



Council Chambers  
17 June 2024

**An Extraordinary meeting of Council** will be held on Cammeraygal lands at the Council Chambers, North Sydney at **9:00am** on Tuesday 18 June 2024. The agenda is as follows.

**THERESE COLE**  
**CHIEF EXECUTIVE OFFICER**

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- 1. Opening of Meeting**
  - 2. Acknowledgement of Country**
  - 3. Apologies and applications for leaves of absence or attendance by audio-visual link by councillors**
  - 4. Disclosures of Interests**
  - 5. Public Forum**
  - 6. Notices of Motion/Questions with Notice**

11.1 Notice of Motion 09/24: Neutral Bay Village - Low to Mid-Rise Housing Reform - Cr Spenceley

**12. Matters of Urgency**

Raised by Councillors

**13 Closure of Meeting**

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**TO:** The Mayor Zoë Baker, and Councillors Beregi, Bourke, Gibson, Lamb, Lepouris, Mutton, Santer, Spenceley, and Welch

**EXTRAORDINARY MEETING OF COUNCIL TO BE HELD ON TUESDAY 18 JUNE 2024**

**1. OPENING MEETING**

**2. ACKNOWLEDGEMENT OF COUNTRY**

**3. APOLOGIES AND APPLICATIONS FOR LEAVES OF ABSENCE OR ATTENDANCE BY AUDIO-VISUAL LINK BY COUNCILLORS**

**4. DISCLOSURES OF INTEREST**

**5. PUBLIC FORUM**

**6. NOTICES OF MOTION**

**6.1 Notice of Motion 09/24: Neutral Bay Village - Low to Mid-Rise Housing Reform - Cr Spenceley**

**1. THAT** Council notes the invalid response provided by Council staff to the Department of Planning, Housing, and Infrastructure (DPHI) on 15 May 2024 in response to the Station and Town Centre Selection Form and the failure to implement a lawful resolution of Council made on 12 February 2024.

**2. THAT** Council notes the response fails to positively implement Council's resolved position and serves to undermine Council's resolved position.

**3. THAT** Council writes to the DPHI to formally rescind its earlier response to the Station and Town Centre Selection Form, requesting acknowledgement of the rescission from the DPHI.

**4. THAT** Council resolves to submit a transparent and authorised response to the Station and Town Centre Selection Form, that represents the Council resolution dated 12 February 2024, including justifications to demonstrate that Neutral Bay is unsuitable for inclusion, including addressing the DPHI criteria as well as the assessment of the town centre including:

- transport capacity including:
    - lack of train service
    - the quality and capacity of bus service
  - the extended linear nature of the Village and resulting difficulty in access
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- Council's existing and further commitment to high quality place-based planning

**5. THAT** the CEO facilitates an industry appropriate review of the internal process that resulted in a submission on the Station and Town Centre Selection Form that was contrary to Council's resolved position.

**6. THAT** the CEO reports back to Council on all appropriate measures to rectify the relevant contravention and documents actions and improvements to strengthen Council processes.

#### **Chief Executive Officer Note – 17 June 2024**

##### **Introduction**

The following commentary and information are provided to assist Councillors in their consideration of a proposed Notice of Motion concerning the Council's position on the State Government's Low to Mid-rise housing reforms.

This note is aimed to provide Councillors with a brief of Council Officers' actions in response to Council's resolution of 12 February 2024, along with the response to concerns raised by the community.

##### **Background**

NSW State Government housing reforms were released in December 2023 with an exhibition period from 15 December 2023 to 23 February 2024.

In response, Council staff drafted a Council report which was considered by Council on 12 February 2024. At the meeting, Council resolved to refrain from identifying any E1 centres or MU1 zones as "town centre precincts".

To assist with the community's understanding of the proposed housing reforms, a community information forum was held 14 February 2024, with concerns captured during the session incorporated into Council's submission which was lodged 23 February 2024 (copy attached).

On 8 May 2024, the NSW Government released a 'Low and Mid-Rise Housing Policy Refinement Paper' to Council staff, including more specific criteria for "town centres" than initially exhibited.

The details and direction in relation to the 'Low-and Mid-Rise Housing Policy refinement Paper' were included in a briefing to Councillors on Monday 20 May 2023.

##### **Interactions between NSC senior staff and State Government**

On 8 May 2024, the Department of Planning, Housing, and Infrastructure (DPHI) requested a workshop meeting with Council officers. Attached to their meeting request was a *Low- and Mid-Rise Housing: Station and Town Centre Selection Form* accompanied by the Low-and Mid-Rise Housing Policy Refinement Paper.

The Low-and Mid-Rise Housing Policy Refinement Paper was released following DPHI consideration of submissions made. This paper included Section 2.2.5 'Initial list of town centres' inclusion criteria, including the presence of a full-line supermarket and regular bus service.

In preparation for the workshop with DPHI, Council officers were requested to complete a form for each location within North Sydney outlining, based on planning assessments, whether the location met the policy criteria for inclusion as a station and town centre precinct.

Council officers assessed each of the seven (7) Station Precincts and the seven (7) centre precincts of Cammeray Square Shopping Centre, Cremorne (MU zoned area only), Crows Nest (North Sydney side), Milsons Point, Neutral Bay, North Sydney, and St Leonards (North Sydney side) against the policy criteria outlined in the refinement paper.

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For each of the centre responses, Council Officers made a clear recommendation except for Neutral Bay.

Council officers were conflicted in making the assessment against the selection criteria due to the centre predominantly meeting the criteria outlined in the refinement paper. The difficulty in making a recommendation in this instance was that, outside of bus capacity arguments, the key argument for Neutral Bay not being included in the policy as a town centre is both the linear nature of the shopping strip, and the recent and extensive place-based planning already undertaken. Neither of these arguments were included within the refinement paper under 2.2.3 criteria for further exclusion. A review of the circumstances on which the form was completed was undertaken. It was found that the form was completed within a short period of time ahead of a meeting with DPIE. Council officers did not complete the form on the basis that it was to be an extensive response or an official and formal nomination form for the purposes of inclusion within the policy; Council officers completed the form on the basis that it was requested by DPPI to identify contentious town centres for further discussion within the meeting to follow.

On the basis that Neutral Bay predominately met the town centre criteria, staff responded 'YES – as per criteria only – contrary to council resolution'. Further detail including relevant information to the selection criteria and criteria for exclusion was provided in the 'key reasons' column. Council's resolution was again expressed in this column.

While it is noted that the 'key reasons' column was only required if the initial answer was 'NO', it is noted that Council officers provided commentary for all centres regardless of whether this nomination was 'YES' or 'NO'.

While consistent with a planning assessment of the criteria, the wording of 'YES' for Neutral Bay inclusion is inconsistent with Council's resolution adopting a position to refrain from identifying MU zones as 'town centre' precincts. This has understandably created concern within the community that the content of the form is to be used as a nomination or endorsement of Neutral Bay as a 'Town Centre precinct'. No recommendation was made by Council officers in relation to Neutral Bay on the form, as had been done with all other centres.

This was due to the conflict that existed between the selection criteria and Council's argument against the centre being included, i.e., the linear nature of the shopping strip and the recent and extensive place-based planning undertaken in the centre. DPPI had requested the form be completed to assist in focusing the conversation of the meeting to follow. By not making a recommendation and by identifying that the assessment conflicted with Council's position, Council officers deferred the argument to the meeting.

It is acknowledged that the response to the form should have been 'NO' regardless of the satisfaction of the eligibility criteria to ensure clarity regarding Council's position. However, this form should not be considered in isolation of representations made through formal written submission and representations made at the meeting with DPPI, which have been consistent with Council's resolution.

Council's resolution and position in relation to Neutral Bay has been made clear in the submission to DPPI lodged 23 February 2024, and subsequently published. Further, in the meeting held between Council Officers and DPPI, the case against the town centre criteria as published in the refinement paper has been made clearly - specifically, the extended linear nature of the shopping strip and the recent place-based planning. In

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the subsequent meeting, an argument was made against the eligibility criteria contained within the refinement paper.

The completion of the DPHI feedback form, with the benefit of hindsight, should have been completed differently however the intention of Council Officers was not to undermine Council's position. The focus of the argument made by Council Officers was with the selection criteria itself as it applied to Neutral Bay. The intent of Council's resolved position has been upheld consistently throughout the post-exhibition.

Upon the concerns being raised with the Mayor, the Mayor wrote to the Secretary of DPHI to clarify and confirm Council's position in relation to this matter.

**Meeting held between DPHI and Council Officers held 17 May 2024.**

Council officers report that at the commencement of the meeting, it was reiterated that the responses provided in the pre-meeting form were made based on the revised criteria set by the Department of Planning but did not represent proper strategic planning for growth and change nor Council's position. In addition, it was reconfirmed that, even though some of the centres appear to meet the DPHI criteria, Council did not support this blanket approach for the centres or station catchments. Throughout the meeting, whilst respectful and professional, a robust exchange of differing views took place.

With respect to Neutral Bay specifically, it was highlighted that Council had recently exhibited a planning study for the area and reinforced that this was the preferred way to manage and guide growth. Council staff also raised specific concerns regarding accessibility levels within Neutral Bay, particularly the already challenged bus capacity. In addition, it was challenged that the extended linear nature (along Military Road) of the mixed-use zoned areas of Neutral Bay and Cremorne did not provide a sufficient planning basis for eligibility to bluntly apply widespread uplift in the surrounding 400 and 800m catchments as proposed.

Other matters discussed at the meeting, and for which clarity was sought, were around the practical application of any reforms including methodology for measurement of catchments, whether mapping would be undertaken, and the clearly unresolved policy position on heritage and character considerations. Questions were also asked on timing, staging, and whether a detailed response to Council's specific concerns would be forthcoming and how any changes would be communicated to the public.

**Concerns raised by community and response.**

Community concerns, requests, and complaints are a normal and regular occurrence within NSW Local Government.

This concern was initially raised with the Mayor, who took the following actions:

- responding to community members;
- writing to the Deputy Secretary of DPHI confirming Council's position; and
- requesting the CEO investigate the matter.

As CEO, I was unaware that this matter had been raised with any other Councillor or that concerns were held by Councillors. Typically, when a matter is brought to my attention, I investigate firstly to ensure that any information provided to Councillors is fully informed.

The timeline of events has been as follows:

Tuesday 11 June: concerns raised by community in relation to council representations.

Tuesday 11 June: Mayor responds to community questions and concerns.

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- Tuesday 11 June: Mayor writes to Department Secretary, DPIE to confirm Council's position.
- Tuesday 11 June: CEO meets with Council officers to discuss community concerns, and requests briefing on meeting held with DPHI, particularly as relevant to Neutral Bay.
- Wednesday 12 June: Request made for letter to be drafted to DPHI confirming content of meeting.
- Wednesday 12 June: Extraordinary meeting request made to consider Notice of Motion.
- Thursday 13 June: Mayor agrees to extraordinary meeting.
- Thursday 13 June: Media Exclusive: Claim that NSC greenlighted state-led development of Neutral Bay over councillors' opposition.
- Thursday 13 June: CEO receives draft letter to DPHI outlining content of meeting for review. Letter now put on hold, and resources diverted to preparing for extraordinary meeting.

### **Summary**

From an examination of relevant documentation and interviews with relevant staff, I am of the view that there has been no intentional undermining of Council's resolved position. The completion of the DPHI feedback form, with the benefit of hindsight, should have been expressed differently however, with the exception of this form, the intent of Council's resolved position has been upheld consistently throughout the post exhibition process. To address concerns regarding the wording of the pre-meeting form, a letter will be sent to DPHI confirming the position presented at the meeting. The concerns raised have highlighted the sensitivities regarding interpretation of requests from DPHI regarding housing reforms. Council officers will be more careful in their interpretation of such requests in future.

The current environment of housing reforms, including the pace of these changes, has created considerable pressure on planning staff across the Greater Sydney area. The staff at North Sydney Council have worked diligently to analyse the impacts of these changes, assist the community understand the NSW Government's proposals, and argue the Council's position in relation to these reforms. I have full confidence in the efforts and ability of Council officers to support council's position in relation to the NSW Government Housing Reforms.

## **12. Matters of Urgency**

Nil

## **13. CLOSURE**

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