implementation Plan 2016-2023 (UrbanGrowth NSW)

3.5 Parramatta Road Urban Amenity Improvement Program

The Parramatta Road corridor and the Parramatta Road Urban Amenity Improvement Program (UAIP) is a NSW State Government, \$198 million initiative under the Parramatta Road Corridor Urban Transformation Program. It extends from Granville to Camperdown, and includes projects in Granville, Auburn, Homebush, Burwood, Kings Bay, Taverners Hill, Leichhardt and Camperdown. The aim of the Parramatta Road UAIP is to reverse the urban decay and lack of design cohesion along Parramatta Road.

The UAIP set of projects are self-contained and deliverable in the short term and will provide a better, more liveable environment while building a momentum for more ambitious changes and projects involving the transformation of Parramatta Road itself as well as public spaces adjacent to it. It includes a new north-south pedestrian and cycle connection along Johnstons Creek. The Works in Kind proposed as part of the VPA offer put forward by the proponent will help deliver part of this proposed pedestrian and cycle connection.

Camperdown Precinct Public Domain Master Plan

The Master Plan seeks the creation of a shared path for pedestrians and cyclists, linking Badu Park and Booth Street to the North, with Parramatta Road to the South along the existing Johnstons Creek alignment. The shared path is to be designed to maximise amenity and accessibility, and will be planted with indigenous understorey species to maximise the ecology value of the corridor.

The Site falls within the Camperdown Precinct (Project 4), specifically within Zone 1 for the proposed staging of works (See **Figure 4**).

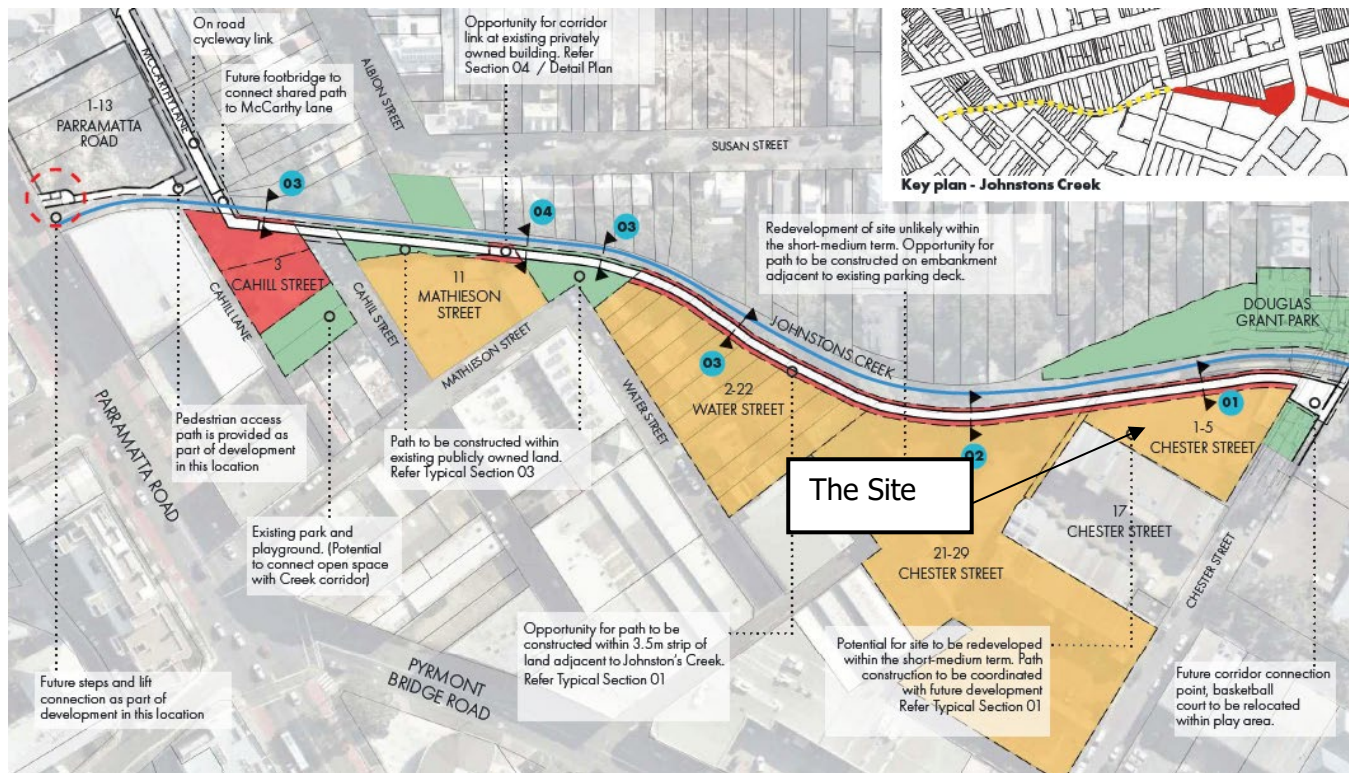
The path is proposed to be located within a 3.5 metre corridor along the East bank of Johnstons Creek, to be provided as a setback to future developments or acquired by Council. The final alignment of this section of the route is yet to be determined and will be addressed in detail planning studies for the wider area.

Relevant key design actions of the Master Plan include:

- » Design of Shared Path for improved pedestrian and cyclist amenity
- » Integration with Chester Street footbridge
- » Utilisation of pedestrian access along future development at 1-13 Parramatta Road
- » Integration of a setback to future building line to the east bank of the Creek to facilitate continuous connection
- » Future detailed design to resolve issues of visibility, access and flooding

It is considered that the proposed through site link to be delivered as Works in Kind is generally consistent with the Master Plan Design.

Figure 4 Diagrammatic layout plan of Johnstons Creek – Zone 1



Source: Parramatta Road Urban Amenity Improvement Program

Recommendations

Council should satisfy itself, at the DA stage, that the proposed through-site link will be delivered in accordance with the Parramatta Road Urban Amenity Improvement Program and the Camperdown Precinct Public Domain Master Plan (i.e. pathway widths, wayfinding, landscape standards, embellishments etc).

In addition to point IX above, at the DA stage, the applicant is to ensure that the land shall be capable of being adapted for use as public open space prior to dedication (i.e. ensure any required demolition, flood mitigation works and or remediation has occurred and that the relevant stratum of land can be handed to Council, unencumbered).

3.6 Local planning strategies and policies

3.6.1 Leichhardt VPA Policy

A voluntary planning agreement (VPA) is an agreement entered into by a planning authority (such as Inner West Council) and a developer. Under the agreement, a developer agrees to provide or fund:

- » public amenities and public services
- » affordable housing
- » transport or other infrastructure.

Contributions can be made through:

- » dedication of land
- » monetary contributions
- » construction of infrastructure
- » provision of materials for public benefit and/or use
- » a combination of the above.

The proposed VPA offer has been reviewed against Council's relevant VPA Policy - the Leichhardt Voluntary Planning Agreements Policy, dated 11 August 2015. Refer to **Part 0** of the Report for detailed assessment.

3.6.2 Leichhardt Section 94 Developer Contributions Plans

Council's current S94 (now S7.11) Developer Contributions Plans (the Plans), are listed as follows;

- » Leichhardt LGA Developer Contributions Plan No. 1 – Open Space and Recreation
- » Leichhardt LGA Developer Contributions Plan No.2 – Community Services and Facilities
- » Leichhardt LGA Developer Contributions Plan No.3 – Transport and Access.

When determining a development application, Council may impose a condition requiring the payment of a monetary contribution and/or dedication of land in accordance with the provisions of these Plans.

The *Environmental Planning and Assessment Act 1979* (EP&A Act) grants Councils the power to levy contributions for public amenities and services, required as a consequence of development. Section 7.11(1) (previously S94) of the EP&A Act states that:

"Where a consent authority is satisfied that a development, the subject of a development application, will or is likely to require the provision of or increase the demand for public amenities and public services within the area, the consent authority may grant consent to that application subject to a condition requiring-

- (a) the dedication of land free of cost; or*
- (b) the payment of a monetary contribution, or both."*

Under section 7.11(2), Councils are permitted to recoup the cost of public services or amenities provided in advance of, or to facilitate new development.

Councils may also accept the provision of a 'material public benefit' in part or full satisfaction of a condition imposed under the aforementioned sections.

Generally, contributions can only be made towards:

- » Capital costs including land acquisition;
- » Public facilities which the Council has a responsibility to provide; and
- » Public facilities which are needed as a consequence of (or to facilitate) new development.

Recommendations

It is considered that the proposed through site link and delivery of part of the cycle and pedestrian connection to be delivered in a combination of works in kind and land dedication, will provide 'material public benefit' and generally aligns with the Parramatta Road Urban Amenity Improvement Program Master Plan (subject to further detail to be provided at the DA stage).

Where land is to be dedicated, the applicant is to ensure to Council's satisfaction that the stratum of land to be dedicated shall be capable of being adapted for use as public open space prior to dedication (ie. ensure any required demolition, flood mitigation works and or remediation has occurred).

Of relevance to the planning Proposal, the Leichhardt Developer Contributions Plans Nos.1 and 2 stipulate that the Plans do not apply to development which includes:

(ii) Temporary accommodation and low income boarding houses [our emphasis added].

(iii) Additions to an employment generating premises that comprise additional total floor area less than the relevant standard floor area for one employee, contained within this plan

The Planning Proposal seeks to provide student housing in the form of a 'boarding house'. Boarding houses are form of affordable housing delivered under the provisions of the *State Environmental Planning Policy (Affordable Rental Housing) 2009*. Under the Leichhardt LEP 2013, a boarding house means a building that:

- (a) is wholly or partly let in lodgings, and*
- (b) provides lodgers with a principal place of residence for 3 months or more, and*
- (c) may have shared facilities, such as a communal living room, bathroom, kitchen or laundry, and*
- (d) has rooms, some or all of which may have private kitchen and bathroom facilities, that accommodate one or more lodgers,*

but does not include backpackers' accommodation, a group home, hotel or motel accommodation, seniors housing or a serviced apartment.

We have undertaken a review of the concept plans associated with the Planning Proposal. The boarding house component appears to predominately contain studio rooms only (i.e. between 18-20sqm) with no provision for off-street parking, therefore lending itself to being leased as affordable housing (in this case, targeted student accommodation). It is assumed that there will be access to shared/communal facilities although these do **not** appear on the plans which accompany the Planning Proposal. This level of detail is ordinarily required at the DA stage.

Notwithstanding, it is noted that Leichhardt Developer Contributions Plan No. 3 does **not** provide an exemption for Boarding House developments, therefore contributions for transport and access would apply to the proposed development. The IIDP should be revised to reflect the s7.11 contributions applicable under this Plan, albeit then sought to be offset by the VPA offer.

4 Assessment against policy

This Section assesses the IIDP against the relevant strategic planning context outlined in Section 3, with particular focus on requirements of the 'Out of Sequence' Checklist Criteria 2 – Integrated Infrastructure Delivery Plan and Criteria 5 – Feasibility.

4.1 Criteria 2 Integrated Infrastructure Delivery Plan

Criteria 2 of the 'Out of Sequence' Checklist requires the submission of an IIDP and stipulates the following requirements:

Criteria 2:

An Integrated Infrastructure Delivery Plan, which identifies advanced infrastructure provision and cost recovery for the local and regional infrastructure identified in the Infrastructure Schedule, must support the planning proposal. The Integrated Infrastructure Delivery Plan must demonstrate a cost offset to council and agency costs for a set period that aligns with the anticipated timing for land development identified in the Implementation Plan 2016 – 2023. Infrastructure to be considered includes public transport, active transport, road upgrades and intersection improvements, open space and public domain improvements, community infrastructure, utilities and services.

An IIDP was prepared by Northrop (April 2019) to address the requirement of the PRCUTS Out of Sequence Checklist for the Planning Proposal. A supplementary (addendum) IIDP was prepared in December 2019 to support the revised Planning Proposal.

The following sub-sections provide an independent assessment of the infrastructure provisions that are required to be considered for 'out of sequence' proposals, as part of Criteria 2.

4.1.1 Open Space and Recreation

The potential increase in population by circa 51 additional people (based on the number of single boarding rooms) does not trigger the provision of any local or district recreational facilities (for a development of this size). This has been determined by applying benchmarks provided in the PRCUTS Social Infrastructure Analysis Report (SIAR) Volume 1 & 2 (2016) shown in Table 3 below.

Table 3 Recreation benchmarks

	Local provision rate	Local demand (51 people)	District provision rate	District demand (51 people)
Sport Field	2 playing fields/5,000 people (min 5ha)	Does not trigger	4 playing fields/20,000 – 50,000 people (min 10ha)	Does not trigger

Outdoor sport courts	1 multipurpose court/10,000 people 2 tennis courts/10,000	Does not trigger	2 basketball courts/40,000 4 netball courts/40,000 8 tennis courts/20,000 – 50,000	Does not trigger
Indoor sport courts	In urban renewal areas where land is limited, indoor sport facilities provide a viable alternative to outdoor facilities as they can easily be incorporated as part of a building.	N/A	1 indoor sports facility/20,000 – 50,000	Does not trigger

The PRCUTS does not make recommendations or provide guidance for the delivery and/or provision of open space. A key direction of Council’s Recreational Needs Study – A Healthier Inner West (2018) is maintaining the current open space provision of 13.3sqm of open space/person. Applying this provision, the proposed development would generate the need for 678.3sqm of open space. Taking into account the proposed rooftop open space (194sqm), there would be a 484.3sqm short fall of open space. This is outlined in Table 4.

Table 4 Open space provision and need for proposed development

Current open space provision rate	Proposed population	Need generated	Proposed development	Short fall
13.3ha per person	51 people	678.3 sqm	194 sqm	-484.3 sqm

Comments

The rooftop garden will be private open space and consequently addresses some of the need generated by the proposed 51 residents, however it does not provide public benefit.

The \$350,000 Active Transport Link VPA contribution has not been quantified and considered in the calculations above, but is acknowledged as a significant embellishment of public open space in close proximity to the site.

It is anticipated that tertiary institutions will play some role in address residents needs which arise from the site as well.

Open space and recreation access

Residents need access to a range of open spaces which can serve the different needs of the community. There are several local, district and regional spaces in close proximity to the Site, shown in Table 5. Open space requirements were sourced from Inner West Council’s Recreational Needs Study and spaces identified through high-level desktop research using Google Maps. It is important to note that the existing capacity of these facilities has not been considered as it is deemed out of scope.

Table 5 Access to open space

Types of open space	Access Requirement	Access from site
Local	All residents have access within 400m to a space at least 0.4ha 200m for high density developments	» Douglas Grant Park, adjacent to the site » Rooftop space onsite
District (2-5ha)	All residents have access within 2km	» Camperdown Park 10 min walk
Regional (5+ha)	All residents have access within 5-10km	» Jubilee Park, Bicentennial Park and Harbour Foreshore link 15-20 min walk

Open Space and Recreation – Existing Gaps and Shortfall

The PRCUTS does not recognise any existing or potential gaps or shortfalls for the local area. It states the Camperdown Precinct is '*one of the smaller precincts along the Parramatta Road Corridor... this additional community will have a marginal impact on social infrastructure (including recreation) within the surrounding area*' (pg. 66). It acknowledges the importance of facilities provided by the University of Sydney in addressing recreational needs. Future recommendations for recreation are focused on enhancing existing facilities and forming shared-use partnerships with the University of Sydney.

Council has identified that Camperdown has experienced the greatest population growth compared to other Precincts along the Parramatta Road Corridor between 2011 and 2016 (24% increase). However, Camperdown still has an above average ratio of open space/person compared to the LGA average (18.4sqm/person compared to 13.3sqm/person). Therefore, there is adequate supply by Council's standards.

Council predicts that by 2026, Camperdown will experience one of the greatest decreases in open space provision in the LGA (a decrease of 3.7sqm/person or 20%). Population growth is proportionally significant because of the small existing population. However, it is important to note while this change is significant, that 2026 and 2036 open space/person projections for Camperdown are still expected to be above Council's current standard (2026 forecast of 14.7sqm/person and 2036 forecast of 13.6sqm/person). This will continue to address Council's direction to maintaining a provision rate of 13.3sqm/person.

Key Findings

- » The proposed development does not trigger recreational benchmarks or provisions. The small demand generated from the proposed development can be absorbed by the local area.
- » The proposed development will generate an open space need of 678.3sqm and a shortfall of 484.3sqm, however the rooftop space onsite for residents will reduce the open space short fall to 484.3sqm. (based on the assumption that the rooftop open space will address residents' needs).
- » The proponent has not directly addressed this shortfall, however the VPA of \$350,000 and the associated land dedication for the Johnstons Creek active transport link is a significant contribution.
- » The VPA contribution for the Johnstons Creek active transport link should be seen as a contribution to embellishment and increasing quality of active open space in the Camperdown Precinct as is identified as the responsibility of Council in the *Parramatta Road Implementation Toolkit 2016*
- » It is assumed that the occupants of the development will be students, who will have access to high quality open space and recreational facilities through their respective educational institutions
- » The proposed site is in close proximity to a range of open spaces, however whether these facilities are at capacity has not been assessed in this assessment or the PRCUTS.
- » The proposed development aligns with the PRCUTS Implementation Plan 2016-2023 by providing 100% of housing as affordable housing, retaining employment uses and funding the Johnstons Creek active transport link. Although the IIDP does not provide for works in kind with respect to open space, the monetary contribution of \$95,000 could potentially be allocated to open space provision.

4.1.2 Social Infrastructure

The Planning Proposal aligns with the relevant strategic directions for social infrastructure set out in the PRCUTS Camperdown Action Plan 2016-2023 where:

- it does not generate demand for childcare services and minimal demand from other community facilities. Many of the needs of residents can be met by their respective tertiary institutions.
- there will be no demand for primary or secondary schools based on the target residency group.
- It is noted that during consultation, Sydney Local Health District did not request specific requirements as result of the Planning Proposal.

Social infrastructure benchmarks

The Planning Proposal does not trigger the provision of any local or district social infrastructure facilities. This has been informed by the PRCUTS SIAR Volume 1 & 2, shown in Table 7 below.

It can be expected that community centres, cultural spaces, leisure centres and libraries will not be needed to support residents of the proposed development. Residents will most likely use facilities provided by their institutions. In situations where an institution does not have a specific facility, it is anticipated that there are student access arrangements with nearby facilities to address this need.

Table 7 Social infrastructure benchmarks

	Local (servicing up to 20,000 people)	District (servicing up to 20,001 to 50,000 people)	Regional (servicing up to 50,001 to 150,000 people)
Community centre	Does not trigger	Does not trigger	Does not trigger
Cultural centre/space			
Library			
Leisure centre			
Childcare	The proposed development is one bedroom rooms targeted at university students. Therefore it is likely there will be no demand generated for child care services, age care facilities, and primary or secondary schools		
Schools			
Age care			
Health facilities	Based on consultation by the proponent with Sydney Local Health District (SLHD): <i>'No specific requirement identified due to the planning proposal'</i> Key considerations include minimal demand generated and the sites proximity to major health facilities at RPA Hospital. Sydney LHD has determined that there is capacity to absorb this need locally evident in their feedback.		

Social Infrastructure Access

As noted previously, the Camperdown Precinct is a small precinct and is expected to have a marginal impact on surrounding social infrastructure. The PRCUTS does not recognise any existing or potential gaps or shortfalls for the local area. It does acknowledge the importance of local government facilities and facilities provided by the University of Sydney in providing access to social infrastructure. Location of the proposed development provides access to a large range of facilities. Key findings in the PRCUTS include the proximity of the proposed development to:

- » The University of Sydney for cultural, creative and performance spaces
- » Glebe and the various government and non-government organisations, services and spaces which operate in Glebe
- » Key facilities in other nearby suburbs, such as Leichhardt
- » 12 community centres and meeting spaces across Local Government Areas (LGAs) of Inner West Council and City of Sydney.

Key findings

- » Potential growth from the proposed development is minimal and does not trigger any social infrastructure benchmarks.
- » The Site is located in an area which is currently well serviced by Inner West Council and City of Sydney
- » Demand for social infrastructure from the proposed development will mostly be provided by university institutions
- » SLHD has determined that additional health needs can be absorbed by local services
- » The proposed development does not generate demand for child care, schools or age care facilities.

4.1.3 Traffic and Transport Infrastructure

This section of the Report assesses the traffic and transport components of the proposal, in terms of trip generation, parking and access requirements, the role of public transport, walking and cycling for student travel, and will compare to the existing land use to determine the net impact.

A key principle of the PRCUTS is the alignment of infrastructure delivery with growth and development. Existing constraints and infrastructure limitations in the Corridor mean that some Precincts require new or upgraded infrastructure if new growth is to be accommodated. The Infrastructure Schedule which forms part of the Implementation Tool Kit identifies the infrastructure required to support transformation of the Corridor in the short, medium and long term.

As part of the stakeholder engagement for the Planning Proposal, TfNSW advised that the out-of sequence nature of the proposal can be addressed if Britely demonstrate that the existing transport infrastructure is sufficient to accommodate increased demand resulting from the proposal, and if a contribution to future infrastructure be made.

The Planning Proposal is supported by a revised Transport and Traffic Report (prepared by Varga, dated May 2019). This traffic and parking assessment is based on the April 2019 planning proposal, however demonstrates the adequacy of the existing transport infrastructure to accommodate the additional demand generated by the subject proposal given the abundance of public and active transport in the area including:

- » 11 bus services/routes operate along Parramatta Road, plus 470 service which operates along Booth Street. All within 400m walking distance of the site. The walk to the bus stop is easily accessible, with footways along the route.
- » The M10 bus service operates along Parramatta Road which provides high-frequency high capacity links to the Sydney CBD, operating every 10 minutes during the peak periods.
- » 1,100 bus services operating in close proximity to the site on weekdays, 740 services on Saturdays, and 540 services on Sundays and public holidays. These services connect with train services to stations such as Campsie, Burwood, Strathfield, Ashfield, Wynyard, Town Hall, Central, Martin Place and Bondi Junction.
- » Jubilee Park Light Rail station is 1,300m walking distance from the site. This can be accessed from a shared off-road pedestrian / cycle path running along Johnstons Creek.

This Report has not reviewed the available capacity on these bus and light rail services. However, the number of services and range of destinations is consistent with the planning principles of the PRCUTS and Implementation Plan 2016-2023. It is understood that Transport for NSW monitors public transport utilisation and can plan for increased patronage on these services.

Key findings and recommendations

The proposal satisfies Criteria 2 of the 'Out of Sequence' Checklist in terms of active transport, and open space and public domain improvements. The key findings and recommendations are set out below:

- » The development proposes upgrade works along the site's northern edge through open space and a pedestrian and cycle link along Johnstons Creek, between Booth Street and Parramatta Road. This includes a 6m setback to Johnstons Creek.
- » The proposal offers a Voluntary Planning Agreement (VPA) – Works in Kind with Inner West Council for \$350,000 for the pedestrian and cycle link improvements. This seems reasonable as impacts to other modes is minimal.
- » The site link supports the objectives of the Parramatta Road Corridor Urban Amenity Improvement Plan and Camperdown Public Domain Master Plan and provides a benefit to the community.
- » The mixed-use development with employment spaces will support creative industries and the student housing would help deliver the GSC's Camperdown-Ultimo Collaboration Area Place Strategy.
- » The site is located within walking and cycling distance of key destinations. This will encourage active transport
- » The site is in close proximity to existing, high frequency buses which will encourage public transport usage for intermediate or regional trips.
- » There is no commitment to improve public transport infrastructure to support the development
- » The proposal supports the establishment of a 15 minute neighbourhood by locating residents within walking distance of public transport, shop and services and open space.
- » The proposal supports the Future Transport 2056 vision by increasing student housing supply within walking distance of the bus services along Parramatta Road, and with access to jobs, education and health facilities within a 30 minutes period.
- » The proposal supports the delivery of walkable places by locating student housing and employment uses within close proximity to universities, public transport, services and facilities. This supports active street life and also through restoration of the Johnstons Creek corridor.
- » The proposal has minimum parking, with zero provision for student housing, and limited for employment uses, therefore would rely on public transport provisions. This may help alleviate traffic congestion in the area and limits its impact. The provision of car parking spaces seems reasonable.
- » The proposal suggests that the boarding houses will generate nil additional cars, therefore there will be nil impact on traffic compared to the existing controls which apply to the site. This seems reasonable.
- » The proposal will facilitate the implementation of the PRCUTS transport plans for the site.
- » An up to date traffic study and supporting modelling needs to be completed prior to a post-Gateway public exhibition of the proposal in order to fully assess the planning proposal impacts.
- » The design of the pedestrian and cycle link have not been assessed and would require review in relation to the plans and strategy documents listed above.

4.1.4 Utilities infrastructure

This Section assesses the utilities components of the proposal, in terms of availability, connectivity and safety (in both the temporary construction arrangement and permanent structures).

The IIDP has identified utility services as a gap in calculating the total cost of infrastructure as per the requirements set out by the 'Out of Sequence' Checklist. To substitute for this the IIDP has provided a high-level review of existing utility infrastructure determining developments demand, capacity of existing infrastructure and whether the spare capacity in the existing infrastructure is adequate to accommodate resulting changes in demand.

In determining the developments proposed demand on utility infrastructure the report has used high-level assumptions and calculations. Where approximations are given there is no additional information to support these assumptions. In the case of electrical demand, it is unclear if demand is calculated as total or per phase, the result of this could potentially impact the required connection options.

A desktop analysis has been performed to investigate the existing utility infrastructure capacity and connection points. In addition to this NBN and Sydney Water have been consulted for their ability to service the development. NBN have indicated service connectivity available from September 2018. Sydney Water have not responded to the feasibility assessment request, it is common for Sydney Water to treat these assessments as low priority. There has been no consultation or requests issued to Ausgrid and Jemena Gas on the current development proposal.

Key findings and recommendations

The peer review of the IIDP with respect to Criteria 5 – Feasibility of the Out of Sequence Checklist concludes that the proposal will not support the implementation of the PRCUTS Out of Sequence Checklist as it has not demonstrated cost offsets for utilities and services.

Accordingly, it is recommended that the applicant:

- undertake a high-level maximum demand calculation of utilities
- submit a technical enquiry to be issued to Ausgrid as part of stakeholder engagement
- investigate treatment to overhead wires
- provide cost estimation to demonstrate cost offset

Finding on the recommended connection points are provided below:

- » Portable Water connection to DN100 in Chester Street is a plausible solution.
- » Sewer connection to DN300 sewer in the south west corner of the development site is a plausible solution.
- » Gas reticulation will be required from the northern side of Johnstons Creek, cost of this reticulation will be agreed between developer and Jemena Gas, if required.
- » NBN have indicated communication connection will be installed in the area. Local extensions of telecommunications networks are feasible and will be driven by consumer demand and needs.
- » Power connections have been identified at two substation locations near Chester St/Guihen St intersection. Only one substation can be utilised for the connection.

The IIDP report highlights utility authorities have a well-established framework for cost recovery. The cost recovery implications have not been quantified as part of this Report.

In addition to the above it is recommended that the applicant investigate protection treatments to the Ausgrid overhead wires. Electrical overheads safe working and structural clearances are to be taken into consideration as part of this report to identify cost implication. Where electrical standards cannot be met, modification of the existing overheads can be achieved by means of permanently insulating power line, relocation and/or undergrounding. Undergrounding overhead assets in the Camperdown precinct is not a requirement set out by PRCUTS (Planning and Design Guidelines). This could be undertaken at the post-Gateway stage.

4.2 Criteria 5 – Feasibility

Criteria 5 – Feasibility of the Out of Sequence Checklist aims to ensure that the proposed land use scenario demonstrates economic feasibility and outlines the following requirements:

Criteria 5:

The planning proposal presents a land use and development scenario that demonstrates economic feasibility with regard to the likely costs of infrastructure and the proposed funding arrangements available for the Precinct or Frame Area

The Planning Proposal seeks to exceed the FSR recommended by PRCUTS to allow a feasible development option, such that the retention and expansion of the employment uses on site is supported by the proposed student housing component in the form of a 'boarding house'. This position is supported.

As discussed in subsection 4.1.4 above, the IIDP has identified utility services as a gap in calculating the total cost of infrastructure as per the requirements set out by the 'Out of Sequence' Checklist. In substitute of this, the report has provided a high-level review of existing utility infrastructure determining developments demand, capacity of existing infrastructure and whether the spare capacity in the existing infrastructure is adequate to accommodate resulting changes in demand. The IIDP report highlights that utility authorities have a well-established framework for cost recovery. The cost recovery implications have not been quantified as part of the IIDP.

The peer review of the IIDP with respect to feasibility concludes that the proposal will not support the implementation of the PRCUTS 'Out of Sequence Checklist' as it has not considered the demonstrated cost offsets to utilities and services. Accordingly, it is recommended that the applicant undertake:

- » a high-level maximum demand calculation.
- » technical enquiry to be issued to Ausgrid as part of stakeholder engagement.
- » investigation in treatment to overhead wires.
- » Cost estimation to demonstrate cost offset.

5 Methodology Review

This chapter provides a peer review of methods, rates, formulas and assumptions used to calculate any proposed infrastructure contributions in the IIDP.

The IIDP seeks to determine an infrastructure contribution for the development utilising the PRCUTS guidelines, stakeholder engagement, gap analysis and interrogation of the Infrastructure schedules presented in Part 6 PRCUTS – Infrastructure Schedule. The methodology is based upon principles of “reasonableness” and “apportionment” as used for the basis of determination of Section 7.11 calculations by local government.

Since the supplementary IIDP document (dated 16 December 2019) was submitted, a Land Value Uplift Report by HillPDA (dated 29 January 2020) and amended VPA offer dated 12 February has been provided to support the Planning Proposal. The IIDP has therefore been considered in the context of these more recent supporting documents.

Voluntary Planning Agreement

The revised formal VPA offer dated 12 February 2020 provides developer contributions in three distinct elements:

- » Works in Kind to deliver through site link (and upgrade design to 4 star Geen Star including EV charging stations)- \$350,000
- » Land (stratum) dedication - \$580,000
- » Monetary contribution - \$95,000

Total - \$1.025M

The above contributions are made to the Council in lieu of any local or state infrastructure contributions payable to Council or the Department of Planning.

It is noted in the IIDP that the affordable housing contribution in the Planning Proposal (i.e. 100% residential floor space as affordable housing) is being offered in addition to the Infrastructure Contributions outlined above. This argument is generally supported, where Boarding Houses are included as part of the state Government’s strategy to increase supply of affordable housing, and by inference and design, deemed affordable. Boarding Houses are expressly included in the Affordable Housing SEPP (2009). Notwithstanding, the SEPP would not apply in this instance where the proposed B7 Business Park zoning is not land to which the SEPP applies (Part 2, Division 3, Clause 26). The Boarding house would therefore need to be pursued under Councils local planning controls. Notwithstanding, the standards provided in the ARH SEPP should be used as a benchmark when assessing any future DA on the site.

An independent valuation of the proposed Works in Kind to deliver the through site link has been undertaken, noting that the estimated cost of \$350,000 provided in the VPA offer provides no indication of what is included in this cost, which makes it difficult to compare and comment.

It has assumed the total cost of \$350,000 is allocated entirely to the through site link and indicates a construction cost estimate of \$374,063 (excluding GST and consultant design fees). Including 10% consultant design fees to the construction cost provides a project total cost of \$411,469 (excluding GST). Costs are broken down in Table 2 below.

Table 2 Review of construction costs for through site link (WiK)

Description of work	Cost (exc. GST)
Demolition	\$26,905
Civil works	\$256,956
Soft landscaping	\$11,842
Services	Excluded
Trade total	\$295,702
Contractor preliminaries	\$44,355
Contractor overheads & margin	\$34,006
Construction total	\$374,063
Consultant design fees	\$37,406
Project total	\$411,469

The above cost breakdown allows for:

- » demolish existing
- » hoarding and pedestrian traffic control during construction
- » a new 2.5m wide asphalt surface pedestrian / cycle link with flat kerb / concrete edge beam
- » line markings
- » a 1m wide landscaped buffer with trees and turf
- » \$5,000 allowance for signage
- » 15% Contractor Preliminaries
- » 10% Contractor Overheads & Margin

Council's VPA Policy provides the methodology for valuing public benefits under a VPA. Specifically:

16.1 Unless otherwise agreed in a particular case, where the benefit under a planning agreement is the provision of land for a public purpose, the value of the benefit will be the market value of the land (within the meaning of the Land Acquisition (Just Terms Compensation) Act 1991) determined by an independent registered valuer with at least 10 years' experience in valuing land in New South Wales (and who is acceptable to Council and the developer). All costs of the independent valuer in carrying out such a valuation will be borne by the developer.

Comment: The Planning Proposal has been supported by an independent assessment of land value uplift (undertaken by Hill PDA dated 29 January 2020) which supports this Policy requirement. The (albeit revised) value of the VPA offer is consistent with the land value arising from the land value uplift indicated in the Hill PDA Report.

16.2 Unless otherwise agreed in a particular case, where the benefit under a planning agreement is the carrying out of works for a public purpose, the value of the benefit will be determined by an independent quantity surveyor with at least 10 years' experience (and who is acceptable to Council and the developer), on the basis of the estimated value of the completed works determined using the method that would be ordinarily adopted by a quantity surveyor. All costs of the independent quantity surveyor in carrying out this work will be borne by the developer.

Comment: this peer review includes an assessment of the value of the proposed Works in Kind undertaken by a suitable Qualified quantity Surveyor (MBM), the findings of which are summarised above.

36.10 Generally, in negotiating a voluntary planning agreement the Council will seek to value the uplift in value of the applicant's land based upon a valuation of the land at the current zoning or pre VPA standard; and compare this with the valuation of the land in the event that the post VPA change in instrument or planning control is allowed, less any additional costs the applicant may incur in realising the increased value. This exercise will be carried out by a valuer who meets the criteria specified in clause 16 of this Policy.

36.12 Council on behalf of the community will generally seek 50% of the uplift value derived in that manner
36.13 Valuation of any land to be provided to the community under a voluntary planning agreement; or works in kind; or provision of any public benefit not otherwise stated as a dollar figure is to be determined by a valuer meeting the requirements of clause 16 of this Policy.

Comment: the methodology to arrive at the proposed VPA as stipulated in the HillPDA Report is consistent with these requirements and generally accepted. However, the case studies used to calculate a base case for land

value could be more comparable to the subject site and development (i.e. boarding houses/student accommodation around Ultimo/Camperdown in the vicinity of tertiary institutions, rather than Ashfield and Leichhardt. Subsequently this could result in a higher base case land value and additional contributions payable.

Recommendations

Council may seek a revised Land Value Uplift report (HillPDA), where the case studies used to calculate a base case for land value could be more comparable to the subject site and development, i.e. boarding houses/student accommodation around Ultimo/Camperdown in vicinity to tertiary institutions, rather than Ashfield and Leichhardt. Subsequently this could result in a higher base case land value and additional contributions payable.

The breakdown of the VPA and cost allocation needs to be clarified with the applicant. It is assumed that the VPA offer of \$350,000 relates solely to the proposed works in Kind for the through site link, however this is confused where it also includes 4 star Green star including EV charging stations in the same line. Whilst in themselves food planning outcomes, the upgrade of the design to 4 star Green star rating and inclusion of EV charging stations are not considered to be material public benefits for inclusion in a VPA. If the \$350,000 is to be split between these elements the applicant should confirm the monetary spend on each individual item.

Based on the plans provided with the Planning Proposal, the applicant remains responsible for the basement car park and the Council takes responsibility for the through site link. The physical interface between the actual basement below and the path above will require careful legal wording to cover future liability. For this reason Council, at its discretion, should require a minimum standard 12 month defects liability period clause attached to any VPA for the through Site Link and associated landscaping.

6 Recommendations

Our recommendations to council moving forward are summarised below:

IIDP

- XVII. Since the supplementary IIDP document (dated 16 December 2019) was submitted, a Land Value Uplift Report by HillPDA (dated 29 January 2020) and amended VPA offer dated 12 February has been provided to support the Planning Proposal. This Peer Review of the IIDP has therefore been considered in the context of these more recent supporting documents.
- XVIII. The full specifics of the amended Voluntary Planning Agreement (VPA) offer needs to be outlined in the IIDP. The amended VPA offer has three distinct components (not just the physical works as indicated in the IIDP). Accordingly, the IIDP should be amended to correspond with the formal VPA offer i.e.:
- Works in Kind for the through site link - \$350,000
 - Land (stratum) dedication - \$580,000
 - Monetary contribution - \$95,000
 - Total - \$1.025M
- XIX. The IIDP should be updated to reflect the contribution methodology provided in the HillPDA Report dated 29 January 2020 (HillPDA Report).
- XX. The peer review of the IIDP with respect to Criteria 5 – of the ‘Out of Sequence’ Checklist (undertaken by WSP on behalf of Elton Consulting), concludes that the IIDP has not fully demonstrated, to the level of detail suggested under Criteria 5, the likely cost offsets for utilities and infrastructure services. Accordingly, it is recommended that the applicant:
- undertake a high-level maximum demand calculation of utilities
 - submit a technical enquiry to be issued to Ausgrid as part of stakeholder engagement
 - investigate treatment to overhead wires
 - provide cost estimation to demonstrate cost offset
- XXI. In addition to the above, WSP also recommend that the applicant investigate protection treatments to the Ausgrid overhead wires. Electrical overheads, safe working and structural clearances are to be taken into consideration as part of the IIDP, to identify cost implication. Where electrical standards cannot be met, modification of the existing overheads can be achieved by means of permanently insulating power line, relocation and/or undergrounding. Undergrounding overhead assets in the Camperdown precinct is not a requirement set out by PRCUTS (Planning and Design Guidelines).
- XXII. It is acknowledged that items IV and V above could be addressed in a post-Gateway determination or even at the Development Application (DA) stage, as these costs are usually standard connection fees borne by the developer and negotiated with the individual utility provider on commercial terms. Notwithstanding, any additional costs that might be identified under items II and III above should be borne by the applicant and specifically excluded from the VPA offer / IIDP.

Voluntary Planning Agreement

- XXIII. Total proposed contribution of \$1.025M (as set out in the formal VPA offer) appears to align with Council’s VPA Policy. The applicant proposes to split the contribution as follows:
- > Land (stratum) dedication at \$580K (as identified in the HillPDA Report) appears reasonable, although additional and perhaps more comparable examples from other adjoining suburbs such as Glebe and Ultimo would likely assist the justification of values identified

- > Works in Kind at \$350K (as identified in the Concept Plans) appear to reasonable, although there is a veritable lack of detail upon which to make a clear judgement. Notwithstanding, Council should carefully consider the QS report (summarised in Part 5 and Table 2) and note that it believes the combined cost of soft and hard landscaping could be as high as circa \$412K. However, it is not known if this matches the level of embellishment required by Council to implement the Johnsons Creek Master Plan. If the QS report is correct, it could have implications for reducing the remaining VPA offer element (cash @ \$95K) by \$60K+.
 - > Monetary contribution of \$95K (as identified in the IIDP) appears reasonable, being the residual dollar value having taken account of the cost of land and value of Works in Kind as set out in the HillPDA Report.
- XXIV. Notwithstanding point VII, Council may seek a revised Land Value Uplift Report (HillPDA), where the case studies used to calculate a base case for land value could be more comparable to the subject site and development, i.e. boarding houses/student accommodation around Ultimo/Camperdown in the vicinity of tertiary institutions, rather than Ashfield and Leichhardt. Subsequently this could result in a higher base case land value and additional contributions payable.
- XXV. The VPA offer should crystallise the precise infrastructure contributions included in the revised IIDP. Specifically, the 4 star Green Star rating and Electric Vehicle Charging Stations (identified in the VPA offer as part of the works in kind) should be excluded, as these are not considered 'material public benefit', i.e. they are a requirement of the development in accordance with PRCUTS, recommendations made by Council/IWLPP, and/or market considerations by the applicant.
- XXVI. Council, at its discretion, should require a minimum standard 12-month defects liability period clause attached to any VPA offer for Works in Kind – in this case, specifically for the through-site link and associated landscaping and embellishment.
- XXVII. Council should satisfy itself at the DA stage, that the proposed through-site link will be delivered in accordance with the Parramatta Road Urban Amenity Improvement Program and the Camperdown Precinct Public Domain Master Plan (i.e. pathway widths, wayfinding, landscape standards, embellishments etc).
- XXVIII. In addition to point XI above, at the DA stage, the applicant is to ensure that the land shall be capable of being adapted for use as public open space prior to dedication (i.e. ensure any required demolition, flood mitigation works and or remediation has occurred and that the relevant stratum of land can be handed to Council, unencumbered).

Infrastructure Contributions

- XXIX. The provision of affordable housing (in the form of a boarding house) in lieu of s7.11 Contributions is generally accepted, as confirmed by Councils s7.11 Contributions Policies No's 1 and 2. Boarding houses are a form of 'affordable housing under the *State Environmental Planning Policy (Affordable Rental housing) 2009* (ARH SEPP).
- XXX. Leichhardt Developer Contributions Plan No. 3 does not provide an exemption for Boarding House developments, therefore contributions for transport and access would normally apply to the proposed development. The IIDP should be revised to reflect the s7.11 contributions that would be applicable under this Plan, noting that these are sought to be offset by the proposed VPA offer.
- XXXI. Notwithstanding the above, it is not considered that this gap with the IIDP warrants refusal of the Planning Proposal, as these issues would ordinarily be addressed post-gateway or at the Development Application (DA) stage.

Further studies

- XXXII. An up to date traffic study and supporting modelling needs to be completed in order to fully assess the Planning Proposal impacts. It is acknowledged that this could be undertaken post-Gateway determination.

7 Conclusion

The peer review has identified some minor but no major concerns with the IIDP and methodology applied to determine relevant infrastructure contributions for the Planning Proposal, as set out in the HillPDA Report dated 29 January 2020.

The infrastructure contributions set out in the IIDP and proposed land uses generally align with the strategic planning framework where it contributes to housing affordability, provides employment generating land uses and Works in Kind to deliver a critical component of the Johnstons Creek recreational corridor.

The IIDP is found to generally satisfy Criteria 3 – IIDP of the Out of Sequence Checklist, where it will have negligible impacts on surrounding infrastructure, including public and active transport, roads, open space and community facilities and services. This is by virtue of the Site's location, with good access to transport, services and facilities, as well as the proposed use for affordable housing in the form of boarding housing (targeted as student accommodation).

The Planning Proposal does not technically satisfy Criteria 5 – Feasibility of the 'Out of Sequence' Checklist, where it has not fully demonstrated to the likely costs associated with gaps to utilities and infrastructure services. Once again, it is acknowledged that this matter could be addressed in a post Gateway determination as these costs are usually standard connection fees borne by the developer and negotiated with the individual utility provider on commercial terms.

