

10<sup>th</sup> June 2022

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## Re: Willoughby draft LEP and DCP

I write regarding the Willoughby draft Local Environmental Plan LEP and supporting Development Control Plan (DCP) exhibited by Willoughby Council (the Council).

The Urban Taskforce has long held interest in the revitalisation and activation opportunities for the Chatswood Strategic Centre. We have advocated strongly for development opportunity to be commensurate with the significant Government transport infrastructure investment in the centre, with the heavy rail line and the North West Metro.

We note and support Council's assertion in the supporting documentation that *"the needs of the community are changing. At both state and metropolitan levels, the changing needs mean **new thinking and direction.**"* The Urban Taskforce supports new thinking and direction for the Chatswood CBD.

The Urban Taskforce notes the draft LEP does include some improvement to the current planning regime. We note the increase in heights and FSR proposed for Chatswood and the extension of the boundary of the broader CBD to allow for residential growth as part of mixed-use high-density developments.

However, the draft LEP requires changes to better meet the changing needs of the community in terms of jobs, investment and housing opportunities and to respond to the extraordinary investment in major transport infrastructure to Chatswood and surrounds.

Accordingly, Urban Taskforce **objects** to the proposed provisions for the Chatswood Centre relating to:

- Restrictive B3 zoning of the core
- Minimum lot size provisions, and
- An increase to the Affordable Housing levy from 4% to 10% of GFA,

## **Restrictive B3 Commercial Core Zoning**

All CBD core locations should be zoned B4 Mixed Use.

The highly prescriptive nature of the Chatswood CBD core zoning as B3 to date has been directly responsible for the decline of the centre.

Chatswood is a notable example of a CBD centre that has effectively died under an unjustified obsession with preserving the town centre as “commercial core only”.

According to a **March 2019 BIS Oxford Economics** report prepared for Council, the importance of Chatswood as a commercial centre has plummeted. As a percentage of Sydney’s total office floorspace, Chatswood has dropped from a total of 3.2% in 1996 to only 2.1% in 2016 and has broadly continued to drop since.

The Chatswood CBD desperately needs further investment and revitalisation. While increased height and FSR will be a good starting point for the development industry to re-visit Chatswood as a viable investment opportunity, the commercials of undertaking development in Sydney dictate that this means at least some residential development to support the commercial towers where people work, and shop is needed.

A B4 zoning across Chatswood would deliver activation and positive place-based outcomes. Residential activation would increase feasibility of employment options beyond offices and office hours through viable entertainment premises, restaurants, bars, shops, other businesses. It would help facilitate reduced dependence on car travel and allow people to live work and play in these areas and realise their full productivity capacity.

Accordingly, **Urban Taskforce recommends** a Mixed Use B4 zoning be applied across the Chatswood Centre.

The B4 zoning would still allow for the setting of development scale via those controls relating to height and FSR and the proposed requirement of a minimum 17% non-residential floor space.

At the very least, any properties with existing use-rights should not have those rights removed as a result of the change in to the LEP. Existing use rights should be preserved in the LEP, rather than through the Byzantine existing use rights provisions of the Act (e.g., Serviced apartments in B3 zoned areas will now rely on existing use rights, which highly limits any future changes to the structure or use of those buildings).

In the event that the B3 zoning is applied to the core of the Chatswood Centre, **Urban Taskforce recommends** that any existing use rights are explicitly preserved via the LEP.

### **Minimum lot size provisions**

**Urban Taskforce objects** to the proposed minimum lot size provisions for Chatswood. The proposed minimum lot sizes of 1,800 sqm in the B3 zone and 1,200 sqm in the B4 zone are overly prescriptive and will stifle innovative design responses.

In the interests of encouraging innovative and site specific design and amenity responses, **Urban Taskforce recommends** that these provision are removed or as a minimum moved to the draft DCP.

### **Increase to the Affordable Housing Levy**

The Urban Taskforce **objects**, in the strongest possible terms, to the proposed increase in affordable housing contributions from 4 to 10% of GFA. Further, we **strongly object** to the increase in the contribution rate that is proposed to no longer be offset by additional floor space incentives.

The proposed levy must be viewed in the context of other fees and charges being applied to the Chatswood centre, in particular Council's recently adopted Community Infrastructure Charge (CIC). A CIC rate of \$900 per sqm for planning proposals, plus a 10% affordable housing levy together with other Council fees and charges will be a serious impediment to development feasibility.

The combined changes will not only severely undermine the feasibility of development in Chatswood it runs counter to the findings of the NSW Productivity Commission.

The NSW Productivity Commission has found that:

*“Local contributions should be used to fund development-contingent costs; that is costs that would be avoided if a development did not go ahead. Affordable housing does not fall within this definition... The limited uptake of affordable housing schemes by councils suggests the contributions system plays a minor role in affordable housing supply. Moreover, it is not clear that housing is being made more affordable as a result of these schemes, as some stakeholders noted: the creation of a small quantity of “affordable housing”, may be at the cost of making other housing more expensive.””<sup>1</sup>*

Affordable housing is best addressed by more approvals and faster re-zonings of land to boost supply, not the application of excessive affordable housing levies.

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<sup>1</sup> NSW Productivity Commission, Review of Infrastructure Contributions in NSW, November 2020

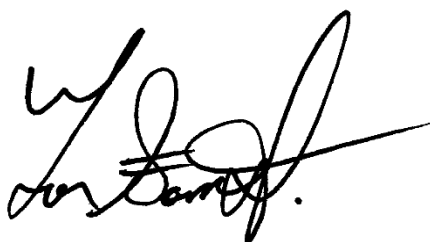
Affordable housing contributions impact the ability of the planning system to increase housing supply in general. Any additional contribution affects project feasibility which leads to an impact on supply when projects do not go ahead. Affordable housing contributions actually push up the price of new homes as the price of 'market' homes is increased to off-set the cost of the affordable housing.

**Urban Taskforce recommends** that the proposed affordable housing contributions scheme not proceed and instead Council focus its efforts on processing approvals for large scale developments that contain new homes to deliver affordable housing outcomes in Willoughby.

Table 1 includes a summary of Urban Taskforce recommendations.

The Urban Taskforce would welcome the opportunity to expand on the matters raised and to provide a development industry perspective on the draft LEP as proposed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Forrest', with a long horizontal flourish extending to the right.

**Tom Forrest**  
Chief Executive Officer

Table 1: Summary of Urban Taskforce Recommendations

	<b>Urban Taskforce recommendation</b>
1.	<p><b>Urban Taskforce recommends</b> a Mixed Use B4 zoning be applied across the Chatswood Centre.</p> <p>A B4 zoning across Chatswood would deliver activation and positive place-based outcomes.</p> <p>The B4 zoning would still allow for the setting of development scale via those controls relating to height and FSR and the proposed requirement of a minimum 17% non-residential floor space.</p>
2.	<p>In the event that the B3 zoning is applied to the core of the Chatswood Centre, <b>Urban Taskforce recommends</b> that any existing use rights are explicitly preserved via the LEP.</p>
3.	<p>The proposed minimum lot sizes of 1,800 sqm in the B3 zone and 1,200 sqm in the B4 zone are overly prescriptive and will stifle innovative design responses.</p> <p>In the interests of encouraging innovative and site specific design and amenity responses, <b>Urban Taskforce recommends</b> that these provision are removed or as a minimum moved to the draft DCP.</p>
4.	<p><b>Urban Taskforce recommends</b> that the proposed affordable housing contributions scheme not proceed and instead Council focus its efforts on processing approvals for large scale developments that contain new homes to deliver affordable housing outcomes in Willoughby.</p>