

26 May 2021

Dear Patrick

Subject: Planning Proposal – 165-185 Hume Highway Greenacre

We refer to your correspondence received by email on 30 April 2021 requesting clarification regarding the vision expressed in the Canterbury Bankstown Employment Lands Strategy, as originally drafted by HillPDA, regarding the above site. Council is seeking this advice in response to comments from the Department of Planning, Industry and Environment (the Department) on the Planning Proposal.

Background

We understand that Canterbury Bankstown Council (Council) submitted Planning Proposal PP-2020-922 for 165-185 Hume Highway Greenacre to Department of Planning, Industry and Environment (the Department) in October 2020 for a Gateway Determination. The Planning Proposal applies to land that is currently zoned B6 Enterprise Corridor pursuant to Bankstown Local Environmental Plan (LEP) 2015.

In a report to the Ordinary Meeting of Council on 25 August 2020, council officers commented that:

The Planning Proposal is consistent with achieving the objectives of Zone B6 Enterprise Corridor under the Bankstown Local Environmental Plan 2015 to promote businesses along main roads and provide for residential uses as part of a mixed use development.

The proposal is also consistent with Council's newly adopted Housing Strategy and Employment Strategy. In particular, the inclusion of a minimum FSR for non-residential uses will preserve employment lands within the B6 Enterprise Corridor, as identified in the strategy, LSPS and consistent with the objectives of the zone. (page 3)

In correspondence subsequently received by Council from the Department, dated 26 April 2021, the Department comments that after undertaking a preliminary review of the Planning Proposal, it has formed the view that the Planning Proposal departs from Council's adopted *Employment Lands Strategy* (June 2020). Specifically, the proposed increase in building height and FSR to facilitate a large mixed use development contradicts the following recommendations in Section 8.1 of the *Employment Lands Strategy* which states:

The main purpose of the B6 zone is to promote a range of employment uses along major corridors. Allowing residential uses in the zone, even as mixed-use development, may limit potential above ground employment uses over time due to land use competition. In order to strengthen the employment qualities of the zone, it is recommended that all residential uses be prohibited.

It is also recommended that any B6 zoned land with existing residential uses be rezoned to a residential supporting zone that exists nearby, such as B2 Local Centre. This is recommended to reflect that existing mixed use development is more reflective of an established centre-focused mixed-use enabling zone.

The positions taken by Council and the Department, on the alignment of the Planning Proposal with the *Employment Lands Strategy*, clearly differ. Council is now seeking clarification from HillPDA, as the original authors of the *Employment Lands Strategy*.

Scope of works

In preparing this advice, HillPDA has reviewed and considered the following documents:

- Planning Proposal prepared by Mecone, dated June 2020 and associated supporting documents
- Council report to the Ordinary meeting of Council held on 25 August 2020, Item 5.1
- Minutes of the ordinary meeting of council held on 25 August 2020
- Correspondence from the Department dated 26 April 2021 to Council's General Manager regarding the Planning Proposal
- *Canterbury Bankstown Employment Lands Strategy Background Report (Draft)* prepared by HillPDA and provided to Council in February 2020
- *Canterbury Bankstown Employment Lands Strategy* adopted by Council (June 2020)
- The Greater Sydney Commission's South District Plan.

Comment

In reviewing the above documents, we note that the Planning Proposal was lodged with Council in July 2018, well before the *Employment Lands Strategy* was adopted by Council in June 2020. It is reasonable to expect that the Planning Proposal should align with the strategic planning in place at the time of lodgement. We do not believe that it is necessary for the Planning Proposal to be consistent with the *Employment Lands Strategy* since it was not in place when the Planning Proposal was lodged. A transitionary approach is considered appropriate.

The Planning Proposal

The planning proposal seeks to permit a minimum non- residential floor space ratio of 0.3:1 within a maximum FSR of 1.3:1 for 167 Hume Highway, excluding the land to be dedicated to form part of Peter Reserve; and increase the maximum height from 11-14m to part 11 (three storey), part 17 (five storey) and part 20(six storeys) and reduce the minimum highway setback for dwellings from 20metres to 12 metres.

The proponent's Urban Design Report includes a concept design for a mixed-use development applying to 167 Hume Highway, which consists of 129 residential apartments and 413 basement parking spaces and associated landscaping works.

The site

The planning proposal applies to the following lots:

Property Addresses	Legal Descriptions	Site Area (m2)	Current Zone
167 Hume Highway	Lot 402 DP 631754	11,750	B6 Enterprise Corridor
165 Hume Highway	Lot 1 DP 302097	1435	B6 Enterprise Corridor
185 Hume Highway	Lot 401 DP 631754	706	B6 Enterprise Corridor

Bankstown Local Environmental Plan 2015

The site is currently zoned B6 Enterprise Corridor pursuant to Bankstown LEP 2015. The Planning Proposal proposes to retain the B6 Enterprise Corridor zone. The objectives of the B6 Enterprise Corridor zone are:

- *To promote **businesses** along main roads and to encourage a mix of compatible uses*
- *To provide a range of employment uses (including **business, office, retail** and light industrial uses)*
- *To maintain the economic strength of centres by limiting retailing activity*
- ***To provide for residential uses, but only as part of a mixed use development.** (our emphasis)*

Although the Bankstown LEP 2015 currently allows for residential flat buildings in B6 Enterprise Zone, Clause 4.1B (minimum lot sizes and special provisions for certain dwellings) mandates a minimum site area of 5,000sqm for residential flat buildings in the B6 Enterprise Corridor zone.

The uses proposed by the Planning Proposal, being a mix of commercial and residential, are consistent with the objectives of the zone, as stated above. Further, the land uses proposed in the Planning Proposal, are currently permissible under the Bankstown LEP 2015.

Draft Consolidated Canterbury Bankstown LEP 2020

The Draft Consolidated Canterbury Bankstown LEP 2020 proposes to continue to enable employment and residential uses on the site, as part of a mixed use development, by listing the site in Schedule 1- Additional Permitted Use (Clause 19) for the purposes of residential flat buildings and multi dwellings. This would enable a continuation of the current provisions for the site under clause 4.1B for the Bankstown LEP 2015, as the site is larger than 5,000sqm.

HillPDA understands that when preparing the Draft Consolidated LEP, Council considered and rejected an alternate approach of rezoning selected sites in the LGA (including this site) from B6 Enterprise Corridor to B2 Local Centre or B4 Mixed Use (which was suggested in the Employment Lands Strategy). We understand that in Council's view, this was appropriate to ensure that the planning outcomes for the Canterbury Bankstown LGA are consistent with the objectives of the Local Strategic Planning Statement in terms of maintaining the current centres hierarchy.

Proposed minimum commercial FSR of 0.3:1

We understand that as part of assessment of the proponent's planning proposal, Council engaged urban design and architectural consultants Architectus, to peer review the proponent's concept in 2018. A peer review was completed following the lodgement of the original planning proposal and in 2020 following the lodgement of a revised concept plan which proposed the dedication of certain land (at the rear of the site) to expand Peter Reserve.

We have been advised that the site at 167 Hume Highway currently has approximately 3,500 sqm commercial gross floor area which includes a hotel, restaurant and serviced apartments. The current FSR applying to the site under Bankstown LEP 2015 is 1:1 and there is no requirement for a quantum of future commercial GFA for the site. According to Architectus, the planning proposal, by requiring a minimum commercial FSR of 0.3:1 within a modest increase in the total FSR, can achieve no net loss of commercial GFA on the site and may deliver better employment outcomes for the site compared to what is currently possible outcome under the current Bankstown LEP 2015.

The proposed commercial GFA, when provided along the stretch of Hume Highway, presents an opportunity for highway related land uses which are generally compatible with the characteristics of Hume Highway in terms of its air quality and noise environmental impacts. We understand that the Urban Design peer review has considered these matters and their views have been reflected in proponent's revised concept plans. These

matters would also be considered as part of a merit assessment during a development application stage to ensure the DA is consistent with the objectives of Zone B6, in particular:

- To promote businesses along main roads and to encourage a mix of compatible uses' and
- To maintain the economic strength of centres by limiting retailing activity outside centres.

Employment land strategy

HillPDA prepared a draft Employment Land Strategy for Council in February 2020. A subsequent version of the document was adopted by Council in June 2020, which was not reviewed by HillPDA. The *Employment Lands Strategy* sought to present information on (among other things):

- The availability of employment lands
- Projections of future demand for employment lands
- The adequacy of existing employment lands to accommodate future growth and change
- Additional employment land supply needed in terms of employment type, timing and location.

Importance of the site for employment land supply

The site was not specifically considered in detail as part of the development of the *Employment Lands Strategy*, as the strategy focussed (in sections 9 and 10) on major employment precincts and established an overall need for employment land. The analysis found that:

- The 22 employment precincts examined contained around 4.8 million square metres of employment floorspace.
- Combined, these precincts cover around 965.9 hectares of land. If developed to their allowable FSR, a total theoretical maximum development capacity of around 9.7 million square metres of floorspace could be achieved.
- Consequently, there is significant capacity within the current Canterbury Bankstown LGAs employment precincts.
- Without undertaking a detailed assessment of constrained land, floorspace and vacancy levels within the precincts, the analysis indicates there is significant capacity within the LGA's employment precincts.

While the importance of maintaining a supply of employment land is recognised, the impact of the Planning Proposal on the supply of employment land in the LGA is of limited concern given the significant supply already available (as outlined above) and the commitment to a minimum no residential FSR to at least, maintain the existing employment floorspace on the site. In fact, the Planning Proposal could theoretically increase the employment potential on the site by increasing the height and FSR limits (subject to the mix of other uses on the site). Given the factors outlined above, we do not believe that the Planning Proposal presents an unacceptable threat to the supply of employment land in the LGA.

However, the proposed concept scheme for the site, which is described in the Planning Proposal, would present a departure from current land uses presently on the site by including residential uses. Any establishment of residential uses on the site would limit the long term employment potential of the site since land that developed for residential uses does not generally return to employment uses. While this is a consideration, we recognise that the proposed residential use is consistent with the current planning controls and the strategic planning that was in place when the Planning Proposal was lodged with Council. We also note that the Planning Proposal is consistent with the approach Council has taken for certain lands zoned B6 Enterprise Corridor for sites equal to or larger than 5,000sqm in area in the Draft Consolidated Canterbury Bankstown LEP 2020.

Role of the B6 Enterprise Corridor zone

The *Employment Land Strategy* included a review of planning controls applying throughout the Canterbury Bankstown LGA to assist Council in its work to consolidate the current planning provisions in Canterbury LEP 2012 and Bankstown LEP 2015 into a single consolidated LEP.

As Council is aware, residential flat buildings are currently permitted in the B6 Enterprise Corridor zone under Bankstown LEP 2015 and they are prohibited in the B6 Zone under the Canterbury LEP 2012. This situation requires resolution to enable a consistent approach to residential uses in the B6 Zone across the whole LGA in the Draft Consolidated LEP.

The *Employment Lands Strategy* recommended, as a general position, when consolidating the Bankstown LEP 2015 and Canterbury LEP 2012, that residential flat buildings be prohibited in the B6 Enterprise Corridor zone. This recommendation is consistent with:

- The substantive purpose of the B6 Enterprise Corridor zone, which is to promote a range of employment uses along major corridors. Allowing residential uses in the zone, even as mixed use development, may limit potential for employment uses over time due to land use competition. In order to strengthen the employment qualities of the zone, it was recommended that all residential uses be prohibited.
- Canterbury Bankstown LGA having been identified by the Greater Sydney Commission as an area where industrial and urban services land is to be “retained and managed,” although it is understood that this policy is currently under review. Consistent with that policy, the *Employment Lands Strategy* sought to maximise the potential of employment land suited to urban services.

HillPDA stands by and reaffirms this recommendation for the LGA.

The *Employment Lands Strategy* did not anticipate that all B6 Enterprise Corridor zones would remain B6 in the Consolidated LEP. It suggested that any B6 Enterprise Corridor zoned land with residential uses be zoned to continue to support residential development, such as B2 Local Centre. As residential uses are permitted in the B6 Enterprise Corridor zone in Bankstown LEP 2015 as part of a mixed use development on sites over 5,000sqm, the B4 Mixed Use zone may also be an appropriate zoning. These zones would continue to permit residential and employment uses on the site, consistent with the current zoning provisions.

HillPDA has been advised that Council has considered prohibiting residential uses in the B6 Enterprise Corridor zone as part of preparation of the Draft Consolidated Canterbury Bankstown LEP 2020. Council resolved to permit residential flat buildings on certain selected sites with a site area equal to or more than 5,000sqm and zoned B6 Enterprise Corridor in the Draft Consolidated LEP. As noted above, we understand that Council did not explicitly consider rezoning land in the former Bankstown LGA to B2 Local Centre or B4 Mixed Use, as suggested in the *Employment Lands Strategy*, because in Council’s view this would not adequately protect existing centres.

Other considerations

While we have not undertaken a critical analysis of the Planning Proposal and supporting documents, we concur with Council that the site could be considered for increased height and FSR provisions given its location on the Hume Highway, which has been identified as a major transport spine and connection to Bankstown CBD. Residential uses do not seem inappropriate given the many sites currently zoned R4 High Density Residential are in close proximity to the site and with frontage to the Hume Highway, including one site immediately to the north.

The proposed residential uses would provide homes close to jobs in the Chullora Business Park. Delivering housing close to jobs and transport is promoted in the *Canterbury Bankstown Local Housing Strategy*.

The Greater Sydney Commission has indicated that the value of industrial and urban services land should not be based only on the volume and types of jobs generated, but to the operational role and function it plays

throughout the city. The Planning Proposal does not appear to radically alter the role of the site given its current zoning and current use and the strategic direction proposed by the Draft Consolidated LEP on managing certain lands zoned B6 Enterprise Corridor.

Conclusions

Having considered the various matters raised above, HillPDA is of the opinion that:

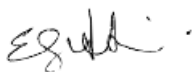
- The requirement for the Planning Proposal to align with the *Employment Lands Strategy* is questionable given that the Planning Proposal was lodged two years before the Strategy was adopted by Council.
- The uses proposed by the Planning Proposal, being a mix of commercial and residential, are consistent with the objectives of the B6 Enterprise Corridor zone (Bankstown LEP 2015) and clause 4.1B which apply to the site.
- The land uses proposed in the Planning Proposal are currently permissible on the site under the Bankstown LEP 2015 and are permitted under Additional Permitted Use provisions in the Draft Consolidated Canterbury Bankstown LEP 2020.
- Any establishment of residential uses on the site could limit the long term employment potential of the site since, land once developed for residential uses does not generally return to employment space.
- The planning proposal seeks to provide for the continuation of substantial employment uses on the site by proposing a minimum non-residential FSR.
- While recognising the importance of maintaining a supply of employment land, the impact of the Planning Proposal on the supply of employment land in the LGA is of limited concern, given the significant supply already available and the commitment to maintaining the existing employment floorspace on the site.
- The Planning Proposal is not inconsistent with the recommendations of the *Employment Land Strategy* which provided advice for Council to consider in preparing the Consolidated Canterbury Bankstown LEP which Council has considered and developed into an alternate solution for the site.

Further information

Should you wish to discuss the above, please do not hesitate to contact Elle Clouston or Elizabeth Griffin on 9252,8777.

Yours sincerely,

Signed by



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