

Relevant Information for Council

FILE: X039444 **DATE:** 20 June 2025

TO: Lord Mayor and Councillors

FROM: Graham Jahn AM, Chief Planner / Executive Director City Planning, Development and Transport

SUBJECT: Information Relevant To Item 12.5 – Post Exhibition – Planning Proposal – Sydney Local Environmental Plan and Development Control Plan – Policy and Housekeeping Amendments (LEP/DCP Update)

Alternative Recommendation

It is resolved that:

- (A) Council note the matters raised in submissions to the public exhibition of Planning Proposal - Sydney Local Environmental Plans Policy and Housekeeping Amendments 2023, Sydney Development Control Plan Policy and Housekeeping Amendments 2023, City of Sydney Competitive Design Policy, Guidelines for Waste Management in New Developments and Landscape Code as shown at Attachment A to the subject report;
- (B) Council approve the Planning Proposal - Sydney Local Environmental Plans Policy and Housekeeping Amendments 2023, as amended following public exhibition and shown at Attachment B to the subject report, to be submitted to the Department of Planning, Housing and Industry to be made as local environmental plan under section 3.36 of the Environmental Planning and Assessment Act 1979;
- (C) Council approve Draft Sydney Development Control Plan - Policy and Housekeeping Amendments 2023, as amended following public exhibition and shown at Attachment **A** to the **subject Information Relevant To memorandum**, noting the draft development control plan will come into effect on the date of publication of the subject local environmental plan, in accordance with Clause 20 of the Environmental Planning and Assessment Regulation, **with the exception of the Amendment 8A which will commence in accordance with resolutions (D) and (E)**;

- (D) ***Council approve Amendment 8A (Indoor air quality in new residential development) of draft Sydney Development Control Plan - Policy and Housekeeping Amendments 2023 as set out at Attachment A to the subject Information Relevant To memorandum to come into effect from the date of this resolution;***
- (E) ***Council note that Amendment 8A (Indoor air quality in new residential development) of draft Sydney Development Control Plan - Policy and Housekeeping Amendments 2023 as set out at Attachment A to the subject Information Relevant To memorandum will be published on the City's website no later than 1 July 2025 and will commence to apply to development applications lodged after 31 December 2025;***
- (F) Council approve City of Sydney Competitive Design Policy and Landscape Code as shown at Attachments D and E respectively, noting they will come into effect at the same time as the draft development control plan;
- (G) Council, at the time the draft Development Control Plan comes into effect:
 - (i) adopt Section 3.7 "Water and Flood Management Policy" of the Sydney Development Control Plan 2012 as the Council's flood policy for the entire local government area, noting that the application of this section will be identified on the City's website
 - (ii) rescind the Interim Floodplain Management Policy
- (H) Council note that proposed amendments to the City of Sydney Waste Guidelines in New Developments and the proposed amendments to the Waste Management provisions in Draft Sydney Development Control Plan Policy and Housekeeping Amendments 2023 will not proceed at this time, pending a fuller review of the waste management provisions; and
- (I) authority be delegated to the Chief Executive Officer to make minor variations to the documents in Attachments B to E to correct minor errors and to maintain consistency with the Local Environmental Plan as published.

Additions shown in ***bold italics***.

Purpose

To provide an Alternative Recommendation and further information about an earlier commencement of the 'indoor air quality' provisions of the draft Development Control Plan - Policy and Housekeeping.

To provide further information about the Chinatown and Thai Town signage precinct, and the Urban Ecology provisions of the draft Development Control Plan (DCP).

Background

Item 12.5 (this item) recommends adoption of a planning control that requires new residential development to use electric indoor appliances. It is referred to as the indoor air quality controls.

Item 12.3 recommends public exhibition of planning controls that require new residential development and larger office, hotel and serviced apartment development to be all-electric. It is referred to as the all-electric controls.

At the meeting of the Transport Planning and Heritage Committee on 16 June 2025, further information was requested on the proposed start date for the indoor air quality controls (this Item 12.5) and draft all-electric development controls (Item 12.3).

Consideration of whether the indoor air quality controls in the draft Policy and Housekeeping DCP could start earlier than the broader electrification controls and an Alternative Recommendation was requested.

Further information was also sought about draft DCP provisions for the Chinatown and Thai Town signage precinct and urban ecology.

Indoor air quality and all-electric new development

In August 2023, Council resolved to investigate planning controls to require all-electric, gas-free new development.

In December 2023, Council endorsed the public exhibition of the draft Policy and Housekeeping Development Control Plan, which included controls to improve indoor air quality by restricting gas cooktops, ovens and space heaters in new residential development.

Industry and community were given formal notice of the proposed provisions as part of public exhibition from December 2024 to March 2025. Only 6 months have passed since the provisions started exhibition in December 2024.

Separately, the Discussion Paper: Electrification of New Development explored the challenges and opportunities of all-electric development and outlined options for broader planning controls. Public consultation ran from 31 March to 5 May 2025.

Based on the feedback received on the Discussion Paper, the draft All-Electric Development DCP has been prepared and is recommended at Item 12.5 for statutory public exhibition. This DCP requires all-electric systems (including water heating) for new residential development, and for new offices, hotels and serviced apartments above a certain size.

Both the indoor air quality controls and the all-electric controls were recommended to start after 31 December 2026 to allow industry to prepare.

Why a lead-in period is necessary

Consultation feedback from both industry, peak advocacy organisations and some community members strongly recommended a lead-in period before the controls come into effect. Suggested lead-in times ranged from 6 to 24 months. Key supporters of this approach include:

- (a) Australian Sustainable Built Environment Council, who highlighted the need to provide time for developers and suppliers to adjust

- (b) Green Building Council of Australia, who recommended a transition period to be developed in consultation with stakeholders
- (c) Property Council of Australia, who requested a staged rollout and flagged concerns around feasibility, grid capacity and regulatory complexity.

The City acknowledges that electrification requirements affect early feasibility and design decisions which are typically made 6 to 12 months before lodgement of a development application (DA). A minimum 12-month lead-in allows time to:

- (a) accommodate DA projects already in the early design or pre-lodgement phase
- (b) manage electrical capacity impacts, especially from induction cooktops that increase peak demand and may require upgraded infrastructure (e.g. substations)
- (c) integrate electrification requirements into site feasibility and acquisition decisions
- (d) allow Ausgrid's cost allocation review and network transparency work to progress.

Bringing forward the residential indoor air quality controls

An Alternative Recommendation has been prepared for consideration. The Alternative Recommendation is for the indoor air quality controls to apply to development applications lodged after 31 December 2025, rather than 31 December 2026.

A minimal lead-in period is still absolutely necessary, as the shift to indoor electric appliances may affect electrical load planning, infrastructure requirements and early feasibility decisions. It is proposed that the commencement apply to Development Applications lodged after 31 December 2025. This would provide the minimum lead-in period from the start of the exhibition in December 2024.

To allow maximum visibility for proponents, the indoor air quality provisions will be published as part of Sydney DCP 2012 on the City's website no later than 1 July 2025, 6 months before they come into effect.

No change is recommended to the proposed start date for the all-electric controls at Item 12.3, which is to be after 31 December 2026. The City will report any feedback on that proposed start date to Council following public exhibition of the all-electric controls.

Chinatown and Thai Town signage precinct

Further consideration of neon signage requirements for Chinatown in the draft Policy and Housekeeping DCP was also requested.

The draft DCP describes the vision for signage in the precinct as having a 'prevalence of neon' and requires new or renewed shopfronts to have at least one neon sign.

The speaker supported the use of neon in some circumstances but felt that a 'prevalence' of neon does not reflect the precinct's character, and that requiring neon signage on all new shopfronts could stifle the diversity and quality of signage in Chinatown.

The Alternative Recommendation provides for the following changes to the DCP in response to the issues raised:

- (a) amend the vision to no longer refer to a 'prevalence' of neon
- (b) remove the requirement for new and renewed shopfronts to carry at least one neon sign

The changes are included in the draft Policy and Housekeeping DCP at page 297 of Attachment A and are marked in blue text.

Neon will still be encouraged through its reference in the provision objectives, and by allowing neon signs to exceed the limitations on the size and number of signs on shopfronts.

Urban ecology

Further information was sought on urban ecology issues. The issues and responses are:

- (a) installing diverse nesting features City-wide - the City has installed a wide variety of nest boxes for birds, bats and possums and structures for frogs and lizards across the local area. Provision of additional habitat will be addressed in the new Urban Ecology Strategic Action Plan which is currently in development. As part of our bush restoration activity we also leave rocks and logs to create habitat complexity at the ground layer.
- (b) Provide public-facing interactive maps of ecology features - the City maintain maps of ecology features like native beehives and nest boxes to ensure we consider coverage across areas of ecological interest. As part of the new Urban Ecology Strategic Action Plan we can investigate a mapping platform that would allow public input and account for habitat and ecologies for the local area, acknowledging that ecologies cross LGA boundaries.
- (c) Mandatory urban ecology toolkit talks for all development - the draft DCP requires a biodiversity assessment for sites which are most likely to affect habitat and wildlife. Where ecology is a relevant matter, the City includes conditions for managing urban ecology in Construction Environmental Management Plans (CEMPs) for new development.
- (d) Mandatory bird strike controls for all new development - the draft DCP contains provisions to reduce the instance of bird-strike on windows in new development. The provisions affect development in areas where bird-strike is most likely to occur, particularly around the foreshores and major bird habitat areas. Extending the provisions to include all development would be unduly onerous in circumstances where bird-strike is less likely to occur.
- (e) The role of permeable surfaces in managing noise impacts - the draft DCP includes provisions to require deep soil as part of all development. Deep soil provides a permeable surface for water to infiltrate and can also provide a noise-dampening effect.
- (f) Provision of green space between buildings - the City has a commitment in its Greening Sydney Strategy to increase the amount of green space and canopy cover in the local area. The draft DCP includes provisions to increase the amount of canopy cover in new private developments, including the spaces around new buildings. The draft DCP also contains provisions to encourage the provision of green roofs and walls to provide further green space.

- (g) Provision of green space on Jones Bay Road as part of Pymont renewal - a new green space on Jones Bay Road has been included in the draft Ultimo-Pymont DCP. This draft DCP has been on public exhibition and will be reported back to Council for adoption following consideration of submissions.

There are no further changes proposed to the Urban Ecology provisions of the draft DCP.

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Attachments

Attachment A. Sydney Development Control Plan 2012 - Policy and Housekeeping Amendments

Approved



GRAHAM JAHN AM

Chief Planner / Executive Director City
Planning, Development and Transport