

ATTACHMENT BOOKLET 3

ORDINARY COUNCIL MEETING

TUESDAY 28 MAY 2019

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Northern Beaches Council

Affordable Housing Contributions Scheme

May 2019

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Section 1 - Introduction

1.1 Objectives of the Scheme

The objectives of Council's Affordable Housing Contributions Scheme are:

- to set out how, why, where and at what rate development contributions can be collected for the purpose of affordable housing; and
- to provide local residents and key workers on low to moderate incomes with access to affordable rental accommodation to assist them to enter the private rental market or home ownership.

1.2 Areas to which the Scheme applies

The Scheme will apply to specified areas within the Northern Beaches Council area as follows:

1. Frenchs Forest Planned Precinct as identified within Figure 1.

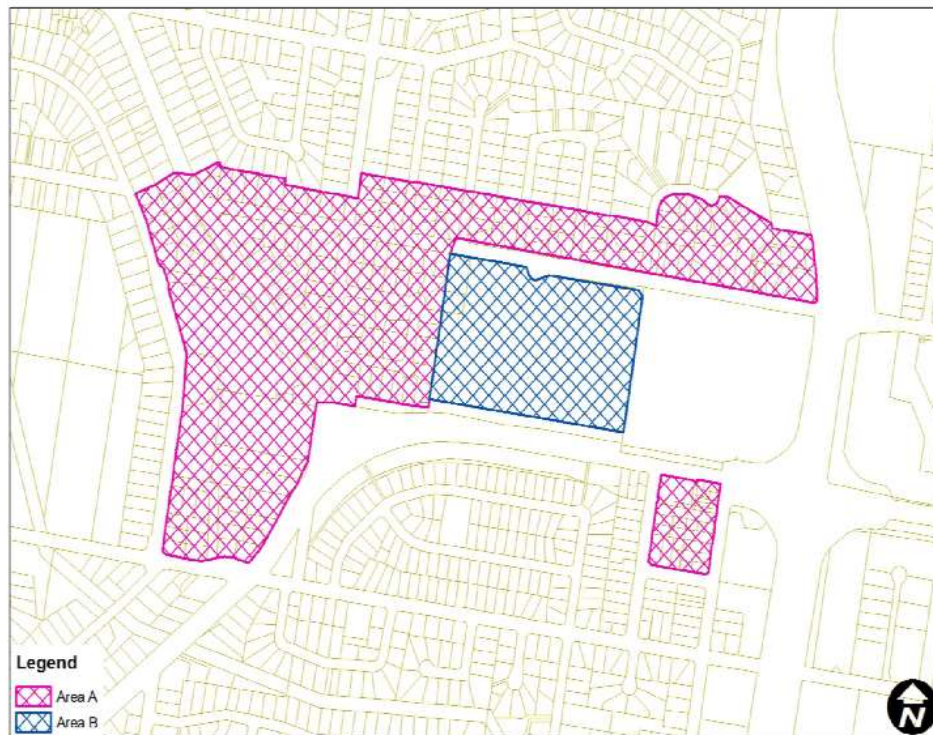


Figure 1: Frenchs Forest Planned Precinct - Affordable Housing Contribution Rate Areas

1.3 Types of Development to which the Scheme Applies

The Northern Beaches Affordable Housing Contributions Scheme applies to the residential component of a development to which the development application relates.

1.4 Overview – Affordable Housing Need

Housing has a vital role to play in developing sustainable local communities. Providing housing that is affordable and appropriate to the needs of the local community also ensures a strong and stable labour force to sustain local businesses.

The lack of affordable housing for households on low and middle incomes has become a critical issue on the Northern Beaches.

Many households on moderate or lower incomes cannot afford to rent without experiencing “housing stress” or being forced into sub-standard housing in order to secure affordable rents.

The consequences of poor rental and home purchase affordability are substantial, including:

- local residents with established ties being driven further away from the sub-region in search of more affordable housing. This has tended to undermine social bonds and diversity in the local community; and
- community sector and lower paid employees who have relocated further afield in order to find more affordable housing options. This adversely affects the operational viability of local services and businesses.

In December 2016, Northern Beaches Council resolved to develop a Northern Beaches Affordable Housing Policy.

A draft Affordable Housing Policy and supporting evidence of the need for affordable housing (Housing Needs Analysis and Affordable Housing Discussion Paper), and a recommended Action Plan to respond to that need, were subsequently developed in consultation with an internal working party, State Government, and representatives from other Councils across Metropolitan Sydney. The Affordable Housing Strategic Reference Group, comprising industry representatives and community members, worked closely with Council to confirm the policy principles, statements, and actions.

At its meeting on 28 March 2017, Council resolved to publicly exhibit the draft Policy and Action Plan. The exhibition included the following community engagement:

- Bulk emails to over 13,500 members of the Community Engagement Register
- Targeted email to 283 community and disability groups
- Targeted email to all representatives of Council's 11 Strategic Reference Groups, comprising of 170 representatives from the community and community organisations
- Drop-in session held at Council's Dee Why Civic Centre
- Presentations to the Affordable Housing Strategic Reference Group and Local Representation Committee
- Notices in the Manly Daily

The community expressed strong overall support for the adoption of an Affordable Housing Policy. Council subsequently adopted the Policy in June 2017.

A key element of the Policy and related Action Plan was the delivery of affordable rental housing through the operations of State Environmental Planning Policy 70 (Affordable Housing) Revised Schemes (SEPP 70), which enables Councils to levy

developers for the provision of affordable housing through its Local Environmental Plans (LEPs), subject to the approval of the State Government.

Following strong submissions, Council was included in SEPP 70 in April 2018. Since then, Council has been working with the Department of Planning and Environment to develop affordable housing requirements for inclusion in Council's LEP for the Frenchs Forest Planned Precinct. It is important to note that the State Government has directed that affordable housing requirements will only be supported in localities subject to "up-zoning" e.g. Frenchs Forest.

At its meeting on 28 August 2018, Council reviewed its Affordable Housing Policy and resolved to tender for a Community Housing Provider to manage affordable housing dedicated to Council through the planning process.

In addition, Council is undertaking additional research on affordable housing in the preparation of the Northern Beaches Housing Strategy. This Strategy, will inform the preparation of a single Northern Beaches Local Environmental Plan by 2021.

1.5 Legislative Basis for the Affordable Housing Contributions

An Object of the *Environmental Planning and Assessment Act 1979* (the Act) is to encourage the provision and maintenance of affordable housing.

Section 7.32 of the Act allows for the collection of contributions for affordable housing where a need for affordable housing is identified in a planning instrument and where:

- a) The consent authority is satisfied that the proposed development will or is likely to reduce the availability of affordable housing within the area, or
- b) The consent authority is satisfied that the proposed development will create a need for affordable housing within the area, or
- c) The proposed development is allowed only because of the initial zoning of a site, or the rezoning of a site, or
- d) The regulations so provide

State Environmental Planning Policy No. 70 – Affordable housing (Revised Schemes) 2009 (SEPP 70) enables Councils identified in the SEPP to prepare schemes requiring developer contributions for affordable housing.

1.6 Relationship to other affordable housing provisions in the LGA

The Affordable Housing Contribution Scheme will be referenced in Councils LEP(s) and is the primary mechanism for Council to levy for affordable housing (for areas of uplift) in the Northern Beaches LGA.

Council is undertaking additional research on affordable housing in the preparation of the Northern Beaches Housing Strategy. This Strategy will inform other Council responses to affordable housing issues and the preparation of a single Northern Beaches Local Environmental Plan by 2021.

Should Council undertake negotiations through a proposed planning agreement for the provision of affordable housing, in connection with a development application or proposed development application, the Minister's Direction *Environmental Planning and Assessment (Planning Agreements) Direction 2019* is to be considered. This includes consideration of the Northern Beaches Council Affordable Housing Contributions Scheme.

1.7 Affordable Housing Principles

(1) The ***Northern Beaches Affordable Housing Contribution Scheme Principles*** are:

- a) Affordable housing must be provided and managed so that accommodation for a diverse residential population representative of all income groups is available in the Northern Beaches, and
- b) Affordable housing must be rented to tenants whose gross household incomes fall within the following ranges of percentages of the median household income for the time being for the Greater Sydney (Greater Capital City Statistical Area) according to the Australian Bureau of Statistics:

Very low income household	less than 50%
Low income household	50% or more, but less than 80%
Moderate income household	80–120%

or any combination of these households, and at rents that do not exceed a benchmark of 30% of their actual household income, and
- c) Dwellings provided for affordable housing must be managed so as to maintain their continued use for affordable housing, and
- d) Rental from affordable housing received by or on behalf of the Council, after deduction of normal landlord's expenses (including management and maintenance costs and all rates and taxes payable in connection with the dwellings), and money from the disposal of affordable housing received by or on behalf of the Council must be used for the purpose of improving or replacing affordable housing or for providing additional affordable housing in Northern Beaches, and
- e) Affordable housing must consist of dwellings constructed to a standard that, in the opinion of the consent authority, is consistent with the same type of dwellings within the development to which the development application relates, especially in terms of internal fittings and finishes, solar access and privacy, and
- f) The affordable housing rental program is a transitional program providing access to affordable housing to eligible local residents and key workers to assist them to enter the private rental market or home ownership by the end of that period.

NOTE:

The affordable housing principles set out in Schedule 2 to State Environmental Planning Policy No 70—Affordable Housing (Revised Schemes) may also apply to any development.

1.8 Definitions

Accountable total floor space means the gross floor area of the residential component of the development to which the development application relates. This includes changes of use of floor area to a residential use.

Affordable housing means housing for very low-income households, low-income households or moderate-income households, being such households as are prescribed by the regulations or as are provided in an environmental planning instrument.

Gross floor area is defined by the relevant Local Environmental Plan

Section 2 – Affordable Housing Contributions

2.1 Contributions Rates

The following affordable housing rates apply to the areas in which the Scheme applies:

1. The Frenchs Forest Planned Precinct (Figure 1)

Where the contribution is provided as a dedication of dwellings:

- Within area “A” the dedication in favour of the consent authority, free of cost, one or more complete dwellings with a gross floor area equivalent to 10% of the accountable total floor space.
- Within area “B” the dedication in favour of the consent authority, free of cost, of one or more complete dwellings with a gross floor area equivalent to 15% of the accountable total floor space.

Where the contribution is provided as an equivalent monetary contribution:

- \$11,000 per square metre.

See Attachment 4 for the feasibility assessments for the Frenchs Forest Planned Precinct.

2.2 Dedication of Dwellings

Generally, the contribution is to be provided via the dedication of dwellings – build and dedicate free of charge to the Council, the required affordable housing dwellings in order to achieve the objectives of this plan.

Each dwelling is to have a gross floor area of not less than 50 square metres, and be incorporated within the proposed development.

Where a dedication of affordable housing dwellings is required, the development application must:

- state the amount of affordable housing floor area to be dedicated, and any residual amount for which a monetary contribution is required;
- clearly identify on the plans the affordable rental dwellings proposed to be dedicated;
- demonstrate the appropriateness of the dwellings proposed for dedication, the location, size and quality of the affordable housing dwellings are to be to the satisfaction of Council. If they are not to satisfaction, Council may require changes to the development application, or that the contribution be made by way of an equivalent monetary contribution; and
- demonstrate the accountable total floor space of the development that was used to calculate the contribution.

Example

A development application within area "A" comprises 1000m² of accountable total floor space (the gross floor area of the residential component of the development). The affordable housing contribution is calculated as:

$(10\% \times 1,000\text{m}^2) = 100\text{m}^2$ (gross floor area) dedicated as affordable housing dwellings

NOTE:

The area to be dedicated as affordable housing is gross floor area i.e. does not include balconies, car spaces, storage and common circulation areas.

There are to be no 'savings' or 'credit' for floor space that already exists on the site, even if the building is being adapted and reused.

2.3 Equivalent Monetary Contribution

If the percentage of accountable total floor space results in an area which equates to less than 50 square metres, or where Council otherwise considers it appropriate to achieve a better affordable housing outcome, a monetary contribution equivalent to the market value of the dwellings that would otherwise be required will be sought as condition of development consent.

In some cases, a contribution may comprise a combination of dedication and monetary contribution.

Example

A development application within area "A" comprises 1000m² of accountable total floor space (the gross floor area of the residential component of the development). The affordable housing contribution is calculated as:

$(10\% \times 1,000\text{m}^2) = 100\text{m}^2$ (gross floor area) \times \$11,000 per square metre = \$1,100,000 as an equivalent monetary contribution

2.4 Development that is Exempt from the Scheme

The following development is excluded from the requirement to make an affordable housing contribution:

- (a) community housing (as defined in section 3 of the Housing Act 2001);
- (b) group homes; and,
- (c) public housing (as defined in section 3 of the Housing Act 2001)

2.5 Conditions of Consent for Affordable Housing

The requirement for an affordable housing contribution will be a condition of development consent. A summary of conditions that will be applied to relevant consents is provided below.

Dedication of Dwellings

Where the dedication of dwellings is required, a condition requiring the dedication in favour of the Council, free of cost, of land comprised of one or more complete dwellings as determined by Council's LEP requirements and the requirements of this Scheme, with each dwelling having a gross floor area of at least 50 square metres.

The transfer of title of dwellings will be required to be completed prior to the earlier of:

- a. Two months after the registration of the subdivision of the development
- b. Six months after the issue of any Occupation Certificate for the development

Monetary Contribution

Where a monetary contribution is required, a condition requiring the payment of a monetary contribution to the Council calculated by reference to the market value of dwellings of a similar size to those proposed by the development application.

Council may require the applicant to provide evidence of the market value of dwellings prior to the issue of development consent or undertake its own valuation at the applicant's cost.

The condition of consent will contain but not be limited to, the following information:

- The monetary contribution required including the market price used in the calculations;
- The accountable total floor space used in the calculations;
- The contribution period at the time of determination (i.e. for a consent dated July 2019, the contribution period is 1 June 2019 – 31 August 2019);
- The method of indexation of contribution rates; and
- A requirement that the condition be satisfied (to Council's satisfaction) prior to the issue of any construction certificate for development. Where a construction certificate is not required, the condition must be satisfied prior to the commencement of work.

Combination of Dedication of Dwellings and Monetary Contribution

A condition requiring the dedication of dwellings and the payment of a monetary contribution to Council will be required where the required contribution cannot be met through the dedication of a whole dwelling.

NOTE:

Section 7.32 of the Act permits the imposition of such a condition and specifies the circumstances under which such a condition may be imposed. Any condition imposed is subject to section 7.33 of the Act.

An affordable housing condition will not be imposed in relation to an amount of accountable total floor space if the consent authority is satisfied that such a condition has previously been imposed under this clause in relation to the same or an equivalent amount of accountable total floor space on the site.

Section 3 – Administration and Implementation

How to make a Contribution

Complete affordable dwellings are to be dedicated to Council as outlined in Section 2.

Monetary Contributions are to be paid to Council by unendorsed bank cheque prior to the issue of any construction certificate for the development. In circumstances where no construction certificate is required, payment is required prior to commencement of any work or the use/occupation of the development (whichever occurs first). The procedure for making payment is available on Council's website.

3.1 Indexing of Payments

3.2.1 Adjustment of Monetary Contribution Amount

Monetary contribution amounts are adjusted on an annual basis, on 1 March each year, with reference to movements in the median strata dwelling price in the Northern Beaches LGA as detailed in NSW Government Rent and Sales Report, Table: Sales Price – Greater Metropolitan Region – Strata.

The Rent and Sales Report is available on the NSW Government, Family and Community Services website.

The formula for adjustment of the monetary contribution rate is:

$$\text{New Contribution Rate} = \text{Current Contribution Rate} \times (\text{MDP2}/\text{MDP1})$$

Where:

- The Current Contribution Rate is available on the Council's website.
- MDP1 is the median strata dwelling price used to establish the current contribution rate
- MDP2 is the median strata dwelling price for the CURRENT period, being established in the most recently published Rent and Sales Report.

3.2.2 Adjustment of a Monetary Contribution Amount on a Development Consent

Where a condition requiring a monetary contribution has been imposed, the contribution amount must be adjusted over time. That is, if a consent is issued in June 2018 and the applicant does not wish to pay the contribution and develop the site until August 2021, the contribution amount will need to be adjusted to the period in which it is paid.

Monetary contributions are adjusted by Council and confirmed with the applicant prior to payment being made.

The formula for adjusting a contribution amount in a condition of consent is:

$$\text{Monetary Contribution} = \text{Base Contribution Amount} \times (\text{R2}/\text{R1})$$

Where:

- Base Contribution Amount is the required payment amount contained in the Development Consent.
- R1 is the contribution rate that applied at the time of consent.

- R2 is the contribution rate that applies at the time of payment.

3.2 Where a Previous Affordable Housing Contribution has been Paid

If an affordable housing contribution has already been paid in accordance with the Scheme, a contribution is not required on subsequent development on land if:

- the total floor area is the same, or because of redevelopment of the site, will replace an equivalent area; or
- the same percentage of the total floor area has already been provided for use for affordable housing.

Where a development is for a larger total floor area than a previous development on the site for which an affordable housing contribution was made, then the consent authority will require a contribution for the difference in total accountable floorspace. It does not matter whether the total accountable floorspace for which the contribution was previously paid is demolished or re-used as part of the new development.

3.3 Refunds for Demolition or Changes in Use

Council will not refund the applicant where there is a subsequent change in use from residential uses to non-residential uses or demolition of floor area.

Similarly, where affordable housing dwellings are replaced on site, the dwellings (as replaced) are to remain the property of the Council.

3.4 Process for the Distribution and Management of Funds

Contributions are to be managed and allocated by the Council. As sufficient funding becomes available through the Scheme, Council will seek proposals from eligible community housing providers for projects for the development of affordable housing within the LGA.

Any financial return resulting from the management of funds in waiting is to be used for the purpose of developing affordable housing in accordance with this Scheme.

Tenders or requests for expressions of interest may be issued for:

- immediate use of contribution funds for development in the LGA;
- allocation of funding for eligible community housing providers to seek development opportunities in the LGA; or
- land and funding packages, where land is made available by supplementary sources for the purpose of developing affordable housing.

Terms will include, amongst other things, that proposals demonstrate how the resulting affordable rental housing will be consistent with the Affordable Rental Housing Principles set out in this Scheme and comply with the requirements of this Scheme. Proposals will also be required to demonstrate how funding will be leveraged to maximise the quantum of affordable rental housing dwellings. Priority will be given to eligible community housing providers who have appropriate experience.

3.5 Registered Community Housing Provider and Delivery Program

Council resolved at its meeting on 28 August 2018, that following Council obtaining appropriate Affordable Housing stock, an open Request for Tender be issued for a Community Housing Provider to manage this stock on the Northern Beaches.

3.6 Monitoring and Review of the Scheme

The Affordable Housing Contribution Scheme will be reviewed and amended as required in accordance with the requirements of the *Environmental Planning and Assessment Act, 1979*.

Council Policy

Affordable Housing

Purpose of Policy

Council is committed to increasing the range and supply of affordable housing in the Northern Beaches to meet the growing and changing needs of its community and particularly, key workers. The purpose of this policy is to outline Council's position and approach to the provision of affordable housing in the Northern Beaches.

The policy comprises principles and policy statements that together will guide Council's actions to support affordable housing.

Principles

- a) Establishing clear targets for the provision of affordable housing in the Northern Beaches.
- b) Leading change by example.
- c) Embedding affordable housing in Council's strategies, plans and policies.
- d) Partnering with the State and Commonwealth Government, other local councils, industry experts, the private sector, stakeholders and community housing providers to deliver affordable rental housing.
- e) Advocating for change to support affordable housing in the Northern Beaches.

Policy Statements

- a) Council is committed to a 10% affordable rental housing target for all strategic plans and planning proposals for urban renewal or greenfield development. Higher rates of provision will be sought where feasible.
- b) Targets for the provision of affordable rental housing in other parts of the Council area will be established through feasibility analysis as part of Council's new local housing strategy.
- c) Mechanisms to deliver more affordable market-based or private housing will be investigated and implemented through Council's new local housing strategy.
- d) Council will enter into relationships with community housing providers to manage and deliver affordable rental housing in the Northern Beaches.
- e) Council will undertake an expression of interest to determine the best model for relationships with community housing providers to deliver affordable rental housing.
- f) Council will use the expression of interest process to determine whether to transfer title of affordable rental housing delivered to Council through the planning approval process to community housing providers.
- g) When selecting tenants, Council will give priority to persons who are employed in identified key worker occupations in the Northern Beaches Council area, persons with a disability, long term local residents, and persons with a social or economic association with the Council area.

Responsible Officers

Executive Manager Community, Arts & Culture and Executive Manager Strategic & Place Planning

Attachment 1



Related Council Policies

- a) Property Acquisition Reserve Fund – P100 (Former Manly Council)
- b) Property Management Policy – No 200 (Former Pittwater Council)
- c) Allocation of funds obtained from the Sale of Council Real Property Policy – GOV PL 915 (Former Warringah Council)
- d) Asset Management Policy – PL 550 (Former Warringah Council)
- e) Voluntary Planning Agreements – PL 600 VPA (Former Warringah Council)

Legislation and references

- a) Environmental Planning and Assessment Act 1979
- b) Local Government Act 1993
- c) State Environmental Planning Policy No 70 – Affordable Housing (Revised Schemes)
- d) State Environmental Planning Policy (Affordable Rental Housing) 2009

Definitions

Affordable housing: Is defined by the *Environmental Planning and Assessment Act 1979* as: “affordable housing means housing for very low income households, low income households or moderate income households, being such households as are prescribed by the regulations or as are provided for in an environmental planning instrument”.

Affordable rental housing: Affordable housing managed by a community housing provider and rented to very low, low, or moderate income level households.

Community housing provider: A not-for-profit organisation which provides affordable rental and social housing for very low, low, to moderate income and is registered under the National Regulatory System for Community Housing.

Housing affordability: Relates to the general affordability of both rental and purchase housing on the open market, and is not limited to those on low to moderate incomes. A common benchmark of affordability is housing that does not absorb more than 30% of the gross income of very low, low, or moderate income households.

Key worker occupations: Workers on very low to moderate incomes critical to the economic and social development of the Northern Beaches, including but not limited to occupations such as school teachers, carers, midwifery and nursing professionals, hospitality and retail workers, personal carers and assistants, child carers, fire fighters, police, carers and aides, automobile, bus and rail drivers, cleaners and laundry workers.

Review Date

1 August 2021

Revision History

Revision	Date	Change	TRIM Ref
1	28/3/2017	Draft Affordable Housing Policy	2017/054781
2	5/6/2017	Affordable Housing Policy authorised by CEO, under delegation as per Council resolution 110/17 on 30/5/2017, incorporating formatting changes.	2017/176253
3	28/8/2018	Policy reviewed with no changes recommended. Minor amendments to reflect changes to titles and update review date.	2017/176253

Attachment 2

NORTHERN BEACHES
COUNCIL

NORTHERN BEACHES AFFORDABLE HOUSING NEEDS ANALYSIS

December 2016



Attachment 2

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Attachment 2

EXECUTIVE SUMMARY

The purpose of this background paper is to provide an understanding of demand for affordable housing within the Northern Beaches and the extent to which current provision of housing (to buy or rent) meets the needs of its existing and future residents. The paper also considers how population and workforce changes, as well as market conditions, are likely to impact on the future affordability of housing on the Northern Beaches.

This paper provides an 'evidence-base' which could support the Northern Beaches Council in developing an understanding of the demand for affordable forms of housing across the northern beaches and how to communicate this to the wider community.

The findings highlight the worsening conditions for very low, low, and moderate income households to buy or rent properties across the Northern Beaches, with rising levels of housing stress for these communities and property values and rental costs accelerating at unprecedented rates.

Housing Stress

- Rates of **'housing stress'** for very low to moderate income households across the Northern Beaches grew from 67% to 69% between 2006 and 2011, with 1,500 additional households experiencing housing stress.
- For **renters housing stress** grew more significantly from 73% to 79% between 2006 and 2011.
- Significant increases in property values and rental growth since 2011 are likely to have **exacerbated levels of housing stress** further, as wage and salary growth has failed to keep pace with rising housing costs.

Demand for Affordable Housing

- Projections for **20,300 additional households** between 2011 and 2036 within the Northern Beaches will require different housing forms and price brackets.
- Social changes (such as divorce) and a **growing and ageing population** are likely to create demand for a more diverse range of affordable housing. Household growth is expected to be strongest in lone person or 'non-family households'.
- Expansion of the leisure and hospitality and the health and education industries, including the opening of the Northern Beaches Hospital, will fuel demand for affordable housing to **attract/retain 'key workers' occupations**.
- Provision of affordable housing for key workers is a specific challenge for local businesses due to **the poor public transport connections into the northern beaches**, for those workers who can't afford to live locally. This was highlighted in the recent Council Business Survey.
- Households tend to move within the Northern Beaches, however there is a recent trend for households, especially 24-34 and 35-44 year olds, to **relocate out of the region** to the Central Coast, north to Hornsby or Ku-ring-gai or further afield to Gold Coast or Sunshine Coast, due possibly to rising housing costs.

Supply of Affordable Housing

- Meanwhile, the **supply of affordable housing** to rent or buy within the Northern Beaches is at historically low levels, and is significantly below the Sydney average.
- Across the Northern Beaches, in 2011 only 2% of total housing stock (1,718 dwellings) was for **social housing**. This was less than half the Sydney average (5% of all housing stock) and tended to be concentrated in a handful of suburbs, namely Narrabeena (16.9% of all

Attachment 2

dwelling); Brookvale (8.2%); Allambie Heights (5.4%); Forestville (4.6%) and Narrabeen (4.5%) and Manly Eastern Hill (3.8%).

- Beyond social housing, there is little supply except for market housing with virtually no non-market or community housing provider housing on the Northern Beaches.
- The **median house prices** for the Northern Beaches at June 2016 was \$1.51 million (compared to \$949,000 for the Sydney region), and no suburb had a median house price below \$1 million.
- For the **lower end of housing market**, which be more applicable to moderate to low income earners and first home buyers, house prices are exactly double the Sydney average (\$1.34million compared to \$669,500).
- While less distinct, lower end **units sale prices** for northern beaches are also substantively higher (+28%) than the Sydney average and increased by 47% last 4 years.
- Consequently, less than 1% of properties (unit or homes) are available to **purchase at an affordable price** for very low to low income households (i.e. households earning less than \$65,000 per annum) across the Northern Beaches.
- For moderate income households (\$65,000-\$80,000), only a handful of properties would be **affordable to purchase** across the Northern Beaches at June 2015: 4% for Warringah; 3% for Manly; and 2% for Pittwater (compared to 18% for Sydney average).
- The ability of lower income households to rent a property within the Northern Beaches has also become more constrained, with the **median rental costs** for homes nearly double the Sydney average at \$895 per week compared to \$520 at June 2016.
- The weekly **rental values of units**, while still high, are less distinct from the Sydney average (\$595 per week for the northern beaches, compared to \$500 for median bracket for Sydney), but increased 14% last 4 years.
- Analysis of **stocks of rental properties** across the Northern Beaches which would be considered affordable (i.e. less than 30% household disposable income) at June 2015 found that:
 - For very low income households only 1% would be affordable, compared to 3% for Sydney average.
 - For low income households only 3% of rental properties in Manly, 5% in Warringah and 7% in Pittwater are considered affordable, compared to 18% for Sydney average.
 - For moderate income households only 26% of rental properties in Manly were considered affordable, increasing to 30% in Pittwater and 40% in Warringah (compared to 60% of all rental properties for Sydney region).
- This is despite strong **new supply of dwellings** in recent years, with 1,648 new dwellings built between 2012 and 2015 across the Northern Beaches (82% of which were multi unit dwellings). This emphasises that supply of new housing alone will not address affordability, without policy and planning intervention.
- There is, therefore, an **urgent need for action** to increase the supply of affordable, especially rental, housing which is targeted at low to moderate income households, who are required to live and work in the Northern Beaches to support its community and economy. There are a number of opportunities arising with current Structure Planning undertaken by Council in key locations e.g. Northern Beaches Hospital and Ingleside precincts.

Attachment 2

1. What is Affordable Housing and Affordable Rental Housing?

'Affordable housing' refers to 'reasonable' housing cost in relation to income'. A common benchmark is housing that does not absorb more than 30% of the gross income of very low, low or moderate income households. State Environmental Planning Policy (Affordable Rental Housing) 2009 (ARHSEPP) defines low to moderate income households as households with a gross income that is less than 120 per cent of the median household income for the Sydney Statistical Division. Currently, this would equate to a household income of less than \$100,000 per annum.

'Affordable Rental Housing' is rental housing delivered by the not-for-profit sector for very low, low or moderate income households. Eligibility for this form of housing is not limited to any one occupation and includes: essential services workers such as nurses, teachers and police officers; hospitality and retail workers; and creative and cultural sector workers.

2. What is Housing Stress?

Housing Stress has generally been defined as those households in the lowest 40% of incomes (i.e. very low, low or moderate income households) who are paying more than 30% of their usual gross weekly income on housing costs (rental or purchasing).

Housing stress is a critical measure of the need for affordable housing, as it shows the interplay between housing costs (rental and purchasing) and income levels.

According to 2011 Census data, 12,525 very low, low or moderate income households across the Northern beaches, were experiencing housing stress. Of these, 6,847 were renting and 5,678 were purchasing a home. This results in over two-thirds (69%) of all very low to moderate income households experiencing housing stress, in renting or purchasing a home.

Those who were renting were even more susceptible to housing stress (79%), compared to 60% of those purchasing a home. Rental stress is especially high for very low income households with 96% demonstrating housing stress. This is consistent with the Sydney average at 95%. However rental stress was significantly higher in the Northern Beaches than the Sydney average for low income (88% compared to 69%) and for moderate income households (65% compared to 43%).

Between 2006 and 2011 the number of very low to moderate income households experiencing housing stress has increased by over 1,500 from 10,990 to 12,525 households. This is a change from 67% to 69% of renters and purchasers. For renters, the share experiencing housing stress increased even more significantly from 73% to 79%, while for home purchasers the proportion in housing stress marginally declined from 61% in 2006 to 60% in 2011.

Housing Stress is a significant issue if mortgage and rent payments rapidly increase as a share of income. As discussed further below, house sales prices and rents have grown significantly over the last 5 years, while wages and salaries have grown modestly (less than 1% per annum). This is likely to have exacerbated levels of housing stress in the Northern Beaches for very low to moderate income households in recent years.

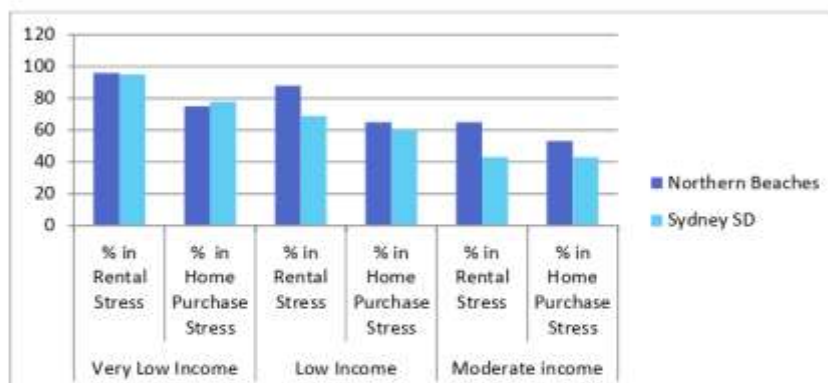
Figure 1: Households in Housing Stress in the Northern Beaches

Area	Very Low Income		Low Income		Moderate Income	
	% in Rental Stress	% in Home Purchase Stress	% in Rental Stress	% in Home Purchase Stress	% in Rental Stress	% in Home Purchase Stress
Northern Beaches	96	75	88	65	65	53
Sydney SD	95	78	69	60	43	43

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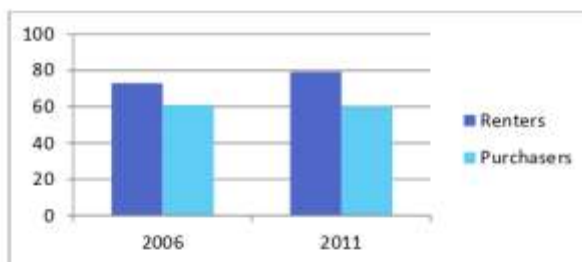
Attachment 2

Figure 2: Comparison chart of housing stress in the Northern Beaches and Sydney



Source : Census 2011. Housing NSW, Local Government Housing Kit.
Note: Housing stress = housing cost above 30% of their equivalised household income.

Figure 3: Changing Levels of Housing Stress between 2006 and 2011 in the Northern Beaches



Source : Census 2006 and 2011. Housing NSW, Local Government Housing Kit

3. What is the Demand for Affordable Housing?

3.1 Very Low, Low and Moderate Income Households

While often perceived as an affluent and homogenous part of Sydney, the Northern Beaches has a diverse social structure, which requires a range of housing forms and prices to accommodate.

In 2011, across the Northern Beaches, 40,000 households had a combined income of less than \$2,000 per week (or \$100,000 per annum). Nearly 17,000 households (22%) earned less than \$800 per week (\$41,000 per annum).

These low to very low income households are more prevalent in the suburbs of Narrabeena (22% of all households), Narrabeen (19%), Forestville (17%), Allambie Heights (17%), Cromer (16%), Brookvale (16%), Mona Vale (13%), Newport (13%) and Manly, Pittwater Road (12%).

Attachment 2

Figure 4: Very Low, Low and Moderate Income Households in the Northern Beaches

Weekly income	Northern Beaches	annual hh income (max)
Negative Income/Nil Income	926	0
\$1-\$199	950	10348
\$200-\$299	1,372	15,548
\$300-\$399	3,314	20,748
\$400-\$599	5,225	31,148
\$600-\$799	4,898	41,548
total very low income hh	16,685	
\$800-\$999	5,377	51,948
\$1000-\$1249	5,331	64,948
total low income hh	10,708	
\$1250-\$1499	5,376	77,948
\$1500-\$1999	9,255	103,948
total moderate income hh	14,631	
\$2000-\$2499	7,270	129,948
\$2500-\$2999	10,793	155,948
\$3000-\$3499	6,491	181,948
\$3500-\$3999	3,483	207,948
\$4000-\$4999	3,172	259,948
\$5000 or more	3,664	260,000
Not stated	9,540	
Total households*	76,897	
total v low to moderate income hh	40,024	
% very low to moderate income hh	52%	

excludes 'not stated'

Source: ABS 2011 Census (ID: The Population Experts)

3.2 Growing demand for Key Worker Housing

Low to moderate income jobs, or 'key worker' occupations, are expected to becoming increasingly important in supporting the Northern Beaches' economy and changing demographic needs in the long term due to:

- A growing and ageing population (the proportion of residents over 65 years increasing from 15% in 2011 to 19% in 2031);
- Major investment in health infrastructure (i.e. Northern Beaches Hospital);
- Increasing female participation in the workforce; and
- Increasing affluence and demand for recreation and lifestyle services

In 2011 around 11,500 jobs within Northern Beaches were in 'key worker' occupations (as defined in Figure 5 below), accounting for 15% of all jobs. School teachers were the highest number of key worker jobs followed by hospitality workers and personal carers and assistances. Between 2006 and 2011 jobs in these occupations grew by over 1,500 jobs.

Attachment 2

There were also over 14,000 residents of the Northern Beaches who were employed in the selected 'key workers' occupations in 2011. This represents 12% of all resident workers and an increase of 750 resident workers between 2006 and 2011. While it is not possible to assert if these residents work within the northern beaches area, there is likely to be a desire to work locally.

Midwifery and nursing professionals was the second largest resident key worker occupation (2,275 resident workers). The opening of the Northern Beaches Hospital in 2018 will significantly increase demand for local workers in this and other health related occupations.

Figure 5: 'Key Worker' Residents and Jobs in Northern Beaches

Key Worker Occupations	2011		2006	
	Jobs	Resident workers	Jobs	Resident workers
School Teachers	3,230	3,469	2,827	36,35
Midwifery and Nursing Professionals	1,399	2,352	1,347	2,275
Hospitality Workers	2,048	2,472	1,854	23,340
Personal Carers and Assistants	1,495	1,644	1,156	1,378
Child Carers	1,336	1,621	934	1,195
Defence Force Members, Fire Fighters and Police	357	781	361	764
Carers and Aides nfd	25	58	36	54
Automobile, Bus and Rail Drivers	733	851	620	807
Cleaners and Laundry Workers	1,019	1,513	1,027	1,556
total key worker jobs/resident workers	11,642	14,761	10,162	14,004
total jobs/resident workers	76,713	121,636	72,812	115,375

Source: northern beaches economy.id (ABS Census 2011)

NSW Government employment forecast's show that over the next 20 years 'Health and Social Assistance' will be the faster growing job sector across the Northern Beaches (+62% or 6,800 new jobs), followed by 'Retail' (+38% or 4,750 new jobs) and 'Education and Training' (+45% or 3,500 jobs). These industries are characterised by key worker occupations and likely to generate further demand for more affordable housing forms to enable these workers to live locally.

The 2015 Warringah Council Business Survey identified the ability to attract and retain staff as a significant challenge to businesses in operating in the local area. The issue of housing costs for key workers was raised, especially in precincts such as Brookvale and Frenchs Forest, which have a diverse workforce (ranked top 3 challenge for Brookvale and top 4 for French Forest businesses). This issue is exacerbated by relatively poor public transport connections for workers into Warringah from lower housing cost areas outside the local area.

Attachment 2

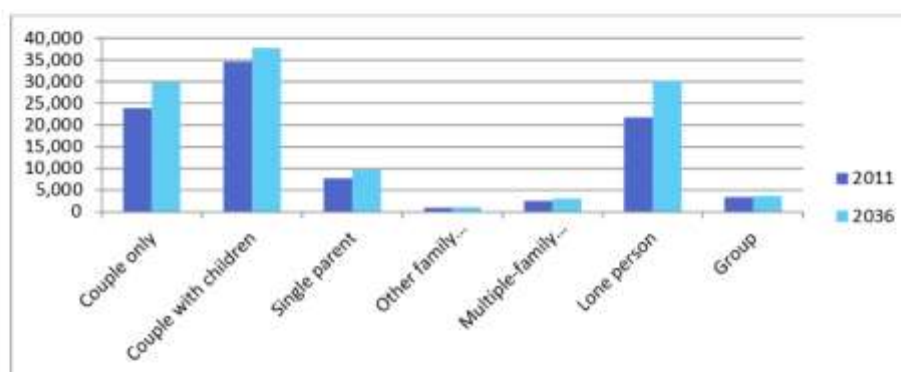
3.3 Changing Household Structures

An ageing population and social change is also likely to increase demand for greater housing choice and affordability. The Department of Planning & Environment latest household projections for the period 2011 to 2036 predict the creation of an additional 20,300 households within the Northern Beaches.

Assuming the proportion of very low to moderate income households remains constant at 52%, another 10,500 very low to moderate income households will need to be accommodated within the Northern Beaches over the next 20 years.

Across all households, 'non-family households' (i.e. lone persons and groups) are expected to increase by 8,700 households (+34%) while single parent households are expected to grow by 2,000 households (26%). Catering for these different household structures will require a greater range of housing forms and affordability.

Figure 6: Changing household structures in Northern Beaches 2011-2036



Source: Department of Planning & Environment Population, Household and Dwelling projections (2016)

In summary, available data shows growing demand within the Northern Beaches for a diverse range of housing forms and affordability levels to meet the needs of a growing and changing resident population, as well as the workforce to it.

3.4 Household mobility

Between 2006 and 2011, the Northern Beaches experienced a significant churn in household migration i.e. the number of households coming into the area and the number of households moving out. Households that migrated tended to remain within the Northern Beaches, with most relocations occurring between the 3 former LGAs.

In terms of people leaving the northern beaches, this was highest for 25-34 year olds who tended to out migrate to the Central Coast (Gosford and Wyong), upper North Shore (Hornsby and Kuring-gai) and even further afield to the Gold Coast and Brisbane. These are areas which offer many of the lifestyle attributes of the Northern Beaches, but are considered more affordable, possibly reflecting 'push out' from rising housing costs for this age group who are more likely to be first home buyers or 'up-graders'.

In terms of household's movements within the Northern Beaches, there was a trend for movement from former Manly LGA to Warringah LGA. Higher rental and home purchasing costs in Manly

Attachment 2

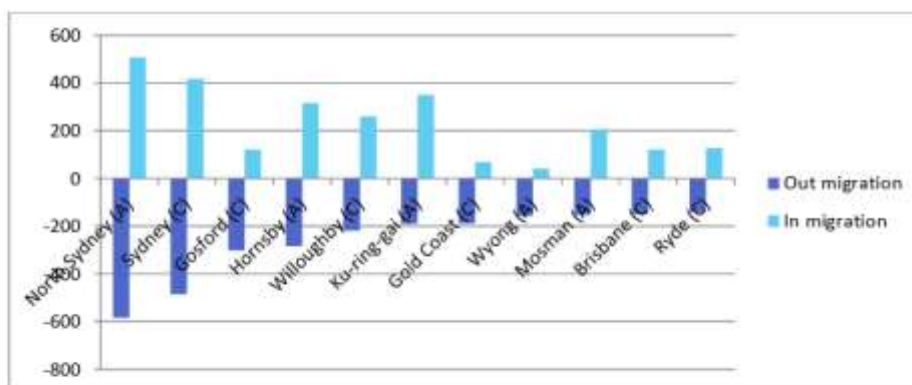
may have caused households wanting to remain on the Northern Beaches but requiring more affordable or larger properties, to move to adjoining areas.

This highlights the importance of looking at affordable housing supply from a Northern Beaches wide perspective, as well as a propensity for some age groups (especially young families) to move out of the area to find accommodation to meet changing needs.

Figure 7: Household migration into and out of Northern Beaches by age 2006-2011

Age group	In migration	Out migration	Net migration
5 to 11 years	2,050	2,355	-305
12 to 17 years	1,012	1,222	-210
18 to 24 years	1,986	2,589	-603
25 to 34 years	5,680	6,657	-977
35 to 44 years	5,737	6,014	-277
45 to 54 years	2,600	3,171	-571
55 to 64 years	1,777	2,525	-748
65 years and over	1,932	2,529	-597
Total	22,774	27,062	-4,288

Figure 8: Movement of younger people (24-35 yr olds) out of the Northern Beaches 2006-2011



Source: .ID The Population Experts (based on 2006 and 2011 Population and Housing Census data)

4 What is the Existing Supply of Affordable Housing?

4.1 Housing Tenure Profile

Across all households within the Northern Beaches there has been a decline in the proportion of households owning their property outright between 2006 and 2011 (35% to 33%), while the proportion purchasing a home has increased from 32% to 35%.

Attachment 2

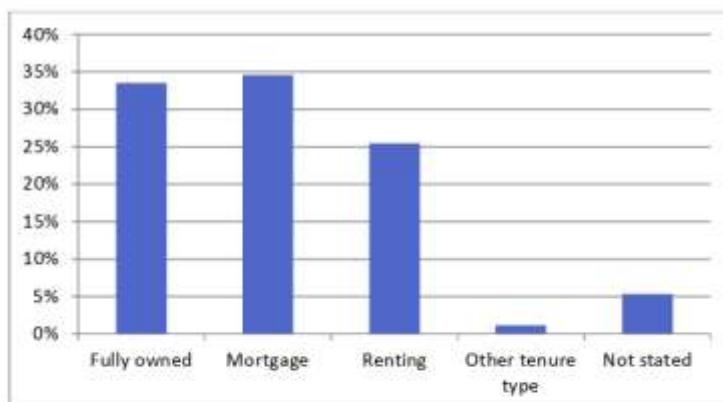
The proportion of households renting has stayed constant at 25%. However, the number of households renting has grown by over 1,303 with a vast majority renting privately with only 69 additional households renting in social housing.

Compared to Greater Sydney, there is a lower share of households renting but a higher proportion of home ownership, 69% (purchasing a home or own outright), which may reflect a slightly older demographic.

Figure 9: Housing Tenure Profile of Northern Beaches Households

Tenure	2011	%	2006	%
Fully owned	29,904	33%	29,962	35%
Mortgage	30,859	35%	27,449	32%
Renting	22,724	25%	21,421	25%
<i>Renting - Social housing</i>	1,718		1,649	
<i>Renting - Private</i>	20,532		19,185	
<i>Renting - Not stated</i>	474		587	
Other tenure type	1,047	1%	928	1%
Not stated	4,747	5%	5,961	7%
Total households	89,281		85,721	

Figure 10: Chart of Housing Tenure Profile of Northern Beaches Households



Source: Australian Bureau of Statistics, *Census of Population and Housing 2006 and 2011*.

The Northern Beaches has a comparatively low stock of housing targeted at lower income households. Across the Northern Beaches in 2011 there were 1,718 social rental properties. This constitutes only 2% of total housing stock in the council area and is less than half the rate of total housing stock for metropolitan Sydney and NSW (5% and 4.9% respectively).

The supply of social housing is spatially concentrated in the suburbs of: Narrabeena (16.9% of all dwellings); Brookvale (8.2%); Allambie Heights (5.4%); Forestville (4.6%) and Narrabeen (4.5%). For former Manly council area the highest proportion of social rental housing was in Manly Eastern Hill (3.8%) and for former Pittwater, this was 0.8% for Mona Vale.

Attachment 2

4.2 Affordable Home Purchasing

Across the Northern Beaches monthly median mortgage payments range from an average of \$2,600 per month for Warringah households, to \$3,033 per month for Manly households, in 2011. This compares to \$2,167 per month on average across the Sydney region. Over half of all households who were paying off a mortgage were paying over \$2,600 per week (considered to be 'high'), compared to 36% across Sydney.

Figure 11: Median Monthly Mortgage Repayments 2011

Former LGA Area	Median mortgage repayment (\$)	Households paying over \$2,600 month
Manly Council area	3,033	58.2 %
Pittwater Council area	3,000	53.7 %
Warringah Council area	2,600	50.1 %
Greater Sydney	2,167	36.0 %

Source: Housing NSW, Local Government Housing Kit

The Northern Beaches has seen very strong growth in house values over the last few years, which has seen diminishing stocks of properties available to low earners to purchase. The median house price in the Northern Beaches at June 2016 was \$1.51 million which was significantly higher than the Sydney average of \$949k.

Of particular concern from affordability perspective, is the significantly higher cost of housing at lower end of the housing market. For 'first quartile', house sales in the northern beaches in 2016 were exactly double the Sydney average (\$1.34, compared to \$670,000 for Greater Sydney).

Houses prices in the first quartile on the northern beaches increased by 58% (nearly \$500k) between 2012 and 2016

Unit sale prices are also higher in first quartile for northern beaches, compared to the Sydney average (\$695k compared to \$548k), though this is less distinct than house sales (28% higher). During 2012 to 2016 unit sales in the first quartile increased by 47%.

Figure 12: House & Unit Sales in the Northern Beaches

Sales	2016			2012			Change
Housing value (at June)	Northern Beaches LGA	Greater Sydney	Nthn Beaches relative to Gt Sydney	Northern Beaches LGA	Greater Sydney	Nthn Beaches relative to Gt Sydney	2012 to 2016
House							
First Quartile	1,339,779	669,558	100.1	846,174	418,587	102.2	+493,605
Median	1,514,939	949,151	59.6	953,775	603,520	58.0	+561,164
Third Quartile	1,885,559	1,402,097	34.5	1,200,652	865,792	38.7	+684,907
Unit							
First Quartile	694,799	547,903	26.8	474,201	370,647	27.9	+220,598
Median	828,083	699,292	18.4	570,318	481,561	18.4	+257,765
Third Quartile	1,021,119	872,649	17.0	687,498	605,892	13.5	+333,621

Source: Hometrack 2011-2016, Housing Valuation System.

Attachment 2

Escalating housing purchase costs are resulting in very few low to moderate income households being able to purchase a home on the Northern Beaches. Data below of house sales and loan repayment estimates suggest that less than 1% properties for sale in 2015 would be 'affordable' (less than 30% of income household) to very low or low income household across the Northern Beaches.

Only 2% of properties for sale in former Pittwater would be affordable to moderate income households, increasing slightly to 3% properties in former Manly and 4% in former Warringah council areas. This is a significantly lower level of affordable housing stock compared to the rest of Sydney where 18% of properties for sale would be affordable to moderate income households.

Figure 13: Proportion of Property Sales Affordable to Very Low to Moderate Income Households in the Northern Beaches (2015)

Former LGA Area	Very Low Incomes	Low Incomes	Moderate Incomes
Manly	0.5	0.5	3.1
Pittwater	0.1	0.4	2.2
Warringah	0.0	0.3	4.0

Source: Valuers General (VG) Data - Affordable purchase - Based on sales transferred in the last 2 quarters.

Note: A property is regarded affordable if the loan repayment is less than 30% of the household incomes.

4.3 Affordable Rental Accommodation

At June 2016, the median weekly rental for houses in the northern beaches was nearly double the Sydney average (\$895 per week compared to \$520). This is also the case for lower value rental properties in the first quartile (\$695 compared to \$420).

The weekly rental values of units, while still high, are less distinct from the Sydney average (\$595 per week for the northern beaches, compared to \$500 for median bracket for Sydney).

Figure 14: House and Unit Rental Costs in Northern Beaches vs Greater Sydney

Rental listings	2016			2012			Change
Housing value (at June)	Northern Beaches LGA	Greater Sydney	Nthn Beaches relative to Gt Sydney	Northern Beaches LGA	Greater Sydney	Nthn Beaches relative to Gt Sydney	2012 to 2016
House							
First Quartile	695	420	65.5	695	390	78.2	0
Median	895	520	72.1	825	500	65.0	+70
Third Quartile	1,200	700	71.4	1,100	700	57.1	+100
Unit							
First Quartile	500	410	22.0	440	375	17.3	+60
Median	595	500	19.0	520	450	15.6	+75
Third Quartile	715	630	13.5	635	580	9.5	+80

Source: Hometrack 2011-2016, Automated Valuation System.

Attachment 2

Between 2012 and 2016, the weekly cost of renting a unit in the first quartile grew 14%, similar to the Sydney average. The cost of renting a home in the first quartile did not change between 2012 and 2016, though increased for median and third quartile homes (\$70 and \$100 per week, respectively).

Over the last 14 years, the Northern Beaches has seen a decline in the proportion of rental properties which is affordable to very low to moderate income households. In 2015, only 1 % of existing rental properties are classified as 'affordable' (i.e. less than 30% gross income) for very low income households across the Northern Beaches. This increases to 3% of rental properties being affordable to low income earners in former Manly, 5% in Warringah and 7% in Pittwater.

Moderate income households are able to afford to rent nearly 40% of all rental properties in Warringah, declining to 30% in Pittwater and 27% in Manly. However this share of affordable rental stock which is affordable to moderate income households is significantly less than the Sydney average of 60%, and has also significantly declined from levels in 2006 (60% for former Warringah and 49% for both former Manly and Pittwater council areas).

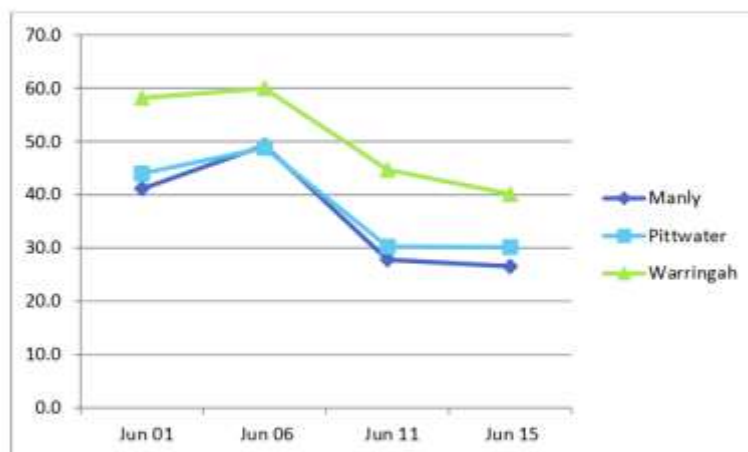
Figure 15: Proportion of Affordable Rental Properties for Very Low to Moderate Income Households in the Northern Beaches

Former LGA Area	Very Low Incomes	Low Incomes	Moderate Incomes
Manly	1.3	3.4	26.5
Pittwater	1.0	7.4	30.1
Warringah	1.0	5.3	40.1
Sydney average	3.3	18.0	59.0

Source: Rental Bond Board (RBB) Data (Housing NSW, Local Government Housing Kit)

Note: Rental affordability indices have been calculated for Very Low Incomes

Figure 16: Declining Stock of Affordable Rental Accommodation to Moderate Income Households in the Northern Beaches



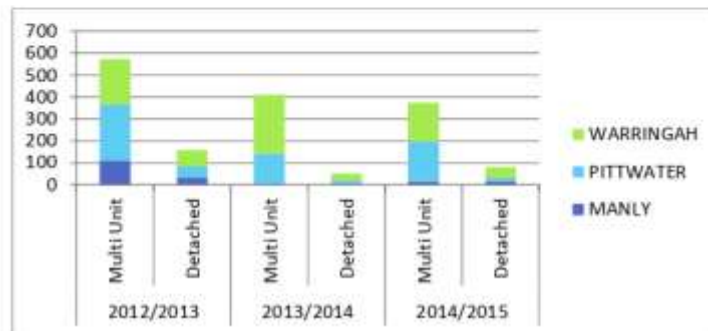
Attachment 2

5. New Housing Supply

Data from the Department of Planning & Environment's Metropolitan Development Program, which monitors completion of new dwellings across Sydney, shows that there has been a strong supply of new dwellings in the Northern Beaches in recent years: 730 in 2012/13; 463 in 2013/14 and 455 in 2014/15.

Of the 1,648 dwellings constructed over the last 4 years: 808 were in the former Warringah; 658 in former Pittwater; and 182 in former Manly. The vast majority of these (82%) have been multi-unit dwellings (i.e. apartments) in local centres such as Dee Why and Narrabeen.

Figure 17: Recent Supply of New Dwellings within the Northern Beaches 2012-2015



Source: DP&E Metropolitan Development Program 2015

Significant additional supply is also forecast, including the proposed Meriton development in Dee Why town centre (around 380 new apartments), plus expected potential new apartment development from other key sites in the town centre.

Structure Planning around the new Northern Beaches Hospital and the Ingelside land release area, is also expected to deliver several thousand additional dwellings over the next decade across the Northern Beaches.

While there is a strong market for new residential development (especially apartments), new supply is having limited impact on the overall affordability of housing within the Northern Beaches, with new build houses and apartments beyond the reach of most low to moderate income households.

Clearly, the issue of affordable housing will not be addressed through new supply alone. Without policy and planning interventions to ensure that a proportion of new dwelling construction is set aside for lower income households, housing affordability will continue to worsen across the Northern Beaches.

Attachment 2

6. Summary

In summary, the escalating cost of housing (to rent or buy) is placing a growing number of households in housing stress across the Northern Beaches. The Northern Beaches has comparatively low stocks of social or affordable housing targeted at very low to moderate income households.

The declining affordability of housing is unlikely to slow without intervention into the market, and supply of new dwellings alone will not address this issue. Existing stocks of social and affordable housing must therefore be protected.

Further, opportunities to create new forms of affordable housing, especially rental, must be taken up to prevent deepening of the housing crisis, and to support demographic change and economic growth. There are a number of opportunities arising with current Structure Planning undertaken by Council in key locations e.g. Northern Beaches Hospital and Ingleside precincts.

Frenchs Forest
Precinct

Town Centre Feasibility Update brief – Option 2A

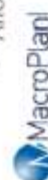
August 2018
MacroPlan



Key Assumptions

General assumptions underlying built-form options include:

- Section 94 Contribution charge per dwelling of \$20,000*
- State Infrastructure Contributions (SIC levy) per dwelling of \$15,000**
- Affordable housing targets to be tested: 15% of residential dwelling yield using affordable sale price at 15% discount from the market price.
- No detailed cost estimate available for carbon, water and waste precinct outcomes, but we have included allowance for ESD (3% of construction cost).
- These are all assumptions that are built into our feasibility assessment, which will be fully outlined in our report.
 - Building efficiency (CHROFI)
 - Car Parking rates (Architectus)
 - Developer Profit Market (the hurdle rate): 20% (MacroPlan)
 - Financing: 100% debt. Interest on this amount is 6% (MacroPlan)
 - Construction Timeframe: 12-24 months & assumed staging
 - Lift requirements: 50 elevators (MacroPlan)
 - Unit size: 80 sq.m GFA per unit (CHROFI & Architectus)
 - Pre-commitment sales (of units): 70% (MacroPlan)
 - Statutory fees and Levy: adopted from DP&E
 - Other non-residential composition (in sq.m) : adopted from CHROFI
 - High level QS estimates: adopted from Altus Group
 - Affordable housing: 15% discount from the market price



* MacroPlan has assumed a maximum Section 94s contribution rate of \$20,000 per dwelling, which might not be reflective of the ultimate situation.

** A SIC contribution of \$15,000 per dwelling might not be reflective of the ultimate situation/SIC rate. It only has been used to compare the different development options.

Attachment 3

Current Land Value

Key Assumption - Threshold Feasibility Condition

Opportunity cost

- The current value of the TC site land if development does not occur
- The value of land with land zoning for **standard detached houses**

Market evidence

- The figure (right) maps the spread of property sales for Frenchs Forest for the 2017/18 financial year to date.
- There is a substantial concentration of property sales within the 600 to 800 square meter range and within the price range of \$2,000 to \$3,000 per sq.m

For our assessment

Based on these sales the following value has been adopted for our assessment

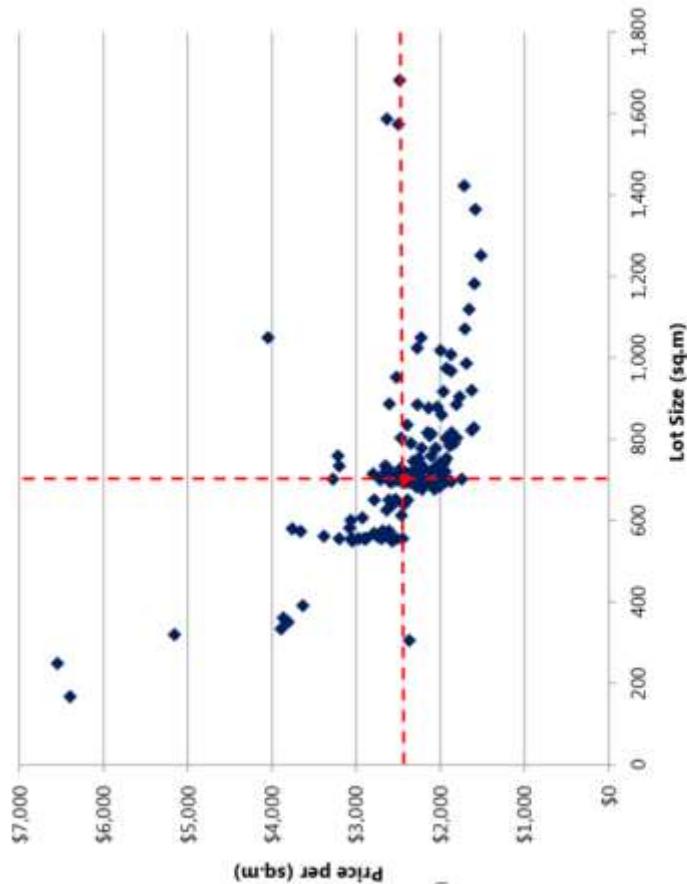
- Current land value in Frenchs Forest Precinct: **\$2,400 per sq.m**
- Note: Our previous assessment conducted in March 2017 applied a rate of \$2,300 per sq.m

Residual Land Value

= 'Value of the completed development' - 'development costs' - 'developer's profit'

- Residual land value is the surplus after development cost and profit have been deducted from the value of a completed development project.

Recent House Sales, Frenchs Forest (FY 2017 - 18)



Source: CoreLogic RP Data & MetersPlan

Attachment 3

Scenario 2A (FSR 2.16:1)

Frenchs Forest TC with specified non-residential uses

- Scenario 1 includes the following components (GFA)
 - Community – 2,046 sq.m
 - Commercial (office) – 5,896 sq.m
 - Residential – 77,562 sq.m (i.e. 801 apartments)
 - Retail – 10,630 sq.m
 - Hotel – 9,202 sq.m
 - University – 8,362 sq.m
 - Aged Care – 10,880 sq.m
 - School – 7,905 sq.m
 - Non-retail (e.g. Gym) – 616 sq.m
 - Underground Supermarket and other retail uses – 5,719 sq.m
 - University Library – 1,504 sq.m
 - Childcare Centre – 506 sq.m
 - Indoor Sport Centre – 2,427 sq.m
- Key development costs
 - Total basement carpark – circa \$122.5 M (about \$50k per carpark)
 - Additional costs* – Circa \$20.5 M
 - Project Contingency** – Circa \$50.6 M (for any excavation cost)

* Includes Roadworks, Public domain works, Additional Earthwork (excl. basement carpark), Landscaping etc.
 ** 7.5% of construction professional, statutory fees, state infrastructure levy and any other additional costs



Feasibility Outcome

- Scenario 2A is feasible, with 15% affordable housing provision.

Feasibility Analysis	Scenario 2A
Assumed FSR	2.16 : 1
Affordable housing Target	15%
Site Area	66,310 m ²
Retail	10,630 m ² GFA
Commercial	5,896 m ² GFA
Apartments	77,562 m ² GFA
Hotel	9,202 m ² GFA
University	8,362 m ² GFA
Aged Care facilities	10,880 m ² GFA
School	7,905 m ² GFA
Community	2,046 m ² GFA
Non-retail	616 m ² GFA
Underground retail	5,719 m ² GFA
Library	1,504 m ² GFA
Childcare	506 m ² GFA
Indoor Sport	2,427 m ² GFA
Total Yield	143,255 m ² GFA
Total Revenue	\$1.136M
Total Development Cost	\$776M
Target (Goal)	\$360M
Residential Land Value*	\$160M
RLV per m ² (of site area)	\$2,419

Source: MacroPlan

Attachment 3

Feasibility Assessment - Frenchs Forest Transition Areas

1. Development Feasibility – Explanation Notes

Residual land value is the surplus after development cost and profit have been deducted from the value of a completed development project.

Residual Land Value (RLV) = Value of the completed development – development costs – developer's profit

Residual land value is a useful technique for testing alternative development schemes for a given parcel of land. It usually involves a reference to comparable evidence to estimate inputs (value, costs and profit) and is often a pre-cursor to more rigorous (cash-flow) value assessment techniques.

Residual land value can be calculated for various development schemes and compared to land prices of similar sites that have been recently sold. Residual land value provides insight as to whether development is feasible and should proceed or whether the land is best left untouched.

In general, if the value of a property 'as improved' is greater than the value of the property 'as though vacant', its highest and best use is 'as improved'. If not, then development under the assumed controls is not presently viable, meaning that development is delayed until either:

- The estimated gross value of the completed development rises;
- Development costs (e.g. land costs) are reduced; or
- The controls that determine development yield are adjusted.

The Residual Land Value therefore represents **the maximum price a developer would be prepared to pay for a development site to achieve target hurdle rates.**

Calculating residual land value involves an estimation of development value and development costs and an estimation of developer's profit, explained as follows:

- Development value relates to the gross sale or lease value of a completed development.
- Development costs include land costs, borrowing costs, construction costs (including required monetary contributions and taxes) and sales/marketing costs.

Attachment 3

- Developer's profit is the reward for taking development risk and for initiating and facilitating development. It can be estimated as either a percentage of gross development cost or as a percentage of gross development value.

Developer profits vary from market to market, however, for our analysis we assume a target profit margin of 20% of gross development costs and apply this approach to all of the development scenarios and sites being investigated.

The residual land value method for testing site development feasibilities is not a detailed financial model. It has several limitations:

- It does not account for the time value of money, e.g. whether profit is achieved over 2 or 20 years; and
- It is suspect to input errors which may have a magnified effect on findings.

Nevertheless, the method is a useful indicator of development profitability, especially in the absence of detailed financial information for tested projects. In practice the method is generally employed in its simplest form to gauge project viability, with complexity added as more detail about development plans and costings is made available.

2. General assumptions underlying built-form options include:

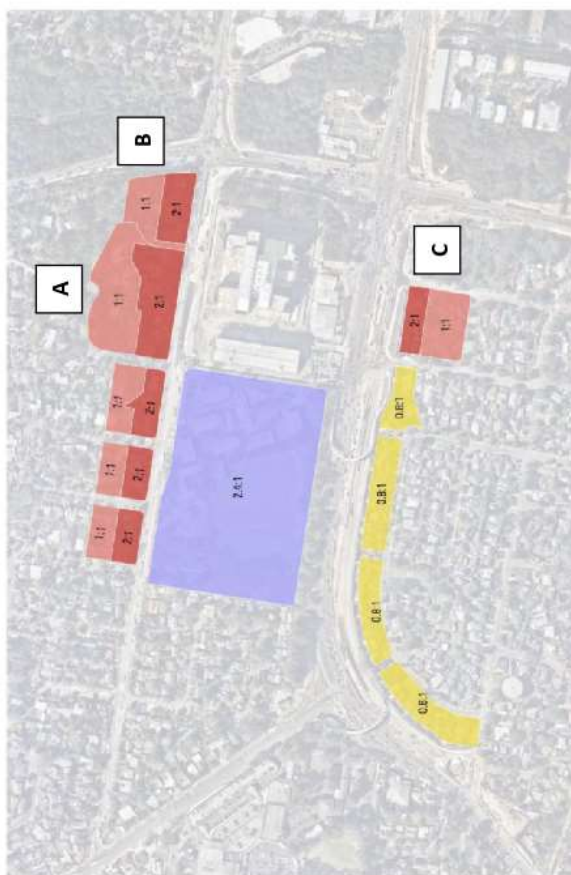
For our residual land value based feasibility assessments for various development options at Frenchs Forest in the vicinity of the proposed new Frenchs Forest town Centre, we have made the following assumptions:

- Section 94 Contribution charge per dwelling of \$20,000*
- State Infrastructure Contributions (SIC levy) per dwelling of \$15,000**
- Affordable housing targets to be tested: 10% of residential dwelling yield using affordable sale price at 15% discount from the market price.
- These are all assumptions that are built into our feasibility assessment.
 - Building efficiency – 85%
 - Car Parking rates – Warringah DCP 2011
 - Developer Profit Market (the hurdle rate): 20%
 - Financing: 100% debt. Interest on this amount is 6%

Attachment 3

- Construction Timeframe: 12-15 months (depending on construction value)
- Residential Construction – 'walk-up medium density apartments' (Sites with a FSR of 1:1) & 'mixed-use standard apartments with lift ' (sites with a FSR of 2:1)
- Unit size: 90 sq.m per unit (CHROFI & Architectus)
- Pre-commitment sales (of units): 70%
- Statutory fees and Levies: adopted from DP&E
- High level QS estimates: adopted from Rawlinsons & BMT QS
- Realisation rate (i.e. sales price) – marginally lower than what we adopted for the Frenchs Forest TC site

The 'tested sites' for the purpose of this assessment are depicted below:



1 : 5000; FRENCHS FOREST PRECINCT - DRAFT MAXIMUM FSR DIAGRAM - 19.07.18 - CHROFI

Attachment 3

The assumed site areas that we have used are as per provided by CHROFI (below).



1 : 5000, FRENCH'S FOREST PRECINCT - SITE AREAS DIAGRAM - 19.07.18 - CHROFI

Attachment 3

3. Feasibility Outcome – Part of Site A zoned residential FSR 1:1

- The Residual Land Value is that price which a developer can afford to pay to purchase the land knowing all the variable input costs associated with the proposed development in order to achieve the anticipated gross realisation.
- Residual land value is the surplus after development costs and profit have been deducted from the value of a completed development project.

$$\text{Residual Land Value (RLV)} = (\text{Value of the completed development}) - (\text{development costs}) - (\text{developer's profit})$$

- At a \$26.9 M land acquisition cost (i.e. \$2,400 per sq.m site area), the project achieves the hurdle rate of 20% and the Net Present Value of this project becomes 0 (i.e. NPV break-even).

Feasibility Analysis	Site A
FSR	1:1
Site Area	11,187 m ²
Retail	0 m ² GFA
Commercial	0 m ² GFA
Medium Density*	11,187 m ² GFA
Total Yield	11,187 m² GFA
Total Revenue	\$88.2M
Total Development Cost	\$42.6M
Selling Costs	\$3.8M
Residential Land Value	\$26.9M
Developer's target margin**	\$15.3M
RLV per m² (of site area)	\$2,400
Current Land Value (RP Data)	\$2,400

* Low-rise (walk-up) Apartment

** 20% on 'total development cost + selling costs + RLV (also inc. other land acquisition cost e.g. stamp duty)'

Attachment 3

4. Feasibility Outcome – Part of Site A zoned Mixed-Use FSR 2:1

- The Residual Land Value is that price which a developer can afford to pay to purchase the land knowing all the variable input costs associated with the proposed development in order to achieve the anticipated gross realisation.
- Residual land value is the surplus after development costs and profit have been deducted from the value of a completed development project.

$$\text{Residual Land Value (RLV)} = (\text{Value of the completed development}) - (\text{development costs}) - (\text{developer's profit})$$

- At a \$22.8 M land acquisition cost (i.e. \$2,494 per sq.m site area), the project achieves the hurdle rate of 20% and the Net Present Value of this project becomes 0 (i.e. NPV break-even).

Feasibility Analysis	Site A
FSR	2:1
Site Area	9,141 m ²
Retail	1,500 m ² GFA
Commercial	3,000 m ² GFA
Apartments*	13,782 m ² GFA
Total Yield	18,282 m² GFA
Total Revenue	\$134.8M
Total Development Cost	\$84.0M
Selling Costs	\$5.9M
Residential Land Value	\$22.8M
Developer's target margin**	\$23.4M
RLV per m² (of site area)	\$2,494
Current Land Value (RP Data)	\$2,400

* Residential buildings with lifts

** 20% on 'total development cost + selling costs + RLV (also inc. other land acquisition cost e.g. stamp duty)'

Attachment 3

5. Feasibility Outcome – Part of Site B zoned residential FSR 1:1

- The Residual Land Value is that price which a developer can afford to pay to purchase the land knowing all the variable input costs associated with the proposed development in order to achieve the anticipated gross realisation.
- Residual land value is the surplus after development costs and profit have been deducted from the value of a completed development project.

$$\text{Residual Land Value (RLV)} = (\text{Value of the completed development}) - (\text{development costs}) - (\text{developer's profit})$$

- At a \$10.9 M land acquisition cost (i.e. \$2,410 per sq.m site area), the project achieves the hurdle rate of 20% and the Net Present Value of this project becomes 0 (i.e. NPV break-even).

Feasibility Analysis	Site B
Overall FSR	1:1
Site Area	4,530 m ²
Retail	0 m ² GFA
Commercial	0 m ² GFA
Medium Density*	4,530 m ² GFA
Total Yield	4,530 m² GFA
Total Revenue	\$35.7M
Total Development Cost	\$17.3M
Selling Costs	\$1.5M
Residential Land Value	\$10.9M
Developer's target margin**	\$6.2M
RLV per m² (of site area)	\$2,410
Current Land Value (RP Data)	\$2,400

* Low-rise (walk-up) Apartment

** 20% on 'total development cost + selling costs + RLV (also inc. other land acquisition cost e.g. stamp duty)'

Attachment 3

6. Feasibility Outcome – Part of Site B zoned Mixed-Use FSR 2:1

- The Residual Land Value is that price which a developer can afford to pay to purchase the land knowing all the variable input costs associated with the proposed development in order to achieve the anticipated gross realisation.
- Residual land value is the surplus after development costs and profit have been deducted from the value of a completed development project.

$$\text{Residual Land Value (RLV)} = (\text{Value of the completed development}) - (\text{development costs}) - (\text{developer's profit})$$

- At a \$11.5 M land acquisition cost (i.e. \$2,541 per sq.m site area), the project achieves the hurdle rate of 20% and the Net Present Value of this project becomes 0 (i.e. NPV break-even).

Feasibility Analysis	Site B
FSR	2:1
Site Area	4,517 m ²
Retail	800 m ² GFA
Commercial	1,200 m ² GFA
Apartments*	7,034 m ² GFA
Total Yield	9,034 m² GFA
Total Revenue	\$67.4M
Total Development Cost	\$41.9M
Selling Costs	\$2.9M
Residential Land Value	\$11.5M
Developer's target margin**	\$11.7M
RLV per m² (of site area)	\$2,541
Current Land Value (RP Data)	\$2,400

* Residential buildings with lifts

** 20% on 'total development cost + selling costs + RLV (also inc. other land acquisition cost e.g. stamp duty)'

Attachment 3

7. Feasibility Outcome – Part of Site A zoned residential FSR 1:1

- The Residual Land Value is that price which a developer can afford to pay to purchase the land knowing all the variable input costs associated with the proposed development in order to achieve the anticipated gross realisation.
- Residual land value is the surplus after development costs and profit have been deducted from the value of a completed development project.

$$\text{Residual Land Value (RLV)} = (\text{Value of the completed development}) - (\text{development costs}) - (\text{developer's profit})$$

- At a \$14.1 M land acquisition cost (i.e. \$2,405 per sq.m site area), the project achieves the hurdle rate of 20% and the Net Present Value of this project becomes 0 (i.e. NPV break-even).

Feasibility Analysis	Site C
FSR	1:1
Site Area	5,841 m ²
Retail	0 m ² GFA
Commercial	0 m ² GFA
Medium Density*	5,841 m ² GFA
Total Yield	5,841 m² GFA
Total Revenue	\$46.0M
Total Development Cost	\$22.3M
Selling Costs	\$2.0M
Residential Land Value	\$14.1M
Developer's target margin**	\$8.1M
RLV per m² (of site area)	\$2,405
Current Land Value (RP Data)	\$2,400

* Low-rise (walk-up) Apartment

** 20% on 'total development cost + selling costs + RLV (also inc. other land acquisition cost e.g. stamp duty)'

Attachment 3

8. Feasibility Outcome – Part of Site A zoned Mixed-Use FSR 2:1

- The Residual Land Value is that price which a developer can afford to pay to purchase the land knowing all the variable input costs associated with the proposed development in order to achieve the anticipated gross realisation.
- Residual land value is the surplus after development costs and profit have been deducted from the value of a completed development project.

$$\text{Residual Land Value (RLV)} = (\text{Value of the completed development}) - (\text{development costs}) - (\text{developer's profit})$$

- At a \$7.3 M land acquisition cost (i.e. \$2,499 per sq.m site area), the project achieves the hurdle rate of 20% and the Net Present Value of this project becomes 0 (i.e. NPV break-even).

Feasibility Analysis	Site C
FSR	2:1
Site Area	2,918 m ²
Retail	500 m ² GFA
Commercial	1,000 m ² GFA
Apartments*	4,437 m ² GFA
Total Yield	5,836 m² GFA
Total Revenue	\$42.8M
Total Development Cost	\$26.7M
Selling Costs	\$1.9M
Residential Land Value	\$7.3M
Developer's target margin**	\$7.4M
RLV per m² (of site area)	\$2,499
Current Land Value (RP Data)	\$2,400

* Residential buildings with lifts

** 20% on 'total development cost + selling costs + RLV (also inc. other land acquisition cost e.g. stamp duty)'

Attachment 3

9. Feasibility Outcome – Part of Site A zoned residential FSR 1:1 (townhouse)

- Here we have tested a particular scenario, where developer(s) decides to amalgamate the existing residential lots (i.e. 2 lots) for their townhouse development, instead of medium density development (i.e. walk-up unit complex/apartments).
- We have assumed that there is no affordable housing under this scenario.
- We have assumed a site area of 1,000 m² after merging lots
- Building efficiency – 75%
- 2 storey development, span over basement carpark
- 3 bedroom & 2 toilets and 1 carpark
- Realisation rate (i.e. sales price) – assumed at \$9,550 per sq.m GFA
- At a \$1.9 M land acquisition cost (i.e. \$2,436 per sq.m site area), the project achieves the hurdle rate of 20% and the Net Present Value of this project becomes 0 (i.e. NPV break-even).

Feasibility Analysis	Site C - townhouse
FSR	0.8:1
Site Area	1,000 m ²
Retail	0 m ² GFA
Commercial	0 m ² GFA
Townhouses*	800 m ² GFA
Total Yield	800 m² GFA
Total Revenue	\$5.0M
Total Development Cost	\$2.1M
Selling Costs	\$0.2M
Residential Land Value	\$1.9M
Developer's target margin**	\$0.9M
RLV per m² (of site area)	\$2,436
Current Land Value (RP Data)	\$2,400

* 3 bedroom townhouses with basement carpark

** 20% on total development cost + selling costs

Attachment 3

Affordable housing demand in Frenchs Forest

Final report



Northern Beaches Council
May 2017

Independent insight.

Attachment 3



This report has been prepared for Northern Beaches Council. SGS Economics and Planning has taken all due care in the preparation of this report. However, SGS and its associated consultants are not liable to any person or entity for any damage or loss that has occurred, or may occur, in relation to that person or entity taking or not taking action in respect of any representation, statement, opinion or advice referred to herein.

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170051-Final report-170503

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1 INTRODUCTION

SGS Economics and Planning has been commissioned by Northern Beaches Council to assess demand for affordable housing for key workers in Frenchs Forest associated with the realisation of the draft *Hospital Precinct Structure Plan* and determine a feasible proportion of floorspace for affordable housing to meet this demand.

1.1 Study area

This report considers the Hospital Precinct as defined in the draft *Hospital Precinct Structure Plan* as exhibited by Northern Beaches Council. The draft structure plan is shown in Figure 1.

FIGURE 1. DRAFT HOSPITAL PRECINCT STRUCTURE PLAN



Source: Hames Sharley 2016

1.2 Scope of this report

This report provides a demand study and feasibility assessment for affordable housing in the Hospital Precinct. This report addresses:

- The policy and economic rationale for the provision of affordable rental housing for key workers within the Hospital Precinct
- The need for affordable rental housing within the Hospital Precinct
- The scope for securing such housing without unduly disrupting the development feasibility
- What the appropriate level of affordable housing contributions should be, in light of above considerations

This report builds upon the draft *Hospital Precinct Structure Plan* prepared by Hames Sharley (November 2016) as well as the findings of the *Northern Beaches Hospital Precinct Structure Plan*:

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Feasibility Assessment prepared by MacroPlan Dimasi in March 2017 and the *Northern Beaches Affordable Housing Needs Assessment* prepared by Northern Beaches Council in December 2016 where appropriate.

1.3 Definition of key workers

This analysis focuses on housing affordability for key workers. This follows the emphasis placed on affordable housing for key workers in recent Council policy development, as noted in the *Northern Beaches Affordable Housing Needs Analysis*.

This study builds on the definition of key workers provided in the *Northern Beaches Affordable Housing Needs Analysis*. This definition includes occupations as defined by the Australian Bureau of Statistics' Australian and New Zealand Standard Classification of Occupations (ANZSCO). This definition includes 3-digit level occupations (i.e. categories of occupations with similar skill specialisation). The occupations considered to be key workers for the purpose of this report are:

- School Teachers
- Midwifery and Nursing Professionals
- Hospitality Workers
- Personal Carers and Assistants
- Child Carers
- Defence Force Members, Fire Fighters and Police
- Carers and Aides
- Automobile, Bus and Rail Drivers
- Cleaners and Laundry Workers
- Sales Assistants and Salespersons

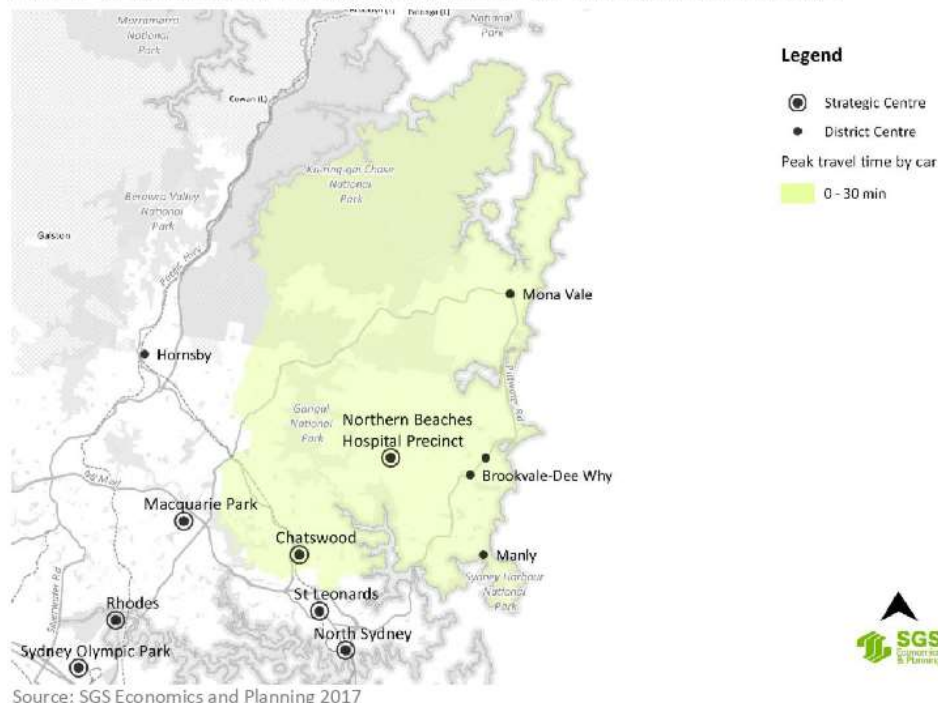
Catchment of key workers

For the purposes of this study, a catchment of key workers has been defined. This catchment is a 30 minute peak hour drive time from the Hospital Precinct and identifies households with at least one key worker working in the catchment at the 2011 Census, the most recent data available. A 30 minute catchment has been employed to reflect the average commuting time reported for Greater Sydney as published by the NSW Transport and Performance Analytics branch of Transport for NSW and the concept of the 30 minute city put forward in recent Federal and State government planning policies. At the 2011 Census, 23,081 key workers were employed in this catchment.

The catchment is shown in Figure 2 overleaf.

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FIGURE 2. 30 MINUTE COMMUTE CATCHMENT OF THE HOSPITAL PRECINCT



1.4 Report structure

The subsequent chapters of this report are as follows:

Chapter 2: Policy and economic rationale for affordable housing	Provides an overview of the current policy framework for affordable housing development and the social and economic rationale for providing affordable housing in the Hospital Precinct.
Chapter 3: Rental affordability of the Hospital Precinct and surrounds	Assesses the rental affordability of the Hospital Precinct and surrounds under current market conditions for key workers.
Chapter 4: Affordable housing demand from key workers	Calculates current demand for affordable housing from key workers and future demand generated from the draft <i>Hospital Precinct Structure Plan</i> .
Chapter 5: Feasibility of affordable housing provision	Assess the feasibility of development of the Hospital Precinct with an affordable housing levy.
Chapter 6: Conclusion and recommendations	Summarises the findings and provides a recommendation for an affordable housing levy at the Hospital Precinct.

The following appendices have also been included:

Appendix A: Detailed policy review	A comprehensive review of relevant legislation, state and local planning and affordable housing policies.
Appendix B: Median rents by postcode	Median rents by postcodes and number of bedrooms for the key worker catchment applied to this study.
Appendix C: Centre case studies	Maps of the Travel Zones included for case studies.

2 POLICY AND ECONOMIC RATIONALE FOR AFFORDABLE HOUSING

2.1 Policy framework for the provision of affordable housing

The provision and maintenance of affordable housing is an Object of the *Environmental Planning and Assessment Act 1979*. The existing legislative framework enables select local government areas to levy affordable housing as a development contribution under *State Environmental Planning Policy No 70 Affordable Housing (Revised Schemes)*. This environmental planning instrument does not currently apply to land in the Northern Beaches local government area. NSW legislation also contains special development controls and permissibility for certain affordable housing developments, such as secondary dwellings, groups homes and infill affordable housing managed by community housing providers, under *State Environmental Planning Policy (Affordable Rental Housing) 2009*.

Affordable housing in NSW is primarily provided through affordable rental housing managed by community housing providers. According to the Registrar of Community Housing, community housing providers across NSW managed approximately 34,000 dwellings in 2012/13. The vast majority of these are community housing dwellings for social housing tenants. Approximately 6,550 dwellings are managed as affordable rental housing.

Northern Beaches Council has recently prepared a *Northern Beaches Affordable Housing Needs Assessment* (2016) to understand the demand for affordable housing within the Northern Beaches local government area and the extent to which current provision of housing meets the needs of current and future residents. The document does not include recommendations; however, it does provide an overview of the current state of the provision of affordable housing and affordable rental housing as well as increasing demand from key workers employed in the local government area.

The *Northern Beaches Affordable Housing Needs Assessment* found that there were approximately 40,000 households in the Northern Beaches local government area falling within very low, low or moderate income households. This equates to approximately 52% of all households residing in the Northern Beaches local government area in 2011. The majority of within very low, low or moderate income households were also experiencing housing stress in 2011, with 69% of households with mortgages and 79% of renting households experiencing housing stress in 2011.

The *Northern Beaches Affordable Housing Needs Assessment* also found that this demand for affordable housing is likely to increase as the population of the local government area increases, household sizes reduce, and there are increases in key worker employment in the area. The *Northern Beaches Affordable Housing Needs Assessment* noted that this trend is likely to be exacerbated as the current supply of affordable housing is low and sales and rent prices continue to increase.

There have been several recent changes to the policy framework in NSW that may see increased provision of affordable housing. These changes have primarily occurred in the draft District Plans released in 2016 and prepared by the Greater Sydney Commission. The draft *North District Plan* provide an increased emphasis and direction for the planning and development of affordable Sydney across the district, proposing a target for the provision of affordable rental housing for low and very low income households.

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The proposed Affordable Rental Housing Target proposes 5% to 10% of new floorspace at the rezoning stage to be dedicated to affordable housing. The target can only be applied in areas which have a demonstrated current or future need for affordable housing, subject to development feasibility, where additional housing capacity could be achieved through the rezoning. The target applies to new floorspace above the existing permissible floorspace. It is proposed that dwellings are secured by the relevant planning authority and passed on to a registered community housing provider to manage.

Affordable housing dwellings constructed under the Affordable Rental Housing Target are only to be provided to very low and low income households. The draft District Plans make clear that this does not preclude councils encouraging affordable rental housing to support moderate income households.

At the time of writing, Northern Beaches Council exhibited the *Draft Affordable Housing Policy*. This draft policy outlines a set of principles and policy statements designed to increase the range and supply of affordable housing in the local government area. The Draft Policy includes:

- Council is committed to an affordable rental housing target of 10% of all new floor space (subject to feasibility) in the Ingleside and Northern Beaches Hospital (Frenchs Forest) precincts and all 'spot' rezonings (planning proposals) in the Northern Beaches.
- Targets for the provision affordable rental housing in other parts of the Council area will be established through feasibility analysis as part of Council's new local housing strategy.
- Mechanisms to deliver more affordable market-based or private housing will be investigated as part of Council's new local housing strategy.
- Council will enter into a relationship with a Tier 1 community housing provider to manage and deliver affordable rental housing in the Northern Beaches.
- Council will undertake an expression of interest for a Tier 1 community housing provider every five years.
- Council's preference is to transfer the title of affordable rental housing delivered to Council to a Tier 1 community housing provider.
- Council will give priority to key worker occupations as tenants of affordable rental housing in the Northern Beaches.

A detailed policy review is included in Appendix A.

2.2 Economic rationale for affordable housing

It is widely recognised that the provision of affordable housing to support very low, low and moderate income households produces significant social and economic benefits not only for residents of these dwellings but also for society at large.

Social impacts of affordable housing

Households and individuals who experience housing stress, particularly those who struggle to make regular rent payments, are likely to suffer heightened emotional and physical stress. The provision of affordable housing prevents housing stress from eventuating, avoiding emotional and physical stress and associated poor health and wellbeing outcomes.

Improved social cohesion may also result as households are able to remain in a community despite rising rent levels and/or reduced income. The provision of affordable housing also encourages a social mix within communities as people in a variety of occupations and with a variety of household incomes live together in a community.

The provision of affordable housing near places of work also reduces transport costs and transport times for households. The concentration of lower cost and lower rental households in less accessible locations can lead to spatial isolation. This can increase the severity of housing stress, as households are often forced to pay additional transport costs to access jobs.

Attachment 3

The provision of affordable housing near employment not only reduces this additional stress and costs. Reduced travel times enable increased time for recreation, interaction with family, friends and community members, and overall improved quality of life.

Economic impacts of affordable housing

In direct terms, the provision of affordable housing provides households with increased income to spend on other essential items such as food, utilities, education and health services.

Economic efficiency can be improved through labour market productivity, as households and individuals are able to migrate to locations which have more job opportunities yet higher housing costs. Increases in labour productivity can improve the regional gross product and gross value added of local industries and businesses.

The provision of affordable housing can also assist with staff attraction and retention for local businesses. Affordable housing can help attract and retain key workers otherwise impeded by poor and expensive public transport connections to places of employment.

Increasing house prices can lead to inequity, with the wealth of existing owners growing, and non-owners increasingly shut out of the housing market. The provision of affordable housing provides a means to combat wealth inequality and provide an economically stable housing environment for residents to save for home purchase.

2.3 Implications

There is a clear social and economic rationale for the provision of affordable housing to improve the lives of key workers, and the functioning of the community and local economy. The development will provide a new 488-bed hospital, town centre and approximately 2,200 new dwellings supported by a major, albeit congested, road network and relatively poor public transport connections. Recent changes in the policy and strategic framework for Greater Sydney provides a new mechanism for the provision of affordable housing in the Hospital Precinct. This report considers an affordable housing levy in light of the proposed Affordable Rental Housing Target criteria prepared by the Greater Sydney Commission, and the commitment to a 10% affordable rental housing target of all new floorspace in line with Council's *Draft Affordable Housing Policy*.

3 RENTAL AFFORDABILITY OF HOSPITAL PRECINCT AND SURROUNDS

This Chapter assesses the rental affordability of the Hospital Precinct and surrounds under current market conditions. This assessment considers whether very low, low and moderate income households can be accommodated in the private rental market within a 30 minute commute of the Hospital Precinct.

3.1 Defining rental affordability

Rental bond data published by NSW Family and Community Services has been used to determine the median rental prices across the 30 minute commuting catchment for key workers servicing the Hospital Precinct and the future population of Frenchs Forest. Median rent prices for leases lodged are reported by postcode and number of bedrooms. Rental bond data for the September Quarter 2016 was the most recent data available at the time of writing. Median rents for each postcode and number of bedrooms are shown in Appendix B.

Two thresholds of affordability have been applied for very low, low, and moderate income households. The standard threshold for affordability is 30% of household income, that is housing costs (whether rent or a mortgage) is considered to be affordable if a household contributes less than 30% of the income (NSW Family and Community Services 2016). Paying more than 30% of household income to housing costs places a household in housing stress. A threshold of 50% of household income has also been applied in this analysis.

Table 4 below identifies the 30% and 50% income thresholds for very low, low, and moderate income households in Greater Sydney.

TABLE 1. RENTAL AFFORDABILITY IN GREATER SYDNEY

Household	Maximum annual income	Weekly income	30% of weekly income	50% of weekly income
Very Low	\$42,300	\$811	\$243	\$405.62
Low	\$67,600	\$1,296	\$389	\$648.22
Moderate	\$101,400	\$1,945	\$583	\$972.33

Source: NSW Family and Community Services, 2016

Rent data has been collected from Family and Community Services' Rental Sales Reports. The most recent data available at the time of writing was September Quarter 2016.

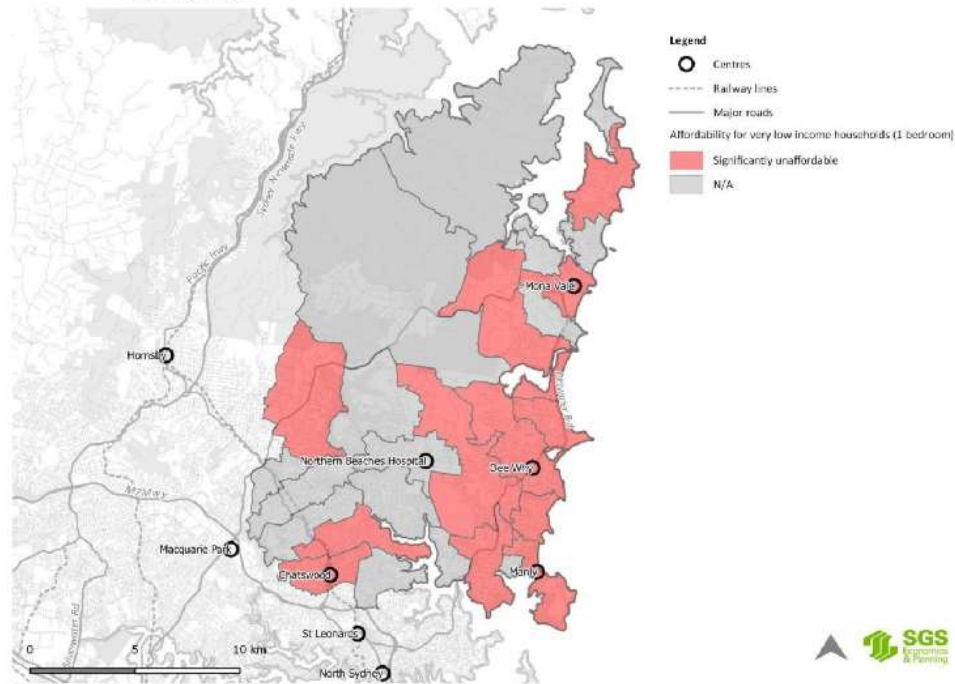
The maps on the following pages illustrate the rental affordability of postcodes within a 30 minute catchment of the Hospital Precinct under current market conditions. For the purpose of these maps, postcodes are considered 'affordable' if the median weekly rent for the postcode is less than 30% of maximum weekly household income, 'unaffordable' if the median weekly rent falls between 30% and 50% of the maximum weekly household income, and 'significantly unaffordable' if the median weekly rent is greater than 50% of the maximum weekly household income. Postcodes with insufficient data (i.e. fewer than 10 properties were rented over the September Quarter) are shown in grey, indicating that there are few appropriate properties in that postcode.

Attachment 3

3.2 Very low income households

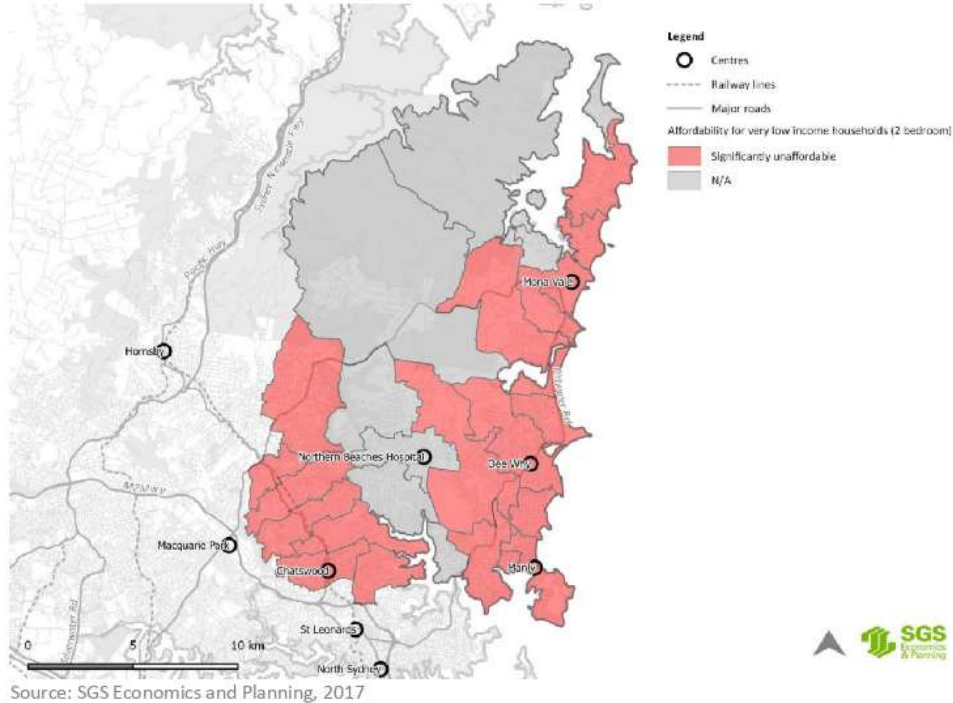
Figure 3 and Figure 4 show the rental affordability of one and two bedroom dwellings respectively for households on very low incomes (less than \$42,300 annually) within the 30 minute driving catchment of Frenchs Forest.

FIGURE 3. RENTAL AFFORDABILITY – VERY LOW INCOME HOUSEHOLDS, 1 BEDROOM DWELLINGS



Attachment 3

FIGURE 4. RENTAL AFFORDABILITY – VERY LOW INCOME HOUSEHOLDS, 2 BEDROOM DWELLINGS



As illustrated, all the postcodes with available data are rated as significantly unaffordable for very low income households in both one and two bedroom dwellings. Similarly, rents for larger three and four bedroom dwellings are also rated as significantly unaffordable for these households across the catchment area, including around the Northern Beaches Hospital Precinct, as show in Figure 5 and Figure 6 respectively.

Attachment 3

FIGURE 5. RENTAL AFFORDABILITY – VERY LOW INCOME HOUSEHOLDS, 3 BEDROOM DWELLINGS

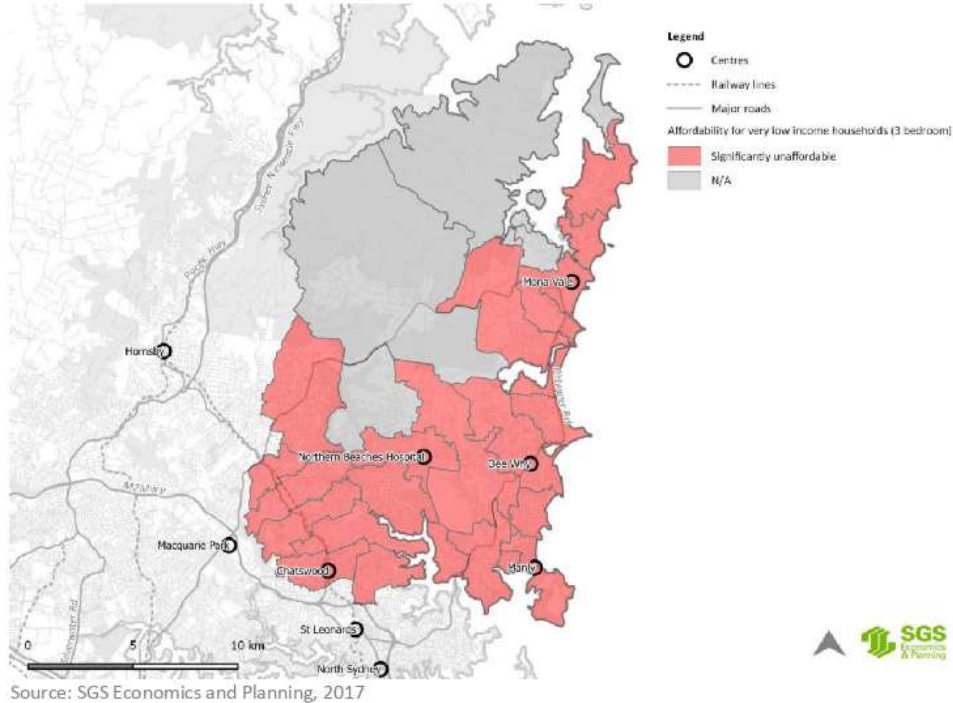
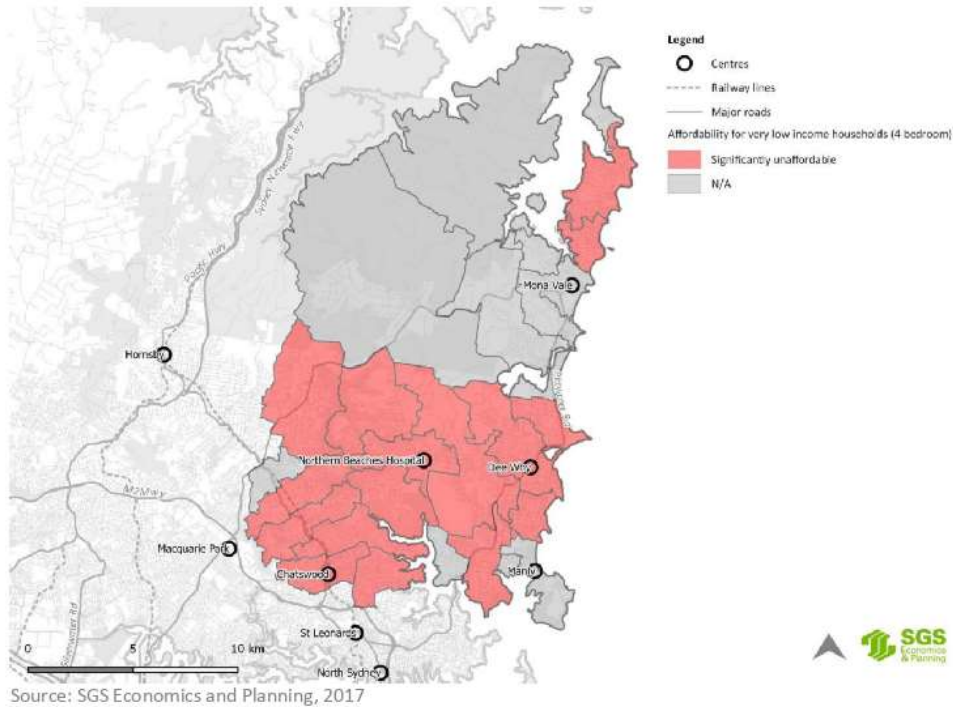


FIGURE 6. RENTAL AFFORDABILITY – VERY LOW INCOME HOUSEHOLDS, 4 BEDROOM DWELLINGS

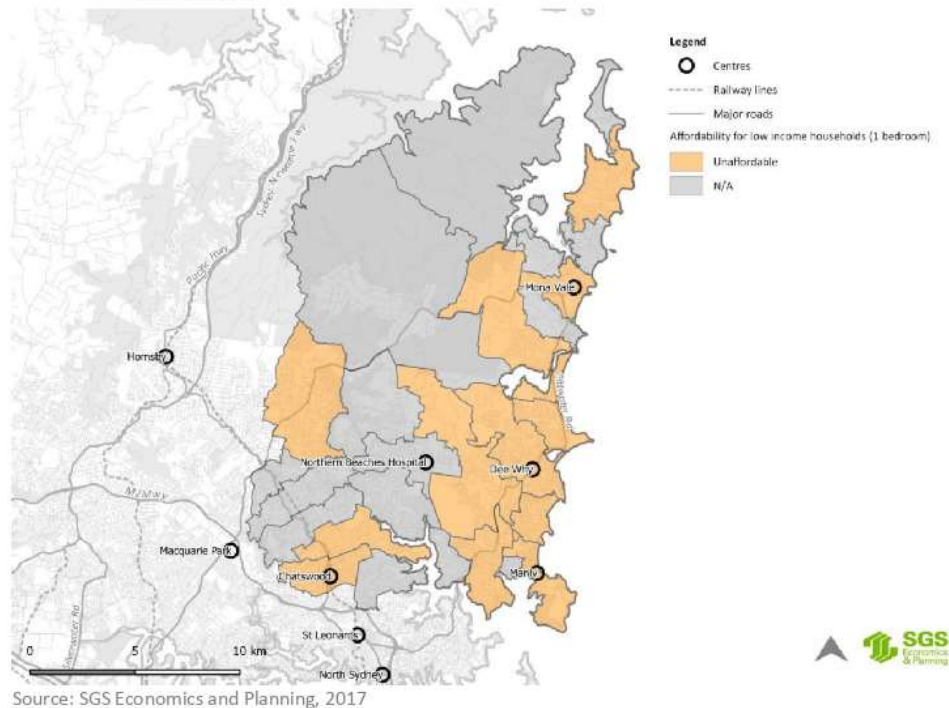


Attachment 3

3.3 Low income households

Figure 7 and Figure 8 illustrate the rental affordability of the 30 minute catchment for low income households (earning up to \$67,600 annually) for one bedroom and two bedroom dwellings respectively. For one bedroom dwellings, the postcodes with available data are rated as unaffordable. Rents for two bedroom dwellings across the area are largely rated as unaffordable, with pockets around Chatswood, Manly, Pymble and Warriewood that are significantly unaffordable.

FIGURE 7. RENTAL AFFORDABILITY – LOW INCOME HOUSEHOLDS, 1 BEDROOM DWELLINGS



Attachment 3

FIGURE 8. RENTAL AFFORDABILITY – LOW INCOME HOUSEHOLDS, 2 BEDROOM DWELLINGS

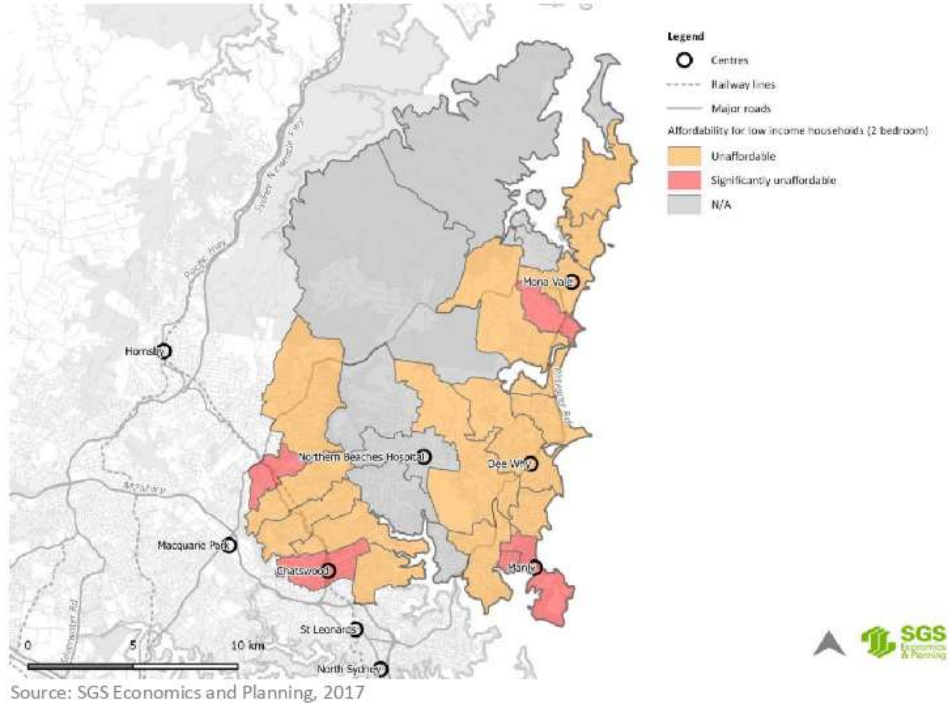


Figure 9 and Figure 10 show the affordability of three and four bedroom dwellings respectively in the catchment area for households on low incomes. The figures illustrate that for these types of housing, all the areas within 30 minutes of Frenchs Forest (with available data) are significantly unaffordable, including around the Hospital Precinct.

Attachment 3

FIGURE 9. RENTAL AFFORDABILITY – LOW INCOME HOUSEHOLDS, 3 BEDROOM DWELLINGS

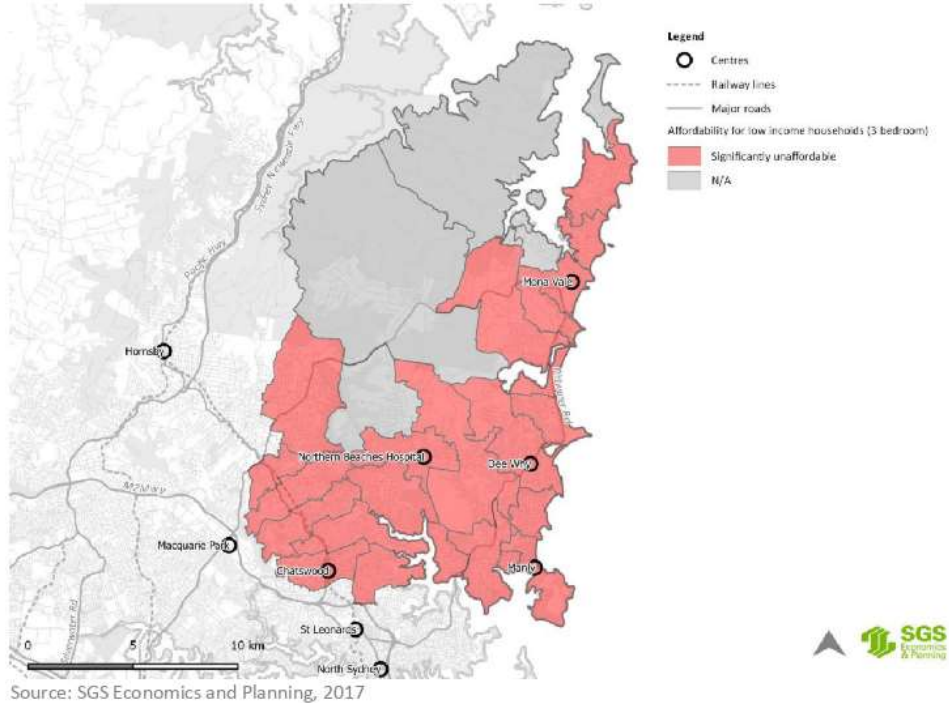
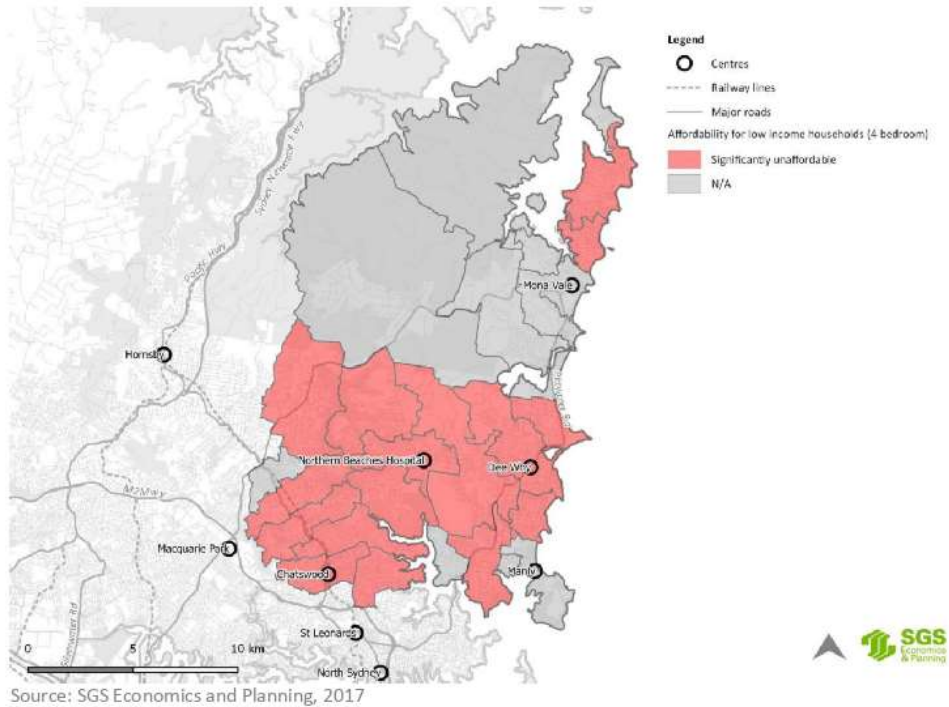


FIGURE 10. RENTAL AFFORDABILITY – LOW INCOME HOUSEHOLDS, 4 BEDROOM DWELLINGS

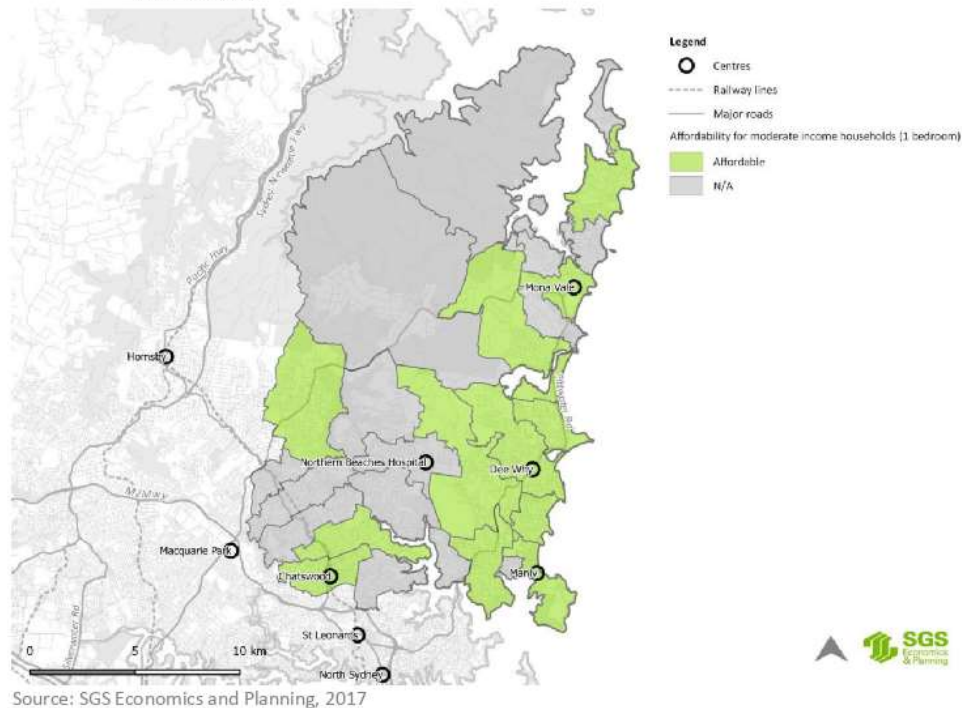


Attachment 3

3.4 Moderate income households

Figure 11 and Figure 12 show the affordability of one and two bedroom dwellings respectively for households on moderate incomes (up to \$101,400 annually) within a 30 minute drive. One bedroom dwellings for this household type are rated as affordable across the area, however for two bedroom dwellings there are only some pockets where rents remain affordable, including around Avalon Beach, Collaroy Plateau, Willoughby and Lindfield.

FIGURE 11. RENTAL AFFORDABILITY – MODERATE INCOME HOUSEHOLDS, 1 BEDROOM DWELLINGS



Attachment 3

FIGURE 12. RENTAL AFFORDABILITY – MODERATE INCOME HOUSEHOLDS, 2 BEDROOM DWELLINGS

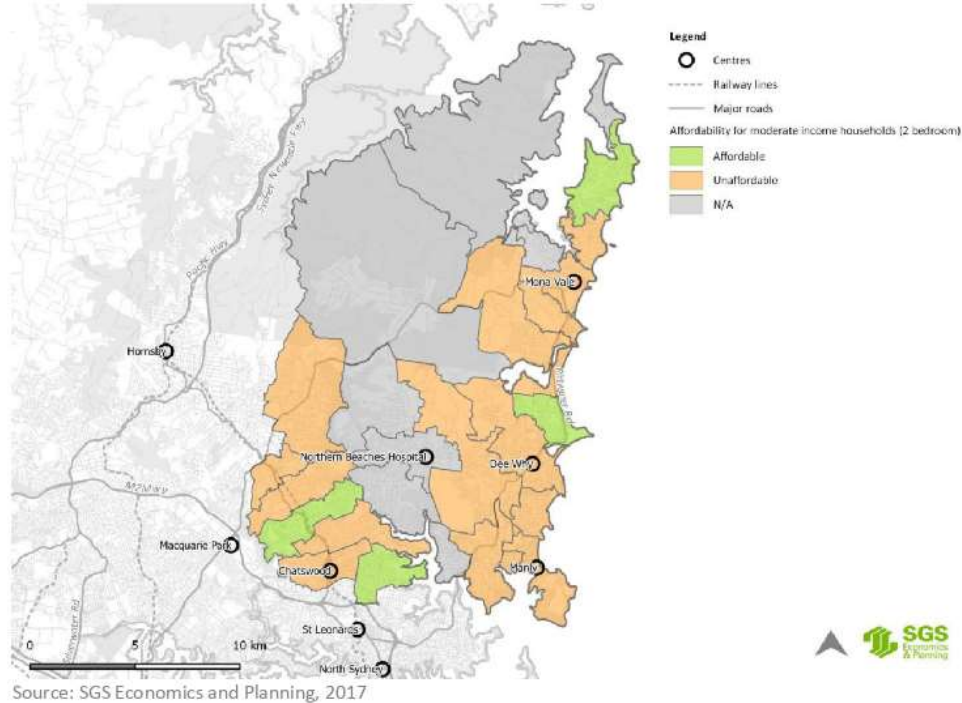


Figure 13 and Figure 14 illustrate the rental affordability for moderate income households of three and four bedroom dwellings respectively. There are no areas within the 30 minute catchment rated as affordable for either three or four bedroom dwellings. Rents for three bedroom dwellings across the area are largely rated as unaffordable with the exception of areas around Chatswood and Manly which are significantly unaffordable. For four bedroom dwellings, the only area that is unaffordable rather than significantly unaffordable is around Forestville and Killarney Heights.

Attachment 3

FIGURE 13. RENTAL AFFORDABILITY – MODERATE INCOME HOUSEHOLDS, 3 BEDROOM DWELLINGS

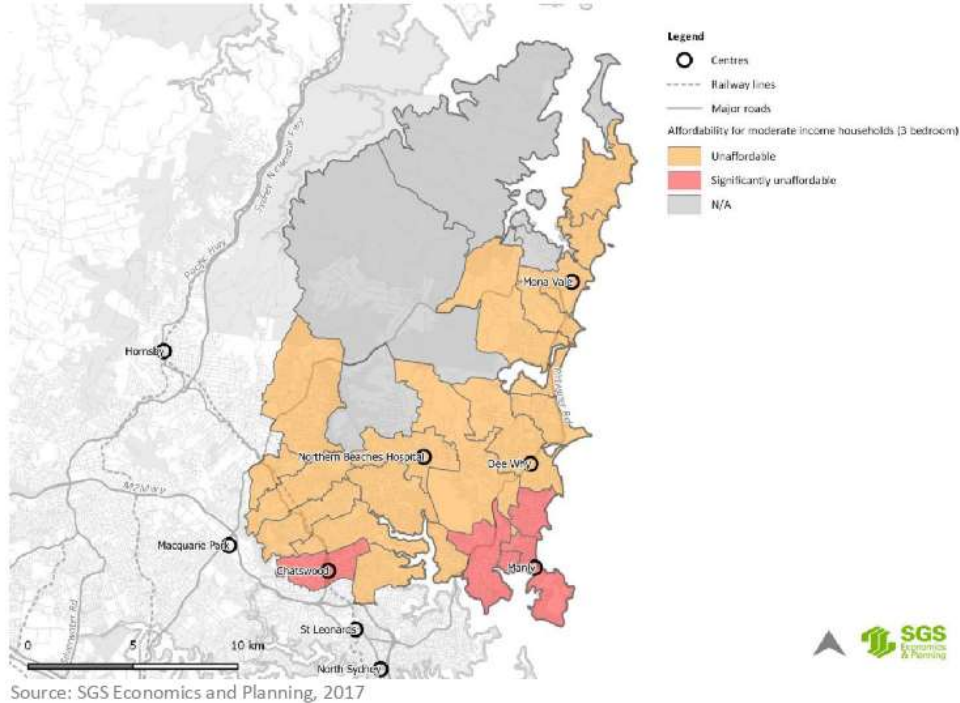
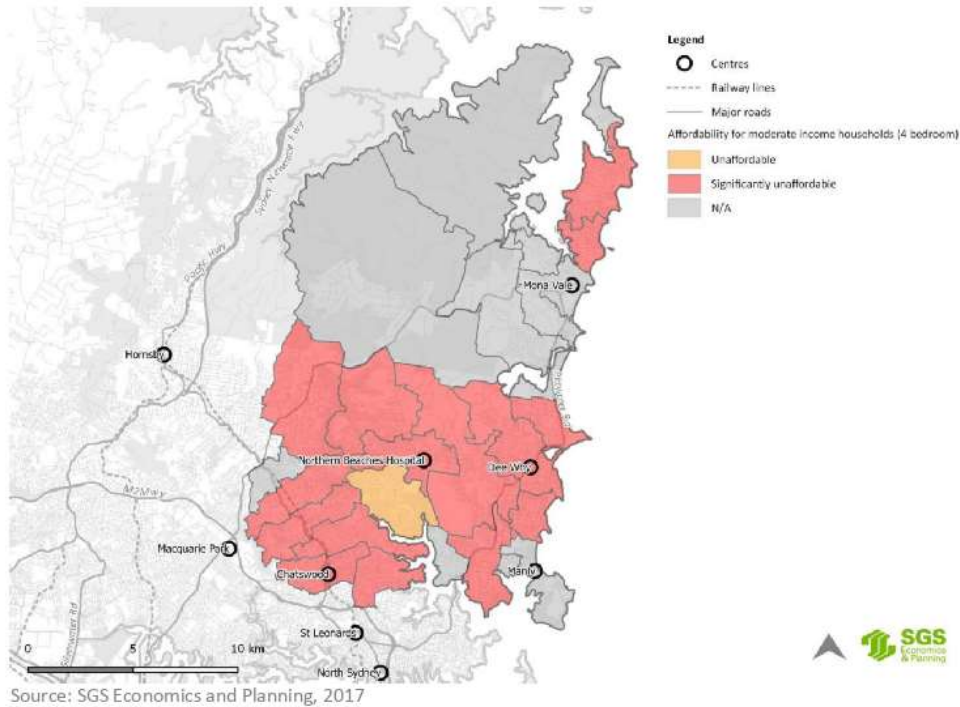


FIGURE 14. RENTAL AFFORDABILITY – MODERATE INCOME HOUSEHOLDS, 4 BEDROOM DWELLINGS



Attachment 3

3.5 Implications

Based on the above analysis of rental affordability within a 30 minute drive catchment of Frenchs Forest, there is currently a limited amount of affordable rental housing available in the area. Very low and low income households in particular cannot be accommodated within the private rental market without contributing the majority of their income to housing costs.

The analysis shows that rents within the catchment for one, two, three and four bedroom dwellings are currently at unaffordable prices for households on very low incomes. In all locations, very low income households are required to pay over half of their household income to rent, or there are not a sufficient number of rental properties on offer. One and two bedroom dwellings across the area are also generally at the unaffordable level for low income households, while three and four bedrooms rentals are significantly unaffordable.

Rents for one bedroom dwellings within the catchment are affordable for households earning moderate incomes, and there are some pockets of rental affordability in two bedroom dwellings. However, for the most part, both two bedroom and three bedroom dwellings are unaffordable for moderate income households, with some areas also rated as significantly unaffordable and requiring over half of household income in rent payments. Four bedroom dwellings are also significantly unaffordable even for those on moderate incomes, with the exception of one area that is still rated as unaffordable.

Based on the available data, rental housing around the Hospital Precinct in particular is also unaffordable to significantly unaffordable for the different dwelling sizes, even for households on moderate incomes. This emphasises the lack of affordable rental accommodation for families and larger households requiring 3 or more bedrooms found in the *Northern Beaches Affordable Housing Needs Assessment*.

This suggests that there is a need for more provision of affordable rental housing within the catchment and the Hospital Precinct. This will be particularly important for key workers which the Hospital Precinct is intending to accommodate, particularly for those key worker households requiring more than one bedroom.

4 AFFORDABLE HOUSING DEMAND FROM KEY WORKERS

This Chapter analyses demand for affordable housing from key workers. Current demand from key workers employed within a 30 minute commute of the Hospital Precinct is determined, as well as future demand for affordable housing from the development of the precinct under the draft *Hospital Precinct Structure Plan*. Future demand has been determined through two approaches; demand generated by future residents and demand from employment uses in the Hospital Precinct.

4.1 Current key worker affordable housing demand

Current demand for key workers has been determined from 2011 Census household income, occupation and place of work data. The 2011 Census is the most recent data available at the time of writing. Household income data has been inflated to 2016 dollars using the Wage Price Index published by the Australian Bureau of Statistics. This inflation provides an estimate of household incomes in the September Quarter of 2016 from the most recent available data. This inflation assumes household income follows the same distribution in 2016.

Table 2 identifies the number of key workers by industry in the catchment that would qualify for affordable housing in line with the requirements in the 2016/17 *NSW Affordable Housing Ministerial Guidelines*. In total, 9,230 workers in key worker occupations have a household income which qualifies for affordable housing. This equates to 39.99% of all key workers employed in this catchment (23,081 workers).

Almost half of the households (4,351 or 47% of eligible key workers) reside in moderate income households with a household income of between 80% and 120% of the Greater Sydney median household income. As noted in Chapter 2, moderate income households would not qualify for affordable housing delivered under the Greater Sydney Commission's proposed Affordable Rental Housing Target. Approximately 4,800 key workers employed within a 30 minute commute of the Hospital Precinct reside in very low and low income households.

TABLE 2. NUMBER OF KEY WORKERS ELIGIBLE FOR AFFORDABLE HOUSING

Household income category	Number of key workers	% of key workers
Very low	2,218	24.04%
Low	2,660	28.82%
Moderate	4,351	47.14%
Total	9,230	100.00%

Source: SGS Economics and Planning 2017, using ABS 2011

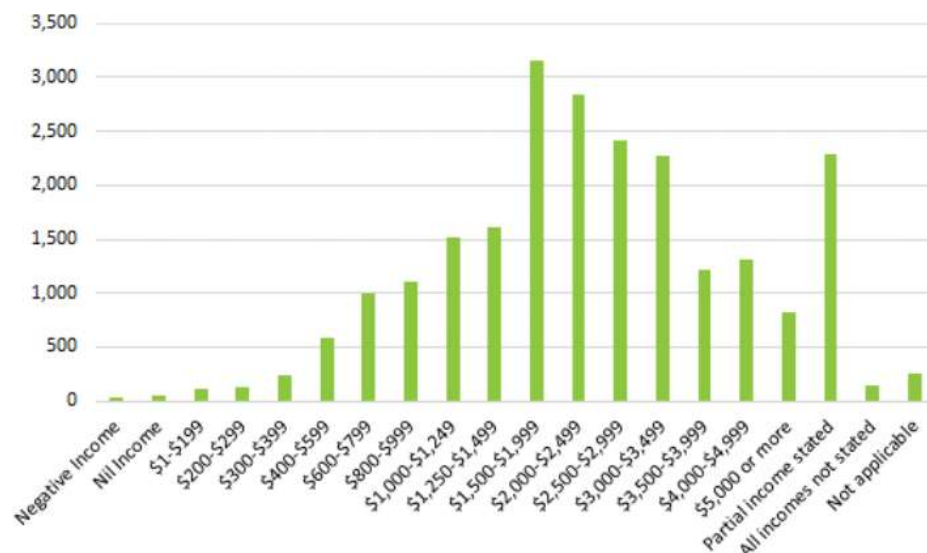
Note: This table assumes a uniform distribution of key workers within each income bracket.

The income distribution of key workers in the 30 minute commute catchment is shown in Figure 15 overleaf. The figure shows that there are significant proportion of key worker households have incomes slightly higher than the affordable housing threshold. There are also a significant number of households with a key worker employed in the catchment area which have not stated their complete household

Attachment 3

income. These households have been included in the overall count of key worker households and have been assumed to have household incomes that exclude them from affordable housing eligibility and may represent an underestimation of affordable housing demand.

FIGURE 15. INCOME DISTRIBUTION OF ALL KEY WORKERS



Source: SGS Economics and Planning 2017, using ABS 2011

4.2 Additional demand associated with the draft Hospital Precinct Structure Plan

Demand for key workers from residential development

Table 3 overleaf illustrates the proportion of key worker households to the residential population of the key worker catchment. As at the 2011 Census, there were 339,092 residents in the key worker catchment. Key workers eligible for affordable housing equate to 2.72% of all residents in the 30 minute commute catchment. Applying this rate to the resident yield of new development in the Hospital Precinct suggests that this development creates demand for an additional 127 key workers who are eligible for affordable housing.

Assuming one key worker per household, this demand equates to 5.99% of the total dwellings proposed. Of these households, 30 are very low income households, 37 are low income households and 60 are moderate income households. Demand for affordable housing dwellings from key workers in very low and low income households equates to 3.16% of the total dwellings proposed.

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**TABLE 3. ESTIMATED FUTURE DEMAND FOR KEY WORKER AFFORDABLE HOUSING
BASED ON CURRENT PROPORTION OF KEY WORKERS**

Household income category	Number of key workers	Proportion of all residents	Number of key workers per 1,000 residents	Number of key worker households to support new Hospital Precinct residents
Very low	2,218	0.65%	7	30
Low	2,660	0.78%	8	37
Moderate	4,351	1.28%	13	60
Total	9,230	2.72%	27	127

Source: SGS Economics and Planning 2017, using ABS 2011

Note: This table assumes a uniform distribution of key workers within each income bracket.

Demand from employment activities

The Northern Beaches Hospital Precinct is identified as a Strategic Centre in the draft *North District Plan* (discussed further in Appendix A). This distinction recognises the potential for Frenchs Forest as an employment destination anchored by the Northern Beaches Hospital. These employment activities are likely to generate demand from key workers employed in the Northern Beaches Hospital Precinct over and above demand required to support new residents.

The draft *Hospital Precinct Structure Plan* plans for an additional 2,350 jobs in Frenchs Forest in the short term. Of these new jobs, 1,300 of these will be at the Northern Beaches Hospital and 1,050 will be in the new Frenchs Forest town centre. Likely demand for affordable housing from key workers has been calculated for the new hospital and town centre separately.

Key worker affordable housing demand from the Northern Beaches Hospital

As noted above, the new Northern Beaches Hospital is expected to contain 1,300 jobs in the short term. Employment at the hospital is expected to increase to 1,900 in 2036. In the absence of a publicly available breakdown of workers forecast for the Northern Beaches Hospitals, the breakdown of occupations in NSW hospitals has been applied from the Australian Institute of Health and Wellbeing's *Hospital resources: 2014-15: Australian Hospital Statistics*.

For the purpose of this analysis, key worker demand from the Northern Beaches Hospital considers demand from key workers in Midwifery and Nursing Professional occupations. It is recognised that some key workers, including some workers in Cleaners and Laundry Workers and Personal Carers and Assistants occupations, may also be employed at the hospital. However, *Hospital resources: 2014-15: Australian Hospital Statistics* does not provide an appropriate breakdown to identify these occupations. All occupations other than Midwifery and Nursing Professionals are considered in demand generated from the town centre and demand from the Northern Beaches Hospital may represent an undercount.

Across NSW hospitals, 41.82% of all FTE staff are nurses¹. At the Northern Beaches Hospital, this would equate to 544 FTE staff employed as nurses. As noted in section 4.2, 39.99% of key workers currently employed within a 30 minute driving catchment of the Northern Beaches Hospital Precinct are eligible for affordable rental housing in line with the 2016/17 *NSW Affordable Housing Ministerial Guidelines*. Applying these assumptions and assuming one key worker per household, the Northern Beaches Hospital is likely to generate demand for 217 affordable housing dwellings. This equates to 10.27% of all dwellings proposed for under the draft *Hospital Precinct Structure Plan*.

Table 4 overleaf provides a breakdown of likely demand applying the income distribution assumptions outlined in section 4.2. Under these assumptions, and assuming one key worker per household, 52 households would be very low income households, 63 would be low income households and 102 would be moderate income households. Demand for affordable housing dwellings from key workers in very low and low income households equates to 5.43% of the total dwellings proposed.

¹ Australian Institute of Health and Wellbeing (2016) *Hospital resources: 2014-15: Australian Hospital Statistics*.

Attachment 3

TABLE 4. ESTIMATED FUTURE DEMAND FOR KEY WORKER AFFORDABLE HOUSING FROM NORTHERN BEACHES HOSPITAL

Household income category	Number of key worker households eligible for affordable housing	Proportion of all dwellings
Very low	52	2.47%
Low	63	2.96%
Moderate	102	4.84%
Midwifery and Nursing Professionals	217	10.27%

Source: SGS Economics and Planning 2017, using AIHW 2016, ABS 2011

Note: This table assumes a uniform distribution of key workers within each income bracket.

Key worker affordable housing demand from the Frenchs Forest town centre

A number of case studies have been reviewed to provide an indication of key worker demand stemming from the development of the new Frenchs Forest town centre. These case studies are centres in the North District of Greater Sydney which contain a public hospital. These centres are:

- Mona Vale (Mona Vale Hospital)
- Manly (Manly Hospital)
- Hornsby (Hornsby-Ku-ring-gai Hospital)
- Denistone-Eastwood (Ryde Hospital)
- North Ryde (Gladesville-Macquarie Hospital)
- St Leonards (Royal North Shore Hospital)

Current occupations in these centres have been determined from the Travel Zone/s that contain the centre and the hospital as defined by NSW Transport Performance and Analytics. Maps of the Travel Zones that make up these centres are included in Appendix C. The proportion of key worker occupations of all workers in each centre has been calculated, as well as the proportion of key workers eligible for affordable housing. As per the demand assessment from the Northern Beaches Hospital, it is assumed 39.99% of key workers would be in households eligible for affordable housing.

In order to avoid double counting, hospital occupations have been excluded from this demand analysis. To exclude these occupations, medical and administrative occupations associated with hospital operations that are located in the Travel Zone with the hospital have been removed. Workers in these occupations located in the centre (i.e. in the other Travel Zones that make up the centre) are still included. In some cases (i.e. St Leonards and North Ryde), part of the centre falls within the hospital Travel Zone. These assumptions may result in an undercount of key worker demand generated from workers in the Frenchs Forest town centre.

The proportion of key worker jobs in these centres ranges from 8.29% and 29.49% of all jobs in these centres. This equates to key workers in households eligible for affordable housing ranging between 3.31% and 11.76% of all workers in the centre. The median proportion of key workers eligible for affordable housing is 7.36% of all jobs in the centre. The proportion of key workers in the centre case studies are shown in Table 5 overleaf.

Attachment 3

TABLE 5. KEY WORKERS IN CASE STUDY CENTRES

	Proportion of key workers of all jobs	Proportion of key workers eligible for affordable housing	Equivalent key workers in the Frenchs Forest town centre
Mona Vale	22.01%	8.80%	92
Manly	9.07%	3.63%	38
Hornsby	29.42%	11.76%	123
Denistone	14.81%	5.92%	62
North Ryde	24.19%	9.67%	102
St Leonards	8.29%	3.31%	35
Median	18.41%	7.36%	77

Source: SGS Economics and Planning 2017, using TPA 2014 and ABS 2011

For the Frenchs Forest town centre, which is planned for 1,050 jobs in the short term, this equates to 77 key workers eligible for affordable housing. Assuming one key worker per household, this equates to 3.64% of all new dwellings planned for the Hospital Precinct. Demand for affordable housing from key workers employed in the new Frenchs Forest town centre would equate to 19 very low households, 22 low income households and 36 moderate income households. Demand for affordable housing dwellings from key workers in very low and low income households equates to 1.92% of the total dwellings proposed.

TABLE 6. ESTIMATED FUTURE DEMAND FOR KEY WORKER AFFORDABLE HOUSING FROM FRENCHS FOREST TOWN CENTRE

Household income category	Number of key worker households eligible for affordable housing	Proportion of all dwellings
Very low	19	0.87%
Low	22	1.05%
Moderate	36	1.72%
Total	77	3.64%

Source: SGS Economics and Planning 2017, using TPA 2014 and ABS 2011

Total demand from employment in the Hospital Precinct

Table 7 shows the total likely demand for affordable housing generated by key workers employed in the Hospital Precinct. In total, there is likely demand for affordable housing for 294 key workers in the Hospital Precinct. Assuming one key worker per household, this equates 13.91% of all new housing proposed. If only very low and low income households are considered, key worker demand for affordable housing equates to 7.35% of all dwellings proposed.

TABLE 7. ESTIMATED FUTURE DEMAND FOR KEY WORKER AFFORDABLE HOUSING FROM EMPLOYMENT

	Hospital	% of all dwellings	Town centre	% of all dwellings	Key worker affordable housing	% of all dwellings
Very low	52	2.47%	19	0.87%	71	3.34%
Low	63	2.96%	22	1.05%	85	4.01%
Moderate	102	4.84%	36	1.72%	139	6.56%
Total	217	10.27%	77	3.64%	294	13.91%

Source: SGS Economics and Planning 2017, using AIHW 2016, TPA 2014 and ABS 2011

Attachment 3

4.3 Summary

The Hospital Precinct has demonstrated current and future demand for affordable housing to support key workers. There are currently 9,230 key workers employed within a 30 minute catchment of the Hospital Precinct who reside in households eligible for affordable housing in accordance with the 2016/17 *NSW Affordable Housing Ministerial Guidelines*.

Future demand for affordable housing from key workers has been calculated considering demand to support the new residents of the Hospital Precinct (5.99% of all dwellings (127 dwelling or approximate 12,700sqm of residential floorspace)) and from proposed employment uses in the Hospital Precinct (13.91% of all dwellings (294 dwellings or approximately 29,400sqm of residential floorspace)).

If only very low and low income households are considered as per the proposed Affordable Rental Housing Target, affordable housing demand from key workers would equate to 3.16% of all dwellings proposed if only demand from residents is considered (the equivalent of 67 dwellings or approximately 6,700sqm of residential floorspace). If demand from employment uses is considered, there is likely demand for 156 affordable housing dwellings to support key workers. This equates to 7.35% of all dwellings proposed or approximately 15,600sqm of residential floorspace.

5 FEASIBILITY OF AFFORDABLE HOUSING PROVISION

The previous chapters have established there is likely demand for up to 294 affordable housing dwellings from key workers in the Hospital Precinct from new development under the draft *Hospital Precinct Structure Plan* in addition to existing demand for affordable housing. Chapter 3 also demonstrated that this demand cannot be met under current market conditions, especially for very low and low income households.

This Chapter tests the feasibility of providing affordable housing through developer contributions to meet this forecast likely demand. The feasibility assessment builds on the *Northern Beaches Hospital Precinct Structure Plan: Feasibility Assessment* prepared by MacroPlan Dimasi in March 2017. The methodology and assumptions used to inform the feasibility assessment are outlined as well as the results of the affordable housing contribution scenarios tested.

5.1 Feasibility modelling methodology

For the purpose of the report, the feasibility assessment considers the financial viability of the precinct as a whole rather than the feasibility of individual development sites. This differs from the approach adopted by MacroPlan Dimasi. A precinct-wide feasibility assessment has been employed as the nature of development sites and the amalgamation of lots is unknown and floorspace for affordable housing would be levied across the precinct.

A bespoke residual land value model has been developed by SGS to test the feasibility of development in the Hospital Precinct. The model calculates the residual land value of the development by deducting all the development costs from the sales revenues of all new dwellings and commercial development in the current market. The development costs include the construction costs plus contingencies, professional fees, typical profit margin for the developer, interest charges and sales transaction costs.

This model aims to determine the threshold for an affordable housing levy, i.e. the point beyond which the proportion of affordable housing levied makes the development unviable. The development is usually considered feasible when the residual land value is greater than the current land value.

A levy on non-residential floorspace developed as part of the draft *Hospital Precinct Structure Plan* has also been tested as part of this assessment. A levy of 1% for all non-residential floorspace has been tested. This is in accordance with available precedent in NSW in the *Sydney Local Environmental Plan 2012*.

Attachment 3

5.2 Key inputs and assumptions

Development form and land use mix

Assumptions for dwelling and land use mix and dwelling size applied in the *Northern Beaches Hospital Precinct Structure Plan: Feasibility Assessment* have been obtained from MacroPlan Dimasi and incorporated in this analysis.

Land values

Land value assumptions have been taken from the *Northern Beaches Hospital Precinct Structure Plan: Feasibility Assessment*. The land value applied for this analysis is \$2,300 per square metre of developable land.

Land development costs

The following land development costs have been considered as part of this analysis:

- Construction costs for different built forms, including a mix of dwelling types, including construction contingency
- Professional fees
- GST
- External works and services
- Infrastructure contributions
- Key worker housing levy

Construction costs

Construction costs have been taken from *Rawlinsons Construction Cost Guide (Rawlinsons)*. *Rawlinsons* is widely recognised as an industry standard and reference guide for construction costs across Australia and a variety of built forms. Costs are included at a per square metre rate. A construction contingency of 10% of construction costs has also been applied.

Professional fees and external works and services

These costs assumptions represent a percentage of the construction costs. For the purposes of this assessment, professional fees are assumed to be 15% of construction and external works and services represent 3% of construction costs.

Infrastructure contributions

As per the *Northern Beaches Hospital Precinct Structure Plan: Feasibility Assessment*, a \$20,000 Special Infrastructure Contribution per dwelling is assumed in addition to local infrastructure development contributions of \$20,000 per dwelling.

In addition to these infrastructure levies, a levy for key worker housing has been applied to provide affordable housing for key workers to meet the likely demand established in Chapter 4. The feasibility assessment treats an affordable housing contribution as a development contribution in accordance with the current legislative framework (i.e. SEPP 70).

Transaction costs

Transaction costs considered as part of this analysis include:

- Sales expenses
- Interest charges

Sales expenses are assumed to represent 4% of the sales revenue for each dwelling. Interest charges are based on an interest rate of 10% p.a. over a two year construction period.

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Sales revenue

Sales revenue assumptions have been applied from the *Northern Beaches Hospital Precinct Structure Plan: Feasibility Assessment* as follows:

- Townhouses
 - 1 bedroom - \$8,500 per square metre
 - 2 bedroom - \$8,500 per square metre
 - 3 bedroom - \$8,500 per square metre
- Apartments
 - 1 bedroom - \$10,500 per square metre
 - 2 bedroom - \$11,000 per square metre
 - 3 bedroom - \$11,000 per square metre
- Retail - \$7,000 per square metre
- Commercial/Other - \$6,500 per square metre

5.3 Feasibility results**Exhibited development scenario**

Using the aforementioned inputs and assumptions, the residual land value of the development of the draft *Hospital Precinct Structure Plan* with a key worker affordable housing levy has been calculated. The development of the Hospital Precinct as exhibited in the draft *Hospital Precinct Structure Plan* is not feasible. This is regardless of whether an affordable housing levy is applied to the development or not. The feasibility calculations are shown overleaf in Table 8.

It is important to note that this feasibility assessment considers current market conditions. It is likely that market conditions will shift into the future, which in turn impacts the revenue and costs assumptions applied in this analysis. Prices may change to absorb costs associated with the development of affordable rental housing, as had been forecasted for costs associated with BASIX requirements², however it is difficult to predict such price movement, as it can be impacted by a range of other market factors, including increasing demand for housing.

² Allen Consulting Group 2013, *Benefit-cost analysis of proposed BASIX stringency settings*, Report to the Department of Planning and Infrastructure, Sydney, June.

Attachment 3

TABLE 8. FEASIBILITY RESULTS – EXHIBITED DEVELOPMENT SCENARIO

Affordable housing levy	0.00%
Costs	\$
Townhouses	\$45,258,353
Apartments	\$407,439,371
Retail	\$48,750,000
Office	\$3,864,000
Total Dwelling Costs	\$505,311,724
External works and services	\$15,159,352
Construction contingency	\$50,531,172
Professional fees	\$75,796,759
Construction GST	\$50,531,172
Local Infrastructure Contributions	\$42,320,000
SIC	\$42,320,000
Interest charges	\$156,394,036
Developer's profit margin	\$156,394,036
TOTAL Construction Costs	\$1,094,758,250
Revenue	
Townhouses	
1 bedroom	\$48,266,400
2 bedroom	\$83,538,000
3 bedroom	\$49,857,600
Apartments	
1 bedroom	\$793,346,400
2 bedroom	\$624,393,000
3 bedroom	\$115,434,000
Retail	\$148,750,000
Office	\$12,240,000
Sales expenses	(\$75,033,016)
AH contributions - Res only	\$0.00
AH contributions - Non-res	\$0.00
TOTAL Revenue	\$1,800,792,384
Residual Land Value	\$706,034,134
Current Land Value	\$727,798,200
Feasibility Ratio	0.97

Source: SGS Economics and Planning, 2017

Attachment 3

Alternate floorspace ratio scenario

An alternate development scenario has been prepared in light of the results of the feasibility test shown in Table 8, the findings of feasibility testing for individual sites prepared by MacroPlan Dimasi and the draft policy commitments of Northern Beaches Council. MacroPlan Dimasi's report found that the five individual sites tested were not feasible under the development controls as exhibited in the draft *Hospital Precinct Structure Plan*. This is consistent with the findings shown in Table 8. MacroPlan Dimasi's report suggested changes to development controls, primarily through increased floorspace ratios, to improve the feasibility of individual developments in the Northern Beaches Hospital Precinct

Separately, a commitment to 10% residential floorspace levy for affordable rental housing at the Northern Beaches Hospital Precinct has been included in Council's *Draft Affordable Housing Policy*. A similar draft commitment is made for the Ingleside precinct.

Furthermore, revised traffic modelling has been prepared as part of the Hospital Precinct planning process has indicated additional development capacity may be achievable without comprising the road network in and around the precinct.

In light of these factors, increased floorspace ratios have been tested alongside a 10% affordable housing levy for residential floorspace. Revised floorspace ratios have been provided by Council. This analysis assumes approximately 3,680 dwellings in the Hospital Precinct in line with revised traffic modelling prepared by ARUP.

The results of the feasibility testing are shown in Table 9 overleaf. Under the alternate floorspace development scenario, a 10% affordable housing levy would be feasible under current market conditions. This equates to approximately 36,347sqm of residential floorspace.

An affordable housing levy up to 18.00% of all residential floorspace has been found to be feasible under current market conditions. Table 10 overleaf outlines the feasibility calculations for the Hospital Precinct for this threshold levy. Under the alternate FSR development scenario, this equates to approximately 65,290sqm of residential floorspace.

A 1% affordable housing levy on non-residential floorspace has also been tested, as shown in Table 11. With the inclusion of a 1% levy on non-residential floorspace, an affordable housing levy on residential floorspace is feasible up to 17.90% of all residential floorspace. Along with a 1% levy on non-residential floorspace, this equates to approximately 65,564sqm of floorspace.

Attachment 3

TABLE 9. FEASIBILITY RESULTS – ALTERNATE FSR DEVELOPMENT SCENARIO – 10% LEVY

Affordable housing levy	10.00%
Costs	
Townhouses	\$32,638,235
Apartments	\$814,248,188
Retail	\$48,750,000
Office	\$3,864,000
Total Dwelling Costs	\$899,500,424
External works and services	\$26,985,013
Construction contingency	\$89,950,042
Professional fees	\$134,925,064
Construction GST	\$89,950,042
Local Infrastructure Contributions	\$72,540,000
SIC	\$72,540,000
Interest charges	\$277,278,117
Developer's profit margin	\$277,278,117
TOTAL Construction Costs	\$1,940,946,818
Revenue	
Townhouses	
1 bedroom	\$34,807,500
2 bedroom	\$60,243,750
3 bedroom	\$35,955,000
Apartments	
1 bedroom	\$992,864,712
2 bedroom	\$1,272,512,158
3 bedroom	\$826,816,254
Retail	\$148,750,000
Office	\$12,240,000
Sales expenses	(\$135,367,575)
AH contributions - Res only	(\$322,319,937.38)
AH contributions - Non-res	\$0.00
TOTAL Revenue	\$2,926,501,861
Residual Land Value	\$985,555,043
Current Land Value	\$727,798,200
Feasibility Ratio	1.35

Source: SGS Economics and Planning 2017

Attachment 3

**TABLE 10. FEASIBILITY RESULTS – ALTERNATE FSR DEVELOPMENT SCENARIO –
THRESHOLD LEVY ON RESIDENTIAL FLOORSPACE**

Affordable housing levy	18.00%
<hr/>	
Costs	\$
Townhouses	\$32,638,235
Apartments	\$814,248,188
Retail	\$48,750,000
Office	\$3,864,000
Total Dwelling Costs	\$899,500,424
<hr/>	
External works and services	\$26,985,013
Construction contingency	\$89,950,042
Professional fees	\$134,925,064
Construction GST	\$89,950,042
Local Infrastructure Contributions	\$72,540,000
SIC	\$72,540,000
Interest charges	\$277,278,117
Developer's profit margin	\$277,278,117
TOTAL Construction Costs	\$1,940,946,818
<hr/>	
Revenue	
Townhouses	
1 bedroom	\$34,807,500
2 bedroom	\$60,243,750
3 bedroom	\$35,955,000
Apartments	
1 bedroom	\$992,864,712
2 bedroom	\$1,272,512,158
3 bedroom	\$826,816,254
Retail	\$148,750,000
Office	\$12,240,000
Sales expenses	(\$135,367,575)
AH contributions - Res only	(\$580,076,780.62)
AH contributions - Non-res	\$0.00
TOTAL Revenue	\$2,668,745,018
<hr/>	
Residual Land Value	\$727,798,200
Current Land Value	\$727,798,200
Feasibility Ratio	1.00

Source: SGS Economics and Planning 2017

Attachment 3

**TABLE 11. FEASIBILITY RESULTS – ALTERNATE FSR DEVELOPMENT SCENARIO –
THRESHOLD LEVY ON RESIDENTIAL AND NON-RESIDENTIAL FLOORSPACE**

Affordable housing levy – res floorspace	17.90%
Affordable housing levy – non-res floorspace	1.00%
<hr/>	
Costs	\$
Townhouses	\$32,638,235
Apartments	\$814,248,188
Retail	\$48,750,000
Office	\$3,864,000
Total Dwelling Costs	\$899,500,424
External works and services	\$26,985,013
Construction contingency	\$89,950,042
Professional fees	\$134,925,064
Construction GST	\$89,950,042
Local Infrastructure Contributions	\$72,540,000
SIC	\$72,540,000
Interest charges	\$277,278,117
Developer's profit margin	\$277,278,117
TOTAL Construction Costs	\$1,940,946,818
<hr/>	
Revenue	
Townhouses	
1 bedroom	\$34,807,500
2 bedroom	\$60,243,750
3 bedroom	\$35,955,000
Apartments	
1 bedroom	\$992,864,712
2 bedroom	\$1,272,512,158
3 bedroom	\$826,816,254
Retail	\$148,750,000
Office	\$12,240,000
Sales expenses	(\$135,367,575)
AH contributions - Res only	(\$576,952,687.91)
AH contributions - Non-res	(\$1,609,900.00)
TOTAL Revenue	\$2,670,259,211
<hr/>	
Residual Land Value	\$729,312,393
Current Land Value	\$727,798,200
Feasibility Ratio	1.00

Source: SGS Economics and Planning 2017

Attachment 3

Monetary payment in lieu of in kind contribution

Under section 94F of the *Environmental Planning and Assessment Act 1979*, consent authorities that can levy affordable housing under that provision can require the dedication of land, a monetary contribution, or both for the purposes for affordable housing. This section provides an indication of the equivalent monetary contribution in lieu of residential floorspace for the alternate floorspace ratio scenario outlined above.

The monetary contribution has been calculated as a percentage of the sales price per square metre. The same percentage that is applied to residential floorspace is applied to the average sales price per square metre of development assumed in this analysis (i.e. \$10,714 per square metre).

If an affordable rental housing levy of 10% of all residential floorspace is applied, the equivalent monetary contribution is \$1,071 per square metre of residential floorspace in the development. This increases to \$1,929 per square metre if the threshold levy of 18% were to be applied.

If a levy on non-residential floorspace were to be applied as per the feasibility assessment in Table 11, the equivalent monetary contribution would be \$1,918 for residential floorspace and \$69 per square metre of non-residential floorspace.

Impact of floorspace ratio on feasibility of affordable housing

The potential floorspace ratio of residential and mixed use development in the Hospital Precinct has a significant impact on the feasibility of development. Table 12 presents a 'sliding scale' of floorspace ratios and the resulting maximum percentage of affordable housing before development of the Hospital Precinct becomes unfeasible. Table 12 assumes that all land in the Hospital Precinct has the same floorspace ratio (which is not the case under the draft Structure Plan nor the alternate floorspace ratio scenario above) and the height of buildings remains consistent with the draft *Hospital Precinct Structure Plan*.

Table 12 shows that the provision of affordable rental housing will become feasible when all sites within the Precinct have a floorspace ratio of 1.5:1. At this point, a maximum proportion of 10.91% of residential floorspace contributed as affordable rental housing is feasible. This up to 31.31% if the floorspace ratio is 5.0:1 across all sites in the Hospital Precinct.

TABLE 12. IMPACT OF FSR ON THE FEASIBILITY OF AFFORDABLE HOUSING

FSR	% of affordable housing that is feasible
5.0:1	31.31%
4.5:1	30.57%
4.0:1	29.66%
3.5:1	28.59%
3.0:1	27.09%
2.5:1	24.93%
2.0:1	21.14%
1.5:1	10.97%
1.0:1	0%
0.5:1	0%

Source: SGS Economics and Planning 2017

Note: This table assumes all lots have the same floorspace ratio and maximum height buildings is as per the draft *Hospital Precinct Structure Plan*.

6 CONCLUSION AND RECOMMENDATIONS

There is a clear economic rationale for the provision of affordable housing near key employment, recreation and transport nodes to provide housing for key workers and support the productive functioning of cities. Recent changes to policy in NSW and Greater Sydney, in particular the proposal to introduce an Affordable Rental Housing Target, provide a framework to deliver new affordable housing dwellings to support those in need, and very low and low income households.

It is evident that there is a need for affordable housing in and around the Hospital Precinct. Within a 30-minute commute of the Hospital Precinct, there were 9,230 key workers employed in the area who also were eligible for affordable housing under the requirements of the 2016/17 *NSW Affordable Housing Ministerial Guidelines*. However, the current rental market is unable to adequately deliver affordable rental housing to support key workers. This is especially true for very low and low income households as well as households containing key workers that require more than two bedrooms.

The development of the Hospital Precinct in accordance with the draft *Hospital Precinct Structure Plan* brings with it additional demand for affordable housing driven by key workers employed in the precinct and those required to support the new residential population. Based on the scale and nature of development proposed, there is likely demand for approximately 294 affordable housing dwellings, which equates to approximately 29,400sqm of residential floorspace or 13.91% of all dwellings proposed. If only very low and low income households are considered, as per the proposed Affordable Rental Housing Target, key worker demand for affordable housing equates to 156 affordable housing dwellings. This is equivalent to 15,600sqm of residential floorspace or 7.35% of all dwellings proposed.

However, the provision of affordable housing dwellings to fully accommodate demand is not feasible under current market conditions and the exhibited development controls under the draft *Hospital Precinct Structure Plan*. Feasibility testing for the entire precinct found that the development of the precinct under the exhibited development controls is not feasible, regardless of whether an affordable housing levy is applied or not.

An alternate development scenario with different floorspace ratios has been tested in light of the feasibility testing prepared by SGS and MacroPlan Dimasi, Council's commitment to a 10% levy in the *Draft Affordable Housing Policy*, and revised traffic modelling. Under this alternate scenario with increased floorspace ratios, an affordable housing levy of 10% of residential floorspace is feasible. An affordable housing levy remains feasible until it encompasses 18.00% of all residential floorspace. If a 1% affordable housing levy is also applied to non-residential floorspace, development of the Hospital Precinct under the alternate floorspace ratio development scenario remains feasible up to 17.90% of the residential floorspace.

It is recognised that this feasibility assessment adopts a precinct wide approach. As such, this does not consider site-specific costs and mix of residential and non-residential floorspace which vary on a site by site basis. The proposed Affordable Rental Housing Target prepared by the Greater Sydney Commission enables some flexibility in providing affordable housing subject to development feasibility.

In light of this analysis and the potential variation in development feasibility on a site by site basis, it is therefore recommended that an affordable housing levy should not be applied if the development controls exhibited under the draft *Hospital Precinct Structure Plan* are implemented. However, if floorspace ratios are increased in line with the alternate floorspace ratio scenario provided by Council, it

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is recommended that 10% of new residential floorspace be levied for the provision of affordable rental housing at the Northern Beaches Hospital Precinct. In accordance with the Greater Sydney Commission's proposed Affordable Rental Housing Target, this levy should provide for very low and low income households.

A 10% levy would accommodate the demand for affordable housing generated by key workers employed in the Hospital Precinct who reside in very low and low income households (calculated to 7.35% of residential floorspace). The remaining residential floorspace could provide affordable rental housing to very low and low income households that do not have key workers. Further targets could be applied by Northern Beaches Council to accommodate some demand generated from moderate income key worker households.

A 10% levy is considered appropriate in light of the policy framework established by the Greater Sydney Commission and the draft policy exhibited by Northern Beaches Council. A 10% levy also recognises that the Northern Beaches Hospital Precinct is not the only location suitable for the provision of affordable rental housing in the local government area. The proposed levy returned a feasibility ratio of 1.35, indicating that there is potential for value uplift of 35% above the current land value. This provides an incentive for developers and landowners to develop within the precinct above the assumed internal rate of return and contribute to the provision of affordable rental housing.

The recommended levy only considers new demand generated by the development of the Hospital Precinct. It is stressed that this levy does not address existing demand for affordable housing as identified in the *Northern Beaches Affordable Housing Needs Analysis*.

Furthermore, it is unlikely that all key workers would require or choose to reside in the Northern Beaches Hospital Precinct. The Northern Beaches local government area has several high amenity locations which have greater accessibility to services and activities other than employment, such as recreation and leisure, and have high natural amenity. It is therefore recognised that key workers choosing to locate close to employment in the Hospital Precinct may not locate directly in the precinct and may locate elsewhere in the local government area.

Therefore, the application of an Affordable Rental Housing Target should be considered in the future across the Northern Beaches local government area in light of the findings of this report, the *Northern Beaches Affordable Housing Needs Analysis* and the draft Action Plan of Northern Beaches Council's *Draft Affordable Housing Policy*.

APPENDIX A - DETAILED POLICY REVIEW

Legislative requirements

Environmental Planning and Assessment Act 1979

An Object of the *Environmental Planning and Assessment Act 1979* is to 'encourage the provision and maintenance of affordable housing'. Under Part 3 Environmental Planning Instruments, 'providing, maintaining and retaining, and regulating any matter relating to affordable housing' is an objective in the contents of environmental planning instruments. The *Environmental Planning and Assessment Act 1979* also provided provisions for a consent authority to levy affordable housing as a development contribution subject to a state environmental planning policy identifying the need for affordable housing in that area (i.e. SEPP 70).

State Environmental Planning Policy (Affordable Rental Housing) 2009

The primary aim of the *State Environmental Planning Policy (Affordable Rental Housing) 2009* is to provide a consistent planning regime for the provision of affordable rental housing. The environmental planning instrument defines affordable housing as the following:

Affordable housing means housing for very low income households, low income households or moderate income households, being such households as are prescribed by the regulations or as are provided for in an environmental planning instrument.

Divisions under the Policy are designed to guide and facilitate the delivery of new affordable rental housing and include development direction for in-fill affordable housing managed by community housing providers, secondary dwellings, boarding houses, supportive accommodation, residential flat buildings (social housing providers, public authorities and joint ventures), residential development by the Land and Housing Corporation and group homes. The policy provides controls which enable community housing sectors to provide a range of different types of new affordable housing through both private developers and social housing providers.

State Environmental Planning Policy 70 Affordable Housing (Revised Schemes)

The aim of *State Environmental Planning Policy No 70 Affordable Housing (Revised Schemes)* (SEPP 70) is to recognise areas where the need for affordable housing has been identified in accordance with the *Environmental Planning and Assessment Act 1979*. The land to which this policy applies does not include the Northern Beaches local government area.

SEPP 70 outlines the Schedule 2 provides a set of affordable housing principles, which includes:

- Affordable housing is to be created and managed so that a socially diverse residential population representative of all income groups in developed and maintained in a locality.
- Affordable housing is to be made available to a mix of very low, low and moderate income households.
- Affordable housing is to be rented to appropriately qualified tenants and at an appropriate rate of gross household income.
- Land provided for affordable housing is to be used for the purpose of the provision of affordable housing.

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- Buildings provided for affordable housing, after deduction of normal landlord's expenses (including management and maintenance costs and all rates and taxes payable in connection with the dwellings), is generally to be used for the purpose of improving or replacing affordable housing or for providing additional affordable housing.
- Affordable housing is to consist of dwellings constructed to a standard that, in the opinion of the consent authority, is consistent with other dwellings in the vicinity.

NSW Government policy

NSW Affordable Housing Ministerial Guidelines (2016/17)

The *NSW Affordable Housing Ministerial Guidelines* sets out the criteria for eligibility for affordable rental housing in NSW. The primary criterion is the income of the household. The 2016/17 *NSW Affordable Housing Ministerial Guidelines* identify the maximum household income for very low, low and moderate income households in Greater Sydney and the balance of NSW. Applicants for affordable housing also must be in housing need and unable to resolve this need in the current market without assistance.

Under section 8.5 of the 2016/17 *NSW Affordable Housing Ministerial Guidelines*, additional eligibility criteria aside for income may be applied to some affordable housing dwellings. A connection to a local area, including living and working in an area, are recognised examples of additional eligibility criteria that can be applied to affordable housing.

It is noted that affordable housing should target households across income bands experiencing housing stress under section 9 of 2016/17 *NSW Affordable Housing Ministerial Guidelines*. The allocation of affordable housing by community housing providers should prioritise the following cohorts:

- households in housing stress whose housing need cannot be met in the short to medium term, or
- households with the potential to transition into home ownership in the medium term, or
- social housing applicants and tenants, including those exiting social housing, seeking another choice of housing which may be more suited to their needs.

A Plan for Growing Sydney (2014)

A Plan for Growing Sydney was released in December 2014 as the NSW Government's plan for metropolitan Sydney over the next 30 years. The Northern Beaches Hospital Precinct is recognised as a Strategic Centre under the Plan. The Plan details that the priority for the centre is to 'work with council to provide capacity for additional mixed-use development in Northern Beaches Hospital Precinct including offices, health, retail, services and housing' (*A Plan for Growing Sydney*, 2014, p126).

Goal 2 under the Plan states 'a city of housing choice, with homes that meet our needs and lifestyles'. As outlined in the Plan, the purpose of this goal is to enable people to live close to work, education and social activities and to ensure new housing is supported by local infrastructure and services that reflect the changing demographic needs and different household budgets. The directions and actions under Goal 2 have been established to implement actions to achieve this goal. Relevant directions and actions under Goal 2 include:

- Direction 2.1: Accelerate housing supply across Sydney
 - Accelerate housing supply and local housing choices
 - Accelerate new housing in designated infill areas (established urban areas) through the priority precincts and UrbanGrowth NSW programs
 - Deliver more housing by developing surplus or under-used government land
- Direction 2.2: Accelerate urban renewal across Sydney – providing homes closer to jobs
 - Use the Greater Sydney Commission to support council-led urban infill projects
 - Undertake urban renewal in transport corridors which are being transformed by investment, and around strategic centres
- Direction 2.3: Improve housing choice to suit different needs and lifestyle

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- Require local housing strategies to plan for a range of housing types
- Enable the subdivision of existing homes and lots in areas suited to medium density housing
- Deliver more opportunities for affordable housing.

Draft North District Plan

The Greater Sydney Commission has been established by the *Greater Sydney Commission Act 2015*. The Greater Sydney Commission have been tasked with delivering the District Plans for metropolitan Sydney which provide strategic direction based on the actions established in *A Plan for Growing Sydney*. In preparation of the draft District Plans, *A Plan for Growing Sydney* has been amended to further align with the vision in the draft District Plans.

Towards Great Sydney 2056 outlines a draft amendment to *A Plan for Growing Sydney* in order to align with the vision set out in the draft District Plans. The amendment focuses on Sydney as a metropolis of three cities as presented in the draft District Plans.

The Northern Beaches Hospital Precinct at Frenchs Forest falls within the strategic planning for the North District. Under the draft *North District Plan* (2016), the Northern Beaches Hospital and surrounding industrial areas are considered a Strategic Centre with a population of 9,300 (2016) and forecast to reach a baseline target of 12,000 by 2036. A housing target of 97,000 new dwellings by 2036 has been forecast in the draft *North District Plan* across the district. A five year target of 3,400 dwellings has been established for the Northern Beaches local government area.

The draft *North District Plan* builds on the affordable housing direction in *A Plan for Growing Sydney* by establishing a target for the provision of affordable rental housing in new urban renewal and land release areas for the low and very low income households. The proposed Affordable Rental Housing Target proposes 5% to 10% of new floorspace at the rezoning stage to be dedicated to affordable housing. The target can only be applied in areas which have a demonstrated current or future need for affordable housing, subject to development feasibility. The target applies to new floorspace above the existing permissible floorspace. It is proposed that dwellings are secured by the relevant planning authority and passed on to a registered community housing provider to manage.

Affordable housing dwellings constructed under the Affordable Rental Housing Target are only to be provided to very low and low income households as per the definitions in the Ministerial Guidelines. The draft District Plans make clear that this does not preclude councils encouraging affordable rental housing to support moderate income households.

It is noted in the draft *North District Plan* that this relates to supporting a supply of diverse housing types in the private market that are more affordable to key workers and moderate income households. The Plan identified that Greater Sydney requires 4,000 to 8,000 additional affordable dwellings per annum to meet the needs of low and very low income groups. Liveability actions have been established in the draft District Plan to address the provision of affordable housing and include:

- L1: prepare local housing strategies
- L6: support councils to achieve additional affordable housing
- L7: provide guidance on Affordable Rental Housing Targets
- L8: undertake broad approaches to facilitate affordable housing.

The Plan notes that the Greater Sydney Commission are in partnership with NSW Health and other state and local government stakeholders to provide new housing, including affordable housing, to support key workers.

Future Directions for Social Housing in NSW (2016)

In 2016, FACS released *Future Directions for Social Housing in NSW*, the guiding policy document for the department setting out the NSW Government's vision for social housing over the next 10 years. The policy has three key objectives over the next 10 years:

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- More social housing
- More opportunities, support and incentives to avoid and/or leave social housing
- A better social housing experience.

While focussed on social housing, *Future Directions* identifies affordable rental housing as ‘an ideal stepping stone’ along the housing continuum for households transitioning out of social housing. Affordable housing is also identified in *Future Directions* as a means to divert households away from social housing, providing subsidised rent to meet their needs and maintain social housing access for the most vulnerable of NSW’s households. In terms of contributions and delivery of affordable housing, affordable housing is identified as a feature of the Social and Affordable Housing Fund and Land and Housing Corporation redevelopments. *Future Directions* also includes a policy action to ‘explore options to better utilise Government land for social and affordable housing’.

As part of *Future Directions*, FACS have commenced two programs to deliver additional social and affordable housing on current government-owned properties (through Communities Plus) and on privately owned land (through the Social and Affordable Housing Fund). While both programs aim to increase social and affordable housing stock, the focus remains on social housing to achieve the key objectives of *Future Directions*.

Local government policy

Draft Warringah Housing Strategy (2011)

The *Draft Warringah Housing Strategy* was prepared to determine how Warringah will meet the NSW Government’s housing target of 10,300 new dwellings between 2005 and 2031. The purpose of the Strategy is to ensure Council’s planning policies respond to the housing demand of the current and future population.

The objectives of the Strategy include:

- Ensure that an adequate supply of appropriate land is appropriately zoned for residential development.
- Plan for housing in accessible location to transport and services.
- Provide a more constrained and efficient pattern of urban development with an emphasis on efficient and effective use of existing and new facilities, services and infrastructure.
- Optimise the use of existing infrastructure, services and facilities.
- Facilitate a diversity of housing options through the provision of a greater mix of housing, in terms of type, density and affordability, to accommodate an increasing and diverse population.
- Minimise the impacts of residential growth on the natural environment.
- Encourage development that will enhance the amenity of residential areas, and ensure that new housing relates to the character and scale of existing residential development.

The Strategy does not explicitly detail the extent of demand for affordable housing in the local government area. However, the Strategy identifies the importance of the availability of affordable housing at a local level and the role of local government in influencing the availability of affordable housing directly through partnerships with social housing providers, or indirectly, through planning policy. The Strategy recognises the importance of affordable housing at a local level, noting affordable housing:

- Allows essential service workers such as shop assistants, bus drivers, construction workers, cleaners, nurses and teachers, to live close to work. A shortage of affordable housing will force lower income earners to relocate to more affordable areas and thereby face longer commute times to work which will contribute to poor environmental outcomes.
- Provides housing for a diverse local workforce.
- Provides direct economic benefits to the local community, including increased demand for a range of goods and services which in turn provides increased local employment opportunities.
- Meets the needs of the growing number of smaller households living in high-cost areas.

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- Promotes social integration and social diversity.

The Strategy highlights that there is capacity for 4,219 additional dwellings under current planning controls, however the percentage of affordable housing was not identified in the Strategy. The Strategy identified centres in the LGA capable of accommodating future growth as informed by the centres hierarchy under the former Metropolitan Strategy (2005). This included the study area, Forest Way and Bantry Bay Road at Frenches Forest as a potential centre for additional housing. Dwelling forecasts were not published; however, it was highlighted that the Warringah LEP will need to be amended to enable more housing through rezoning and changes to development controls.

Northern Beaches Affordable Housing Needs Assessment (2016)

The purpose of the *Northern Beaches Affordable Housing Needs Assessment (2016)* is to understand the demand for affordable housing within the Northern Beaches local government area and the extent to which current provision of housing meets the needs of current and future residents. The document reports on the current state of the provision of affordable housing and affordable rental housing in the Northern Beaches local government area. The document does not include recommendations, however may inform the development of future housing strategies.

The *Northern Beaches Affordable Housing Needs Assessment* found that there were approximately 40,000 households in the Northern Beaches local government area falling within very low, low or moderate income households. This equates to approximately 52% of all households residing in the Northern Beaches local government area in 2011. The majority of very low, low or moderate income households were also experiencing housing stress in 2011, with 69% of households with mortgages and 79% of renting households experienced housing stress in 2011.

The *Northern Beaches Affordable Housing Needs Assessment* also found that this demand for affordable housing is likely to increase as the population of the local government area increases, household sizes reduce, and there are increases in key worker employment in the area. The *Northern Beaches Affordable Housing Needs Assessment* noted that this trend is likely to be exacerbated as the current supply of affordable housing is low and sales and rent prices continue to increase.

It was noted that jobs in 'key worker' occupations grew by over 1,500 between 2006 and 2011 within the Northern Beaches. In 2011, there were 11,500 jobs in 'key worker' occupations, accounting for 15% of all jobs within the Northern Beaches (ABS Census, 2011). Of this total, school teachers were the highest number of key worker jobs followed by hospitably workers and personal carers and assistances. Notably, the document highlighted that in 2011, there were 1,399 jobs in the 'midwifery and nursing professionals' occupation in the Northern Beaches and 2,352 resident workers (ABS Census, 2011).

The provision of affordable housing for key workers was raised as a challenge for local businesses. The document further noted that for those that cannot afford to live locally, public transport connections to the Northern Beaches is poor. The Northern Beaches has low levels of housing stock targeted at lower income households with 1,718 social rental properties. This accounts for 2% of total dwellings in the Northern Beaches local government area. The document reports that the distribution of social housing is concentrated in the suburbs of Narrabeen (16.9% of total dwellings), Brookvale (8.2%), Allambie Heights (5.4%), Forestville (4.6%) and Narrabeen (4.5%).

The document highlights that changing demographics, such as a growing and ageing population and the growth of lone person or 'non-family households' are likely to create demand for affordable housing. Further, affordable housing, particularly rental housing for key workers, will be needed to support the development of Northern Beaches Hospital at Frenches Forest.

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Draft Affordable Housing Policy (2017)

At the time of writing, Northern Beaches Council exhibited the *Draft Affordable Housing Policy*. The Draft Policy outlines a set of principles and policy statements designed to increase the range and supply of affordable housing in the local government area.

The Draft Policy includes the following eight policy statements outlining Council's approach and actions to support the provision of affordable housing:

- Council is committed to an affordable rental housing target of 10% of all new floor space (subject to feasibility) in the Ingleside and Northern Beaches Hospital (Frenchs Forest) precincts and all 'spot' rezonings (planning proposals) in the Northern Beaches.
- Targets for the provision of affordable rental housing in other parts of the Council area will be established through feasibility analysis as part of Council's new local housing strategy.
- Mechanisms to deliver more affordable market-based or private housing will be investigated as part of Council's new local housing strategy.
- Council will enter into a relationship with a Tier 1 community housing provider to manage and deliver affordable rental housing in the Northern Beaches.
- Council will undertake an expression of interest for a Tier 1 community housing provider every five years.
- Council's preference is to transfer the title of affordable rental housing delivered to Council to a Tier 1 community housing provider.
- Council will give priority to key worker occupations as tenants of affordable rental housing in the Northern Beaches.

The Draft Policy is accompanied by a draft Action Plan, identifying relevant actions and timing of the actions under each principle. Relevant actions to this study as per the draft Action Plan include, but are not limited to:

- A1 - Advocate for the inclusion of the Northern Beaches Hospital (Frenchs Forest) precinct in State Environmental Planning Policy No. 70 (SEPP 70) to mandate Council's affordable rental housing target.
 - Timing - 2017-2018
- A6 - Investigate financial incentives for the provision of affordable rental housing provided in perpetuity including development application fees reduction and rate rebates.
 - Timing - 2017-2018
- A7 - Waive section 94A development contributions for that part of any development proposal comprising affordable rental housing.
 - Timing - Ongoing
- A8 - Recognise that affordable rental housing is essential social and economic infrastructure for the Northern Beaches in Council's land-use planning strategies, plans and policies.
 - Timing - Ongoing
- A9 - Incorporate affordable rental housing targets in Council's land-use planning strategies, plans and policies.
 - Timing - Ongoing
- A12 - Develop relationships with State Government departments, the Greater Sydney Commission and other local councils to understand wider affordable housing needs and opportunities.
 - Timing - Ongoing
- A14 - Identify priority key workers for tenants of affordable rental housing in the Northern Beaches.
 - Timing - 2017-2018

The *Draft Affordable Housing Policy* was placed on public exhibition on Saturday 1 April 2017. The exhibition period continues to Sunday 30 April 2017.

Attachment 3

APPENDIX B - MEDIAN RENTS BY POSTCODE

Median rents for the September Quarter 2016.

	One bedroom	Two bedroom	Three bedroom	Four bedroom
2067	\$580	\$750	\$980	\$1,260
2068	-	\$580	\$927.5	\$1,450
2069	\$440	\$610	\$967.5	\$1,325
2070	-	\$575	\$877.5	\$1,235
2071	-	\$635	\$825	\$1,500
2072	-	\$657.5	\$810	-
2075	\$490	\$630	\$800	\$1,097.5
2084	-	-	-	-
2085	-	-	-	\$1,100
2086	-	-	\$760	\$1,047.5
2087	-	-	\$790	\$952.5
2092	-	-	\$895	-
2093	\$450	\$600	\$995	\$1,730
2094	-	\$697.5	\$1,075	-
2095	\$570	\$800	\$1,137.5	-
2096	\$467.5	\$610	\$1,085	\$1,550
2097	\$435	\$575	\$820	\$1,250
2099	\$472.5	\$585	\$820	\$1,075
2100	\$470	\$630	\$800	\$1,100
2101	\$455	\$620	\$762.5	-
2102	-	\$690	\$800	-
2103	\$455	\$607.5	\$825	-
2104	-	-	-	-
2105	-	-	-	-
2106	-	\$597.5	\$800	\$1,100
2107	\$482.5	\$580	\$850	\$1,250
2108	-	-	-	-

Source: Department of Family and Community Services, 2017

Attachment 3

APPENDIX C - CENTRE CASE STUDIES BY TRAVEL ZONE

The following pages show the Travel Zones used for the purpose of this study to identify employment in centres with an adjacent public hospital in the North District. The Travel Zone containing the hospital is outlined in pink.

Attachment 3



Attachment 3



Attachment 3



Attachment 3

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Northern Beaches Council Affordable Housing Tenancy Guidelines

1. Management of Affordable Housing

1.1 Objectives

The objective of Council's Affordable Tenancy Guidelines is to outline the requirements for the allocation and management of tenancies for properties within the Northern Beaches Council Affordable Housing Portfolio. It also sets out criteria for eligibility, rent, management of waiting lists and asset management.

It is intended the full cost of the program, including day-to-day property and cyclical maintenance, tenancy management, administration fees and major upgrading works is fully covered by rent revenue collected by the Housing Manager (Council or its nominated agent)

1.2 Tenant Eligibility Criteria

A successful applicant will need to satisfy the following criteria:

- must be permanently employed and earning a gross weekly household income not exceeding the median household income for the Sydney Statistical Division as established by the Australian Bureau of Statistics and advised by the Council from time to time or in keeping with income eligibility limits determined by the NSW Affordable Housing Guidelines (SEPP).
- has a local connection (e.g. is an employee in the Northern Beaches local government area or has family living in the area);
- does not own assets or property which could reasonably be used to solve their housing needs;
- is an Australian citizen or permanent resident;
- must be over the age of 18 years;
- must not already be living in subsidised housing (Housing NSW or Community Housing managed accommodation); and
- is not a former tenant of Council's Affordable Housing.

1.3 Assessment of tenants and allocation of homes

The Housing Manager (Council or its nominated agent) engaged to manage the dwellings will advertise for tenants through relevant electronic media and other relevant avenues of communication locally. Advertisements will clearly stipulate eligibility criteria. Applicants who fulfil the eligibility criteria can lodge an application.

Because demand exceeds supply, dwellings will be offered to applicants having the greatest evidenced need for rental accommodation (relative to other applicants). The Housing Manager will make allocation decisions after an assessment and interview process.

The Housing Manager, who has the experience and expertise to make the decisions, will also take into account other factors such as appropriate match of properties suited to tenants' needs, previous acceptable tenant history, proof of income level (percentage of weekly household income spent on rent) and other housing considerations.

In addition to submitting an application form, short listed applicants will be required to attend an interview with the Housing Manager as part of the assessment process.

If necessary, a ballot will be drawn from a short list of applicants.

In accordance with the provisions of the NSW Residential Tenancies Act 2010, a standard residential tenancy lease will be entered into between the Housing Manager and the tenant.

The standard residential tenancy lease will be renewed on a twelve monthly basis. This gives the Housing Manager the opportunity to ensure that tenants continue to meet Council's affordable housing eligibility criteria.

A five (5) year maximum assistance period will apply, providing households with a greater level of housing certainty, as well as an opportunity to enhance their capacity to enter the private rental market or home ownership by the end of that period.

1.4 Setting of Rents

The rent charged for Councils' affordable dwellings shall be calculated in accordance with the following:

- (a) Rent calculated in accordance with clause 6(1) (a) of the State Environmental Planning Policy (Affordable Rental Housing) 2009. Under clause 6(1) (a), the maximum rent is 30% of 120% of the median household income for the Sydney Statistical Division (SSD) according to the Australian Bureau of Statistics. The median gross weekly household income reported in the 2016 Census of Population and Housing is \$1,750. Therefore the maximum allowable rent at that date would have been \$630 per week, OR
- (b) Rent calculated in accordance with clause 6(1) (b) of the State Environmental Planning Policy (Affordable Rental Housing) 2009. Under clause 6(1) (b), the maximum rent is that under the National Rental Affordability Scheme (NRAS). Guidelines are published by the Federal Government with regard to eligible target groups and rents that may be charged. Rents are set by reference to market rents (The NSW Government Rent and Sales Report, published quarterly, is used to establish the median weekly market rent in the Northern Beaches for a comparable property), and must be at least 20% below the prevailing market rate. Income eligibility limits are set for households, depending on their composition.

Unless otherwise determined between Council and its nominated agent (Housing Manager), the following will apply:

- a bond equivalent to four (4) weeks rent shall be payable by the tenant upon lease commencement;
- rent payment is required fortnightly in advance;
- a tenant who falls into arrear with their rent payments will be given a reminder and provided with an opportunity to negotiate a program of repayments at one week in arrears. Legal action will commence if these provisions have not resulted in an agreement at two weeks in arrears;
- Council or its agent will conduct an inspection of the dwelling annually; and
- rent adjustments and all other leasing arrangements between the Housing Manager and Tenants will be undertaken in accordance with the NSW Residential Tenancies Act 2010.

1.5 Waiting List for Council's Affordable Housing

Applicants previously assessed as being eligible for affordable housing but not offered rental accommodation under this Program will be placed on the Waiting List. When a dwelling becomes vacant for letting within 12 months from the date of their application, they will be contacted again. If they meet the eligibility criteria, and are still interested in pursuing a vacancy, their application will be reassessed and considered on the same footing with fresh applications received. Tenants who have previously been housed under the Program will not be eligible for re-application.

1.6 How Council will manage the Affordable Housing

Council resolved at its meeting on 28 August 2018, that following Council obtaining appropriate Affordable Housing stock, an open Request for Tender be issued for the provision of Affordable Housing Services on the Northern Beaches. Council will engage a registered Community Housing Provider (CHP) with relevant experience and expertise.

The CHP appointed by Council to manage its affordable housing stock will be paid a management fee negotiated as part of the selection process. Income generated from the rental properties is intended to cover the cost of maintaining the properties together with the program's administration.

1.7 Residential Property Management Agreement

Council, as property owner, will enter into a contract with the successful CHP for an initial five-year period to manage its affordable housing via a Residential Property Management Agreement. The Residential Property Management Agreement will set out the rights and responsibilities of both parties. It provides for both tenant management and property management procedures, and any other requirements a housing manager is required to implement as part of Council's Program, such as rent setting details, tenant selection and dwelling allocation procedures.

It also sets out entitlements for costs and management fees, financial reporting requirements and allocation of funds, performance review processes, dispute resolution and other such detailed contractual matters.

It is envisaged that a comprehensive review of the Affordable Housing Portfolio will occur at least every three years, including the financial viability in general and the performance of the CHP.

1.8 Asset Management

The affordable housing dwellings owned by Council will be classified as 'operational' under the *Local Government Act 1993* for the purposes of allowing Council to conduct ongoing consolidation of its affordable housing stock.

The affordable housing portfolio will be reviewed every 3 years to determine whether dwellings should be disposed of and replaced or retained and further funds provided for their maintenance or renewal.

The three-year review term will consider:

- Timeframes for asset renewals such as painting and replacing floor coverings;
- Tenancy terms;
- Changes in market trends and values.

Consideration will also be given to the results of the program to date and the type and size of dwelling considered most suitable to deliver the objectives of the program.

Towards the end of the three-year leasing period, or when a unit becomes vacant, Council will undertake a condition assessment and make any necessary internal repairs, prior to reletting.

This strategy aims to minimise Council's ongoing maintenance and renewal obligations and costs as the dwellings age.

PLANNING PROPOSAL

Amendments to Warringah Local Environmental Plan 2011

Rezoning land within and adjoining the Manly Warringah War Memorial State Park from R2 (Low Density Residential) to RE1 (Public Recreation) and SP2 (Infrastructure)

May 2019 (submission for Gateway Determination)

TRIM PEX2018/0007

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Introduction

This Planning Proposal has been prepared following Council Resolution dated 28 May 2019 to rezone certain land located within and surrounded by the Manly Warringah War Memorial State Park from R2 (Low Density Residential) to RE1 (Public Recreation) and SP2 (Infrastructure) and to omit residential development standards and controls that would no longer be relevant to the proposed zones.

Acronyms

The following acronyms have been used throughout this report:

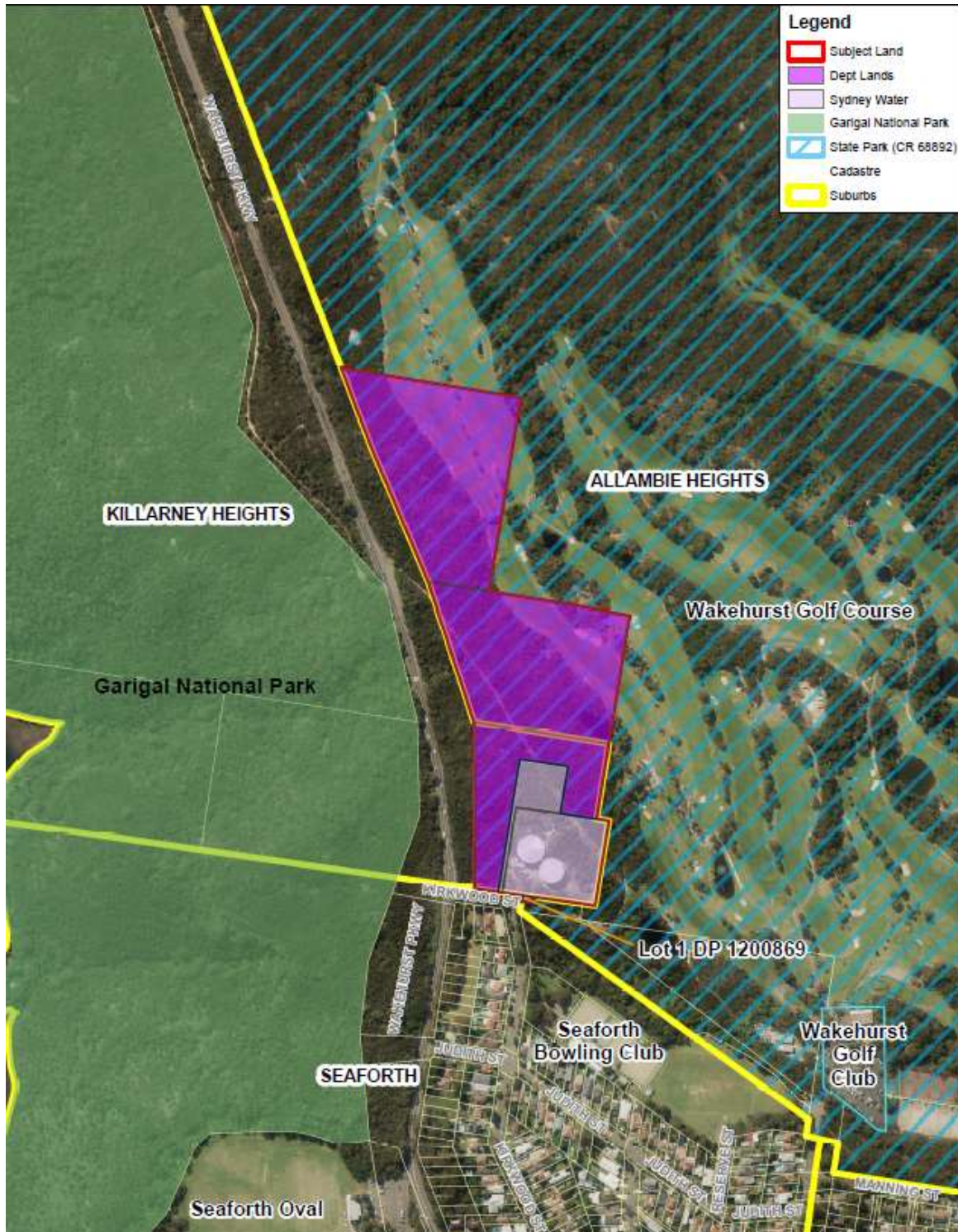
Council	Northern Beaches Council
DPI	The NSW Department of Planning and Industry
EP&A Act	Environmental Planning and Assessment Act, 1979
LGA	Local Government Area
NBLPP	Northern Beaches Local Planning Panel
NSW	New South Wales
RE1	RE1 (Public Recreation) Zone under WLEP2011
R2	R2 (Low Density Residential) Zone under WLEP2011
Section 9.1 Directions	Section 9.1 Directions by the Minister under the EP&A Act, 1979 (formerly Section 117 Directions)
SEPP	State Environmental Planning Policy
SP2	SP2 (Infrastructure) Zone under WLEP2011
POM	Manly Warringah War Memorial Park Plan of Management, 2014
State Park	Manly Warringah War Memorial State Park (State Park)
RMS	Roads and Maritime Services NSW
The Update	Beaches Link Project Update, RMS, August 2018
The Minister	NSW Minister for the Department of Planning and Industry
WLEP1985	Warringah Local Environmental Plan 1985
WLEP2000	Warringah Local Environmental Plan 2000
WLEP2011	Warringah Local Environmental Plan 2011

Table 1 Acronyms Used

Site Context and Location

1.1 Location

The six (6) lots are located in proximity to the south-west boundary of the Manly Warringah War Memorial State Park (State Park) and are bounded by the Wakehurst Parkway and Garigal National Park to the west, the State Park including the Wakehurst Golf Club and Manly Dam to the north and east and the Seaforth Bowling Club and low density residential to the South.



Map 1 Location of the Subject Land

1.2 Description of the Six (6) Lots and Surrounding Land

A brief description of the subject lots is provided below and discussed in more detail under relevant sections of this Planning Proposal.

All of the six (6) lots:

- Contain or are likely to contain important core habitat for local native species including many threatened species and their habitat.
- Contain bushland that protects the water quality of the Manly Dam Catchment and contributes to the environmental, cultural and aesthetic values of the adjoining State Park
- Function as an important wildlife corridor, connecting Manly Dam to Garigal National Park and as one of only two north-south links within the Manly Dam Reserve
- Are identified as Aboriginal Potential Area 1 and within 100 metres of an Aboriginal site
- Are Bush Fire Prone Land
- Are Land Slip Risk Map-Area A under WLEP2011
- Are currently zoned R2 (Low Density Residential) under WLEP2011

The three (3) northern Crown Land lots more specifically:

- Have a total area of approximately 8.67ha
- Are located within the State Park
- Are managed by the Manly Warringah War Memorial Park Plan of Management, 2014 (POM)
- Are located within the Manly Dam and Surrounds Heritage Conservation Area under WLEP2011
- Are important for their recreational values, forming part of the Manly Dam Mountain Bike Track loop and the Wakehurst Golf Course
- Contain landfill under the eastern flat areas of the Wakehurst Golf Course

The two (2) southern Sydney Water lots (Lot 1 DP 710023 and Lot 1 DP 835123) more specifically:

- Have a total area of approximately 4132sqm and 12347.6sqm respectively.
- Are surrounded by the State Park, *Manly Dam and Surrounds* Heritage Conservation Area and the POM.
- Lot 1 DP 835123 (Water Tower – Reservoir) - Contains Bantry Bay Reservoir and Bantry Bay Pumping Station that are listed as locally significant heritage items under WLEP2011.
- Lot 1 DP 835123 (Water Tower – Reservoir) provides public infrastructure - 'Water Supply System' as defined under WLEP2011
- Are identified as a potential temporary construction site (Option 2) for the Beaches Link Tunnel Project

The small southern Crown Land lot (Lot 1 DP 1200869) more specifically:

- Has a total area of approximately 82sqm
- Is bounded by heritage listed Sydney Water Tower to the north, State Park to the east and west and Kirkwood Road to the west.
- Is located within the Manly Dam and Surrounds Heritage Conservation Area under WLEP2011

1.3 Historic Zoning of the Lots

The historic zoning of the lots is outlined as follows:

Warringah Local Environmental Plan 1985 (WLEP1985)

Under WLEP1985:

- The three northern Crown Land Lots and Sydney Water Lot 1 DP 710023 (bushland site) were zoned as County Open Space similar to other Crown Land around the boundaries of the Catchment that have since been incorporated into the State Park.
- Sydney Water Lot 1 DP 835123 (Water Tower - Reservoir) and the small southern Crown Land Lot 1 DP 1200869 were zoned Special Uses

Warringah Local Environmental Plan 2000 (WLEP2000):

Under WLEP2000:

- All of the subject lots were located within the G3 Manly Lagoon Suburbs Locality under WLEP2000. The G3 Desired Future Character Statement states that "Substantial regional parklands and bushland will remain significant elements of the locality".
- Crown land identified as County Open Space in WLEP1985 within the Manly Dam Catchment was identified on the Public Open Space Map in WLEP2000, with the exception of the four Crown Land lots.
- The four Crown Land lots were managed generally under the G3 Manly Lagoon Suburbs Locality of WLEP2000 and were also included within the Manly Dam Heritage Conservation Area under WLEP2000. The exclusion of the Crown Land lots from being identified on the Public Open Space Map appears to be an anomaly.
- WLEP2000 did not identify special uses (Infrastructure) sites.

Warringah Local Environmental Plan 2011 (WLEP2011):

Under WLEP2011:

- When preparing WLEP2011, Council was required to translate the existing provisions of WLEP2000 to the State Government's new Standard Instrument LEP format.
- The subject lots were all located in the G3 Manly Lagoon Suburbs Locality under WLEP2000 and were deemed to be residential land. Under WLEP2000, none of these parcels were zoned Public Open Space, Open Space Reservation or Special Use (Infrastructure). Accordingly, in making WLEP2011, all of these lots were zoned R2 Low Density Residential.
- Similar to WLEP2000, the four Crown Land Lots were included within the Manly Dam Conservation Area under WLEP2011. The Sydney Water Lot 1 DP 835123 (Water Tower - Reservoir) was also identified as a local heritage item under WLEP2011.

Consideration:

It is recommended that the former WLEP1985 zoning of the subject land as County Open Space and Special Uses be acknowledged and the heritage significance, environmental, recreational and public infrastructure values of the State Park protected by:

- Rezoning the four Crown Land lots and surplus Sydney Water bushland lot (Lot 1 DP 710023) to RE1 (Public Recreation) consistent with the values of the State Park.
- Rezoning the Sydney Water Lot 1 DP 835123 (Water Tower (reservoir)) to SP2 (Infrastructure) consistent with its utility and similar to how it was previously zoned under WLEP1985.

The rezoning proposal would correct an anomaly in WLEP2011 and ensure that future land use is consistent with the protection and management of the State Park and heritage significance of the land.

Part 1 – Intended Outcomes

With regard to the four (4) Crown Land lots (Lots 76 and 77 DP 504237; Lot 2 DP 710023 and Lot 1 DP 1200869) and Sydney Water Lot 1 DP 710023 – bushland site (surplus land):

- Provide for a range of recreational settings, activities and land uses that are compatible with and protect the environmental, recreational, aesthetic and cultural values of the State Park and the water quality of Manly Dam.

With regard to the Sydney Water Lot 1 DP 835 123 (water tower - reservoir):

- Support the current ongoing public infrastructure use of this lot as a 'Water Supply System'
- Protect the lands environmental and cultural heritage significance.
- Protect the values of the adjoining State Park and water quality of Manly Dam.

Part 2 – Explanation of Provisions

The proposed outcome will be achieved (as illustrated under Part 4 – Maps) by:

- Amending the WLEP2011 Land Zoning Map to rezone the following lots from R2 (Low Density Residential) to RE1 (Public Recreation):
 - Lot 76 DP 504237 being Crown Land to the eastern side of Wakehurst Parkway, Allambie Heights
 - Lot 77 DP 504237 being Crown Land to the eastern side of Wakehurst Parkway, Allambie Heights
 - Lot 2 DP 710023 being Crown Land to the eastern side of Wakehurst Parkway, Allambie Heights
 - Lot 1 DP 1200869 being Crown Land to the eastern side of Wakehurst Parkway, Allambie Heights
 - Lot 1 DP 710023 being Sydney Water Land (surplus bushland site) known as Lot 1 Kirkwood Street, North Balgowlah
- Amending the WLEP2011 Land Zoning Map to rezone the following lot from R2 (Low Density Residential) to SP2 (Infrastructure) – ‘Water Supply System’:
 - Lot 1 DP 835123 being Sydney Water Land (water tower – reservoir) known as Lot 1 Kirkwood Street, North Balgowlah
- Amending the WLEP2011 Height of Building Map and Minimum Lot Size Map to remove the residential development standards for height and minimum lot size from all of the subject lots to reflect the abovementioned zoning changes.

Part 3 – Justification

Section A – Need for the Planning Proposal

Q1. Is the Planning Proposal a result of any strategic study or report?

This Planning Proposal was initiated based on a Northern Beaches Council Resolution at its meeting on 27 November 2018, Item 12.5 – Notice of Motion No 65/2018 - *Rezoning of parcels of land, Manly Warringah War Memorial Park*, that:

A. Council prepare a Planning proposal to rezone the five lots owned by Sydney water and the Crown at the north east corner of the intersection of Wakehurst Parkway and Kirkwood Street in Allambie Heights/Seaforth, from Low Density Residential (R2) to Public Recreation (RE1) under the Warringah Local Environmental Plan 2011. The five lots consist of:

- a) Three Crown land lots:
 - i. Lot 76 DP 504237
 - ii. Lot 77 DP 504237
 - iii. Lot 2 DP 710023
- b) Two Sydney Water lots:
 - i. Lot 1 DP 710023 – bushland site (surplus land)
 - ii. Lot 1 DP 835 123 – with water tower (reservoir)

A Planning Proposal was subsequently prepared that varies from the above mentioned Council Resolution as follows:

- A small approximately 82sqm southern adjoining Crown Land lot (Lot 1 DP 1200869) has been added and is similarly proposed to be rezoned from R2 to RE1.
- Sydney Water Lot 1 DP 835123 is alternatively proposed to be rezoned from R2 to SP2 (Infrastructure) to reflect its current and ongoing operational use as 'water supply system'
- Residential development standards for height and minimum lot size are proposed to be removed from the *Height of Building Map* and *Minimum Lot Size Map* of WLEP2011 for all of the subject lots, to reflect the abovementioned zoning changes.

This Planning Proposal was reported to the Northern Beaches Local Planning Panel Meeting on 1 May 2019. The Panel viewed the site and its surrounds. At the public meeting which followed the Panel were addressed by two members of the public who supported the planning proposal. The Panel recommended that Council accept the recommendations of the Council officer's and submit this Planning Proposal to the Department of Planning and Industry for a Gateway Determination to amend WLEP2011. The Panel agrees with the reasons set out in the report.

This Planning Proposal was then reported to the **28 May 2019 Council Meeting which resolved to XXXXXX**

A number of existing studies/policies/plans/reports/databases also indirectly support the current Planning Proposal as follows:

- Connected Corridors for Biodiversity Project by Southern Sydney Regional Organisation of Councils, December 2016
- Rapid Fauna Habitat Assessment of the Sydney Metropolitan Catchment Management Authority Area by the Department of Environment and Climate Change, June 2008
- Biodiversity Values Map by Office of Environment and Heritage (OEH), 2018

- Sydney Metropolitan Catchment Management Authority v3 Mapping, OEH 2016
- BioNet Threatened Species Records, OEH 2018
- Manly Dam Ongoing Comprehensive Species List Project by Northern Beaches Council, 2018
- Biodiversity Assessment of nearby Sydney Water Land by Sydney Water, 2018
- The Manly Dam and Surrounds Heritage Conservation Area and two heritage items: Item I147 Bantry Bay Reservoir (WS 0008) and Item I148 Bantry Bay Water Pumping Station (WPS 122), as listed in Schedule 5 of WLEP2011
- Preliminary identification of the lots as Aboriginal Potential Area 1 and within 100m of an Aboriginal site.
- Native Vegetation DCP Mapping, former Warringah Council
- The Manly Warringah War Memorial State Park
- The Manly Warringah War Memorial Park Plan of Management, 2014

All of the above studies/reports/databases are further detailed under Part 3B – Relationship to Strategic Planning Framework and Part 3C – Environmental Impacts

Q2. Is the Planning Proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

The Planning Proposal to rezone the four (4) Crown Land Lots and Sydney Water Lot 1 DP 710023 (surplus bushland) from R2 to RE1 is the best means of achieving the objectives to provide for a range of recreational settings, activities and land uses that are compatible with and protect the environmental, recreational and cultural heritage values of the State Park and the water quality of Manly Dam. The objectives of this Planning Proposal more closely align to the objectives of the RE1 zone compared to the objectives of the current R2 zone.

In order for land to be included in the State Park it must be owned by the Crown under the *Crown Lands Act 1989*. In this regard, although outside the scope of this Planning Proposal, it is also recommended that Sydney Water Lot 1 DP 710023 (Bushland site) and the small southern Crown Land Lot 1 DP 1200869 be consolidated into the State Park boundaries to support the Parks vision and enable more effective management of the “urban edge”.

The proposed rezoning of Sydney Water Lot 1 DP 835 123 (water tower -reservoir) from R2 to SP2 is also the best means of achieving the objective to reflect the ongoing public infrastructure us as a ‘water supply system’ whilst continuing to protect its environmental and cultural heritage significance and the values of the State Park which surrounds this lot and the water quality of Manly Dam.

Section B – Relationship to Strategic Planning Framework

Q3. Is the Planning Proposal consistent with the objective and actions of the applicable Regional or Sub-Regional Strategy (including the Sydney Metropolitan Strategy and exhibited Draft Strategies)?

The following section provides a review against the requirements of the applicable Regional Plan, the North District Plan, the Manly Warringah War Memorial State Park, Beaches Link Project and the Biodiversity Conservation Act, 2016.

Q3(a) The Greater Sydney Regional Plan

The Planning Proposal has been reviewed against relevant outcomes of the Greater Sydney Regional Plan “A Metropolis of Three Cities – connecting people” published on 18 March 2018. The Plan identifies a number of strategic directions and specific policy settings regarding transport, housing growth, employment and centres.

The Planning Proposal is consistent with a number of general goals of the Regional Plan and satisfies a range of objectives as follows:

- Objective 25 - The coast and waterways are protected and healthier
- Objective 27 - Biodiversity is protected, urban bushland and remnant vegetation is enhanced
- Objective 28 – Scenic and cultural landscapes are protected
- Objective 30 – Urban Tree Canopy is increased
- Objective 31 – Public open space is accessible, protected and enhanced
- Objective 32 – The Green Grid links parks, open spaces, bushland and walking and cycling paths

Q3(b) North District Plan

The Planning Proposal supports the North District Plan vision for ‘A city in its Landscape’ and Directions ‘Valuing green spaces and landscape’.

The Planning Proposal is consistent with a number of Planning Priorities of the North District Plan as follows:

- Planning Priority N15 – Protecting and improving the health and enjoyment of Sydney Harbour and Waterways
- Planning Priority N16 – Protecting and enhancing bushland and biodiversity
- Planning Priority N17 – Protecting and enhancing scenic and cultural landscapes
- Planning Priority N19 – Increasing urban tree canopy cover and delivering Green Grid Connections
- Planning Priority N20 – Delivering high quality open space

Q3(c) Manly Warringah War Memorial State Park, 2017 (State Park)

The State Park was established on 7 April 2017 as a significant environmental and recreation asset that is highly valued both locally and regionally as a recreation venue, conservation area, scenic asset, place of remembrance and for its water catchment roles. Establishment of the State park reflects the significance of Manly Dam and surrounding public lands to the Manly community and the people of NSW.

Northern Beaches Council manages the affairs of the State Park Trust and an Advisory Committee has also been established for community input into the management of the State Park. In this regard, it is recommended that the State Park Advisory Committee be consulted following a Gateway Determination to proceed with this Planning Proposal.

With regard to this Planning Proposal, the three northern Crown Land Lots are contained within the State Park and the two Sydney Water lots and small southern Crown Land Lot are surrounded by the State Park.

All of the Planning Proposal land, excluding Sydney Water Lot 1 DP 835123 (Water Tower – Reservoir) is proposed to be rezoned from R2 (low density residential) to RE1 (Public Recreation). The Sydney Water Tower lot is proposed to be rezoned from R2 to SP2 (Infrastructure).

Unlike the current R2 Zone, the objectives of the proposed RE1 Zone closely align with the values of the Park as they:

- *enable land to be used for public open space or recreational purposes.*
- *provide a range of recreational settings and activities and compatible land uses.*
- *protect and enhance the natural environment for recreational purposes.*
- *protect, manage and restore public land that is of ecological, scientific, cultural or aesthetic value.*
- *prevent development that could destroy, damage or otherwise have an adverse effect on those values.*

Unlike the current R2 Zone the proposed SP2 zone would also serve to better protect the biodiversity values of Sydney Water Lot 1 DP 835123 (Water Tower – Reservoir) and the surrounding Park, because land use in the SP2 zone would be limited to the 'Water Supply System', with additional protection provided via its local heritage listing under Schedule 5 of WEP2011 and the requirements of SEPP 19 Bushland in Urban Areas.

In order for land to be included in a State Park it must be owned by the Crown under the *Crown Lands Act 1989*. In this regard, although outside the scope of this Planning Proposal, it is also recommended that Sydney Water Lot 1 DP 710023 (Bushland site) and the small southern Crown Land Lot 1 DP 1200869 be consolidated into the State Parks boundaries to support the Parks vision and enable more effective management of the "urban edge".



Map 2 Manly Warringah War Memorial State Park, 2017

Q4(d) Manly Warringah War Memorial Park Plan of Management, 2014 (POM)

Manly Warringah War Memorial Park is an area of reserved Crown Land (known as a Crown Reserve) for the purposes of “public recreation”. The Park is under the care, control and management of the Manly Warringah War Memorial Park (R68892) Reserve Trust, with Warringah Council both managing the affairs of the Trust and carrying out the day-to-day management of the Park on behalf of the Trust – under the provisions of the *Crown Lands Act 1989*.

The 2014 POM was finalised before the formation of the State Park in 2017. The boundaries of land covered by the POM differ slightly from the State Park, for example, the POM does not cover the Warringah Aquatic Centre and eastern adjoining sports field in Frenchs Forest. The POM does however cover the small southern Crown Land lot 1 DP 1200869 which is not currently covered by the State Park. Although the vision and guiding management principles of the POM are still relevant, the POM requires updating to reflect the formation of the State Park.

The Park area managed by the POM covers approximately 377 hectares. The Park includes the four (4) Crown Land lots and surrounds the two (2) Sydney Water Lots that are the subject to this Planning Proposal. (Refer to the below map).

The Park is located among the suburbs of Manly Vale, North Balgowlah, Allambie Heights and Frenchs Forest. It features an extensive area of typical Sydney sandstone bushland surrounding the 30 hectare sheltered freshwater waterbody retained behind the historic Manly Dam. The area is both a significant environmental and recreation asset and highly valued by the local and regional community as a recreation venue, conservation area, scenic asset and for its water catchment roles. Picnicking, water sports and walking are common recreation pursuits and the Park is a popular venue for mountain biking and water-skiing.

The POM aims to provide a clear, concise and practical framework for the Park’s future management. A value-based approach to land planning and management has been used. Management actions have been developed to protect and enhance the Park’s values, address any issues that may threaten these values and ensure that the Park is managed in line with current community expectations – and consistent with the purposes for which the area was reserved.

The Management Vision for the POM is – *“a large protected area of bushland and waterways, with a diversity of flora and fauna, high water quality and scenic value, that ensures protection of its natural environment and cultural values, conserves threatened species and communities, provides opportunity for a variety of recreational activities in a low-key natural setting, offers an educational asset and acknowledges its importance as a war memorial park”*.

The following guiding principles of management have been identified for the Park:

- *Sustainable management of the Park to protect its natural areas, while providing for a variety of passive and active recreational activities;*
- *Protect and enhance threatened flora and fauna within the Park;*
- *Protect and enhance the water quality of the dam waterbody and Park waterways;*
- *Provide safe, fair and equitable access to the Park and its facilities for all user groups; and*
- *Protect and enhance the Park’s heritage.*

The POM also identifies the following threats to the values of the Park that can be attributed to urban development (such as development permissible under the current R2 zone):

- The “edge effect” disturbance and pressure such as garden plant escapees – weeds.
- Fertiliser use and uncontrolled or polluted stormwater runoff impacting the water quality of Manly Dam.
- Increased feral/domestic animals impact on native flora and fauna.

- Illegal vegetation clearing and property encroachments.
- Pressure to clear native bushland to create bush fire asset protection zones along the Park's boundaries.
- Large bulk or high rise developments in the Park's visual catchment, and/or on the skyline, detracting from the Parks natural visual aesthetic appeal.
- Potential clearing of endangered ecological communities, communities of local conservation significance and threatened or significant species, including potential loss of wildlife corridors.
- Continuing urban development provides increased pressures on the Park, increased number of visitors, increased edge effects and potential for pollution.

The POM also notes that a number of adjacent areas could be usefully added to the Park to consolidate the area's boundaries and provide a more effective management "edge". (Pp67)

Consideration:

All of the Planning Proposal land, excluding Sydney Water Lot 1 DP 835123 (Water Tower – Reservoir) is proposed to be rezoned from R2 (low density residential) to RE1 (Public Recreation). The Sydney Water Tower lot is proposed to be rezoned from R2 to SP2 (Infrastructure).

Unlike the current R2 Zone, the objectives of the proposed RE1 Zone closely align with the values of the Park as they:

- *enable land to be used for public open space or recreational purposes.*
- *provide a range of recreational settings and activities and compatible land uses.*
- *protect and enhance the natural environment for recreational purposes.*
- *protect, manage and restore public land that is of ecological, scientific, cultural or aesthetic value.*
- *prevent development that could destroy, damage or otherwise have an adverse effect on those values.*

Unlike the current R2 Zone the proposed SP2 zone would also serve to better protect the biodiversity values of Sydney Water Lot 1 DP 835123 (Water Tower – Reservoir) and the surrounding Park, because landuses would be limited to the 'Water Supply System', with additional protection provided via its local heritage listing under Schedule 5 of WEP2011 and the requirements of SEPP 19 Bushland in Urban Areas.

Although outside the scope of this Planning Proposal, it is also recommended that Sydney Water Lot 1 DP 710023 (Bushland site) and the small southern Crown Land Lot 1 DP 1200869 be consolidated into the State Parks boundaries to support the POMs vision and enable more effective management of the "urban edge".



Map 3 Land Covered by the Manly Warringah War Memorial Park Plan of Management, 2014

Q3(e) Beaches Link Project Update, RMS, August 2018

In March 2017, the NSW Government released a project concept and started detailed design work on the Beaches Link Tunnel Project. As outlined in Beaches Link Project Update, RMS, August 2018 (the Update) and mapped below, the Beaches Link Project is proposed to comprise of a new tunnel with two tunnel entry/exit points on the Northern Beaches (being Wakehurst Parkway and Burnt Bridge Creek Deviation), which would connect the Northern Beaches under Middle Harbour to Gore Hill Freeway and the Warringah Freeway.

The proposed reference design was publicly exhibited from July to December 2018. RMS are currently preparing and Environmental Impact Statement for public exhibition. Planning Approval would then be sought prior to commencement of construction.



Map 4 Beaches Link Project Update, RMS, August 2018, Page 10

The Planning Proposals relationship to the Beaches Link Project is as follows:

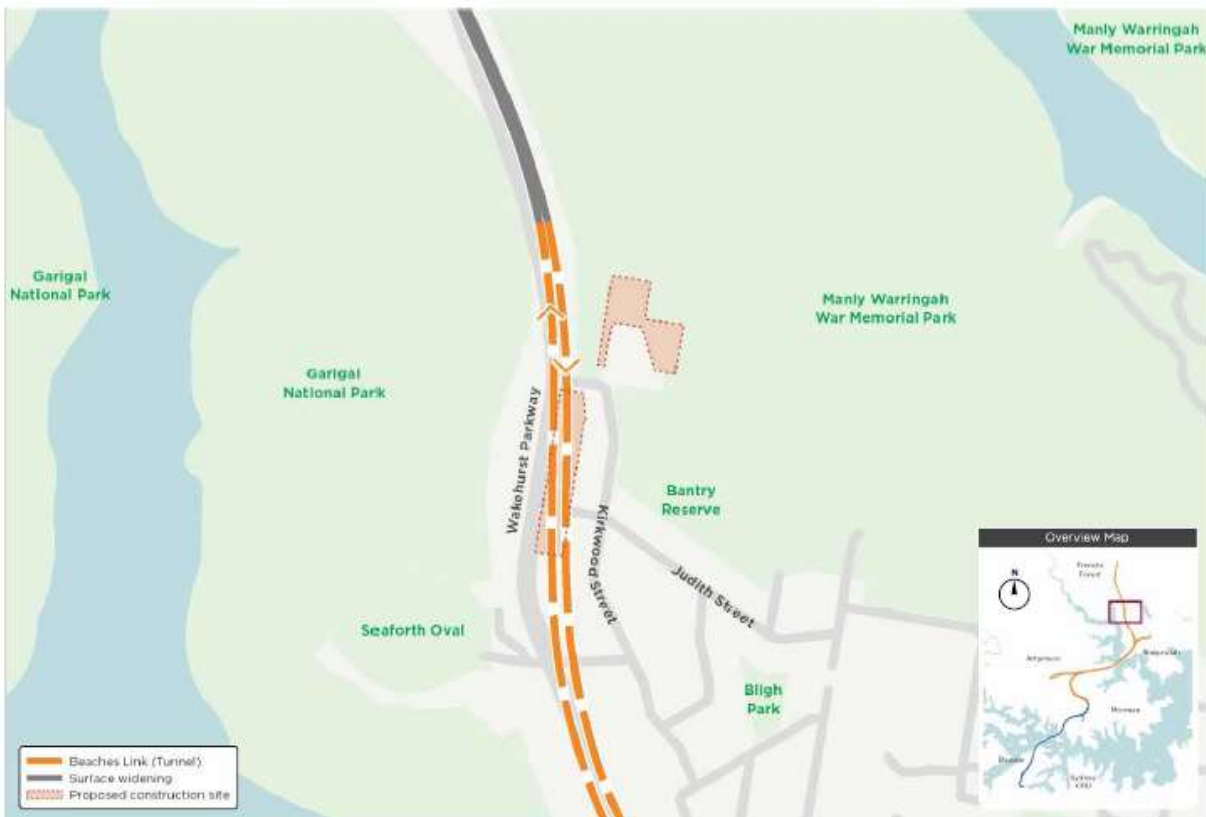
The three (3) Northern Crown Land Lots:

- The western boundary of the three (3) northern Crown Land lots adjoin the potential location for the tunnel ramp onto Wakehurst Parkway (300m north of Kirkwood Street). The Update notes that all works at the location of the tunnel is proposed to be within the existing road reserve and clear of the Garigal National Park and the Manly Dam Reserve,

so the Planning Proposal to rezone these lots from R2 to RE1 should have no implications for the project in this regard.

Sydney Water Lot 1 DP710023 (bushland site) and part of Sydney Water Lot 835123 (water tower- reservoir):

- These lots have been identified as a potential temporary construction site (Option 2) as per page 41 of the Update (see below map). The Update notes that the construction site would be temporary and after works have been completed, the land would be remediated for future use.
- Sydney Water Letter dated 27 February 2019 (Attachment 2) notes that RMS has earmarked Sydney Water Lot 1 DP710023 and part of Sydney Water Lot 835123 for acquisition as part of the Beaches Link Project.
- Initial discussions with RMS indicate that the proposed rezoning of the Sydney Water lots from R2 to RE1 and SP2 would not impact on their potential plans for these lots as works would be undertaken via SEPP (Infrastructure) and the land is not under Federal ownership. Further consultation with RMS following a Gateway Determination is recommended in this regard.
- Although outside the scope of this Planning Proposal it is recommended that if RMS utilises Sydney Water Lot 1 DP710023 (bushland site) as a temporary construction site that this lot be remediated upon completion of the tunnel and ownership handed over to the Department of Industry – Lands and Water as Crown Land for incorporation into the State Park. Noting that in order for land to be included in a State Park it must be owned by the Crown under the *Crown Lands Act 1989*.



Map 5 Option 2 Wakehurst Parkway East Side – Beaches Link Update, Page 41

Q3(f) Biodiversity Conservation Act, 2016

The Biodiversity Values (BV) Map is a regulatory tool under the *Biodiversity Conservation Act 2016*, which acts as one of the thresholds for entry into the Biodiversity Offsets Scheme. This map is published by the OEH under the *Biodiversity Conservation Regulation 2017*. One of the reasons for inclusion of, “*land that, in the opinion of the Environment Agency Head, contains any threatened species or threatened ecological communities that are identified in a list of potential serious and irreversible impacts on biodiversity values under section 6.5 (2) of the Act*”. Any development proposed that will directly or indirectly impact areas mapped “Biodiversity Value” automatically assumes a significant impact to biodiversity.

All of the subject lots (except the tiny triangle lot) have some areas mapped as “Biodiversity Value” under this regulatory tool. The BV Map criterion provided by the “identify” tool is “*threatened species or communities with **potential for serious and irreversible impacts***”.

The concept of serious and irreversible impacts is fundamentally about protecting threatened entities that are **most at risk of extinction** from potential development. These principles are set out in clause 6.7 of the *Biodiversity Conservation Regulation 2017*. As the consent authority, Council cannot approve a development which is likely to have a significant impact on entities listed as a serious and irreversible impact.

The specific threatened entity/ies that triggered the BV mapping within the subject lots can be determined by requesting an Explanation Report from the Office of Environment and Heritage (OEH). See below map.



Map 6 Biodiversity Values Map with all Subject Lots (OEH 2018)

Consideration:

The proposed RE1 Zone objective and permissible/prohibited uses would serve to better protect the biodiversity values of the four (4) Crown Land lots and Sydney Water Lot 1 DP 710023 (bushland site) whilst also protecting the lots public recreation values.

The proposed SP2 zone would also serve to better protect the biodiversity values of Sydney Water Lot 1 DP 835123 (Water Tower – Reservoir), as landuses would be limited to the 'Water Supply System' as indicated on the Land Zoning Map, with additional protection provided via its local heritage listing under Schedule 5 of WEP2011 and the requirements of SEPP 19 Bushland in Urban Areas.

Q4. Is the Planning Proposal consistent with Council's Local Strategy?

A review has been undertaken against applicable policies and plans of Northern Beaches Council as follows:

Q4(a) Northern Beaches Community Strategic Plan 2017-2028 'SHAPE 2028'

The Northern Beaches Community Strategic Plan was adopted by the Northern Beaches Council in June 2018 following 2 stages of engagement and drafting in September/October 2016 (developing community issues, priorities and visions) and in March/April 2017 (developing draft goals and strategies to achieve the vision).

The Plan is built around themes of community, place, environment and leadership. The objectives and intended outcomes of the Planning Proposal are supported by the Community Strategic Plan.

Q4(b) Warringah Local Environmental Plan 2011 (WLEP2011)

Applicable requirements of WLEP2011 have been considered in this section.

Q4(b)(1) WLEP2011 Land Use Zone Analysis***Existing: Zone R2 Low Density Residential***

The six (6) lots are currently zoned R2 (Low Density Residential) under WLEP2011 which has the following objectives and permitted/prohibited land uses:

Zone R2 Low Density Residential**1. Objectives of zone**

- *To provide for the housing needs of the community within a low density residential environment.*
- *To enable other land uses that provide facilities or services to meet the day to day needs of residents.*
- *To ensure that low density residential environments are characterised by landscaped settings that are in harmony with the natural environment of Warringah.*

2. Permitted without consent

Home-based child care; Home occupations

3. Permitted with consent

Bed and breakfast accommodation; Boarding houses; Boat sheds; Building identification signs; Business identification signs; Centre-based child care facilities; Community facilities; Dwelling houses; Educational establishments; Emergency services facilities; Environmental

protection works; Exhibition homes; Group homes; Health consulting rooms; Home businesses; Hospitals; Places of public worship; Recreation areas; Respite day care centres; Roads; Secondary dwellings; Veterinary hospitals

4. Prohibited

Any development not specified in item 2 or 3

Consideration:

Given the location of the subject lots which are encompassed by the State Park, the objectives and majority of the permitted land uses within the R2 zone would be detrimental to:

- The values of the State Park, noting that the State Park is valued both locally and regionally as a public recreation venue, heritage conservation area, environmental and scenic asset, place of remembrance and for its water catchment roles for Manly Dam.
- Core habitat for local native species located on and surrounding the subject lots.
- Threatened species and their habitat located on and surrounding the subject lots.
- The likely wildlife corridor, connecting Manly Dam to Garigal National Park.
- The water quality of Many Dam.
- The Manly Dam and Surrounds Heritage Conservation Area and Local Heritage Items being the Bantry Bay Reservoir and Bantry Bay Water Pumping Station as listed in Schedule 5 of WLEP2011 and also potentially detrimental to the Aboriginal Heritage significance of the land.

The R2 Zone also does not adequately reflect the ongoing public infrastructure use of Sydney Water Lot 1 DP 835123 (water tower - reservoir) or the ongoing public recreation use of the Crown Land lots that form part of the State Park.

Proposed: RE1 (Public Recreation) Zone

The four (4) Crown Land lots and Sydney Water Lot 1 DP 710023 (bushland site) are proposed to be rezoned RE1 (Public Recreation) which has the following objectives and permitted/prohibited land uses:

Zone RE1 Public Recreation

1. Objectives of zone

- *To enable land to be used for public open space or recreational purposes.*
- *To provide a range of recreational settings and activities and compatible land uses.*
- *To protect and enhance the natural environment for recreational purposes.*
- *To protect, manage and restore public land that is of ecological, scientific, cultural or aesthetic value.*
- *To prevent development that could destroy, damage or otherwise have an adverse effect on those values.*

2. Permitted without consent

Environmental facilities; Environmental protection works; Roads

3. Permitted with consent

Boat building and repair facilities; Boat sheds; Building identification signs; Business identification signs; Car parks; Centre-based child care facilities; Community facilities; Emergency services facilities; Kiosks; Recreation areas; Recreation facilities (indoor); Recreation facilities (major); Recreation facilities (outdoor); Respite day care centres; Restaurants or cafes; Water recreation structures

4. Prohibited

Any development not specified in item 2 or 3

Consideration:

Rezoning the four (4) Crown Land lots and Sydney Water Lot 1 DP 710023 (bushland site) to RE1 would be consistent with the objectives and permissible/prohibited uses of the RE1 Zone as follows:

- The three northern Crown Land lots already form part of the State Park and are currently used for recreational purposes such as bushwalking and the mountain bike track that runs along the north east boundaries of these lots that links up to the Manly Dam mountain bike track loop and the Wakehurst Golf Course which is in part contained within these lots.
- This land connects well with adjacent land for public recreation, including Manly Dam and Garigal National Park. Rezoning the land to RE1 will support the continuation of these recreational activities on the subject lots and consistency with adjacent land uses.
- The subject land also has important ecological, scientific, cultural and aesthetic value. Ecologically, this land provides potential and known habitat for hundreds of local native species and its bushland state helps protect the water quality of Manly Dam. Scientifically, this land provides potential habitat for State and Commonwealth listed threatened species. Culturally, this land is identified as Aboriginal Potential Area 1 and within 100 metres of an Aboriginal site, contains two heritage items and is contained within or adjoins the 'Manly Dam and Surrounds' Heritage Conservation Area and is a place of Remembrance as the Manly Warringah War Memorial.
- Any development, except those permissible within RE1 zoning, may significantly impact or otherwise have an adverse effect on the ecological, scientific, cultural and aesthetic values listed above and described throughout this Planning Proposal.
- The subject lots contain locally and regionally significant environmental features with intact bushland and heritage significance which should be protected and conserved, to be enjoyed by many future generations via the proposed RE1 zone.

Proposed: SP2 (Infrastructure) Zone

Sydney Water Lot 1 DP 835123 (Water Tower – Reservoir) is proposed to be zoned SP2 (Infrastructure) for the purpose of 'water supply system' as indicated on the proposed Land Zoning Map. The SP2 zone has the following objectives and permissible/prohibited land uses:

Zone SP2 Infrastructure**1. Objectives of zone**

- *To provide for infrastructure and related uses.*
- *To prevent development that is not compatible with or that may detract from the provision of infrastructure.*

2. Permitted without consent

Nil

3. Permitted with consent

The purpose shown on the Land Zoning Map, including any development that is ordinarily incidental or ancillary to development for that purpose; Environmental protection works; Roads

4. Prohibited

Any development not specified in item 2 or 3

Definition: 'Water Supply System'

The Standard Instrument definition of 'Water Supply System' is as follows:

water supply system means any of the following:

- (a) a water reticulation system,
- (b) a water storage facility,
- (c) a water treatment facility,
- (d) a building or place that is a combination of any of the things referred to in paragraphs (a)-c).

water reticulation system means a building or place used for the transport of water, including pipes, tunnels, canals, pumping stations, related electricity infrastructure and dosing facilities.

Note. Water reticulation systems are a type of water supply system—see the definition of that term in this Dictionary.

water storage facility means a dam, weir or reservoir for the collection and storage of water, and includes associated monitoring or gauging equipment.

Note. Water storage facilities are a type of water supply system—see the definition of that term in this Dictionary.

water treatment facility means a building or place used for the treatment of water (such as a desalination plant or a recycled or reclaimed water plant) whether the water produced is potable or not, and includes residuals treatment, storage and disposal facilities, but does not include a water recycling facility.

Note. Water treatment facilities are a type of water supply system—see the definition of that term in this Dictionary.

Consideration:

The SP2 zoning for 'water supply system' of the Sydney Water Lot 1 DP 835123 is appropriate as it reflects the existing and ongoing use of the heritage listed site as containing public infrastructure being the Water Tower- Reservoir and Water Pumping Station.

The proposed SP2 zone would also serve to better protect the environmental and heritage significant values of the lot and adjoining State Park as land uses would be limited to the 'Water Supply System', with additional protection provided via its local heritage listing under Schedule 5 of WEP2011 and the requirements of SEPP 19 Bushland in Urban Areas.

Q4(b)(2) Heritage Significance

Out of the six (6) lots, five (5) are subject to heritage listing under the provisions of WLEP2011 as follows:

- Lots 76 and 77 DP 504237, Lot 2 DP 710023 and Lot 1 DP 1200869 are all part of Heritage Conservation Area C9 – Manly Dam and Surrounds, listed in Schedule 5 of WLEP2011.
- The Sydney Water property known as Lot 1 DP 835123 contains two listed heritage items: Item I147 Bantry Bay Reservoir (WS 0008) and Item I148 Bantry Bay Water Pumping Station (WPS 122), which are both listed in Schedule 5 of WLEP2011.
- The only lot not affected by a local heritage listing (but in the vicinity), is the Sydney Water bushland site (Lot 1 DP 710023).

The lots are also identified as Aboriginal Potential Area 1 and within 100 metres of an Aboriginal site.

Consideration:

Councils Heritage Advisor has reviewed the Planning Proposal and provided the following comments:

The Planning Proposal proposes to rezone all these lots, with the exception of the Sydney Water Reservoir Site (Lot 1 DP 835123), from R2 (Low Density Residential) to RE1 (Public Recreation).

The Sydney Water Reservoir Site is proposed to be rezoned from R2 (Low Density Residential) to SP2 (Infrastructure). In both cases, no change is proposed to the heritage status of these properties.

As no change to the heritage status of these properties is proposed, it is considered that the change in zonings will not have any adverse impact upon the Manly Dam and Surrounds Heritage Conservation Area nor the Bantry Bay Reservoir and Water Pumping Station heritage items. Removal of the Residential zoning will remove the potential for residential development to occur on these sites, which would be detrimental to the existing heritage listings under WLEP2011. The RE1 zoning will protect these lots which are currently part of the gazetted Manly-Warringah War Memorial State Park, therefore recognising their current use. The SP2 zoning of the Sydney Water heritage site is appropriate as it recognises that the site contains operational infrastructure.

Therefore, no objections are raised to the Manly Dam Planning Proposal on heritage grounds.

The lots are also identified as Aboriginal Potential Area 1 and within 100 metres of an Aboriginal site. The Aboriginal Heritage Office is proposed to be consulted regarding any potential impacts of the Planning Proposal on Aboriginal Heritage Area and Sites following a Gateway Resolution.

Q4(b)(3) Land Slip Risk

WLEP2011 maps the subject land as 'Area A – Slopes less than 5 degrees' and 'Area B – Flanking Slopes from 5 to 25 degrees' in terms of landslip risk. Consideration is required to be given to risk associated with landslides and their impact on both property and life when assessing development applications. Furthermore, such development must not cause significant detrimental impacts because of stormwater discharge from the development site or impact on or affect the existing subsurface flow conditions.

The Planning Proposal is consistent with the existing provisions as applicable to the land to be rezoned.

Q4(b)(4) Minimum Lot Size

WLEP2011 'Lot Size Map- Sheet LSZ_008' currently maps all of the subject lots as having a minimum lot size of 600sqm. The current lot size reflects the current R2 zoning of the land.

It is proposed that WLEP2011 'Lot Size Map- Sheet LSZ_008' be amended to remove the residential development standard for minimum lot size from all of the subject lots to reflect the proposed RE1 and SP2 zoning changes. (Refer to Part 4 – Maps to view proposed map amendments)

Q4(b)(5) Height of Buildings

WLEP2011 'Height of Buildings Map- Sheet HOB_008' currently maps all of the subject lots as having a maximum building height of 8.5m. The current height of building requirement reflects the current R2 zoning of the land.

It is proposed that WLEP2011 'Height of Buildings Map- Sheet HOB_008' be amended to remove the residential development standard for maximum height building height from all of the subject lots to reflect the proposed RE1 and SP2 zoning changes. (Refer to Part 4 – Maps to view proposed map amendments)

Q4(c) Warringah Bush Fire Prone Land Map 2016 and Draft Northern Beaches Bush Fire Prone Land Map 2018

The subject lots are identified on the current Warringah Bush Fire Prone Land Map 2016 and Draft Northern Beaches Bush Fire Prone Land Map 2018 as containing Category 1 Vegetation and/or Vegetation Buffer Area (See map extracts below).

The land is in close proximity to Garigal National Park and dense bushland of the State Park. The proposed rezoning from R2 to RE1 and SP2 would serve to protect life and property from bush fire hazards by discouraging the establishment of incompatible residential land uses in the bush fire prone areas. It would also protect native flora and fauna from pressure to clear native bushland to create bush fire asset protection zones along the Park's boundaries.



Map 7 Warringah Bush Fire Prone Land Map 2016



Map 8 Draft Northern Beaches Bush Fire Prone Land Map 2016

Q4(d) Warringah Development Control Plan 2011 (WDCP)

Existing Residential Development Controls

In support of the proposed RE1 and SP2 zones it is recommended that Council prepare and exhibit consequential amendments to the WDCP to remove residential development controls, including setback and minimum landscaped area controls, from subject land.

Native Vegetation Controls

The land is mapped as “Native Vegetation” under WDCP E5 Native Vegetation (See below map extract).

The proposed rezoning of the subject lots to RE1 and SP2 will support the WDCP objectives of E5 Native Vegetation:

To provide natural habitat for local wildlife, maintain natural shade profiles and provide psychological & social benefits.

Promote the retention of native vegetation in parcels of a size, condition and configuration which will as far as possible enable local plant and animal communities to survive in the long term.

To maintain the amount, local occurrence and diversity of native vegetation in the area



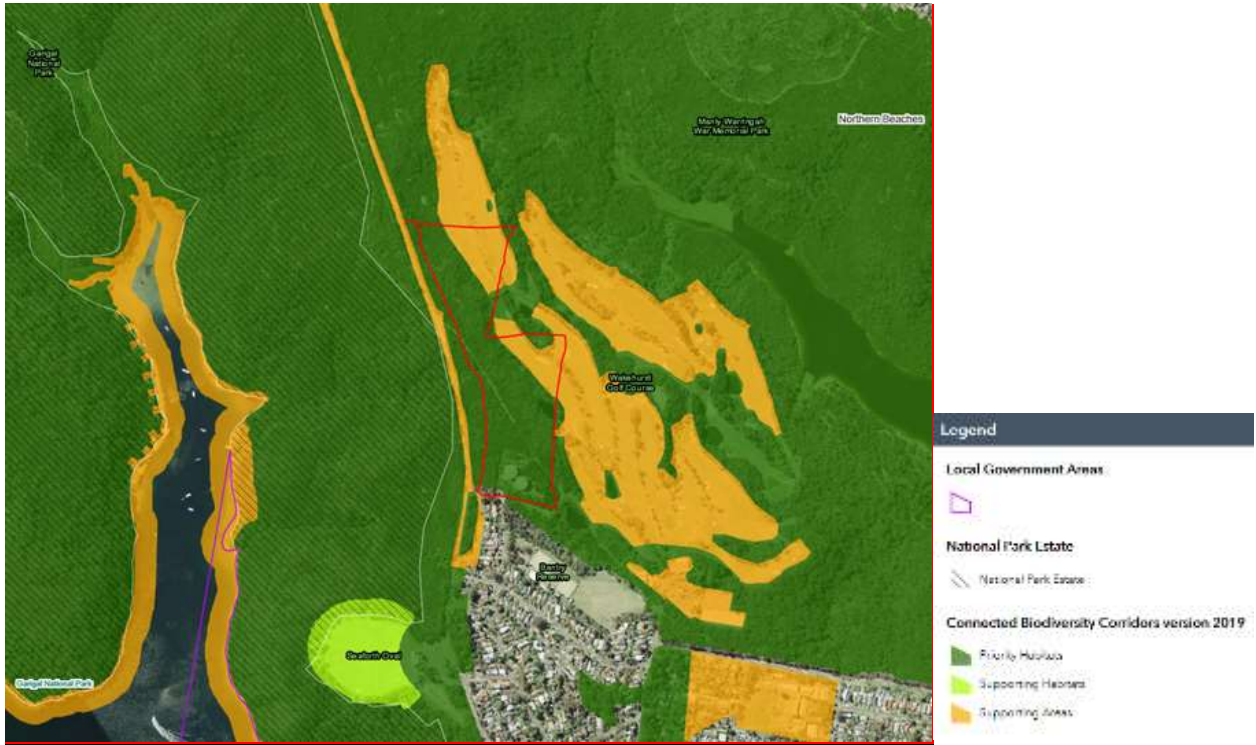
Map 9 Native Vegetation DCP Mapping

Q4(e) Connected Corridors for Biodiversity project by Southern Sydney Regional Organisation of Councils, December 2016

The main aim of the Connected Corridors for Biodiversity project was to create tools to be used by Councils to facilitate increased habitat connectivity. This included a preparation of a habitat corridor map.

The majority of the subject lots and surrounding land are mapped (below) as “**Priority Habitats**” (coloured green) within the Connected Corridors for Biodiversity project by Southern Sydney Regional Organisation of Councils in December 2016. Some areas are mapped as “Supporting Area” (coloured yellow).

This information further supports the proposed rezoning to RE1 and SP2 zones which would provide greater environmental protection for the “priority habitats” than the current R2 zone.



Map 10 Biodiversity Corridor Mapping (SSROC 2016), Subject Lots outlined in red



Map 11 Biodiversity Corridor linking southern bushland of Manly Dam to Garigal National Park (SSROC 2016), approximate location of Subject Lots indicated in red

Q4(f) The Sydney Metropolitan Catchment Management Authority V3 mapping (OEH 2016)

The Sydney Metropolitan Catchment Management Authority have mapped all areas of intact vegetation on the subject lots as being made up of two (2) Plant Community Types (PCT) (See below map):

- PCT 1783 - S_DSF11: Sydney North Exposed Sandstone Woodland (coloured orange)
- PCT 1824 - S_HL08: Coastal Sandstone Heath-Mallee (coloured purple)

Duffys Forest Endangered Ecological Community (EEC) is mapped immediately to the south of the subject lot extent.

Vegetation communities have been ground truthed by Ecologists within Lot 1 DP 835123 and Lot 1 DP 710023 (approximately 1.05 ha). Council's Bushland Team notes that further survey and assessment of vegetation communities is recommended within the larger three (3) lots being Lot 2 DP 710023, Lot 77 DP 504237 and Lot 76 DP 504237 (collectively approximately 6.3 ha).

This information further supports the proposed rezoning to RE1 and SP2 zones which would provide greater environmental protection than the current R2 zone.



Map 12 SMCMA V3 mapping (OEH 2016)

Q4(g) Manly Dam Species List Project (Northern Beaches Council 2018)

Manly Dam have an ongoing records of species recorded within Manly Dam. This list currently contains 97 bird species, 23 reptile species, 9 amphibian species, 13 mammal species, 6 fish species, and 320 flora species.

Manly Dam rangers recently observed (26/3/2019) two (2) threatened Rosenberg's Goannas (*Varanus rosenbergi*) basking on rock outcrops within one of the subject lots (Lot 76 DP 504237)

Two (2) threatened mammal species previously recorded are now locally extinct, the *Phascolarctos cinereus* Koala and *Dasyurus maculatus* Spotted-tailed Quoll.

This information further supports the proposed rezoning of the subject land to RE1 and SP2 zones which would provide greater environmental protection than the current R2 zone.

Q4(h) Biodiversity Assessment on nearby Sydney Water land (Sydney Water 2018)

In 2018, Sydney Water undertook a biodiversity survey on their land (Lot 1 DP 835123) which is one of the subject lots. As discussed in the section Q4(g) above vegetation communities were confirmed as being PCT 1783 (S_DS11) and PCT 1824 (S_HL08).

Three (3) threatened microbat species were positively identified onsite by their distinctive ultrasonic calls. These were the *Chalinolobus dwyeri* Large-eared pied bat (Vulnerable under the BC Act), *Miniopterus australis* Little Bent-winged Bat (Vulnerable under the BC Act 2016 and the EPBC Act 1999) and *Miniopterus orianae oceanensis* Eastern Bent-winged Bat (Vulnerable under the BC Act 2016). It is worth noting that the *Chalinolobus dwyeri* Large-eared pied bat has not been recorded within 2km of the subject lots prior to this survey.

The subject lots and surrounding land are likely to suitable potential breeding habitat for the ***Chalinolobus dwyeri* Large-eared pied bat**, which is listed as a SAIL under the BC Act. "Habitat" for bat species is defined by OEH as, all areas of potential habitat on the subject land where the species is determined to be present. Potential habitat for this species is defined by OEH as "*Potential breeding habitat is PCTs associated with the species within 100m of rocky areas containing caves, or overhangs or crevices, cliffs or escarpments, or old mines, tunnels, culverts, derelict concrete buildings. Surveys must be undertaken as per the Threatened Bat Survey Guide to confirm breeding habitat*".

The survey also potentially recorded an infrared image of a threatened ***Cercartetus nanus* Eastern Pygmy Possum**. All of the subject lots contain important core habitat, with many Common Ring-tailed Possum dreys, low dense vegetation and feed species including Banksia spp.

As noted above, the lot also contained a high density of Ring-tailed Possum dreys, which is indicative of a healthy population of one of the key food species for the threatened ***Ninox strenua* Powerful Owl**.

Personal communication with Sydney Water staff also noted a Goanna (unconfirmed sp.) which had been seen within one of the buildings. There are two (2) possible species in the area, one being the threatened *Varanus rosenbergi* Rosenberg's Goanna.

This project demonstrates that previously unrecorded threatened species are still being recorded within the locality. This point, along with the fact that to date there has been no comprehensive and systematic biodiversity study of Manly Dam Reserve, suggests that further biodiversity surveys are required and further supports the proposed rezoning of the subject land to RE1 and SP2 zones which would provide greater environmental protection than the current R2 zone.

Q4(i) Rapid Fauna Habitat Assessment of the Sydney Metropolitan Catchment Management Authority Area (DECC June 2008)

This study was designed to assist the Sydney Metropolitan Catchment Management Authority (CMA) address the conservation of native fauna (including threatened species) in their Catchment Action Plan and supporting investment strategies. The study is also designed to assist DECC's (now OEH) own recovery planning program by implementing a number of recovery actions under the Threatened Species Priorities Action Statement (PAS). It should be noted that this study is meant to be used as a guide at a landscape scale, and any mapped areas should be verified at site-scale to confirm the findings.

The subject lots are part of the "Middle Harbour Valley" habitat area which is mapped as the highest fauna habitat ranking. Middle Harbour Valley is only one of 13 fauna habitat areas mapped as the highest ranking within the Sydney Metropolitan. A large component of this habitat area is the adjoining Garigal National Park.

High fauna diversity values is noted within this habitat area including "heathy; very large bushland area; Southern Brown Bandicoot."

A comprehensive biodiversity study would be required within subject lots to verify the findings of this study.

This information further supports the proposed rezoning of the subject land to RE1 and SP2 zones which would provide greater environmental protection than the current R2 zone.

Q4(j) BioNet Threatened Species Records accessed 13/02/2019

A BioNet search in the locality immediately surrounding (approx. 2km radius) the subject lots (report generated on 13th of February 2019, Office of Environment & Heritage 2018), returned thirty (30) threatened species over 392 records. Two (2) threatened amphibian species, eight (8) threatened bird species, one threatened reptile species, seven (7) threatened mammal species and twelve (12) threatened flora species.

The most abundant threatened species recorded within the locality is the:

- *Prostanthera marifolia* Seaforth Mintbush, which is listed as Critically Endangered under both the NSW *Biodiversity Conservation Act 2016* (BC Act 2016) and Commonwealth *Environment Protection & Biodiversity Conservation Act 1999* (EPBC Act 1999);
- threatened fauna including *Cercartetus nanus* Eastern Pygmy-possum;
- *Ninox strenua* Powerful Owl;
- *Varanus rosenbergi* Rosenberg's Goanna and;
- *Pseudophryne australis* Red-crowned Toadlet, all listed as Vulnerable under the NSW BC Act 2016.

The below map extract identifies the record locations for threatened species within the locality. There is known *Ninox strenua* Powerful Owl breeding habitat nearby to the lots.

The immediate locality (approx. 2km radius) has records for over 500 native protected flora and fauna species.

This information further supports the proposed rezoning of the subject land to RE1 and SP2 zones which would provide greater environmental protection than the current R2 zone.



Map 13 BioNet Threatened Species Records (OEH 2018)

Q5. Is the Planning Proposal consistent with applicable State Environmental Planning Policies (SEPPs)?

Compliance with applicable SEPPs is summarised in the below table and discussed further where applicable below.

Q5(a) Compliance with Applicable State Environmental Planning Policies (SEPPs)

SEPPs (as at September 2017)		Applicable	Consistent
1	Development Standards	NO	N/A
14	Coastal Wetlands	NO	N/A
19	Bushland in Urban Areas	YES	YES
21	Caravan Parks	NO	N/A
26	Littoral Rainforests	NO	N/A
30	Intensive Agriculture	NO	N/A
33	Hazardous and Offensive Development	NO	N/A
36	Manufactured Home Estates	NO	N/A
44	Koala Habitat Protection	NO	N/A
47	Moore Park Showground	NO	N/A
50	Canal Estate Development	NO	N/A
52	Farm Dams and Other Works in Land and Water Management Plan Areas	NO	N/A
55	Remediation of Land	YES	NO
62	Sustainable Aquaculture	NO	N/A
64	Advertising and Signage	NO	N/A
65	Design Quality of Residential Apartment Development	NO	N/A
70	Affordable Housing (Revised Schemes)	NO	N/A
	Coastal Management	NO	N/A

Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005	NO	N/A
(Affordable Rental Housing) 2009	NO	N/A
(Building Sustainability Index: BASIX) 2004	NO	N/A
(Exempt and Complying Development Codes) 2008	NO	N/A
(Housing for Seniors or People with a Disability) 2004	NO	N/A
(Infrastructure) 2007	YES	YES
(Integration and Repeals) 2016	NO	N/A
(Kosciuszko National Park – Alpine Resorts) 2007	NO	N/A
(Kurnell Peninsula) 1989	NO	N/A
(Mining, Petroleum Production and Extractive Industries) 2007	NO	N/A
(Miscellaneous Consent Provisions) 2007	NO	N/A
(Penrith Lakes Scheme) 1989	NO	N/A
(Rural Lands) 2008	NO	N/A
(State and Regional Development) 2011	NO	N/A
(State Significant Precincts) 2005	NO	N/A
(Sydney Drinking Water Catchment) 2011	NO	N/A
(Sydney Region Growth Centres) 2006	NO	N/A
(Three Ports) 2013	NO	N/A
(Urban Renewal) 2010	NO	N/A
(Western Sydney Employment Area) 2009	NO	N/A
(Western Sydney Parklands) 2009	NO	N/A

Table 2 Compliance with State Environmental Planning Policies (SEPPs)

Q5(b) SEPP 19 Bushland in Urban Areas

The general aim of the SEPP 19 is to protect and preserve bushland within urban areas (including bushland on the subject land) because of its natural heritage value to the community, its aesthetic value, and its value as a recreational, educational and scientific resource.

The specific aims of the SEPP are:

- a) *to protect the remnants of plant communities which were once characteristic of land now within an urban area,*
- b) *to retain bushland in parcels of a size and configuration which will enable the existing plant and animal communities to survive in the long term,*
- c) *to protect rare and endangered flora and fauna species,*
- d) *to protect habitats for native flora and fauna,*
- e) *to protect wildlife corridors and vegetation links with other nearby bushland,*
- f) *to protect bushland as a natural stabiliser of the soil surface,*
- g) *to protect bushland for its scenic values, and to retain the unique visual identity of the landscape,*
- h) *to protect significant geological features,*
- i) *to protect existing landforms, such as natural drainage lines, watercourses and foreshores,*
- j) *to protect archaeological relics,*
- k) *to protect the recreational potential of bushland,*
- l) *to protect the educational potential of bushland,*
- m) *to maintain bushland in locations which are readily accessible to the community, and*
- n) *to promote the management of bushland in a manner which protects and enhances the quality of the bushland and facilitates public enjoyment of the bushland compatible with its conservation.*

The proposed RE1 and SP2 zones are consistent with the general and specific aims of the SEPP as they would provide greater protection of bushland from incompatible landuses that are currently permissible under the R2 zone. The proposed amendment to the minimum lot size

map to remove the minimum lots size requirement of 600sqm would also support the specific aim (b) outlined above.

Clause 9 of SEPP 19 applies to land which adjoins bushland zoned or reserved for public open space. It requires that a public authority shall not carry out development or grant approval or development consent on that land unless it has taken into account the need to retain any bushland on the land and the effect of the proposed development on bushland zoned or reserved for open space purposes, in particular:

- on the erosion of soils, the siltation of streams and waterways and the spread of weeds and exotic plants within the bushland and
- any other matters that are relevant to the protection and preservation of bushland zoned or reserved for public open space.

The subject land is currently surrounded by RE1 'Public Open Space' zoned land (the State Park) to the north, east and in part south and Garigal National Park to the west. Clause 9 of SEPP 19 provides further support for the need to protect the bushland on the subject sites, and within the State Park and Manly Dam catchment from any adverse development impacts that could result from the current R2 zone. The proposed rezoning of the subject lots to RE1 and SP2 would serve to minimise development impacts and supports the requirements of this Clause.

Clause 10 of SEPP 19 requires that when preparing draft LEPs for any land to which the SEPP applies, other than rural land, Council shall have regard to the general and specific aims of the SEPP and give priority to retaining bushland, unless it is satisfied that significant environmental, economic or social benefits will arise which outweigh the value of the bushland. In this regard, the proposed zoning of the subject land to RE1 and SP2 would give greater priority to retention of bushland than the current R2 zone, satisfying the requirements of this Clause.

Q5(c) SEPP 55 (Remediation of Land)

SEPP 55 requires the issue of contamination be considered whenever a planning authority considers a development or rezoning proposal where the new use may increase risk from contamination (if it is present). In particular, this Policy aims to promote the remediation of contaminated land for the purpose of reducing the risk of harm to human health or any other aspect of the environment.

Clause 6(1) requires that when rezoning land Council is not to include contaminated land in a particular zone, unless satisfied that the land is suitable in its contaminated state (or will be suitable, after remediation) for all the purposes for which land in the proposed zone is permitted to be used. And, if the land requires remediation to be made suitable for any purpose for which land in the zone is permitted to be used, then Council is satisfied that the land will be remediated before used for that purpose.

Clause 6(2) requires that before including contaminated land in the proposed zone, the planning authority is to obtain and have regard to a report specifying the findings of a preliminary investigation of the land carried out in accordance with the contaminated land planning guidelines.

Council's Co-ordinator of Parks, Open Space and Recreation provided the following 'Preliminary Investigation' information regarding possible contamination on the subject land:

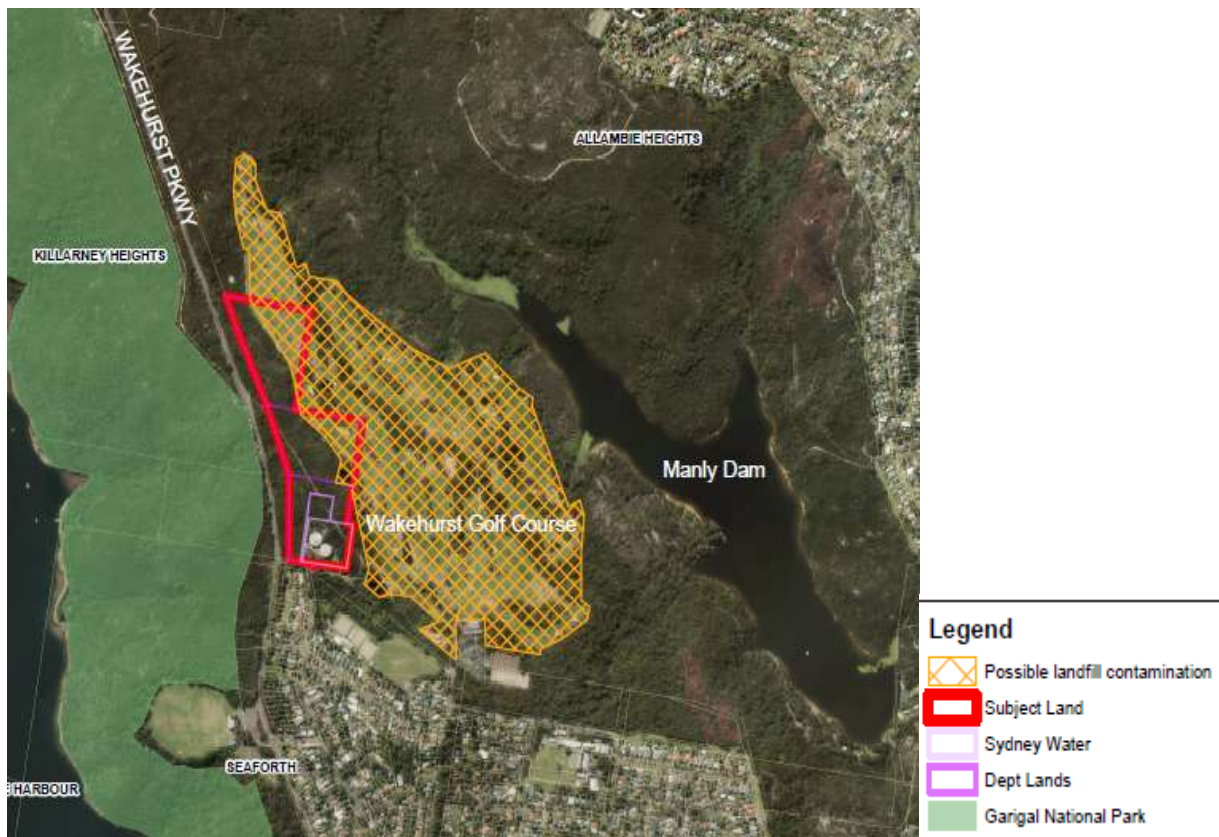
Much of the Wakehurst golf course is built on landfill and this includes the open-non-"bushy" parts of the.... two northern Crown Land lots that form part of the Wakehurst Golf Course (see below map). This work began in the late 1960's and was completed in 1990. Different contractors were involved over this period.

The original landform of the site was the usual rough sandstone terrace arrangement. The area was excavated to accommodate landfill cells. The landfill licence (from the old NSW State Pollution Control Commission) was for demolition (building waste) and excavation material. The material was progressively compacted into each cell via a mobile compactor machine. When "full" the cell was capped with a thin layer of earth and "soil" and then turfed. Cells were sloped inwards back in to the rear of the original land slope so drainage would run into drains at the rear of the cells. The water so collected drains into pipes which emerge on the bottom of the cell batters. This water plus the surface run-off ultimately drains into the lake (Manly Dam) down natural creek lines.

There was the ever present discussion of "leachate" possibilities from the drains because they collect storm water both from the surface of the cells (aka golfing fairways) and also storm water that had infiltrated down through the cell itself. An irrigation system was installed on the fairway surface soon after cell sealing. This adds additional water to the surface and some of this must seep through the consolidated fill material. This water no doubt picked up undesired chemical and microorganism material on the way through. The original waste mix would have included materials not strictly "demolition" or "excavation" as always happens with these operations.

Water sampling carried out (by us) in subsequent years did not however indicate significant leachate problems. The presence of nutrients that may have stimulated additional algal growth in the lake's recreational waters was noted. We believe most of this was due to the fertiliser regimes then being employed on Wakehurst golf course. These were subsequently changed. Issues of substantial toxic leachates, odours etc. have never arisen due principally to the small scale of any observed events.

The above considerations have not been an impediment to the growth and maintenance of quality recreational turf on the former waste disposal site and its uses for those purposes. I rate its current impact on water quality in Manly Dam (lake) exceptionally small.



Map 14 Potential Landfill Contamination of Crown Land lots containing Wakehurst Golf Course**Consideration:**

The two northern Crown Land lots in-part contain 'demolition' and 'excavation' landfill materials and possibly other types of landfill material that may be contaminated as outlined in the above 'preliminary investigation'. Infill is listed in Table 1 of the *Contaminated Lands Planning Guidelines, 1998* as an activity that may cause contamination.

The potentially contaminated land is located within the State Park and currently operates as part of the Wakehurst Golf Course. Council considers that the land is suitable in its current state for its current and ongoing use as a golf course. The proposed RE1 zoning would support the continued use of the land as a golf course.

It is considered that permissible land uses within the RE1 zone are more likely to reduce risk rather than increase risk from contamination compared to permissible land uses within the current R2 zone. That said however, Council can not be certain that the land is suitable in its potentially contaminated state (or will be suitable, after remediation) for a number of other land uses that are permitted within the current R2 or proposed RE1 zone (for example, centre-based child care facilities; community facilities; restaurants or cafes).

It is recommended that detailed site investigation and contamination testing be conducted in the future if there was a proposal for a change of use to something other than the golf course. In this regard, a trigger is proposed to be included on Council's spatial information system to alert Council Officers to potential land contamination on the subject properties and the requirements of SEPP 55.

Q5(d) SEPP (Infrastructure) 2007

The aim of this SEPP is to facilitate the effective delivery of infrastructure across the State by simplifying the process for providing infrastructure like hospitals, roads, railways, emergency services, water supply and electricity delivery.

Two aspects of the Planning Proposal have been considered against the provisions of the SEPP:

1. Rezoning implications for the Beaches Link Tunnel Project.

Consideration:

The Beaches Link Tunnel Projects identifies Sydney Water Lot 1 DP 710023 (bushland site) and part of Sydney Water Lot 1 DP 835123 (water tower- reservoir) as a potential temporary construction site during the construction of the tunnel (refer to Section B above for more detail).

This project (if undertaken) is likely to be permitted without consent via an amendment to Clause 95 of the SEPP - *Development permitted without consent—particular roads or road projects*. Therefore, the proposed RE1 and SP2 zones are unlikely to impact on the development approval process of the Beaches Link Tunnel.

2. The proposed rezoning of Sydney Water Lot 1 DP 835123 (water tower- reservoir) from R2 to SP2 and the provisions of the SEPP.

Consideration:

The current and ongoing primary purpose of Sydney Water Lot 1 DP 835123 is 'water supply system' as defined under the Standard Instrument LEP.

Part 3, Division 24 *Water Supply Systems* of the SEPP outlines what development is permitted with and without consent and what is exempt development. In this regard:

- Clause 124 Definitions specifies prescribed zones which permit a greater range of these types of development without consent. The proposed SP2 zone is a prescribed zone. The current R2 zone is not a prescribed zone.
- Clause 127 Exempt Development of the SEPP enables Sydney Water to conduct a range of works (predominantly maintenance works) to the existing 'Water Supply System' as exempt development independent of what the land is zoned.

It is recommended that Sydney Water Lot 1 DP 835123 is zoned SP2 (infrastructure) via an amendment to the WLEP2011 Land Zoning Map, as this would clearly indicate to the community that the primary purpose of the land is to provide water infrastructure 'water supply system'. Also given the SP2 zone is a prescribed zone under Clause 124 of the SEPP, rezoning the land to SP2 (infrastructure) would facilitate the aim of the SEPP to effectively deliver infrastructure across the State by simplifying the process for providing this infrastructure.

Q6. Is the Planning Proposal consistent with applicable Ministerial Directions?

Section 9.1 of the EP&A Act enables the Minister to issue directions regarding the content of LEPs to the extent that the content must achieve or give effect to particular principles, aims, objectives or policies set out in those directions.

Applicable Ministerial Directions are summarised at Attachment 1 and comments on each of the applicable directions are provided in the below table. Where there is inconsistency this is examined further under Q6(b) below.

Q6(a) Summary of Applicable Ministerial Directions

Ministerial Direction	Comment
2 Environment and Heritage	
2.1 Environment Protection Zones	
The objective of this direction is to protect and conserve environmentally sensitive areas.	The Planning Proposal seeks to rezone certain lands which will facilitate the protection and conservation of environmentally sensitive areas and does not reduce any environmental protection standards that apply to the land.
2.3 Heritage Conservation	
The objective of this direction is to conserve items, areas, objects and places of environmental heritage significance and indigenous heritage significance.	Whilst the Planning Proposal applies to three Crown Land lots that are located within the Manly Dam and Surrounds Heritage Conservation Area under WLEP2011 and also Lot 1 DP 710023 containing the Bantry Bay Reservoir and Bantry Bay Pumping Station, listed as locally significant heritage items under WLEP2011, the proposed rezoning is not considered to impact on the heritage significance of any listed heritage item or conservation area as detailed in the Planning Proposal.

3. Housing, Infrastructure and Urban Development	
3.1 Residential Zones	
<p>The objectives of this direction are to:</p> <ul style="list-style-type: none"> a) encourage a variety of choice of housing types to provide for existing and future housing needs, b) to make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services, and c) To minimise the impact of residential development on the environment and resource lands. 	Inconsistency with the terms of this Direction is addressed in accordance with the requirements of the Direction (detailed below).
3.4 Integrating Land Use and Transport	
<p>The objective of this direction is to ensure that urban structures, building forms, land use locations, development designs, subdivision and street layouts achieve the following planning objectives:</p> <ul style="list-style-type: none"> (a) improving access to housing, jobs and services by walking, cycling and public transport, and (b) increasing the choice of available transport and reducing dependence on cars, and (c) reducing travel demand including the number of trips generated by development and the distances travelled, especially by car, and (d) supporting the efficient and viable operation of public transport services, and (e) providing for the efficient movement of freight. 	This direction applies as the planning proposal will alter zones or provisions relating to urban land, including land zoned for residential purposes. In this regard the planning proposal is consistent with the aims, objectives and principles of Improving Transport Choice – Guidelines for planning and development (DUAP 2001).
4. Hazard and Risk	
4.4 Planning for Bushfire Protection	
<p>The objectives of this direction are:</p> <ul style="list-style-type: none"> (a) to protect life, property and the environment from bush fire hazards, by discouraging the establishment of incompatible land uses in bush fire prone areas, and (b) to encourage sound management of bush fire prone areas. 	All of the subject lots are identified on the Warringah Bush Fire Prone Land Map as Category 1 Vegetation and/or Vegetation Buffer Area. The land is in close proximity to Garigal National Park and dense bushland of the State Park. The proposed rezoning from R2 to RE1 and SP2 would be in line with the objectives of this direction, to protect life and property from bush fire hazards by discouraging the establishment of incompatible land uses in bush fire prone areas.
6. Local Plan Making	
6.1 Approval and Referral Requirements	
<p>The objective of this direction is to ensure that LEP provisions encourage the efficient and appropriate assessment of development.</p>	<p>The Planning Proposal is consistent with the terms of this direction as follows:</p> <ul style="list-style-type: none"> a) provisions that require the concurrence, consultation or referral of DAs to a Minister

	or public authority are minimised (b) no provisions are contained in the Planning Proposal requiring concurrence, consultation or referral of a Minister or public authority without approval prior to undertaking consultation. (c) no development is identified as designated development.
6.2 Reserving Land for Public Purposes	
The objectives of this direction are: (a) to facilitate the provision of public services and facilities by reserving land for public purposes, and (b) to facilitate the removal of reservations of land for public purposes where the land is no longer required for acquisition.	Approval requirements of the relevant public authority and Department Secretary under the terms of this Direction are addressed below in detail.
6.3 Site Specific Provisions	
The objective of this Direction is to discourage unnecessarily restrictive site specific planning controls.	The Planning Proposal does not seek to allow a particular development proposal under the terms of the Direction.
7 Metropolitan Planning	
7.1 Implementation of A Plan for Growing Sydney	
The objective of this direction is to give legal effect to the planning principles; directions; and priorities for subregions, strategic centres and transport gateways contained in A Plan for Growing Sydney.	The Planning Proposal is consistent with the NSW Government's Greater Sydney Regional Plan "A Metropolis of Three Cities – connecting people" published on 18 March 2018, as outlined in Part 3, Section B of this report.

Table 3 Summary of Applicable Ministerial Directions

Q6(b) Inconsistency with Ministerial Directions

The following comments are provided where the Planning Proposal may be inconsistent with the terms of any direction.

Q6(b)(1) Ministerial Direction 3.1 Residential Zones

This direction applies as the Planning Proposal affects land within an existing residential zone i.e. Zone R2 Low Density Residential.

- (1) *The objectives of this direction are:*
- (a) *to encourage a variety and choice of housing types to provide for existing and future housing needs,*
 - (b) *to make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services, and*
 - (c) *to minimise the impact of residential development on the environment and resource lands.*
- (4) *A planning proposal must include provisions that encourage the provision of housing that will:*
- (a) *broaden the choice of building types and locations available in the housing market, and*
 - (b) *make more efficient use of existing infrastructure and services, and*
 - (c) *reduce the consumption of land for housing and associated urban development on the urban fringe, and*

(d) *be of good design.*

(5) *A planning proposal must, in relation to land to which this direction applies:*

- (a) *contain a requirement that residential development is not permitted until land is adequately serviced (or arrangements satisfactory to the council, or other appropriate authority, have been made to service it), and*
- (b) *not contain provisions which will reduce the permissible residential density of land.*

The Planning Proposal is inconsistent with the above requirements as the proposed rezoning will not provide for residential development on the subject land. In this regard, a planning proposal may be inconsistent with the terms of this direction only if the relevant planning authority can satisfy the Director-General of the Department of Planning and Industry (or an officer of the Department nominated by the Director-General) that the provisions of the planning proposal that are inconsistent are:

- (a) *justified by a strategy which:*
 - (i) *gives consideration to the objective of this direction, and*
 - (ii) *identifies the land which is the subject of the planning proposal (if the planning proposal relates to a particular site or sites), and*
 - (iii) *is approved by the Director-General of the Department of Planning, or*
- (b) *justified by a study prepared in support of the planning proposal which gives consideration to the objective of this direction, or*
- (c) *in accordance with the relevant Regional Strategy, Regional Plan or Sub-Regional Strategy prepared by the Department of Planning which gives consideration to the objective of this direction, or*
- (d) *of minor significance.*

The provisions of the Planning Proposal to rezone the land from a residential zone to zones that do not support residential development are considered of minor significance because it is highly unlikely that the subject land would ever be developed for residential purposes in the future based on the following considerations:

- The three northern Crown Land lots currently form part of the State Park, Wakehurst Golf Course and the Manly-Warringah Heritage Conservation area. As part of the State Park, these lots are highly valued both locally and regionally for their recreational, ecological, scientific, cultural and aesthetic values and for their water catchment roles. It is highly unlikely that they would ever be developed for residential purposes in the future.
- The Sydney Water Lot 1 DP 710023 (bushland site) is surrounded by State Park and the Manly Warringah Heritage Conservation Area to the north, east and west and adjoins heritage listed Sydney Water (water tower-reservoir) to the south. Residential development of this lot would be detrimental to the native flora and fauna on the lot and to the ecological, scientific, cultural and aesthetic values of the subject land, the State Park and the water quality of Manly Dam. Residential development on this lot is also likely to put lives, properties and the environment at risk from bushfire.
- The Sydney Water Lot 1 DP 835123 is used for infrastructure purposes (water tower – reservoir) and is also heritage listed. This lot has never been intended for residential land uses.
- The small southern Crown land Lot 1 DP 1200869 is a bushland site that is approximately 82sqm in size. This lot is considered too small to support low density residential development. This lot is also bounded by the heritage listed Sydney Water Tower-Reservoir to the north and the State Park to the east and west. Any residential development on this lot would have negligible impact on the overall supply of housing needs.

Q6(b)(2) Ministerial Direction 6.2 - Reserving Land for Public Purposes

This direction applies as the Planning Proposal seeks to reserve land for public purposes via the proposed RE1 (public recreation) and SP2 (Infrastructure) zones. This requires approval of the relevant public authorities and the Director-General of the Department of Planning and Industry (or an officer of the Department nominated by the Director-General).

(1) *The objectives of this direction are:*

- a) *to facilitate the provision of public services and facilities by reserving land for public purposes, and*
- b) *to facilitate the removal of reservations of land for public purposes where the land is no longer required for acquisition.*

(4) *A planning proposal must not create, alter or reduce existing zonings or reservations of land for public purposes without the approval of the relevant public authority and the Director-General of the Department of Planning (or an officer of the Department nominated by the Director-General).*

Other requirements apply at paragraphs (5)-(7) in respect of when a Minister or public authority may request that Council reserve land for a public purpose and in other circumstances where the land is to be acquired under Division 3 of Part 2 of the Land Acquisition (Just Terms Compensation) Act 1991.

The Planning Proposal seeks to rezone certain Crown Land and Sydney Water owned land from R2 (low density residential) to RE1 and SP2 zones. The Planning Proposal does not involve the reservation of land and does not involve changes to the WLEP2011 Land Acquisition Map.

Preliminary feedback from Sydney Water supported the proposed rezoning of Lot 1 DP 835123 (water tower – reservoir) from R2 to SP2. Sydney Water also welcomed the opportunity for Council to acquire Lot 1 DP 710023 (bushland site) at an agreed value based on the proposed RE1 zoning, so that it could be incorporated into the State Park. Sydney Water does however note that RMS has earmarked this site for potential acquisition for the Beaches Link Tunnel.

Preliminary feedback was sought from the Department of Industry - Land and Water (DI) however no response had been received at the time of writing of this report.

Preliminary advice from the Department of Planning and Industry is that statutory consultation with the Crown Land Office and Sydney Water would likely be a condition of any Gateway Determination to seek compliance with the Ministerial Direction.

Section C – Environmental, Social and Economic Impact

Q7. Is there any likelihood that Critical Habitat or Threatened Species, Populations or Ecological Communities, or their Habitats, will be adversely affected as a result of the proposal?

The studies and mapping outlined and discussed in the sections above provide evidence that the subject lots contain important core habitat for local native species including many threatened species and their habitat. The land is also likely to function as an important wildlife corridor, connecting Manly Dam to Garigal National Park.

The subject lots have the following biodiversity values:

- Mapped as “Priority Habitats” (coloured green) within the Connected Corridors for Biodiversity project by Southern Sydney Regional Organisation of Councils in December 2016;
- The subject lots are part of the “Middle Harbour Valley” habitat area which is mapped as the highest fauna habitat ranking. Middle Harbour Valley is only one of 13 fauna habitat areas mapped as the highest ranking within the Sydney Metropolitan;
- Mapped as having “Biodiversity Value” under the Biodiversity Conservation Act 2016 due to “threatened species or communities with potential for serious and irreversible impacts”;
- Connectivity values between Manly Dam Reserve and Garigal National Park;
- The subject lots all contain intact native bush, all mapped as native plant community types;
- At least four (4) threatened species have already been recorded within Lot 1 DP 835123, and;
- The immediate locality is known to contain at least thirty (30) threatened flora and fauna species.

To date, no comprehensive biodiversity study has been undertaken across all of the subject lots, and within the broader Manly Dam Reserve. A Biodiversity Study of Manly Dam Reserve would build on the information suggesting very high biodiversity values.

The proposed RE1 and SP2 zones will introduce new zone objectives and land use permissibility that will better protect the local flora and fauna and their habitats compared to permissible development under the current R2 zone. No adverse effects on critical habitat or threatened species, populations or ecological communities, or their habitats are likely as a result of the proposal.

Q8. Are there any other likely environmental effects as a result of the Planning Proposal and how are they proposed to be managed?

Council's Bushland & Biodiversity team has assisted in the preparation of the Planning Proposal and confirms that the likely environmental effects of the planning proposal will be to better protect manage and restore the public lands ecological, scientific, cultural or aesthetic values.

The Planning Proposal supports the following environmental considerations:

Biodiversity Impacts

The studies and mapping outlined and discussed in this Planning Proposal provide evidence that the subject lots are highly likely to contain habitat for local native species including threatened species, and are also likely to function as an important wildlife corridor, particularly for local native species.

Scenic Protection

The State Park is highly valued for the scenic beauty of its natural bushland environment. The proposed RE1 and SP2 zones would preclude future residential development on the subject land which would intrude into the Park's visual catchment, and/or skyline, detracting from the Parks natural aesthetic appeal.

Water Quality of Manly Dam

The subject land drains into Manly Dam which is valued by the community for its high water quality and recreational uses. The proposed RE1 and SP2 zones would minimise potential residential development impacts such as fertiliser use and uncontrolled or polluted stormwater runoff from impacting the water quality of Manly Dam.

Q.9 Has the Planning Proposal adequately addressed any social and economic effects?

The proposed RE1 and SP2 zones will protect the social value of the subject lots and surrounding land. The land is valued socially for:

- Public recreation;
- Bushland environment - aesthetic / scenic beauty;
- A place of remembrance – Manly Warringah War Memorial;
- Manly Dam Water Catchment;
- Ecological Value - providing potential and known habitat for hundreds of local native species;
- Scientific Value – providing potential habitat for state and Commonwealth listed threatened species;
- European Heritage Significance (as detailed in Section B);
- Opportunities for educational activities and community engagement programs;
- Public infrastructure with regard to the Sydney Water Tower/Reservoir.

The subject lots contain locally and regionally significant environmental features with intact bushland and heritage significance which should be protected and conserved, to be enjoyed by many future generations via the proposed RE1 and SP2 zones.

The subject land has also been identified as containing Aboriginal Heritage Significance as detailed under Section B above. Consultation with the NSW Aboriginal Heritage Office is required following a Gateway Determination to ensure any social impacts of the Planning Proposal are adequately addressed in this regard.

No economic impacts are envisaged as a result of the Planning Proposal.

Section D – State and Commonwealth Interests

Q10. Is there adequate public infrastructure for the Planning Proposal?

Yes, the proposed rezoning to RE1 and SP2 zones is supported by adequate infrastructure.

Q11. What are the views of State and Commonwealth Public Authorities consulted in accordance with the Gateway Determination?

The Planning Proposal is being prepared in accordance with consultation guidelines and provisions prepared by the Department of Planning and Industry and all statutory consultation will occur in accordance with the requirements of any future Gateway determination.

The following State Government Agencies are proposed to be consulted following a Gateway Determination to proceed with the Planning Proposal:

- The Department of Industry – Land and Water (Landowner – Crown Land)
- Sydney Water (Landowner)
- Roads and Maritime Services (RMS) (Regarding implications for the Beaches Link Tunnel)
- Aboriginal Heritage Office (Regarding the land being identified as Aboriginal Potential Area 1 and within 100 metres of an Aboriginal site)

Preliminary feedback from Sydney Water (Attachment 2) and RMS was provided and considered as follows:

Q11(a) Sydney Water - preliminary feedback

Regarding Lot 1 DP 835123 – Water Tower (Reservoir), Sydney Water:

- Supports the proposed rezoning from R2 (Low Density Residential) to SP2 (Infrastructure) as the lot contains an operational water reservoir and its primary purpose is to provide water infrastructure.
- Does not support a rezoning to RE1 (Public Recreation) because the lot features an operational water reservoir and public access is prohibited. The lot does not provide any opportunity for public recreation.

Regarding Lot 1 DP 710023 – Bushland Site, Sydney Water:

- Welcomes the opportunity for Council to acquire the property at an agreed market value based on the proposed RE1 zoning, so that it can be incorporated into the Manly Warringah War Memorial State Park and be under Council's control and management.
- Notes that the land is surplus to Sydney Water requirements and its sale was postponed in 2015 after Council and the community raised concerns.
- Notes that RMS has earmarked this lot (and part of Lot 1 DP835123) for acquisition as part of the Beaches Link Project (refer to Page 41 of the Beaches Link Project Update, RMS August 2018).
- Notes that prior to finalising the Planning Proposal, Council may like to consider the impact of the Beaches Link Project and the likely boundary changes that will result from the proposed RMS acquisition.

Consideration:

Support for the proposed SP2 zoning of Lot 1 DP 835123 (Water Tower -Reservoir) is noted.

Sydney water does not appear to object to the proposed RE1 (Public Recreation) zoning of Lot 1 DP 710023 (Bushland Site) subject to acquisition. It is noted here that in order for land to be included in the State Park it must be owned by the Crown under the *Crown Lands Act 1989*, therefore, the ideal future outcome for this land would be for the lot to be rezoned RE1 (Public Recreation) and owned by the Crown (not Council), for incorporation into the State Park.

Sydney Water's reference to the Beaches Link Project is discussed under RMS consultation below. Rezoning to accommodate potential boundary changes relating to the Beaches Link Project falls outside the scope of this Planning Proposal.

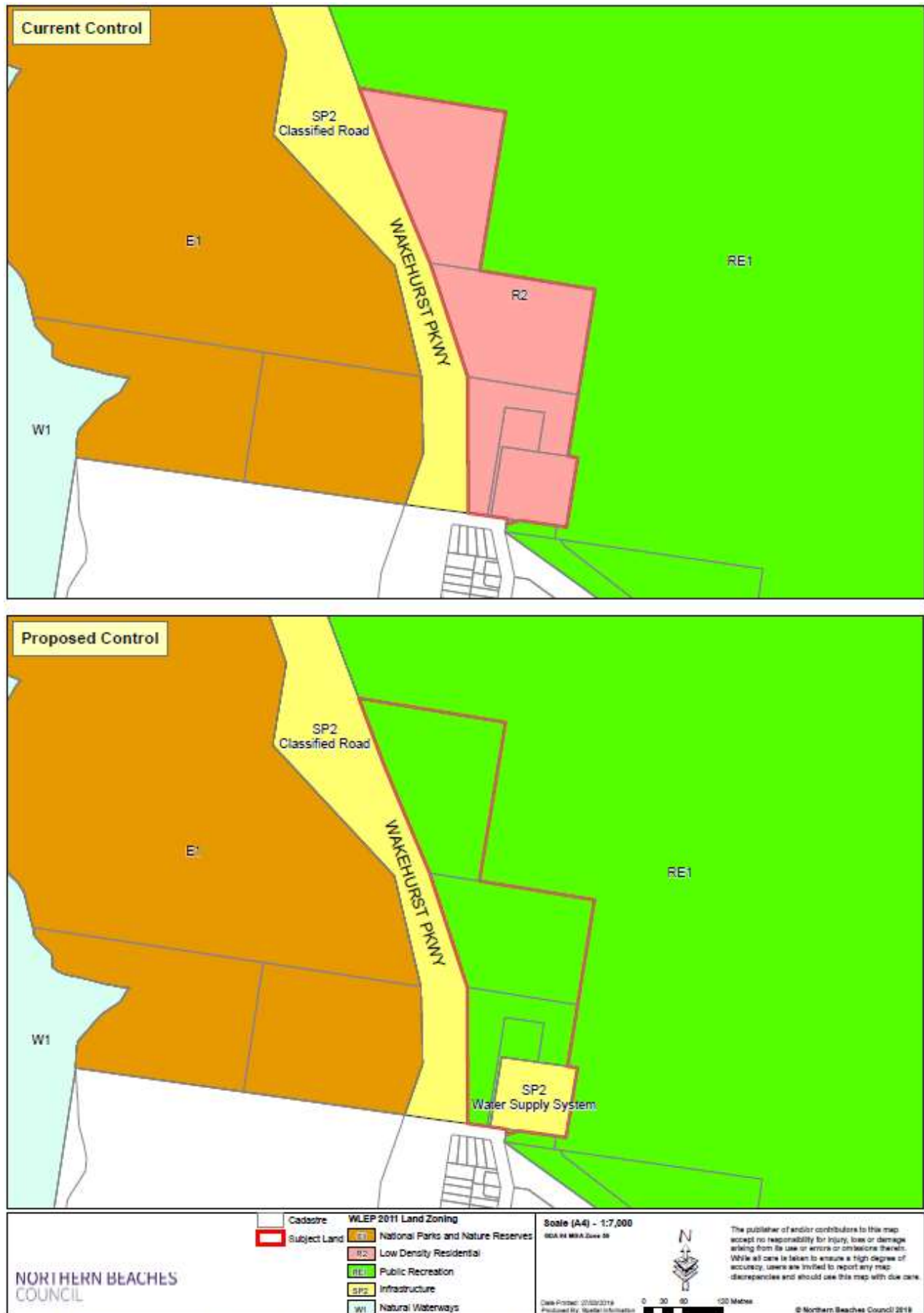
Q11(c) Roads and Maritime Services

Council has had preliminary telephone conversations with RMS regarding the proposed rezoning of the six (6) lots to a combination of RE1 and SP2 zones.

RMS has given preliminary feedback that the proposed RE1 and SP2 zones would not have any adverse implications for the Beaches Link Tunnel Project as these works could be undertaken via SEPP (Infrastructure).

For more details on the Beaches Link Project refer to Section B of this proposal.

Part 4 – Maps



Map 15 Current and Proposed Land Zoning Map under WLEP2011



Map 16 Current and Proposed Height of Building Map under WLEP2011



Map 17 Current and Proposed Lot Size Map under WLEP2011

Part 5 – Community Consultation

Council proposes to place the Planning Proposal on public exhibition for a minimum period of 28 days, consistent with Council's Community Engagement Policy including:

- A public notice in the Manly Daily notifying of the public exhibition;
- Notification in writing to affected and adjoining landowners
- Notification of key stakeholders, including but not limited to the Manly Warringah War Memorial State Park Advisory Committee.
- Electronic copies of the exhibition material on Council's website.

The Gateway determination will confirm the public consultation that must be undertaken.

Part 6 – Project Timeline

Task	Anticipated timeframe
Referral to Department of Planning and Industry for Gateway determination	June 2019
Issue of Gateway determination	July 2019
Government agency consultation (if required)	August 2019
Public exhibition period	September 2019
Consideration of submissions	November 2019
Report to Council to determine Planning Proposal	December 2019
Submit Planning Proposal to the Department of Planning and Industry and Parliamentary Counsel for LEP drafting and publication	January 2020

Table 4 Project Timeline

Part 7 – Delegation of Local Plan Making Authority

When submitting a Planning Proposal for a Gateway Determination, Council is required to identify whether or not Council is seeking to be the local plan-making authority for the Planning Proposal.

With regard to this Planning Proposal, Council seeks to exercise the function of local plan making authority, noting that the matter is of local significance.

Attachments

Attachment 1 – Ministerial Directions

Directions		Applicable	Consistent
1	Employment and Resources		
1.1	Business and Industrial Zones	NO	N/A
1.2	Rural Zones	NO	N/A
1.3	Mining, Petroleum Production and Extractive Industries	NO	N/A
1.4	Oyster Aquaculture	NO	N/A
1.5	Rural Lands	NO	N/A
2	Environment and Heritage		
2.1	Environment Protection Zones	YES	YES
2.2	Coastal Management	NO	NO
2.3	Heritage Conservation	YES	YES
2.4	Recreation Vehicle Areas	NO	N/A
2.5	Application of E2 and E3 Zones and Environmental Overlays in Far North Coast LEP's	NO	N/A
3	Housing, Infrastructure and Urban Development		
3.1	Residential Zones	YES	NO
3.2	Caravan Parks and Manufactured Home Estates	NO	N/A
3.3	Home Occupations	NO	N/A
3.4	Integrating Land Use and Transport	YES	YES
3.5	Development Near Licensed Aerodromes	NO	N/A
3.6	Shooting Ranges	NO	N/A
4	Hazard and Risk		
4.1	Acid Sulfate Soils	NO	NO
4.2	Mine Subsidence and Unstable Land	NO	N/A
4.3	Flood Prone Land	NO	NO
4.4	Planning for Bushfire Protection	YES	YES
5	Regional Planning		
5.1	Implementation of Regional Strategies	NO	N/A
5.2	Sydney Drinking Water Catchments	NO	N/A
5.3	Farmland of State and Regional Significance on the NSW Far North Coast	NO	N/A
5.4	Commercial and Retail Development along the Pacific Highway, North Coast	NO	N/A
5.5	Development in the vicinity of Ellalong, Paxton and Millfield (Cessnock LGA) (Revoked 18 June 2010)	NO	N/A
5.6	Sydney to Canberra Corridor (Revoked 10 July 2008 See amended Direction 5.1)	NO	N/A
5.7	Central Coast (Revoked 10 July 2008. See amended Direction 5.1)	NO	N/A
5.8	Second Sydney Airport: Badgerys Creek	NO	N/A
5.9	North West Rail Link Corridor Strategy	NO	N/A
5.10	Implementation of Regional Plans	NO	N/A
6	Local Plan Making		
6.1	Approval and Referral Requirements	YES	YES
6.2	Reserving Land for Public Purposes	YES	YES
6.3	Site Specific Provisions	YES	YES
7	Metropolitan Planning		
7.1	Implementation of A Plan for Growing Sydney	YES	YES
7.2	Implementation of Greater Macarthur Land Release Investigation	NO	N/A
7.3	Parramatta Road Corridor Urban Transformation Strategy	NO	NO
7.4	Implementation of North West Priority Growth Area Land Use and Infrastructure Implementation Plan	NO	NO
7.5	Implementation of Greater Parramatta Priority Growth Area Interim Land Use and Infrastructure Implementation Plan	NO	NO

7.6	Implementation of Wilton Priority Growth Area Interim Land Use and Infrastructure Implementation Plan	NO	NO
7.7	Implementation of Glenfield to Macarthur Urban Renewal Corridor	NO	NO

Table 5 Summary of All Ministerial Directions

Attachment 2 – Sydney Water Preliminary Consultation Response

27 February 2019

General Manager
Northern Beaches Council
PO Box 82
Manly NSW 1655

Via email: amber.pedersen@northernbeaches.nsw.gov.au

Dear General Manager

Proposed rezoning of Lot 1 DP 835123 and Lot 1 DP 710023 – Kirkwood St Seaforth

Thank you for the opportunity to respond Council's proposal to rezone Sydney Water land from R2 Low Density Residential to RE1 Public Recreation.

Sydney Water does not support Lot 1 DP 835123 being rezoned to RE1 Public Recreation. This Lot features an operational water reservoir and public access is prohibited. It does not provide any opportunity for public recreation. However, we agree that this Lot should not be zoned R2 Low Density Residential and recommend that it be rezoned to SP2 Infrastructure as its primary purpose is to provide water infrastructure.

Regarding Lot 1 DP 710023, we note that in the Notice of Motion No 65/2018, the background provided by Councillor Candy Bingham and the Chief Executive Report is silent on the issue that this Lot is surplus to Sydney Water requirements, and its sale was postponed in 2015 after Council and community stakeholder raised their concerns.

Sydney Water would welcome the opportunity for Council to acquire the property at an agreed market value based on an RE1 zoning, so that it can be incorporated in the Manly Warringah War Memorial Park and be under Council's control and management.

However, we note that Roads and Maritime Services (RMS) have earmarked this Lot (and part of Lot 1 DP 835123) for acquisition as part of the Beaches Link Project (refer to page 41 of the August 2018 update <https://www.rms.nsw.gov.au/documents/projects/sydney-north/western-harbour-tunnel-beaches-link/beaches-link-project-update.pdf>).

Prior to finalising the planning proposal, Council may like to consider the impact of the Beaches Link Project and the likely boundary changes that will result from the proposed RMS acquisition.

Should you have any further questions, please contact Mark Willis, Team Manager Disposals on 8849 3637 or mark.willis@sydneywater.com.au.

Yours sincerely,



Grant May
Property Portfolio Manager

Sydney Water Corporation ABN 49 726 225 038
1 Smith St Parramatta 2150 | PO Box 399 Parramatta 2124 | DX 14 Sydney | T 13 29 92 | sydneywater.com.au
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PLANNING PROPOSAL

Amendments to the Warringah Local Environmental Plan 2011

1294, 1296, 1298 & 1300 Pittwater Road and
No's. 2 and 4 Albert Street, Narrabeen

May 2019

(Submission for Gateway Determination)

TRIM 2019/164757

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FIGURES

Figure 1: Location

Figure 2: Site

Figure 3A: Aerial Photo – Detail

Figure 3B: Aerial Photo – Wide

Figure 4A: Zoning Map – Warringah LEP 2011

Figure 4B: Height of Buildings Map – Warringah LEP 2011

Figure 4C: Heritage Map – Warringah LEP 2011

Figure 4D: Landslip Risk Map – Warringah LEP 2011

Figure 4E: Acid Sulphate Soils Map – Warringah LEP 2011

1. INTRODUCTION

1.1 Overview

This Planning Proposal contains an explanation of the intended effect of, and justification for, requested amendments to Warringah Local Environmental Plan 2011 ("WLEP 2011"), insofar as that instrument applies to No's 1294, 1296, 1298, 1300 Pittwater Road, and No's 2 and 4 Albert Street, Narrabeen ("the site").

The Planning Proposal has been prepared in accordance with Section 3.33 of the Environmental Planning and Assessment Act 1979 ("EP&A Act") and the relevant Department of Planning and Environment guidelines and practice notes including "A Guide to Preparing Local Environmental Plans" and "A Guide to Preparing Planning Proposals".

The Planning Proposal seeks amendments to WLEP 2011 to change the maximum height standard that applies to part of the site from 8.5m to 11.0m, and to make the following land uses permissible with consent on part of the site: a "medical centre"; "commercial premises"; and "shop top housing".

The site is in the ownership of the Bernard Family, members of which have provided medical services to the Northern Beaches community for decades. In this regard, No. 4 Albert Street is presently occupied by the Narrabeen Family Medical Practice, and Waves Dental.

Narrabeen Family Medical Practice is a type of "health services facility" as defined in WLEP 2011 coming under the definition of a "medical centre". Medical centres, however, are not permissible in the R3 Medium Density Zone which applies to the site pursuant to WLEP 2011.

Additionally, No. 1300 Pittwater Road which is located in the north west corner of the site is occupied by a 2 storey commercial building currently occupied by W&D Financial Services. It was previously used as a bank. "Office premises", and "business premises" being types of "commercial premises" are also not permissible in the R3 Medium Density zone.

The site's present use, in part, for the purpose of a "medical centre" and as "commercial premises", along with its relatively large area (i.e. 4,704.1m), regular shape, dual street frontage to Pittwater Road and Albert Street, proximity to public transport services, and relationship to the Narrabeen Local Centre (being immediately to its south), all combine to warrant a higher and better mix of permissible uses than the uses which are permissible under WLEP 2011, and an increased building height limit of 11.0m for part of the site, which is the same height limit as applies to all land to the north of the site.

The Planning Proposal has both site specific planning merit and strategic planning merit. Both are amply demonstrated in the accompanying Urban Design Report.

As the site is immediately adjacent to the Narrabeen Local Centre, all parts of that centre are within 5 minutes' walk. Public transport is available within 2 minutes' walk. It is well recognized in the North District Plan that a principle of strategic planning is to increase residential development in, or within a walkable distance of, a centre. The site is therefore well-suited to an increase in residential development and the Planning Proposal intends to achieve that outcome by permitting a height limit of 11.0m in lieu of 8.5m for part of the site, along with making permissible the non-residential uses presently on the site (and allowing reasonable potential future growth thereof to meet evolving community needs).

The Planning Proposal therefore seeks to amend WLEP 2011 in the following manner in relation to the site:

- amend "Schedule 1 – Additional Permitted Uses" in WLEP 2011 to include "medical centre", "commercial premises" and "shop top housing" as additional uses which are permissible on the site with development consent with a maximum floor area of 1150 square metres for that part of the site adjoining the intersection of Pittwater Road and Albert Street.
- amend the "Additional Permitted Use Map" to identify the part of the site to permit additional uses as "Area 24";

- amend the “Height of Buildings” map from a maximum of 8.5m to 11m over part of the site (See section 8 – Part 4 Height of Building Map), excluding both 2 Albert Street, Narrabeen being Lot 1 DP61344 (containing heritage listed dwelling house) and the front part of 4 Albert Street, Narrabeen being Part lot 8C DP200030 (and directly adjoining to the east of the heritage dwelling along Albert Street); and,
- include an affordable housing provision and that requires 10% of dwellings on the site to be dedicated to Council as affordable rental housing, with the exact requirement being established by a feasibility analysis undertaken by Council following the issue of a Gateway determination.

A development concept has been formulated for the site to illustrate how the site would (potentially) be developed if the Planning Proposal proceeds. Key features of the concept are:

- conservation of the heritage item on No. 2 Albert Street;
- the construction of 4 new buildings, one of which, on the corner of Pittwater Road and Albert Street will be “mixed-use”, comprising the relocated Narrabeen Family Medical Practice, commercial office or business premises, and a partial ground floor active use (such as a café) with residential apartments above: the other 3 new buildings will be all residential (i.e. two residential flat buildings and one terrace/ townhouse style building in place of the existing medical centre);
- basement parking accessed off Albert Street; and
- retention of the large Hills Fig tree in the south eastern corner of the site.

The concept development contains a limited amount of non-residential floor space (i.e. 1,150m²) on part of the site (i.e. the corner of Pittwater Road and Albert Street). The remainder of the site would be wholly residential comprising attached dwelling/ terraces and residential flat buildings which are already permissible. The new residential buildings would however be 3 to 4 storeys as opposed to 2 to 3 storeys under the existing height control regime.

No. 2 Albert Street, which is a heritage item identified in WLEP 2011, could either be adaptively re-used for a non-residential purpose under the heritage incentive provisions in Clause 5.10(10) of WLEP 2011, or remain as a dwelling. Both scenarios are not dependent on the Planning Proposal.

1.2 Accompanying Documentation

The Planning Proposal, is supported by the following documents separately attached as follows:

- an urban design report prepared by GMU Urban Design;
- a heritage impact assessment prepared by NBRS Architecture and Heritage;
- a traffic impact assessment report prepared by TTPP Transport Planning;
- an economic assessment report prepared by Location IQ;
- a flood risk assessment prepared by Cardno;

1.3 Northern Beaches Council's pre-lodgement advice

On 19 October 2016 a pre-lodgement consultation meeting was attended by members of Council's Strategic Planning team, members of the Bernard Family, and representatives from BBC Consulting Planners, Highgate Management, and GMU Urban Design and Architecture.

Council's pre-lodgement advice identified statutory planning matters to be addressed in the planning proposal documentation, general documentation requirements, required strategic planning considerations, and relevant state and environmental planning policies that need to be addressed.

These matters have been addressed in this Planning Proposal.

Following the pre-lodgement consultation meeting with Council Officers, the Bernard Family has acquired No. 2 Albert Street, thereby allowing this property to be part of the site to which the

Planning Proposal applies and facilitating a much more regularized, holistic and integrated urban design and land use outcome.

1.4 Land to which the Planning Proposal applies

1.4.1 Location

The site is located on the south-eastern corner of Pittwater Road and Albert Street in Narrabeen (see Figure 1).

1.4.2 Real Property Description

As shown on Figure 2, the site consists of six (6) parcels of land, identified as follows:

- 1294 Pittwater Road, Narrabeen : Lot 2 DP 84490;
- 1296 Pittwater Road, Narrabeen : Lot 6A DP 200030;
- 1298 Pittwater Road, Narrabeen : Lot 100 DP 773884;
- 1300 Pittwater Road, Narrabeen : Lot 1 DP 615179;
- 2 Albert Street, Narrabeen : Lot 1 DP 613541; and
- 4 Albert Street, Narrabeen : Lot 8C DP 200030.

Certificates of title and deposited plans for the lots which comprise the site are provided. All of the site is owned by members of the Bernard Family.

1.4.3 Area and Frontages

The site is irregular in shape (see Figure 2) and has a total area of approximately 4,704.1m². It has frontages to Pittwater Road and Albert Street of 76.20m and 42.06m respectively.

1.4.4 Improvements

The improvements on the site are evident from the aerial photo (2016) in Figure 3A. There are (mainly) brick houses on each of No's 1294, 1296 and 1298 Pittwater Road; there is a commercial office building (a former bank) on No. 1300; a dwelling on No. 2 Albert Street (which is a listed heritage item – see Figure 4C) and on No. 4 Albert Street is a family medical centre and dental surgery.

1.4.5 Trees

As shown on the aerial photo in Figure 3A, a detailed survey is also provided by the applicant. There are several trees and shrubs on the land including a large Hills Fig tree in the south eastern corner of the land and a Norfolk Island Pine at the rear of the dwelling on No. 1294 Pittwater Road.

1.4.6 Vehicular Access

Vehicular access is available to each residential lot.

There is parking available for staff of the commercial office building at the rear of No 1300 Pittwater Road.

There is parking available for visitors to the medical practice and dental surgery at the front of the medical centre building at No 4 Albert Street.

There is also informal parking (staff of the commercial building and medical practice) provided at the front of No. 1296 Pittwater Road.

1.4.7 Topography

Detailed survey plans for the site and adjoining and nearby land have been provided in the preparation of the planning proposal.

The site falls from east to west and has a total fall to Pittwater Road of approximately 5m.

1.4.8 Public Transport

The site is located opposite the Narrabeen Commuter Car Park and associated northbound B-Line bus stop.

The site is also approximately 50m south of the south bound B-Line bus stop on Pittwater Road.

The site is in a locality which is very well supported by public transport.

1.5 Surrounds

1.5.1 To the north

To the north of Albert Street is the Narrabeen Local Centre containing a wide variety of shops, offices, banks, cafes and restaurants. Within the local centre are shop top housing buildings of up to 5 storeys. (There is a 5-storey building, "Seashells", at No's 1 – 7, Lagoon Street, immediately to the north of the site on the eastern side of Lagoon Street).

The height of other buildings in the local centre are identified on survey plans and on page 15 in Section 3.4 of the Urban Design Report.

1.5.2 To the east

To the east of the site is Furlough House, a listed heritage item in Warringah LEP 2011 (see Figure 4C). Furlough House comprises a collection of single and two storey brick buildings.

Furlough House at No's 72-90 Ocean Street is listed as Item 96 in Schedule 5 of WLEP 2011 and has the following physical description in the NSW State Heritage Database:

"Complex of single & 2 storey residential buildings of face brick with tiled hipped roofs. Oldest remaining buildings in this group were constructed in 1952-54 and in 1959. Further buildings were added in 1966. Mature Norfolk Island Pines fronting site adjoining Ocean Street."

Furlough House at No's 72-90 Ocean Street has the following Statement of Significance in the NSW State Heritage Database:

"'Furlough House' has historic and social significance due to its role since 1918 in the provision of recreational & community services for families of the armed services. While original buildings are gone, it maintains a continuity of association."

1.5.3 To the south

To the south of the site is No's 1290 – 1292 Pittwater Road, a 3 level residential flat building, containing 12 apartments.

1.5.4 To the west

To the west of the site is Pittwater Road.

Diagonally opposite the site in north western corner is a Council "park and ride" car park.

1.6 Existing Planning Controls

1.6.1 Zoning and Permissible Uses

The site to which the Planning Proposal request relates is zoned "R3 Medium Density Residential", pursuant to the provisions of WLEP 2011 (see Figure 4A).

The objectives of the R3 Medium Density Residential zone are as follows:

- "To provide for the housing needs of the community within a medium density residential environment.
- To provide a variety of housing types within a medium density residential environment.
- To enable other land uses that provide facilities or services to meet the day to day needs of residents.
- To ensure that medium density residential environments are characterised by landscaped settings that are in harmony with the natural environment of Warringah.

- To ensure that medium density residential environments are of a high visual quality in their presentation to public streets and spaces.”

The following development is permissible without consent in the R3 Medium Density zone (Item 2):

“Home-based childcare; home occupations”

The following development is permissible with consent in the R3 Medium Density zone (Item 3):

“Attached dwellings; Bed and breakfast accommodation; Boarding houses; Boat sheds; Building identification signs; Business identification signs; Child care centres; Community facilities; Dual occupancies; Dwelling houses; Educational establishments; Emergency services facilities; Environmental protection works; Exhibition homes; Group homes; Home businesses; Multi dwelling housing; Neighbourhood shops; Places of public worship; Recreation areas; Residential flat buildings; Respite day care centres; Roads; Secondary dwellings; Seniors housing; Veterinary hospitals.”

The following development is prohibited in the R3 Medium Density zone (Item 4):

“Any development not specified in item 2 or 3”

The above list of permissible uses does not include the two existing non-residential uses being carried out on the site, one of which is the Narrabeen Family Medical Practice which various members of the Bernard Family have operated for many years. The other is W&D Financial Services in the former bank building at the corner of Pittwater Road and Albert Street.

This Planning Proposal seeks to ensure that in any redevelopment of the site, the existing non-residential uses on the site are made permissible uses in order that the very important community role that these uses have provided for decades (and continue to provide) can be accommodated in a predominantly residential redevelopment of the site. However, the intention is that the non-residential uses are to be confined to a new mixed-use building on the north-west corner of the site (i.e. Building A on the concept development included in the Urban Design Report.

1.6.2 Building Height

Clause 4.3 of WLEP 2011 states that the maximum height of a building should not exceed the height on the Height of Buildings Map. The site has a maximum building height of 8.5m on the map (see Figure 4B).

“Building height” is defined to mean:

“(a) in relation to the height of a building in metres—the vertical distance from ground level (existing) to the highest point of the building, or

(b) in relation to the RL of a building—the vertical distance from the Australian Height Datum to the highest point of the building,

including plant and lift overruns, but excluding communication devices, antennae, satellite dishes, masts, flagpoles, chimneys, flues and the like.”

This Planning Proposal request seeks to amend the Height of Buildings map so as to permit a maximum building height of 11.0m on the site with the exception of 2 Albert Street, Narrabeen (containing a heritage listed dwelling house) and the front part of 4 Albert Street, Narrabeen which will remain an 8.5m height limit.

1.6.3 Heritage

As shown on Figure 4C No. 2 Albert Street is listed as Item 89 in Schedule 5 of WLEP 2011 and has the following physical description in the NSW State Heritage Database:

“Single storey dwelling of roughcast render and rusticated weatherboard. Half-hipped and gabled tiled roof. Timber battened fibro to gable ends. Wide veranda on 2 sides with piers & balustrade of roughcast render. Squat timber posts. Timber casement windows.”

No. 2 Albert Street has the following Statement of Significance in the NSW State Heritage Database:

“A good representative example of a large inter-war Californian bungalow. Displays high integrity with much original fabric and detailing. Historically provides evidence of the character and location of residential development in the inter-war period.”

As also shown on Figure 4C, the adjacent land to the east is also identified as a heritage item in WLEP 2011.

1.6.4 Flood Planning

Clause 6.3 of WLEP 2011 applies to land at and below the flood planning level. “Flood Planning Level” is defined to mean the level of 1:100 ARI (average recurrent interval) flood event plus 0.5m freeboard.

A flood risk assessment has been prepared by Cardno. It states that the flood planning level for the site is 3.6m AHD.

1.6.5 Other controls

As shown on Figure 4D, the site is in ‘Area A’ on the Landslip Risk Map, this being the area with the least risk of landslip.

As shown on Figure 4E, the site is shown as ‘Class 4’ on the Acid Sulphate Soils Map.

2. PLANNING CONTEXT

2.1 Greater Sydney Regional Plan

The “Greater Sydney Regional Plan 2056 – A Metropolis of Three Cities – Connecting People” was released in March 2018. It sets out a vision, objectives, strategies and actions for a metropolis of three cities across Greater Sydney. Narrabeen is located within the “Eastern Harbour City” area.

This Planning Proposal is consistent with the following objectives provided by the Greater Sydney Regional Plan:

- Objective 10 (Greater Housing Supply): The Planning Proposal would result in the more efficient use of land which has the potential to increase the housing supply in Sydney.
- In 2016, 55.7% of all dwellings in the Northern Beaches Council area were separate houses; 17.2% were medium density dwellings, and 25.9% were in high density dwellings.
- The Planning Proposal would have the result of increasing the supply of medium density housing in an appropriate location. The Planning Proposal would assist Northern Beaches Council in meeting its housing targets provided for the North District. It provides the opportunity for more efficient and effective local infill development in an existing urban area with easily walkable access to a centre (i.e. Narrabeen Local Centre), a good range of facilities and recently improved public transport thereby achieving greater housing diversity.
- Objective 11 (Housing is more diverse and affordable): The Planning Proposal is consistent with this objective in that it would allow the land to be more economically and effectively developed to provide medium density housing. Medium density housing provides for an alternative, and a more affordable housing choice when compared to detached dwellings.
- Objective 14 (Integrated land use and transport creates walkable and 30 minute cities): The site is well located in terms of public transport with Pittwater Road B-Line bus services located within 50m to the site. As the plan suggests, it is appropriate that future residents of the site have access to the services, jobs and skills which are available within a centre. In this regard, the site adjoins Narrabeen Local Centre.

A central goal of the Greater Sydney Regional Plan 2056 is to strategically plan Sydney to ensure that residents will have quick and easy access to jobs and essential services. It is intended that workers will be closer to knowledge intensive jobs, city scale infrastructure, services, entertainment, and cultural facilities.

The site is located within close proximity to public transport services and other amenities that can be readily accessed by future residents of the site. The envisaged future new residential development on the site in accordance with its existing zoning but with an increased height limit of 11.0m for part of the site (up from 8.5m with that part of the site excluded to remain at 8.5m) would be entirely consistent with the objectives of the Greater Sydney Regional Plan.

2.2 North District Plan

The North District Plan was released in March 2018. It sets out the planning priorities and actions for the growth of the North District. The site is located immediately adjacent to the Narrabeen Local Centre, as identified in the North District Plan.

The Planning Proposal is consistent with the North District Plan, particularly with respect to the following planning priorities:

- Planning Priority N3 (Providing services and social infrastructure to meet people's changing needs): By 2036, the North District is expected to see an 85 per cent proportional increase in people aged 85 and over, and a 47 per cent increase in the 65–84 age group. The local government areas of Hornsby, Ryde, Ku-ring-gai and Northern Beaches will have the largest projected increase in the 65-94 age groups. The provision of more diverse housing types and more medium density housing, within walkable neighbourhoods will create opportunities for older people to continue living in their community and close to health and support networks. These demographic observations are equally applicable to the inclusion of a medical centre and commercial premises in the range of permitted uses on the site.
- Planning Priority N5 (Providing housing supply, choice and affordability, with access to jobs, services and public transport): The Planning Proposal is consistent with this increased planning priority in that it will facilitate the future development of the site to provide residential accommodation within very close walkable proximity to public transport services and a range of other community facilities and services. The Planning Proposal meets the objectives relating to greater housing supply and in that it would contribute to meeting the North District's housing target of 92,000 dwellings from 2016-2036. A height limit of 11.0m allows for part of the site to better cater for the demand of Sydney's changing population by providing a broader range of housing options to suit different lifestyle and affordability needs. It provides the opportunity for more economic and efficient local infill development in an existing urban area with walkable access to a centre community, retail, commercial and other facilities and good public transport, thereby achieving greater housing diversity and supply without impacting in any significant or unreasonable way of local character and/ or amenity.
- Planning Priority N6 (Creating and renewing great places and local centres, and respecting the District's heritage): Narrabeen Local Centre lies immediately to the north of the site. All parts of the centre are within 5 minutes' walk of the site. Public transport is available within 2 minutes' walk. A principle of strategic planning is to increase residential development in, or within a walkable distance of, a centre. The site is therefore well-suited to an increase in residential development. The Planning Proposal will achieve that outcome as well as ensuring space for the non-residential uses presently on the site.
- Planning Priority N12 (Delivering integrated land use and transport planning and a 30-minute city): The site is well located in terms of public transport and has good access to a local centre. The site's rezoning to facilitate medium density residential development would allow the benefits of its accessibility to be better utilised.

2.3 Future Transport Strategy 2056

The Future Transport Strategy 2056 is an overarching strategy, supported by a suite of plans to achieve a 40-year vision for our transport system.

The site benefits from the improvement of bus services between the City and the Northern Beaches via the B-Line. These new bus services travel along Pittwater Road to which the site has frontage.

3. STUDIES

3.1 Urban Design and Concept Development

GMU Urban Design and Architecture ("GMU") have examined the urban design opportunities for, and constraints, to a predominantly residential (but, in part, commercial premises/ medical centre) redevelopment of the site and have developed a concept to illustrate what would be a reasonable and justifiable built form outcome for the site.

The concept explores the site's interrelationship with adjoining and adjacent buildings (including the heritage item on the site and the adjacent heritage item to the east) and considers the site's context, setting, aspect, orientation, topography and accessibility.

The concept has merit and would result in a high quality built form outcome which would provide excellent new living opportunities for households, well-served by public transport, and close to a wide array of facilities, services and recreational opportunities.

The Urban Design Report presents an urban design analysis of the site and its context and, having assessed its constraints and opportunities, develops a preferred concept for future development.

It identifies the urban design opportunities of the site as follows: -

- *"Strategic location within 50m from B-Line Bus stop, operating between Mona Vale and Sydney CBD with reduced travel time.*
- *Opportunity to announce the arrival at the Narrabeen Centre whilst improving the activation of the key pedestrian route to the B-Line bus services.*
- *Good connectivity with the pedestrian route to B-Line bus commuter services to major Local, Strategic and Metropolitan Centres and employment hubs.*
- *Frontage to Pittwater Road and visual termination of the vista of Lagoon Street, marking the southern edge of the centre and walking distance to the supermarket, retail shops, beach and recreational areas.*
- *Immediately next to (and currently functioning as key commercial uses of) the town centre area (B2 Zone).*
- *Opportunity for major built form improvements and activation to corner of Pittwater Road and Albert Street.*
- *Removal of 3 driveways along Pittwater Road.*
- *Improvements to the pedestrian interface to allow an easily negotiated footpath along Albert Street.*
- *Proximity to the newly renovated playground, basketball court and weekly village markets.*
- *Opportunity for view sharing due to natural sloping terrain.*
- *Large consolidated site with two street frontages.*
- *Existing mature trees and vegetation to provide natural landscape screening and contribute to good quality landscaped areas and communal open spaces.*

- *Good orientation for residential amenity with minimal overshadowing from existing buildings to the north.*
- *Retain major trees as a landscape element and buffer.*
- *Retain and adaptively reuse the heritage cottage.*
- *Provide an appropriate visual and built form termination to Lagoon Street.*
- *Assist in meeting part of the area's dwelling targets at the centre and immediately adjacent to the major public transport for the area and recreational amenity nodes."*

With these opportunities in mind, the Urban Design Report sets out the following vision statement:

- *"The new development at the corner of Albert Street and Pittwater Road contributes a retail edge to Narrabeen Village. The active uses to the intersection provide facilities and retail options for residents and visitors accessing the commuter carpark and public transport.*
- *The new development provides a contemporary architecture that enhances the visual character of the centre and its streetscapes.*
- *The large scale of both the existing centre and the site accommodates well-mannered buildings, compatible with adjoining developments. The development reinforces and defines the corner location, providing an improved built form, announcing the entry to Narrabeen town centre. The proposal responds to existing streetwall heights and setbacks and responds to the topography and the sensitive interface to adjoining developments. Along Albert Street, the proposal responds to the existing fine grain lot pattern consistent with the streetscape character.*
- *The proposal retains and adaptively reuses the existing heritage cottage.*
- *The site is generously landscaped and reinforces the landscape character along Albert Street, providing a strong landscape concept complimenting the existing street and improving the pedestrian environment along Pittwater Road and Albert Street.*
- *Given the proximity to local shops, schools, community facilities, high-frequency public transport and unique recreational amenities, combined with the likely future development of the area, the proposal delivers the potential for a well-considered built form and a positive contribution to the neighbourhood character."*

To guide the future development of the site, the Urban Design Report identifies the following design principles: -

- *"Provide a high-quality contemporary mixed use development that achieves design excellence.*
- *Enhance the Narrabeen Town Centre.*
- *Activate the southern end of the Town Centre area and a key pedestrian node.*
- *Respond to topography and natural features.*
- *Celebrate the entry to the town centre.*
- *Compliment the scale and rhythm of the existing streetscape along Albert Street and the visual termination of Lagoon Street.*
- *Enhance and contribute to the landscape character along Albert Street and Pittwater Road.*
- *Provide a sensitive response to the existing heritage cottage (No 2 Albert Street).*
- *Retain major landscape elements.*
- *Buffer adjacent properties using significant new landscaping.*

- *Apply view sharing principles to minimise amenity impacts to neighbouring properties.”*

Contained in Section 4.3 of the Urban Design Report is an “Indicative Masterplan” which identifies 4 new buildings referred to as Buildings A, B, C and D (each of which would have inter-connected basement car parking), vehicular access to the basement car park from Albert Street opposite the southern end of Lagoon Street and retention of the heritage item on No. 2 Albert Street. Block models are provided on pages 28-31 of the report.

The Masterplan in Section 5.1 of the Urban Design Report (see page 34) shows the relationship of the 4 new buildings to each other, to the heritage item on 2 Albert Street, to the adjacent heritage item to the east (i.e. Furlough House) and to the neighbouring residential flat building to the south, and shows the building setbacks from the front, side and rear boundaries.

A set of urban design guidelines is provided in Section 5.4 of the Urban Design Report and key ADG amenity requirements are demonstrated as being capable of being achieved in Section 5.5. Overshadowing impacts are shown as insignificant in Section 5.5 on page 40 of the Urban Design Report.

Only Building A will be mixed-use. Buildings B, C and D would be wholly residential.

Realisation of the concept is dependent on the Planning Proposal as whilst the wholly residential buildings are already permissible with consent, the mixed-use building planned for the corner of Pittwater Road and Albert Street (i.e. Building A) is dependent on additional permissible uses being identified for the site in Schedule 1 of WLEP 2011, and the maximum height limit being increased to 11.0m (from 8.5m) for part of the site.

In order to test the concept and examine its impacts, the following additional studies have been carried out:

- Heritage;
- Traffic and parking;
- Economic Impacts; and
- Flooding.

The key findings of these studies are set out below and will be further articulated in the development of site specific Development Control Plan amendments to be considered by Council and are intended to be exhibited with the planning proposal.

3.2 Heritage

A Heritage Impact Assessment (“HIA”) prepared by NBRS Architecture Heritage accompanies the planning proposal.

2 Alfred Street is listed as a local heritage item under the Warringah Local Environmental Plan 2011 (HHWLEP) as Item I89. The heritage inventory sheet for the property notes that it is a good representative example of a large inter-war Californian bungalow. Additionally the adjoining property to the east at 72-90 Ocean Street is also a heritage item ‘buildings known as Furlough House’ and listed as item I96 in the WLEP. The inventory sheet for the item notes that it is listed for its historic and social significance while the site consists of a number of 1 and 2 storey residential buildings constructed from 1952 onwards.

The HIA documents the history of the locality and of the site, describes the heritage items on No. 2 Albert Street and No’s 72-90 Ocean Street (i.e. Furlough House) including their visual catchments, and identifies their significance. The HIA then assesses the heritage impacts of the development concept prepared by GMU, particularly in relation to the heritage item on No. 2 Albert Street and its curtilage, but also on Furlough House.

HIA concludes as follows:

"The Planning Proposal has been assessed in relation to the potential heritage impacts it may have on the heritage item on the site, known as 2 Albert Street, and on the heritage property immediately to the east, known as Furlough House.

The details of the Planning Proposal described in the GMU study do not adversely affect the identified heritage significance of 2 Albert Street, Narrabeen, and the heritage item adjacent the site, known as Furlough House."

The heritage item on No. 2 Albert Street is already able to be used for any purpose pursuant to the heritage incentive provisions in Clause 5.10(10) of WLEP 2011. It could either remain in use as a dwelling or be adaptively re-used for a non-residential purpose as part of facilitating its conservation.

Council's Heritage Planner has commented on specific matters of the original planning proposal submitted to Council which has informed this planning proposal as amended as follows:

Building Heights: Heritage cannot support a blanket increase in height for the entire site. Rather it would recommend a partial increase in height.

The heritage cottage, its curtilage and the area for proposed Building D should retain an 8.5m height limit. This will help to minimise impacts of excessive bulk and scale on either heritage item and provide a more consistent pattern of two storey built form.

The area of proposed Building C should not be increased to 11m. A building up to 4 storeys would overwhelm and dominate the heritage cottage, especially when viewed from Alfred and Lagoon Streets. A smaller increase in building heights up to 9m or 10m could be supported by Heritage as it would restrict development to a three storey built form. This lower height limit would also minimise impacts upon Furlough House.

An increase in the maximum building height to 9m or 10m for Building A and Building B to allow for three storey development could be supported by Heritage. This would help to minimise the impact of excessive bulk and scale on the heritage cottage.

Heritage Curtilage: The masterplan attached to the proposal indicates a heritage curtilage is to be established around the cottage. This is supported by Heritage.

Additional Permitted Uses: Heritage does not object to the proposed additional permitted uses for the site.

Conclusion: Heritage cannot support The Proposal as currently presented. Rather it would recommend that only a partial increase in height be pursued. The cottage, its curtilage and the area of Building D should retain its existing 8.5m height limit. The rest of the site could potentially sustain a 9m or 10m height limit without impact upon either heritage item.

If the Proposal is recommended for approval, Heritage would require a site specific development control plan (DCP) to be prepared and adopted for the site. This DCP would help to guide future development on the site and provide greater clarity in terms of future development outcomes and impacts upon the heritage items. Heritage would also require that a conservation management plan (CMP) be prepared and adopted for the site. The CMP should inform the DCP and its future development controls.

The Planning Proposal as amended does not support a blanket increase in height for the entire site but rather seeks to exclude part of the site on the ground that the proposed 11m height control would impact on the heritage significance of the listed heritage items and their curtilage. Accordingly, there are no heritage impediments to the amended Planning Proposal proceeding.

3.3 Traffic and Parking

A Transport Impact Assessment ("TIA") prepared by TTPP Transport Planning accompanies the planning proposal.

The TIA examines the surrounding road network, the site access arrangements, the traffic generation that is likely to eventuate if the Planning Proposal proceeds, the availability of and access to public transport services, and the likely on-site parking needs from the mix of residential and non-residential land use which are proposed.

The TIA bases its analysis on an indicative land use yield comprising:

- 48 – 60 apartments with a mix of 1, 2, 3 and 4 bedrooms; and
- between 1,050m² and 1,150 m² of “non-residential” GFA comprising (say):
 - 20 m² of “café” GFA;
 - 800 – 1,130 m² of “medical centre” GFA; and
 - up to 240 m² of “office” GFA.

In the above “commercial” GFA scenario, the medical centre would (essentially) occupy all of the available GFA other than the café (i.e. 1,130 m² + 20 m²). However, in the interim there would be up to 240 m² of “office” GFA.

The TIA also bases its analysis on the provision of a single site ingress/ egress point on the southern side of Albert Street opposite the southern end of Lagoon Street. All existing driveways to Pittwater Road and Albert Street would be removed and reinstated as kerb and gutter.

The TIA finds that the surrounding road network can satisfactorily accommodate the additional traffic flows not only associated with the likely traffic generated from the concept development of the site but also from likely background growth on the local road system generally.

Councils Traffic Team have provided the following comments:

- evidence of the modelling must be provided to be satisfied that the traffic assessment is correct.
- traffic generation rates assumed may not be consistent with RMS guidelines and require review
- as the site is adjoined to a state road, RMS will be required to provide comment on the Proposal

Given the above comments, and noting that the RMS will be required to comment on the proposal, it is recommended that the applicant provide an amended Traffic Assessment Report prior to exhibition of any Gateway approval.

3.4 Economic Impacts

An Economic Impact Assessment (“EIA”) prepared by Location IQ is provided (separately attached).

The EIA examines the likely economic implications of the Planning Proposal. It concludes as follows:

- “It is clear from the analysis outlined in this report that there is a strong need and demand to accommodate an expanded medical and commercial facility within close proximity to the Narrabeen Town Centre.
- Limited, if any, negative impacts are anticipated from the proposed development and these are more than offset by the positive impacts that will occur from the development, including increasing the provision of general practitioners in an area where there is currently a low provision, and adding modern commercial floor space.
- Additionally, it is important for Narrabeen Family Medical Practice to remain within close proximity to the Narrabeen Town Centre, with the medical centre a vital component of the precinct. Consequently, the proposed site represents the ideal

location to accommodate the expanded medical practice, given the limited appropriately zoned vacant sites available in the Narrabeen Town Centre.

- Further, the site has been used for commercial purposes for many years and would appropriately continue to be used for such purposes but in a modern, purpose built facility.”

3.5 Flooding

A Flood Risk Assessment (“FRA”) prepared by Cardno is provided (separately attached).

The Flooding Risk Assessment (“FRA”) was undertaken to inform development options for the site to reduce flood damage and risks to life in the event that the Planning Proposal proceeds and the concept development is implemented. The FRA considers: -

- the indicative impact of planned development on flooding;
- flood emergency response;
- flood warning and evacuation; and
- the levels and approach the development will need to adopt to comply with requirements of Northern Beaches Council DCP and WLEP 2011.

The FRA notes that the Pittwater Road frontage of the site was found in the 2013 Narrabeen Lagoon Flood Study to be partially affected in the 1 in 100 year and PMF events, and that the minimum habitable floor level must not be less than the Flood Planning Level which is 3.6m AHD. The concept development has been prepared on this basis.

The impacts of flooding on the development and the impacts of the development on flood levels are acceptable, noting that compensatory storage can be provided along the Pittwater Road frontage of the site through regrading to attenuate the local impacts that a new building (as shown in the concept in Appendix 3 at the corner of Pittwater Road and Albert Street) would otherwise have on flood levels (i.e. +0.01m – 0.02m).

4. PLANNING PROPOSAL

This Planning Proposal has been prepared in accordance with Section 3.33 of the Environmental Planning and Assessment Act 1979 with consideration of the Department of Planning and Infrastructure “A Guide to Preparing Planning Proposals” (August 2016). Accordingly, the Planning Proposal addresses six parts:

- Part 1: Objectives or intended outcomes of the proposed amendment;
- Part 2: Explanation of provisions;
- Part 3: Justification;
- Part 4: Mapping;
- Part 5: Community Consultation; and
- Part 6: Project Timeline.

A discussion on each of Parts 1- 6 is presented in the following sections.

5. PART 1 – OBJECTIVES AND INTENDED OUTCOMES

5.1 Objectives of the Planning Proposal

The objectives of the Planning Proposal are to:

- facilitate continued partial use of the site, but with an improved land use distribution and form, for the purposes of medical centre and commercial premises in conjunction with shop-top housing which can better serve the local community; and

- allow 3-4 storey buildings instead of 2-3 storey buildings on part of the site.

5.2 Intended Outcomes

The Planning Proposal has the following intended outcomes:

- enable the existing non-residential land uses on the site (i.e. medical centre and office/business premises) to a maximum floor area of 1150 square metres, to be accommodated in a new mixed use, purpose-built building including apartments, located at the corner of Pittwater Road and Albert Street;
- enable 2 other residential buildings of 3-4 storeys to be erected on the site above basement parking (11m) with 1 other residential building ('Building D') to be erected on the site at 2 storeys under existing height standards (8.5m).
- satisfy the demand for new housing stock on a site with suitable characteristics for accommodating additional growth;
- encourage the development of new buildings that achieve design excellence and a safe, accessible and attractive environment;
- enhance the local environment whilst maximising the site's ability to provide increased housing accommodation, and affordable rental housing, a medical centre and commercial premises;
- maximise the use of public transport, walking and cycling for trips to, from and within the Northern Beaches LGA by maximising housing options on a site which is highly accessible via public transport, which is adjacent to the B-Line network, and which is opposite the Narrabeen Local Centre;
- better-provide for the orderly, economic and efficient development of the site; and
- ensure that development in the Northern Beaches LGA appropriately supports the Greater Sydney Plan and the North District Plan.

6. PART 2 – EXPLANATION OF PROVISIONS

6.1 Parameters

This section explains the means through which the objectives and intended outcomes described in Part 1 will be achieved, in the form of controls on development in the amendment of WLEP 2011.

6.2 Clause 4.3 – Height of Buildings

This Planning Proposal requests that the permissible height of buildings on the site be increased from 8.5m to 11m on the site with the exception of both lot 1 DP613544 (containing heritage listed dwelling house) and part lot 8C DP200030 directly adjoining to the east along Albert Street, Narrabeen.

While the Planning Proposal submitted to Council sought to apply the 11m standard to the full site, this amended Planning Proposal limits the extent of the proposed height amendment to part of the site, in a manner that better protects the heritage significance of listed items of the environmental heritage on both the site and adjoining to the east. Accordingly, the proposal seeks to amend the Height of Buildings Map, which forms part of WLEP 2011 in the manner shown on the draft LEP Maps detailed at Section 8 of this report.

6.3 Schedule 1 and Map – Additional Permitted Uses

This Planning Proposal requests that Schedule 1 of WLEP 2011 and the "additional permitted uses" map be amended to include as additional permissible uses on the site, the same types of use which are already on the site, as well as "shop top housing" (in order that apartments can be provided above the commercial premises and medical centre in a new building at the corner of Pittwater Road and Albert Street).

Accordingly, Council is requested to amend Schedule 1 of WLEP 2011 to include the following clause:

"24 Use of certain land at 1298 – 1300 Pittwater Road

- 1) *This clause applies to land at 1298 Pittwater Road Narrabeen, being Lot 1 DP 615179 and 1300 Pittwater Road Narrabeen being the front of part Lot 100 DP 773884 shown as "Area 24" on the Additional Permitted Uses Map.*
- 2) *Development for the purposes of a medical centre and commercial premises (with a gross floor area not exceeding 1,150m²) and shop top housing is permitted with consent."*

Details of the amended LEP mapping showing "Area 24" on the Additional Permitted Uses Map is detailed on the draft LEP Maps detailed at Section 8 of this report.

6.4 New Clause – Affordable Housing

Council's Affordable Housing Policy states 'Council is committed to a 10% affordable rental housing target for all strategic plans and planning proposals for urban renewal or greenfield development and that higher rates will be sought where feasible. Concept plans identify the potential for a total of between 48 and 60 dwellings on the site. The Planning Proposal as lodged does not specifically provide for affordable housing.

With Council's recent inclusion in State Environmental Planning Policy 70 (Affordable Housing-Revised Schemes) Council may prepare a Planning Proposal with specific requirements for the provision of affordable rental housing. It is understood that the Department of Planning and Industry would generally require a feasibility analysis to be undertaken to support such a proposal.

As the Planning Proposal does not include a feasibility analysis, Council is seeking to include a provision for affordable rental housing in the WLEP 2011 similar to provisions in Willoughby and Sydney City Council LEPs, to require an appropriate proportion of all new housing on the site to be dedicated to Council as affordable rental housing. The exact requirement is to be established via a feasibility analysis undertaken by Council following the issue of a Gateway determination.

As the Planning Proposal does not propose rezoning of the land, it is not reasonable to require 10% of all new dwellings to be provided as affordable rental housing. However, the Planning proposal will result in an increase in the development potential of the site. It is recommended that the amended Planning Proposal include an affordable rental housing provision, with the exact requirement for the site being established via a feasibility analysis undertaken by Council in consultation with the applicant.

Council has prepared a draft Affordable Housing Contributions Scheme in accordance with Council's Affordable Housing Policy and Guidelines issued by the Department of Planning and Industry. The Scheme sets out Council's processes for the delivery of affordable rental housing and is required to support LEP amendments, which include affordable rental housing requirements. The Scheme will be publicly exhibited with the Planning Proposal following the issue of a Gateway Determination.

7. PART 3 – JUSTIFICATION

7.1 Section A – Need for the planning proposal

1. Is the planning proposal a result of any strategic study or report?

The Planning Proposal is not the result of any Council study or report.

It is however consistent with the North District Plan as detailed in Section 2.2.

2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

Yes, a Planning Proposal is the best, most efficient and most time effective approach to delivering the desired outcomes.

Residential flat buildings are permissible with consent, however only a very few non-residential uses are permissible in the R3 zone. For example, a medical centre is prohibited in the R3 zone yet a veterinary hospital is permissible. "Commercial premises" are also prohibited. These include "office premises" and "business premises" as well as "retail premises", other than "neighbourhood shops" which can be no larger than 80m² in area (i.e. each shop).

Therefore, land use options on the site are severely constrained by the limited range of permissible uses in the R3 zone and fail to recognize the existing non-residential uses on the site. Amendments to the planning proposal also recognise the appropriate location of non-residential uses of the site limiting the proposed additional permitted uses to this location and is also consistent with the Urban Design Plans accompanying the planning proposal.

In relation to the 8.5m height limit which applies to the site, the Urban Design Report demonstrates that 3-4 storeys is the appropriate height for buildings on this site. This requires an 11.0m height limit for part of the site. Accordingly, the planning proposal increases the maximum building height standard on the site to 11m with the exception of 2 Albert Street Narrabeen (containing a heritage listed dwelling house) and the front part of 4 Albert Street Narrabeen which will retain an 8.5m height limit.

Whilst Clause 4.6 of the WLEP 2011 provides a mechanism, when lodging a DA, to vary a development standard although there is no statutory limit on the extent to which a standard can be varied, it is generally acknowledged that 10% is (roughly) the threshold of acceptability. A 10% increase on the current height limit of 8.5m would provide for a height of only 9.35m.

If a height of 11 metres was to be pursued by way of a Clause 4.6 variation, the height limit applying to the site would need to be varied by around 2.5m. This variation of approximately 29% is significantly greater than the 10% threshold generally associated with a Clause 4.6 variation. It is therefore problematic to pursue an approval for a 11.0m height via a DA accompanied by a Clause 4.6 variation and more appropriate to ensure the development standards can be satisfied in future redevelopment of the site, thus demonstrating the need for this Planning Proposal.

7.2 Section B – Relationship to Strategic Planning Framework

1. Is the planning proposal consistent with the objectives and actions of the applicable regional, sub-regional or district plan or strategy (including any exhibited draft plans or strategies)?

Yes. See Section 2 of this report.

2. Is the planning proposal consistent with a council's local strategy or other local strategic plan?

"Shape 2028: Northern Beaches Community Strategic Plan 2018 – 2028" ("CSP"). Council's "roadmap for the future of the Northern Beaches".

The Planning Proposal is consistent with the vision of the CSP.

The CSP states:

"More than half of all dwellings on the Northern Beaches are separate houses. The median house price was \$1.51 million at June 2016. Rental costs are nearly double the Sydney average at \$895 per week compared to \$520?"

Housing affordability has a profound impact on our community and the economy and is a top priority for the community and for young people in particular who call for more housing choice, and more innovative housing options, on the Northern Beaches."

The Planning Proposal is a positive step towards increasing housing supply and choice.

The CSP states:

“Some of the biggest challenges ahead are related to the pressures of population growth, consumption patterns and climate change. The population of the Northern Beaches is projected to reach almost 300,000 by 2036. This represents an increase of 18.4% over 25 years and equates to an average annual growth rate of approximately 0.7%. This is a modest growth rate compared to the rest of Sydney, but will still need to be carefully managed.”

The Planning Proposal is a positive step in providing increased housing supply, adjacent to a Local Centre which is well served by public transport. This will reduce pressure for additional housing on less favourable locations.

The identified outcomes of the CSP are grouped under the following headings:

- protection of the environment;
- environmental sustainability;
- places for people;
- community and belongings;
- urban local economy;
- transport, infrastructure and connectivity;
- good governance; and
- partnership and participation.

The Planning Proposal is relevantly consistent with the identified outcomes in the CSP.

The Planning Proposal will facilitate lodgement of a DA which will provide more housing stock in a high quality mixed-use but predominantly residential development, in a highly accessible location, which is in accordance with the above objectives.

Affordable Housing

Council's Affordable Housing Policy states 'Council is committed to a 10% affordable rental housing target for all strategic plans and planning proposals for urban renewal or greenfield development. Higher rates of provisions will be sought where feasible (Policy Statement – paragraph a)'. In terms of the recognised need for housing affordability in the Council's Community Strategic Plan which states 'Housing affordability has a profound impact on our community...'; Council's Affordable Housing Policy is a relevant consideration for the Planning Policy.

Council's Resolution in relation to the Planning Proposal indicated that a feasibility analysis will be undertaken by Council following the issue of a Gateway Determination which will determine the appropriate proportion of the affordable housing units to be provided with a redevelopment arising from the outcomes of this Planning Proposal. In this regard it is recognised that the Planning Proposal will provide for an additional development potential for the site in term of the number of dwelling units.

3. Is the planning proposal consistent with applicable State Environmental Planning Policies?

Yes.

Relevant SEPP's include:

- SEPP 55 – Remediation of Land;
- SEPP 65 – Design Quality of Residential Flat Development;
- SEPP (Building Sustainability Index: BASIX) 2004; and
- SEPP (Infrastructure) 2007.

No inconsistencies arise with any of the above SEPP's. Removing all vehicular access points to Pittwater Road (as proposed in the development consent) is highly consistent with SEPP (Infrastructure) 2007.

Relevant SEPPs will be further considered at the DA stage (where applicable).

4. Is the planning proposal consistent with applicable Ministerial Directions (s.9.1 directions)?

Table 1, below, identifies the proposal's consistency with the applicable Ministerial Directions:

Table 1: Planning proposal's consistency with the applicable Ministerial Directions

S.9.1 Direction Title Consistency of Planning Proposal

2.3 Heritage Conservation - Consistent

This direction applies:

"when a relevant planning authority prepares a planning proposal"

The Planning Proposal will not affect the existing provisions within WLEP 2011, which facilitate the conservation of items, places, buildings, works, relics, moveable objects or precincts of environmental heritage significance to an area.

3.1 Residential zones - Consistent

This direction applies:

"when a relevant planning authority prepares a planning proposal that will affect land within:

....

(b) any other zone in which significant residential development is permitted or proposed to be permitted."

A planning proposal must include:

"...provisions that encourage the provision of housing that will:

(a) broaden the choice of building types and locations available in the housing market, and

(b) make more efficient use of existing infrastructure and services, and

(c) reduce the consumption of land for housing and associated urban development on the urban fringe, and

(d) be of good design.

(5) A planning proposal must, in relation to land to which this direction applies:

(a) contain a requirement that residential development is not permitted until land is adequately serviced (or arrangements satisfactory to the council, or other appropriate authority, have been made to service it), and

(b) not contain provisions which will reduce the permissible residential density of land."

The Planning Proposal would facilitate lodgement of a DA which would provide more housing stock in a high quality mixed-use but predominantly residential development, in a highly accessible location, which is in accordance with the above requirements. The DA would be subject to SEPP 65 and the Apartment Design Guideline ("ADG") that accompanies the SEPP. Consistency with the ADG is demonstrated in the Urban Design Report.

3.4 Integrating Land Use and Transport - Consistent

This direction applies:

“when a relevant planning authority prepares a planning proposal that will create, alter or remove a zone or a provision relating to urban land, including land zoned for residential, business, industrial, village or tourist purposes.”

The objective of this direction is to:

“ensure that urban structures, building forms, land use locations, development designs, subdivision and street layouts achieve the following planning objectives:

- (a) improving access to housing, jobs and services by walking, cycling and public transport, and*
- (b) increasing the choice of available transport and reducing dependence on cars, and*
- (c) reducing travel demand including the number of trips generated by development and the distances travelled, especially by car, and*
- (d) supporting the efficient and viable operation of public transport services, and*
- (e) providing for the efficient movement of freight.”*

The Planning Proposal is consistent with the above objectives in that it will increase housing provision and commercial development in a mixed use building at a location which is readily accessible by public transport, with future opportunities for nearby employment.

4.1 Acid Sulfate Soils - Consistent

This direction applies:

“when a relevant planning authority prepares a planning proposal that will apply to land having a probability of containing acid sulfate soils as shown on the Acid Sulfate Soils Planning Maps.”

There are existing provisions within WLEP 2011 which relate to acid sulfate soils. The Planning Proposal will not affect these provisions.

4.3 Flood Prone Land - Consistent

This direction applies:

“when a relevant planning authority prepares a planning proposal that creates, removes or alters a zone or a provision that affects flood prone land.”

Flood prone land is defined under the Floodplain Development Manual 2005 to mean:

“land susceptible to flooding by the PMF event. Flood prone land is synonymous with flood liable land.”

According to the Narrabeen Lagoon Flood Study 2013 and as predicted, the site is affected by the 1 in 100-year flood event. The 100-year flood level for the part of the site adjacent to Pittwater Road is predicted to be RL 3.1m AHD, the Flood Planning Level (absolute minimum floor level) for new habitable rooms is 3.6m AHD and the Probable Maximum Flood (PMF) level is predicted to be 5.0m AHD.

The site is subject to the flood-related development controls in Clause 6.3 of WLEP 2011 and Section E11 of WDCP 2011.

A flood risk assessment report is provided. It demonstrates that the Concept Plan is compatible with the flood characteristic of the western most part of the site.

5.10 Implementation of Regional Plans - Consistent

The proposal does not include provisions that require the concurrence, consultation or referral of development applications to a Minister or public authority.

6.3 Site Specific Provisions N/A

This direction applies when a relevant planning authority prepares a planning proposal that will allow a particular development to be carried out.

7.1 Implementation of A Plan for Growing Sydney

Yes. As addressed above.

7.3 Section C – Environmental, Social and Economic Impact

1. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

No.

2. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

No. The studies which have been carried out to inform the concept development in the Urban Design Report (i.e. heritage, flooding, traffic and economic) all indicate an absence of significant impacts. All impacts are capable of being managed through the development process.

Council has sought to address certain environmental effects as a result of the planning proposal with particular regards to the extent to which the land is subject to new height controls and the additional permitted uses for the site. In this regard, the planning proposal as originally submitted to Council has been amended to limit the extent to which 11m height of building is proposed to exclude land containing a heritage listed dwelling and other land in this vicinity to minimise any likely environmental effects of the heritage significance of listed heritage items. Similarly, the planning proposal as originally submitted to Council has been amended to limit the extent to which additional permitted uses may be applied to that part of the site where such uses are appropriate as detailed in the planning proposal.

3. Has the planning proposal adequately addressed any social and economic effects?

Yes. The social and economic effects will be positive in that:

- the medical centre services presently provided on the site will be able to be relocated in an improved form to the benefit of the local community and health care professionals;
- the site will be able to continue to be used, in part, for the purpose of commercial premises with the employment benefits that creates;
- the amount of housing stock and choice will be increased on a site which is close to services and facilities, recreational facilities, employment opportunities and public transport;
- the site will be developed to the economically, efficiently and effectively; and
- the economy of the Northern-Beaches LGA will be strengthened and enhanced.

7.4 Section D – State and Commonwealth Interests

1. Is there adequate public infrastructure for the planning proposal?

Yes. The site is highly urbanised and is located on Pittwater Road. It is located opposite the Narrabeen Commuter Car Park and the northbound B-Line bus stop. It is around 50m south of the southbound B-Line bus stop.

Bus services are available from Narrabeen direct to Wynyard, Frenchs Forest, Chatswood and North Sydney.

The site is well-served by all utilities, essential services and networking, including the NBN FTTC network deployed in 2018.

Investment in improved public infrastructure for the Northern Beaches includes the new Northern Beaches hospital at Frenchs Forest.

2. What are the views of state and Commonwealth public authorities consulted in accordance with the Gateway determination?

At this stage, the appropriate State and Commonwealth public authorities have not been identified and/or consulted, and the Gateway Determination has yet to be issued by the Minister for Planning and Places (or his delegate). Given the local nature of the Planning Proposal, it is intended that Northern Beaches Council will seek the delegation for making this plan.

Consultation with the following Government authorities, agencies and other stakeholders in regard to this Planning Proposal is likely to include:

- NSW Department of Planning and Industry;
- Roads and Maritime Services (RMS);
- Transport for NSW.

Confirmation of the above list will be sought through the Minister's Gateway Determination.

8. PART 4 – MAPPING

The Planning Proposal is supported by a set of illustrative figures, which follow Part 7. The figures outline the land to which the Planning Proposal applies and also the current relevant maps from WLEP 2011 and WDCP 2011.

Height of Buildings Map

An amended WLEP 2011 map for Height of Buildings is proposed at WLEP Sheet HOB_009. The maps contained in this Part indicate the details of the proposed mapping amendments including the existing map, proposed map as originally submitted to Council and the proposed map as recommended for the Planning Proposal as amended

Additional Permitted Uses Map

An amended WLEP 2011 map for Additional Permitted Uses is proposed at WLEP Sheet HOB_009 identifying the site as Area 24. The maps contained in this Part indicate the details of the proposed mapping amendments including the existing map, proposed map as originally submitted to Council and the proposed map as recommended for the Planning Proposal as amended

9. PART 5 – COMMUNITY CONSULTATION

Preliminary Community consultation on the Planning Proposal has been undertaken by Council prior to a determination to proceed at Gateway. The details of this consultation and a review of submissions and issues is reported to Council and is separately attached.

Formal Community consultation on the Planning Proposal will be undertaken by Council subject to receiving a determination to proceed at Gateway. Community consultation will not be commenced prior to obtaining approval from the Minister or Director-General.

Council's consultation methodology will include:

- forwarding a copy of the Planning Proposal, the Gateway Determination and any relevant supporting studies or additional information to any State and Commonwealth Public Authorities identified in the Gateway Determination;
- undertaking consultation in accordance with requirements of a Ministerial Direction under Section 9.1 of the EP&A Act and/or consultation that is required because, in the opinion of the Minister (or delegate), a State or Commonwealth public authority will be or may be adversely affected by the proposed LEP;

- giving notice of the public exhibition in the local newspaper;
- exhibiting the Planning Proposal in accordance with the Gateway Determination;
- exhibiting the Planning Proposal and all supporting documentation at Council's Administration Centre and Dee Why and Manly Vale Libraries;
- notifying the Planning Proposal on Council's website;
- notifying adjoining and nearby land owners; and
- any other consultation methods deemed appropriate for the Planning Proposal.

10. PART 6 – PROJECT TIMELINE

The following table provides a proposed timeline for the finalisation of the Planning Proposal and the making of the amendment to WLEP 2011.

2018

December Submit PP to Council

2019

January Council exhibit submitted PP prior to consideration

February - May Council consider PP and report to Council for consideration (including preliminary exhibition)

May Submit PP to Department for Gateway Determination

June Gateway determination made by the Department

June Report Gateway determination to Council (if required)

July Consult relevant public authorities and publicly exhibit PP and any necessary DCP amendments

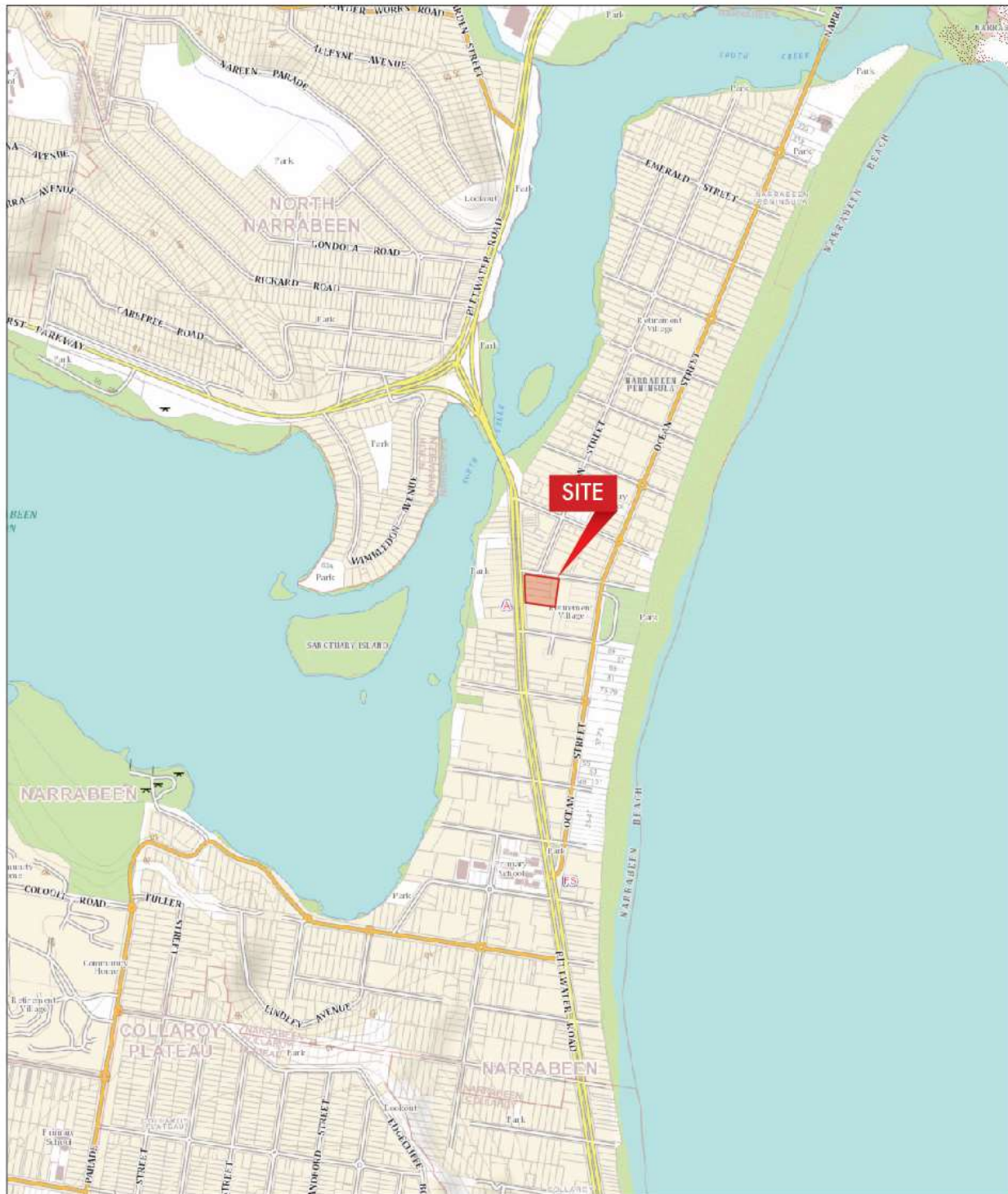
August Receive and evaluate submissions and revise PP (as required)

September Report final PP to Council

October Submit revised PP to Department or Parliamentary Counsel (PC)

November Finalise LEP amendment with PC

December Notification of LEP Amendment



Source: <http://maps.six.nsw.gov.au>

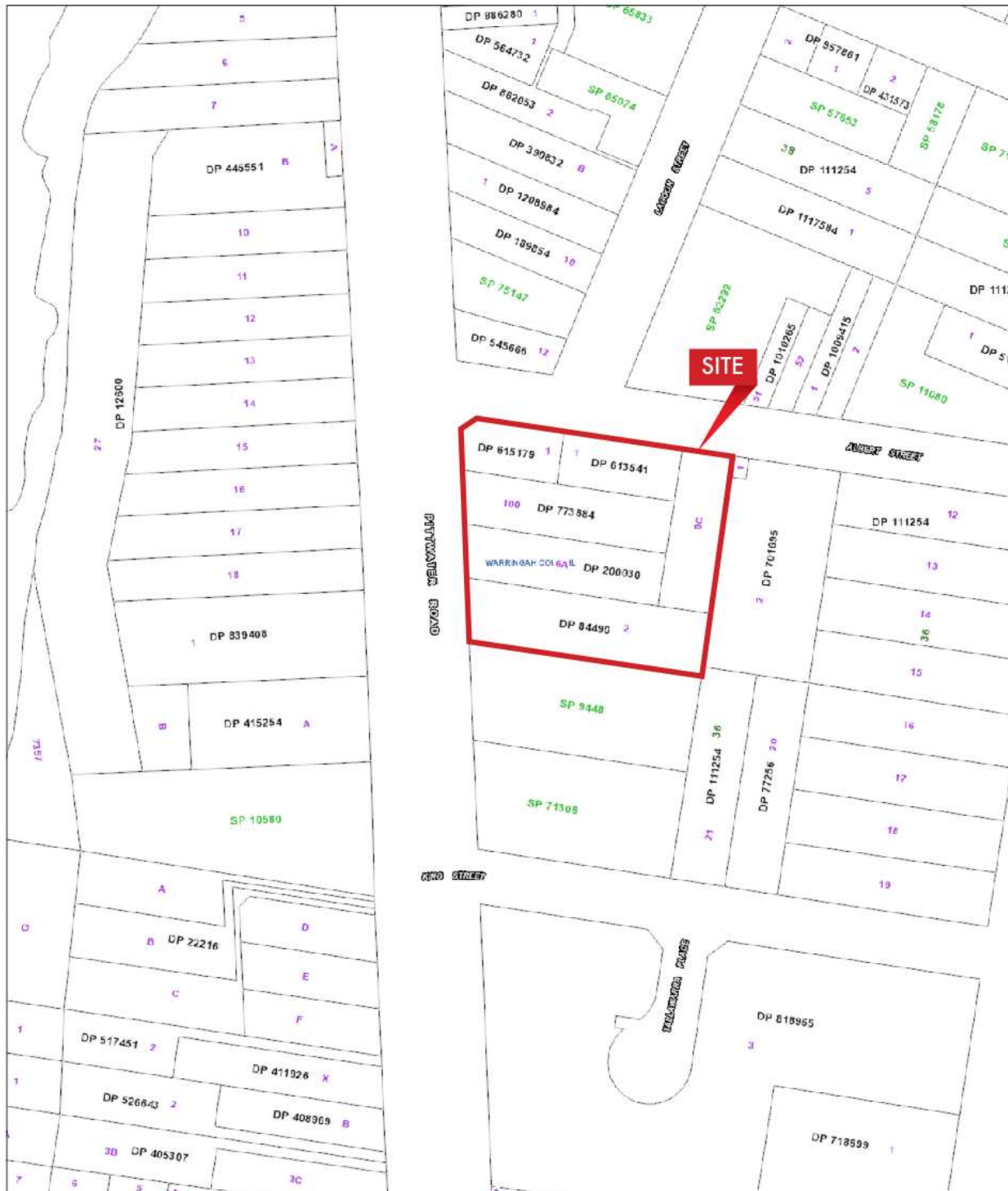


PLANNING PROPOSAL
No's 1294-1300 Pittwater Road and No's 2-4 Albert Street, Narrabeen

FIGURE 1
Location

Prepared For: Highgate Management Pty Ltd





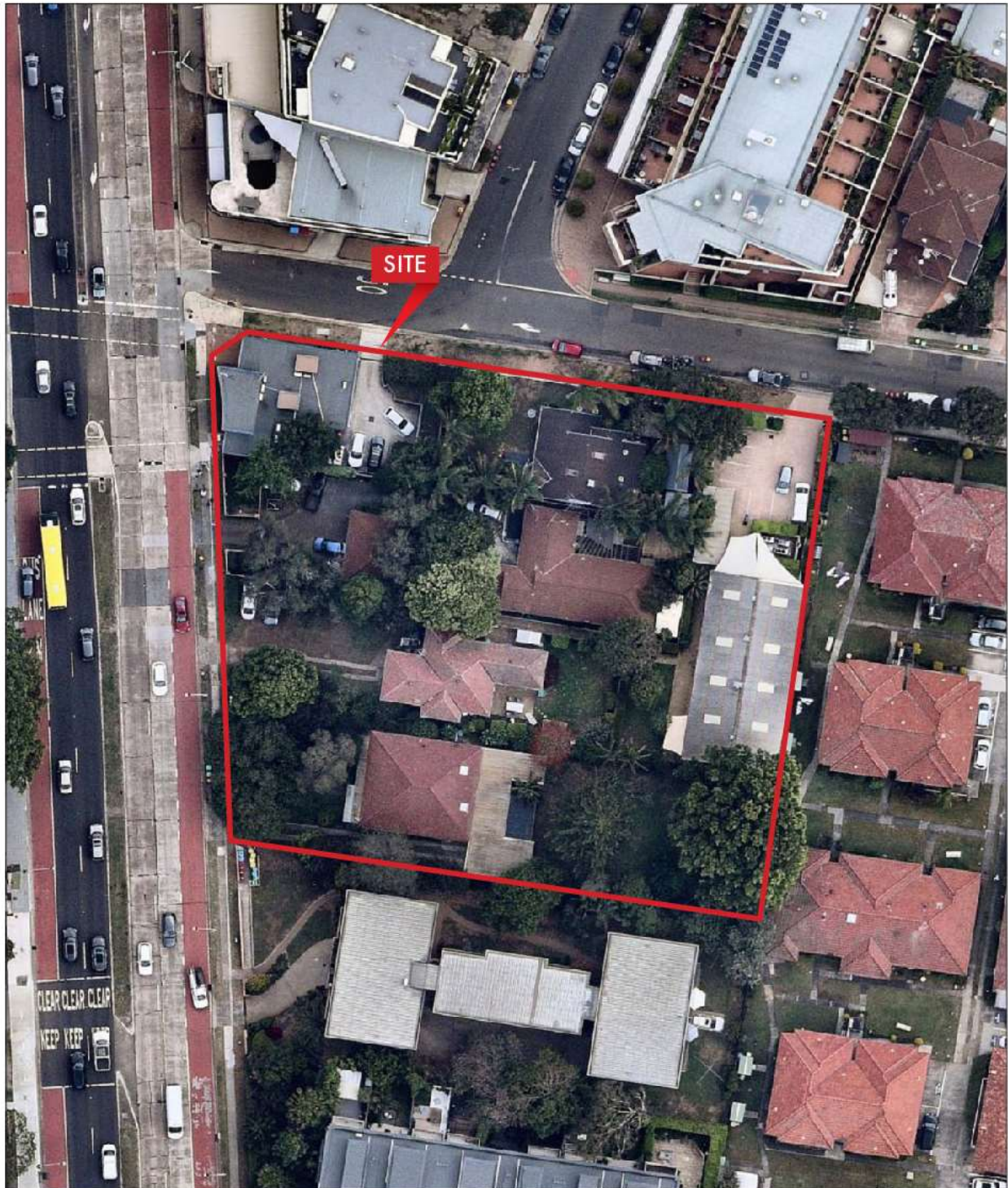
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PLANNING PROPOSAL
No's 1294-1300 Pittwater Road and No's 2-4 Albert Street, Narrabeen

FIGURE 2
Site

Prepared For: Highgate Management Pty Ltd





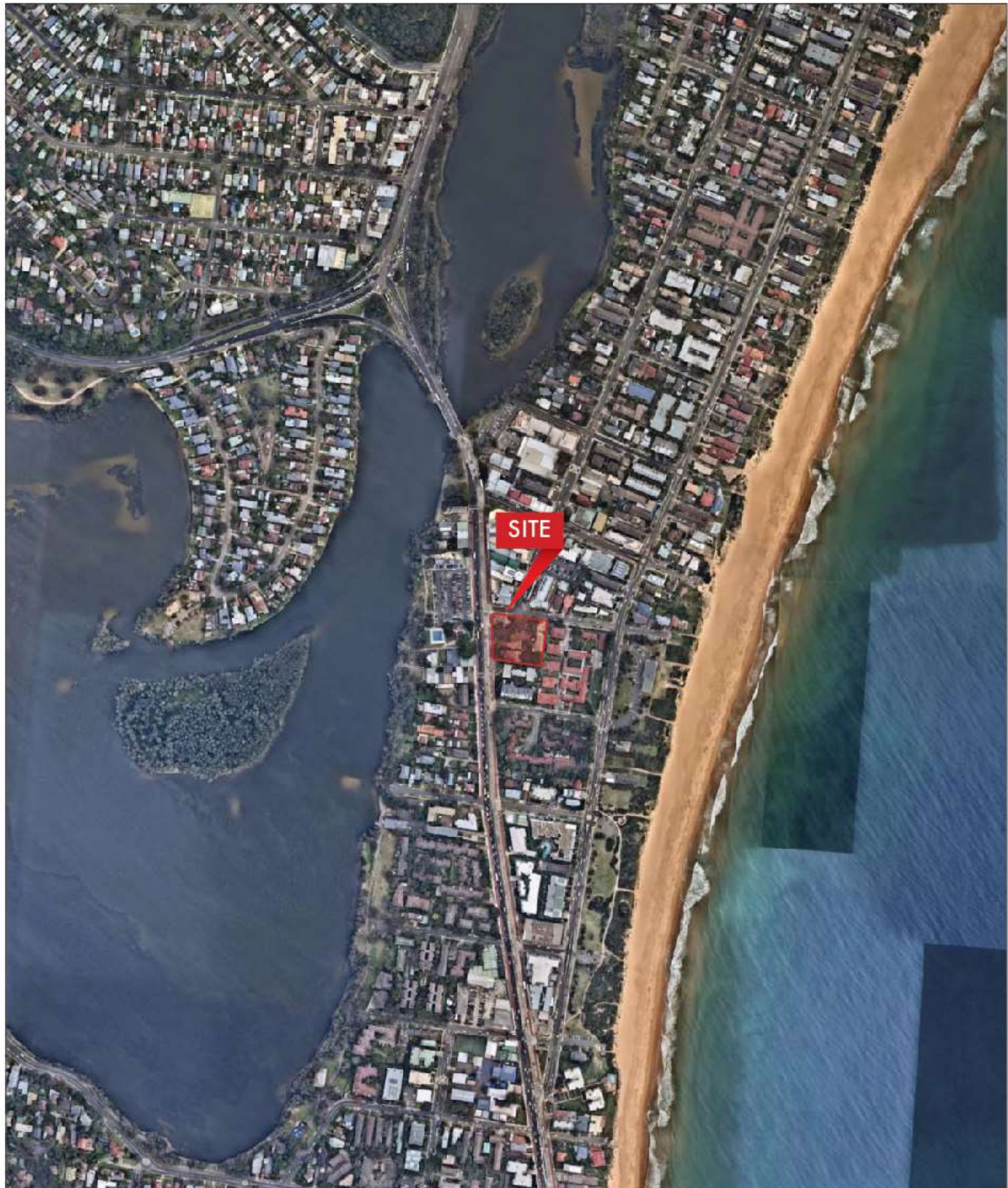
Source: NearMap 2 Nov 2018

PLANNING PROPOSAL
No's 1294-1300 Pittwater Road and No's 2-4 Albert Street, Narrabeen

FIGURE 3A
Aerial Photo - Detail

Prepared For - Highgate Management Pty Ltd





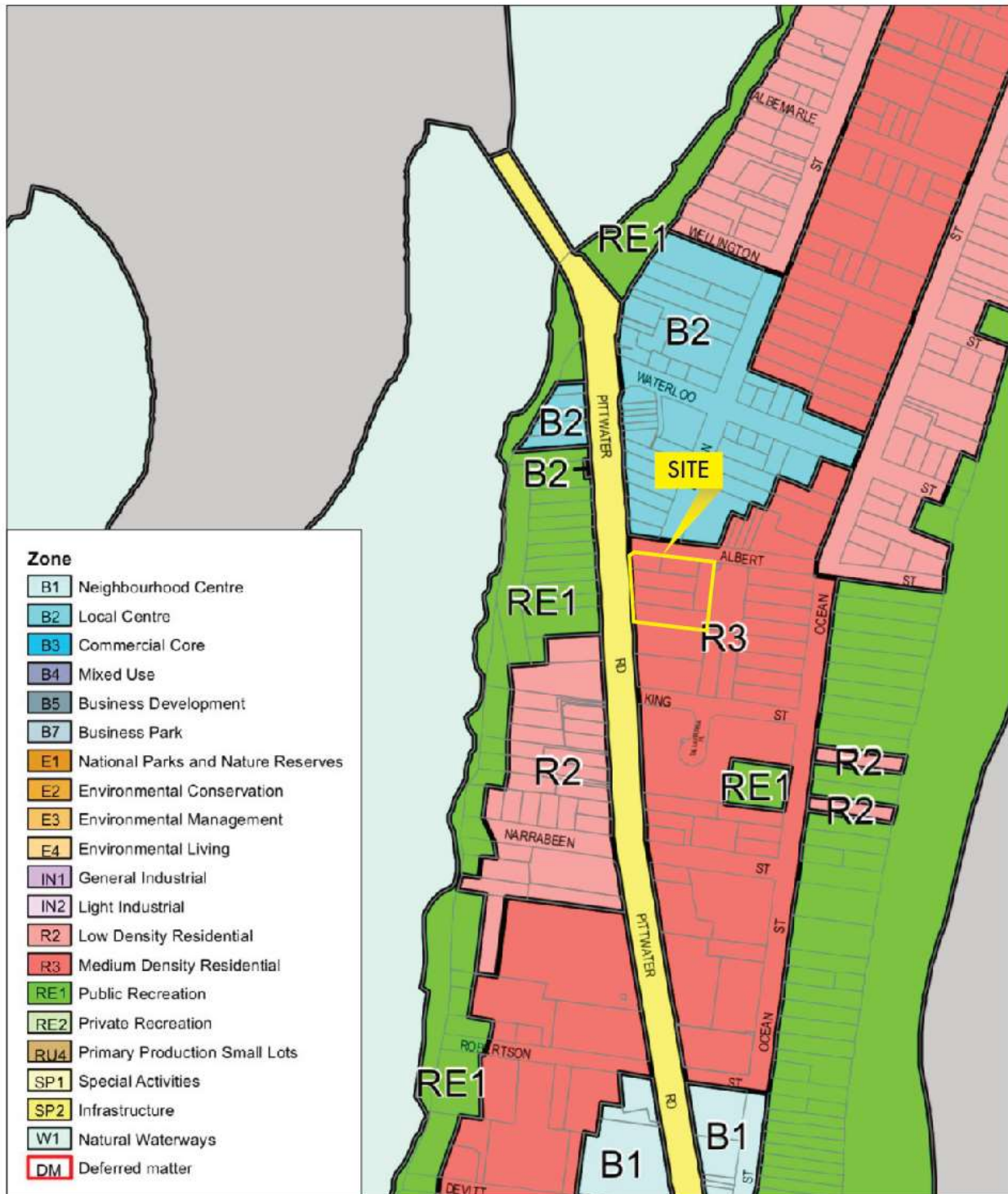
Source: NearMap 2 Nov 2018

PLANNING PROPOSAL
No's 1294-1300 Pittwater Road and No's 2-4 Albert Street, Narrabeen

FIGURE 3B
Aerial Photo - Wider Area

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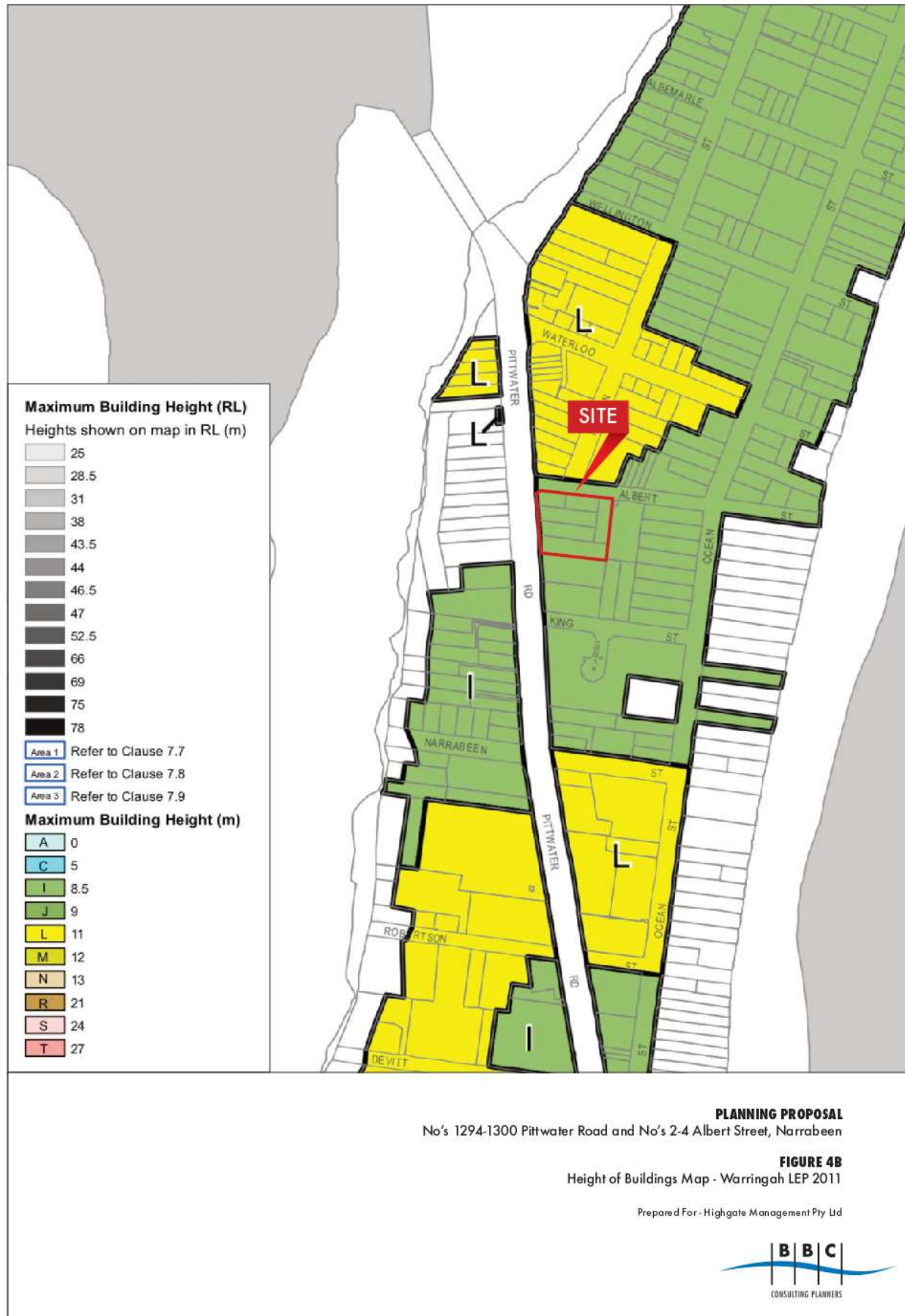


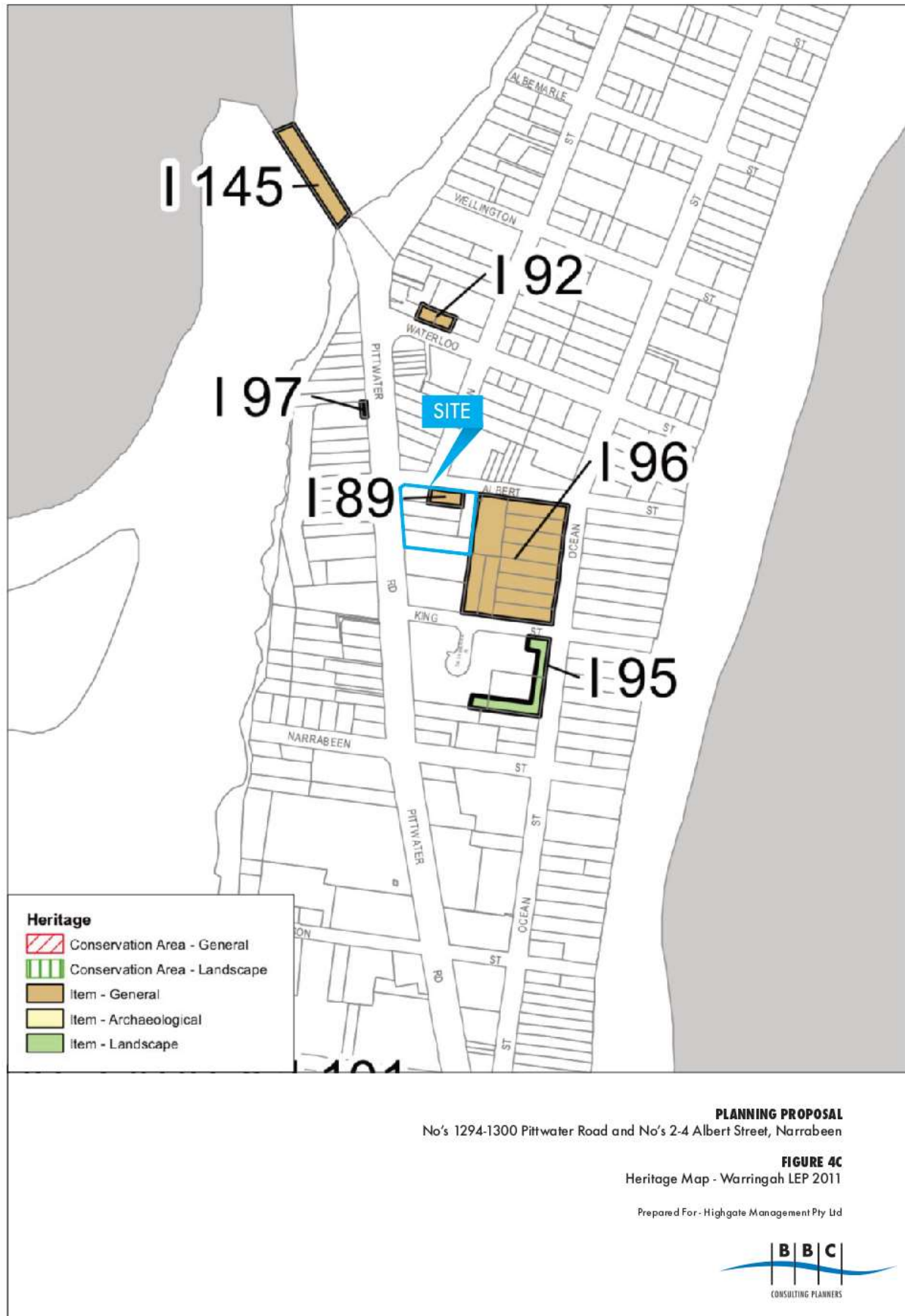
PLANNING PROPOSAL
No's 1294-1300 Pittwater Road and No's 2-4 Albert Street, Narrabeen

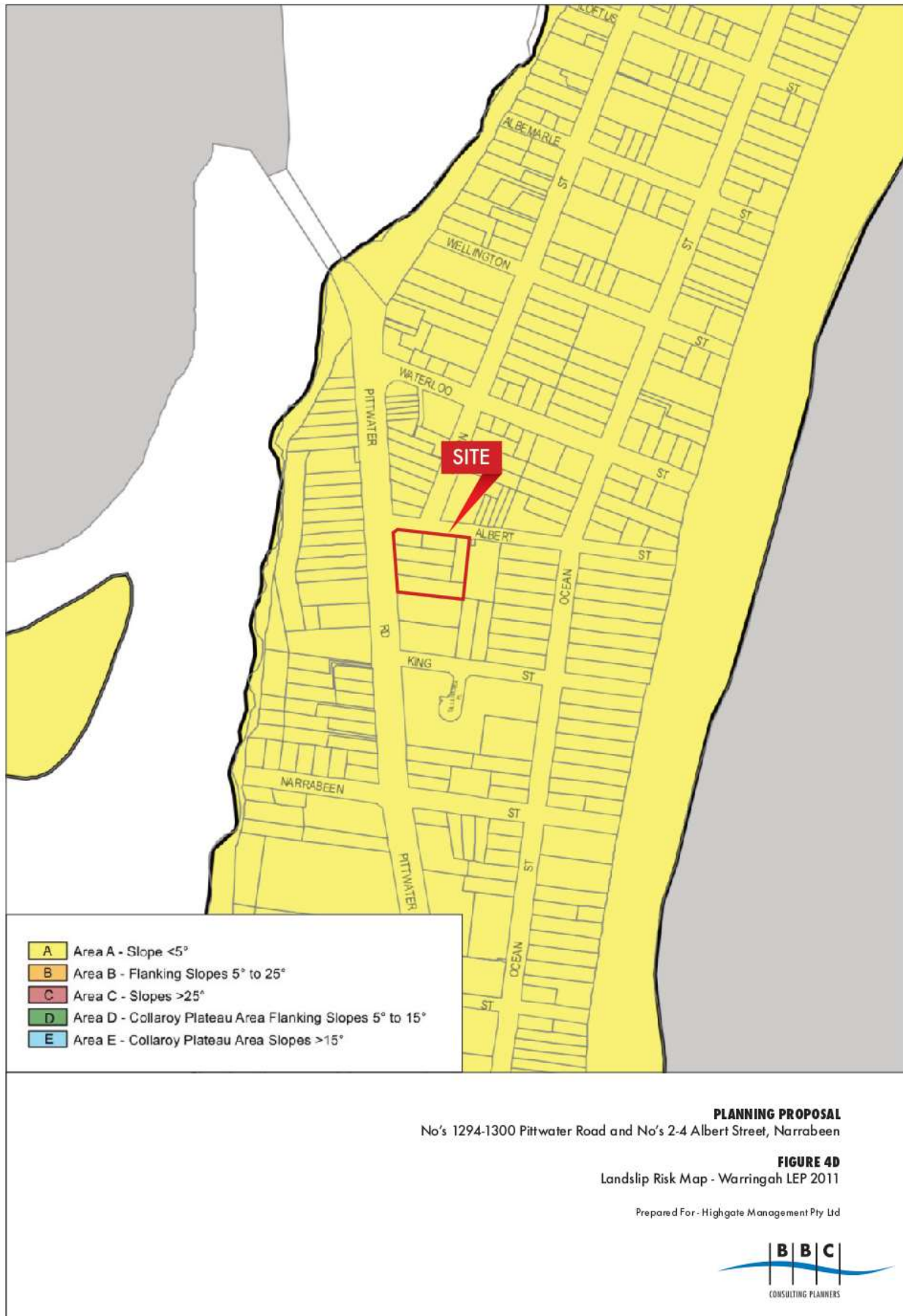
FIGURE 4A
Zoning Map - Warringah LEP 2011

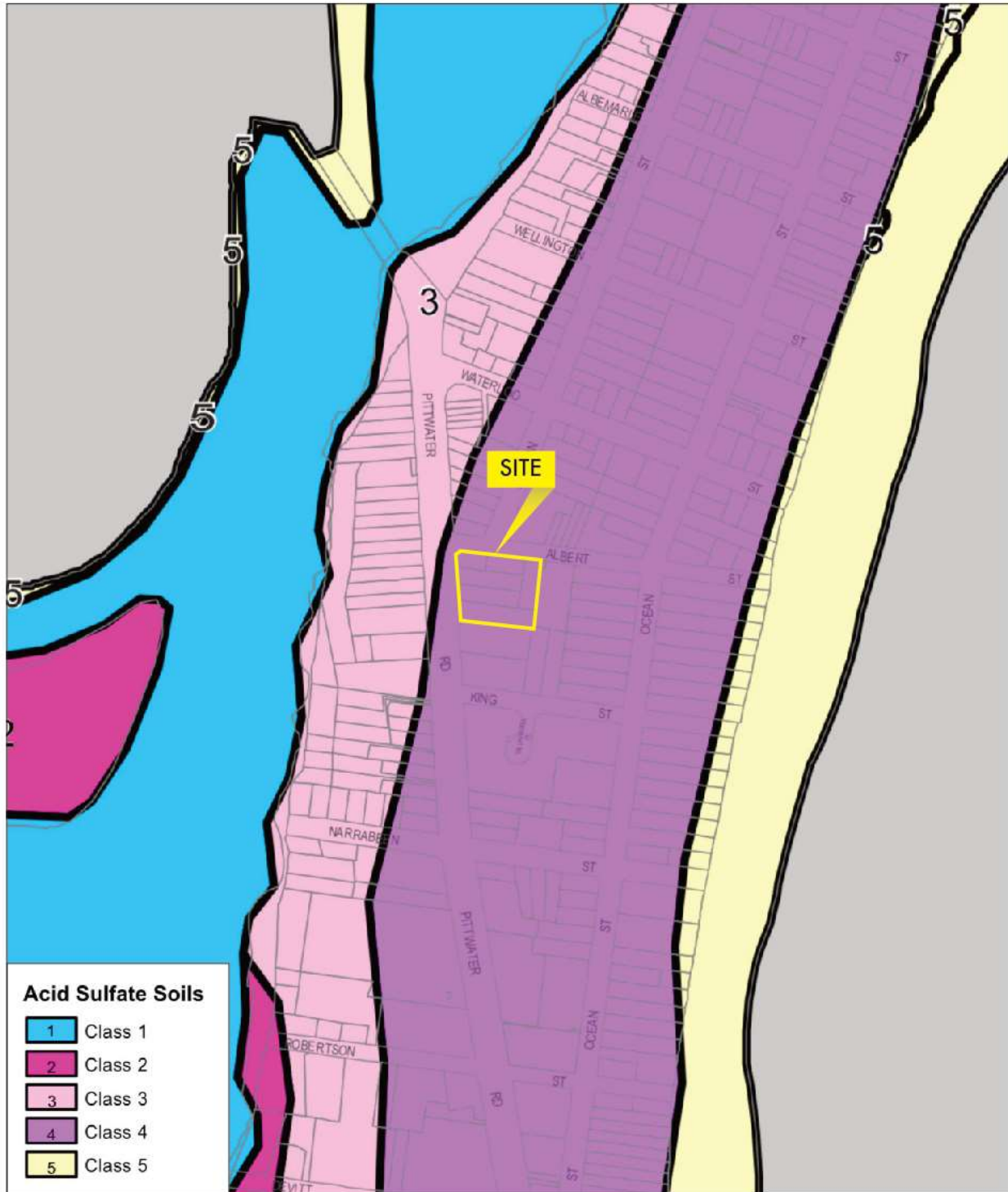
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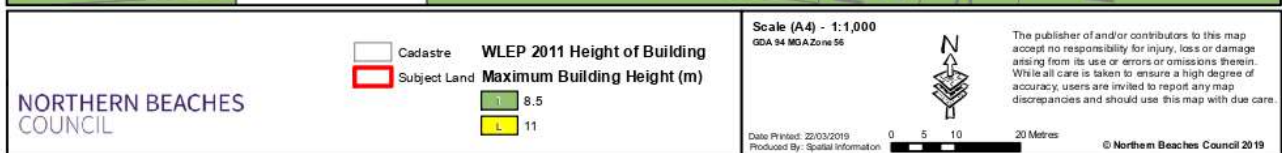
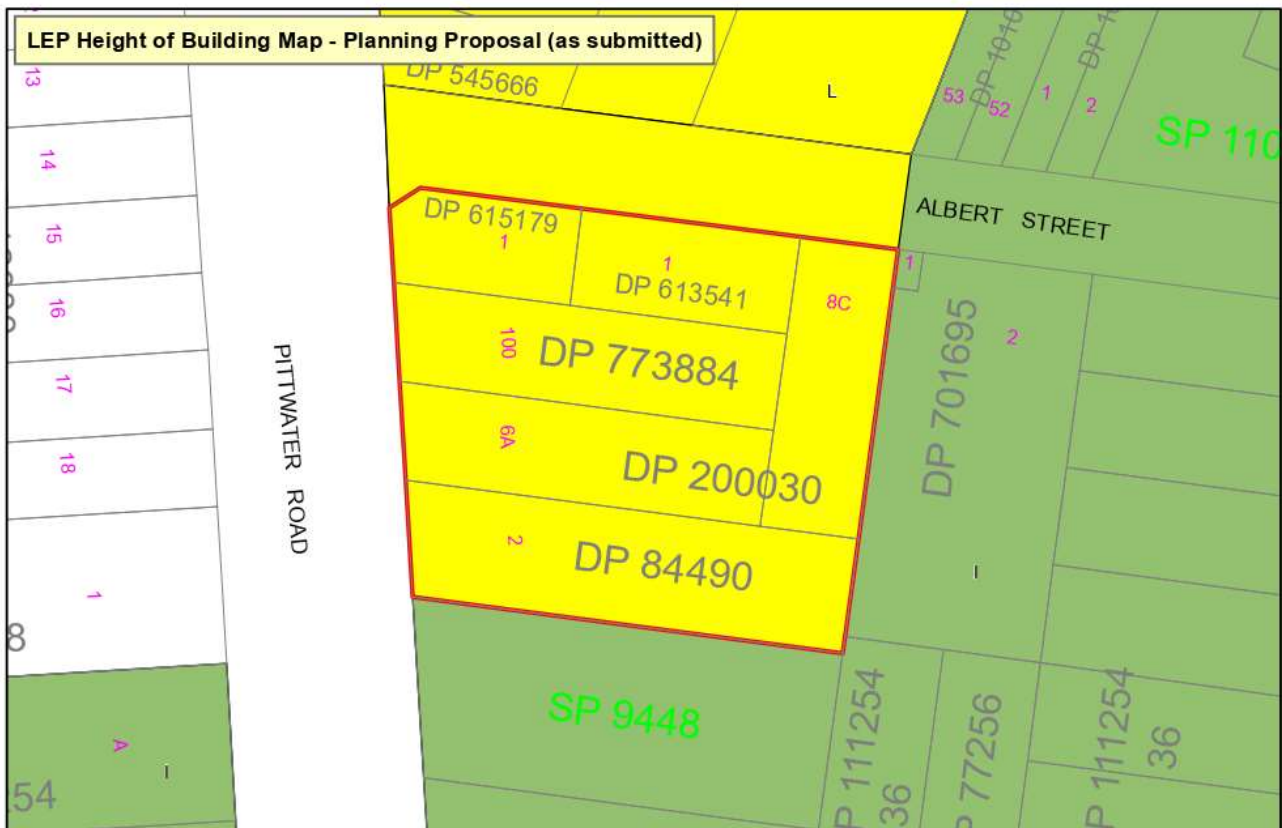
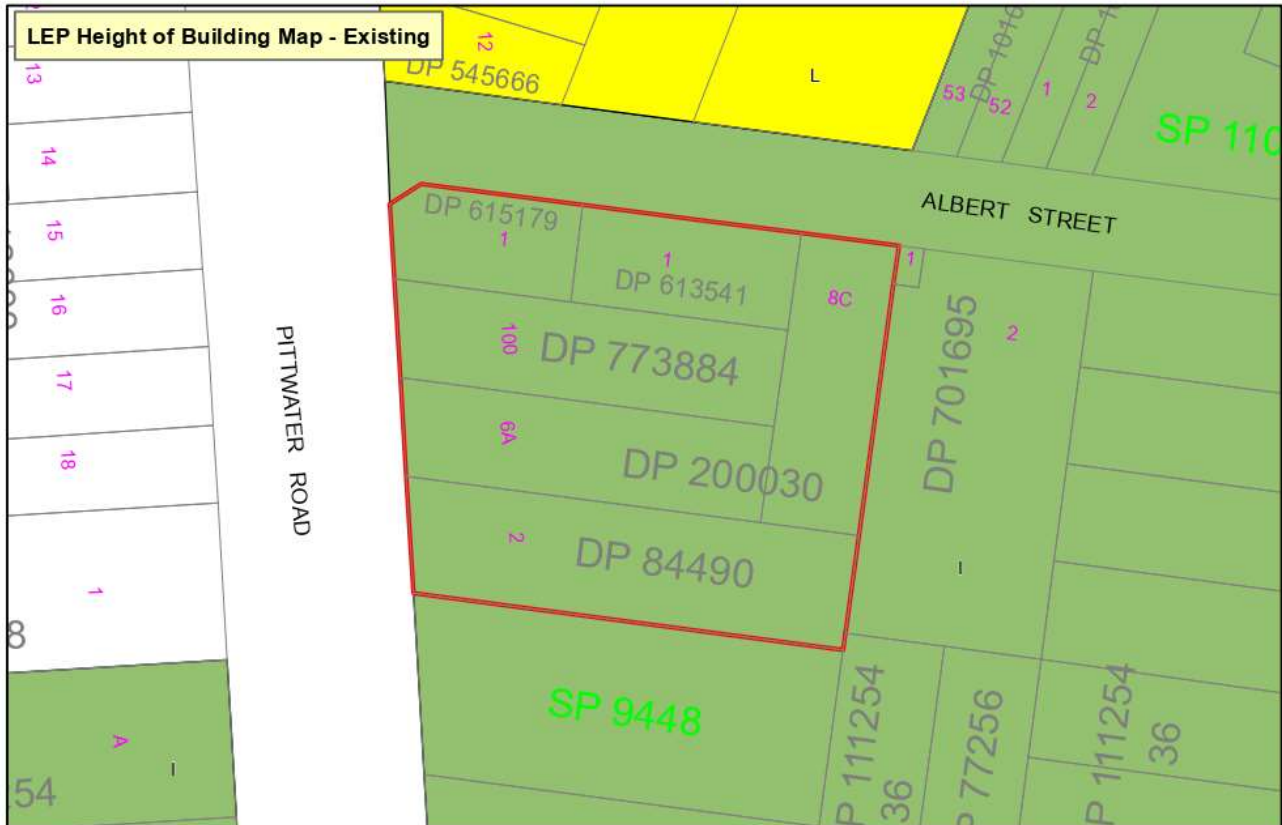


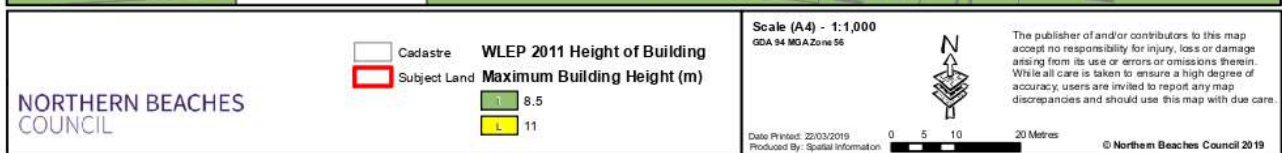
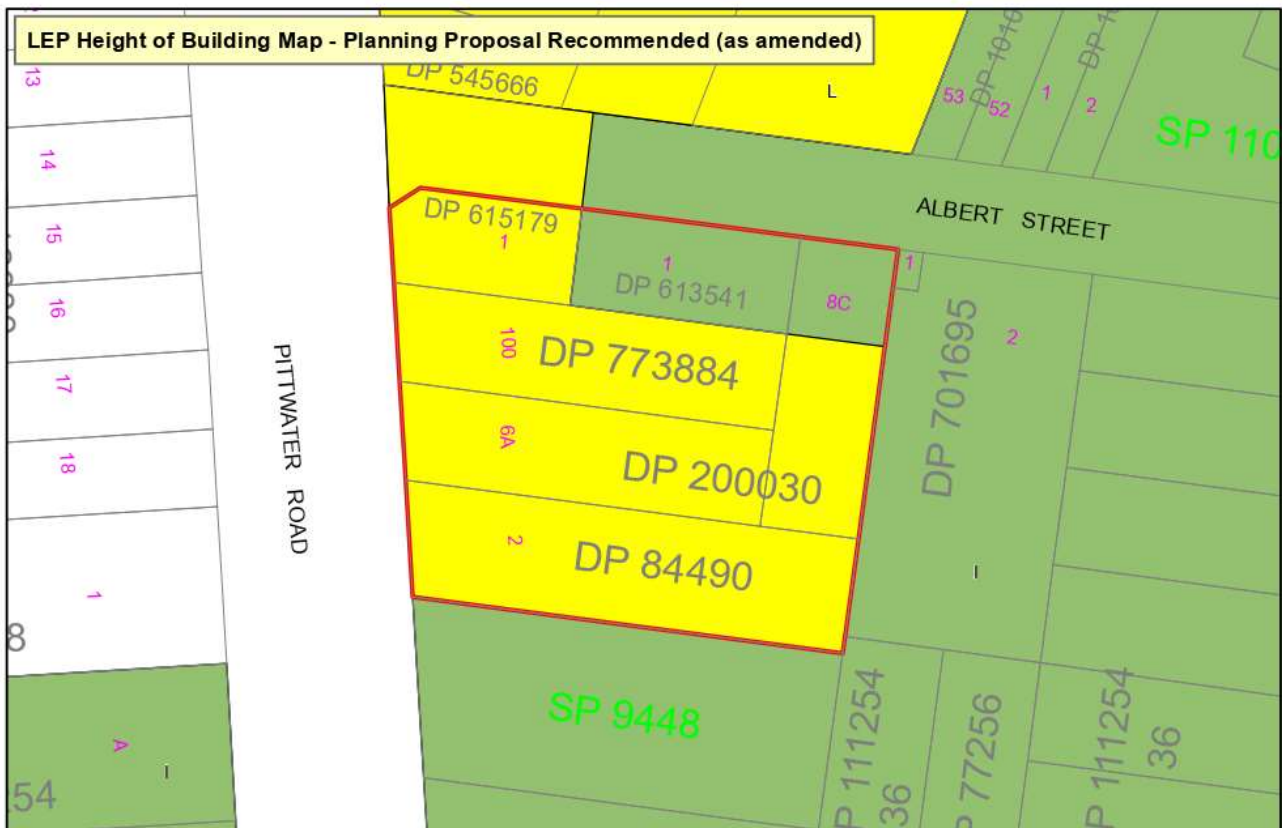
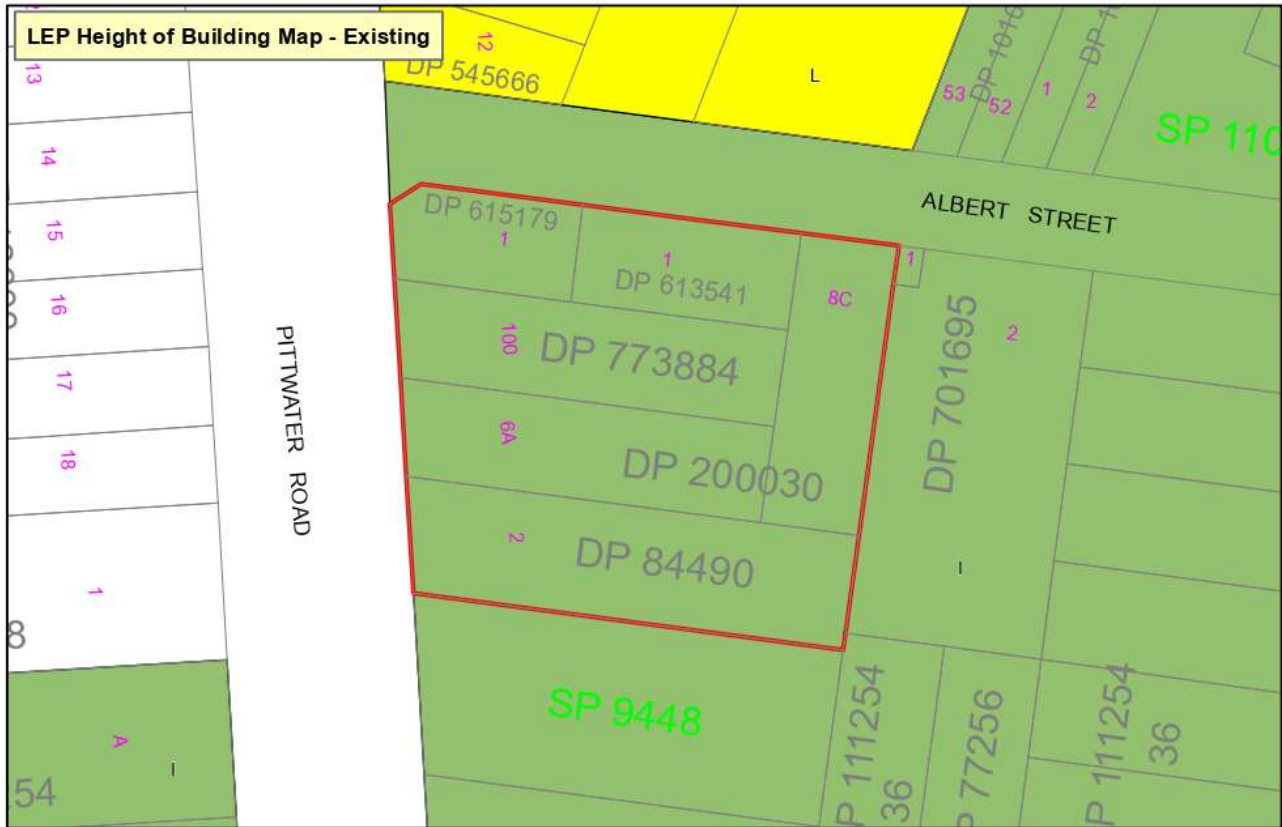
PLANNING PROPOSAL
No's 1294-1300 Pittwater Road and No's 2-4 Albert Street, Narrabeen

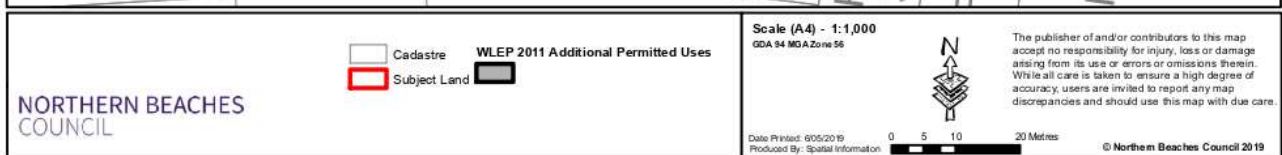
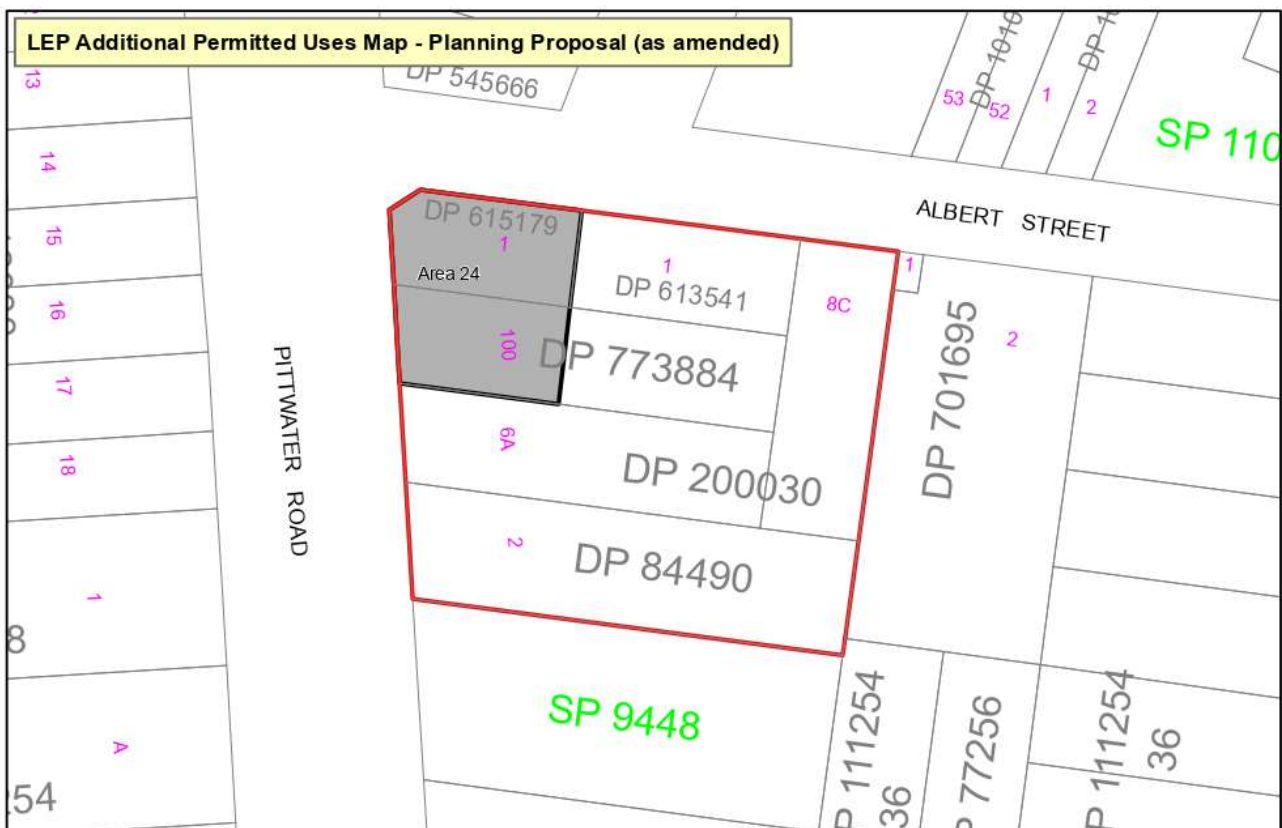
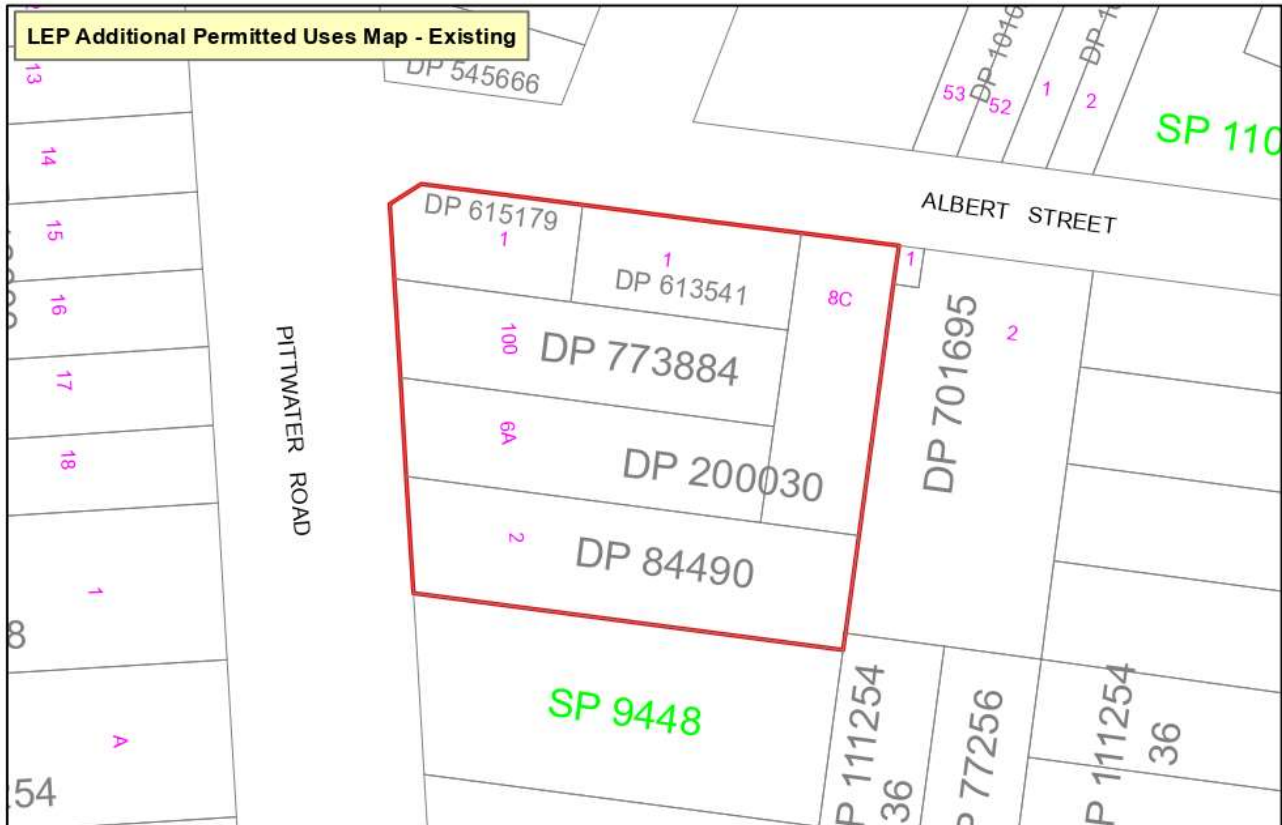
FIGURE 4E
Acid Sulfate Soils Map - Warringah LEP 2011

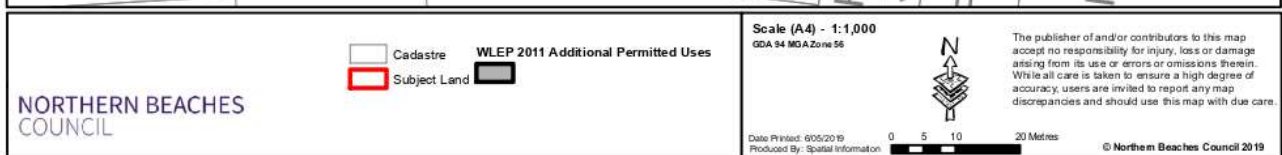
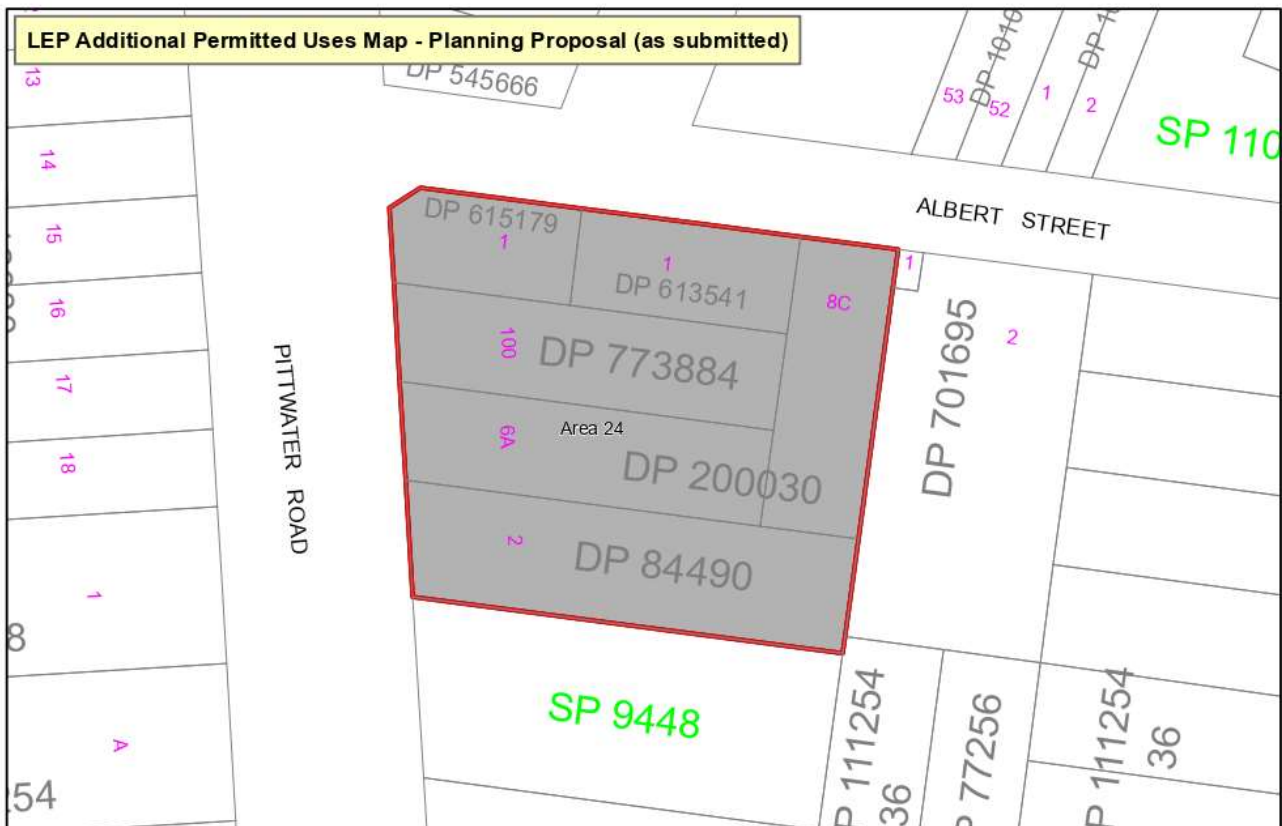
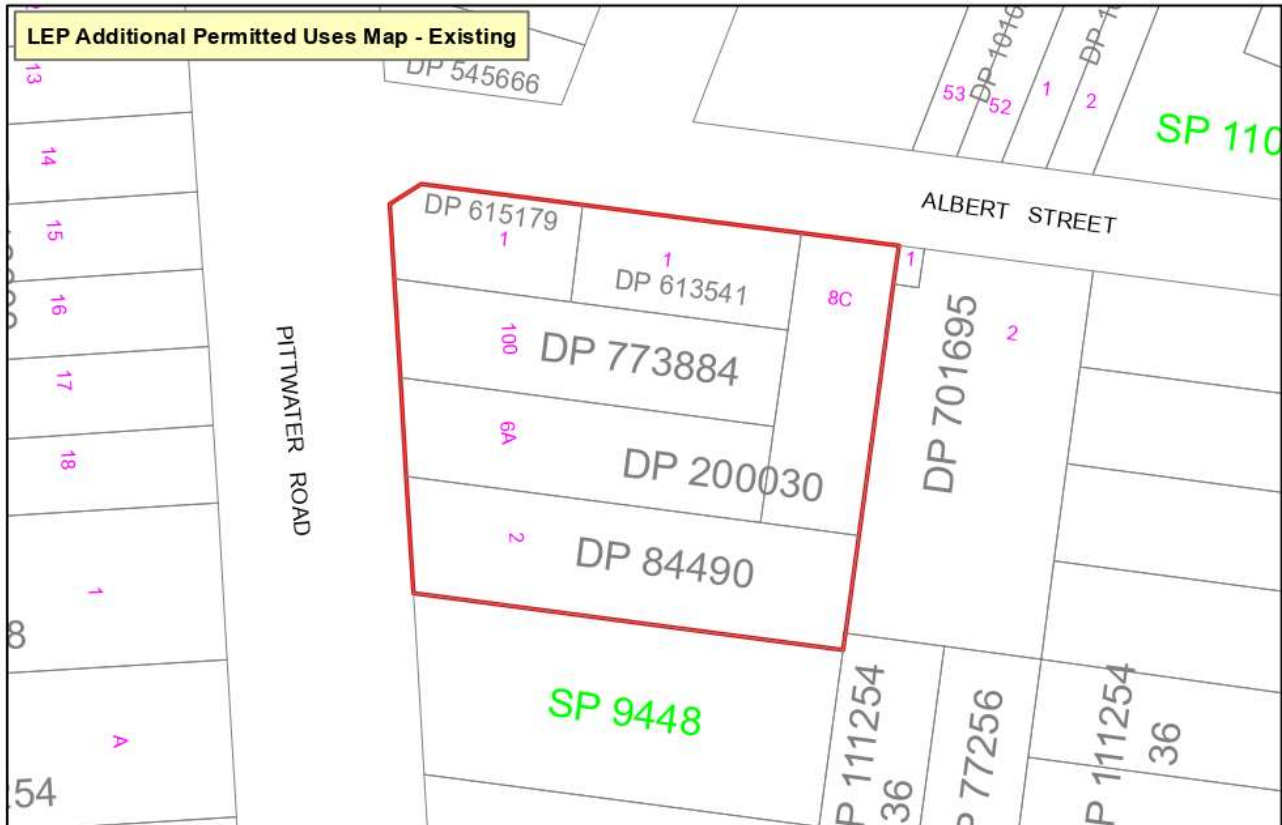
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Resident Submissions and Comments (TRIM 2019/167647)

Ref.	Key Word/ Summary	Submission Details	Comment
166721	Height; Out of Character	Building policies exist to limit the size of the developments, so why should the council permit a development to exceed the height restriction by 2.5m? Answer, it should not! The area is predominantly a residential area and with such a development would be out of character for the area.	See Report 'Assessment of Planning Proposal – Height of Building. The character of the area contains a mix of residential and non-residential building heights.
132266	Height, scale and amenity; Density; Precedence	This is an existing low scale residential neighbourhood. 8.5 is adequate for this area 11m is out of scale destroying the amenity of the existing neighbourhood, potential increase of density here is not warranted and is a dangerous precedent. I object to this proposal.	See Report 'Assessment of Planning Proposal – Height of Building. The proposed scale of development is generally consistent with the existing neighbourhood.
132248	Height	No to the height increase!	See Report 'Assessment of Planning Proposal – Height of Building.
132260	Height	I would be strongly against increasing height to 11metres. The 8.5 was put in place for a reason & therefore would be reluctant to change it. It could produce a flow in effect that is not needed in Narrabeen	See Report 'Assessment of Planning Proposal – Height of Building. The proposed site is a particular location adjoining the town centre.
157702 & 155845	Parking congestion; process; precedence	<p>Having just been informed of this proposal my first request is an extension of the exhibition time and a wider consultation with neighbours to a wider catchment area from the bridge to the Ocean St/Pittwater Rd junction and also on the northern side of Pittwater Rd from the bridge to Mactier St.</p> <p>I represent the 250 members of the Manly Warringah Kayak Club located behind the Narrabeen ambulance station and adjacent to the rear of the Tramshed facing the lake.</p> <p>We have been in operation since 1983 and 95% of our members reside within NBC and participate in MWKC and Surf Life Saving clubs locally.</p> <p>The main concern is with regard to parking.</p> <p>The recent upgrade of the Berry Reserve car park and re-purpose to park and ride plus the redevelopment of the playground, Tramshed, restaurant and lake pathway has increased the demand for parking in the Narrabeen precinct to the point beyond capacity. Each weekend and weekday sees the Berry Reserve Car Park within the Narrabeen shops precinct full to capacity. The allocation of the 43 slots to Park and Ride by Transport NSW are full Mon-Fri and usually mostly empty on weekends.</p> <p>This new development will exacerbate the on street and car park parking issues in the Berry Reserve Car Park, Pittwater Rd and adjacent streets including Ocean St. The car ownership in the NBC area is approx. 2.7 car per dwelling according to ABS data is the highest in Sydney. This is due to poor transport options and a higher</p>	<p>Submitter notified of further opportunities to comment should the proposal be progressed.</p> <p>Broad issues of parking associated with the Narrabeen Town Centre and the operation of the Manly Warringah Kayak Club discussed generally with the submitter. The proposed provision of onsite parking to accommodate traffic generated by the proposed development was noted. Opportunities for housing in close proximity to services and facilities including public transport also noted and an opportunity to minimise traffic and parking demands</p>

		<p>income profile.</p> <p>The development will not have a requirement for 2.7 cars per residence/commercial unit so there will be spill over to the Berry Reserve Car Park and the roadside car parking on Pittwater Rd and adjacent streets.</p> <p>Our usage of parking by members/NBC residents can be around 40-50 cars on a regular Saturday/Sunday morning as we conduct coaching, training squads, races every weekend of the year. Unloading and loading of craft and families, Monday to Friday club members join squad training and juniors coaching sessions morning and afternoon. The club boasts 15 Olympians since formed in 1983 plus we regularly compete at State/National and International events in Sprint, Marathon, Surf Life Saving, Ocean and Harbour racing etc.</p> <p>The new playground is extremely popular since completed with Mums and children attending 7 days a week. The basketball court and gym equipment has also been successful with high usage now. The Narrabeen walkway attracts walkers and cyclists and picnicking families at unprecedented levels. The new Tramshed Restaurant also attracts patrons 7 days and nights a week. Add to that the local shops and you can see there is much pressure on parking in the Narrabeen precinct.</p> <p>If the plan does not contain a realistic solution to parking then we don't support it. 250 members don't support it.</p> <p>Photos of the Berry Reserve Car Park over numerous recent days are available on request.</p> <p>Solutions could include onsite parking that greatly exceeds the LEP requirements. Upgrading of the Berry Reserve car park to a multi deck parking or inclusion of an underground open car park in any development on this site.</p> <p>Also there should be additional Section 94 funds required to address this issue so the NBC rate payers are not burdened with the costs.</p> <p>Further Submission: A viewing of the traffic and parking plan for this development shows only 86 parking spaces allocated for 60 units. Total parking is 138 spaces. This is insufficient. The demands for on-street parking in the Albert St, Ocean St and Pittwater Rd areas means there are no places for visitors and additional residential parking on these streets. This is exacerbated by the clearways on Pittwater Rd. We would contend the total parking would need to grow to 200 and the residential spaces to 160. The spill over of parking from the development is most likely to fall into the Berry Reserve Car Park which is already packed daily Mon-Fri and packed on weekends (except for the park and ride on weekends as people avoid the parking charges and the number of commuters drop). Also a nil allocation for the cafe is silly thinking. Even the staff need somewhere to park.</p>	
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136648	Height; loss of character; precedence	The maximum building height is there for a reason, to preserve the character of the suburb. By going to the extra height, that translates to an extra floor on the proposed building structure. Narrabeen doesn't need tall buildings. It also sets a precedent and opens the door for future building height amendments. The limits for heights are there, abide by the rules.	See Report 'Assessment of Planning Proposal – Height of Building. The character of the area contains a mix of residential and non-residential building heights.
162129	Traffic and Parking	I oppose this development in its entirety. There is already too much traffic on Pittwater Road in the mornings and afternoons. Parking is an absolute nightmare across the road, it's always full	Onsite parking is to provide for traffic generated by the proposed development.
138124	Height; traffic impact	I'm concerned that the proposed heights of the buildings are too tall, not in keeping with the current low rise area and will have an environmental and social impact. Also that this will open up the option of more high rise in this area that are not sustainable. Impacts on traffic also needs to be considered.	See Report 'Assessment of Planning Proposal – Height of Building.
132251	Support	I am in support of this submission.	Noted
162129	Detailed design pending future DA stage, compliance with aspects of the Master Plan sought	<p>The owners note that the two RFBs proposed on the southernmost lot, designated as 'B' and 'C' on page 38 of the GMU Report, are at this stage proposed to have three levels of residential units with the fourth level being attic storage.</p> <p>The owners note further the efforts made by the proponent to set back the bulk of the RFBs 6.5m from the boundary between the southernmost lot and 1290-1292, and for the fourth level to be set back a further 3m so as to reduce overshadowing and the bulk and scale of the development.</p> <p>However, it is acknowledged that the fine details of the proposed RFBs will not be known until the DA stage in relation to these properties, and that the GMU Report shows an indicative masterplan only that may be subject to change.</p> <p>As such, this joint submission made on behalf of the five owners does not object to the proposal, noting that three-level RFBs would already be able to be approved on the lots the subject of the proposal with the current 8.5m height of building control. The owners will not experience any amenity impact through the adding of the proposed additional uses to the lots, particularly given that a number of owners are patients of Dr Bernard's medical centre on Albert St (or have family or friends who are) and do not oppose the expansion of that practice.</p> <p>The owners wish it known at this stage that the express statement not opposing the proposal contained in this submission above is made after careful consideration of the indicative masterplan in the GMU Report. The proponent is to be encouraged to adhere to this masterplan as closely as possible in subsequent development stages so as to allow for sufficient landscaping along the southern boundary of the lots and to ensure that the private open spaces for the units in RFBs 'B' and 'C' will have oblique viewing angles into the private open spaces of 1290-1292 minimised, if not eliminated, through screening measures. Again, the owners concede that these submissions ought</p>	<p>Certain site specific development guidelines and controls are proposed to accompany the Planning Proposal as detailed in the Report. These DCP controls will guide the preparation, assessment and determination of future development.</p> <p>In relation to the need for sufficient landscaping along the southern boundary of the lots and to ensure that the private open spaces for the units proposed DCP controls are to include deep soil planting to accommodate appropriate planting for screening purposes</p> <p>Similarly, concerns regard fourth level attic storage space being converted to a fourth level of residential units at the DA stage as also addressed in proposed DCP controls.</p> <p>Whilst environmental sustainable initiatives are supported and may be accommodated under the applicants indicative redevelopment plans, further consideration of detailed construction and operation measures are outside of the scope of this proposal.</p>

		<p>properly be made at the DA stage, but wish to have these concerns noted from the outset.</p> <p>The owners have considered the possibility of the fourth level attic storage space being converted to a fourth level of residential units at the DA stage, and trust that the proponent will adhere to the indicative masterplan in the GMU Report (specifically in the form detailed at pp. 36-38).</p> <p>The owners also encourage the proponent to consider progressing this development as a lighthouse of ecologically sustainable RFB construction and operation, with the adoption of construction measures detailed in such standards as 'Passivhaus' and the 'Living Building Challenge', and with emission offsetting measures such as solar panels on all roof areas and batteries provided to the commercial and residential properties as a minimum.</p> <p>Finally, the Owners Corporation as a whole asks to be engaged in this process as it progresses, as there are measures that could be taken immediately upon approval of the proposal (such as the commencement of planting along the southern boundary of the lots and the timing of the construction of the new boundary fence) that the Owners Corporation would like to coordinate directly with the proponent.</p> <p>The owners endorsing this submission thank Council for the opportunity to comment on this proposal.</p>	
132241	Height	<p>I have confidence that the council went through a lot of submissions/rezoning before deciding on a maximum development height of 8.5m. Apart from increasing the return to the developer this proposal to increase the height limits by almost 30% will lead to increasing demand for further higher buildings. If the council does not wish to stick with the height limits why set them and have a development plan?</p>	<p>See Report 'Assessment of Planning Proposal – Height of Building.</p>
136562	Traffic and Parking	<p>The proposal to add 2 Albert st and the construction outlined in it does include a traffic management plan. However, there are flaws in it that can be misleading. Pittwater Road does not allow parking south of Waterloo st heading towards Manly as stated. It is a clearway at all times for a large section that goes beyond the shopping strip. The North side only allows parking at the times specified. The commuter parking on that North side has restricted the amount of parking for local shoppers and the Woolworths carpark is already frequently congested. I disagree with the statement that the 60 planned residences will not have an impact on traffic in surrounding streets. Albert St is one way at the Pittwater Rd end which means traffic must flow onto Lagoon St. It is already very difficult to make a right hand turn there. Alternatively, traffic can go in the short street parallel to Pittwater Road but that leads on to Waterloo St. Traffic there is already backed up to beyond the first roundabout at times so it is logical that the apartments will add to that. The Traffic Management survey uses data from 2015. Since then many apartments have been built along Pittwater Rd, Narrabeen so I fear the data is not</p>	<p>Details of existing parking controls in streets including clearway provisions are noted. Similarly the one way restrictions and levels of congestion are noted.</p> <p>Should the proposal be progressed the Traffic Assessment as reported will be further discussed with the applicant in the light of this submission. In particular the need to update 2015 traffic data will be reviewed by Council's Traffic Engineer and any revised assessment will be reported in future public exhibitions that are committed should the project progress to that stage.</p>

		showing an accurate picture. For these reasons I am not in favour of the proposal.	
138131	Density, Parking congestion, Flooding Risk	As a nearby resident I am deeply concerned with the impact this increase in housing density would have on the area. Parking in this area is already very difficult and this proposed development does not adequately supply parking for the housing element let alone the commercial component. Given in the flooding risk I would be concerned if parking was below sea level. I strongly oppose the development proposed in its current form.	Onsite parking is to provide for traffic generated by the proposed development.
138137	Parking & Density	I disagree with this development proposal. Needs more parking and less units.	Onsite parking is to provide for traffic generated by the proposed development.
138124	Height impacts (amenity – solar access, privacy & view; Traffic congestion and safety	<p>I am concerned about the height of the proposed building. I am concerned about the proposed building creating/casting shadow over my unit which already faces south. The proposed height of the new units would also allow the people in the higher units access to look down into my courtyard therefore greatly restricting my privacy. I am also concerned about the amount of extra traffic which would enter and exit through Albert Street. The street is only 3 lanes wide and has cars parked on both sides of the street which allows for only one lane of moving traffic at any one time. During summer the area has a greater vehicle movement due to its vicinity to the beach. On a regular basis there are also Sydney buses which either park or idle for some time outside the seashells property in Albert Street in a no standing zone. This extra traffic and the Sydney buses would create so much extra traffic in Albert Street due to the fact there is no access to Pittwater Road. There are also many residents of Furlough House who use walking aides or wheelchairs. The greater amount of traffic coming from the proposed development would/could create a danger for the residents.</p> <p>I understand that this development will be going ahead, but I personally would like it to be possible one storey shorter in height particularly in Albert Street.</p>	<p>See Report 'Assessment of Planning Proposal – Height of Building.</p> <p>Onsite parking is to provide for traffic generated by the proposed development.</p>
165888	Height impacts (amenity – solar access, privacy & view; consistent policy)	<p>After careful review and consideration of the Planning Proposal, we support amending the WLEP 2011 amendment to make the following land uses permissible on part of the site: a "medical centre"; "commercial premises"; and "shop top housing". However, we oppose the proposed amendments to WLEP 2011 to change the maximum height standard that applies to the whole of the site from 8.5m to 11m. This change would considerably impact our unit and potentially devalue the financial value of the overall building complex. Our key reasons for opposing the increase in height for the site are:</p> <p>1. LOSS OF SOLAR ACCESS, OR SUNLIGHT, TO OUR LIVING SPACES Buildings to a height of 8.5m will block sunlight to the living spaces on the eastern and northern sides of our unit during periods of the day. Increasing the height to 11m would increase the length of time our apartment is in shade, as well as potentially reduce the direct sunlight to the living spaces on the north/west side</p>	<p>See Report 'Assessment of Planning Proposal – Height of Building.</p> <p>The impact of the proposal in relation to the potential shadows that may be cast to neighbouring properties is assessed to an appropriate level of detail in the applicant's submission including the provision of indicative shadow diagrams. While detailed assessment of amenity effects on adjoining residential cannot be fully determined until more detailed DA design is prepared a variety of measures are recommended in conjunction with the Planning Proposal to reduce the extent of the height as proposed and incorporate a range of site specific DCP</p>

		<p>of our unit.</p> <p>2. LOSS OF PRIVACY AS A RESULT OF SIGHT LINES OF THE BUILDINGS PENETRATING OUR PRIVATE SPACES. Buildings to a height of 11m potentially increases the total number of dwellings on the site, and this results in an increase in the number of sight lines which penetrate the living spaces on the eastern and northern and north/west side of our unit.</p> <p>3. LOSS OF VISTA OUTLOOK FROM OUR LIVING SPACES Buildings to a height of 11m will decreases our sites lines to vistas such as plantings and sky lines, which we currently enjoy.</p> <p>4.COMMUNITY SUPPORT FOR LOWER HEIGHT DEVELOPMENTS Our view on the ideal height of building developments is consistent with the current height policy for Narrabeen, that 8.5m is an appropriate height for buildings in our area.</p>	controls to improve amenity, private open space and privacy.
157696	Traffic and Parking; Height	<p>Albert Street Narrabeen is a traffic bottleneck. Any planning proposals would require significant thought regarding off street parking for guests, clients etc. of the proposed development of these sites, there should be no allowance given for street parking as there is NONE.</p> <p>Height increases would require setbacks to not impede sun, views and open space living already afforded to the adjoining and closely related properties. I do not want this unique lovely area turned into a duplication of Dee Why which can only be described as 'appalling over planning gone mad'.</p>	See Report 'Assessment of Planning Proposal – Height of Building.
162128	Negative impact and density and congestion	This is a terrific idea. There are way too many people around as it is, all you're doing is clogging up the roads even more and just worried about money and not how you're affecting the community by just added more apartments everywhere.	The location of housing strategic located locations near services and transport is supported
162132	Negative impact; Importance of roads and infrastructure	This will have a negative impact on the community. I wish the council and governments would redevelop roads and infrastructure as quickly as they redevelop housing. We are choking!	Consideration is made for future infrastructure commensurate with the proposal.
165882	Process	I would like to question the proposal. I have just returned from overseas this morning and am not able to have my say at short notice especially given the time and resources that have gone into this proposal	Submitter advised that should Council resolve to proceed to Gateway with this proposal further opportunities will exist to comment of the proposal including a further public exhibition period
166721	Traffic; Safety	While I have no objection to the proposal itself I am very concerned about the traffic flow out onto Ocean St from Albert St. I have petitioned in the past to have speed bumps placed along Albert St to reduce the constant speeding along that street but to no avail. The extra traffic flow from the proposed development will only enhance the very real possibility of a fatality in the future. As you are aware Furlough House is on Albert St with constant pedestrian traffic of elderly people all day from that complex. One recommendation I would suggest is making the one way from Pittwater Rd into Albert St to a say at way from Albert St to	

		Pittwater Rd. This would reduce the traffic flow considerably. Also the entrance from Albert St onto Ocean St is extremely dangerous as a view to the right is severely restricted by Norfolk Island Pines. Extra traffic will only back up down Albert St due to the long delays from Ocean St traffic.	
166294	Traffic; Safety; Density; Height	<p>This is an objection to the above extreme development. I cannot believe you would allow so much traffic in what is virtually a one way street. Drivers will try to drive out of Albert Street to avoid going through traffic lights. There are many elderly people living in this Street. Furlough House has many people on electric scooters and walking frames who cross the road slowly.</p> <p>I have rung the Council before in relation to the many near misses I have witnessed of cars turning right from Albert Street into Ocean Avenue.</p> <p>The Council just could not possibly justify such a large development. It is way too high and too many units. Dee Why and the back of Warriewood are bad enough. We no longer go anywhere on Saturdays because the traffic is horrendous.</p> <p>I hope you will consider the consequences of such a large development and the resultant disruption in the area which will not stop when it is completed because of the dangerous traffic conditions.</p>	<p>Consideration is made for future infrastructure commensurate with the proposal. In particular, the potential traffic generation arising from any future development is to be provided on site under DA assessment. A reduction to the number of kerbside driveways may have the potential to minimise pedestrian / vehicular conflicts.</p> <p>Matter of concern in relation to existing issues of concern are to be further considered by Council's Traffic Team.</p>
165890	Tree protection; Construction, Safety ; Amenity	<p>We resident of Furlough House (signatures attached) have many concern about the above planning proposal.</p> <p>The heritage Ficus hillii has the typical large ficus root system and we see evidence of the huge roots in our gardens. We love this tree and would hate to see it compromised. However, the proximity of the proposed building must mean that many roots will be destroyed (roots of these trees can extend to more than 50m). The radiating roots provide mechanical support to the tree. If anchorage is poor then long term stability of the tree, especially during storm events, would be compromised. The 12m setback it would seem insufficient to keep the tree stable.</p> <p>At Furlough House sink holes often develop after rain, some of them large. The height water table must make the building of underground car parks difficult, as evidenced in other parts of the Northern Beaches.</p> <p>We take our lives in our hands driving out of Furlough House towards the park surrounding the Narrabeen Surf Club. Please note that the building in the western border of Furlough House receive most of their light and sky views from the west, and have no view of the park or coast.</p> <p>We are all pensioners at Furlough House, many Returns Service Personnel. We value our peace and our relaxed living and would find it extremely difficult to live next to a development site. Most of us have no resources to take time away if we become distressed with development noise or added noise from the increased resident population.</p>	<p>In relation to the existing Ficus hillii (Hills Fig) tree Council's Landscape Architect advises this tree '... provides significant landscape amenity for the site that provides visual and physical separation between the proposed development and existing neighbouring developments. The existing canopy spread of the tree appears to be predominantly contained within the 12m setback area in an EW direction. The NS open space area remains at approximately 18m. This area of 216sq.m is a large area providing sufficient soil volume to ensure the retention of the tree. Any tree root loss for basement excavation will be of a minor impact to the health of the tree. Typically, this species is well suited to loss of minor roots, subject to root cut treatment, and is a species that exhibits new root growth following such minor root loss. In summary, without detailed analysis through arboricultural investigations, the 12m setback is sufficient for the trees' retention, based on canopy spread.</p> <p>In relation to future redevelopment of the site the Planning Proposal does not impact on the need for</p>

			appropriate basement construction techniques and best practice in site management during construction. Such matters will be address at any future DA stage.
148159	Future landuses; Traffic; Amenity; Construction	<p>My overall comments on the Planning Proposal (and support) and associated documents are based on the state criteria and the following qualifications:</p> <p>Residential uses will preclude short-term accommodation i.e. Airbnb or the like;</p> <p>The current commercial uses will continue to operate at the 1300 Pittwater Road site in conjunction with the medical facilities and may possibly be expanded in a small way to include other reasonable uses, such as a café;</p> <p>Future commercial uses to be considered are: Funeral services; Accountants/ financial advisers; Solicitors; Real estate agents/property services; Architects/ building consultants. More traditional lower ground floor facilities such as banks, Australia Post, travel agents and the like.</p> <p>Confirmation that non-residential occupations anticipated in the heritage property at 2 Albert Street will PRECLUDE uses such as cafes, restaurants, bars or other uses that generate noise and activity outside the traditional 8.00am – 6.00pm, Monday to Friday commercial times.</p> <p>Carpark access will be restricted to Albert Street and directly opposite Lagoon Streets western footpath. Access to the basement parking (roller door, boom gate etc.) will not generate noise that would affect adjacent residential properties.</p> <p>If Council grants approval for this Planning Proposal, future Development Applications submitted by the proponent, its agents or future owners are to be submitted in strict accordance with Planning Proposal as submitted and my qualifications listed above. Too often, owners/developers take Planning Approval as “the starting point” and seek amendments/increases with the following excuses being typical: “The market has changed and additional building height, apartment numbers, car spaces, commercial space or change of uses are required to make the development financially feasible” or “In order to provide Council and the community with a better urban/ architectural outcome, significant changes are necessary”.</p> <p>Future approvals for construction will include Council usual restrictions as to construction hours and significant bonds be in place ensuring construction start/completion dates to alleviate cleared or excavated sites sitting dormant. Based on the above, I support the Planning Proposal.</p>	<p>Issues in relation to short term accommodation are board policy issues for Council and cannot be adequately addressed in site specific re-zonings.</p> <p>The proposal does not distinguish certain commercial uses to the degree sought in this submission and future changes of use are not a matter for this application. E.g the trading hours for cafes will be subject to specific DA requirements.</p> <p>In relation to any future redevelopment of the site the Planning Proposal does not impact on the need for best practice on site management during construction. Such matters will be addressed at any future DA stage.</p>