

Item 4.

Public Exhibition - Planning Proposal - 133-145 Castlereagh Street, Sydney - Sydney Local Environmental Plan 2012 and Sydney Development Control Plan 2012 Amendment

File No: X126643

Summary

Despite the challenges of hybrid working and Artificial Intelligence (AI) on business confidence to forward plan workspace demand, Central Sydney continues to be Australia's leading economic centre by attracting business investment and being a preferred location for leading businesses, workers, residents and visitors. The Central Sydney Planning Strategy prioritises future productive floor space growth with increased capacity in areas that can accommodate greater building height and floor space. The Strategy protects Central Sydney's heritage and public place amenity, encourages pedestrian connections and the use of public transport, and moves towards a more sustainable city.

A planning proposal has been prepared for 133-145 Castlereagh Street, Sydney, following a request by the proponent to amend the planning controls for the site. Known as the Piccadilly Centre, the site fronts both Castlereagh and Pitt Streets, in an area with excellent public transport accessibility, and a high concentration of retail and entertainment premises.

The planning proposal seeks to amend planning controls for the site to provide for 2 different development options, dependant on landowner preferences and market conditions:

- commercial development comprising office, retail and other non-residential uses, including continued use by the Uniting Church of Australia's Wesley Mission
- mixed-use development with retail and commercial development in the podium and lower tower, and residential in the upper-most part of the tower

Both scenarios are consistent with the Central Sydney Planning Strategy, and both options retain and upcycle the existing Castlereagh Street commercial tower and basement superstructure for embodied carbon savings while removing the part of the building that currently exceeds the Hyde Park Sun Access Plane. Each option integrates additional floor space on the site, with public domain improvements to improve the quality of the surrounding public places, similar to the 3XN + BVN tower developed by AMP at 50 Bridge Street.

A draft site-specific development control plan has been prepared to support the planning proposal, detailing building envelopes for each option and providing guidance on the built form, public amenity, access and loading, heritage, sustainability and design excellence.

The proponent has submitted a public benefit offer to enter into a planning agreement for a number of benefits including public access to the through-site link and removal of the Castlereagh Street car park vehicle ramp and re-instatement of the footpath.

The proponent will also remove 2 end of life elevated skybridges spanning over Pitt and Castlereagh Streets and make good the buildings they are connected to.

This report recommends approval of the planning proposal for submission to the Department of Planning, Housing and Infrastructure seeking a Gateway Determination, followed by public exhibition and referral to government agencies for comment. It recommends that a draft site-specific development control plan (DCP) is also endorsed for exhibition. The planning proposal, draft DCP and draft voluntary planning agreement will be exhibited concurrently, after which any issues raised in submissions will be reported back to Council and the Central Sydney Planning Committee.

Recommendation

It is resolved that:

- (A) Council approve Planning Proposal - 133-145 Castlereagh Street, Sydney, as shown at Attachment A to the subject report, to be submitted to the Minister for Planning and Public Spaces with a request for Gateway Determination;
- (B) Council approve Planning Proposal - 133-145 Castlereagh Street, Sydney, as shown at Attachment A to the subject report for public authority consultation and public exhibition in accordance with any conditions imposed under the Gateway Determination;
- (C) Council seek authority from the Minister for Planning and Public Spaces to exercise the delegation of all the functions under section 3.36 of the Environmental Planning and Assessment Act 1979 to make the local environmental plan and to put into effect Planning Proposal - 133-145 Castlereagh Street, Sydney;
- (D) Council approve the Draft Sydney Development Control Plan 133-145 Castlereagh Street, Sydney, shown at Attachment B to the subject report for public authority consultation and public exhibition concurrent with the Planning Proposal;
- (E) authority be delegated to the Chief Executive Officer to make any variations to Planning Proposal - 133-145 Castlereagh Street, Sydney, to correct any drafting errors or to ensure consistency with the Gateway Determination;
- (F) authority be delegated to the Chief Executive Officer to make any variations to Draft Sydney Development Control Plan 2012 - 133-145 Castlereagh Street, Sydney, to correct any drafting errors or ensure it is consistent with the Planning Proposal following the Gateway Determination; and
- (G) Council note the Chief Executive Officer will prepare a draft planning agreement in accordance with the letter of offer dated 24 September 2025 at Attachment C to the subject report, and the requirements of the Environmental Planning and Assessment Act 1979, to be exhibited in accordance with the Act.

Attachments

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| Attachment A. | Planning Proposal - 133-145 Castlereagh Street, Sydney and Appendices |
| Attachment B. | Draft Sydney Development Control Plan 2012 - 133-145 Castlereagh Street, Sydney |
| Attachment C. | Letter of Intent Public Benefits Offer |

Background

1. In November 2025, a request to prepare a planning proposal was lodged by Stockland for 133-145 Castlereagh Street, Sydney. The site is shown in Figure 1.

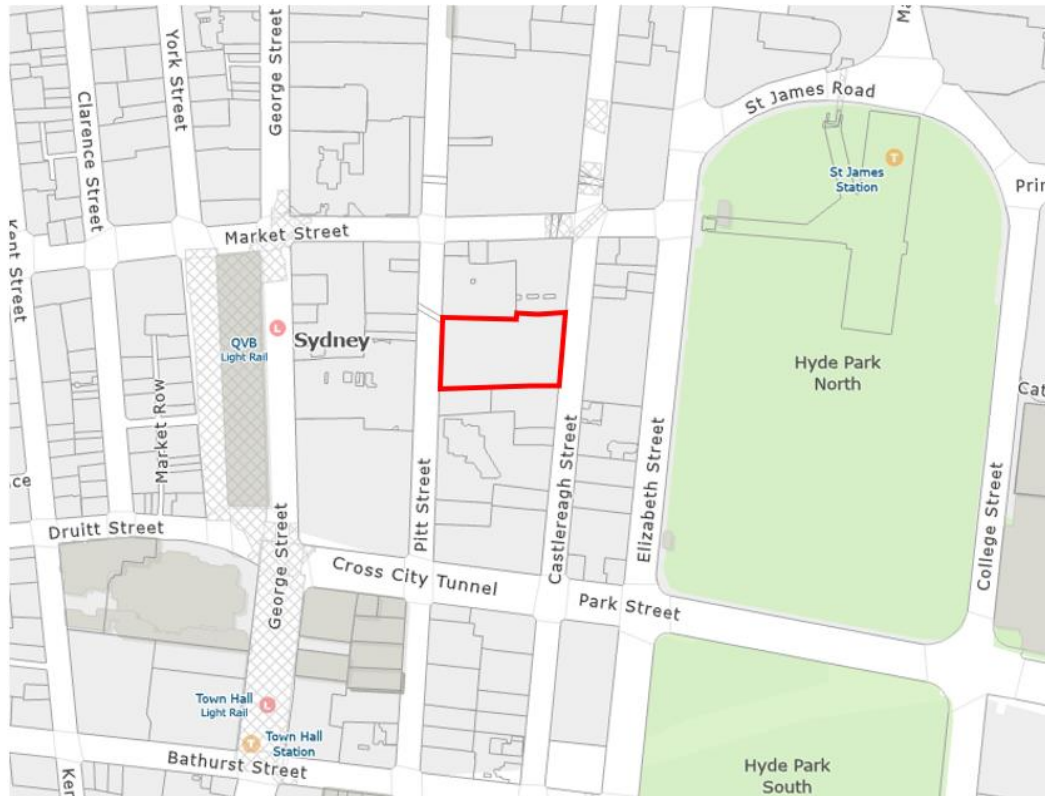


Figure 1: Site outlined in red

2. The site has a total area of 4,800sqm and has frontages to Castlereagh Street and Pitt Street. The underlying site is owned by the Uniting Church in Australia Property Trust.
3. Three buildings on the site are collectively known as the Piccadilly Centre complex, comprising a 2-storey building with retail premises and Wesley Mission entry foyer, and 2 office towers, 14 and 31 storeys in height. The 31-storey tower, fronting Castlereagh Street, currently penetrates the Hyde Park Sun Access Plane.
4. A 4 to 5 level basement extends across the site, with entry from a ramp parallel to Castlereagh Street, and a separate exit driveway is further south. The basement includes Wesley Mission facilities and 274 parking spaces, mostly used for public paid car parking. Two unused pedestrian skybridges over city streets formerly connected pedestrians to this site: one over Castlereagh Street to the Sheraton on the Park Hotel; and one over Pitt Street to the building at 55 Market Street. Images of the site are at Figures 2 and 3.



Figure 2: View of the site, in orange outline, from Castlereagh Street looking south

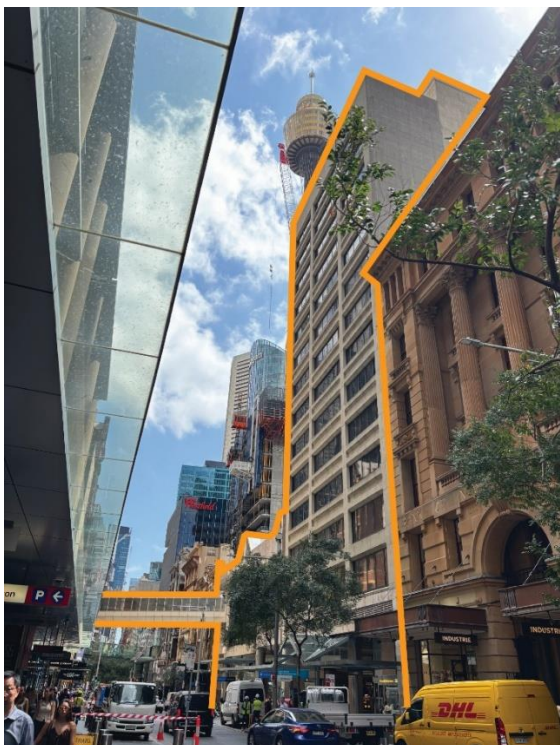


Figure 3: View of the site, in orange outline, from Pitt Street looking north

5. Further details of the site and existing planning controls are found in the planning proposal at Attachment A to this report.

A previous planning proposal on this site which was withdrawn in 2023

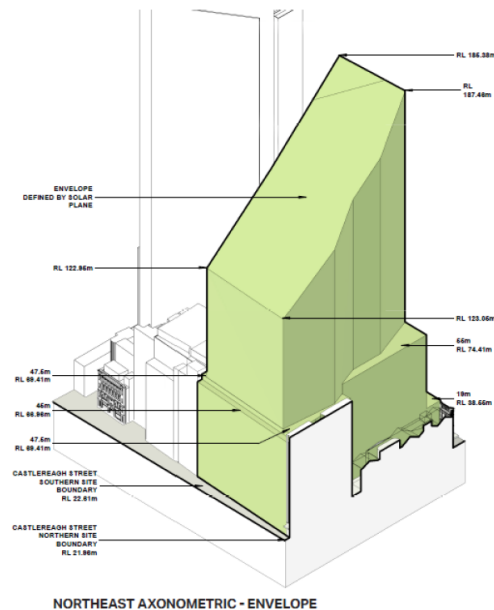
6. A previous planning proposal on this site was lodged in 2020 for full demolition and new build. It was reported to the Central Sydney Planning Committee and Council in June 2021 and approved to proceed to a Gateway request and public exhibition. However, the exhibition did not proceed as the proponent withdrew the application to replace it with a part upcycle and reuse proposal to include the retention of the Castlereagh Street tower superstructure, with embodied carbon savings and cost savings.

The proponent requested changes to floor space controls to allow for either retail and commercial only development, or a mixed-use retail, commercial and residential scheme

7. The proponent has requested controls to enable either of 2 development schemes on the site, dependant on commercial decisions and market conditions. One scheme will allow a commercial development and include the retention of the Wesley Mission facilities. An alternate scheme will allow a mixed-use scheme with both commercial and residential uses, but not the Wesley Mission facilities.
8. Both schemes will feature:
- (a) maximum height up to the height of the Hyde Park Sun Access Plane. For each option this will be:
 - (i) RL 187.46m, or around 43 storeys for the commercial scheme
 - (ii) RL 187.29m or 44 storeys, due to the increased setbacks at the top of the tower, and lower floor to ceiling heights for residential uses
 - (b) maximum gross floor area of around 99,216sqm, or FSR of 20.67:1 above ground and 5,664sqm or FSR of 1.18:1 below ground
 - (c) retention of most of the existing Castlereagh Street tower and basement structure, with the exception of the part that breaches the Hyde Park Sun Access Plane
 - (d) redeveloped podium extending across the whole site with a single tower
 - (e) single driveway from Castlereagh Street to support the reinstatement of the Castlereagh Street footpath
 - (f) removal of the existing commercial car park
 - (g) removal of the 2 skybridges over Pitt Street and Castlereagh Street
 - (h) pedestrian through-site link between Pitt and Castlereagh Street
 - (i) affordable housing contributions under the City's policy settings when the proposal was lodged
9. The commercial scheme provides for around 42,000sqm of future workspace above ground and 1,200sqm of additional floor space in the basement. This scheme includes the retention of the existing Wesley Mission facilities.

10. The mixed-use scheme provides for around 14,000sqm of future workspace, and around 15,000sqm of new residential floor space, with around 1,210sqm of additional floor space in the basement. The Wesley Mission is not anticipated to be retained on the site in this option, with the floor space in the basement converted to other uses. The mixed-use scheme planning envelope has greater setbacks in the upper tower to accommodate residential use while being able to achieve compliance with the Apartment Design Guide.
11. Images prepared by the proponent of the indicative development outcomes can be found at figures 4 to 7.

Envelope #1 – Commercial Scheme



Envelope #2 – Mixed Use Scheme

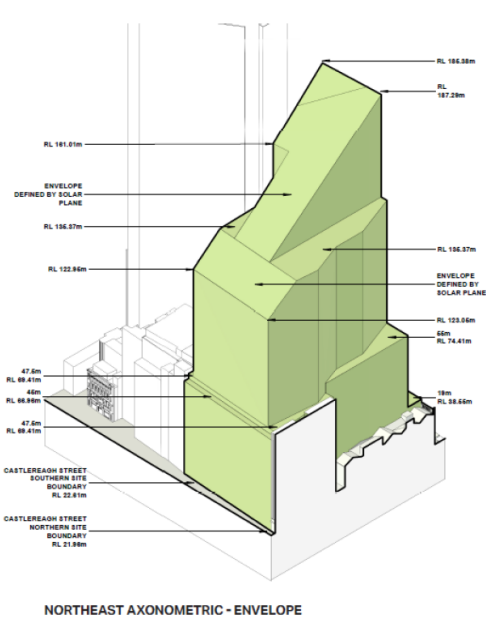


Figure 4: Planning envelopes for the commercial scheme (left) and mixed-use scheme (right)



Figure 5: Artist's impression of the mixed-use development scheme, looking north-west



Figure 6: Artist's impression of the commercial scheme, looking from Pitt Street



Figure 7: Subject to a competitive process, an artist's impression of the development, including through-site link from Pitt Street

The City has prepared a planning proposal to increase the height and floor space controls to facilitate the proposed redevelopment of the site for either option

12. The planning proposal will amend the Sydney Local Environmental Plan 2012 (Sydney LEP 2012) by inserting new site-specific provisions that:

- (a) permit a maximum floor space ratio of 21.85:1 on the site, inclusive of the following:
 - (i) a maximum floor space ratio of 20.67:1 above ground comprising:
 - a. the mapped floor space ratio (in accordance with clause 4.4);
 - b. accommodation floor space (clause 6.4)
 - c. end of journey floor space (clause 6.6)
 - d. additional site specific floor space after a-c in this sub-clause is used
 - e. design excellence floor space up to 10% of the sum of the above listed floor space (clause 6.21D)
 - (ii) a maximum floor space ratio of 1.18:1 below ground
- (b) prevent development consent being granted under this clause unless the consent authority is satisfied that the building:
 - (i) retains a significant portion of the existing Castlereagh Street tower and basement structure under the Hyde Park Sun Access Plane
 - (ii) does not exceed the Hyde Park Sun Access Plane

- (iii) includes a pedestrian through-site link connecting Castlereagh Street to Pitt Street with retail premises fronting this link
 - (iv) removes of the vehicle entry ramp parallel to Castlereagh Street and realigns the footpath in this street
 - (v) removes the sky bridges over Pitt and Castlereagh Streets
 - (vi) provides adequate on-site loading facilities including waste collection to service the development
 - (vii) will not be used for a commercial car park
 - (viii) does not allocate more than 15% of above ground floor space as residential uses
- (c) clarify that no additional building height is available under clause 6.21D(3)
- (d) clarify that clause 6.9 Opportunity sites does not apply to this site
13. Further explanation of the provisions can be found in section 4 of the Planning Proposal.

Affordable housing requirements will be set out in an amendment to the Sydney LEP 2012

14. It is proposed to add the site to Schedule 6C Contribution requirements, to specify the affordable housing contributions consistent with the City's program at the time the proposal was lodged, for the uplift development as a result of the planning proposal.
15. The rezoning contribution will apply as per the affordable housing program in place when the proposal was lodged, which required an additional 10% of residential uplift through the planning proposal (rezoning). The additional contribution on the planning proposal floor space will be apportioned according to the split of uses across the whole building, which is 15% residential and 85% non-residential. This scenario suggests 15% of the total uplift will attract the additional 10% contribution.
16. In addition, the standard contribution of 3% residential and 1% non-residential floor space under clause 7.13 of the LEP will also apply across the whole development.
17. A revised affordable housing program and associated planning proposal was endorsed by the Central Sydney Planning Committee (CSPC) and Council for public exhibition in December 2024. This was reported back to Council and CSPC for adoption in May 2026, after the planning proposal was lodged.
18. Draft or proposed changes to monetary contributions, such as increased developer contributions, are not typically a matter for consideration in making a decision about a planning proposal. While the City makes proponents aware of draft contributions and proponents may opt to make a public benefit offer in line with a draft contribution, there is no precedent for the City imposing an additional contribution prior to it coming into force. The December 2024 report to Council and CSPC on the draft affordable housing program stated the proposed rezoning contribution would come into effect upon adoption of the Program.

Changes to the Development Control Plan will make sure the development fits within the area, and protects amenity with good access and activation

19. A draft site-specific development control plan (DCP) is at Attachment B and provides further guidance for development facilitated by this planning proposal. The draft DCP includes:

- (a) maximum building envelopes for both the commercial and mixed-use schemes, including setbacks, street wall heights and heights
- (b) active frontages
- (c) pedestrian through-site link connecting Pitt Street and Castlereagh Street
- (d) vehicle access and loading
- (e) environmentally sustainable development targets
- (f) public domain improvements
- (g) public art
- (h) design excellence
- (i) flooding

A Voluntary Planning Agreement will deliver benefits including a publicly accessible through-site link

20. The proponent has offered to enter into a Voluntary Planning Agreement (VPA) with Council to deliver public benefits as part of this planning proposal. The Environmental Planning and Assessment Act 1979 (the Act) allows the proponent to enter into a legally binding VPA with Council. VPAs are voluntary and must be freely entered into by the public authority and a proponent. They are also publicly exhibited and held on a publicly accessible register.

21. The letter of offer at Attachment C to this report outlines the proposed public benefits. The benefits will be:

- (a) pedestrian through-site link with public access easement for 24/7 use
- (b) removal of the parallel Castlereagh Street vehicle ramp to the basement and reinstatement of footpath
- (c) environmental performance where these exceed those required by the Sydney DCP 2012

22. Two benefits that are not considered to be public benefits and will be required as part of the planning proposal are:
 - (a) the removal of the existing breach of the Hyde Park sun access plane
 - (b) environmental performance upfront carbon initiatives involving embodied carbon savings from retention of the existing structure
23. The value of the VPA will not offset local infrastructure contributions required under the s7.12 contributions plan or housing and productivity contributions under division 7.1, subdivision 4 of the Act. These will be addressed as part of the future development application.
24. The VPA will be prepared and publicly exhibited with the planning proposal and site-specific DCP.

The proposal demonstrates strategic and site-specific merit

25. The 2 development options are well located, with the proposed controls to provide for a development that will be a good contextual fit and have site-specific merit, while increasing future employment workspace and providing an opportunity for additional housing with good residential amenity.
26. The proposed building envelopes and supporting controls have been designed to address amenity in the public domain and for future occupants of the site, as well as to address hazards including flood risk management.
27. Further information on the urban design, environmental, social and economic impacts of the planning proposal can be found in section 5.3 of the Planning Proposal. The proponent has also prepared technical reports to support their proposal, including an Urban Design Report, Transport Impact Assessment, Flood Risk Impacts Assessment and Heritage Impact Statement.

Residential Use in the Planning Proposal

28. The Central Sydney Planning Framework, comprising the Central Sydney Planning Strategy, planning controls and contribution plan, is tailored to Central Sydney's unique characteristics. It incentivises opportunities for development to maintain and grow commercial, retail, and cultural uses while balancing other uses, including build-to-rent, build-to-sell, co-living/student housing, community and recreational uses. FSRs offer incentives for uses, design excellence and other desirable outcomes in Central Sydney.
29. Consistent with the Central Sydney Planning Strategy, the Guideline for Site Specific Planning Proposal Requests in Central Sydney (the Guideline) provides opportunities to increase FSRs, above those permitted in the Sydney LEP 2012, to encourage sustainable employment floor space. However, the Strategic Opportunity Site provisions in the Guideline allows for residential development to be considered as part of a planning proposal request where specific criteria are met. These include where a planning proposal request on specified sites results in a significant reduction in existing overshadowing to a protected public space by reducing building heights to under the sun access planes.

30. The subject site is identified in the Guideline as a Strategic Opportunity Site to improve solar access to Hyde Park. As the planning proposal will reduce the height of the existing Castlereagh Street tower to be under the Hyde Park Sun Access Plane, residential floor space can be considered as part of the planning proposal.

Envelopes and gross floor areas

31. The 2 different development schemes that will be permitted by this planning proposal provide for 2 different envelopes. The variances are largely at the upper part of the tower. The mixed use residential scheme envelope has greater setbacks above RL135.37 (Level 32 in the reference scheme) to be capable of meeting the NSW Apartment Design Guide but includes an extra 2 floors compared to the commercial scheme. This is due to the lower floor to floor heights required for residential development. However, both schemes conform to the height control of the sun access plane.
32. Envelope testing has been carried out for this planning proposal. While not complying with the Guideline's standard engineering and mechanical servicing methods, supporting document from the proponent at Attachment A11 demonstrates that engineering and mechanical servicing methods can be used to achieve the proposed floor space yield. This includes using double height lifts for the main tower core. If these methods are not incorporated in the detailed design stage, a lower FSR is likely to result for the site.

Access and loading and parking

33. Introducing a residential use on the site that seeks to retain the existing Castlereagh Street office tower creates challenges, including the need for on-site Council waste collection for the residential apartments.
34. The proponent has not demonstrated that the mixed-use scheme meets the existing or draft DCP controls for loading and servicing requirements. A mixed-use scheme is considered to be able to meet the draft DCP requirements but will require a different design approach than that detailed in the mixed-use reference scheme. Specific controls for this site have been included to ensure future development on the site is capable of accommodating residential development on the site. This includes:
- (a) a Council waste truck access to and from the site, manoeuvring space within the site, and infrastructure to support access and movement
 - (b) a maximum driveway width of 7.5m, rather than the 11m width shown on the mixed-use reference scheme

Parking

35. There are currently 270 car parking spaces on the site, mostly used for a commercial car park, including discounted parking for church services on Sunday. The proponent requested that car parking spaces be reduced to 220 for the commercial scheme and 185 for the mixed-use scheme.
36. Since the Piccadilly Complex was first built, public transport access to the site has significantly improved, with the QVB light rail stop and the Gadigal metro station opened and within 250m of the subject site. A separated bicycle lane along Castlereagh Street adjoining the site has also been completed.

37. Under both the current and draft controls, up to 176 car parking spaces could be allocated for place of public worship uses, however the number of spaces the proponent is seeking for commercial use, from Mondays to Saturdays, is significantly above the existing and proposed parking numbers, and would generate more vehicle traffic.
38. Due to the uncertain outcome of the development at this stage, whether it will be a commercial only or mixed-use scheme, and whether Wesley Mission continues to operate on the site, it is recommended that we don't approve or vary the rates for private vehicle parking above the rates in the amendments to the Sydney DCP 2012 adopted by Council on 23 June 2025.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

39. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This planning proposal is aligned with the following strategic directions and objectives:
 - (a) Direction 2 - A leading environmental performer - this planning proposal enables a future development that delivers ambitious sustainability targets for future development on the site, including embodied carbon savings.
 - (b) Direction 3 - Public places for all - future development includes active street frontages, footpath reinstatement in Castlereagh Street and improved solar access to Hyde Park.
 - (c) Direction 4 - Design excellence and sustainable development - future development will be subject to a design competition and meet environmentally sustainable development requirements.
 - (d) Direction 5 - A city for walking, cycling and public transport - future development will require a pedestrian through site link connecting Pitt and Castlereagh Streets, and improvements to Castlereagh Street footpath supporting improved pedestrian conditions.
 - (e) Direction 6 - An equitable and inclusive city - affordable housing contributions will be required for the development.
 - (f) Direction 8 - A thriving cultural life - public art within the new development will provide creative and cultural experiences and opportunities for engagement with the public
 - (g) Direction 9 - A transformed and innovative economy - this planning proposal helps support employment growth in Central Sydney, helping to maintain its position a destination for business, investment and talent attraction.
 - (h) Direction 10 - Housing for all - the planning proposal supports and option for additional housing to meet targets plus affordable housing contributions.

Strategic alignment - Local Strategic Planning Statement

40. The City's local strategic planning statement, City Plan 2036 sets the land use context, vision and planning priorities to positively guide development and outlines how the City will plan for and manage change. This planning proposal gives effect to the Plan by delivering additional floor space and capacity for economic and employment growth, and potentially for limited residential development, close to existing and future transport infrastructure. It also provides for public domain upgrades and community wellbeing in a new plaza featuring high-quality public art.

Central Sydney Planning Strategy

41. The Central Sydney Planning Strategy is a 20-year growth strategy that facilitates opportunities for additional height and density for high value jobs with environmental sustainability initiatives and excellence in urban design. This planning proposal aligns with the Central Sydney Planning Strategy by:
- (a) Supporting employment growth and increasing capacity to enable additional premium-grade and A grade work space, retail and other commercial uses, with limited residential opportunity
 - (b) Ensures future development is responsive to its context with appropriate street frontage heights and setbacks that responds to adjacent heritage items, and improve public domain amenity and access
 - (c) Improves the pedestrian network with a pedestrian through-site link and improved activation of the street, and reinstatement of the footpath in Castlereagh Street and
 - (d) Future development will at a minimum meet the City's proposed 2026 performance standards for net zero energy buildings, including 100% renewable energy, and minimum 5.5 star NABERS Energy Commitment Agreement plus 25%.

Risks

42. City staff have undertaken a detailed assessment of the planning proposal and have determined that it demonstrates strategic and site-specific merit in accordance with NSW Government guidelines. The planning proposal is also consistent with the City's strategies including City Plan 2036, Central Sydney Planning Strategy and Sustainable Sydney 2030-2050 Continuing the Vision.
43. Progressing the planning proposal is within the City's risk tolerance and appetite. The planning proposal has demonstrated that future development is capable of complying with the relevant environmental and planning legislation, regulations and industry standards, meeting the City's minimal appetite for non-compliance.
44. Should Council and the Central Sydney Planning Committee endorse the planning proposal, it will go to the Department of Planning, Housing and Infrastructure for Gateway Determination. Proceeding with the planning proposal is consistent with the City's minimal appetite for disruption to our regulatory functions as decisions will be within the timeframes set in the NSW Government's Statement of Expectations Order 2024.

Relevant Legislation

45. Environmental Planning and Assessment Act 1979.

Critical Dates / Time Frames

46. Should Council and the Central Sydney Planning Committee endorse the attached planning proposal for public exhibition, it will be forwarded to the Department of Planning, Housing and Infrastructure for Gateway Determination in accordance with section 3.34 of the Act. The Gateway Determination will provide the required finalisation date of the Local Environmental Plan amendment.

Public Consultation

47. Public exhibition for this planning proposal will be determined by the Department of Planning, Housing and Infrastructure. Consultation will be in accordance with:
- (a) the Gateway Determination issued by the Department of Planning, Housing and Infrastructure under section 3.34 of the Act
 - (b) the Environmental Planning and Assessment Regulation 2021
 - (c) the City of Sydney's Community Engagement Strategy and Participation Plan.
48. It is likely that the public exhibition period for the planning proposal would be a minimum of 20 working days.
49. It is intended the planning proposal, draft Development Control Plan and voluntary planning agreement will be publicly exhibited concurrently on the City of Sydney website.
50. The public consultation outcomes will be reported back for consideration by Council and the Central Sydney Planning Committee.

GRAHAM JAHN AM

Chief Planner / Executive Director City Planning, Development and Transport

Michelle Cramsie, Specialist Planner

Lily Gibson, Cadet Planner