



New South Wales Government
Independent Planning Commission

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34 to 46 Brookhollow Ave Norwest Gateway Determination Review

PP-2023-2049

Advice Report

Michael Wright (Chair)

20 September 2024

1. Introduction

1. On 15 August 2024, the NSW Independent Planning Commission (**Commission**) received a referral from the NSW Department of Planning, Housing and Infrastructure (**Department**) requesting advice pursuant to section 2.9(1)(c) of the *Environmental Planning and Assessment Act 1979* (**EP&A Act**) in relation to a planning proposal and gateway determination in respect of 34-46 Brookhollow Avenue, Norwest (**Site**), within The Hills Shire Local Government Area (**LGA**).
2. Wesco Group Pty Ltd (**Proponent**) submitted the Planning Proposal to Hills Shire Council (**Council**) in March 2019, seeking to amend development standards for land at the Site by increasing the maximum height of building and floor space ratio controls, and introducing residential flat buildings as an additional permitted use. On 18 September 2023, Council lodged Planning Proposal PP-2023-2049 (the **Planning Proposal**) with the Department as the Planning Proposal Authority (**PPA**).
3. On 29 April 2024, the Department, as delegate of the Minister for Planning and Public Spaces (**Minister**), issued a Gateway determination that the Planning Proposal should proceed subject to conditions. Condition 1a imposed on the Gateway determination requires the Planning Proposal be updated to remove the proposed residential flat building element prior to public exhibition.
4. On 20 June 2024, the Proponent initiated a Gateway determination review (Department's reference GR-2024-8) of the Department's determination (**Review Request**). Specifically, the Review Request seeks to have Condition 1a deleted.
5. The Department requested that the Commission review the Gateway determination, consider the information provided by the Proponent and Council and provide advice regarding the merit of the Review Request, including a clear and concise recommendation to the Minister's delegate confirming whether the Gateway determination should be altered.
6. Andrew Mills, Chair of the Commission, determined that Michael Wright (Chair) would constitute the Commission for the purpose of exercising its functions with respect to this request.

2. Gateway Determination Review

2.1 Site and Locality

7. The Site is located within the Norwest Strategic Centre, approximately 50m from the Norwest Metro Station, and is bounded by Norwest Boulevard to the north-west and Brookhollow Avenue to the east and north-east. The Site has a direct interface to an area of low-density residential housing on its western and southern boundaries.
8. As noted in the Department's Gateway Determination Report, dated April 2024 (**GD Report**), the Site is currently zoned SP4 Enterprise (**SP4 zone**), occupied by 2-3 storey office buildings and a hotel. Land surrounding the Site to the east and north is predominantly also within the SP4 zone, with land to the immediate west and south zoned R3 Medium Density Residential (**R3 zone**) (refer **Figure 1** below). Surrounding and nearby land uses include commercial ('Norwest Marketown'), place of public worship ('Hillsong Church'), low and medium density commercial development, and low and medium density residential development (refer **Figure 2** below).

Figure 1 – Current zone map of the site and locality (Source: GD Report, Figure 2)

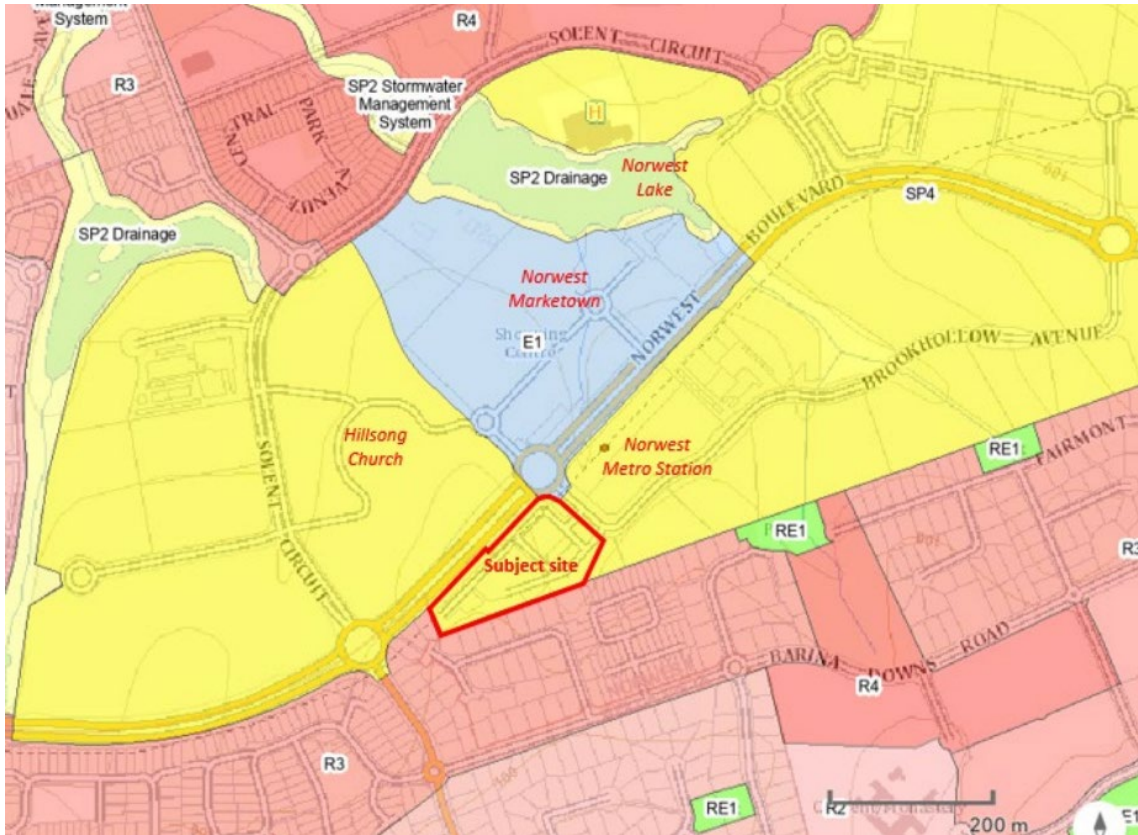


Figure 2 – Subject site (Source: GD Report, Figure 1)



2.2 The Planning Proposal

9. The stated objectives of the Planning Proposal (GD Report, page 1) are to facilitate:
- a mixed-use development comprising 38,306m² of commercial gross floor area across three separate buildings, ranging from 4 to 23 storeys to facilitate 1,989 jobs, and
 - a 10-storey residential flat building comprising 9576m² of residential gross floor area with a maximum of 76 dwellings.
10. The Planning Proposal seeks to amend *The Hills Local Environmental Plan 2019 (HLEP 2019)* as per Table 1:

Table 1 – Current and proposed controls (Source: GD Report, Table 3)

Control	Current	Proposed
Maximum height of the building	Reduced level (RL) 116 m	RL 112 -182 m
Floor space ratio (FSR)	1:1	Base: 2:4:1 Incentive: 3:1
Additional Permitted Uses (APU)	Nil	Residential flat buildings on part of site (Site A with a maximum gross floor area (GFA) of 9,567 sqm)
Key Sites Map	Nil	Identify the site as 'Area M' on Key Sites Map relating to the application of Clause 7.11
Floor Space Incentive Map	Nil	Identify the site as 'Area A' on the Floor Space Maps relating to a new site specific local provision detailed below
Number of dwellings	0	76
Number of jobs	816	1,989

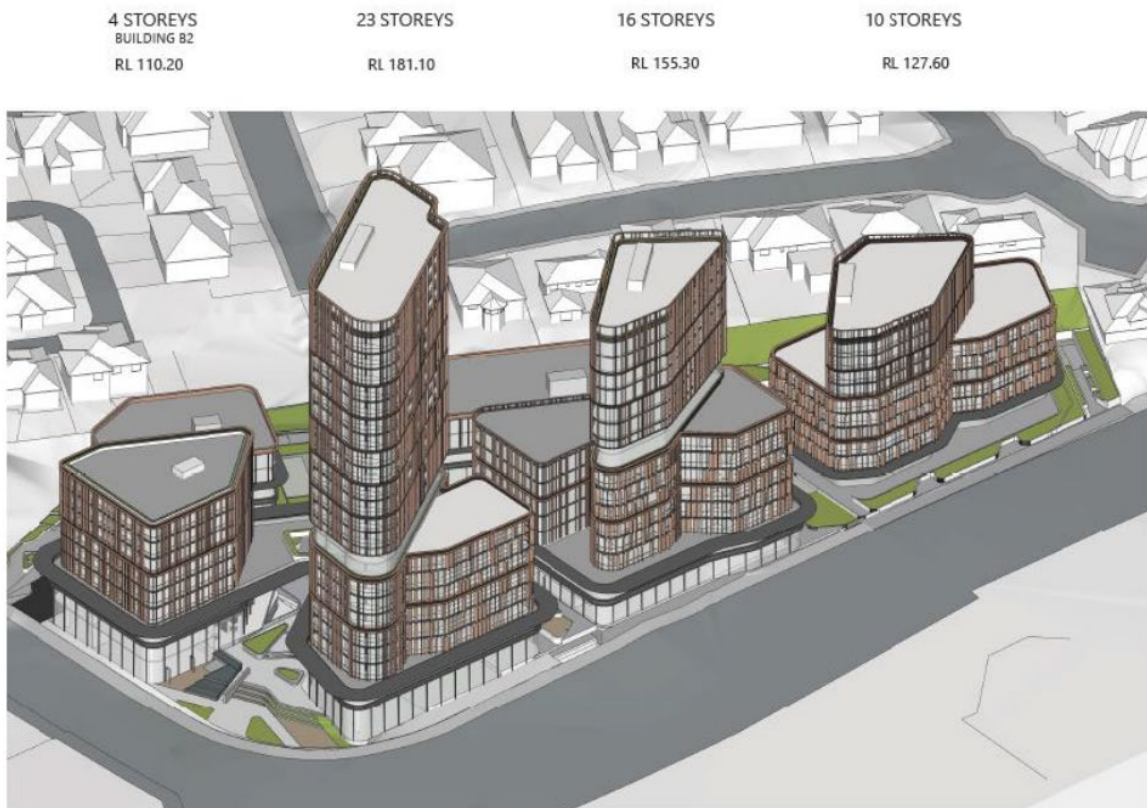
11. In addition, the Planning Proposal seeks to (GD Report, page 2):
- Include an additional permitted use of residential flat buildings on part of the site. This would be limited so the residential yield does not exceed 76 dwellings or 9,576m² and ensure 5% of these dwellings are provided for affordable rental housing for 10 years.
 - Introduce new local provision clauses which identifies a FSR incentive provided the consent authority is satisfied that there is:
 - a minimum 38,304m² is used for employment purposes,
 - a public plaza is included,
 - the mix and size of dwellings and number of car parking spaces for dwellings complies with the standards in clause 7.11(3) of HLEP 2019, and
 - a competitive design process is used for the development application.

- 12. The Planning Proposal would primarily deliver office space, as well as a mix of complementary uses including retail, a hotel, and child care facility, and is stated to generate approximately 1,989 total jobs. The Department considers that the objectives of the Planning Proposal are clear and adequate (GD Report, page 1).
- 13. The Department notes the Planning Proposal is not the result of any strategic study or report, and has been initiated by the Proponent, acting on behalf of the landowners (GD Report, page 6).

2.3 Background

- 14. The Planning Proposal has been revised by the Proponent on a number of occasions in response to advice from Council and the Hills Shire Council Local Planning Panel (LPP), including a reduction in the overall FSR, residential yield, building height and site coverage as well as increased setbacks and separation between buildings (GD Report, page 11). Table 5 of the GD Report summarises the revisions that have been made to the Planning Proposal since its original lodgement with Council in March 2019.
- 15. At its Ordinary Council Meeting on 27 July 2021, Council resolved to submit the Planning Proposal to the Department for Gateway determination based on the revised concept submitted by the Proponent in June 2021. The current concept master plan intended to be delivered via the Planning Proposal is shown at **Figure 3** below.

Figure 3 – Concept Master Plan, residential component is the 10 storey building to the right of the Figure (Source: Review Request, Figure 2)



2.4 Review Request

16. The Department's Gateway Review Justification Assessment (**Justification Assessment**) states that the Applicant has requested a review of the Department's Gateway determination, which specified that the planning proposal should proceed subject to the planning proposal being updated in accordance with conditions. The Applicant accepts these conditions except for Condition 1a, which states:
1. *Prior to exhibition, the planning proposal and supporting documents are to be amended and forwarded to the Minister under s 3.34(6) of the Act to:*
 - a. *remove the proposed inclusion of an additional permitted use of residential flat buildings on the site*
17. The Applicant seeks removal of this condition through its Review Request. The Department's position is that the Planning Proposal's residential component is inconsistent with the relevant State and local strategic planning framework, and that this inconsistency has not been adequately justified by Council or the Proponent (refer Justification Assessment, page 2).

3. The Commission's Consideration

3.1 Material Considered by the Commission

18. In this review, the Commission has considered the following material (**Material**):
- The Department's referral to the Commission, dated 15 August 2024, and attached Justification Assessment including supporting attachments, comprising:
 - Attachment A – Council's Planning Proposal Report (**Council Report**), dated 18 September 2023;
 - Attachment B – Gateway Determination, dated 29 April 2024;
 - Attachment C – GD Report, dated April 2024;
 - Attachment D – Council Response to Gateway Review Request (**Council Review Request Response**), dated 15 July 2024;
 - Attachment D1 – Council Report and Minute, dated 27 July 2021;
 - Attachment D2 – Site specific response to submission to Norwest Precinct Plan 2023;
 - Attachment E – Review Request, dated 20 June 2024;
 - Attachment F – Local Planning Panel Report and Minute, dated 17 September 2020 (**Final LPP Report**);
 - Attachment G – Local Planning Panel Report and Minute, dated 17 June 2020;
 - Attachment H – Local Planning Panel Report and Minute, dated 16 October 2019;
 - Attachment I – Local Planning Panel Report and Minute, dated 19 June 2019;
 - Attachment J – Updated political donations statement, dated 7 August 2024;
 - The Proponent's Revised Planning Proposal Report, dated July 2023;
 - The Department's Gateway determination cover letter to Council, dated 29 April 2024;
 - The Proponent's response to the Commission regarding design excellence, dated 28 August 2024;
 - The Department's response, dated 11 September 2024, to the Commission's request for further information;

- Council’s response, dated 13 September 2024, to the Commission’s question on notice; and
- comments and presentation material at meetings with the Department, Proponent, and Council, as referenced in Table 2 below.

3.2 Additional Considerations

19. In this review, the Commission has also considered:
- Local Environmental Plan Making Guideline (**LEP Making Guideline**), dated August 2023 (NSW Government);
 - North West Rail Link Corridor Strategy (**NWRL Corridor Strategy**), dated September 2013 (NSW Government);
 - Central City District Plan (**District Plan**), dated March 2018 (Greater Sydney Commission);
 - Transport Oriented Development (**TOD**) Program – assessment criteria, dated March 2024 (Department);
 - Hills Future 2036: Local Strategic Planning Statement (**LSPS**), dated October 2019 and adopted by Council in March 2020;
 - Hills Shire Housing Strategy (**Housing Strategy**), dated October 2019 and adopted by Council in March 2020;
 - Hills Shire Corridor Strategy (**Hills Corridor Strategy**), adopted by Council 24 November 2015; and
 - Norwest Strategic Centre Precinct Plan (**Norwest Precinct Plan**), dated July 2024 and adopted by Council 9 July 2024.

3.3 The Commission’s Meetings

20. In preparing its advice, the Commission met with various persons and undertook a tour of the Site and surrounding locality as set out in Table 2. All meeting transcripts, presentation material and locality tour notes were made available on the Commission’s website.

Table 2 – Commission’s Meetings

Meeting	Date	Transcript/Notes Available on
Locality Tour	23 August 2024	27 August 2024
Proponent	26 August 2024	3 September 2024
Department	27 August 2024	3 September 2024
Council	5 September 2024	9 September 2024

4. Key Issues

4.1 Strategic merit

21. Per the LEP Making Guideline, a planning proposal has strategic merit where it demonstrates alignment with the NSW strategic planning framework and Government priorities. The assessment criteria for strategic merit comprise as follows:

Does the proposal:

- a) Give effect to the relevant regional plan outside of the Greater Sydney Region, the relevant district plan within the Greater Sydney Region, and/or corridor/precinct plans applying to the site. This includes any draft regional, district or corridor/precinct plans released for public comment or a place strategy for a strategic precinct including any draft place strategy; or
- b) Demonstrate consistency with the relevant LSPS or strategy that has been endorsed by the Department or required as part of a regional or district plan; or
- c) Respond to a change in circumstances that has not been recognised by the existing planning framework.

(LEP Making Guideline, page 73)

22. The Department's assessment of the Planning Proposal considered that the residential component of the Planning Proposal was inconsistent with the following elements of the relevant strategic planning framework (Justification Assessment, page 3):

- the District Plan;
- The Hills LSPS;
- The Hills Corridor Strategy;
- The Hills Housing Strategy;
- Norwest Precinct Plan; and
- Local Planning Directions under section 9.1 of the *Environmental Planning and Assessment Act (EP&A Act)*

The Commission's consideration of these inconsistencies is provided in sections 4.1.1 and 4.1.2 below.

4.1.1 Strategic Planning Framework – State

Greater Sydney Region Plan: A Metropolis of Three Cities and the District Plan

23. The District Plan gives effect to the NSW Government's Greater Sydney Region Plan: A Metropolis of Three Cities (dated March 2018). The District Plan identifies Norwest as a strategic centre which, owing to the Sydney Metro Northwest network and Norwest Metro Station, has "the opportunity to transform the traditional 1990s-style business park model into a transit-oriented, more vibrant and diversified centre with higher employment densities and a mix of residential uses and supporting services" (page 83). Key planning priorities relevant to the Planning Proposal include:

- *Planning Priority C1: Planning for a city supported by infrastructure;*
- *Planning Priority C5: Provide housing supply, choice and affordability, with access to jobs, services and public transport;*
- *Planning Priority C9: Delivering integrated land use and transport planning and a 30-minute city; and*
- *Planning Priority C10: Growing investment, business opportunities and jobs in strategic centres.*

24. In submitting the Planning Proposal for Gateway determination, Council considered that it would appropriately facilitate a “primarily commercial development with ancillary residential uses” consistent with the District Plan’s directions for Norwest Strategic Centre and would retain the majority of the Site for commercial development (80% overall) (Council Report, page 7). In addition, Council noted (Council Report, page 7) that:
- “Notwithstanding the employment outcomes proposed, the [Planning Proposal] would permit residential uses on approximately 3,450m² of land within Norwest’s designated commercial office precinct (Site A) and therefore demonstrate a technical inconsistency with these strategic policies. It is considered that this minor departure from the strategic framework is justified on the basis that the [S]ite is flanked by residential on two frontages and the location of the proposed residential uses provides a logical land use transition. As the [Planning Proposal] would retain an underlying zoning of SP4 Enterprise across the entire [S]ite, commercial uses would continue to be permitted across the entire [S]ite, should market demands dictate an alternate outcome to the residential component proposed. It is unlikely that these same unique circumstances could be replicated on other land within the [Norwest Strategic Centre] and as such, the [Planning Proposal] is unlikely to create an undesirable precedent.”*
25. The Department’s assessment considered that the Planning Proposal’s residential component is either inconsistent or not sufficiently consistent with the above key planning priorities, and that the Planning Proposal does not appropriately give effect to the District Plan in accordance with section 3.8 of the EP&A Act.
26. The Department argued that whilst the residential component is broadly aligned to the objectives of Priority C5 in its provision of housing diversity and supply, Priority C5 “also outlines the need to ensure housing is provided in the right places and it is considered that the location of [the residential] component is not appropriate as the residential use would limit commercial development opportunities” (GD Report, page 7). Consequently the Department considered that the residential component is also inconsistent with Priority C10.
27. The Department has noted that the District Plan does not “identify any residential growth numbers or locations within the [Norwest Strategic Centre]” (GD Report, page 6), and that “[e]mployment growth is the principal underlying economic goal for metropolitan and strategic centres” (Transcript of Meeting with the Commission, page 5).
28. The Proponent’s position is that the Planning Proposal is appropriately consistent with the District Plan as it would:
- enable significant employment uplift, consistent with Priority C10;
 - deliver high density housing in a suitable location, close to public transport, existing urban amenities and existing residential communities, consistent with Priority C5;
 - assist in the delivery of integrated land use and transport planning and a 30-minute City, consistent with Priority C9;
 - still achieve the employment targets for Norwest Strategic Centre; and
 - facilitate both a jobs and housing outcome (Review Request, pages 11-12).
29. In response to Council’s and the Proponent’s respective positions, the Department argued that it doesn’t consider the use of 20% of the Site for residential development “to be a minor variation to the requirement for the entire [S]ite to be made available for commercial development” or that the Site’s circumstances are “unique or unlikely to be replicated in the precinct” (Justification Assessment, page 3). The Department additionally noted that:

- there are a number of other sites within Norwest Strategic Centre with similar characteristics to the Site and for which the Planning Proposal could act as a precedent for permitting residential uses;
- the introduction of residential uses within this SP4 Enterprise zone could potentially create a precedent for other employment zones; and
- existing and planned residential development is already and/or is planned to be located in close proximity to the Norwest Strategic Centre’s key urban amenities, such as in Bella Vista and Baulkham Hills (refer Justification Assessment, pages 3-4).

Section 9.1 Ministerial Directions

30. The Department’s Gateway determination considered that the residential component of the Planning Proposal is inconsistent with the relevant Section 9.1 Ministerial Directions, namely Directions 1.16 North West Rail Link Corridor Strategy and 7.1 Employment zones. The objectives of these directions are provided in Table 3 below.

Table 3 – Relevant Section 9.1 Ministerial Directions and objectives

Direction	Objectives
1.16 North West Rail Link Corridor Strategy	<p>a) <i>promote transit-oriented development and manage growth around the eight train stations of the North West Rail Link (NWRL), and</i></p> <p>b) <i>ensure development within the NWRL corridor is consistent with the proposals set out in the NWRL Corridor Strategy and precinct Structure Plans.</i></p>
7.1 Employment zones	<p>a) <i>encourage employment growth in suitable locations,</i></p> <p>b) <i>protect employment land in employment zones, and</i></p> <p>c) <i>support the viability of identified centres.</i></p>

31. In relation to Direction 1.16, Council considered that “while the proposed residential use is not consistent with the envisaged commercial only outcome for the [S]ite”, a combination of the Site’s shape and configuration, its interface with existing residential development to the west and south of the Site, and its proximity to Norwest Metro Station produce a unique set of characteristics that mean that the Site can appropriately accommodate residential development whilst still achieving a predominantly commercial development, as intended by the NWRL Corridor Strategy (Council Report, page 7). In its meeting with the Commission, Council noted that there are no other examples within the Norwest Strategic Centre of sites comparable to the Site in having a “wedge” type configuration with existing residential development wrapping around two boundaries (Transcript of Meeting, pages 6-7).

32. In addition, Council considered that the Planning Proposal is consistent with Direction 7.1 in its facilitation of employment growth within a strategic centre and enhancement of the Norwest Business Park. Council argued that the proposed residential component does not hinder achievement of “the commercial yield anticipated for the Site under the strategic planning framework and [that] the predominant employment land use will be protected” (Council Report, page 10).

33. The Department's assessment found that the Planning Proposal is inconsistent with Direction 1.16 given the identification of the Site as commercial in the NWRL Corridor Strategy and that this inconsistency is "not justified by an approved strategy, a study which gives consideration to the objective of the direction or a Sub-Regional Delivery Plan prepared by the Department, and it is not considered to be of minor significance" (GD Report, page 12).
34. Additionally, the Department considered that the Planning Proposal is inconsistent with Direction 7.1 as it reduces the total potential commercial floor space area on the Site and that the quantity of the proposed residential component is not of minor significance. The Department found that the justification provided through the Planning Proposal "relates to the benefits of the proximity of development to existing infrastructure[,] [however] does not [...] adequately consider the objectives to encourage and protect employments lands", as required under the Direction (GD Report, page 15).
35. The Proponent's position is that the Planning Proposal is appropriately consistent with Directions 1.16 and 7.1 as it would:
- achieve double the amount of jobs than that which could potentially be delivered under the current planning controls;
 - utilise a minor portion of the Site's floor space for residential and retain the Site's predominant land use as commercial;
 - provide an appropriate transition to the existing residential development to the immediate south and west of the Site; and
 - deliver a high quality mixed-use development that would improve the overall amenity, interest, activation, and safety of the Site and surrounding land, as well as the broader Norwest Strategic Centre (Review Request, pages 12-13).
36. The Department's Justification Assessment reiterated its position that the Planning Proposal is inconsistent with Directions 1.16 and 7.1 and that this inconsistency remains insufficiently justified (refer page 5).

Key Government Priorities

37. The third criterion for strategic merit is whether a planning proposal responds to a change in circumstances that has not been recognised by the existing planning framework. Relevant factors that the LEP Making Guideline (page 72) identifies include:
- *Key infrastructure investment or opportunity to plan for future infrastructure unanticipated by the existing strategic planning framework*
 - *Response to key Government priorities – Premier's Priorities, climate change, or a shift in government policy (e.g. NSW Government's Net Zero Plan)*
 - *Changes to population and demographic trends and associated needs such as housing or jobs.*
38. The Proponent's position is that the Planning Proposal appropriately responds to key Government priorities and a change in circumstances, namely the NSW Government's recent TOD planning reforms to address current housing shortages and leverage existing rail stations. The Proponent also considered that the feasibility of commercial and office development in Norwest has been "fundamentally altered" by the COVID-19 pandemic and its associated socioeconomic impacts, and that the proposed residential component would assist in achievement of the relevant State strategic directions for Norwest Strategic Centre (Review Request, page 18-19).

39. On 24 April 2024, the NSW Government made an amendment to the State Environmental Planning Policy (Housing) 2021 (**Housing SEPP**) which commenced on 13 May 2024. The amendment introduced a new Chapter 5, Transit Oriented Development, to the Housing SEPP, with the aims of the chapter pursuant to section 150 as follows:
- (a) *to increase housing density within 400m of existing and planned public transport,*
 - (b) *to deliver mid-rise residential flat buildings and shop top housing around rail and metro stations that—*
 - (i) *are well designed, and*
 - (ii) *are of appropriate bulk and scale, and*
 - (iii) *provide amenity and liveability,*
 - (c) *to encourage the development of affordable housing to meet the needs of essential workers and vulnerable members of the community.*
40. Norwest Metro Station was not identified for inclusion under the State Government's TOD Program as noted by the Department (Justification Assessment, page 10). Therefore, the controls under Chapter 5 of the Housing SEPP do not apply to the Site. However, the Proponent considered that the Planning Proposal demonstrates "clear alignment" with the aims of Chapter 5 of the Housing SEPP and the published principles for TOD, given:
- the Site's location immediately opposite the Norwest Metro Station;
 - the mid-rise scale of the proposed residential component and the consultation between the Proponent and Council to determine an appropriate bulk and scale for the Concept Plan;
 - the Concept Plan would deliver a high level of amenity, including in relation to solar access, natural ventilation, public domain, and open space access;
 - a minimum of 5% of the residential floor space is proposed for use as affordable housing; and
 - TOD principles have consistently been reflected in the State and local strategic planning framework for Norwest Strategic Centre (Review Request, page 18).
41. In commenting on the Proponent's Review Request, Council noted "that the [S]ite presents a good opportunity to support Government housing priorities without compromising the employment focus of the [Norwest] Strategic Centre or setting a precedent for residential uses on other employment land" (Council Review Request Response, page 3).

Commission's Findings

42. The Commission acknowledges that the Planning Proposal is not wholly consistent with certain State strategic priorities and directions, but disagrees with the Department's view that the proposed residential component and its inconsistencies with the State strategic planning framework have not been sufficiently justified.

43. In relation to the District Plan, the Commission finds that the Planning Proposal is appropriately consistent with Planning Priorities C1, C5, C9 and C10, as well as C3 (providing services and social infrastructure to meet people's changing needs) and C4 (fostering healthy, creative, culturally rich and socially connected communities). The Planning Proposal would facilitate the delivery of a small amount of housing (including 5% affordable housing) as part of a primarily commercial mixed-use development in an advantageous location close to employment opportunities, shops and amenities, a future child care facility, and within 200m of an existing train station on the Sydney Metro Northwest network. Further, as confirmed by Council in its response to the Commission's question on notice, the proposed residential component would not hinder the Planning Proposal's capacity to realise the minimum amount of employment floorspace envisaged for the Site under the strategic planning framework (refer page 2).
44. In relation to Ministerial Directions 1.16 and 7.1, the Commission finds that the Planning Proposal will appropriately promote TOD planning principles and ensure that development in Norwest aligns with the NWRL Corridor Strategy's directions. Whilst the NWRL Strategy identifies Norwest's primary future role as North West Sydney's largest employment centre facilitating significant job creation and categorises the Site's future land use as commercial, it also outlines that Norwest's growth and the presence of the Norwest Metro Station will "provide opportunities to increase residential densities within walking distance of the station by introducing a variety of housing types to ensure there is affordability and appropriate housing for all members of the community" (page 20). Further, the NWRL Strategy directs that future structure planning is formulated under TOD principles and seeks to "create a more flexible centre that can provide a variety of a uses over the short to medium term" (page 20).
45. In respect of key government priorities, the Commission finds that the Planning Proposal appropriately responds to the NSW Government's current priorities around addressing housing supply shortages and TOD planning, and therefore meets the LEP Making Guideline's strategic merit test. The Planning Proposal would deliver a high density development that integrates a mix of commercial, residential, social and public uses within 200m of an existing well-serviced and high quality train station. The Commission acknowledges that Norwest was not formally identified as a TOD precinct under the NSW Government's TOD program, but agrees with the Proponent that strategic planning for Norwest over the last 5-10 years has consistently sought to promote TOD principles.
46. The Commission agrees with Council and the Proponent that the use of 20% of the Site for residential development is a minor departure from the State strategic planning framework and disagrees with the Department's view that the Planning Proposal could create a precedent for permitting residential uses on other sites within Norwest. The Commission notes that the Norwest Precinct Plan (adopted following the Department's Gateway determination assessment of the Planning Proposal) directly acknowledges the Planning Proposal and its delivery of a small amount of residential development. The Norwest Precinct Plan sets clear parameters for other sites considered to be capable of accommodating residential development (discussed further below at section 4.1.2 of this report).

47. The Commission also agrees with Council that the Site has unique characteristics relative to other sites within Norwest which are conducive to the delivery of a small amount of ancillary residential development on the Site, without adversely impacting on the envisaged delivery of employment floor space. Additionally, the Commission considers that the proposed addition of residential flat buildings as an APU on only part of the Site (the south-west corner) is an appropriate planning outcome, as it will retain the Site's existing SP4 Enterprise zoning and allow for flexibility in the future development of the Site should the development of a residential flat building no longer be considered feasible.
48. Finally, the Commission notes in relation to issues of precedence that any future planning proposals seeking to rezone commercially zoned sites within Norwest would also be required to proceed through the planning proposal process and be subject to detailed merit assessments by both Council and the Department.
49. The Commission therefore agrees with Council and the Proponent that the Planning Proposal's inconsistencies with the State strategic planning framework are of minor significance and justified. The Commission finds that that the proposed residential component has strategic merit.

4.1.2 Strategic planning framework – Local

LSPS

50. The LSPS outlines Council's 20-year vision for land use planning, population, housing, economic growth and environmental management. In relation to Norwest, the LSPS identifies that residential growth will occur around the Norwest Strategic Centre with an additional 2,100 dwellings and an additional 23,900 jobs to be delivered by 2036.
51. Council's assessment found that the Planning Proposal would give effect to the LSPS's Planning Priorities 1, 2, 7, and 12, which seek to plan for sufficient jobs suiting the skills of the workforce, build strategic centres to realise their potential, plan for new housing in the right locations, and promote sustainable travel choices. Council argued that the Planning Proposal was appropriately consistent with the LSPS through increasing commercial floorspace and contributing towards the anticipated additional jobs identified for the Norwest Strategic Centre, and considered that the Proponent's approach to the residential component would capitalise on Norwest Metro Station, encourage sustainable transport choices, preserve the Site as SP4 Enterprise, and advance TOD principles.
52. Further, Council also noted that "[a]lthough the [P]lanning [P]roposal precedes the completion of detailed precinct planning and infrastructure analysis of Norwest as identified in the LSPS, the proposed development is generally consistent with what has been envisaged for the [S]ite" (Council Report, page 8).
53. The Department's assessment found that the Planning Proposal is partly consistent with the LSPS's Planning Priorities 1, 2 and 12. However, the Department also considered that the proposed introduction of residential uses to land zoned SP4 Enterprise is inconsistent with Planning Priority 2 and the LSPS's vision for Norwest Strategic Centre, and that this inconsistency was insufficiently justified in the Planning Proposal (GD Report, pages 8-9).
54. The Proponent's justification in respect of the LSPS reiterated Council's justification and contended that the Planning Proposal would realise rather than reduce the extent of potential development on the Site (Review Request, page 15).

Hills Corridor Strategy

55. The Hills Corridor Strategy outlines Council's vision for land use planning to 2036 for the seven Sydney Metro Northwest stations within or adjacent to the Hills LGA. The Hills Corridor Strategy identifies that the Norwest Precinct (comprising Norwest Strategic Centre and other land in the vicinity) will become a "specialised employment, retail and entertainment centre with some opportunity for higher density residential living around the Norwest Lake precinct" (page 34). Under its guiding principle 4.6, 'Grow our strategic centres', the Hills Corridor Strategy specifies that "[t]here is a need to protect this strategic employment location from residential development pressures and facilitate strong economic growth" (page 14).
56. Council's assessment noted that the Planning Proposal would achieve a commercial floorspace ratio in accordance with the Hills Corridor Strategy, and that the density, site planning and urban design of the proposed development would facilitate a suitable outcome for the Site (Council Report, page 9).
57. The Department's assessment highlighted that the Planning Proposal is inconsistent with the Hills Corridor Strategy's vision for the Norwest Precinct, particularly its desired commercial and employment outcomes (GD Report, page 9).
58. The Proponent's justification in respect of the Hills Corridor Strategy reiterated Council's justification (refer Review Request, page 13).

Housing Strategy

59. The Housing Strategy sets out the strategic housing planning for the Hills LGA to 2036, reflecting the LSPS's planning priorities and the District Plan. The Housing Strategy notes that its planning "occurs in the context [for the LGA] of a future population of 290,000 people by 2036 and the requirement for an additional 38,000 dwellings between 2016 and 2026" (page 5), and outlines that Norwest will contribute 2,100 dwellings to the LGA's 2036 dwelling targets.
60. Council's assessment did not discuss the Housing Strategy, but considered that the Planning Proposal is consistent with both the District Plan's planning priorities and Council's Community Strategic Plan: Hills Future 2024-2025.
61. The Department's assessment acknowledged that the Planning Proposal's residential component would "nominally contribute" to the identified dwelling targets and provide a diversity of housing as well as a small amount of affordable housing (GD Report, page 10). The Department considered however, that the Planning Proposal is inconsistent with the Housing Strategy given Council's direction to "[d]iscourage planning proposals seeking to rezone industrial, employment or rural lands for residential purposes" (Housing Strategy, page 33), and as the Norwest Precinct Plan does not identify the Site for residential development.

LPP consideration

62. As noted above at section 2.3, the current version of the Planning Proposal is a result of revisions made by the Proponent in response to Council and the LPP's advice. As noted by the Department, the LPP has considered four (4) iterations of the Planning Proposal from June 2019 to September 2020, and in its consideration of each of these earlier iterations recommended that it should not proceed to Gateway determination due to not demonstrating sufficient strategic and site-specific merit (GD Report, page 11). The details of these different iterations of the Planning Proposal are provided at Table 5 of the GD Report.

63. The fifth and current iteration of the Planning Proposal was submitted by the Proponent to Council in June 2021, incorporating numerous amendments to address issues raised by Council officers and the LPP, and following consultation between the Proponent and Council officers in November 2020 and June 2021. The Planning Proposal was then reported to Council in July 2021 for a decision on whether the matter should proceed to Gateway Determination (refer Attachment D1 – Council Report and Minute)

Norwest Precinct Plan

64. The Norwest Precinct Plan was adopted by Council in July 2024 and identifies a vision for Norwest “to emerge as a thriving mixed use Strategic Centre and highly competitive employment Precinct” (page 5). The Norwest Precinct Plan forecasts growth for the Norwest Strategic Centre to 2041 of 25,290 dwellings, 50,580 persons, and 64,098 jobs, and identifies three (3) sub-precincts per the LSPS, with the Site situated within the Norwest Central sub-precinct (refer Norwest Precinct Plan, Figure 8).
65. The Norwest Precinct Plan acknowledges the numerous active planning proposals within the Norwest Central Precinct that are either under assessment or have been finalised, including the subject Planning Proposal (refer Figure 54 and section 5.2.2). The Site is included within ‘Focus Area 1 – Designated Employment Area’ and is identified for high density employment (refer Figures 58 and 59). For this area, the Norwest Precinct Plan outlines that residential uses are not anticipated, “as this would reduce the long-term viability and potential of the employment area”, with the exception of the Site, as:
- “Council resolved to support a site-specific planning proposal that permits a small amount of residential development (up to 76 dwellings) on the western end of the [S]ite, where the land adjoins existing residential areas on two frontages, in addition to the predominant employment outcomes on the remainder of the [S]ite.” (page 100).*
66. The Department’s assessment notes that the Planning Proposal’s amendments have not been incorporated into the structure plan or key desired outcomes for the Norwest Central Precinct. The Department acknowledged that the Planning Proposal is consistent with the Norwest Precinct Plan’s guiding principles in relation to employment growth, TOD, housing diversity and public domain enhancements, but ultimately considered that the Planning Proposal “is inconsistent with the [Norwest Precinct Plan] by permitting residential uses within the designated commercial area” and as the Norwest Precinct Plan “has not been amended to incorporate additional residential uses on the [S]ite to support the [Planning [P]roposal” (GD Report, page 10).
67. Council’s Review Request Response reiterated Council’s support for the Planning Proposal per its resolution of 27 July 2021, and noted that the “yield calculations and associated infrastructure analysis under the [Norwest] Precinct Plan accounts for a limited amount of residential on [the Site]” (page 2). Council also noted however, that in the event the Planning Proposal does not proceed to finalisation, the Site will likely be included within a future Council-led planning proposal for Focus Area 1 to facilitate an employment only outcome, and that the Site did not meet the criteria to be one of the Norwest Central Precinct’s three (3) investigation sites identified to permit a small amount of ancillary residential uses.
68. In its Meeting with the Commission, Council clarified the relationship of the Planning Proposal to the Norwest Precinct Plan’s strategic and site-specific planning as follows:
- “[The Site] is not identified as one of those but the [Norwest Precinct Plan] does identify a small amount of residential still, which again draws back to those same reasons that Council decided to progress with the [P]lanning [P]roposal originally. [...]*

[The S]ite is not one of those investigation sites but this is another unique outcome that the [Norwest Precinct Plan] recognises and it [...] reaffirms the really unique site specific reasons why Council made that decision in the first place in 2021 to permit a small amount of residential on a very small amount of this [S]ite and the [Norwest Precinct Plan] reiterates that, acknowledges it and deals with it and when we take a step back and look at all of the residential growth, so that Norwest Strategic Centre is flagged as having potential for 25,000 dwellings.” (Meeting Transcript, page 6).

- 69. The Norwest Precinct Plan additionally identifies the primarily residential area south of the Site (currently within the R3 zone) as being capable of accommodating high density residential development in the future (refer Figure 4 below). In its Meeting with the Commission, Council confirmed that this area would likely be rezoned to R4 High Density Residential (refer Meeting Transcript, page 4).

Figure 4 – Extract from the Norwest Precinct Plan showing high density residential land uses to the south the Site (Source: Norwest Precinct Plan, Figure 59)



- 70. The Proponent’s justification in respect of the Norwest Precinct Plan reiterated Council’s justification (refer Review Request, pages 15-16).

Commission’s Findings

- 71. The Commission acknowledges that the Planning Proposal is not wholly consistent with certain local strategic priorities and directions, but disagrees with the Department’s view that the proposed residential component is unjustifiably inconsistent with the local strategic planning framework.
- 72. In relation to the LSPS, the Commission finds that the Planning Proposal would appropriately give effect to Planning Priorities 1, 2, 7, and 12, as well as 6, 8, 10, and 22, which seek to plan for new housing to support Greater Sydney’s growing population, plan for a diversity of housing, provide social infrastructure and retail services to meet residents’ needs, and initiate and deliver solutions to growth and change challenges. The Commission notes that the LSPS vision for Norwest also identifies that the Norwest Strategic Centre will include a “variety of low to high density housing surrounding and permeating the commercial areas” and “a diversity of housing within an easy walk of facilities and transport” (page 36).

73. The Commission acknowledges that The Hills Corridor Strategy seeks to protect the strategic employment role of Norwest and not enable inappropriate residential development. The Commission notes however, that the Hills Corridor Strategy vision for Norwest also includes facilitating “redevelopment and rejuvenation for growth on larger landholdings” and “[h]igher density commercial and mixed use development” close to Norwest Metro Station (page 34).
74. Further, the Commission recognises Council’s assessment that the Planning Proposal would achieve a commercial floorspace ratio in accordance with the Hills Corridor Strategy, even with the inclusion of the residential component. The Commission ultimately considers that the proposed residential component would deliver a small amount of diverse and well-located housing (including affordable housing) that would not compromise Norwest’s strategic employment role.
75. The Commission acknowledges the Department’s argument that the Housing Strategy seeks to discourage planning proposals seeking to rezone industrial, employment or rural lands for residential purposes, but notes that Council has consistently supported the Planning Proposal’s residential component and is satisfied with the amount of commercial floorspace that would be delivered by the Planning Proposal on 80% of the Site.
76. The Commission acknowledges that the earlier iterations of the Planning Proposal were not supported by the LPP, but notes that the current version of the Planning Proposal is the result of numerous amendments made by the Proponent to address issues raised by Council officers and the LPP, and that the Planning Proposal has since been supported by Council at its Ordinary Council Meeting on 27 July 2021.
77. As per section 4.1.1 above, the Commission notes that the adopted Norwest Precinct Plan directly acknowledges the Planning Proposal and its delivery of a small amount of residential development within the Norwest Central Precinct’s employment area. The area of the residential flat building APU in the south-west corner of the Site (to be limited in yield, bulk and scale via planning controls) also provides an appropriate transition to future high density residential development to the west and south of the Site.
78. The Commission is satisfied that Council have conducted detailed precinct planning and employment and infrastructure analyses for the Norwest Central Precinct, with the Planning Proposal’s residential component appropriately accounted for, as per Council’s Review Request Response and response to the Commission’s question on notice.
79. The Commission therefore agrees with Council and the Proponent that the Planning Proposal’s inconsistencies with the local strategic planning framework are minor in nature, and considers that the proposed residential component is justified and has strategic merit, particularly in regard to Council’s precinct planning for Norwest.

4.2 Site specific merit

80. The LEP Making Guideline also directs that a planning proposal should additionally demonstrate site specific merit. The assessment criteria for site-specific merit comprise assessment of:
- *the natural environment of the Site and surrounds, including any environmental hazards;*
 - *existing uses, approved uses, and likely future uses of land in the vicinity of the Site; and*
 - *services and infrastructure that are or will be available to service the Site as a result of the planning proposal, including any existing or potentially required infrastructure funding*
(page 73).
81. The Department's GD Report generally agreed with the Proponent's justification in relation to site-specific merit, and considered that "the proposed built form and urban design is sensitive to the interface with adjoining residential (including solar access considerations) and that appropriate development can be managed through [development control plan] controls" (page 17). Noting its lack of support for the residential component of the Planning Proposal, the Department recommended that the Proponent's Social and Economic Impact Assessments be updated prior to exhibition (GD Report, pages 17-18).
82. Council's assessment considered that the Planning Proposal, including the residential component, would facilitate positive economic and social impacts, and that a future Voluntary Planning Agreement (for which the Proponent has stated their intention to enter negotiation with Council) "would be considered a fair and reasonable local infrastructure contribution" (Council Report, page 11). As noted above at section 4.1.1 of this report, Council's position is that the residential component demonstrates sufficient site-specific merit such that the Planning Proposal's "technical inconsistency" with aspects of the District Plan is justified, based on the Site's shape, configuration, and existing and planned neighbouring land uses.

Commission's Findings

83. The Commission is satisfied that the Planning Proposal's potential environmental impacts will be addressed through the remainder of the planning proposal process or at the development application stage, including the preparation of a detailed Flood Assessment by the Proponent.
84. The Commission agrees with the Department and Council in relation to the built form and urban design outcome proposed to be realised through the Planning Proposal, noting that the height of the commercial and residential components have been reduced through the Proponent's revisions. The Commission is satisfied that the current Concept Plan is the subject of detailed consultation and negotiation between the Proponent and Council, and considers that the residential component demonstrates an appropriately sensitive interface to neighbouring residential development west and south of the Site.

85. The Commission notes that Council has clearly considered how the Planning Proposal, including the residential component, would impact on infrastructure needs for the Site and Norwest as part of its precinct planning. Per Council's response to the Commission's question on notice, the Planning Proposal's residential yield has been considered together with the yield resulting from the Norwest Precinct Plan's investigation sites as well as other planned residential growth on other landholdings, and Council's analysis confirms that this total residential growth can be appropriately serviced (refer page 3).
86. Council, in its response to the Commission's question on notice, detailed that comparative to the potential residential yield on the Norwest Precinct Plan's investigation sites (1,875 dwellings), the Site's potential delivery of 76 dwellings is minor. The Commission notes that this aligns with the unique characteristics of the Site and that the residential land use will be clearly subservient to the primary use of the Site for employment lands.
87. Noting the Site's configuration, location, lack of major environmental constraints, and the fact that the Norwest Precinct Plan identifies the residential areas west and south of the Site for high density residential in the future, the Commission agrees with Council's position that the Site has a unique set of circumstances relative to other landholdings in Norwest and therefore considers that the provision of a small amount of ancillary residential development on the Site has site specific merit.

5. The Commission's Advice

88. The Commission has undertaken a review of the Department's Gateway determination, considered the information provided by the Proponent and Council, and the Proponent's Review Request as requested by the Department (see section 1 of this report). In doing so, the Commission has considered the Material (see section 3.1 above) including Council and the Department's respective responses to the Commission, and the reasons given in the Department's GD Report and Justification Assessment.
89. The Commission disagrees with the Department's findings that the Planning Proposal has not demonstrated sufficient strategic and site-specific merit for the following reasons:
- the Planning Proposal would facilitate the delivery of a small amount of housing (including 5% affordable housing) as part of a primarily commercial mixed-use development in an advantageous location close to employment opportunities, existing and proposed shops and amenities, a future child care facility, and within 200m of an existing train station on the Sydney Metro Northwest network;
 - the proposed residential component would not hinder the Planning Proposal's capacity to realise the minimum amount of employment floorspace envisaged for the Site under the strategic planning framework;
 - the Planning Proposal is consistent with key NSW Government priorities to promote TOD and address housing supply shortages;
 - the Planning Proposal is consistent with Council's adopted Norwest Precinct Plan;
 - although the Planning Proposal is not wholly consistent with the applicable State and local strategic planning framework, its inconsistencies have been sufficiently justified;
 - the Planning Proposal's inconsistencies with applicable Section 9.1 Ministerial Directions are considered to be of minor significance and suitably justified;
 - the proposed residential component would not create a potential precedent for permitting residential uses on other commercially zoned sites within Norwest, noting that Norwest Precinct Plan identifies the Site, acknowledges its minor residential component and sets clear parameters and locations for residential development within the Norwest Strategic Centre. The proposed addition of residential flat buildings as an APU means that the Site's SP4 Enterprise zoning will be retained, and that any future planning proposals seeking to rezone commercially zoned sites within Norwest would also be required to proceed through the planning proposal process and be subject to detailed merit assessments by both Council and the Department;
 - the residential yield proposed for the Site has been accounted for in Council's servicing and infrastructure planning for Norwest;
 - the Site does not have any major environmental constraints and potential environmental impacts are capable of being addressed through the remainder of the planning proposal process or at the development application stage; and
 - the Planning Proposal would facilitate a built form and urban design outcome that is supported by Council, and which would achieve a logical and sensitive transition between the Site and neighbouring land uses.

90. The Commission advises that Condition 1a of the Gateway Determination issued on 29 June 2024 should be deleted, and that the Planning Proposal should proceed past Gateway determination.

A handwritten signature in black ink, appearing to read 'M. Wright', with a long horizontal stroke extending to the right.

Mr Michael Wright (Chair)
Member of the Commission



New South Wales Government
Independent Planning Commission

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