

INDEPENDENT COMMISSION AGAINST CORRUPTION

STATEMENT IN THE MATTER OF: Operation Galley

PLACE: Sydney
NAME: Nerida Stores
ADDRESS: Known to the ICAC
OCCUPATION: Executive Strategic Planner, Georges River Council
TELEPHONE NO: Known to the ICAC
DATE: 8 November 2021

States: -

1. This statement made by me accurately sets out the evidence which I would be prepared, if necessary, to give in Court as a witness. The statement is true to the best of my knowledge and belief, and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe to be true.
2. I am 50 years of age.
3. On 8 June 2021 I participated in an electronically recorded interview with Corruption Prevention Officer [REDACTED] and Principal Officer [REDACTED] at Hall & Willcox located at 347 Kent Street, Sydney. During that interview I was shown and referred to a single document. This statement was drafted from the digital recording and transcripts of that interview. I have been given the opportunity

Signature [REDACTED] **Sensitive** Witness [REDACTED]
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to read the draft statement and make any necessary amendments prior to signing this document.

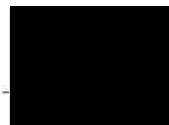
4. I joined Hurstville City Council in 2005 as the Manager of Strategic Planning and I held this role for approximately five years. During this time, I was on maternity and annual leave for approximately 20 months over two periods between 2008 and 2011. I am currently employed part time as an Executive Strategic Planner at Georges River Council and I have held this role since 2011.
5. We have a strong team of strategic planners at Georges River Council with a good mix of both senior and junior planners. Our Manager of Strategic Planning is Catherine McMahon and our Director of Environment and Planning is Meryl Bishop.
6. As council staff at Georges River Council, we do not have any direct contact with Councillors unless there is a Council Meeting, Committee Meeting or councillor briefing/workshop which covers a report that we have written or have had input into and we have been requested to attend the meeting or briefing. If there is a question about the report during the Council Meeting or Committee Meeting it will normally go through the Manager of Strategic Planning or Director of Environment and Planning. If the question is quite specific, senior management might refer to council staff to provide some further detail during the Council Meeting or Committee Meeting. During a councillor briefing/workshop, as council staff we may present a PowerPoint presentation that we have prepared,

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with the Director of Environment and Planning and/or Manager of Strategic Planning. If there is a question about the presentation this will normally be answered by the Manager of Strategic Planning or Director of Environment and Planning. If the question is quite specific, senior management will then refer to council staff to provide more detail.

7. As council staff at Hurstville City Council we had direct contact with Councillors at Committee Meetings, Council Meetings, councillor briefings and workshops, and sometimes during the dinner provided by Council prior to these meetings, if we had prepared a report or presentation for the meeting/briefing and we were requested to attend. We also had direct contact with Councillors on a few occasions when they attended meetings on strategic planning projects, planning proposals and VPA offers. This was not normal practice for Councillors to attend these types of meetings.

8. At Hurstville City Council and Georges River Council I have not been pressured by councillors to come up with a specific report recommendation. However there was one occasion at Hurstville City Council that I have a written record of, where I was requested to write a Council report on the draft Employment Lands Study that recommended the building heights and floor space ratios (FSR) that specific Councillors wanted for the Durham Street (Landmark Square), Penhurst Lane and Penhurst Street sites. This request was not standard practice.

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9. As background, from my review of the Council file, the draft Employment Lands Study had been reported to the Council Meeting on 9 December 2015. In summary, this report recommended that Council endorse the preliminary planning control recommendations for the industrial lands for community consultation. Council resolved at the meeting that the matter be deferred for further consideration.

I attach notes from myself of a meeting on 16 December 2015, Annexure 1

10. My hand written notes are of a meeting on 16 December 2015 with Ms Tina Christy (who was at the time in the role of either Manager of Development Assessment or Acting Director of Planning) and myself (see Annexure 1).

11. My notes outline that Tina advised me 'that the Acting General Manager wanted the Council report on the draft Employment Lands Study to recommend what the Councillors wanted on certain sites - Durham Street, Penshurst Lane and Penshurst Street, and that the heights and FSRs the Councillors stated at the November 2015 Workshop were what they wanted'.

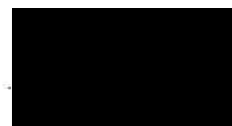
12. My notes outline that Tina 'stated that the Councillor's (Con and Vince) would not make changes to the recommendations of the Employment Lands Study in open Council. They wanted the staff to recommended what they wanted. I stated I would not write a report to say this. We can only write and recommend what is in the Employment Lands Study. We can then state what the Councillors request but then the Councillors have to make a decision. Tina said that they won't want this'.

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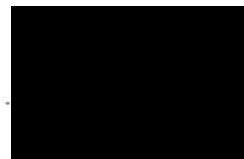
13. My notes state that Tina and I were to meet in the week of 4 January 2016 to discuss the Councillor workshop and report. I do not recall whether this meeting on the 4 January occurred. From my review of the Hurstville City Council Meeting Agendas, it does not appear that the draft Employment Lands Study was reported back to Hurstville City Council prior to the Council amalgamations. I recall that Tina was not happy and did not agree with what she had been asked to do and that she did not agree with the report being prepared as directed.
14. During a Committee Meeting, Council Meeting or councillor briefing, if councillors were particularly interested in a planning matter they would ask a lot of questions about the basis for things, for example why something was being recommended in a certain way, how a monetary contribution was calculated, the terms of the required monetary contribution and what facilities were being recommended. The Directors of Environment and Planning at both Councils are questioned more than staff during the meetings and briefings. As I understand, the Directors can also be directly contacted by councillors by way of email or phone call outside of these meetings.
15. Councillors Constantine Hindi, Vincenzo Badalati, and Philip Sansom appeared to have more of a particular interest in the 1-5 Treacy Street and Landmark Square sites. While these councillors always had an interest in planning matters in general, they would always ask a lot of questions about the detail for these properties and why things were presented in a particular way.

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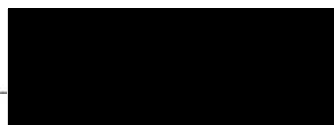
16. For example, at Hurstville City Council during Councillor workshops that I attended on the Hurstville Employment Lands Study and associated Urban Design Review and the Planning Proposal for the Landmark Square site in 2015 and 2016, there were a lot of questions from these Councillors to the urban design consultants (GMU Urban Design) and planning consultants (SJB) and council staff about the Building Heights and Floor Space Ratio (FSR) for the Landmark Square site including ‘why can’t the height be higher?’, ‘why have specific planning controls been proposed?’ and questions about urban design principles.

I produce a File Note from myself of a meeting on 21 December 2015, Annexure 2

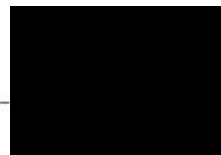
17. There was a meeting held on 21 December 2015 on the Planning Proposal for the Landmark site (see Annexure 2). My hand written notes for the meeting show that the attendees included Nigel Dickson (the applicant), Mr Brett Daintry (I think as the applicants consultant), Councillor Badalati (the Mayor at the time), Councillor Hindi, Mr Laurie O’Connor (Acting General Manager), Ms Tina Christy (as either the Manager Development Assessment or Acting Director of Planning), Ms Carina Gregory (Manager of Strategic Planning) and myself as the Executive Strategic Planner. I do not recall the meeting apart from my notes of the meeting and I have no record of who arranged this meeting. It was not normal practice for Councillors to attend such meetings. At the meeting the applicant advised they were progressing the revised plans and amending the heights of the building for

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the proposal. My notes show that Councillor Hindi asked Mr Brett Daintry 'what height would he apply' and stated that 'should give the site height'.

I produce a File Note from myself of a meeting on 9 February 2016, Annexure 3

18. There was also a meeting on 9 February 2016 in relation to the draft Employment Lands Study (see Annexure 3). My file note of the meeting records Councillor Badalati, Councillor Hindi, Acting General Manager Mr Laurie O'Connor, Acting Director of Development and Planning Ms Tina Christy and myself as Executive Strategic Planner attended the meeting. This meeting was after a Councillor workshop on the draft Employment Lands Study on 2 February 2016. I do not recall who arranged the meeting. My file note of the meeting notes that both Councillors raised concerns over the controls on a number of sites (including the Landmark Square site, Penshurst Street and Penshurst Lane) and that they could not understand why the Landmark Square site had not been allocated higher FSRs and bonus FSRs for a hotel given the size of the site, whilst other sites such as Penshurst Lane, which is smaller, has the same FSR. The Councillors indicated that the draft Employment Lands Study should not be reported back to Council and that it remain deferred until a later date.

I attach an email from myself to Carina Gregory, dated 3 March 2016, Annexure

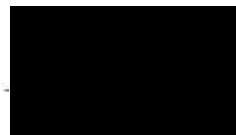
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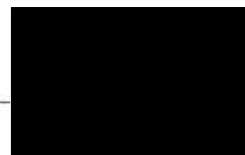
19. I was concerned about the meeting referred to in the 3 March 2016 email for a number of reasons. I was concerned because the meeting was about both the Planning Proposal and the VPA offer, as we try to keep the meetings separate for these two processes. I was concerned that Councillors had been invited to the meeting that was addressing the Planning Proposal and VPA offer and that Councillor should not attend such a meeting. Under Hurstville City Council's *Policy on Planning Agreement's* (2006) and Georges River Council's *Planning Agreements Policy* (2016), councillors are not to be involved in VPA negotiations. Additionally, I was not the officer assessing the Planning Proposal. The Planning Proposal was being assessed by a planning consultant, Ms Kerry Longford who was not available to attend the meeting. I was concerned that I was the only planner able to attend the meeting at the time. In summary the planning proposal assessment process (assessing the design, planning principles and whether it is supported) and VPA process run separately and are assessed by different staff.
20. There was one occasion at Hurstville City Council where I was asked to attend a meeting in relation to the planning proposal and VPA offer for the Landmark Square site. As I recall the people at the meeting included the applicant Mr Nigel Dickson from Dickson Rothschild, Councillor Badalati (who was the Mayor at the time) and Councillor Hindi, Acting General Manager Mr Laurie O'Connor and myself. There may have been other people at the meeting from Dickson Rothschild or their sub-consultants and other council staff but I cannot recall who. I was an Executive Planner at the time. The Councillors had not been invited to

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attend by me. This meeting may have been the meeting for the 7 March 2016 that had been arranged by the personal assistant to the Acting General Manager in relation to the Landmark Square site (referred to in Annexure 4). As I recall the meeting included discussion on the Planning Proposal and VPA offer for the Landmark site, however when the VPA offer was raised at the meeting the councillors were told that we could not continue the VPA offer discussion but they were not told to leave the meeting. The councillors responded that they are representatives of the council. As I recall the conversation then shifted away from the VPA and focused on the Planning Proposal instead. Based on their behaviour, Councillors Hindi and Badalati gave me the impression they felt that they could be there and would just stay. Councillors Hindi and Badalati appeared to know the applicant as they greeted each other in an informal friendly manner and were relaxed. It was not usual practice for Councillors at Hurstville Council to attend similar meetings with applicants on strategic planning projects.

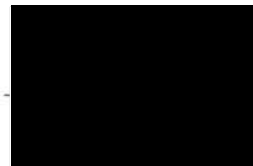
21. At Council Meetings that I attended, Councillors Hindi, Badalati and Sansom would seem to always work together and as I recall they would often vote together on a development application or planning proposal. There were instances where one would walk out of the Council chambers which disrupted the meeting and there may not have enough councillors to reach a quorum. There were occasions where they would either disrupt a meeting, pressure other councillors or disagree strongly with council staff or consultants and strongly question them. Councillor Hindi would always analyse the detail of a strategic plan or contributions plan,

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VPA or development application thoroughly and ask a lot of details about it and give his viewpoint. Councillor Badalati would have strong opinions, but would not put himself forward as a planning expert.

Voluntary Planning Agreements

22. Under the Hurstville City Council VPA Policy there was no value capture mechanism to establish what a reasonable, fair contribution would be for guiding the value of the public benefits.

23. At that time, Council's Section 94 Development Contributions Plan did not levy contributions for traffic management facilities and road works as there was insufficient traffic data/studies when preparing the plan to provide the required nexus under section 94 for these works. As such if there was a VPA offer in association with a planning proposal or development application that generated demand for traffic management facilities or road works, that was one of the public benefits that council staff would negotiate to direct the VPA contributions.

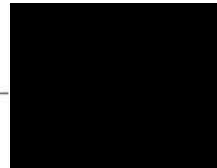
24. Under the Georges River VPA Policy, we used the land value capture process which provides a mechanism for council to establish a value for the contribution. This provided a consistent process that is reasonable, open and is a transparent process for Council, the developer and for the community. This process recently changed in February 2021 as a result of the Department of Planning, Industry and

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Environments (DPIE) new Practice Note on Planning Agreements which does not support land value capture as a mechanism for VPAs.

25. I think that there should be a structured and consistent approach to looking at how the value of VPA contributions are calculated for all councils. Otherwise, how do you determine and ensure that the process is consistent and what is a reasonable value?


26. At the time of the council amalgamation, we prepared the Georges River Planning Agreements Policy (August 2016). Council engaged the consultants SGS Economics and Planning to establish a land value capture methodology and process. We worked with consultants to identify specific precincts within the Hurstville City Centre and Kogarah Town Centre and the consultants determined a schedule of residual land values for each of these precincts.

27. The DPIE does not have much direct contact with Georges River Council on the preparation of VPAs. If there is a planning proposal that has an associated VPA, they are not involved in the VPA process. The DPIE just reviews and determines the planning proposal.

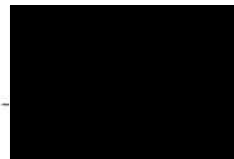
28. The Department's new Practice Note on Planning Agreements issued in February 2021 does not support value capture as a mechanism. I think that if this is the DPIE's position, then they need to stipulate what other methodology or structure is to be used by councils to guide and determine what is a reasonable contribution

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for the public benefits for a development or planning proposal. Without a mechanism there is no consistency in the approach to determine the value of the benefits and the process may not be open and transparent. Currently there is a lack of guidance about the process and methodology that councils should follow. Each council can have a different policy and different methodologies. It is important that the public benefits in VPAs link back to council strategies for community facilities and services. It is important that councils identify the direction that they are taking regarding VPAs.

29. As a result of the new Practice Note, council staff are in the process of engaging a consultant to review the Georges River VPA policy to ensure that it is consistent with the Practice Note.

30. Under the Practice Note a VPA should provide public benefits and contributions that are not wholly unrelated to the development site. Under a VPA the contributions can be for public benefits that may be close to the site or elsewhere within the local government area. For example, given that Georges River is a small local government area where a VPA permits, the contributions may be pooled together to provide for essential infrastructure required such as a youth facility or sporting facilities as there may only be one of these facilities in the local government area.

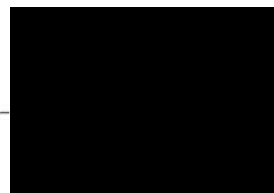
31. As part of the VPA process, I think that the assessment report for a VPA should be considered in conjunction with the associated planning proposal or

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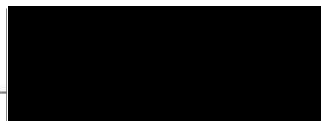
development applicant report by an independent expert panel such as a Local Planning Panel rather than something that is decided at a Council Meeting level. When a report on a VPA is presented to the panel, the panel should include an economic expert who has an understanding of the local facilities and councils strategies as well as the development in the area. This would assist in providing a better, more open and structured VPA process.

32. I do not think that councillors should be on Joint Regional Planning Panels. I think the panel should consist of experts that are independent of the council. However, I understand why a local representative is necessary.

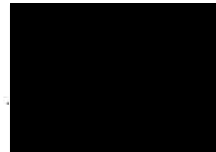
33. Georges River Council now has a larger strategic planning section. The team has a dedicated development contributions planner who works on the s7.11 and s7.12 contributions plans and processes. That gives me the capacity to work on the VPAs as well as assist on other development contributions matters. We currently have a development application planner seconded into the Strategic Planning section who is assisting in the development of a development contributions dashboard to assist in the financial reporting of contributions. The Manager of Strategic Planning, Ms Catherine McMahon and Director of Environment and Planning, Ms Meryl Bishop have a good understanding of VPAs and the VPA process.

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1-5 Treacy Street

34. The Hurstville City Council *Policy on Planning Agreements* was straightforward.

The Department's Practice Notes and planning legislation at the time did not provide guidance for councils in terms of the methodology for determining the VPA contribution value for public benefits. The VPA Policy included an acceptability test, that was to be applied to assess the acceptability of a VPA and this was provided in the report to Council on a VPA offer. When a VPA offer is submitted with a development application or planning proposal an initial assessment is undertaken. When considering whether to progress a VPA offer we take into account whether the associated development application or planning proposal that is under assessment is being supported in principle by Council staff from a urban design and planning perspective and if it is likely to proceed.

35. For 1-5 Treacy Street I was involved in the assessment of the updated VPA offer and preparation of the VPA but I had no role in the assessment of the development application as I am a strategic planner. I was not involved in the original VPA discussions for the first/original VPA offer. This first/original VPA offer included public domain works and a land dedication.

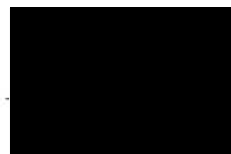
36. At the time, under the Hurstville City Council VPA Policy we did not have any guidelines for a method of calculating and identifying the value of contributions, such as land value capture. Hurstville City Council had a very simple VPA policy

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as the legislation and Department's Practice Notes on VPAs provided little direction.

37. The initial assessment of the VPA offer was made in terms of the facilities being offered and it was considered that they did not provide sufficient public benefit and were therefore not appropriate. For example, the public domain works identified adjacent to the site were not supported by council staff as these works would normally be required as a condition of any development consent. The VPA offer also included public domain works for the site opposite 1-5 Treacy Street, that council staff also did not support, as the site opposite was recently completed, the works were not something required to address the demands of the development and was not in the developer's ownership. The VPA offer also included the upgrade of the footpath and dedication of a portion of land adjacent to The Avenue for future road widening. Council's engineers were consulted and this land dedication was supported by council staff as it would be beneficial for the future road widening of the underpass under the railway line.

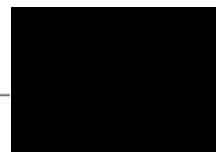
38. The VPA offer also included the dedication of a commercial tenancy and car space. We consulted with our property team about the offer for the commercial space. They did not want the commercial space as it was not in a location that would support community uses and the location and size did not support the types of services that council could offer.

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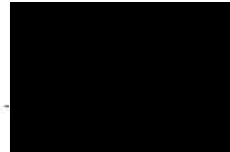
39. When evaluating the VPA offer for 1-5 Treacy Street, we consulted with the Development Assessment section to confirm that the public domain works that were proposed adjacent to the site in the VPA offer would be works that would be conditioned in the consent for the development if the development was approved. We also consulted with the Engineering Section to determine whether the public domain works opposite the site were required and they advised that they did not want the paving to be touched, and there was no need to have that done. We also spoke to the engineers about the proposed land dedication for footpath and road widening adjacent to the site and whether that was required, and it was confirmed that this would be beneficial. We consulted with the Property Section and the Community Services section to determine whether the commercial space was something that was required to address the demand from the development and whether there was a community need for the space in this location.
40. The report to Council outlined the public benefits in the VPA offer and summarised why the public benefits being offered were not considered to provide sufficient public benefit and were not appropriate. The report recommended that Council decline the VPA offer, however the VPA offer was accepted by the Council. The report did not provide a full assessment of the VPA offer or the acceptability test of the offer as this had not been completed at that stage.
41. I cannot recall why Mr Watt sought to impose a 1% road and traffic infrastructure monetary contribution after the VPA had been accepted by council. The Hurstville Section 94 Development Contributions Plan levied for open space and community

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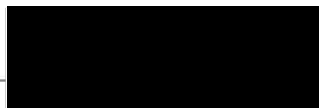
facilities. Due to an increase in development and planning proposals within the Hurstville City Centre, there was pressure in the City Centre to provide traffic management facilities and Council's engineers had identified road works and traffic facilities that were not levied in Council's Section 94 Plan but would be required.

42. The VPA offer for Treacy Street did not provide the information required for a VPA under the legislation (such as the security that would be provided for the works) and it did not include the key components for a VPA. After the VPA offer was accepted by the Council a draft VPA was submitted by the applicant. We requested legal advice from Council's solicitors on the draft VPA as the document did not reflect the offer that had been accepted by Council and did not provide all of the documentation required.

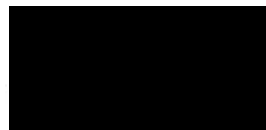
43. A letter of offer to enter into a VPA does not need to be in the full format of a formal planning agreement before it is assessed and considered by council staff as to whether the public benefits proposed address the demands from the development and are supported. However, following the Council decision on the VPA offer for 1-5 Treacy Street, we now require that prior to a VPA offer being reported to Council, that the letter of offer to enter into a VPA includes all of the information required in a planning agreement under the legislation (for example in terms of appropriate security and provisions for mediation, timing for provision of the public benefits) and that a full assessment of the VPA offer has been

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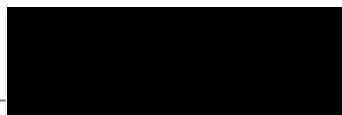
undertaken by council staff, solicitors and consultants. We have also required in some instances a Heads of Agreement to be signed by the developer with the letter of offer.

44. As I recall, under Hurstville City Council a VPA report would go up to an open council session and any economic assessment information such as reports on development costs and valuations provided by the developer or undertaken by Council, would be reported to the closed session of Council. However, this practice changed under the amalgamated Georges River Council so that all information on a VPA offer is presented in the open Council Meeting.


45. For 1-5 Treacy Street there were two further VPAs offers submitted in relation to subsequent development applications for additional storeys. As I recall the third VPA offer was submitted in conjunction with a development application that was subject to an appeal in the Land and Environment Court. The court case and discussions on the VPA offer were managed by Council's General Counsel Ms Jenny Ware and Director of Environment and Planning, Ms Meryl Bishop. I was not involved in the initial discussions with the applicants solicitors. During the court case process I was requested to provide the calculation for the VPA contribution based on the residual land values in the Georges River Council VPA Policy (2016) and the proposed uplift in the development application. Following this I was requested to urgently review the VPA offer.

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Landmark Square

46. The first VPA offer for the Landmark Square site provided a one million dollar monetary contribution. I was advised of the VPA offer after it had been made. I thought that the VPA offer was not reasonable given the scale of the proposed development, the potential uplift in value, and impacts of the development and that the VPA offer was conditional and only related to the hotel component of the development. Council requested legal advice on the VPA offer. At that stage, the planning proposal was still being assessed. The first VPA offer was withdrawn by the applicant and they requested that Council continue with its assessment of the planning proposal. This can occur because the VPA process is voluntary.
47. Council sought further legal advice on the relationship between planning proposals and VPAs and the role of VPAs in addressing the impacts of development by providing contributions for a public purpose above those in a section 94 plan as the VPA offer had been withdrawn.
48. The planning proposal sought to amend Hurstville LEP to rezone the land from IN2 Light Industrial to B4 Mixed Use, increase the FSR and building heights, and included a hotel. The VPA offer was complex as the developer did not own the whole site and the VPA offer did not relate to all of the land to which the planning proposal related.

Sensitive

Signature  Witness 

STATEMENT IN THE MATTER OF: Operation Galley
NAME: Nerida Stores

49. We also sought legal advice how a VPA would operate given the complexity in ownership of the site.

50. Prior to the VPA offer being withdrawn we engaged SGS Economics and Planning to review the planning proposal and VPA offer and to undertake a land value capture assessment to understand how we would evaluate the land value uplift to guide the value of the contribution. The applicant engaged their own consultants to perform an economic assessment as well.

51. In 2017, a VPA offer of approximately \$7 million dollars was submitted to Council. The VPA offer and a Heads of Agreement were reported to Council in August 2017 and accepted by the Council.

52. I worked on the preparation on the VPA with the Manager of Strategic Planning. I was on leave during some of the final stages of the preparation of the VPA.

Sensitive

Signature

Witness

ANNEXURE 1

-TC then said that the A.CM wanted the Council report on the ELS to recommend what the Councillors wanted on certain sites
 -Durham St Penhurst Lane - Penhurst St. She stated that the heights & FSLs the Councillors stated at the Nov. 15 Workshop were what they wanted

She stated that the Councillors (Con, Vice) could not make changes to the recommendations of the ELS in open Council. They wanted the ~~staff~~ staff to recommend what they wanted.

I stated I would not write a report to say this. We can only write & recommend what is in the ELS. We can ~~only~~ state what the Councillors request but the Councillors have to make a decision.
 TC said they don't want this.

I told Tina that someone else or GM could have to write the reports as I would not do it. TC stated that A.CM said we should look @ consultants write a report which recommends what Councillors want. I said this is not ~~appropriate~~ appropriate & it would have to be under direction of the GM.

Tina I to meet in week of 9 Jan 10 to discuss Councillor workshop & report.

ANNEXURE 2

21 12 15

Meeting Nigel Dickson, Brett Country, Mayor (V&A)
 Cl Con Threlk, Laurie O.C., Tim & Laura O.C.
 Urban / Forest Rd Planning Proposal

nd - progressing the revised P.P plans

- amending the hits of the buildings
 consistent with the airport. Underst
 Federal app. may
- hotel - 4-5 star, VIP component
 - business functions
 - lobby space
- 18m
 Forest 13 → 20 stories
- FSR - 9.6:1 with the hotel
 component.
 - 290 rooms
 - 150 room hotel
- double hit retail
 - supermarket
- hotel - 2 levels of podium
 - northern tower
- no above gr. parking

ANNEXURE 2

- updated the solar studies

- will be present

- base FSR 3.5:1

incentive 1 to 1.5:1

CA asked BT what height would be apply

- BT suggested 7:1

- should give the site height

- No. 1 Railway Parade, Kogarah - 10
used to quality

NO outlined they are aim for a quality
development

NO - explained that they are @ odds
with the DRP comments

- mtg early January ~~after~~ 7 Jan. 2016

CA - raised issue re size of the site would
want a site specific OCP similar

ANNEXURE 3

**Hurstville City Council****File Note**

To: File
From: Nerida Stores, Executive Strategic Planner
File no: Meeting re draft Employment Lands Study and Council report
Date: 9 February 2016, 5.00pm – 5.55pm
Subject: Meeting with Councillors re Draft Employment Lands Study and Council Report

In attendance:

The Mayor Vince Badalati (VB);
Councillor Con Hindi (CH);
Acting General Manager – Laurie O'Connor (L'O);
Acting Director of Planning and Development Tina Christy (TC);
Executive Strategic Planner – Nerida Stores (NS)

Time:

5:00pm to 5.55pm

TC advised that the Council report on the draft Employment Lands study (ELS) will not go to the Council meeting on 17 February 2016 but will go to the next meeting in March. TC advised that the draft report did give an FSR 0.6:1 option for the Penshurst Street site as the consultants had provided an option of either 1:1 or 0.6:1, which is consistent with the surrounding residential area. The report however still recommends the height and FSR controls for the Durham Street and Penshurst Lane sites recommended by the ELS.

TC advised that the staff can only report what it recommended in the ELS. TC noted that the height and FSR are only preliminary recommendations as this stage and can be reviewed by Council following community consultation if Council endorse the draft Industrial Strategy. The Council then have the opportunity to hear the communities and landowners comments regarding the zones and controls. The Council then have the opportunity to reconsider the proposed controls and make a decision when it is reported back to Council.

TC and NS outlined that it was necessary to follow the process of Council endorsing a strategy for the industrial lands prior to Council preparing a planning proposal to rezone industrial sites. TC stated that the draft Study provides the strategy for all the industrial lands and identifies what land is required for the future. This information is needed to support and justify any changes to the industrial zones. CH acknowledged it is important to follow the process.

NS advised that Parramatta Council have implemented a similar process of preparing a Study and a strategy and undertaking community consultation prior to preparing the

ANNEXURE 3

Planning Proposal. The Council there resolved to not support all of the recommendations of the study.

Both the VB and CH raised concerns over the controls on a number of sites (Durham Street, Penshurst Street and Penshurst Lane) and that they could not understand why the Durham Street site had not been allocated higher FSRs and bonus FSRs for a hotel given the size of the site, whilst other sites such as Penshurst Lane, which is smaller, has the same FSR.

L'O noted that an alternative option to putting the ELS to the Council Meeting in March is to defer the report. This would mean that Planning Proposal for the Durham/Landmark Square site would be assessed without the draft Strategy being considered. NS noted that the applicant was two weeks away from submitting the Planning Proposal documentation for the revised scheme for the site.

NS indicated the concern with this option is that if the Council do not have an endorsed draft industrial lands strategy, staff do not have any Council endorsed strategy or study which could be referred to when assessing the Planning Proposal for the Durham/Landmark Square site under the Ministerial Directions. NS explained that Council is required to justify any changes to an industrial zone by a strategy or study and read out the s117 Direction 1.1 clause that states that any planning proposal must if inconsistent with the Direction be justified by a strategy which is approved by the DG of the Department of Planning or justified by a study. The Landmark Planning Proposal would not satisfy the Ministerial Direction. Even if the Councillors were to support the Planning Proposal, the Dept would require at the Gateway stage an industrial lands strategy and justification for rezoning a 1.4ha industrial site. CH did not agree with this as he considered that the rezoning from IN2 to B4 Mixed Use was from one employment use to another and could be justified.

In addition NS noted another concern is that without an endorsed draft Strategy, Council will receive a number of Planning Proposals from Kingsgrove, Arcadia Street and Forest Road.

There was discussion regarding the overall built form of the City Centre and the different heights and FSRs on various sites. NS explained that Council had engaged GMU to undertake a review of the City Centre eastern bookend planning controls where a number of sites were recommended to be rezoned to B4 in the draft ELS and where Council had received Planning Proposals. CH noted that everyone has different views of what is appropriate and that the City Centre should have high towers at the bookends and in the middle.

CH raised concern that some landowners of industrial sites in Penshurst Street and Forest Road were already using the information from the ELS to market their land and that some owners had received information prior to Councillors receiving the outcomes of the ELS. NS explained that Jones Lang LaSalle had been engaged on the 23 September 2014 and that they had not released any information to landowners in Dec 2014. Landowners may have undertaken their own studies and speculated on that basis. NS noted that she had a meeting with Con an owner Forest Road and that he had commissioned his own work to consider a rezoning and she had meet with him re the ELS status and process.

ANNEXURE 3

Meeting concluded with VB and CH indicating that the draft Employment Lands Study not be reported back to Council and that it remain deferred at this stage. They asked if a timeframe had been set. NS noted that the Council resolution from the 9 December did not set any timeframe. VB and CH agree to defer the report until a later date and that Council consider an assessment report on the Planning Proposal for Durham / Landmark Square site in the interim.

Nerida Stores
Executive Strategic Planner

ANNEXURE 4

FW: Meeting with Councillors and Nigel Dickson

From: Nerida Stores <nstores@hurstville.nsw.gov.au>
To: Carina Gregory <cgregory@hurstville.nsw.gov.au>
Date: Thu, 03 Mar 2016 21:59:29 +1100

Hi Carina

I spoke to Tina today re a meeting the Julie had organised with the Mayor, Councillor Hindi and Sansom, Nigel Dickson and Laurie. I raised concern over the meeting for a number of reasons and that concern that I was the only one attending (Tina is away on Monday).

I sent the email below the evening to Laurie and Tina.

I will call you tomorrow to discuss this and also Employment Lands study

I hope your course was good today.

Regards
Nerida

From: Nerida Stores
Sent: Thursday, 3 March 2016 9:53 PM
To: Tina Christy; Laurie O'Connor
Subject: Meeting with Councillors and Nigel Dickson

Hi Tina and Laurie

With regard to the meeting on Monday with Nigel Dickson, if the meeting is on the Planning Proposal, it would be best that I not attend as I am now working on the VPA offer. I am happy to attend to assist in any discussion on the Employment Lands Study and VPA if you need.

Kerry who is assessing the Planning Proposal is not in on Monday and she is unable to come in for the meeting as she is working elsewhere that day.

Is it possible that the meeting with Nigel be held on Thursday or Friday once the Planning Proposal has been assessed and report published? We could not discuss the assessment of the Planning Proposal at the Monday meeting. Also Kerry may be available then.

Also with regard to the VPA, we only received confirmation yesterday from the applicant that the VPA offer of \$1million remains. I rang Lindsay Taylor yesterday and today and left messages to discuss the VPA offer and the process, as the offer is complex as the applicant is not the owner of the land and they may not be undertaking all of the proposed development on the site. I would also like Lindsay's advice re the Planning Proposal report going up prior to the VPA assessment and report.

I spoke to Pat Fensham today about undertaking the value capture process on the VPA offer and the earliest one of his team can meet and discuss it is next week.

We are moving as quickly as we can on both the assessment of Planning Proposal and VPA offer. Kerry will be in tomorrow to continue her assessment of the Planning Proposal and work on the report. I am currently finalising the Employment Lands Study report and Jones Lang LaSalle are revising the format of the Study so that it covers only the industrial land recommendations (not the commercial lands).

Please call me on my mobile if you want to discuss further.

Regards
Nerida