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TRANSCRIPT OF PROCEEDINGS

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INDEPENDENT PLANNING COMMISSION

MEETING WITH WILLOUGHBY COUNCIL

RE: CHANNEL 9 WILLOUGHBY MOD2

PANEL: **DIANNE LEESON
RUSSELL MILLER
JOHN HANN**

ASSISTING PANEL: **DAVID KOPPERS**

WILLOUGHBY COUNCIL: **GREG McDONALD
IAN ARNOTT
CRAIG O'BRIEN**

LOCATION: **IPC OFFICE
LEVEL 3, 201 ELIZABETH STREET
SYDNEY, NEW SOUTH WALES**

DATE: **10.31 AM, TUESDAY,
13 NOVEMBER 2018**

MS D. LEESON: So, good morning and welcome. Before we begin, I would like to acknowledge the traditional owners of the land on which we meet. I would also like to pay my respects to their elders, past and present, and to the elders from other communities who may be here today. Welcome to the meeting today. Euro
5 Properties and Lotus Property Fund No. 8 (the proponent), is proposing to modify its concept approval MP10-0198 for a staged residential development which includes small-scale non-residential uses at Willoughby in in northern Sydney.

10 Key elements of the modification include exclude the portion of Scott Street owned by council from the site, increase the approved building envelopes from seven to nine, increase the maximum gross floor area from 37,136 square metres to 43,907 square metres, increase the maximum number of dwellings from 400 to 460, amend building envelope heights while maintaining the maxim approved envelope height of RL 105.4, and include child care facility as a permitted use. My name is Dianne
15 Leeson. I am chair of the IPC Panel. Joining me are my follow Commissioners, Russell Miller and John Hann.

The other attendee at this meeting is David Koppers from the Secretariat. In the interests of openness and transparency, and to ensure the full capture of information,
20 today's meeting is being recorded, and a full transcript will be produced and made available on the Commission's website. This meeting is one part of the Commission's decision-making process. It is taking place at the preliminary stage of this process and will form one of several sources of information upon which the Commission will base its decision. It is important for the Commissioners to ask
25 questions of attendees and to clarify issues whenever we consider it appropriate.

If you are asked a question and are not in a position to answer, please feel free to take the question on notice and provide any additional information in writing, which we will then put up on the website. I request that all members here today introduce
30 themselves before speaking for the first time, and for all members to ensure that they do not speak over the top of each other, to ensure accuracy of the transcript. We will now begin. So thank you, again. We have met with the Department of Planning and with the proponent this morning. This is the last interview that we're conducting today before we have our public hearing later in the month. David did send out an
35 agenda last night – yesterday – for today's meeting. Is there anything else that you would like to have on the agenda before we start?

MR I. ARNOTT: Yes. Ian Arnott is my name, planning manager at Willoughby. We would like to cover a number of other matters just in an englobo sense about the
40 proposal, so if we can have an opportunity maybe after going through these to talk about those other things.

MS LEESON: I think we will go through most of these, but during the course of the conversation. It will probably end up fairly wide-ranging. But if there are any
45 specific things that you want to know, then we will be mindful to try and address those as we go through.

MR G. McDONALD: Yes. Well, Greg McDonald, director of planning infrastructure. I think there's a couple of things. We definitely want to about Scott Street and we definitely want to talk to you about VPA provisions. So they're two serious things that we would raise.

5 MS LEESON: Okay.

MR J. HANN: Right.

10 MR McDONALD: And Ian and Craig may have other issues that come up from a planning sense.

MR HANN: All right.

15 MS LEESON: Thank you.

MR ARNOTT: The affordable housing component. Height wasn't specifically mentioned in the list, but I think we do want to cover height, and just the history and the process to some extent as well.

20 MS LEESON: Okay. Thanks, Ian. All right. Well, I'm sure we can cover all those as we go through. Why don't we start with your issues and concerns, and then we will come back to the agenda and make sure that we've picked up things as we go through.

25 MR McDONALD: Yes, that's fine.

MR ARNOTT: Okay.

30 MR McDONALD: Do you want to lead off with - - -

MR ARNOTT: Yes. So, Ian Arnott, again. If it's all right, I will run through what we have put together as our issues for today's meeting. It may be that Greg or Craig come in at points - - -

35 MS LEESON: That's fine.

MR ARNOTT: - - - if that's okay. Thank you. So, firstly, just – I'm sure you're aware of the history of this application, that the PAC firstly approved 350 dwellings on the site. The proponent at that time challenged that through the court, seeking 450 – still less than is now on the table today – and, through what was quite a long mediation process – it was very community-involved and community-driven, to some extent – a resolution was arrived at at 400 dwellings. So the owners of the properties have since changed and are going – the new property owners are now going back to something that had already been through a long process of resolution.

45

I think there is a level at which community confidence in the planning system can be undermined through these sorts of things. Obviously, you have to consider the proposal on its merits, I appreciate that, but there had been that long process of reaching a resolved outcome. Just in terms of that resolved outcome, a lot of the focus of that was how the development on the site related to the surrounding low-density residential area, and the height being concentrated to the centre and transitioning down, and location of public open space in that as well.

So the public open space in the previous proposal, as you're aware, was located to the Artarmon Road frontage, very accessible and exposed for public use. And you have got open spaces, one, but I will just say at this point that our concern is that the location of the public open space is to the rear of the site, primarily, and, really, will largely be – there will be a sense of ownership, we perceive, by the development itself and so become more like communal open space than public open space. In terms of the height aspect, it was really previously stepping down to what was, I think, a maximum of three storeys. Four storeys down at that part of Artarmon Road, but three storeys along Richmond Avenue, with a public open space in front. Sorry, I can turn the plans this way, if it helps.

MS LEESON: You're right.

MR ARNOTT: So this was the approved proposal. This is now what's on the table.

MR R. MILLER: Just identify what you're referring to, for the record, if you wouldn't mind.

MR ARNOTT: So I am referring to the concept proposal page 11.

MR MILLER: Thank you.

MR ARNOTT: At which they have a comparison of existing approved layout – site layout and proposed site layout. You can see that it talks about four storeys height all around, but the RLs are, in fact, considerably more. In this instance, 4.5 metres more than the height that was approved. Here, obviously no height, but in the order of 2.6, and 92.2, 94.8, 2.6 again, so with that down there as – sorry, the southern end also having four storeys. So there's another - - -

MS LEESON: So within the RL limit of 105.4 - - -

MR McDONALD: Within the maximum limit there's no change - - -

MS LEESON: But they have lifted.

MR McDONALD: - - - but there has been a lift across the site up to that maximum limit.

MR HANN: All right.

MR ARNOTT: And, specifically, around the periphery of the site - - -

MR HANN: Right.

5 MS LEESON: Yes.

MR ARNOTT: - - - where we have perceived the most sensitive location to be.

MR C. O'BRIEN: And the community has, as well.

10 MR McDONALD: So there's no - - -

MR ARNOTT: Craig O'Brien talking there. Sorry.

15 MR McDONALD: I guess, in elevation, you know, there's no transition. It's just immediate to the height and then drop off. So - - -

MR MILLER: So – it's Russell Miller. Just so I clarify that, in the diagrams they provided us with this morning – I'm not sure what the diagram number is, but I will

20 show you the diagram – their point was that it's only two and a half storeys above the street level. Is that what you're referring to?

MR HANN: This would be in building A, as proposed, I think - - -

25 MR MILLER: Building A and - - -

MR HANN: - - - for example.

MR MILLER: Yes. Is that - - -

30 MR ARNOTT: Do you want to have a look at that, Craig?

MR MILLER: I simply give that to you to - - -

35 MR McDONALD: Yes.

MR MILLER: - - - clarify what your concern is.

MR O'BRIEN: So this is a document prepared by the Department of Planning

40 which refers to the plans that they reviewed from the proponent, and what is shown is buildings that are of four storeys in height; not of two storeys in height.

MR MILLER: And there's a photo montage on page 12 of the report, figure 11, which is the copy that I've given you a larger copy of. So, again, I was just simply

45 trying to identify - - -

MR ARNOTT: The concerns.

MR MILLER: - - - what your concern about the four storeys issue was.

MR ARNOTT: Well, the concern is the interface, in terms of building form, as well. Although that is the subject of further development applications, obviously.
5 So once the number of storeys, the maximum RL, is established, the extent to which these concept plans are adhered to is no guarantee through that. As you can see in the concept proposal, in – sorry. In that north-western corner of the site, there is an existing Channel 9 building there that, at that time, was set back to provide landscaping forward to the building to provide a buffer to the residential area. It was
10 a two storey with pitched-roof form to provide some relationship to the surrounding area. This is a more dominant form pushing forward to the street frontage, and, again, the RL has been increased from that previously approved to establish additional- at least one additional storey in that location. Having said that, this is reading as two storeys, but said to be four storeys.

15 MR MILLER: Yes.

MR ARNOTT: I think there is a section that indicates that one level is below ground, in effect.

20 MS LEESON: Yes.

MR ARNOTT: And, presumably, not appearing in the perspective, but one level up on the roof, somewhere, if they're identifying four storeys as being the number of
25 storeys there.

MR MILLER: Thank you for identifying that.

MR ARNOTT: That's fine. And just while we're talking about those areas below
30 ground, or subfloor, if you like, it would seem to me that a common principle of establishing a floor-space ratio, or in this instance, perhaps, the maximum number of dwellings would be to not incorporate in that excavated area for the purpose – that may be a justification for a variation to a standard down the track, but the fundamental floor space ratio is really establishing bulk and scale above ground, not
35 in a subfloor area, I would suggest.

MR MILLER: Okay.

40 MS LEESON: Okay.

MR ARNOTT: So the additional floor space and the additional number of dwellings are achieved, as we see it, through excavated or base – subfloor areas that don't – or there's no demonstration that they're capable of achieving the amenity that's expected for such dwellings under the apartment design guide, and also
45 through the increased height around the periphery of the site, both of which we think are not acceptable, and going contrary to what the negotiated outcome was previous.

MS LEESON: And you've had Allen Jack+Cottier advising counsel and reviewing
- - -

5 MR O'BRIEN: They've provided urbane design advice, yes.

MS LEESON: Yes, and their advice on these issues in terms of increasing the RLs, the basement in sunken courtyard apartments – what were their comments around that?

10 MR ARNOTT: So they were concerned with the interface with the neighbouring residential properties on Richmond Avenue and Artarmon Road, and they were concerned with the excavated courtyards forward of the proposed building line, and how those excavated courtyards were not characteristic of the street.

15 MS LEESON: We were shown examples of other places purported to be in the area that had a similar topology of lower courtyard, so houses below the street level; is that - - -

MR HANN: It's in Artarmon Road, as we were led to believe.

20

MS LEESON: In Artarmon Road?

MR ARNOTT: Is it the Castle Vale development?

25 MR: Castle Vale?

MS LEESON: They didn't indicate which development it was, but - - -

MR HANN: I can't - - -

30

MR ARNOTT: The Castle Vale development is in nineteen – around 1980s – built around 1980s. It does have courtyards for lower units within that development. It's on the eastern side of this site and faces Willoughby Road on its eastern side. I can't picture, myself, excavated courtyards there, but I wouldn't say that there aren't, because of the topography in that area.

35

MS LEESON: No.

MR HANN: Right.

40

MR ARNOTT: In this particular location, we're not talking about the same level of topography. This is certainly at the western end of the site is up on the ridge top, virtually, and relatively flat. So it hasn't – it – there are – the excavation occurs where there's topography, but I guess my point about – well, there is an amenity point, but also establishing FCR and number of storeys and number of units based on excavated area just seems to be fundamentally contrary to what I would see as

45

establishing controls across a broad site. It may be something that comes through at a more detailed stage.

5 MS LEESON: All right. Thank you. We will have a site visit in due course, so we will make sure that we're very familiar with the surrounds and the site.

10 MR ARNOTT: Sure. Yes. If I can just touch on a couple of other things. There – and Greg may want to say a little bit more about this – council does own portion of Scott Street. It's a portion that dissects their site, although enables connection at one end – at the southern end of that. The development doesn't respect it as a street, I would suggest. It – the development has been assigned – although not including the site area for their calculations or for the purposes of open space. It, for all intents and purposes, is part of this site. It – the seven storey development proposed immediately adjacent to Scott Street is in very close proximity, and that's not very characteristic of that area, being developed without a reasonable setback, landscape setback, etcetera. I'm just, again, referring to page 11.

20 MR HANN: Sorry. You're talking about as part of this modification application, the seven storeys?

MR ARNOTT: That's right.

MR HANN: Yes. Okay. No, I just wanted to be clear.

25 MR ARNOTT: That's right. So this is identified as seven-story building.

MR HANN: Yes.

30 MS LEESON: Yes.

MR ARNOTT: This is identified as an eight-storey building. Scott Street – sorry, if I just – so the dotted line area there is council-owned land.

35 MR HANN: Right. Yes.

MR ARNOTT: It - - -

40 MS LEESON: And so they had – on the concept approval there was eight storeys fronting Scott Street on that instance down to three here, and now it's seven and eight?

MR ARNOTT: Well, not exactly. This proposal envisaged the purchase of Scott Street. So the – Scott Street was becoming part of the site.

45 MR HANN: Right.

MR ARNOTT: And in that instance was – you know, dealt with in that - - -

MR HANN: Incorporated within the – is that right?

MR McDONALD: Into the one design.

5 MR ARNOTT: That's right.

MR HANN: And that's part of the concept - - -

10 MR ARNOTT: In this instance, it's not included in the site, and council did make a decision previously not to proceed with selling Scott Street. If the development proceeds, I think council may very well seek to change that view, and would not like the development to proceed until they've had the opportunity to readdress that situation if it's leaning towards an approval.

15 MR McDONALD: Yes, but of course - - -

MS LEESON: You mean in terms of ownership?

20 MR McDONALD: That's right. It's a council-owned road reserved at present.

MR HANN: Yes.

MS LEESON: Yes.

25 MR McDONALD: It's used as a road, so it's a public road. As Ian said, there is a resolution of council not to sell, but in its present form that setback wouldn't comply with our normal setbacks from a public road. So there either needs to be some sort of amendment to the design, or we go back and we reuse that sale of land back into their - - -

30

MS LEESON: Okay.

35 MR McDONALD: But to leave it as a public-owned portion of road is a bit of an anomaly within that development, as it stands.

MR MILLER: Just to be clear for me, we're talking about the building on the corner of Artarmon Road and Scott Road, which is designated seven storeys.

40 MR HANN: This is building G and building F.

MR ARNOTT: There is that building, and there's the one beyond it that's designated as eight storeys.

45 MS LEESON: Yes.

MR HANN: Thanks.

MR MILLER: Eight storeys. Right.

MR HANN: Yes. So it's building G and Building F, Greg, what you're saying is doesn't meet the setback requirements for a public road?

5

MR McDONALD: From the public road. That's right. Yes.

MS LEESON: Thank you.

10 MR HANN: Thank you.

MS LEESON: One other – sorry. I will let you go through your issues, then we will come back to – if – pick up things that we - - -

15 MR ARNOTT: Okay.

MS LEESON: - - - might have not - - -

20 MR ARNOTT: Just from our perspective, it wasn't clear. There has – there is a four per cent affordable housing in the original approval, and they've proposed five per cent for the additional component that they're seeking. It's not clear from the documentation – or not clear to us from the documentation – as to whether that is envisaged to be on top of or contained within the floor space ratio that their – that is identified for the site – the number of units, 460 units, that are identified for the site.

25

MS LEESON: That - - -

MR ARNOTT: So - - -

30 MS LEESON: That is something that we would like to talk through with you. So what we understood from the proponent this morning was that there would be a four per cent affordable housing contribution on the floor space attributed to the concept plan; anything above the concept plan, which is in the order of 7000 square metres, would be affordable housing, calculated at a rate of 5 per cent on that. So you'd have
35 4 per cent on the - - -

MR McDONALD: On the original?

40 MS LEESON: On the - - -

MR McDONALD: For the base - - -

MR ARNOTT: So - - -

45 MS LEESON: For the base.

MR McDONALD: Yes.

MS LEESON: And five per cent on the uplift, if you like, the additional floor space. That's how it was confirmed to us this morning. We have a question – and I'm not sure if that's Council's understanding.

5 MR ARNOTT: Conceptually, that is our understanding. However, I wasn't aware that their intention was that to be by means of a monetary contribution, because - - -

MS LEESON: And that we're not clear on yet; it is something that we will have to come to grips with, and we'd like Council's view on whether that affordable housing
10 would be delivered by way of a monetary contribution or by way of units within the development itself. Does Council have - - -

MR McDONALD: So we do accept both, but our preference has been to accept the units, because we like to see – I guess – you know – a divergent range of, you know,
15 different units throughout the local government area, rather than them all being concentrated in one facility that we've, you know, constructed or delivered. So the preference is within the development, but we do accept a cash contribution - - -

MR ARNOTT: Right.

20 MR McDONALD: - - - if there's no – if, you know, the circumstances dictate.

MS LEESON: Okay.

25 MR ARNOTT: For somewhere offsite, then it would be - - -

MS LEESON: Yes.

MR McDONALD: Yes, we would take the - - -

30 MR HANN: - - - part of - - -

MR McDONALD: cash, and we would - - -

35 MR HANN: - - - funding it for - - -

MR McDONALD: - - - deliver that - - -

MR HANN: - - - an offsite - - -

40 MR McDONALD: Yes.

MS LEESON: Elsewhere.

45 MR McDONALD: Elsewhere.

MR HANN: - - - affordable housing.

MS LEESON: Okay.

MR ARNOTT: And, with that, we – our DE specifies minimum size of unit to be

5

MR HANN: Yes.

MR ARNOTT: - - - dedicated to Council for an affordable housing provider to
manage. And, obviously, sometimes, when you add up the total amount of floor
10 space, you might not get the exact amount, so it's that extra bit that becomes a
monetary contribution.

MR HANN: Okay.

15 MS LEESON: Right.

MR HANN: Understood, yes.

MS LEESON: Okay, understand.

20

MR HANN: Yes.

MS LEESON: Does that also lend itself to the concern Council had around the mix
of dwelling units that would be provided? There was a concern there. I'm not quite
25 sure that I've read enough of the documentation yet to understand what Council's
concern is on - - -

MR HANN: I think, in one of your - - -

30 MS LEESON: - - - dwelling mix.

MR HANN: - - - submissions, and you had - - -

MR O'BRIEN: Yes.

35

MR HANN: - - - quite detailed set of - - -

MR O'BRIEN: The concern was the reference, in the proposed approach, to market
or – it gave flexibility in what could be provided, and I think the council was seeking
40 a more even distribution, rather than a flexible approach, whereby an argument could
be mounted that, based on market concerns, the majority of units should be one- - - -

MR HANN: Yes, okay.

45 MR O'BRIEN: One-bedroom.

MR HANN: All right. And you've – that's documented in one of your submissions, I think.

MR O'BRIEN: Correct.

5 MR HANN: Okay.

MS LEESON: Okay.

10 MR HANN: In terms of the ranges that you'd suggested would be appropriate from a Council point of view for the - - -

MR O'BRIEN: Yes.

15 MR HANN: For the distribution of unit types - - -

MR O'BRIEN: Yes.

MR HANN: Call it – okay.

20 MR O'BRIEN: The last response the council made was not to any specific percentage, but there was a reference earlier in Council reports, and submissions - - -

MR HANN: This was late 2017, I think, was the one that I – a December 2017 submission you made.

25 MR O'BRIEN: Yes.

MR HANN: Yes. Okay.

30 MS LEESON: Broadly speaking, what would Council's preference be in terms of dwelling mix? You said you'd mentioned some percentages early on, but your most recent submission doesn't. Does Council have a view on an - - -

35 MR McDONALD: I don't know if we've got that - - -

MS LEESON: - - - ideal dwelling mix?

MR McDONALD: I don't know if we've got that on us, but we could probably pull that out and send it through, if you don't have it, Craig.

40 MR O'BRIEN: That's the last response to the Department - - -

MR ARNOTT: That doesn't say - - -

45 MR O'BRIEN: - - - June 2018.

MR ARNOTT: - - - any percentages.

MR McDONALD: Can we send that through?

5 MS LEESON: Thank you.

MR MILLER: Are you dealing with page 8 of 26?

10 MR ARNOTT: No, Craig is looking at our submission to you, which proposed conditions – our proposed conditions – is that right?

MR MILLER: Ah, right.

15 MR O'BRIEN: And – sorry.

MR MILLER: Thank you.

MR O'BRIEN: That was to the key sites assessment section of the Department - - -

20 MR ARNOTT: Yes, sorry; not to the IPC. I can just - - -

MR MILLER: Can you just identify the date and - - -

MR ARNOTT: 6 June 2018.

25 MR MILLER: '18.

MR ARNOTT: A submission to New South Wales Department of Planning key sites assessment.

30 MR MILLER: Thank you.

MR ARNOTT: James Groundwater. I can just say a little bit more around that affordable housing. It would seem to me that whatever IPC arrive at as being an acceptable FSR height and number of units for this site establishes the bulk and scale that is considered acceptable, and so any affordable housing units should be contained within that; shouldn't be in addition to it.

35

MR HANN: Yes.

40 MS LEESON: Right, yes.

MR ARNOTT: And - - -

45 MS LEESON: Yes.

MR McDONALD: Within the FSR, yes.

MS LEESON: Yes.

5 MR ARNOTT: Yes. And obviously that to some extent will – the proponent will potentially want to keep the maximum number of units for their own purposes and contribution, potentially. We would say that there is benefit in providing it on – the affordable housing – on site.

MS LEESON: Right. Thank you.

10 MR ARNOTT: Just a couple of other quick things. We do want to talk about the offer of a VPA and contributions around that. The original offer, with the modification, was more than double what the offer is now: it was \$4 million; it's dropped to \$1.5 million.

15 MS LEESON: When you say “the original offer” – I'm sorry; I didn't quite hear – did you say, with the concept application, or with the MOD 1?

MR O'BRIEN: With MOD 1.

20 MR ARNOTT: With MOD 1, yes.

MS LEESON: Right.

MR HANN: Right.

25 MR ARNOTT: Thank you. The offer on the table now is \$1 million for open space improvements at the rear of this site, that again may not be the way or the need that Council sees money best used for open space. It's – passive recreation is not the area that we really feel that the need for open space is at this point in time. It's also in an area that, again, like the location of their own – of the public open – what they've identified as public open space on their site is really – if you like – I don't want to say “acquisition by stealth”, but an ownership deception from the development. It benefits the development; the extent to which it is a greater public benefit is arguable, I would suggest. And I think, if there is money to be provided which they wish to specify for the purpose of open space, it should be at Council's discretion where in the general area that can be used to best provide for the open space needs of the increased density that comes with this development.

40 MS LEESON: We understand that Council has not entered into any negotiations with the - - -

MR McDONALD: I might be able to - - -

45 MS LEESON: - - - proponent yet; are they aware of your preference?

MR McDONALD: Yes, I might be able to speak to that quickly. So Ian's already mentioned that there has been offers made. Council hasn't accepted those offers to

date; in fact, Council has resolved not to enter into any negotiations because of its philosophical position on the development. It felt that it couldn't put out a mixed message to the community that it was doing commercial deals, if you like, with the applicant at the same time as opposing the development. So Council took the
5 position that until a determination was made, it wouldn't enter into those agreements. Now, we understand, that is also a risk to Council, because - - -

MS LEESON: Yes.

10 MR McDONALD: - - - there is a timing risk around that - - -

MS LEESON: Yes.

MR McDONALD: - - - and it's one of the issues that we've raised with both the
15 Minister for Planning and the Premier, to say that the whole process isn't that favourable to Council. It's sort of trying to protect the interests of its community, but it's expected to have all of this commercial arrangement undertaken, ready to go, in the event that a determination is made that isn't necessarily in line with Council's position. So Council said, "No, we wouldn't play both ends of the game." However,
20 we note that there is a draft condition that has been placed into the report. I guess, our position is, whilst we're appreciative of the draft condition, that seeks to get an agreement resolved before, I think - - -

MR ARNOTT: Within six months.
25

MS LEESON: Within six months.

MR McDONALD: Within six months – our preference would be that – first of all,
30 we haven't agreed to any position put forward to us yet, so the four million, or the one and a half million in the subsequent offers, haven't been agreed to. Our position would still be that the IPART guidelines set the guidelines for agreements, which is around about 50 per cent of the uplift. So we think the quantum being offered is too low. We don't have a valuation at this stage, but our best estimate of uplift would probably be in the order of eight to 10 million dollars, so the quantum is sort of north
35 of four million, closer to five, in our opinion.

MS LEESON: Did that include affordable housing, the 8 to 10 million, in that assessment?

40 MR ARNOTT: Council have - - -

MS LEESON: Or was it a - - -

MR ARNOTT: Sorry – Council has a provision in the LEP as it stands that
45 enables affordable housing. We consider the affordable housing in addition to that.

MR McDONALD: So it's not part of the planning agreement.

MS LEESON: Okay.

MR McDONALD: It's separate. So – I realise it's a difficult process, and not real
5 sure how you and – you would go about this. But we would seek some further
modification, maybe, to that condition that allows us to continue to enter into a
planning agreement, probably more in line with the IPART guidelines - - -

MR ARNOTT: So - - -

10 MR McDONALD: - - - rather than relying on the offer - - -

MR ARNOTT: Yes.

MR McDONALD: - - - that's already on the table.

15

MR HANN: Okay.

MR ARNOTT: So if I can just elaborate a little - - -

20 MR McDONALD: Sure.

MR HANN: - - - bit, Craig, the – if you go looking for IPART guidelines, you may
not find them, because

25 MR HANN: No, I - - -

MS LEESON: Okay. If you can point them to - - -

MR HANN: I do have a copy of them; funny - - -

30

MR ARNOTT: Of what we're referring - - -

MR HANN: - - - you should say that.

35 MR ARNOTT: - - - to, do you mean?

MR HANN: Well, I have a copy of the IPART guidelines.

MR ARNOTT: Right, so what we're referring to is actually a submission made to
40 the Department of Planning in which they recommend introducing a guide for the
starting point of negotiations between Council and developers whereby councils
capture 50 per cent of the uplift in land value. So they've been quite specific, in
IPART, in their submission to the Department; but it's not actually, at this point - - -

45 MS LEESON: Is not in a - - -

MR ARNOTT: - - - contained within a specific guideline that they've produced.

MS LEESON: Okay.

MR ARNOTT: Having said that, we are also in the process of reviewing our own VPA policy, in which we're adopting the advice of IPART. So - - -

5 MR HANN: Could I - - -

MR ARNOTT: And we have drafted a condition to replace the condition that seeks to direct - - -

10 MR O'BRIEN: 34A.

MR ARNOTT: - - - negotiations. It's in - - -

15 MS LEESON: Has that been forwarded to the secretariat, that draft condition – the alternative that you would rather seek?

MR O'BRIEN: Not yet, no.

20 MR McDONALD: Are you happy if we forward that through to you, or do you want us to - - -

MS LEESON: Yes.

25 MR McDONALD: - - - dictate it now, or - - -

MS LEESON: I think we're happy for you to forward it through - - -

MR McDONALD: Okay, yes.

30 MR HANN: That would be - - -

MS LEESON: - - - in the interests of time.

35 MR McDONALD: Yes, thank you.

MR HANN: Di, may I ask a question more on this topic? Ian, it's John Hann. Just in relating – you referred briefly to the LEP. Presumably your LEP has a provision for VPAs?

40 MR ARNOTT: Affordable housing.

MR HANN: No, I'm talking about, now - - -

45 MR ARNOTT: For VPAs?

MR HANN: - - - VPA, yes.

MR ARNOTT: It doesn't.

MR HANN: Right, okay.

5 MR ARNOTT: And we've recently done Chatswood CBD Strategy – so that's for the CBD itself – where we've been grappling with the next stage of producing an LEP based on that strategy, and how to incorporate those sorts of provisions - - -

MR HANN: All right.

10

MR ARNOTT: It's a notoriously difficult area - - -

MR HANN: Yes. No, I just want to know the - - -

15

MR ARNOTT: - - - I think, to navigate.

MR HANN: - - - status in relation to the – just for clarity – so I just - - -

MR ARNOTT: Yes.

20

MR McDONALD: Sure.

MR HANN: - - - wanted to understand, on - - -

25

MR ARNOTT: Yes.

MR HANN: - - - behalf of the - - -

MR ARNOTT: Yes.

30

MR HANN: - - - panel, that – whether the LEP refers to VPA – has provision for it - - -

MR ARNOTT: It doesn't.

35

MR HANN: - - - or not.

MR ARNOTT: It doesn't

40

MR HANN: Okay. Thank you. Thanks, Di.

MR ARNOTT: If I may – I will just say something in affordable housing in that respect, as well: that the affordable housing in our existing LEP is on top of the FSR, but within our strategy is to be incorporated in the FSR, because we very clearly
45 recognise that principle, that bulk and scale, established by FSR, is what the expectation is at a strategic stage, and so to just add on top of that is not a valid outcome, in our view.

MR HANN: I understand.

MR ARNOTT: So that's the principle that we're now incorporating into future documents, and a principle that we see here.

5

MS LEESON: But you have a current document that says it's additional to the FSR.

MR ARNOTT: We do.

10 MR McDONALD: So the LEP - - -

MR ARNOTT: We do.

15 MR McDONALD: - - - does say that. So we've had a difference of, I guess, direction - - -

MR HANN: Yes.

20 MS LEESON: Yes.

MR McDONALD: - - - with the new strategy documents that we're preparing, and the new LEP will reflect the new position of Council as - - -

25 MS LEESON: Okay.

MR ARNOTT: And I would just say that I think your assessment on this proposal is about bulk and scale, you know. And – so – I mean, they're presenting it on a bulk and scale purpose. So if you are thinking of putting any affordable housing in addition to that, you have to consider the bulk and scale that that may result in.

30

MS LEESON: What's the status of the work you're doing to change that that says – under the LEP, affordable housing would be within the FSR? Do you have a draft LEP? Do you have - - -

35 MR ARNOTT: Well, we've got a CBD strategy that – for Chatswood CBD. We're on the brink of going out on exhibition for a local centre strategy and housing strategy, and we see those – and we're not quite on the brink, but we are working on an industrial strategy as well, or employment land strategy. We see that those documents will develop through to an LEP and DCP. And we – the department has given us a three year timeframe to 2021. So it is a comprehensive LEP that will be based on the strategy direction that those documents are

40

MR McDONALD: So if I can just add to what Ian is saying, the CBD strategy was adopted just over 12 months ago by council, has been endorsed by the Greater Sydney Commission, and we've had a number of planning proposals.

45

MR HANN: Right.

MR McDONALD: There's 12 in total in the system, and I couldn't tell you how many of - - -

5 MR O'BRIEN: You've had approximately six that have gone through council and been supported.

MR McDONALD: And have all followed the new strategy philosophy, if you like.

10 MR O'BRIEN: Including the affordable housing approach.

MR HANN: Right. Okay.

MR ARNOTT: So the majority of the planning proposals that we've had have been within the CBD following on from the strategy that has been adopted, and we suspect
15 that, following our local centre strategy and hosing strategy, we may get similar sorts of – you know, planning proposals coming through. Sorry, I will just find my papers. Sorry. Thank you. Thanks. I think we're almost there. We would just say that any public open space and roads through the site should be 24 hourly accessible to the general public, and there's any specific – sorry. One point that I haven't
20 mentioned, but we were talking about the contributions component.

They originally offered 3 million for traffic, I think, specific to the Willoughby Road/Artarmon Road intersection. That has been reduced to 500,000, and we say
25 that works at the Willoughby Road/Artarmon Road intersection are really as a result of this development and not a public benefit, that they should be doing works to that intersection to ensure that that intersection operates as it does today – that there's no further impediment to the community as a result of their development on trafficking around the site.

30 MR HANN: Yes. Okay.

MR ARNOTT: Our understanding, at least, is that there will be, certainly, increased queuing in Artarmon Road. I think one of your questions of us was the pedestrian
35 crossing o the southern side of the intersection.

MR HANN: Yes.

MR ARNOTT: Certainly, if the development goes ahead, we see that as the most
40 direct address through to public open space, and then official. It potentially will cause further delay to traffic movements from Artarmon Road and the intersection generally, and so that's the dilemma, I guess, that – you know, to achieve what is a reasonable expectation, if the development does go ahead, has a greater impact on the community. And so we see that the intersection itself – this development should
45 not impact on the community level of service and experience that the community current has through there, and the contributions should be in addition to that work. The contributions are the public benefit, in effect, not to retain the existing status quo.

MR MILLER: Just while you're on roundabouts, Ian, if I might ask you – in your submission, which I've now found, you talked about the Artarmon Road/Scott Street roundabout. We had been given to understand that that is now not required. Is that your position – the council's position?

5 MR McDONALD: I'm not sure – Craig, have you got the traffic report?

MR ARNOTT: It might be something we need to talk on notice, if that's all right.

10 MR McDONALD: Yes. We might

MR O'BRIEN: Yes

MR HANN: It would be helpful if you would come back to us.

15 MR MILLER: Yes.

MS LEESON: So on the one hand there was some traffic analysis that said it's no longer required, and not putting that in would actually reinstate a number of car parking spaces, and council had a concern about loss of car parking spaces as well. So there will be, I think, a couple of issues there for the council to think about and ---

20

MR McDONALD: There's always a trade-off, yes. Okay.

25 MS LEESON: Yes.

MR MILLER: I've got a second question, if I might. You've seen that we have been provided with a report from the government architect; do you have any comments on that report?

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MR ARNOTT: Well, just while you're finding that, Craig, and you may want to say some things too, but certainly very aware of their concern as well about those subfloor units, and putting off to a later date that assessment – that just feeds in, I think, to the point that I was raising earlier about reliance on those - - -

35

MR O'BRIEN: So the – just on that issue, the sunken level issue – it's noted that the government architect concludes:

40 *It is recommended that the sunken level is further explored, dimensioned and detailed to ensure that the generic section provided in the concept plan documentation functions across all building edge conditions.*

MR MILLER: Yes. We understand what the report says; we're just interested in what your view is of the aspects of the report.

45

MR O'BRIEN: Yes. I was getting to the condition that the department have proposed – in the amended conditions talks about buildings A and B, and what the government architect office talks about is across the entire site, and in particular buildings A and B and C, which are on the Artarmon Road/Richmond Avenue corners, and not just A and B buildings.

MR MILLER: Thank you. Was that the only point on the government architect's report?

MR O'BRIEN: The conclusion that was made:

The site is not within walking distance to local services such as a supermarket, and there is no train station. There is a bus to Chatswood which requires walking down the steep hill to Willoughby Road, and a 20 to 30 minute bus ride. As such, it is expected residents will mainly drive to access essential services with potential public domain impacts.

MR MILLER: What do you say about that?

MR O'BRIEN: So I guess that's one of the issues that concern us in regards to the increased density from 400 to 460 dwellings.

MR ARNOTT: And just our principle – our housing strategy that we've been working on is obviously in close proximity to public transport and services, and easily accessible for that purpose, and not to be providing density in areas – more outline, if you like, retain the character and scale of those other areas. And – yes. Sorry.

MS LEESON: How is Willoughby going in terms of meeting housing targets?

MR ARNOTT: Very easily. Chatswood is probably the heavy lifter in that respect, but we're well on track and we're – for that we have been given reasonably low targets; 1250 in the five-year period, which we think will be easily achieved, and we've got planning proposals that are very close to achieving that amount.

MS LEESON: Russell took you to the government architect's report, which was good. The department's assessment report – are there concerns with any aspects of the department's assessment report or draft conditions that you would like to bring to our attention?

MR ARNOTT: I guess we're – we – as Greg mentioned, we have - - -

MS LEESON: That we haven't talked about.

MR ARNOTT: We appreciate the contributions one that they've put in, but we will provide you with a redrafted version of that.

MS LEESON: Yes.

MR ARNOTT: We would like clarification along the lines of the affordable housing component that we discussed.

5 MR MILLER: So is there anything in there that we haven't already discussed that - - -

MS LEESON: Are there any conclusions of the Department's assessment report that Council has issue with? I mean, I think now is the opportunity to - - -

10 MR ARNOTT: What's the level of service - - -

MR McDONALD: Yes, sure.

15 MS LEESON: - - - talk through - - -

MR McDONALD: Yes.

20 MS LEESON: - - - your level of comfort with the Department's assessment report.

MR ARNOTT: So it does change the level of service.

MR HANN: You did refer to child care – the provision of a child care facility – as being a permissible use, although, we note, to our knowledge, it's not specified as to where that might be and any details. And I think, in reading your – probably your December last year submission – it related mainly to the transmission facilities and radiation. Was there anything else that concerned you in regard to the childcare facility?

25 MR ARNOTT: Look, I would say, traffic would be an issue.

MR HANN: Okay.

35 MR ARNOTT: Traffic and parking - - -

MR HANN: Right.

MR ARNOTT: - - - and drop-off. Those issues are always issues around child care - - -

40 MR HANN: Yes.

MR ARNOTT: - - - and usually at peak periods, because people are dropping off as they're trying to get to work, and so the extent to which that exacerbates those issues.

45

MR O'BRIEN: And if that was occurring close to the Artarmon Road frontage, whether that would have any adverse impacts on backing up traffic in Artarmon Road, that would be an issue for the council.

5 MR MILLER: Yes.

MR ARNOTT: Well, I - - -

MR MILLER: Okay.

10 MR ARNOTT: Well, I suspect, yes, that, but also, wherever it's in the site, it would likely impact on traffic - - -

MR MILLER: All right.

15 MR ARNOTT: - - - in Artarmon Road.

MR MILLER: Okay. Thank you.

20 MS LEESON: We've talked about Scott Street, the VPA provisions, the affordable housing. Height we've talked about generally, through the height and - - -

MR ARNOTT: Particularly around the - - -

25 MS LEESON: - - - bulk issues, and how - - -

MR ARNOTT: - - - perimeter where we - - -

MS LEESON: - - - the perimeter's - - -

30 MR ARNOTT: - - - were talking about.

MS LEESON: - - - treated - - -

35 MR ARNOTT: Yes.

MS LEESON: - - - and how the RLs work there. You've given us a bit about the history and the process. We've talked through some traffic issues. We've talked about the value uplift sharing policy that Council's looking to work on the back of the IPART recommendations. There any other issues? John.

40

MR HANN: Di, just on that matter, I noted that you did seek advice from Hill PDA regarding the VPA, I think, in one of - - -

45 MR McDONALD: Yes.

MR HANN: - - - your submissions. Is that something you feel would be of benefit to the Commission in understanding this matter?

5 MR McDONALD: In fact, Hill PDA has just completed a piece of work for us, in general, for the entire local Government area, on how we should be applying VPAs to these type of developments. So we can provide either the general information or both that and the specific – what specific stuff was it, Craig, that they provided - - -

10 MR O'BRIEN: We did obtain a specific report.

MR McDONALD: Okay. Well - - -

MR O'BRIEN: And if we're happy to hand it over, we - - -

15 MR McDONALD: I don't see a reason why not to.

MR HANN: Now, these documents are generally - - -

MR O'BRIEN: Uploaded.

20 MR HANN: Unless they're under – become public. So we need to - - -

MS LEESON: Unless there's any - - -

25 MR HANN: - - - make you aware of that.

MR McDONALD: Can we review the document and - - -

MR HANN: Perhaps you can take that on notice and come back to us - - -

30 MR McDONALD: Sure.

MR HANN: - - - on that matter.

35 MR MILLER: Could I just go back to the Government Architect's report, and your comments about open space, which I understood, but I understood the Government Architect to be saying that he thought this was an improved outcome in relation to public open space. And that was one of the issues that I thought you might bring out in your comment, but - - -

40 MR McDONALD: I think we recognise – sorry.

MR MILLER: - - - you didn't, so let me put that to you again.

45 MR McDONALD: Sorry; didn't mean to talk over you. I think we recognise it's an improvement over the original. I think what Craig's saying – and what Ian was saying earlier – is that we still feel that there's a better outcome, still, rather than

having all that open space towards the back, where it would be perceived by the members of the public that it may not be open space to the public.

MR MILLER: I understand the point.

5

MR McDONALD: Yes. Yes.

MR MILLER: So you disagree with the Government Architect on the location of the public space, relevant to the - - -

10

MR McDONALD: Yes.

MR MILLER: Relative to the original plan.

15

MR ARNOTT: I guess - - -

MR MILLER: Is that what you - - -

20

MR McDONALD: I wouldn't disagree with the Architect in regards to the comment that it is better. I think we agree that it's better.

MR MILLER: I see.

25

MR McDONALD: But we're saying, there's still a better solution again that we think they could have gone to.

30

MR ARNOTT: For example, this is located at the street frontage, but it doesn't look as though it's been treated in any special way to make it attractive or anything. I mean, obviously, you know, design can do that. But if that component was put here, with this coming through, you're getting a setback of all of the development from the low-density residential opposite - - -

MR MILLER: I'm sorry; you're going to need to describe that - - -

35

MR ARNOTT: Sorry.

MR MILLER: - - - a little more carefully - - -

40

MR ARNOTT: Sorry.

MR MILLER: - - - because they - - -

MR ARNOTT: Yes, so - so - - -

45

MR MILLER: - - - can't actually see what you're - - -

MR ARNOTT: Yes, that's right, there's a recording going on, isn't there?

MR MILLER: It is best to forget it for most purposes, but - - -

MR ARNOTT: So the – in their proposal, the open space component, situated
entirely to the rear of the site: if that was transferred to the front of the site, and the
5 central spine still running through - - -

MR MILLER: I see.

MR ARNOTT: - - - that is a – provides setback of development to the low-density
10 residential opposite; it provides a more public perception of their right to use that
area; and, I think, it's that sort of thing that we're talking about. So I would have
said that this was easily identifiable as public open space - - -

MR HANN: Yes.

15 MR ARNOTT: - - - this a lot less so; and that design within the concept plan can
achieve that greater public open space use and availability. I would also just say that
I think the applicant's submission has made quite a lot about design excellence, or –
20 there is already conditions within the approval requiring design excellence through
this process with future development applications. That's a requirement through
conditions of consent, so that's not a justification for this proposal; that's already
embedded in the existing consent.

MR MILLER: So, just so that I'm clear, you're talking about page 35 of the report
25 - - -

MR ARNOTT: I am.

MR MILLER: - - - and the village lawn located in the upgrade – in figure 20, at the
30 southern end of the site. You would see it would be better placed at the northern end
of the site?

MR ARNOTT: That's - - -

35 MR MILLER: That's - - -

MR ARNOTT: That's my view.

MR MILLER: That's - - -
40

MR ARNOTT: And with appropriate design - - -

MR MILLER: I understand.

45 MR ARNOTT: - - - to make it a publicly - - -

MR MILLER: More inclusive.

MR ARNOTT: Yes, that's right.

MR MILLER: Yes, I understand.

5 MR McDONALD: And retention of the central north-south running spine; we see that – that was the improvement we saw.

MR HANN: Yes, all right.

10 MR McDONALD: That's picked up an improvement - - -

MR HANN: Yes.

15 MR McDONALD: - - - but the balance of land at the south should be brought to the north.

MR HANN: Yes.

20 MS LEESON: And that begs the question, then, about all of the village lawn on the southern side. If that were to be transferred to the north, would – how that would terminate that open space running centrally through the site – so whether you would expect it to be a bit of open space at the bottom, and some - - -

25 MR McDONALD: I – that's right.

MS LEESON: - - - moved back, so that there - - -

MR McDONALD: I think you would require that.

30 MS LEESON: Yes, okay. Okay. So it will be part - - -

MR ARNOTT: It - - -

35 MS LEESON: Could be part of that one.

MR ARNOTT: I mean, it is also, you know, what that means as well in terms of more development here, to replace the – sorry – more development at the - - -

40 MR HANN: Yes, yes.

MR ARNOTT: - - - southern side - - -

MR HANN: Yes.

45 MR ARNOTT: - - - and the potential impacts of that on properties below, etcetera - - -

MR HANN: On Walter Street.

MR ARNOTT: So - - -

5 MR HANN: Yes.

MS LEESON: There would be overshadowing issues; there would - - -

MR ARNOTT: That's right.

10 MS LEESON: There could be - - -

MR ARNOTT: Potentially.

15 MS LEESON: - - - consequential issues.

MR ARNOTT: Yes, that's right.

MS LEESON: Yes. Okay. Thank you.

20 MR McDONALD: I'm not aware of anything else on our list of things. I'm quite comfortable. I'm just happy to answer any questions that the panel may still have.

MR ARNOTT: I may just ask, in terms of – we've got a couple of things to come back to you with - - -

25 MS LEESON: Yes.

MR ARNOTT: - - - as a result – what sort of time – I mean, we'll try and get those back to you as soon as possible, but - - -

30 MS LEESON: I think, if you could get them to us fairly shortly, that would be ideal, so that we'd have time to consider those before we have the public hearing, which is in a couple of weeks' time. They should come back through David - - -

35 MR McDONALD: Through David, yes.

MR ARNOTT: Yes.

40 MS LEESON: - - - the secretariat.

MR ARNOTT: Yes.

MS LEESON: You need time to go through the Hill PDA work, to - - -

45 MR ARNOTT: Yes, yes.

MS LEESON: - - - decide what you feel free to send – feel comfortable to send through.

MR ARNOTT: Sure.

5 MS LEESON: But the sooner that you can, obviously - - -

MR McDONALD: So if we – yes – if we aim for the end of this week – because most of the other stuff's - - -

10 MS LEESON: I think that's ideal.

MR McDONALD: - - - ready to go; it just - - -

15 MR ARNOTT: That's fine.

MS LEESON: End of this week would be fine.

MR ARNOTT: That's fine, okay.

20 MR McDONALD: That'd be great.

MR ARNOTT: Okay.

25 MR MILLER: Just sure that David had any questions.

MS LEESON: David? No?

MR D. KOPPERS: No.

30 MS LEESON: Anything else, John?

MR HANN: No.

35 MS LEESON: No.

MR MILLER: Nothing from me.

MS LEESON: Russell? No. Well, thank you very much. We did manage to cover off on our issues as we went through there, so that's been terrific. Thank you. I've got a greater understanding of Council's view on a few things now.

40 MR ARNOTT: And we do very much appreciate the opportunity to - - -

45 MR McDONALD: Yes, thank you very much.

MR ARNOTT: - - - present our position to you.

MR HANN: Thank you.

MS LEESON: Thank you.

5 MR ARNOTT: Thank you.

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[11.25 am]