

Department of Planning, Housing and Infrastructure

dphi.nsw.gov.au



# Explanation of Intended Effect

524-542 Pacific Highway, St Leonards - Telstra Exchange site

January 2024





# Acknowledgement of Country

The Department of Planning, Housing and Infrastructure acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

Published by NSW Department of Planning, Housing and Infrastructure

[dphi.nsw.gov.au](http://dphi.nsw.gov.au)

Explanation of Intended Effect

First published: January 2024

Department reference number: IRF23/3020

## Copyright and disclaimer

© State of New South Wales through Department of Planning, Housing and Infrastructure 2024. Information contained in this publication is based on knowledge and understanding at the time of writing, January 2024, and is subject to change. For more information, please visit [dpie.nsw.gov.au/copyright](http://dpie.nsw.gov.au/copyright)

TMP-MC-R-LC-V1.2

# Contents

<b>1</b>	<b>Introduction.....</b>	<b>4</b>
1.1	Purpose.....	4
1.2	The Telstra Exchange site.....	4
1.3	St Leonards Crows Nest 2036 Plan.....	5
1.4	State Significant Development Application.....	7
1.5	Build-to-rent housing.....	8
1.6	Objectives and Intended Outcomes.....	8
<b>2</b>	<b>Explanation of Changes.....</b>	<b>9</b>
2.1	Land use zoning.....	9
2.2	Height of Buildings.....	10
2.3	Additional local provisions.....	12
<b>3.</b>	<b>Summary of planning control changes .....</b>	<b>14</b>

# 1 Introduction

## 1.1 Purpose

This Explanation of Intended Effect (EIE) outlines the proposed development controls for the Telstra Exchange site, located at 524-542 Pacific Highway, St Leonards.

Specifically, the EIE proposes that an amendment be made to the *Lane Cove Local Environmental Plan 2009* (Lane Cove LEP 2009) via a self-repealing State Environmental Planning Policy (SEPP) in accordance with the *Environmental Planning and Assessment Act 1979* (the EP&A Act).

The site is currently zoned under Lane Cove LEP 2009 and is recommended for rezoning and uplift in the St Leonards and Crows Nest 2036 Plan (SLCN 2036 Plan) which was endorsed in August 2020.

The proposed rezoning is located in the strategic centre of St Leonards under the Greater Sydney Regional Plan, the North District Plan and the SLCN 2036 Plan. The proposed controls generally align with the strategic planning framework and will deliver housing and jobs within a highly accessible area.

The proposed amendments outlined in this EIE are being taken forward through a State led rezoning process. All comments received during exhibition of this EIE and supporting documents will be considered in the drafting of the SEPP to rezone the site.

## 1.2 The Telstra Exchange site

The Telstra Exchange site is located at 524-542 Pacific Highway, St Leonards on Gamaragai Country. It comprises of eight (8) lots with a total area of approximately 1,671sqm.

The site is located approximately 200m south-east of St Leonards railway station, 300m north-west of the future Crows Nest metro station. The site and its immediate context are shown in **Figure 1**.

The site is currently occupied by the St Leonards Telstra Telephone Exchange and four attached two-storey buildings which contain small-scale mixed commercial tenancies, providing 14 jobs.





**Figure 1:** St Leonards Telstra Exchange Site (524-542 Pacific Highway, St Leonards) location and context (Nearmap).

### 1.3 St Leonards Crows Nest 2036 Plan

In August 2020, the NSW Government released the St Leonards Crows Nest 2036 Plan (SLCN 2036 Plan) which guides urban renewal of St Leonards and Crows Nest. The Department has identified the site for rezoning under the SLCN 2036 Plan as follows:

- Rezoning the site from E2 Commercial Centre to MU1 Mixed Use (Figure 2);
- Increase the maximum height of buildings to accommodate a 35 storey building (Figure 3);
- Impose a maximum floor space ratio of 14:1;
- Impose a minimum non-residential floor space ratio of 4:1 (Figure 4); and,
- Permit a maximum street wall height along Pacific Highway and Christie Street frontages of 6 storeys.

The SLCN 2036 Plan allows for specific sites to accommodate additional density and height where the public benefits proposed to be delivered as part of a development proposal are of exceptional value, beyond what could be secured under a standard practice approach that should be considered within the precinct. Proposals are still required to be consistent with the vision, objectives and actions of the SLCN 2036 Plan.





Figure 2: SLCN 2036 Land Zoning Mapping (DPHI, 2020)



Figure 3: SLCN 2036 Height in Storeys Mapping (DPHI, 2020)



Figure 4: SLCN 2036 Minimum Non-residential FSR Mapping (DPHI, 2020)

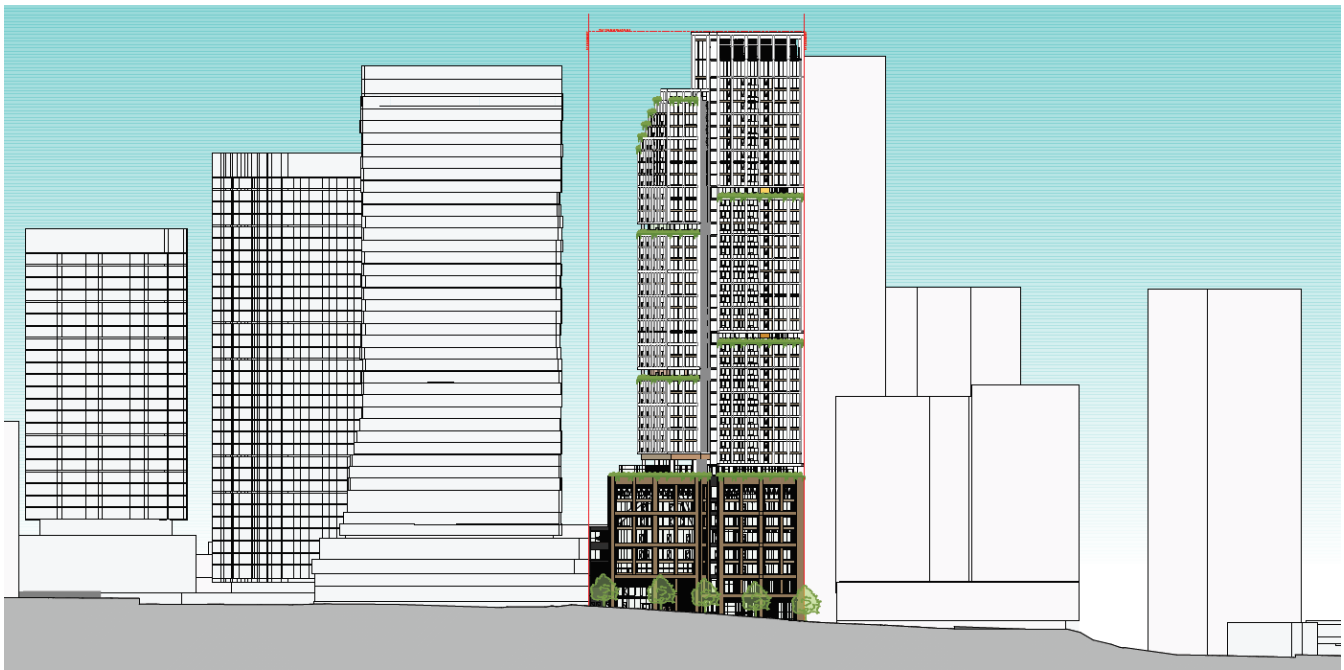
## 1.4 State Significant Development Application

A concurrent State Significant Development Application is being exhibited with this EIE which details the built form resulting from the proposed planning control changes:

- 21,472sqm of built-to-rent housing across 31 storeys, equating to 272 dwellings;
- 3,840sqm of non-residential floor space within an 8-storey podium including ground floor retail and 84 serviced apartments for short stay accommodation.
- 721sqm of affordable housing, equating to 10 dwellings within the podium; and,
- 2,014sqm of community amenity facilities, accessible to tenants within the building.

The proposed controls will facilitate a total of 40 jobs on-site. The existing Telstra exchange building which houses critical telecommunications infrastructure for Sydney's North Shore will be retained on the site.





**Figure 5:** Proposed built form (DKO Architects, 2023)

## 1.5 Build-to-rent housing

In November 2021, the NSW Government introduced build-to-rent housing planning provisions within the *State Environmental Planning Policy (Housing) 2021*. Build-to-rent housing is large-scale, purpose built rental housing, for ongoing tenants rather than sale. It is held in single ownership and professionally managed by developers or property managers, focusing on shared facilities and services and more communal space for each apartment. Build-to-rent housing contributes to a greater diversity of housing, offering security of a longer-term lease and a more desirable lifestyle.

Provisions in the Housing SEPP allow development to be used as build to rent housing anywhere that residential flat buildings are permitted, as well as in the E2 Commercial Centre and MU1 Mixed Use zones. The Housing SEPP provides a state-significant development pathway for build to rent developments.

## 1.6 Objectives and Intended Outcomes

The primary objective of the proposed development controls will be to amend the existing planning controls in the Lane Cove LEP 2009 that apply to the site to enable the delivery of housing and employment on the site.

The proposed development controls are supported by a draft Design Guide which includes built form and urban design provisions to ensure a high quality development. The proposed controls will guide development of the site which is reflected in the concurrent State Significant Development Application.



## 2 Explanation of Changes

The amendments to the Lane Cove LEP 2009 will allow redevelopment of the site to facilitate a 43-storey mixed use development with 7m of rooftop plant equipment. These proposed planning provisions are supported by a draft Design Guide which will apply to future development on the site, a concept scheme and relevant technical studies.

Existing and proposed planning controls proposed for the site are detailed below in Table 1.

**Table 1:** Existing controls and proposed controls for the site.

Control	Current Lane Cove LEP 2009	SLCN 2036 Plan	Proposed Lane Cove LEP 2009
Land zoning	E2 Commercial Centre (former B3 Commercial Core)	B4 Mixed Use	MU1 Mixed Use (former B4 Mixed Use)
Height of buildings	72m	35 storeys	RL228.8 (43 storeys)
Non-residential floor space ratio	N/A	4:1	2.3:1
Maximum floor space ratio	17:1	14:1	No change (17:1)

A local provision is proposed to:

- Permit exceedance of the maximum height of building (being the proposed RL 228.8 metres) by no more than 7m for rooftop plant equipment, lift overruns and associated structures.
- Require the consent authority to consider the provisions of the Design Guide in assessing a development application for development on the site.

The current maximum floor space ratio for the site of 17:1 in the Lane Cove LEP 2009 will remain unchanged.

The Proponent has engaged with Lane Cove Council on the delivery of a substantial public benefit via a Voluntary Planning Agreement. This approach is in addition to section 7.11 contributions and Housing and Productivity Contributions. Council has accepted this public benefit offer in-principle which comprises:

- The provision of 10 key worker housing units on a 15 year term; and,
- A monetary contribution of \$3.6 million to Council for the provision of local infrastructure, to be used at Council's discretion.

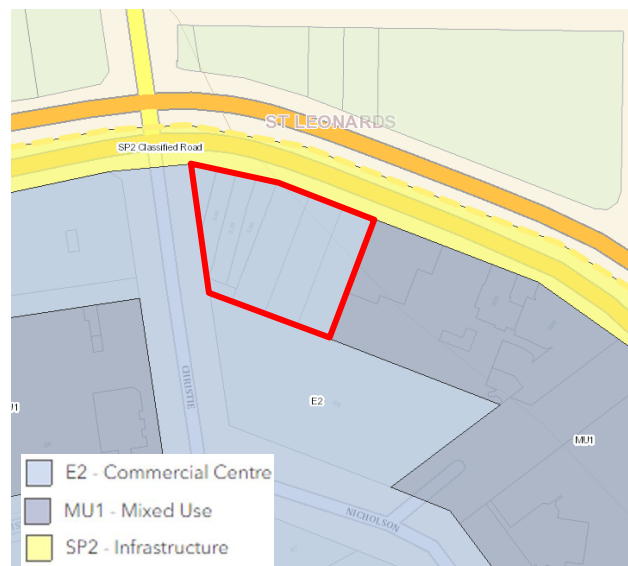
The letter of offer for the draft Voluntary Planning Agreement is exhibited with the EIE and the draft Design Guide.

### 2.1 Land use zoning

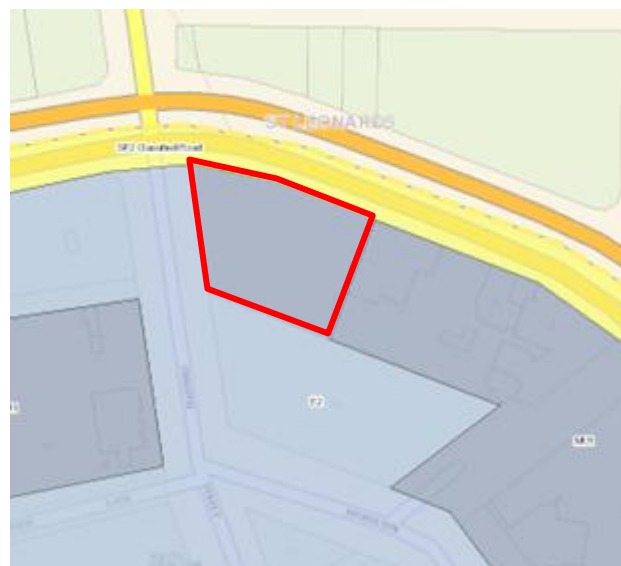
The site is currently zoned E2 Commercial Centre (Figure 6). It is proposed to amend the Land Zoning Map to rezone the site to MU1 Mixed Use (Figure 7). The proposed land use zoning will allow

mixed use development on the site including multi dwelling housing, residential flat buildings, shop top housing and tourist and visitor accommodation and will continue to permit commercial uses.

Build-to-rent housing is permissible through the Housing SEPP provisions. The proposed land use zoning is consistent with the SLCN 2036 Plan.



**Figure 6:** Current land use zone mapping (source: Digital EPI Viewer)



**Figure 7:** Proposed land use zone mapping (source: DPHI)

Existing land zoning mapping for the Lane Cove LEP 2009 can be viewed with the following link: <https://www.planningportal.nsw.gov.au/spatialviewerhistoric/#/historic?epi=Lane%20Cove%20Local%20Environmental%20Plan%202009>

## 2.2 Height of Buildings

A maximum building height of 72m currently applies to the site under Lane Cove LEP 2009 (Figure 8). It is proposed to amend the Height of Buildings Map to increase the maximum building height of the site to RL228.8<sup>[1]</sup> (Figure 9), equivalent to approximately 148m. This equates to a total height difference between existing and proposed height controls for the site of approximately 76m.

The building height proposed can accommodate a 43-storey tower with an additional 7m for rooftop plant equipment, lift overruns and supporting structures which are subject to a proposed local provision (see Section 2.3.1).

The proposed height is consistent with the vision, objectives and actions of the SLCN 2036 Plan. While the SLCN 2036 Plan allows for a maximum of 35 storeys on the site, the proposed development has been designed with consideration of cumulative impacts and environmental

<sup>[1]</sup> RL - Reduced Level means a height above a nominated height datum. The Australian Height Datum is the relative height of a point in relation to Australian mean sea level. The RL provides a way to accurately compare heights.

impacts to surrounding development, particularly in relation to overshadowing, wind impacts, view loss, safety and surveillance, and heritage impacts.

The proposed development comprises an appropriate built form and urban design that will deliver on the objective to provide and contain taller buildings between St Leonards Station and Crows Nest Metro Station.

Through the provision of build-to-rent housing and key worker housing, the proposed development will contribute to providing a range of dwelling types in the area to cater to the demographic of population within the precinct.

The proposed development has been carefully designed to ensure that the new building will not result in any additional overshadowing of public open spaces and important places in accordance with solar access controls.

The proposed height is consistent with surrounding development in the context of the tall building cluster of St Leonards.

As detailed in the State Significant Development Application, façade treatments above level 35 ensure the proposed built form does not result in overshadowing of Newlands Park to the south of the site. Additional provisions are included in the draft Design Guide which require that any new development on the site does not cause any additional overshadowing to Newlands Park.

The proponent has engaged with Lane Cove Council and the Department on the delivery of exceptional public benefit to support additional height and density, as per the SLCN 2036 Plan provisions. This includes an additional contribution funding of \$3.6 million towards the delivery of local infrastructure at Council's discretion and 10 affordable housing units on a 15 year term.

On 21 September 2023, Council considered a letter of offer from the Proponent and accepted in principle the details of the public benefit offer.

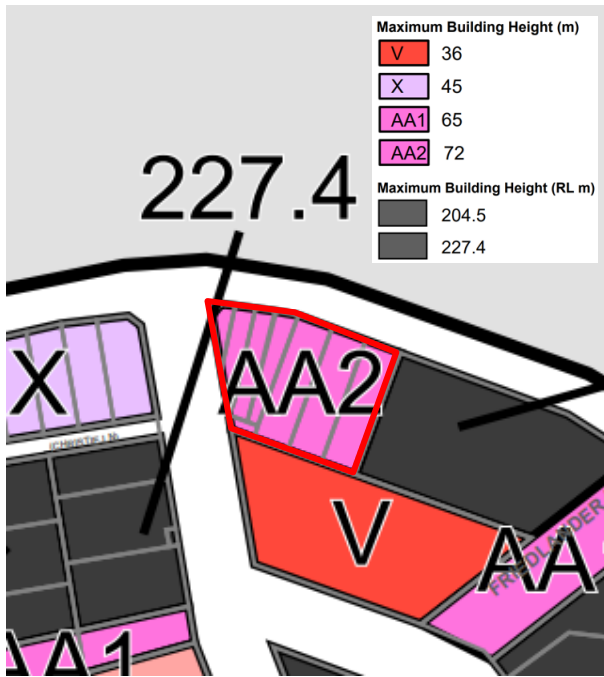
The proposed monetary contribution is additional to the following required contributions:

- Section 7.11 contribution under the *Environmental Planning and Assessment Act 1979* to Council (approximately \$6.2 million) to fund local infrastructure such as public open space, roads and hard and soft social infrastructure; and,
- Housing Productivity Contribution<sup>[2]</sup> under Division 7.1, Subdivision 4 of the *Environmental Planning and Assessment Act 1979* (approximately \$3 million) to the NSW Government for growth-enabling types of infrastructure such as active transport, transport, education, health, emergency, justice, open space and conservation.

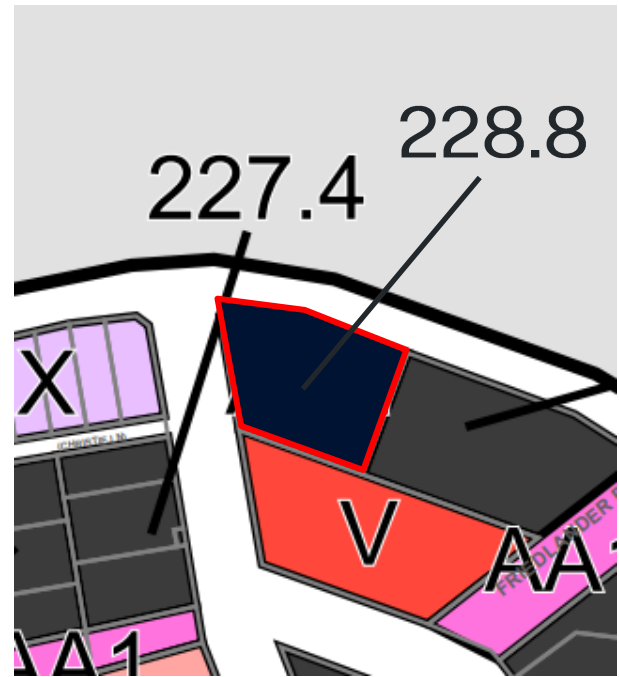
---

<sup>[2]</sup> Introduced by the NSW Government on 30 October 2023 to support housing and productivity in key growth areas for NSW.





**Figure 8:** Current height of buildings mapping (source: NSW Planning Portal)



**Figure 9:** Proposed height of buildings mapping (source: DPHI)

## 2.3 Additional local provisions

### 2.3.1 Height of buildings exception

A site-specific provision is proposed in the Lane Cove LEP 2009 which will permit exceedance of the proposed maximum height of building (RL 228.8) by up to an additional 7m in total if the part of the building that exceeds the maximum height of building comprises of rooftop plant equipment, lift overruns and associated structures and is not habitable floor space.

The objective of this provision is to ensure residential dwellings on the site are not located above 43 storeys, as per the concurrent State Significant Development Application. Restricting other uses within the height exceedance is key in ensuring the density of any proposed development on the site is consistent with the concurrent State Significant Development Application and the amount of GFA that forms the basis of the public benefit offer that has been agreed to, in principle, by Council.

### 2.3.2 Non-residential floor space ratio (FSR)

The Lane Cove LEP 2009 does not currently specify a minimum non-residential floor space control for the site.

It is proposed to adopt a site-specific provision to require a minimum non-residential floor space ratio of 2.3:1 for the site to align with the vision of the SLCN 2036 Plan in balancing the proportion of employment to residential land uses and encourage employment generating uses.

While the proposed non-residential floor space ratio does not meet the recommended 4:1 FSR in the SLCN 2036 Plan, it aligns with the vision, objectives and actions of the SLCN 2036 Plan. The site is also constrained due to critical telecommunications infrastructure which is being retained as part of the redevelopment. This telecommunications infrastructure equates to an approximate FSR of 1.4:1 and will not form part of the proposed 2.3:1 non-residential FSR for the site.

In addition to limitations of the site, the provision of 10 key worker housing dwellings within the podium has reduced the delivery of non-residential floor space.

The concurrent State Significant Development Application details a non-residential FSR being facilitated through ground floor retail uses (159 sqm between two tenancies) and 3,681 sqm of short term accommodation in the form of 84 serviced apartments.

### 2.3.3 Design Guide

A site-specific provision is proposed in the Lane Cove LEP 2009 to require the consent authority to consider the provisions of the Design Guide when assessing a development application for development on the site. The Department has prepared a Design Guide which specifically addresses built form and urban design provisions regarding:

- Design excellence
- Land use
- Built form and massing
- Landscaping and public domain
- Connecting with country
- Heritage
- Transport, access and connectivity
- Amenity
- Waste management and minimisation
- Crime prevention through environmental design
- Sustainability

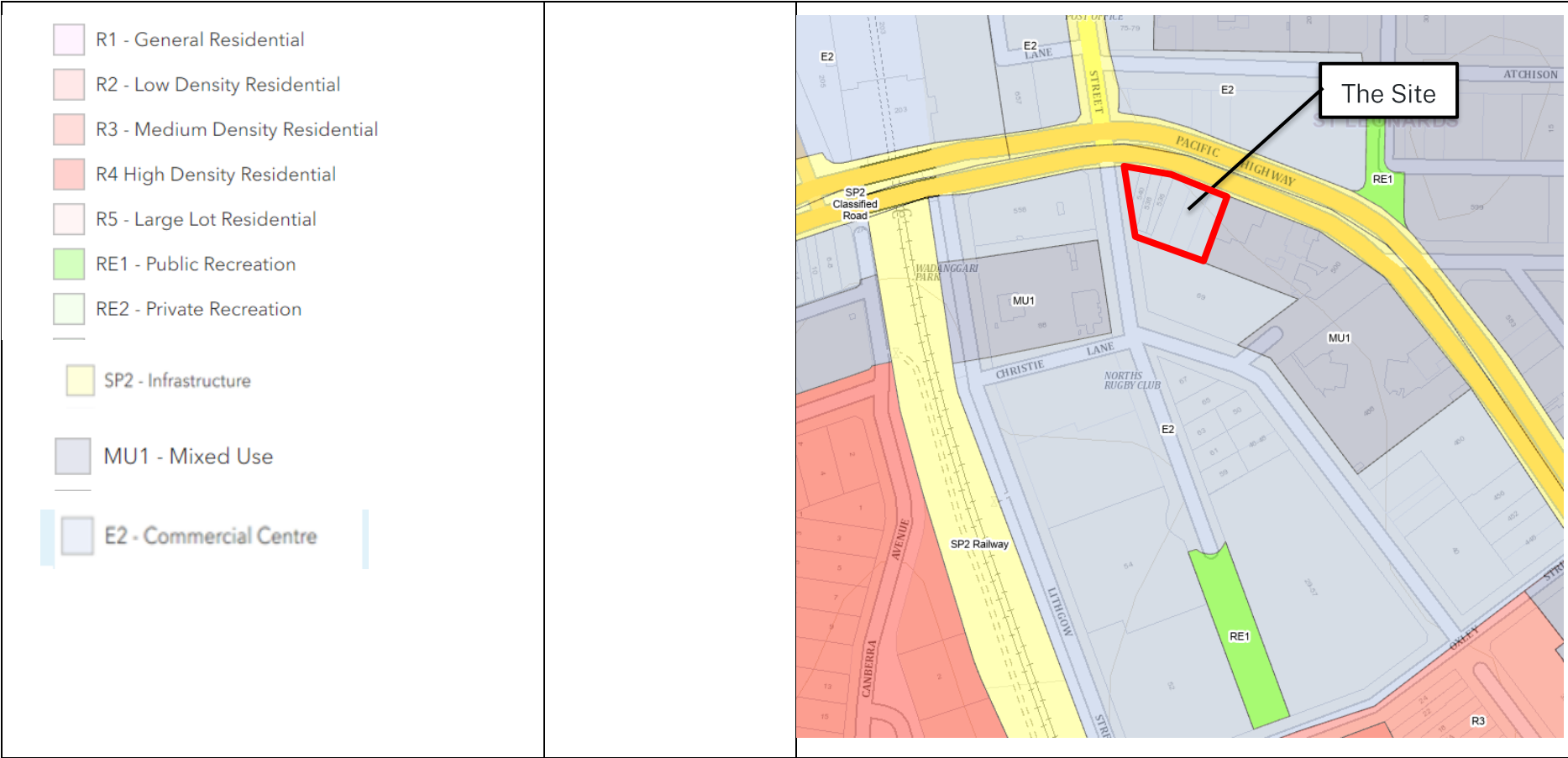
The proposed Design Guide along with the proposed controls in this EIE set out built form and urban design provisions to ensure that new development within the site achieves high quality outcomes for built form and public space.

As per the Design Guide, an 8-storey street wall height is permitted. While this exceeds the recommended 6-storeys in the SLCN 2036 Plan, it is considered appropriate in the context of adjacent developments, ensuring an appropriate relationship and transition to the buildings along the streetscape while still responding to the human scale at street level.

# 3. Summary of planning control changes

## 1. Land Use Map (Spatial Viewer)

Proposed Map: Rezone from E2 Commercial Core to MU1 Mixed Use Zone

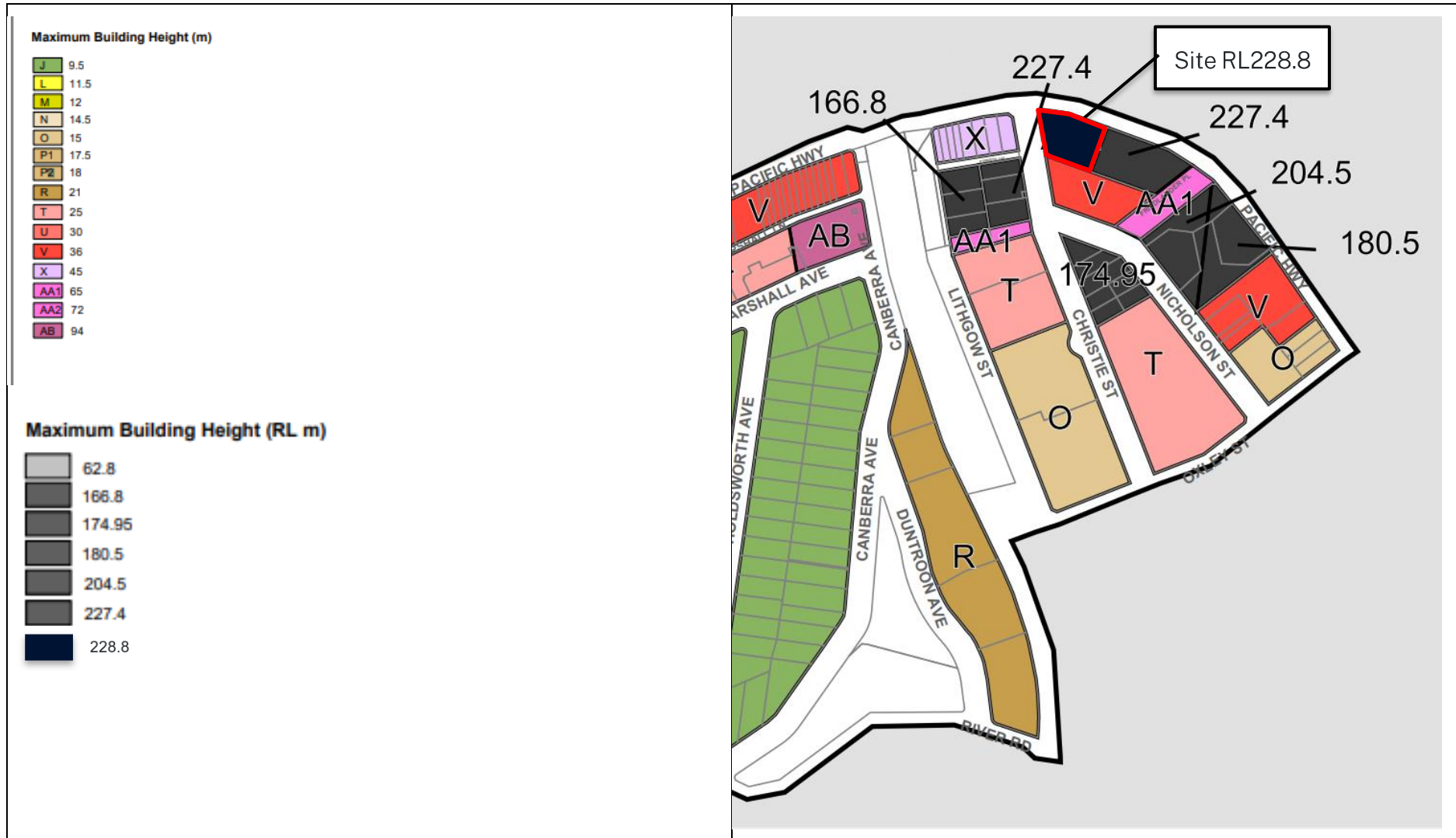


Lane Cove LEP 2009 (Source: Planning Portal Spatial Viewer)



2. Height of Buildings Map HOB-004 4700\_COM\_HOB\_004\_010\_2021118

Proposed Map: Increase Existing height from 72m to RL 228.8m



### 3. Additional Local Provisions – Height exception, non-residential FSR and Design Guide

A local provision is proposed to be applied as follows:

- Permit exceedance of the maximum height of building (being the proposed RL 228.8 metres) by no more than 7m if that part of the building that exceeds comprises of rooftop plant equipment, lift overruns and associated structures.
- A minimum non-residential FSR of 2.3:1 will apply to the site.
- Require the consent authority to consider the provisions of the Design Guide in assessing a development application for development on the site.