



Response to draft Pymont Peninsula Place Strategy

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1.0 Executive Summary

The Accommodation Association welcomes the opportunity to provide feedback on the draft Pyrmont Peninsula strategy. Our recommendations and comments are in response to those strategies that are important in ensuring that any growth fulfils the vision of creating a ‘vibrant 24-hour cultural and entertainment destination’, both adding value to current tourism investment and attracting further investment.

Master Planning

A unified planning framework will be critical to support delivery of the sub-precinct Master Plans which are still to be developed. We would support both a state significant planning framework for key sites and a consistent planning regime that allows for all relevant controls to be consolidated into a single planning instrument.

However, in master planning the site, the Association is concerned that the Department will take an overly prescriptive approach to individual sites that are in single ownership. For any block, the masterplan should not prescribe where on the block uplift will be allowed.

Maximising Job-creation

The Association supports the Place Strategy response that job creation is expected to be achieved partly through the ‘delivery of new major floor space capacity on larger sites within the Blackwattle Bay, Tumbalong Park and Darling Island sub-precincts’. We reinforce that hotels are large employers and contributors to the economy and proposals such as hotel developments on The Star Sydney site of economic development will be an important contributor to achieving that jobs target.

Residential Targets

Our concern continues to be that residential apartments at Harbourside are likely to be utilised for short term rental apartments for international and domestic visitors, not for residents, because of both the location in the heart of a vibrant tourism and entertainment precinct and the lack of parking.

In the event that Harbourside is approved, the Association would seek assurance from the Department that short term rental in any new major residential development includes by-laws in their strata scheme to prohibit all short-term leasing where the unit is not the host’s principal place of residence.

Creating a vibrant 24-hour cultural and entertainment destination

Both Action 3 - *the provision of new space for entertainment, events and cultural attractions* and Action 4 - *encouragement of a range of night-time experiences* are critical in both attracting visitors to the Peninsula and improving the investment returns for tourism assets. The Association would advocate that these new spaces for entertainment, events and cultural attractions are largely within the Darling Island and Tumbalong Park precincts, which are well placed to facilitate this activity.

Sydney Metro key to facilitating growth

The draft Strategy recognises that congestion and lack of parking options are a major issue in the Peninsula and that building a Sydney Metro station at Pyrmont Peninsula is the most critical and necessary element in supporting the economic growth potential outlined and minimising congestion. However, there is a need for certainty on Sydney Metro if the draft Strategy and economic targets are to be approved. The Association would contend that the Department needs to advise what the alternatives are should the Sydney Metro not proceed.

Governance

Given the broad remit of the Place Strategy which covers issues from affordable housing through to transport initiatives and tourism and entertainment activation we would strongly support a NSW Government-led model that coordinates and aligns across state agencies in consultation with local government, businesses, landowners and community. We support the State as the sole authority for all development in the precinct.

In conclusion the Association commends the Place Strategy team for the comprehensive vision outlined. However, we seek a timeline for completion of the draft Strategy, including the timeline for the master plan and zoning controls and for the implementation of the proposed transport options to give certainty to current and potential investors.

2.0 Introduction

The Accommodation Association welcomes the opportunity to provide feedback on the draft Pyrmont Peninsula Place Strategy.

As Australia's peak representative for the tourism accommodation industry, the Accommodation Association represents close to 1,000 accommodation operators and investors. Members of the Accommodation Association include major hotels, resorts, motels, motor inns, serviced and holiday apartments, bed and breakfasts and guesthouses that directly contributes \$2.3 billion in GVA to the NSW economy.

Our members directly within the Pyrmont Peninsula include Sofitel Darling Harbour, Novotel and Ibis Darling Harbour, Novotel Darling Square, The Darling, The Star Grand Hotel and The Star Grand Residences.

In our previous submission we articulated our support for a place strategy rather than a project by project approach. As outlined in the Greater Sydney Commission paper¹ a place-based approach to growth is better able to 'leverage an area's productivity, liveability and sustainability strengths' 'particularly when actions are collaborative and well-coordinated across portfolios and stakeholders.'

Our interest in the Pyrmont Peninsula relates primarily to building on its economic potential by creating a 'vibrant 24-hour cultural and entertainment destination' to support the growth and contribution of domestic and international visitation to the precinct.

Key to bringing to life that vision will be further development of the Peninsula's critical role within the Innovation Corridor, driving strong growth in jobs and bringing with it a need for significant investment in improved transport options.

3.0 Strategic Vision for the Pyrmont Peninsula

As outlined clearly in the Economic Development Strategy, the Peninsula needs to be viewed in the context of Sydney's broader economic and planning parameters inclusive of 'how it can support the productivity of the Eastern Harbour City and contribute to the Innovation Corridor'.

The Association strongly supports the economic vision of the Peninsula². We welcome the recognition of the importance of growth that enhances the Peninsula's role as an 'attractive waterfront tourism and entertainment district supporting the global attraction of the Sydney Harbour with a 24-hour economy'.

This is further reinforced in the overall vision for the precinct³ to establish 'a renowned and treasured cultural and entertainment precinct'.

Our recommendations and comments will be in response to those strategies that are important in ensuring that any growth fulfils the above vision, both adding value to current tourism investment and attracting further investment.

4.0 The Association's response to the draft Peninsula Strategy

We endorse the importance of the following three factors⁴ that have been recognised as central to the economic success of the Peninsula in the future:

1. **Availability (and cost) of commercial floorspace.** This is central to building on the potential of the Peninsula and creating employment and has been recognised with the identification of key sites.

¹ Western Harbour Precinct including the Pyrmont Peninsula Planning Framework Review Report September 2019

² Peninsula Economic Development Strategy, pg. 18

³ Pyrmont Peninsula Place Strategy, July 2020, pg. 23

⁴ Peninsula Economic Development Strategy, p10

2. **Connectivity.** The Economic Development Strategy is clear that connectivity ‘must improve to support jobs growth’.⁵
3. **Maintaining character and attraction.** This has been addressed in the identification of the existing character and potential of the 7 sub-precincts, recognising that ‘enhanced amenity and entertainment opportunities’ will be important in attracting business, residents and tourists.

Our response below will focus specifically on the key areas that impact on delivery of an ‘attractive waterfront tourism and entertainment district supporting the global attraction of the Sydney Harbour with a 24-hour economy’.

4.1 Direction 1: Jobs and industries of the future

Investment and innovation to boost jobs, creativity, tourism and night life

- The Association welcomes the recognition that ‘jobs in entertainment, culture and tourism are key to the future of Pyrmont Peninsula’. The Economic Development Strategy clearly outlines that the creation of a further 20,000-23,000 jobs by 2041 will be achieved through the Peninsula’s positioning as part of the Innovation Corridor and through cementing its position as a creative, tourism and entertainment precinct.
- The strong growth in jobs is central to driving demand for tourism accommodation, meeting space and food and beverage offerings within the Peninsula. This in turn enhances the attractiveness of the precinct for further tourism investment.
- We support the Place Strategy response that this is expected to be achieved partly through the ‘delivery of new major floor space capacity on larger sites within the Blackwattle Bay, Tumbalong Park and Darling Island sub-precincts’. As these sites have been targeted as delivering the necessary jobs to drive growth, there is a need to ensure that job-creating infrastructure is maximised. Proposals such as the hotel developments on The Star Sydney site of economic development will be an important contributor to achieving that jobs target.
- The Place Strategy response also recognises the importance of delivering community outcomes that add value to visitors, workers and residents. The current investment in hotels in the precinct has been considerable. Hotels have been strong commercial partners working in partnership with the ICC and providing other commercial inclusive jobs, opening Food and Beverage facilities to the public and contributing to the 24-hour economy.

4.2 Direction 2: Development that complements or enhances the area

New or upgraded buildings fit with Peninsula’s evolving character

Since the tabling of the 10 Directions, we acknowledge the detailed work undertaken by government which has resulted in the identification of seven sub-precincts across the Peninsula, each with distinct characteristics.

- The Association supports the Economic Develop Strategy which points to the importance of ‘maintaining the character and attraction’ of the Peninsula. This recognises the diverse place priorities that differentiate each precinct - from the higher education precinct of southern Ultimo to the heritage to the tourism and entertainment precinct that extends from Darling Harbour towards the Maritime Museum and The Star’s entertainment precinct.
- We welcome the recognition that some sub-precincts are better suited to commercial, tourism and cultural development and other areas are not suitable.⁶ The draft Place strategy does begin to establish the framework for the future potential of each precinct but there is still significant work to be done within the sub-precinct Master Plans to build on the potential. A unified planning framework will be critical to support delivery.

⁵ Peninsula Economic Development Strategy, p47

⁶ Pyrmont Peninsula Place Strategy, p27

- Sub-precincts and priorities for tourism and entertainment infrastructure.
In principle we support the priorities for the Tumbalong Park sub-precinct, building on its positioning as a global tourism destination, anchored by the ICC and hotels and offering a myriad of public spaces for entertainment, restaurants, bars and cafés.

We welcome the prioritisation of a dynamic and safe night-time economy and the need for ‘new commercial space’ to achieve the economic targets for jobs.

In our previous submission we outlined our concerns that residential was being considered, as part of the Mirvac Harbourside development. Our concern continues to be that residential does little to add to the character of Darling Harbour nor contribute to jobs and is in fact likely to result in adverse amenity for occupants as a result of the location in the heart of a vibrant tourism and entertainment precinct.

We note the qualifier in priority 4 which points to ‘limited residential development *without compromising* the precinct’s tourism, entertainment and commercial functions and include affordable housing in any residential development’.

The Association would argue that it does *compromise* both the nature of the precinct and the significant investment in tourism accommodation in the precinct. Because of both the location and the lack of parking, the residential apartments are likely to be utilised for short term rental apartments for international and domestic visitors, not for residents.

We have concerns that the permanent population increase targeted (2,055 people) will not occur if short-term rental is not vigorously controlled. Ensuring the increased population is permanent is important in creating a vibrant, connected population, living close to jobs and amenities. If the majority of the apartments are used for short-term rental, the population will be transient, with no connection to place.

In the event that it is decided that the Harbourside redevelopment is approved, inclusive of the residential component, the Association would seek assurance from the Department that short term rental in any new major residential development includes by-laws in their strata scheme to prohibit all short-term leasing where the unit is not the host’s principal place of residence. This could be a condition of consent that could also protect the residential character of other new buildings in the precinct. The condition needs to ensure that the by-law prohibiting short-term rental could not be removed by a subsequent vote of strata members.

- **We support the diverse characterisation of the Darling Island sub-precinct** with its mix of tourism and entertainment, commercial and residential and note the challenge of balancing the needs of the different stakeholders.

The Association strongly endorses the opportunity for ‘new spaces for tourism, entertainment, culture, creativity and innovation’ within walking distance of a potential Sydney Metro Station. This recognises the job creating opportunities of tourism and entertainment with The Star as one of the largest single site employers in NSW with over 4,500 employees.

The diverse nature of the precinct supports the priority for ‘limited residential development’. Given the nature of the sub-precinct, the access to parking and the ability for The Star to manage the integration of the total complex, residential units in The Star development will *complement* the existing precinct’s tourism, entertainment and commercial functions.

Additionally, The Star’s proposed investment in hotel supply increases the capacity of the visitor economy and creates strong employment opportunities for skilled and unskilled workers.

4.3 Direction 3. Centres for residents, workers and visitors

New, lively and attractive centres for everyone to enjoy

- The Association congratulates the Place Strategy team on the future focussed vision represented in **Big Move 2- A vibrant 24-hour cultural and entertainment destination**. This recognises that Pyrmont Peninsula has over the last 30 years grown as a tourism and entertainment precinct but to achieve its potential over the next 20 years, there is a need to be more active in leveraging its cultural and entertainment assets and positioning.
- The Association acknowledges that the actions outlined are a proactive and tangible response to the current challenges:
 - Lack of diversity of experiences with restaurants, bars and nightclubs as the primary attractors.
 - Lack of co-ordination of major events and activities within the Peninsula.
- We therefore strongly support *Action 3 - the provision of new space for entertainment, events and cultural attractions* and *Action 4 - encouragement of a range of night-time experiences* that will leverage the attractiveness of the Peninsula to domestic and international visitors and improve the investment returns for tourism assets.
- While not clear in the document, we would advocate that these new spaces for entertainment, events and cultural attractions are largely within the Darling Island and Tumbalong Park precincts, which are well placed to facilitate this activity.

4.4 Direction 4. A unified planning framework

Clearer rules delivering greater certainty and investment

- Development of a unified planning framework will be central to delivering on the vision. As outlined in previous submissions and on page 83 of the Draft Place Strategy there are a patchwork of planning instruments that often overlap.
- The draft Place Strategy puts forward a range of considerations recognising the need to update the planning controls that apply to the area and simplify the framework to ensure business investment is attracted into the innovation corridor.

We would support both a state significant planning framework for key sites and a consistent planning regime that allows for all relevant controls to be consolidated into a single planning instrument instead of simply adding a new layer of planning controls that will sit over the current planning rules.

4.5 Direction 7. Making it easier to move around

Safer, greener streets integrating with new public transport

- **Big Move 1** *Development of 'a contiguous harbour foreshore parkland'*. The Association strongly supports this initiative (**Action 1**) which in providing uninterrupted and easily accessible connectivity to the waterfront, reinforces the Peninsula's positioning as an attractive world class destination and capitalises on Sydney's internationally recognised harbour.
- The draft Place Strategy and Economic Development Strategy points to connectivity as the catalyst to achieving the jobs growth targets. Improved transport connectivity is also vital in invigorating the night-time economy and goes part way to addressing the limited parking options with Peninsula.
- Our concern is that with the growth in numbers of people living and commuting to the area there is a need for greatly improved transport provisions to relieve the significant current road congestion at peak times which impacts both ease of moving around and jeopardises the achievement of growth targets.

- While we support the identified transport options, in particular where they prioritise walking, cycling and public transport linkages to the CBD and the Bays, this will not be enough. It is **Action 5 to build a Sydney Metro station at Pyrmont Peninsula** that is the most critical and necessary element in supporting the economic growth potential outlined and minimising congestion. The underground walking links from the Metro would assist in easily accessing other areas of the Precinct and mitigate the topography of the area.

Importantly for future growth of the visitor economy and for fulfilling the potential of the Innovation Corridor, the Sydney Metro West station would connect Pyrmont to the Sydney CBD, Bays West, Sydney Olympic Park, Parramatta and Westmead.

- We commend Planning on the ideas to use many of the transport linkages proposed, such as the Sydney Harbour foreshore walk and the restoration of Glebe Island Bridge, to deliver cultural and heritage outcomes.
- In the interim we recognise the need, outlined in **Action 10**, to look at temporary COVID-19 active transport measures to ease accessibility and congestion in the precinct.

4.6 Direction 10. A collaborative voice – Governance

A cohesive, agreed approach to bring about the best outcomes for Pyrmont Peninsula

- The Association notes the various models of place government and management proposed, to facilitate collaboration. Given the broad remit of the Place Strategy which covers issues from Affordable Housing through to transport initiatives and tourism and entertainment activation we would support a NSW Government-led model that coordinates and aligns across state agencies in consultation with local government, businesses, landowners and community.

Importantly, the Pyrmont Peninsula is a central part of the vision for the Eastern Harbour City and Greater Sydney and needs to be managed in the context of other growth areas such as Tech Central and the Bays Precinct. This would be better achieved under the suggested NSW Government-led model with the State as the sole authority for all development in the precinct.

- The City of Sydney does have an important role to play, through the Business Development District, as do businesses, landowners and community, but they should not be the overall decision makers for the development of the precinct.

5.0 Further areas that impact investment in Tourism Accommodation

5.1 People and Jobs Target align to changes in environment

The Economic Development Strategy has proposed the following targets for increases in people and jobs. We understand that these targets were set by the Greater Sydney Commission District Plan prior to the development of the draft Strategy and prior to COVID.

It is therefore important that these targets are reviewed in line with the further development of the sub-precinct Master Plans and do not act to constrain future growth potential.

Sub Precinct	Increase in People	Increase in Jobs
Darling Island	600	2,735
Tumbalong Park	2,055	2,870
Ultimo	2,350	8,700
Wentworth Park	1,115	1,200
Blackwattle Bay	2,055	5,770
Pirrama	190	350
Pyrmont Village	135	1,380

5.2 Need for certainty on Transport

The Draft Pyrmont Place strategy is underpinned by the building of a new Metro station in the Pyrmont precinct to relieve the recognised congestion that currently is a feature of the Peninsula during peak periods. However, with COVID-19 affecting government budgets, and possibly affecting transport budgets as a result, it is important that the Department explain what will happen to the precinct strategy if the Metro station does not go ahead.

It would be necessary to clarify all aspects of the strategy, especially for the specific sites of The Star, the Fish Market, Harbourside and UTS. It may be that the whole strategy would need to be revisited. However, we would caution that, if this does happen, the re-writing of a whole new strategy should not hold up any planning proposals, and any planning proposals that are approved should form the basis of any re-drafting of the strategy.

5.3 Affordable Housing

The Association is concerned that affordable housing will be mandated for all new apartment buildings without the ability to make a cash settlement in lieu of providing apartments. The Association recommends that any affordable housing mandate allow for the option of a levy, and that this levy be valued at the average cost of a one-bedroom apartment in the whole of the precinct. This would allow a community housing association the ability to receive funding for new dwellings, but at the same time give them the flexibility to manage their own portfolio.

5.4 Masterplanning

In masterplanning the site, the Association is concerned that the Department will take an overly prescriptive approach to individual sites that are in single ownership. For any block, the masterplan should not prescribe where on the block uplift will be allowed.

6.0 Next Steps

The Association would appreciate the Department providing a clear outline of the process that will follow this exhibition period. The Association calls upon the Department to provide a timeline for completion of the Strategy, including the timeline for masterplanning and zoning controls and for the implementation of the proposed transport options. Without clear articulation of timings, potentially hundreds of millions of dollars worth of investments in new hotels and residential buildings could be impacted.

7.0 Conclusion

The Association commends the Place Strategy team for the comprehensive review undertaken, which has considered the existing character, the potential to achieve growth and further investment, and the improvements required to accommodate growth.

As outlined in the introduction we have framed our response in the context of measures that impact on delivery of an 'attractive waterfront tourism and entertainment district supporting the global attraction of the Sydney Harbour with a 24-hour economy'.

We understand that there is further work being undertaken on the sub-precinct master plans which will provide more detail and look forward to the opportunity to provide further input.

Friday, 11th September 2020

Feedback on proposed Pyrmont Peninsula Strategy

Management at the Sofitel Sydney Darling Harbour have reviewed the Association's submission with the owners, Schwartz Family Company, and would like to provide our support and endorsement of their submission.

The Sofitel Sydney Darling Harbour is excited about the vision for the Pyrmont Peninsula and its growth and expansion as a vibrant, cultural, entertainment and tourism precinct.

We share with the Association some key areas of concern being:

- Residential targets
- Need for certainty on transport

Residential Targets

We do not support the Harbourside proposal of residential premises and redevelopment. We feel that residences in a prime harbour-side location do not fit with the vision of the hub being dedicated to tourism and entertainment facilities. We also agree with the Association that such a development runs the risk of becoming short-term holiday rentals compromising the area and precinct.

Need for certainty on transport

We feel that the development of the precinct in line with the vision hinges on the development and certainty for the new metro station. We agree with the Association in that the vision and the strategy would need to be revisited if the metro station did not go ahead.

We feel that the strategy provides exciting development, vision and future for the Darling Harbour precinct, further solidifying its identity as a key international tourist and entertainment location.

Greg Brady


General Manager
Sofitel Sydney Darling

Peter Grant


Director
Schwartz Family Company