

Item No: C0223(1) Item 4

Subject: 67-75 LORDS ROAD, LEICHHARDT - PLANNING PROPOSAL

Prepared By: Daniel East - Acting Senior Manager Planning

Authorised By: Simone Plummer - Director Planning

RECOMMENDATION

That Council:

1. Does not support the Planning Proposal prepared by FPD Pty Ltd dated 3 August 2022 for 67-75 Lords Road, Leichhardt for the following reasons:
 - a) The Planning Proposal is inconsistent with Ministerial Direction 1.5 Parramatta Road Corridor Urban Transformation Strategy (PRCUTS Strategy) 1.5 (1)(a)(b) and (c) as the proposal does not adequately give effect to the objectives 1.5(a) of the Ministerial Direction and is inconsistent with Strategic Actions within the PRCUTS Strategy, and the Planning and Design Guidelines;
 - b) It fails the strategic and site-specific merit test of the Guidelines for Preparing Planning Proposals pursuant to Section 3.33 of the Environmental Planning and Assessment Act 1979 (EP&A Act);
 - c) It is inconsistent with the following Council’s adopted Policies:
 - i) Local Strategic Planning Statement
 - ii) Local Housing Strategy
 - iii) Employment and Retail Lands Strategy
 - iv) Affordable Housing Policy
 - v) Community Strategic Plan
 - d) It is inconsistent with the following Ministerial Directions
 - i) 1.1 Implementation of Regional Plans
 - ii) 1.5 Parramatta Road Corridor Urban Transformation Strategy
 - iii) 4.1 Flooding
 - e) It is inconsistent with State Environmental Planning Policy (Housing) 2021;
 - f) The proposed design is unsatisfactory with respect to:
 - i) Flooding
 - ii) Site servicing, access and circulation
 - iii) Built form controls, including setbacks, building separation, open space.
2. Recommend that the Planning Proposal should not be progressed to the Minister of Planning in accordance with section 3.34 of the EP&A Act;
3. Should the proponent request a Rezoning Review by the NSW Department of Planning and Environment, or submit an amended Planning Proposal to Council the following matters should be considered in the assessment in addition to the matters in recommendation 1 above:
 - i) The Planning Proposal be amended to omit business premises and office

premises from the proposed Additional Permitted Uses;

- ii) The Planning Proposal be amended to include a local provision requiring a minimum of 3,000sqm of non-residential uses;
- iii) That an Affordable Housing Contributions Scheme be prepared as part of the Planning Proposal or a Planning Agreement be negotiated. The affordable housing percentage of residential development to comply with Inner West Affordable Housing Policy, being 15% subject to a detailed feasibility analysis
- iv) Discussions be held with Council, DPE and TfNSW on the implementation of the Parramatta Road Corridor Precinct-wide Transport and Traffic Study as relevant to the Planning Proposal site;
- v) Provide an updated Traffic and Parking Analysis report and any other specialist reports (as necessary) utilising and reflecting the most up to date data available;
- vi) Consideration should be given to the proposed RE1 Public Recreation zone along the western boundary (75 Lords Road);
- vii) Consideration should be given to the inadequate floor to ceiling heights of the light industrial units;
- viii) A flood risk and impact assessment including pre- and post-development flood modelling be undertaken to satisfy the requirements of the Ministerial Direction 4.1 Flooding.

DISCUSSION

A Planning Proposal was lodged on the NSW Planning Portal by Platino Properties on 31 August 2022. The Planning Proposal seeks to amend the Inner West Local Environmental Plan 2022 (IWLEP) to rezone the site from Light Industrial (IN2) to Medium Density Residential (R3), increase the FSR to 2.4:1 and introduce a height of building control of 30m (**refer Attachment 1**).

This LEP amendment intends to facilitate the development of the site for up to 25,480sqm of floorspace comprising 4 x 6 to 8 storey mixed use buildings, 1 x 2 storey residential building and at least 2,000sqm of non-residential uses at ground level across 4 of the buildings. The supporting concept scheme identifies that the site could accommodate up to 220 dwellings, which includes 60 Seniors Housing units. A minimum of 5 percent of the residential floorspace is proposed to be provided as affordable housing (home equity model) in perpetuity through a Community Housing Provider.

This Planning Proposal and the supporting technical studies have been assessed in accordance with the Environmental Planning and Assessment Act 1979 (EP&A Act) and relevant guidelines. The Planning Proposal was found to have insufficient strategic and site-specific merit. Subsequently, the Planning Proposal is not supported.

BACKGROUND

Two previous Planning Proposal applications were lodged for this site, on 21 May 2014 and 25 October 2018 respectively. These proposals were not supported by Council or the Sydney Central/Eastern City Planning Panels for the following reasons.

2014 Planning Proposal:

- Loss of industrial land
- Inconsistent with Ministerial Direction 1.1 – Business and Industrial Zones
- Not supported by net Community Benefit Test and Social Impact Assessment
- Net loss of jobs and diversity in economy, community activities and employment opportunity
- Proposed density/height inconsistent with R3 Medium Density Residential zoning
- Unacceptable amenity impacts from proposed built form
- Insufficient supply of affordable housing proposed
- Traffic impacts not adequately addressed
- Potential contamination not adequately addressed
- Uncertainty associated with West Connex and Parramatta Road Urban Renewal

2018 Planning Proposal:

- Did not meet strategic merit of Parramatta Road Corridor Transformation Strategy (PRCUTS) and the *Eastern City District Plan*
- Loss of industrial land
- Inconsistent with PRCUTS recommended planning controls
- Not compliant with the PRCUTS out of sequence checklist
- PRCUTS dwelling target can be achieved without this site
- Inconsistent with Ministerial Directions 1.1, 7.1 and 7.3
- Strategic planning matters such as flooding, heritage, land contamination, traffic impacts, loss of employment lands, sustainability targets were not adequately addressed
- Inadequate design quality
- Exceeded PRCUTS proposed FSR controls

SITE AND SURROUNDING CONTEXT

67-75 Lords Road, Leichhardt is a regular shaped lot of 10,691sqm. The site has a 77m frontage to Lords Road along the southern boundary and 76 metres northern boundary to Lambert Park. The eastern and western side boundaries comprise 111m and 133m respectively. The site is approximately 400m from Parramatta Road and 7km from the Sydney CBD. The Marion and Taverners Hill Light Rail stops are both within walking distance from the site and approximately 400m from Leichhardt Marketplace.

The site comprises two allotments, being Lot 1 DP 940543 (67-73 Lords Road) and Lot 1 DP 550608 (75 Lords Road) and is located on the northern side of Lords Road, with public open space located on the northern boundary, railway land to the west, Lords Road to the south and Davies Lane to the east. The site currently accommodates a range of light industrial and commercial uses including warehousing/storage, small scale manufacturing including furniture and joinery businesses and private recreation facilities.



Figure 1. Local Context (subject site outlined in red).



Figure 2. Subject site

The existing buildings on the site comprise three (3) buildings directly adjoining each other, comprising two (2) storey brick and metal roof buildings as well as a detached single storey brick and metal roof building in the front eastern corner of the site. The maximum height of the existing buildings on the site is approximately 11.5m. Vehicle access is currently obtained from two driveways in Lords Road which provide access to the various businesses.



Figure 3. Existing site and surrounding areas

The site is zoned IN2 Light Industrial under the Inner West Local Environmental Plan 2022 (IWLEP 2022) and the maximum FSR for the site is 1:1. The IWLEP 2022 does not stipulate a height of buildings control for the site. The site is located in the West Leichhardt Precinct of Leichhardt Development Control Plan 2013.

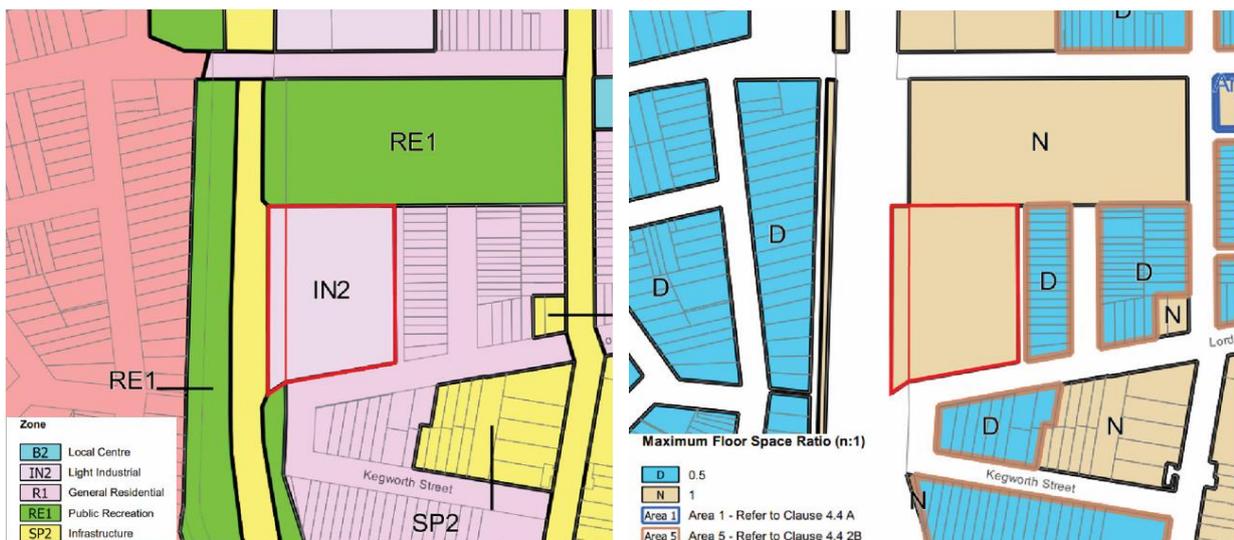


Figure 4: Existing Planning Controls

The site is located in the Taverners Hill Precinct of the Parramatta Road Corridor Urban Transformation Strategy (PRCUTS), a NSW Government endorsed strategy given statutory force via a Section 9.1 Ministerial Direction in November 2016.

The key state and local policies and strategies that apply to the site include:

- Parramatta Road Corridor Urban Transformation Strategy (Urban Growth) and supporting documents,
 - PRCUTS Implementation Plan 2016-2023
 - PRCUTS Planning and Design Guidelines
 - PRCUTS: Urban Amenity Improvement Plan
 - PRCUTS: Infrastructure Schedule
 - PRCUTS: Implementation Update 2021
 - Parramatta Road Corridor Precinct-Wide Traffic and Transport Study 2022– jointly commissioned study by IWC and DPE
- A Metropolis of Three Cities 2018 by the Greater Sydney Commission (GSC).
- Eastern City District Plan 2018 by the Greater Sydney Commission (GSC).
- 'Our Place Inner West' – Inner West Council's (IWC) Local Strategic Planning Statement (LSPS)
- IWC Employment and Retail Lands Strategy (ERLS)
- IWC Local Housing Strategy (LHS)
- IWC Integrated Transport Strategy (ITS)
- IWC Affordable Housing Policy (AHP)
- Our Inner West 2036 - Community Strategic Plan (CSP)

The Taverners Hill Precinct within PRCUTS is an area in transition, with some other sites within Taverners Hill Precinct subject to an existing Council led planning proposal (known as Inner West LEP Phase 2A).

THE PLANNING PROPOSAL

This Planning Proposal (2022) seeks to make an amendment to the *Inner West Local Environmental Plan 2022* planning controls as follows:

- Rezone the site from IN2 Light Industrial to R3 Medium Density Residential
- Introduce a maximum height of building of 30 metres (equivalent to 8 storeys)
- Increase the Floor Space Ratio (FSR) to 2.4:1
- Include a local provision requiring a minimum of 2,000 square metres of non-residential floor space
- Introduce additional permitted uses on the site, being business premises, industrial retail outlets, light industries, creative industries, office premises, restaurant or café, recreational facilities (indoor)
- Include a local provision requiring a minimum 5% of residential floor space to be delivered as affordable housing

The proposal seeks to facilitate a redevelopment of the site comprising 25,408sqm of floorspace primarily for residential flat buildings ranging from 6 to 8 storeys and a 2-storey residential building.



Figure 5: Proposed Planning Controls

In addition, the following is proposed:

- Minimum 2,000 square metres of ground floor employment floor space across 4 buildings
- 60 seniors housing independent living units
- 1000sqm publicly accessible open space
- An east-west pedestrian through site link
- A secondary Greenway north-south link to the east of the site to potentially connect to the Marion Light Rail stop

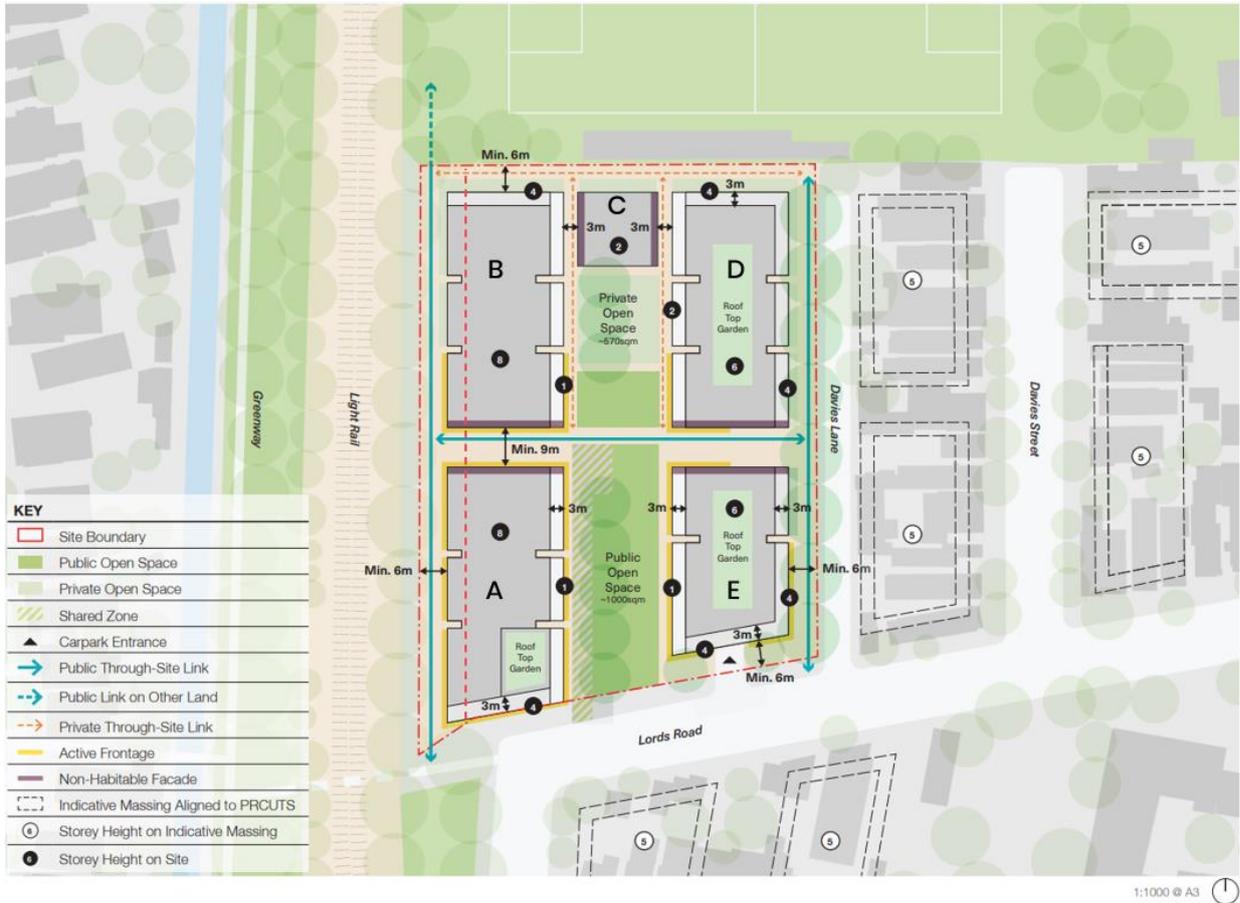


Figure 6: Proposed Concept Design Scheme

PLANNING PROPOSAL ASSESSMENT SUMMARY

The Planning Proposal has been assessed in accordance with Division 3.4 of the Environmental Planning and Assessment Act 1979 and the Local Environmental Plan Making Guidelines 2022.

A summary of the matters for consideration is provided in Table 1. A detailed assessment is provided in the Planning Proposal Assessment Checklist, **Attachment 2** and the PRCUTS Out of Sequence Checklist Assessment, **Attachment 4**.

Council officers undertook internal consultation and engaged consultants to undertake technical peer reviews of the Urban Design and Economic Analysis to inform the assessment of the planning proposal. Further details of the Urban Design and Economic peer reviews are provided in **Attachment 5** and **Attachment 6** respectively.

Table 1 - Summary of Matters for Consideration

Matters for consideration	Council Response
<p>Is the planning proposal a result of an endorsed LSPS, strategic study or report?</p>	<p>The planning proposal aims to implement the outcomes of PRCUTS in line with the PRCUT Implementation Plan 2016-2023 and <i>PRCUT: Implementation Update 2021</i>.</p>
<p>Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?</p>	<p>This planning proposal is inconsistent with PRCUTS and has insufficient strategic and site-specific merit. A more detailed planning proposal that addresses the matters raised in this report is a better way of achieving the objectives of PRCUTS.</p>

Matters for consideration	Council Response
<p>Will the planning proposal give effect to the objectives and actions of the applicable regional or district plan or strategy (including any exhibited draft plans or strategies)?</p>	<p>The Planning Proposal is partially consistent with the <i>Eastern City District Plan 2018</i>. It is inconsistent with the PRCUTS Strategic Actions and the PRCUTS Planning and Design Guidelines.</p>
<p>Is the planning proposal consistent with a council LSPS that has been endorsed by the Planning Secretary or GSC, or another endorsed local strategy or strategic plan?</p>	<p>The planning proposal is inconsistent with Council's LSPS, LHS and ERLS. However, Ministerial Direction 1.5, the Parramatta Road Corridor Urban Transformation Strategy takes precedent and prevails to the extent of any inconsistency. The endorsement of these Council strategies by state government was also subject to PRCUTS taking precedent.</p>
<p>Is the planning proposal consistent with any other applicable State and regional studies or strategies?</p>	<p>The planning proposal is partially consistent with the Greater Sydney Region Plan, the Eastern City District Plan and the PRCUTS. Further details can be found in Attachments 2 and 3.</p>
<p>Is the planning proposal consistent with applicable SEPPs?</p>	<p>The planning proposal is predominantly consistent with all relevant SEPPs except for SEPP (Housing) 2021. No affordable housing feasibility study has been undertaken and an Affordable Housing Contribution Scheme is not part of the planning proposal. No Letter of Offer to enter into a planning agreement has been made to deliver the affordable housing.</p>
<p>Is the planning proposal consistent with applicable Ministerial Directions (section 9.1 Directions)?</p>	<p>The planning proposal is inconsistent with Ministerial Direction 1.5 (Parramatta Road Corridor Urban Transformation Strategy) as there are inconsistencies with <i>PRCUTS Implementation Plan 2016-2023</i>, <i>PRCUTS Implementation Update 2021</i>, <i>PRCUTS</i>, and <i>the PRCUTS Planning and Design Guidelines</i> (refer to Attachments 2 and 3). The planning proposal is partially consistent with Ministerial Direction 1.1 Implementation of Regional Plans and inconsistent with Ministerial Direction 4.1 Flooding.</p>
<p>Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected because of the proposal?</p>	<p>The subject site does not contain any critical habitat or threatened species, populations or ecological communities, or their habitats.</p>
<p>Are there any other likely environmental effects of the planning proposal and how they proposed to be managed?</p>	<p>The subject site is partially located within a flood area, with an area on the western boundary affected by flood storage in a 100 year ARI storm event. Part of the site is a high hazard flood zone in a PMF event. No pre or post development flood modelling has been undertaken for the site.</p>
<p>Has the planning proposal adequately addressed any social and economic effects?</p>	<p>The planning proposal has considered the need for variety of housing including affordable and seniors housing, however, has not considered how it will be delivered. In addition, the planning proposal is inconsistent with Inner West Affordable Housing Policy</p>

Matters for consideration	Council Response
	<p>which requires 15% of the residential floor space (subject to feasibility). No feasibility study has been provided.</p> <p>There will be a net loss of jobs on the site, however this was envisaged by PRCUTS. Refer to Attachment 2 for a detailed report.</p>
<p>Is there adequate public infrastructure for the planning proposal?</p>	<p>The Inner West Local Infrastructure Contributions Plan 2022 (due to come into effect February 2023) considered the demand for local infrastructure arising from the implementation of PRCUTS. However, the proposal does not consider the recommendations of the Parramatta Road Precinct Wide Transport and Traffic Study. Infrastructure items not covered by the Inner West Infrastructure Contribution Plan have not been addressed with a Letter of Offer or Planning Agreement in the Planning Proposal.</p>
<p>What are the views of state and federal public authorities and government agencies consulted in order to inform the Gateway determination?</p>	<p>No information has been provided to ascertain if consultation with public authorities and government agencies was undertaken prior to lodgement of the August 2022 planning proposal. The Proponent has not provided preliminary views of any state or federal agency as part of the proposal. The Gateway determination will advise a list of public authorities to be consulted.</p>

KEY ISSUES

PRCUTS Ministerial Direction and Out of Sequence Checklist

The Ministerial Direction 1.5 Parramatta Road Corridor Urban Transformation Strategy requires the Planning Proposal to be consistent with the PRCUTS Implementation Toolkit, which includes a series of documents including the Implementation Plan 2016-2023, the Implementation Plan Update 2021, and the Planning and Design Guidelines. The proposal is considered to be inconsistent with Direction 1.5 (1)(a)(b) and (c) as the proposal does not adequately give effect to the objectives 1.5(a) of the Ministerial Direction and is inconsistent with Strategic Actions within the PRCUTS Strategy, and the Planning and Design Guidelines. Further details are provided in subsequent sections of this report.

The implementation update supplements the original implementation plan with requirements to fulfil additional actions. As the Planning Proposal relates to an individual site outside the 2016-2023 release area under the PRCUTS Implementation Plan 2016-2023, it is therefore required to:

- satisfy the requirements of the 'Out of Sequence Checklist' in the Parramatta Road Corridor Implementation Plan 2016 – 2023 (November 2016), or
- clearly demonstrate that it delivers a better outcome, or
- be of minor significance.

The assessment of the Planning Proposal found numerous inconsistencies against the PRCUTS suite of requirements. These are considered to be of major significance. No justification as to how the Planning Proposal could deliver a better outcome has been provided. A merit-based assessment of the Proponent's Out of Sequence Checklist (Appendix C) against the requirements of the Ministerial Direction 1.5 including the Implementation Plan 2016-2023 and Implementation Update 2021 was undertaken and is summarised below.

Ministerial Direction 1.5 Parramatta Road Corridor Urban Transformation Strategy -

PRCUTS Implementation Update 2021 – the proposal does not have adequate regard to the Parramatta Road Corridor Precinct-wide Traffic and Transport Study (2022) in relation to improved public transport, active transport and road network outcomes.

PRCUTS Implementation Plan 2016-2023 – does not satisfactorily demonstrate consistency with the Out of Sequence Checklist Criteria as follows:

- **Criteria 1. Strategic objectives, land use and development** – Does not comprehensively address the requirements of this criteria. Including:
 - Inconsistent with the PRCUT Strategy Land Use and Transport Planning Principles:
 - *Principle 1: Housing Choice and Affordability* – Does not meet affordable housing targets as set out in council’s Affordable Housing Policy, has not proposed an Affordable Housing Contributions Scheme or VPA as alternative mechanism, and no feasibility testing has been undertaken.
 - *Principle 2: Diverse and Resilient Economy* – Does not consider design response required to address potential land use conflicts in relation to the co-location of residential and light industrial uses on the site.
 - *Principle 3: Accessibility* – The proposed car parking rates exceed those required in PRCUTS, discouraging the use of sustainable modes of transport. Further, the Traffic and Parking Report includes outdated traffic survey data (2018) which may reflect inaccurate traffic generation results.
 - *Principle 4: Vibrant Communities Places* – Relies on outdated funding mechanism (RIC) for state infrastructure. Inconsistent with urban design elements such as street wall heights and setbacks.
 - *Principle 5: Green Spaces and Links* – Inconsistent with the recommended RE1 Public Recreation land use zoning for 75 Lords Rd, Leichhardt (Lot 1 DP 550608)
 - *Principle 6: Sustainability and Resilience* – BASIX energy targets are less than PRCUTS Planning and Design Guideline requirements for buildings of 2-5 storeys, car parking rates are higher than recommended and no controls for 60% canopy cover over pedestrian spaces. Appendix K: Sustainability Strategy does not adequately demonstrate how it will ensure long term sustainability targets as set out in PRCUTS.
 - *Principle 7: Delivery* – Does not consider the recommendations of the Parramatta Road Precinct Wide Transport and Traffic Study. Infrastructure items not covered by IWC Infrastructure Contribution Plan have not been addressed with a Letter of Offer or Planning Agreement in the Planning Proposal.
 - Does not satisfactorily contribute to the Corridor wide and Taverners Hill Precinct specific vision,
 - Does not adequately demonstrate net community, economic and environmental benefits for the Corridor and the Taverners Hill Precinct,
 - Inconsistent with the recommended land uses and street wall heights outlined in the PRCUTS Planning and Design Guidelines.
- **Criteria 2. Integrated Infrastructure Delivery Plan** – IIDP does not sufficiently address section 7.11 local contributions and approach to delivery of affordable housing is inconsistent with Council’s Affordable Housing Policy. The IIDP does not consider the Parramatta Road Corridor Precinct-wide Traffic and Transport Study (2022) and the funding mechanism associated with the local infrastructure recommendations.

- **Criteria 3. Stakeholder Engagement** – No recent stakeholder consultation undertaken to respond to current stakeholder perspectives and issues as required by the Out of Sequence Checklist. Pre-lodgement phase as required by the DPE LEP Making Guideline 2022 and Council policy has not been undertaken. No documented State or Council support or agreement was provided.
- **Criteria 4. Sustainability** – No clear mechanism provided or included in the draft Site-Specific DCP to ensure that the long-term sustainability targets identified in the PRCUTS strategic actions can be achieved.
- **Criteria 5. Feasibility** – Insufficient detail on the assumed development outputs and infrastructure costs with no evidence provided to confirm economic feasibility of the site rezoning from light industrial to medium density residential uses. No justification provided to support the proposed quantum of affordable housing.
- **Criteria 6. Market Viability** – Insufficient detail to demonstrate the market viability associated with the proposed non-residential uses.

A more detailed assessment is undertaken in the PRCUTS Out of Sequence Checklist Assessment is provided at **Attachment 4**.

PRCUTS Planning Controls

The PRCUTS Planning and Design Guidelines, identifies the recommended planning controls for the Taverners Hill Precinct as shown in Figure 7.

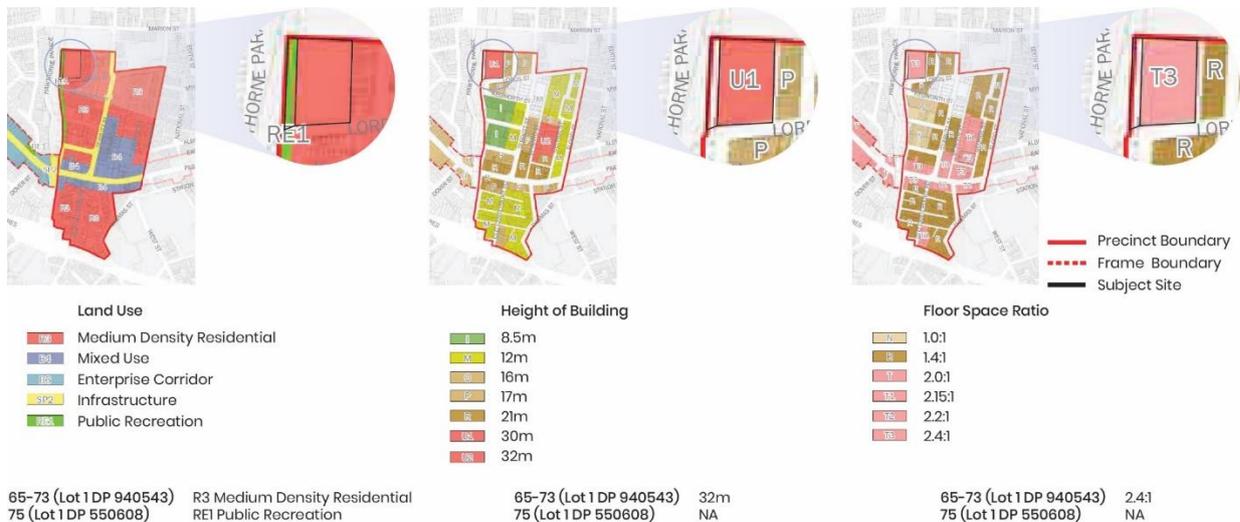


Figure 7: Recommended Planning Controls (PRCUT Planning and Design Guidelines)

The Planning Proposal is inconsistent with the recommended land use zoning, as it seeks to rezone both sites (Lot 1 DP 940543 and Lot 1 DP 550608) to R3 Medium Density Residential. The recommended land zoning of Lot 1 DP 550608 (75 Lords Road) in PRCUTS is RE1 Public Recreation. PRCUTS does not recommend any floor space or height controls for this site. The Planning Proposal has not acknowledged this inconsistency and consequently has not provided a study that demonstrates a better outcome can be achieved for the alternate proposal to PRCUTS. The Planning Proposal is therefore also inconsistent with Ministerial Direction 1.5 Parramatta Road Corridor.

Additional permitted uses

- The Planning Proposal proposes additional permitted uses including, business premises, industrial retail outlets, light industries, creative industries, office premises, restaurant or café, and recreational facilities (indoor).
- It also proposes a local provision requiring a minimum of 2,000 square metres of non-residential floor space.

As identified in the SGS Economics and Planning Economic Peer Review (**Attachment 6**), the extensive list of additional permitted uses would not realistically result in any light industrial floor space being provided on the site, as light industrial uses are lower types of economic activity uses that would have to compete with higher economic activity uses (i.e. office, business and restaurant/café). Given the previous Planning Proposal in 2018 included 3,000 sqm of non-residential floor space, it is considered a non-residential floor space of 3,000sqm be provided. This would better align with Council's strategies to retain employment lands. Therefore, should the Planning Proposal progress, the following amendments should be made:

- Omit *business premisses* and *office premises* from the Additional Permitted Uses (Schedule 1 Additional Permitted Uses)
- Include a local provision requiring a minimum of 3,000sqm of non-residential uses

The Assessment Checklist at **Attachment 2** and the PRCUTS Out of Sequence Checklist at **Attachment 4** provide a more detailed assessment in relation to this matter.

Ministerial Direction 4.1 Flooding

The site is affected by flood storage along the western boundary in the 100-year ARI storm event. This area also serves as a floodway through to Marion Street in the PMF event (6.8m AHD) as water levels exceed the existing embankment levels of Lambert Park (approximately 4.5m AHD) and overtop the embankment before continuing to flow downstream.

No pre or post flood modelling has been undertaken for the Planning Proposal and the proposed building footprints of two buildings are located in the flood area.

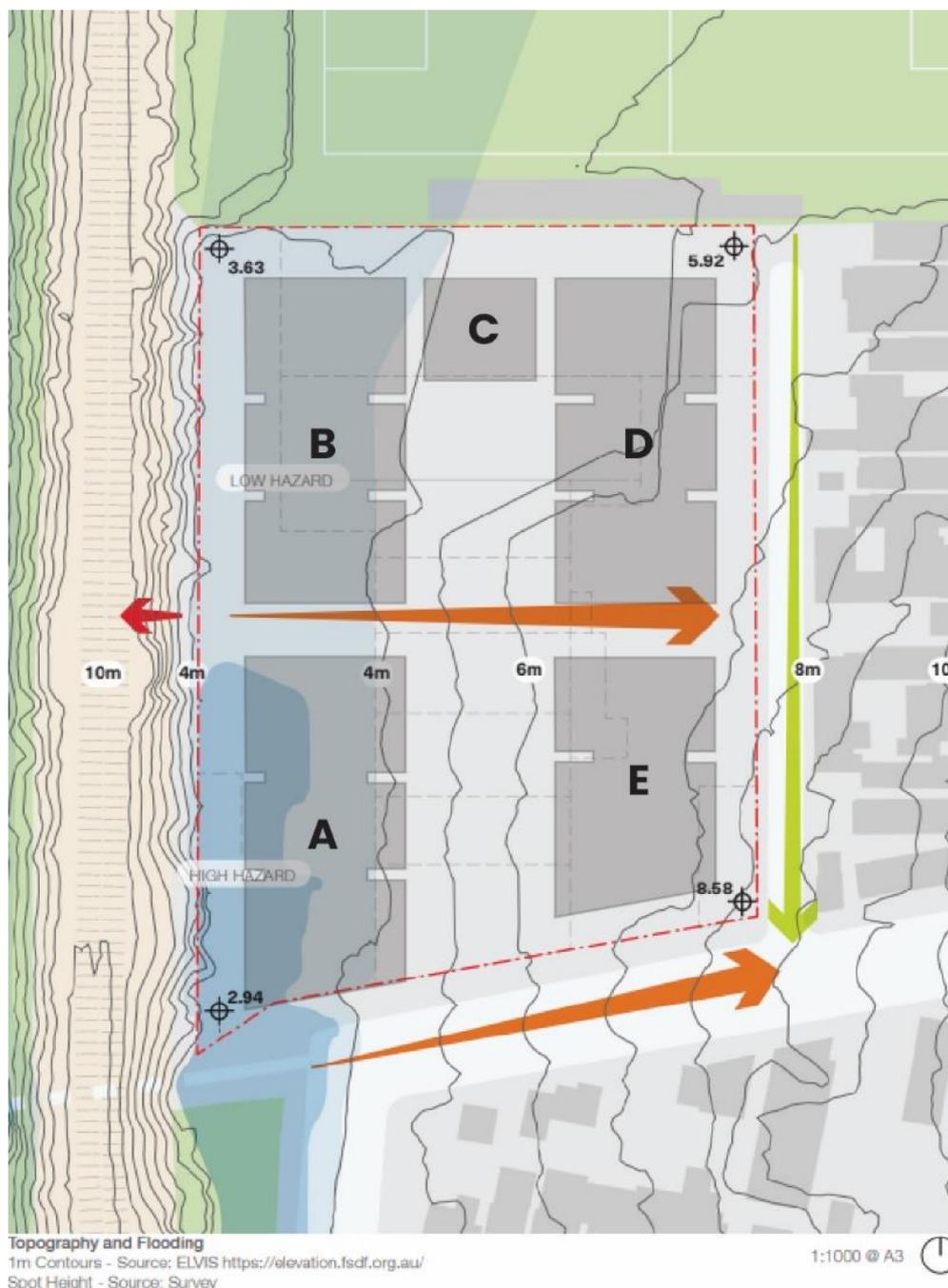


Figure 8: Topography and flooding map with building envelope overlay

It is acknowledged that the concept plan includes the provision of a compensatory 1:100 YR ARI flood storage area in the basement. Notwithstanding, the information provided is insufficient to satisfy the Ministerial Direction 4.1 Flooding.

Affordable Housing

The proposed affordable housing contribution of a minimum 5% of the residential floor space is inconsistent with Council’s affordable housing target (15% of new residential floor space, subject to feasibility). It is noted that PRCUTS requires a minimum provision of 5% new housing as affordable housing or in line with Government policy of the day. The Eastern City District Plan and Greater Sydney Regional Plan nominate a target of 5-10% of new floorspace to be delivered as affordable housing subject to viability. Further, the Eastern City District Plan

also recognises that higher affordable rental housing targets may be warranted depending on the type of land rezoned and the value uplift generated.

As discussed above, no validated feasibility assessment was prepared for the Planning Proposal. Detailed feasibility modelling should be undertaken by the Proponent that demonstrates the development considerations, cost and revenue assumptions and testing of different levels of affordable housing. As indicated in the SGS Economic Peer Review, it is likely that detailed feasibility modelling would result in establishing a higher affordable housing provision for the site than is currently being proposed.

No Affordable Housing Contributions Scheme has been proposed and no Letter of Offer to enter into a Planning Agreement to deliver the affordable housing has been provided. An agreed delivery mechanism is required to ensure that affordable housing on the site is realised. Furthermore, the PRCUTS *Implementation Plan Update 2021* (Next Steps - 4) requires Councils to progress strategic planning proposals to implement PRCUTS including: *(b) incorporating local affordable housing target schemes.*

The affordable housing model proposed is also inconsistent with Council's AHP as it is a shared equity model which does not meet Council's NSW state government definition of affordable housing.

Infrastructure Funding

The PRCUTS Implementation Plan 2016 - 2023 and PRCUTS Implementation Update 2021 identifies the need for State and Local Infrastructure to support planning proposals. The PRCUTS Implementation Update 2021 includes additional matters that must be considered, including any published plans or studies relating to active transport, open space, and road improvements and upgrades.

The Integrated Infrastructure Delivery Plan (IIDP) (Appendix P) does not consider the recommendations of the Parramatta Road Precinct Wide Transport and Traffic Study. Local infrastructure recommendations from the Study such as the footpaths, share paths and cycleways (refer to the Out of Sequence Checklist) are excluded from Section 7.11 Inner West Local Infrastructure Contributions Plan 2022 (adopted 6 December 2022). These infrastructure items are to be considered as part of a Planning Agreement funding mechanism subject to negotiations with Council. It is noted that the Planning Proposal is not supported with a Letter of Offer for a Planning Agreement.

Lack of Public Benefits

The Planning Proposal has not adequately provided public benefits that would serve to benefit the broader community. With the exception of the affordable housing provision, the other deliverables are not considered 'public benefits'. A secondary N-S GreenWay link could be supported but note this is identified in the PRCUTS as RE1 Public Recreation.

The provision of non-residential floor space or other types of housing are not explicit benefits to the public as these uses are still income-generating uses for the proponents. Additionally, the publicly accessible open space of the development, is not considered to be a public benefit as it would solely benefit the residents and the proposed ground level commercial and community users of the site. It would not benefit the broader community, as it is unlikely to be used by the wider community or bring broader environmental benefits.

Seniors Housing

Insufficient information has been provided on the proposed 60 senior independent living units, including their location and potential impact on the proposed concept plan, given the height and FSR bonus available under the *State Environmental Planning Policy (Housing) 2021*.

Urban Design Issues

While Council is in principle support of the secondary link to the GreenWay, there are a number of non-compliant issues with PRCUTS, *Apartment Design Guide* (ADG) and Council policies including:

- proposed setbacks that in places do not meet the PRCUT Planning and Design Guidelines
- building separation and open space requirements that do not meet the ADG requirements
- internal access, servicing and circulation matters requiring further consideration
- lack of pre- and post-development flood modelling to confirm built form outcomes
- no consideration of the RE1 Public Recreation recommended zone in PRCUTS.

Refer to the Assessment Checklist (**Attachment 2**) and the Urban Design Peer Review (**Attachment 5**) for a more detailed analysis.

Insufficient information in the Draft DCP

The draft DCP (Appendix E) has not addressed a number of matters including:

- controls for a mixed-use development of light industrial/residential to mitigate potential land use conflicts
- a design response conducive to light industrial uses such as double height floor-to-ceiling height and more direct tenancy- to-vehicle access
- car parking rates in excess of the PRCUTS maximum rates for the Taverners Hill precinct
- controls to ensure that the long-term sustainability targets identified in PRCUTS' strategic actions can be achieved.

Refer to the Assessment Checklist (**Attachment 2**), the Urban Design Peer Review (**Attachment 5**) and the Economic Peer Review (**Attachment 6**) for a more detailed analysis.

Inner West Tree Management DCP

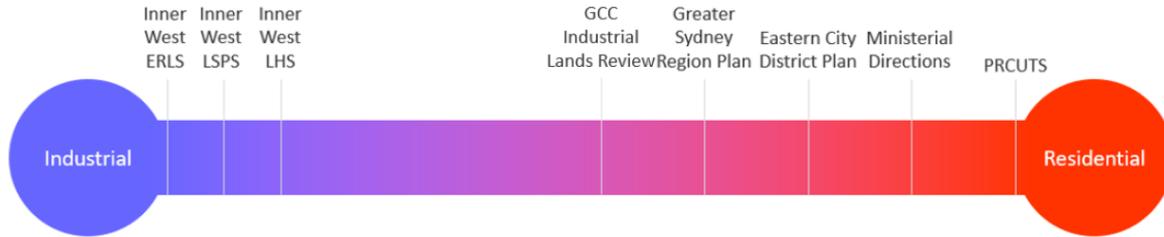
The Planning Proposal is inconsistent with the *Inner West Tree Management DCP* which has a requirement for 25% site tree cover as the site is proposed to be zoned R3 Medium Density Residential and is over 1500sqm in size. In addition, the Planning Proposal does not have adequate regard to the controls relating to the retention of existing trees and minimising impacts of development on existing trees.

Loss of employment lands

The proposal aims to rezone IN2 Light Industrial land to R3 Medium Density Residential. Inner West Council has a strong policy position on the retention of Industrial Lands with **retain and manage** being key directions and actions in the LSPS, LHS and the ERLS. This policy position is supported by a strong evidence base for the need to retain and actually increase the employment and urban services floorspace in the LGA (ERLS 2020), Leichhardt Industrial Land Study (2014) and Leichhardt Industrial Precinct Planning Study (2016).

At state level, both the Greater Sydney Region Plan and the Eastern City District Plan include objectives to retain and manage industrial urban services lands. However, the Ministerial Direction 1.5 gives legislative effect to the PRCUTS, such that it prevails where there is an inconsistency with another policy. The endorsement by DPE and Greater Sydney Commission of Council's LSPS, LHS and the ERLS was subject to PRCUTS prevailing to the extent of any inconsistency.

The diagram below demonstrates the land use preference of various strategies and policies.



Source: SGS (2022)

Figure 9: Land use preference of various strategies/policies (SGS: Economic Peer Review at 67-75 Lords Road, Leichhardt)

Therefore, whilst the Planning Proposal is inconsistent with Council’s policies to retain and manage industrial and urban services land, PRCUTS will prevail as 67-73 Lords Road, Leichhardt is identified for a R3 Medium Density Residential zone. However, 75 Lords Road, Leichhardt is identified for a RE1 Public Recreation zone and with which the Planning Proposal is inconsistent.

The Planning Proposal also proposes to include additional permitted uses which may be able to retain some light industrial uses on the site. As recommended above, Council supports an increased provision of non-residential uses to 3,000sqm but omitting the proposed business and commercial additional permitted uses to encourage the retention and viability of future industrial uses on the site.

INNER WEST LOCAL PLANNING PANEL

In accordance with Division 2.5 (2.19) of the EP&A Act 1979, the Planning Proposal was referred to the Inner West Local Planning Panel (IWLPP) by Council on 20 December 2022. The IWLPP resolved that the Planning Proposal should not be supported. Reasons for the recommendation align with Council’s assessment and the key issues outlined in this report. Further details of the IWLPP Meeting Report and Minutes can be seen at **Attachment 6**.

CONCLUSION

The Planning Proposal for 67-75 Lords Road, Leichhardt has been assessed in accordance with the EP&A Act and relevant guidelines. The Planning Proposal in its current form contains broad inconsistencies with a number of section 9.1 Local Planning Directions, SEPPs, and Council Policies. The Planning Proposal was found to have numerous and significant inconsistencies against PRCUTS, specifically the Ministerial Direction 1.5 Parramatta Road Corridor Urban Transformation Strategy and the supporting documents forming the Implementation Toolkit.

Collectively, the breadth of inconsistencies are of major significance and are not adequately justified in the proposal as to how a better outcome could be achieved.

Several other key issues such as flooding, affordable housing, infrastructure funding mechanisms, lack of public benefit, various urban design issues and loss of employment lands are not adequately addressed. The resolution of these issues would incur design changes, likely to have significant implications to the Planning Proposal and its supporting concept plan.

Subsequently, the Planning Proposal fails the strategic and site-specific merit test. It is therefore recommended that this proposal should not be supported to progress through the Gateway process. Should the proposal progress notwithstanding Council's recommendation, i.e. through a Rezoning Review process, several amendments to the Planning Proposal are recommended to ensure that the key issues outlined above are addressed.

FINANCIAL IMPLICATIONS

Nil.

LIST OF ATTACHMENTS

Due to their large size, please follow the below link to Council's website to access:

- The supporting studies to **Attachment 1** – Planning Proposal as listed below: <https://www.innerwest.nsw.gov.au/develop/plans-policies-and-controls/planning-proposals/planning-proposal-tracker/67-75-lords-road-leichhardt-2022>

Planning Proposal supporting studies (August 2022)

- Appendix A: PRCUTS – Vision
- Appendix B: PRCUTS – Principles and Strategic Actions
- Appendix C: Out of Sequence Checklist
- Appendix D: 67-75 Lords Road Masterplan: Urban Design Report
- Appendix E: Draft Site-Specific Development Controls
- Appendix F: Statement of Heritage Impact
- Appendix G: Flood Risk and Impact Assessment
- Appendix H: Traffic and Parking Assessment
- Appendix I: Development Application Noise Assessment
- Appendix J: Aboricultural Assessment Report
- Appendix K: Sustainability Planning Report
- Appendix L: Detailed Site Investigation
- Appendix M: Preliminary Acid Sulphate Soil Assessment
- Appendix N: Economic Impact Assessment
- Appendix O: Social Impact Assessment
- Appendix P: Integrated Infrastructure Delivery Plan
- Appendix Q: Market Research Advice
- Appendix R: Market Demand Letter
- Attachments 4-6 of the Council Report:
 - **Attachment 4** - Out of Sequence Checklist
 - **Attachment 5** – Urban Design Peer Review
 - **Attachment 6** – Lords Road Economic Peer Review

ATTACHMENTS

1. [↓](#) Lords Road Planning Proposal (Proponent)
2. [↓](#) Lords Road Planning Proposal Assessment (Council)
3. [↓](#) Inner West Local Planning Panel Report and Minutes