

13 September 2020



Ms Alex O'Mara
Chair, Pyrmont Peninsula Place Strategy Steering Committee
Group Deputy Secretary, Place Design and Public Space
NSW Department of Planning, Industry and Environment
Locked Bag 5022
Parramatta NSW 2124

Sydney Business Chamber
Level 23, 45 Clarence St
Sydney NSW 2000

GPO Box 4280
Sydney NSW 2001

P: (02) 9350 8119

E: enquiries@thechamber.com.au

Dear Ms O'Mara,

Pyrmont Place Strategy

Sydney Business Chamber is pleased to provide the attached submission to the NSW Government in relation to the Pyrmont Place Strategy.

As you are aware Sydney Business Chamber is the leading advocate for Sydney as a competitive and global city. A division of Business NSW, formerly NSW Business Chamber, Sydney Business Chamber represents over 145 leading corporations. We identify, develop, and promote public policy to drive the economic growth and sustainability of our great City.

The Pyrmont Peninsula has a significant strategic and economic value to the City and the State that is only heightened by the challenges business, government, and the community face because of the Covid pandemic.

Sydney Business Chamber has taken an active interest in the future of the Pyrmont Peninsula for many years and we commend the Government for the comprehensive and considered review, the steps taken to engage stakeholders, reassess the governance, improve planning and enhance connectivity.

We believe that many of the current land use conflicts can be resolved through a refinement and realisation of the Pyrmont Peninsula Place Strategy in collaboration with business and landowners.

We look forward to continuing to work with the State Government to deliver the significant economic and strategic outcomes of the Pyrmont Peninsula.

Should you have any questions about this submission or would like to discuss in more detail, please feel free to contact me at katherine.oregan@thechamber.com.au

Yours sincerely

A handwritten signature in blue ink, appearing to read "K. O'Regan", with a stylized flourish at the end.

Katherine O'Regan
Executive Director
Sydney Business Chamber



Sydney Business Chamber
Level 23, 45 Clarence St
Sydney NSW 2000

GPO Box 4280
Sydney NSW 2001

P: (02) 9350 8119

E: enquiries@thechamber.com.au

**PYRMONT PENINSULA PLACE STRATEGY
SUBMISSION
SYDNEY BUSINESS CHAMBER**

Introduction

Sydney Business Chamber is the leading advocate for Sydney as a competitive and global city. A division of Business NSW, formerly NSW Business Chamber, Sydney Business Chamber represents over 145 leading corporations. We identify, develop, and promote public policy to drive the economic growth and sustainability of our great City. The Pyrmont Peninsula has a significant strategic and economic value to the City and the State that is only heightened by the challenges business, government, and the community face because of the Covid pandemic.

The NSW Government is to be commended for the comprehensive and considered review of the future of Pyrmont Peninsula. The draft Place Strategy and the accompanying studies, notably the Economic Development Strategy, provide a valuable baseline of evidence and data to inform the future planning and economic development of this important precinct.

Sydney Business Chamber has taken an active interest in the future of the Pyrmont Peninsula for many years. While we have members who are significant land holders in the precinct and have been active in the Western Harbour Alliance, our principle motivation for our interest in the precinct stems from a long held concern that Sydney's CBD is too constrained and that its economic potential is being held back by a shortage of suitable floor space. The Sydney CBD is Australia's premier business district and an important generator of our national wealth. To continue to support our growing population, create jobs and attract business investment the CBD must enable growth, generate capacity, and deliver quality amenity to attract talent and support tourism and hospitality.

The constrained supply of new commercial floorspace has meant Sydney has long had the highest commercial rents in Australia and some of the highest in the world. This is a serious drag on our urban productivity and considerable barrier to both new business formation and job generation.

The Chamber supports the expansion of Sydney's CBD to encompass the neighbouring precincts immediately adjacent to it, including Pyrmont/Ultimo and subsequently the Bay's precinct. To this end we welcome the Government's initiative to review the planning controls for the peninsula and to develop a new vision to guide future development of the precinct.

1. Jobs and industries of the future

Driving economic growth and prosperity is paramount to meet the growing and changing needs of the city, its citizens, and the community. The re-prioritisation of employment and industry attraction as the top priority for the Pyrmont Place Strategy is strongly supported. Sydney Business Chamber is also supportive of the Strategy giving greater priority to commercial development over other land uses, particularly residential.

While the draft Strategy seeks to build on the existing economic clusters in the precinct, in particular, media and communications and technology start-ups, these are not the only drivers of future economic growth for the precinct and consideration should also be given to the high tourism and entertainment value of the precinct as well as emerging job creating industries.

It should be taken into consideration that the media and communications industry are undergoing a high level of disruption and many of the leading companies are likely to vacate the precinct or significantly downsize operations over the years ahead as this industry transforms. The COVID 19 pandemic has only accelerated this disruption and the industry is unlikely to provide or support the necessary growth into the future the precinct needs.

Similarly, while new technology start-ups have recently emerged in the precinct these cannot be relied upon to continue providing the scale of job generation, needed for this precinct to reach its potential. These industries are notoriously highly mobile and flexible on where they operate and are vulnerable to relocation offshore as they transition through the commercialisation. While these two industries are important it would prudent to broaden the scope of agglomeration to support the growth of new industry clusters emerging on the peninsula.

The Planning System has a poor track record in predicting, and then supporting, industry agglomeration and clustering. The Chamber considers that a far more productive approach to achieve the employment potential of the Peninsular is to ensure the regulatory and land use planning system is flexible and adaptable and can accommodate which ever future industry emerges. To this end we are supportive of both the greater density of development as well as the suggestion of allowing a **B8 Town Centre** or the **B1 Neighbourhood Centre** zoning, at least in some of the sub-precincts on the Peninsula. In particular the B8 zone provides the flexibility industry needs to attract investment while at the same time allowing the market to operate freely. It also offers the potential to incentivise certain developments typologies, such as commercial and tourism.

The Chamber also considers that for the Pyrmont Peninsula to attract the jobs and industries of the future it will need to develop a much more vibrant and diversified night-time economy. The Chamber recently published the leading report, *NightShift - Moving Sydney to a 24hour City*, that outlines how to revive Sydney's Night-time economy.

Nightshift outlines six key 'night moves' to get our City and our night economy moving that should be included in the plans for the Pyrmont precinct:

- | | |
|------------|---|
| Move One | A SEPP for the night economy
Taking a precinct-based approach, we must then prioritize land use and planning to ensure planning controls actively facilitate an inclusive and diverse night-time economy. |
| Move Two | Strategic investments in precincts
By taking a precinct-based approach we can also focus our public and private investment in enabling infrastructure and services to where they will be most effective |
| Move Three | Transport and mobility
A precinct-based approach allows us to consider expanding public and private transport to ensure these areas are better connected. |
| Move Four | Curating the night-time economy
Reframe thinking away from just seeing night as a 'time' to seeing night as a 'place' and the key to successful places is curation to ensure that each precinct has a mix of services and industries, be it retail, commercial, food or entertainment. |
| Move Five | Governance and joined-up Government
There needs to be one single agency or level of government that has a mandate to curate each town centre for the night-time. |
| Move Six | Culture Change
Fostering a culture that understands, supports, and champions Sydney as a vibrant and productive city. |

In addition to the above *Moves*, the Chamber also recommends the application of Sydney City Council's DCP for Late Night Trading across the precinct as a valuable step to support a more vibrant after dark economy.

The Chamber also considers that the draft Strategy should do more to emphasise the critical role of the visitor economy and tourism. The Pyrmont Peninsula currently has many great attractions and strategic assets including UTS, the current fish markets site, The Star Sydney and Harbourside that attract international and domestic visitors and value. These should not only be supported by better connectivity to other precincts, but as key growth sites their growth should be expedited and additional hotel accommodation, entertainment activity and tourist attraction be encouraged.

The Chamber notes the reference in the Strategy to support more affordable commercial and office space to attract new businesses. However, the Strategy is vague on how this is to be achieved. While this supported, we would request the Government provide more detail on how and where this would be achieved.

Finally, the Chamber supports the clear intent of the Strategy to decouple economic and employment growth from congestion and traffic, notably the use of the private automobile. Traffic and congestion have been the biggest drag on the Precinct's growth in recent years and, being a peninsula, it cannot achieve the growth and employment potential if it is reliant on the private car for access and mobility.

To this end, we strongly urge the Government to immediately resolve the uncertainty over the Pyrmont Metro Station as without a clear commitment from Government to the timely development of this critical piece of public transport connectivity, the Strategy will fail to move forward.

2. Development that complements or enhances the area

The Chamber agrees that new development need to be in the right places and designed "*...to enhance Pyrmont's dynamic, interesting and intimate places*". We also agree that the current planning controls, which had genesis in the late 1980's, do not achieve this and need to be reconsidered.

We support the division of the Peninsula into seven sub-precincts and believe that a place-based approach is the best way to determine the future character and development intensity of the peninsula. While each precinct is different it is important that the future planning controls are not overly prescriptive and are focused on delivering desired outcomes. To this end we reiterate our support for applying the more flexible B8 Zone across much of the Peninsula and to the development of incentives to support good urban design and ensure new development compliments and enhances the area.

The Pyrmont Peninsula's greatest asset is its historic places and buildings, but in many ways, these are also its greatest liability. The Chamber is concerned that much of the precincts historic and heritage buildings and places are not adequately protected and their future is threatened by unsympathetic development. The NSW Heritage Act is often a blunt tool when it comes to preserving heritage items and can often leave buildings and structures with little economic viability or purpose.

Consideration should be given to providing a more robust heritage protection regime, including consideration of including the Pyrmont Peninsula in the Heritage Floor Space scheme currently operating in the CBD. Such a scheme would provide a mechanism for driving greater investment and renewal for the Peninsula's valuable historic buildings and ensure these places and buildings are celebrated and renewed and allowed to have an economic and cultural purpose.

3. Centres for residents, workers, and visitors

Enhance connectivity including improved public transport is critical to the future social and economic vitality of the precinct. To this end we support the Strategy being predicated on a new Metro Station being built.

The biggest constraint to the future development of the Pyrmont Peninsula is its lack of connectivity to the rest of the Sydney. This constraint would be removed by inclusion of a metro station at Pyrmont.

We also support the approach for Harris Street to be a focus for renewal and rejuvenation. Harris Street provides the central spine for the whole peninsula but is currently choked with traffic, with little pedestrian or urban amenity, and little economic activity. The future opening of the second Harbour Tunnel offers the chance to remove much of this through traffic and renew Harris Street as a pedestrian friendly boulevard.

There is scope to repurpose much of the street with wider footpaths and have less of the street preserved for the private vehicle. The day the new Harbour Tunnel opens at least one lane of traffic should close on Harris Street.

4. A unified planning framework

It is an understatement to say that the current confusing planning and governance arrangements for the Pyrmont Peninsula are undermining the orderly development of the area. Sub precincts are lacking any integration and many deliberately turn their back on each other. The lack of integrated signage and wayfinding makes for a labyrinthine experience for tourists and visitors. This lack of integration reflects the demarcations between the proliferation of State Government agencies who have a role in some parts of the precinct as well as the City Council and private landowners and institutions.

A unified planning system should be developed with a single Local Environmental Plan and Development Control Plan, with each of the sub-precincts master-planned and zoned in a such a way that they support and reflect the key directions set out in the LEP and DCP.

Importantly they should be implemented under a unified, tripartite governance arrangement, involving State and local government as well the business community. To this end the Chamber has been actively working with our members and other stakeholders to devise a Business Improvement District and this must be a priority consideration to ensure cohesive and collaborative development and management of the precinct.

5. A tapestry of greener public spaces and experiences

The Chamber agrees that the precinct needs better connected open space and improved tree canopy coverage. Where appropriate we support the planning, investment, and integration of new open space. The precinct would be further improved with the inclusion of more street trees. To this end the undergrounding of overhead power and telephone cables, as was done decades ago in the CBD, is a key move in making space for larger and more street trees.

There is an opportunity to explore repurposing and rejuvenating some of the publicly owned land underneath the elevated roadways which bisect the Peninsula. These elevated roadways significantly undermine the urban amenity of the precinct and provide a barrier for pedestrians. Activating the sterile land underneath these with public art, plantings and pop-up activities would enhance the amenity and vibrancy of the area.

We strongly support the development of a world class harbour foreshore walk, Big Move 1., to facilitate intra and inter precinct connectivity, tourism, and residential amenity.

6. Creativity, culture, and heritage

The Chamber has long been actively championing the role of live performance, creativity, and culture in revitalising our town centres and in supporting our night-time and visitor economy.

We support the strategic priority to provide more opportunities for the performing arts and the enhanced capacity for precincts to support more venues and theatres. It is important however that new performance spaces complement, not compete with existing venues and provide for further diversification of venue sizes and typologies.

This objective should therefore be further refined through the master planning process for the sub-precincts with a cultural infrastructure plan and gap analysis being prepared for the each. We would also support consideration being given to providing planning and development incentives to encourage the inclusion of places of culture and life performance in new development.

7. Making it easier to move around

The Chamber strongly supports a focus on greater mobility and permeability across and through the precinct. The Government is right to identify active and public transport as the key priorities.

To this end we see the cycle network should be better integrated with the existing Sydney City network as well as better connectivity to the west by reopening the old Glebe Island bridge or providing better links with the Bays West precinct.

8. Building now for a sustainable future

The Chamber supports a sustainable and adaptable approach to both new development and the precincts enabling infrastructure. In particular we support the investigation of 'multi utility hubs' and consider Pyrmont as being well placed to demonstrate how urban renewal and growth can be de-coupled from the private vehicle and parking.

Creating a resilient and adaptable Pyrmont Peninsula offers an opportunity for government and industry to showcase sustainable urbanism including sustainable design, the circular economy and innovative development models.

9. Great homes that can suit the needs of more people

The Chamber supports both increased residential densities across the precinct as well as retention of an affordable housing scheme. We support the suggestion that the current affordable housing scheme should be integrated into the existing regime which applies to the CBD.

We think a greater diversity of housing formats should encouraged such as build-to rent, student and key worker accommodation. It is also important that residential development not be allowed to overwhelm or crowd out the economic and employment growth on the Peninsula.

10. A collaborative voice

The current disjointed governance arrangements is one of the largest impediments to the realisation of the potential of the Pyrmont Peninsula. Over the years the precinct has been governed by a dizzying array of government agencies, including the Barangaroo Delivery Authority, Sydney Harbour Foreshore Authority, Sydney Ports, Darling Harbour Authority, Casino Licencing Board, the Ultimo/Camperdown Innovation Precinct, to name just a few.

The result is a tapestry of local sub-precincts, divergent planning schemes and a lack of coherent place making. This needs to change.

We support the need for an innovative governance model to drive the orderly development of the precinct. This needs to be a tripartite collaborative governance arrangement involving State and local Government and well as local businesses and landowners.

The Chamber has been working with our members and partners on developing a BID model to provide for industry and land-owner input into the future development of the precinct. This is more than just a consultative committee with local businesses or an industry liaison group. We are proposing a properly constituted delivery and coordinating agency overseeing the future development of the Pyrmont Peninsula, one in which, appropriately, business have a seat at the main table.

Importantly, the Chamber is exploring options for landowners and businesses to contribute to funding place making and civic improvements across the Peninsula through a special rate levy or the hypothecation of extra land taxes. For the Chamber to advocate for our members to pay more for services and infrastructure is not a small step and one which we do not consider lightly. We are exploring it because we believe if the Pyrmont Peninsula is to deliver a vibrant and thriving economic boost for the people of NSW it needs an inclusive but driven, governance. For this model to succeed it must be a meeting of equals.

We would welcome the opportunity to explore this model further with both tiers of Government.

Conclusion

As we face the significant challenges to rebuild the City and State economy unlocking the economic value of the Pyrmont Peninsula has never been more critical. The steps taken by the Government to date to engage stakeholders, reassess the governance, improve planning and enhance connectivity for the Pyrmont Peninsula are commended.

We believe that many of the current land use conflicts can be resolved through a refinement and realisation of the Pyrmont Peninsula Place Strategy in collaboration with business and landowners.

We welcome the opportunity to continue working with the State Government to deliver the significant economic and strategic outcomes of the Pyrmont Peninsula.

Should you have any questions about this submission or would like to discuss in more detail, please feel free to contact me at katherine.oregan@thechamber.com.au

Yours sincerely



Katherine O'Regan
Executive Director
Sydney Business Chamber