



4 February 2022

Department of Planning and Environment
4 Parramatta Square
12 Darcy Street
Parramatta NSW 2150

Dear Sir/Madam,

Re: Proposed Pymont Peninsula Special Infrastructure Contribution

Thank you for the opportunity to contribute towards the proposed introduction of a new Special Infrastructure Contribution (SIC) across the Pymont Peninsula. We understand the proposed SIC is intended to help fund the delivery of a new metro station at Pymont.

The NSW planning system is undergoing considerable change, including in relation to contributions reform. Care and attention need to be made to ensure there are no unintended consequences that could make the viability of projects very difficult and restrict the deployment of capital by organisations in Central Sydney – which will be crucial in the recovery from the COVID-19 pandemic.

While there is agreement on the need to ensure infrastructure keeps pace with growth to sustain a resilient city with a strong community, economy and high standard of living, Mirvac cautions against the introduction of new levies – especially in the context of existing committed projects.

It is recommended that the quantum and cumulative impacts of layered contributions and their effect on project viability is carefully considered by the Department in order to ensure that the overall cost of contributions does not stifle development and place further pressure on employment growth and housing supply.

Mirvac Overview

Mirvac is one of Australia's leading and most innovative property groups, playing a vital role in the evolution of our cities to create places that enrich the home, work and social lives of thousands of Australians.

Our goal is to add value to Australia's cities through innovative and high quality design, development, asset management and construction, with the group committed to operating in a manner which is socially, environmentally and economically sustainable in order to leave behind a lasting, positive legacy.

Mirvac's vision is to set the standard as a world-class Australian property group, harnessing talent to reimagine urban life wherever we build, manage and operate. We are in a unique position to deliver office and industrial workplaces, shopping precincts and residential communities that meet the requirements of all stakeholders including communities, governments, local businesses and customers.

Our development decisions are focused on the need to deliver the right outcomes in the right places, a strategy that has seen Mirvac build a strong reputation across Australia.

Key Concerns with Proposed SIC

The focus of Mirvac's concerns in relation to the proposed SIC relates to its timing and application.

The decision to build a new Metro station at Pyrmont was not made until December 2020, including broad details around a proposed SIC to support funding for the new metro station.

Mirvac has a number of projects underway or in the pipeline including most notably the proposed \$700k+ revitalisation of the Harbourside Shopping Centre in Darling Harbour into a world class mixed use precinct. The development plans for Harbourside for example have been in the works since 2015, with the first stage of the development (Concept Proposal and demolition early works) originally submitted in 2016 and approved in June 2021.

The proposed approach to implementing the SIC is not considered to be reasonable and will have an adverse impact on the Harbourside redevelopment which is proposed to provide significant public benefit.

The Feasibility Analysis prepared by Atlas Urban Economics in support of the SIC includes a number of recommendations that have not been adopted by the Department. Mirvac would strongly recommend that the Department reconsider its position with respect to applying the SIC to existing committed projects, including taking on the advice of Atlas.

Mirvac accordingly makes the following recommendations to the Department as part of its consideration in finalising the proposed SIC:

- 1. There should be a 12-month transition period before the SIC commences in order to enable the market time to adjust**

It is noted that the SIC is proposed to be phased in (50% year one, 75% year 2, and 100% year 3+), however this approach does not give the market sufficient time to adjust as investment decisions already made and committed will be unfairly impacted. A 12-month delay to the commencement of the SIC (phased or otherwise) is considered to be a more reasonable approach.

- 2. Expanded savings and transitional provisions**

Development applications lodged prior to commencement of the SIC (including 12-month transition period as above) should be protected and the SIC excluded from applying. Clarity should also be provided around the approach to phasing the SIC, with the trigger being lodgement of a DA (i.e. not approval).

It is noted that existing development approvals are to be protected and will not be subject to the SIC. Mirvac proposes that this be expanded to cover the protection of Concept Proposals approved under Section 4.22 of the EP&A Act as well as all subsequent stages of the approved Concept Proposal.

These key changes would ensure sites already purchased and developments already in the pipeline and underway (such as Harbourside) to be progressed and delivered.

- 3. An offset be applied for existing floorspace**

Consistent with the existing broader SIC framework in place that recognise existing buildings floorspace for offset against SIC payments, an offset for the SIC is supported for existing floorspace in order to assist with proportionality of impact.

Conclusion

The proposed new Metro Station at Pymont will no doubt benefit the area and significantly improve accessibility.

There needs to however be a suitable balance and approach to finding a way to fund the station that does not unfairly place a financial burden on existing committed and progressed projects, such as Mirvac's plans for the redevelopment of Harbourside which have been in the planning phase for over 6 years.

It is strongly recommended that the Department pauses and listens to industry feedback on the introduction of the proposed SIC, as it has the potential to adversely impact market fundamentals.

We appreciate the opportunity to provide this feedback and would welcome the opportunity to meet in order to provide further detailed feedback and insights that may hopefully guide the Department towards reviewing its approach to implementing the Pymont SIC.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'S Healy', is positioned above the printed name.

Simon Healy
Group General Manager, Commercial & Mixed-Use Development
Mirvac