

4 February 2022

Ms Kiersten Fishburn  
Secretary  
NSW Department of Planning, Industry, and Environment  
4 Parramatta Square, 12 Darcy Street,  
Parramatta, NSW, 2150

## **Pymont Peninsula Place Strategy Implementation - Draft Sub-precinct Master Plans 26-38 Saunders Street, Pymont**

Dear Ms Fishburn,

This letter has been prepared by Ethos Urban on [REDACTED] in partnership with [REDACTED] (Proponent) in relation to the site at [REDACTED] that sits within the Blackwattle Bay Subprecinct of the Pymont Peninsula Place Strategy Study Area. The Proponent commends the Department of Planning, Industry and Environment (the Department) for finalising the Pymont Peninsula Place Strategy (the Strategy) and subsequently releasing the Draft Subprecinct Master Plans and Implementation Plan for public and industry comment. The Subprecinct Master Plans and Implementation Plan are critical strategic documents and will be key to ensuring the continued growth and strength of Sydney's Eastern Harbour City over the next 20 years.

The Proponent has valued the previous engagement with the Department in relation to the site, which has involved two separate meetings on 9 February 2021 and 23 March 2021. Further to the Department's advice, the Proponent and the project team also met with the City of Sydney Council (Council) on 4 August 2021. This submission is the culmination of over 12 months of work with the project team and liaison with the Department and Council, and we look forward to any opportunity to work with the Department and Council to pursue this significant opportunity to assist in realising the directions and objectives of the groundbreaking Pymont Peninsula Place Strategy.

### **1.1 Draft Subprecinct Master Plans**

- The Proponent strongly supports the Department's vision in the Draft Subprecinct Master Plans and Pymont Peninsula Place Strategy Implementation Plan. The Proponent views itself as an important partner in delivering the Department's vision and a number of the planning priorities are aligned, in particular the intent to contribute towards the up to 23,000 new jobs and up to 4,000 new dwellings forecast.
- The Proponent supports the detailed studies and evidence base that the Department has used to prepare the Draft Subprecinct Master Plans. The focus on preserving and growing commercial, residential, retail, cultural, tourism and other economically productive uses is supported and is pivotal in promoting Sydney as a true Global City.
- The Draft Subprecinct Master Plans and associated Implementation Plan will set the framework for the Pymont Peninsula to realise its full potential and partner with Central Sydney to ensure the continued growth and strength of Sydney's Eastern Harbour City. The Proponent sees the Draft Subprecinct Master Planning process as an important opportunity for the Department to continue a dialogue with its stakeholders to ensure the delivery of the forecast 23,000 new jobs and 4,000 new dwellings.
- The Proponent is supportive of the Department's 10 Directions and Five Big Moves for the Peninsula to guide future growth and change to 2041 and wishes to provide some detailed commentary on the Blackwattle Bay Subprecinct Master Plan and Implementation Plan:

### **Sites Capable of Change**

- As previously discussed with the Department and illustrated on the Pymont Peninsular Structure Plan, the subject site was not identified as a site 'capable of change'. The Proponent is thrilled to see that Section 3.3 of the Implementation Strategy supersedes this and nominates the site as being capable of change (refer to **Figure 1**), despite it being occupied by over 60 residential strata lots. To this end, it is important to note that the Proponent has a proud track record of successfully unlocking large strata sites and redeveloping these sites in line with the site's relevant strategic context.

- The Proponent encourages the Department to continue to work closely with Council to enable the redevelopment of these site's pursuant to a proponent-initiated Planning Proposal process. Whilst the precinct wide planning approach is supported, site's capable of change and the nominated key sites can together be the catalyst for delivering on the objectives and directions of the Strategy. If proponents are prepared to mobilise and seek a redevelopment in accordance with the Strategy, this opportunity should not be delayed.



**Figure 1 Site's capable of change map**

Source: NSW Department of Planning, Industry and Environment

### Provision of Housing and Affordable Housing

- The Department has slated the Blackwattle Bay Subprecinct as a media hub, tourist destination and future mixed-use quarter. The Proponent supports this vision and recognises that these uses are existing and will continue to emerge on the larger site's fronting the Bay ( [REDACTED] ). The subject site sits in an area already characterised by higher density residential development, and the provision of additional dwellings will be an important factor in stimulating a true mixed use hub.
- The Affordable Housing Policy Review prepared by Atlas (dated October 2021) accompanying the Implementation Plan includes consultation with City West Housing (CWH) as an independent not-for-profit housing provider established by the NSW Government in 1994. Atlas' Affordable Housing Policy Review identifies that under the City West Program there are approximately 476 affordable rental units which have been delivered across the peninsula in some 13 separate buildings, however this represents a shortfall of 124 units anticipated by the City West Program. To this end, CWH has highlighted that there is a lack of remaining development opportunities across the Peninsula that has resulted in a fall in contributions received.
- Further to this, purchasing land across the Peninsula for new affordable housing developments is challenging given the high cost of land and degree of competition from residential and commercial developers. It is anticipated that this trend will continue unless the redevelopment of sites capable of change is promoted to deliver integrated models of affordable housing within viable developments.

- For the Pyrmont/Ultimo precinct, the current City of Sydney Affordable Housing Program stipulates that 12% of the additional uplift enabled by a Planning Proposal should be allocated as an affordable housing contribution. The Eastern City District Plan District plan sets a target of 5-10% of new residential floor space to be affordable housing. Within the City's Local Strategic Planning Statement and Local Housing Strategy, this is addressed, and it is the Council's position that is not sufficient to meet demand and they note a need for 7.5% of all private housing to be affordable.
- The strategic and locational attributes of the site create a prime opportunity to deliver a new mixed use development. As discussed with the Department at meetings on 23 March 2021, the preliminary concept scheme for the site demonstrates the ability to deliver up to 11.5% of all dwellings and 15% of the uplift as affordable housing units delivered as works in kind, within a mixed residential model. As such, it is clear that the redevelopment of the site with increased uplift is a real opportunity to deliver much needed affordable housing units as the Peninsula continues to evolve.

### Employment Generation and Industry Growth

- The site is currently [REDACTED] and the immediately surrounding development further establishes the residential character of the site. The redevelopment of the site, including additional uplift would present an opportunity to not only provide diverse and inclusive housing but a contribution of employment generating floor space within a true mixed use development.
- As an example, this could include smaller scale media and advertising technology businesses to support established anchors in the Peninsula including Google, Network Ten, the ABC, Screen Australia. The additional employment generating floor space would supplement sites within the Peninsula that are more appropriately located to accommodate high employment generating uses, such as larger sites around the harbour and park edge within the Blackwattle Bay, Tumbalong Park and Darling Island sub-precincts.

### Ongoing Employment

- The mixed use concept presented to the Department on 23 March 2021 includes approximately [REDACTED] commercial office NLA<sup>1</sup> (based on a commercial GFA of [REDACTED]). Once complete and at full occupancy, it is estimated that the ongoing commercial employment would support up to approximately 450 workers, taking into account the average workspace ratio of 10.1m<sup>2</sup> per worker outlined in the City of Sydney Floor Space and Employment Survey (based on average ratio for open plan and partitioned office space observed in City LGA).

### Economic Output - Value added

- Value added by industry is an indicator of business productivity. It shows the net economic uplift by excluding the value of production inputs. Value added is estimated at up to **\$65.1 million pa** (2019 dollars) at full occupancy of the concept scheme. The above analysis has been sourced from economy.id (based on modelling by the National Institute of Economic and Industry Research) for the City of Sydney LGA, with 'best fit' industry sectors applied to likely economic activities at the new development. The results of the analysis assume no substitution effects from outside the regional economy, rather, the activities undertaken at the new asset represent increased net demand associated with population, labour force and industry growth.

**Table 1 Estimated Economic Output at Full Occupancy**

Activity	Office
<i>ANZSIC Industry</i>	<i>Professional, Scientific and Technical Services</i>
Employment (jobs)* Based on a workspace ratio of 10.1m <sup>2</sup> per worker	450
Value added per job	\$144,620
<b>Value added total</b>	<b>\$65,100,000</b>
Source: Economy.id; Ethos Urban	

<sup>1</sup> Noting that the NLA for the proposed development is not yet conclusive, this analysis assumes a GFA to NLA efficiency rate of 80% for the purposes of calculating jobs at the site.

## Public Domain and Pedestrian Connectivity

- The current site is occupied by aging housing stock within a large island site. The site does not contain contributory buildings or meaningful, consolidated public open space. The current development does not draw the public into the site or enable appropriate connectivity through the site. Through key Directions of the Strategy, there is an emphasised need for the subprecinct plans to improve connectivity and present greener public open space. Specifically, the Strategy has prioritised:
  - *Strengthened east–west connections on Union Street, Bridge Road, Quarry and Maryann Streets, with wider footpaths and cycle lanes.*
  - *New and enhanced “ridge to harbour” walking links, especially through redevelopment sites, and with provision of new crossings, ramps and lifts at existing barriers to movement.*
- The Draft Blackwattle Bay Subprecinct Plan nominates the northern corner of the site as a key local moment node and an opportunity for a public park (refer to **Figure 2**). The Proponent supports the provision of public open space on site, and this reinforces the importance of working further with the Department and the City to ensure this site is unlocked to deliver this public benefit.



**Figure 2 Blackwattle Bay sub-precinct master plan (extract)**




Source: NSW Department of Planning, Industry and Environment










## 2.0 Consistency with the 10 Directions

The Strategy establishes 10 Directions that, “address matters of strategic economic, social and environmental significance in the Pyrmont Peninsula that will guide future growth and change to 2041”. In accordance with the Minister’s Section 9.1 Directions, any further detailed precinct planning must demonstrate consistency with the Strategy’s 10 Directions. Table 2 below presents a high-level assessment of the site’s ability to be redeveloped consistent with these 10 Directions:

**Table 2 Assessment against the 10 Directions**

Direction	Assessment
<p>DIRECTION #1</p>  <p><b>Jobs and industries of the future</b></p>	<ul style="list-style-type: none"> <li>The site is currently zoned R1 – General Residential, and the immediately surrounding development further establishes the residential character of the site.</li> <li>The redevelopment of the site, including additional uplift would present an opportunity to provide a quantum of employment generating floor space within a mixed use residential development. This could include smaller media related businesses given the site’s proximity to the established media business zone to the south.</li> <li>The additional employment generating floor space would supplement sites within the Peninsula that are more appropriately located to accommodate high employment generating uses, such as larger sites around the harbour and park edge within the Blackwattle Bay, Tumbalong Park and Darling Island sub-precincts.</li> </ul>
<p>DIRECTION #2</p>  <p><b>Development that complements or enhances the area</b></p>	<ul style="list-style-type: none"> <li>Pyrmont has a rich history and strategically located within Sydney’s Innovation Corridor, closely linked to Central Sydney. The Strategy identifies that the patterns and type of recent development place some limits on the scope for future growth and change.</li> <li>The current site is occupied by aging housing stock within a large island site. The site does not contain contributory buildings or meaningful, consolidated public open space. The current development on site does not draw the public into the site or enable appropriate connectivity through the site.</li> <li>The site’s redevelopment presents a significant opportunity to build on the established residential character of the area and invite a diversity of housing through the provision of new housing and affordable housing.</li> <li>With the State Governments substantial investment in a new Sydney Metro Station in Pyrmont, there is a realistic expectation that the Peninsula must evolve to maximise its strategic and locational attributes.</li> <li>Any future development on site including development uplift can be sensitively managed through a rigorous design excellence process, coupled with the provision of significant public benefits.</li> </ul>
<p>DIRECTION #3</p>  <p><b>Centres for residents, workers and visitors</b></p>	<ul style="list-style-type: none"> <li>The site represents an opportunity to establish a true mixed use development, that is not only supported by new residents on site, but activated with uses that can be accessed by the broader community.</li> <li>The site is currently significantly underutilised. Its redevelopment would enable new opportunities for resident, worker and visitor activation that would contribute greater energy to this precinct.</li> </ul>

Direction	Assessment
	<ul style="list-style-type: none"> <li>The site presents an opportunity to establish deliver new public spaces, shops and services to create smaller nodes of activity.</li> </ul>
<p>DIRECTION #4</p>  <p><b>A unified planning framework</b></p>	<ul style="list-style-type: none"> <li>The Proponent encourages the Department to continue to work closely with Council and industry stakeholders to enable the redevelopment of the 'sites capable of change' pursuant to a proponent-initiated Planning Proposal process, where appropriate. Whilst the precinct wide planning approach is supported, site's capable of change and the nominated key sites can together be the catalyst for delivering on the objectives and directions of the Strategy. If Proponents are prepared to mobilise and seek a redevelopment in accordance with the Strategy, this opportunity should not be delayed.</li> </ul>
<p>DIRECTION #5</p>  <p><b>A tapestry of greener public spaces and experiences</b></p>	<ul style="list-style-type: none"> <li>The existing development burdens a key opportunity for the site to contribute to the current and future Pyrmont open space network.</li> <li>The current site is occupied by aging housing stock within a large island site. The site does not contain contributory buildings or meaningful, consolidated public open space. The current development on site does not draw the public into the site or enable appropriate connectivity through the site.</li> <li>The redevelopment of the site presents a key opportunity to establish a meaningful and activated through site link, anchored by a new public open space reflected in the Draft Blackwattle Bay Subprecinct Plan.</li> </ul>
<p>DIRECTION #6</p>  <p><b>Creativity, culture and heritage</b></p>	<ul style="list-style-type: none"> <li>The site presents an opportunity to increase uplift and a local residential population that will support and active the well established arts, culture, creativity and heritage destinations within the Peninsula.</li> <li>The ability to provide additional employment generating floor space within a mixed use development would supplement sites within the Peninsula that are more appropriately located to accommodate civic and high employment generating uses, such as larger sites around the harbour and park edge within the Blackwattle Bay, Tumbalong Park and Darling Island sub-precincts.</li> <li>In particular the ground plane and podium design can be developed to create new cultural experiences and facilities by drawing on this rich foundation for dynamic and engaging new uses.</li> </ul>
<p>DIRECTION #7</p>  <p><b>Making it easier to move around</b></p>	<ul style="list-style-type: none"> <li>The site can be a catalyst for promoting new opportunities to safer and more activated pedestrian and cyclist links through the precinct.</li> <li>The current development on the island site is not permeable and disjoins optimal pedestrian flows around the site.</li> <li>The provision of a new activated through-site-link with passive surveillance from residents above would encourage walkability in the Peninsula and establish a better relationship between this site and the existing Light Rail and future Metro.</li> </ul>
<p>DIRECTION #8</p>  <p><b>Building now for a sustainable future</b></p>	<ul style="list-style-type: none"> <li>The current site is occupied by aging housing stock that does not meet current best practice standard for sustainable development.</li> </ul>

Direction	Assessment
	<ul style="list-style-type: none"> <li>Any future development on site would be developed in accordance with best practice BASIX and NABERS targets relating to emissions, building performance, water, greening, waste and resilience.</li> </ul>
<p>DIRECTION #9</p>  <p><b>Great homes that can suit the needs of more people</b></p>	<ul style="list-style-type: none"> <li>Pyrmont is socially diverse and as the area grows, diverse and inclusive housing will be paramount.</li> <li>In the current context, the City West Affordable Housing Program applies and the affordable housing contribution rates for the permissible FSR are 0.8% of the total floor area of the development that is intended to be used for residential purposes, and 1.1% of the total floor area of the development that is not intended to be used for residential purposes.</li> <li>The site and a future proposal presents an opportunity to deliver new residential housing stock including a substantial contribution of affordable housing.</li> </ul>
<p>DIRECTION #10</p>  <p><b>A collaborative voice</b></p>	<ul style="list-style-type: none"> <li>The Proponent supports the Department's precinct planning approach.</li> <li>The Proponent is committed to ensuring gender inclusive design and opportunities to increase participation by women and children in the design process and the built form outcomes.</li> </ul>

## Conclusion

This letter has been prepared by Ethos Urban on behalf of [REDACTED]. This submission is the culmination of over 12 months of work with the project team and liaison with the Department and Council.

We kindly request that the Department considers this submission in the next stage of the implementing the Subprecinct Master Plans. This submission along with previous detailed consultation and submissions to the Department demonstrates the site possesses significant strategic merit and is capable of development uplift to deliver on the intent and aspirations of the Pyrmont Peninsula Place Strategy. In this regard, we commend the Department for reevaluating the site, and nominating it as a site capable of change under Section 3.3 of the Implementation Plan.

The further progression of the Draft Subprecinct Master Plans with consideration of the industry submissions will provide greater certainty for property and economic decisions being made within global Sydney. We encourage the Department to continue to work with Council and relevant landowners to ensure the site's that have been nominated as capable of change are supported for redevelopment.

We look forward to any opportunity to work with the Department and Council to pursue this significant opportunity to assist in realising the directions and objectives of the groundbreaking Pyrmont Peninsula Place Strategy and the associated Subprecinct Master Plans. Should you require any additional information, or should you have any queries about this matter, please do not hesitate to contact the undersigned.

Yours sincerely,



**Luke Feltis**  
Principal, Planning