

**Item No:** C0525(1) Item 2

**Subject:** 'FAIRER FUTURE FOR THE INNER WEST' – COUNCIL-LED ALTERNATE PLANNING APPROACH FOR NEW HOUSING

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Item 2

## RECOMMENDATION

1. That Council endorse for exhibition *Our Fairer Future Plan - Council's approach for new housing in the Inner West*, including supporting technical studies, as shown at *Attachment 1* and *Appendices 1- 11*, in accordance with the endorsed Community Engagement Plan for the following suburbs in the Inner West Local Government Area:
  - a) Annandale
  - b) Ashbury
  - c) Ashfield
  - d) Balmain
  - e) Balmain East
  - f) Birchgrove
  - g) Camperdown
  - h) Croydon
  - i) Croydon Park
  - j) Dulwich Hill
  - k) Enmore
  - l) Haberfield
  - m) Hurlstone Park
  - n) Leichhardt
  - o) Lewisham
  - p) Lilyfield
  - q) Marrickville
  - r) Newtown
  - s) Petersham
  - t) Rozelle
  - u) Stanmore
  - v) St Peters
  - w) Summer Hill
  - x) Sydenham
  - y) Tempe
2. That Council delegate the Director Planning to make any minor editorial/ formatting/ technical modifications to the package prior to public exhibition.
3. That following the conclusion of the exhibition period, an engagement outcomes report be brought back to Council for consideration prior to submitting the Council-led "Fairer Future for the Inner West" Plan to NSW Government for implementation through a State-led fast track approval pathway.

## STRATEGIC OBJECTIVE

This report supports the following strategic directions contained within Council's Community Strategic Plan:

- 1: An ecologically sustainable Inner West
- 2: Liveable, connected neighbourhoods and transport
- 3: Creative communities and a strong economy
- 4: Healthy, resilient and caring communities
- 5: Progressive, responsive and effective civic leadership

## EXECUTIVE SUMMARY

The purpose of this report is to seek Council endorsement for the public exhibition of *Our Fairer Future Plan – Council's approach for new housing in the Inner West*. This is a Council-led alternate approach to deliver more housing in the Inner West that responds to the housing crisis and State Government's Housing Reforms - Transit Oriented Development (TOD) and Low-Mid Rise Housing (LMRH). It also responds to December 2024 resolution where Council endorsed to 'finalising and bringing a draft LGA-wide LEP no later than the April 2025 Council meeting'.

*Our Fairer Future Plan* is based on Council's endorsed Planning Principles. It provides a contextual response to create new housing opportunities supported by social, transport and open space infrastructure. The proposed changes as outlined in the Plan can deliver around 31,000 new homes as well as new jobs. These changes support local housing needs up to 2039 and exceed Inner West's 5-year housing target and State Government's targets.

This report outlines the:

- background of this LGA-wide approach and previous Council resolutions
- outcomes of previously undertaken community engagement for planning principles
- proposed Council-led alternate approach to the State Government Housing Reforms facilitates:
  - consistent planning controls across the LGA relating to residential land use zones informed by the Residential Review
  - new housing opportunities, including diverse housing types and affordable housing informed by Housing Investigation Area (HIA) Master plans
  - other general matters relating to subdivision, special entertainment precinct etc.

This report also details the community engagement plan adopted by Council in April 2025 for the LGA wide planning changes that are Inner West Council's response to the housing emergency and seeks to place this approach on exhibition for community input between May and July 2025.

Following consultation with community and stakeholders, an Engagement Outcomes Report and any amendments to the Plan will be reported back to Council. It is then intended that the proposal will be submitted to the Department of Planning, Housing and Infrastructure (DPHI) for approval and implementation through an accelerated State-led pathway to amend the Inner West Local Environmental Plan. The current NSW Government's TOD and LMRH controls in the Inner West will then be requested to be removed.

## BACKGROUND

In October 2023, Council received a letter from the Minister for Planning and Public Spaces highlighting the housing crisis and the need to update planning controls to support new housing. In December 2023, the NSW Government launched the TOD Program to accelerate housing delivery by increasing density around 38 train stations, of which 5 are in the Inner West - Bays West (TOD Part 1 Accelerated Precinct), Ashfield, Croydon, Dulwich Hill and Marrickville (TOD Part 2).

Council was granted a deferral to introduce its own approach for Ashfield, Dulwich Hill and Marrickville Stations until December 2024 and Croydon Station until January 2025. This approach needed to meet or exceed the theoretical housing capacities allowed by the NSW Government's controls for TOD locations.

Separately, the NSW Government is leading preparation for the TOD Part 1 Accelerated Precinct for Bays Precinct, with more information expected for public consultation in mid-2025.

The following table summarises key milestones with respect to the NSW Government TOD/ LMRH Program and Council's response.

Timeframe	Activity
October 2023	Minister for Planning's letter to Council regarding the need to update planning controls to support new housing
December 2023	Initial NSW Government announcement regarding TOD program
13 February 2024	Council's submission on the TOD to engage constructively with the NSW Government on the Housing Reforms
April 2024	Council granted deferral by NSW Government to prepare alternate TOD master plans by December 2024 and January 2025
May 2024	Council resolved to exhibit planning principles to guide future amendments to the IWLEP2022
June - August 2024	Community engagement on planning principles for the LEP
October 2024	Council resolved to incorporate planning principles into the development of a draft LEP for submission to the NSW State Government
December 2024	Council requested a further deferral from TOD and LMRH Reforms and endorsed to prepare an LGA-wide LEP by April 2025 with public exhibition of the draft LEP thereafter
January 2025	TOD controls for Inner West precincts came into effect
February 2025	LMRH controls for Inner West came into effect
April 2025	Council endorsed the proposed community engagement plan for the LGA wide planning changes

At the Council meeting held on 22 October 2024 meeting, Council resolved the following in part, in relation to the Post Exhibition – Planning Principles for the Inner West:

2. *That Council welcomes the 1,221 submissions from the community, providing valuable input and feedback on the proposed planning principles.*
3. *That Council commits to the timely development and finalisation of a LGA wide Local Environment Plan (LEP) that aligns with the State Government's housing targets.*
4. *That Council incorporates all the planning principles we consulted the community on into the development of the LEP.*
5. *That Council prioritises affordable housing options within the LEP, including for social and public housing.*
6. *That Council reports back to Council a draft LEP for submission to the NSW State Government.*

Further, at the Council meeting held on 3 December 2024, Council resolved the following in relation to TOD and LGA Wide LEP:

1. That Council thanks the staff for the well-advanced work on rezonings that will cover precincts nearby to train stations, light rail stops and main streets in a LGA wide Local Environmental Plan (LEP).
2. That Council notes that investigations and feasibility studies undertaken by Council show that the 6-storey rezonings proposed under the Government's Transport Orientated Development scheme will not lead to the required number of new homes actually being delivered.
3. That Council notes that the feasibility studies undertaken demonstrate that small lot sizes and high land values in the Inner West mean that higher densities will be required to make amalgamation and development of these sites commercially viable.
4. That Council commits to finalising and bringing a draft LGA-wide LEP no later than the April 2025 Council meeting.
5. That Council commits to a public exhibition in April 2025.
6. That Council writes to the Minister for Planning and Public Spaces to:
  - a. seek deferral of the inclusion of Council with respect to the Transit Oriented Development and Low to Mid Rise Housing reforms noting the significant feasibility challenge and the work that has been completed to date;
  - b. seek approval to use the Accelerated Plan Making process for the LGA-wide LEP;
  - c. seek clarification on the timing and delivery of the Bays West TOD being led by the State Government as well as a commitment to involve Council in the creation of the Bays West precinct; and
  - d. seek inclusion of non-market housing such that affordable housing, boarding houses, student housing and co-living will count towards the calculation of Council's dwelling targets.

This report describes Council's alternate approach to these Housing Reforms. Given the urgency of the housing emergency and the need to meet DPHI's housing targets, this approach is intended to be implemented quickly through a self-repealing SEPP pathway, which is faster than the more time-consuming Planning Proposal process. The implementation would be similar to how the NSW Government introduced the TOD and LMRH reforms.

## DISCUSSION

In May 2024, Council resolved to exhibit planning principles that would guide future amendments to the Inner West Local Environmental Plan (IWLEP) 2022. These were exhibited between June and August 2024 and were largely supported by the community.

These principles and how these relate to Council's proposed Alternate Approach is discussed below:

### Principle 1: *delivering place-based planning through local planning controls*

Council's approach is based on a detailed analysis as part of a master planning process, to inform changes to planning controls which support new housing.

This place-based approach recommends changes to planning controls such as land-use zoning, floor space ratio (FSR) and height of building (HOB). It considers the unique characteristics and needs of specific areas. Further, the proposal is supported by a Design Guide to inform future Development Control Plan (DCP) amendments which will provide appropriate design guidance to transition from existing low-density neighbourhoods to the proposed medium and high-density areas.

Consistent with this principle, parts of the LGA have been strategically selected for inclusion in Council's master plans, whilst certain areas have been earmarked as areas of no change to protect the local character, heritage or to respond to other significant environmental issues, like flooding.

**Principle 2: *upzoning of precincts around Ashfield, Croydon, Dulwich Hill, and Marrickville train stations***

Council's master planning was undertaken in two stages. Stage 1 relates to HIAs around Ashfield, Croydon, Dulwich Hill, and Marrickville train stations (approximately 800m). These areas were investigated in detail through the master planning process and areas have been strategically selected within these HIAs for upzoning to support new housing opportunities. Detailed technical studies such as flooding, transport, heritage etc. were also undertaken alongside the master planning to support upzoning in these precincts.

**Principle 3: *support for increased densities on main streets through shop top housing to protect high value heritage conservation areas from upzoning***

As part of both Stage 1 and Stage 2 of the master planning process, Council explored opportunities to increase housing density above shops (shop top housing) in town centres along main streets. These include Old Canterbury Road, Wardell Road, and Liverpool Road in Stage 1, and Norton Street, Crystal Street, and Marion Street in Stage 2.

As detailed in the master plan document, residential high-quality HCAs have been generally excluded from upzoning as the common forms of building in these locations (e.g. pitched roofs, gables, predominant roof features and street pattern) are not compatible with higher-density redevelopment.

**Principle 4: *providing density incentives for the amalgamation of land in areas identified for upzoning***

Council's approach includes FSR and HOB bonus mechanisms to encourage good design, environmental sustainability, active transport and productivity outcomes.

A key driver of density bonuses is to incentivise lot amalgamations for larger site areas, as many existing lots are either fragmented or not wide/deep enough to support higher-density development without amalgamation.

The master plan identifies where FSR and HOB incentives will apply over the mapped base FSR and HOB control, if sites meet minimum site area requirements. FSR and HOB incentives depend on site area, with larger sites receiving greater incentives based on a sliding scale.

Certain lots have also been identified for public realm incentives to contribute towards new through-site links and open spaces which would substantially benefit the wider area. These sites will be given FSR and HOB bonuses for delivering specified public realm improvements.

In addition, a new 5% Gross Floor Area (GFA) incentive is proposed for residential developments that go beyond the basic energy and water requirements in State Government requirements in the *State Environmental Planning Policy (Sustainable Buildings) 2022*.

## **Principle 5: *increased residential densities around light rail stations***

Both Stage 1 and Stage 2 of Council's HIA master planning have investigated increased residential densities around light rail stations.

For Stage 2, areas around light rail stations were investigated in detail and sub-areas unconstrained by flooding, heritage and employment lands have been strategically selected for upzoning to support new housing opportunities.

There may be more opportunity to increase residential densities around light rail stations in the future. Stage 2 did not include lots that are flood affected. These areas may have potential for additional housing subject to further flooding investigations.

## **Principle 6: *incentives for the conversion of land owned by religious and faith-based organisations for social and affordable housing***

Council's approach includes a local provision to encourage affordable and social housing on land owned by faith-based organisations. Faith-based organisations often aim to provide more social and affordable housing. The proposed provision will create a flexible mechanism to provide more affordable housing in perpetuity through changes to land use permissibility. This is discussed further in Section 4.3 of this report.

## **Principle 7: *progression of the new Special Entertainment Precincts which Council is currently undertaking consultation on***

This approach includes a new Special Entertainment Precinct (SEP) in Ashfield. Refer to Section 4.3. Ashfield will join the Enmore Road SEP which is already in-force, as well as draft SEPs in Balmain, Dulwich Hill, Leichhardt, Marrickville, Marrickville North and Rozelle (subject of a Planning Proposal).

## **Principle 8: *protecting and expanding existing employment lands to attract increased employment and new industries.***

Employment Zoned Lands (E3 and E4 zoned) have been excluded from the proposed changes in Council's HIA master plans, to retain the existing supply of employment land for the growing Inner West population.

Future Council work will also examine ways to expand and intensify these employment lands as Council's Employment and Retail Lands Strategy has identified a shortage in employment land supply to meet the future needs. Any future work will also need to consider the [Industrial Lands Action Plan](#) from the NSW Department of Planning, Housing and Infrastructure (DPHI) released in January 2025. This plan outlines an approach to secure, manage and monitor the supply of industrial lands across NSW.

## **Principle 9: *the finalisation of the Parramatta Road Corridor Stage 1 program through the rezoning of parts of Leichhardt, Taverners Hill and Kings Bay precincts***

In accordance with Council's resolution of 21 May 2024, the Parramatta Road Stage 1 Planning Proposal was sent to the State Government for finalisation. This is now a State-assessed Planning Proposal and DPHI has appointed itself as the Planning Proposal Authority to progress the proposal.

*Our Fairer Future Plan* includes rezoning of additional parts of Parramatta Road Corridor (areas that are not constrained by flooding, heritage, employment lands etc.).



**Principle 10: support for the suburb of Haberfield being listed on the State Heritage register and being excluded from upzoning**

Council's nomination of State Heritage listing of Haberfield is to be progressed by the State Government. For the purposes of this approach, Haberfield has been excluded from any upzoning.

**Principle 11: support for the Master Planning of the Bays Precinct with dwelling targets to be determined on Government owned land prior to consideration of any additional rezoning in adjoining suburbs**

Bays West is an Accelerated TOD Precinct and master planning is being prepared by DPHI. Community consultation of the draft master plan is anticipated mid-2025.

In accordance with Principle 11, suburbs surrounding Bays West Precinct (1.2km radius), such as Lilyfield, Rozelle and Balmain, are excluded from the uplift proposed in the master plans.

**Principle 12: support for the State Government policy of 30% of all new housing on government owned land to be maintained in perpetuity as public housing**

This position is supported and Council will continue to advocate for this with the State Government.

**Principle 13: setting a target of 1,000 or more new public housing dwellings to be delivered on State Government and Council owned land**

This target is supported and will continue to be delivered through new public housing on State Government and Council owned land.

Several State and Council owned sites are within the HIAs and are identified for uplift through the master plan. The proposed uplift will help create more housing, including affordable housing, on these sites. The master plan also includes a requirement for affordable housing contributions on the sites being uplifted which will help increase the supply of affordable housing in the LGA.

**Principle 14: incorporating the NSW Government's Pattern Book for improved design into Council's planning controls**

Council's Alternate Approach includes Design Guides and intended built form outcomes in the master plan to drive good development outcomes. The NSW Government Pattern Book is being progressed by the State Government and once released, opportunities for the content to inform the DCP will be considered.

## SUMMARY OF *OUR FAIRER FUTURE PLAN* - COUNCIL'S APPROACH FOR NEW HOUSING IN THE INNER WEST

Following Council resolutions from May, October, and December 2024, Council officers have prepared *Our Fairer Future Plan* as an alternate approach to the creation of new housing opportunities across the LGA. This approach also aims to provide clear and consistent planning rules for residential zones. The goal is to ensure that housing growth takes place in the right places, is well-designed, and is supported by infrastructure. This approach will lead to better outcomes than the general blanket controls in the NSW Government's Housing Reforms.

The objectives of the alternate approach are to:

- Increase the number of homes in well-connected and well-serviced parts of the Inner West.
- Support a mix of land uses (residential, commercial, recreational and community) and diversity of dwelling types within walking distance of Metro, Heavy and Light Rail stations and centres.
- Ensure planning controls are based on good design and strong evidence base, while allowing for the infrastructure needed to support more people.
- Ensure housing is supported by attractive open spaces and streets and vibrant public places.
- Increase the supply of and retain existing affordable housing in the Inner West LGA.
- Encourage development that delivers well-designed sustainable buildings with long term affordability.
- Create consistent planning rules across the Inner West LGA.

This alternate approach is based on a detailed and evidence-based planning process. It supports several key priorities from both State and local planning strategies. The approach (see *Attachment 1*) outlines changes to planning controls that would create capacity for 31,000 new homes to be built, along with new job opportunities across the Inner West. The majority of these are in direct response to the NSW Government's TOD Reforms, which required Council's alternate plan to match or exceed the State's proposal. The rest relate to the State Government's LMRH reforms.

Council's alternate approach comprises the following work:

1. **Residential Review** – review of residential zoned land and associated permissible uses
2. **Master Plans for Housing Investigation Areas (HIAs)** – new housing uplift areas and proposed planning control changes (FSR, HOB, key sites etc.)
3. **Other Amendments** – relating to lot size, special entertainment precinct etc.



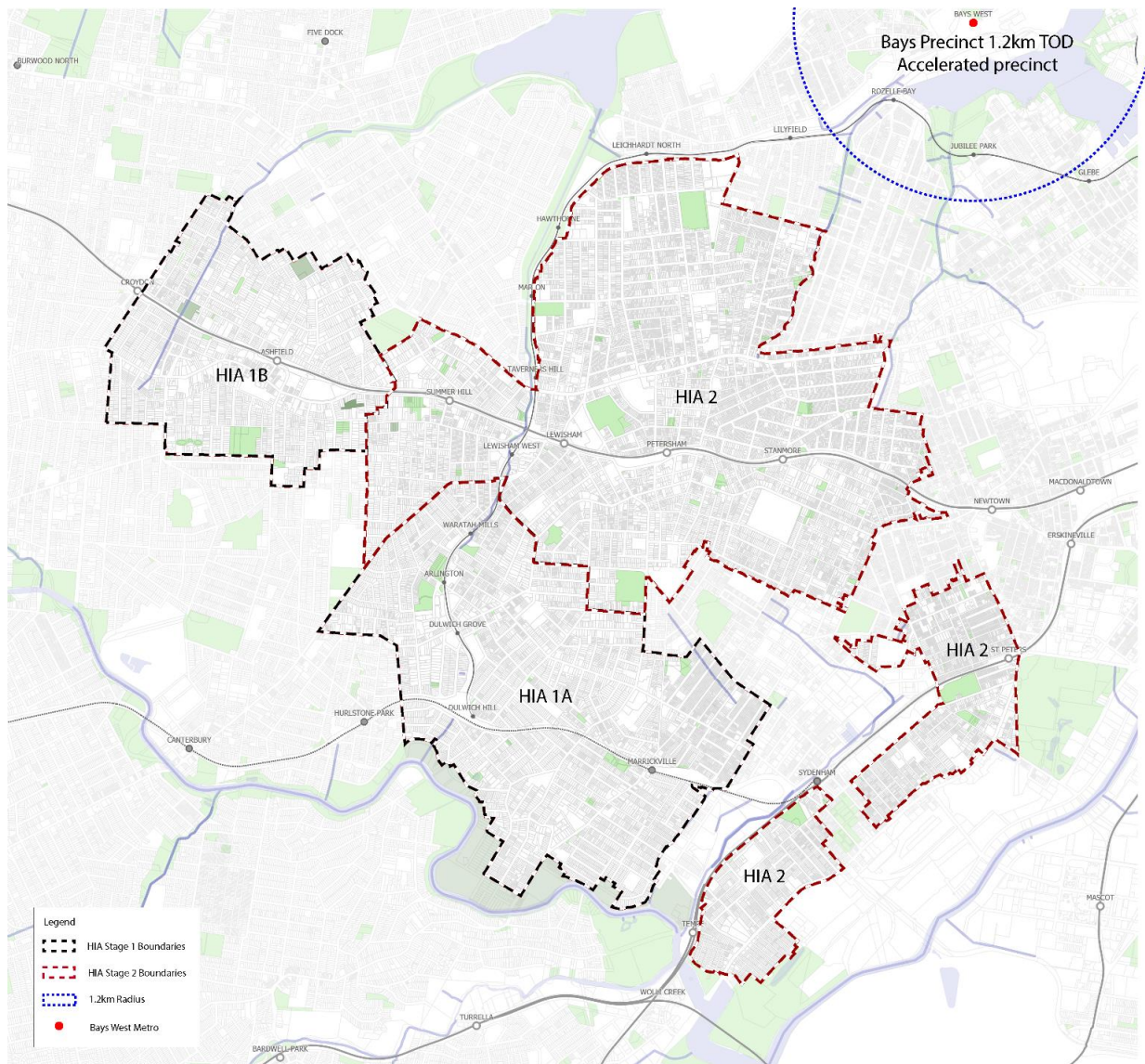


Figure 1 – Housing investigation area precinct boundaries – also showing the Bays West Precinct.

The Bays West precinct is a DPHI TOD Tier 1 State Accelerated Precinct. Further information is expected from DPHI regarding this in mid-2025. Council is therefore awaiting those plans before undertaking any investigations.

A multidisciplinary consultant team was commissioned to undertake this work including:

1. Hassell - Master Plans for Housing Investigation Areas
2. Architectus - Review of Residential Zonings and Heights
3. Jenny Rudolph Consulting - Urban Planning
4. Djinjama - Connecting with Country
5. Atelier Ten - Sustainability
6. GML Heritage - Heritage Studies
7. Worley Consulting - Flood Impact Assessment
8. Urbis - Strategic Transport Plan
9. Cred Consulting - Social Infrastructure Needs Study
10. Biosis APEM Group - Biodiversity Study
11. Atlas Urban Economics - Economic Feasibility

The outcomes of this work are summarised below and detailed in *Our Fairer Future Plan, Council's approach for new housing in the Inner West* (Attachment 1).

## Residential Review

A full review of the current residential zones in the Inner West Local Environmental Plan (IWLEP) 2022 has been carried out to:

- improve consistency and transparency in how these zones are applied across the LGA.
- clearly define each residential zone to align with the objectives and support a wider range of housing types across the Inner West.
- align the height of building and housing densities within the residential zones (low, medium and high).

This review is accompanied with various changes to land use permissibility for Residential zones, specifically R3 – Medium Density Residential Zone by introducing Residential Flat Buildings (RFBs) in this zone, as a land use permitted with consent. Further, as discussed in the master plan section below, various parts of the LGA have been recommended for uplift to R3/ R4 zones where RFBs would be made permissible with consent.

Council has also reviewed residential zoning and building heights to make the LEP controls consistent across the LGA. This includes introducing HOB controls for all residential land in the former Leichhardt LGA, based on existing built form and how land is currently used. No changes are suggested to FSR controls as part of this review, noting that the master plan work as discussed further in the report recommends FSR changes for uplift locations.

This review will bring the former Leichhardt LGA's controls in alignment with the rest of the LGA through:

- rezoning most of the former Leichhardt LGA from R1 General Residential Zone to R2 Low Density Residential Zone where most homes are single or two storey houses.
- rezoning parts of the former Marrickville and Ashfield LGAs from R3 Medium Density Residential to R4 High Density Residential, and vice versa, based on the existing HOB controls.
- introducing HOB controls in the residential zones that don't already have them – mainly in the former Leichhardt LGA – using the existing building envelope controls from the Leichhardt DCP 2013.

The Residential Review has also identified certain sites to be rezoned to non-residential zoning to reflect their existing uses. For example, the Leichhardt Bowling Club is proposed to be rezoned to RE2 Private Recreation. The outcomes of Residential Review are included in Appendix 1.

## Master Plans For Housing Investigation Areas (HIAs)

Master planning of housing investigation areas was carried out to deliver a place-based approach for increased housing density, especially near public transport and well-serviced local centres. The goal is to increase housing in a way that respects and protects the unique character of the Inner West. This includes offsetting densities from areas of high character value and recommending development controls which require new developments to positively respond to the local context through appropriate built form transitions, minimising adverse amenity impacts, lowering traffic impacts through limiting on-site parking and protecting and enhancing Inner West neighbourhoods, parks, streets and places.

These master plans offer a place-based alternative to the State Government's "one size fits all" approach. These can deliver more housing with high quality urban outcomes. By focusing

on the local area, walkability, and good design, the plans balance growth with the needs of the community. This helps make sure that new development supports—rather than harms—the vibrant, diverse, and liveable places that people value in the Inner West.

The master plans are supported by a framework for:

- Connecting with Country (Appendix 2)
- Sustainability (Appendix 2)
- Design Guides (Appendix 3)
- Social Infrastructure Needs (Appendix 4)

The Master planning was undertaken in two stages:

- i. **Stage 1** – The HIA Stage 1 master plans identify housing opportunity areas including potential community infrastructure and open space to accommodate population increase. The HIAs cover land in the vicinity of Ashfield, Croydon, Dulwich Hill, and Marrickville train stations (approximately 800m catchment) and Dulwich Grove, Arlington and Waratah Mills light rail stops (approximately 400m catchment). These master plans were informed by technical studies including:
  - Heritage including:
    - **Part 1** Heritage Health Check for review of certain existing heritage items and HCAs
    - **Part 2** Heritage review of South Dulwich Hill
  - Flood Impact and Risk Assessment
  - Strategic Transport Plan
  - Biodiversity
- ii. **Stage 2** - The HIA Stage 2 master plans identify additional housing opportunity areas across the remainder of the railway stations, light rail and local centre catchments, including Lewisham, Petersham, Stanmore, Leichhardt, St Peters, Sydenham and Tempe. Large areas in the LGA were investigated in detail through the master planning process and sub-areas have been strategically selected for upzoning to support new housing opportunities, specifically where sites are **not** constrained by:
  - 100 year and probable maximum flood (PMF) affected properties
  - HCAs (except where in a local centre) and heritage items
  - Sydney Airport's Australia Noise Exposure Forecast (ANEF) 30+ contours
  - Employment Lands (E3 and E4 zones)
  - Haberfield HCA and Camperdown Precinct (part of Tech Central)

It is noted that Bays West and surrounding suburbs such as Rozelle and Balmain are excluded, as The Bays precinct (1.2km) is an Accelerated TOD precinct, with planning being led by the State Government and to be finalised for community consultation by June 2025.

Key directions of the Master plans are:

#### General Directions:

- Establish growth corridor by identifying key streets, urban spines, local centres, railways stations. Local medium to high densities along the growth corridor and urban spines.
- Identify areas of consistent local/heritage character to be retained.
- Undertake targeted heritage investigations to review the significance of existing heritage listed items and Heritage Conservation Areas (HCAs). This review has



resulted in proposed delisting of certain heritage items and amendments to the boundaries of existing HCAs.

- Introduce development incentives to promote lot amalgamation and deliver public realm improvement including publicly accessible open spaces and active transport connections.
- Create active transport connections at key cul-de-sac streets and long urban blocks to improve accessibility and connectivity throughout neighbourhoods and to amenities including stations and open spaces.
- Retain existing tree canopy and consider provision for greener streets.

## Stage 1 - Marrickville – Dulwich Hill Master Plan

- This Master Plan responds to local context by establishing a growth corridor in a circuit, connecting transport nodes, corridors and activity centres and distributing densities in well-located and well-serviced areas. This includes a substantial density uplift in Marrickville Town Centre, Dulwich Hill Village and Dulwich Hill Station. Open space and natural assets are also leveraged by increasing densities around parks and other key community facilities.
  - o The proposed densities vary from 3.5:1 – 3:1 (8-10 storeys) around Marrickville local centre, Dulwich Hill local centre and railway stations, stepping down to 2.2:1 and 1.5:1 (4-6 storeys) towards the lower density developments and / or HCAs.
  - o Retain and promote the fine grain character of commercial street frontages with active uses and appropriate street wall heights consistent with old and new character.
  - o Opportunity to deliver a new public open space/ plaza (approx. 1200 sqm) on Illawarra Road and Calvert Street, Marrickville
  - o Proposed expansion of Greenway Corridor (approx. 1400sqm of new open space) to the rear of properties along Hercules Street, Dulwich Hill
  - o Opportunity to deliver new public plaza (approx. 200sqm), community facility with affordable commercial space, not for profit tenancies, district-level community hub (approx. 3200sqm) and through-site links on the Key Site between Seaview Street and new Canterbury Road, Dulwich Hill.

## Stage 1 - Ashfield – Croydon Master Plan

- This Master Plan uniquely responds to the existing context by concentrating housing density within Ashfield Town Centre, station catchments and a series of north-south and east-west urban spines. The key east-west spines include Liverpool Road and Norton Street to the south of railway corridor and Elizabeth Street to the north of railway corridor. Key North-south spines proposed for additional density include Milton Street / Frederick Street, Holden Street, Bland Street and Charlotte Street.
  - o The proposed densities vary from 4.3:1 – 3.5:1 (9 – 13 storeys) around Ashfield Town Centre and key streets like Liverpool Road, Elizabeth Street, stepping down to 2.2:1 and 1.5:1 (4-6 storeys) towards the lower density developments and / or HCAs. This approach locates higher densities along Liverpool Road, north of Ashfield Station and southeast of Croydon Station, reinforcing Ashfield Town Centre and Croydon Local Centres' role and function.
  - o Identify key secondary streets with potential public domain and tree canopy enhancements. These include Edwin Street, Alt Street, Bland Street, Norton

Street, Arthur Street, High Street, A'Beckett Avenue, Victoria Street and Loftus Street.

- Opportunity to deliver new public plaza up to 2000sqm on the Ashfield Mall site with mixed-use development up to 22 storeys and new through-site links.
- New open space and active transport corridor along Iron Cove Creek.
- Expand Lion Street Playground into an approximately 2,800sqm of new public open space in Ashfield.

## **Stage 2 – Lewisham, Petersham, Leichhardt, Marrickville, St Peters and Sydenham Master Plan**

- This Master Plan identifies areas of the LGA, outside of Stage 1, which are well-located and well-serviced for additional housing opportunities. The master plan for these areas provides a framework to deliver a place-based response for low and medium density housing outcomes.
  - Large areas of the LGA outside of Stage 1 were investigated for uplift through a process of eliminating constrained sites such as those affected by heritage, flooding, high aircraft noise exposure, significant strata sub-division, small lot sizes, restricted street widths and employment lands.
  - New housing opportunities have been identified in Leichhardt, Petersham, Lewisham, Marrickville, St Peters and Sydenham for low and medium density housing while predominantly retaining the character of these areas.
  - The Master Plan proposed medium-low to medium density uplift within opportunity areas along the primary and secondary urban spines, key open spaces of Pioneer Park and Lambert Park; key centres of Marrickville Metro, Lewisham and Petersham and around key railway stations of Lewisham, Petersham, Sydenham and Marion light rail stop.
  - Allow FSRs of 2.2:1 up to 3:1 (3-6 storey developments) within the opportunity areas with limited opportunities of up to 8 storeys adjacent to Marrickville Metro shopping centre.
  - Expand the implementation of Parramatta Road Corridor Urban Transformation Strategy (PRCUTS) to unconstrained areas along Parramatta Road and Norton Street with FSRs up to 3:1 (6 storeys).
  - Identify additional housing opportunity areas that are subject to further technical investigations, noting the existing constraints currently presented, including but not limited to flooding, transport, and public domain. This includes:
    - Summer Hill Town Centre;
    - Leichhardt Marketplace Shopping Centre and the adjoining properties;
    - Residential areas bounded by Catherine Street, Hill Street, Balmain Road and Moore Road in Leichhardt; and
    - Residential areas between Tempe Public School and Belmore Street, Tempe.

Refer to the detailed Master Plan in Appendix 2.

## **Proposed Public Benefits**

The housing growth expected from both the State Government's housing reforms and Council's alternate approach will require additional investment on social infrastructure. As part

of the master planning process, a social infrastructure needs analysis was undertaken. This examined how the increase in population will affect public services like community centres, libraries, parks, sports and recreation facilities, playgrounds, and civic spaces.

The Social Infrastructure Needs Study provides 16 key infrastructure moves in response to the uplift proposed in the master plans. These include the planned provision of two new district-level multipurpose community hubs, a new aquatic centre in the south of the LGA, and new recreational areas. These priorities will inform the development of a future Inner West Infrastructure Delivery Plan and future amendment to the *Inner West Local Infrastructure Contributions Plan 2023*. Mechanisms to deliver relevant infrastructure as related to HIAs have been developed and the relevant infrastructure will be delivered over time as redevelopment occurs:

- **Key sites (privately-led delivery or public-private partnership):** the master plan identifies certain sites as key sites and recommends site-specific LEP provisions which will require commitment to the delivery of public benefits on these sites before an uplift can be provided. For these sites, existing FSRs and HOBs have been maintained in the proposed FSR and HOB maps. Site-specific LEP provisions will detail the intended public benefits and maximum permissible FSRs/ heights to offset these public benefits. Examples include the following sites, but not limited to, where future redevelopment must provide the following public benefits:
  - New landscaped parkland (approx. 6000sqm) and active transport connection (6-10m wide) along the Iron Cove Creek – affecting various properties along the Creek in Ashfield/ Croydon
  - Delivery of new public plaza 2000sqm and District-level community/cultural facility of minimum 3,200sqm on the Seaview Street car park site - 14-32 Seaview Street, Dulwich Hill
  - New public open space of minimum 2000 sqm on the Ashfield Mall site – 260A Liverpool Road, Ashfield
  - New public open space of minimum 1000sqm along Marrickville Road - 365-359 Marrickville Rd & 2-6 Woodbury St, Marrickville

- **Public realm incentives (privately-led):** Sites or groups of sites have been identified for FSR and HOB incentives which can be accessed only where a developer chooses to provides specified public realm enhancements. These include publicly accessible open space and/or through-site links with active transport connections.

Privately-led delivery indicates that developers will have to bear the cost of infrastructure delivery however they would benefit from proposed additional uplift (FSR and HOB) and the wider area would benefit from the new public infrastructure. The proposed links are indicated in the Design Guide along with Development Incentives for these sites which will be identified through an LEP Clause.

- **Land Acquisition (Council-led delivery):** Certain sites have been identified for land acquisition by Council. These will be identified in the LEP and occur over time through negotiations with the landowners and developers.

Land reserved for acquisition means that the council has identified a piece of land to purchase in the future for the benefit of the community, to be used as a park, road, or community facility.

This does not mean the council is going to take the land or force it to be sold. It just means that, if the owner ever chooses to sell, the council has the option to buy it first at market price. If land is identified for acquisition, Council seeks to negotiate future agreements with landowners for the acquisition of land that can be initiated anytime of



the landowners' choosing. It is likely that acquisitions will be incremental as redevelopment occurs in negotiation with the landowners.

Examples include but not limited to:

- Expansion of McNeilly Park to serve the existing and future community
- Extend Lion Street Playground to provide approx. 2,830m<sup>2</sup> of public open space
- Public domain improvements for tree planting, footpath widening, active transport improvements etc. along key constrained streets such as Elizabeth Street, Norton Street, Holden Street etc. in Ashfield and Constitution Road, Dulwich Hill

Council-led delivery will also comprise a number of projects which are medium-long term-plans such as:

- Delivery of new public plaza at Calvert Street car park along Illawarra Road
- Redevelopment of Leichhardt Service Centre and delivery of new community, cultural, and library hub
- Upgrade of Ashfield Service Centre
- Embellishment of Cooks River parklands and sporting uses
- Public Domain enhancements throughout the precincts
- Upgrade of Stanmore Library and Stanmore Reserve

These priorities will inform the development of a future Inner West Infrastructure Delivery Plan and amendments to the Inner West Contributions Plan. These will be reported to Council separately later in 2025.

### Proposed Planning Control Changes

Following are the proposed and future amendments to the planning framework to implement this Alternate Approach:

#### Inner West LEP 2022

- Amendments are proposed to the IWLEP 2022 including changes to land use zones and development standards, such as FSR and HOB, to enable uplift in the selected parts of HIAs and to rationalise/ harmonise existing controls across the LGA.
- Associated LEP amendments are also proposed including affordable housing, development incentives, key sites, land reserved for acquisition etc.

Following parts of the IWLEP 2022 are proposed to be amended in line with this Alternative Approach:

- **Part 2 - Land Uses; Land Use Table** – New land uses introduced as permissible with consent and mapping changes to rezone land
- **Part 4 - Principal Development Standards**
  - **4.1 Minimum subdivision lot size** – new minimum lot sizes including requirements for dual occupancies and associated modifications to reflect permissibility changes and introduction of new clause 4.1B
  - **4.3 Height of Buildings** – Mapping changes to identify the proposed new height of building controls

- **4.3A Exception to maximum height of buildings in Ashfield town centre** applicability area amended
- **4.3B Maximum height for street frontages on certain land in Ashfield town centre** to be deleted
- **4.3C Landscaped areas for residential accommodation in R1 General Residential Zone** to be expanded to R2 Low Density Residential Zone
- **4.4 Floor Space Ratio** - Mapping changes to identify the proposed new floor space ratio controls
- **Part 5 – Miscellaneous Provision**
  - **5.1 Relevant acquisition authority** – New land identified as Land Reserved for Acquisition - Zone RE1 Public Recreation and marked “Local open space” and Zone SP2 Infrastructure and marked “Local road” through mapping changes to be acquired by Council for new/ expanded parks and public domain improvements
  - **5.6 Architectural Roof Features** - introduction of new clause
- **Part 6 Additional Local Provisions**

Following new clauses to be added:

  - **Key Sites** - Introduction of new clauses stipulating maximum HOB and FSR controls for 19 Key Sites to incentivise dedication of land for public use and meeting high-performance building standards. These public benefits include district-level community/cultural facilities, public plazas, footpaths, parks, through-site links, and other open spaces that are available for community use. Supplemented with Key Site Map changes to identify these sites.
  - **Affordable housing** – New Clauses requiring certain development types and sizes to contribute a percentage of GFA as affordable housing, subject to other requirements. Supplemented with map changes to identify where the Affordable housing contributions apply. New subclause for affordable housing on land owned by faith-based organisations.
  - **Development Incentives** - Introduce new local provisions stipulating bonus FSR and HOB controls for certain identified sites, to incentivise lot amalgamation, public realm benefits or higher than standard environmental performance and sustainability standards. Supplemented with Development Incentives Maps.
  - **Minimising loss of existing residential dwellings** – Introduce new local provision restricting net dwelling loss.

Following existing clauses of Part 6 to be amended:

  - **6.20 Diverse Housing** - to be deleted
  - **6.20 Development on land in Haberfield Heritage Conservation Area to be amended** in relation to semi-detached dwellings and dual occupancies
  - **6.32 Special Entertainment Precinct** – New clause and map changes to identify the Special Entertainment Precinct in Ashfield
- **Schedule 5 Environmental heritage**

- **Part 1 Heritage items** - Proposed delisting of, and amendment, to certain items of local heritage. Supported with Proposed Heritage Map changes.
- **Part 2 Heritage conservation areas** - Proposed delisting of, and amendment to, certain heritage conservation areas. Supported with Proposed Heritage Map changes.

**2. Future Draft Inner West DCP** - This is a wider strategic planning project which requires harmonisation of the three existing DCPs (three former LGAs).

Council's Alternate Approach includes Design Guides containing for detailed provisions regarding the intended built form, and streetscape outcomes – these provisions will be used to inform this future Inner West DCP.

**3. Future amendments to Inner West Contributions Plan 2023 (CP)** -

Underpinning this Alternate Approach is the Social Infrastructure Needs Study which provides infrastructure priorities to support this level of growth and new housing in the Inner West. These priorities will inform the development of a future Inner West Infrastructure Delivery Plan and amendments to the Inner West CP and reported to Council in late 2025.

## Community Consultation

Council's alternate approach has been developed based on the endorsed Planning Principles which were consulted with the community between June and August 2024.

On 29 April 2025, Council resolved (**C0425(1) Item 2**) the following in relation to the Inner West LEP – Update and Proposed Engagement Plan:

1. *That Council endorse the proposed community engagement plan for the Local Government Area wide planning changes that are Inner West Council's response to the Housing Emergency.*

Council's alternate approach, as outlined in *Our Fairer Future Plan – Council's approach for new housing in the Inner West* and all supporting documentation, will be exhibited for a minimum of four (4) week period. Consultation will include the following:

- Your Say Inner West website with the full suite of documentation, FAQs, digital mapping tool and links to contact and book time to speak with a planner
- Notification letters to all residents and landowners in the LGA
- Advertising across Council's social media, website and collateral such as newsletters
- A survey, hosted on the Your Say Inner West page, will provide opportunity to provide feedback on the proposed changes
- Council planners will be available to speak with members of the community at the Ashfield Service Centre on Tuesday, Wednesday and Thursday mornings from late May and throughout June
- Two community drop-in sessions in each Ward (weekend evenings and Saturdays) will provide the opportunity for the wider community to be informed about the project. Community members will also be able pre-book a time during these sessions to discuss the proposed changes with a Council planner

## Proposed Drop-In Locations:

- Balmain Library
  - Leichhardt Service Centre
  - Ashfield Service Centre
  - Petersham Service Centre
  - Marrickville Library
  - Dulwich Hill Library
- Inclusion on the agendas of relevant Local Democracy Groups (LDG)
  - Consultation with local Aboriginal representatives and key First Nations stakeholder groups, such as the Aboriginal and Torres Strait Islander LDG
  - Exhibition material hard copies in Council Service Centres and libraries

Formal feedback provided through the online survey (on Council's Your Say Inner West website), emails, and mail will be reviewed. A detailed Engagement Outcomes Report on the feedback will be prepared, and any amendments to the Alternate Approach will be reported to Council.

## FINANCIAL IMPLICATIONS

Council has received a \$2.6m grant from the Federal Government - Housing Support Program Stream 1 to undertake planning and housing investigations. This project is jointly funded from this Federal Government Grant and Council's Strategic Planning budget.

## ATTACHMENTS

All attachments are provided electronically and published separately on the below link.

[Our Fairer Future Plan – Proposal documents](#)

<https://www.innerwest.nsw.gov.au/develop/plans-policies-and-controls/our-fairer-future-plan-proposal-documents>

**Attachment 1 – Our Fairer Future Plan – Council's approach for new housing in the Inner West**

- **Appendix 1** – Review of Residential Zonings and Heights
- **Appendix 2** - Draft Master Plans for Housing Investigation Areas (Stage 1 and Stage 2)
- **Appendix 3** – Draft Design Guides for Housing Investigation Areas
- **Appendix 4** - Social Infrastructure Needs Study
- **Appendix 5** – Heritage Studies
  - Part 1 – Heritage Health check
  - Part 2 – Heritage Review – South Dulwich Hill
- **Appendix 6** - Flood Impact and Risk Assessment Stage 1
- **Appendix 7** - Strategic Transport Plan for Housing Investigation Area Stage 1
- **Appendix 8** – Biodiversity Study for Housing Investigation Area Stage 1
- **Appendix 9** – Ashfield Special Entertainment Precinct Management Plan
- **Appendix 10** – Proposed maps
- **Appendix 11** – Economic Feasibility Report