

Department of Planning and Environment

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SEPP (Parramatta CBD) 2022

Finalisation Report

September 2022





Acknowledgement of Country

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1 Executive Summary

This report outlines amendments to the *Parramatta Local Environmental Plan (LEP) 2011* through a self-repealing State Environmental Planning Policy (SEPP), to enable the delivery of employment generating office uses, subject to design considerations. The amendment recognises the importance of growing A-Grade commercial office space to support Parramatta's strategic positioning as Sydney's second CBD.

The amendments to the planning controls relate to Part 7 Additional local provisions and the Special Provisions Area map under Parramatta LEP 2011.

The Department has determined that exhibition of the SEPP was not necessary on the basis that the resulting built form enabled by the SEPP is intended to be of less environmental impact than was proposed by the exhibited Parramatta Central Business District (CBD) planning proposal. This is further discussed in section 3.3 of this report.

This report provides a discussion of relevant matters in finalising the SEPP.

2 Introduction

The Central City District Plan is a 20-year plan to manage growth in the context of economic, social and environmental matters to achieve the 40-year vision of Greater Sydney. It supports Parramatta CBD's "emergence as a powerhouse of new administrative, business services, judicial and educational jobs, with Parramatta Square at its heart and Western Sydney University as its knowledge-producing engine". To ensure the Parramatta CBD can fulfil all its functions as one of Sydney's three metropolitan centres, it is important to encourage an on-going supply of A-Grade commercial office space development and retaining a commercial core.

The Parramatta CBD primarily consists of a zoned commercial core, surrounded by a mixed-use zone that supports commercial and residential development through the permissibility of shop-top housing and commercial premises and other complementary land uses (**Figure 1**). An extension of the city's commercially zoned land extends to the south along Church Street, known as 'Auto Alley' reflecting the land's former car sales uses.

The Parramatta CBD is divided by the Parramatta River. North of the river, Parramatta is currently distinctly lower scale and is adjoined by heritage items and conservation areas. The Parramatta CBD and its surrounds contain many significant heritage items of world, national, state and local significance.

The CBD is also traversed by the existing rail line providing access east to Sydney CBD and west to Penrith, Blue Mountains and beyond. Parramatta Light Rail Stage 1 is currently under construction and will provide finer grain public transport linking Parramatta CBD to Westmead, through Parramatta North, and to Carlingford in the north-east. The future Sydney Metro West will provide fast access to the Sydney CBD and Sydney Olympic Park with future transport corridors identified to traverse Parramatta in Future Transport 2056.

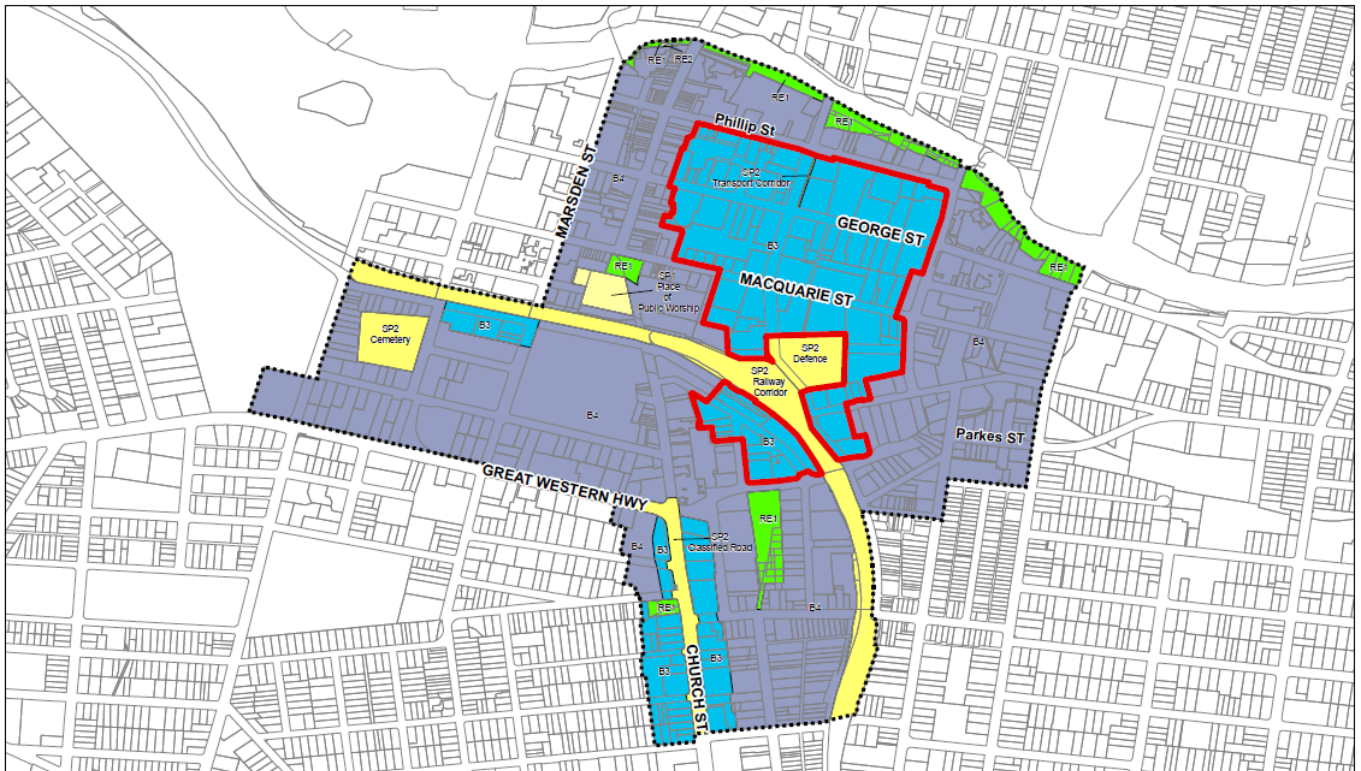


Figure 1: B3 core affected by SEPP outlined in red

To allow for the delivery of employment generating office uses, amendments have been made to the Parramatta LEP 2011 via a self-repealing SEPP as follows:

- For certain land within the B3 Commercial Core zone (see Figure 1), a new clause exempts office development from any floor space ratio (FSR) controls provided the site has an area of 1,800m² or greater. The intent of this planning control is to encourage office development that typically has higher order employment opportunities and yields to support Parramatta CBD's long-term growth as Sydney's Metropolitan Centre.
- The new clause is subject to design considerations and the preparation of a development control plan (DCP). This approach is intended to ensure a high quality urban form and public domain is achieved.

Section 2.3 of this report provides an explanation of why the amendment was not publicly exhibited.

2.1 Background and context

2.1.2 Parramatta CBD Planning Proposal

The Parramatta CBD Planning Proposal (**Attachment A**) was finalised on 6 May 2022. The proposal sought to introduce a new planning framework to grow the CBD through the provision of additional commercial and residential floor space. Additional design, amenity and heritage considerations were proposed to ensure growth was appropriately managed.

Parramatta LEP 2011 Amendment No. 56 was made with post exhibition changes, including the removal of unlimited office floor space in B3 Commercial Core and unlimited non-residential floor space for some areas zoned B4 Mixed Use. During the finalisation of the CBD planning proposal, the

Department had limited scope to include a more nuanced approach to address the key areas of concern. It was noted further employment related floor space uplift may be appropriate subject to further investigation. LEP Amendment No. 56 will not come into effect until 14 October 2022.

Following the making of the Parramatta CBD LEP, the City of Parramatta Council and the Department have reviewed those matters excluded from Amendment No. 56. Council resolved on 25 July 2022 to write to the Minister for Planning and Homes and the Department regarding several matters relating to the Parramatta CBD LEP including requests to **(Attachment B)**:

- increase the permitted commercial floor space in the existing central B3 Commercial Core area via the preparation of a State Environmental Planning Policy (SEPP) to become effective at the same time as the CBD LEP (Amendment 56) on 14 October 2022.
- prepare a SEPP for certain land zoned B4 Mixed Use and B3 Commercial Core (outside of the central commercial core area) to introduce additional floor space that allows for commercial uses and that this SEPP becomes effective by December 2022, with periodic updates for the community provided during its preparation.

The Department has worked with Council to support the next stages of strategic planning for the Parramatta CBD. The SEPP, as outlined in Section 2.2 provides an alternative approach to allow for growth in employment uses within the B3 zone in the core of the Parramatta CBD to ensure the strategic positioning and government investment in infrastructure can be realised. Refer to Section 2.2 and 3 in this report for further discussion.

2.1.3 Remaining B3 areas and certain land within the B4 zone

Further analysis is also being undertaken by the Department for the remaining B3 areas (Auto Alley and Aird Street Retail precinct) and certain land zoned B4 Mixed Use within the CBD to address the issues identified in the finalisation report for the CBD LEP. The analysis will determine if additional floor space that allows commercial uses is appropriate. Any additional changes to support employment growth in the remaining B3 and certain B4 zones within the CBD would be considered through a separate SEPP to amend Parramatta LEP 2011.

2.1.4 Draft Parramatta City Centre Development Control Plan

Council has prepared and exhibited the draft Parramatta City Centre DCP, which will apply to all land where Amendment No. 56 applies. The draft DCP introduces detailed controls that address design quality and built form, public domain, heritage, flood risk, vehicular access and parking. The draft DCP will replace Section 4.3.3 in Parramatta DCP 2011. Council is working to finalise the draft DCP.

2.2 Summary of the SEPP

The SEPP relates to land zoned B3 Commercial Core in the core of the Parramatta CBD and seeks to allow for unlimited floor space for office premises, above the maximum permissible floor space ratio, subject to the preparation of a development control plan addressing several key matters. The additional floor space applies provided the site has an area of greater than 1,800m². The amendment

affects Part 7 Additional local provisions through the introduction of a new clause 7.25A Additional floor space ratio for office premises.

The objective of the amendment is to encourage employment generation and achieve a high-quality urban form and public domain.

The SEPP requires several matters be addressed through the preparation of a development control plan. In summary, matters to be considered include:

- the future Parramatta City Centre vision and objectives
- significant view corridors (including George Street)
- suitability of the land for development
- heritage and streetscape
- location of any tower proposed
- bulk, massing and modulation of buildings
- street frontage heights
- environmental impacts
- principles of ecologically sustainable development
- pedestrian and cycle requirements
- public domain
- appropriate interfaces at ground level
- deep soil for tree planting and vegetation where appropriate and achievable
- segmentation of large podiums at ground level to provide green public open space and through site connections.

The SEPP has amended the Parramatta LEP 2011 through a self-repealing SEPP to become effective at the same time as the CBD LEP (Amendment 56) on 14 October 2022.

The Special Provisions Area Map under Parramatta LEP 2011 has also been amended to identify land where the proposal applies.

2.3 Consultation

An Explanation of Intended Effect of the amendment is not required. The amendment is not to be publicly exhibited on the basis that the resulting built form enabled by the SEPP is intended to be of less environmental impact than was proposed by the exhibited CBD planning proposal. It is noted that the Parramatta CBD planning proposal exhibited the unlimited commercial FSR clause.

Council was consulted on the draft clause and provided support for the amendment to be finalised.

3 Consideration of unlimited floor space for office uses

The Department's finalisation report on the Parramatta CBD planning proposal noted concerns with the unlimited office FSR for sites over 1,800m². The assessment of the unlimited FSR provisions raised concerns that the provision would result in poor development outcomes with potential adverse impacts on public domain, heritage and the natural environment of Parramatta.

The Department concluded that:

- There is a need to ensure balance between encouraging employment generating uses and creating a CBD which has the amenity and design to make Parramatta a desirable place to live and work.
- The provision of an unlimited FSR combined with significant building heights is likely to result in large bulky buildings and risks undermining Council's objective for tall slender towers.
- Unlimited FSR provisions could lead to a proliferation of bulky buildings, homogenous built form outcomes, poor solar outcomes and walls of development in areas of key historical or amenity importance.
- Concerns were also raised about the loss of blue-sky, potential for wind tunnel effects and a lack of built form transition.
- At time of finalisation, no design controls were in place to guide good development, which is essential for this scale of development.

In addressing the concerns as outlined above and in the Department's finalisation report for the CBD LEP, the SEPP amendment sets out several matters that must be provided for in a development control plan before development consent can be granted as outlined earlier in this report. This will work to ensure that development achieves a high-quality urban form and public domain.

The SEPP amendment which is confined to a smaller central area of the CBD compared to the CBD planning proposal, also enables a tailored approach for further employment opportunities in the CBD core as well as capitalising on investment and key infrastructure being delivered by the State Government, including Sydney Metro West and Parramatta Light Rail.

4 Consistency with Strategic Frameworks

4.1 Greater Sydney Region Plan and Central City District Plan

The Greater Sydney Region Plan (Region Plan) sets the planning framework for the five districts which make up the Greater Sydney Region. It establishes a 40-year vision to 2056 for Greater Sydney to be a metropolis of three cities, enabling most people in Greater Sydney to commute to their nearest city within 30 minutes.

Objective 19 Greater Parramatta is stronger and better connected in the Region Plan identifies the need to strengthen the economic competitiveness

The Central City District Plan (District Plan) provides a guide for implementing the Greater Sydney Region Plan at a district level and acts as a bridge between regional and local planning. The District Plan establishes planning priorities and actions to guide planning in the precinct.

Planning Priority C7 Growing a stronger and more competitive Greater Parramatta in the District Plan identifies Parramatta CBD as the fifth largest office market in Greater Sydney. To strengthen Parramatta's position as the metropolitan centre of the Central River City, planning needs to increase capacity for new knowledge-intensive jobs, including A-grade office floor space, which is currently at capacity.

Action 23 of the District Plan refers to strengthening the economic competitiveness of Greater Parramatta and grow its vibrancy. Specifically, creating opportunities for an expanded office market.

The amendment is consistent Planning Priority C7 and Action 23 of the District Plan as it supports the potential capacity for office floor space, potential job growth and enables the opportunity for investment and business within Parramatta CBD.

4.2 Greater Parramatta Interim Land Use and Infrastructure Implementation Plan

The Greater Parramatta Interim Land Use and Infrastructure Implementation Plan (LUIIP) is given statutory weight through a Ministerial section 9.1 Direction. The purpose of the LUIIP is to develop a land use framework to guide future redevelopment of the Greater Parramatta Growth Area and identify and plan for infrastructure needed to unlock its potential.

The amendment is consistent with the LUIIP in that it enables the opportunity for greater office floor space to provide additional jobs to promote Parramatta CBD as Sydney's central city.

4.3 Local Strategic Planning Statement

Council's Local Strategic Planning Statement (LSPS) provides strategic direction on where housing and jobs should be concentrated within the City of Parramatta. The LSPS concentrates job growth within strategic centres and Parramatta CBD where employees can access major transport infrastructure and other high level facilities and services.

The amendment is consistent with the LSPS in that enables the opportunity for job growth in the CBD through the introduction of a clause for unlimited floor space for office uses, provided design considerations are met. Specifically, it supports:

- *Planning priority 4 - Focus housing and employment growth in the GPOP and Strategic Centres; as well as stage housing release consistent with the Parramatta Local Housing Strategy (when endorsed); and*
- *Planning priority 11 - Build the capacity of the Parramatta CBD, Strategic Centres, Local Centres and Employment Lands to be strong, competitive and productive.*